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The AI Opportunity for Experience Management

Global Executive Research Report

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Executive Summary

KEY FINDINGS IN THIS REPORT

To understand how organizations plan to use artificial intelligence (AI) to improve customer and employee experiences, we surveyed executives about their Experience Management (XM) needs, their expectations for AI's impact on their industry and business outcomes, and their current and planned AI initiatives. We found that:

+ **XM is becoming an increasingly high priority.** Eighty-one percent of executives say that improving experiences has become a greater priority for their organization over the past three years. The two most cited drivers of this change are increased competitive pressure (48%) and improved capabilities (48%), closely followed by changing customer (44%) and employee (43%) expectations. Executives plan to increase their spending on both customer experience (CX) and employee experience (EX) over the next 12 months.
+ **Market leaders see AI's transformative potential.** Compared to their peers at organizations holding market share, executives at organizations gaining market share ("market leaders") are twice as likely to say that AI will completely change CX. These leaders expect AI to primarily transform product quality and delivery for customers and quality of work for employees. However, just 15% aim to lead the change AI will bring to their business landscape.
+ **AI expected to help overcome XM obstacles.** Executives most frequently cited technology limitations as an obstacle to improving experiences (30%); however, a majority of them (70%) believe AI-powered tools could help overcome these constraints. Similarly, executives experiencing poor integration across systems (62%) and lack of critical XM skills (61%) see AI as a potential solution for these challenges as well.
+ **Executives most expect to see AI accelerate innovation and reduce costs.** Executives have high expectations for AI business impact, with more than half anticipating reduced costs (55%) and accelerated innovation (55%) through AI-powered experience solutions. However, they don't expect these outcomes to materialize immediately. Most executives (58%) expect it to take a minimum of 3 years to see significant measurable results from AI implementation.
+ **Almost all companies are making efforts to implement AI.** Sixty-six percent of executives consider the current state of their AI implementation efforts to be significant, while just 1% have no efforts underway. Of AI efforts underway, employee training and enablement is the most common activity (43%), followed by establishing data security & privacy policies and experimenting with AI solutions (39% each).

STUDY KEY FACTS

- Global executive study
- Online panel study
- Conducted in Q4 of 2024
- 1,501 executives
- Headquartered in 5 countries

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STUDY OVERVIEW

The data for this report comes from a global executive study conducted by Qualtrics XM Institute in the fourth quarter of 2024. Using an online survey, XM Institute collected data from 1,501 executives from companies with 1,000 or more employees. The surveyed executives work at companies headquartered in either Australia, Canada, Germany, the UK, or the US (300/country). Respondents were screened to include positions VP-level and above.

FIGURES IN THE REPORT

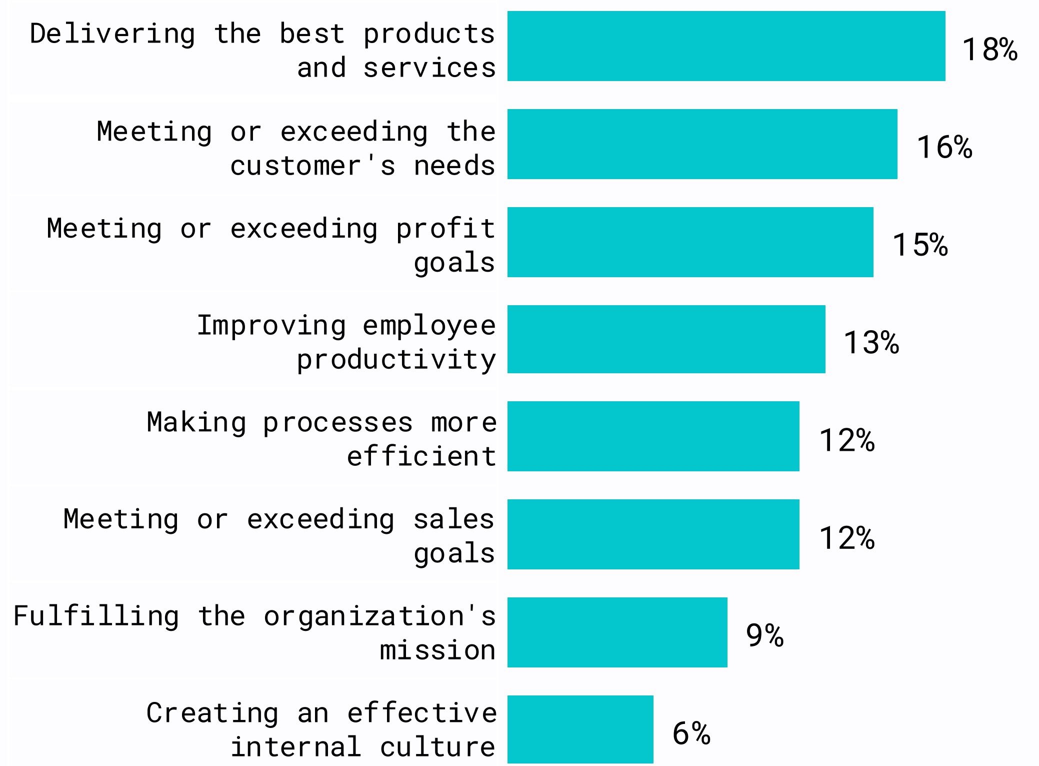
Study Demographics

Study Demographics

CUSTOMER TYPE	
Businesses	41%
Consumers	30%
Governments	3%
Non-profits	1%
We are a government organization	1%
We are a non-profit organization	1%
We serve each type of customer equally	22%

HEADQUARTERS COUNTRY	
Australia	300
Canada	300
Germany	300
United Kingdom	300
United States	301

TOP BUSINESS OBJECTIVE OVER NEXT 3 YEARS



Base: 1501 executives from companies with 1,000+ employees
Source: Qualtrics XM Institute Q4 Global Executive Study

State of Customer and Employee Experience

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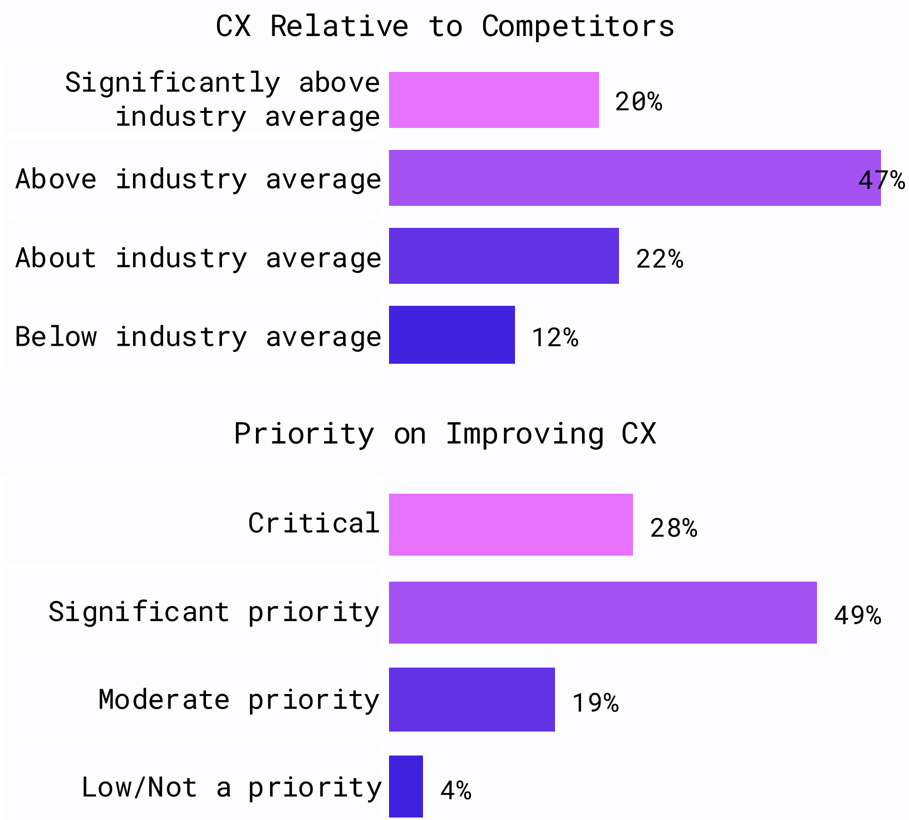
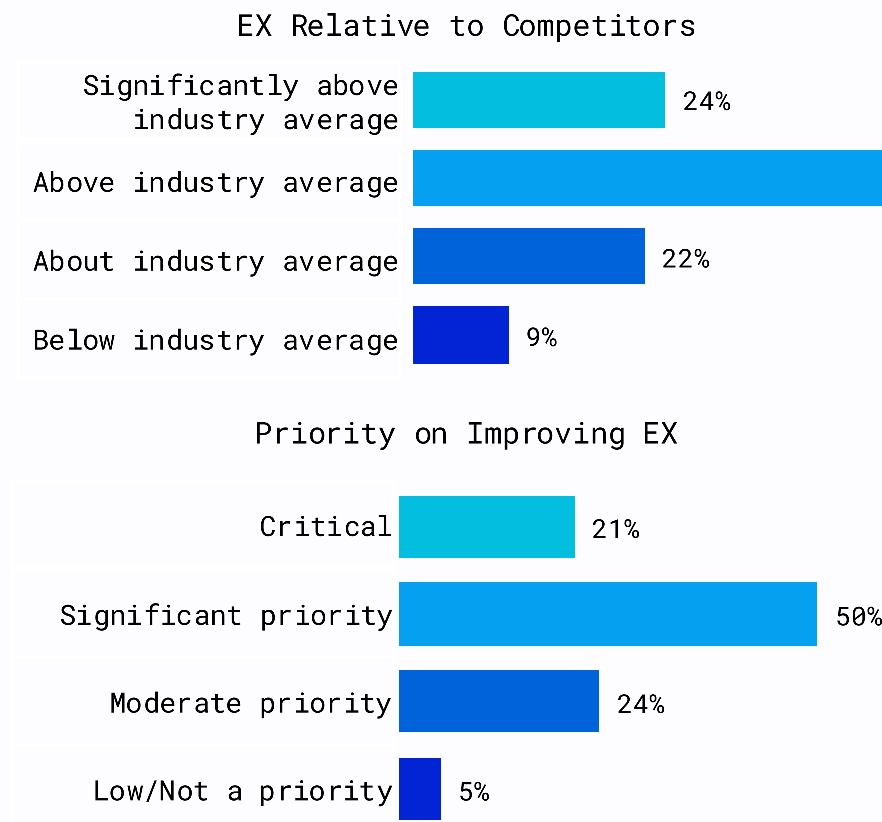
State of CUSTOMER EXPERIENCE



