# Contact Center Outsourcing (CCO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019

Customer Experience Management (CXM) Services
Market Report – June 2019: Complimentary Abstract / Table of Contents

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Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

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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

## Membership information

- This report is included in the following research program(s)
  - Customer Experience Management (CXM) Services
- If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com, unitedkingdom@everestgrp.com, or india@everestgrp.com

# Table of contents

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# Background and scope of the research

**Background of the research**
The CXM space is witnessing rapid shift to digitally-driven CX fueled by changing buyer demands. These changes are driving service providers to invest in digital capabilities across the board instead of focusing on selective capabilities. Service providers need to invest in the full spectrum of capabilities that span different digital solutions, such as analytics, automation / Robotic Process Automation (RPA), Artificial Intelligence (AI), and omnichannel, to be able to drive transformations for their clients. They are also offering innovation beyond technology by building capabilities around consulting, design-thinking, talent upskilling, and new-age delivery models such as Work-At-Home-Agents (WAHA). However, digital-first contact center, while growing, continues to be a fraction of the traditional contact center outsourcing market that is still driven by scale and the ability of service providers to manage client business across different geographies. Given these factors, service providers continue to invest in a host of capabilities either through internal investments, or partnerships & acquisitions as they look to close the capability gap with their peers and create differentiation for themselves in the market.

**In this research, we analyse the CCO market across various dimensions:**
- CCO PEAK Matrix 2019
- Key insights on The PEAK Matrix dimensions
- Observations and comments on the individual service providers

**The scope of analysis includes:**
- More than 3,000 active CCO deals (as of December 2018) tracked annually by Everest Group
- Global coverage across all major languages, geographies, channels, and industries
- Coverage across 30+ CCO service providers including Alorica, Atento, Capita, CGI, Concentrix, Conduit Global, CSS Corp, EXL, Firstsource, Genpact, HCL, Hexaware, HGS, Infosys, iQor, Knoah Solutions, NTT DATA, Qualfon, Sitel, STARTEK and Aegis, Sutherland Global Services, Sykes, Tech Mahindra, Teleperformance, TELUS International, Transcom, TTEC, VXI, Webhelp, Wipro, and WNS

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# 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)
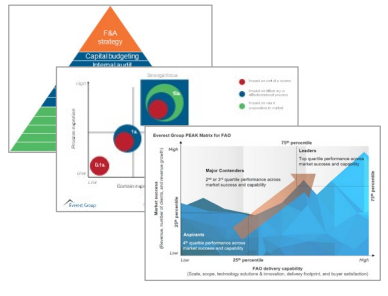


**2 Primary sources of information**
(Annual contractual and operational RFIs, service provider briefings, theme-based executive interviews, and web-based surveys)
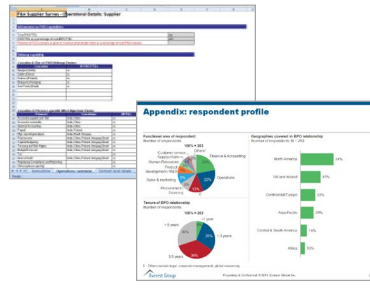


**3 Diverse set of market touchpoints**
(Ongoing interactions across key stakeholders, inputs from a mix of perspectives and interests, supports both data analysis and thought leadership)
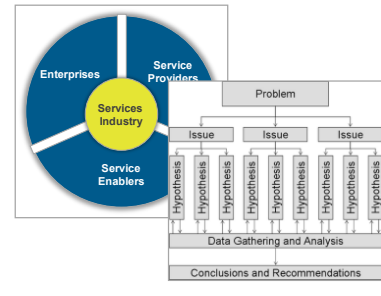


**4 Fact-based research**
(Data-driven analysis with expert perspectives and trend-analysis across market adoption, contracting, and service providers)
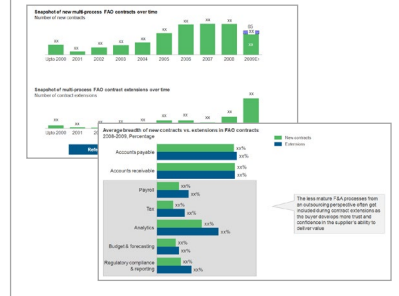


- Proprietary contractual database of 2,500+ CCO contracts (updated annually)
- Round-the-year tracking of 35+ service providers in the CCO space
- Dedicated team for BPO research, spread over two continents
- Over 20 years' experience of advising clients on CCO-related decisions
- Executive-level relationships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

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# CXM services go beyond the traditional Contact Center Outsourcing (CCO) model to help enterprises in their journey toward digital Customer Experience (CX)



Evolving models around talent, recruitment, and training for better alignment with the market needs

Evolving concepts of how "work" gets done – the emerging "omnishoring" approach involving a mix of locations and technologies

Incorporating technologies or capabilities that aid in the delivery of CX services

CCO work remains at the core of the practice

Customer Experience Management (CXM)

