

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

**2024**  
**CUSTOMER**  
**VALUE LEADER**

*IN THE GLOBAL GAMING  
HEADSET INDUSTRY*

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

**2024** BEST  
PRACTICES  
AWARD



## 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. HP excels in many of the criteria in the gaming headset 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

### *Superior Comfort and Performance for Long Hours of Gaming*

In June 2021, HP acquired the gaming peripheral company HyperX as part of its strategy to strengthen its personal systems business. For over two decades, HyperX has been providing some of the best headsets, keyboards, and accessories available in the gaming space, constantly introducing new products and

*“The company has demonstrated a far-sighted vision by identifying how gaming experiences will evolve. For example, as over half of the headsets sold worldwide are wireless, HP is pushing the boundaries of battery life with efficient power consumption and optimized audio output to enable longer hours of play between charges.”*

**- Franco Bernasconi**  
**Research Analyst**

features in accordance with the evolving needs of the gaming community. Since its acquisition, HyperX has leveraged HP’s strong technological expertise to refine its gaming product offerings. Today, HP’s line of gaming headsets stands out in a highly competitive space for comfort and performance, making HyperX one of the market’s most respected and valued brands.

Because gamers are spending an increasing amount of time on their PCs and consoles, there is a need for lightweight and balanced designs that deliver comfort for long periods of use. HP properly understands this

need, so the company is continuously developing new headsets with frames made of materials such as carbon and magnesium to reduce the headsets’ weight. Significant thought and effort also goes into the ear cushions, and the company offers top-notch ergonomics using components like memory foam and

premium leatherette. To ensure this close attention to detail effectively meets end-user needs and results in a hassle-free gaming experience, the company conducts trials with real gamers in real gaming conditions for all its prototypes across its global offices.

HP puts special emphasis on sound quality and has assembled a team of audio engineers with profound market experience. This team specially designs HyperX devices for gaming. Competitors, on the other hand, tune their headsets to make them suitable for various use cases (e.g., meetings, music, games), which sacrifices the sound quality of games. HP's advanced headsets are equipped with proprietary DTS® Headphone:X® Spatial Audio technology that balances the range of sound for the user, enabling them to hear everything at the correct volume and

*HyperX Cloud Alpha*



*Source: HyperX*

localization to deliver a highly immersive experience. Some of HP's headsets also provide large, angled 53mm drivers that reproduce a wider range of frequencies to emphasize the dynamic gaming sounds; these are particularly relevant for games that need precise spatial awareness (such as first-person shooters).

The company has demonstrated a far-sighted vision by identifying how gaming experiences will evolve. For example, as over half of the headsets sold worldwide are wireless, HP is pushing the boundaries of battery life with efficient power consumption and optimized audio output to enable longer hours of play between charges. While the competition rarely offers headsets with more than 70 hours of battery life, the recently released HyperX Cloud III Wireless, successor to the immensely popular HyperX Cloud II Wireless, can run for 120 hours without charge. The Cloud Alpha Wireless, one of HP's premium headsets, can run over 300 hours, greatly enhancing the user experience and upping the ante for other competitors.

With OMEN, HP's line of high-end gaming PCs, the HP-HyperX synergy is also helping advance connectivity between PCs and headsets to provide a seamless audio immersion. The company recently launched the OMEN Transcend 16, a next-gen gaming laptop that features a built-in dongle to optimize connectivity with the Cloud II Core Wireless headset. This product integration ensures hassle-free connectivity for the most demanding gaming experiences, where standard solutions can fail to deliver optimal performance.

### ***A Comprehensive Product Portfolio and a Streamlined Sales Experience***



With prices ranging from \$39 to \$199, HP offers one of the most thorough headset portfolios and appeals to every type of gamer regardless of budget and preference. The company offers both wired and wireless headsets, and it is particularly focused on enhancing wireless 2.4GHz wireless audio to provide better sound quality over larger distances. HP also knows that every gamer's set up is different and can vary between PC, Mac, or console configurations. Accordingly, the company offers headsets that deliver a wide range of multiplatform compatibility as well as headsets specially designed for

specific consoles (such as PlayStation 5 and Xbox One).

Frost & Sullivan appreciates how HP accompanies its wide portfolio with a modern and efficient customer purchase experience through multiple channels, including its website and social media platforms (such as Instagram). The company has an intuitive, user-friendly website that not only gives detailed information on its products, but also portrays reviews by real customers, giving clear guidance for customers shopping for headsets. To further encourage customer engagement, HP allows potential customers to try its products before purchase. It enables this by partnering with big retailers to organize several in-store experience zones where gamers can try HyperX headsets with real games, ensuring client satisfaction from the beginning.

HyperX is leveraging HP's extensive sales experience and channel structure to continue growing its user base. In 2023, the company launched HyperX's sixth eCommerce site, strengthening its direct-to-consumer strategy across North America, the UK, France, Germany, and now Australia. In addition, incorporating HyperX's products into HP's global distribution network enhanced the opportunity for the brand's portfolio to connect with HP's large base of customers while enabling the company to allocate more resources to future product development as a result of its broadened audience.

### ***Active Community Engagement to Drive Growth and Innovation***

One of HP's pillars for gaming headset development is community engagement, which can lead to an accelerated innovation process that ensures future growth. Part of this entails the company studying the entire journey that potential customers go through when making a purchase decision and using the information to identify evolving needs and market trends. A big part of that strategy occurs in social media platforms like Reddit and Discord. The company has an active presence and engages in these communities to discuss headsets and gaming in general (whether they are clients or not).

While other companies have implemented limited feedback mechanisms to drive product development, HP gets invaluable input from active customers and hardcore gamers in these forums and uses it to

identify preferences and potential issues, which it then leverages to design headsets with enhanced features. For instance, the company identified a key trend towards the aesthetic personalization of headsets that will gain importance over the coming years, so the company is currently working to enable customers to customize their headsets with elements like removable ear cups of different colors that can be switched to match a personal style. Frost & Sullivan points out that this community engagement helps HP's current and potential customers feel more connected to the brand, ensuring increased loyalty while further expanding its brand image in the overall gaming space.

*“One of HP’s pillars for gaming headset development is community engagement, which can lead to an accelerated innovation process that can ensure future growth. Part of this entails the company studying the entire journey that potential customers go through when making a purchase decision and using the information to identify evolving needs and market trends.”*

**- Franco Bernasconi**  
**Research Analyst**

## Conclusion

---

With consumers spending an increasing amount of time playing games on different platforms, the gaming headset market continues to grow thanks to its ability to provide a more immersive experience. HP is a trailblazer that delivers outstanding audio quality and constantly upgrades its products' features. It offers top-tier performance and comfort, facilitating absorbing, hassle-free extended gameplay. With an extensive portfolio of headsets that caters to diverse customer budgets and its active social media presence, HP ensures an engaging gaming experience for hardcore gamers and casual gamers alike that will evolve with the market.

With its strong overall performance, HP earns the 2024 Frost & Sullivan Global Customer Value Leadership Award in the Gaming Headset 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

