Teleperformance

Are consumers ready for generative AI-augmented interactions?

Unraveling the impact of generative AI adoption on Customer Experience Management (CXM) through the consumer lens.

As we consider the implications of Generative AI (GenAI), we should acknowledge that the majority of engagements between customers and brands today are already digital, and have been for many years. We use apps to check account balances, monitor stock prices, or track shipments. However, there is still a strong preference toward engaging with live customer service experts for more complex or high-stakes situations, like disputing a charge, discussing long-term financial strategies, or finding a lost package.

Ultimately, brands recognize that preferences vary from customer to customer and depending on the situation, and seek to address specific consumer preference in order to keep existing customers, and capture competitors' customers. Customer service is a key competitive differentiator, and GenAI is a new component for which the utilization needs to be aligned with the specific value proposition of each brand – all within a highly competitive landscape.

Some brands will prefer to use GenAI to offer less human support, despite the risk of losing high-value-creation customers. Meanwhile, others will prefer to elevate the level of engagement to attract customers from competing brands. Despite the 'filters' that brands can apply in order to deter customers from reaching costlier human-to-human interactions, consumers will continue to seek personal interactions for various reasons. They may

need reassurance, find digital platforms daunting or overly complex, or simply desire a human touch that fosters trust and comfort. At times, even when they find the answers they seek through self-service channels, the need for personalized confirmation, or a more favorable outcome, drives them back to live customer service channels.

Such scenarios underscore the irreplaceable value of human empathy, especially in high-stress or critical moments where a caring voice on the line makes all the difference.

Brands understand this and must consider the trade-offs between commoditizing customer service though yet more digitalization and looking to elevate service with emotionally sophisticated agents that take customer engagement to the next level.

When it comes to customer service, Teleperformance specializes in optimizing the execution of a client's brand strategy based on their unique value proposition. We are pioneering the future of customer service with eager adoption of Generative AI (GenAI). Our strategic implementation of GenAI has propelled our operations by liberating our team members from mundane tasks, redirecting them to cultivate deep, meaningful relationships with customers. This shift does not simplify their roles, but rather enhances them. Creating emotional bonds is an art that demands empathy, patience, and genuine human connection.

Are Consumers Ready for Generative AI-augmented Interactions?

Exploring the Impact of Generative AI Adoption on Customer Experience Management (CXM) through a Consumer Lens

Contents

Introduction

Generative AI has garnered significant interest in the Customer Experience Management (CXM) industry. It has the potential to make CXM operations more effective and can provide key advantages to consumers such as personalized interactions, better self-service options, shorter resolution times, consistent service across channels, increased agent responsiveness and efficiency, and 24/7 availability. For instance, HSBC's virtual assistant, powered by generative AI, provides personalized investment advice to customers based on their financial history and preferences. Sephora also started leveraging gen AI to offer personalized beauty recommendations to customers and manage customer inquiries efficiently.

CXM operations' historic reliance on conventional channels such as telephone and emails has been disrupted by asynchronous text-messaging applications, driven by increasing customer preference for flexibility and convenience. The advent of AI-powered chatbots has substantially advanced this evolution, also reflecting customers' expectations for instant, on-demand, and personalized interactions. Acknowledging and adapting to this changing consumer behavior is essential for businesses that want to leverage gen AI to enhance CXM,

ensuring a seamless integration of technology that aligns with modern consumers' preferences and needs.

However, organizations face a challenging dichotomy, as consumers raise concerns about data privacy and security, the possibility of AI hallucinations causing inaccuracies, and potential unintended consequences related to the use of artificial intelligence, which could affect their overall experience, causing customer dissatisfaction and churn.

This viewpoint explores consumers' perceptions of gen AI adoption in their customer and contact center experiences based on our survey of 600 consumers across the globe to understand their readiness for gen AI-augmented customer experiences.

Specifically, we address:

- Consumer perspective on gen AI in CXM – what do consumers want?
- Consumer readiness for gen AI across industries – how ready are consumers across various gen AI use cases?
- Regional variations in consumer readiness for gen AI – how ready are global consumers by region?
- The way forward for generative AI in CXM – what does the future hold?

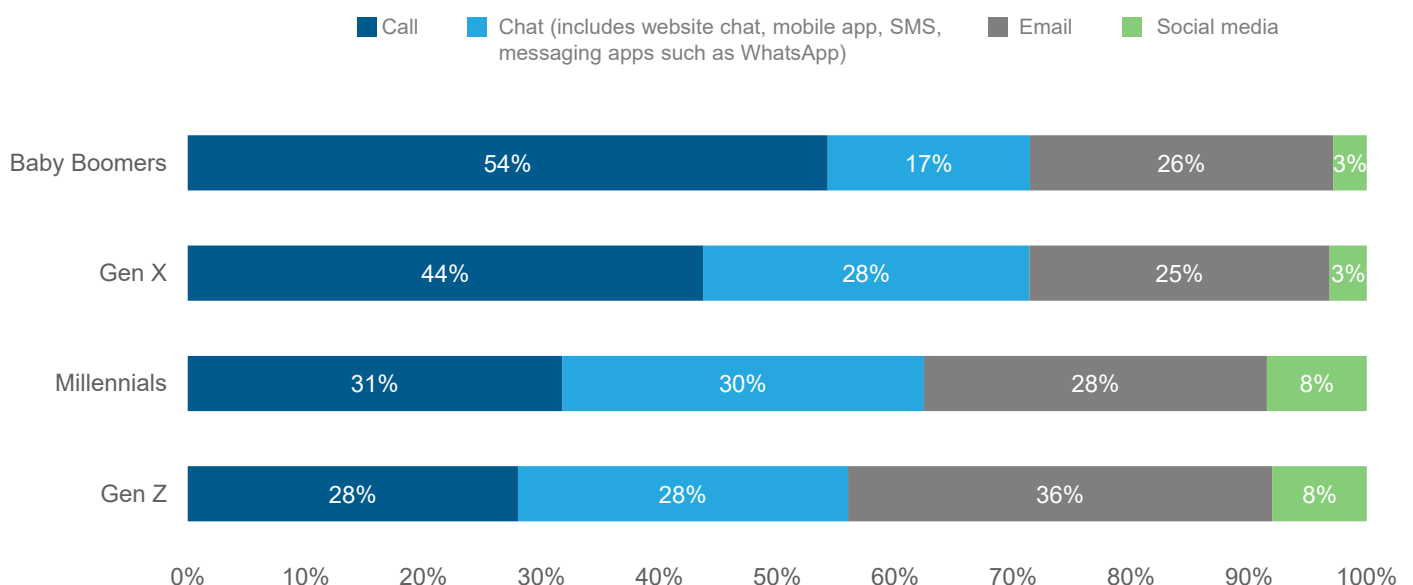# Seeing generative AI through the consumer lens

What do consumers want?

A top-notch customer experience can transform skeptical shoppers into loyal brand advocates, but providing that kind of service is increasingly complex, with an ever-expanding arsenal of communication channels available beyond telephone, including email, chatbots, live chat, social media, and video chat.

38% of our survey respondents say they speak directly to an agent for customer support, 28% use email, and 28% use chat channels such as the company's website or mobile application-hosted chatbot and messaging applications such as WhatsApp, Facebook Messenger, Telegram, or SMS., whereas rest of the respondents say they use social media, video chat, and other channels. While more consumers are using channels such as chat, email, and social media for customer support, speaking directly with an agent remains the preferred method of communication for consumers. The younger population (aged 40 and younger) is driving growth in non-voice channels. By contrast, 45% of consumers aged 41 and older prefer to receive customer support by directly talking to an agent. Exhibit 1 shows channel use among consumers by age group.

Exhibit 1: Channel use by age group[1]

Source: Everest Group (2024)

■ Call   ■ Chat (includes website chat, mobile app, SMS,   ■ Email   ■ Social media
              messaging apps such as WhatsApp)

Age group	Call	Chat	Email	Social media
Baby Boomers	54%	17%	26%	3%
Gen X	44%	28%	25%	3%
Millennials	31%	30%	28%	8%
Gen Z	28%	28%	36%	8%

0%   10%   20%   30%   40%   50%   60%   70%   80%   90%   100%

1 Gen Z (aged 18-25 years), Millennials (aged 26 -40 years), Gen X (aged 41-60 years), Baby Boomers (over 60 years old)

Furthermore, even as organizations offer omnichannel customer support, in considering a recent customer service event, only 39% of respondents say their objective was met in the first contact. Among those respondents, 36% say they had to contact customer services twice to get their issues resolved, while 25% had to contact customer support three or more times for issue resolution. Nearly 70% of consumers say they resort to calling if their issue is not resolved in the first contact, rather than using non-voice channels.

