The B2B Marketer’s Guide to AI
INTRODUCTION

Artificial Intelligence (AI) is the New Buzzword for B2B Marketing...

And as with every new marketing buzzword, behind the hype there are many real, exciting opportunities for marketers.

The question is: how can B2B marketers see through the hype to understand the true applications and benefits of AI? How can marketers soberly evaluate the potential ROI of any given AI platform in this emerging industry? And on the flip side, how can marketing organizations avoid falling for false promises and illusory or misleading offers of “AI” which ultimately don’t deliver — with all the frustration and wasted resources that entails?

In this ebook we’ll be answering these questions and more, by demystifying AI and its real-world applications to B2B marketing.

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When most people hear “Artificial Intelligence,” they think Hollywood: supercomputers, bionic supermen, robotic supervillains, and so on.

But, at least at this relatively early stage, the real-life applications of AI are far less outlandish—and, not coincidentally, more practically useful.

In fact, the definition of AI is simply technology that is “able to perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages.”

There's one important element to add: **AI is able to perform those particular “human” tasks on a scale, and at a pace, that human beings cannot.**

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1 Oxford English Dictionary
So, while Artificial Intelligence for B2B marketing may not be as sexy (or terrifying) as some of its more romantic or fictional applications, there are at least three good reasons why marketers are so excited about it:

1. They Can Start Using It Right Now

Being able to make practical use of a powerful new technology should not be taken for granted, especially when it comes to AI — a technology which, it’s sometimes easy to forget, is still in its infancy.

To understand the dissonance that so often exists between AI theory and practice, consider Elon Musk. When the *Wall Street Journal* revealed\(^2\) that Musk had founded a company (Neuralink) to merge the human brain with Artificial Intelligence (a concept he’s calling “neural lace”), the internet exploded with debate over what this could mean for the future of the human race. But after the initial buzz settled it was clear that the debate is, for the foreseeable future, purely academic. In fact, even the basic science behind it is disputed.\(^3\)

As one commentator put it\(^4\) about Elon Musk and other AI-obsessed entrepreneurs:

They’re talking about a technology they want to build well before they can actually build it. They’re setting the agenda for this intriguing yet frightening idea before anyone else sets it for them. And they’re pumping money into the idea in ways no one else ever has.

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\(^2\) Elon Musk Launches Neuralink to Connect Brains With Computers | *WSJ*, 03/27/17

\(^3\) With Neuralink, Elon Musk Promises Human-to-Human Telepathy. Don’t Believe It | *MIT Technology Review*, 04/22/17

\(^4\) Elon Musk Isn’t the Only One Trying to Computerize Your Brain | *Wired*, 03/31/17
These technologies—as potentially life-changing as they sound—are many years away from practical application, let alone commercial availability.

By contrast, more down-to-earth applications of Artificial Intelligence are increasingly becoming a part of our daily lives—from Siri, to Alexa, to Tesla. AI applications exist as a part of wider products as well; for example, Facebook’s ability to recognize the faces of your friends from their pictures is powered by AI technology, as are Amazon.com’s exceptionally effective targeted ads. Even the predictive texting function on your phone uses a basic form of machine learning AI.

In the same vein, many equally "mundane" AI applications for B2B marketing are rapidly being adopted by companies of all sizes. The opportunity is already there for the taking—and many companies are already taking it, which brings us to our next point...

AI is already a part of our daily lives—from Siri to Facebook.
2. AI Is Being Rapidly Adopted—So Don’t Get Left Behind

Many B2B marketers are already making effective use of AI platforms now (more on the specifics in Chapter 2), and this trend is only increasing as we see the B2B space start to experience a familiar sign of rapid adoption: hype.

“Hype” isn’t a good thing, per se — of course it’s counterproductive to exaggerate or distort the value of any technology. But it’s also a natural part of the evolution of many technological advances, as best illustrated by the Gartner Hype Cycle.

