



CBI Product Factsheet: Contact centre services in Spain

'Practical market insights into your product'

Spain has the eighth largest contact centre market in Europe. With 1,375 contact centres, it represents 4.2% of the European contact centre market. The Spanish contact centre industry is very familiar with outsourcing, far more than the European average. Service providers that can offer a good service level, use the newest technology, offer competitive pricing, and possess Spanish language skills have the best chances to succeed.

Product Definition

A contact centre is a facility from which all customer contact is managed. Contact centre services consist of a range of activities and channels. The majority of these services concern managing large volumes of incoming contact (referred to as inbound activities), but can also include outgoing contact for purposes such as telemarketing, product services, and debt collection (referred to as outbound activities). Besides telephone, contact centres increasingly manage and make use of other communication channels as well, such as e-mail, website inquiries, chat, and social media (Table 1).

Table 1: Overview of activities and channels within the contact centre services market

Contact centre activities	Contact centre channels
Customer service & complaint handling (non-technical)	Telephone
Technical support	E-mail
Dispatching & event registration	Voice Portal Services (IVR Self Service)
Pre-sales activities (lead generation, appointments)	Internet (including chat & co-browsing)
Surveys (satisfaction, qualification, market research)	SMS
Loyalty & retention	Traditional mail
Sales	Fax
Credit collection	Other

Source: European Contact Center Benchmark 2012



Contact centre services outsourcing

A contact centre can be within a company (in-house) or outsourced, which means that contact centre services are delegated to external service providers. Outsourcing can take place:

- Onshore: to providers within the same country (onshoring).
- Nearshore: to foreign providers within the region (nearshoring). For example: Central and Eastern European countries and North African countries for Western Europe, and Canada and Mexico for the United States.

- Offshore: to foreign providers outside the region, typically overseas (offshoring). For example: Asian and Latin American countries for Western Europe, and Africa and Asia for the United States.

Product Specifications

Spanish contact centre product specifications are based on four principles: service, technology, price, and language. They are described below.

- **Service.** Long-term customer relationship is very important in Spain. Spanish contact centre service levels are mainly measured by abandonment rates, average speed to answer, and customer satisfaction survey results. Spanish companies find friendliness and an educated, service-oriented workforce very important. Also, 24-hour openings are very common, 80% of Spanish contact centres (in-house and outsourced) offer this service.
- **Technology.** Making use of the newest technology is important in the Spanish contact centre market. It shows that you are on top of the market and keep up with the latest available ways of customer contact.
- **Price.** For Spanish companies, cost savings is the main reason for outsourcing contact centre services. Due to continuing economic uncertainty, companies are searching for ways to reduce costs.
- **Language.** The availability of Spanish-speaking agents and the level of Spanish they speak (neutral, idiom-free) are very important for Spanish companies.

Legal requirements

- **Personal data protection in electronic communications.** Providers of technical services regarding electronic communications to EU companies have to take into account the EU legislation on personal data protection (Directive 2002/58/EC and Directive 95/46/EC). The requirements relate to the protection of the privacy of EU users of technical services and also include requirements on 'cold calling' (approaching prospective customers who were not expecting such an interaction).

Considerations for action

- Study websites of Spanish contact centre service providers to gain insights into buyer requirements. Look e.g. which types of contact centre services they offer, which channels they use, which value added services they offer, and which certifications they have. This can help you better adjust your service offering to the Spanish market.
- Provide potential customers with information about key performance metrics of your company in order to show them your service quality and capabilities. Also use this information in your promotional activities.
- Offer 24-hour services.
- Invest in good-quality equipment in order to enhance the quality of your service.
- Offer services with the newest technology. 2013's Spanish contact centre award winner Linea Madrid offers IVR, E-mail and Chat services, as well as integrated solutions to serve citizens with hearing or speech disabilities, for instance.
- Emphasise the cost savings a Spanish company can obtain when they outsource their contact centre services to your company together with proof of your professional level.
- Make sure you have access to Spanish-speaking agents.
- Provide your agents with Spanish-speaking pronunciation classes to reduce possible accents.

Considerations for action

- Providers outside the EU can be held responsible for violations of EU data protection requirements. It is therefore important that you comply with the EU legislation on personal data protection. Refer to [EU legislation: Personal data protection in electronic communications](#) for more information.

