

2026 Business Leaders CX Report

AI Has Arrived in CX. The Playbook Hasn't.



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01

Executive Summary

AI in customer experience has moved from promise to production. Among AI-active contact center and customer experience decision-makers, deployment is widespread, investment is increasing, and early ROI signals are strong. Organizations are already using AI in multiple ways, including self-service, analytics and monitoring, and agent assistance. So, for many leaders, the question is no longer whether AI belongs in customer experience, but rather "How do I make it work across real customer journeys, real employee workflows, and real business constraints?"

But consumers aren't quite on the same page. Even as CX leaders are defining their playbook for where to take AI adoption — and, more importantly, executing AI in practice — consumers are moving at their own pace. The majority of consumers still prefer speaking to a human, and when the stakes are high, every generation reaches for the phone. Voice isn't a legacy habit; it's the channel customers trust most. They've been testing the AI waters, and 80% of consumers are willing to try AI in customer service when a clear path to a human is within reach. But they're not sold on it; some even go so far as to distrust the companies that are using AI and not being transparent about it.

Nevertheless, opportunities abound, though the goalposts have moved. It's no longer a question of if leaders have deployed AI in their contact centers, it's how it was implemented and then used — and used well. The caveat with all this, though, is that there isn't a single playbook or operating model. AI isn't a panacea, and simply dropping in an AI chatbot won't suddenly revolutionize contact centers. Each leader must evaluate their own unique situation, choose the right models and infrastructure that match their needs, and plan for how they involve humans at every step of the way.

The data also points to where this is heading. The future of AI in CX is not fully autonomous, and it is not one-size-fits-all. It is increasingly combining the speed, scale and intelligence of AI with the judgment, connection and relationship-building skills of human agents. As AI absorbs routine tasks and administrative work, agents step into the complex, emotional and high-value moments where trust is won or lost. Competitive advantage will come not from replacing people with AI, but from using AI to make every interaction more efficient, more relevant and ultimately more human.

The strongest organizations will not be those that deploy the most AI the fastest. They will be the organizations that can make AI work inside the realities of their business: across people, data, workflows, channels, governance, and infrastructure. AI in CX is working. Now comes the harder task of making it work well, at scale.



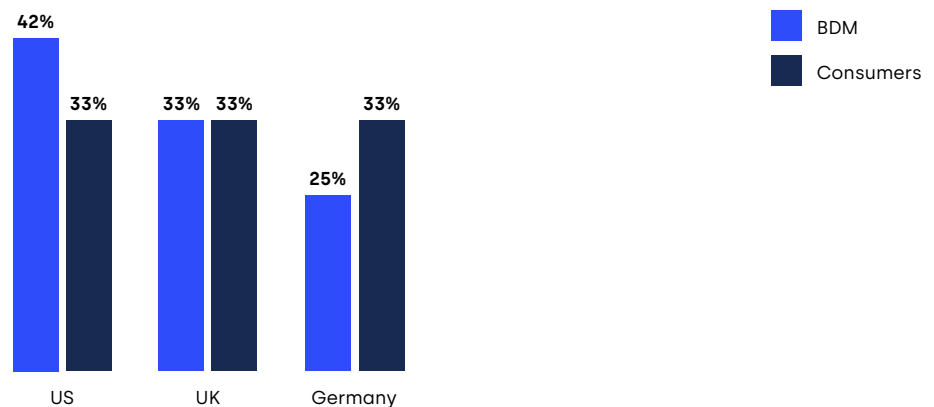
02

Methodology

The survey captures the views of 3,600 respondents across three countries, including 3,000 consumers and 600 business decision-makers.

Five9 partnered with Hanover Research, who administered the survey online in April 2026, recruiting respondents via a panel. The analysis includes a total of 3,000 consumers and 600 business decision-makers, following data cleaning and quality control. Respondents were required to be 18 years of age or older, working in the United States, United Kingdom, or Germany.

Chart 1: BDM and Consumer Country Breakdown



Consumers were required to have interacted with customer service in one or more of the following industries: Healthcare, Financial Services, Travel/Hospitality, Retail, Higher Education, Sales & Telemarketing, Customer Service, Outsourcing.



Chart 2: BDM Industry

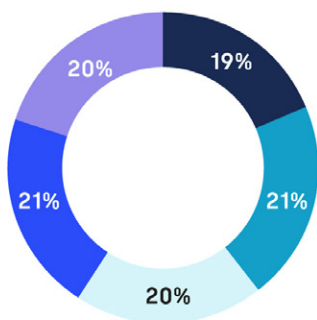
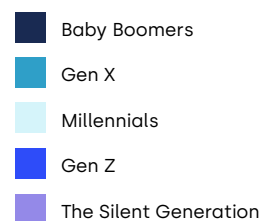
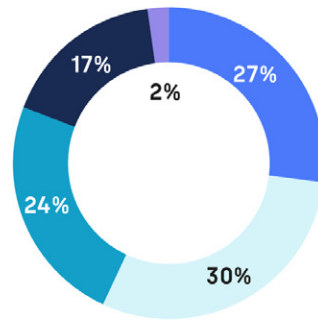


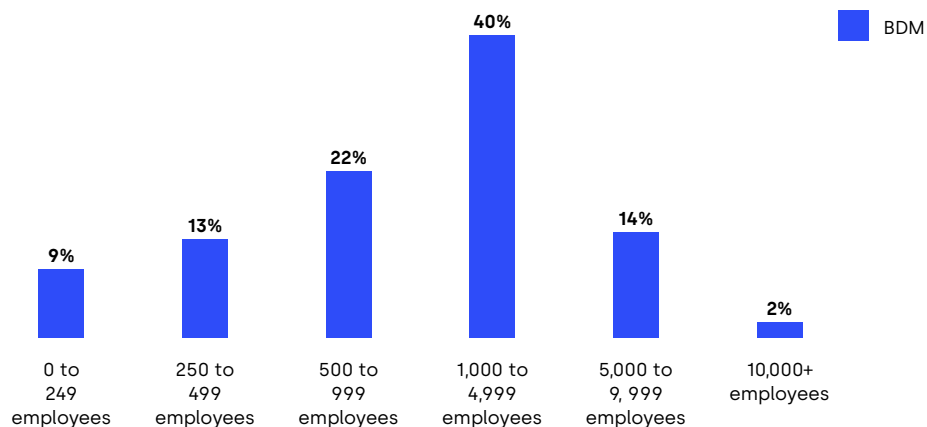
Chart 3: Consumer Gen



Business decision-makers were required to be employed full-time in a manager role or above, and operate as a decision-maker either at a contact center or otherwise oversee customer experience. Decision-makers were also required to be serving in one or more of the following industries: Healthcare, Financial Services, Travel/Hospitality, Retail, Higher Education, Sales & Telemarketing, Customer Service, Outsourcing.

To streamline the results, the industries were regrouped into Financial Services, Healthcare, Retail, Travel/Hospitality, and Other.

Chart 4: BDM Organization Size



03 Key Findings

The Planning Days of AI Adoption Are Behind Us

- **9 in 10 organizations** are piloting or have already implemented one or more AI use cases, with self-service, quality assurance, and speech and text analytics leading the pack.
- **Model choice is varied**, highlighting the importance of choosing the right model for its intended purpose, though the challenges of AI adoption persist, with data security, reliability, scalability, and consent as key barriers. Solution strategy is just as split: 34% prefer an end-to-end platform, 34% a hybrid approach and 30% best-of-breed tools. Further proof that no single playbook has emerged.
- In the midst of AI adoption, most organizations (84%) are still in the **process of transitioning** from on-premises infrastructure to cloud-based, though the majority are hybrid versus fully on-premises.

AI Is Already Realizing Benefits — For Agents and Bottom Lines

- **AI adoption** is increasing across the board, and 9 in 10 decision-makers report positive ROI across every use case.
- Improved decision-making processes, increased efficiency and productivity, enhanced data analysis capabilities, and improved customer perceptions are the **top benefits of current AI implementations** in customer service.
- Agents are also realizing the benefits of AI, from role elevation to workload reduction due to data-driven decision-making, exception handling, self-service, AI-assisted notetaking, real-time translation, and knowledge retrieval.



The Perception Gap Between Decision-Makers and Consumers Remains

- **Nearly all (99%) decision-makers** believe customer service has improved in the past decade, but only 2 in 3 consumers agree, with every generation agreeing that reduced access to human agents is the culprit.
- **The majority of consumers (80%)** are open to AI, but they want to know they're speaking to it with a perpetually-available human "escape button."
- **Phone calls are still king.** Every generation consistently prefers talking to another human on the phone over every other choice, with messaging apps, self-service, and AI-driven channels as the least preferred options.

There Are Massive Opportunities for AI in CX

- **Up to a third more BDMs** think AI should be handling use cases than consumers do, and consumers themselves believe in AI's capabilities more than they think it should actually handle tasks on its own.
- **96% of BDMs** claim effectiveness at preserving context during AI-to-Agent handoffs, yet up to 37% report challenges such as incomplete agent visibility and requiring repeated information gathering – something that 35% of consumers agreed with.

