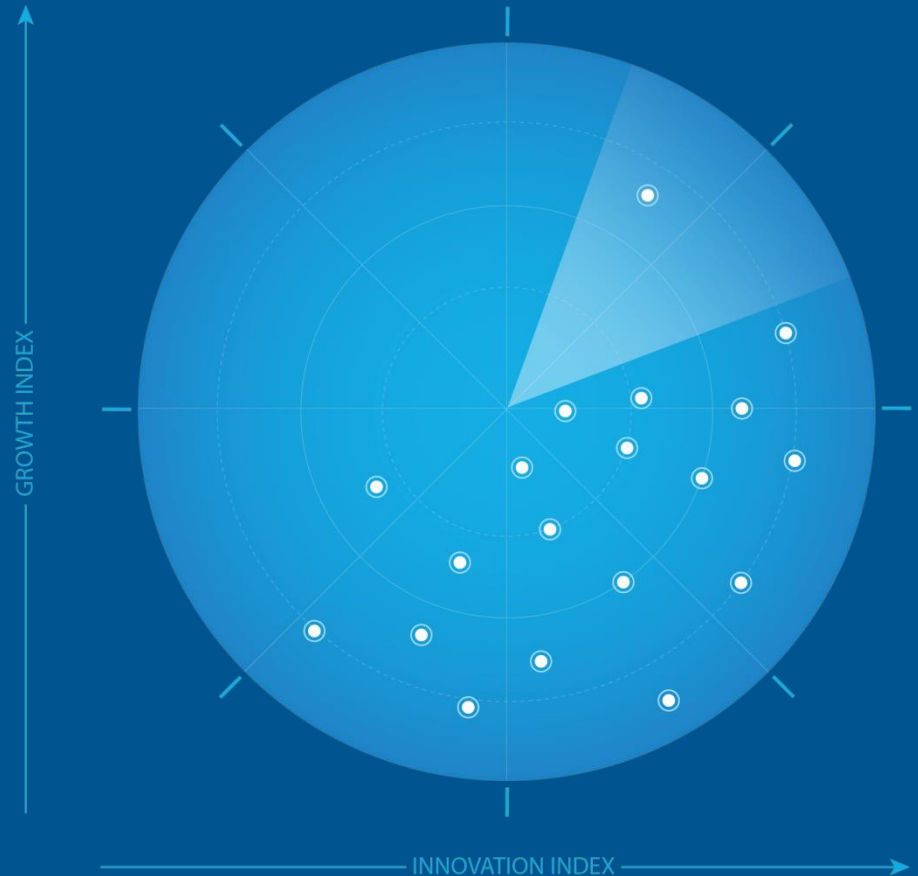


Frost Radar™: European Customer Experience (CX) Outsourcing Services, 2021

A Benchmarking System to Spark Companies to Action—Innovation that Fuels New Deal Flow and Growth Pipelines

Global Information &
Communications Technologies
Research Team at Frost & Sullivan



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Strategic Imperative and Growth Environment



