

FROST & SULLIVAN

ZOOM VIDEO COMMUNICATIONS

2022
CUSTOMER
VALUE
LEADER

NORTH AMERICAN
VIRTUAL CARE 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. Zoom excels in many of the criteria in the virtual care 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

Seamless Virtual Care Delivery Requires End-to-end Single Telehealth Platform

The COVID-19 pandemic clearly altered healthcare dynamics. Requirements to ensure social distancing transformed virtual care from a vital innovation to a must-have model. The primary need for social distancing among physicians and patients stimulated the unprecedented demand for telehealth. This essential virtual care component involves using information and communications technology (ICT) to provide medical services and patient monitoring for those who cannot physically visit their healthcare provider.

Additionally, the increased usage of virtual care expanded the value and volume of patient-generated health data. Frost & Sullivan notes that this new volume of valuable data propels advances in data analytics and unique clinical decision support solutions and develops use cases for population health management. Furthermore, the global pandemic exacerbated behavioral health issues. To that end, virtual care's benefits extend to managing depression, stress, and post-traumatic stress disorders.

However, data storage, security, and privacy concerns remain, restraining telehealth and virtual care market growth. Healthcare stakeholders are vulnerable to potential hackers who steal personal healthcare information. When compared to the multi-vendor environment, Frost & Sullivan points out that there is a clear need for an end-to-end single telehealth platform to facilitate services, such as telemedicine, video collaboration, and medical education, while addressing interoperability and integration issues. The Centers for Medicare and Medicaid Services issued multiple waivers to support broader telehealth usage during the pandemic.

Although promising, healthcare stakeholders providing or investing in telehealth products and services report to Frost & Sullivan that they are concerned many of these waivers will end in the post-pandemic world and diminish their potential. The need for a standard reimbursement model for telehealth as a part of health and wellness and health maintenance programs is profound.

Frost & Sullivan estimates the virtual care market will reach \$218.99 billion in 2025, with a compound annual growth rate of about 40.4% from 2019 to 2025.¹ Telehealth solutions constitute the predominant segment during the forecast period driven by increased deployment due to the COVID-19 pandemic.

Founded in 2011 and headquartered in San Jose, California, United States (US), Zoom is a service provider of a single integrated virtual care platform to healthcare organizations. With innovation and continuous care as its primary focus, its platform's healthcare applications span telehealth and virtual visits, collaborative healthcare, care coordination, medical education, telemedicine video assistant, and population-based care across the healthcare continuum. The company uniquely leverages its healthcare solutions to meet users' needs. Frost & Sullivan analysts conclude that Zoom is well-positioned to capitalize on new growth opportunities, cementing its leadership in the virtual care market.

In 2021, Frost & Sullivan recognized Zoom for its technology uniqueness, collaboration support, scalability, and application diversity and remains impressed with the company's continuing innovation and sustained leadership.

Guaranteeing Customer Satisfaction by Unifying Communications for Dynamic Care Delivery

Zoom's solution for healthcare goes beyond its extensive expertise and best-in-class ICT capabilities, with customer value as a strategic imperative. Through the years, the company has earned a sterling reputation supporting users' path toward connected care, patient-centricity, seamless communication, and collaborative work practices.

The market-disruptive Zoom platform reliability enables organizations of any size and complexity to scale without compromising quality. Zoom works uninterrupted with uniform audio and video experience, even in low-bandwidth environments. The platform's enterprise features and simple user management offer dedicated technical teams for deployment, saving on resources. Smaller practices can offer telehealth with Zoom licenses that help enable Health Insurance Portability and Accountability Act-compliant programs by completing a Business Associate Agreement, starting as low as \$14.99 per month.²

Unlike other competitors, Frost & Sullivan notes that Zoom builds its integrated platform technology by collaborating closely with a range of stakeholders and partners to evolve alongside market needs and trends. For example, the intuitive platform meets the need for hybrid healthcare and seamlessly connects providers, administrators, pharmaceutical and biotech companies, payers, patients, and caregivers. Presently, nine of the top ten US hospitals, seven of the top ten global pharmaceutical companies, and eight of the ten largest US healthcare systems all use Zoom.

