LEVER-AGING AI

A 2019 B2B Online Report

Leveraging AI to Increase Efficiency and Improve the B2B Customer Experience.

INSIGHTS
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INTRODUCTION

AI is one of the most popular buzzwords in B2B marketing, but not all marketers are bridging the gap between its potential and its best practices. Successful companies are laying a foundation with internal education, embedding knowledge about AI use cases within their teams, and using AI to improve operations. But how are they leveraging customer data, and do they understand how AI contributes to the customer experience (CX)?

In this 2019 B2B Online report, we uncover how enterprise B2B companies are transforming their market strategies to strengthen customer relationships and identify the practical ways in which AI will help. We investigate where in marketers' strategies and their companies' objectives AI is taking root, and how they are experimenting to innovate engagement with customers using AI technologies.

INSIGHTS FROM THE STUDY INCLUDE:

▶ Among the 66% of manufacturers and distributors for whom AI is a core part of their business, over half use AI as part of their customer experience initiatives.

▶ Over two-thirds of respondents consider the maturity of their AI best practices only average (20%), in need of improvement (19%), or poor (9%), along with 21% who have no AI solution or are still in the planning stages.

▶ In each case, about half of companies are determining top priorities for which AI is a good fit (51%); and specifically, determining where AI fits within their marketing strategies (49%).

▶ Among nine different objectives, **more companies have** *targeted* **'driving additional revenue'** as part of their complete AI initiative (65%), but **fewer companies have actually** *executed* **'driving additional revenue'** as part of their complete AI initiative (18%), than any other objectives in the study.

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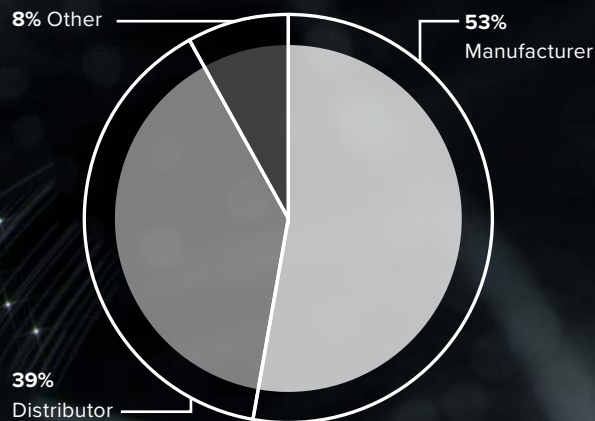
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DEMOGRAPHICS

Survey respondents, most of whom are practitioners in B2B marketing and data analytics, represent a variety of company types and sizes.

The majority of survey respondents (53%) represent manufacturers. Most remaining respondents (39%) represent distributors, while 8% represent some other type of company.

The sizes of the respondents' companies are evenly distributed across the spectrum. Thirty-eight percent—a slight plurality—represent enterprise companies with over $500 million in annual revenue.

Just over one-quarter of respondents (26%) are mid-market companies, with $100 million – $500 million in annual revenue. The remaining 36% are SMBs with less than $100 million in annual revenue.

What type of company do you represent?

8% Other

53%
Manufacturer

39%
Distributor

What is your company's annual revenue?

>$500 million
(Enterprise) — **38%**

$100-$500 million
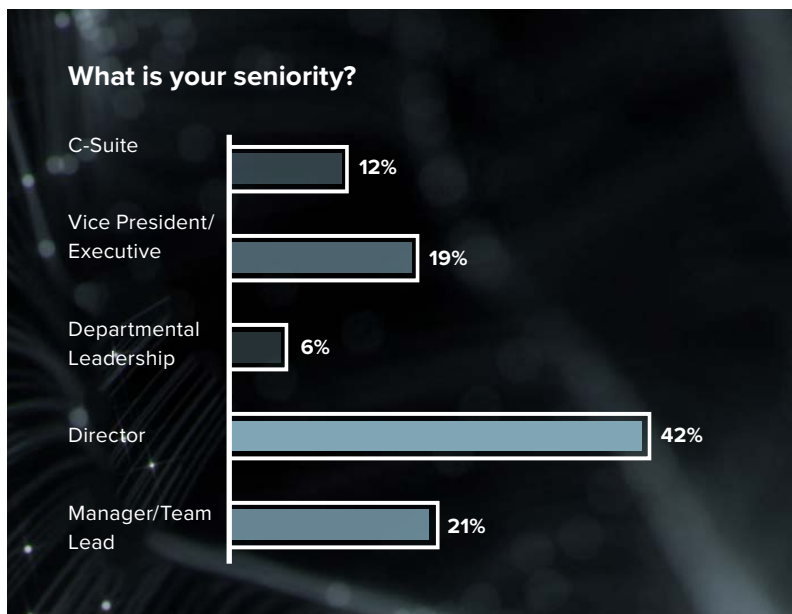(Mid-Market) — **26%**

<$100 million
(SMB) — **36%**

" **Respondents represent a wide range of company sizes, evenly distributed across the spectrum.**

