RETAIL OUTSOURCING · PHILIPPINES

The store that follows you home: the executive economics of retail outsourcing to the Philippines.

An analysis of omnichannel CX, store-facing support desks, POS incident economics, loyalty operations, and vendor-selection discipline for retail chains sourcing in the Philippines.

AUTHORS

John Maczynski — Chief Executive Officer
Ralf Ellspermann — Chief Strategy Officer

AUGUST 2026
MANILA · ESTABLISHED 2001

Contents

ABOUT THIS SERIES

Twelve volumes in, the pattern this series documents has not broken once: roughly two-thirds of an outsourcing program's first-year value comes from the rate card, and the remaining third — the part that compounds — comes from selecting a provider who can actually run the operation. Every volume exists to make that second third capturable, one service line or industry at a time, using evidence from PITON-Global's own engagements.

THE PITON-GLOBAL LEADERSHIP TEAM

About the authors

John Maczynski

Chief Executive Officer

Consumer businesses shaped the longest stretch of John's operating career: thirty-plus years directing outsourced service operations for major US brands whose customers vote daily with their wallets. He knows what a holiday week does to a queue and what a bad vendor does to a brand — firsthand, from the buyer's chair. Every PITON-Global engagement runs under his personal direction, scoping through launch, with that history as its quality bar.

j.maczynski@piton-global.com
+1 402-598-8740

Ralf Ellspermann

Chief Strategy Officer

Retail volume built several of the delivery organizations Ralf ran during his twenty-plus years in Manila — online sellers, catalog brands, and the omnichannel programs that followed — and it taught him the vertical's defining truth: retail punishes operational lag within a single trading day. The provider intelligence, cost models, and surge playbooks this series draws on are maintained under his direction, engagement by engagement.

r.ellspermann@piton-global.com
Manila, Philippines

PITON Global

ABOUT PITON-GLOBAL

A quarter century of Manila residence has made PITON-Global the Philippine outsourcing market's institutional memory — and its clients' unfair advantage. The firm, a repeat honoree of its industry's awards, works one side of every transaction: buyers define requirements with it, test the thousand-plus-provider field through it, and negotiate through competitive RFPs it referees, with the firm embedded at their side until the program holds its numbers. Tripadvisor, TSYS, Garmin, HealthPartners, Yetipay, Workrise, and Norman Disney & Young are among the companies that have used that advantage.

SECTION 01

Executive summary

-63%	-47%	85%	5.6×
Fully-loaded cost vs. US onshore, blended program	Store-incident MTTR vs. client baseline	BOPIS issues resolved without touching the store	First-year ROI, reconstructed chain case (Section 6)

Omnichannel was sold to retailers as a customer promise; it arrived as an operational invoice. The customer who buys online, picks up curbside, and returns in-store generates service demand in three systems and two time zones — and expects one seamless answer. Meanwhile a second, quieter queue grows behind the first: store associates calling about a frozen register, a failed price update, a BOPIS order the handheld cannot find. Retail chains now run two service operations, customer-facing and store-facing, and most staff both as afterthoughts to the P&L lines they protect.

This volume treats the two lanes as one sourcing decision, because the economics say they are: the same Philippine delivery model — WP-75 documented its e-commerce expression, WP-04 its technical one — covers both at 63% below onshore cost, around the clock, with surge machinery for promo events built in. Five findings frame the analysis:

1. **The store-facing lane is the sleeper asset.** Every minute an associate spends on hold with IT is payroll spent not selling; every POS hour down is revenue stopped at the door. A dedicated store-support desk pays for itself on MTTR alone — before the customer lane is even counted.

2. **BOPIS breaks at the seams, not the systems.** Cross-channel orders fail in the handoffs — inventory says yes, the shelf says no. A desk that owns the seam end-to-end resolves 85% of BOPIS exceptions without pulling a store associate off the floor.

3. **Loyalty is a balance sheet wearing a phone number.** Points disputes, tier questions, and redemption failures are handled by the cheapest queue at most chains — yet they concern the customers worth the most. Vetted desks run loyalty at 80% FCR with retention-grade care.

4. **Promo events are scheduled hurricanes.** A drop, a doorbuster, a viral markdown — volume triples on a date marketing chose. The surge machinery WP-75 documented for Q4 applies year-round in omnichannel retail, and it is contractible.