Customer support objectives across channels

According to our study, more than 70% of consumers frequently shop and bank online, 65% usually book travel online, and 52% usually schedule healthcare appointments online, all of which indicates that a lot of consumers regularly use online services to conduct their day-to-day business. Exhibit 2 shows consumers' preferred channels to resolve common issues.

Exhibit 2: Preferred channels for resolving common issues

Source: Everest Group (2024)

Complexity █ Low █ Medium █ High

Customer support issues	Complexity of the issue	Preferred channel 1	Preferred channel 2	Preferred channel 3
Gathering product information	Low	Email	Call	Chat
Exchange, returns, and refunds	Medium	Call	Email	Chat
Technical support (unable to view options, website not working, etc.)	High	Call	Chat	Email
Minor updates (changing address, contact number, etc.)	Low	Email	Self-service	Chat
Account and access management (password not working, account deactivation, etc.)	High	Email	Chat	Call
Other general inquiries	Low	Email	Chat	Call
Billing and payment queries	High	Call	Email	Chat
Understanding policies and terms	Medium	Email	Self-service	Chat
Providing feedback and suggestions	Low	Email	Chat	Call
Upgrades and renewals	Low	Email	Call	Chat
Promotions and discounts	Medium	Email	Chat	Self-service
Complaints and escalations	High	Call	Email	Chat
Membership/subscription issues	High	Email	Chat	Call
Order status and tracking	Medium	Email	Chat	Self-service

But are consumers satisfied with the customer support they are receiving through these various channels? A significant proportion of respondents – 80% – say they receive a satisfactory response when they speak directly to an agent; 75% say they receive a satisfactory response when they use written communication channels such as email, chat, social media, and messaging applications.

Nearly 70% of respondents say long wait times are an issue when interacting with customer support through spoken communication channels, and 40% also cite multiple transfers, disconnections, and providing and receiving repetitive information multiple times during a single call as issues.

About 50% of say automated responses (receiving automated replies that do not address their specific issue), and delayed responses (waiting for a long time to receive through written communication channels. Adding to these challenges, at least 30% feel that lack of personalization (receiving a generic response that does not seem tailored to the issue), and miscommunication (misunderstandings due to written messages lacking context or clarity) are challenges in written communication.

Exhibit 3: Top consumer issues with customer support
Source: Everest Group (2024)

	Spoken communication channels	Written communication channels
High	Long wait times (being put on hold for an extended period)	Automated responses (receiving automated replies that do not address the specific issue)
	Transfers and disconnections (being transferred among agents or departments or being disconnected)	Delayed responses (waiting for a long time to receive replies to emails or messages)
Ranking based on consumers' perception of it as an issue	Repetitive information (having to repeat the same information multiple times during a single call)	Lack of personalization (receiving generic responses that do not seem tailored to the issue)
	Limited availability (customer support only being available during specific hours)	Miscommunication (misunderstandings due to written messages lacking context or clarity)
Low	Difficulty understanding (poor audio quality or accents that are hard to understand)	Lost information (having to re-explain the issue when switching from one communication channel to another)

Consumers are curious about gen AI – gen AI's potential CX benefits

AI-powered CXM solutions can offer more accurate automated responses that are tailored to individual queries, reducing wait times with instant responses, personalizing interactions based on past data, and minimizing miscommunication through pre-trained Large Language Models (LLMs) or Small Language Models (SLMs) that can understand nuances in customers' native languages. The following exhibit shows how AI-powered CXM solutions can be beneficial to consumers.

Exhibit 4: Benefits for consumers in using gen AI-based CX solutions

Source: Everest Group (2024)

1 Personalization and convenience

Gen AI can help deliver highly personalized experiences by analyzing individual preferences, behaviors, and purchase history, enabling tailored recommendations and content.

Case: Capital One, a major financial institution, uses generative AI chatbots to handle routine banking inquiries. Customers can check account balances, transfer funds, and receive personalized financial advice via chat.

2 Accelerated response time

Generative AI can assist human agents with real-time next-best-action recommendations and live assistance, speeding time to solution, reducing wait times, and enhancing customer experiences.

Case: Zendesk uses generative AI to assist its agents as they type. The AI shapes the written response into a clear and coherent answer to reduce response times.

3 Automation

Gen AI can help automate processes and tasks, eliminating the need for manual intervention, and saving time and effort.

Case: Octopus Energy uses generative AI to automatically respond to client emails. The AI's responses have achieved an 80% customer satisfaction rate.

4 Consistency in responses and interactions

Gen AI can make customer interactions more consistent, minimizing the risk of human error and ensuring standardized service.

Case: IKEA's chatbot helps customers find product information, track orders, and troubleshoot assembly questions. By using generative AI, IKEA ensures consistent support across its global customer base.

5 Efficient issue resolution

Generative AI facilitates real-time access to customer data, empowering human customer service representatives to more efficiently address inquiries and resolve issues during the initial customer support interaction. This efficiency contributes to customer satisfaction and a better brand experience.

Case: Verizon's virtual assistant, "Guru," assists customers with technical support, billing inquiries, and troubleshooting. Guru uses generative AI to understand complex issues and provide step-by-step solutions, reducing the need for phone calls or in-person visits.

76% of consumers had concerns about privacy and data security, such as worries about how securely their personal information will be stored and protected from unauthorized access or breaches.

Consumers' concerns about generative AI

Even though they recognize that gen AI and LLMs can offer many benefits, consumers see challenges and concerns with using gen AI-based customer support as detailed in Exhibit 5.

Exhibit 5: Consumer challenges and concerns with generative AI in CX

Source: Everest Group (2024)

Data privacy, security, and transparency concerns

Consumers are concerned about the non-transparent way in which their personal data is collected and analyzed to fuel gen AI, raising fears about the safety of their collected data and the risk of unauthorized access by malicious entities.

In our survey, 76% of respondents have concerns about privacy and data security, and 66% are concerned about surrounding data misuse, i.e., concerns that their data might be used for purposes other than what was initially agreed upon, such as targeted advertising and selling data to third parties, and fear that sharing sensitive information might increase the risk of identity theft or fraud.

AI hallucinations

The possibility of hallucinations in AI algorithms can lead to inaccuracies in responses, causing frustration and dissatisfaction among consumers who expect reliable and accurate assistance.

For instance, Google Bard, the tech giant's gen AI offering, made up facts when a user asked a question about the James Webb Space Telescope, claiming that the telescope had captured the very first pictures of a planet outside our solar system, which is untrue.

Lack of human touch

Some consumers miss the human touch in customer interactions, feeling that automated responses lack empathy, particularly in emotionally charged or delicate situations.
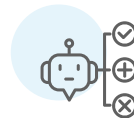
Our survey found that 70% of consumers prefer speaking to an agent over a call in general rather than using non-voice channels.

Unintended consequences

The complexity of AI systems makes it challenging to predict all potential outcomes. Unintended consequences, such as unforeseen interactions or ethical dilemmas, may arise and negatively affect consumers' experiences.

