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2015

ROGERS™
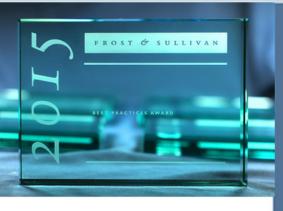
2015 Canadian Cellular M2M and IoT Market Leadership Award

FROST & SULLIVAN

50 Years of Growth, Innovation & Leadership

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Complexity of New Solution Development, Deployment, and Management

The cellular Machine-to-Machine (M2M) communications value-chain includes chipset and module vendors, device OEMs, application providers, system integrators, network providers, and many other types of industry participants. Different types of M2M and Internet-of-Things (IoT) implementations need customized support. Supporting the evolving (and sometime contradictory) requirements of the M2M and IoT ecosystem remains a significant challenge for industry solution providers. Frost & Sullivan believes complexity in the M2M and IoT space is only going to increase. In many cases, solution providers will have to enable their customers to become service providers themselves by helping them provide the associated billing, customer care, and support functions to manage their offerings. Service providers that offer open, scalable, secure, reliable and easy-to-use implementations that facilitate rapid development, deployment, and ongoing management of M2M and IoT applications are most likely to succeed in the M2M and IoT markets.

Delivering Appropriate Connectivity Management

From an enterprise perspective, the challenges associated with M2M and IoT include ensuring proper connection management, and automation of business processes within the enterprise. For example, it is critical to ensure that wireless device works reliably as they move between different locations without incurring charges through activating and de-activating. Organizations should be able to remotely identify and address issues that could arise with their connected deployments (such as problems with the device firmware or issues with network connectivity). Automating the deployment and management of M2M and IoT is also important in order to help connected deployments deliver the targeted return on investments. Many M2M and IoT deployments are global in nature where companies deploy connected endpoints in multiple countries. It is essential for these entities to interact seamlessly, without having to work with multiple network operators in different countries, each with a different interface for managing the connected deployments. Overall, delivering solutions for effective solution deployment, management, and monetization are the key challenges in the M2M and IoT markets.

Providing Effective Cloud-based M2M Management Platforms

The importance of cloud-based M2M and IoT platforms cannot be overstated. The M2M and IoT market will be comprised of billions of connected devices across numerous verticals. Cellular wide area networks (WAN) will play an important role in providing connectivity – either directly or indirectly – to a good portion of the devices that make up the M2M and IoT ecosystem. Various short range and long range technologies have to co-

exist in order to facilitate data communication between these connected devices and the enterprise backend. Adding large amount of connected devices will also result in significant amount of data ("Big Data") that needs to be stored, analyzed, reported and archived. Providing the appropriate cross-vertical cloud-based M2M service management platforms; and, managing the significant storage and reporting requirements for M2M transaction data could become a major industry challenge.

Augmenting Revenues

Mobile operators should examine value added services that can generate a premium over the traditional bandwidth pricing model. An effective growth strategy should focus on providing the appropriate tools, solutions, and personnel to help enterprises design, develop, and manage scalable, distributed, and customizable M2M and IoT implementations for both consumer and the enterprise environments. A one-size-fits-all approach is likely to become less effective as the rapidly evolving needs of the M2M and IoT ecosystem will be better served by flexible implementations that allow customers to seamlessly integrate various building blocks (such as modules, gateways, and cloud platforms) in a manner best suited to their business models.

Other Industry Challenges

Other important industry challenges include 1) providing customized pricing for data access, 2) ensuring network assets are appropriately positioned to accommodate requirements of the different types of M2M and IoT implementations, 3) the integration of machine data into enterprise backend systems for improved analytics and business process optimization, 4) managing the M2M and IoT supply chain effectively to fulfill product delivery obligations, and 5) the lack of cross-industry standardization.

