Contact Center Outsourcing Annual Report 2015: Incumbents Beware – There's No Place for Complacency

Contact Center Outsourcing (CCO)
Annual Report: June 2015 – Preview deck

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Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio

- Peer analysis | Scope, sourcing models, locations

- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool

- Tracking services | Service providers, locations, risk

- Other | Market intelligence, service provider capabilities, technologies, contract assessment

Subscription information

- The full report is included in the following subscription(s)
  - **Contact Center Outsourcing (CCO)**

- In addition to published research, a subscription may include analyst inquiry, data cuts, and other services

- **If you want to learn whether your organization has a subscription agreement or request information on pricing and subscription options, please contact us**

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1 Banking, financial services, and insurance

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How to read this document

Information desired	Where/how to locate the information
Summary of key messages	• The section on key messages summarizes the CCO market insights • The key messages are categorized along three dimensions: – Market size and buyer adoption – Value proposition and solution characteristics – Service provider landscape
Key facts or analyses related to a specific topic	• A section is devoted to each dimension of the summary of key messages (listed above) • Each section contains detailed charts on relevant topics within each dimension • Refer to the table of contents (pages 4 and 5) to identify relevant topics covered within each section • Summary pages at the beginning of each section cover the key trends
Outlook for 2014-2015	• The section provides Everest Group's outlook on the CCO market for 2014-2015
Definition of unfamiliar terms and related research	• Acronyms or technical outsourcing terms are defined in the glossary of terms (Appendix) • Refer to the related Everest Group CCO research publications listed in references (Appendix)

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Overview and abbreviated summary of key messages
(page 1 of 2)

The global CCO market grew at ~5% in 2014 to reach US$70-75 billion, with deal activity on a steady growth path in the last four to five years. 2014 witnessed lower renewal rates as buyers looked beyond service performance and expected the service providers to successfully manage changing business needs. Buyers are cautious and tend to start with a smaller scope at the beginning of an engagement that grows over time as depicted by bigger sizes of the renewed contracts.

The changing landscape of the buyer requirements has had an impact on the solution characteristics that exist in the CCO market currently – higher onshore delivery, multi-channel solution, value-added services, technology, and pricing model.

Some of the findings in this report, among others, are:

Market size and buyer adoption	- The global contact center spend stands at US$300-350 billion, of which third-party outsourcing accounts for 20-25% - Growth in markets such as United States and United Kingdom flattened out and new demand is being driven by Continental Europe, Middle East & Africa and Asia Pacific - While telecom and BFSI are the leading adopters of CCO, industries such as retail and travel & hospitality are exhibiting high growth

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Overview and abbreviated summary of key messages
(page 2 of 2)

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Value proposition and solution characteristics	• Depth and breadth of inclusion of value-added services has continued to increase, with renewals witnessing higher inclusion • Share of non-voice channel continues to increase, driven by adoption of value-added services • North America and Continental Europe, Middle East & Africa witnessed the highest adoption of multi-channel contracts across all geographies
Service provider landscape	• CCO specialists dominate the market, but have recorded moderate growth. • BPO pure-plays have witnessed higher growth based on their focus on innovation, analytics, and multi-channel services • Teleperformance, Convergys, and Atento form the top three service providers in the CCO space with the leading service providers in terms of market share varying across geographies and industries

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This study offers three distinct chapters providing a deep dive into key aspects of the CCO market; below are four charts to illustrate the depth of the report
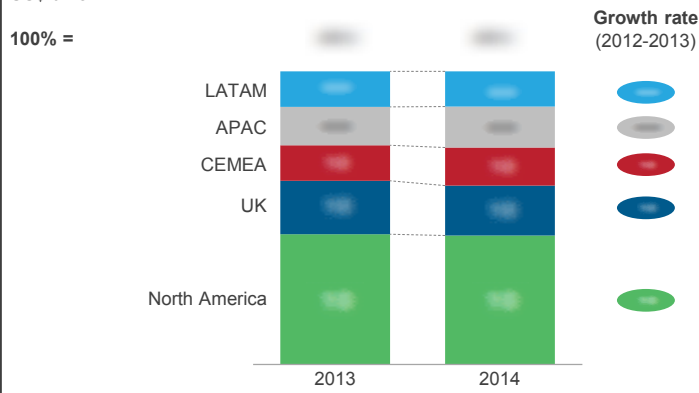
Contract activity over time

CCO contract activity (both new and renewals) over time
Number of contracts signed

Renewals
New contracts

2008 2009 2010 2011 2012 2013 2014
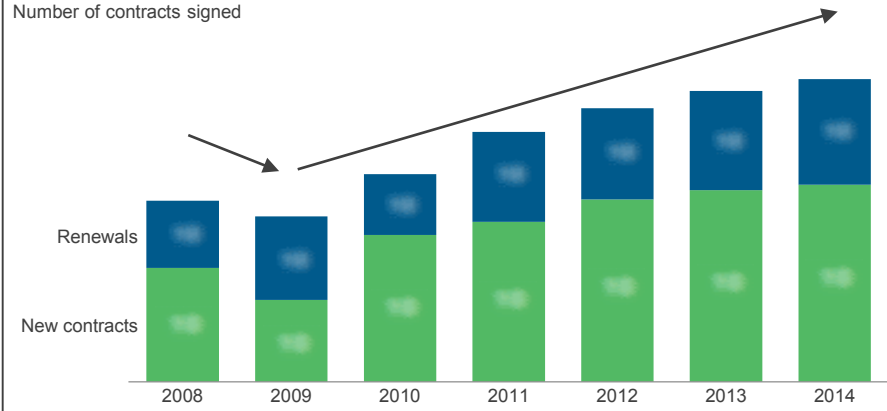
Adoption by buyer geography

