

GENERATIVE AI RADAR TELECOMMUNICATIONS

Infosys
topaz



Generative AI Radar – Telecommunications

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

This year will bring further developments in generative AI as organizations familiarize themselves 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, 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 telecommunications compares with the rest of the pack.

Generative AI spending

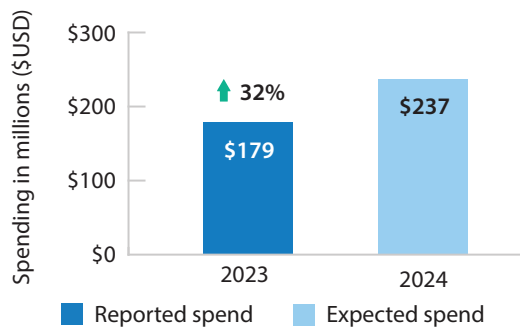
Generative AI spending is growing far slower in telecoms than other industries

Spending by telecoms is set to grow by 32% in 2024 –

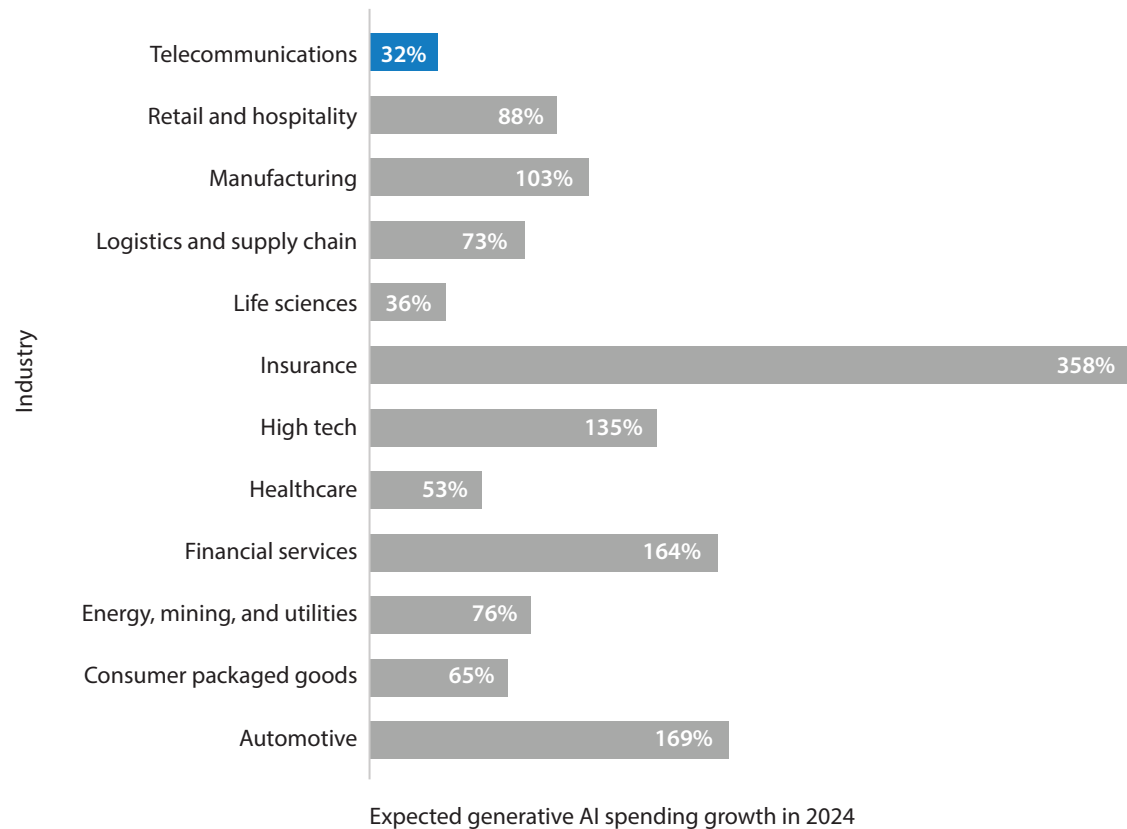
Telecoms spent \$179 million on generative AI in 2023. This is projected to grow to \$237 million in 2024.

Generative AI spending growth in telecoms lags most other industries – Spending on generative AI is expected to grow by only 32% in the next year. This is among lowest growth across the 12 industries we surveyed.

