# Contact Center Outsourcing Annual Report 2016: The Rise of Digital Contact Centers – Clear Evidence that Real Change is Underway

Contact Center Outsourcing (CCO)
Annual Report: July 2016 – 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)
  – **Cloud & Infrastructure Services**

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# How to read this document

| Information desired | Where/how to locate the information |
|---|---|
| **Summary of key messages** | <ul><li>The section on key messages summarizes the CCO market insights</li><li>The key messages are categorized along three dimensions:<ul><li>Market size and buyer adoption</li><li>Value proposition and solution characteristics</li><li>Service provider landscape</li></ul></li></ul> |
| **Key facts or analyses related to a specific topic** | <ul><li>A section is devoted to each dimension of the summary of key messages (listed above)</li><li>Each section contains detailed charts on relevant topics within each dimension</li><li>Refer to the table of contents (pages 4 and 5) to identify relevant topics covered within each section</li><li>Summary pages at the beginning of each section cover the key trends</li></ul> |
| **Outlook for 2016-2017** | <ul><li>The section provides Everest Group's outlook on the CCO market for 2016-2017</li></ul> |
| **Definitions of unfamiliar terms and related research** | <ul><li>Acronyms or technical outsourcing terms are defined in the glossary of terms (Appendix)</li><li>Refer to the related Everest Group CCO research publications listed in references (Appendix)</li></ul> |

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

Contact centers across the world are moving into the digital era with focus on enhanced customer experience in a multi-channel environment. This industry-wide change has led to service providers changing their value proposition from traditional FTE-based business to technology enabled solutions such as automation and analytics in order to stay relevant. With the market going through a period of transition, the global CCO market grew at a rate of 4% in 2015 to reach US$75-78 billion.

The changing landscape of the buyer requirements and evolving consumer needs for multi-channel digital experience has had an impact on the solution characteristics that exist in the CCO market currently – higher onshore delivery, multi-channel solutions, technology, automation solutions, 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% <br> ● Buyers' expectation from service providers have expanded beyond cost containment and implementation to focus on pro-activeness, providing better insights, and innovation |

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

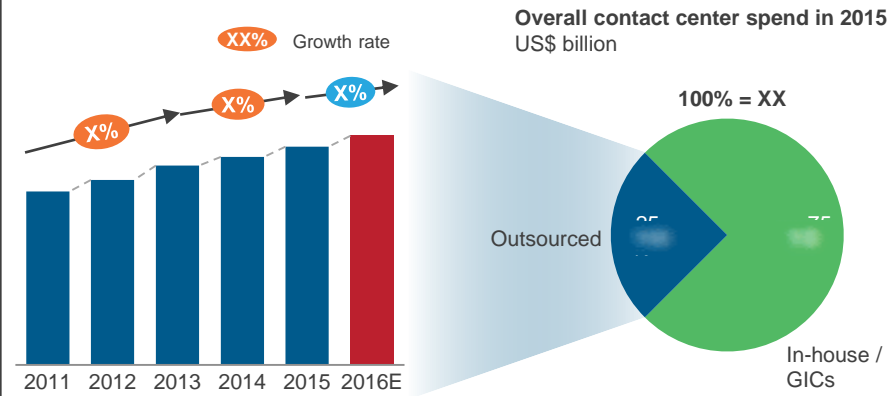| **Value proposition and solution characteristics** | <ul><li>Onshoring activity continued to increase in 2015 as buyers increased their focus on improving service quality and prefer agents close to customers</li><li>The adoption of multi-channel contracts is increasing with greater inclusion of chat and social media to address the evolving customer need for an integrated digital experience</li></ul> |
|---|---|
| **Service provider landscape** | <ul><li>While the CCO specialists dominate the market, they have recorded the slowest growth in recent years. BPO pure-plays have witnessed higher growth driven by their focus on innovation, analytics, and multi-channel services</li><li>Technology is the leading investment theme in CCO, followed by scale. Enabler technologies accounted for about half of the reported investments in 2014-2015, with analytics, automation, and multi-channel tools being the major areas of investments</li></ul> |

# 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

## Market size for CCO over time

**XX%** Growth rate

2011 2012 2013 2014 2015 2016E

**Overall contact center spend in 2015**
US$ billion

**100% = XX**

Outsourced

In-house / GICs

## Evolving buyer requirements

**Service provider KPIs**
Rating on a scale of 1 to 5
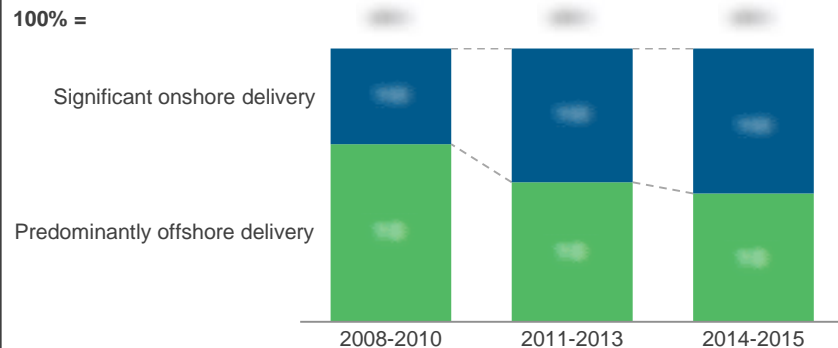
Traditional KPIs
- Responsiveness
- Relationship management
- Implementation