Given their concerns, do consumers still want organizations to use generative AI with the expectation that it will improve their customer experiences?
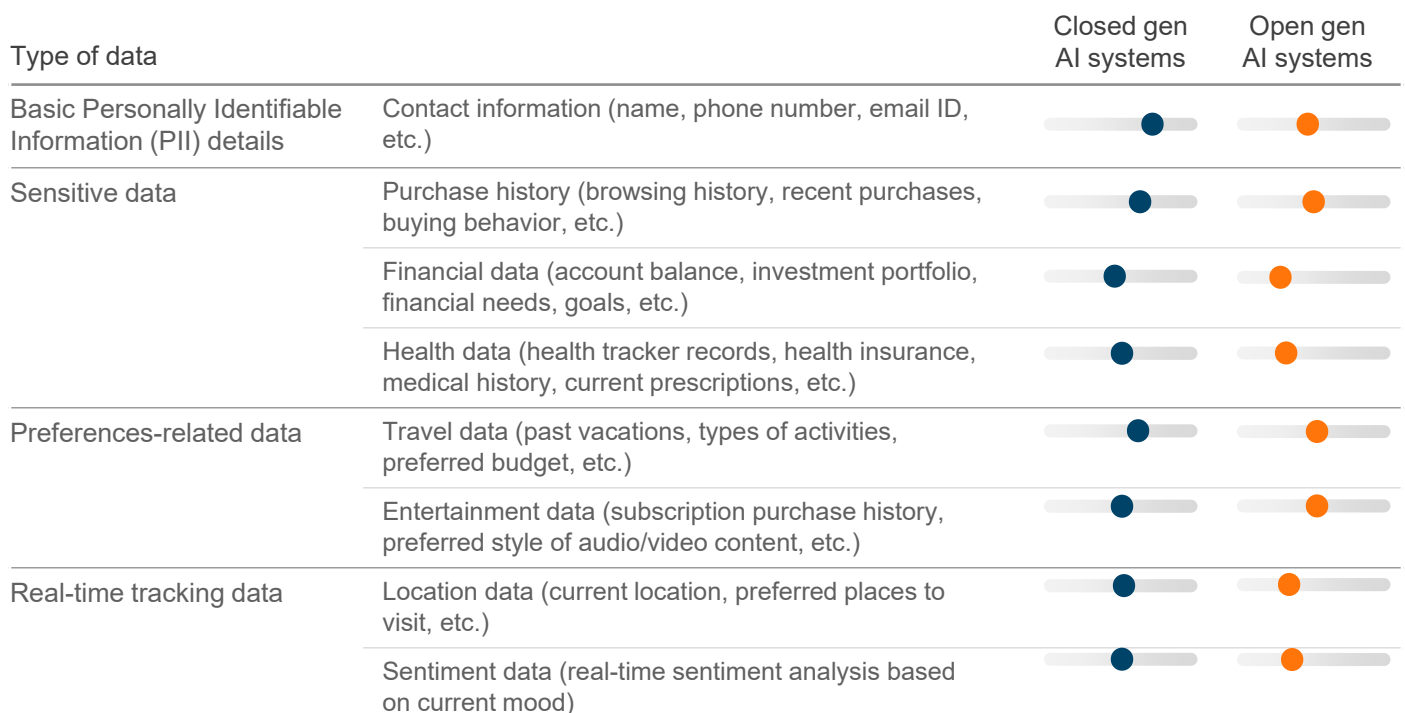
Our survey suggests that a large portion of consumers are willing to share their data to receive some value depending on the use case. Willingness to share data is higher when the consumers are interacting with their favorite or trusted brands: over 60% of respondents are willing to share their personal data with their favorite/trusted brand (compared to 45% being willing to share their personal data with all brands) in exchange for receiving personalized customer support, quicker resolutions, and more relevant ads and attractive offers.

However, there are nuances to consumers' data-sharing willingness: more than 60% of consumers are ready to share information such as contact information, purchase history information, entertainment data, and travel data if the information is stored within the brand's network (closed system). However, consumers are relatively less willing to share the same information with open systems such as ChatGPT, even if it means getting better results. Consumers are averse to sharing their financial data (account balance, investment portfolios, financial needs, goals, etc.) with both closed and open systems. The following exhibit offers details on data-sharing willingness.

Exhibit 6: Consumers' willingness to share data by type of gen AI system

Source: Everest Group (2024)

Low willingness to share data ▭▭▭▭ High willingness to share data

Type of data		Closed gen AI systems	Open gen AI systems
Basic Personally Identifiable Information (PII) details	Contact information (name, phone number, email ID, etc.)	●	●
Sensitive data	Purchase history (browsing history, recent purchases, buying behavior, etc.)	●	●
	Financial data (account balance, investment portfolio, financial needs, goals, etc.)	●	●
	Health data (health tracker records, health insurance, medical history, current prescriptions, etc.)	●	●
Preferences-related data	Travel data (past vacations, types of activities, preferred budget, etc.)	●	●
	Entertainment data (subscription purchase history, preferred style of audio/video content, etc.)	●	●
Real-time tracking data	Location data (current location, preferred places to visit, etc.)	●	●
	Sentiment data (real-time sentiment analysis based on current mood)	●	●

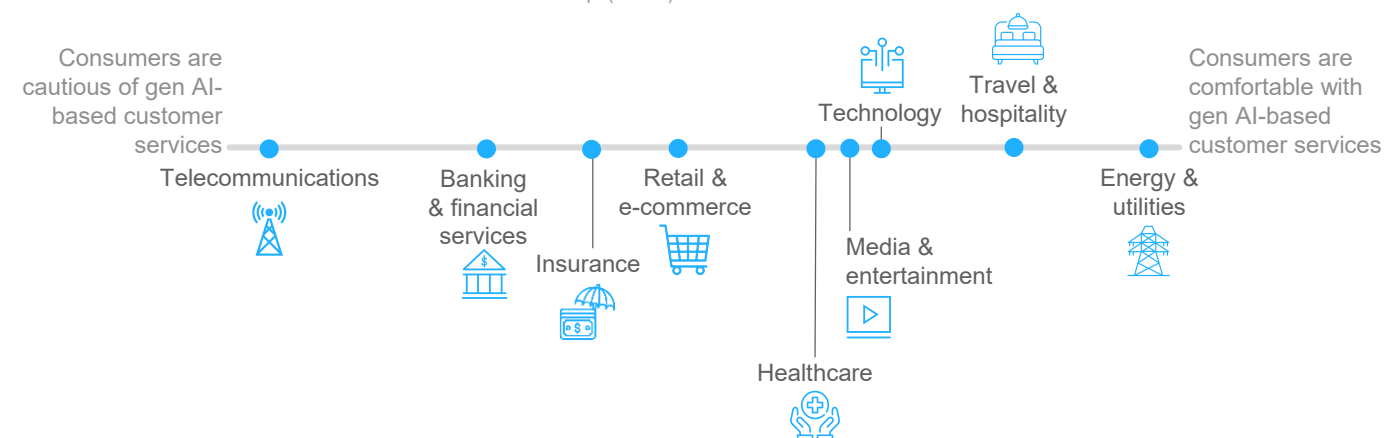# Consumer readiness for generative AI across industries

Although gen AI shows great promise in CXM across all industries, consumer readiness varies by industry. Consumers are more or less likely to embrace gen AI based on their data-sharing proclivity, their desire for personalization, and their digital experience adoption levels.

Everest Group assessment of consumer readiness for gen AI in CXM

In our survey, we asked respondents from a variety of professions, age groups, and locations to indicate their willingness to use gen AI for various use cases by industry. Consumers chose from five options ranging from strongly disagree to strongly agree based on their agreement levels. In our analysis, we grouped responses into three readiness categories: desire for personalization, willingness to share data, and digital adoption levels. We combined these scores to determine consumer readiness for generative AI by industry; see Exhibit 7.

Exhibit 7: Consumer readiness for gen AI in CXM by industry

Source: Everest Group (2024)

