THE STATE OF
ARTIFICIAL INTELLIGENCE
IN B2B MARKETING

DEMAND METRIC

IN PARTNERSHIP WITH

DEMANDBASE | **salesforce pardot**
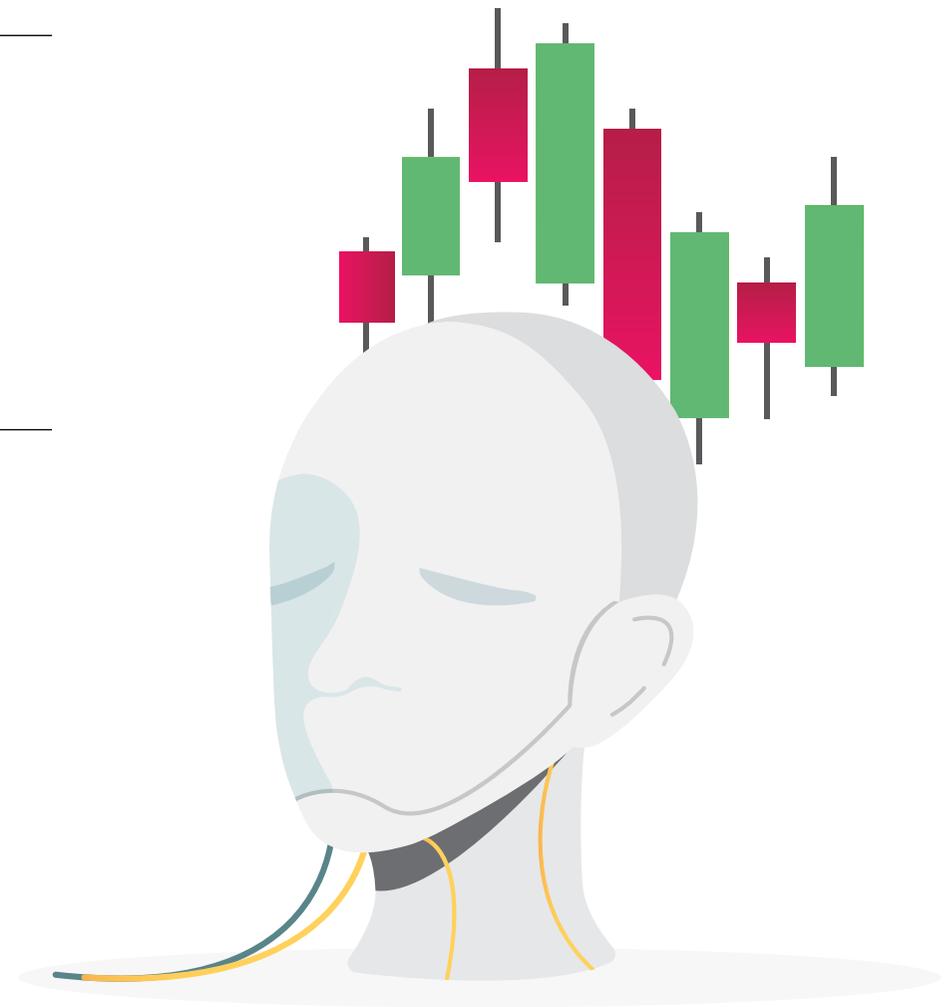
Benchmark Report

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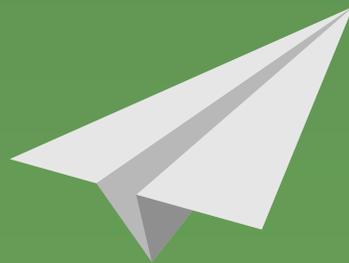
Introduction

Introduction

Artificial Intelligence (AI) is getting a lot of attention in marketing circles and for good reason; it promises to transform marketing.

To find out exactly where AI is in this transformation process, Demand-base and Salesforce Pardot partnered with Demand Metric at the end of 2018 to take the pulse of over 100 B2B marketing and sales people about their understanding, usage, impact, and optimism surrounding AI.

Using a survey to collect data, participants in B2B organizations with $25 million or more in annual revenues shared their views and experience with AI for marketing and sales.

The results of this report provide details on these and other key findings, and will help the B2B marketing community position itself to exploit AI in 2019.

Executive Summary

This report presents the key findings from this study, and shares an action plan at the end. Some of biggest findings and takeaways include:

- **There's a growing understanding of how AI can impact marketing and sales.** Over 75% of study participants rate their understanding as "average" or better.

- **Despite the hype and understanding, actual usage is currently low.** Perhaps to no one's surprise, few organizations are actually using AI for marketing and sales: less than 1 in 5. However, a full two-thirds are currently planning, evaluating, or implementing AI for marketing or sales.

- **Marketing and sales organizations aren't yet exploiting the AI capabilities built in to their current MarTech stack.** Over 40% of the study's participants either aren't aware of the AI capabilities that are part of vendor solutions they already use, or simply aren't using them if they are aware. These capabilities represent the fast path to exploiting AI, often at no or little additional cost to the user.

- **The priority marketing and sales applications of AI are top-of-funnel related.** The top applications of AI, for those who are evaluating, implementing, or using it, are improving the reach of digital advertising and identifying the right accounts or individuals to target.

- **Those already using AI report that the hype surrounding its use is warranted.** When analyzing the study data, those who are currently using AI are more bullish on the perceived value, time-to-value, and projected revenue lift that AI delivers. Of the things study participants could invest in to achieve better sales and marketing performance, over 40% say AI is the or one of the most important investments.

- **Traditional barriers apply to AI.** The top barriers to taking advantage of AI in marketing and sales organizations are familiar ones: cost/budget constraints and skills. Current users of AI provide assurances about both of these barriers. The projected revenue lift makes a powerful business case to offset AI investment costs, and vendor AI capabilities mitigate skills concerns.
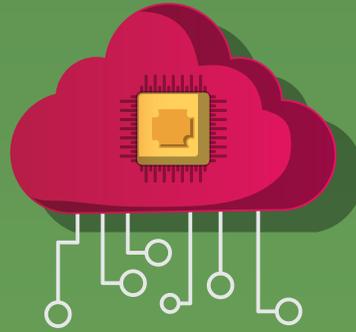
Why B2B Marketers Can't Ignore AI's Promise and Potential in 2019

Marketers Give Themselves a C+ on Understanding AI

We asked what grade the B2B marketers and sales in this study would give themselves on understanding the ways that AI can improve the impact and effectiveness of marketing and sales programs.

