



# Contact Center Outsourcing (CCO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018

Customer Experience Management (CXM) Services  
Market Report – June 2018: Complimentary Abstract / Table of Contents

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- Price book
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- Workshops

## 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

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# Background and scope of the research

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## **Background of the research**

The global CCO market picked-up pace and grew at ~4% to reach US\$81-83 billion in 2017. While many of the service providers have exhibited strong growth on the back of various acquisitions made in the last couple of years, the market in general leapt out of uncertainties that were being observed in 2016 owing to multiple geo-political factors and showed good recovery. As the industry is consolidating its steps towards digital, many first time buyers have shown preference for outsourcing due to the value-add and cost benefits that it brings to the table. A lot more service providers have re-aligned themselves in line with the evolving buyer demands and strengthened their digital capabilities around advanced analytics, automation, cognitive/AI, and omnichannel solutions as well as invested in consulting, customer journey mapping, and design thinking competencies to prepare themselves for the increasing demand for end-to-end CX transformation from the buyers

## **In this research, we analyse the CCO market across various dimensions:**

- CCO PEAK Matrix 2018
- Key insights on PEAK Matrix dimensions
- Observations and comments on individual service providers

## **The scope of analyses includes:**

- More than 2,500 active CCO deals (as of December 2016) tracked annually by Everest Group
- Global coverage across all major languages, geographies, channels, and industries
- Coverage across 35+ CCO service providers including, Aegis, Alorica, Atento, Arvato, Capita, CGI, Concentrix, Conduent, Conduit Global, Convergys, DXC Technology, EXL, Firstsource, Genpact, HCL, Hexaware, HGS, Infosys, Intelenet, iQor, Knoah Solutions, Merchants, NTT DATA, Sitel, STARTEK, Sutherland Global Services, Sykes, Tech Mahindra, Teleperformance, Telus International, Transcom, TTEC, VXI, Webhelp, Wipro, and WNS

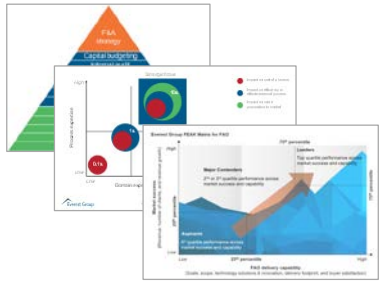
# Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

- Market thought leadership
- Actionable and insightful research
- Syndicated and custom research deliverables

1

## Robust definitions and frameworks

(Function-specific pyramids – MSP, RPO, PO, HRO, Total Value Equation (TVE), capability-success matrix, and market maturity)



2

## Primary sources of information

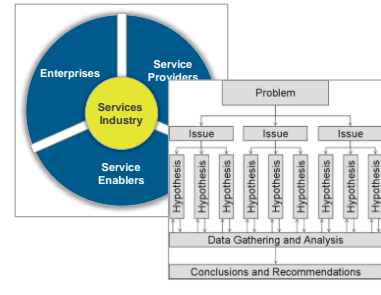
(Annual contractual and operational RFIs, service provider briefings, theme-based executive interviews, and web-based surveys)



3

## Diverse set of market touch-points

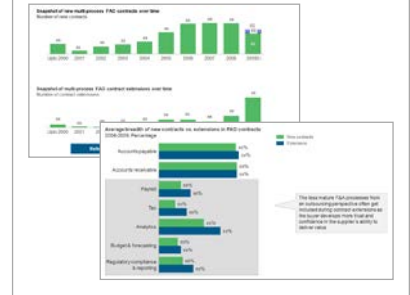
(Ongoing interactions across key stakeholders, inputs from a mix of perspectives and interests, supports both data analysis and thought leadership)



