



**GLOBAL PROFESSIONAL HEADSET
TECHNOLOGY INNOVATION LEADER**

“

Frost & Sullivan’s global team of analysts and consultants continuously research a wide range of markets across multiple sectors and geographies. As part of this ongoing research, we identify companies that consistently pursue or invest in new technologies, enabling them to serve their customers more effectively and grow above the industry average.

David Frigstad, Chairman, Frost & Sullivan

”

SIGNIFICANCE

Technology-rich companies with strong commercialization strategies benefit from the demand for high-quality, technologically innovative products that help shape the brand, resulting in a strong, differentiated market position.

UNDERSTANDING

Technology innovation leadership recognizes companies that lead the development and successful introduction of high-tech solutions to customers’ most pressing needs, altering the industry or business landscape in the process. These companies shape the future of technology and its uses. Ultimately, success is measured by the degree to which a technology is leveraged and the impact it has on growing the business.

BACKGROUND AND COMPANY PERFORMANCE

Industry Challenges

Frost & Sullivan expects the global professional headset market to grow at a compound annual growth rate (CAGR) of 11.1 percent from 2019 to 2026. By the end of the forecast period, Frost & Sullivan estimates the market to reach almost \$3.0 billion in total revenues. Year 2019 was marked by unprecedented innovation in the professional headset realm, with several product launches in almost all headset categories including models featuring advanced active noise cancelling (ANC) technologies for both audio send and receive, improved connectivity, updated form factors, and a growing array of built-in features and capabilities. In 2019 professional PC USB and UCC headset sales grew by 14.3 percent, reaching \$969.4 million in revenue and representing 68.8 percent of total professional headset revenue. The robust growth in this market segment was driven by rapid adoption of software-based communications and collaboration services, such as desktop video meetings. While the professional headset market is expected to experience visible growth in the next seven years, growth rates will be impacted by various ongoing industry challenges. In 2020, the coronavirus 2019 (COVID-19) pandemic and new-work-from home (WFH) realities have set unprecedented levels of demand for both cloud communications and collaboration services and professional headsets across the world. As a consequence of unexpected high demand for professional PC



USB and UCC headsets during the COVID-19 pandemic, all major headset vendors reported a sharp decline in channel inventories and considerable product backlogs during the months of April, May, and June of 2020. Temporary closure of manufacturing facilities from major headset vendors due to COVID-19 WFH mandates has caused a major supply chain disruption in the market. In order to keep up with the unprecedented levels of professional headset demand and to remedy the challenges paused by COVID-19 interruptions, leading headset vendors have been diligently working, around the clock, to resolve headset supply problems.

Another key challenge in the professional headset industry has been the visible decline of RJ9 connectivity products—i.e., headsets that only connect to desktop phones. Revenues of RJ9 connectivity-only professional headsets dropped in 2019 by 13.8 percent to \$438.7 million.

The continuous growth of software communications and collaboration services and the declining usage of desktop phones, in general, have been the main trends negatively impacting the sales of RJ9-only professional headsets.

Consumer-grade headset alternatives have started to penetrate the office space which has been curtailing the overall market opportunity for professional headsets. Due to the continued impact of the consumerization of IT, new WFH mandates, and the popularity of mobile Bluetooth products among younger generations of workers, consumer headsets have been penetrating the work setting, negatively affecting the growth potential for enterprise-gearred products. On the corded headset front, customer price sensitivity has considerably increased, compelling different businesses to search for lower-cost models such as consumer-grade PC USB headsets for PC-based communications.

On the mobile front, the growth of mobile unified communications and collaboration services is compelling businesses to look beyond the traditional professional headset brands when considering Bluetooth headset products.

In these dynamic times, market participants focused on technology innovation are well equipped to address the challenges of advanced UCC solutions, leveraging new technologies to greatly enhance the quality and experience of audio. A technology innovation leader keeps a keen eye on the evolving requirements of different types of users to develop the best possible fit-for-purpose products for each type of user persona. Ultimately, innovative leaders who elevate UCC experiences are well positioned for future success.

“

New Frost & Sullivan research shows that professional PC USB and UCC headset revenue is expected to more than double in only four years, whereas revenue from RJ9-only headsets will decline by almost half during the same time period.