Exactly half of the participants gave themselves an "A" or a "B" for under-standing, as **Figure 1** shows.

Based on this distribution of responses, **the average grade is about a C+**. As annual company revenues increased, so did the average grade, a clear indicator that larger companies are investing more in learning about appli-cations of AI in marketing and sales.
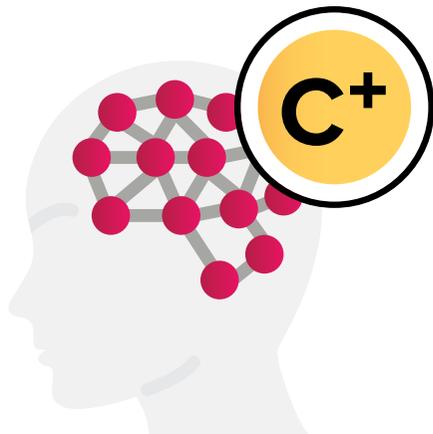
FIGURE 1: **HOW MARKETERS GRADE THEIR UNDERSTANDING OF HOW AI CAN IMPROVE THE IMPACT & EFFECTIVENESS OF THEIR PROGRAMS**

Grading B2B marketers' understanding of AI.

3% None

12% Excellent

38% Good

27% Average

20% Minimal
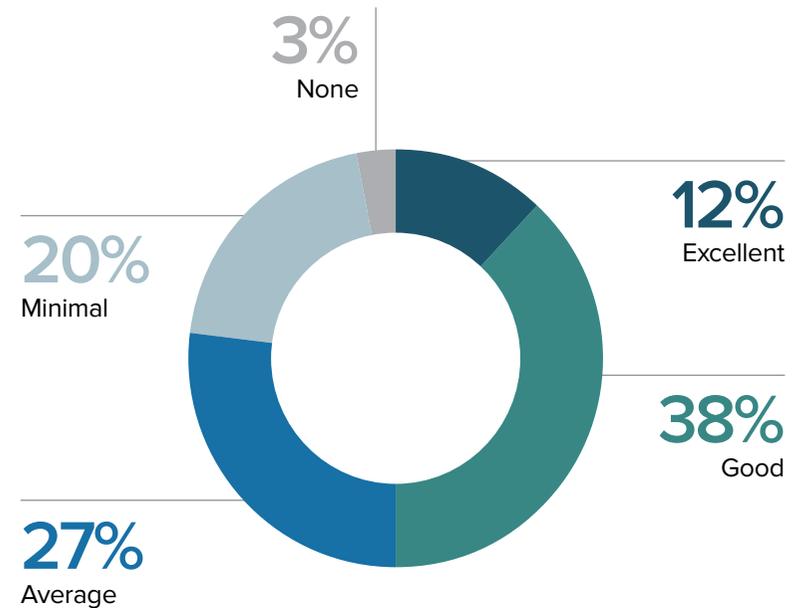
Most are Already Evaluating or Implementing AI, but Few are Using AI Solutions

84% of study participants are planning, evaluating, implementing, or using AI, while few have no adoption or plans to adopt AI, and some simply don't know their status. **Figure 2** summarizes the adoption status of AI for marketing and sales.

While few are actually using AI, it's getting a lot of consideration with clear momentum toward understanding and leveraging AI applications for marketing and sales.
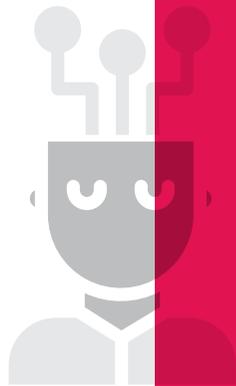
Interest in AI for marketing is high, but adoption remains low.

FIGURE 2: ADOPTION STATUS OF AI FOR MARKETING OR SALES

AI adoption ranges from planning to usage for over 80% of study participants.

5%
I don't know

18%
Using

22%
Implementing

24%
Evaluating

20%
Planning

11%
No plans to adopt
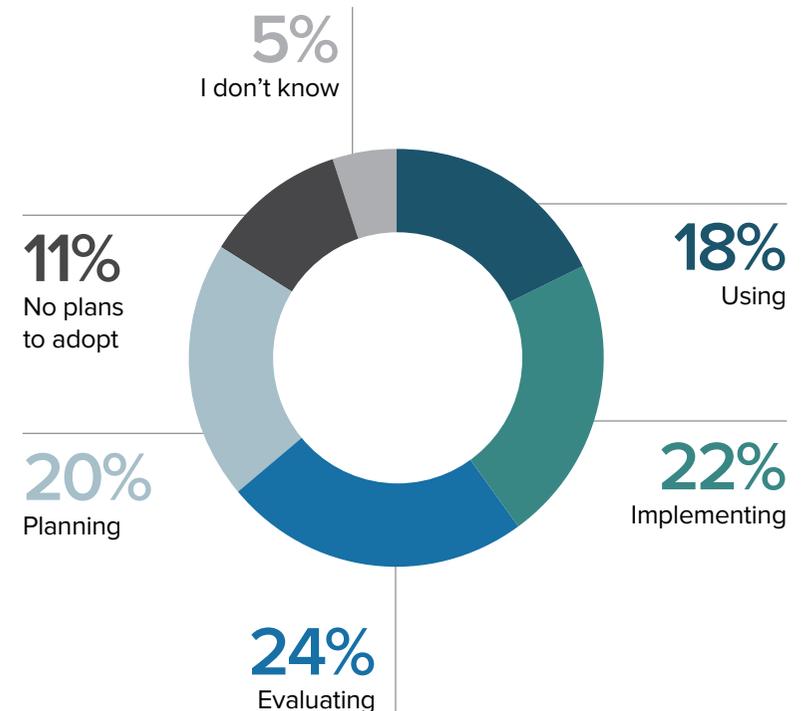
Perceived Value of AI Highest for MarTech

Of three major areas of technology usage for sales and marketing teams — advertising, marketing, and sales — MarTech enjoyed the highest perception of value in the overall sample from the application of AI to these respective areas.

Figure 3 shows that those who are already using AI have a very high value perception for applying AI sales technology.

This data confirms the ability of AI to add value by applying it to the marketing and sales technology stacks.

Even further, it suggests that the value expectations of those who haven't yet applied AI in these areas are set too low.

FIGURE 3: PERCENT WHO PERCEIVE THE VALUE OF APPLYING AI AS "VERY HIGH"

Usage confirms the value of using AI with marketing and sales technologies.