State of EMPLOYEE EXPERIENCE



Base: 1501 executives from companies with 1,000+ employees
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Spend on Customer and Employee Experience

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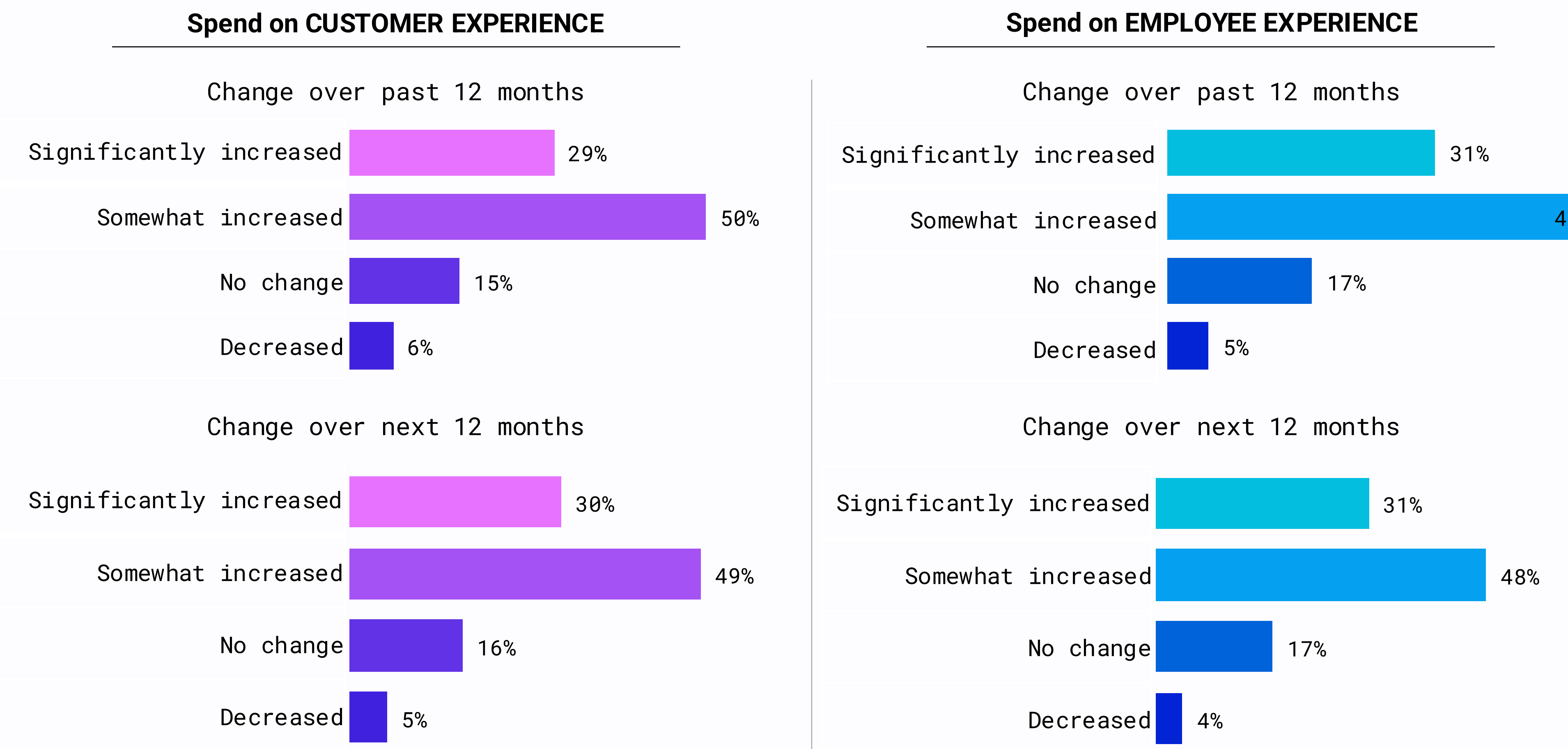

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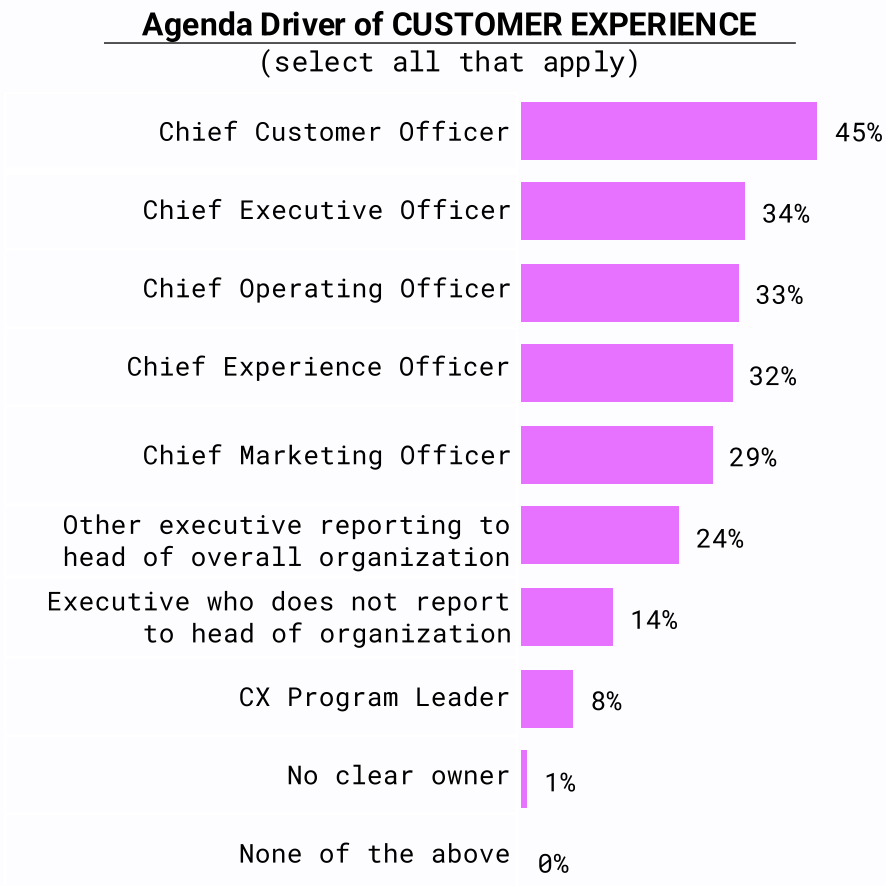
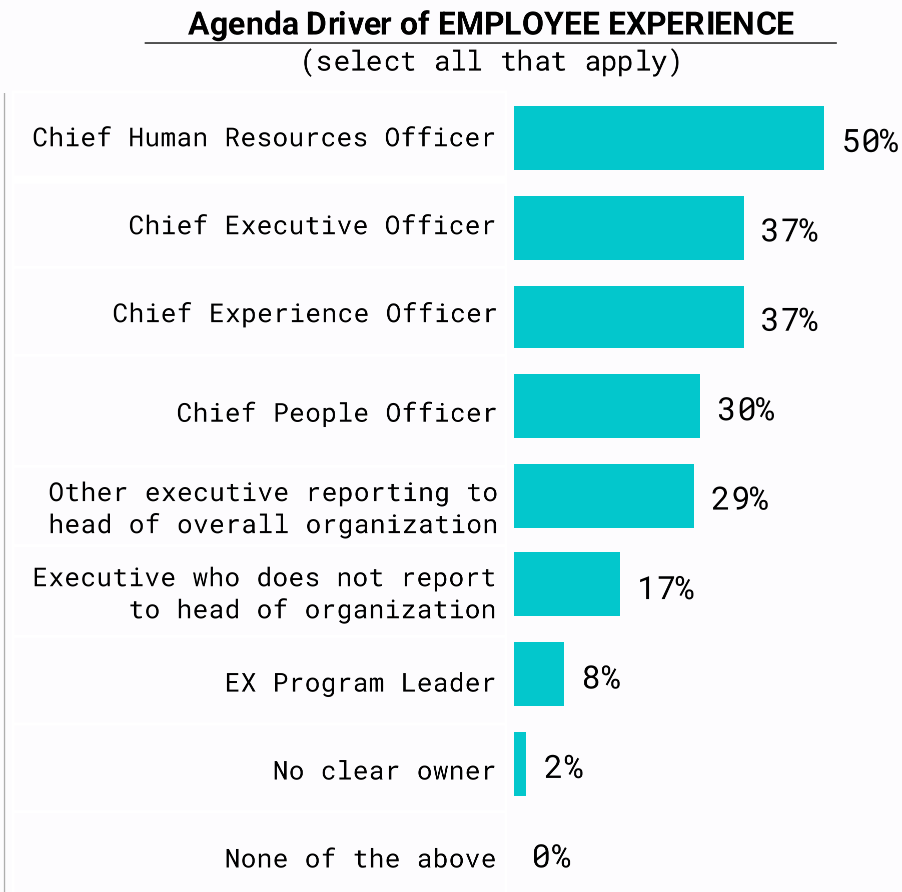
Drivers of Experience Agendas





Base: 1501 executives from companies with 1,000+ employees
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Priority on Experience Improvement and Drivers