04 The State of AI in CX Today

For the past few years, CX leaders and decision-makers have been awash in questions about AI. “Where does it fit into my contact center?” “How can I help my agents be more productive?” “What benefits will AI provide my organization?” Even with these questions, though, adoption has forged ahead, with more chatbots and AI-powered workflows cropping up every day in nearly every contact center.

Over time, leaders’ questions have morphed from theoretical implementations to execution improvements, now becoming “How can I improve the benefits of AI use in my organization?”, “Where do I implement AI next?”, and “How do I implement AI at scale?” But the same challenges from the initial stages of AI adoption are resurfacing, from varying consumer perceptions to data security concerns — not to mention digital transformation efforts still in progress.

What’s clear is that CX leaders need to evolve their AI-powered CX strategies, transitioning from simply pushing the AI button to thoroughly understanding AI’s benefits for customer service — and how to execute it well at scale.



The Planning Days of AI Adoption Are Behind Us

Ask any business decision-maker (BDM) in customer service about AI, and you're likely to receive the same answer, "It's on my priority list." In fact, we found that 9 in 10 customer service decision-makers say their organization has already deployed or is piloting one or more AI use cases. Financial services companies are the strongest adopter of AI, with 3 in 4 having already implemented it, leading the various industries by a full 13%.

Chart 5: AI Adoption by Industry

What best describes the status of AI adoption for contact center/customer service operations at your organization?

What best describes the status of AI adoption for contact center/customer service operations at your organization?	Overall	FinServ	Healthcare	Retail	Travel/Hospitality	Other
Have implemented and released one or more AI use case(s)	65%	76%	62%	63%	62%	63%
Have launched one or more AI use case(s) as part of a proof of concept or pilot program	27%	20%	26%	32%	24%	32%
Combined	92%	96%	88%	94%	86%	95%



Keeping in trend with Europe's slow adoption of AI, significantly more German companies are in the piloting phase than in implementation with AI in their contact centers, with more than a third awaiting full release of their AI use cases. Similarly, smaller organizations' AI adoption falls behind larger organizations' with just 1 in 4 of organizations with fewer than 250 employees having released AI in their contact centers compared to the direct inverse (3 in 4) for organizations sized between 1,000 and 10,000 employees.

Chart 6: AI Adoption Status by Country

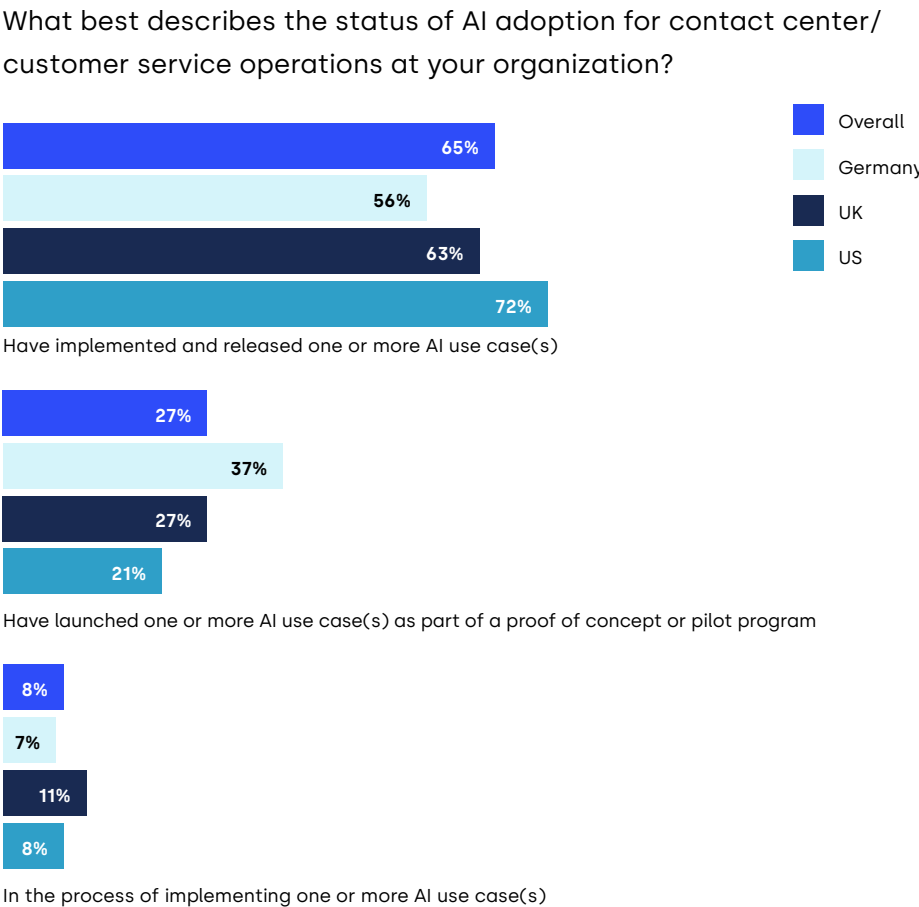


Chart 7: AI Adoption Status by Organization Size

What best describes the status of AI adoption for contact center/
customer service operations at your organization?

	Overall	0 to 249	250 to 499	500 to 999	1k to 4,999	5k to 9,999	10k to 19,999
Have implemented and released one or more AI use case(s)	65%	27%	63%	60%	74%	75%	70%
Have launched one or more AI use case(s) as part of a proof of concept or pilot program	27%	41%	23%	34%	23%	19%	20%
In the process of implementing one or more AI use case(s)	8%	32%	15%	6%	3%	6%	10%



TAKE ACTION

Deployment isn't the finish line. Make what you've launched work harder.

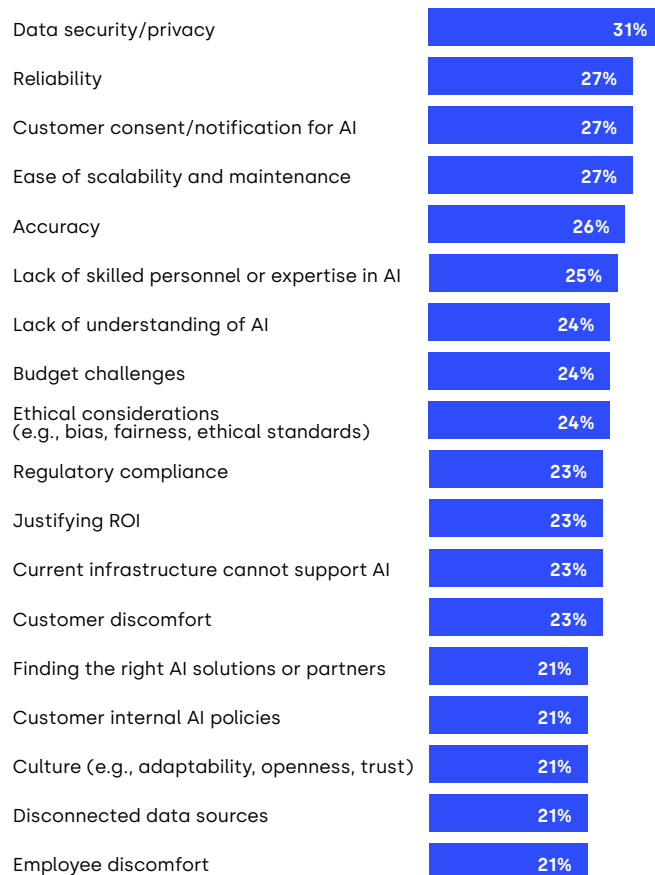
- **Audit every live AI** use case against one question: is it producing measurable ROI or just activity?
- **Map where AI runs today**—self-service, quality management, analytics—and find the gaps where one more use case would compound returns.
- **Tie next year's AI budget** (you're almost certainly among the 99% increasing it) to execution metrics, not deployment counts—and let each proven use case fund the next.

Trust and Governance Are Now CX Requirements

So, what's stalling adoption rates? Data security is the top concern for BDMs, with 31% experiencing it as a challenge with their AI adoption efforts. However, among the 18 different challenges listed, every single option had at least 1 in 5 BDMs ticking the box as something they're facing. In fact, just 4% of BDMs said they didn't face any challenges with adopting AI in CX, driving home the fact that there are still many questions to be answered as AI adoption continues to ramp.

Chart 8: Top Challenges with AI Adoption in Customer Service

What challenges or concerns is your organization experiencing with AI adoption in contact center/customer service operations? Select all that apply.



Unfortunately, this means the challenges with data security, reliability, scalability and consumer consent remain key barriers worldwide. In Germany, specifically, consent actually overtakes data security as the highest concern, though only by a single percentage point. Part of the continued challenge with data security — and why it ranks number one overall — may be due to the current methods for AI governance.

AI policy documentation and acceptable use guidelines topped the list of governance practices, with 47% of BDMs reporting they use them, though data retention and minimization standards were close behind at 46%. When considering specific countries, US-based BDMs agreed with overall results, but vendor risk assessments (46%) just barely overtake data standards in the UK, and Germany rates data standards first (47%) with human-in-the-loop requirements for high-risk actions second (44%).

Chart 9: Governance Practices (by country)

What governance practices does your organization execute for AI?

