SMARTPHONE LAUNCH CAMPAIGN

Australia | 2017
CONTENT

Timing is everything

Changing landscape

Details matter
## TAKEAWAYS

### Timing is everything

- New device arrivals follow 3 key stages: pre-announcement, pre-order and release. Consumer searches align to these phases.
- There is a relatively short window of opportunity to capitalise on increased demand.
- The launch of new phones rekindles demand for previous models.

### Changing landscape

- Smartphone penetration peaking in Australia, however market still growing due to upgrades and older consumers purchases. Purchase intent for smartphones increased 123% in 2016 among Bing users.
- iPhone retention declining and now almost at parity with Samsung.
- Telcos becoming dominating outlet for new smartphones.

### Details matter

- Purchasing a smartphone is a deeply considered process and research spans across multiple areas.
- Searches for features, specs, accessories, wearables, reviews and phone plans follow different seasonality.
- Savvy shoppers research information on reviews, upgrade and switching during this stage.
Timing is everything
If there’s one thing that’s consistent in tech throughout the years it’s iPhone hype.
New device arrivals follow three key stages

Pre-announcement, pre-order and release (+sustain)

SOURCE
Microsoft internal data, Australia, all devices, Jul. 31 – Nov. 5, 2016. Note: Queries containing iphone 7.
Short window to capitalise on the new device demand

**iPhone 7 shoppers were actively engaged for 5 months**

SOURCE
Short window to capitalise on the new device demand

During an 18-month period, 54% of searches happened between Aug. – Dec. 2016

MONTHLY SEARCH VOLUME, IPHONE 7

SOURCE
CPC increases in pre-order week and peaks 3 weeks after

Cost-per-click weekly trend during iPhone 7 release

WEEKLY CPC, IPHONE 7, 2016

SOURCE
Microsoft internal data, Jul. 31 – Nov. 5, 2016, Australia only, all devices. Note: Queries containing iphone 7.
Halo effect impacts demand for previous iPhone model

iPhone 6 searches increase after the release of iPhone 7

MONTHLY SEARCH VOLUME, IPHONE 6 AND IPHONE 7

SOURCE

2016
Announcement, 7th Sep.
Pre-order, 9th Sep
Release, 16th Sep

2017
1.2 Million Bing users in Australia would consider changing to Samsung in the next 12 months.
Samsung flagship follows the same three key stages

**Galaxy S8 demand increases in the lead up to launch**

WEEKLY SEARCH VOLUME, SAMSUNG S8, 2017

- **Pre-announcement**
- **Announcement, 29th Mar.**
- **Pre-order 31st Mar.**
- **On sale, 28th Apr.**

**SOURCE**
Short opportunity window for new Samsung devices

Galaxy S8 shoppers were actively engaged for a period of 3 months

MONTHLY SEARCH AND CLICKS VOLUME, S8

Announcement, 29th Mar.
Pre-order 31st Mar.
On sale, 28th Apr.

SOURCE
Peaks in search demand for previous Samsung handset

Search demands shifts from S7 to new S8 model one month prior release

MONTHLY SEARCH VOLUME, SAMSUNG S7-S8

Announcement, 21st Feb.
On sale, 11th Mar.

Galaxy S7 + Gear Fit 2 bundle ATL campaign

Announcement, 29th Mar.
Pre-order 31st Mar.
On sale, 28th Apr.

SOURCE
Release date is important for Samsung consumers

Keywords related to unpacked, launch and release capture early adopters’ attention

WEEKLY SEARCH VOLUME, SAMSUNG, 2017

Announcement, 29th Mar.
Pre-order 31st Mar.
On sale, 28th Apr.

