

A Forrester Consulting
Thought Leadership Paper
Commissioned By Ampero
October 2017

The Machine On Your Team: New Study Shows How Marketers Are Adapting In The Age Of AI

Majority Of Marketers Implementing Or
Expanding AI Platform Investments To Enhance
Human Effort

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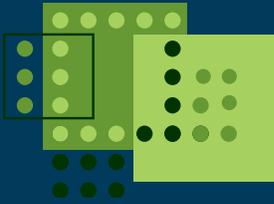
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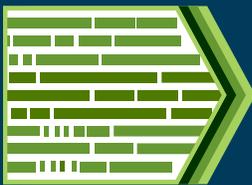
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39% of organizations plan to implement AI-driven marketing platforms in the next 12 months as part of their digital transformation strategy.



45% of organizations have implemented or are expanding or upgrading an AI-driven marketing platform as part of their digital transformation strategy.

Executive Summary

Artificial intelligence (AI) is nothing new. In fact, it's been around in some form for more than 50 years. However, there is still a great air of mystery and misinformation around this topic. The media and popular culture have painted a picture of AI that ignores the underlying complexity of combining sophisticated computing, data management, and analytics. Vendors have flooded the market with artfully named platforms with a variety of features and functionalities that leave marketers researching to understand the differences and what may best fit their needs.

In July 2017, Amplero commissioned Forrester Consulting to evaluate current levels of artificial intelligence marketing (AIM) adoption at North American organizations and the challenges faced when applying AI solutions to key business challenges. Our study found that marketers are confident in their readiness to incorporate AI into their marketing strategies, but their understanding of what AI is and how AI can enhance customer engagement and value metrics is inconsistent and unclear.

KEY FINDINGS

- › **Business-to-consumer (B2C) customer data ecosystems have grown too large and complex for manual insights and action.** Marketers have reached a point where their ability to capture data has exceeded their ability to take data-driven action. In fact, more than 60% of respondents are concerned that they have too much data to effectively analyze and gain applicable insights.
- › **Marketing leaders have bought into AI from a value perspective.** Eighty-six percent of marketing technology decision makers believe that AI can provide value to their business, and 78% of marketers are planning to adopt or expand AI platform implementations within the next year. Though adoption of AIM has been slow to date, organizations that have started to use it have seen a tangible improvement in their ability to optimize key performance indicators (KPIs).
- › **Humans must remain at the helm.** While the majority of respondents believe AI enhances human decisions and insights, 78% believe human involvement is critical for providing guidance (e.g., setting sanity boundaries and available offers at the start of a campaign). In a hype-filled market, marketers remain wary of a lack of transparency in many AIM tools. In fact, 44% of respondents do not trust AI-driven platforms that operate as a black box. That lack of trust is perhaps the greatest barrier to implementation and the greatest opportunity for education amongst marketers.

AI Is New Territory For Many B2C Marketing Organizations

Marketers' perceptions of AI-driven marketing are broad and inconsistent. Survey results show that marketers claim a high level of confidence in their ability to use AIM within their organizations, yet they struggle to define it or to grasp how best to leverage AI to reach KPIs. Additionally, marketing technology (martech) decision makers list implementation of new technology as a top challenge, and over a third of surveyed marketers do not even believe AI in marketing is real. This reluctance to embrace new technology is a big roadblock for marketers and organizations undergoing a digital transformation.

Despite the broad spectrum of marketer reactions to AI, the overall sentiment and faith in AI is positive. Most B2C marketing organizations are planning to increase their marketing technology budget over the next two years; however, many are not ready to fully embrace AI-driven marketing, perhaps due to misperceptions and lack of clarity on offerings. While many believe AIM can lead to superior decisions and insights, 40% are concerned that AI could render their job irrelevant.

Survey results show:

- › **The market is still defining AI-driven marketing.** Organizations are using AI-driven marketing in many ways, so it stands to reason that there would be variations in the way users define it. Forrester asked respondents what AI-driven marketing meant to them, and while some common themes arose, there was no universally accepted definition. Many marketing technology decision makers see AI in a more science-fiction light, such as “intelligence exhibited by machines” or “simulation of human intelligence by machines”; others simply refer to it as machine learning or predictive analytics. Some respondents feel AI is “better” or “cutting-edge,” and it was referenced as part of their plans for the future. But the lack of a single unifying definition or understanding makes the selection of AIM solutions even more challenging to martech buyers. Despite this lack of clarity, marketers value the potential of AI. Ninety-two percent of marketing technology decision makers are planning to increase their spending on marketing technology in the next one to two years to support digital transformation initiatives, many citing AI as a component of that transformation.