Telecom generative AI spending



Expected generative AI spending growth in 2024 by industry



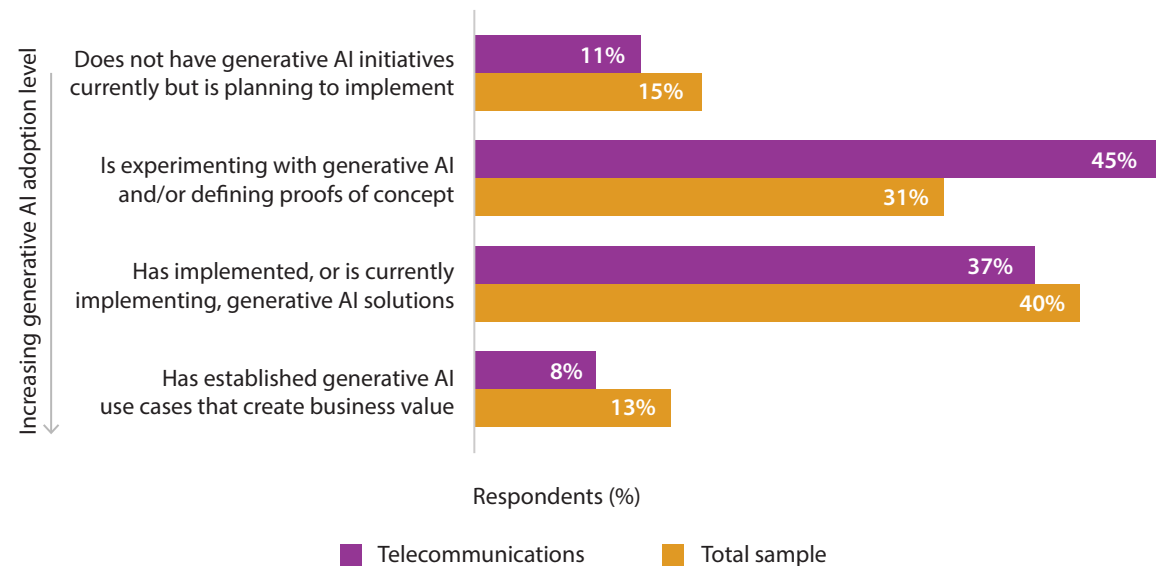
Generative AI adoption

45% of telecom companies are implementing or have generated business value from generative AI

Nearly all telecom companies have started their generative AI journey – 89% of the industry has started experimenting with generative AI. Nearly 10% has use cases that generate business value.

Most telecoms are experimenting with generative AI – A higher percentage (45%) of telecom companies are experimenting with generative AI than the overall sample.

Generative AI adoption by proportion of respondents



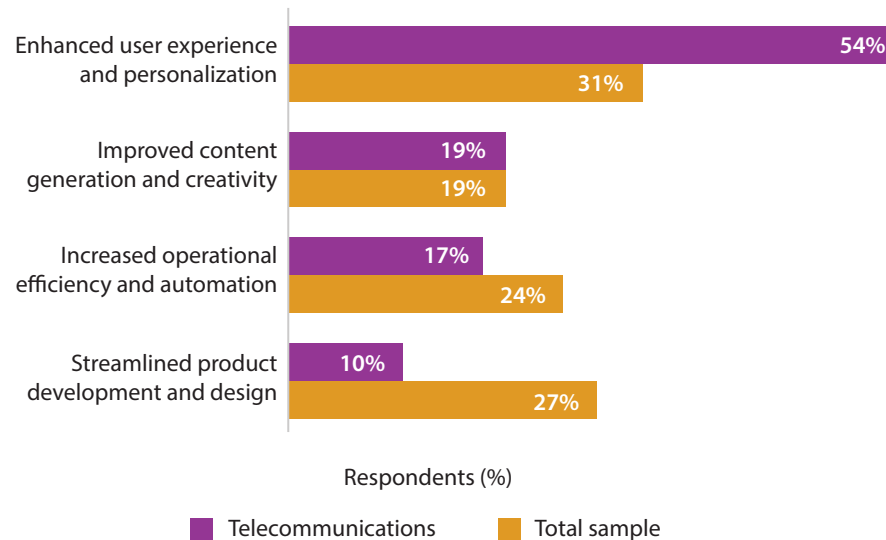
User experience drives generative AI optimism for telecoms

Focus on users underlines difference between this consumer-facing industry and others in our research

Telecom companies are more optimistic about user experience

– 54% of telecoms believe generative AI will have the biggest positive impact on user experience and personalization – much higher than the overall trend (31%).

