



2024

Europe Digital Health Study

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Executive Summary



Sachin Agrawal

Managing Director, Zoho UK

The digital health of businesses is not only critical to the success of those businesses, but has a wider impact on the European economy. In increasingly competitive marketplaces, with an ever-growing number of macro-economic factors impacting the business world,

having good digital health can make the difference between success and failure.

Digital health significantly affects the impact of investment in new technology. Without a healthy digital foundation, benefits of new tech will be extremely limited. For instance, to gain any return from investing in AI, businesses must be streamlined and have either a unified platform to remove any barriers from data flow, or must have all data collated in real-time in a central data analytics platform. Only then can AI models access the data needed to be able to create more efficiency, automate functions properly, make informed recommendations, help prevent fraud, or succeed in the many other

use cases that can really make a difference to business.

Performance in every department in every business is impacted by digital health. For example, with customer experience today, people expect a business to create a smooth and seamless interaction with them each time. This is impossible without good digital health. Employees now also expect a high standard of digitisation. It makes their jobs easier, it enables more flexibility with working models, and more. Both of these examples are crucial factors in business success.

While the findings of this year's European Digital Health Study show progress since 2023, there is still

much to be done to really maximise the return on investment in digitisation. We invite you to read more of the findings and hear from us on what next steps you can take to accelerate progression in 2025.

In 2025, good digital health will become even more critical. Data will continue to grow at an exponential rate, and in order to maximise its use, businesses will need to eliminate data silos and have a common repository for all data. It is only then that use cases for AI, or indeed any new tech that involves data use, can realise their full potential.

Customer privacy and customer experience should remain high on the agenda for business in order to increase customer acquisition and retention. Meeting demands

effectively from customers in these areas is only made possible through digital transformation and good digital health.

We expect to see a rise in business demand for digital platforms and tools that offer deep customisation and personalisation, coupled with smooth integration offers to enable existing systems to work well with new tech.

Companies can expect to continue to navigate a plethora of economic factors impacting business, from regulatory changes, to supply chain issues, to geo-political tensions. Those with good digital health can expect to obtain more agility, adaptability, and flexibility to enhance their resilience to cope with these potentially disruptive conditions.



Highlights

The report will go into detail around the state of digital health progress in European businesses, including cloud and digital platform adoption, key challenges and impacts, AI use cases, what is deemed most important when deciding on new digital investment, data privacy, and more.

Key findings when comparing the levels of digital health from this year include:

- Digital adaptation: European businesses with good digital health are at least 3x more likely than those with average or poor digital health to have faced no issues at all with adopting cloud-based / digital applications before they were fully ready (23%, 6%, 6%, respectively).

- Digital competitiveness: European businesses with good digital health are much more likely to be 100% digital than those who have average or poor health (20%, 6%, 3% respectively).



- AI enablement: Over 2 in 5 (44%) European businesses with good digital health see AI as critical and are already using it and seeing the impact on their success, compared to around 1 in 5 (19%) of those with average digital health and 1 in 16 (6%) with poor digital health.
- Trust through privacy: European businesses with good digital health are far more likely than those with average or poor digital health to say data privacy is a critical part of their business success (57%, 44%, 30%).

Chapters

Chapter One - Digital Health overview

Good digital health showed slight increase year-on-year

As we begin 2025, a quarter (25%) of companies surveyed in Europe have good digital health, 35% have average digital health, and 40% have poor digital health. Overall, there has been a slight increase year-on-year in the percentage of companies surveyed with good digital health (25% vs 21%), a decrease in average digital health (35% vs 45%) and an increase in poor digital health (40% vs 35%). So, whilst there has been some improvement in good digital health in businesses surveyed in Europe, there is still great room for progress.

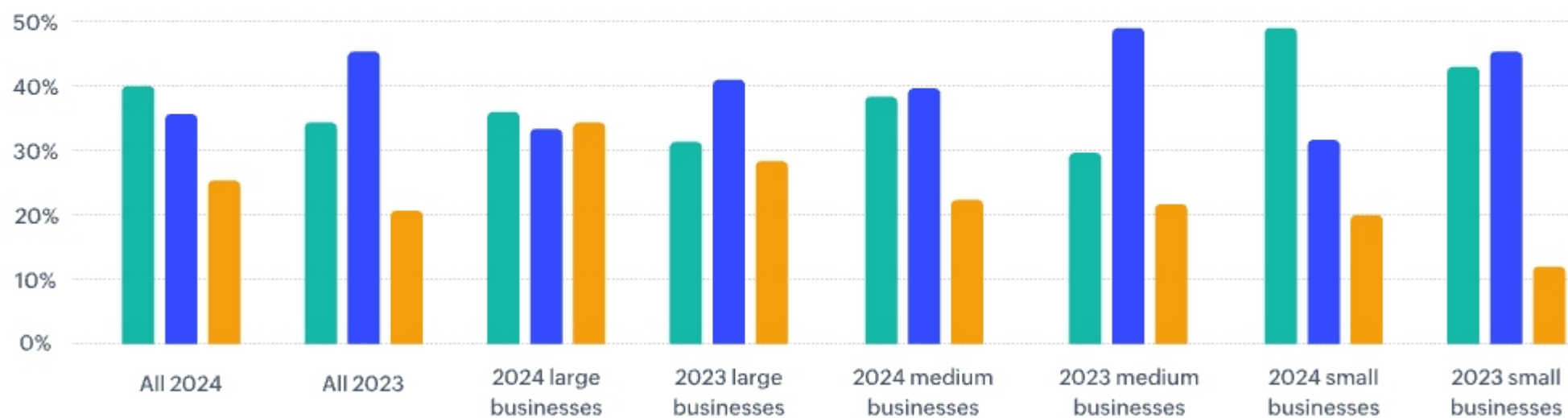
In the previous year, companies surveyed in Germany were most likely to have good digital health (25%), followed by those in Spain (25%), the UK (19%), the Netherlands (18%), and France (17%). This year, companies surveyed in Germany are still the most likely to have good digital health (33%), however, this is now followed by the UK (28%), Spain (27%), France (20%), and then the Netherlands (19%).

In terms of company size, large firms (1000+ employees) are most likely to have good digital health (33%), which is reflective of the previous year (29%), and which might reflect budgets.



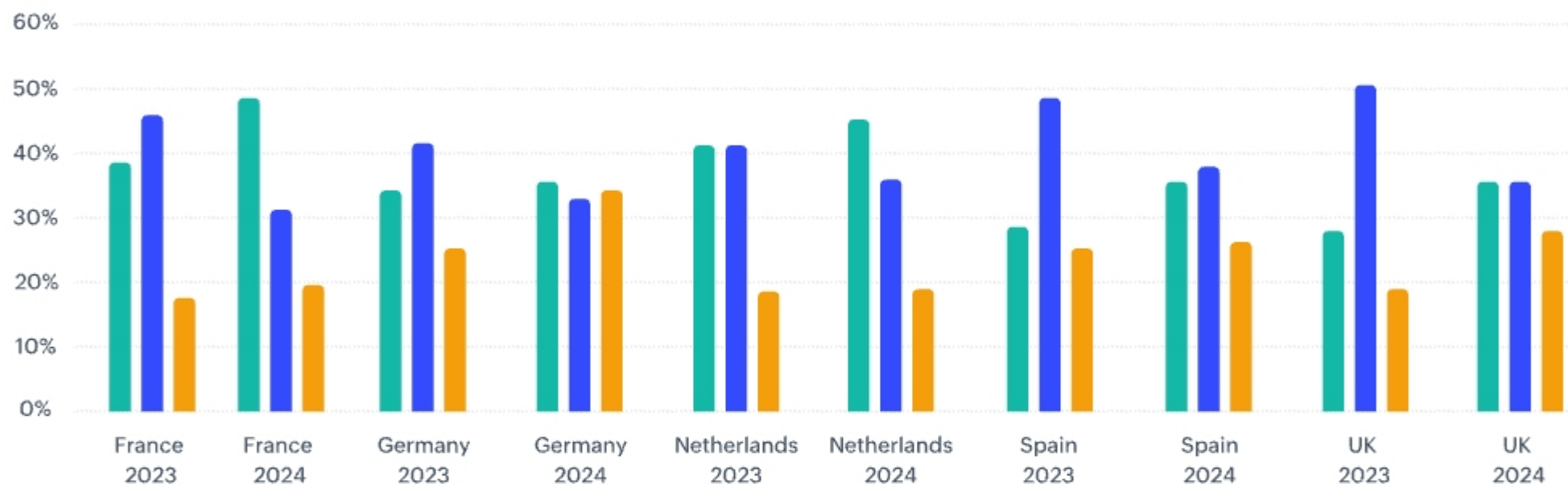
Digital health in Europe by business size

● Poor digital health ● Average digital health ● Good digital health



Year-on-year comparison by country

● Poor digital health ● Average digital health ● Good digital health



"It's very encouraging to see progress in business digital health year-on-year. However, there is still much room for improvement. Good digital health is critical for business success and has a major impact on ROI for new technology investments, including AI."

Sachin Agrawal

Managing Director, Zoho UK

Chapter Two - Adoption of Cloud and Digital Platforms

In 2024, 9 out of 10 (90%) digital transformation leaders have faced issues with adopting cloud-based / digital applications before they were fully ready, which remains similar to the previous year (89%), suggesting it is still an issue.

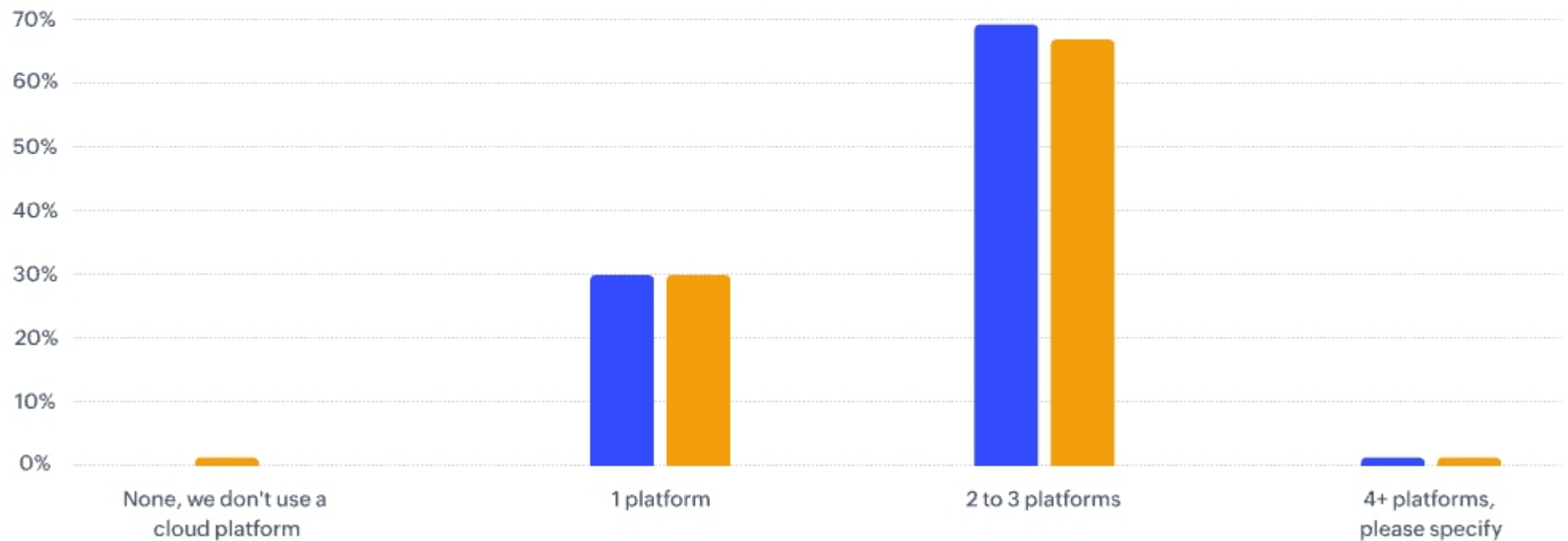


Exploring cloud platform and application usage, more than half (54%) of digital transformation leaders surveyed are using a multi-cloud strategy and say their business uses 2 to 3 cloud platforms (54%). Only 1 in 25 (4%) of respondents don't use any cloud platforms or applications. However, when exploring poor, average and good digital health, 1 in 12 (8%) of those with poor digital health don't use any cloud platforms, compared to just 1% of those with average digital health and 1% of those with good digital health. Similarly, a much higher percentage of those with poor digital health don't use any cloud applications (7%), compared to those with average (1%) or good (1%) digital health.

Slightly more digital transformation leaders surveyed year-on-year said their business uses 2 to 3 cloud platforms (54% vs 51%), while the percentage who used 1 to 5 applications in 2024 has increased since the previous year too (49% vs 45%). There has also been a decrease year-on-year in the percentage of respondents whose business doesn't use a cloud platform or any applications (both 6% vs 4%).

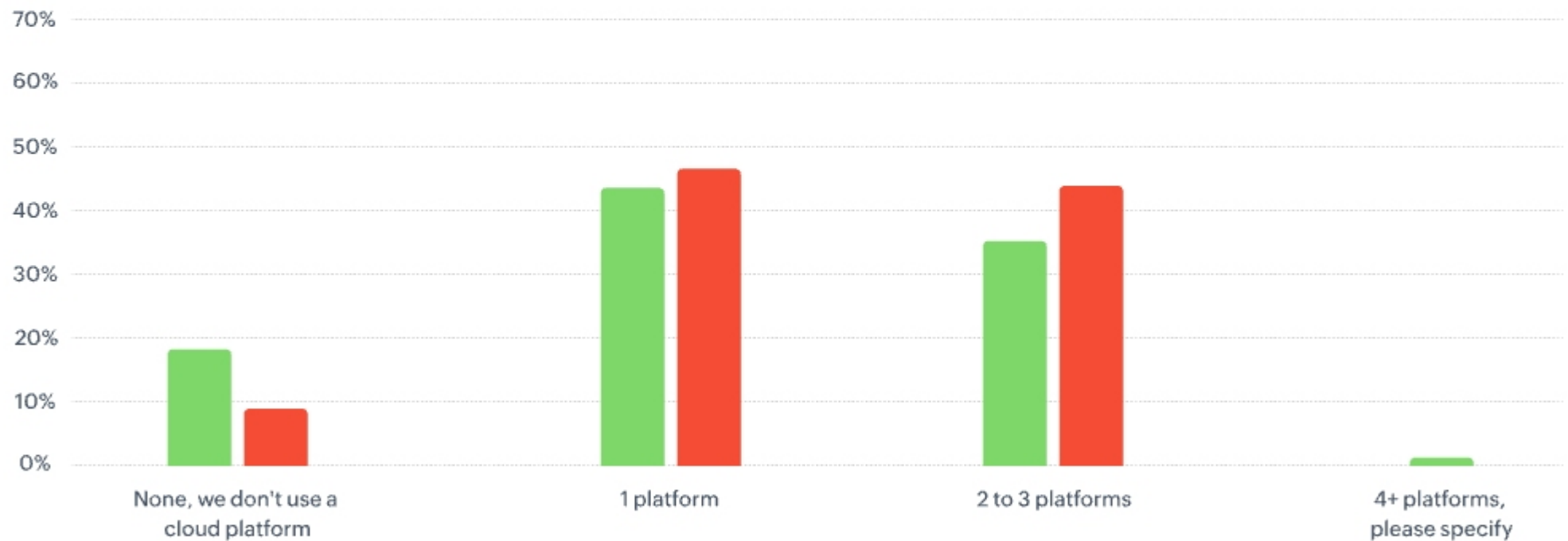
How many cloud platforms do businesses with good digital health use, if any?