87% of C-level marketing executives believe human intervention with AI is necessary.

- › **Marketers are fighting battles on many fronts in an effort to address a broad range of strategic initiatives.** Marketers are clearly under pressure to support the business in a number of ways. Whether driven by economic factors, industry competition, or customer demands, marketers are spreading themselves thin to manage numerous strategic initiatives. B2C marketing organizations are ambitiously prioritizing too many strategic and technology initiatives for the upcoming year (see Figure 1). Their ambition is admirable, but without a businesswide clear set of priorities, the chances of success are threatened by competing priorities.
- › **Marketers currently struggle to meet marketing KPIs, creating opportunities for AI to step in and help.** Marketers know what their company’s top marketing KPIs are, but our study shows those are not the areas marketers are necessarily impacting. In short, marketers are struggling to excel in the most critical performance categories (see Figure 2). AI-driven marketing platforms can contextualize large amounts of data and create actionable insights that drive success of top goals relating to customer satisfaction and value.

Figure 1

“Which of the following are likely to be your organization’s top marketing initiatives over the next 12 months?”
(Strategy initiatives)

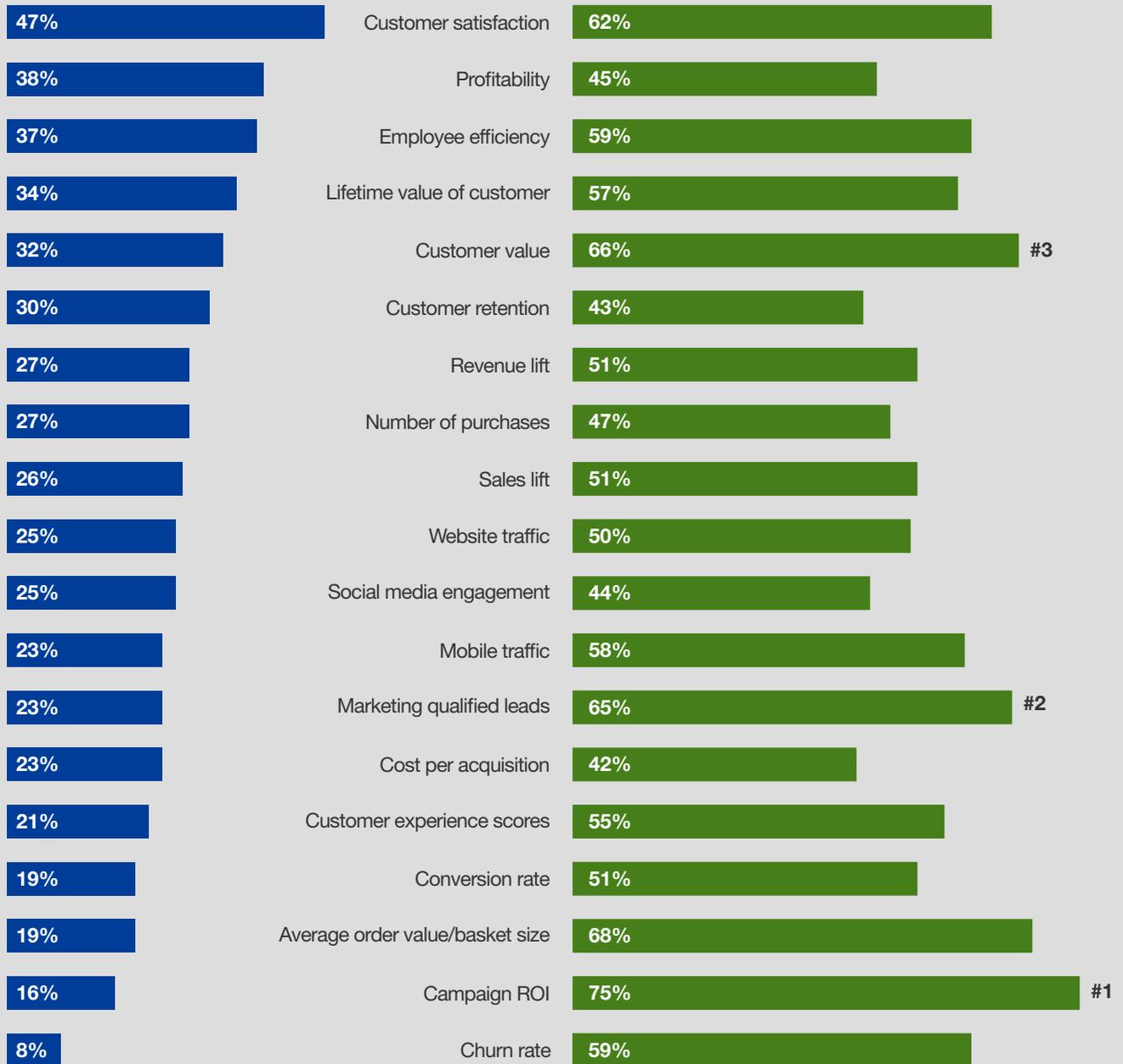


Base: 150 North American marketing technology decision makers
Source: A commissioned study conducted by Forrester Consulting on behalf of Ampler, July 2017

Figure 2

“What are your company’s top marketing KPIs?”
(Top 5 ranked)

“How well is your company meeting your KPIs with your current marketing strategy?”
(Slightly/significantly above expectations)



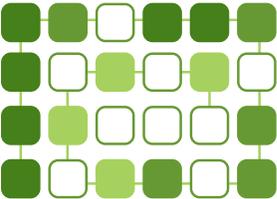
Base: 150 North American marketing technology decision makers
Source: A commissioned study conducted by Forrester Consulting on behalf of Ampler, August 2017

