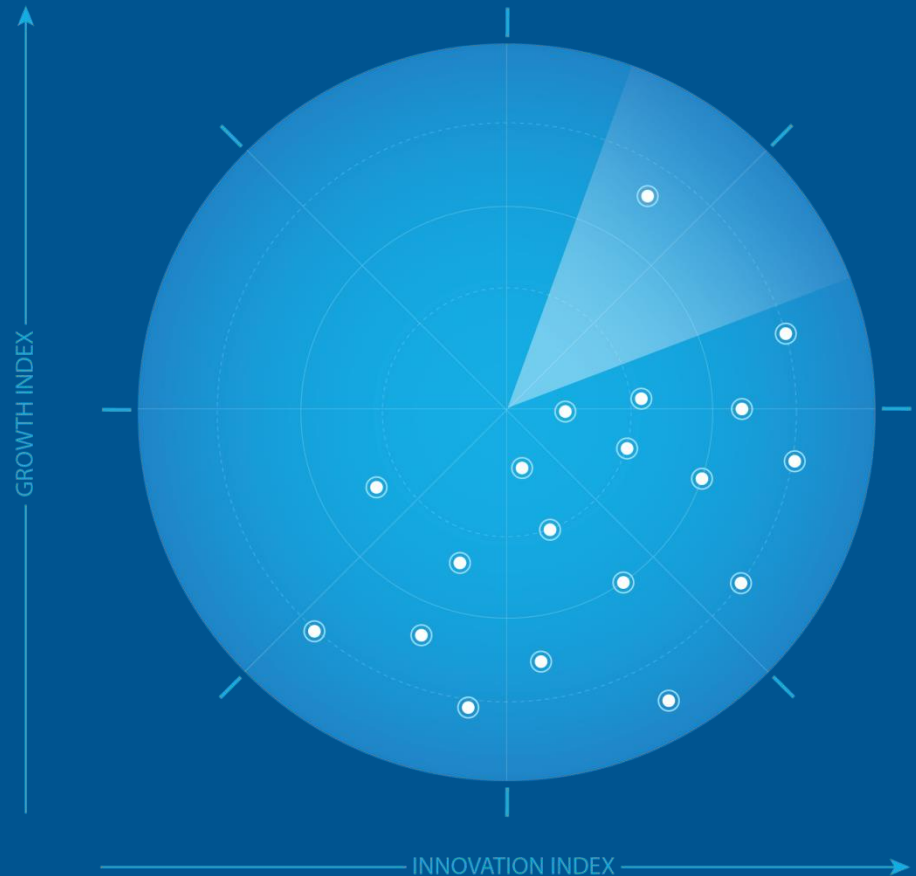# Frost Radar™: Asia-Pacific Customer Experience Outsourcing Services, 2021

A Benchmarking System to Spark Companies to Action—Innovation that Fuels New Deal Flow and Growth Pipelines

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Strategic Imperative and Growth Environment

Strategic Imperative

- An excellent customer experience (CX) is strategic to every organization's sustained business growth and is overtaking product and pricing as a key brand differentiator. A customer's interaction with an organization leaves a lasting impact on brand preference and loyalty.

- Customers view positive experiences based on highly personalized, relevant, proactive, and engaging interactions. These interactions have become even more relevant during the COVID-19 pandemic as customers expect organizations to be empathetic when responding to queries and quickly providing resolutions. However, delivering exceptional customer service during the pandemic became a huge challenge as lockdowns disrupted organizations' day-to-day operations. The C-suite was forced to rapidly adapt to a new model of doing business remotely that did not diminish customer and employee experiences.

- Organizations had to quickly adjust by embracing digital technologies for business continuity and uninterrupted customer services. Contact centers, which have become touchpoints for customers and are crucial to the delivery of exceptional experiences, had to rapidly adapt amid ticket spikes, increased call volumes, customer cancellations, and uncertainty; most have had to transition to a work-at-home or hybrid environment, putting additional strain on the ability to respond to customers effectively.

- With changing market dynamics, organizations are outsourcing business process and contact center operations so they can focus on their core competencies, achieve operational efficiencies, optimize operational expenditure, and transform their contact centers into profit hubs by delivering differentiated experiences through digital technology. Organizations are now focusing on end-to-end CX management solutions that create value throughout the entire customer life cycle.

