



LOCATION INTELLIGENCE REPORT

Call Center Location Trend Report
2016





CALL CENTER LOCATION TREND REPORT

> The Call Center Location Trend Report provides an analysis of global location trends to help you understand the geographies that might be the best location for your next call center.

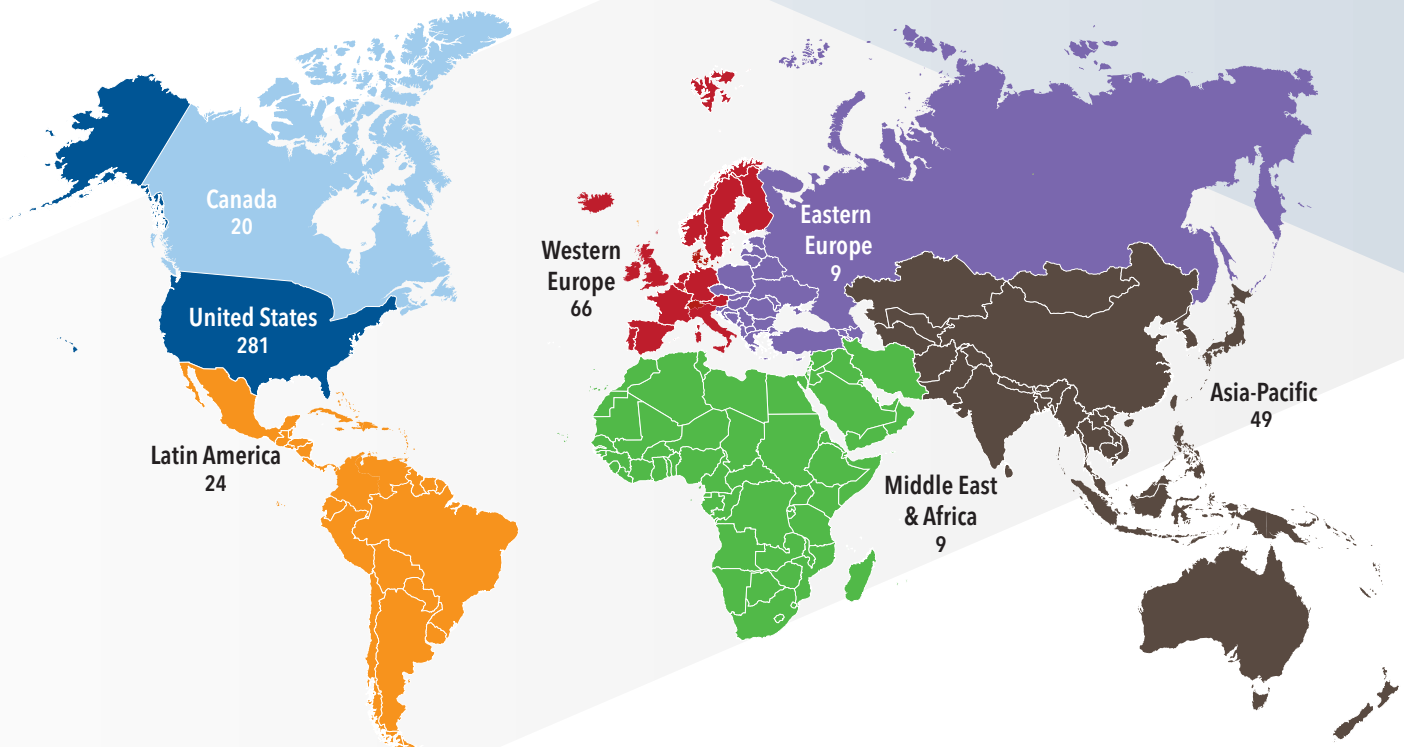
As companies seek to find the optimal location for their call center operations, understanding historic growth trends can help to develop onshore and offshore location strategies. In 2015, Site Selection Group identified 458 new and expanding call center projects that created 171,189 jobs as well as 93 call center projects involving 20,006 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.

