

The Journey To AI-Powered CRM

Prioritize Data And Trust To Find Success With AI-Powered CRM Software

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Executive Summary

In the face of rapid technological advancements, global organizations are racing to implement AI-driven capabilities across their business. The accelerated adoption of AI is driven by the realization that AI is not only a technological advancement but also a strategic imperative. Businesses are investing in AI for increased operational productivity, cost savings, more effective customer experiences (CX), and increased competition.

Given that customers are the backbone of every business, CRM has emerged as a springboard for AI-led transformation across the enterprise. Businesses are rapidly integrating AI-powered experiences in sales, marketing, service, and ecommerce use cases. However, for AI investments to meet expectations, they must be grounded in strong data practices and trust. Data readiness (i.e., an organization's preparedness to access and use quality data across their business) is a key component in driving successful outcomes with AI, as is the ability to trust that AI won't result in data-security concerns or incorrect outcomes. Most companies lacked the mature data practices needed for successful implementation of more advanced AI capabilities, like generative AI (genAI), and expressed significant trust concerns; but often, the imperative to advance prompts continued AI investments.

In August 2023, Salesforce commissioned Forrester Consulting to evaluate how organizations are thinking about AI-powered CRM software. Forrester conducted an online survey of 773 global business decision-makers with responsibilities for their organization's CRM and AI. We found that many are embracing AI-powered CRM without ensuring they have the necessary data infrastructure, making them more vulnerable to undesirable outcomes.

Key Findings

The need for AI capabilities within CRM has grown significantly.

Eighty-nine percent of respondents said AI strategy and capabilities are important when partnering with a CRM vendor. This number has increased by 112% since 2021. Understanding the criticality, respondents are actively implementing AI-features in their organization's CRM.

Low data readiness poses challenges for AI implementations, including genAI.

Data readiness is pivotal to successfully integrate AI capabilities into CRM. However, most respondents noted their organization has low data readiness and reported data as a barrier to using AI effectively across their CRM.

Respondents from organizations with higher data readiness find more success implementing AI.

Companies with mature data readiness practices have a data strategy that is integrated across the business, as opposed to siloed strategies. The data showed that respondents from organizations with mature data readiness have a better understanding of AI concepts and implemented more AI use cases.

The top barrier to genAI adoption is concern for data security.

Overall, respondents lack trust in AI and are not fully confident in their employees' ability to use AI. Even so, respondents found it critical to invest in AI-powered CRM software and are doing so in spite of their concerns. One way they are mitigating this cognitive dissonance is by partnering with vendors who can alleviate their trust concerns when implementing AI features.

Organizations Recognize The Need For AI-Powered CRM

As companies increasingly implement AI across various technologies, CRM is emerging as a crucial foundation for business transformation driven by AI. Customer interactions produce large volumes of unstructured data from emails, meeting transcripts, phone conversations, and more. AI has the ability to summarize this data into key insights and actionable next steps, thus easing employee workflows and improving customer interactions. Today's CRM customer is eager to utilize an AI-powered CRM to personalize front office content, answer questions, and summarize customer interactions.¹ As a result, customers are rapidly integrating AI across most CRM use cases. Forrester's research found that:

- **The importance of AI capabilities has grown.** Eighty-nine percent of respondents said AI strategy and capabilities are important when partnering with a CRM vendor today. This number has increased by 112% since 2021, when only 42% of respondents in the survey then said advanced capabilities were important.
- **Respondents are investing in AI-powered CRMs.** Respondents are implementing AI features across their organization's CRM with the goal of staying competitive by improving their CX and increasing operational efficiency. Over half of respondents have already implemented AI in marketing and sales use cases such as executing complete online commerce transactions and creating white space analysis for marketing outreach (see Figure 1). In the next six months, respondents plan to expand AI into their customer service use cases, like offering personalized product recommendations and routing customer service inquiries, which will differentiate their organization's CX.

