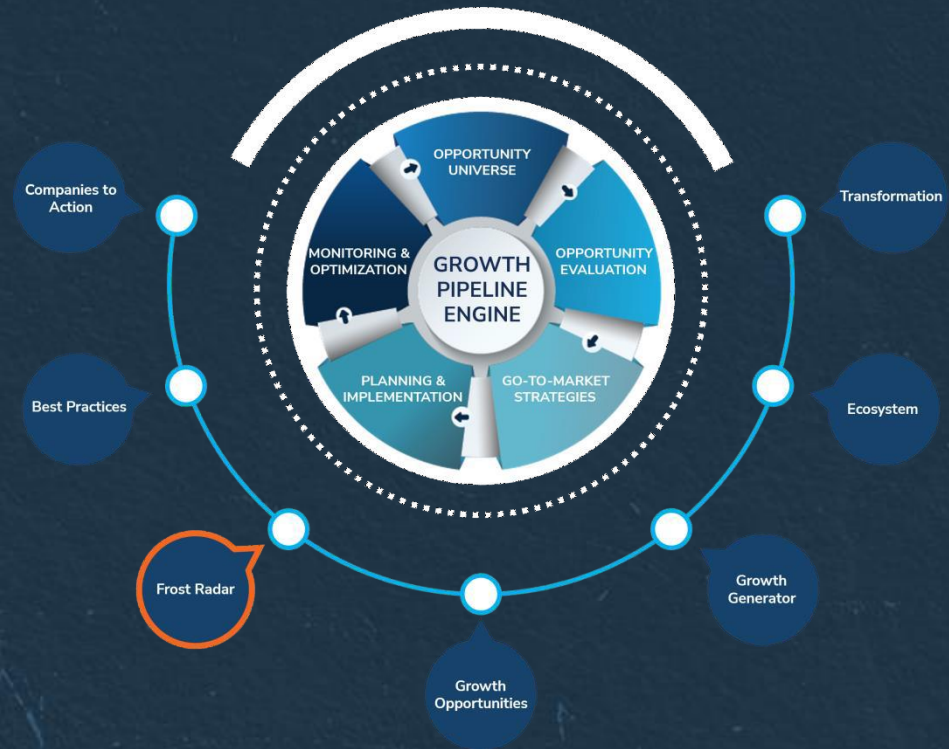


Frost Radar™: Customer Experience Management Services in Latin America, 2025

A Benchmarking System to Spark
Companies to Action - Innovation
That Fuels New Deal Flow and
Growth Pipelines

Authored by: Sebastian Menutti
Contributor: Alpa Shah



KB75-76
April 2025

Strategic Imperative and Growth Environment



Strategic Imperative

- Outsourcing in the customer experience (CX) arena continues to increase in Latin America, representing a superb growth opportunity for providers in this mature market. Many organizations are outsourcing for the first time, while others are subcontracting CX processes that were previously destined for in-house operations.
- In order to expand services outside the contact center and contemplate the entire customer lifecycle, participants have evolved from being merely call center providers to system integrators and solution providers. Consequently, log-in hours are less frequently part of pricing discussions, which instead focus on the business outcomes that outsourcers can deliver.
- Successful CX management providers bring tech-based transformation and optimization to CX processes and services. However, most organizations remain cautious and are only testing AI tools. Generative AI-based customer-facing applications are not yet fully deployed, mostly because of concerns regarding data security, privacy, governance, and brand reputation. As of the end of 2024, most CX management clients are only adopting back office and agent productivity enhancement tools based on GenAI.
- Clients worry about the future disruption of the CX space and want to partner with CX management companies that provide a certain level of future readiness. The best way for market participants to attain this capability is to
 - Have a proven track of process and technology innovation and rapid response to changing customer needs or market trends;
 - Have an oiled innovation engine with a sizable and consolidated team of multidisciplinary experts used to continuous improvement; and
 - Have the right certifications in place (i.e., Six Sigma, COPC, ISO 27032, and ISO 56002).

Strategic Imperative (continued)

- The most disruptive GenAI-based technology that has not yet reached wide availability but is likely to have a profound effect in the CX management space is agentic AI. While Frost & Sullivan's annual IT decision-maker survey found that the level of customer satisfaction increased in 2024 to 60% (from 47% in 2023)*, agentic AI promises to increase this percentage drastically and rapidly.