Talent management

Evolving delivery model

Omnichannel

AI/cognitive

Automation

**Strategy**

Channel management
Customer analytics
Customer retention management
Performance management & reporting
Outbound sales services
Inbound sales services
Order fulfilment and transaction processing
Payment collections
Customer service
Technical support
Customer interaction technology

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# We break each element into subprocesses of the customer interaction value chain

**Strategy**

**Strategy** (in-house)
- Contact center sourcing strategy
- Alignment of contact center strategy with corporate strategy

**Value-added services**

| Channel management | Customer analytics | Customer retention management | Performance management & reporting |
|---|---|---|---|
| • Channel mix<br>• Customer data integration and analysis<br>• Contact handling and routing | • Customer profiling and segmentation<br>• Big data / social media monitoring and analysis<br>• Customer satisfaction tracking | • Customer lifecycle management<br>• Customer experience management<br>• Loyalty programs | • SLA adherence<br>• Key performance metrics<br>• Performance optimization<br>• Operational and management reporting |

**Operational services**

| Outbound sales services | Inbound sales services | Order fulfillment and transaction processing | Payment collections | Customer service | Technical support |
|---|---|---|---|---|---|
| • Outbound sales<br>  – Telesales<br>  – Telemarketing<br>• Data management<br>  – Data collection<br>  – Data cleansing and refresh | • Inbound sales<br>• Cross- / up-selling | • Order management<br>  – Order validation<br>  – Order entry<br>  – Order processing<br>• Order amendment / exception handling<br>• Product activation<br>• Return/refund/rebate processing<br>• Billing and delivery queries | • Early-stage collections<br>  – Channel identification<br>  – Customer loyalty maintenance<br>• Late-stage collections<br>  – Customer-at-risk analysis<br>  – Customized treatment plan | • Outbound service<br>  – Query resolution / call-backs<br>• Inbound service<br>  – Technology support / helpdesk<br>  – Service support<br>  – Complaint handling<br>  – Call escalation<br>• General query handling<br>  – Schedule-related enquiries<br>  – General product or service information requests | • Product/application support<br>  – Query resolution / call-backs<br>  – Setup support<br>  – Lifecycle support<br>• Hardware support<br>• Warranty / post-warranty support |

**Customer interaction technology**

- Technology adoption strategy
- Solution hosting, maintenance, and support

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

Proprietary database of **3,000+ 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
  - 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 30+ 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**

# 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 approximately **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 including:
  – Key customer experience metrics
  – Various customer experience-centric processes
  – Implementation and transition phases
  – Governance and relationship management

**Illustrative list of buyers whose feedback is included in our research**

# 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:**

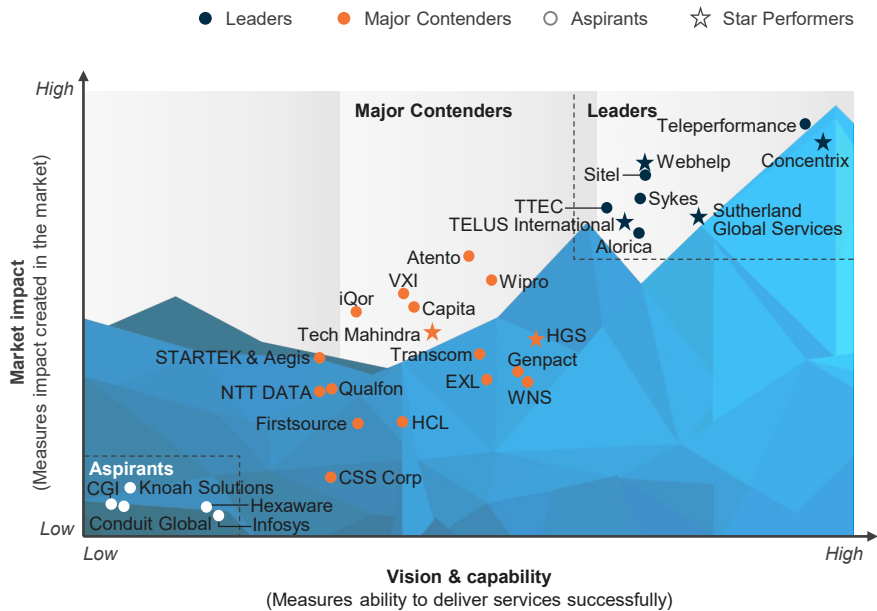**CCO service provider landscape and CCO PEAK Matrix 2019**

- Everest Group classifies 30+ CCO service providers on the Everest Group PEAK Matrix into three categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework to assess the relative market impact and the vision & capability of service providers
- Alorica, Concentrix, Sitel, Sutherland Global Services, Sykes, Teleperformance, TELUS International, TTEC, and Webhelp have emerged as the Leaders
- Atento, Capita, CSS Corp, EXL, Firstsource, Genpact, HCL, HGS, iQor, NTT DATA, Qualfon, STARTEK and Aegis, Tech Mahindra, Transcom, VXI, Wipro, and WNS are the Major Contenders
- CGI, Conduit Global, Hexaware, Infosys, and Knoah Solutions have emerged as the Aspirants
- Based on the relative Year-on-Year (YOY) movement of each service provider, Everest Group identified five service providers as the "2019 CCO Market Star Performers" – Concentrix, HGS, Sutherland Global Services, Tech Mahindra, TELUS International, and Webhelp

