



eBook

2022 BPO Market Trends & Pricing

An exclusive report on the global
contact center outsourcing industry



The COVID-19 pandemic had a massive impact on the outsourcing industry, initially disrupting but ultimately stabilizing it in unprecedented ways. As mandated shut downs forced most of the world's call center workforce to log in remotely, areas with insufficient residential IT infrastructure suffered major setbacks. While offshore locations like India and the Philippines have world class technology in their office parks, the average call center worker's home did not allow for continuity of service. Companies that lacked geo diversification in their outsourcing strategies suddenly found themselves without support at a time when customers were clamoring for information.



Outsource call centers that were able to easily move their employees to a remote model - because of cloud technology and adequate residential internet access - quickly swooped in to pick up the slack. Almost overnight, many countries were able to make advances in the global market that would have otherwise taken years.



With a handful of exceptions, BPOs had been hesitant to embrace a work-from-home model in the past, but 2020 forced them to experiment - with overwhelmingly positive results. Call center leaders quickly learned that fears about lost productivity and lower engagement were unfounded, as both performance and employee satisfaction grew. Many BPOs have expressed an intention to retain remote work in some form, creating new opportunities for talent acquisition and retention.



Cost control as a priority isn't a new concept for businesses. But its importance has never been more important as we enter 2022. Nearly every business has felt a crunch in the past year, whether from vanishing profits or an inability to scale quickly and effectively to meet a sudden demand. Finding low cost, reliable avenues for retaining business continuity in any event is a priority, and a diversified outsourcing strategy is often the best way to achieve it. As organizations are challenged with serious staffing issues and pressured to cut costs without sacrificing the customer experience, many are finding that leveraging a BPO is more important than ever.



The American workforce is undergoing a reformation. As the nation tries to return to normal operations, business owners are being met with a new challenge: a labor force unwilling to return to previous norms. While many believe an increase to the federal minimum wage is inevitable, US workers aren't waiting for legislation to demand higher wages and better benefits. Call centers are directly impacted by this, as they are forced to offer higher pay to attract and retain qualified agents. This is now significantly raising the prices of domestic outsourcing, and organizations hoping to control costs will now likely need to look abroad for support.



Improvements to AI technology, innovative new products entering the market, and a consumer base that is more accepting of self-service and automated options have made call deflection another cost cutting tactic that is surging in popularity. While the need for live agents isn't disappearing any time soon, it's likely that call deflection technology will handle increasing volumes of Tier 1 and Tier 2 support.

Key Takeaways



Regional disparities in terms of cost, technology, and quality are shrinking rapidly.



Strategic BPO partner selection in 2022 and beyond will be based on language needs, experience, and cost - not location.



The cost of domestic call center support will continue to rise, and business leaders must choose between preserving an onshore presence and maintaining costs.



Remote work has proven its effectiveness, and will persist in some form for most BPO providers.



Call deflection strategies will continue to become more advanced, more prominent, and more necessary.

US & Canada



Toronto, Ontario,



Ease of Travel


One of the major advantages of a domestic call center is proximity. Any destination within the continental US or Canada is easily accessible in a day's travel. In many cases, you can travel to your outsource call center for a site visit and back in a single day.



Cultural Affinity

Call center agents who live in the same country as your customers will, naturally, have the strongest possible cultural affinity. Domestic call centers will be completely in tune with not only colloquialisms, but also the economic, social and cultural experiences of your customers. While other regions may employ agents with strong ties to the US and Canada, they will never match those that reside in these countries.

Large BPO Pricing
\$32 - \$40/hr



Mid-Size BPO Pricing
\$26 - \$34/hr



English Proficiency

If you are looking for call center agents who speak perfect American or Canadian English, the best place to find them is, naturally, in the US or Canada. In particular, outsource call centers in the Midwest are largely staffed by agents who speak with what is considered a neutral American accent.

