



# Can We Talk?



Canada's telecommunications companies have undergone a little-noticed transformation in recent years – and are quietly transforming the way business works.

BY BEN FREELAND

It is a well-known fact that telecommunications companies rank among the least-admired companies throughout much of the world. Nowhere is this truer than among Canada's neighbours to the south, where a recent survey by the American Customer Satisfaction Index (ACSI) showed that cable giants Comcast and Time Warner Cable had the lowest customer satisfaction ratings of any company across all industries, including banks, airlines, and health insurance providers. So colossally unpopular are America's telecom titans that the consumer blog BGR.com quipped that "it's unfortunate that ACSI didn't ask how people felt about (cartoon villains) Skeletor, Gargamel and Cobra Commander, because we get the feeling that Comcast and TWC would have had lower ratings than them as well."



The next frontier of telecommunications, Jacobs asserts, is machine-to-machine communications – the so-called ‘Internet of Things’ (IoT), a front on which he expects Alberta to lead the way.

While Canada’s leading cable providers have rarely incited comparisons to ’80s cartoon antagonists, they scarcely receive much in the way of plaudits. Canada continues to trail much of the developed world (including the United States) in terms of Internet download speeds, and when telecoms appear in the news it is typically after somebody has inadvertently incurred an astronomical data roaming bill or a company has launched some sort of challenge to net neutrality. That said, the customer satisfaction picture for Canada’s wireless incumbents is far less grim than for their stateside counterparts. The introduction of the Canadian Radio-television and Telecommunications Commission’s (CRTC) new wireless code at the end of 2013 saw wireless phone bills drop on average by \$7 per month within a year,

and with it rapid increases in customer satisfaction.

Of the major players in Canada’s wireless scene, few have benefitted more from the CRTC’s new regulatory regime than Telus. Not long ago, ranked among the country’s least-admired companies, the Edmonton-born, Vancouver-based telecom reached Waterstone’s Top 10 Most Admired Companies list in 2013, and continues to outperform industry standards for customer retention and positive corporate culture. “We currently have the highest wireless customer retention rate in North America,” says Telus chief corporate officer Josh Blair. “We’ve also reduced our level of customer complaints by 53 per cent over the past three years, while the rate for the industry has gone up by 42 per cent over the same period.”

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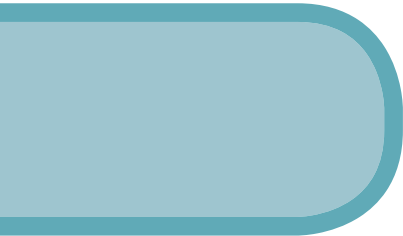
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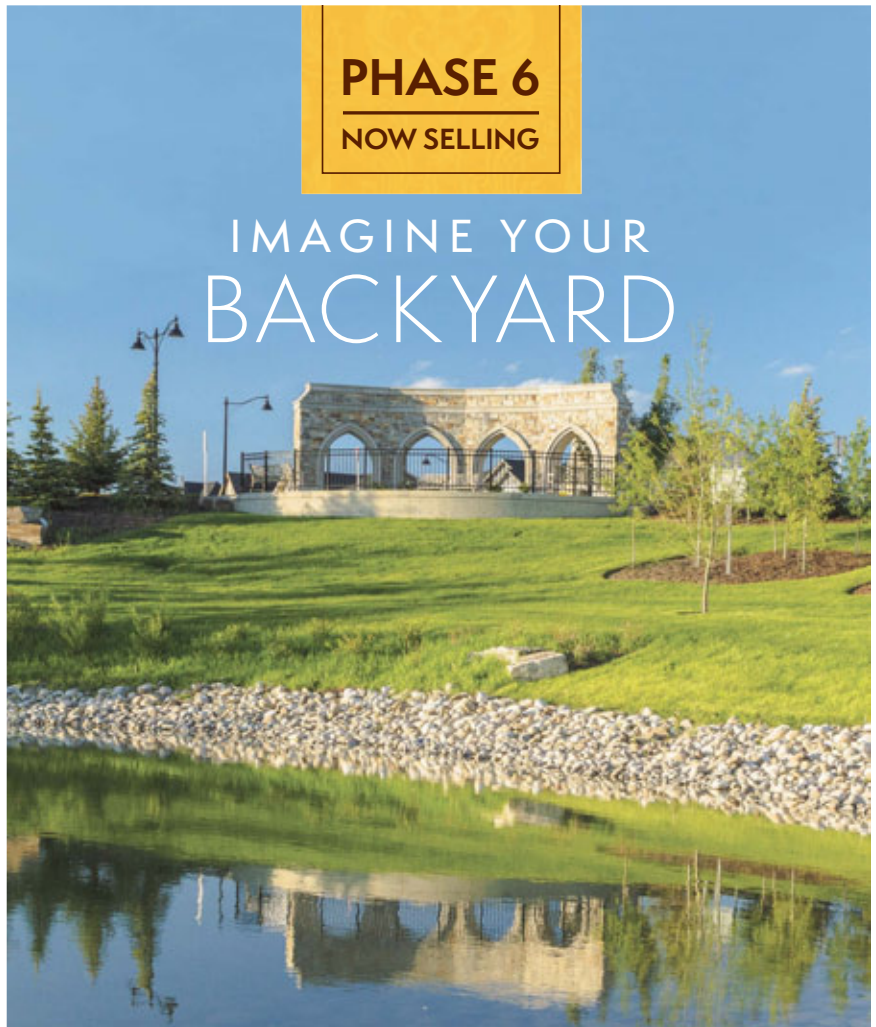
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Blair contends that the federal government's new regulatory framework, which aims to ensure the presence of at least four telecom players in every region, has had a positive overall impact on service nationwide. "Telus has always been something of an outlier as a company, one that's always been supportive of allowing foreign competition," he asserts. "And I really have to hand it to the feds for establishing this new system. A recent study from the University of Calgary has shown that Canada has the third most competitive wireless market in the OECD, which is remarkable considering our limited population."

