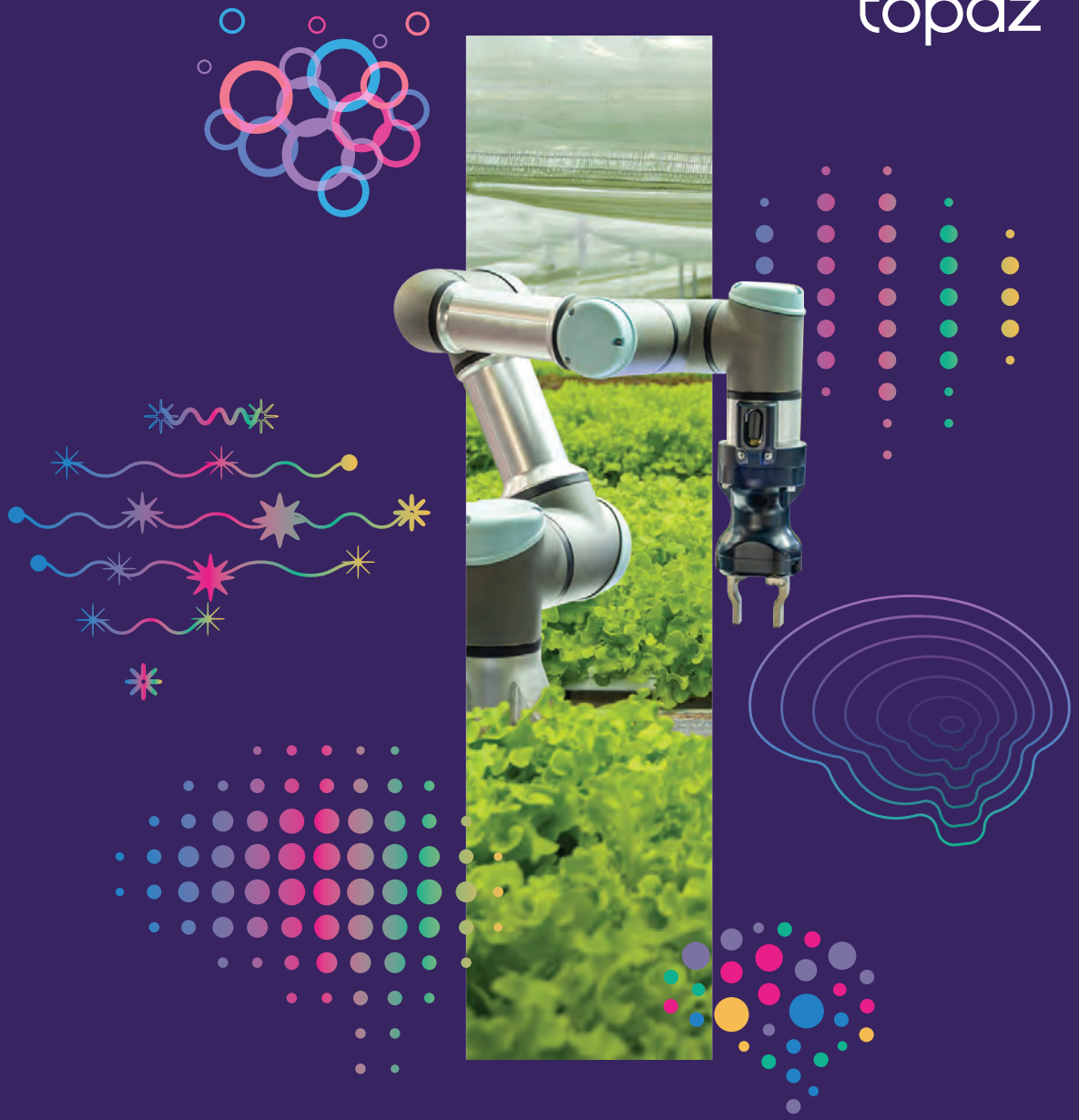
GENERATIVE AI RADAR
HIGH TECH

Infosys topaz



Infosys® | Knowledge Institute

Generative AI Radar – High tech

Generative AI is still new, yet enterprises are already exploring its transformative potential

This year will bring further developments in generative AI as organizations get to grips with this transformative technology. So where are they now?

