



Press Release

J.D. Power and Associates Reports: Customer Loyalty and Advocacy for Wireless Phone Providers in Canada Declines Notably Amid Rapidly Evolving Technology and a Changing Competitive Landscape

Virgin Mobile Ranks Highest in Satisfying Prepaid and Postpaid Wireless Service Customers; Apple and Sanyo Rank Highest among Mobile Phone Providers in their Respective Segments

TORONTO: 27 October 2009 — With new wireless providers poised to enter the market and the rapid evolution of wireless technologies, wireless customers in Canada are less likely to recommend and remain loyal to their current service providers, according to the J.D. Power and Associates 2009 Canadian Wireless Customer Satisfaction StudySM released today.

Although customer satisfaction with wireless service providers has remained stable between 2008 and 2009, recommendation and renewal intent have decreased considerably year-over-year.

Comparison of Wireless Customer Recommendation and Renewal Intentions—2008 and 2009

Customers who indicate they “definitely will”	2009	2008	Difference
Recommend their wireless service provider to friends and family	20%	25%	-5%
Renew their wireless service with their current provider	20%	33%	-13%
Use their current provider for additional wireless services (i.e., Internet or TV service)	8%	18%	-10%

“The anticipation of new entrants into the Canadian wireless market has led consumers to develop more of a ‘wait and see’ mentality, making them less willing to commit to their current providers,” said Lubo Li, senior director and telecom practice leader at J.D. Power and Associates, Toronto. “Also, the continuing evolution of new technologies has provided customers with more choices than ever before. As more applications and capabilities become available, customers are increasingly basing their purchase decisions on devices and their features, rather than on service providers.”

The study finds that, among customers who say they are “delighted” with their wireless provider services (providing a rating of 10 on a 10-point scale), more than 80 percent say they “definitely will” recommend their carrier or renew service. In contrast, recommendation and renewal intent declines to below 60 percent among customers who provide a rating of nine, and below 30 percent among customers who rate their provider with a score of eight.

“Wireless providers may be able to mitigate some of the declines in recommendation and intended renewal rates by delighting customers through providing better customer service, greater value for the money and service plan options that meet their needs,” said Li.

The study also finds that the percentage of wireless customers in Canada who own a smartphone has increased considerably from 25 percent in 2008 to 32 percent in 2009. Overall, smartphone owners indicate they use their devices for personal purposes 70 percent of the time and for business reasons 30 percent of the time. The smartphone applications that wireless customers report downloading most often are social media applications

(32%); games (32%); travel tools such as maps and weather services (29%); and business/professional programs (28%).

Approximately one in three (34%) smartphone users report experiencing a problem with their device, compared with only 18 percent of traditional mobile phone users. The most commonly reported problem with smartphones is that the device “freezes” and needs to be rebooted.

“Smartphones, with their advanced communications and entertainment capabilities, are reshaping the wireless market,” said Li. “As a result, wireless service providers and smartphone manufacturers need to work together to understand the evolving needs of their customers and provide relevant and seamless solutions to retain their customers and competitive advantage.”

Now in its fifth year, the study examines perceptions of wireless customers with their service, mobile phone (for both traditional mobile phones and smartphone devices) and retail experience. Rankings are provided for postpaid service providers, prepaid service providers, and mobile phone brands. Customer satisfaction with postpaid service and prepaid service is measured in five factors: call quality; billing; service plan options; cost of service; and customer service. Mobile phone satisfaction (not including smartphones) is measured based on customer ratings in four factors: features, physical design, battery and operation. Smartphone satisfaction is based on customer ratings in five factors: features, physical design, battery, operation and operating system.

Postpaid Wireless Service Provider Rankings

Among contract postpaid wireless service providers, Virgin Mobile ranks highest with a score of 758 and performs particularly well in the customer service and service plan options factors. Following Virgin Mobile in the segment rankings are Koodo Mobile (755) and Sasktel (716). Koodo Mobile performs particularly well in the billing, call quality and cost of service factors.

Prepaid Wireless Service Provider Rankings

Virgin Mobile ranks highest among prepaid wireless service providers for a fifth consecutive year and achieves a score of 752. Virgin Mobile performs particularly well in all five factors driving prepaid wireless customer satisfaction.

Mobile Phone Brand Rankings¹

Sanyo ranks highest in customer satisfaction among traditional mobile phone brands with a score of 709 on a 1,000-point scale. In particular, Sanyo performs well in the features, physical design and battery factors. LG follows in the ranking with a score of 698 and performs particularly well in the operation factor. Sony Ericsson ranks third in the segment with a score of 690.