4

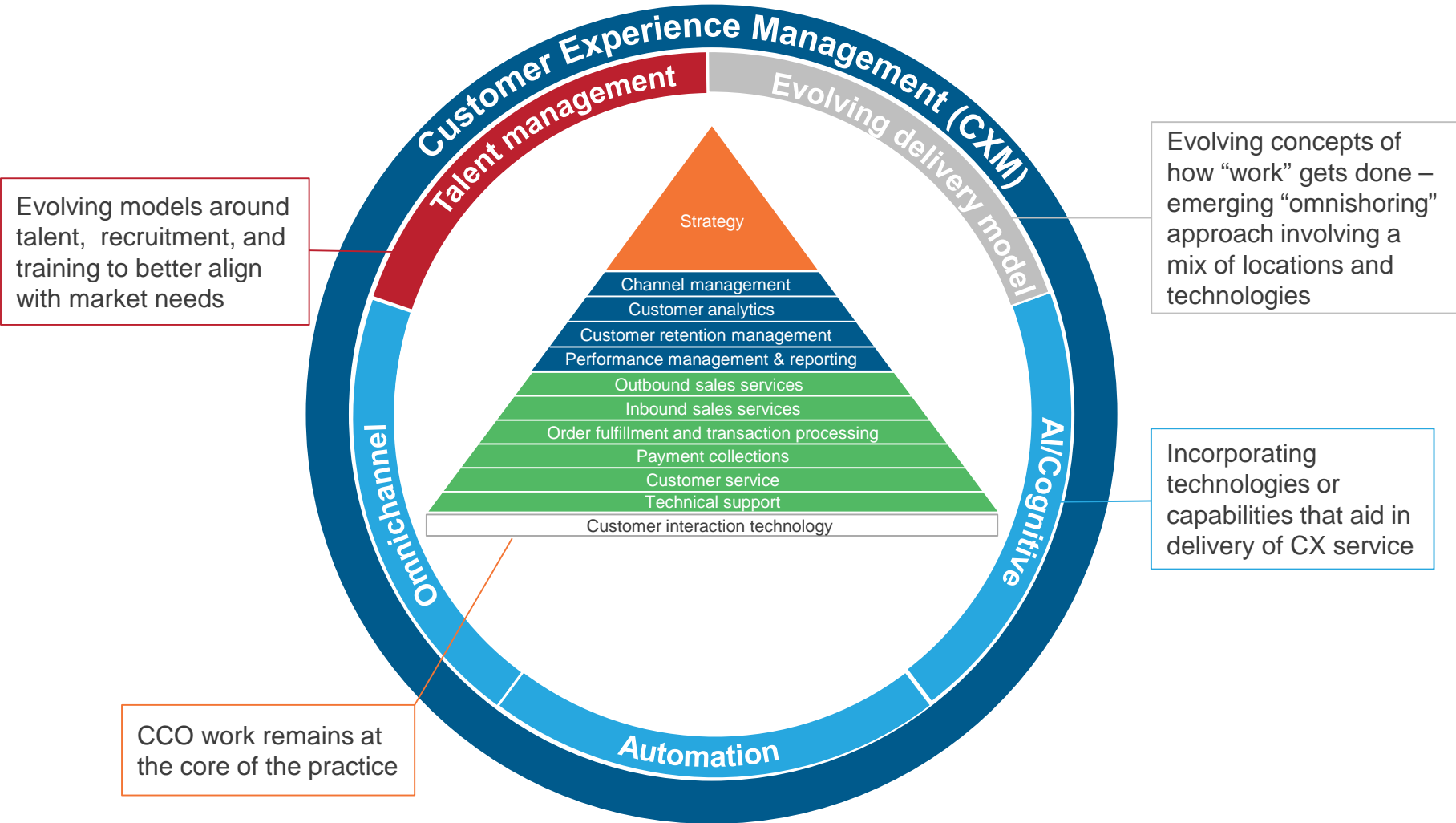
## Fact-based research

(Data-driven analysis with expert perspectives and trend-analysis across market adoption, contracting, and service providers)

