Medallia

Conversational Intelligence:

The New CX Advantage

Research reveals customer conversations are emerging as a rich source of insight for CX and contact center leaders.

You've already got the data. You just aren't using it.

A customer encounters a problem, reaches out to customer support, chats with an agent, and then what? They're asked to spend even more time filling out a survey while the issue continues to occur for others.

The thing is, survey participation has been declining over the last 20 years. Best-case scenario: A fraction of customers share feedback. Worst-case scenario: Organizations rely on surveys alone and leave critical insights on the table.

The way things have always been done isn't working.

The contact center holds the raw, unfiltered truth about your customers. It's a goldmine just waiting to be tapped.

Thanks to new advances in artificial intelligence (AI) and natural language processing (NLP), the key to unlock the hidden value of your contact center conversations is now available.

That key is conversational intelligence (CI).

What is conversational intelligence, anyway?

Powered by AI, NLP, and analytics, conversational intelligence transforms unstructured data from conversations between customers and organizations across channels like voice, chat, email, and messaging into insights designed to improve the customer experience—shaping 1:1 real-time customer interactions and guiding broader strategic changes that elevate the business.

This report explores how companies are (and aren't) leveraging conversational intelligence to make smarter decisions, fix root causes, and accelerate growth. **Spoiler: Leaders are 6x more likely to leverage CI effectively, but most organizations are still playing catch-up.**

Author
Andrew Custage
Head of Research Insights

01

Executive Summary

Key Findings

Conversational intelligence has the power to deliver strong results, but most organizations are missing out.

👎 Bad News

59% of customer communications happen outside feedback surveys—often lost in service interactions.

Only **1 in 3** CX teams report high conversational intelligence use and almost half aren't using it at all.

👍 Good News

CI helps drive KPIs across CX, the contact center, and the broader business: NPS®, first contact resolution, upsell rates, and revenue per customer.

CX leaders are **6x** more likely to use conversational intelligence in a meaningful way vs. laggards.

♡ Better News

Most CX practitioners **(64%)** plan to increase their CI investment in the next year.

Most **(73%)** fast-growing brands plan to increase their CI investment, and 88% who are already using it say it's valuable.

02

Hidden Signals

Every call is a cry for help. Are you paying attention?

The Insight

Contact centers aren't just for service—they're a real-time feed of what's broken, confusing, or frustrating across the customer journey.

The Challenge

Too many companies are still focused on volume and basic metrics, overlooking the data that will help them identify the root cause of critical issues and skipping the nuanced insights CI can reveal.
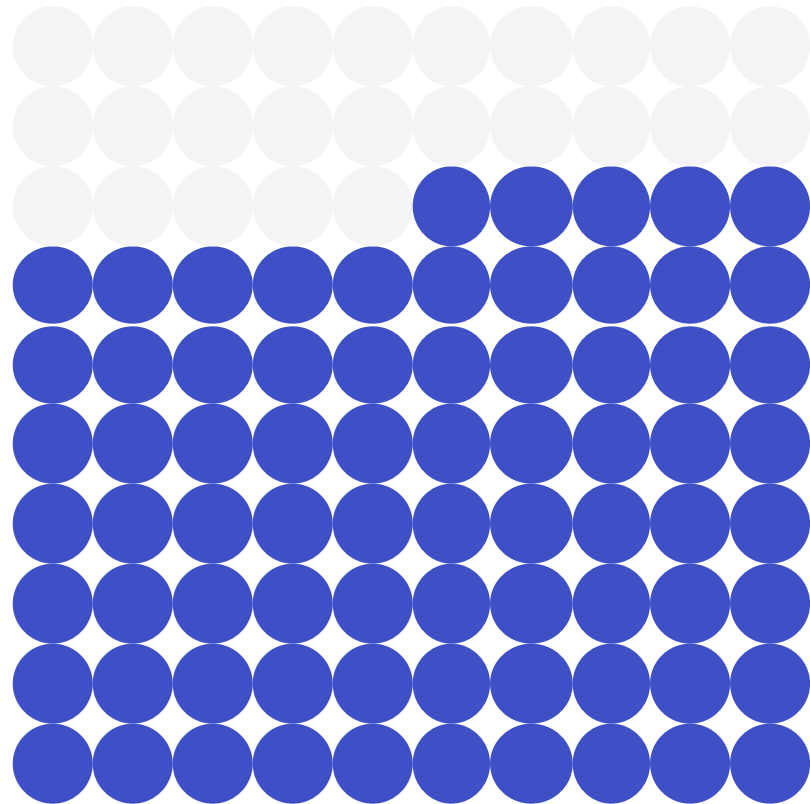
The Opportunity

CI can surface the true voice of the customer beyond surveys and isolated KPIs.