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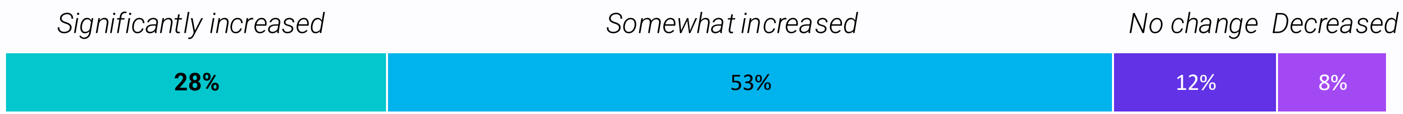
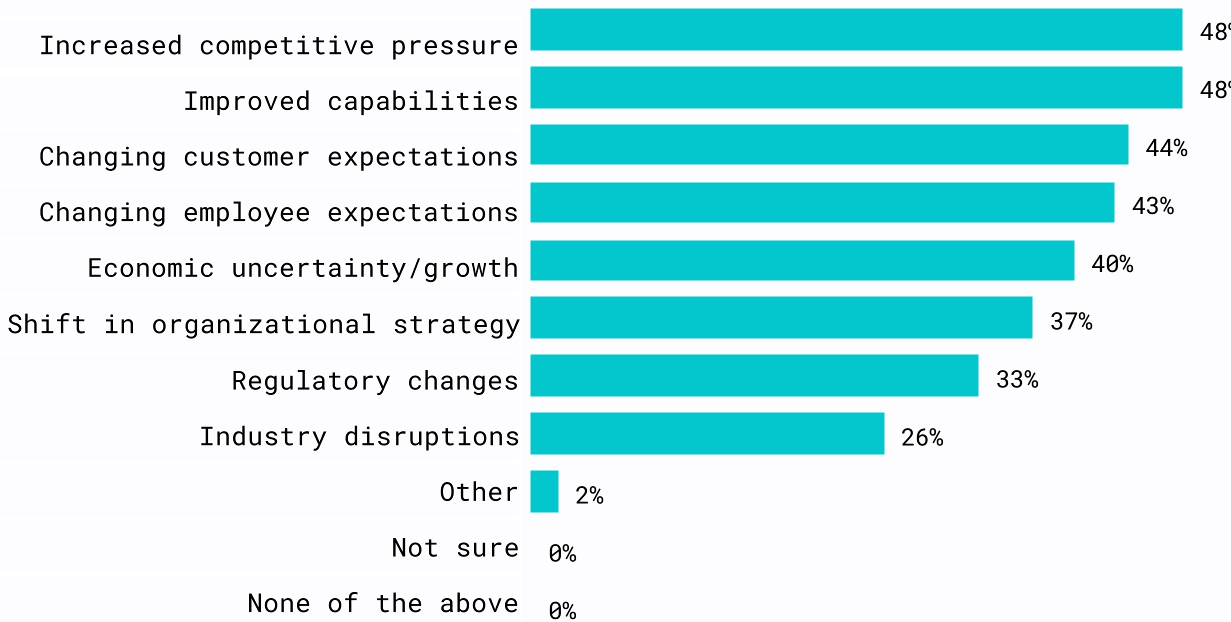
How has the priority your organization puts on improving experience changed over the previous 3 years?



Which of the following are factors driving this priority change?
(Select all that apply)



Base: 1501 executives from companies with 1,000+ employees
Source: Qualtrics XM Institute Q4 Global Executive Study

Priority on Experience Improvement and Drivers by Market Share

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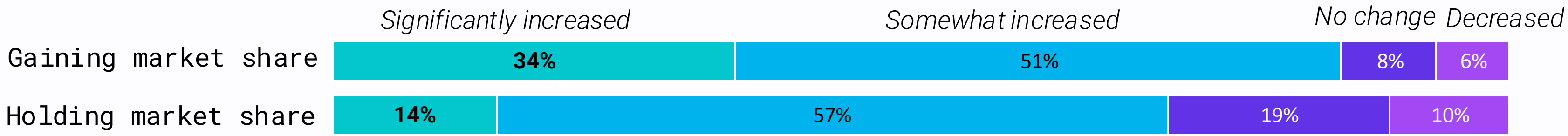
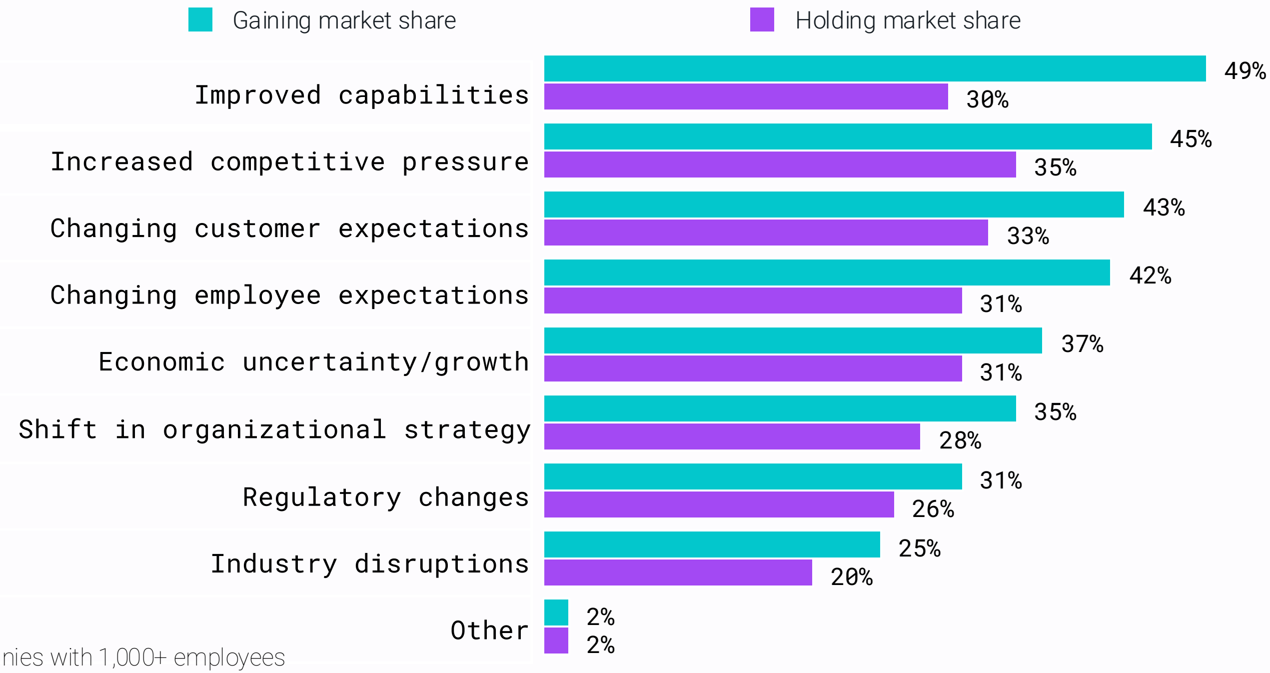
How has the priority your organization puts on improving experience changed over the previous 3 years?



Which of the following are factors driving this priority change?
(Select all that apply)



Base: 1501 executives from companies with 1,000+ employees
Source: Qualtrics XM Institute Q4 Global Executive Study

Journeys Needing Improvement

Base: 1501 executives from companies with 1,000+ employees
Source: Qualtrics XM Institute Q4 Global Executive Study

Obstacles to XM

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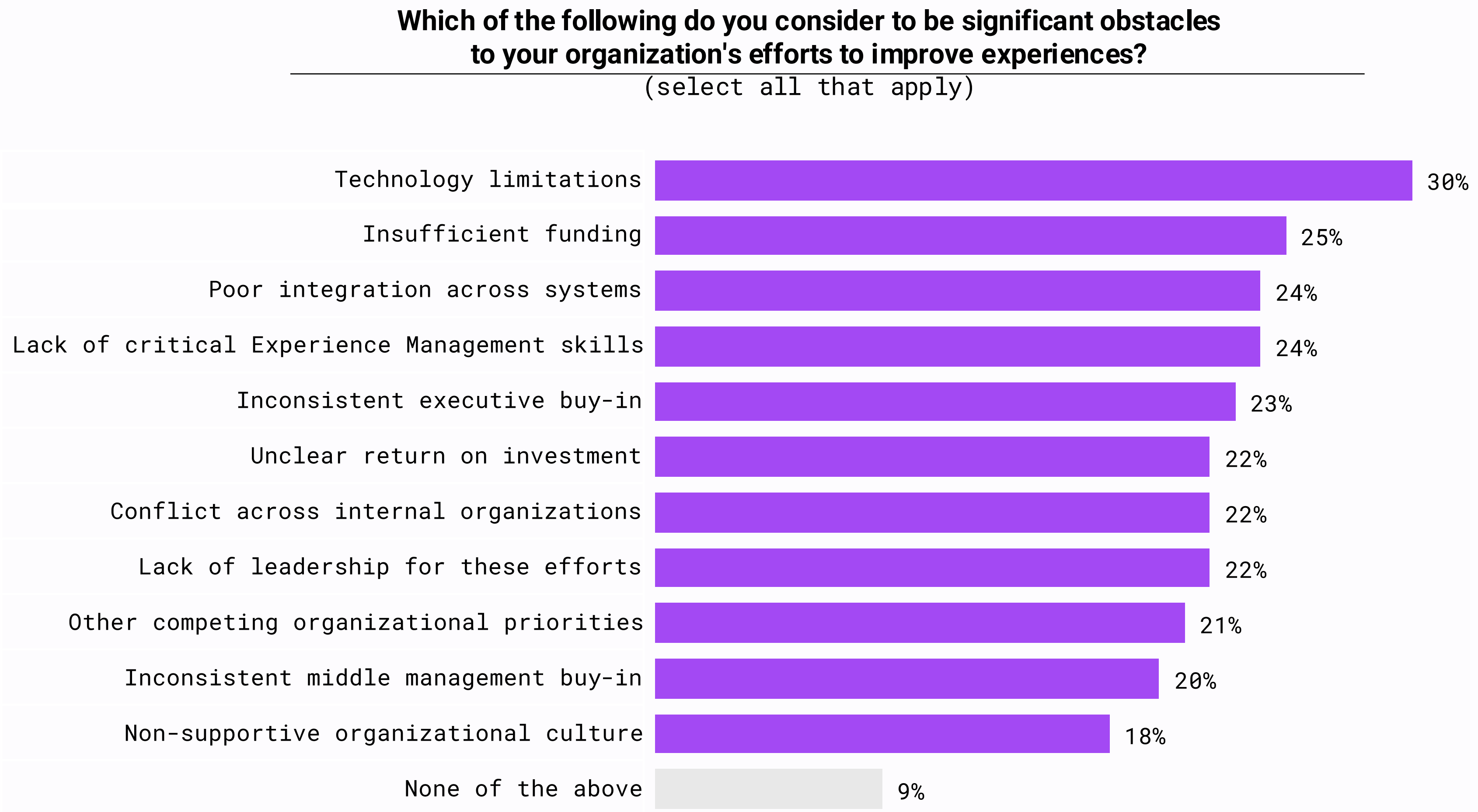

