Ooma®

2025 COMPETITIVE STRATEGY LEADER

Transforming Innovation Into High-Growth Performance and Competitiveness

RECOGNIZED FOR BEST PRACTICES IN THE NORTH AMERICAN POTS-REPLACEMENT INDUSTRY

FROST & SULLIVAN

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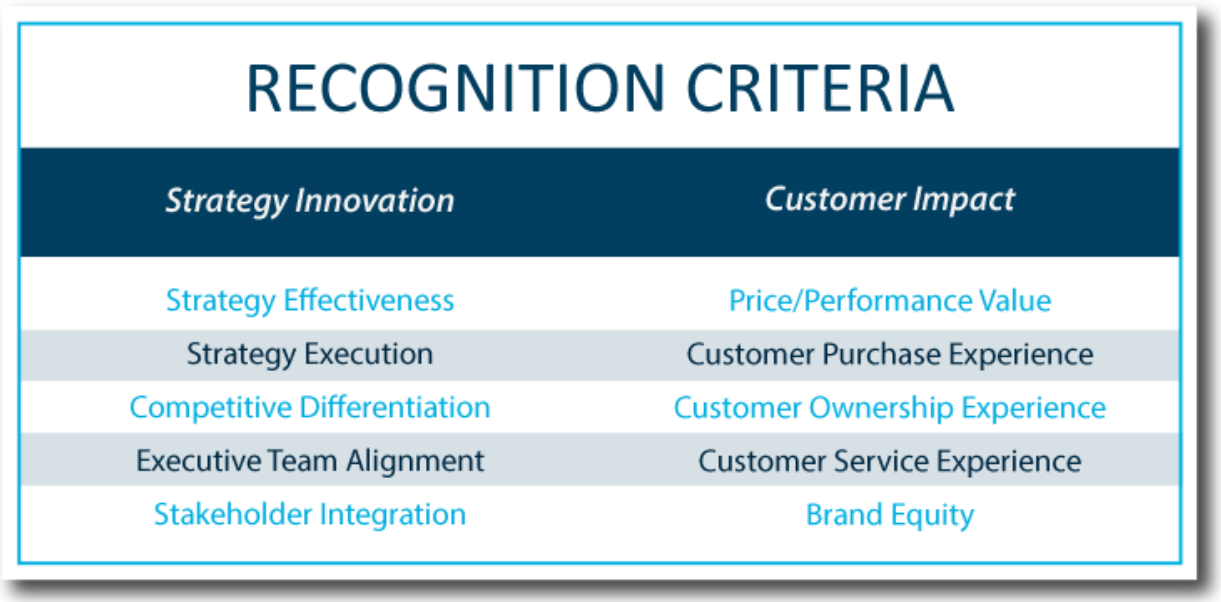
Best Practices Criteria for World-class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each recognition category before determining the final recognition recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Ooma excels in many of the criteria in the POTS-replacement space.



The Transformation of the Business Communications Industry

For over two decades, the business communications industry has been undergoing profound transformation powered by next-generation technologies such as voice over Internet protocol (VoIP), session initiation protocol (SIP), cloud services, mobility, flexible application programming interfaces (APIs) and programmability, and, most recently, artificial intelligence (AI). The adoption of advanced communications solutions such as unified communications as a service (UCaaS), cloud video meetings, group chat, and SIP trunking has provided end-user organizations with compelling benefits including greater operational efficiencies, enhanced employee productivity, improved team collaboration, improved ability to comply with evolving regulatory mandates, and accelerated innovation. Customer organizations with a head start in communications modernization are experiencing higher growth rates and significantly improved competitive positions in their respective industries.

There remain, however, pockets of legacy technologies across most organizations that present considerable challenges, including high costs, poor manageability, and elevated reliability, security, and safety risks. In North America, there are still more than 20 million plain old telephone service (POTS) lines in use that require urgent action to avoid cost escalations, limit safety liabilities, and reduce business disruptions. Once the backbone of the public switched telephone network (PSTN), copper lines on which POTS are provisioned are now being replaced with modern fiber and wireless network technologies. In

2022, the Federal Communications Commission (FCC) relieved service providers of the obligation of supporting POTS lines and deregulated POTS prices. As a result, leading operators have raised prices considerably (by as much as 400%) and announced plans to decommission their POTS lines over the next few years. For example, AT&T announced in December 2024 its plan to phase out copper-based services across most of its network by the end of 2029, underscoring the industry's transition to next-generation solutions.

