

F R O S T & S U L L I V A N

2024 CUSTOMER VALUE LEADER

*IN THE GLOBAL CSP
SECURITY FOR SOHO
AND CONSUMERS
INDUSTRY*

F R O S T & S U L L I V A N

BEST
2024 PRACTICES
AWARD

allot
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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. Allot excels in many of the criteria in the CSP security for SOHO and consumers 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

Navigating Cybersecurity Opportunities in the Small Business Space

Communication service providers (CSP) are gradually focusing on tapping into the vast potential of the small office/home office (SOHO) market, traditionally overlooked by telecommunications (telecom) giants. Although each SOHO enterprise may appear insignificant individually, collectively they constitute a substantial and often overlooked segment within the small business sector. Recognizing the untapped revenue and profitability in this arena, CSPs are navigating the waters to secure their market share.

However, this pursuit is not without its challenges. CSPs grapple with securing their expansive networks while also facing the formidable task of providing a secure environment for businesses and their hybrid workforce, especially in the context of SOHOs. Cybersecurity takes center stage as a paramount concern for CSPs, given that all customer traffic traverses their data centers, rendering them prime targets for malicious attacks. The intricate nature of telecom networks, distributed globally and encompassing various deployments, poses a complex cybersecurity challenge. From on-premises data centers to public and private cloud infrastructures and brick-and-mortar retail locations, these networks include diverse elements such as guest wireless networks and Internet of Things (IoT) devices linked to the enterprise-wide network.

The limited security infrastructure typically in place for SOHO businesses exacerbates vulnerabilities. With factors like the absence of fundamental security measures, lack of awareness and employee training, reliance on third-party partners, and prevalent use of wire transfers for financial transactions, SOHOs present an attractive target for cybercriminals. Moreover, as cyber threats increasingly target larger, more

cyber-secure organizations, SOHOs connected electronically to these entities become potential entry points for infiltrating the broader network.

Considering these challenges, CSPs have a pivotal role in bolstering cybersecurity defenses for their SOHO clientele. CSPs can provide robust cyber protection by leveraging expansive network-based cybersecurity protection, content filtering, and implementing straightforward firewalls from trusted cybersecurity companies. The collaboration between CSPs and cybersecurity organizations becomes crucial in fortifying networks, protecting against diverse security threats, and delivering unified security management.

Fostering Operational Efficiency through a Customer-centric Approach

Established in 1996 and based in Hod Hasharon, Israel, Allot offers cutting-edge network intelligence and security solutions that empower CSPs and enterprises on a global scale. Its versatile and reliable multi-service platforms contribute to the transformative security journey of CSPs. Given the rapidly evolving security environment, the traditional approaches to reselling endpoint applications and anti-virus solutions are less effective. As bad actors increasingly target smaller companies, these solutions may tick off the compliance requirements but do not provide adequate protection to ward off frequent and constant cyberattacks. Additionally, these solutions require business owners to download, install, register,

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Best Practices Research Analyst

and periodically update these solutions on all assets. As corporate perimeters dissolve and hybrid working escalates, Allot recognizes the importance of moving away from the trend where cybersecurity was another ‘task’ that business owners needed to manage. Acknowledging the reach of CSPs, SOHOs, and consumers’ reliance on them to offer uninterrupted services, Allot pioneered the idea of reaching out to this market segment via CSP-enabled security. To simplify this process, the company devised a comprehensive solution that secures CSPs’ customers, streamlines the customer acquisition journey, and meets the ever-changing security requirements.

Allot’s network-based security solutions operate seamlessly at the network edge with products such as NetworkSecure, HomeSecure, and domain name system (DNS) Secure. The company deploys these solutions as standalone software or as a virtual network function. The brilliance of the product resides in its one-click activation, representing a significant departure from the cumbersome and time-consuming processes typically associated with traditional security solutions. By embedding security services directly into the CSPs’ network infrastructure, Allot eliminates the need for end users to navigate complex installations on each device. The result significantly boosts penetration rates, as customers willingly opt-in with a single click.

