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THE STATE OF ARTIFICIAL INTELLIGENCE 2018

WHAT LEADERS NEED TO KNOW ABOUT THE COMING AI REVOLUTION

The State of AI for Sales & Marketing
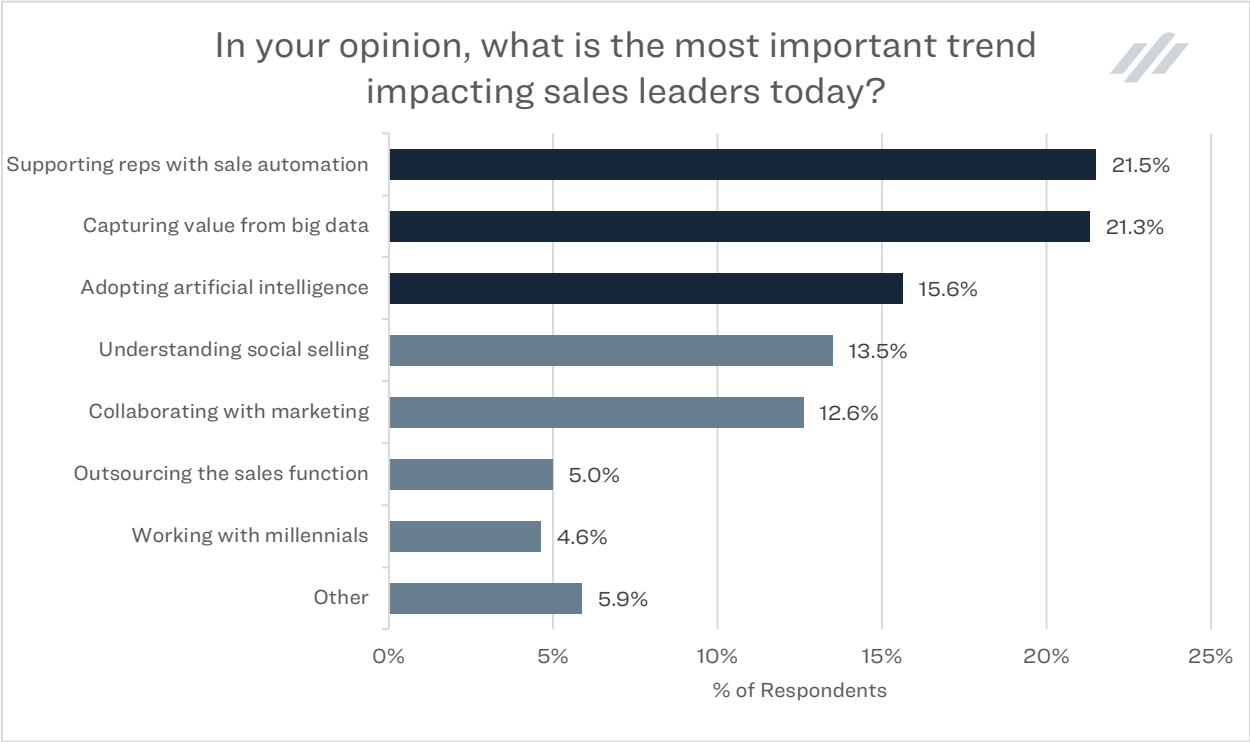
What Leaders Need to Know About the Coming AI Revolution

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Introduction

Though the corporate landscape across all sectors changes by the day, one fact remains: sales drives revenue, the lifeblood of a business. One undeniable source of this change is the rise in popularity of artificial intelligence (AI). From making movie recommendations for Netflix and Amazon to increasing energy efficiency with the internet of things, AI continues to make its mark, and the sales department has not been left untouched. We surveyed over 600 respondents to understand what trends in AI have them most concerned, about which they're most optimistic, and the layout of the AI landscape as experienced on the frontlines by managers. Our findings below provide insight into these topics and more.
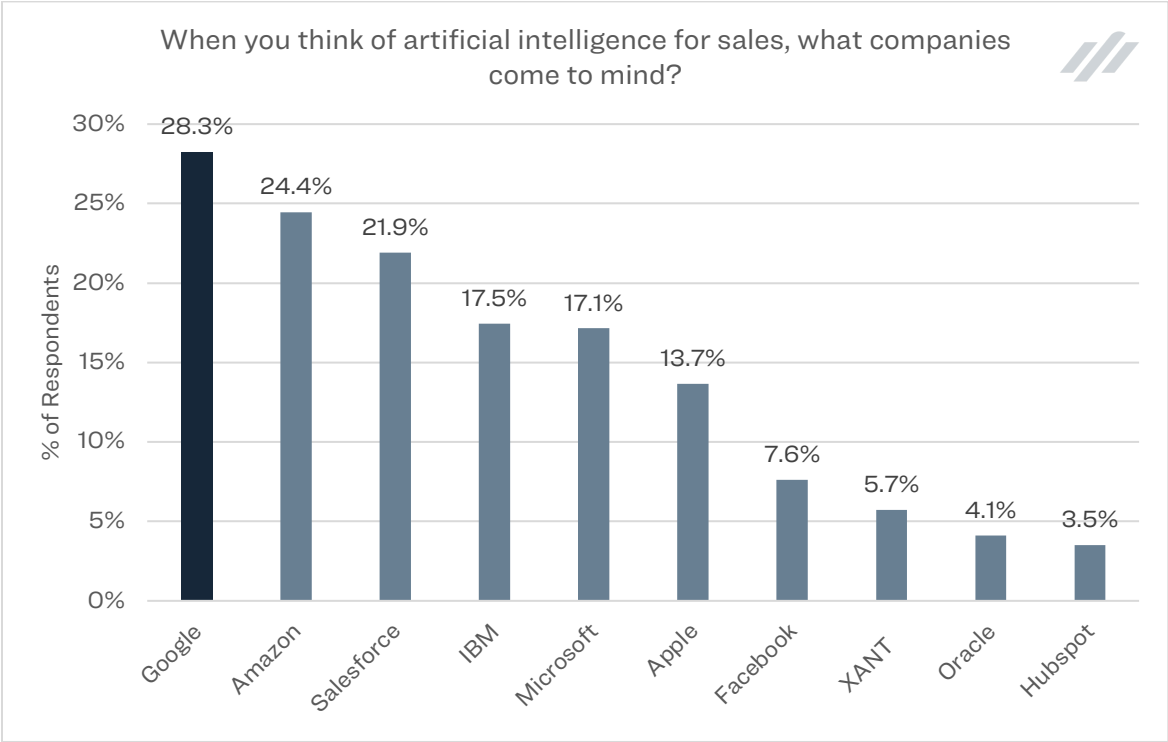
Sales Automation 21.5%, Big Data 21.3% and AI 15.6% are the most prominent trends for respondents today

We asked respondents what they saw as the most important trend in sales right now. "Supporting sales representatives with sales automation" was the most popular response, with 21.5% of respondents, followed by "capturing value from big data" with 21.3%. Next, with 15.6% was "adopting artificial intelligence." These top three answers indicate a major emphasis on using technology to extract insight and increase efficiency.

In your opinion, what is the most important trend impacting sales leaders today?