Other Languages

While English is the predominant language in the United States and Canada, it is far from the only spoken language. The United States is home to over 50 million Spanish speakers. In fact, only Mexico boasts a larger Spanish-speaking population. French is the majority language in the Canadian province of Quebec, and is heavily spoken as a second language throughout the rest of the country.

US & Canada



Denver, Colorado



Established Markets

The outsource call center industry is well established in the 48 continental US states and all Canadian provinces. The majority of large BPOs are located in major cities with large populations for recruiting talent. While US-based BPOs tend to be more expensive than foreign locations, a desire for domestic labor has helped the call center industry maintain a strong presence.



Emerging Markets

Many smaller cities in the US and Canada boast rapidly growing outsource call center industries. The state economic incentives and lower cost of living enjoyed by Tier 2 and Tier 3 cities helps to keep pricing down, often leading to greater ROI for their clients.

Because cost controls are so important in call center outsourcing, some of the most promising areas for industry growth exist in states and provinces that are more friendly to businesses through tax incentives, lower minimum wage, and more limited access to government programs like unemployment benefits and COVID-19 relief.



Trends & Outlook

Shifts in the labor markets - particularly in the United States - are making it more difficult for outsource call centers to attract and retain talent. BPOs are currently forced to offer pay increases and other perks in order to compete for talent, which is making it more difficult to stay cost competitive when compared to nearshore and offshore locations. Prices of most US based BPO's are going up significantly. While there will always be an appetite for domestic call centers, especially for high-touch inquiries, it's likely that many businesses will continue to move the bulk of their support to foreign providers in an effort to reduce costs and increase ROI.

Nearshore

Central America, South America, and the Caribbean



Bogota, Colombia



Ease of Travel

Traveling to Nearshore locations is relatively easy. Most locations are easily accessible in a single day's travel, and the cost is reasonable. Sharing a hemisphere means minimal time zone changes, with a maximum time difference (western US to eastern Brazil) of 4 hours. In many cases, outsource call centers are located in popular tourist destinations like Belize or Jamaica, making travel not only easy but also thoroughly enjoyable. Depending on your destination, you may need to consider vaccinations and malaria prevention treatments prior to travel.



Cultural Affinity

North America's cultural influence on Central and South America is exceptionally strong. Many call center agents in the region have spent time in the United States, either as a resident, student or tourist, where they gained first-hand experience interacting with the locals. And most agents have friends or family living in the US, creating a direct, ongoing connection to American culture.

Large BPO Pricing
\$14 - \$20/hr



Mid-Size BPO Pricing
\$11 - \$17/hr



English Proficiency

English is predominantly spoken throughout the Nearshore region. It is the official language of several countries, and is spoken fluently as a second language for many residents in the others. BPOs regularly partner with local schools to increase English fluency and quality through public education, and invest heavily in ongoing training to refine the skills of their workers.

Other Languages

Spanish and Portuguese are the prominent languages throughout the Nearshore region. While the only country that recognizes Portuguese as an official language is Brazil, it is by far the most populous country in the region. Outside of Brazil and the handful of countries that speak other languages like English, French and Dutch, Spanish is the dominant native language.

Nearshore

Central America, South America, and the Caribbean



Montego Bay, Jamaica



Established Markets

Nearshore countries have been embracing the opportunity to provide quality, affordable outsource support for well over a decade. Many countries, like Colombia, Jamaica, Guatemala, Belize, and Costa Rica, boast thoroughly established markets. As a result, they offer exceptional service, but often at a higher cost than other countries in the region.



Emerging Markets

Most nearshore countries have been heavily investing in outsourcing for years, so the region is generally considered established within the global landscape. While saturation in major cities has created markets that are somewhat stagnant, the outsourcing industry is emerging quickly in second tier cities, and competition in these markets continues to be a catalyst for exceptional quality. Additionally, countries that have embraced outsourcing more recently, like Guyana, offer exceptional service at competitive prices.

