

JOHNSON CONTROLS RECEIVES THE 2023 CUSTOMER VALUE LEADERSHIP AWARD

*Identified as best in class in the North American
integrated mass transportation
security systems industry*

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. Johnson Controls excels in many of the criteria in the mass transportation security systems 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

Mass Transportation Market Overview

The scale in population and size of cities globally are growing significantly. This influx pushes governments to invest in more economically conscience mass transportation options. Given the higher investments in mass transportation infrastructure, the security industry has benefitted from growth opportunities. Frost & Sullivan’s research finds that the rail and metro industry digitization is leading to the development of new integrated security system solutions. These solutions include onboard surveillance systems, variable message sign boards, speed violation cameras, and integrated traffic management systems across different infrastructures that improve passenger safety and convenience.¹

However, a few factors restrain the market growth even with these developments. Budget limitations delay security ecosystem upgrades, and security teams need help to attain proper funding for new system or technology deployments. Moreover, many transportation operators hesitate to apply new technologies as many require them to rip and replace existing systems.

Frost & Sullivan estimates the mass transportation security market revenue will exceed \$138.8 billion between 2021 and 2030, with a compound annual growth rate of about 4.8%.² Railways, metros, and roadways constitute the predominant segment during the forecast period. Johnson Controls uniquely

¹ Mass Transportation Security Growth Opportunities (Frost & Sullivan, January 2023)

² Mass Transportation Security Growth Opportunities (Frost & Sullivan, January 2023)

leverages its security technologies to meet its customers' needs. It is well-positioned to capitalize on new growth opportunities, cementing its leadership in the mass transportation market.

Johnson Controls Industry Impact

Headquartered in Wisconsin, United States, Johnson Controls is a global technology leader, developing integrated solutions for surveillance, fire protection, public address, customer information systems, heating, ventilation, and air conditioning, and building automation and controls. With over 135 years of experience protecting people, facilities, and building assets with robust technology, Johnson Controls exudes an unmatched depth of expertise. As the company is well known for its various acquired brands, Johnson Controls remains committed to transforming and improving people's lives with smarter, safer, and more connected solutions. It operates as an original equipment manufacturer and a system integrator, providing a one-stop-shop solution for public safety in the mass transportation industry for metros, railways, and roadways. Johnson Controls' extensive industry experience and digital innovation allow the company to go further in the security sector and offer world-class solutions to meet mass transportation operators' needs.

Roadmap to Success: Customer-centric, Continuous, Proactive

Frost & Sullivan recognizes that many contributing factors make a company successful; having a customer-centric strategy is critical. Yet, having and successfully implementing a strategy is different. Thus, it is important to have aligned leadership and staff to implement and operationalize a strategy cohesively. Johnson Controls, with 105,000 experts in more than 150 countries, is the power behind helping customers achieve their safety mission. The company executes its customer-centric approach effectively due to its continuous commitment to innovation and underlining how smart technology can meet transportation challenges. The demand for efficiency, comfort, and security drives the need to integrate existing systems without jeopardizing operations. Those operations require constant communication to meet safety standards. Once it defines the operational requirements, Johnson Controls uses its connected partner program to help with flexible integration.

With security and emergency life safety events (fire detection and mass notification) becoming a significant priority in the mass transportation industry, Johnson Controls extends a trusted defense architecture with a comprehensive security portfolio. It brings end-to-end capabilities for increased

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Best Practices Research Analyst**

physical security and energy efficiency through advanced technology tools that empower effective decision-making. Johnson Controls offers customers a range of high-quality closed-circuit television (CCTV) video solutions and alarm systems with artificial intelligence (AI) that helps to consolidate data, eliminating the noise and allowing the operator to consume the appropriate data necessary to increase safety measures and prevent incidents from happening in the future.

Combining assets with smart technology solutions enables more opportunities in the mass transportation sector, e.g., Johnson Controls provides the tools necessary for communications between law enforcement and emergency services, helping secure mass transportation centers, highways, and roadways.³

Proven Customer Journey Support Leads to Success

Johnson Controls delivers exceptional 24/7 service through its dedicated team of experts supporting customers with monitoring their systems and accessing the correct information when necessary. In addition, the company offers customers essential resources, including customer forums, providing feedback, and enabling customers to access product updates from Johnson Controls.

Furthermore, the company offers customers essential resources through its Remote Operating Center geared toward providing clients with optimal performance, lower costs, and reduced risk of downtime. A part of Johnson Controls' exceptional customer service is OpenBlue, a comprehensive suite of connected solutions and customized AI-powered solutions to enhance the customer experience. Key offerings include remote diagnostics, predictive maintenance, compliance monitoring, and advanced risk assessments.

Johnson Controls excels in the railway sector, extending its knowledge further with fully trained experts. As a key operator partner, the company leverages the most recent technologies by manufacturing, designing, and installing a proven and successful delivery model across a range of use cases. One significant case study involves the company upgrading existing CCTV platforms for a United Kingdom rail operating company. Without shutting down operations, Johnson Controls completed the integration in two phases involving CCTV system renovation and upgrading 342 video recorder units in stations within four months. Johnson Controls expanded the capacity of existing CCTV cameras, omitting any rip-and-replace methods, without impacting the customer journeys..

Earning Clients' Trust and Loyalty through Customer-centric Practices

Since its inception, Johnson Controls' sterling reputation and customer-centric framework led to its coveted preferred partner status. Over the years, it added various new partners to its established base. Johnson Controls provides the most effective solutions by working with best-in-class industry leaders. The

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merger between Johnson Controls and Tyco (JCI Tyco) introduces higher expertise to boost performance infrastructures that enable passenger safety and security among transportation systems and facilities. In 2020, the newly designed Otopeni Airport Railway terminal in Romania appointed JCI Tyco's expertise in creating an integrated system that combined intrusion detection, fire detection, physical access security, and video surveillance and analytics into a comprehensive solution. This solution allows better security and

³ <https://www.johnsoncontrols.com/insights/2017/buildings/features/how-can-smart-technology-meet-transportation-challenges> (Accessed March 2023)

safety management operations for the new terminal.⁴ In 2020, the railway system operated 72 trains per day, with arrivals and departures every 20 minutes. In 2021, the railway terminal served 1,000 passengers daily. Frost & Sullivan believes the company is well-positioned to drive the mass transportation space into its next growth phase and evolve mass transportation platforms, capturing market share and sustaining its leadership in the coming years.

Conclusion

Customer-centric strategies help companies safeguard leading positions in markets, but only if the approach is authentic and the implementation is seamless. Johnson Controls incorporates customer-focused strategies and exemplifies best practice implementation. The company creates solutions that ensure optimal security and management practices. It brings end-to-end capabilities for increased security, safety, and energy efficiency, with its advanced technology tools that empower effective decision-making. Its focus on delivering optimal customer experiences, and tailored and flexible services, solidifies Johnson Controls' trusted partner status. This overall customer-first approach offers immense value to existing and new customers and solidifies Johnson Controls' reputation in the market. With its strong overall performance, Johnson Controls earns Frost & Sullivan's 2023 North American Customer Value Leadership Award in the integrated mass transportation security systems industry.

⁴ https://www.johnsoncontrols.com/en_gb/-/media/jci/be/united-kingdom/industry-pages/rail/documents/otopeni_airport_bucharest_nord_railway_case_study.pdf (Accessed March 2023)

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

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan’s proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

[Learn more.](#)

Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

