

MODERN SALES PROS



# The State of CRM Data 2023



# Foreword

Amid stubborn inflation, the threat of an imminent recession and the unstoppable rise of Artificial Intelligence, BuzzBoard has completed its annual survey to lay out the truths about the health of your CRM data.

This year, The State of CRM report brings into sharp focus the importance of rich, highly accurate, data in your CRM, if you are to leverage the full potential of generative AI. Lost in all the ChatGPT hype is the question of where these Large Language Models find data to integrate with your prompts. The reality is that generative AI relies on quality data as input — garbage-in, garbage-out — to be able to produce meaningful output. That means that your successful application of generative AI sales and marketing solution relies on high quality data in your CRM.

This report is for those curious minds who seek answers beyond their limited frame of action. Where do people think ChatGPT gets its answers from? What is its data source? What will be **my** data source when I deploy generative AI apps?

ChatGPT has been wildly successful as a browser-based, text-prompt interface, but we're entering a world where graphical point-and-click applications will increasingly drive use of generative AI, through API calls from the application to the Large Language Models (LLM) that underlie chatbots like ChatGPT and Google Bard. The new generative AI solutions that you deploy will, essentially, write sophisticated prompts for you to provoke a generative response from the model.

## Some of the reasons for this are:

- There is too much risk of proprietary data escape with prompt-based interfaces to generative AI.
- Writing sophisticated prompts can be complex and inaccessible or out-of-scope for some workers.
- To make the most of generative AI, the underlying models need to be selectively and security fed with data you have access to, but which the model doesn't.

Note that large technology companies are banning the use of chatbots by employees, for fear of proprietary data being surrendered to the LLM. Centralizing prompt generation and data input in generative AI applications, rather than in chatbots, provides a locus of control for ensuring data security and information confidentiality. Through the app, the enterprise can control what gets shared with the LLM in a way that is impossible with chatbots.

And yet, it's helpful to think of generative AI as a three-legged stool where data serves as one of its legs (algorithms and computing power representing the other two legs) and the use case represents the seat. Thinking about it this way should make it all the more clear why you should focus on the quality and depth of data available to you in your CRM. Maximizing your return from investments in generative AI for sales and marketing will, ultimately, depend on data in your CRM of unique and particular importance to your business.

**Media stories in the first half of 2023 documenting strange responses from AI-driven chatbots only confirms what we intuitively know - for generative AI to produce its best results, it needs access to high quality data for training, and as a prompt input. Further, the need for hyper-personalization in sales and marketing communications is driving the rush to test and adopt generative AI platforms. The intersection point of these two phenomena is the data stored in your CRM and marketing automation platform.**

Our annual **The State of CRM Data** report, now in its third year, surfaces trends and insights that are timely and sure to excite. BuzzBoard acknowledges the Modern Sales Pros community and its enthusiastic members who have participated in the study, and are eager to share this collaborative effort with the community.

# Executive Summary

This year, within the context of the intense media and industry focus on generative AI, we have considered our analysis from the perspective of how prepared companies are, or aren't, to leverage rich data of particular importance to their business, as reflected in their CRM, to accelerate growth.

With so many brands rushing to integrate AI-based tools into their revenue tech stack, and with so many AI application vendors vying for first-mover advantage, there's a risk that early generative AI projects will face due to a deficiency in data quality and depth.

We constantly hear that **MARKETING AND SALES LEADERS CAN NO LONGER AFFORD TO IGNORE ARTIFICIAL INTELLIGENCE**. That is true. Ergo, a critical missing component here for many teams is **DATA**.

In this report we highlight key findings from our survey and suggest actionable responses.

## Key Findings

- CRM data accuracy is still a problem...as reported by 58% of respondents.
- Respondents continue to report high levels of dissatisfaction with existing data vendors.
- Fewer than 1 in 3 businesses are able to meaningfully personalize their outreach.
- Desire for personalization is driving people to refresh data every 3 to 6 months or even more frequently.

The implications should be clear. Generative AI offers the promise of more impactful sales and marketing motions through hyper-personalization. Yet, such personalization requires data points about your prospects that reflect your particular business context. And companies continue to struggle with the accuracy, depth and accessibility of just such data points, even as they increase the volume and frequency of their data consumption.

