2026

Customer Engagement Report

The customer has evolved.
It's time marketing does too.

Iterable

Marketers built the system. Consumers learned how to beat it.

Cart abandonment, welcome discounts, win-back campaigns, SMS capture—these weren't just tactics. They taught consumers how marketing works. Now that playbook is being used by the very audience it was designed to influence.

This isn't a trend. It's a reset. Consumers are adapting faster than most marketing organizations can respond. They're more selective, quicker to act, and faster to move on when something misses.

Marketing teams feel this every day. There's more output than ever, but output isn't the same as progress. AI has expanded what's possible, but without the strategy and infrastructure to back it up, most teams are using it to survive, not to move ahead.

That gap between what marketers deliver and what consumers expect is growing.

And in an environment where consumers continuously adapt, standing still means falling behind.

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Act 1

The Rise of the Apex Consumer

Today's consumer isn't the same as they were three years ago. The modern consumer doesn't just engage with marketing. They dissect it, exploit its patterns, and discard whatever doesn't serve them. **This is the apex consumer.**

They aren't bargain hunters. They're system readers. These consumers probe for rules, test how systems respond, and time their engagement to maximize leverage. When the experience stops serving them, they move on.

This behavior is learned, and it looks different from traditional buying because it is different.
It's systematic.

The Modern Consumer Spectrum

Every generation interacts with marketing differently. But this isn't about preference. It's about proficiency. What emerges is a spectrum: from consumers still reacting to marketing to those who understand how it works and act accordingly.

Age
18-24
Early-stage strategists

High AI exposure, but less sophisticated multi-tactic execution. More impulsive. More influenced by social media trends.

Age
25-34
Apex consumers

Most advanced and diverse gaming tactics. Highly aware of tracking. Most likely to adjust behavior.

Age
35-44
Experienced optimizers

Nearly as strategic as 25-34. Highest discount stackers. High cart-triggerers. The "experienced optimizer."

Age
45-54
Moderate strategist

Still using most tactics, but with lower intensity. More likely to wait out sales. Less likely to use multi-identity tactics.

Age
55-64
Transitional consumers

Strategic behaviors decline as privacy concerns increase. More privacy-protective. Less AI-engaged.

Age
65+
Selective participants

Opt-out oriented. Less strategic, more driven by ease of use. Highest privacy preference. Most AI-averse.

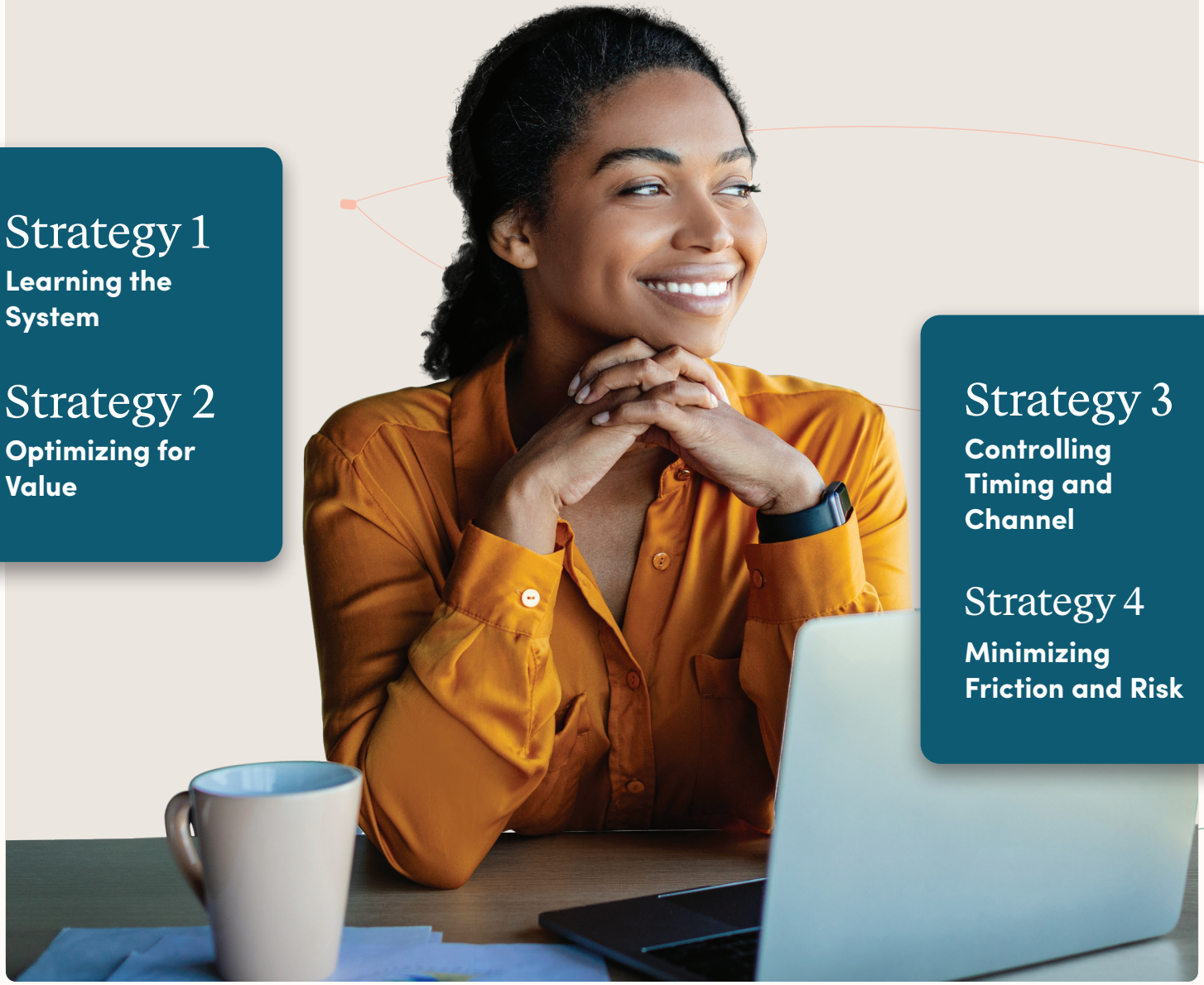
The shift is most pronounced in the 25–44 cohort, where years of interacting with loyalty programs, subscription models, promotional flows, and automated messaging have turned exposure into fluency. These consumers aren't entering the funnel expecting to stay. They enter with the exit already planned.

AI has accelerated this. Faster feedback loops. Sharper pattern recognition. More precise exploitation. The learning curve that used to take years now takes weeks. This shift isn't a trend, a phase, or a segment. It's a permanent rewiring of how consumers operate.

How the Apex Consumer Dominates

Every consumer wants a better deal. What's changed is the sophistication of how they pursue it. Today's consumers don't just react to marketing. They reverse-engineer it, testing boundaries, reading responses, and recalibrating their approach with every interaction.

