OUTSOURCING AND INTERNATONAL MARKETING POTENTIAL OF PAKISTAN: A CASE STUDY OF CALL CENTER INDUSTRY

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Abstract

Outsourcing has accelerated the pace of globalization and this trend supports countries that are strong enough to compete in the relevant field. Call center industry is an area that requires application of technology, supported by trained human resource. This industry can open the way for developing countries like Pakistan to grab their share of revenue and international limelight in a relatively short span of time. Purpose of this study was to investigate the problem why Pakistan is not on outsourcing map and why could the country not make its mark in the international arena with this hypothesis, 'pace at which activities are carried on to make Pakistan a most wanted destination for outsourcing, is less satisfactory as compared to neighboring countries'. This research is exploratory in nature as it is a lesser-explored area in the field of business administration in Pakistan. In order to scrutinize the potential of call center industry in Pakistan, Gartner's country-level selection criteria is used as a premise. A total of twelve respondents call centers based in Islamabad became the part of the research and survey method was adopted for data collection. It is figured out that the country has not been able to make its mark due to lack of a marketing strategy well knit with quality assurance. Technology employed by the said industry is also not up to the world standard. Both the government and the private sector have to make concerted efforts to help this industry carve out a market niche for itself in the global scenario.

Keywords: outsourcing, Call centre, marketing strategy, market share

1. Introduction

Outsourcing is a long standing phenomenon which has become an essential part of global business and economy. Business trend economists call it globalization as it is about opening up of free trade between countries which in due course, creates opportunities and benefits for emerging as well as developed economies. New era of globalization began in 1980s and brought significant decline in the costs of transportation, communication production, and considerably improved inter country competitiveness. It also brought down trade and cultural barriers among countries. Outsourcing, as World Trade Report 2005 defines it, "is the act of transferring some of a company's recurring interval activities and decision rights to outside providers, as set in a contract". Four types of outsourcing are reported, using location and control/ownership as distinguishing criteria. These are captive onshore outsourcing, non-captive onshore outsourcing Captive off shoring and non-captive off shoring

A destination that clicks right after hearing the word outsourcing is India. It is the result of that persistent situation which has been described in Gartner's strategic analysis report, "*Only Indian vendors win 80 to 95 percent share in offshore revenue*" (Terdiman & Berg, 2001). Another analysis by McKinsey & Co. shows that the Information Technology-enabled services (ITES) market is likely to touch $142 billion in 2009 (www.nasscom.org) while Gartner viewed that Information Technology (IT) services market has grown from $ 569.6 billion in 2003 to $ 607.8 billion in 2004 and is expected to grow to $ 754.8 billion in 2008 (PSEB, 2005). Call centers and animation industry account for 85% of ITES. This industry is expected to grow to $ 142 billion globally by 2008 in which India's share is projected to be $ 17 billion (Gupta, 2003). The acknowledgement about the superiority of India's expertise, both in the field of IT and ITES cannot be overlooked, be it the internet, books, journals or a consultancy report. Situation analysis reveals that Pakistan's role in availing these opportunities is much like a laggard, which as per marketing terminology "*is tradition bound-they are suspicious of changes and adopt the innovation only when it has become something of a tradition itself*". (Kotler & Armstrong, 2003)

Pakistan shares a number of similarities with India to claim itself as an outsourcing hub. The question arises as to where do the gap between the outsourcing destinations stems from? Where is Pakistan's share in the offshore outsourced market? Why is Pakistan not prominent on outsourcing map? Why could it not benefit from outsourcing much like neighboring India? Why is it that the next focal point in investors' eye is Philippines and not Pakistan? The above area has been made the focus of study to explore the weaknesses, threats so as to counter them through strengths and opportunities. The comparison has been drawn with India only due to a number of commonalities between history and culture.
This is an exploratory research on ITES industry focusing primarily upon call centers which tends to figure out the reasons behind the following assertion:

"Pakistan lacks attraction as an outsourcing hub as compared to India, in the international market".

