

Pure-play BPOs: 2022 in review

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Introduction

In 2022, the BPO industry continued to thrive, with top-performing companies achieving an average year-over-year (YoY) growth rate of 13%. As more businesses recognise the importance of delivering exceptional customer experiences, BPO companies are poised to play a critical role in helping them achieve this goal.

Exhibit 1
Revenue from 2021 - 2022

BPOs	Revenue in USD, millions		Year-over-Year growth (%)
	2021 Revenue	2022 Revenue	
Concentrix	5,587	6,325	13
Genpact	4,022	4,371	9
Majorel	1,929	2,237	16
TaskUs	761	961	26
TDCX	413	494	20
Teleperformance	7,594	8,700	13
TELUS International	2,190	2,468	12
TTEC	2,273	2,444	8
Total	24,769	28,000	13

Market highlights

a. Market and technology trends

- Majorel launched “majBOT”, a voice and chatbot solution to orchestrate intelligent conversations
- TELUS International introduced “SPACE”, a virtual recruitment platform to speed up recruiting processes

b. Acquisitions help create value

- Concentrix acquired Service Source
- Majorel acquired IST networks, Findasense and Alembo
- TaskUs acquired heloo
- Teleperformance acquired PSG Global Solutions
- TELUS International acquired Willow Tree
- Webhelp took over the H&M Nuremberg service centre

c. Breaking grounds with geographical expansion

- Majorel entered Ghana, Greece, North Macedonia, Suriname, Turkey, Japan, Lithuania, South Korea and Thailand
- TaskUs established a new site in Navi Mumbai, India
- TDCX entered South Korea, Turkey, and the Philippines, while also setting up a new office in Hyderabad, India
- Teleperformance added 20 new sites and 7,000 workstations across Europe, Africa, the U.S., Peru and India
- TELUS International opened its latest high-tech site in Ireland
- TTEC established new global delivery centres in South Africa and Columbia.
- Webhelp opened its newest site in Mexico with more plans to expand.

d. Metaverse happenings

- Teleperformance organised its annual company contest, For Fun Festival, and the Beyond Labels pride program in the metaverse

#1 Market and technology trends

Changing consumer preferences, economic conditions and global events continuously encourage BPOs to improve and align their offerings with current needs. This is where automation, artificial intelligence and data analytics play the biggest part in transforming how BPOs work, innovate and differentiate themselves.

- a. Majorel introduced “majBOT”, a voice and chatbot solution combining human skills with intelligent technology

- Operates with deep learning technology and speech recognition capabilities.
 - Provides essential functions such as request classification, answering FAQs, and quick rerouting to human agents for additional support.
- b. TELUS International introduced “SPACE”, a virtual recruitment platform to accelerate the recruitment and hiring process
- Candidates can create customisable avatars when they explore SPACE to learn more about company culture, team member benefits, and volunteering initiatives.
 - Candidates can join interviews in private rooms and complete role-specific training assessments in immersive game-like environments.

#2 Acquisitions help create value

BPOs have been on an acquisition path to accelerate their growth trajectory. By doing so, they can access new technology, diversify their offerings, expand their operations and attract new talent.

- a. Concentrix acquired Service Source, an international B2B digital sales leader, to broaden its service offerings and address growing client demand.
- b. Majorel acquired:
 - IST networks: a CX technology services provider headquartered in Egypt to gain experienced CX technical engineers and solution consultants who design, implement, and manage CX architectures based on leading technologies
 - Findasense: a CX design and consulting company to help further expand the tech and expert services line of business
 - Alembo: BPO company from Suriname catering to Dutch-speaking markets
- c. TaskUs acquired heloo, an outsource provider specialising in digital solutions, further expanding its global footprint in Europe and enhancing its language capabilities.
- d. Teleperformance acquired PSG Global Solution, a leader in digital recruitment process outsourcing at \$300 million.
- e. TELUS International acquired Willow Tree, a full-service digital product provider, for \$1.23 billion. The acquisition helped TELUS International expand its international portfolio by adding two new delivery countries and 50 new brands.
- f. Webhelp welcomed 500 employees from the H&M Nuremberg customer service centre to continue delivering exceptional service.

#3 Breaking grounds with geographical expansion

Geographical expansion is vital for BPOs to grow and remain competitive. It allows them to breach new markets, gain cost advantages, foster new talent and garner better risk management benefits.

- a. Majorel entered Ghana, Greece, North Macedonia, Suriname, Turkey, Japan, Lithuania, South Korea and Thailand.
- b. TaskUs established its fourth site in Navi Mumbai, India, to support its growing operations.
- c. TDCX
 - Entered South Korea to strengthen its Korean language capabilities and expand its customer base in the South Korean market.
 - Entered Turkey to serve the growing Middle East market.
 - Set up a new office in Hyderabad to attract technologists to help the team gain deeper insights into customer behaviour and preferences by developing and maintaining its software products.
 - Expanded operations in the Philippines: reinforces its capacity to serve English-speaking markets.
- d. Teleperformance added 20 new sites and 7,000 workstations across Europe, Africa, the U.S., Peru and India.
- e. TELUS International opened its latest high-tech site in Ireland to support its AI Data Solutions division.
- f. TTEC established new global delivery centres in South Africa and Columbia.
- g. Webhelp opened its newest site in Mexico and has more plans to expand within the country.

#4 Metaverse happenings

As more BPOs desire to grow their virtual presence, the metaverse proves to be the one-stop place for all of it to happen. From providing virtual customer support to capitalising on virtual environments' opportunities, the metaverse will play a critical role in how BPOs will evolve.

At the forefront of experimenting with the metaverse is Teleperformance, with events such as its For Fun Festival and the Beyond Labels pride program. These programs have created significant buzz in the metaverse space by orchestrating an avenue for people to gather and celebrate. Specifically for its annual company contest (For Fun Festival), it has attracted 2000 participants worldwide with 300 million video views.

On top of that, the world's leading BPO has also kick-started its first recruitment initiative, TP Shuttle, in the metaverse during its Beyond Labels pride program. This enables the organisation to approach employees from different parts of the world, taking into account diversity and inclusion practices.

Conclusion

In 2022, the CX BPO industry showed remarkable growth. As businesses continue to prioritise delivering exceptional customer experiences, BPO companies have played a critical role in helping them achieve this goal. The industry has witnessed significant developments in areas such as AI and analytics, virtual recruitment platforms, acquisitions, geographical expansion, and even exploring opportunities in the metaverse. Also, the increasing demand for BPO services has driven companies to adapt and innovate new and improved solutions to meet clients' needs. As we move forward, the industry's continued growth will be influenced by how companies navigate the evolving business landscape and adapt to new market trends and technologies.