

CALL CENTER LOCATION TREND REPORT

2018



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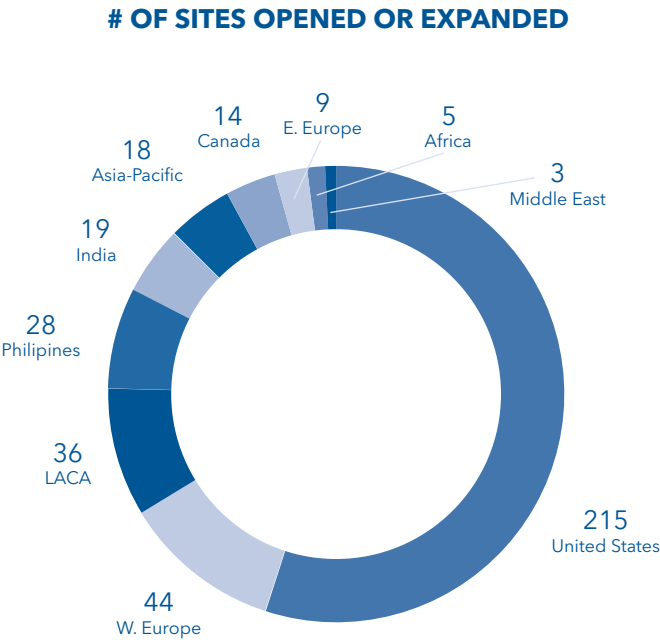
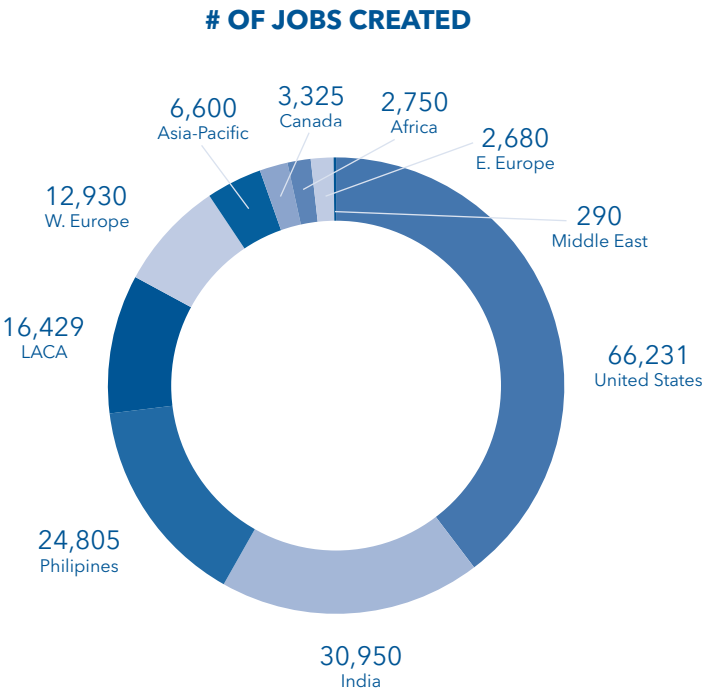
Introduction

The call center industry continues to expand globally as companies seek 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.

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 2017, Site Selection Group identified 376 new and expanding call center projects that created 166,990 jobs as well as 94 call center projects involving 18,171 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