Growth Environment

- Growth levels decreased for nearshore delivery to the United States in 2023 and 2024 (compared to 2012–2022), as many organizations opted for lower-cost offshore locations (Asia or Africa) to reduce operational costs. However, Latin America offers a strong value proposition for operational continuity and geographic diversification, as well as a more solid cultural affinity, similar time zones, and lack of wars and regional conflicts. Frost & Sullivan expects this activity to regain high single-digit growth in 2026.
- The Latin American CX management industry has been struggling, with revenue growth of 4.0% in 2023 and an estimated 0.3% in 2024. Changes in legislation in Colombia, Mexico, Chile, and Brazil (regarding number of hours in the work week and specific taxes to CX management providers) proved problematic for the industry and restrained growth in 2023 and 2024. Currency devaluations in Colombia and Mexico in 2024 promise to drive nearshore growth in 2025.
- The 2024–2029 compound annual growth rate is forecast to be 1.8%. While the second half of 2024 seemed to be a turning point and brought back growth for many providers, some are experiencing double-digit decline in 2024 (e.g., TTEC and Telvista).
- Four main factors are restraining growth in the Latin American CX management arena:
 - As remote customer interactions dramatically increased during the pandemic, contact center volumes returned to pre-pandemic levels during 2022, 2023, and 2024.
 - Macroeconomic headwinds are marked by slowing demand and reduced investment appetite.
 - As more work is sent offshore, there is less nearshore activity.
 - Uncertainty regarding the impact of GenAI in the CX management industry is freezing or delaying investment and new contract decisions.

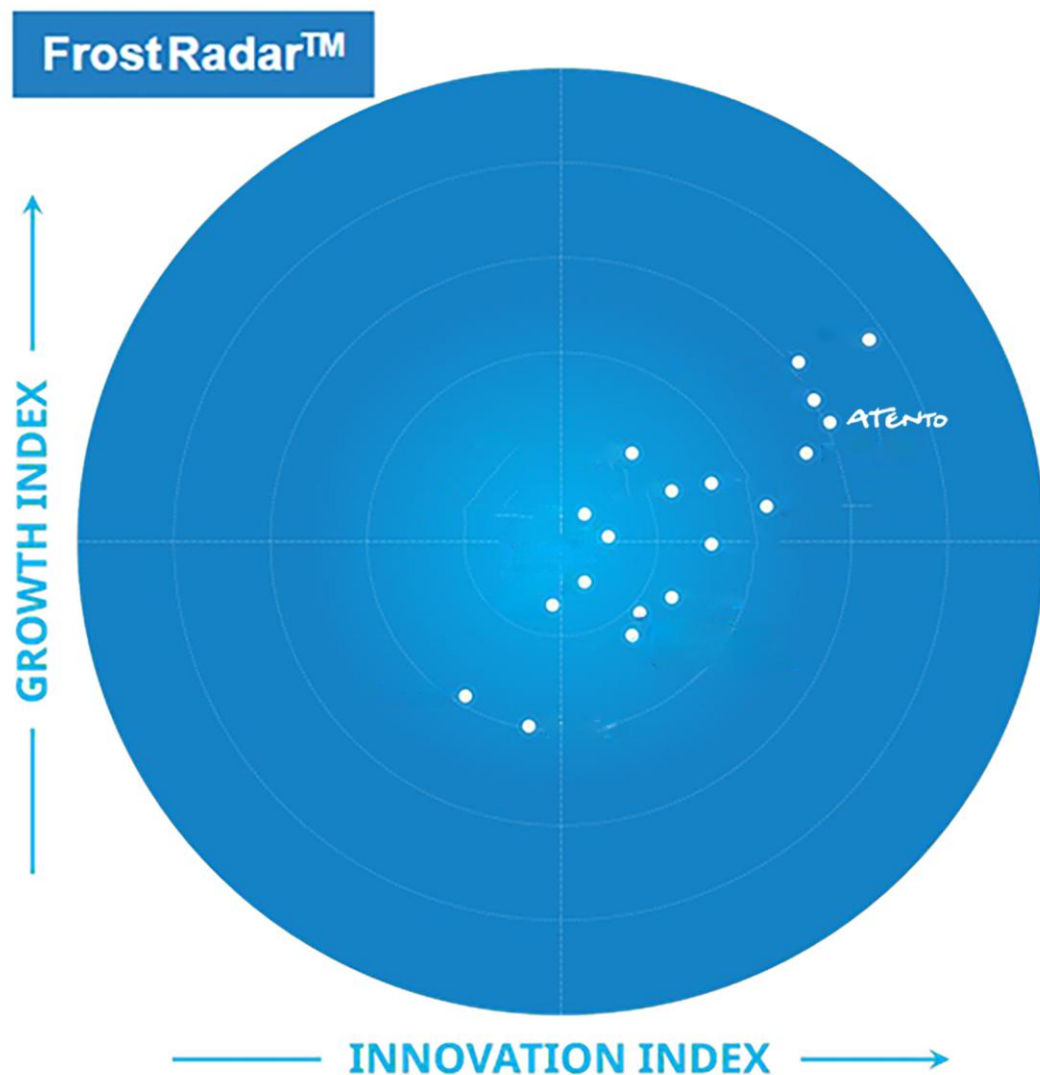
Growth Environment (continued)