***Enjoy the report.***

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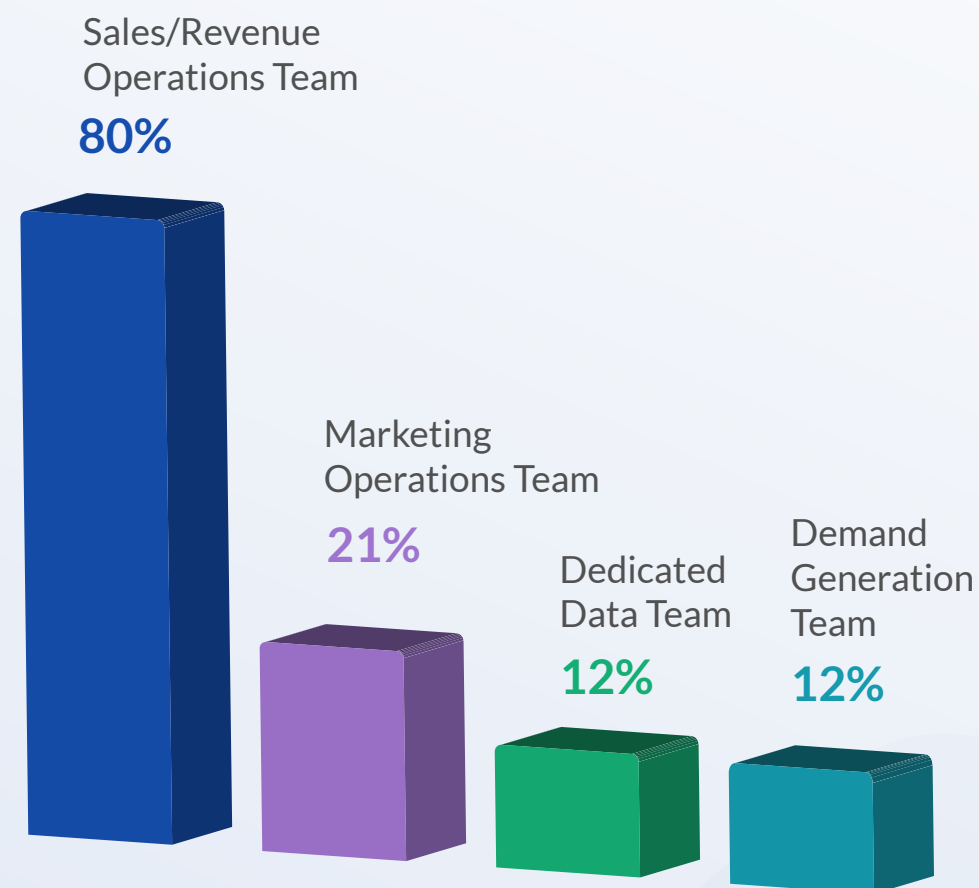
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# Data Has a Clear Owner

We started our survey with a question to level set which team within the broader revenue function is best suited to own the health of CRM data, and, by implication, marketing automation platform data as well. Clear ownership is, perhaps, more important than which job function owns it. The question also aims to track if the industry is moving towards a consensus on this.

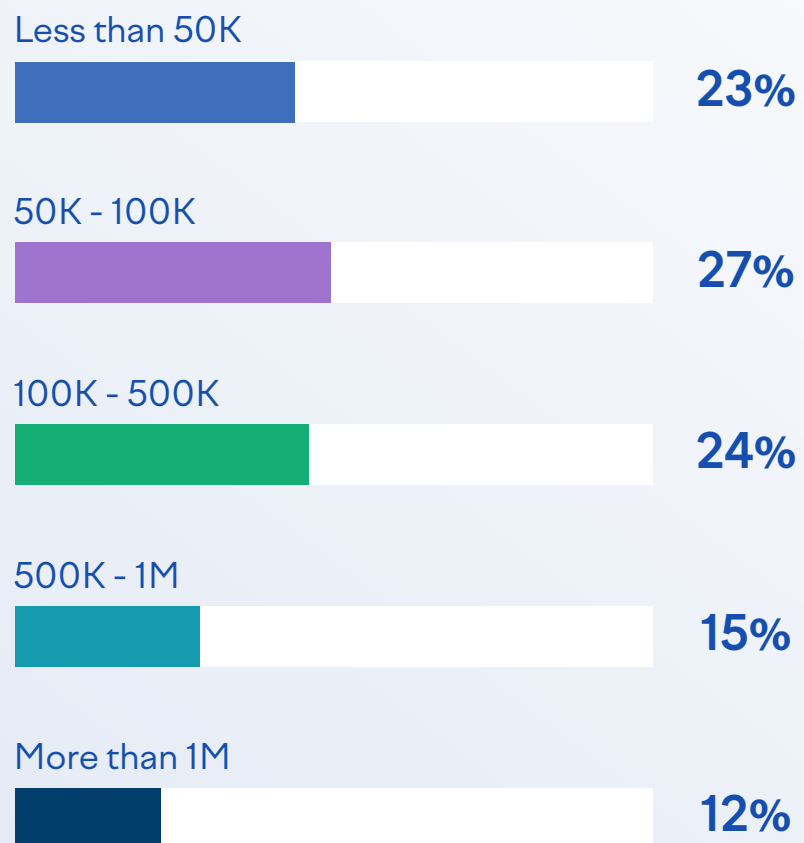
While many respondents reported that data management continues to be a shared responsibility across sales and marketing ops, a majority of companies appear to have delegated the responsibility to the sales/revenue ops team, with 80% reporting that to be the case.

