

NEAT EVALUATION FOR TELUS DIGITAL:

CX Services Transformation

Market Segments: Overall, CX Improvement Capability,
Cost Optimization Capability, Revenue Generation Capability

Introduction

This is a custom report for TELUS Digital presenting the findings of the 2025 NelsonHall NEAT vendor evaluation for *CX Services Transformation* in all four market segments: *Overall*, *CX Improvement Capability*, *Cost Optimization Capability*, and *Revenue Generation Capability*. It contains the NEAT charts of vendor performance, a summary vendor analysis of TELUS Digital, 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.

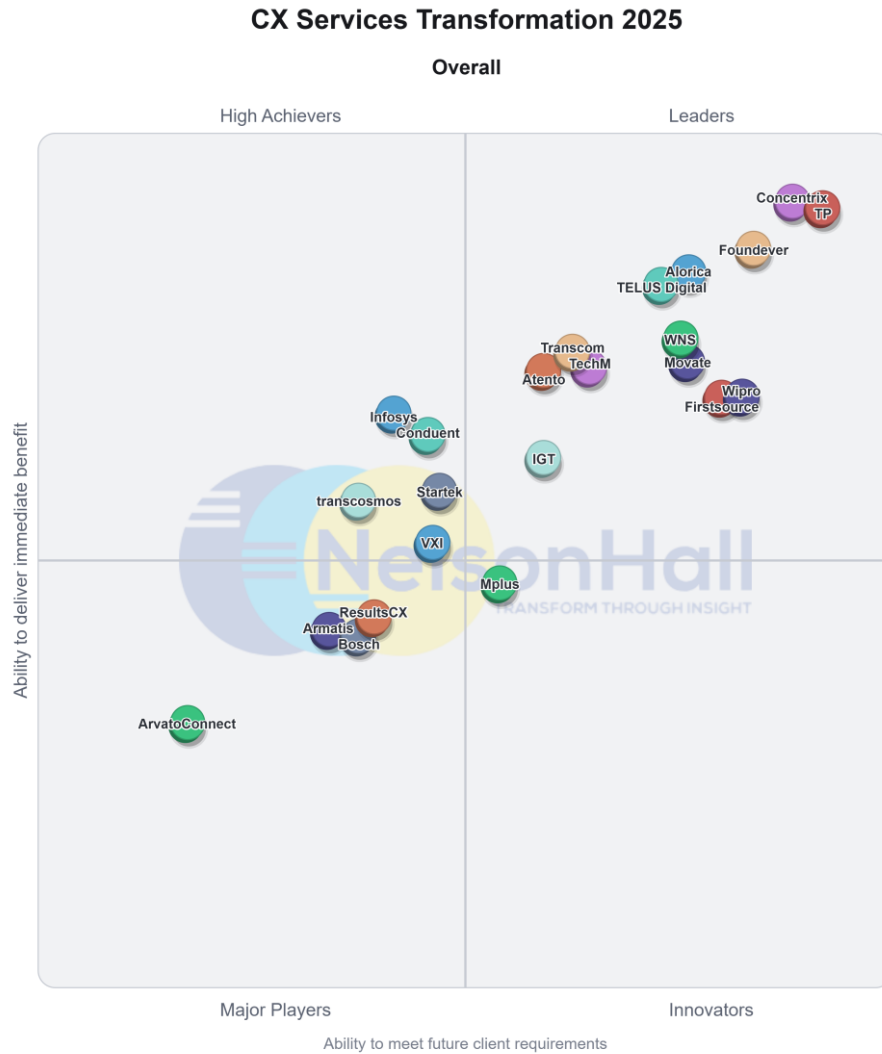
Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Alorica, Armatix, ArvatoConnect, Atento, Bosch Service Solutions, Concentrix, Conduent, Firstsource, Foundever, IGT Solutions, Infosys, Movate, Mplus, ResultsCX, Startek, Tech Mahindra, TELUS Digital, TP, Transcom, transcocosmos, VXI Global Solutions, Wipro, and WNS.

