

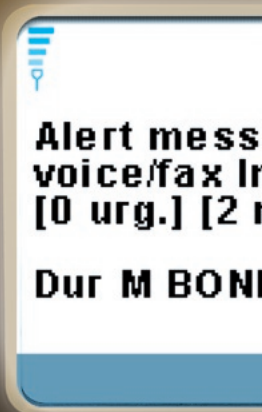


[BONE PLS?]*



Fido/Léger Marketing
Wireless Messaging

Report



* A bone please?

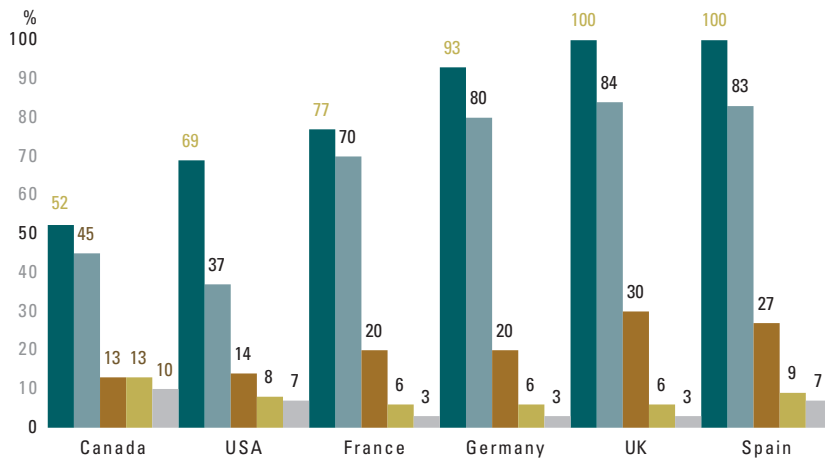
** Do you remember my bone?

Don't call me, text me! Around 7.8 million Canadian wireless users are now sending messages via their wireless device. In Canada, 737.8 million text messages were sent during the first quarter of 2006 alone, which is twice as much as that over the same period last year. But those figures are still way below some Western European and Asian countries where text messaging has grown from a popular craze to becoming an essential communication tool. In some countries, more than eight out of 10 subscribers are using SMS (84% in the UK, 83% in Spain). With comparative scores of 45% in Canada and 37% in the United States, messaging clearly has more room to grow in North America.

In the near future, SMS is where the wireless industry growth will come from. As text messaging is becoming a more commonly used communication tool, more and more Canadians are using mobile phones to their fullest potential: to stay in touch anywhere, any time.

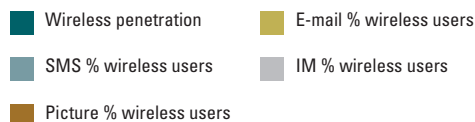
A nationwide survey co-launched by Fido and Léger Marketing provides a reliable source of data and trends on the who, where, how and why of wireless messaging services in Canada. The survey highlights a compelling array of core statistical overviews on the usage and benefits of wireless messaging. It is one of the largest survey solely dedicated to wireless messaging ever conducted in Canada and, as it will be re-conducted on a yearly basis, it will serve as a barometer for messaging for the entire wireless industry.

Comparative chart for messaging solutions in top wireless countries



Text messaging: an evolving market

Canadians are well aware that there is more to wireless handsets than voice communications. Close to nine out of 10 respondents have heard about other wireless solutions, ranging from short text messaging (SMS) to mobile e-mail and multimedia solutions. Percentages are naturally higher among younger crowds and more experienced mobile users.



Sources : Data based on three-month moving average for period ending on July 31, 2006
M: Metrics September 12 news release
Goldman Sachs Research, 2006
Fido-Léger Marketing 2006 Wireless Messaging Survey





More than half of Canadian wireless subscribers (51%) use their wireless device or handset to send and receive messages. But despite the increased availability of mobile e-mail and multimedia messaging on mobile phones, most wireless users are still content with plain old text messaging. With a 45% pick-up rate among wireless subscribers, text messaging easily surpasses other more advanced or multimedia messaging solutions, like wireless e-mail (13%), picture messaging (13%), instant messaging (10%) and video messaging (4%).