## Who manages the data in your organization?



# CRM Database Strategies Have Evolved

## How many records do you have in your CRM?



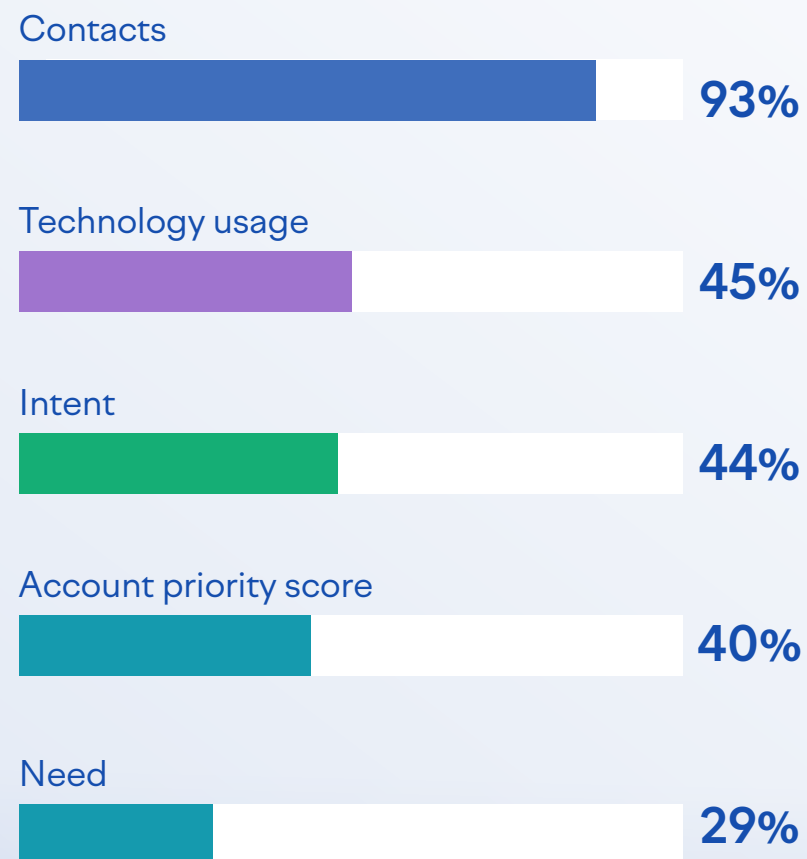
Unlike in 2022 when we saw the number of small CRM databases (with <50,000 records) decline significantly over the previous year, this year the numbers are comparable to last year's responses. The responses signal a retraction of the brute-force approach to maintaining massive databases by procuring contact data at random. We believe this to be in response to the economic slowdown and the belt-tightening accompanying it.

# 500K+

Nearly one-fourth of respondents have 500K+ records in their CRM.

# 'Account-first' Approach to Data Is Finally Having Its Moment

## What types of data do you **\*currently\*** have against your target accounts?



While 'Contacts' continues to be the de facto priority in the CRMs of the participating organizations, the buck doesn't stop with contact data for most organizations any longer.

Data on technology usage or 'Technographics' is virtually unchanged from 2022, indicating a stable state and positive sentiment in having it as part of CRM data, depending on the industry a business is operating in.

**40%**

At 40%, Account Priority Score saw a 21% uplift in adoption over last year.



With Account Priority Score seeing a 21% uplift in adoption over last year, it is evident that modern go-to-market teams are slowly relinquishing brute-force approach to marketing in favor of understanding the accounts to go after first. We have observed a constant shift in mindset from bulking up on off-target contact records to a more precise and targeted 'account-first' approach.

Furthermore, Intent, Need, Projected Growth increasingly featuring in the CRM of more respondents suggest that organizations are welcoming more data depth and variety in their CRM.



**"An account-first approach that leads with account identification, classification, scoring, and prioritization makes better use of your resources and is more compatible with account-based marketing programs."**

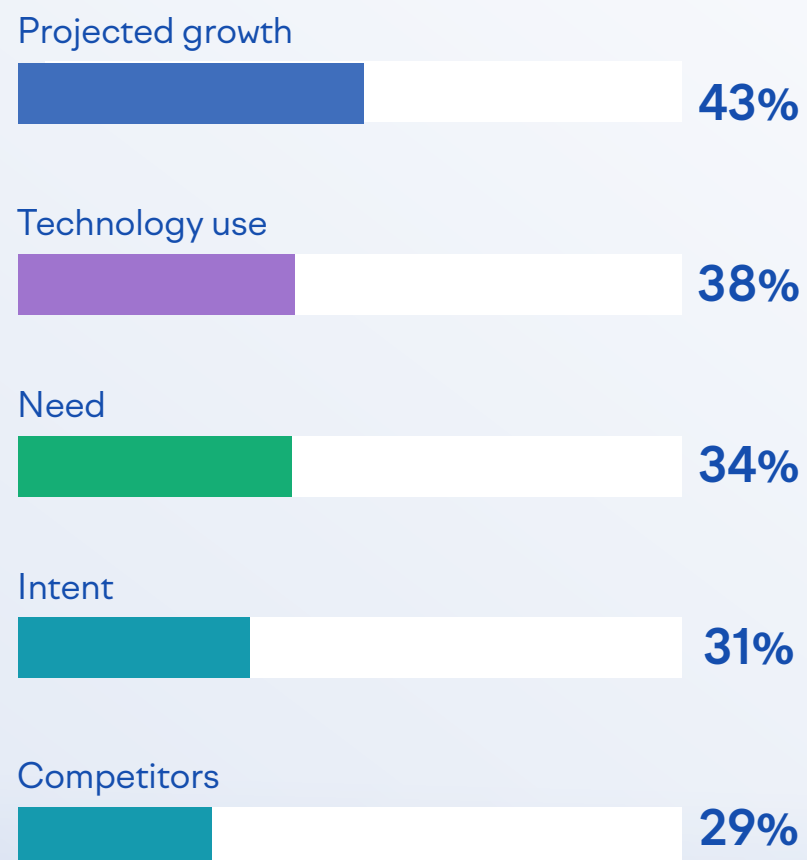
**David Howard,**  
VP of Marketing, BuzzBoard



