User Safety Redefined in the Generative AI Era: Trust and Safety State of the Market 2024

August 2024: Complimentary Abstract / Table of Contents

State of the Market Report

Trust and Safety

Everest Group®

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- ► Pricing Analytics as a Service
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- ► Process Orchestration
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- ► Revenue Cycle Management
- ► Rewards and Recognition
- ► SAP Services
- ► Service Optimization Technologies
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- ► Trust and Safety
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Background of the research

The Trust and Safety (T&S) is a rapidly evolving industry, with enterprises' priorities driven by the need to ensure user safety in the age of gen AI, adherence to regulations, and deployment of responsible and sustainable AI practices – doing all this even amid tight budgetary pressures. Enterprises are addressing these concerns on multiple fronts – by incorporating safety principles, leveraging automation as the first level of deference supported by humans, and deploying a multi-faceted approach toward responsible AI. They are also supported by service and technology providers who are investing in capabilities to offer technical and operational support to enterprises.

As the T&S industry further evolves with the advent of gen AI, enterprises will have to prioritize certain T&S use cases as they build their consumer-facing gen AI applications.

Lastly, as enterprises move ahead in their T&S journey, certain existing and emerging challenges remain critical, requiring enterprise attention and demanding nuanced solutions for their mitigation.

This research provides a comprehensive coverage of the T&S market and analyzes it across various dimensions, such as market overview, service provider landscape, and the evolving market situation.

This research presents the key trends in the T&S market, and the primary components of the report are elucidated below:

- Enterprise T&S challenges
- Impact of gen AI on T&S
- Risk mitigation strategies
- Investments by third-party providers
- Future T&S challenges
- T&S BPS outsourcing overview
- T&S service provider competitive landscape

Scope of this report

Geography: global

Industry: all

Services: trust and safety services

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

Overview

This research provides T&S buyers and providers a detailed view of the market and analyzes it across dimensions including key enterprise challenges, impact of gen AI on T&S, enterprise risk mitigation strategies, investment by third-party providers, future T&S challenges, T&S BPS outsourcing overview, and service provider competitive landscape.

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

Enterprise T&S challenges

- Gen AI holds the potential to proliferate toxic content online, allowing bad actors to spread fraud, misinformation, and hate with ease
- The current T&S regulatory landscape has multiple regulations requiring enterprises to focus on balancing speed and accuracy of moderation and transparency and user empowerment in moderation decisions
- The moderation of egregious content and in niche languages, demand for Foundation Model (FM) Ops support, and penalties from regulations will require enterprises to invest in T&S even amid budgetary pressures
- Responsible and sustainable AI considerations aid enterprises with regulatory compliance, adherence to their overall ESG and AI policies, and enhanced user experience

Impact of gen AI on T&S

- Gen AI will increase the outsourced T&S spend as gen AI-infused automation will not be able to completely offset the surge in content, therefore presenting an opportunity for service providers with the right value-added solutions
- Content curation, annotation, and data analysis will be the most affected T&S work type due to the increase in demand for value-added services
- Gen AI is expected to evolve the talent model with moderators focusing on more complex and egregious content

Risk mitigation strategies

- Safety by Design offers a proactive approach to enterprises to put user safety at the core of platform development by enabling the detection and elimination of online threats even before they occur
- The use of automation solutions allows enterprises to moderate at scale and to improve the digital user experience
- Enterprises have made dedicated investments in the human-in-the-loop component for a balanced and effective approach to content moderation

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

Overview

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

Investments by third-party providers

- Enterprises partner with service and technology partners to complement their capabilities and facilitate scale with technology expertise for industry and content-specific solutions

- Service providers are strengthening their T&S support by developing proprietary solutions, expanding current scale, strengthening support for policy consulting, and investing in R&D and talent

- Product companies and technology providers are building and investing in APIs across content moderation, age detection, and comments moderation, which can be licensed by enterprises to address multiple T&S use cases

Future T&S challenges

- As enterprises develop content moderation solutions, they must address the concerns related to data infrastructure, sourcing, quality, privacy, and PII to ensure quality training data

- Enterprises will need to overcome the limitations of current solutions for detecting and moderating algospeak, content in niche languages, and deepfakes

T&S BPS outsourcing overview

- The outsourced T&S market experienced steady growth in 2023 driven by the exponential increase in content volume, dynamic regulatory landscape, and technology-led disruptions to the current operation

- While APAC and Europe were amongst the fastest growing geographies; Social media continued to be the largest adopter of T&S services

T&S service provider competitive landscape

- The top nine providers account for 80-85% of the market share in terms of ACV

- Accenture, Concentrix, and Teleperformance are the leaders in three major geographies. TELUS International is a leader in two major regions

This study provides a deep dive into key aspects of T&S market; below are four charts to illustrate the depth of the report

Risk mitigation strategies

Key challenges

- Ensuring the safety of users in the digital age
- Compliance with the dynamic regulatory landscape
- T&S budgetary pressure
- Ensuring the responsible and ethical use of AI