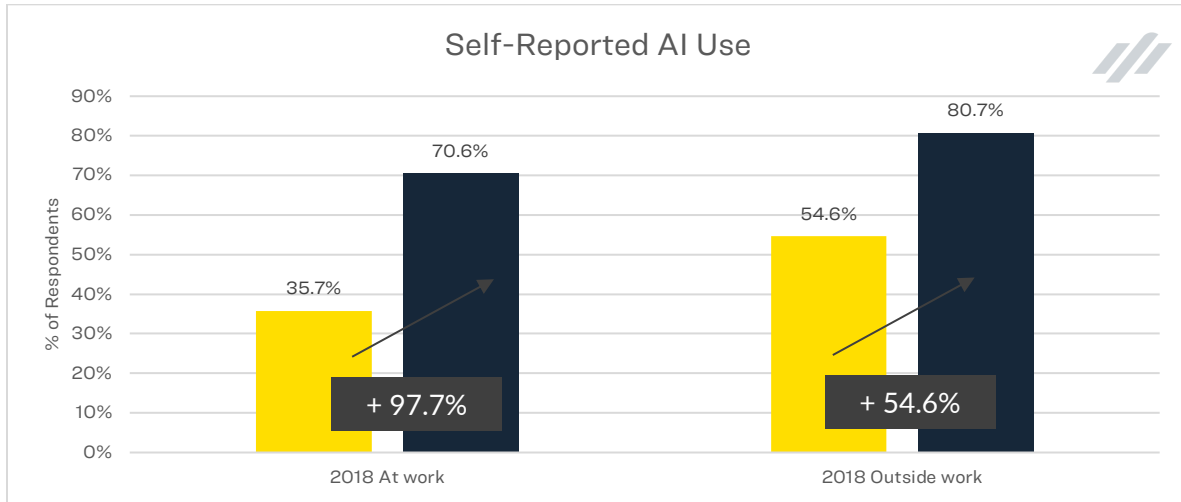| Trend	% of Respondents
Supporting reps with sale automation	21.5%
Capturing value from big data	21.3%
Adopting artificial intelligence	15.6%
Understanding social selling	13.5%
Collaborating with marketing	12.6%
Outsourcing the sales function	5.0%
Working with millennials	4.6%
Other	5.9%

% of Respondents

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Titans of Tech are the leading AI companies

To gauge what brands professionals associate with artificial intelligence, we asked respondents for the names of companies that come to mind when they think of AI. The resulting top ten is filled with many of the regular suspects, including Google at the number one spot with 28.3% of respondents, then Amazon at 24.4%, Salesforce.com at 21.9%, IBM with 17.5% and Microsoft fifth at 17.1%.

When you think of artificial intelligence for sales, what companies come to mind?

Company	% of Respondents
Google	28.3%
Amazon	24.4%
Salesforce	21.9%
IBM	17.5%
Microsoft	17.1%
Apple	13.7%
Facebook	7.6%
XANT	5.7%
Oracle	4.1%
Hubspot	3.5%

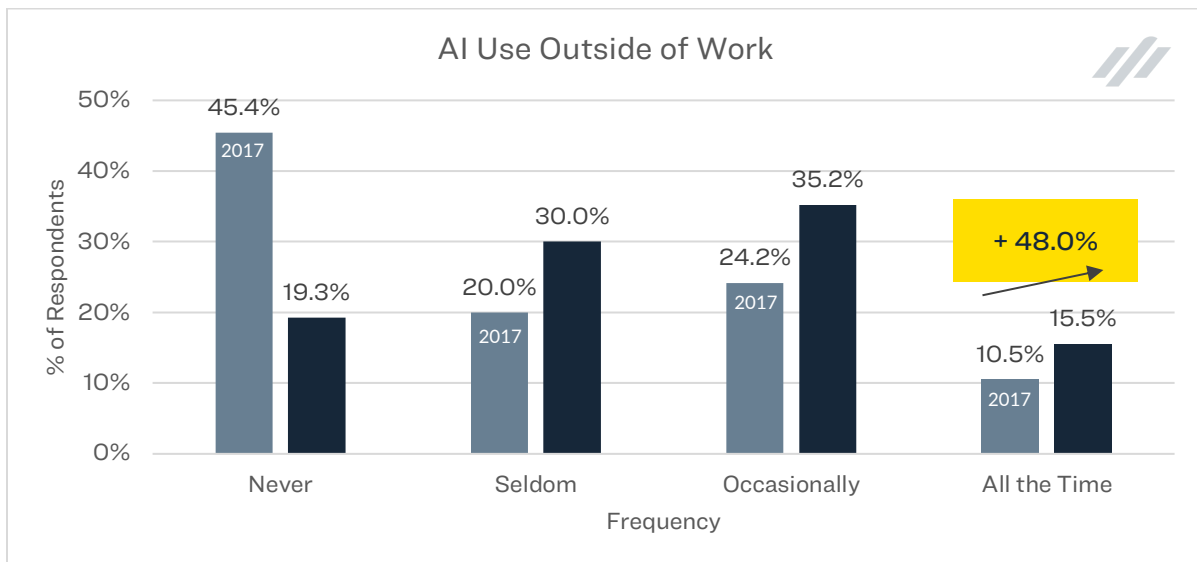*Y-axis: % of Respondents (0% – 30%)*

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AI becomes mainstream outside of work with 80.7% using it, while AI breaks into the workplace with 70.6% using it

In 2017, only 54.6% of respondents indicated using some form of AI outside of work while in 2018, that number jumped to 80.7% (54.6% increase). At work the same trend occurred. In 2017, 35.7% of respondents indicated using some form of AI at work and that number jumped to 70.6% of respondents indicating using some form of AI at work (97.7% increase).

Self-Reported AI Use

- 2018 At work: 35.7% / 70.6% (+ 97.7%)
- 2018 Outside work: 54.6% / 80.7% (+ 54.6%)

15.5% of respondents reported using AI all the time outside of work, a 48.0% increase from last year

AI is becoming more than just mainstream. It's becoming a way of life, evidenced by the 48.0% year-over-year jump to 15.5% of respondents who reported using AI all the time outside of work.

AI Use Outside of Work

| Frequency	2017	2018
Never	45.4%	19.3%
Seldom	20.0%	30.0%
Occasionally	24.2%	35.2%
All the Time	10.5%	15.5% (+ 48.0%)

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11.9% of respondents reported using AI all the time at work, a 77.0% increase from last year

Similarly, people are starting to experience AI at work as part of their everyday routine. This year 11.9% of respondents reported using AI all the time at work. This is a 77.0% increase from last year's 6.8%. Expect to see this trend march onward as AI continues to infiltrate the workplace as it has outside of the workplace.


AI Use At Work
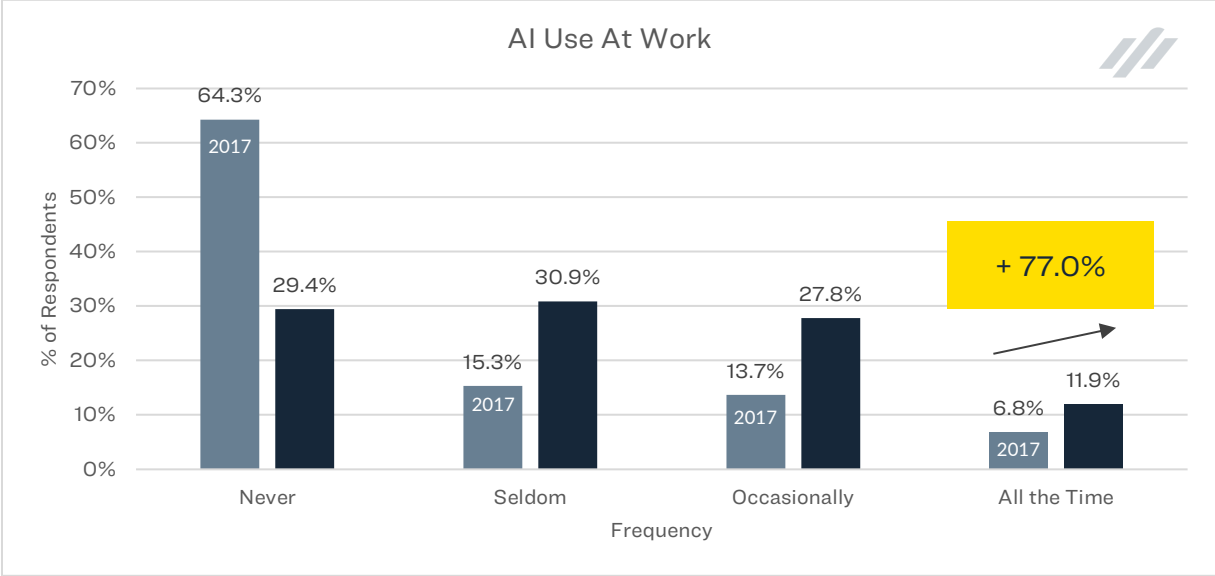
90.7% of respondents expect AI to improve sales performance

