

Benefits Technology 2024

AI. Centralization. Consolidation.

Our 2024 year-on-year pulse research shows a market shift towards prioritizing AI, centralizing operations and data insight in the face of rising benefit costs, and ensuring global consistency for benefit teams and employees alike.

benefits that truly benefit

A digital-first approach

Our 2024 pulse survey is a follow-up to our 2023 Employee Benefits and Technology report. 400+ HR professionals across 11 markets took part in our survey to share the most significant trends impacting employee benefits and technology in 2024 and into 2025.

In 2023 we saw that half of HR budgets were going towards technology investment, and this has stayed the same for 2024, as the importance of a digital-first approach to benefits is increasingly recognized.

However, the most significant shift in investment for 2024/5 is unsurprisingly, AI.

85% of HR professionals are either currently using or planning to use AI specifically in relation to benefits within the next 12 months.

And investment in AI now tops the agenda for the first time in our research.



AI listed as the top priority for technology investment this financial year

And this investment is expected to grow.

52% of organizations anticipate that investment in AI will become an even higher priority investment in the coming years.



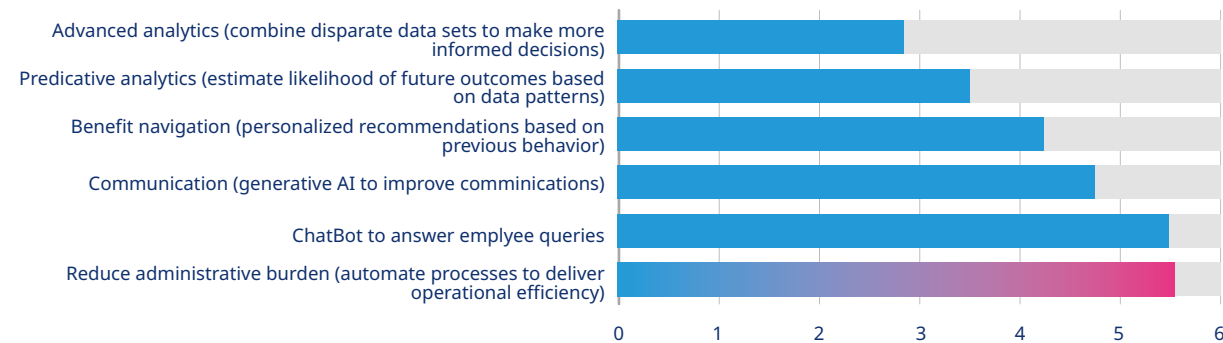
AI for improved performance

A growing number of organizations globally are using data analytics and AI to leverage essential insights about their employee population.

By better understanding their people, through hard data and measurable engagements, benefit teams can tailor employee benefits, communications and experiences to improve employee engagement, increase benefit uptake, and ultimately return on significant benefit spends.

The top improvements employers see AI can bring to benefits management are better analytical insights (both advanced and predicative), as well as being able to offer more personalized benefits for their people, and to reduce their administrative burden.

The main opportunity employers see for AI in benefits is better analytics (advanced and predicative)



How would you rank these AI opportunities for reward and benefits?
(1 being the top opportunity and 6 being the least) (advanced and predicative)



And the benefits of robust and effective data analytics are directly linked to top organizational goals.

Acting on analytical insights leads to improved employee performance and engagement



Acting on analytical insights leads to improved employee performance and engagement, helps to control and manage budgets in the current economic climate, as well as improving the overall effectiveness of your programs.

Key actions

What can you do?

Start upskilling your HR team ready for the future of AI. Our People Risk research shows that workforce skills aren't keeping pace with technological advances.

Identify opportunities to use AI for analytics and employee insights.

Consistency and centralization is still a **priority**

As the world becomes more and more connected, a globally consistent employee experience is more important than ever for hiring top talent, reducing attrition and improving retention.

Organizations are focusing their attention on consolidating HR technology, benefits software, benefits brokers and HR operations to drive efficiency and positively impact the employee experience.


84% say delivering a globally consistent employee experience is a high priority

but only **57%** of employers currently use centralized specialist benefits software

85% have centralized their benefits operations, or plan to within the next 1-3 years, and 88% are likely to consolidate benefits technology and brokerage/consultancy with a single adviser over the next 1-5 years.

The results of centralization are clear, with organizations reporting a knock-on impact on their ability to respond to change, and their employee engagement score targets. It also lays a strong foundation for the advent of AI.





88% of employers who have a centralized benefits software say they can respond quickly to change and

73% of employers whose benefits software helps them respond to change say they are on track or above their employee engagement targets.

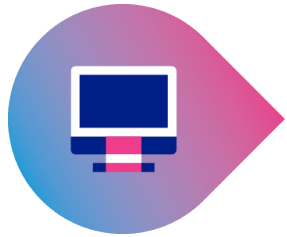
Key actions

What can you do?

