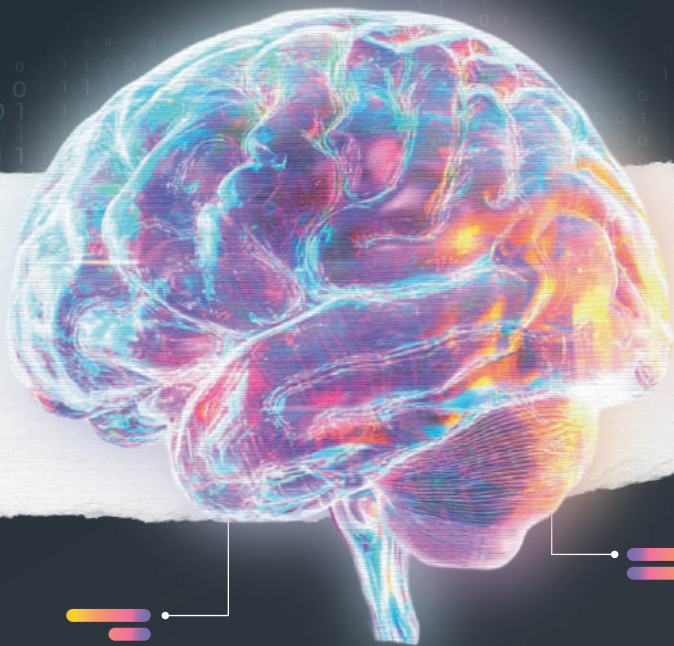


moengage >< ARTEFACT

MIND THE AI GAP

What Consumers Expect from Brands by 2030

Survey Insights from 1,000+ European Consumers



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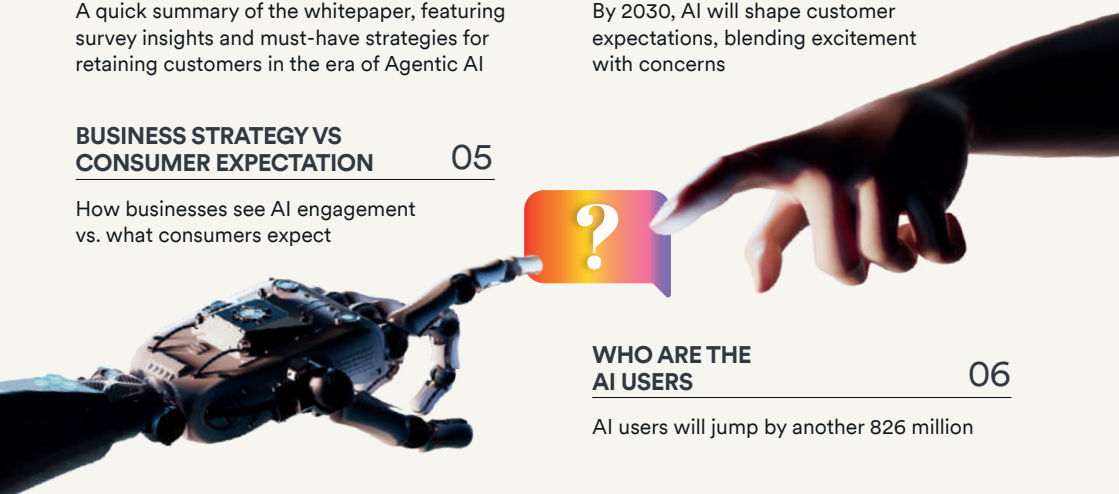
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MoEngage and Artefact partnership enables global businesses to elevate customer engagement



At-a-glance summary.

We surveyed over 1,000 European consumers, aged 16 to 65 and representing diverse backgrounds, to understand their expectations and concerns regarding AI-driven customer experiences. This whitepaper highlights potential disconnects between business strategies and consumer expectations for AI in customer engagement and offers strategies businesses can use to bridge the gap.

5 Customer Engagement Imperatives

The whitepaper outlines five non-negotiable strategies for businesses to master by 2030: Sentiment-Driven Personalization, Omnichannel Consistency, Proactive Customer Anticipation, AI-Driven Personalization, and Ethical AI & Transparency. These strategies are crucial for bridging the AI gap between consumer expectations vs achieving business KPIs.

Customers Still Have Skepticism About AI

A significant portion (16%-34%) of respondents chose “None of these” across several questions, reflecting a lack of alignment between AI advancements and customer expectations. This signals the need for businesses to educate consumers on AI benefits and deliver consistent results to overcome skepticism.

Transparency is Critical for Loyalty

Across multiple questions, lack of transparency in AI interactions is a recurring concern (37% cited it as a loyalty issue), highlighting the need for businesses to be upfront about how they use AI to build trust with customers.

