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2020

AVAYA

2020 GLOBAL IP DESKTOP PHONES PRODUCT LINE STRATEGY LEADERSHIP AWARD

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As many modern workplaces and workflows continue to evolve, enterprises and small businesses alike attempt to navigate a landscape of fast-changing business imperatives, customer demands, and employee needs. Communications and networking markets are in the midst of visible changes. Broadly, business communications have been moving toward digital, cloud-first, mobile-enabled, and streamlined user experience (UX) environments—enabling global workforces untethered to fixed physical offices and traditional communications channels. Amid these digital transformations, the enterprise desktop phone market is facing several challenges that are constraining its overall growth potential.

Desktop phone usage, in general, has been declining over many years due to the proliferation of other types of communications endpoints such as mobile devices and software interfaces. While approximately 92% of global business users have a hard phone at their desk, real usage of desktop phones has been gradually decreasing in favor of other hard and soft communications endpoints and interfaces. In the case of personal computer (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 Universal Serial Bus (USB) and unified communications and collaboration (UCC) headsets are no longer considered accessories, but intelligent endpoints that can significantly augment the software-based communications and collaboration experience. As a consequence, more businesses are considering the move to environments without desktop phones. Similarly, due to multiple factors, including increasingly distributed organizations and a large number of remote and highly mobile employees, the use of mobile devices in the workplace has greatly increased in the past years and is likely to continue to increase in the future. In a 2019 Frost & Sullivan survey of 1,067 global IT and telecom investment decision-makers, 76% of respondents stated that ability to use apps on mobile devices was very important or crucial when making enterprise digital solution purchase decisions.

Despite the wide variety of endpoints in today's workspaces and the dramatic 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% in terms of shipment to reach 24.4 million and 1.4% in terms of revenue to reach $2.49 billion. Open Session Initiation Protocol (SIP) desktop phones deployments continued to be the main driver behind sustained Internet protocol (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% to reach 12.6 million, representing 51.7% of total IP desktop phone shipments. The main driver of open SIP desktop phone growth has been new desk sets attached to unified communication-as-a-service (UCaaS) solutions, with

approximately 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 far from reality, devices deployed in the office do need an upgrade or refresh to keep pace with the evolving nature of the work and the workplace, as well as deliver on the variety of ways employees and groups expect to be able to communicate and collaborate. 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. IP desktop phones should, therefore, live up to 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.[1]

A full, comprehensive product line in the IP desktop phone space is critical to a company's long-term retention efforts. It is a proof point that a provider has succeeded to offer a comprehensive and differentiated portfolio that meets the needs of diverse customer groups. Furthermore, a broad and differentiated product line also enables a vendor to more successfully attract technology and channel partners, thereby expanding its growth opportunity. To achieve a product line excellence, an organization must be best in class in 3 key areas: understanding demand, nurturing the brand, and differentiating from the competition.

Product Line Strength and Customer Impact

A trusted provider of enterprise-level telephony, unified communications, and collaboration tools across the globe, Avaya offers one of the largest portfolios of desktop phones in the market. Under new leadership, the company brings a revitalized focus on the customer journey and how devices fit into the holistic needs of each worker and use case. Concentrating on the actual felt needs of the user, Avaya is delivering high-quality performance and innovative capabilities and features via a revamped portfolio of IP phones and multimedia phones.

Strong Focus on User Needs Motivates All Design Decisions

Amid much disruption in the business communications landscape, Avaya's concentration on the user's actual experience has been among the strongest in the market. The employee desktop phone remains a critical tool, and Avaya's vision to bring the smartphone feel of personalization, applications (apps), and advanced intelligent capabilities can bridge the existing gaps in business communications. Whereas some vendors devise strategies and capabilities for the endpoints as a means to drive users to a unified communications (UC) platform, Avaya places the needs of the individual user at the core of the entire customer journey.

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[1] *Global Enterprise Communications Platforms and Endpoints Market, Forecast to 2025: Communications Vendors Address Changing Business Needs and Rising Demand for Hybrid and Cloud Solutions,* (Frost & Sullivan, June 2019).

Avaya conducts an impressive amount of granular research into the end-user's relationship with the device to understand the interface, obstacles, and ideal resolutions. Extensive surveys of actual workers advise Avaya's product strategy and research and development; they are not a post-hoc justification of commercial decisions. In the latest iteration of the 2019 Avaya State of the Desktop Report, Avaya finds that end-users largely continue working with a single dedicated desktop phone and that those desktop phones are not on the precipice of imminent removal—instead employees want increased features and usability related to their work role and a more intuitive user experience.

