



# The Google Dividend: Measuring Digital Commerce's Contribution to India's Economic Future



## Executive summary (1/2)

India's e-commerce market is set to leap 3x to USD 250 billion by 2030

Digital adoption is driving measurable growth, with nearly 60% of MSMEs achieving double-digit revenue increases

MSME digital activity is generating INR 49,731 crore in economy-wide output

India's commerce ecosystem is entering a **phase of accelerated growth**, driven by expanding digital access, evolving consumer behavior, and a rapidly scaling seller ecosystem. Commerce has shifted from a linear, transaction-led model to an **always-on, discovery-driven journey powered by content, convenience, and seamless fulfilment**. This growth is increasingly led by **Bharat, with millions of new users from Tier II and beyond shaping demand patterns through vernacular, voice, and mobile-first engagement**. As shopper bases expand and per capita spending rises, the next phase of commerce expansion will be broader, deeper, and more inclusive, creating significant opportunities for businesses of all sizes.

MSMEs account for nearly **one-third of India's GDP, 35.4% of manufacturing output**, and employ over **328 million people**, yet remain constrained by structural gaps in visibility, access, and technology. Limited digital adoption continues to restrict their ability to scale and compete effectively. Our survey tells us that limited digital adoption continues to restrict their ability to scale and compete effectively.

The opportunity, however, is already becoming visible through early adoption. **66% of the surveyed MSMEs report expanded market access and 58% improved customer acquisition**, while **39% cite stronger ROI and revenue growth from digital channels**. Further benefits are emerging across scale and efficiency, with **24% gaining international visibility and 19% reporting productivity gains driven by AI adoption**.

At the same time, emerging capabilities such as **automation and data-led decision-making** are improving operational efficiency and enabling businesses to scale more effectively. As adoption deepens, further integration of intelligent tools will be critical in unlocking the next phase of productivity and competitiveness for MSMEs.

The digital transformation of MSMEs acts as a powerful catalyst for broader economic growth, thereby creating a measurable economic dividend. In 2025, digital advertising spends by MSMEs is estimated to have generated **~INR 49,731 crore in economy-wide output** and **over ~INR 32,307 crore in gross value added**, reflecting strong multiplier effect across sectors. This contribution is also visible in **public finances, with rising GST collections linked to such MSME digital activity**. As adoption expands, the cumulative impact is expected to **strengthen GDP growth**, support **formal job creation**, and enhance **overall economic productivity**. In this context, digitization is emerging as a systemic driver of India's economic expansion.

## Executive summary (2/2)

**Google enables 16 million+ businesses to be discovered and empowers 23 million+ merchants to transact digitally**

Google's platforms including Google Business Profile (GBP), Google Merchant Centre (GMC), Google Pay (Gpay) are enabling MSMEs to participate in India's evolving commerce ecosystem by addressing core structural barriers across **visibility, access, and cost efficiency**. Google connects MSMEs with high-intent consumers by making them discoverable across Search, Maps, Shopping, YouTube, and other key surfaces where customers search. Its ecosystem also improves both performance and reach, with **analytics tools delivering 23% higher conversions and 10% lower cost per conversion**. Multilingual capabilities across **10+ Indian languages** and **real-time translation in 100+ languages** further expand digital access across Bharat.

The impact is evident in business growth, with **41% of surveyed MSMEs reporting improved local discovery**, while **58% leveraging search-led channels** to capture high-intent demand and scale customer acquisition. This is complemented by stronger efficiency outcomes, with **43% of businesses reporting a reduction in customer acquisition costs**, alongside robust returns where a **majority achieve 2-3x gains** and top performers reach up to **5x on ad spend**.

Additionally, at least **one in three MSME businesses** reported **receiving international enquiries** while **10%** are already **accessing international markets** via digital platforms thus highlighting their ability to move beyond geographic constraints. Digital discovery is increasingly translating into real-world outcomes, with online visibility driving store visits and omnichannel integration through blended formats positioned to see **10-15% revenue uplift**, turning **digital presence into a direct pipeline for offline growth**.

**AI can unlock up to 30-35% improvement in profitability for businesses**

Beyond traditional digitization, **AI-led transformation** will shape the next phase of commerce across both customer journeys and business operations, enabling precise targeting, faster decisions, and greater efficiency at scale. Early momentum is evident, with **34% of surveyed MSMEs already using AI for content generation** and **26% leveraging automation tools**, though significant headroom remains. As these capabilities scale, AI will become a **core growth and efficiency engine**, driving higher conversions, optimizing costs, and strengthening MSME competitiveness in a dynamic digital landscape. **Agentic commerce** is also emerging as the **next growth frontier**, enabling businesses to scale personalized experiences, optimize operations in real time, and drive end-to-end automation. AI assistants such as **Gemini** are steadily becoming an important enabler for SMBs, supporting **content creation, business planning, and decision-making** with fewer resource constraints.

**MSMEs will need to embed AI capabilities to drive the next phase of growth**

Despite growing adoption, significant constraints remain, with **75% of MSMEs facing skill gaps**, **60% citing budget limitations**, and **nearly half struggling with organizational readiness (48%)**, while **50% report difficulty in measuring AI impact and ROI**. Unlocking growth will require a structured **three-phase progression**: starting with **culture and mindset adoption** to drive behavioral shift and upskilling, followed by **foundation and smart diagnostics** to streamline workflows and embed data-led decision-making, culminating in **advanced AI acceleration** to enable predictive growth, scale automation, and intelligent operations. Scaling this roadmap will help MSMEs evolve from basic digital presence to fully integrated, AI-enabled businesses capable of sustained, competitive growth.

## Reference

The report is contextually inspired by [The \\$250 Billion Commerce Frontier: How Inspired, Immersive, Instant, and Intelligent forces are fueling the next wave of growth](#) (2026)

The research leverages secondary analysis, Google internal data, primary survey conducted by ISF, and industry sources to shed light on the criticality of digitizing MSMEs, and how Google is helping in this journey.

## Notes on the Survey & Macroeconomic Impact

### Survey:

- The primary data analysis presented in this report is based on a **survey of 3,249 MSMEs** conducted by the India SME Forum (ISF) in June 2026
- The respondent base is **predominantly composed of micro enterprises (72%), followed by small (24%) and medium businesses (4%)**
- Geographically, the sample captures a strong Bharat-centric distribution, **with Tier 2 (30%) and Tier 3 (24%) markets together accounting for more than half of respondents, alongside metro (26%) and Tier 1 (14%) representation, ensuring broad coverage across urban and emerging economic centers**
- In terms of business maturity, **nearly half of the respondents (49%) have been operational for 3-10 years, indicating an established but growth-oriented cohort, while 18% are early-stage businesses and 33% are long-standing enterprises (more than 10 years)**
- The respondent base spans a diverse mix of sectors, led by **manufacturing (44%) and services (32%), followed by trading (12%), and e-commerce and education (6% each)**

### Macro analysis:

- Total output and value-added impact have been estimated by applying the **Digital Economy Total Output (Computer and ICT services)** as well as **value-added multiplier** from the [Reserve Bank of India \(RBI\) December 2022 bulletin](#) to 'SME and long-tail ad spend' category as reported in the [FICCI Media & Entertainment Report 2025](#)
- Fiscal impact has been estimated using an 18% GST rate applied to **tax-inclusive SME and long-tail digital advertising expenditure** reported in the FICCI Media & Entertainment Report 2025

### Notes on the report

- In this report, micro, small and medium enterprises (MSMEs) have been defined as: Micro (investment up to INR 2.5 crore, turnover up to INR 10 crore), Small (investment up to INR 25 crore, turnover up to INR 100 crore), and Medium (investment up to INR 125 crore, turnover up to INR 500 crore) (revised classification effective from April 1, 2025 (DPIIT definition). 'SMBs' or small businesses have also been used interchangeably with 'MSMEs'
- Images have been generated using AI (Gemini or Notebook LM) unless otherwise specified

Technical inputs for the study were received from Deloitte Touche Tohmatsu India LLP

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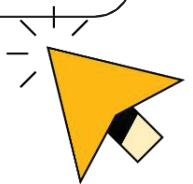
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# 01

## India's commerce market: now, and by 2030



# The Indian shopping landscape is changing rapidly, calling for businesses to re-think their **digital strategy**

## New trends in Indian commerce: Scale, Spread..



### Explosive market growth & expansion

- E-retail projected to **triple to USD 250 billion** by 2030
- Strong growth driven by **23% CAGR**
- Per capita **digital commerce spend expected to double**

Overall, the digital commerce market is entering a hyper growth phase, expanding both in **value and depth of consumption**



### Growth is being driven by non-metro India

- **110 million** new online Bharat shoppers added
- **Tier-II towns are contributing to 60%+** of India's online shoppers
- **19,000+ pin codes** are now serviceable

Digital commerce is now becoming more inclusive as **'Bharat' represents the India beyond Tier-I cities**

Source: Google Deloitte Future of Commerce Report

Note: CAGR = Compounded annual growth rate, YoY = Year on year

## ..Speed, Newer Shifts and New Systems..



### Rise of convenience and speed

- 2.5x growth in quick commerce
- Increasing expectations of instant fulfillment

### Shifts to newer engagement models

- Shift to **continuous discovery → validation → instant gratification**, meaning shopping is now fluid, **always-on and non-linear**

Online commerce is now:

- **Content-led:** 2 million+ hours/year spent on video commerce
- **Voice enabled:** +270% YoY growth in voice search
- **Vernacular-first:** 30% of new shoppers are using vernacular languages to search online



### Newer consumer pool & systems

- **39% shoppers are GenZs**, demanding hyper-personalized and digital-first experiences

# The future of Indian commerce is going to be driven by four forms: Inspired, immersive, instant and intelligent

Consumer needs

New inspirations and discoveries



Meaningful interactive experiences



Maximum speed and convenience



Smarter purchasing choices



Four forces

Inspired commerce

Immersive commerce

Instant commerce

Intelligent commerce

How the four forces will power commerce growth by 2030<sup>1</sup>

By 2030, creators will spur **50-60 million** new Bharat users to shop online, accounting for approximately **10%** of e-commerce GMV

