

FROST & SULLIVAN

BEST PRACTICES

AWARDS

FROST & SULLIVAN

2019

BEST
PRACTICES
AWARD

Yealink

**2019 GLOBAL
OPEN SIP DESKTOP PHONE
MARKET LEADERSHIP AWARD**

Contents

Background and Company Performance	3
<i>Industry Challenges</i>	3
<i>Market Leadership of Yealink</i>	4
<i>Conclusion</i>	7
Significance of Market Leadership.....	8
Understanding Market Leadership.....	8
Key Performance Criteria	9
Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices	10
The Intersection between 360-Degree Research and Best Practices Awards.....	11
<i>Research Methodology</i>	11
About Frost & Sullivan	11

Background and Company Performance

Industry Challenges

The enterprise desktop phone market is facing several challenges that are constraining its overall growth potential.

Usage of desktop phones, in general, has been decreasing across the years due to the proliferation of other types of communications endpoints such as mobile devices and software interfaces. While circa 92.0 percent of global business users have a hard phone at their desk, real usage of desktop phone communications has been gradually decreasing in favor of other hard and soft communications endpoints and interfaces. In the case of PC-based communications, the revolution of software-centric communications and collaboration is compelling more businesses to invest in other types of endpoints that are more suited for use with a software-based solution set.

Today, PC USB and unified communications and collaboration (UCC) headsets are no longer considered accessories, but intelligent endpoints that can significantly augment a software-based communications and collaboration experience. As a consequence, more businesses are considering the move to environments without desktop phones.

When it comes to mobile devices, on the other hand, there are approximately 500 Million business workers who use smartphones at work, of whom approximately 36 percent use these devices to perform their job functions. Before the advent of smartphones and tablets, the usage of cellular or mobile devices to conduct work was only limited to few use cases. The use of mobile devices in the workplace is likely to continue to increase in the future.

Despite the wide variety of endpoints in today's workspaces and the dramatical change in technology use habits, desk sets are still seen by many professionals as the most reliable, convenient, secure and easy way to have business conversations. In 2018, IP desktop phones grew by 6.2 percent in terms of shipment to reach 24.4 million and 1.4 percent in terms of revenue to reach \$2.49 billion. Open SIP desktop phones deployments continued to be the main driver behind sustained IP desktop phone growth. Within the last six years, more than 50 million open SIP desktop phones have been shipped in the business space. In 2018, open SIP desktop phone shipments grew by 10.4 percent to reach 12.6 million, representing 51.7 percent of total IP desktop phone shipment. The main driver of open SIP desktop phone growth has been new desk sets attached to UCaaS solutions, with circa 73% of the open SIP desktop phones shipped in 2018 implemented in hosted/cloud-based communications environments.

While claims of the "death" of the IP desktop phone are still far from reality, devices deployed in the office do need an upgrade or refresh to keep pace with the evolving nature of work and the workplace. Many IP desktop phone offerings today are falling way behind the new requirements of businesses and users in terms of functionality, experience, performance, technology evolution, and overall support. Many do not fully support the robust features and capabilities delivered by unified communications and

collaboration offerings. New IP communications endpoints should, therefore, live up to businesses' digital transformation aspirations by empowering users to work more intelligently and efficiently. Moving beyond today's generic voice offerings with next-gen IP devices is fundamental to satisfy the requirements of the office of the future. As the value proposition of IP endpoints continues to evolve, businesses that do consider investing in IP desktop phones have been considerably raising their expectations with respect to features and functionality.

At times of intense challenges, market share leadership provides a vendor with competitive advantages in terms of visibility, positioning for sales and partnership opportunities, and overall ability to thrive. A market share leadership status demonstrates that the developer has adapted its offerings and strategies to address changing industry conditions. Customers evaluating cost-effective, yet feature-rich open SIP desktop endpoints frequently choose the market leader as they perceive it as the most reliable and trustworthy partner. Increased visibility builds company awareness and helps position product portfolios more successfully among decision makers and end users. Further, a market share leader is often more capable of coping with evolving industry trends and handling the competitive pressures of the market due to greater resources, accumulated experience and better-developed partner support strategies.

Market Leadership of Yealink

Frost & Sullivan is pleased to recognize Yealink for its outstanding performance in the open SIP desktop phone market. For the second consecutive year, the company maintained its global dominance in terms of total enterprise open SIP desktop phone shipments. It also managed to grow its market share from 25.3 percent in 2017 to 27.3 percent in 2018. Yealink has accomplished this leadership position through growth strategy excellence, price/performance value, technology leverage, brand strength, and a superior customer service experience.

Growth Strategy Excellence

Yealink has always demonstrated the ability to consistently identify, prioritize, and pursue emerging growth opportunities.

