

F R O S T & S U L L I V A N



# 2022 COMPANY OF THE YEAR

*INDIAN  
DATA CENTER  
COLOCATION SERVICES INDUSTRY*

## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. STT GDC India excels in many of the criteria in the Indian data center colocation services space.

AWARD CRITERIA	
<i>Visionary Innovation &amp; Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

### *Transformational Growth in Hyperscale Demand Drives Data Center Colocation Services*

India reached a total supply capacity of approx. 500 megawatts (MW) in 2021, contributing an estimated \$697.7 million in total revenue, or 88%, to the South Asian data center colocation market.<sup>1</sup> The rapid surge in Internet data and public cloud consumption drives the demand from hyperscale cloud providers (such as Google, Amazon Web Services, Microsoft, and Oracle), which comprise approximately 44% of the total Indian demand capacity. Frost & Sullivan analysts expect the Indian data center colocation services market to reach nearly \$1.8 billion in total revenue by 2026, expanding at a compound annual growth rate (CAGR) of 20.7% from 2021 to 2026.<sup>2</sup> Main industry drivers include hyperscalers’ capacity needs for scaling, the increase in demand from the over-the-top content providers, and the enterprise market, specifically the banking, financial services, and insurance (BFSI) and information technology (IT) segments. The COVID-19 pandemic highlighted the importance of business continuity provisions, prompting organizations with captive data centers to move toward colocation facilities. Moreover, the Indian government introduced various regulations on data residency and data sovereignty to accelerate digital market growth; for instance, the Data Protection Bill commands companies to host data within the country.

<sup>1</sup> *Indian Data Center Colocation Services Growth Opportunities* (Frost & Sullivan, July 2022)

<sup>2</sup> *Ibid.*

Despite deterring factors, such as the increasing unit cost of power, the complexity of data center operations, and the lack of a skilled workforce, Frost & Sullivan foresees market participants adding more than 150 MW capacity from 2022 to 2024 to realize the considerable growth potential.<sup>3</sup> As emerging domestic players drive increasing competitive intensity, ST Telemedia GDC India focuses on service differentiation, uniquely leveraging its technology and expertise to meet its customers' needs. The company is well-positioned to capitalize on new growth opportunities, cementing its leadership in the India data center colocation services market.

### **A Leader's Path**

Founded in 2005, STT GDC India is a majority-owned subsidiary of STT GDC Singapore and part of the STT GDC Group. The company serves over 1,000 customers across India through its extensive data center network spanning nine cities (Mumbai, Chennai, Bangalore, Delhi, Hyderabad, Kolkata, Pune, Noida, and Ahmedabad). It manages and operates over 3.8 million square feet of gross floor area with approximately 215 MW of critical IT load across 21 carrier-neutral facilities. STT GDC India spearheads the market through

*"STT GDC India's evolving high-capacity infrastructure purposefully taps into the hyperscalers' rapid growth trajectory while catering to enterprise clients. With almost 80% of its capacity already contracted, its two-pronged approach and superb offering, with robust features and capabilities, are a testament to its success."*

**- Riana Barnard,  
Best Practices Research Analyst**

its state-of-the-art facilities, industry-leading uptime, and best-in-class services. In 2021, Frost & Sullivan recognized the company for creating a thriving environment for clients' digital strategies through its reliable, eco-responsible products and services and remains impressed with its continuous innovation and sustained leadership.

STT GDC India creates innovative products and services by identifying key global trends, ensuring it stays ahead of the competition. The company developed and refined these processes over time, perfecting its approach. As a result, STT GDC India is currently holding the largest Pan-

India presence. Additionally, it secured the required capital and critical resources (e.g., land, renewable energy, and human capital) to expand its existing capacity to address the projected upsurge in hyperscale demand, estimated at 30.9% CAGR from 2021 to 2026).<sup>4</sup> The company plans to augment its gross floor area to 4.4 million square feet by 2023, increasing its critical IT load to 250 MW.<sup>5</sup> STT GDC India's evolving high-capacity infrastructure purposefully taps into the hyperscalers' rapid growth trajectory while catering to enterprise clients.