5 **Two-lane fluency is rare.** Of 1,000+ Philippine operations, PITON-Global's mapping confirms genuine omnichannel retail practices — store-systems benches beside CX floors, promo playbooks, loyalty-platform depth — at roughly thirty. Buying the lanes separately doubles the vendor risk; buying them blind triples it.

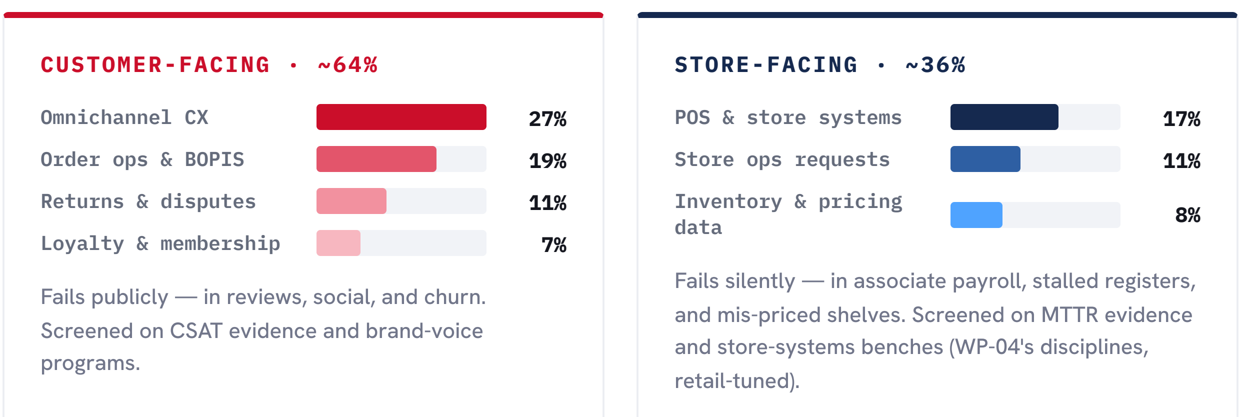
The intended reader runs stores, digital, customer care, or finance at a retail chain — specialty, big-box, grocery, or DTC-turned-fleet. Sections 2–4 supply the evidence; sections 5–7, the method and the proof.

SECTION 02

Two lanes, one operation: the omnichannel work mix

Figure 1 maps the outsourced retail work in both lanes. The split matters because the lanes fail differently — the customer lane fails publicly, in reviews; the store lane fails silently, in payroll and lost transactions — and a sourcing process must test for both competencies.

FIG. 1 — THE TWO-LANE WORK MAP (SHARE OF OUTSOURCED VOLUME, ENGAGEMENT BASE 2024–26)



Source: PITON-Global retail engagement base, 2024–26 — specialty, big-box, grocery, and fleet-scale DTC clients.

Buying the lanes together is not merely administrative convenience — it is where the omnichannel promise actually gets kept. The same desk that sees the customer's BOPIS complaint also sees the store's inventory exception; one provider owning both sides of the seam turns finger-pointing into a fix. In PITON-Global's engagement data, unified two-lane programs resolve cross-channel exceptions roughly 40% faster than split-vendor arrangements, for the unglamorous reason that nobody has to open a ticket against a different company.

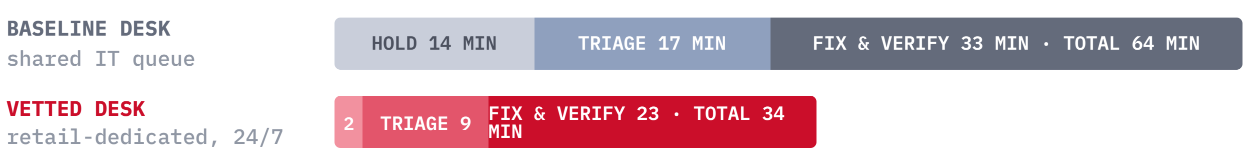
The lane split also disciplines the sourcing test. Customer-lane evidence looks like WP-75's: CSAT, brand voice, peak SLAs. Store-lane evidence looks like WP-04's: MTTR, escalation hygiene, severity drills. A provider genuinely fluent in both is rare — which is precisely what makes the funnel in Section 5 collapse as hard as it does.

