CIKLUM

Gen AI and Digital Experience **Trends for 2025**

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Introduction

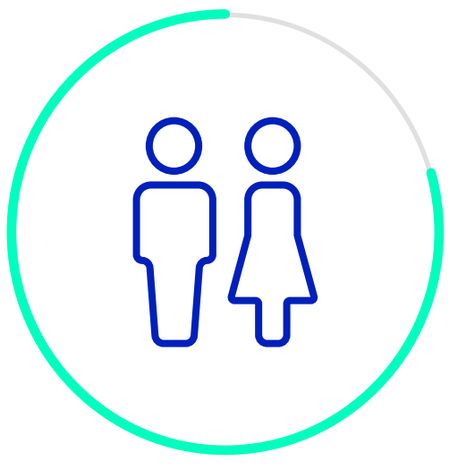
Generative AI has stolen many of the headlines in the world of technology over the last year - and with good reason. Gradually, everyone is coming to realize the scale of GenAI's potential, using artificial intelligence, machine learning and algorithms to create and generate text, images, audio and video. And that's why tech firms big and small are working tirelessly to gain first-mover advantage in the GenAI space - whether it's **Databricks** closing a US$10 billion Series J funding round in late January, or going for another US$2 billion in early January.

GenAI will undergo massive shifts, making it more present in ordinary consumers' lives and businesses' day-to-day activities. From a reduction in token costs to increased interoperability with other AI tools, GenAI is steadily becoming more accessible.

Additionally, improvements in techniques like vectorization will make unstructured data more valuable. This could intensify competition in extracting actionable insights from it much faster. **IDC** predicts that global expenditure on AI will double by 2028.

More specifically, 39% of companies surveyed are heavily invested in GenAI, possibly increasing to 61% within 24 months, according to an **NTT DATA study**.

Increasingly, GenAI is being used in many different ways to reshape and improve the digital experiences that we all use every day. This is especially the case as Generation Z plays a bigger and bigger role in the global marketplace. This particular demographic, made up of people born between 1997 and 2012, is now the biggest on the planet by number, making up more than a quarter of the world's population. Year after year, more and more of them are completing their education, finding jobs and earning their own income, which means that the purchasing power of Gen Z is expanding rapidly. According to a recent **Global Gen Z report**, their purchasing power could reach US$2.7 trillion in the next few years.