Immersive commerce will drive a **20% increase in revenue** by optimizing the customer experience, creating immersive, interactive touchpoints and embedding omnichannel journeys

Instant commerce is poised to leap **6x**, mainly through scaled quick commerce in Bharat, the rise of specialist quick commerce players, and the integration of hybrid retail models

Intelligent commerce sees retailers leveraging AI in two distinct ways: to reshape shopper journeys and to optimize backend operations, potentially boosting profitability by **30-35%**



**77%** of Tier-1 and Tier-2 shoppers have made impulse purchases based on creator content

**44%** of shoppers who have tried AR/VR try-on tools have increased their online purchases

**44%** of shoppers bought instantly after discovering a product via quick commerce platforms.

**17%** of Indian shoppers now use Gen AI tools to uncover new and relevant products

Source: Google Deloitte Future of Commerce Report

Note: GMV = Gross merchandise value, AR/VR = Augmented reality/Virtual reality

## What does this mean for **India's businesses**?

150 million online shoppers will be added to the customer pool – this is a big window of opportunity for businesses to digitize meaningfully

**Tier-II/ Tier-III**  
penetration becomes critical for businesses of all scales

**Vernacular**  
and newer forms of engagement models can unlock massive growth

- Number of online shoppers from **Tier II+ cities** will likely be **2x that of Metro & Tier 1 cities**
- **31% of India 2<sup>1</sup> shoppers** prefer **vernacular language assistance**

**AI-powered**  
personalization and discovery are core differentiators

**Enterprise workflows**  
also need to integrate with AI to drive better profitability

- Such AI-powered engagement models can strengthen conversions and drive higher spends
- By 2030, **retail operations will save costs through AI-powered workflows**, contributing two thirds of overall profitability improvement

**Omnichannel**  
and immersive experiences are no longer optional

**D2C + influencer**  
Partnerships can unlock growth without massive ad spends

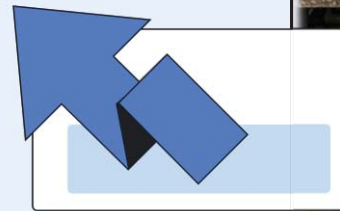
- Businesses need to invest in **live commerce integration, product visualization and creator-led storytelling**
- Businesses need to **prioritize D2C channels and micro collaborations to lower CAC**

Source: Google-Deloitte Future of Commerce Report

Note: D2C = Direct to consumer, CAC = Customer acquisition cost ; 1. India 2: The aspirational segment (NCCS A2 (with HHI below INR 7.2 Lacs) refined by moderate spending on key categories, generally Smartphones (<= INR 20k) and Durables (<= INR 35k), marking the core middle-class consumer

# 02

## MSMEs: The backbone of India's commerce



## MSMEs form a central part of India's commerce ecosystem

India's 80 million+ MSMEs are making significant economic impact<sup>1</sup> ...

**~1 out of every 3 Rupees**

generated in the Indian economy comes from a micro, small, and medium enterprise<sup>2</sup>

**30.1%**

share in the country's Gross Value Added (GVA) in 2022-23<sup>3</sup>

**213.67% increase**

in exports by MSMEs in India between 2020 to 2025<sup>3</sup>

... and stand as critical contributors to Bharat's growth story

### Gross Value Addition opportunity

**35.4%** of the national manufacturing output is from MSMEs<sup>1</sup>



With India contributing to only ~2.9% of the global manufacturing GVA, **MSMEs can boost India's GVA<sup>1</sup>**

### Employment multiplier

- Currently, **~74.7 million small enterprises employ 328.2 million Indians**, becoming the second largest employing sector of India<sup>1</sup>
- If MSMEs' productivity increases, and the sector hires more people, it has a **multiplier effect** on the Indian economic output

### Export potential

- MSMEs already **contribute to 48.5% of India's exports** currently<sup>1</sup>
- Further, there is an **untapped USD 300 billion export opportunity** awaiting India's MSMEs if their roadblocks are addressed effectively<sup>4</sup>

Source: 1. Registered MSMEs as of 3<sup>rd</sup> July 2026, [updated on MSME Dashboard](#) 2. [Economic Survey 2025-26](#) 2. Deloitte analysis 3. [PIB](#) 4. [India SME Forum: Navigating Global Markets](#) (2024)

Note: GDP = Gross Domestic Product, GVA = Gross Value Added, 1. MSME classification per the Government of India's revised criteria (effective 1<sup>st</sup> April 2025): Micro – Turnover < 10 cr, Small – Turnover < 100 cr, Medium – Turnover < 500 cr. ([PIB](#))

## To unlock the Indian MSME's business potential, **digitization<sup>A</sup>** is critical

Digitized MSMEs can see up to 21-30% direct sales increase owing to adoption of digital tools<sup>1</sup>

### Key Performance Areas: Digitization of MSMEs

-  **Revenue multiplier** as digital tools appear more effective compared to traditional business tools<sup>3</sup>
-  **Increased market access** as **customer acquisition** becomes easier, and **market expansion** within and outside India becomes more effective
-  Higher returns from spends as tools like digital ads help **accurate targeting, better customer engagement and higher conversion rates**
-  Clearer **business insights** and **decision-making** analytics

**69%** of digitally active SMEs reported a minimum of 10% growth rate in customer adoption<sup>1</sup>

- With **data from online analytics**, small businesses also have better ideas on **what works and what does not**
- Digital adoption can increase MSME productivity by 30% and improve profitability by an average of 35%<sup>4</sup>



### Did you know

India's MSMEs currently operate at **18% of large firm efficiency** vs **45-70% in OECD peers**, driven by credit and technology gaps<sup>1</sup>

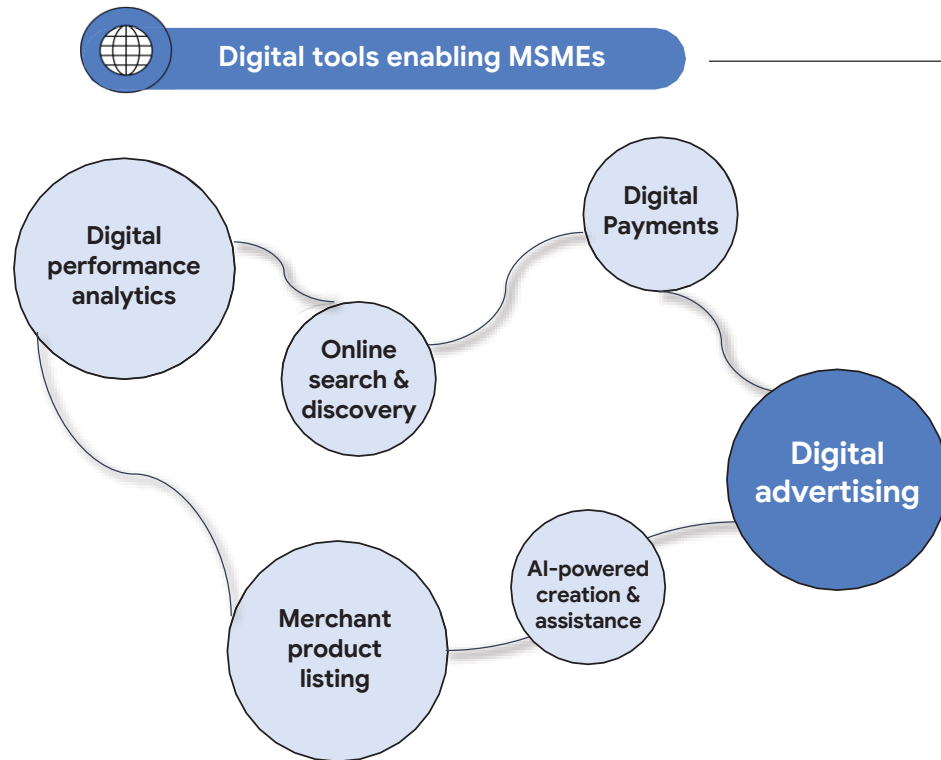
**57%** small businesses reported having **DOUBLED** or **TRIPLED** their revenue since using online advertising<sup>2</sup>

- Additionally, digitally active MSMEs **grow 2-2.5 times** faster than their offline peers<sup>1</sup>
- Evidence from another primary survey of MSMEs suggests that **deeper digitalisation** is associated with measurable business gains, with **every 10% increase in digital adoption** linked to **~1.6% higher enterprise growth**<sup>5</sup>
- Survey findings indicate that digitally connected MSMEs report nearly **50% higher labour productivity** than offline enterprises<sup>5</sup>



Source: 1. [India SME Forum 2025](#) (7,835 MSMEs surveyed) 2. [Primus IFC Report 2025](#) (1,000 SMBs surveyed) 3. Digital tools here refers to online advertising & usage of AI-enabled analytics 4. [Digital Economy transformation and ITS Impact on MSME Productivity – IJEC Research Gate, 2026](#) 5. [MSME Digitalisation in India \(RIS\)](#) Notes: A. By digitization, this report implies usage of online commerce tools like e-commerce, online ads, business analytics, AI, productivity tools; Note: OECD = Organisation for Economic Co-operation and Development, SME = Small-Medium Enterprise

# Use of digital tools by MSMEs also has spillover **macroeconomic effects**: Advertising offers a **clear, measurable lens**



The macroeconomic impact of the usage of such tools creates significant economic potential<sup>1</sup>

**1-1.5%** addition to annual GDP growth      **30-40 million** formal job creation

Recognizing the broader potential of the digital ecosystem, this section **focuses on digital advertising** as a clear, measurable lens to quantify the **economic impact of digital spending**



**Did you know**

**1.23 million jobs** were supported by businesses' use of Google's products and services in 2022 including Google Search, Google Ads, Google AdSense and Google Cloud<sup>3</sup>



Google's advertising-supported YouTube ecosystem has contributed **INR 21,000 crore+** to India's creator economy over the **past three years** alone<sup>2</sup>

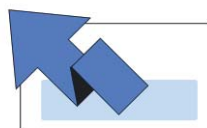
Source: 1. [ISF December 2025 report](#); If India succeeds in moving the middle 40-50% into the Digital Leader trajectory by 2030 2. Powering growth through [YouTube in 2024](#) and beyond 3. [Economic Impact Report](#)