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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 281 projects announced with 76,324 jobs due to strong economic conditions and corporate reshoring initiatives. Outside the United States, Western Europe had the highest number of openings and expansions reported with 66 total announcements that created 12,876 jobs. Offshore regions such as the Philippines and Latin America also incurred significant growth. The following map identifies the growth of call centers across the world:

Call center project announcements by region



Call center activity by country

Country	Number of Openings & Expansions	Number of Jobs Created	Number of Closures & Downsizings	Number of Jobs Laid Off
United States	281	76,074	63	14,049
United Kingdom	50	10,623	11	2,080
Philippines	22	28,510	1	15
Canada	20	4,785	12	1,200
India	13	18,395	0	0
Ireland	7	913	0	0
Costa Rica	5	1,100	0	0
Scotland	5	800	0	0
Jamaica	4	2,500	0	0
China	3	N/A	0	0
Mexico	3	300	0	0
South Africa	3	3,200	0	0
Brazil	3	5,900	0	0
Romania	3	554	0	0
Australia	2	250	3	850
Sri Lanka	2	65	0	0
Colombia	2	1,350	0	0
Japan	2	900	0	0
Morocco	2	950	0	0
Russia	2	800	0	0
El Salvador	2	500	0	0
France	2	250	0	0
Fiji	1	N/A	0	0
Israel	1	N/A	0	0
Suriname	1	N/A	0	0
Trinidad & Tobago	1	N/A	0	0
Madagascar	1	N/A	0	0
Pakistan	1	N/A	0	0
Nigeria	1	5,000	1	0
Bulgaria	1	3,000	0	0
Guyana	1	1,500	0	0
Barbados	1	1,200	0	0
Honduras	1	450	0	0
Myanmar	1	300	0	0
Thailand	1	200	0	0
Portugal	1	150	1	120
Northern Ireland	1	140	0	0
Malaysia	1	100	0	0
Lithuania	1	60	0	0
Latvia	1	45	0	0
New Zealand	1	40	1	70
Uzbekistan	1	35	0	0
TOTAL	458	170,939	93	18,384