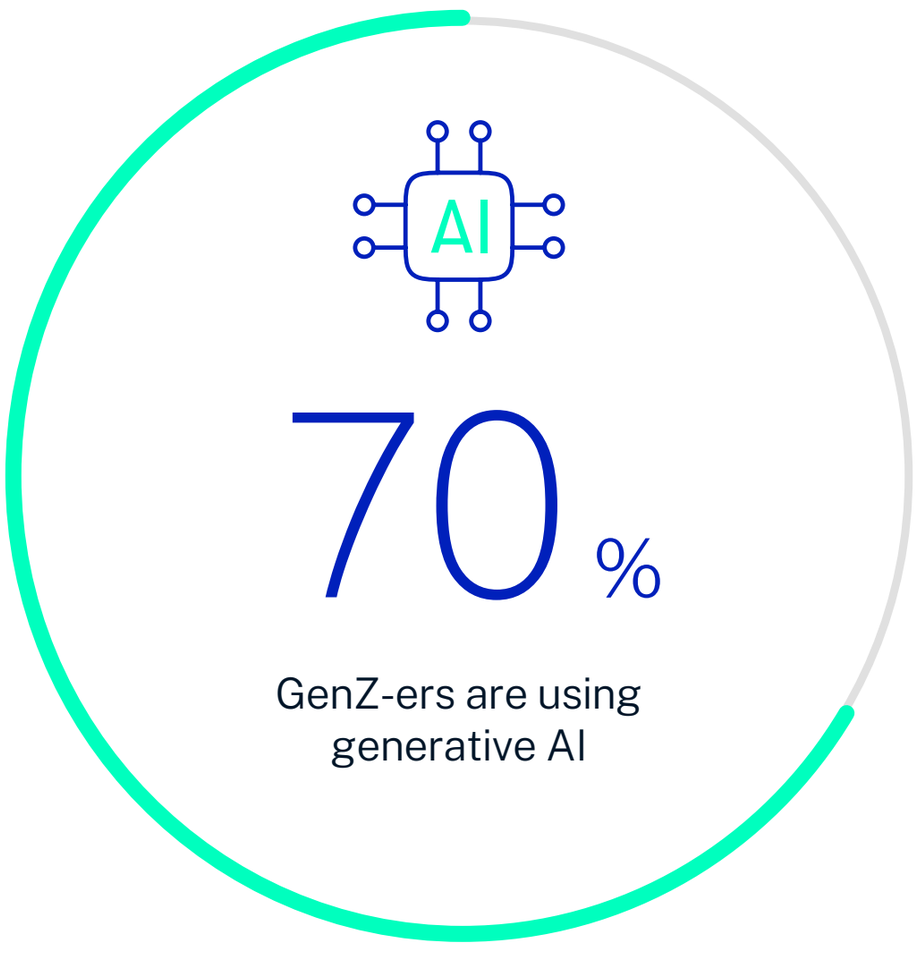


Generation Z has reached

$2.7 trillion

purchasing power

GenZ are very different to those that came before them: they are much more digitally savvy, and have very high expectations of digital experiences and online services. They're also up to speed with what AI can do for them already: **Salesforce has found** that 70% of GenZ-ers have already used some form of AI technology, and more than half of them trust AI to help them make informed decisions in their lives.



The result is that it's inevitable to factor generative AI into digital experiences, product strategies and development roadmaps if you're seeking a competitive advantage. Let's explore three major digital experience aspects that GenAI will impact from the perspective of our unique "Zone of Tolerance" journey maps. We will also discuss additional operational changes for organizations using AI to serve clients.

Understanding the impact of GenAI on Digital Experiences

At Ciklum, our proven approach to help businesses improve their customer experience offering is through ‘Zone of Tolerance’ journey mapping. This involves dividing what customers experience at different touchpoints throughout the buyer journey into three different categories:

Zone of Delight

Where a customer feels happiness and joy, especially if it’s unexpected, and remembers that happiness for a long time. It is surprisingly memorable and aids loyalty.

Zone of Tolerance

Where a customer feels familiar and content with the experience, because it’s seamless and works how it should. This can happen almost without the customer recognizing it, which can mean that it’s forgettable. 90% of your interactions with customers should be in this zone.

Zone of Despair

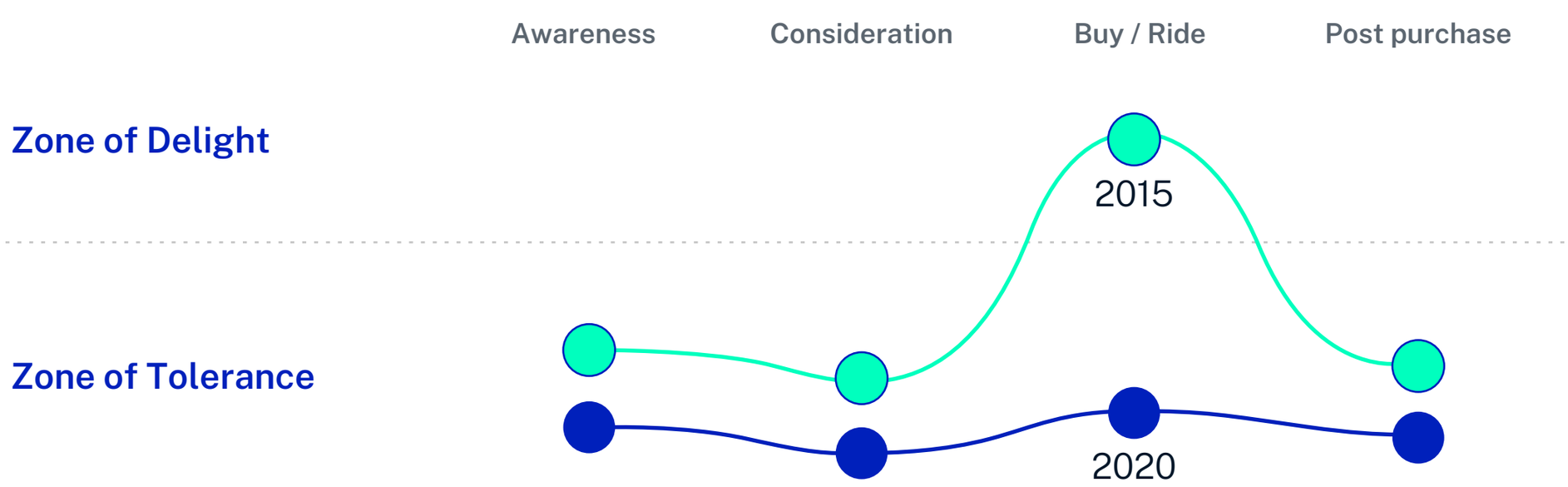
Where a customer encounters something unexpected or unacceptable, which can lead to frustration, confusion or despair. Much like the Zone of Delight, this negativity sticks in the mind and can often lead to customers falling out of the funnel and shopping elsewhere.

