FROST & SULLIVAN

HUGHES RECEIVES THE 2023 CUSTOMER VALUE LEADERSHIP AWARD

Identified as best in class in the North American digital signage industry

Congratulations!

Frost & Sullivan is proud to present Hughes Network Systems with this year's Best Practices Customer Value Leadership Award in the North American digital signage market.

Frost & Sullivan's global team of Growth Pipeline experts continually identifies and evaluates growth opportunities across multiple industries, technologies, and regions of the world. As part of this ongoing effort, we identify companies that consistently develop growth strategies based on a visionary understanding of the future and effectively address new challenges and opportunities. This approach involves the deployment of best practices and strategic analytics across a value chain. Against this backdrop, Frost & Sullivan recognizes Hughes for its valuable achievement.

Frost & Sullivan reserves this recognition for companies at the forefront of innovation and growth in their respective industries. These companies consolidate their leadership positions by innovating and creating new products, solutions, and services that meet ever-evolving customer needs. By strategically broadening their product portfolios, leading companies advance the overall market. Driving innovation and growth is a difficult task made even harder by the strategic imperatives forcing change today, such as disruptive technologies, value chain compression, industry convergence, and new business models. In this context, Hughes's recognition signifies an even greater accomplishment.

Moreover, this recognition is the result of many individuals (employees, customers, partners, and investors) making critical decisions every day to support the organization and contribute to its future. Frost & Sullivan enthusiastically acknowledges and celebrates their contributions.

Once again, congratulations on your accomplishments. We wish you great success!

Sincerely,

Darrell Huntsman
Chief Executive Officer
Frost & Sullivan

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. Hughes excels in many of the criteria in the digital signage space.

AWARD CRITERIA

Business Impact	Customer Impact
Financial Performance	Price/Performance Value
Customer Acquisition	Customer Purchase Experience
Operational Efficiency	Customer Ownership Experience
Growth Potential	Customer Service Experience
Human Capital	Brand Equity

Challenges in Digital Signage

Digital signage is no longer simply a static poster on a video screen; the technology has changed drastically in recent years and a range of new capabilities propel the medium to serve new roles and take on expanded responsibilities to communicate with employees and customers. While the number of channels and touchpoints between businesses and customers and businesses and employees has exploded, effectively communicating has not necessarily become easier. Methods for reaching customers and employees has never been more similar, but businesses find it difficult to engage audiences without disruption. Customers and employees are tired of downloading new apps, may feel inundated with emails, are using headphones, or are focused on their mobile device or another channel. Grasping and holding the audience's attention, to inform or move through the customer journey, is getting more and more challenging.

Digital signage is becoming a new channel, on par with an organization's omnichannel marketing strategy, and it delivers value through the experience. Whether targeting employees or potential customers, the digital signage deployment must focus on dynamic engagement, serving a variety of functions, and driving a return on investment that makes sense in context. Deployments can be tailored to deliver a message in a variety of specific locations and for specific purposes (i.e., to attract customer attention, engage employees, or inform visitors). The digital signage system can be designed to empower employees and consumers to self-serve for greater efficiency, or perhaps to leverage third-party data sources (such as social media, mobile advertising, customer relationship management) for greater personalization.

The digital signage space is evolving away from a single transaction model, where vendors sell and install screens, drop off software, and leave customers to fend for themselves. Instead, the breadth of products and services and how they use data and content are differentiators among providers. Integration with third-party content libraries, applications, and technologies makes digital signage dynamic, engaging, and useful. Competition amongst service providers is increasing, and software and services are becoming the crucial elements that add value. Customers are increasingly depending on vendors to support them with the demands of managing content, supplying dynamic content feeds, as well as scaling/managing a large number of devices or multiple types of devices. The most successful digital signage vendors are those working with the customer (including the site architects and engineers) to design signage systems around the human experience in the specific context and around the host's goals.

The pandemic wrought visible impacts, both immediate and long-term, on the digital signage market. Digital signage filled the critical need for contactless communication. Vendors were forced to innovate and adapt, and many smaller software and service providers operating in 2019 did not survive to 2022. The successful providers took the opportunity to create new features, new products, and new offerings that help their customers to provide value while holding costs down.