	US	UK	Germany
AI policy & acceptable-use guidelines	48%	49%	-
Data retention/minimization standards	46%	-	47%
Risk/security assessments	-	46%	-
Human-in-the-loop requirements	-	-	44%



TAKE ACTION

Governance isn't
compliance overhead.
It's what lets you scale
with confidence.

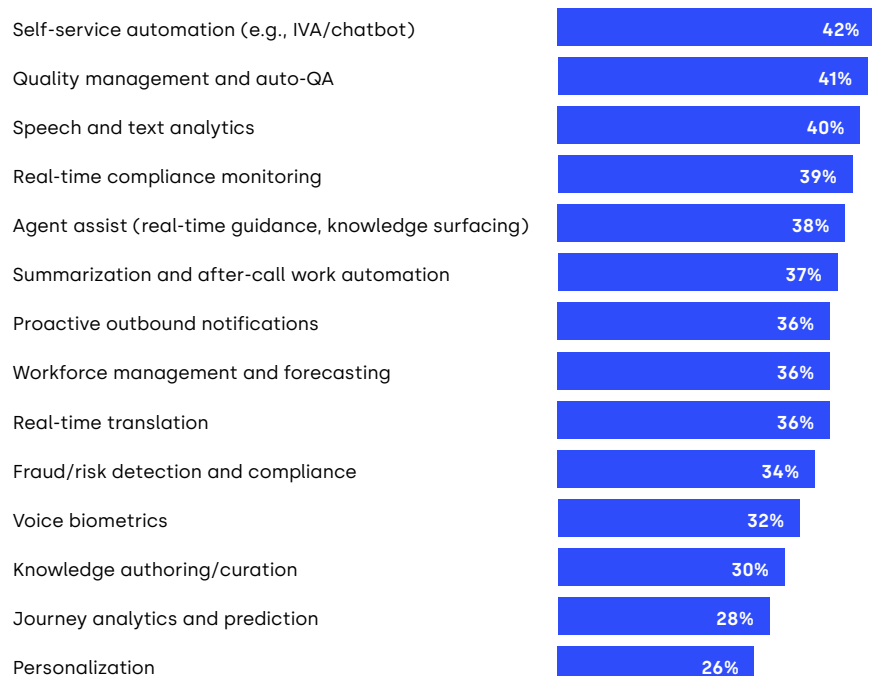
- Stand up the basics: documented AI policy, data retention standards, performance monitoring with audit trails, and human-in-the-loop rules for high-risk actions.
- Tell customers when they're talking to AI—71% rate that transparency as very or extremely important.
- Define when automation should stop. An escalation rule is a feature, not a failure.

Progress Is Real, but the CX Playbook Is Still Unsettled

When successfully implemented, the most popular use cases for deploying AI are self-service (42%), quality assurance (41%), and speech and text analytics (40%). Given AI's autonomous nature, as well as its renowned number-crunching ability, this falls in line with our expectations. However, personalization trailed in implementations, suggesting that generative AI capabilities may not yet be where leaders need them to implement personalization at scale.

Chart 10: AI Use Cases Currently Deployed in Customer Service

For which of the following contact center/customer service use cases does your organization utilize AI? Select all that apply.



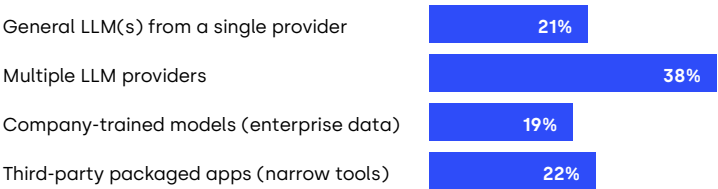


The cause behind personalization and other generative AI capabilities (e.g., knowledge authoring, real-time translation) placing in the bottom half in terms of prevalence may be due to BDMS' varying choice of AI models. We found that preferences for AI models vary among general LLMs from a single provider, multiple LLMs, private models, and third-party applications across all demographics.

However, this distribution is the right approach, because no dominant AI architecture is emerging, and waiting for one is its own risk. AI models must be trained on massive amounts of data to function. The attributes of that data (e.g., format, content, quantity) are what make the AI model work and determine where each model excels. For instance, if an AI model was trained on text-based communications in the retail industry, asking it to interpret voice calls for a healthcare company would likely result in failure. So, what began as experimentation has matured into a discipline: successful organizations aren't waiting for a single winner — they're matching the right model to the specific business problem in front of them. That's also where the durable advantage sits. The models will keep changing. The organizations that can swap them freely, while holding onto the interaction history that makes any model smarter, are the ones whose CX compounds.

Chart 11: AI Model Preferences for Customer Service

Which AI models does your organization use for customer service use cases?



The Freedom to Choose

No single AI model can run a contact center. The smartest strategy is openness: choose the model that fits each job, connect it to the CRM, WEM and knowledge base you already rely on, and swap pieces as the market evolves. That's the approach Five9 takes—your model, your stack, your choice, working as equals on one platform. Because the model is interchangeable. Your customer interactions aren't.



TAKE ACTION

No standard playbook exists. Write yours deliberately instead of inheriting one.

- Choose your operating model on purpose — end-to-end platform, hybrid or best-of-breed — and document why it fits your risk tolerance, stack and workforce.
- Match each AI model to the job it was trained for. No single model runs a contact center.
- Revisit the architecture quarterly. The model can change; the platform stays — openness keeps your options open as the market shifts.

While many organizations are grappling with AI adoption, most (84%) are also (and still) in the process of transitioning from on-premises infrastructure to cloud-based. The silver lining, however, is that most consider themselves as a hybrid organization rather than fully on-premises, and 68% of those hybrid organizations say they're already equally split between on-premises and cloud, signifying fully-cloud-based contact centers being the norm may not be too far in the future. Similar to BDMS' challenges with AI adoption, data security and privacy concerns top the list at 38% of responses. However, the similarities don't end there: every one of the 12 options were within just 7% of each other, and only 4% said they don't have any challenges.

Chart 12: Current Customer Care Infrastructure Mix

Which of the following best describes your organization's current customer care infrastructure?

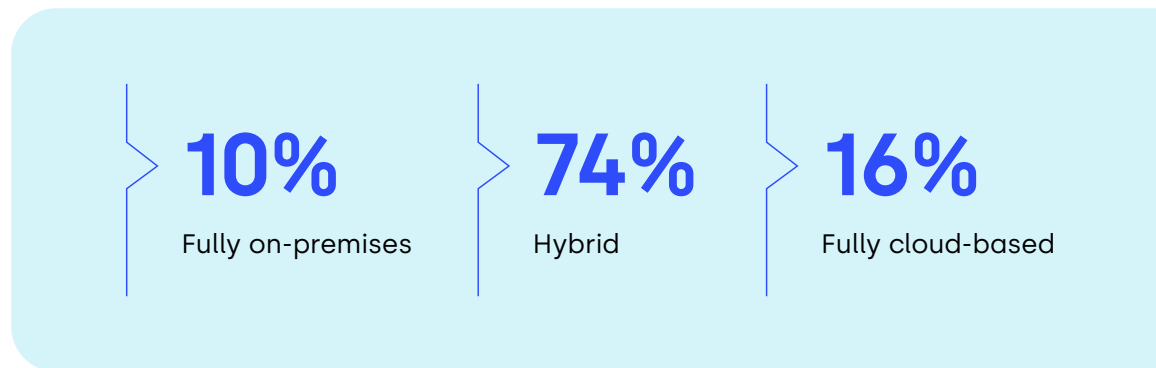
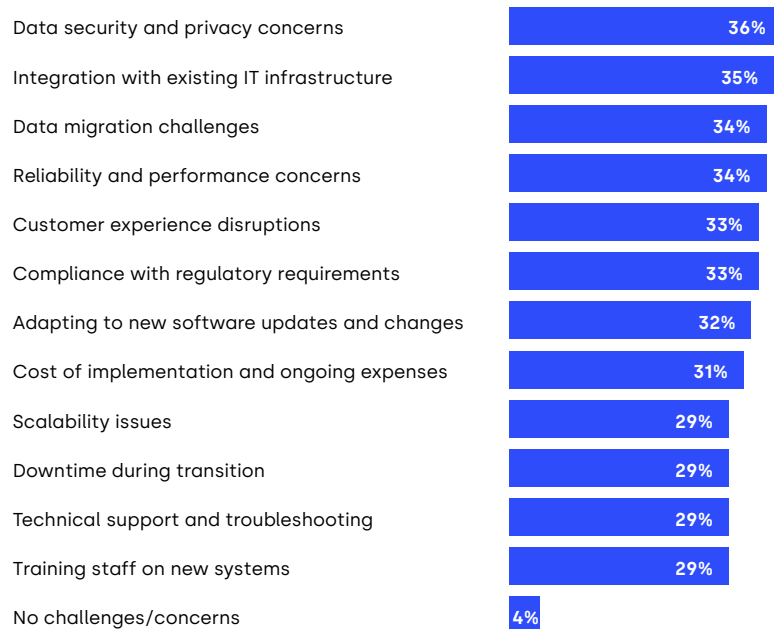


Chart 13: Challenges with Cloud Infrastructure Migration

What challenges or concerns did/does your organization face with transitioning to cloud-based infrastructure? Select all that apply.