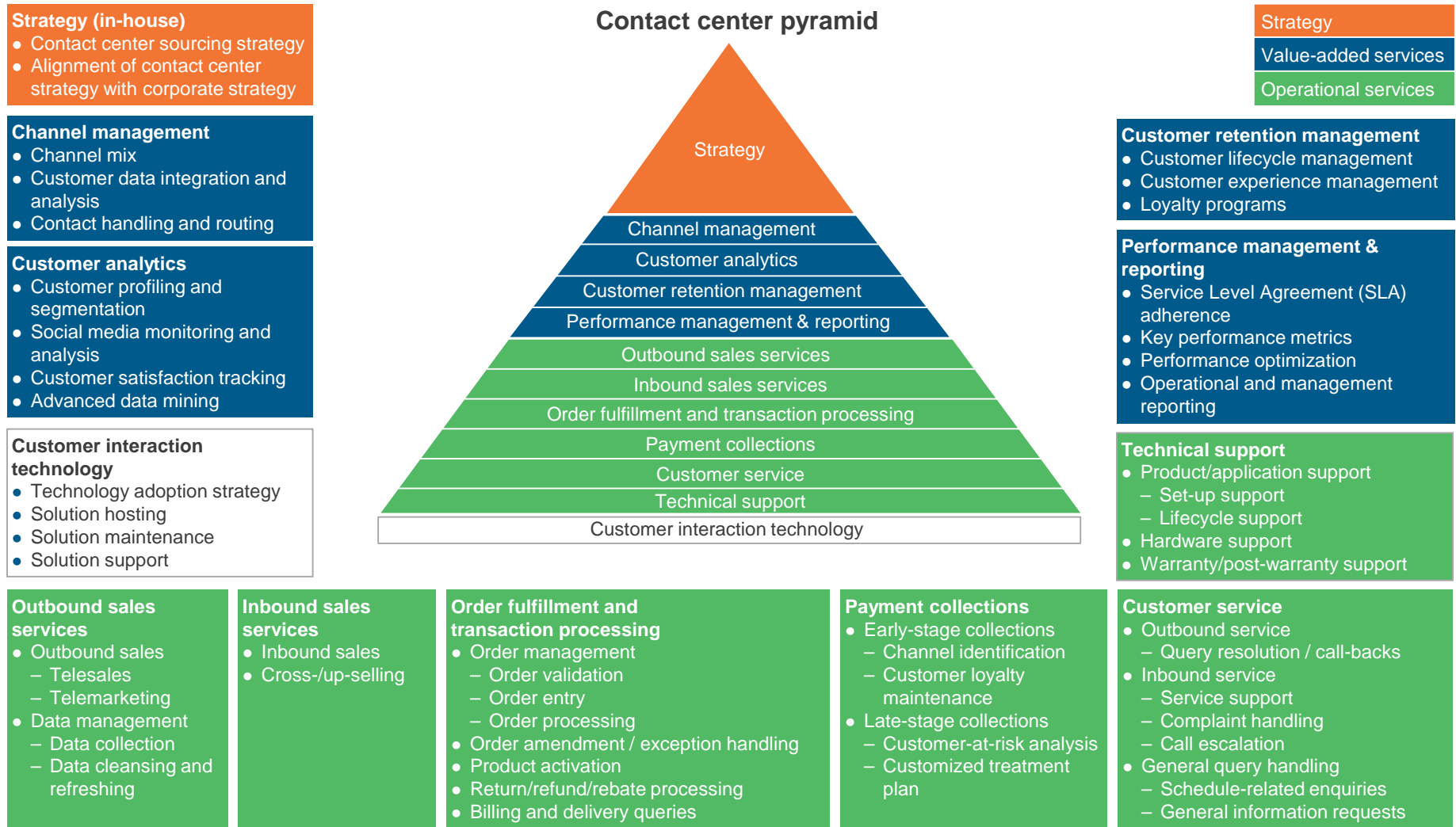


- Proprietary contractual database of 2,500+ CCO contracts (updated annually)
- Round-the-year tracking of 35+ service providers in the CCO space
- Dedicated team for BPO research, spread over two continents
- Over 20 years' experience of advising clients on CCO-related decisions
- Executive-level relationships with buyers, service providers, technology providers, and industry associations