Alaa Saayed, ICT Industry Director

”

Technology Leverage and Business Impact

Frost & Sullivan is pleased to recognize Poly (formerly Plantronics) as a Technology Innovation Leader for the company's continuous excellence in innovation in the professional headset market. Within the past 18 months Poly introduced nine different products/series of professional headsets visibly expanding its already-strong flagship portfolio of devices and introducing industry firsts in different categories. Taking the market by storm, developing technologies that serve various user environments; and expanding its customer acquisition and growth potential.

Commitment to Innovation

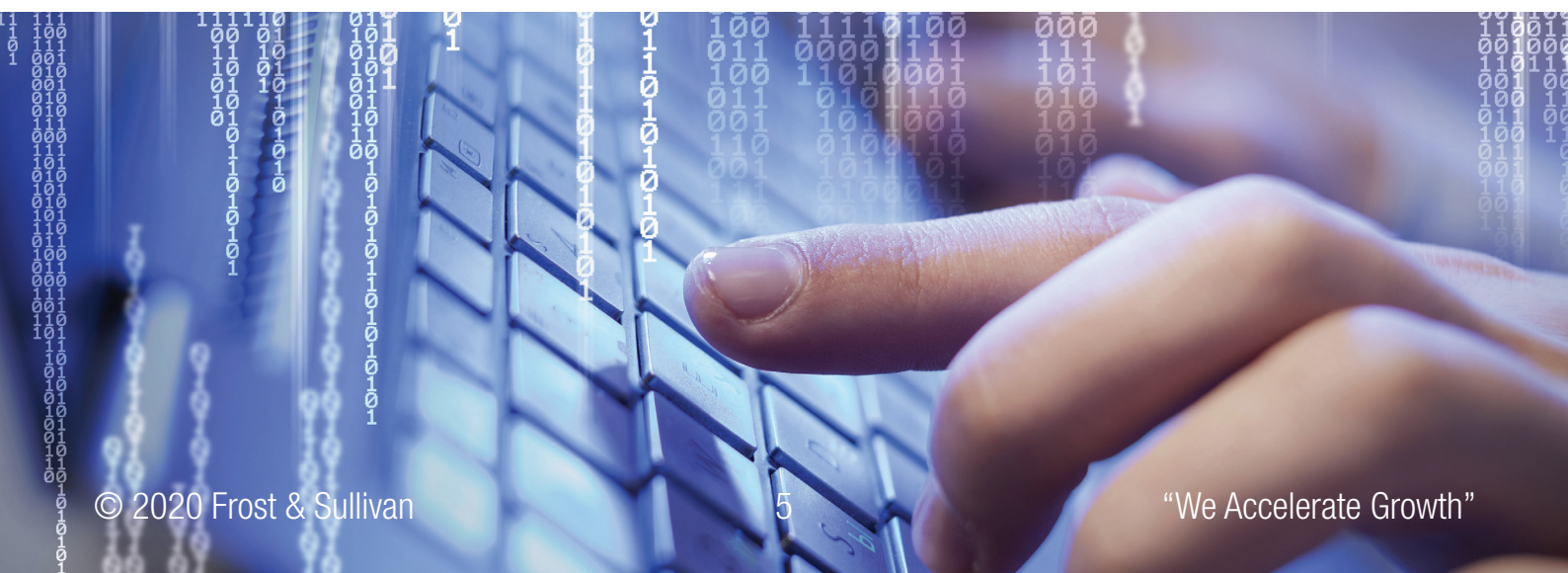
Never resting on its laurels of being the global professional headset leader, with a market share of 44.2 percent in terms of professional headset sales, Poly has always demonstrated a high commitment to technology innovation. With more than 50 years of a solid track record and customer commitment, the firm invests nearly 10.0 percent of its revenues in research and development (R&D). Poly has been continuously expanding its portfolio in order to address customers' unmet needs.

