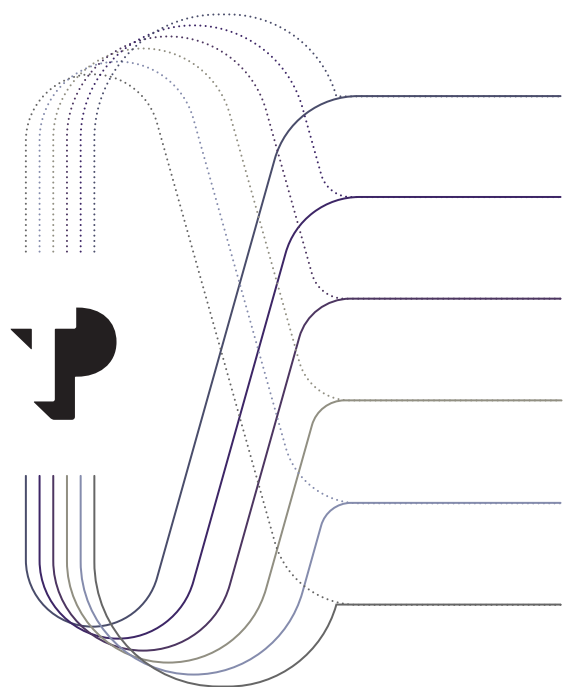# *CX in 2025*: The Top Challenges Facing CX Leaders Today

Throughout 2025, there has been a flurry of activity from industry analysts and business journalists, all attempting to predict the key business trends for the year ahead. Rather than adding to this sea of forecasts, we have been speaking directly with CX and Contact Centre leaders on the front line to understand the biggest CX challenges they are facing.

We talked to organisations in various sectors, including retail, insurance, financial services and travel, and this white paper outlines our findings from these interviews.

Some of the most important overall trends (across all industry sectors) we discussed included:

AI & Automation Adoption

Customer Expectations & Personalisation

Executive Buy-in & CX Prioritisation

Cost Pressures & Budget Constraints

Omnichannel & Integration Issues

Fraud & Security Consideration

tp.com

42%

AI & Automation Adoption

42% of respondents mentioned AI and automation as a challenge, particularly around implementation, value realisation, and balancing expectations.

35%

Customer Expectations & Personalisation

35% of respondents highlighted the challenge of keeping up with rising customer expectations, personalisation, and segmentation.

28%

Cost Pressures & Budget Constraints

28% of respondents expressed concerns over cost challenges, proving ROI, and balancing efficiency with CX improvements.

21%

Executive Buy-in & CX Prioritisation

21% of respondents cited difficulties in gaining board-level support and ensuring CX is a business-wide priority.

14%

Omnichannel & Integration Issues

14% of respondents mentioned issues related to fragmented customer journeys and integrating different channels.

14%

Fraud & Security Consideration

14% of respondents highlighted fraud and security as major concerns in maintaining seamless CX.

This document brings together the broad range of CX opportunities and challenges that we have heard directly from CX leaders during our research.

Artificial Intelligence (AI) and technology infrastructure are noted as important issues, but it is clear that communicating the return on investment for a CX strategy and creating a culture that designs services around the needs of the customer are equally important.

We have grouped the CX challenges into various themes. Each theme is explained, the challenges are listed, and we have added commentary on these issues.

Let's explore the most important themes discussed.

tp.com

AI and Automation Adoption

AI has been one of the top considerations and challenges for most teams designing CX solutions since OpenAI launched their ChatGPT system at the end of 2022. There are now many different AI systems that can be applied to CX design, but the initial promise of easy automation has not materialised. AI is extremely powerful, but it does still require detailed training and a clear strategy.