05 AI Is Already Realizing Benefits — For Agents and Bottom Lines

No matter where AI is being deployed in contact centers, the benefits of it are already widespread. Partially due to the many use cases where AI presents opportunities, BDMs report a vast number of use cases — for both their agents and the organizations' return on investment.

Improved decision-making processes were the most popular answer, with 2 in 5 BDMs citing it as a benefit their organization experienced. However, increased efficiency and productivity was a close second (just one percentage point behind), and enhanced data analysis capabilities and improved customer perceptions were joint third most popular at 37%. The results changed slightly for the different regions, though. US BDMs ranked increased efficiency and productivity highest (which matched results for the Financial Services industry as well as mid-sized enterprises) while the UK placed enhanced data analysis capabilities at the top (matching the smallest enterprises' results).



Chart 14: Top Benefits of AI Adoption by Country

What benefits is your organization experiencing from adopting AI in contact center/customer service operations? (Top 3)

Benefit	Overall	US	UK	Germany
Improved decision-making processes	40%	42%	37%	39%
Increased efficiency and productivity	39%	45%	37%	-
Enhanced data analysis capabilities	37%	-	39%	37%
Improved consumer perceptions	37%	42%	-	-
Streamlined operations	-	-	37%	-
Personalized marketing and sales strategies	-	-	-	37%

Regardless of the most popular choice, though, every single BDM agreed that they have seen benefits to their AI implementation, and every listed benefit had 3 in 10 BDMs citing it as something they experienced. So, while BDMs may have several challenges to overcome when adopting AI, they also experience many benefits from it once the technology is in place.

AI Is Elevating Agent Work, but Complexity Is Rising

AI's benefits aren't contained to the organization level, either. The long-promised shift in agent work from low- to high-value is starting to materialize, with BDMs reporting multiple use cases where AI is assisting agents in their day-to-day. Forty-five percent of BDMs report that data-driven decision support and exception handling and judgment calls (at 44%) are the top ways in which AI is elevating agents' roles. However, these results vary considerably more by industry than some of our other results, with Healthcare BDMs straying the furthest.

Chart 15: How AI Is Elevating Agent Roles by Industry

In which areas has AI elevated agent roles (i.e., shifted humans towards higher-value work) for customer service at your organization? (Top 2)

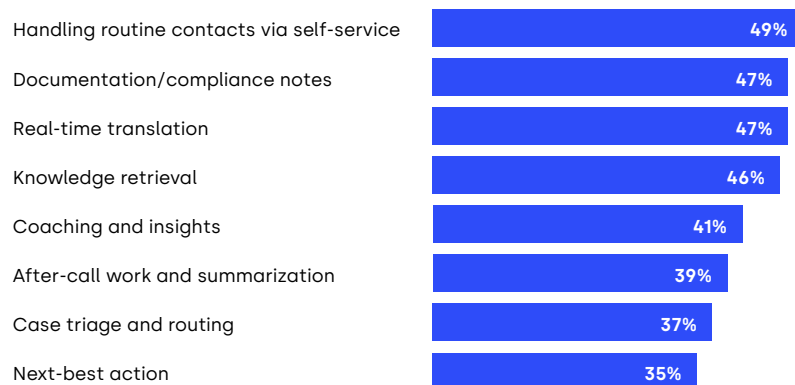
Area	Overall	FinServ	Healthcare	Retail	Travel/Hosp
Data-driven decision support	45%	46%	-	-	51%
Knowledge authoring/ curation	-	45%	-	-	-
Complex, emotionally- charged cases	-	-	40%	-	-
Retention/save opportunities	-	-	37%	-	-
Exception handling & judgment calls	44%	-	-	47%	-
Cross-functional coordination	-	-	-	46%	50%

Another promise of AI coming to fruition is agent workload reduction, and BDMs (yet again) listed many different ways where the technology has helped. Self-service, documentation, real-time translation, and knowledge retrieval all made the top of the list, each within three percentage points of one another in terms of popularity. However, as with many of our other results, no BDM said AI hasn't uplifted agent roles, and every one of the nine options had at least 1 in 3 BDMs selecting it.

What's surprising about the results for agent role elevation through AI is that the results were largely the same across geographies and industries, with little variation in the order. German BDMs were the only real divergence, rating AI-provided next-best action significantly higher than their peers in other countries.

Chart 16: How AI Has Reduced Agent Workloads

In what ways has AI reduced agent workloads at your organization? Select all that apply.



On top of role elevation and workload reduction, AI is also reducing agent burnout and attrition, with half of BDMs reporting as such. The picture isn't uniform, though: that figure climbs to 57% in financial services and 55% in travel/hospitality but dips to 45% in healthcare and 43% in retail — and 35% of BDMs say burnout has actually increased. The net effect is positive, but it confirms that complexity is rising alongside the relief.

Part of this result may be due to 3 in 5 BDMs reporting that human agents are handling fewer routine inquiries, which have historically left agents frustrated with the simple, repetitive work required to solve them.

However, this reduction doesn't seem to have translated to human agents handling more complex inquiries — at least, not consistently. While 45% of BDMs report that their agents are handling more complex work than two years ago, 42% say the exact opposite.

Chart 17:
AI's Impact on Agent
Routine Work and Burnout

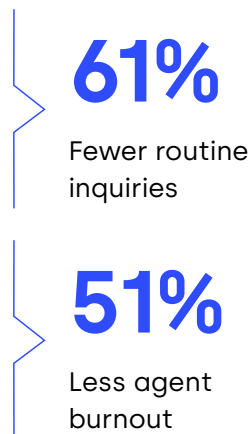
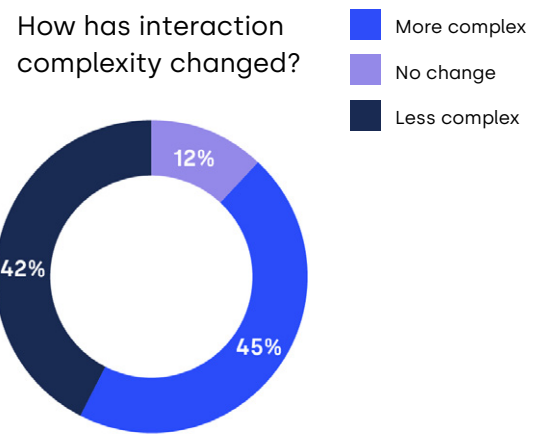


Chart 18:
How AI Has Changed Customer
Interaction Complexity



The breadth of impact across all four areas (e.g., role elevation, workload reduction, burnout reduction and shift from routine to complex) marks a significant jump forward in the oft-cited result of AI adoption of changing agents' roles and tasks in today's contact centers. However, it also marks a change needed in the way contact centers approach human work. To account for the shift, CX leaders must change their approach to training, knowledge creation and access, and decision support if they are to take advantage of this evolution.

There's a compounding upside here, too. As agents take on more complex, judgment-based work, every interaction they handle generates signals: the language they use, the exceptions they resolve, the decisions they make, that can train and sharpen AI over time. Humans make AI better, and AI makes human work more valuable.



TAKE ACTION

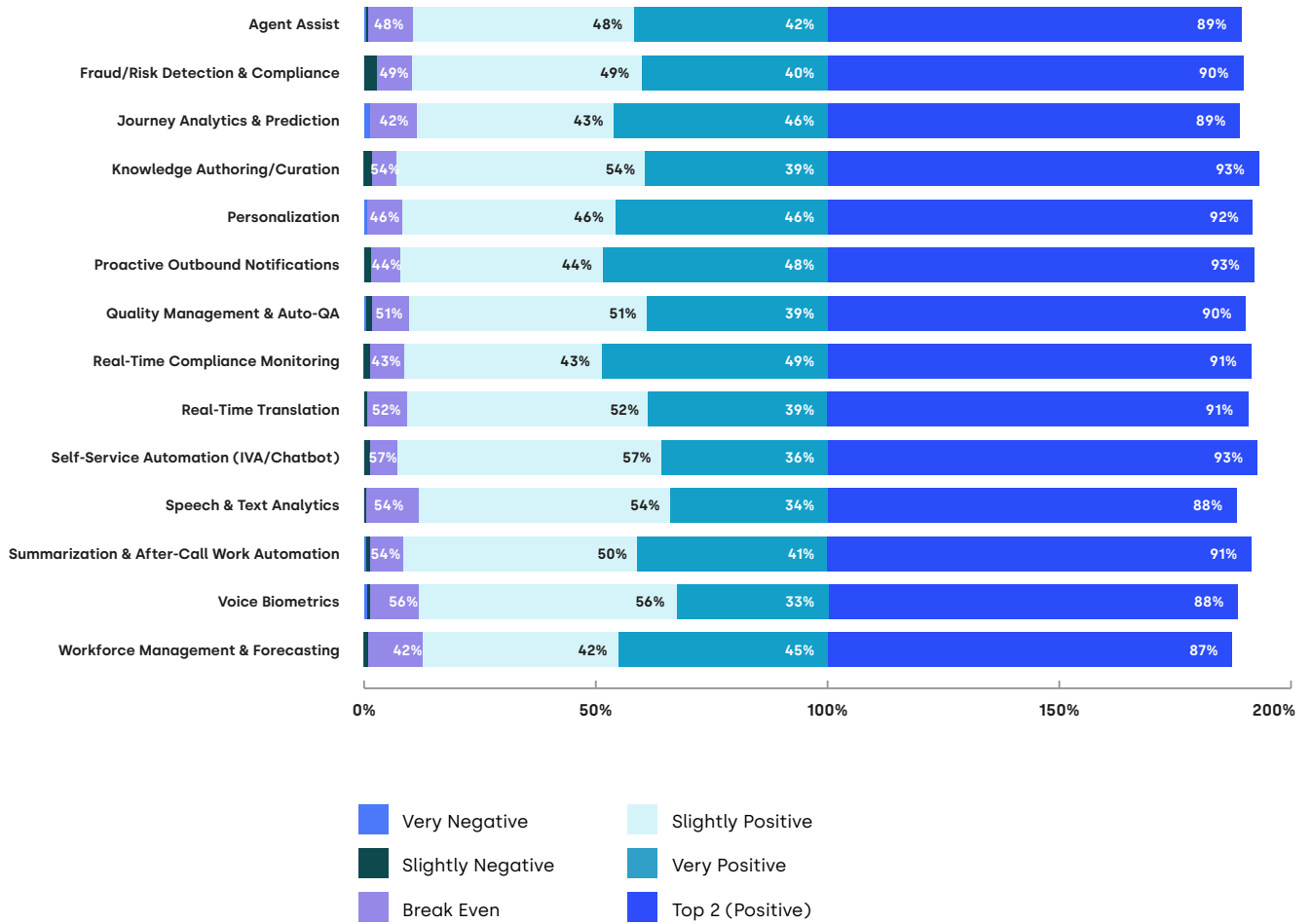
Agents are inheriting
harder work.
Equip them like it.

