



Media Influence on Telecom Purchases

Nearly 1 in 3 Americans is planning to switch mobile providers or buy a new phone. What influences their choices of mobile phones and plans? Where does digital media fit in the consumer journey?

Oct. 2017

Methodology

IAB conducted a custom analysis of syndicated Prosper Insight data to look at the consumer purchase plans and media behaviors of US consumers around Telecommunications Services and Mobile Phones. The study compared the purchase plans and influence of various media types on US Adults 18 and older.

The report is derived from the Prosper Insights & Analytics Monthly Consumer Study (July 2017) of 7,266 US adult respondents surveyed online with a focus on Mobile and telecom purchase plans. This is supplemented by data from the annual 2017 Media Behaviors & Influence™ (MBI) Study of 16,644 US adult respondents surveyed online with a focus on media influence and behaviors among the general adult US population (16,664 respondents). The studies have a margin of error of 1% at a 99% confidence level.

Sample Sizes

- **Prosper Insights & Analytics Annual Media Behaviors & Influence™ (MBI) Study**
 - **16,644 Adults 18+** representative of the general US population
- **Prosper Insights & Analytics Monthly Consumer Survey** conducted online in July 2017
 - **7,266 Adults 18+** representative of the general US 18+ population

About Prosper Insight™

Prosper Insight delivers customized timely market intelligence from various sources through its cloud-based technology-driven Integrated Solutions Platform. Solutions are delivered on multiple devices (PC/Tablet/Smartphone) through the InsightCenter™ tool using diverse information sources relevant to clients' business needs.
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Summary

Current Mobile Plan and Future Plans

- Nearly one-third of US adults (31%) are planning to buy a new mobile phone or switch providers in the next 12 months.
- The contract plan is the most popular current mobile plan. Many are considering a contract plan for their next phone but there is strong interest in monthly plans. Nearly as many are considering a monthly plan as are considering a contract plan.
- The average mobile phone bill is \$90.54 per month.
- Pricing is the #1 reason for switching providers, followed by data and coverage.

Top Features Sought in their Next Phone

- The most important attribute of a new smartphone is that it's a trusted brand, followed closely by price. Camera quality is the #3 most important consideration in a new phone.
- 56% are considering an Android OS and 49% an iOS.
- iPhone tops the list of smartphones under consideration, followed by Samsung Galaxy.

The Role of Digital Media in Consumers' Shopping Habits and Purchase Influence

- Consumers research Electronics products like smartphones online, providing digital marketing and advertising opportunities. Roughly 9 in 10 consumers research online before buying with 40% of the general population having researched Electronics online in the past 90 days.
- While they're researching online, consumers are likely to encounter digital ads which influence their Electronics and Telco purchases such as smartphones and mobile plans.
- The Internet is the #1 influence on consumers' Electronics purchases: 39% report being influenced by the Internet.

Summary

The Role of Digital Media in Consumers' Shopping Habits and Purchase Influence

- Other digital media also influences Electronics:
 - Email influences the Electronics purchases of roughly 1 in 5 US adults
 - Social Media influences the Electronics purchases of 18% of US adults
 - Digital/Mobile Video influences 17% of US Adults in their purchases of Electronics
- Similarly, the Internet is the #1 influence on consumers' Telecommunications Services purchases with digital formats among the top 10:
 - Roughly 1 in 5 US adults say the Internet influences their Telecom service purchases like mobile phone plans.
 - The Internet is more influential than TV in these purchases.
 - Other digital media types like Social, Mobile and Email also play a role in influencing Telco purchases.

All Roads Lead to Digital

- Both online and offline media inspires search: 8 in 10 consumers turn to online search after seeing an ad in any media, digital or traditional.
- Over one-third seek purchase advice from product reviews, providing opportunities for online ads and native advertising.

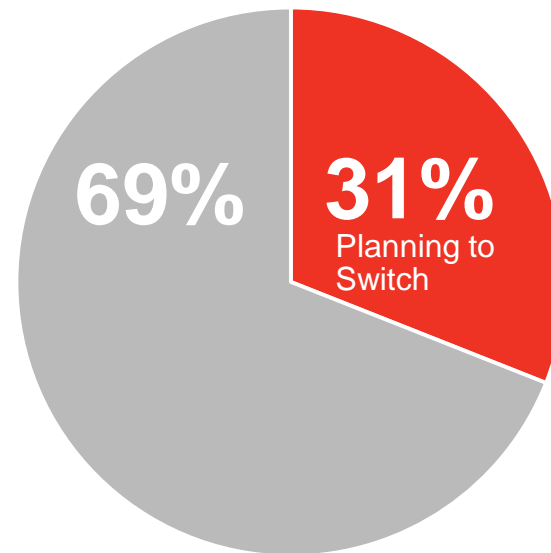
Sharing, Social Media and Native Advertising

- Most consumers (80%) both seek and give product advice.
- While product recommendation conversations happen privately, some consumers have them in public forums like social media, brands' social media pages, product reviews and blogs.), providing opportunities for social and native advertising to these consumers.
- Almost one-quarter of consumers seek product advice from Facebook friends.
- 15% of consumers give purchase advice publicly online on friends' Facebook pages and 12% write reviews or post to brands' pages, emphasizing the importance of reaching consumers in a way that translates positively in these proactive digital forums.
- Savvy marketers can tap into these public conversations to influence brand perceptions and purchase decisions. Marketing to these channels not only can have the added benefit of sharing positive brand information but it can also prevent the proliferation of negative reviews of brands.

Nearly One-Third of US Adults Are Planning to Buy a New Mobile Phone or Switch Providers in the Next 12 Months

Are you planning on getting a new mobile phone (Cell Phone or Smartphone) or switching providers in the next 12 months?

