

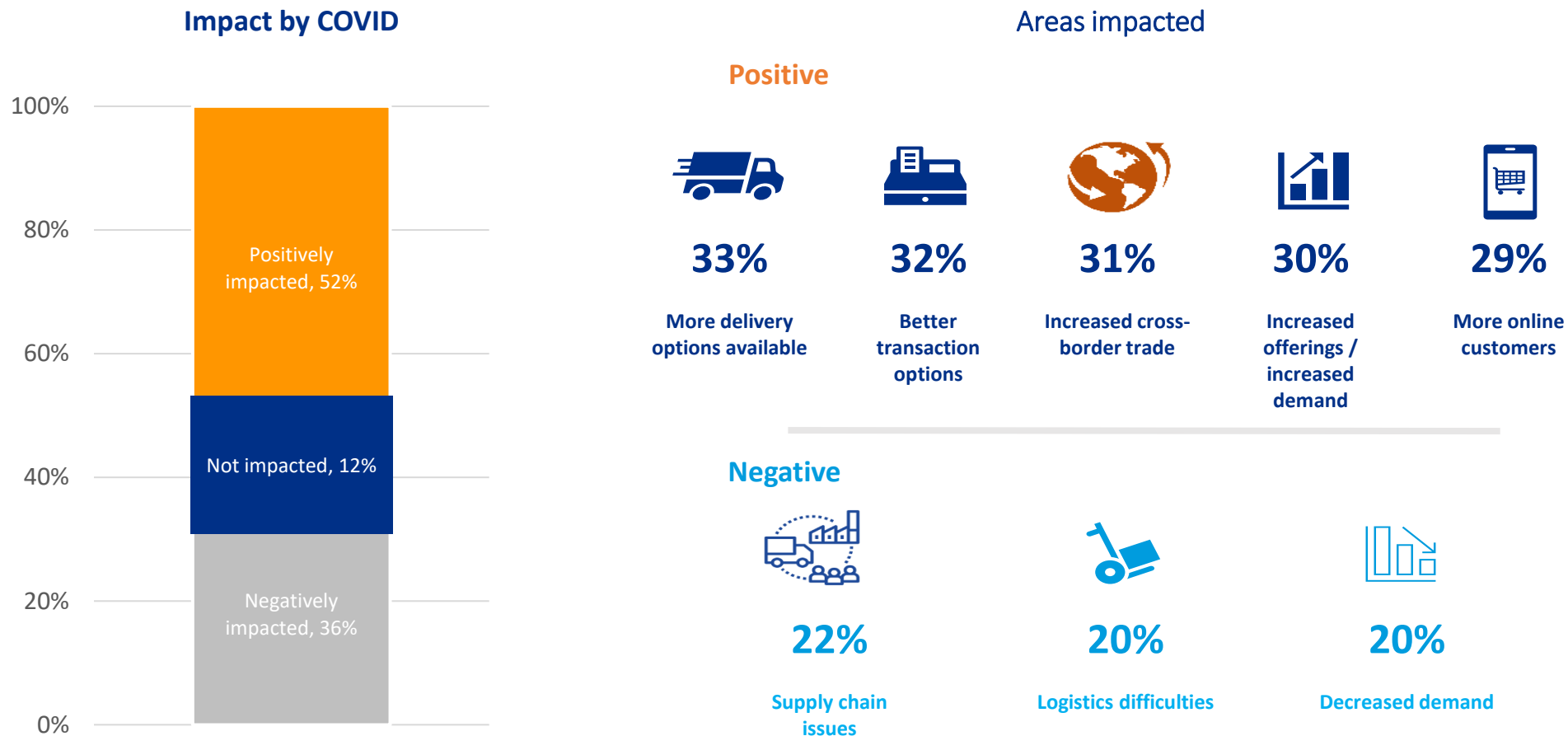
PayPal's MSME Digital Readiness Survey



Impact of COVID-19



More than half of MSMEs positively impacted by COVID-19



1 in 3 businesses benefited from better payment options and cross-border selling

A Digital Shift in Consumer Behaviour

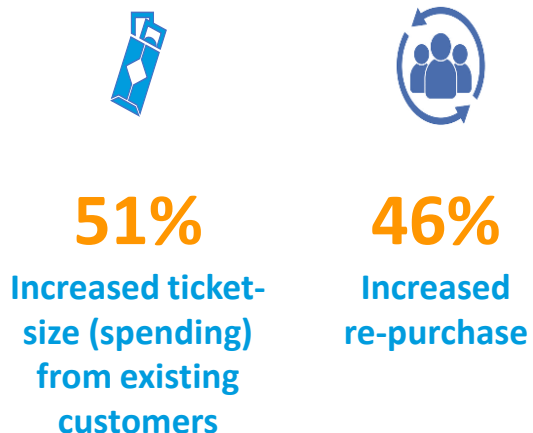