Strategic Imperatives

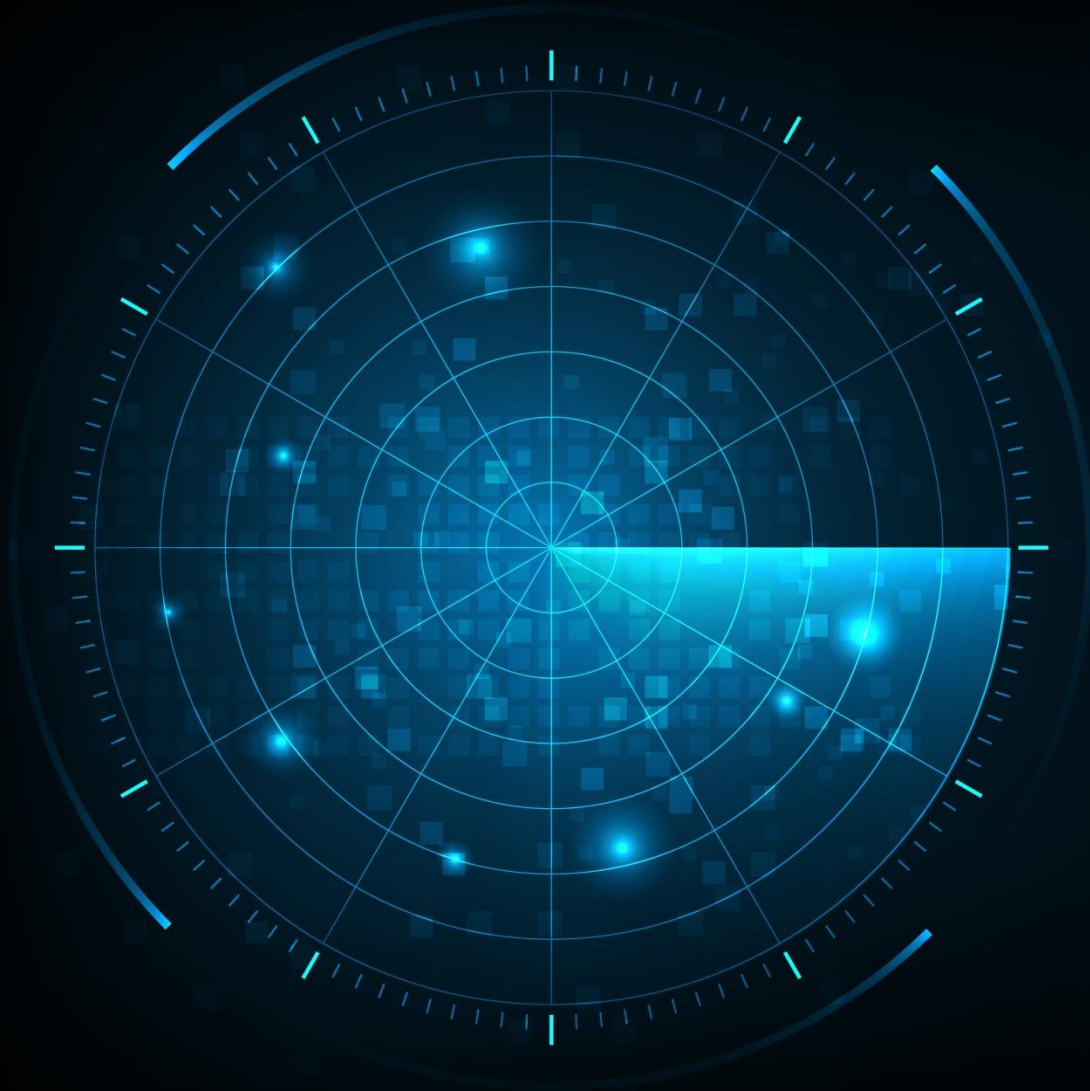
- Customer experience (CX) is becoming the primary factor impacting customer loyalty and one of the most relevant business differentiators. In Europe, demand for outsourced CX services is growing steadily as end-users demand more responsive, personalized, and engaging experiences. Businesses must design and implement a superior end-to-end customer journey to build up brand recognition, maximize the lifetime value of their customers, and deliver human interactions when and where customers value it most.
- In addition, many companies acknowledge contact centers as profit centers that present cross- and up-selling opportunities. Companies realize that conversion is particularly high when they harness the natural touchpoints customers have with them in contact centers (e.g., at contract renewal junctures or during a billing cycle). Therefore, contact centers are becoming an essential element of an effective revenue growth strategy.
- In the context of the COVID-19 pandemic, business uncertainties, pressure to reduce costs, manage remote workforces, and increase efficiency and effectiveness drive strong demand for outsourced services.
- Providing optimal CX during the pandemic requires leading technology deployment, expertise, and scalability, which can be difficult for many companies to achieve and manage on the fly. Outsourcers provide them with the opportunity to provide top-notch CX services during the pandemic, increasing agility, resilience, and risk mitigation.

Source: Frost & Sullivan

Growth Environment

- In 2020, the European CXO services market attained € 19.12 billion in revenue, representing a 3.3% increase from 2019.
- COVID-19 affected CXSPs in two ways: Outsourcers benefited from companies' higher adoption of outsourcing services but were negatively affected by the impact of this crisis on their customers, especially those in travel and hospitality, logistics, transport, and manufacturing. Outsourcers with the majority of clients in affected verticals suffered heavy losses.
- Frost & Sullivan expects the European market to grow 10.1% in 2021. By 2025, the market will generate €25.65 billion (CAGR 6.1%), driven by:
 - increasing adoption of outsourcing services during the pandemic
 - more significant spending by the technology, media and entertainment, healthcare, and public sectors
 - a renewed view of contact centers as profit centers (for cross and up-selling)
 - the greater liquidity in European economies
- In 2020, the onshore business in Europe totaled €10.85 billion and represented 56.8% of the total CX outsourcing business. The nearshoring segment reached €5.38 billion in revenue. Western Europe represents 45.5% of the total nearshoring business, while Eastern Europe accounts for 29.3% and Northern Africa 25.2%. The offshore business accounted for 15.1% (€ 2.88 billion) of the total outsourcing revenue.