Planning to Switch Mobile Providers or Phones US Adults 18 and Older

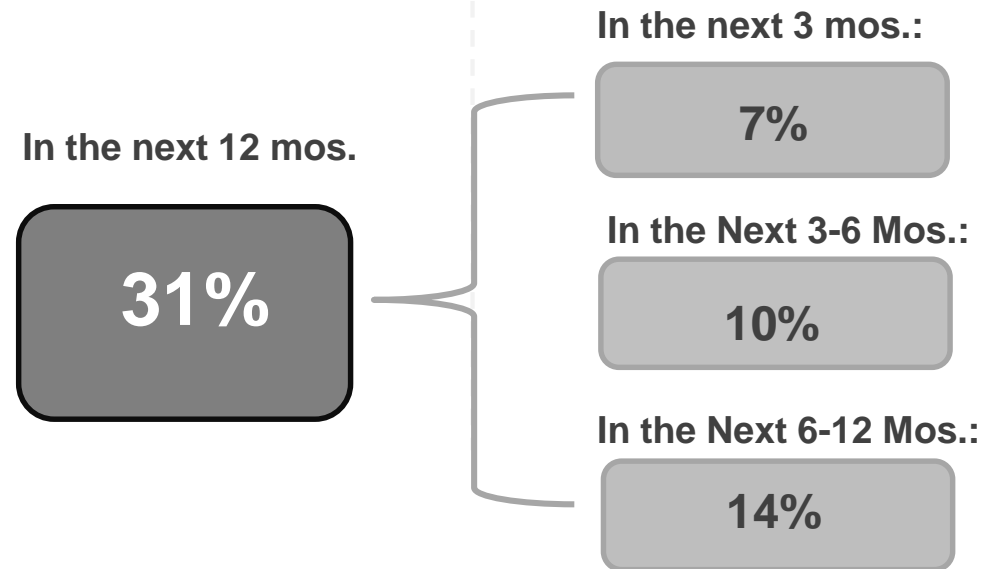


- Planning to buy a new mobile phone or switch providers
- Not planning to do so

Most of Them are Planning to Switch in the Next 6-12 months

Are you planning on getting a new mobile phone (Cell Phone or Smartphone) or switching providers...

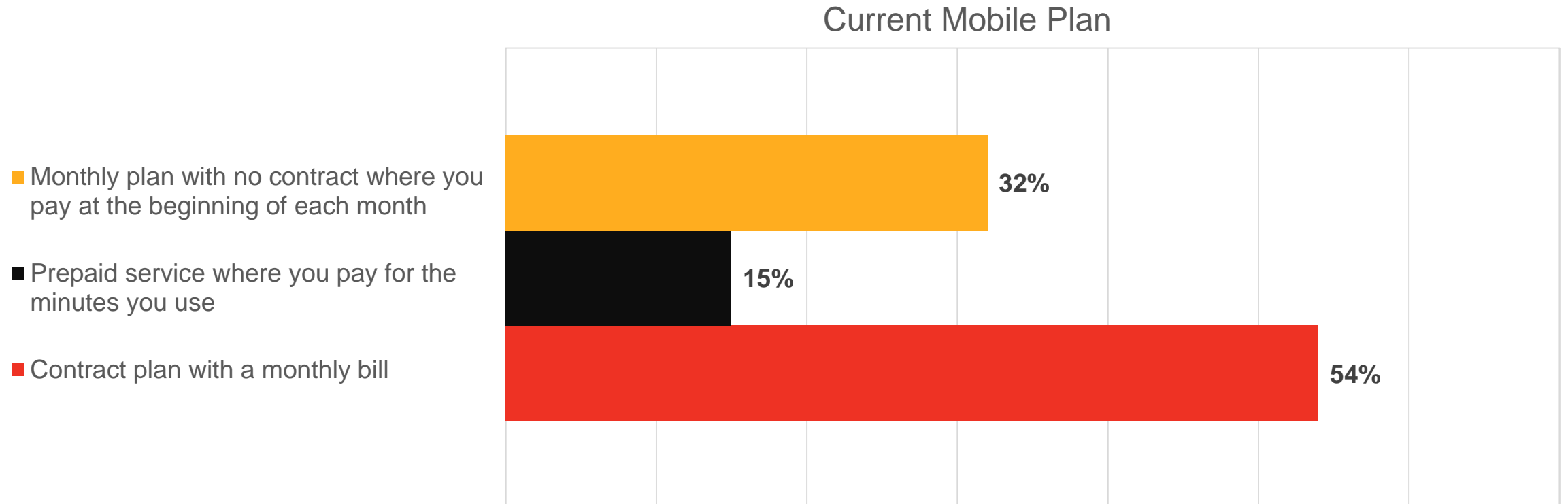
**Plan to Buy a New Phone
or Switch Providers
in the Next 12 Months:**
(US Adults 18 and Older)



Over Half of Consumers Currently Have a Contract Plan

- Nearly one-third have a monthly plan with no contract

Use Smartphone or Cell Phone: Which statement best describes your current mobile phone service?



