

# ATENTO

## 2015 European Contact Center Outsourcing Customer Service Leadership Award



FROST & SULLIVAN



50 Years of Growth, Innovation & Leadership

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## Background and Company Performance

### *Industry Challenges*

The European contact center outsourcing market is highly-competitive. Frost & Sullivan recognizes it is difficult for enterprise decision-makers to differentiate between the services offered by competing providers and to determine what partnerships best suit their organizations. At the same time, the market inhabits a landscape across which today's tech savvy consumer flits at a high rate of speed, utilizing a variety of communication channels with which to express his or her opinions (ie, Twitter, Facebook, Instant Message, chat, email, phone call, etc.). According to recent Frost & Sullivan research, when it comes to the rise of new channels, the biggest growth opportunity is expected within the social media customer interaction channel, with an expected growth rate of 24% two years from now. Other channels expecting future growth are mobile apps, web self-service portal, video, and chat.

Meanwhile, consider that oftentimes the challenge for businesses is to find effective ways to tap into increasingly massive social streams and leverage data for tactical and strategic decision making. Early enterprise efforts around social media have been focused on the impact of having a business presence in the social stream, leveraging a company's or brand's Twitter and Facebook accounts to increase customer engagement. Social media analytics tools can, for example, identify a business's most active and ardent followers or provide customer service and suggest opportunities for cross-selling and up-selling. Social media interactions are now being mined for actionable customer insight and trend patterns. This unstructured data, Big Data – in all its variety of sources, volume, and velocity at which it arrives and must be acted on – can augment the transaction history of a customer journey. But that is no easy task for any enterprise.

In addition, in 2015, a high proportion of global consumers believe recommendations from friends and family are the most trustworthy sources of information regarding brands, up considerably from just a few years before. All the while, customers dialing into a contact center embark on a Customer Experience journey which they expect to end with a solution to their query. They feel more valued when organizations understand and manage this journey smoothly, by keeping track of all their inquiries irrespective of the medium chosen for communication. Indeed, organizations are aware that modern consumers can shift brands if they feel that they are not receiving excellent support. And when it comes to mobile devices and the end-user technology experience, smartphones are everywhere, allowing apps to be self-contained social worlds, existing almost entirely on mobile devices. As one commentator has put it, "People are living in the moment and they want to share in the moment. Mobile gives you that immediacy and convenience." Moreover, "Technology is now more intimate and pervasive. We have it with us all the time, and we have to reimagine innovative new interfaces and experiences around that fact."

In other words, we're witnessing a restructuring toward a Digital World, which is being led by Generation Y, the most educated, affluent, assertive, and IT literate generation in history. Generation Y is comprised of digital natives between 15 – 35 years old with distinct values, beliefs, attitudes, lifestyle, and behavioral patterns influencing product, technology development, and marketing strategies. By 2020, it's estimated this cohort will constitute 34% of the global population, be the most adaptive to change, will continue to experiment with new technologies, and have high purchasing power.

What are providers of customer care services to do? Particularly within a region as vast and differentiated as that of Europe? After all, agents often find it challenging to collate inquiries from different channels and provide good customer service due to issues such as delays in juggling between various interfaces and uncertainty regarding how to use highly complicated CRM tools. To address this array of challenges, improve customer service, and ensure customer loyalty, forward-looking brands in particular are investing in the field of human resources as a means to find, train, and retain great talent.

## *Quality of Customer Service and Customer Impact*

### **Brand Equity**

Frost & Sullivan research confirms the Atento brand is well known for its skillful use of HR Management as a means through which to deliver excellent customer experiences. Indeed, the reputation is hard won; the company has longed believed that employee satisfaction is a key differentiator in maintaining and growing a high performance organization. Frost & Sullivan notes that Atento leverages a distinct culture and set of values as well as a deep understanding of regional cultural intricacies to create a work environment that aligns client objectives with employee incentives and commitment. The well-trained, highly-committed customer specialists, who are rewarded for results, enhance performance in clients' CRM operations.