Where companies expect generative AI to have the most impact

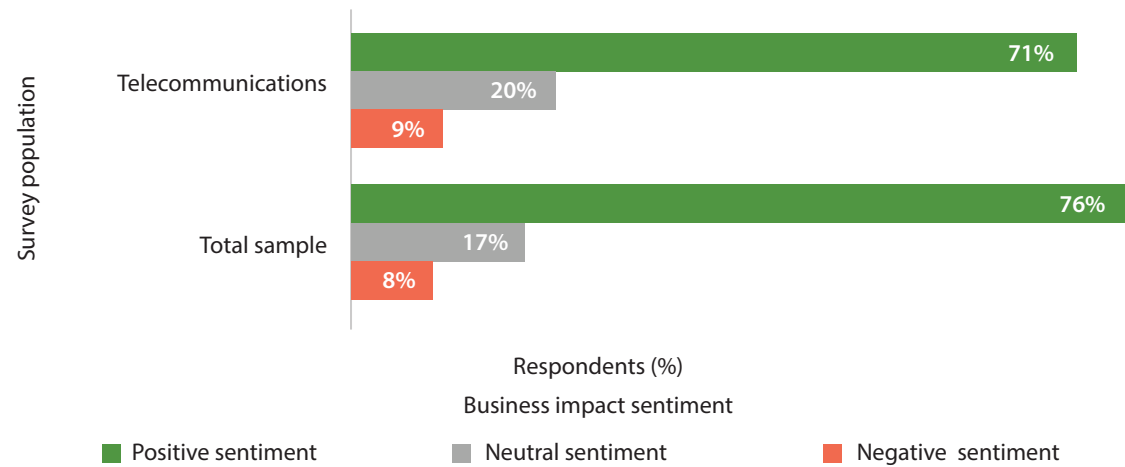


Telecoms are upbeat about the impact of generative AI

Respondents expect a positive impact on business areas

Broad optimism in line with other sectors – Respondents were generally positive on the type of impact generative AI would have on business areas like revenue, business model, talent, reputation, profit, and cost efficiency. Telecommunications respondents held roughly the same sentiment.

Expectedated 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.

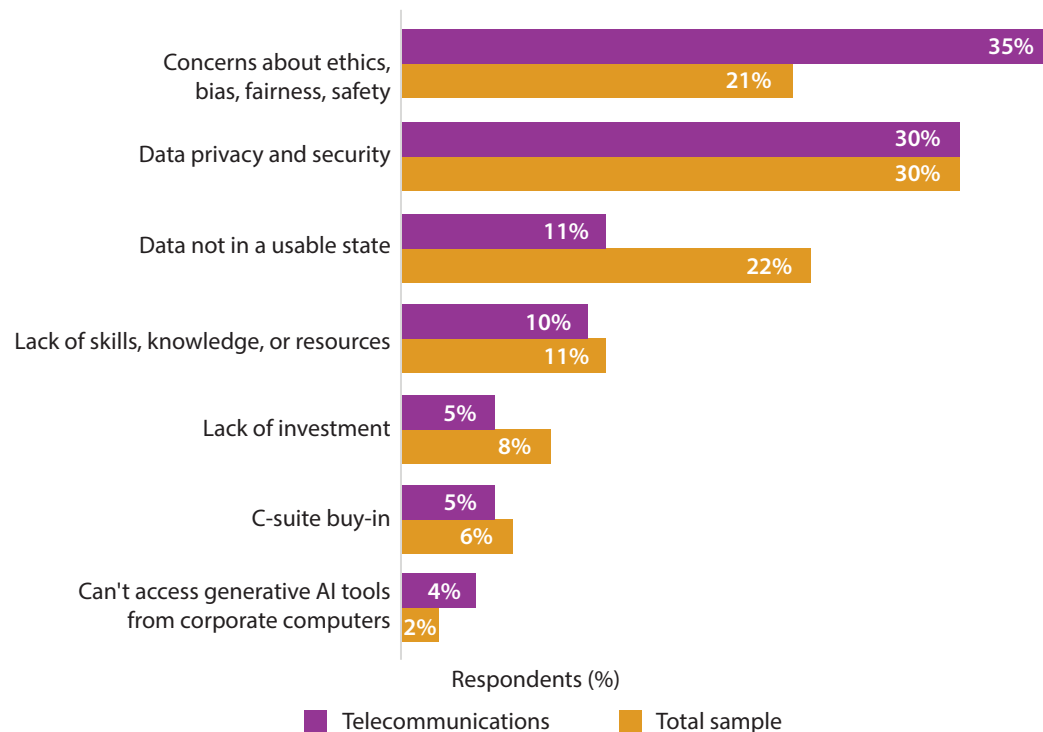
Obstacles to generative AI adoption

Telecom companies rank ethics and bias concerns as the top barrier to generative AI adoption

Ethics and data privacy top list of challenges – 35% of telecom companies ranked ethics and bias as their key challenge to generative AI adoption, compared to 21% of the overall survey.

