

The Telecommunications Sector in the Context of Digital Transformation in Latin America

- Frost & Sullivan publishes a report sponsored by Atento on the impact of digitalization on Latin American telcos
- Highly-competitive conditions and a growing level of digitalization pose challenges and opportunities for telecommunication operators and the way in which they relate to their customers
- Telcos should take advantage of their central position within the digital transformation in order to turn it into a driver for strategic growth
- In the digital era and with the snowball effect of social networks, an outstanding omnichannel customer experience exponentially increases the ability to generate competitive advantages

NEW YORK, August 30, 2016 – Frost & Sullivan, the global consulting company specializing in growth strategies, has published a report today on the impact that the digital transformation is having on the telecommunications sector in Latin America. Sponsored by Atento (NYSE: ATTO), the leading customer relationship management and business process outsourcing (CRM/BPO) company in Latin America and one of the three largest providers worldwide, the report provides an overview of the main challenges faced by the telecommunications industry in Latin America, the disruption caused by digitalization in this industry and the growing importance of customer experience as a source of competitive advantage.

The main challenges faced by telecommunication operators in Latin America include:

- the slowdown in growth and in the average revenue per user, stemming from a more mature market and a wider range of cheaper voice and data services
- the exponential growth in voice and data traffic generated by companies that operate over the internet (known as OTTs - Over The Top), forcing telecommunication operators to invest in infrastructures to offer users higher speeds and bandwidths
- the consolidation of mobile virtual network operators (MVNOs) in Latin America, which increase competition in a market where the consumer is continuously demanding more and at more competitive prices
- the growing demands of Latin American regulators to reduce interconnection charges between operators and expand investment in infrastructures

In this competitive framework, an ever increasing digitalization of business processes and customer relations is occurring, forcing telecommunication companies to continuously review their business model and their consumer value propositions in order to adapt to a rapidly changing environment, as noted in the report. On the other hand, telcos also have a fantastic opportunity to take advantage of their privileged position in the center of the digital transformation, not only as connectivity developers or providers, but also as value-added service providers and as guarantors of the relationship with over 500 million customers in Latin America.

According to the report published by Frost & Sullivan, customer experience plays a fundamental role in this environment, where it becomes the best differentiating factor and a clear source of competitive advantage. As Juan Manuel González, Research Director at Frost & Sullivan for Latin America, says “Customer experience can be defined as the sum of interactions a person experiences with a brand via all their products/services and channels of communication. By 2020, customer experience will have evolved into the best differentiating factor for telcos, surpassing the product and the price.”

How, then, can we guarantee an outstanding customer experience?, according to the report published by Frost & Sullivan:

- by optimizing the performance of the network and improving quality of the services
- by minimizing invoicing errors and taking proactive action when these occur
- by taking advantage of all interaction with customers to provide the best experience and improving their satisfaction
- by adopting new technologies and innovating in order to provide a uniform experience across all the channels of interaction (telephone calls, chat, email, text messages, social networks, contact in-store) throughout the customer's life cycle

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- by using analytics tools such as CEA (Customer Experience Analysis), which promote a more personalized service and an improved result for each point of interaction

According to André Barreira, Director of Customer Experience and Innovation Solutions at Atento: “Omnichannel solutions combined with the use of analytics, big data and cognitive computing help us to better understand the life cycle of customers and their needs at any given moment. These solutions also allow us to make improvements in terms of efficiency in customer management processes and to improve the overall satisfaction of our customers.”

To conclude, according to the report by Frost & Sullivan, Latin American telcos are facing challenges inherent to an increasingly competitive market, which are in turn magnified by the impact of the digital transformation. In this context, customer experience (CX) ranks as one of the most powerful competitive edges that telcos can use to increase their revenue. Omnichannel solutions combined with analytics allow them to map and better understand the life cycle of their customers, therefore enhancing the value for the customer. In this way, offering a superior CX has become the fundamental differentiating factor between a growing and a declining business.

To access the full report click on the following link: <http://www.atento.com/news-room/thought-leadership>

About Frost & Sullivan

Frost & Sullivan, the global growth consulting company, has been helping customers develop innovative strategies for more than 50 years. Frost & Sullivan caters to a high number of customers, including some that are ranked within the Top 1000 global companies, start-ups and investors. The company comprehensively covers all industries from a unique and global perspective and combines permanent market and technological analysis with econometric and demographic data. Is your organization prepared for the next wave of profound convergence within the industry, cutting-edge technologies, the increase in competitive intensity, new megatrends, the best innovative practices, the changing dynamics of customers and emerging economies? For further information, visit www.frost.com

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About Atento

Atento is the largest provider of customer relationship management and business process outsourcing (CRM BPO) services in Latin America, and among the top three providers globally, based on revenues. Atento is also a leading provider of nearshoring CRM/BPO services to companies that carry out their activities in the United States. Since 1999, the company has implemented its business model in 14 countries where it employs more than 150,000 people. Atento has over 400 customers to whom it offers a wide range of CRM/BPO services through multiple channels. Atento's customers are mostly leading multinational corporations in sectors such as telecommunications, banking and financial services, health, retail and public administrations, among others. Atento's shares trade under the symbol ATTO on the New York Stock Exchange (NYSE). In 2015, Atento was named one of the World's 25 Best Multinational Workplaces by Great Place to Work®. For more information visit www.atento.com

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