

A silhouette of a person standing on a stand-up paddleboard (SUP) on the water. The person is holding a paddle. The background is a sunset or sunrise over the ocean, with a warm orange and yellow glow. The sky is filled with soft, wispy clouds. The overall mood is serene and active.

**itel**

# 2022 and the Great Shift to **Nearshore Solutions** and “Smartshoring”

# Will this be the year of CX Delivery closer to home?

Customer experience (CX) has been identified as one of the main reasons people stay with a brand. In fact, 89% of companies say they no longer focus on pricing, but compete largely on CX<sup>1</sup>.

Companies that focus on CX report a whopping 80% increase in revenue<sup>2</sup>. Yet, the pandemic years have proven quite a trial for brands who want to deliver a seamless customer journey despite product shortages, delivery issues, closures and more.

Keeping customers happy and loyal has never been more challenging. That's why, in 2022, the focus will definitely be on customer experience delivery.

The global pandemic has prompted organizations to reevaluate their risk exposures and encouraged a more open mindset in terms of how best to mitigate those risks. This includes active reviews of service delivery models and shoring mix. In the contact center space, one-third of organizations in our recent survey indicated plans to increase nearshoring through 2022, which is leading service providers to make significant investments to grow delivery capability to cater to this demand."

*– Shirley Hung,  
Partner, Everest Group*



With 70% of companies looking to outsourcing to reduce costs and recoup lost revenue from the COVID years<sup>3</sup>, there will also be an intense need to find the right CX partners.

In the race to win customers, the right team members will matter.

So, what will be the main challenges of 2022 from an outsourcing client perspective? And how can brands navigate them with some peace of mind?

Here are our 2022 predictions and why Nearshore will become the new destination for “Smartshoring”. Outsourcing is no longer a one-size-fits-all solution with a far-shore destination. It can be closer to home. It can be geo diverse. It can be customized to fit your needs. That’s “Smartshoring”. Where outsourcers work closely with you to become true extensions of your company and brand.

# Our Prediction: Rising Competition for Top Talent

As companies focus more on a customer's lifetime value, it will be important to build consumer loyalty and trust. Customers have also come to expect seamless, 24/7 customer service, and companies will need to ramp up their operations to meet this increased demand, causing a worldwide shortage of talented, multilingual CX agents.

## Smartshore Solution:

We predict that strategic nearshore locations, such as the Caribbean and Latin America, with closer proximity to U.S. markets, will become the CX delivery destinations of choice.

"With their rich legacy in the hospitality and customer service sector, highly educated and talented labor pools, cultural affinity to U.S. customers, and strong English and Spanish bilingual capabilities, nearshore locations will offer North American brands the kind of meaningful customer engagement that builds lasting customer relationships."

– Shurland Buchanan,  
itel's Chief Learning Officer





## Our Prediction: Geographic Diversity Will Become a Main Risk-Mitigating Strategy

Uncertainty will be the main cause of “business paralysis” and a main challenge for operations teams to overcome as unpredictable markets, climate crises, political unrest, and lingering pandemic issues continue to make business forecasting and planning difficult in 2022.

Companies will be looking for a better way to build business resilience into their operations, in order to weather unpredictable economies and changing consumer needs.

“There will always be a place for traditional outsourcing destinations, like the Philippines or India. But they did not show themselves to be as resilient as newer up-and-coming destinations during the global pandemic, and that’s why companies are now looking to the nearshore to safeguard and diversify their CX operations. In some cases, they are even moving their entire outsourcing portfolio to nearshore destinations where they can rely on an outsourcing partner who has built strong relationships with local leaders and governments, and can act quickly to pivot in the direction companies need to go.”

– Yoni Epstein, itel’s founding Chairman & CEO

### Smartshore Solution:

Flexible and adaptable CX operations will be the best way to mitigate risk in 2022. This means companies will continue to diversify their CX delivery locations and will be looking to closer shores to avoid putting all their “eggs in one basket”.