Gartner Group's country level selection criteria have been applied on Pakistan's offshore outsourcing call center industry. The model which consists of three parts is as follows:
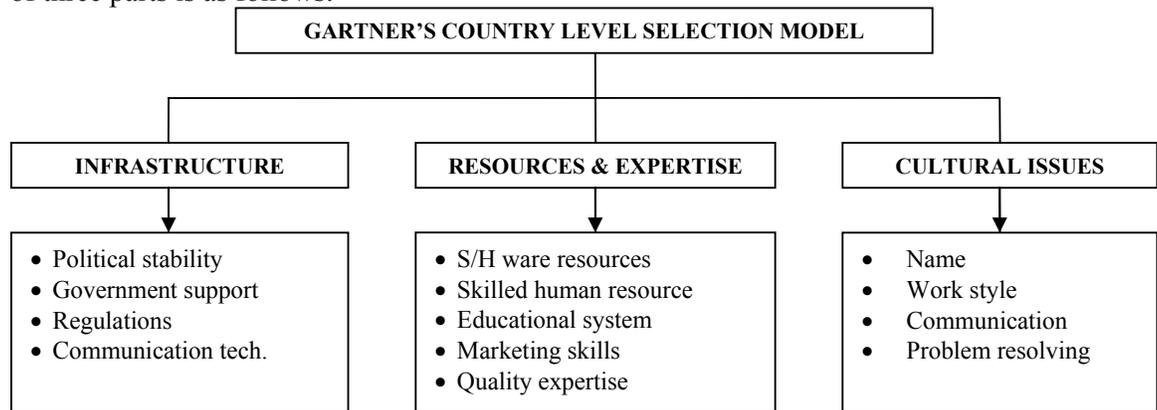

GARTNER'S COUNTRY LEVEL SELECTION MODEL

INFRASTRUCTURE	RESOURCES & EXPERTISE	CULTURAL ISSUES
• Political stability • Government support • Regulations • Communication tech.	• S/H ware resources • Skilled human resource • Educational system • Marketing skills • Quality expertise	• Name • Work style • Communication • Problem resolving

Figure 1: GARTNER'S COUNTRY LEVEL SELECTION MODEL

2. Objectives

This research intends to analyze the following:
- Role played by government of Pakistan to make the country a desired destination of offshore outsourcing.
- Scope, status and management of call centers in Pakistan.
- Assessment of the international marketing potential of call centers in Pakistan and the need to carve out a prominent role in the global market.
- Major problems encountered by ITES industry with reference to call centers.

In an analysis conducted in 2001, India was in dominant offshore market position while potential offshore vendors in the list were Pakistan, China, Russia, Mexico and Philippines (Terdiman & Berg, 2001). Five year afterwards, in 2006, India is still holding the dominant position while Philippines are becoming clients' next potential hub because it is well equipped to sustain competition. National Association of Software and Services Companies (NASSCOM) of India expose the major factors involved in the success of their industry as possessing a large number of skilled manpower, ability to do work on 24 x 7 basis at highly competitive prices, improvement in telecom and related infrastructure, strong government influence in the shape of friendly tax structure, flexible policies encouraging investments in the particular industry. Last but not the least; it is the strong initiative of Indian companies to quality and performance standards that has created the difference. The focused approach applied by the said country can by gauged from a 2004 survey which reveals that 81% of all software

professionals had a graduate degree or above in which 17% were M.Tech. MBA and CA, 16% were B.Tech. BE or MCA and remaining 14% were diploma holders or graduates. (www.nasscom.org). Ticoll (2004) reported, by October 1999, 140 Indian firms had obtained the ISO 9000 certification, 134 were in waiting line while 27 firms had obtained SEI-CMM certification of five stages.

In-depth analysis reveals that it is the influence of British education system that places great emphasis on science and mathematics. (ezinearticles.com/?Philippines-Catching-up-with-India-in-the-Outsourcing-Industry&id=23319). In addition, strong command on English helped India to do projects with westerns. "Pakistan is not on the map yet. India dominates what most people think about when it comes to outsourcing" (Hira Ron, 2005) .Outsourcing industry is set for rapid growth in the next few years and developing countries like Pakistan could benefit from the boom. But there is a cut throat competition as "*other low-wage countries like China and the Philippines have entered the market, leading to severe pricing pressure and a proliferation of supplier choices for customers*" Shirhattikar (2005)
Pakistan followed India in outsourcing field in the decade of 90's. (www.pseb.org.pk/images/IT%20Policy%20of%20Pakistan.pdf). PSEB (Pakistan Software Export Board), the Indian counterpart of NASSCOM, was established in 1995. It not only deals in the exports of IT / software and ITES from Pakistan but also plays the role of a catalyst between the government and IT / ITES industry. A close study of the details mentioned on the PSEB website reveals that Pakistan's industry is much better positioned in terms of revenue generation. Other things being equal, Pakistan is going side by side with India except the certifications. In the year 2000, an 'IT Policy and Action Plan' was launched for the development of said industry. (www.pseb.org.pk/page.php?page_id=77&PHPSESSID=7c833e3ad14d914f615889b0e88c356f

3. Literature Review

Outsourcing is the process of purchasing goods and services from outside vendors rather than producing the same goods or services within the organization, Horngren (2000, pg. 383). Decisions for a producer of goods or services to in source or outsource are also called make-or-buy decisions, sometimes qualitative factors dictate management make-or-buy decision. The most important factors in make-or-buy decision are quality, dependability of supplier and cost. As a matter of fact, not only are the activities transferred, but also, factors of production and decision rights. Besides cost and profitability considerations, sourcing decisions also involve consideration of strategy issues, detailed financial evaluation, and efficiency and risk dimensions relating to supplier quality, lead times and delivery reliability (Tayles and Drury, 2001).