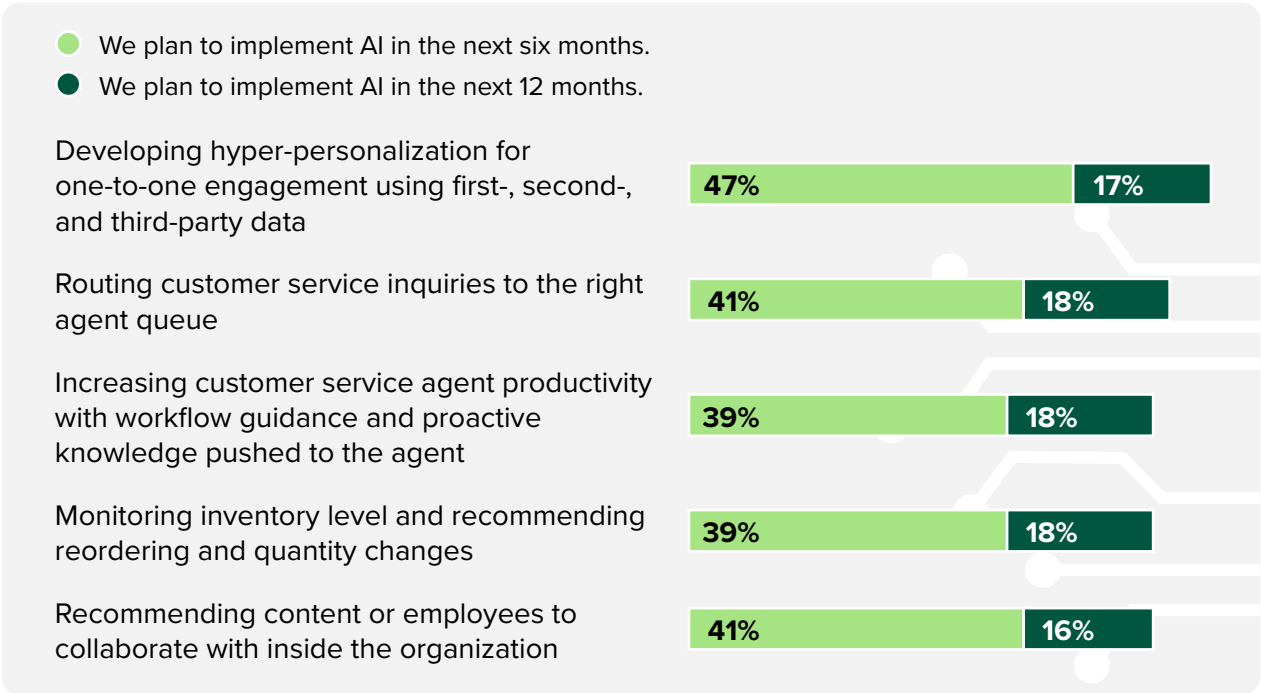
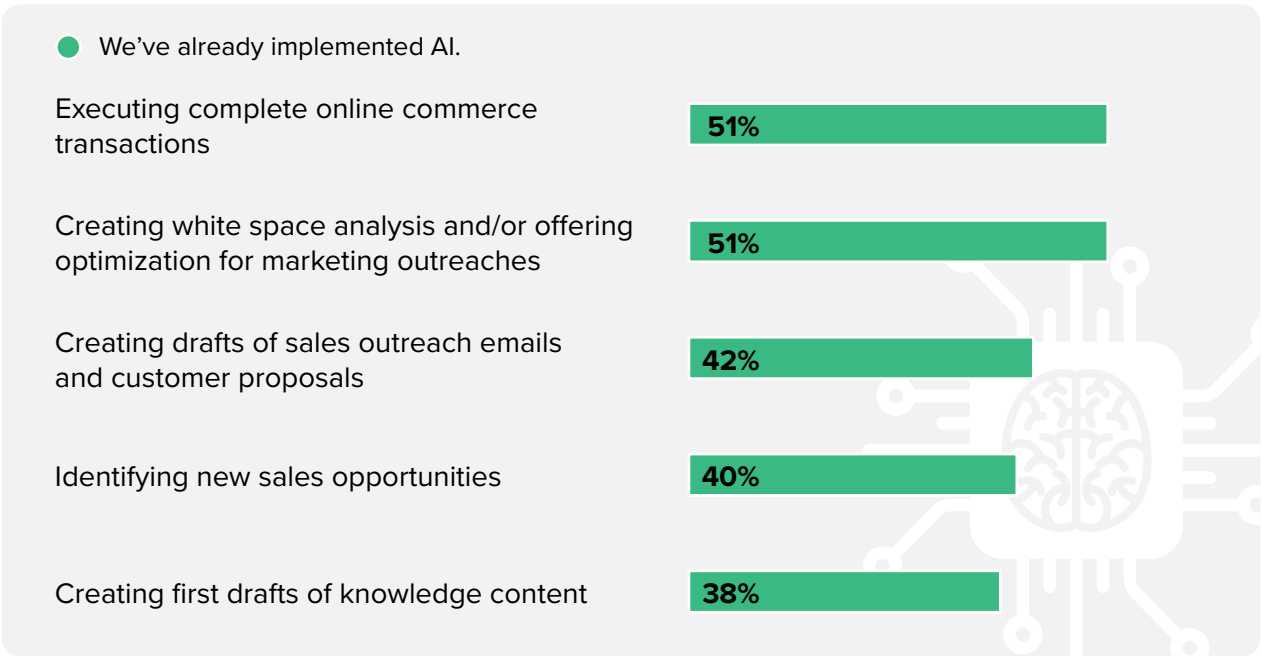
89%

