



InData Labs

AI IN MARKETING:

**Customer Experience Statistics &
Role of AI in 2022**



Artificial intelligence, or AI, is already disrupting the face of modern marketing as we know it. AI technology can help optimize and speed up a myriad of marketing tasks, improving customer experiences and driving conversions.

The purpose of this white paper is to give a comprehensive view on what AI has to offer marketing.

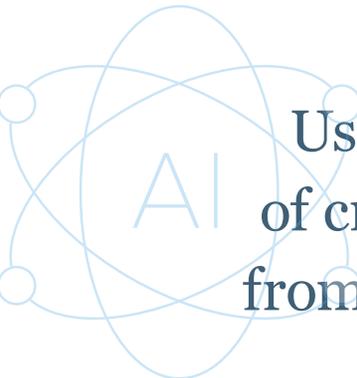
Marketing in the age of automation has dramatically transformed with the advent of data and evolving customer behavior. Today, the market abounds

in smart [marketing and sales solutions](#) that help personalize your efforts to a tee.



marketing and sales solutions boost sales and help retain 51% more customers, as well as increase the odds of success for new product launches by 49%.

Forbes



Using AI in marketing applies to a wide range of critical operations. These include everything from data collection and analysis to automation of marketing-related tasks and workflows.



"From a technical standpoint, AI marketing campaigns lean on intelligent technologies to generate automated decisions. The decisions are the result of automated data management and trend monitoring.

AI systems learn how to effectively engage with users by relying on data and customer profiles. This translates into successful marketing collateral delivered at the right time."



Polina Dovnar
Data Scientist at InData Labs

The benefits of AI marketing campaigns

AI-generated vision allows businesses to improve customer experience, campaign effectiveness, and ROI. AI marketing campaigns also yield other benefits which we'll dwell on below.



Automated marketing efforts

Smart systems allow companies to reduce the time and effort on promoting. [AI-powered tools](#) accelerate content creation, customize digital campaigns, and manage email newsletters. Using AI, marketers generate ideas and tailor content to audience needs.

Tools like Semrush save SEO professionals time creating optimized SEO content.

Neural networks can also take over marketing processes such as audience segmentation, multi-channel marketing, testing, and analysis.



Reduced marketing costs for the best ROI

A higher degree of automation logically flows into reduced expenses. Computer intelligence saves on time and marketing costs without sacrificing

personalized experience. It also amplifies your decision-making and helps you create better-performing content for higher ROIs.



Personalization

The biggest of all boons, personalized promotions is what jolts companies into Artificial intelligence. Did you know that **80% of customers** want personalization from retailers? In fact, customers do take it for granted, thus constantly raising the bar for

businesses. Using Artificial intelligence technology in marketing allows specialists to segment customers into groups based on specific parameters better. As a result, they can tailor content in real-time to automatically optimize conversions more efficiently.



Increased data security

\$50 billion

- The Artificial Intelligence in Security Market will exceed market revenue by 2027.

Meticulous Research

Among other industries, AI also shields marketers from malicious activities. As this field deploys more technology, the threats to the entire organization increase. Smart algorithms improve a business's cybersecurity posture by identifying and averting potential cyber threats.



Examples of using AI in marketing for better CX

Amazon was one of the [pioneers](#) that forged ahead with personalized shopping recommendations. Almost 20 years later, Amazon's product recommendation feature is the gold standard in E-commerce. It went from collaborative filtering to complex algorithms that rely on machine learning. Its recommendation engine yields Amazon 35% of revenue. While personalization has made inroads, we'll share some other use cases that evince the potential of smart analytics.

Predictive analytics for data-driven strategies

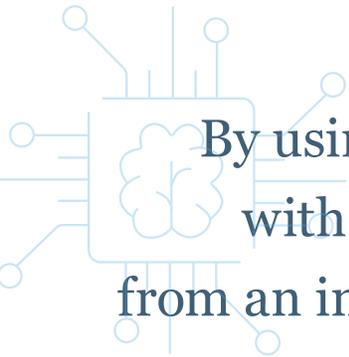
The gift of foresight would come in handy for marketers, wouldn't it? Consistent digital marketing strategies, data automation, AI & analytics grant businesses that gift of prophecy. These technologies unite to process incoming data and develop accurate forecasts based on the data obtained.