# 'Digiographics' & Forward-Looking Indicators

## Top Wish Lists

**What types of data do you \*wish\* you had against your target accounts?**



Respondents were asked about the kind of account data they had in their wishlist to mature their GTM practices. Respondents could choose up to 3 options as their top choices.

The top 3 positions remain the same as last year, further validating that organizations find value in determining need and business alignment for their solution as part of their GTM processes. As organizations see the many benefits of going 'Account-first', there is an intentional shift in getting access to account intelligence data.

- 1 Projected growth
- 2 Technology use
- 3 Need

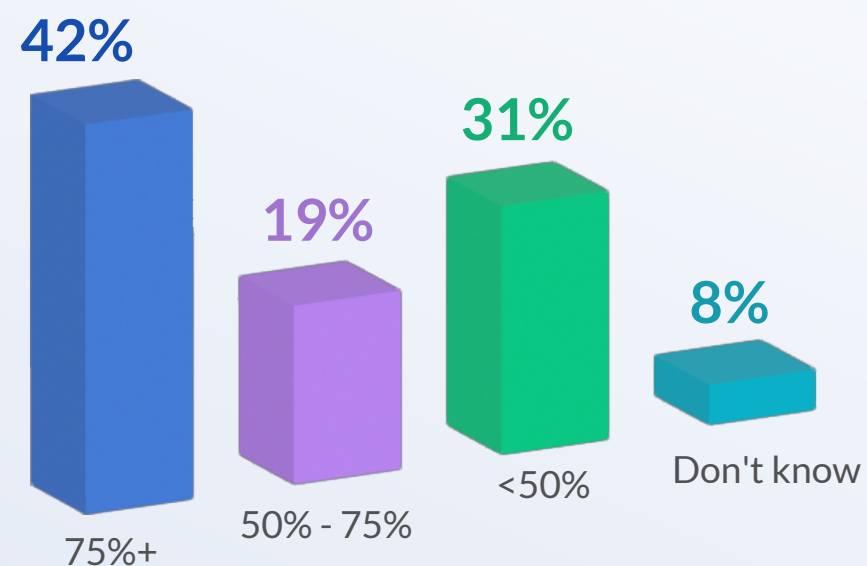
# Positive Progress in Data Hygiene

We have always advocated the need to match up target accounts with their website URL as the basic first step in maintaining data hygiene and understanding prospects. This is necessary for introducing Account Based Marketing and more sophisticated, large volume, go-to-market plays. To that end, as a broad measure of CRM data hygiene, we report on the percentage of records that have a website URL that corresponds with the target account.

To that effect, what percentage of a prospecting database is matched to their websites is a strong indicator of the data hygiene and preparedness for introducing more sophistication in large-volume GTM plays.

With 61% of respondents reporting that at least 50% of their CRM database is now matched to their URLs, respondents are moving in the right direction. The number is up from last year when only about half of respondents made a similar suggestion about the health of their CRM database.