Across generations, these behaviors cluster into four repeatable strategies:



Strategy 1
Learning the System

Strategy 2
Optimizing for Value

Strategy 3
Controlling Timing and Channel

Strategy 4
Minimizing Friction and Risk

Strategy 1: Learning the System

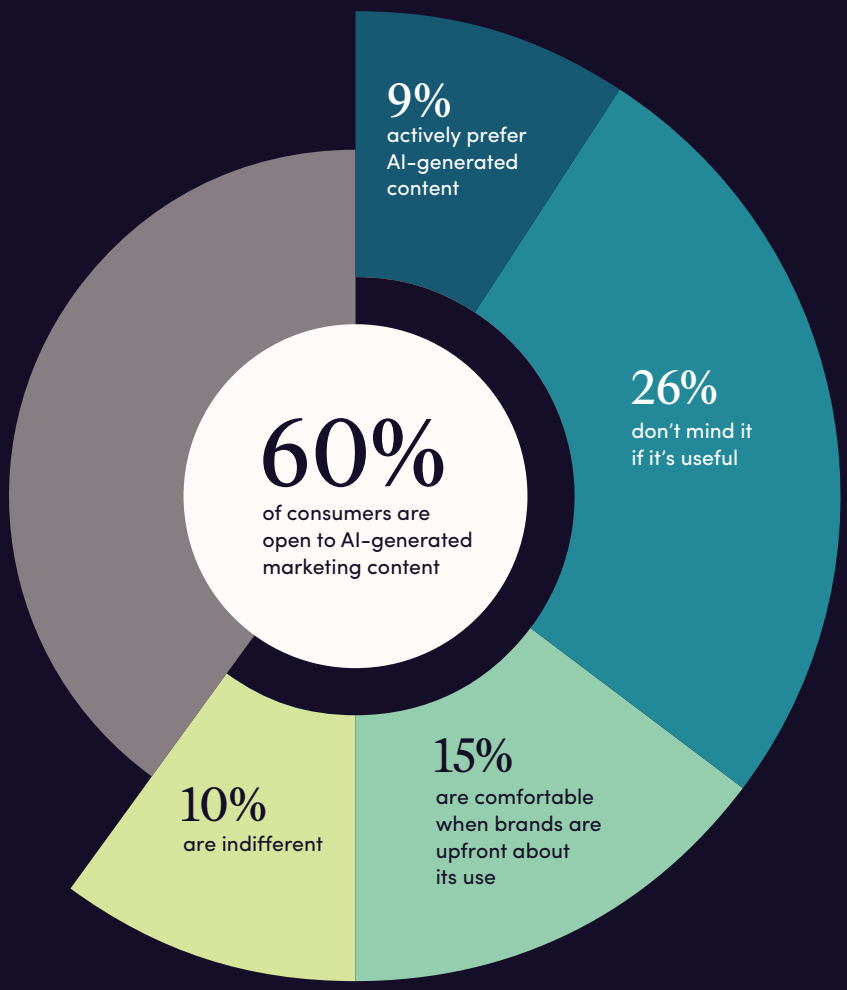
Consumers don't need to understand marketing automation to know they're inside a system. They recognize that AI and algorithms shape what they see, when they see it, and what offers appear. Rather than resisting that reality, most have started working within it.

Nearly half knowingly interact with AI while shopping multiple times a week. More are open to AI-generated content, but only if it passes three filters: relevant, useful, and transparent. Miss one and you're background noise.

50%
knowingly interact with AI when shopping

34%
indicate data privacy is a top concern

33%
cite AI-generated misinformation as a top concern



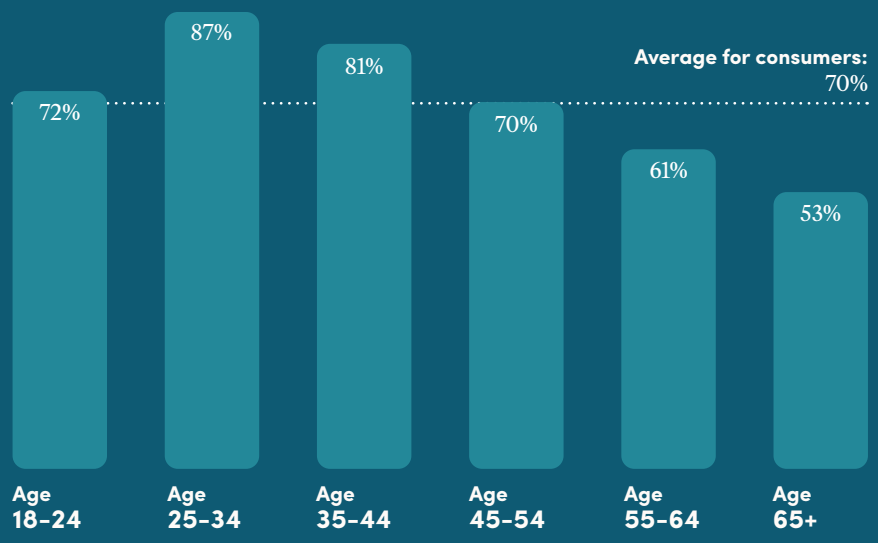
Consumers aren't rejecting the machine. They're scoring it. AI is now a defining factor in brand trust, not because it exists, but because of how it handles data and decisions.

Consumers don't distrust AI-driven engagement. They distrust brands that use it carelessly. Get it wrong, and you don't just lose attention. You get permanently filtered out.