# CXM services go beyond the traditional CCO model to help enterprises optimize contact centers and customer interaction in their journey toward digital CX



# Everest Group further defines the subprocesses that make up the traditional contact center pyramid



# Everest Group's CXM research is based on multiple sources of proprietary information (page 1 of 2)

Proprietary database of **2,500+ contracts** (updated annually)

- The database tracks the following elements of each contract:
  - Buyer details including industry, size, and signing region
  - Contract details including Total Contract Value (TCV), Annualized Contract Value (ACV), term, start date, service provider FTEs, and pricing structure
  - Scope including buyer geography and functional activities
  - Technology including Customer Relationship Management (CRM) technology, communication technology, and enabler technology ownership & maintenance
  - Global sourcing including delivery locations and level of offshoring

Proprietary database of **operational capability of 35+ service providers** (updated annually)

- The database tracks the following capability elements for each service provider
  - Key leaders
  - Major clients and recent wins
  - Overall revenue, total FTEs, and employees
  - Recent customer experience-related developments
  - Revenue split by geography, industry, and client size
  - Key delivery locations
  - Customer experience service suite
  - Customer experience-related technology capabilities

Illustrative list of service providers covered in the CXM research



Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any contract-specific information we collect, will only be presented back to the industry in an aggregated fashion



# Everest Group's CXM research is based on multiple sources of proprietary information (page 2 of 2)

## Annual buyer surveys and interactions

Global surveys and one-on-one executive-level interviews are undertaken annually with roughly **80-100 organizations** to understand how buyers perceive the performance of their providers. The surveys/interviews focus on different aspects of an outsourcing relationship including:

- Key drivers for outsourcing customer experience services
- Contract details (including process scope, year of signing, and duration)
- Overall performance of the service provider including key strengths and improvement areas
- Detailed assessment of service provider performance across different elements such as:
  - Key customer experience metrics
  - Various customer experience-centric processes
  - Implementation and transition phases
  - Governance and relationship management

## Illustrative list of buyers' feedback included in our research



# The global service provider landscape for CCO includes CCO specialists, integrated IT+BPO players, and BPO pure-plays

*NOT EXHAUSTIVE*

### CCO specialists



- Predominantly focused on contact center outsourcing
- Do not have a significant play in other BPO/ITO segments

### IT+BPO players



- Integrated players that provide services across ITO and BPO
- Have a significant ITO portfolio beyond BPO

### BPO pure-plays



- Have significant presence across BPO segments (e.g., FAO, PO, and HRO) beyond CCO
- Do not have a significant ITO play

# Overview and abbreviated summary of key messages

This report examines the global Contact Center Outsourcing (CCO) market and evaluates the positioning of service providers on the Everest Group PEAK Matrix. It provides insights on the changing market dynamics, service provider delivery capabilities, and Everest Group's remarks on service providers' key strengths and areas of improvement.