- **TUPE.** European 'Transfer of Undertakings for the Protection of Employees' regulation protects employees' terms and conditions when (part of) a company is transferred to a new employer. Companies that nearshore/offshore contact centre services must negotiate with the affected agents to transfer their individual work contracts.

- Study the TUPE regulation. For more information, go to <https://www.gov.uk/business-transfers-and-takeovers-tupe>.

Non-legal requirements

Of all members of the Spanish Call Centre Association (ACE), more than 77% have at least one certification. This means that additional standards/certifications are important on the Spanish contact centre market. Note that the standards/certifications mentioned are in general of less importance for smaller companies.

Quality requirements

- **ISO 9001.** The ISO 9001 standard represents requirements for the development and implementation of a quality management system in an organisation.
- **COPC.** The COPC® Family of Standards is the most prestigious performance management system in the customer contact industry. However, costs of the COPC processes are relatively high (15% of certified ACE members have this certification).
- **eSourcing Capability Model for Service Providers.** This model helps sourcing organisations manage and reduce their risks while improving their capabilities across the entire sourcing life cycle. The Model's Practices can be considered to be the best practices associated with successful sourcing relationships.

Security requirements

- **PCI Data Security Standard (PDI DSS).** The PCI DSS was developed through the combined efforts of five of the largest payment card brands: American Express, Visa, MasterCard, Discover, and JCB Global. It was established to provide guidance to merchants and payment card processors about securing personal customer data.
- **ISO 27002.** ISO 27002 is the standard governing information security and management. It provides the industry approved model for an Information Security Management System (ISMS) and addresses the confidentiality, integrity and availability of information within an organisation. ISO 27002 (and

Considerations for action

- Consider applying for relevant standards/certifications as they can be a way of gaining trust and proving your capabilities. However, they are not a legal requirement.

- ISO 9001 is the most known quality standard among Spanish companies (95% of ACE members have it). Applying for ISO 9001 is therefore recommended. Refer to the website of [ISO](#) for more information.

- Refer to the website of [COPC](#) for more information.

- eSCMSP is less known than ISO9001. However, it might help in gaining trust and proving your capabilities. Refer to the website of [ITSQC](#) for more information about the model and its certification process.

- All businesses that accept or process payment cards issued through these brands have to be PCI compliant, which also includes contact centres (15% of ACE members have this certification). Refer to the website of [PCI Security Standards Council](#) for more information.

- Adopting the ISO 27002 standard is a must for service providers that deal with sensitive information of their customers. For more information on ISO 27001 and ISO 27002 standards, go to <http://www.27000.org>.

its ISO 27001 counterpart) has rapidly become the worldwide standard for information security, helping organisations achieve compliance with the Data Protection Act and Computer Misuse Act (10% of certified ACE members have this certification).

Trade and Macro-Economic Statistics

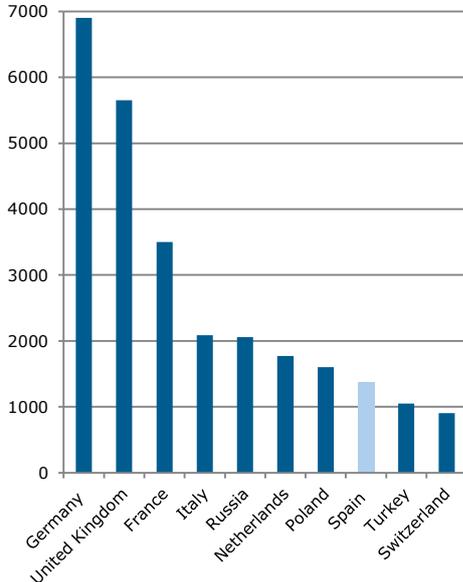
Market size

- **Eighth largest contact centre market in Europe.** Spain has a mature contact centre market. Spanish call centres are relatively small. With almost 1,400 contact centres in 2012, Spain represents 4.2% of the European contact centre market, which makes it the eighth largest market in Europe (Figure 1). In terms of employees, Spain ranks sixth, with more than 170,000 FTEs (Figure 2).