¹ COVID-19 Pandemic Ignites Enthusiasm for Virtual Care, (Frost & Sullivan, February 2021)

² (<https://explore.zoom.us/docs/doc/Zoom%20for%20Healthcare.pdf>), accessed May 2022

With a sharp focus on improving accessibility and patient-centric care, Zoom's platform allows providers to connect with their patients anytime (on the go and at home) through recordable virtual video visits for personalized healthcare experiences. Screen sharing and annotation help patients collaborate with

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*- Supriya Lala,
Best Practices Research Analyst*

specialists, care teams, and family members for care coordination, discharge planning, and health coaching. The platform's high-definition video and audio connectivity with cloud-based intelligent room solutions enable several applications. It includes clinical trial evaluations, virtual physical therapy, mental health counseling, and real-time stroke consultations, ensuring seamless patient experiences and maintaining the highest clinical efficacy.

The company collaborated with Current Health to improve accessibility, equitability, and high-quality

care at home. The integration allows patients to connect to providers regardless of language barriers, leading to a superior virtual care experience.

Unique Features

Zoom Rooms are easily deployable on telehealth carts, bedside consultations, and conference rooms for administrative or multidisciplinary team meetings initiated with one-touch and contactless voice commands. Zoom Rooms Kiosk Mode positions virtual receptionists in the clinic or hospital lobby for electronic check-in and admissions. Similarly, Zoom's cloud phone solutions enhance the hybrid health workforce's flexibility, enabling on-the-go calls on devices of choice. Additionally, the platform supports patient education while allowing medical professionals to continue their education remotely.

The company allows customers to simplify their communication by replacing multiple, disparate point solutions with a single platform that enables them to unify video, phone, chat, and intelligent workspaces. Zoom offers easy-to-deploy integrations with several third-party vendor applications (apps) in the Zoom App Marketplace.

The company has an extensive focus on security and compliance. The platform's multi-layer security with 256-bit AES-GCM encryption allows transferring sensitive patient data securely.³ The Zoom for Healthcare and Zoom Phone for Healthcare platforms help customers enable HIPAA-compliant programs by safeguarding protected health information. Frost & Sullivan analysts conclude that Zoom's frictionless and transparent approach and close relationships position it as a partner of choice.

Customer-tailored Solution Suite: Maximum Economic and Industry Impact

With its customer-focused strategy, Zoom consistently brings to market best-in-class solutions. Several new functionalities and feature upgrades make the user experience quite unique. For example, the two-way chat in the waiting room sends chat messages and even uploads and plays a custom video (potential practice promotions or hospital news) while patients are in the waiting room.

³ (https://explore.zoom.us/media/zoom-for-healthcare_data-sheet.pdf), accessed May 2022

The company is working on launching its mobile browser clients that will allow patients to safely join telehealth appointments from their mobile browser without downloading the Zoom app. Moreover, the post-meeting survey feature captures patient feedback immediately after virtual meetings. Similarly, Smart Gallery (part of the Zoom Rooms) leverages artificial intelligence (AI) to create individual video feeds of in-meeting participants for remote colleagues to see these participants in person.

Integration-enabled Capabilities Improve User Efficiency

Zoom aims to increase healthcare organizations' efficiency and return on investment by making telehealth and virtual care sustainable. To achieve this goal, the company continues to build new capabilities while integrating its technology into the clinician's daily workflow for virtual health, i.e., the electronic health record (EHR). To that end, Zoom's notable integration with the American healthcare software company Epic Systems (Epic) enables healthcare organizations to launch Zoom from within an Epic video visit workflow. In addition, Epic users can use Zoom and Epic EHR in a streamlined fashion. It allows physicians to access appointments, launches Zoom video visits directly in Hyperspace, and documents the visit in Epic. Simultaneously, patients can initiate the Zoom video visit from their MyChart Patient portal on their personal computer or mobile device.

“Zoom's approach to making its platform simple and easy to use with extensive scalability sets it apart from competitive solutions. Its seamless communication, user experience, dependability, and collaboration capabilities further help it retain and acquire new customers.”

**- Delfina Huergo,
Research Analyst**

Similarly, Zoom partners with Cerner, a leading health information and EHR technology provider. The integration allows health care organizations to open Zoom from within the Cerner EHR. It enables Cerner users to launch Zoom for a telehealth video visit. Clinicians can start the video visit from within the EHR, creating a streamlined workflow, ease of use, and added efficiencies. Additionally, patients can launch Zoom on a preferred device without an application download and receive a customized message while waiting for the provider to join the video visit. These integration-enabled capabilities all advance customers' communication

systems, build telehealth capabilities, and improve access to care, enhancing patient satisfaction.