● Already Using AI   ● Overall

45%   60%   20%

27%   24%   13%

Marketing technology   Sales technology   Advertising technology
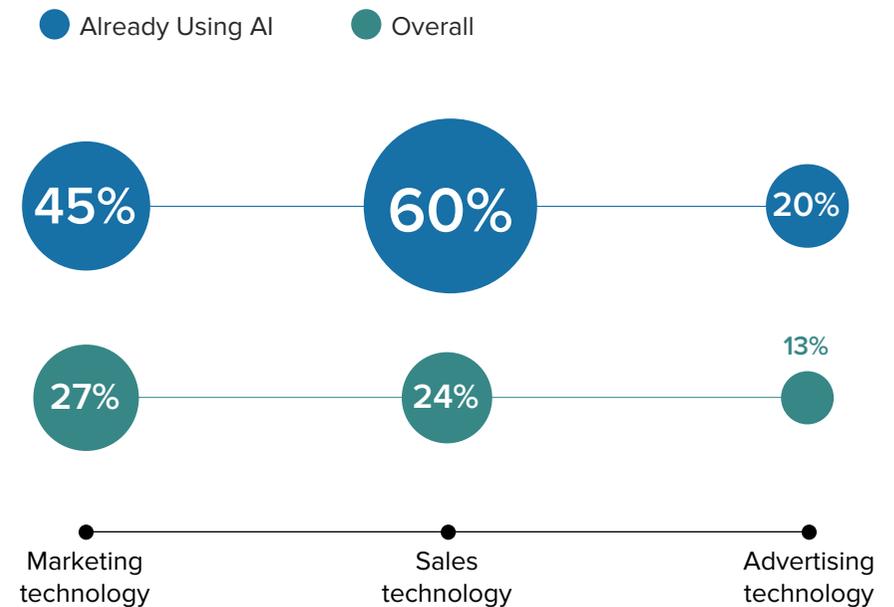
Top AI Applications Relate to Top of Funnel

For those study participants who are already evaluating, implementing, or using AI solutions, **Figure 4** shows that the applications generating the most interest relate to the top of the sales/marketing funnel.

The responses from study participants who are already using AI were higher across the board. Two applications in particular showed significant increases from the overall sample:

- **Personalize the website in real time (80%)**

- **Automated sales assistants (e.g. chatbots) (65%)**

The strongest interest in AI is to improve top-of-funnel efficiency.

FIGURE 4: **TYPES OF MARKETING AI APPLICATIONS RESPONDENTS ARE EVALUATING, IMPLEMENTING, OR USING**

Application priorities for participants evaluating, implementing, or using AI for marketing.

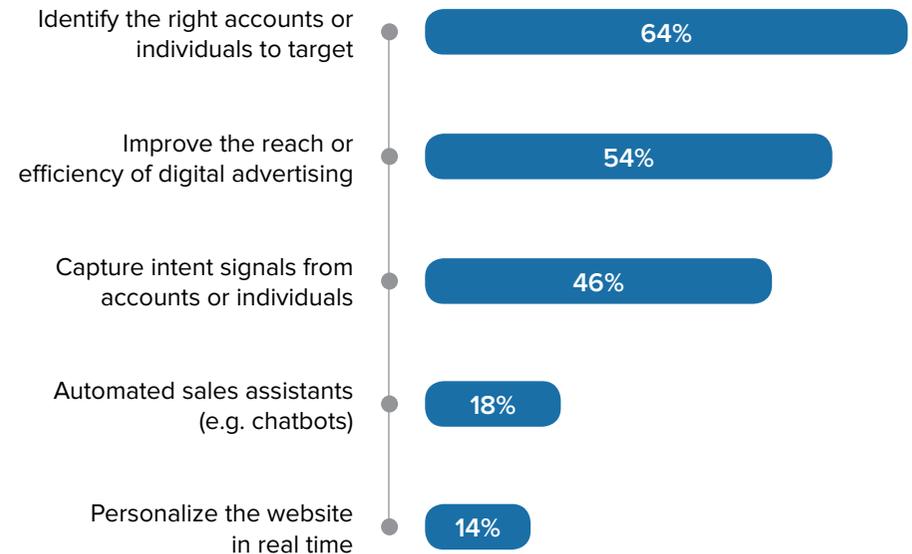|	
Improve the reach or efficiency of digital advertising	72%
Identify the right accounts or individuals to target	66%
Personalize the website in real time	51%
Capture intent signals from accounts or individuals	42%
Automated sales assistants (e.g. chatbots)	38%

Figure 5 shows the marketing or sales AI implementation priorities for those in the study who are still in the planning stages of AI adoption.

Those who have already started their AI journey have a slightly different view of where to apply AI than those who have not yet begun, but plan to. What they share, however, is pain at the top of the funnel.

Those who aren't yet using AI but planning to expect it to help them optimize the targeting of accounts or individuals.

FIGURE 5: WHERE WILL YOU PRIORITIZE IMPLEMENTING MARKETING OR SALES AI APPLICATIONS?

Top-of-funnel applications rank highest for B2B marketers planning to implement AI.

Application	%
Identify the right accounts or individuals to target	64%
Improve the reach or efficiency of digital advertising	54%
Capture intent signals from accounts or individuals	46%
Automated sales assistants (e.g. chatbots)	18%
Personalize the website in real time	14%

Low-Hanging AI Fruit – Still on the Tree

Many MarTech vendors have already AI-enabled their solutions, but **one out of five study participants aren't aware of AI capabilities in the vendor technologies they use.**

Figure 6 shows the awareness range for vendor AI capabilities in the solutions study participants use.

The AI capabilities built in to vendor solutions represent the low-hanging fruit of exploiting AI.

