

CALL CENTER LOCATION TREND REPORT

2020



The call center industry had stable growth in 2019 as companies pursued the optimal balance of labor availability, labor costs, geopolitical stability and business climate. The Call Center Location Trend Report provides an analysis of global location trends to help you understand the onshore, near-shore and offshore geographies that might be the best location for your next call center.

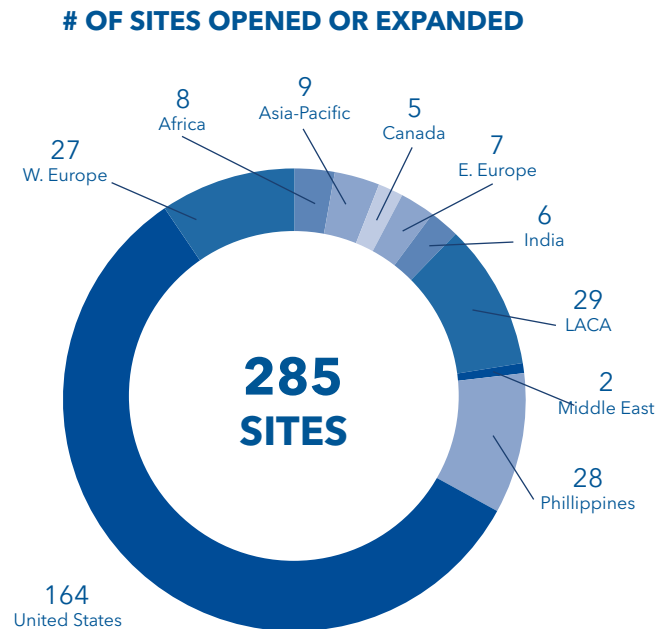
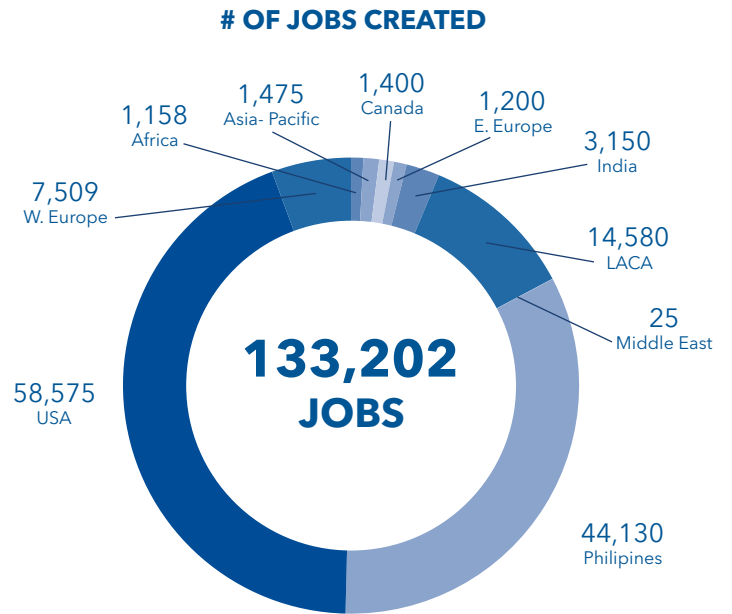
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Introduction

As companies seek to find the optimal location for their call center operations, understanding historic growth trends can help to develop onshore, nearshore and offshore location strategies. In 2019, Site Selection Group identified 285 new and expanding call center projects that created 133,202 jobs as well as 88 call center projects involving 17,014 jobs that were downsizing or closing their facilities. By analyzing this data, Site Selection Group has identified regional location trends that are summarized in this report.

