



# The Cornetti Project

Rejuvenating SMEs in Italy Shrinking Villages through Digitalization

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# Italy ageing faster than EU peers, population drops below 59 mln

Reuters



People walk around Piazza del Duomo, in Catania, ahead of Italian general election, in eastern Sicily, Italy, September 8, 2022. REUTERS/Antonio Parrinello

“A shrinking and ageing population is a major worry for a stagnant economy like Italy as it is linked to falling productivity, less innovation and higher welfare bills among other things.”



# The Global Population Is Aging. Is Your Business Prepared?

by Jennifer D. Sciubba

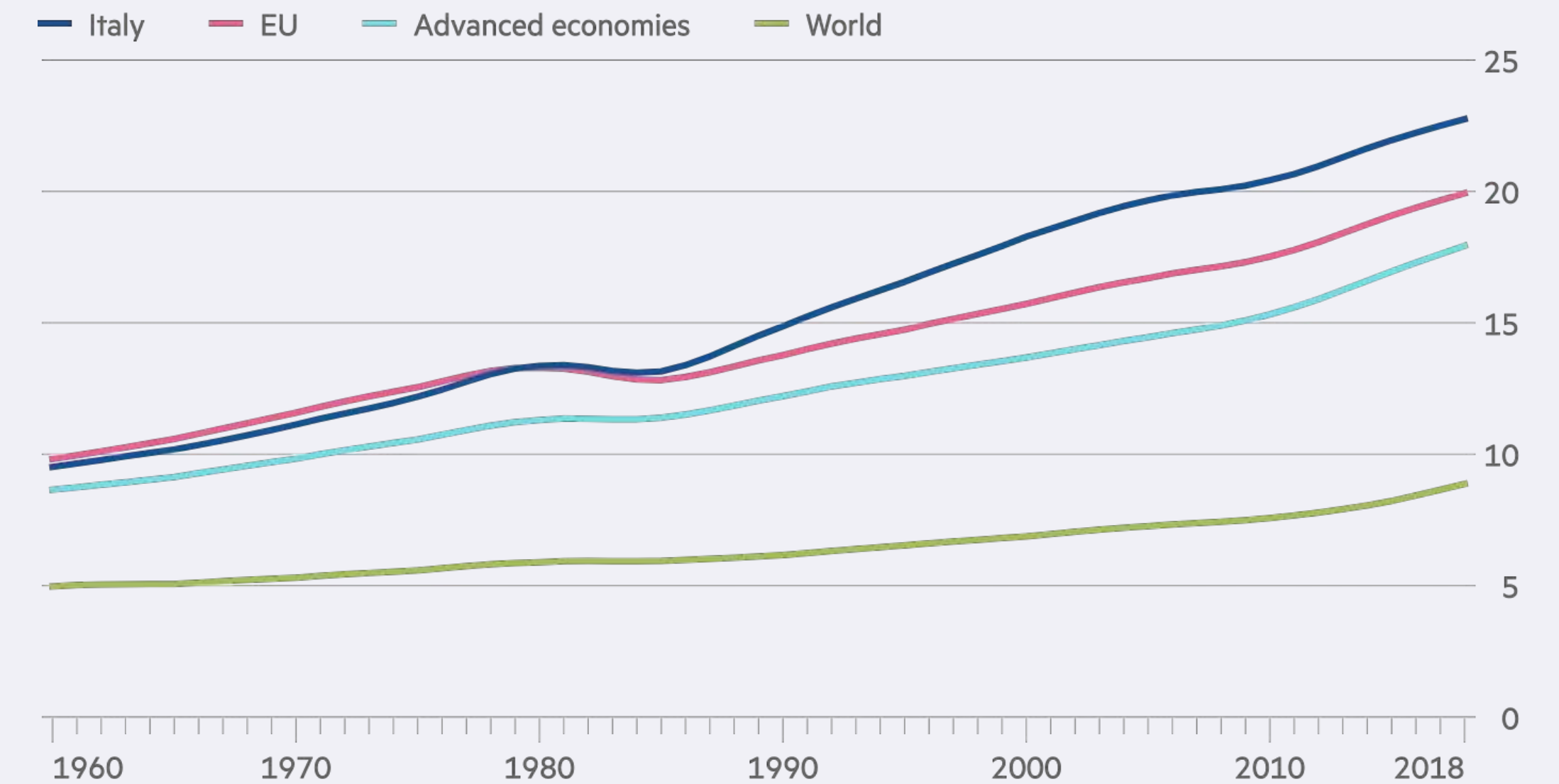
November 18, 2022



Juj Winn/Getty Images

Harvard Business Review, 2022

Population aged 65 and above, %



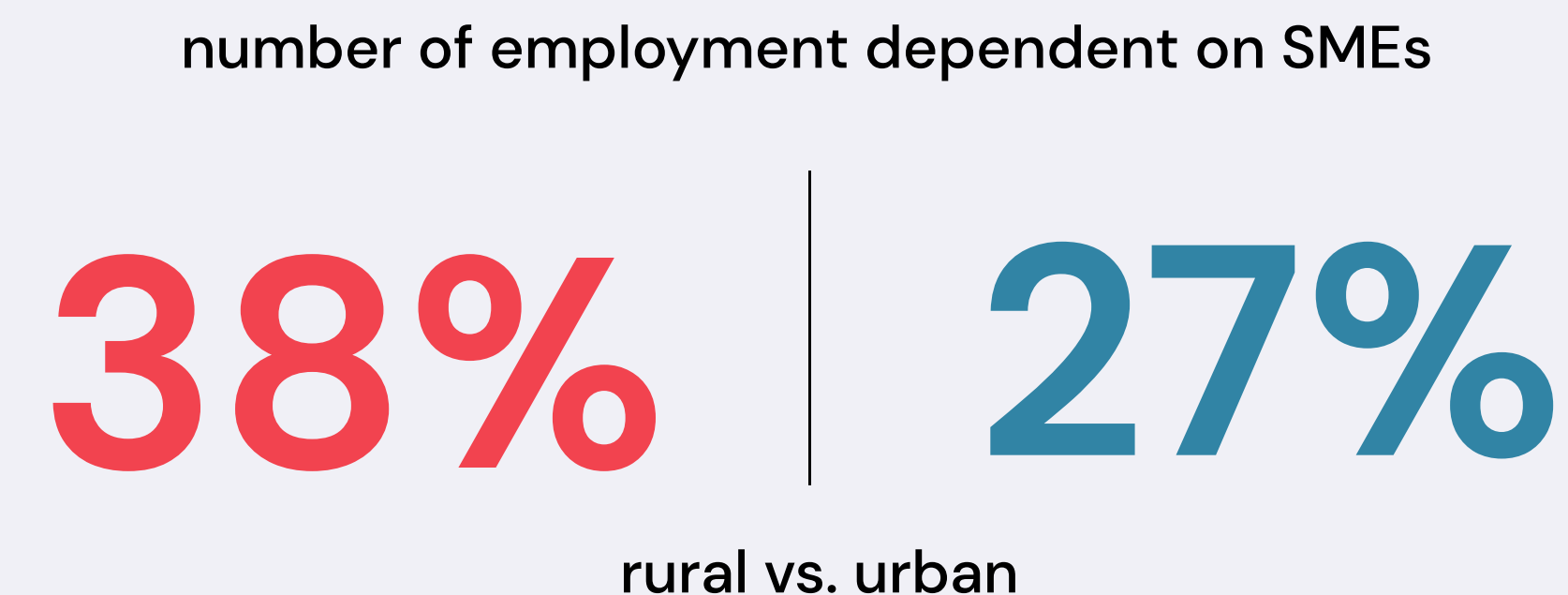
## Italy aging population

World Bank, Refinitiv