Customer feedback surveys don't tell the full story.

75% of CX practitioners agree

"Feedback surveys alone are insufficient for understanding the customer experience holistically."

Conversational data from customer service interactions is underutilized.

Only about half of CX teams (57%) that use customer feedback surveys say they also use data from customer service interactions.
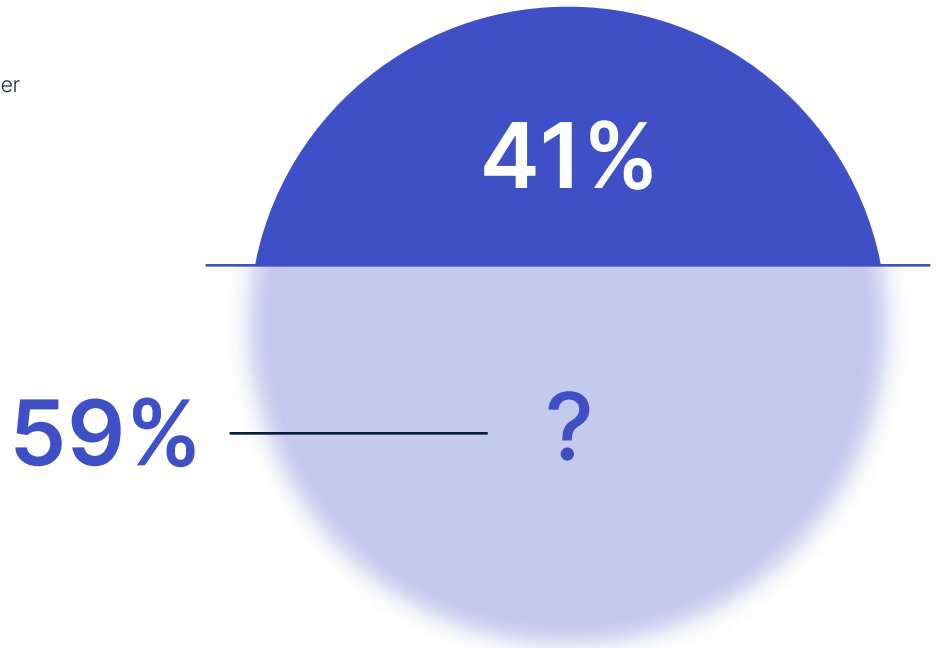
Approximately 30% say they use conversational intelligence data "very often." The remaining **70% say they never use it, it's used by other teams, or it's only used occasionally by the CX team.**

From Medallia July 2025 Conversational Intelligence Survey (n= 545); "Which of the following types of data sources are used by your customer experience team to gain insight on customer experience quality and underlying issues? Select all that apply" and "How prevalent are each of these data sources in the total insights generated by your customer experience team?" Among subset of CX practitioners who run survey feedback programs (n = 214)

70%

©2025 medallia.com

Can it really be a VoC program if you're not listening to customer conversations?

Customer experience practitioners estimate that 59% of customer insights are missed when companies rely on customer feedback surveys alone. When we asked contact center professionals, who often have better visibility into both feedback data and broader customer service interaction data, they estimated that an even higher share (68%) of insights get lost.

41%

59% ———— **?**

From Medallia July 2025 Conversational Intelligence Survey (n = 545); "Of all of the communication a customer has with your organization, what percent do you think is in the form of filling out a feedback survey (versus communication with customer service agents, salespersons, and others that aren't in the form of a feedback survey)?"

03

The Adoption Divide

Who's taking advantage of conversational intelligence and who's missing out?

