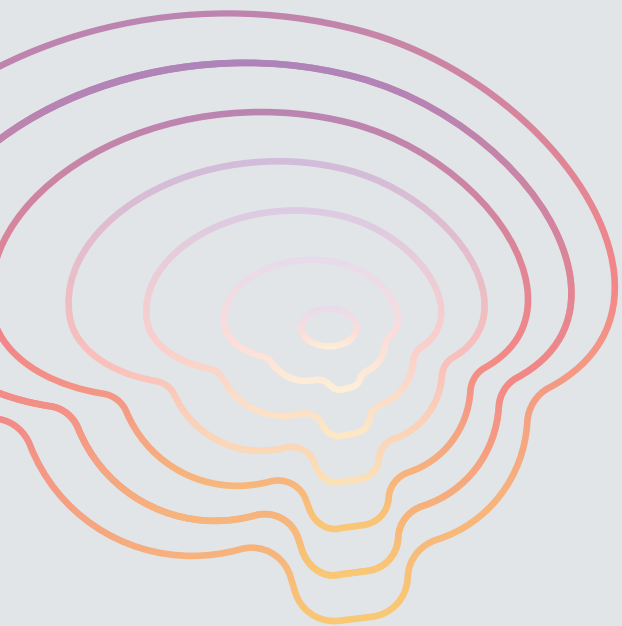


# GENERATIVE AI RADAR EUROPE



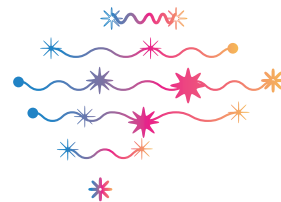
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# Executive summary

Generative artificial intelligence (AI) has evolved from interesting new toy to valuable business tool. Tools such as ChatGPT, DALL-E, and Microsoft Copilot are now accessible to users and quick to deliver benefits.

Although European businesses have been slower to adopt and realize value from generative AI than North American firms, both regions share a similar optimism about its benefits and confidence about its future. This is driving significant investments in generative AI, our survey of 1,000 business executives across Europe has revealed.

## Increasing momentum

We estimate that companies in the 11 European countries we surveyed spent \$1.3 billion on generative AI initiatives in the past 12 months. This is expected to increase by 115%, to \$2.8 billion, in 2024. While this growth is faster than that forecast for North America (69%), Europe will still spend half as much in absolute terms, and 9% less as a proportion of GDP, by this time next year.<sup>1</sup>

This lower spending has slowed progress in generative AI deployment. Most European companies are still experimenting with or implementing generative AI, but only 6% report delivering business value from their initiatives, compared to 16% in North America.

## Attention to ethics

European companies are also more focused on ethics, bias, and fairness challenges than those in North America. We believe Europe's

General Data Protection Regulation (GDPR), as well as the EU AI Act,<sup>2</sup> have driven this higher level of awareness. In turn, this could explain much of why Europe is lagging North America in investment and deployment.<sup>3</sup>

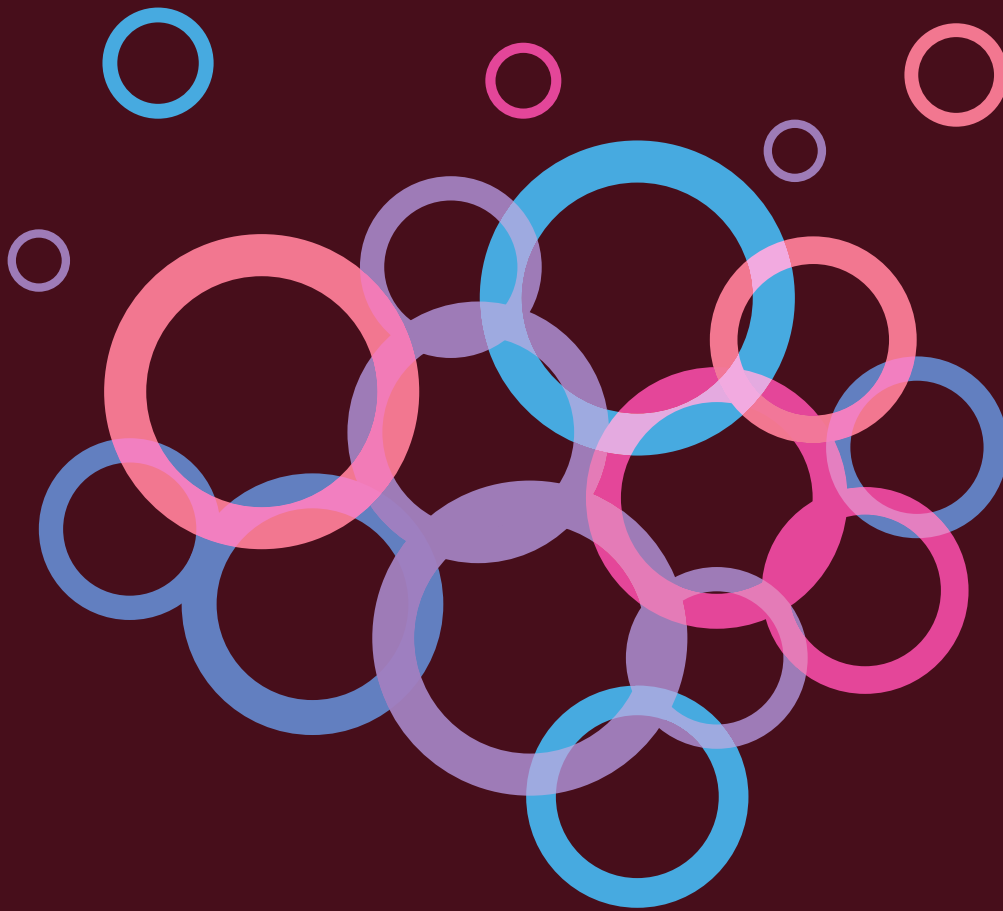
The upside is that working within this regulatory framework has made European companies less concerned about data usability and more confident they can manage and control generative AI systems compared to North American companies.

## Confident but cautious

Boards in Europe are much more likely to be the primary sponsors of generative AI initiatives than in North America. They are also more involved in setting regulations and policies, which shows an alignment between investment and innovation not often seen when it comes to technology.

Ultimately, European companies are very positive about the impact of generative AI on their business. Moreover, their confidence in managing and controlling generative AI systems also translates into confidence in acquiring and developing skills. European companies are more likely to train, reskill, and recruit in-house rather than rely on partners compared to North American companies.

European companies need to accelerate their experimentation to deliver more valuable use cases. But they should not lose sight of responsible AI practices, nor ignore the need to build an AI-first operating model to fully realize the value of this transformative technology.

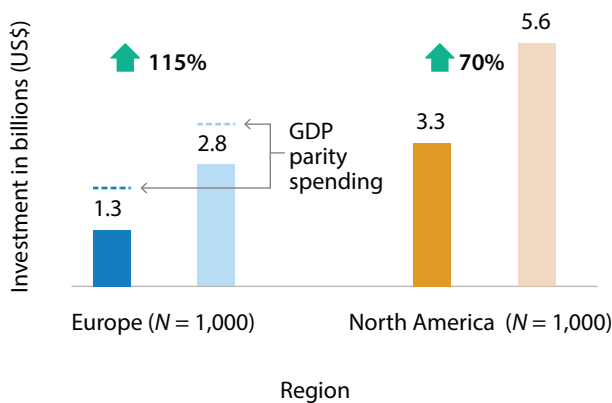


# Accelerating spending

Infosys surveyed 1,000 executives in the UK, France, and Germany, as well as the Benelux (Belgium, the Netherlands, and Luxembourg) and Nordic regions, and found that companies expect to more than double their investment in generative AI during the next year.

Adjusting for differences in the size of industry samples in the survey and the number of companies in each industry, we estimate spending on generative AI in this region to reach \$2.8 billion by the end of

**Figure 1. European companies spending less than North America, now and next year**



■ Generative AI spending in the last 12 months  
 ■ Expected generative AI spending in the next 12 months

*GDP parity spending is the expected spending on generative AI that European countries would have if they were spending the same percentage of GDP as North American companies. GDP parity spending would have been \$2 billion over the last 12 months and \$3.4 billion in the next 12 months.*

Source: Infosys Knowledge Institute

2024 — 115% higher than the \$1.3 billion spent in 2023.

This is half the amount we expect North American companies to spend. In October 2023, we published an estimate of \$5.6 billion in spending in that region for 2024.<sup>4</sup> As a proportion of gross domestic product (GDP), Europe spent 0.009% on generative AI, which is 31% less than North America’s 0.013% (Figure 1).

Despite a cautious start compared to their North American counterparts, we found that almost all European respondents (88%) are looking to increase their spending next year.

In 2023, most spent less than \$1 million on generative AI initiatives, with a fifth spending nothing at all. In 2024, however, 62% expect to spend over \$1 million, with almost 17% planning to spend more than \$5 million.

