

IDC MarketScape

IDC MarketScape: Worldwide Digital Customer Care Services 2021-2022 Vendor Assessment

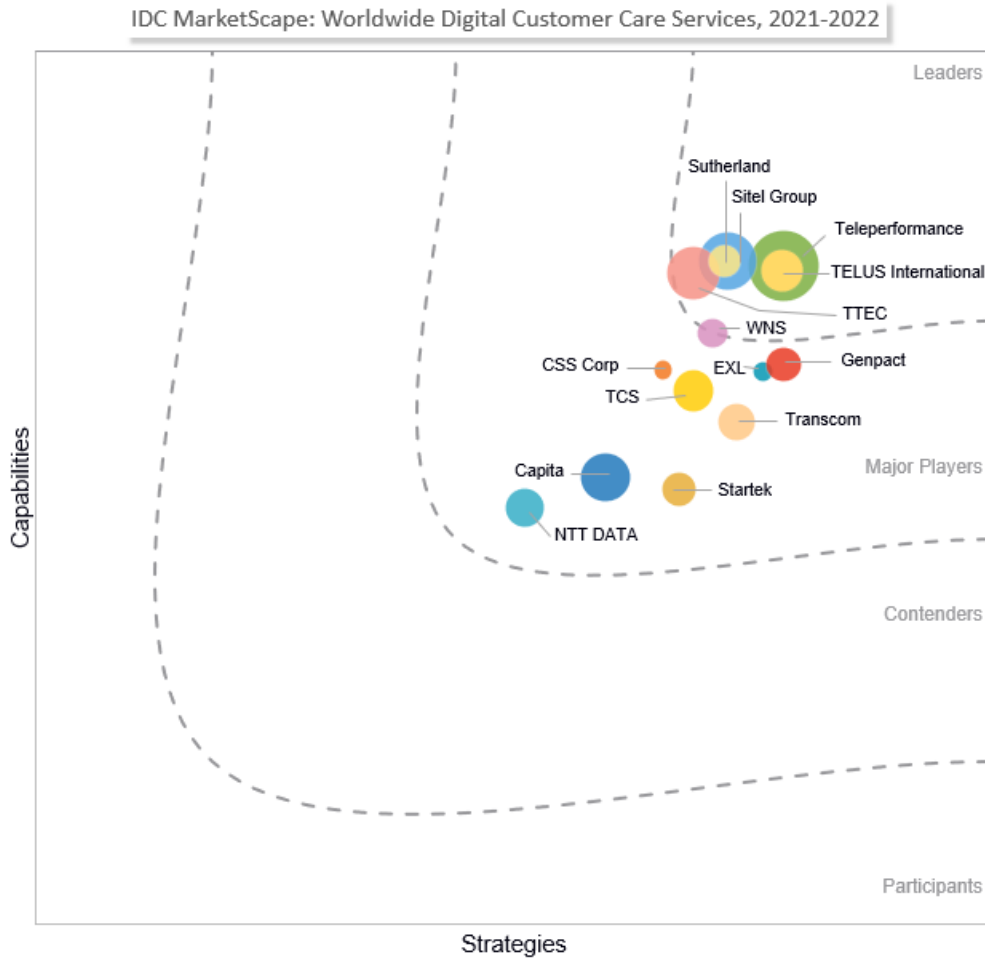
Alison Close

THIS IDC MARKETSCOPE EXCERPT FEATURES TELUS INTERNATIONAL

IDC MARKETSCOPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Digital Customer Care Services Vendor Assessment



Source: IDC, 2021

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Digital Customer Care Services 2021-2022 Vendor Assessment (Doc # US47203921). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Advice for Technology Buyers, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study presents a worldwide vendor assessment of digital customer care services firms looking specifically at how they are transforming service delivery with automation/AI, cloud/platforms, omni-channel, and self-service. In this assessment, the IDC MarketScape model was used to evaluate both quantitative metrics and qualitative insights that define success in the digital customer care services market. The evaluation is based on a comprehensive and rigorous framework that assesses each vendor relative to the criteria and to one another. This IDC MarketScape should be used as a tool to compare providers your organization is considering or short listing to support your use of these services.