Outsourcing has emerged as an important aspect of globalization primarily due to availability of broad bandwidth at low costs, increased digitization of

information in service sector and significant cost reduction in the production of goods and services. (WTO Report, 2005, p.265). Developing nations take advantage of this process in the shape of revenue / generation, decline in unemployment, reversal of brain drain, improvement in infrastructure and regulatory environment, improvement in education, etc, Gupta(2002).

Reasons behind the Growth of Outsourcing Market

There are many reasons behind the growth of the outsourcing market, the main cause being that through outsourcing, a company can focus on its primary tasks (Kim, 2004, p.9). Zatolyuk(2002) explained the same perspective as, *'present business pressures on company executives are pushing them increasingly in search of experienced staff that can provide innovative technology skills and ideas. To acquire these competencies IT managers can choose from two strategies: either employ specialists or outsource. More and more often managers choose the latter'.* The European Outsourcing association's Conference enumerated top ten reasons for outsourcing as: reduced and controlled operating costs, improvement in company focus, access to world-class capabilities , free internal resources for other purposes, resources not available internally, accelerated reengineering benefits, function difficult to manage/out of control, availability of capital funds, share risks and infusion of cash.

History of Outsourcing in Indian Perspective

In early 1970s, American firms looked offshore for cheaper ways to develop software products. India, Ireland and Israel were obivious choices because of widespread knowledge of English and relatively low costs of programmers. (Dossani, 2005, p. 11) Indian industry grew in 1970s and 1980s when government identified ITES / BPO as a key contributor to economic growth. To prioritize the attraction of FDI in this segment, government established National Association of Software and Service Companies (NASSCOM) in 1988, which initiated 'Software Technology Parks' and 'Export Enterprise Zones'. Benefits like tax-holidays generally enjoyed by the software industry were also made available to the ITES / BPO sector. The National Telecom Policy (NTP) introduced in 1999 and the deregulation of the telecom industry opened up national, long distance, and international connectivity to competition from all over the world. The governments of various states of India also provided assistance to overseas companies to overcome the recruitment, retention and training challenges, in order to attract investments to their region. NASSCOM created platforms for the dissemination of knowledge and research in the industry through its survey and conferences. NASSCOM also acted as an 'advisor, consultant and coordinating body' for the ITES / BPO industry and created liaisons between the central and state government committees as well as the industry. The ardent advocacy of the ITES / BPO industry has led to the inclusion of call centers in the 'Business Auxiliary Services' segment, thereby ensuring exemption from service tax under the Finance Bill of 2003. These measures have led to a steady inflow of

investments in India by large foreign companies. ([ezinearticles.com/? The-Outsourcing-History-of-India&id=62970](ezinearticles.com/?The-Outsourcing-History-of-India&id=62970))

This research focuses upon call centre industry which is a subset of Business Process Outsourcing, BPO. Gupta (2003) describes it as: A call center is traditionally defined as a physical location where calls are either placed or received in high volume for sales, marketing, customer service, telemarketing, technical support or other specialized business activities. The entire process is built without any direct contact with the people who are involved in the process. Call centers are generally set up as large rooms, with workstations that include a computer, a telephone line and one or more supervisory stations. It may or may not be integrated with other stations that include mainframe, microcomputers and LANs.

Wickham and Collins (2004) defined the call center work as a combination of taylorism, emotional labor and surveillance which also involves new form of customer relationship. It is abstracted from any geographical location and can involve many people, separate in time and space. They termed such work as virtual, poly-authored and market supervised which is now spreading beyond conventional call centers because of new expectations of customer and the migration of call center employees into other areas of the enterprise.

4. Gartner's Country Level Selection Criteria

Research companies like Gartner Group, Inc., McKinsey and European Information Technology Observatory help clients decide where to outsource their non core parts of business. Gartner Group's research report strongly advises customers to examine country related attributes when deciding in case of outsourcing, Zatolyuk (2002). The eleven decisive criterions for outsourcing are as follows:

1. Governmental support	7. Political stability
2. Regulations	8. Marketing skills
3. English proficiency	9. Availability of skilled resources
4. Infrastructure	10. Cultural issues
5. Educational system	11. Quality
6. Software and hard ware resources	

5. Method

The research topic called upon to explore the outsourcing potential of Pakistan with reference to the Information Technology - enabled services (ITES). Of all the ITES, the focus of the research has deliberately been restricted to the call centre industry in order to be able to come up to a specific conclusion about the representation of this particular service area in the world market. The objective was to draw a sample from the representative call centers operating all over Pakistan, but the time and location bounded ness, coupled with the uncooperative attitude of call centre personnel, resulted in a smaller sample. The due representation of all those cities of Pakistan where call

centers are operational, could also not been made due to the above cited reasons.