When asked if they thought artificial intelligence would improve their organization's sales performance, respondents were very optimistic. Over 90% answered in the affirmative, 51.8% saying "Probably yes" and another 38.9% saying "Definitely yes." This optimistic paradigm regarding artificial intelligence for sales is especially interesting because of the apparent incongruence with levels of current adoption; we might expect higher levels based on this data.
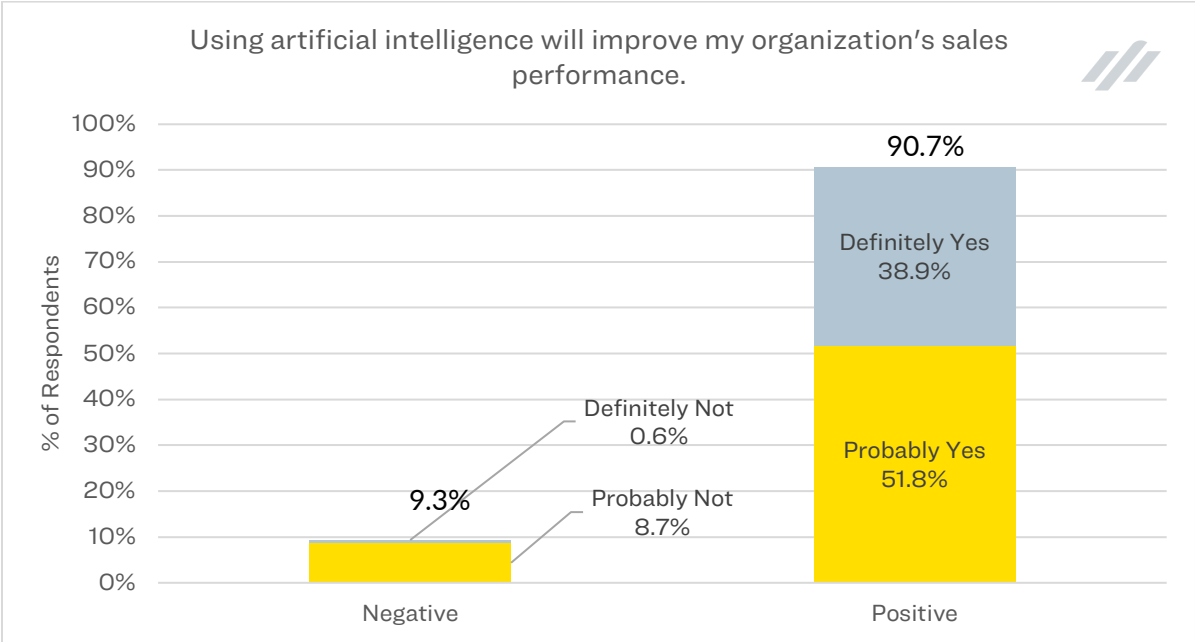
Companies expect a 33.8% increase in sales performance from AI

On average, companies in our study expected AI to increase their sales performance by 33.8%. Responses most often fell in the 11-20% bucket, and a large majority (75.2%) of respondents expected a lift between 11-50%.

Expected Lift due to AI for Sales
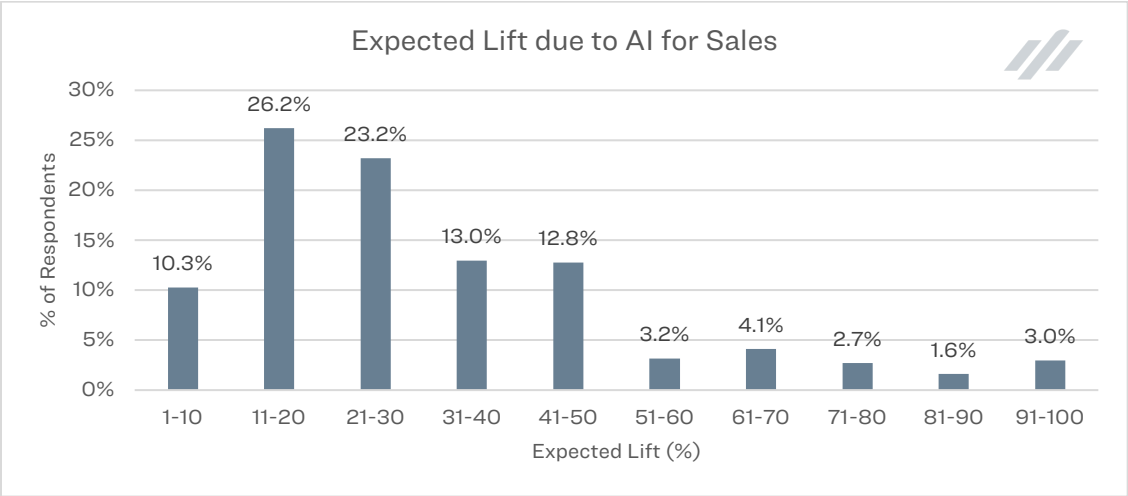
Public sector (41.0%), media (40.9%), and telecommunications (39.4%) expect highest lift from AI

Respondents from the Public Sector expected the biggest sales lift from AI with an average 41.0%, while Manufacturing respondents expected the smallest lift with an average 28.7%. Notably, any lift within this range would likely be significant for any business, showing the overall positive sentiment felt across industries towards artificial intelligence.

Sales Lift Expected due to AI for Sales, by Industry

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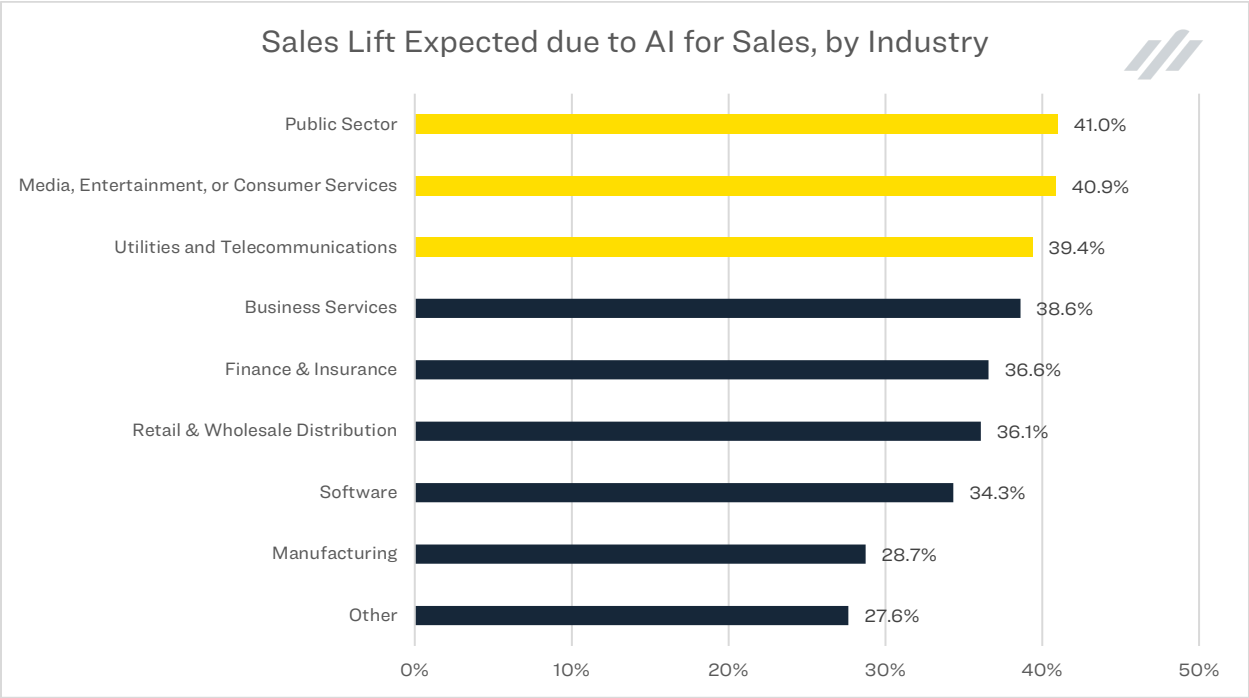
Overall AI use cases slightly skewed towards efficiency over effectiveness by 6.4%

Those respondents who currently use AI tools use them 6.4% more frequently for efficiency, such as automation and guidance, than for effectiveness, such as pattern recognition and leverage.

Do your current artificial intelligence solutions focus more on efficiency or effectiveness?