There is also still a need to balance any use of AI and automation with the human touch. If there is an over-reliance on automated service then this will frustrate customers who want or need a human interaction. It is still not possible to consider 100% automation as a short-term target for CX, so this AI to human handover must be planned for in detail.
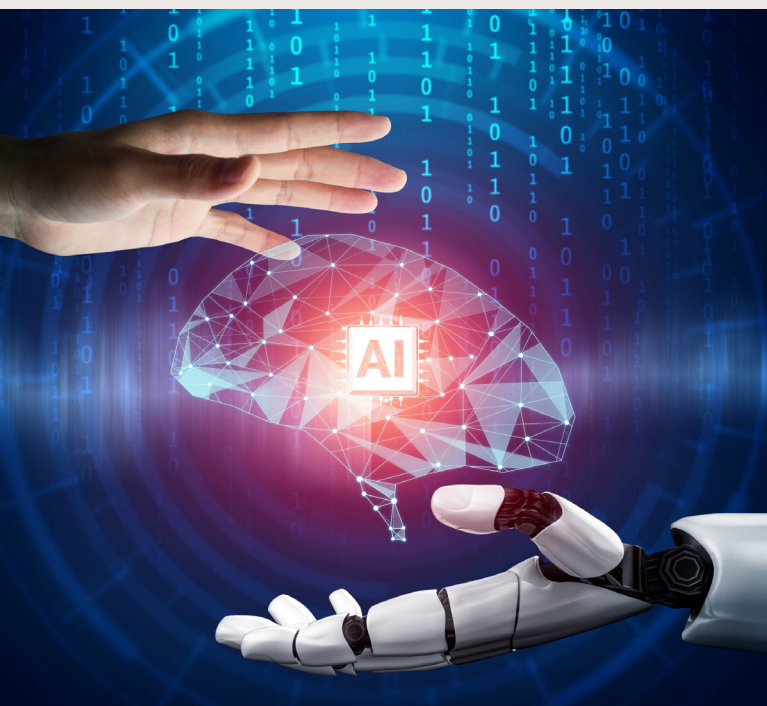
This requires a strategy that welcomes a hybrid service model where AI can handle simpler customer interactions with a smooth handoff to a human agent where needed.

The customer service agents will expect to be able to access AI tools to help them perform their role more effectively in addition to the customer interface being improved. This means that internal and external expectations must be managed to ensure the AI service works well and delivers to the level that people expect.

Managers are also concerned about how to safely and gradually introduce AI. There is need to embed AI in the contact centre in a way that can improve productivity, but without it affecting service quality or security.

This final point also indicates the changing role of the human agents. As AI starts handling more and more of the basic customer interactions, there is a need to build on the skills and resilience for the customer service teams, as expectations on their knowledge will be greater. Upskilling and recruitment changes need to run in parallel alongside automation, as well as increased support services due to the more complex and empathetic interactions being dealt with by the agents.

In 2023 and 2024 many companies were experimenting and starting pilot schemes that explored how to use AI to improve the customer interface and productivity within the internal team. In 2025, more companies are now expecting to see results. They are looking for a return on the investment in training language models and there is a greater realisation that AI is rarely ready to use 'out of the box.'

> **64% of respondents identified AI as a key challenge or opportunity in CX for 2025.**