of respondents said AI strategy and capabilities are important when partnering with a CRM vendor.



FIGURE 1

Respondent’s Plan To Implement AI Across The Following CRM Use Cases



Base: 773 global decision-makers at the director level and above, with responsibility for their organization’s AI and business processes and technologies
 Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, September 2023

CRM Needs Data Readiness To Successfully Implement AI-Powered Features

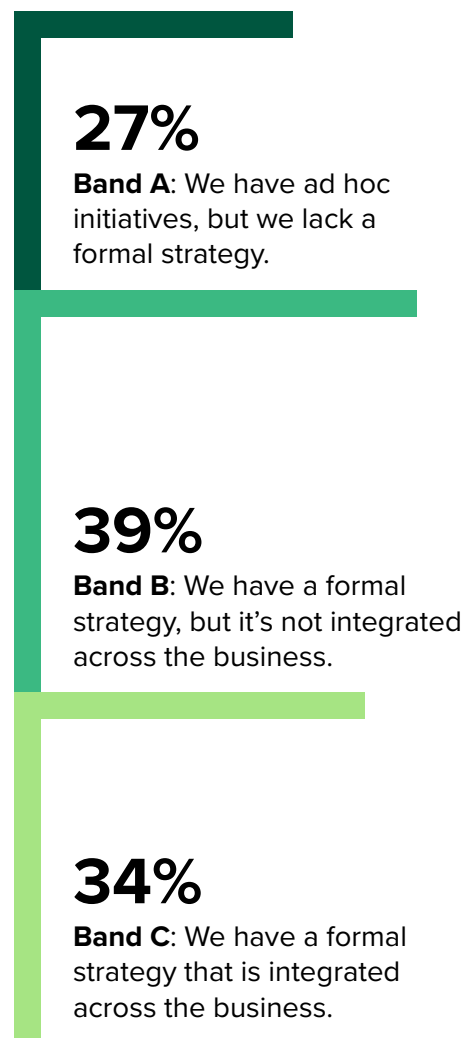
Data readiness is pivotal to successfully integrate AI capabilities into CRM. AI-powered CRM rely heavily on data to make informed predictions, offer personalized recommendations, and automate various tasks such as capturing and following up on leads and opportunities. Without high-quality, well-structured, and clean data, AI algorithms will struggle to deliver meaningful insights and outcomes. Respondents understand the criticality of data readiness: 92% believe a strong data strategy is critical to AI success. But even with this knowledge, respondents are joining the rush to implement AI before they are ready.

- **Data readiness practices are low.** We asked respondents to rank their organization's level of data readiness based on three bands: A, B, and C. Twenty-seven percent indicated that their organization has ad hoc data initiatives and lack a formal strategy, thus falling in band A. Thirty-nine percent said their organization has a formal data strategy, but it is not integrated across the business, which relegates them to band B. Only 34% said their organization has a formal strategy integrated across the business, which places them in band C (see Figure 2).

Data readiness is critical for AI-powered CRM. If your data is not complete or reliable, your AI models might be inaccurate and incomplete, thus risking worse outcomes.

