



2015 North American Commerce as a Service
Customer Value Leadership Award



FROST & SULLIVAN



50 Years of Growth, Innovation & Leadership

Contents

| | |
|--|----|
| Background and Company Performance | 3 |
| <i>Industry Challenges</i> | 3 |
| <i>Customer Impact and Business Impact</i> | 3 |
| <i>Conclusion</i> | 5 |
| Significance of Customer Value Leadership | 6 |
| Understanding Customer Value Leadership | 6 |
| <i>Key Benchmarking Criteria</i> | 7 |
| The Intersection between 360-Degree Research and Best Practices Awards..... | 8 |
| <i>Research Methodology</i> | 8 |
| Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices | 9 |
| About Frost & Sullivan | 10 |

Background and Company Performance

Industry Challenges

Balancing day-to-day operations, such as branding, promotions, fulfillment, and customer service can be tricky for consumer brands and retailers. Online storefronts often excel in one area to the detriment of another. A company that invests in customer service, for instance, may do so at the cost of growth-driving marketing promotions; whereas another company may neglect to implement user-friendly shopping features in order to focus on brand appeal or product design. As commerce moves toward more service-oriented business models and technologies, implementing the ideal eCommerce platform is not only beneficial but crucial to companies looking to bolster brand recognition and establish a durable online presence.

Unique challenges to engaging customers and managing complex online retail services can be overwhelming, especially as a company grows. Continuous focus is needed to keep customers engaged and products fresh, while also managing everything from commerce applications to supply chain logistics. Symphony Commerce offers its customers online storefront solutions and shopping cart services, but it goes further to provide seamlessly integrated inventory and fulfillment solutions, thereby offering a truly holistic service. Frost & Sullivan analysts have determined that Symphony Commerce is providing superior value by enabling consumer brands and retailers to manage modern merchandising and wholesale operations from a single platform—which will prove invaluable across the evolving eCommerce landscape.

Customer Impact and Business Impact

Founded in 2013 and headquartered in San Francisco, California, Symphony Commerce Inc. provides comprehensive enterprise level Commerce solutions to consumer brands—large and small.

Performance Value

As their business grows, decision makers at consumer brands must consider investing in more robust systems that can accommodate demand increases. There can be awkward stages during such growth, such as stalled growth due to infrastructure limitations followed by growth spurts each time a limitation is overcome. For companies that utilize eCommerce solutions, a service-oriented solution—or Commerce as a Service (CaaS)—is an evolving trend because it allows a company to grow rapidly and steadily rather than in fits and starts. Symphony Commerce is at the forefront of this change. It helps businesses minimize the need to invest considerable sums in software, customization upgrades, and engineering while also synchronizing front-end and back-end systems. Symphony's platform provides continual innovation across its technology stack, and all clients benefit from these innovations through behind-the-scenes, automated updates that offer no

service interruptions. Plus, the platform learns over time and can be optimized for each business, offering a customizable solution without the high price tag.

Customer Purchase Experience

Online retailers may have website solutions in place but increasingly, consumers are making purchases via mobile devices, social media, and even from kiosks. In addition to these retail customers, businesses are managing an increasing number of wholesale clientele, from boutique owners to big-box retailers. A comprehensive multi-channel platform is necessary to keep pace with the changing commerce styles. Symphony Commerce achieves this while eliminating the need for multiple management systems. Because of this, their clients boast increased efficiency over their competitors. Catering to small boutique, big-box channel, and third-party channel possibilities means a company with multiple sales channels can reach all audiences while focusing exclusively on product differentiation on a merchandising level, not on order and inventory management. Frost & Sullivan analysts have identified the value of this long-term, and believe Symphony's pay only for what is used pricing model encourages profitability for brands at all stages.