## MSME digital ad spending is already emerging as a **scalable engine of economic output, value creation, and tax revenue**

### Economic Impact

**INR 49,731 crore**

in **estimated economy-wide output** associated with MSME digital advertising activity, reflecting broader economic activity generated across sectors through business spending on digital channels<sup>1</sup>

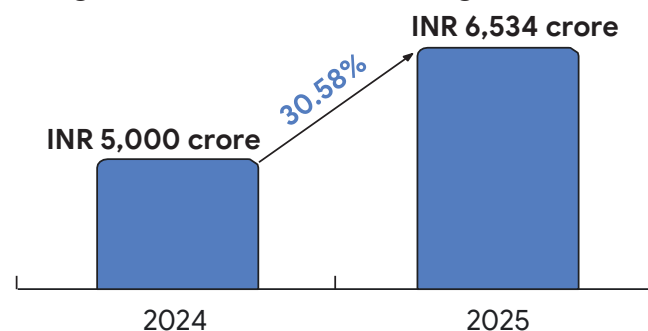


**INR 32,307 crore**

in **estimated Gross Value Added**, representing the net economic value created across the economy through MSME digital advertising activity after accounting for intermediate consumption<sup>2</sup>

### Fiscal contribution impact

YoY growth in GST revenue generation<sup>3</sup>



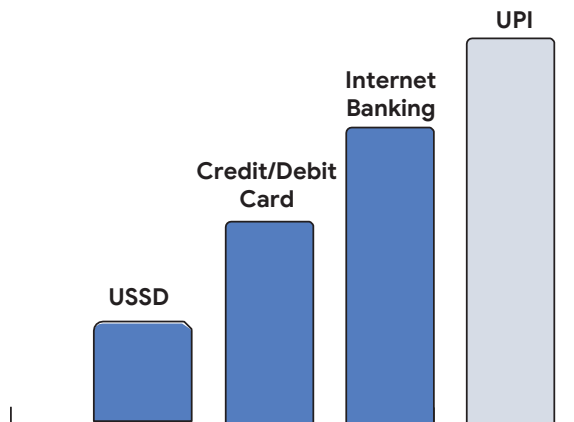
### Fiscal contribution impact

Beyond supporting business growth, MSME digital advertising activity is contributing to public finances, with estimated GST collections rising by **over two-thirds** in just **two years** to reach **INR 6,534 crore** in 2025<sup>4</sup>

Source/Note: 1,2. Estimated by applying the [Digital economy Total Output \(Computer and ICT services\) and Value added multiplier as published in the Dec 2022 RBI bulletin](#) (1.37, 0.89) to 'SME and long-tail ad spend' category as reported in the [FICCI Media & Entertainment Report 2025](#). 3. Estimated using an 18% GST rate applied to tax-inclusive SME and long-tail digital advertising expenditure reported in the [FICCI Media & Entertainment Report 2025](#). 4. [FICCI Media & Entertainment Report 2025](#); GoI = Government of India, GVA = Gross value added, GST = Goods & service tax

# Amongst all digital tools, digital payments, especially, help small businesses by accelerating financial inclusion

In a 2025 survey, **87% of MSMEs** in India confirmed the usage of **digital modes** to receive and make payments<sup>1</sup>



The same survey reported that **Unified Payment Interface (UPI)** has been the most preferred mode for digital payment transactions



**Access to better credit.** Digital footprints **enhance GST compliance** and **borrower credibility**, bridging the MSME credit gap by expanding access to **institutional financing**. Payment aggregators and fintechs are offering ‘**sachet-sized**’ merchant loans using UPI transaction data, further expanding credit access<sup>2</sup>. A 2025 study reported districts with high UPI volume growth (>100%) **showed a strong positive correlation with business loan growth**, recording a 4.2x higher CAGR in business loans compared to districts with modest UPI growth<sup>3</sup>.



**Improved capital management.** With **reduced manual bookkeeping**, instant payments help small businesses with easier digital payouts, making cash flow management more real-time. MSMEs using digital payments benefit from faster working-capital cycles, with retail businesses reporting a 15-20% improvement<sup>2</sup> in capital turnover compared with cash-heavy peers.



**Market expansion.** Digital payments have also helped MSMEs get **better access to online shopping platforms** including the ONDC and e-commerce websites, thereby snowballing into better customer base and improved revenue



**Improved trust and transparency.** Shifting to UPI has also helped small businesses **significantly reduce cash pilferage**. In a recent survey, UPI accepting reported a reduction of around 30% in cash management costs, compared with 10-20% as per 2023 merchant survey<sup>3</sup>

Overall, with lesser cash and better access to UPI payments (lesser time spent on counting, storing and safe keeping cash), UPI-accepting merchants in a survey reported **59% increase in sales post UPI adoption**, especially improving productivity during peak hours owing to **UPI Soundbox**<sup>3</sup>

Source: 1. [RIS Report on Digitisation of MSMEs](#) 2. [IBEF](#) 3. [NPCI BCG 2025](#)  
 Note: UPI = Unified payment interface, ONDC = Open network for digital commerce



However, despite their centrality in the Indian economy and the proven criticality of digitizing businesses,

**MSMEs** in India have not been able to fully unlock their digital potential..

## Evidence across core business dimensions consolidate key digitization roadblocks faced by MSMEs: **visibility, technical & financial**



**MSMEs lag in tapping the right customer base due to low visibility**

Only 13% adoption of digital marketing limits an MSME's ability to expand audience reach despite potential<sup>1</sup>

Further, MSMEs face **lack of synergies between sales and marketing functions, right customer targeting and outreach** in their customer operations<sup>2</sup>

**The impact:** A missed opportunity of 17% higher likelihood of turnover<sup>3</sup> as well as increased growth in sales and profit margins<sup>4</sup>



**MSMEs cannot build advanced tools owing to a lack of technical skills**

In another study, 36.8% of MSMEs report difficulty in setting up the right digital tools and 35.6% found it difficult to choose the right tool<sup>5</sup>

**Shortage of skilled professionals** along with high **infrastructure costs** make digital adoption difficult for already cash-crunched MSMEs, leaving them to rely on **outdated legacy IT systems** with limited flexibility of tech upgrades<sup>5,6</sup>

**The impact:** A missed opportunity for India to narrow a productivity gap representing GDP value equivalent to 11%<sup>7</sup>



**Cash flow pressures and delayed payments force MSMEs to postpone digital investments**

75% of non-integrated MSMEs report that lack of presence on e-commerce platforms limits their ability to raise external finance<sup>8</sup>

It creates a **cycle where limited adoption restricts revenue growth and further delays future technology spending**. This indicates that digital integration is increasingly critical for improving credit access.

**The impact:** A missed opportunity for MSMEs to use digital tools to drive offline conversions and greater number of store walk-ins

Source: 1. [SIDBI Survey](#) 2. [Zoho Survey](#) 3. [Vi Business Digital Maturity Index](#) 4. [ICRIER 2025](#) 5. [India SME Forum 2025](#) 6. [IFC and NITI Aayog](#) 7. [Financial Express](#) 8. [ICRIER Annual MSME Survey](#)

Note: GDP = Gross domestic value

## More research shows that non-digitized MSMEs also lose out on international market access and tapping deeply into the Indian consumer pool

### Lag in export potential

While MSME exports increased from INR 3.95 lakh crore to INR 12.39 lakh crore and total exporting firms grew from 52,849 to 173,350 (~228% growth), they still represent only ~0.22% of the total 78.6 million MSMEs, highlighting that over 99.7% of MSMEs remain outside direct export participation<sup>1</sup>

India's e-commerce exports remains at just USD 2 billion versus Chinese MSME exports at USD 200 billion, highlighting an export competitiveness gap<sup>2</sup>

While true contribution to exports is high via intermediaries, the margin captured by MSME producers is significantly low, possibly indicating that every INR 1 of a margin the intermediary takes is the revenue cost of digital reach absence

### Widening connect gap with Indian audience

870 million Indian users (98%) access the internet in Indic languages and 57% of urban users preferring local-language content<sup>3</sup>



A SIDBI survey found cultural and language barriers as a key obstacle among others that prevent MSMEs from expanding their export share in international markets<sup>4</sup>

### Why this matters

- 53% of non-internet users are willing to come online if content is in native languages, along with ~5x growth in voice search, ~3x growth in vernacular searches, and ~70% of such users from smaller towns<sup>5</sup>
- Adapting to vernacular languages is now imperative for MSMEs to align with evolving demand trends and unlock new user segments

### The impact

#### Lost opportunity to boost export potential

A recent MSME survey reported 60% MSMEs see online advertising boost export potential over the next 3 years<sup>6</sup>

#### Intermediaries fade out MSME visibility

Direct promotional incapacity makes new MSMEs structurally invisible to a buyer already 70% into a purchase decision<sup>7</sup>

Newer, and more cost-efficient digital tools can solve for all these challenges. And that's exactly what Google has been doing.