- aging workforce
- aging customer base
- shifting global market

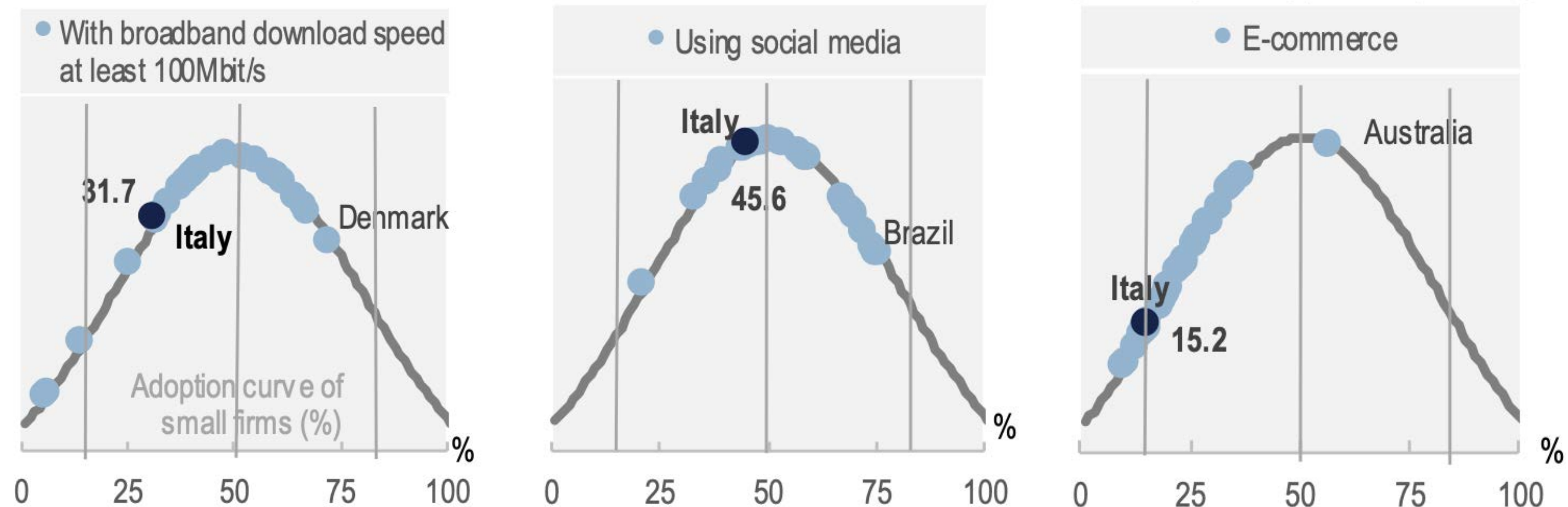
SMEs account for  
**66.9%**  
overall value added in Italy  
in the non-financial business economy,  
exceeding the EU average of 56.4%.

European Commission, 2019



The loss of high-skilled workers in shrinking villages of Italy negatively affects the local innovation of SMEs, disconnecting them with the global economy.