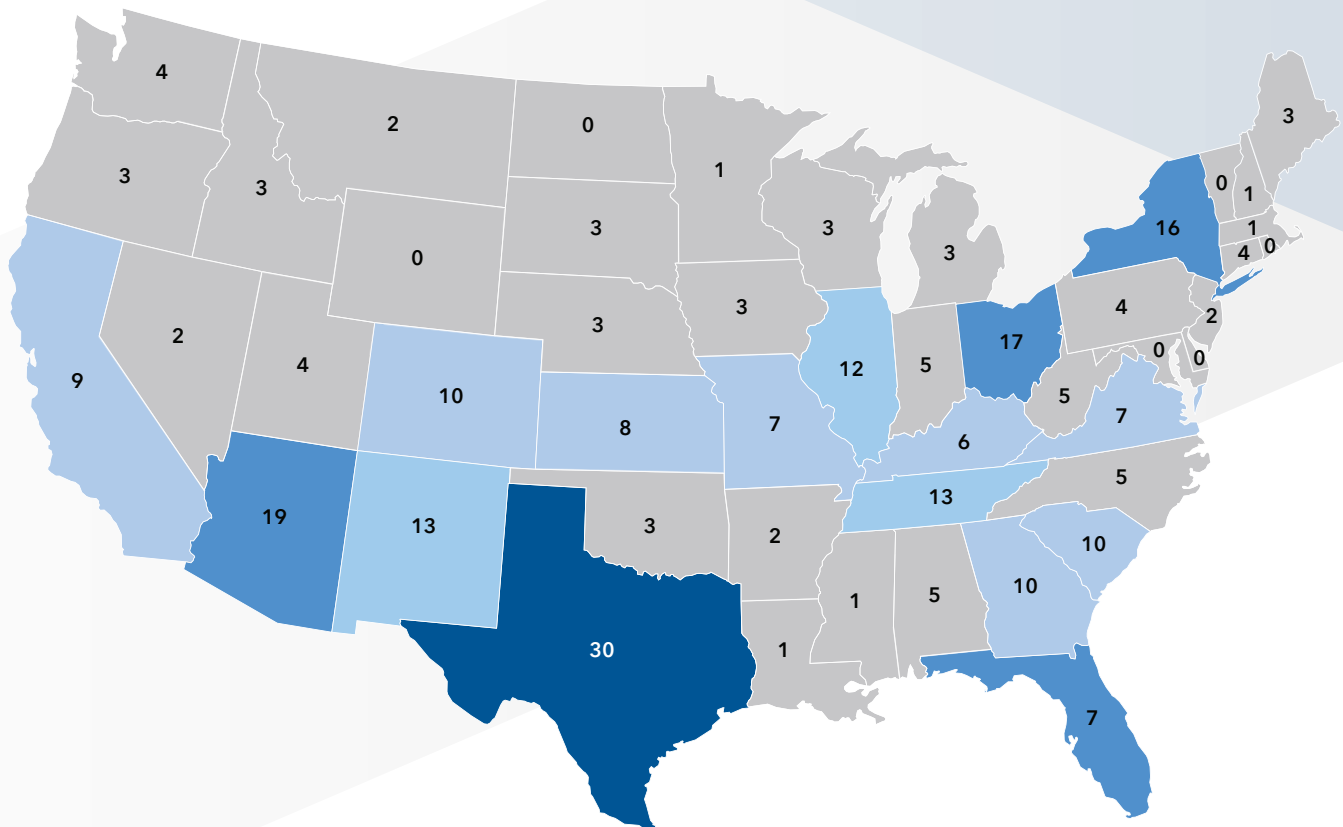
> Site Selection Group estimates that 281 call centers opened or expanded within the United States.

Onshore call center growth remained stable and created over 75,000 jobs

The expansion of onshore call center operations in the United States continued during 2015. As in years past, many companies reshored operations from the Philippines and other offshore markets as they sought to improve quality levels despite higher costs. Site Selection Group estimates that 281 call centers opened or expanded within the United States. These centers created 76,324 total jobs, which has caused many labor markets to become tighter and put wage pressure on employers. This reflects only a 0.35% decrease from 2014, so growth remained relatively flat.

The following tables and graphs provide a summary of expansion data within the United States.

Call center openings and expansions by state



Top 25 onshore call center project announcements

To help understand what companies are expanding in the United States, Site Selection Group has identified the top 25 largest announcements in the table below.

Largest United States call center project announcements of 2015

Company	# of Jobs	Location	Industry
Liberty Mutual	2,500	Plano, TX	Financial Services
Barclay's	1,500	Hamilton, OH	Financial Services
Corporate Call Center	1,400	Blue Bell, PA	BPO
Qualfon	1,200	Harlingen, TX	BPO
Comcast	1,100	Tuscon, AZ	Telecommunications
Convergys	1,000	Phoenix, AZ	BPO
Santander Consumer USA	1,000	Mesa, AZ	Financial Services
Sitel	1,000	Ft. Lauderdale, FL	BPO
Charter Communications	1,000	St. Louis, MO	Telecommunications
Alorica	1,000	El Paso, TX	BPO
Sykes	900	Boise, ID	BPO
The Home Depot	800	Tempe, AZ	Retail
Cenlar FSB	750	Tempe, AZ	Financial Services
Teleperformance	750	Louisville, KY	BPO
HGS	750	El Paso, TX	BPO
Voxpro	700	Folsom, CA	BPO
Sitel	700	Lake City, FL	BPO
Google	700	Farmington Hills, MI	Technology
AAA	700	Layton, UT	Financial Services
Young Living Essential Oils	700	American Fork, UT	Retail
Startek	682	Hamilton, OH	BPO
Comcast	675	Spokane, WA	BPO
Alorica	670	Spokane, WA	BPO
Conifer Health Solutions	660	Frisco, TX	Collections
Teletech	600	Greeley, CO	BPO

