

A woman with blonde hair, wearing a dark winter coat and a patterned scarf, is shown in profile from the chest up. She is holding a tablet computer with both hands and looking towards the left. The background is a blurred cityscape with buildings and a perforated metal screen. The entire image has a blue color overlay.

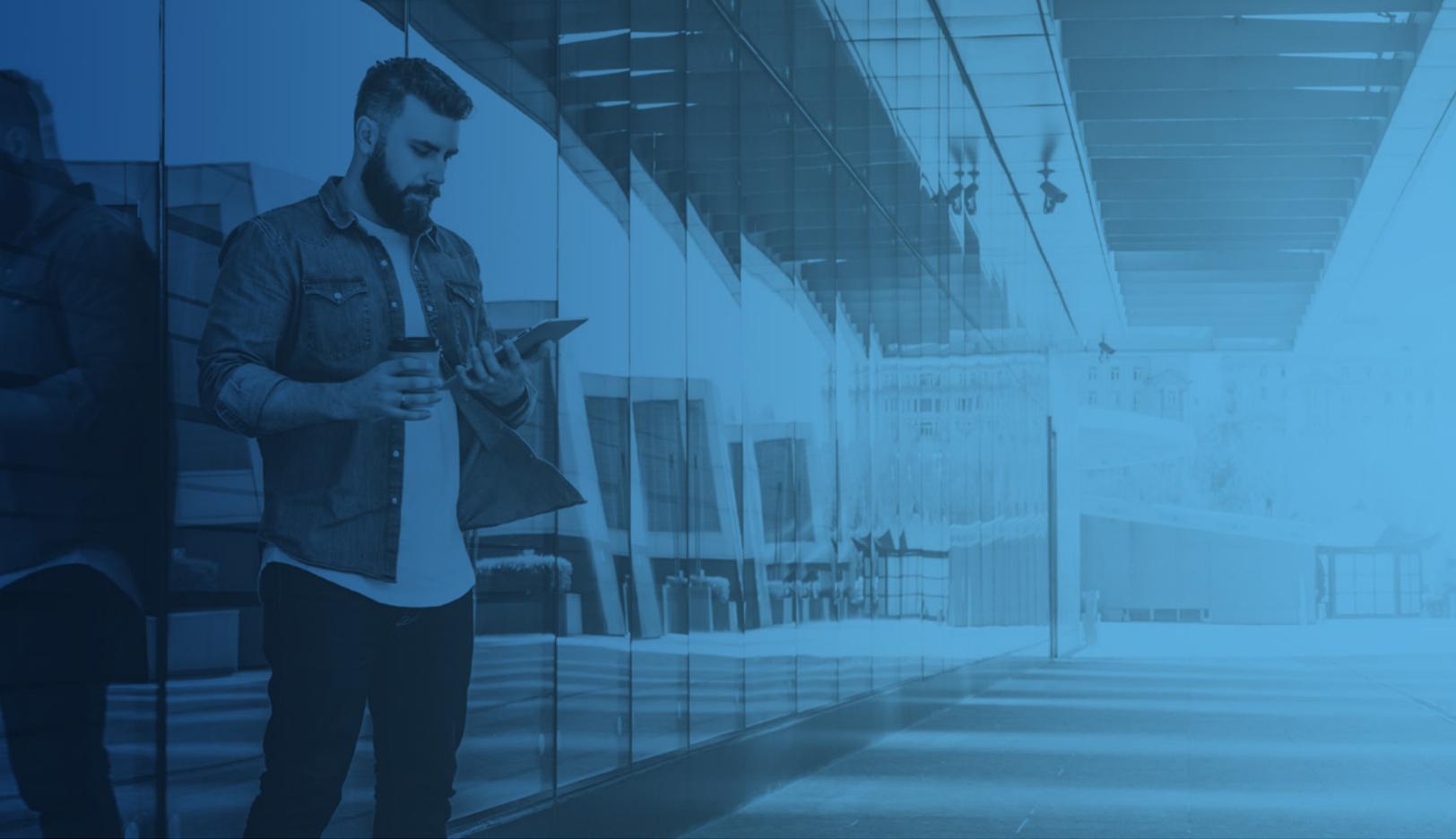
THE MYTHS & REALITIES OF AI IN MARKETING & SALES

RESEARCH REPORT

DEMAND  **GEN**[®]
REPORT
SURVEY REPORT

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INTRODUCTION

When Jim Cramer, host of CNBC's Mad Money, recently stated that Artificial Intelligence (AI) is "like steroids for business," and warned that businesses have to "jump on the bandwagon" to remain competitive, Wall Street and the investment community took notice and investments in AI-enabled technologies skyrocketed.