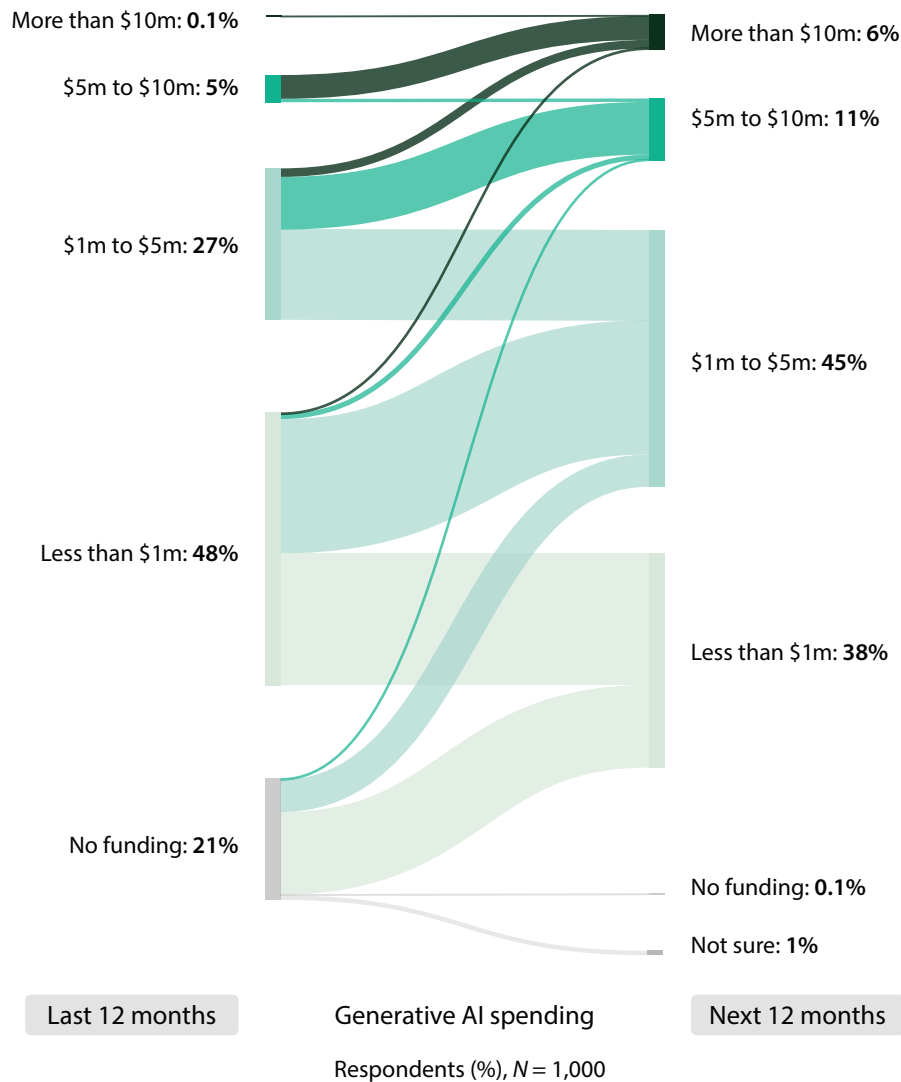
This compares with 26.6% and 4.9% spending the same amounts respectively in 2023 (Figure 2).

## France takes the lead

There are significant differences in generative AI investment levels by country surveyed, with France clearly leading in both past and future spending.

We estimate that French companies spent \$352 million on generative AI initiatives

Figure 2. Generative AI spending shift from 2023 to 2024



Spending on generative AI is expected to increase. About 95% of European respondents spent less than \$5 million on generative AI in the last 12 months. That figure is expected to fall to less than 85% in the next 12 months. None of our respondents expected spending on generative AI to decrease in the next 12 months.

Source: Infosys Knowledge Institute

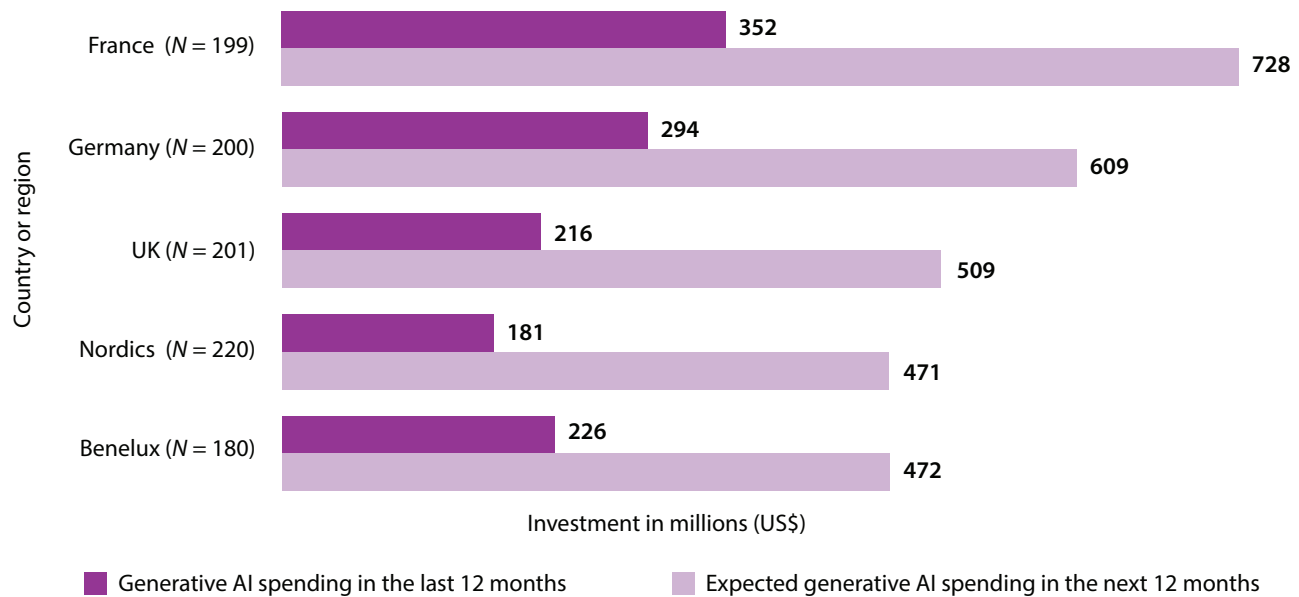
in 2023. This is 20% more than Germany (\$294 million), and 56% more than Benelux (\$226 million).

France’s lead is likely a reflection of its vibrant AI startup scene, and the French government’s investment in this sector.

In 2021, it was reported that France would invest €2.2 billion in AI by 2025, much of this in talent development and education.<sup>5</sup> In June 2023, President Emmanuel Macron of France announced €500 million of new funding to support a scheme for “AI champions.”<sup>6</sup>



Figure 3. France and Germany lead generative AI spending



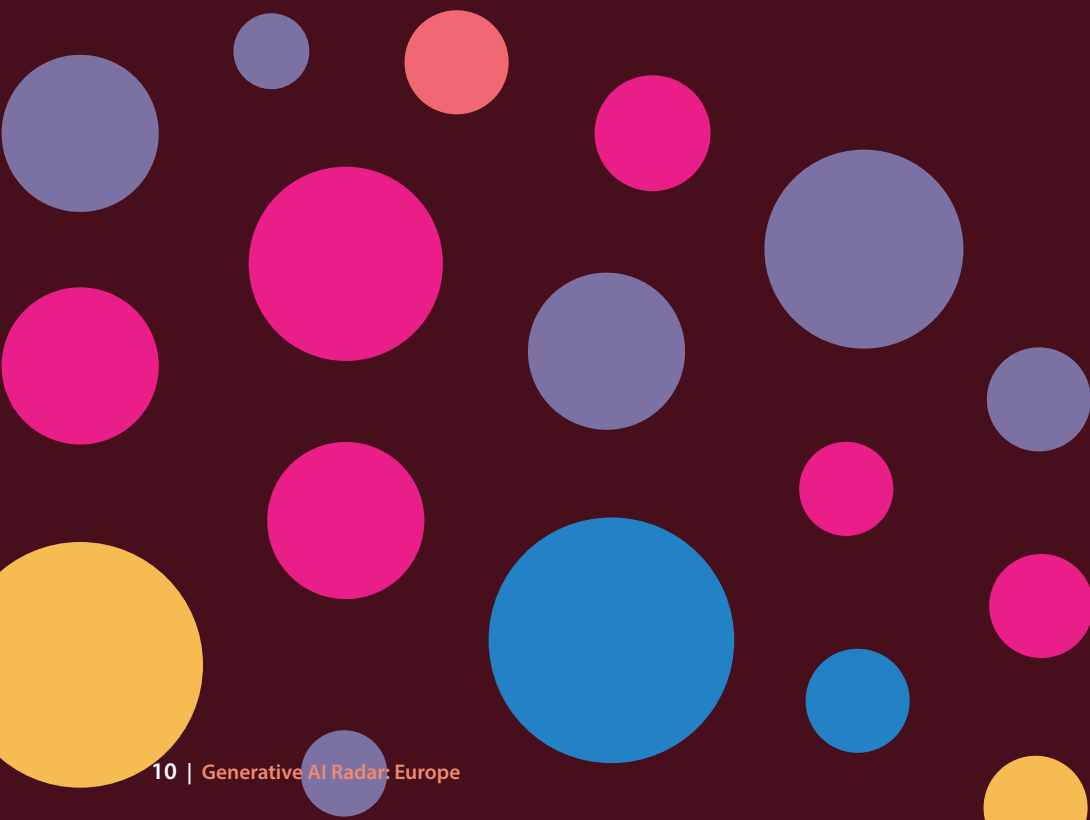
Source: Infosys Knowledge Institute



That same month, Mistral AI, a French generative AI startup, raised €105 million in first-round funding,<sup>7</sup> and in September, French billionaire Xavier Niel announced €200 million to build a Paris-based AI research center and cloud supercomputer.<sup>8</sup>

We expect France to maintain its lead in 2024, with Germany keeping pace behind. Spending in both countries is expected to grow 107% in the next 12 months.