Industry and Market Trends

- **Market consolidation.** Service providers continue to pursue acquisitions of global and local players to strengthen their delivery footprint and industry exposure. Recent acquisitions have focused on adding nearshore U.S. delivery centers, multishore solutions, and digital capabilities.
- **Evolving competitive landscape.** The competitive environment continues to expand as pure-play providers, IT/business process outsourcing (BPO) companies, and consulting firms compete to meet the increasing customer demands around digital and higher-value interactions (value-added care, sales, and proactive outbound).
- **Business drivers of outsourced customer care services.** According to IDC's 2020 *U.S. Managed (Outsourced) Services Survey*, core business drivers for outsourcing customer care services are the need to increase revenue by building new revenue generating products/service faster, demand for more agility and/or speed from IT, and an increased desire to more closely link IT with business performance.
- **Technology drivers of outsourced customer care services.** The primary technology drivers in utilizing managed customer care services include a mandate for a new approach to the management and use of IT, to demonstrate technology leadership and IT standardization.
- **Alignment of employee experience (EX) and customer experience (CX).** Service providers are prioritizing employee (agent) experience as a means of driving customer experience in contact center operations with artificial intelligence (AI)-driven knowledge bases, work-from-anywhere solutions, cloud contact center capabilities, and digital learning and development.
- **Talent management.** An evolving approach to talent management includes new ways of coaching, motivating, and retaining agents through the use of AI-enabled coaching simulations and digital learning environments. Analytics is also being leveraged to predict agent performance to help retain, improve effectiveness, and aid in hiring the right people. There has

also been growth in talent demands to deliver to increasingly complex customer needs as more automation of routine tasks comes into play.

- **Growth of direct-to-consumer model.** The D2C model is growing rapidly (e.g., fintech and gaming) and fueling the need for more authentic, intimate, human connection, and relevant interactions.
- **Industry impact.** COVID-19 accelerated the need for digitization and revamped contact center strategies with the biggest impacts, and likely continued impact, in the telecommunications, online retail, and digital entertainment sectors. These sectors are increasingly setting the standard for both consumer and business-to-business expectations
- **Asynchronous channels and social media.** Traditional channels including voice, email, and chat are the most well-integrated channels as social media and asynchronous chat (Facebook Messenger, WhatsApp, and SMS) support an increasing need for customer-facing automation. Enterprises are striving to create frictionless experiences with an omni-channel and automated CX strategy.
- **Analytics.** Cross-channel analytics is underutilized, and data is not well connected to the customer journey. This is being driven by unstructured data sources (i.e., social media data) and limited integration of customer relationship management (CRM) and contact center data with other internal and external data sources.
- **Work at home (WAH) becoming normalized.** During COVID-19, WAH solutions and services were must-haves, and now, it's normalized as service providers indicate on average 60-80% of agents will remain working from home.
- **Deal analysis.** Deals have become more diverse and integration for digital capabilities that require customer retention journey mapping and lifetime value analysis. In the past year, there was an increase in contact center requirements in retail, healthcare, and public sector and a decline in certain sectors such as travel and hospitality. This space is still dominated by integrated or multitower business process outsourcing deals. For example, 2020 overall was a robust signing year for outsourcing deals, despite the economic downturn. There was an observed rebound in customer service-related outsourcing deals, but the very large deals are seldomly pure-play contact center deals only. For example, IDC observed up to 10 \$100+ million BPO deals signed last year (with customer care components), and almost all of them were bundled BPO deals (e.g., HR/F&A/logistics + customer care, vertical BPO + customer care, and IT + business process) – representing billions of contract value "embedded" in integrated outsourcing deals. The two megadeals (\$1+ billion) had a significant amount of cloud-related application work in addition to multiple BPO towers and were transformative in nature (6-18 months of transition periods at least).