Within the last 18 months Poly set a vision to continue to meet the needs of organizations undergoing digital transformation around business endpoints. The company announced nine different products/series of professional headset products:

Blackwire 8225 Series, a premium corded PC USB and UCC headset with advanced hybrid ANC technology and Acoustic Fence technology for high noise reduction for both the end user and the far end. The series also includes a Microsoft Teams version with a dedicated Microsoft Teams button within the inline call controls. Blackwire 8225 is the first professional corded PC USB and UCC headset with hybrid ANC in the market.

Blackwire 7225, a corded boom-less PC USB and UCC headset with active noise cancelling (ANC). Recently, the device was certified with Microsoft Teams transforming it into the first Microsoft Teams boom-less corded ANC headset in the market.

Blackwire 3300 Series, consisting of 16 different headset models of corded mono and stereo PC USB and UCC units. For users of Microsoft Teams or Skype for Business, all headsets in this series come in versions that are Microsoft-certified, with a dedicated Microsoft Teams button within the inline call controls.



“Today, there is no doubt that Poly owns one of the broadest and most technologically-advanced portfolios of professional headsets in the world.”

Alaa Saayed, ICT Industry Director

Savi 8200 Office and UC Series, comprising of cordless multi-connectivity DECT headsets that offer advanced features and capabilities such as close conversation limiting and ANC. With the close conversation limiting feature everyone on the call will hear only the person talking into the headset, without interfering background noise from neighboring co-workers. The Poly Savi 8220 model is the first DECT headsets to integrate ANC technology in the industry. The Savi 8200 Office and UC Series come in three different wearing styles: stereo, mono or convertible (on the ear, behind the head, or over the head). The Savi 8200 Office line features multi-device connectivity for desktop phones, mobile devices, and PCs, while the Savi 8200 UC line offers PC-only connectivity. It has 20 different models/variants, including 10 Office models and 10 UC models, with various wearing styles, connectivity options and Microsoft Teams certifications.

Savi 7200 Office Series, consisting of a cordless over-the-head DECT headset for traditional and IP desktop phones use, available in two models: the Savi 7220 Office Binaural and the Savi 7210 Office Monaural.

Voyager 4200 and 5200 Office Series, comprising of the first multi-connectivity cordless Bluetooth headsets with base stations in the

market. Both the Voyager 4200 and Voyager 5200 Office Series come with the option of a one-way desk phone connection only or two-way desk phone and PC office base connectivity, in addition to a mobile phone connectivity. While the Voyager 4200 Office Series offers stereo and mono headband wearing styles, the Voyager 5200 Office Series offers a over-the-ear wearing style. Both the Voyager 4200 and Voyager 5200 Office Series have Microsoft Teams-certified versions. In total, the Voyager 4200 and 5200 Office Series come with 21 models/variants, depending on wearing style, connectivity options and Microsoft Teams certifications.

Voyager 4245 Office Series, the industry's first three-in-one convertible wearing option to be offered in a cordless Bluetooth headset with base station. The product connects to both deskphone and PCs as well as mobile phones through Bluetooth, the headset includes a swappable battery for unlimited talk time. The Voyager 4245 also has a Microsoft Teams version with a dedicated Teams button.

EncorePro 300 Series, an entry-level corded contact center headset available in four models: the stereo EncorePro 320 QD & USB and the mono EncorePro 310 QD & USB.

Application Diversity

Poly has successfully led in the market with the concept of “one professional headset does not fit all”. The company uses the concept of “Workplace Personas” to classify business workers and address untapped communications needs. Whether being a “Remote Worker”, a “Connected Manager”, an “Office Warrior”, or a “Road Warrior”, Poly has a broad array of solutions to address different workers’ requirements. With multiple product families (e.g., Blackwire, Voyager, Savi, EncorePro, and CS), the company relentlessly evolves and diversifies its headset offerings, adapting product form factors, features and capabilities; product delivery and provisioning; and overall headset value proposition, based on how mega trends change business users’ behavior, environments and communications needs.

In the corded professional headset realm, Poly continuously refreshes two of its most iconic endpoint models: the flagship Blackwire PC USB and UCC headset and the long-standing contact center EncorePro family of devices. Today, and after more than ten years of continuous refinement, the Blackwire line counts with five different series of stylish devices (Blackwire 3200, Blackwire 3300, Blackwire 5200, Blackwire 7225, and Blackwire 8225) featuring the latest in PC audio technology.

