

NEAT EVALUATION FOR MOVATE:

CX Services Transformation

Market Segment: Overall

Introduction

This is a custom report for Movate presenting the findings of the NelsonHall NEAT vendor evaluation for *CX Services Transformation* in the *Overall* market segment. It contains the NEAT graph of vendor performance, a summary vendor analysis of Movate, and the latest market analysis summary.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering Customer Experience (CX) transformation services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall and with specific capability in CX improvement, cost optimization, and revenue generation.

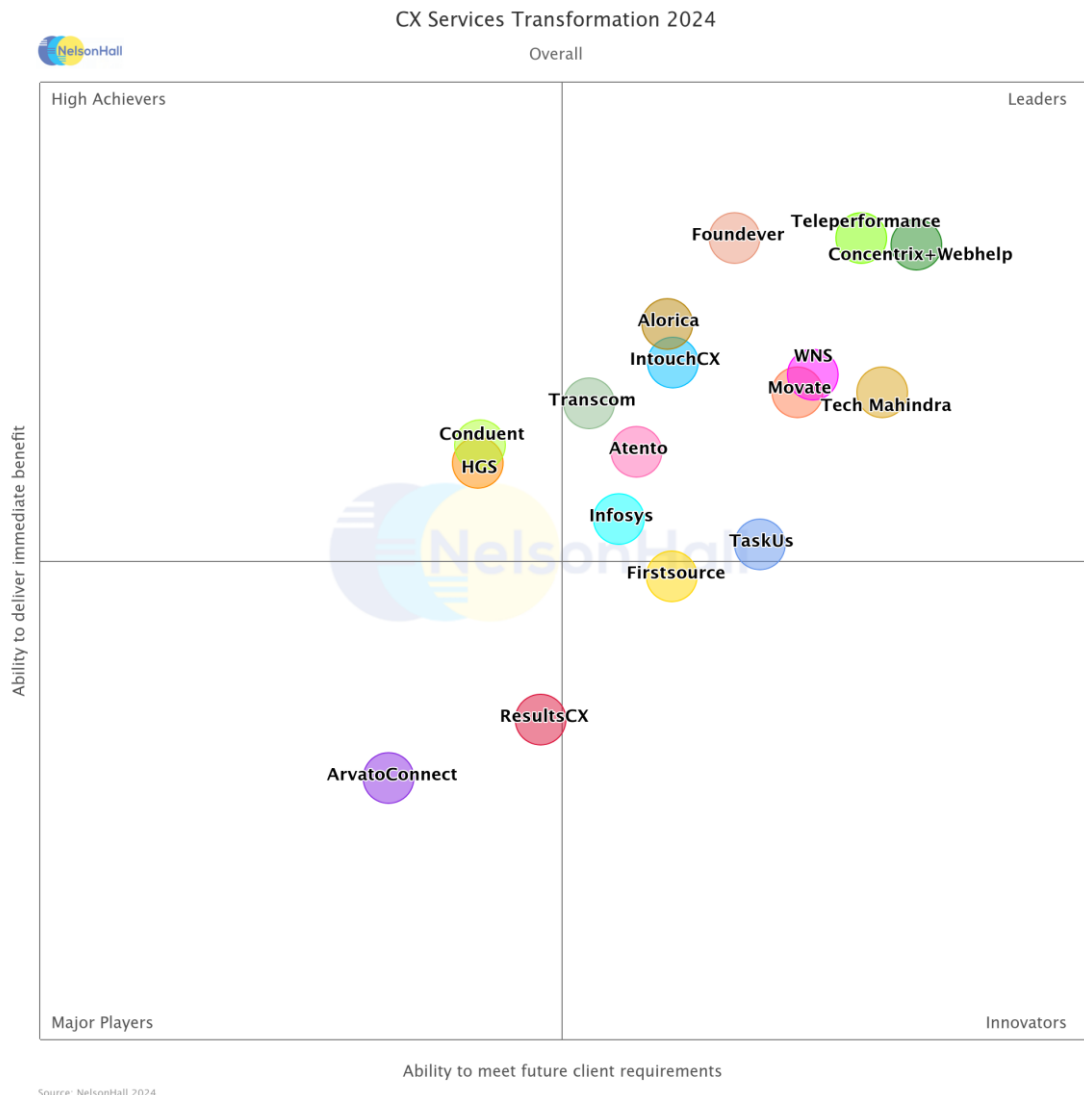
Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Alorica, Arvato, Atento, Concentrix, Conduent, Firstsource, Foundever, HGS, Infosys, IntouchCX, Movate, ResultsCX, TaskUs, Tech Mahindra, Teleperformance, Transcom, and WNS Global Services.