31% of respondents are VP-level or above.

In terms of seniority, most respondents are directors (42%) or managers and team leaders (21%). Senior-level respondents included department leaders (6%), vice presidents and executives (19%), and C-Suite company leaders (12%).

What is your seniority?

Seniority	Percentage
C-Suite	12%
Vice President/Executive	19%
Departmental Leadership	6%
Director	42%
Manager/Team Lead	21%

BENCHMARKING
PROGRESS ACROSS THE AI MATURITY SPECTRUM

B2B companies acknowledge that AI would help immensely in personalizing customer experiences. But while a plurality of companies have adapted AI as part of their customer experience initiatives, most companies are still in the prospecting or discussion stages, trying to determine how to leverage AI in order to increase engagement. Most companies understand that AI is in their future and that it will become the norm across industries. Nonetheless, some believe they will be the last in their industry to adopt this new technology.
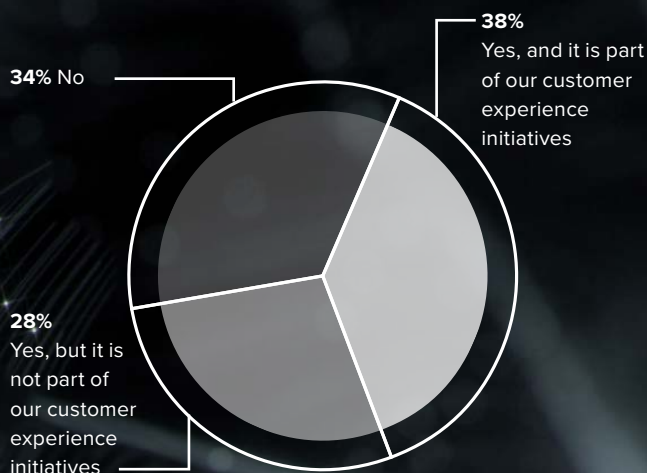
We work with fashion online, so AI could greatly improve [our] customer experience and let the customer feel nearer to the clothes.

Team Leader, SMB distributor

Has Artificial Intelligence (AI) already become a core part of your business?

34% No

38%
Yes, and it is part of our customer experience initiatives

28%
Yes, but it is not part of our customer experience initiatives

Companies in the study are almost evenly distributed in terms of the maturity of their artificial intelligence (AI) initiatives. Just over one-third of companies (38%) have not only adapted AI as a core part of their business, but AI is also part of their customer experience initiatives.

Twenty-eight percent of respondents have adopted AI, but it is not part of their customer experience initiatives.

For example, some companies have just begun to use basic forms of AI to help with inventory calculations, but have not implemented AI on the customer side of their businesses.

The remaining 34% have not adopted AI as a core part of their business. Still, most companies are mapping out more intelligent ways to interact with customers, whether or not AI is on the horizon for them. As they research different options and ways to integrate new CX features, AI will inevitably become part of a long-term innovation strategy for most if not all of these companies during inevitable shifts in their industries.

" We are in the preliminary stages at the moment. However, we are making progress at a steady pace.

Vice President, SMB distributor

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To what degree have your company's senior decision makers bought into your AI solution?