Through this study we aimed to uncover how companies use generative AI, how much they spend on it, how it's being rolled out in organizations large and small, and where it makes an impact. We looked at 3,000 companies across 12 industries:

- Automotive
- Consumer package goods
- Energy, mining, or utilities
- Financial services
- Healthcare
- High tech
- Insurance
- Life sciences
- Logistics or supply chain
- Manufacturing
- Retail or hospitality
- Telecommunications

Many companies told us they are already spending significant sums of money - and are set to spend more this year. However, this pattern isn't the same across sectors. In this data book we highlight how high tech compares with the rest of the pack.

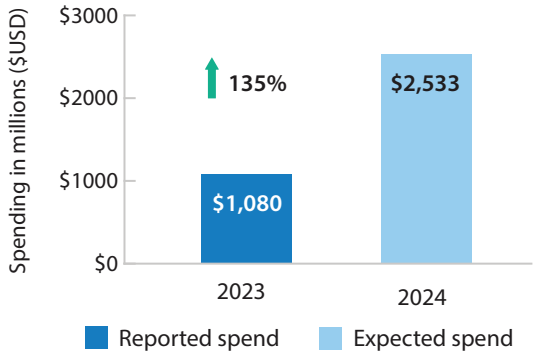
Spending will more than double

High tech in the top third of sectors for spending growth

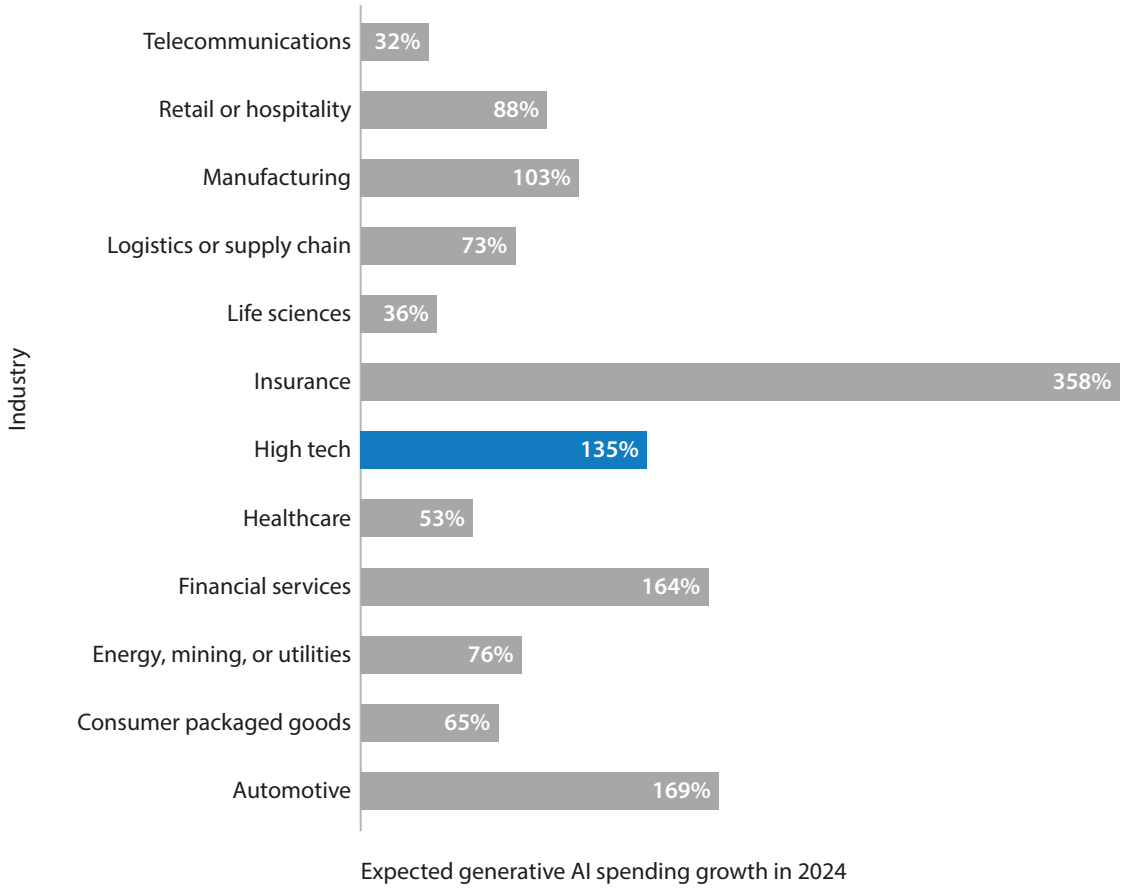
High tech's spending is set to grow by 135% in next year – High tech spent more than $1 billion on generative AI in 2023, with this projected to grow to $2.5 billion in 2024.