It’s also true that there’s no smoke without fire; whether it’s account-based marketing and AI, or content marketing and social media marketing in their early days, the excitement or “hype” is usually drawn from a recognition that these developments really do pose significant benefits — even if some commentators and practitioners get carried away early on.

In 2016, Gartner placed “machine learning” AI at the very peak of “inflated expectations” — meaning the hype around it will soon give way to more practical, and widespread adoption.

In fact, beneath the hype there are already plenty of marketers making highly effective use of AI technologies. According to Salesforce’s 2017 State of Marketing survey, highly successful marketing organizations are twice as likely to use AI than their less successful counterparts. What’s more, 57% of marketers polled in the study said that AI was essential to their success, while 53% predicted that AI adoption would continue to gain momentum over the next two years.

In short, companies that aren’t looking into Artificial Intelligence now risk falling behind the curve in just a few short years.

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5 Fourth Annual State of Marketing | Salesforce
3. AI Technology Is Getting More Powerful All The Time

The most exciting thing about AI for B2B marketing is what’s still to come.

Research and development of AI technology in general is advancing by leaps and bounds, fueled in great part by a healthy mixture of competition and collaboration between technology leaders. Apple’s decision in 2016 to open up its notoriously secretive AI research⁶ is a perfect example of this. Apple’s decision served as both a huge boost to the already burgeoning field, as well as a telling indication of where the winds are blowing: Apple wouldn’t have taken such a drastic step if it didn’t feel it risked getting left behind its AI competitors.

Of course, it’s impossible to predict inventions and advances that haven’t happened yet (although we’ll give it a shot in the final chapter...!). But one current focus of innovation which will impact B2B marketing is in the field of Deep Learning—a more advanced, complex form of machine learning, which mimics the neurological patterns of the human brain. Deep Learning algorithms don’t need to be fed rules by humans—they’re able to figure them out for themselves based on the data they’re provided. For marketers, this presents a powerful AI capability they can access directly, without relying on data scientists.

Early AI adopters will be in a strong position to recognize and implement these kinds of exciting developments in the future, and raise the bar even further.

In the next chapter, we’ll be outlining a few of the practical ways AI is already helping marketers excel at demand generation in particular.

⁶ Apple is finally going to start publishing its AI research | Business Insider, 12/06/16
According to a recent survey by the Marketing Technology Industry Council, most B2B marketers want to spend their time on the creative aspects of their work, rather than on crunching numbers, playing with data and integrating different technologies.

If you’re a marketer yourself you don’t need a survey to tell you that. But whether they like it or not, data is a part of everyday life for demand gen marketers; from targeting campaigns correctly to measuring success, they simply can’t afford to avoid it. The problem — as illustrated in the study — is that all too often B2B marketers end up drowning in their data instead of harnessing it for their own purposes.

The reason for this epidemic of data-overload is simple: in an age of “big data”, B2B marketing databases are simply too large to manage and process manually. AI removes many of the data-related headaches that marketers face today and free up their time to spend on the more enjoyable, creative aspects of their jobs.
Here are just some of the ways AI is helping B2B marketers be more effective at their jobs right now:

Making sense of it all

Many marketers turn to data vendors to soothe their database problems, by providing net-new leads or accounts. The problem is, more data isn’t the same as having the right data. In fact, the more data you throw into your database the messier it’s going to get — and the more time you’ll ultimately spend cleaning it all up.

Because AI can process enormous amounts of data so quickly, marketers can use it to remove many of the headaches inherent in data management. For example, predictive modeling uses your historic data—ideally together with additional 3rd party data—to build a model of your ideal customer, known as an Ideal Customer Profile (ICP). Your leads and accounts are then scored against that ICP to help you prioritize which prospects to focus on and which to ignore. This AI application—often known as predictive analytics—can be used to predict any or all of a wide variety of factors, such who’s most likely to convert, which deals will be most valuable, or which prospects are most likely to renew or upsell at a later date.

