



eBook

2023 BPO Market Trends & Pricing

An exclusive report on the global
contact center outsourcing industry

OUTSOURCE
CONSULTANTS

The Business Process Outsourcing (BPO) industry has seen tremendous growth in the last year, driven by the need for businesses to streamline operations, reduce costs, and improve efficiency. As the demand for these services continues to increase, the BPO industry is evolving to keep pace with changing customer needs and emerging technologies.

Several key factors have greatly impacted the BPO industry in the last year. Most notably, the United States has encountered a labor shortage, causing a trickle-down impact on foreign outsourcing destinations. As domestic companies find difficulty hiring and retaining agents, they have looked abroad to BPO providers for their recruiting expertise.

With less available talent has come a higher price tag on call center options. As rates rise in the US, so do rates in nearshore and offshore locations. This price hike has come from a saturation of foreign outsourcing markets as companies compete for limited BPO resources.

This fierce competition and higher costs for popular outsourcing destinations has pushed many companies to look to emerging markets, specifically in Asia and Africa. These destinations offer top-notch customer service without the sticker shock, making them a great option for companies looking to move their support with ease. In a new era of high inflation around the world, cost savings without sacrifice has become the holy grail.



Another key change in the global outsourcing industry is the slight shift back from work-from-home to in-center. Many BPO providers are finding that brands are requesting in-house staff when negotiating partnerships. In some regions the lack of infrastructure to support remote work has also created pressure to return to the office. Some regions lack the electrical grid or internet connections to reliably answer customer contacts without interruption without costly measures like backup generators.



Despite all of these changes, the global BPO industry is flourishing. Emerging markets are exceeding expectations and becoming viable options for companies looking for English speaking, educated agents. Popular destinations may be near or at saturation, but the quality they bring to the table still represents a huge advantage for companies looking to move domestic support.

Continue reading the **2023 BPO Market Trends and Pricing Report** to find out what each region brings to the table.

North America



Dallas, Texas, United States



Key Benefits

- Highest levels of support quality, cultural affinity, and language skills.
- Unmatched ease of travel.
- Strong CSAT scores and English fluency.



Potential Drawbacks

- Prices will almost certainly be higher than foreign options.
- Rampant turnover is causing instability as the average agent tenure decreases.

Trends



- The workers' revolution in the United States has had a monumental impact on the ability to hire and retain quality call center agents. Costs are going up but in many cases, quality is going down.
- Even organizations that had been resistant to foreign outsourcing in the past have reluctantly embraced the idea due to necessity.

Outlook



- There's no indication that the cost of hiring and retaining call center agents will level off anytime soon, meaning prices will likely continue to rise.
- Companies will need to choose between maintaining or decreasing costs by moving support abroad or paying more for their existing service.

2023 Pricing



Mid-Market BPO

\$27 - \$41

Large BPO

\$33 - \$44

Latin America



Montego Bay, Jamaica



Key Benefits

- Proven track record of providing support to the US and Canada.
- Close proximity and easy, affordable travel.
- Exceptional cultural affinity with North America.
- Strong English and Spanish language skills with bilingual agents.



Potential Drawbacks

- Many markets are currently at or near saturation, especially in larger cities.
- Increasing prices due to saturation, inflation, and labor costs.

Trends



- Many markets at or near saturation after decades of being a premiere outsourcing destination.
- Inflation and labor costs are driving up pricing, especially as more companies look to move their domestic support abroad.
- Market saturation has ignited fierce competition for talent, leading to high turnover as agents find better paying positions offered at different call centers.

Outlook



- The Nearshore is still an exceptional destination for call center outsourcing, providing top service at a considerably lower rate than domestic BPOs.
- Expect prices to continue to rise due to market saturation as companies move their support out of domestic regions.

2023 Pricing



Mid-Market BPO

\$13 - \$19

Large BPO

\$15 - \$24

Asia-Pacific



Manila, The Philippines



Key Benefits

- In countries like the Philippines and India, agents are highly-skilled and fluent in English.
- Agents in top outsourcing destinations in this region have a strong grasp of technology.
- A strong understanding of western culture through media such as television and movies.



Potential Drawbacks

- The cost for non-English languages such as Japanese, Chinese and Korean is high.
- Visiting your call center partner is demanding, often involving multiple layovers and travel times over 24 hours.

Trends



- Competition is becoming fierce for companies seeking support due to companies looking to move out of the nearshore region.
- Increasing prices due to saturation, inflation, and labor costs.

Outlook



- Prices will remain lower than domestic and nearshore options but will rise over time.
- India and the Philippines will remain world leaders as outsourcing options.

2023 Pricing



Mid-Market BPO

\$7 - \$15

Large BPO

\$10 - \$18

Call Centers in Africa



Cape Town, South Africa



Key Benefits

- Exceptional service at a considerable cost savings.
- A large workforce of talented agents who are enthusiastic and excited about a career in the call center industry.
- English, French, and Portuguese are official languages throughout the continent.