AI is poised to fundamentally change businesses across industries by automating spreadsheet-level tasks that will free up time for more strategic-level thinking. This extends to the B2B sales and marketing world, where executives agree that AI will be "transformative" and a "game changer" for their businesses. However, many are moving too slowly to take advantage of readily available AI-powered applications, which are easily integrated into existing technology solutions.

According to a new survey from Demand Gen Report, a majority of B2B marketing and sales executives believe that AI will have a significant impact on their ability to generate pipeline. A few of the key findings include:

- **67%** of survey respondents said AI will either be hugely beneficial and/or transformative
- Nearly **80%** feel a significant amount (more than 20%) of their current marketing and sales applications will be AI-powered by 2020
- **70%** feel AI-powered applications will help to improve and accelerate the buyer's journey by recommending next best actions

Yet, despite the high expectations surrounding the power of AI to impact sales and marketing, the survey revealed that only a small percentage of leaders are actively adopting AI-powered applications today. Illustrating this potential gap in AI adoption, the survey showed:

- Only **19%** are currently using AI-powered applications
- Only **14%** are prioritizing using AI-powered applications as a potential competitive differentiator
- Meanwhile, **49%** were either “very interested” in AI or were confident AI can make apps more powerful

In the following report, we’ll break down the survey results to examine:

- ▶ Plans and timelines for deploying AI-powered applications;
- ▶ The factors that are holding back more rapid adoption of AI-powered applications;
- ▶ The areas of engagement where marketing and sales executives expect AI-powered applications to have the biggest payoffs;
- ▶ The areas of marketing and sales with the greatest potential to automate previously manual tasks;
- ▶ The marketing and sales applications with the greatest potential to incorporate AI-powered features and functionality; and
- ▶ The results/proof points marketing and sales executives are looking for in order to validate the impact of AI-powered applications on their business.

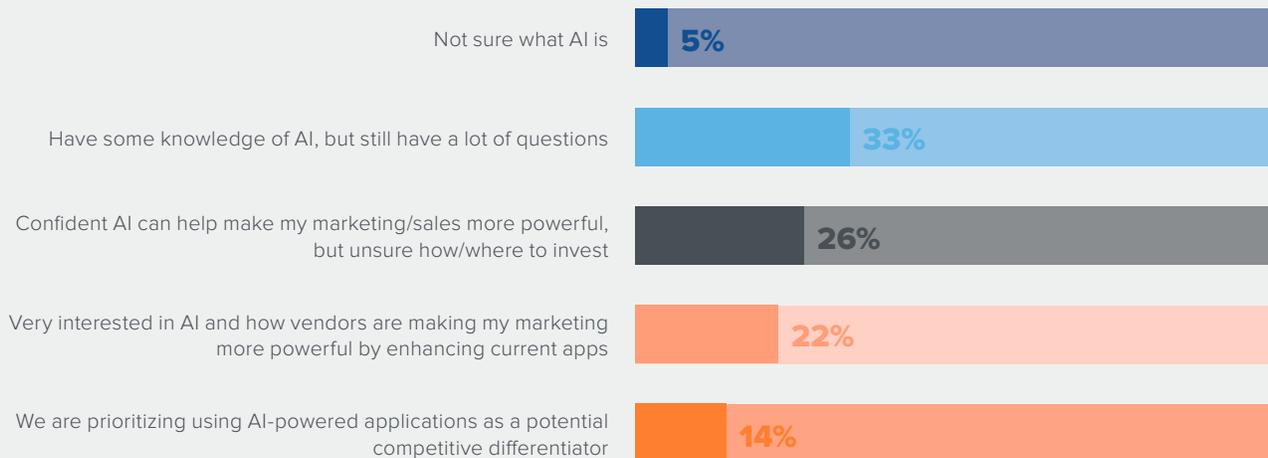


PREPARING FOR IMPACT

The survey showed high awareness of AI, as well as significant plans for rolling out AI-powered applications. Only 5% said they were not sure what AI is, while 33% said they had some knowledge, but still have a lot of questions.