Data for this study was collected from the call centers which deal with international clients in particular. Most of these call centers are located at Software Technology Park (STP) and Evacuee Trust Complex of Islamabad in F – 5/1 area. Other call centers that have been made a part of this study are the members of PSEB as on May 10, 2006.

6. Sample

By using the convenient sampling technique, member call centers of PSEB were approached through their web addresses due to non availability of their physical addresses at any central directory. Call centers other than member call centers of PSEB, located in the city of Islamabad were also approached.

7. Instrument

Basic instrument used by this study to collect the required data was a questionnaire. It was based on thirty closed-ended questions, designed on the parameters of Gartner's country level selection criteria with the help of those incentives listed on PSEB website under the head of 'Incentives for the IT / ITES services' (www.pseb.org.pk/page.php?page_id=78&PHPSESSID=7c833e3ad14d914f6 15889b0e88c356f). The total responses were twelve which eventually became the sample size for this study. The ignorant attitude and non-cooperative stance of the call center management posed a great hurdle in data collection. The exploratory nature of research called for a representation from all over Pakistan but time constraint, traveling limitations and above all, indifferent attitude called for a limited representation of call center industry.

8. Results

Responses obtained in the format of Gartner country - level selection criteria, throw light upon the missing links which are responsible for the gap existing between the potential and actual trends in growth. This result is classified into three segments in much the same way as the questionnaire was designed. First segment deals with the respondents' profile. Second segment discusses the responses of those questions which were designed on Gartner's country – level selection criterion, while the last part represents the responses and anticipations on industry growth.

9. Respondents Profile

Business Size

Data finding reveals that factors used to measure the size of businesses run by the call center operators in terms of geographic expansion and working staff is small. Figure1 reveals that seven participating call centers are operating with

up to fifty employees. Two are running their businesses with the employees range falling in from hundred to two hundred category while the remaining three have employees within the range of two hundred to three hundred. Tax holiday till the year 2016 is another major incentive. Operators with relatively small number of employees might have to wind up their businesses after the expiration of tax exemption period.
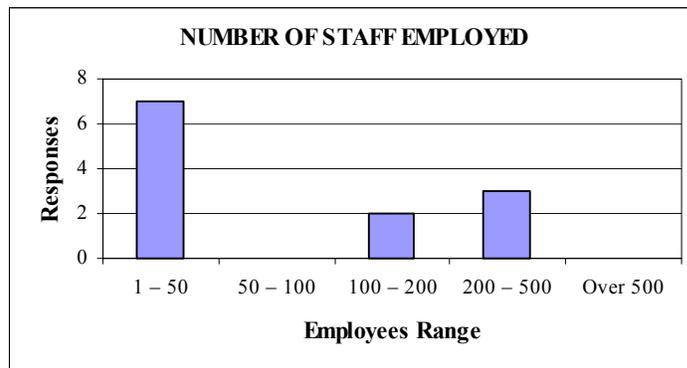
NUMBER OF STAFF EMPLOYED

Figure 2. Size of Business

9. Types of Call Centers

Majority of respondents marked more than one type of functioning call center; it means that at a time they are offering different types of services. Figure 2 shows the stated situation.
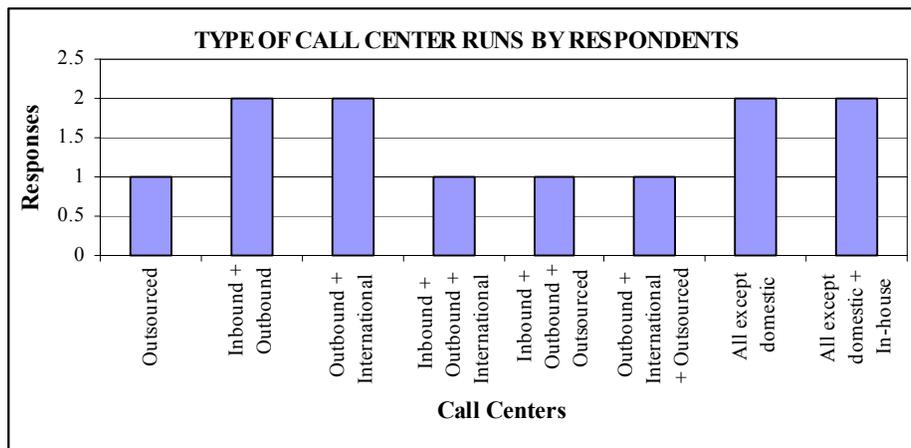
TYPE OF CALL CENTER RUNS BY RESPONDENTS