Further explanation of the NEAT methodology is included at the end of the report.



NEAT Evaluation: CX Services Transformation (Overall)



NelsonHall has identified Movate as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects Movate’s overall ability to meet future client requirements as well as delivering immediate benefits to its CX services clients.

Leaders are vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements.

Buy-side organizations can access the *CX Services Transformation* NEAT tool (*Overall*) [here](#).



Vendor Analysis Summary for Movate

Overview

Movate is a private IT services and BPS provider headquartered in Plano, Texas. It provides: enterprise support; infrastructure; network, cloud, and cybersecurity services; engineering and testing; application development; smart mobility services; spatial analytics; CX services; and digital transformation.

Movate's CX services include customer care, technical support, customer acquisition, pre-sales, lead generation, upsell and cross-sell, marketing campaigns, order processing, social media service, care and content moderation, collections, and credit management. Its CX operations transformation services include CX consulting, UX/UI design, operations optimization, process re-engineering, customer journey mapping, omnichannel activation, self-service enablement, cloud migration, contact center infrastructure, app and microservices, and systems development. It also delivers RPA, intelligent automation, designs, and implements customer-facing bots, virtual assistants, and conversational interfaces. In CX analytics, it provides operational analytics, predictive models, NLP, sentiment analytics, ML and AI, IoT analytics, reporting, BI, insights, and analytics-as-a-service.

Movate has ~12.7k employees, including ~10k CX services staff in the U.S., India, Europe, LATAM, the Philippines, China, Mauritius, and South Africa.

Movate OnDemand is the company's gig workforce platform with ~10k active users in ~60 countries supporting ~100 languages.

The company has ~126 CX services clients in enterprise and consumer telecommunications, networking, software OEMs and services, hardware manufacturing and consumer electronics, automotive, retail and ecommerce, media and games, fintech, and home security.

Movate has a proprietary customer engagement suite, Movate Edison, an intelligent automation platform, Movate Contelli, and an intent recognition analytics platform, Movate Insights. It also has an innovation lab in Chennai and a dedicated GenAI CoE.

Financials

Movate has \$206m in CX services revenues for 2022 (NelsonHall estimate), growing 19% year-over-year. CX services represent ~70% of the company's business.

Strengths

- Advanced CX transformation framework covering hybrid delivery, digital asset accelerators, and flexible commercial terms
- Strong gig workforce platform with implementations across verticals and effective integration into full-time agent delivery
- Strong intent recognition capability with deployments across use cases and IP
- Comprehensive GenAI offerings with direct application in CX services and live pilots and clear GTM.



Challenges

- Could strengthen its machine translation technology stack and expand into AI voice
- Could accelerate the utilization of its gig workforce platform for data training and content development services
- Could explore democratization of innovation services through employee-led ideation.

Strategic Direction

Movate positions itself as an innovative CX services provider focused on creating bespoke transformative models for the changing CX services market. Its framework incorporates gig workforce hybrid delivery, advanced analytics, intelligent routing based on intent recognition, and GenAI applications. It expects a gradual shift from human support contacts to as high as 75% of GenAI, bots, and virtual assistant conversations. It aims for the full-time laborforce to be comprised of niche, highly-skilled talent and scalability to come through the gig platform. A key component of this delivery is the TCO terms, where Movate commits to owning the risks and delivering upfront investments based on baseline results.

The company has several POCs on GenAI with existing and new clients. For example, for a U.S. telecom, Movate envisions a "keyboardless interaction" for the live agent using GenAI copilot, automated case notes, and document and workflow RPA for the agent to focus on the conversation. It is also working with this client to adopt the digital acceleration team for their third-party BPO teams, improve the Google virtual assistant, and identify gig work opportunities. Movate offers these services as separate billable hours. In this and similar cases, Movate looks to benefit from working closely with clients' digital transformation SVP and their team as an entry point for further expansion.