B2C MARKETING ORGANIZATIONS STILL STRUGGLE TO DRIVE INSIGHT AND ACTION FROM EXISTING DATA ECOSYSTEM INVESTMENTS

Marketers are struggling with the age old question: Can you have too much of a good thing? Data is a powerful asset for marketers, but taking action on the velocity and volume of data is a perennial challenge for them. Our study shows that 63% of respondents believe they have too much data to process in order to gain actionable insights for their campaigns. Artificial intelligence provides the means to start making sense of and acting on that data.

Our research shows:

- › **Marketers are ready for technology that helps make sense of customer data.** Even though more than 60% of B2C marketing organizations believe they have too much data to process in order to gain actionable insights for their campaigns, most of these respondents believe they have the right technology or partners in place to start tackling this issue. Eighty percent of marketing technology decision makers say they currently are working or would work with technology partners to apply AI and drive more value from data.



80% of B2C organizations plan to increase use of available data over the next 12 months.



Marketers Are Unclear On AI Capabilities And Applications

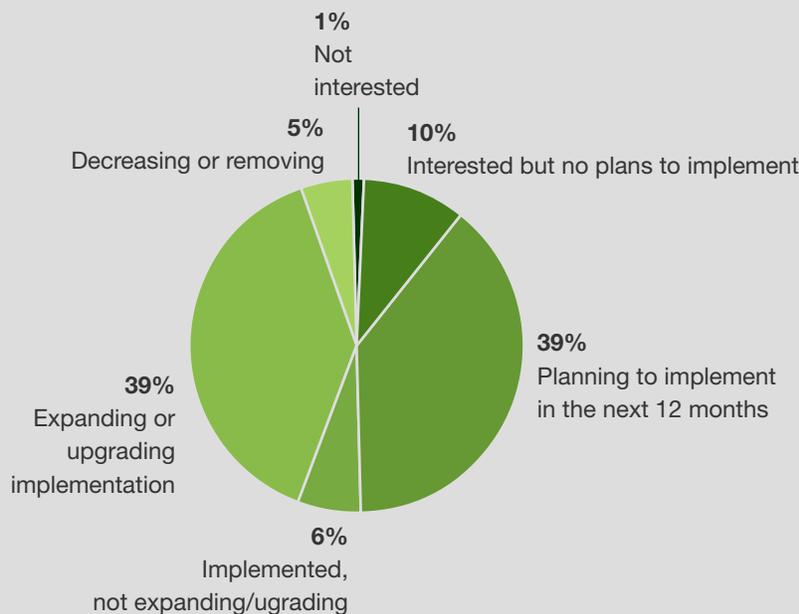
While 78% of marketing leaders surveyed plan to adopt or expand their AI marketing platform initiatives within the next year, our analysis shows that organizations are not clear about how they can best use AI or how it fits into their digital transformation strategy (see Figure 3). There is a myriad of AI-driven platform options from which martech decision makers can choose. Some of these options are legacy martech tools with AI effectively bolted on and able to focus on a narrow use case; others are new and built with AI at the core of the solution, enabling AI-powered action toward longer-term, broader initiatives. AI is not a standalone solution but rather an enabling technology that can help reach human-set goals.



