

TELEPERFORMANCE RECEIVES THE 2023 COMPANY OF THE YEAR AWARD

*Commended for demonstrating excellence
in the Peruvian customer experience
outsourcing services industry*

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each Award category before determining the final Award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Teleperformance excels in many of the criteria in the customer experience outsourcing services space.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

Market Snapshot: Demand for Frictionless CX Shakes the Fragmented Market

Since 2020, enterprises and organizations have reprioritized customer service as mission critical, as the customer experience (CX) can make or break a business. The COVID-19 pandemic exacerbated the need for CX services when electronic commerce reached a record-breaking \$244.2 billion in 2020 alone. The pandemic highlighted new challenges for in-house contact center operations, including managing remote operations, arranging several technologies to facilitate the work-at-home agent (WAHA) model, and mobilizing the investments needed to provide high-quality CX. Therefore, many companies and brands started outsourcing their CX practices.

The Latin America and Caribbean (LAC) CX outsourcing services market experienced high single-digit growth in 2021 and is forecasted to achieve positive revenue growth rates in the forthcoming years, driven mainly by nearshore¹ and Latin America (LATAM) shore² activities. Specifically, Peru is expected to achieve \$681.1 million in annual revenues by 2028, growing at a 6% compound annual growth rate from 2021 to 2028.³ After a challenging 2020, when outsourcers struggled to achieve favorable growth rates, the Peruvian market significantly recovered in 2021, driven by increasing nearshore activities and a

¹ Nearshore revenue is generated by serving US consumers from delivery centers located in CALA.

² LATAM-Shore revenue is generated by serving LATAM consumers from delivery centers located in a different LATAM country, e.g., Provider "X" serving Argentinean consumers from its delivery site in Peru.

³ *Customer Experience Outsourcing Services Market in Latin America and the Caribbean, Forecast to 2028* (Frost & Sullivan October 2022)

prosperous LATAM-shore segment. Based on CX service provider (CXSP) insights and secondary research, Frost & Sullivan estimates that in 2021, about 60% to 65% of the overall CX agents in Peru were already outsourced, while the remaining were kept in-house.⁴

“The company pioneered the industry’s first multilingual hub that accommodates employees of various nationalities. Agents work from a single location while serving clients across various regions. This strategic approach to customer outreach enables the company to maintain intimate client relationships.”

**- Samantha Fisher,
Best Practices Research Analyst**

Regardless, the LAC market is experiencing significant challenges in the CX outsourcing services market. Innovative technologies (e.g., automation, artificial intelligence [AI]) and self-service tools are driving organizations to reduce volumes at contact centers. Some organizations still view customer service as a cost to the company and regard outsourcers as brokers of labor arbitrage-based solutions instead of viewing them as partners that can add substantial value and enhance CX outcomes. Finally, entry-level and low CX complexity services are subject to commoditization

and might intensify price-based competition. In the highly competitive and fragmented CX outsourcing services market, Frost & Sullivan research finds market vendors must offer a strong balance of automation, technology, and human empathy to find success in the market.

Excellence in Best Practices: Teleperformance Group

Founded in 1978 and headquartered in Paris, France, Teleperformance Group (TP) is a leading global provider of integrated business and CX outsourcing services. With an impressive geographic footprint, which includes over 170 markets in 91 countries, TP leads in omnichannel CX, offering a comprehensive digital business services portfolio that leverages the company’s patented technology and dynamic workforce to engage with clients. The company differentiates as the largest service providers in the LATAM CX outsourcing services market, in which it became the revenue leader in 2020. Additionally, the company holds the largest market share in the nearshore market and is the leader in Colombia and Mexico.

In 2021, Frost & Sullivan recognized TP for its best practices, proprietary solutions, and growth performance and remains impressed with the company’s continuing innovation and sustained leadership.

A Leader’s Path

Organizations and brands expect continuous process enhancement and constant innovation for their CXSPs. Frost & Sullivan finds the right mix of people, processes, and technology is paramount for success and will help providers bring reliable and agile transformation capabilities to their clients. Specifically, TP’s vision centers on enhancing the employee experience through technology and solutions with the stated purpose of “delivering an outstanding CX at every opportunity.” The company connects deep-seated domain and operational knowledge with advanced digital business services to deliver best-in-class CX outsourcing services.

⁴ Ibid

The company continues to demonstrate high growth and success in the Ibero-LATAM regions, representing the highest remote worker penetration with 80% of the employee bases. Leveraging a land-and-expand approach, TP capitalized on the Peruvian CX outsourcing market's nascence by establishing Teleperformance Peru (TP Peru) in 2017. While many companies have tried to develop the Peruvian nearshore market for years, only TP Peru has significantly succeeded, making it a pioneer in the space. TP Peru attributes much of its success to its locally developed team; the company exported talent from different regions (e.g., Mexico, Colombia, and Nicaragua) to help develop the Peru team faster. The company relies on its experience staff to train and develop young talent. As a result, TP Peru has promoted 85% of its employees.

On the technology front, TP differentiates through its Cloud Campus, a centralized platform that connects employees regardless of location, which aligns well with work-from-home (WFH) modalities. The solution includes innovative features that help agents achieve top performance and operational efficiency. TP designed the Cloud Campus to be an integrated management solution that optimizes engagement and performance, including tools such as TP Sentinel, TP Simulation, Agent Assist, Noise Cancellation, and Remote Quality Assurance.

- **TP Sentinel** identifies poor connectivity- or device-related performance issues, enabling a cost-effective and efficient bring-your-own-device architecture.
- **TP Simulation** provides training and gamification solutions for effective learning outcomes.
- **Agent Assist** enables reliable connectivity via digital floorwalkers (machine learning-driven digital assistance that answers questions), providing agents with reliable support when they require it.
- **Noise Cancellation** reduces background noise to increase call quality and CX.
- **Remote Quality Assurance** leverages remote listening to identify areas of improvement, ensuring agents maintain high standards and deliver rewarding customer interactions.

