

# Onshore, Nearshore, Offshore Contact Centers:

Selecting the Right Fit for  
Your Customer Service Strategy

The logo features the text "live ops" in a bold, lowercase, sans-serif font. The word "live" is positioned above "ops". The text is centered within a white circle that has a thick blue border. This circle is partially enclosed by three concentric, semi-circular arcs in shades of blue and grey, which are positioned above and to the left of the circle.

live  
ops

**In today's competitive business landscape, delivering exceptional customer service is more important than ever. One of the critical decisions companies face is choosing the right contact center model to support their unique needs.**

Whether onshore, nearshore, or offshore, each option offers distinct advantages and challenges that can significantly impact cost, efficiency, and customer satisfaction.

This whitepaper is designed to guide organizations through these choices, providing a comprehensive look at the strategic benefits of each model and offering insights to help identify the best fit for your customer service strategy.



# Understanding Onshore, Nearshore, and Offshore Models

## Onshore Contact Centers

Onshore contact centers are located within the same country as the business. They offer the advantage of complete cultural and linguistic alignment and are often preferred for industries requiring stringent compliance, highly empathetic service, and brand affinity.

**According to the U.S. Bureau of Labor Statistics, the U.S. contact center industry employs approximately 2.7 million people, contributing over \$30 billion annually to the economy.**

Onshore contact centers are often utilized by industries with sensitive data, such as healthcare and finance, due to strict data privacy and labor laws.



## Nearshore Contact Centers

Nearshore contact centers are located in neighboring or nearby countries, typically within 1–3 time zones of the business’s operations. This model offers cost savings and bilingual talent, particularly in regions like Latin America for North American businesses.



**30% to  
50%**

**cost savings compared to onshore alternatives**

The Latin American contact center market continues to thrive, offering both cost savings and bilingual talent that cater to the needs of U.S.–based businesses. Countries like Mexico and Colombia have become key destinations for nearshore outsourcing due to their affordability and cultural alignment. **Outsourcing to Mexico typically results in 30-50% cost savings** compared to onshore alternatives, depending on the complexity of services required.

**8.5%**

**annual growth rate in the Latin American  
contact center market**

These cost efficiencies align with the region’s overall growth, as highlighted by Frost & Sullivan, which reports an **8.5% annual growth rate in the Latin American contact center market**, largely driven by U.S. demand for Spanish–English bilingual agents. With its close proximity, skilled workforce, and economic advantages, Latin America offers a compelling option for companies seeking a balance between quality customer service and reduced costs.

## Offshore Contact Centers

Offshore contact centers, located in countries far from a company's headquarters, such as the Philippines, and India are chosen for their cost-effectiveness, scalability, and ability to manage high call volumes. These centers are particularly appealing for businesses looking to optimize operational costs while maintaining service quality across diverse industries.



According to a Purdue Study, offshore contact centers manage

# 65%

of global transactional customer interactions excelling in high-volume tasks like order processing and FAQs due to their cost efficiency and scalability. Offshore centers are particularly valued for industries that prioritize affordability and operational efficiency, such as e-commerce and IT.

While some customers express preferences for localized support, businesses are increasingly addressing these concerns by adopting hybrid approaches—combining offshore centers for transactional tasks with onshore or nearshore teams for more complex, high-empathy interactions—ensuring a balanced and customer-centric strategy.

This hybrid approach ensures companies meet diverse customer needs while leveraging the strengths of each model to deliver exceptional service.