The Insight

Companies with mature CX programs are **6x** more likely to use conversational intelligence in a meaningful way vs. laggards.
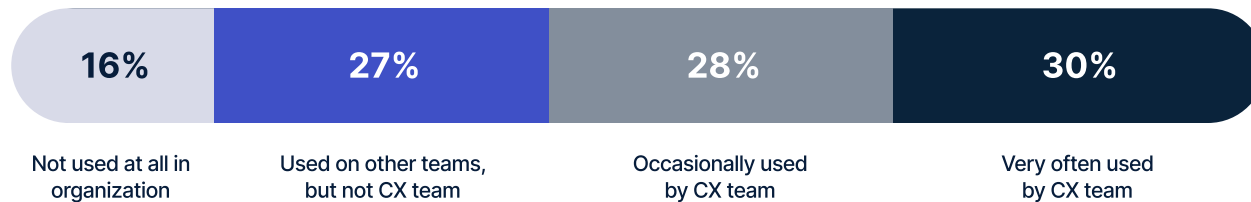

The Challenge

While leading brands are analyzing their calls and using these insights to reshape their CX, most companies are barely scratching the surface of what's possible. The gap is real. And growing.
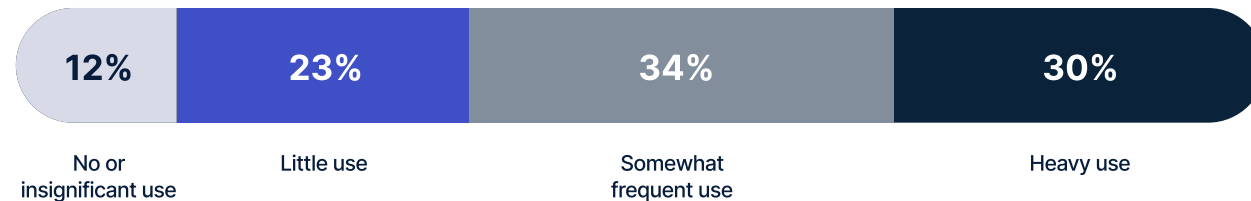
The Opportunity

CX practitioners can use CI to accelerate their customer experience program's maturity level and success.

Conversational intelligence remains largely underused.

Reported CI use among CX teams

16%	27%	28%	30%
Not used at all in organization	Used on other teams, but not CX team	Occasionally used by CX team	Very often used by CX team

Reported CI use among contact centers

12%	23%	34%	30%
No or insignificant use	Little use	Somewhat frequent use	Heavy use

From Medallia July 2025 Conversational Intelligence Survey (n = 545); "To your knowledge, what AI tools does your contact center use, if any? Select all that apply." Among subset of contact center practitioners using CI data currently (n = 213)

From Medallia July 2025 Conversational Intelligence Survey (n = 545); "How prevalent are each of these data sources in the total insights generated by your customer experience team?" Among subset of CX practitioners who run survey feedback programs (n = 214)
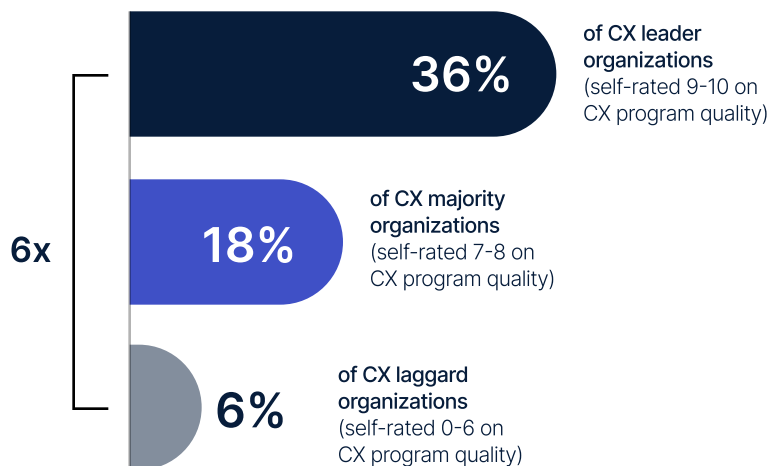
Leaders listen. Laggards block the noise.

Using conversational intelligence may be an overlooked competitive advantage. While only about a quarter of organizations would consider themselves heavy users of conversational intelligence, those who do say they're achieving the highest levels of CX success. Leading CX organizations are 6x more likely to be heavy conversational intelligence users compared to CX laggards.

What this means

Winning in experience requires outmatching the competition in the breadth of insights. CI may be the missing piece for many CX teams. Those using it are better positioned to surface friction points before they impact customer satisfaction and retention.

% saying org's CI use is "heavy"

6x

36% of CX leader organizations (self-rated 9-10 on CX program quality)

18% of CX majority organizations (self-rated 7-8 on CX program quality)

6% of CX laggard organizations (self-rated 0-6 on CX program quality)

04

The Benefits

When you actually use CI, wild things happen.