Risk mitigation strategies

- Incorporating Safety by Design to enhance user safety
- Leveraging automation for moderation
- Using a human-in-the-loop approach
- Leveraging best practices and guardrails for deploying responsible AI

Investments by third-party providers

Service providers

Primary role
Provide integrated human + technology T&S solutions; they also provide value-added services such as policy advisory

Types of partners
IT/BPS, CXM, and other service providers

Value proposition:
- Scalable solutions across industries
- Global reach

Technology providers

Primary role
Leveraged primarily for their technology solutions, available as a stand-alone product/solution for independent licensing

Types of partners
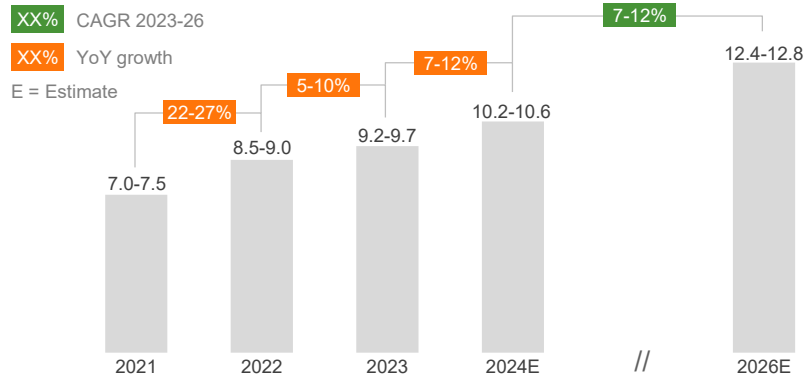A mix of large software companies, specialist technology providers, and technology start-ups

Value proposition:
- Technology expertise
- Industry- and content-specific solutions

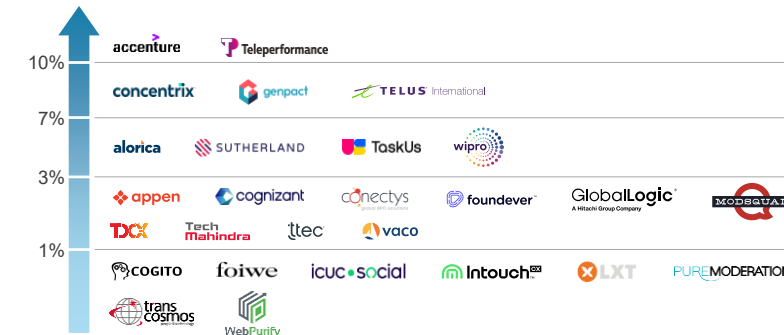## T&S BPS outsourcing overview

T&S services
Enterprise BPS outsourcing spend; 2020-26E; US$ billion

- XX% CAGR 2023-26
- XX% YoY growth
- E = Estimate

Year	Value
2021	7.0-7.5
2022	8.5-9.0
2023	9.2-9.7
2024E	10.2-10.6
2026E	12.4-12.8

- 2021→2022: 22-27%
- 2022→2023: 5-10%
- 2023→2024E: 7-12%
- 2024E→2026E: 7-12%

T&S service provider competitive landscape

Service provider revenue share distribution (in alphabetical order)
2023E; active ACV in US$ billion

10% — accenture, Teleperformance

7% — concentrix, genpact, TELUS International

3% — alorica, SUTHERLAND, TaskUs, wipro

— appen, cognizant, conectys, foundever, GlobalLogic, MODSQUAD

— TDCX, Tech Mahindra, ttec, vaco

1% — COGITO, foiwe, icuc•social, Intouch, LXT, PUREMODERATION

— transcosmos, WebPurify

Research calendar
Trust and Safety

Published   **Current release**   Planned

Reports title	Release date
R'AI'sing the Bar: The Enhanced Role of AI in Ensuring Safe Digital Spaces in the Future	January 2024
Webinar Deck: Impact Sourcing: Empowering Communities, Transforming Business, and Creating Long-term Impact	February 2024
The Morphing Face of Threats	February 2024
Trust and Safety Services PEAK Matrix® Assessment 2024	March 2024
Preserving the Ballot: The Role of Trust and Safety in Election Misinformation	May 2024
Trust and Safety Services – Provider Compendium 2024	May 2024
Ordinance at the Gates: the Evolving Landscape of AI Regulations Around the World	May 2024
Gen AI Impact and Adoption in Trust and Safety (T&S)	June 2024
User Safety Redefined in the Generative AI Era: Trust and Safety State of the Market 2024	August 2024
Under the Lens: The "Trust" of Transparency Reports	Q3 2024
Key Tech Away 2.0	Q4 2024
Trust and Safety Technology Trailblazers: Top Technology Start-ups Creating Buzz in the Market	Q4 2024
Trust and Safety Chronicles: Unpacking 2024, Anticipating 2025	Q4 2024
Beyond the Cart: Safeguarding the E-Commerce Ecosystem	Q1 2025
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