



France

Supporting SMB Growth: Unlocking Recovery through E-commerce



UPS, in partnership with Nathan Associates and Business France, surveyed 115 SMBs in France to better understand how national and international trade policy can best support SMBs to compete in the global online marketplace. 43 percent of the surveyed SMBs were women-owned. Below are some of the challenges, trends, and recommendations that emerged from this survey.

Ongoing Impacts of COVID-19

Government support measures prevented many SMBs from going bankrupt during the COVID-19-induced economic crisis. Some challenges still remained such as the impact of decreasing sales, supply chain disruptions, and other logistical issues. At the same time, however, France's e-commerce consumer market grew by 14 percent in 2021 and continues to grow in 2022. This year, the top four pandemic-related challenges identified by surveyed SMBs in 2021-2022 were:

- 1 Decreased in-person sales (82%)
- 2 Increased need for logistics support (75%)
- 3 Increased demand for home delivery (74%)
- 4 Increased need to offer new products and services (73%)



E-commerce Trends and Challenges

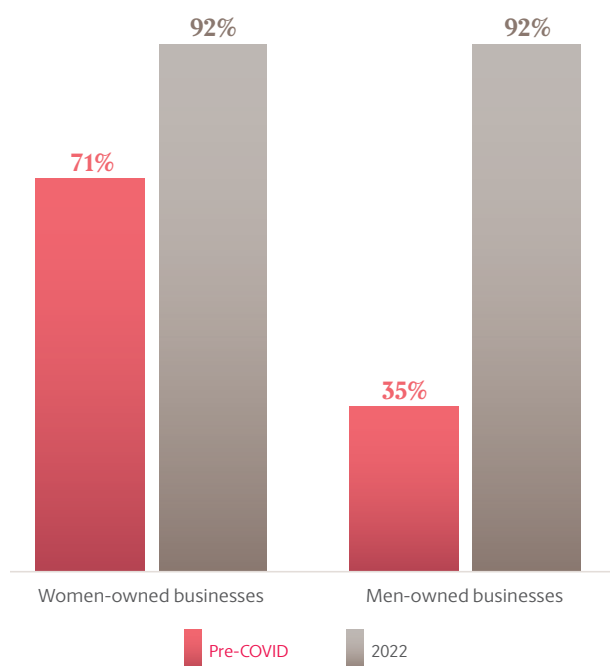
PRIMARY E-COMMERCE CHALLENGES IN 2022

- Access to information about how to run an e-commerce business
- Compliance with digital laws and regulations
- Cybersecurity and online safety
- Management of online sale platforms

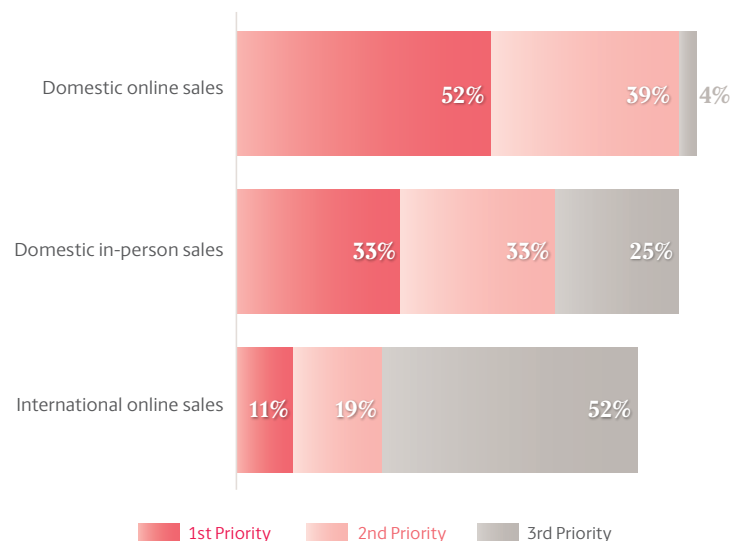
IS E-COMMERCE A PRIORITY?

For SMBs that are currently selling online, e-commerce is a priority area of growth for their business with domestic online sales as their highest priority. However, only 11 percent of SMBs ranked international online sales as their highest priority.