Indeed, Avaya's deep research extends to the hardware itself, where the weight and feel of the handset for the Avaya IP Phone J100 Series took approximately six months to design, iterate, and finalize. Focusing on the user's experienced needs and issues, Avaya's has refreshed its portfolio and released a number of IP desktop phones and devices that minimize friction, boost productivity, and augment the digital worker experience.

The J159: Flush with Features and Connectivity Options

Source: Avaya

Trusted Reputation and Forward-looking Innovation Up and Down Its Portfolio

The revamped portfolio of devices rests on a foundation of trusted reliability and aims to bring innovation at the edge. The company's background as a manufacturer of highly reliable phones provides the base and strong reputation, with design teams developing new features for the market. Avaya's IP phones include patented high-quality audio, one-touch access, and organization/personalization options—and leverage the most out of a business UC solution.

Most notably, Frost & Sullivan recognizes the innovation and design going into Avaya's latest lines of multimedia phones that equip organizations with a new level of user experience and digital transformation, bringing the characteristics of consumer smartphones to the business environment, such as color touch screens, one-touch entry, and Wi-Fi connectivity for the wireless campus. The Avaya Vantage™ portfolio uses the Android operating system and is the only business desktop phone in the market with Google Play Store certification, opening up a universe of new capabilities in the millions of applications for the individual employee desk and the conference space. All form features of the Avaya Vantage deliver a single multimedia device for voice and video chat, customizable via an Android application for an individual users' preferred look and feel or for a vertical use case. Moreover, going forward, the Avaya Vantage devices will be the first to integrate Alexa for Business. This progress will enable each one to function as an

intelligent assistant and linking the phone to cloud management, advanced analytics, real-time translation, and AI services.

Expanding the Experience with Agnostic Devices and UCaaS Partnerships

The company has expanded the potential of its portfolio, making a number of devices agnostic and interoperable with multiple UC platforms. Releasing 20 additional types of open devices (completed in 2020), Avaya has considerably expanded its market reach as a different way of focusing on the users. Aside from serving its installed base of customers, the open collection allows any organization to use Avaya's technology, personalization, and high-quality user experience with its own third-party telephony choice. In addition to desktop phones and multimedia phones, platform-agnostic offerings include wireless handsets, conference phones, huddle room endpoints, video systems, and headsets.

The Vantage: Advanced Multimedia Featuring Video, Customization, and Android OS
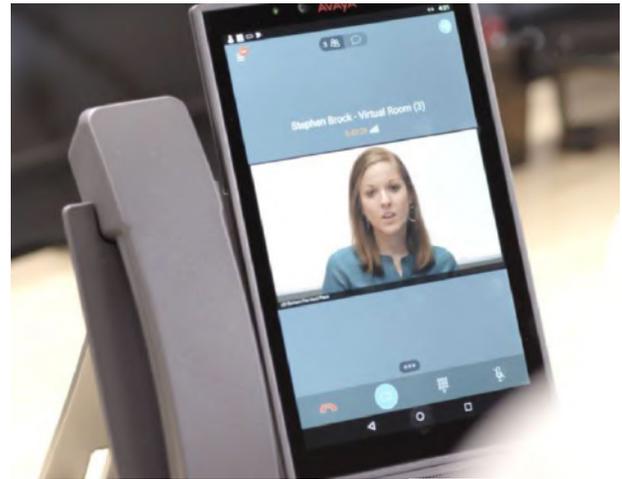
Source: Avaya

In an important move in the market, Avaya is partnering with RingCentral to provide a robust UC-as-a-service (UCaaS) solution to its global customer base. Now with a software-forward, multitenant cloud platform, the Avaya Cloud Office by RingCentral supports customers eager to migrate to a public, private, or hybrid cloud solution. With value for enterprises (unifying telephony and UC features at scale), the small and mid-market (flexibility), and contact centers (modular architecture for software integrations), the deal will propel device refreshing sales for customers. As part of the roll-out, Avaya is introducing two new premium phone models, the Avaya IP Phone J159 and J189, which feature dual screens, maximized connectivity (i.e., wireless, USB, Bluetooth), and customization options. Customers can maximize the efficacy of deployment and unlock additional features when bundling hardware and UCaaS together.

Avaya Devices Deliver Tangible Results

Avaya concentrates on the employee experience because it correlates to their productivity and the experience delivered to the businesses' customers. To drive results, Avaya designs its phones and endpoints with additional features and capabilities, and improved usability—ideally to support a happier and healthier workforce. With greater personalization to the individual phone and user, workers find what they need and use quickly. Avaya's phone portfolio enhances the worker's productivity and engagement, so they can serve the customer better and increase customer satisfaction.