Anything from future customer behavior to fresh-baked [trends can be the focus of predictive analytics](#). Analytical systems can even skim through floating unstructured data to uncover hidden business opportunities.

Influencer marketing

Influencer marketing works wonders when a brand needs a human touch and new audiences. However, this type of PR is riddled with challenges and unknown

territories. Time-consuming search, fake engagement, and brand alignment further entangle it.



By using AI in marketing, brands won't have to bother with all these factors. The ability to track future ROI from an influencer campaign means marketers now know whether this collaboration is worth the buck.

Thus, algorithms can analyze data from an influencer's social media profile. In particular, Natural Language Processing proves effective in assessing content.

It helps companies assess brand alignment and the relevance of audience engagement.

Content generation



"The marketing industry is becoming more and more competitive. The clients' expectations are getting higher. Hundreds of thousands of marketers are competing against each other on social media or Google ads to attract new clients and retain existing ones. The winner is the one who offers benefits that customers are seeking at the very specific moment.

Marketers should anticipate needs of different customer segments making their brands top of mind. This is where AI becomes the trusted partner supporting marketers in real-time comprehensive customer data analysis, forecasting customers' demand and delivering super personalized messages. AI helps sufficiently improve conversion rates and increase MROI."



Maya Meleshko

Head of Marketing at InData Labs

While automated content generation is still bad at producing long-reads, some marketers are already using it to pick up new blog ideas, write emails, ads, and a ton of other collateral.

Also, AI-powered search engine optimization tools help content creators discover keywords, optimize and personalize content, and review analytics.

But it doesn't mean that computers will put writers out of a job. Instead, intelligence allows for a more data-driven approach to content creation.

Thus, analytics shows where your buyers are at during the buying process or which keywords to target. Creativity and writing skills are still in humans.

Dynamic pricing



AI and marketing analytics also make companies more competitive by fine-tuning their prices. This practice is widely popular among retailers and went down in history as dynamic pricing.

Dynamic pricing is when a seller changes the price of the same product depending on market factors to increase profits. Why go this extra mile? The rationale is simple: provide personalized offers and boost revenues.

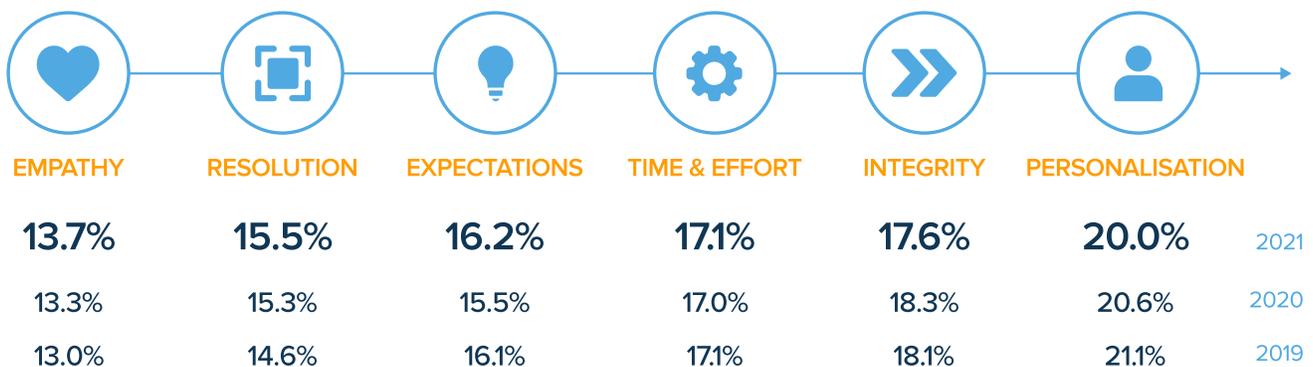
Say, you are looking for airline tickets. When you're searching for a flight, an airline uses information, such as search history and competitor analysis, to display prices based on fare class and your price expectations. Intelligence-based platforms, in this case, suggest optimal prices for products in real-time by processing great amounts of both historical and competitive data.

CUSTOMER EXPERIENCE STATISTICS IN 2022:

everything you need to know about

In the age of digital transformation, customer experience has become one of the most important differentiators for companies. Today, businesses are vying for demanding customers and beefing up acquisition and retention strategies. They are facing the challenging task of uncovering how customers truly feel about products, services, and brands.