Potential Drawbacks

- Travel to and from call center sites takes some effort, often involving multiple layovers and significant time changes.
- Despite ongoing infrastructure investment, many African cities occasionally experience disruptions. BPOs must have backup systems in place to maintain operations.
- The expansion of the call center industry is relatively new, so the workforce is less experienced than in LATAM or APAC.

Trends



- Many African countries have discovered the benefits a strong outsourcing industry can bring and are heavily invested in improving infrastructure and creating a business-friendly environment to support it.
- Residents - many of whom are experiencing high unemployment rates - see BPO work as an exciting, rewarding career path and are actively working to improve their skills to advance in the field.

Outlook



- Africa is easily the most exciting outsourcing market in the world at the moment. The industry is experiencing massive growth, and the talent pool is there to fill the jobs created.
- Despite the industry's expansion, it is still very much an emerging market. For the foreseeable future, Africa is well-positioned to become the one of the world's premier outsourcing destinations.

2023 Pricing



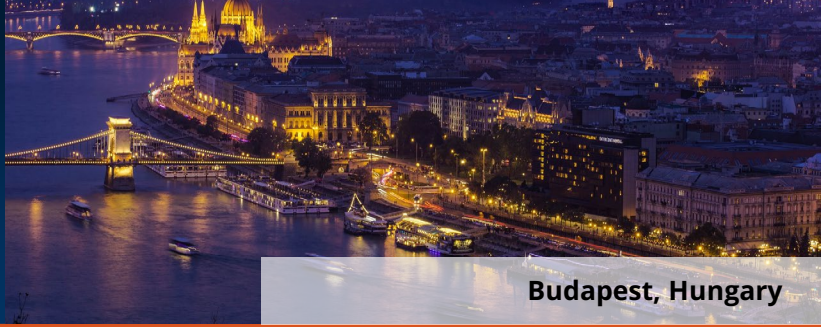
Mid-Market BPO

\$10 - \$16

Large BPO

\$13 - \$19

Eastern Europe



Budapest, Hungary



Key Benefits

- Perfect for companies looking for less common languages, such as Russian or Polish.
- Cost of outsourcing in this region is low when compared with domestic or Western European countries.



Potential Drawbacks

- Political instability and ongoing wars make outsourcing here a risky option.
- English speaking agents are less abundant when compared to western call centers.
- Many countries in the region are not part of the EU, therefore not held to EU regulations.
- Concerns arising around the region’s energy grids and their dependability.

Trends



- Conflict between Russia and Ukraine has left many countries in the region on high military alert.
- Countries in the region looking to break into the US market.

Outlook



- Uncertainty around Russia’s future military plans will remain until the unrest between the country and the Ukraine are resolved. Surrounding countries will continue to feel pressure to keep their citizens safe.
- Despite ongoing conflict, countries in the region will continue to offer prices comparable to nearshore options in hopes of drawing US and Western Europe-based partners.

2023 Pricing



Mid-Market BPO

\$16 - \$27

Large BPO

\$19 - \$30

Western Europe



Barcelona, Spain



Key Benefits

- English is the first or second language for many agents.
- A highly-educated workforce.
- Stable economies with strong ties to the USA.
- The best option for meeting EU mandates, such as region-specific certifications and regulations.



Potential Drawbacks

- Prices will almost certainly be higher than nearshore and offshore options.
- English may not be spoken in some countries.
- Rural areas may not have the technology necessary to support contact centers.

Trends

- Hiring difficulties continue to impact both call center prices and agent quality.
- Work from home or hybrid work options are still popular among agents.



Outlook

- Western Europe will continue to be a great option for niche languages.
- The region will continue to be a stable option for BPO partnerships.
- Costs are likely to continue to rise until the world economy stabilizes and hiring difficulties ease.