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



NEAT Evaluation: Overall

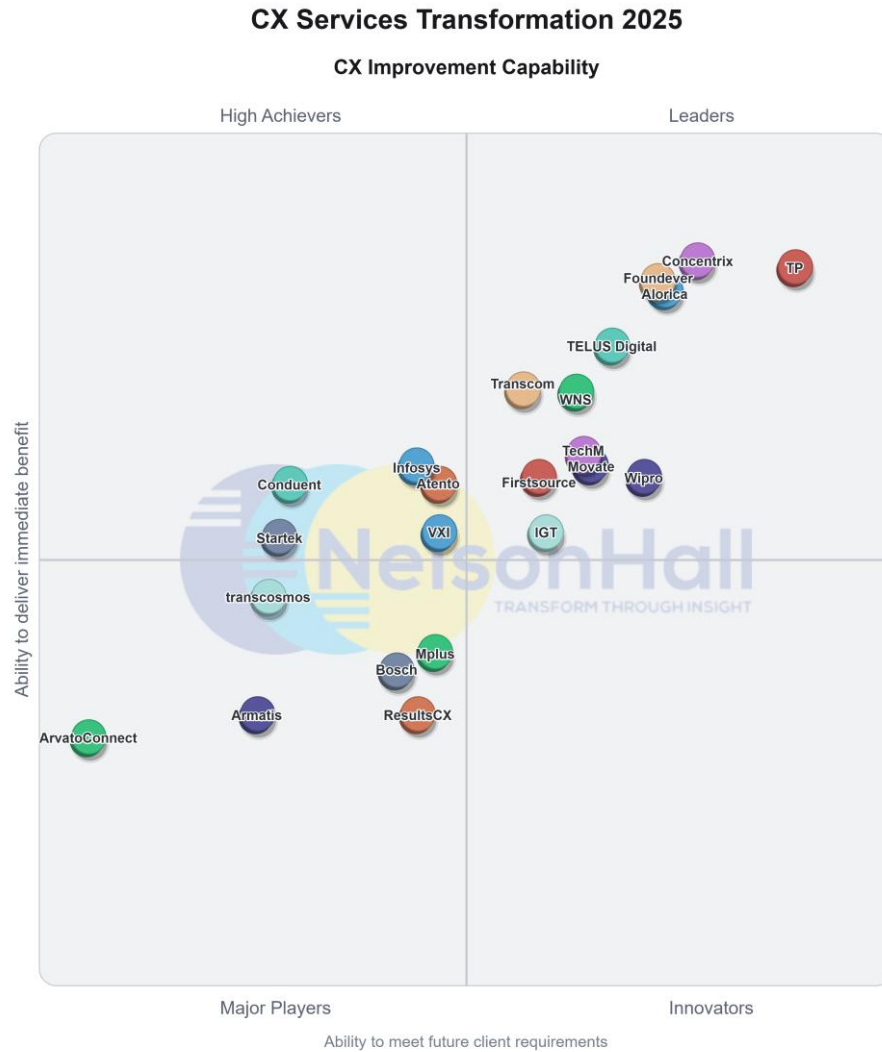


NelsonHall has identified TELUS Digital as a Leader in the *Overall* market segment, as shown in the NEAT chart. This market segment reflects TELUS Digital’s overall ability to meet future client requirements as well as delivering immediate benefits to its CX services clients.

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 [here](#).