According to [KPMG](#), around 20% of businesses have up-leveled their personalization strategies in 2021. Over 17% of brands think that minimizing customer effort and creating frictionless processes promotes experience excellence. Therefore, [customer service improvement](#) is now either a brand's primary differentiator or a critical differentiator.



Here, we will explore the importance of customer experience and discuss customer experience stats dominating the current market.

What is meant by customer experience?



In essence, customer experience refers to the total of all the interactions a customer has with a company across all channels. This can include everything from the initial research phase and product selection to post-purchase support and feedback.

Good customer experience is essential for companies as it can help differentiate them from their competitors and build loyalty among existing customers. Companies that focus on [customer experience consulting](#) see a higher return on investment, lower customer churn rates, and increased profits. Therefore, remarkable customer experience is critical to the sustained growth of any business.

AI-driven customer experience stats

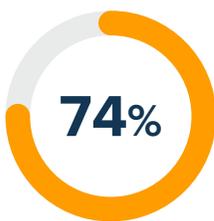
Rethinking CX as a valuable asset is a relatively new trend. This upward tendency is the direct result of the pandemic where business profits and resilience were at mercy of unique experiences or otherwise differentiated services.

The impact of COVID-19 on client behavior was immediate and irreversible. Thus, purchases and interactions have shifted online, shaping a more

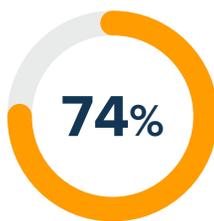
digitally savvy client. At the same time, artificial intelligence has gained more prominence as businesses strived to outperform their rivals.

As a result, artificial intelligence was chosen as an imperative due to the evolving customer experience data during the pandemic. Multiple research papers attest to the mutually beneficial relationships between [AI and customer experience](#).

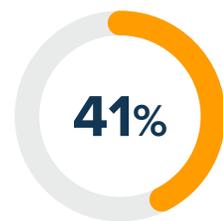
IBM



say AI will disrupt their CX strategy



say AI will change the perception of their brand.



have an AI strategy in place

Moreover, intelligent tools and software deliver unmatched value when it comes to satisfying client experiences. Along with tech-driven values such as

enhanced decision-making, companies also get a deep insight into their client profiles, thus generating more profit.

TOP 5 growth benefits

-  1 Improved depth of customer engagement
-  2 Improved customer satisfaction
-  3 Increased revenue growth
-  4 Improved brand loyalty
-  5 Opportunity to create new business models/ products/ services

TOP 5 operational benefits

IBM

-  1 Improved customer insights
-  2 Improved efficiencies
-  3 Improved decision-making
-  4 Improved cost savings
-  5 Improved employee satisfaction

Customer experience examples: Highs and lows

Digital transformation goes hand in hand with satisfying interactions. Be it preference predictions or real-time analysis, [AI solutions](#) and robust customer experience databases facilitate a holistic vision of

customers. A profound understanding of a buyer persona, in turn, leads to higher sales and increased satisfaction among clients.

Here are some customer experience stats to back up the rationale:

60% to 70%

of respondents consider up-to-date technology important, while around 30% are ready to pay more for tech-savvy initiatives.

PwC

A 300% to 600%

increase in customer response rates, as well as a 10% to 50% churn reduction, is boosted by AI customer service.

Pega

30%

annual growth is possible with conversational AI solutions.

Deloitte

On the contrary, negative client service is commonly alluded to as generic, impersonal, and irrelevant. A business is plagued with bad interactions when it fails to meet customer needs and expectations.

The latter can fall into the criteria of service quality,

response time, or overall customer experience. Outdated technological setups with no [AI customer service](#) or data governance leave valuable insights siloed across departments. Thus, an incomplete client image hampers effective customer experience reporting and positive impressions.

Here's how **BAD CUSTOMER EXPERIENCE STATISTICS** influence overall brand well-being:



of Americans are frustrated with ineffective service, considering it the number one frustration.

Statista



of customers leave brands after just one bad experience.

PwC



out of 1100 respondents have access to a comprehensive view of customer data.

Salesforce



of customers abandon a business relationship due to a lack of personalization.

Accenture

Importance of customer experience statistics

The value of meaningful interactions has been reinforced by client-first companies. Starbucks, IKEA, Amazon, and other brands have set the blueprint for quality CX and shaped buyer expectations for brand interactions.



