



Cellcom Israel communications group is coping with the revolution that the communication market in Israel has undergone by offering integrated value offers to company customers, innovation, reinforcement of a range of growth engines and maintenance of family values that are identified with the brand

Cellcom Israel was founded in 1994 as Israel's second cellular operator after years when only one company was operating in the category, therefore making service accessible to large audiences. Today, Cellcom Israel provides a wide range of services to approximately 3.3 million customers.

At the end of 2011, the merger between Cellcom Israel and 013 Netvision was completed, making Cellcom Israel one of the largest communications groups in Israel that offers wide range of communications solutions to private and business customers – from cellular service, international calls, internet and land telephony to advanced communications solutions for

businesses such as cloud storage, information security, IP centers, etc. Cellcom Israel's marketing and business philosophy that has accompanied the company since its inception is based on Israeli, family and interpersonal relations values.

The Competitive Environment

Over the past decade, four cellular operators have been competing in Israeli market. In 2012, following large-scale regulatory intervention, the market was opened to new competitors. The rules of the game in the cellular market thus underwent extreme change, resulting in changing borders of communications companies, each

of which is currently spreading into additional arenas beyond their core business.

Currently, four communication groups manage most of the activities in the Israeli communications market; of those, Cellcom Israel is one and it provides consumers with various services. Alongside these companies operate several smaller players that specialize in a narrower field of services, such as cellular calls or international calls.

The Marketing Challenges

The greatest challenge faced by Cellcom Israel was maintaining the company's strength even in an era of new competition while also retaining its image as a popular, admired and preferred Israeli brand and maintaining brand differentiation against existing and new competitors.

Another challenge faced by the company was the development of new growth engines due to the increased competition and the need to reinforce itself as the leading communications group rather than just a cellular phone company.

The Creative Solutions

In order to meet the challenges, Cellcom Israel has operated in two main arenas this past year:

Placing the Israeli family at the center. The value of 'family' has accompanied Cellcom Israel since establishment. In 2008, this message was reinforced through a large-scale campaign under the slogan "The Largest Cellular Family in Israel". As part of the company preparations for competition in the market, internal studies identified a trend of a return to the nuclear family and its perception as an independent financial unit.

"Cellcom Total" – Maximization of Cellcom Israel Group Synergy to Create Differentiation versus the Competition. Cellcom Israel realized that

3 Cell Lines Unlimited	Land Line Unlimited	Internet Connection 10MB	International Calls Unlimited
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CellcomTotal

"Cellcom Israel provides the best consumer relations services of all the other cellular companies"

Source: "Public Trust" Report, Quarter 4 2011

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the brand's role is to maintain the value of the category and to create brand preference, which goes beyond price alone. Cellcom Israel's solution was to provide real value to all communication needs of customers by launching family-oriented marketing



developing fields in the cellular world is cellular browsing and data. As a result of technological developments that have made tablets and smart phones more accessible, along with the need among consumers to always be connected, either for work or for leisure.

moves that peaked with the launch of "Cellcom Total" service – a family program with a monthly payment of NIS 349. The program includes three unlimited cell lines (domestic calls, international calls, text messages and an internet package with changing speeds), unlimited land line (domestic and international calls to defined destinations) as well as an internet connection with 013 Netvision at the speed of up to 10MB including a wireless router.

The "Cellcom Total" move provoked tremendous interest with its launch in Israel's communications market, earning tremendous support among customers and because it maximizes the synergy of service providers in the Cellcom Israel Group to offer total value of communications solutions, it motivated many customers to join Cellcom Israel and acquire the package.

Data and Cellular Browsing – One of the most

The rate of upgrading to smartphones in Israel's cellular market has increased by dozens of percentages over the past year alone. The core of change is in the world of tablets, a field which has grown in hundreds percent during the past year alone. The number of people who browse on the cellular phones in Israel has surged by hundreds of percentages over the past two years. In order to prepare for increased use of cellular browsing

Things You Didn't Know About Cellcom Israel

- This year Cellcom Israel has won the Public Trust index for the third consecutive year.
- Over the years, Cellcom Israel established 12 "Volume" music centers across the whole country, designed to encourage the creation of Israeli music among teenagers. To date, about one hundred thousand teenagers have participated. The centers activities gave rise to more than 100 ensembles and bands.
- The "Cellcom Volume Music Festivals" held across the country throughout the years was attended by about 250,000 teenagers.

and data usage, Cellcom Israel is currently upgrading its cellular network, and is expected to provide its customers with maximum browsing speed of up to 42Mbps.

At the same time, Cellcom Israel offers integrated packages of tablet and browsing package, at various price levels. To date, Cellcom Israel is the only communication company in Israel that markets the New iPad with mobile browsing capability.

And in the future...

Cellcom Israel will continue to create cross platforms services that can be used in several different screens while also launching attractive offers to consumers that incorporate in one package both the cellular device as well as other smart devices.

In addition, Cellcom Israel is examining its entry into the IPTV market (digital television services on a broadband basis) while also examining the development of the cellular wallet.

קטן וטוב למשפחה



1994
Cellcom Israel founded as the second cellular operator in Israel.

2004
Cellcom Israel launches the 3G network.

2007
The company is listed on the NYSE.

2007
Cellcom Israel crosses the three million customer barrier.

2011
Merger with 013 Netvision is completed, resulting in the formation of one communication group.

2012
Launch of "Cellcom Total" – package of complete communication services for the entire family.