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

IDC collected and analyzed data on 14 service providers within its 2021 IDC MarketScape for digital customer care (business process) services assessment. Vendor options for these services are extensive and cover a broad set of different types of players. In determining the group of vendors for analysis in this IDC MarketScape, IDC utilized the following set of inclusion criteria:

- Worldwide customer care/contact center business process outsourcing services revenue of at least \$300 million over the last calendar year
- Customer care/contact center business process outsourcing services revenue generated in each major geographic region (i.e., Americas, EMEA, and APAC)

- Customer care/contact center business process outsourcing services practice size of at least 2,000 resources (worldwide)
- Geographic delivery capabilities across the Americas, EMEA, and APAC regions (i.e., onsite, offshore, and nearshore delivery models)

ADVICE FOR TECHNOLOGY BUYERS

Enterprises are turning to the BPO service providers that combine consulting, specific competencies and expertise in their vertical, understanding of the client's digital maturity, unique implementing abilities through omni-channel platforms, and the use of analytics and cognitive technologies. IDC suggests buyer organizations consider the following when evaluating contact center and customer care BPO service providers:

- **Require an assessment of your target operating model.** Understand your baseline operational performance and transformation road map by assessing as-is and to-be states of your operating model. Identify where you can eliminate demand and reduce cost to serve through deflection and deployment of automation and analytics solutions.
- **Require a data strategy.** Use data to improve your cost to serve.
- **Consider CX digital advisory services for omni-channel orchestration.** Look to customer journey mapping and cross-channel analytics to improve fragmented customer journeys and understand the breakdown in customer interactions by customer touch point.
- **Explore digital opportunities with small proof of concepts.** Service providers should show efficacy of the solution and cost savings with benchmarks of similar deployments made in your industry. With digital initiatives, start with small proof of concepts to validate the business case.
- **Require a consistent and proactive feedback loop.** One challenge cited by buyers of third-party outsourced contact center/customer care services during the IDC MarketScape process was the need for a more consistent feedback and recommendations on process improvements and more proactive implementation of deeper analytics coupled with industry benchmarks and best practices. This requires open communication between customer and vendor.
- **Require a digital implementation road map.** One means of improving feedback loops and getting more proactive recommendations on digitization is requiring a CX transformation road map. This would require mapping out industry and/or horizontal use cases/workstreams and focusing on higher complexity use cases over time.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

TELUS International

TELUS International is positioned in the Leaders category in the 2021-2022 IDC MarketScape for worldwide digital customer care services.

TELUS International (TI) offers end-to-end digital customer experience services and IT solutions that spans digital strategy and CX process consulting services, next-gen tech and IT services, and digital

customer experience process delivery including care, sales, tech support, content moderation, and analytics.

TELUS International is a 60,000-employee organization with a vast global footprint, expansive language capabilities (50+ languages), and over 600+ clients, 200+ of which are contact center outsourcing clients. TELUS has domain expertise across traditional and emerging verticals enabling it to provide contextual solutions to client needs. Clients span the technology/gaming, communications/media, ecommerce and fintech, healthcare, and travel/hospitality sectors.

TELUS International empowers the human experience through digital enablement, agile and lean thinking, spirited teamwork, and a caring culture that puts customers and the value of human connection first. TELUS integrates its design, build, and deliver construct with its next-gen technology, industry and process expertise, and globally scaled and agile delivery models all at scale.

Strengths

TELUS International has an above-average share of engagements delivered for inbound/outbound customer care services, sales/retention/acquisition services, and the tech/consumer electronics sector. In addition, TI customers touted it highly for its onshore, nearshore, and home-based agent services delivery (onshore associates who work from home). From a language perspective, TELUS International supports more than the average number of languages and has a large and notable share of multilingual agents.

From a capabilities standpoint, TELUS International exceeds industry standards for hosted/cloud contact center and contact center-as-a-service delivery and for client penetration of its proprietary omni-channel solutions. It also showed strengths in technologies/IP/solutions to reduce risk and ensure security in service delivery and for customer care BPS engagements where it also delivers back-office support services (e.g., payment processing, claims processing, and supply chain/procurement).

TELUS International was also noted for its investments in agent training and agent's use of contact center applications and its analytics capabilities pertaining to interaction analytics and managing/augmenting/applying customer data in support of marketing, sales, and service efforts.

