



OUTSOURCE
CONSULTANTS

2024 BPO MARKET TRENDS & PRICING

AN EXCLUSIVE REPORT ON THE
GLOBAL CONTACT CENTER
OUTSOURCING INDUSTRY

“

As companies are faced with doing more with less, expect a strategic integration of call center labor strategies and AI-driven innovations. This approach is set to significantly enhance customer experience, reduce costs, and improve operational efficiency for both underutilizers and forward-thinkers.”

INTRODUCTION

The BPO industry is in the midst of a major transformation. Technological advancements and economic changes are propelling the industry at an unprecedented pace. Companies are sharpening their focus on cost reduction, leading to a reevaluation of their outsourcing strategies. They're exploring new regions and leveraging technology more effectively to enhance efficiency.

2023 saw AI emerge as the most significant technological disruptor. It revolutionized customer service with smarter IVR systems and chatbots, and it also improved agent performance by enabling more personalized service through the analysis of past interactions.

In the face of global economic instability, marked by rising inflation and interest rates, companies doubled down on cost-cutting measures. They rethought their outsourcing approaches, some adopting geo-redundancy and restructuring their teams based on expertise and cost-effectiveness. Others sought out new, more affordable regions for quality customer service, adapting to the economic challenges.

Amidst these shifts, businesses encountered higher costs in traditional outsourcing markets like Latin America and the Philippines. This led to the rise of alternative destinations, especially in Africa. Notably, South Africa and Kenya emerged as key markets to watch in 2024, offering outstanding customer support.

As companies are faced with doing more with less, expect a strategic integration of call center labor strategies and AI-driven innovations. This approach is set to significantly enhance customer experience, reduce costs, and improve operational efficiency for both underutilizers and forward-thinkers.

For a deeper understanding of these dynamics, the 2024 BPO Market Trends and Pricing Report offers insights into the unique strengths and contributions of each region.

“

In the face of global economic instability, marked by rising inflation and interest rates, companies doubled down on cost-cutting measures.

U.S. & CANADA



Key Benefits

- Unparalleled support, cultural understanding, and language skills.
- Unmatched ease of travel.



Potential Drawbacks

- Agents in this region are more expensive than nearshore and offshore agents.
- The region is facing fewer challenges in hiring and retaining talent than last year, but finding high-quality agents will come at an increased cost.



Trends

- Some organizations that once opposed outsourcing to foreign locations are now doing so in order to save money or find higher-quality agents, resulting in less competition for domestic services.
- Due to reduced interest in domestic call centers, BPOs have had to cut their prices in an effort to attract customers and use idle agents.
- Finding high-quality agents at a competitive rate is still difficult.
- As companies worldwide gradually transition back to in-office work arrangements, U.S. BPO providers are following suit, bringing their agents back to the physical office environment.



Outlook

- Nearshore and offshore outsourcing options are continuing to be embraced by U.S. companies. This may lead some domestic BPO providers to lower prices to utilize available talent.
- U.S. companies must decide whether to keep costs low by moving support abroad or pay comparatively more for domestic service.
- Companies are becoming more comfortable moving basic, transactional call types away from the U.S., due to lower-cost options abroad. However, the U.S. and Canada are still outstanding options for handling complex contact types and regulated/certified roles in healthcare and financial services.

NEARSHORE



Key Benefits

- A long history of providing support to the U.S. and Canada.
- Close proximity, similar time zones and easy travel for U.S. companies and customers. Can get to the desired destination the same day.
- A strong cultural affinity with North America.



Potential Drawbacks

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



Trends

- Many of the most sought-after outsourcing destinations are now near saturation after decades of popularity, leading to higher prices and competition in nearshore regions.
- The combination of inflation and rising labor costs is increasing prices, especially as more companies move their customer support functions overseas.



Outlook

- The surge in companies outsourcing to nearshore regions is escalating market prices, but nearshore outsourcing continues to provide competitive service options at lower costs than domestic BPOs.
- Nearshore remains a strong option for high-touch, white-glove customer experience.
- Specialized, niche contact types, such as travel and hospitality, are still a great fit in the region.