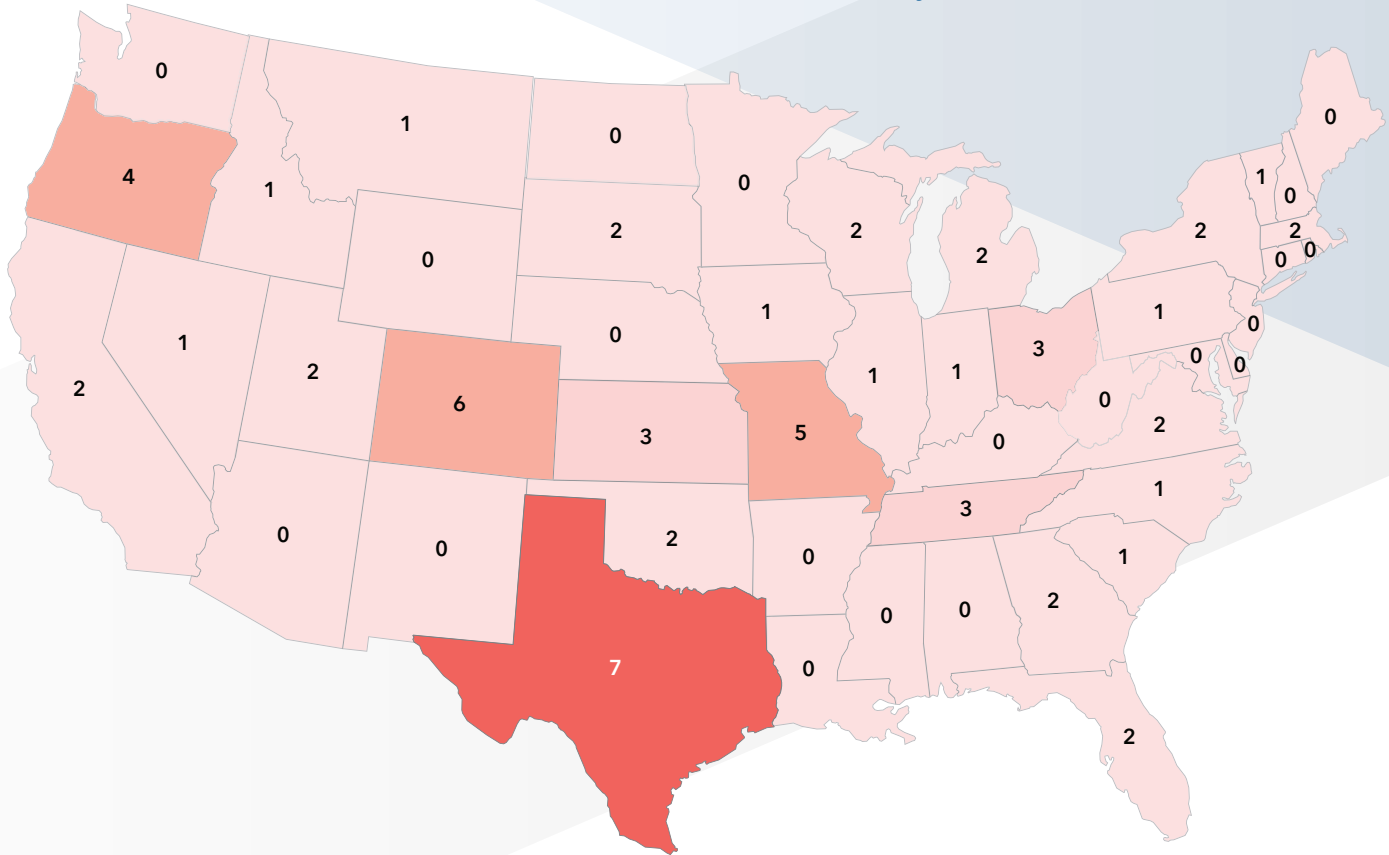
> The total job loss in the call center industry in the United States was approximately 14,049 jobs.