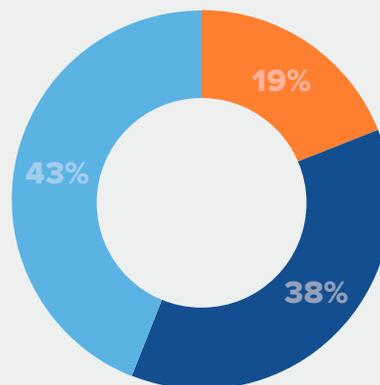
The remaining 62% of respondents were already educated and closer to moving on with AI, with 14% currently prioritizing AI-powered applications and 22% reporting that they were interested in how vendors are using AI to enhance current applications. However, 26% said they were unsure where/how to invest.

WHICH OF THE FOLLOWING STATEMENTS BEST DESCRIBES YOUR CURRENT KNOWLEDGE AND AWARENESS OF AI-POWERED APPLICATIONS?



ARE YOU CURRENTLY USING AI-POWERED APPLICATIONS WITHIN YOUR MARKETING AND SALES TECH STACKS?

- Currently using
- Planning to deploy in next 12 months
- No plans to use at this point





FACTORS SLOWING IMMEDIATE AI ADOPTION

Although AI-powered applications are already being successfully deployed and have a significant impact for many B2B organizations, many respondents still have fears around internal preparation and change management. These fears are slowing the adoption curve at some organizations.

For example, of the respondents who said they had no plans to utilize AI-powered applications within the next year, the following factors were cited as reasons for holding off:

- **91%** don't think their company is ready
- **60%** feel it's too complex, or they don't understand how it works
- **46%** had a lack of trust in decisions being made without human oversight
- **42%** feared a general lack of control, and
- **26%** cited resistance from executive team

The survey also uncovered some fears and misconceptions around perceived challenges for implementing AI-powered applications, with 37% pointing to internal processes not being ready, and 31% citing issues with integrating existing applications.

While industry experts stress that current and accurate data is key to AI-powered applications delivering their desired outcomes, they point out that many core sales and marketing tech solutions are either already incorporating some AI-functionality, or have been developed for seamless integration with these new tools.



AI'S BIGGEST POINTS OF IMPACT

The survey found little debate that AI will have a significant impact on marketing and sales, with 67% of respondents predicting advanced applications would be either “hugely beneficial” or “transformative,” and 24% expecting moderate benefit.

Looking at the specific areas of the B2B engagement process, marketing and sales

executives projected AI-powered applications will have a significant impact in personalizing digital “conversations” and creating a more contextual and relevant buyer’s journey.

When ranking the biggest potential payoffs, automatic segmentation, targeting digital ads, personalizing web experiences and emails were all ranked by more than half of respondents.

WHAT DO YOU SEE AS THE BIGGEST POTENTIAL PAYOFFS OF AI-POWERED APPLICATIONS? (SELECT TOP 3)

