FROST & SULLIVAN

AT&T

2022 MARKET LEADER

United States Wholesale Carrier Ethernet Services Industry

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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. AT&T excels in many of the criteria in the wholesale carrier ethernet services space.

AWARD CRITERIA

Growth Strategy Excellence	Technology Leverage
Implementation Excellence	Price/Performance Value
Brand Strength	Customer Purchase Experience
Product Quality	Customer Ownership Experience
Product Differentiation	Customer Service Experience

Product Differentiation

As part of digital transformation efforts, enterprises are embracing business models to move workloads to the cloud and relying increasingly on cloud-based applications to accommodate widely distributed users. A network that connects the cloud and processes data-heavy, latency-sensitive cloud-based business applications need uninterrupted high-bandwidth connectivity to operate efficiently. AT&T's Ethernet services deliver on all these aspects as it provides secure and scalable high bandwidth that can manage data-heavy workloads from numerous locations and endpoints.

> *"AT&T's Ethernet services leverage its global network, which benefits from 675,000 fiber-lit buildings and more than 9.5 million business locations within 1,000 feet of AT&T fiber in the United States as of Q3 2022. AT&T has an expansive global network, with multi-protocol label switching (MPLS) available in nearly 200 countries and over 3,900 service nodes with Ethernet, fiber, and wireless access options. The company also offers speeds up to 400 Gbps and has a presence in over 500 data centers across the United States."*
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Security is the top priority for enterprises as they become increasingly distributed, with users accessing the network from various devices and locations, making it vulnerable to cyber threats. AT&T offers secured connectivity, whether underlay or overlay, supported by managed security services for network, endpoints, and threat detection and response.

Customer Purchase Experience

AT&T Switched Ethernet (ASE) is the company's flagship Ethernet service. It is available in the 21 states where AT&T is an incumbent local exchange carrier (ILEC) and in all 50 states using third-party access providers. AT&T's ILEC network footprint also enables the company to compete fiercely for dedicated Ethernet services that are based on dense wavelength division multiplexing (DWDM) over fiber. AT&T's extensive metro and long-haul footprints in wholesale carrier Ethernet are differentiating factors in the market. Expectedly, AT&T is the revenue leader in the US wholesale carrier Ethernet services industry.

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The company has been a frontrunner in embracing and deploying software-defined network (SDN) and network functions virtualization (NFV) technologies. AT&T's Switched Ethernet with Network on Demand (ASEoD) capability, based on SDN, offers faster network provisioning (makes sites operational in weeks as opposed to months), granular bandwidth (2 Mbps to 100 Gbps), and deep security features.

Existing AT&T customers using AT&T Switched Ethernet service and considering connecting their business to the cloud may benefit from AT&T Dynamic Exchange, a feature of AT&T's programmable network that allow its customers to create virtual connections to the cloud simply by logging into the ASEoD services page on the AT&T Business Center portal. Then, customers can choose the port and available cloud service provider with whom they can partner. Connectivity to the cloud can be established in minutes with just a few clicks. It's a self-service within the AT&T Business Center portal, and no new contract, term commitment, or extra equipment is required to avail of the Dynamic Exchange feature. Frost and Sullivan notes that the AT&T Dynamic Exchange is a unique service for this market.

Technology Leverage

Enterprises generally prefer service providers that can offer a portfolio of services to meet their business needs—a one-stop shop. They do not prefer to engage with multiple vendors as management and service orchestration could be difficult. Connectivity is at the core of digital transformation, and businesses prefer a single network service provider to accommodate their connectivity and network requirements. AT&T Ultravailable Network Service is a fully managed, customized network solution that can address a business's connectivity needs and network requirements. It's a single network solution that can carry all the network traffic irrespective of diverse network protocols. The company's Ultravailable Network Service integrates Ethernet and dense wave division multiplexing (DWDM) technologies to provide services on a single dedicated platform. It supports businesses' numerous locations that utilize multiple applications using different network protocols. AT&T Ultravailable Network Service also supports businesses' network infrastructure, including cloud, IP data services, network consolidation, and security solutions.

Customer Service Experience

Enterprise businesses need to change with evolving market dynamics, and they continue adopting the latest technologies to sustain their positions in the market. The AT&T Business Center is a customer portal that supports its customer's changing business needs. The portal is one of the most comprehensive in the industry, making it easy for its customers to locate and manage their wireline services in one place. It offers single sign-on across all websites for a seamless experience. The portal allows customers to order new services, monitor and manage network bandwidth in near-real-time, access express ticketing services, manage billings, and customize and receive alerts in the event of traffic congestion. It also supports API access for ordering and customer care.

Brand Strength

Enterprises no longer focus solely on making profits but also on contributing towards the wellness of society and the empowerment of individuals. As one of the most respected brands worldwide, AT&T continues to highlight its brand with technology and services with community investment. In 2021, AT&T committed to investing $2 billion over three years, from 2021 to 2023, to help bridge the digital divide by removing connectivity barriers, especially for underserved communities, including students and families. The company opened AT&T Connected Learning Centers nationwide where underserved students can access high-speed internet and computers for education and learning. Additionally, the initiative includes distributing close to 26,000 computers with digital inclusion programs and digital literacy workshops to 400 libraries and community centers that help over 65,000 people to learn how to use a computer and mobile device in today's digital world.

Conclusion

High bandwidth connectivity is a must-have for enterprises in a technologically evolving world as they increasingly adopt cloud-based applications to simplify their business processes and enhance business performance. However, enterprises have started to look beyond high bandwidth connectivity and consider network service providers that can also support their other network requirements. AT&T's expansive global network footprint offers a range of underlay and overlay services that suit varied business requirements. The company also offers complementary services, including managed SD-WAN and SASE, managed services, and consulting. Based on SDN, the company's ASEoD capability supports faster network provisioning and provides a range of bandwidth (2Mbps to 100 Gbps) and deep security features. Additionally, AT&T's Dynamic Exchange and dedicated ethernet services are distinctive in the market.

With its strong overall performance, AT&T earns Frost & Sullivan's 2022 US Market Leadership Award in the wholesale carrier ethernet services industry.

What You Need to Know about the Market Leadership Recognition

Frost & Sullivan's Market Leadership Award recognizes the company that achieved the greatest market share resulting from outstanding performance, products, and services.

Best Practices Award Analysis

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

Growth Strategy Excellence: Company demonstrates an ability to consistently identify, prioritize, and pursue emerging growth opportunities

Implementation Excellence: Company processes support efficient and consistent implementation of tactics designed to support the strategy

Brand Strength: Company is respected, recognized, and remembered

Product Quality: Products or services receive high marks for performance, functionality, and reliability at every stage of the life cycle

Product Differentiation: Products or services carve out a market niche based on price, quality, or uniqueness (or some combination of the three) that other companies cannot easily replicate

Technology Leverage: Company is committed to incorporating leading-edge technologies into product offerings to enhance product performance and value

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 are proud to 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 of high quality

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)**