



2018 Global Tabletop Audio Conferencing Endpoints
Customer Value Leadership Award



2018
BEST PRACTICES
AWARDS

Contents

<i>Background and Company Performance</i>	3
<i>Industry Challenges</i>	3
<i>Customer Impact and Business Impact</i>	3
<i>Conclusion</i>	7
<i>Significance of Customer Value Leadership</i>	8
<i>Understanding Customer Value Leadership</i>	8
<i>Key Benchmarking Criteria</i>	9
<i>Customer Impact</i>	9
<i>Business Impact</i>	9
<i>Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices</i>	10
<i>The Intersection between 360-Degree Research and Best Practices Awards</i>	11
<i>Research Methodology</i>	11
<i>About Frost & Sullivan</i>	11

Background and Company Performance

Industry Challenges

A number of factors are propelling adoption of tabletop audio conferencing endpoints, notably the rapid migration of users from TDM to IP telephony environments, increasing preference for portable endpoints, the overall growth in collaborative workspaces, and significant adoption of software-based collaboration services. According to Frost & Sullivan's most recent research, the global tabletop audio conferencing endpoints market is forecast to grow from \$342 million in 2017 to \$625 million by 2024. Despite the growing adoption of tabletop conference phones, there are some significant challenges that market participants need to address to move ahead of the curve.

While audio has always been – and will remain – the lifeblood of every meeting, there are a number of low cost options available in the market today that do not adequately meet user expectations in terms of quality. A large proportion of remote collaboration participants are fatigued by the inability of conference phones to produce good sound clarity by effectively suppressing background noise. Audibility, which is supposedly the lowest common denominator, is largely compromised in low-end conference phones. Further, the acoustic echo cancellation phenomenon is more critical in huddle spaces, with enterprises increasingly embracing meetings in huddle rooms. Typically, these spaces are not equipped with spatial noise absorbers.

As meeting spaces become more dynamic to suit the needs of a modern workforce, natural collaboration is gaining increasing significance. Businesses are seeking to liberate users from their desks/seats, enabling them to move around freely and use whiteboards to boost creativity and productivity. Accordingly, meeting room endpoints are expected to be smarter and deliver full duplex at extended microphone range. The bulk of endpoints available in the market today limit users to a particular microphone range, or risk audio quality being poor and muffled.

Furthermore, a lack of native integration and interoperability of audio conferencing endpoints with on-premises and cloud-based UC platforms results in inconsistent meeting experiences and discourages the broader adoption of audio conferencing endpoints.

Konftel stands out among audio conferencing endpoint vendors due to its strong focus on delivering high levels of audio quality that mimic the in-person meeting experience; adding value through enhanced product features and functionality; and adopting a product development approach that complies with a number of UC platforms. With its renowned audio expertise, Konftel is helping its customers to overcome the challenges evident across the audio conferencing endpoint market.

Customer Impact and Business Impact

Konftel's Strong Roots in Audio Conferencing and its Appeal to Customers

Based in Sweden, Konftel was founded in 1988 with a vision to develop best-in-class, innovative and high quality products. Konftel derives its strong roots in the audio conferencing market through its continuous investment in R&D to develop a well-rounded product portfolio that emphasizes good sound quality. The company was one of the few vendors to realize the importance of empowering users with crystal-clear audio quality to achieve a productive and effective collaboration experience. Konftel's patented OmniSound audio technology is designed to remove the clipping of speech, reverb, and echoes that people often experience when using a conference phone. With OmniSound, Konftel has mastered the techniques of background noise suppression and sound equalization – the ability to adjust the frequency curve in order to improve audibility and nuances of speech. All of Konftel's endpoints are based on OmniSound audio processing technology that supports 360 degree speech pick-up. In addition, the endpoints are equipped with powerful loudspeakers that enable cleaner audio transmission, thus satisfying the needs of even the most demanding customer.