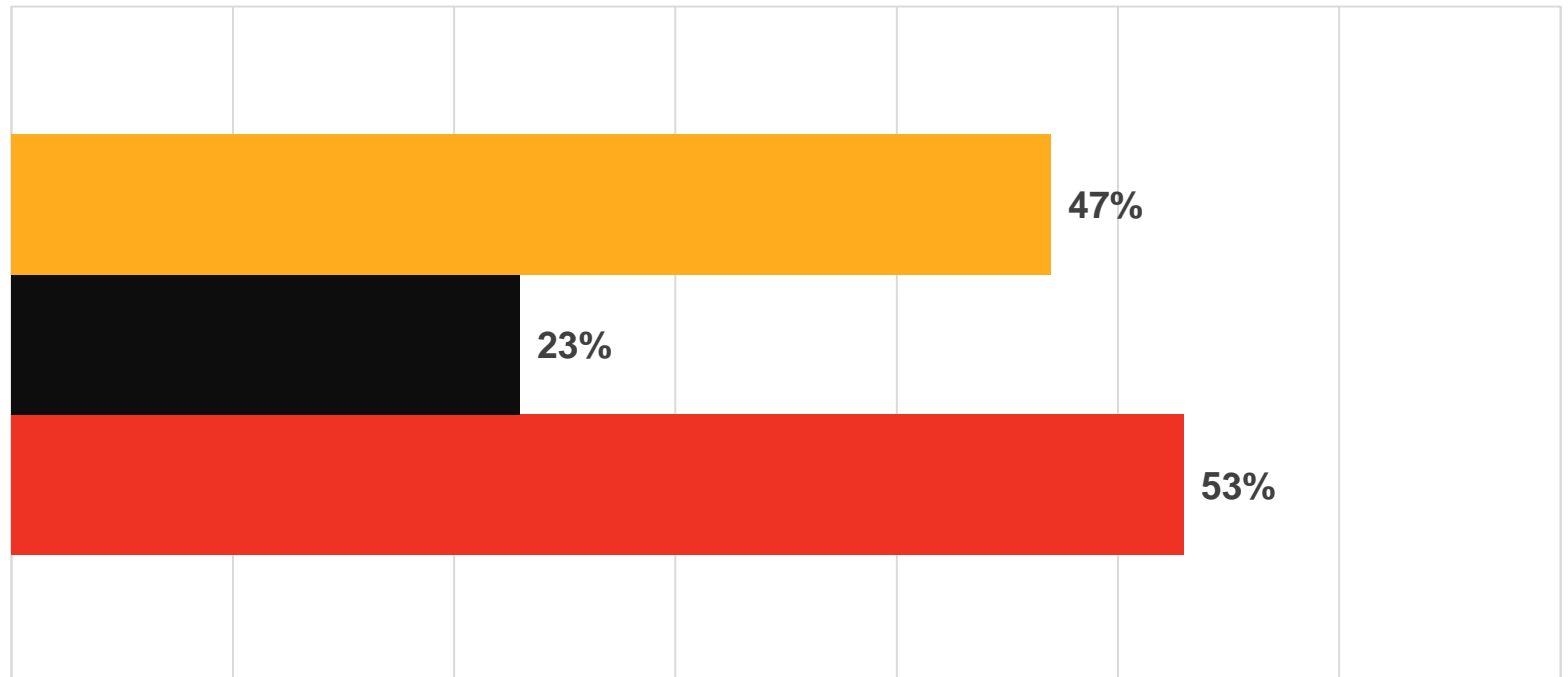
Consumers Show Strong Interest in Both Contract Plans and Monthly Plans

- Almost as many are considering a monthly plan as are considering a contract plan

Use Smartphone or Cell Phone: Which mobile phone services would you be willing to consider in the future? (Check all that apply)

Future Mobile Plans Under Consideration

- Monthly plan with no contract where you pay at the beginning of each month
- Prepaid service where you pay for the minutes you use
- Contract plan with a monthly bill



Motivations & Considerations

Mobile Plan and Phone Features Sought

The Average Mobile Phone Bill is \$90.54 Per Month

Use Smartphone or Cell Phone: What is your average mobile phone bill per month?

**Average Mobile Phone
Bill per Month:**

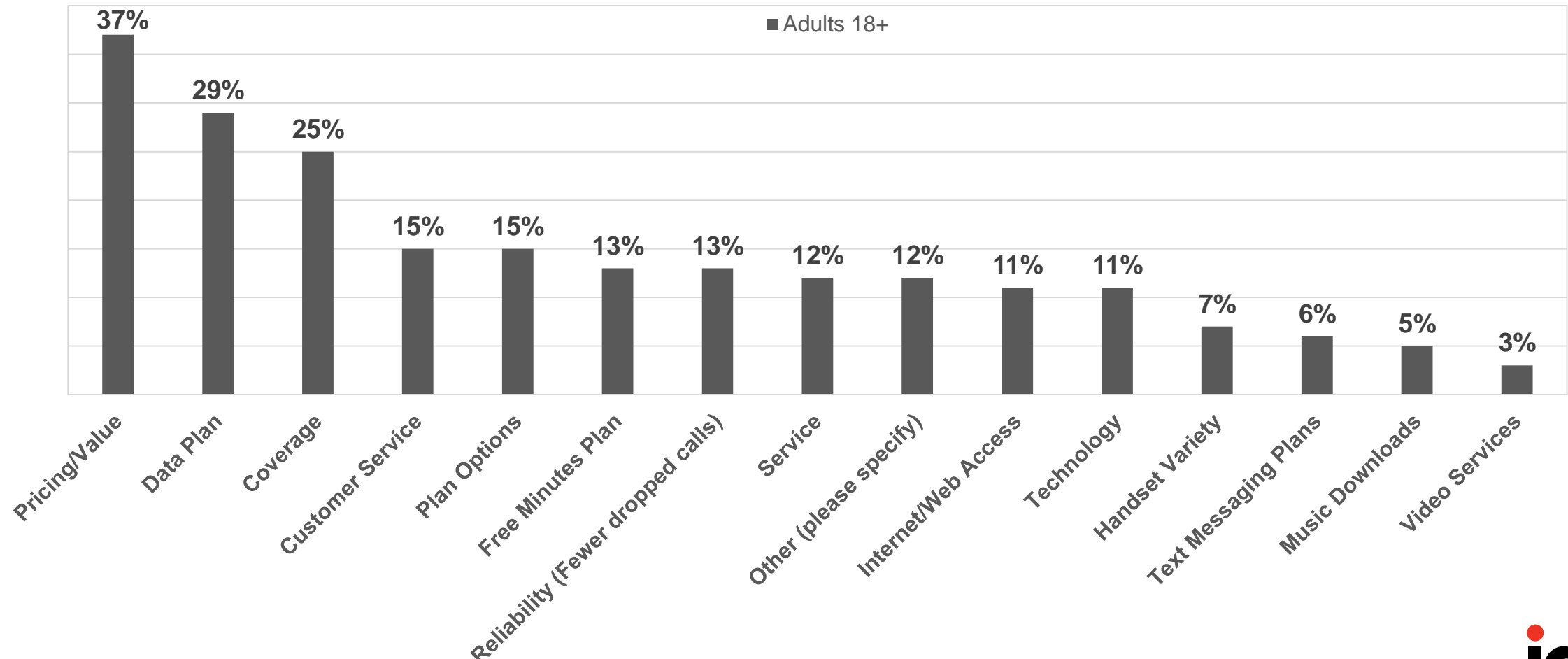
**US Adults
18 and Older**

\$90.54

Pricing is the #1 Reason for Switching Providers, Followed by Data and Coverage

Planning to Switch Service Providers: Why are you considering switching mobile phone service providers? I want better... (Check all that apply)