**2024 BPO
PRICING**

MID-MARKET BPO

\$13-\$20

LARGE BPO

\$16-\$23

AFRICA



Key Benefits

- Exceptional service at a considerable cost savings.
- A large workforce of English-proficient agents, who are highly skilled and educated.
- English, French, and Portuguese are official languages throughout the continent.
- Many countries in the region build goodwill with impact sourcing, where employees from low-income backgrounds are given the opportunity to gain new skills and income.



Potential Drawbacks

- Traveling from the U.S. to locations in Africa takes some effort, often involving multiple layovers and significant time changes compared to nearshore locations.
- While governments are heavily investing in infrastructure, many South African cities occasionally experience brownouts. Call centers employ advanced backup systems to guarantee continuous operation during brownouts, but remote agents may lack these systems at their home workstations.
- The expansion of the call center industry is relatively new to the U.S. market. Hence, the workforce is less experienced with U.S. culture than in areas like Latin America or the Philippines.



Trends

- Recognizing the benefits of a strong outsourcing industry, many African countries are heavily investing in infrastructure and creating a business-friendly environment to support it.
- Seeing BPO work as an exciting and rewarding career path, residents in high-unemployment areas are actively improving their skills to advance in the field.



Outlook

- Africa is the most exciting outsourcing market in the world today, with massive growth and a talented workforce to fill the jobs created by the BPO industry.
- Although Africa is still an emerging outsourcing market for U.S. customers, it is well-positioned to become one of the world's premier outsourcing destinations in the next 3-5 years.



**2024 BPO
PRICING**

MID-MARKET BPO

\$11-\$15

LARGE BPO

\$14-\$19

ASIA-PACIFIC



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.
- Due to the large number of Filipinos who have worked or have family in the U.S., there is a strong cultural affinity in the Philippines in particular.



Potential Drawbacks

- The cost for native languages such as Japanese, Chinese, and Korean is high.
- Non-native languages, like Spanish or French, are available in the region, but they tend to be more expensive than nearshore options and difficult to source in large quantities.
- Visiting your call center partner is demanding, often involving multiple layovers and travel times over 24 hours.



Trends

- Competition for outsourcing services is increasing, as North American companies look to move away from domestic and nearshore outsourcing due to rising costs.
- Market saturation, labor costs, and the lingering effects of inflation are all contributing to rising prices.
- BPO providers are now expanding into Tier 2 and Tier 3 cities while enjoying the same level of agent quality and experience as Tier 1 cities.
- India continues to be the best home for non-voice and back-office work given the price point and technical aptitude.



Outlook

- Prices will remain lower than domestic and nearshore options but will continue to rise over time.
- India and the Philippines will remain the world's leading outsourcing destinations due to their large and growing workforce, low labor costs, high English proficiency, and strong government support for the outsourcing industry.



**2024 BPO
PRICING**

MID-MARKET BPO

\$10-\$15

LARGE BPO

\$13-\$22

WESTERN EUROPE



Key Benefits

- English is the first or second language for many agents.
- A highly educated workforce.
- Stable economies with strong ties to the USA.
- Financial, health and travel support are primarily sourced in Western Europe, especially for companies based out of surrounding regions looking to prioritize data security and privacy.
- The best option for meeting EU mandates, such as region-specific certifications and regulations.



Potential Drawbacks

- Prices are almost certainly higher than alternative options in nearshore and offshore locations.
- English-speaking agents may be more expensive in some countries, where the language is less widely spoken.
- Rural areas may not have the technology necessary to support contact centers.



Trends

- Attrition remains high among call centers in Western Europe, mainly due to “burnout” and understaffing.
- 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, such as Italian and German.
- The region will continue to be a stable option for BPO partnerships.
- Costs are likely to continue to rise until the world economy stabilizes.

EASTERN EUROPE



Key Benefits

- Perfect for companies looking for regional languages, such as Russian or Polish.
- The cost of outsourcing in this region is low when compared with domestic or Western European countries.
- Eastern Europe is not currently over-saturated with BPO providers, making it easier for those who do exist in the region to hire and retain agents.



Potential Drawbacks

- Political instability and ongoing wars make outsourcing here a less stable option.
- English-speaking agents are less abundant when compared to call centers in other regions.
- Many countries in the region are not part of the EU and are not held to EU business regulations.
- Concerns exist around the region's energy grids and their dependability.