Base: 1501 executives from companies with 1,000+ employees
Source: Qualtrics XM Institute Q4 Global Executive Study

Overcoming Obstacles to XM with AI

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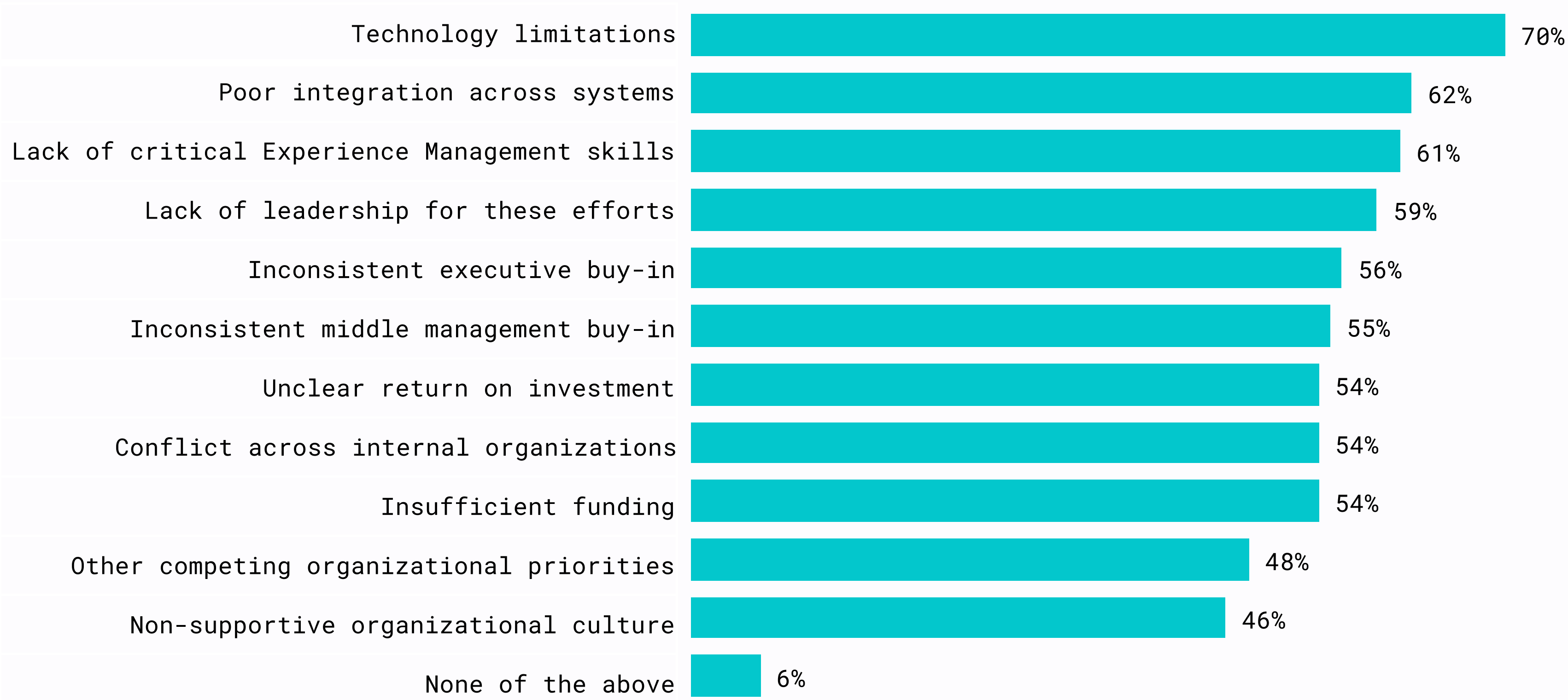
Obstacles executives experience that could be overcome with the help of AI-powered tools
(select all from the obstacles previously selected)



Base: 1501 executives from companies with 1,000+ employees
Source: Qualtrics XM Institute Q4 Global Executive Study

Expected Industry Changes due to AI

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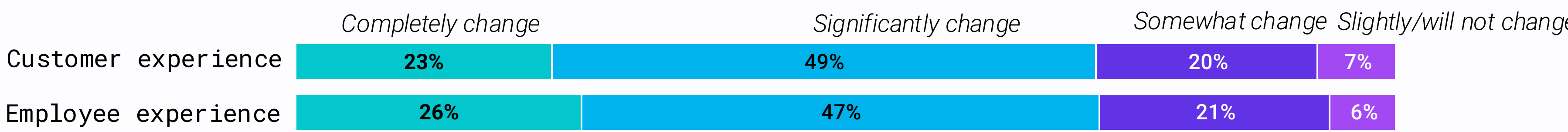
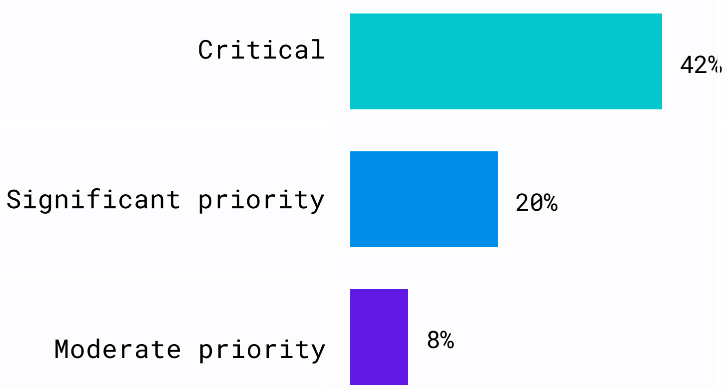
To what degree do you believe AI will change the way your organization approaches the following experiences over the next 3 years?



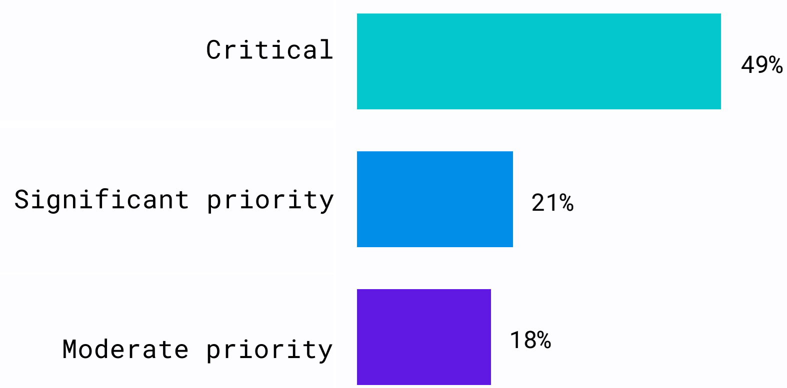
By Priority Placed on CX Improvement

(expecting CX to “completely change” due to AI)



By Priority Placed on EX Improvement

(expecting EX to “completely change” due to AI)



Base: 1501 executives from companies with 1,000+ employees

Source: Qualtrics XM Institute Q4 Global Executive Study

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Expected Changes to CX due to AI by Market Share

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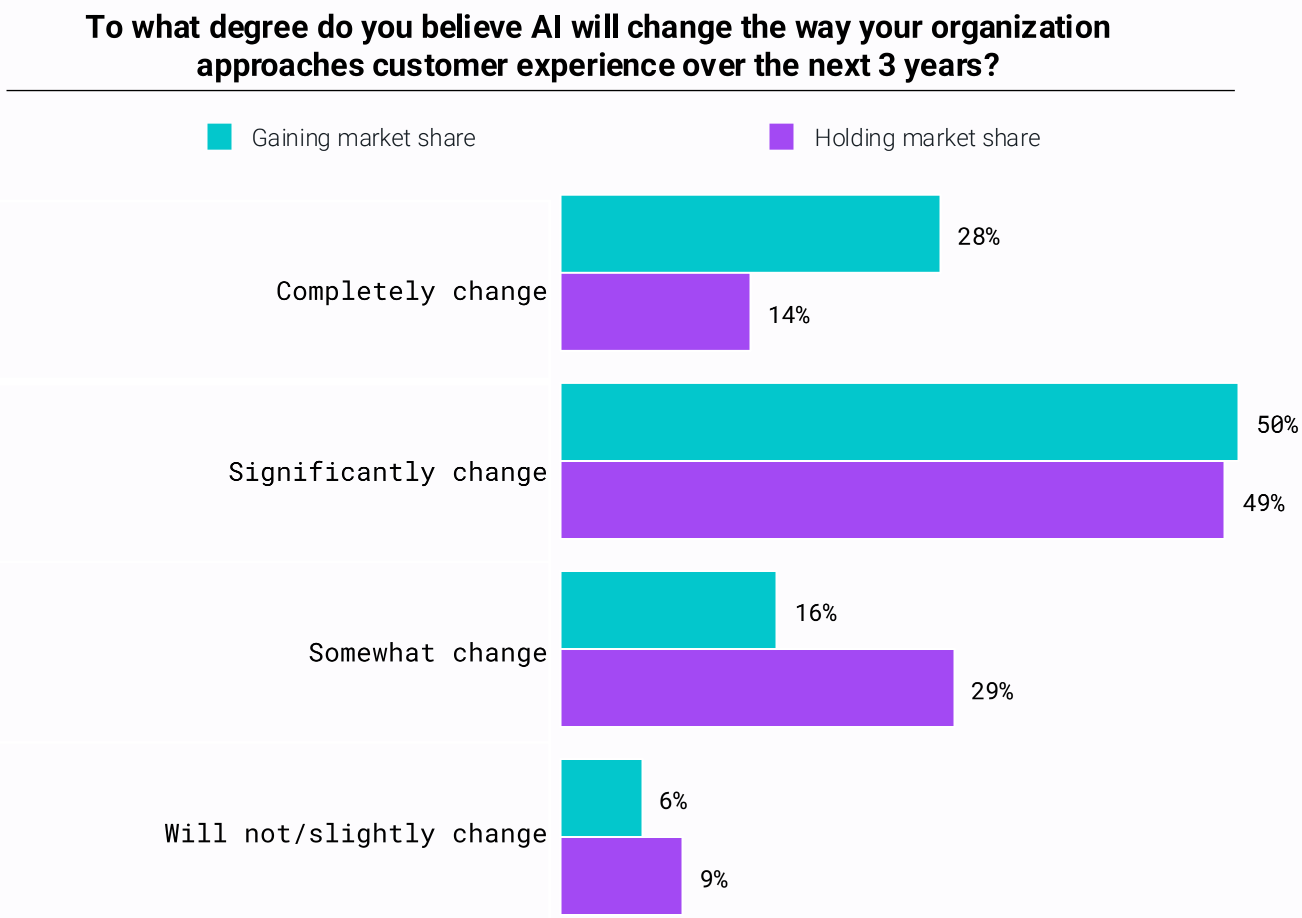