Consumers are cautious of gen AI-based customer services

Technology
Travel & hospitality

Consumers are comfortable with gen AI-based customer services

Telecommunications

Banking & financial services

Insurance

Retail & e-commerce

Media & entertainment

Energy & utilities

Healthcare

Factors considered for consumer propensity to use gen AI per industry

Desire for personalization
Tailored content and recommendations for consumers

Consumers' data sharing capacity
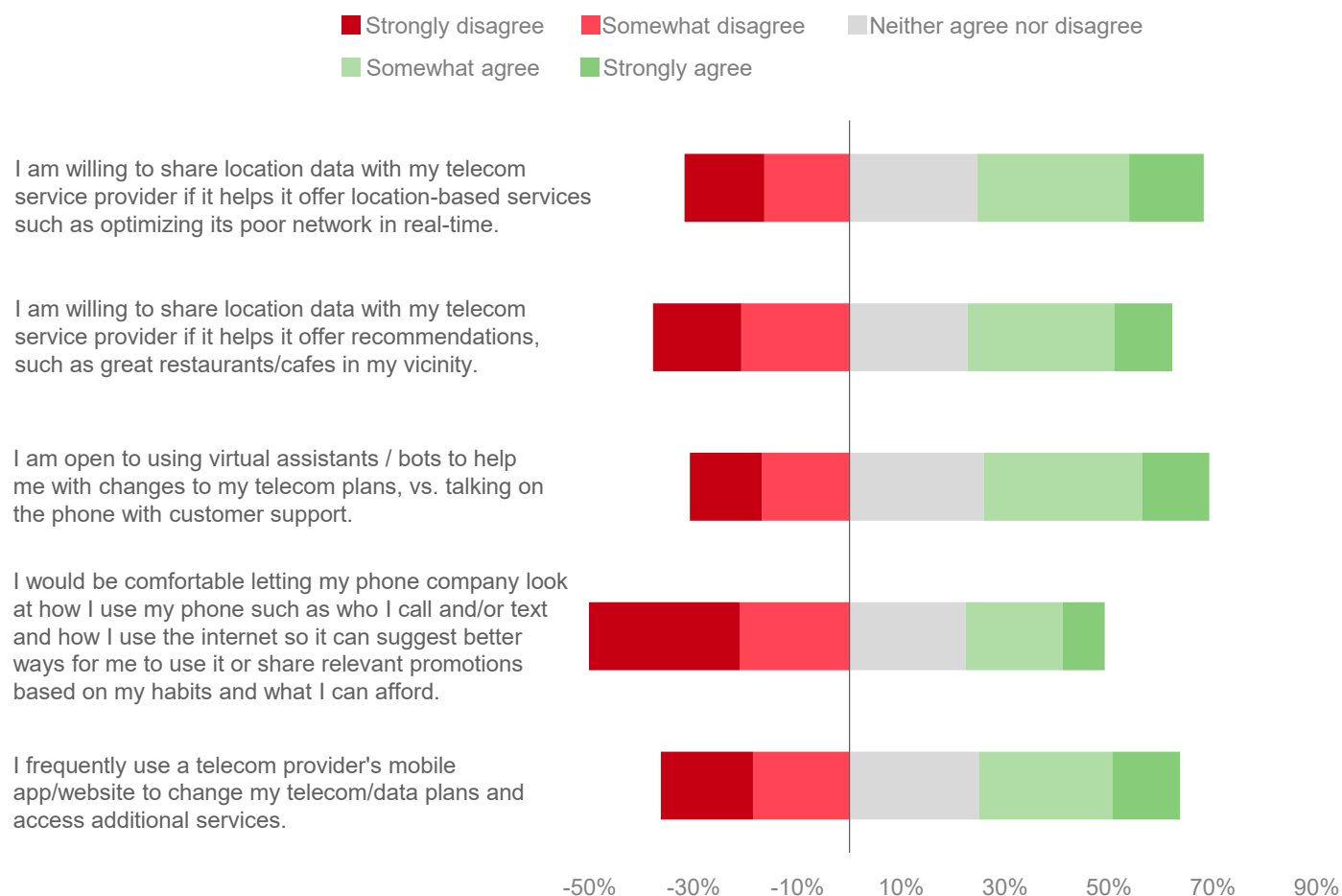Privacy related concerns with sharing data

Consumers' digital experience adoption
Consumers' adoption of digital avenues for reaching out to customer support per industry

Consumer readiness insights by industry

Following are insights into readiness for generative AI solutions in CXM by industry and some key use cases.

Exhibit 8a: Consumer reactions to statements concerning **telecommunications**
Source: Everest Group (2024)

- ■ Strongly disagree
- ■ Somewhat disagree
- ■ Neither agree nor disagree
- ■ Somewhat agree
- ■ Strongly agree

I am willing to share location data with my telecom service provider if it helps it offer location-based services such as optimizing its poor network in real-time.

I am willing to share location data with my telecom service provider if it helps it offer recommendations, such as great restaurants/cafes in my vicinity.

I am open to using virtual assistants / bots to help me with changes to my telecom plans, vs. talking on the phone with customer support.

I would be comfortable letting my phone company look at how I use my phone such as who I call and/or text and how I use the internet so it can suggest better ways for me to use it or share relevant promotions based on my habits and what I can afford.

I frequently use a telecom provider's mobile app/website to change my telecom/data plans and access additional services.

-50% -30% -10% 10% 30% 50% 70% 90%

71% of respondents are **open to using virtual assistants/bots** to help modify their telecom plans vs. talking on the phone with customer support.

63% of the respondents are **open or willing to share their location data** with their telecom service providers if it helps offer location-based services such as optimizing the network in real time or recommending restaurants/cafes in their vicinity.
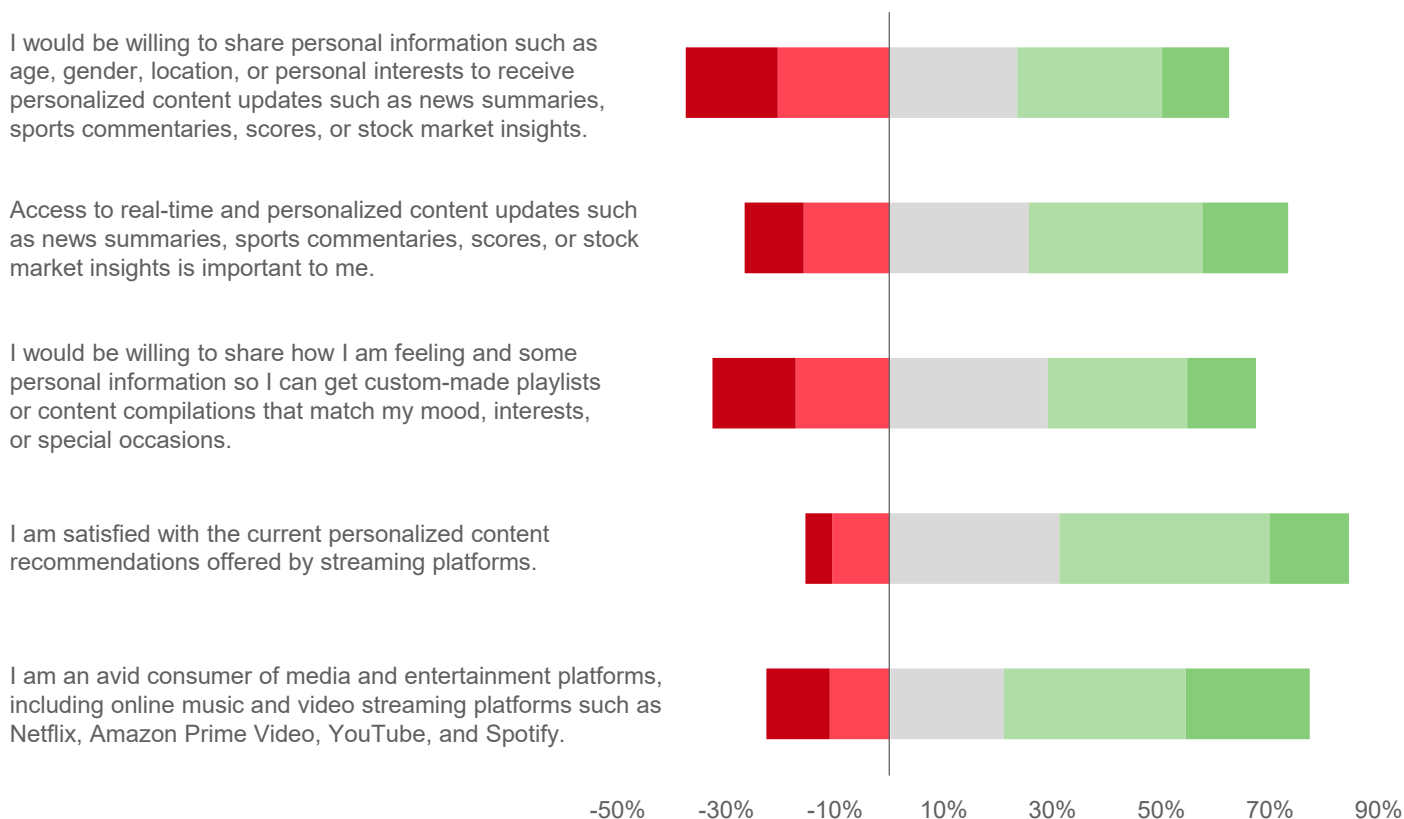
Nearly **50%** of respondents **do not want their phone company to track** their call, text, and internet usage data to curate personalized offers and relevant plans.

72% of consumers either consider using or frequently use their telecom providers' mobile application to **change their telecom/data plans** and access additional services.