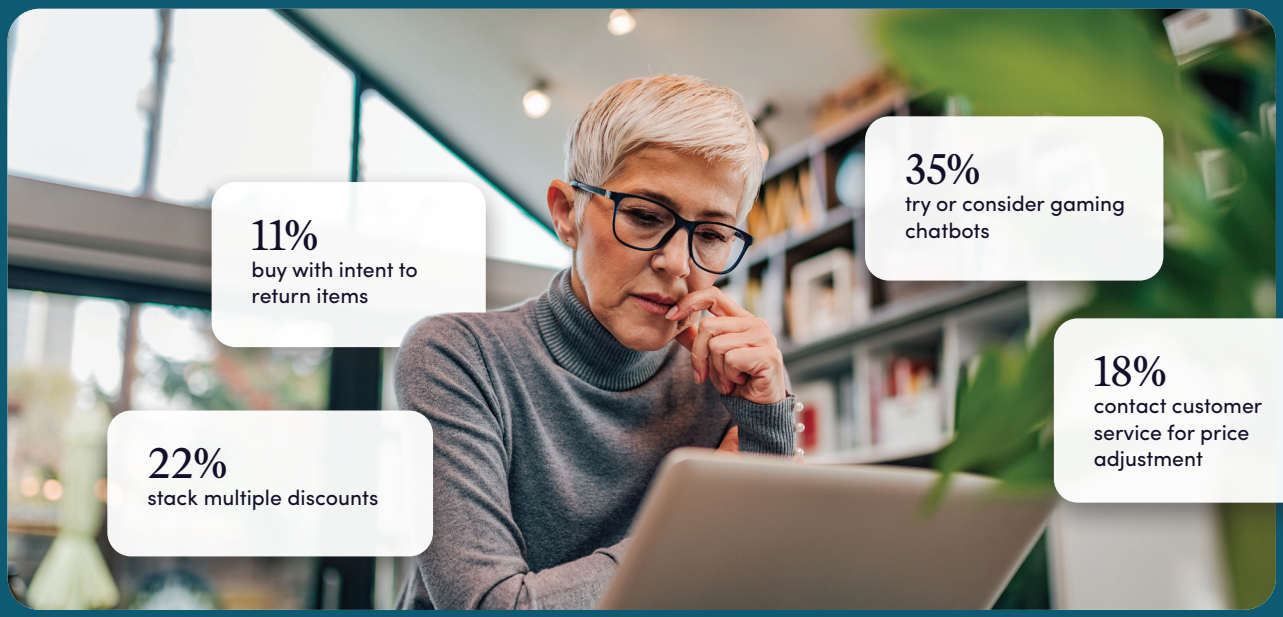
Strategy 2: Optimizing for Value

What consumers say and what they do are wildly different. Only 7.7% admit they try to outsmart pricing. The data says otherwise. Across the board, consumers are gaming the system. They just don't call it that.

Gaming Behavior: Abandon Cart to Trigger a Discount



The cart isn't a purchase signal anymore – it's a probe. Consumers have learned that the system reacts to abandonment, and they use that reaction to extract better terms. In fact, 37% admit to abandoning their cart to receive a better offer in the past year.



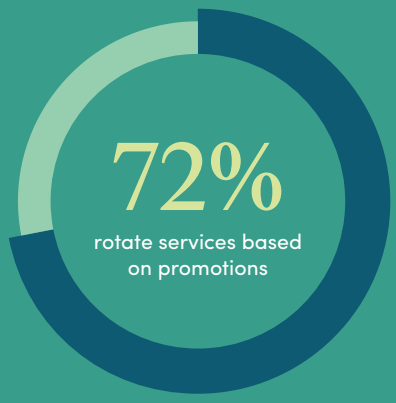
Promotional hacking tells a similar story. Consumers stack discounts, buy more to unlock thresholds, and return what they don't need. They treat promotions as systems to be optimized, not offers to be accepted. 22% have used multiple discounts or rewards in a single transaction, and 11% have purchased additional items with the intent to return some of them.

Then there's customer service manipulation. Consumers have identified the system's pressure points, and they apply pressure with precision. One in five has tried to manipulate a customer service chat for a better outcome, and another 14% have considered it.

Strategy 3: Controlling Timing and Channel

Two-thirds of consumers say cross-channel personalization doesn't change how they behave. Their actions say they're lying. The systems are familiar, the moves rehearsed, the game routine. But strip away what consumers claim and look at what they do: they are surgically responsive to incentives, timing, and triggers.

Peak Age Groups: 25-34 (90%)



Peak Age Groups: 25-34 (91%)

Peak Age Groups: 25-34 (79%)

Timing is the sharpest weapon in the consumer arsenal. More than half sit on purchases waiting for a better number. One in four rides a sale to its final day, watching to see if the offer blinks first. This isn't hesitation. It's leverage.

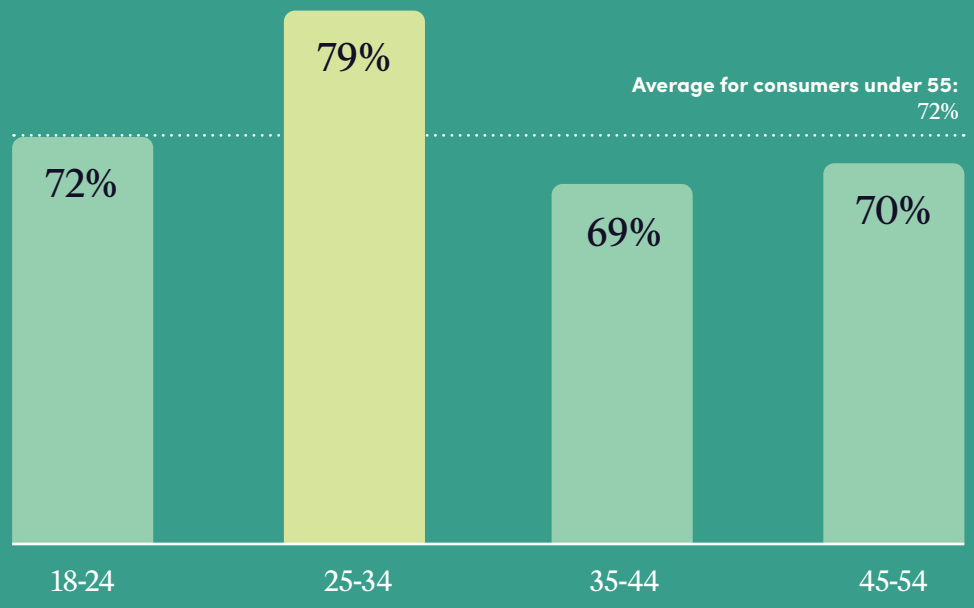
Free trials aren't try-before-you-buy anymore. They're take-and-leave. Nearly two-thirds of consumers sign up planning to bail before the bill arrives, and this behavior is prevalent across all age groups under 55.

24%
cancel and rejoin with promotion

18%
unsubscribe immediately after SMS

19%
use a different email for first-time discount

Intent to Cancel: Free Trials Are Take It Then Leave It



The pattern extends beyond trials. Consumer behavior reflects what the brands have incentivized. Nearly a quarter cancel subscriptions and circle back later to reset their pricing. Three out of four hop between services chasing the best promo. Marketers call it promotion cycling. Consumers call it Tuesday.

Channels are just another exploit. Nearly 20% spin up a burner email for first-time discounts. Another 18% subscribe to SMS or email long enough to pocket the offer, then ghost.