Many organizations moving their core communications capabilities to contemporary VoIP infrastructure, whether deployed as cloud private branch exchange (PBX) or UCaaS solutions delivered from the public cloud, frequently overlook existing analog devices, such as fax machines, and even mission-critical specialty lines such as fire alarms, security panels, building entry systems, elevator phones, and point-of-sale (POS) terminals, in their cloud migration plans. In a 2024 Frost & Sullivan information technology decision-maker (ITDM) survey, only 29% of North American respondents report having adopted next-generation POTS-replacement solutions. It is essential for IT and business leaders to promptly and accurately inventory all remaining POTS devices and lines in use within their organization and replace these with next-generation solutions to reduce costs and risks.

The POTS-replacement process requires selecting a solution and provider that aligns with each organization's functionality, compliance, and budgetary needs. Safety devices like burglar alarms and access control systems must adhere to strict regulatory requirements, including the use of dedicated data connections, rather than relying on the public Internet, to ensure optimal security and reliability. However, many POTS-replacement solutions operate on unmanaged connections, potentially violating compliance standards and unnecessarily exposing organizations to safety and security risks. Some organizations also require advanced features, such as voicemail and hunt groups, for specific specialty lines. Unfortunately, many existing solutions offer only basic voice connectivity or only support certain types of devices, falling short of meeting these more sophisticated needs.

> *"Ooma AirDial stands as one of the most compelling solutions available to organizations looking to future-proof their critical systems and devices. Designed to modernize POTS solutions without compromise, AirDial is cost-effective and easy to deploy, use, and manage, and offers essential functionality along with robust security and compliance capabilities."*
>
> ***- Elka Popova***
> ***VP of Connected Work***

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Competitive Differentiation, Price/Performance Value, and Strategy Execution

Ooma was among the first communications service providers to acknowledge the importance and urgency of providing organizations a next-generation POTS-replacement solution tailored for a broad spectrum of specialty-line use cases. To address this market need, Ooma launched AirDial, a customizable, all-in-one

solution that combines hardware, redundant data connectivity, and phone services. By replacing outdated technologies, AirDial enables organizations to significantly reduce costs and improve service availability.

MultiPath Technology (MPT), a patented Ooma feature allowing AirDial to have two simultaneous connections, enables superior network redundancy and failover capabilities exceeding competitor solutions and serves as AirDial's strongest differentiator. In a typical deployment, AirDial routes all voice traffic over both wireless Long Term Evolution (LTE) and wired Ethernet links simultaneously to significantly reduce the probability of disruptive service outages. In safety device deployments where a managed connection is required, only the wireless LTE connection is used to ensure compliance with industry regulations. Dual micro-SIM support enables organizations using AirDial to easily switch cellular providers to reduce costs, improve coverage or other reasons.

Frost & Sullivan surveys show that security, compliance, and privacy rank highly among ITDM criteria when purchasing communications and collaboration solutions. In Frost & Sullivan's 2024 ITDM survey, a majority, 63%, of North American ITDMs report that dealing with privacy and compliance concerns is a significant, very significant or crucial challenge for their IT/telecom department. When asked about the importance of various factors in communications and collaboration infrastructure, software, and services purchases, a combined 81% of ITDMs responded that they 'must have' or 'would like to have' strongest compliance with industry regulations (e.g., Payment Card Industry (PCI), Federal Risk and Authorization Management Program (FedRAMP), General Data Protection Regulation (GDPR), and Health Insurance Portability and Accountability Act (HIPAA)).