● Good digital health 2023 ● Good digital health 2024



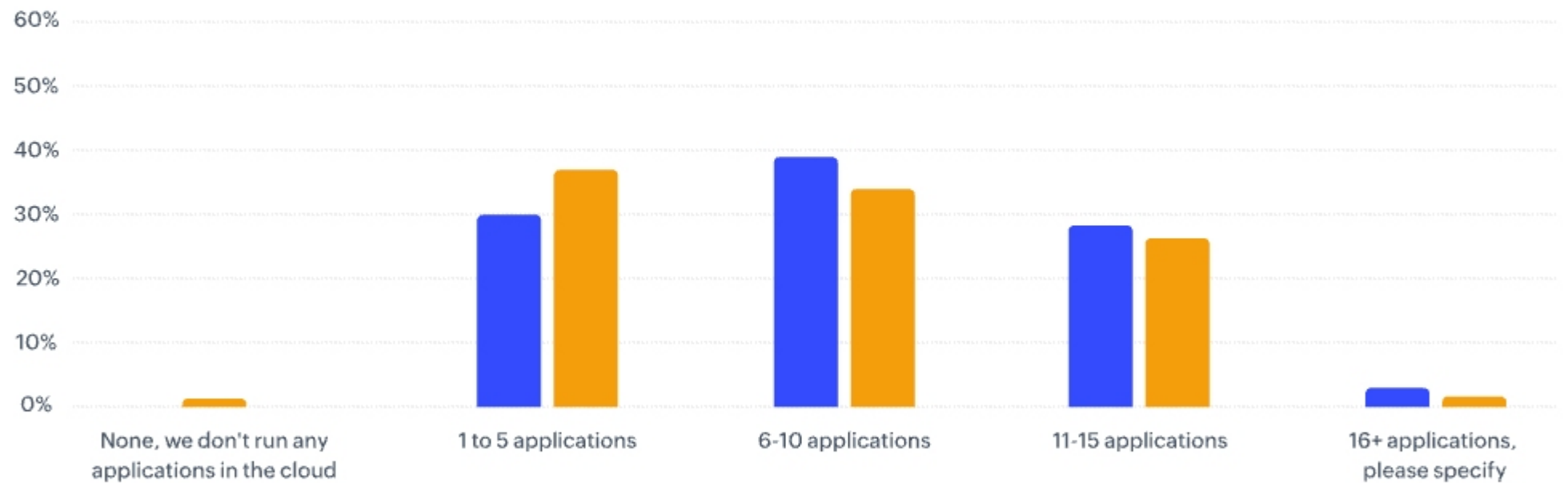
How many cloud platforms do businesses with poor digital health use, if any?

● Poor digital health 2023 ● Poor digital health 2024



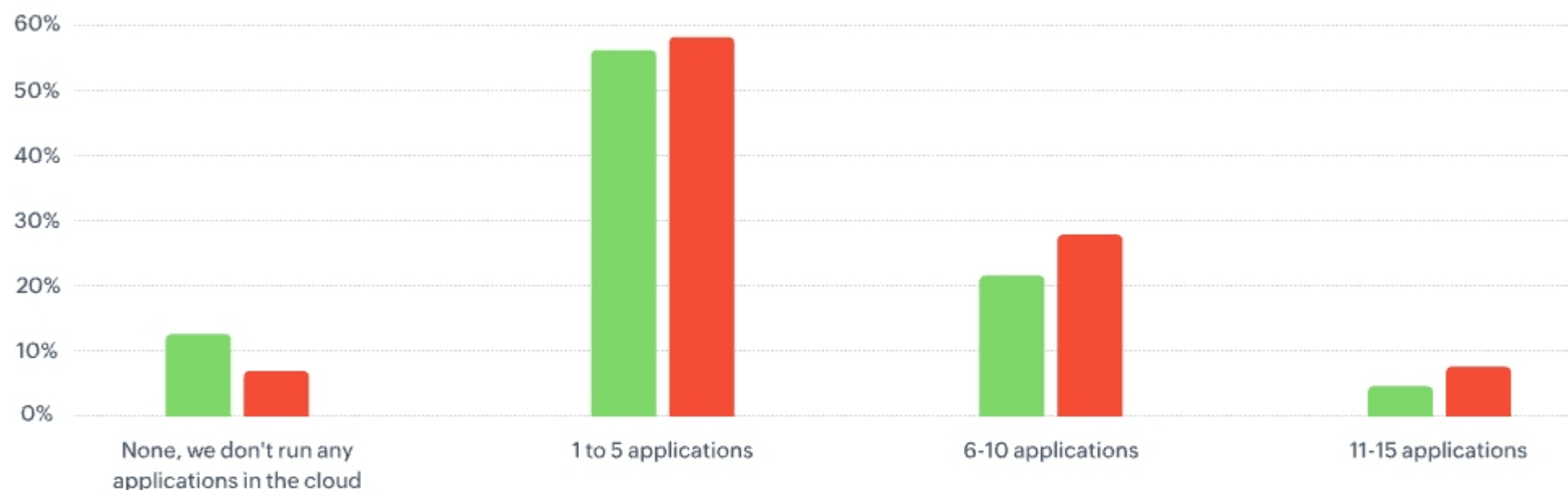
How many cloud applications do businesses with good digital health use, if any?

● Good digital health 2023 ● Good digital health 2024



How many cloud applications do businesses with poor digital health use, if any?

● Poor digital health 2023 ● Poor digital health 2024



"It's no surprise to see that businesses with good digital health are using more cloud platforms and applications than those with average or poor digital health. However, when looking year-on-year, there is a clear improvement in businesses with poor digital health migrating more onto the cloud. Things are moving in the right direction to drive further European business and, therefore, economic success."

Sachin Agrawal

Managing Director, Zoho UK

Chapter Three - Cloud and Digital Platforms: challenges and impacts

Those with good digital health (23%) are almost 4x more likely than those with poor or average (both 6%) digital health to have faced no issues at all with adopting cloud-based / digital applications before they were fully ready.

Challenges experienced by European businesses surveyed when it comes to cloud and digital platforms have been broadly similar year-on-year, however, there are some clear differences. For instance, while tech not integrating with other platforms or applications was the biggest challenge in 2023, it was less prominent in 2024 (37% vs 26%), demonstrating it is more in control. Whereas, paying too much for the range of new tech they selected to continue long term has become

more of a challenge and rising concern since 2023 (21% vs 26%), as has having a completely different user experience for at least several of their apps (15% vs 26%).

"Businesses must make the necessary preparations before introducing new digital tools for transformation. Considerations such as goal alignment, objectives, and opportunities to measure effectiveness can make a key difference to success. The entire organisation must understand why change is important and be educated as to how to make the best out of the new tools. The findings clearly show that rushing before readiness brings many challenges."

Sachin Agrawal

Managing Director, Zoho UK



What issues (or challenges), if any, have you experienced from adopting cloud-based / digital applications (termed as 'new tech' in these response options) before you were fully ready.

● France ● Germany ● The Netherlands ● Spain ● UK

It is not easy to incorporate data from the new tech into our overall data to give us a full business picture

We have had to invest in a lot of specialist help to make best use of the new tech

The new tech is no longer fit for purpose as we had a short term view (for example, to resolve a short term problem rather than mapping to long-term strategy)

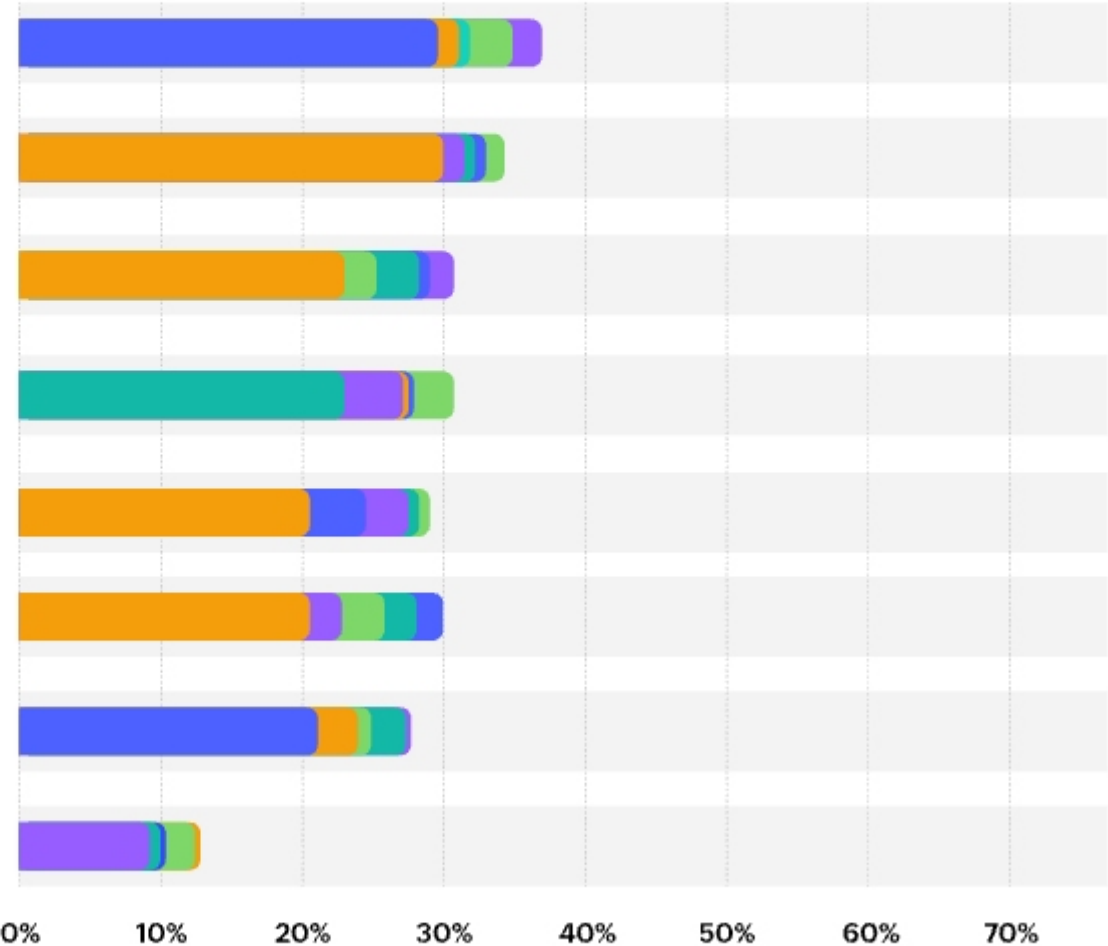
We are paying far too much now for the range of new tech we selected to continue long term

The new tech does not integrate with other platforms or applications

We have a completely different user experience for at least several of our apps

There was poor or inconsistent adoption of the new tech across the organisation

We have faced no issues at all with adopting cloud-based / digital applications before we were fully ready



What issues (or challenges), if any, have you experienced from adopting cloud-based / digital applications (termed as 'new tech' in these response options) before you were fully ready. (Select all that apply)

	All 2024	All 2023	2024 with good digital health	2023 with good digital health	2024 with poor digital health	2023 with poor digital health
It is not easy to incorporate data from the new tech into our overall data to give us a full business picture	33%	N/A	27%	N/A	34%	N/A
We have had to invest in a lot of specialist help to make best use of the new tech	32%	31%	37%	35%	30%	25%
The new tech is no longer fit for purpose as we had a short term view (for example, to resolve a short term problem rather than mapping to long-term strategy)	28%	30%	24%	21%	28%	33%
We are paying far too much now for the range of new tech we selected to continue long term	26%	21%	23%	18%	24%	20%
The new tech does not integrate with other platforms or applications	26%	37%	21%	25%	26%	38%
We have a completely different user experience for at least several of our apps	26%	15%	28%	15%	23%	14%
There was poor or inconsistent adoption of the new tech across the organisation	24%	24%	19%	18%	24%	27%
We have faced no issues at all with adopting cloud-based / digital applications before we were fully ready	10%	11%	23%	31%	6%	6%

Looking at overall year-on-year changes, in 2024, the top three challenges digital transformation leaders surveyed faced when adopting cloud-based / digital applications before they were fully ready are:

1. It is not easy to incorporate data from the new tech into their overall data to give them a full business picture (33%)
2. They have had to invest in a lot of specialist help to make best use of the new tech (32%)
3. The new tech is no longer fit for purpose as they had a short term view (for example, to resolve a short term problem rather than mapping to long-term strategy) (28%)

This is compared to in 2023, where the top three challenges faced were:

1. The new tech does not integrate with other platforms or applications (37%)
2. They've had to invest in a lot of specialist help to make best use of the new tech (31%)
3. The new tech is no longer fit for purpose as they had a short term view (for example, just thought about adapting during the pandemic) (30%)

"Good digital health is the foundation on which new technology can be introduced with minimal challenges. This includes seamlessly integrating technology across the entire business and streamlining processes, ensuring data is centrally collated, accessible, and can be analysed. It would reduce one of the key problems cited with incorporating new tech into the overall data to give a full business picture. Vendors also need to play a role in making it easy for their customers to both implement and use technology. This would reduce the likelihood of businesses needing to seek specialist help to make the most of new tech."

Sachin Agrawal

Managing Director, Zoho UK



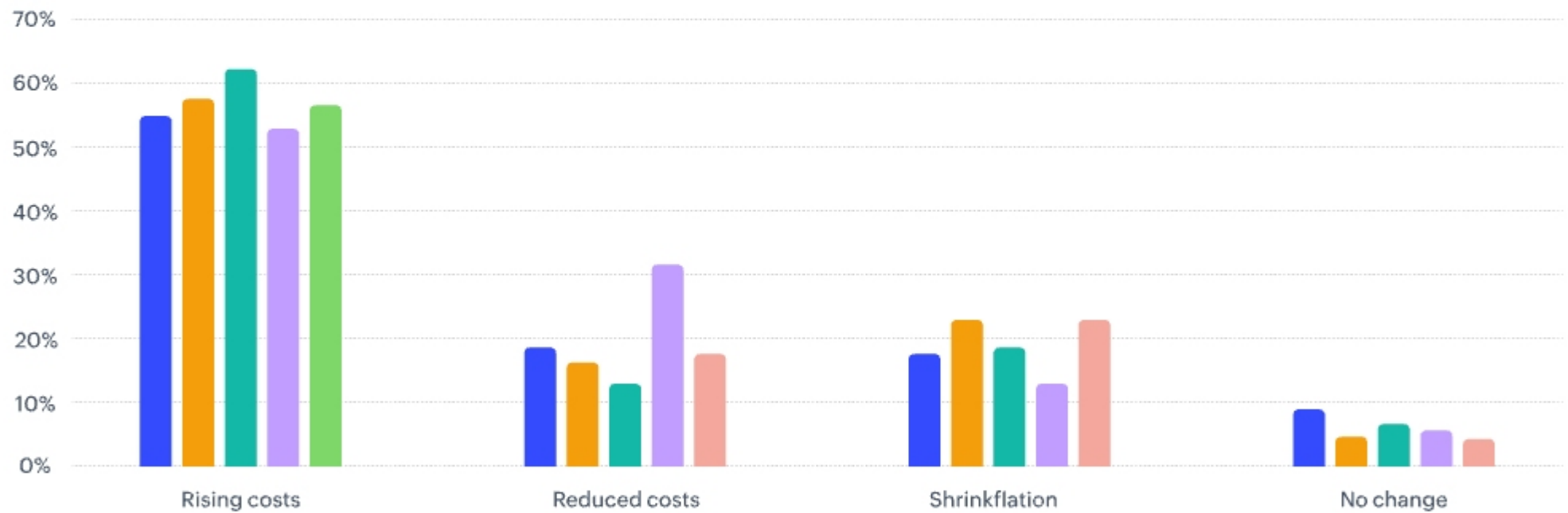
Chapter Four - Cloud and Digital Platforms: rising costs

Almost two fifths (39%) of businesses surveyed in Europe are cutting costs in other parts of the business in order to maintain the same level of quality in what they offer to customers, to combat rising costs and shrinkflation.