Base: 1501 executives from companies with 1,000+ employees
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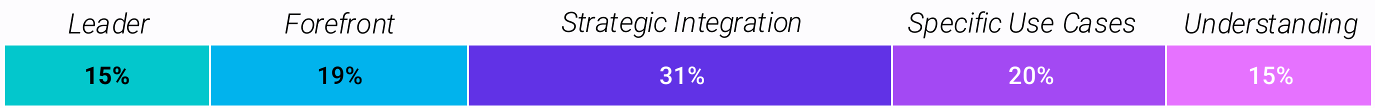
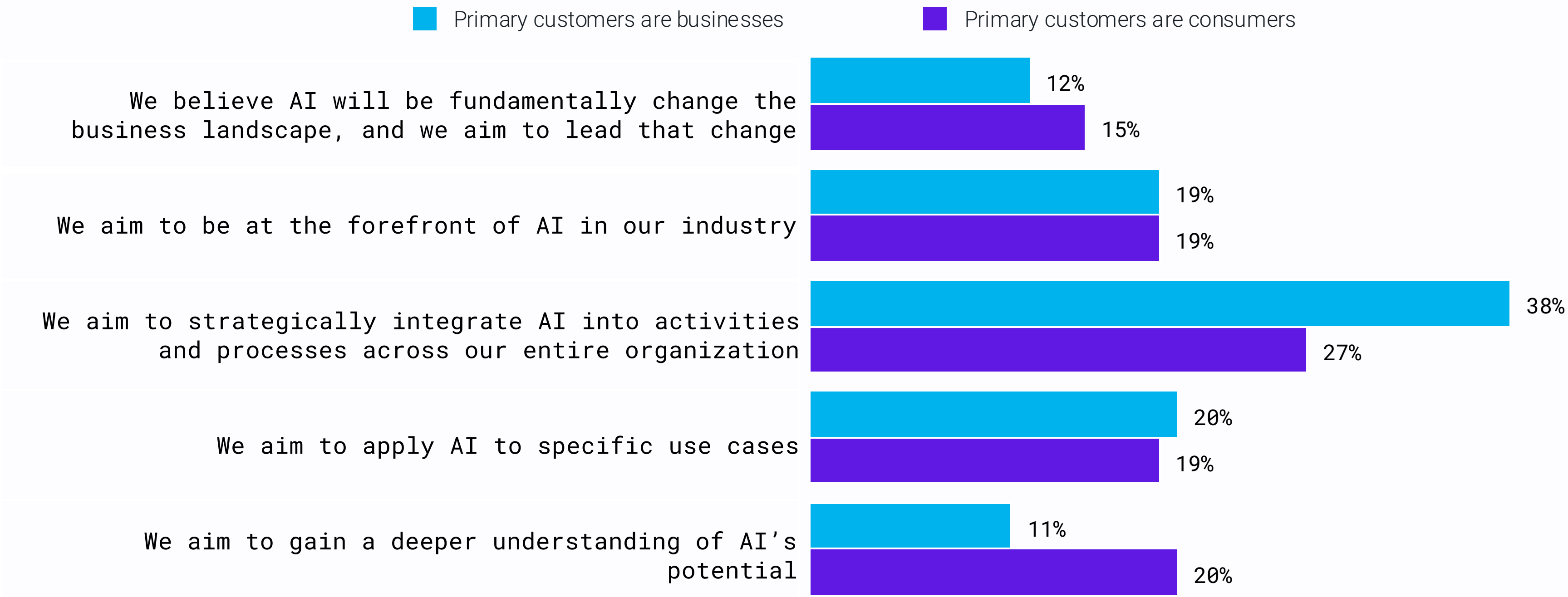
Executive Ambition Toward AI

Which of the following best describes your organization's level of ambition toward AI over the next 3 years?



By Primary Customer



Base: 1501 executives from companies with 1,000+ employees
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Using AI in Business Objectives

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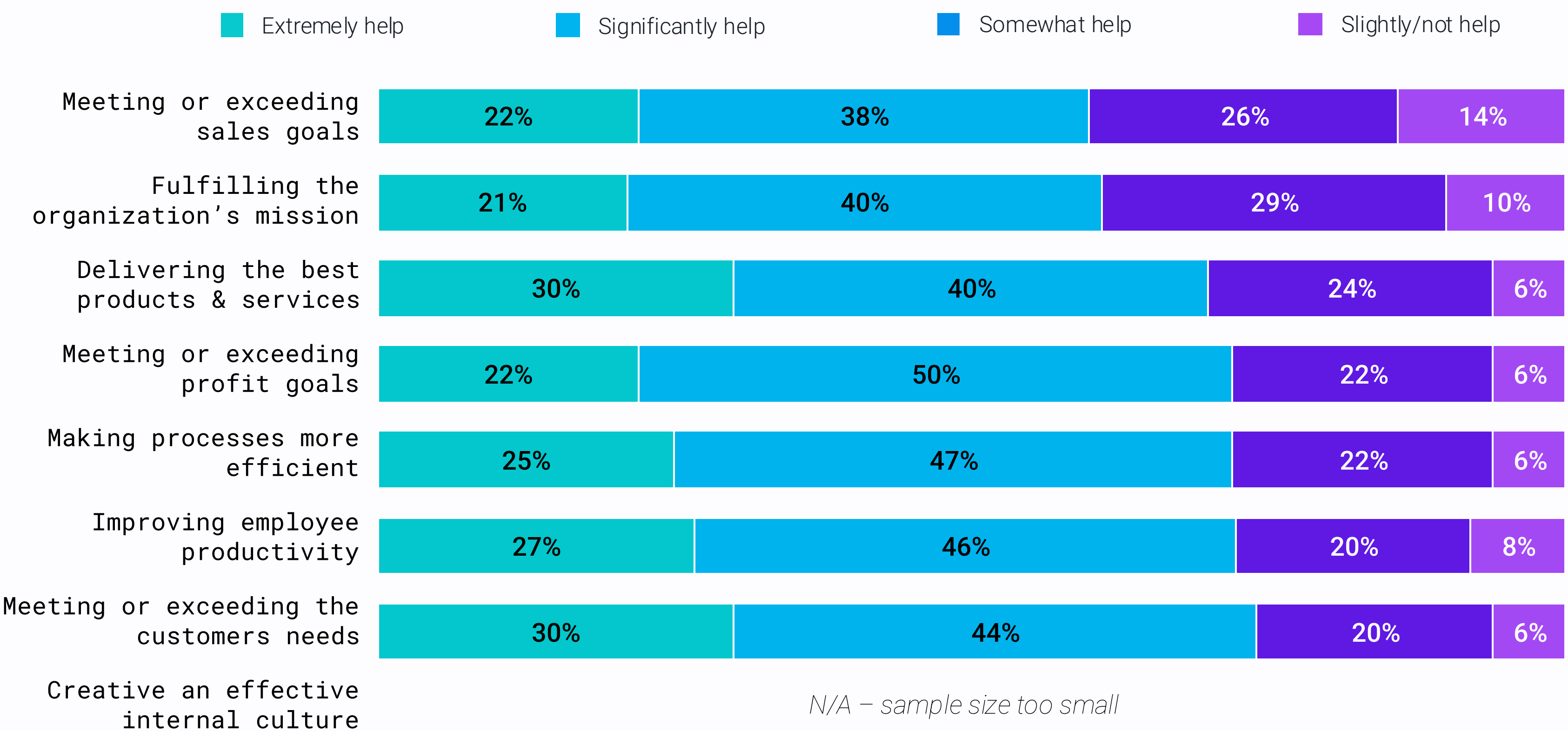
To what degree do you think implementing AI-powered tools would help you improve your organization's ability…



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Expectations for Business Outcomes from AI

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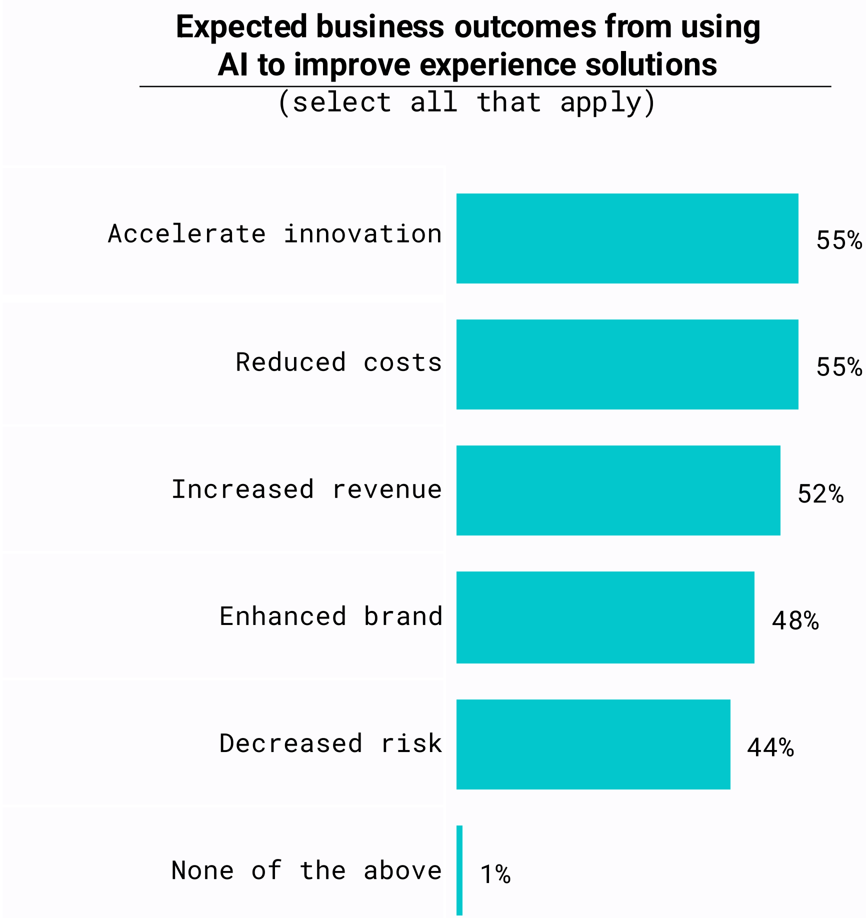