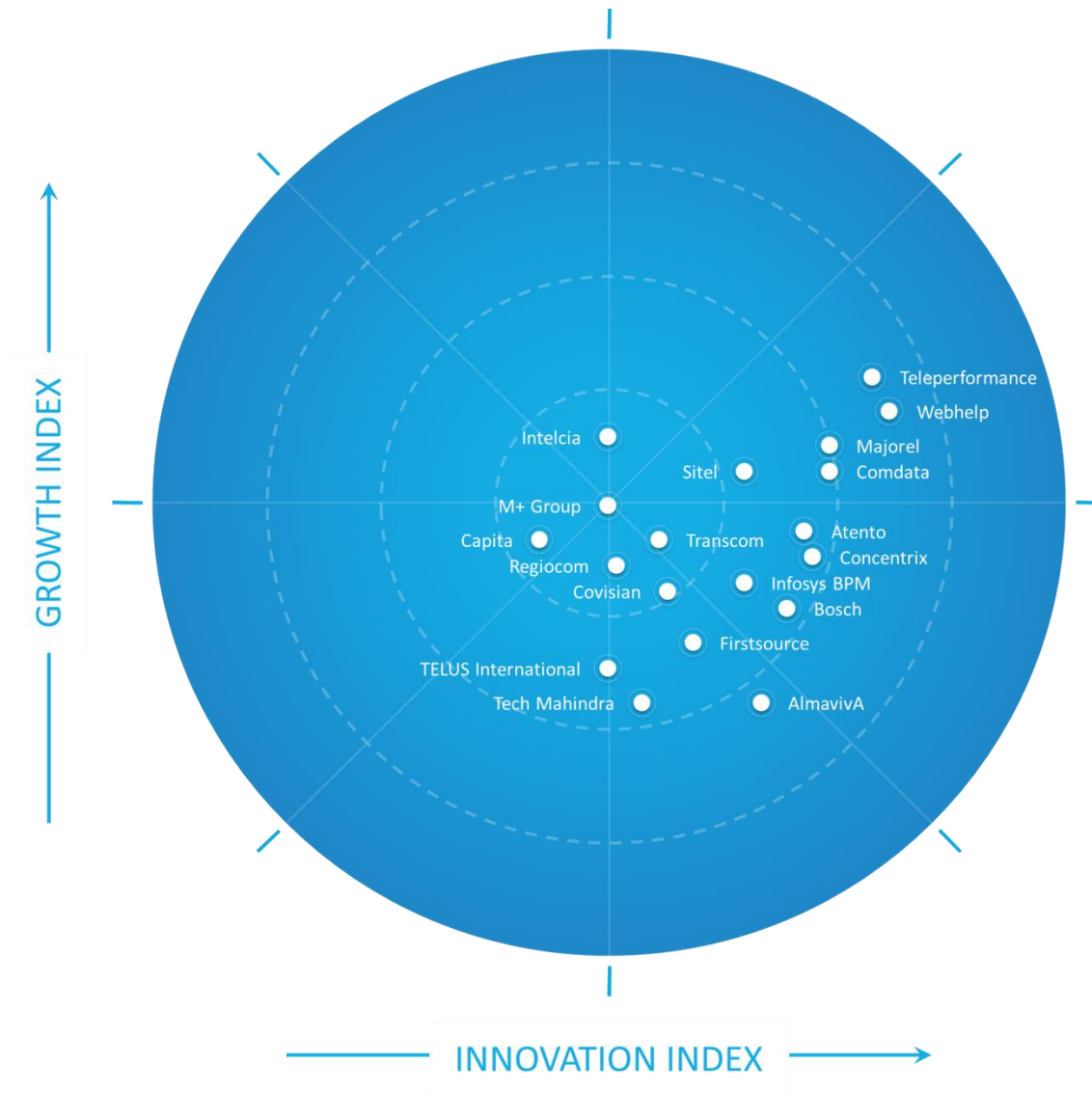
Source: Frost & Sullivan



Frost Radar™

**CX Outsourcing
Services Market,
Europe**

Frost Radar™: CX Outsourcing Services Market, Europe, 2021



Source: Frost & Sullivan

Webhelp

INNOVATION

- Webhelp distinguishes itself with the technological excellence of its CX services. The company leverages omnichannel, conversational AI, automation, advanced analytics, quality monitoring, and machine translation to enhance CX and spur client innovation.
- Webhelp has one of the industry's most forward looking strategies for WAHA, creating it's proprietary Anywhere design methodology which incorporates bestshoring and new working models alongside a comprehensive platform that underpins this.
- Webhelp spearheads the implementation of Gig Customer Service (GigCX).
- Webhelp offers a broad offering of proprietary solutions such as VoC, augmented agent, call recording and transcription, machine translation, and people analytics. In addition, the company has supplemented its internal R&D efforts with dozens of partnerships to round out its technological offerings.