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## The Philippines: A Leader in the Global BPO Industry

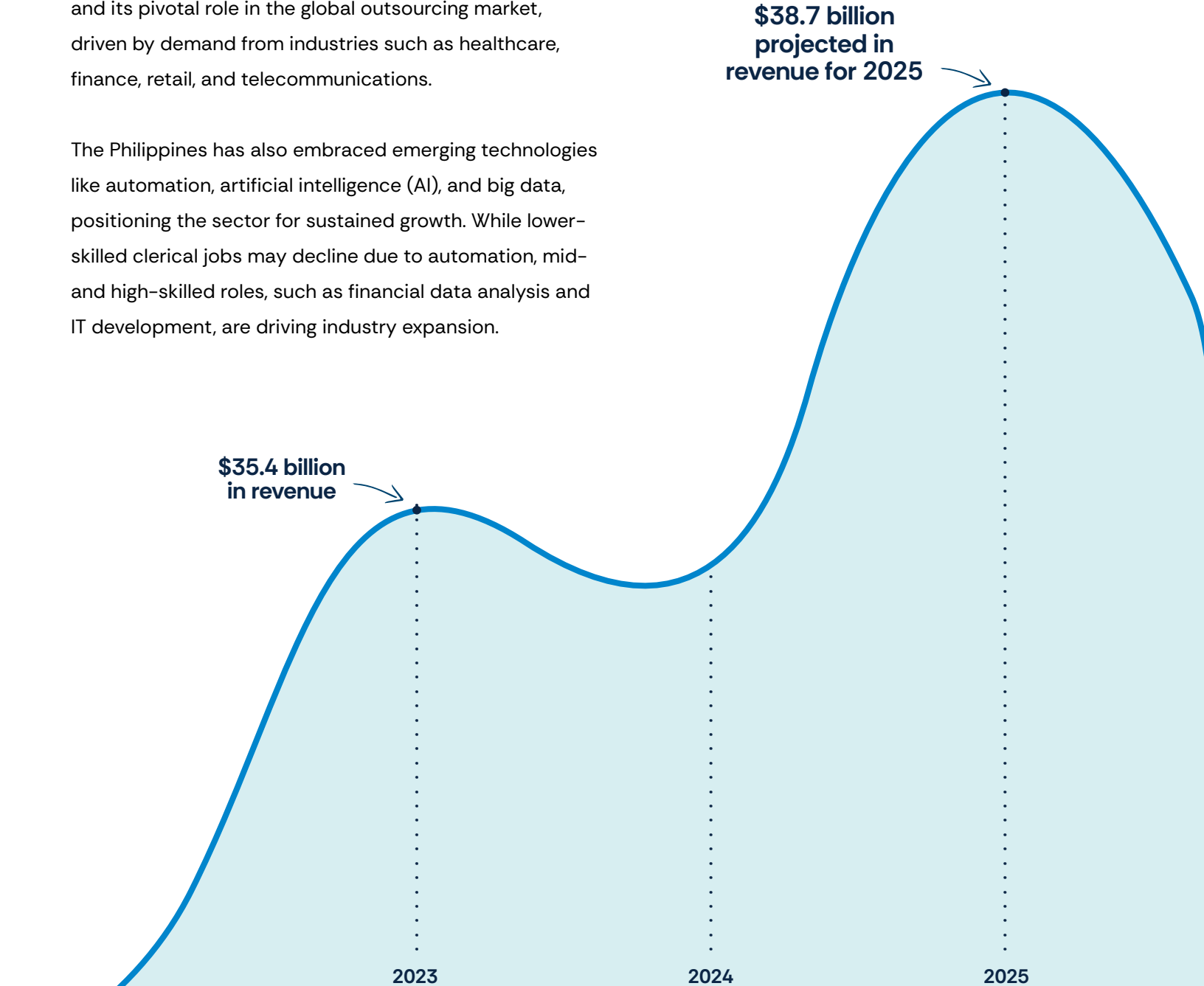
The Philippines has established itself as a global leader in Business Process Outsourcing (BPO), accounting for over **13% of global BPO revenue and employing 1.4 million people.** Recognized as the top destination for voice-related BPO services, the Philippines continues to diversify into non-voice and IT service capabilities.

According to the **Information Technology-Business Process Management Association of the Philippines (IBPAP)**, the Philippine BPO industry generated \$35.4 billion in revenue in 2023, representing an 8.8% annual growth rate. Projections for 2025 indicate further expansion, with revenues expected to reach \$37.87 billion.

This sustained growth underscores the sector’s resilience and its pivotal role in the global outsourcing market, driven by demand from industries such as healthcare, finance, retail, and telecommunications.

