



AT&T Recognized for

2021

Customer Value Leadership

North American

Mobile Situational Awareness Industry

Excellence in Best Practices

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. AT&T excels in many of the criteria in the Mobile Situational Awareness space.

AWARD CRITERIA	
<i>Business Impact</i>	<i>Customer Impact</i>
Financial Performance	Price/Performance Value
Customer Acquisition	Customer Purchase Experience
Operational Efficiency	Customer Ownership Experience
Growth Potential	Customer Service Experience
Human Capital	Brand Equity

Optimized Customer Purchase Experience That Features PTT-Centered Solutions and a Focus on Affordability

AT&T is a major wireless carrier headquartered in Dallas, Texas. The company is expertly leveraging three strengths -- its leadership in the traditional push-to-talk (PTT) market, its deep understanding of evolving

“AT&T continues to demonstrate its willingness to confront new challenges and pursue transformational growth. The carrier has recognized that the accelerating mobile situational awareness industry presents an opportunity to stake out a leadership position. AT&T is expertly leveraging its impressive Push-to-Talk product, its FirstNet partnership, and its strong relationships with both public safety agencies and enterprise businesses to provide first-responders with better information and guidance in the field.”

- Jeanine Sterling, Industry Director

customer needs, and its unique role as builder and operator of the FirstNet® public safety communications platform -- to create PTT-based situational awareness solutions that offer clear value-add to a challenging set of prospective customers.

Still in its earlier stages, the mobile situational awareness market is on a strong growth trajectory. While small smartphone-based software application developers were first to market, AT&T has pursued a fast-follower entry strategy that “amps up” its traditional PTT offering with an evolving set of situational awareness capabilities geared toward emergency personnel. Amidst an expanding collection of competitors, AT&T stands out as a leader in

enhancing customer value by recognizing, prioritizing, and fulfilling first-responder needs in both the government and civilian sectors.

AT&T optimizes its customers' purchase experience by providing clearly targeted offerings, a growing set of capabilities, high quality and reliability, and affordability:

Designing Solutions to Directly Meet Customer Needs: AT&T provides prospects with two targeted solutions to choose from: "Enhanced Push-to-Talk" for the private security needs of enterprises and "FirstNet Push-to-Talk" for public safety personnel.

AT&T's Enhanced PTT offering includes all of today's standard push-to-talk features plus a set of capabilities designed to address enterprise security needs. These Advanced features are based on Third Generation Partnership Project (3GPP) standards and are designed to meet enterprise-grade requirements:

Standard PTT Features:

- 1:1 and group calling and alerts
- One-touch calling
- Presence indicator
- Talk groups
- HD voice
- Secure voice messaging
- Geolocation and geofencing

Advanced PTT Features:

- Emergency calling and alerts
- User check and monitoring
- Discreet listening
- User enable and disable
- Land Mobile Radio (LMR) interoperability upon request

AT&T Enhanced PTT is updated regularly with enhanced emergency capabilities. The product is carrier-agnostic and WiFi compatible.

AT&T FirstNet Push-to-Talk is built to even more stringent public safety standards. The solution is built into the FirstNet network and logically dispersed throughout the country. It was launched in early 2020. In addition to a set of baseline standards, 3GPP has created "mission-critical" standards that focus on meeting the more demanding communications performance needs of first-responders. AT&T FirstNet PTT voice capabilities are compliant with the Mission-Critical Push-to-Talk (MCPTT) standards developed by 3GPP. These standards define:

- Push-to-talk call handling
- QoS – Quality of Service
- Authentication
- Security

- Interoperability
- Location services
- Proximity services

Public safety PTT users receive the highest calling priority on the FirstNet network (usurped only by mandated emergency calling such as 911). Data and video are also defined by related mission-critical standards, which are being integrated into the FirstNet PTT product as these standards are created.

AT&T FirstNet PTT product features currently include:

- 1:1 and group calling
- Presence indicator
- Up to 1,000 users per talk group
- Ability to make emergency calls (preempting other PTT calls) and send emergency alerts
- Text messaging to individuals or groups (*Meets Mission-Critical Data standards)
- Share images, documents, video clips, other files (*Meets Mission-Critical Data standards)
- Mutual aid requests to another agency
- Supervisor override
- API access
- LMR to LTE interoperability

FirstNet PTT is supported on FirstNet Ready™ Android 4G LTE devices, including smartphones, basic feature phones, and ultra-rugged devices. FirstNet PTT for iOS smartphones is scheduled to be introduced during 2021.

Keeping the Solution Affordable: AT&T prices its PTT solutions on a subscription basis, charging an affordable and highly competitive per-user per-month (PUPM) fee that helps the customer minimize large upfront expenditures when deploying the solution. This as-a-service model allows easy scalability as the customer grows.

In comparison, AT&T's more direct competitors tend to offer a more limited set of product capabilities and certifications. Their pricing model is roughly similar.