# Our Prediction: Latin America Becomes the New Hub of CX Innovation

Companies will continue to step up their digital transformation as preferences for digital touchpoints, self-serve options, and seamless omnichannel experiences continue to dominate the consumer landscape.

Brands will be looking for tech-minded partners who can work closely with them on new solutions and innovations. They will gravitate towards vendors who understand how to leverage cutting-edge technologies, such as AI and automation, to better serve the customer journey.

## Smartshore Solution:

Rising technology hubs in nearshore Central American markets, like Colombia and Honduras, will offer convenient, cost-effective, and easy access to world-class programming talent.

"The beauty of these tech hubs in the nearshore (LaCa) region is that they allow you to work closely with your innovation and CX Transformation partners. Their proximity to North America makes close collaboration easy and enriching. Execution teams are in the same time zones and can work together in real-time or even face to face. It allows companies to digitize faster and with more control."

– Boris Espinel,  
itel's Executive VP of Operations



*"Operating in nearshore environments has opened the doors for higher value and more inclusive partnerships. Little things that make communication and calibration across teams more efficient, such as similar time zones and shorter travel times, make a difference if teams need to collaborate in person."*

*– Bobby Brown,  
itel's Chief Revenue Officer*

## Our Prediction: Companies Will Seek More Dynamic Vendor Partnerships

B2B relationships will continue to evolve as companies seek partners and CX vendors who are more available, communicative, and responsive to their needs.

The ability to quickly pivot operations will become a main way for companies to "crisis-proof" their CX delivery. They will be looking for partnerships that allow them to make tactical adjustments at a moment's notice, without going through layers of management and onerous corporate formalities.

### Smartshore Solution:

With less travel time and lower travel costs, nearshore locations will offer companies the ability to be more hands-on when it comes to their outsourced CX delivery. They can make more visits and send more members of the implementation team, which, in this time of rapid transformation, makes business ramps and pivots more seamless. Nearshore CX providers, like itel, with approachable flat management styles, will become the preference.

# Our Prediction: Brand Love Means More Brand Engagement

Studies show that 73% of consumers love a brand because of helpful customer service<sup>4</sup>. But, according to Harvard Business Review, the best way to encourage exceptional levels of customer service is for employees to understand and love the brand they're representing<sup>5</sup>.

For that emotional connection to develop, employees need direction from the brand itself, which means companies that outsource their CX will fare better if they have a deeper engagement with their outsourced teams.

## Smartshore Solution:

Because of the reduced language barriers, similar time zones, and reduced travel times to reach nearshore locations, internal brand teams can liaise better with outsourced operations to develop a customized employee training and engagement program that teaches agents to be true ambassadors of the brand.



"More brand love on the part of the employee means more brand love for the customer. Since nearshore agents are already very familiar with North American culture and North American brands, you're already one step ahead. With team engagement activities and trainings, and regular site visits from the brand's corporate representatives, you can easily convert that brand awareness into brand love, so agents essentially become "customers" serving customers. By "living the brand" in a deeper and more meaningful way, they can boost sales and customer satisfaction levels."

– Melissa Von Frankenberg,  
itel's Chief Marketing Officer

# Conclusion

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## The main theme of 2022 will be uncertainty.

The unpredictable nature of today's world makes future forecasting less than clear. However, there's no doubt that 2022's focus will be on CX.

It will also be the year of strategic partnerships. Your chosen outsourcer, and outsource location, will play a more crucial role than ever before, with companies racing to the Nearshore in a bid to "outsmart" their competitors within regions that offer the talent, capabilities, technical infrastructure, innovation, and flexibility needed to drive growth.





itel is the nearshore region's largest homegrown CX provider. It's our backyard and we know it well. We can leverage the benefits of nearshore to make your outsourcing delivery effortless.

If you would like to know more about itel, an award-winning, international CX provider grown out of the Nearshore region, reach out to us at

[www.itelinternational.com](http://www.itelinternational.com)

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