Poly’s EncorePro family of customer-centric devices have constantly been updated with models that offer improved soft ear cushions for all

day comfort; enhanced noise cancelling; wide-band audio for richer conversations; ultra-lightweight designs; and noise-level exposure control. Today the EncorePro portfolio of devices (EncorePro 300, EncorePro 500, and EncorePro 700) is famous across most contact centers in the world due to its aesthetics, robustness, comfort, and high audio quality.

In the cordless professional headset space, Poly offers a vast portfolio of Bluetooth and DECT devices with an ever-increasing array of wearing styles, connectivity options, and built-in features and capabilities.

If users prefer Bluetooth connectivity, Poly’s Voyager line caters to all types of end-user preferences. For PC and mobile communications, customers can choose from: portable and trendy Bluetooth stereo headsets (Voyager 8200 UC, Voyager 4200 UC, and Voyager Focus UC); small mono in-ear headsets (Voyager 5200 UC); versatile Bluetooth neckband headsets with ear buds (Voyager 6200 UC); and stationary Bluetooth stereo and mono headsets with charge stands (Voyager Focus UC and Voyager 4200 UC). For deskphone and mobile communications, users can pick between the new Voyager 4210 Office, Voyager 4220 Office, Voyager 5200 Office models and the Voyager 4245 Office model with a one-way base.



Finally, and for triple-connectivity (phone, PC, and mobile) Poly offers the aforementioned Voyager 4200 and 5200 Office models with a two-way base. The Voyager Office Series Bluetooth headset systems were developed to provide IT personnel another wireless communication option in regions where DECT is not allowed.

For individuals who prefer DECT connectivity, Poly continues the multitude of choices with the CS and the Savi family of devices. While the CS500 XD, CS540, and the Savi 7200 are built for desktop phone connectivity; the Savi 8200 UC lines are meant for mainly PC communications serving the softphone market extraordinarily well.

For individuals interested in ultimate flexibility, the Savi 8200 Office triple connectivity line is the option to embrace.

In addition to connectivity and wearing styles, it is also worth mentioning that Poly portfolio offers one of the widest portfolios of professional headset models with ANC technology, with six different products/series featuring advanced ANC; Poly provides the broadest Microsoft Teams-certified headset choices in the market, with more than 24 Microsoft Teams-certified headsets and personal speakerphone devices and their headsets are complemented by one of the most advanced headset analytics and management software services in the market.

Customer Acquisition and Growth Potential

Fostering innovation that promptly addresses customer needs will always be a top priority in Poly's product and services future roadmap, enabling the continuous acquisition of new customers and enhancing retention of existing ones.

Since the acquisition of Polycom by Plantronics, the headset vendor has considerably expanded its growth opportunity beyond the headset realm, transforming into one of the leading independent enterprise communications and collaboration endpoints vendors in the world.



The deal provided former Plantronics with immediate access to one of the broadest portfolios of business audio and video endpoints, rich capital and human assets, and a large installed base of customers to upsell and cross-sell with its professional headset products and services. Today, Poly leverages the synergies gained from the merger of the two companies to effectively compete in an audio and video endpoints market worth over \$5.0 billion.

After exactly a year from the re-launch of Plantronics + Polycom to Poly, the newly-branded company did not only come up with new innovative business endpoints across multiple endpoint categories, but it also reinforced its software endpoints management and analytics services (Plantronics Manager Pro, Poly Device Management Services, and Poly Lens); increased the breadth of its technology partner integration with key providers such as 8X8, Amazon, Google, LogMeIn, Microsoft, RingCentral, and Zoom, among others; and announced a new partner program, bringing together more than 15,000 partners around the world.

During COVID-19, Poly has seen unprecedented levels of demand for its professional headsets. As such, the company has responded accordingly, diligently working to resolve headset supply issues. Some of the actions taken by the vendor have included: reconfiguring of its manufacturing sites to implement specific safety protocols; working with key suppliers and contract manufacturers to expand production capacity; prioritizing orders placed by first responders, governments, and healthcare organizations; following World Health Organization (WHO) and Center for Disease Control and Prevention (CDC) directions to safeguard employee health and safety.