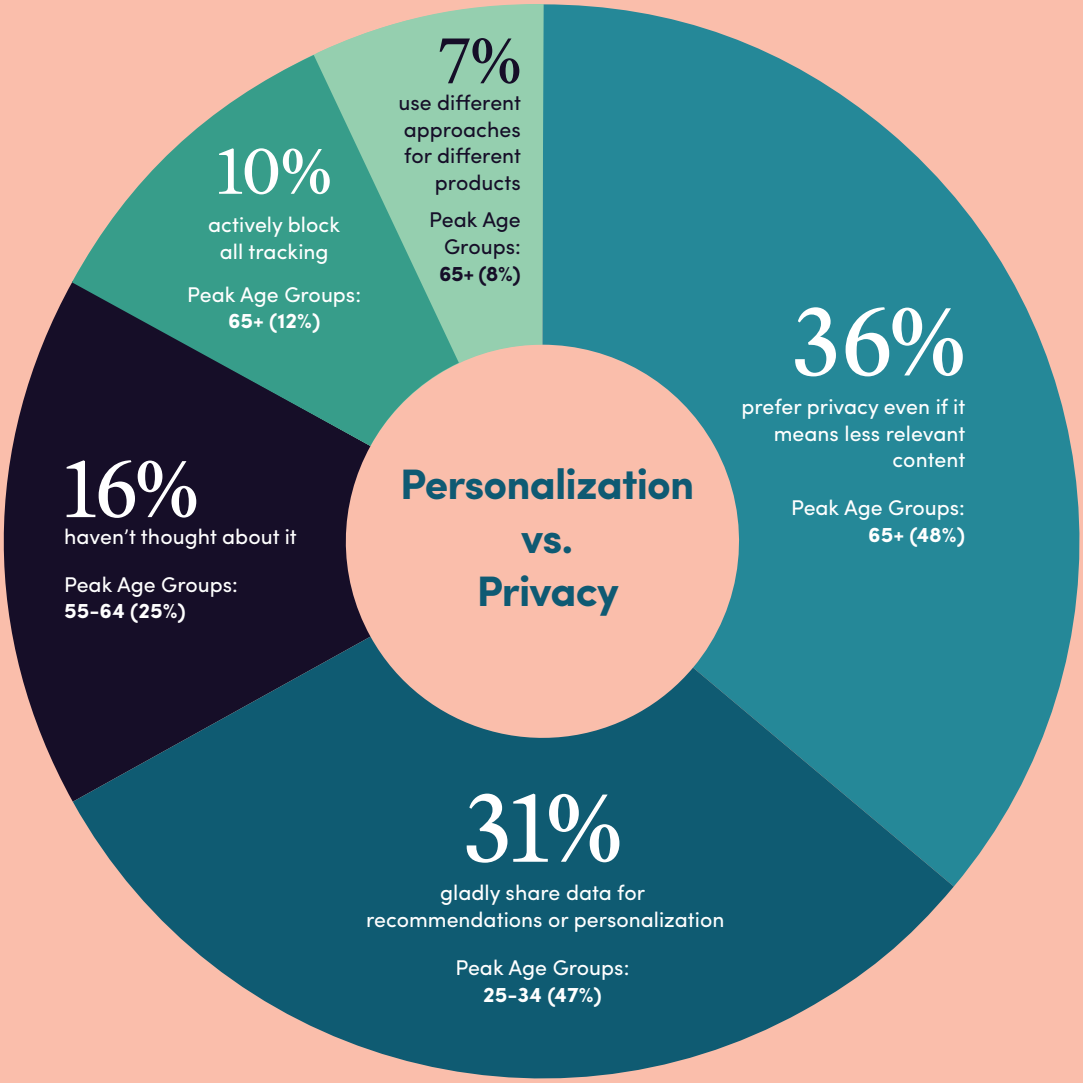
These two behaviors target different parts of the promotional funnel, but they share the same logic: extract the value, discard the channel.

Strategy 4: Minimizing Friction and Risk

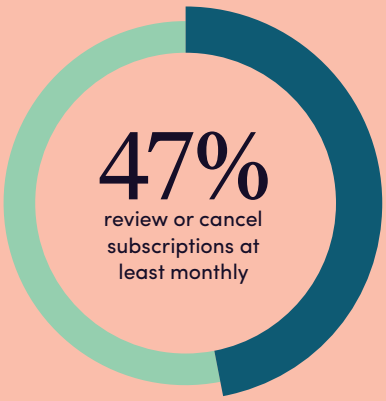
Above everything else, consumers want the ability to leave easily. Trust isn't built through personalization alone. Consumers stick around when they feel in control. They bolt when they don't.

Privacy isn't a wall. It's a filter. About a third will trade data for better recommendations. A slightly larger share would rather miss out on relevance than give up privacy.

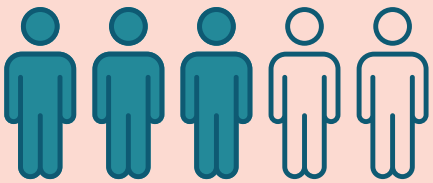
The result isn't opt-in or opt-out. It's selective, conditional participation that shifts by generation. Younger consumers set the terms. Older consumers close the door.



Decision-making reflects the same caution. Consumers are calculating regret before they even start. Only 10% decide to start a subscription immediately. The rest need time, proof, and repeated exposure before they'll commit to anything.



When the experience falls short, the exit is instant. Consumers protect their channels because they've been burned by brands that abuse the access. But when brands deliver? The loyalty is real, and it lasts. More than half stay with trusted brands for over a decade, driven by consistency and reliability.



3 in 5

consumers have left a platform over ads or unwanted content.

>50% have been loyal to a brand they trust for over a decade

27% stayed loyal to a brand due to convenience and trust

Act 2

The Myth of Marketing Progress

Consumers are turning your system against you. Welcome discounts generate fake emails. SMS capture offers trigger quick sign-ups and even quicker unsubscribes. Win-back flows reward the very churn they're supposed to prevent. Cart abandonment nudges train shoppers to wait for a better deal.

The system worked. The problem is that consumers learned how it works, too.

That's where the gap begins. Marketing appears more advanced than ever, but it's operating on a model built for a slower, more predictable game—one consumers have already moved past.

What looks like progress is often just more activity. Here's where the cracks are starting to show:

Scale Strain

Nearly 70% of marketers are expected to do more with less budget and fewer people than they had two years ago. The cuts hit the areas that once absorbed operational strain—tools, agencies, and paid media—leaving smaller teams responsible for more.

AI was supposed to be the pressure valve. It isn't. Marketers are stretched thinner than ever, and whatever efficiency AI delivers gets burned plugging labor shortages and keeping baseline output alive. Not innovating or advancing, just treading water.

Biggest Cuts:

20% Tools

18% Agencies

18% Paid Media

Fewer than 18% of teams use AI deeply in operations like orchestration, segmentation, and optimization. Only 15% use it for content generation, even though content creation remains the single biggest daily time drain.

<18%
use AI deeply in operations

40%
of marketers are quietly taking on more work despite AI

The appetite for real AI impact exists. The problem is in the execution. When asked what they'd do with AI if constraints vanished, more than 40% of marketers want it to automate campaigns and scale creative. About 42% want it to decode customer behavior and predict what works.

>40%
want AI to automate and scale execution

42%
want AI to understand customers and predict outcomes

As AI becomes more embedded in daily workflows, its role has to shift from propping up execution to driving and improving engagement in real time.

Quality Erosion

Without understanding, personalization becomes guesswork. AI has made it easier to produce content, but not to produce marketing that resonates. The breakdown isn't volume. It's whether teams can create meaningful, differentiated experiences and explain the logic behind them.

Most can't. 64% admit the personalization they deliver is more about optics than impact. And fewer than 40% of marketers are confident they can explain why a specific customer received a specific message. Data silos, privacy constraints, and gaps in tooling and skills make it nearly impossible to consistently connect signals, let alone act on them with precision.