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

## CCO service provider landscape and CCO PEAK Matrix 2018

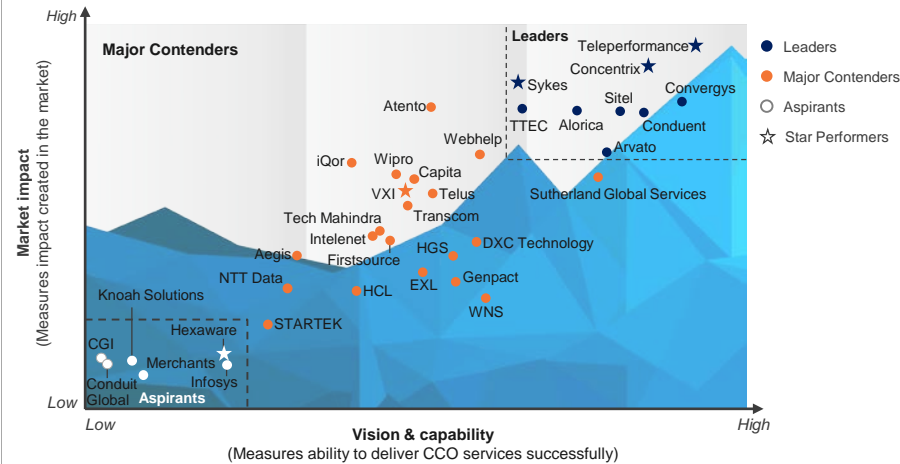
- Everest Group classifies 35+ CCO service providers on the Everest Group PEAK Matrix into three categories of Leaders, Major Contenders, and Aspirants
- Alorica, Arvato, Concentrix, Convergys, Conduent, Sitel, Sykes, Teleperformance, and TTEC have emerged as Leaders
- Aegis, Atento, Capita, DXC Technology, EXL, Firstsource, Genpact, HCL, HGS, Intelenet, iQor, NTT DATA, STARTEK, Sutherland Global Services, Tech Mahindra, Telus International, Transcom, VXI, Webhelp, Wipro, and WNS are the Major Contenders
- CGI, Conduit Global, Hexaware, Infosys, Knoah Solutions, and Merchants emerged as Aspirants
- Concentrix, Hexaware, Sykes, Teleperformance, and VXI have been identified as “Star Performers” on the CCO PEAK Matrix for 2018, based on their strong performance in the last one year

## Key insights on PEAK Matrix dimensions

- CCO specialists account for majority of the CCO revenues and grew at above-market rate in 2017. IT+BPO players displayed very strong growth due to their small base as well as acquisitions
- The performance of different categories of service providers has been similar across overall buyer satisfaction. The buyers were highly satisfied with BPO pure-plays across new-age parameters such as knowledge and implementation of next-generation solutions
- CCO specialists have acted as strong proponents of balanced shoring-mix and continue to witness increasing trend of onshoring and nearshoring, driven by rising demand of buyers for exceptional customer experience

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

### Everest Group PEAK Matrix™ for CCO



### Capability assessment

Illustrative example

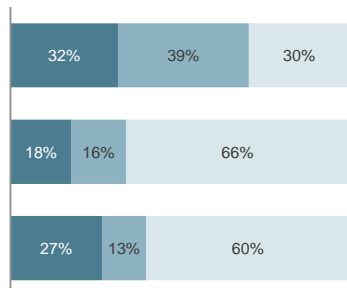
Measure of capability: ● High ○ Low

Service provider	Market impact				Vision & capability				
	Market adoption	Portfolio mix	Value delivered	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall
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	○	○	○	○	○	○	○	○	○

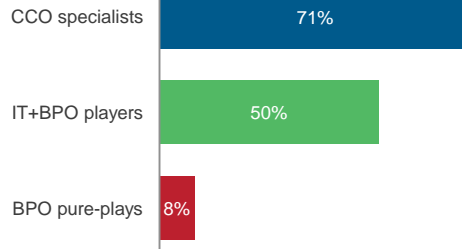
### Vision & capability – delivery footprint

■ High-cost regions ■ Medium-cost regions ■ Low-cost regions

**Distribution of CCO FTEs**  
Percentage of FTEs



**Prevalence of balanced shoring mix**  
Percentage of service providers



### Everest Group's remarks on service providers

Illustrative example

Measure of capability: ● High ○ Low

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall
●	●	●	●	●	○	○	○	○

**Strengths**

- Service provider 1 is an IT+BPO player serving its clients with a major focus on the North American CCO market
- It is leveraging its IT expertise to drive relationships with buyers that are looking to outsource their contact center business
- It has invested in building proprietary chat and RPA solutions to cater to emerging client needs
- It has also entered into strategic partnerships with academic institutions to manage the demand for CCO agents