% of Respondents

48.4%	51.6%
Effectiveness (pattern recognition, leverage)	Efficiency (automation, guidance)

+ 6.4%
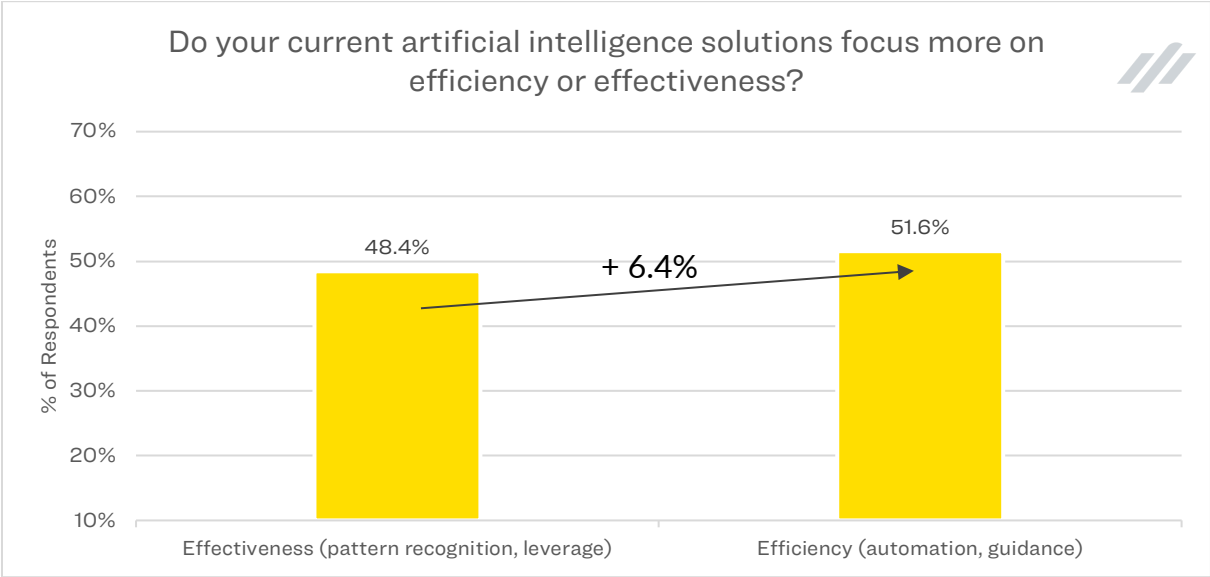
51.7% of companies not currently using AI for sales

Although most believe that sales will be the most benefited department because of AI, 51.7% of companies are not currently using AI for sales, while 30.6% say they are, and 17.7% are unsure.

Are you currently using some form of artificial intelligence for sales?

% of Respondents

Yes	No	I'm not sure
30.6%	51.7%	17.7%

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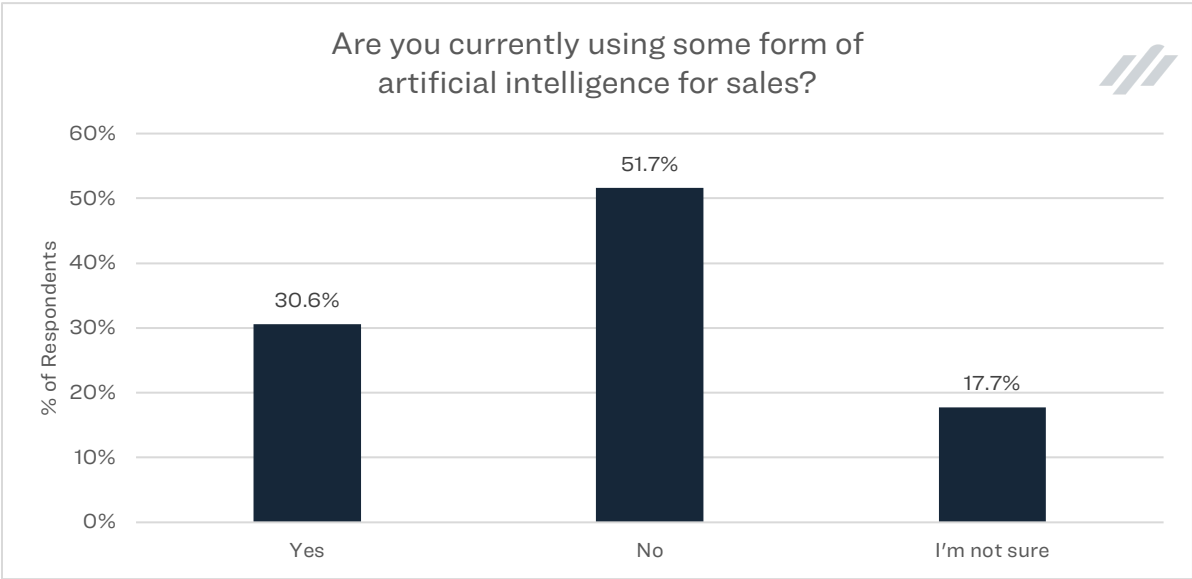
44.1% of companies plan to use AI for sales in the next year

Almost half of respondents, answered positively to the question of planning to use AI for sales in the next 12 months (44.1%). Less than 10% of respondents who answered negatively said "Definitely not" (as opposed to "Probably not"), indicating that while the late adopters may be skeptical of AI, very few write off the technology completely.
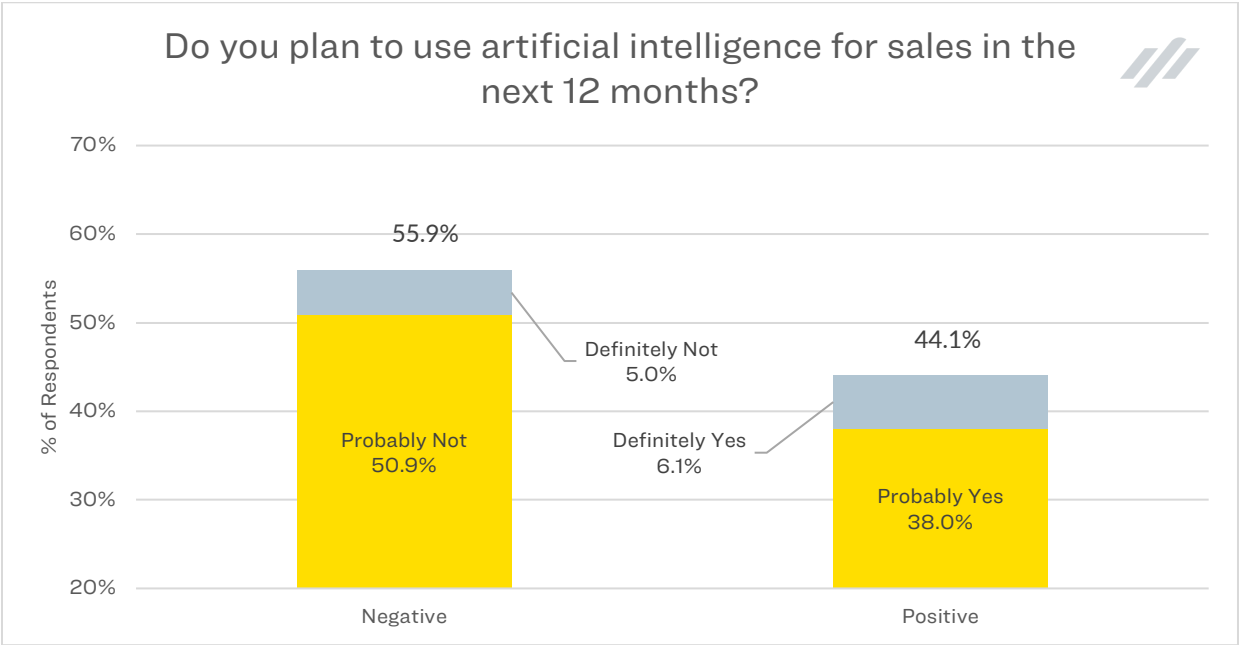
Over 25% of companies cite "I don't understand it" as biggest obstacle to using AI

