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National Stock Exchange of India Limited   **BSE Limited**
Exchange Plaza, C-1, Block G,   **P. J. Towers,**
Bandra Kurla Complex, Bandra (East)   **Dalal Street,**
Mumbai - 400051   **Mumbai - 400001**
Symbol - TCS   **Scrip Code No. - 532540**

Dear Sirs,

Sub: Press Release

We are sending herewith copy of the Press Release titled "**TCS Global Study Identifies Critical Gaps in AI Adoption among Retailers**" which will be disseminated shortly.

The Press release is self-explanatory.

Thanking you,

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

Yashaswin Sheth
Company Secretary
ACS 15388

Encl: as above

TCS Global Study Identifies Critical Gaps in AI Adoption among Retailers

The TCS Global Retail Outlook 2026—based on responses from more than 800 senior retail executives across 18 countries—highlights fresh insights and emerging trends shaping digital transformation and AI adoption in the retail industry.

NEW YORK | MUMBAI, January 29, 2026: A new study by Tata Consultancy Services (TCS) (BSE: 532540, NSE: TCS), a global leader in IT services, consulting, and business solutions, reveals that while AI ranks among the top enablers for retailers, executives have made limited progress in deploying AI at scale. The TCS Global Retail Outlook 2026 study reveals most retailers are not ready for agentic AI, with 85% saying they have not yet begun implementing – or are even planning for – multi-agent AI systems. Only 24% are currently using AI for autonomous decision making. With 51% of retailers only making basic AI technologies such as chatbots and virtual assistants their top AI initiative, the findings suggest that the adoption and transformative potential of advanced intelligence capabilities in retail remains at a superficial level.

The study also reveals that following cost optimization, AI-powered technologies are ranked among the most essential capabilities for 2026, with the ability to sense market changes and how competitors move in real time. Adaptive AI-powered decision-making capabilities ranked #2 and #3 (out of 10) for retailers. The report has identified workforce skills gap as one of the biggest challenges, second only to financial pressures.

Key highlights from the survey:

- **51%** of retailers cite **chatbots and virtual assistants as their leading AI** initiative today, suggesting most retailers have not yet begun to use AI outside of isolated customer engagement platforms.

- **85%** of retailers are not yet using multi-agent AI systems; nearly half (48%) have no plans to do so

- Only **33%** of retailers see digital literacy programs for employees as a way to achieve organizational transformation and talent upskilling.

- Just **37%** of retailers use loyalty insights to inform channel or store experience strategies, a missed opportunity to gain enterprise intelligence.

- Only **45%** apply loyalty insights to pricing and promotions.

- **39%** of retailers are deploying AI-powered demand sensing for supply chain resiliency.

Krishnan Ramanujan, President, Consumer Business Group, TCS, said, "*Retailers today are united in their belief that AI will define the next era of competitiveness, yet most have only scratched the surface of its potential. Our Global Retail Outlook reveals that the true opportunity lies in shifting from isolated experiments to pervasive intelligence embedded across the value chain. The retailers that master this transition will become more perceptive enterprises, capable of learning, adapting, and responding in real time. TCS is prepared to address the gaps in the value chain and is building AI-led solutions to unlock the next phase of growth for retailers.*"

The findings of the report show that in a market rapidly shifting toward intelligent, experience-led retail, a paradigm shift is needed. **TCS's vision for this future, known as "Perceptive Retail™,"** integrates AI, machine learning, and multi-agent systems to help retailers interpret signals, adapt operations in real time, and orchestrate decisions across the value chain. The study is part of TCS' broader agenda to make AI real for clients at the enterprise level.

Cheenttan Voraa, Global Head of Retail Consulting, TCS, said, *"The retail sector is at a defining crossroads. Leaders recognize AI as an essential technology to stay ahead in the next era of competitiveness, yet most organizations remain early in their journey toward true enterprise intelligence. Advancing from siloed use cases to connected, perceptive systems will require bold investments, not only in technology but in AI-savvy talent, along with improved processes and operating models. TCS is committed to partnering with retailers and empowering them to lead in the AI era."*

The study indicates that retailers see AI-powered decision-making, faster time-to-market for products and services, and automated workflows among the capabilities that will most significantly impact performance in the near term, surpassing conventional business analytics and intelligence tools. Executives also express strong urgency around cybersecurity and privacy and in the data still locked inside loyalty programs, where fewer than half say they're able to use such information to demonstrate marketing ROI, set pricing, or conduct product and assortment planning.

The study draws responses from more than 800 senior retail executives across 18 countries and five major subsectors and highlights the operational pressures currently shaping retail transformation. Executives identify the ability to sense market shifts in real time and utilizing adaptive AI-powered decision-making among their top priorities for the next one to two years, a signal that retailers increasingly see digital intelligence and agility as inseparable.

About Tata Consultancy Services Ltd (TCS)

Tata Consultancy Services (TCS) (BSE: 532540, NSE: TCS) is a digital transformation and technology partner of choice for industry-leading organizations worldwide. Since its inception in 1968, TCS has upheld the highest standards of innovation, engineering excellence and customer service.

Rooted in the heritage of the Tata Group, TCS is focused on creating long term value for its clients, its investors, its employees, and the community at large. With a highly skilled workforce of 580,000 spread across 55 countries and 202 service delivery centers across the world, the company has been recognized as a top employer in six continents. With the ability to rapidly apply and scale new technologies, the company has built long term partnerships with its clients – helping them emerge as perpetually adaptive enterprises. Many of these relationships have endured into decades and navigated every technology cycle, from mainframes in the 1970s to artificial intelligence today.

TCS sponsors 14 of the world's most prestigious marathons and endurance events, including the TCS New York City Marathon, TCS London Marathon and TCS Sydney Marathon with a focus on promoting health, sustainability, and community empowerment.

TCS generated consolidated revenues of over US $30 billion in the fiscal year ended March 31, 2025. For more information, visit www.tcs.com

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