63% of respondents believe they have too much data to process in order to gain actionable insights for their campaigns.

Figure 3

“What are your companies plans to adopt an AI marketing platform as part?”



Base: 150 North American marketing technology decision makers
Source: A commissioned study conducted by Forrester Consulting on behalf of Ampero, August 2017

69% of marketing technology decision makers cite implementing new technology as the top challenge to achieving marketing goals.

Our study results revealed the following:

- › **Many marketers see the value of AI to their business, but there are caveats.** Eighty-six percent of B2C marketing organizations believe that AI can add value to their business, and they see that value as enhancing human efforts rather than as a replacement for people. Nearly half of the respondents don't think that AI should act in a black box, meaning marketers value transparency from and control of their technologies. In fact, 44% of respondents do not trust AI-driven platforms to operate independently (see Figure 4).
- › **B2C marketers lack a roadmap for selecting and applying AIM solutions.** Though the majority of marketers plan to adopt or expand their AI marketing platform initiatives within the next year, they lack a clear vision on how to evaluate and implement available solutions. Commercially available platforms are the option most commonly chosen by marketers who have already adopted AI, but an intrepid 22% built and coded their own AIM solutions. Regardless of the platform type, human involvement must be a part of the strategy — AI should not operate in a black box but should provide marketers visibility into insights and actions to ensure understanding, application, and sharing of learnings within campaigns and throughout the organization.
- › **AI is only effective when it is aligned with marketing strategy.** Over the next two years, most organizations plan to begin testing AI applications in marketing. Eighty-four percent of survey respondents said they would value a tool that reduced the time spent on preparing reports, analysis, and driving insights so they could spend more time on strategy and driving meaningful interactions with customers. When used effectively, AIM solutions can free marketers from manual, time-consuming work and allow them to focus on what they do best (and what machines cannot do): strategic and creative efforts.



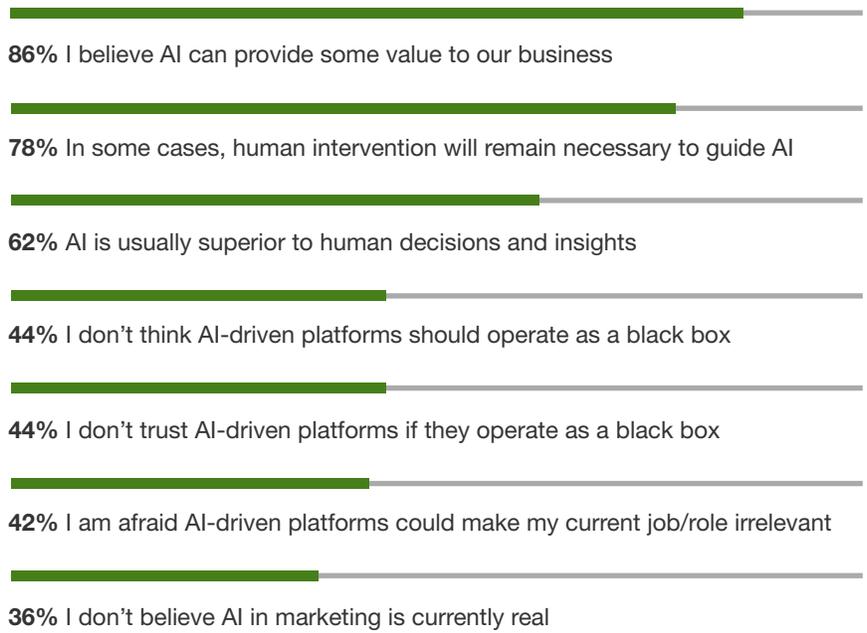
78% of marketing leaders surveyed plan to adopt or expand their AI marketing platform initiatives within the next year.



86% of B2C marketing organizations believe that AI can add value to their business.