UK spending trailed Benelux in 2023 but should catch up in 2024, putting the UK in third place behind Germany. However, UK company spending is still anticipated to be 43% less than France in 2024 (Figure 3).



# Slower adoption, less value

Europe’s lower spending levels also correlate with slower and less mature deployments of generative AI initiatives than in North America. And European companies are significantly behind in creating value from their generative AI initiatives.

We asked respondents to indicate the progress of generative AI initiatives along a scale, which ranged from those that had no generative AI initiatives to those that had established generative AI use cases that create business value.

All the European companies in our survey are engaging with generative AI — as was the case in our North America sample. However, a slightly higher proportion is

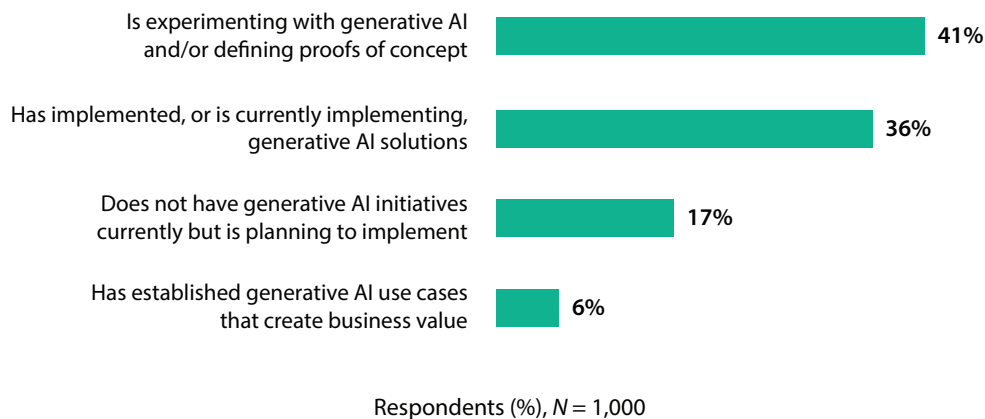
either still in the experimentation phase or in the implementation phase. In Europe, 41% and 36% of respondents are in these phases respectively. This compares to 35% and 30% in North America.

Only 6% of European companies are creating value from generative AI, whereas the proportion is 16% in North America (Figure 4).

## Germany, France, and UK top value creation

Looking at the data by country, we see that Germany, France, and the UK have similar proportions of respondents that have created value from their generative AI implementations, with Germany slightly

Figure 4. Most European companies are still experimenting



Source: Infosys Knowledge Institute

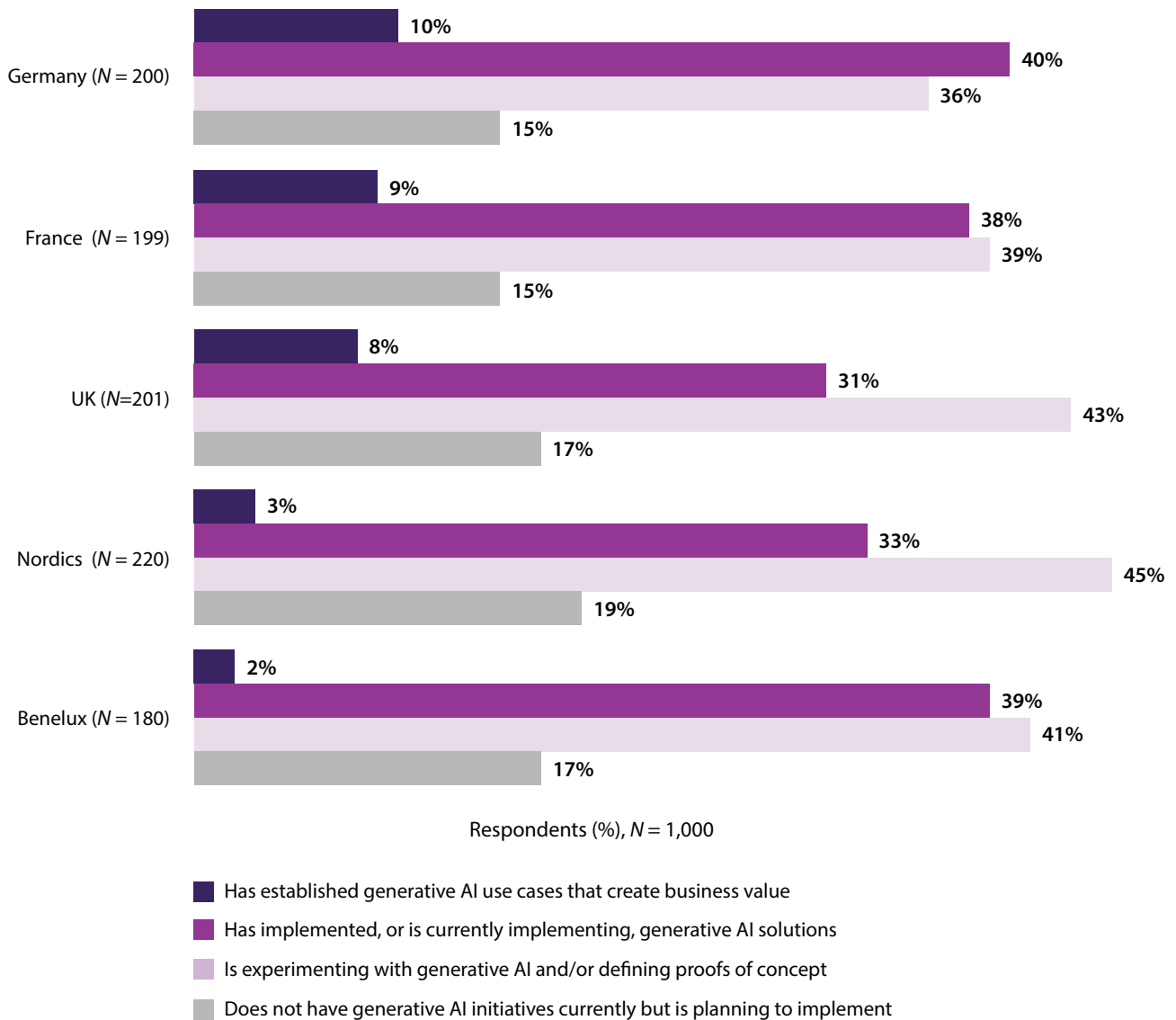
ahead (10%) of other countries, and the UK slightly behind (8%).

However, despite lagging France in spending, both Germany and the UK are delivering more for their investments in generative AI.

In other words, despite spending significantly less than France, German companies are achieving the same levels of implementation and value creation.

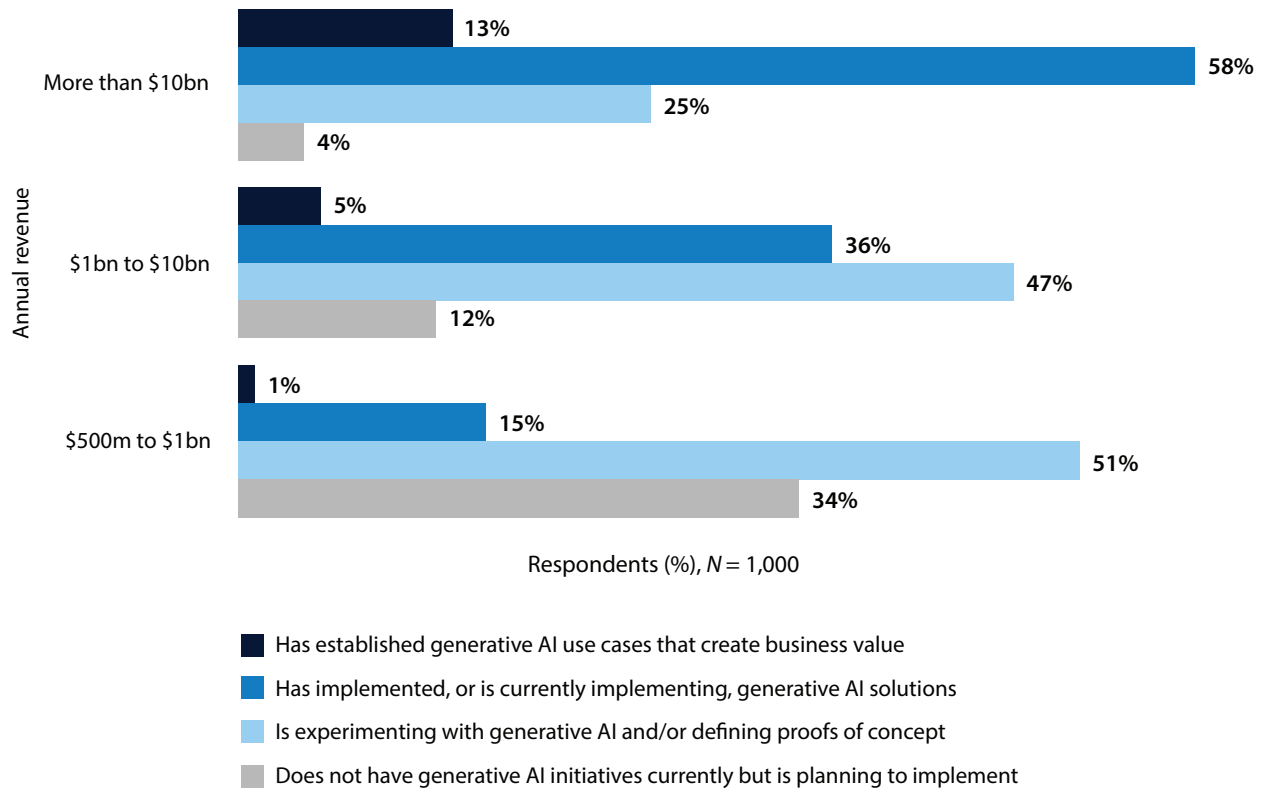
Similarly, the UK is spending less than both

Figure 5. Germany leads in value creation



Source: Infosys Knowledge Institute

Figure 6. Large companies are more advanced in their generative AI adoption



Source: Infosys Knowledge Institute

the leaders but is comparable in terms of companies that are creating value from generative AI (Figure 5).