Ensuring 90% of your interactions lie in the Zone of Tolerance, and avoiding much of the frustration, stress and funnel abandonment that bad experiences can cause (the ‘Zone of Despair’), gives businesses a solid platform to maximize growth, revenue and customer satisfaction.

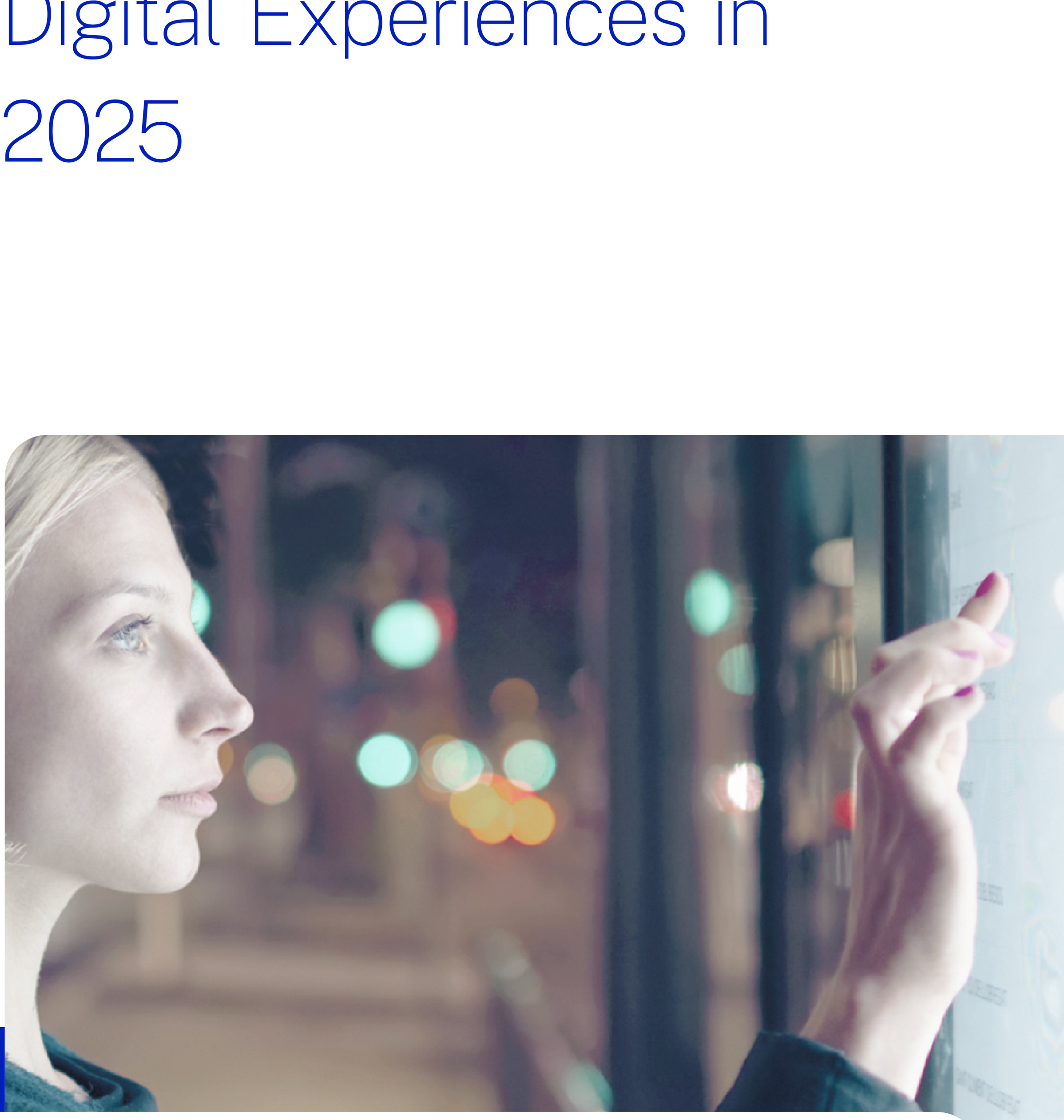
As customer expectations are evolving (particularly because of Gen Z) as well as technological advancements, the ‘Zone of Tolerance’ in various industries and sectors is shifting. This means that what was once deemed acceptable can quickly become a touchpoint that sits in the Zone of Despair. Likewise, what was once considered a point of difference and moment of delight in the customer journey can soon become ‘expected’ as businesses rush to compete.

