

MASTERCARD STRIVE EU PROGRAM

# Romania Small Business Snapshot



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Caribou

## Key takeaways

- 1 38% percent of small businesses can be described as in the "digital middle."** With their positive digital attitudes and intentions, they represent a significant opportunity for **digital transformation acceleration**, but they need support converting these into concrete actions through targeted initiatives.
- 2 To capitalize on the efficiency gains of AI tools**, small businesses need solutions tailored to their size, clear guidance on their use cases, support with integration, access to expertise, and targeted finance to support the adoption.
- 3 Security and privacy concerns** shape digital strategies of small businesses significantly and need to be addressed and supported to accelerate digitalization, and in particular the adoption of AI tools.
- 4 The financing gap for women-led small businesses is stark.** They succeed in securing requested funding at only half the rate of their male-led and mixed-gender-led counterparts. This unmet need must be addressed.
- 5 The majority of small businesses are unaware of alternative finance** options; to unlock the full potential of innovative finance—especially for startups—the knowledge gap needs to be addressed.





## Romania's small business sector

The small business sector in Romania is often overlooked, and the unique perspectives and challenges of business owners are rarely heard as a unified voice. This snapshot provides data-driven insights of Romanian small business needs, barriers, and perceptions around digital and green transformation.



## About the small business snapshot study

### Objective

To capture the digital transformation progress, barriers, and support needs of Romanian small businesses.

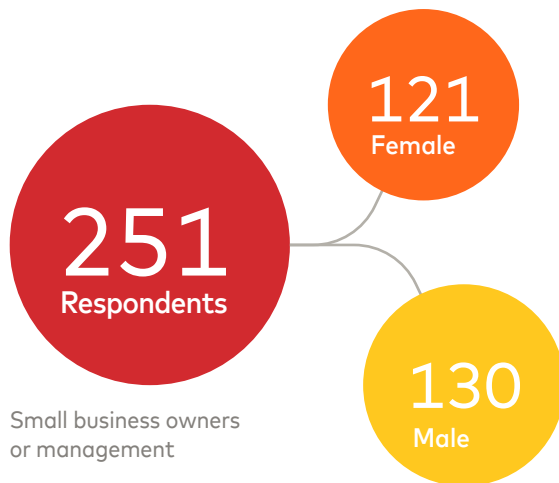
### How to use the findings?

251 small businesses participated in our snapshot study. These small businesses are part of a total of approximately 326,500 Romanian small businesses (2024). Due to this limited sample, and using an existing market research panel, this study does not offer precise population estimates.

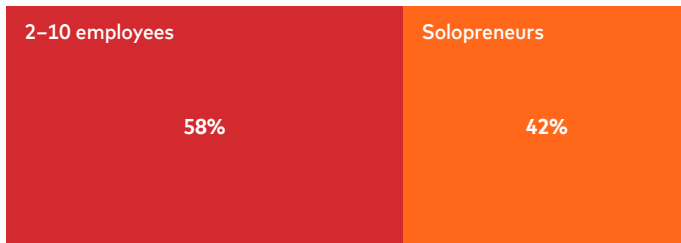
Findings reveal **indicative trends** and offer **insights** on the digital attitudes, digital practices, and support needs of small businesses. The study also highlights barriers and opportunities in digital transformation to spark a dialogue about advancing the digitalization and growth of small businesses in Romania.



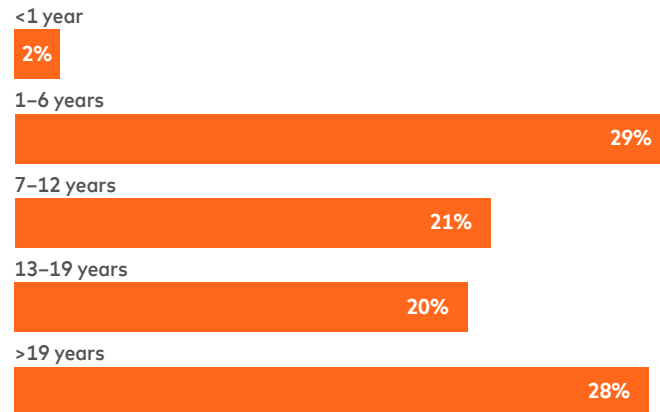
## Who are the small businesses\* we spoke with?



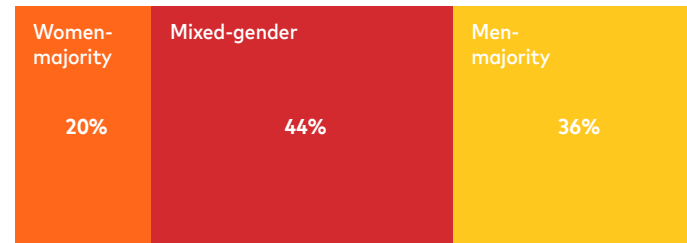
Of these businesses, the majority (58%) have between 2 and 10 employees.



Almost 5 in 10 businesses have been in operation for more than 13 years.



Nearly 7 out of 10 businesses have women in leadership positions.



\*Data presented in this small business snapshot includes businesses with up to and including 10 employees.



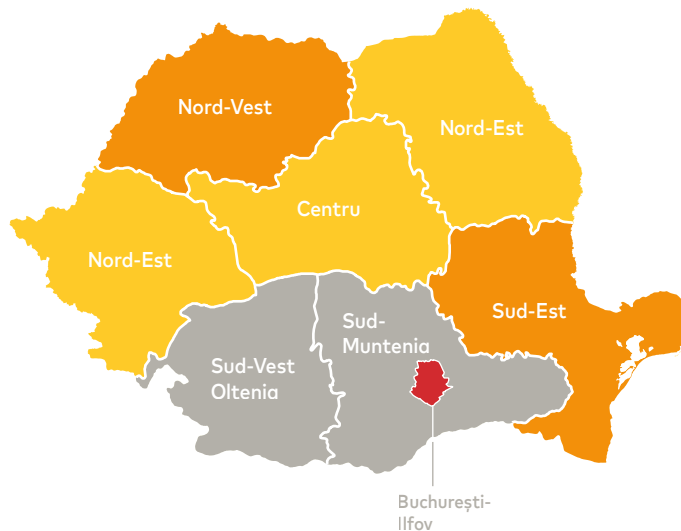
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ROMANIA SMALL BUSINESS SNAPSHOT

Where are they,  
and what do  
they do?

Nearly one-third of businesses questioned were in the Capital Region.



Number of businesses surveyed per region

● <20 ● 20-27 ● 27-59 ● ≥60

Small businesses were clustered in the services sector, ranging from distribution and hospitality to professional and personal services.