Additionally, TP's Cloud Campus differentiates from traditional WFH approaches, including expanded footprint and talent pool, high-performance virtual teams, engagement, and secure and proven technology.

Roadmap to Success: Customer-centric, Continuous, Proactive

With its customer-centric philosophy, TP operates on the central tenet that its success depends on customer satisfaction. This philosophy permeates the company's daily practices. TP's goal is to streamline relations between customers, brands, citizens, and government agencies, despite the increasing process complexity in the swiftly changing digitalized world. The heart of TP's business lies in quickly and accurately responding to customers and citizens needing information, contacts, or solutions to their day-to-day problems. TP makes data accessible and facilitates access to customer service in key sectors, such as retail and ecommerce, banks and financial services, healthcare, and gaming. To this end, the company offers robust platforms that enable clients to transform their CX approach. Key products include: TP Client (omnichannel and workforce management), TP Bot (conversational AI and automation), TP Protect (security solution in omnichannel CX), TP Prompto (sentiment analysis via machine learning and natural language process [NLP]), and TP Interaction (interaction analytics).

The company pioneered the industry's first multilingual hub that accommodates employees of various nationalities. Agents work from a single location while serving clients across various regions. This strategic approach to customer outreach enables the company to maintain intimate client relationships. TP meets with clients to assess their needs and develop tailored CX solutions with roadmaps for seamless execution. This foundational approach establishes ongoing trust with customers for long-lasting relationships extending throughout the service lifecycle.

A Purpose-filled Mission and Vision

TP's vision centers on building effective teams and enabling exceptional business results, with the stated purpose of delivering "an outstanding customer experience at every opportunity" through commitment, passion, and dedication to excellence.⁵ Since its founding, the company has shifted from a service provider to a specialized partner that offers consulting services and technology adoption support. Additionally, the company encourages and supports sustainability efforts, which includes collaborating with organizations to help them achieve their goals (e.g., circular economy, tree planting) and participating in events that promote climate change awareness (e.g., World Clean Up Day).

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***- Sebastian Menutti,
Industry Principal***

TP is leveraging its WAHA capabilities to expand its geographical labor pool. Pre-COVID-19, less than 1% of agents in LATAM worked remotely, limiting providers to hire local employees only. WAHA eliminates this boundary, allowing organizations to hire anyone, regardless of locale. TP utilizes its subject matter experts (solutions architects) to support the company by developing tailor-made solutions.

Finally, TP's founder, Daniel Julien, fosters a company culture based on five core values: integrity, respect, professionalism, innovation, and commitment. These company principles support the entire value chain, from the employee to the end user. TP's fundamental values create a company culture where employees feel that the company leaders care about their well-being and success, reflected in its 92% employee satisfaction rating.⁶

Frost & Sullivan finds TP's visionary approach and commitment to sustainable practices well-positions it as a leader in the market.

Teleperformance: On a Growth Trajectory

Since its inception, TP's sterling reputation and customer-centric framework have led to its coveted preferred partner status. TP is at the forefront of the fiercely competitive CX outsourcing market. With a deep-rooted history of purpose-fit innovation, the company shapes the industry's trends, impacting its role in the market. From 2019 to 2022, the company witnessed incredible growth in Peru, doubling revenue year-over-year. The organization continues to excel and maintain its reputation as a preferred

⁵ Teleperformance. "A Diverse and inclusive culture built on human values." Web page. Accessed 17 November 2022. <https://www.teleperformance.com/en-us/careers/our-values/>

⁶ Teleperformance. "Quarterly information at September 310, 2022." PowerPoint presentation. 3 November 2022. Accessed 17 November 2022.

partner through its approach, which delivers technology and human empathy through artificial intelligence, NLP, automation, voice assistants, chatbots and self-service. On a global level, TP has grown to more than 250,000 WAHAs that provide services in over 300 languages to 91 countries in over 170 markets. Additionally, the company has more than 100 proprietary CX solutions and more than 8,000 chatbots deployed, which is a significant increase and demonstration of TP's robust digital services.

With one of the most diversified footprints in the LATAM region, the company leverages its talent from Colombia, Mexico, and Nicaragua, to support its development in the Peruvian region. Frost & Sullivan finds that TP's portfolio, advanced technology, and comprehensive services position it well as the frontrunner in the CX outsourcing services market.

Conclusion

More organizations are prioritizing customer experience (CX) as electronic commerce continues to grow exponentially. However, traditional (phone) and new wave digital solutions (chatbots) fall short and increase client frustration and dissatisfaction. Additionally, since international callers continue to grow, providers must offer local languages to clients. Overall, Teleperformance Group (TP) addresses these unmet needs with a strong leadership focus that incorporates customer-centric strategies and exemplifies best practices implementation. The company's technology is a true game changer. TP combines its CX with digital services, including solutions, high-value-added business process management, and consulting services.

Many CX services companies have attempted to establish a strong foothold in the nearshore market out of Peru, but have yet to flourish. Frost & Sullivan recognizes TP as a pioneer in the highly competitive CX outsourcing services market through its consistent innovation, revolutionary strategies, and market impact. Moreover, TP leveraged its talented experts and diverse footprint to expand in Peru, enabling it to double its revenue in the country year-over-year from 2019 to 2022. Finally, TP stands apart as a strong leader and best-in-class employer that prioritizes employee well-being across the entire organization, further positioning it as a leader in the CX outsourcing services space.

With its strong overall performance, Teleperformance earns the 2023 Frost & Sullivan Peruvian Company of the Year Award in the customer experience outsourcing services industry.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends:

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