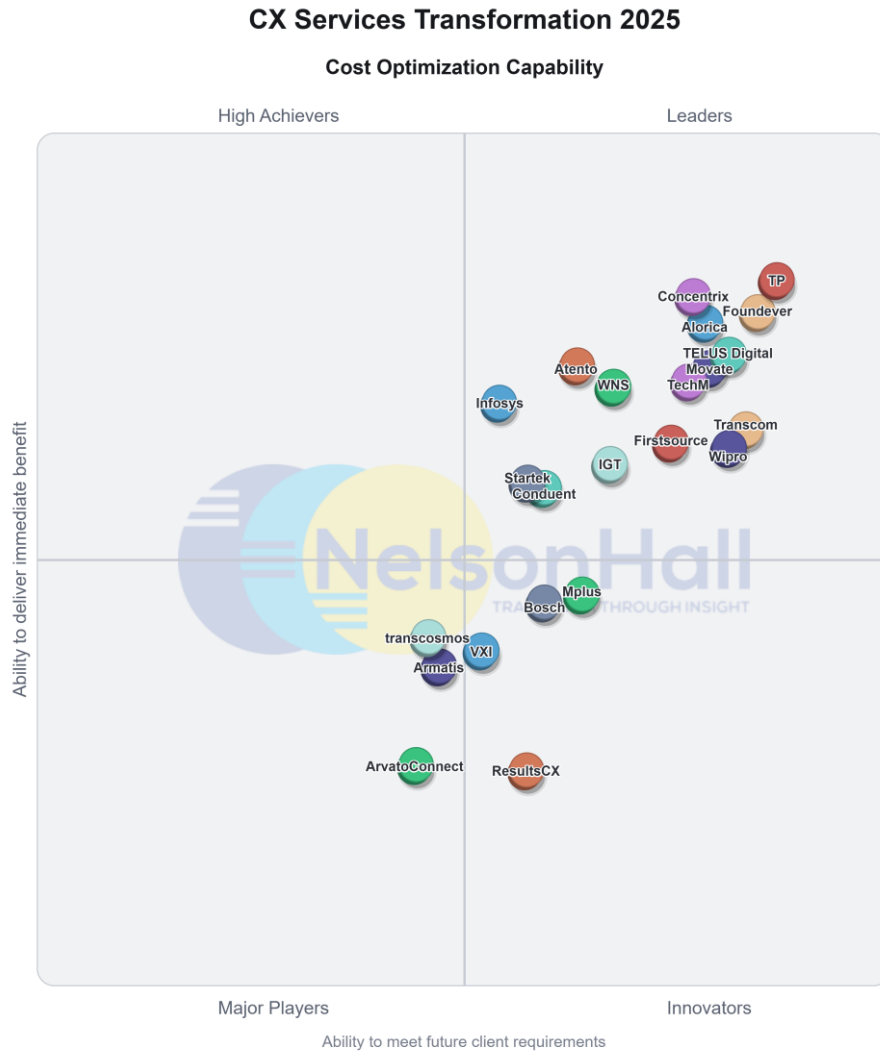
NEAT Evaluation: CX Improvement Capability



NelsonHall has identified TELUS Digital as a Leader in the *CX Improvement Capability* market segment, as shown in the NEAT chart. This market segment reflects TELUS Digital’s ability to meet future client requirements as well as delivering immediate benefits to its CX services clients with specific capability in improving the customer experience.

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

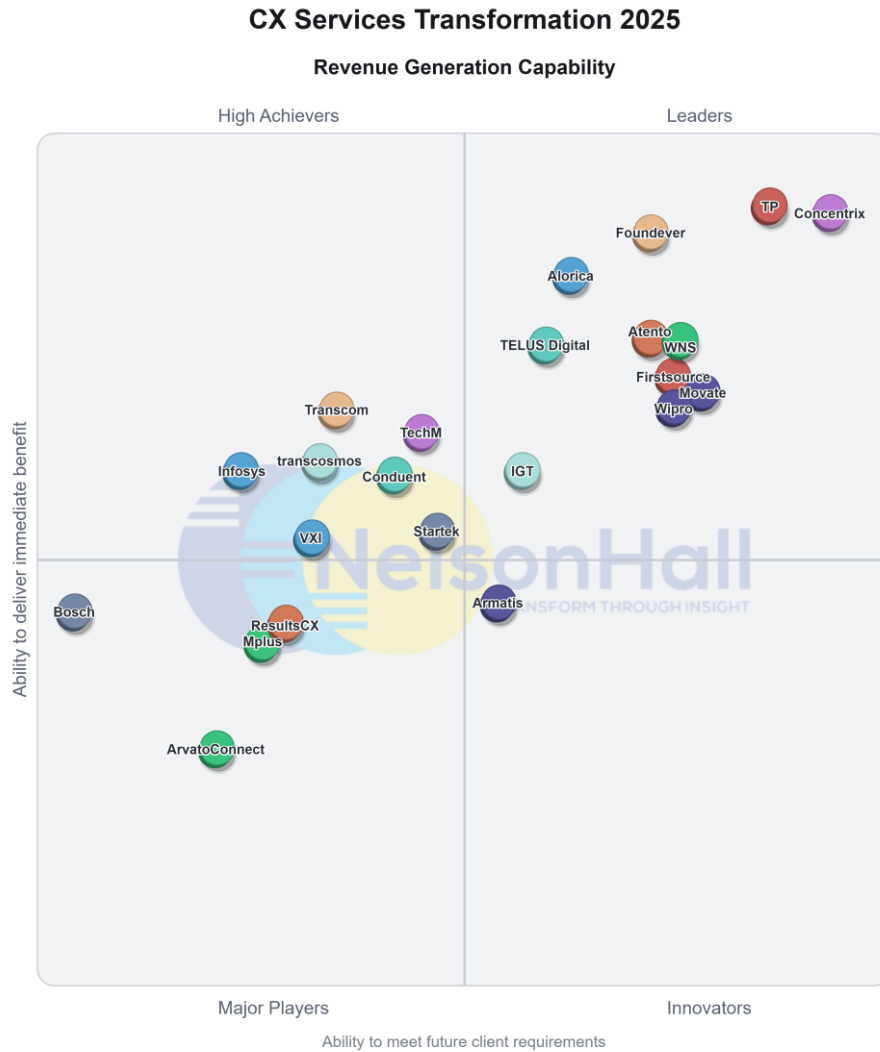
NEAT Evaluation: Cost Optimization Capability