2023 Pricing

Mid-Market BPO

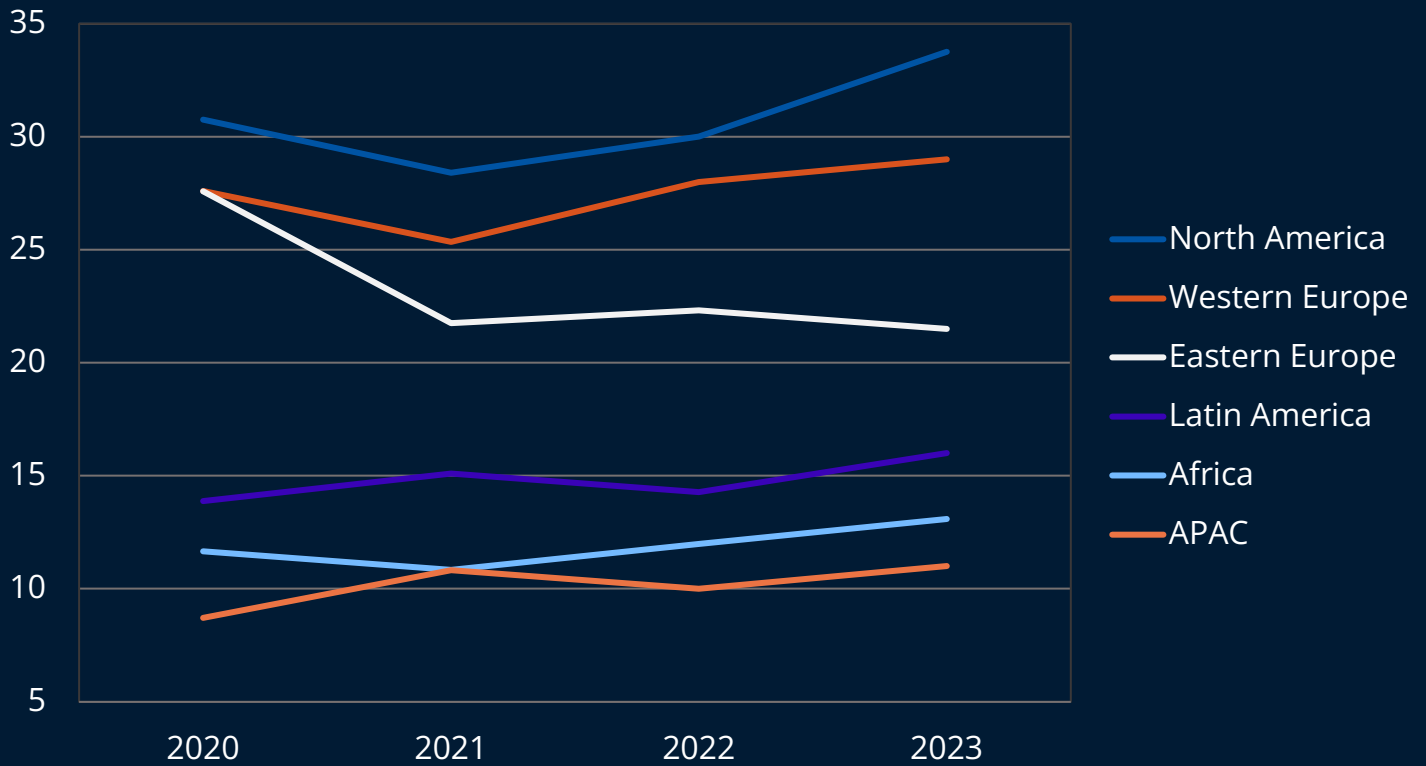
Large BPO

\$27 - \$31

\$30 - \$34



Average Pricing Trends for Mid-Market BPOs



Region	2020	2021	2022	2023
North America	\$31	\$28	\$30	\$34
Latin America	\$14	\$15	\$14	\$16
Western Europe	\$28	\$25	\$28	\$29
Eastern Europe	\$28	\$22	\$22	\$22
Africa	\$12	\$11	\$12	\$13
APAC	\$9	\$11	\$10	\$11

Numbers are based on pricing for English voice services provided by Outsource Consultants' network of over 500 global BPO vendors.

OUTSOURCE CONSULTANTS

150+

Combined years of
BPO industry
experience

1,000+

Heavily vetted call
center locations

1,000+

Vendor searches since
inception

96%

Average client CSAT
score

Outsource Consultants is a call center outsourcing advisory firm that specializes in matching companies with outsource call centers that are a perfect fit. With our team's over 150 combined years of call center industry experience, we are uniquely positioned to initiate lasting partnerships between our clients and BPO providers. Our mission is to provide companies a call center industry insider's expertise without requiring them to exhaust their own time and resources.

We have spent years researching and screening outsource call centers to develop a proprietary database of over 500 of the world's top-performing US-based, nearshore, offshore, and at-home BPO providers - including hundreds that wouldn't have otherwise been on our clients' radar. Our BPO analysts are continually updating our database to ensure our data is fresh and accurate.

Our unique matching algorithm uses over 50 data points to identify BPOs that meet our clients' exact specifications and present the options in a side-by-side comparative matrix for easy analysis. We continue to monitor the ongoing performance of the BPO provider and act as an advocate for our clients after the selection has taken place.

Our BPO partners consistently deliver improved performance, exceptional language proficiency, and considerable cost savings. We simplify the outsource call center search process for our clients, and we'll do it at NO COST!



<https://coretechevents.com/bpo-market>

Clark Atwood

clark@coretechevents.com

480.320.3330

Greg LaCoste

greg@coretechevents.com

480.320.3370