Less than half of companies in the study, however, are taking partial or full advantage of these capabilities they already have, missing out on a fast path to the benefits of AI.
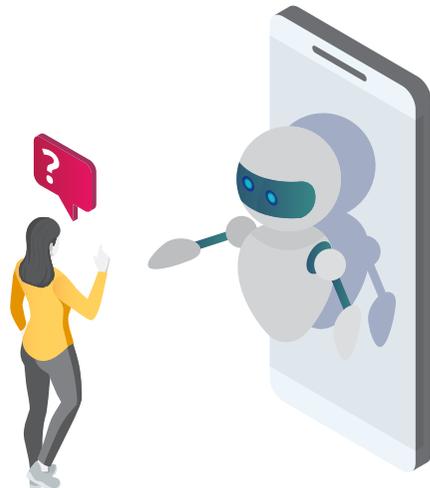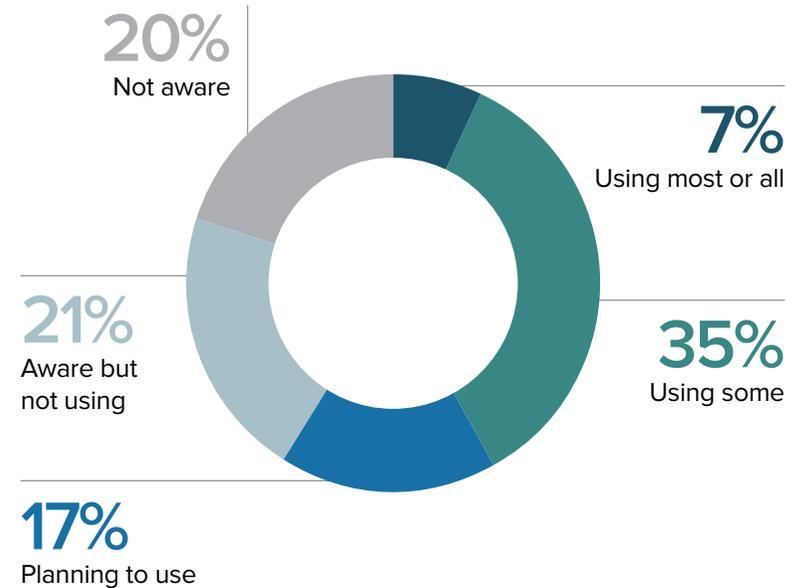
FIGURE 6: AWARENESS OF AI CAPABILITIES IN EXISTING VENDOR AD, MARKETING, OR SALES TECH

Less than half of study participants are exploiting existing AI capabilities in their vendor-supplied ad, sales, or MarTech.

20% Not aware

7% Using most or all

35% Using some

17% Planning to use

21% Aware but not using

More Buying than Building

Most companies, when considering how to adopt emerging technology, make a build-versus-buy decision. **Figure 7** shows this orientation for the study participants.

There's a clear leaning toward relying on vendor solutions, either fully or partially, to get the benefits of AI.

This build-versus-buy orientation did not show significant differences based on company size, with firms in the study with annual revenues over $1 billion having the same propensity to rely on vendor solutions.

B2B marketers in the study prefer buying to building AI solutions.

FIGURE 7: PLAN TO INTERNALLY BUILD OR BUY VENDOR MARKETING OR SALES-BASED AI SOLUTIONS

Nearly 80% of study participants will purchase or build and purchase AI solutions.

15%
No plans for AI

6%
Build internally only

31%
Purchase from vendors

48%
Build and purchase
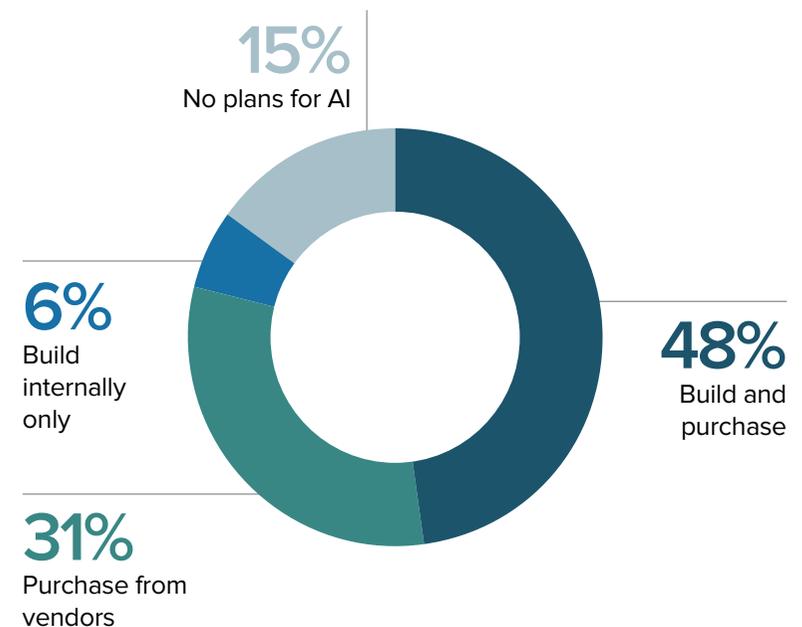
Data Scientists on Board

Data scientists are finding a home on the marketing team, and **Figure 8** shows the range of data scientist headcount for the B2B organizations studied.

Whether an organization builds or buys AI capabilities, data scientists are helping marketers leverage their data and AI tools to gain valuable insights.

Data scientists aren't a prerequisite to AI adoption, but they can help use AI tools and are skilled at providing insights.

FIGURE 8: DATA SCIENTISTS ON THE MARKETING TEAM

Almost 70% of B2B marketing teams in this study include data scientists.

3%
10 or more

4%
7 to 9

24%
4 to 6

31%
None

38%
1 to 3
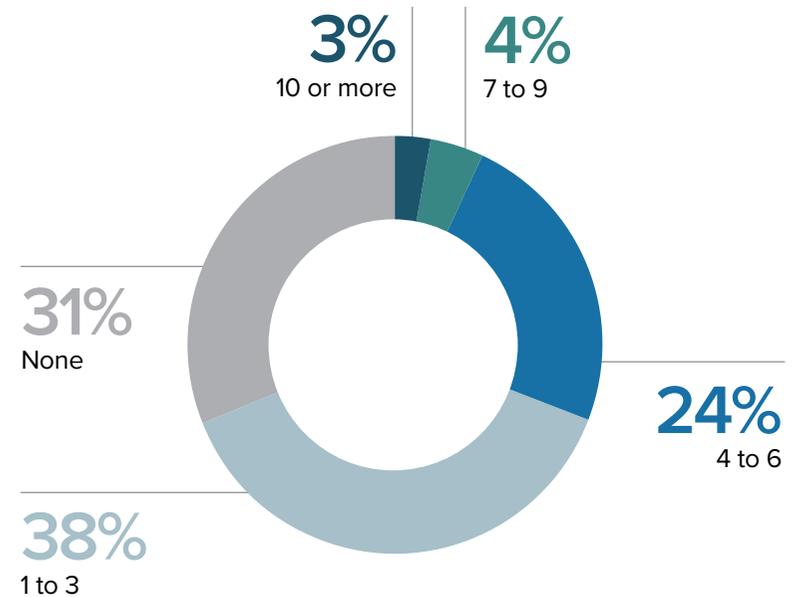
Marketers Are Bullish on the Time-to-Value of AI

FIGURE 9: HOW LONG IT WILL TAKE AI SOLUTIONS TO DELIVER VALUE

Most study participants expect to see value from AI in a year or less.

