

*Chunghwa Telecom Recognized as the*

**2021**

**Company of the Year**

Taiwan Data Center Services Industry

*Excellence in Best Practices*



中華電信

Chunghwa Telecom

## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Chunghwa Telecom excels in many of the criteria in the Taiwan data center services space.

AWARD CRITERIA	
<i>Visionary Innovation &amp; Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

### Using Futuristic Scenarios to Address Unmet Customer Needs

The need for security in information communication technology (ICT) systems and vital infrastructure has led to an increase in large-scale public cloud data centers in Taiwan. These hyperscale data centers are extensive, mission-critical facilities designed to accommodate stable, scalable applications efficiently. According to the Global Cloud Index, hyperscale data centers will contain 47% of global data servers by 2020.<sup>1</sup>

*“According to Frost & Sullivan, there is a need for data centers in Taiwan to ensure the security of ICT systems and vital infrastructure, which has led to the rise of large-scale public cloud data centers.”*

*- Nidhi Jalali, Best Practice Analyst*

Chunghwa Telecom has built and is further investing in new hyperscale data centers in Taiwan to address this demand. With more than 15,000 cabinets, the company takes first place in Taiwan’s domestic market share.

Chunghwa Telecom provides high-quality services such as integrated telecommunication services, domestic and international fixed communication, mobile communication, broadband, and Internet. The company’s research and development team focuses on seven critical areas: intelligent

<sup>1</sup> Asia Pacific’s surging data center demand. JLL Taiwan. (2017, November 21). <https://www.jll.com.tw/zh/trends-and-insights/cities/asia-pacific-surging-data-center-demand>.

broadband networking, cloud computing, intelligent business, information security application, artificial intelligence, and Big Data, Internet of Things (IoT), and convergence. These capabilities and offerings aim to create an optimal communication environment to enable an excellent and convenient digital lifestyle. They enable Chunghwa Telecom to serve as a critical partner for other international telecommunication service providers.

As a leading ICT service provider in Taiwan, Chunghwa Telecom believes that technology can create a better future as the company assists the government in achieving its goal of becoming a "smart country." For example, the company developed a comprehensive IoT service for smart railways that allows users to manage train equipment, detect events, access data, and visualize analytics in real-time.

Chunghwa Telecom has strategically positioned itself to drive the digital economy by expanding its data center business, which will serve as the backbone of digital transformation initiatives. In addition to the retail segment, Chunghwa Telecom is now targeting the hyperscale market, extending its range of

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service offerings in Taiwan's data center segment. As the first player to provide data center services since 2000, the company is the largest data center service provider in Taiwan. Moreover, Chunghwa Telecom has been consistent in its efforts to expand data center network functionality. The company has enhanced space application flexibility, floor loading, and security hardware, helping users to manage space constraints for formal cabling systems, increase quality standards, and ensure infrastructure capability and solution interoperability.

### ***Business Continuity Guidelines for Generating a Strong Brand Value***

Chunghwa Telecom offers refined, thoughtful, and skilled services to create a warm and welcoming customer relationship environment. The company uses Big Data research and conducts satisfaction surveys to learn about customers' interests, and then offers thoughtful and tailored services and products that generate positive impressions and brand loyalty. This strategy represents a significant differentiating feature between Chunghwa Telecom and its competitors by providing an opportunity to win customers' trust and provide them with customized data center solutions.

Chunghwa Telecom has also taken measures to ensure quality. It is the first telecom carrier to achieve an International Organization for Standardization 10002:2004 Customer Complaint Management System certification for all of its centers. These certifications are essential for Chunghwa Telecom to maintain a superior and professional reputation and high-quality service. They demonstrate the effort Chunghwa Telecom is willing to put in and the lengths to which it will go to guarantee high quality. Additionally, Chunghwa Telecom developed the "Channel Sales Support Items Management Guideline" and "Channel Sales Support Items Management Implementation Procedures." These guidelines aim to ensure that the display of sales support items and activity management is consistent across all of its service and business locations.

### ***Best-in-class Product Performance Value Translates into a Positive Customer Experience***

In Taiwan, companies seek various data center services and customized solutions to fulfill their customers' requirements. For instance, the number of companies that use cloud computing has risen dramatically in recent years. To respond to this trend, Chunghwa Telecom developed an internal team that focuses explicitly on building customized systems and solutions. Moreover, the company also upgraded its content management system in 2020 so that customers could access cabinet information and focus on infrastructure management automation more efficiently. According to Frost & Sullivan, this strategy is a significant differentiator between Chunghwa Telecom and its competitors. It allows the company to gain customers' confidence and provide smooth and personalized data center solutions to its customers in Taiwan.

## **Conclusion**

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Chunghwa Telecom has successfully established a business presence and brand as a market leader in Taiwan's data center service industry. The company is well-known for offering custom-tailored packages as well as excellent customer service. It exceeds consumer expectations regarding ease of installation and having a user-friendly interface. The company creates reliable peer and data center environments for enterprise customers by leveraging robust network infrastructure and innovative solutions.

As a result of these concerted efforts and dedication to the industry, Chunghwa Telecom earns Frost & Sullivan's 2021 Taiwan Company of the Year Award in the data center services space.

## What You Need to Know about the Company of the Year Recognition

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Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

### Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Visionary Innovation & Performance*

**Addressing Unmet Needs:** Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

**Visionary Scenarios through Mega Trends:**

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first to market solutions and new growth opportunities

**Leadership Focus:** Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

**Best Practices Implementation:** Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

**Financial Performance:** Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

#### *Customer Impact*

**Price/Performance Value:** Products or services provide the best value for the price compared to similar market offerings

**Customer Purchase Experience:** Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

**Customer Ownership Experience:** Customers proudly 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 high quality

**Brand Equity:** Customers perceive the brand positively and exhibit high brand loyalty