- While the vast majority of contracts in place today are based on number of productive hours, FTE, or customer interactions, forward-looking CX management service providers and many contracting organizations are embracing shared responsibilities on business outcomes to be the main key performance indicators (KPIs) in contracts. These simplify agreements, ensure long-term benefits, enhance overall performance, and drive a more intense technology adoption and the search for more efficiencies. In this scenario, provider and client share risks and gains.
- A Frost & Sullivan study related to this independent analysis:
 - [Customer Experience Management in Latin America, Forecast to 2029](#)

Frost Radar™: Customer Experience Management Services in Latin America



Frost Radar™: Customer Experience Management Services in Latin America



Frost Radar™ Competitive Environment

- In a fragmented industry with more than 200 organizations, Frost & Sullivan independently plotted the top 19 companies based on track record, future growth potential, and innovation capabilities.
- In this analysis of growth and innovation, most participants have many similarities:
 - They occupy a prominent position in the market (attained more than \$100 million in revenue in 2023).
 - They exhibit continuous improvement methodologies and/or certifications.
 - They demonstrate disruptive innovations that bring tangible benefits to clients.
 - They show a solid product roadmap for the short, medium, and long terms.
 - They orchestrate several technology stacks (both proprietary and third-party) to develop bespoke solutions.
 - They have consultancy and customer journey design mapping capabilities.
 - They operate with a significant portion of their workforce from remote locations.
 - They utilize a secure and high-performing work-from-home platform.
 - They support digital channels as part of an omnichannel platform.
 - They leverage some degree of automation in front- and/or back-end operations.
 - They have a technology-intensive approach to drive continuous improvement and rapid innovations.
 - They display Great or Best Place To Work certifications in several delivery sites.
 - They developed strong ESG practices and tight links with local communities (many periodically publish sustainability reports).
 - They show diversity and inclusiveness among the employee base, including management positions.
 - They have a vision of seamless and effortless CX.

Frost Radar™ Competitive Environment (continued)

- All providers featured on this Frost Radar™ have innovated in several tools and solutions, and many exhibit strong and sometimes similar product roadmaps. For this reason, it can be difficult to find competitive differentiation in this space. However, some providers are ahead of the curve, and a few have a more profound impact on the industry based on customer and employee adoption of their innovations. They achieved a score greater than 4.5 out of 5 on the Innovation Index: TP, Atento, Foundever, and Konecta.
- Most companies featured on this Frost Radar™ will achieve higher growth rates than the market's average and gain market share in the coming years. As a result, the average score on the Growth Index is high at 3 (out of 5 points). However, only two companies stood out as growth leaders and achieved a score of more than 4 out of 5: Concentrix and TP. They outperformed their competitors thanks to their large market share, growth performance, robust growth pipeline, fully aligned vision and strategy, and joint marketing and sales initiatives.
- Considering that the Latin American CX management market is mature, many companies on this year's Frost Radar™ are in a similar position to the [last edition](#), except for the exit of Neobpo due to its lack of focus on this market. Slower growth trajectories affected Alorica, Emtelco, Foundever, Sutherland Global, and TTEC, while AeC and ibex improved their positions overall.
- AeC, Atento, Concentrix, Foundever, ibex, KM² Solutions, Konecta, Startek, and TP engaged with Frost & Sullivan's analysis team by providing both written commentary and a live briefing. Alorica, Apex America, Intouch CX, itel, TELUS Digital, Telvista, and TTEC provided partial collaboration. AlmavivA, Emtelco, and Sutherland Global Services chose not to actively participate.