During the pandemic, Poly also efficiently created different WFH audio and video bundles focused to solve remote working needs in COVID-19 times and beyond it. Today, Poly offers a selection of professional headsets and video conferencing endpoints at very attractive points to help individuals easily connect and collaborate from home. It is these types of timely and proactive actions that allow the vendor to set up a clear differentiator in the market in terms of customer loyalty and acquisition, increasing its overall growth potential. Poly released its own report on how business can successfully support a workforce that is both remote and working in the office entitled, "Hybrid Working: Creating the Next Normal in Work Practices, Spaces and Culture." The report draws on real-world examples and the views of experts to provide practical advice on how to create hybrid working practices that benefit companies and employees, ways to design in-office workspaces that are safe and productive and how to enhance virtual collaboration for a hybrid workforce.

Constantly praised for enabling efficient communications and collaboration, today, Poly is described by many customers as consistent, innovative, responsive, and offering increased value in terms of productivity enablement. To keep its users happy throughout the lifetime of its products and services, Poly does not only offer end-to-end product support and expert advice, but also provides various product incentives and promotions, product-as-service provisioning, product and service discounts, and special promotions, thus enabling businesses and industries -- including those across verticals like healthcare, government and education -- to move forward with the deployment of newer endpoint technologies.



CONCLUSION

Poly's unwavering commitment to addressing unmet customer needs, laser-sharp focus on technology trends shaping the endpoints space, and differentiated and innovative portfolio are among the factors that have enabled the company to excel in this industry and stand out from the competition. Aside from being the world leading professional headset company in the space, the vendor continuously breaks the barriers of technology innovation to deliver some of the best professional headset models in the industry.

“

Frost & Sullivan is pleased to recognize Poly as a 2020 Technology Innovation Leader for their continuous excellence in innovation in the professional headset market. Poly continues to demonstrate strong technology innovation leadership through a high commitment to the development of solutions focused on various user environments, from the traditional office, to the hybrid office and beyond, and consistently expands its growth potential through key industry partnerships in software, cloud, and emerging markets.

Alaa Saayed, ICT Industry Director

”

Poly intrinsically understands that one size technology doesn't fit all, especially as the lines between traditional office, home office and hybrid work environments become increasingly blurred,” said Alaa Saayed, ICT Industry Director at Frost & Sullivan. “As a Technology Innovation Leader, Poly continues to drive cutting-edge solutions that address modern work requirements based on how mega trends change business users' behavior, environments and communications needs. Fostering innovation that promptly addresses customer needs will always be a top priority in Poly's product and services future roadmap, which will continue to enable the acquisition of new customers and will enhance retention of existing ones through their award-winning solutions portfolio.

As a global professional headset leader with more than 50 years of industry experience, Poly is continuously expanding its portfolio in order to address customers' needs and provides innovative solutions that drive the industry forward

KEY BENCHMARKING CRITERIA

To identify Technology Innovation Leadership, Frost & Sullivan analysts independently evaluated 2 key factors—Technology Leverage and Business Impact—according to the criteria identified here:

360-DEGREE 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.


TECHNOLOGY LEVERAGE

BUSINESS IMPACT

<i>Commitment to Innovation</i>	<i>Financial Performance</i>
<i>Commitment to Creativity</i>	<i>Customer Acquisition</i>
<i>Technology Incubation</i>	<i>Growth Potential</i>
<i>Commercialization Success</i>	<i>Operational Efficiency</i>
<i>Application Diversity</i>	<i>Human Capital</i>

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 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 Decision Support Scorecard considers Technology Leverage and Business Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criterion 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. The results of this analysis are shown below. *Measurement of 1–10 (1 = poor; 10 = excellent)*

	Technology Leverage	Business Impact	Average Rating	
Poly	10	9	9.5	
Competitor 2	9	9	9	
Competitor 3	9	8.5	8.75	



ABOUT FROST & SULLIVAN

For over five decades, Frost & Sullivan has become world-renowned for its role in helping investors, corporate leaders and governments navigate economic changes and identify disruptive technologies, Mega Trends, new business models and companies to action, resulting in a continuous flow of growth opportunities to drive future success.

