

Budget Planning Guide 2026: Customer Experience

Optimize Spending To Build A High-Impact AI-Ready CX Function

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Summary

Customer experience (CX) leaders are pragmatically optimistic about their resources as they try to reverse declines in CX quality: 39% plan to increase their overall CX investments above inflation in the next 12 months. To succeed, they must act decisively to boost their teams' productivity, accelerate the flow of insights across the organization, and support tech leaders in driving AI adoption. This report provides CX leaders with data-driven guidance on where to increase, decrease, or experiment with their budgets for 2026.

Optimize Spending To Boost Impact In Volatile Times

CX leaders face mounting pressure from [volatile markets](#), [declining CX quality](#), and internal resource constraints. At the same time, they must navigate a rapidly evolving landscape of AI, data integration challenges, and complex technology stacks. Despite the growing use of AI-powered analytics tools, CX teams still struggle to generate actionable insights without extensive manual effort. To succeed in these circumstances, CX leaders must build high-impact AI-ready CX functions and ensure that the whole ecosystem is focused on the customer — while cutting wasteful but deeply entrenched spending.

Compare Your Budget With Your Peers' Spending Plans

Global CX leaders expect to shift how they invest their budgets in the next 12 months. However, the dollar amounts that CX programs will spend across budget categories will differ: Forrester's 2025 data shows that CX budgets vary widely — from \$20,000 to over \$5 million. A 21% plurality of CX leaders report budgets of \$1 million to less than \$2.5 million (excluding salaries). [Inflation of about 3% or lower](#) in many countries is less of a threat to CX leaders' spending power compared to the past 12 months. Our latest budget data reveals that from now through 2026, global CX decision-makers plan to:

- **Invest relatively evenly across budget categories.** On average, CX decision-makers say their organization plans to invest 27% of their CX program budgets in the technology category; 25% in initiatives, projects, and improvements; another 25% in data and research; and 23% in third-party service providers (see Figure 1).
- **Receive budget that keeps pace with inflation.** Three-quarters of global CX decision-makers anticipate budget increases that match or exceed inflation (see Figure 2). Most of those in Australia, France, Germany, and the UK expect a budget increase that matches inflation. In contrast, their counterparts in India and the US expect more substantial budget growth, with most predictions falling within the 5% to 10% range. At the industry level, most global CX decision-makers in retail and wholesale; professional and technology services; and media, entertainment, leisure, and hospitality expect to increase their budget by 5% or more. In contrast, most CX decision-makers globally in manufacturing and construction; utilities and telecommunication; financial services and insurance; and government, education, social services, and healthcare expect a budget increase that only matches inflation.
- **Increase spending more in technology and CX-led initiatives, less in services.** More than one in three CX leaders anticipate budget increases that outpace inflation in two budget categories: 35% of CX decision-makers plan to increase tech investment by 5% or more, while 34% plan to increase investment in initiatives that their teams lead by 5% or more (see Figure 3). In contrast, fewer than one in three CX leaders plan to increase investment above inflation in the remaining three budget categories: 31% plan to invest in personnel by 5% or more, and 29% plan to invest in data and research and in third-party service providers by 5% or more. Moreover, 15% of CX decision-makers expect less

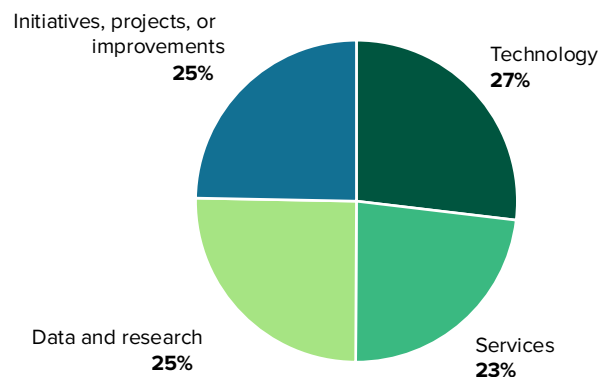
budget for third-party service providers, the largest budget decrease across the five categories.

- **Focus tech investments on foundational data infrastructure to power advanced analytics.** One-third of global CX decision-makers expect to increase investments in [customer relationship management](#) (CRM), digital intelligence, and business intelligence tools by 5% or more (see Figure 4). Similarly, 31% plan to increase investments in customer data warehouse tech by 5% or more and 28% plan to increase investments in [customer feedback management](#) (CFM) tech by 5% or more. These foundational tech tools help CX pros connect data sources to power journey analytics, journey orchestration, and real-time interaction management. This growth in CRM investment will make it the most ubiquitous tool in the CX tech stack — with 61% of CX decision-makers saying their employees actively use it, it's the most commonly used tool among CX pros. Some CX programs also plan to make greater use of this data infrastructure: One-fourth of CX decision-makers plan to increase investment in journey orchestration by 5% or more.
- **Hire service providers to drive strategy, insights, and customer service activities.** Around one in three CX decision-makers plan to hire third-party service providers for CX strategy, CX analytics, and customer service activities — the three most common areas of responsibility for CX programs. In contrast, just one in 10 plans to hire a service provider for persona development, [journey mapping](#), and journey management, which highlights a preference for in-house development of these capabilities.

