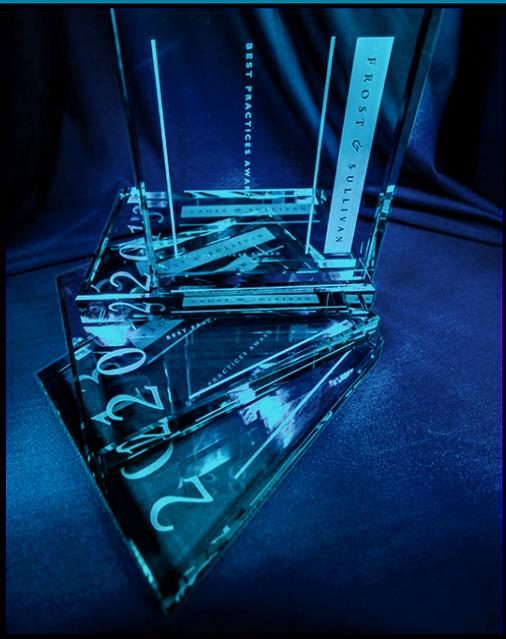# FROST & SULLIVAN

**YAMAHA**

## 2016 Global
## Tabletop Audio Conferencing Endpoint
## Growth Excellence Leadership Award

FROST & SULLIVAN

2016 BEST PRACTICES AWARD

GLOBAL
TABLETOP AUDIO CONFERENCING ENDPOINT
GROWTH EXCELLENCE LEADERSHIP AWARD

2016
BEST PRACTICES
AWARDS

## Contents

## Background and Company Performance

### *Industry Challenges*

Tabletop audio conferencing endpoints demand continues to grow propelled by the spread of collaborative spaces in the corporate office, the increased adoption of software-based collaboration solutions within businesses, and the growing number of workers engaged in meetings.

While the market is expected to noticeably grow within the forecast period, there are different challenges that are expected to affect its growth rate over the years.

Over the past few years, businesses have been shying away from making new investments in enterprise hardware endpoints. Tough global macro-economic conditions and limited internal resources prompted many businesses to keep using their existing endpoint devices and adopt a wait-and-see approach, which negatively affected global sales of enterprise communications endpoints such as audio conferencing phones. These conditions are expected to linger, making organizations very cautious about their next steps and strategies related to communications technology investments.

Furthermore, customer price sensitivity has considerably increased and is compelling many businesses to search for lower-cost endpoints and curtail the purchases of upper-range devices. Today, businesses typically expect greater endpoint functionality at low price points. The high cost of advanced group tabletop audio conferencing endpoints compared to low-priced portable endpoints is posing a challenge to tabletop audio conferencing endpoint vendors who are striving to provide the greatest value at a fair price. Additionally, growing competition on all fronts of the conferencing endpoint space is causing gradual price erosion in the tabletop audio conferencing endpoint realm.

Finally, limited awareness of the benefits of high-quality audio to improve the effectiveness of collaboration among different businesses has been deterring the sales opportunity for higher-quality audio conferencing products. Due to the ever-expanding availability of low-end audio conferencing speakerphones and the lack of adequate education/guidance on audio quality, different businesses are acquiring low-cost audio products with "good enough" capabilities at the expense of better-performing tabletop audio conferencing endpoint products. With a broader selection of products available, buyers are finding it difficult to differentiate among different options.

In challenging times, a growth excellence leadership position is a proof point that a competitor has effectively overcome market barriers and has executed strategies that have allowed it to consistently grow year over year. It is a validation that the vendor has appropriately adjusted its course in accordance with changing customer priorities. A growth excellence leadership position is very well perceived by customers that seek improved meeting effectiveness, investment protection and a reliable partner.

Furthermore, a growth leadership position demonstrates that a company has a strong vision for delivering greater customer value. This market position inspires customer trust, which translates into more loyal buyers.

## Growth Performance and Customer Impact

Frost & Sullivan is pleased to recognize Yamaha Corporation with the Growth Excellence Leadership Award for its outstanding performance in the global tabletop audio conferencing endpoints market. Over the past four years, the company more than tripled its revenue market share positioning Yamaha Corporation among the top three market leaders in the global tabletop audio conferencing endpoints market. Yamaha Corporation has achieved growth excellence leadership through an effective growth strategy, above-market growth rates, growth sustainability, superior customer ownership and service experience, and strong brand equity.