This growth is the fourth highest across all 12 industries we sampled.

Generative AI spending: High tech industry spending



Expected generative AI spending growth in 2024 by industry



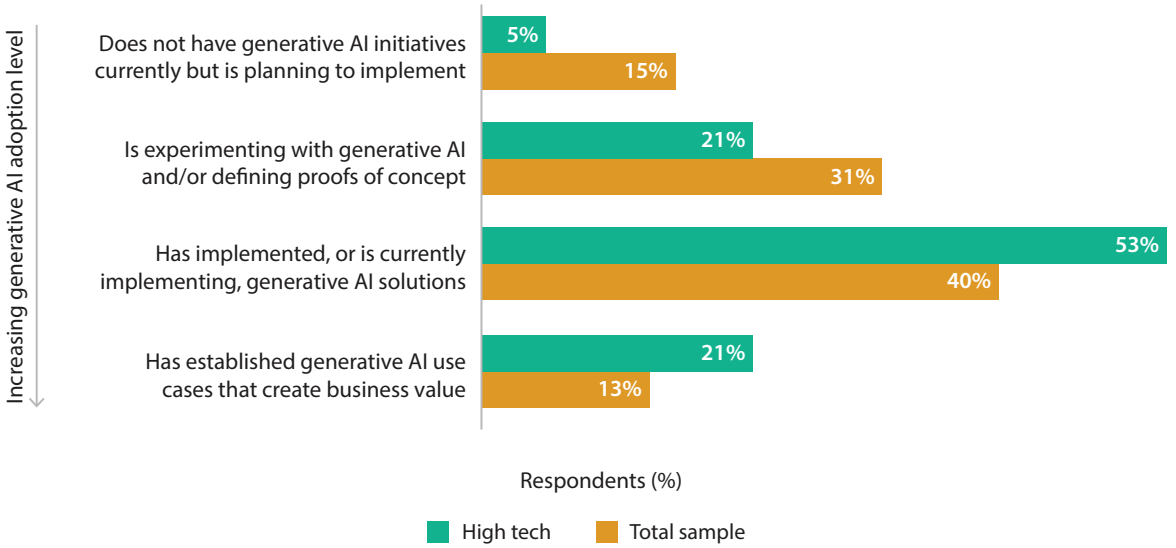
Generative AI beds in

74% of high tech companies are implementing or have generated business value from generative AI

Nearly all high tech companies have started their generative AI journey – Only 5% of our high tech industry sample has not started experimenting with generative AI.

One-fifth of high tech firms have use cases that generate business value – 21% of our high tech sample has already created business value through their generative AI use cases, compared with 13% of our overall sample.

Generative AI adoption by proportion of respondents



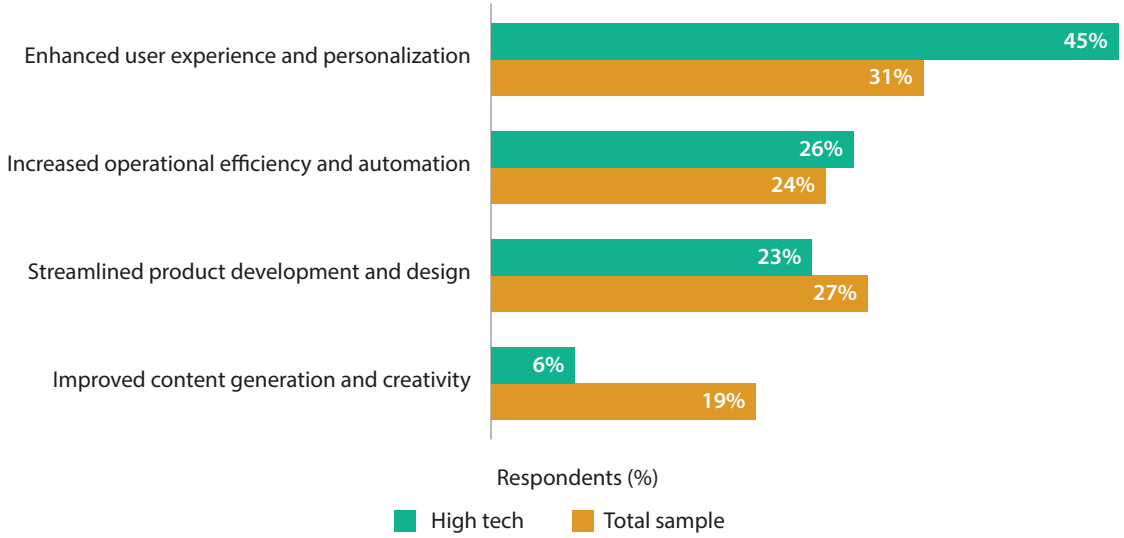
User experience leads high tech's generative AI optimism