Figure 1

CX Leaders Invest Fairly Evenly Across Budget Categories

“What percentage of the total CX program budget does your organization expect to spend on the following?”
(Mean)



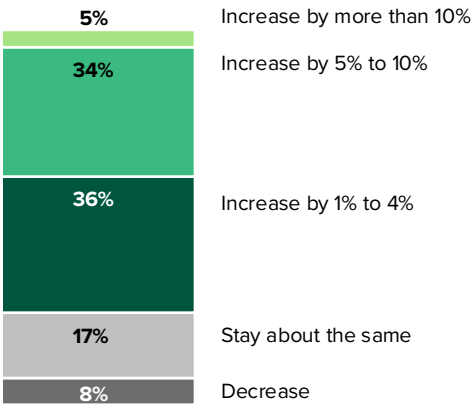
Base: 760 CX decision-makers

Source: Forrester's State Of CX Teams Survey, 2025

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Figure 2
2026 CX Budget Allocation

“Which of the following describes any planned/anticipated change in your organization’s budget for CX initiatives in the next 12 months?”
(Responses on a scale of 1 [decrease by more than 10%] to 7 [increase by more than 10%])

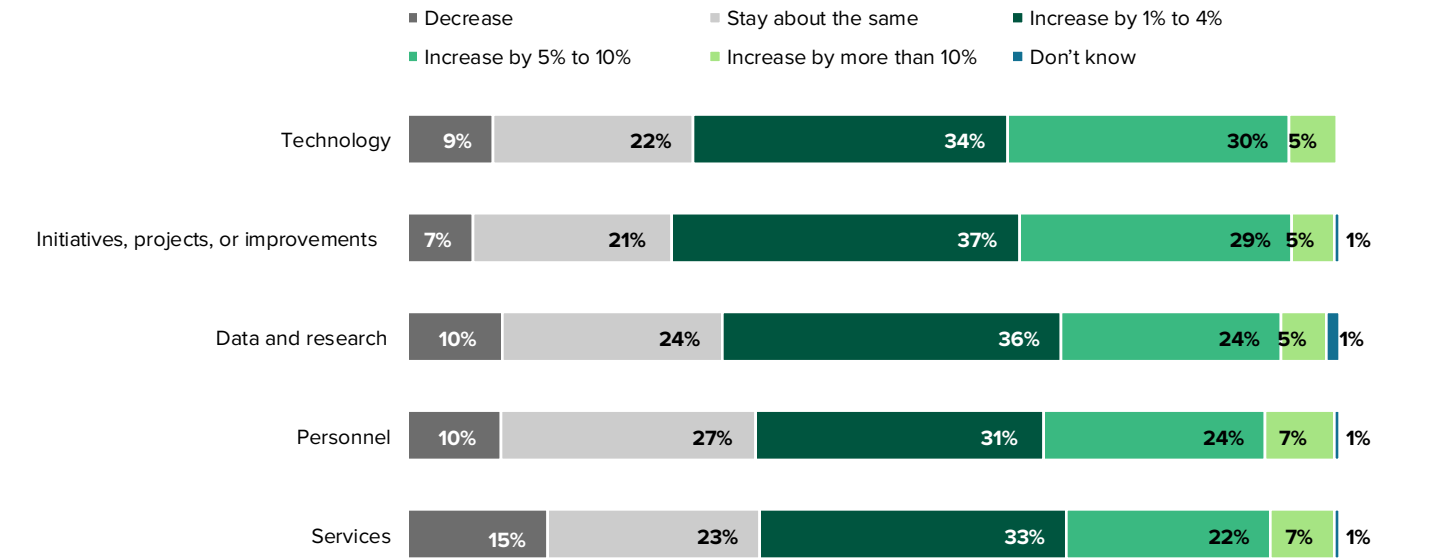


Base: 353 CX decision-makers
Source: Forrester’s Budget Planning Survey, 2025

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Figure 3
CX Leaders Expect Budget Increases In Line With Inflation

“Which of the following describes any planned/anticipated change in your organization’s budget for CX initiatives as it relates to the following areas in the next 12 months?”
(Responses on a scale of 1 [decrease by more than 10%] to 7 [increase by more than 10%])