Telecoms much less concerned with data usability – Only 11% of telecom respondents reported data usability as their top obstacle to generative AI adoption, half that of the overall sample.

Obstacles to generative AI adoption by proportion of respondents



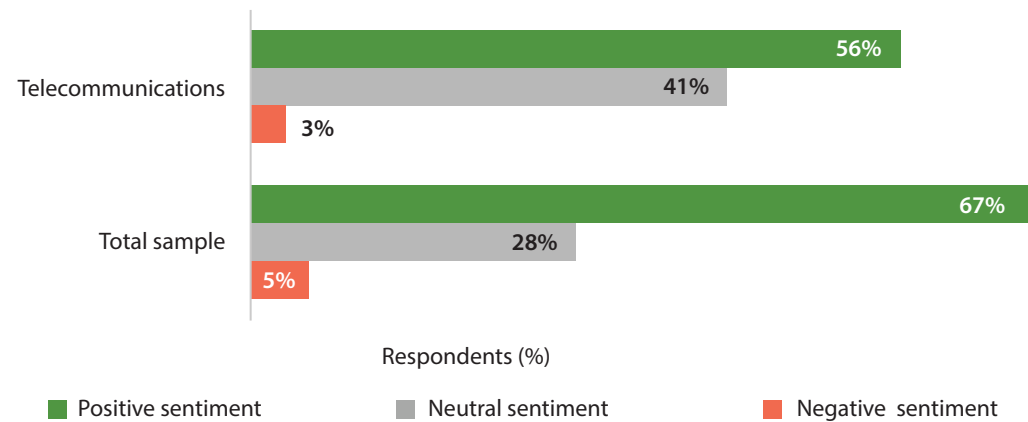
Note: Percentage of respondents ranking challenge as biggest obstacle to implementing generative AI. Percentages do not add up to 100% because of rounding.

Workforce generative AI readiness

Telecoms are more ambivalent about their team’s readiness for generative AI

Telecom firms align with other sectors on levels of positivity and ambivalence – Telecommunications is significantly more ambivalent about workforce generative AI readiness than our overall sample (41% vs. 28%).

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



Note: Sentiment on workforce readiness to adopt generative AI. Percentages do not add up to 100% because of rounding.



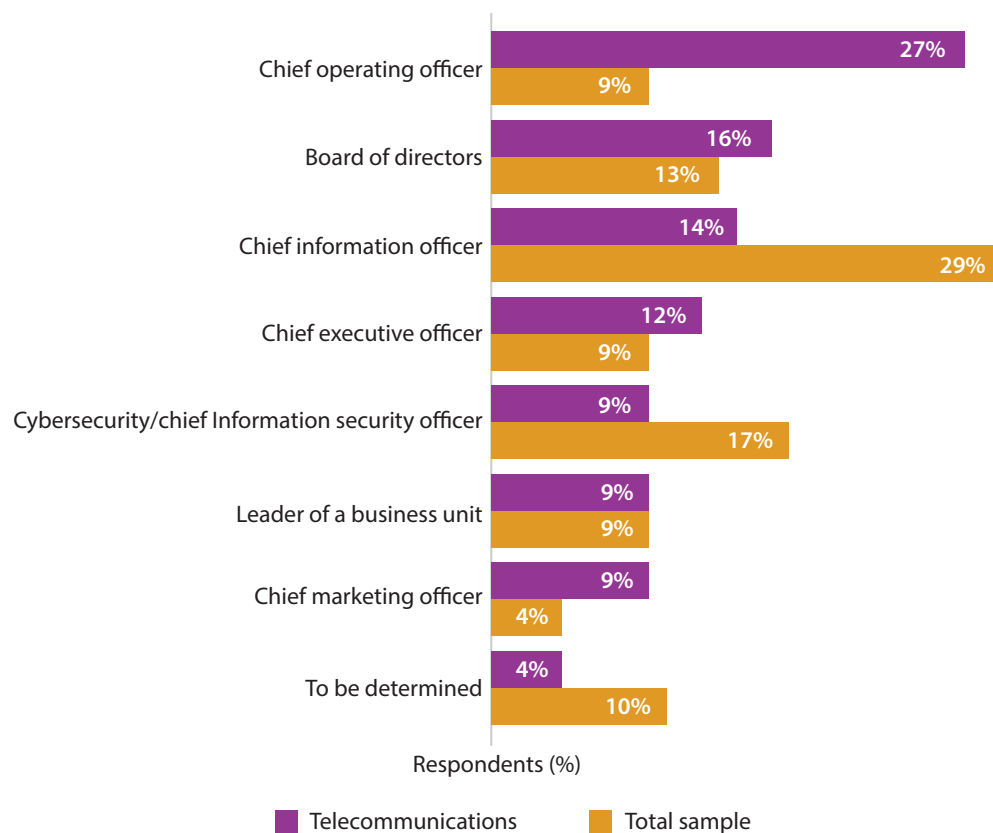
Primary sponsor of generative AI initiatives

The chief operating officer is the main sponsor of generative AI for more than a quarter of telecoms

COOs sponsor generative AI in the telecom industry more than the overall trend – 27% of telecom companies report that the COO primarily sponsors generative AI, compared with only 9% of our total sample.