Founded in 2001, Yealink's executive team had a shared vision for the organization's future growth: to become a leader in the IP endpoints market. Since then, the company has taken the market by storm, growing as the most popular Chinese brand of IP desktop phones in Western markets and offering one of the largest arrays of continually enhanced IP endpoint models. Today, the company's devices are sold in more than 140 countries and are well known for their high quality as well as advanced functionality provided at compelling prices. Yealink's broad open SIP desktop phone portfolio ranges from entry-level phones to advanced, smart media phones for senior executives—all at very competitive price points. Developed by a growing team of hundreds of R&D staff, Yealink's open SIP desktop devices are continually enhanced and updated to meet customers' evolving needs.

In addition to becoming a leader in the open SIP desktop phones space, Yealink also offers a diversified IP device portfolio including desktop IP phone, advanced tabletop conference IP phone, digital enhanced cordless telecommunications (DECT) IP phone, professional headsets, video collaboration solutions and voice and video devices certified with Microsoft Skype for Business and Teams call control systems.

Continuously expanding its IP endpoints portfolio to pursue emerging growth opportunities Yealink has achieved a notable position among the leading IP desktop phone brands in the enterprise endpoints market.

Price/Performance Value

Yealink is committed to providing the best open SIP desktop phones that deliver a superior user experience at affordable prices. With more than half of its workforce employed as engineers focused on research and development (R&D), Yealink applies strict quality controls that are consistent with international quality standards. Always adaptive and responsive to customer requests, the company has consistently aimed to deliver the most reliable, functional, cost-effective, and easy-to-use communications products in the industry. Yealink has already achieved interoperability and certifications with a large ecosystem of call-control providers, including 3CX, AMPLEMENT, BroadSoft, Cloudonix, epygi, GENBAND, Genesys, Metaswitch, Microsoft, Ribbon, RingCentral, Unify, and more. Yealink products undergo strict standards testing for quality and reliability, striving for the lowest power consumption possible during calls. Yealink products are also cost-effective and available at comparable prices in different world regions. The company has set and implemented a uniform manufacturer's suggested retail price (MSRP) globally for each type of phone to ensure consistency in the sales process and in the quality and benefits delivered to users and distributors.

Yealink pushes its product breakthroughs by zeroing in on the customer segmentation to pinpoint the needs of different user groups. With products designed to ensure that workers can enjoy the same workflow in small, mid-size and large rooms or on the go, users and companies of all sizes can find their right tools for productivity and connectivity with flexible investment at Yealink.

Technology Leverage

Yealink has always shown a commitment to incorporating leading-edge technologies into product offerings to ensure greater product performance and value.

Within the last year and a half, Yealink product innovation in the IP communications endpoints realm resulted in the following developments:

- Deeper cooperation with Microsoft to deliver advanced Microsoft Teams HD IP phones. For voice, Yealink's IP endpoints portfolio now includes five devices certified for Microsoft Teams and nine devices certified for Skype for Business.
- New T5 Business Phones with advanced telephony features, to provide the better experience for personalized collaboration. With Yealink Acoustic Shield technology,

users can experience voice clarity by clicking one button. The Yealink T5 Prime Business Phones are also equipped with built-in Bluetooth/Wi-Fi and support seamless switching of calls between the desktop phone and the cordless DECT handset, which brings flexibility and scalability to businesses.

- The high-performance portable speakerphone CP900, which features a compact and industrial design, HD audio experience, allowing both individuals and companies to use it for huddle rooms and on-the-go. AI voice assistant Cortana is accessible by one-click, allowing users to easily make a call or join a meeting. Additionally, Yealink also has the CP700, a medium level portable speakerphone that can be deployed for personal use, private space and on-the-go.
- The Yealink DECT IP Phone Solution, which is specifically designed to power up on-the-go businesses with advanced HD voice, robust battery and 50-meter indoor/300-meter outdoor coverage. The solution includes the entry-to-mid level W52P and W53P pack and the premium-level W60P pack. Additionally, Yealink offers the W41P pack geared towards personal desktops. With a wide range of DECT devices customers can easily choose the phone that meets their requirements and supports their wireless office.
- The tabletop conference phone portfolio which suits a range of different meeting environments, including CP960, CP920 and CP930. This portfolio addresses today's audio conferencing challenges and unify a clear-and-easy conferencing communication experience for both in-room and remote participants. The CP960 targets mid-to-large-sized meetings, while the CP920 covers small-to-mid-sized meetings. The CP930W is a Wireless DECT conference phone which meets the mobility requirement of the organization. The Yealink tabletop conference phones features Yealink's most recent innovations in HD acoustics, Yealink Noise Proof Technology, and multiple microphone arrays.
- The VC200 product, a new huddle-room video conferencing solution to complement Yealink's broad video conferencing offering, as well as an upgrade of Yealink video conferencing room systems (VC200 / VC500 / VC800 / VC880), supporting multiple collaborative features, including but not limited to electronic whiteboarding, annotation on content sharing, touchscreen interoperability and multi-screen interaction.
- The CTP20, a collaboration touch panel that can be paired with Yealink's video conferencing solutions to control meetings effortlessly.

In addition to new product releases, Yealink continued to broaden its overall support, integration, and certifications with a large number of call-control solution providers.