Figure 3. Types of Call Centres

In-depth over view of the figure2 reveals that eleven responses are credited to an outbound nature of call center which means majority operators are doing the job of retailing, telemarketing and tele-selling. Then eight responses credited to an inbound call center reveal that operators also work for customer care and answer the customer's queries. Seven responses go in favor of

outsourced call centre business which depicts that foreign companies hire them on contractual basis to cater to their clients. The eight representative participants striving to grab the international market share of Pakistan represent a small majority if one tends to draw a comparison with India.

Services to Zones

Out of twelve respondents, eight are providing services to a single zone while four are doing projects for two different zones which imply that 75 % of respondents' client is USA. A total of seven responses are credited to Europe and allied areas which depict that along with USA, respondents have the experience of doing projects with Europe, Australia and Costa Rica. This situation calls for exploring other less exploited offshore markets that may prove to be a valuable source of capacity building and revenue generation.

Table 1. Service Zones

Zones	Frequencies
USA	5
Europe	2
Others	1
USA + Europe	3
USA + Others	1
Total	12

Gartner's Country–Level Selection Criterion Model

It is divided into three parts namely
1. Infrastructure
2. Resources and expertise
3. Cultural issues

a. Infrastructure
   Infrastructure is further divided into four areas that are political stability, government support, regulations and communication infrastructures or technologies.

Political stability
   Political and economic stability is a key factor not only to clients but also to offshore providers. The country stability is constrained by the interests of large financial groups and several parliament divisions. Their interests distract parliament from concentrating efforts on implementing important industry decisions, Zatolyuk (2002) Organizations in Pakistan tend to be greatly affected by the interests of large financial groups. The present governments' strong emphasis upon the development of Information technology related infrastructure has helped promotion of Call centre industry in Pakistan.

Government support

On the question of reliance on government support, ten participants out of twelve credited it with a 'no' meaning that respondents do not rely on government support to run their businesses. It is assumed that since there have been a number of changes in the form of governments in the past, people no longer depend upon the government machinery. Two respondents who rely on government support marked their view on scale with average and high ratings. Respondents do not rely on government support but have accepted its importance in their businesses. Conscious governments like India and Ireland have played an important role in making their country a most favored destination in offshore outsourcing. They support and provide fundamental necessities to the stated industries in order to promote them as leader in international market. Philippines have managed to raise large offshore industries with little or no government support while other market leaders have enjoyed great support from their governments.

Table 5 depicts the initiatives taken by the government of Pakistan in connection with the implementation of IT policy devised in year 2000 for the best interest of the industry.

Table 2. Initiatives Taken by the Government of Pakistan

	Support activities	Frequencies					
		1	2	3	4	5	Total
1	IT parks with low rents	1	4	3	3	1	12
2	Improvement in country infrastructure	0	1	0	2	9	12
3	Libraries - conference rooms	1	0	4	7	0	12
4	Cost of 2 Mbps connection has been lowered to $2000/month	2	0	1	7	2	12
5	Provision of funds to get ISO certification	1	1	1	7	2	12
6	Provision of funds to get CMM certificate	0	2	6	3	1	12
7	5% custom duties on import of IT-related equipments	1	1	0	6	4	12
8	Tax exemption till 2016	0	1	4	1	6	12
9	Depreciation rate on computer equipment is 30%	0	2	0	4	6	12
10	Improving legal & regulatory environment	1	2	0	8	1	12
11	Providing promotional marketing	1	1	0	6	4	12
12	Redundant backup connectivity available through PTCL.	2	0	0	3	7	12

Communication infrastructure

Responses received on communication infrastructure reveal that Pakistan's call center industry is still in infancy stage. Figure 6 reveal that operators in the call centre industry utilize basic old-fashioned technologies like fax,

