

RYAN
STRATEGIC
ADVISORY

EUROPE AND THE NEARSHORE: 2025



Prague, Czech Republic

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INTRODUCTION

Customer experience delivery across Europe has entered a pivotal phase in 2025. After years of stagnation brought on by external shocks, regulatory pressures and technology disruption, there is renewed optimism. Inflation is easing, consumer spending is rebounding, and growth prospects are improving. EU GDP is forecast to expand by 1.5% in 2026—modest, but still the bloc’s strongest growth rate in years.¹ The rebound is restoring confidence among consumers and businesses alike.

Yet, while the macroeconomic outlook has improved, operational challenges persist. CX providers still face what is arguably the world’s most complex regulatory landscape alongside rising expectations from enterprise clients. Advanced technologies like AI are often presented as transformative solutions, but the reality is more grounded. As enterprises experiment with new technologies—often with mixed results—the delivery landscape across onshore, nearshore, and offshore models is shifting. Providers must now assess how and where to invest amid a rapidly evolving technology landscape.

How are macro-level improvements affecting enterprise decisions to invest in CX partnerships? What factors are weighing on the minds of enterprise decision-makers as they consider offshore delivery options? And how are advanced technologies impacting the shape of CX strategy in offshore locations?

These are the questions this report sets out to answer. It explores the evolving dynamics of Europe’s CX market, drawing on findings from the *2025 CX Technology & Global Services Survey* conducted by Ryan Strategic Advisory. This year’s survey captures insights from 819 executives with strategic oversight of contact center operations across a dozen major demand markets, including France, Germany, Italy, the Netherlands, Spain and the United Kingdom.

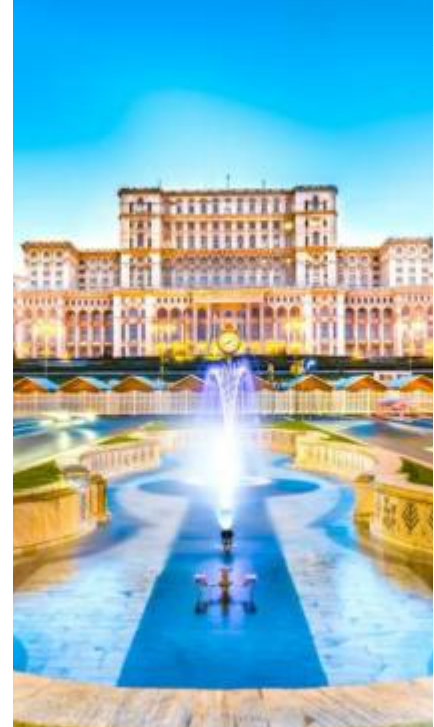


Sofia, Bulgaria

¹ European Commission, *Spring 2025 Economic Forecast* (19 May 2025): https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/spring-2025-economic-forecast-moderate-growth-amid-global-economic-uncertainty_en