SMBs Selling Online from Pre-COVID to 2022



SMB Business Growth Goals for the Next Two Years



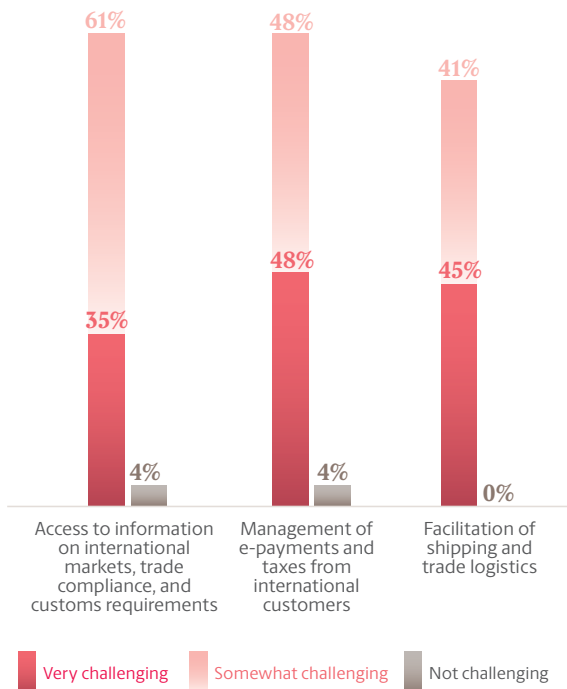


Export Trends and Challenges

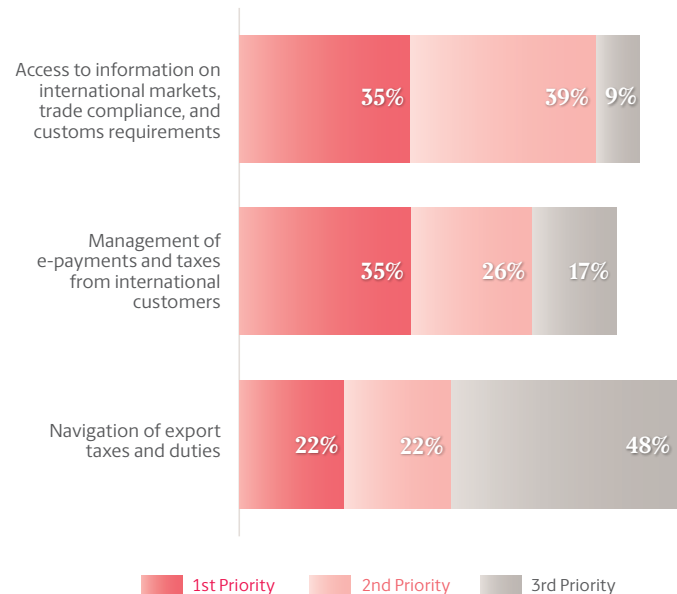
Of the small percentage (20%) of surveyed SMBs engaged in e-commerce exports, 39 percent said that exporting has gotten easier since the COVID-19 pandemic began. Top export challenges in 2022 were:

- Management of e-payments and taxes from international customers
- Access to information on international markets, trade compliance, and customs requirements
- Facilitation of shipping and trade logistics

Challenges to SMB E-commerce Exports



SMB Policy Intervention Priorities to Support E-commerce Exports



1st Priority 2nd Priority 3rd Priority



Policy Recommendations



Expand SMB Digitization Support.

Help with more comprehensive information about processes, laws and regulations, support, and financial incentives to help SMBs move into e-commerce.



Strengthen Digital Infrastructure. Encourage investments in digital infrastructure as well as a broad set of digital tools to address SMB concerns regarding challenges with cybersecurity and managing e-payments.



Develop a Data Governance Framework.

Continue to build a framework that focuses on protecting SMBs from cybersecurity threats.



Facilitate Trade. Support SMB trade with streamlined customs and taxes, including challenges accentuated by Brexit.



Boost Financing for SMBs. Pursue efforts to support SMBs financing encouraging more small businesses to take advantage of existing programs through awareness-raising initiative.