With a keen understanding of the mission-critical nature of specialty POTS lines, Ooma places a strong focus on security, privacy, and regulatory compliance. By leveraging a Managed Facilities Voice Network (MFVN)-compliant design, when needed, AirDial traffic avoids the public Internet, which boosts security and compliance. By encrypting all information AirDial ensures privacy for certain types of devices, such as fax machines and POS systems. AirDial's robust industry compliance certifications include:

- The Fire Department of the City of New York (FDNY) for connecting fire alarm panels
- The California Office of the State Fire Marshal for connecting fire alarm panels
- UL 864 and UL 62368-1 for electrical safety

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- American Society of Mechanical Engineers (ASME) A17.1 for elevator phones
- National Fire Protection Association (NFPA) 72 for fire alarm panels
- HIPAA for healthcare organizations
- Payment Card Industry (PCI) for credit-card processing

AirDial can support wireless connectivity from AT&T, T-Mobile, US Cellular and Verizon.

AirDial's flexible design, redundant connectivity, and robust compliance, security, and safety capabilities are complemented by its competitive pricing.

Ooma continues to enhance AirDial to address evolving customer requirements and expanded use cases. Features added recently based on customer input include:

- Notifications of outgoing calls and specific numbers dialed via SMS/email
- Dailly call log report per account delivered via email
- Single Sign On (SSO) support for Remote Device Management portal
- Significant reliability enhancements for Machine-To-Machine communication via modem protocols
- Voicemail and configurable ring duration
- Hunt groups
- Multi-ring (including any domestic landline or cell phone)
- *67 caller ID blocking
- *69 last call return
- Support for 933 calls for testing 911
- Ring down circuits
- Voicemail notifications via SMS/email

In the future, AirDial may support additional capabilities based on customer requests, such as Centrex features or an interactive voice response (IVR) system.

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Launched in the US in 2021, AirDial is now available in Canada as well. The solution is well positioned to provide considerable value to Canadian organizations looking to modernize mission-critical voice solutions. Reseller partnerships with leading service providers, including T-Mobile, US Cellular, and others, are enabling Ooma to offer AirDial widely to customers in the United States. In Canada, AirDial is certified on the Bell Canada and Rogers networks. Ooma plans to launch AirDial in more countries soon, leveraging appropriate channels.

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Customer Purchase and Ownership Experiences

A turnkey solution comprised of hardware, data connectivity, and a phone service, Ooma AirDial provides customers the convenience of one-stop shopping and reduces implementation and management costs as well as integration and interoperability risks associated with multi-vendor solutions. Many Ooma competitors offer hardware-only solutions and ask customers to find their own connectivity options, which can increase customer costs, complexity, and risks both during the initial deployment and throughout the lifecycle of the solutions. Furthermore, many competitors specializing in POTS-replacement solutions lack the additional capabilities to address customers' broader communications needs. With a rich portfolio of cloud communications and collaboration solutions, Ooma is well positioned to address customer communications transformation needs more holistically than most of its competitors.

Ooma Office and Ooma Enterprise are the cornerstones of the provider's business communications portfolio. Ooma Office is a feature-rich, plug-and-play UCaaS offering for SMBs, while Ooma Enterprise offers deeper customization and integration for enterprises. Ooma's portfolio also includes Ooma Connect (now using Continuous Voice technology), which provides SD-WAN optimization and wireless LTE backup for UCaaS/voice traffic. This capability ensures greater service quality, reliability, and security for customers adopting Ooma UCaaS solutions. Additionally, Ooma Managed Wi-Fi delivers business-grade Wi-Fi on a monthly subscription basis to take the ownership complexity from high-quality Wi-Fi for SMBs and to enhance the reliability of business-class calling, conferencing, and messaging over Wi-Fi. This capability enables Ooma to provide a bundle of services to customers purchasing its UCaaS solutions.

Ooma's innovation focus is on removing the complexity of purchasing, deploying, and using its products and developing highly complementary services to round out a complete business communications solutions portfolio. Ooma employs a customer-centric approach in prioritizing solution enhancements. It enables customers to submit requests as well as vote on potential new features and capabilities so that the provider can prioritize its development resources on the functionalities desired by the largest proportion of its customers. This approach enables Ooma to continually enhance AirDial and its broader solutions portfolio to deliver ever-greater value to customers.