Real-World Success Stories

The whitepaper provides case studies demonstrating how AI-powered customer engagement platforms can drive significant results like improved customer lifetime value by using AI-generated insights to personalize user engagement and re-engage lapsed users.

AI Use Cases

Readers will find practical information on AI use cases categorized into Audience Builder (for segmenting valuable customer groups), Engagement & Orchestration (for hyper-personalizing recommendations and optimizing campaign delivery), and Insights & Analysis (for providing intelligent insights and optimizing budget allocation).

To navigate the evolving landscape of AI in customer engagement and bridge the gap between business strategies and consumer expectations, explore the full insights within this whitepaper.

A real glimpse into what your future customers anticipate.

Imagine it's 2030.

AI isn't this futuristic concept anymore - it's just... there. The new "normal". It's woven into the fabric of our day-to-day, like grabbing a morning coffee, walking the dog, or doing a nursery run.

The possibilities are both exciting and a bit unsettling, given the unknowns that still exist. What Agentic AI's capable of right now is already incredible, imagine what 2030 and beyond will bring. Naturally, we began to seriously ask ourselves: How will this impact everything? Our work, our businesses, our daily lives?

We asked over 1,000 European consumers, from all walks of life, to hear their honest take on what an (almost) entirely AI-driven customer experience means to them. What are they excited for? What concerns them? And what are their expectations? This isn't just data - it's a real glimpse into what your future customers anticipate and a roadmap for how you can truly connect with them.

"Using AI right means understanding customer needs to deliver personal experiences that earn their trust and loyalty. At MoEngage, we help brands do just that with our technology."



Raviteja Dodda

CEO & Co-Founder, moengage

"At Artefact, we use governed, responsible AI to deliver hyperpersonalized experiences that truly matter. With Agentic AI, we go beyond relevance—driving adoption, trust, and measurable customer impact."



Niels Thomsen

Partner, Germany & Northern Europe
ARTEFACT

How businesses see AI-driven engagement vs. what consumers expect.

As you refine and implement these strategies, keep your future customers' expectations at the center. Success comes from putting your customers first every step of the way.

STRATEGY 1 Truly Proactive & Predictive Engagement

Business Strategy

AI constantly analyzes data to predict needs, offering preemptive solutions/offers. Focus is on efficiency, anticipating sales opportunities.

Consumer Expectation

Wants proactive help, yes, but fears being constantly monitored. Expects helpfulness without being overly intrusive or manipulative.

Potential Disconnect

Businesses might overstep, leading to "creepy" experiences. Consumers value privacy and control, not feeling targeted.

STRATEGY 2 Hyper-Personalized AI Relationships

Business Strategy

AI creates granular customer profiles, delivering laser-focused personalization. Focus is on increased conversions & ROI.

Consumer Expectation

Wants personalization, but fears feeling like "just a data point." Expects genuineness, not manufactured intimacy.

Potential Disconnect

Businesses might lack the human touch, leading to feeling like they're just a transaction. Customers want to be seen and understood as unique individuals beyond data.

STRATEGY 3 Seamless Omnichannel AI Experiences

Business Strategy

AI ensures consistent experience across all channels. Focus is on operational efficiency & unified brand messaging.

Consumer Expectation

Wants seamless transitions, but also channel-specific experiences. Expects personalization to continue regardless of method chosen.

Potential Disconnect

"Seamless" for businesses might feel "generic" to consumers. Context matters. Consumers want AI to adapt to each channel's nuances.

STRATEGY 4 Transparent & Ethical AI Practices

Business Strategy

Focus is on compliance & risk mitigation.

Consumer Expectation

Demands transparency. Expects control over data, clear opt-outs, and ethical use of AI.

Potential Disconnect

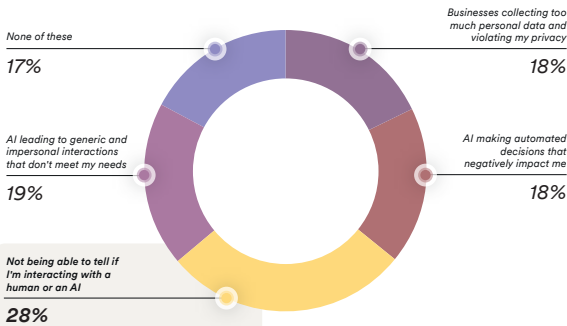
Lack of transparency will kill trust. Customers will be vocal about businesses that aren't ethical in their AI practices.

WHO ARE THE AI USERS

AI users will jump by another 826 million.