- Data, analytics, automation, and digital solutions have reshaped the ways organizations interact with their customers; as a result, organizations are modernizing how they manage the CX across all channels of communication.

Source: Frost & Sullivan

Strategic Imperative (continued)

- Organizations want to engage with customers at every touchpoint of their journey through an automation-first approach using omnichannel communications, robotic process automation (RPA), interactive voice response (IVR) artificial intelligence (AI), machine learning (ML) and analytics to deliver personalized and proactive experiences. These next-generation technologies empower organizations to interact more effectively with their customers and improve CX by automating processes, optimizing customer journeys, enabling personalized engagement across multiple channels, and augmenting contact center agents to deliver effective and efficient customer service.

- The complexity of deploying technologies has led to organizations to partner with CX outsourcing service providers to redesign their legacy contact centers and create digitally enabled, intelligent customer engagement hubs. CX outsourcing services have become a competitive differentiator: they enable business continuity, boost operational efficiencies, accelerate innovation, increase responsiveness, expedite time to market, and reduce business risk.

- As the lack of in-house expertise and cost concerns continue to challenge organization, they are leveraging the expertise, scalability, resources, and technological proficiency that service providers offer to deploy digital solutions rapidly. Partnering with a trusted advisor empowers organizations to deliver on the technology-enabled "CX of the future."

- The challenges brought on by COVID-19 have forced contact centers to innovate and implement advanced technologies to augment agents and deliver a complete CX journey across multiple channels. Frost & Sullivan observes that Asia-Pacific will see a continued demand for CX outsourcing services, indicating the maturity of the market as it moves beyond cost containment to delivering actionable insights and outcome-based business value.

- Organizations are seeking a comprehensive suite of innovative, full life cycle CX solutions and services that allow them to acquire customers, enhance end-user experience through products and services, strengthen and enhance their company brands, maximize the lifetime value of their customers, effectively deliver human interactions when and where customers value it most, and deploy automation processes and technologies.

Source: Frost & Sullivan

Growth Environment

- Contact centers are a central point in an organization's customer engagement and management strategies. In times of economic uncertainty and crises, customer behavior is significantly changing as they seek reassurance, transparency, and service continuity. The pandemic amplified customers' need for easy access to products and services in addition to relevant information regardless of the communication channel, but it also disrupted organizations' day-to-day operations and service delivery as governments restricted movement. As the pandemic unfolded, organizations had to be agile and innovate to deliver a consistent and personalized CX across channels. Offshore CX centers were impacted by staffing shortages as call volumes increased and agents were forced to deal with the sudden adjustment to a remote/work-at-home environment.

- As the region emerges from restricted movement orders, organizations continue to adjust to a new reality with a greater focus on deploying advanced CX technology solutions including cloud contact center (also known as contact center as a service [CCaaS]), automation, intelligent analytics, omnichannel, instant messaging, virtual assistants, chatbots, enhanced self-service, workforce optimization, and collaboration.

- Several trends are driving the Asia-Pacific CX outsourcing services industry:

  - **Rightshoring:** American, European, and Australian companies reliant on offshore operations were impacted during the pandemic as India and the Philippines (the 2 major outsourcing hubs) went into lockdowns. Companies also realized the risk of outsourcing to a single country and explored rebalancing their offshore operations, with more complex activities assessed for repatriation while high-volume work continued to be delivered from abroad. As organizations continue to evaluate the complexities of customer service delivery, they will look for an optimal blend of onshore, nearshore, and offshore locations to mitigate future risks. Rightshoring services optimally combine these components to deliver superior CX while taking into consideration operational cost management.