Considerations for action

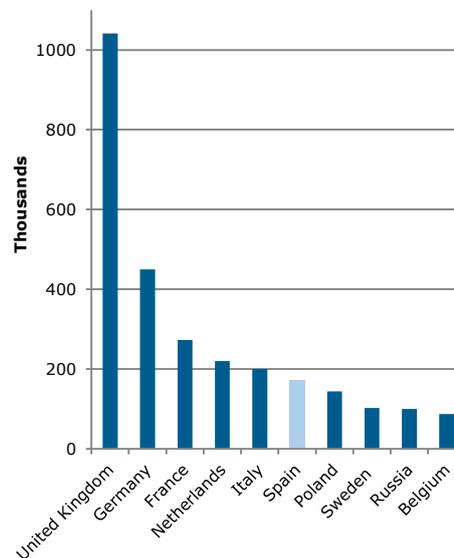
- Make sure you understand the Spanish contact centre market before approaching potential customers in order to optimise your product, price, promotion, and distribution strategy for the Spanish market. Study e.g. product requirements for contact centre services and the Spanish business culture. Also look at competitors that are active on the Spanish market as their service designs, pricing, choice of trade channels, and promotion strategies are based on market research done prior to yours.

Figure 1: Contact centre market size in number of contact centres, European countries, 2012



Source: European Contact Center Benchmark 2012

Figure 2: Contact centre market size in number of total employees, European countries, 2012, in thousands



Source: European Contact Center Benchmark 2012

- **Positive growth in outsourcing of contact centre services.** The Spanish outsourced contact centre market had a value of more than €2 billion in 2012. Between 2011 and 2012, the market grew by 2.5%. Considering the weak economic situation in Spain, this is a relatively large growth and is mainly caused by two trends: the increasingly recognised importance of high-quality customer contact and the increase of

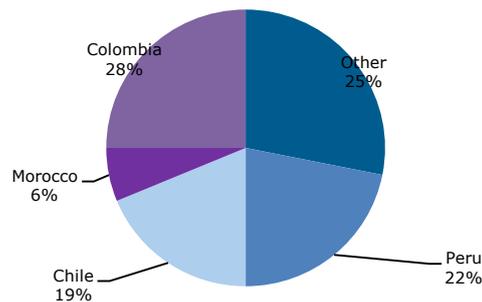
- Offer high-quality services and/or a lower price level than in Spain, as these are two important drivers for contact centre services outsourcing in Spain.

outsourcing contact centre activities as a way to save costs.

- **Outsourced contact centres dominate.** 64% of Spanish contact centres were outsourced in 2012, which is well above the European average of 20%. Language skills are a very important requirement in contact centre outsourcing and the Spanish language is spoken in many countries around the world, especially countries with lower wages than in Spain. The wide availability of Spanish language skills at a lower cost therefore makes contact centre outsourcing easier and more attractive for Spanish companies than for companies in many other EU countries. In 2012, Colombia was the most important contact centre offshoring destination for Spain. Other Spanish-speaking countries in South America were also popular (Figure 3).

- If you have access to Spanish language skills, consider focussing on the Spanish contact centre market as it is a growing market where outsourcing is taking place at a relatively large scale.

Figure 3: Distribution of Spanish outsourcing destinations for contact centre activities, in %, in 2012



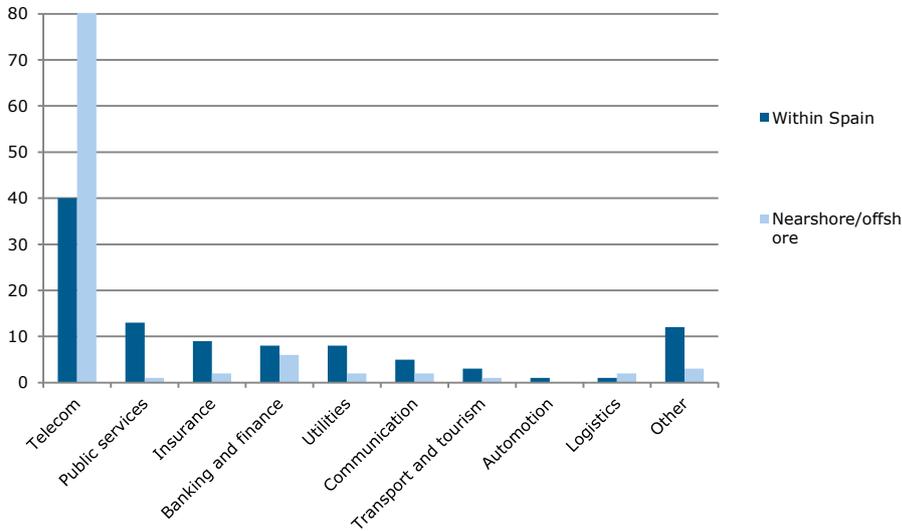
Source: ACE: El Sector del Contact Center