With almost 80% of its capacity already contracted, its two-pronged approach and superb offering, with robust features and capabilities, are a testament to its success. STT GDC India plans to double its capacity within four years. Also, its economies of scale (large-scale campuses in metropolitan areas plus edge data centers in Tier-2 and Tier-3 cities) bring exceptional value to customers with location-specific requirements (due to proximity and latency variability).

<sup>3</sup> *Indian Data Center Colocation Services Growth Opportunities* (Frost & Sullivan, July 2022)

<sup>4</sup> *Ibid.*

<sup>5</sup> Frost & Sullivan briefing, 20 October 2022

The company's executive team closely monitors emerging market trends and evolving customer demands, acting with fast decision-making that drives innovative strategies. For example, working with energy players, STT GDC India started deploying renewable power through a captive power generation structure. The company has 15 years of outstanding design and operational expertise and an established reputation as a financially solid organization supported by a global alliance network. Thus, the project teams engage proactively with partners to expedite long lead timelines, mitigating supply disruptions and skilled labor shortages. STT GDC India also ensures that regulatory challenges receive immediate attention through its single-window clearance framework. With this leadership focus, Frost & Sullivan expects STT GDC India to sustain its leadership in the data center colocation services industry.

### ***Roadmap to Success: Customer-centric, Proactive, Sustainable***

STT GDC India's approach goes beyond its extensive expertise and best-in-class capabilities, with customer value as a strategic imperative. Through the years, the company has earned a sterling reputation supporting customers' path towards eco-responsible, sustainable digital transformation. Committed to its goal to become net carbon-neutral by 2030, STT GDC India designs, manages, and maintains its data centers to meet energy, water, raw materials, waste, and atmospheric emissions standards. It uses metrics, such as carbon intensity, power usage effectiveness (PUE), and water usage effectiveness (WUE), to track its progress:

- Approximately 40% of STT GDC India's power consumption comes from renewable energy sources.<sup>6</sup> The company reported a 10% PUE improvement during the past year. In addition to its current wind/solar and hydropower procurement, it signed additional power purchase agreements valued at 149 million kilowatt-hours to increase its future renewable energy penetration.<sup>7</sup>
- A 19% WUE improvement demonstrates the company's responsible water use across all operations while implementing a better waste data management system<sup>8</sup>

With third-party data center providers facing issues of increased power cost, STT GDC India proactively invests in green energy initiatives to secure a sustainable future. As a result, its data centers in Ahmedabad (DC1), Chennai (DC2), and Delhi (DC2) received LEED Gold certification. Furthermore, its DC3 data center in Bengaluru obtained Gold IGBC status. STT GDC India positions itself as a partner of choice through this strategic approach, strengthened by its long-lasting alliances. Most of its customers have been with the company for over ten years. Notably, STT GDC India's Net Promoter Score has increased to 72 in 2022, and the response rate remains high at 93%.<sup>9</sup>

### ***Use Case 1: Insurance Company<sup>10</sup>***

Serving more than 2 million life insurance customers in India through an extensive distribution channel (including brokers, banks, and individual and corporate agents), Max Life Insurance Company Limited (Max Life) needed scalable, secure, and cost-efficient data center infrastructure. STT GDC India's experts

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<sup>6</sup> <https://www.sttelemidiagdc.com/about-us/esg>

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> Frost & Sullivan briefing, 20 October 2022

<sup>10</sup> <https://www.sttelemidiagdc.com/in-en/resources/success-story-max-life> (Accessed October 2022)

designed a customized solution (i.e., a data center in Noida with a disaster recovery center in Chennai), ensuring a 99.95% uptime. Its on-site teams support the facility's operational excellence (including server maintenance and monitoring energy efficiency, temperature, and humidity levels). By freeing up the customer's IT division, STT GDC India's end-to-end support allows Max Life to focus on its business operations and enhance cost-efficiency (i.e., reduce costs by 50%) with no additional capital expenditure. Moreover, its multi-layered security ecosystem delivers long-term protection against external attacks.

### **Use Case 2: Payment Solutions Provider<sup>11</sup>**

Wibmo, a digital payment solutions provider, needed a partner to support its global expansion plans, help it to maintain its prominent footprint in the Asia-Pacific region, and capitalize on growth opportunities in India. The company processes billions of transactions, including mobile payments, fraud and risk management, and prepaid solutions. Thus, it requires uncompromisable availability and security to serve banks, merchants, and consumers efficiently. With regulatory compliance, policy adherence, and customer privacy paramount conditions, Wibmo demands robust technology infrastructure with an end-to-end service.