Growth Environment (continued)

o **Remote Work:** The pandemic has underlined the importance of a sound business continuity plan. As movement restrictions and social distancing practices continue, offices in many cases are at less than 50% occupancy. There is an increase in hiring and deployment of work-at-home-agents (WAHA), which suggests that remote working will be the new standard. WAHA is a prominent growth opportunity for the contact center industry for both outsourcing service providers and organizations with in-house contact center operations.

o **Workforce Engagement and Management:** Contact center agents are the first line of relationship with customers, and these interactions can significantly impact business performance. To provide a superior CX, organizations must support agents through conducive remote working environments: employees can feel isolated if not engaged periodically and appropriately. Service providers are offering gamification, knowledge management applications, and workforce optimization solutions to improve employee satisfaction, increase agent productivity, and reduce churn.

o **Shift to Cloud:** With a shift to virtual work environments, CCaaS solutions are seeing an acceleration. They provide agility, flexibility, and scalability to manage customer service operations using a remote workforce. Cloud-based technology allows remote, home-based workers to handle fluctuations in call volumes and enables efficient communication and collaboration between supervisors and agents to provide real-time responses to customers.

o **Omnichannel Communication:** Customers expect companies to be responsive across multiple channels but despise repeating their responses when they switch platforms. During the pandemic, there was a marked increase in the use of smartphone apps, social media, self-service, web chat, SMS, and chatbots. With organizations planning to increase the number of available customer interaction channels, companies will find that omnichannel solutions provide better contextual support to customers with a seamless and consistent experience across all channels.

Source: Frost & Sullivan

Growth Environment (continued)

o **Value-added Services:** As organizations transform their contact centers, they are increasingly partnering with service providers for consulting and advisory services including CX design, customer strategy, and reimagination of technology and operations to take CX to the next level.

o **Blend of Automation and Human Touch:** Organizations are investing in next-generation CX solutions to remain competitive in the current economy. Automation and AI-based solutions are transforming the CX outsourcing services landscape, and their relevance will increase even further in the coming years. Organizations are leveraging self-service, virtual agent, and chatbot solutions in order to decrease costs, reduce errors, save agents' time, and automate repetitive tasks. This has led to service providers leveraging human expertise and technological capabilities to develop digital assets that help organizations automate every aspect of their CX operations.

o **AI:** As customers become comfortable interacting with automated interfaces, live agents will perform more complex tasks that require unique human capabilities such as empathy, negotiation skills, and emotional intelligence. AI captures granular data on each customer interaction and enables agents to deliver faster and better resolutions. Service providers are developing voice technology, speech recognition, transcription capabilities, sentiment analysis, predictive analytics, conversational AI, and cognitive collaboration solutions to empower agents to deliver enhanced CX services. CX solutions also will be infused with ML/AI models that allow organizations to uncover insights and deliver proactive, customized experiences.

• Frost & Sullivan studies related to this independent analysis:

o Frost Radar™: Australia Customer Experience Outsourcing Services, 2021
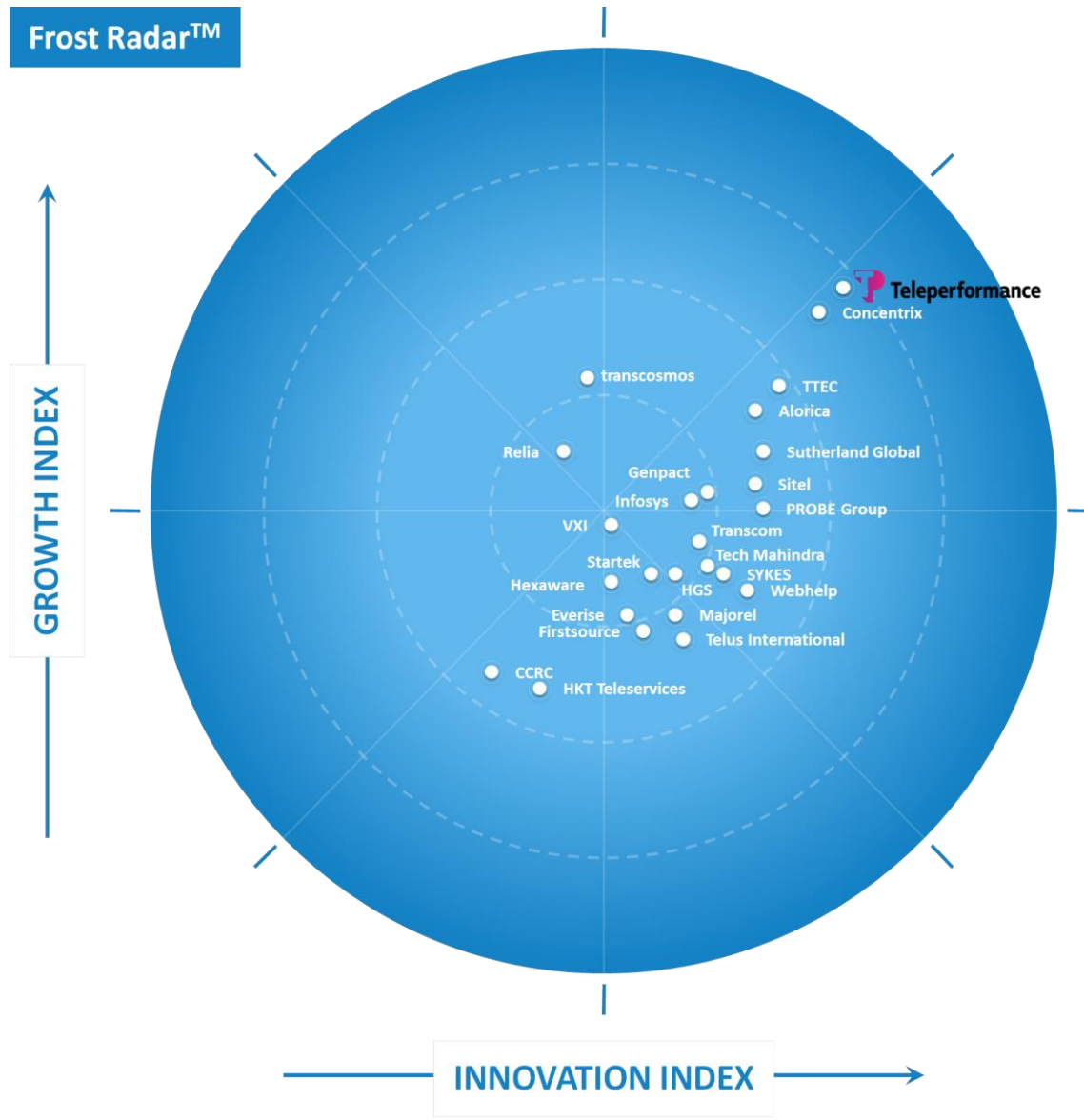
Source: Frost & Sullivan
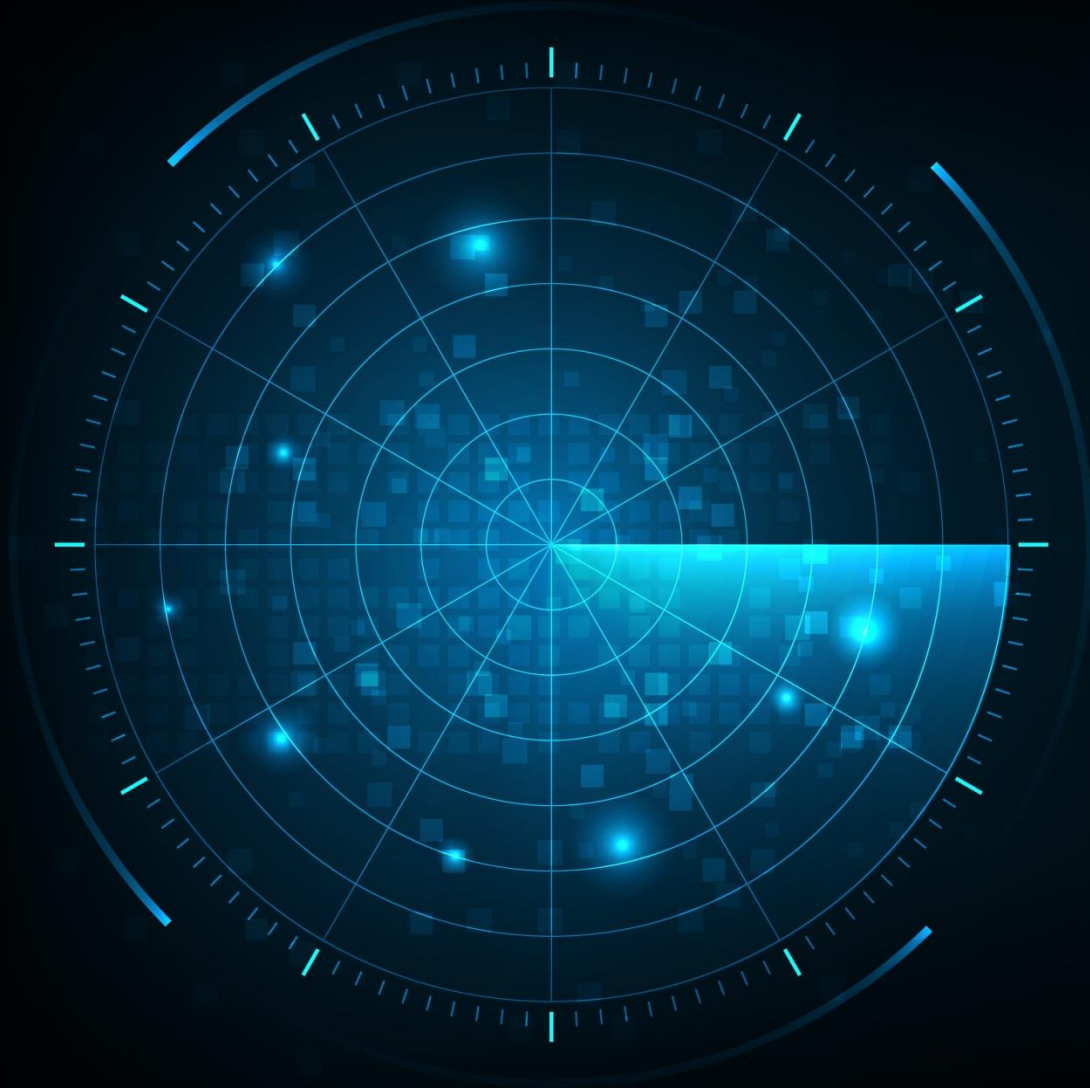
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Frost Radar™