Exhibit 8b: Consumer reactions to statements concerning **media and entertainment**

Source: Everest Group (2024)

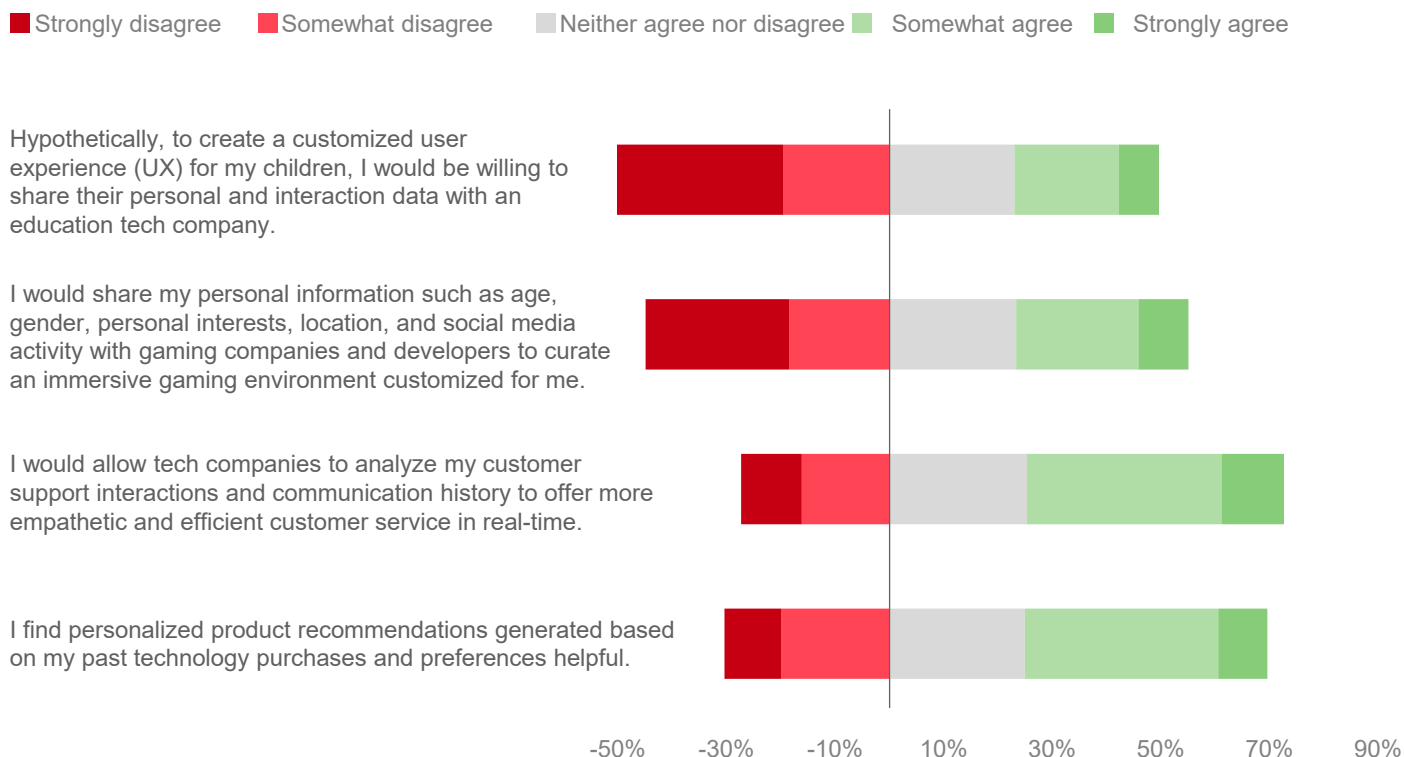■ Strongly disagree   ■ Somewhat disagree   ■ Neither agree nor disagree   ■ Somewhat agree   ■ Strongly agree

I would be willing to share personal information such as age, gender, location, or personal interests to receive personalized content updates such as news summaries, sports commentaries, scores, or stock market insights.

Access to real-time and personalized content updates such as news summaries, sports commentaries, scores, or stock market insights is important to me.

I would be willing to share how I am feeling and some personal information so I can get custom-made playlists or content compilations that match my mood, interests, or special occasions.

I am satisfied with the current personalized content recommendations offered by streaming platforms.

I am an avid consumer of media and entertainment platforms, including online music and video streaming platforms such as Netflix, Amazon Prime Video, YouTube, and Spotify.

-50%   -30%   -10%   10%   30%   50%   70%   90%

57% of respondents are **avid consumers of media and entertainment** (including music and video streaming) platforms.

53% of respondents around the globe say they are **satisfied with the current personalized content recommendations** streaming platforms offer.

On average, **74%** of respondents are either **neutral or willing to share personal information** such as age, gender, location, or personal interest to receive personalized content updates (news summaries, sports commentaries, scores, stock market insights, etc.). They are also open to sharing how they are feeling to get curated content recommendations or custom-made playlists that match their mood, interests, and psychographics.

Exhibit 8c: Consumer reactions to statements concerning **technology**
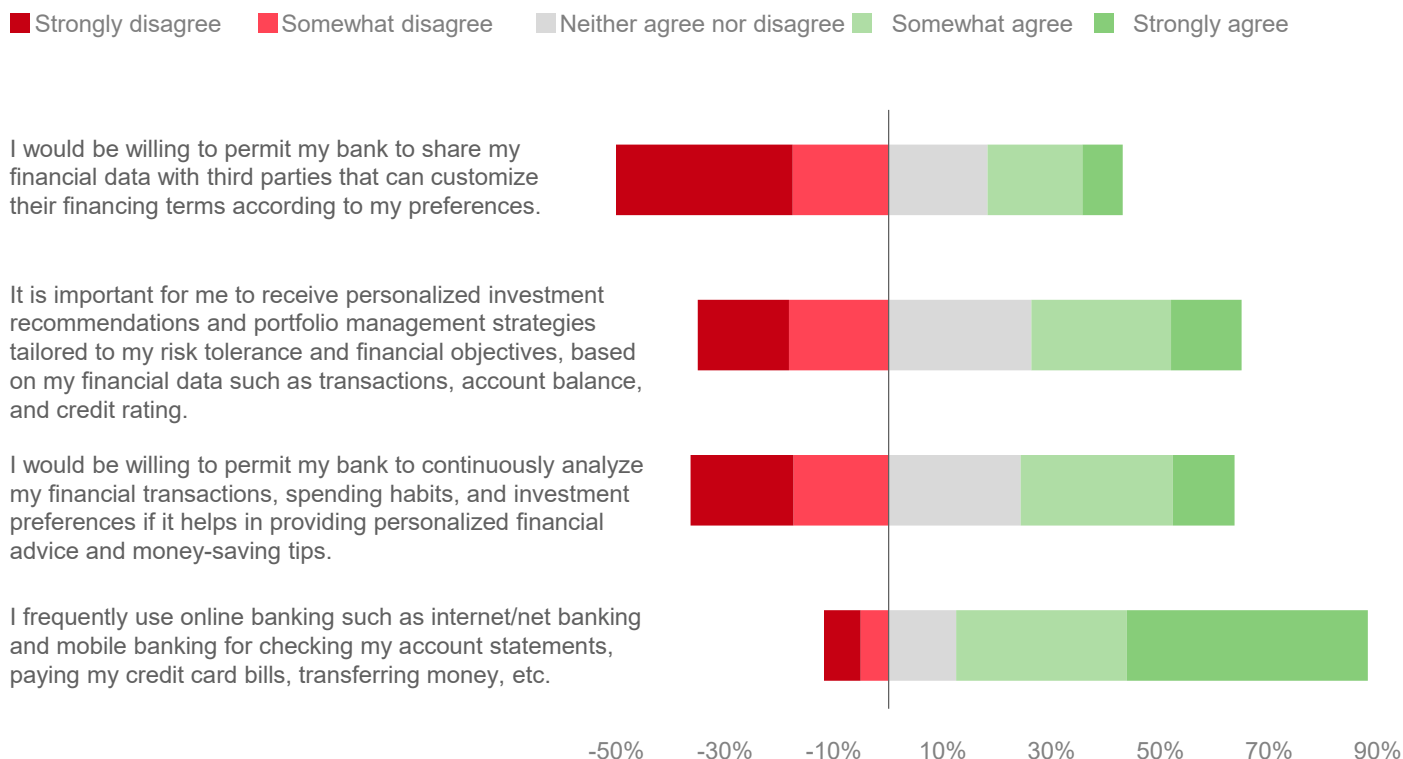
Source: Everest Group (2024)

■ Strongly disagree   ■ Somewhat disagree   ■ Neither agree nor disagree   ■ Somewhat agree   ■ Strongly agree

Hypothetically, to create a customized user experience (UX) for my children, I would be willing to share their personal and interaction data with an education tech company.