Konftel appeals to its customers through a wide range of tabletop conference phones suited to multiple connectivity environments:

- 1) TDM/Analog: Konftel 250, 300 and Avaya-branded phones such as B149, B159
- 2) DECT: Konftel 300Wx and Avaya-branded phone B169
- 3) IP: Konftel 300IP, 300IPx and Avaya-branded phones such as B179, B189
- 4) GSM: Konftel 300Mx
- 5) USB/BT/Personal speakerphones: Konftel Ego, 55, 55Wx
- 6) External Microphones and Public Address (PA) interface

Of all of its conference phone models, the Konftel 300Wx DECT conference phones garner the highest recognition for the company. With the help of base stations, users can join meetings wirelessly without having to worry about network and external power outlets. Despite the advancements in Bluetooth, Wi-Fi and PoE, DECT technology is still believed to be the most secure and reliable option by several customers worldwide. In addition, the extended 60-hour battery talk time is highly competitive relative to comparable brands in the market. Responding to the increasing proportion of mobile and home workers in Europe, the company launched the Konftel 300M in 2010 - an industry-first conference phone with built-in SIM card. Being a GSM-operated phone, it acts as a stand-alone endpoint, unlike comparable options such as Bluetooth-enabled binaural headsets, Bluetooth speakerphones, analog and VoIP conference phones that rely on power source and need a point of connectivity to operate. Further, Konftel launched the 300Mx in 2015 -

an upgraded version with support for HD Voice in the mobile networks. The Konftel 300Mx charges via a charging cradle and offers 30 hours of talk time.

In terms of connectivity option flexibility, the majority of Konftel's conference phones are hybrid in nature, supporting line modes such as analog/IP/GSM as well as secondary modes of connectivity such as USB and/or Bluetooth to suit a user's environment and needs.

Further, as users increasingly demand simplification, conference phone user interfaces are moving away from physical dial-pads to touch-interfaces. Acknowledging this trend, Konftel launched the Konftel 300IPx with built-in support for Konftel Unite in April 2017. Konftel Unite is a mobile app that integrates with a user's calendar and contacts apps, and facilitates call initiation based on a One Touch Conferencing feature. In addition, the Konftel Unite also allows call-control and acts as an intuitive extension of Konftel 300IPx. While the 300IPx conference phone connects to smartphones through Bluetooth LE (Low Energy) to enable access to Konftel Unite, the audio transmission takes place via SIP interface only.

Optimizing Customer Ownership Experience

Driven by the significant uptake of the Konftel Unite and Konftel 300IPx bundle, Konftel extended Konftel Unite app support to its other models – Konftel 300Wx and Konftel 300Mx. The app support for these conference phone models is made possible with the help of an optional adapter that is available at a list price of \$49. This adapter can be inserted into a phone's SD card slot to enable users to enjoy the benefits of app integration with their existing conference phones. This is a distinct feature – competing vendors primarily focus on entirely replacing legacy endpoints with next generation touch-sensitive conference phones.

Konftel continuously focuses on designing tools that simplify installation and deployment processes for end users. This is evident from Konftel's launch of its Zero Touch Installation (ZTI) feature, which allows auto-provisioning for Konftel 300IP and 300IPx conference phones. As soon as the devices are powered on, the ZTI service directs endpoints to the provisioning server, where the device is configured and registered. The ZTI feature also facilitates centralized device management in terms of product replacements and software upgrades. This specialized and encrypted service is available free of charge to Konftel customers.

Konftel's highly value-centric approach to creating a hassle-free meeting and product installation experience sets the company apart from the competition.

Financial Performance and Customer Acquisition

Over the past few years, Konftel has made significant investments in North American, Asia-Pacific, and EMEA markets to expand its go-to-market capabilities and business in these regions. In 2017, the company achieved 10 percent growth in its global tabletop audio conferencing endpoint revenue as compared to the overall market growth of 7.8 percent. The company's performance is primarily driven by best-sellers such as Konftel 300Wx DECT conference phone, 300IP and 300IPx IP conference phones. Examples of successful client deployments include Scania (Heavy trucks manufacturer), WeWork (shared workspace community), large banks and financial institutions, global retailers, and automotive companies.

Aside from mastering sound quality and product design, Konftel has been pursuing a strategy to develop conference phones that are truly platform agnostic. In order to provide customers with conference phones that are optimized to work on multiple communication platforms, Konftel has been undergoing regular rigorous tests and certification activities with several vendors in the UC arena. Committed to industry standards, Konftel's conference phones can now support a wide variety of UC platforms from vendors such as Alcatel-Lucent, Avaya, Cisco/Broadsoft, Digium, Huawei, Innovaphone, Microsoft, Mitel/Shoretel, NEC, Swyx and Unify. This capability differentiates Konftel from other comparable brands that are more focused on particular and widely-adopted UC platforms such as Microsoft Skype for Business only. Vendor-independent products are highly attractive for customers that are looking to use platforms other than Skype for Business.