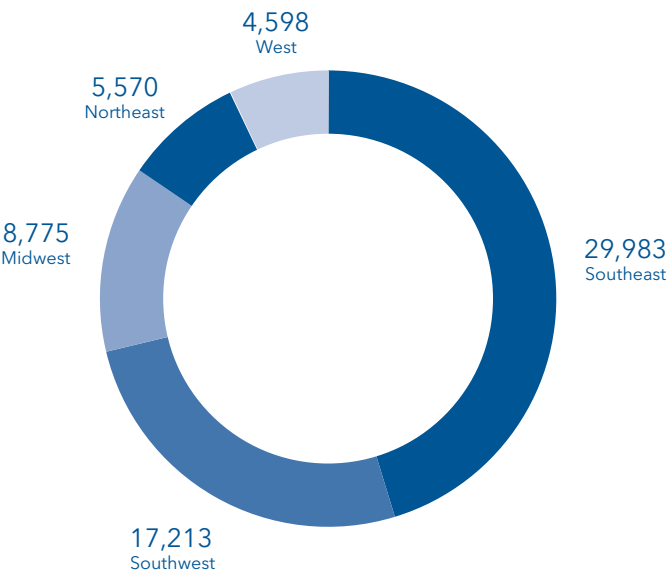
The call center industry continues to shift jobs to and from onshore, nearshore and offshore geographies. With the current trend of onshoring taking center stage, the United States led overall growth with 215 projects announced with 66,231 jobs due to strong economic conditions and corporate reshoring initiatives. India and the Philippines led in job creation in the offshore regions. India reported 19 projects creating 30,950 jobs and the Philippines had 28 projects involving 24,805 jobs. Nearshore destinations in Latin America and the Caribbean also incurred significant growth by creating 16,429 jobs at 36 announced projects. The following pie charts summarize the growth of call centers across the world:



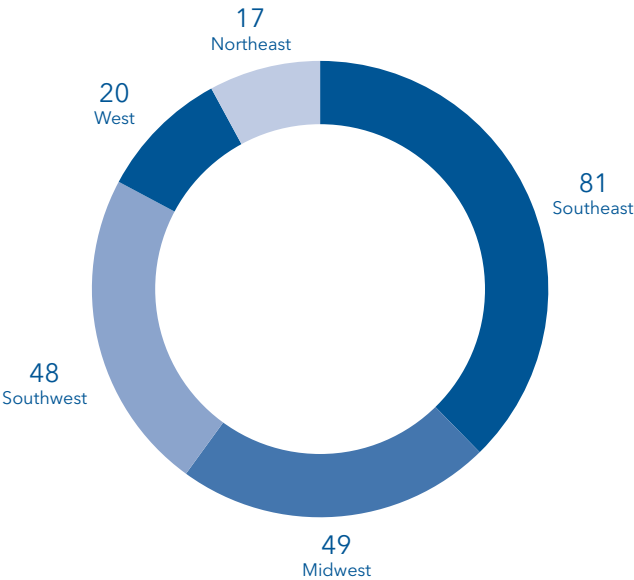
U.S. Call Center Growth Remained Stable and Created Over 66,000 Jobs

The expansion of onshore call center operations in the United States continued during 2017. 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. Site Selection Group estimates that 215 call centers opened or expanded within the United States. These centers created 66,231 total jobs, which has caused many labor markets to become tighter and put wage pressure on employers. The Southeast and Southwest 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



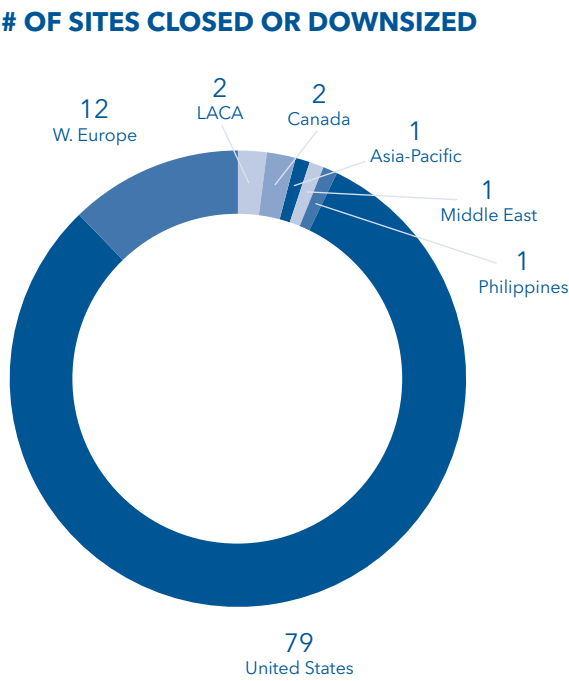
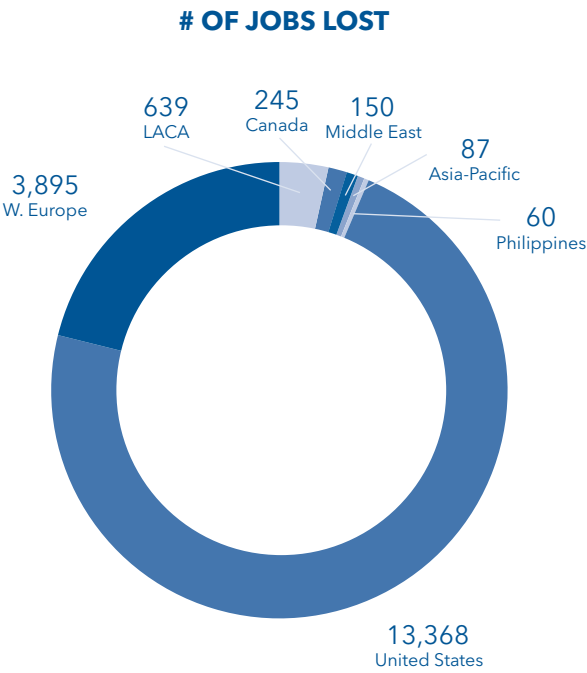
OF SITES OPENED OR EXPANDED