Anyone using AI-powered tools or services is an AI user. This includes people using Siri, Alexa, movie/product recommendations, traffic apps, chatbots. That's pretty much everyone today, and Statista predicts AI users will jump by another 826 million (a 238.59% increase!) between 2025 and 2031.

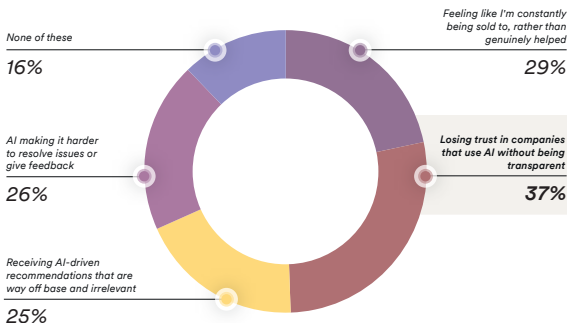
What is your biggest concern right now about businesses using AI to engage with customers?



What businesses can take away:

Clearly communicate AI involvement to build trust and ensure data security to help create meaningful, customer-centric experiences.

What's your main worry about AI affecting your loyalty to brands?



What businesses can take away:

Prioritize transparency in AI use, ensuring interactions feel genuine and helpful rather than purely transactional. Clear communication about AI's role, personalized and relevant experiences, and seamless issue resolution will build trust and strengthen relationships.

AN OPTIMISTIC TAKE ON THE AI ERA

Agentic AI could really make our lives easier and better.

The infinite potential of AI is undeniable.

Just imagine having a personal assistant that flawlessly organizes your day, automatically handles your grocery orders tailored to your lifestyle, books your travel exactly as you prefer, selects your outfits based on your mood, negotiates your bills on your behalf, senses when you're stressed and suggests helpful activities or products - the possibilities are endless! **That's just the beginning of how AI could really make our lives easier and better.**

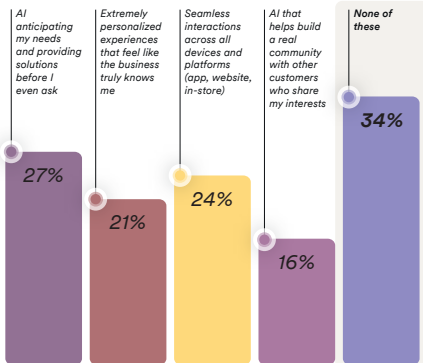
"AI has the power to make every customer journey effortless like finding the right product, at the right time, in the right way. But to unlock that potential, we must earn trust, design for relevance, and never lose the human touch."



Seema Sheoran

Lead of Applied AI & Data in Marketing, Germany, ARTEFACT

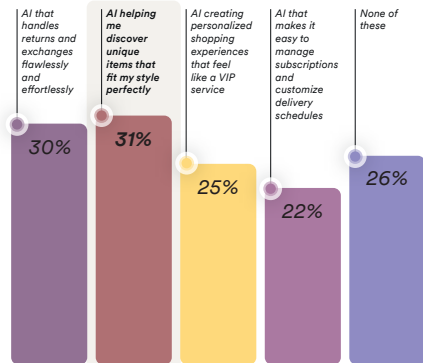
What excites you most about AI's impact on customer engagement?



What businesses can take away:

Educate customers on AI benefits, highlight success stories, and meet evolving expectations to bridge trust gaps, focusing on delivering anticipatory, personalized, and seamless AI-driven experiences. This approach addresses the 34% "None of these" responses, which likely stem from skepticism or a lack of awareness regarding AI's potential.

What would make shopping with AI really exciting for you?



What businesses can take away:

Prioritize AI-driven convenience and personalization, focusing on seamless post-purchase support, tailored recommendations, and subscription flexibility. Addressing the "None of these" response may require enhancing your existing features to better align with consumer expectations.

AI FOR BUSINESS OPPORTUNITIES

Those who leverage AI will be the winners.

Smarter AI is here to stay, and its evolution shows no signs of slowing down.

For businesses, the smartest path forward is to embrace it fully - learn how it operates, uncover its vast potential, and identify strategic ways to harness it effectively.

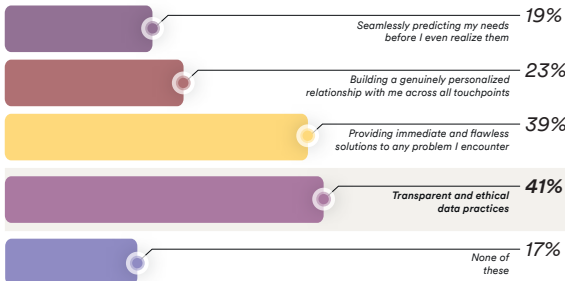
"AI is a means to enhance human-to-human relationships. Those who leverage AI in their business will be the winners."