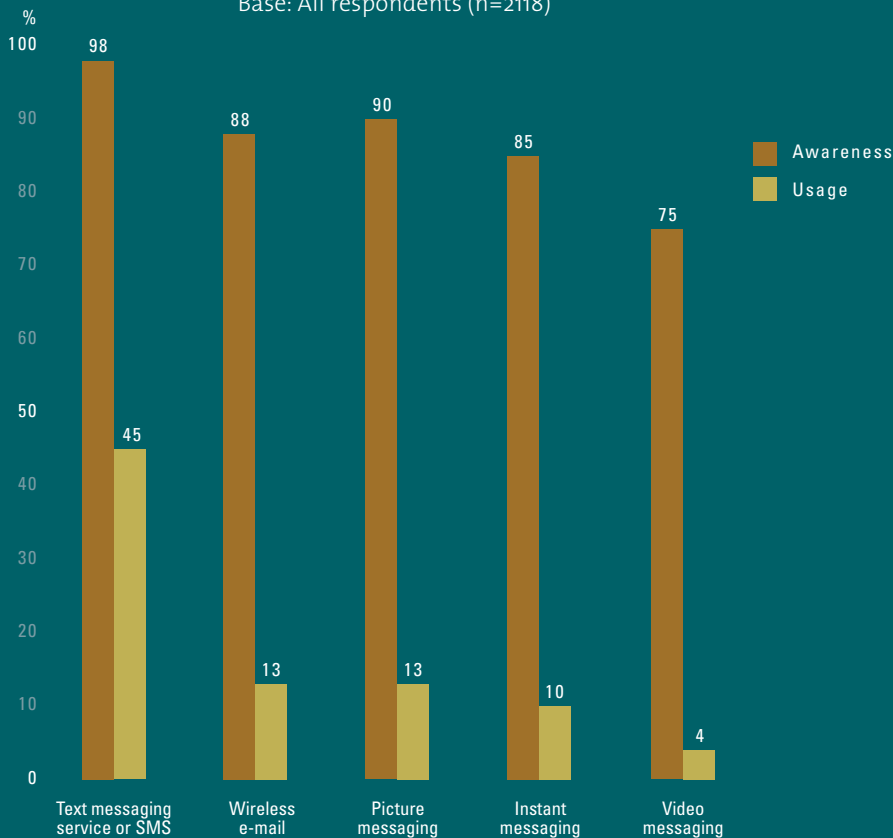
Messaging has become an important part of everyday life among teenagers and young adults. Usage jumps to eight out of 10 subscribers aged between 18 and 24 (79%), followed closely by 63% of users between 25 and 34. With two out of three (63%) customers getting into SMS, Fido tops all other Canadian carriers.

“Fido has always been a trendsetter in messaging, and conducting an extensive survey on messaging is a natural fit for us,” said Karim Salabi, Vice-President of Marketing for Fido Solutions Inc. “In fact, we were the first to introduce text messaging on the Canadian market way back in 1996 and, year over year, our customers are always the top users of messaging amongst all the Canadian wireless players. Today, close to two out of three Fido customers (63%) are exchanging text messages.”

SMS is more commonly known and used overseas, partly because fewer people have access to PCs and pay-per-use offers have been known to encourage text messaging. Canada is the world leader in total Internet access: surveys have repeatedly shown that over nine out of 10 Canadian wireless subscribers have access to the Internet either at work or at school, making wired messaging services easily accessible to them.

Awareness and usage of 5 Messaging Services on a Mobile Phone chart

Base: All respondents (n=2118)



“Most subscribers are still using mobile messaging for personal communications but as content developers implement more commercial/business applications, that usage will explode.”

says Christian Bourque, Vice-President, Léger Marketing

[W8N 4U]*



* Waiting for you

More companies are now using SMS as a tool to communicate with their customers: they encourage people to use text messaging to enter their favourite contests, express their opinions in radio DJ surveys and vote for their favourite TV contestants, music play list choices and nominees for music, acting and political awards.

While sponsoring a Lavalife icebreaking activity, Fido recently used text messaging to drive a dating game.

In the UK, McDonald's gave away chances to win World Cup tickets to fans who text messaged a code they received with their food orders. Elsewhere, Txt2Table lets customers order drinks in pubs, clubs and bars via a text message from their mobile phone.

Although 16% of the people surveyed use SMS for professional and personal purposes equally, text messages are still mostly associated with informal communication between family members and friends. This is the case for 74% of text messaging users and 66% of those who use instant messaging.

