Software Testing Services: The Impact of Digital and DevOps

Market Analysis
Abstract

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Who Is This Report For?

[destination]

NelsonHall's "Software Testing Services: The Impact of Digital and DevOps" report is a comprehensive market assessment report designed for:

- Sourcing managers investigating sourcing developments within software testing services and within digital services
- Vendor marketing, sales and business managers developing strategies to target software testing service and digital service opportunities
- Financial analysts and investors specializing in the IT services sector.

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Scope of the Report

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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 (including digital testing services and crowdtesting), activity, and sector?
- How did spending grow in 2016 and how will it increase in 2017 and onwards?
- How is the market organized? Who are the main vendors? How can they be assessed and compared? What are vendor challenges and critical success factors by market segment?
- What are the offerings in the market?
- How are software testing and digital services shaping?

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Key Findings & Highlights

NelsonHall's market analysis of the software testing services, digital testing services, and the crowdtesting market consists of 69 pages. It provides an in-depth understanding of the dynamics at play in the software testing services and digital testing services market.

The software testing services market is a maturing market, expected to grow by 6.5% over the 2016-2021 period, from $20.4bn to $27.9bn. Within software testing services, spending is shifting: the share of functional testing in 2016 was 62% of software testing spending, and will decrease to 52% by 2021.

Spending in specialized testing services (i.e. non-functional, digital, and test support services) will grow to 48% of total spending. Within specialized testing services, digital testing is the fastest growing (+15% annually during the 2016-2021 period). Non-functional (performance and security) will be up 11%, and test support services up 9% annually.

Demand for digital testing services is structured around three sub-segments: mobility testing, UX testing, and other digital testing. Growth is fastest in UX testing currently, thanks to accessibility and usability testing. In the next few years, NelsonHall is expecting sustained growth in usability testing.

From a contract structure perspective, the software testing services market has evolved significantly. Multi-year managed testing services now represent 47% of testing services spending. The market for these managed testing services contracts has slowed down, and price pressure has increased. The organization of the TCoEs (which are the delivery engine for managed testing services contracts) needs to be adapted to the digital world. TCoEs are now aiming to maintain their characteristics (offshore delivery, low costs, and delivery centralization) to adapt to agile development and testing projects. This adaptation to agile requires a shift in the skills of manual testers, the development of scriptless or testing object based frameworks, and the deployment of automation software tools around DevOps.

The ecosystems of the software tools used has evolved in the context of specialized testing services. Testing software products of HPE/Micro Focus and of IBM remain relevant in the non-digital world, with clients retaining their existing tool license and script investments. In the digital and agile/DevOps world, the ecosystem of software tools is oriented towards open source software (with Selenium as main software and Jenkins in CI/CD) and ten small ISVs (e.g. Tricentis). In addition, testing service vendors are increasingly building their own platforms, aligned around DevOps/continuous testing, the testing lifecycle, and increasing digital testing.

Contents

Report Length

69 slides, consisting of seven chapters.

Vendors Researched

Accenture, Amdocs, Applause, Atos, Capgemini, Cigniti, Cognizant, CSS Corp, EPAM Systems, HCL Tech, IBM, Infosys, L&T Infotech/LTI, NTT DATA, Passbrains, QA InfoTech, QualiTest, Qualitrix, SQS, TCS, Tech Mahindra, Testbirds, Virtusa, and Wipro.

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