Twilio's Latest Report Highlights Conversational AI's Rapid Adoption, Challenges, and Perception Gaps

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Survey data shows a 31-point satisfaction gap between business leaders' beliefs and consumers' experiences with conversational AI

Within the next year, 59% of organizations expect to fully replace the conversational AI solution they have in place today

More than 70% of consumers claim they can identify an AI agent, but 90% failed to do so correctly

SAN FRANCISCO--(BUSINESS WIRE)--Nov. 13, 2025-- Twilio (NYSE: TWLO), the customer engagement platform that drives real-time, personalized experiences for today's leading brands, today released its *Inside the Conversational AI Revolution* report.[1] Based on a global survey of 457 business leaders and 4,800 consumers across 15 countries, the report unearths major trends related to conversational AI's adoption, perceptions, and expectations, including a finding that 99% of organizations anticipate their conversational AI strategy will change in the next 12 months.

"Businesses that want to successfully deploy conversational AI for customer service, sales, and marketing need to prioritize customer preferences in order to build long-term trust," said Inbal Shani, chief product officer and head of R&D at Twilio. *"As with any new technology, business leaders must be ready to navigate a rapidly changing technical landscape. The key capabilities to prioritize are flexibility, experimentation, and continuous monitoring of the customer experience."*

The report shows rapid adoption of conversational AI for customer service and sales, with 63% of organizations in either the final or complete stages of development, and 85% of consumers reporting interactions with an AI agent within the past three months. The speed of innovation has created a significant gap in perceptions between business leaders and consumers. While an overwhelming 90% of business leaders believe their customers are satisfied with their conversational AI experiences, only 59% of consumers report satisfaction.

Rapid Adoption Leads to Unique Challenges

While business leaders and consumers both have a positive perception of conversational AI and embrace its benefits, the technology's accelerated adoption has surfaced a series of challenges. Despite these challenges, consumers' satisfaction with AI agents is improving quickly. While only 45% were satisfied with their interaction more than three months ago, that number jumped to 67% for those interacting with AI agents within the past three months.[2]

Key insights from the report show:

- **Early investments are far from future proof** – Early adopters are discovering that their conversational AI solutions have a surprisingly short shelf life. 59% of organizations expect to fully replace their current solution in less than a year, and 80% of business directors report that it's expensive to keep up with the rapid change of AI models.
- **A delicate balance with AI and human agents** – 83% of business leaders believe conversational AI can replace human agents, but 78% of consumers say it is important to be able to switch from an AI agent to a human agent. Only 15% of consumers reported experiencing a seamless handoff from AI to human agents.
- **Balancing contextual data, trust, and privacy** – 54% of consumers believe AI agents rarely or never have context about them as a customer. To compound that issue, 51% of consumers are uncomfortable sharing personal or financial information with AI agents, and 66% feel uneasy about an AI agent having access to their full history with a business. For businesses, security and privacy considerations served as the most influential factors (39%) when developing their conversational AI deployment strategies.

Misguided Perceptions and a Generational Divide

Robotic customer service experiences and clunky IVR menus of the past have left a lasting impression on consumers. The report surfaces a number of misguided perceptions of AI agents, including pronounced differences across generations.

- **Consumers can't identify AI as well as they think** – A large majority of consumers (75% for text-based interactions and 72% for voice-based interactions) claim they can immediately identify an AI agent. In reality, 90% of consumers failed to correctly identify AI-generated voice clips – with older generations being twice as good at spotting the differences.
- **Humans over AI, unless it's faster** – 69% of consumers prefer interacting with real people, but 63% believe an AI agent is better at responding faster, and 72% would pick an AI agent over a human agent if the issue was guaranteed to be solved faster. Additionally, 33% of consumers admit to having shouted or typed expletives when interacting with customer service, with nearly equal amounts to AI agents (20%) as human agents (19%)
- **Generational trust differences** – Gen X (53%) and Baby Boomers (46%) express the lowest satisfaction levels with AI agents, have a stronger preference for human agents, and higher skepticism rates for businesses' use of AI. Meanwhile, Gen Z consumers are least likely (31%) to require human support after an AI interaction, but are also most uneasy (70%) across all age groups about AI data privacy.

Consumer Expectations and Business Opportunities

The report's findings are clear: consumers value effective and fast resolutions above all else, and their willingness to engage with AI agents is highly conditional on the AI agent's performance.

Businesses striving to close the AI customer satisfaction gap and deliver reliable, empathetic and personalized customer experiences must focus on: effective problem-solving, not just speed; improved AI agent to human agent handoffs; enhanced security, privacy, and transparency to build customer trust; and adaptable omni-channel solutions with a flexible and composable tech stack that supports multiple AI models. As these businesses prepare to replace their existing solutions in the next 12 months, further investments in interoperability and modularity will play a critical role in strengthening their ability to adapt in the more distant future.

The full report - *Inside the Conversational AI Revolution* - is available here.

Report Methodology

Twilio[1] surveyed 4,800 global consumers and 457 business leaders (full-time directors or higher at B2B and B2C companies) spanning 12 countries from August 7 - September 4, 2025, with an additional 3 countries surveyed from October 10 to October 17, 2025.

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.

1. Twilio conducted this research using an online survey prepared by Method Research and distributed by RepData.

2. Data was collected from August 7 to September 4, 2025 with an additional 3 countries surveyed October 10 to 17, 2025.

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