Yash Reddy

Chief Revenue Officer
moengage

What AI capability do businesses need to master for you to stay loyal?

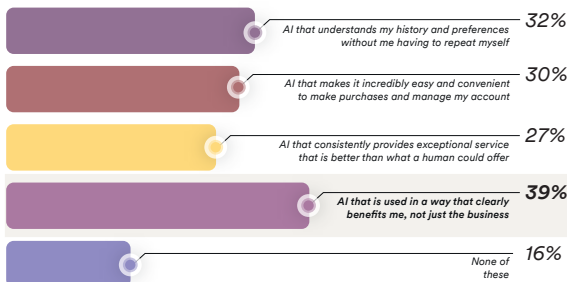


What businesses can take away:



Transparent and ethical data practices (41%) and immediate, flawless problem-solving (39%) are the most critical AI capabilities to earn customer loyalty. Focus on trust through ethical data handling and efficiency in issue resolution. The emphasis on transparency suggests customers want assurance that their data is used responsibly, while flawless problem-solving reflects a desire for practical value.

By 2030, what's the least you expect from AI customer engagement?



What businesses can take away:



While exceptional, AI-driven service exceeding human capabilities (27%) is valued, it is less critical. To meet future expectations, businesses must ensure AI solutions are customer-centric, provide tangible value, and are transparent in their benefit to users over the business itself. This includes building intuitive systems that reduce friction, personalize experiences seamlessly, and prioritize user convenience and satisfaction.

5

Customer engagement imperatives in the AI era.

By 2030, these non-negotiables will represent a paradigm shift in engagement, helping businesses forge trust-driven, emotionally intelligent, and truly hyper-connected relationships with customers. The key isn't necessarily to invent new tactics but to refine and master AI approaches that you're likely already using.

NON-NEGOTIABLE #1

Sentiment-driven personalization.

Example campaign

Emotion-aware customer interactions during service experiences.

Steps to get started

Integrate sentiment analysis tools and train AI on emotional patterns.

How to master it

Combine real-time emotions with predictive actions.

AI-Driven Retail Engagement



Maxi Dress | Bodycon | Blue Dress | Skater Dress | Floral Dress | AI Assis x

https://AIAssistant

AI Assistant

Hi, I've been searching for a dress for my friend's wedding, but I'm getting a bit frustrated. Nothing seems right.

AI AI Assistant

I can **sense that this is important** to you and you're **feeling a bit stressed**. Can you tell me more about the wedding venue or theme? I'm confident we'll find a suit that you'll love and feel yourself in.

NON-NEGOTIABLE #2

Omnichannel consistency.

Example campaign

Unified welcome campaigns across online and offline channels/interactions.

Steps to get started

Unify all touchpoint data, use AI for real-time behavior tracking and tailored engagement.

How to master it

Balance human-AI roles, target micro-segments, and refine customer journeys.

AI-Driven Banking Engagement



NON-NEGOTIABLE #3

Proactive customer anticipation.

Example campaign

Churn-prevention campaign with incentives for disengaged users.

Steps to get started

Build predictive analytics models for churn signals.

How to master it

Automate lifecycle engagement to amplify proactive outreach.

AI-Driven Media & OTT Engagement

Jane Taylor
Customer Profile

♥ Last engaged content:
Preferred channel: Push
Best time to send: 1 PM
Last active: 6 months ago

Chill Stream

Hi Jane,
We've missed you! Here's a special treat. Tap for a 7-Day Free Pass on premium channels!

STRANGER THINGS

Disengaged user
Send Push

How AI can help in this scenario:

- ▶ Identifies disengaged user
- ▶ Determines the optimal timing and channel
- ▶ Personalizes the incentive itself
- ▶ Triggers notification
- ▶ Tracks campaign performance
- ▶ Optimizes campaign in real-time

NON-NEGOTIABLE #4

Personalization with Agentic AI.

Example campaign

Customized daily itinerary.

Steps to get started

Use Agentic AI for preference gathering and build a comprehensive user profile.