**What percentage of your records have a website URL associated with a target account?**

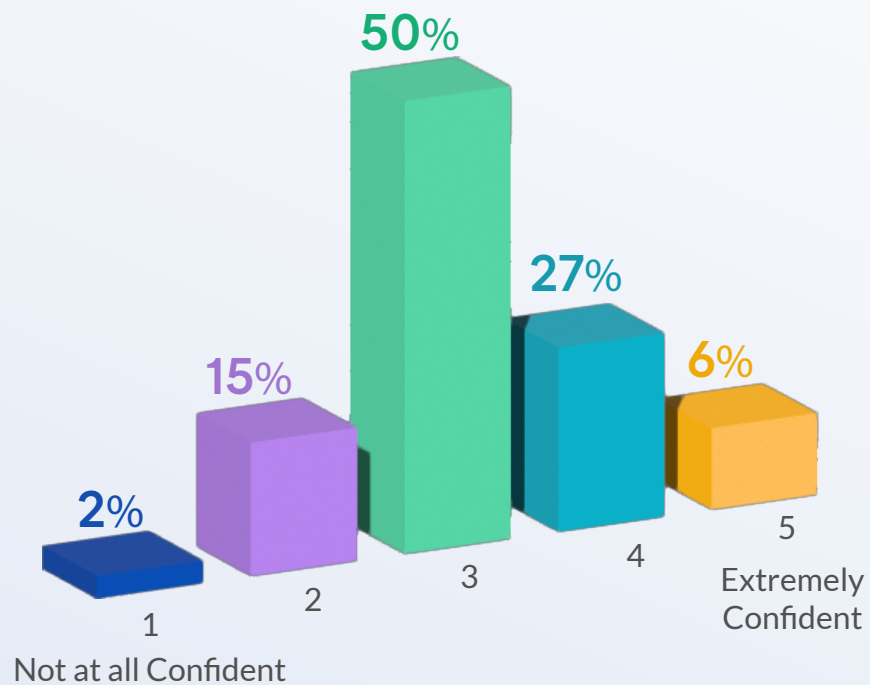


# 61%

**61% have more than half of their prospect accounts matched to their respective URLs.**

# CRM Data Trust Sees a Decline

Overall, how confident are you in the accuracy of your CRM data?



Most of our respondents (50%) rated their confidence in the accuracy of their CRM data as neutral. And 17% said they had low to no confidence in their CRM data quality.

Only 6% of respondents report being highly confident in their data, indicating that almost three times as many respondents report low to no confidence in their data.

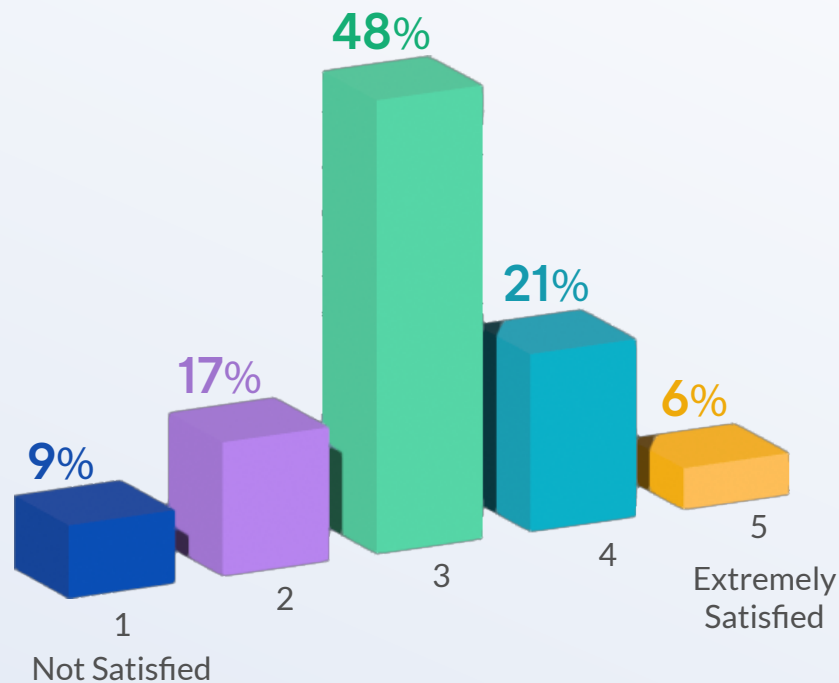
In 2022, 42% of respondents rated their confidence level as moderate to high. This year, the numbers are down by 9 percentage points from last year's reported numbers.

# 33%

Only 33% of respondents have moderate to high levels of confidence in their CRM data.

# Data Divide: Vendors Struggle to Meet Accuracy Needs

## How satisfied are you with your data provider?



Organizations seek better data from their data vendors. Data inaccuracy and unavailability continue to keep them from their ideal state. This is further validated with only 27% self reporting as moderately to extremely satisfied with their current data providers. The number has dropped further since last year when it was at 35%.

**6%**

Only 6% are extremely satisfied with their current data vendor.

# Data Hygiene Demand-Supply Gap Persists

## What is impacting your ability to collect quality data for 100% of your records?

The accuracy of data available to us

**58%**

The availability of data

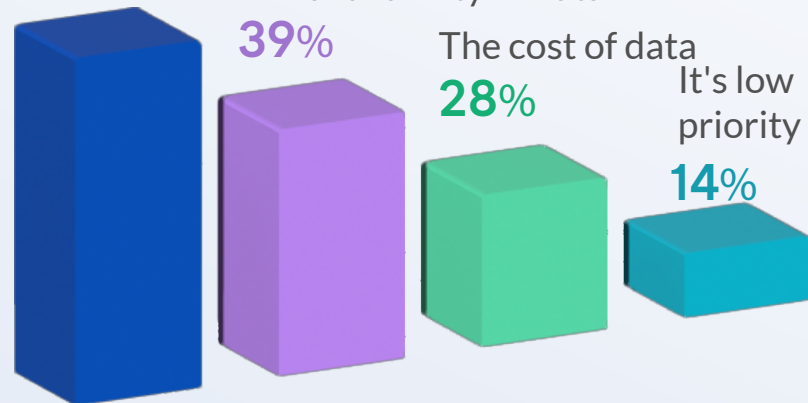
**39%**

The cost of data

**28%**

It's low priority for us

**14%**



“As we delve deeper into the possibilities of AI in sales and marketing, we're finding the true value of complete, clean data. It's not just about feeding the models, it's about nourishing them with relevant, reliable, and refined prospect data for optimal results.”