This can also be hugely beneficial for outbound marketing, as AI enables marketers to move from simply “dumping” leads of dubious value into their Marketing Automation or CRM platforms—selected on the basis of “job title” or similarly superficial criteria—to prospecting intelligently and importing only genuinely qualified leads, based on their Ideal Customer Profile.
Better ROI with refocused budgets and increased conversions

Another common response to B2B marketing’s data dilemma is to cast a wide net with marketing campaigns. The problem with this “spray and pray” approach is that you can’t be confident that you’re getting your message in front of the right prospects. This challenge is particularly acute for B2B marketers when running online ad campaigns—there’s always that looming fear that their investment isn’t going to show any significant ROI.

By gaining a deep understanding of your audience with AI, you can serve ads to only those people who are likely to respond to them, thereby multiplying the power of the same ad spend many times over. By focusing your marketing efforts on the right people and accounts, you know you are only spending money where it matters.

At Leadspace, for example, we’ve used AI to greatly improve the performance of our ad campaigns. Using some of the predictive scoring methods outlined earlier, we uploaded a list of contacts from our high-scoring accounts into Facebook and saw a 55% match rate on that list. Within just a few weeks of serving ads, we saw a 25% lift in click-throughs compared to previous campaigns.

Marketing-sales alignment

Applying AI as detailed in this chapter can also help solve the chronic problem of sales-marketing misalignment, by providing both teams with a “single source of truth” of accurate, real-time data and actionable intelligence.
Typically, sales and marketing will work from different data platforms to suit their organizational needs (i.e. CRM vs. Marketing Automation). This results in isolated silos of data which not only don’t align, but at times even conflict. It simply isn’t reasonable to expect sales and marketing to sit and compare notes each time a new lead comes in — nevermind keep each other informed every time a contact changes position or role.

Artificial Intelligence can neutralize this problem, by comparing, cross-checking and enriching enormous volumes of data from multiple sources simultaneously, in real-time. Predictive modeling can then be used to translate that mass of highly accurate data into a single, immediately accessible and actionable intelligence for both sales and marketing to act on. Once united along this single source of truth, sales and marketing can cooperate more closely and feel confident in their underlying data and intelligence—all while still staying with their respective, familiar technologies and databases.

This is what SiriusDecisions refers to as “virtual integration”⁷. In a report entitled The Impact of Bad Data on Demand Creation, SiriusDecisions recommends marketing and sales create a single source of truth as follows:

“While the construction of a single physical database is often unrealistic, “virtual unification”—an integration process driven by an incremental layer of technology—can be used to bring disparate databases together.”

⁷ The Impact of Bad Data on Demand Creation | SiriusDecisions
According to the same research “this approach can contribute to a conversion stage increase of up to 12.5 percent.”

With an effective AI model in place, sales will be able to close more of the right deals, and be confident their time is well spent focusing on truly qualified leads. And as every B2B marketer knows, a productive sales team is a happy sales team. For their part, marketing will no longer experience the frustration of sales ignoring the hard-earned leads they’re passing on. With both sides aligned and confident in the same data and intelligence, the tensions between sales and marketing will greatly dissipate, as the debate over who to go after is backed by data that shows clear results.

One of the most successful examples we’ve seen of this method is at Sovos. Using AI-powered predictive modeling, they were able to zero-in on their ideal audience, and close more, higher-value deals.

The results provide a stark illustration of the power AI holds for demand generation:

**AI in Action: Sovos Case Study**

- **55% increase** in win rate of Leadspace A & B scored accounts
- **12% increase** in SAL-to-SQL conversion rate in Leadspace A/B accounts
- **25% increase** in pipeline quality since implementing Leadspace scoring
In 1930, economist John Maynard Keynes predicted that by 2030, technological advances would allow for a 15-hour workweek. That would leave us free to pursue whatever leisure activities we wanted for the rest of our time.

While there’s still another 13 years to go, it’s clear by now that’s unlikely to happen.