Global Call Center Industry Growth Continues Across All Regions

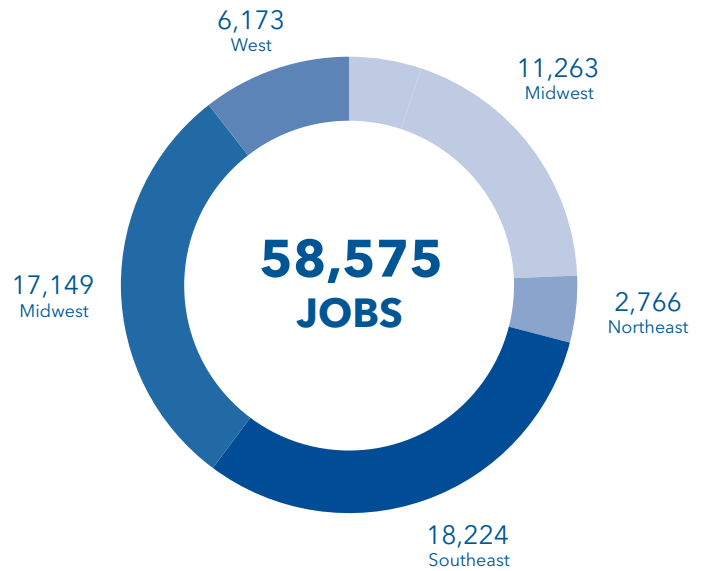
The call center industry continues to shift jobs to and from onshore, nearshore and offshore geographies. With the current trend of onshoring taking center stage, the United States led overall growth with 164 projects announced with 133,202 jobs which was an increase over 2018 due to solid economic conditions, corporate reshoring initiatives, and focus on the customer experience. The Philippines led in job creation in the offshore region with 28 projects creating 44,130 jobs. Nearshore destinations in Latin America and the Caribbean had solid growth by creating 14,580 jobs with 29 announced projects. The following pie charts summarize the growth of call centers across the world:



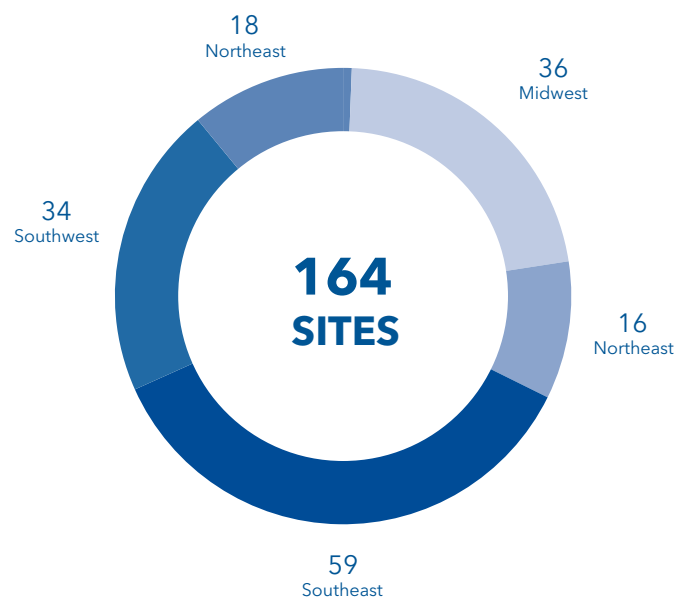
U.S. Call Center Growth Remained Stable and Created Almost 60,000 Jobs

The demand for quality customer service and trend of onshore call center expansion in the United States continued during 2019. As in years past, many companies reshored operations from the Philippines, India and other offshore markets as they sought to improve quality levels despite higher costs. There were an estimated 164 call centers opened or expanded that created 58,575 jobs in the United States. This domestic growth has caused many labor markets to become tighter and put wage pressure on employers. The Southeast, Southwest, and Midwest regions of the U.S. accounted for the majority of the growth generally due to more attractive labor conditions, lower operating costs and availability of economic incentives. The following pie charts provide a summary of expansion data within the United States.