Source: 1. PIB, IBEF, Deloitte analysis 2. NITI Aayog Boosting Exports from MSMEs (2024) 3. KANTAR IAMA I Internet in India Report (2024) 4. SIDBI Survey 5. Google e-Economy India 2023 6. BIF, IFC, Primus Partners Report 7. Business Wire

# 03

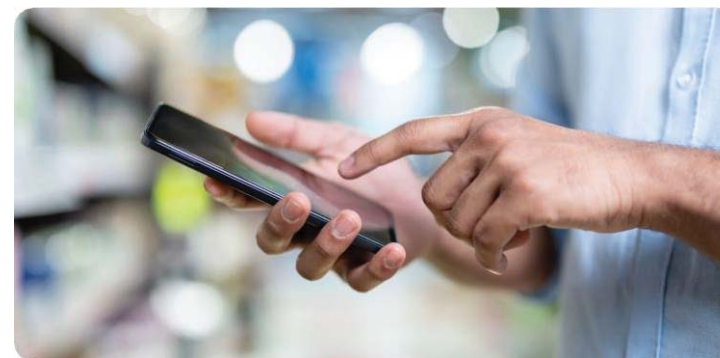
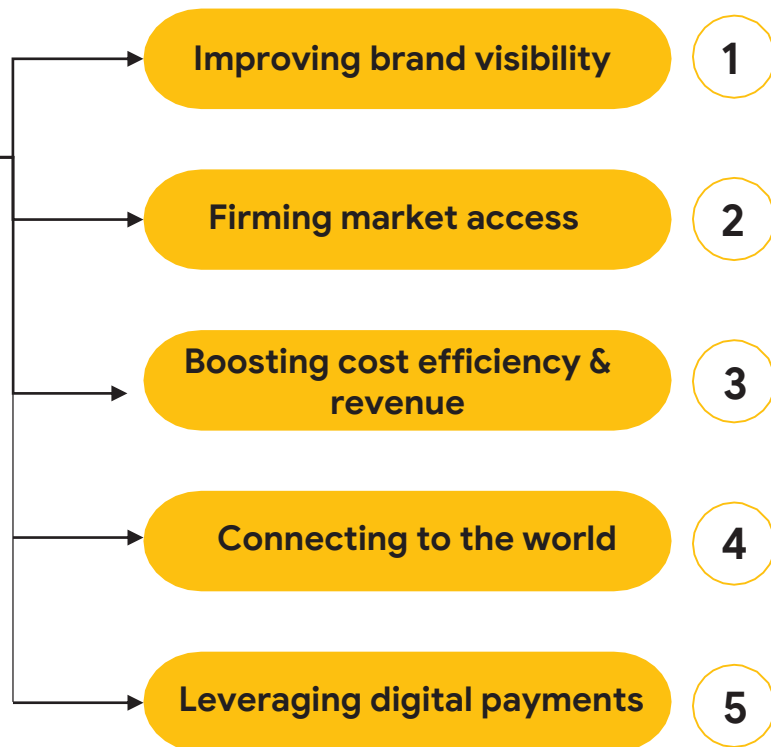
## Mapping The Google Dividend



# Google's tools are transforming the way small businesses in India **earn, access markets** and **build their brand**



**Five impact arenas for MSMEs in India, powered by Google ads & commerce**



# Using Google tools, MSMEs can effectively **enhance brand visibility** and improve **brand recall value**



## Survey speak

- Brand impact tracking remains nascent (**only 2% use advanced measurement; 70% unaware or not using**) while **AI-led campaign adoption** is building (**14% active, 39% aware**), signaling significant headroom for deeper optimization
- Despite this, the visible brand impact for users is evident: **41% report improved local discovery, 28% expand inter-state, 14% gain international visibility**, while **17% reduced reliance on intermediaries**



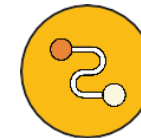
## Enhancing local visibility & protecting safety

The **Google business profile (GBP)** pushes businesses higher on connected platforms like Google Maps, helping boost localized search results, **allowing small businesses to use special attributes**, enabling **free visibility on Search and Maps**<sup>2</sup>



## Leveraging the power of AI to maximize returns

Adopted by **1 million+ advertisers**, **Performance Max** continues to improve with **90+ AI enhancements** in a year delivering **10%+ gains in conversions** and value, **automatically maximizing** results across all Google channels<sup>3</sup>



## Using data to target the right customer

Google helps businesses improve **real brand impact** through **Brand Lift** by **tracking ad recall and awareness** while using data-driven experiments to refine creatives and targeting, strengthening visibility based on real consumer feedback<sup>4</sup>



## Transparency & free listings

The **Google Merchant Center** is the growth engine that powers product visibility. It allows small businesses to showcase their inventory across Google surfaces through **free product listings** and **paid Shopping Campaigns**, making items **easily discoverable by high-intent buyers**<sup>5</sup>

## Champion case in focus

Google's **Performance Max solutions** enabled Indian brand Renee Cosmetics to drive **11.5% higher sales** while reducing **CPA by 48%**, showcasing how data-led advertising is improving efficiency and growth outcomes<sup>1</sup>



## Did you know

Google is committed to open networks to enable small merchants. Google's seamless **integration of Google Maps** and **Search** with **ONDC merchants** enhances discovery on an integrated, democratized commerce network.

Source: 1. [Google Deloitte Future of Commerce Report](#) 2. [Google Business Profile](#) 3. [Google Ads & Commerce Blog](#) 4. [Google Ads Help](#) 5. [Google Merchant Center](#)

Note: GBP = Google business profile.

## Evidence from Bharat's growing businesses...

### Case studies



Founded in 2023, **Zeraki Jewels** is a high-end fashion jewelry brand that wanted to **scale up its business value** while **promoting its content** to build consideration for its flagship products. Zeraki used **Google's full-funnel Demand Gen strategy** to target in-market, affinity, and retargeting audiences, supported by **localized content, feed optimization, and enhanced conversion tracking**

**111%** Increase in conversions  
**82%** Increase in conversion value



**Knya**, a medical-apparel SMB, aimed to maximize impact of Doctor's Day Sale by **driving awareness, traffic, and conversions** during the brand's biggest annual event. Deployed Google's **full-funnel campaign approach**: pre-buzz **VVC**, **CPM Masthead** on sale day, **Performance Max** with sale assets, and **remarketing VVC** for masthead visiting audience

**1.67%** Absolute Lift (Awareness)  
**23%** Increase in conversion search rate



**The Sleep Company** wanted to scale in Delhi-NCR by maximizing **brand visibility and consideration**, while driving search interest and store visits. They used **Google's Video Reach campaigns** to front the messaging & ensure efficiency while building reach. **Ad Sequencing** and **In-stream Campaigns** aided the **Video Reach Campaigns** in driving View through rates

**75%** In-market audience reach  
**54%** Increase in Store visits in the region



**Moiz**, a prescription skincare brand sought to strengthen **brand awareness and drive consideration** for hero product line. Moiz used **Google's video-first strategy** with a focus on **high-frequency exposure**, leveraging **Video Reach Campaigns, VVC**, and Target Frequency, supported by **Brand Lift and Search Lift studies** to maximize visibility and measure impact

**3X** Brand Lift  
**4.5X** Search lift

Source: Google Brand Case Studies

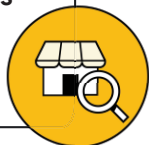
Note: SMB = Small and medium sized business; CPM = Cost-per-thousand impressions; VVC - Video View Campaigns

## Google Shopping & Business Profile enabling small business discovery

A single product feed, listed once at no cost, makes an MSME discoverable across every surface where the customers now search

### Discovery: How the customer finds the MSME

In 2023, Google received around **20 million contributions** per day on Maps & Search<sup>1</sup>



#### Local intent is rising

Shoppers increasingly search with **local, ready-to-buy intent**. Google Maps searches for “**open now near me**” “have grown globally by over **400% YoY<sup>3</sup>** and for “**shopping near me**” by over **100% YoY<sup>4</sup>**, and more than **40% of shoppers** turn to **Google to research a purchase** they plan to make in store<sup>4</sup>

#### Discovery is increasingly visual

**20%** of all **Google Lens** searches are now **shopping-related**. Lens merges the power of Google’s AI with more than **45 billion products** in the **Shopping Graph<sup>5</sup>** to identify an item and surface its price, availability and reviews before a customer buys, turning a single photo into a direct path to a product

#### YouTube shopping is reaching Bharat

Over **200 million** logged-in Indians ran **shopping-related searches** on YouTube<sup>6</sup>, and shopping-related **watch time** has grown by more than **250% YoY<sup>6</sup>**, with **65% of shoppers** rely more on **creators for product discovery** in the last 2-3 years, but wind up buying on marketplaces<sup>7</sup>.

### Cataloguing: What the MSME lists

Store ratings on Text Ads on average drive a **2% improvement in click through rate** on the Search network<sup>2</sup>



#### One feed, listed once

The merchant uploads its **product data to Merchant Center a single time**, with titles, images, price (GTINs) and that one feed becomes the foundation of its online presence on Google. **Free listings** apply to both the **online and to the in-store products**, so a business is never charged to be found<sup>8</sup>

#### Surfaced everywhere, for free

With a free listing, those products appear at **no cost across Google Search, Maps, the Shopping tab, Google Images, Lens, YouTube, and Gemini<sup>9</sup>**. A linked **Business Profile adds the storefront identity** regarding hours, location, photos, so the same catalogue powers both online discovery and local presence<sup>10</sup>

#### Enriched by AI

Small businesses can use **Gemini’s multimodal AI<sup>11</sup>** to rapidly analyse product images and automatically generate rich, accurate metadata and descriptions. This ensures their inventory surfaces across **AI-driven search engines and marketplace listings**, delivering **low-cost, real time catalogue updates** with high accuracy

Source: 1. [Google blog](#) 2. [Google Merchant Center](#) 3. [Think with Google](#) 4. [Ch1 of Think with Google](#) 5. [Google blog](#) 6. [Google blog](#) 7. [Future of commerce report](#) 8. [Google support](#) 9. [Google support](#) 10. [Google support](#) 11. [Google cloud](#)  
Note: YoY = Year on year, GTIN = Global trade item number

## Turning marketplace ad spend by MSMEs into measurable sales

### The problem it solves

A large share of India's online transactions (~70%), happens on marketplaces and quick-commerce apps.<sup>1</sup> For an MSME selling on these platforms, **ad spend and actual sales have historically lived in two disconnected places**, leaving no clear line of sight from a customer's click to the conversion it produced.

### The Google mechanic

Commerce Media through Google Ads helps reach high-intent shoppers across Google's surfaces as **Search, Shopping, YouTube, Display, Discover, and Gmail, and drives them directly to the quick-commerce or e-commerce marketplace listing** of the product they are looking for.<sup>2</sup> Marketplaces share **first-party catalogue and sales data, enabling product-level measurement** so a MSME can assess the impact of its media spend against actual product and category sales.<sup>2</sup> This is the ROI pass-back that finally connects the two halves.