Smartphone Brand Rankings

Apple ranks highest in customer satisfaction among smartphone brands with a score of 803 and performs particularly well in the features, physical design, operation and operating system factors. Nokia follows in the ranking with a score of 732 and performs particularly well in the battery factor.

The 2009 Canadian Wireless Customer Satisfaction Study is based on responses from nearly 15,000 mobile phone users. The study was fielded between September and October 2009.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company operating in key business sectors including market research, forecasting, performance improvement, Web intelligence and customer satisfaction. The company’s quality and satisfaction measurements are based on responses from millions of consumers annually. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

¹ Rankings in this segment do not include smartphones.

About The McGraw-Hill Companies:

Founded in 1888, The McGraw-Hill Companies (NYSE: MHP) is a leading global information services provider meeting worldwide needs in the financial services, education and business information markets through leading brands such as Standard & Poor's, McGraw-Hill Education, Platts, Capital IQ, J.D. Power and Associates, McGraw-Hill Construction and Aviation Week. The Corporation has more than 280 offices in 40 countries. Sales in 2008 were \$6.4 billion. Additional information is available at www.mcgraw-hill.com.

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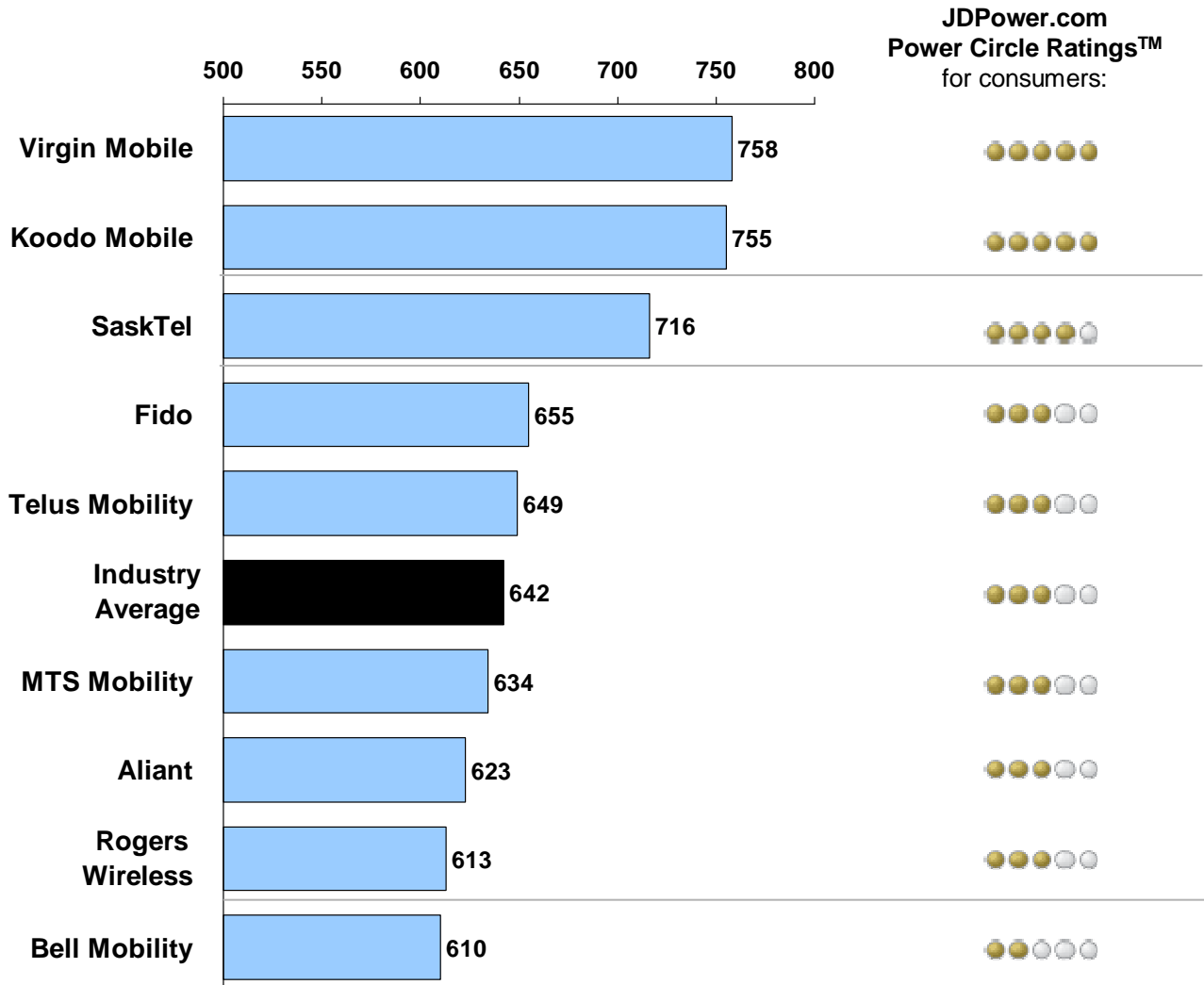
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NOTE: Four charts follow.