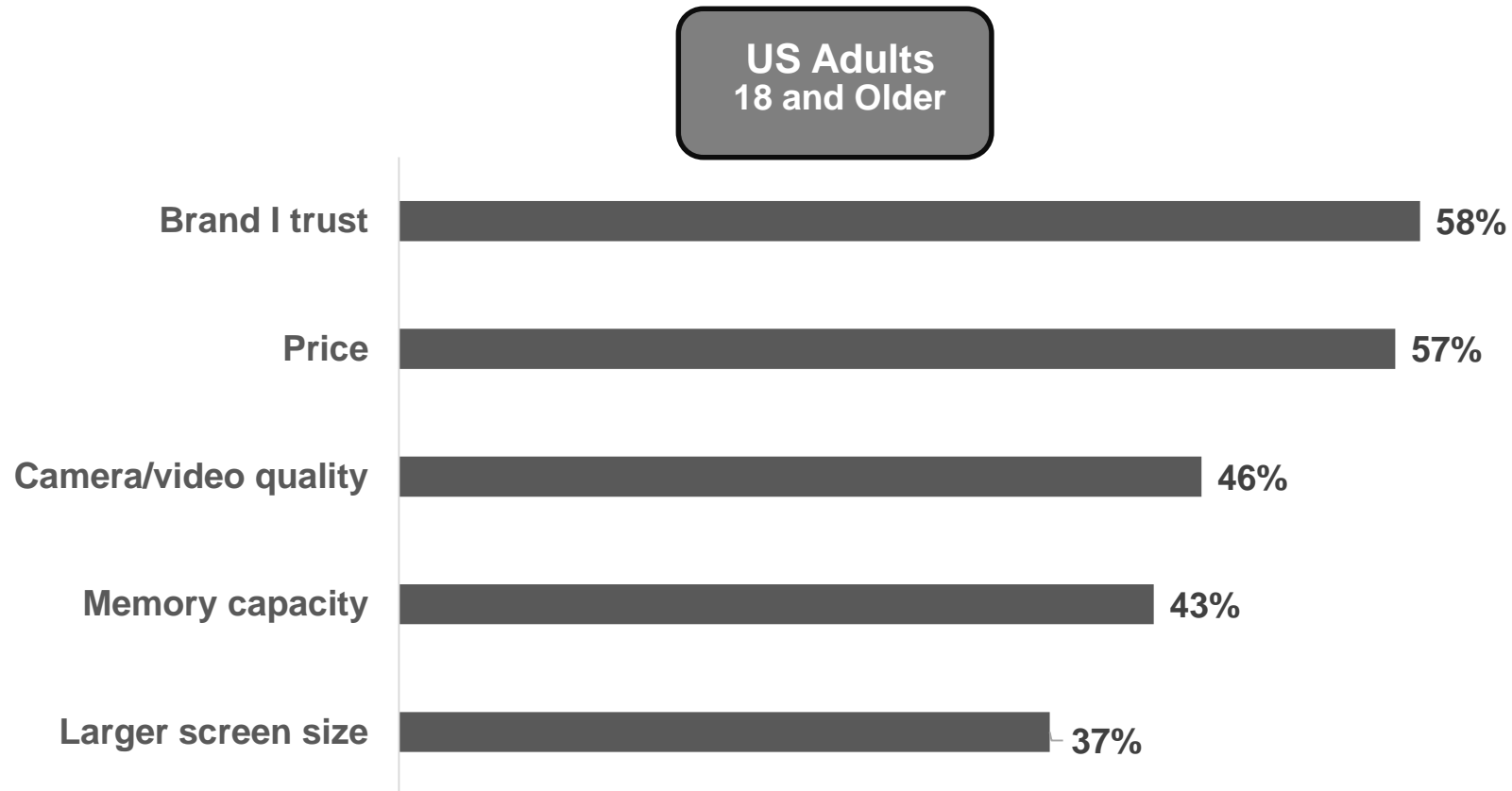
Reasons for Switching Providers



The Most Important Smartphone Attribute is That It's a Trusted Brand

- Price is almost as important in choosing a smartphone
- The third most important smartphone attribute is camera quality

Considering Smartphone: Which of the following Smartphone features or attributes are most important to you as you consider a Smartphone purchase? (Check all that apply)



Android is the Most Likely Smartphone OS Under Consideration Followed by iOS

Considering Smartphone: Which of the following Operating Systems are you considering? (Check all that apply)

**The sum of the % totals may be greater than 100% because the respondents can select more than one answer.*

OS Under Consideration:

US Adults
18 and Older

Android

Android
56%

Apple iOS

iOS
49%

Windows

10%

Blackberry

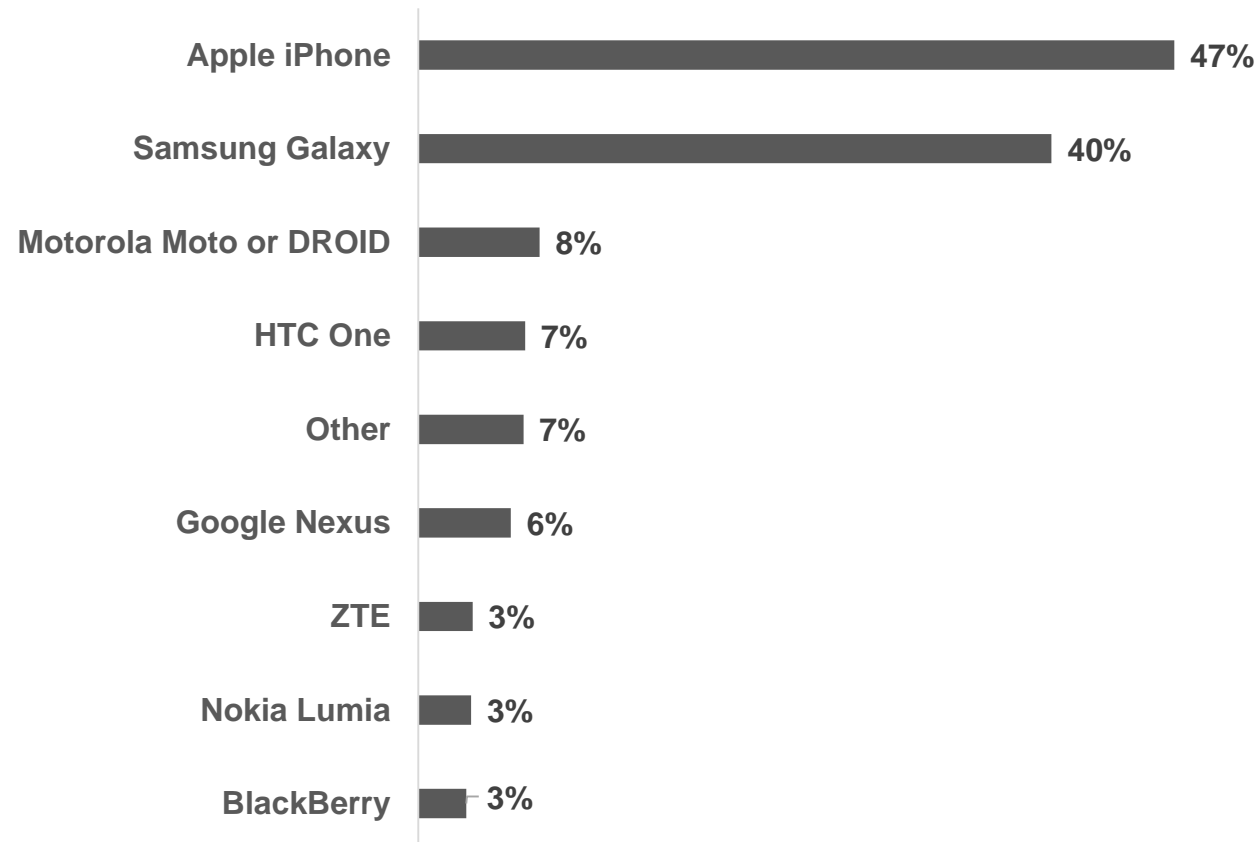
3%

iPhone Tops the List of Smartphones Under Consideration, Followed by Samsung Galaxy

- ▶ Less than 10% are considering smartphones other than an iPhone or Galaxy

Considering Smartphone: Which of the following Smartphones are you considering purchasing? (Check all that apply)

**The sum of the % totals may be greater than 100% because the respondents can select more than one answer.*



Media Influence

Digital Media's Influence on Consumers' Telco and Electronics Purchases

Nearly 9 in 10 Consumers Research Products Online Before Buying

40% of consumers researched electronics products like smartphones online in the past 90 days

Consumers Research Electronics Products Like Smartphones Online,
Providing Digital Marketing and Advertising Opportunities

*How often do you research products online before purchasing them in person or in a store?
(Regularly means routinely, as a set pattern; Occasionally means no set pattern, as mood suits)
Over the last 90 days, which types of products did you research online before buying them in person? (ELECTRONICS)*

US Adults
18 and Older

Research Products
Online Before Buying:
(Regularly or Occasionally)

88%

Researched Electronics
Online in the Past 90 Days:

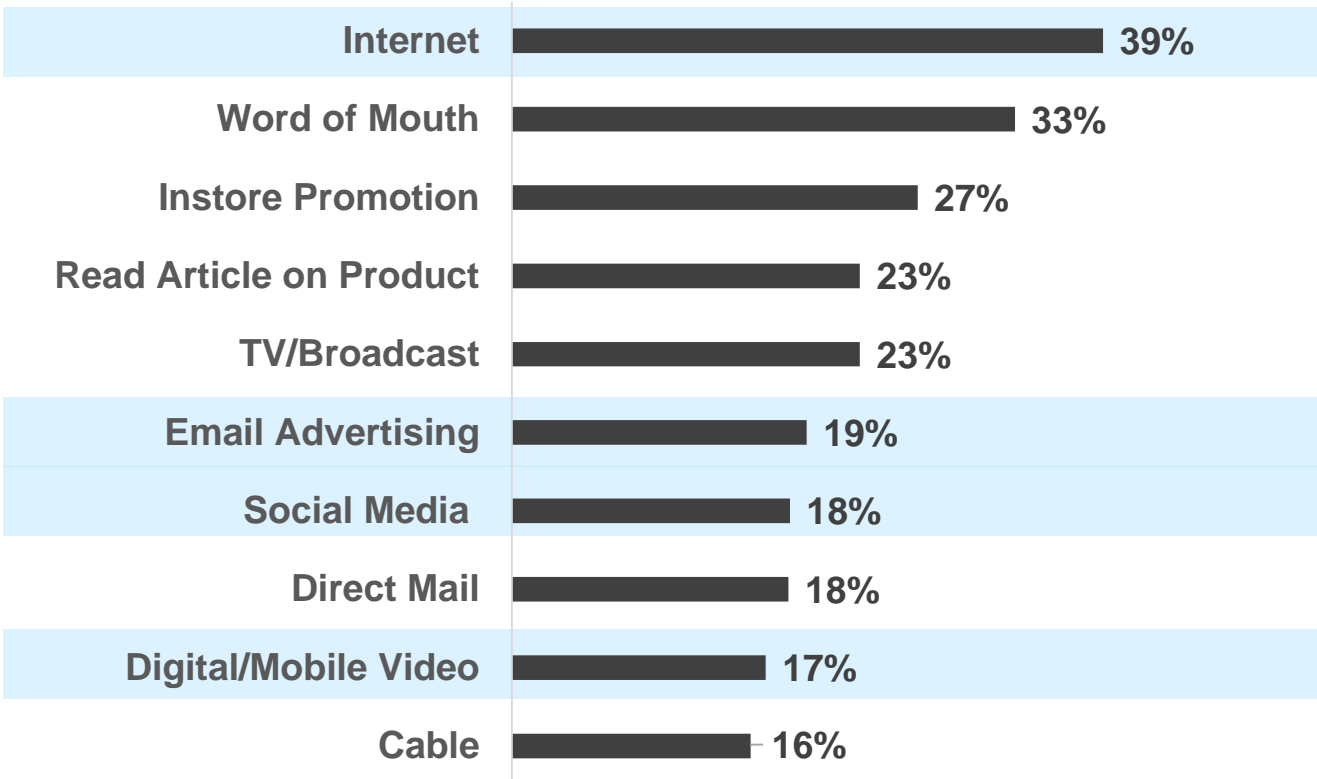
40%

The Internet is the #1 Influence on Consumers' Electronics Purchases

- Roughly 2 out of 5 US adults say that the Internet influences their purchase decisions of electronics products like smartphones
- Other digital media types also rank among the top 10 in electronics purchase influence:
- Roughly 1 in 5 US adults say that email ads, social media and digital/mobile video influence their electronics purchases

Top 10 Media Influences on Electronics Purchases

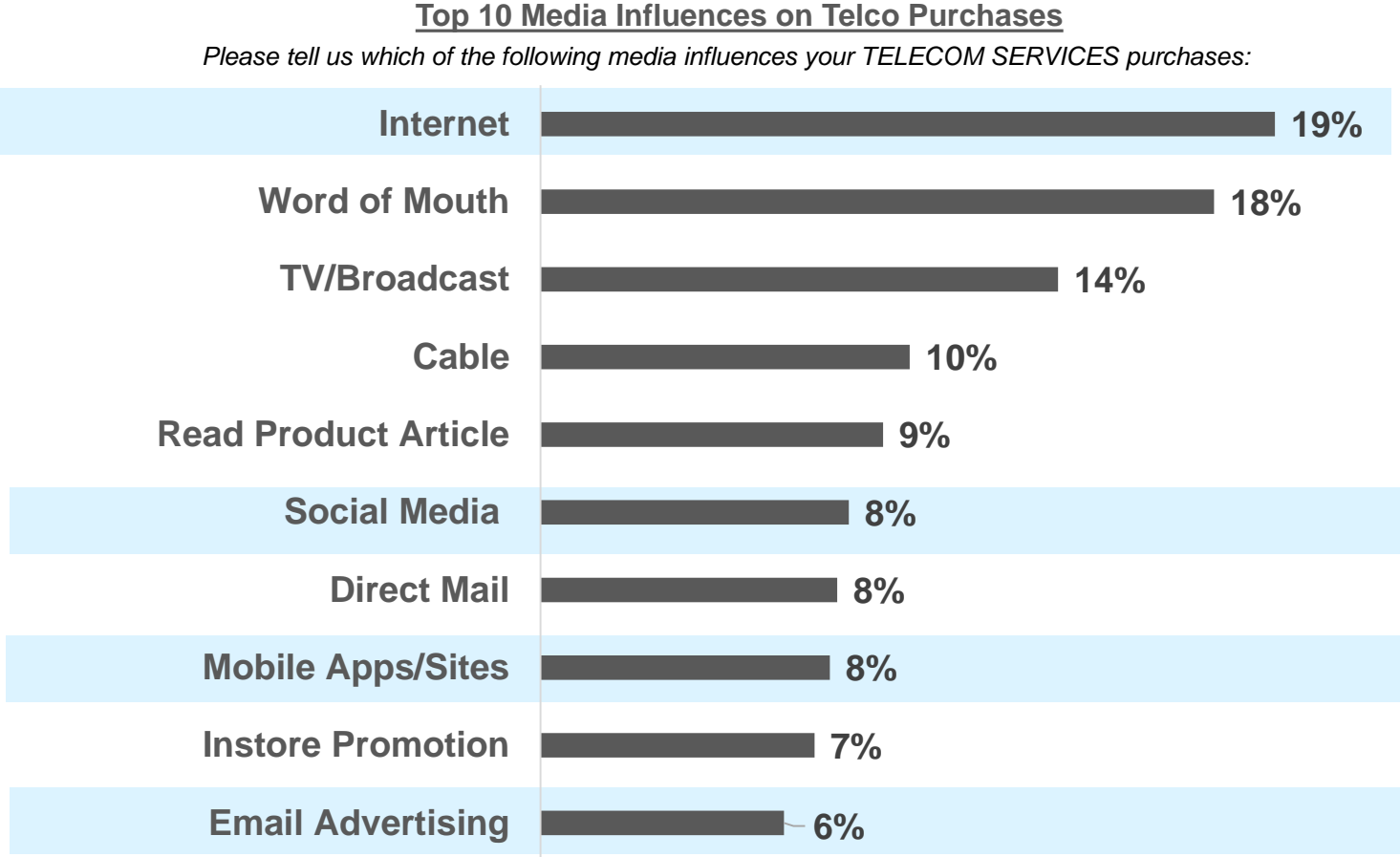
Please tell us which of the following media influences your ELECTRONICS purchases: (Adults 18+)



Nearly 9 in 10 consumers go online to research products before buying, providing opportunities to reach them through digital advertising which influences their electronics purchases.