FIGURE 2

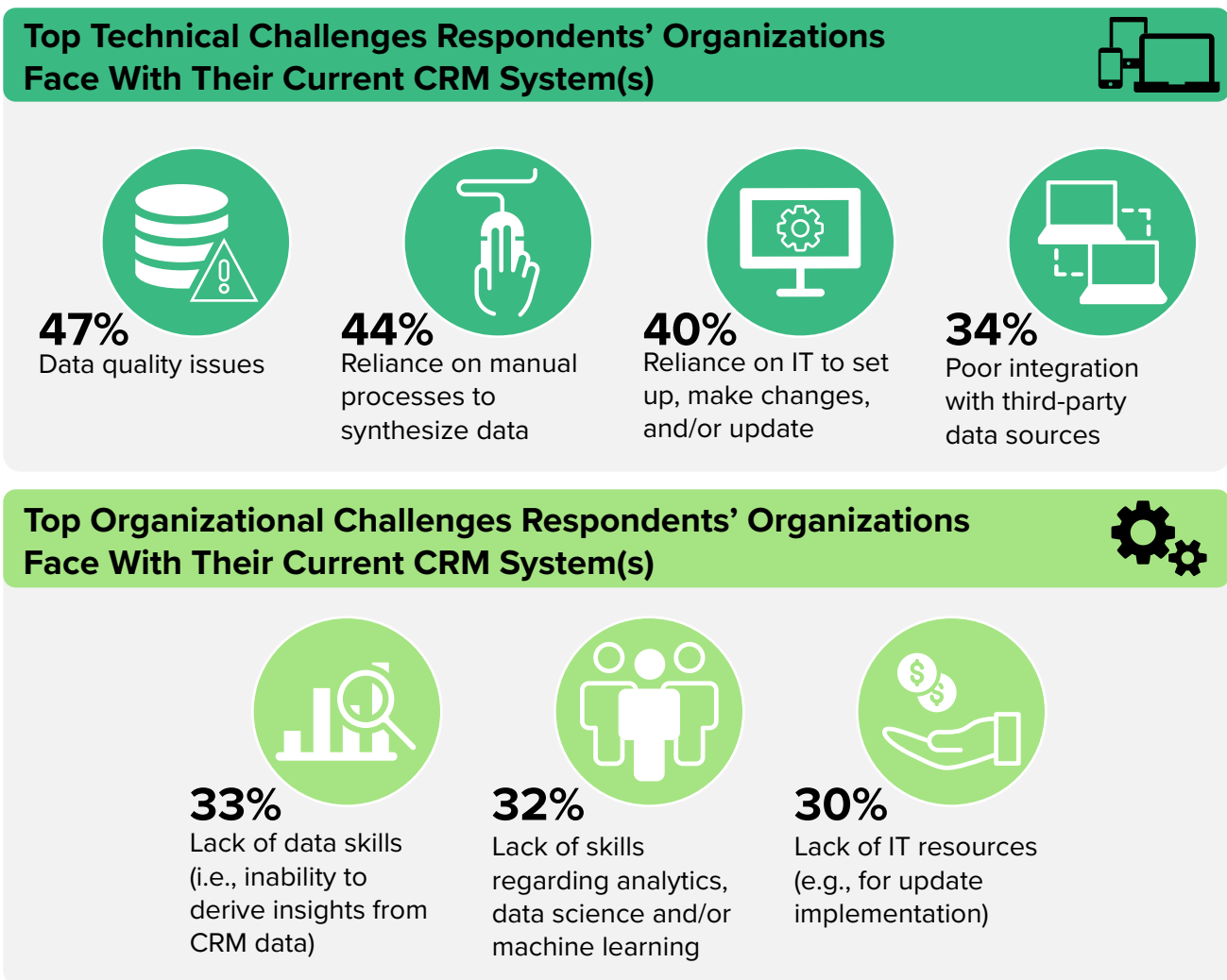
Respondent's Organization's Level Of Data Readiness



Base: 773 global decision-makers at the director level and above, with responsibility for their organization's AI and business processes and technologies
Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, September 2023

- **Data is a primary CRM challenge.** Respondents indicated that their top challenges with their organization’s CRM are data quality issues, a reliance on manual processes to synthesize data, and a lack of data skills (see Figure 3). It should be noted that this is not a new challenge: Data has been core to most digital transformation initiatives, including predictive AI and genAI. GenAI specifically requires a significant amount of data, which makes it critical to ensure strong data practices before incorporating genAI features into your organization’s CRM.

FIGURE 3



Base: 773 global decision-makers at the director level and above, with responsibility for their organization’s AI and business processes and technologies

Note: Showing top responses for each challenge type.

Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, September 2023

DATA READINESS DRIVES SUCCESS

As respondents rapidly adopt AI features for their organization's CRM, they should focus on data readiness. Data readiness directly impacts their ability to implement AI-powered CRM. Forrester found that respondents who prioritize data readiness have better outcomes when implementing AI-powered features into their CRM. Respondents can also look to vendors to boost their data readiness and AI capabilities — but trust is a top consideration.

- **Respondents from organizations with higher data readiness understand AI concepts better.** Respondents from organizations in the most mature data readiness band, band C, can more accurately define generative and predictive AI (see Figure 4). This understanding will help them utilize AI in their CRM more efficiently. Furthermore, respondents from organizations within band C are significantly more likely to have implemented AI within their organization's CRM, compared to respondents from organizations in bands A or B.
- **Respondents with higher data readiness have more advanced CRMs.** Not only do respondents from organizations in band C leverage more AI-enabled use cases, but they are more likely to use a unified CRM (i.e., utilizing one integrated CRM across the business). This helps these companies realize greater front-office productivity, increase creativity, and focus on tasks that impact revenue and customer satisfaction.

96%

of respondents said that trust is critical or important when considering an AI vendor.

FIGURE 4

“Please match the term to its definition.”

● Band A and B ● Band C

TERM 1: PREDICTIVE AI



TERM 2: GENAI



Base: 773 global decision-makers at the director level and above, with responsibility for their organization’s AI and business processes and technologies
Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, September 2023

Organizations Are Looking For Partners That Provide Trust

To successfully utilize AI-powered CRM systems, it is imperative that both your workforce and customers are well-informed on, and trust, the fundamental concepts of AI. Educating your workforce empowers them to understand the value of data and leverage it effectively in their roles. Simultaneously, educating customers about how their data is handled fosters trust. Currently, many are not fully confident in the concepts surrounding AI-powered CRM software, and they lack overall trust with AI. However, trust issues are not preventing respondents from investing in AI-powered CRM software. Instead, they are prioritizing vendors who can mitigate these concerns as they continue to adopt AI features. Forrester's research found:

- **There is a lack of understanding around AI concepts.** Only half of respondents could accurately identify the definition of generative and predictive AI. This signals that there is an opportunity for education around the value of AI-powered CRM, the specific use cases that AI enables, and the business outcomes that enterprises can expect from these use cases, before implementing AI into CRM use cases.
- **Trust remains a concern for genAI.** Respondents said the main barriers to purchasing genAI at their company are security concerns like unintentionally exposing private customer data, infringing copyright, or violating data regulatory compliance requirements. They also voiced concerns with trusting the output quality of genAI content, which can be very convincing, but technically inaccurate. Exposing customers to AI without human review and correction could damage brand reputation.
- **Trust is a primary concern with AI-powered CRM software.** Respondents' main concerns with AI-powered CRMs include data security and AI features that could erode trust with their end customers. A main fear for data security is the leakage of Personally Identifiable Information (PII) and/or company-confidential data — such instances would incur regulatory non-compliance penalties and damage brand reputation.

- **Respondents prioritize trust in a vendor partner.** Trust is a main concern when adopting an AI-powered CRM. As a result, 96% of respondents said that trust is critical or important when considering an AI vendor. Specifically, they are seeking a vendor who can provide security protections, detect and mask sensitive data, and offer the use of AI features embedded in their CRM (see Figure 5).

FIGURE 5

Top Most Important Dimensions Of Trust In The AI Capabilities And Functionality Provided By A Vendor



Base: 773 global decision-makers at the director level and above, with responsibility for their organization's AI and business processes and technologies
Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, September 2023

Key Recommendations

Today's customers know what they want: Engage with companies that provide personalization and value at every step of their journey. Companies must meet these customer expectations to garner their satisfaction, which drives engagement, conversion, loyalty, and ultimately revenue.

AI is the most transformative technology to impact customer engagement. AI-fueled CRM software offload rote tasks and allow the front office to focus on creativity and building customer relationships to drive revenue. Companies must evolve to strategically adopt AI. Specifically, companies that effectively embed genAI into their CRM system will see benefits such as faster customer service response times, new innovative marketing campaigns, and a differentiated CX.² Forrester's in-depth survey of 773 global business decision-makers with responsibilities in AI and CRM yielded several important recommendations:

Start with clean, unified data.