I would share my personal information such as age, gender, personal interests, location, and social media activity with gaming companies and developers to curate an immersive gaming environment customized for me.

I would allow tech companies to analyze my customer support interactions and communication history to offer more empathetic and efficient customer service in real-time.

I find personalized product recommendations generated based on my past technology purchases and preferences helpful.

-50%   -30%   -10%   10%   30%   50%   70%   90%

45% of consumers find **personalized product recommendations** that are generated based on their past technology purchases and preferences **helpful.**

Over **70%** of consumers are **comfortable allowing tech companies to analyze their customer support interactions and communication history** in return for more empathetic and efficient customer service in real time.

Exhibit 8d: Consumer reactions to statements concerning **banking and financial services**

Source: Everest Group (2024)

■ Strongly disagree ■ Somewhat disagree ■ Neither agree nor disagree ■ Somewhat agree ■ Strongly agree

I would be willing to permit my bank to share my financial data with third parties that can customize their financing terms according to my preferences.

It is important for me to receive personalized investment recommendations and portfolio management strategies tailored to my risk tolerance and financial objectives, based on my financial data such as transactions, account balance, and credit rating.

I would be willing to permit my bank to continuously analyze my financial transactions, spending habits, and investment preferences if it helps in providing personalized financial advice and money-saving tips.

I frequently use online banking such as internet/net banking and mobile banking for checking my account statements, paying my credit card bills, transferring money, etc.

-50%   -30%   -10%   10%   30%   50%   70%   90%

About **60%** of respondents, **do not want their banks to share their financial data with third parties** that can customize their financing terms according to preferences. Baby Boomers lead this unwillingness; willingness to permit banks to share their data with third parties increases with younger generations.

More than **60%** of consumers are **neutral or find it important to receive personalized investment recommendations** and portfolio management strategies tailored to their risk tolerance and financial objectives based on their financial data such as transactions, account balance, and credit rating.

Similarly, more than **60%** of consumers are **indifferent to or comfortable with permitting their bank to analyze their financial transactions**, spending habits, and investment preferences if it helps them receive personalized financial advice and money-saving tips.

Nearly **90%** of consumers are either **open to or frequently use online banking** such as internet banking and mobile banking to check their account statements, pay their credit card bills, transfer money, etc.

Exhibit 8e: Consumer reactions to statements concerning **insurance**

Source: Everest Group (2024)

■ Strongly disagree   ■ Somewhat disagree   ☐ Neither agree nor disagree   ■ Somewhat agree   ■ Strongly agree

I would be willing to share health-related data from wearables or smart devices with my insurance company if it enables them to offer wellness programs, rewards, or discounts based on my health and fitness activities.

I would be comfortable providing permission to an insurance company to access and analyze my personal data such as driving behavior, home security information, and lifestyle habits if it enables them to offer personalized and cost-effective insurance plans or discounts.

I usually pay my insurance (car, health, life, travel, etc.) premium online or have it auto-deducted instead of paying offline through bank checks or cash.

-50%   -30%   -10%   10%   30%   50%   70%   90%

60% of consumers usually **pay their insurance premium (for car, health, life, travel, etc.) online or have it auto-deducted** instead of paying offline through bank checks or cash.

60% of consumers are **open to sharing their personal data such as driving behavior, home security information, and lifestyle habits** with insurance companies to receive personalized and cost-effective insurance plans. They are also willing to share their health-related data from wearables or smart devices with insurance companies if it enables them to offer wellness programs, rewards, or discounts based on their health and fitness activities.

Exhibit 8f: Consumer reactions to statements concerning **retail and e-commerce**

Source: Everest Group (2024)

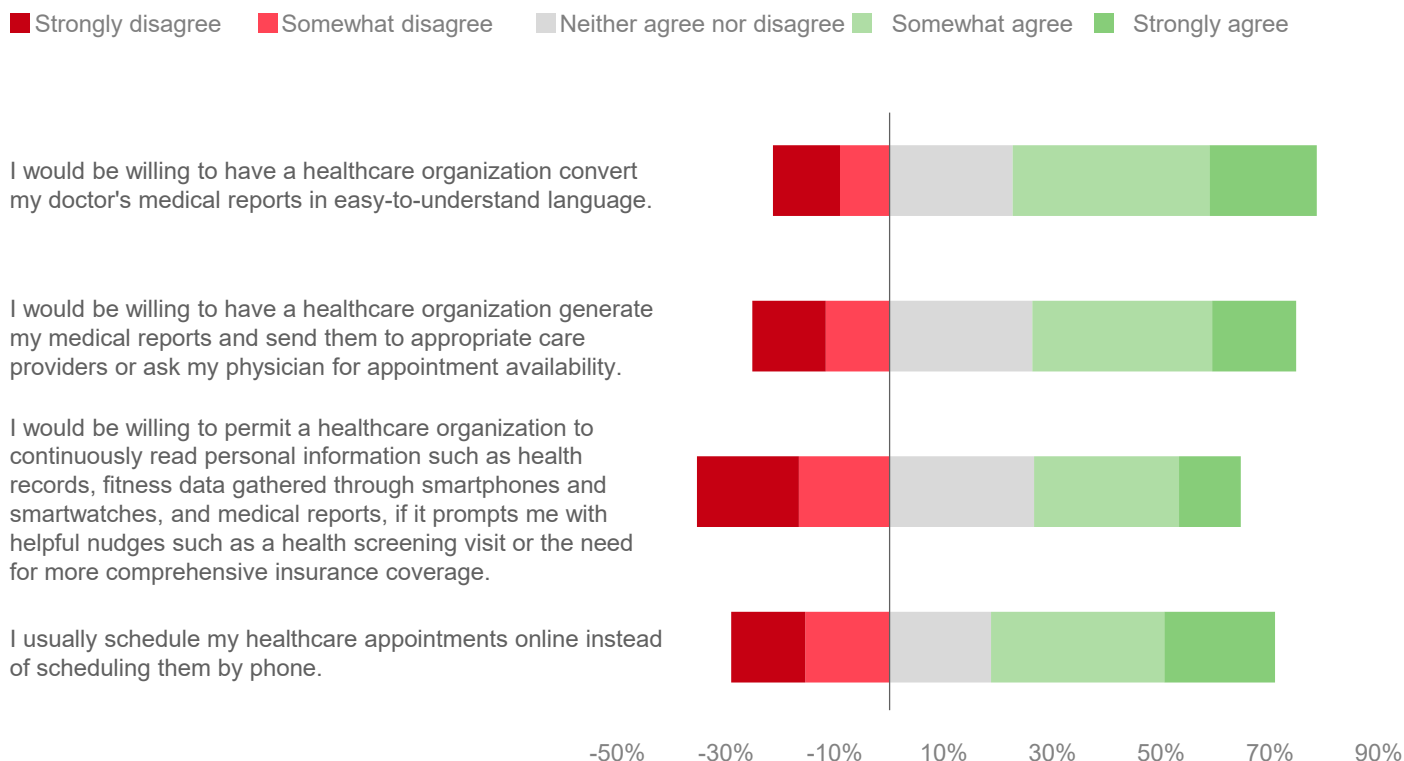■ Strongly disagree   ■ Somewhat disagree   ☐ Neither agree nor disagree   ■ Somewhat agree   ■ Strongly agree

I would be open to sharing personal data such as height, body type, features, etc. if it helps in creating a virtual avatar/photoshoot that can show me how different clothing items and accessories would look on me, accounting for my body type and style preferences.

I would be willing to allow a retail/e-commerce platform to analyze my shopping behavior, purchase history, browsing history, and preferences to provide personalized marketing, product recommendations, and exclusive offers tailored to my interests / current needs.

I usually make my purchases for items such as clothing, footwear, home appliances, etc. online

-50%   -30%   -10%   10%   30%   50%   70%   90%

63% of consumers are open to **sharing personal data such as height, body type, and features** if it helps in creating a virtual avatar/photoshoot that can show how different clothing items and accessories would look on them.