Distribution and hospitality

31%

Goods-producing

29%

Professional and financial services

24%

Community and personal services

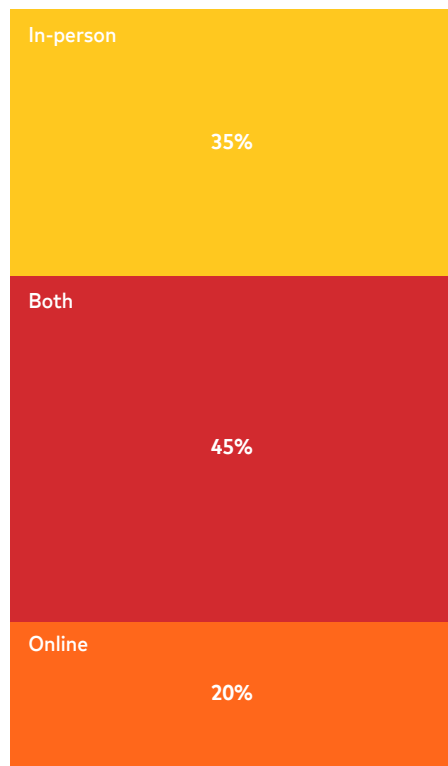
10%

Other

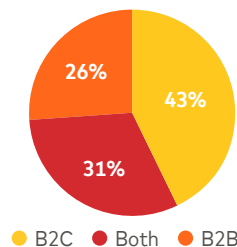
6%

## How do they operate?

7 in 10 businesses are already selling online.



Nearly half of all businesses focus exclusively on direct consumer sales.

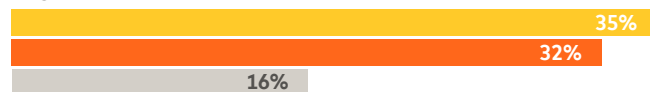


Businesses that sell to consumers directly are selling more online, whereas businesses that sell to other businesses rely more on face-to-face interactions.

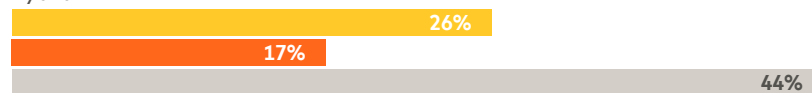
### B2B



### B2C



### Hybrid



● Online ● In-person ● Both



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ROMANIA SMALL BUSINESS SNAPSHOT



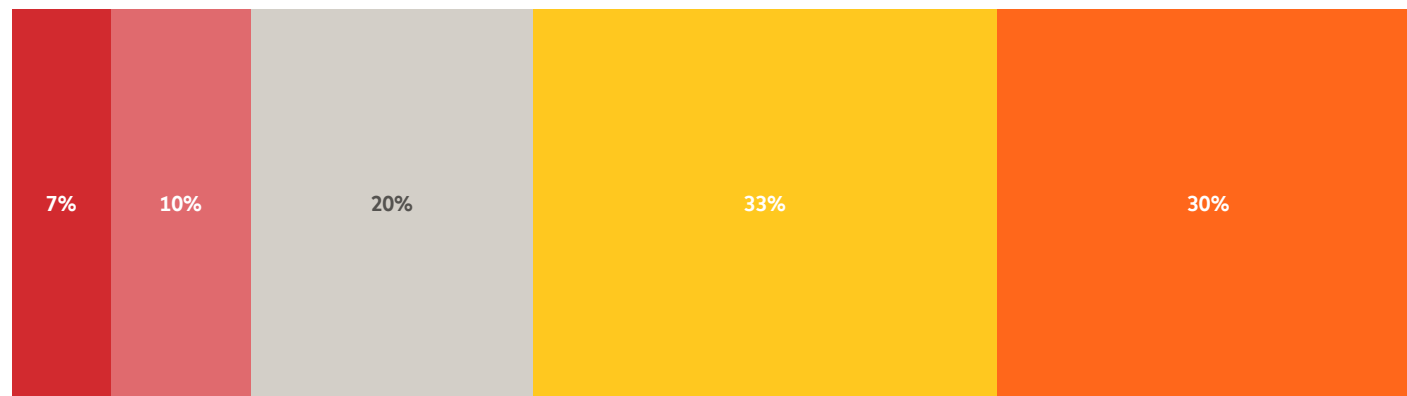
KEY FINDINGS

# Digital maturity and adoption



Small businesses see digitalization as a competitive edge

Over 8 in 10 small businesses see digitalization as important to remain competitive.



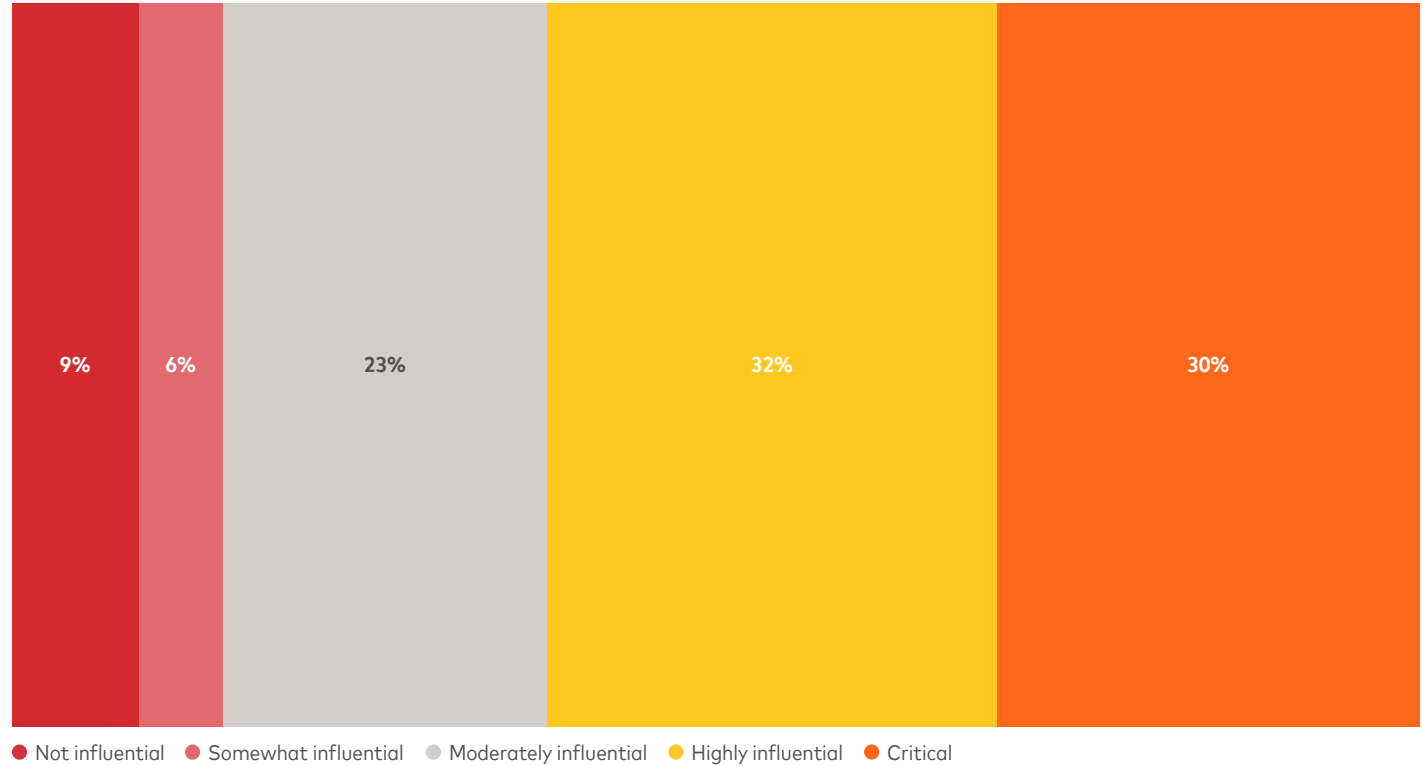
● Not important ● Somewhat important ● Moderately important ● Highly important ● Critical

**Those that reported digitalization as being "not important" or only "somewhat important" share similar attributes:**

- 1 They are concentrated in traditional hands-on industries like agriculture and construction.
- 2 None are located in the Bucharest-Ilfov region, and most are in the North-West and South-East regions.
- 3 They are more likely to report financial struggles, suggesting that they may lack capital to invest in digital.

