FROST & SULLIVAN

Multilingual Hubs: Winning Customer Loyalty in a Culturally Diverse Business World

FROST & SULLIVAN THOUGH LEADERSHIP ARTICLE

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Does your customer base speak multiple languages? Have you ever wondered how to efficiently provide a superior customer experience (CX) to an international consumer community, while keeping costs under control? Multilingual hubs could be the answer you are looking for.

Language Diversity Challenges Great CX

An increasing number of organizations have presence in multiple countries and need to manage relationships with customers who speak in different languages. This can create significant challenges in delivering a consistent experience across locations and channels, and in adopting a cost-effective and unified-management approach.

This challenge is especially complex in the European Union which has 24 official languages and is gearing up for a decade of expansion. The organization might include Ukraine, Moldova, and Georgia as well as six other Western Balkans countries, which would increase this figure to closer to 30. In Europe at large, the total number of languages is estimated to reach 236.[i][ii]

Moreover, economic activity in this region is on the rise. According to the International Monetary Fund, the Eurozone's growth domestic product will exhibit positive growth rates in the forthcoming years. While it only grew by 0.5% in 2023, the rate is expected to increase to 0.9% in 2024 and 1.7% in 2025. This is leading to a rebound in private consumption, investment inflows, and companies entering new markets and expanding their customer base.

In today's business world competitors are simply one click away and cementing customer loyalty has become a daunting task. Companies can no longer afford to provide mediocre customer service, as they face imminent danger of losing clients to the competition. In fact, three out of four enterprises believe that building brand awareness and loyalty is either very important or crucial for their organization over the next two years, according to Frost & Sullivan IT Decision Makers Survey.[iii]

That is why companies must ensure they meet consumers where, when, and how they want. Engaging with customers in their native language can substantially increase satisfaction and retention rates. Research shows that 74% of people would switch to an alternative provider that markets products or services in their native language, and 73% would be loyal to a brand that offers support in the same way.[iv] Additionally, 90% of the people in the European Union prefer to access websites in their own language and 44% feel they are missing information due to language barriers.[v] Connecting with customers in their own terms is essential to create personalized and empathic experiences, and cement long-term relationships with them.

Unparalleled Service + Cost Reduction: The Multilingual Hubs Proposition

One approach to providing customer interactions in the same language is to have agents in each location where consumers are located. However, this strategy can be prohibitively expensive due to the need to manage multiple operations across different countries and the charges associated with hiring agents in high-costs locations (such as UK, Germany, and France). Additionally, having a unified management with dispersed operations worldwide adds complexity and can lead to further expenses.

An alternative and more effective approach is to establish multilingual hubs in lower-cost locations, where native-speaking agents interact with customers in their local language. These centers allow companies with a global footprint to cost-effectively deliver a unified experience. By consolidating services in a centralized unit, organizations can streamline operations and enhance efficiency while still catering to the linguistic needs of diverse customer bases.

Some of the key benefits of multilingual hubs include:

Customer Satisfaction and Loyalty:
Three quarters of people are more likely to repurchase from a brand if customer care is in their language. By employing native speakers who understand cultural nuances, companies can communicate with clients in their mother tongue, increasing customer satisfaction and winning their trust and loyalty.[vi]

Efficient and Coherent Delivery:
Centralizing operations in a single location to serve different regions facilitates the delivery of a consistent and seamless CX across the board.

Competitive Differentiator:
Providing a superior CX is a more powerful differentiator than price or product. Multilingual hubs empower companies to deliver a seamless, personalized experience to their customers, setting themselves apart from competitors.

Cost Savings:
In an environment where cost-cutting pressures are mounting across industries, multilingual hubs can significantly reduce expenses. By establishing a single hub and sourcing employees from lower-cost locations, organizations can realize substantial cost savings.
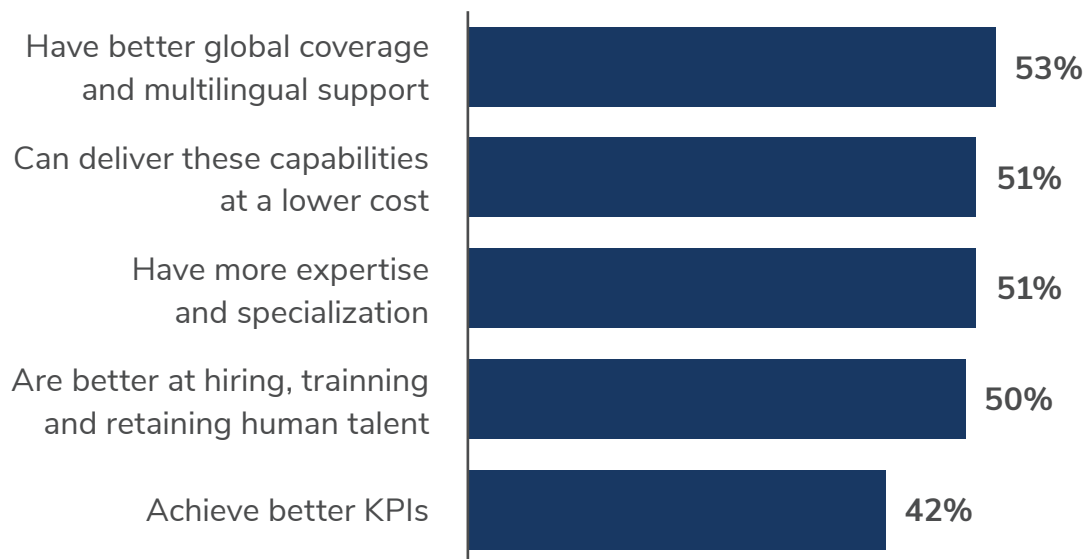
Effective resource-consumption:
Multilingual hubs enable businesses to centralize operations and leverage existing resources, including human talent, management, and IT teams, without the need for multiple units.

