

ISG Star of Excellence™ – 3rd Quarter 2022 CX Index

A quarterly report on technology
CX trends across regions



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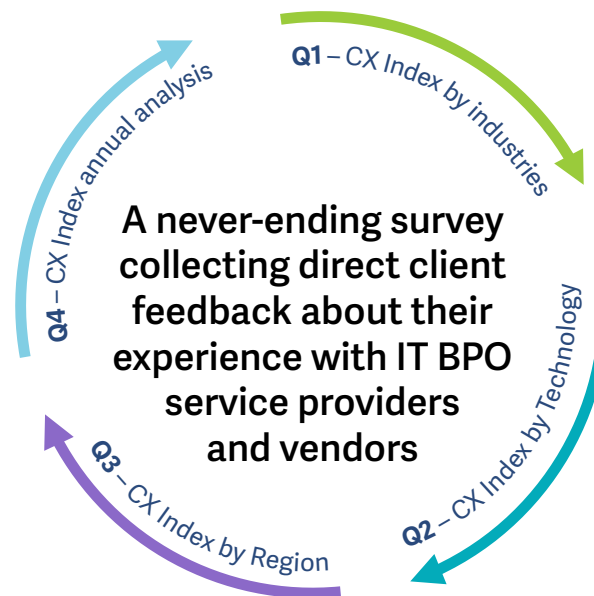
ISG Star of Excellence™ CX Index

Welcome to the third edition of the ISG Star of Excellence™ CX Index, the third in a series of quarterly reports that will shed light on what enterprise buyers really think about their IT and business services providers.

The ISG CX Index is the only research series of its kind based on continuous feedback from enterprise customers, gathered through ISG’s ongoing Voice of the Customer survey.

This third ISG CX Index report focuses on customer experiences across technologies. A final report each year will summarize customer experience across the entire provider landscape, viewed within the context of broader industry trends and technology developments.

We hope you find the insights contained in this report interesting and valuable. We welcome your feedback.



[Q1 CX Index by Industries](#)

[Q2 CX Index by Technology](#)



What defines Tech industry CX?

ISG identifies six categories that define customer experience in the IT BPO services and technology industry.

- Clients are asked to rate the importance of each of the six categories and then rate their service provider/vendor on each, on a scale of 1-100
- CX scores can be generated across industries, regions and technology domains, and for each service provider/vendor

Six categories of customer experience in context

1. Business Continuity

2. Service Delivery

3. Governance and Compliance

4. Collaboration and Transparency

5. Innovation and Thought Leadership

6. People and Culture Fit

Overall CX score =
Sum of CX Scores
(customer experience score out of 100 * relative category importance)
for each category in context of regions, industries, and technologies

**weighted averaged method*





Major Findings & Customer Insights

Customers in mature outsourcing markets are less satisfied compared with the ones in emerging ones.

Service providers have received higher than average CX scores from their clients in Australia and New Zealand, Eastern Europe, and Central and South America.

Australia and New Zealand clients have given their service providers high scores for their quick adaptability to change and demand triggered by the pandemic,

ensuring business continuity. The outsourcing deals signed in [Central and South America](#) are experiencing a robust growth in number, and are led by countries like Brazil, Mexico and Costa Rica. Clients in Central and South America and Eastern Europe have rated their service providers high for receptiveness to both criticisms and suggestions for improvement.

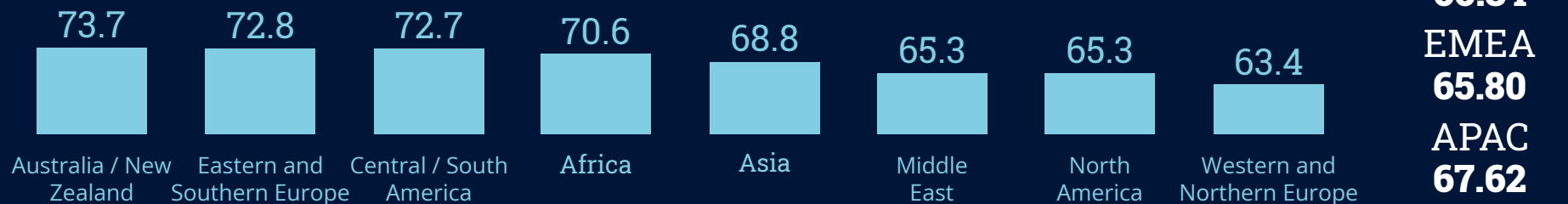
Service providers have received lower than average CX scores from Middle East, North America and Western Europe

clients. These clients have given more importance to service providers' project execution and delivery in an efficient, collaborative and transparent manner. They were however dissatisfied with their inability to deliver high-quality work consistently and provide information on workloads and timelines, thus rating service providers low CX for both.