The Internet is the #1 Influence on Consumers' Telco Purchases With Digital Formats Among the Top 10

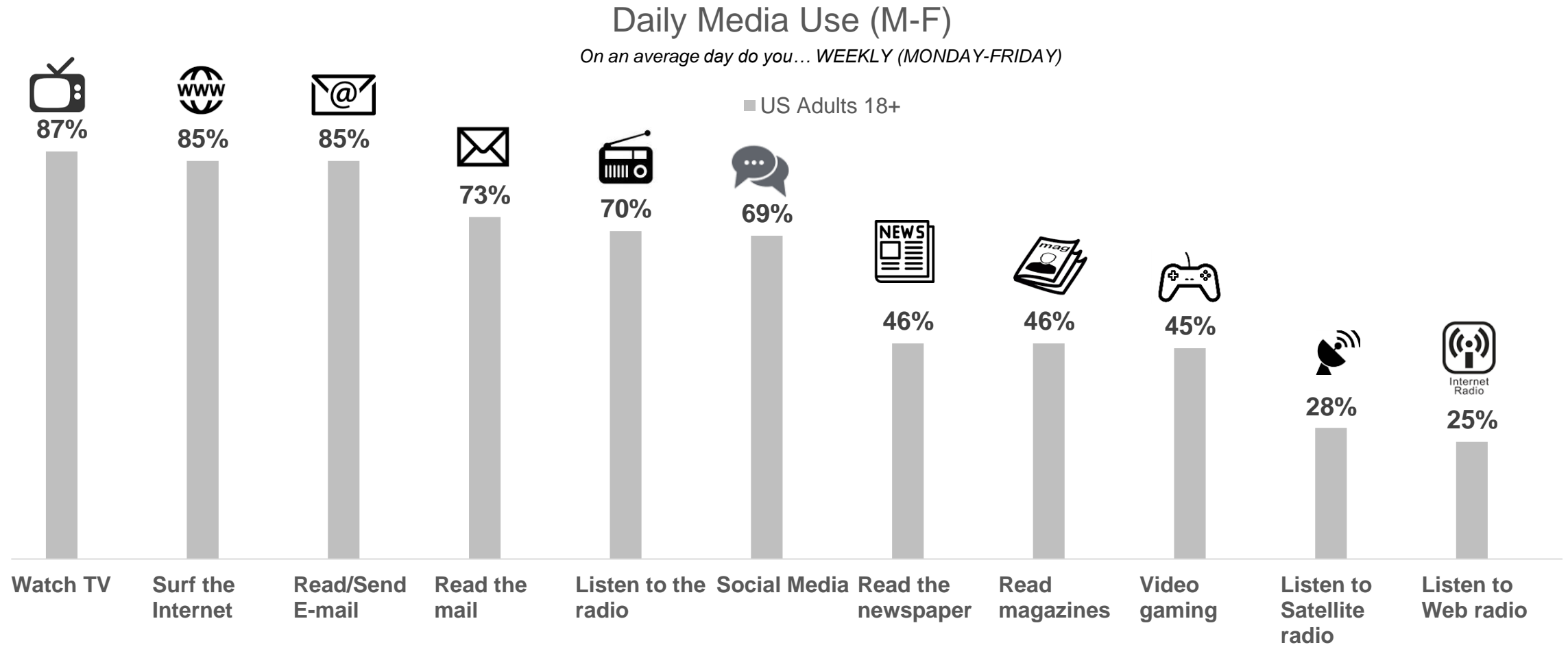
- Roughly 1 in 5 US adults say the Internet influences their purchases of telecom services like mobile phone plans
- Other digital media types like social, mobile and email advertising play a role in telecom purchases



Nearly 9 in 10 Consumers Research Online Before Buying, Providing Opportunities to Influence them with Digital Advertising.

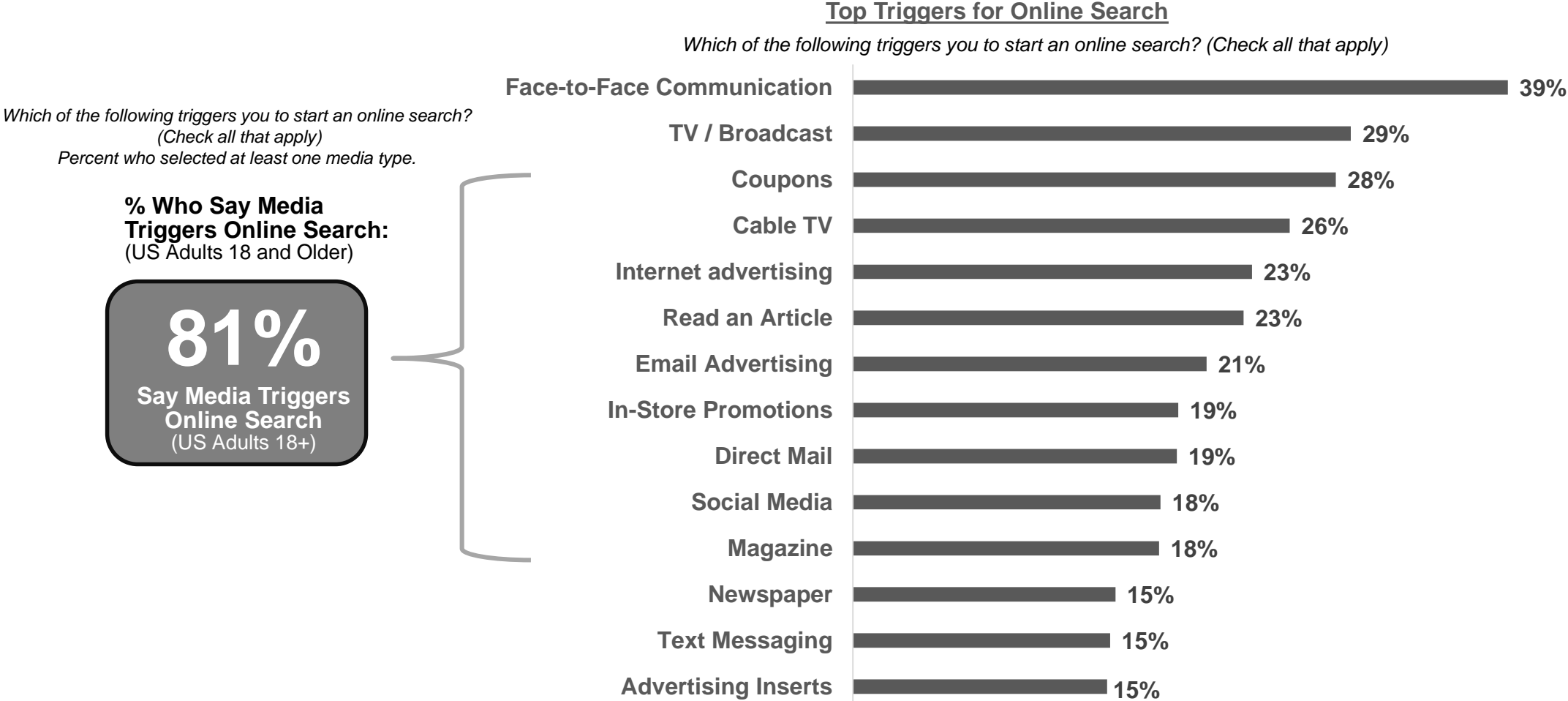
Consumers Take in Both Traditional and Digital Media Daily