ESPON (2017). Shrinking Rural Regions in Europe. Policy Brief

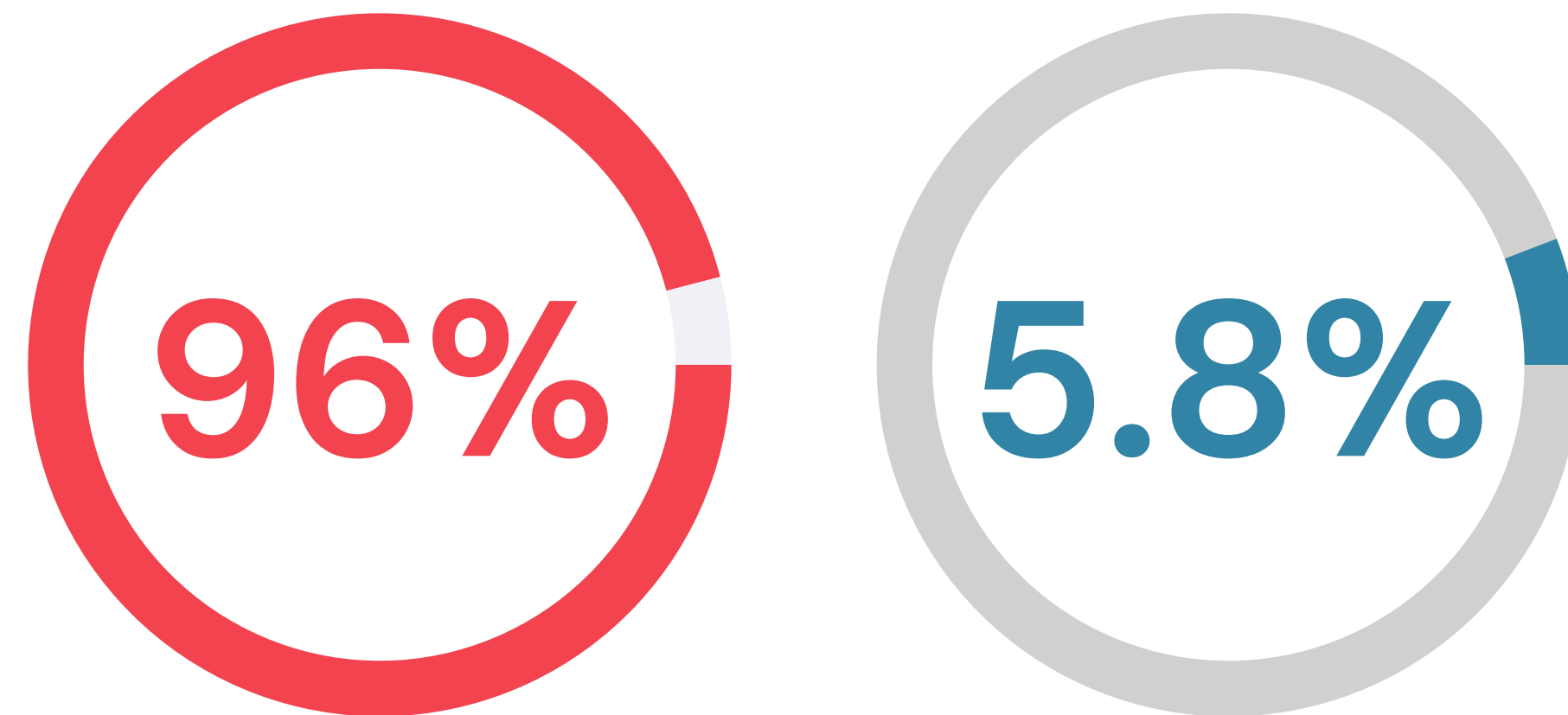


Small firms in Italy are transitioning to the digital world, but their lag in adopting e-commerce could be an obstacle in this situation, especially after COVID-19