J.D. Power and Associates 2009 Canadian Wireless Customer Satisfaction StudySM

Customer Satisfaction Index Ranking Postpaid Wireless Service Providers (Based on a 1,000-point scale)



NOTE: Solo Mobile is included in the study but not ranked due to small sample size.

Power Circle Ratings Legend

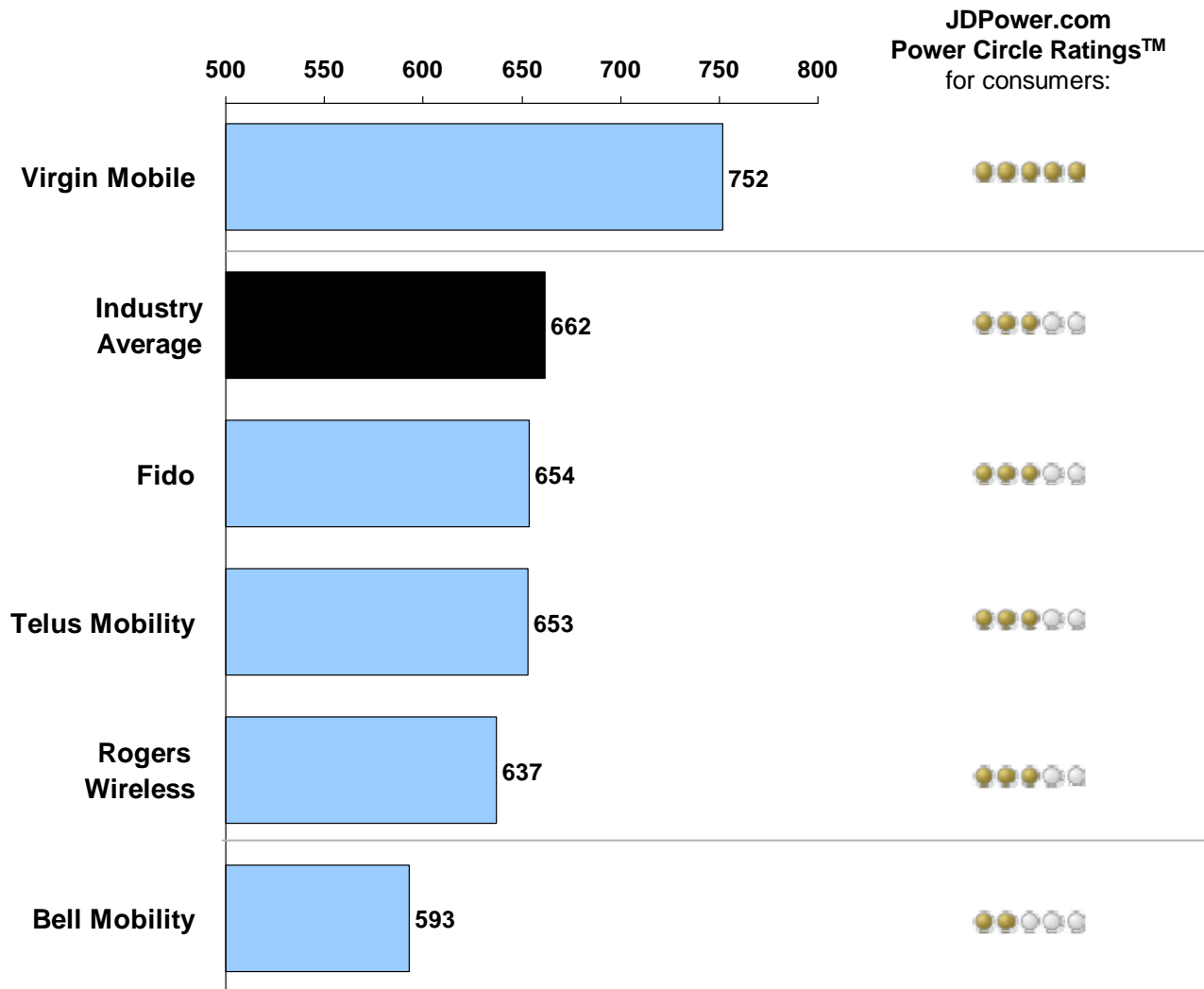
- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power and Associates 2009 Canadian Wireless Customer Satisfaction StudySM

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Customer Satisfaction Index Ranking Prepaid Wireless Service Providers (Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are: MTS Mobility, PC Mobile, SaskTel and Solo Mobile.

Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power and Associates 2009 Canadian Wireless Customer Satisfaction StudySM

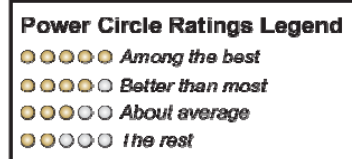
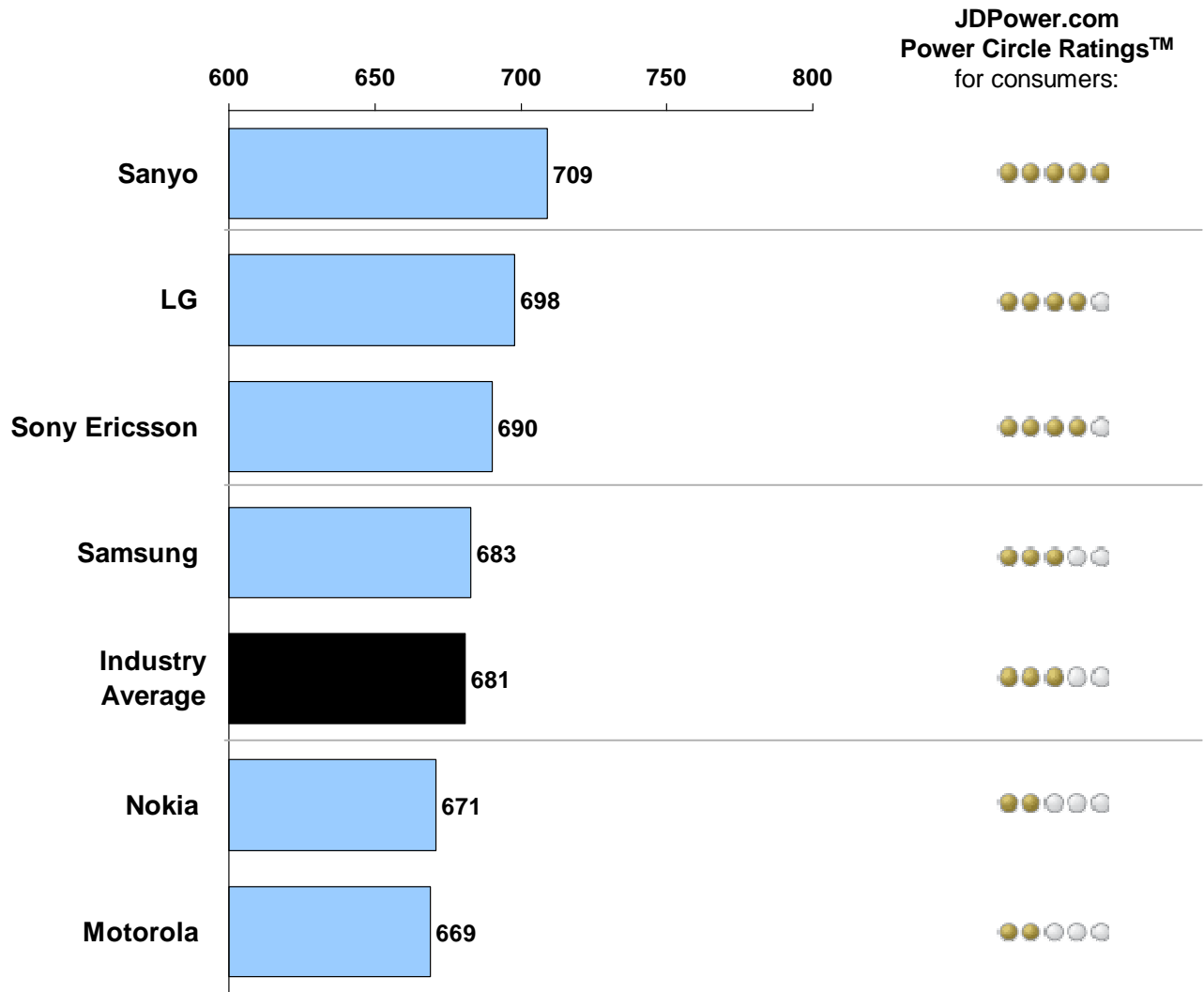
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Customer Satisfaction Index Ranking

Mobile Phone Brands

(Based on a 1,000-point scale)



NOTE: Rankings in this segment do not include smartphones.