The outsourcing industry in the [Middle East](#) has been fairly stable and primarily led by the United Arab Emirates and Saudi

Arabia. Outsourcing in [North America](#) and [Western Europe](#) have matured and customers expect more from their service providers that mostly follow traditional service level agreements (SLAs). Clients in Africa and the Asia Pacific have given moderate CX scores to their service providers. While they rated providers high for adapting to the changes post pandemic, the latter were unable to demonstrate competence with new methods of work and techniques in these regions.

Average CX scores – by regions



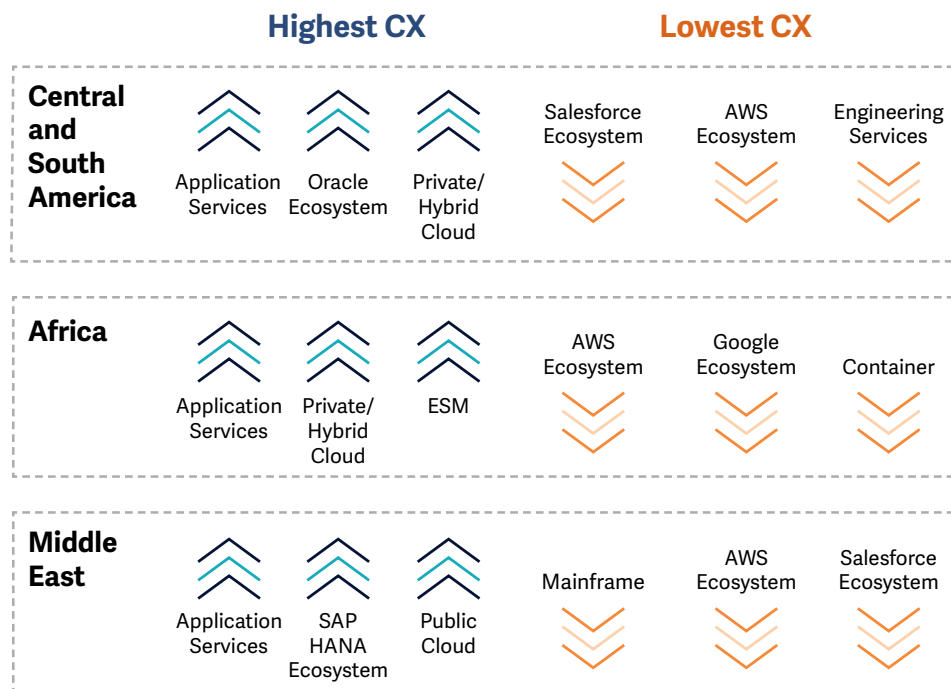
Application Services received high CX scores in many regions but the CX scores of vendor ecosystems lagged behind.

With the exception of Asia Pacific and Eastern Europe, service providers across the other regions have received high CX scores for the application services they have provided to their clients. The clients availing these services have given their providers high CX scores for solutions that were flexible and ensured business continuity – parameters on which clients place much emphasis.

Clients across Asia Pacific and Eastern Europe have given their service providers high CX scores for all types of cloud solutions. Clients availing these transformative solutions placed much emphasis on execution and delivery as well as on collaboration and transparency; service providers have attained high CX scores for these criteria.

A general pattern seen in many regions is the dissatisfaction with the partnerships service providers have established with vendors. Consequently, the service providers have received low CX scores from customers in Western and Eastern Europe, the Middle East, Asia Pacific, Australia, and New Zealand for the shortfall in consulting and managed services, and inadequate support while integrating with and migrating to vendor-specific ecosystems such as Google, Salesforce and ServiceNow. The service providers have received low CX scores across a range of parameters such as Business Continuity & Flexibility, Execution & Delivery, as well as People & Culture Fit – parameters that these customers consider a priority.