Without question, the nearshore market is the hottest outsourcing region in the world right now. A highly-skilled, English-speaking workforce that truly understands North American culture, coupled with physical proximity and a cost savings of over 50% compared to current US market rates, creates a strong foundation for the BPO industry.

In recent years, massive investment in education and infrastructure from both the private and public sectors has allowed the BPO industry to thrive and establish itself as a cornerstone of the economy.

With most major cities housing strong, competitive call centers, and smaller cities following suit, the Nearshore can fill almost any need.



Trends & Outlook

Offshore

Asia & the Pacific



Manila, Philippines



Ease of Travel

Offshore countries offer bustling cities and major international airports, meaning that there are ample flights and accommodations for your visit. However, due to the sheer distance, travel to and from these locations typically requires 1-2 days and a considerable time change. Some offshore locations recommend certain vaccinations and malaria prevention treatments prior to travel.



Cultural Affinity

The strength of the call center industry in many offshore locations has created a workforce that has a strong understanding of western culture. The agents are generally trained in cultural differences like holidays, date and time formats, and addresses, but in many cases training programs must be adjusted to ensure they are up to speed on the specifics of your program.

Large BPO Pricing
\$13 - \$17/hr



Mid-Size BPO Pricing
\$7 - \$13/hr



English Proficiency

While English is rarely spoken as a first language in offshore locations, it is widely spoken as a second language. In fact, when ranking all countries by the number of English speaking residents, India and the Philippines come in 2nd and 4th, respectively. Philippine English in particular is considered low accent, making it an excellent option for general voice support.

Other Languages

The majority of the world's population resides in the Offshore region, so languages like Mandarin and Hindi are some of the most widely-spoken in the world. Many other countries in the region have considerable populations and languages that are not widely spoken beyond their borders, like Korean and Japanese. Offering support to this staggering number of individuals - in the most cost-effective way possible - requires partnering with an offshore call center located where those languages are spoken natively.

Offshore

Asia & the Pacific



Bangalore, India



Established Markets

The Philippines and India have been call center powerhouses for the past two decades, and the word “outsourcing” has largely become synonymous with offshore BPOs. Backed by strong public and private investment in infrastructure and education, the BPO industry is a major pillar in their economies. The training and educational programs in these countries have produced large pools of highly-skilled agents who can meet almost any need.



Emerging Markets

While the major BPO hubs in Asia and the Pacific have become fairly saturated, there are many areas that are just beginning to hit their stride. Smaller cities in India and the Philippines are taking steps to establish themselves as top outsourcing destinations, and countries like China, Fiji and Pakistan are taking the necessary steps to cultivate thriving outsource call center industries.



Trends & Outlook

The Offshore has been a top destination for outsourcing for decades, and for good reason. Low costs, paired with highly skilled agents, have made it a no-brainer for business leaders looking to reduce costs without sacrificing quality. However, the Offshore’s dominance is currently facing major competition from Central America, South America, and Africa. As markets continue to become saturated in the Philippines and India, it will become increasingly difficult for them to maintain a significant cost advantage. The future of offshore outsourcing is one where it will likely find itself on a level playing field with the established Nearshore and up-and-coming African markets.

Europe



Warsaw, Poland

Ease of Travel

Europe is a popular destination for both business travel and tourism, so you can find easy transportation and first rate accommodations in any major city. Traveling to and from your European call center will usually take about a day when considering flights and time changes.



Cultural Affinity

American pop culture has permeated nearly every aspect of life in Europe through music, movies, and television, giving European call center agents a strong understanding of the North American customers they're supporting. Additionally, American politics and news stories are covered regularly by European media, providing further insight into the daily realities of American life.