The Insight

There's plenty of upside to investing in CI: improvement in first contact resolution, upsell rates, revenue per customer, NPS®, OSAT as well as lowered operational costs, compliance risks, and churn.

The Challenge

Brands need to apply CI more consistently across channels and interactions to reap the full benefits. Most brands are only taking advantage of a handful of CI's range of capabilities.

The Opportunity

Companies that get the most value out of CI are more likely to use it for key use cases: real-time upselling and cross-selling, personalization, product feedback, and new product requests.

The value is clear: smarter decisions, better outcomes.

Among all CX practitioners:

85%
agree

"Our organization would make better decisions if we collected and analyzed more conversational data."

Among those already using conversational intelligence:

90%
agree

Conversational intelligence is "valuable" or "highly valuable."

87%
agree

"Conversational intelligence has improved some of our customer service interactions in real time."

85%
agree

"Insights generated by conversational intelligence have directly resulted in better decisions by my organization."

Conversational intelligence packs some powerful tools.

Top themes, descriptions of CI use across organization

1 Agent coaching

2 Generative AI in customer communications

3 Sentiment and intent analysis

4 Issues / painpoints identification
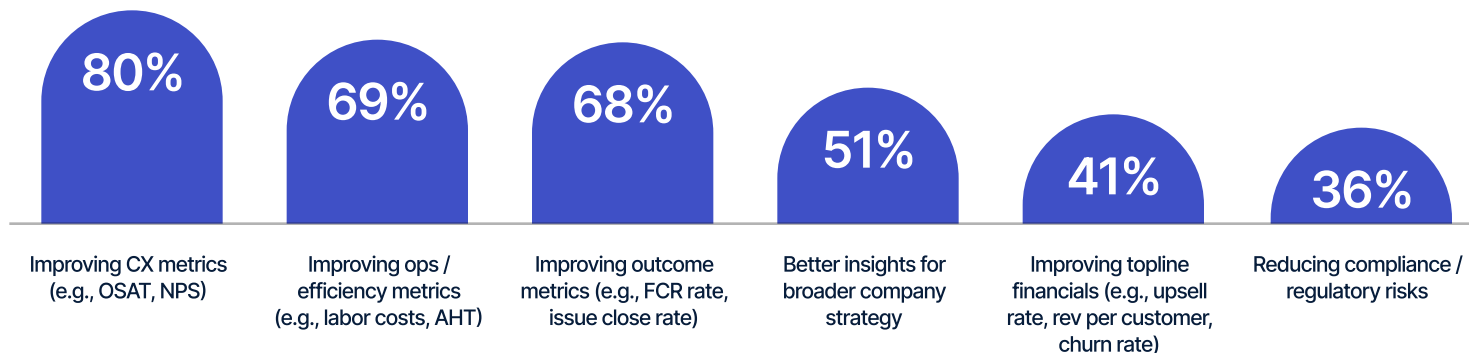
5 Personalization / tailored recommendations

"By examining phone and chat data to gain insights into tone, sentiment, and intent, our company is using conversational intelligence to enhance consumer interactions. Our teams are better able to comprehend client demands, train more efficiently, and customize replies."

—Senior Director, Manufacturing, USA

Conversational Intelligence drives KPIs that move the business forward.

What are the key outcomes your contact center has pursued by using conversational intelligence?
% of contact center practitioners who listed each benefit

80%	69%	68%	51%	41%	36%
Improving CX metrics (e.g., OSAT, NPS)	Improving ops / efficiency metrics (e.g., labor costs, AHT)	Improving outcome metrics (e.g., FCR rate, issue close rate)	Better insights for broader company strategy	Improving topline financials (e.g., upsell rate, rev per customer, churn rate)	Reducing compliance / regulatory risks

Additional Insight: Most of the time (92%), organizations report moderate to major positive impacts across these key outcomes.

The ones getting the most out of conversational intelligence are doing things differently.

High-value conversational intelligence use cases

Contact center and CX professionals who say
conversational intelligence is "highly valuable" are...

2.6x
more likely to use it for real-time upselling, cross-selling

1.9x
more likely to use it for personalization

1.6x
more likely to use it for product feedback/ new product requests

05

Progress Blockers

You can't scale insight with duct tape and spreadsheets.