This misplaced prediction is a great illustration of how the early days of major technological innovations tend to cause even experts’ imaginations to run wild. Today, AI — which, though more than half a century old as a concept, has only taken off commercially in the past few years — is currently in the grip of some serious hype of this kind.
The previous chapters outlined why B2B marketers have good reason to be excited by AI. But all the “hype” around it can prevent or delay practical application of AI by fostering illusory and unrealistic expectations. In this chapter, we’ll be providing some “yin” to that “yang”, by outlining some of the problematic manifestations of the AI hype — and offering ways to avoid falling prey to them.

### CHALLENGE: AI hype is creating unrealistic expectations

Hype and inflated expectations are certainly not unique to AI. As already noted, it’s part and parcel of how narratives develop around emerging technologies.

Still, AI has taken hype to a whole new level. This is largely due both to the influence of Hollywood, as well as the confusing array of unrelated real-life applications of AI which stretch far beyond the realm of B2B marketing.

In response, some marketers have become skeptical of AI, and many are hesitant to adopt it. Many others may simply ignore it altogether, not believing that such an “outlandish” technology could ever really apply to them and their very ordinary, if pressing, needs.

Even moving away from fiction, it’s hardly helpful that so many articles on AI are about chatbots, or other less-than-crucial features most B2B companies have little use for, let alone a hefty budget to spend on.
SOLUTION: How to overcome unrealistic expectations

There's a simple rule of thumb for businesses when evaluating a marketing technology, as summed up in a list of recommendations issued by the Marketing Technology Industry Council. Calling on marketing organizations to take a “solutions-based purchasing” approach, the Council advises:

Before any purchase, define the strategic business problems you need to solve — and what capabilities marketing needs to meet those needs.

In short, when it comes to AI, you can avoid the smoke and mirrors by ignoring them altogether. Recognize that AI is a powerful technology, but treat AI vendors as you would any other technology. When evaluating a platform, forget the bells and whistles and confusing features, and ask yourself: what tangible benefits can they bring to the table? What will they actually do for my business? Only then can you answer the fundamental question: is what they’re offering worth the investment?

Of course, there’s only one foolproof way of knowing that: testing. In a heady environment of hype, the best way to bring things back down to earth is by insisting on testing the platform to see firsthand whether it delivers or not.

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8 Marketing Technology Industry Council MarTech Recommendations, November 2017
CHALLENGE: Hype encourages marketers to blindly trust the machines—at our own peril

Despite all the incredible advances in AI, we’re still a long way off from genuine, free-thinking Artificial Intelligence. In fact, it’s possible we may never get there.

The problem is, too many people assume that’s what AI is all about: machines that essentially replace human decision-makers in one way or another. This just isn’t true—the true function of AI in most business contexts is to **supplement and optimize** the performance of their human staff, not replace them.

This misconception leaves businesses open to falling for one of the most common pitfalls of AI/machine learning technologies: the “black box.”

Most vendors offering AI solutions like predictive modeling/analytics are providing set of predictive scores with little-to-no insight on how or why they came to those conclusions. That “black box” model will be of limited use in the long-term, as there’s no way of knowing when or how the underlying data which ultimately defined the model has changed.

For example, a predictive vendor might feed your data through an algorithm, and present you with results clearly indicating which types of prospects you should prioritize. But they won’t tell you how they came to those conclusions—which is a serious problem, because the predictive model could be relying on incorrect data for all you know. Or perhaps the data was accurate at the time the model was created, but has changed since then (a highly likely scenario given how often people change jobs, among other things which could compromise your existing data)."

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9  Why US Employment Trends Should Have You Worried about Your Marketing Database | Leadspace Blog, 07/05/17
Alternatively, maybe your sales team learned something important about a specific customer, or set of customers, which isn’t reflected in the data — and hence wasn’t taken into account when the model was put together.

These are all common scenarios; yet in such cases, a black box model won’t only add less value — it could even potentially have a negative long-term impact by pointing you in the wrong direction.

**SOLUTION: How to Approach AI with Your Eyes Wide Open**

Treat any Artificial Intelligence solution like a Tesla car: sure, it helps automate a significant part of the demand gen process, but you can’t just fall asleep at the wheel and expect to arrive in one piece at the end.