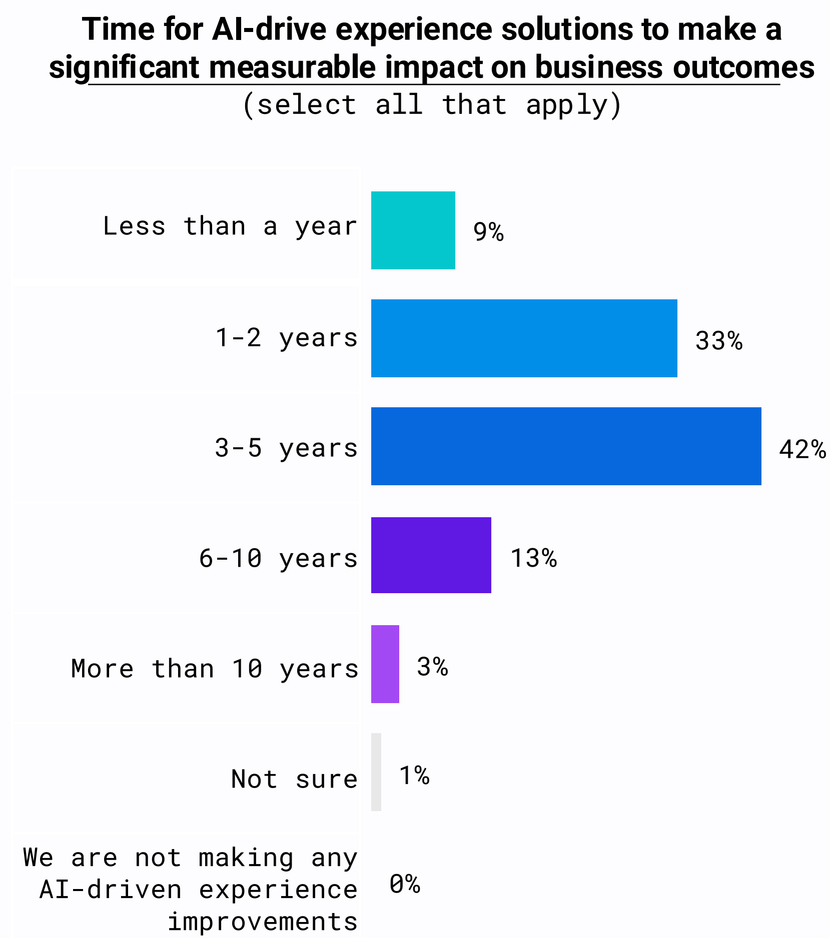

Base: 1501 executives from companies with 1,000+ employees
Source: Qualtrics XM Institute Q4 Global Executive Study

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Opportunities for AI to Transform Business Outcomes

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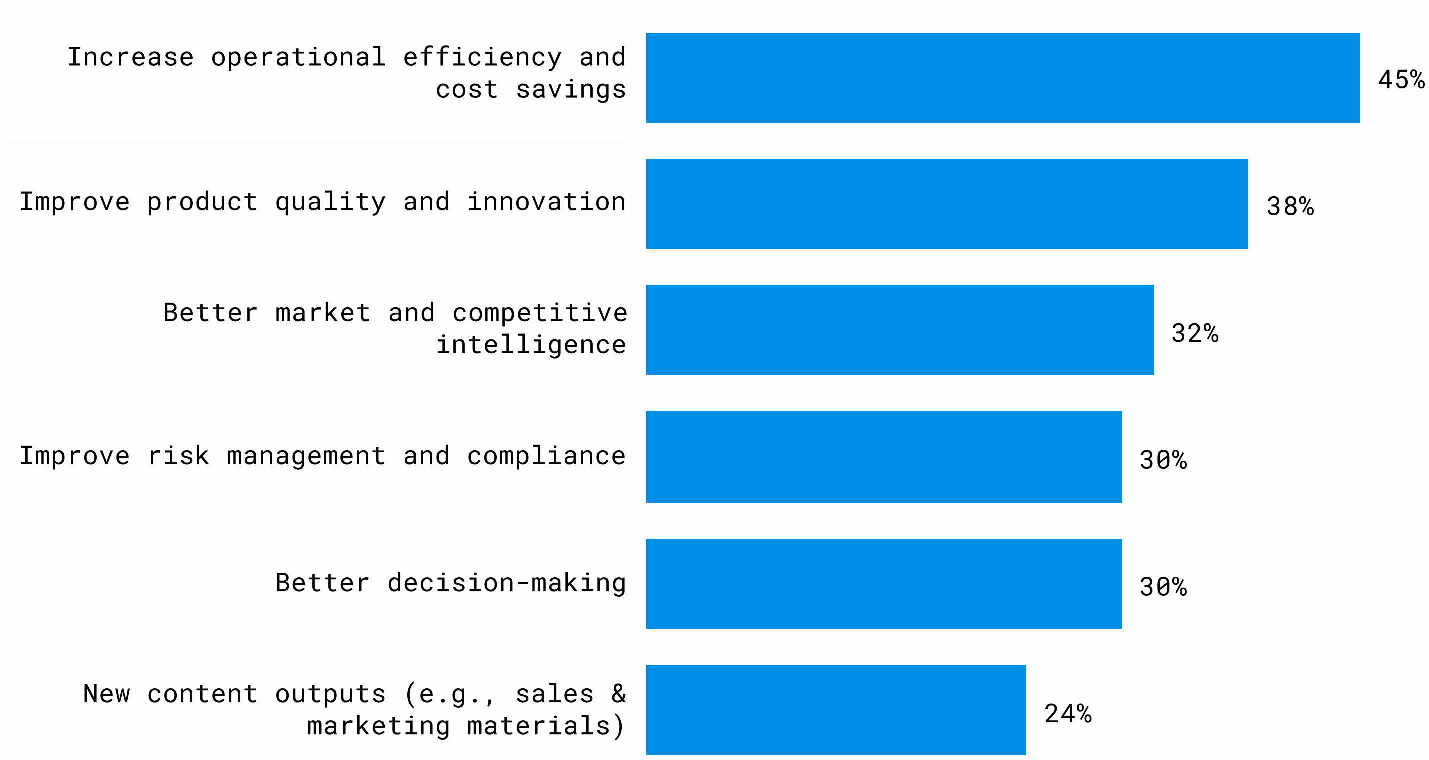
Which of the following BUSINESS outcomes do you see as the greatest opportunities for AI-powered tools to transform?
(select top two)



Base: 1501 executives from companies with 1,000+ employees
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Opportunities for AI to Transform Customer Outcomes

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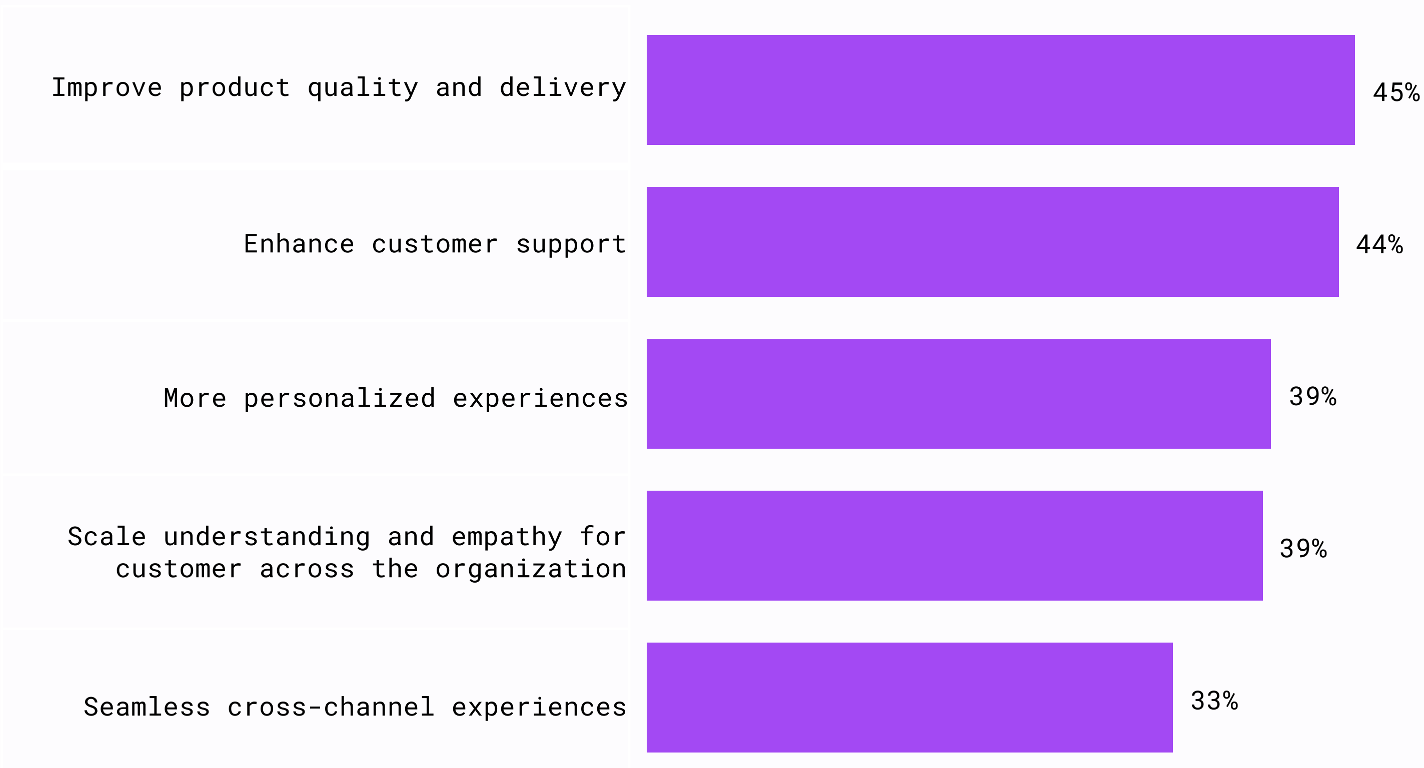
Which of the following CUSTOMER outcomes do you see as the greatest opportunities for AI-powered tools to transform?
(select top two)



