

AI Already Transforming Local Businesses, According to Dialog Research

Survey of U.S. local business decisionmakers reveals 31% actively use artificial intelligence in their companies and another 13% plan to start using Al in 2024

SAN ANSELMO, CA, UNITED STATES, June 18, 2024 /EINPresswire.com/ --Local businesses are demonstrating a new level of tech savviness as they lean into artificial intelligence (AI) and software-as-a-service (SaaS) solutions to advance their businesses. A new survey by local business insights firm Local Dialog, LLC ("Dialog"), reveals 77% of U.S. local business decision-makers are moderately to highly positive about the potential impact of AI on their industries.



Findings suggest optimism about AI is already leading to adoption by local businesses. More than half (57%) of local businesses surveyed are using SaaS software tools that currently

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The small-business world has never embraced a new technology as quickly or enthusiastically as AI." *Greg Sterling, Dialo* integrate AI. Nearly one-third (31%) stated they are actively using AI, 29% are testing it and another 13% are planning to start using AI in 2024. Marketing, sales and customer experience are the top functional areas where respondents expect to see the greatest impact from AI.

Greg Sterling, Dialog Cofounder Dialog's survey of 1,000 local businesses examined Al sentiment and adoption as well as business outlook, marketing practices, software adoption, sales and support.

In addition, the firm conducted interviews with individual local and small businesses, which confirmed the level of AI awareness and interest revealed in the survey findings.

SMALL STEPS, BIG IMPACT

Dialog's analysts report that, compared with large companies, marginal AI impact can be transformational for local businesses. Even modest AI efforts can significantly increase productivity for small businesses, whose scarcest and most valuable resource is people. AI enables local businesses to do more with less, reducing costs associated with hiring, training and outsourcing.

Among the local business owners interviewed by Dialog was Bill Wallace, owner of West Coast Diesels, in Santa Rosa, CA, who began using ChatGPT less than a year ago, for things like writing step-by-step procedures for his diesel repair technicians.

"I'm hoping one day it will be basically your own personal assistant – you tell it what you need, and it just spits it out and does it for you," said Wallace. "I wish it was around a couple years ago to write my employee handbook. Instead of consulting with someone I could have had AI do it."

SMALL BUSINESSES IN UNFAMILIAR ROLE AS EARLY ADOPTERS

Historically, local and small businesses have lagged in their adoption of new technologies. This does not appear to be the case with AI. Dialog's survey reveals a new level of tech sophistication and enthusiasm exhibited by local and small businesses for AI.

"The small-business world has never embraced a new technology as quickly or enthusiastically as AI," said Greg Sterling, Cofounder, Dialog. "There was nearly 100% awareness of AI and a positive overall sense that it could help their businesses in multiple ways."

The data suggest that SaaS and other local business solution providers cannot afford to sit on the AI sidelines while their customers are already in the game.

"Just slapping the letters AI onto an existing product is a recipe for failure," said Neal Polachek, Cofounder, Dialog. "The local business owners we surveyed and interviewed are looking for solutions that truly make their businesses easier to run. Their expectations are high, so providers cannot fake it."

Dialog's team of acknowledged local business experts brings a uniquely long-view of the evolving local solutions ecosystem. Their expertise bridges the early transformation to digital platforms to today's advanced solutions at the intersection of local SaaS, AI and digital marketing. The Dialog Local Business Decision-Makers Survey is foundational to Dialog's ongoing research program. Upcoming surveys will explore digital agencies, franchisees and consumers.

For more information about Dialog and the Local Business Decision-Makers Survey, visit <u>www.localdialog.com</u>.

ABOUT THE DIALOG LOCAL BUSINESS DECISION-MAKERS SURVEY

The online survey of 1,000 U.S. local business decision-makers was completed in January 2024. The survey examined business outlook, marketing practices, software adoption, sales and support, and AI. Findings include more than 200,000 data points, with segmenting of selected data by business outlook, business size and age of business owner. Fifteen local business categories are represented, including construction/home improvement; Internet, software and technology; retail; business services; professional services; personal services; food and beverage; education/training; medical, health and wellness; real estate; automotive; marketing/advertising; home services; and legal services.

ABOUT LOCAL DIALOG, LLC

Local Dialog, LLC ("Dialog") is guiding the conversation about local business and the rise of artificial intelligence. Powered by proprietary data, exclusive analysis and connected networking, Dialog is a unique insights community that brings together local digital marketers, SaaS companies, AI companies and technology providers to drive understanding, knowledge, partnerships, and growth. The organization tracks local business owner experiences, attitudes and expectations, product and business model evolution, differentiation and competitive dynamics and AI's transformative impact on the entire local value chain. For more information, visit <u>www.localdialog.com</u>.

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