The closure and downsizing of call centers has slowed 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 14,049 jobs. Since 76,324 jobs were added in opening and expansions, the United States had an estimated net gain of 62,275 jobs in this sector in 2015.

The following map provides a summary of contraction data within the United States.

Call center closures and downsizes by state



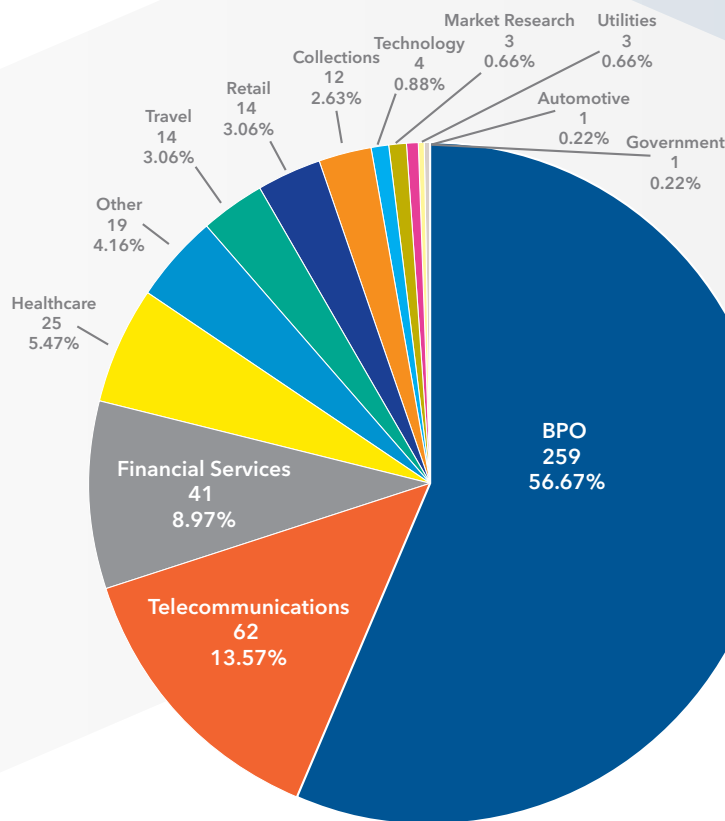
> The business process outsourcing (BPO) industry had the greatest market activity with 259 projects announced with 125,684 jobs.

Industry activity trends

The business process outsourcing (BPO) industry had the greatest market activity with 259 projects announced with 125,684 jobs. Of those, 112 projects that created 81,060 jobs were located outside of the U.S. Major announcements in this industry include Qualfon in Harlingen, Texas with 1,200 employees, Accenture with 10,000 employees in multiple locations throughout the Philippines, and Aegis with 4,000 employees in India.

Telecommunications was also very active in 2015. The telecom sector opened or expanded 62 locations internationally. Reliance Communications in Srinigar, India, had the largest new telecommunication location in 2015. The company plans to hire 1,500 employees at this location. Market research, utilities and government were the least active call center industries of 2015.