On its GenAI development roadmap are automated customer support tasks, automated parsing and transformation of data, content creation, automated behavioral analysis, and root cause analysis. To support these services, Movate created a CoE for generative AI with ~50 industry and technical SMEs such as knowledge management and data training experts, LLM engineers, language designers, and prompt engineers. Some of the required skills extend to human behavioral science and anthropology, and Movate is assembling the team to complement and diversify competencies. Next, it plans to create additional innovation hubs across more locations.

The company is looking to build capabilities in trust and safety, such as moderating structured and unstructured UCG, ads, and social pages; developing playbooks for moderation policies; embedding security SMEs in the core operations teams; and recruiting fraud specialists and investing in AI/ ML systems for anomaly detection.

With its gig workforce platform OnDemand, Movate targets a growing employee base of Gen Z demographics and a skilled labor force looking to work in this format to supplement their income. The company also discovered a higher rate of self-investment in upskilling the gig contractors as they expand the types of interactions and tickets they can process for higher earning potential. The company actively incentivizes its own managers to identify and deflect workstreams suitable for OnDemand CX services.

OnDemand also allows Movate to source talent globally at a competitive price point and access underused labor pools. For example, for a gaming client, Movate developed a future-ready talent skilling program to train ~200 rural youth. It plans workshops, webinars, and guest lectures to improve employability. Other target impact sourcing groups include refugees. Movate is now working on developing more flexible gig models with hybrid elements based on customer intents, which these workers can resolve more effectively.



With the acquisition of TSD Global, Movate branched out to South Africa for the first time and expanded its onshore delivery in the U.S. and offshore, in the Philippines. Other growth delivery markets for the company are Romania and Colombia, with a focus on digitally-skilled talent.

Movate invests in a virtual academy to impart skills on customer platforms and leading technologies and develop AI-based performance management with 100% interaction coverage. It is also building insight-based dashboards to enable customized feedback and agent training.

Outlook

Movate has a unique approach to CX transformation, actively integrating gig workforce with full-time employees, both supported by automation, AI, and analytics. This model has the potential to be significantly disruptive for small and medium-sized CX programs and is applicable across client industries. Movate is already testing its viability with technology sector clients and premium and specialized technical support LOBs. It also effectively incorporates advanced commercial models as essential to the transformation investments with CX clients. As clients focus their attention on CAPEX reduction and increased flexibility, this pricing expertise by Movate is valuable.

On the back of the approach, look for the company to grow its CX services into additional sectors such as travel and hospitality and to capture additional market share with large enterprises willing to explore innovation across some of their most challenging CX services programs.

Movate is well-positioned to address CX services clients' GenAI requirements, particularly the current lack of expertise in data training and validation for GenAI. The company has developed multiple pilots across the GenAI value chain in summarization, test generation, and analysis, and its custom accelerators will enable it to capture this promising market. Expect Movate to implement other GenAI use cases in customer-facing automation, behavioral analysis, and data management.

Movate has a very clear development roadmap for its gig workforce platform, and with the expansion into new geographies, it has the potential to grow its platform reach and talent access.



CX Services Transformation Market Summary

Overview

During 2023-24, CX services organizations are challenged by softer client volumes in core industries (telecom, high tech, and retail and ecommerce), market volatility, and increased pressure from external factors such as weaker macroeconomic performance, decreasing but high labor cost inflation, talent shortage, supply chain disruptions, regulatory changes, political, environmental, and cybersecurity threats.

From a sector perspective, banking, financial services, fintech, and healthcare insurance have above-market growth rates, while public services are returning to their traditional moderate levels. Despite the softer short-term performance, retail and ecommerce are still the fastest growing sectors (6.0% CAAGR). Ecommerce has a positive medium-term outlook due to underlying growth engines, such as a shift to online shopping, expansion of digital-first buying generations, and direct-to-consumer business models. Transportation (including hospitality, passenger services, travel, and logistics) has a promising growth path, and will reach 5.7% of the total market by 2028.

The impact of AI and automation as a replacement for live agent support is the most significant medium-term disruptive factor for CX services, but the 2024-2025 effects will be relatively low, with vendors actively investing in conversational AI, GenAI, AI translation, and agent augmentation platforms to reduce costs, optimize operational performance, improve CX KPIs, upskill and retain talent. At the same time, the industry is actively shifting work volumes to nearshore and offshore destinations to access suitable digitally-skilled employees under labor cost arbitrage.