Frost Radar™: Companies to Action



Atento

INNOVATION

- Atento is looking to redefine the entire landscape by embracing the business transformation outsourcing (BTO) concept, blending the right mix between AI and the human touch, and delivering optimized CX services to both large and small organizations.
- With its proprietary Studio AI Insights, in 2024 Atento significantly increased the number of suggestions for improvement per client. Atento would feed the platform with all history of customer interactions and operational data, and, in return, it provides receive a large list of suggestions. This provides a competitive edge for the company, as continuous process improvement is a sine qua non condition to thrive in this market.
- The platform so far has been implemented in 70% of Brazilian clients. For example, in an outbound sales campaign in Brazil in 2024, the company identified the most prosperous speech and, by replicating it across all agents, it doubled the number of sales per agent.
- Atento partnered with Tech Mahindra in early 2024 to streamline its business transformation capabilities and deliver a more comprehensive value proposition to new and existing clients, driven by GenAI-based solutions and exceeding contact center operations.
- In 2024, Atento infused conversational AI into its recruiting process, with approximately 150,000 interviews conducted as of March 2025. It has resulted in more effectiveness, fewer interviews, and less time spent per hire.
- Atento developed a proprietary, AI-based, predictive attrition model that analyzes the likelihood of an employee leaving the company. With this unique solution, Atento tailors its approach to each agent to improve well-being, engagement, and productivity and decrease attrition rates.

Atento (continued)

GROWTH

- Atento is the second-largest company in the Latin American CX management services space, and number one when only considering domestic markets. Its delivery network spans most countries in the region and caters for the domestic, Pan-American, and nearshore segments. Atento occupies leading positions in Brazil, Chile, Mexico, Peru, Argentina, and Colombia.
- In 2024, Atento grew its revenue and significantly improved its EBITDA margin in the year-over-year comparison, which points to a much healthier financial operation and a solid future growth potential. This is the result of years of active client portfolio diversification, exiting low-margin deals, and embarking on more tech-intense campaigns with lower revenue but higher margins.
- The company grew its consulting and scrum teams to drive more complex sales and manage faster operations.
- Industry consolidation in the CX management landscape is opening short- and medium-term growth opportunities for Atento as several organizations look to onboard new providers that have multiple BPO partners.
- Atento has strong brand recognition in the BFSI, telecom, retail, born-digital, utilities, healthcare, automotive, media and entertainment, travel and hospitality, government, and education verticals.

Atento (continued)

FROST PERSPECTIVE

- Atento remained a leader on the Frost Radar™ because of its extensive digital and transformative service portfolio, proven expertise in GenAI, and its strong growth pipeline driven by a unique customer base and a diversified client portfolio.
- While Atento has a dedicated solution for small businesses (Flexible CX), the company is best known for its deep-rooted, solid brand equity among large enterprises. Not many companies on this Frost Radar™ exhibit this broad reach or have proven experience with several big Latin American organizations. Atento would do well in leveraging this expertise to showcase its capacity to bring tangible business outcomes at scale.
- There is a massive opportunity for Atento in nearshore services. Despite the low revenue growth rates in 2023 and 2024 industrywide, this segment is forecast to reach \$6.45 billion in 2029. While Atento is not currently leading this space, the company has capabilities in place (i.e., delivery network in several countries, proven experience, a commercial team, and onshore capacity) and a unique value proposition (a focus on the Spanish-speaking segment) to secure sizable wins. The company could accelerate this process by considering strategic acquisitions and joint ventures.

Best Practices & Growth Opportunities



Best Practices

1

In an extremely crowded marketplace, providers must find ways to distinguish themselves. At the same time, clients are looking for CX and consulting experts to guide them through the transformation of customer-oriented processes. Providers must expand their portfolios beyond call center services to include omnichannel engagement, trust and safety, content management, data annotation, digital customer journey design, mobile app development, social media management, and process automation.

2

A robust cybersecurity arm has become a must for any CX management provider looking to partner with large organizations. Service providers must integrate third-party tools with internal development and complement this with periodic awareness programs to avoid phishing scams and ransomware and malware attacks. A security breach can seriously jeopardize a brand's reputation, resulting in significant losses.

3

CX management services is not a tech-only play. Thriving providers are those that find the right combination of people, processes, and technology. Agent engagement and overall employee experience are fundamental to generating customer value. While technology change can be exponential, cultural change is often linear. Managing the cultural variable will differentiate employee-centric organizations.

Growth Opportunities

1

Automation and AI-based tools are transforming the CX management services landscape, and their relevance in the Latin American market is likely to increase even more. Companies want self-service and automation tools for simple transactions, yet they are concerned about automating too much to the point that customers become frustrated if they are unable to interact with the brand in the way they want. Forward-looking CX service providers must help clients find the right balance of automation and human touch.

2

There is a strong link between a positive employee experience and better CX. Frost & Sullivan's 2024 contact center IT decision-maker survey showed a tight correlation between employee Net Promoter Score and customer satisfaction/revenue growth. This is paramount in an era in which brand loyalty can be made or broken on a single good or bad interaction.