- ▶ Starbucks reported **\$4.87 billion** worth of revenue from its operations worldwide in 2021 compared with \$1.56 billion in 2020.

[Statista](#)

- ▶ In 2021, the American Customer Satisfaction Index (ACSI) score of Amazon was **78 out of 100** ACSI points. In 2019, **89%** of buyers said that they're more likely to buy products from Amazon than other E-commerce sites.

[Statista](#)

- ▶ IKEA's online channels welcomed over **5 billion** users in 2021 with online retail sales increasing by 73%.

[Ikea](#)

These CX statistics are a towering testimony to the importance of establishing a positive rapport with buyers. A superior customer experience acts as

a blessing for the client and sets the company apart from its competitors. Advocating a client-centric philosophy also allows companies to reap the following benefits:



MORE LOYALS:

Over 90% of customers who love the service will buy from the company again.

[Hubspot](#)



REDUCED ACQUISITION COSTS:

It's 5X more expensive to win over a new client than retain an existing one.

[HBR](#)



HIGHER LIFETIME VALUE:

A track record of warm interactions promotes brand loyalty and results in over 300% higher lifetime value for retailers.

[Motista](#)



UNLOCKED REVENUE:

86% of buyers are willing to pay more for a great CX. According to Gartner customer experience figures, almost 50% of companies see a direct link between CX and financial benefits.

[PwC](#)



MORE RECOMMENDATIONS:

Consumers who are satisfied with a company's service are 38% more likely to recommend that brand.

[Qualitrics Institute XM](#)

Moreover, good CX is deemed as an added business value that boosts competitiveness in the market. Thus, better external communication helps companies leverage their reputation to attract new clients and gain the ones dissatisfied with other services.

Although perceptions of CX delivery as a differentiator vary greatly, over 55% of companies rank CX as a core differentiator. Another 23.6% view it as a secondary enabler, while 14.2% are hesitant about CX's status in business competition.

NTT



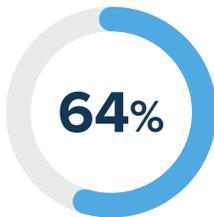
- Yes - CX is a primary differentiator
- Yes - CX is a secondary differentiator
- Unsure
- No

Brand values impact statistics on customer experience

Consumer perceived value deviation has a great say in classifying interactions into positive or negative. Typically, any company channels its mission and vision through services and products. Be it family or

money, a brand's philosophy is directly tied to client perception. Therefore, well-done branding forms a long association with the company and a positive word of mouth.

Here are some numbers on consumer values:



64% of respondents said that they'd rather buy from a brand if it's vocal on important social and political issues.



60% of respondents want brands to clearly articulate their positions on important issues when making a purchase.



56% of buyers say the environmental and social stance of a company is important when choosing to buy from them.



70% of respondents say they buy from brands aligned with their principles.



90% of customers are willing to pay a premium for ethical retailers.

Moreover, outlining brand values helps businesses set more contextualized relationships with their target audience. Clearly articulated values and stand on

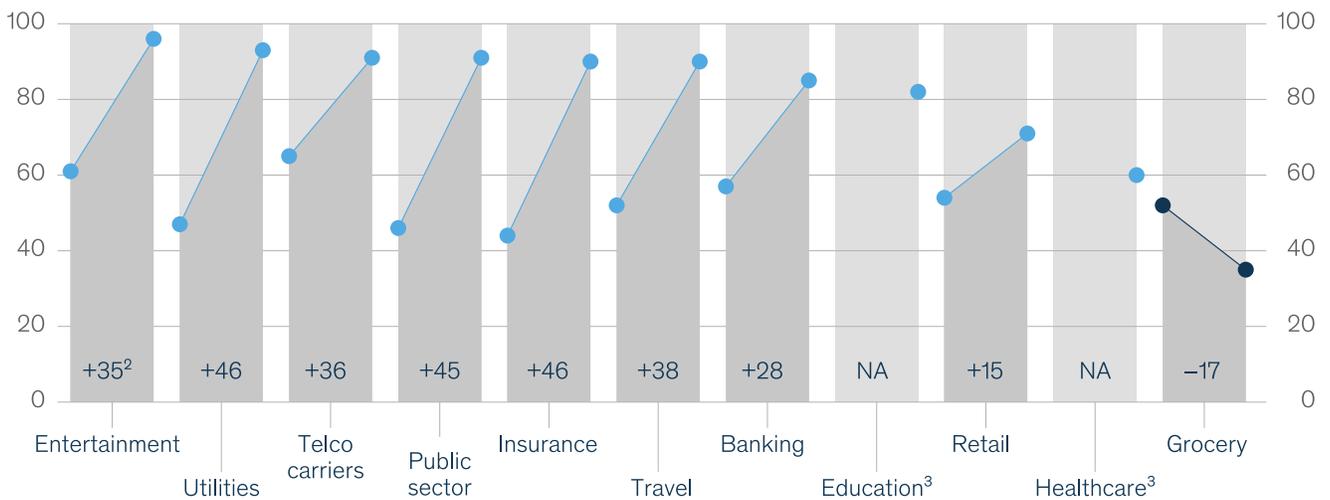
social matters also add uniqueness to the brand image and consistency to marketing initiatives.