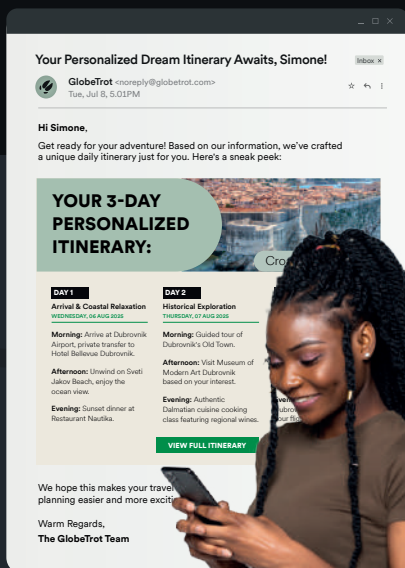
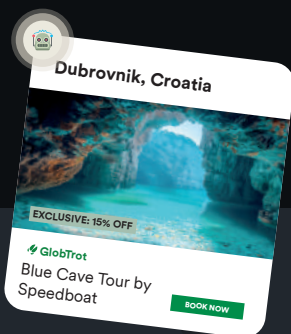
How to master it

Use Agentic AI to develop a nuanced understanding of each customer's individual needs and preferences.

AI-Driven Travel Engagement

Agentic AI recommendations in this scenario:

- Flight and accommodations
- Excursions personalized by interests & weather
- Restaurant and dining suggestions
- Triggers notification
- Packing lists tailored to the destination and weather
- Exclusive deals based on loyalty status



NON-NEGOTIABLE #5

Ethical AI and trust transparency.

Example campaign

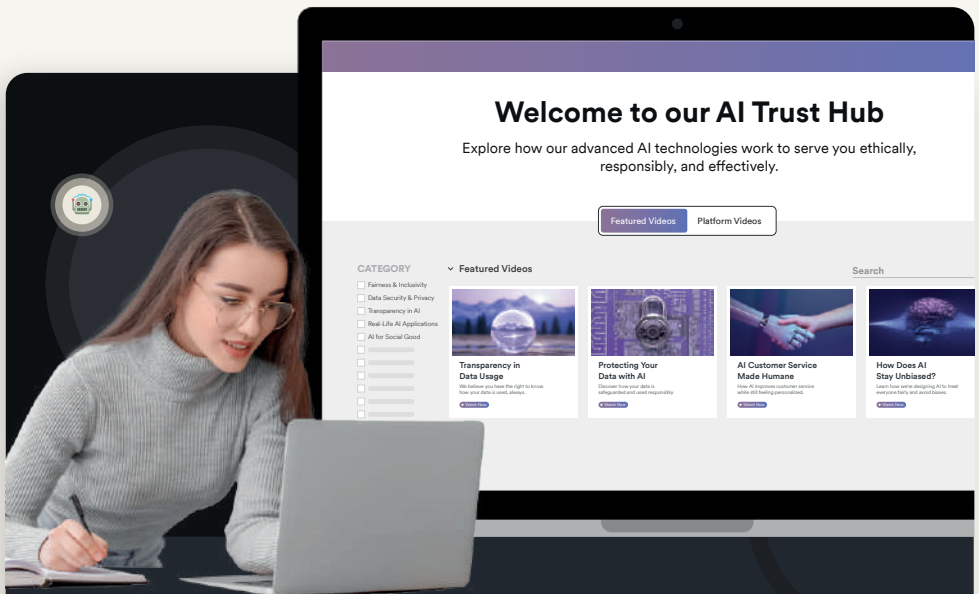
Trust-building videos on how AI serves customers ethically.

Steps to get started

Explain your use of AI clearly and empower users to control data.

How to master it

Develop live dashboards for transparency and verify practices.



More video concepts to build trust with customers on ethical AI use:

- ▶ Real customers sharing their experiences with AI-powered services
- ▶ A video on how customer data is protected by your business's AI systems
- ▶ Examples of how employees and AI work together

AI engagement in action

Featuring case studies showing practical use of AI in marketing campaigns and the results achieved.

fastic The world's largest fasting app with 50M+ downloads

Fastic leveraged AI-powered customer insights and data generated by individuals on the platform and used these to fuel personalized user engagement. This helped customers meet their health & fitness goals while increasing subscription revenues (**15% of monthly revenues now come from new users**) and building loyalty amongst its user community.

By focusing on AI-optimized engagement through 'owned' channels instead of costly social/paid media, Fastic significantly lowered CAC. Personalization also proved key in reactivating lapsed users, with **35% of re-engaged users subscribing**, unlocking valuable additional revenue.

How Fastic is leveraging MoEngage

Fastic previously used a Customer Engagement Platform (CEP) lacking AI and analytics, leaving it without a 360-degree user view. Seeking to enhance engagement and personalization, Fastic partnered with MoEngage, a CEP with built-in analytics.