## Larger companies lead the way

Often, when it comes to new technologies, large enterprises lag their smaller, more nimble counterparts. This is due to either their inability to pivot quickly or their tendency to adopt a wait-and-see approach to most new technologies. This is not the case with generative AI.

As we discovered in our North American research, the reverse is true for the adoption of generative AI solutions. Larger companies

seem to have been faster to adopt generative AI and have a higher incidence of creating value as well. Indeed, this trend is magnified in Europe, where there is a very big gap between the largest and smallest companies we surveyed (Figure 6).

The popularity and relative maturity of generative AI in larger companies could have a pair of explanations.

Prime among these is that generative AI tools could simply be more accessible and available to larger companies as big enterprise software and technology vendors such as Microsoft, Google, and Nvidia bring their solutions to their largest customers first.

However, larger firms are also better targets for some of the early use cases for generative AI.

These range from improving the efficiency and quality of large call center and omnichannel customer communications, to translating and parsing large caches of documents, or even simply summarizing action points from multiple company meetings. Large corporations offer plenty of low-hanging fruit when it comes to generative AI.

## Experience and personalization

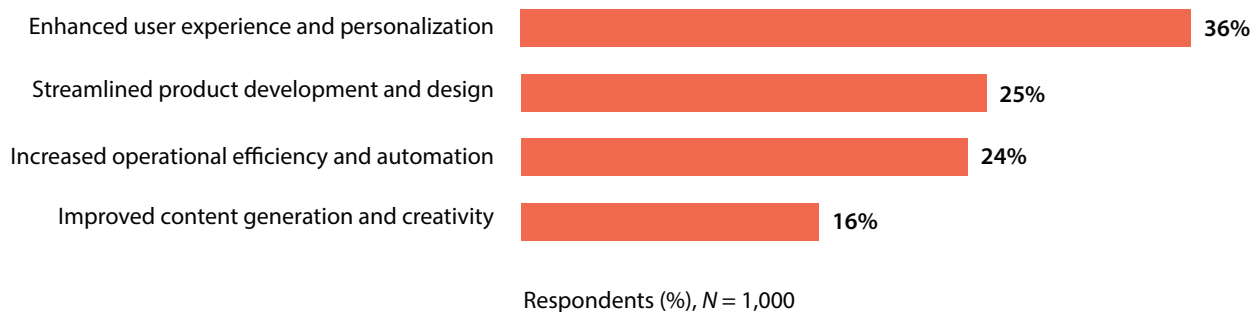
Despite much of the excitement around generative AI focusing on content generation, this is not where most companies see the biggest impacts on their business. When

asked about this, more than a third of respondents cited “enhanced user experience and personalization” as the main area of value that they expected from generative AI. This was the case whether we asked European or North American companies (Figure 7).

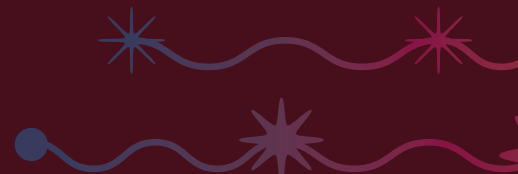
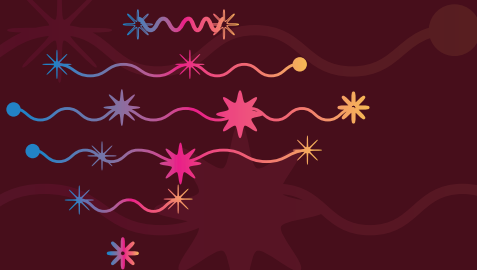
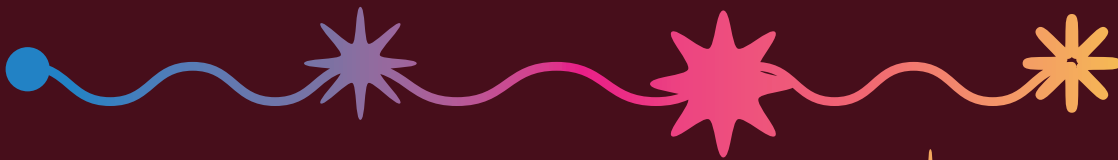
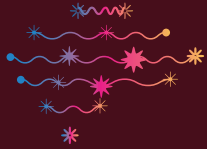
Similarly, in Europe and North America, content generation and creativity were seen as the least common outcome that respondents were looking for from their generative AI deployments.

The companies that move beyond the simplest generative AI use cases and realize the higher order benefits (efficiency, personalization, product development) will be those that embed this technology in their businesses and transform their operating models to become truly AI-first businesses.

**Figure 7. Content-led use cases create the least value**



Source: Infosys Knowledge Institute



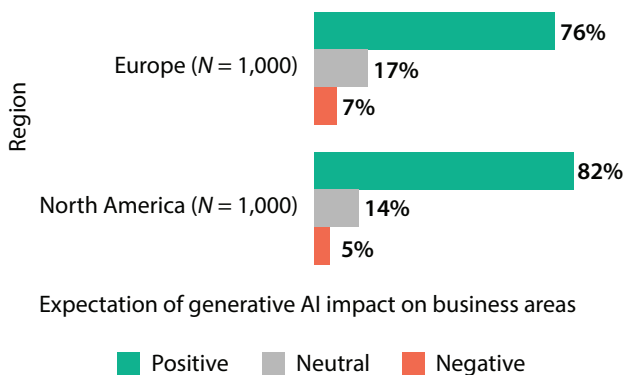
# Confident but cautious

European companies are still overwhelmingly upbeat about generative AI, despite their slower spending and adoption. On average, 76% of European respondents have positive expectations about the impacts of generative AI across their business.

But it is fair to say that European companies do take a slightly more conservative view. This is not only reflected in the fact that more respondents are neutral or negative about generative AI than in North America (Figure 8). It also shows in the fact that they are more concerned about ethics and bias challenges, and that they have much more senior governance and sponsorship involved in their generative AI initiatives.

Yet there are indications that European companies are more confident and certain about managing generative AI, the data

**Figure 8. Europeans are positive but less so than North Americans**



Source: Infosys Knowledge Institute

that underpins it, and the risks that could emerge from it.

## Ethics and bias in focus

It's clear that European and North American companies take a very different view regarding the challenges that they need to overcome in order to work effectively with generative AI.

Companies in both regions agree that the biggest obstacle to success is overcoming data privacy and security concerns, though it's worth noting that this is seen as a significantly bigger issue by Europeans than North Americans. After this, the views diverge.

North Americans cite data usability and lack of skills, knowledge, or resources as the next two biggest obstacles to their success. Yet these are much smaller concerns for Europeans. Instead, European companies rate concerns about ethics, bias, fairness, and safety as a much more important challenge to overcome (Figure 9).

Ethics and bias concerns were identified by European respondents as being the most difficult obstacles to implementing generative AI 23% of the time. This compares with North American respondents who said the same just 14% of the time.

These concerns are likely why European companies have a significantly higher level of



senior involvement in generative AI initiatives.

For approximately one in three companies in Europe, the board of directors is responsible for setting regulations and policies around generative AI. In comparison, this figure is just over 20% in North America. For European companies, the board of directors is also more likely to be the primary sponsor of generative AI initiatives (19%) compared with North America (10%).