**Asia-Pacific
Customer Experience
Outsourcing Services**

Frost Radar™: Asia-Pacific Customer Experience Outsourcing Services

Source: Frost & Sullivan

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Companies to Action
Companies to Be Considered First for Investment, Partnerships, or Benchmarking

Teleperformance

INNOVATION	GROWTH	FROST PERSPECTIVE
• Teleperformance integrates its CX services with D.I.B.S. (Digital Integrated Business Services) comprising digital solutions, high value-added BPM services, and consulting services.	• Teleperformance also is the Frost Radar™ Growth Index leader. It is the leading global CX services company with 380,000 employees in 83 countries supporting programs in more than 265 languages and 170 markets. Given the size and breadth of Teleperformance, it is a formidable industry competitor.	• Teleperformance continues to be recognized as a preferred partner with its "High Tech/High Touch" motto for fast-growing and leading companies that are looking to design and implement strategies that optimize their CX and business processes.
• The Frost Radar™ Innovation Index leader's high-tech, high-touch approach delivers a combination of technology and human empathy through NLP, automation, voice assistants, chatbots, self-service, and AI.	• Over the years, Teleperformance has shown tremendous acumen in acquiring and integrating capabilities that result in organic and inorganic growth. The company considers inorganic growth to be key part of its expansion strategy. It acquired Health Advocate in 2020 to strengthen its value-added specialized services.	• The company is building its expertise as a digital solutions provider for digital/gig economy clients and is already realizing success as this customer base now contributes more than 26% of its revenue.
• Proprietary digital platforms that enable transformations include TP Client (omnichannel and workforce management), TP Bot (conversational AI), TP prompto (sentiment analysis) and TP Interact (speech analytics).	• Teleperformance has seen solid growth in China and Malaysia in the last year. The company benefited from the ramp-up of the multilingual hub in Malaysia. This led to an uptake in new contracts for multilingual and high-tech, high-touch embedded content moderation solutions.	• In 2019, it launched the Teleperformance Innovation Experience Center in the heart of the Silicon Valley to showcase its global expertise and full range of state-of-the-art digital solutions with the aim to push for co-creation of innovative solutions with customers and partners.
• The company's TAP (Technology, Analytics, Process) framework combines design thinking, advanced technologies, and Lean Six Sigma methodology to optimize processes and deliver actionable insights.	• It maintains its growth trajectory by continuing to serve clients from a wide range of industry verticals including telecom, automotive, banking and financial services, healthcare, and the digital economy.	• It developed multilingual hubs where employees of all nationalities work together in a single location to serve pan-European and pan-Asian programs. This strategic approach towards customer outreach enables the company to nurture long-term client relationships.
• Teleperformance executed its global business continuity model to weather the pandemic and develop remote delivery. Through the TP Cloud Campus, the company delivers a work-at-home solution that supports multiple languages and enables remote employee engagement and management.		