At the same time, the company incorporates customer feedback into its strategic decisions and implementation plans to maximize short-term growth opportunities while providing a path to future revenues. For example, in 2019, the Moffitt Cancer Center, renowned for its medical and research teams, used Zoom to bridge the gap between locations, improving team communication and collaboration through mobile-enabled, video-first culture. Within two weeks, the center deployed Zoom to 6,000 people across Moffitt who use Zoom Meetings, chat, video webinars, and Zoom Rooms. With a seamless user experience, Zoom enabled better connectivity between pathology and surgery teams, in addition to employee education. Its platform demonstrated a high satisfaction rating on a Moffitt-conducted survey

“It has really, really taken an adoption rate that we didn't expect at first. We thought there would be a lot of resistance to move into a new technology. And by and large, it's just been easy to use, adopted well, and we've been able to move this through the organization quicker than we've ever had with any other solution.”⁴

-Doug Blankenship, Unified Communications Manager, Moffitt Cancer Center

Zoom's approach to making its platform simple and easy to use with extensive scalability sets it apart from competitive solutions. Its seamless communication, user experience, dependability, and collaboration capabilities further help it retain and acquire new customers.

For example, the company went from 10 million daily meeting participants in December 2019 to 200 million in March 2020.⁵ It quickly ramped up its capabilities to support the high user growth. Smooth functioning in low bandwidth environments enabled telehealth in rural locations with limited internet connectivity. Furthermore, its multipurpose nature through phone, video, meeting, and telehealth serviced all virtual care needs.

Frost & Sullivan observed how these market differentiators helped Zoom acquire new customers at an unprecedented rate and expand across existing clients. At the end of the fourth quarter of the 2022 fiscal year, it reported having approximately 509,800 customers, up by 9% from the same quarter the previous fiscal year.⁶

Positioned for Growth

Serving as a testament to its high client satisfaction rate, Zoom acquires many of its customers through word-of-mouth accolades, fueled by its platform's exceptional customer-centric design and matchless technological performance. Unlike other market players, the Zoom platform has no technical debt. Although designed to operate as an enterprise solution, it uniquely caters as a consumer solution - leading to increased platform adoption.

“We are deploying carts using the Zoom Room platform. ... It's made it so much easier for neurologists to look through the [directory] for the appropriate cart at the appropriate bedside. Literally, it's one click — and they're seeing the patient. It was critical for us to make sure we seamlessly and strategically deployed the Zoom platform and technologies to make it as convenient and as fast as possible so they can get right to the patient.”⁷

-Mark Crowe, IT Operations Manager Sentara Healthcare

In 2022, the company generated \$4.1 billion in annual revenue, a 55% increase from 2021.⁸ Global customer base growth increased end-user engagements, and new use cases of its secure technology platform propelled astronomical growth. With an emphasis on driving the digital transformation for

⁴ https://explore.zoom.us/en/customer_stories/moffitt-cancer-center/, accessed May 2022

⁵ (<https://blog.zoom.us/a-message-to-our-users/>), accessed May 2022

⁶ (<https://investors.zoom.us/news-releases/news-release-details/zoom-video-communications-reports-fourth-quarter-and-fiscal-1>) accessed May 2022

⁷ https://explore.zoom.us/media/zoom-for-healthcare_data-sheet.pdf, accessed May 2022

⁸<https://investors.zoom.us/news-releases/news-release-details/zoom-video-communications-reports-fourth-quarter-and-fiscal-1>) accessed May 2022

communications and sustaining its growth, Zoom aims to develop its platform even further, improving the customer experience with new cloud-based technologies.

Frost & Sullivan recognizes how the company's impressive growth momentum and trajectory validate its customer-centric approach, revolutionary technology, and exceptional collaboration strategies, earning its clients' trust and loyalty and enabling it to capture more market share.

Conclusion

Customer-centric strategies help companies safeguard leading positions in markets, but only if the approach is authentic - and the implementation is seamless.

Zoom incorporates customer-focused strategies and exemplifies best practice implementation. Its multipurpose unified platform enables healthcare organizations' digital transformation to deliver patient-centric virtual care. Market-leading communication, scalability, and dependability all propel collaborative work practices among multidisciplinary teams, make telehealth and virtual care sustainable, and deliver impressive patient experiences - leading to a higher return on investment for clients.

This overall customer-first approach offers immense value to existing and new clients and solidifies Zoom's reputation in the market. With its strong overall performance, Zoom earns the Frost & Sullivan 2022 North American Customer Value Leadership Award in the virtual care 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™.

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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)**