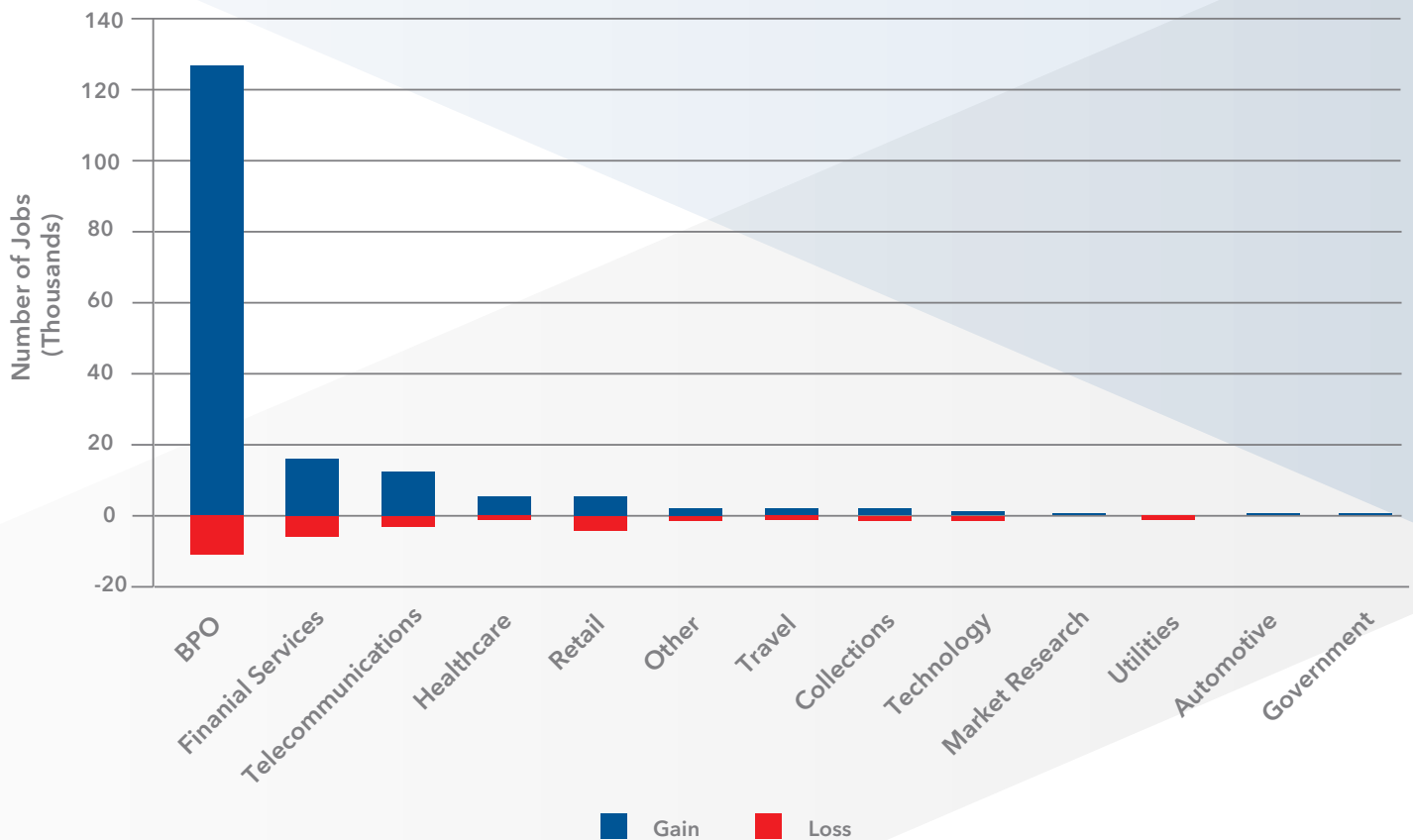
Openings & expansions by industry



> The business processing outsourcing industry closed or downsized 37 locations internationally, telecommunications closed or downsized 13 locations and financial services closed or downsized 12 locations.