Source: Frost & Sullivan

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Strategic Insights

Strategic Insights

1 In an extremely crowed marketplace, CX service providers must find competitive differentiators that enable them to sustain growth. Portfolio diversification allows them to avoid entering price wars that hurt their margins. They must build a clear value proposition with a unique go-to-market strategy and beef up organic growth through strong sales and marketing programs. Service providers are innovating their CX offerings through targeted acquisitions, partnerships with technology vendors, and proprietary digital solutions.

2 Clients are looking for service providers to guide them though the transformation of their customer-oriented processes. In the digital era, CX service providers must reposition themselves as trusted advisors that help organizations outline and execute a digital strategy across the entire CX services life cycle. Consulting services can open the door to new accounts and more deeply penetrate existing accounts. Demand is increasing for CX design, digital transformation advisory, and CX management and implementation services.

3 The key to "CX of the future" is automating tasks and interactions wherever possible and reserving agents for cases that require intuition, emotional intelligence, and the human touch. Service providers must optimize human expertise and technological capabilities to enhance customer and employee experiences. They must expand their portfolios to include virtual assistants, speech recognition, transcription capabilities, sentiment analysis, predictive analytics, conversational AI, and cognitive collaboration solutions.

Source: Frost & Sullivan

Next Steps: Leveraging the Frost Radar™ to Empower Key Stakeholders

Significance of Being on the Frost Radar™

Companies plotted on the Frost Radar™ are the leaders in the industry for growth, innovation, or both. They are instrumental in advancing the industry into the future.

GROWTH POTENTIAL

Your organization has significant future growth potential, which makes it a Company to Action.

BEST PRACTICES

Your organization is well positioned to shape Growth Pipeline™ best practices in your industry.

COMPETITIVE INTENSITY

Your organization is one of the key drivers of competitive intensity in the growth environment.

CUSTOMER VALUE

Your organization has demonstrated the ability to significantly enhance its customer value proposition.

PARTNER POTENTIAL

Your organization is top of mind for customers, investors, value chain partners, and future talent as a significant value provider.

Source: Frost & Sullivan

Frost Radar™ Empowers the CEO's Growth Team

STRATEGIC IMPERATIVE	LEVERAGING THE FROST RADAR™	NEXT STEPS

- Growth is increasingly difficult to achieve.

- Competitive intensity is high.

- More collaboration, teamwork, and focus are needed.

- The growth environment is complex.

- The Growth Team has the tools needed to foster a collaborative environment among the entire management team to drive best practices.

- The Growth Team has a measurement platform to assess future growth potential.

- The Growth Team has the ability to support the CEO with a powerful Growth Pipeline™.

- **Growth Pipeline Audit™**

- **Growth Pipeline as a Service™**

- **Growth Pipeline™ Dialogue with Team Frost**

Source: Frost & Sullivan

Frost Radar™ Empowers Investors

STRATEGIC IMPERATIVE	LEVERAGING THE FROST RADAR™	NEXT STEPS

- Deal flow is low and competition is high.

- Due diligence is hampered by industry complexity.

- Portfolio management is not effective.

- Investors can focus on future growth potential by creating a powerful pipeline of Companies to Action for high-potential investments.

- Investors can perform due diligence that improves accuracy and accelerates the deal process.

- Investors can realize the maximum internal rate of return and ensure long-term success for shareholders.

- Investors can continually benchmark performance with best practices for optimal portfolio management.