It's worth pointing out that back in 2012, Atento was named a Best Workplaces Place in Europe, and in 2013, it was named one of the top 25 companies to work for according to Great Place to Work Institute's ranking of the World's Best Multinational Workplaces. Because its solutions are delivered through approximately 155,000 employees, Atento believes that its high levels of demonstrated employee satisfaction enable it to deliver a differentiated Customer Experience compared to competitors and clients' in-house operations.

### **Customer Purchase Experience**

Frost & Sullivan research reveals Atento's clients feel they are buying the best solution for their needs. Consider Atento's offering of service lines. By leveraging existing infrastructure and deep client and process knowledge, Atento is able to deliver

increasingly complex solutions and value-added services to clients through multiple channels. Over time it has diversified and expanded its services, increasing their complexity and developing customized end-to-end solutions such as smart collections, B2B (business-to-business) efficient sales, insurance management, credit management, and other CRM BPO processes.

Atento also is focused on the realm of digital communication with an eye to clients' requirements. In fact, in the context of the continuing evolution and proliferation of digital communication technologies and devices, Atento continues to invest in research and development to anticipate the changing habits of customers and how its clients ultimately engage with them across a growing array of communication channels including SMS, email, chat, social media and apps, etc.

### **Leverage of Customer Feedback**

Atento offers clients a comprehensive, customizable suite of CRM BPO solutions across multiple channels. As such, the company believes that its position as an end-to-end provider of CRM BPO solutions is a key factor in its share gain in recent years, "and will be a driver of expected outperformance." As the company continues to focus even more on customized client solutions and variable pricing structures, it has made it clear that it seeks to create a mutually beneficial partnership and increase its share of wallet with clients. In other words, Atento intends to develop and expand its portfolio of customized end-to-end solutions as it continues to leverage a deep knowledge of its clients' outsourcing needs.

### **Customer Service Experience**

From Frost & Sullivan's perspective, Atento is keenly focused on client relationships. Atento reports that its clients demand best-in-class service from their outsourcing partners. Therefore, by growing and partnering with them over the long-term, Atento has expanded the scope of its services and solutions "while helping clients deliver on their brand promise." The company believes that alignment with its clients' success is critical and that this alignment drives its local managers to add value and innovate, with their incentives matched with the client's success. Atento also believes this approach, "has allowed us to develop and nurture longstanding relationships with existing clients that have provided us with stable revenue year-to-year."

### **Customer Ownership Experience**

Frost & Sullivan notes that Atento's clients appreciate the fact that the tenure of Atento's operational managers tends to be longstanding. In fact, most of Atento's operational managers have worked with the company for over ten years, which has allowed Atento to accumulate valuable operational experience and deep vertical expertise, while building and maintaining close relationships with key clients.

Consider the company's strengths in telecom, for example. Atento has deep knowledge in the telecommunications sector due to its long history with Telefónica. This presents it with

an opportunity to increase market share now that it is a stand-alone company. Atento already has started providing services to other telecommunications companies in Spain, such as ONO, and is focused on growing these new relationships to scale. To reinforce this strategic priority, Atento has invested in its sales teams and established separate new business acquisition areas with enhanced commercial capabilities and tools. Telecom clients working with Atento tend to appreciate this set of credentials, which tends to positively impact the customer ownership experience to a significant degree.

### **Technological Investment**

Atento notes that it is a value added partner with a differentiated technology platform. In fact, Frost & Sullivan benchmarking analysis confirms the company has a scalable and reliable platform that is a significant competitive differentiator. Consider that its platform allows Atento to be a value-added partner to clients by providing up front customer engagement process design, hosting and managing numerous customer management environments, and offering multi-channel communication delivery and sophisticated data and analytics which provide deep insights into each interaction with a client's customer. In 2013, the Atento technology platform handled transactions across 89 delivery centers operating 24 hours a day, 365 days a year with less than 0.06% unscheduled systems downtime.