Online buying through various payment options on the rise among consumers

Changes in consumer behavior



Shift in online trade pattern



Ways to grow business during COVID

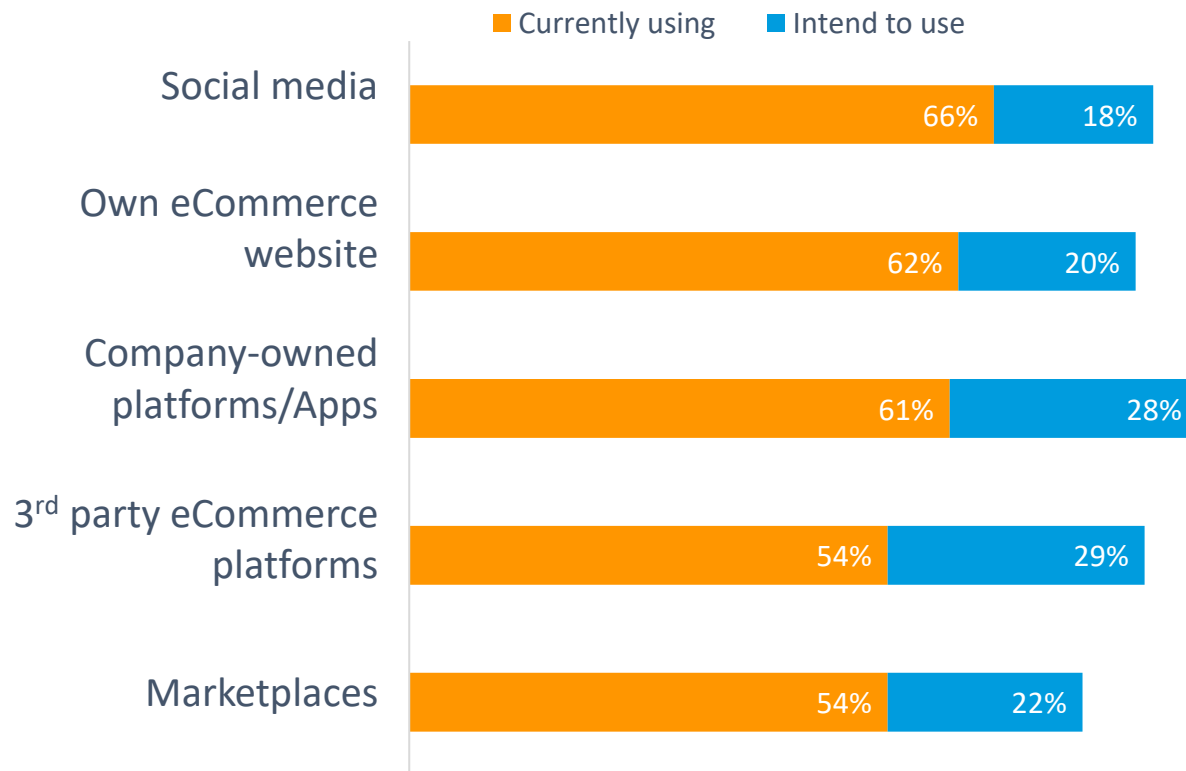


MSMEs Have Gone Online to Survive & Thrive



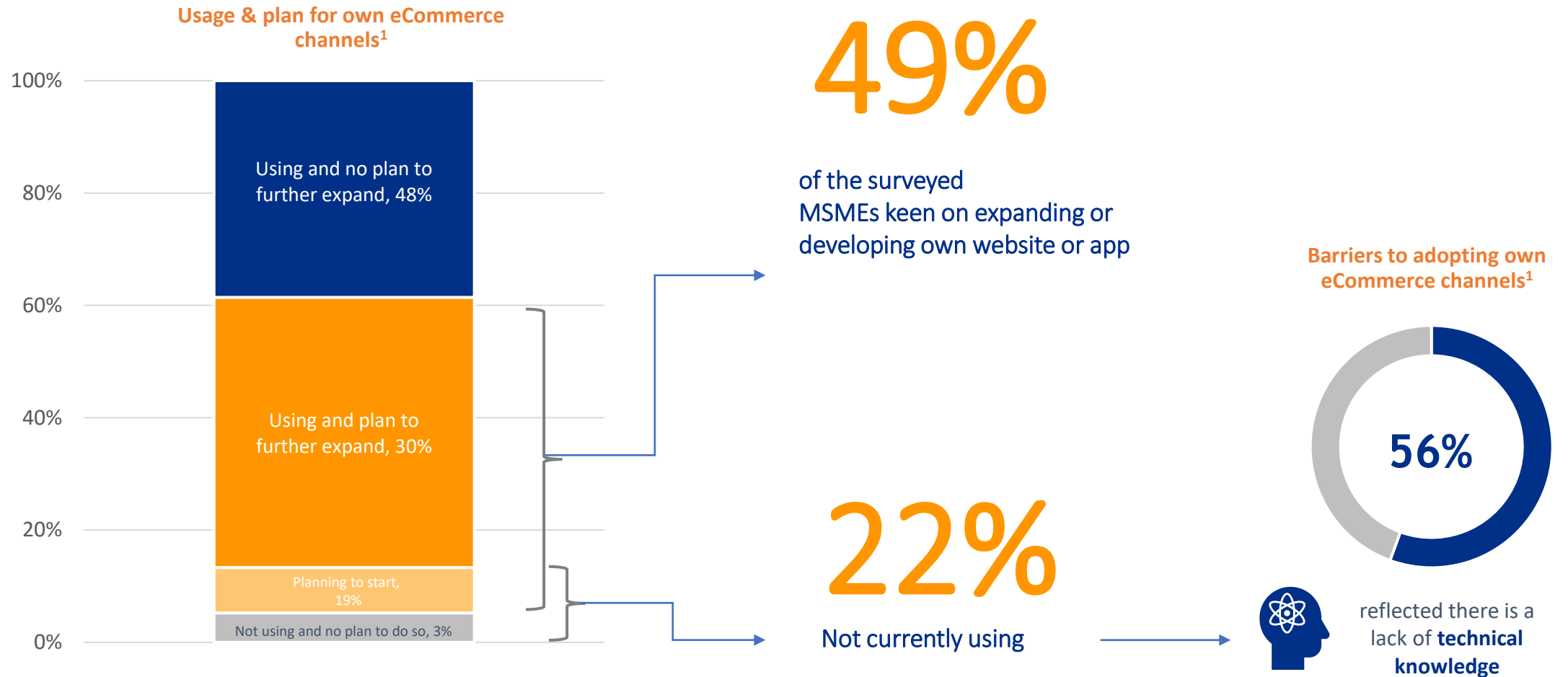
Social commerce picks up among Indian MSMEs; 2 in 3 use social media as a sales channel