The Philippines has also embraced emerging technologies like automation, artificial intelligence (AI), and big data, positioning the sector for sustained growth. While lower-skilled clerical jobs may decline due to automation, mid- and high-skilled roles, such as financial data analysis and IT development, are driving industry expansion.

**8.8%**  
annual growth rate in 2023



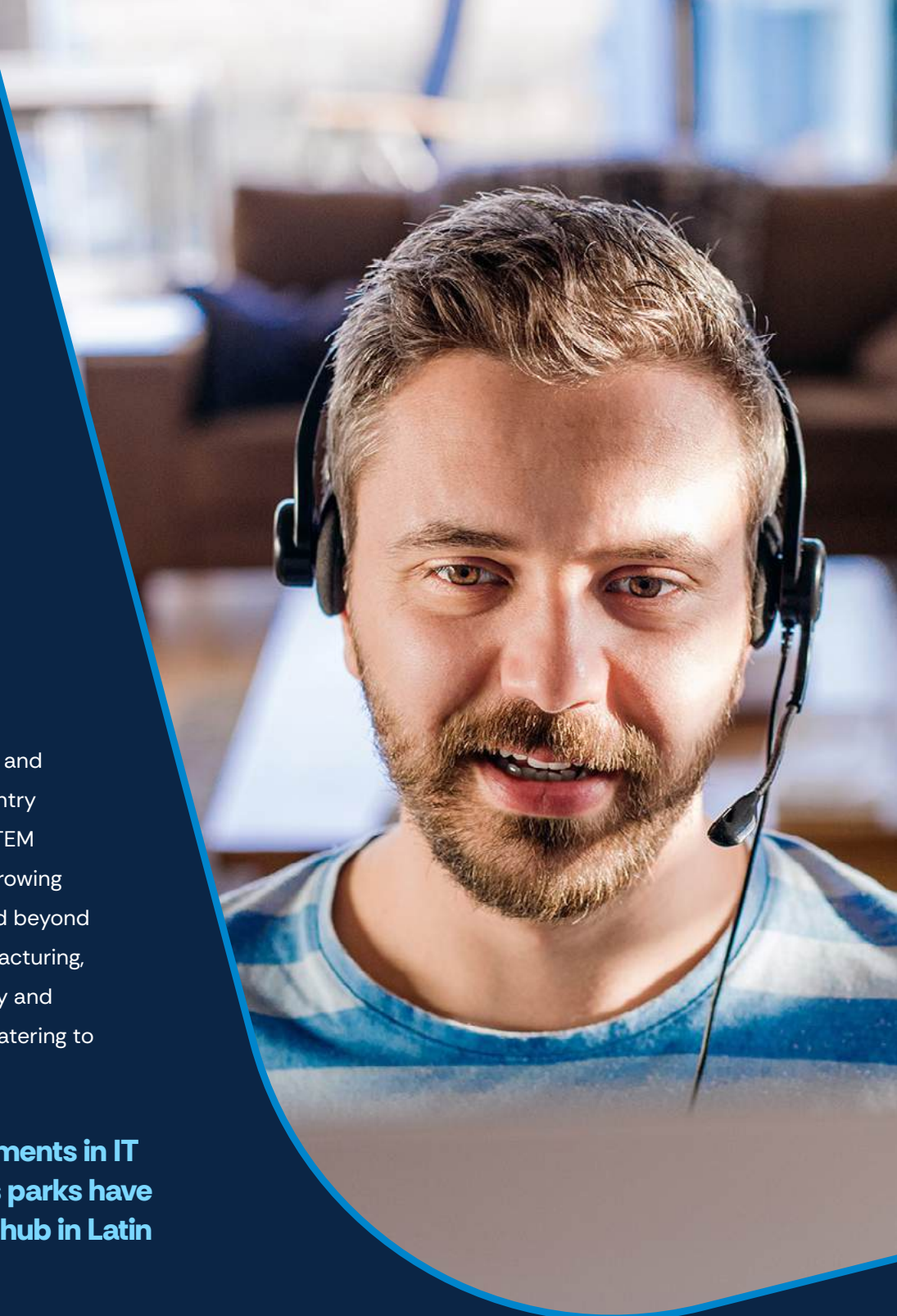
## Mexico: A Strategic Nearshore Option

Mexico has become a significant player in the Business Process Outsourcing (BPO) industry, offering nearshore contact center solutions with distinct advantages. The country's proximity to the U.S., cultural alignment, and a bilingual workforce makes it an attractive destination for businesses seeking cost-effective, high-quality customer service. **Mexico's BPO market is expected to surpass \$5.55 billion**, with a steady annual growth rate (CAGR) of 4.28% anticipated through 2029, highlighting the sector's continued expansion and resilience.

Mexico's BPO market expected to surpass \$5.5 Billion

**4.28%**  
anticipated growth through 2029





Employing a large pool of highly educated and motivated personnel, Mexico's BPO industry ensures seamless customer interactions thanks to strong English proficiency and familiarity with U.S. culture. The country produces a significant number of STEM graduates annually, supporting its growing tech sector. Service offerings extend beyond customer support to include manufacturing, back-office functions like data entry and human resources, and IT services, catering to diverse business needs.

**Mexico's substantial investments in IT infrastructure and business parks have transformed it into a digital hub in Latin America.**

Its geographic location enables real-time collaboration with minimal time zone differences, facilitating faster response times and efficient communication. These factors, combined with cost savings and a highly skilled labor force, position Mexico as a strategic nearshore option for businesses aiming to enhance customer satisfaction and operational efficiency while maintaining high service quality.

# Key Factors for Decision-Making

FACTOR 1

## Cost Efficiency

Cost is often the most significant driver behind outsourcing decisions. According to a Deloitte Global Outsourcing Survey, companies outsourcing offshore report average cost savings of

**50% to  
70%**