Biggest Obs acles:

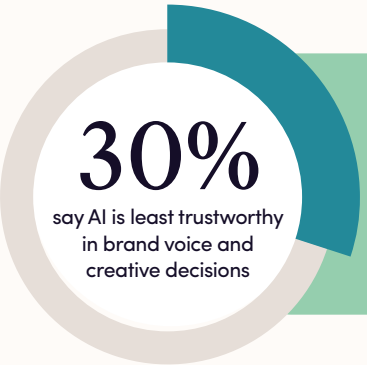
20% Data Silos

20% Privacy Limitations

36% Tooling & Skill Gaps

2 in 5 marketers can explain the "why" behind personalization decisions

AI is actively threatening brand identity. Some marketers see it flattening differentiation, churning out content indistinguishable from everything else flooding the market. Many say AI is least trustworthy when it comes to brand voice and creative decisions. The perception splits sharply by role. The people closest to the work feel the erosion of quality most acutely.



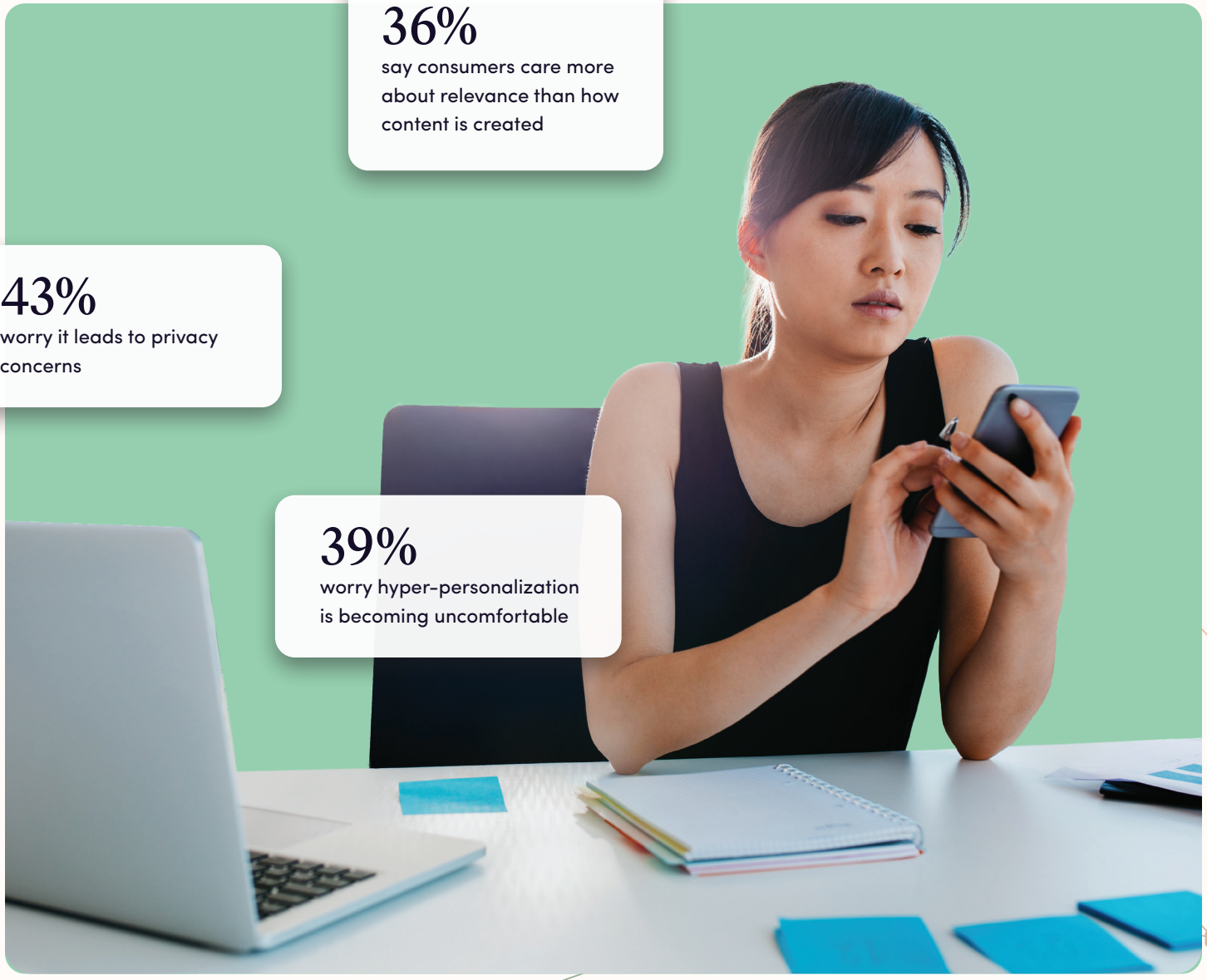
Varies by Role:

38% of Marketing Practitioners

27% of Marketing Leaders

22% fear AI is flattening brand differentiation

Good personalization is hard to get right amid escalating concerns about privacy and brand integrity. Nearly 40% of marketers worry hyper-personalization has already crossed into uncomfortable territory. Even more say it's surfacing privacy issues that they have no clear way to resolve.