Adoption of online selling channels

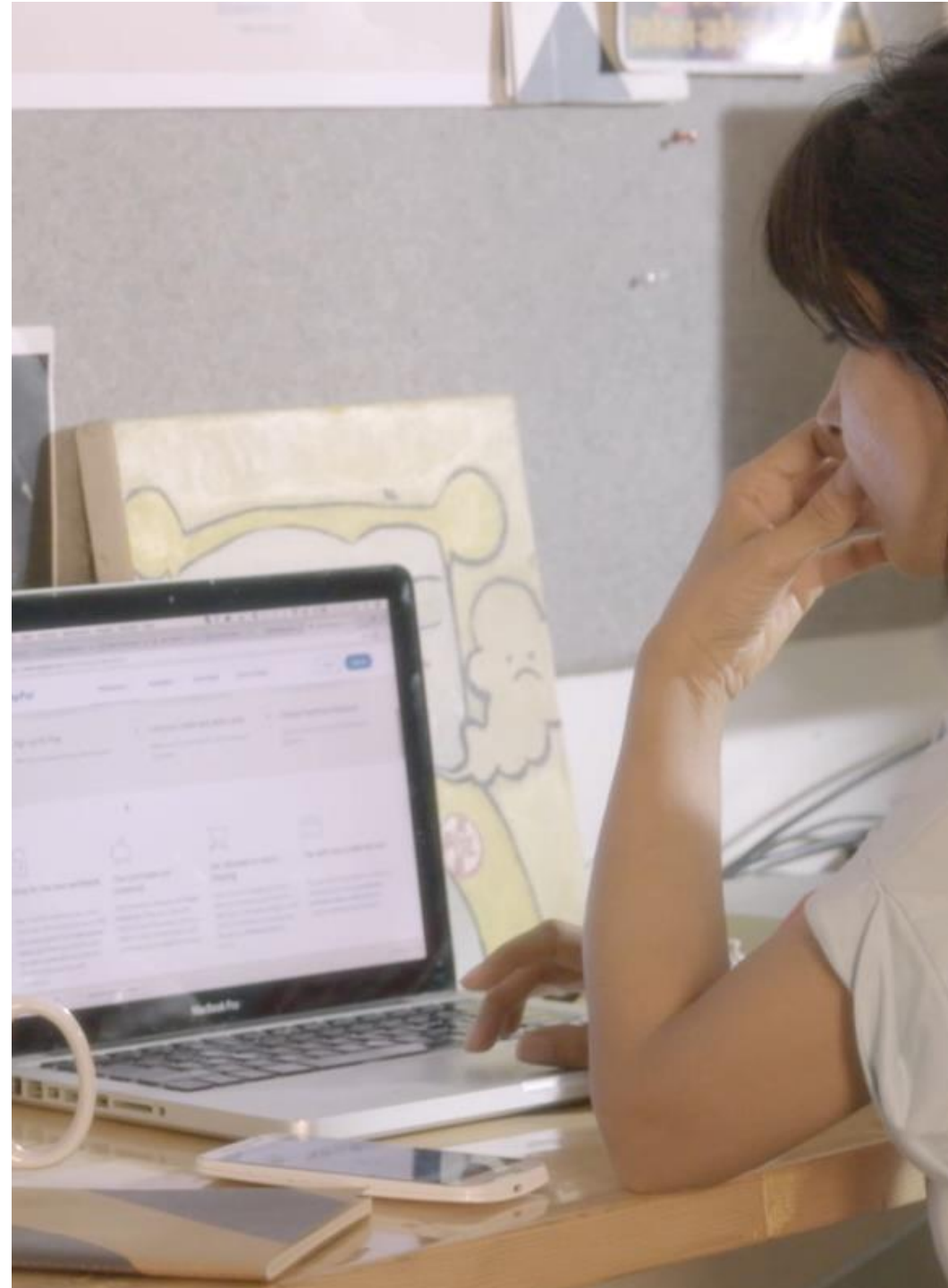


Social media is the top online selling channel for India's MSMEs, but the intention to leverage **own platforms like apps and 3rd party eCommerce platforms** are the highest

MSMEs seek to invest in their own eCommerce channels

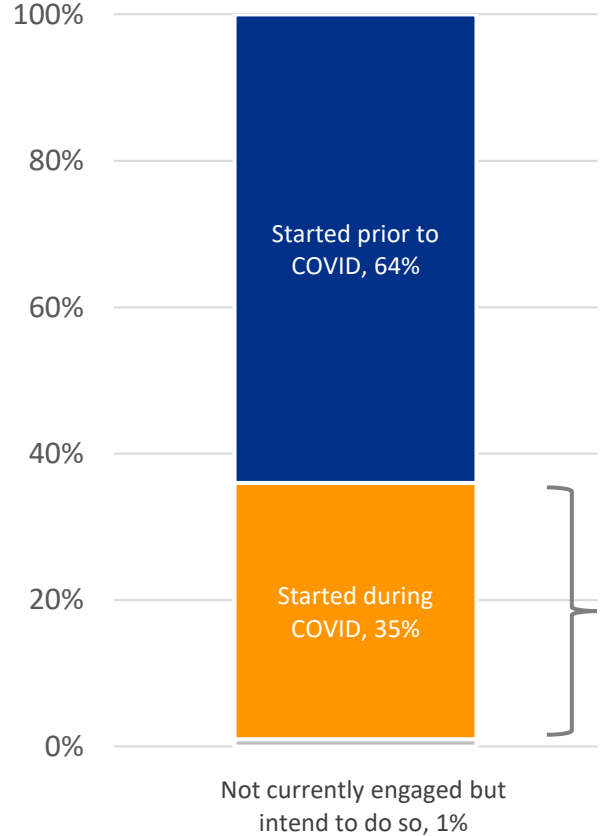


Cross-border trade helps MSMEs scale



Almost 9 in 10 businesses have grown through cross-border trade during the pandemic

Adoption of cross-border selling



3 in 10 businesses realized the global opportunity and began cross-border trade during COVID

86%
Reported an increment in CBT business during COVID with an average growth of **40%**