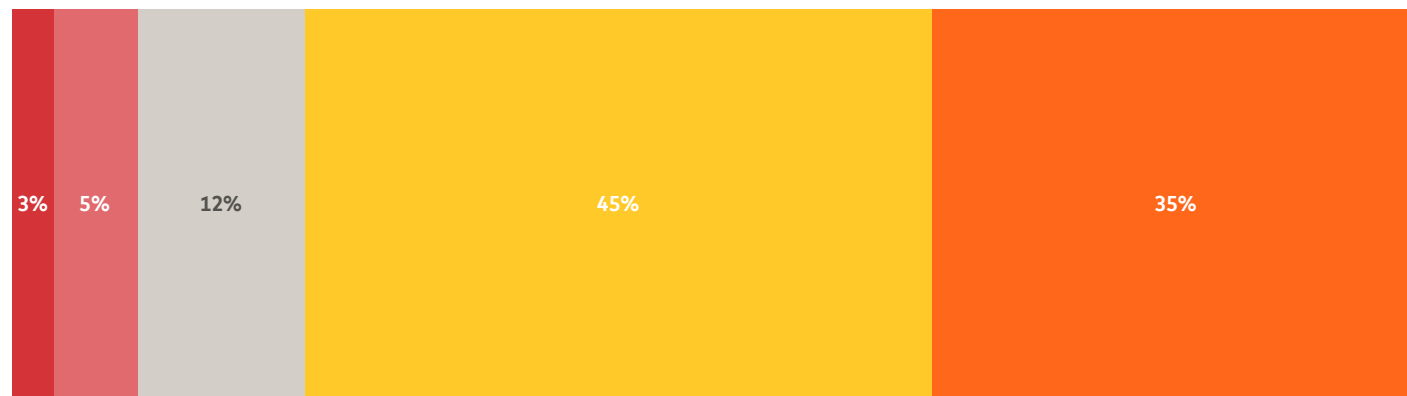
## Privacy and security concerns shape digital strategies

Nearly **two-thirds** of small businesses reported that privacy and security concerns are a strong influence on digitalization decisions.



## Investment in digital is growing

8 in 10 small businesses plan to increase their investment in digital in the next 12 months.



● Decrease ● Unsure ● Stay the same ● Moderately increase ● Significantly increase

Among those that are unsure or plan to decrease investment in digital, the main reasons include a lack of knowledge and digital skills, high costs of digital tools, and day-to-day operational time pressure that leaves little room for experimentation.

2 in 5 small businesses do not use AI and have no plans to adopt it in the near future

Although 80% of small businesses plan to increase their investment in digital in the next 12 months, there is still significant hesitancy around AI. 40% of small businesses neither use nor plan to use AI in the near future.

2 in 5 small businesses do not use AI and have no plans to adopt it in the near future.

Neither uses nor plans to use



Plans to use only



Uses and plans to use



Currently uses only

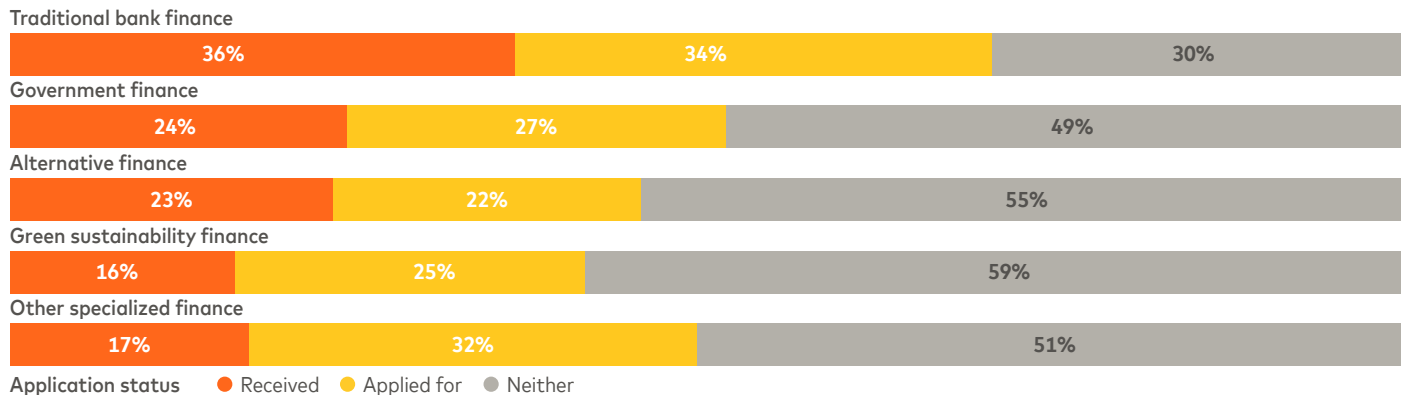


KEY FINDINGS

# Access to finance

## The small business financing gap persists

Half of respondents reported high costs as a significant barrier to digital tool adoption. Small businesses require transition finance and access to working capital to accelerate their digital tool adoption and transition.



Fewer than half of businesses that applied for finance received it, with the exception of alternative finance.

Small businesses in Romania face many of the same challenges witnessed across the EU. A heavy reliance on traditional finance often comes with significant bureaucracy and high costs. Small businesses may lack the credit histories or collateral to qualify for loans. Perceptions that small businesses are high risk also make them less attractive to banks.

\***Traditional bank finance:** Bank loans, overdraft, credit cards, etc.