**Growth Strategy**

Since its early days in the audio conferencing endpoints market, Yamaha Corporation's executive team has shared a vision for the organization's future growth: to become one of the leading vendors in the tabletop audio conferencing endpoint space. Since then, Yamaha Corporation has implemented multiple effective growth strategies in order to achieve this goal.

With 48 years of experience in the development of professional audio systems, Yamaha Corporation was one of the first vendors to develop portable USB connectivity endpoints. USB conferencing endpoints such as the Yamaha's PJP-10UR, PJP-20UR, and PJP-50USB have been successfully shipping since 2007, way before other audio conferencing endpoint vendors tapped into this opportunity. In 2012 Yamaha Corporation was ranked second in the USB conference phone segment with a share of 18.7 percent in terms of revenue.

Building on its success within the portable conference phone market, Yamaha Corporation also released the YVC-1000 microphone and speaker system in 2014, a USB and Bluetooth group audio conferencing endpoint for larger rooms and for video teleconference systems. Today, the YVC-1000 model is successfully sold among different businesses around the world, including Canon Systems and Support Inc. in Japan and Summit Public Schools in the United States.

While continuously striving to expand its presence internationally across distributors and technology partners, Yamaha Corporation decided to acquire Massachusetts-based Revolabs in March 2014. Before the acquisition, Revolabs was a pioneer in the wireless conference phone segment and had an outstanding record of achievements, including double-digit revenue growth from day one, establishing original equipment manufacturer (OEM) sales (mainly from its relationship with Cisco Systems), expanding line of innovative products, and expanding number of product distributors.

After the acquisition, Revolabs continued to operate as a wholly-owned subsidiary of Yamaha Corporation propelling the Japanese-based vendor into the second market leader in the tabletop audio conferencing endpoints market. Today, both subsidiary and parent companies continue to launch new tabletop audio conferencing products, leveraging each other's strengths, including Revolab's technical expertise and distribution network and Yamaha Corporation's superior sound engineering capabilities, professional audio experience, and multi-billion dollar financial capabilities.

There is no doubt that Yamaha Corporation's mission to become the leader in the tabletop audio conferencing endpoints market is gradually becoming a reality.

**Above-Market Growth**

Within the last four years, most of the tabletop audio conferencing endpoint vendors either suffered overall revenue declines or saw moderate gains in revenue market share. Over the same time period, Yamaha Corporation more than tripled its revenue market share, positioning itself among the top three market leaders in the global tabletop audio conferencing endpoints market.;. Within the last two to three years, and after the Revolabs acquisition, Yamaha Corporation has also considerably expanded its business internationally. In addition to solid operations in Japan and North America, Yamaha Corporation and Revolabs have tactically expanded sales across Europe, Asia Pacific, the Middle East, and Latin America. An ever-growing fleet of channel partners continue to help distribute Yamaha Corporation and Revolabs products across the world.

Going forward, Yamaha Corporation expects its tabletop audio conferencing endpoints business to continue to grow, beating the competition with its focus on high-quality, flexible devices.

**Growth Sustainability**

Yamaha Corporation has consistently sought out opportunities for new growth, enabling the organization to build on its base, and sustain growth over the long-term. Historically focusing on the USB conference phone market, the company has considerably broadened its target market with the acquisition of Revolabs and the expansion of its tabletop audio conference product line. While portable audio conferencing endpoints still offer high growth opportunities, the market is becoming increasingly crowded with emerging competitors and low-cost products. Yamaha knew that in order to continuously grow its business; it had to transform itself into a full-fledged provider of tabletop audio conferencing equipment. With the acquisition of Revolabs, Yamaha Corporation successfully expanded its portfolio with a wide array of group conferencing products and technologies, including Revolabs' popular FLX wireless conference phone series (analog, VoIP and Bluetooth), Revolabs' successful UC-enabled VoIP and USB wired conference phones, and Cisco's 8831 tabletop conference phone by Revolabs. Joint product

developments continue to enrich the company's product portfolio with advanced tabletop audio conferencing endpoint models emerging each year to address customer needs.