**“How can digitalization support  
small business development in  
Italian small towns?”**



share of enterprise exporting

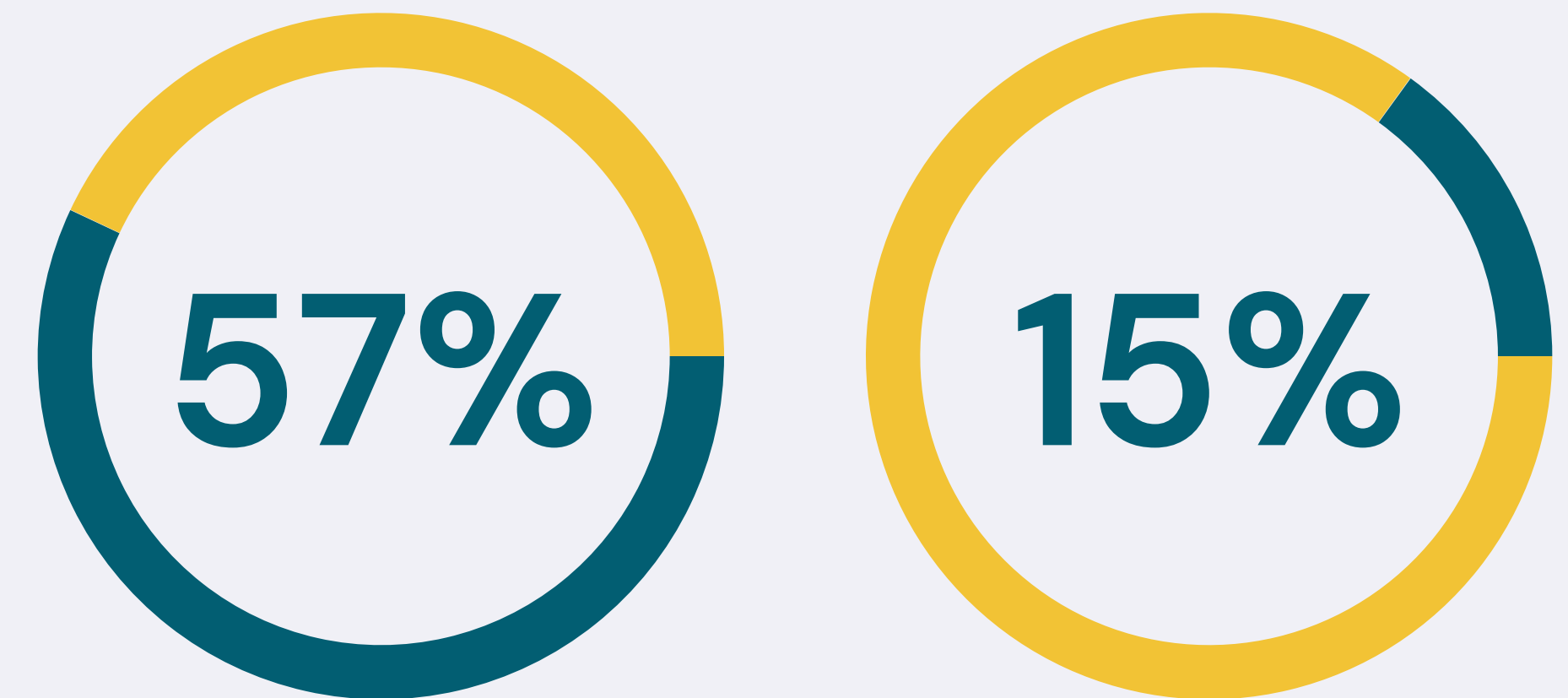


eBay enabled small  
businesses

**vs.**

traditional  
businesses

share of enterprise exporting to 10+ markets



eBay enabled small  
businesses

**vs.**

traditional  
businesses





# Project Goal

1. Understand the relationship between digital activity, internet connectivity and small business development in Italy Shrinking Villages.
2. Understand what are the problems these small businesses currently facing and how digitalization can help them thrive.
3. Develop accessible digital toolkit for small businesses in Italy to scale, increase their sales, and create a greater sense of place.