primarily due to reduced labor expenses, lower infrastructure costs, and economies of scale achieved by offshore providers.

These savings allow organizations to reinvest in core business operations, innovation, and enhanced service delivery, making offshore outsourcing a strategic choice for businesses aiming to balance quality and affordability.

### Onshore

High costs due to higher wages, averaging **\$25–\$30/hour** in the United States.

### Nearshore

Moderate costs, averaging **\$12–\$18/hour**, with potential tax incentives for businesses operating in free-trade zones.

### Offshore

Lowest costs, averaging **\$6–\$12/hour**, providing significant savings, especially for high-volume operations.

**According to a Business Process Outsourcing Market Size, Share & Trends Analysis Report by Grand View Research, the global outsourcing market, which was valued at \$280.64 billion in 2023, is expected to grow at a CAGR of 9.6% through 2030.**

This growth is driven by increasing demand for cost efficiency, flexibility, and enhanced service quality. Offshore outsourcing remains a key factor, as businesses continue to achieve high-quality outcomes and scalability while focusing on their core operations.

In addition to reducing labor expenses, outsourcing minimizes recruitment, training, and infrastructure costs, enabling companies to redirect resources toward strategic priorities. By offloading repetitive tasks and accessing a global talent pool, organizations boost productivity and foster growth, solidifying outsourcing as a vital strategy for competitive industries.



# 9.6%

expected growth at CAGR through 2030

FACTOR 2

## Time Zone Alignment

Businesses leveraging nearshore contact centers benefit from significant time zone alignment advantages, with reports indicating

**25% to 30%**

compared to offshore models.

According to [Blue Coding](#), Nearshore regions like Central America enable real-time collaboration and seamless communication, which accelerates project completion and decision-making. This proximity not only improves operational efficiency but also enhances the overall customer experience by reducing delays in addressing client needs.



### Onshore

Best for businesses needing direct alignment with their working hours.

### Nearshore

Offers flexibility with minimal time zone differences, ideal for companies needing evening or weekend coverage.

### Offshore

Often requires 24/7 staffing to accommodate time zone gaps, but this can be an advantage for global customer bases.