**Government finance:** Government loans, grants or subsidies, credit guarantees

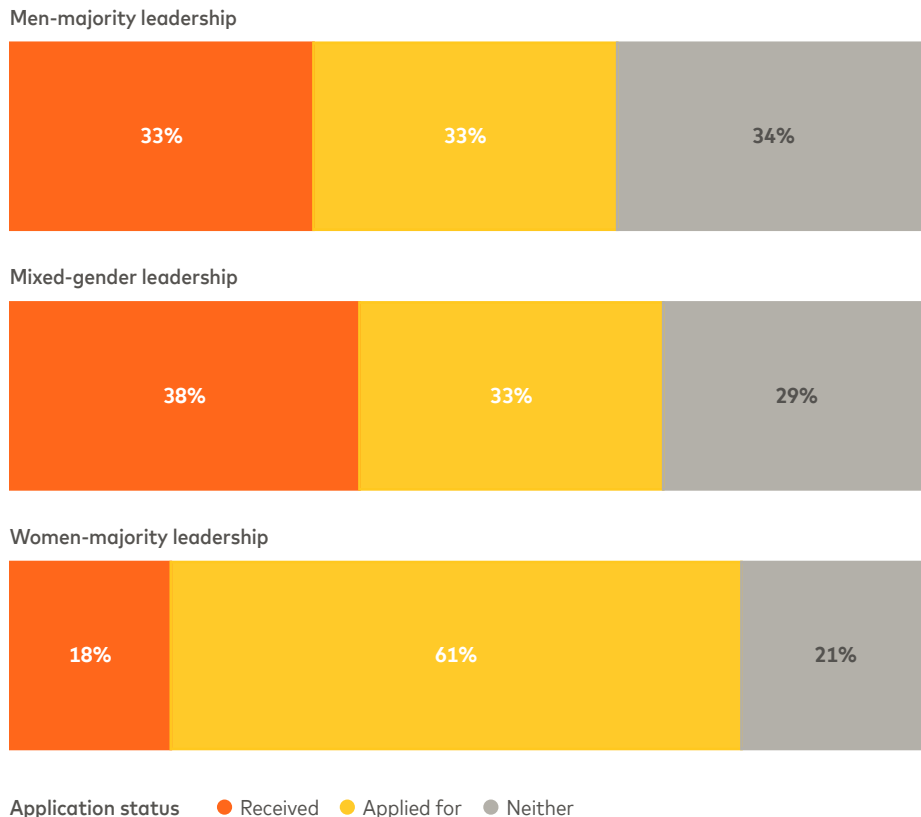
**Alternative finance:** Venture capital or equity investment, crowdfunding, microfinance

**Green/sustainability finance**

**Other specialized finance:** embedded finance, working capital finance, etc.

## Women-led businesses are particularly hampered by a lack of access to finance

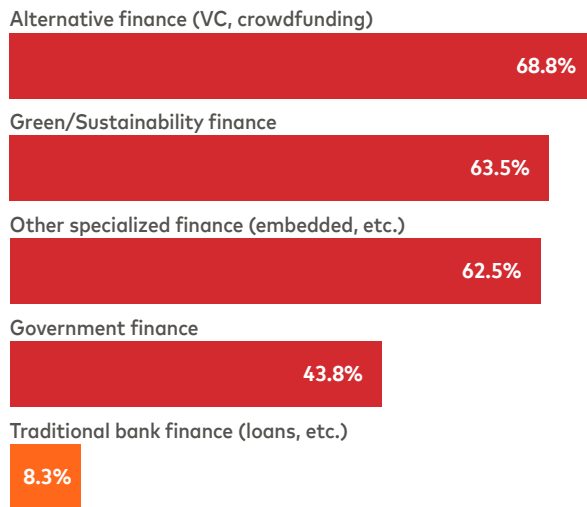
Women-led businesses seek finance at a considerably higher rate than businesses with men-majority or mixed-gender leadership, suggesting that they may have a higher demand for capital (80% vs. 66% and 71%). At the same time, their success rate is lower: fewer than one-third of those that apply are approved (compared to half for men- and mixed-gender-led businesses). Overall, women-led businesses have half the success rate of their male-led and mixed-gender-led counterparts. This funding gap demonstrates a significant unmet need for financing among women-led businesses.



## Gaps in awareness directly translate into finance usage gaps

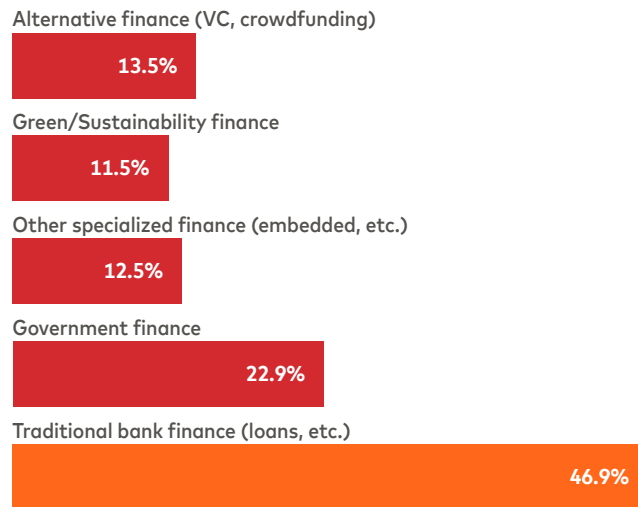
90% of small businesses reported some degree of familiarity with traditional bank finance. However, knowledge of alternative and green financing is critically low: more than half of small businesses report **no knowledge** across most non-traditional types.

% of small businesses reporting **no** knowledge of types of finance



This awareness gap directly affects usage. Application and receipt rates for non-traditional finance are drastically lower—indicating that small businesses are not leveraging the full spectrum of available financial services in Romania.

% of small businesses that have applied for or received financing





## Awareness of alternative finance is growing in Bucharest and among women-led businesses

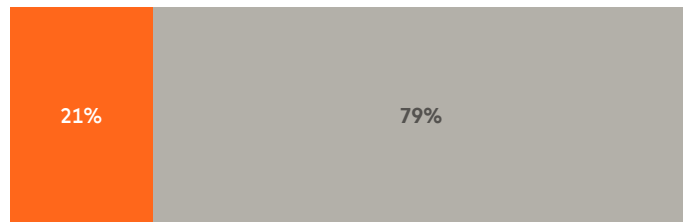
Businesses in Bucharest are significantly more likely to be familiar with alternative finance mechanisms, while those outside of the capital region are more likely to have applied for and received government finance.

Awareness of alternative finance across regions

In Bucharest



Other regions



● Familiar ● Not familiar

Businesses with women-majority or mixed-gender leadership are more familiar with alternative and specialized financing options such as embedded or working capital finance.

Awareness of non-traditional finance across different gender leadership

Specialized finance



Alternative finance

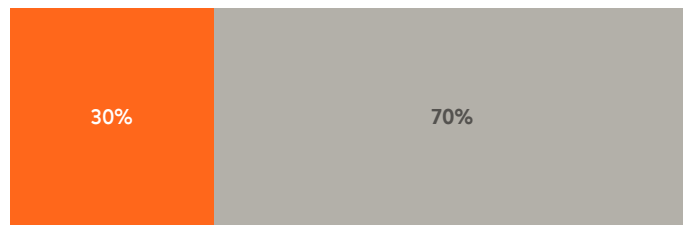


● Women-majority ● Mixed-gender ● Men-majority

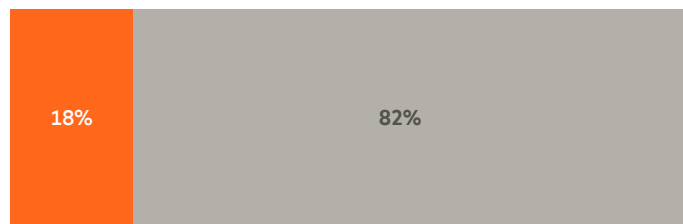
## Business age correlates with important differences in access to finance

Startups are often seen to lack the proven track record needed to be deemed "creditworthy." The small businesses in this study confirm this pattern: older, more established small businesses report the highest rates of having received traditional bank finance.

Established (7+ years)



Newer (<7 years)



● Received ● Did not receive

Newer businesses are more likely to report high interest rates and strict collateral requirements as key barriers to financing, whereas more established businesses see documentation and lengthy timelines as more critical challenges.