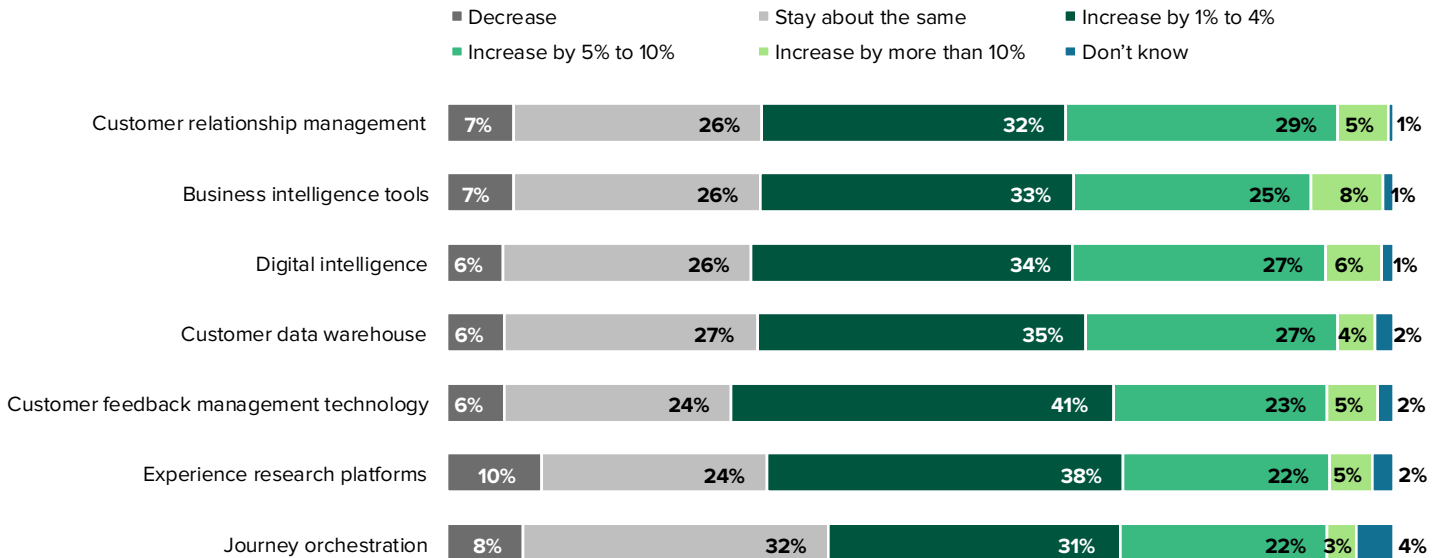
Note: Percentages may not total 100 because of rounding.
Base: 353 CX decision-makers
Source: Forrester’s Budget Planning Survey, 2025

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Figure 4**Budget For Technology That Enables AI Transformation Will Grow In The Next Year**

“Which of the following describes any planned/anticipated change in your organization’s budget for the following techs to support CX initiatives in the next 12 months?”

(Responses on a scale of 1 [decrease by more than 10%] to 7 [increase by more than 10%])



Note: Percentages may not total 100 because of rounding.

Base: 353 CX decision-makers

Source: Forrester's Budget Planning Survey, 2025

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Increase Spending To Build A High-Impact AI-Ready CX Function

Despite the hype that AI will revolutionize CX and CX management, most CX teams still wrestle with fundamental problems of fragmented data, clunky tech stacks, and insight bottlenecks. These challenges inhibit the adoption and usefulness of promising AI tech that can boost both CX and efficiency. To navigate the evolving landscape of AI successfully, focus your investments on:

- Data stitching and governance initiatives that power CX-driven AI transformation. These [foundational data efforts](#) include assigning dedicated FTEs to data stitching and governance, integrating CX tools — like CRM, CFM, and experience research — with enterprise data systems to feed CX data into AI models, and promoting joint CX-AI working groups with shared KPIs to better align business and tech teams. Identify high-impact opportunities based on your CIO's or CTO's groundwork for AI transformation. Then prioritize efforts that will support your program's core CX capabilities and AI use cases, like enhancing frontline efficiency and analyzing customer feedback.