Hughes Brings Omnichannel Vision to Modernize Digital Signage

The Hughes Digital Signage is part of a global managed services provider delivering communications and connectivity technology and services across industries and the globe. Hughes serves businesses, governments, and organizations with an array of digital signage solutions addressing both customers and employees. Hughes empowers organizations with dynamic communications capabilities, from a single-franchise quick service restaurant to retailers with thousands of locations, and government offices in need of consistency.
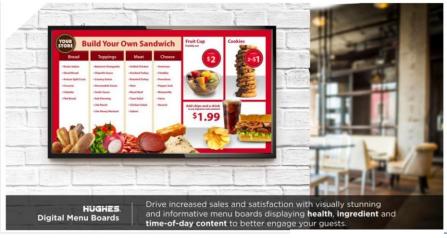
> *"Hughes understands that digital signage is not simply ambiance, rather it is an important and specific communications channel for businesses to reach employees and customers as part of an omnichannel strategy. With a team leveraging deep experience in the market, technical experiences, and perspectives from omnichannel marketing, Hughes shepherds clients to imagine digital signage as more than screens."*
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> *- Nick J. Baugh,*
> *Industry Analyst*

Hughes understands that digital signage is not simply ambiance, rather it is an important and specific communications channel for businesses to reach employees and customers as part of an omnichannel strategy. The company is a leader in changing perceptions of digital signage, demonstrating that the new key value proposition in modern digital signage revolves around dynamic experiences. In this perspective, content that is constantly changing and relevant is the key. With a team leveraging deep experience in the market, technical experiences, and perspectives from omnichannel marketing, Hughes shepherds clients to imagine digital signage as more than screens. Whether the business is using legacy digital signage systems or is looking for more capabilities and control, Hughes provides the display and player technology, cloud content management system (CMS) software, and services to help create engaging content.

Hughes solutions equip organizations with the tools to create content, schedule specific items or types of content based on a spectrum of variables, connect with outside data sources and platforms, and do it all with a clean user interface.

The Hughes CMS allows organizations to manage their servers, to build internal content libraries, and use plugins and interactions to connect with third-party sources or platforms, such as video on demand, inventory or point of sale (POS) systems, rewards programs, or social media. Customers can lean on Hughes and draw best practices for help creating and managing content, providing ideas and templates for how to dynamically operate the deployment and drive audience engagement, whether employees or customers.

Consumer-facing Signage Streamlines the Customer Journey

Source: Hughes

Designing around the Human Experience

Hughes demonstrates a far-sighted vision to identify where and how digital signage can accelerate the customer/employee journey without disrupting the individual. Hughes places a notable emphasis on the human experience, with empathy for the individual, as the central element in designing each digital signage deployment. Rather than throwing up screens for an organization, Hughes studies the customer journey to identify bottlenecks and design ways to deliver communications so as to accelerate that journey and ultimately to propel productivity and generate revenue. It begins by visiting the site and understanding how the environment impacts the mindset of the customer, in a rigorous documentation process Hughes maps out the positive and negative aspects. The Hughes team then creates a concept of how digital signage can fill the gaps to improve the customer experience. A site survey by the technical team ensures that the hardware placement is feasible.

Employee-facing Signage Engages Deskless Employees

Source: Hughes

Working with the customer, Hughes generates template designs for the content and how it will appear on the screen. Hughes's knowledgeable team provides recommendations on how to attain the client's targeted goals, e.g., to devote one screen to educational content, another to promotional marketing, one to coupons with a QR code, and a back-office screen encouraging top-performing employees. For example, Hughes has vast experience assisting restaurants in deploying digital signage to display information, coupons and upsells, and connectivity to the customer's mobile phone that streamline the customer journey and allow fewer employees to serve more customers in less time. In another example, Hughes placed signage in the employee break room areas of a major home improvement store's many locations that displayed internal messages as well as workplace safety tips; the store found that workplace injuries dropped precipitously in only one year after implementing the digital signage and realized significant savings. The digital signage should make the experience more seamless and propel return on investment and revenue. Executing this exhaustive customer journey audit and approaching the site and customer goals in this way, Hughes builds trust and yields results.

