



Small Businesses See the Transformative Potential of Artificial Intelligence

A majority of U.S. small business leaders say AI will be critical to their business's productivity and growth during the next two years

Most SMB leaders say privacy, trust, and safety are top priorities when it comes to AI

Summary

A new survey of 2,000 U.S. SMB leaders finds that SMBs have remained resilient in the face of inflation and economic uncertainty by deploying a “digital safety net”: free and low-cost digital tools that help them save time and money, increase employee productivity, and market and sell goods and services. More recently, SMB leaders have recognized the transformative potential of AI-powered digital tools, and those using such tools have already seen positive impacts on their businesses.

Today, 85% of SMBs use digital tools to increase efficiency and help blunt the ongoing negative impacts of inflation and economic uncertainty on their businesses. Further, 60% of SMB leaders expect AI tools to increase their business’s productivity over the next two years, and a majority believe that AI will be critical to their overall business success during that same period. Importantly, 72% of SMB leaders—regardless of whether or not they already use AI in their business—say privacy, trust, and safety are top priorities when it comes to using AI. Together, digital tools—including those that are AI-powered—underlie SMBs’ resiliency during hard times while positioning them for growth and success.

**Among SMB Leaders
Using AI in Their
Businesses:**

82%

**have already seen
positive outcomes on
their businesses
because of AI**

84%

**say privacy, trust, and
safety are top
priorities when it
comes to AI**

81%

**say AI will be critical
to their success during
the next two years**



Digital Tools Help Small Businesses Navigate Economic Uncertainty

As SMB leaders grapple with the impacts of inflation and economic uncertainty, digital tools provide a “safety net” that helps them save money, find and retain customers, and maintain and grow their workforce.

- More than two-thirds (68%) of SMB leaders say today’s inflation and economic uncertainty have hurt their ability to operate their businesses. A majority (54%) say this will be their top business challenge over the next two years.
- 85% of SMB leaders currently use digital tools to help make their businesses more efficient amid inflation and economic uncertainty. This is true of 92% of both Black-led and veteran-owned SMBs, as well as 89% of Hispanic-led SMBs.
- 89% of SMB leaders use digital tools to find new customers, and 88% use them to retain existing customers.
- 78% of SMB leaders use digital tools to work productively with their employees, and 72% use them to hire new employees.

AI Tools Already Power U.S. Small Business Growth

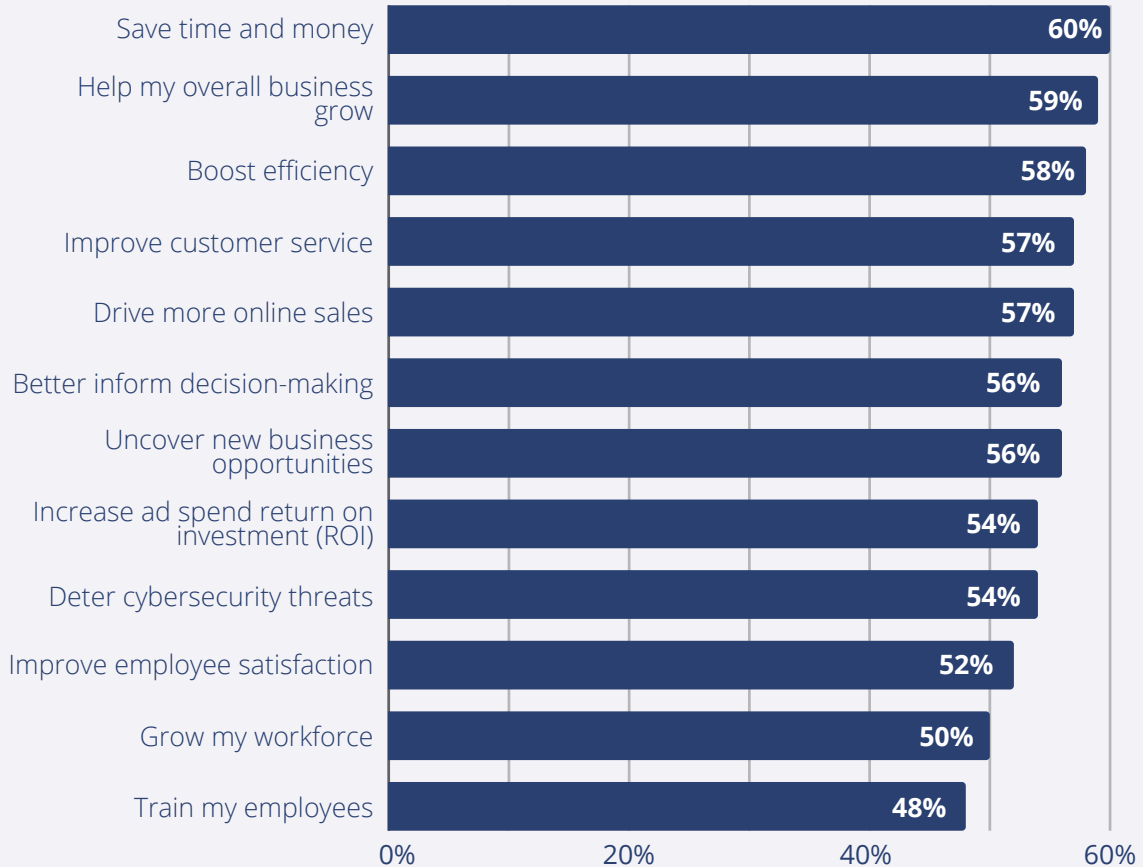
Although AI tools are still new, many SMBs already use them to save time and money and identify growth opportunities. SMBs led by people of color and military veterans use AI tools at above-average levels.