**Key insights on PEAK Matrix dimensions**

- Several service providers witnessed significant growth in 2018, driven by acquisitions made in the last couple of years such as – Intelenet by Teleperformance, Convergys by Concentrix, Xavient Information Systems & Voxpro by TELUS International, and Sellbytel Group, IQ-to-Link, and Runway BPO by Webhelp
- Leaders have managed to perform better than their peers across both new-age and traditional KPIs highlighting their focus on both spectrum of the services
- Leaders have also been able to develop more sophisticated digital solutions and have also been more successful in their implementation across their client base

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# 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

● Leaders    ● Major Contenders    ○ Aspirants    ☆ Star Performers



Market impact (Measures impact created in the market)

**Major Contenders**

**Leaders**
- Teleperformance
- Webhelp
- Concentrix
- Sitel
- Sykes
- TTEC
- TELUS International
- Sutherland Global Services
- Alorica

**Major Contenders**
- Atento
- VXI
- Wipro
- iQor
- Capita
- Tech Mahindra
- HGS
- Transcom
- Genpact
- STARTEK & Aegis
- EXL
- NTT DATA
- Qualfon
- WNS
- Firstsource
- HCL
- CSS Corp

**Aspirants**
- CGI
- Knoah Solutions
- Hexaware
- Conduit Global
- Infosys

Vision & capability
(Measures ability to deliver services successfully)

Note: Assessment for **Capita**, **CGI**, **Conduit Global**, and **iQor** excludes service provider inputs on this particular study, and are based on Everest Group estimates, which leverages our proprietary Transaction Intelligence (TI) database, service providers' ongoing coverage, public disclosures, and buyer interactions. For these companies, Everest Group's data for assessment may be less complete.

Source: Everest Group (2019)

## 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 | ◔ | ◑ | ◑ | ◑ | ◑ | ◑ | ◑ | ◑ | ◑ |

## 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

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# 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 2018 | August 2018 |
| Contact Center Outsourcing Annual Report 2018: Transforming Customer Experience through a Digital-First Approach | September 2018 |
| **Contact Center Outsourcing (CCO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019** | **June 2019** |
| Contact Center Outsourcing (CCO) – Service Provider Profile Compendium 2019 | Q3 2019 |
| Contact Center Outsourcing (CCO) – Annual Report 2019 | Q3 2019 |

| Thematic CXM Services reports | |
|---|---|
| Role of AI and Cognitive in Delivering Customer Experience of the Future | March 2018 |
| Contact Center Services for the U.S. Market: Location Strategies for the Digital World | March 2018 |
| Decoding Digital Customer Experience Management | September 2018 |
| Market Report on Chatbots/Intelligent Virtual Agents (IVAs) | November 2018 |
| Accelerating CX through an Optimized CCO model | Pinnacle Model™ Analysis Excerpt 2019 | March 2019 |
| Growth of BPO in Travel & Hospitality – Delivering Customer Experience Takes Centerstage | March 2019 |
| CX Analytics – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018 | May 2019 |
| Enablers of a Unified Customer Experience (CX) – Omnichannel CX Trailblazers | June 2019 |
| Intelligent Virtual Agent – Vendor Landscape with PEAK Matrix™ Assessment 2019 | Q4 2019 |
| Current state of Work-at-Home-Agent (WAHA) | Q4 2019 |
| Role of consulting in the Evolving Buyer Service Provider Relationship | Q4 2019 |

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.  **Enablers of a Unified Customer Experience (CX) – Omnichannel CX Trailblazers** (EGR-2019-21-R-3200); 2019. We present an assessment of 90 startups delivering customer experience services across multiple channels, to shortlist the top 14 trailblazers enabling an omnichannel CX delivery. The assessment was done using various parameters related to investments/funding received by these start-ups, the market impact & success garnered, and the solution capabilities of the start-ups identified.

2.  **Customer Experience (CX) Analytics – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019** (EGR-2019-21-R-3157); 2019. This report examines the Customer Experience (CX) analytics services market and evaluates the positioning of service providers on the Everest Group PEAK Matrix. It provides insights into the market adoption of CX analytics services, relative positioning of service providers, and Everest Group's remarks on service providers' CX analytics capabilities

3.  **Growth of BPO in Travel & Hospitality – Delivering Customer Experience Takes Centerstage** (EGR-2019-21-R-3118); 2019. This report aims to provide detailed insights into the rise in demand for BPO services in the travel & hospitality vertical. It covers the value levers for delivering efficient services in this sector and also includes the transformation enablers for the individual industry segments – airlines, hospitality, Online Travel Agencies (OTAs), and rentals. It concludes by providing the way forward for service providers to help travel and hospitality companies drive competitive advantage in the market

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

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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.

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