Market Leadership of Rogers Communications

Performance in Cellular M2M and IoT

Rogers Communications is the market leader in the Canadian Cellular M2M and IoT Communications market. It currently supports more than 1.5 million M2M and IoT connections on its network (more than any other mobile operator in Canada) and continues to add thousands of new M2M and IoT connections every month. The company has seen good growth across all main industry verticals – including Telematics, Fleet Management, Asset Management, Retail, Healthcare, and Government. Adoption of Rogers's M2M services by leading customers is a clear testament to the effectiveness of its growth strategy. The key success factors for Rogers strong performance in M2M and IoT are presented below.

Key Success Factors

Frost & Sullivan believes that the versatility of Roger's M2M and IoT offerings is a key reason for its leadership position. Other key success factors for Rogers include:

❖ A robust next-generation cellular network supporting 2G, 3G, and 4G deployments

❖ Global coverage, through the M2M Global Alliance initiative and a Global SIM

❖ A Cloud-based M2M and IoT connectivity management platform (Rogers Control Center)

❖ A strong ecosystem of M2M and IoT partners (such as application service providers – ASPs, and device manufacturers), with several exclusive relationships

❖ Dedicated business support teams for M2M and IoT

❖ An effective sales, marketing and distribution strategy

❖ A suitable organization structure to provide efficient and effective support for consumer and enterprise M2M and IoT

❖ Continuous focus on new product innovation, and research and development

Full Service Approach

Rogers has dedicated business care and support groups to serve the needs of enterprise M2M and IoT. It also has a full professional and managed services organization that has helped it emerge as a provider of holistic M2M and IoT lifecycle management services, including device on-boarding, application integration, and ultimately, monitoring and managing the deployment. The company has a large partner ecosystem that allows customers to have access to a wide range of integrated solutions for their unique connectivity requirements. Through these partnerships, Rogers is helping its customers achieve enhanced productivity, lower costs, and seamless integration of machine data with enterprise IT systems. Rogers works closely with customers to customize pricing around their unique business models, which helps them achieve a positive ROI for their investments in hyper-connectivity. In the future, Rogers is expected to deliver additional value by offering cloud based application hosting and machine data management services.

Competitive Analysis

Frost & Sullivan believes that Rogers has the most comprehensive set of solutions for M2M and IoT in Canada. Rogers currently has the only operational 2G network in Canada which is a clear differentiator for the company. Additionally, Rogers has the Canadian exclusivity for the M2M Global Alliance initiative and continues to make investments in application platforms, customer services, and end-to-end vertical solutions that will help it improve its

competitive position both in domestic as well as global M2M and IoT markets.While there is plenty of opportunity for growth in the Canadian M2M and IoT markets, Frost & Sullivan believes that Rogers will continue to remain the market leader by maintaining its 'preferred partner' status.

Conclusion

Rogers's unique strengths for M2M and IoT include its network assets (both wireless and wireline), innnovative service platforms, dedicated channels and partner programs, and proven M2M deployments (consisting of millions of M2M endpoints. With its strong overall performance, Rogers Communications has achieved a leadership position in the Canadian cellular M2M and IoT markets with an estimated market share of 60 percent. The 2015 Canadian Market Leadership Award in cellular M2M Communications is presented to Rogers Communications in recognition of its highly successful growth-oriented market strategy and implementation excellence.

Significance of Market Leadership

Ultimately, growth in any organization depends upon customers purchasing from your company, and then making the decision to return time and again. Loyal customers become brand advocates; brand advocates recruit new customers; the company grows; and then it attains market leadership. To achieve and maintain market leadership, an organization must strive to be best-in-class in three key areas: understanding demand, nurturing the brand, differentiating from the competition. This three-fold approach to delivering market leadership is explored further below.