websites and audio conferencing. Satellite link, Video conferencing technology and groupware platforms are absent from the scenario.
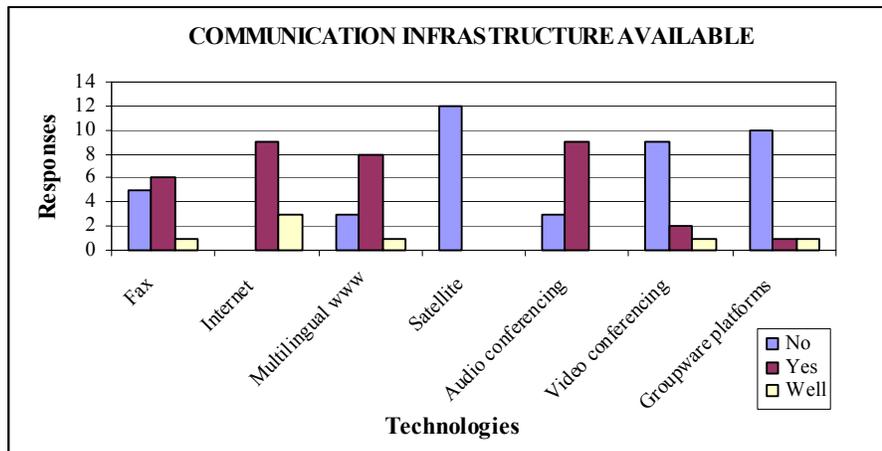
COMMUNICATION INFRASTRUCTURE AVAILABLE

Responses (y-axis): 0, 2, 4, 6, 8, 10, 12, 14

Technologies (x-axis): Fax, Internet, Multilingual www, Satellite, Audio conferencing, Video conferencing, Groupware platforms

Legend: No, Yes, Well

Figure 4: Communication Infrastructure

b. Resources and Expertise

Resources and expertise are divided into five areas that are as follows:
- Software and hardware resources
- Skilled human resource
- Educational system
- Marketing skills
- Quality expertise

Soft / hardware resources

Operators have acquired software and hardware resources but the ratio of having such resources or technology is not enough, if compared with India. A large majority had responded for outbound nature of call center which generally involves retailing, tele marketing and tele-selling. In order to run such type of call centers, interactive voice response system, computer telephone integration and headsets are enough. Only eight responses go for an inbound call centers which usually do the job for customer care and answers customer queries. Another overlapping set of eight and seven responses correspond to international and outsourced call centers respectively which mean that technology required to develop customer relationship management is available through CRM software. However, the facility of predictive dialing is not available to participants. Indian call center industry, in this perspective, serves as a benchmark as it claims to have all the above-mentioned resources as a result of which it is grabbing a major share of the international market.

Skilled human resource

A question related to the skills possessed by human resource employed at the call center revealed priority expertise as proficiency in English, good interpersonal skills, result orientation, ability to work in teams and computer literacy. About 50 % of respondents face the problem of employee retention due to salary and turn over ratio.

Educational system

Participant call center responses reveal that the emphasis upon the pool of graduates, postgraduates and in some instances, M. Phil is an encouraging sign as inclusion of educated individuals can bring about a change in the orientation of the entire industry.
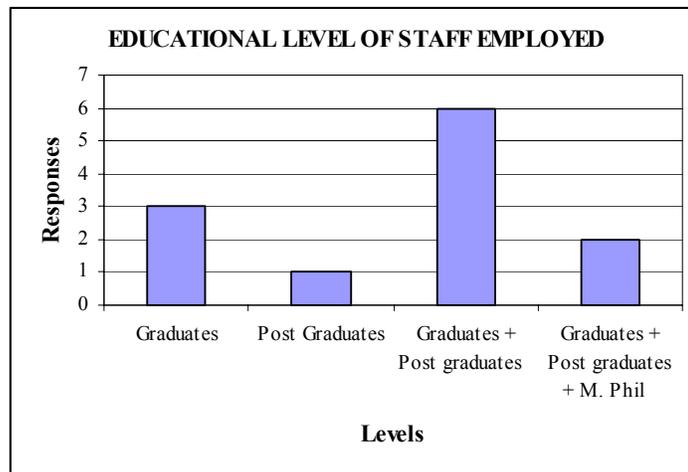

Figure 5. Educational Qualification of Staff

The call centers in Pakistan are limited to such services that are supported by educational areas, as Information Technology, Business Administration and Computer science. Call center industry of other countries are gradually developing an expertise in engineering and manufacturing aspects of outsourcing. Philippine's call center industry is hailed as a bench-mark on medical transcription business along with such services as copyedit, indexation, web design and maintenance, data conversion, data warehousing, data capture, data entry, etc. This situation needs to be corrected from the very outset on the government level as well as by concerned quarters in the private sector. The need of the hour is to explore new areas in the field of outsourcing so as to carve out a market niche in the global economy.

Marketing skills

An investigation of the marketing skills of call centers depicts that a vast majority of operators claim to be working independent of the government but at the same time rely upon the   website of Pakistan Software Export Board that is wholly owned by government. This is one constraint on the part of

participants due to which clients in international market do not recognize them. Absence of promotional activities is one such reason as 75% of respondents mentioned that they usually conduct marketing of business through Internet by using portals.