We saw in the previous chapter that paying too much for the range of new tech has become more challenging for European businesses responding in the last year. Another challenge businesses faced in 2024 was rising costs across the board, with almost 3 in 5 (56%) seeing costs rise in the past year, while almost a fifth (19%) have seen shrinkflation (e.g., getting less services, functionality, or value for the same cost or more cost). Less than a fifth (19%) have seen reduced costs in the past year.

What change, if any, have you seen in the past year in relation to cost?

● France ● Germany ● The Netherlands ● Spain ● UK



To combat the challenge of rising costs and shrinkflation in the past year, businesses have taken a range of actions. The top five actions businesses have taken, according to digital transformation leaders surveyed, are:

1. Cutting costs in other parts of the business in order to maintain the same level of quality in what they offer to customers (39%)
2. Taking more services in house and therefore reducing reliance on vendors (35%)
3. Reassessing their vendor pool (34%)
4. Changing their cloud business model (27%)
5. Reducing the amount of vendors they use (19%)

Respondents also said their businesses are unable to offer the same quality of service to customers than they previously did (18%), are reducing the amount of services they use (18%), having to change their business strategy (9%), and having to spend more to avoid negatively impacting their business output (8%).

In the previous year European businesses were also facing the challenge of rising costs. Looking at this specifically with cloud technology, almost half (48%) of respondents were assessing their partners/vendors to get more cost control to counter the rising costs of using cloud technology, while just over 2 in 5 (41%) were considering changing their cloud business model to get more cost control and a third (33%) were taking action to mitigate rising costs.

"It's been a tough year for businesses dealing with rising costs across the board. Achieving good digital health can go a long way to counter this, providing more efficiency, improving the customer and employee experience, delivering more accurate forecasting - generally making it easier to save costs and generate more income.

Businesses should most certainly reassess their vendor pool to make sure they have the right partner for their long-term success.

Considerations above functionality of products should include cultural alignment, and whether the vendor will be around for the long-term or if their strategy is based around an 'exit'."

Sachin Agrawal

Managing Director, Zoho UK

Chapter Five: Factors impacting decision-making for digital procurement

Businesses with good digital health ranked 'how it helps them serve customers better' as the number one factor when considering the introduction of a new digital tool.

When asked what the important factors are to evaluate when introducing a new digital tool in their business (in this case a cloud software application), European digital transformation leaders surveyed ranked price/cost (34%), how it helps them serve their customers better (33%), and whether it integrates with other digital apps they already use (33%) as most important. How easy it is to use / user experience (31%) is also important,

followed by how it fits within their overall digital strategy and infrastructure (30%), the savings it drives once implemented (30%), how it helps improve employee experience (29%), and how it positions them as an innovator (23%).

There are variations in what is most important by market, too. In France and the Netherlands, price/cost is the most important factor to evaluate when introducing a new digital tool in their business (39% and 36% respectively). In the UK, the most important factor to evaluate is how it helps them serve their customers better (41%), while in Germany, how easy the tool is to use / user experience is most important (37%). Finally, in Spain, the most important factor to evaluate is whether it integrates with other

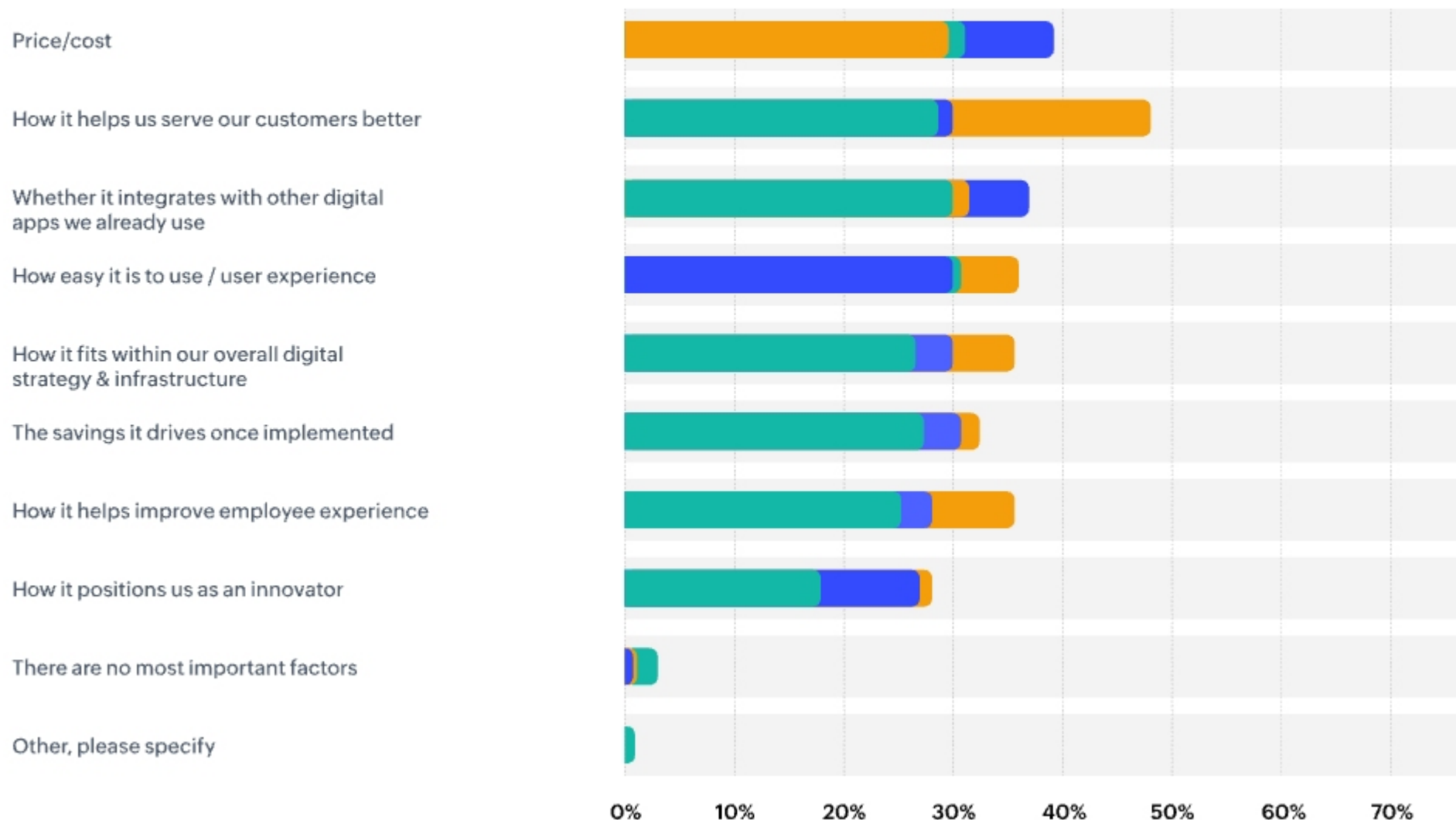
digital apps they already use (33%).

Additionally, those with a poor or average digital health score identified the most important factor to evaluate when introducing a new digital tool in their business as price/cost (33% and 38%), while those with a good digital health score identified how it helps them serve their customers better as the top important factor to evaluate (47%).



What, if anything, are the most important factors to evaluate when introducing a new digital tool - in this case a cloud software application - in your business? (Select up to 3)

● Good digital health ● Average digital health ● Poor digital health

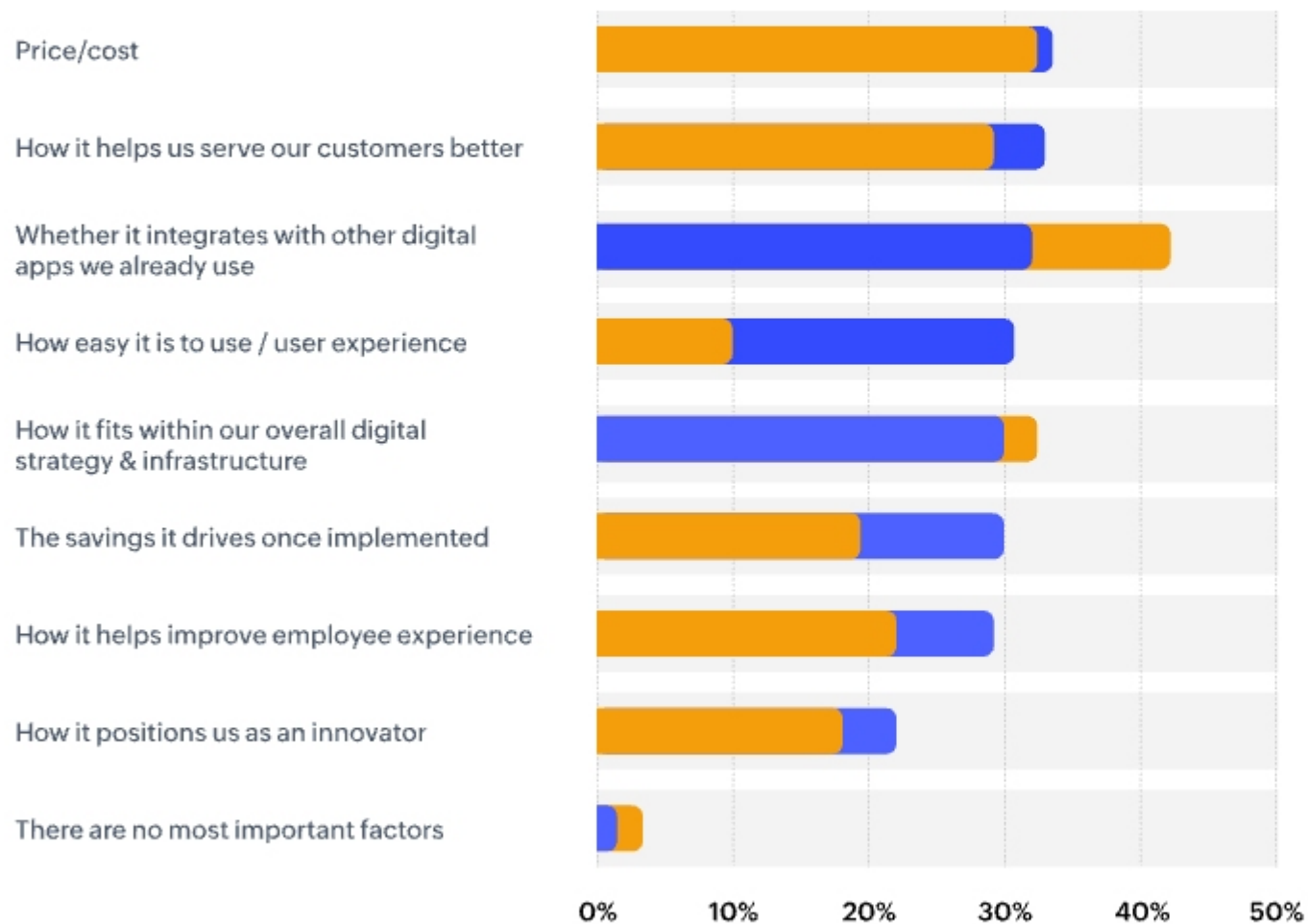


There are some clear differences in this area year-on-year as well. More respondents in 2023 than in 2024 said whether a new digital tool integrates with other digital apps they already use (42% vs 33%) and how it fits within their overall digital strategy and infrastructure (34% vs 30%) are important factors to evaluate when introducing a new digital tool in their business. However, fewer respondents in 2023 than 2024 said how it helps them serve their customers better (29% vs 33%), how it helps improve employee experience (23% vs 29%), the savings it drives once implemented (18% vs 30%), how easy it is to use / user experience (10% vs 31%), and how it positions them as an innovator (17% vs 23%) are important factors to evaluate. From this, it is apparent that priorities have changed for cloud software application introduction since 2023.



What, if anything, are the most important factors to evaluate when introducing a new digital tool - in this case a cloud software application - in your business? (Select up to 3)

● All 2023 ● All 2024



"Businesses with good digital health are thinking more holistically when considering what is important when evaluating the introduction of a new digital tool. How it helps to serve customers better has a major impact on business success. Price is a consideration of course, especially in times of economic instability, but longer-term thinking about how technological change can make savings and create long-term positive results should take precedence. The ease of integration with existing apps and infrastructure is also a firm driver of success."

Sachin Agrawal

Managing Director, Zoho UK

Chapter Six: Digital Transformation Journey

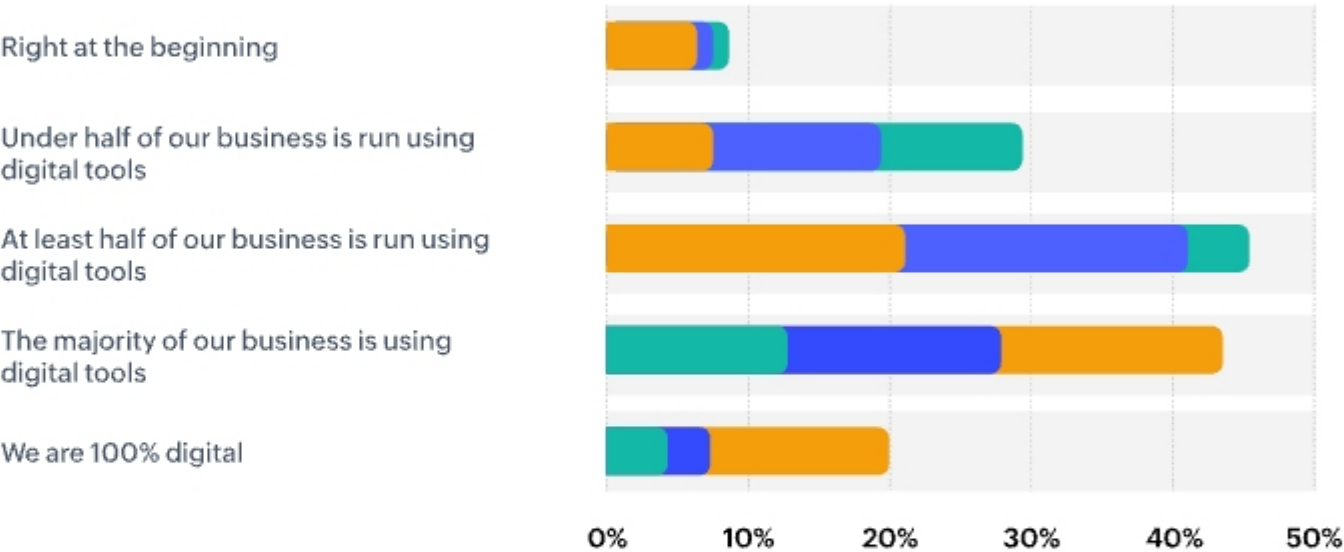
Two fifths (20%) of European businesses surveyed in 2024 with good digital health are 100% digital, an increase of 4% from 2023.

When it comes to where they are on their digital transformation journey, respondents are most likely to say at least half of their business is run using digital tools (38%). Notably, respondents are just slightly more likely to say they are 100% digital (9%), than right at the beginning of their digital transformation journey (7%).

Those with good digital health are much more likely to be 100% digital than those who have average or poor health (20%, 6%, 3% respectively).

Where would you say your business is on its digital transformation journey?