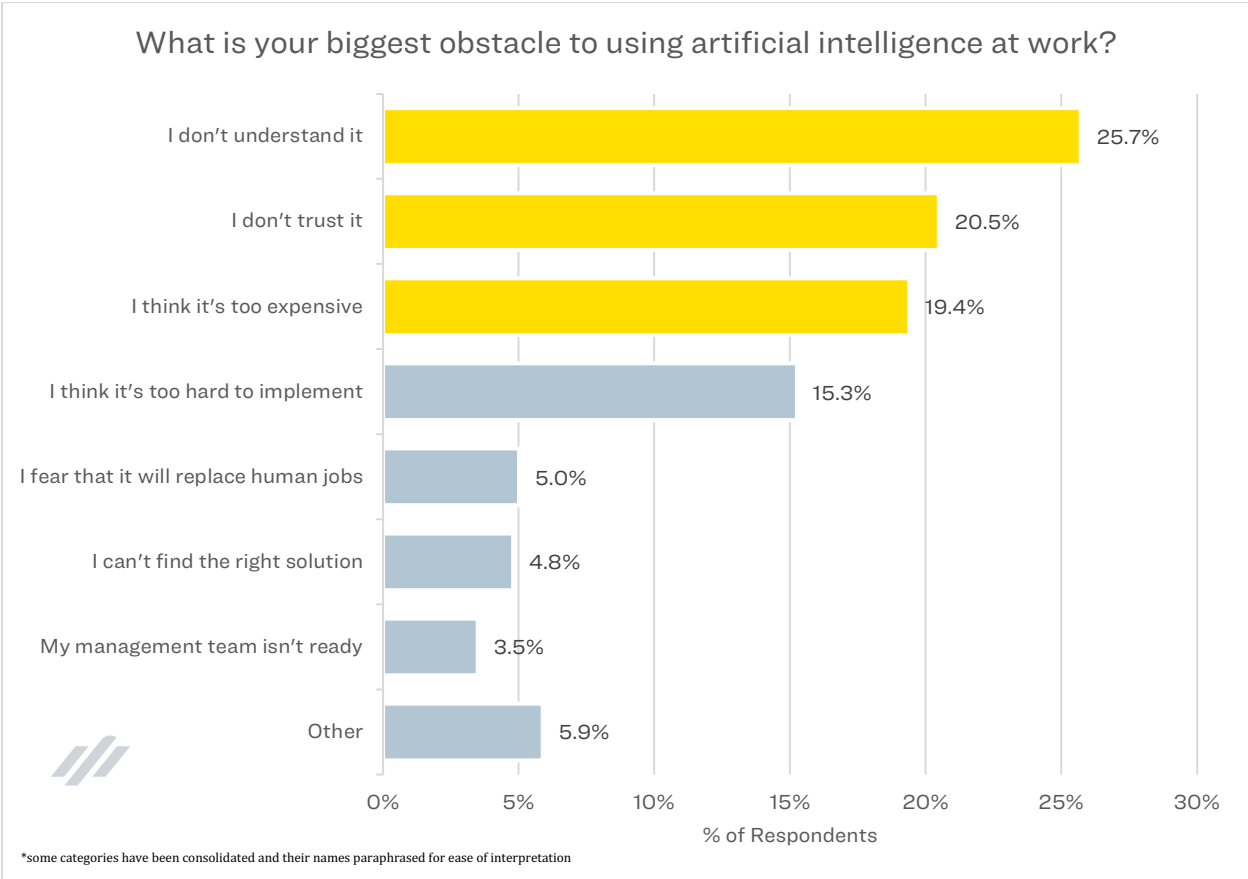Though adoption is relatively high (80.7% outside work, 70.6% at work), we wanted to understand why the stragglers have a hard time diving in, and why those who currently use AI don't use more. So, we asked respondents to tell us their biggest obstacle to adopting AI. The most common response was "I don't understand it," with 25.7% of respondents, followed by "I don't trust it" with 20.5% and "I think it's too expensive" at 19.4%. "I think it's too hard to implement" was a significant fourth with 15.3% of respondents.

What is your biggest obstacle to using artificial intelligence at work?

Category	%
I don't understand it	25.7%
I don't trust it	20.5%
I think it's too expensive	19.4%
I think it's too hard to implement	15.3%
I fear that it will replace human jobs	5.0%
I can't find the right solution	4.8%
My management team isn't ready	3.5%
Other	5.9%

% of Respondents

*some categories have been consolidated and their names paraphrased for ease of interpretation

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Sales (51.6%) and marketing (44.4%) departments will benefit the most from AI

Many departments will benefit from artificial intelligence, but respondents chose sales and marketing as the clear winners. Sales moved up from 31.6% last year to 51.6%, a 63.3% increase, and marketing moved up from 36.4% last year to 44.4%, a 22.0% increase. It's interesting to note that almost three-quarters of respondents, 73.9%, included either Sales or Marketing departments in their answer.

Which departments do you believe will benefit most from artificial intelligence?

Department	2017	Current
Sales	31.6%	51.6% (+63.0%)
Marketing	36.4%	44.4% (+22.0%)
Customer Service	40.5%	25.5%
Customer Success	N/A	17.0%
Product	N/A	13.9%
Finance and Accounting	31.7%	13.1%
Human Resources	18.3%	5.0%
Legal	11.3%	3.1%

% of Respondents

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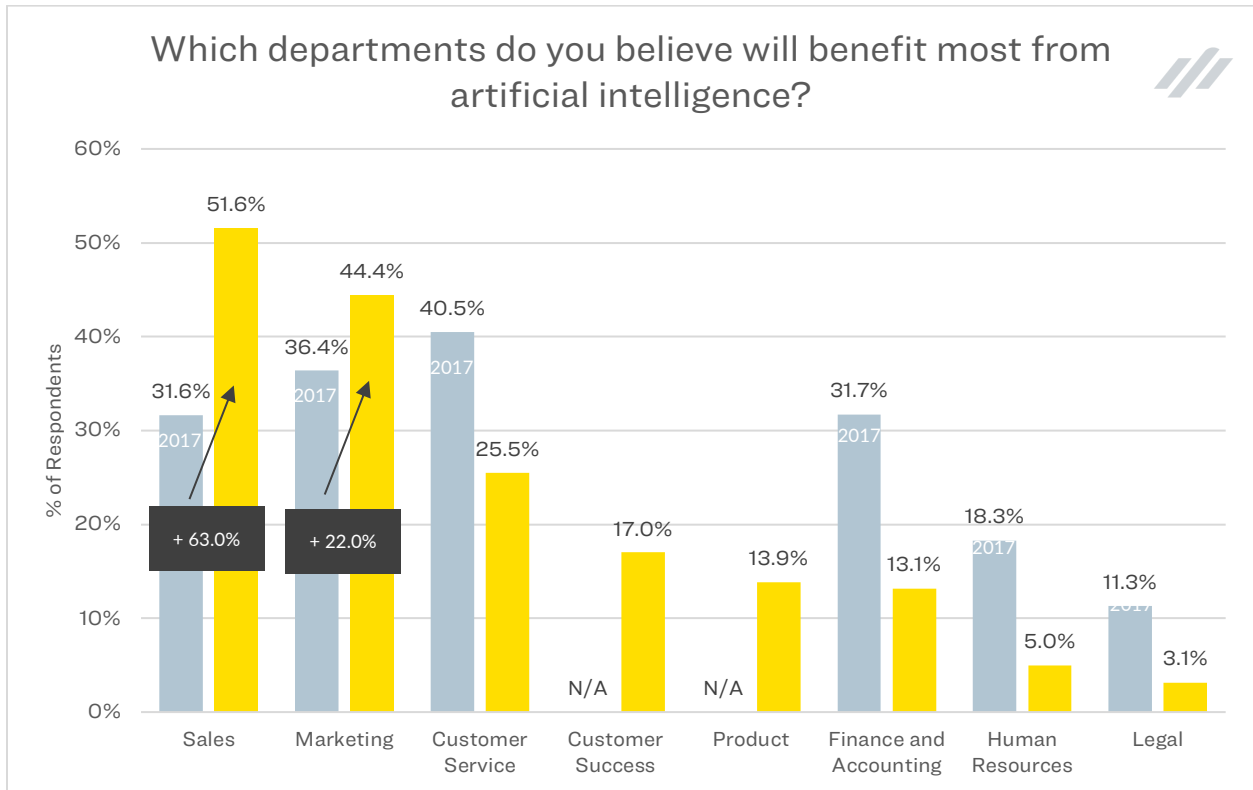
Scoring 43.6%, contacting 33.1%, and social selling 31.3% are the highest adopted sales and marketing use cases for AI
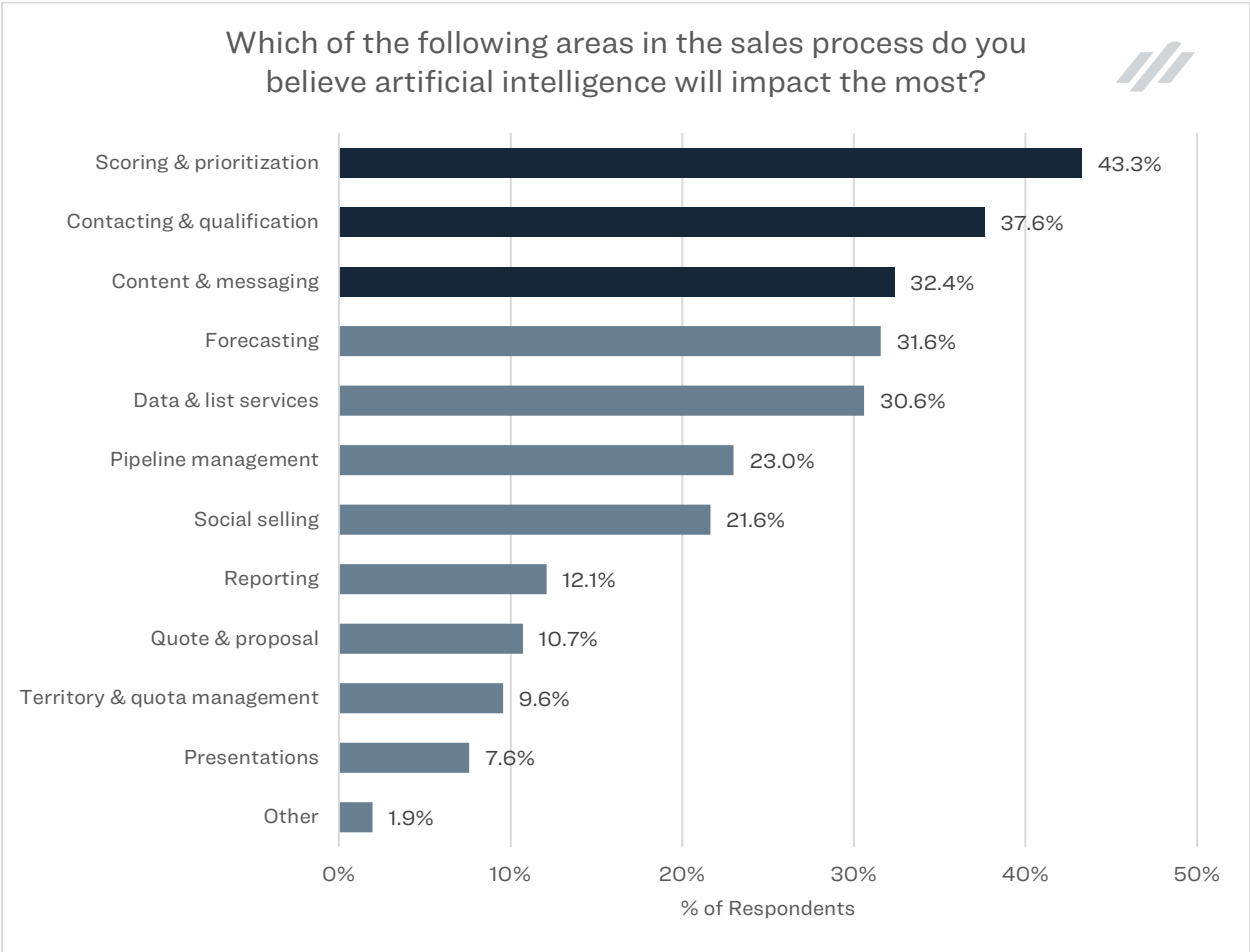
43% of companies say they use AI for scoring and prioritizing their accounts and contacts, the highest of any sales and marketing use case for AI. This is followed by reaching and contacting prospects (33.1%) and social selling (31.3%).