CCO revenue by signing region over time (both new deals and renewals)
US$ billion

100% =

Growth rate
(2012-2013)

LATAM
APAC
CEMEA
UK

North America

2013 2014

Value-added services

Inclusion of value-added services in CCO contracts
Percentage of contracts

Till 2010   2011-2012   2013-2014
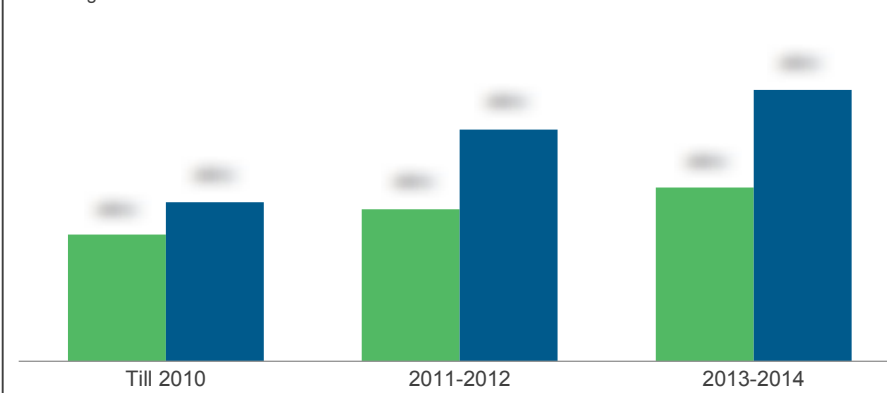
Service provider landscape

2014 CCO service provider revenue
Revenue in US$ billion

Growth rate
(2013-2014)

Service provider 1
Service provider 2
Service provider 3
Service provider 4
Service provider 5
Service provider 6
Service provider 7
Service provider 8
Service provider 9
Service provider 10
Service provider 11
Service provider 12
Service provider 13
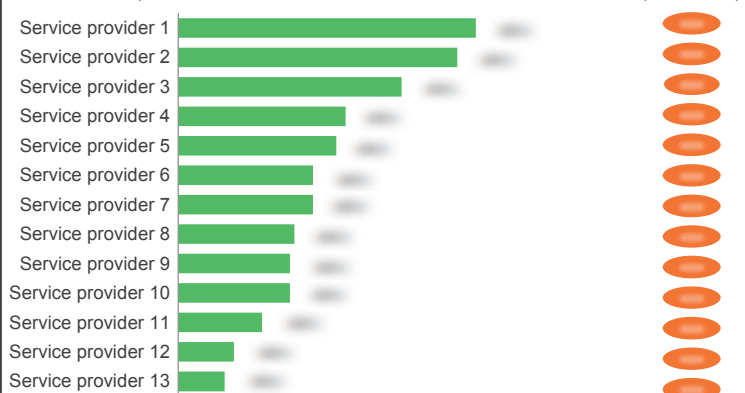
Source: Everest Group (2015)

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CCO research calendar

Topic	Release date
BPS Code of Conduct: A Shared Solution for Protecting Confidential Information	October 2014
Contact Center Outsourcing (CCO) Market for the BFSI Industry – Service Provider Landscape with PEAK Matrix™ Assessment 2014	November 2014
Contact Center Outsourcing (CCO) Market for the Healthcare Industry – Service Provider Landscape with PEAK Matrix™ Assessment 2014	December 2014
Alorica To Acquire West Corporation's Agent Services Businesses: Tell-tale Signs of a Changing Industry	January 2015
Analytics Business Process Services (BPS) – Service Provider Landscape with PEAK Matrix™ Assessment 2015	February 2015
Reinventing Business Process Services (BPS) – Leveraging Technology to Deliver on New Expectations	March 2015
Cultural Affinity, Cost Savings, Coordinates – 3 C's of Targeting UK Contact Center Market	March 2015
Contact Center Outsourcing (CCO) – Annual Report 2015	June 2015
Impact of Social Media and its related analytics on the CCO industry	Q2 2015
CCO – Service Provider Landscape with PEAK Matrix Assessment 2015	Q3 2015
CCO – Service Provider Profile Compendium 2015	Q3 2015
Outcome-Based Pricing in CCO	Q4 2015
Driving Value from Differentiation – How Service Provider are Tackling Key Value Levers	Q4 2015

Additional CCO research references

The following documents are recommended for additional insight on the topic covered in this report. These documents either provide additional details on the topic or complementary content that may be of interest

1. **Contact Center Outsourcing (CCO) – Service Provider Profile Compendium 2014** (EGR-2014-1-R-1195), 2014**:** This report provides comprehensive, fact-based snapshots of 20+ major CCO service providers. Each profile highlights a service provider's delivery capability, market strategy, key organizational developments, delivery footprint, and client portfolio along various dimensions such as geography and industry. In addition, each profile provides the positioning of the service provider on Everest Group PEAK Matrix with an insightful analysis of its capabilities

2. **Contact Center Outsourcing (CCO) – Service Provider Landscape with PEAK Matrix™ Assessment 2014** (EGR-2014-1-R-1150); 2014. This report focuses on service provider positioning in the CCO market, changing market dynamics and emerging service provider trends, and assessment of service provider delivery capabilities

3. **Contact Center Outsourcing (CCO) – Annual Report 2014: Changing Times, Evolving Value Proposition** (EGR-2014-1-R-1124); 2014. This report provides comprehensive coverage of the global CCO market including detailed analysis of market size and growth, buyer adoption trends, CCO value proposition and solution characteristics, and service provider landscape

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About Everest Group

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