All technologies have expectations around the time it will take them to deliver value. **Figure 9** shows the measurements of those expectations for AI, from the time of implementation to delivering value.

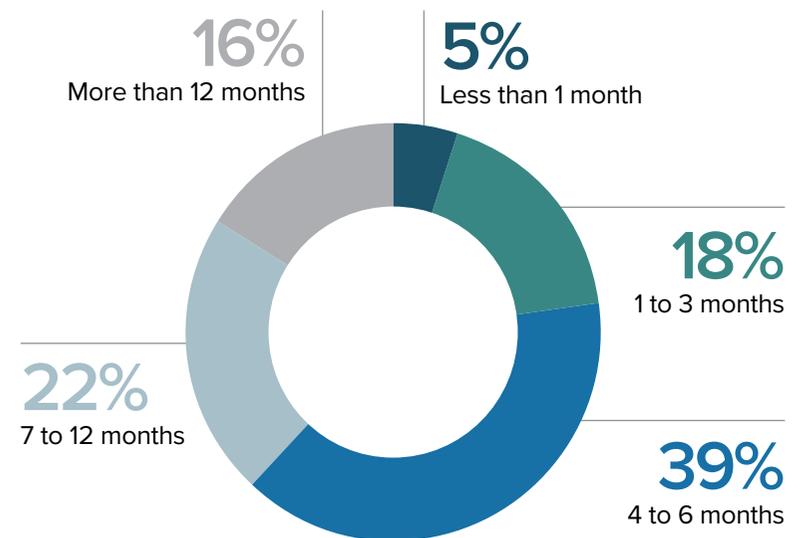The B2B marketers in the study's overall sample were bullish on the time-to-value for AI, with over 60% expecting value realization within six months. For those already using AI, 75% reported a time-to-value interval of less than six months.

Most marketers expect to get value in the short-term from using AI.

16%
More than 12 months

5%
Less than 1 month

18%
1 to 3 months

22%
7 to 12 months

39%
4 to 6 months

Great Expectations for AI

AI is expected to deliver benefits that check off some long-standing items on the sales and marketing wish lists, as **Figure 10** shows.

Three-fourths of the B2B marketers in this study who are already using AI report better engagement with prospects and customers as the top expected benefit.
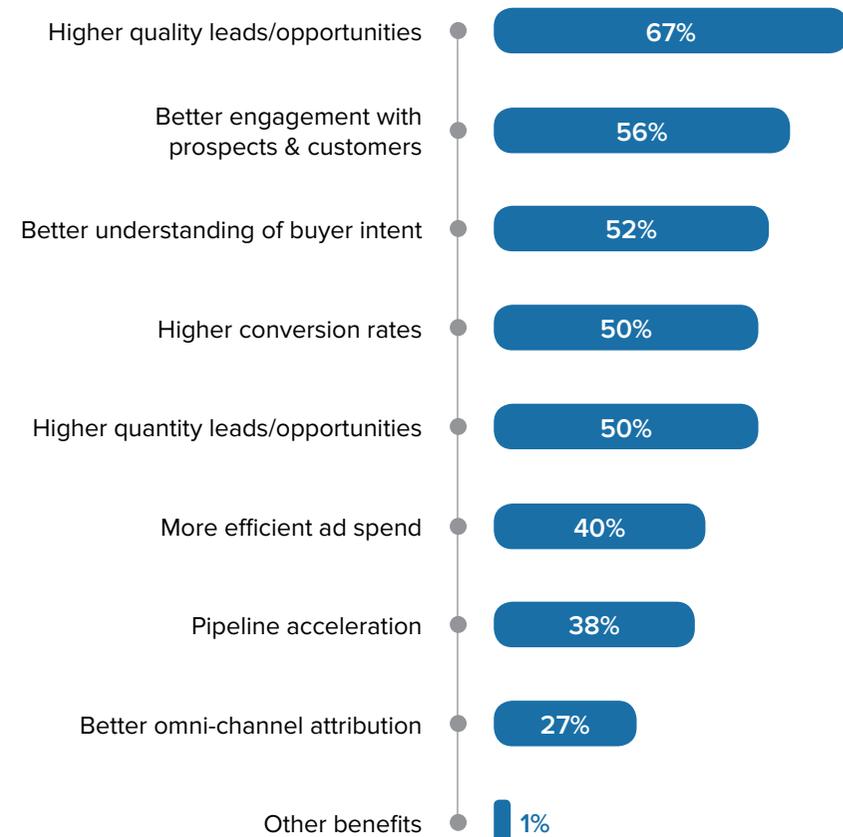
Better omni-channel attribution, which ranked last for the full survey sample shown in **Figure 10**, ranks fourth for AI users. Experience using AI clearly creates a different understanding of where the benefits come from.

Marketers expect higher quality leads as the top AI benefit.

FIGURE 10: BENEFITS AI IS EXPECTED TO DELIVER TO MARKETING & SALES

More than half of study participants look for AI benefits in the areas of lead quality, engagement, and better understanding of buyer intent.

Benefit	
Higher quality leads/opportunities	67%
Better engagement with prospects & customers	56%
Better understanding of buyer intent	52%
Higher conversion rates	50%
Higher quantity leads/opportunities	50%
More efficient ad spend	40%
Pipeline acceleration	38%
Better omni-channel attribution	27%
Other benefits	1%

AI Poised to Revolutionize Marketing and Sales Performance

Using a simple scale, the study asked participants to rate the impact that AI is having on marketing and sales performance now.

 **Figure 11** summarizes the perception of AI's impact.

When interpreting these results, it's important to keep in mind that only 18% of the full survey sample are using AI.

This 18% arguably has the most accurate perception of impact. In fact, segmenting the data in **Figure 11** by AI usage reveals a very different, much stronger perception of impact.

All of those who are using AI report moderate to revolutionary impact, with almost one-third concluding that AI is revolutionizing marketing and sales performance.

FIGURE 11: IMPACT OF AI ON MARKETING & SALES PERFORMANCE

Over half of the full survey sample report moderate to revolutionary performance impact of AI on marketing and sales performance.