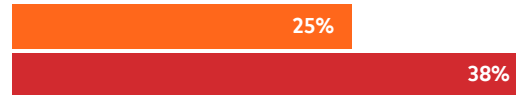
High interest rates



Strict collateral requirements



Excessive documentation



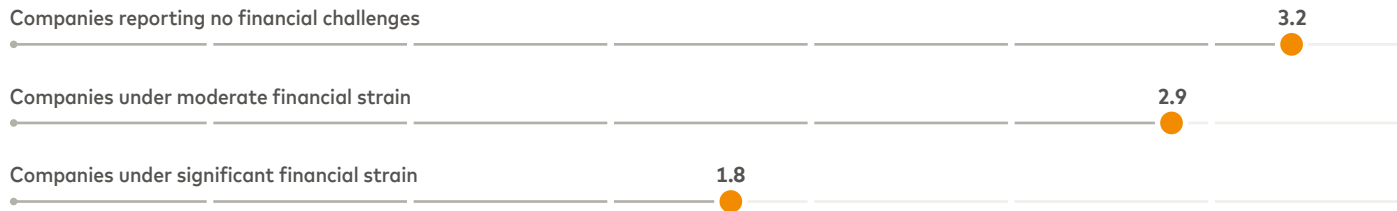
Extended timelines



● Established businesses (7+ years) ● Newer businesses (<7 years)

## The nexus of finance and digitalization

### Average number of digital tools used



Financial challenges were reported across all groups of small businesses in our study. However those that reported higher levels of financial strain used fewer digital tools, and made fewer plans to digitalize.

Although [digitalization can help open doors](#) to finance for small businesses, it can also increase financial burdens with high purchase or subscription fees for small businesses. Going forward, better understanding this relationship is vital to fully harness the synergies of digitalization and inclusive finance.

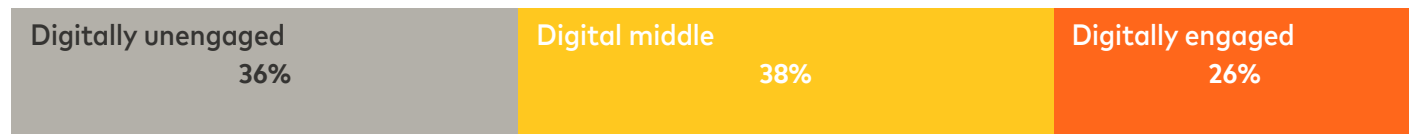
A man with dark hair and a light beard, wearing a blue button-down shirt, is seated at a wooden table in what appears to be a cafe or office setting. He is looking down at a tablet device in his hands. On the table in front of him are several papers, a white coffee cup on a saucer, and a laptop. The background is blurred, showing shelves with various items and a large window. A dark, semi-transparent diagonal band runs across the image from the top left to the bottom right, serving as a background for the text.

KEY FINDINGS

# The digital opportunity

The small businesses in the snapshot study fall into three categories of digital engagement

### Three personas of digital maturity



#### Digitally unengaged

These small businesses see digitalization as low priority for their business and are using no or very few digital tools. One-third have little or no plans for future investment in and adoption of digital or cybersecurity solutions. Three-quarters have no current use nor plans to use AI.

They are typically located outside of Bucharest, are older businesses (>7 years), have more employees, and operate in more traditional sectors like agriculture and construction. This persona also represents 43% of the total businesses under severe financial strain (15%).

#### Digital middle

These small businesses have positive attitudes towards digitalization with 87% intending to increase investment, but lag in adoption. Half of businesses in the "digital middle" do not use and have no plans to use AI, while one-quarter already use it, and a further 18% have plans to start using solutions soon.

While some are in the capital region, they are typically located outside of Bucharest, usually have more than 2 employees, and represent a diverse range of sectors including business services, consulting, retail, and food and beverage. This persona represents 38% of total businesses under severe financial strain.

#### Digitally engaged

These small businesses have positive attitudes toward digitalization and cybersecurity, are active users of multiple, advanced tools, and all have strong intentions to increase their use in the future (100%). Only 20% have no current or future plans to use AI.

They are typically located in Bucharest, are younger businesses (<7 years) with a number of employees, and operate in professional, financial, and goods-producing sectors. This persona represents approximately 19% of the total businesses under severe financial strain (20%).

## Digitally engaged: The Urban Innovator



This is a fictional persona; photo for illustrative purposes only.

**Mara** is a 28-year-old, C-level director of a small advertising business with **4 employees** located in **Bucharest**. The company operates both **online and in person** and was **founded in 2010**. In the last year it has performed somewhat above financial expectations. **Leadership is diverse**, with both men and women represented in senior positions.

The company is digitally savvy. They use an average of approximately **6 digital tools** (e.g., AI, digital payments, CRMs, project management software, etc.) in the regular operation of their business. They see investment in **digital tools as central to their competitiveness**, and security and privacy are critical considerations for how they make decisions.

While they have some **minor financial difficulties**, they have not hampered their operations. They are familiar with a variety of financing models; however, they have only received traditional bank financing in the past.

## Digital middle: The Pragmatic Adopter



This is a fictional persona; photo for illustrative purposes only.

**Radu** is a 39-year-old manager of a consulting business in the **Center region** with **7 employees**. Leadership in the business is **mostly male**.

Radu believes that digitalization is a practical necessity to improve competitiveness, but it isn't the only driver of their growth strategy. They have **adopted common tools that improve daily efficiency** like financial and project management software, but haven't really started to engage with AI. He plans to **moderately increase investment in digitalization** over the next 12 months.

The firm's financial profile is stable, but not without challenges related to **occasional cash flow difficulties**. The business is **very familiar with traditional bank financing** but has little to no familiarity with alternative options.



## Digitally unengaged: The Traditional Operator



This is a fictional persona; photo for illustrative purposes only.

**Vasili** is 48 years old and runs a small forestry business founded in the early 2000s as a **solopreneur** in the **North-West** of the country.

Most business is done in person. The business faces significant financial difficulties, mainly related to **cash flow**, which threaten its future. While familiar with traditional bank financing, Vasili has **not received any**, and he has **no knowledge of alternative finance**.

He is **not very concerned about privacy or security** and doesn't think digitalization impacts his competitiveness. He currently uses **only email and cloud storage**. He is concerned about costs of integrating and maintaining more tools and doesn't have much time to learn new skills.

He is **unsure about investing** more in digital in the future but recognizes that **sustainability concerns** may be becoming growing importance for his business, especially **certification and labels**.



## The digital opportunity further defined

Digitally unengaged businesses lag significantly behind other personas in terms of their average digital maturity.\*



### Use of digital tools

On average, digitally engaged firms use **more than twice as many tools** than those in the digital middle (5.8 vs. 2.8), and **3 times as many** as the digitally unengaged (1.9).



### Plans for digital

Digitally engaged firms are also more likely to **plan to adopt** new AI and cybersecurity tools soon, compared with the digitally unengaged, which have almost no adoption plans.

The two main factors that influence a firm's likelihood of being **digitally unengaged** are (a) if it was established more than 7 years ago and (b) if it is located outside of the Capital region.