Large BPO Pricing

\$25 - \$30/hr (Eastern)
\$28 - \$34/hr (Western)



Mid-Size BPO Pricing

\$19 - \$26/hr (Eastern)
\$26 - \$30/hr (Western)



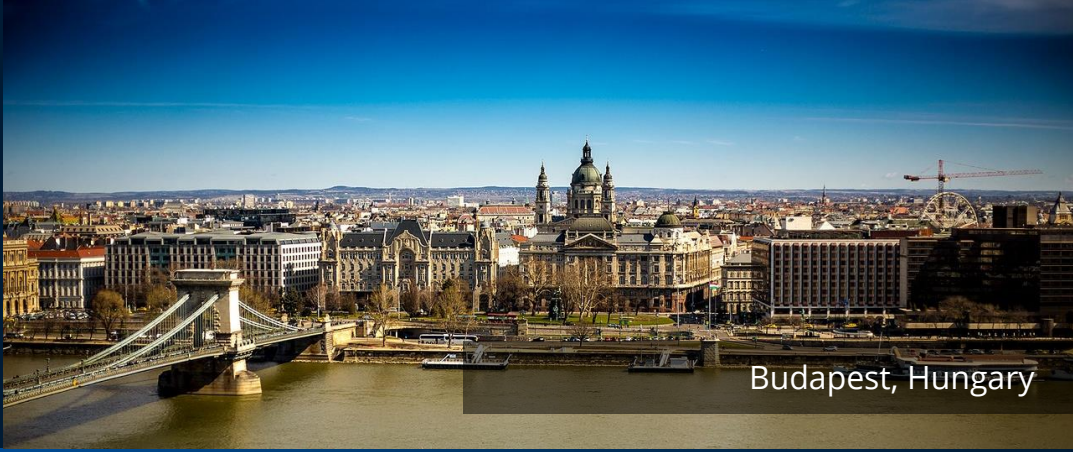
English Proficiency

While you can obviously find native English speakers in countries like England and Ireland, some of the highest-quality English-speaking call center agents in Europe reside in countries like the Netherlands, Sweden, and Norway. The strong influence of American television, movies, and music has cultivated a population that speaks fluent, low-accent English.

Other Languages

There are over 40 countries in Europe, and most of them have their own language. Many of these languages are not widely spoken outside the country of origin, making local outsource call centers the best option for supporting them. In addition to these native languages most European countries require that students study at least one - often two - foreign languages. As a result, the majority of European residents speak at least two languages, making it an excellent destination for multilingual BPO support.

Europe



Budapest, Hungary



Established Markets

Most Northern, Southern, and Western European countries boast well-established BPO industries, especially in the major cities. However, in areas with a comparatively high cost of living, like France and Germany, the call center industry has been somewhat stunted by the availability of less expensive options in nearby countries. Eastern European countries like Romania, Poland, and Hungary also boast strong outsourcing industries that can service multiple languages in a single call center.



Emerging Markets

Eastern Europe has been developing its BPO industry over the past decade, and is quickly becoming a top outsourcing location due to its language diversity and low costs. In some regions, low prices still come from sacrificing quality and stability, but countries like Turkey and Greece have found a balance and offer exceptional language skills at a considerable cost reduction.

Prior to 2020, many of the major outsource call centers in Europe were staffed by foreign workers who had temporarily relocated for an opportunity to live and work in an exciting city. With international mobility limited for the foreseeable future, this model has become unsustainable for the time being, and may struggle to return at all, even as remote work becomes widely adopted.

However, mid-sized centers that employ local workers to support multiple languages continue to thrive, and likely represent the future of Europe's BPO industry. While it may be increasingly difficult to house all languages in a single call center, companies are finding that spreading their support among several of these smaller BPOs is an effective way to provide top quality service at affordable rates.

There is speculation that impending inflation will inevitably raise costs in some areas, so nearshore countries and Africa will likely become a more appealing alternative for companies that are currently using European call centers to support major languages like English, Spanish, Italian, German and French. For localized languages, Europe is likely to remain the best option.



Trends & Outlook

Africa



Cairo, Egypt



Ease of Travel

It will typically take 1-2 days to travel to your African call center partner. You will likely need at least one connecting flight, and will pass through several time zones. You'll find luxury accommodations and ample transportation in the major cities, as tourism is an important economic driver. While rarely a requirement for entry, many countries recommend certain vaccinations and preventive treatments for illnesses like malaria prior to travel.