The Insight

The barriers to maximizing the use of CI are many: Data privacy concerns, complex technology integrations, skillset gaps, ROI skepticism, budget constraints, and siloed data sharing top the list.

The Challenge

Selecting a conversational intelligence technology partner is a critical step in unlocking CI's full potential, and not just any platform will do.

The Opportunity

Teams need an enterprise-scale solution offering seamless integrations. Practitioners are seeking out options that bring conversational data, surveys, and other customer signals into a single, actionable view.

The biggest barriers standing in the way of success? Data concerns, clunky tech, skill gaps, and ROI doubts.

Top barriers to using and increasing use of conversational intelligence
Rank based on % of practitioners citing, by role type

1 Data privacy / security concerns

2 Technology integration challenges

3 Skillset / capacity gaps to use data

4 Return on investment skepticism

5 Regulatory / compliance concerns

6 Lack of budget

7 Organization's information sharing is too siloed

When teams and tech are siloed, you can't harness its full potential.

Tech silos:

66% of contact center and CX professionals agree: *"Integrating conversational intelligence tools with other customer experience technology has been challenging."*

64% of CX practitioners say their ability to view and use conversational intelligence is spread out across too many technologies

"Customer information is scattered across different systems, and collaboration between departments is not smooth."

—Vice President, Retail, New Zealand

Team silos:

78% of contact center and CX professionals agree: *"Our organization needs to do a better job sharing conversational intelligence data between teams."*

"Aligning cross-functional teams around CX priorities is tough, especially with limited visibility into frontline painpoints."

—Senior Vice President, Retail, USA

How to get more out of conversational intelligence.

The top features CX and contact center professionals say will enable using (or enhance their use of) CI

1 Seamless integration with existing technologies

2 More AI-driven advanced analytics

3 Centralized dashboards / insights

4 More task automation for agents

4 Real-time agent assistance / coaching

"The biggest item on the wishlist is having a unified analytic platform that obtains data from conversational intelligence and provides real-time insights displayed in our main CRM and other dashboards."

—Senior Director, Utilities, USA

©2025 medallia.com

From Medallia July 2025 Conversational Intelligence Survey (n = 545); "What is the top thing on your wishlist that will enable using, or enhancing the use, of conversational intelligence by your organization?"

06

Dream Bigger

You're not dreaming too big.
You're just using too little.

The Insight

Advanced CX and contact center teams are tapping conversational intelligence for a range of use cases.


The Challenge

But the average company is only leveraging a fraction (about 40%) of CI's most powerful features. Plus, the majority of companies using CI aren't using it consistently across channels and interactions.

The Opportunity

For contact centers, the greatest room for growth is in using CI for customer journey predictions, communicating with customers in their preferred language, and analyzing customer sentiment.

©2025 medallia.com

If you're like most CX professionals, there's so much more your team could be doing with conversational intelligence.

CX practitioners report using an average of only 40% of conversational intelligence's key use cases.

40%
average
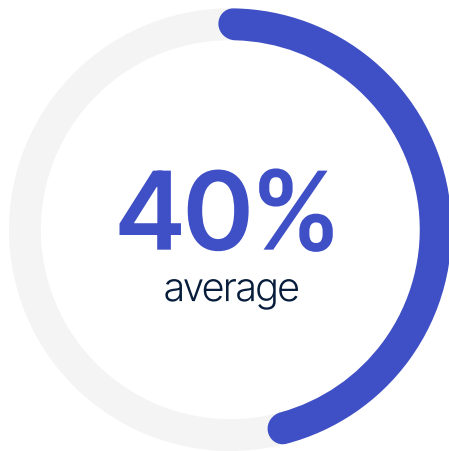
Top 5 CX use cases	% citing
Voice of the customer themes	59%
Service speed / efficiency improvements	53%
Generative AI in customer communications	53%
Personalization / tailored recommendations	51%
Compliance / quality assurance	47%

©2025 medallia.com

Companies need to do better to maximize its impact.

66%

57%

What this means

Critical findings are lost where data isn't collected. Plus, the presence of CI in some channels and not others can lead to biased insights that mask what the most common pain points and themes truly are.

66% say conversational intelligence is only set up to work on some customer service channels and not others.

57% say conversational intelligence is applied to less than half of total customer service interactions.

From Medallia July 2025 Conversational Intelligence Survey (n = 545); "For these conversational intelligence tools your organization currently has, indicate your level of agreement or disagreement with the following statements." % selecting "strongly agree" or "tend to agree." Among contact center practitioners subset that has some CI capability (n = 175)

Contact centers are checking some, but not all, AI-driven conversational intelligence boxes.