3

Trust and safety is a hot area of growth. Most providers on this Frost Radar™ have a consolidated practice in this area; while it can represent as much as 30% of revenue, the most common scenario is that it generates less than 5% of the business for these companies. In Latin America, however, this area is growing faster than the overall CX management business and should be a focus moving forward.

Frost Radar™ Analytics



Frost Radar™: Benchmarking Future Growth Potential

2 Major Indices, 10 Analytical Ingredients, 1 Platform

Growth Index

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 (continued)

Innovation Index

Innovation Index (II) is a measure of a company's ability to develop products/ services/ solutions (with a clear understanding of disruptive megatrends) 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

MEGATRENDS LEVERAGE

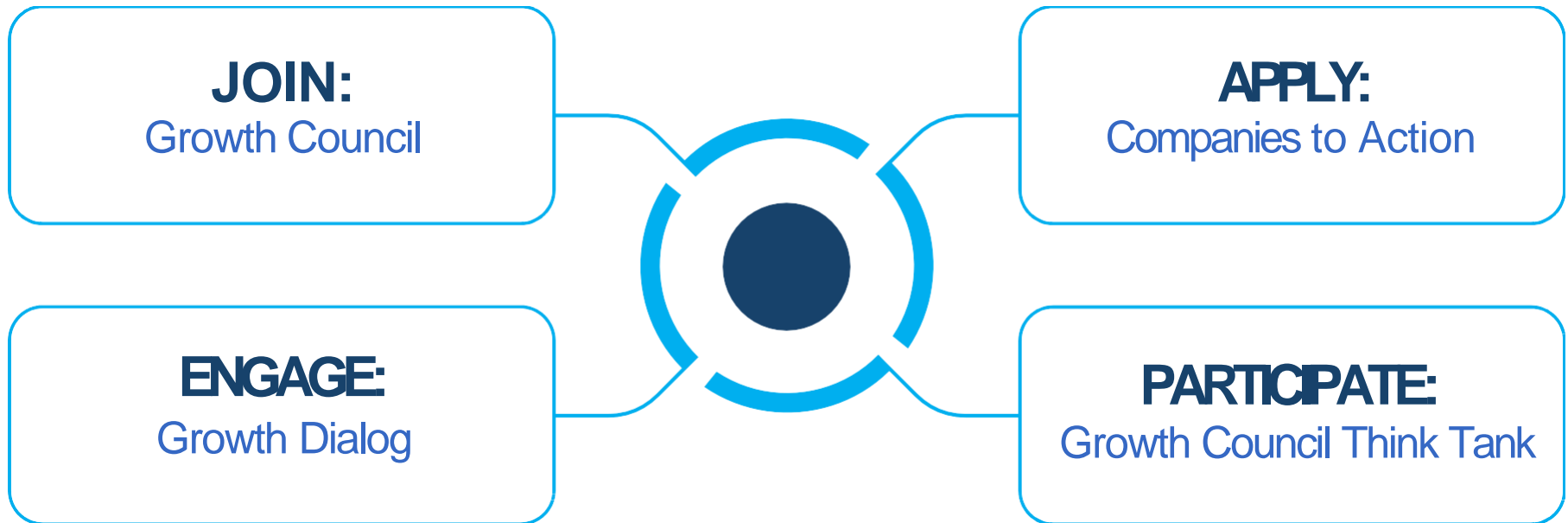
This is an assessment of a company's proactive leverage of evolving, long-term opportunities and new business models, as the foundation of its innovation pipeline. An explanation of megatrends can be found [here](#).

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.

Next Steps



Does your current system support rapid adaptation to emerging opportunities?

Legal Disclaimer

Frost & Sullivan is not responsible for any incorrect information supplied by companies or users. Quantitative market information is based primarily on interviews and therefore is subject to fluctuation. Frost & Sullivan research services are limited publications containing valuable market information provided to a select group of customers. Customers acknowledge, when ordering or downloading, that Frost & Sullivan research services are for internal use and not for general publication or disclosure to third parties. No part of this research service may be given, lent, resold, or disclosed to noncustomers without written permission. Furthermore, no part may be reproduced, stored in a retrieval system, or transmitted in any form or by any means—electronic, mechanical, photocopying, recording, or otherwise—without the permission of the publisher.

For information regarding permission, write to: permission@frost.com

© 2025 Frost & Sullivan. All rights reserved. This document contains highly confidential information and is the sole property of Frost & Sullivan. No part of it may be circulated, quoted, copied, or otherwise reproduced without the written approval of Frost & Sullivan.