

AI for better CX: How brands can crack the code

**Insights into the effect of AI on CX
and where to go from here**



With the rise of generative artificial intelligence (AI) in recent years, brands have given AI an increasingly prominent role in the customer experience (CX). Many have taken great strides to infuse customer interactions with AI-fueled automation and personalization. But are their efforts paying off?

In Verizon's fifth CX Annual Insights report, we set out to understand the effect of using AI in CX – surveying 500 senior business executives and 5,000 consumers in seven countries. Here's what we found.

Brands must do more to pass the benefits on to customers.

Brands say they've seen improvements in their CX and customer loyalty metrics over the past two years – more than half indicating AI as a major factor in the uplift. But consumers are unimpressed overall with AI-powered personalization.

The brand-consumer disconnect

72%

of executives say their CX metrics have improved in the past two years.

30%

of consumers say AI-led personalization has detracted from their overall customer experience.

Better personalization requires overcoming data constraints.

Many brands are investing in AI-driven personalization and seeing the benefits. However, a majority of executives say that data privacy is limiting their use of AI to enhance personalization, and almost half point to data quality as a major CX pain point.

Consumers are not ready to give up human contact.

Consumers have a strong preference for human interactions, and many cite a lack of human involvement as their top source of frustration. Investing in both the human and AI sides of CX is a good idea – and 44% of brands already intend to do exactly that.

47%

of consumers say not being able to reach a human agent is their main source of frustration with automated interactions.

Companies are looking for ways to measure the effect of AI.

As investments in AI-driven CX increase, companies will need tailored metrics that show return on investment. Today, more than half of the companies we surveyed are adapting their existing CX metrics for this purpose, and one-third aim to define new metrics.

There's a long road ahead.

Brands have a long way to go when it comes to AI-driven CX that both delivers business results and delights customers. For now, they should take a measured approach, making incremental progress by improving AI training for customer-facing employees, using predictive capabilities to help avert problems, being more transparent about personal data use and developing new metrics to track AI's contributions.

Learn more

Get the full report at [verizon.com/business/resources/reports/cx-annual-insights](https://www.verizon.com/business/resources/reports/cx-annual-insights).