### Champion cases in focus<sup>3</sup>

**The Challenge:** Slurp Farm, a company that focuses on making healthy kids snacks & cereals accessible, wanted to boost **conversions on quick commerce platforms like Blinkit** while maximizing consumer reach for its product segment

**95%**  
Sales increase

**The Google Dividend:** Used **PMax for Marketplaces and Google AI to multiply conversions across inventory** and enhanced its creative strategy by using the **partnership to add direct calls to action (CTAs)**

**6.6x**  
ROAS increase

**The Challenge:** Fixderma, a dermatological skincare brand known for creating scientifically-backed solutions strategized to be the go-to brand for its customers across all retail touchpoints, including its D2C website, e-commerce, and quick-commerce platforms.

**10.4%**  
Incremental  
Sales on  
Flipkart

**The Google dividend:** Used **Commerce Media Network (CMN) with PMax**, therefore, utilizing the Flipkart CMN with a simple input of budget, duration, and product selection, to unleash the full power of Google AI **to exponentially boost conversions on marketplace using Google Ads inventory**

**3.4x**  
of Flipkart  
ROAS

Commerce media lets marketplace-first MSMEs **grow incremental sales** where shoppers already are, **paired with a Google-powered demand engine** that opens new audiences and proves the return that own-site advertising alone could never.

Source: 1. [Hindu business line](#) 2. [Google blog](#) 3. Google brand case studies

Note: CTA = Call to action, Pmax = Performance max, CMN = Commerce media network, ROAS = Return on ads spend, ROI = Return on investment

## From discovery to the doorstep: When online attention becomes footfall

### From discovery to the shop

Shoppers no longer choose between online and offline, **they move between them**.<sup>1</sup> The MSME's **free digital presence** is what makes that movement end at its store

**89%**

of shoppers express interest in at least **one solution that blends online and offline shopping steps**<sup>1</sup>

**1 in 2**

offline shoppers **would buy online** if same-day delivery were offered<sup>1</sup>

### 1. The organic path

A merchant's free listing and local inventory in **Merchant Center**, paired with a **Business Profile**, show nearby shoppers exactly what is in stock right now with directions and reviews. The store surfaces on Search and Maps at no cost, the moment someone is looking to buy nearby<sup>2</sup>

### 2. The paid bridge

Where the MSME wants to actively drive visits, **Google Maps "Promoted Pins" in Demand Gen** boost the store's visibility on the map<sup>1</sup>, and Lens can surface in-store product insights for the very store a shopper is standing in, converting online discovery into a deliberate trip to the shop<sup>3</sup>

### 3. The conversational way

India increasingly prefers to transact **conversationally**<sup>4</sup>. Click-to-message ads place a "Send message" button directly in Search<sup>5</sup>, bridging a customer's intent and a real conversation, so the MSME captures the lead at the moment of highest interest, closing it in store

### Champion cases in focus

**The Challenge:** **Croma**<sup>6</sup>, an electronics retailer, wanted its physical stores to benefit from demand generated online  
**The Google Dividend:** Partnered with **Google to map warehouse inventory to Merchant Center**, within a month of full activation, local listing impressions translated **online visibility into in-store footfall**

**+70%**  
local-listing impressions

**The Challenge:** **GIVA**<sup>7</sup>, a fast growing fine-jewellery brand, wanted reach and awareness at **scale with GenZ & Millennial audiences** for its biggest seasonal moment, Rakhi

**The Google Dividend:** Deployed a **full-funnel YouTube Shorts strategy** to capture a vast online audience and make the brand discoverable at the moment of intent, and **that online discovery converted into real-world demand**.

**+30%**  
Higher store footfall vs previous period

Whether through a free local listing or demand built on YouTube, online discovery converts into physical footfall, and **omnichannel integration through blended formats can add a 10-15% revenue increase**<sup>1</sup>. For the MSME whose revenue lives in a physical shop, Google becomes an **online-to-offline pipeline**

Source: 1. [Future of commerce report](#) 2. [Google Merchant Center help](#) 3. [Google blog](#) 4. [Hindustan Times](#) 5. [Google help](#) 6. [Google blog](#) 7. Google brand case study

Note: 4. Over 70 per cent of Indians surveyed said they prefer to message businesses rather than sending an email, calling or visiting their website. About 75 per cent of Indians polled said they are more likely to purchase from a company that they can contact via messaging

## Google is solving for a small business' local challenges, powered by artificial intelligence

### Champion case in focus

Powered by **Google AI on ONDC**, **Mystore** simplifies e-commerce for MSMEs by **cutting product approvals from 1-2 days to under an hour (~60-70% efficiency gain)** while **improving discovery through smarter multilingual search and 50% faster rollout of new features<sup>1</sup>**

### Survey speak

Digital ad solutions are enabling scalable market access for the respondents, led by **search (58%)** and supported by **display (29%)** and **video (24%)**, with significant headroom in advanced formats

- Amongst AI capabilities enabling access, **34% use content generation, 26% use automation, while 15% employ predictive tools**
- Vernacular advertising is further unlocking **non-metro access** for MSMEs, driving **higher engagement (40%), trust (28%), and reach (22%)**, despite nearly **half respondents** limiting such campaigns to **under 25%** of their overall mix



### AI-powered local languages

- Google has expanded **advanced search capabilities to 10+ Indian languages**, while tools like **Google Lens** enable **real-time translation** across **100+ languages**, significantly improving access to information for million of users and businesses across Bharat<sup>2</sup>
- Vaani AI, supported by Google's AI ecosystem, is processing **1 million+ minutes of Indic voice interactions** monthly and **reducing manual calls by 75%**, demonstrating how Indian startups are scaling efficient, language-inclusive services for enterprises and citizens<sup>3</sup>



### E2E GTM support

- From creating **seller persona to targeting customer to market research** to developing **marketing strategy to identifying sales channels** & measuring results, Google's integrated platforms do it all
- Google is supporting Indian startups from build to scale through its accelerator programme, helping companies like **Dview (4x revenue growth)**, **Superjoin (50% performance improvement)**, **Pulse (USD 3 million revenue safeguarded)**, and **VideoSDK (40% cost reduction, revenue doubled)** translate innovation into measurable business outcomes<sup>4</sup>



### Analytics & intelligence

- **Google Analytics 4 (GA4)** is a **free**, go-to platform used by **million of businesses**, including SMBs, enabling them to understand website and app performance, fine-tune digital insights.<sup>5</sup> With this, businesses **achieve 23% higher conversions** and **10% lower cost per conversion<sup>6</sup>**
- Google also provides Maps Platform APIs to Bharat's businesses combining next-gen **Autocomplete**, **Address Validation features** (250 million+ places, 50 million+ daily updates globally)<sup>7</sup> with **hyperlocal intelligence**, using **AI-powered Geocoding<sup>8</sup>** to **simplify checkout, reduce cart abandonment**, and enable precise last-meter deliveries

Source: 1. [Google Cloud case study](#) 2. [Google India Blog](#) 3. [Google Search](#) 4. [Google India Blog](#) 5. [Google India Blog](#) 6. [Google Marketing Platform](#) 7. [Think with Google](#) 8. [Google Maps Platform](#)

Note: ONDC = Open network for digital commerce, E2E = End to end, GTM = Go to market, GA4 = Google analytics 4, SMB = Small and medium business, API = Application programming interface

## Evidence from Bharat’s growing businesses...

### Case studies



**Dermatouch** specializes in demo-cosmetics and wanted to drive profitable growth while **expanding beyond existing channels**. They deployed **GA4** and **Performance solutions** to unlock actionable insights, identifying **high-intent audiences** via Search and PMax, **improving decision-making**, and scaling reach through Demand Gen to **expand market access**

**111%**  
QoQ  
increase in  
sales

**179%**  
Increase in  
brand  
searches



**Nestasia**, a D2C home decor and lifestyle brand looked to **Google Ads** for a solution to increase **its revenue from NCA and scale profitably**. Nestasia used Google’s **Performance Max with an NCA goal**, powered by **GA4 insights** to prioritize bestsellers, combined with audience signals, search themes, and optimized creatives to drive high-quality new users

**35%**  
Increase in  
conversion

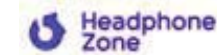
**22%**  
Increase in  
conversion  
value



**Krishna Herbal & Ayurveda** is a leading Indian wellness brand and was looking to increase its **revenue from NCA**. Krishna Ayurveda used **Google’s Performance Max** with an NCA goal, powered by **GA4 insights** to prioritize bestsellers, combined with audience signals, search themes, and high-performing creatives to drive quality acquisition.

**11%**  
Incremental  
conversions  
and value

**87%**  
Increase in  
conversion  
rate



**Headphone Zone**, India’s premier audio gear brand, aimed to **re-engaging lapsed users and strengthening customer retention**. Headphone Zone used **Google’s Performance Max** with a **retention goal** to **prioritize high-intent returning users, optimizing for high-value conversions and repeat purchases** through targeted re-engagement signals

**80%**  
Higher AOV  
from target  
users<sup>1</sup>

**63%**  
Conversion  
value driven by  
target users<sup>2</sup>

Source: Google Brand Case Studies

Notes: 1. Higher AOV from returning customers than new customers 2. Returning customers yielded 50% of all conversions and 63.4% of total conversion value; GA4 = Google analytics 4, NCA = New customer acquisition, QoQ = Quarter on quarter, AOV = Average order value, D2C = Direct to consumer

# Google is helping businesses achieve **~3.7x** return on ad spends and reducing customer acquisition cost by up to **~3%**

As MSMEs increasingly allocate over 40% of their marketing budgets to digital marketing strategies, return on ad spends and customer acquisition costs become **critical measurement factors**<sup>1</sup>