For which of the following areas in the sales process do you currently use artificial intelligence?

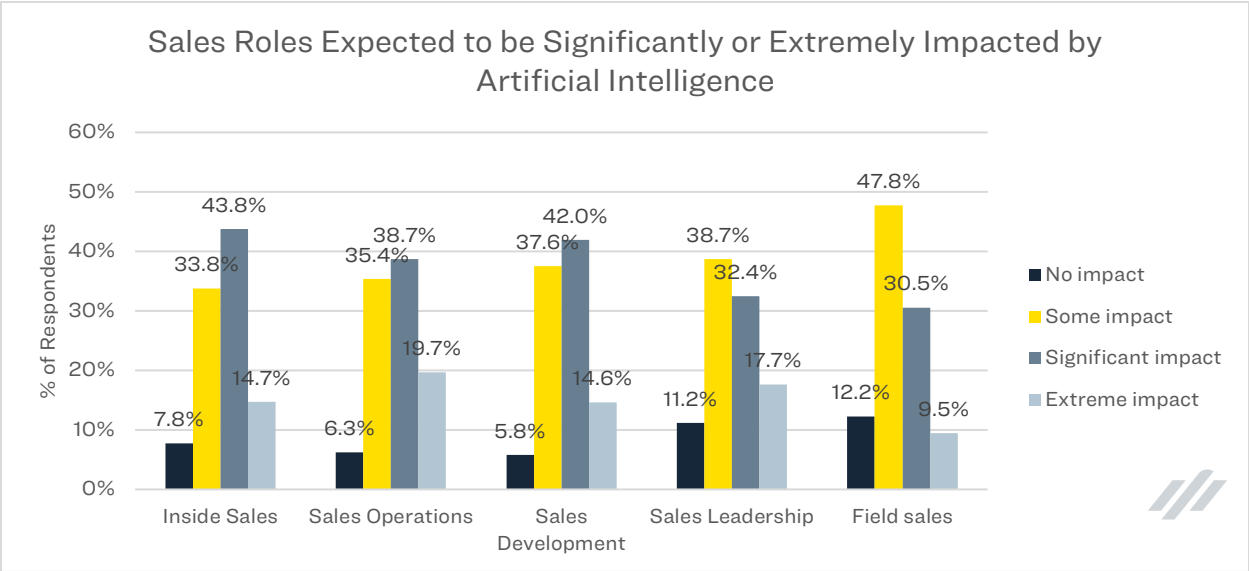| Area	% of Respondents
Scoring & prioritization	43.6%
Contacting & qualification	33.1%
Social selling	31.3%
Content & messaging	28.8%
Data & list services	28.8%
Forecasting	27.6%
Pipeline management	26.4%
Reporting	18.4%
Quote & proposal	13.5%
Presentations	12.9%
Territory & quota management	12.3%
Other	3.1%

% of Respondents

Scoring (43.3%), contacting (37.6%), content (32.4%) are the areas where AI will have the biggest impact

Respondents most frequently chose "Scoring & prioritization" as the area of the sales process they believe will be most impacted by AI, with 43.3% of respondents. Second was "Contacting and qualification," with 37.6%, followed by "Content and messaging" with 32.4%. "Presentations" was the area least-chosen with 7.6%.

Which of the following areas in the sales process do you believe artificial intelligence will impact the most?

| Area	%
Scoring & prioritization	43.3%
Contacting & qualification	37.6%
Content & messaging	32.4%
Forecasting	31.6%
Data & list services	30.6%
Pipeline management	23.0%
Social selling	21.6%
Reporting	12.1%
Quote & proposal	10.7%
Territory & quota management	9.6%
Presentations	7.6%
Other	1.9%

% of Respondents

Inside sales (58.5%), sales operations (58.4%), and sales development (56.6%) expected to see "significant" impact by AI

We asked respondents to rate the impact they expect to see from AI on different sales roles, with options "No impact," "Some impact," "Significant impact," and "Extreme impact." Respondents rated Sales Operations as the role most likely to be "Extremely" impacted, with 19.7% of respondents, followed by Sales Leadership with 17.7%. Inside Sales was thought most likely to be "Significantly" impacted with 43.8%, with Sales Development a close second at 42.0%. Field Sales was said most likely to see "Some impact," with 47.8% of respondents, then Sales Leadership with 38.7%. Respondents were also most pessimistic about AI's impact on Field Sales -- 12.2% said they expect no impact at all.