Invested — our leadership has approved a business case and we have either already adopted or adoption is underway

13%

Interested — our leadership has seen a business case for AI adoption and it is under consideration

33%

Aware — our leadership understands there is serious discussion about AI adoption but we are still far from a decision

36%

Not Interested — we have not presented an AI implementation strategy or this is not yet of concern to them

12%

N/A — this does not apply to us

6%

"
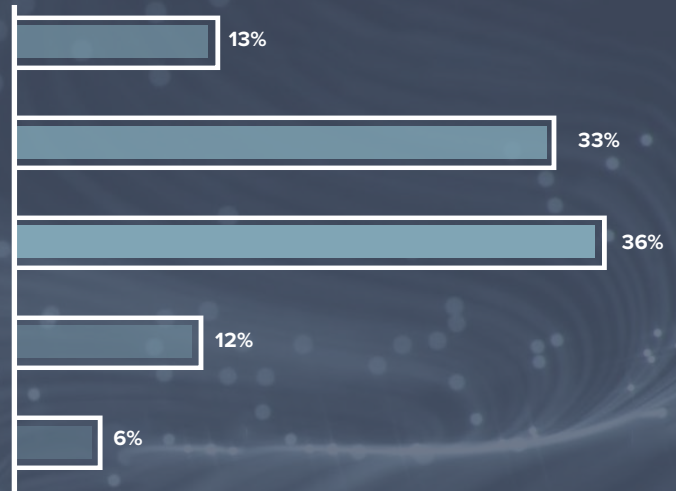
Today, only 13% of companies have leaders that have approved an AI business case.

Today, only 13% of companies have leaders that have approved an AI business case; they have either already adopted AI or adoption is underway. Meanwhile, about one-third of companies (33%) have leaders that are interested—they have seen a business case for AI adoption and it is under consideration. Another 36% are aware of AI and its significance—they are having a serious discussion about AI adoption, even if they are still far from a decision.

Only 12% of companies have decision makers who are not interested in AI at this time, claiming they have not presented an AI implementation strategy or it is not yet of concern to them.

The remaining 6% claim that AI does not apply to their businesses. These are likely among the 21% who have no AI solution or have an AI solution that is still in the planning stages, along with other companies in the 'Aware' and 'Interested' stages previously mentioned.

> **Today, only 13% of companies have leaders that have approved an AI business case.**

How would you describe your maturity in terms of AI best practices?

Superior — we have fully bridged the gap between AI potential and best practices — **7%**

Above Average — our AI implementation is successful and we are adopting best practices — **24%**

Average — our AI is operational but we have not adopted best practices — **20%**

Needs Improvement — our AI is still in development and we are still developing our practices — **19%**

Poor — our AI is barely out of the planning phase and we are yet to refine our practices — **9%**

N/A — we have no AI solution or it is still in the planning stages — **21%**

The few companies (7%) that consider their AI best practices to be superior are invariably among the 13% already invested in AI solutions, indicating over half the companies in this group are ahead of the curve in their respective verticals.

Meanwhile, about one-quarter of respondents (24%)—a plurality—claim their AI implementation is successful and they are adopting best practices beyond the maturity of their competitors. Twenty percent of companies consider their AI maturity to be average.

Companies in these two groups may have adopted best practices, even before fully investing in their AI solutions; this indicates most companies are on track for success in their AI adoption, even at different ends of the maturity spectrum.

APPLYING
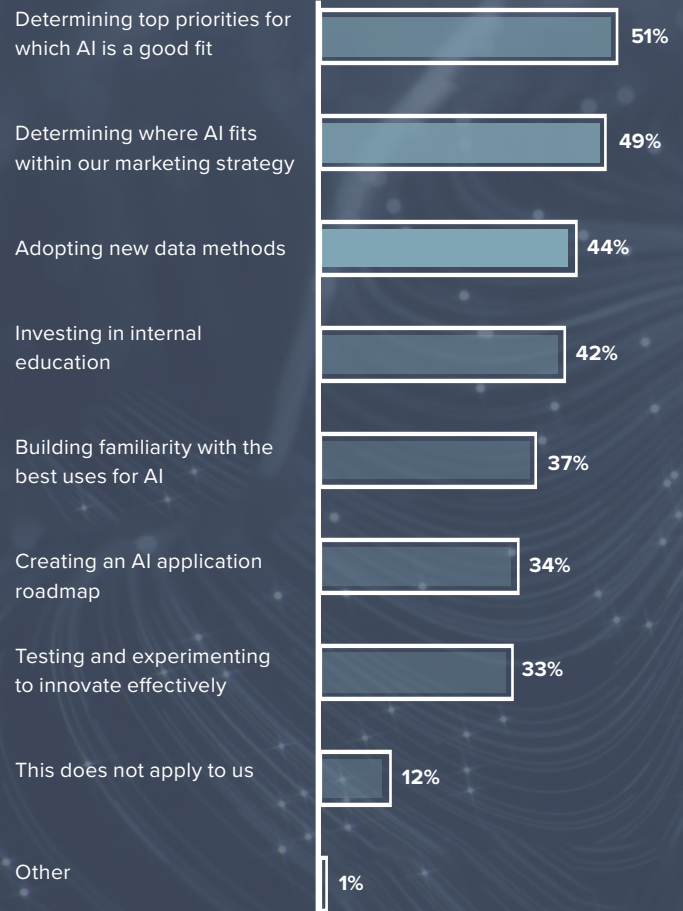## AI SOLUTIONS TO RANGING CX OBJECTIVES