OF JOBS CREATED

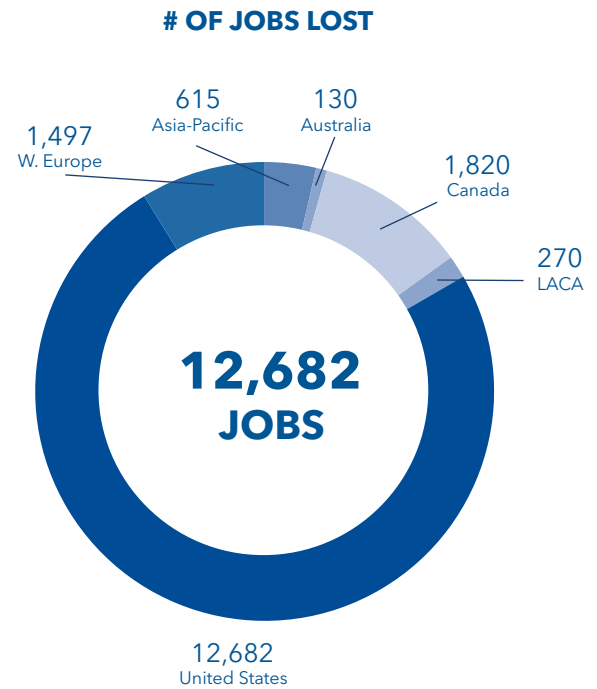


OF SITES OPENED OR EXPANDED

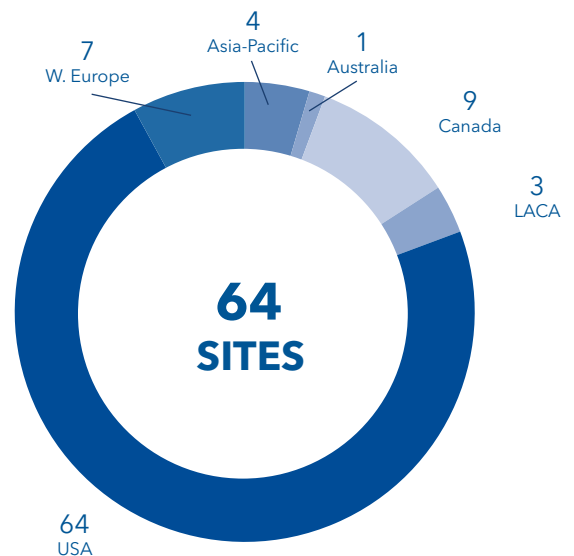


The Closure and Downsizing of Call Centers Continues to Slow Across The United States

Despite the expanding economy and continued reshoring initiatives, the United States continues to see call center operations close and downsize for a variety of reasons. The total job loss in the call center industry in the United States was approximately 12,682 jobs. Since 58,575 jobs were added in openings and expansions, the United States had an estimated net gain of 45,893 jobs in this region in 2019. The following charts provide a summary of contraction data within the United States.



OF SITES CLOSED OR DOWNSIZED



Top 20 U.S. Call Center Project Announcements

To help understand what companies are expanding in the United States, Site Selection Group has identified the top 20 largest announcements in the table below.

LARGEST UNITED STATES CALL CENTER PROJECT ANNOUNCEMENTS OF 2019

Company	# of Jobs	Location	Type
Progressive Insurance	2,000	Cleveland, OH	Expansion
Progressive Insurance	1,500	Tampa, FL	Expansion
Allstate	1,300	Irving, TX	New Site
DXC Technologies	1,200	Conway, AR	Expansion
TaskUs	1,200	San Antonio, TX	New Site
Teleperformance	1,124	El Paso, TX	New Site
Progressive Insurance	1,100	Colorado Springs, CO	Expansion
Brex	1,000	Salt Lake City, UT	New Site
Chime Solutions	1,000	Charlotte, NC	New Site
Chime Solutions	1,000	Dallas, TX	New Site
Macy's	1,000	Clearwater, FL	Expansion
Progressive Insurance	1,000	Austin, TX	Expansion
T-Mobile	1,000	Kingsburg, CA	New Site
T-Mobile	1,000	Overland Park, KS	New Site
T-Mobile	1,000	Rochester, NY	New Site
Alorica	900	San Antonio, TX	Expansion
Faneuil Inc.	700	Albuquerque, NM	New Site
Global CallCenter Solutions	600	Columbus, GA	New Site
Pentagon Federal Credit Union	600	San Antonio, TX	New Site
Wayfair	600	Springfield, OR	New Site
PNC Bank	560	New Braunfels, TX	New Site
Ford Motor Co	500	Houston, TX	New Site
Intuit	500	Bluefield, WV	New Site
Wayfair	500	Athens, GA	New Site
Wayfair	500	Lansing, MI	New Site

Nearshore Latin America Region Continues To Grow Due To Low Cost Structure, Accessibility, Bilingual Skills And Political Stability

Latin America continues to gain market share as probably one of the hottest regions. Most projects stem from the need to consolidate pan-Latin America operations or serve customers in high-cost locations such as the United States. Within the Latin America and Caribbean region, Columbia and Jamaica were real hotspots with significant growth. Costa Rica surprisingly re-emerged as a hot destination due to its availability of "quality talent" despite higher costs. Mexico was also an extremely popular geography as low currency valuations and proximity to the United States have made it very attractive.

Top 20 Nearshore Call Center Project Announcements

To help understand what companies are expanding in these offshore and onshore destinations, Site Selection Group has identified the top 20 largest announcements in the table below.