Further, Avaya's advanced phones and endpoints operate through the enterprises' information technology (IT) department to control the provisioning, deployment, and

management. While Avaya's Vantage devices and multimedia-enabled endpoints use the Android operating system for a richer experience, the IT department still manages the security. With the same scalability for large enterprises and small businesses, Avaya's devices ensure that the IT department controls what employees can access—to protect the corporate network from external threats and malware.

Hospitality Tailored with Local Branding

Source: Avaya

Attractive Offers and Support Demonstrate Flexibility

In addition to the high quality of hardware and services, Avaya has launched multiple additional initiatives and attractive offerings that meet customers where they are—from a complete enterprise refresh to building out a startup. Eliminating any large upfront expenditures and hitting as low as $2 per month, Avaya's device-as-a-service program reduces the risk for customers and opens the door for flexible changes, upgrades, or cancellations at any time. Avaya's device-as-a-service program eases funding concerns as a transition to a simple operating expenditure (opex) model, and it can easily be combined with Avaya software subscription programs. Additionally, the phone trade-up offer will accept any Avaya or other brand IP-based phone for as much as $100 credit towards the newest desktop phones and endpoints. Rewarding customers for loyalty, Avaya will dispose of the old phones responsibly and excite new users with new technology and attractive pricing.

Moreover, Avaya also develops devices tailored to vertical segments and their particular needs. Most significantly, Avaya's hospitality portfolio flows through partners dedicated to the practice and delivers the same high-quality performance and reliability as every device, along with branding customization options. Finally, wrapping around each and every offering, Avaya assists customers with 24/7 technical services and fast parts replacement through local channel partners. Avaya ensures that channel partners live up to expectations with face-to-face training at the executive levels and front line.

Conclusion

In the evolving enterprise communications environment, digital transformation is driving the use of new communications endpoints and use cases—however, the desktop phone remains an essential and indispensable tool. Avaya draws from its highly reliable foundation and brings numerous feature and function innovations to the market that help businesses maximize productivity and support the actual needs of users. With a strong focus on customer experiences, Avaya invests in research and development efforts to understand how workers use desktop phones and their holistic needs. These efforts result in a differentiated portfolio of IP desktop phones and multimedia phones with advanced capabilities and features that deliver a smartphone experience. Opening up to third-party platforms with its Open SIP line, attractive offers, and expanding possibilities with its RingCentral partnership, Avaya enables any organization to leverage its advanced desktop phone portfolio.

For its user-focused design, innovative capabilities, and unique desktop experience, Avaya is recognized with Frost & Sullivan's 2020 Global Product Line Strategy Award in the IP desktop phones market.

Significance of Product Line Strategy

Ultimately, growth in any organization depends on customers purchasing from a company and then making the decision to return time and again. A full, comprehensive product line that addresses numerous customer needs and preferences is, therefore, critical to a company's long-term retention efforts. To achieve the dual goals of customer value and product line strength, an organization must be best in class in 3 key areas: understanding demand, nurturing the brand, and differentiating from the competition.

Understanding Product Line Strategy Leadership

Driving demand, strengthening brand, and differentiating from the competition all play critical roles in delivering unique value to customers. This three-fold focus, however, must ideally be complemented by an equally rigorous focus on building a superior and comprehensive product line.

Key Benchmarking Criteria

For the Product Line Strategy Leadership Award, Frost & Sullivan analysts independently evaluated Product Line Strength and Customer Impact according to the criteria identified below.

Product Line Strength

Criterion 1: Breadth
Requirement: Product line addresses the full range of customer needs and applications.

Criterion 2: Scalability
Requirement: Product line offers products at a variety of price points and functionality levels.

Criterion 3: Technology Leverage
Requirement: Demonstrated commitment to incorporating leading-edge technologies into product offerings results in greater product performance and value.

Criterion 4: Features
Requirement: Products offer a comprehensive suite of features to serve customers at multiple levels of functionality, ease of use, and applications.

Criterion 5: Supply Chain Reliability
Requirement: There is sufficient control over the supply chain to ensure availability of products and components.

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 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.

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 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	• 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	• 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	• 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	• 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	• 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	• 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	• 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	• 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 recognition	• 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

STEP		OBJECTIVE	KEY ACTIVITIES	OUTPUT
10	Take strategic action	Upon licensing, company is able to share award news with stakeholders and customers	• 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.

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