- Mike Rizzo, CEO, MarketingOps.com

‘Data accuracy’ continues to be the number one challenge keeping organizations from satisfaction with data in their CRM, with 58% reporting that to be the case. The data divide is evident from this revelation where despite best efforts, data vendors are falling short.

With only a handful of companies (14% in 2023) reporting that data is a low priority for them, data hygiene remains a demand-supply issue. A majority (72%) do not see cost as a deterrent to maintaining quality data in their CRM.

The challenge will cut much deeper as pressure increases for organizations to enter the next wave of personalization using artificial intelligence.

**72%**

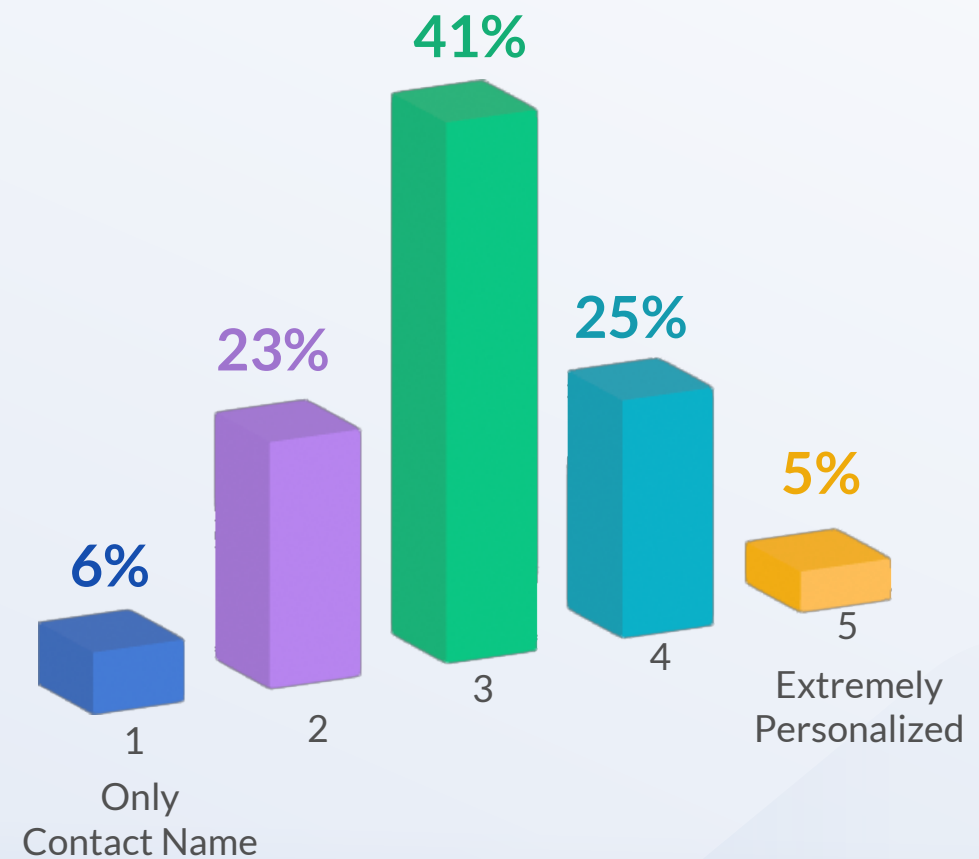
**72% do not see cost as a deterrent to maintaining quality data in their CRM.**

# Lag in Personalization Persists

Personalization is back under the spotlight and for a good reason. Generative AI is setting us up for a 'No Template' communication model making the highest degree of personalization possible. However, with 30% of the respondents still at the 'contact name' level of personalization, the B2B ecosystem has a lot to catch up on. Even today, only 30% of the participating organizations are meaningfully personalizing their sales and marketing outreach. This is even lower than the previous year when the number was at 38%.