Many consistent themes regarding provider strengths were gleaned from client feedback. Specifically, customers were satisfied with TELUS International's low turnover/attrition rates, strong ability to attract and retain top quality talent to meet client profiles, and ability to manage/maintain multiple line of business. In addition, clients were highly satisfied with TI's agility, flexibility, and ability to execute on KPIs. One client noted, "They always hit the KPIs. At our quarterly meetings, we spend very little time reviewing KPIs because it's a given they have met them. We focus on new opportunities and the pipeline." Another client shared, "They have a consistent feedback loop with us where they recommend improvements and better ways to do things. They don't just passively check the boxes. This is a partnership that they have invested in and they've committed to grow with us."

Additional strengths as shared by customers include strong site management, investment in the frontline, commitment to resources (beyond what the contract indicates), and taking a global approach to contract negotiation.

The specific criteria that led to the selection of TELUS International over other service providers include its geographical footprint, core values, stability of the company, cost, quality of leadership, and

skills/knowledge. One client noted, "They had the infrastructure, personnel, reporting, and they understand attrition."

Challenges

TELUS International has a challenge to overcome in the share of offshore delivery and use of hybrid delivery models. It also trailed behind industry standards for penetration of industry-specific platforms and share of engagements that include contact center automation (RPA). It also had fewer pilots of conversational AI-based chatbots compared with the industry standard.

One opportunity for improvement shared by customers is improving its global footprint. One client shared that years ago, TI may have lost out on bids with the client because it didn't have the footprint. However, the client caveated that TELUS International is now really working to expand its footprint via recent acquisitions.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Customer Interviews

IDC conducted 18 telephone interviews with vendor-provided customer references from June to August 2021. These interviews were conducted to understand client satisfaction, selection criteria,

vendor strengths, areas of improvements, outcomes/value delivered, and ratings of specific capabilities.

Market Definition

Customer Care Business Process Outsourcing Services

IDC defines customer care BPO services, also called contact center services, as the outsourcing of services related to customer care activities and business processes associated with the customer contact center. Customer care BPO can involve the transfer of single or multiple processes and can include a transfer of people.

The customer care services market can be segmented along the following key subprocesses:

- **Customer interaction.** Customer interaction is the service that involves transferring the process of interactions to a third party. Interactions are broken down into four major function types:
 - **Customer service.** Customer service includes outsourced customer interaction facilities and processes that handle billing inquiries, account maintenance, service dispatch, scheduling, and general information. Dominated by inbound contact (yet inclusive of outbound interaction as well), customer care typically takes place via the telephone but may also occur via email, chat, fax, self-help, text, social media, or mail. This service includes the provision of support- and care-related activities to and for the customer. IDC distinguishes postsales support from customer service based on the fact that postsales support is generally facilitated by the OEMs themselves, while customer care outsourcing is facilitated by an outsourcer on behalf of the OEM.
 - **Sales.** The sales function includes interactions focused on new customer acquisition and growth or expansion of the current customer base. Sales can include telesales, new account setup, cross-selling, upselling, and lead generation.
 - **Technical support/help desk.** IDC refers to technical support as the process of providing assistance for software, systems, and other consumer products or devices to users. The technical support outsourcer receives calls from users on behalf of the independent software vendor (ISV) or OEM and is responsible for resolving those problems. Interaction typically includes providing telephone support, maintaining a self-support website, dispatching a service technician, and escalating calls back to the ISV or OEM.
 - **Fulfillment/logistics.** Fulfillment is a suite of services that combines front-end customer interaction center services with real-time order management, automated payment processing, advanced lettershop, and back-end logistics and reverse logistics to support product fulfillment. Integrated distribution services also include inventory, transportation, and warehouse management.
- **Customer analytics.** Customer analytics is a suite of services to collect, manage, augment, analyze, and apply customer data in support of marketing, sales, and service efforts. Specific service activities included in this definition are analytics/data mining services, data preparation and enhancement, list rental, campaign management/execution, customer-centric data warehouse development, customer data integration services, and customer data analysis services. Analytics services can be included as a part of the customer care service and are often embedded in the aforementioned processes, thus they are also embedded in the forecast numbers.