80% of consumers **use online channels to purchase items** such as clothing, footwear, and home appliances.

67% of consumers are **either neutral or willing to allow a retail/e-commerce platform** to analyze their shopping behavior, purchasing habits, browsing history, and preferences to get personalized marketing, product recommendations, and exclusive tailored offers.

Exhibit 8g: Consumer reactions to statements concerning **Consumer Packaged Goods (CPG)**

Source: Everest Group (2024)

■ Strongly disagree   ■ Somewhat disagree   ■ Neither agree nor disagree   ■ Somewhat agree   ■ Strongly agree

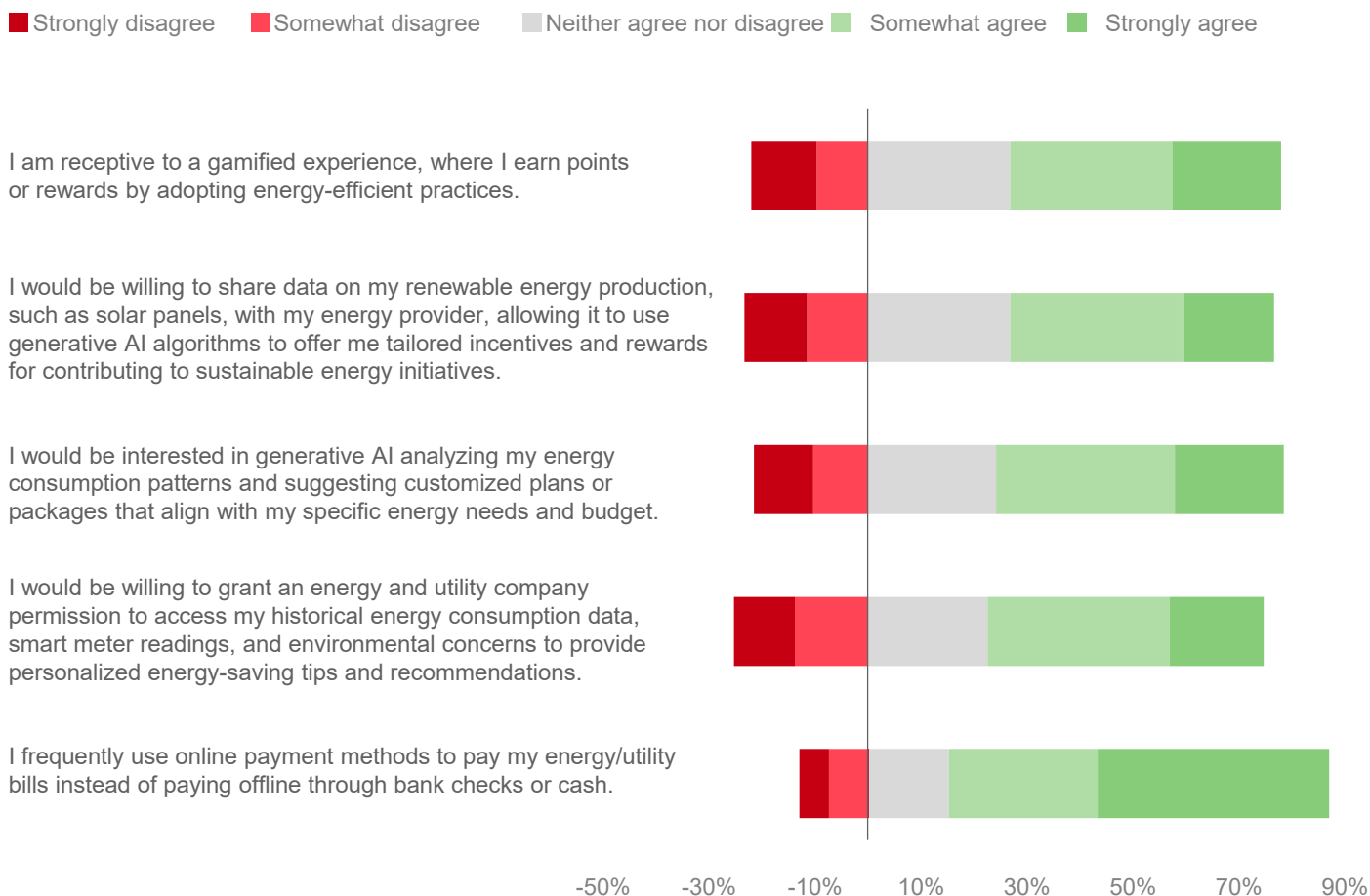I am comfortable with a company using generative AI to predict my future needs and proactively suggesting new product launches or limited-edition items I might enjoy, taking into account personal information such as allergies and diet preferences.

I am open to sharing my shopping habits data for companies to collect and use to create personalized, visually appealing advertisements and marketing content that aligns with my preferences and values.

I would be interested in participating in co-creation experiences with a company, where generative AI tools help me design custom product packaging or flavor options based on my input.

-50%   -30%   -10%   10%   30%   50%   70%   90%

66% of the respondents are **either indifferent or comfortable with a CPG company using generative AI** to predict their future needs and proactively suggest new product launches or limited-edition items, accounting for personal information such as allergies and diet preferences.

67% of consumers are **open to sharing their shopping habits data for companies** to collect and use it to create personalized, visually appealing advertisements, and marketing content that aligns with consumer-specific preferences and values.

59% of consumers are **not interested in participating in co-creation experiences with a CPG company**, where generative AI tools help them design custom packaging or flavor options based on their input.

Exhibit 8h: Consumer reactions to statements concerning **healthcare**

Source: Everest Group (2024)

■ Strongly disagree   ■ Somewhat disagree   ■ Neither agree nor disagree   ■ Somewhat agree   ■ Strongly agree

I would be willing to have a healthcare organization convert my doctor's medical reports in easy-to-understand language.

I would be willing to have a healthcare organization generate my medical reports and send them to appropriate care providers or ask my physician for appointment availability.

I would be willing to permit a healthcare organization to continuously read personal information such as health records, fitness data gathered through smartphones and smartwatches, and medical reports, if it prompts me with helpful nudges such as a health screening visit or the need for more comprehensive insurance coverage.

I usually schedule my healthcare appointments online instead of scheduling them by phone.

-50%   -30%   -10%   10%   30%   50%   70%   90%

48% of consumers are **willing to have a healthcare organization generate and read their medical reports** and send them to appropriate care providers to automatically contact their physician for appointment availability.

Only **54%** of consumers are **willing to permit a healthcare organization to continuously read personal information** such as health records, fitness data gathered through smartphones and smartwatches, and medical reports, even if it prompts them with helpful nudges to improve their health.

71% of consumers are **either open to or already usually schedule their healthcare appointments online** instead of scheduling them by phone.

Exhibit 8i: Consumer reactions to statements concerning **travel and hospitality**

Source: Everest Group (2024)

■ Strongly disagree ■ Somewhat disagree ☐ Neither agree nor disagree ■ Somewhat agree ■ Strongly agree

I would be more likely to work with a travel organization that provided a mobile app that allowed for instant translation and communication with locals in foreign countries.

Virtual tours of accommodations and destinations that allow me to virtually explore hotels, resorts, and tourist spots are valuable to me before making a booking decision.

I am willing to allow a travel organization access to my travel history, accommodation preferences, and feedback in exchange for a more seamless and personalized booking experience, including priority check-in, complimentary rewards, and room customizations.

I would be comfortable providing travel and personal preferences to a hospitality service if it can offer personalized travel recommendations such as destination suggestions, activities, and dining options based on my interests.

I prefer to make my travel arrangements online through online travel agencies or websites instead of using a travel agent.

-50%   -30%   -10%   10%   30%   50%   70%   90%

87% of consumers are **either open to or usually prefer to make their travel arrangements online** instead of using a travel agent.

More than **75%** of consumers are **either open to or find value in virtual tours of accommodations** and destinations that allow them to explore hotels, resorts, and tourist locations before making a booking decision.

Exhibit 8j: Consumer reactions to statements concerning **energy & utilities**

Source: Everest Group (2024)

■ Strongly disagree   ■ Somewhat disagree   ■ Neither agree nor disagree   ■ Somewhat agree   ■ Strongly agree

I am receptive to a gamified experience, where I earn points or rewards by adopting energy-efficient practices.