tp.com

Technology and Infrastructure Gaps

Over the past decade, technology and tech infrastructure has played an increasingly important role in CX design. Managing customer contact today involves many more channels than just voice alone and there are an increased number of technology platforms involved in delivering customer experience – from cloud-based storage services to CRM systems helping to create a more personalised customer experience.
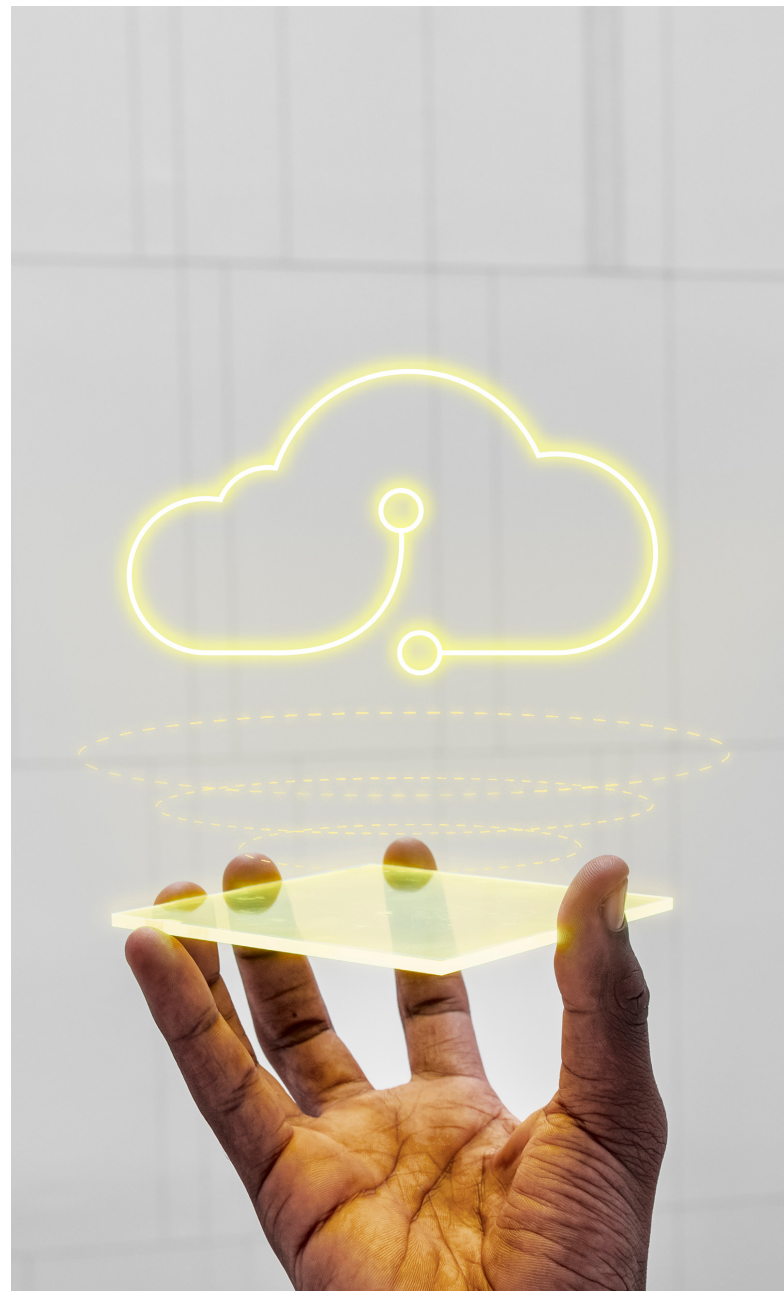
Many organisations are still facing the challenge of legacy technology systems. They know what they want to achieve with modern CRM and omnichannel support, but their IT systems often make it a challenge. This coincides with the pressure to meet the ongoing challenges of delivering services using the latest technology and solutions, despite these existing systems. Any desired digital transformation is often throttled by the need to continue using these existing systems.

Most CX leaders also feel the pressure to deliver an omnichannel experience to customers, so that all channels offer a high quality experience and they are all integrated. A customer calling for help after their email has not been answered should find that the agent knows all about their contact on other channels.

Platform-based contact centres, cloud-based storage, CRM systems that can identify groups of customers and analytics that can predict customer behaviour – all this technology is becoming vital to the customer service solutions of the future.

A modern CX solution can no longer be delivered without expertise in these technologies and the various third-party software products in this environment.

This means that building a CX solution today is about far more than just resourcing a contact centre and training the team. There is a huge tech stack that underpins the service team, and AI can help to automate some of these processes.

tp.com

Leadership and Buy-In

Senior leadership and management teams need to believe in the value of improving the customer experience. If not, it can be hard to plan for an effective CX strategy as they only ever see these processes as a cost of doing business, not an opportunity.

This is a challenge in itself, but engagement with customers can create sales opportunities and the ability to enhance loyalty and advocacy. This does however require planning.

The main issues in this area are focused on getting the board to buy into CX investment. Executives need to understand the value of a great customer experience so that it becomes a strategic priority. The objectives and key result measurements need to focus on customer experience and the opportunities that can be created.

The CX strategy also needs to be able to clearly demonstrate value through cost reduction and also a longer-term payback, especially where upfront investment is needed, such as training generative AI.

Since time began, management teams have carefully controlled how corporate budgets are allocated. The biggest challenge faced by CX leaders is shifting the perception of spending on CX from a cost to the business to making it an opportunity for growth.

The good news is that there are many case studies and a long history of creating opportunities from customer engagement, so even the most hard-nosed member of the senior leadership team should be able to see that a focus on CX can do more for the business that just answer customer calls.