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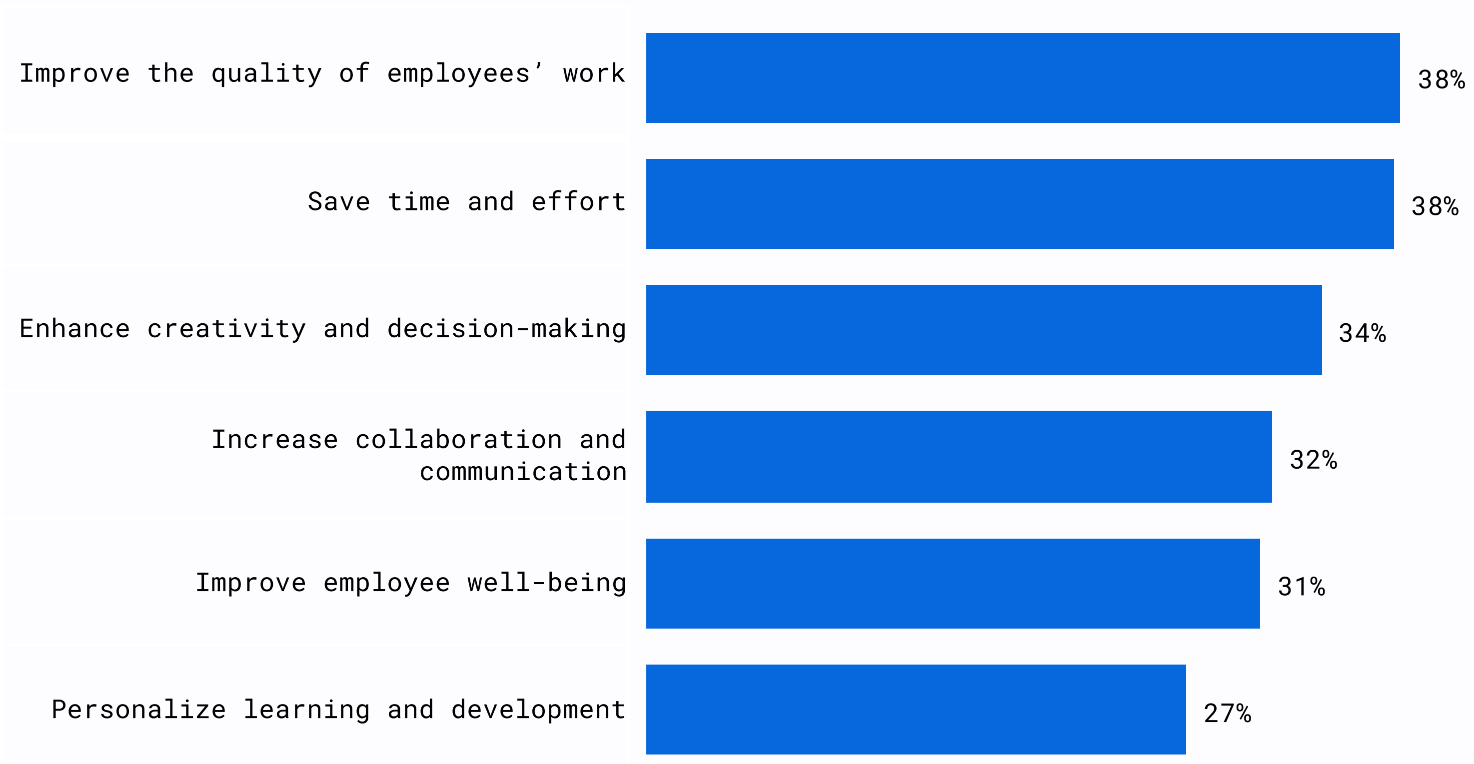
Opportunities for AI to Transform Employee Outcomes

Which of the following EMPLOYEE outcomes do you see as the greatest opportunities for AI-powered tools to transform?
(select top two)



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Activities Suitable for AI Support

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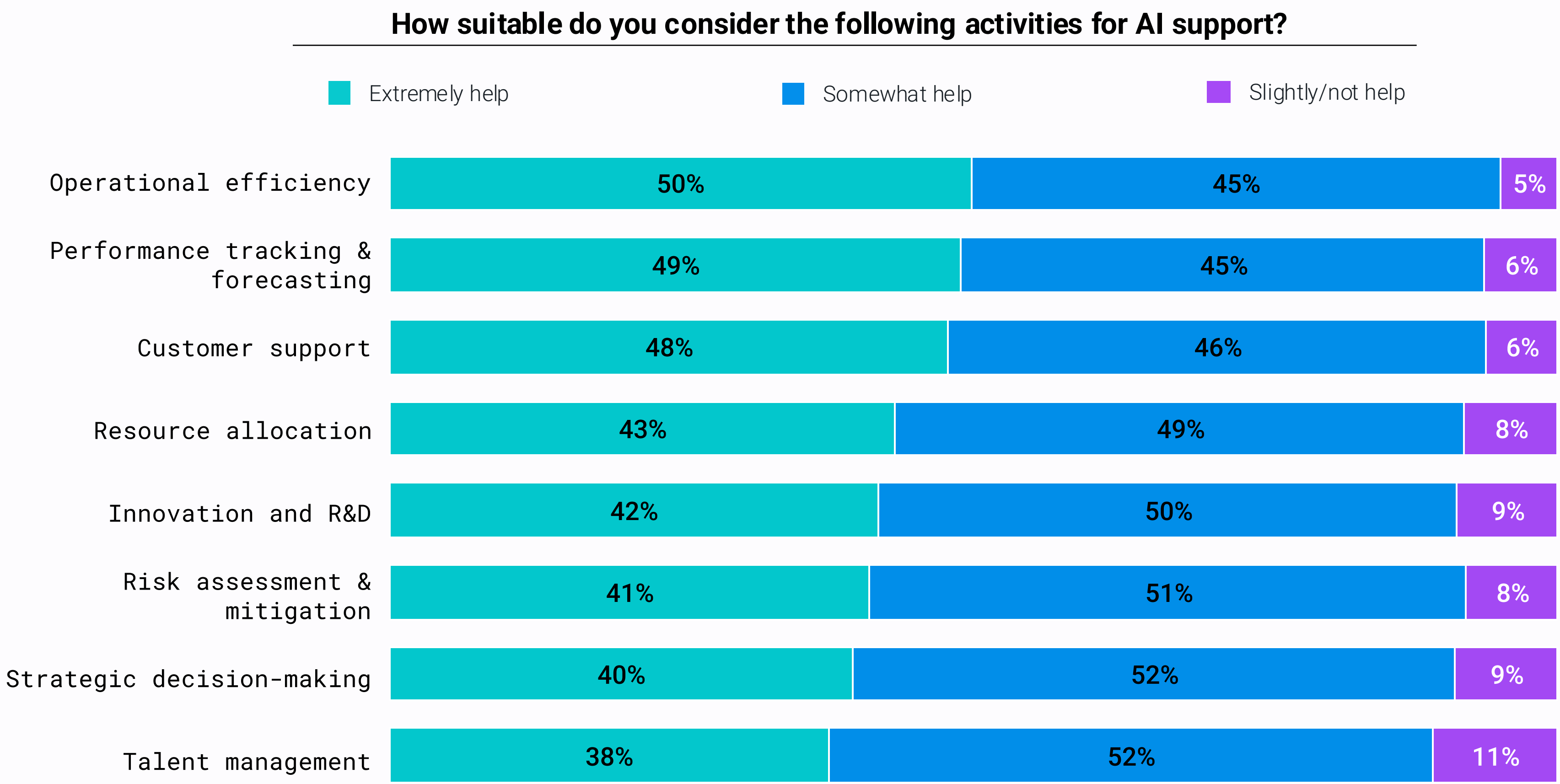