From IP endpoints designed for small businesses looking to gain immediate cost savings to cutting-edge devices intended for discerning users with high expectations, Yealink has consistently advanced its IP phone portfolio to effectively meet the requirements of various types of customers.

Customer Service Experience

A key pillar of Yealink's go-to-market strategy is fast and effective technical support. A large number of professional engineers are fully dedicated to technical assistance, supporting business customers on a daily basis with remote troubleshooting and onsite technical support. Over the years, the company has added regional offices around the world to further expand its technical support resources and enhance its distribution network. Additionally, Yealink's website provides multiple resources aimed to help the company's customers in their purchase journey, including online documents and downloads in the Yealink Community and Yealink Opportunity Incentive Program. Frequently Asked Questions, Wikis and Forums are also available for customers that have inquiries or need advice about the company's products. This same customer service experience is also extended to Yealink's partner ecosystem, which is continuously supported with multiple programs, promotions and discount packages. Yealink customers and channel partners appreciate the company's proactive approach, which helps address their needs and challenges effectively and in a timely manner.

Brand Strength

Yealink has already moved beyond its days as a new brand in the IP phone industry. Today, the company enjoys one of the strongest brands in the IP endpoints market. With a strong partner roster, including top carriers around the world such as China Telecom, France Telecom and Telefonica, as well as major customer organizations such as Citibank, KPN and Philips, Pizza Hut, and the United Nations, and tailored regional campaigns, Yealink continuously strengthens its brand. The company's considerable investment in marketing includes international and local sponsorship of events, presence at trade shows and exhibitions, and ongoing product marketing support (e.g., new product launch events, marketing support materials, and product training and updates).

Yealink has done a remarkable job to publicize its vision, direction and overall strategy to gain the trust, respect and confidence of a large expanse of enterprise communication customers and partners around the world.

Conclusion

Over the years, Yealink has a vision to make collaboration easier and more intelligent. Yealink has developed a broad portfolio covering video conferencing, voice communication and collaboration solutions, providing users with more choices to efficiently perform their jobs.

Frost & Sullivan research confirms that Yealink's market leadership position in the open SIP desktop phone market has resulted from its effective growth strategy, price/performance value, technology leverage, excellent customer service experience and strong brand.

For its strong overall performance, Yealink has achieved a leadership position in the open SIP desktop phone market with a share of 27.3%, and Frost & Sullivan is proud to bestow the 2019 Market Leadership Award to Yealink.

Significance of Market Leadership

Ultimately, growth in any organization depends on customers purchasing from a company, and then making the decision to return time and again. Loyal customers become brand advocates, brand advocates recruit new customers, and the company grows, and then attains market leadership. To achieve and maintain market leadership, an organization must strive to be best in class in 3 key areas: understanding demand, nurturing the brand, and differentiating from the competition.



Understanding Market Leadership

Driving demand, strengthening the brand, and differentiating from the competition all play critical roles in a company's path to market leadership. This three-fold focus, however, is only the beginning of the journey and must be complemented by an equally rigorous focus on the customer experience. Organizations that demonstrate best practices, therefore, commit to the customer at each stage of the buying cycle and continue to nurture the relationship once the customer has made a purchase. In this way, they build a loyal, ever-growing customer base and methodically add to their market share.

Key Performance Criteria

For the Market Leadership Award, Frost & Sullivan Analysts focused on specific criteria to determine the areas of performance excellence that led to the company's leadership position. The criteria include (although are not limited to) the following:

Criterion	Requirement
Growth Strategy Excellence	There is a demonstrated ability to consistently identify, prioritize, and pursue emerging growth opportunities.
Implementation Excellence	Processes support the efficient and consistent implementation of tactics designed to support the strategy.
Brand Strength	The brand is respected, recognized, and remembered.
Product Quality	The product or service receives high marks for performance, functionality, and reliability at every stage of the life cycle.
Product Differentiation	The product or service has carved out a market niche, whether based on price, quality, or uniqueness of offering (or some combination of the three) that another company cannot easily duplicate.
Technology Leverage	There is a commitment to incorporating leading-edge technologies into product offerings for greater product performance and value.
Price/Performance Value	Products or services offer the best value for the price, compared to similar offerings in the market.
Customer Purchase Experience	Customers feel they are buying the optimal solution that addresses both their unique needs and their unique constraints.
Customer Ownership Experience	Customers are proud to 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 of high quality.

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 best practices 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 world	<ul style="list-style-type: none"> • Conduct in-depth industry research • Identify emerging industries • Scan multiple regions 	Pipeline of candidates that potentially meet all best practices 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 practices 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 practices 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 practices 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 practices 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 practices criteria
9 Communicate recognition	Inform award recipient of award recognition	<ul style="list-style-type: none"> • 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 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 the 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, resulting in 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, helps clients 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 practices models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages nearly 60 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on 6 continents. To join Frost & Sullivan's Growth Partnership, visit <http://www.frost.com>.