Dynamic, Expansive, Creative Post-Sale Engagement Strategy

In addition to prioritizing ongoing communications reliability and quality and committing to an aggressive technology roadmap, AT&T optimizes the post-sale experience of its customers by:

- Committing to an aggressive technology roadmap
- Integrating its solutions with other key applications and services
- Providing onboarding, training, and customer service support
- Establishing a broader, deeper view of its commitment to first-responders

Aggressive Product Development: Both PTT solutions remain works in progress, especially as mission-critical standards for data and video evolve. Mission-critical real-time FirstNet PTT video streaming capability is currently in trial mode. Other upcoming capabilities on the FirstNet PTT roadmap include location, ambient listening, WiFi calling, and user checks.

The private sector-targeted Enhanced PTT solution is also regularly updated, with its most recent release enhancing emergency calling capabilities, including increasing the frequency of location updates.

Deepening Integrations: Enhanced PTT can seamlessly integrate with two popular AT&T field solutions - AT&T Workforce Manager field service management and AT&T Fleet Complete field fleet management – to increase worker productivity, improve the quality of information being exchanged, and enable more efficient dispatch.

Customer Service and Support: Agencies that require assistance with setting up FirstNet PTT have access to the PTT Customer Administration Set Up and Training (CAST) service. This free service provides online orientation courses. Onboarding service engineers are also available. Ongoing technical support is available on a 24/7 basis.

Thinking Beyond Connectivity: AT&T recently broadened its commitment to emergency personnel by establishing the FirstNet Health & Wellness Coalition (FNHWC) to join in supporting the holistic health and wellness of the nation’s first-responders. The coalition currently has more than two dozen public safety organizations as members, representing over one million first-responders. Frost & Sullivan is impressed that, in its effort to invest in health and wellness solutions, the FNHWC priorities address suicide prevention, post-traumatic stress, responder resiliency, and leadership engagement, among others.

One of its first efforts has been the launch of “ROG the Dog” animal-assisted therapy on the front lines. Recent studies reveal that first-responders have higher rates of PTSD, anxiety, depression, and other mental health issues. Therapy dogs can have a positive impact, helping with recovery, morale and distress. AT&T is collaborating with Global Medical Response to provide this service.

AT&T’s competitors typically have not placed the same priority on maintaining a close post-sale relationship with their customers.

Strong Brand and Substantial Financial Resources

AT&T has built one of the strongest brands in the communications industry and in the PTT solution

“As a leader in mobile situational awareness offerings, AT&T has demonstrated vision and innovation in multiple ways. These include the carrier’s role in building the national FirstNet public safety communications network, its ongoing creative enhancement of its PTT solutions, and its larger health and wellness effort to support a highly-stressed first-responder community. These and other actions lay the groundwork for further opportunities in the situational awareness industry.”

- Jeanine Sterling, Industry Director

category. While negatively impacted by the COVID-19 pandemic, the company’s overall financial performance continues to be strong, providing significant resources for product development across its Push-to-Talk product portfolio.

2020 consolidated revenues totaled \$171.8 billion, compared to \$181.2 billion in 2019. Adjusted 2020 operating income was \$34.1 billion versus \$38.6 billion in 2019. Operating income margin was 19.8% versus 21.3%. Full-year free cash flow totaled \$27.5 billion compared to 2019’s \$29.0. Mobility revenues were up 7.6% during Fourth Quarter.

AT&T’s 2021 outlook expects ~1% growth in consolidated revenue. Despite the slowdown, AT&T continues to

leverage significant financial resources. It projects a level of financial stability that cannot be matched by smaller competitors.

Growth Opportunities in Product Enhancement and in Deeper Partnerships with First-Responder Communities

The most recent Frost & Sullivan forecast for the mobile situational awareness industry predicts strong, sustained growth – and AT&T is ideally situated to continue as a key player in this growth trajectory.

Growth opportunities are being pursued in multiple areas:

- The company's product teams continue to aggressively expand the situational awareness capabilities of both the Enhanced PTT and FirstNet PTT solutions.
- New technology partners are being selectively evaluated in an effort to enrich the FirstNet PTT offering in creative ways.
- And the larger health and wellness effort launched to support first-responders should help to more positively position AT&T with this constituency and attract some subset of hesitant government entities to the product category.

Entering the mobile situational awareness market by way of Push-to-Talk carries both risk and reward. While it could be argued that richer non-PTT situational awareness apps exist, AT&T's offerings are quickly filling in feature voids and seem to be reflecting (not over-anticipating) evolving customer needs. The carrier is leveraging customer familiarity with its brand and its basic push-to-talk capabilities to open up a convenient, low-risk way to try out and evaluate the value of adding mobile situational awareness capabilities.

AT&T's competitors tend to be pursuing a narrower growth path, with less proactive product development plans and customer outreach strategies.

Conclusion

The mobile situational awareness market in North America is accelerating out of the early-adopter phase and is predicted to grow significantly over the Frost & Sullivan forecast period. AT&T stands out as a leader in providing a high level of customer value based on its PTT-centered product strategy, first-to-market FirstNet bona fides, emphasis on affordability, an aggressive technology roadmap, and a visionary commitment to satisfy not only the first-responders' communication needs but also to support enhancing their health and wellness in a high-stress industry.

With its strong overall performance, AT&T earns Frost & Sullivan's 2021 Customer Value Leadership Award in the mobile situational awareness industry.

What You Need to Know about the Customer Value Leadership Recognition

Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Business Impact

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

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

Customer Impact

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

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

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

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