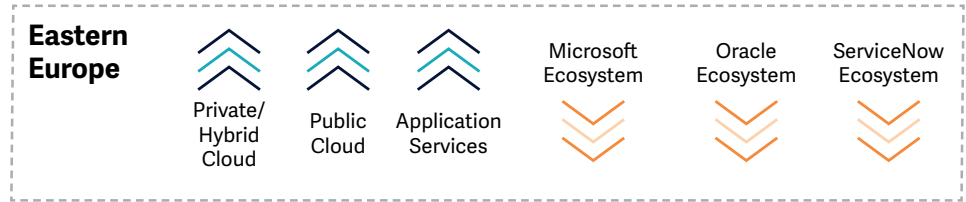
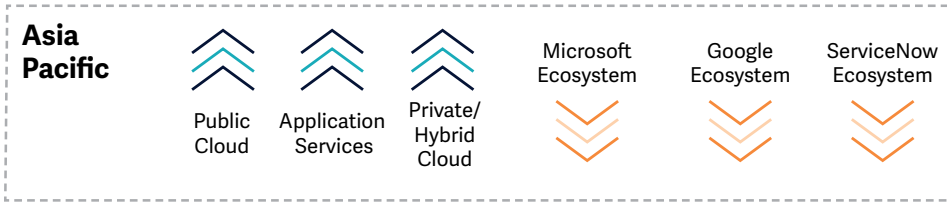
Service providers in North America, Africa, and Central and South America have also received less than average CX scores from a wide range of technologies, namely, Contact Center, Container, and Engineering Services.



Technology CX Insights by Region

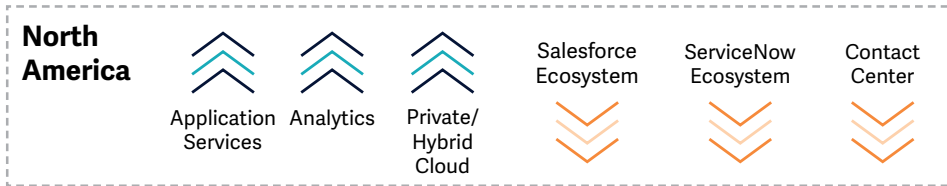
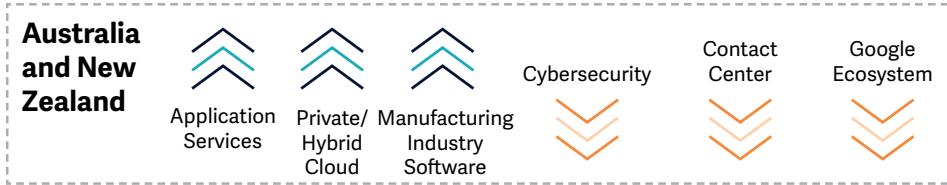
Highest CX

Lowest CX



Highest CX

Lowest CX



The public sector achieved high CX scores while telecom and media lagged behind in many regions.

Service providers have received the highest CX scores from public sector clients in North America, Western Europe, Asia Pacific and Africa. Customers have rated their service providers as high for complying with local policies and regulations, as well as for maintaining optimal channels of communication between the many stakeholders.

In the Middle East and Eastern Europe, customers from the travel, transportation and leisure industry have been highly satisfied with their service providers and have given them high CX scores for supporting business continuity with the desired flexibility as the world opened up after the pandemic.

Service providers have received low CX scores from telecom and media clients in Central and South America, Africa, and the Middle East. The low CX scores were due to their inability to comply with local policies and regulations as expected, incompetence in establishing proactive engagements as well as inadequate cybersecurity measures.

Service providers have also received low CX scores from clients in the Consumer Packaged Goods Industry in Asia Pacific and North America. These Clients have given service providers the lowest CX scores on parameters associated with innovation and thought leadership, as well as for their inability to consistently deliver high quality of work.