SECTION 03

When the register stops: store-support economics and the cost of a down POS

A store's service dependency is absolute in a way office IT never is: when the register freezes at 5:40 p.m. on a Saturday, revenue stops at the door until someone competent answers. Figure 2 prices that dependency — and what a vetted store-support desk does to it.

FIG. 2 — THE INCIDENT CLOCK: SEV-1 STORE INCIDENT, MINUTE BY MINUTE



THE DIFFERENCE

30 minutes of register time returned per sev-1 incident × fleet incident rate ≈ **$400–900 of protected sales per incident**, plus the associate hours not spent on hold

Composite sev-1 timelines, PITON-Global retail engagements 2024–26; protected-sales range reflects store-format transaction density.

What produces the shorter clock is retail specificity, not headcount: a desk that knows the chain's POS build, payment stack, and store network topology; runbooks written per incident type with store-executable steps ("associate restarts the pin pad while we clear the transaction queue"); remote-management tooling with least-privilege access wired in Step 4's audit; and severity drills timed against the trading calendar rather than the IT calendar. WP-04's tier-stack disciplines apply wholesale — what changes is the clock they answer to, which is a cash register's.

The same desk absorbs the store-ops long tail — scheduling-system questions, facilities tickets routed to the right vendor, pricing-update verifications before a promo goes live — the calls that otherwise land on district managers. Chains consistently underestimate this volume until it is measured; it typically runs 0.8–1.4 contacts per store per day, all of it movable at $12.80 an hour.

SECTION 04

Cost and performance: role-band economics and top-tier benchmarks

TABLE 1 — FULLY-LOADED COST PER PRODUCTIVE HOUR BY ROLE BAND (US$, 2026)

Role band	US ONSHORE / HR	MANILA VETTED / HR	
Retail CX representative (omnichannel)	$28.20	$10.50	−63%
Loyalty / order-operations specialist	$30.70	$11.40	−63%
Store-support / POS help-desk specialist	$34.50	$12.80	−63%
Blended 60-seat chain program	$30.90	$11.50	−63%

Basis: PITON-Global retail engagement pricing 2025–26; fully loaded and net of shrinkage, as defined in Methodology & notes. 24/7 coverage and promo-surge seats at flat rates, active periods only.

TABLE 2 — RETAIL OPERATING BENCHMARKS, VETTED VS. BASELINE (2025–26)			
METRIC	VETTED TOP TIER	BASELINE	EXECUTIVE READING
CSAT / service level (80/20), customer lane	**90 / 87%**	~82 / 72%	The public lane, held
Store-incident MTTR (sev-1)	**34 min**	~64 min	Registers back, sales protected
BOPIS exceptions resolved off-store	**85%**	~55%	Associates stay on the floor
Loyalty inquiries resolved first contact	**80%**	~63%	Best customers, best handled
Promo-event SLA retention	**−3 pts**	−18 to −28 pts	The drop survives its own success
Annual attrition, retail programs	**22–30%**	45–65%	Chain knowledge stays in seat

Source: PITON-Global retail engagement data 2025–26; baseline = client pre-engagement and onshore/commodity-offshore averages.

The machinery behind the column is the series standard — calibrated QA, certification gates, tenure economics — with two retail-specific engines: **the trading calendar as an operating document** (every promo, drop, and reset date on the desk's wall before marketing announces it, with surge waves and runbooks staged against it) and **chain immersion** — store formats, planograms, regional quirks, and the POS build documented the way WP-95's providers document properties. Both are Step 3 and Step 5 diligence items; neither is visible on a rate card.

SECTION 05

Sourcing discipline: the 7-Step Vendor Vetting Framework, applied to retail

A retail search must test two competencies at once, and the funnel collapses accordingly: providers who survive the customer-lane screens routinely fail the store-lane ones, and vice versa. The counts below are representative of a mid-market chain search.