*"The company expands its existing capacity aggressively. It maintains and operates large-scale campuses in metropolitan cities and edge data centers in Tier-2 and Tier-3 cities to bring exceptional value to customers with location-specific requirements due to proximity and latency variability. STT GDC India also supports customers' digital strategies reliably and eco-responsibly, offering industry-leading uptime while implementing green energy initiatives to achieve net carbon-neutral status by 2030."*

**- Kapil Baghel,  
Senior Industry Analyst**

STT GDC India's colocation facilities in Bangalore, with Gold Indian Green Building Council (IGBC) certification, meet Wibmo's requirements to grow its business. From a security standpoint, the data center is Payment Card Industry Data Security Standard (PCI DSS)-certified. It offers a layered protection system at multiple levels (the building, the floor, and the cabinet) that includes various authorization and authentication processes to ensure customer security and compliance. The company has evolved consistently to address Wibmo's changing business needs over the years, enabling its success through its state-of-the-art equipment.

STT GDC India provides reliable bandwidth for business continuity, underpinned by its uncompromised customer-first commitment.

### **A Foot in the Present and an Eye on the Future**

Since its inception, STT GDC India's sterling reputation and customer-centric framework led to its coveted preferred partner status. Technology investments enable the company to increase customer satisfaction through self-service portals, predictive maintenance capabilities, and automation systems.

With technology supporting people and processes to enhance its unique value offering, STT GDC India added a range of new customers to its established base. In addition, the company actively cultivates industry expertise through its Technological Institute in Bangalore, upskilling talent and delivering more

<sup>11</sup> <https://www.sttelemediagdc.com/in-en/resources/success-story-wibmo> (Accessed October 2022)

than 200 certified technicians to the market. As a learning organization with a growth mindset, STT GDC India mandates that employees undergo 28 hours of training annually. In particular, the company commits itself to integrating women workers into the data center engineering ecosystem, actively advancing policy development in the country.

Frost & Sullivan believes STT GDC India is well-positioned to drive the data center colocation services space into its next growth phase, capturing market share and sustaining its leadership in the coming years.

## Conclusion

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The COVID-19 pandemic highlighted the importance of business continuity provisions, prompting organizations with captive data centers to move toward colocation facilities. The rapid surge in Internet data and public cloud consumption drives the demand from hyperscale cloud providers, content providers, and the enterprise market. Overall, STT GDC India addresses this unmet need with a strong leadership focus that incorporates customer-centric strategies and exemplifies best practice implementation.

The company expands its existing capacity aggressively. It maintains and operates large-scale campuses in metropolitan areas and edge data centers in Tier-2 and Tier-3 cities to bring exceptional value to customers with location-specific requirements due to proximity and latency variability. STT GDC India also supports customers' digital strategies reliably and eco-responsibly, offering industry-leading uptime while implementing green energy initiatives to achieve net carbon-neutral status by 2030. The company remains a trusted partner, earning a reputation for providing the overall best in the data center colocation services industry.

Building enterprise-class data centers in India for the past 15 years brings specific advantages, such as local expertise and know-how, while market participants value its financial stability and integrity in the market. Furthermore, STT GDC India benefits from a global partnership network, which enables it to leverage state-of-the-art equipment for best-in-class services.

With its strong overall performance, STT GDC India earns Frost & Sullivan's 2022 Indian Company of the Year Award in the data center colocations services industry.

## What You Need to Know about the Company of the Year Recognition

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Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

### Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Visionary Innovation & Performance*

**Addressing Unmet Needs:** Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

**Visionary Scenarios Through Mega Trends:**

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

**Leadership Focus:** Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

**Best Practices Implementation:** Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

**Financial Performance:** Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

#### *Customer Impact*

**Price/Performance Value:** Products or services provide the best value for the price compared to similar market offerings

**Customer Purchase Experience:** Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

**Customer Ownership Experience:** Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

**Customer Service Experience:** Customer service is accessible, fast, stress-free, and high quality

**Brand Equity:** Customers perceive the brand positively and exhibit high brand loyalty



## About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

## The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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### Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



## The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

### Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