NelsonHall has identified TELUS Digital as a Leader in the *Cost Optimization Capability* market segment, as shown in the NEAT chart. This market segment reflects TELUS Digital’s ability to meet future client requirements as well as delivering immediate benefits to its CX services clients with specific capability in optimizing cost.

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

NEAT Evaluation: Revenue Generation Capability



NelsonHall has identified TELUS Digital as a Leader in the *Revenue Generation Capability* market segment, as shown in the NEAT chart. This market segment reflects TELUS Digital’s ability to meet future client requirements as well as delivering immediate benefits to its CX services clients with specific capability in enabling revenue generation.

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



Vendor Analysis Summary for TELUS Digital

Overview

TELUS Digital Experience (TELUS Digital) is a public ITS and BPS provider headquartered in Vancouver. TELUS Digital provides digital services such as cloud solutions and AI-fueled automation, trust, safety, and security services, AI data solutions, AI ops, and IT services such as front-end digital development, cloud development, service desk, Salesforce implementation, and cybersecurity. It delivers CX consulting and strategy, UX/UI, experience design, digital marketing services, and RPO.

The company has ~78k employees in ~64 delivery centers in 31 countries, and supports ~650 clients in ~50 languages. In September 2024, the company rebranded from TELUS International and appointed Jason Macdonnell as acting CEO. In 2025, the parent company, TELUS Corporation, made a non-binding proposal to acquire 100% of the outstanding multiple voting shares and subordinate voting shares of TELUS Digital.

TELUS Digital CX services include customer care, technical support, new customer acquisition and onboarding, inbound and outbound campaigns, upsell and cross-sell, retention, social media care and online reputation management, trust and safety, content moderation, fraud prevention, and contact center back-office activities.

For CX services transformation, TELUS Digital offers strategy consulting, marketing services, design, build, and implementation of web and mobile CX applications, integration of intelligent automation, conversational AI, GenAI, and agentic AI copilots and virtual assistants, and offers cloud migration and CCaaS. In analytics and insights, it provides reporting and BI, interaction and predictive analytics, and data services such as data infrastructure enhancement and data engineering. It also provides as a service WFM, learning, training, and quality management, omnichannel experience design, performance tracking, and continuous improvement.

WillowTree is the company's full-service digital product provider focused on end-user experiences, offering design, consulting, and building of web and mobile applications, bots and AI tools and products. It also provides digital marketing, and creative services. It has ~1k digital strategists, designers, engineers, and project managers.

TELUS Digital has ~66k CX services employees in 47 delivery sites and working at home in North America, LATAM, Europe, and APAC.

TELUS Digital's client sectors include telecom, media, social media, high tech software and hardware manufacturers, SaaS, banking, payment processing and fintech, ecommerce, retail, CPG, travel, transportation, gaming, government entities, energy, and utilities.

The company has a stack of proprietary AI tools under the Fuel iX platform for agent training, quality management, knowledge management, agent- and customer-facing automation, GenAI management and integration, and machine translation.

Financials

TELUS Digital revenues for 2024 were ~\$2,658m, of which NelsonHall estimates CX services were \$1,953m, growing at 8% year-over-year.

For H1 2025, TELUS Digital had ~\$1,369m in revenues.



Strengths

- Dedicated GenAI and agentic AI development platform with proprietary CX applications for operational, agent, and customer augmentation with live implementations
- Strong trust and safety practice with specialized domain and function offerings and a portfolio of client deployments
- Mature AI operations practice with a sizable, crowdsourced work platform and specialized AI training services
- Opportunity to cross-sell and upsell its marketing and CX revenue growth services to CROs and CMOs
- Investments in strategic enterprise technology partnerships as a joint GTM.