Trends

- The uncertainty caused by the Russia-Ukraine conflict has led many companies to wonder if countries in the region will be politically and economically stable enough to support a thriving BPO industry.
- Some BPO providers are leaving or closing in destabilized countries, like Ukraine and Russia, while other countries, such as Poland, are not yet seeing the same BPO exodus.
- Countries in the region are still looking to draw the attention and business of U.S. companies in need of CX support by offering competitive pricing.



Outlook

- The ongoing conflict between Russia and Ukraine is creating uncertainty and pressure on surrounding countries to validate that their BPO industries are stable and have a positive outlook for the future.
- Despite the ongoing conflict, countries in the region will continue to offer competitive CX prices to attract U.S. and Western European partners.



**2024 BPO
PRICING**

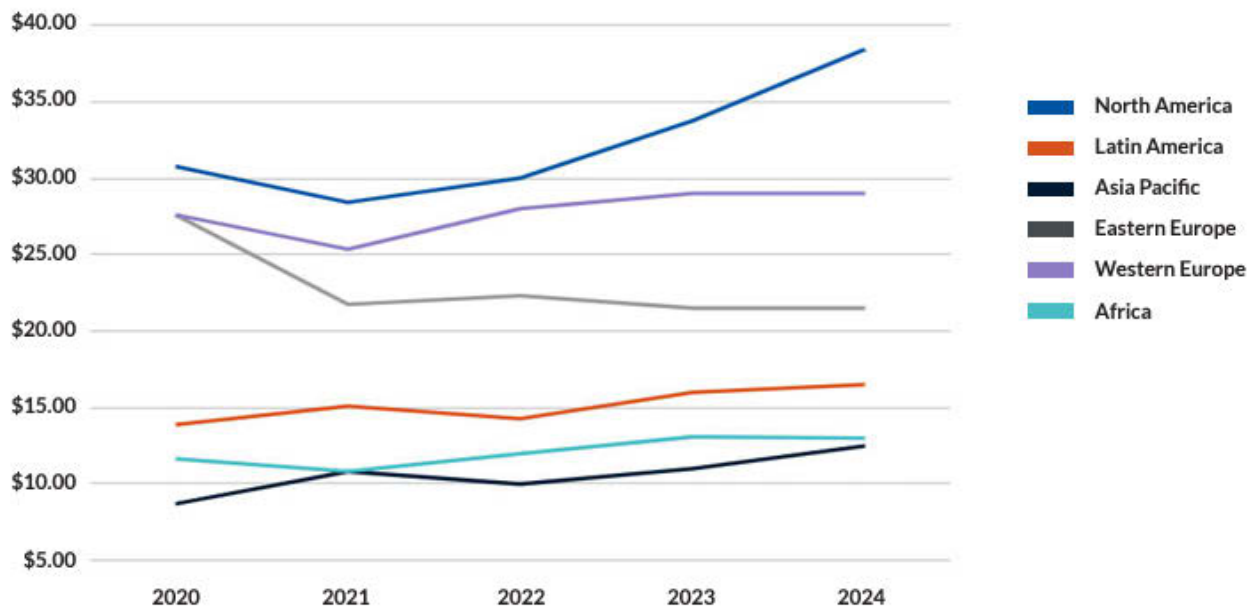
MID-MARKET BPO

\$16-\$27

LARGE BPO

\$19-\$30

AVERAGE PRICING TRENDS FOR MID-MARKET BPOS



Region	2020	2021	2022	2023	2024
U.S. & Canada	\$31	\$28	\$30	\$34	\$39
Nearshore	\$14	\$15	\$14	\$16	\$17
Asia Pacific	\$9	\$11	\$10	\$11	\$12
Eastern Europe	\$28	\$22	\$22	\$22	\$22
Western Europe	\$28	\$25	\$28	\$29	\$29
Africa	\$12	\$11	\$12	\$13	\$13

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

START RISK-FREE OUTSOURCING NOW

150+

Combined years of BPO
industry experience

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.

1,000+

Heavily vetted call center
locations

We have spent years researching and screening outsource call centers to develop a proprietary database of over 500 of the world's top-performing U.S.-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.**

1,000+

Vendor searches since
inception

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.

96%

Average client CSAT score

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!

**GET A FREE OUTSOURCE CALL
CENTER COST PROPOSAL**