Recommending the next best action in the buyer journey

73%

Targeting digital advertising with greater accuracy

63%

Automatic segmentation

62%

Personalizing website messaging

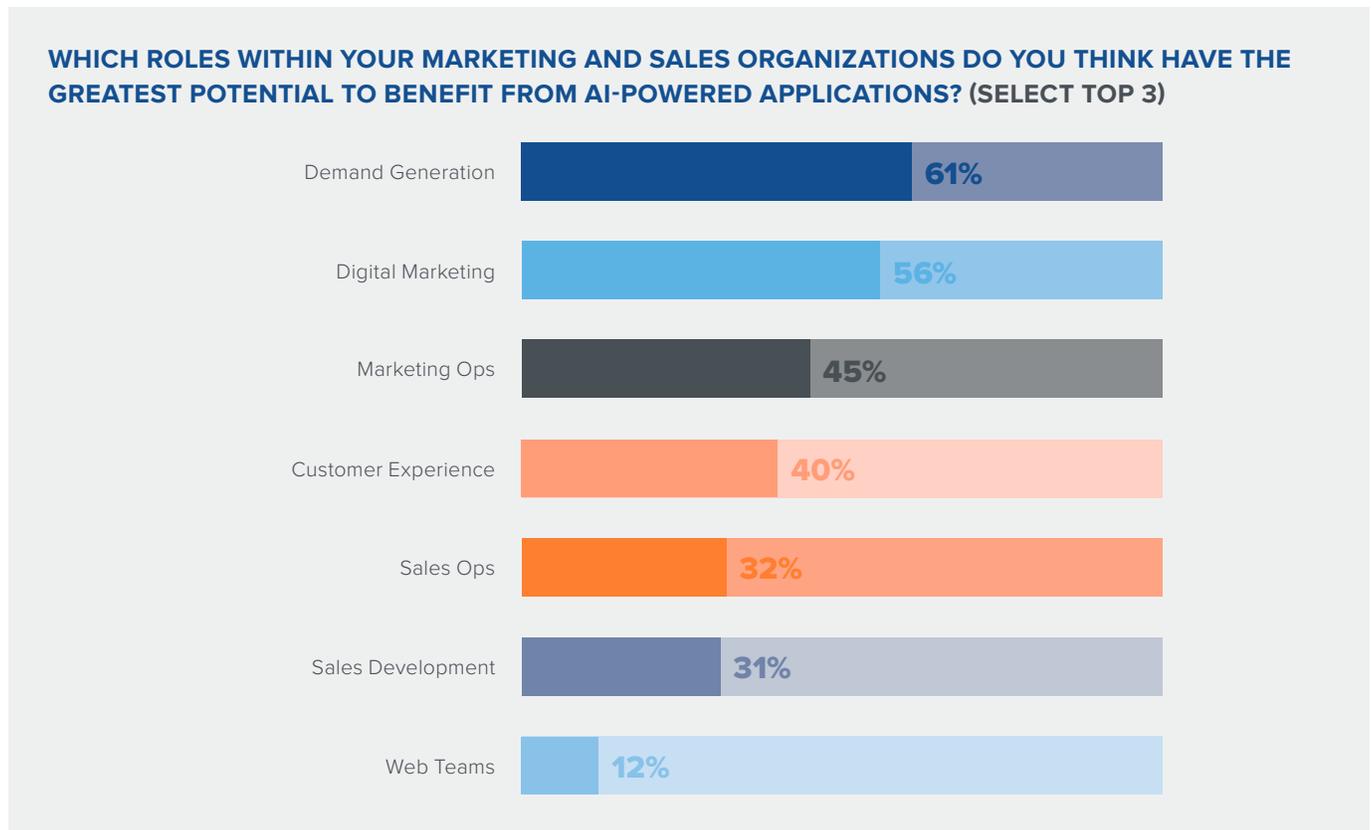
53%

Personalizing 1:1 prospecting emails used by Sales

50%

ADDING AUTOMATION TO KEY REVENUE ROLES & TASKS

While there has been some resistance to AI and machine learning eliminating jobs, respondents to the survey expressed more interest and enthusiasm in where the technology could support core revenue-influencing roles and traditionally manual tasks.