Challenges

TELUS Digital could:

- Further build up its machine translation and AI voice capabilities to enable multishore delivery
- Accelerate the deployment of automated QA solutions against the leading market players
- More closely integrate its marketing operations and predictive analytics services with its revenue generation CX practice
- Formalize its commercial models supporting technology product & people offerings.

Strategic Direction

TELUS Digital is focused on integrating AI, automation, omnichannel engagement, analytics, and consulting to optimize customer interactions by combining digital design, AI data services, and CX delivery. It is employing its proprietary SMART CX framework to identify and prioritize strategic opportunities across channels, agent effectiveness, revenue growth, technology, and data foundations. It then streamlines them into a unified approach supported by different client functions and links them to an organization's business goals.

The company plans to reach ~40 such deep-dive assessments per year. A key lever for accelerating CX transformation is Fuel iX Core for building GenAI models with control over the technology stack and Fuel iX Apps for enterprise GenAI-powered applications. With the change in leadership and rebranding in 2024, TELUS Digital is pivoting towards a technology products-first CX services approach.

Target CX objectives for the Fuel iX-powered implementations are FCR, response times, and omnichannel experiences. The company prioritizes AI-driven engagement, asynchronous messaging, and digital innovations with human-centered design for empathetic interactions. An example is voice simulations on Agent Trainer for agents to practice soft and hard skills in a dynamic and multilingual environment.

Its objective is to democratize AI adoption under Fuel iX where TELUS Digital employees without technical skills can develop custom solutions; for example, in training simulations or knowledge retrieval. In 2024, it had ~7k community copilots developed on Fuel iX across in-house and client deployments.



TELUS Digital is also using AI for lead acquisition, segmentation, personalization, lead scoring, pipeline management, and deal optimization to enhance sales. Additional use cases include optimizing returns management, order processing, and document handling AI innovation.

One of the areas that TELUS Digital is developing is the pricing and commercial models behind these products. The company is exploring per seat, per license, and an uptick in the overall per FTE cost, with the various models dependent on the utilized tool stack. It has already made progress by demonstrating value in chat programs with existing accounts.

The company will continue to expand its specialized trust and safety offerings, including AI-powered content moderation, fraud detection, and compliance. TELUS Digital is strengthening compliance through training, collaboration between human and AI systems, and proactive risk mitigation.

The acquisition of Gerent allows the company to accelerate Salesforce consulting and implementation as GTM to U.S. enterprise clients looking for AI integration projects within their existing Salesforce stack, particularly around agentic AI. TELUS Digital already has a strong strategic partnership with Google as a reseller and integrator of cloud, CCAI, and Google Workspace.

In 2025, TELUS Digital opened its first office in Dubai to support expansion in the Middle East. Recent delivery destinations are Morocco and South Africa, enabling the company to support global English and nearshore French at competitive rates.

Outlook

TELUS Digital's Fuel iX platform is at the center of the company's CX services transformation capability, supporting key client requirements for RAG, model flexibility, guardrails, and data control. It has a mature approach for protecting existing client technology investments by integrating Fuel iX in the current technology and AI stack. A notable expertise here is the CCaaS and cloud services which it can cross-sell to CX clients. TELUS Digital also has the benefit of implementing Fuel iX both in-house and with its parent TELUS Corporation, which also opens the door for piloting AI-powered CX projects across different subsegments (e.g., telecom and healthcare) at scale. TELUS Digital's IT services and strategic partnerships with cloud and AI providers, and the recent acquisition of a Salesforce services integrator, are indicative of the company's strategic vision for technology-first CX delivery. An area to prioritize is building advanced commercial models and experience 'selling' these to CX enterprise clients.

TELUS Digital's AI ops practice is an early entrant in the space with continued investments over the years, and now it enables the company to capture CX clients' demand for SLM development, LLM customization, and data training services. As the market develops into more sub-process GenAI and agentic AI deployments, AI ops and data services will be essential building blocks for organizations dedicating AI investments in their own products and services, and not CX.