● Using AI   ● Overall

0%   **70%**   **30%**

47%   **46%**   7%

Not much   Moderate impact   It's revolutionizing performance
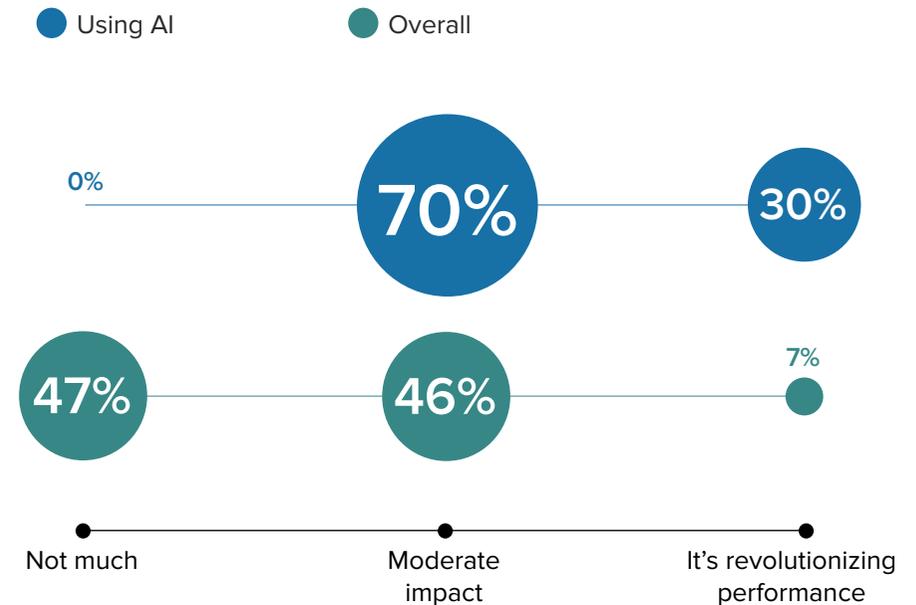
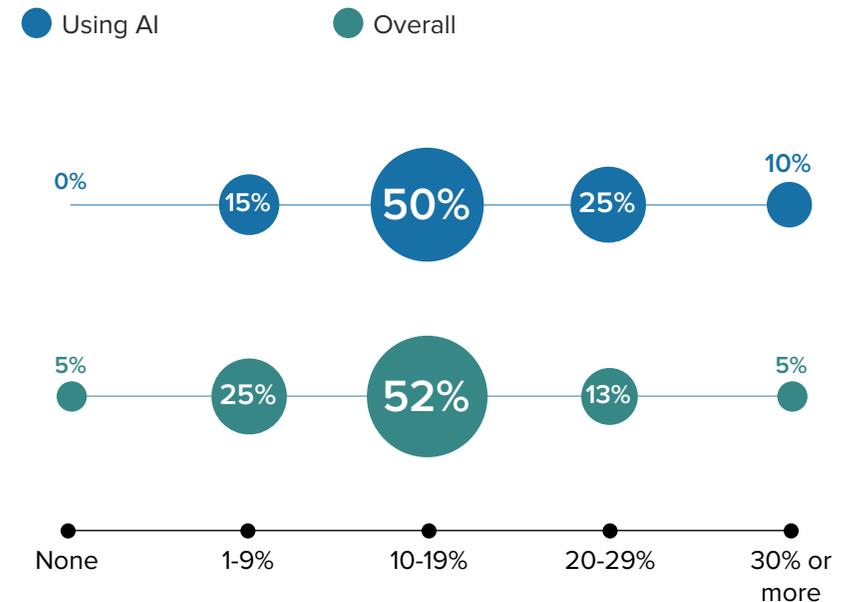# Most Forecast Double-Digit Percentage Revenue Lift From AI Within Two Years

Study participants were asked to forecast the lift in marketing and sales revenue performance that AI will help them achieve in two years. **Figure 12** shows these estimates for the full survey sample and those who are already using AI.

The segment of study participants who are already using AI provide an even more compelling forecast for revenue lift: 85% expect to achieve double-digit revenue increases in two years. **Compared to the full survey sample, almost three times as many in this segment forecast 20% or more revenue lift from using AI.**

FIGURE 12: LIFT IN MARKETING AND SALES REVENUE ACHIEVEABLE WITH AI WITHIN 2 YEARS

70% of the full survey sample forecast a double-digit revenue lift from using AI in two years.

Using AI   Overall

	None	1-9%	10-19%	20-29%	30% or more
Using AI	0%	15%	50%	25%	10%
Overall	5%	25%	52%	13%	5%

Biggest Barriers: Skills and Cost

All technologies have barriers to implementation and usage. **Figure 13** shows the biggest barriers that participants identified to taking advantage of AI in their marketing and sales organizations.

The data about revenue lift (Figure 12) makes a strong case on which to justify an investment in AI. The concern about skills makes a strong argument for leveraging the AI capabilities found in vendor solutions.

The survey question that gathered the data shown in **Figure 13** included several insightful write-in comments.
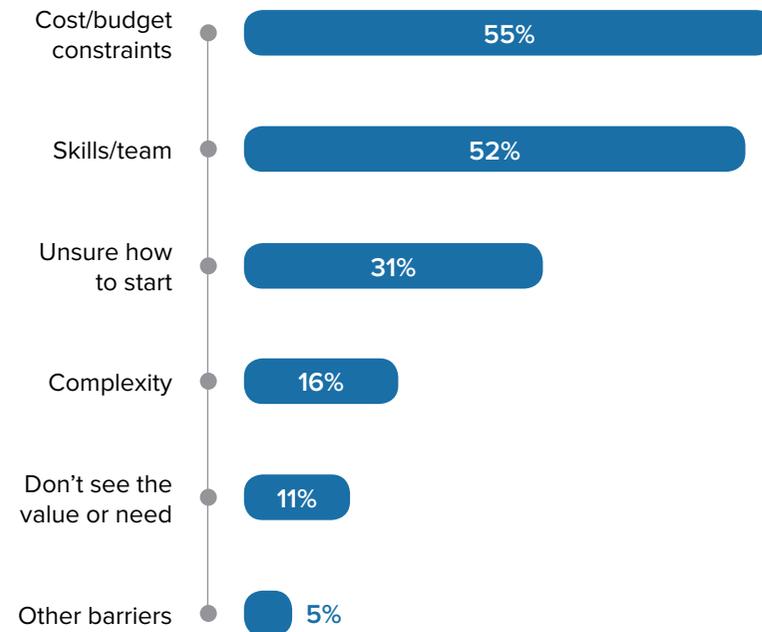
All of them pointed to executive buy-in, alignment, culture, or leadership issues as barriers to exploiting AI.

Money and skills are the top barriers to using AI in marketing.

FIGURE 13: BARRIERS TO TAKING ADVANTAGE OF AI IN MARKETING OR SALES ORGANIZATION

Just two of these barriers were cited by more than half of the study participants.