- **Nearshoring and offshoring contact centre activities are mostly practised in the telecom industry.** The telecom industry is the industry that uses contact centre activities the most, especially when it comes to nearshored/offshored contact centre activities. More than 80% of all Spanish nearshored/offshored contact centre activities comes from the telecom industry (Figure 4).
- **The logistic sector currently has the highest increase in demand for nearshoring/offshoring contact centre activities.** The biggest increase in demand for nearshoring/offshoring contact centre activities is seen in the logistic sector (0.1% in 2011 vs. 1.8% in 2012). The communication and public services sectors have also experienced significant growth in nearshore/offshore demand between 2011 and 2012.

- Consider focussing on contact centre services for the Spanish telecom sector as this sector is most open towards contact centre services nearshoring and offshoring.

- Target companies in sectors you already have experience in. Obtain references from current customers to prove your service expertise in that sector.

Figure 4: Distribution of industries in the Spanish contact centre market, within Spain vs. nearshore/offshore, in %, in 2012

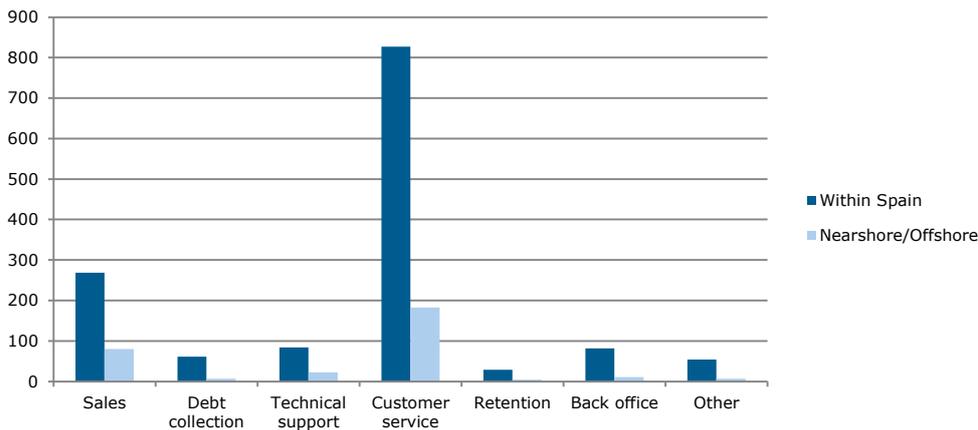


Source: ACE: El Sector del Contact Center

- Customer service most nearshored/offshored contact centre process.** Almost 44% of the revenues of contact centre services that take place outside of Spain are revenues from customer service activities. Sales activities are another popular nearshoring/offshoring activity, which combined account for almost 33% of the revenue (Figure 5).

- Consider focussing on customer service or sales as these processes are nearshored/offshored most often.

Figure 5: Revenue of Spanish contact centre processes, within Spain versus nearshore/offshore, in €million, in 2012



Source: El Sector del Contact Center, ACE 2012

Salaries

- Salary levels lower in developing countries (DCs).** Salaries form a large share of the costs of a contact centre. Salary levels of agents in DCs are usually significantly lower, but the salary level in Spain has been dropping as a result of the economic crisis, which has

Considerations for action

- Calculate the cost savings a Spanish company can achieve when they outsource their contact centre services to you. Include overhead cost and differences in efficiency (number of calls resolved per hour worked).

hit Spain particularly hard. Still, one hour in Spain costs between €15 and €19, whereas in Latin America it lies between €4.5 and €7.5. Outsourcing contact centre services to DCs can therefore still accomplish substantial cost savings for Spanish companies, although some companies are moving their contact centres back to Spain because of the dropping salaries in that country. Keeping contact centre services onshore is perceived as easier and as less risky than offshoring or nearshoring. When the salary differences are not substantial anymore, some companies decide to move their contact centre activities back to Spain. Some companies also want to provide jobs to Spanish people in an effort to make a contribution to the Spanish economy, as the unemployment rate in Spain is high.

For more information on statistics and macro-economic indicators in the EU+ EFTA BPO market in general, refer to CBI Trade watch for BPO.