Depending on your AI use case, your organization will have to leverage different kinds of data like CRM content, transcripts of customer conversations, and third-party data. Prioritize cleaning up your CRM data first instead of all enterprise data. Start by eliminating data silos for customer data to ensure you have a true 360 view of your customers. Then anonymize private customer data and ensure that your data complies with privacy regulations.³ Prioritizing your data management and metadata practices will allow you to produce more grounded, accurate, and auditable outputs from the model. This, in turn will help you to develop and deploy use cases more quickly.

Extend data management practices to AI outputs.

Managing the outputs in genAI is as crucial as managing data inputs. For example, pass generated content through a toxicity filter that flags bias. Ensure that your AI outputs are auditable so data lineages can be tracked in case of issues. Extend your governance framework that oversees strategy,

policies, and procedures to mitigate risk and validate outcomes. Add roles responsible for legal compliance or brand management to shape company policy when using AI models.

Leverage external capabilities from trusted vendors.

Custom AI initiatives are more flexible, but building AI models require considerable time and resources. Buying an existing application reduces the need for in-house specialists and makes it easier to keep up with rapid technological changes.

Cultivate talent with an understanding that the field is constantly evolving.

Continuous upskilling and training was the second most popular choice after data quality improvement, in terms of necessary organizational changes to benefit from AI-powered CRM. Organizations must provide training for developing and implementing AI into CRM applications. Start tactically by training employees to create and refine prompts. Ensure that you have corporate policies and processes in place that educate your employees to evaluate outputs for accuracy, bias, toxicity, and harm before using generated content.

Rethink collaboration and team productivity.

AI will make your front office more efficient, and you may ultimately need less talent. But before adjusting your staffing levels, rethink how you will evolve your workforce. You will need to fill new roles such as prompt engineers or large language model (LLM) managers. These are natural career paths for customer service generalists and Tier 1 agents.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 773 global decision-makers to evaluate their implementation of AI into their organization’s CRM use cases. Survey participants included decision-makers at the director-level and above, with responsibilities in AI and CRM. Respondents were offered a small incentive as a thank you for time spent on the survey. The study began in August 2023 and was completed in September 2023.

Appendix B: Demographics

| REGION | |
|-----------------------|-----|
| United States | 13% |
| The Netherlands | 7% |
| India | 7% |
| United Arab Emirates | 7% |
| Poland | 7% |
| Japan | 7% |
| Germany | 7% |
| Brazil | 7% |
| Australia/New Zealand | 7% |
| United Kingdom | 7% |
| Israel | 7% |
| France | 7% |
| South Africa | 6% |
| Singapore | 6% |

| COMPANY SIZE | |
|---------------------------|-----|
| 100 to 499 employees | 15% |
| 500 to 999 employees | 35% |
| 1,000 to 4,999 employees | 28% |
| 5,000 to 19,999 employees | 14% |
| 20,000 or more employees | 8% |

| POSITION | |
|-------------------|-----|
| C-level executive | 15% |
| Vice president | 32% |
| Director | 53% |

| TOP 4 INDUSTRIES | |
|---------------------------------------|-----|
| Financial services and insurance | 18% |
| Technology and/or technology services | 17% |
| Construction | 10% |
| Manufacturing and materials | 9% |

| TOP 4 DEPARTMENTS | |
|-----------------------------|-----|
| IT | 59% |
| Finance/accounting | 9% |
| Digital operations/commerce | 8% |
| Business operations | 7% |

| BUSINESS MODEL | |
|--|-----|
| B2B | 30% |
| B2C | 20% |
| B2B2C | 21% |
| Multiple, combined models listed above | 29% |

Note: Percentages may not total 100 due to rounding.

Appendix C: Endnotes

¹ Source: "[How Generative AI Will Transform CRM](#)," Forrester Research, Inc., September 18, 2023.

² Ibid.

³ Source: "[A Privacy Primer On Generative AI Governance](#)," Forrester Research, Inc., July 7, 2023.

The image features the Forrester logo centered on a background of overlapping, wavy green shapes in various shades, from dark forest green to light lime green. The logo itself is the word "FORRESTER" in a white, all-caps, serif font, with a registered trademark symbol (®) to its upper right.

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