10. Discussion

Pakistan's call center industry overlooks the marketing as well as management aspect. Study revealed that participant call centers restricted themselves to few selected zones and rarely exercised innovation in the choice of target markets. Operators do not try to capture the market in a systematic manner through knowledge management as they have vague planning targets for attainment of certifications. Call center operators do not rely on government support yet they still   acknowledge it and derive benefits of services which are provided by the government. On regulatory issues, respondents expressed reservations about intellectual property and data privacy laws. This might also be related to the employees' turnover   issue because employers face the problem of retaining employees. The resultant misuse of intellectual property and leakage of data harms the business, resulting in poor offshore market for the country. Communication infrastructure that is pre-requisite for conducting offshore business is not satisfactory because Internet facility is available but not utilized up to its potential. Similarly, satellite, which is the fastest and most reliable source of communication, is not available to any of the respondents. The problem is that government is supportive enough but operators are reluctant to utilize this technology.

Nearly all respondents have available software and hardware resources. If this situation is cross matched with   the type of call centers and educational background of staff then it seems inadequate for conducting offshore work on large scale with competitors like India and Philippines. Such type of call centers usually cater for customer care, mainly queries, retailing, telemarketing and tele-selling respectively, having professionals from Information Technology, Business Administration and Computer Sciences to run them. This is a limitation on the part of the local industry that is also responsible for its small shares in the global market. The said industry also fulfills the Gartner's criterion of skilled human resources in the sense that they are proficient in English and their level of education is satisfactory. However, respondents tend to face the issue of employees' retention due to dearth of financial incentives and vague career paths. The employees at the call center mostly use this job as a jumping board to begin their professional lives. According to respondents, this situation can be remedied with monetary facilities and improvement in education sector. Job creation at government level and changes in labor laws has also been termed as a cure for this particular situation. The study uncovers a low proficiency in the arena of marketing and quality assurance as poor results have been obtained for the scale in such areas. The call centers are dependent upon PSEB for conducting marketing of their businesses. They do not widely utilize the Internet facility that again creates a hurdle in the promotion of services. Only 25% of the

respondents in our sample have attained ISO 9001 certifications. Those who are planning to acquire certifications do not have an aggressive target, which calls for an amendment in future projections. On the contrary, India is thriving with ISO 9000:2000 and COPC certifications. This pinpoints towards a major drawback in the industry that gets ignored, primarily, due to lack of quality assurance and ill conceived marketing efforts.

It is difficult to examine cultural disparities on account of the subjectivities involved; however, this research found that the local call center industry does not face any problem in this context. Only 16.7% of respondents had mentioned issue of acquiring a pseudonym as a psychological hurdle. A small percentage of respondents had mentioned about the variation in accents that stem from the British and American English.

11. Conclusion

Out of a total of eleven parameters of Gartner's country level selection criteria, Pakistan accomplishes only four at present. These are government support, English proficiency, software and hardware resources and tolerance of cultural disparities. There is no doubt that Pakistan's ITES industry has matured in terms of number of call centers but it still offers weak competition. The research points out the weak points as issues like regulations, communication infrastructure, educational system, quality expertise, marketing skills and non-availability of skilled human resources. Political stability is not discussed much in the questionnaire because it is very difficult to justify due to uncertain political situation of the country. The research tends to highlight the factors responsible for the reduced market share of outsourcing industry so as to create a change by implementing the recommended actions.

12. Recommendation

Following recommendations have emerged out of the research undertaken:
- Pakistani entrepreneurs are optimistic about the industry growth and anticipate its evolution in near about one to two years time frame. But mere enthusiasm is not enough for the successful growth of the industry. It is pertinent that the industry must be equipped with all the latest technologies that might bring them at par with their competition.
- Business personalities have to take necessary action for the required certifications because clients hire the prospective service providers to receive high quality work and services at low costs. The clients assess service providers through the certifications acquired.
- It is recommended that small businesses having fifty employees be merged together in order to avail the proper utilization of resources. The economies of scale might facilitate businesses to equip themselves with the latest technologies and improve their market potential.
- The country needs to introduce differentiation in the services which means that the industry has to explore other areas where outsourcing is possible,

so as to carve out a market niche for itself. The example of medical transcription business in Philippines as well as the tuition culture prevalent in India can serve as valuable source of inspiration for the industry in Pakistan.

- Marketing activities of call centers need a serious revamp, as they are dependent upon PSEB for promotional actions that cannot do justice with the situation due to enormous number of operators. The need of the hour is to evolve individual marketing options so as to inform the international client about the availability of the services being offered.