### *Conclusion*

Atento is a provider of end-to-end, multi-channel customer relationship management and business process outsourcing ("CRM BPO") services and solutions in Latin America as well as in Spain, and among the top providers globally, based on revenues. Europe accounts for about 15% of company revenue (at the beginning of 2014, Atento had some 12,708 agents working in the EMEA region) those operations in Spain and (for the French offshore market) in Morocco, are key. Frost & Sullivan independent analysis of the contact center outsourcing market clearly shows Atento is improving customer service and helping ensure customer loyalty. With this in mind, and due to its strong overall performance, Atento has therefore earned Frost & Sullivan's 2015 Customer Service Leadership Award.

## Significance of Customer Service Leadership

Ultimately, growth in any organization depends upon customers purchasing from your company, and then making the decision to return time and again. The service experience is therefore a critical component of a company's efforts to retain customers over the long term. Through successful retention, companies enhance their brand, increase demand for their products, and differentiate themselves from the competition. This concept is explored further below.



## Understanding Customer Service Leadership

Customer Service Leadership is defined and measured by two macro-level categories: quality of customer service and customer 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 Service Leadership Award, Frost & Sullivan evaluated two key factors—Quality of Customer Service and Customer Impact—according to the criteria identified below.

### Quality of Customer Service

- Criterion 1: Empowerment
- Criterion 2: Leverage of Customer Feedback
- Criterion 3: Speed/Timeliness
- Criterion 4: Frictionless Interaction
- Criterion 5: Technological Investment

### Customer Impact

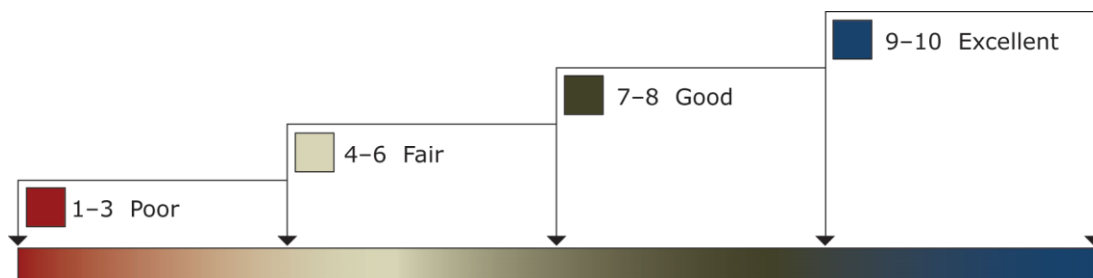
- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

## Best Practice Award Analysis for Atento

### Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows our research and consulting teams to objectively analyze performance, according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are illustrated below.

#### RATINGS GUIDELINES



The Decision Support Scorecard is organized by Quality of Customer Service and Customer Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criteria are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.



The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, Frost & Sullivan chose to refer to the other key players in as Competitor 2 and Competitor 3.

DECISION SUPPORT SCORECARD: CUSTOMER SERVICE LEADERSHIP AWARD

<i>Measurement of 1-10 (1 = poor; 10 = excellent)</i>			
Customer Service Leadership	Quality of Customer Service	Customer Impact	Average Rating
Atento	9	9	9
Competitor 2	8.5	8.5	8.5
Competitor 3	8	8.5	8.25

*Quality of Customer Service*

**Criterion 1: Empowerment**

Requirement: Service providers are encouraged to take independent, informed, and creative approaches to issue resolution

**Criterion 2: Leverage of Customer Feedback**

Requirement: Customer opinions are continually solicited and monitored, leading to direct changes to product features or the service model

**Criterion 3: Speed/Timeliness**

Requirement: Issues are resolved within a timeframe satisfactory to the customer and the provider

**Criterion 4: Frictionless Interaction**

Requirement: Service providers deftly avoid customer conflict by maintaining a friendly, professional demeanor at all times