Barrier	Percentage
Cost/budget constraints	55%
Skills/team	52%
Unsure how to start	31%
Complexity	16%
Don't see the value or need	11%
Other barriers	5%

Optimism for AI is High

One of the final aspects the study measured was sentiment toward the prospect of using AI to improve marketing and sales program effectiveness. **Figure 14** summarizes this sentiment data.

The overall optimism for AI is high, with over three-fourths of B2B marketers in the full survey sample either cautiously optimistic or wildly excited at this prospect.

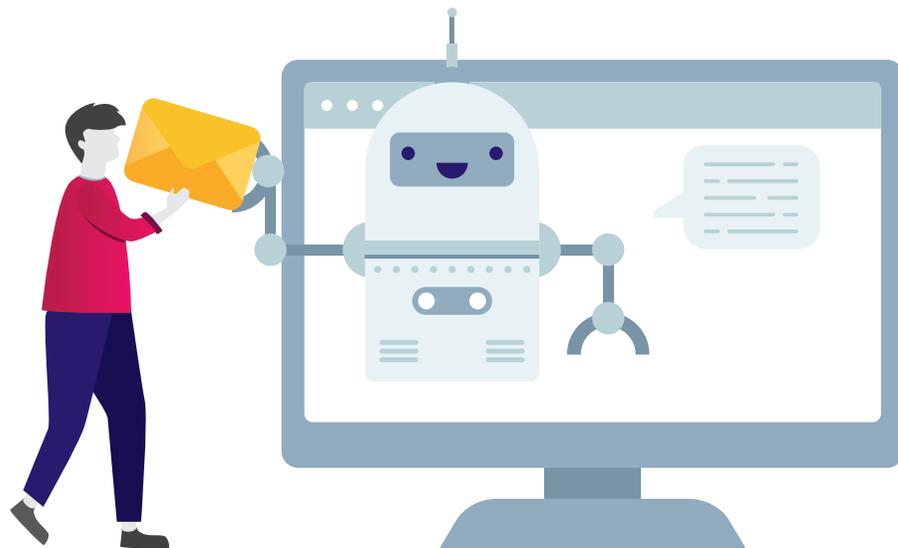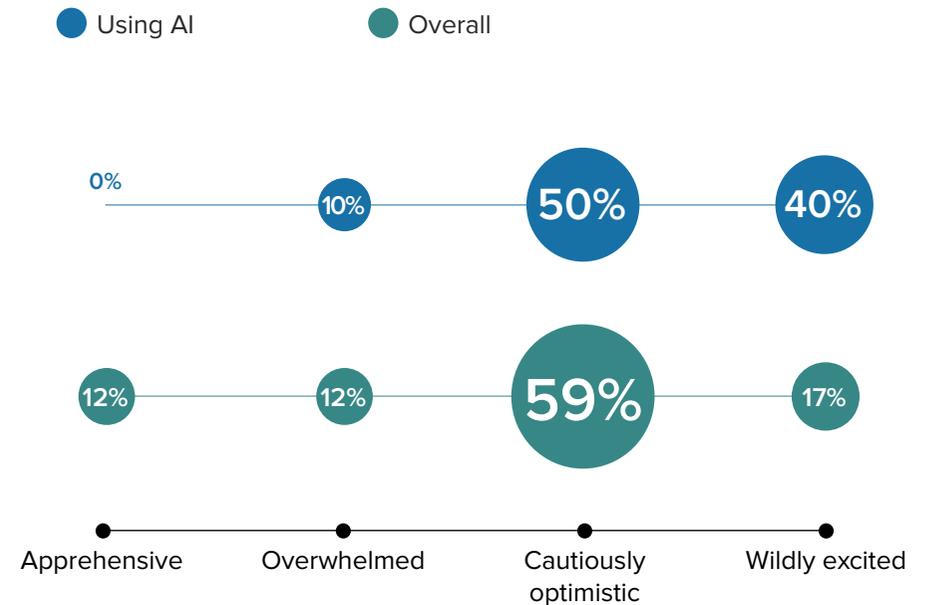The now familiar segment of AI users shows unbridled enthusiasm for the prospects of AI marketing and sales.

FIGURE 14: FEELINGS ABOUT THE PROSPECT OF USING AI TO IMPROVE MARKETING & SALES PROGRAM EFFECTIVENESS

Almost all current AI users express great optimism for its impact on marketing and sales programs.

● Using AI   ● Overall

0%   10%   50%   40%

12%   12%   59%   17%

Apprehensive   Overwhelmed   Cautiously optimistic   Wildly excited

Conclusion and Action Plan

Conclusion

This study shows that AI is ready to help drive marketing and sales performance, but most B2B companies are not ready for AI. Through the results of this study, the messages that experienced AI users are sending to those who are considering adopting AI are:

- **The expectations of what AI will do for you are too low.**
- **The enthusiasm around AI is warranted.**
- **The time-to-value is faster than expected.**
- **The barrier of cost to investment in AI is offset by revenue lift.**
- **The barrier of skills is offset by built-in vendor AI capabilities.**
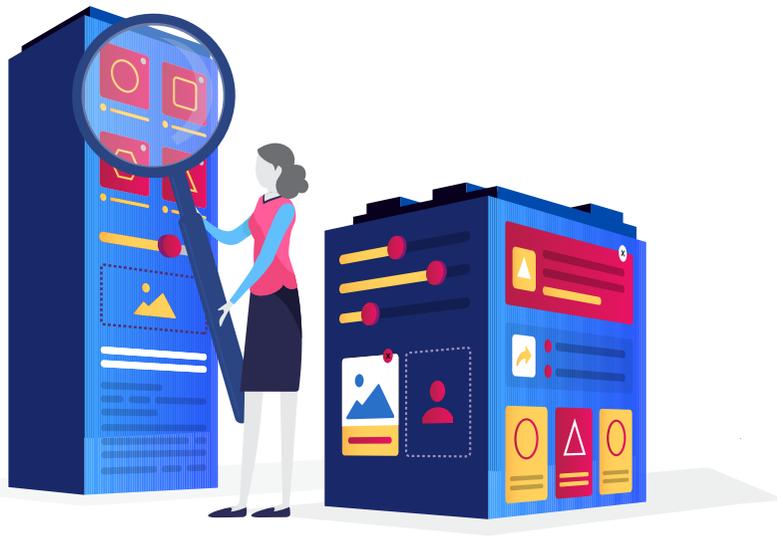
What you can expect from using AI is to get real value quickly, in less than 6 months for three-fourths of the AI users in this study.