	FIG. 3 — THE 7-STEP FRAMEWORK AS A RETAIL FUNNEL		
	STEP	WHAT IT ELIMINATES IN A RETAIL SEARCH	FIELD REMAINING
1	**Requirements definition**	Single-lane thinking: fixes both lanes' volumes, the trading calendar with surge multiples, systems (POS, OMS, loyalty platform), quality targets per lane	1,000+
2	**Market mapping**	Providers without 24/7 delivery or the scale band a store fleet requires	~90
3	**Capability screening**	One-lane shops: CX floors with no store-systems bench, help desks with no brand-voice program — both lanes evidenced, not asserted	~30
4	**Compliance & security audit**	Weak payment and remote-access controls: PCI where card data touches, least-privilege store-systems access, session logging, BCP for a desk that cannot close	~16
5	**Operational diligence**	MTTR claims that fail incident-log sampling; promo stories no reference confirms; attrition that churns chain knowledge yearly	6–10
6	**Competitive RFP & negotiation**	Blended quotes that hide the store-lane premium; finalists bid both lanes and the surge model on identical scenarios, with lane-specific credits	2–3
7	**Transition & launch governance**	Launching into a promo season unproven: PITON-Global stays embedded buyer-side through the first major trading event, then hands over	1

Field-remaining counts represent a mid-market retail search (30–100 seats), PITON-Global engagements 2024–26.

The practice's guarantees stand. **Vendor neutrality:** PITON-Global sells no capacity and takes no placement economics — incident logs and CSAT exports decide the shortlist, not hospitality suites. **Right-sizing:** a 60-seat chain program inside a hyperscale BPO queues behind accounts a hundred times its size; the framework surfaces retail-fluent mid-sizers for whom the chain is a marquee client in both lanes. Six to ten best-qualified providers, within 48–72 hours, free to the buyer, competing through a fully transparent, fair, comprehensive, and highly competitive RFP.

SECTION 06 · ANONYMIZED CASE STUDY

Both lanes, one desk: a 60-seat specialty-chain program, reconstructed

Engagement RT-041 is a US specialty retailer — roughly 900 stores plus a fast-growing digital business, $1.8 billion in revenue — running three service operations badly: an onshore CX center missing service level every promo week, a shared IT queue where store sev-1s waited behind laptop tickets, and a loyalty program whose members rated service below the chain's own average. The operations chief's framing: "Our best marketing is a register that works and a person who answers." Identifying details are anonymized under NDA.

SELECTION (WEEKS 0–8)

Requirements fixed a 60-seat, 24/7, two-lane scope — 32 customer CX, 18 store support, 10 loyalty and order operations — on the chain's POS, OMS, and loyalty stack, with the trading calendar and surge multiples in the RFP itself. Mapping yielded 87 claimants; two-lane capability screening cut the field to 24; the payment-and-access audit left 14. Incident-log and promo-reference diligence produced a shortlist of 7. A Manila retail specialist won at $11.50 per productive hour, with lane-specific credits: CSAT and SL on one side, MTTR and off-store resolution on the other.

TRANSITION (WEEKS 9–26)

The store-support desk launched first — runbooks built per incident type, remote tooling validated store-by-store in a 40-store pilot — and cut sev-1 MTTR nearly in half before the customer lane even transitioned. CX and loyalty followed in certification-gated waves through week 22, with chain immersion built format-by-format. The program's first anniversary event — a chain-wide drop that tripled contact volume for 72 hours — ran at −4 points of service level. PITON-Global chaired buyer-side governance through that event, then handed over on documented criteria in month 7.

TABLE 3 — RT-041 FIRST-YEAR VALUE BUILD-UP (US$)		
VALUE COMPONENT	YEAR 1	BASIS
Labor & overhead arbitrage (three functions consolidated)	$2.17M	112k productive hrs × ($30.90 – $11.50)
Store downtime reduction (sev-1 MTTR 66→35 min)	$0.49M	Register-minutes returned × fleet incident rate × transaction density, conservatively factored
BOPIS save rate (off-store resolution 54%→84%)	$0.31M	Orders rescued from cancellation + associate hours returned to the floor
Loyalty retention effect (member CSAT 79→90)	$0.22M	Measured repeat-purchase delta on service-touched members, margin basis, holdout-adjusted
Gross value created	**$3.19M**	
Less: engagement & transition costs	($0.57M)	Transition, runbook and immersion build, store pilot, governance overlay; advisory fee $0 (provider-paid model)
Net value ÷ cost = first-year ROI	5.6×	$3.19M ÷ $0.57M

Figures rounded; downtime, save-rate, and retention effects conservatively factored. Method in Methodology & notes.