**Criterion 5: Technological Investment**

Requirement: Investment in best-in-class technologies that enhance customer knowledge, accelerate issue resolution, and/or improve the customer experience

*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

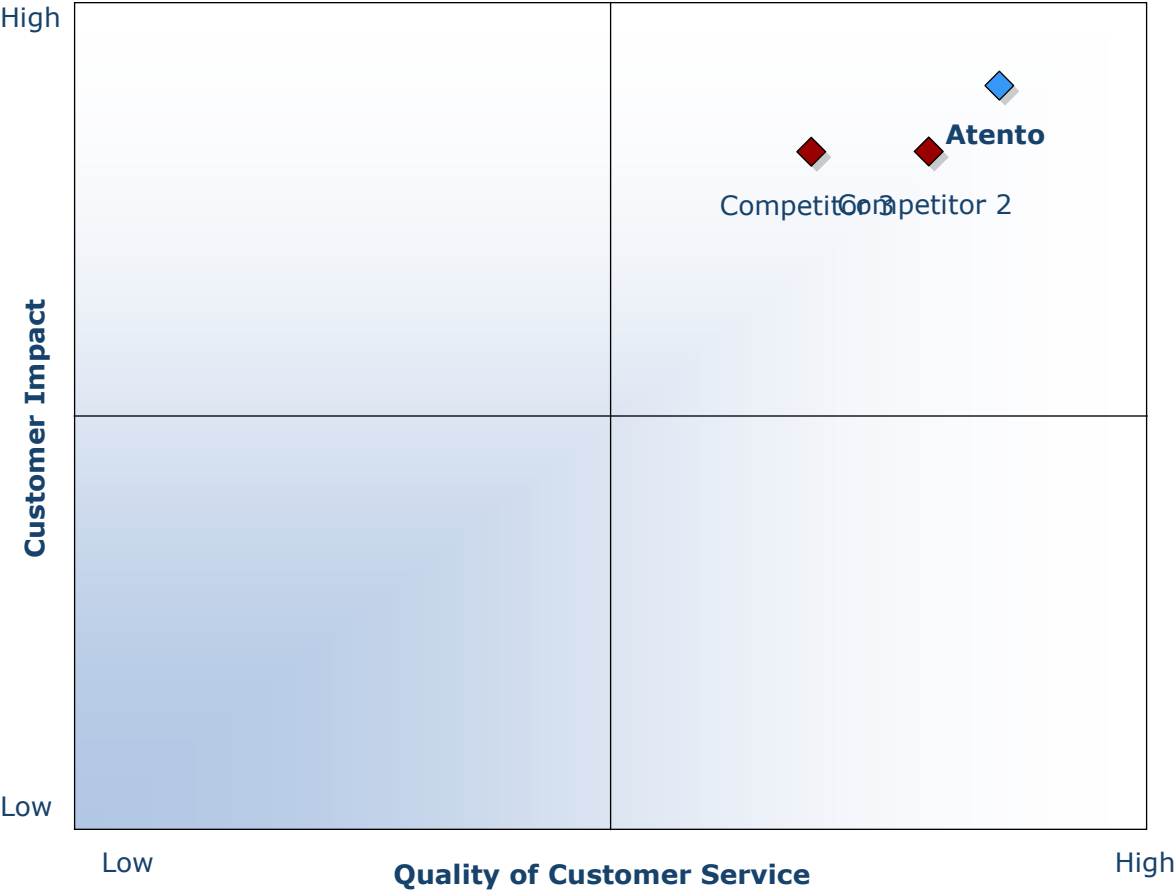
**Criterion 5: Brand Equity**

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

*Decision Support Matrix*

Once all companies have been evaluated according to the Decision Support Scorecard, analysts can then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.

DECISION SUPPORT MATRIX: CUSTOMER SERVICE LEADERSHIP AWARD



## 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.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



### 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 more than 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 40 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.