- **Growth Pipeline™ Dialogue**

- **Opportunity Universe Workshop**

- **Growth Pipeline Audit™ as Mandated Due Diligence**

Source: Frost & Sullivan

Frost Radar™ Empowers Customers

STRATEGIC IMPERATIVE	LEVERAGING THE FROST RADAR™	NEXT STEPS

- Solutions are increasingly complex and have long-term implications.

- Vendor solutions can be confusing.

- Vendor volatility adds to the uncertainty.

- Customers have an analytical framework to benchmark potential vendors and identify partners that will provide powerful, long-term solutions.

- Customers can evaluate the most innovative solutions and understand how different solutions would meet their needs.

- Customers gain a long-term perspective on vendor partnerships.

- **Growth Pipeline™ Dialogue**

- **Growth Pipeline™ Diagnostic**

- **Frost Radar™ Benchmarking System**

Source: Frost & Sullivan

Frost Radar™ Empowers the Board of Directors

STRATEGIC IMPERATIVE	LEVERAGING THE FROST RADAR™	NEXT STEPS

- Growth is increasingly difficult; CEOs require guidance.

- The Growth Environment requires complex navigational skills.

- The customer value chain is changing.

- The Board of Directors has a unique measurement system to ensure oversight of the company's long-term success.

- The Board of Directors has a discussion platform that centers on the driving issues, benchmarks, and best practices that will protect shareholder investment.

- The Board of Directors can ensure skillful mentoring, support, and governance of the CEO to maximize future growth potential.

- **Growth Pipeline Audit™**

- **Growth Pipeline as a Service™**

Frost Radar™ Analytics

Frost Radar™: Benchmarking Future Growth Potential

2 Major Indices, 10 Analytical Ingredients, 1 Platform

GROWTH INDEX ELEMENTS

VERTICAL AXIS

Growth Index (GI) is a measure of a company's growth performance and track record, along with its ability to develop and execute a fully aligned growth strategy and vision; a robust growth pipeline™ system; and effective market, competitor, and end-user focused sales and marketing strategies.

- **GI1: MARKET SHARE (PREVIOUS 3 YEARS)**
  This is a comparison of a company's market share relative to its competitors in a given market space for the previous 3 years.

- **GI2: REVENUE GROWTH (PREVIOUS 3 YEARS)**
  This is a look at a company's revenue growth rate for the previous 3 years in the market/industry/category that forms the context for the given Frost Radar™.

- **GI3: GROWTH PIPELINE™**
  This is an evaluation of the strength and leverage of a company's growth pipeline™ system to continuously capture, analyze, and prioritize its universe of growth opportunities.

- **GI4: VISION AND STRATEGY**
  This is an assessment of how well a company's growth strategy is aligned with its vision. Are the investments that a company is making in new products and markets consistent with the stated vision?

- **GI5: SALES AND MARKETING**
  This is a measure of the effectiveness of a company's sales and marketing efforts in helping it drive demand and achieve its growth objectives.

Frost Radar™: Benchmarking Future Growth Potential
2 Major Indices, 10 Analytical Ingredients, 1 Platform

INNOVATION INDEX ELEMENTS

HORIZONTAL AXIS

Innovation Index (II) is a measure of a company's ability to develop products/services/solutions (with a clear understanding of disruptive Mega Trends) that are globally applicable, are able to evolve and expand to serve multiple markets, and are aligned to customers' changing needs.

- **II1: INNOVATION SCALABILITY**
  This determines whether an organization's innovations are globally scalable and applicable in both developing and mature markets, and also in adjacent and non-adjacent industry verticals.

- **II2: RESEARCH AND DEVELOPMENT**
  This is a measure of the efficacy of a company's R&D strategy, as determined by the size of its R&D investment and how it feeds the innovation pipeline.

- **II3: PRODUCT PORTFOLIO**
  This is a measure of a company's product portfolio, focusing on the relative contribution of new products to its annual revenue.

- **II4: MEGA TRENDS LEVERAGE**
  This is an assessment of a company's proactive leverage of evolving, long-term opportunities and new business models, as the foundation of its innovation pipeline. An explanation of Mega Trends can be found here.

- **II5: CUSTOMER ALIGNMENT**
  This evaluates the applicability of a company's products/services/solutions to current and potential customers, as well as how its innovation strategy is influenced by evolving customer needs.

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