Marketing, a costly affair	The Google dividend
<p>As per IMAP, the <b>average customer cost of acquisition for a start-up</b> in India was <b>between INR 1200-1500</b><sup>2</sup></p> <p>For <b>already cash crunched MSMEs</b>, this is a significant cost burden, especially for <b>the ~43% Indian MSMEs in retail, wholesale, and other trading segments</b><sup>3</sup></p>	<p>With a <b>3.7x ROAS multiplier</b>, Google Ads enabled businesses to generate <b>INR 3.7 in revenue</b> for every <b>INR 1 spent</b>, demonstrating strong and measurable marketing returns<sup>4</sup></p> <p>Google Demand Gen's New Customer Only Mode drives <b>~11.5% more new customers</b> at <b>~3% lower acquisition cost</b>, while product feed-led campaigns deliver <b>~20% higher conversions</b> at target ROAS<sup>5</sup></p> <p>With features like <b>demand forecasting (up to 180 days)</b>, Google also helps businesses anticipate demand shifts, <b>optimize inventory and budgets</b>, and act on hyper-local and seasonal trends <b>demand</b> thus enabling <b>cost savings</b><sup>8</sup></p>



### Survey speak

- **ROAS:** MSMEs reported strong returns at scale where **54% saw at least 2-3x gains**, with **top performers** hitting up to **5x**
- **CAC:** **78%** respondents saw **CAC drop** where **43%** reported **up to 25% reduction**, with another **35%** noting **marginal declines**
- **Revenue:** Nearly **60%** of respondents reported **double-digit revenue growth**, while over **three-fourths** of surveyed MSMEs derived **more than 10% of their sales** from digitally acquired customers

### Champion cases in focus

Nutrition D2C brand **The Healthspan Co** used Google Ads to scale its website, delivering **~4-5x ROAS** and making it a key sales channel to boost visibility and acquire new customers<sup>6</sup>

**Palmonas**, an Indian D2C jewellery SMB used Google analytics to drive **7X revenue growth** and a **76% increase in return on ad spend**<sup>7</sup>

Source: 1. [BIF, Primus Partners Report 2025](#) 2. [InstaMojo, IMAP](#) 3. [IBEF](#) 4. Estimated using average industry ROAS estimates ([Rule1.AI](#), [Focus Digital](#), [Ryze](#), [Triple Whale](#), [First Launch](#)); actual returns may vary by sector and campaign efficiency 5. [Google Ads & Commerce Blog](#) 6. [BIF, Primus Partners Report 2024](#) 7. [Think with Google](#) 8. [Google Ads Help](#)

Note: IMAP = Internet message access protocol, ROI = Return on investment, ROAS = Return on ad spend, CAC = Customer acquisition cost, D2C = Direct to consumers, SMB = Small and medium sized business

## Evidence from Bharat's growing businesses (1)

### Case studies

foxtale

**Foxtale**, a new-age digital-first D2C skincare brand struggled to **scale on product bundle categories while maintaining efficiency** across Google video inventories, which led to a dip in its overall channel ROI. Implemented a **Demand Gen strategy** that included Customer Match and product mid-funnel remarketing, used first-party data, refined audience targeting, leading to consistent ROAS

**43%**  
ROAS  
increase

**20%**  
CAC  
decrease

Clinikally

**Clinikally**, a dermatology health-tech SMB, suffered **significant revenue leakage due to the lack of a dedicated intervention strategy** for lapsed users. Deployed **Performance Max**, retaining past purchasers and lapsed users, optimizing the campaign for prioritizing revenue from high-intent returning customers retention strategy efficiently.

**62%**  
CPA  
decrease

**2.5x**  
ROAS  
increase

TuteDude

**TuteDude**, an online coaching for high-demand fields aimed to rapidly **scale lead generation**, constrained by stringent cost-per-acquisition (CPA) targets preventing the company to expand. Deployed a **comprehensive Demand Gen strategy**, suite of activated precise audience targeting using first-party data and custom segments

**64%**  
Increase in  
View rate

**17%**  
Decrease  
in CPA

floraindia

**Creative Gifting Solutions**, a premier online retailer for flowers and gifts, focused on **driving revenue** while maintaining a stable return on ad spend (ROAS). Pivoted to **category-specific Performance Max structures** with influencer-led content, aligned creative assets, and high-intent audience signals

**1.6x**  
ROAS  
increase

**160%**  
Conversion  
value  
increase

Source: Google Brand Case Studies

Notes: D2C = Direct to Customers, ROI = Return on investment ROAS = Return on ad spend, SMB = Small and medium sized business, CAC = Customer acquisition Cost, CPA = Cost per acquisition

## Evidence from Bharat's growing businesses (2)

### Case studies



**Egoss**, a footwear brand that wanted to grow its brand consideration through its D2C channel while **expanding the share of its business by 2X** over seven months. Launched a **PMax Campaign** focused on top-performing categories and initiated A/B audience experiments with **Demand Gen** to increase high-intent traffic to its website.

**8x**

Growth in impression share

**400%**

D2C revenue from Google



whispering homes

**Whispering Homes**, a bootstrapped Mohali home-decor SMB, aimed to **increase its revenue from new customer acquisition (NCA)** for its indoor lighting product portfolio. Deployed a structured **PMax campaign**, to follow best practices to refine assets, used audience hints, and applied negative keyword exclusions to sharpen targeting

**44%**

Higher CTR

**92%**

Incremental conversions

**ADILQADRI**

**Adil Qadri**, a fragrance brand offering luxurious Attars and Perfumes, was looking to expand their **reach and still drive profitability** at an overall ROAS goal of 2.5x. Pitched **Demand Gen to scale mid funnel effort** to drive sales, set up image & video creatives with the right bids & budget best practices, for a period of 4 weeks.

**100%**

Increase in Sales in 2 months

**41%**

Lower CPA than generic search



**Japam**, a Mohali artisan brand was finding it hard to scale on Google, with some of its listings and ads being restricted by policy while trying to **stand out and convert in the mid funnel**. They tested its top-performing content through **Demand Gen**, deployed best creatives, focusing on structuring campaigns by category

**50%**

Increase in Revenue

**20%**

Higher ROAS than average

Source: Google Brand Case Studies

Notes: D2C = Direct to Customers, ROAS = Return on ad spend, CPA = Cost per Acquisition, CTR = Click through rate, A/B = After & before, NCA = New customer acquisition, CPA = Cost per acquisition

## Google's tools help MSMEs break national barriers, improve international visibility and reach global customers

While only 173,350 of India's 78.6 million MSMEs export today, Google's Market Finder and Export Partner Hub continue to work towards closing that gap, aligned directly with India's USD 2 trillion target in total exports by 2030-31<sup>1</sup>



### A variety of offerings

Google helps MSMEs unlock global markets with confidence, not just through tools like **Market Finder**, **Google Trends**, and **Keyword Planner** to track demand, but also via the **Google Export Partner Hub**, connecting businesses with experts to navigate payments, regulations, and in-market entry<sup>2</sup>



### The AI factor

Soon, MSMEs will have access to AI-powered tools like the **Universal Commerce Protocol (UCP)** for an integrated checkout system, **Product Studio** to revamp and boost product listings and vibe coding tools to generate exciting campaigns and websites for access and connect with a wider audience



### Survey speak

- At least **1 in 3 MSME businesses** reported **receiving international enquiries**, indicating growing cross-border interest through digital platforms
- **10% of MSMEs** surveyed are already **accessing international markets** via digital platforms, signaling early global participation
- A significant proportion also reported expanding their reach nationally through digital channels: **27% now serve multiple cities within a state** while **21% operate across inter-state markets**





### Champion cases in focus

Indian brands are already scaling globally with domains and brand-naming platform **Atom** achieving **~2.4x higher conversion rates** and **~57% more efficient acquisition** in the U.S. using Demand Gen. Similarly, **Kalki Fashion** saw **~26% month-on-month revenue growth** and **11% higher ROAS** with Performance Max<sup>2</sup>

Source: 1. [PIB](#), [IBEF](#), [PIB](#) 2. [Think with Google](#)

Note: UCP = Universal Commerce Protocol

## Google Pay is enabling **merchants** to accept **payments in a secured way** from customers and **accelerate flow of working capital** for their businesses

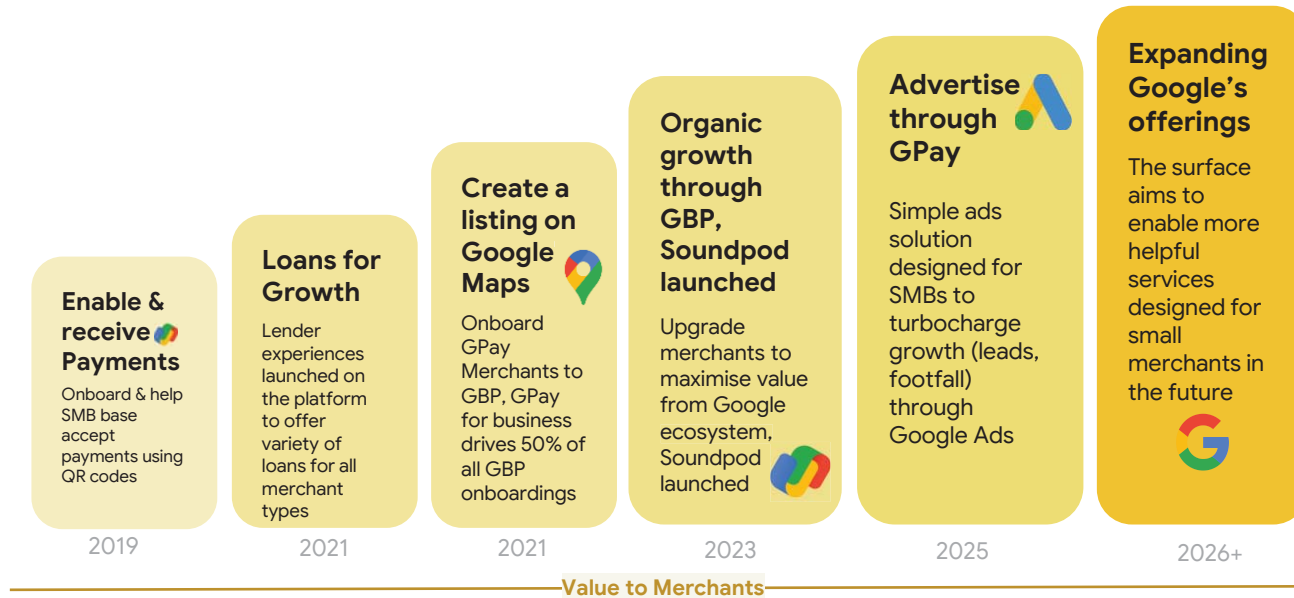
For online shoppers	For businesses' presence on online platforms		
<b>Built-in fraud protection</b>	<b>Enhanced cash flow</b>	<b>Automated insights</b>	<b>Case in Focus</b>
<p>Google Pay blocks around <b>1 million fraudulent</b> transactions and issues close to <b>2 million user alerts</b> every single day<sup>1</sup>, <b>preventing over INR 1100 crore in scams each month</b><sup>2</sup> while delivering <b>language-tailored warnings to users</b>. A scaled agentic-AI assistant within Google Pay Help <b>has lifted scam-detection rates by 21%</b>,<sup>3</sup> making security a reason customers can transact and shop safely.</p> 	<p>Google Pay replaces the multi-day delays of traditional methods with <b>immediate liquidity</b><sup>4</sup>. Same-day digital <b>settlements free up cash flow constraints, at zero merchant discount rate with no setup fee</b><sup>5</sup> while traditional models like cheques lock up funds in transit.</p> 	<p><b>Google Pay for Business insights</b>, helps small merchants in India <b>to reach customers, improve online discovery, track performance, and manage their operations</b>.<sup>6</sup> Each month, data is captured as insights into sales, the number of payments received, and the new and repeat customer counts, supported by <b>multiple languages</b> and available in both <b>visual and audio</b> format<sup>6</sup>.</p> 	<p>Kirana stores and small businesses that adopt the <b>Google Pay for Business</b> app gain increased visibility when users search for nearby services. The app provides merchants with reconciliation dashboards, daily transaction analytics, and automated SMS alerts, helping them digitize their operations and build customer trust<sup>7</sup>.</p>