### Governance drives confidence

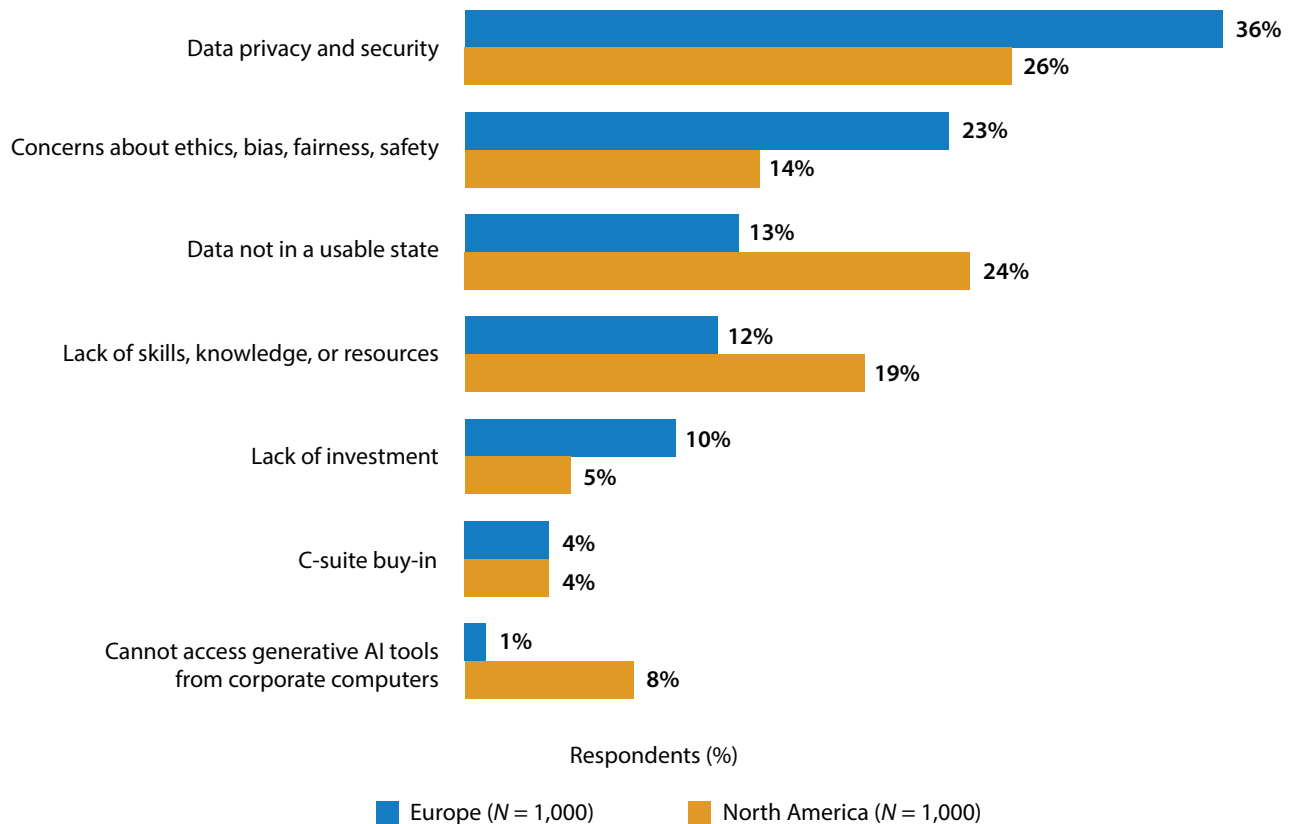
The more stringent regulatory environment in Europe — notably the GDPR data framework

and the EU AI Act — is most likely driving Europe’s different approach to generative AI.

On one hand, it is fair to say that Europe’s slower adoption and lower spending could be a result of concerns about regulations. However, the years of data regulations that have existed in Europe have also resulted in European companies being more familiar with managing data effectively.

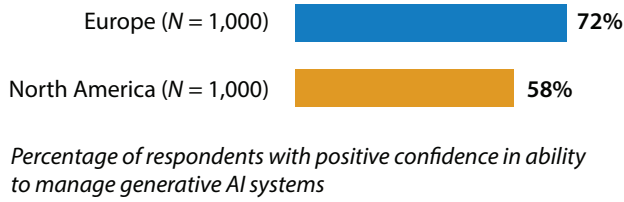
Indeed, European companies are significantly more confident about their ability to manage and control generative AI systems than their North American counterparts. More than 70% of European respondents have a positive

Figure 9. Security and ethics are biggest concerns



Source: Infosys Knowledge Institute

**Figure 10. Europeans are more confident about managing AI**



Source: Infosys Knowledge Institute

view of their generative AI management abilities, compared to less than 60% of North American respondents (Figure 10).

The confidence in the ability to manage and mitigate the impact of AI across multiple levels in the organization is also reflected in Europe’s confidence in upskilling and recruiting talent to manage their AI initiatives.

European companies were much more likely to say they would upskill and retrain or hire

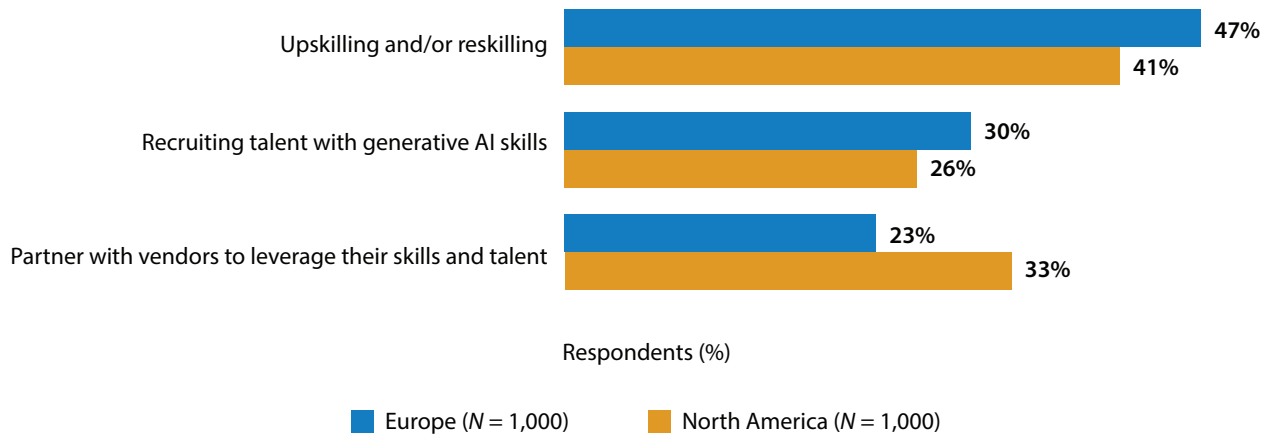
new recruits for their generative AI initiatives than North American companies. And they plan to be much less reliant on skills from external vendors (Figure 11).

The significant preference for upskilling and reskilling their own talent, and the belief in the ability to recruit new talent, indicates a confidence and commitment in European companies towards building firm generative AI foundations within their business.

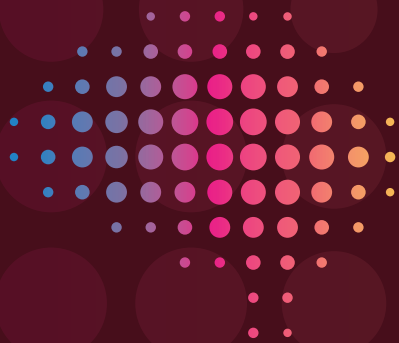
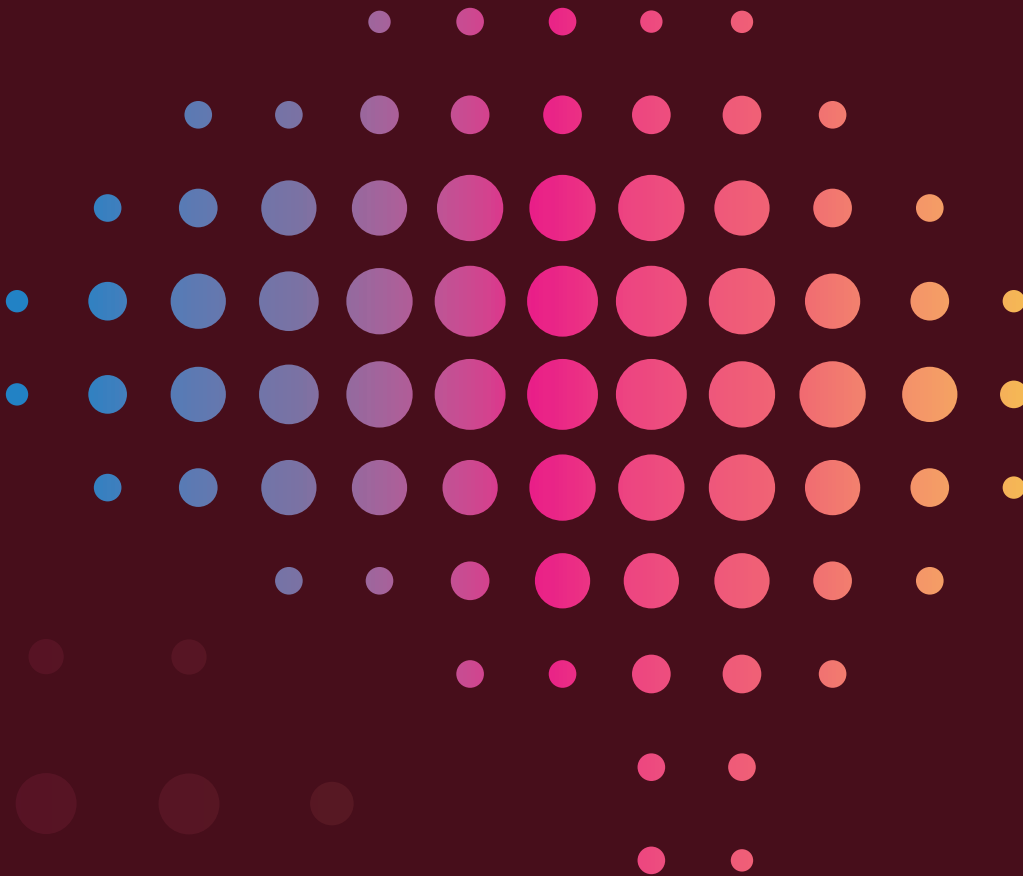
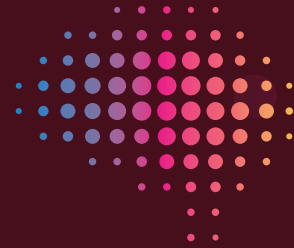
It’s worth noting though, that despite the confidence shown by European companies, their workforces are not much more ready for generative AI than their North American counterparts.

In Europe 59% of respondents felt positive about the readiness of the company’s workforce to adopt and use generative AI technologies as compared with 56% in North America.