Figure 4

“How much do you agree with the following statements about AI?” (Moderately/strongly agree)



Base: 150 North American marketing technology decision makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Amplerio, August 2017



Expectations Of AI's Haves and Have-Not

For this study, we looked at two distinct groups: organizations that have already implemented or are expanding their use of AI-driven marketing (“implemented”). The other respondents are planning to implement in the next 12 months, interested but have no plans to implement, or were not interested in AI-driven marketing (“not implemented”). There was a clear divide between these two groups. Marketers often have unclear expectations for AI, and once they implement, they often find the impact is different from what was expected (see Figure 5).

The respondents who have not implemented an AI-driven marketing strategy:

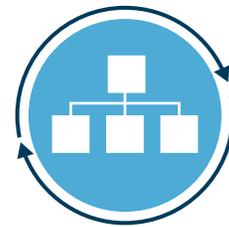
- › **Have high hopes for AI to help their customer interactions.** Thirty-nine percent think that AI can help meet their customer satisfaction KPI. This aligns with their top ranked KPI as seen in Figure 1. Sixty-two percent felt they exceeded expectations with customer satisfaction, and they are looking to AI to further improve multichannel experiences that can delight customers. The use of AIM tools can enrich available data, providing a more holistic customer view, which can lead to more personalized, relevant experiences that affect customer metrics such as customer lifetime value and retention.

The respondents who have implemented an AI-driven marketing strategy:

- › **Have clarity on how AI helps make their marketing strategy more effective.** Marketers are applying AI to improve marketing strategies and campaigns by optimizing KPIs, such as improving customer satisfaction and value, increasing revenue and sales lift, and showing improvement on personalization initiatives. They are relying on AI to reduce the lag time between analysis and action, as well as reducing marketer time spent on manual tasks so that they can focus on being more strategic and creative. AI is helping marketers better know their customers, target their efforts, and measure impact.
- › **Use AI-driven solutions to impact key business KPIs.** B2C marketers who have implemented AIM solutions have experienced benefits aligned to the top priority KPIs listed in Figure 1. Profitability is a mission-critical KPI; 30% of respondents from the “implemented” group saw growth through improved ROI. Another 30% from the same group cited improved customer experience as a top benefit from AI, likely due to improved relevance and personalization across all customer touchpoints at any given time.



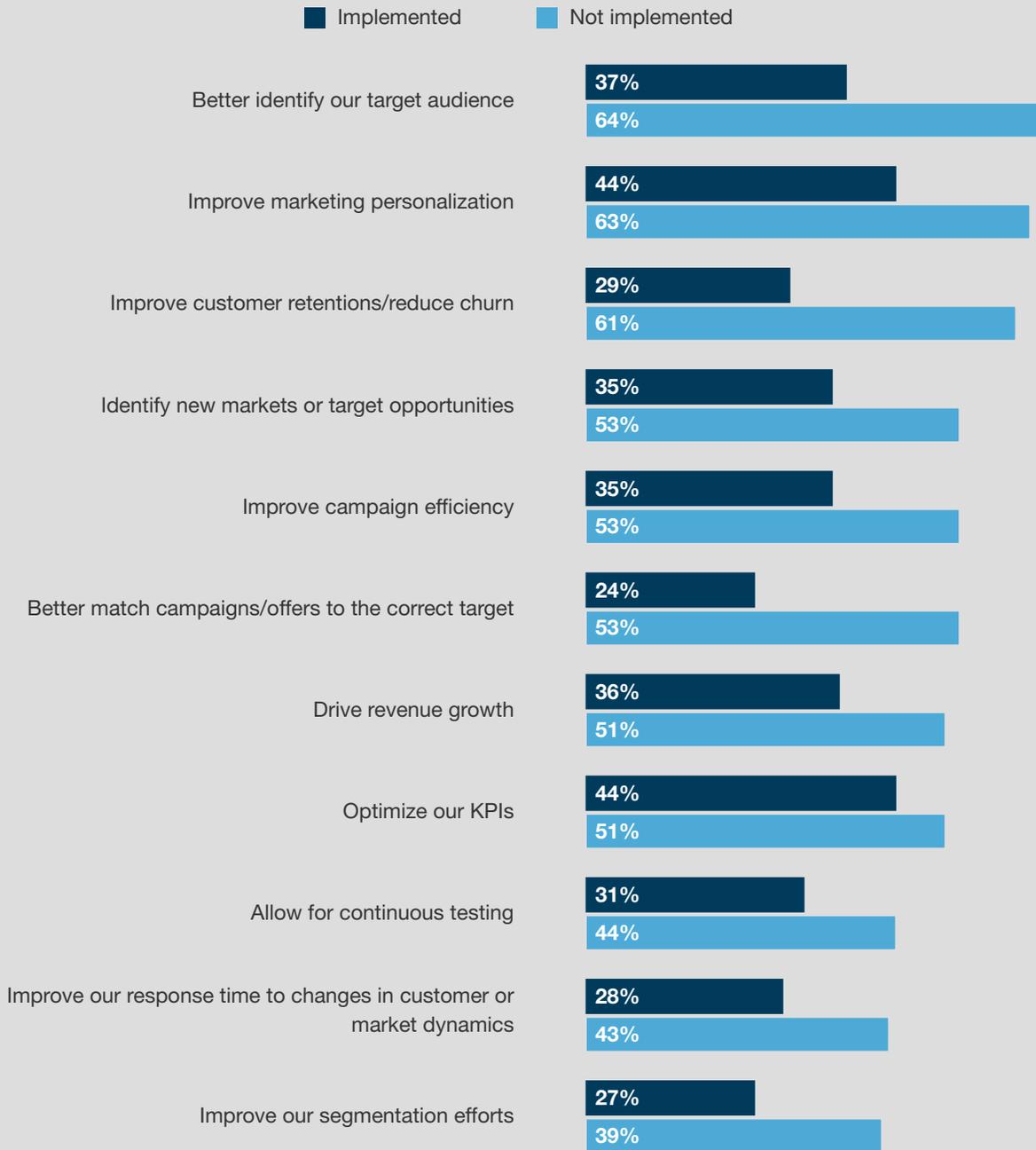
30% of organizations are applying AI to identify new markets and target opportunities.



