AI Alone Won't Cut It: Twilio's 6th Annual Report Finds Trust and Timing Drive Customer Loyalty

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71% of consumers abandon irrelevant experiences — brands that personalize in real time and prioritize transparency are winning hearts, trust, and revenue

SAN FRANCISCO--(BUSINESS WIRE)--Jun. 3, 2025-- Twilio (NYSE: TWLO), the customer engagement platform that drives real-time, personalized experiences for leading brands, today released its sixth annual State of Customer Engagement Report. Based on a global survey of more than 7,600 consumers and 600+ business leaders across 18 countries, the report underscores a powerful trend: AI is driving clear ROI — but unless businesses also earn consumer trust and deliver relevance in the moment, they risk leaving real value on the table.

In a macroeconomic climate where every dollar counts, the stakes are high. While 96% of companies say AI is improving customer-facing operations such as support, marketing, and personalization, and 75% see increased customer spend from personalization efforts, only 45% of consumers feel understood by the brands they interact with, down slightly from 46% in 2024. And despite 83% of business leaders claiming to deeply understand their customers, consumer behavior tells a different story: 71% will walk away from purchases if the experience doesn't feel relevant.

"AI has opened the door to more personalized customer experiences than ever before — but technology alone isn't the answer," said Chris Koehler, CMO of Twilio. "Our research shows that to truly engage customers, brands must earn their trust, respect their preferences, and meet them in real-time with experiences that feel human. In today's climate, customer loyalty is harder to earn — and the brands that succeed will be the ones that invest in the right tools to deliver personalization at scale, while maintaining transparency and putting the customer first."

Key insights from the report show why better CX is the key to AI's return on investment:

- **AI-powered personalization is delivering revenue—but not trust.** 56% of brands now use AI to tailor experiences — from personalized content and recommendations to real-time support and dynamic offers — and 75% report increased customer spend. But 61% of consumers don't believe brands use their data in their best interest, and 55% say they're tired of hearing about AI.
- **Real-time engagement drives conversion—and loyalty.** 71% of consumers abandon purchases when experiences fall flat. On the flip side, 88% are more likely to buy when engagement is personalized in real time—but only 44% of brands say they're executing at that level.
- **Trust is rising—but remains fragile.** While 90% of consumers trust at least some brands, just 15% "absolutely" trust them with their data. 84% want control over their personalization settings, and 54% want to know when they're talking to AI—not a human.
- **Smart investments are separating leaders from laggards.** 96% of businesses plan to build custom CX over buying off-the-shelf—betting on better data, transparency, and automation to stay competitive. 75% also plan to adopt RCS in 2025 to create richer customer conversations.

In a world where customer loyalty is harder to win — and easier to lose — businesses can no longer afford to treat trust and personalization as optional. The 2025 State of Customer Engagement Report makes it clear: brands that build transparent, real-time relationships will be best positioned to drive growth, deepen loyalty, and stand out in an increasingly competitive, AI-driven marketplace.

The full 2025 State of Customer Engagement Report is available here: https://www.twilio.com/en-us/state-of-customer-engagement.

Report Methodology

Twilio surveyed 7,640 global consumers and 637 business leaders from January 3–February 17, 2025. Respondents span 18 countries and include Gen Z to baby boomer consumers and business leaders with oversight of CX, martech, and customer data strategy.

About Twilio

Today's leading companies trust Twilio's Customer Engagement Platform (CEP) to build direct, personalized relationships with their customers everywhere in the world. Twilio enables companies to use communications and data to add intelligence and security to every step of the customer journey, from sales to marketing to growth, customer service and many more engagement use cases in a flexible, programmatic way. Across 180 countries, millions of developers and hundreds of thousands of businesses use Twilio to create magical experiences for their customers. For more information about Twilio (NYSE: TWLO), visit: www.twilio.com.

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Caitlin Epstein
press@Twilio.com

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