FACTOR 3

## Language and Cultural Proficiency

Customer satisfaction relies on clear communication and cultural empathy, which vary across onshore, nearshore, and offshore contact center models.

### Onshore

Native speakers provide exceptional linguistic accuracy and cultural understanding, making this model ideal for complex, high-empathy interactions like healthcare or insurance claims, as well as compliance-heavy industries such as finance and government contracts.

### Nearshore

With strong bilingual capabilities, particularly in Spanish-English, nearshore centers—such as those in Mexico—are well-suited for retail and telecom, handling moderate-complexity calls like billing inquiries or basic troubleshooting.

### Offshore

Offshore locations, such as the Philippines, excel in high-volume, transactional calls like order processing and FAQs.



**The Philippines' #1 ranking in business English proficiency ([2024 EF English Proficiency Index](#)) ensures effective communication, making these centers a strong fit for IT support and e-commerce industries requiring scalability.**

## Selecting the Right Fit for Your Strategy

Choosing the ideal contact center model is a strategic decision that depends on the unique needs of your business. Each model—onshore, nearshore, and offshore—offers distinct advantages and aligns with different types of calls, regulatory requirements, and business goals. Selecting the right fit, or a combination of models, can optimize your operations and enhance customer satisfaction.



### Types of Calls and Best Fit

#### Onshore

Best for complex, high-empathy interactions such as healthcare or insurance claims. Onshore centers excel in compliance-heavy industries like finance and government contracts, ensuring stringent regulatory adherence.

#### Nearshore

Ideal for bilingual customer service (e.g., English-Spanish) in industries like retail and telecom. These centers handle moderate-complexity tasks, including billing inquiries and basic troubleshooting.

#### Offshore

Suited for high-volume, transactional calls like order processing and FAQs. Offshore centers also support industries with large-scale technical needs, such as IT and e-commerce, offering scalability at a lower cost.

## Compliance and Regulatory Considerations

### Onshore

Onshore centers adhere to strict local regulations, such as HIPAA for healthcare and GDPR for EU-based operations, ensuring compliance and data security. Labor laws also promote fair wages and working conditions, making them reliable for sensitive industries.

### Nearshore

Countries like Mexico and Costa Rica comply with GDPR and have data privacy frameworks comparable to North American standards. These centers balance proximity with robust regulatory adherence.

### Offshore

Providers in the Philippines and India invest in strong data security policies, including the Philippines Data Privacy Act and Indian IT Act. Offshore centers often exceed international cybersecurity standards, ensuring safe and compliant operations.

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## Advantages of a Mixed Strategy

A hybrid approach leverages the strengths of each model to create a balanced and flexible strategy:

### Scalability

Offshore centers handle large call volumes efficiently, while onshore teams manage complex and compliance-sensitive cases.

### Cost-Benefit Balance

Nearshore centers provide bilingual capabilities and moderate-cost solutions, bridging gaps between onshore and offshore options.

### Operational Resilience

A diversified approach across regions enhances business continuity during disruptions like natural disasters or political instability.

**According to a [McKinsey](#) report, companies adopting hybrid models report a 20% improvement in customer satisfaction.**

This approach ensures businesses meet diverse customer needs while optimizing costs and maintaining service quality.

By aligning the model to the type of interaction, compliance requirements, and operational goals, businesses can design a customer service strategy that is cost-efficient, resilient, and customer-focused.

# Liveops Flexible Contact Center Solutions!

Flexible contact center solutions are redefining the industry, offering scalability, regional adaptability, and high-quality service globally. These models provide businesses with the agility to respond to market changes and evolving customer demands without compromising service quality.

Liveops provides adaptable and scalable contact center solutions, empowering businesses with an unparalleled global network of highly skilled remote agents.

**From onshore excellence to nearshore bilingual capabilities in Mexico and offshore cost-efficiency in the Philippines, Liveops offers a tailored approach to meet diverse customer service needs.**

By contracting independent agents in these regions, Liveops delivers the flexibility and reach required to optimize your customer support strategy.



# liveops

## **Explore Liveops' Global Customer Service Solutions**

[Learn More](#)