**Figure 11. Upskilling and recruitment favored to fill skills gap**



Source: Infosys Knowledge Institute



# A faster, firmer way forward

The confidence reflected by European companies presents a region that is prepared to move forward in a sure-footed way. The regulatory environment, with GDPR playing an important role, data strength and safety, leadership buy-in, and involvement of the board all allow for organizations to step into the potential of generative AI in a safer and more constructive way.

However, European companies do need to accelerate the creation of value through generative AI while ensuring they continue to do this in a responsible manner. Infosys’s AI-first operating model and responsible-by-design approaches can provide a pathway for

European companies to develop faster, more effectively and more safely.

## Create an AI-first digital operating model

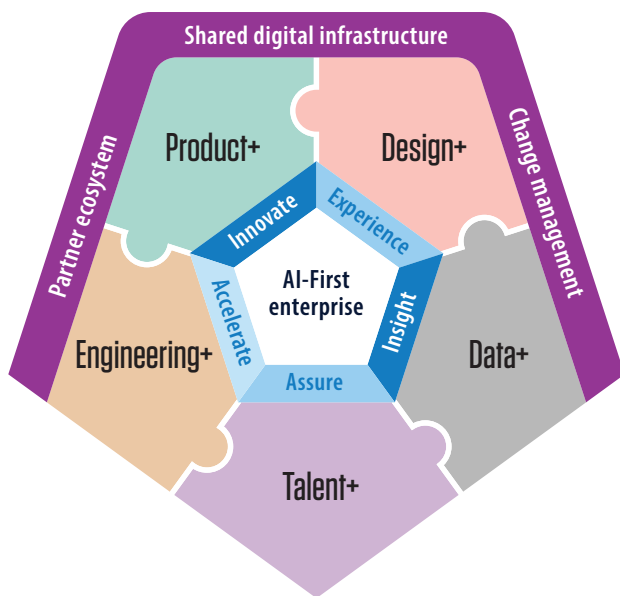
For future-ready firms in Europe, building an AI-first operating model is key. Firms that want to take advantage of generative AI should take a five-pronged approach — across product, design, data, talent, and engineering — guided by the central tenets of shared digital infrastructure, micro-change management, and use of a partner ecosystem (Figure 12).

Product+ means going product-centric for speed and innovation. European firms should organize the firm around generative AI products or value streams, and deliver solutions in short, proof-of-concept bursts of energy. This eliminates internal team silos, increases business velocity, and prioritizes customer needs.

Design+ means creating generative AI solutions where designers collaborate with data scientists, AI specialists, and ethicists to create better experiences.

European firms cite ethics and bias as impediments to generative AI success, whereas data privacy, security, and usability most often curtail adoption of generative AI

Figure 12. A digital operating model for the AI-first enterprise



Source: Infosys Knowledge Institute



in North America. A future-ready operating model requires AI-ready data — with all data assets available, accessible, discoverable, and of high quality.

Firms that are serious about taking advantage of generative AI should create a range of “live” data products, across many data types, for use by the product-led engineering teams (creators) and business units (consumers) who need it.

AI-savvy firms will also need a first-class engineering shop in place, with AI-first architecture using a MACH (Microservices-based, API-first, Cloud-native, and Headless) approach so that new generative AI systems can be quickly plugged in and old ones removed.

Talent is also very important. With most firms in Europe upskilling their workers

rather than partnering to get the best talent, AI-led learning paths will become ever more important. From product managers, experience designers, and on to digital specialists and platform engineers, making employees future-ready requires firms to invest significant time in AI literacy, transparency, and ethics.

## Responsible by design

Generative AI solutions rely on high-quality, diverse datasets. This data needs to be connected, protected, and finally, consumed. This demands appropriate governance, with high levels of data health, authority, and compliance with GDPR and other applicable laws. There should also be secure and responsible usage and monitoring processes in place. This leads to what we call a responsible-by-design approach.

All generative AI systems should have a layer of responsible-by-design in the architecture to ensure that it filters out inappropriate requests, profanity, and unethical use.

The responsible by design layer checks the model outputs for:

- Trust, including a check for explainability, transparency, safety, and standards.
- Ethics, including a check for bias, core values, and corporate social responsibility.
- Security.

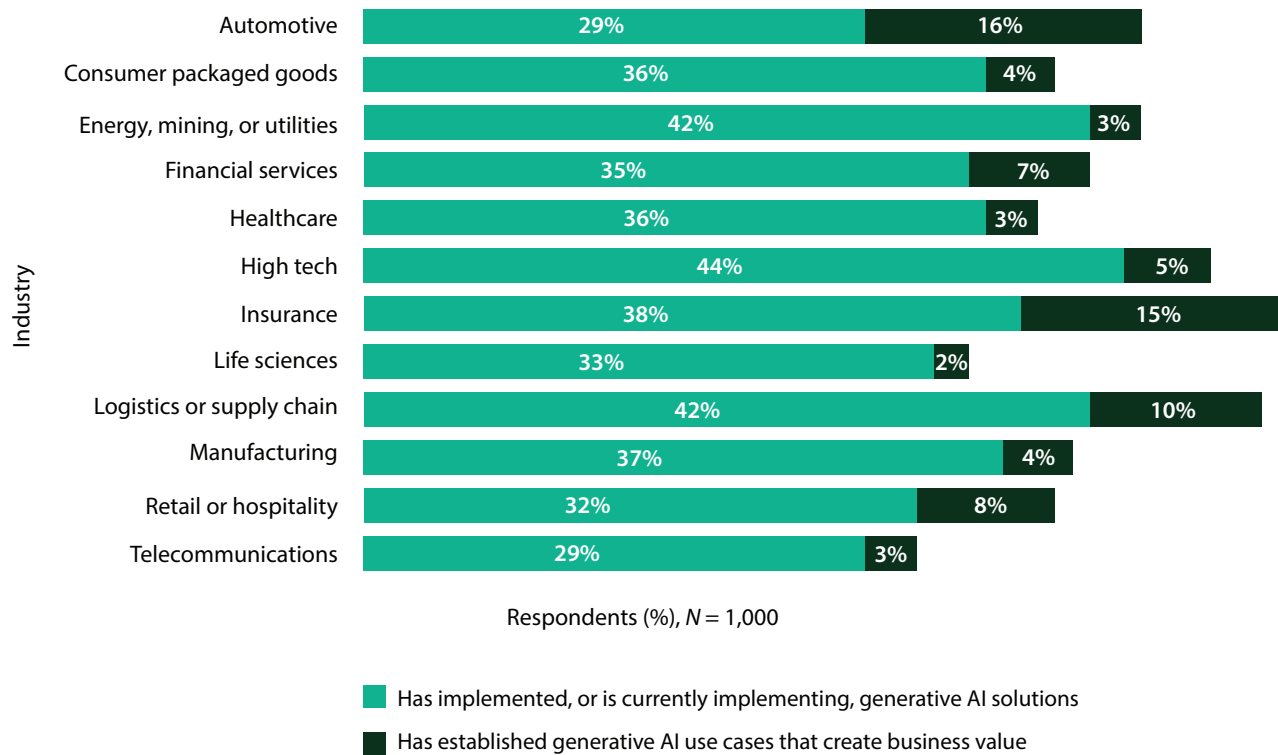
We recommend creating an AI council to govern and guide design, deployment, and use of generative AI and its outputs.<sup>9</sup>

# Appendix — Generative AI by industries

This Infosys survey covers 12 sectors across Belgium, Denmark, Finland, France, Germany, Iceland, Luxembourg, Netherlands, Norway, Sweden, and the UK, allowing us to compare how extensively and effectively each industry is using generative AI. Although most companies are investing in this technology, there is a wide range of spending among sectors. While small differences

exist between industries in the frequency of implementation, the only statistically significant differences exist in use cases that create business value. Here we find that the automotive and insurance industries report having significantly more use cases that create value than in the telecommunications, life sciences, healthcare, and the energy, mining, and utilities industries.

Figure 13. Generative AI adoption and business value by sector



Source: Infosys Knowledge Institute



## Automotive

More than a third (36%) of automotive respondents expect generative AI to have the most positive impact on improving user experiences and personalization.

Only 5% consider content a key area that will benefit from generative AI, which is significantly fewer than the survey average of 16%.

### Automotive: Most positive impact expected from generative AI



36% — Enhance user experiences and personalization



32% — Streamline product development and design



28% — Increase operational efficiency and automation



5% — Improve content generation and creativity

#### Potential use cases

- Autonomous vehicle training — Create virtual environments and synthetic data for realistic simulations
- User personalization — Power in-car personal assistants, and predict preferred routes and dashboard settings
- Product development — Accelerate design and delivery stages, as well as data synthesis and pattern detection
- Marketing optimization — Develop customer-centric content and track marketing investments
- Maintenance — Create predictive maintenance models built on data from truck and auto parts
- Advisory notices — Generate logs and advisory notices from data collected from the vehicle
- Road freight — Plan effective and efficient delivery routes for goods
- Autonomous vehicles — Use data to train autonomous vehicles





## Consumer packaged goods

Nearly 40% of consumer packaged goods (CPG) respondents expect generative AI to have its biggest positive impact in content generation and creativity, bucking the trend found in other industries. Overall, the largest group of respondents in our survey (36%) expect generative AI to have

the biggest positive impact in enhancing user experiences and personalization. For CPG respondents, that number is only 17%. The proportion of CPG respondents that expect the same in other areas, such as operational efficiency, is too similar to draw any differences.