Other delivery models are as follows:

- Home-based agent services.** Home-based agent services are a means of providing customer care services based on the home agent delivery model. This delivery model is based upon the use of home-based customer care agents to field customer care inquiries. These virtual agents facilitate calls and other customer interactions remotely from their homes. As home-based agent services are a delivery model for customer care, they are included in the interaction forecast numbers.

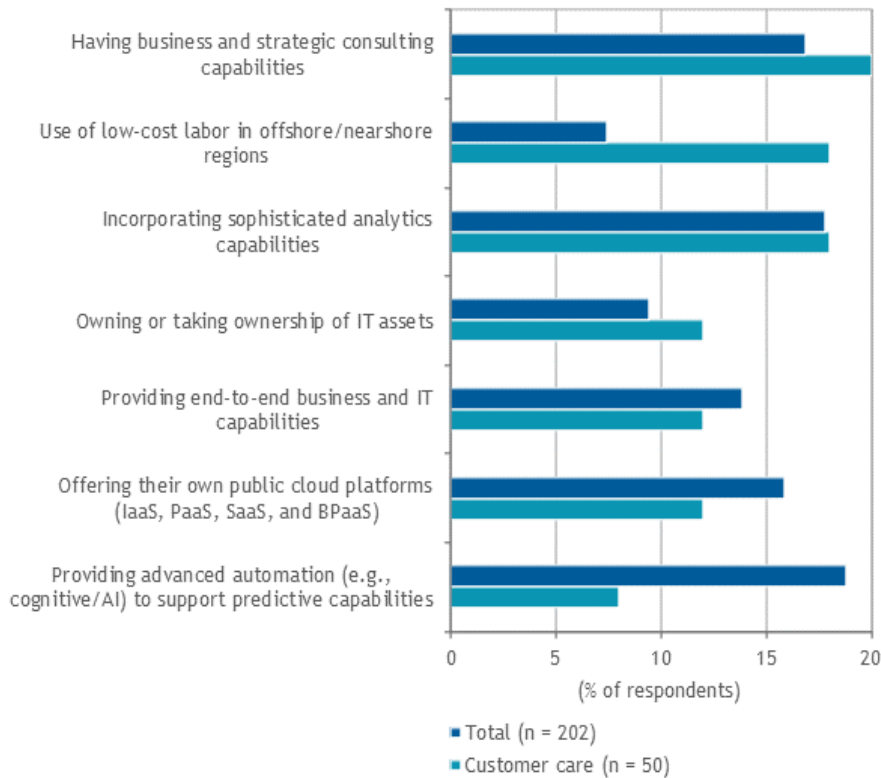
Market Analysis

According to data from IDC's 2020 *U.S. Managed (Outsourced) Services Survey* (see Figure 2), buyers of third-party customer care/contact center services could best be supported in the upcoming years with strategic consulting, low-cost labor in offshore/nearshore regions, and more sophisticated analytics capabilities. IDC MarketScape learnings also show an increased appetite for domestic and nearshore capabilities since COVID-19 and due to the wider availability of WFH resources. In addition, IDC research and client interviews have consistently revealed buyer's need for deeper analytics capabilities and benchmarking.

FIGURE 2

Support from Third-Party Service Providers Over Next Two to Three Years

Q. Please select which of the following your company/organization believes that third-party service providers need to offer to support your business and IT needs over the next two to three years.