Mostly driven by query “samsung s8 release date australia”

SOURCE
Microsoft internal data, Australia, all devices, Jul. 31 – Nov. 5, 2016. Note: Query volume contains release date and launch.
### Raise awareness and hype around announcement

<table>
<thead>
<tr>
<th><strong>INSIGHTS</strong></th>
<th><strong>ACTIONS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>New device launch follows 3 stages.</td>
<td>• Phase your budget according to each stage. Allocate 10% to pre-announcement, 30% to pre-order and 60% for release.</td>
</tr>
<tr>
<td>Short window of increased demand.</td>
<td>• Create remarketing lists to re-connect with searches who showed interest in the pre-launch phase.</td>
</tr>
<tr>
<td>Re-kindled interest for older models.</td>
<td>• Feature count-down ads for livestream announcement events.</td>
</tr>
<tr>
<td></td>
<td>• Leverage Sitelink Extensions to link to flagship retail stores.</td>
</tr>
<tr>
<td></td>
<td>• Ensure high visibility to capitalise on increased demand.</td>
</tr>
<tr>
<td></td>
<td>• Leverage searches for older models towards new flagship model.</td>
</tr>
<tr>
<td></td>
<td>• Remarketing to people who showed interest in older models for upgrades.</td>
</tr>
</tbody>
</table>
Changing landscape
Smartphone penetration is approaching its peak

Penetration rates in Australia are likely to slow in the years after 2017

SMARTPHONE USER PENETRATION, % MOBILE PHONE USERS, AUSTRALIA

<table>
<thead>
<tr>
<th>Year</th>
<th>Penetration Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>77.0%</td>
</tr>
<tr>
<td>2017</td>
<td>78.5%</td>
</tr>
<tr>
<td>2018</td>
<td>79.6%</td>
</tr>
<tr>
<td>2019</td>
<td>80.2%</td>
</tr>
<tr>
<td>2020</td>
<td>80.5%</td>
</tr>
<tr>
<td>2021</td>
<td>80.6%</td>
</tr>
</tbody>
</table>

SOURCE
eMarketer, Smartphone User Penetration in Asia-Pacific by Country, April 2017. Note: Individuals of any age who own at least one smartphone and use the smartphone(s) at least once per month.
However, the repurchase cycle remains healthy

Key drivers

$9.8B
Revenue forecast for 2018-2019, growth 5%¹.

65%
Smartphone penetration for those aged 69+.²

Growth of consumer sentiment over next 5 years.

2G mobiles need to upgrade before Sep-17.

Growth in user base from adults aged 50 and over.

Latest releases start to look and feel homogenised.

SOURCE
The rising price of smartphones, due to advanced capabilities, has meant that more consumers are purchasing through carriers and led to retailers accounting for a declining share of revenue over the past 5 years.

**SMARTPHONE PURCHASE CHANNELS, 2016-2017**

- **Telco carriers**: 58.3%
- **Retailers**: 41.7%

**SOURCE**
Interest skyrocketed for major mobile carriers

Searches peak at pre-order and release, and remain steady for 3 weeks

WEEKLY SEARCH VOLUME, IPHONE, 2016

SOURCE:
Microsoft internal data, Australia, all devices, Jul. 31 – Nov. 5, 2016. Note: Query volume contains telstra, optus and vodafone.
iPhone users are becoming less loyal to Apple

Apple and Samsung customer retention rates are almost at parity

![Retention Rates by Major Participants, Global](chart)

SOURCE
Users showing intent to switch to Samsung

**Searches for Samsung Smart Switch**¹ grew 49% in 2016

<table>
<thead>
<tr>
<th>Query</th>
<th>Index² 2016 search volume</th>
<th>YoY Growth 2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>samsung smart switch</td>
<td>100</td>
<td>34%</td>
</tr>
<tr>
<td>smart switch</td>
<td>87</td>
<td>64%</td>
</tr>
<tr>
<td>smart switch samsung</td>
<td>25</td>
<td>55%</td>
</tr>
<tr>
<td>samsung switch</td>
<td>5</td>
<td>28%</td>
</tr>
</tbody>
</table>