Beyond looking specifically at the potential payoff on specific roles, respondents also provided a long list of traditionally time-consuming and manual tasks within the revenue cycle, which could be automated by AI-powered applications. The tasks listed in order of highest number of responses included:

1. Account research/insights
2. Account selection
3. Ad targeting
4. Building out contact lists within accounts
5. Lead prioritization
6. Sales follow-up
7. Updating CRM data
8. Web optimization
9. Identifying in-market buyers
10. Lead nurturing
11. Mapping content to the buyer's journey



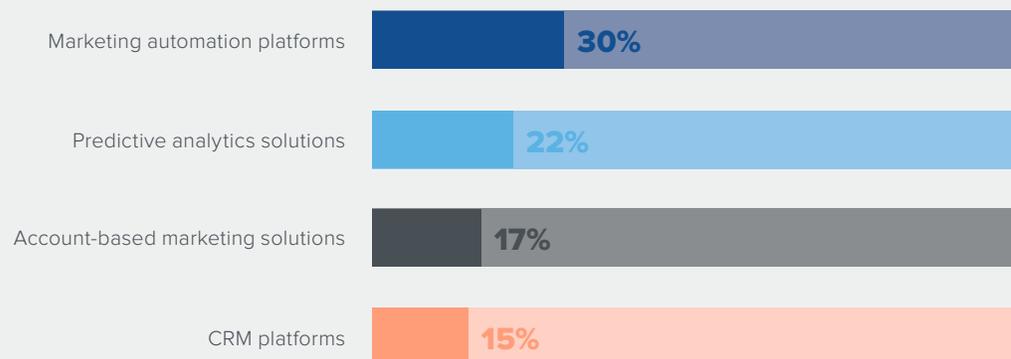
THE APPLICATIONS THAT WILL BE POWERED BY AI

Since marketing automation is central to most marketing technology stacks, it is not surprising it ranked as having the greatest potential to incorporate AI-powered features and functionality.

Marketing automation platforms were followed closely by:

- Predictive analytics solutions
- Account-based marketing solutions
- CRM platforms
- Sales enablement/development solutions, and
- Data management platforms

WHICH APPLICATIONS DO YOU FEEL HAVE THE GREATEST POTENTIAL WHEN IT COMES TO INCORPORATING AI-POWERED FEATURES AND FUNCTIONALITY?





THE PROOF POINTS PROPELLING AI ADOPTION

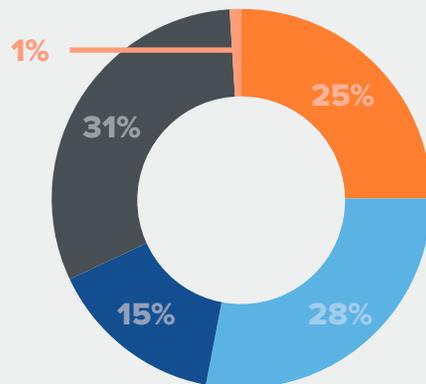
Considering only 14% of B2B organizations have gotten ahead of the curve by using AI-powered applications as a differentiator and an advantage, it's not surprising that peer influences and competitive forces were ranked as top factors that would likely accelerate adoption of AI-powered applications.

Survey respondents cited ease-of use and affordability as the main external factors for increasing adoption of AI, followed closely by case studies of successful adoption by peers, and then by a risk of falling behind competition.

Another response, which represented a more likely scenario for some slow movers, was pressure from customers and prospects for greater relevancy/customization. This is a likely scenario as buyers become used to the benefits of machine-learning-supported personalized recommendation experiences in their day-to-day interactions with brands like Amazon, Netflix and Spotify.

WHAT EXTERNAL FACTORS WOULD LIKELY INCREASE/ACCELERATE YOUR ADOPTION OF AI-POWERED APPLICATIONS?

- Risk of falling behind competition/not making pipeline goals
- Case studies of successful adoption by peers
- Pressure from customers and prospects for greater relevancy/customization
- Evidence that leveraging AI is easy and affordable
- Other



ABOUT THE SURVEY

The *Impact Of AI-Powered Applications On B2B Marketing & Sales* survey was conducted by Demand Gen Report between August and September 2017. The survey findings were based on 129 respondents, which represented a variety of roles and industries across B2B marketing and sales. Among the respondents, roles include marketing managers, sales operations, directors and CMOs.

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Demand Gen Report is a targeted online publication that uncovers the strategies and solutions that help companies better align their sales and marketing organizations, and ultimately, drive growth. A key component of the publication's editorial coverage focuses on the sales and marketing automation tools that enable companies to better measure and manage their multi-channel demand generation efforts.

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