



HQ/CS/CL.24B/16644  
December 12, 2018


Sir,

**Sub: Press Release - Tata Communications discovers digital transformation disparity in new study**

Please find attached herewith the press release on the captioned subject being issued today.

Thanking you,

Yours faithfully,  
For Tata Communications Limited

  
Manish Sansi  
Company Secretary &  
General Counsel (India)

To:

- 1) Security Code 500483, BSE Ltd, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.
- 2) Security Code TATACOMM, National Stock Exchange of India Limited. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra 400051

**TATA COMMUNICATIONS**

Tata Communications Limited

Plot C 21 & C 36 'G' Block Bandra Kurla Complex, Mumbai 400 098 India

Regd. Office : VSB Mahatma Gandhi Road Fort Mumbai – 400 001 India

Tel 91 22 6659 1966 Fax 91 22 6725 1962 website [www.tatacommunications.com](http://www.tatacommunications.com)

CIN : L64200MH1986PLC039266

For immediate release

PRESS RELEASE

## Tata Communications discovers digital transformation disparity in new study

*Decision makers are optimistic about the impact of AI, IoT, predictive analytics and blockchain on business and society - but cost and security concerns and lack of skills are barriers to adoption*

London, UK - December 12<sup>th</sup>, 2018 - ‘The Cycle of Progress’, a study<sup>1</sup> by [Tata Communications](#), a leading global digital infrastructure provider, reveals that leaders have vastly different takes on their organisation’s digital transformation compared with the managers who are implementing the new technologies. According to the survey, decision makers in Europe and North America are more optimistic about the potential of digital solutions in boosting their competitiveness compared with their peers in Asia and the Middle East. Yet, the perceived high cost of innovation, lack of skills and the threat of cyber-attacks are proving major barriers for digital transformation globally.

The bi-annual study aims to assess the power and potential of digital infrastructure in the global digital economy by tracking decision makers’ views around emerging technologies.

### Leaders believe their business is further along in the digital transformation journey than it really is

Board members and C-level respondents have drastically different views from the rest of their organisation in regard to the maturity of the implementation of new technologies. The study found that 41% of board members and 33% of C-level executives believe that they are leading their industry in adopting new technologies, in comparison to just 18% of directors and 14% of department heads.

*“The Cycle of Progress’ sounds a warning call for businesses, with a clear ‘perception versus reality’ gap emerging between different levels in organisations, as innovation gathers momentum,” said Srinivasan CR, Chief Digital Officer, Tata Communications. “This disparity highlights that directors and business unit heads must get better at informing the CEO of any challenges they are facing when rolling out new technologies such as IoT and AI. CEOs should ask their teams more probing questions and not get carried away by the digital transformation hype. This reality check will help businesses make the most of the latest technology innovations to deliver new customer experiences and reimagine how they operate.”*

### Businesses don’t believe the scaremongers - they are positive about the potential of technology innovation

Regardless of where their business is on its digital transformation journey, decision makers are firmly focused on the positive impact of technology. According to ‘The Cycle of Progress’, they see a ‘significant’ positive impact from IoT (48%), predictive analytics (43%) and AI (43%). The study also suggests that business leaders in the West tend to have a less optimistic view on AI than their Eastern counterparts. For example, decision makers in Germany and the UK see AI as having little or negative impact (29% in both countries), whereas Indian decision makers see it as having a significant or slight positive impact (95%).

*“Despite scaremongering by some that humans and robots can’t co-exist, our study clearly demonstrates that business leaders are focused on the positive impact of technology innovation,” continued Srinivasan CR. “And, while the AI hype machine may be rumbling into overdrive, it seems that currently businesses rate both IoT and*

---

<sup>1</sup> More than 1,600 business decision makers were surveyed for the Cycle of Progress across 10 countries: Germany, France, UK, Hong Kong, Singapore, India, UAE, Saudi Arabia, US and Canada.

## For immediate release

## PRESS RELEASE

*predictive analytics as bigger drivers of digital transformation than the emerging uses of AI we hear so much about.”*

### Technology brings new prosperity - but also problems

‘*The Cycle of Progress*’ suggests that some technologies are fast becoming ubiquitous in large and small organisations alike. IoT (53%), predictive analytics (51%), AI (46%) and blockchain (44%) are the most widely adopted in the respondents’ organisations, with Sales and Marketing and Customer Service functions further ahead in using these technologies than Finance, HR and Legal departments.

The study also shows that decision makers in Asia and Middle East have seen greater benefits than those in Europe and North America after deploying these technologies. For example, 41% of decision makers in Singapore have seen new sources of revenue from deploying IoT, compared with just 24% of those in Germany and 19% in the UK. Similarly, 40% of decision makers in UAE and Saudi Arabia say that the adoption of blockchain has made their business more secure, compared with just 16% in the UK.