9 in 10 MSMEs say cross-border trade is a key area for business growth

Attitudes towards cross-border trade

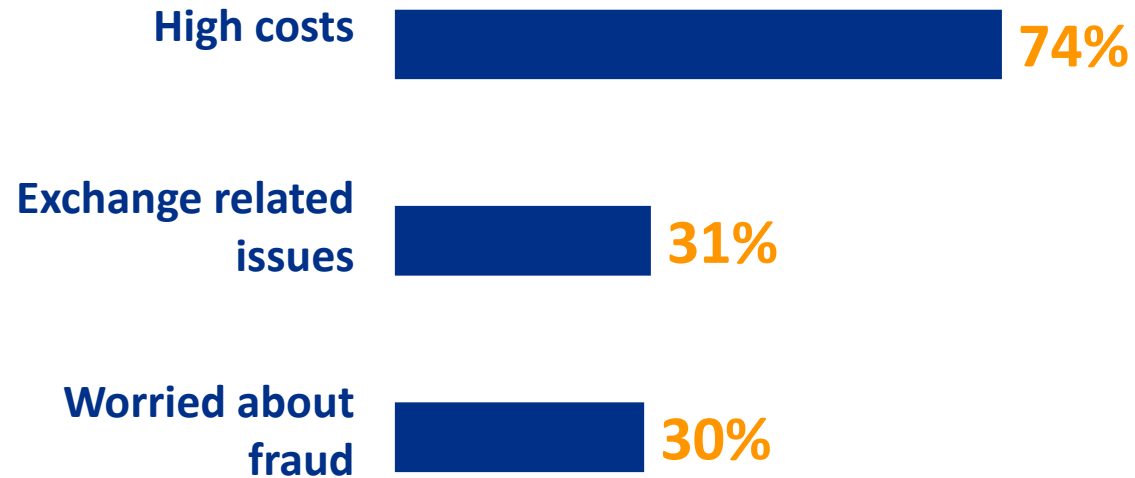
94%

MSMEs say cross-border trade can help **grow the business**

Expanding / exploring **cross-border trade is a priority** within the next 12-months for MSMEs