Sales Roles Expected to be Significantly or Extremely Impacted by Artificial Intelligence

By totaling "Significant" and "Extreme" impact, we can get a clear picture of what professionals expect overall. In this calculation, Inside Sales was most expected to be significantly impacted with 58.5% of respondents, closely followed by Sales Operations with 58.4%, and Sales Development with 56.6%

Sales Roles Expected to be Significantly or Extremely Impacted by Artificial Intelligence

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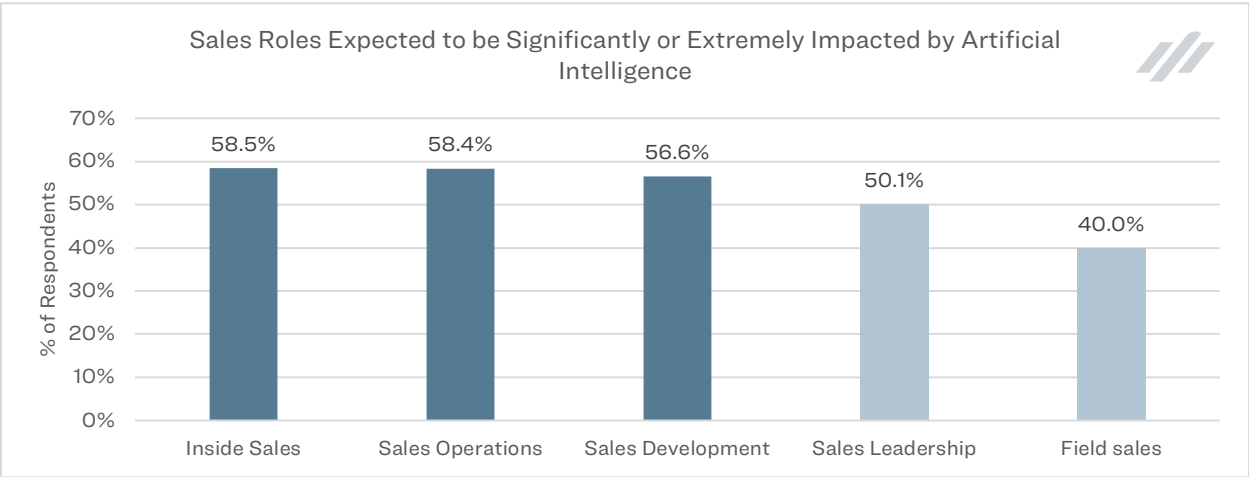
78.5% believe AI won't replace sales reps any time soon
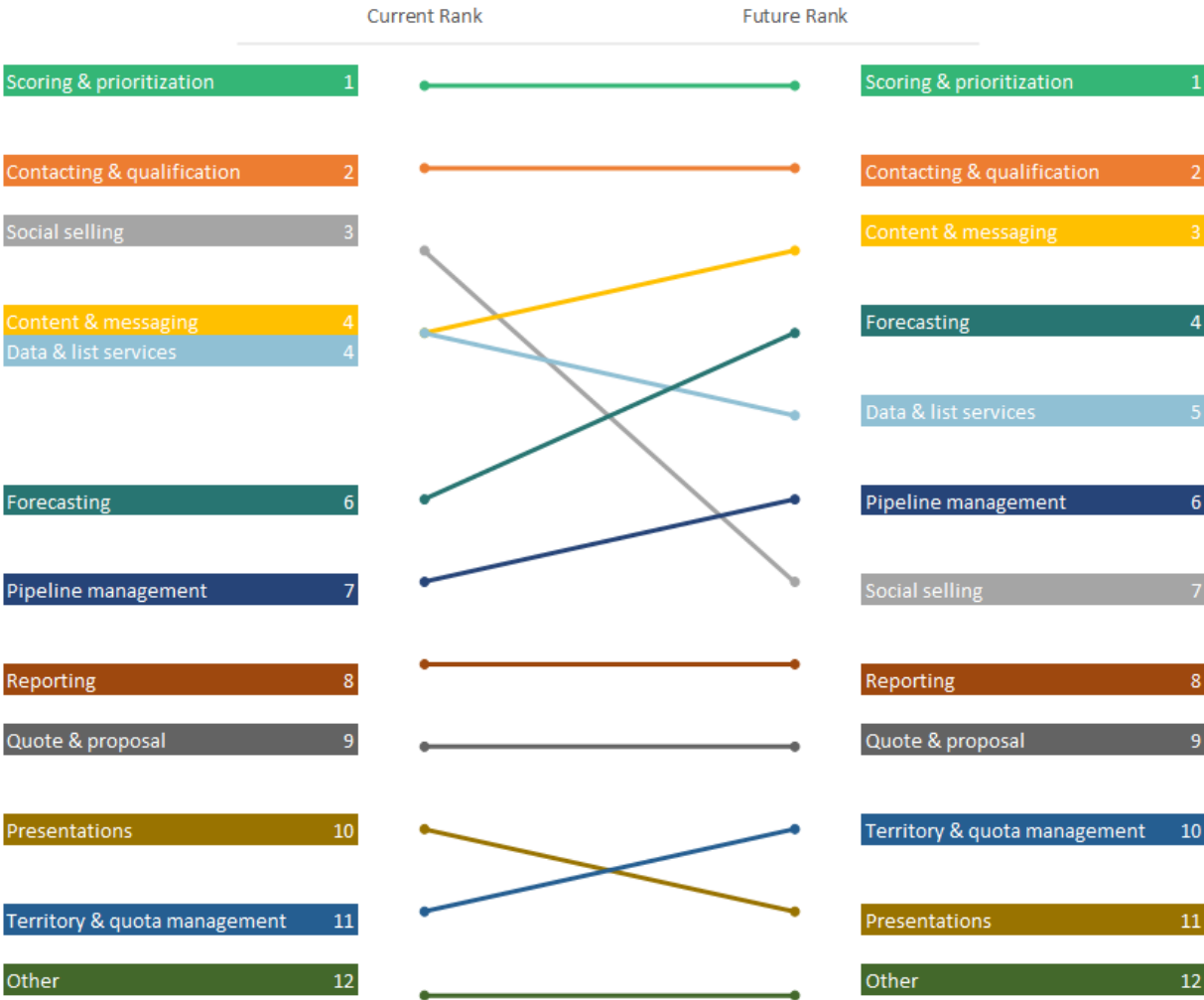
Though respondents appear optimistic about the impact of artificial intelligence on sales, most are not ready to go so far as to say that the sales rep itself will be replaced by AI in the near future. When asked this question with a five-year time horizon, just 9.0% of respondents replied yes, while 78.5% replied in the negative, and 12.5% indicated they were unsure.
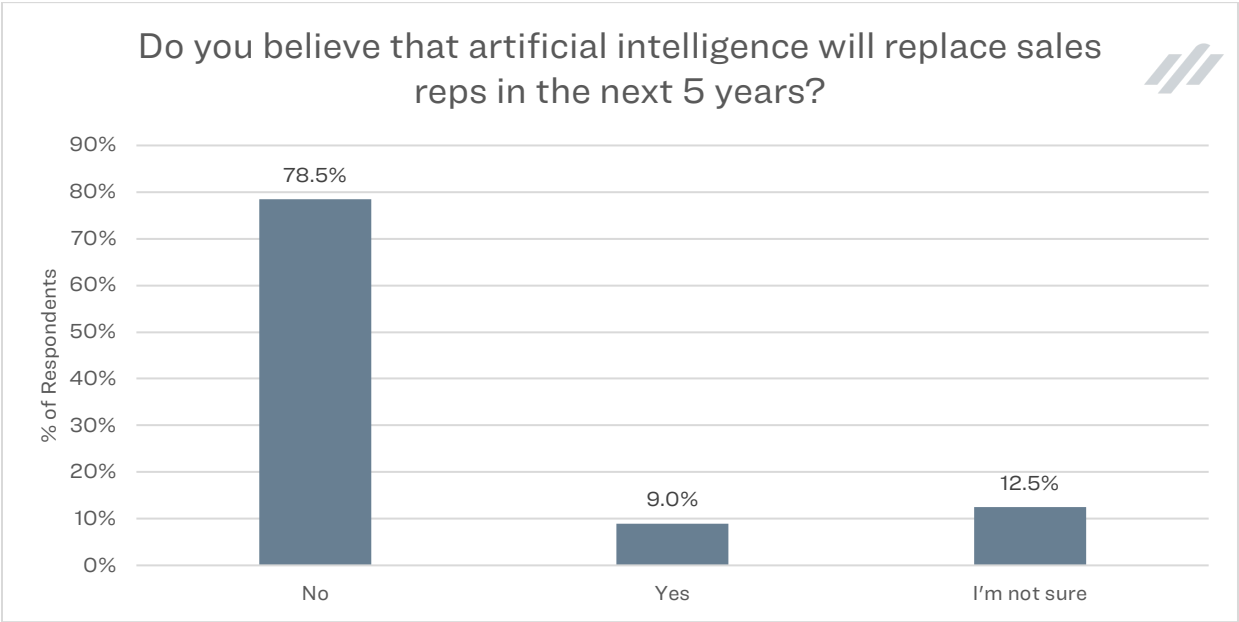
Differences between current implementation and expected impact reveal implications for social selling and forecasting tools

We drew interesting comparisons between the areas in which companies currently have deployed AI solutions and those areas where respondents saw the most potential for AI impact. All areas, when compared to their rank-ordered spot on either list, fell within zero or one spots of each other, except two: social selling and forecasting. Social selling was the third most-frequent response for areas where companies currently are deploying AI-based solutions, while it was the seventh most-indicated response for future AI impact. On the flipside of this insight was forecasting, which was sixth-most indicated for current use versus fourth for future impact. These differences may suggest that social selling tool are coming close to being fully implemented for current market demand, while forecasting tools are set to rise quickly.