Multichannel customer experience data

The customer experience statistics is associated with the omnichannel presence among companies. When a business is present at their clients' journey, companies deliver a seamless strategy across platforms. So, an omnichannel approach creates an integrated experience

no matter how or where a buyer gets on board. During the pandemic, digital adoption had a growth spike. According to B2B customer experience statistics by McKinsey, utilities, and insurance had the largest influx of new users, each jumping 46%.

McKinsey & Company

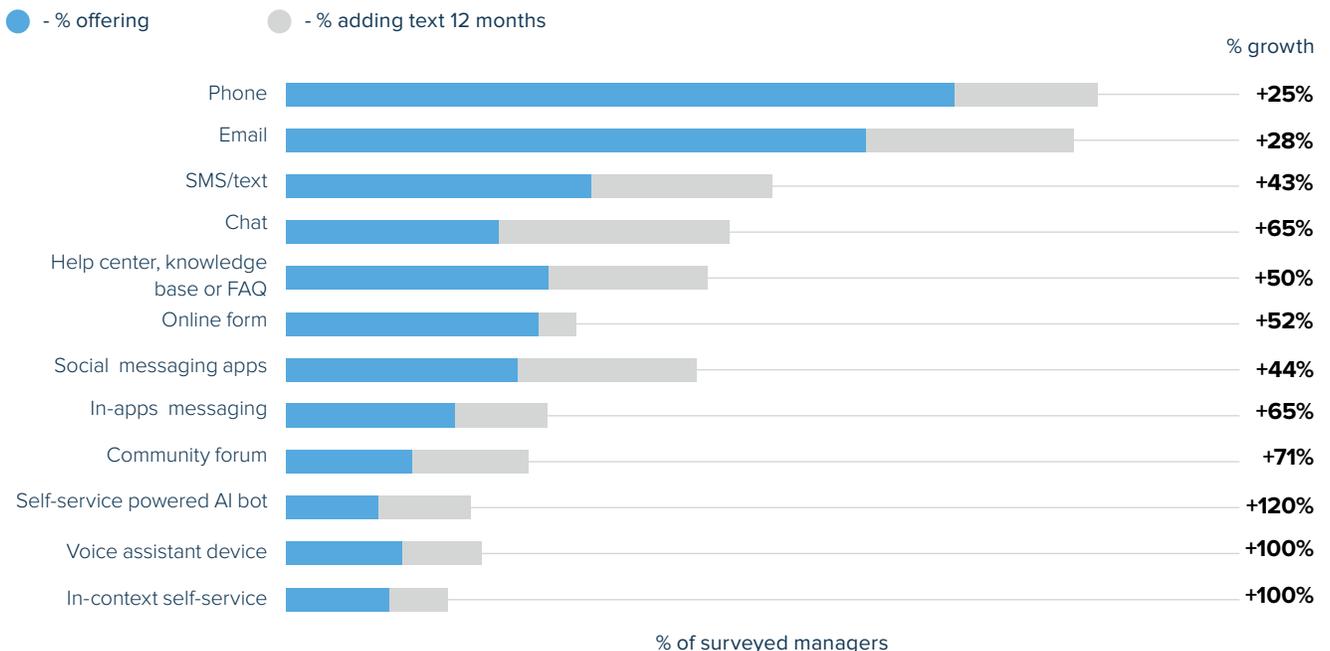


With that in mind, companies have doubled their omnichannel initiatives over the last few years. According to customer experience management statistics, brands

now bet on more intelligent digital channels powered by artificial intelligence. In particular, the usage of AI bots and smart self-service tools spiked by 100%.