Customer Ownership and Service Experience

Symphony Commerce's service is ultimately geared toward giving businesses the commerce infrastructure they need to scale rapidly, thus empowering them to build enduring brand names. Specifically, the company's integrated CaaS platform includes solutions for the following:

- **Template-Free Web Pages:** Features can be utilized to create, edit, and manage web pages and product information without reliance on a development team.
- **Multi-Channel Merchandising:** Features manage catalogs, rank or arrange products, add unlimited photos and description tabs, and sell products across retail and wholesale channels.
- **Product Information Management:** Features encourage easy browsing and strong representation of product lines, and maintain functionality on mobile and tablet.
- **Enterprise-Level Order and Inventory Management:** Features streamline order and inventory management across all retail and wholesale channels; enables robust subscription payment collection and fulfillment; powers multi-location virtual inventory stacks; gives top-down visibility about inventory availability across multiple warehouses; and allow companies to quickly create, prioritize, and manage new sales channels.

- **Enterprise-Level Fulfillment Services:** Features give SMBs access to enterprise-level multi-warehouse capabilities- 99% of packages can be delivered, via ground shipping, in two days. This gives brands a shipping speed and experience similar to that of a brand like Amazon.

Working with a team of integration specialists, each Symphony client's business is closely evaluated and advised on how best to transition off their existing platform onto Symphony's. Symphony Commerce displays confidence in its solution, working only with highly qualified matches and delivering full integration in less than 8 weeks. For a new customer, it is free to get started and there are no hidden integration costs, and Symphony's revenue-share pricing model gives them a great incentive to help their clients succeed. Once set-up, the company ensures best practices around commerce and audience reach. Commerce is a complex field so the company actively engages with its customers to identify needs and to offer tailored but scalable solutions. Quarterly business reviews quickly identify areas where there could be improvement, and ongoing feedback is encouraged.

Customer Acquisition and Growth Potential

Those companies trying to balance everything involved with an online storefront face real hurdles, but some are resistant to investing in a unified platform. When a company has multiple product lines and/or brands, for instance, it may have different systems in place for each, and it can seem a huge task to revamp these processes. To address this potential barrier to adoption, Symphony Commerce offers progressive education and works closely with each client, offering product guides and videos that show them how to use features available to them while maintaining and adapting the customization and branding aspects. Symphony also lets new clients test their platform on one purchasing channel, reducing overall impact the business. As clients gain first-hand experience in the Symphony platform, it is easy to add more channels over time. By handling critical but auxiliary business tasks, Symphony's goal is to free its clients to focus on the core of their business: building products and customer relationships. Because Symphony Commerce encourages keen attention to time investments as well, highlighting the unfounded or underutilized opportunities across its client's eCommerce ecosystem, it has shown tangible and impressive results that feed its continued growth.

Conclusion

As online storefronts are a rapidly growing source of revenue for both retail and wholesale channels, business owners are seeking solutions that cover the multi-faceted aspects of operational efficiency. Symphony is at the forefront of an emerging market for commerce solutions, delivering customized branding capabilities; enterprise-level order management, inventory management, and fulfillment services; and the ability to manage across retail and wholesale channels. Based on Frost & Sullivan's independent analysts on Commerce as a Service, Symphony Commerce is recognized with the 2015 North American Customer Value Leadership Award.

Significance of Customer Value Leadership

Ultimately, growth in any organization depends upon customers purchasing from your company, and then making the decision to return time and again. Delighting customers is therefore the cornerstone of any successful growth strategy. To achieve these dual goals (growth and customer delight), an organization must be best-in-class in three key areas: understanding demand, nurturing the brand, differentiating from the competition. This three-fold approach to delivering customer value is explored further below.



Understanding Customer Value Leadership

Customer Value Leadership is defined and measured by two macro-level categories: customer impact and business impact. These two sides work together to make customers feel valued, and confident in their products' quality and long shelf life. This dual satisfaction translates into repeat purchases and a high lifetime customer value.

Key Benchmarking Criteria

For the Customer Value Leadership Award, we evaluated two key factors—Customer Impact and Business Impact—according to the criteria identified below.