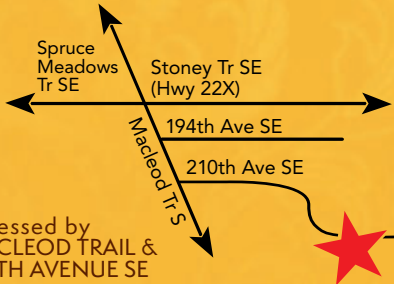
While consumer prices and Internet download speeds may be the most visible aspects of the telecommunications business, Telus and other providers are doing much to transform the country's communications landscape behind the scenes. While Canada had a 4G LTE penetration rate of only eight per cent in 2013 (compared to 19 per cent in the US and a phenomenal 62 per cent in South Korea), Canada has begun to close the gap thanks to colossal infrastructure investments by Canada's wireless providers. "We're currently investing \$3 billion a year in LTE infrastructure," says Nauby Jacobs, vice president of products, services and content with



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“The additional piece of the puzzle is wallet technology, whereby you can upload your transit pass, building access passes, and even personal identity cards onto your phone. We’re developing this now. We don’t have a market launch date yet, but it’s not far off.”

~ Nauby Jacobs



Bell Mobility. “Thanks to this, we’ve extended coverage to 86 per cent of the country, and we’re aiming for 100 per cent soon.” Jacobs, like Blair, contends that Canada’s telecommunications market has truly emerged as one of the most vital and competitive in the world. “The market here is significantly ahead of most other countries, especially when you consider the vast distances we have to contend with here.”

The next frontier of telecommunications, Jacobs asserts, is machine-to-machine communications – the so-called ‘Internet of Things’ (IoT), a front on which he expects Alberta to lead the way. “Alberta has always been ahead of

the curve in wireless communication, and we’re definitely expecting the province to punch above its weight in terms of industrial applications,” says Jacobs. “The most obvious application is for the resource industry. Oil pipelines, for example, are typically monitored with meters, and these meters are being converted to ‘smart’ meters that are connected to the Internet. We’re also looking at applications for drilling equipment, so that speed and irregularities can be monitored remotely and transmitted directly to the network. These types of innovations have huge productivity implications for Alberta’s leading industries.”

Another transformational trend in the telecommunications

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business is so-called Push-To-Talk (PTT) – a 21<sup>st</sup> century twist on old-school CB radio that allows for real-time communication across a wide network area at the push of a smartphone app button. PTT technology has seen a recent upsurge among construction firms and other involved in large-scale projects spread over large areas, and again, Alberta has stood out as an early adopter. “Radio culture has always been huge in Alberta, and this new PTT technology has caught on very quickly,” notes Jacobs. Among its early industrial adopters is Calgary’s Graham Construction. “You don’t realize how important it is to be able to have that instant communication until you don’t have it anymore, especially on a construction site where safety is a priority and the team needs to be constantly connected,” says Danielle Bywater, Graham’s senior equipment administrator.

The next phase, Jacobs asserts, is “smart cities” – a domain in which Calgary is already ahead of the game, having been cited by Maclean’s as Canada’s most wired city. Jacobs cites the French city of Nice, which last year garnered global plaudits with the launch of an extensive online smart city

platform dubbed Connected Boulevard, as an example of what Calgary could easily become within the next decade, wherein everything from traffic lights to the C-Train is interconnected via the IoT. “The technology is there and cities need to take advantage of it,” he contends. “The additional piece of the puzzle is wallet technology, whereby you can upload your transit pass, building access passes, and even personal identity cards onto your phone. We’re developing this now. We don’t have a market launch date yet, but it’s not far off.”

From the consumer front to smart cities to digitally connected oil drilling and pipeline technology, Canada’s once repudiated telecommunications industry is quietly transforming Canada into a wired country par excellence in spite of geographical challenges that established wireless powerhouses like Germany, Japan and South Korea have never had to confront. “Most of what we are doing goes far beyond what people are talking about,” says Jacobs. “The Internet of Things is an innovation on par with the electrification revolution of the industrial age. We’re on the verge of some massive transformations. And it’s coming faster than most people realize.” **B/C**



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