Use the research to spark conversation and planning around **consolidating and centralizing software**. The impact on employee experience is clear and many employers are already on the journey.

Use software to track against key targets such as **employee engagement to show return on investment and benefits impact**.

Building on 2024 Trends for 2025



Considerable investment in HR technology

Nearly half of HR budget still spent on technology

This investment secured without barriers for most respondents

Economic climate remains the primary barrier for any investment

Consistency and centralization a priority

Consistent employee experience a top priority

Consolidation with a single adviser a focus

Centrally managed benefits software is key enabler

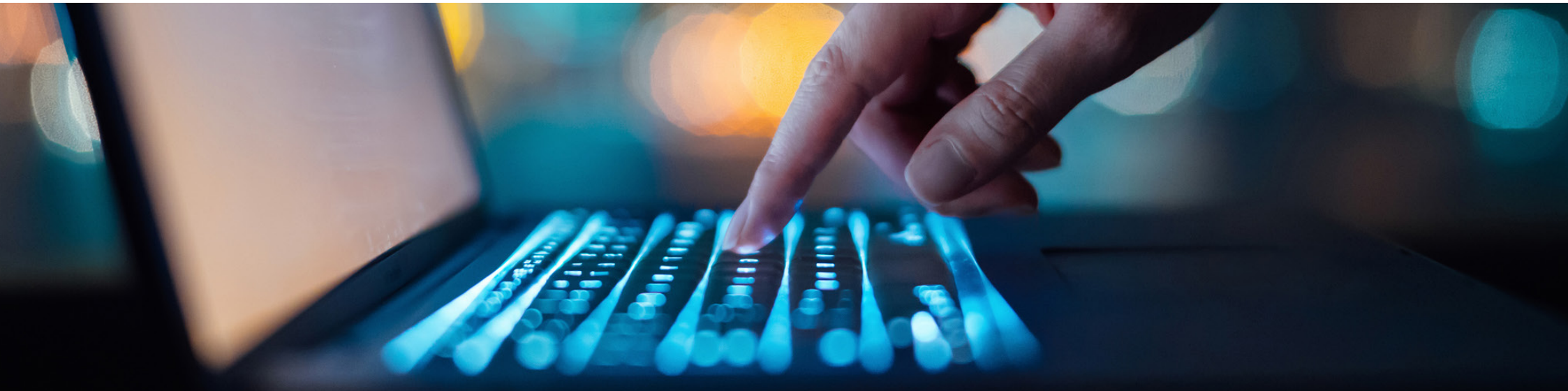
AI and analytics an overwhelming trend

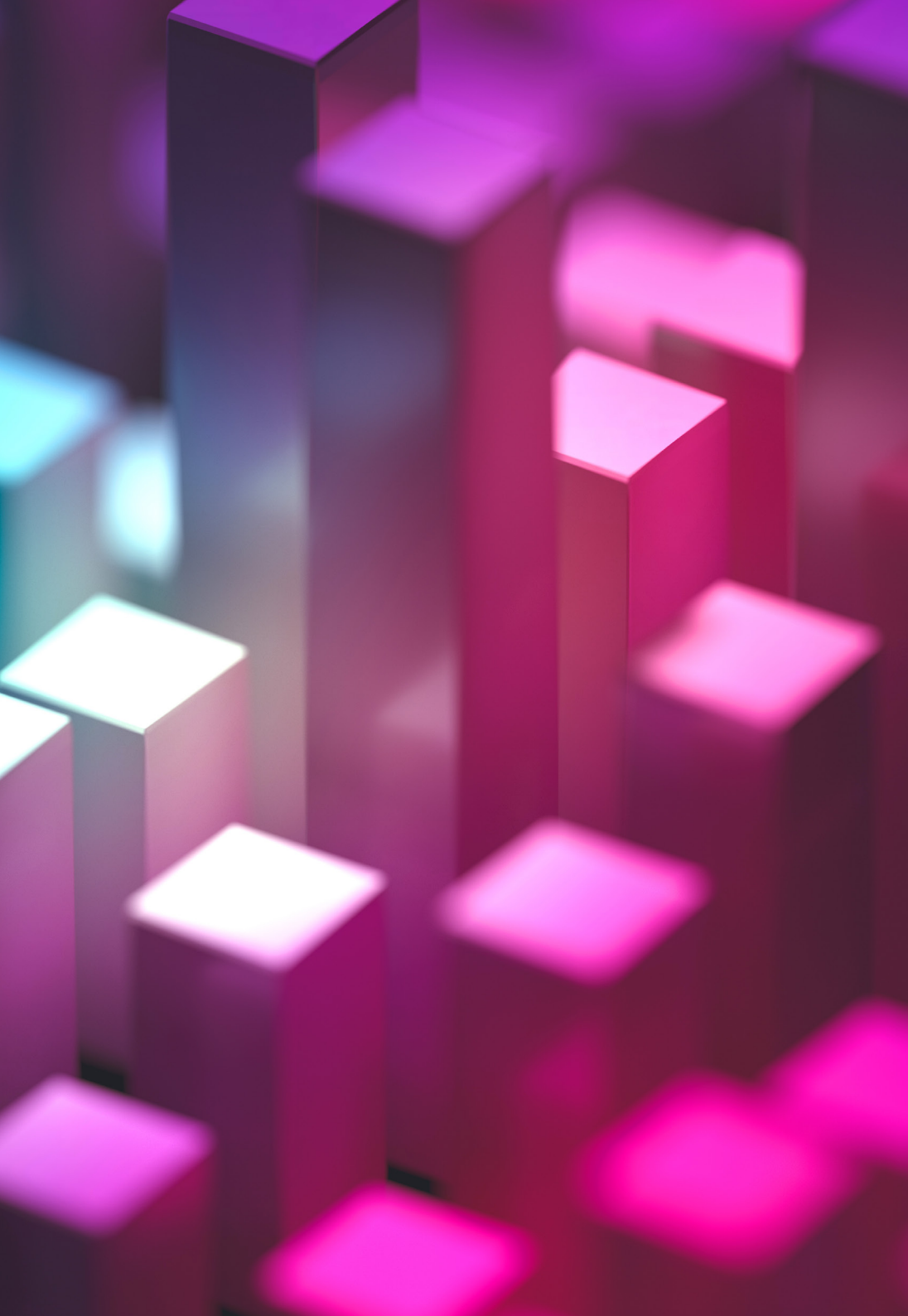
AI highest priority for HR technology investment