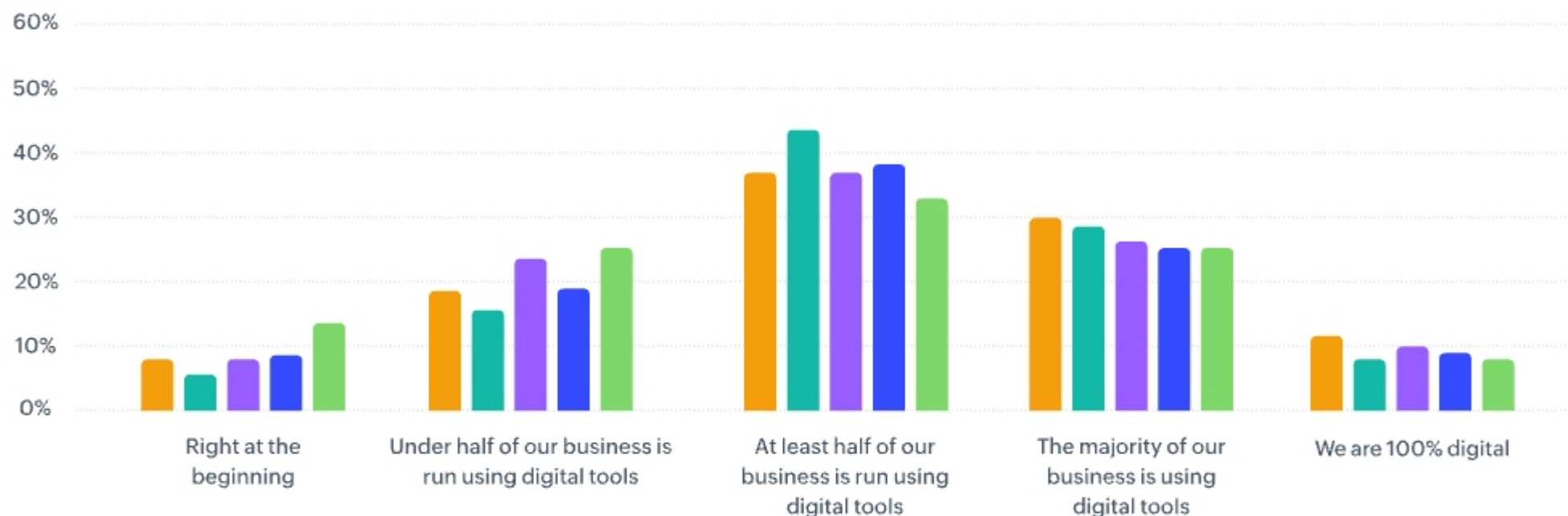
Good digital health Average digital health Poor digital health



The changes this year are minimal. Slightly more respondents in 2024 than the previous year said the majority of their business is using digital tools (27% vs 24%), and in the previous year over a third (35%) said at least half of their business is run using digital tools, compared to almost 2 in 5 (38%) respondents who said the same in 2024.

Comparison by country

● France ● Germany ● The Netherlands ● Spain ● UK



"Once again this year it is unsurprising that companies with good digital health are further ahead in their digital transformation journeys. However, it's clear more work needs to be done with only slight year-on-year improvements overall."

Sachin Agrawal

Managing Director, Zoho UK

Chapter Seven: Digital Transformation challenges and benefits

Only 12% of respondents haven't faced any problems/challenges with digital transformation so far, which might account for why European businesses are not further into their journey.

The most common problem/challenge European businesses responding to the survey have faced is that they have had to take outside help/resource to help their digital tools work together better (32%), followed by having to spend too much effort (more than expected) to implement digital tools successfully (31%) and (lack of) adoption by employees (26%). Less common challenges/problems with digital transformation include not having the skills/knowledge to use the digital tools properly (25%), their infrastructure becoming very complicated to use (25%) and it has not delivered the cost savings they thought it would (21%).



What problems/challenges, if any, have you faced with digital transformation so far? (Select all that apply)

● Good digital health
 ● Average digital health
 ● Poor digital health

We have had to take outside help/resource to help our digital tools work together better

We have had to spend too much effort (more than expected) to implement digital tools successfully

Adoption by employees

Our infrastructure has become very complicated to manage

We do not have the skills/knowledge to use the digital tools properly

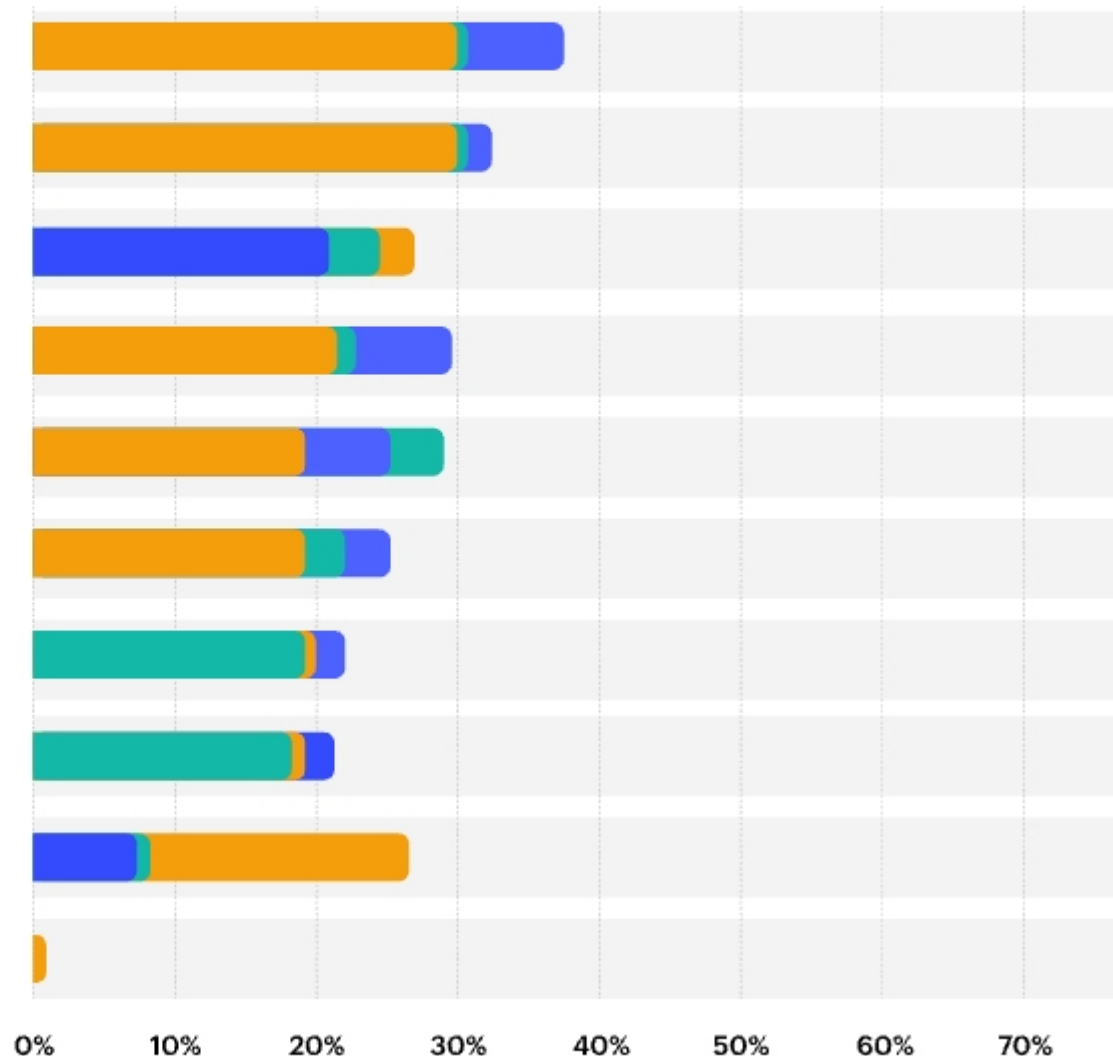
It has not delivered the cost savings we thought it would

We have not successfully integrated digital tools together

It has not delivered benefits the vendor told us it would

We have not faced any problems/challenges with digital transformation so far

Other, please specify



In the face of these challenges, digital leaders surveyed note benefits of digital transformation, with the top three most important ones being:

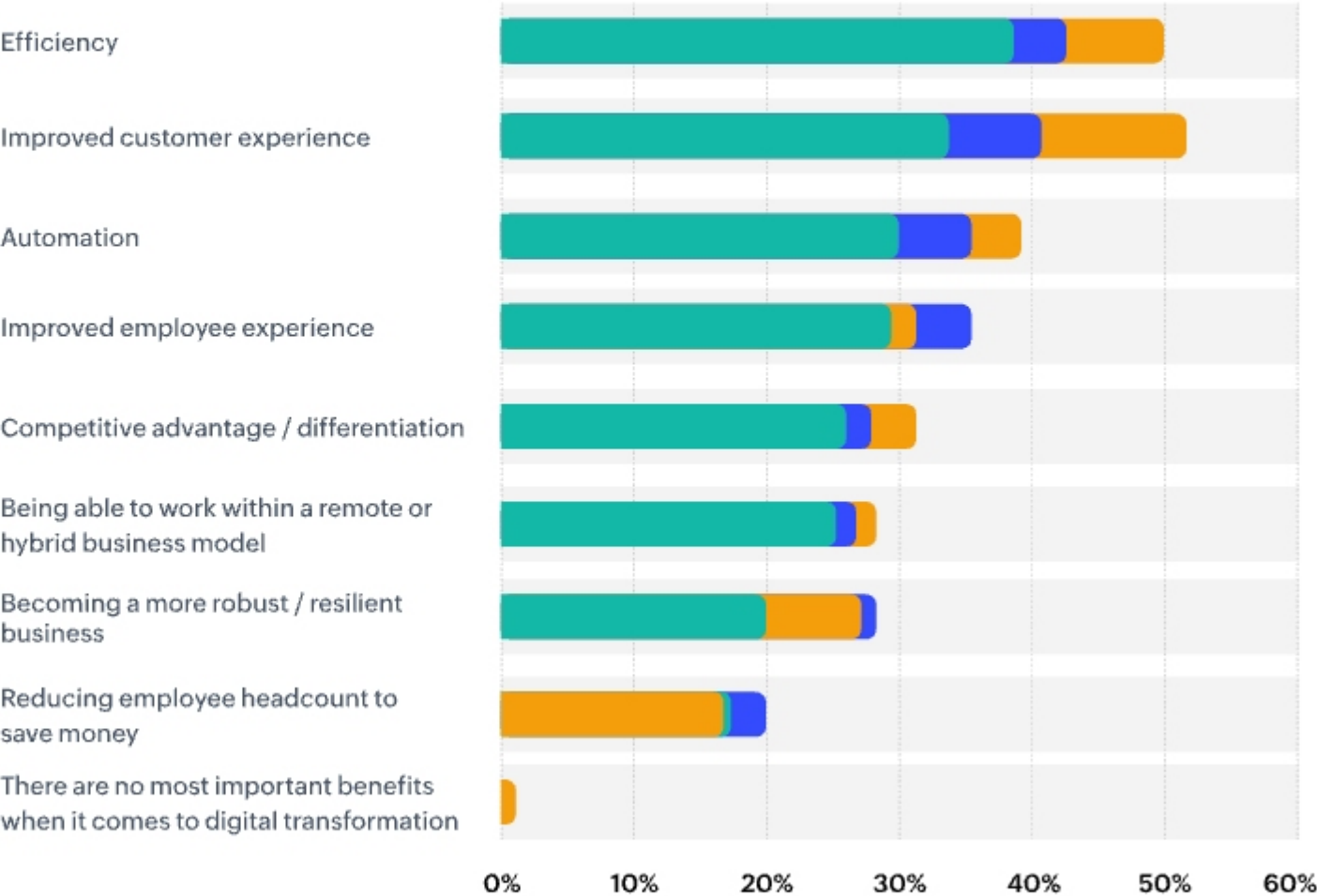
- 1. Efficiency (42%)
- 2. Improved customer experience (41%)
- 3. Automation (34%)

Improved customer experience is the most important benefit of digital transformation, according to European businesses surveyed with good digital health.

Those with good digital health see improved customer experience as the most important benefit when it comes to digital transformation (53%), followed by efficiency (50%) and then automation (38%) – they are also more likely to see these as important benefits than those with average or poor digital health.

What, if anything, are the most important benefits for you when it comes to digital transformation? (Select up to 3)

Good digital health Average digital health Poor digital health



Again, there hasn't been much movement in the data year-on-year. However, in 2023 respondents were most likely to say improved customer experience was the top benefit of digital transformation (40%) whereas in 2024 respondents were most likely to say efficiency and automation are the top benefits of digital transformation (both 30%).

When it comes to technology adoption across different departments in businesses surveyed, those most likely to have adopted new tech with great ease and without resistance are marketing (40%), customer support (39%), operations (38%), and sales (37%). However, around just under a fifth (17-18%) of all departments have experienced great resistance and difficulty with new tech adoption.

"There are very clear differences between companies with poor and good digital health in terms of experiencing challenges in their digital transformation journeys so far. If overall digital health is poor, introducing more digital tools on this rocky foundation is bound to create more complexity. The findings also demonstrate that more digital education is needed. Technology is not a magic wand. It needs to be orchestrated in the right way to deliver results. Businesses must make sure they understand what it is they are introducing and how it works - training across the entire user base when new tech is introduced is a core requirement to its successful adoption."

Sachin Agrawal

Managing Director, Zoho UK

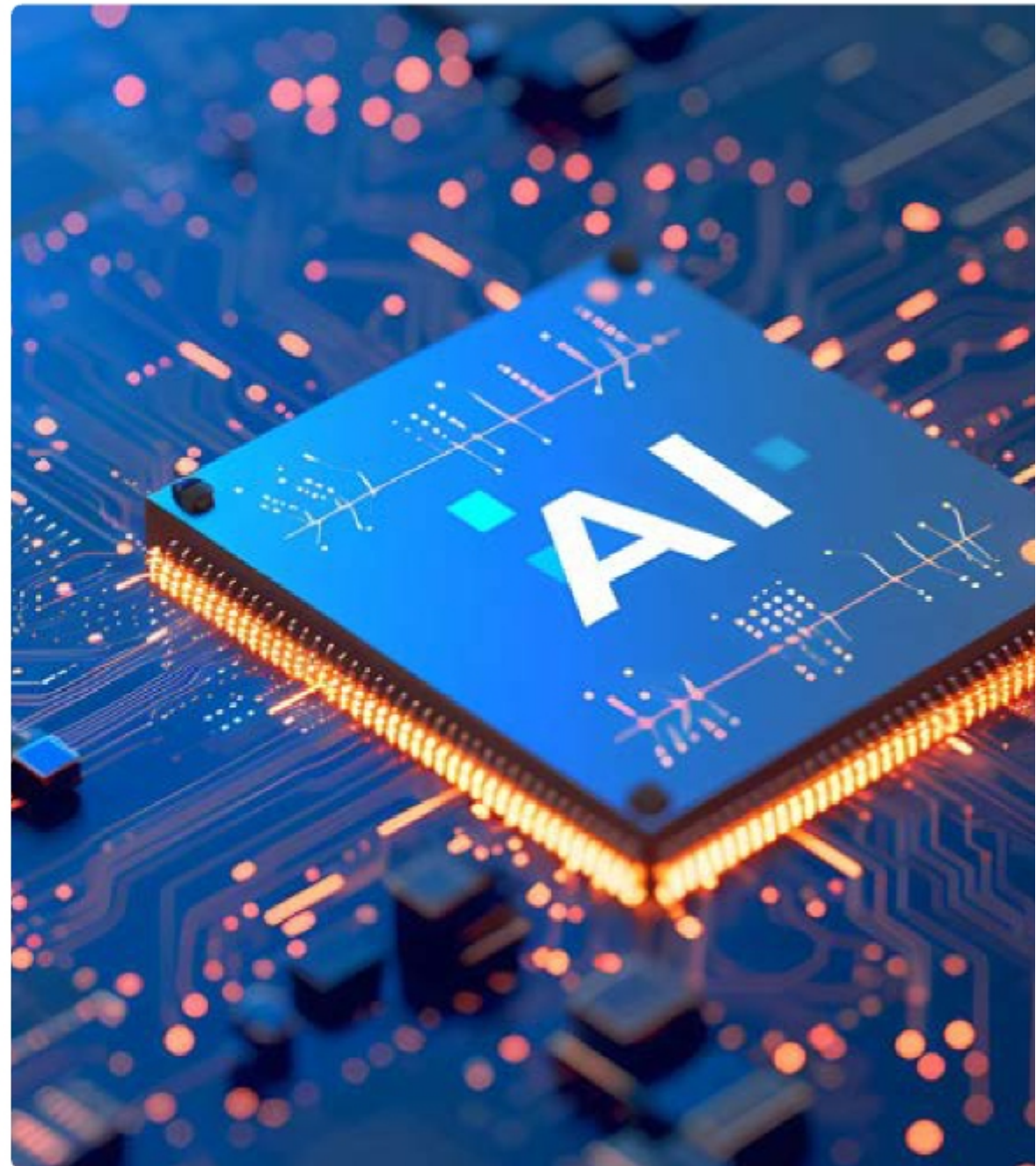


Chapter Eight: A spotlight on AI

Half of digital transformation leaders surveyed see AI playing a very big role in their business and plan to invest heavily in it.