36%
say consumers care more about relevance than how content is created

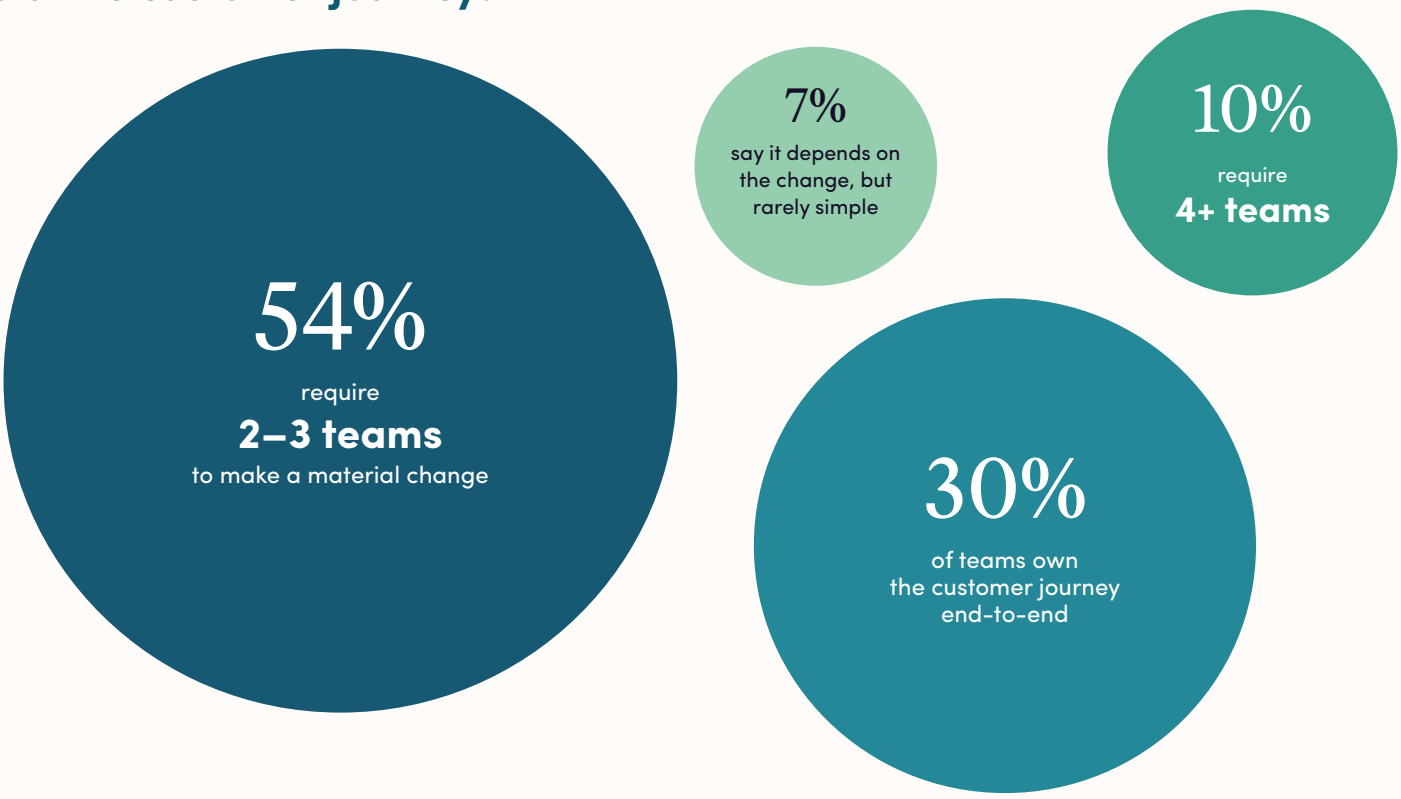
43%
worry it leads to privacy concerns

39%
worry hyper-personalization is becoming uncomfortable

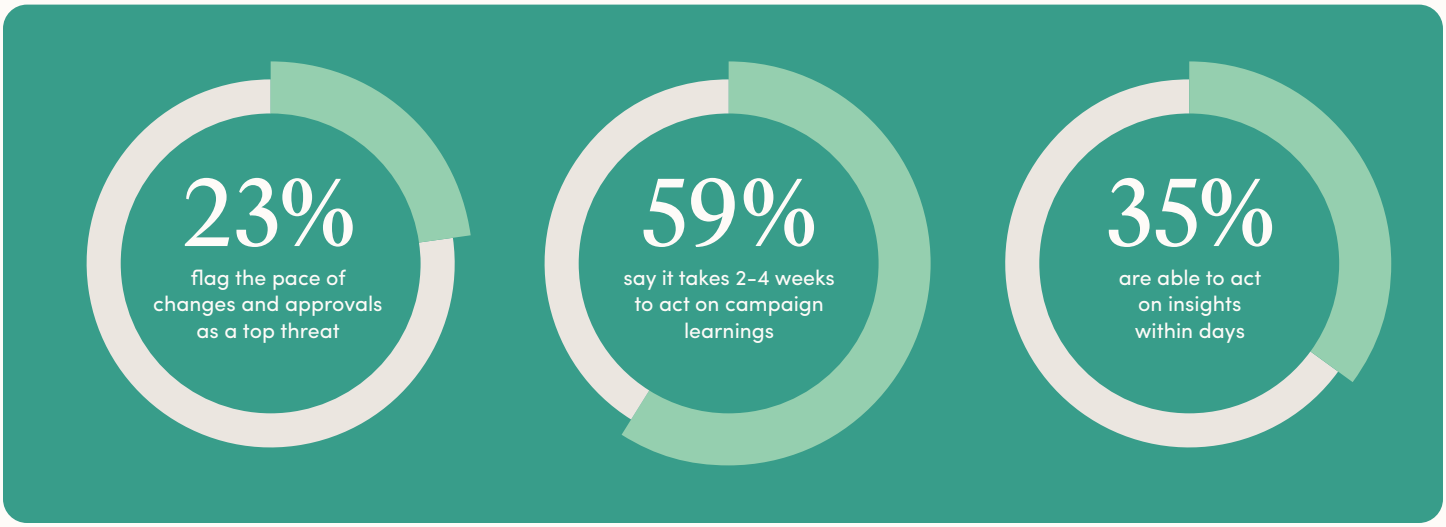
Decision Latency

Marketing moves at the speed of the slowest handoff. Most teams are not structured for streamlined action. Only 30% own the customer journey end-to-end. The rest need two, three, sometimes four teams to approve a single change. Simple updates become committee projects. By the time a fix ships, the problem has already mutated.

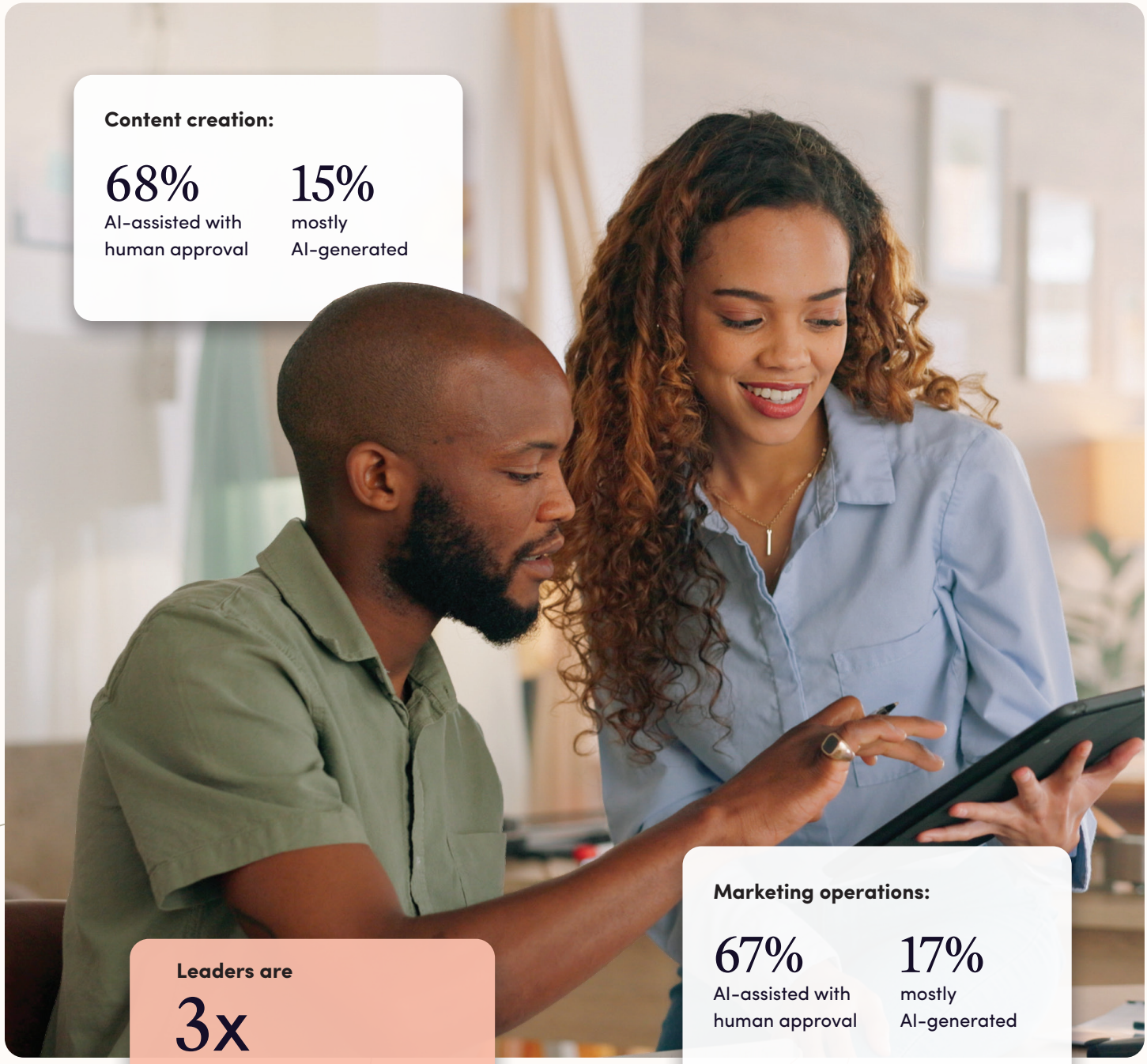
How many teams are involved in making a change to a live customer journey?