OUTSOURCING DYNAMICS: WHAT CLIENTS WANT

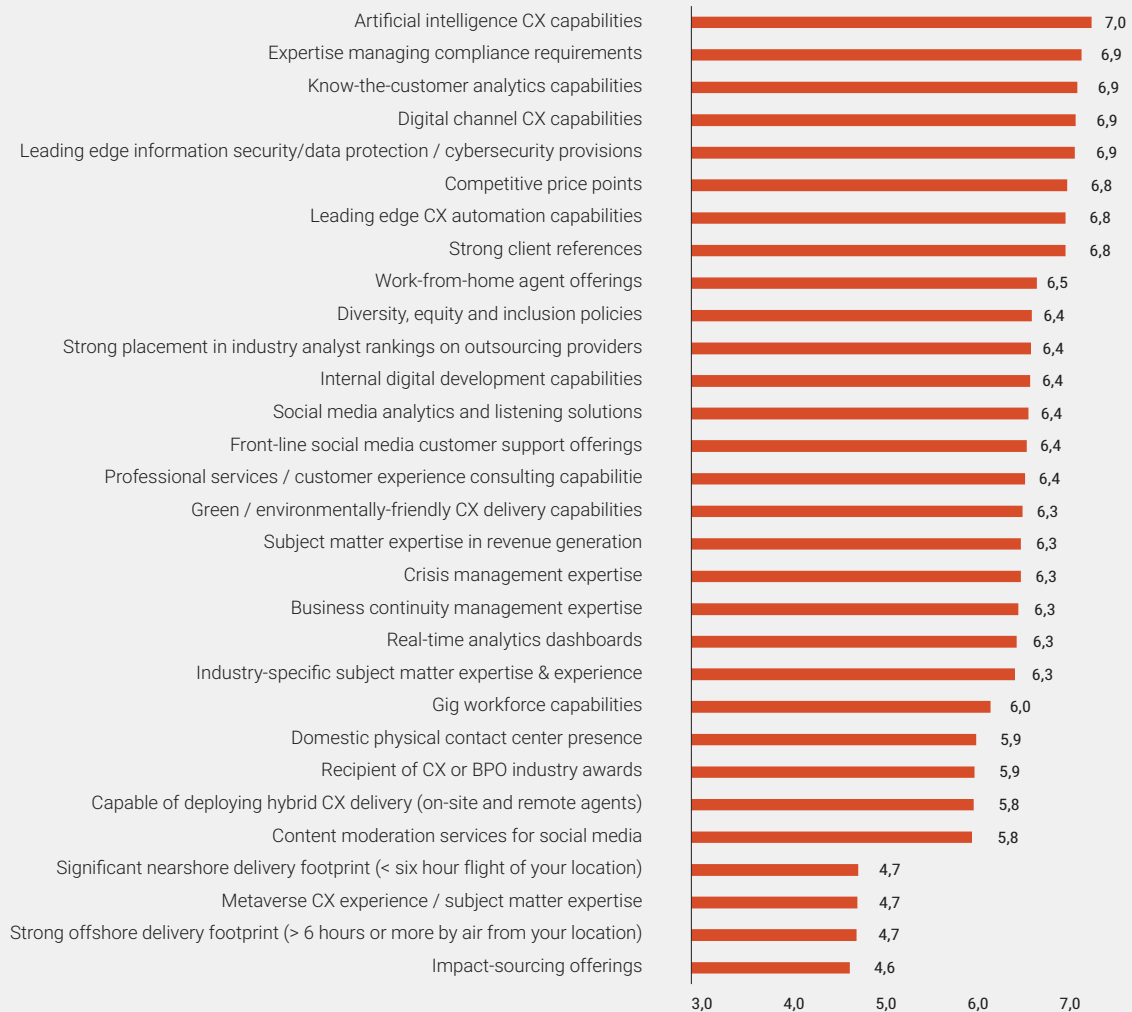
The 2025 Survey shows that while many Western European enterprises already outsource some CX functions, few plan to expand their outsourcing footprint dramatically this year. However, among firms yet to engage with BPOs, interest in nearshore options is rising—driven by operational fatigue, technology gaps, and rising internal complexity. As they weigh new partnerships, enterprises want outsourcing partners that provide AI technologies / capabilities, analytics expertise, and competitive pricing.



Bucharest, Romania

Outsourcer Competitive Advantages

What do you see as the competitive advantages that an outsourcer must have in today's market to win your business?
(1=not important, 8=very important) – European respondents only



Source: Ryan Strategic Advisory, CX Technology and Global Services Survey 2025

While evidence of this trend emerged years ago, until recently this preference was seen as a luxury. That's no longer true. Advanced technologies are no longer optional 'bells-and-whistles' but a strategic necessity. In both the UK and Germany, Know Your Customer analytics are increasingly valued, particularly given the paramount priority both markets place on adherence to global data protection treaties.

French enterprises, meanwhile, see AI as a way to improve service quality and language coverage, especially in hybrid or multilingual settings. However, AI is not a cure-all. Across industries, 42% of companies have ended AI initiatives this year, up from only 17% in 2024.² And in CX, implementation of advanced tech—including gen AI—is not yet sufficient to reverse declining performance trends.

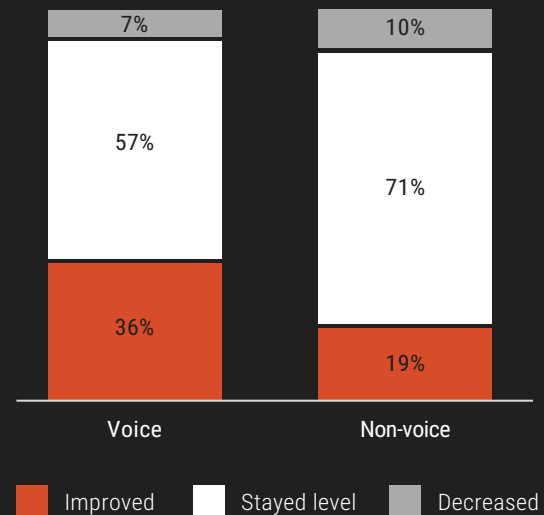
Survey data shows that in Western Europe less than 40% of enterprises observed an improvement in voice-based service levels; digital channels performed significantly worse.³ In some markets, declines in service levels may be responsible for eroding confidence in fully remote delivery models.