“Besides the conventional use of my phone, I also use text messaging for its speed and effectiveness to confirm an appointment with a client, send an urgent message or give an address.”

Éric Noël, Vice-President
Interactive bleublancrouge (Montréal)

Non-messaging users justify their non-use mostly by stating that they prefer to speak to people live (52%). But it seems that technical handset limitations account for a lot of resistance: hard to type (46%); complicated process (22%) and small screen (15%) were the top reasons mentioned.

“Discreet, unobtrusive and inconspicuous”

If “staying in touch anywhere any time” was the concept behind mobile communications, messaging brings mobility a step further. This study clearly highlights that although home is still the preferred place from which to send messages (80% of wireless subscribers use SMS while at home), places and times that would otherwise seem awkward and inappropriate for a conversation seem to be perfectly suitable for SMS: restaurants (55%), bars or nightclubs (43%), libraries (21%) and classrooms (20%). Text messaging is also popular in *on the go* and nowhere zones like in waiting rooms and waiting lines, in and waiting for public transits (61%) and ... even in restrooms (25%).

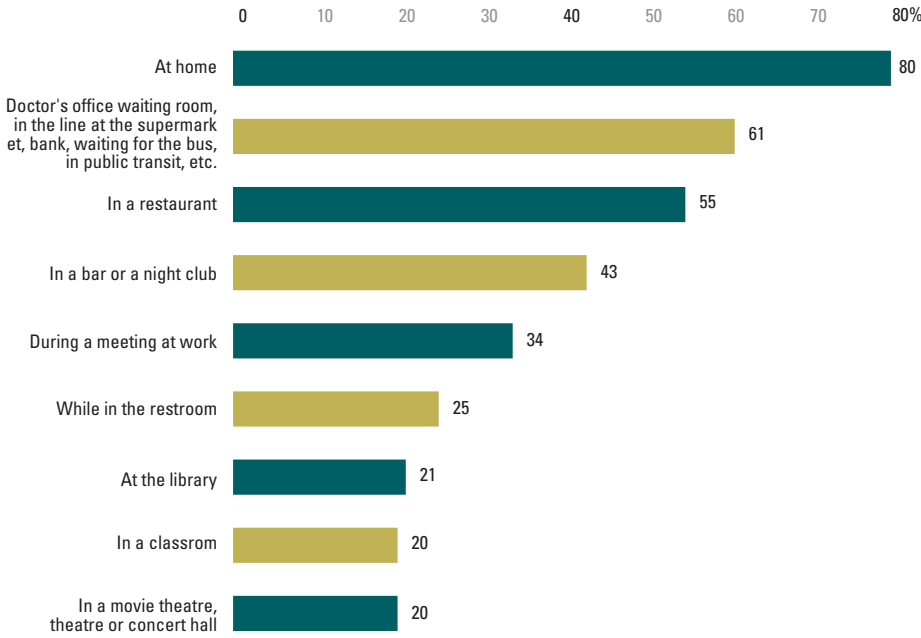


[Bngo!]*

* Bngo!

Usage Context or Locations

% Total YesBase: Messaging Users (n=1063)



Question : Please indicate whether or not you have ever used messaging services on your wireless telephone in any of the following locations or context :