Ooma has designed AirDial to be quick and easy for customers to deploy themselves, which reduces customer costs and increases their control of the implementation process. For customers that require it, Ooma is also available to provide end-to-end project management from the initial assessment and installation to lifecycle management and support. A key component of its differentiated value proposition is the Ooma AirDial Remote Device Management web portal that provides customers with visibility into all systems at each location—capabilities often unavailable with legacy POTS lines and endpoints. Using the portal, solution administrators located anywhere can monitor service status, LTE signal strength, battery life, and other vital statistics across AirDial devices and locations. Administrators can also receive SMS and email alerts about critical events such as system outages, outgoing calls on emergency lines, low batteries, and other concerns to reduce response and remediation times. Remote solution management also enables customers to receive automatic software updates to ensure consistent capabilities across endpoints.

Overall, AirDial exemplifies Ooma's customer-centric approach to innovation and commitment to delivering seamless, reliable, and cost-effective communications solutions. Its ease of deployment, advanced remote management capabilities, and integration with Ooma's broader offerings make AirDial a key enabler for businesses looking to modernize their communications infrastructure and all their analog devices and systems.

Conclusion

Ooma AirDial stands out among competitor solutions with its broad feature set; compelling packaging; affordable price; robust reliability, security, and compliance capabilities; and unparalleled simplicity and ease of use and management. It complements Ooma's broader cloud communications and connectivity solutions portfolio and enables the provider to power holistic communications transformation within customer organizations. With its strong overall performance, Ooma earns Frost & Sullivan's 2025 North American Competitive Strategy Leadership recognition in the POTS-replacement industry.

What You Need to Know about the Competitive Strategy Leadership Recognition

Frost & Sullivan's Competitive Strategy Leadership Recognition is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Recognition Analysis

For the Competitive Strategy Leadership Recognition, Frost & Sullivan analysts independently evaluated the criteria listed below.

Strategy Innovation

Strategy Effectiveness: Effective strategy balances short-term performance needs with long-term aspirations and overall company vision

Strategy Execution: Company strategy utilizes best practices to support consistent and efficient processes

Competitive Differentiation: Solutions or products articulate and display unique competitive advantages

Executive Team Alignment: Executive team focuses on staying ahead of key competitors via a unified execution of its organization's mission, vision, and strategy

Stakeholder Integration: Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees

Customer Impact

Price/Performance Value: Products or services offer the best ROI and superior value compared to similar market offerings

Customer Purchase Experience: Purchase experience with minimal friction and high transparency assures customers that they are buying the optimal solution to address both their needs and constraints

Customer Ownership Excellence: Products and solutions evolve continuously in sync with the customers' own growth journeys, engendering pride of ownership and enhanced customer experience

Customer Service Experience: Customer service is readily accessible and stress-free, and delivered with high quality, high availability, and fast response time

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty, which is regularly measured and confirmed through a high Net Promoter Score®

Best Practices Recognition Analytics Methodology

Inspire the World to Support True Leaders

This long-term process spans 12 months, beginning with the prioritization of the sector. It involves a rigorous approach that includes comprehensive scanning and analytics to identify key best practice trends. A dedicated team of analysts, advisors, coaches, and experts collaborates closely, ensuring thorough review and input. The goal is to maximize the company's long-term value by leveraging unique perspectives to support each Best Practice Recognition and identify meaningful transformation and impact.

		VALUE IMPACT	
STEP		WHAT	WHY
1	**Opportunity Universe**	Identify Sectors with the Greatest Impact on the Global Economy	Value to Economic Development
2	**Transformational Model**	Analyze Strategic Imperatives That Drive Transformation	Understand and Create a Winning Strategy
3	**Ecosystem**	Map Critical Value Chains	Comprehensive Community that Shapes the Sector
4	**Growth Generator**	Data Foundation That Provides Decision Support System	Spark Opportunities and Accelerate Decision-making
5	**Growth Opportunities**	Identify Opportunities Generated by Companies	Drive the Transformation of the Industry
6	**Frost Radar**	Benchmark Companies on Future Growth Potential	Identify Most Powerful Companies to Action
7	**Best Practices**	Identify Companies Achieving Best Practices in All Critical Perspectives	Inspire the World
8	**Companies to Action**	Tell Your Story to the World (BICEP*)	Ecosystem Community Supporting Future Success

*Board of Directors, Investors, Customers, Employees, Partners

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The Growth Pipeline Generator™

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:

- Megatrend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)