In the medium to long-term period between 2025 and 2028, the new generation of consumers will drive greater adoption of AI-based support, require multimodal support across voice and digital channels, and evolve the relationship with brands.

Buy-Side Dynamics

The application of customer-facing bots and intelligent IVRs is at the top of clients' minds, and they are most satisfied with the available cloud-enabled CX infrastructure and platforms.

The key buy-side drivers for the adoption of CX services transformation include requirements for:

- Application of customer-facing automation (e.g., chatbots, IVR, virtual assistants)
- Application of intelligent automation
- Cloud-enabled platforms and tools
- Application of analytics
- Consulting and process re-engineering
- Flexible pricing and commercial terms
- Use of lower-cost locations
- Use of work-at-home and gig work models.



The key target benefits for organizations for the adoption of outsourced CX services remain:

- Improved customer satisfaction (NPS/CSAT)
- Improved accuracy and compliance
- Effective talent sourcing and retention
- Increase in retention
- Deflection to digital channels
- Level of cost savings
- Increase in sales
- Resource scalability and geo diversification.

Additional buy-side factors in the adoption of CX services include:

- Specialized services, such as content moderation, trust and safety, user and platform safety, community management, integrated support for online marketplaces, L2 and L3 technical support, fraud prevention, KYC/AML
- End-to-end employee lifecycle management, including learning content design and optimization; virtual recruitment and onboarding using advanced selection algorithms, immersive environments, and virtual assistants; distributed workforce engagement and management; access to gig and flexible workers; and employee wellness and well-being frameworks and tools
- Additional operations insights for streamlined reporting and analytics such as visualization and dashboarding; competitor and market benchmarking; market and customer segmentation; speech and text analytics; VOC and customer feedback management; fraud analytics; analytics automation using GenAI; and capabilities to build and implement predictive analytics models, particularly in revenue generation services
- Improved efficiency and customer satisfaction with augmented agent levers such as knowledge base optimization, virtual assistants, recommendation engines, conversation guides, next-best-action and offer tools, and co-pilots
- Access to as-a-service offerings in knowledge management, WFM, QA automation, performance management, L&D management
- Cloud migration and cloud-based CX infrastructure to lower operational CAPEX
- Assistance with customer and employee experience and brand design, UX/UI, CX strategy, and business model transformation from a CX perspective through co-creation environments (e.g., labs and studios), innovation frameworks, and bottom-up democratized innovation ideation; technology partner ecosystems for lower cost and accelerated CX technology deployment; and flexible commercial models to support technology funding.



Market Size & Growth

The CX services market (excluding collections) is worth ~\$104bn in 2024, growing at 4% CAAGR to reach \$122bn in 2028. The main growth engine service lines are sales, retention, and content moderation.

The U.S. will remain ~29% of the global CX services market, with a solid 4% average growth rate compared to other established markets (U.K. at 2.5%, France at 3.4%, Nordics at 2.9%). Germany continues to perform strongly among EU states with a 4.2% CAAGR.

Among the emerging economies, India's domestic market growth rate of 6.2% CAAGR through 2028 outpaces China (5.4%), Brazil (4.2%), and the Middle East and Africa (5.6%) due to a growing middle class and positive macroeconomic trends.

Challenges & Success Factors

The main challenges to CX services transformation are infusing innovation across the entire client organization and customer journeys outside the remit of the CX function; effective change management and buy-in from key client stakeholders; legacy CX infrastructure with limited funding for re-investment; client industry uncertainty with demand volatility and unpredictable user behaviors slowing down decision-making cycles and contracting; and the need for solid business justification with business cases, ROI calculations, and POCs, running of pilots and trials, and use of sandbox environments to support the adoption of AI and emerging technology.

Key vendor success factors for organizations looking to outsource CX services transformation are:

- Domain knowledge at the sub-process level with ready-to-use digital assets
- Technology ecosystem of proprietary and/or third-party platforms for greater access to CX technology
- Roadmap of GenAI implementations across core operational areas: knowledge management, learning, QA, agent assist, analytics, and talent management
- Expertise in CX innovation beyond operational optimization with continuous insights, ideation frameworks, impactful account management targeting the relevant client stakeholders, and consultative selling
- Experience in CX transformation change management, transition governance, and post-implementation measurement and tracking
- Ability to ramp up and down operations to respond to highly fluid business environments
- Flexibility to adapt CX strategy to fast-changing customer expectations benchmarked across sectors and competitor moves
- Investments in emerging technology, such as GenAI, AI voice, and conversational AI to build internal capabilities in both resources and platforms.