- Operators are recommended to run their businesses in Software Technology Park buildings (hub of ITES services in Islamabad) because it would create a trustworthy impact on clients. The venue would also facilitate the client, as it would act as a one-window solution where all the ITES related issues can be satisfactorily addressed.

- The call centers in Pakistan restrict themselves primarily to the market of USA, and to a small extent, United Kingdom, which is not enough to generate a competitive stance. The operators need to explore new markets such as those of Canada and Australia in order to increase their share of the business.

- The problem of employee retention must be addressed through the introduction of such contractual regulation that might inhibit frequent employee turn over. This step may in turn also contribute towards the protection of intellectual property and data privacy.

- The call centers may also provide internship facilities to students as a result of which changes could be introduced at grass root and managerial levels. Induction of fresh blood can also lend a new facet to the field of international marketing that can incorporate the latest graphic and web designing techniques. Example of individual students in India who are giving tuition services to their American counterparts in subjects like mathematics, can also serve as a precedent.

- The call center industry regards English as a major criterion for induction. The system of education in Pakistan is such that a small majority can qualify for English speaking skills, which again put a limitation on the local industry. In contrast, India faces no such obstacle in this context.

- There is no doubt that government of Pakistan is fulfilling her claim of supporting the IT industry but the pace is slow. There is a plan to construct more Software Technology Parks (STPs) in cities like Karachi and Lahore on the format of Islamabad. This project needs to gain momentum in order to come up to the standard of the competitors.

- Government has to take urgent step for the improvement of legal and regulatory environment of the said industry as respondents face problems in this context. For this purpose it remains to be seen if there is a need to evolve a new body that might address such issues or the authority be delegated to PSEB for effective implementation.

- The burden of marketing of call center industry might also be shared by the PSEB as well as the Trade Development authority . Promotion of the

said industry through such quarters shall have an endorsement effect which might be beneficial for the image.

- There is a need to generate strong industry linkage program with the universities so that there is a mutual gain, both for the industry as well as academia.

13. Limitations

The area of study and the chosen topic are relatively new areas which have not been probed much. It is due to this fact that following limitations were witnessed.

- Work on this issue in the context of Pakistan is not available. Therefore this research would be primary in nature.
- This study uses the term outsourcing for offshore outsourcing / offshoring as the two terms are used as synonyms in the related literature.
- It deals with one segment of ITES namely call centers. For the research purpose focus has been limited to those call centers which specifically deal with international clients.
- As research was restricted to call center industry it created a lot of problem in data collection. Call center industry of Pakistan proved to be extremely non cooperative. Out of a total of twelve, only nine call centers from the city of Islamabad responded. Call centers located in the other cities of Pakistan were approached through the electronic mail. Questionnaires were sent to all the members of PSEB in order to develop a country wide outlook. Out of a total of hundred and six (106) questionnaires sent, only three from Karachi were filled and mailed back. It is due to this constraint that only twelve call centers constitute sample of the entire call centre industry of Pakistan.
- For the sake of protection of privacy, no question related to revenue was asked. This important information could have been beneficial for determining the industry's contribution in the economy.
- Only one question related to political stability - a parameter of Gartner's country-level selection criteria was asked because this particular variable changes from country to country and hence cannot be generalized.
- Gartner's selection criterion might be more applicable for the developed economies that have transparent documentation and stable political systems. The application of such criterion to Pakistan might overlook certain important parameters that are pertinent to developing countries but seem insignificant from the perspective of developed nations.

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ABBREVIATIONS

24 x 7 – 24 hours a day, Seven days a week
ACD – Automatic Call Distributor
AT&T – American Telephone and Telegraph
B2B – Business to Business
B2C – Business to Customer
BE – Bachelors in Engineering
BPO – Business Process Outsourcing
B.Tech. – Bachelors in Technical Studies
CA – Chartered Accountant
COCP – Customer Operations Performance Center
CRM – Customer Relationship Management
CTI – Computer Telephony Integration
E-mail – Electronic mail
EPB – Export Promotion Bureau
Fax – Facsimile
FDI – Foreign Direct Investment
HEC – Higher Education Commission
ICT – Information and Communication Technology
ISO – International Standards Organization
IT – Information Technology
ITES – Information Technology Enabled Services
IVRS – Interactive Voice Response System
LANs – Local Area Networks
MCA – Masters in Computer Arts
M.Tech. – Masters in Technical Studies
NASSCOM – National Association of Software and Services Companies
NTP – National Telecom Policy
PSEB – Pakistan Software Export Board
PTCL – Pakistan Telecommunication Limited
SEI - CMM – Software Engineering Institute's Capability Maturity Model
STP – Software Technology Park
WTO – World Trade Organization
WWW – World Wide Web