New age KPIs
- Proactiveness
- Better insights/ analytics
- Innovation

*Poor performance*          *Excellent performance*
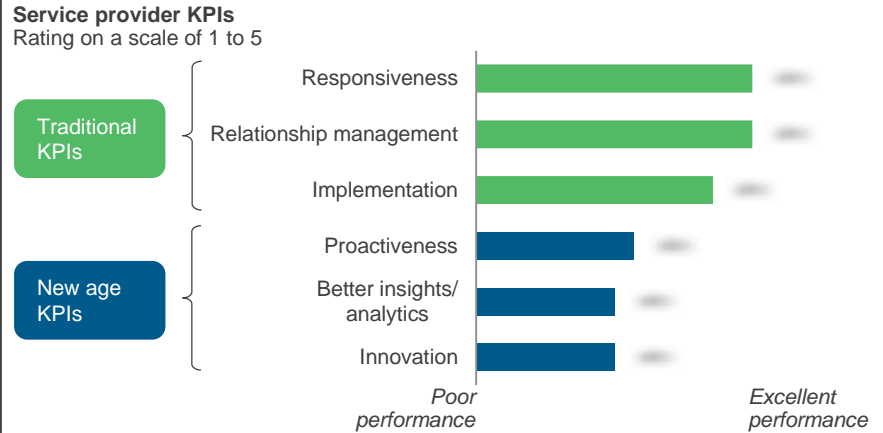
## Delivery model

**Distribution of CCO contracts with offshore/nearshore components**
Number of contracts

**100% =**

Significant onshore delivery

Predominantly offshore delivery

2008-2010    2011-2013    2014-2015

## Service provider landscape

**2016 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
Service provider 14
Service provider 15
Service provider 16
Service provider 17
Service provider 18
Service provider 19
Service provider 20

Source:    Everest Group (2016)

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# CCO research calendar



| Topic | Release date |
|---|---|
| CCO Pricing Trends: The Realities of Outcome-Based Pricing Adoption | January 2016 |
| Clever Machines at Your Service | February 2016 |
| Analytics Business Process Services (BPS) – Annual Report 2016 | March 2016 |
| Service Delivery and Demand Dynamics in Latin America | March 2016 |
| Heralding a New Era of Transformative Business Process Services through Technology | April 2016 |
| Analytics Business Process Services (BPS) – Service Provider Landscape with PEAK Matrix™ Assessment 2016 | April 2016 |
| Contact Center Outsourcing (CCO) – Service Provider Landscape with PEAK Matrix™ Assessment 2016 | May 2016 |
| Analytics BPS – Service Provider Profile Compendium 2016 | June 2016 |
| Making the Work-At-Home-Agent (WAHA) Model Work: A Buyer's Perspective | June 2016 |
| Achieving Maximum BPO Value: How Smart Buyers Structure Contact Center Relationships | June 2016 |
| The Dynamics Behind the Alorica - EGS Deal | June 2016 |
| Unlocking Next-Generation Value through Technology-Embedded Business Process Services \| Part 1 | July 2016 |
| Contact Center Outsourcing (CCO) - Annual Report 2016 | July 2016 |
| Technology in BPS - Market Landscape Refresh | Q3 2016 |
| Contact Center Outsourcing (CCO) – Service Provider Profile Compendium 2016 | Q3 2016 |
| Technology in BPS – Service Provider Compendium 2016 | Q3 2016 |
| Technology in BPS - Service Provider Landscape 2016 | Q3 2016 |
| Healthcare CCO: An Updated Market Overview and PEAK Matrix | Q4 2016 |
| RPA and Technology Innovation in CCO | Q4 2016 |
| SDA in Business Process Services (BPS) – Service Provider Landscape | Q4 2016 |
| SDA in BPS - Service Provider Profile Compendium 2016 | Q4 2016 |

Legend: ■ Published  ■ Current

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# Additional CCO research references

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

1. **Contact Center Outsourcing (CCO) – Identifying the Differentiators of High Growth CCO Providers** (EGR-2015-1-R-1636); 2015. This viewpoint provides coverage of service providers that have expanded at a higher pace than the market growth rate, and the growth strategies adopted by them that have allowed them to expand at such pace. It looks at how these new areas of focus being pursued by these service providers are shaping up in the contact center space and are driving growth in the industry.

2. **Contact Center Outsourcing (CCO) – Service Provider Profile Compendium 2015** (EGR-2015-1-R-1579), 2015. 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 the Everest Group PEAK Matrix with an insightful analysis of its capabilities.

3. **Contact Center Outsourcing (CCO) – Service Provider Landscape with PEAK Matrix™ Assessment 2016** (EGR-2016-1-R-1771); 2016. This report focuses on service provider positioning in the CCO market, changing market dynamics & emerging service provider trends, and assessment of service provider delivery capabilities.

For more information on this and other research published by Everest Group, please contact us:

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