Whatever you’re using AI for, make sure you retain control and receive total transparency throughout the process and, most importantly, over the data it’s using (more on that next).
CHALLENGE: Hype around AI spawned confusion — and opened the door for some vendors to “fake it”

Over the past year or two, it’s been fascinating to watch so many MarTech vendors rebrand as “AI for B2B marketing” — including many who’d never made any reference to AI before, and others who are at best utilizing only very basic machine learning models.

For businesses looking to invest in AI, this creates a minefield of potential disappointment — and more crucially, wasted budgets on technologies which ultimately don’t live up to all the big promises.

SOLUTION: How to tell the AI fakers from the real thing

Once again, it’s all about testing. Whatever AI technology you’re looking at, insist on taking it for a test-drive. Reading up and researching about AI sales and marketing solutions is useful to a point, but the most tangible way to determine whether a technology actually provides any value is to actually get behind the wheel.

To quote industry expert David Raab: “it’s useful to know what AI is likely to be good at—but always test, test, test.”

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10 Everyone says they offer AI. Here’s how to assess those claims | MarTech Today, 06/20/17
The Most Important Thing of All: Data

Above all else, the differentiator between a successful AI technology and a failed one lies not in the technology itself but in the data it uses. No matter how sophisticated and powerful an AI algorithm is, it will only work as well as the data it’s provided with allows it to.

To quote Leadspace CEO Doug Bewsher:

“…[D]ata is AI’s Achilles’ heel. No matter how good the algorithms, AI will not produce usable insights and information to drive demand generation if you cripple it with the static data in your CRM or purchased from traditional data vendors.

Salespeople don’t care about advances in martech. They only care about good leads that can be contacted. …To succeed in B2B, AI needs up-to-date, accurate data to work with. Marketers are seeing decreasing results from marketing automation, including lower open rates and conversions, primarily because they are using stale data from their CRM or traditional data vendors. Solving that problem is fundamental to the success of AI. The solution is on-demand data, aggregated in real time.”

Investing in quality marketing and sales data is a crucial prerequisite to leverage AI to be smarter, more productive and successful marketers.

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11 Salesforce Einstein and the Challenge of AI for B2B Marketing | Leadspace Blog, 10/05/16
With the application of AI technology still relatively young, and the potential for advances so obviously huge, the best may be yet to come.

As that famous social media spat between Facebook founder Mark Zuckerberg and Elon Musk aptly illustrated\(^\text{12}\), some of the leading visionaries driving the next generation of AI applications can’t even agree on whether it’s a force for good, or a mortal danger to mankind. So predicting where we’ll be with AI in 10 years’ time — or even two or three — is a risky business.

Fortunately, the applications of AI to B2B marketing are somewhat more down-to-earth. We’re not saving mankind, but we aren’t dancing with the apocalypse either.

And, while there really is no telling what incredible possibilities may emerge in the coming years, there are a few nascent developments, advances and trends already taking place, which B2B businesses of all kinds would do well to look out for.

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\(^{12}\) Mark Zuckerberg Argues Against Elon Musk’s View of Artificial Intelligence... Again | Fortune, 07/26/17
From making sense of the noise, to shutting it out altogether

The central benefit of AI for B2B marketers is that it gives them the power to process volumes of data that a human couldn’t get through in their lifetime—in a matter of minutes. This empowers marketers to gain an intimate understanding of who their customers and prospects are, and how to engage with them.

Currently, we’re at the beginning of the AI adoption phase. But as these technologies become more widely used—and more importantly, once customers become educated as to the true potential of true AI modeling—their expectations will become much more sophisticated.

And rightly so. The current mystique surrounding AI has allowed some vendors to hide behind partial solutions or “black box” platforms which don’t enable customers to unlock the full potential within their data. Such solutions certainly provide some benefits, giving glimpses into the intelligence locked within your marketing database, but not the full picture.