21% of respondents cited difficulties in gaining board-level support and ensuring CX is a business-wide priority

tp.com

Personalisation and Segmentation

Customers are aware that brands have a large amount of data that details their preferences and historic behaviour. They increasingly expect these companies to use this data to offer a more personalised service, but they are equally concerned about data privacy, so that data needs to be used to enhance the experience without it feeling like the brand knows too much.

This can be tricky. Delivering personalised, relevant messaging and recommendations based on customer behaviour and history is the intention, yet many companies still fail at this. Examples include some of the supermarket loyalty schemes with many years of shopping data, but they are still unable to offer personalised offers, with the same offers going out to all customers.

Creating compelling customer profiles and ensuring teams understand and act on customer segment preferences is a first step to creating groups of customers, rather than managing each one as an individual.

Analysts talk of the 'uncanny valley.' This is a situation that looks good, but doesn't quite feel right. A retail customer realising that every offer is timed to be exactly when they might usually buy that product is a good example.

This is because, sometimes, personalisation can go too far. CX leaders need to calculate how best to create a more personal service without creating concern.

The answer is not to shy away from creating more personal offers and recommendations, but to work with your customers to find out what they feel comfortable with.

tp.com

Customer-Centric Culture

Industries such as financial services are seeing new market entrants challenge the dominance of traditional brands. A clear differentiation new brands are making is their customer-centricity. They are designing services around the needs of a customer in 2025, not back when the traditional brand first designed these processes.

Banking makes this distinction very clear. Think of a modern app that can make a loan decision in seconds compared to a traditional bank with a branch network asking the customer to complete various forms or even to meet a manager. Services need to be designed for the customer, not the management of that process.

The real challenge for all industries is how to embed the concept of customer-centricity into everything the brand does. Once achieved during design, how can this be maintained?

The voice of the customer needs to be constantly monitored and used as a guide, so it is central in decision-making processes to ensure customer empathy in service delivery.

Service is often focused on the post-purchase experience. Business-wide objectives should ensure that the importance of this service is not ignored, but there is a stronger focus on all aspects or stages of the customer journey.

Customer-centricity is an obvious goal. Everyone wants to offer a service that is designed around the needs of the customer, but it is not always easy to achieve. Archaic infrastructure that is impossible to change in the short term may prevent new ideas from being tested. Business processes that have always worked in the past may feel too sensitive to tear up, like those in banks where service is usually designed around products rather than the customer.

So how can you keep monitoring the true voice of your customer without just endlessly trying to survey what they think? You need to place the needs and expectations at the centre of how your services are designed.

tp.com

Budget Constraints and Prioritisation

Every manager needs to convince a superior that their project is worthy of budget. Budget is usually allocated based on the ability of a project to reduce costs or to create new opportunities that will eventually pay for the project – such as boosting customer loyalty.

But every company has cost pressures and challenges. External pressures, such as interest rates, government changes, and the cost of living, can impact on even the best future plans.

It is necessary to prioritise different issues and problems to be solved. But when every issue is business-critical, how do you prioritise which should be the main area of focus?

Managers are always asked to do more with less. Sometimes this can be achieved by focusing CX initiatives intelligently, but there is a general pressure on all CX leaders to cut their CX budget at the same time as increasing customer satisfaction.

This is the classic problem for every manager working in CX and was mentioned earlier in the section on leadership buy-in. Even if you do get your leadership to agree that your CX strategy is important, they may still ask for the budget to be prioritised.

This means that you need to think carefully about return on investment so you can demonstrate where similar projects have created positive outcomes in the past, especially an uplift in revenue or customer loyalty.

Can you decide which initiatives are essential and which are optional? Which may have an immediate effect on the metrics that are important for your team, and which may have a slower, but longer-term effect?

28% of respondents expressed concerns over cost challenges, proving ROI, and balancing efficiency with CX improvements.

tp.com

Changing Customer Expectations

Many CX and customer service leaders will remember the 'Amazon Effect.' This was where customers compared the simple and effective service they received from Amazon with other brands. Utilities and airlines would be challenged over their poor service by customers saying that Amazon can deliver a great customer experience so why can't you?

This general effect has become deeper and broader. Modern customers are now far more aware of what is possible and what good service looks like. These rising expectations do need to be balanced with practical realities, but individual customers are often not aware of the hidden challenges in running a customer service team.