High tech companies expect biggest gains in this key use case

Higher optimism for user experience – High tech expects generative AI to have higher positive impact on user experience than the total sample (45% vs 31%).

High tech companies least optimistic about improved content generation and creativity – 6% of the high tech industry believe generative AI will have a positive impact on content and creativity, much less than the total sample (19%).

Where companies expect generative AI to have the most impact

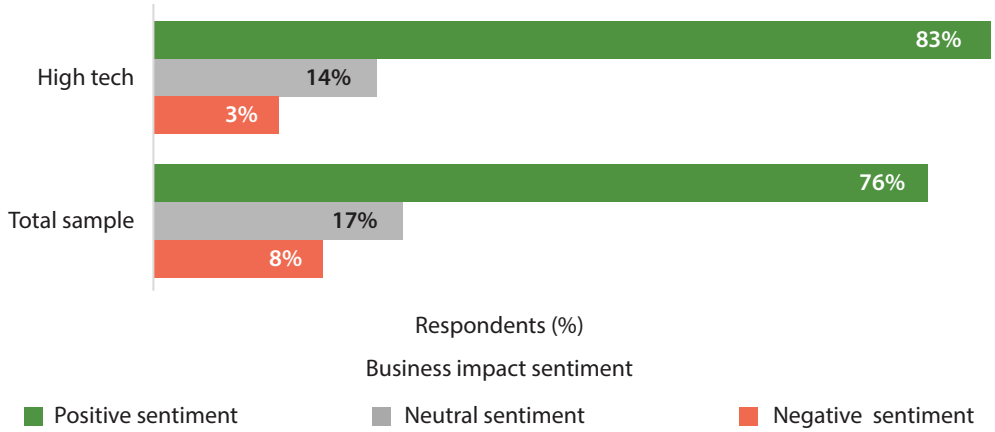


High tech is optimistic about generative AI

High tech is more positive about generative AI's business impact than the overall sample

The high tech industry is positive about generative AI's impact on business – 83% of high tech believe generative AI will have a positive impact on business. Only 3% of the industry reported negative sentiment about generative AI's business impact.