AudioVox is included in the study but not ranked due to small sample size.

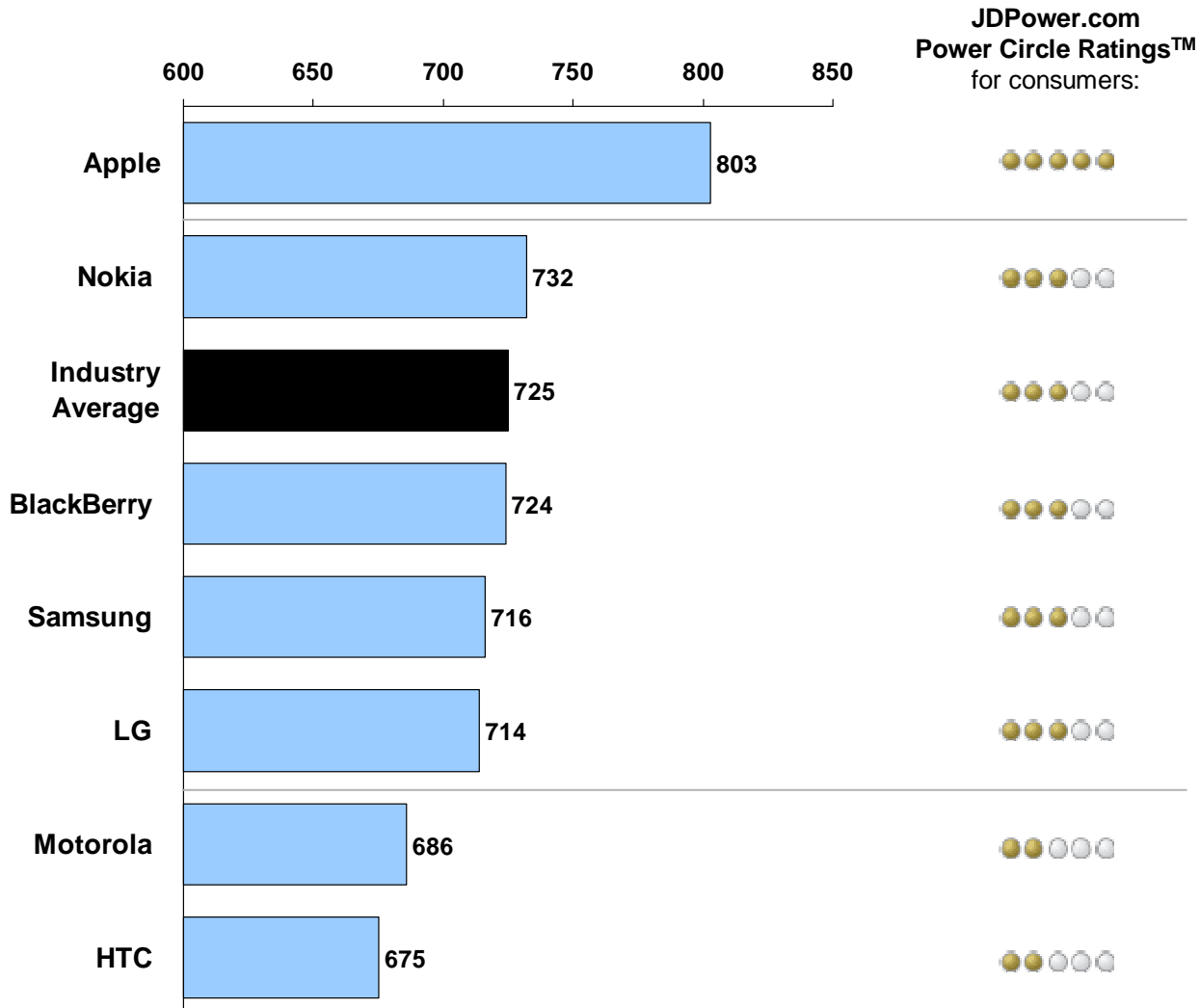
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J.D. Power and Associates 2009 Canadian Wireless Customer Satisfaction StudySM

Customer Satisfaction Index Ranking

Smartphone Brands (Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are: Palm and Sony Ericsson.

Source: J.D. Power and Associates 2009 Canadian Wireless Customer Satisfaction StudySM

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