

Digital Transformation in MSME

Mr. Thanush N¹, Anita Gracelin S², Nethraa M³

Assistant Professor, Department of Master of Business Administration¹

Student, Department of Master of Business Administration^{2,3}

Rathinam Technical Campus, Coimbatore, India

Abstract: *Micro, Small, and Medium Enterprises (MSMEs) play a vital role in economic development, employment generation, and industrial diversification. With rapid technological advancements, digital transformation has become an essential driver for strengthening the competitiveness and sustainability of MSMEs. This paper explores the current status of digital adoption among MSMEs, the key technological enablers such as cloud computing, digital payments, e-commerce, data analytics, and social media platforms, and the major barriers that hinder technology implementation including financial constraints, digital skill gaps, limited infrastructure, and cybersecurity concerns. A conceptual and analytical approach has been adopted, relying on secondary data such as journal articles, government reports, and global case studies. The study findings indicate that digital transformation significantly improves operational efficiency, market reach, innovation capacity, and business resilience. However, the digital divide and limited digital literacy prevent uniform adoption across regions. The paper concludes with strategic policy recommendations to strengthen a digitally inclusive ecosystem that supports MSMEs in achieving sustainable growth.*

Keywords: Digital Transformation, MSMEs, Technology Adoption, Operational Efficiency, Business Competitiveness