GROWTH

- Webhelp's European delivery combines multilingual hubs, WAHA, and new technologies. The company is well-positioned to support companies with continental expansion ambitions.
- Webhelp is one of the most experienced providers supporting digital-born companies, from start-ups (covered by the Nest, Webhelp's CX start-up program) to unicorns. The high exposure to this thriving industry vertical is a central factor driving Webhelp's rapid business growth.
- The company acquired Dynamicall and OneLink to expand its portfolio of services and its geographical footprint and strengthen its global position.
- Webhelp has added additional multilingual hubs in Europe (e.g., Albania) through organic growth.
- The company has seen high business growth via its consulting and customer journey design services.

FROST PERSPECTIVE

- Webhelp is one of the top two players in Europe and a prominent global provider.
- The ownership of Groupe Bruxelles Lambert provides Webhelp with long-term financial stability and backing for its strategic vision.
- Notwithstanding its size, Webhelp must retain its notable entrepreneurial spirit to continue increasing its presence and brand recognition in Europe.
- Webhelp must effectively communicate its value proposition around WAHA, GigCX, and hybrid models to spur growth.
- The company goes all-out to keep its customers engaged by offering customized and exceptional customer journey design, consulting, and data management services via Gobeyond Partners, Webhelp's in-house CX consulting firm.

Source: Frost & Sullivan

Frost Radar™ Analytics



Frost Radar™: Benchmarking Future Growth Potential

2 Major Indices, 10 Analytical Ingredients, 1 Platform

VERTICAL AXIS

Growth Index (GI) is a measure of a company's growth performance and track record, along with its ability to develop and execute a fully aligned growth strategy and vision; a robust growth pipeline™ system; and effective market, competitor, and end-user focused sales and marketing strategies.

GROWTH INDEX ELEMENTS

- **GI1: MARKET SHARE (PREVIOUS 3 YEARS)**
This is a comparison of a company's market share relative to its competitors in a given market space for the previous 3 years.
- **GI2: REVENUE GROWTH (PREVIOUS 3 YEARS)**
This is a look at a company's revenue growth rate for the previous 3 years in the market/industry/category that forms the context for the given Frost Radar™.
- **GI3: GROWTH PIPELINE™**
This is an evaluation of the strength and leverage of a company's growth pipeline™ system to continuously capture, analyze, and prioritize its universe of growth opportunities.
- **GI4: VISION AND STRATEGY**
This is an assessment of how well a company's growth strategy is aligned with its vision. Are the investments that a company is making in new products and markets consistent with the stated vision?
- **GI5: SALES AND MARKETING**
This is a measure of the effectiveness of a company's sales and marketing efforts in helping it drive demand and achieve its growth objectives.

Frost Radar™: Benchmarking Future Growth Potential

2 Major Indices, 10 Analytical Ingredients, 1 Platform

HORIZONTAL AXIS

Innovation Index (II) is a measure of a company's ability to develop products/services/solutions (with a clear understanding of disruptive Mega Trends) that are globally applicable, are able to evolve and expand to serve multiple markets, and are aligned to customers' changing needs.

INNOVATION INDEX ELEMENTS

- **II1: INNOVATION SCALABILITY**

This determines whether an organization's innovations are globally scalable and applicable in both developing and mature markets, and also in adjacent and non-adjacent industry verticals.

- **II2: RESEARCH AND DEVELOPMENT**

This is a measure of the efficacy of a company's R&D strategy, as determined by the size of its R&D investment and how it feeds the innovation pipeline.

- **II3: PRODUCT PORTFOLIO**

This is a measure of a company's product portfolio, focusing on the relative contribution of new products to its annual revenue.

- **II4: MEGA TRENDS LEVERAGE**

This is an assessment of a company's proactive leverage of evolving, long-term opportunities and new business models, as the foundation of its innovation pipeline. An explanation of Mega Trends can be found [here](#).

- **II5: CUSTOMER ALIGNMENT**

This evaluates the applicability of a company's products/services/solutions to current and potential customers, as well as how its innovation strategy is influenced by evolving customer needs.

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