This partnership allowed Fastic to track customer journeys via an intuitive reporting dashboard, enabling deeper personalization. MoEngage's AI engine, Sherpa, optimizes campaigns by identifying ideal communication times, preferred channels, and tailoring journeys based on users' behaviors, lifestyle, location, language, demographics, and fitness goals. The 'Intelligent Path Optimizer' lets Fastic test and improve multiple omnichannel journeys, automatically identifying the best-performing paths. This automation accelerates testing, optimization, and personalization at scale, driving conversions and revenue growth.

Campaign Key Results

Introductory Offer

15%[↑]

Delivered monthly revenues in it's CRM

2X[↑]

Personalized pricing doubled CLV

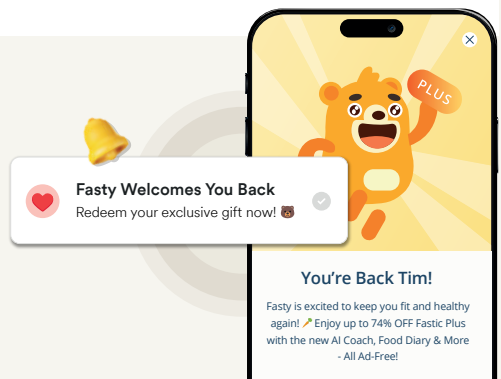
Welcome Back Offer

35%[↑]

Go on to subscribe

40%[↑]

User open rate



AI engagement in action

Featuring case studies showing practical use of AI in marketing campaigns and the results achieved.

DOLCE & GABBANA Capturing Emerging Beauty Trends with Data and AI

Dolce & Gabbana is a globally recognized luxury fashion and beauty brand, sought to stay ahead of fast-evolving market trends in the beauty industry. The challenge lay in anticipating emerging consumer preferences in the dynamic beauty market to guide their product innovation and marketing strategies.

How D&G is leveraging Artefact

Dolce & Gabbana collaborated with Artefact to harness the power of AI and data science to navigate the fast-paced and ever-changing beauty industry. By analyzing vast amounts of unstructured data from sources such as social media platforms, beauty forums, e-commerce websites, and search engine trends, Artefact utilized machine learning and natural language processing (NLP) to detect emerging beauty trends and uncover regional consumer preferences in real-time. These insights were structured into a "Cultural Relevance Framework" and delivered through a custom reporting dashboard, enabling Dolce & Gabbana to spot trends up to six months earlier than traditional methods.

This data-driven approach allowed the brand to make faster, well-informed decisions, personalize their marketing campaigns for different markets, and develop product innovations that aligned perfectly with evolving consumer demands, strengthening their global relevance and market competitiveness.

🎯 Campaign Key Results

90%↑

Accuracy in Trend Spotting

Delivered monthly revenues in its CRM

100%↑

Alignment in Localized Marketing

Regional insights enabled tailored campaigns, strengthening connections with diverse audiences.

Customer-Centric Innovation ↑

Data-driven insights directly led to multiple new product launches aligned with emerging beauty preferences.

Significant Cost & Time Savings ↑

Automating trend analysis reduced costs and accelerated decision-making compared to slower, traditional methods.



"Through artificial intelligence, we can leverage predictive power to anticipate trends, developing globally scalable models applicable to all product categories and countries."

Elena Cerea

Global Marketing Director
Makeup & Skincare
DOLCE & GABBANA Beauty



How marketers can leverage AI across key use cases.

From creating spot-on audience segments to delivering truly personalized experiences and gaining valuable insights, discover how AI can simplify your marketing, connect with your customers, and help you deliver what they actually expect.

Bucket #1: Audience Builder

USE CASE	WHEN TO USE IT	WHY IS IT USEFUL
Quickly identify and create target audience segments based on specific criteria.	Use it when you need to segment your audience rapidly and efficiently.	Accelerates time-to-market, and simplifies audience segmentation.
Predict customer actions and create focused segments.	Use it campaigns, such as churn prevention or targeted promotions.	Reduces churn, and maximizes lifetime value.
Identify valuable customer groups based on recency, frequency, and monetary value.	Segment customers based on RFM, RF, RM, and FM models.	Helps identify the most valuable customer groups.
Unify customer data and build advanced segments using propensity models and rule-based features.	Use it when you want to enrich segmentation across PII and non-PII data.	Enables deeper personalization at scale and reduces reliance on external tools.