I would be willing to share data on my renewable energy production, such as solar panels, with my energy provider, allowing it to use generative AI algorithms to offer me tailored incentives and rewards for contributing to sustainable energy initiatives.

I would be interested in generative AI analyzing my energy consumption patterns and suggesting customized plans or packages that align with my specific energy needs and budget.

I would be willing to grant an energy and utility company permission to access my historical energy consumption data, smart meter readings, and environmental concerns to provide personalized energy-saving tips and recommendations.

I frequently use online payment methods to pay my energy/utility bills instead of paying offline through bank checks or cash.

-50%   -30%   -10%   10%   30%   50%   70%   90%

75% of the consumers are **either neutral or willing to grant an energy and utility company permission to access** their historical energy consumption data, smart meter readings, and environmental concerns to provide personalized energy-saving tips and recommendations.

71% of the consumers **prefer using online payment methods** to pay their energy/utility bills instead of paying offline through bank checks or cash.

54% of the consumers would be **interested in generative AI analyzing their energy consumption patterns** and suggesting customized plans or packages that align with their specific energy needs and budget, while 24% are neutral about it.

50% of the consumers **would be willing to share data on their renewable energy production**, such as solar panels, with their energy provider, allowing it to use generative AI algorithms to offer tailored incentives and rewards for contributing to sustainable energy initiatives.

Exhibit 8k: Consumer reactions to statements concerning **automotive**

Source: Everest Group (2024)

■ Strongly disagree   ■ Somewhat disagree   ■ Neither agree nor disagree   ■ Somewhat agree   ■ Strongly agree

I would grant an automotive company permission to collect and analyze my vehicle usage data, including driving patterns and maintenance history, to provide personalized maintenance recommendations and improve automobile efficiency/performance.

I would allow an automotive company to generate my preferred design virtually in real-time by customizing my new car based on my individual preferences, creating a unique and tailored product experience.

-50%   -30%   -10%   10%   30%   50%   70%   90%

45% of the consumers are **open to the idea of an automotive company** generating their preferred design virtually in real time by customizing their new car based on their individual preferences, creating a unique and tailored product experience.

69% of consumers **do not mind granting an automotive company permission to collect and analyze their vehicle usage data**, including driving patterns and maintenance history, to provide personalized maintenance recommendations and improve automobile efficiency/performance.

Exhibit 8I: Consumer reactions to statements concerning **government or public sector**
Source: Everest Group (2024)

■ Strongly disagree   ■ Somewhat disagree   ■ Neither agree nor disagree
■ Somewhat agree   ■ Strongly agree

I find the use of generative AI to analyze social media and public sentiment, helping government entities receive real-time insights to address emerging issues and concerns effectively threatening.

I am comfortable with the government using gen AI to better predict risks associated with housing and food insecurity, addictions, climate change, crimes, and the public's physical and mental health episodes, enabling it to enhance public policy and improve citizens' quality of life.

I want public sector entities to use generative AI to analyze large datasets of citizen information and identify patterns that can improve public services, such as optimizing public transportation routes or predicting community needs for better resource allocation.

-50%   -30%   -10%   10%   30%   50%   70%   90%

Over **75%** of consumers are **comfortable with the government using gen AI** to better predict risks associated with housing and food insecurity, addictions, climate change, crime, and public health, enabling it to design policy and improve citizens' quality of life.

47% of consumers are **threatened by the concept of government using generative AI** to analyze social media and public sentiment to help government entities gain real-time insights to address emerging issues; 30% are neutral about it.

77% of the respondents are **open to the idea of public sector entities using generative AI** to analyze large citizen information datasets to identify patterns that can improve public services, such as optimizing public transportation routes or predicting community needs for better resource allocation.

Notably, willingness to share various types of data is higher among Gen Z and Millennial consumers than Gen X and Baby Boomer consumers. For instance, 60% of Gen Z consumers are neutral or comfortable sharing their financial data. This percentage decreases with the older generations, with only 40% of Baby Boomers being neutral or comfortable. Similarly, 88% of Gen Z, 85% of Millennials, 75% of Gen X, and 55% of Baby Boomers are either neutral or comfortable providing travel and personal preferences to a hospitality service if it can offer personalized travel recommendations such as destination suggestions, activities, and dining options based on their interests. This highlights that earlier generations, in general, mistrust the practice of data sharing, especially sensitive data sharing, and prefer a human touch to their activities.

Regional variations in consumer readiness for generative AI

To unlock the full potential of gen AI in CXM and deploy efficient use cases across industries, consumer readiness for gen AI in CXM across geographies cannot be ignored. Across regions, consumers have different acceptance levels of gen AI for common use cases, as shown in Exhibit 9.

Exhibit 9: Consumer readiness for gen AI in major regions mapped across use cases
Source: Everest Group (2024)

● Low   ● Medium   ● High

Industry	Use case	Americas	EMEA	APAC
Telecommunications	Optimize poor network in real-time using location data	● Medium	● Low	● Low
Media & entertainment	Curate custom-made playlists or content compilations that match mood, interests, or special occasions	● Medium	● Low	● Medium
	Personalized content updates such as news summaries, sports commentaries, scores, or stock market insights			
Technology	Personalized product recommendations based on past technology purchases and preferences	● High	● Medium	● High
Banking & financial services	Personalized financial advice and money-saving tips	● Medium	● Low	● Medium
Insurance	Offer personalized and cost-effective insurance plans or discounts	● Medium	● Low	● Medium
	Offer wellness programs, rewards, or discounts based on health and fitness activities			
Retail & e-commerce	Personalized marketing, product recommendations, and exclusive offers tailored to interests and requirements	● Medium	● Low	● Medium
	Create a virtual avatar that can show how different clothing items and accessories would look on someone, accounting for their body type and style preferences			
CPG	Predict future needs and proactive suggestions for new product launches or limited-edition items	● Medium	● Low	● High
Travel & hospitality	Personalized travel recommendations such as destination suggestions, activities, and dining options based on interests	● High	● Medium	● High
	Personalized booking experience, including priority check-in, complimentary rewards, and room customizations			
Healthcare	Helpful prompts such as health screening visits or the need for more comprehensive healthcare coverage	● Medium	● Low	● Medium
Energy & utilities	Personalized energy-saving tips and recommendations	● High	● High	● High
	Suggest customized plans or packages that align with specific energy needs and budget			

Broadly across use cases, consumers in APAC are more open to data sharing, or conversely, less aware of data-sharing challenges, compared to consumers in EMEA who are the least open to sharing data. Consumers in the Americas care more about personalization than those in other regions.

Readiness is lower for use cases such as optimizing poor networks in real time using consumers' location data across all regions due to consumers' limited willingness to share data, as well as security concerns about the shared location data, with respondents in the Americas valuing to the benefit (the improvement in telecom networks at the cost of location data sharing) more than those in other regions. Further, for banking & financial services use case such as personalized financial advice and money-saving tips, consumers in the Americas have the highest preference for personalization, while consumers in APAC are less concerned about personalization, and EMEA least interested in personalization. Interestingly, APAC is very ready for the CPG industry use case to predict future needs and proactive suggestion of new product launches or limited-edition items; by contrast, consumers in the Americas are much less interested in personalized suggestions for future needs.

The way forward for generative AI in CXM

Generative AI has the power to address CXM limitations and deliver improved customer experiences, consumer wariness around some issues impacts adoption.

Most consumers are open to receiving customer support through gen AI-supported channels and leveraging its benefits, at least in some areas. A smaller – but still significant portion – of these consumers is also willing to share their data to improve the efficacy of gen AI-based customer experience solutions. However, consumers' willingness to leverage gen AI differs by generation, industry, use case, and region. It is vital that organizations understand these variances when developing their gen AI-based customer experience strategies.

Consumers also have concerns about data privacy and security vulnerabilities, lack of human touch, and other unintended consequences related to gen AI and its use in customer experience solutions. However, despite these considerations, many are confident gen AI presents a promising solution to many of the challenges facing the CXM industry. Companies that can capture generative AI's ability to offer personalized content, tailored recommendations, and timely updates can significantly enhance customer experience. Moreover, harnessing the power of generative AI in CXM enables companies to differentiate themselves from competitors and paves the way for innovation, improved customer satisfaction, loyalty, brand recall, and memorable (positive!) customer experiences.

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