Forward-thinking companies are leveraging multilingual support to derive tangible value for customers across the world. In fact, the multilingual hub has become a sizable opportunity for CX management (CXM) providers. Frost & Sullivan estimates that the CXM market in Europe attained € 21.62 Billion in 2023 and forecasts it to reach € 24.44 in 2029, exhibiting a 2.1% CAGR during this period. Furthermore, according to Frost & Sullivan's IT Decision Makers Survey, providing multilingual support ranks as the top reason for outsourcing.

Why Are You Outsourcing Your Contact Center Operations? - Europe

Reason	Percentage
Have better global coverage and multilingual support	53%
Can deliver these capabilities at a lower cost	51%
Have more expertise and specialization	51%
Are better at hiring, trainning and retaining human talent	50%
Achieve better KPIs	42%

Source: Frost & Sullivan[vii]

Remote Work Broadens the Labor Pool

The CX industry was among the pioneers in embracing hybrid work models. Successfully implementing remote operations yields significant benefits, including increased revenue and productivity, reduced costs, and an improved work-life balance for employees. This balance often results in lower absenteeism and attrition rates, among other positive outcomes.

Moreover, remote work expands the talent pool by attracting individuals who may be unable or unwilling to commute. It also enables companies to recruit employees with the necessary language, technical, or soft skills for each role.

Benefits of Hiring Remote Employees - Europe

Employee retention	52%
Improved productivity	49%
Increased revenue	49%
Improved business continuity	48%
Reduced operational costs	48%
Recruiting from a broader talent pool	40%

Source: Frost & Sullivan[viii]

Hybrid work proves especially advantageous for companies offering multilingual services, as it enables access to agents proficient in specific languages without the need to establish delivery centers in every location. By leveraging remote employees, organizations can establish virtual multilingual operations in strategic cities, enhancing language-oriented customer experiences.

However, fostering engagement among remote workers can pose challenges. To promote productivity and a sense of belonging, businesses can establish small engagement centers where remote employees can convene for collaboration, training, coaching, or social activities.

Key Locations for Multilingual Hubs

Several cities stand out as ideal locations for establishing multilingual hubs due to their cultural diversity, highly educated population, and ability to offer competitive talent at cost-effective rates. Among these cities are:

Valencia offers an enticing combination of favorable weather, excellent cuisine, low pollution levels, and a strategic coastal location along the Mediterranean, facilitating convenient access. In 2022, the city boasted 343,093 foreign residents, comprising approximately 43.29% of the population. Furthermore, Valencia is renowned for its prestigious universities, making it a magnet for national and international students. This rich talent pool makes Valencia an exceptional location for sourcing high-skilled agents proficient in multiple languages.[ix x xi xii]

Barcelona is experiencing a surge in diversity, with the Barcelona City Council reporting a notable increase of 7.8% in the number of residents with foreign nationalities registered in January 2023. Moreover, an impressive 31.3% of the city's total population was born in another country. With residents hailing from 177 different nationalities, Barcelona has emerged as a cosmopolitan hub, making it an ideal destination for setting up multilingual operations in Europe.[xiii]

Porto, the second most populated city in Portugal, offers a lower cost of living compared to many other European cities, making it a cost-competitive option for setting up a multilingual hub. With numerous universities, Porto is home to a significant population of international residents proficient in languages such as English, French, Spanish, Italian, and German.[xiv]

Casablanca, the largest city in Morocco and situated just 80 km from the country's capital, is renowned as the economic and commercial hub of Morocco. Beyond its cinematic namesake, Casablanca boasts a rich tapestry of historical influences and a diverse population proficient in languages such as French, Spanish, and various dialects of Arabic. Its relatively low cost of living further enhances its appeal as a prime location for sourcing workers proficient in a variety of languages at competitive price points.[xv]

Budapest, the capital of Hungary, ranks as the 9th most populated city in the European Union, providing access to a substantial labor pool. Home to the European Institute of Innovation and Technology and several prestigious technology academies, the city is renowned for its tech-savvy workforce. With a multitude of languages spoken in Budapest, including English, German, Hungarian, and numerous others such as Armenian, Bulgarian, and Romanian, the city emerges as a key destination across Europe for multilingual support.