**Less than 1 in 3 businesses are able to meaningfully personalize their sales and marketing outreach cadence.**

**How would you rate the level of personalization in your sales and marketing cadences based on your CRM data?**



# Poor Data Impacts Conversion

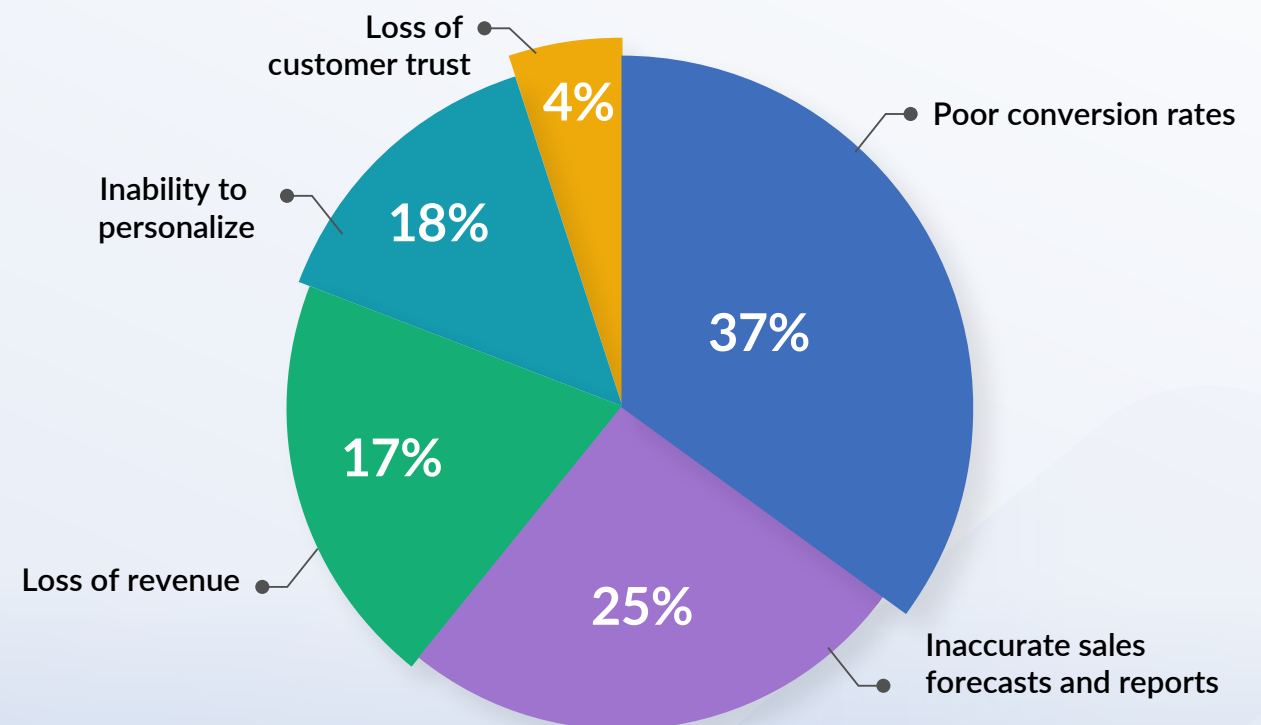
The bottom line—data quality has a direct impact on conversion rates, and therefore revenue. Increasingly, sales and marketing teams will turn to AI-based personalization to try to improve conversion rates. However, as we will see, AI generated output is only as good as the data input. Without adequate data support, AI solutions may ultimately result in little improvement for the time and expense of deploying them.

Assess your data vendors for the deep data and growth signals you need to prospect accounts that directly impact new business opportunities.

**37%**

For 37% of respondents, poor data fuels poor conversion rates.

## What impact does poor-quality data have on your business?





# Generative AI for Outbound Sales Demands Accurate Data

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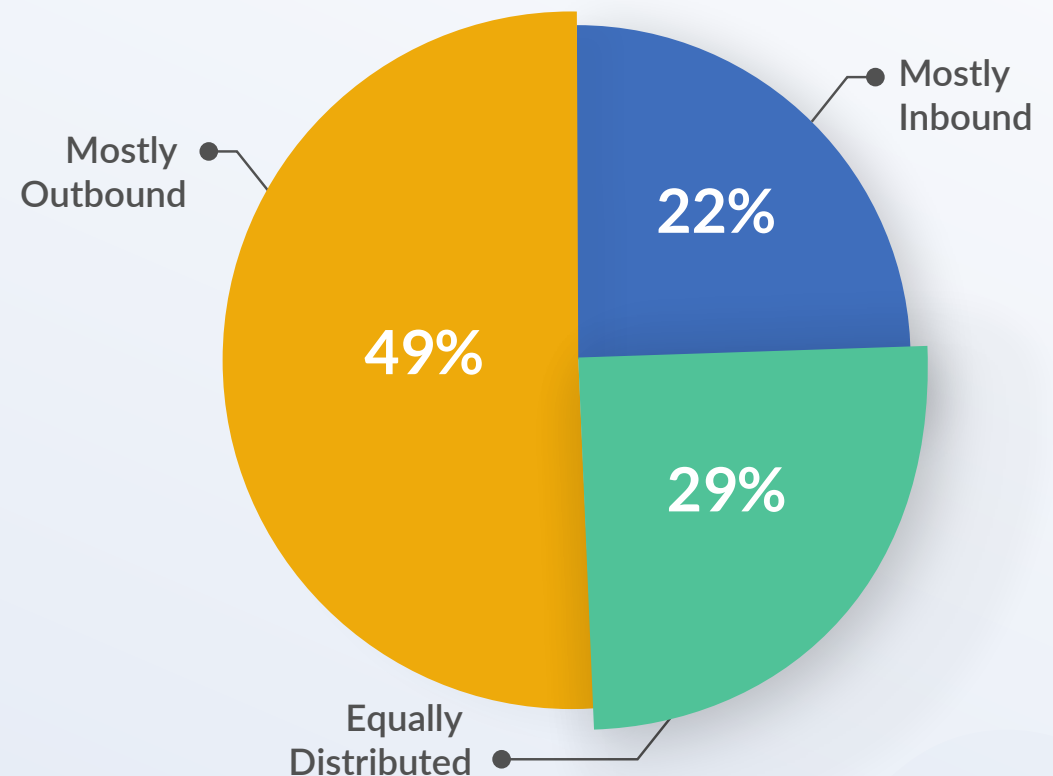
ChatGPT set a new record, after self-reporting that it had achieved over one million users in just five days after launch. Generating outbound sales and marketing copy has been but one of the many use cases underlying this rapid growth. Not coincidentally, this “chat rush” to generative AI tools manifested during a period of inflationary pressure, threats of recession and widespread corporate layoffs. Generative AI promises to compensate for reduced headcount and amplify personalization to overcome buyer reticence in outbound sales and marketing motions.

