



THE MARKET

In only two decades, wireless has changed the way Canadians live. Half of the Canadian population have made wireless products an integral part of their daily lives.

Even as prices become more competitive and minutes-of-use increase, the Canadian industry grows more than 10 percent annually. A growing number of households now rely exclusively on wireless for their overall telephone services. Canadians currently use more than 17 million wireless devices on a daily basis.

The Canadian wireless industry currently generates more than CD\$9 billion in annual revenues and employs 25,000 people. Despite steady double-digit growth, the wireless market in Canada has greater scope for further expansion than markets in most other developed nations. Compared with current Canadian usage of one wireless device for every two people, countries like Italy have penetration rates of 100 percent or one wireless device per person.

The phenomenal growth of mobile telephone service in Canada began in 1985, when licenses were issued to regional wireline incumbent monopolies and to Rogers Cantel Inc., which was awarded a national license. Microcell Telecommunications Inc. — the originator of the Fido brand — received a license to provide wireless service in 1996.

ACHIEVEMENTS

From a standing start in November 1996 — and pitted against much larger, more established and better financed competitors — the story of the Fido brand has been one of remarkable growth. Overnight, the brand became a personality.

In its first year of operation, Fido built a base of 66,000 subscribers, exceeding its target by 10 percent. By 1999, Fido had attracted 500,000 subscribers, reaching that milestone faster than any player in the Canadian wireless market. By 2001, the number of subscribers had doubled again to more than 1 million — once again, growing faster than any other competitor in the Canadian market.

It was an amazing achievement: the Fido brand had attracted this large customer base despite being a complete newcomer to the scene, with more limited network coverage and fewer distribution outlets than its competition.

November 1996,
Fido is unleashed onto
the mobile market



- What were the secrets to this remarkable success?
- Fido offered more flexible billing options for customers.
 - It became a leading-edge innovator.
 - It launched an award-winning program of advertising and promotion.

HISTORY

Fido came as a breath of fresh air in a market long-dominated by complex offerings. Eliminating contracts and introducing billing by the second, Fido quickly became the new transparent, innovative and simple wireless provider. It offered fair cost — with no hidden charges.

Although still a young brand — Fido is celebrating its 10th anniversary this year — it has become associated with simplicity and the democratization of wireless. Fido ensured that wireless became a mass-market product for everyday use rather than a niche technology.

When it was first introduced, the Fido network was the only one in Canada to operate on the Global System for Mobile communications (GSM) standard. As a result, from the very beginning, Fido customers could use their wireless devices and their same Fido phone number all over the world, in many more

countries than subscribers to other services. As roaming agreements were signed, Fido was soon able to offer coverage in more than 180 countries on five continents. That is 78 percent of the world's digital mobile market.

Among many other pioneering initiatives, Fido was the first wireless operator to introduce messaging and two-way e-mail service on a mobile phone and to introduce fast mobile wireless data service (GPRS) across Canada. It also launched a groundbreaking and soon-to-be-imitated Fido-to-Fido package, allowing customers unlimited local calling, text messaging and instant messaging between Fido subscribers.

Fido was also the first in the Canadian wireless market to set up a loyalty program enabling customers to earn rewards that can be applied toward the purchase of a new handset.

In 2003, City Fido™ — Canada's first home and mobile service, featuring unlimited anytime local calling — was launched in the Greater Vancouver area, and because of the company's Competitive Local Exchange Carrier (CLEC) status, customers were allowed to transfer their home landline number to Fido wireless service.

THE PRODUCT

The hardware and other equipment offerings of wireless service providers are often very similar. The goal for the Fido brand was to differentiate

Travel with Fido
in over 180 countries



itself in the market by offering simplified, flexible billing options and advanced technological features — all supported by an award-winning advertising and promotion program.

Fido style meant attractive pricing “per-second” billing and freedom from lengthy service contacts.

On the technological front, Fido products were clearly differentiated from those of competitors because they could operate around the world, unlike most of its competitors at that time, which were restricted to use within North America.

Award-winning advertising and promotion campaigns were also highly successful in associating Fido products with the attributes that people find most admirable in their canine cohorts — namely, that they are friendly, loyal companions who will follow you anywhere.

RECENT DEVELOPMENTS

In November 2004, Microcell Telecommunications Inc., the company that created the Fido brand, was acquired by Rogers Wireless Inc. The resulting amalgamation of the Fido brand with Rogers Wireless created Canada’s largest wireless service provider, with 5.7 million subscribers.

As a result of combining forces with Rogers, Fido’s network coverage area is now eight times larger than before and covers 94 percent of the Canadian population.

Operating with a dual-brand strategy, the combined organization offers a wide range of wireless products and services, ranging from text,



picture and video messaging, downloadable games and MP3-quality ring tones, to wireless Internet and desktop access, to fully customized business solutions.

The organization also operates Canada’s only GSM/GPRS network, the world standard for wireless voice and data telecommunications technology.

PROMOTION

A key element of the strategy of the new organization is to offer products and services that are attractive to young adults as well as small and medium-sized businesses. With its high recognition and strong appeal to these target groups, Fido is viewed as an important factor in carrying out that strategy.

Why pay a full minute for a 12 second call?



A major contributor to the growth and success of the Fido brand was a unique and consistent program of advertising and promotion.

Energizer had its rabbit, Michelin had Bibendum, and Fido found its powerful brand identity with its gallery of loyal, happy dogs.

Perhaps the most important branding decision was the choice of the name itself — Fido — which invokes images of friendliness, simplicity and loyalty in a market often dominated by technological jargon. The brand name also worked well in both English and French — an important consideration for a founding company that was headquartered in Montreal.

The launch of the Fido brand took place in Montreal in late 1996. Early the following year, the brand was unleashed in Toronto, then in major centers across the country during the balance of 1997 and 1998. Each launch followed a consistent three-phase pattern.

The first phase was aimed at creating a “buzz” about the new brand. This was achieved through the use of a Fido-branded airship hovering over the target city. Teaser commercials were also used to increase interest in the soon-to-be-introduced wireless product.

In phase two, a full-scale advertising campaign was launched in the target city. The campaign relied on longer-than-average 90-second broadcast messages and on full double-page print ads. The objective was to reflect an open, honest organization that was fully disclosing the details of its product offering and had nothing to hide.

In the final phase, a multimedia program was used to provide continuing support for the brand, as needed, over time.

And of course, one of the most prominent visual features of the advertising and promotional

materials was dogs — dogs of all colours and breeds, shapes and sizes.

An important strategic decision in establishing the brand so quickly and completely was that Fido branding would dominate every ad — rather than giving prominence to specific messages and offers.

BRAND VALUES

From its inception, the Fido brand has made its name by delivering simplicity, value and innovation.

Many features launched by Fido have now become the industry standard. It was the first Canadian wireless carrier to offer service without a contract and billing by the second, and is still acknowledged for offering Canadian customers “more from their Fido.”

Fido started out by democratizing wireless, and continues its role as the customer advocate. From its customer loyalty program to earlier starts for evenings and weekends, Fido continues to put customers first.

THINGS YOU DIDN'T KNOW ABOUT FIDO

- In addition to the Fido airship that hovered over Canadian cities prior to service launches, Fido also toured on the ground in the Fidomobile, a refurbished art deco-design bus that was originally built in 1942 by General Motors. Only 12 of these buses were ever built.
- Some of the best Fido ad campaigns use employees and their own pets.
- Year after year, people contact Fido wanting to put their dogs in our ads.
- Fido customers often refer to their phone by its brand name: “Call me on my Fido.”