The company is well advanced in its Fuel iX deployments across agent assist and specialized BPS use cases. It has a number of initiatives for augmenting the CX employee lifecycle with AI recruitment, onboarding, and training, but could accelerate its automated QA rollout to match some of its main competitors. Similarly, the company is somewhat behind leading players in the implementation of AI voice.

Look for increased investments by TELUS Digital in GenAI for revenue generation processes, including lead generation. The company has the resources and IP for marketing and loyalty campaign management, and the exposure to senior marketing decision-makers within client organizations. Next, it could align these capabilities more closely into a comprehensive offering



and GTM. Expect growth for TELUS Digital's South African delivery and potential further expansion in the MEA regions.

CX Services Transformation Market Summary

Overview

CX services transformation is the redesign and modernization of front office operations and organizations' ability to deliver, manage, and measure customer support and sales across the end-to-end customer journey. It involves replacing traditional service models with integrated, data-driven, and proactive approaches that enhance customer satisfaction, lower costs, and increase revenues.

The role of automation and AI in replacing live agent support and routing volumes to self-service is undisputed and the scale of this replacement will increase in 2026. While the overall addressable CX market is flat or contracting, the share of outsourced CX services is increasing because of key fundamentals around cost optimization; shifting risks from in-house AI investment for CX processes to outsourced AI investments; onshore talent shortages; and revision of the role of the contact center agent to more advocacy and specialized work (requiring critical thinking). Other contributing factors, such as machine translation and AI voice also enable cost reduction by offshoring while maintaining quality.

CX services growth by service line is shifting from more traditional LOBs such as customer care and payment processing to revenue generation, collections, content moderation, trust and safety, and even CX-adjacent work such as AI and data training. Vendors are also picking up sales of their CX-as-a-service offerings powered by AI tools (e.g., automated QA, learning and training, WFM, agent assist, customer-facing bot optimization). These trends will accelerate in 2026.

The biggest short-term (2025-2027) downward pressure on the global CXS market is not in-house technology cannibalizing outsourced human-supported volumes but in external risks – political, regulatory, security, environmental – impacting consumer confidence and overall interaction volumes (e.g., fewer mortgages or auto sales).

Revenue generation (lead generation, new sales, upsell/cross-sell, retention, and win-back) and content moderation (a range of trust and safety services, including KYC/AML, fraud prevention) are growing above the overall market average. These service lines are often more specialized, industry-specific, and require a high degree of live agent augmentation with analytics, intelligent automation, and AI assistants.

Buy-Side Dynamics

The application of customer-facing automation (e.g., chatbots, IVR, conversational AI) is the top feature for clients within CXS transformation. At the same time, satisfaction with the use of these characteristics does not exceed 3.5 (out of 5.0). Clients are most satisfied with the strength of partnerships and flexibility offered by vendors, while satisfaction with their overall transformation performance can still improve (4.0 out of 5.0). Improved customer satisfaction continues to be the top client priority and has the highest vendor effectiveness. Resource scalability and multishore delivery are falling in importance. Fulfillment and contact center back-office activities receive the highest satisfaction by CX services clients, with CX analytics offering a sizable scope for improvement.

The main drivers for the increase in outsourced CX services are:



- *Flexibility and risk reduction:* CX clients are focusing on flexibility and reducing exposure to specific locations, technologies, and in-house workforce commitments
- *Cost reduction through nearshoring and offshoring:* enterprises are under pressure to reduce costs, leading to a renewed focus on nearshoring and offshoring in partnership with outsourcing vendors
- *Lower CAPEX and AI adoption:* enterprises are aiming to reduce long-term CAPEX while introducing AI and GenAI into CX operations without upfront investment
- *Maturing emerging markets:* emerging CXS markets in Eastern Europe, Asia (especially India), LATAM, the Middle East, and parts of Africa are maturing. As domestic economies and middle-class consumer bases expand, enterprises are increasing CX quality, often through outsourcing
- *Globalization of brands:* the growing globalization of brands requires standardization of CX quality and processes across markets
- *Complexity of products and services:* increasingly complex products and services demand more technologically enabled live agent support
- *Role of automation and AI:* automation and AI are replacing parts of live agent support and driving more customer interactions toward self-service.

Market Size & Growth

The size of the CX services market (excluding collections) is ~\$113bn in 2025, growing at 4.8% CAAGR to reach ~\$136bn in 2029, with the main growth engines being sales, retention, and content moderation. The overall addressable CX market has peaked in 2023-2024, while within it, the share of global outsourced CX services is growing and expected to reach 39%-40% by 2029.