You can also expect to see a revenue lift of 10% or more, with over two-thirds of the AI users in this study reporting 20% or more within two years.

In terms of budgeting for an initiative, the sweet spot for users in this study is a modest 5 to 9% allocation of the total MarTech budget for AI.

Almost two-thirds of AI users in the study allocate less than 10% of the MarTech budget for AI.

The important thing for B2B marketers is simply to start their AI journey. It's wise to view adopting AI as a race, and some of the entrants are already running the course.

If you're still at the starting line, don't despair, but don't delay either. The greatest competitive advantages go to those who adopt game-changing technologies like AI early in the technology lifecycle.

The good news is that leveraging existing vendor AI capabilities make starting easy.

Action Plan

The promise of AI — validated by those in this study who are currently using it — is too great to ignore. B2B marketers should make understanding it a priority. Here are some high-level, practical steps that offer a way forward for AI:

3

Lean on your vendors

Vendors are ahead of users when it comes to understanding the competitive advantage that AI can provide to the B2B marketing community. Many have already implemented AI capabilities in their solutions. Make it a priority to discover what AI capabilities may already exist in your sales and MarTech stack. You will find vendors eager to help you learn about their capabilities and exploit them.

1

Learn

While the overall level of understanding is good, AI in marketing and sales is fast-evolving. Take full advantage of industry analysis, vendors, case studies, webinars, and the ample set of content that already exists.

4

Run an experiment

Start with a small experiment that will teach you how AI works and what to expect from it. Use what you learn from the initial experiments and pilots you run to get better results.

2

Set an objective

This study's participants indicated that improving the reach of digital advertising and identifying the right accounts or individuals to target are top AI priorities. Both are perennial B2B marketing priorities, so pick one of these or another objective for an starting AI initiative.

5

Build momentum

Measure the results of your initial experiments, fine-tune them, and expand the scope of your AI initiatives.

Acknowledgements

Demand Metric is grateful to **Demandbase** and **Salesforce Pardot** for sponsoring this research, and for those who took the time to complete the study survey.

Demandbase is the leader in Account-Based Marketing (ABM). The company offers the only Artificial Intelligence-enabled, comprehensive ABM platform that spans Advertising, Marketing, Sales and Analytics.

Enterprise leaders and high-growth companies such as Accenture, Adobe, DocuSign, GE, Salesforce and others use Demandbase to drive their ABM strategy and maximize their marketing performance. The company has been named to the JMP Securities list "The Hot 100: The Best Privately Held Software Companies," the Deloitte Fast 500 and named a Gartner Cool Vendor for Tech Go-To Market.

For more information, please visit **www.demandbase.com** or follow the company on Twitter @Demandbase.

Salesforce Pardot is smarter marketing automation on the world's #1 CRM. With Pardot, B2B marketers can find and nurture leads, close more deals, and maximize ROI. Pardot gives marketers the power to engage with quality leads at every stage in the sales cycle, without ever letting a cold lead slip through the cracks.

Pardot makes it easy to build intelligent nurture campaigns and smoothly pass leads between marketing and sales, and with Pardot's native data analytics dashboards, customers will always know how their marketing impacts the business.

For more information, please visit **www.pardot.com**

About Demand Metric

Demand Metric is a global research and advisory firm that supports marketing professionals with primary research and benchmark reports, technology research and advice, consulting services, training, and software.

Demand Metric's core focus is to help B2B marketing organizations grow revenue by operationalizing the best practices discovered in our research.

To learn more about Demand Metric, sign up for a free membership at **www.demandmetric.com**

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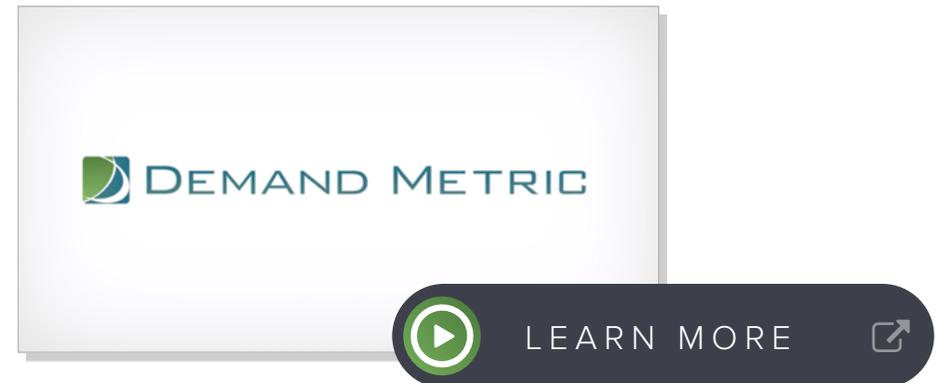
Appendix:
Survey Background

The study was administered online from Dec. 8, 2018 to Jan 25, 2019. A total of 315 responses were collected, 112 of which were complete enough and qualified for inclusion in the analysis.

While the survey collected data from all types and sizes of organizations, only data from B2B organizations with annual revenues of $25 million or more were included in the analysis.

8%
Nonprofit

5%
Government

60%
B2B

27%
B2C
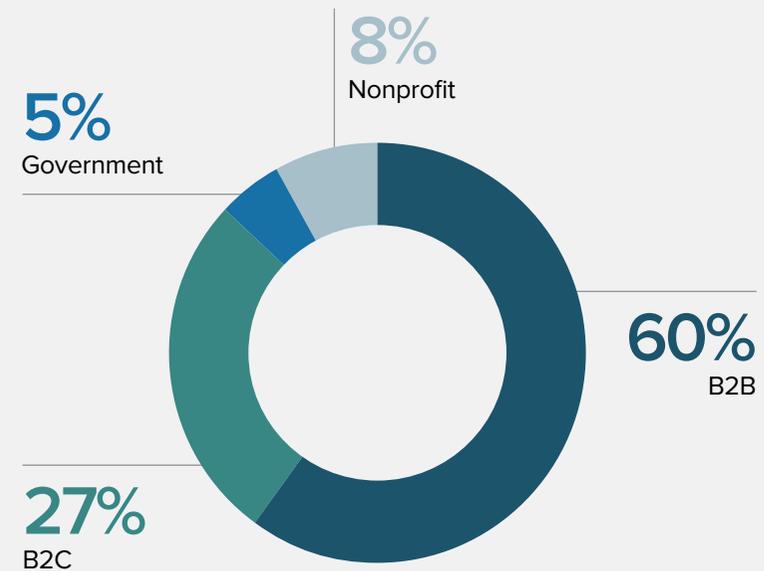
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