\* Average scores based on attitude, intention, and adoption of digital tools, including AI and cybersecurity.

## What is needed to capitalize on the digital opportunity?

### Barriers

Primary reasons for not using AI include conflicting priorities (AI is a low priority, 33%), a lack of expertise (28%), privacy and security concerns (26%), and uncertainty about where to start (25%).

Businesses in the digital middle were the most likely to be skeptical about the value of AI and concerned about compatibility issues between new systems and existing ones.

### Support

Businesses consistently pointed to needing solutions tailored to their size (39%), support with integration (36%), clear guidance on use cases (33%), targeted finance to support use (31%), and access to expertise (28%) as the main forms of support needed to address these barriers.

	<b>The Traditional Operator</b> Digitally unengaged	<b>The Pragmatic Adopter</b> Digital middle	<b>The Proactive Integrator</b> Digitally engaged
<b>Key question</b>	"Why should I bother with digital at all?"	"How can I use AI pragmatically and affordably?"	"How do we scale and optimize our AI advantage?"
<b>Top support needs</b>	Targeted finance for basic tech  Solutions for very small businesses	Clear use cases Support with integration General training	Access to specialized expertise Assistance with regulations Support with security and privacy

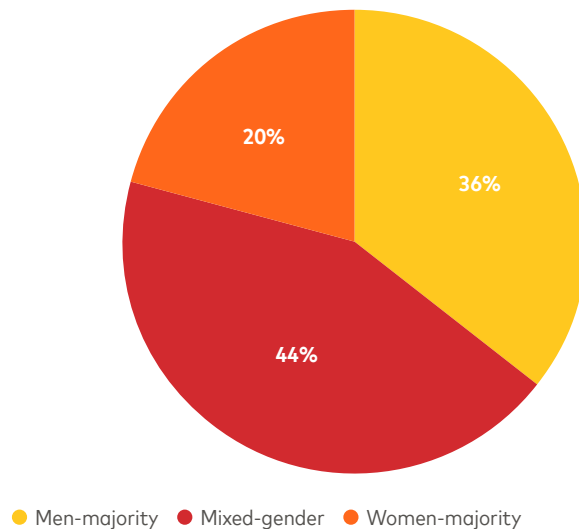
A man and a woman, both wearing black aprons over their shirts, stand in a modern kitchen. The woman, on the left, has blonde hair in a ponytail and is smiling while holding a white tablet. The man, on the right, has short dark hair and is holding a brown paper bag. They are both looking towards the camera. The background shows a kitchen with stainless steel equipment, including a range hood and various containers on shelves. The lighting is warm and focused on the subjects. A large, dark, semi-transparent geometric shape is overlaid on the left side of the image, and a thin orange line runs diagonally across the right side.

KEY FINDINGS

# Women-led small businesses

Women are in leadership positions in two-thirds of businesses

Nearly two-thirds of small businesses in the snapshot study have women in positions of leadership.



Businesses with women in leadership positions are more likely to report high importance of digitalization in their operations.

#### Men-majority



#### Mixed-gender



#### Women-majority



Digitalization importance ● High ● Medium ● Low

## Women-led businesses face challenges with tech adoption and financing

### Adoption rates of solutions by category and gender leadership

#### Uses cybersecurity



#### Uses AI



#### Uses sustainability



● Men-majority ● Mixed-gender ● Women-majority

**Women-led businesses lag behind their counterparts in use of cybersecurity solutions and AI, but they are leaders in sustainability adoption.**

As highlighted earlier, a significant challenge for women-led businesses is access to finance. Women-majority businesses are more likely to have applied for traditional bank financing in the last three years (80%), but less than a quarter of those receive financing. In contrast, 66% of male-led companies applied for traditional bank financing, and half of those received it.



A group of four diverse professionals are gathered around a laptop in a wood mill. A woman with curly hair and safety glasses is pointing at the screen. A man with a beard and a white cap is looking on. A young woman with headphones is also looking at the screen. A man with safety glasses is standing to the right. The background is filled with stacks of wood. A diagonal grey line runs across the image from the top left to the bottom right.

KEY FINDINGS

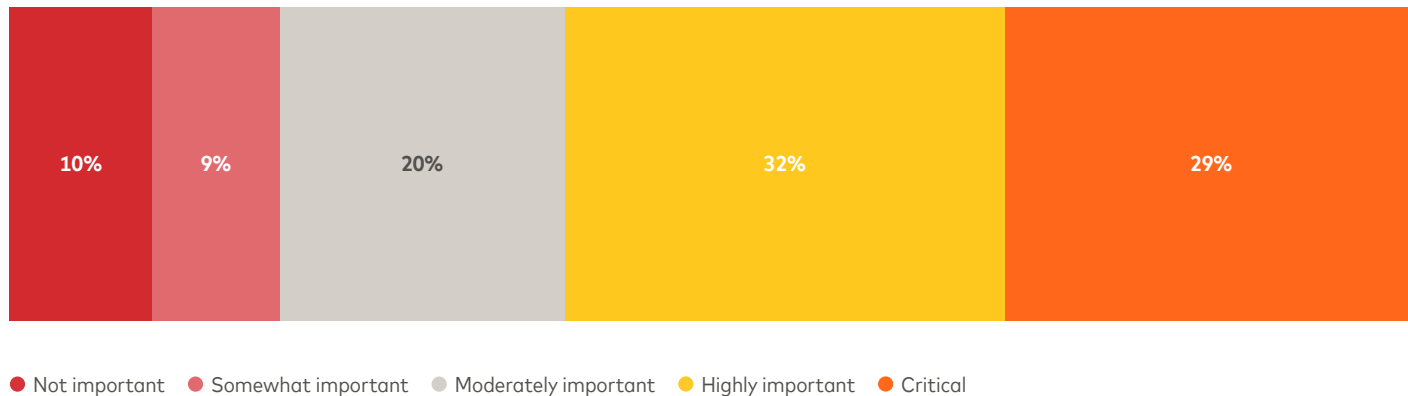
# Sustainability solutions

## The sustainability opportunity

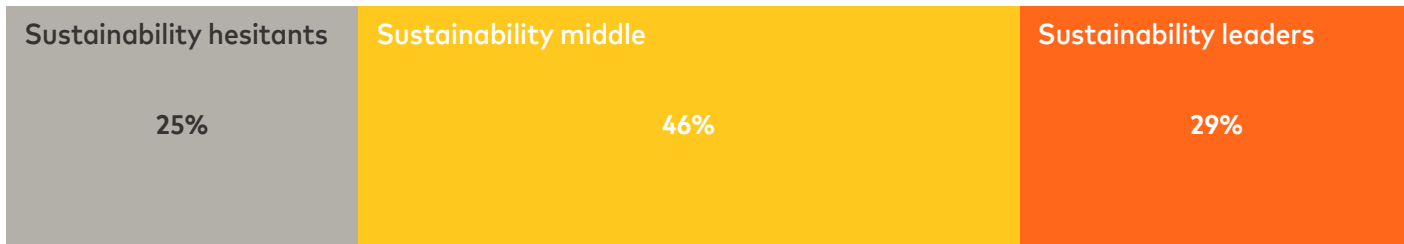
Consumer and regulatory pressures are growing for companies to demonstrate their commitment to sustainability goals. Reporting has become a critical element for companies seeking investment, brand reputation, and long-term business sustainability. Yet meeting these wide-ranging demands is challenging for small businesses.