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 18,171 jobs. Since 66,231 jobs were added in opening and expansions, the United States had an estimated net gain of 48,060 jobs in this sector in 2017.

The following charts provide a summary of contraction data within the United States.

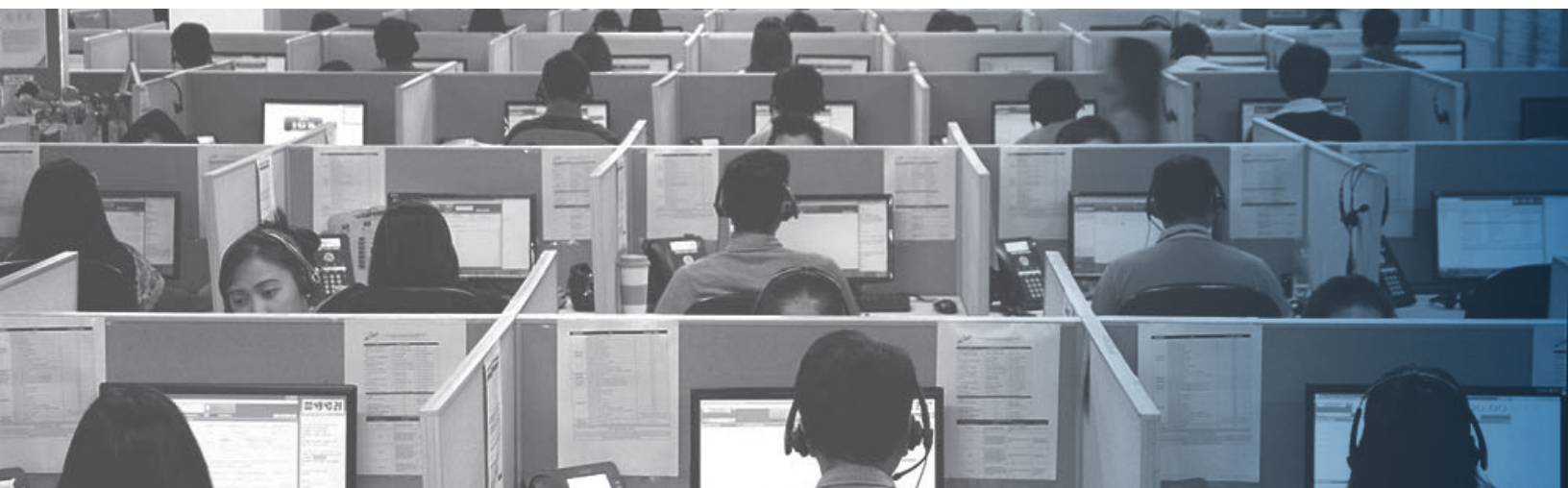


Top 20 U.S. Call Center Project Announcements

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 2017

Company	# of Jobs	Location	Type
Radial	3,000	Melbourne, FL	Expansion
C3	2,400	Tucson, AZ	Expansion
Allstate Insurance	2,250	Charlotte, NC	Expansion
Infosys	2,000	Raleigh, NC	New Site
Strategic Financial Solutions	1,500	Amherst, NY	New Site
Navy Federal Credit Union	1,200	Winchester, VA	Expansion
C3	1,200	McGregor, TX	Expansion
Cognizant	1,090	Irving, TX	New Site
Diversified Collections Inc.	1,000	Louisville, KY	New Site
Teleperformance	1,000	Multiple Sites, FL	Expansion
Alorica	830	Owensboro, KY	New
Royal Philips	800	Nashville, TN	New Site
Conduent	750	Rochester, NY	Expansion
Empereon Marketing	750	Waco, TX	New Site
Paychex	625	Henrietta, NY	New Site
Bookings.com	600	Toronto, ON	New Site
Radial	600	Eau Claire, WI	Expansion
Alorica	600	High Point, NC	Expansion
Alta Resources	600	Fort Myers, FL	Expansion
Lowe's	600	Wilkesboro, NC	Expansion



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

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 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 2017

Company	# of Jobs	Location	Type
Alorica	4,500	St. Catherine, Jamaica	New Site
Amazon	2,500	San Jose, Costa Rica	Expansion
Qualfon	1,020	Guyana	Expansion
HGS	500	Kingston, Jamaica	Expansion
Teleperformance	500	Lima, Peru	New Site
Sitel	450	Managua, Nicaragua	Expansion
Tek Experts	450	San Jose, Costa Rica	New Site
Smile Direct Club	400	San Jose, Costa Rica	Expansion
IBEX Global	350	Managua, Nicaragua	Expansion
Conduent	300	Jamaica	Expansion
Santander	300	San Juan, Puerto Rico	New Site
Microsoft	280	San Jose, Costa Rica	Expansion
Atento	200	Chaco, Argentina	New Site
Collective Solution	200	Montego Bay, Jamaica	New Site
Iqor	200	Trinidad & Tobago	Expansion
Feuji	150	San Jose, Costa Rica	Expansion
Transperfect	120	San Jose, Costa Rica	New Site
AstraZeneca	100	San Jose, Costa Rica	New Site
Roche	100	San Jose, Costa Rica	New Site
Advantage Communications	50	Portmore, Jamaica	New Site