**Areas of improvement**

- Service provider 1 derives the majority of its CCO revenues from North America and is thus exposed to high concentration risk. It should look to target other geographies to expand its market reach
- It lacks capabilities around value-added services and non-voice channels, thus limiting its ability to target these services
- Its current client portfolio is heavily skewed toward the public sector. With this segment stagnating, Service provider 1 needs to look toward other verticals such as retail, media & entertainment, and travel & hospitality to guarantee future growth

# Research calendar – Customer Experience Management (CXM) Services

Published
  Planned
  Current release

## Flagship CXM Services reports

### Release date

Contact Center Outsourcing (CCO) – Service Provider Profile Compendium 2017.....	July 2017
Contact Center Outsourcing (CCO) – Annual Report 2017 .....	August 2017
<b>Contact Center Outsourcing (CCO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018 .....</b>	<b>June 2018</b>
Contact Center Outsourcing (CCO) – Annual Report 2018 .....	Q2 2018
Contact Center Outsourcing (CCO) – Service Provider Profile Compendium 2018.....	Q3 2018

## Thematic CXM Services reports

Impact of Brexit on the UK Contact Center Market – The Only Thing Certain is Uncertainty.....	July 2017
Delivering Omnichannel Customer Experience.....	September 2017
How Good are CCO Providers in Providing Digital Customer Experience – Buyers’ Perspective.....	September 2017
Philippines Pivoting to Deliver Customer Experience of the Future .....	October 2017
Chatbots Delivering Enhanced Customer Experience: It is Easy to Get it Wrong.....	October 2017
The Business Case for RPA and Chatbots in Contact Centers.....	December 2017
The Evolving Customer Experience Management (CXM) Talent Model: The Rise of the Super Agent.....	March 2018
Role of AI and Cognitive in Delivering Customer Experience of the Future.....	March 2018
Digital Contact Center Overview .....	Q3 2018
PEAK Matrix for Chatbots / Virtual Agents.....	Q4 2018

Note: For a list of all CXM reports published by us, please refer to our [website page](#)

# Additional CXM Services 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. **The Evolving Customer Experience Management (CXM) Talent Model: The Rise of the Super Agent** ([EGR-2018-21-R-2579](#)); 2018. This report aims to provide an understanding of the impact of digital shift on the CXM talent model. It covers the evolution of CXM delivery pyramid due to increasing digitization of simpler and repetitive transactional tasks. It also covers the drivers behind this change and the impact of this shift on the key attributes of the talent model including agent profile & skillset requirement, shoring mix, recruitment & L&D processes, and KPIs
2. **Role of Artificial Intelligence (AI) and Cognitive Solutions in Delivering Customer Experience of the Future** ([EGR-2017-1-V-2565](#)); 2018. This report aims to provide detailed insights into the role of Artificial Intelligence (AI) and cognitive solutions in delivering customer experience of the future. It covers use cases where firms can leverage AI to drive automation in Customer Experience Management (CXM). It also includes case studies elucidating scenarios of AI implementation in CXM
3. **Contact Center Outsourcing Annual Report 2017 – Disruption is Here: The End of Contact Centers as We Know Them** ([EGR-2017-1-R-2297](#)); 2017. The CCO industry grew at a rate of ~3% in 2016 to reach US\$78-80 billion. This report will assist key stakeholders (buyers, service providers, and technology vendors) to understand the changing dynamics of the CCO market and help them identify the trends and outlook for 2017-2018. In this backdrop, the report provides comprehensive coverage of the global CCO market including detailed analysis of the market size and growth, buyer adoption trends, CCO value proposition & solution characteristics, and the service provider landscape

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## About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at [www.everestgrp.com](http://www.everestgrp.com).

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