Once the market realizes that these AI applications only take them half way, and that instead of simply being able to make some sense of the noise, they could potentially shut out the noise altogether and gain full control of their data—well, they won’t want to stop half-way anymore.
As Leadspace CEO Doug Bewsher notes, this is the direction AI is going more generally:

"I think that the change in user interactions is going to fundamentally change our way of interacting with one another — both in a personal and business sense. We will find it weird in 10 years time that people walked along the street looking at their phones all the time, not letting an assistant talk to you or read the news, or have it overlaid in context."

I think this is why you see such emphasis on large technology platforms trying to build out the ‘AI’ side of their platforms, as the specific form of interface will increasingly matter less — whether it is Alexa or Slack that you get your CRM data from — and it will need to be everywhere.”

At the same time, we’ll also find it weird that we spent so much time looking at Gmail, Salesforce, or Hubspot interfaces on a big screen. Instead, we’ll be presented with the pertinent information at the right time — with a recommendation on what to do.

13 Interview with Doug Bewsher, CEO at Leadspace | MarTech Series, 07/26/17
Deep Learning

Deep Learning is a form of AI which mimics the human thought process using neural networks, and enables machines to learn “rules” independently by analyzing the data themselves, instead of being fed them by humans.

It’s a relatively new method of AI, but one that’s already seeing rapid adoption in a vast range of contexts, from facial recognition technology to writing articles for online publications; and from financial risk analysis to real-time threat detection for security agencies.

For B2B marketers, Deep Learning presents an incredible opportunity to use their data in ever more effective ways.

Take the example of predictive scoring—an application of AI that’s already being widely used by B2B marketers.

Let’s say that a common thread among a company’s big-deal accounts is that they’re all using a particular technology or set of technologies, or that they all have a certain sized sales team. No human marketer has the capacity to pick through all the data to connect the dots and recognize that trend—it’s hard enough keeping track of all the “top-level” segments we actually know to look out for, like industry, company size, geographic location, etc.

A more basic machine-learning AI model would similarly miss this subtle pattern, as no one would know to instruct it to look for that particular pattern or rule. But a Deep Learning predictive model could pick this pattern up by itself. This would provide a highly valuable insight to inform your lead and account scoring, as well as future marketing strategies, which otherwise would have been missed.
There are other, more sophisticated applications of Deep Learning for marketing. One such application is what we call “Look-alike Modeling”—using Deep Learning to figure out the anatomy of your best customers, and then find more, similarly qualified prospects just like them.

For example, at Leadspace, we’ve used Deep Learning to help companies like Tipalti build highly targeted account lists for Account-Based Marketing (ABM), boosting conversion rates by as much as 20%, among other benefits.

Using AI to prospect for new customers in this way is yet another step towards the ultimate goal of Artificial Intelligence, which is...
Automation

Automation is one of the central, strategic goals marketing organizations should be aiming for with AI.

In fact, a recent set of recommendations by B2B marketing thought-leaders advised marketers to “Invest... in technologies that automate the marketing campaign workflow and data management processes,” noting that “the explosion of Artificial Intelligence solutions provide an ideal opportunity for the latter in particular.”

This makes sense: these repetitive, tedious, humanly-impossible tasks prevent marketers from focusing on the creative aspects of their jobs like building effective campaigns. Task like data management can never be successfully completed by a human being (or even more than one); but on the other hand, it needs to be done regardless. As a result, data management tasks end up sucking enormous amounts of time from the average marketer’s day—and still the results are usually unsatisfactory!

In this way, AI holds the potential to free marketing (and sales) from the constraints of data management and enable them to focus the central aspects of their job.

This, incidentally, relates back to an aspect of the Zuckerberg vs. Musk debate that has actually been raging for many years. There have always been prophets of doom predicting that Artificial Intelligence will eventually take all of our jobs and trigger mass unemployment. What these naysayers don’t realize is that on the ground AI isn’t really replacing that many human jobs; rather, it’s helping automate tasks that humans just aren’t as well suited for, and thereby helping us to excel at our jobs.

14 Marketing Technology Industry Council MarTech Recommendations