Kigali, Rwanda

CX Service Levels in Western Europe

Over the past twelve months, how have digital-based service levels in your in-house contact center evolved?
European respondents only



Source: Ryan Strategic Advisory, CX Technology and Global Services Survey 2025

Today, riding the AI hype-cycle isn't enough. European enterprises now demand CX partners that can turn analytics, cyber-security safeguards, and yes, AI, into real results—faster resolutions, smarter training, higher satisfaction, and more streamlined workflows.

² S&P Global, "AI Experiences Rapid Adoption, but with Mixed Outcomes" (30 May 2025).

³ Ryan Strategic Advisory, CX Technology and Global Services Survey 2025, p.48.

REBALANCING THE DELIVERY MODEL



Bratislava, Slovakia

One of the most consequential shifts in 2025 is the growing preference for on-site CX delivery. Following years of remote experimentation, more than half of European enterprises now deliver at least 30% of their CX services from physical contact centers. France and the Netherlands are among the most on-site reliant markets in the world for CX delivery. Across Europe, enterprises cite improved quality control, compliance, and team cohesion as key drivers for renewed on-site delivery.

Hybrid delivery remains relevant but is no longer the default in Europe or otherwise. In a few use cases, such as multilingual hubs or seasonal scaling, hybrid or remote-first models retain favor. But for nearshore partners, the implication is clear. On-site delivery still counts, and thus factors such as physical infrastructure, site security, and workforce management capabilities will be critical differentiators.

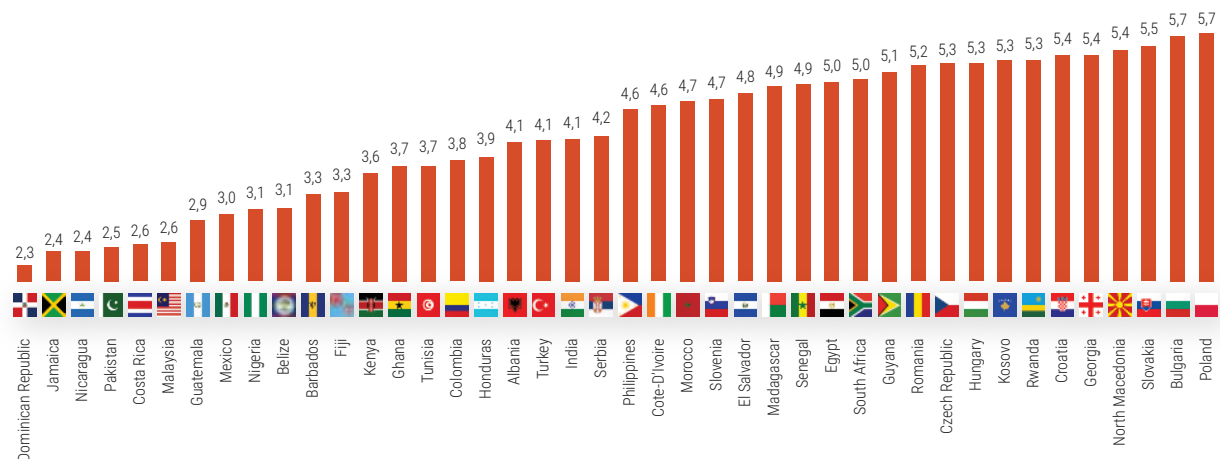


REGIONAL DYNAMICS: DEMAND CONCENTRATES IN CENTRAL EUROPE AND NORTH AFRICA

In 2025, the most strategically aligned nearshore destinations for European enterprises remain Central and Eastern Europe (CEE) and North Africa. For firms catering to consumers in the Netherlands and Germany, Poland and the Czech Republic remain indispensable.

Netherlands Offshore Location Favorability

Provide your degree of favorability (1=not favorable, 8=very favorable) for the following locations for contact center delivery.



Source: Ryan Strategic Advisory, CX Technology and Global Services Survey 2025, p.126.

Poland’s status as a CX leader continues, not only because of its multilingual labor pool but also due to its large number of engineers and tech grads. Beyond Warsaw and Kraków, secondary cities such as Lublin, Poznan and Wrocław are expanding their CX footprints, offering access to relatively untapped talent markets.