Source: 1. [Economic Impact Report](#) 2. [Google blog](#) 3. [Google blog](#) 4. [Google support](#) 5. [Google pay for business](#) 6. [Google Pay insights blog](#) 7. [Local shouts case study](#)

# For over 23+ million merchants<sup>1</sup> across Bharat, Google Pay for Business app has evolved far beyond a tool for accepting UPI payments

Google Pay for Business has steadily become SMBs' door to Google and partner

Central hub for growth



**Reputation Flywheel (Maps & Search):** Enables MSMEs to capture transactions and solicit ratings from payers, **synced to Google Maps and Search**, thus turning payments into trusted signals that drive **discovery**

**Hyper-local growth with GenAI (Google Ads):** Helps MSMEs launch **AI-powered local campaigns** via its featured app-first Google Ads experience, with **performance insights** delivered through the app and WhatsApp Business

## Bharat-Ready Payments

To remove checkout friction and instill real-time payment confidence, Google has deployed **million of Soundpods** across the country. Offering audio confirmations in **9 languages**, these Soundpods allow busy merchants to verify transactions instantly without looking at a screen.<sup>1</sup>



Source: 1. Google internal data  
 Note: UPI = Unified payment interface, SMB = Small and medium sized business

## Beyond transactions, **Google Pay** is also placing easy **credit within reach of the smallest entrepreneurs** through its **lending partners**

**Widening credit access where formal lending sector has not tapped fully**

### 1 **Put working capital within reach, fast**

Through **Google Pay for Business App**, Google extends business loans through various lending partners helping merchants manage cash flow, diversify inventory and expand, with disbursement that is quick and paperwork-light.<sup>2</sup> For a small merchant, the difference is not just the loan but the speed, funds in hand in time to act on the opportunity in front of them.

Google Pay for Business App, in partnership with **Muthoot Finance**, also enables MSMEs to **unlock gold-backed loans**, mobilizing latent gold assets into **affordable, flexible credit for million**, especially across rural India.<sup>3</sup>

### 2 **Easing Cash Flow via Credit Enablement**

By transforming a merchant's **digital transaction history** into a **tangible asset**, the **Google Pay for Business App** unlocks **crucial credit opportunities**. Thus, through **integration with lenders** and **structured merchant loans**, Google is directly addressing everyday cash flow pressures and expanding access to responsible credit.

Source: 1. [Economic Impact Report](#) 2. [Google pay app page: about section](#) 3. [Google for India 2024](#)

### Case studies<sup>1</sup>



**Trust Med Pharma, Bengaluru** : Holding an MBBS, Alisha Khan embarked on an entrepreneurial journey by establishing a medical store. Driven by aspirations of expanding his venture into a chain in the future, secured a loan of INR 5 lakh in March. What caught Alisha's attention was the remarkable **swiftness, simplicity, and convenience of the Google Pay loan application process**. With the additional funds, he strategically diversified his shop's inventory, resulting in a **substantial increase in monthly sales from an average of INR 2 lakh to an impressive INR 4.5 lakh**



**Patiram Store, Gurugram** : With 70-80 daily customers for his packaged goods business, Patiram aimed to open a new store to support his family of five. He turned to **Google Pay for Business App** for financial aid and was pleasantly surprised by their quick fund **disbursement within 24 hours**. Supported by his son's assistance with the application and paperwork, Patiram secured a loan of INR 1 lakh, **enabling him to establish the new store**. This venture now brings in **profits of around INR 9,000- 12,000 per month**, showcasing the effectiveness of Google Pay for Business App's support in propelling small businesses forward.

# When Google Ads, Shopping, and Pay work together as an ecosystem



This is an illustrative framework. Numbers written are strictly illustrative.

## A seller's journey, visualized

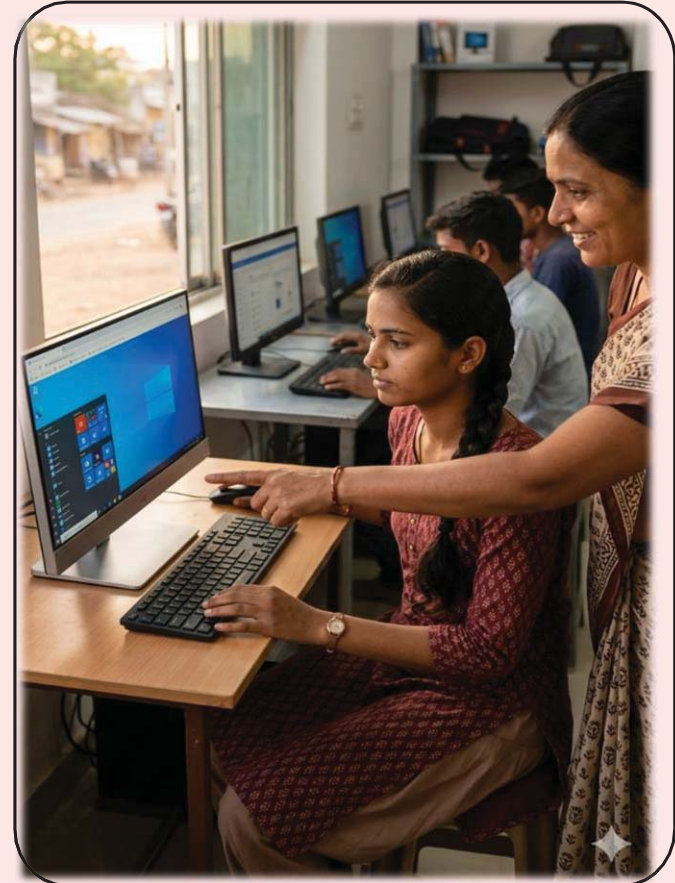
The illustration, generated using Notebook LM, shows a **hypothetical and gamified business owner**, Sneha's journey.

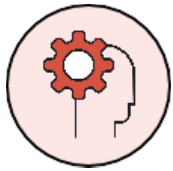
At each stage, Google's tools help **create her business profile**, make her business **discoverable** (digitally as well as physically), **protect** her from online abuse, help her customers **fulfil transactions** and ultimately, provide her **business analytics** on what worked, and what did not.

Notes: GBP stands for Google Business Profile | All outcome numbers are strictly illustrative.

# 04

## The future of commerce: **Strategic priorities** for unlocking growth





While traditional digital tools continue to deliver **substantial** operational gains for MSMEs...

**..AI-enabled MSMEs** are positioned to reshape the trajectory of Bharat's commerce and digital economy

## Current process efficiencies and changing customer demands are moving commerce from **human-driven** to **AI-mediated journeys**

### Effects of AI integration

#### Continuous optimization

Manual planning shifts to dynamic inventory allocation and automated smart decisions via real-time monitoring

#### Pre-emptive resolution

Systems predict failures and auto-correct issues before they occur, minimizing human intervention

#### Hyper-local decisions

Scalable models guide stores and clusters with micro-market precision based on real-time data

#### Strategic realignment

Automation frees personnel from low-value monitoring to focus on high-value strategic decision-making