- **AI and data literacy to ensure success with AI-powered tools.** Raise employees' [artificial intelligence quotient](#) (AIQ) to ensure they have the understanding, skills, and ethical awareness to succeed with these tools. Start with our AIQ assessment, and then invest in support tactics like weekly lunch-and-learns and communities of practice. Improvement is vital: Although CX leaders increasingly incorporate AI into research and design workflows, only 32% of CX teams have mastery of data literacy skills — a prerequisite for using AI responsibly for CX measurement tasks — and just 26% are planning to add or improve them. It's no wonder that overconfidence in and misuse of AI-generated outputs are among the top concerns among AI decision-makers.
- **Digital accessibility technology, roles, and processes.** To get started, hire an accessibility program manager, establish an accessibility program, partner with an accessibility vendor to evaluate your existing experiences, and buy a digital accessibility platform to handle accessibility barriers at scale. Creating [accessible experiences](#) is especially vital now: [European Accessibility Act](#) requirements start in June 2025 for all businesses that sell in the EU, and during volatile economic times, companies can't forgo the loyalty of one-billion-plus consumers with disabilities. What's more, there's more digital content than ever to make accessible, due to the proliferation of AI-generated content. According to Forrester's data, less than half of respondents in organizations committed to accessibility are implementing best practices.
- **"Guerilla CX" practices to boost productivity of your research and design work.** Every CX pro should have a few creative, low-cost tactics up their sleeve — especially when budgets are tight. [Guerrilla CX](#) leverages rightsized data, experimentation, and pragmatism to create memorable moments that act as a catalyst for CX transformation. For example, use your company's internal [AI-powered chatbots](#) to generate insights from unstructured data such as verbatims from customer calls and interviews. Although data scientists remain a valuable resource for rigorous statistical analysis, chat-based analytics lowers the barrier for nontechnical users to engage with data and test hypotheses — especially while the organization solves its systemic data and tech challenges.

Decrease Spending On Efforts That Lack Alignment And Readiness

CX leaders face growing pressure to prove the value of every expenditure. This moment calls for a shift from legacy practices and bloated tech stacks toward leaner, more purposeful investments. Cut activities that lack measurably positive impact, like:

- **Financial incentives for CX metrics.** Tying bonuses to CX metrics promotes score obsession over genuine customer obsession. It's expensive, hurts your firm's [culture energy](#) and ability to improve CX, and wastes the CX team's time defending scores and managing exceptions rather than driving real change. In large firms, this can waste up to 30% of a CX team's time annually. While getting rid of bonuses tied to [CX metrics](#) is challenging due to the mistaken belief that bonuses boost employees' accountability and motivation, Volkswagen Australia showed that it's possible.

Instead of bonuses, rally the organization around CX by focusing on behavioral norms and bright spots in support of customer-focused culture.

- **Research without impact.** Common candidates include surveys, user videos, contextual interviews, and ethnographic studies that are underused — regardless of how insightful they are. Cutting unused research is especially important now, when, despite budget scrutiny, 65% of CX leaders plan to increase their spending on experience research platforms. For [research to drive CX improvements](#) — especially during volatile times — it must have clear objectives, link to business goals, and be conducted at the right time to influence decisions.
- **Redundant and underused tools.** The goal of tech cutbacks is to rightsize your [CX tech stack](#) so it has the capabilities to achieve your business objectives without waste or redundancy. Likely candidates for full or partial cutbacks include digital intelligence, CFM, experience research, and journey orchestration tools. That's because many organizations lack the expertise, willingness, data, or culture to fully leverage them. When considering cutbacks, lean on Forrester's scenario-based renewal tips and our guide to [optimizing contract negotiations](#) (client access required).

Experiment With Emerging Tech For Future Capabilities

In an increasingly complex and volatile market, CX leaders must take deliberate steps to accelerate growth today and address critical areas for the future. Build a pipeline of future capabilities and experiences by experimenting with:

- **Predictive analytics for proactive CX interventions.** [Predictive analytics](#) helps CX teams move beyond reactive surveys by anticipating customer behavior and identifying key moments that influence outcomes. By integrating omnichannel feedback with operational and financial data, CX teams can uncover the root causes of churn and act before issues arise. While this shift eventually requires investments in data infrastructure and analytics capabilities, you can start by identifying obvious scenarios where CX impacts financial performance. First, connect operational drivers to the most frequent customer complaints; then evaluate how preventing these complaints influences customer behavior. These connected insights can help you identify opportunities for immediate action and lay the foundation for predictive analytics.
- **Synthetic data for faster customer insights.** [Synthetic data](#) unlocks new opportunities for conducting customer research at scale, especially when participant recruitment is challenging or data is limited. However, insight professionals have not yet proven that synthetic data can reflect the complexity and subtlety of real customer behaviors, so using it requires trade-offs between accuracy and efficiency. Experiment with synthetic data during the early phases of your research — like discovery work to refine hypotheses — so you learn its pros and cons and can prepare to embrace it when the tech matures.

- **Turning efficiency gains into CX innovation.** Reinvest a portion of savings from AI-powered efficiency gains to fund disciplined experimentation that drives long-term differentiation and growth. This approach balances operational efficiency with sustainable innovation: Most savings improve the bottom line, while a fraction fuel bold experiments with measurable outcomes. This creates a virtuous cycle where efficiency drives innovation and innovation strengthens both customer and business outcomes. For example, you could use savings from [post-call AI summarization](#) in your contact center to pilot synthetic data and predictive analytics initiatives to identify CX interventions that deepen loyalty.

Supplemental Material

Additional Contributors

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