Expectated generative AI impact on business areas by proportion of respondents



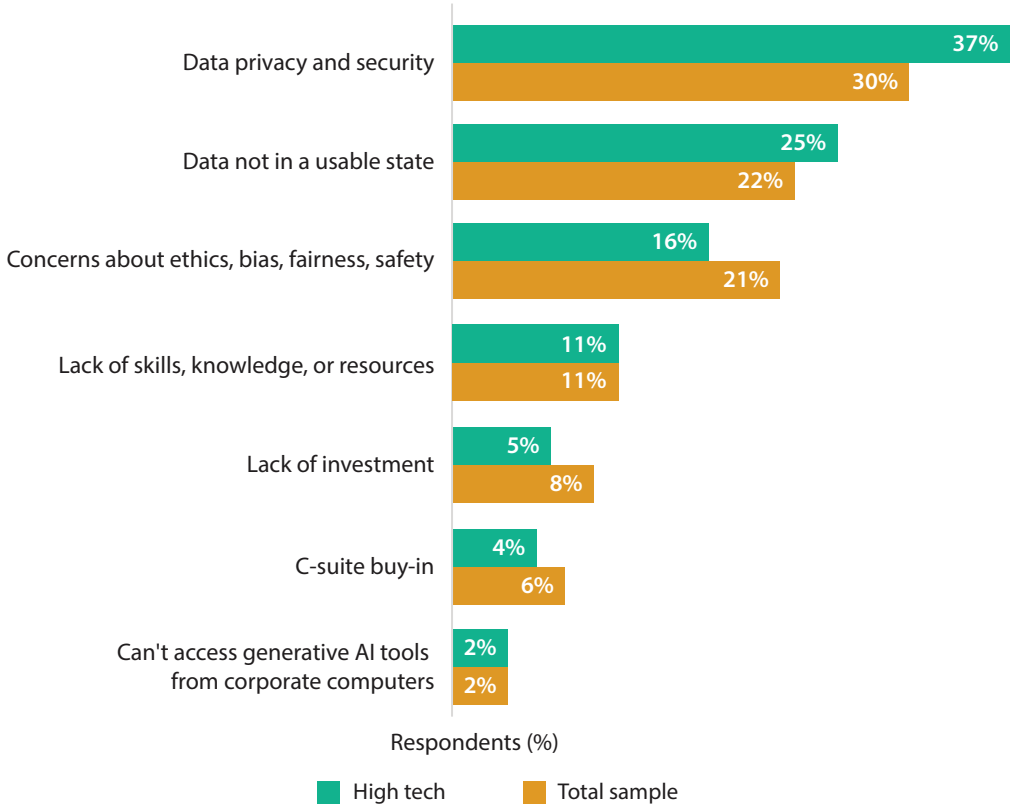
Note: We calculated "business impact sentiment" by asking survey respondents to rate their sentiment on generative AI's impact on the following business areas: business model, cost efficiency, profit, reputation, revenue, and talent. Then we combined those answers into one measure.

Obstacles to generative AI adoption

High tech is most concerned with data privacy, security, and usability.

High tech firms worried about data privacy and security, as well as the usability of data – 37% of high tech ranked data privacy and security as their top challenge to generative AI adoption. Another 25% of high tech firms ranked data usability as their key obstacle. These sentiments are statistically the same as the overall trend.

Obstacles to generative AI adoption by proportion of respondents



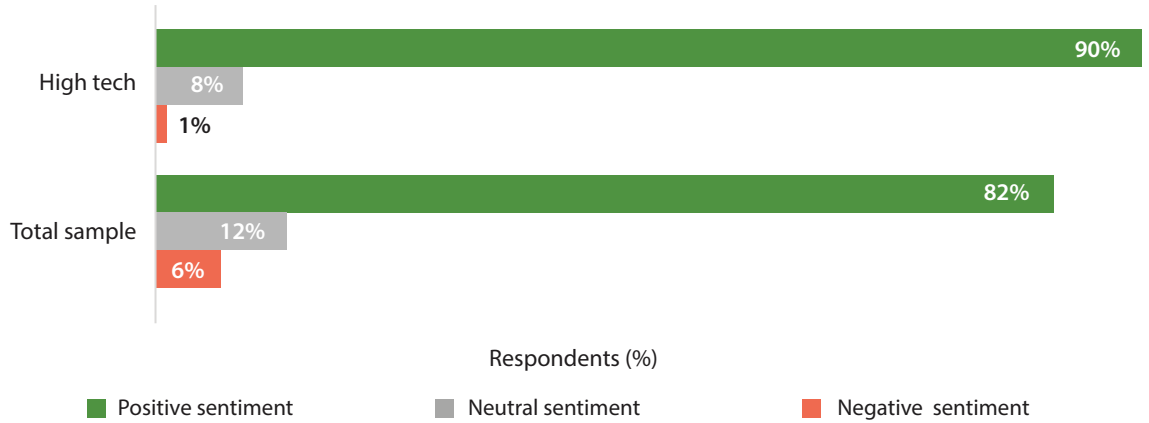
Note: Percentage of respondents ranking challenge as biggest obstacle to implementing generative AI. Percentages do not add up to 100% because of rounding.

High tech companies are confident in their management

Only 1% of the high tech sector is negative about their ability to manage generative AI

High tech companies more confident in their generative AI management – 90% of the high tech is positive in their ability to manage generative AI – compared to 82% of our overall sample. Only 1% of high tech expressed a negative sentiment.