The problems arising from deploying new technologies are universal. For example, 38% of respondents in North America and 36% of those in India say that they have experienced security issues after AI adoption. Regardless of these issues, respondents globally recognise that AI (72%), predictive analytics (73%), blockchain (65%), IoT (75%) and can all have a positive societal impact that goes beyond their own business.

### Security and privacy concerns prevail

Despite the benefits of digital technologies, anxiety surrounding spiralling costs (43%) security (40%) and privacy (37%) are the key adoption barriers for business decision makers, according to ‘*The Cycle of Progress*’. Further to this, business leaders don’t feel prepared for the impact of digital innovations, with the lack of appropriate skills cited as a concern by 30% of all respondents and a similar proportion (28%) highlighting that there is a lack of understanding among employees about new technologies being implemented.

*“Businesses’ technology requirements are growing in complexity in today’s digital economy: they need not only new platforms and systems on which to build new innovative services seamlessly and securely, but also an organisation-wide shift in mindset. In this landscape, there needs to be a culture of constant learning and agility to accelerate digital transformation across the business,”* concluded Srinivasan CR.

Ends...

### About the Cycle of Progress study

The findings, of this independent and private study, are based on over 1,600 business decision-makers, drawn from organisations with over 250 employees or operations in more than one country. These respondents are based across ten different markets: Germany, France, UK, Hong Kong, Singapore, India, UAE, Saudi Arabia, US and Canada. The inaugural study was completed in October 2018 and asked participants a mix of questions that assess the impact of technology over the preceding six months, as well as looking forward to the forthcoming six months.

### About Tata Communications

Tata Communications Limited (CIN no: L64200MH1986PLC039266) along with its subsidiaries (Tata Communications) is a leading global provider of A New World of Communications™. With a leadership position in emerging markets, Tata Communications leverages its advanced solutions capabilities and domain expertise across its global network to deliver managed solutions to multi-national enterprises and communications service providers.

The Tata Communications global network includes one of the most advanced and largest submarine cable networks and a Tier-1 IP network with connectivity to more than 240 countries and territories across 400 PoPs, as well as nearly 1 million square feet of data centre and colocation space worldwide.

 [@tata\\_comm](https://twitter.com/tata_comm) | <https://www.tatacommunications.com/blog/> | [www.youtube.com/tatacomms](https://www.youtube.com/tatacomms)

For immediate release

PRESS RELEASE

Tata Communications' depth and breadth of reach in emerging markets includes leadership in Indian enterprise data services and leadership in global international voice communications. Tata Communications Limited is listed on the Bombay Stock Exchange and the National Stock Exchange of India.

<http://www.tatacommunications.com>

Kersti Klami  
Tata Communications  
+44 7917 173 853  
[kersti.klami@tatacommunications.com](mailto:kersti.klami@tatacommunications.com)

Hannah Taylor  
Hill + Knowlton Strategies  
+44 207 414 3230  
[hannah.taylor@hkstrategies.com](mailto:hannah.taylor@hkstrategies.com)

## Forward-looking and cautionary statements

Certain words and statements in this release concerning Tata Communications and its prospects, and other statements, including those relating to Tata Communications' expected financial position, business strategy, the future development of Tata Communications' operations, and the general economy in India, are forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors, including financial, regulatory and environmental, as well as those relating to industry growth and trend projections, which may cause actual results, performance or achievements of Tata Communications, or industry results, to differ materially from those expressed or implied by such forward-looking statements. The important factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements include, among others, failure to increase the volume of traffic on Tata Communications' network; failure to develop new products and services that meet customer demands and generate acceptable margins; failure to successfully complete commercial testing of new technology and information systems to support new products and services, including voice transmission services; failure to stabilize or reduce the rate of price compression on certain of the company's communications services; failure to integrate strategic acquisitions and changes in government policies or regulations of India and, in particular, changes relating to the administration of Tata Communications' industry; and, in general, the economic, business and credit conditions in India. Additional factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements, many of which are not in Tata Communications' control, include, but are not limited to, those risk factors discussed in Tata Communications Limited's Annual Reports. The Annual Reports of Tata Communications Limited are available at [www.tatacommunications.com](http://www.tatacommunications.com). Tata Communications is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements.

\*\*\*\*\*



[@tata\\_comm](https://twitter.com/tata_comm) | <https://www.tatacommunications.com/blog/> | [www.youtube.com/tatacomms](https://www.youtube.com/tatacomms)