Uber is an excellent example of this. When they launched, the act of ‘riding’ in a taxi ordered and paid for via app disrupted the market and placed the experience in the Zone of Delight. This has now shifted into the Zone of Tolerance as competitors entered the space and this part of the experience became ‘expected’. Uber now needs to focus on specific areas in the user journey that surprise and delight in order to deliver an

Uber customer journey in 2015 vs 2020



AI Trends that will Shape Digital Experiences in 2025



01 Growth in Multimodal Dominance

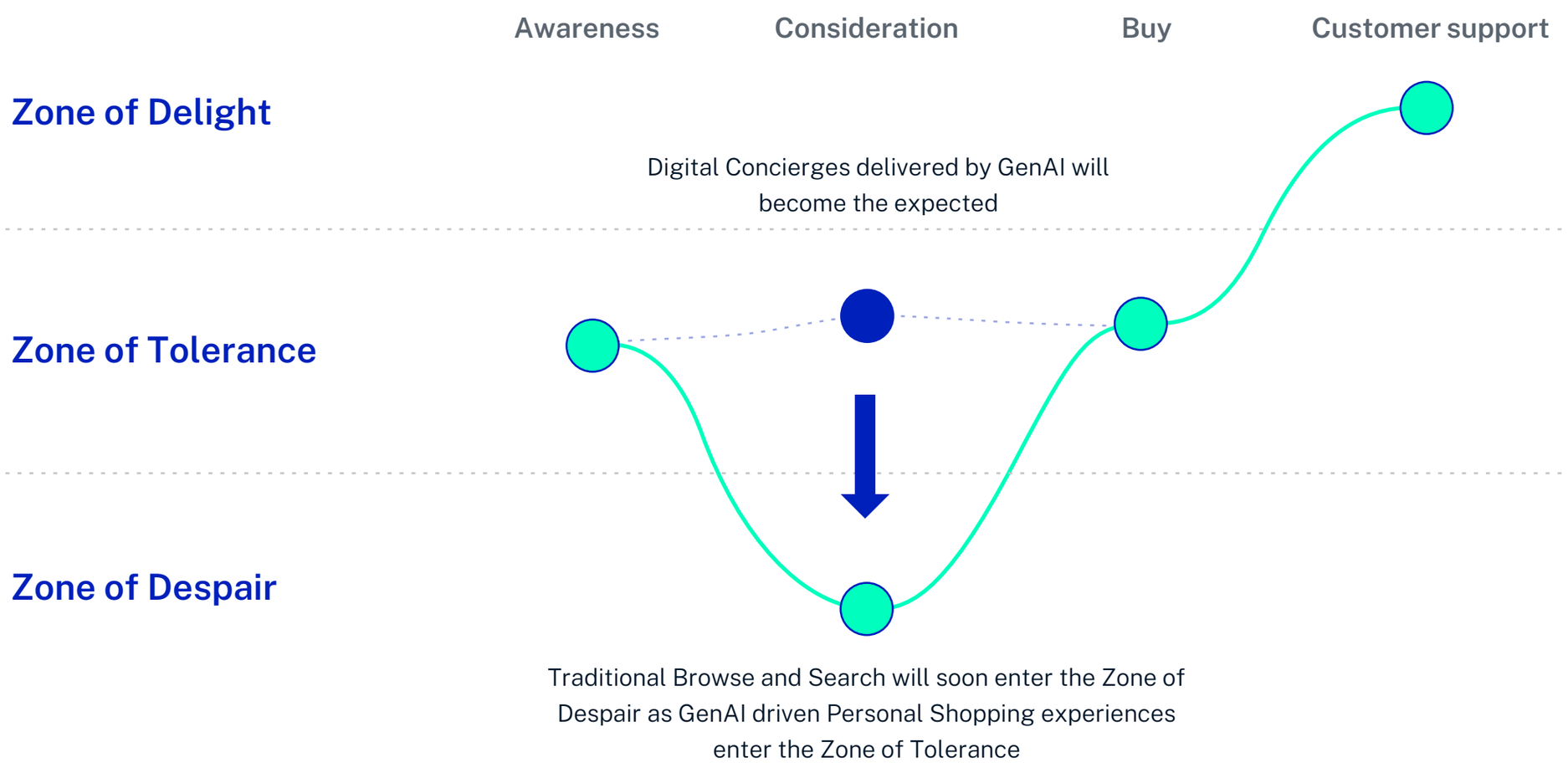
Multimodal AI could become more dominant as more people give GenAI multimedia-based tasks. For example, a person might ask a GenAI tool to create a special message for their partner for Valentine’s Day.