- Rebalance training, knowledge access and decision support around complex, judgment-based interactions.
- Track burnout alongside automation wins — relief and rising complexity arrive together.
- Capture what your best agents do: the language they use, the exceptions they resolve, the judgment calls they make — and feed it back into your AI. Your interactions are your advantage; that's how CX gets smarter.

AI ROI Is Validating Adoption Efforts

Of course, the benefits that AI provides to agents aren't all it's doing. As is so often the case, CX leaders are under pressure to prove the financial worth of their investments, and 9 in 10 BDMs report positive ROI across all areas of AI adoption. Knowledge authoring and curation along with self-service automation via IVAs/chatbots lead the pack, with 93% of BDMs reporting positive ROI, though real-time compliance monitoring was the one listed most often as having a very positive ROI. Still, results were heavily skewed to either breakeven or positive results across every demographic, with only a handful of BDMs reporting negative ROI at all.

Chart 19: AI ROI Ratings Across All Use Cases



Nevertheless, the fact that AI is providing ROI is only a small piece of the overall adoption puzzle. Contact centers' AI deployments are still arguably in their infancy — remember, 1 in 3 organizations are still piloting or working through their first implementation — and the playbook for AI in CX is far from defined. The challenges are as numerous as the benefits, and each CX leader must determine their own path forward to experience success. So, while agents and organizations are already reaping the rewards of AI, the next steps are perhaps the most important: making AI work in practice, at scale, inside the realities of each business.

06 The Perception Gap Between BDMs and Consumers Remains

While BDMs may be, albeit cautiously, celebrating their victories with successful AI adoption and improvements to customer service over the past decade — 99% of BDMs believe customer service today is better than 10 years ago, with 43% marking it as much improved — consumers are less convinced. Three in ten of the consumers we surveyed believe customer service has actually worsened, with over half of them (55%) attributing it to reduced human access.

The generational differences are marked here, with just 19% of Gen Z saying customer quality has worsened compared to 46% of Baby Boomers. (A note on Gen Z: this generation spans roughly ages 14 to 29 today. While every respondent was 18 or older, even the oldest Gen Z respondents were teenagers a decade ago—so their view of how customer service has changed rests on a much shorter history than other generations'.) Still, despite their varying belief over whether quality has worsened, every generation agreed that the decline was because of reduced access to human agents.



Chart 20: BDMs vs. Consumers: Has Customer Service Improved?

Compared to 10 years ago, how would you rate the overall customer experience quality in your industry?

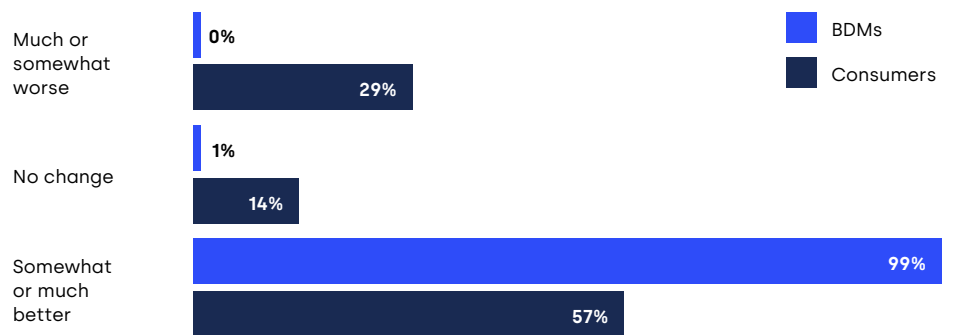


Chart 21: Consumer Views on Customer Service Quality by Generation

Compared to 10 years ago, how would you rate the overall customer experience quality in your industry?

	Gen Z	Millennials	Gen X	Baby Boomers	The Silent Generation
Much or somewhat worse	19%	23%	36%	46%	40%
No change	12%	13%	16%	15%	12%
Somewhat or much better	69%	64%	49%	38%	47%

Chart 22: Top Reasons Consumers Cite for Customer Service Decline

What factors do you believe best explain customer experience quality deterioration over the last 10 years? (Top 3)

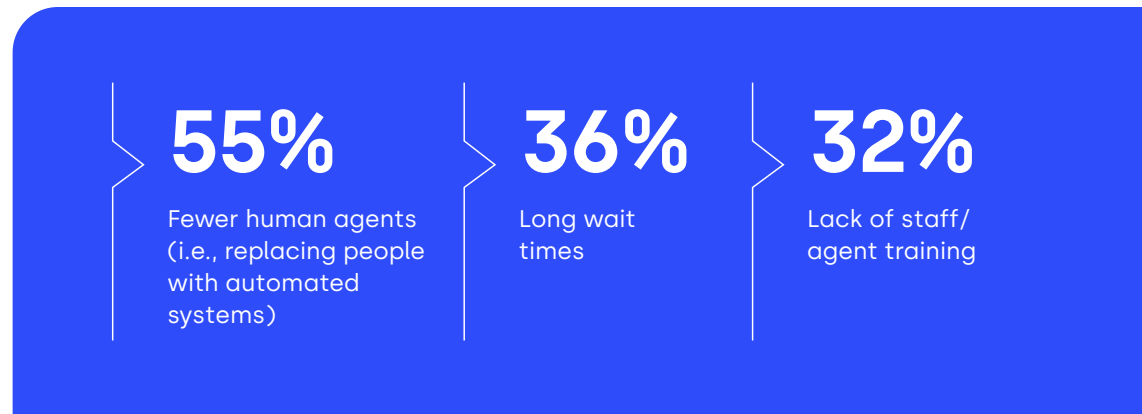


Chart 23: Why CX Has Worsened: Consumer Views by Generation

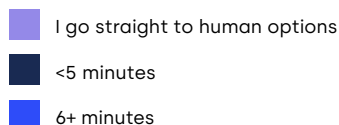
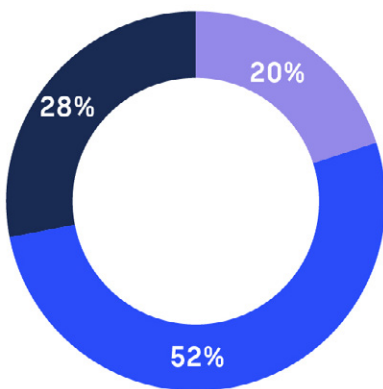
What factors do you believe best explain customer experience quality deterioration over the last 10 years? (Top 3)

	Gen Z	Millennials	Gen X	Baby Boomers	The Silent Generation
Fewer human agents (i.e., replacing people with automated systems)	49%	47%	55%	60%	87%
Long wait times	31%	-	38%	44%	39%
Disconnected customer service channels (having to repeat yourself across phone, chat, email, etc.)	27%	-	33%	-	35%
Outsourcing	-	32%	-	-	-
Lack of staff/agent training	-	31%	-	40%	-
Digital complexity (i.e., too many systems, steps, or tools to navigate)	-	-	-	-	35%



Chart 24:
How Long Consumers Try AI Before Requesting a Human

How long will you typically try AI options (e.g., chatbots, virtual agents) before asking for a human?



Consumers Are Willing to Try AI

Consumers know the customer service model is shifting. Half of them already recognize that AI is handling the majority of their interactions with customer service, and 4 in 5 are willing to try using it. Consumers say the top two characteristics of good customer service are quick resolutions and fast response times — two places where AI has the opportunity to excel. But consumers aren't jumping into the AI-powered customer service pool, they're still testing the waters.