Atento Bets on the Multilingual Opportunity

Multilingual CX is key to delivering top-notch support. Using customer experience experts who speak native languages ensures that all communications are clear and concise and tailored to each user's culture. This improves end-customer loyalty.

Atento´s value proposition is based on 4 strengths:

Flexibility and agile customization for different markets:
Through its Multilingual Hubs, brands can quickly expand their operations, and reach a wider audience, overcoming language and cultural barriers, and without the need to hire and train new experienced internal CX staff. Additionally, providing support in the customer's native language demonstrates a commitment to customer satisfaction, which can result in increased loyalty and retention.

Better CX backed by automation:
Leveraging Generative Artificial Intelligence, Machine Learning (ML), Robotic Process Automation (RPA), and other CX tools is a huge opportunity for brands looking to deliver seamless omnichannel experiences 24 hours a day in the languages and channels that work best for their customers.

Centralized, multi-country management:
A single location reduces a brand's exposure to cross-border regulatory differences, leverages diverse, multilingual talent to serve different markets (increasingly, there are people who speak 3 or more languages), and provides an environment where the adaptability of CX teams to process changes, products, commercial messages or technical support are much more in tune.

Profitability:
By centralizing CX operations in a single place, brands obtain very relevant cost efficiencies, which are materialized through high specialization, higher productivity due to language multiskill and, not least, through very diverse talent residing in locations in Europe and Southern Africa that are very attractive in terms of costs.

And how does Atento guarantee its value proposition to offer a quality Multilingual Customer Service? The company has 3 very clear strategies in terms of People, Technology and Experience Personalization:

Employee Journey Staff Selection and Training

Hire and train multilingual staff with intercultural skills to ensure effective and empathetic communication. Through **Digital Recruiting**, Atento ensures a digital, secure and efficient contracting model. Through AI, Atento improves the pre-selection to find the profiles that best fit. In addition, its recruiting and predictive selection model has generated 5 times higher productivity and an assertiveness greater than 80% in the profile and a 4pp improvement in early turnover. A process that uses technology at the service of people, attracting new profiles that better fit the specific clients´ needs.

Implementation of Technology Tools

The company reimagines the customer journey by interweaving advanced technology solutions and strategic human interactions to deliver an enhanced and personalized brand experience. Atento uses machine translation tools, multilingual chatbots and omnichannel platforms, innovative contact center services, advanced virtual agents and voice, to optimize communication in different languages. It has its proprietary conversational bot, **Xtrabot**, which offers an efficient solution to automate calls and service flows across various channels. With Xtrabot, you can optimize customer interactions using natural language processing and artificial intelligence tools. In addition, its **AI solutions** significantly reduce case resolution times by 50%, improving customer satisfaction by 12% and achieving a chat-bot resolution rate of 65%, realizing never-before-seen levels of customer satisfaction and operational efficiency.

Customer Experience Personalization

Tailoring services to customers' linguistic and cultural preferences to deliver a personalized and relevant experience. Atento transforms the customer journey, via its consultative approach designed to improve the Customer Experience. Through its **CX Consulting** methodology, Atento immerses itself in the brand, conducting an exhaustive market analysis, discovering its strengths and opportunities through extensive market research. The company examines every interaction between your business and your customers and identify critical areas for improvement. Atento has cross-functional teams to assess the entire CX ecosystem and create a customized, customer-centric transformation roadmap tailored to your business needs. All this, with a commitment to the search for efficiencies through sustainable strategies that guarantee profitability and growth.

Atento CX Consulting Expertise:

+ 370	30%	22%	20%
Projects Delivered	Increase in sales	Improvement in productivity	Reduction in operating costs

Last but not least, having alliances with leading partners in digital transformation, consulting and business reengineering services and solutions such as Tech Mahindra along with Atento's leadership in CX capabilities, provides a complete suite of business process outsourcing (BPO) solutions and services in more than 50 languages.

With diversity at its core, Atento is leading the next generation of customer experience services by combining the power of technology with the human touch.

The Last Word

Rising up to the customer expectations is a universal challenge across industries. In an era of rapid technological innovation, amidst the noise surrounding its impact on the CX landscape, it is crucial to remember the profound influence of customer emotions. How you make your customers feel can build customer loyalty, increase conversion rates, and decrease churn.

There is absolutely no better way to create a connection between your brand and your customer base than talking to them in the way they want to be approached. Speaking with them in their native language can lead to truly empathic conversations, in which the irreplicable human touch can take the CX to the next level.

However, organizations must address these challenges cost-effectively and should therefore harness the power of multilingual hubs. These drive higher customer satisfaction and loyalty, efficient and seamless CX, and a competitive edge for businesses. To thrive in a multicultural world, companies need to understand the importance of and deliver on a multilingual experience.

Endnotes

i   https://www.theguardian.com/commentisfree/2023/sep/20/europe-languages-english-democracy-guardian-digital-edition

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