Broadly, B2B companies seek to provide better experiences with every customer engagement. Companies that have introduced Artificial Intelligence to improve customer engagements are realizing successes in both service capacities as well as product experiences.

Regardless of their stage of adoption or maturity, most companies are actively laying a foundation for AI best practices as they relate to improving the customer experience in these capacities.

Most companies (51%) are determining top priorities for which AI is a good fit; nearly half of companies (49%) are doing so with regard to their marketing strategy specifically (49%). Respondents identify improving customer experiences without the addition of human capital as a broad priority.

Forty-four percent of companies are already adopting new data methods, and 42% are already investing in internal education for AI best practices as they relate to improving the customer experience. About one-third of companies are already testing and experimenting to innovate AI for this purpose.

How are you laying a foundation or how have you laid a foundation for AI best practices as they relate to improving the customer experience?

Determining top priorities for which AI is a good fit	51%
Determining where AI fits within our marketing strategy	49%
Adopting new data methods	44%
Investing in internal education	42%
Building familiarity with the best uses for AI	37%
Creating an AI application roadmap	34%
Testing and experimenting to innovate effectively	33%
This does not apply to us	12%
Other	1%

> ❝ **We have managed to improve customer experiences by helping customers reach their destination faster using a mixture of deep learning and AI. I would like to say that we have achieved these objectives entirely; however, continuous improvements are being made.**
>
> Vice President, SMB distributor

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Many companies are investing in interactive products to drive both CX improvement and sales. For these companies, AI makes it easier for customers to manage products either individually or achieve smarter interactions at the sales and distribution levels. Other companies are improving technical support using closer AI integrations with their customers. For one company, this includes implementing AI modules that are performing beyond expectations, as is evident from customer feedback.

Over one-third of companies (37%) are building familiarity with the best uses for AI in terms of the customer experience, exploring multiple CX applications; similarly, over one-third (34%) are creating an AI roadmap to identify opportunities across multiple areas of business.

Only 12% of respondents claim AI best practices as they relate to improving the customer experience are irrelevant to them. One percent says they are invested in some other method.

TARGETING
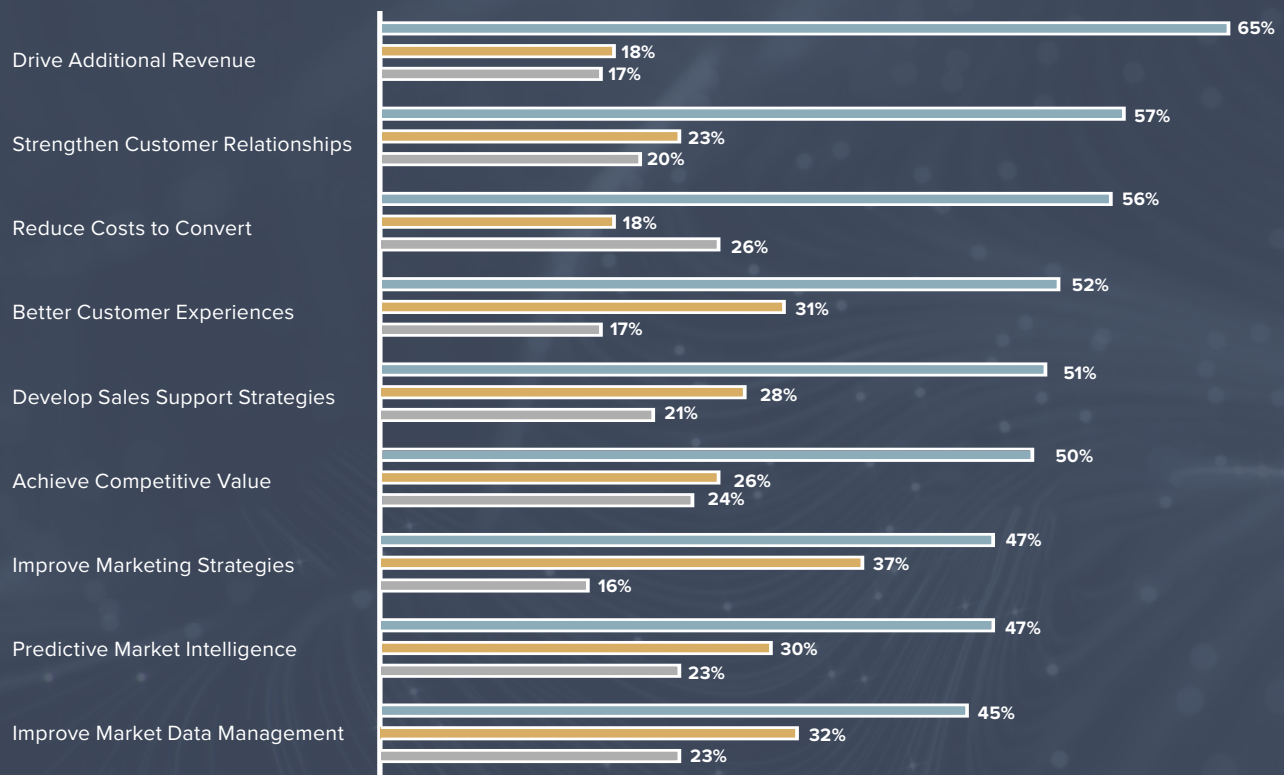## FUTURE CX OBJECTIVES WHERE AI SOLUTIONS APPLY