LARGEST NEARSHORE CALL CENTER PROJECT ANNOUNCEMENTS OF 2019

Company	# of Jobs	Location	Type
on	2,000	Costa Rica	Expansion
Conduent	2,000	Montego Bay, Jamaica	Expansion
ERC	1,000	Santo Domingo, Dominican Republic	New Site
Startek	1,000	Tegucigalpa, Honduras	New Site
Sykes	1,000	Costa Rica	Expansion
Teleperformance	850	Montego Bay, Jamaica	New Site
KM2 Solutions	800	Bogota, Columbia	New Site
Transparent BPO	700	Belmonpan, Belize	New Site
Global Telesourcing	550	Monterrey, Mexico	Expansion
24-7 InTouch	500	Bogota, Columbia	New Site
NK Customer Solutions	500	Jamaica	New
Transparent BPO	465	Belize	New Site
Roche	400	San Jose, Costa Rica	New Site
Bill Gossling	300	Costa Rica	New Site
Bayer	215	San Jose, Costa Rica	Expansion

The Philippines Dominates Offshore Growth But Possibly Slowing

The Philippines continues to dominate offshore industry growth due to successfully attracting both captive and BPO call center projects as well as higher-end projects such as software development, shared service centers and other knowledge-based operations. However, the growth of these back-office operations in the Philippines is creating new challenges for companies as they fight for talent which is causing higher employee attrition and wage inflation. In addition, the on-going political concerns, PEZA economic incentive program modifications and growth of the Chinese sports betting industry are creating headwinds that could slow down growth in the Philippines.

Top 25 Offshore Call Center Project Announcements

To help understand what companies are expanding in these offshore and onshore destinations, Site Selection Group has identified the top 25 largest announcements in the table below

LARGEST OFFSHORE CALL CENTER PROJECT ANNOUNCEMENTS OF 2019

Company	# of Jobs	City, State/Country	Type
Alorica	9,000	Philippines	Expansion
iQor	5,000	Philippines	Expansion
Telus International	5,000	Quezon City, Philippines	New Site
Dito Telecommunity Corp	4,000	Clark, Philippines	New Site
Amazon	3,200	Philippines	New Site
VXI	2,000	Quezon City, Philippines	New Site
Sitel	1,500	Tarlac, Philippines	New Site
BasicFirst	1,400	Randhi, India	New Site
ARB Call Facilities	1,000	Alabang, Philippines	New Site
ARB Call Facilities	1,000	Bacolad City, Philippines	New Site
Global Health Care Billing Partners	1,000	India	New Site
Ibex	1,000	Alabang, Philippines	New Site
Ibex	1,000	Bohol, Philippines	New Site
Ibex	1,000	Quezon City, Philippines	New Site
Open Access BPO	1,000	Makati, Philippines	New Site
PayPal	1,000	Alabang, Philippines	New Site
Transcom	1,000	Manila, Philippines	New Site
VXI	1,000	Davao, Philippines	New Site
Telus International	800	Taguig, Philippines	New Site
Inspiro	750	Quezon City, Philippines	New Site
Essilor	500	Alabang, Philippines	New Site
Infosys	500	Alabang, Philippines	New Site
TaskUs	500	Indore, India	New Site
Teledirect	500	Cebu, Philippines	New Site
Uber	500	Clark, Philippines	New Site

Business Process Outsourcing, Financial Services and Telecommunications Sectors Lead The Call Center Industry's Growth

The call center sector's growth has been fueled by growth industries such as business process outsourcing (BPO), financial services and telecommunications. Other industries such as retail/e-commerce, healthcare and technology are also contributing to the industry's growth. The BPO sector had the greatest market activity with 83,260 jobs announced during 2019. The BPO sector was followed by telecommunications (13,240 jobs), financial services (12,608), retail/e-commerce (7,120 jobs), healthcare (4,523 jobs), and technology (4,300 jobs). The following chart provides a summary of the industry's growth trends.

	Jobs	Projects
Automotive	2,005	7
BPO	83,260	132
Collections	1,026	7
Financial Services	12,608	31
Government	845	4
Healthcare	5,443	18
Legal	100	1
Market Research	300	3
Other	2,000	12
Pharmaceuticals	215	1
Retail	7,120	15
Technology	4,300	13
Telecommunications	13,240	35
Transportation	300	2
Travel	240	2
Utilities	200	2
Grand Total	133,202	285



Conclusions

Finding the optimal location for expansion continues to be a complicated question and requires extensive analysis to figure out the right answer. Based on the analysis conducted by Site Selection Group, it is clear that the United States, the Philippines and Latin America have been established as the dominate geographies for an onshore, nearshore and offshore global footprint for U.S.-based companies; however, Eastern Europe and to some extent, Africa, continue to serve a role for companies needing additional languages or other skill sets beyond voice-related call center operations. To help you develop a call center location strategy aligned to your goals and objectives, contact one of our global call center site selection experts to find the optimal location for you.





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