Over the last two years, the Yamaha/Revolabs company also strived to validate and certify its phones with a wide range of enterprise communications and UC solutions. This has allowed the vendor to penetrate customer accounts deploying solutions from different communications vendors, including BlueJeans, Zoom, Vidyo, BroadSoft, Google, Metaswitch, and Microsoft, among others.

Finally, Yamaha/Revolabs continues to grow and enhance its channel ecosystem to include a considerable number of distributors around the world. Channel structure optimization has been a top company priority. Over the years, the vendor has successfully implemented a series of key strategic initiatives in order to enable its channel partners to better sell its products.

## Customer Ownership Experience

Yamaha Corporation´s tabletop audio conference phone portfolio addresses key customer pain points and helps business users to be more efficient and productive. Case studies of satisfied customers abound. Businesses praise Yamaha and Revolabs products for providing exceptional audio quality, excellent product design, easy installation, integration and compatibility capabilities, and uncompromised performance.

Furthermore, Yamaha Corporation's ability to offer compact power-packed solutions at affordable prices enhances the customer ownership experience. With a high degree of innovation evident in its entire product portfolio, the vendor aims to deliver better audio quality that forms the substance of all conferencing sessions.

## Customer Service Experience

Effectively addressing customer requirements with a streamlined customer service process is an on-going challenge for enterprise endpoint vendors. Yamaha Corporation and Revolabs' differentiated product portfolio is complemented by a superior customer service experience. A number of online resources, including software and firmware downloads, technical documentations, FAQs, and warranty information are available to help customers with any queries or challenges related to the company's audio solutions. Furthermore, the vendor offers multiple customer contact options, including technical support by phone, email, or click-to-chat. Extensive and detailed guides are offered through an online library and knowledge base along with a training section which offers customers free online training related to the integration of Yamaha and Revolabs products into any environment.

Yamaha Corporation's customers appreciate the company's proactive approach, which helps address their needs and challenges in a timely manner.

**Brand Equity**

Yamaha Corporation's brand recognition has been undisputed within a wide range of products, including musical instruments, audio mixing boards and electronics, motorcycles and power sport equipment. In the audio realm, and backed by its historical reputation in the sound reinforcement product market, Yamaha was one of the first companies to build and commercialize USB conference speakerphones in Japan. Before the Revolabs' acquisition, the vendor was already an established global audio conferencing endpoint brand. Revolabs, on the other hand, has successfully built a strong brand for its innovative products over the years.

Yamaha's acquisition of Revolabs has considerably augmented the company's brand visibility and presence in the global conferencing solutions market. Yamaha Corporation plans to continue to reinvigorate its brand by leveraging Revolabs' audio conferencing capabilities and Yamaha's sound engineering history in voice and professional audio communication.

A high brand value is essential for staying competitive in the market and it has played a major role in Yamaha's growth in the audio conferencing endpoints market.

## Conclusion

Yamaha Corporation's solid growth strategy, its above-market growth rate, strong brand recognition, tight customer focus, and growth sustainability in the tabletop audio conferencing endpoint market are among the factors that have helped the company to excel in this industry and stand out from the competition. Over the past four years, the company more than tripled its revenue market share, becoming one of the top three market leaders in the global tabletop audio conferencing endpoints market..

With its strong overall performance, Yamaha Corporation has earned Frost & Sullivan's 2017 Growth Excellence Leadership Award.

## Significance of Growth Excellence Leadership

Growth Excellence Leadership is about inspiring customers to purchase from your company, and then to return time and again. In a sense, then, everything is truly about the customer, and making those customers happy is the cornerstone of any long-term successful growth strategy. Companies that excel in driving growth strive to be best-in-class in three key areas: meeting customer demand, fostering brand loyalty, and carving out a unique, sustainable market niche.



## Understanding Growth Excellence Leadership

Companies that creatively and profitably deliver value to customers ultimately set up their businesses for long-term, rapid growth. This is what Growth Excellence Leadership is all about: growth through customer focus, fostering a virtuous cycle of improvement and success.