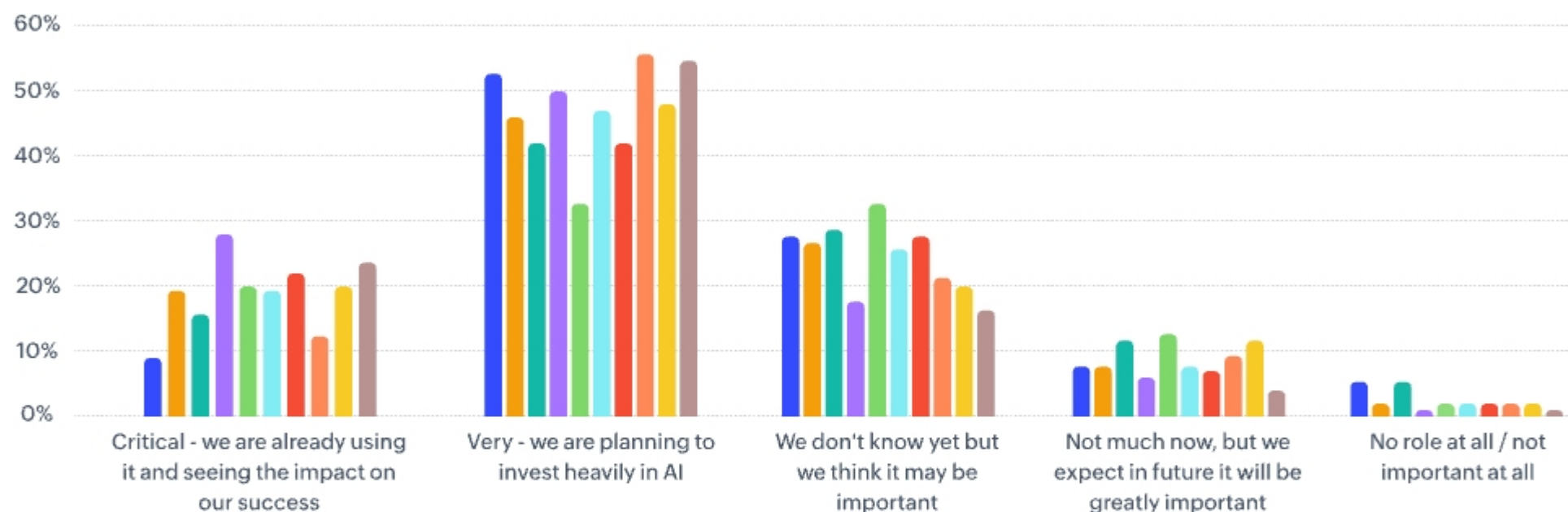
Specifically looking at AI, half (50%) of digital transformation leaders surveyed see AI playing a very big role in their business and are planning to invest heavily in it, a fifth (20%) see it as critical and are already using it and seeing the impact on success. Just over a fifth (21%) don't know what role they see AI playing in their business, but they think it may be important and 1 in 14 (7%) say it's not playing much of a role now but expect it in future it will be greatly important.

Across the countries, respondents in Germany are most likely to see AI as critical and already be using it and seeing the impact on their success (27%), followed by those in the UK (24%), the Netherlands and France (both 19%), and finally Spain (13%). Over 2 in 5 (44%) of those with good digital health see AI as critical and are already using it and seeing the impact on their success, compared to almost a fifth (19%) of those with average digital health and 1 in 16 (6%) with poor digital health.



What role do you see AI playing in your business?

● France 2023 ● France 2024 ● Germany 2023 ● Germany 2024 ● The Netherlands 2023
● The Netherlands 2024 ● Spain 2023 ● Spain 2024 ● UK 2023 ● UK 2024

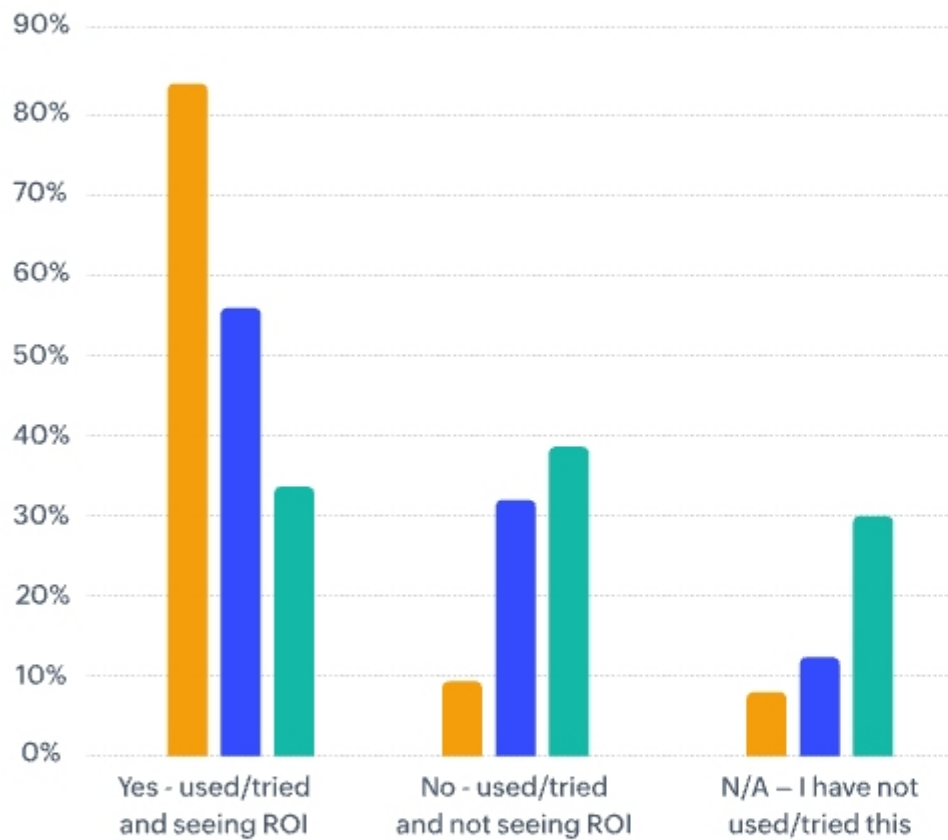


Companies are already seeing ROI from AI and use cases include chatbots, fraud detection, efficiency, customer insights, and forecasting. However, businesses surveyed with good digital health are clearly using it much more and gaining ROI from it than those with average or poor digital health.

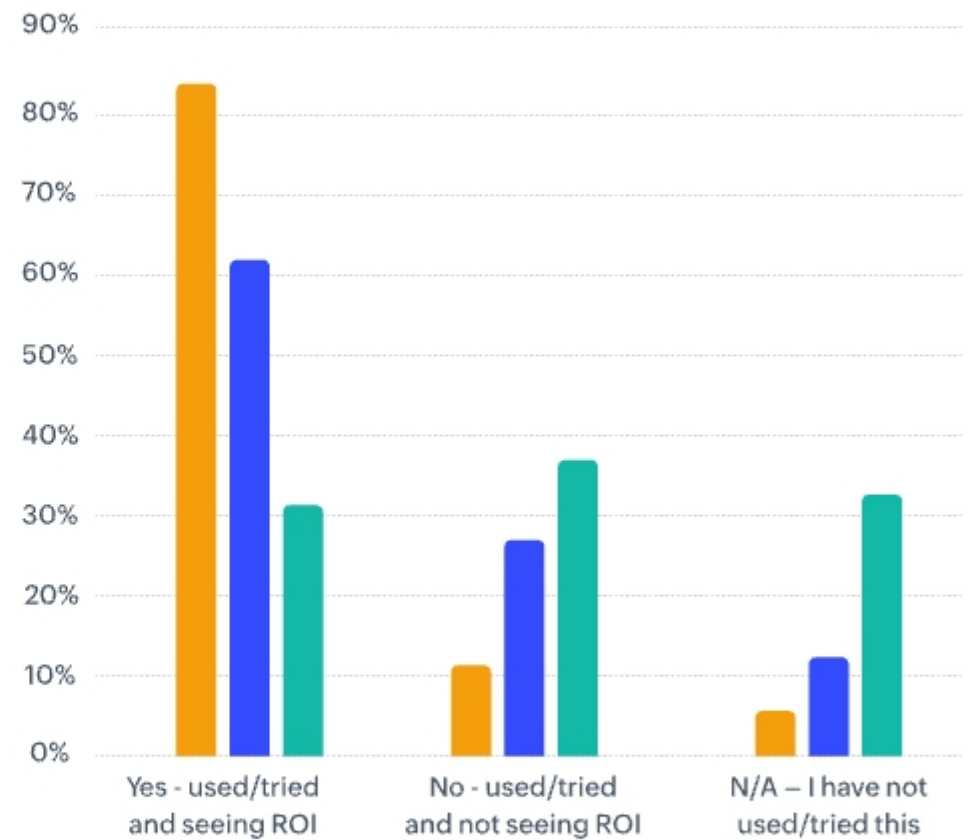
Looking at overall year-on-year changes, in 2023, over 2 in 5 (43%) respondents said they see AI playing a very big role in their business and are planning to invest heavily in it, whilst this has increased to half (50%) of respondents who said the same in 2024. Also, in 2023, just over 1 in 6 (17%) said they see AI as critical and are already using it and seeing the impact on success, this has increased to a fifth (20%) in 2024.

Are you seeing ROI from how you have you used or tried AI for the following? (2024)

● Good digital health ● Average digital health ● Poor digital health



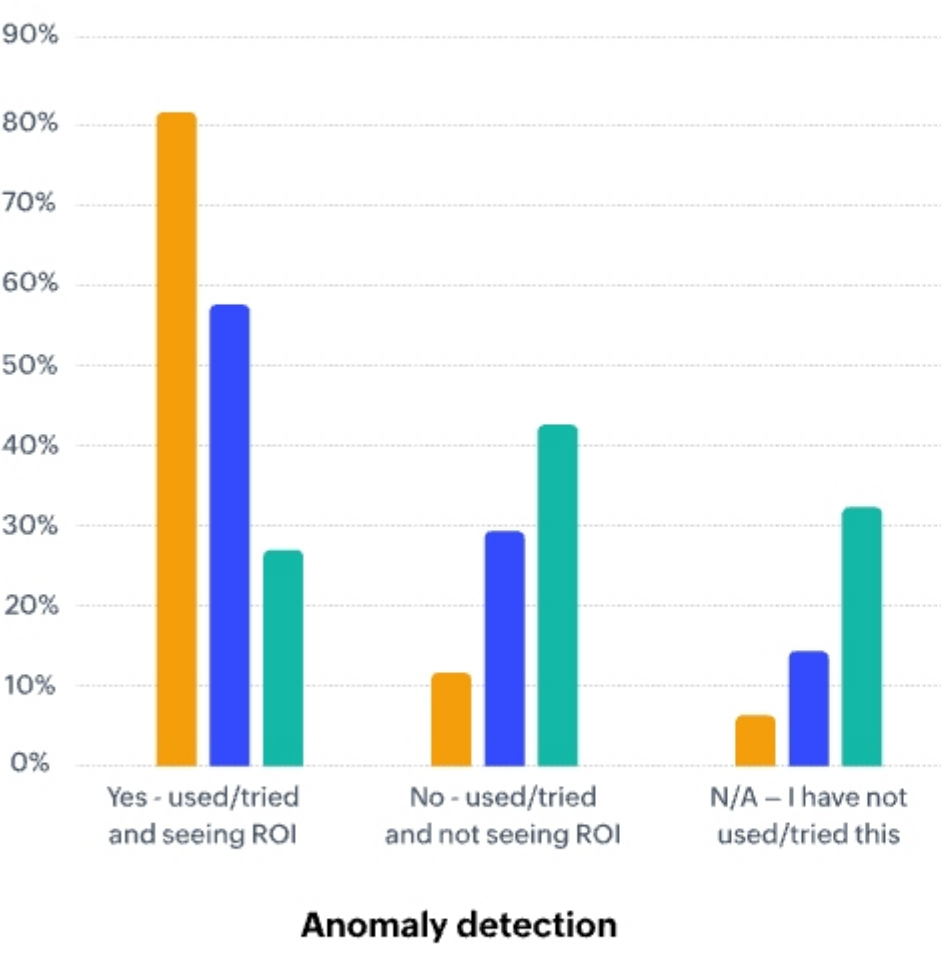
Chatbots



Fraud detection

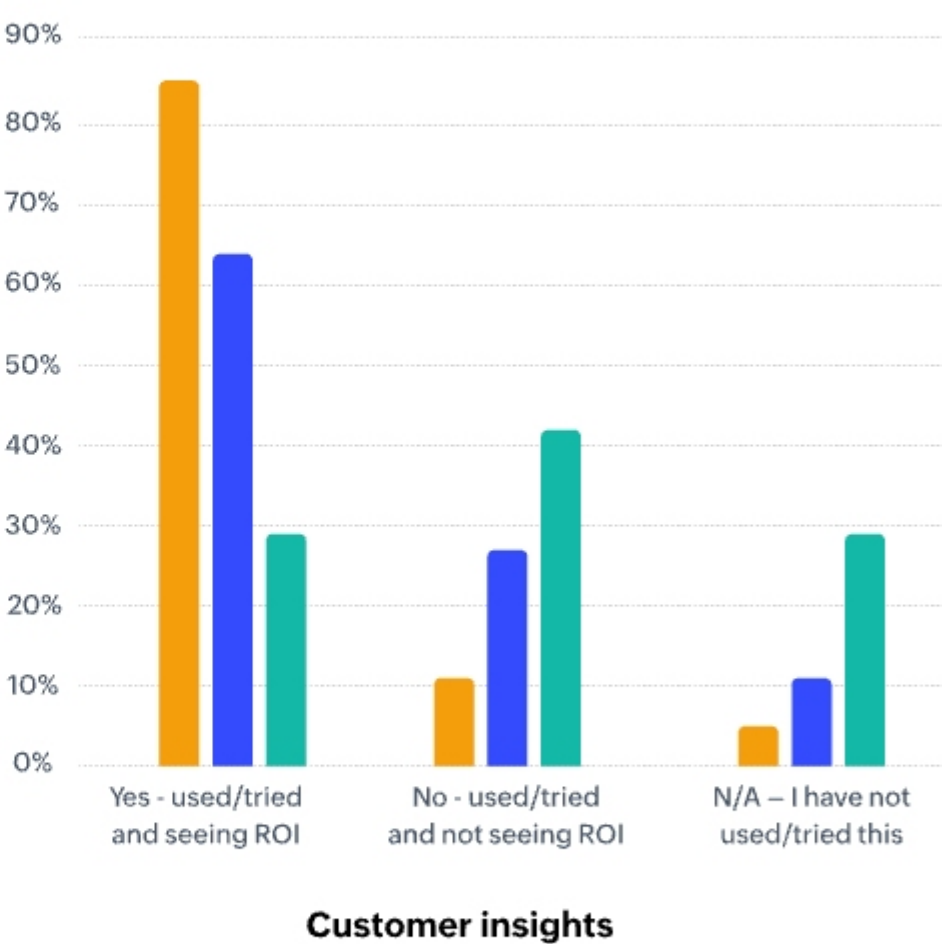
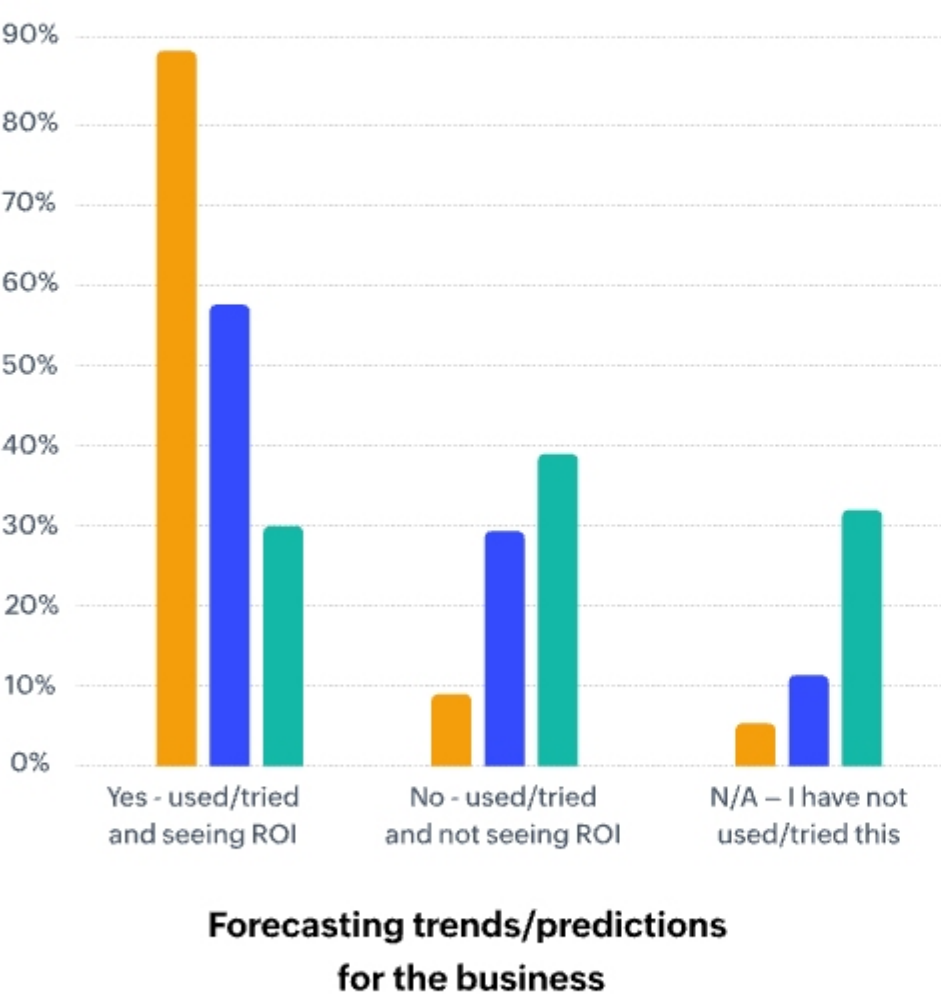
Are you seeing ROI from how you have you used or tried AI for the following? (2024)