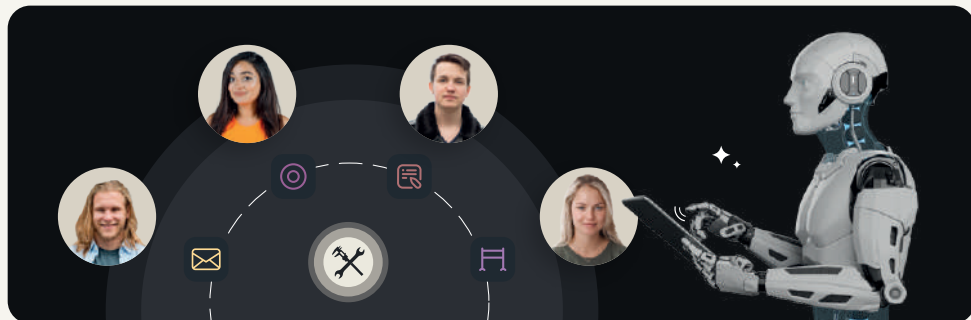
Bucket #2: Engagement and Orchestration

USE CASE	WHEN TO USE IT	WHY IS IT USEFUL
Deliver hyper-personalized recommendations based on customers' engagement data.	Use it to present specific products or services tailored to their interests at the exact moment they need them.	Helps users feel heard, valued, and more likely to respond.
Streamlining content creation and QA processes.	Use it during high-demand periods like seasonal sales, or when scaling automation efforts across channels.	Enhances the overall quality and effectiveness of campaigns, driving better results.
Building tailored, high-converting customer journeys flows with ease.	Use it when you want to create complex customer journey flows.	Dramatically reduces build time.
Campaign ideation and end-to-end design.	When you need fresh ideas or are running out of creative inspiration.	Helps teams conceptualize innovative ideas, and design engaging experiences faster.
Engaging customers through preferred channels at the right time.	For product recommendations, re-engagement campaigns, personalized offers, or onboarding flows.	Boosts open rates, CTRs, and overall engagement by delivering content in that aligns with customer habits.
Automate next best experience and offer on Web or App.	Use it during key user touchpoints such as product browsing, checkout, or after a recent interaction.	Demonstrates that you understand your customers' needs.

USE CASE	WHEN TO USE IT	WHY IS IT USEFUL
Identify the best-performing paths for each user.	Use it when you want to automate A/B testing of journey flows.	Automates testing and optimization to maximize conversions.
Dynamically adapt messaging and creatives based on user profile or behavior.	When aiming to increase engagement or conversion rates in CRM or onsite journeys.	Enhances user experience with hyper-relevant messaging, boosting performance metrics.
AI agents automate multi-step workflows (briefing, creative matching, budget routing).	When managing complex omnichannel campaigns or repetitive tasks.	Frees up operational teams, improves speed-to-launch, and ensures consistent execution at scale.
AI-Augmented Voice & Chat Experiences	Agentic AI used in real-time customer interactions (chatbots, call centers, WhatsApp, etc.).	Reduces response time to solve customer queries in real time.

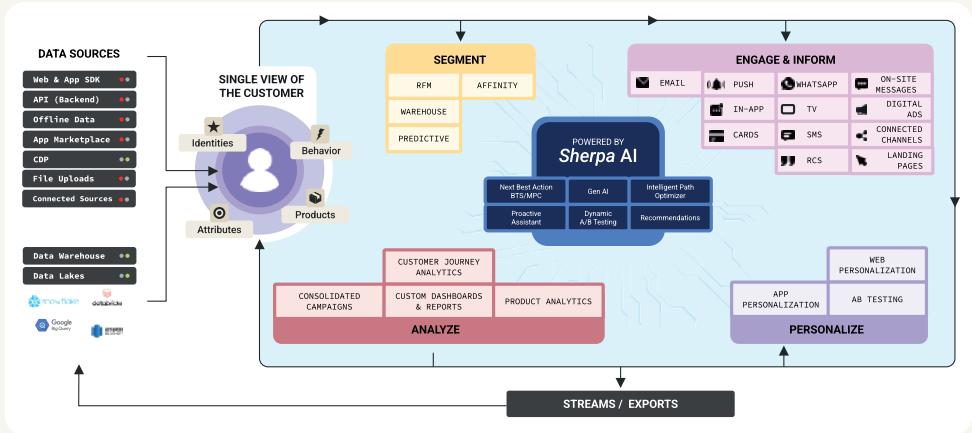
Bucket #3: Insights and Analysis

USE CASE	WHEN TO USE IT	WHY IS IT USEFUL
Quick access to data insights without the time or expertise required for manual analysis.	During campaign performance reviews, or for strategy meetings where visualizing metrics is key.	No need for technical skills, accelerates trend analysis, and provides real-time actionable insights.
Simulate and recommend optimal budget allocation using trained models.	When planning future media spend across online/offline channels.	Maximizes ROI by simulating different scenarios and adjusting investments accordingly.
Model the incremental impact of marketing tactics using machine learning.	When assessing both upper and lower funnel performance.	Enables calibrated investment decisions across channels and funnel stages.
Use machine learning (e.g. Shapley values, Markov chains) to assign value across touchpoints.	When you need real-time insights on what's driving conversions.	Optimizes in-flight campaigns and improves channel ROI with dynamic attribution.
Predicting campaign ROI and unit economics.	During the campaign planning and budgeting stages.	Identifies high-impact opportunities, avoid overspending, and allocate resources more efficiently.