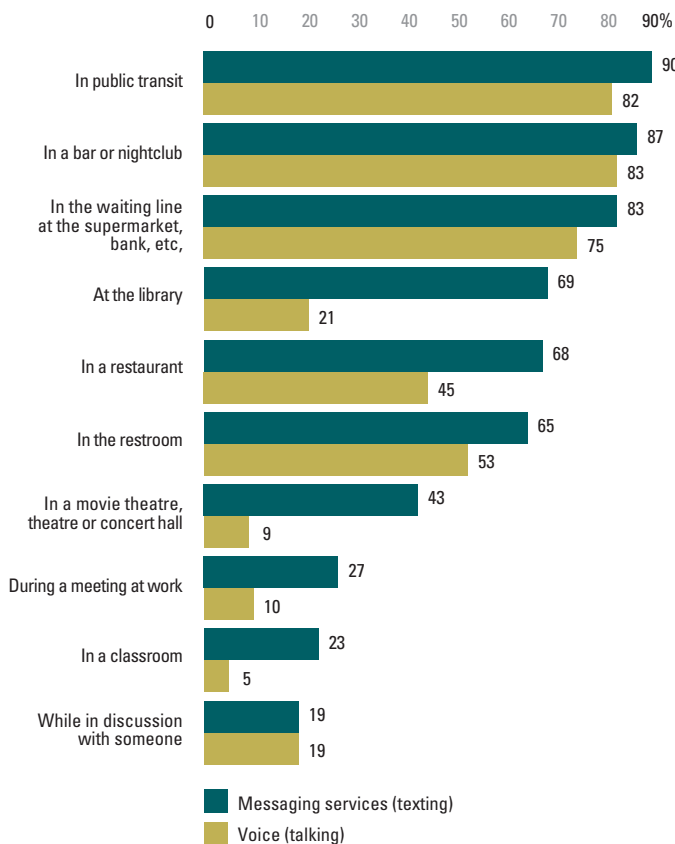
The preference for some locations is highly consistent with the fact that *more appropriate* (can't or don't want to talk 46%), *more discreet* (38%) and *convenient* (32%) topped the list of reasons for preferring to text rather than call. And it shows that, after all, Canadian wireless subscribers do have etiquette and short messaging services are a major contributor to the wireless code of ethics. "Don't call me, text me" seems to be an emerging communicating lifestyle.

“With SMS, not only do I get more time and more places in which I can use my wireless, but I increase the device's potential.”

Crystal Vehse,
SoHo Marketing, Vancouver

Wireless Etiquette : Messaging Services vs. Voice -

% Total Acceptable Base: All respondents (n=2118)



Questions : Personally, do you consider acceptable or unacceptable to use a wireless telephone for texting (messaging services) in the following contexts or locations ?

Personally, do you consider acceptable or unacceptable to use a wireless telephone to make or receive calls in the following contexts or locations ?



Type of communication with messaging service

% Total Yes
Base: Messaging Users (n=1063)



Question : Please indicate whether or not you have ever used messaging services on your wireless telephone for any of the above reasons.

“Text messages are great because they’re discreet, unobtrusive and inconspicuous.

Perfect when you’re in formal situations!”

David Parry, student, Montréal

Needless to say text messaging is the most appropriate vehicle of choice in a theater (43% vs. 9%), but most respondents also prefer it over calling in restaurants (68% vs. 45%), public transit (90% vs. 82%), while waiting in line at the supermarket (83% vs. 75%) ... and in restrooms (65% vs. 53%).

Hello, how r u?

Text messaging is living proof that sometimes a little goes a long way: from a list of suggested answers, participants chose “Hello” (64%) as the single most commonly sent SMS message in Canada. Many other similar informal communications exchanged via messaging fall under the *Staying in Touch with Friends and Family* category: Where or how are you (57%), Happy birthday (47%), I love you (44%). It seems as though, in terms of text messaging, customers value efficiency over content style. However, as a frequent user puts it: “it gets the point across!

“It’s shorter than a phone call or e-mail, but still gets the point across.”

David Parry, student

Text messaging is also a practical personal agenda/organizer that provides accuracy and clarification in cases such as sending an address or a contact number (59%), signaling a late arrival or absence (55%), or booking a meeting/appointment (44%).

Interestingly, messaging is also very commonly used as a reminder of errands to do (49%). And one out of three people surveyed (35%) reports having used text messaging to reach someone in an emergency.

Stay tuned for a flourishing messaging wave

One of the key factors that will lead to the growth of messaging usage is tied to the actual handsets or devices. When shown an image and given a description of the newer generation of QWERTY (alphanumeric) keypads, over half of current messaging users said they would use it more, while 19% of non-users would start using messaging services.

More diverse and sophisticated arrays of services would also drive more users to text messaging. Finding an address ranks first in terms of messaging services those surveyed would most like to receive on their cell phone (77%), followed by weather forecasts (66%), movie schedules (53%) and booking a flight or hotel and renting a car (46%). Percentages were higher among mobile messaging users who admitted they would also be interested in flirting and dating (25%).

On the road to graduating to serious stuff!

For now, in North America, messaging may be focused on individual informal exchanges but more and more users are discovering new applications and opportunities that enable them to access and connect to new content. Messaging is becoming a more mature communication tool that is outgrowing social networking to become a fully grown rich interconnecting feature.