Half of consumers will only give AI a shot for up to five minutes, further cementing their desire for quick resolutions. But 1 in 5 bypass it entirely, with double that (40%) only using it when required. Just a quarter of consumers believe AI channels are more convenient than other options, though half of consumers overall believe 24/7 availability is a main benefit of AI-powered customer service, highlighting the dichotomy in consumer perception.

Chart 25: How Often Consumers Use AI When Seeking Customer Service

How often do you use AI options (e.g., chat bots, AI voice assistants) when seeking customer service?

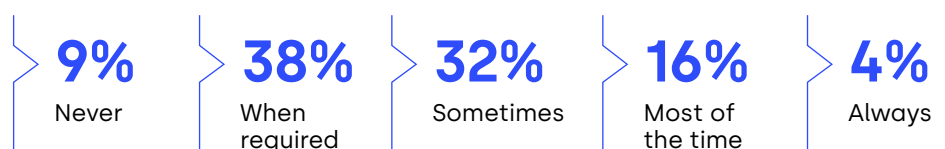


Chart 26: Why Consumers Use AI Customer Service Channels

What motivates you to use AI channels when seeking customer service?

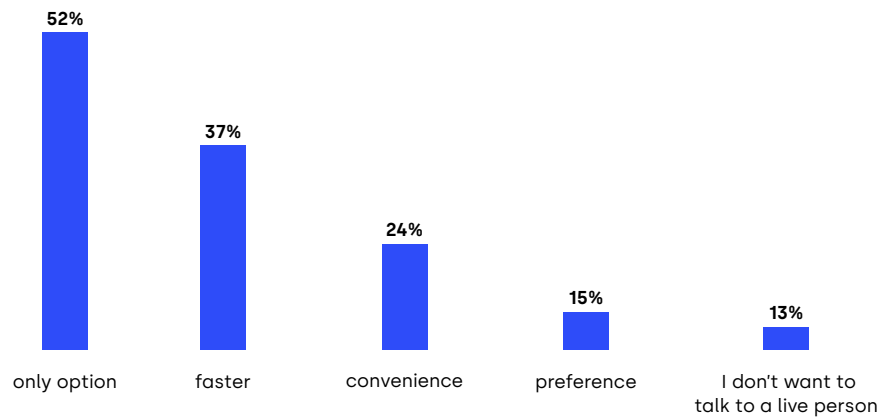


Chart 27: Consumer-Perceived Benefits of AI Customer Service

Among consumers who use AI channels, what do you consider the primary benefits?



One of the reasons for this divide in consumer opinions of AI seems to be based on the need for transparency about AI use by contact centers. In fact, 71% of consumers rated it very or extremely important that they be told they're speaking with an AI agent.

But Overall, Humans Still Prefer to Speak to Humans

Even though some consumers choose AI-based customer service because they don't want to speak to humans, they're firmly in the minority. We found that consumers consistently prefer calling into contact centers over other channels such as live chat and email.

Sixty-six percent of consumers agreed that they prefer to speak with a real person when seeking customer service, and 3 in 10 consumers will pick up the phone to get their questions answered.

As many might expect, the phone becomes the overwhelmingly preferred option as consumer age increases, up to 66% of consumers in the Silent Generation. However, preference for AI-driven channels, self-service, messaging apps, and texting all rank in the single digits — as low as 3% — for every generation. That's not nostalgia—it's trust. When the stakes are high, customers reach for the channel where a capable human can own the problem.

Chart 28: Phone Preference by Generation

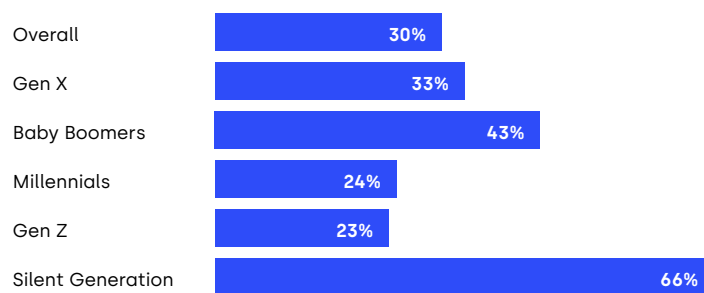
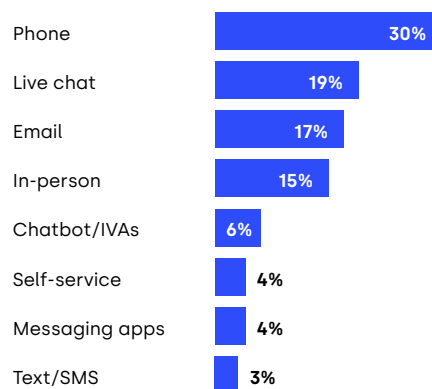


Chart 29: Overall Channel Preference



Despite consumers overwhelmingly not preferring messaging apps or AI-driven channels, they are the top two channels in which BDMs are choosing to invest at 58% and 56%, respectively, further highlighting the gap between the two groups.

Still, it's important to recognize that consumer distaste for messaging apps or AI-driven channels may be due to satisfaction: consumers consistently rate both channels about 20% lower than traditional channels. If BDMs are choosing to invest in these channels to improve their usefulness to consumers, satisfaction may increase, leading to a change in consumer perceptions and preferences.

That said, contact center channel investment is far from singular, with 52% of BDMs reporting planned investments in live chat, 50% for phone support, and self-service help centers at 48%. Interestingly, BDMs in financial services reported messaging apps as the most popular investment option at 59%, while those in healthcare ranked chatbots and virtual agents first at 55%. Retail leans traditional—phone investment leads there at 66%—while travel/hospitality goes the other way entirely: 74% plan to increase investment in chatbots and virtual agents, the single most striking number in the channel data.

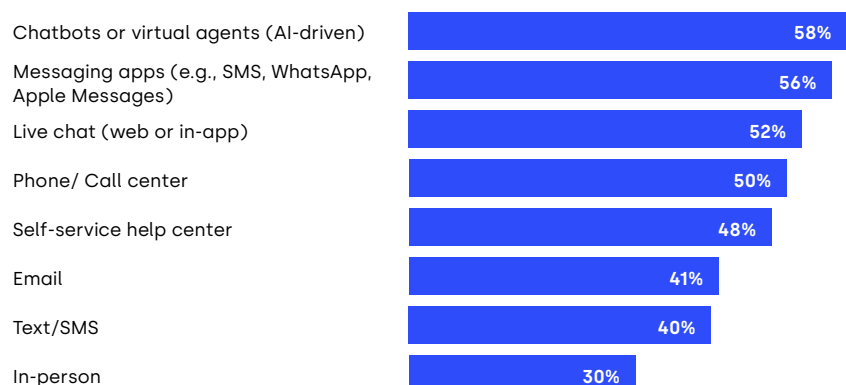
Chart 30: Top Planned Channel Investments by Industry

Planned channel investment increases, next 12 months (top picks by industry)

	Channels	%
Financial Services	Messaging apps	59%
Healthcare	Chatbots/ virtual agents	55%
Retail	Phone/call centre	66%
Travel/Hospitality	Chatbots/ virtual agents	74%

Chart 31: Overall Planned Channel Investment Increases, Next 12 Months

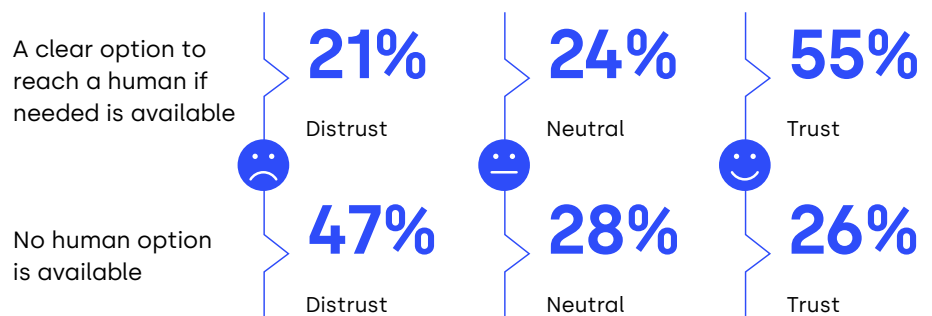
Which customer service channels is your organization planning to increase investments in over the next 12 months? Select all that apply.



Specifically for AI-driven channels, our survey revealed that having human contact options dramatically changed how consumers view them. Given a clear human contact option, just 21% of consumers didn't trust that AI could solve their problems compared to 47% without such a choice — less than half. Even though having a human option has no bearing on the efficacy of the AI-powered support provided, having a “human escape button” significantly altered consumer perceptions, signifying its importance.

Chart 32: Consumer Trust in AI With vs. Without a Human Escalation Option

How much do you trust AI to be able to resolve your customer service issues in each of the following scenarios?