MoEngage: The Most Comprehensive AI-Powered Customer Engagement Platform.

MoEngage is a trusted solution, recognized by Forrester and Gartner for its multichannel personalization capabilities, innovation, and expert team. **More than 1,350 growth and enterprise businesses** -including Travelodge, Unilever, Deutsche Telekom, Pizza Hut, Samsung, SoundCloud, Starbucks, Birkenstock, and TopCashback - trust MoEngage to power personalized, data-driven, and automated customer experiences.



Moengage & Artefact Partnership.

DRIVING CUSTOMER-CENTRIC GROWTH WITH AI AND DATA EXCELLENCE

The MoEngage and Artefact partnership enables global businesses to elevate customer engagement by blending expertise in strategy, execution, and data-driven insights. By leveraging AI-powered technology and innovative strategies, brands can deliver meaningful, contextually relevant experiences while driving measurable results and achieving sustainable growth for years to come.

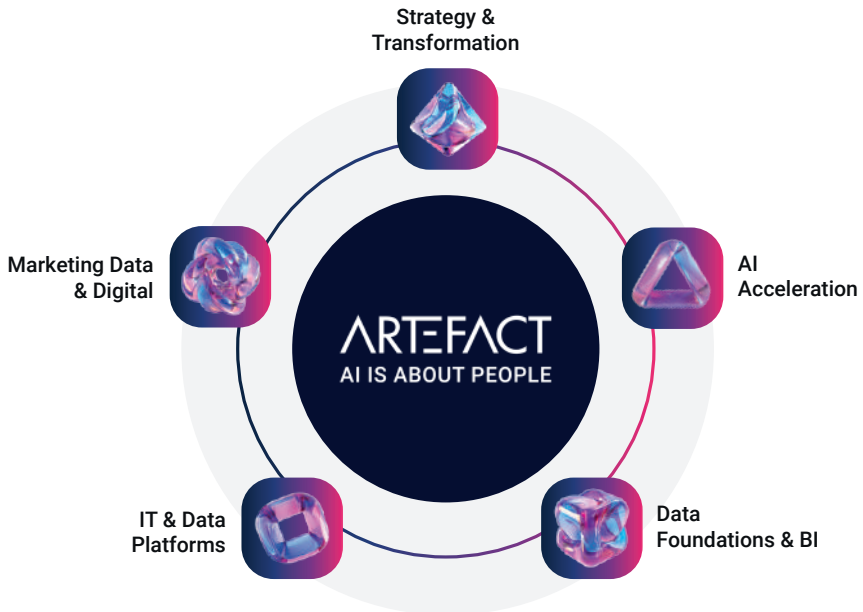


Artefact: World leading data & AI consulting partner.

Artefact is a leading global consulting company dedicated to accelerating the adoption of data and AI to positively impact people and organizations. The company specializes in data transformation and data marketing to drive tangible business results across the entire enterprise value chain.

Artefact offers the most comprehensive set of data-driven solutions per industry, built on deep data science and cutting-edge AI technologies, delivering AI projects at scale in all industry sectors. From strategy to operations, Artefact offer an end-to-end approach and solutions: data strategy, data quality and governance, data platforms, AI Factory, data-driven customer experience and marketing ROI.

With 1700 employees across 25 countries (Europe, Asia, Americas, Middle East, India, and Africa), the company partners with 1000+ clients, including leading global brands like Samsung, L'Oréal, and Sanofi.



That's a wrap!

AI is revolutionizing customer engagement, pushing businesses to adapt to rising consumer demands for personalization, transparency, and ethical data practices. Success lies in leveraging AI to foster deeper human connections and put customer needs first.

Discover how MoEngage's AI-powered customer engagement platform and Artefact's AI consulting services can transform your business.

Contact

moengage

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👉 moengage.com/request-demo

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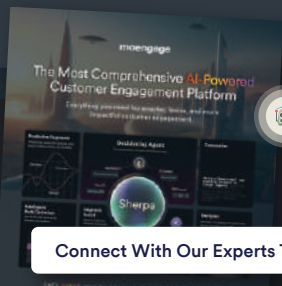
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*The Most Comprehensive
AI-Powered Customer
Engagement Platform.*



Connect With Our Experts Today!