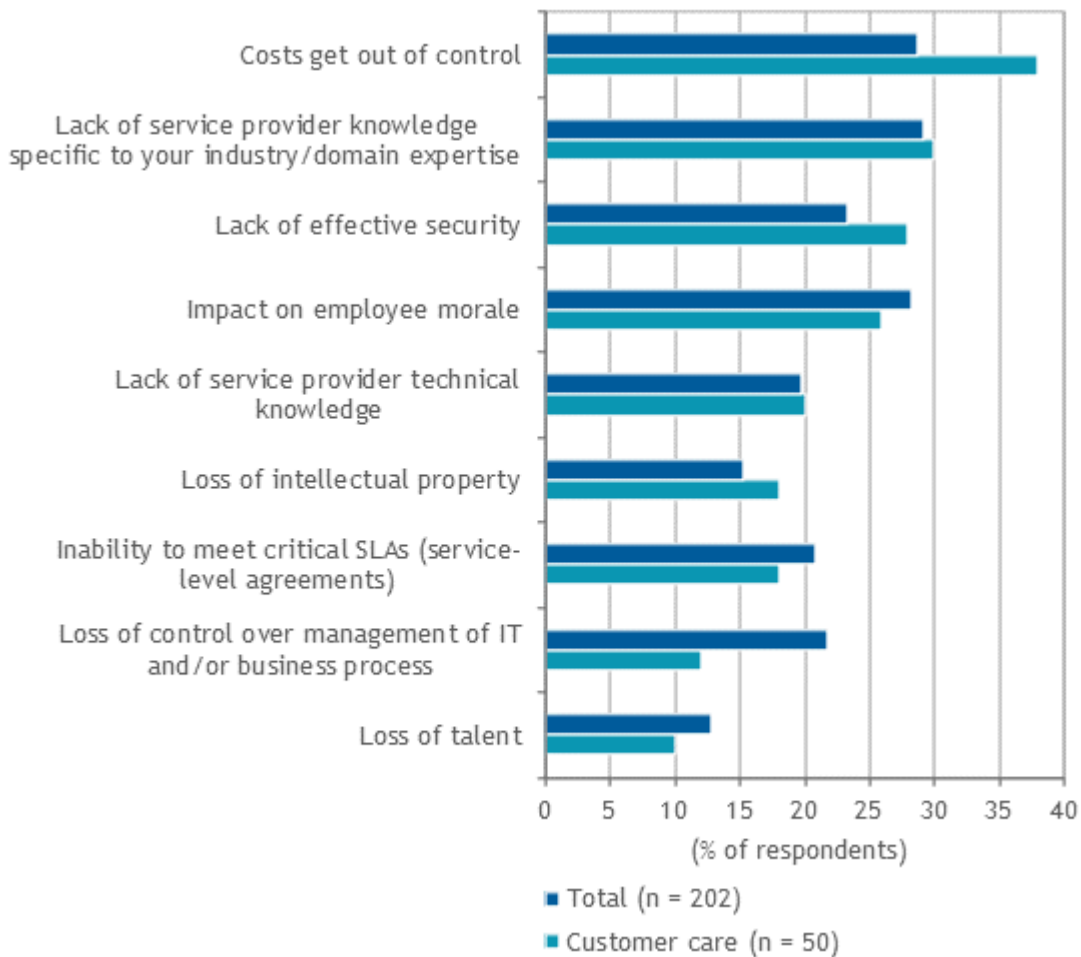
Source: IDC's *U.S. Managed (Outsourced) Services Survey, 2020*

To further support customers in the next two to three years, service providers need to introduce variable commercial constructs and outcome-based pricing models to address cost controls and showcase their domain knowledge and robust security capabilities. As shown in Figure 3, these are three areas that could inhibit buyers from investing in third-party customer care services.

FIGURE 3

Key Inhibitors from Using Managed/Outsourced Customer Care Services

Q. Which two of the following, if any, are major concerns or worries that may inhibit your company/organization from using managed (outsourced) services?