Preference for human interaction didn't just affect AI tolerance, but also affected opinions of the companies that use it. A full 41% of consumers are less likely to use a company simply because they use AI for customer service, jumping to 53% if there isn't any access to human-based support. The message consumers are telling CX leaders is clear: “We're willing to use AI. But you have to prove its effectiveness and keep the traditional channels open during the transition to AI-powered CX.”



TAKE ACTION

Digital-first only works when customers keep their choices.

- Invest in digital channels without closing the phone line — voice is where trust lives in high-stakes moments.
- Pair every AI channel with a visible human option. It more than doubles consumer trust (55% vs. 26%).
- Sequence cloud migration around service continuity. AI ambition can only go as far as the infrastructure beneath it.

07 There Are Massive Opportunities for AI in CX

Ultimately, what AI brings to customer service is opportunity. And there are many of them. The consumer interest in AI is there, all leaders have to do is execute on it. In fact, half of consumers believe AI can handle most of the customer service tasks they need help with, with an additional 12% saying it could handle everything. To understand those use cases, we asked consumers what tasks AI in customer service can perform accurately, and the results were telling.

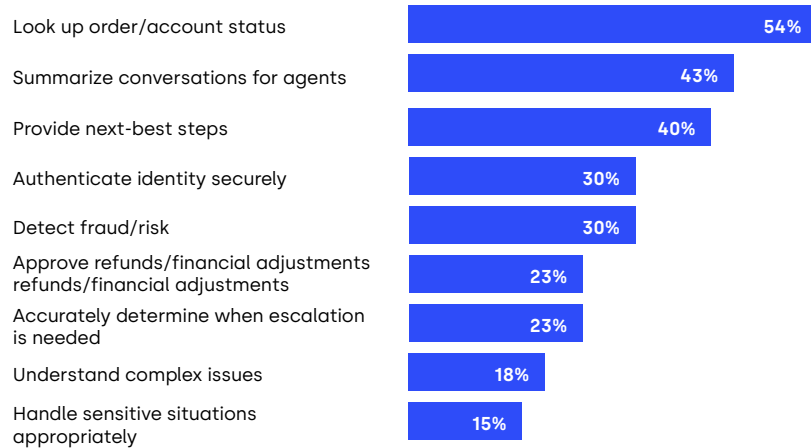
Automation Needs Boundaries

Where should automation stop? The data from both decision-makers and consumers points to the same answer: not everywhere, and not nowhere, but along deliberate, risk-based lines. Nearly every CX leader has been anxious to deploy AI in their contact centers. The market is buzzing with use cases and proofs-of-concept for it. Those that implemented early have proven its effectiveness. Even the BDMS we surveyed said the same. And we found that consumers are right behind that. When asked what AI can do for customer service, many consumers acknowledged that AI can handle various tasks, such as order and account status look-ups, conversation summarizations, and next step suggestions.

Chart 33:

Consumer Perceptions of What AI Can Accurately Handle Today

Which of the following tasks do you believe AI can accurately do today?



However, when asked if these tasks should be handled by an AI agent alone, with a human at its side, or given to a human agent for them to handle without AI, a gap emerges. Consumers consistently understand that AI may be capable of doing a task, but they don't trust it to do it alone to the same degree, continuing the theme of consumers still preferring human interaction. For instance, 54% of consumers believe AI can look up order and account statuses accurately, but only 35% say it's a task it should undertake alone. Thirty percent say it can securely authenticate identities, but just 16% say it should. Even refunds don't fare well, with 23% of consumers saying AI can handle it, but only 15% say it should.

Chart 34:
What AI Can Do vs. What Consumers Think It Should Do Alone

Which of the following tasks can AI do versus what it should handle without the help of a human?

	Can do accurately	Should do alone
Look up order/ account status	54%	35%
Authenticate identity securely	30%	16%
Approve refunds/ financial adjustments	23%	15%

For most use cases, consumers generally believe AI agents should have human oversight. This is in stark contrast to what BDMs reported when asked the same question of who (or what) should undertake which tasks, solidifying their preference for AI-powered customer service — and the perception gap between them and their customers.

Though BDMs largely believe AI can handle more alone than consumers (with the exception of password resets), the largest differences in opinion about who handles what use cases occurred with human-in-the-loop inquiries and human agent-only inquiries. For instance, 61% of BDMs believe charge disputes should be handled by a human-supervised AI agent, but just 37% of consumers believe the same — a quarter of the population in difference. The same gap exists for sensitive identity verification: 56% of BDMs think human-in-the-loop AI should perform this task compared to just 33% of consumers. In every use case we asked about, BDMs preferred AI agents with human oversight for tasks more than consumers did.

To be clear, decision-makers aren't pushing automation everywhere. They're drawing deliberate, risk-based lines. Take the highest-stakes example: 38% of BDMs say high-stakes escalations should be handled fully by a human, 43% say AI with direct human oversight and just 19% would let AI handle them end-to-end. Automation expands where the risk is low; human judgment holds where it isn't. The boundary-setting itself is the strategy.

LOW RISK AI Alone	MEDIUM RISK AI + Human Oversight	HIGH RISK Human-Led
Order/ Account status Billing look-ups Password resets	Charge disputes Refunds/Financial adjustments	High-stakes escalations (38% fully human) Sensitive ID verification

Chart 35: BDM vs. Consumer Preference for Human-Supervised AI by Use Case

	BDM	AI + Human Consumer	Delta
Order/Account status inquiries	41%	40%	1%
Billing inquiry look-up	46%	42%	4%
Password resets	47%	32%	15%
Refunds/financial adjustments	56%	40%	16%
Legal compliance	50%	33%	17%
Sensitive identity verification	56%	33%	23%
High-stakes escalation	43%	29%	14%
Charge disputes	61%	37%	24%

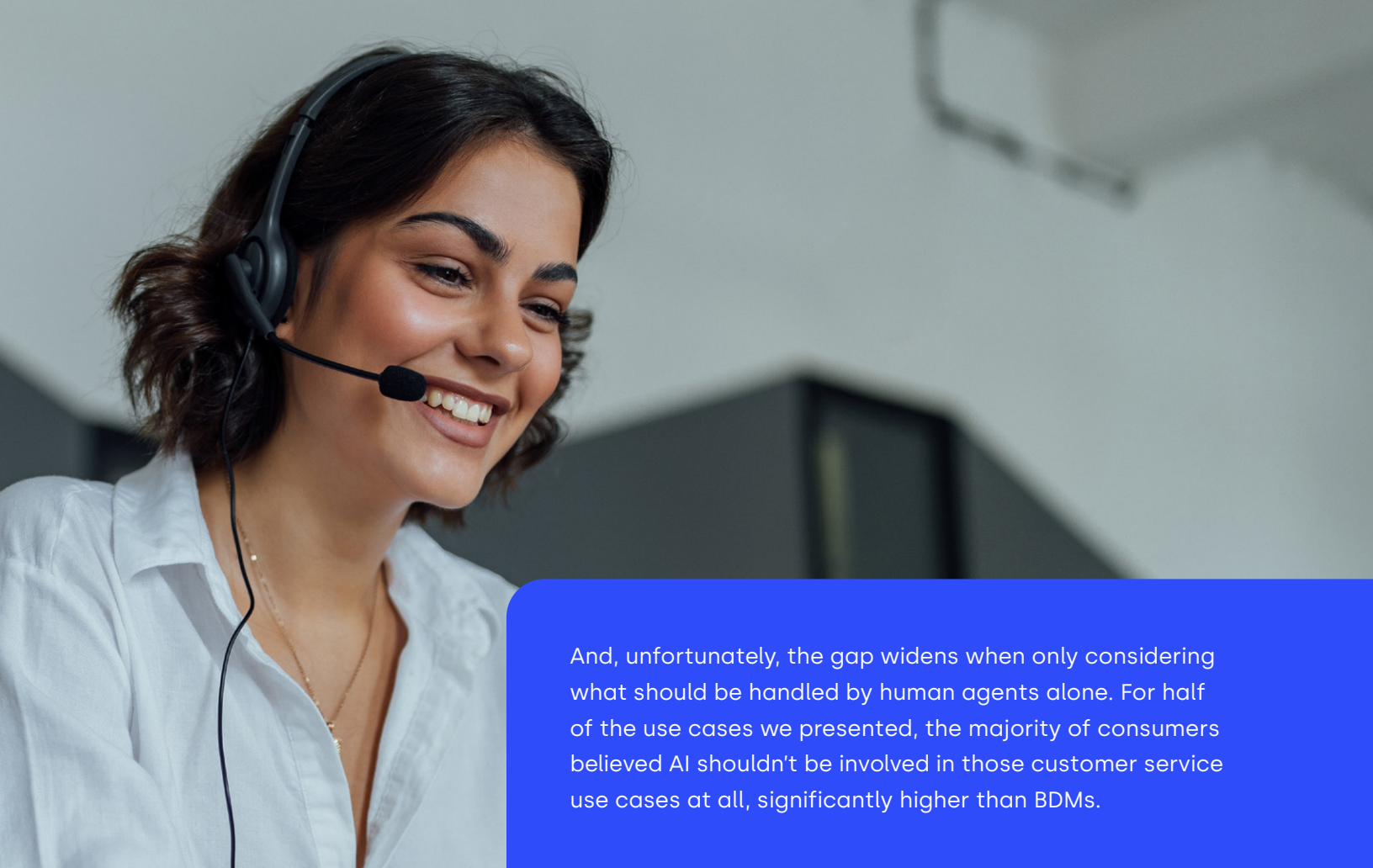


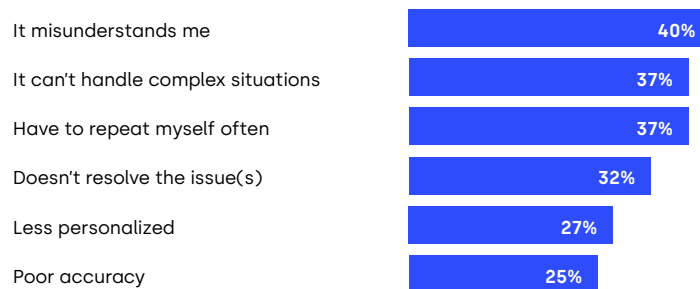
Chart 36: BDM vs. Consumer: Preference for Human-Only Handling by Use Case

