Is Your Company Behind In Adopting A.I. For CRM?

Is your organization moving fast enough to adopt AI technologies? Or are your competitors pulling ahead ahead of you?

In December 2017, the White House under President Obama released a detailed report on artificial intelligence, automation, and the American economy. The report credited technology with being the primary driver of growth in GDP per capita, even more so than labor or capital. But the administration also warned that "the winner-take-most nature of information technology markets means that only a few may come to dominate markets" and feared that "the large economic gains brought about by AI could accrue to a select few."

Indeed, the gains from adopting exponential technology quickly can mean permanently trouncing competitors stuck on linear growth trajectories by using antiquated tools. But charging ahead without a clear strategy for success is also fraught with peril. With AI adoption, executive education and intelligent implementation are key.

Leading market intelligence firm IDC, in collaboration with Salesforce, released a report on the economic impact of using AI for CRM activities, ranging from sales and marketing to customer support and retention. Out of 1,028 global companies analyzed, 28% of companies already use AI and 41% planned to do so in the next two years, with 2018 expected to be a pivotal year for enterprises AI adoption.
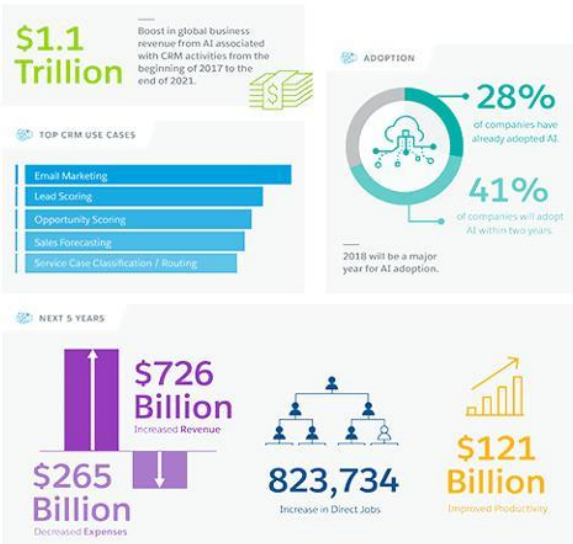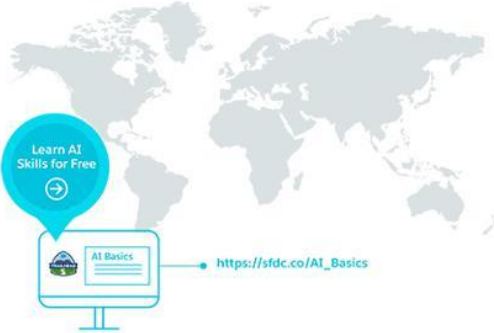
IDC calculates that AI-enhanced CRM activities will boost global business revenues by $1.1 trillion from 2017-2022.

Within CRM specifically, 50% of business activity is already executed in the cloud. No wonder cloud vendors ranging from Salesforce, Microsoft, IBM, and Google have doubled down on the war for market share of the enterprise cloud. "For enterprise AI to be truly effective, it needs to be a seamless part of business workflows, embedded where people work and accessible to every business user - not just data scientists," cautions Allison Witherspoon, Director of Product Marketing, Salesforce Einstein.

IDC forecasts that AI adoption will grow by a factor of 10 from 2016 to 2021.

"Artificial intelligence" is a broad term which refers to a wide range of technologies, including natural language processing (NLP), computer vision, machine learning, and many predictive analytics approaches. When asked which types of AI they were exploring, the companies surveyed reported two leading areas of interest: knowledge management technologies, such as dialog management and Q&A processing; and AI-driven data preparation and enrichment tools.

Survey Respondents' AI Adoption Plans, 2016-2021

	No Plans 2016	No Plans 2017	Plans 2018	Pilots 2019	2020	2021

(Row labels: AI projects in place; Implementing now; Pilot phase; Launching pilots this year; Launching pilots next year; No AI in the foreseeable future)
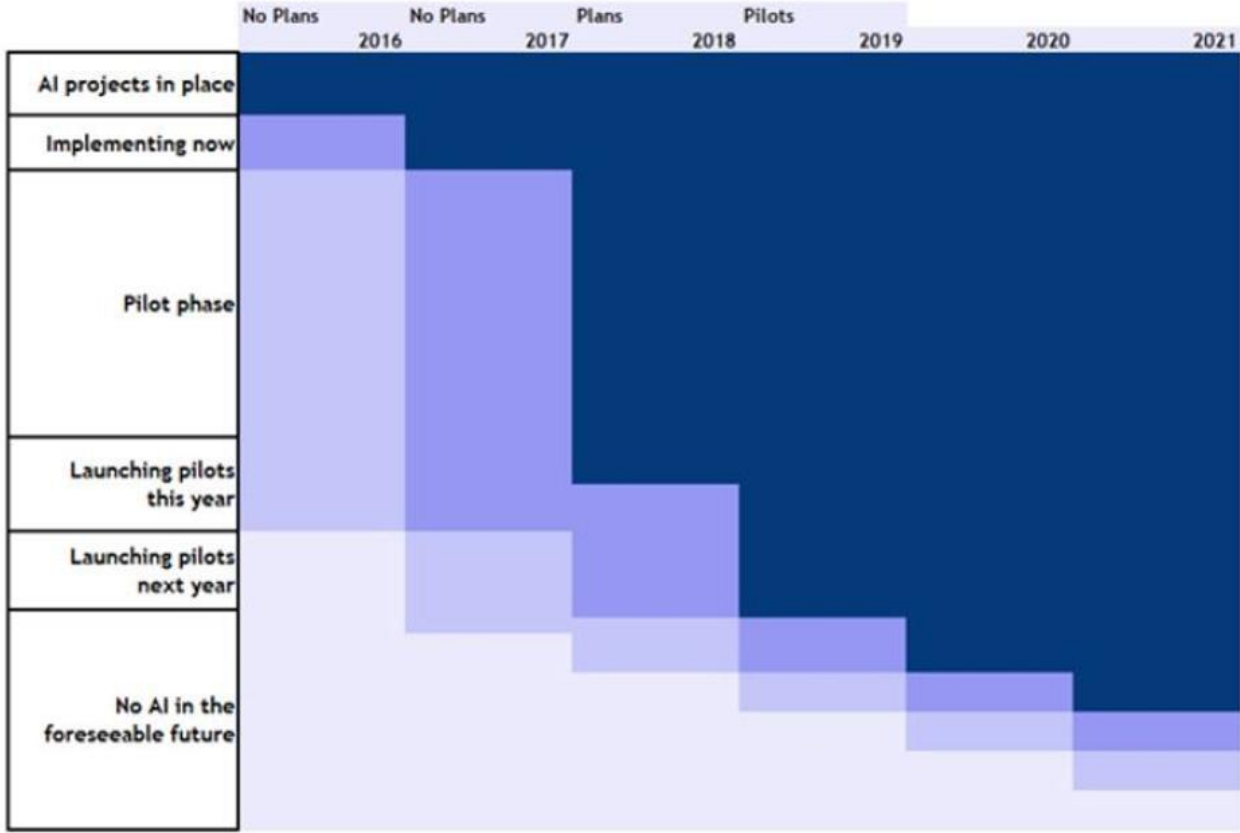
n = 1,028 total