Channels companies offer or are planning to add in the coming year

Zendesk



Along with virtual assistants, AI-based applications are becoming omnipresent across all digital channels.



By 2022, Gartner customer experience projects 70% of customer interactions to be packed with emerging technologies, up from 15% in 2018.

Omnichannel statistics about customer experience further attest to the dominance of a rich digital ecosystem. All generations have acquired more

exposure to social media and other online destinations compared with the pre-pandemic years.

Here's what digital customer experience statistics has to say about multi-presence:



95% of marketers realize the importance of multichannel marketing, while only 73% have a corresponding strategy in place.

[Pew Research Center](#)



51% of companies target at least eight channels to interact with customers, according to Aberdeen CX statistics.

[Aberdeen](#)



82% of shoppers tend to google an item from their smartphones while making an in-store purchase.

[Google Shopper Marketing Agency Council](#)



72% of U.S. adults use at least one social media site.

[Pew Research Center](#)



90% of users prioritize consistent interactions across channels.

[Aberdeen](#)

Technology to serve multi-channel interactions

However, the omnichannel philosophy is truly impossible without efficient marketing automation and tech-savvy environments. The latter eliminates the lack of clarity that hobbles any omnichannel excellence.

In particular, automation tools can deliver unique encounters for every user by delegating decision-making to your customer data. Thus, a single data warehouse with exhaustive customer profiles puts a great “last-mile” face on interrupted customer interactions and makes up for hours of manual effort.



Technical excellence also supports critical CX enablers. Not only does intelligent software serve visitors at the right time and place with personalized offers, but it also helps establish successive flows across channels.

These CX statistics highlight the core elements of a perfect customer journey across channels. All of these building blocks can be supported by AI-fueled software and business intelligence tools.

Pega



The tipping year of 2020 has also revealed a persistent micro-trend that ties brand success with its technical proficiency. A growing number of consumers want more exposure to technology that grants more buying enablement.

According to [IBM](#), awareness of new shopping technologies has surged above 90%. Thus, over 70% of respondents are already using or want to try a visual search, while 50% of clients are interested in VR smart tools.