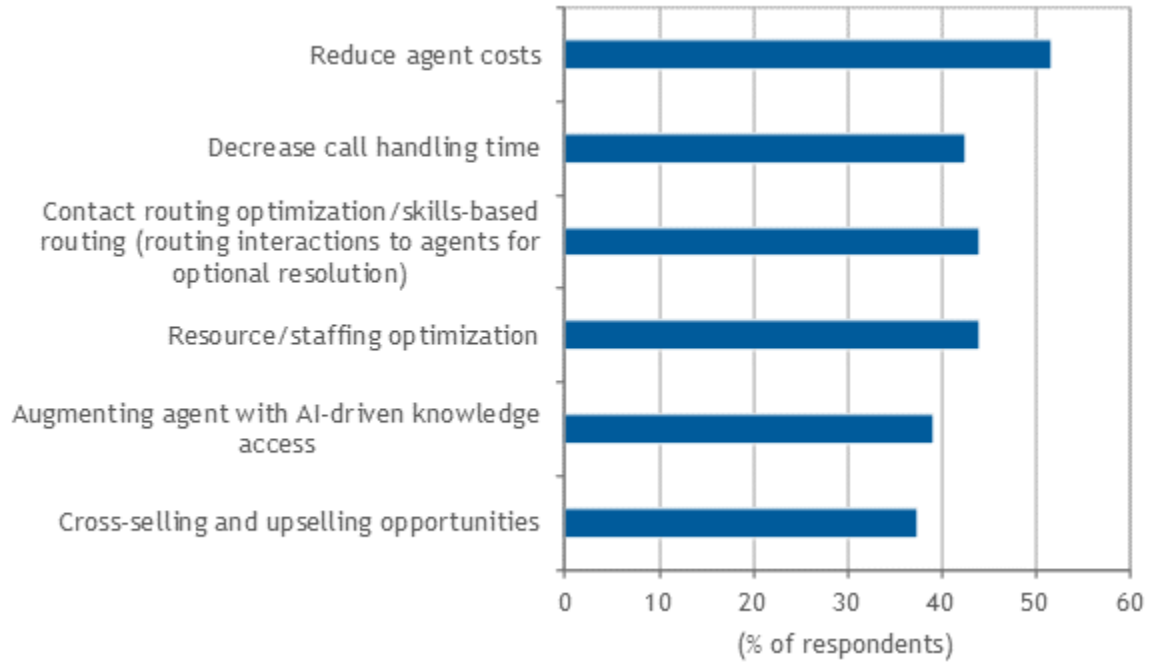
Source: IDC's *U.S. Managed (Outsourced) Services Survey, 2020*

Data from IDC's 2020 *U.S. Managed (Outsourced) Services Survey* also indicates contact center agents intend to use AI to reduce costs and improve agents' ability to do their job – specifically using AI to reduce handle times, route calls to the right agents, and optimize staff (see Figure 4). As more automation and AI are brought in to improve agent productivity, contact center operations will require more specialized skills of agents (see Figure 5).