	Industry with highest CX	Industry with lowest CX
Central and South America	Retail	Telecom/Media
Africa	Public Sector	Telecom/Media
Middle East	Travel, transportation, leisure	Telecom/Media
Asia Pacific	Public Sector	Consumer Packaged Goods
Australia and New Zealand	Healthcare	Financial Services
North America	Public Sector	Consumer Packaged Goods
Eastern Europe	Travel, transportation, leisure	Public Sector
Western Europe	Public Sector	Energy



IT leaders were largely satisfied with service providers' solutions

Providers across regions have received high CX scores from IT department personnel. They have received high scores for their ability to provide versatility in services and for their competence in ensuring overall business continuity. However, their execution and delivery scores lag behind and need to be improved since IT leaders consider this factor to be of high importance.

With the exception of North America, service providers across regions have received low CX scores from personnel associated with non-IT related parts of a business such as Finance, Sales & Marketing, Legal, and Human Resources. Customers in these regions have been the least satisfied with their providers' ability to understand their changing

business and operating models in the post pandemic world. Service providers should work to improve their perception among other horizontal business functions as business continuity is a priority for them.

Service providers in North America have received low CX scores from IT vendor management and procurement personnel. This community gives much importance to the execution and delivery capabilities of a service provider and were dissatisfied with the services received.

Region	Key Tech Roles			
	IT Department	IT Vendor Management	Line of Business	Other Horizontal Business Function
Central and South America	★★★★	★★★		★
Africa	★★★★	★★★		★
Middle East	★★★★	★★★		★
Asia Pacific	★★★★	★★★	★★	★
Australia and New Zealand	★★★★	★★★		★
North America	★★★★	★	★★★	★★
Eastern Europe	★★★★	★★★		★
Western Europe	★★★★	★★★	★★	★

★★★★ Highest CX ★★★ High CX ★★ Low CX ★ Lowest CX

Source: ISG Star of Excellence Enterprise Survey



Author & Editor Biographies

Author



Rohan Thomas
Senior Lead Analyst

Rohan Thomas has nearly a decade's worth of knowledge expertise in the realms of ICT, which include telecommunications, data centers, and networks and application performance management. At ISG, Rohan is the lead analyst for ISG Provider Lens™, leading research activities and benchmarking exercises pertaining to the regional adoption of digital infrastructure such as private/hybrid cloud.

He has a Bachelor's degree in Mechanical Engineering from Visveswaraya Technological University and a Master's degree in Computer Aided Design and Manufacturing from Vellore Institute of Technology.

Co-Author



Mrinal Rai
Senior Manager and Principal Analyst

Mrinal Rai is the Principal analyst for Digital Workplace and enterprise collaboration. His area of expertise is digital workplace services and enterprise social collaboration both from a technology and business point of view. He covers key areas around the Workplace and End User computing domain viz., modernizing workplace, Enterprise mobility, BYOD, VDI, managed workplace services, service desk and modernizing IT architecture. In Social business collaboration, he focuses on enterprise social software, content collaboration,

team collaboration, social media management and chatbot platforms. He has been with ISG for close to 10 years and has more than 15 years of industry experience. Mrinal works with ISG advisors and clients in engagements related to workplace modernization, social intranet, collaborative workplace, cloud-based VDI, end user computing and service desk. He is also the ISG official media spokesperson in India.



Author & Editor Biographies



Kiran B
Data Analyst

Data Analyst

Kiran works as a Data Analyst and has a professional experience of 7+ years. He has pursued master's in Computer Vision and has worked in multiple fields such as IT and Hospitality. He has worked on market segmentation, customer segmentation and derived insights from customer data and had used it to generate additional revenue. He is passionate about research and analysis and has done advanced exploratory data analysis.

He has also worked on data science projects such as 'Time Series Forecasting' and 'Natural Language Processing' using Neural Networks, in the past. He is currently responsible for insights derivation and automating several tasks using Python.



Heiko Henkes
Director & Principal Analyst,
Global IPL Content Lead

*SOE Product Owner,
Editor*

Heiko Henkes is a Director and Principal Analyst at ISG; in his role as Global ISG Provider Lens™ (IPL) Content Lead and Program Manager, he is responsible for strategic business management and acts as thought leader for IPL Lead Analysts. In his role as ISG Star of Excellence™ (SOE) Product Owner, he leads the program design and IPL integration. His core competencies are in the areas of defining derivations for all types of companies within their IT-based business model transformation.

Within this context, Mr. Henkes supports companies to undergo continuous transformation, combining IT competencies with sustainable business strategies and change management. He acts as Keynote speaker in the context of digital innovation.



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