They might take this further by asking the same AI tool to curate a love-themed playlist. However, they may use adjectives in their prompt that require the AI to have listened to music for greater accuracy rather than simply copying from other lists on the internet.

The user could also ask the GenAI tool to create appropriate cover art for the playlist and make it on Spotify, then share it with the partner's account. They might even feed the AI pictures of themselves with their partner as a guide.

No wonder The Insight Partners put the multimodal AI market size at US$10.55 billion by 2031, with Gartner predicting that 40% of all GenAI solutions will be multimodal by 2027. But you guessed it. Creating playlists alone won't be the reason it gets there.

From search to digital concierge



GenAI will be more helpful in healthcare scenarios like training imaging-based diagnosis tools and mock surgeries. It'll also become more present in training self-driving vehicles by simulating various driving conditions and improving object recognition and prediction.

02 Greater Delegation to Agentic AI

We could see more agentic capabilities emerging. For instance, instead of manually transferring a video into a marketing automation tool for a quarterly address, an agent might handle that. The agent might exist as strictly an integration between the AI video generator and email marketing app or as a separate agent capable of more.

This agent might handle tasks like receiving the prompt for the video script and submitting the prompt to an LLM for speech generation. It could also transfer the result to the AI video generator and change video attributes like background and costume. Then, it may update recipient lists and list curation rules, and distribute the video.

According to **Zacks Investment Research**, up to 60% of enterprise AI implementations could add agentic AI capabilities in 2025. The possibilities the combination of GenAI with agentic AI capabilities creates will promote unique AI usage patterns.

Beyond giving AI tools simple content generation and typical agent tasks, users will instruct AI in a more conceptual manner thanks to its learning abilities. For instance, GenAI will clearly differentiate between a professional brand and a casual/free-spirited brand.

It will be able to generate logos, slogans and other assets that encapsulate either concept. And as AI learns more about how certain demographics, such as young urban groups lean towards cool and sleek brands, it will be able to respond accordingly.

So, an e-commerce store owner could give an agent broader commands and business goals. From here, the agent could suggest graphics choices for rebranding, new product lines, packaging styles, ad locations and geo-targeting strategies that achieve the goals.

GenAI and agentic AI may not run large businesses on their own that soon. However, many will be running sizable parts of a business on more idea-like commands rather than super specific instructions. In leaner businesses like trading in financial markets, these AI combinations could completely take over and execute a loosely defined strategy.

03 Expansion of Open-Source Experimentation

One thing GenAI simplifies is building software modules or entire applications on your own with little development knowledge. GenAI will become more common in early development stages like ideation, planning and diagramming. It will also make greater moves in generating code with complex logic.