● Good digital health ● Average digital health ● Poor digital health



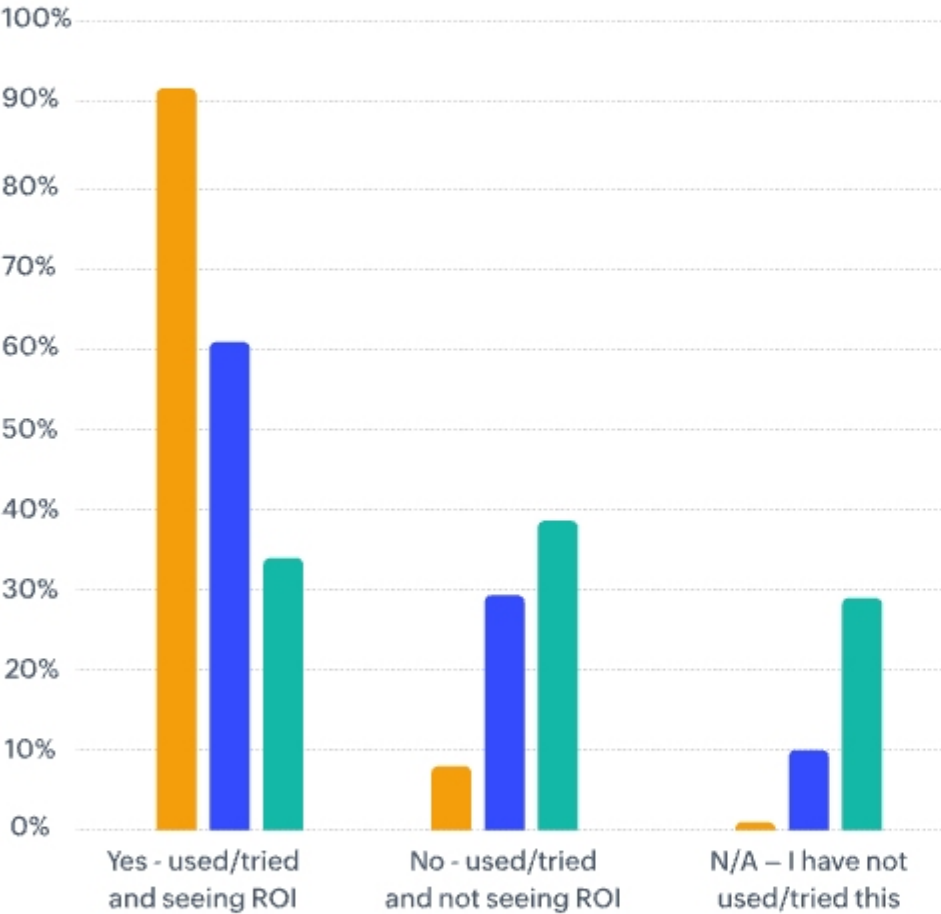
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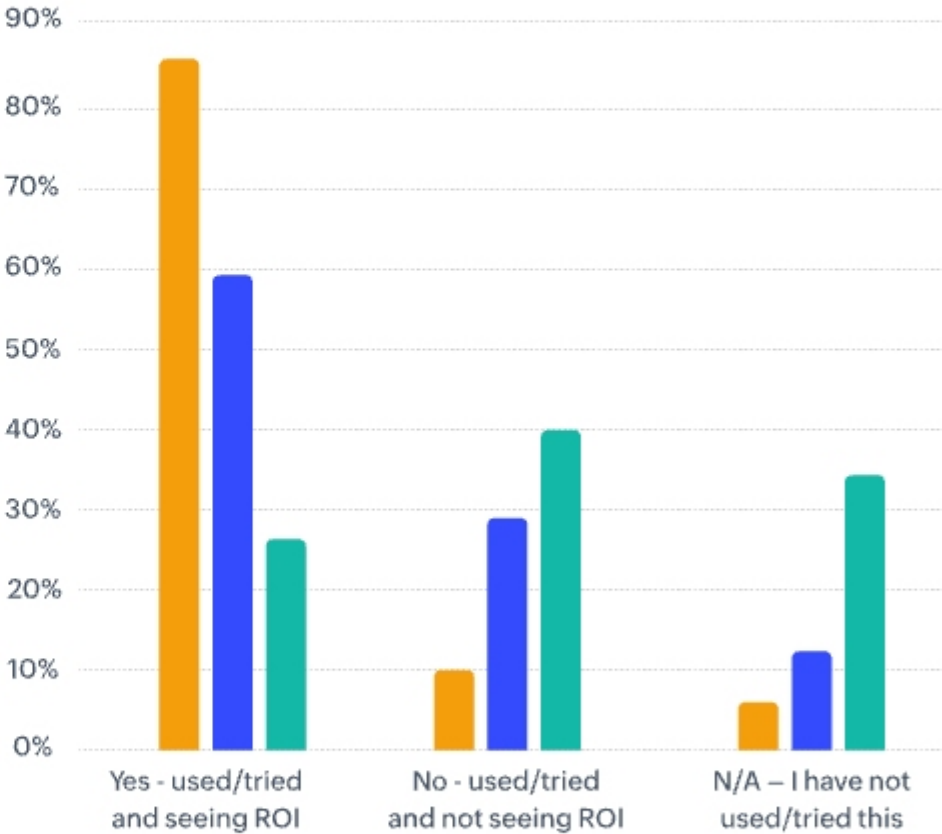


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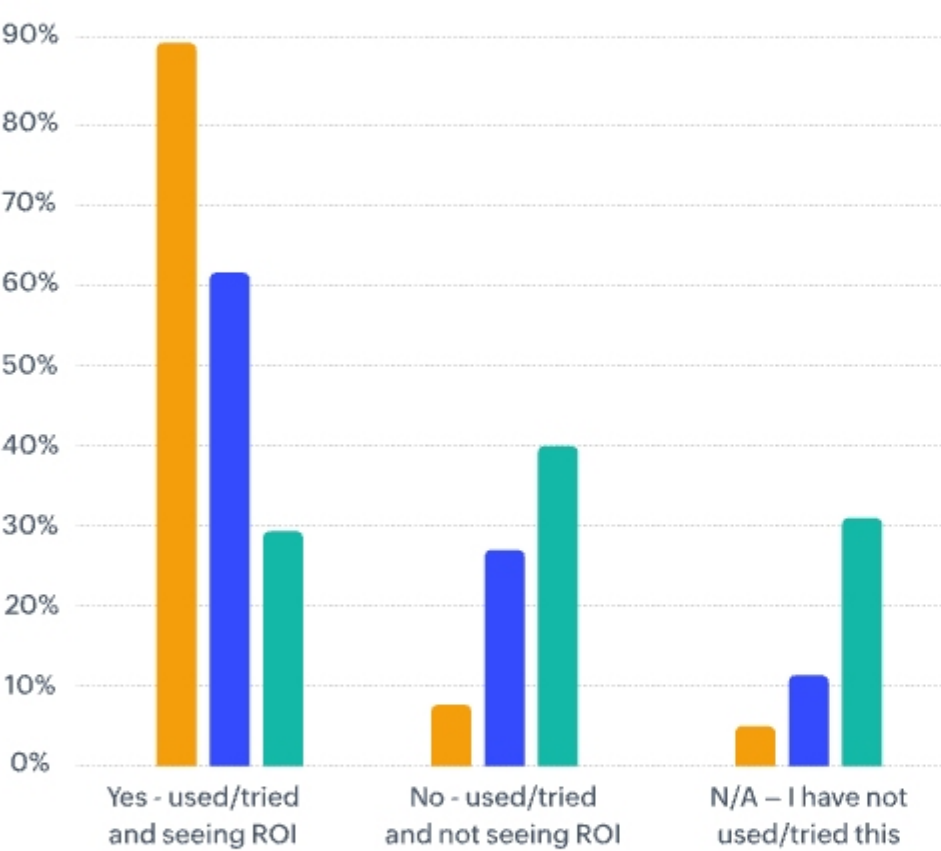
General efficiency through automating processes across the business



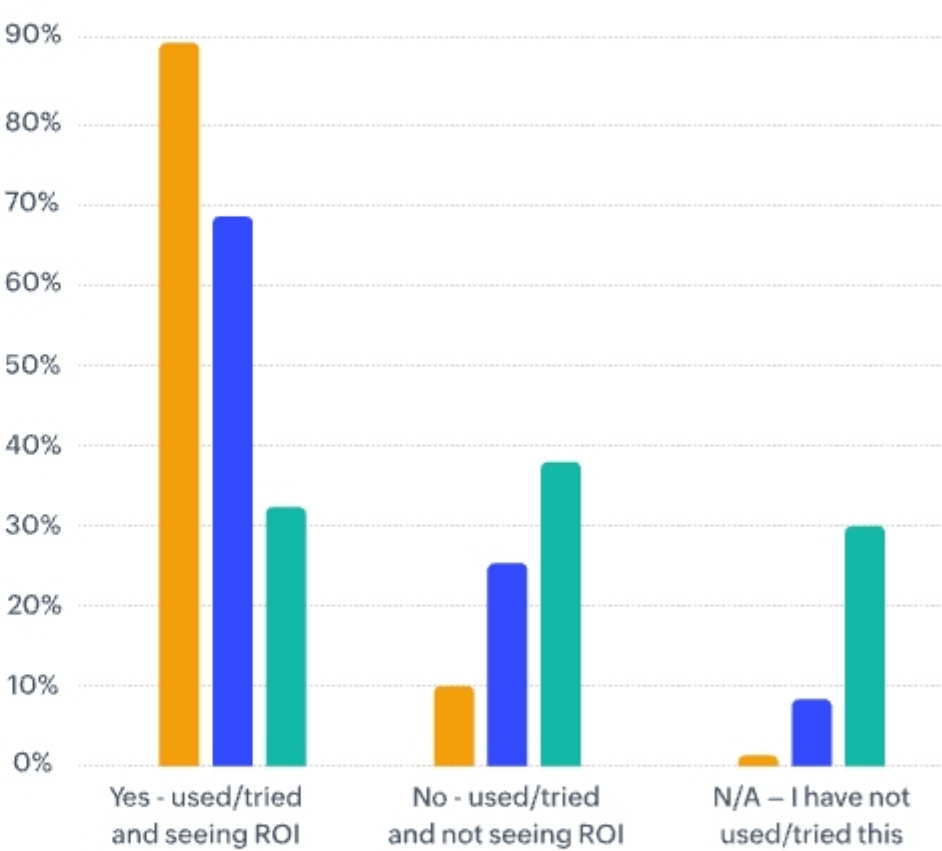
Decision support (AI driven decision-making) based on data insights

Are you seeing ROI from how you have you used or tried AI for the following? (2024)