## Key Benchmarking Criteria

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

### Growth Performance

Criterion 1: Growth Strategy
Criterion 2: Above-Market Growth
Criterion 3: Share of Wallet
Criterion 4: Growth Diversification
Criterion 5: Growth Sustainability

### Customer Impact

Criterion 1: Price/Performance Value
Criterion 2: Customer Purchase Experience
Criterion 3: Customer Ownership Experience
Criterion 4: Customer Service Experience
Criterion 5: Brand Equity

## Best Practice Award Analysis for Yamaha Corporation
### Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows our research and consulting teams to objectively analyze performance, according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are illustrated below.

RATINGS GUIDELINES

9–10 Excellent

7–8 Good

4–6 Fair

1–3 Poor
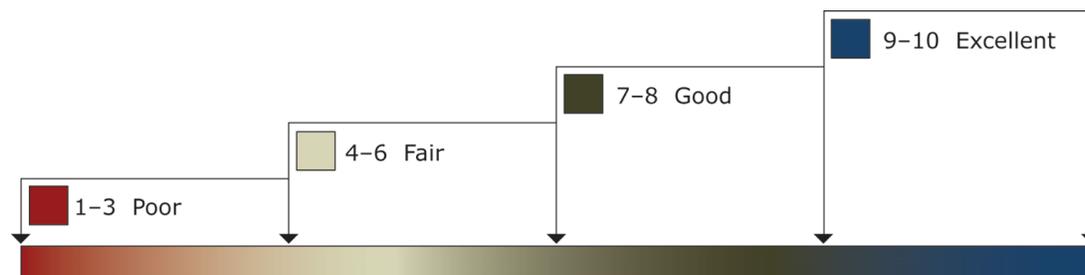
The Decision Support Scorecard is organized by Growth Performance and Customer Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criteria are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

9 *"We Accelerate Growth"*

The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, we have chosen to refer to the other key players as Competitor 2 and Competitor 3.

DECISION SUPPORT SCORECARD FOR GROWTH EXCELLENCE LEADERSHIP AWARD

| Measurement of 1–10 (1 = poor; 10 = excellent) | | | |
|---|---|---|---|
| **Growth Excellence Leadership** | Growth Performance | Customer Impact | **Average Rating** |
| | | | |
| **Yamaha Corporation** | **9.0** | **9.5** | **9.25** |
| Competitor 2 | 8.0 | 8.0 | 8.0 |
| Competitor 3 | 8.0 | 7.5 | 7.75 |

## Growth Performance

### Criterion 1: Growth Strategy
Requirement: Executive team has a shared vision for the organization's future growth, and has created and implemented a strategy that is consistent with that vision

### Criterion 2: Above-Market Growth
Requirement: Company's growth rate exceeds the industry's year-over-year growth rate

### Criterion 3: Share of Wallet
Requirement: Customers allocate a greater percentage of their total spend to purchasing products or services produced by the company

### Criterion 4: Growth Diversification
Requirements: Company is equally able to pursue organic (e.g., distribution channel optimization, new product innovation) or inorganic (e.g., acquisitions, partnerships) growth opportunities consistent with the long-term objectives of the organization

### Criterion 5: Growth Sustainability
Requirement: Company has consistently sought out opportunities for new growth, enabling the organization to build on its base, and sustain growth over the long-term

## 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 like 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

## Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts can then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.

