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The global growth of micro businesses

Micro and small businesses are the backbone of economies around the world. There are approximately 400m micro businesses globally, accounting for over 95% of firms and almost 70% of employment. The Covid-19 pandemic paved the way for a new wave of micros, but they're facing unique challenges compared to their slightly larger SME counterparts.
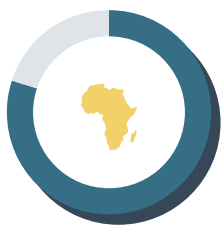
Micros make up a large proportion of businesses across the globe.
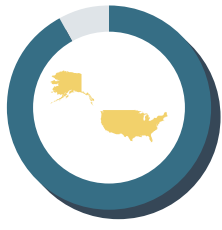
Approximately 92% of US businesses are micros
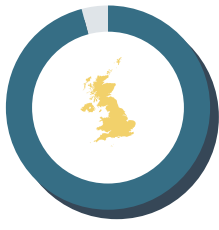
There were 5.7m micros in the UK in 2020, accounting for 96% of all businesses and 21% of the UK's turnover

Micros constitute 80% of Africa's enterprises

Micros make up 55% of Canadian business

547k
There were over 547,000 micro businesses founded in 2020 in France

2.2m
There are currently 2.2m micro businesses operating in Germany as of 2021

27.5m
South America boasts 27.5m micros across the region

For most micros, the challenges revolve around a lack of funding, a lack of resource and complicated, time-consuming processes

25 hours – the average amount of time micro and small business owners spend on a single application with traditional banks, compared to just 30 minutes or less with fintechs

68% of micro and small business owners surveyed claimed that digital features of business accounts aren't as innovative as consumer bank accounts

15 hours – average weekly time micros spend doing financial admin work and a third cite accounting as the most stressful part of running their business

$1.2tn – the overall funding gap for micro-SMEs in South America alone

Micro businesses are looking for cost-effective ways to take payments and interact with customers

While micro businesses have a strong appetite for digital, there is still a disconnect between businesses and their consumers when it comes to payments

60%
of entrepreneurs in LATAM ventured into online sales due to the pandemic, but will combine this online presence with their physical stores

The channels used most by entrepreneurs in LATAM to contact consumers are social networks (87%), followed by WhatsApp (84%), with 65% claiming the use of social networks are important for the strategic growth of their company
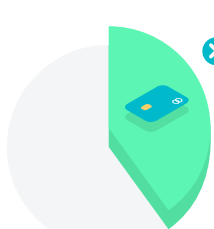
40% of the UK's micro businesses do not accept card payments
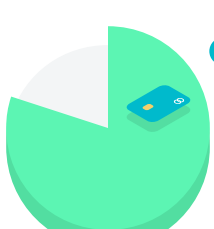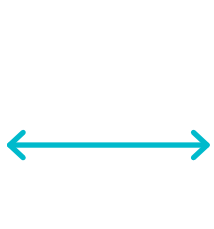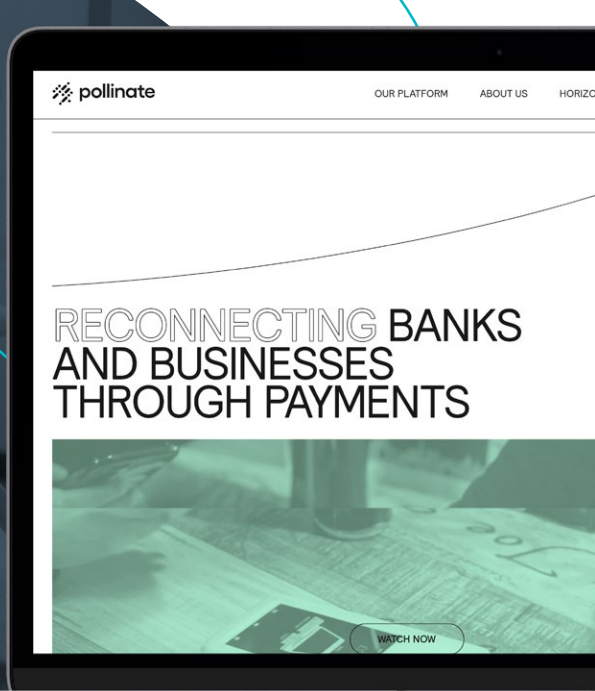
80% of consumers prefer card payments

Just 79% of micros, compared to 99% of SMEs say they can handle any form of digitised data such as financial records.

Banks could be the solution micros need

Like SMEs, the size of the micro audience can make them a valuable set of customers, if their needs are met appropriately. These needs can be different to SMEs audiences. To cater to micro businesses banks need to be able to compete on low cost acceptance payment options, the ability to connect and integrate business management tools to reduce business admin, and access to capital to fund and support the ongoing financial growth of these businesses.

Pollinate works with banks to leverage the value of data to deliver digital experiences that provide essential services, and easy to use tools for their merchants; allowing banks to fully support merchants of any size in building their business.

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RECONNECTING BANKS AND BUSINESSES THROUGH PAYMENTS

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