● Good digital health ● Average digital health ● Poor digital health



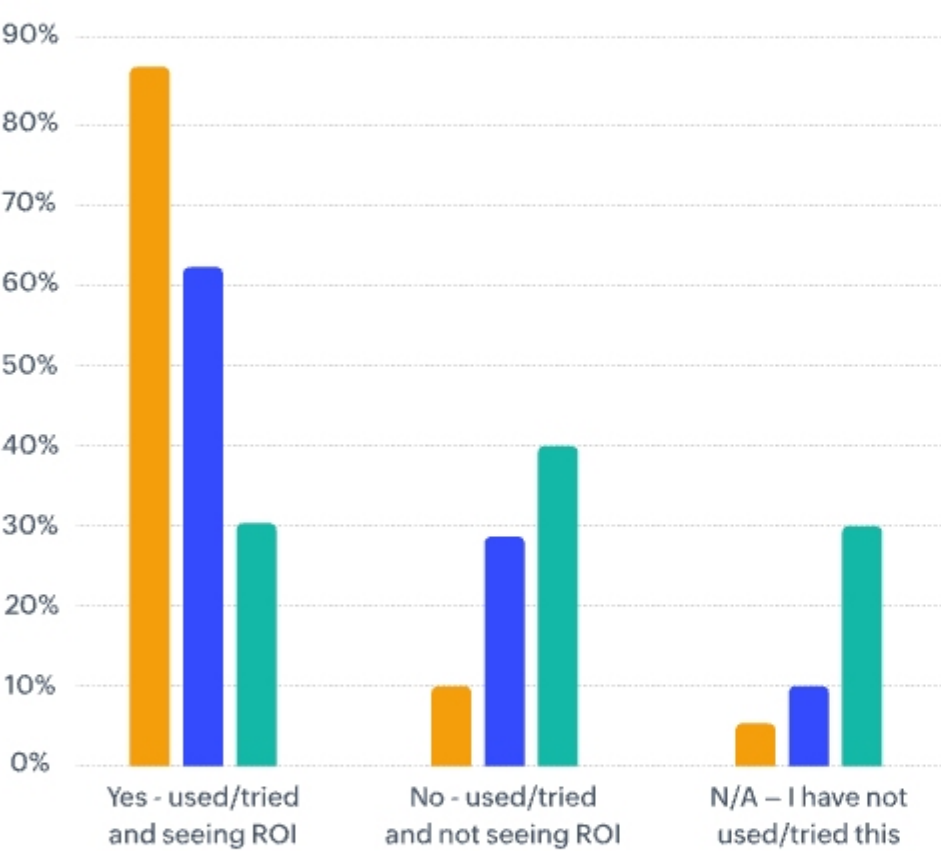
Generally improving sales processes



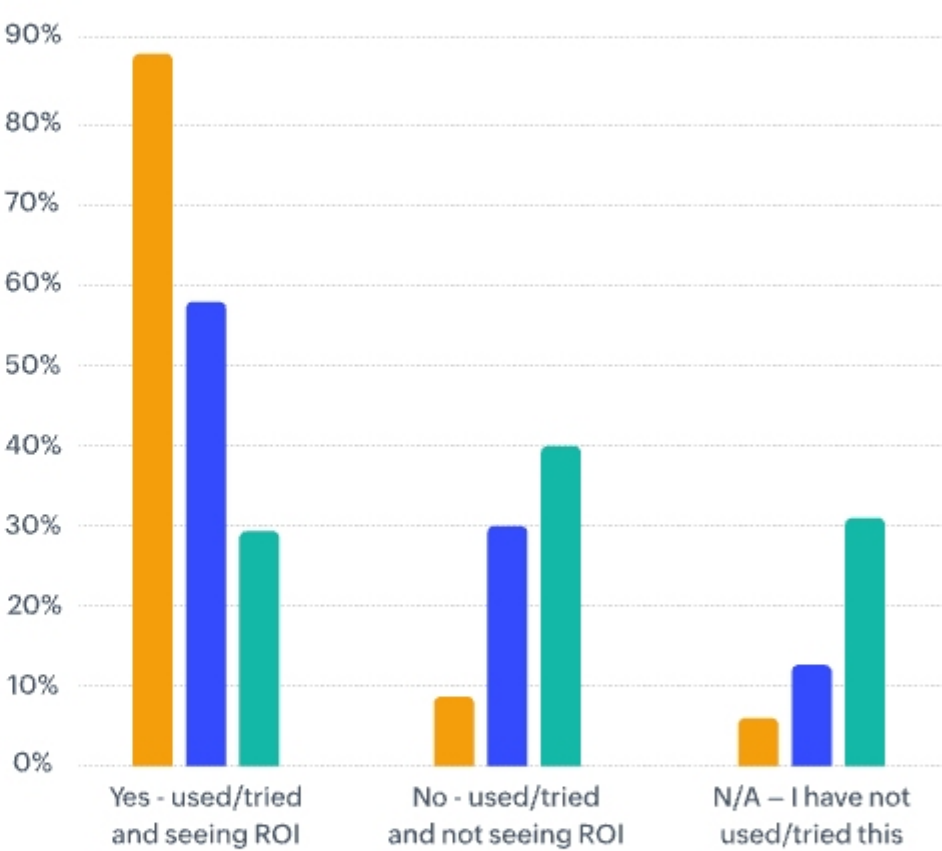
Generally improving customer support

Are you seeing ROI from how you have you used or tried AI for the following? (2024)

● Good digital health ● Average digital health ● Poor digital health



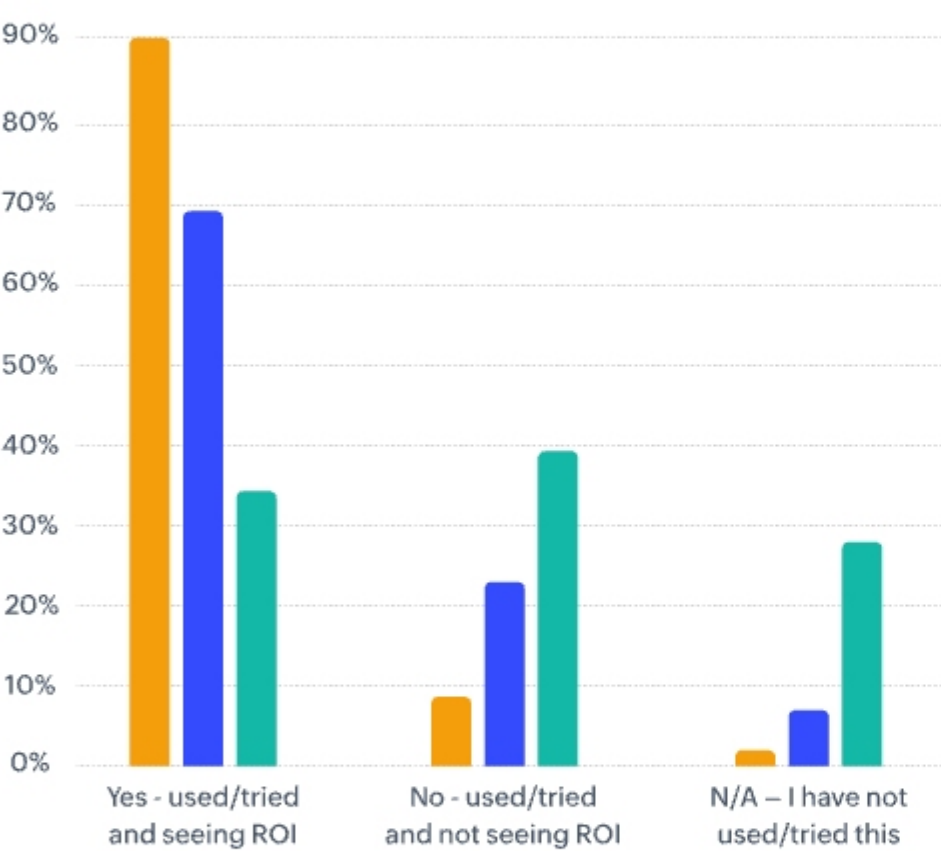
Generally improving finance processes



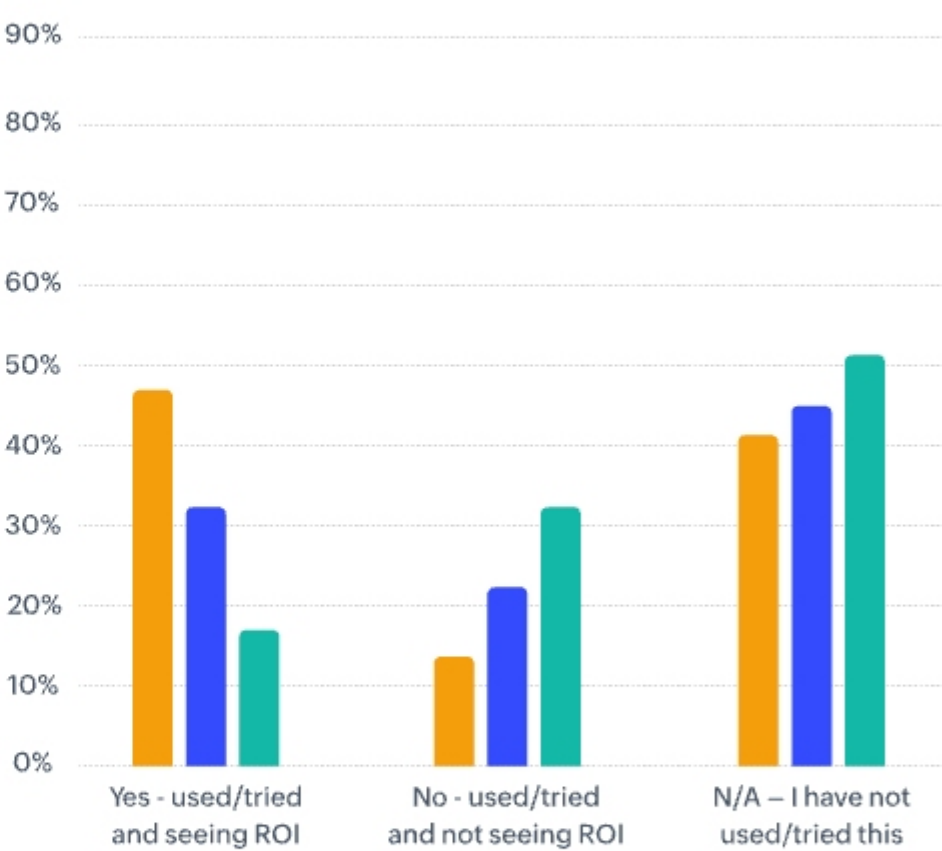
Generally improving HR processes

Are you seeing ROI from how you have you used or tried AI for the following? (2024)

● Good digital health ● Average digital health ● Poor digital health



Generally improving IT processes



Other

"AI continues to be hyped, but it is starting to be embedded throughout organisations to deliver benefits including efficiency, automation, forecasting and more - as shown by the use cases and the year-on-year changes in how companies see its role. AI does act as a power tool, to help businesses succeed more quickly and operate more smoothly. The vast volume of data available today is impossible for humans to analyse independently, and the power of being able to draw insights for data-driven decision making is one of the most valuable assets the new tech can provide. It should continue to be used alongside human input to ensure the model is working in the right way and should be regularly assessed."

Sachin Agrawal

Managing Director, Zoho UK



Chapter Nine: Macro-economic impacts on staff and business

The top ways digital transformation leaders surveyed keep staff motivated during times of economic difficulty are:

1. Being more flexible with their working model (39%)
2. Clear communication on business objectives and what is expected of their role (39%)
3. Provide the right technology tools to help them achieve their goals and improve employee experience (39%)

Across the countries, respondents in Germany were most likely to say they provide the right technology tools to help them achieve their goals and improve employee experience to keep staff motivated during times of economic difficulty (44%), and those

in the Netherlands were the least likely (33%). European businesses with good digital health were also more likely than those with average or poor digital health to do this (57%, 41%, 27%, respectively).

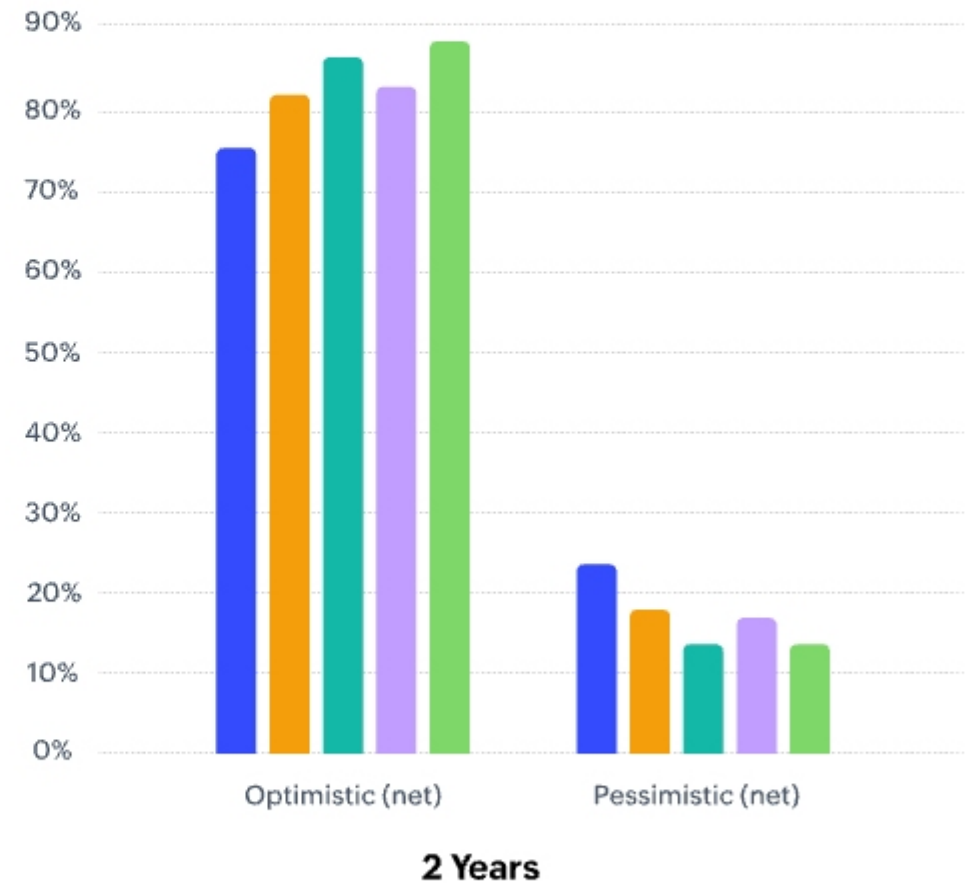
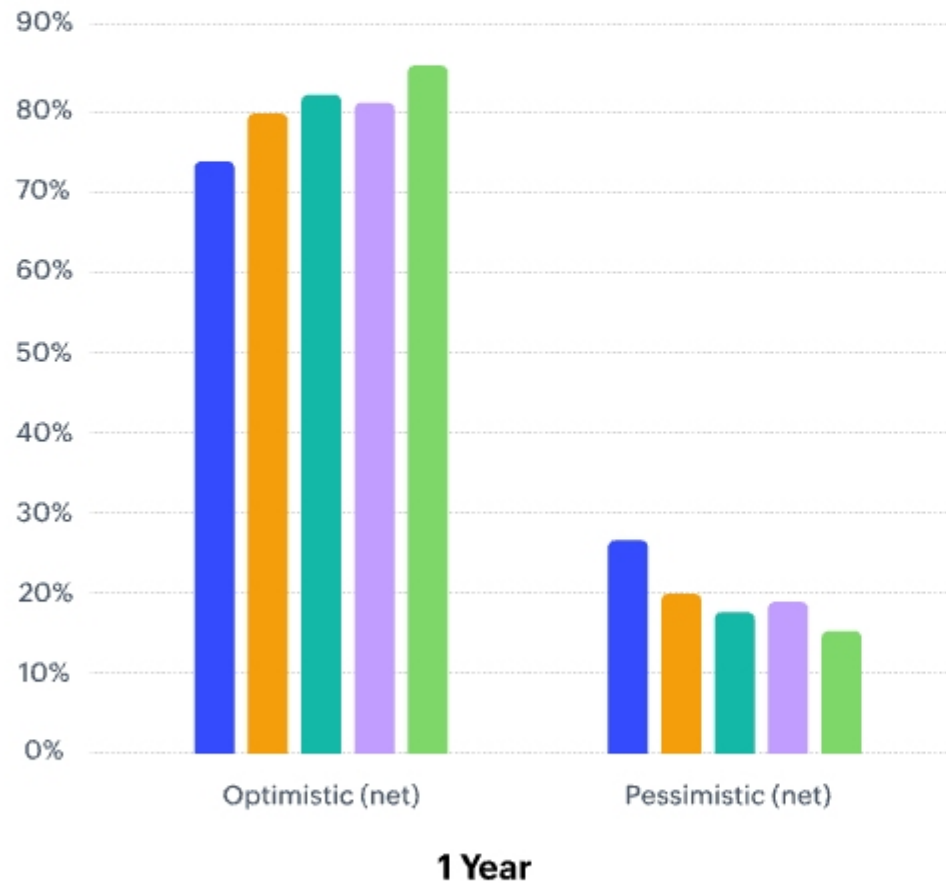
When exploring year-on-year differences, it's perhaps surprising that a lower percentage of respondents in 2024 said they keep staff motivated during times of economic difficulties by providing the right technology tools to help them achieve their goals and improve employee experience than did so in 2023 (39% vs 52%), despite there being a higher percentage citing that digital tools and technology are important for employee experience. Instead, being more flexible with their working models seems to be something a higher percentage are doing (39% 2024 vs 16% 2023).

4 in 5 (80%) digital transformation leaders are optimistic about business conditions over the next year, which then increases to 83% over the next two years and 85% over the next five years.

There's optimism among digital transformation leaders as 4 in 5 (80%) are optimistic about business conditions over the next year, which then increases for optimism for business conditions in two years (83%) and five years (85%). Respondents in the UK are among the most likely to be optimistic across all time periods and those in France are the least likely. Meanwhile, respondents with good or average digital health are more likely than those with poor digital health to be optimistic about business conditions over all time periods.