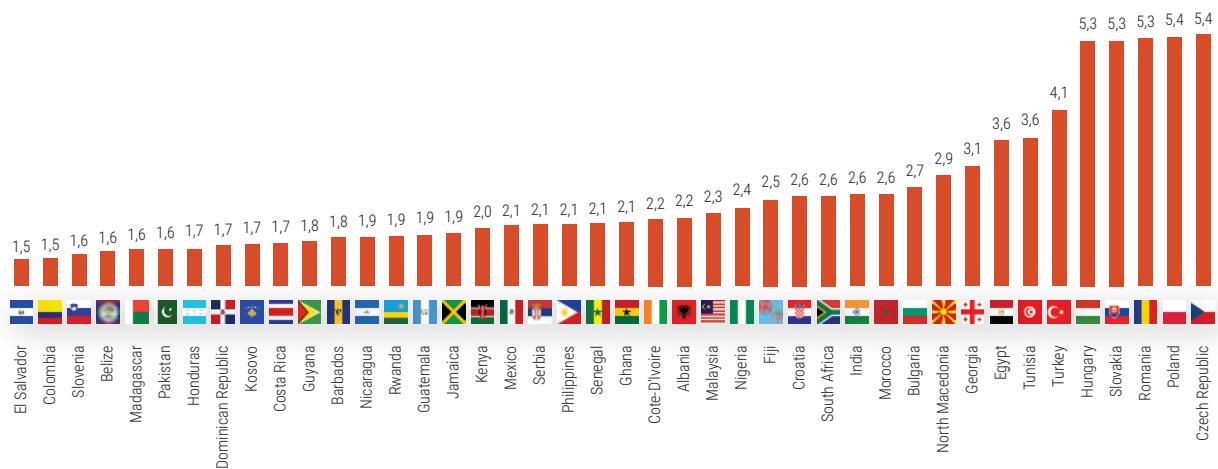
Regulatory alignment is another crucial benefit offered by CEE destinations. Poland and the Czech Republic, in particular, enjoy high favorability because of their alignment with EU standards—vital when it comes to financial services and healthcare—as well as their use of advanced tech to enhance agent productivity.



Gdansk, Poland

Germany Offshore Location Favorability

Provide your degree of favorability (1=not favorable, 8=very favorable) for the following locations for contact center delivery.



Source: Ryan Strategic Advisory, CX Technology and Global Services Survey 2025, p.128.

Romania's continued ascent is powered by linguistic depth and tech proficiency. Cluj-Napoca complements Bucharest as a high-capacity hub capable of serving clients with complex CX needs. Romania’s EU membership also secures its position as a compliance-friendly option.



Cairo, Egypt

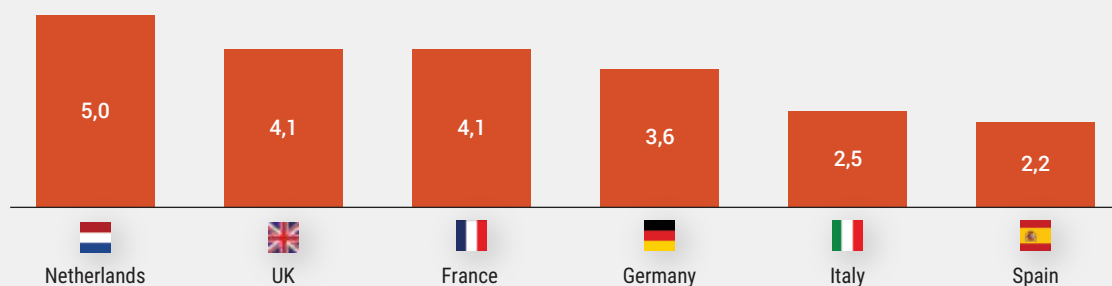
NORTH AFRICA

In North Africa, Morocco and Egypt continue to receive strong favorability scores from enterprise CX decision-makers. French firms view Morocco almost as an extension of their domestic market, with Casablanca, Rabat, and Tangier serving as established delivery centers. Morocco's relative political stability and cultural alignment with France reinforce its role as a premier nearshore destination.

Egypt retains its strategic appeal due to its scale, multilingual workforce, and growing CX specialization. Its ongoing inclusion among the top five most favored offshore destinations globally reflects its cross-market relevance, but it is especially valued by European clients for its blend of technical capabilities and price competitiveness. While saturation concerns at times enter sourcing conversations regarding Cairo, Alexandria is rapidly gaining ground as a preferred site. Egypt's port city boasts lower attrition rates than what's often found in the capital. And *A/lex* has a multilingual heritage that enables scalable CX recruitment in English, French, German, Italian and Spanish.