The bottleneck isn't thinking—it's execution. Speed isn't limited by how quickly teams can decide, but by how well their tools and workflows support turning decisions into action. What should be rapid iteration often stretches into weeks, slowed by disconnected systems and processes that aren't built for real-time execution.



AI was expected to close the execution gap—but in practice, it hasn't. Most teams are still operating with human-led processes, where AI supports tasks but doesn't fundamentally change how work gets done. That creates a disconnect: leaders are over 3x more likely to believe AI is driving execution than practitioners, who experience it as an assistive tool. The result is misaligned expectations: AI promises speed, but the underlying workflows remain unchanged.



Content creation:

68%
AI-assisted with human approval

15%
mostly AI-generated

Marketing operations:

67%
AI-assisted with human approval

17%
mostly AI-generated

Leaders are

3x

more likely to think AI is driving execution than the teams doing the work

Confidence Crisis

Autonomy is a trust problem. Marketing teams are already using AI at scale. They just aren't willing to let it act independently due to risk. The environment AI operates in is defined by high scrutiny and low tolerance for error. Just over a third of marketers name data privacy as their top external threat, just slightly less point to AI-generated misinformation, and compliance and legal scenarios due to AI.

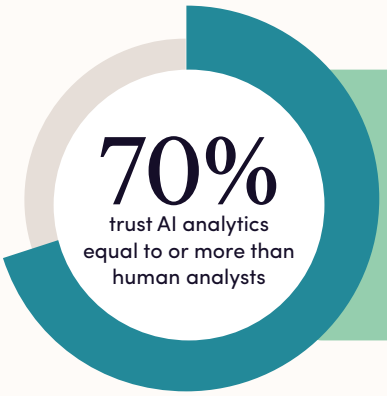
The biggest threats to brand trust are:

33%
Data privacy

28%
AI-generated misinformation

29%
AI compliance & legal risk

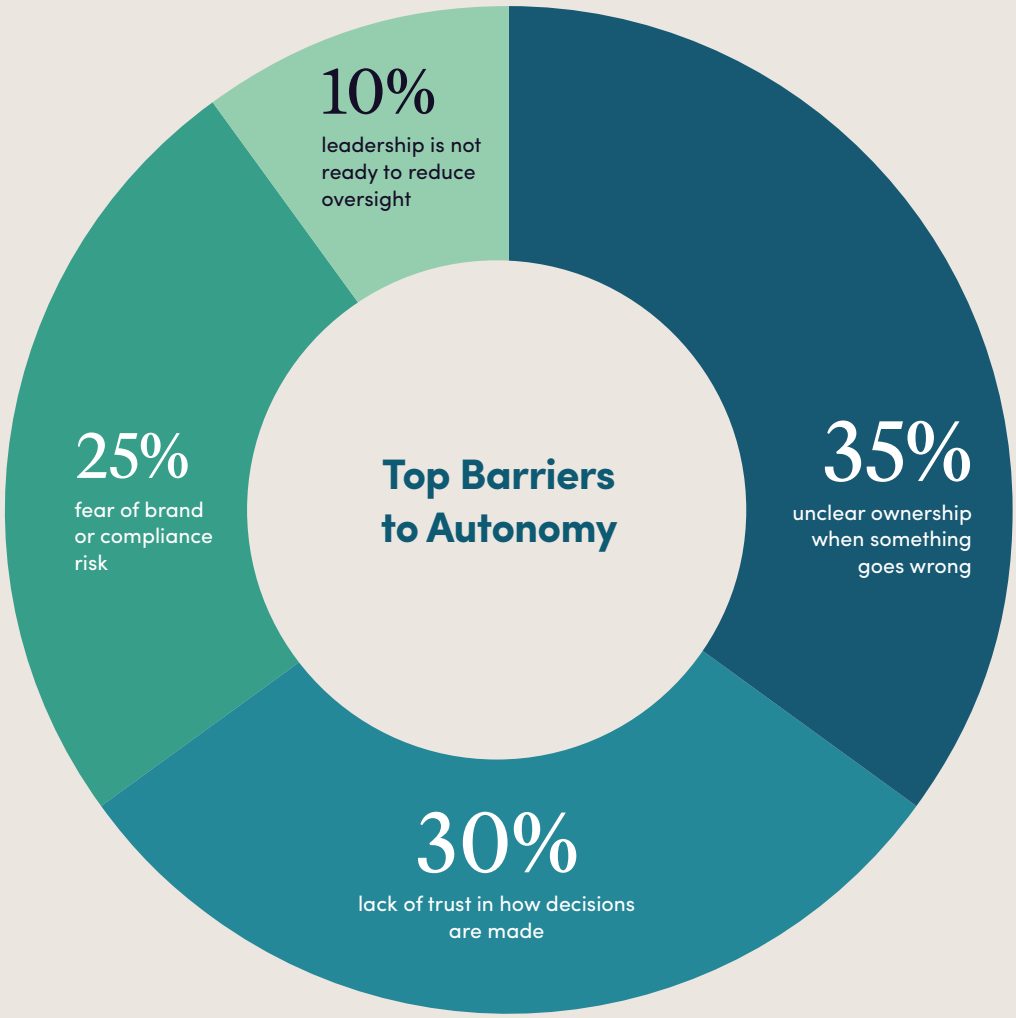
Trust in AI isn't evenly distributed. While many marketers trust AI analytics as much as—or more than—human analysts, that confidence varies sharply by role. Leaders are 36% more likely than practitioners to trust AI analytics at that level. The closer teams are to execution, the more cautious they become.



Marketing leaders trust AI **36% more** than marketing practitioners

Hesitation is built into the system. Even when teams know what to change, they're reluctant to act. Unclear ownership, limited trust in decision-making, and the risk of unintended consequences keep everyone frozen. Nobody wants to be the person accountable when AI misfires. As a result, almost 3 in 4 marketers avoid modifying live programs.

avoid changing live programs due to unpredictable downstream effects



Act 3

Marketing's Mandate: Adapt or Fall Behind

Marketers see what's coming, and they know it will reshape the industry. What they underestimate is how quickly it's arriving.