Traditional CX and contact centre metrics may also not be helping. In the past there was always a focus on making voice calls as short as possible, but now customers often expect more interaction and more attention – requiring longer calls. Increased customer awareness and expectations may therefore require changes in how service is measured.

Modern customers are familiar with technology such as AI. They are using AI from established brands such as Google, Microsoft, and OpenAI. They are also often comfortable trying new technology from previously unknown brands.

This willingness to engage with innovation is often in contrast to the experience they have when engaging with a customer service process, and this can create a disconnect. Customers expect more. They can see innovation and experimentation all around in their personal life, so why are some major brands so far behind the curve when it comes to serving customers?

Think carefully about how you measure the success of your customer service processes. Are you measuring how the processes used to work, rather than what customers expect today?

35% of respondents highlighted the challenge of keeping up with rising customer expectations, personalisation, and segmentation.

tp.com

Measuring Success

It is harder to define customer service and CX success today than it ever has been. It used to be that measuring the performance of the contact centre was enough. If the contact centre is performing efficiently then the customers must be satisfied, but this is no longer true.

Change is taking place rapidly and metrics must be flexible enough to change when 'good' performance is redefined.

Most customer service teams measure and record far more data than any individual manager can monitor. They can easily be overwhelmed with a flood of data, therefore it is essential to focus on the measurements that matter and to use simple monitoring and alert tools, or have systems in place that collate and simplify the data for managers to see.

The bottom line here is what are you measuring? Are you measuring the performance of a contact centre, using metrics that also map easily onto fees and charges, or are you measuring customer success and satisfaction?

Businesses now need to focus attention on measuring the customer service process in a way that enhances the customer experience and is not just designed to measure how a contact centre is performing.

Think about how customer satisfaction is defined and achieved for your business. Does this map onto the metrics that you are using to measure these business processes?

tp.com

Trust, Security, and Vulnerability

Building trust is becoming more difficult than ever. Customers have seen how many major brands have lost personal data to hackers or other data breaches. This can make some customers reluctant to share personal data without a reassurance that it is safe.

There must be a focus on data security and privacy so that customer confidence can be increased. Vulnerable customers may need more proactive support. This applies to the elderly or those less able to seek help when they suspect their data is being misused.

Brands must also focus on digital inclusion to ensure that all customers are included, regardless of which type of service they want to use. Not every customer is comfortable using an app when asking for help.

This is a critical challenge that often gets less attention because it is considered to be a part of the infrastructure, rather than the more visible customer service processes.

It is essential though. Too many brands have lost customer data, and this costs them time and money to repair alongside the damage to corporate reputation, often this cannot be repaired. Many smaller companies never recover from the damage of a data breach.

Data must be protected, but plans need to be in place to help vulnerable customers who are not as tech-enabled as the early adopters. Every customer must have equal access to your services.

tp.com

What have we discovered?

This document has explored some of the key challenges facing customer service and CX teams in 2025. This is feedback from real CX leaders in real companies - not just an opinion on what to look out for.

As an important part of this summary, it is worth exploring each industry in turn to see the most common themes and issues. These were the most common challenges for each industry sector:
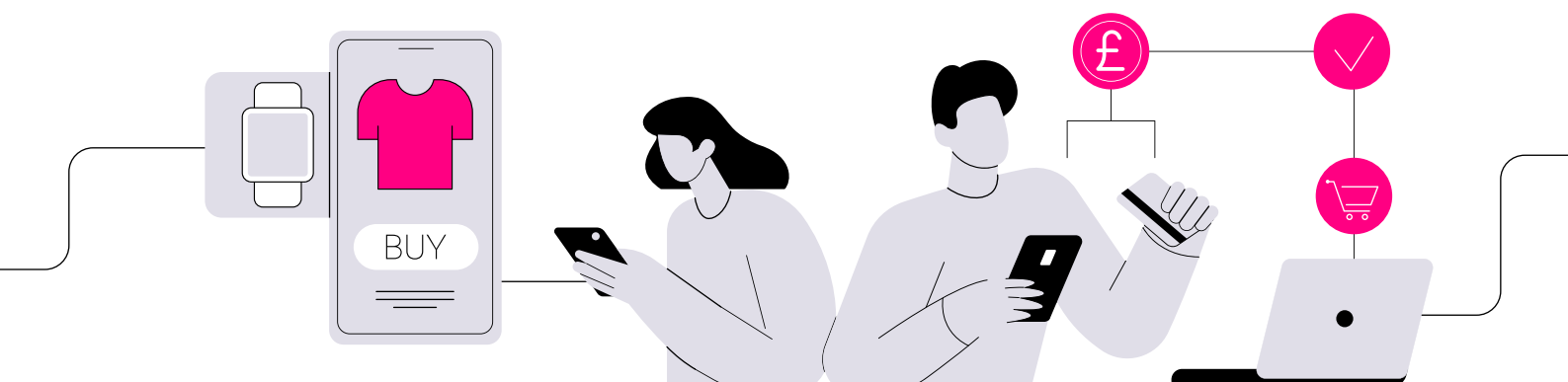
Retail