Customer Impact

- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

Business Impact

- Criterion 1: Financial Performance
- Criterion 2: Customer Acquisition
- Criterion 3: Operational Efficiency
- Criterion 4: Growth Potential
- Criterion 5: Human Capital

Customer Impact

Criterion 1: Price/Performance Value

Requirement: Products or services offer the best value for the price, compared to similar offerings in the market

Criterion 2: Customer Purchase Experience

Requirement: Customers feel like they are buying the most optimal solution that addresses both their unique needs and their unique constraints

Criterion 3: Customer Ownership Experience

Requirement: Customers are proud to own the company's product or service, and have a positive experience throughout the life of the product or service

Criterion 4: Customer Service Experience

Requirement: Customer service is accessible, fast, stress-free, and of high quality

Criterion 5: Brand Equity

Requirement: Customers have a positive view of the brand and exhibit high brand loyalty

Business Impact

Criterion 1: Financial Performance

Requirement: Strong overall financial performance in terms of revenues, revenue growth, operating margin and other key financial metrics

Criterion 2: Customer Acquisition

Requirement: Customer facing processes support the efficient and consistent acquisition of new customers, even as it enhances retention of current customers

Criterion 3: Operational Efficiency

Requirement: Staff is able to perform assigned tasks productively, quickly, and to a high quality standard

Criterion 4: Growth Potential

Requirements: Customer focus strengthens brand, reinforces customer loyalty and enhances growth potential

Criterion 5: Human Capital

Requirement: Company culture is characterized by a strong commitment to quality and customers, which in turn enhances employee morale and retention

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan’s 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often, companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry players and for identifying those performing at best-in-class levels.



Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan Awards follow a 10-step process to evaluate Award candidates and assess their fit to best practice criteria. The reputation and integrity of the Awards are based on close adherence to this process.

| STEP | OBJECTIVE | KEY ACTIVITIES | OUTPUT |
|---|--|--|--|
| 1 Monitor, target, and screen | Identify award recipient candidates from around the globe | <ul style="list-style-type: none"> • Conduct in-depth industry research • Identify emerging sectors • Scan multiple geographies | Pipeline of candidates who potentially meet all best-practice criteria |
| 2 Perform 360-degree research | Perform comprehensive, 360-degree research on all candidates in the pipeline | <ul style="list-style-type: none"> • Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates | Matrix positioning all candidates' performance relative to one another |
| 3 Invite thought leadership in best practices | Perform in-depth examination of all candidates | <ul style="list-style-type: none"> • Confirm best-practice criteria • Examine eligibility of all candidates • Identify any information gaps | Detailed profiles of all ranked candidates |
| 4 Initiate research director review | Conduct an unbiased evaluation of all candidate profiles | <ul style="list-style-type: none"> • Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles | Final prioritization of all eligible candidates and companion best-practice positioning paper |
| 5 Assemble panel of industry experts | Present findings to an expert panel of industry thought leaders | <ul style="list-style-type: none"> • Share findings • Strengthen cases for candidate eligibility • Prioritize candidates | Refined list of prioritized award candidates |
| 6 Conduct global industry review | Build consensus on award candidates' eligibility | <ul style="list-style-type: none"> • Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates | Final list of eligible award candidates, representing success stories worldwide |
| 7 Perform quality check | Develop official award consideration materials | <ul style="list-style-type: none"> • Perform final performance benchmarking activities • Write nominations • Perform quality review | High-quality, accurate, and creative presentation of nominees' successes |
| 8 Reconnect with panel of industry experts | Finalize the selection of the best-practice award recipient | <ul style="list-style-type: none"> • Review analysis with panel • Build consensus • Select winner | Decision on which company performs best against all best-practice criteria |
| 9 Communicate recognition | Inform award recipient of award recognition | <ul style="list-style-type: none"> • Present award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance | Announcement of award and plan for how recipient can use the award to enhance the brand |
| 10 Take strategic action | The award recipient may license the award for use in external communication and outreach to stakeholders and customers | <ul style="list-style-type: none"> • Coordinate media outreach • Design a marketing plan • Assess award's role in future strategic planning | Widespread awareness of recipient's award status among investors, media personnel, and employees |

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.