Outlook

Over the next four years:

- The global CX services market (expected to reach ~\$122.5bn in 2028) will include embedded consulting, operational transformation, contact center technology services, cloud migration, automation, and analytics as an integral part of CXS delivery
- The fastest expanding client sectors will be ecommerce and retail, BFSI, healthcare payer, media, gaming, and entertainment
- The market structure is evolving to a consolidated top 10 vendors and forming a leadership pack of six or seven global players with diversified front office services and BPS portfolio. M&A activity will drive vendor consolidation to achieve scale and client market share, build specialized domain and sector capabilities and acquire consulting and technology resources
- Major success factors will be CXS vendors' ability to reimagine the customer journey, deliver and govern CX service transformation, create an ecosystem of in-house and partnership CX technology, offer sub-process domain specialization, and show expertise in talent management, upskilling, and retention
- CX services clients will rebalance their delivery portfolio, emphasizing nearshore and offshore with a growing use of gig and freelance workers. Approximately 44% of the global CX services workforce will work remotely or in a hybrid environment
- By 2028, most new CX programs will have outcome-based pricing tied to gainsharing or cost reduction.



NEAT Methodology for CX Services Transformation

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet future client requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet future client requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- **Leaders:** vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements
- **High Achievers:** vendors that exhibit a high capability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet future client requirements
- **Innovators:** vendors that exhibit a high capability relative to their peers to meet future client requirements but have scope to enhance their ability to deliver immediate benefit
- **Major Players:** other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.



Exhibit 1

‘Ability to deliver immediate benefit’: Assessment criteria

Assessment Category	Assessment Criteria
Offerings	<ul style="list-style-type: none"> Range of CX transformation offerings CX consulting and design capability CX analytics, automation, AI, and cloud enablement capability CX omnichannel, agent augmentation, and conversational AI capability Operations transformation capability
Delivery	<ul style="list-style-type: none"> Scale of managed services resources Suitability of delivery North America Suitability of delivery EMEA Suitability of delivery APAC Suitability of delivery Latin America Scale and maturity of transformation resources Application of analytics and insights Application of RPA and intelligent automation Application of GenAI Enablement of digital channels, bots, and conversational AI Application of cloud-enablement Conversation design and AI voice Application of end-to-end talent management models Application of technology to enhance talent management Application of agent augmentation technology CX operations re-engineering models and frameworks CX innovation infrastructure Development of an ecosystem for CX transformation
Market Presence	<ul style="list-style-type: none"> Scale of CX transformation projects Scale of client presence in CX transformation Market momentum
Benefits Achieved	<ul style="list-style-type: none"> Level of customer experience improvement achieved Level of revenue enhancement achieved Level of cost savings achieved Level of operations transformation achieved



Exhibit 2

‘Ability to meet client future requirements’: Assessment criteria

Assessment Category	Assessment Criteria
Investment in CX Ops Transformation	<ul style="list-style-type: none"> Investment in development of customer satisfaction Investment in development of revenue generation capability Investment in development of cost optimization capability Investment in development of analytics, GenAI, and cloud Investment in development of digital channels, conversational AI, and bots Investment in development of agent augmentation technology Investment in development of talent management Investment in development of end-to-end digital transformation Investment in support of CX co-innovation and reimagination
Perceived Suitability by CXS Clients	<ul style="list-style-type: none"> Perceived effectiveness in CX transformation services Perceived effectiveness in the application of customer experience improvement Perceived effectiveness in the application of revenue generation Perceived effectiveness in the application of cost optimization Mechanisms in place to deliver client innovation through CX consulting & design Mechanisms in place to deliver client innovation through analytics, automation, cloud Mechanisms in place to deliver client innovation through delivery models Extent to which client perceives that innovation has been delivered Suitability of vendor to meet future needs of client Perceived suitability as key partner

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.



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Sales Inquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager: Guy Saunders at guy.saunders@nelson-hall.com

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