However, the rise in open-source experimentation will not be driven strictly by a desire for greater functionality. The debate on the dangers of centralizing and privatizing GenAI innovations will rage on. More individuals and companies will question the level of bias, censorship, performance and security weaknesses and other flaws in GenAI products.

Individuals and companies will want to avoid flawed GenAI tools or complement them with effective alternatives where they are lacking. **IBM** reports that among companies using open-source ecosystems, 38% of them plan to launch over 21 AI pilots in 2025. However, at companies not using open-source ecosystems, only 26% of them plan to launch that many AI pilots.

Now that we know what the GenAI space and other AI technologies might look like, how should we respond? Where should we focus to make the most of these AI developments?

AI-driven Operational Changes

01 Talent Recruitment and Deployment

Talent will go from merely using GenAI and Agentic AI tools for basic tasks like email newsletter campaigns to building more complex solutions. For example, businesses whose workers can build entire recruitment agents or harmonise systems for tax reporting will have a competitive edge.

So, do you hire new people who can build such solutions, or do you upskill your existing workforce? And when you need to build custom automations, how much work do you delegate to outsiders and what do you do internally? Which development tasks does each side perform and who provides later maintenance and updates?

Businesses will have to look for AI development teams that can unite with internal teams and achieve goals faster. This may include the ability to pass on information through periodic training that runs alongside the development and use of AI solutions.

Business leaders will need educational AI tools or GenAI and Agentic AI tools that solve a specific business problem while having sufficient self-help features. A good AI tool won’t just solve the problem but rather quickly teach the user how to solve the problem.

02 Centralized Assets vs. Decentralized Assets

We will see more organizations relying on internal and external data and AI applications. This means using solutions from different providers, in varying locations and with data from numerous sources.

The ability to access scattered resources and use them like they are all in one place will put some businesses ahead. As businesses build custom, internal AI solutions, they have to strongly consider how easily these solutions can ingest data from other off-the-shelf or private tools and tap into their functionality.

Also, as they look for off-the-shelf/public AI solutions, they'll need to deeply understand how easily they integrate with other tools. A company may have enough funds but if it takes their AI solutions longer to combine assets, a smaller company with more harmonised systems will overtake them.

This means businesses should work with AI teams that have experimented with several tools and services. Such teams are more likely to know what works well together instead of simply recommending a tool marketed as the best in its core function. Businesses will also need to foster good relationships with established AI solution providers.

When new features are rolled out on either side, it'll be easier to work together to iron out any compatibility issues. They can develop standards on how to share information properly in the build-up to these rollouts so they work fine from day one.

03 Ethical Use and User Experience Protections

Firstly, businesses will have to figure out how to control shopping traffic from bots. They'll need strict measures to limit spamming. Secondly, they'll need to work with AI assistant providers to ensure that agents controlling accounts can be taken through specific permission steps.

These may include an OTP (One-Time Password) code to complete a payment, register or remove a payment method, or access purchase history. Thirdly, businesses will need to protect user-generated data. Say you have the AI gift idea generator embedded into your shopping experience.

As more people use it to gift similar profiles, it could learn and transfer ideas from other users' searches. Depending on various factors, you could get sued. When creating such features, businesses should consider all data management and accessibility aspects and the applicable laws in each situation. This could help them avoid fines and bans that would cause reputational damage and financial loss.

Businesses will need to get AI development teams that can effectively combine legal, cybersecurity, data management and user experience knowledge. Cross-functional teams with deeper collaboration will be better for creating AI products that promote ethical use. Remember, compliance extends to every area, including how products are marketed.

In Summary

Through these digital experience trends, it's clear that GenAI is no flash in the pan. Any businesses that aren't already actively evaluating where it can be used will quickly find themselves falling behind, and failing to meet the demands of customers who have never been more able to 'shop around' and look for better experiences with competitors.

To stay ahead and ensure your experiences don't fall into the 'Zone of Despair' you need to empower your product teams to innovate and experiment, to fail fast, and to respond quickly to emerging consumer needs.

With our global team of GenAI and Product experts, we work every day with businesses just like yours to help them perfect their digital customer experience. We are the enablers of data-driven decision-making, perfected architectures, turbocharged productivity and differentiated user experiences.

Find out more about our unique approach to the GenAI revolution **here.**

Get in touch