Fewer telecom CIOs are the primary sponsor of generative AI – In 29% of companies, the CEO is the primary sponsor of generative AI. In telecoms, only 14% reported the same.

Primary sponsor of generative AI initiatives by proportion of respondents



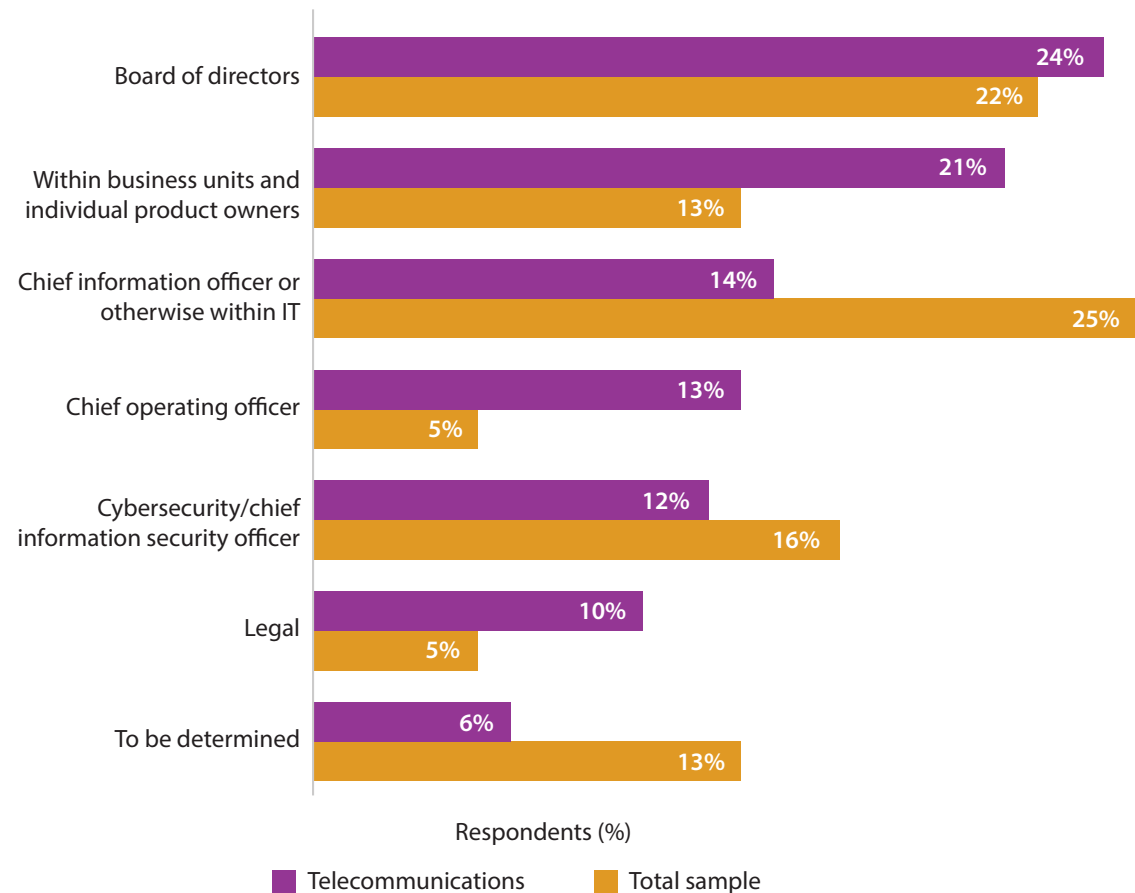
Primary generative AI policy maker

Generative AI governance is less likely to come from telecom CIOs

CIOs in telecoms govern generative AI less than CIOs in other industries – Only 14% of telecom CIOs primarily own these regulations and policies for their company, compared with 25% in the overall trend.

However, telecom product owners take the lead more often – 21% of telecom companies reported that product owners take the lead on generative AI governance, compared with 14% of the total sample.

Primary generative AI policy maker by proportion of respondents



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