Source: IDC's *AI/CRM Economic Impact Survey*, 2017

43% of respondents believe that customer support is a key function that benefits the most from AI. Following closely are customer billing, logistics, and fulfillment, as well as partner management, product design, and commerce. Companies already using AI cite many areas of improvement, including better lead generation and qualification, reduced customer support costs, higher converting advertising campaigns, optimal product and partnership pricing, and superior fraud detection and loss reduction.

With so many areas of potential impact, IDC projects that the "worldwide market for cognitive/AI systems -- including software, hardware, and services -- will surpass $46 billion in 2020."

Salesforce is optimistic that enhancing CRM functionality with AI will result in $195 billion of increased revenue and $68 billion of decreased costs for customers between 2017 and 2021, but true results will vary widely based on market competition, speed of customer adoption, and implementation variance. "AI is going to determine the next set of winners in business, but many companies are still fearful of what AI will mean for them. The conversation needs to shift from 'is AI good or evil' to helping every company harness the power of AI to remain competitive," Witherspoon emphasizes.

IDC projects worldwide spending on AI-related technologies to reach $46 billion in 2020.

What distinguishes early adopters of AI from the laggards? First, enterprises already adopting AI have 28% larger employee bases on average, perhaps enabling them to capture more collective productivity from AI-boosted activities. Second, AI adopters are more likely to be the key decision-makers driving technology adoption in their firms, while laggards have less power. Finally, users of AI are far more bullish on the impact of AI on jobs, with 51% of early adopters believing AI will result in a net increase of jobs versus 34% across all respondents surveyed.

Worldwide Spending on Cognitive/AI Systems Including Hardware/Software/Services, 2015-2020
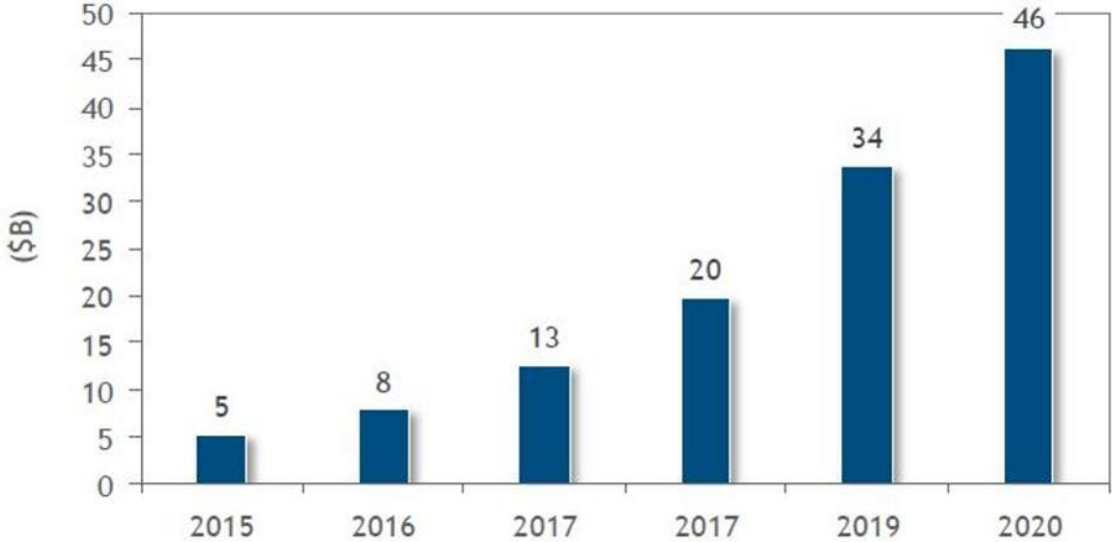
Source: IDC, 2017

2018 will be a pivotal year for enterprise AI adoption. In the next few years, the gap between the winners and the losers will only widen.

Source: https://www.forbes.com/sites/mariyayao/2017/06/14/is-your-company-behind-in-adopting-a-i-for-crm/#2327eef72840