Illustrating the Importance of Cross Media Advertising



All Roads Lead to Digital: Digital and Traditional Media Inspires Search, Bringing Consumers Online

8 out of 10 consumers turn to online search after seeing an ad in any media, whether digital or traditional



Most Seek Purchase Advice Before Buying; Over One-Third Seek Purchase Advice from Product Reviews

80%

of US Adults Seek Purchase Advice from Others Before Buying a Product (Regularly or Occasionally)

How Seek Product Advice Before Purchasing

■ US Adults 18+

When you purchase products or services, do you seek advice from others before buying?
(Regularly means routinely, as a set pattern; Occasionally means no set pattern, as mood suits)
How do you seek advice from others about products and services before buying? (Check all that apply)

Consumers Seek Purchase Advice Online, Providing Opportunities for Social and Native Advertising



In Turn, 8 in 10 Consumers Give Product Advice, Sometimes Online in Public Forums

80%

of US Adults Give Purchase Advice to Others After Buying a Product (Regularly or Occasionally)

Do you give advice to others about products or services you have purchased?

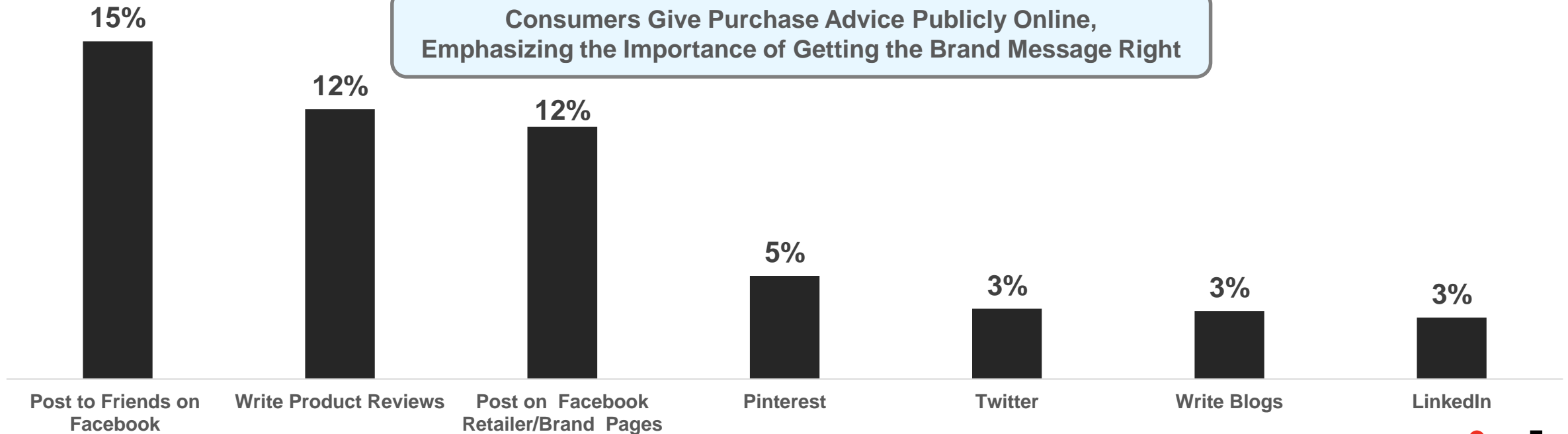
(Regularly means routinely, as a set pattern; Occasionally means no set pattern, as mood suits)

How do you give advice to others about products and services you have purchased? (Check all that apply)

How Consumers Give Product Advice

■ US Adults 18+

Consumers Give Purchase Advice Publicly Online, Emphasizing the Importance of Getting the Brand Message Right



Implications

How to Reach Consumers In Market for Mobile Phones and Plans

- **Nearly 1 in 3 US adults is planning to switch their mobile plan or phone in the next 12 mos. Pricing is the #1 driver for mobile plan change with nearly as many considering a monthly plan as a contract plan. Brand is of #1 importance for smartphone selection.**
- **Given these drivers, savvy marketers need to know where to best reach these consumers. Most consumers (88%) research online before buying and most (81%) turn to online search after seeing an ad in any media, whether digital or traditional. Additionally, most (80%) both seek and give product info online. All of these factors reinforce the importance of advertising on digital media channels, which is where consumers go when they are interested in buying a new smartphone or mobile plan.**
- **Digital is not only where consumers go when they shop for products. Digital is also a top influence in consumers' purchases of electronics products like smartphones and telecom services like mobile plans, with the internet at #1. More consumers say that the internet influences these purchases than any other media type. Other digital media like email, social media, video and mobile are also among the top 10 in influencing consumers' electronics and telecom purchases.**
- **Marketers and advertisers need to include a variety of digital channels in their campaigns in order to effectively to reach and influence consumers shopping for mobile phones and plans. Since consumers are empowered to both seek out and give product advice online, it's also important to reach them on social and native channels and to get the messaging right.**



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Questions?

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