22% of organizations are applying AI to allow continuous learning with limited rules to drive audience insights.

Figure 5

“In which of the following ways do you think AI can help your firm’s marketing strategy be more effective?”



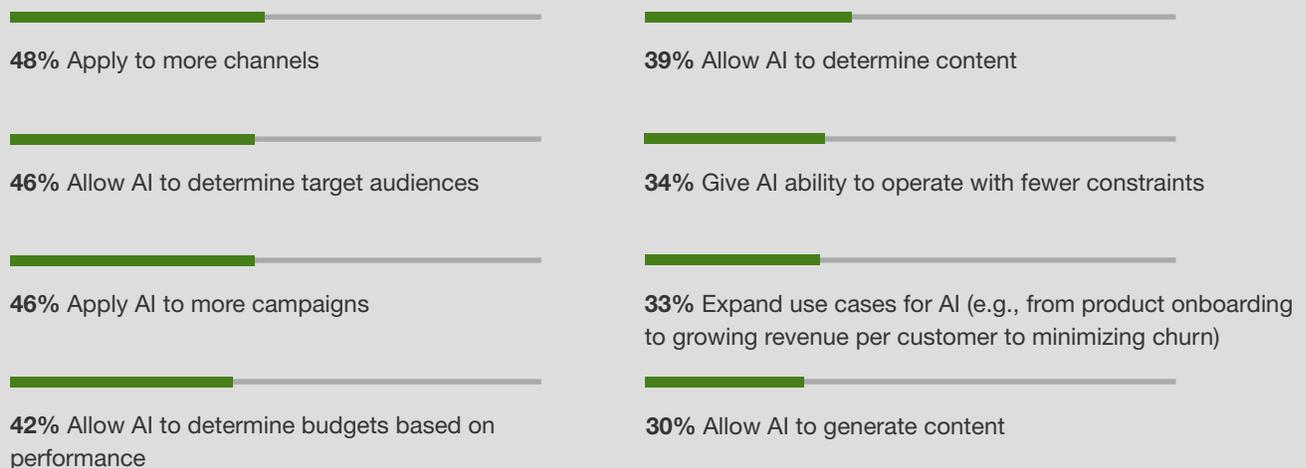
Base: 150 North American marketing technology decision makers
Source: A commissioned study conducted by Forrester Consulting on behalf of Amplerio, August 2017