**SOURCE**

1. Smart Switch is an easy-to-use app for transferring content from other smartphones to Samsung mobile devices
New releases prompt upgrades

Apple and Samsung represent 74% of the market

<table>
<thead>
<tr>
<th>Brand</th>
<th>Expected announcement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samsung Galaxy S8</td>
<td>Apr-17 (released)</td>
</tr>
<tr>
<td>Samsung Galaxy Note 8</td>
<td>Aug-17</td>
</tr>
<tr>
<td>Apple iPhone 7S</td>
<td>Sep-17</td>
</tr>
<tr>
<td>Apple iPhone 8</td>
<td>Sep-17</td>
</tr>
<tr>
<td>Nokia 9</td>
<td>Sep-17</td>
</tr>
<tr>
<td>Google Pixel 2</td>
<td>Oct-17</td>
</tr>
<tr>
<td>Huawei Mate 10</td>
<td>Nov-17</td>
</tr>
</tbody>
</table>

SOURCE
2  Android Authority, 2017 Release calendar: All the major smartphones we're expecting this year. Web. April 2017.
## INSIGHTS

- Apple’s customer retention is declining.
- Device purchases driven by older demos and upgrades.
- Telcos are the main outlet for phone buyers.

## ACTIONS

- Include Review Extensions to amplify positive user voice.
- Focus on highlighting the unique features and better performance of the new mode (via ad copy and Sitelink Extensions).
- Leverage demographic targeting to reach 60+ audience who might be first time smartphone buyers.
- Use remarketing to connect with users due for a device upgrade.
- Telcos and retailers should align budget planning and campaign activity to the release cycle.
- Leverage rich ad format and real estate on Bing Shopping Campaigns.
Details matter
Buying a mobile phone is a deeply considered process.
## Top iPhone 7 queries by category

**Optimise content to engage prospective buyers**

<table>
<thead>
<tr>
<th>Category</th>
<th>Index Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>release date</td>
<td>100</td>
</tr>
<tr>
<td>price</td>
<td>53</td>
</tr>
<tr>
<td>network/carrier</td>
<td>41</td>
</tr>
<tr>
<td>consideration/purchase intent</td>
<td>27</td>
</tr>
<tr>
<td>sim/phone plans</td>
<td>20</td>
</tr>
<tr>
<td>smartphone features</td>
<td>20</td>
</tr>
</tbody>
</table>

**SEARCH VOLUME INDEX, IPHONE 7, 2016**

SOURCE
Microsoft internal data, Jan. 2016 – Dec. 2016, Australia only, all devices. Note: Associations defined as phrases searched with iphone 7. The index is on a comparative 0-100 scale.
Early adopters focus on features, accessories, and price

WEEKLY SEARCH VOLUME, IPHONE, 2016

- Price
- Features
- Accessories

SOURCE
Microsoft internal data, Australia, all devices, Jul. 31 – Nov. 5, 2016. Note: Query volume contains availability, cheap, cost, deal, deals, offer, offers, packages, price, prices, promotion, sales and specials.
Conscious shoppers are predominately price driven

**Price related terms maintain strong volume throughout the entire release period**

**WEEKLY SEARCH VOLUME, IPHONE, 2016**

- **Pre-order, 9th Sep**
- **Release, 16th Sep**
- **Early adopters**
- **Conscious shoppers**

**SOURCE**
Microsoft internal data, Australia, all devices, Jul. 31 – Nov. 5, 2016. Note: Query volume contains availability, cheap, cost, deal, deals, offer, offers, packages, price, prices, promotion, sales and specials.
Top Samsung S7 queries by category

**Optimise content to engage prospective buyers**

<table>
<thead>
<tr>
<th>Category</th>
<th>Search Volume Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>smartphone features</td>
<td>100</td>
</tr>
<tr>
<td>consideration/purchase intent</td>
<td>93</td>
</tr>
<tr>
<td>price</td>
<td>57</td>
</tr>
<tr>
<td>release date</td>
<td>38</td>
</tr>
<tr>
<td>network/carrier</td>
<td>7</td>
</tr>
<tr>
<td>sim/phone plans</td>
<td></td>
</tr>
</tbody>
</table>

