

Making Customer Experience Smarter with Generative AI

From chat to choice: How AI helps companies meet customers where they are



Tara Flippin

Director, Customer Experience & Innovation



Subscribe

Unlocking the power of generative AI

Over the past decade, AI has evolved from basic rule-based systems to advanced neural networks that can generate text, images, audio, video and even synthetic data. AI adoption is skyrocketing—[78 percent of businesses reported using AI in 2024, up from 55 percent the year prior](#) . For businesses, it's no longer a matter of if but when and *how* to use it.

But as excitement grows, it's easy to get distracted. [Many AI projects fail because stakeholders misunderstand what problem they need to solve with AI.](#)

Companies must avoid putting the technology ahead of the people it's meant to serve. The real priority should always be delivering clear, meaningful value to customers—not chasing the latest trend or slapping on an “AI-powered” label for the sake of it.

Customer experience (CX) is a major driver of business performance. Eighty percent of customers report that the “[experience a company provides is as important as its products and services.](#)” Leveraging AI to improve your customer experience isn't just good for customers; it's good for the bottom line:

- **Increased satisfaction:** Happier customers engage more, spend more and become powerful brand advocates.
- **Enhanced loyalty:** Exceptional experiences make customers feel cared for, fostering lasting relationships and reducing churn.
- **Revenue growth:** Personalized recommendations and targeted offers lead to larger, more frequent purchases and increased customer lifetime value.
- **Cost savings:** Automated tasks and streamlined processes reduce operational costs and improve efficiency.
- **Data-driven insights:** Rich customer data enables businesses to constantly refine their strategies and identify new opportunities.

Companies should measure AI success by how well it meets customers' real needs—both practical and emotional. As expectations continuously evolve alongside technology advances, businesses must thoughtfully integrate AI into their strategy, focusing on use cases that truly impact customers.

Where to invest in AI to enhance customer experience

Customers benefit from AI investment in three categories - **insight, innovation and enablement.**

1. Insight: data-driven experience strategy

Generative AI is helping companies make sense of growing volumes of customer data. It can quickly analyze structured and unstructured data, uncover hidden patterns and support both quantitative and qualitative research. The result? A more complete picture of what customers want and need.

Segmentation and activation

AI enables real-time, dynamic segmentation. Companies can identify niche groups and uncover emerging needs with greater accuracy. By refining customer profiles, brands can deliver hyper-targeted messaging, content and experiences. Activation comes into play as these segmented insights are applied across marketing, product development and service delivery.

AI also expedites user research with real-time transcriptions, participant summaries and linked insights—speeding up discovery and planning. This enables CX teams to move quickly from insight to action with data-driven experience design that resonates with the right audiences at the right moments. This deep customer insight and rich real-time data lay the foundation for personalization, innovation and agile adaptation to shifting market conditions.

Opportunity identification

AI tools can track customer interactions in real time, helping teams spot pain points or new opportunities early. When CX performance is tracked and accessible across teams, feedback loops become faster and more useful. AI-driven tools can analyze natural language inputs—like search queries or chatbot interactions—to surface common questions or unmet needs, guiding product or marketing decisions.

AI can also help teams see problems from new angles, brainstorm ideas and test solutions quickly. It acts like a creative partner, supporting faster iteration and smarter concept development.



2. Innovation: game-changing value propositions

Generative AI lets companies personalize content and messaging in ways that weren't possible before. It allows for dynamic, scalable and cost-effective experiences that connect with people on a deeper level.

Personalization at scale

AI helps deliver tailored campaigns and product suggestions in real time by analyzing customer behavior, purchase history and contextual signals like location or browsing patterns. It uses natural language generation to automatically create personalized product descriptions and variations, adjusting tone, length or emphasis to match the audience segment. For curated landing pages, AI dynamically assembles layouts, headlines and recommended content blocks based on a visitor's profile or journey stage..This not only shortens content development cycles but also reduces costs and improves targeting. The result is that every touchpoint feels relevant and aligned with the customer's intent.

AI helps brands connect more meaningfully with diverse audiences, whether it's creating content in multiple languages or adjusting offers for different regions. Real-time translation also allows companies to localize messaging quickly, expanding their global footprint while maintaining cultural nuance and consistency.

Immersive experiences

AI is powering next generation interactions: 3D product trials, virtual reality showrooms, and interactive stories with real-time video and audio. With generative AI, brands can produce immersive narratives, co-create experiences with customers and use digital avatars to personalize virtual environments.

These tools can be adapted on the fly, offering real-time responses to user input and preferences. Paired with instant translation, immersive experiences become more inclusive—bridging languages, abilities and geographies.



3. Enablement: front-to-backstage transformation

AI strengthens the entire customer journey by aligning what happens behind the scenes with the experiences customers see

Empowered employees

AI can make life easier for employees, too—reducing friction and frustration by surfacing insights, eliminating repetitive tasks, streamlining workflows, and speeding up resolution times. It can also power smart knowledge bases that provide context on the customer's need, put critical information at their fingertips or even take over routine processes so employees can focus on higher-value work. For example, human agents can be supported by AI-generated response suggestions or background summaries that bring together historical interactions in one place.

Improvements in employee experience also have a downstream effect on CX. When employees feel supported by the systems around them, they are more likely to deliver a seamless, empathetic customer experience—especially in moments that require a human touch. [Customers demonstrate greater loyalty when they are served by highly engaged and empowered employees.](#) ↗

Agile operations

The tech, data and operations that power CX need to be just as responsive as the experience itself. For instance, AI can predict demand and avoid stock issues before they affect customers.

[Generative AI helps modernize systems](#), integrate data and speed up development. That means quicker releases and fewer delays. Generative AI assists in writing and documenting code, accelerating development timelines while reducing bugs and errors.

For CX teams, this translates into faster rollout of new features like dynamic personalization engines, real-time recommendation systems and multilingual support across digital channels. AI can also generate test scripts to simulate customer interactions—helping teams catch friction points before they go live. In contact centers, AI can auto-generate integrations between CRM and support

platforms, reducing swivel-chair processes that frustrate both employees and customers. By accelerating these behind-the-scenes connections, companies can respond more quickly to evolving customer expectations without sacrificing reliability.

With faster iteration cycles, teams can test and launch experience improvements continuously—keeping up with evolving customer expectations without sacrificing quality.



Balancing AI's potential with practical implementation

AI can dramatically improve CX—but if it's rolled out without care, the program may fail to perform, disappoint customers or even damage trust.

To use AI responsibly and improve adoption, companies should follow a few key principles:

- **Useful** - The AI solution must address actual customer needs rather than relying on hype. As with any experience, user-centered design is paramount.
- **Clear** - Customers require transparent communication about the AI's capabilities and limitations, as well as control over their data usage and feature adoption.
- **Reliable** - Customers quickly become disillusioned with AI solutions that do not meet their expectations. Companies must set appropriate expectations up

front, thoroughly test performance and enable quick fixes when there are inevitable misfires.

- **Impactful** - Measuring customer impact ensures that AI initiatives stay focused on tangible benefits instead of short-term trends.
- **Ethical** - Companies must maintain a strong ethical framework—covering data governance, privacy, security and human oversight—to ensure that generative AI is used responsibly, especially in high-stakes settings.

The future of customer experience with AI

Generative AI is more than just a trend—it's a powerful tool to transform how businesses connect with their customers. When used as part of a thoughtful, end-to-end strategy, it enables smarter insights, faster innovation and more efficient operations.

The companies that focus on real human needs—not just new tech—will unlock the greatest value.

Ready to harness AI to transform customer experience?

Let's build something great together →

Related Topics

[Artificial Intelligence](#)