- 64% of SMBs already use AI tools or plan to in the next two years. SMB leaders of color (71%) and veterans (74%) are especially eager to harness AI’s potential and already use or plan to use AI in their businesses at higher-than-average levels.
- 82% of SMB leaders who use AI tools in their business say they’ve already seen positive outcomes.



- 74% of SMB leaders who use AI tools in their business say training their workforce to use AI is a priority.
- 60% of all SMB leaders believe AI tools will improve their business’s productivity during the next two years. 82% (+22%) of those already using AI in their business feel that way.
- 55% of all SMB leaders say AI tools will be critical to the success of their business during the next two years. 81% (+26%) of those already using AI in their business feel that way.
- 63% of all SMB leaders believe AI tools help “level the playing field” for businesses of all sizes. 83% (+20%) of those already using AI in their business feel that way.

How SMBs Use or Plan to Use AI Tools for Their Business in the Next Two Years





Safe, Trustworthy AI is a Top Priority for Small Business Leaders

When it comes to AI tools, most SMB leaders agree that privacy, trust, and safety are top priorities and that they should be used responsibly. SMB leaders with more experience using AI feel even more strongly about these points.

- 72% of all SMB leaders say privacy, trust, and safety are top priorities for them when it comes to AI tools. 84% (+12%) of those already using AI in their business feel that way.
- 63% of all SMB leaders say that responsibly using AI tools is a high priority. 82% (+19%) of those already using AI tools in their business feel that way.

Most Small Business Leaders Still Don't Have a Cybersecurity Plan

As SMBs increasingly use and rely on digital tools, their risk of cyber attack also increases—presenting yet another challenge for already-busy SMB leaders.

- 63% of SMB leaders are concerned about their businesses being targeted by a cyber attack. 78% (+15%) of those using AI tools in their business feel that way.
- Only 38% of SMB leaders say their business has a cybersecurity plan in place.
- 85% of SMB leaders say having a cybersecurity plan would make them more comfortable using digital tools during the next two years.

Methodology

The RXN Group conducted an online survey of 2,000 SMB leaders (owners and senior decision-makers) across the U.S. from November 27 - December 4, 2023. The survey has a margin of error of +/- 2.2%; the margins of error are larger for subgroups. The final data were weighted to known variables, including Census data. The full results of our survey can be found [here](#).

About 3C

The Connected Commerce Council (3C) is a non-profit organization that promotes access to digital technologies and tools for SMBs. Our [Digitally Driven research reports](#) document how affordable and accessible digital tools (i.e., digital software, tools, and platforms that businesses use for any purpose) have enabled millions of American SMBs to continue to thrive and unlock opportunities as they navigate economic and societal challenges (e.g., COVID-19, inflation, supply chain issues).