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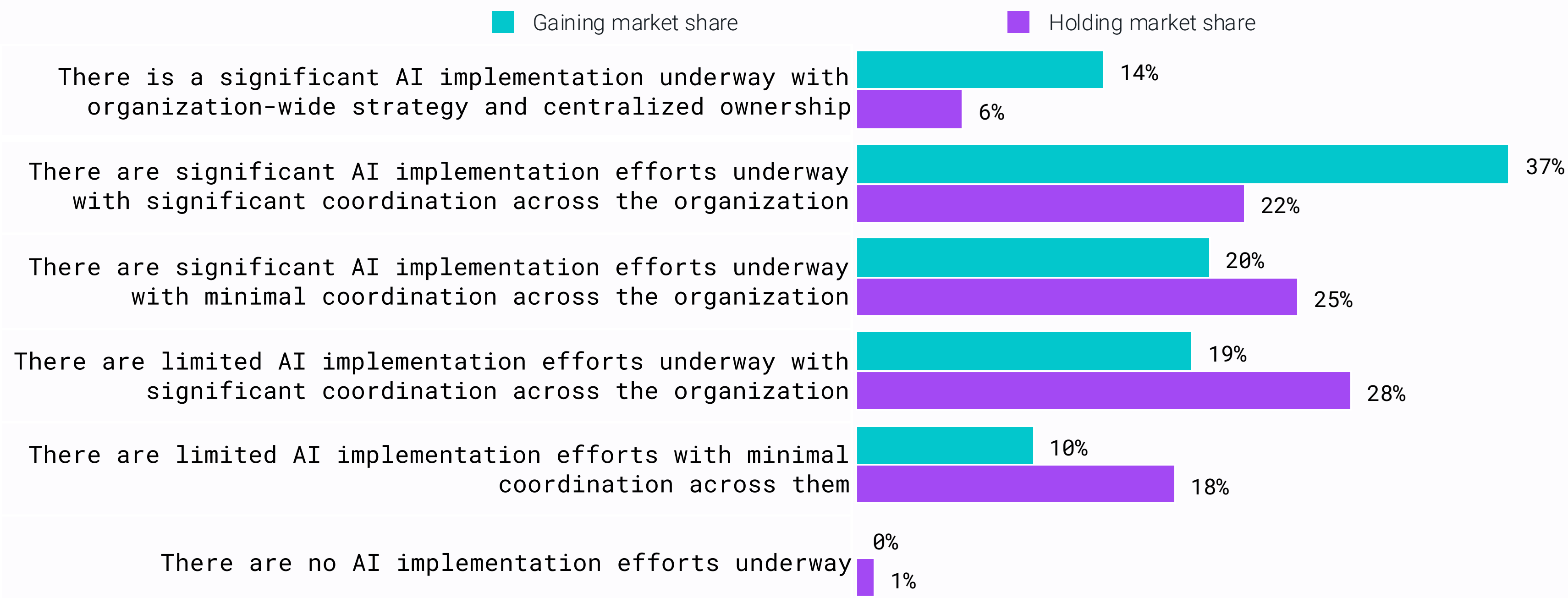
Current State of AI Implementation

Which of the following describes the current state of AI implementation at your organization?

By Market Share



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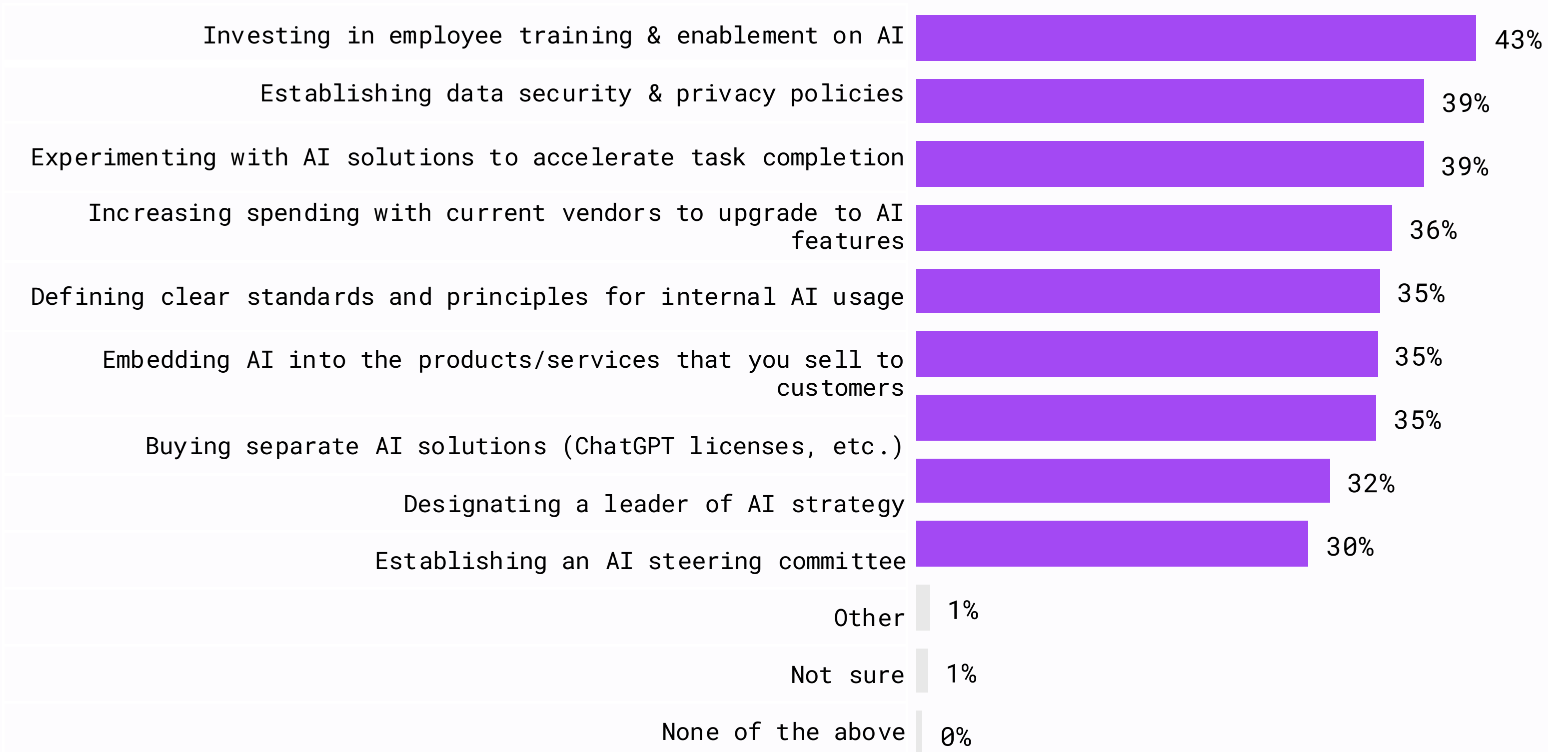
Current Implementation Efforts

Which of the following currently describes the actions your organization is take to implement AI?
(select all that apply)



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Specific AI Technology Implementation

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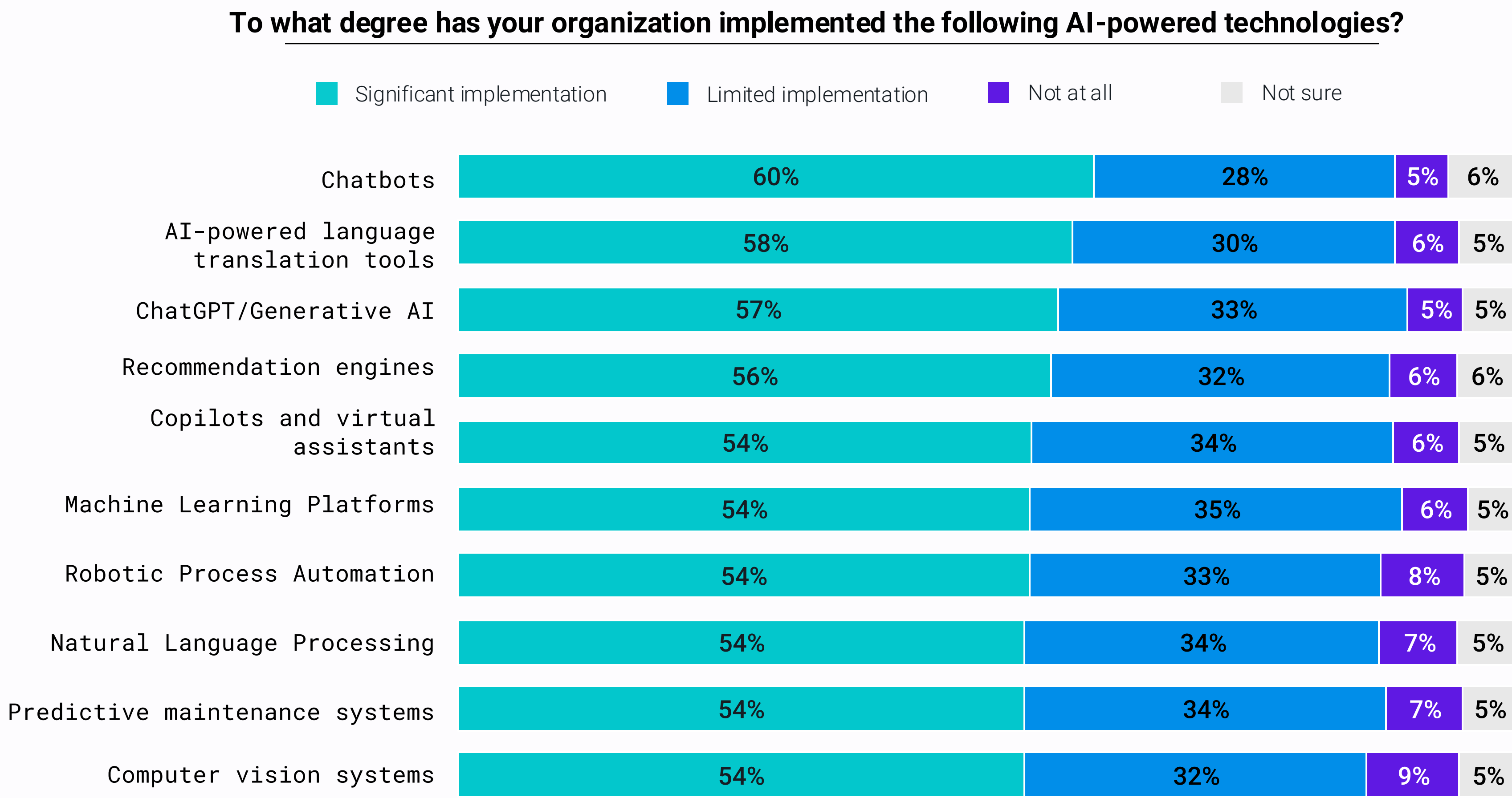

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Methodology

DATA CALCULATION

Data is only reported on and analyzed from segments (e.g., country, age) with 100+ responses per country/region.

Year-over-year analysis only includes the 20 countries from which data was collected in both 2023 and 2024, which does not include Denmark, Ireland, and Sweden.

Figure 10 is calculated based on segments derived on Figure 2.

Figure 12 is calculated based on segments derived on Figure 1.

Figures 6, 11, and 19 are calculated based on executives who describe their organization's business performance over the past three years as "gaining market share" or "holding marketing share".

AUTHORS
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