The business processing outsourcing industry closed or downsized 37 locations internationally, telecommunications closed or downsized 13 locations, and financial services closed or downsized 12 locations. Major closures included the Capital One closure in Portland, Oregon, with 900 employees, Wells Fargo in Milwaukee at 1,000 employees, and Maximum in Boise, Idaho, with 1,500 employees. In many cases, these closures can become real estate and workforce opportunities for communities and companies looking to establish a new location. Overall, 151,183 net jobs were created in call centers in 2015.

Job gain and loss by industry



> Outside the United States, Latin America and the Philippines continue to be the hottest regions for expansion.

Key offshore and nearshore regions in the Philippines and Latin America dominated growth in 2015

Outside the United States, Latin America and the Philippines continue to be the hottest regions for expansion. Latin America created an estimated 14,800 jobs and the Philippines announced more than 28,000 new jobs primarily driven by the high growth business process outsourcing sector.

The Philippines continues to maintain its dominance in the offshore marketplace for voice-related call center operations. The region has successfully attracted higher-end non-voice operations such as software development, shared service centers and other knowledge processing operations. The growth of these back office operations in the Philippines is creating new challenges for companies trying to attract the best talent, reduce employee attrition and control labor costs. As a result, many companies are expanding beyond Manila to next-wave emerging cities such as Baguio City, Dumaguete City and Santa Rosa where labor costs and competition are less.

Latin America has now become a serious contender in the site selection game over the last decade. Companies are actively setting up operations in the region. Most of these projects stem from the need to consolidate pan-Latin America operations or serve customers in high-cost locations such as the United States. Within Latin America, Central America countries such as Costa Rica, Guatemala, Nicaragua and Honduras along with the South American country of Colombia has been very active while similar activity has been seen in Caribbean countries such as Jamaica and the Dominican Republic.

Top 25 offshore and 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 25 largest announcements in the table below.

Largest international call center project announcements of 2015

Company	# of Jobs	Location	Industry
Genpact	10,000	India	BPO
Accenture	10,000	Philippines	BPO
ISON Group	5,000	Nigeria	BPO
Aegis	4,000	India	BPO
Atento	3,000	Campo Grande, Brazil	BPO
Sutherland	3,000	Bulgaria	BPO
EXL	3,000	CapeTown, South Africa	BPO
Atento	2,500	Bahia, Brazil	BPO
Telus	2,500	Manila, Philippines	BPO
Startek	2,000	Pasig, Philippines	BPO
Teleperformance	2,000	Taguig City, Philippines	BPO
Azpired BPO	2,000	Cebu, Philippines	BPO
Callbox	2,000	Iloilo City, Philippines	BPO
Expert Global Solutions	1,700	Davao City, Philippines	BPO
Teleperformance	1,500	Georgetown, Guyana	BPO
Alorica	1,500	Philippines	BPO
Reliance Communications	1,500	Srinagar, India	Telecommunications
KM2 Solutions	1,200	Bridgetown, Barbados	BPO
Atento	1,000	Bogota, Colombia	BPO
Minacs	1,000	Pune, India	BPO
Xerox	1,000	Kingston, Jamaica	BPO
Alorica	1,000	Batangas, Philippines	BPO
Xerox	900	Montego Bay, Jamaica	BPO
Teleperformance	800	Enniskillen, UK	BPO
Sutherland	700	Davao City, Philippines	BPO

“For the last several years, Africa appears to be positioned to become a potential alternative for long-term growth and scalability.”

–King White, CEO



Where is the next offshore market similar to the Philippines?

As companies continue to find the next Philippines, Africa may be positioning itself as the next region and has gained significant momentum with the creation of almost 10,000 jobs across the continent.

“For the last several years, Africa appears to be positioned to become a potential alternative for long-term growth and scalability. As the education system and infrastructure improve, Africa could become a leading emerging destination in the next 10 to 20 years,” explains King White, CEO of Site Selection Group.

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 United States based companies; however, Eastern Europe, South Africa and India continue to serve a role for companies needing additional languages or other skills sets beyond voice-related call center operations.



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