At the same time, small businesses seeking financing may also find that financial institutions require clearer sustainability information in their decision-making processes. The National Bank of Romania has been actively promoting the integration of climate-related and environmental risks into the financial sector's practices. Consequently, major banks operating in Romania, have launched green financing products and are starting to require SMEs to provide sustainability information as part of their loan applications.

One in two small businesses reported sustainability concerns as being highly or critically important to their business.



## The sustainability opportunity



Sustainability hesitant see little or no value in engaging with sustainability solutions for their businesses and have no plans to start. For this group, strong incentives are required to drive adoption of sustainability solutions.

For small businesses in the "sustainability middle" there is a significant intention-action gap. They are aware of sustainability concepts like certification, and reporting, and they may have taken one or two actions towards adopting sustainability solutions but have not yet fully committed to sustainability.

They are often held back by practical barriers like adoption costs, complexity, and unclear return on investment.

The top-performing quarter of businesses believe sustainability is important for their business and have translated that belief into action, either by investing in solutions or having concrete adoption plans. For these businesses there is still potential to deepen their engagement with relevant tools, and they have strong intentions to do so in the near future.



Sustainability adoption is widespread but can be deepend



**8 in 10 small businesses report using sustainability solutions\*** with the most common being certifications, label schemes and sustainability reporting tools. **On average, most businesses use 1.3 sustainability tools.** However this masks important differences between businesses, based on their level of wider sustainability engagement.

**\*ESG reporting tools:** Software that helps track and report sustainability data for compliance

**Carbon management tools:** Calculators or software to measure and manage carbon footprints

**ESG guidance platforms:** Tools that provide advice or frameworks for sustainability management

**Energy optimization tools:** AI or software that helps reduce energy consumption

**ESG monitoring tools:** Systems that track sustainability KPIs and risks

**Data integration platforms:** Tools that collect ESG data using standards like DNK or other frameworks

**Certifications and labels:** Environmental certifications like ISO 14001 or industry-specific eco-labels

Average scores based on attitude, intention, and adoption of sustainability tools.

## The sustainability opportunity further defined



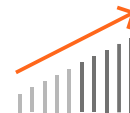
### Sector

Goods-producing small businesses are the most likely to be currently using sustainability solutions (89%) and to have plans to increase their use in the next 12 months (91%). Small businesses in the hospitality and distribution sectors are second.



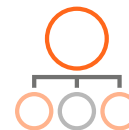
### Leadership

Businesses with mixed-gender or women-majority leadership are the most likely to be already using sustainability solutions and to be interested in increasing use. Men-majority leadership is 5 to 20 percentage points less likely to be using or planning to use sustainability solutions, depending on other business attributes.



### Tenure

Newer businesses (<7 years old) are 13 percentage points more likely to be currently using sustainability tools (87% vs. 74%) and are slightly more likely to be planning to increase their use in the future (90% vs. 84%).



### Size

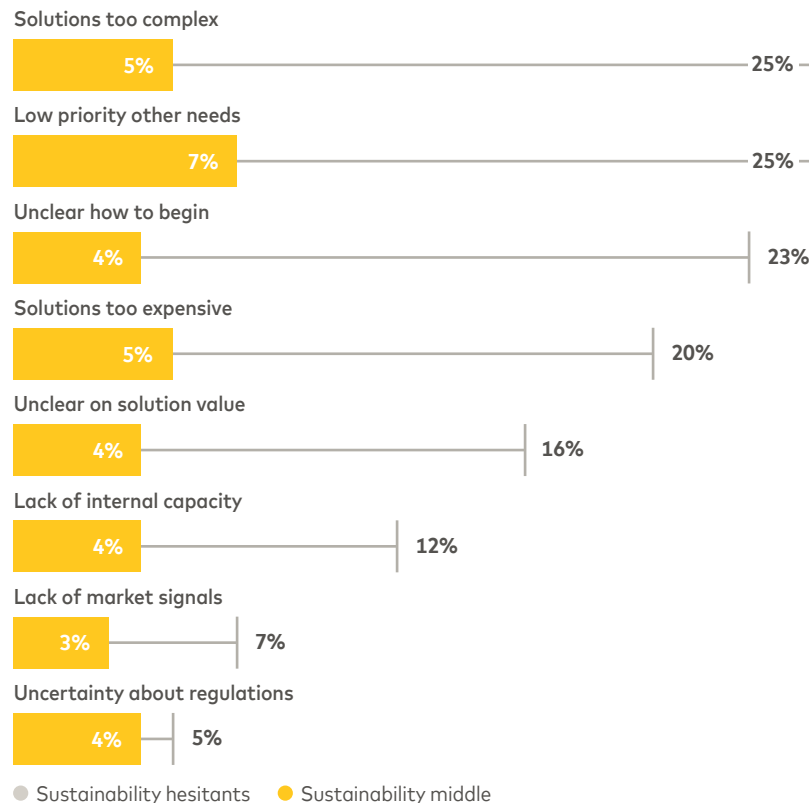
Larger firms (2 to 10 employees) are slightly more likely to already be using sustainability solutions (81% vs. 74%) and to increase their use in the next 12 months (87% vs. 84%).

Among hesitant small businesses, complexity and priorities are the biggest challenges

The main obstacles are reported at the start of the journey. Hesitant small businesses are significantly more likely to report challenges, which are fundamentally interlinked: Solutions are seen to be too complex and too expensive, and businesses don't know where to start, leading business to de-prioritize sustainability over immediate needs.

### Opportunities

To accelerate the green transition, guidance on the value and ROI of solutions, how to start and how to implement tools is needed to get over the initial hurdles and begin their sustainability journey. Once they have done that, like the businesses in the "digital middle" their perception of challenges and barriers diminishes significantly.





KEY FINDINGS

# Cybersecurity

## The cybersecurity puzzle

As small businesses embrace digital solutions and grow their digital and data assets, they increase their exposure to cybersecurity and data protection risks. Romanian businesses are under significant threat. Malware attacks surged by 287% in 2024 compared to 2023, and cyber fraud increased by 40%. Small businesses are deliberately targeted in cyberattacks. While there is limited data on companies with fewer than 10 employees, 90% of cybersecurity breaches worldwide occur within small businesses, and the number of attacks is constantly rising.

In Romania, most small businesses underestimate their cybersecurity risks. Nearly 1 in 2 small businesses neither uses, nor plans to use any cybersecurity measures in the coming 12 months.