IBM

Voice search



In-store digital display



Social shopping



Geo-location services



Visual search



Smart dressing room



In-store app navigation



Virtual reality



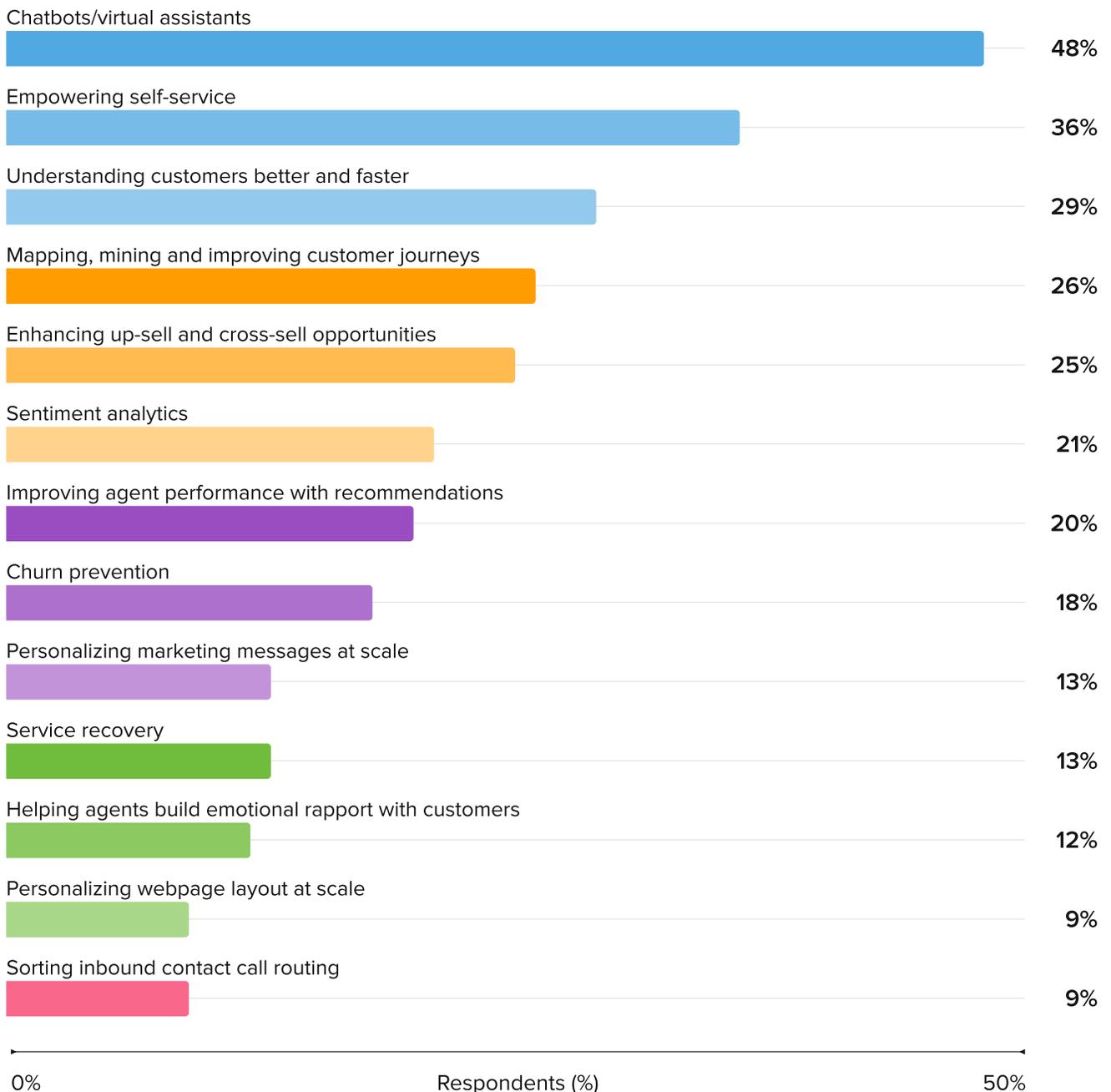
■ - I have tried this
 ■ - I would like to try
 ■ - I am not interested
 ■ - I don't know what this is

AI applications go mainstream

Today, AI solutions are being used in customer experience to provide solutions to customer service requests and improve the quality of customer service. Smart algorithms can analyze patterns, learn on the go, and even predict client needs. This is especially helpful for companies that have a diverse range of customers with different needs and preferences.

According to customer engagement (statistics) by Oracle, companies employ intelligent technologies to empower self-service and improve customer journeys. A profound understanding of a buyer is also among core AI application fields with 24% of companies using AI research.