Egypt's Offshore Favorability

Average ratings of CX Decision-Makers in respective markets
(1=not favorable, 8=very favorable)



Source: Ryan Strategic Advisory, CX Technology and Global Services Survey 2025, pp.120-130.

Tunisia remains a promising secondary market for French enterprises. Improved network infrastructure, combined with strong human capital in urban areas like Tunis, bolster its position. While smaller in scale than Egypt or Morocco, Tunisia offers a focused and highly adaptable CX environment.



Octopus Outsourcing, Contact Center

OCTOPUS OUTSOURCING COMBINES HUMAN TALENT AND INNOVATIVE SOLUTIONS TO EXCEED CLIENT EXPECTATIONS

Egypt continues to be a highly favored BPO location delivering multilingual service for European enterprises because it provides the technical and communications infrastructure and rich talent pool that support innovation for a wide range of outsourced services. This environment allows outsourcers to deliver the customer experience that builds loyalty at competitive prices in an easily accessible location.

When it comes to outsourcing, Egypt is much more than the capital, Cairo. Its second-largest city, Alexandria offers unique advantages, built on its thriving cosmopolitan and international outlook and large, vibrant workforce of digital-savvy young people. This results in low attrition rates, digital natives who can meet customers on the channels they want to use, and a western, multilingual outlook.

From its beginnings in 2020, Octopus Outsourcing has been anchored in Alexandria, combining its geographical advantages with the company's background in software development and technology outsourcing. This heritage and a strong staff of software engineers, data scientists, and UI/UX engineers in addition to experienced agents gives Octopus a competitive advantage in a market where AI is increasingly important. Today, it designs, develops, and deploys customized AI-driven and automation solutions to enhance operational efficiency throughout the customer support lifecycle and deliver value to clients.



Alexandria, Egypt



Octopus Outsourcing, Contact Center

“Our focus is on refining and adapting our intelligent tools to align seamlessly with each client’s unique strategic and operational context. This ensures every solution we deliver drives measurable value and enduring impact, helping us to exceed the targets clients set for us,” said Ahmed Allam, Director of Business Development & Solutions.

By creating its digital solutions in-house, Octopus can ensure their security, adapt them to specifically meet client needs, and offer the flexibility to deploy them onsite or in the enterprise-grade cloud.

One of its most transformative innovations is a real-time translation tool that enables English- and Arabic-speaking agents to communicate effortlessly with customers around the world in more than 75 languages. Unlike traditional translation systems that often produce overly formal or stilted responses, this tool incorporates cultural nuances, idioms, and slang to create natural, native-like interactions. Each message is then processed through the company’s advanced text refinement engine, which leverages contextual intelligence to ensure that every response is accurate, error-free, and contextually appropriate.



Our focus is on refining and adapting our intelligent tools to align seamlessly with each client’s unique strategic and operational context.

Ahmed Allam
Director of Business
Development & Solutions,
Octopus Outsourcing



Octopus Outsourcing, Contact Center

One client, an on-demand delivery service based in the UAE, needed support in the Urdu language. However, the availability of fluent Urdu speakers in Egypt was extremely limited.

Leveraging its advanced translation tool, Octopus now enables seamless communication between agents, drivers, and customers in natural, conversational Urdu. The interactions are so fluid and authentic that customers cannot distinguish that the agents are not native speakers.

Its portfolio of digital solutions also includes a forecasting engine and AI powered chatbots that work in tandem to enhance and streamline customer service operations. By leveraging historical data and other relevant datasets, the forecasting engine enables clients to proactively optimize staffing levels and resource allocation. The AI chatbots, powered by large language models (LLMs), deliver smooth, natural responses to customer inquiries and seamlessly transfer conversations and all relevant context to a human agent when necessary. Uniquely, Octopus also offers clients the option to deploy these LLMs locally, providing a fully on premises solution for organizations that prioritize data control and security.

The Octopus QA AI Validation tool automates the evaluation of customer interactions to ensure consistent quality and performance. Using artificial intelligence to analyze sentiment, accuracy, compliance, and other client defined quality metrics, the tool delivers actionable insights into both agent performance and customer experience, highlighting opportunities for continuous improvement.

The Octopus unified portal is a customizable platform designed to meet each client's specific needs. It consolidates all essential tools in one place and supports multiple users by providing each agent with secure access to their authorized tools through a personalized login page. It brings together all essential tools in one place, giving clients a single, convenient hub; a true one-stop shop for all their digital solutions.