Cost, exchange issues and managing fraud are barriers to cross-border trade

Challenges to sell globally

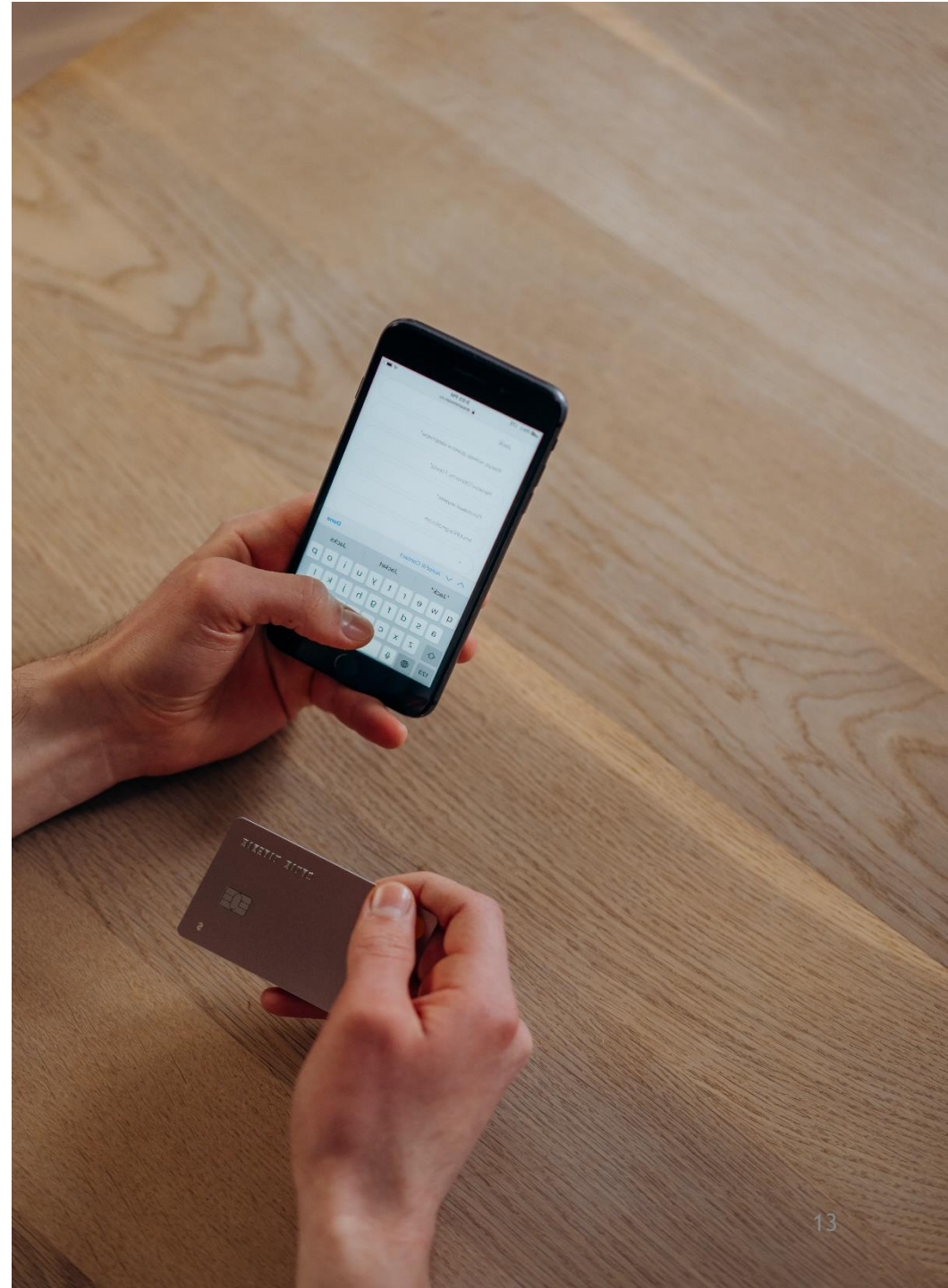


Preparation for cross-border trade

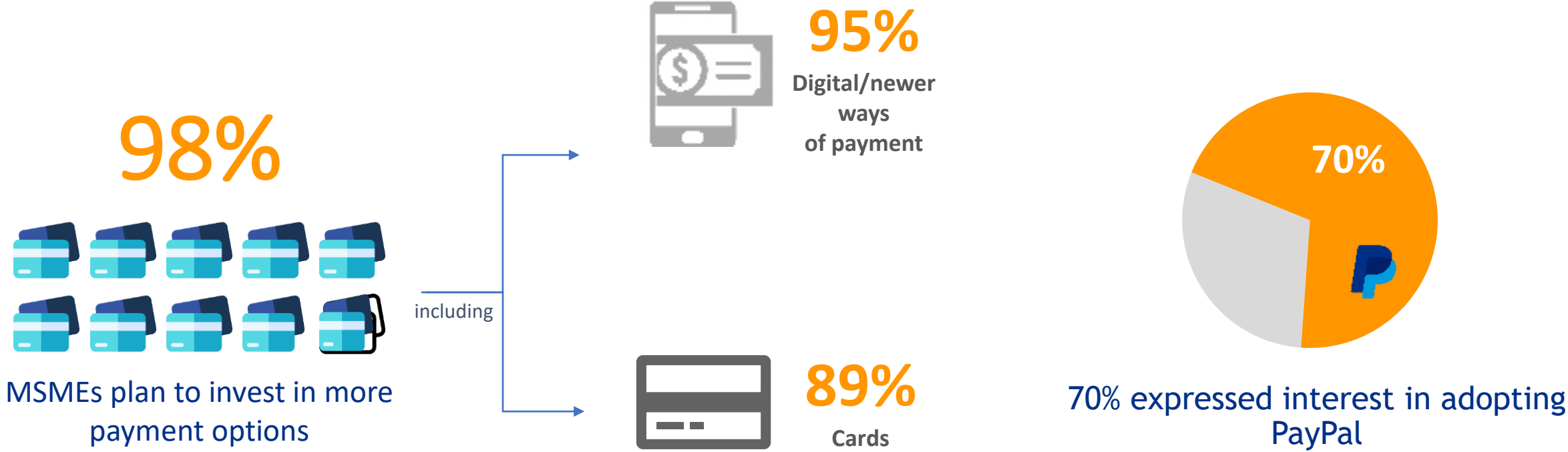


In order to sell cross-border, nearly half of the MSMEs surveyed are looking at building an omnichannel presence by partnering with a third-party online platform and would consider implementing a global payment system to help facilitate international sales

Building trust through payment platforms

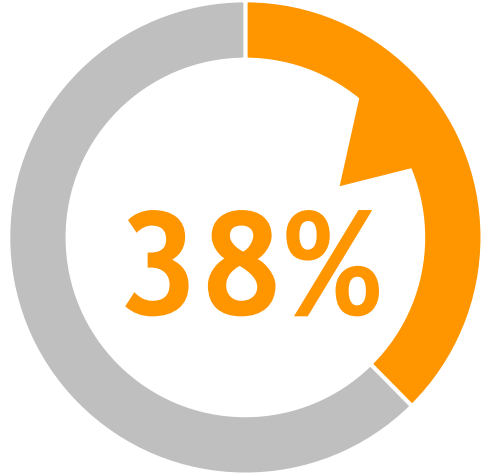


MSMEs to offer newer payment options; increase investments to build digital trust in their platform