### CPG: Most positive impact expected from generative AI



17% — Enhance user experiences and personalization



23% — Increase operational efficiency and automation



20% — Streamline product development and design



39% — Improve content generation and creativity

#### Potential use cases

- Product descriptions — Create search engine optimization-friendly and engaging product descriptions, enabling wide personalization
- QR codes as digital art — Transform QR codes into visually appealing brand identifiers
- Visual merchandising — Optimize planograms based on customer behavior and product data
- Inventory management — Create logs and recommendations for stock management, including demand forecasting, stock allocation, and risk assessments
- Consumer research — Generate synthetic customer data to test retail scenarios and produce summaries and reports



## Energy, mining, and utilities

More than 40% of respondents from the energy, mining, and utilities sectors expect generative AI to perform best at enhancing user experiences and personalization — similar to all industries.

However, strikingly fewer (13%) expect

product development to offer the greatest value compared to the overall survey result of 25%. Significantly more respondents from these sectors (36%) expect improved operational efficiency and automation to be where generative AI has the largest positive impact, compared to 24% overall.

### Energy, mining, and utilities: Most positive impact expected from generative AI



41% — Enhance user experiences and personalization



36% — Increase operational efficiency and automation



13% — Streamline product development and design



11% — Improve content generation and creativity

#### Potential use cases

- Grid management — Analyze data, such as consumption patterns and load distribution, to optimize grid performance and predict problems
- Renewable energy — Help integrate renewable sources by predicting output and optimizing resource allocation
- Demand forecasting — Enhance the accuracy of demand forecasts, allowing for efficient resource allocation and cost savings
- Resource optimization — Simulate mining scenarios to optimize resource allocation, potentially saving costs and time
- Ore quality prediction — Create models to predict the ore quality based on geological data
- Environmental impact modelling — Simulate the environmental impact of various mining methods



## Healthcare and life sciences

Respondents in the healthcare and life sciences sector were even less likely to think generative AI would have its greatest positive impact on content generation and creativity. Only 8% of respondents expect this outcome,

compared to 16% overall. For expected value in other areas, the respondents from the healthcare and life sciences industries did not significantly differ from the overall survey averages.

### Healthcare and life sciences: Most positive impact expected from generative AI



36% — Enhance user experiences and personalization



25% — Increase operational efficiency and automation



31% — Streamline product development and design



8% — Improve content generation and creativity

#### Potential use cases

- Drug, gene, and protein sequence design — Accelerate drug discovery by designing molecules and proteins with specific properties and optimize synthetic gene design for biomanufacturing
- Personalized treatment plans — Analyze a patient's medical history and other factors to generate customized treatment plans and reports on progress of treatments
- Enhanced medical imaging — Use AI algorithms to improve the accuracy of medical imaging techniques, including CT and MRI scans, by automatically identifying abnormalities
- Patient triage — Use chatbots trained on specialized LLMs to provide first-line triage, assessing symptoms to send the patient to the appropriate human professional
- Risk management — Use data gathered to model future epidemics and pandemics and predict outcomes based on different theoretical inputs



## High tech

Compared to companies overall, high-tech respondents differed little in their opinions on operational efficiency, content generation, and product development. However, they were more likely to think that generative

AI's biggest positive impact would be in user experiences and personalization. Almost 50% of respondents expected generative AI to shine here, while the overall average was 36%.

### High tech: Most positive impact expected from generative AI



48% — Enhance user experiences and personalization



19% — Increase operational efficiency and automation



20% — Streamline product development and design

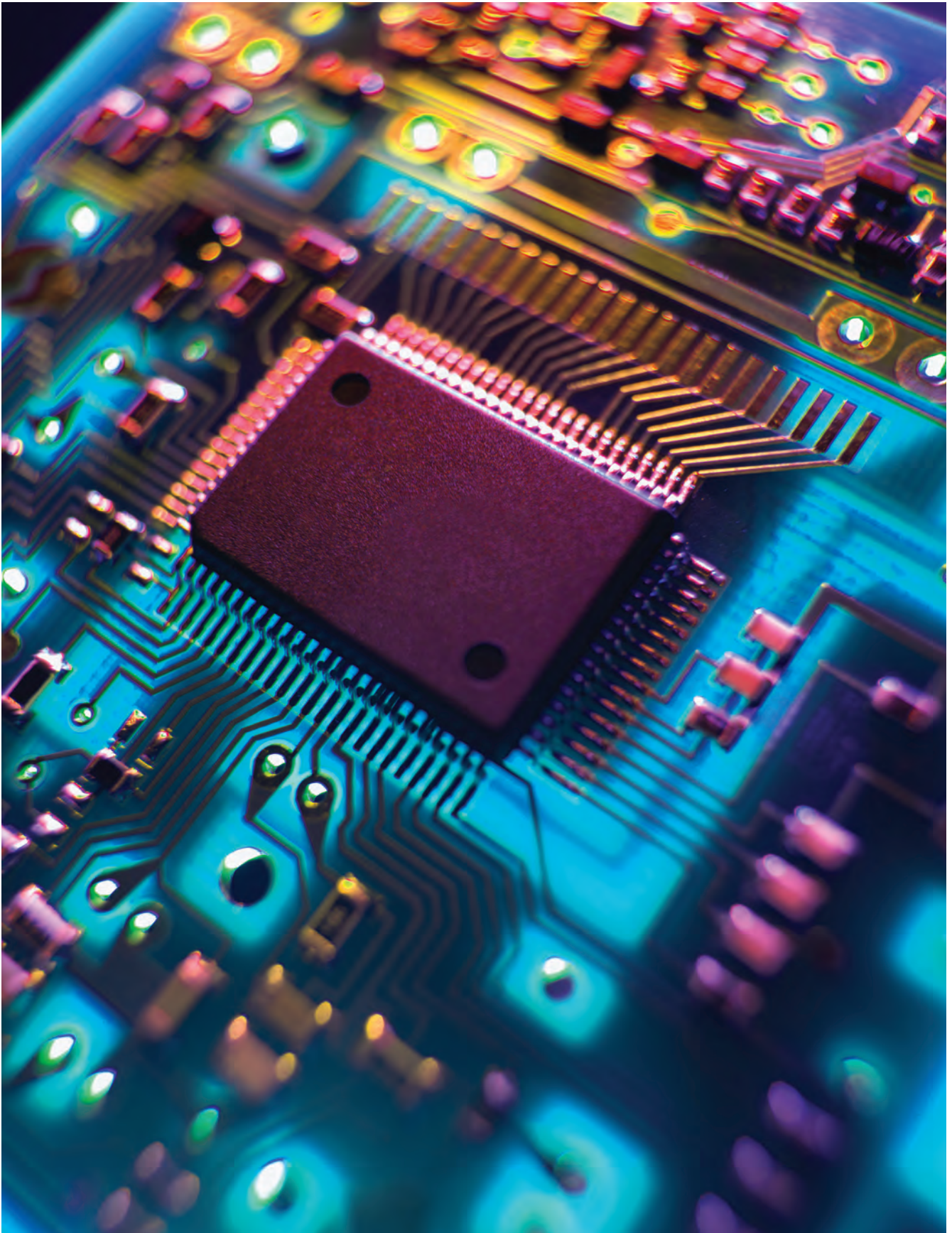


14% — Improve content generation and creativity

#### Potential use cases

- Data analytics — Generate reports to highlight points for narrative storytelling, and flag up anomalies
- Code management — Review code and create reports that can be used by the engineers and developers to minimize incidence of bugs
- Software creation — Generate code, review existing code, and act as an assistant for developers
- Software analysis — Analyze created code to identify bugs and suggest fixes  
Analyze code for adherence to guidelines, creating consistency
- Business analysis — Create reports that can be used by the wider organization, including product managers and business analysts
- Automation — Automate repetitive tasks, freeing up humans to do more creative or higher-level tasks





## Insurance and financial services

Insurance and financial services firms are generally in line with the survey average for their expectations on where generative AI will have its greatest positive impact. The only exception is that respondents from

these two sectors were slightly more likely to think that generative AI would have its most positive impact on user experiences (44% compared to the survey average of 36%).

### Insurance and financial services: Most positive impact expected from generative AI



44% — Enhance user experiences and personalization



20% — Increase operational efficiency and automation



20% — Streamline product development and design



15% — Improve content generation and creativity

#### Potential use cases

- Content and document management — Speed up the creation and personalization of policy documents, marketing materials, and customer communications. The technology can also summarize and extract valuable information from financial documents, and aid in accounting automation, such as auditing and invoice processing
- Risk and fraud assessment — Simulate risk scenarios and generate synthetic examples of both fraudulent and nonfraudulent activity to train machine learning models. However, synthetic data in this situation does not extend the models' abilities. It simply makes it more prone to detect only the type of fraud they already detect
- Customer interaction — Create synthetic customer profiles for model testing and personalized marketing and automate responses for basic inquiries
- Compliance and forecasting — Assist in regulatory compliance and simulate market conditions and economic factors for financial forecasting



## Logistics and supply chain management

There is not enough evidence to say the sentiment of logistics and supply chain management companies were different from the survey average. While it might appear that respondents from this sector

were more evenly split on where generative AI would have the most positive impact, this could simply be a result of fewer companies from this sector responding to the survey.

