

65 pc of MSMEs utilise some form of digital technology for daily operations: Survey

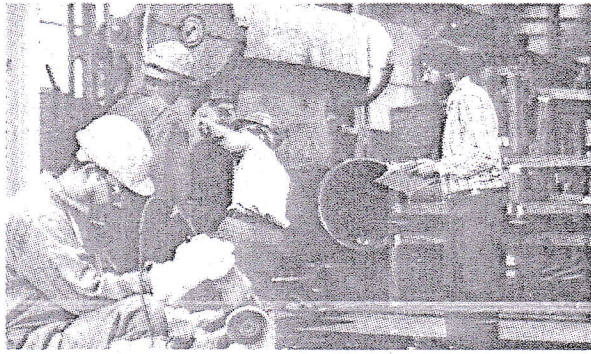
STATESMAN NEWS SERVICE
NEW DELHI, 26 JUNE

India's MSME sector is experiencing significant growth with a notable shift in small business owners' perspectives towards adopting technology in recent years, a recent survey said on Wednesday.

PayNearby in a survey revealed that over 65% of Micro, Small, and Medium Enterprises (MSMEs) utilise some form of digital technology for their daily operations. The report also emphasised that 68% of MSMEs acknowledged the growth and beneficial impact of adopting digital technology on both their businesses and personal lives.

The insight was shared as part of a detailed survey titled "MSME Digital Index 2024", a Pan-India report showcasing technology consumption by MSMEs at the last mile.

When asked about the positive impact of technology on their businesses, 31% indicated that it has enhanced business growth by improving operational efficiency, while 27% reported increased sales and income due to technology adoption. As for the main challenges in using technology for business operations, 36% cited resistance to adopting new technology,



and 18% struggled with the high costs associated with its implementation.

Interestingly, 52% favoured English as their preferred language for understanding technology and conducting business transactions, followed by Hindi at 21%.

In the financial services category, UPI at 43% and Aadhaar banking at 38% were the two most popular banking services used by MSMEs at the last mile. Additionally, WhatsApp and WhatsApp Business were collectively the most widely used messaging apps, with a usage rate of 97%.

In its second edition, the report was prepared based on a nationwide survey conducted by the company among 10,000+ MSMEs in the retail space (kirana stores, mobile recharge stores, medical stores, customer service

point (CSPs), travel agents, among others), recording their awareness of and patterns in tech consumption in their professional and personal lives.

According to the survey, 75% of small business owners aged 18-30 were the most digitally adept, with over 87% in this age group using smartphones for daily business operations and accessing digital content. They were closely followed by the age group of 31-40 years.

Notably, 36% of them cited that their monthly income is more than ₹15,000. The widespread adoption of smartphones highlights the internet's crucial role in bridging infrastructure gaps and promoting tech inclusion among MSMEs at the grassroots level.

Smartphones emerged as the most popular digital

device, preferred by 70% of users. Among the respondents, 68% reported using smartphones for business activities, consuming between 2GB to 5GB of internet daily.

Over 51% of these businesses spend less than ₹500 per month on internet usage. The Digital India mission and BharatNet initiative have accelerated internet penetration in rural areas, making it affordable and bridging the digital divide.

For internet access at work, approximately 66% used mobile hotspots, followed by Wi-Fi routers at 26%. Ethernet cables and dongles were used by only 5% and 3%, respectively. At home, 75% relied on mobile internet for connectivity.

The use of digital devices was primarily for work purposes, with 36% spending 4-6 hours on their phones.

However, when it came to leisure activities such as social media or online entertainment, the report noted that 66% spent less than 3 hours.

Among apps, YouTube emerged as the most preferred for both social media (41%), and entertainment (72%). Interestingly, 58% of respondents stated that they did not have any gaming apps installed on their phones.