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"With Hughes, we have a partner to guide our adoption of technology and improve the way we deploy solutions, like our digital signage, so we can maximize their impact on the customer experience and our operations. Now that our team has an easy-to-use content management system for the signage program, we've been able to build consistency across our locations while freeing up corporate and local resources to focus on other operational priorities."
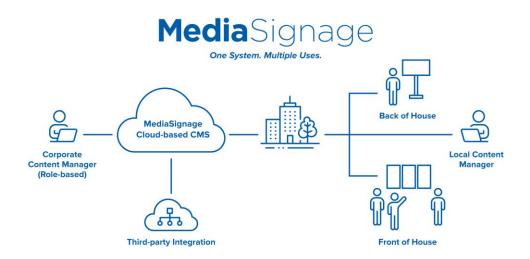
- **Karl Goodhew, Chief Technology Officer at BurgerFi**

A Flexible and Extensible Software

Hughes pushes boundaries of possibility with the flexibility to expand integrations and enable scalability, facilitated by its proprietary software. With complete control over intellectual property and development, the Hughes MediaSignage software is highly extensible to quickly create the features and capabilities that customers request. This quality is especially valuable for integrations, Hughes built the software to operate with a range of hardware but also to allow easy integrations with third-party data sources and platforms. Businesses want the digital signage system to integrate with a range of content libraries, internet of things (IoT) networks, point of sale platforms, inventory programs, or legacy systems, and the ease of integration with the Hughes software allows the organization to maintain their current systems. For example, Hughes worked with a major home goods retailer to strategically divide the screens in the employee lunchroom to show company information and tips, local news and weather, alongside cable or satellite broadcasts and video on demand. Other retailers have requested Hughes integrate with point-of-sale systems, so that employees and customers have real-time insight into product stock. The ability to bring in external data is a critical enabler of the dynamic content that makes digital signage effective.

Additionally, the software's flexibility translates to massive scalability for the deployment. Customers are using Hughes's system to centrally manage content on multiple screens in multiple locations with a

consistent message, while also tailoring local content. Across thousands of locations, the corporate main office can ensure that the right messages are being communicated accurately and consistently across the organization. For example, employee break rooms receive the same training material, but also locally relevant news and weather. Moreover, customer-facing signage can run location-specific promotions or carry a location-unique QR code to provide reviews and feedback. The software provides analytics and insights across the deployment and locally specific metadata. The software does not require programming expertise and allows organizations to manage the functionality and proactively maintain thousands of screens at scale.

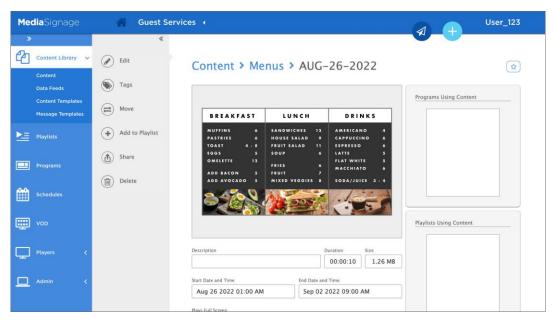Source: Hughes

A Complete Turnkey Managed Service

Finally, the Hughes digital signage package is a complete turnkey offering, a managed service that takes everything into account so that the central organization and local franchisees can focus on core functions. From concept design to hardware installation, deployment launch, and ongoing management and support, Hughes ensures businesses achieve the most out of their digital signage system. Hughes maintains a small army of 2500 field technicians across North America that install and provide on-site services. Driving value, Hughes assists clients with content creation and sourcing, professional design services, and operational outsourcing when needed. Further, Hughes's additional managed services in connectivity provide a one-stop-shop for customers as their needs grow. For example, expanding a deployment by increasing screens per location and the richness of content on the screens means that bandwidth needs with grow significantly as well, and Hughes's connectivity services and support that need. Hughes managed services, flexible software, and support structure fit together as a complete turnkey operation for businesses operating a dozen screens in-store or managing 5000 displays across a nationwide footprint.

One User Interface: for a single, web-based management portal to manage content, create playback schedules, and monitor devices.

Device Management

Content Management

Source: Hughes

Conclusion

As organizations seek effective ways to engage customers and employees, digital signage is offering new capabilities to reach and inform audiences. Hughes is a managed services provider leveraging a range of connectivity and communication resources, its digital signage area demonstrates a modern and comprehensive vision for how signage technologies can enhance an organization's communication strategy to achieve business goals. Hughes is a leading-edge provider, guiding organizations on how to integrate digital signage into their omnichannel strategy. With a focus on the human experience and the actual on-site environment, Hughes designs, installs, and manages the complete digital signage package. With its in-house MediaSignage content management system (CMS) software, Hughes shows an organization how to use dynamic and relevant content to connect with target audiences. Whether streamlining the customer journey or boosting employee messaging, Hughes digital signage delivers a turnkey service geared to realize business objectives.

For its complete vision of communication, a command of the technology, and complete services portfolio, Hughes is recognized with Frost & Sullivan's 2023 North American Customer Value Leadership Award in the digital signage market.

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)