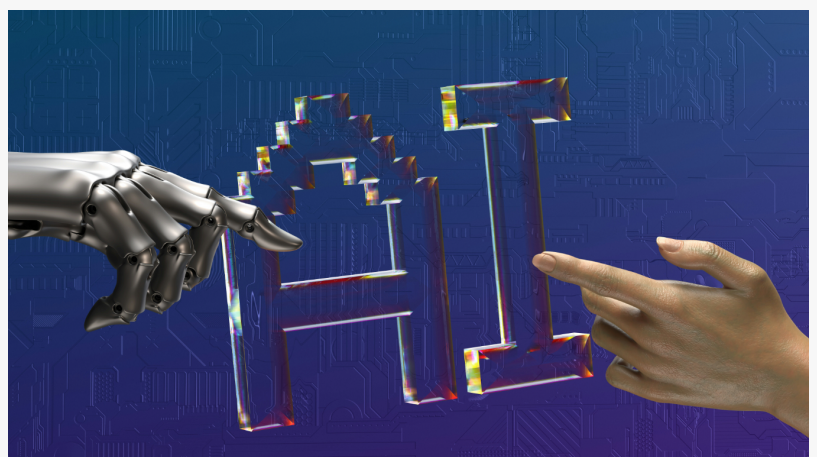


# Seven in 10 large enterprises turn to AI to drive customer engagement

*Traditional tactics such as loyalty and rewards programmes fall out of favor due to underwhelming ROI*

NY, UNITED STATES, November 20, 2024 /EINPresswire.com/ -- Traditional strategies such as personalization and loyalty programs are being deprioritized because of perceived poor returns on investment (ROI), with emerging technologies such as AI benefiting from the shift in customer engagement dollars, according to new research from global digital transformation firm [Apply Digital](#).



AI and Customer Engagement

[The Future of Customer Engagement](#) study surveyed 500 senior managers from large enterprises in North America. When asked what tactics had offered the best ROI, 71% of respondents identified AI compared to just 15% for loyalty and rewards programs.

Low-levels of confidence have prompted over a third (38%) of organizations to plan for zero to moderate spending on loyalty programmes over the next two years.

Lauren Milne, Chief Strategy Officer at Apply Digital, says: "As companies reassess their strategies, many are turning to AI tools to enhance customer engagement. This does make a lot of sense, there's little doubt that AI-driven personalization tactics play a huge part in driving efficiencies and conversions. However, that doesn't mean that there isn't still a place for more traditional CX strategies such as loyalty, the trick is reimagining and reinvigorating them through the lens of AI."

Despite reduced investment, 47% of respondents still view loyalty and rewards programs as effective tools for driving repeat business. However, closer analysis reveals a notable split in opinions; while 43% of senior leaders believe customers are losing interest in loyalty programmes, an equal percentage disagrees.

The research also highlights that organizational misalignment and siloed data are the primary

barriers to achieving better results from customer engagement strategies. Many large enterprises struggle to unify their customer data, making it difficult to deliver the types of cohesive, personalized experiences that drive revenue.

Lauren Milne comments: "AI is seen by many as a solution to the relative decline in the effectiveness of loyalty. However, businesses are unlikely to meet their targets until they have addressed the underlying structural challenges that hold them back from moving to a data-first model.

"AI tools such as chatbots and personalization engines can be highly effective if they are integrated with existing systems and tools to support engagement efforts. However, this will only work if sufficient investment has already been put into data integration and alignment across teams and platforms."

For more information on how to achieve better customer engagement ROI download the full whitepaper, 'The Future of Customer Engagement: Achieving ROI with Loyalty, Personalization and AI', at <https://www.applydigital.com/en-150/insights/learn/the-future-of-customer-engagement-achieving-roi-with-loyalty-personalization-and-ai/>.

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