

# Megatrends in the SME market

The SME landscape is continually evolving, meaning businesses face new challenges almost daily. To offer the best-in-class solution, it's crucial to address their growing challenges and needs.



99%

of all businesses in Europe are SMEs<sup>1</sup>

€15.4trn

estimated purchase value by SMEs<sup>2</sup>



Through our research we have pinpointed 6 key megatrends, offering insights on how Issuers can use these to enhance their propositions

## Digitalisation

68% of SMEs want to leverage digital channels where possible<sup>3</sup>

17%

of EU SMEs have effectively integrated digitally<sup>1</sup>

64%

say the process of moving to digital is challenging<sup>2</sup>

### Provide innovative, simple end-to-end digital processes

Here are 2 best practice examples



Simple card onboarding with instant virtual cards available



Scan receipts in app to help with expense management and accounting

## Sustainability

Increased concern around the protection of the environment



52% of SMEs look to save energy through sustainable sources<sup>2</sup>



41% of SMEs say sustainability is a high priority for the next year<sup>4</sup>

### Support SMEs with a greener approach

What can Issuers do to help?



Support sustainable purchasing choices



Show CO<sub>2</sub> impact on card transactions within spend categories

## Integrated services

Expectation for services to merge in order to support efficient processes, i.e., one stop shop

56%

of SMEs say one platform for operational services would be beneficial<sup>3</sup>

### Implement integrated solutions to become a one stop shop

Here are 2 best practice examples



Accounting software integration to auto synchronise transactions



Offer a platform to act as a financial service distributor e.g. e-Commerce, card acceptance, virtual payments

## Consumerisation

Services offered to SMEs increasingly mirror consumer proposition benefits



37% of SMEs have used personal credit cards for business expenses<sup>1</sup>



66% of SMEs don't feel the need to apply for a business credit card<sup>1</sup>

### Products beyond traditional financial services

What can Issuers do?



Offer value-added services tailored to SME segments



Offer at least the same level of benefits as consumer solutions

## Access to credit

Sustain growth with easy access to working capital

62%

of SMEs need faster access to cash to support their business<sup>3</sup>

38%

of SMEs would move banks if offered faster access to credit<sup>3</sup>

### Provide faster access to credit and variable terms

What can Issuers provide?



Fast and efficient process to complete business credit card application online



Implement APR based on risk profile and offer dynamic limits

## Transparency

Intuitive experiences and transparent features to avoid surprises

42%

of SMEs are likely to seek external financial advice, rather than going to their banks<sup>5</sup>

### Provide clear and accessible information

How can this be achieved?



Create bundled offering with simple pricing for greater visibility



Provide advice services to assist with legal, tax, bookkeeping etc.

## How Visa can help?

Visa helps you make the most out of the SME opportunity. Whether you need expertise to develop market-leading value propositions or comprehensive support on consulting, data, and marketing.

Visa offers business solutions designed to deliver on the ever-changing demands of SMEs. From business cards that support everyday spending needs, to value added services that enable you to enhance and tailor solutions for your customers.

1. Unleashing the full potential of European SMEs – European Commission, Mar 20

2. European SME market assessment – Visa, Apr 21

3. The five-step journey to SME banking transformation – EY, Jul 21

4. SMEs struggling to keep sustainability top of the agenda, survey finds – Edie, Jan 22

5. SME Finance Survey 2020 – Ipsos MORI, Mar 21