Companies highlight multiple areas where they are yet to achieve their desired goals in terms of KPIs delivered through AI applications. Among nine AI-related objectives, most companies have only targeted them, not having already executed them effectively.

In each case, a majority of companies intend to drive additional revenue (65%), strengthen customer relationships (57%), reduce the costs to convert (56%), and drive better customer experiences (52%). Less than one-third of companies have executed each of these objectives successfully to date.

While 50% of companies intend to achieve competitive value as part of their AI initiatives, only 26% have done so effectively. But B2B companies have already made steps to improve their strategic approach to the market. While under half of companies (47%) are aiming to improve marketing strategies as part of their complete AI initiative, over one-third (37%) have executed these improvements successfully—more than with any other objective in the study.

Please identify which of the following objectives you have targeted and which you have executed successfully as part of your complete AI initiative.

■ Targeted   ■ Executed   ■ Neither/NA

Drive Additional Revenue
- 65%
- 18%
- 17%

Strengthen Customer Relationships
- 57%
- 23%
- 20%

Reduce Costs to Convert
- 56%
- 18%
- 26%

Better Customer Experiences
- 52%
- 31%
- 17%

Develop Sales Support Strategies
- 51%
- 28%
- 21%

Achieve Competitive Value
- 50%
- 26%
- 24%

Improve Marketing Strategies
- 47%
- 37%
- 16%

Predictive Market Intelligence
- 47%
- 30%
- 23%

Improve Market Data Management
- 45%
- 32%
- 23%

> ❝
> **Smart, responsive screens that accept orders from customers and deliver the finished product back to the customer was ideally the reason why we were introducing AI. There are still a few more steps involved in our final implementation of this service.**
>
> Director, mid-market manufacturer

Even as they take steps towards AI strategy execution, companies have made strides in improving their market intelligence and capacity to utilize market data to this end. Thirty percent of respondents have already executed predictive market intelligence, and nearly one-third (32%) have improved their market data capabilities. Nearly half have targeted each of these improvements as well.

Predictive technologies will align with AI technologies to improve CX efficiencies, leveraging smart data to deliver greater control and flexibility to customers. In time, companies will carry out their AI agendas, connecting every resource to their core company AI capabilities—an overarching goal behind AI introduction as they work to finalize central, more stable and dependable AI solutions.

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CONCLUSION

In terms of data-driven technologies and CX initiatives, there are no limits to how AI can transform the way companies engage the market. In time, companies will realize their targeted AI objectives and explore new opportunities for the application of AI.

Still, human integration into the machines and systems they develop will be required to enhance the value of AI, increasing the efficiencies by which customers access specialized experts among employees. Even without the addition of human capital, this balance of human interaction with AI integration will become a stepping stone towards future development in larger parts of the business—be they manufacturing, product development, or others.

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