- › **Apply AI-driven marketing to key use cases and look to expand usage.** B2C marketing organizations who have implemented AI have applied it to improving their campaign efficiency (48%), better identifying their target audience (43%), and better matching campaigns/offers to the correct target (34%). While most organizations are planning to expand their AI usage in the next one to three years to more channels and campaigns, marketers are exploring other areas to which they can apply AI (see Figure 6). Thirty-nine percent plan to allow AI to determine which content is served to customers, and 30% plan to allow AI to generate content. As trust is built, marketers plan to give their AIM platforms fewer constraints; this would allow for application to even more use cases.
- › **Experience many benefits after adopting an AI-marketing platform as part of their marketing strategy.** B2C marketers can directly impact top-line revenues when applying AI to marketing efforts. Consumers win because they receive more relevant experiences. Organizations win because their efforts are more targeted, relevant, and impactful. Consumers have the most to gain from the adoption of AI. AI-driven marketers applying AI to their marketing efforts often see improved campaign ROI, a reduction in overall costs, and an increase in marketing efficiencies.

Artificial intelligence has been around for decades, and it is only becoming more applicable and accessible due to massive growth in computational power and available data sets. Marketing technology decision makers must evaluate and decide how to implement AI and align strategies to best affect measurable KPIs that lead to business success. The benefits achieved by embracing AI-driven marketing can lead to improved customer experiences and value, increased efficiency, and, ultimately, revenue growth.

Figure 6

“How do you plan to expand your use of AI in the next one to three years?”*



Base: 67 North American marketing technology decision makers who have implemented AI

*Note: Implemented group only

Source: A commissioned study conducted by Forrester Consulting on behalf of Ampler, August 2017

Key Recommendations

Today's leading marketing technology decision makers recognize the need for AI as part of their marketing and digital transformation strategies. There is ample opportunity in the market for education and coaching as a clearer understanding of AI and its uses is defined.

Forrester's in-depth survey of marketing technology decision makers about their adoption of AI platforms yielded several important recommendations:



Start by defining success. Define the KPIs that an investment in AI marketing technology would best support. AI must align to supporting the broader marketing strategy and existing data initiatives. Identify and apply real-world business metrics to AI initiatives and compare to performance versus business-as-usual (BAU) segments. Demonstrating early ROI from AI investments will solidify further AI innovation investments.



Identify internal capabilities and deployment preferences. AI adoption is a cross-departmental effort because it blends data, analytics, and marketing into a productized, complex solution. Marketers need to understand what, if any, internal resources are available today to help them understand, deploy, and support AI-powered solutions. Also, marketing buyers need to define a strategy for implementing AI within existing marketing and data infrastructure.



Develop a roadmap for AI-powered marketing adoption. Usage of AI will evolve over time with early adopters potentially seeing advantages over competitors in areas such as customer experience and marketing ROI. Start with well-defined use cases and KPIs, and expand integration and application of AI as an orchestration engine throughout the enterprise marketing technology stack.



Identify the platform that best meets your needs. Find a commercially available AI engine that integrates with existing technology stacks and offers the capability to ingest and enrich data from a broad range of customer, behavior, and content sources, at scale and real-time speed. Self-learning models should be continuously testing and optimizing, empowering marketers to take action based on real customer insights and cut down on the manpower and resources needed to do analysis.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 150 North American marketing technology decision makers to evaluate their use of AI-driven marketing technology and its associated challenges and benefits. Survey participants included decision makers in director, vice president, or C-level roles in advertising/marketing. Questions provided to the participants asked about their usage and expectations of AI-driven marketing technology. The study began in July 2017 and was completed in August 2017.

Appendix B: Demographics/Data

Respondent demographics

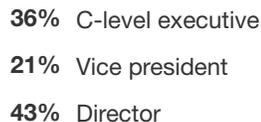
In which country do you work?



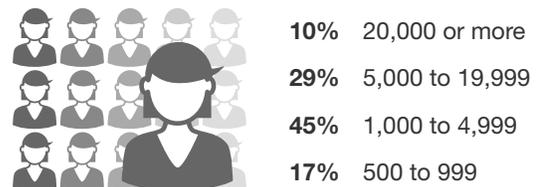
“Which of the following best describes the industry to which your company belongs?”



“Which title best describes your position at your organization?”



“Using your best estimate, how many employees work for your firm/organization worldwide?”



Base: 150 North American marketing technology decision makers

Note: Percentages may not total 100 because of rounding. Source: A commissioned study conducted by Forrester Consulting on behalf

Appendix C: Supplemental Material

RELATED FORRESTER RESEARCH

“AI Must Learn The Basics Before It Can Transform Marketing,” Forrester Research, Inc., June 1, 2017.