### Drivers behind the change



#### Increasing landscape complexity

Tighter cost structures and complex logistics demand constant optimization



#### Exponential data overload

Data volume has exceeded the processing capacity of traditional human-led tools



#### Real-time competition

Supply and demand shifts require decisions in minutes, not weeks

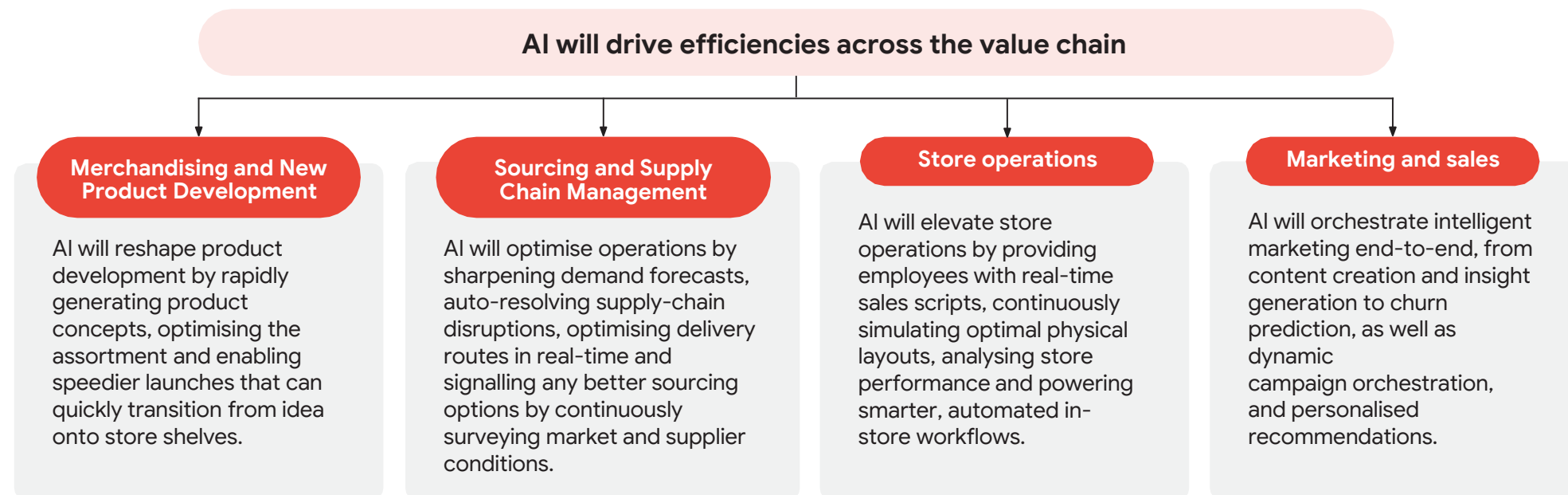


#### Smart differentiation

Competitive edge relies solely on accurate predictions and automated action

Source: Google Deloitte Future of Commerce Report

## By 2030, retail operations will save costs through AI-powered workflows, contributing **two thirds of overall profitability improvement**



### Did you know

Google **Gemini's Veo 3** model for video generation enables video creation with cinematic control and improved image-to-video consistency, and visual storyboarding.<sup>1</sup>



### Did you know

Google's **Customer Experience Agent Studio** lets companies build and manage multiple AI agents using service transcripts and internal data, with tools for performance analysis, quality scoring and real-time support for human agents.<sup>2</sup>

Source: Google Deloitte Future of Commerce Report | 1. [Google cloud blog](#), 2. [Google cloud](#)

## In 2022, Google's AI-powered products and services unlocked **USD17.8 billion<sup>1</sup>** in economic activity; **the opportunity ahead is far larger**

### Potential Value Generation for the Economy<sup>2</sup>

MSMEs contribute USD 1.1 trillion to GDP today, AI adoption can expand this by 45-62%, adding USD 490-685 billion in net economic value

#### Productive Enhancement

AI-driven automation and predictive analytics generate a **15-20% productivity uplift across the MSME base**, yielding **USD 160-215 billion** in incremental output

#### Cost Reduction

AI Pilot show **20-30% operational cost reduction**. With MSMEs running at 93.5-94% cost-to-revenue ratios, margin recovery at scale translates to **USD 200-300 billion** in unlocked economic value



### MSME-level Gains, Economy-wide Returns<sup>2</sup>

EBITDA margins of 6-6.5% leave MSMEs little room to expand. AI integration turns MSME-level margin gains into economy wide returns

#### Shop Floor Productivity

AI implementation can drive **30-40% labour productivity gains**, and increase in overall equipment effectiveness by **10-30%** in manufacturing SMEs

#### Improved Margins

AI-augmented workflow has the potential to **reduce product cost by up to 32%**, **operating cost by 24%** and **defect rates by up to 99%**. AI-driven sustainability initiatives **increase energy efficiency by up to 59%**



As India fully embraces digitalization, the digital economy's share will grow to **20% of by 2029-30<sup>3</sup>**. Google's AI-powered products and services stand to unlock revenue gains, cost savings and productivity gains for Indian businesses, including small and medium-sized businesses (SMBs). Such economic activity also supports jobs in India, enabling people to improve their livelihoods.<sup>4</sup>

Source: 1. [Google for India](#) 2. [Figures in the section: Value generation for the Economy and MSME level gains are from WEF, Aug 2025](#) These figures represent long-term economic potential under ideal adoption curves, 3. [PIB](#) 4. [Economic Impact Report](#)

Note: EBITDA = Earnings before interest, tax, depreciation and amortization, GVA = Gross value added, GDP = Gross domestic product, SME = Small-medium enterprises

## Where the next wave of value will come from: **Agentic commerce in action**

### Examples of agentic AI automation<sup>1</sup>

#### Customer service

#### Always-on, personalized customer engagement at scale

Agentic AI can empower human agents to tackle more complex problems by managing customer inquiries, resolving issues, and delivering personalized support.

#### Supply chain management

#### Self-optimizing supply chains with real-time decisioning

By analyzing data from diverse sources like sales, inventory, and shipping, agentic AI can optimize supply chains, predict demand, and automate logistics.

#### Financial services

#### Financial agility with AI-driven insights and control

Agentic AI enables financial agility and enhanced decision-making through automated risk assessment, fraud detection, and enterprise-wide data analysis.

### Google solutions enabling Agentic AI<sup>2</sup>



#### Gemini Enterprise Agent Platform

- Creates AI agents grounded in enterprise commerce and financial data
- Enables end-to-end workflow orchestration across functions
- **Unlocks value:** autonomous execution across customer, supply chain, and finance workflows



#### Agent Development Kit (ADK)

- Builds and deploys modular, task-specific agents across commerce and finance processes
- Integrates with enterprise systems for scalable automation
- **Unlocks value:** flexibility to scale agent-led use cases across the business



#### Gemini Enterprise App

- Discovers, runs, and governs AI agents across the organization
- Ensures secure, compliant, and monitored AI operations
- **Unlocks value:** enterprise-grade governance and continuous optimization

AI agents provide MSMEs with an affordable, scalable way to adopt AI since they can be deployed modularly and expanded phase-wise thus enabling progressively deeper automation and more cost-efficient operations<sup>3</sup>

Source:1. [Google Cloud](#) 2. [Gemini Enterprise App](#), [Google Cloud](#) 3. [WEF report on Transforming Small Businesses: An AI Playbook for India's MSMEs](#)

## But are MSMEs ready to leverage the benefits of agentic commerce?

Commerce is shifting to a data and infrastructure game, but India's MSMEs are lagging behind



While global AI adoption amongst manufacturing MSMEs stands at 35-40%, Indian MSMEs are still at 15%<sup>1</sup>

### Reasons for MSMEs lagging

- High *perceived* cost of implementation
- *Perceived* lack of democratization
- Shortage of skilled AI professionals
- *Perceived* lack of scalable solutions tailored for small enterprises

### The illustrative missed opportunity

AI adoption amongst *manufacturing* MSMEs could increase their GVA from 35.4% in 20-24 to 50% by 2047, unlocking growth opportunities worth USD 3.13 to 3.21 trillion by 2047, effectively making AI contribute between USD 135.6 billion and USD 149.9 billion to manufacturing MSMEs' growth as early as 2035<sup>2</sup>



### Survey speak

- MSMEs identify **skill gaps (75%)** and **budget constraints (60%)** as the **primary barriers** to AI adoption
- Translating AI into impact remains a challenge for surveyed MSMEs, with **50% struggling to measure effectiveness and ROI**
- Organizational readiness is still evolving, as **staffing limitations impact nearly half of the respondent MSMEs (48%)**



As per a 2026 study<sup>3</sup>, while **57% of MSMEs view AI as a vital tool for business growth**, only **25% have deployed AI in their workflows**, driven by a pattern of fast initial uptake but slower full-scale deployment

Source: 1. [BCIC Chairperson, The Hindu](#) 2. [Unlocking the AI edge for MSMEs](#) 3. [VI MSME Growth Insights Study 2026](#)

Note: ROI = Return on investment, GVA = Gross value added

## From perception to reality: AI adoption myths addressed by announcements at Google I/O

### Myth 1: AI adoption is costly

The recently announced **Gemini Spark**, a 24/7 personal agent runs **locally in the browser**. It can handle routine digital tasks, sort files, and manage online shop workflows. **It is free and requires no cloud infrastructure costs**<sup>1</sup>

Moreover, **Gemini 3.5**, in its free version, will help with high- **speed reasoning and multimodal input** <sup>2</sup>

### Myth 2: Lack of democratization

The **Universal Commerce Protocol**, an **open-source rulebook** acts as a **common language** that lets AI agents buy products directly from the merchant store<sup>3</sup>

It is **built for small shops**, there's zero coding needed, the business keeps full control, the business fully owns the customer data AND it is powered by safe and secure payments<sup>3</sup>

### Myth 3: Shortage of skills

**Gemini Omni** lets a merchant create and edit high-quality promotional videos **without even hiring a video editor**<sup>4</sup>

**Google Search** can now generate real-time, custom **agentic charts** and visuals. This data can be used to plan business **without even hiring a business analyst**.<sup>5</sup> Tools like **Pomelli** let SMBs create **on-brand content** using AI agents, without any specialized skills<sup>6</sup>

### Myth 4: Lack of scale

The **Gemma 4 12B** for laptops through Google AI Edge, lets a business run private, secure AI workflows locally on a computer without relying on the cloud or an internet connection<sup>7</sup>

It, thus, **works at any scale without enterprise infrastructure**



#### Did you know

Google's **Gemini Enterprise** lets businesses create shopping agents that lets shoppers chat directly with a brand on Google Search for product queries, acting as a virtual associate, leading to higher conversions and lower dropouts during purchase processes<sup>8</sup>



#### Did you know

Google's **Business notebooks** give businesses a centralized workspace where Gemini organizes business data and website content, to proactively highlight action items, identifying growth opportunities, and helping owners quickly turn ideas into actions<sup>9</sup>

Source: 1. [Gemini spark](#) 2. [The keyword Gemini 3.5](#) 3. [Google blog on UCP](#) 4. [Gemini Omni](#) 5. [The keyword Gemini Omni](#) 6. [The keyword Pomelli](#) 7. [Google blog on Gemma 4 12B](#) 8. [Gemini enterprise agent platform](#) 9. [Gemini tools](#)

## The way ahead for MSMEs: A three-phase strategic imperative roadmap



Source: 1. [Google blog](#)