Neither uses nor plans to use



Currently uses only



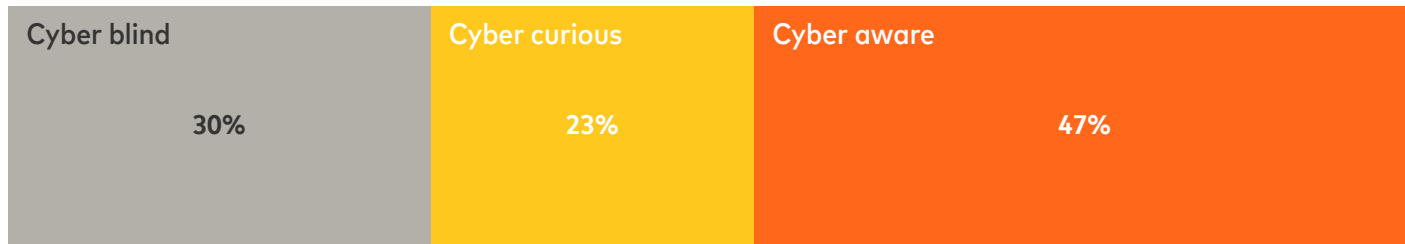
Uses and plans to use



Plans to use only



## Profiles of cybersecurity personas



### Cybersecurity blind

The typical profile of a small business that is not using and has to plans to use cybersecurity solutions is in a hands-on traditional business (e.g., goods producing, agriculture, forestry), is a woman solopreneur, from a newer (<7 years) business.

### Cybersecurity curious

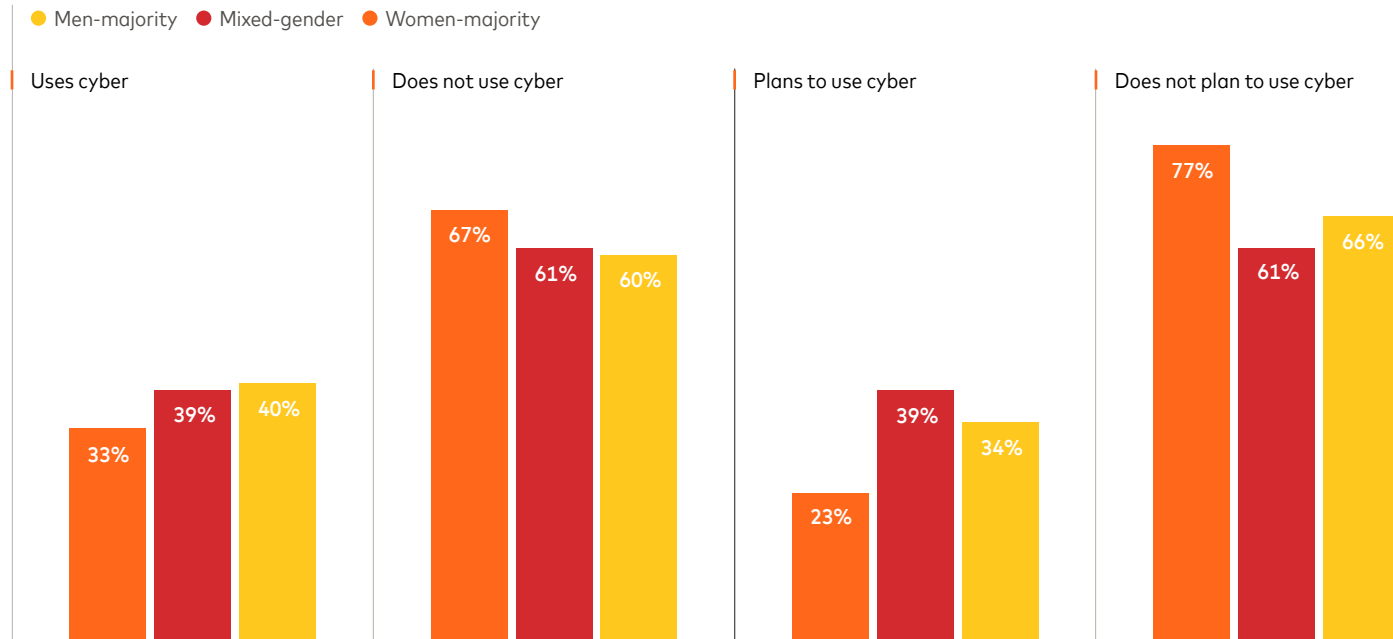
Businesses that are not currently using cybersecurity tools, but have an interest in, or plans to do so are typically solopreneurs in the community and personal services sector. If they have more than one employee, they have mixed-gender leadership and have been established in the last 7 years.

### Cybersecurity aware

Small businesses most likely to be using cybersecurity solutions already are more mature (>7 years), male-led businesses in the distribution and hospitality and professional and financial services sectors with between 2 and 10 employees.

## Women-led businesses lag behind in cyber adoption

Male-led business are the most likely to be using cybersecurity solutions (40%), but mixed-gender companies may close that gap in the near future, given nearly 2 in 5 plan to use cyber in the next 12 months. In contrast, women-led small business lag behind in both use and plans for use, suggesting that the gap may only grow in the short term.



Larger small businesses use cybersecurity solutions more, but solopreneurs are closing the gap





## Digitally engaged are most likely to use or plan to use cybersecurity solutions

Unsurprisingly, small businesses that are more digitally mature have substantially higher use, and plans for use of cybersecurity solutions. 80% of digitally engaged small businesses either use or plan to use cyber solutions.

### Digitally engaged

#### Uses and plans to use

39%

#### Currently uses only

25%

#### Neither uses nor plans to use

20%

#### Plans to use only

16%

One-third of businesses in the digital middle already use cybersecurity solutions, but one in two have no current use nor plans to do so, suggesting that even those in the digital middle are less concerned about cybersecurity.

### Digital middle

#### Uses and plans to use

7%

#### Currently uses only

24%

#### Neither uses nor plans to use

53%

#### Plans to use only

18%

The digitally unengaged are the least likely to use, or plan to use cybersecurity solutions. Only 13% currently use any kind of cybersecurity solution, and 15% have plans for future use.

### Digitally unengaged

#### Uses and plans to use

7%

#### Currently uses only

10%

#### Neither uses nor plans to use

68%

#### Plans to use only

15%

Small businesses point to common barriers and support needs to increase adoption of cybersecurity solutions

The main **barriers** cited by small businesses who are not using cybersecurity solutions include costs (42%), a perceived lack of threat (38%), priorities (35%), and complexity (30%).

#### Barriers



One third of small business highlighted training (38%), targeted finance to support adoption (34%), and support with integration (31%) as their primary **support needs**.

#### Support needs



A man wearing a dark blue baseball cap and a grey apron over a dark blue shirt is standing in a warehouse or store. He is holding a black tablet in his left hand and talking on a black mobile phone held to his right ear. The background shows tall white shelves filled with various products, including boxes and bags. The lighting is bright, with some blurred lights in the distance. A semi-transparent dark grey overlay covers the bottom half of the image, and a thin orange curved line is visible on the right side.

Closing

The Mastercard Strive EU program supports innovative digital solutions tailored to the needs of small businesses

In Romania, the program partners with two innovators developing solutions for small businesses:



A co-creation platform that democratizes innovation for small businesses by unlocking their access to digital tools, bespoke expert guidance, and AI-powered insights that support their innovation plans and processes.



**fagura**

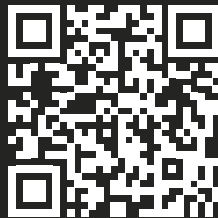
An AI-powered credit-scoring widget embedded in the financial and business platforms small businesses use daily, enhancing and simplifying their access to finance.



Thank you!

Learn more about the Mastercard Strive EU  
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