Furthermore, Allot’s strategic approach to customer acquisition is associated with its in-house research team that actively monitors market trends, revealing compelling statistics. Its survey highlighted that 72% of consumers expressed willingness to pay a monthly fee for an IoT security service, averaging \$5.26. Similarly, 90% of parents were open to paying for parental control, reaching an impressive 97% and 98%

in the United Kingdom and Germany.¹ Allot recognizes the market shift and positions itself as the provider of choice for those seeking superior security services, presenting an opportunity to enhance customer retention and reduce churn. In fostering a commitment to best-of-breed solutions, the company strategically partners with industry leaders in cloud, network, and security domains, including Amdocs, AWS, Dell, Microsoft, VMware, and Casa Systems. These collaborations ensure customers benefit from the most integrated and cutting-edge solutions available.

Allot's unwavering commitment to simplicity, ease of use, and a "set and forget" approach underscores its operational ethos. A prime example of this commitment is its DNS Secure offering, a network-based security solution tailored for CSPs targeting the consumer mass market. Operating on a client-less, network-based approach, NetworkSecure and DNS Secure boast zero-touch activation, providing robust threat protection against many malware and phishing attacks. Simultaneously, it offers intuitive parental controls for end-users. This efficient deployment ensures a hassle-free experience for CSPs and end-users.

Similarly, Allot's Home Secure Solution, designed for connected homes, demonstrates operational efficiency. This solution is renowned for its simplicity and offers comprehensive protection against threats, internal breaches, equipment damage, and parental controls. Like its other offerings, users can access HomeSecure through a web portal and a user-friendly mobile application (app), epitomizing Allot's commitment to providing efficient and easily deployable solutions.

The result of these streamlined deployments and user-friendly solutions is evident in Allot's sustained success in small businesses and consumer markets. Once installed, customers exhibit remarkable loyalty, with minimal instances of reverting to traditional security solutions. Allot's industry-leading network-based security-as-a-service solution boasts more than 30% penetration with select service providers and safeguards over 20 million subscribers globally.

Frost & Sullivan commends Allot for simplifying top-class security adoption for CSPs and end-users. The company's commitment to operational efficiency sets industry benchmarks and ensures that businesses and consumers can confidently rely on its security solutions.

Unleashing Growth Potential by Championing Proactive Cybersecurity

Allot propels growth potential through a robust customer focus. The pivotal understanding that small businesses stand particularly vulnerable due to limited security knowledge and a reluctance to allocate substantial resources for protection guides the company's approach to designing security solutions for this segment. Acknowledging that comprehensive security may only sometimes be on top of mind for small businesses and consumers, Allot takes a proactive approach to enable it with very little investment and effort. One study highlights the critical need for this preemptive strategy, as it reveals that cyberattacks have targeted 50% of small and medium-sized businesses, and more than 60% of those attacked suffered bankruptcy.²

A key driver of Allot's growth potential lies in its adeptness at capitalizing on the ripple effect within the telecommunications industry. The company's proactive engagement with one major operator catalyzes other operators to follow suit. This domino effect solidifies Allot's market presence and underlines the

¹ <https://info.allot.com/rs/639-LNU-402/images/Telco%20Security%20Trends%20H1%202022.pdf>

² <https://www.sbir.gov/sites/all/themes/sbir/dawnbreaker/img/documents/Course10-Tutorial1.pdf>

industry-wide recognition that operators can successfully market and sell cybersecurity solutions to subscribers.

Furthermore, the growing acceptance of a hybrid work culture presents a unique opportunity for Allot to strategically offer comprehensive 360-degree protection for every connection, irrespective of the user's location. The NetworkSecure and DNS Secure offerings provide adaptable solutions deployed on the operator's network. Likewise, its BusinessSecure offering, the equivalent of HomeSecure for the SMB segment, exemplifies enhanced office protection with remote deployment of a router agent, allowing to

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define bring-your-own-device policies. These can be complemented with EndpointSecure, using an agent to extend protection beyond the network of the CSP. This diversified portfolio of solutions, carefully designed for various use cases, reflects Allot's foresight in addressing the evolving needs of consumers, SOHOs, and SMB owners. Individuals with little information technology skills can manage these solutions successfully because of their user-friendly nature.