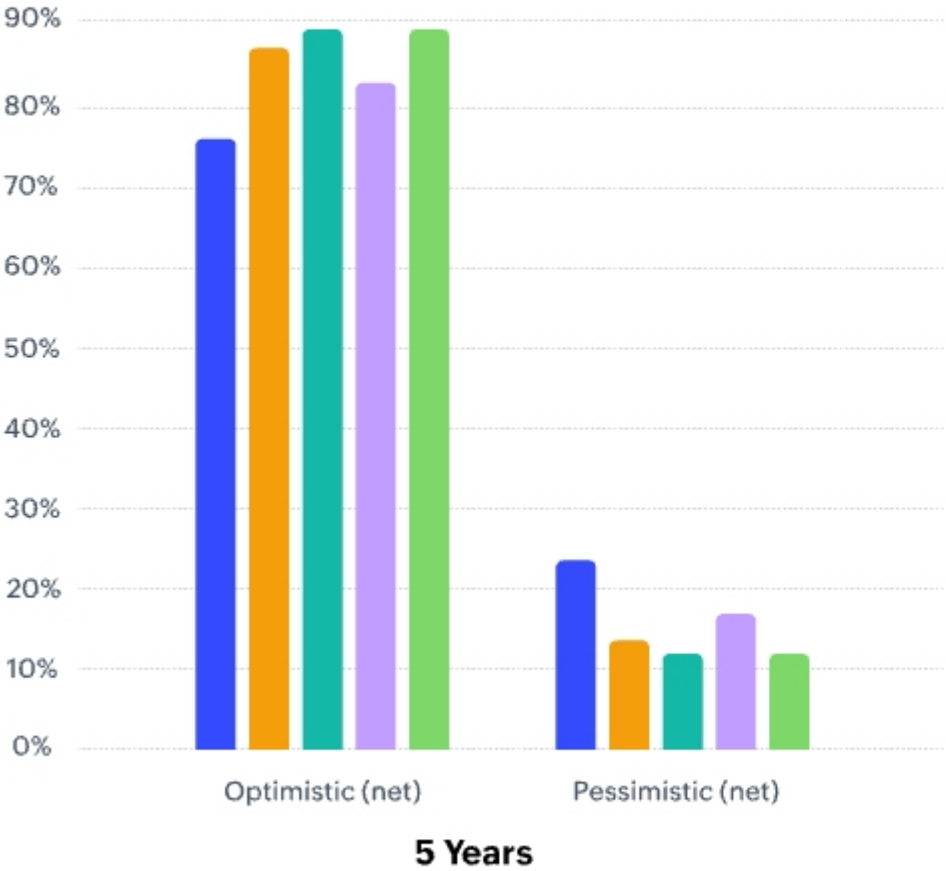
How optimistic, if at all, are you about business conditions in the next 1, 2 and 5 years?

● France ● Germany ● The Netherlands ● Spain ● UK



How optimistic, if at all, are you about business conditions in the next 1, 2 and 5 years?

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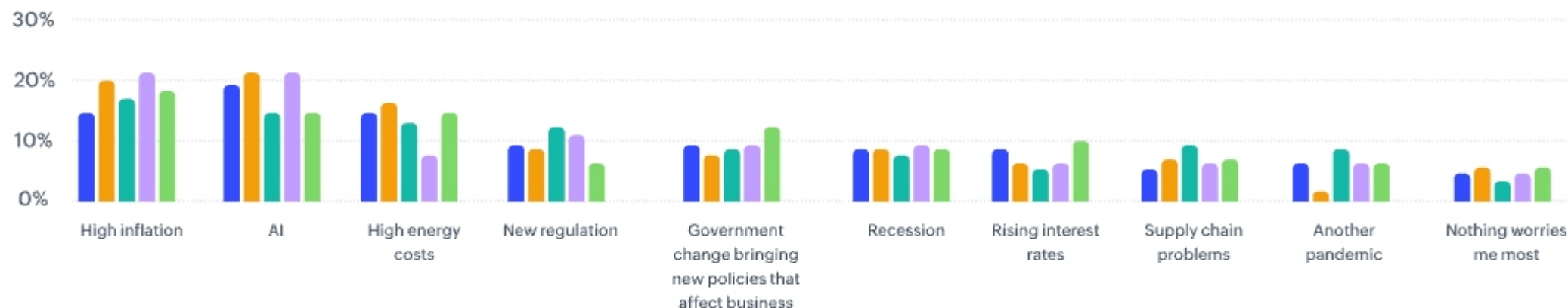


High inflation (18%) and AI (18%) are the two areas worrying respondents most when it comes to factors beyond their control.

High inflation (18%) and AI (18%) are what is worrying respondents most when it comes to factors beyond their control, followed by high energy costs (13%), new regulation (9%) and government change bringing new policies that affect business (9%). High inflation was also the number one concern of factors beyond the control of business surveyed in 2023, but ranked much higher (40%) than in 2024. Recession (18%) and supply chain problems (14%) were the next two most worrying factors in 2023. The concern surrounding high energy costs was much less of a concern in 2023 with 6% seeing it as one of their highest worries, and it has more than doubled in 2024.

What, if anything, worries you most when it comes to your business about factors beyond your control?

● France ● Germany ● The Netherlands ● Spain ● UK



"There have been some bleak times in recent years and businesses have often struggled to navigate the economic pressures. However, respondents are seeing plenty to be optimistic about as demonstrated by the results surrounding their thoughts on business conditions in the coming years. High inflation is cited as the number one concern when it comes to factors beyond the control of respondents cross all markets, with AI not far behind. We expect AI to become less of a concern as more become educated about it, as more regulation and guidance is issued by governments and experts and as more try further use cases and see ROI within their businesses."

Sachin Agrawal

Managing Director, Zoho UK

Chapter Ten: Data Privacy

Those with good digital health are far more likely than those with average or poor digital health to say data privacy is a critical part of their business success (57%, 44%, 30%).

Finally, the survey also looked at what part data privacy plays in businesses and over 2 in 5 digital transformation leaders surveyed said they conduct regular training to ensure data privacy is top of mind (43%), have clear simple and transparent data privacy policies for both customers and employees (43%) and comply with all regulations and industry guidelines (41%). Encouragingly, respondents are much more likely to say that data privacy is a critical part of their business success than say they could do much better

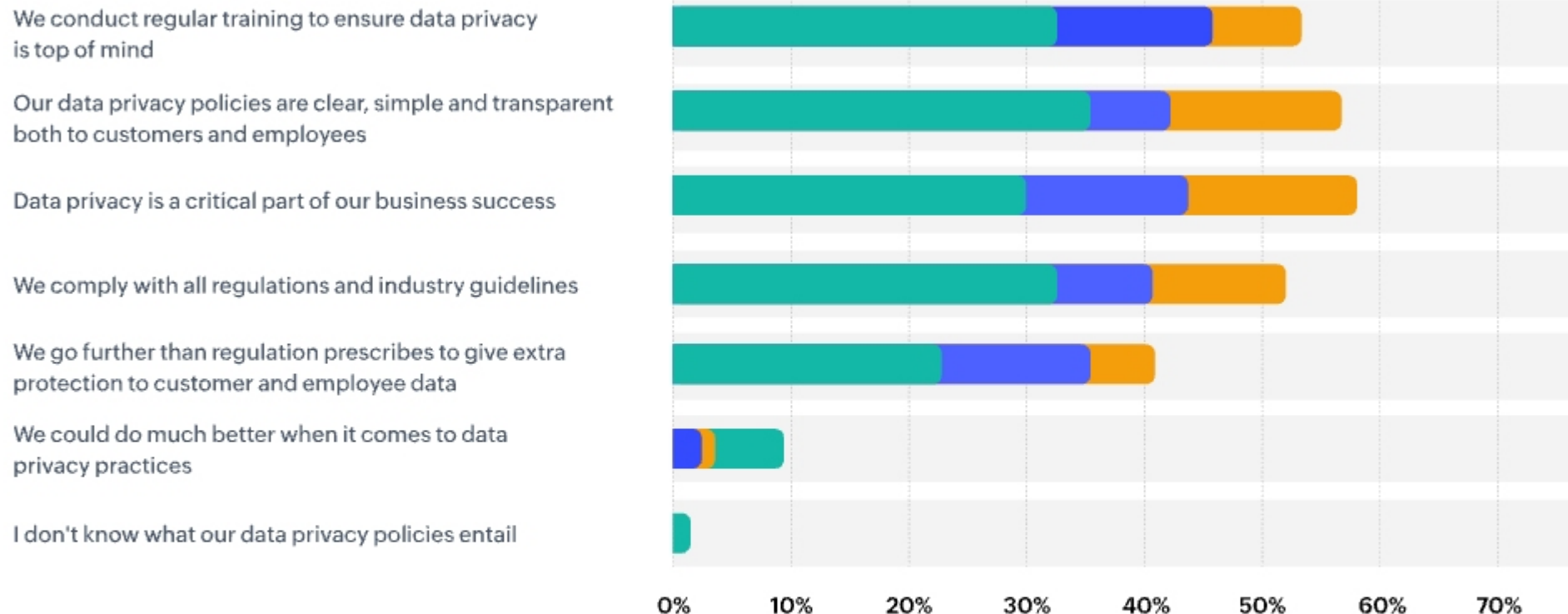
when it comes to data privacy practices (42% vs 6%). Notably, those with good digital health are far more likely than those with average or poor digital health to say data privacy is a critical part of their business success (57%, 44%, 30%).

The percentage of respondents who say data privacy is a critical part of their business success has increased slightly in 2024 (42%, compared to 38%), which is also encouraging.



What part does data privacy play in your business? (Select all that apply)

● Good digital health ● Average digital health ● Poor digital health



"We consider data privacy to be an essential part of business and urge businesses who can do much better to take action. It's not only a deciding factor for customers, but regulation demands it, and we consider it simply the right thing to do to safeguard our customers. It is encouraging to see that more businesses consider it a critical part of their success compared with last year, but there are clear differences between those with good and poor digital health and their attitude towards privacy."

Sachin Agrawal

Managing Director, Zoho UK

Why Digital Health should be top of every business agenda today



Sachin Agrawal

Managing Director, Zoho UK

"If you're not giving sufficient focus to digital health, you can bet your competitors are."

"Digital health should be the number one priority for every business leader today."

Digital health should be the number one priority for every business leader today. Never before has technology progressed at such a rapid pace. Never before has there been so much opportunity to achieve fast and significant business benefits from digitisation.

Let me first ask some questions:

- Do you want to gain more return from your digital investments, including AI?
- Do you want happier customers and in turn increase retention and reduce churn?
- Do you want happier employees and in turn increase retention and reduce attrition?
- Do you want to use all of the data generated within your organisation to help you make better and faster

business decisions?

- Do you want to know how your business is performing in real-time?
- Do you want to be able to pivot your strategy to avoid big-impact problems or to take advantage of future opportunities?

If the answer to any or all of these is 'yes', then you need to work harder on achieving good digital health.

The speed of progression of AI in particular sees every business racing to keep up, but the promise is there to be realised. What might be missing is the preparation strategy to ensure it can deliver. And when we say deliver, it's no secret the technology is overhyped, but with the right data foundation and digital structure, the return can certainly

pay off. As AI developments continue, those businesses who start to use it in the right way will see greater return each year. However, those who rushed to activate it without the right digital roots will be disappointed in its impact.

If you're not giving sufficient focus to digital health, you can bet your competitors are. And in a world where customers are increasingly demanding, expect a more personalised and efficient service and rightfully expect a business to be aware of their journey at every touchpoint, good digital health is paramount. Customer loyalty is not robust enough to weather anything less than an excellent customer experience today. There's too much good competition in most

sectors for that. And as the costs for customer retention are much lower than costs for customer acquisition, why wouldn't you look to keep an extremely happy customer base?

Good digital health can steady a business ship through choppy waters, providing added flexibility, agility and adaptability to create more resilience. Given the conditions businesses have had to operate within in recent years and with ongoing macro-economic winds continuing to blow fiercely, it gives businesses a potential opportunity to thrive no matter what.

It is not just the technology itself that matters, but a myriad of other elements such as how employees are educated about any new digital tools. This is not just how to use new tech, but what it means for them - in terms

of helping them work more effectively to meet their goals, but also for the wider business. Do staff need more training and if so, is there a well-designed strategy around this? Adoption is always a core factor with new tech and getting an all-important return on investment. The right culture must be in place for this. And the right leadership strategy.

Those who lay the right foundations now can enjoy a long road to success, whereas those who build on rocky ground can expect a tumultuous time ahead.

How Zoho can help



Sachin Agrawal

Managing Director, Zoho UK

"We can be a trusted part of your digitisation journey and pursuit of good digital health."

"As a privately held company with no outside investors, we answer solely to our customers and employees."

Zoho is in business to help customers transform their entire businesses digitally and essentially to work to help increase the digital health of businesses. We offer the opportunity to digitise in as small a step or as big a leap as businesses would like. Technology infrastructures can be messy playgrounds, but Zoho's software is designed to either (or both) work seamlessly together on a unified, natively-built platform, or to integrate seamlessly with your existing systems.

Zoho plays the long game. This means we have been around for twenty-nine years and intend to be around for a whole lot longer. We consider ourselves to be a very young age, compared to our long life goal.

We are builders. Started by a group of engineers, we set about to change the face of business and have now grown to offer the broadest and deepest set of cloud business applications in the industry. From your back office needs, including HR and finance; to your front office needs, including sales, marketing, and customer support; and everything in between such as communication, productivity and collaboration tools, or Analytics or Developer tools, we can help you make a real difference to your business success. We can be a trusted part of your digitisation journey and pursuit of good digital health.

As a privately held company with no outside investors, we answer solely to our customers and employees. That's one of the reasons we choose

to plough more of our profit back into R&D than into marketing spend. That's also one of the reasons why protecting customer data is at the core of everything we do - it's not exposed for monetisation like many others in the industry. Customer data is owned by them and not us. It's more important to us to continue to provide the best software in the market and safeguard our customers. Our business strategy is designed to afford us more cost control so we can offer more value to customers. Being private allows us the freedom and flexibility to make decisions on how we run our business for the benefit of our customers alone.

With over 700,000 customers and 100 million users, Zoho has helped many in Europe and around the world improve their digital health. Want to know more? Be curious. Find out more at <https://www.zoho.com/> or email us at sales@eu.zohocorp.com



Methodology & Demographics

The Digital Health Study uses a scoring system to assess key areas including innovation, use of new technology such as AI, technical issues, platform stability and IT Management. Censuswide surveyed 1503 senior digital transformation decision makers in firms with 25+ employees across the five markets between 31.10.24 and 12.11.24.

This report uses the scoring system to categorise respondents' digital health into three groups: 'good', 'average', and 'poor'. Higher scores reflect stronger outcomes in these areas.

For this study, large businesses are classified as having 1000+ employees, medium businesses 250-999 employees and small businesses 25-249 employees.

To compare performance, scores were grouped into bands to highlight differences between higher and lower-scoring respondents and identify factors driving excellence.



About Zoho

With 55+ apps in nearly every major business category, including sales, marketing, customer support, accounting and back office operations, and an array of productivity and collaboration tools, Zoho Corporation is one of the world's most prolific technology companies.

Zoho is privately held and profitable with more than 18,000 employees. Zoho is headquartered in Chennai, India with European offices in The Netherlands, UK, Germany, France and Spain. Others include the United States, India, Japan, China, Singapore, Mexico, Australia, and the United Arab Emirates.

Zoho respects user privacy and does not have an ad-revenue model in any part of its business, including its free products. Read more about Zoho's privacy commitment here: <https://www.zoho.com/privacy.html>. Zoho operates its own datacenters across the world, including two in Europe.

Zoho UK recently achieved Cyber Essentials Plus certification, a UK Government backed scheme that will help protect the company against a whole range of the most common cyber attacks.

More than 100 million users around the world, across hundreds of thousands of companies, rely on Zoho everyday to run their businesses, including Zoho itself. For more information, please visit www.zoho.com.