The average contact center only uses 44% of conversational intelligence's top AI capabilities. Teams are most likely to be deploying generative AI, full conversation transcription, summarization of prior interactions, and real-time coaching, but many capabilities remain underutilized. Contact center professionals self-report lower use of churn risk prediction, real-time language detection and assistance, and sentiment analysis.

44%

07

What's Next?

The future of CX is conversational. And it's already happening.

The Insight

Most CX teams (64%) plan to increase their investment in conversational intelligence within the next year, and most contact center professionals (84%) say they will adopt at least one new CI use case in the next year, too.

The Challenge

In the past, companies have felt they couldn't use their customer conversation data.

The Opportunity

Recent advances in AI and NLP are making conversational data more usable and insightful than ever before. High-growth companies (10%+ revenue growth) are the most aggressive adopters.

Most CX practitioners (64%) expect to increase their investment in conversational intelligence in the coming year.
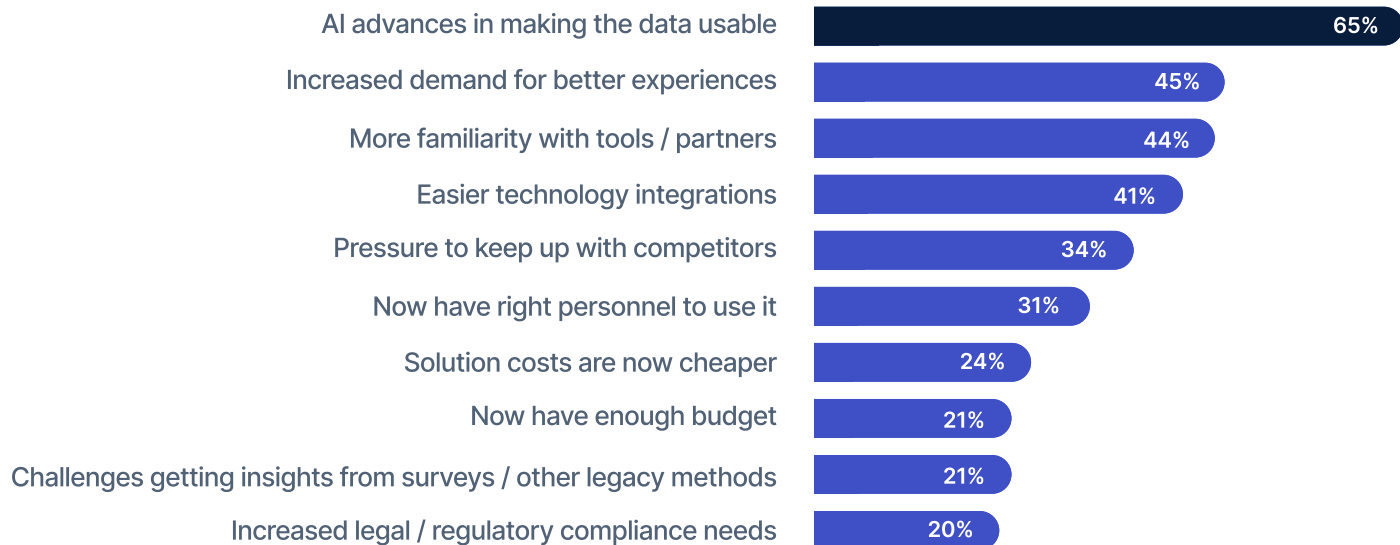
64%

84% of contact center practitioners believe their department will pursue at least one new conversational intelligence use case in the next year.

Churn prediction, multilingual / dialect assistance, sentiment analysis, real-time agent coaching, and full conversation transcription are some of the most sought-after capabilities.

©2025 medallia.com

As AI gets better, companies are doubling down on conversational intelligence.

Top reasons for increased CI investment, % citing

Reason	%
AI advances in making the data usable	65%
Increased demand for better experiences	45%
More familiarity with tools / partners	44%
Easier technology integrations	41%
Pressure to keep up with competitors	34%
Now have right personnel to use it	31%
Solution costs are now cheaper	24%
Now have enough budget	21%
Challenges getting insights from surveys / other legacy methods	21%
Increased legal / regulatory compliance needs	20%

Fast-growing brands are going all in, and it's paying off.