Market Trends

Social market drivers

- **Sufficient availability of motivated employees.** Spain is currently dealing with extremely high unemployment rates. The International Monetary Fund (IMF) expects the current unemployment rate of more than 25% to continue rising for at least the next five years. Among the Spanish youth, unemployment is extremely high (more than 56% in August 2013). Experts talk about a 'lost generation' that is increasingly looking for work abroad. In 2012, 68% of the Spanish youth said they were willing to emigrate for work. A large number of them are likely not to return to Spain in the future. This so-called 'brain drain' is expected to result in a shortage of skilled employees in the future (between 5 and 10 years from now).

Considerations for action

- Emphasise the availability of qualified contact centre agents and ensure a high service level by developing an internal training and motivation policy to keep your agents motivated and their skills up-to-date. Such measures demonstrate that you find training and staff motivation important.

Technology market drivers

- **Traditional calls diminishing, but total number of customer contacts rising.** The availability of new technology makes it easier for customers to be in contact with companies as it lowers the contact barrier. This results in diminishing numbers of traditional calls, but an increasing number of other types of customer contact. Governmental organisations in Spain report dramatic increases in the use of new media channels, for example an increase of 43% in e-mail contacts and 276% increase of contact by live chat (from

Considerations for action

- Offering a service package that includes a wide range of communication channels including telephone, e-mail, live chat, and social networks). Some companies might only use one or two, but are considering implementing other channels in the future. Encourage them to use more and different communication channels.
- Invest in written Spanish skills training courses for your employees as written communication is becoming increasingly important in the Spanish contact centre industry, due to the increased usage of innovative communication channels.

2012 to 2013). Currently, the evolution of social networks is seen as the driving force for the contact centre industry in Spain. This provides opportunities for contact centre service providers who are able to offer customer service through multiple channels.

Economic market drivers

- **Budgets are under pressure due to the recession.** Spanish companies are under pressure to save costs due to the unfavourable economic conditions. The budget for contact centre services is declining, but the demand for them is not.
- **Economic uncertainty increases demand for flexibility.** In Spain, around 80% of all new employees have a temporary labour contract. Flexible contracts provide Spanish companies with a flexible labour pool, which helps them to save on labour costs when they do not need the capacity.

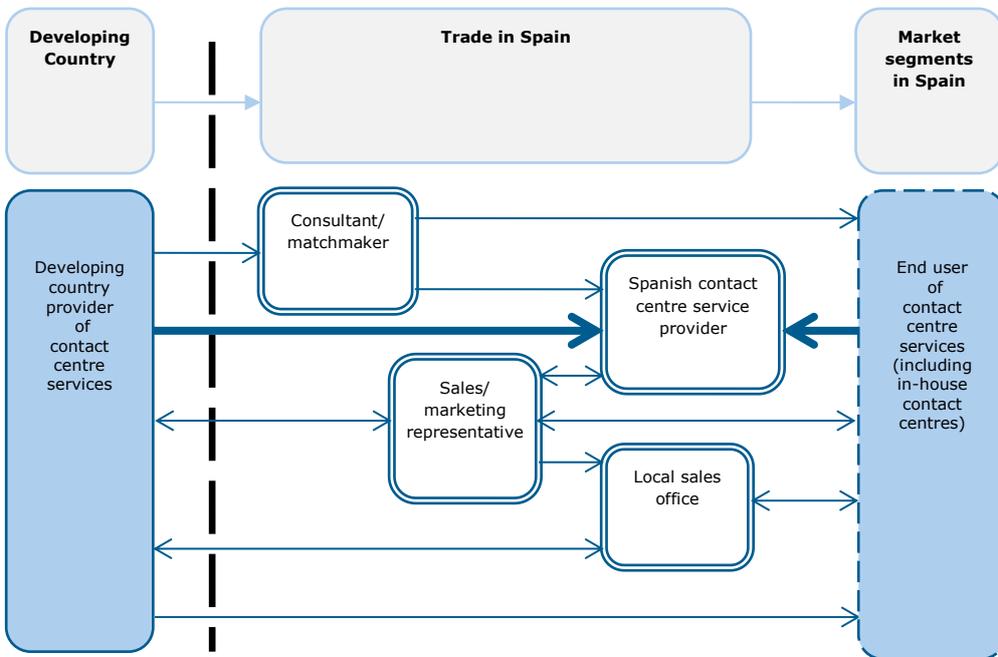
Considerations for action

- Emphasise cost savings a Spanish company can achieve when they outsource their contact centre services to you.
- Show potential customers how you can offer them flexibility, such as access to a flexible labour pool.

