NelsonHall
Success through insight

Transforming Software Testing Services Through Transformation

Market Analysis
Abstract

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Who Is This Report For?

NelsonHall's "Transforming Software Testing Services Through Automation" report is a comprehensive market assessment report designed for:

- Sourcing managers investigating sourcing developments within software testing, whether project services or managed testing services

- Vendor marketing, sales and business managers developing strategies to target software testing service opportunities

- Financial analysts and investors specializing in the IT services sector.

Scope of the Report

The report analyzes the worldwide market for software testing services. It addresses the following questions:

- What is the current and future market for software testing services?

- What are the client segments for software testing services and their characteristics? What are the drivers, benefits, and inhibitors for each segment?

- What is the size and growth of the software testing services markets by client segment, geography, service line, activity and sector?

- How did spending grow in 2015 and how will it increase in 2016 and onwards?

- How is the market organized? Who are the main vendors? How can they assessed and compared? What are vendor challenges and critical success factors by market segment?

- What are the offerings in the market?

- What is the impact of digital activity (including cloud computing, analytics, data warehousing and big data, e-commerce and mobile apps, IoT, as well as DevOps and agile) on software testing

- How is automation shaping in software testing? What are the trends with regarding to COTS, proprietary accelerators and open source software?

- What is the early use case for cognitive and AI?

Key Findings & Highlights

NelsonHall's market analysis of the software testing services market consists of 99 pages. Software testing is truly at the forefront of innovation with regards to automation (years before RPA came into fashion), and now AI/cognitive.

The software testing services market is going through an important change in dynamics. Spending has been growing in recent years in the double-digits, in spite of the sub-prime and the resulting sovereign debt crises; managed testing services led this growth during the period. This trend is now probably over, with the market reaching saturation for managed testing services activities in the U.S. and U.K. Financial services has historically been the largest sector of adoption, representing 38% of spending globally.

While demand for managed testing services is decelerating, demand for digital testing is rising, initially through e-commerce and mobile app projects, often associated with agile methodologies (and increasingly associated by the underlying DevOps technology). Demand in digital testing is expanding from websites and mobile apps to cloud computing (and in particular SaaS application testing), analytics and big data, and is nascent in IoT.

In spite of the strong demand for digital testing, the sharp decline in growth in managed testing services results in overall software testing services dropping to single-digit numbers in 2016 and onwards. Volume is down and prices will also continue decreasing, as client organizations focus increasingly on automation and productivity gains.

The good news is that testing service vendors have not waited for the RPA trend to emerge in the past two years: for more than 15 years they have supplemented testing COTS with their own proprietary accelerators and IPs, and also using open source software. In the past two years, several vendors have invested in building platforms that combine COTS, proprietary IPs and open source software, with the intention to automate the full testing lifecycle. First examples of platforms are found in DevOps and also in digital/omni-channel.

In addition, the software testing industry is also experimenting with AI/cognitive technologies and is looking to understand the vast amount of data found in defect management tools, ITSM software and production logs. More than ever, the software testing services market is at the forefront of innovation in the IT services industry, and innovation in testing is an industry best-kept secret.

Contents

Report Length

99 slides, consisting of eight chapters plus appendices

Vendors Researched

Accenture, Amdocs, Applause, Atos, Capgemini, Ciber, Cigniti, CSC, CSS Corp, Cognizant, Dell Services, EPAM Systems, Hexaware, IBM Global Services, Infosys, L&T Infotech, Mindtree, NIIT Technologies, NTT DATA, Olenick & Associates, QA Infotech, QualiTest Group, SQS, Tech Mahindra, TCS, Virtusa (inc. Polaris Consulting & Services).

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