Confidence in ability to manage generative AI by proportion of respondents



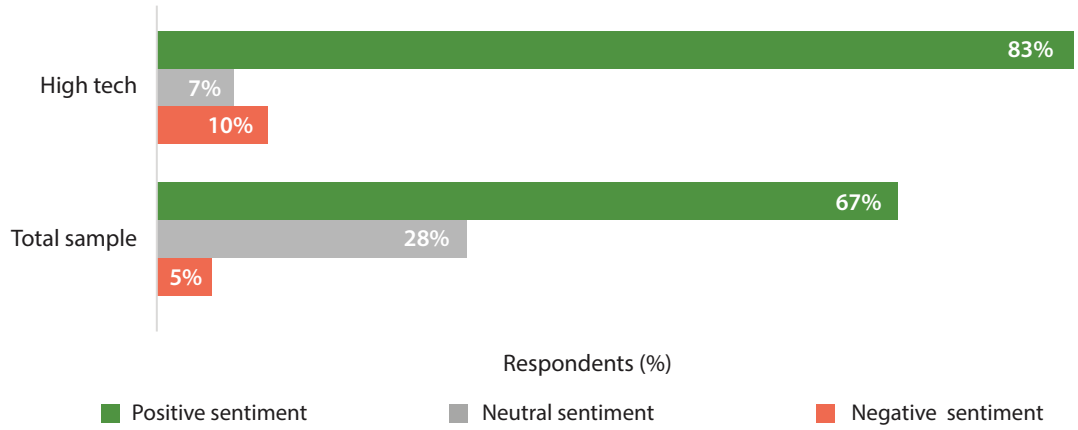
Note: Sentiment on confidence in managing generative AI systems. Percentages do not add up to 100% because of rounding.

Workforce generative AI readiness

Most of high tech is confident about the readiness of their workforce for generative AI

High tech companies are significantly more confident than other industries than that their teams are ready for generative AI – 83% of high tech is significantly more positive about workforce generative AI readiness than our overall survey (67%).

Sentiment on workforce readiness to adopt generative AI by proportion of respondents



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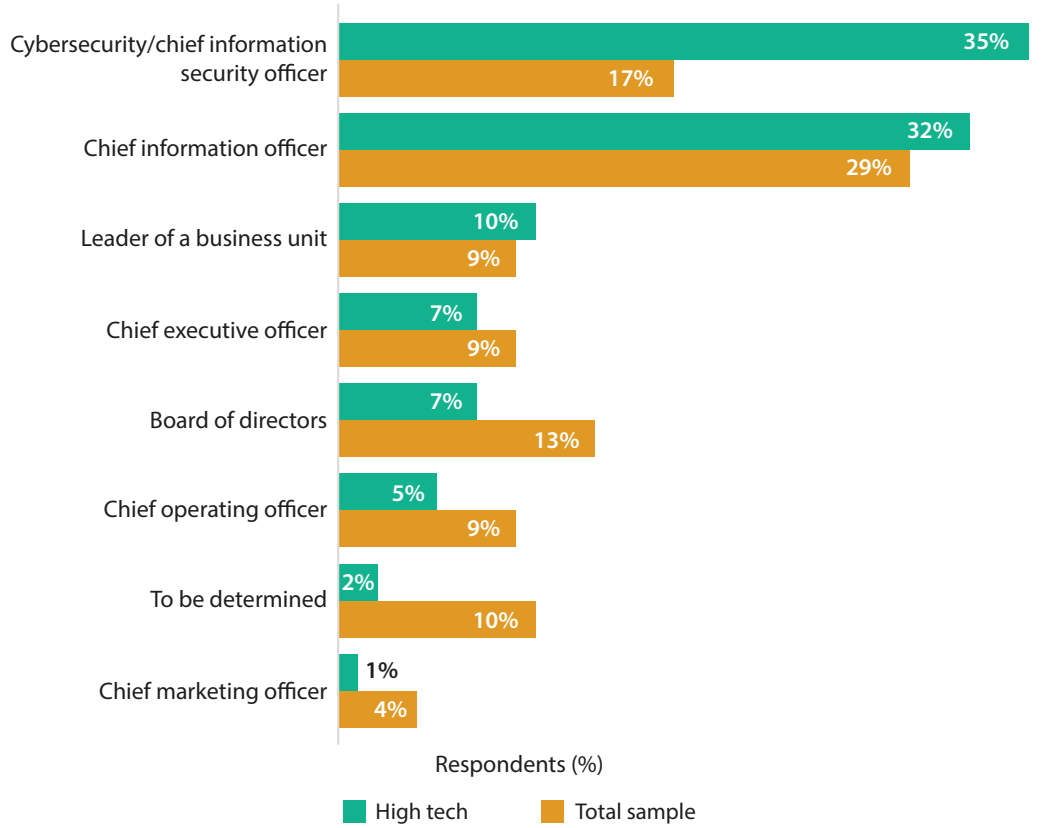
High tech firms focused on generative AI leadership

IT and cybersecurity leadership are the main sponsors of generative AI for high tech companies

CIOs and CISOs sponsor generative AI in high tech – High tech companies are focused on the tech requirements of generative AI and are more likely to have the CIO and CISO as the primarily sponsors of generative AI. High tech CISOs sponsor generative AI initiatives more often than the overall trend (35% vs. 17%).