Analytics is the biggest opportunity for AI in benefits

Insights from analytics leads to improved employee engagement and aligns to top goals

Benefits that truly benefit



An abstract 3D bar chart with several vertical bars of varying heights. The bars are rendered in a vibrant blue and purple color palette, with a glowing effect. The background is dark, making the bars stand out. The chart is positioned on the left side of the page, partially overlapping the text area.

It's clear that AI is having a huge impact on the HR function. The overwhelming shift towards investment in AI for HR and benefits aligns with the wider change in the way we work. From automating routine tasks to delivering data-rich insights for more objective decision-making, AI continues to enhance the way companies attract, develop and retain talent, supporting a more consistent and cost-effective HR operating model—which our 2023 research found was a top HR tech investment priority for 38% of CEOs and CFOs.¹

However the full potential of AI for analytics cannot be realized if the centralization or consolidation work isn't done to set a strong foundation. Centralization is a continuing global trend, with organizations consolidating operations to drive efficiency and create consistency—as well as benefiting from economies of scale across their employee population.

Together, we can shape the future of benefits management, leveraging AI to drive **innovation, efficiency**, and better outcomes for all. We can **revolutionize** how we manage benefits, **enhance employee and client experiences**, and create a **brighter future for all**.

1. [Mercer Marsh Benefits: Employee benefits and technology trends report 2023](#)

For more detailed insights, download our '[Benefits Technology](#)' 2023 report, and for further information, please contact your local Mercer Marsh Benefits office.

Marsh McLennan businesses provide a range of solutions to help you build a resilient workforce and business, including:

- Benefits strategy, broking, design, financing and delivery
- Benefits technology
- Health and well-being, including mental health and longevity
- Global benefits
- Business continuity
- Enterprise risk management
- Business resiliency and crisis management
- Cybersecurity risk management
- Environmental, social and governance (ESG)
- Diversity, equity and inclusion
- Workforce communications
- Flexible working and work design
- Employee experience, listening and total rewards
- Living wage
- Retirement

For further information, please contact your local Mercer Marsh Benefits office.

Mercer Marsh Benefits provides a range of digital solutions to help you manage workforce health and wellbeing, including Darwin:

Mercer Marsh Benefits' employee benefits platform, Darwin provides a consumer-grade experience for your people and automated administration for your business.

Find out more about Darwin [here](#).

About Mercer Marsh Benefits

Mercer Marsh Benefits helps clients manage the costs, risks and complexities of employee health and benefits, through the combined expertise of Mercer and Marsh, businesses of [Marsh McLennan](#) (NYSE: MMC). Marsh McLennan is a global leader in risk, strategy and people, advising clients in 130 countries across four businesses: [Marsh](#), [Guy Carpenter](#), [Mercer](#) and [Oliver Wyman](#). With annual revenue of \$23 billion and more than 85,000 colleagues, Marsh McLennan helps build the confidence to thrive through the power of perspective. For more information, visit marshmclennan.com, or follow on [LinkedIn](#) and [X](#).