The future isn't ten years out—it's already taking shape. And the longer marketing waits to adapt, the more it falls behind the consumer.

The fundamentals of marketing hold, but how it gets done is changing. Consumers are moving faster, learning faster, and reacting in real time. Most marketing systems weren't built for that. They lag, they batch, they wait.

Closing that gap takes more than iteration. It requires a different way of operating.

1. Get smarter with every signal.

Launch-optimize-lock is how most teams operate. It works right up until behavior shifts, and behavior always shifts. Adaptive brands don't try to guess what will work. Instead:

- **They treat every interaction as input, not output.** From cart abandonment to channel hopping, every signal feeds the next move.
- **They don't build what they'll have to rebuild.** Instead of hardcoded journeys that take weeks to change, personalization is assembled dynamically from what's already brand-approved.
- **They optimize continuously.** Agentic intelligence runs constant experimentation, learns from the results, and adjusts channel, timing, and frequency in real time—no review cycle required.

Ask yourself:

- **If a customer's behavior shifts tomorrow, does your system adapt or stall?**
- **What signals are your journeys ignoring today?**
- **How long does it take for a new pattern to change what a customer sees?**

How Iterable Makes This Possible:

Data Feeds

Power real-time context across every interaction.

Catalog

Connect products, content, and offers to every moment.

Brand Affinity

Tailor engagement based on loyalty and sentiment.

Predictive Goals

Anticipate intent and optimize toward outcomes.

Send-Time Decisioning

Deliver messages when they're most likely to resonate.

Frequency Decisioning

Balance pressure to drive impact without fatigue.

Channel Decisioning

Choose the right channel for every message, every time.

2. Build for what breaks the rest.

Consumers are testing marketing strategies. A campaign that hit its numbers last quarter is already being reverse-engineered by its target audience. That benchmark expired the moment it landed. Here's what adaptive brands do differently:

- **They measure staying power, not spikes.** Performance isn't defined by a launch window. Adaptive brands measure whether an experience holds over time and across channels, not whether it peaked once.
- **They make the system harder to predict.** Fixed patterns get learned and exploited. Adaptive brands vary timing, sequencing, and offers so the system responds to behavior instead of repeating a script your audience has memorized.
- **They pressure-test before pressure arrives.** Marketing is prone to breaking during volume spikes, viral moments, and sudden shifts in behavior. Adaptive brands invest in systems that hold up without degrading.
- **They limit the blast radius.** Adaptive brands test in smaller segments, validate performance, and scale what works to catch small issues before they spread and become big problems.

Questions to ask:

- **Where have customers learned to game or ignore our tactics?**
- **What conditions does our performance depend on?**
- **If volume spiked tomorrow, what would break first?**

How Iterable Makes This Possible:

Data Sync

Keep data consistent and up to date across systems.

Journey Assist

Generate and update journeys based on real-time triggers.

Next Best Action

Choose the best move based on customer behavior.

Global Suppression

Enforce guardrails to prevent mistakes at scale.

Experimentation Agent

Continuously test and optimize campaigns for better outcomes.

3. Clear the path to move faster.

Marketing doesn't slow down because of ideas. It slows down because of how decisions get made. AI is everywhere, but without clear ownership and guardrails, it either stalls or creates risk—so leading brands are redefining how decisions happen:

- **They design for human-AI collaboration.** Humans and AI excel at different things. Decisions move faster when humans set strategy, intent, and guardrails—and systems handle execution, timing, and optimization.
- **They stop re-deciding the same things.** Most teams operate in loops, pulling people into edge cases that add time and cost without improving outcomes. Instead, define goals and parameters once, then let systems adjust as behavior changes.
- **They make ownership explicit.** Systems stall when accountability is unclear. Adaptive brands define what success looks like and who owns the outcome at the decision level, not buried in a team charter nobody reads.

Questions to ask:

- **What decisions is your team making today that a system could handle better?**
- **When AI makes a decision, is it clear who owns the outcome?**
- **Where are humans adding judgment vs. slowing things down?**

How Iterable Makes This Possible:

Journey Assist

Turns ideas into live journeys from simple prompts.

Next Best Action

Operationalize decisions based on behavior and performance.

Messaging Insights

Explain what's driving results and performance changes.

Send-Time Decisioning

Act only when customers are most likely to engage.

Frequency Decisioning

Adjust cadence without manual intervention.

Channel Decisioning

Route messages to customers' preferred channels.

MCP Server

Translate natural language into governed platform actions

It's Time to Replace the System

The shifts outlined in this report aren't predictions. They're already showing up in your metrics, your engagement, and the declining returns on tactics that worked a year ago. Consumers didn't just learn the system. They rewired it, and now they're using it to their advantage.

That's the reality most marketing is up against:

- **Incremental upgrades won't fix a structural problem**
- **Faster sends don't matter if the strategy is outdated**
- **More automation doesn't help if it's automating the wrong things**
- **AI won't fix a system built for a customer who no longer exists**

The brands that win won't optimize the old model—they'll replace it. They'll operate with speed, adapt in real time, and evolve as fast as the people they're trying to reach.

Consumer behavior has moved. The question is whether your marketing will move with it.

Methodology

About this Research and Analysis

The 2026 Customer Engagement Report is based on a survey of 1,084 consumers and 505 marketers fielded in March 2026.

Consumer Survey: An online survey of 1,084 U.S. and U.K. consumers aged 18 and over was conducted by Propeller Insights on behalf of Iterable between March 10 and March 18, 2026. Respondents were recruited from an online panel and targeted based on demographic criteria. Eligibility was confirmed through screening questions in which participants self-identified their qualifications. The margin of sampling error for the total sample is ±3 percentage points at a 95% confidence level.

Marketing Professionals Survey: An online survey of 505 U.S. and U.K. marketing professionals was conducted by Propeller Insights on behalf of Iterable between March 10 and March 24, 2026. Participants were recruited from a verified online research panel and targeted using demographic and occupation-based criteria. Eligibility was confirmed through screening questions in which respondents self-identified their decision-making roles in marketing, PR, or advertising. The margin of sampling error for the total sample is ±5 percentage points at a 95% confidence level.

DISCLAIMER
The data, analysis, and recommendations in this report are provided for informational purposes only and do not constitute professional, legal, or strategic advice. While every effort has been made to ensure accuracy, Iterable makes no guarantees regarding the completeness or applicability of these findings to any specific business situation. Individual results will vary based on industry, audience, technology infrastructure, and organizational factors. Brands should evaluate any strategic changes in the context of their own data, risk tolerance, and operational capabilities.

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Iterable

Iterable is the AI customer engagement platform that enables teams to deliver real-time, personalized experiences across every channel, like email, SMS, push, and more. It makes complex programs easy to manage, helping brands connect with customers and grow with confidence. Learn more at www.iterable.com.

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