The ability to design, build, and deploy innovative tools and the performance this enables have driven significant growth through both helping clients enter new geographies and markets and expanding the lines of business clients can take advantage of.

This past year alone, the agent force in the primary Octopus contact center in Alexandria has grown by more than 60%. The company has also added seats in Cairo and is building both a new site in Alexandria and another site in Asyut in upper Egypt.

As it grows, Octopus also adds value to the communities where it has locations and workers. As an example of this, Octopus worked with its sister company, autonomous driving and e-vehicle developer Bright Skies, to create electric buses that transport agents to and from their facility. This provides sustainable transportation while reducing congestion and pollution for Octopus's neighbors.

Continual innovation is a both key to the success Octopus has built and a foundation for exceeding the ever-evolving expectations of its clients and their customers.

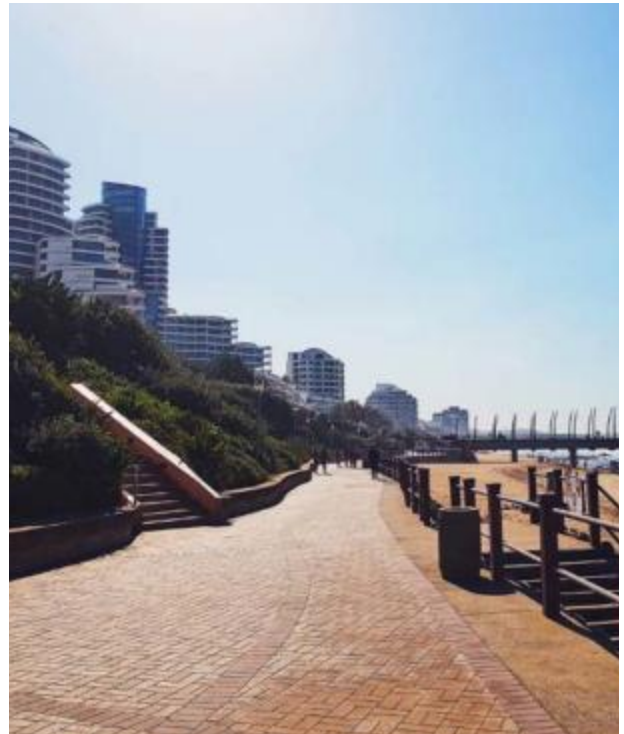
"We have a plan to cover each and every aspect of the call center industry with our AI-powered solutions," said Allam. "We have a lot of ideas on our plate, several in development, others being tested as we prioritize what our clients need right now and anticipate what they will need next."



SUB-SAHARAN AFRICA

Parts of sub-Saharan Africa, while further away from Western Europe and less penetrated by large outsourcers, are gaining traction. In fact, CX decision-makers eyeing the Dutch market appear to favor the region more than CEE.

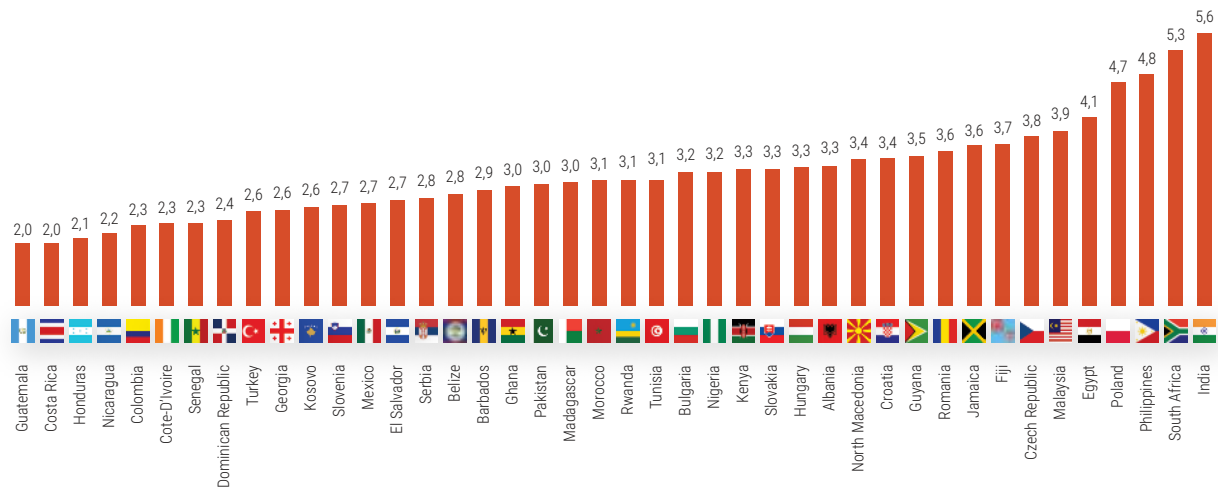
South Africa continues to perform well among UK enterprises. This country is viewed as especially effective for voice-based support, including scalable access to fluent English speakers and time-zone alignment. Although fully loaded costs have crept up in Cape Town, high penetration of the South African market has led to ongoing growth in Johannesburg, Durban, Gqeberha (Port Elizabeth) and Paarl.