Oracle

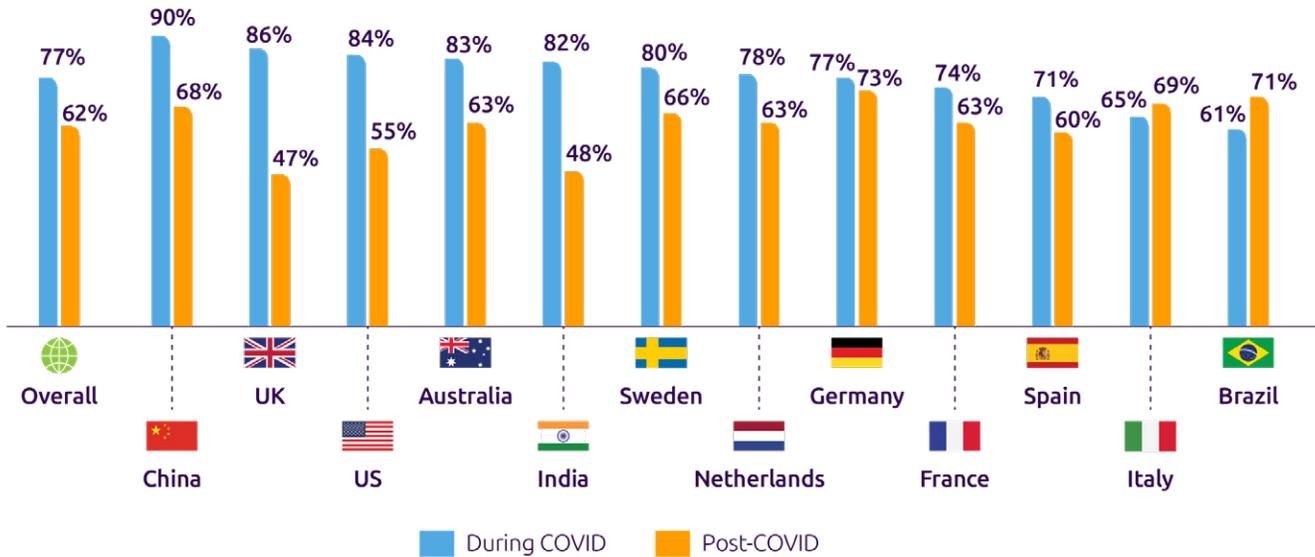


The pandemic fallout has also impacted the rise of artificial intelligence in CX. Touchless interactions have become the norm with more clients demanding hand-

free experiences. Facial recognition, virtual assistants, and voice detection spearhead a wide adoption of touchless journeys.

Capgemini

"I expect to increase my use of touchless interactions, through voice assistants, facial recognition, or apps, to avoid human interactions and touchscreens"



Sentiment analysis has spread its wings during the pandemic as well. Sentiment tools analyze the data footprints of experiences to identify unhappy customers and take actions to prevent them from churning. This technology can also help companies track the positive sentiment around their brand and

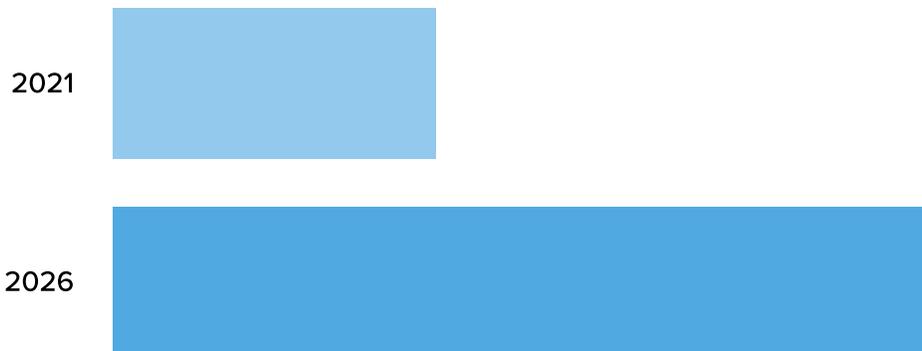
product to understand what customers are saying.

Thus, the global text analytics market equaled \$5.46 billion in 2020. By 2026, it is projected to reach over \$14 billion.

Market Summary

CAGR 17.35%

Mordor Intelligence





Takeaway from customer experience stats 2022

When it comes to a company's success, it is not just the bottom line that is important, but also customer satisfaction. Happy customers are more likely to return, refer their friends and family, and become long-term buyers.

All of this boils down to one simple thing: good customer service is essential for any business. Here are your key considerations based on current statistics on customer experience.

- ▶ Experience-led companies have **1.6x** higher brand awareness, 1.5x higher employee satisfaction, and 1.9x higher average order value.
- ▶ Over **90%** of consumers are more likely to shop with brands with personalized recommendations.
- ▶ Marketers shifted their **priorities** to focus on automation, personalization, and testing as their top three.

It means that the year 2021 marked a milestone in making interactions more tailored and contextualized. On this note, artificial intelligence has surfaced as the number 1 enabler of personalized CX.

Thus, almost **50%** of US marketers have grown CX-related AI investments from 2020 to 2021.

Therefore, the comprehensive data in place and intelligent setup will be the main tools of digital-savvy companies in the years to come. Sentiment analysis, automated marketing, and smart mapping will stay at the forefront of the customer-first mindset.

About InData Labs

InData Labs is a leading data science firm and AI-powered solutions provider with its own R&D center. Having a mission to bring the power of AI to every business, we help organizations of any size create intelligent products and services or shape intelligent business processes.

Since 2014, our solutions and consulting services help our clients to get valuable insights into data, automate repetitive tasks, enhance performance, add AI-driven features, and prevent cost overruns.

Cyprus HQ Office

16, Kyriakou Matsi,
Eagle House,
Agioi Omologites, Nicosia
+35797706028

Lithuania

Konstitucijos av., 21A,
Vilnius, Republic of Lithuania,
LT-08130

Singapore

6 Shenton Way,
OUE Downtown 2,
Singapore

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