» **AI & Automation:** Balancing AI investment with real value

» **Cost Cutting & Efficiency Focus:** Companies are being forced to do more with less

» **Customer Expectation vs. Business Reality:** Rising consumer awareness is increasing expectations beyond what businesses can deliver profitably

» **Making the Customer's Voice Heard:** Businesses struggle to prioritise CX when financial pressure is high

Financial Services

» **Digital Transformation Speed:** IT and CX teams are not always aligned

» **Fraud & Security:** Balancing frictionless CX with necessary security measures

» **AI & Customer Trust:** The challenge of adopting AI while ensuring customer trust, especially for older demographics

tp.com

Travel

» **Personalisation & Segmentation:** Ensuring tailored experiences

» **AI Expectation vs. Reality:** Managing internal and customer expectations around AI

» **Recruitment & Retention:** Hiring and keeping skilled CX professionals, especially for multilingual and flexible roles

Insurance

» **Channel Optimisation:** Understanding where and how customers want to interact

» **AI Value Creation:** Turning AI into meaningful customer improvements

» **Customer Relationship Building:** Moving beyond transactional interactions

Medical Equipment Manufacturing

» **AI for CX Impact:** Knowing where AI makes the biggest difference

» **Technology Selection:** Identifying CX tools with the best ROI

tp.com

While AI holds great potential for CX strategies, companies can struggle to balance automation with human interaction. AI must be carefully integrated to ensure there are seamless handoffs to human agents, customer expectations are met, and customer (and agent) frustration is avoided. Upskilling customer service teams is necessary as AI takes over routine interactions.

Legacy systems make digital transformation difficult. Companies aim for omnichannel support and modern CRM integration but struggle because of outdated infrastructure. Ensuring seamless customer interactions across multiple channels remains a major challenge.

CX investment still often lacks executive support. Leadership teams need to see customer service as a strategic opportunity rather than just a cost centre. Demonstrating the long-term value of CX improvements is key to gaining executive buy-in.

Customers expect personalised experiences but are wary of privacy concerns. Companies need to strike a balance between using customer data effectively and maintaining trust. Effective segmentation strategies can enhance personalisation without feeling intrusive.

New market entrants are challenging established brands by prioritising customer needs and thinking 'outside the box'. Traditional companies must embed customer-centricity into their culture, ensuring service excellence across the entire customer journey, not just post-purchase.

Economic pressures force companies to make tough decisions about CX investments, and leaders must prioritise initiatives that balance cost reduction with long-term benefits like customer loyalty and retention.

Customers increasingly expect high-quality service based on best-in-class experiences from brands like Amazon. This requires businesses to rethink CX metrics, focusing on engagement quality rather than efficiency and chargeable processes alone.

Traditional contact centre metrics are becoming outdated. Companies must refine their KPIs to align with evolving customer expectations and ensure data-driven insights focus on what truly matters for customer satisfaction.

Customers are more concerned than ever about data security. Businesses must strengthen cybersecurity, provide proactive support for vulnerable customers, and promote digital inclusion to ensure all customers can access services in a way that suits them.

The challenges in this white paper highlight the growing complexity of customer service in 2025, emphasising the need for businesses to balance technological innovation with human-centered strategies. This increasing complexity means that finding a trusted partner who understands all these CX challenges can be an important first step in embracing the future.

tp.com

tp.com