FIGURE 4

Contact Center Agents Use of Artificial Intelligence

Q. How are your contact center agents using or planning to use artificial intelligence or cognitive computing?



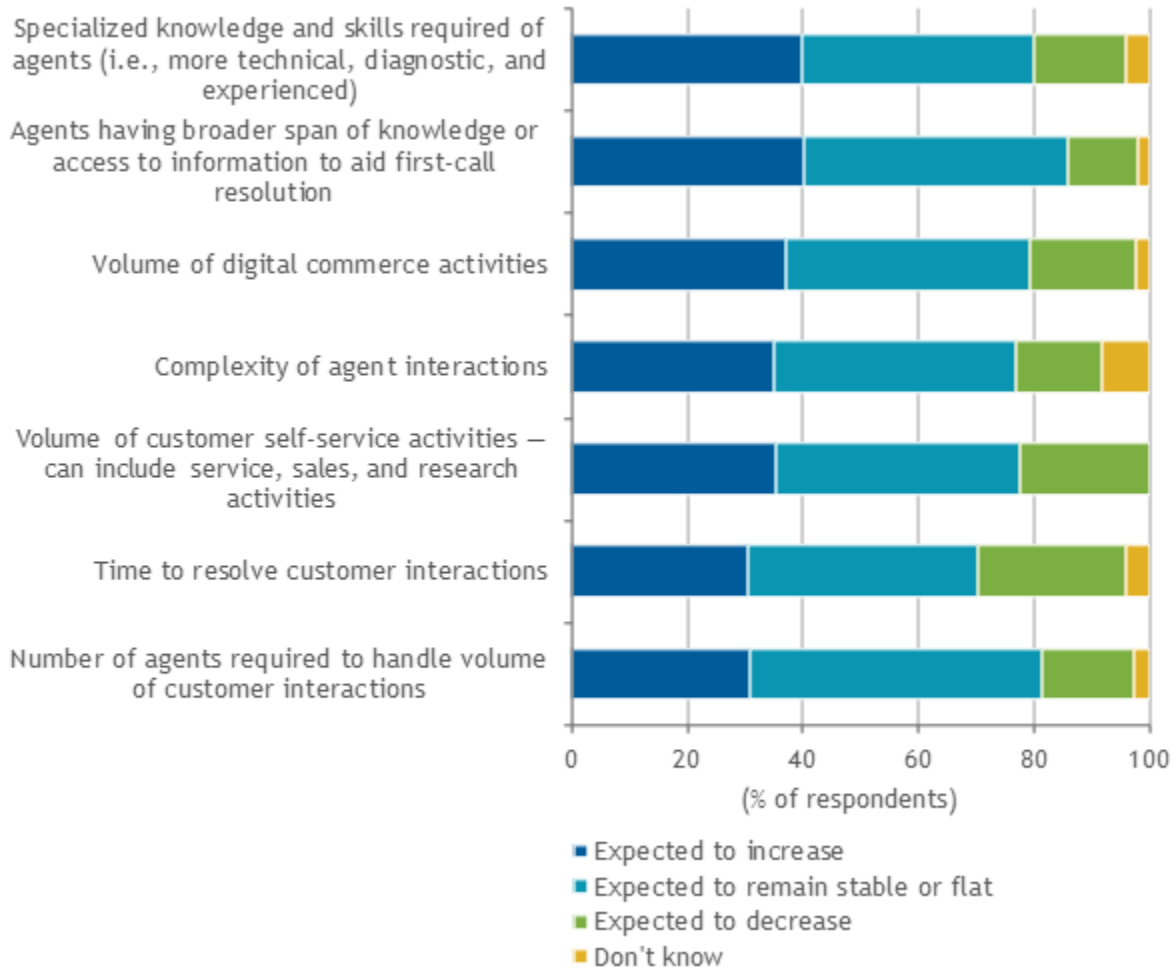
n = 120

Source: IDC's *Contact Center Metrics Survey*, 2020

FIGURE 5

Contact Center Agent Staffing Trends

Q. Which best describes the current agent staffing and interaction trends that your organization will experience in the next year and the impact on contact center and customer service functions?



n = 352

Source: IDC's *Contact Center Metrics Survey*, 2020

LEARN MORE

Related Research

- *Service Provider Requirements for Managed Logistics Services* (IDC #US47884221, June 2021)
- *IDC Survey Spotlight: Worldwide Adoption of Managed (Outsourced) Transportation Services* (IDC #US45108620, May 2021)

- *Worldwide and U.S. Business Process Outsourcing Services Forecast, 2021-2025* (IDC #US46369221, May 2021)
- *IDC Survey Spotlight: Finance and Accounting Digital Transformation Use Cases* (IDC #US47667721, May 2021)
- *Global Organizations' Use of Internal/Outsourced Contact Centers and Expectations for FTE Agents* (IDC #US47605021, April 2021)
- *An Update on COVID-19's Impact on Business Process Outsourcing and Business Consulting Services Spend* (IDC #US47513821, March 2021)

Synopsis

This IDC study presents a worldwide vendor assessment of digital customer care services firms looking specifically at how they are transforming service delivery with automation/cognitive, cloud/platforms, and omni-channel and self-service services. In this assessment, the IDC MarketScape model was used to evaluate both quantitative metrics and qualitative insights that define success in the digital customer care services market. The evaluation is based on a comprehensive and rigorous framework that assesses each vendor relative to the criteria and to one another.

"Today's contact center organizations are trying to differentiate with top notch customer experiences through the use of technology to make agents jobs easier and to create more personal, meaningful experiences for buyers. These organizations continue to shift from traditional self-service channels (IVR, IVA, and chatbots) to smart self-service infused with AI, analytics, algorithms, and automation opportunities. Service providers can best support today's organizations by combining domain expertise, technology, data, a hybrid workforce, and omni-channel platforms to deliver mission-critical services," says Ali Close, manager, Intelligent Finance and Customer Care BPS.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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