Frost & Sullivan praises Allot for championing cybersecurity as an essential proactive service and making it easy for users to follow up on this premise, thereby helping to position the

company at the forefront of industry innovation and fostering a resilient and secure digital future for consumers and SOHOs.

Enabling a Unified Security Experience for Monetized and Confident Deployments

Allot's commitment to providing value extends beyond mere protection, encompassing a holistic approach to customer satisfaction. One key element distinguishing the company is its dedication to unified configuration and reporting. Recognizing that customers and subscribers seek seamless security without needing to delve into individual products' specifics, Allot ensures a unified experience by enabling operators to integrate its solutions into their interfaces, such as customer care apps or websites. The concept is simple yet impactful: when subscribers log-in, they witness a comprehensive overview of their protection, including the number of threats blocked, content restrictions, and detailed reporting. This unified approach eliminates the need for customers to navigate complex configurations, underscoring Allot's commitment to user-friendly and value-driven security solutions.

Moreover, the value proposition extends to Allot's products. NetworkSecure, DNS Secure, HomeSecure and BusinessSecure require no additional actions for comprehensive threat protection. As demonstrated by Hutchison Drei Austria's successful implementation, Operators can offer NetworkSecure to any subscriber network device. This company launched a security-as-a-service product in August 2019, leveraging Allot's network security technology. The solution shields customers against emerging cyber threats, including malware, phishing, ransomware, and crypto-jacking, achieving robust protection without requiring subscribers to download or install anything on their devices.³

³ <https://www.allot.com/resources-center/success-story/hutchison-drei-austria/>

Furthermore, Allot's customer success philosophy is rooted in the belief that customers should be protected and feel confident and empowered. The company's crafted, multifaceted approach enhances the overall customer journey.

Frost & Sullivan lauds Allot for delivering value-driven security solutions and customer-centric experiences that foster confidence, empowerment, and satisfaction among its users.

Interlinking Innovation and Customer-centricity to Elevate Brand Equity

Allot's journey, marked by a strategic shift to a position of industry leadership where it builds on its understanding of CSPs, exemplifies the evolution of brand perception and customer loyalty. The wealth of experience enables it to offer bespoke security products that align with operators' evolving role as enablers beyond communication. This foresight allows Allot to position itself as a trusted ally in the quest for robust cybersecurity.

Allot's commitment to a unified experience in network security resonates positively with operators and consumers alike. The seamless integration of security solutions meets operators' stringent demands, fostering loyalty among consumers who appreciate the cohesive protection provided. This cohesive approach builds Allot's reputation as a dependable partner, staying ahead of the curve by addressing current needs and anticipating future requirements in the ever-evolving cybersecurity landscape.

Beyond its impact on larger enterprises, Allot's brand equity extends to securing smaller organizations often overlooked by off-the-shelf solutions due to complexity and cost constraints. Its solution empowers CSPs to tailor offerings with different filtering modules, providing centralized configuration and reporting for SOHOs, and consumers. This inclusive approach reinforces brand equity and aligns with the broader industry narrative of democratizing access to cybersecurity solutions.

Frost & Sullivan applauds Allot for seamlessly intertwining technological innovation with a customer-centric approach, cultivating brand equity that transcends industry norms and fosters unwavering trust and loyalty among operators and consumers.

Conclusion

Allot stands at the forefront of innovation and customer-centricity, poised to reshape the landscape of network intelligence and security solutions. As communication service providers (CSP) increasingly recognize the untapped potential within the small office/home office (SOHO) market, Allot emerges as a critical enabler, addressing the unique challenges these often-overlooked enterprises face. The company's journey, spanning over two decades, reflects a commitment to pushing boundaries and redefining industry norms. Allot's network-based security solutions, including NetworkSecure, HomeSecure, BusinessSecure and DNS Secure, exemplify a seamless blend of cutting-edge technology and user-friendly design, departing from traditional security solutions. Its customer-centric philosophy extends beyond protection, emphasizing a unified experience, user empowerment, and confidence. By empowering CSPs with versatile solutions, Allot addresses current security needs and anticipates and supports the industry's evolving requirements.

For its strong overall performance, Allot is recognized with Frost & Sullivan's 2024 Global Customer Value Leadership Award in the CSP security for SOHO and consumers 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

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)**