Practitioners working at high-growth companies (10%+ revenue growth) are even more likely to say they plan on increasing their investment in CI because of the value they've realized. They are more likely to see results in both contact center operational metrics like first call resolution rate and customer experience metrics like satisfaction rating, compared to the average practitioner.

73%

Plan to increase their conversational intelligence investment

88%

Say conversational intelligence is "valuable" or "highly valuable"

2x

They're twice as likely to indicate heavy use of conversational intelligence data vs. companies with flat or declining revenue growth

From Medallia July 2025 Conversational Intelligence Survey (n = 545); "What do you expect will be the level of investment in conversational intelligence by your organization over the next year?" (defined as having 10%+ revenue growth in prior 12 months), and "Based on the definition provided, to what extent would you say your organization is using conversational intelligence tools today? Select the choice that best applies."

From Medallia July 2025 Conversational Intelligence Survey (n = 545); "How would you rate the value of insights that come from conversational intelligence data?" Among subset of CX practitioners using CI data currently (n = 152).

From Medallia July 2025 Conversational Intelligence Survey (n = 545); "What are the key benefits your contact center has pursued (either successfully or unsuccessfully) by using conversational intelligence?" Among subset of contact center practitioners using CI data currently (n = 175).

Listening is the easy part.
Acting is the advantage.

Insights are everywhere. Impact isn't.

Conversational intelligence is no longer optional. Organizations relying solely on surveys and post-interaction metrics risk falling behind.

True CX transformation requires connecting every signal, especially the ones your customers are literally telling you about via your contact center channels.

Moving from listening to integrated, automated action unlocks real competitive advantage and sustainable growth.

In fact, your contact center could hold millions in untapped savings and revenue potential, but most teams aren't capitalizing on it.

In our guide CX That Pays Off: How Every Call Converts to Cash, we show you how using conversational intelligence to pinpoint and address your most common customer issues can actually drive ROI. Get your copy to see what harnessing conversational intelligence to really listen could do for your business.

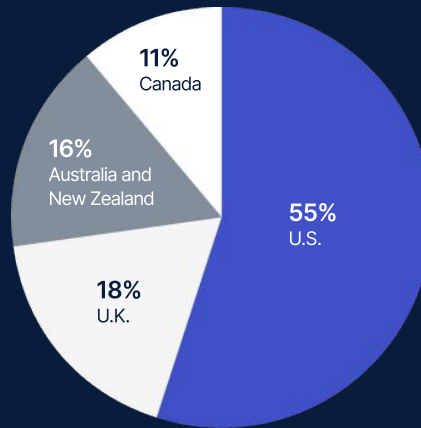**CX That Pays Off: How Every Call Converts to Cash**

↗ Download Now

Methodology

We wanted to know where conversational intelligence* is gaining traction, what's holding some organizations back from fully realizing its potential, the results it's helping companies achieve, and the future of CI. So we went straight to the source: We asked customer experience and contact center professionals about their experiences with CI. Using Medallia's Agile Research survey platform, we collected responses from 545 participants across a wide range of industries, geographies, and levels of seniority working at organizations with at least $100M+ in annual revenue from July 10 to July 23, 2025.

Participants were provided a definition of CI similar to what we presented in the introduction of this report and also guided them to think of CI separately from text analytics used to analyze the written text customers submit in feedback surveys, and instead focus on the insights generated from communication during customer service interactions.
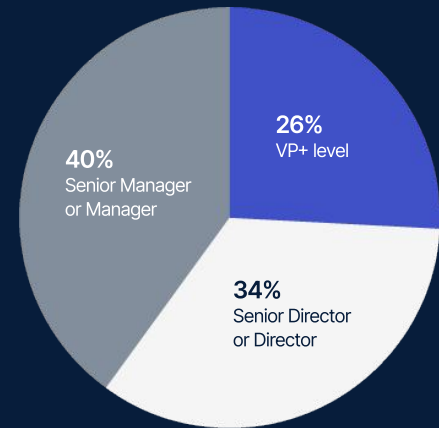
Profession

- **39%** Contact Center or Customer Service Professional
- **61%** Customer Experience or Voice of the Customer Professional

Location

- **11%** Canada
- **16%** Australia and New Zealand
- **55%** U.S.
- **18%** U.K.

Seniority

- **26%** VP+ level
- **40%** Senior Manager or Manager
- **34%** Senior Director or Director