DECISION SUPPORT MATRIX FOR GROWTH EXCELLENCE LEADERSHIP AWARD
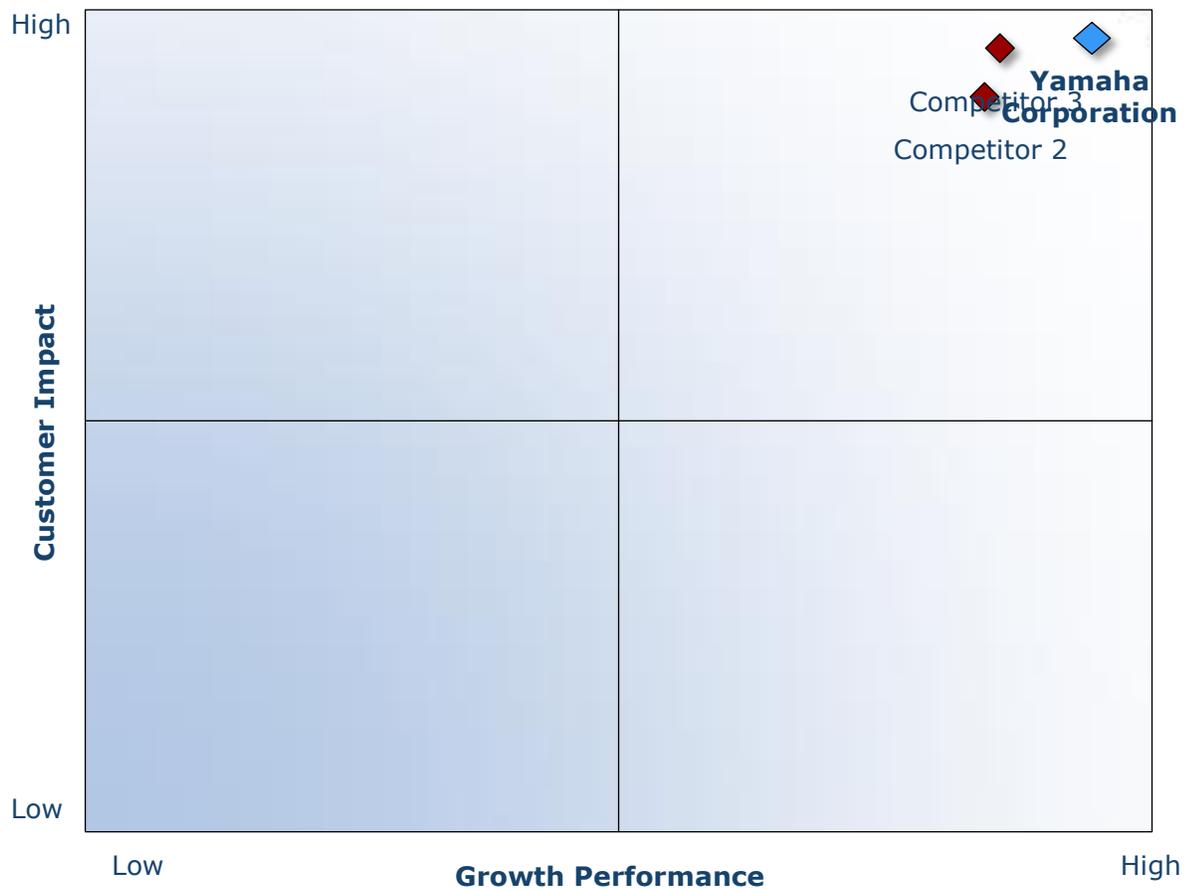
# The Intersection between 360-Degree Research and Best Practices Awards

## *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 players and for identifying those performing at best-in-class levels.



360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS

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

Frost & Sullivan Awards 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 | • Conduct in-depth industry research<br>• Identify emerging sectors<br>• 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 | • Interview thought leaders and industry practitioners<br>• Assess candidates' fit with best-practice criteria<br>• Rank all candidates | Matrix positioning all candidates' performance relative to one another |
| 3 | **Invite thought leadership in best practices** | Perform in-depth examination of all candidates | • Confirm best-practice criteria<br>• Examine eligibility of all candidates<br>• 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<br>• Invite multiple perspectives on candidates' performance<br>• 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 | • Share findings<br>• Strengthen cases for candidate eligibility<br>• 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<br>• Pressure-test fit with criteria<br>• 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<br>• Write nominations<br>• 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 | • Review analysis with panel<br>• Build consensus<br>• Select winner | Decision on which company performs best against all best-practice criteria |
| 9 | **Communicate recognition** | Inform award recipient of award recognition | • Present award to the CEO<br>• Inspire the organization for continued success<br>• 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 may share award news with stakeholders and customers | • Coordinate media outreach<br>• Design a marketing plan<br>• Assess award's role in future strategic planning | Widespread awareness of recipient's award status among investors, media personnel, and employees |

## 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 almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit http://www.frost.com.