Durban, South Africa

United Kingdom Offshore Location Favorability

Provide your degree of favorability (1=not favorable, 8=very favorable) for the following locations for contact center delivery.



Source: Ryan Strategic Advisory, CX Technology and Global Services Survey 2025, p.120.

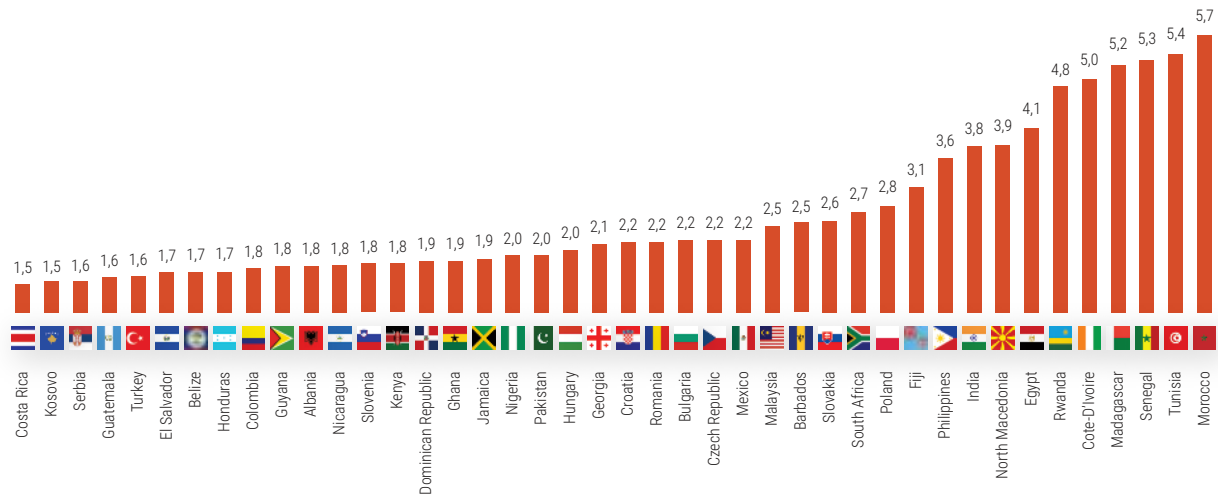


Nairobi, Kenya

Elsewhere, Rwanda and Kenya resonate for their English-language voice offerings and growing operational maturity. And Nigeria continues to gain favorability thanks to its voice-based English CX and capacity to scale KPO solutions. Meanwhile Senegal, Madagascar, and Côte d'Ivoire enjoy notable degrees of favorability as French-language destinations.

France Offshore Location Favorability

Provide your degree of favorability (1=not favorable, 8=very favorable) for the following locations for contact center delivery.



Source: Ryan Strategic Advisory, CX Technology and Global Services Survey 2025, p.127.

In recent years, talk of “emerging Africa” has once again gained the attention of outsourcers. The pitch involves heavy emphasis on an investment’s potential to not only transform the lives of employees, but to ignite social benefits that improve wider communities. Certainly, uplifting press accounts of the virtuous cycle underway in Kenya and elsewhere are heartwarming.

However, the data points to more concrete commercial reasons: Sub-Saharan Africa’s growth as a BPO destination involves the identification of clear pockets of human talent with language and CX skills. To a lesser degree, government incentives and solid digital infrastructure hold sway. By contrast, ‘impact sourcing offerings’ is one of the lowest priority attributes for an outsourcer to possess in a bid to win new contracts.⁴



A clutch of nations with populations of less than 4 million have, despite their size, emerged on the radar of Western European buyers seeking service delivery within the EU. Croatia and Slovenia both offer competitive labor costs, and each has a growing talent base of English and Italian speakers. Hence, they appeal for CX services in Italy.

