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July 28, 2014

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Mumbai
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Kind Attn: Manager, Listing Department

BSE Limited
P.J. Towers, Dalal Street
Mumbai
Fax No. 22722037/22723121
Kind Attn: General Manager,
Department of Corporate Services
Scrip Code No. 532540 (BSE)

Dear Sirs,

We are sending herewith copy of the Press Release titled **"Enterprises must reimagine themselves for the Digital Consumer Economy"** which will be disseminated shortly.

The Press release is self-explanatory.

Thanking you,

Yours faithfully,
For **Tata Consultancy Services Limited**

Suprakash Mukhopadhyay
Vice President and Company Secretary

Encl: As above

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For immediate use **PRESS** RELEASE

Enterprises must reimagine themselves for the Digital Consumer Economy

Tata Consultancy Services urges businesses to embrace Digital Reimagination, following launch of latest Global Trend Report

Key findings:

- *To avoid going the way of many once powerful companies, firms must begin Digital Reimagination; changing their core business models, products and services, business processes and workplaces. Eight percent said that was already their digital strategy today while nearly a third said Digital Reimagination would be their strategy by 2020*
- *Enterprises across industries and regions are making major investments in digital initiatives – an average $113 million this year – as 70 percent see them as crucial to business success this decade*
- *Fifty seven percent of digital Leaders[1] had one company-wide strategy that guided all their digital initiatives, which was the case in only 40 percent of the digital Followers[1]*

Mumbai, 28 July 2014: As we enter the Digital Consumer Economy, enterprises are recognising the importance of digital initiatives to their success. Businesses seeing the greatest returns from their digital initiatives, Leaders[1], have one unified strategy that guided all their digital initiatives, according to the latest Global Trend Report[2] from Tata Consultancy Services (*BSE: 532540, NSE: TCS*), a leading IT services, consulting and business solutions organisation.

The report, entitled *'The Road to Reimagination: The State and High Stakes of Digital Initiatives'*, surveyed over 800 global corporations[3] about their investment in digital to date, the return on investment they have seen and their expectations for the future. As we enter the Digital Consumer Economy, the study explores how Global 2000 companies are using five transformative technologies – Big Data and analytics; cloud computing; mobile and pervasive computing; social media; robotics and Artificial Intelligence (AI) – to move towards Digital Reimagination; changing their core business models, products and services, business processes and workplaces.

Commenting on the findings, **N Chandrasekaran (Chandra), CEO, Tata Consultancy Services said:** "The world economy is in the midst of a tectonic shift from the Internet Economy to the Digital Consumer Economy. Five key digital technologies are driving this shift; Big Data and analytics, cloud computing, mobile and pervasive computing, social media, and robotics and Artificial Intelligence. Individually, these technologies are undoubtedly powerful but, when combined, they have the potential to fundamentally change how enterprises develop products, market themselves and engage with customers across every major industry."

However, with so much at stake, it is vital that businesses focus their activities in this space on the right business objectives. It is clear that this approach is the best way to maximise return on investment and, although this can be difficult, the businesses that can do so will be well placed to survive and thrive in the new digital-led economy."

Key findings from the report include:

Digital Leaders have one plan for the Digital Consumer Economy

- Leaders focus their digital efforts on a smaller number of business capabilities, 57 percent, while Followers tend to spread their efforts more thinly between many business objectives.
- Leaders have achieved superior capabilities in understanding what customers want in three areas:

- Identifying customer needs for whole new products or services (61 percent of Leaders versus 34 percent of Followers have done so).
- Improving demand forecasting (33 percent versus 18 percent).
- Tailoring offerings to smaller and finer-grained customer segments (30 percent to 17 percent).

- Leaders are nearly twice as likely as Followers to have already brought a whole new digital offering to market (89 percent of Leaders have done so versus 48 percent of Followers).

Delivering customer insights is the top priority

- Digital Leaders are most likely to focus their efforts on using digital technologies to deliver greater insights into customer behaviour and expectations: 74 percent of digital leaders are focused on using digital initiatives to more accurately predict demand for their products or services, with 66 percent prioritising initiatives that allow them to monitor how customers are using products or services in order to identify the need for new offerings.
- Gaining greater insights using Big Data is also the biggest focus for investments more widely. Businesses expect to spend more of their digital budgets on Big Data than any other technology. Over the next three years, 28 percent of all digital investments will be spent on Big Data technologies compared to 20 percent on social media, 20 percent on mobile, 19 percent on cloud computing and 13 percent on AI and robotics.
- Currently, businesses are relying primarily on mobile apps and social media analysis as sources of data on their customers; both of these technologies are used by 50 percent of respondents. However, wearable technology is expected to become a major source of customer data with 62 percent of businesses planning to gather data from wearable digital devices by 2020.

Digital Reimagination is most urgent for companies with the highest digital intensity

- Media and entertainment; telecom; high tech; banking, insurance and financial services enterprises have the potential to digitize their core offerings, business processes (especially marketing, sales, and distribution), and customers' experience.
- Recognising the urgency with which they must invest in Digital Reimagination, telecoms, and banking, insurance and financial services are investing most in digital activities, $189 million and $142 million respectively.

Chandra added: "Our report shows that enterprises recognize the importance of digital initiatives, 70 percent. As demonstrated by the digital leaders we spoke to, enterprises investing in digital activity will do best putting their energy behind one focused digital strategy, moving towards Digital Reimagination."

[1] *We identified Leaders as those whose initiatives increased revenue ten times more than the digital initiatives of a group of survey participants that we refer to as the Followers*

[2] *Prior to this research, starting in 2011, TCS conducted four Global Trend Reports on the following digital technologies:*

- *The State of Cloud Application Adoption in Large Enterprises*
- *The New Digital Mobile Consumer: How Large Companies are Responding*
- *The Emerging Big Returns on Big Data*
- *Mastering Digital Feedback: How the Best Consumer Companies Use Social Media*

[3] *820 executives were surveyed in total from large businesses across 13 industries in North America, Europe, Latin America and Asia Pacific. The average annual revenue for participating businesses was $25.8bn.*

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About Tata Consultancy Services Ltd (TCS)

Tata Consultancy Services is an IT services, consulting and business solutions organisation that delivers real results to global business, ensuring a level of certainty no other firm can match. TCS offers a consulting-led, integrated portfolio of IT, BPS,infrastructure, engineering and assurance services. This is delivered through its unique Global Network Delivery Model™, recognised as the benchmark of excellence in software development. A part of the Tata group, India's largest industrial conglomerate, TCS has over 305,000 of the world's best-trained consultants in 46 countries. The company generated consolidated revenues of US $13.4 billion for year ended March 31, 2014 and is listed on the National Stock Exchange and Bombay Stock Exchange in India. For more information, visit us at www.tcs.com.

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