Fewer high tech companies reported no one as the primary sponsor – 10% of the overall sample report the primary generative AI sponsor as "to be determined". Only 2% of high tech reported the same.

Primary sponsor of generative AI intiatives by proportion of respondents



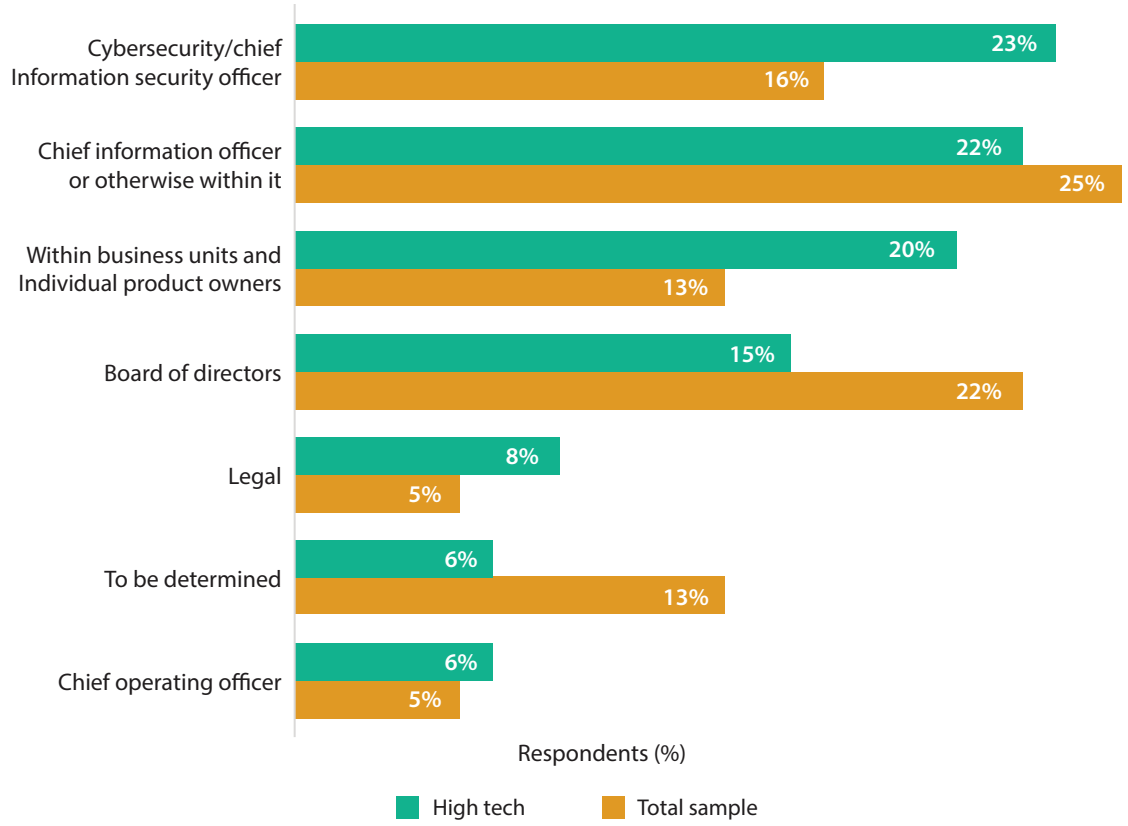
Security chiefs lead on regulation in high tech firms

Strong awareness of the demands of ethics and regulation in high tech firms

Cybersecurity and chief information officers take the regulatory lead – 23% of cybersecurity officers and 22% of chief information officers (CIOs) take the lead definition of generative AI regulations and policies.

However, high tech board of directors take the lead less often than the overall sample (22%).

Primary generative AI policy maker by proportion of repondents



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