Sixty-eight percent arbitrage, thirty-two percent operational value — the series ratio, twelfth consecutive appearance. Every operational line traces to the two-lane design: the downtime saving to a store-support desk most bidders could not staff, the BOPIS saves to one provider owning both sides of the seam, the loyalty effect to treating the best customers' queue as a retention instrument. The operations chief's verdict at handover: "For the first time, the stores and the website are complaining about the same things to the same people — and the things are getting fixed."

SECTION 07

The executive playbook: governance for the first 180 days

Retail programs should be sequenced store-lane first: it proves fastest, pays soonest, and buys goodwill for the customer-lane transition. The governance below assumes that order — client in command, advisor ensuring the trading calendar rules the plan.

DAYS 0–30

Contract both lanes, stage the calendar

Put lane-specific credits in the contract — CSAT and SL for customers, MTTR and off-store resolution for stores — and the full trading calendar with surge terms beside them. Validate remote-access architecture and PCI scope before a single store connects. Lock the runbook-build plan per incident type.

DAYS 30–90

Pilot the stores, certify the lanes

Prove the store desk in a 30–50-store pilot with incident-log audits before fleet cutover; certify CX and loyalty waves on your own QA rubric with chain immersion built format-by-format. Stand up the weekly cross-lane loop — contact drivers, incident causes, BOPIS exception patterns — feeding store ops and digital together.

DAYS 90–180

Rehearse the event, then chase demand itself

Run a full surge drill against a real promo before the season's biggest one. With SLAs stable in both lanes, point governance at root causes: BOPIS seam fixes, top incident-driver elimination, loyalty friction points fed to the program team. Certify steady state; hand over on dated criteria; keep the trading-calendar review standing.

THE FIVE FAILURE MODES WE ARE HIRED TO PREVENT

Sourcing the lanes separately and buying a finger-pointing machine · leaving stores in a shared IT queue while paying retail rents on stalled registers · promo terms discovered mid-drop · remote store access granted wider than audited · launching a customer lane into the season that funds the year. All five are settled at selection and design.

Retail's oldest rule — the customer is always right — has an operational corollary: the customer is always somewhere, at some hour, in some channel, needing something fixed. The Philippine market staffs that reality at 63% below onshore cost, in both lanes at once, with surge machinery scaled to the trading calendar. Thirty providers can genuinely run it; a thousand will bid. The method in these pages — two-lane evidence, incident-log diligence, a fully transparent, fair, comprehensive, and highly competitive RFP — is how the six to ten worth your time are found, and how the register keeps ringing.

METHODOLOGY & NOTES

How the numbers were built

Operating benchmarks (CSAT, service level, sev-1 MTTR, off-store BOPIS resolution, loyalty FCR, promo SLA retention, attrition) derive from PITON-Global retail engagements active 2025–26, measured on provider CX platforms, ITSM systems, and QA tooling, validated in client governance. Baselines combine client pre-engagement data with onshore and commodity-offshore averages.

Cost figures are fully loaded — wages, benefits and statutory charges, facilities, technology and security stack, management and QA overhead, attrition-driven recruiting and ramp — net of shrinkage, at flat rates across 24/7 coverage; surge seats price for active periods only. US baselines reflect Tier-2 metro service and IT labor including off-hours premiums; Manila figures reflect 2025–26 engagement pricing.

The case study (RT-041) is anonymized under NDA; store counts, revenue, and platform details are generalized, figures rounded. Value factors are conservative: downtime value counts register-minutes returned at measured transaction density, not theoretical capacity; BOPIS saves count orders demonstrably rescued plus logged associate time; the loyalty effect is holdout-adjusted and taken at margin. ROI = net first-year value ÷ all engagement-related client costs. PITON-Global's advisory fee is provider-paid and appears at $0 in the client cost base; neutrality safeguards are documented at piton-global.com.

Market context draws on IBPAP reporting and PITON-Global's proprietary provider mapping (1,000+ operations; retail capabilities re-verified August 2026). Estimates and projections are PITON-Global analysis and should be cited as such.

Which retail BPOs belong on your shortlist?

Forty-five minutes with John will tell you. Free to buyers, strictly vendor-neutral — a two-lane-tested shortlist within two to three business days.

j.maczynski@piton-global.com
+1 402-598-8740