SMALLER NEARSHORE MARKETS

Ljubljana, Slovenia

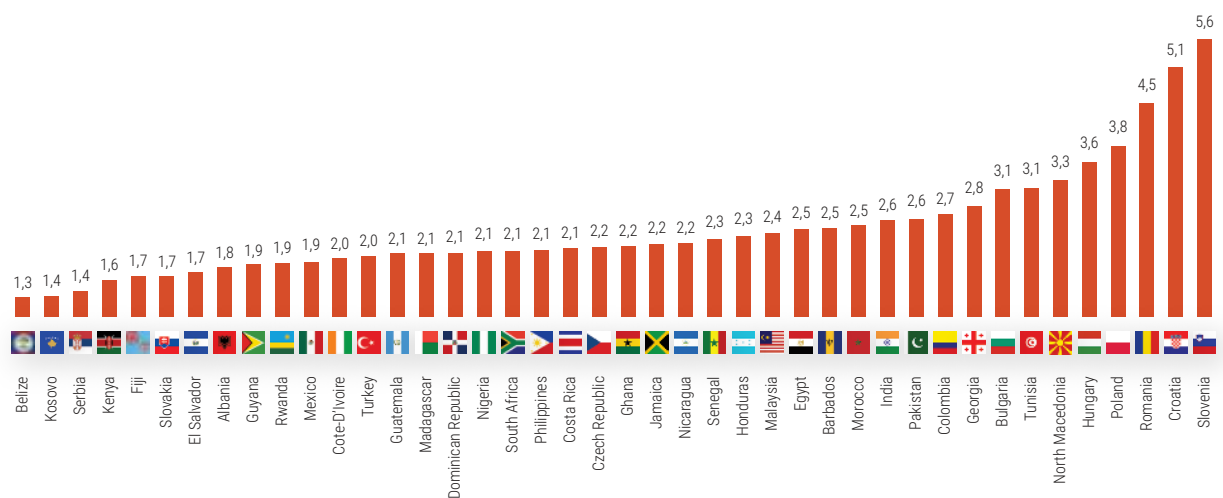
⁴ Ryan Strategic Advisory, CX Technology and Global Services Survey 2025, p.89.



Tbilisi, Georgia

Italy Offshore Location Favorability

Provide your degree of favorability (1=not favorable, 8=very favorable) for the following locations for contact center delivery.



Source: Ryan Strategic Advisory, CX Technology and Global Services Survey 2025, p. 129.

North Macedonia and Georgia have also gained attention from outsourcers. Historically, both countries lie along the crossroads of large, influential civilizations. Over time, this has nurtured a multilingualism that today strengthens CX labor pools. Yet, each country offers its unique advantages. Georgia promises impressive tax incentives and ease of startup, while the North Macedonian capital of Skopje offers greater proximity.

Capacity exists for BPO expansion in the Balkans. Serbia and Kosovo clearly possess the human talent and cost features to attract and support vibrant outsourcing sectors. Over the medium term, consideration of these markets will involve balancing the desire for pockets of CX potential with perceptions of limited scalability and geopolitical risk.



Pristina, Kosovo

CONCLUSION: THE STRATEGIC ROLE OF THE NEARSHORE

In 2025, nearshore delivery has moved from being a convenient alternative to a foundational element of Europe's customer experience ecosystem. As economic conditions improve but operational pressures persist, enterprises must navigate a complex mix of rising consumer expectations, technology innovations and stringent regulatory demands. Nearshore partnerships offer a critical path forward—balancing quality, cost-efficiency, compliance, and innovation.

The 2025 Survey results highlight how European firms are modifying delivery models. Central and Eastern Europe continues to attract UK, Dutch, and German enterprises seeking multilingual talent and digital maturity within an EU-aligned framework. For French firms, North Africa—particularly Morocco and Tunisia—offers not only linguistic and cultural affinity but also niche specialization. Meanwhile, sparks of service delivery innovation have ignited BPO sectors in places as distinct as the Balkans, sub-Saharan Africa, and the Caucasus.



Tirana, Albania

Enterprises are no longer merely outsourcing tasks—they are seeking strategic partners capable of driving performance through advanced technologies, resilient workflows, and robust compliance. Nearshore destinations that can deliver on these expectations will remain indispensable to the future of European CX.

Ultimately, the nearshore is not a stopgap but a strategic lever. It enables European enterprises to remain agile, meet rising standards, and future-proof their service delivery in a market defined by complexity and transformation.

RYAN
STRATEGIC
ADVISORY

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