With 49% of respondents (versus 38% in 2022) reporting a mostly outbound approach to demand generation within their organization, outbound sales and marketing is on the rise. Demand generation and sales teams have to do more of the heavy lifting in getting the right leads into their sales funnel, and down the funnel, as growth slows.

Identifying the most viable prospects, running a highly personalized and relevant outreach cadence, and getting your sales team equipped for insights-driven meaningful conversations, will give organizations the most for their revenue generation spend.

Convergence of data and AI will be the value differentiator for B2B organizations going forward and to pull them out of this lull.

### What is the split between your inbound and outbound sales cadences?



# Artificial Intelligence Begins with Deeper Data Intelligence

## Desire for Personalization Boosts Data Management

Respondents were asked about the frequency with which they update their CRM data to keep it current. The best-managed practice is to be plugged into a near real-time data provider via APIs that update and enrich existing data on the go, which 30% said they followed in their organization.

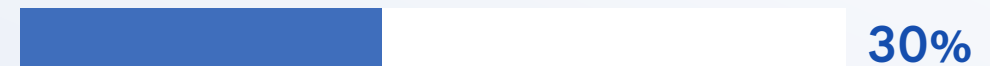
**58%**

Desire for personalization is driving people to refresh data every 3 to 6 months or even more frequently.

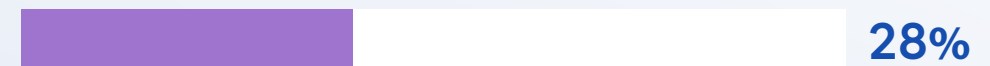
### How often do you enrich your database?

i.e. update your data through a provider like BuzzBoard, Clearbit or ZoomInfo.

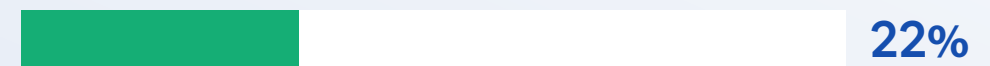
More frequently than every month



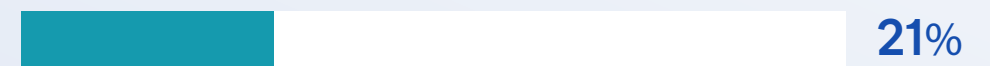
Every 3 to 6 months



Every 6+ months



We've never enriched our data



“AI models that train on proprietary data will provide a competitive advantage...”

Raj Joshi, Stanford

Accurate, rich and complete account data is foundational to build an AI driven sales organization – and those who don’t invest in a strong foundation may not be able to withstand the rapid pace and changes of today’s sales environment.

What is worrisome is that the uptake of rich (available) data types is severely lacking—and true personalization – AI enabled or not – can only ensue if organizations house a complete suite of firmographic, technographic, and **digigraphic** data in their CRM.

This calls for and reflects in the desire to source more data depth and variety to allow for a more complete profiling of your highest priority best-fit accounts, and drive deeper personalization for them. Going beyond the basic firmographic and technographic data to also include “digigraphics” in your CRM data mix will allow you to purposefully define your ideal customer profile, and a better targeted and relevant outreach.

## About Modern Sales Pros

Modern Sales Pros (MSP) is the world's largest peer education community for sales operations, sales enablement, sales engineering, and sales leadership professionals. Founded in 2015 in San Francisco, the community now totals more than 35,000 sales professionals from all over the world. The MSP team is committed to building a community that represents the true variety of backgrounds, perspectives, and skills in revenue leadership today. The more inclusive we are, the better the community is, and the more we learn.

Join the community here: <https://modernsaleshq.com/buzzboard-apply>

## About BuzzBoard

BuzzBoard is fueled with over 20 years of acquired intelligence of 20+ million small-to-medium businesses to help solution providers deeply understand their customers and build trusted relationships in today's digital-first selling environment. BuzzBoard's AI-powered intelligence engine powers account-based marketing and sales performance using its proprietary SMB signal stack and category classification system to identify, segment, and score the accounts with the highest revenue potential.

With BuzzBoard account intelligence fueling CRM and marketing automation platforms with ideal customers, demand generation and sales teams now have the insights and recommendations they need to acquire and retain customers with highly personalized interactions at scale.

To learn more about how you can improve the quality of your CRM data, visit [www.buzzboard.ai](http://www.buzzboard.ai)



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