India And The Philippines Dominate Offshore Region But Growth Is Slowing

India and the Philippines continue to dominate offshore industry growth. In India, there have been a push for more rural call center expansion due to lower cost and marketing efforts of the government to create jobs in rural India. While in the Philippines, 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, not to mention the recent impact of changes to the PEZA economic incentive program and the Chinese sports betting companies.

Top 20 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 20 largest announcements in the table below.

LARGEST OFFSHORE CALL CENTER PROJECT ANNOUNCEMENTS OF 2017

Company	# of Jobs	City, State/Country	Type
Tata Consulting Services	6,000	Philippines	Expansion
[24]7	3,000	India	Expansion
Tata Consulting Services	3,000	Patna, India	New Site
C3	2,800	Philippines	Expansion
Aegis	2,000	Malaysia	New Site
Aegis	2,000	Ranchi, India	New Site
iSonBPO	1,200	Kwara State, Nigeria	New
Patra Corporation	1,000	India	New Site
Tata Consulting Services	1,000	Patna, India	New
Accenture	1,000	Cebu, Philippines	Expansion
Alorica	1,000	Makati, Philippines	New Site
Fintru	1,000	Philippines	New Site
Accenture	800	Cebu, Philippines	New Site
Sitel	800	Baguio, Philippines	New Site
Merck	675	Philippines	Expansion
PMAX Global	600	Cebu, Philippines	New Site
Mattsenkumar	550	Jaipur, India	New Site
Teleperformance	500	Penang, Malaysia	New Site
Uber	500	Hyderabad, India	Expansion
Sykes	500	Cebu, 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, which has shifted heavily to e-commerce as well as healthcare are also contributing to the industry's growth. The BPO sector had the greatest market activity with 122,122 jobs announced during 2017. The BPO sector was followed by financial services (12,880 jobs), telecommunications (11,341 jobs) and retail (6,967 jobs). The following chart provides a summary of the industry's growth trends.

	Jobs	Projects
Business process outsourcing	122,122	221
Financial Services	12,880	38
Telecommunications	11,341	46
Retail	6,967	20
Other	4,855	22
Healthcare	4,435	19
Technology	2,530	9
Travel	1,310	10
Automotive	550	3



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, India, 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 skills 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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