For more information on market trends on the EU+EFTA BPO market in general, refer to CBI Trendmapping for BPO.

Market Channels and Segments

Figure 6: Trade structure for contact centre services outsourcing in the Spanish market



Source: Peer group BPO and interviews with industry experts

The most relevant channels for entering the Spanish contact centre services market are displayed in Figure 6 and described below.

Considerations for action

- Make an analysis of your company and target market in order to choose the most suitable entry channel.

- **Subcontracting by Spanish contact centre service providers.** Industry experts identify subcontracting by Spanish contact centre service providers as one of the most realistic market entry channels for DC contact centre service providers (Figure 6). The advantage of working with Spanish contact centre service providers lies within their knowledge of the market and their experience in approaching potential customers. Furthermore, up-front capital investments in case of subcontracting are low.
 - **Direct partnership with in-house contact centres.** A direct partnership with an in-house contact centre can prove to be successful, but is generally more complex. In-house employees are on payroll and often have a permanent contract, which means you have to take over employees since they cannot be easily laid off. It is most likely to be successful among larger end users. Furthermore, many Spanish companies prefer to keep a part of their contact centre activities in-house, in order to keep an overview and first-hand understanding of the process.
 - **Local intermediaries.** Finding a suitable partner, either a Spanish contact centre service provider or an end user of contact centre services, takes time. Entering the Spanish market via a local intermediary such as a consultant/matchmaker or sales/marketing representative can also be an interesting option. Local intermediaries know the market, know how to approach interesting companies, and already have a network.
- Target companies of which the size corresponds to your own capacity.
 - Attend trade or industry events to meet potential customers or partners in person. It will probably not directly generate business, but it is likely to generate new contacts and maybe even business leads. Furthermore, it will give you the opportunity to learn more about the Spanish business culture.
 - Consider approaching in-house contact centres directly, especially when you can offer added value in terms of expertise when your company operates in the same vertical market.
 - If you choose to work with an intermediary, look at:
 - The expertise of the intermediary. It should be in line with your services.
 - The size and value of the intermediary's network.

Trade associations, trade events, and databases can be good sources to help you find potential customers in Spain. Examples of such sources are:

- ContactCenter - <http://www.contactcenter.es> - Bimonthly magazine for the call centre industry. Go to 'Revista' and select 'Directorio' for the member directory.
- Expo Relacion Cliente + Call Center - <http://www.exporc.ifaes.com> - Trade event for customer relationship and contact centres, held annually, in October, in Madrid. Go to 'Expositores y Patrocinadores' for a list of participants.
- Spanish Association of Contact Centres - <http://www.ace.adigital.org> - Go to 'Empresas asociadas' and 'Listado asociados' for a list of Spanish contact centres.
- Spanish Association of Customer Relationship Experts (AEERC) - <http://www.aeerc.com> - Contact them for a list of members.
- Spanish Export Institute - <http://www.icex.es> - Go to 'Sectoros', click on 'Servicios', 'Servicios a empresas', 'Directorios de exportadores', and enter 'Servicios de Consultoría'. Under the second link (BPO), you can find an extensive list of Spanish BPO consultancy companies.

Market Competitiveness

Refer to CBI Market Competitiveness for BPO as competitiveness in the Spanish contact centre industry does not differ significantly from the BPO market in general.

Useful Sources

Besides the sources mentioned in the section 'Market Channels and Segments', other sources that can provide interesting insights into the Spanish contact centre services market are:

- Callcenter Noticias - <http://www.callcenternoticias.com> - Online contact centre magazine. Provides news, blogs, and opinion articles on the Spanish-speaking contact centre industry
- Tribuna Contact Center - <http://www.tribunacontactcenter.com> - Online contact centre magazine.
- Spanish Association of Customer Contact Experts - <http://www.aeecrc.com> - They provide news and studies about the Spanish customer contact market, including contact centres. Go to 'Estudios' to find an overview of market studies.

This survey was compiled for CBI by Facts Figures Future
in collaboration with CBI sector expert Harry van Geijn.

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