### Logistics and supply chain management: Most positive impact expected from generative AI



27% — Enhance user experiences and personalization



31% — Increase operational efficiency and automation



20% — Streamline product development and design



22% — Improve content generation and creativity

#### Potential use cases

- Route optimization — Assess and suggest the most efficient routes for delivery runs based on road conditions, weather, and driver availability
- Risk management — Analyze data on geopolitical concerns, weather, and industrial unrest for dashboards that surface issues, and suggest mitigations
- Supplier management — Chatbots can facilitate interactions with suppliers and create reports based on insights from supplier data and interactions
- Trends insight — Summarize information from external sources including newspapers to understand trends that impact suppliers
- Price intelligence — Gather information on competitor pricing and costs and use chatbots to produce insights and reports
- Supply chain simulation — Simulate scenarios and generate reports to help understand bottlenecks and potential opportunities for optimization in the supply chain



## Manufacturing

Manufacturing respondents were much more likely to expect generative AI to perform best in product development and design.

More than 40% of respondents in this sector held this sentiment compared to just

25% overall. Conversely, significantly fewer manufacturing respondents felt the same way about user experiences and personalization. Less than a quarter of sector respondents expected generative AI to shine in this area compared to more than a third overall.

### Manufacturing: Most positive impact expected from generative AI



24% — Enhance user experiences and personalization



21% — Increase operational efficiency and automation



43% — Streamline product development and design



12% — Improve content generation and creativity

#### Potential use cases

- Design and maintenance — Accelerate product design and improve maintenance by forecasting equipment failures
- Quality, production, and inventory — Monitor machinery for failures and generate reports on the state of machinery. Predict product defects, optimize inventory through demand simulation, and aid production planning
- Cost management — Reduce costs by streamlining maintenance and design
- Inventory management — Simulate scenarios such as weather-driven surges in demand and use historical data to fine-tune production schedules and optimize stock levels
- User feedback — Collate reports of feedback from customers to produce recommendations for further optimize design
- Reduce costs by streamlining maintenance and design



## Retail and hospitality

Sentiments in the retail and hospitality sector were statistically similar to the survey overall.

About the same proportion say here that they expect generative AI to excel in each of the four areas of potential benefit.

### Retail and hospitality: Most positive impact expected from generative AI



32% — Enhance user experiences and personalization



20% — Increase operational efficiency and automation



31% — Streamline product development and design



17% — Improve content generation and creativity

#### Potential use cases

- Marketing — Draft highly personalized content for customers to boost engagement and conversion
- Insights — Process data and generate reports for marketers, helping them build more effective campaigns
- Supporting content — Streamline making promotional videos, writing blogs, and creating other content to support retail campaigns
- Customer service/concierge services — Assist with orders, as well as with booking tables and tickets, and assistance for visitors with local information
- Translation — Help for visitors from overseas who don't speak the local languages
- Energy management — Analyze energy use patterns to manage energy use on retail premises
- Customer service — Help overseas visitors plan visits including booking attractions





## Telecommunications

Nearly half of all telecommunications respondents expect generative AI to have its most positive impact on user experience and personalization.

This proportion is just over one-third among

companies overall. Additionally, significantly fewer telecommunications respondents indicated they expect generative AI to perform best at product development and design, with less than 15% holding this view. The overall figure is 25%.

### Telecoms: Most positive impact expected from generative AI



49% — Enhance user experiences and personalization



19% — Increase operational efficiency and automation



14% — Streamline product development and design



18% — Improve content generation and creativity

#### Potential use cases

- Enhanced risk management and maintenance — Automate responses to network and infrastructure irregularities through continuous real-time data analysis
- Customer support — Help users with billing queries and orders
- Engineer support — Train generative AI on the network topology so that engineers can be guided through tasks with interactive guidance
- Software development — Help developers create specialized code and applications more quickly and efficiently
- Network optimization — Analyze network data and conditions and generate insights to streamline resource deployment
- Network security — Track threats and assess vulnerabilities by analyzing network traffic to identify malicious activity

# Appendix — Research approach

Infosys commissioned a survey of 1,000 companies in Belgium, Denmark, Finland, France, Germany, Iceland, Luxembourg, Netherlands, Norway, Sweden, and UK during October and November 2023.

The telephone interviews were designed to gauge their attitudes about and adoption of generative AI.

The survey looked at 12 sectors: automotive; CPG, energy, mining, or utilities; financial services; healthcare; high tech; insurance; life sciences; logistics or supply chain; manufacturing; retail or hospitality; and telecommunications.

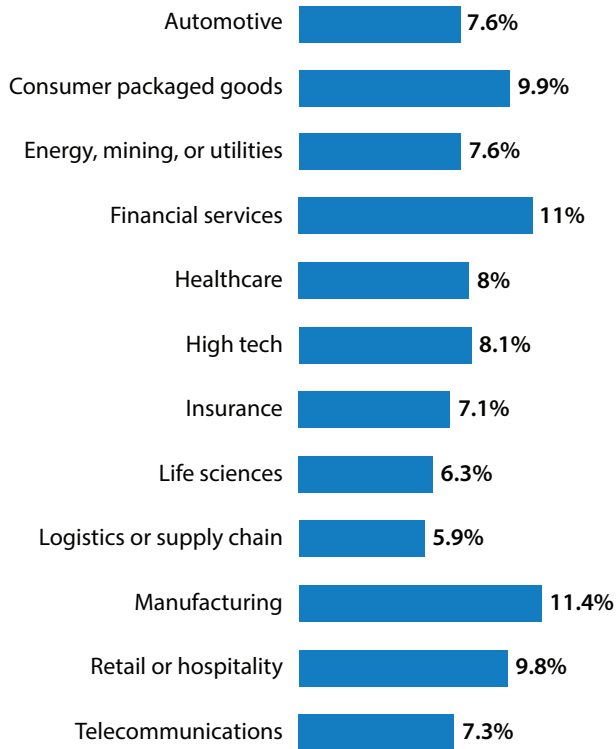
We asked respondents about the state of generative AI in their organizations, including questions about investment plans, how generative AI is rolled out and managed across the organization, where leadership comes from in the business. We also asked about how confident they are about the readiness of their company for generative AI.

We also asked about where respondents expect generative AI to have the most impact in their business, as well as questions about the company's location and size.

To determine the investment figures:

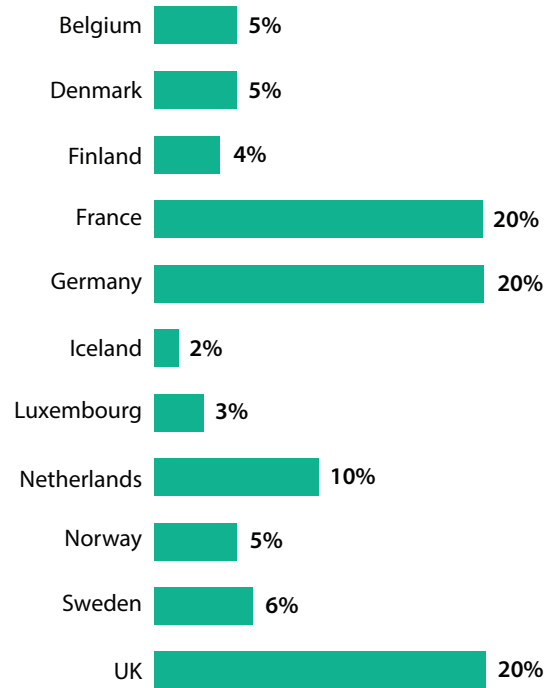
- We asked the range of spending on generative AI for each respondent.
- We used the midpoint (or the lower bound in the case of an infinite range) as an estimate for the amount spent on generative AI for each respondent.
- We then grouped respondents into our 12 industries and created totals for each industry.
- We then adjusted our industry spending totals based on the difference in industry representation in our sample, compared to the distribution of companies in reality, using data from Refinitiv.
- Finally, we calculated industry totals for both trailing 12 months and the next 12 months.

Primary industry



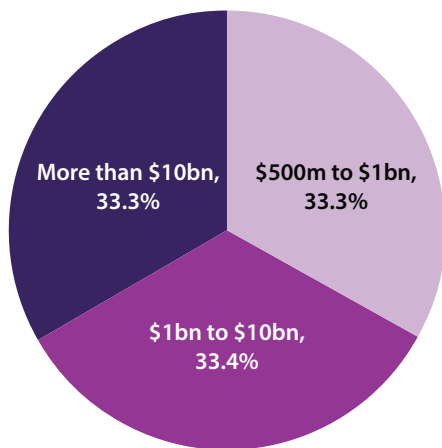
Respondents (%), N = 1,000

Company headquarters



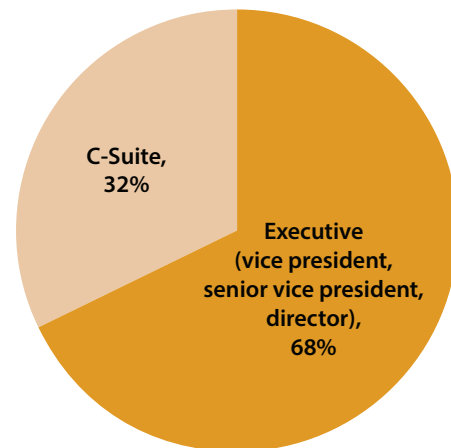
Respondents (%), N = 1,000

Global revenue (past 12 months)



Respondents (%), N = 1,000

Current job level



Respondents (%), N = 1,000

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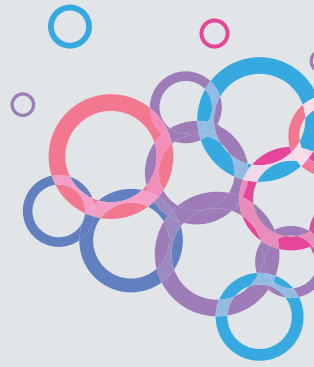
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