	BDM	AI + Human Consumer	Delta
Order/Account status inquiries	19%	26%	-7%
Billing inquiry look-up	18%	31%	-13%
Password resets	23%	30%	-7%
Refunds/financial adjustments	22%	45%	-23%
Legal compliance	29%	54%	-25%
Sensitive identity verification	23%	51%	-28%
High-stakes escalation	38%	60%	-22%
Charge disputes	22%	50%	-28%

Part of consumers' reasoning behind preferring AI- vs. human-powered customer service is likely due to their challenges with AI. Many reported frustrations with the technology misunderstanding them, its difficulty handling complex issues, requiring information repeated, and not resolving the problem it was presented.

Chart 37: What Frustrates Consumers About AI Customer Service

What are the challenges/barriers with using AI when seeking customer service? Select all that apply.



It's important to note that this is not a doom-and-gloom scenario, and one that can be turned around if leaders provide the right resources and implement the right strategy. As we stated earlier, AI requires data for it to be useful. If leaders cater to consumers' preferences today and provide the human-led experiences they crave — all the while collecting the necessary data to train organizations' AI agents and refine the models in their repertoire — CX can gradually make the shift to more AI-led work. Customer service automation can and should expand, but it must be matched to risk, complexity, and customer expectations.

But make no mistake, this perception gap is a problem. Simply racing to deploy AI in CX may have been the initial goal for leaders, and capitalizing on consumers' initial curiosity may have led to early results, but early results aren't the same as earned trust.

As organizations scale AI, success may hinge on designing a deliberate human-in-the-loop model that balances automation with clear oversight boundaries that match consumer expectations. It is time to make good on the promises of AI, solve the challenges that consumers are having with AI-powered customer service, and ultimately, close the perception gap to make customer service better for everyone involved.



TAKE ACTION

Automation should expand—but on your terms.

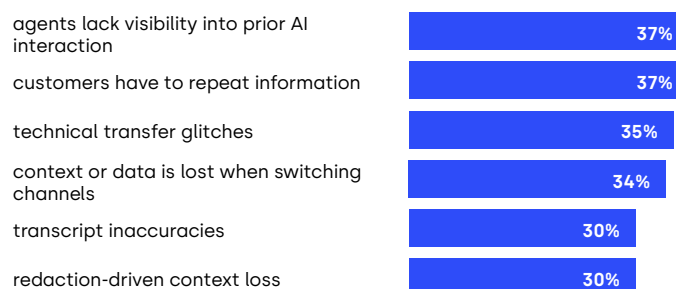
- Set an autonomy level for every interaction type: AI-alone, AI with human oversight or human-only. Matched to risk, complexity and customer expectations.
- Start where consumers already trust AI: status lookups, summaries, simple resolutions, and earn your way into higher-stakes moments.
- Publish the boundaries internally so agents, supervisors and customers all know where the human line sits.

08 The Handoff Is the New Moment of Truth

The handoff is where every promise in this report gets tested—and the tension lives in one pair of numbers. Ninety-six percent of BDMs say their organization preserves context effectively during AI-to-human handoffs. Yet 83% of consumers say they at least sometimes have to repeat themselves after being transferred from an AI agent to a human one—35% often or always, another 48% sometimes. Nearly every organization believes the handoff works; most customers have lived through one that didn't. And BDMs themselves report plenty of friction behind that 96%. Consumers having to repeat information, transfer glitches in the handoff itself, and agents losing context across channels is creating a gap that is, simply put, breaking down customer service. And AI, as of today, is not quite living up to customers' or agents' expectations or needs during this crucial moment.

Chart 38: Handoff Friction Points BDMs Report Despite Claiming Effectiveness

96% of BDMs claim effectiveness at preserving context during AI-to-Agent handoffs, yet they also report:



That perception gap makes the handoff the clearest test of whether AI is actually improving CX—and the challenge that needs to be solved if AI use in CX is to realize the benefits it could provide. When AI works, it feels helpful and connected. But when it fails, it just feels like another obstacle. CX leaders must take advantage of this inflection point in their AI implementation and change consumers' experience for the better if they want to change this narrative.

The handoff breakdown is further complicated by the effect it has on consumers. Just 12% of them aren't frustrated by the time they switch from an AI agent to a human one, and 1 in 3 rated themselves as very or extremely frustrated. Twenty-eight percent of consumers even report they're somewhat or very unlikely to use an AI-driven customer service channel in the future because of their experiences with this transition. So, while AI reduces workload and elevates agent roles, unresolved handoff friction may undermine customer experience and efficiency gains.



Chart 39: Consumer Frustration at the AI-to-Human Handoff

How frustrated are you at the point when you switch from an AI agent to a human agent?

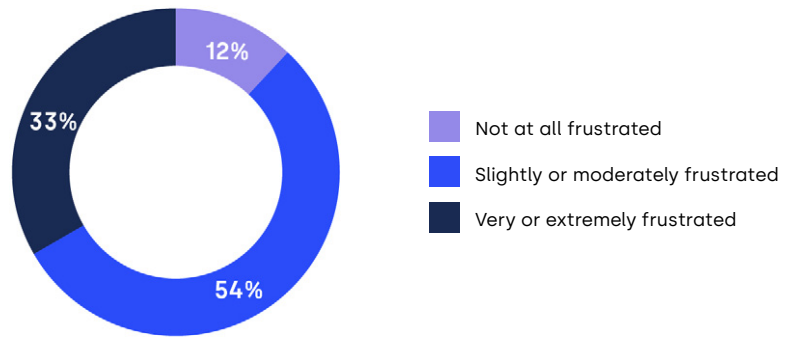
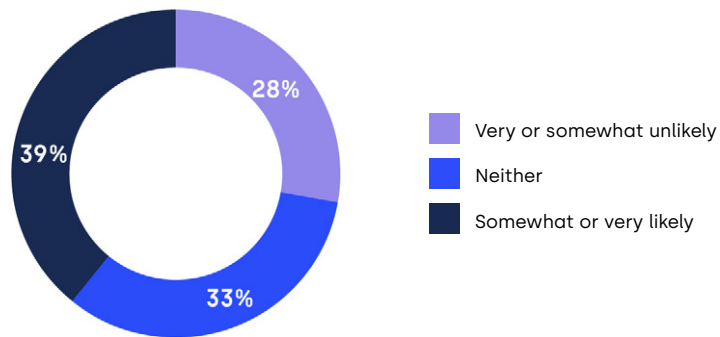


Chart 40: How the Handoff Experience Shapes Future AI Channel Use

Based on this transition experience, how likely are you to use an AI channel (e.g., chatbots, virtual agents) for customer service in the future?



TAKE ACTION

Treat the AI-to-human handoff as a product, not a transfer.

- Measure context retention at every handoff — repeat-information rates are the clearest signal of breakdown.
- Give agents full visibility into the AI conversation before they say hello.
- Set one hard rule: customers never repeat what they've already told the AI.

09 AI in CX Must Evolve

AI adoption is no longer the finish line. For many contact centers, it is the starting point for a more complex phase of customer experience transformation. Organizations are seeing progress, investment is rising, and ROI signals are strong. But the research also shows that the path forward is still being defined. And that gap—between AI that demos well and AI that runs a contact center every day — is where the next phase of CX will be won.

The next phase of customer experience will be shaped by AI execution: the ability to connect automation with human judgment, preserve context across handoffs and channels, build governance into daily operations and modernize infrastructure without disrupting service quality.

The winners of the next phase of AI adoption won't be the organizations that deploy the most AI. They'll be the ones that operationalize it — across people, processes, governance, infrastructure and customer expectations — and make it work inside the realities of their business. The path to a truly AI-powered customer service experience will look different for every organization, changing based on audience, industry and organization size.

But the core mandate is the same: CX leaders have the opportunity to turn AI from a deployed tool into a trusted, connected and continuously improving part of the customer experience. All it takes is the right strategy. That work is harder than a demo. It's also where the advantage compounds: every interaction an organization runs — every conversation, every handoff, every judgment call — teaches its AI something a competitor's never will. The organizations that close that loop won't just deploy AI. They'll deliver CX that gets smarter with every interaction.



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