Current AI implementation vs expected AI impact by sales task

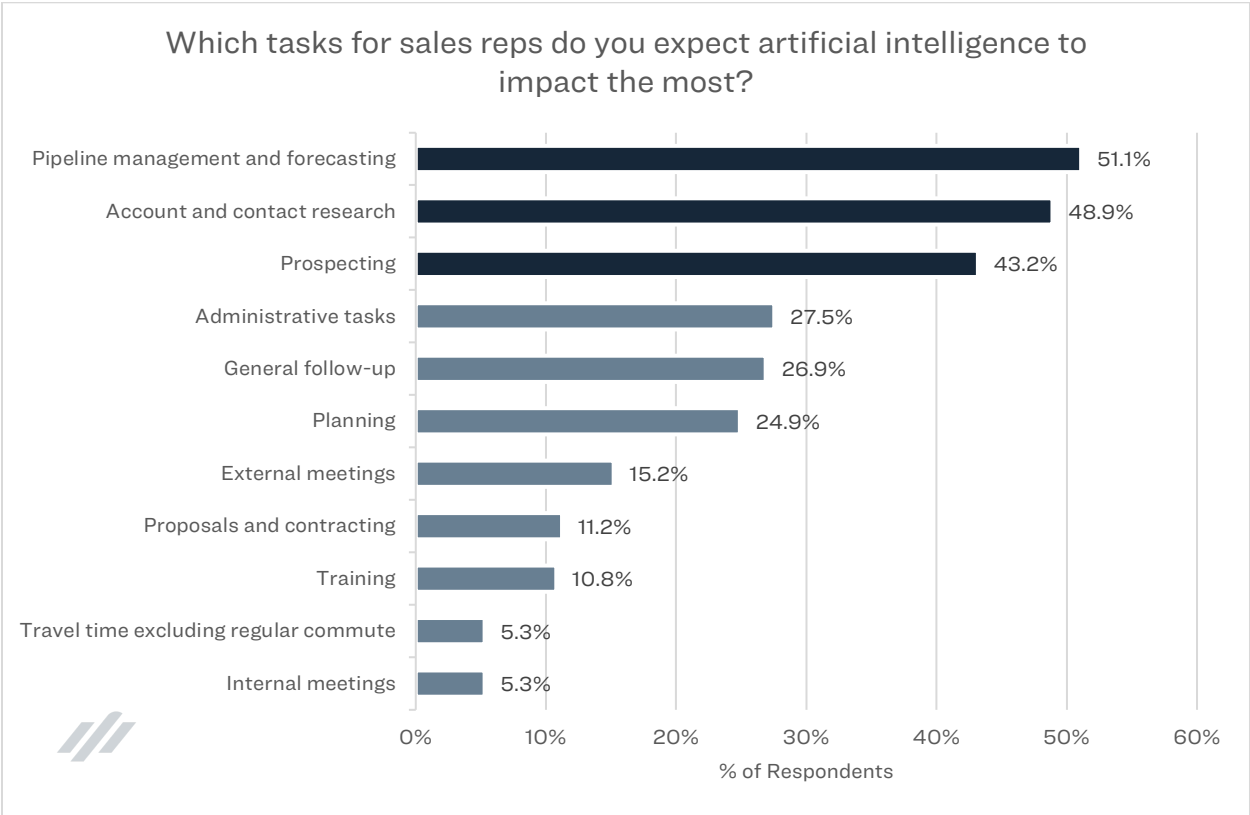| Current Rank		Future Rank
Scoring & prioritization — 1		Scoring & prioritization — 1
Contacting & qualification — 2		Contacting & qualification — 2
Social selling — 3		Content & messaging — 3
Content & messaging — 4		Forecasting — 4
Data & list services — 4		Data & list services — 5
Forecasting — 6		Pipeline management — 6
Pipeline management — 7		Social selling — 7
Reporting — 8		Reporting — 8
Quote & proposal — 9		Quote & proposal — 9
Presentations — 10		Territory & quota management — 10
Territory & quota management — 11		Presentations — 11
Other — 12		Other — 12

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Companies expect forecasting (59.6%), pipeline management (47.9%), and pipeline creation (45.6%) to be the most impacted tasks for front-line sales managers

Respondents also believe artificial intelligence will affect the way their front-line managers do their jobs. 59.6% of respondents in our study expected forecast management to be most impacted, followed by managing pipeline with 47.9% and building pipeline with 45.6%.

What front-line sales manager responsibilities do you expect to be most impacted by artificial intelligence?

Companies see forecasting (51.1%), research (48.9%), and prospecting (43.2%) to be the most impacted tasks for sales reps

When asked the same question about tasks for individual sales reps, 51.1% of respondents chose pipeline management and forecasting, followed by account and contact research with 48.9% and prospecting with 43.2%. The next-most popular choice, administrative tasks, was much less popular with only 27.5% of respondents.

Which tasks for sales reps do you expect artificial intelligence to impact the most?

Task	% of Respondents
Pipeline management and forecasting	51.1%
Account and contact research	48.9%
Prospecting	43.2%
Administrative tasks	27.5%
General follow-up	26.9%
Planning	24.9%
External meetings	15.2%
Proposals and contracting	11.2%
Training	10.8%
Travel time excluding regular commute	5.3%
Internal meetings	5.3%

% of Respondents

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Conclusion

Artificial intelligence is the wave of the future, and Sales is not the exception. AI will continue to take hold throughout the sales process and embed itself deeper into more sales roles. Sales professionals, while generally optimistic about this prospect, often lack the understanding, budget, or will to implement AI solutions that they themselves expect to create a very significant (33.8%) lift on their sales.

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Methodology

We conducted a survey of 633 sales professionals across the United States, asking various questions about their understanding, usage, and expectations of artificial intelligence, especially its application at work. Respondents are segmented by 2018 revenue, title level, industry, and company size (number of employees). The typical (median) respondent worked for a company with between $20 -$49.9 million in 2018 revenue and 11-50 employees. Twenty four percent (24.8%) of respondents reported a title level of front line, while the other 75.2% reported manager or above (manager, director, VP, or C-Level). The industries represented were, with their respective proportions, the following:

Industry	% of Respondents
Software	23.2%
Other	19.4%
Business Services	17.9%
Manufacturing	12.0%
Retail & Wholesale Distribution	9.2%
Finance & Insurance	8.3%
Utilities and Telecommunications	5.2%
Media, Entertainment, or Consumer Services	4.0%
Public Sector	0.8%

Number of Employees	% of Respondents
1-10	16.0%
11 - 100	22.8%
101 - 500	14.8%
501 - 2,000	11.1%
2,000 - 5,000	7.7%
5,000+	27.6%

Title Level	% of Respondents
Front Line	24.8%
Manager	24.1%
Director	20.5%
VP	10.9%
C-Level	19.7%

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Estimated 2018 Revenue	% of Respondents
Less than $5 million	27.4%
$5 to $19.9 million	13.8%
$20 to $49.9 million	9.8%
$50 to $99.9 million	7.5%
$100 to $249 million	6.9%
$250 to $499 million	3.5%
$500 to $999 million	5.1%
$1 to $4.9 billion	9.6%
$5 to $9.9 billion	5.0%
$10 billion or more	11.2%

For almost all statistics, a simple average was used. Where a median was used, language will indicate by saying "typical" instead of "average."

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