Cultural Affinity

Western cultural influence is strong throughout Africa. Most of the individuals who are working as call center agents today grew up watching American television shows and listening to American music. Additionally, most African countries were once colonies of England, France, or Portugal. The days of colonization are in the past, but the cultural influence remains in many ways.



English Proficiency

Starting in the late 19th century, British colonization spread the English language throughout much of Africa. These countries have since become sovereign nations and largely speak other languages natively, but many citizens speak English fluently. English is a primary language in several African countries, including South Africa, Ghana, and Kenya.

Other Languages

Several African countries were once colonies of France or Portugal, and the language influence remains to this day. French and Portuguese are widely spoken throughout these former colonies and are the official languages of several countries. Additionally, Arabic is one of the most widely spoken languages in Africa.

Beyond these imported languages, Africa is home to over 2,000 native languages, some with millions of speakers. These languages are not widely spoken outside of Africa, so using a local call center to support them is a must.

Large BPO Pricing

\$12 - \$16/hr



Mid-Size BPO Pricing

\$10 - \$14/hr

Africa



Cape Town, South Africa



Established Markets

A handful of locations, like South Africa and Egypt, have established themselves as Africa's BPO frontrunners. Investment from both the public and private sectors, educated populations that speak major languages like English and French, and a low cost of living have helped these areas develop thriving outsourcing industries. While they haven't necessarily caught up with major players like the Philippines, Colombia and Mexico, they are quickly gaining ground.



Emerging Markets

The success of the outsourcing industries in African countries like Egypt and South Africa is undeniable, so it's no surprise that other countries are understandably following suit. Countries like Kenya, Ghana, Nigeria, and Mauritius have seen massive investment in both technology and education in recent years, and are quickly becoming desirable locations for outsourcing on the continent.

Compared to the nearshore and offshore BPO industries, Africa is still working to catch up - but it's doing so quickly. Africa provides the ability to offer support for multiple languages through a single call center at highly competitive rates; a benefit that is difficult to come by anywhere else in the world.

Call center work is considered a stable job with advancement opportunities, so the highly-motivated workforce is flocking to these positions and seeking out the training necessary to excel.

Africa is home to some of the most rapidly-growing cities in the world, providing an ample agent pipeline and upgraded infrastructure. These cities are taking the necessary steps to capitalize on the benefits a thriving outsourcing industry will bring and are perfectly positioned to become major BPO players in the coming years.



Trends & Outlook

Quick Comparison

Region	Large BPO Pricing (hourly)	Mid-Sized BPO Pricing (hourly)	English Proficiency	Other Languages	Ease of Travel	Cultural Affinity
US & Canada	\$32 - \$40	\$26 - \$34	★★★★★	★★★	★★★★★	★★★★★
Nearshore	\$14 - \$20	\$11 - \$17	★★★★★	★★★★★	★★★★★	★★★★★
Offshore	\$13 - \$17	\$7 - \$13	★★★	★★★★★	★	★★★
Eastern Europe	\$25 - \$30	\$19 - \$26	★★★★★	★★★★★	★★★	★★★★★
Western Europe	\$28 - \$34	\$26 - \$30	★★★★★	★★★★★	★★★	★★★★★
Africa	\$12 - \$16	\$10 - \$14	★★★	★★★★★	★★	★★★

While there are many things that can be declared as generally true within an outsourcing region, each individual call center is unique. With thousands of BPOs located throughout the world, it can be difficult to pinpoint the one that's right for your organization.

That's where Outsource Consultants comes in. We maintain a proprietary database of top-performing outsource call centers, and can help match you with the one that's a perfect fit for your organization. We'll simplify your BPO search, and we'll do it at no cost to you.

Get a Free Cost Proposal from Call Centers that Fit Your Exact Specifications

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!

**Get a Free Outsource
Call Center Cost Proposal**