- Increase renewal rates
- Increase upsell rates
- Generate awareness and interest
- Demonstrate customer value
- Grow the business

- Improve customer loyalty rates
- Establish strong brand identity
- Strengthen the brand's reputation
- Inspire customers
- Be recognized for value

DEMAND

BRAND

Market Leadership

COMPETITIVE POSITIONING

- Clarify positioning
- Focus on unique selling points
- Deliver superior value to customers
- Get ahead of the competition
- Implement growth strategy successfully

Understanding Market Leadership

As discussed on the previous page, driving demand, strengthening the brand, and competitive differentiation all play a critical role in a company's path to market leadership. This three-fold focus, however, is only the beginning of the journey and must be complemented by an equally rigorous focus on the customer experience. Best-practice organizations therefore commit to the customer at each stage of the buying cycle and continue to nurture the relationship once the customer has made a purchase. In this way, they build a loyal, ever-growing customer base and methodically add to their market share over time.

Key Performance Criteria

For the Market Leadership Award, we focused on specific criteria to determine the areas of performance excellence that led to the company's leadership position. The criteria we considered include (although not limited to) the following:

Criterion	Requirement
Growth Strategy Excellence	Demonstrated ability to consistently identify, prioritize, and pursue emerging growth opportunities
Implementation Excellence	Processes support the efficient and consistent implementation of tactics designed to support the strategy
Brand Strength	The possession of a brand that is respected, recognized, and remembered
Product Quality	The product or service receives high marks for performance, functionality and reliability at every stage of the life cycle
Product Differentiation	The product or service has carved out a market niche, whether based on price, quality, uniqueness of offering (or some combination of the three) that another company cannot easily duplicate
Technology Leverage	Demonstrated commitment to incorporating leading edge technologies into product offerings, for greater product performance and value
Price/Performance Value	Products or services offer the best value for the price, compared to similar offerings in the market

Customer Purchase Experience	Customers feel like they are buying the most optimal solution that addresses both their unique needs and their unique constraints
Customer Ownership Experience	Customers are proud to own the company's product or service, and have a positive experience throughout the life of the product or service
Customer Service Experience	Customer service is accessible, fast, stress-free, and of high quality

The Intersection between 360-Degree Research and Best Practices Awards

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often, companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry players and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS

Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Our awards team strives to follow a 10-step process (illustrated below) to evaluate award candidates and assess their fit with our best practice criteria. The reputation and integrity of our awards are based on close adherence to this process.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 **Monitor, target, and screen**	Identify award recipient candidates from around the globe	• Conduct in-depth industry research • Identify emerging sectors • Scan multiple geographies	Pipeline of candidates who potentially meet all best-practice criteria
2 **Perform 360-degree research**	Perform comprehensive, 360-degree research on all candidates in the pipeline	• Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates	Matrix positioning all candidates' performance relative to one another
3 **Invite thought leadership in best practices**	Perform in-depth examination of all candidates	• Confirm best-practice criteria • Examine eligibility of all candidates • Identify any information gaps	Detailed profiles of all ranked candidates
4 **Initiate research director review**	Conduct an unbiased evaluation of all candidate profiles	• Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles	Final prioritization of all eligible candidates and companion best-practice positioning paper
5 **Assemble panel of industry experts**	Present findings to an expert panel of industry thought leaders	• Share findings • Strengthen cases for candidate eligibility • Prioritize candidates	Refined list of prioritized award candidates
6 **Conduct global industry review**	Build consensus on award candidates' eligibility	• Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates	Final list of eligible award candidates, representing success stories worldwide
7 **Perform quality check**	Develop official award consideration materials	• Perform final performance benchmarking activities • Write nominations • Perform quality review	High-quality, accurate, and creative presentation of nominees' successes
8 **Reconnect with panel of industry experts**	Finalize the selection of the best-practice award recipient	• Review analysis with panel • Build consensus • Select winner	Decision on which company performs best against all best-practice criteria
9 **Communicate recognition**	Inform award recipient of award recognition	• Present award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance	Announcement of award and plan for how recipient can use the award to enhance the brand
10 **Take strategic action**	Share award news with stakeholders and customers	• Coordinate media outreach • Design a marketing plan • Assess award's role in future strategic planning	Widespread awareness of recipient's award status among investors, media personnel, and employees

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit http://www.frost.com.