

Pure-play BPOs continue strong momentum in Q3 2022

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Key highlights

- Leading BPOs continue with strong momentum in Q3 2022, with an average revenue growth of 12%
- BPOs aspire to deliver next-level CX via the metaverse, with Teleperformance organising the “For Fun Festival” and “Beyond Labels” Pride Program
- Geographical expansion of BPOs continues to span across Mexico, Colombia, Turkey, South Africa and India
- Targeted acquisitions in Q3 2022 revolve around digital recruitment, product design and development
- Teleperformance to discontinue the highly egregious part of its content moderation activities

This report reviews the performance of top global BPOs in Q3 2022. It covers:

- a. Financial performance in Q3 2022
- b. Emerging market and technology trends
- c. Growth of offshore BPO destinations
- d. Strategic partnerships to spark innovation
- e. Creating value with targeted acquisitions
- f. Major announcements by BPOs

Financial performance in Q3 2022

BPOs	Revenue in USD, millions		Year-over-Year growth
	Q3 Revenue 2021	Q3 Revenue 2022	
Atento	369	347	-0.4%
Concentrix	1,397	1,580	13%
Genpact	1,016	1,111	9%
Majorel	466	571	23%
Taskus	201	232	16%
TDCX	104	120	16%
Teleperformance	1,857	2,175	17%

TELUS International	556	615	11%
TTEC	567	593	5%
Total	6,532	7,343	12%

*Majorel and Teleperformance's revenues are converted from euro at the conversion rate of € 1 = \$1.06

8 of the 9 leading BPOs continue to demonstrate resilience despite the ongoing global macroeconomic challenges, achieving strong revenue growth for Q3 2022. Among all the BPOs twimbit studied, Majorel stood out with the highest growth in revenue of 23% while Atento recorded a downturn in revenue growth of -0.4%.

Emerging market and technology trends

#1 BPOs: All-rounders with deep expertise in verticals

Evolving digitalization trends and customer needs incite BPOs to change, with targeted acquisitions to supplement their capabilities further. With the capability to deliver end-to-end services, BPOs have been able to develop deep expertise in their specialised verticals, leading to new lines of service.

For example, TTEC Digital specialises in healthcare, finance, transportation, public sector and retail industries. Its vertical-specific solution covers automation, analytics and CX connectors capabilities – allowing clients to tap into tier-one providers' CX ecosystems.

As such, the top BPO supports clients through the complicated and highly fragmented CX technology landscape with full product management services.

#2 Next-generation CX in the metaverse

Approximately 64% of customers can't wait to shop in an immersive world¹. To achieve this, BPOs and brands need to work together to pinpoint customer preferences better and explore infinite possibilities in the virtual world.

The collaboration is fruitful for both parties since brands seek BPOs for their omnichannel integration, user identity authentication and protection, and AI-powered solutions capability. Whereas BPOs seek brands for their user familiarity and relatability to curate a better immersive customer experience.

Today, the metaverse is already in play with some BPOs. Most notably, Teleperformance revealed a legendary music guest via the metaverse during its "For Fun Festival" in April and organised the "Beyond Labels" Pride program in the virtual space.

#3 Tapping into "purpose": creating meaningful moments for your employees

Beyond monetary compensation, a hybrid work culture, and DEI diversity and inclusion practices, BPOs strive to integrate purpose into employees' day-to-day activities.

TDCX puts the utmost importance on its training and upskilling programs, well aware that employees always want to achieve more. Its leadership training program pinpoints three main areas: critical thinking, problem-solving and agility.

The organisation's key enabler utilises FLASH Learn - a digital learning platform with interactive and gamification elements for training employees. After completing the training, employees will be supported with coaching, leadership and management competencies and opportunities to take on more advanced roles.

Growth of offshore BPO destinations

BPOs continue to establish their presence in more countries in search of talent and to diversify their portfolios:

- TTEC has recently just set up its global delivery centre in South Africa and Colombia.
- TDCX entered Turkey as part of its expansion strategy to serve the growing Middle East market by offering in Turkish and Arabic languages.
- Webhelp opened its newest site in Mexico, investing US\$5 million in Merida and plans to expand in Queretaro.
- TaskUs opened its fourth site in India in Navi Mumbai to support its growing operation in India.

Strategic partnerships to spark innovation

- Telus International partnered with TechSee, an expert in visual AI and AR, to help CX teams better identify customer issues and resolve them without needing physical site visits.
- TaskUs joined forces with L1ght to launch the Safety Operations Centre. The newly set-up division will utilise contextual AI to pinpoint harmful content across text, images and videos in real time.

Creating value with targeted acquisitions

- The US\$1.2 billion acquisition of the full service digital product provider, Willow Tree by Telus International, will result in the BPO's portfolio adding more than 50 brands to diversify its client base and expand its geographic presence.
- The US\$300 million acquisition of PSG Global Solution, a leader in digital recruitment process outsourcing by Teleperformance will add value to its design and build capabilities.
- Webhelp has taken over H&M's service centre in Nuremberg, Germany, adding 500 employees to its workforce.

Major announcements

Teleperformance to discontinue the egregious part of content moderating activities

Teleperformance has announced its exit from the highly appalling part of the trust and safety business. This decision was made after employees in the U.S. and Columbia spoke up about having to watch disturbing videos (with child sexual abuse) as part of their onboarding training. Despite no evidence found during its group audit in response to the controversy, Teleperformance decided to exit this business segment, focusing on other essential moderation activities to prevent fraud, fake news and abusive content.