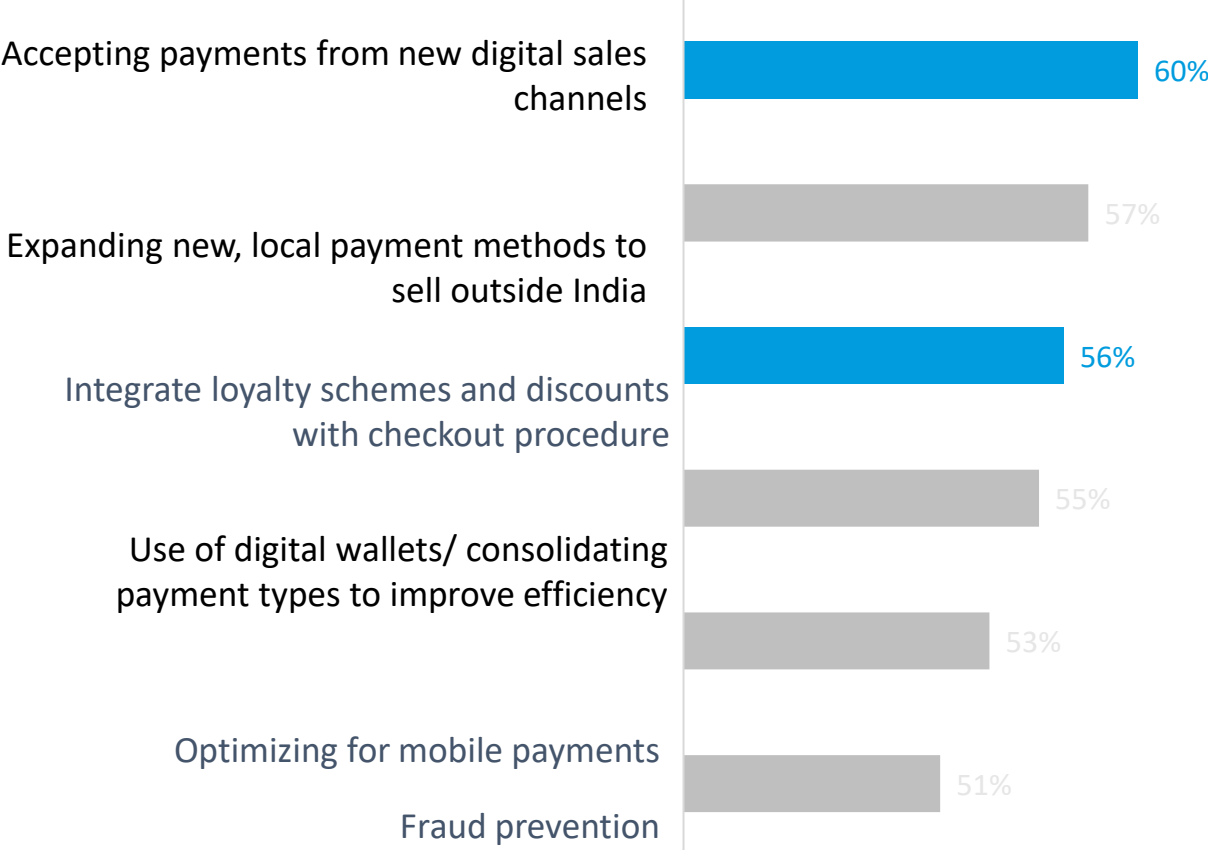
The real cost of online fraud is often borne by MSMEs who sell cross borders due to majority of consumers making payments through cards. Digital payment companies are verifying consumers and merchants through their risk-management capabilities to reduce fraudulent transactions and decrease impact on MSMEs

MSMEs to focus on enabling more payment options and a better check-out experience




are planning to invest in improving the **checkout and payment option / experience**

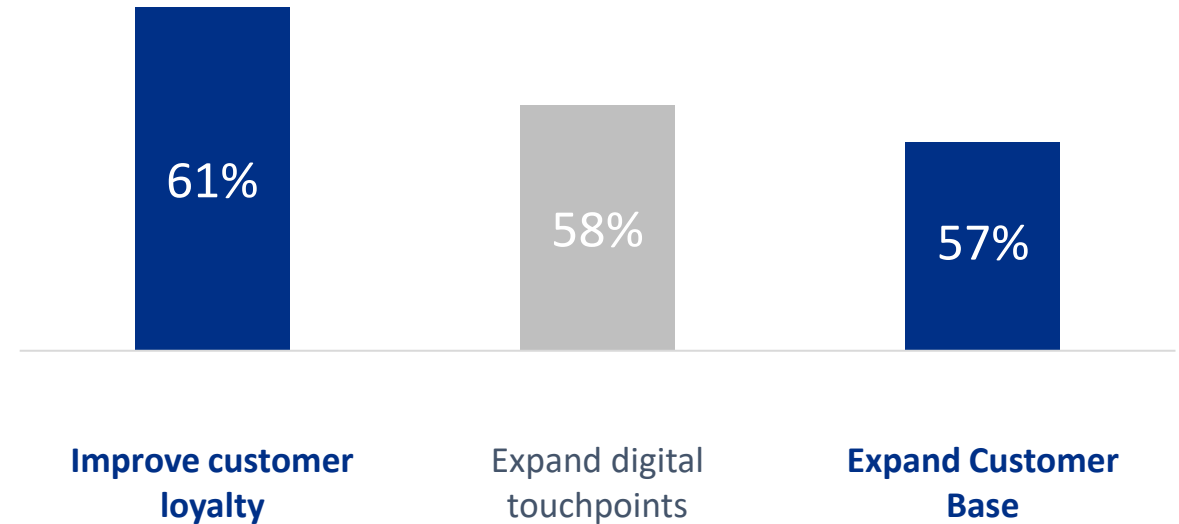
Objectives to improve the checkout and payment option / experience