The combined European and MEA markets are the largest CX services markets, expected to reach ~\$46bn by 2029, while the APAC region is the fastest growing at 6.1% CAAGR. The U.S. remains the largest individual national market for CX services, reaching ~\$40bn by 2029. In Europe, Eastern Europe is growing at 5.4% CAAGR, with the Polish domestic market leading that growth. Among the emerging economies, India's domestic market is the fastest growing at 8.0% CAAGR through 2029 and is expected to reach ~\$5bn, with solid performance also from Brazil.

BFSI companies and healthcare payers have above-market growth rates and have a more gradual adoption of AI in CX operations while requiring more specialized services. Retail and ecommerce remain the fast growing sectors, expected to recover from softer short-term volumes from 2026 onwards. Media, gaming, and entertainment are expanding at above average CX services market rate.

Success Factors

Top vendor selection criteria are the ability to embed GenAI, agentic AI, and predictive analytics across CX, sales and operational functions; building and monetizing advanced, AI-enabled employee lifecycle management; linking AI-driven transformation to measurable financial outcomes; building modular, interoperable, and scalable CX technology ecosystems; creating strategic alliances and ecosystem participation for co-innovation and GTM acceleration; achieving scalable, flexible, and secure delivery with geographic and linguistic resilience; reaching deep vertical integration with domain-specific IP and analytics; performing

internal organizational and cultural transformation with a focus on internal readiness for AI-first business models; enhancing knowledge and insights management by harnessing data and content for operational and customer intelligence; and applying targeted regional growth to capture new client demand.

Core vendor capabilities key to success are:

- *AI & analytics innovation*: predictive models, democratized analytics, AI voice, GenAI copilots
- *Talent management*: AI recruitment, simulation training, upskilling, gig models
- *Revenue generation*: outcome-based pricing, sales-through-service, next-best-offer
- *Technology ecosystems*: CCaaS integration, low-code tools, modular and composable CX platforms
- *Partnerships*: GTM alliances, data and AI partner networks
- *Operational agility*: offshore/gig delivery, machine translation, domain-specific CoEs
- *Sector specialization*: BFSI, healthcare, automotive, telecom, utilities
- *Cultural transformation*: tech-first GTM, innovation labs, decentralized AI development, upskilled sales functions
- *Knowledge management*: AI search, knowledge-as-a-service, insights bots.

Outlook

The future global CX services market will include CX consulting and advisory, including change management, GenAI and agentic AI CX technology offered as PaaS and standalone products, and CX-adjacent services such as trust and safety, KYC/AML and financial crime prevention, B2B sales, credit and collections, AI and data training services, marketing back-office, and end-to-end CX talent management as a service (e.g., recruitment, training, QA, WFM).

Future factors impacting CX services' growth in the period 2025-2029 are:

- Accelerated adoption of GenAI/agentic AI bots for customer-facing processes
- Mass adoption of GenAI/agentic tools in CX operations, reducing costs (increasing productivity) and improving quality
- Macroeconomic performance impacting national and regional markets (e.g., growth in Poland and Spain in EMEA, growth in Mexico in LATAM)
- Delivery diversification to Asia and Africa
- Evolution of AI voice and AI translation, enabling multilingual support from offshore locations
- Clients' prioritization of sales and retention
- Changing consumer demographics with new requirements for customer-brand relationships (e.g., growth in online marketplaces).



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, omnichannel, and CCaaS capability Conversational AI, GenAI, and agentic 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 intelligent automation Application of GenAI Application of Conversational AI Application of CCaaS Application of machine translation and AI voice Application of end-to-end talent management models Application of AI to enhance talent management Application of real time agent augmentation technology CX operations re-engineering models and frameworks CX innovation infrastructure Development of an ecosystem for CX transformation Application of flexible commercial terms & models Implementation of CX-adjacent services
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 data services and analytics Investment in development of Conversational AI and AI voice Investment in development of GenAI and agentic AI Investment in development of AI for 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 & redesign Mechanisms in place to deliver client innovation through analytics, automation, cloud Mechanisms in place to deliver client innovation through GenAI Mechanisms in place to deliver client innovation through flexible 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.



research.nelson-hall.com

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: Darrin Grove at darrin.grove@nelson-hall.com

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