**SOURCE**
Microsoft internal data, Jan. 2016 – Jul. 2017, Australia only, all devices. Note: Associations defined as phrases searched with s7. The index is on a comparative 0-100 scale.
Reviews and upgrades have lasting effect for Samsung

There is greater interest for Samsung VR and wearables ahead of S8 pre-order

WEEKLY SEARCH VOLUME, SAMSUNG, 2017

Early adopters
Pre-order 31st Mar.
On sale, 28th Apr.
Conscious shoppers

SOURCE
Microsoft internal data, Australia, all devices, Jul. 31 – Nov. 5, 2016. Queries containing: review, upgrade and switch
1 Million Bing users in Australia want to have the latest mobile phone.

SOURCE
Purchase intent grew 123% in 2016

Consumers are ready to buy on Bing

PURCHASE INTENT
- buy
- buying
- order
- purchase

PRODUCT
- iphone
- galaxy
- samsung
- s7

Top Apple queries
- buy iphone 6
- buy iphone
- buy iphone 5s
- buy iphone 6s
- iphone 7

Top Samsung queries
- buy samsung galaxy s5
- buy samsung galaxy s6
- buy samsung galaxy s7
- buy samsung s5
- buy samsung s7

SOURCE
Make it easy to purchase online and in-store

**INSIGHTS**

New model buyers conduct detailed research on features and specs.

Price related searches are prevalent.

Purchase intent related searches increased by 123%.

**ACTIONS**

- Optimise ad copy to include key new model features and leverage sitelinks.
- Use Review Extensions to build your brand trust
- Set up accessories related campaigns
- Set up remarketing campaigns to upsell accessories.
- Have budget ready for traffic surges when competitors launch new devices.
Campaign planning
# Campaign Planning

## Pre-announcement

**FOCUS**  
Raise awareness and build hype around coming announcement.

**WHEN**  
August – Estimated to being 1st Wednesday in September\(^1\).

**TACTIC**  
Bid on non-brand and brand competitor keywords to capture prospects.

**BUDGET:** 10% of campaign.

## Announcement and pre-order

**FOCUS**  
Make it easy to pre-order, upgrade, switch and compare.

**WHEN**  
Estimated to being on the 1st Friday in September\(^1\).

**TACTIC**  
Use Sitelink Extensions that point to features and plan options.

**BUDGET:** 20%.

## Release and sustain

**FOCUS**  
Make it easy to purchase online and at flagship store.

**WHEN**  
One week after pre-order begins – End of year\(^1\).

**TACTIC**  
Pair text ad keywords with Bing Shopping Campaigns keywords.

**BUDGET:** 70%.

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**SOURCE**  
1 Estimated dates based on 2016 iPhone launch release.
Bing Ads feature guide

Choose the right tools to pursue device shoppers

Drive foot traffic to your business.  
Location Extensions  
Location targeting

Target unique audiences.  
Device targeting  
Demographic targeting

Acquire new customers.  
Remarketing in Paid Search  
Universal Event Tracking

Increase ad clicks.  
Structured Snippet Extensions  
Sitelink Extensions and Enhanced Sitelinks

Sell your products online.  
Bing Shopping Campaigns  
Elite Merchant Badge

Increase app installs and usage.  
App Extensions  
Mobile device targeting

Build your brand trust.  
Security Badge Annotation  
Merchant Rating Annotation  
Review Extensions

Get more phone calls to your business.  
Call Extensions  
Day and time targeting

Streamline your campaign management.  
Google Import  
APIs for UET tags, conversion goals and Remarketing in Paid Search  
Automated Rules
Connect with a search specialist who can help you get started today.

Call 1800 030 716 or check out
Getting started