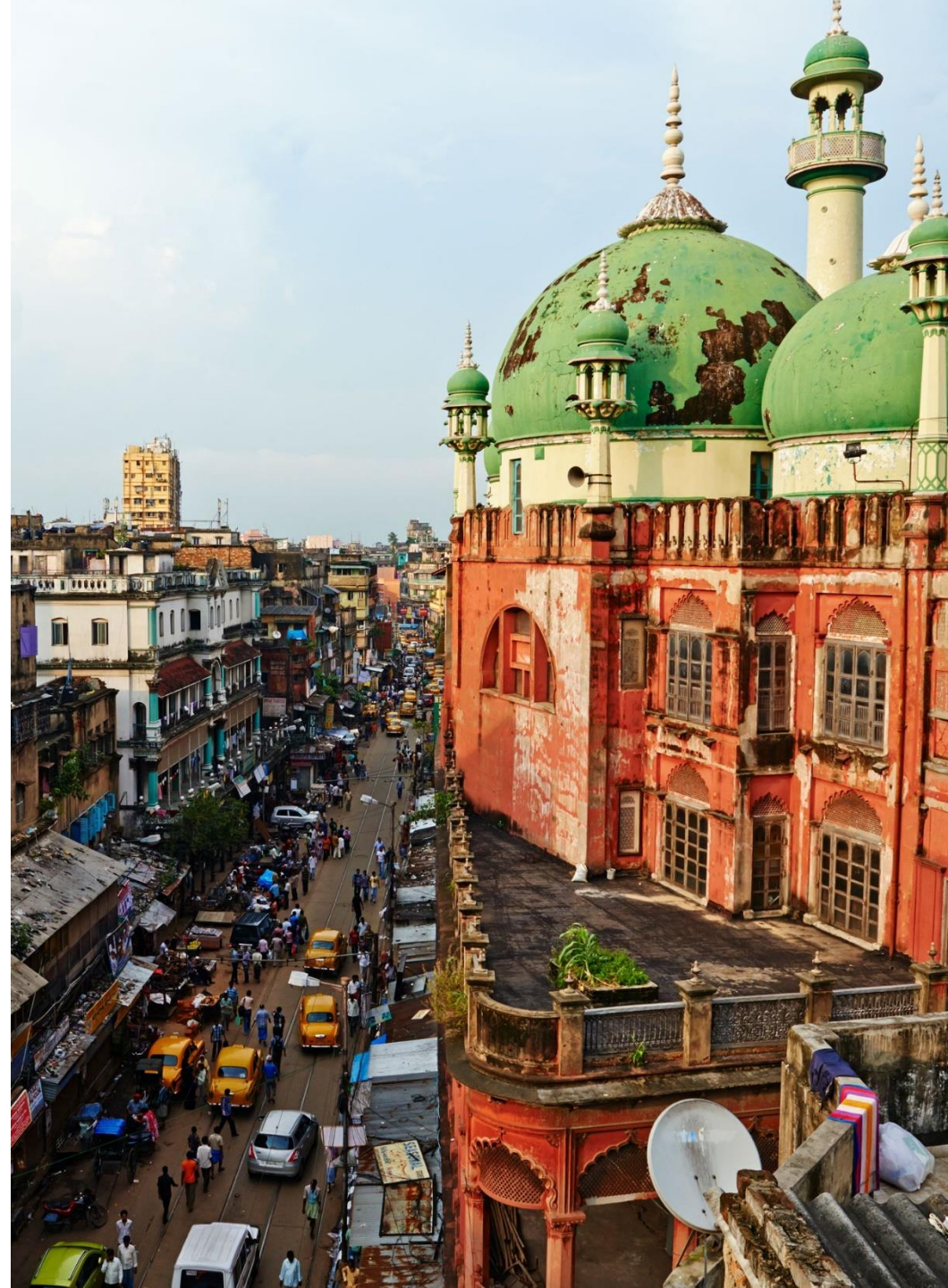
Half of the surveyed Indian MSMEs focus on technology adoption for better customer experience

49% 
are planning to invest in
**improving customer
experience**

Top 3 objectives to invest



Conclusion



Harnessing the right digital tools could spell success for MSMEs



Get online



Consider cross-border



Choose your digital channels



A seamless customer and check-out experience



Be social



Managing fraud

Research Methodology

Fieldwork



Online
survey

Fieldwork: 6th
October - 3rd
November 2021



Sample

250 Indian Micro, Small & Medium Enterprises (MSMEs) with an annual turnover of INR 5 to less than 250 Crore

Sample endorses a mix of industry, mainly comprising the Services (36%), Production (28%) and Retail & Hospitality (16%) sector



Thank you