Brand Reputation for Remarkable Technology

Konftel has a long-standing reputation for audio quality. Be it the large conference room or the desktop, Konftel technology is associated with superior conference call audio quality, both spatially as well with HD/wideband voice. Therefore, Konftel customers that are migrating from TDM to VoIP are very likely to stick with Konftel for tabletop conference phones.

In addition, being an independent subsidiary of Avaya, Konftel effectively serves as the conferencing endpoints arm of Avaya. The incorporation of OmniSound audio-enhancing technology and Konftel's conference phone gear in Avaya's product line has proven to be a tremendous success among Avaya's customer base. The combined entity is expected to continue to collaborate in terms of R&D and product development in the conferencing endpoint arena.

Developing New Product Lines to Meet Changing Customer Needs

With the explosion of huddle rooms and medium-sized meeting spaces over the past two years, there has been a paradigm shift towards customer adoption of low-cost video options. User preferences have been moving away from high-cost video codecs to more

affordable and easy-to-install video peripherals such as USB cameras and displays. In tune with this trend and having mastered the audio technology and audio collaboration needs, Konftel is planning to diversify into an audio-video product line coined “Konftel Collaboration” on its 30th year since inception. Pinpointing customer need for video peripherals that use cloud video conferencing services, Konftel plans to ship packages that cater to small, medium and large meeting spaces from Q3 2018. Each package will include a conference cam, speakerphone and hub that connect all devices together including the video display. Konftel also plans to sell stand-alone cameras to its existing base of conference phone users.

Conclusion

With a broad and compelling solutions portfolio and a reputation for solid product quality, Konftel’s dominance is expected to continue in the tabletop conference phone market. As businesses increasingly adopt endpoints with rich and enhanced functionality, Frost & Sullivan believes that Konftel is set to disrupt the traditional audio conferencing endpoint market through its next-generation audio-video conference bundle.

For its strong overall performance, Konftel is recognized with Frost & Sullivan’s 2018 Customer Value Leadership Award.

Significance of Customer Value Leadership

Ultimately, growth in any organization depends upon customers purchasing from a company and then making the decision to return time and again. Delighting customers is, therefore, the cornerstone of any successful growth strategy. To achieve these dual goals (growth and customer delight), an organization must be best-in-class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition.



Understanding Customer Value Leadership

Customer Value Leadership is defined and measured by two macro-level categories: Customer Impact and Business Impact. These two sides work together to make customers feel valued and confident in their products' quality and long shelf life. This dual satisfaction translates into repeat purchases and a high lifetime of customer value.

Key Benchmarking Criteria

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated two key factors—Customer Impact and Business Impact—according to the criteria identified below.

Customer Impact

Criterion 1: Price/Performance Value

Requirement: Products or services offer the best value for the price, compared to similar offerings in the market.

Criterion 2: Customer Purchase Experience

Requirement: Customers feel they are buying the most optimal solution that addresses both their unique needs and their unique constraints.

Criterion 3: Customer Ownership Experience

Requirement: Customers are proud to own the company's product or service and have a positive experience throughout the life of the product or service.

Criterion 4: Customer Service Experience

Requirement: Customer service is accessible, fast, stress-free, and of high quality.

Criterion 5: Brand Equity

Requirement: Customers have a positive view of the brand and exhibit high brand loyalty.

Business Impact

Criterion 1: Financial Performance

Requirement: Overall financial performance is strong in terms of revenues, revenue growth, operating margin, and other key financial metrics.

Criterion 2: Customer Acquisition

Requirement: Customer-facing processes support the efficient and consistent acquisition of new customers, even as it enhances retention of current customers.

Criterion 3: Operational Efficiency

Requirement: Staff is able to perform assigned tasks productively, quickly, and to a high quality standard.

Criterion 4: Growth Potential

Requirements: Customer focus strengthens brand, reinforces customer loyalty, and enhances growth potential.

Criterion 5: Human Capital

Requirement: Company culture is characterized by a strong commitment to quality and customers, which in turn enhances employee morale and retention.

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

Frost & Sullivan analysts follow a 10-step process to evaluate Award candidates and assess their fit with select best practice criteria. The reputation and integrity of the 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates 	Matrix positioning of all candidates' performance relative to one another
3 Invite thought leadership in best practices	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Review analysis with panel • Build consensus • Select recipient 	Decision on which company performs best against all best-practice criteria
9 Communicate recognition	Inform Award recipient of Award recognition	<ul style="list-style-type: none"> • 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	Upon licensing, company is able to share Award news with stakeholders and customers	<ul style="list-style-type: none"> • 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

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

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 participants and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



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 more than 50 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.