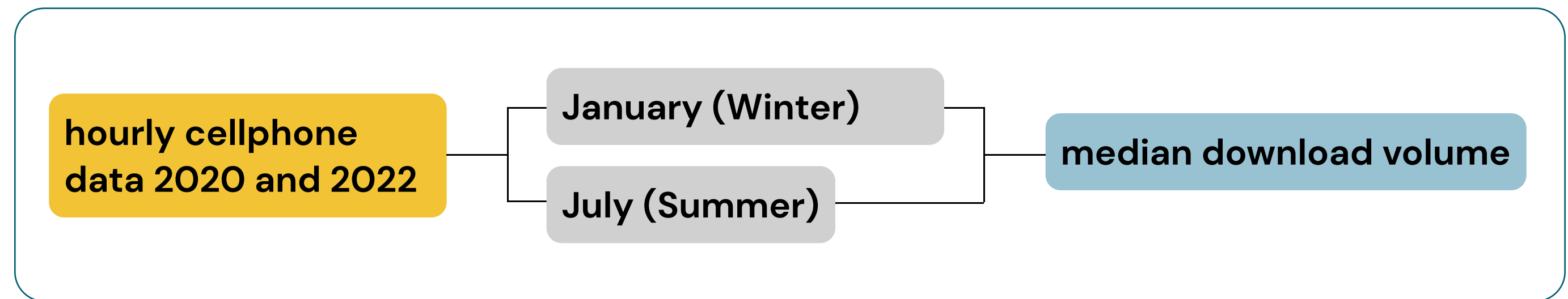


## Methodology

### data collection

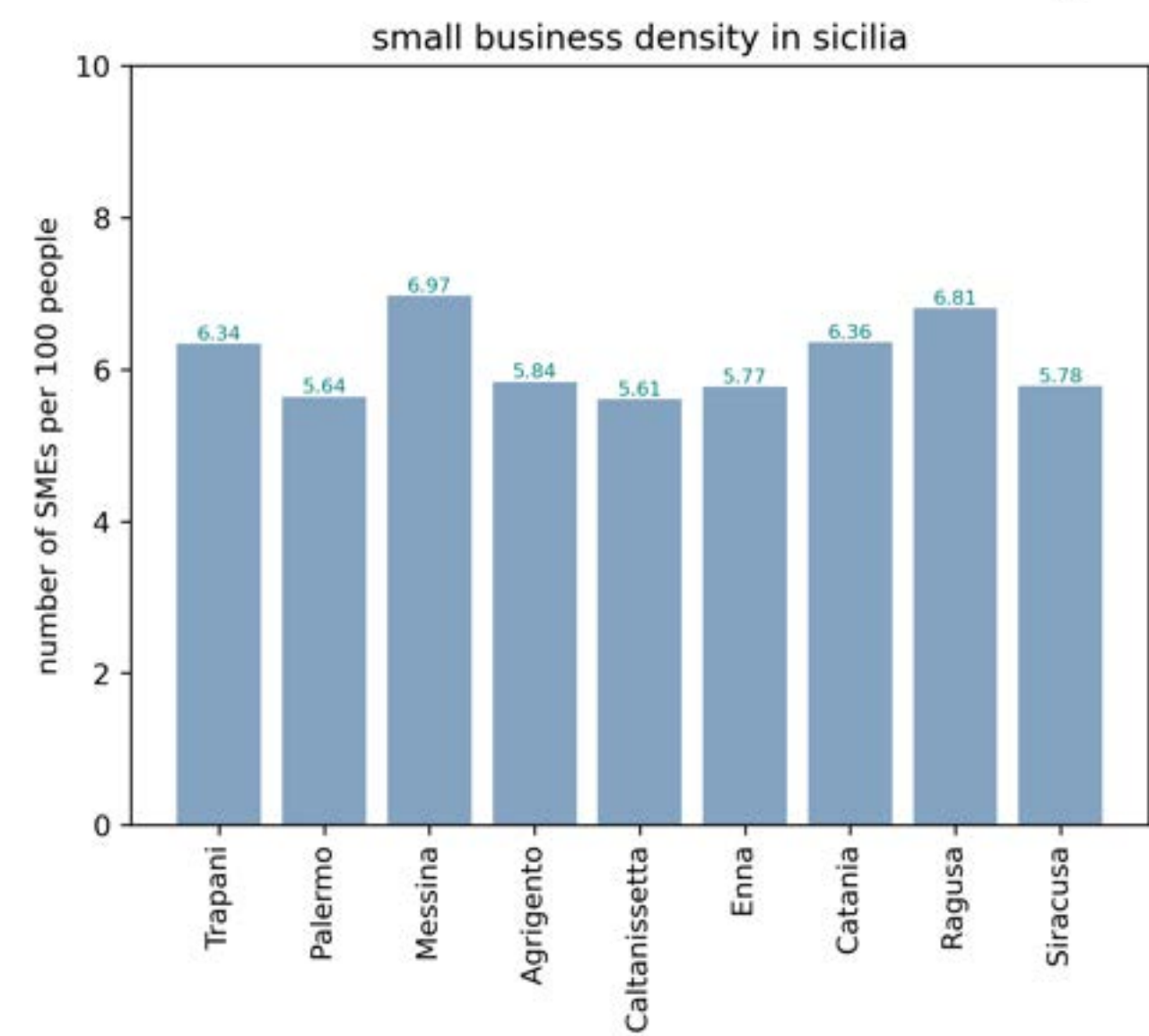
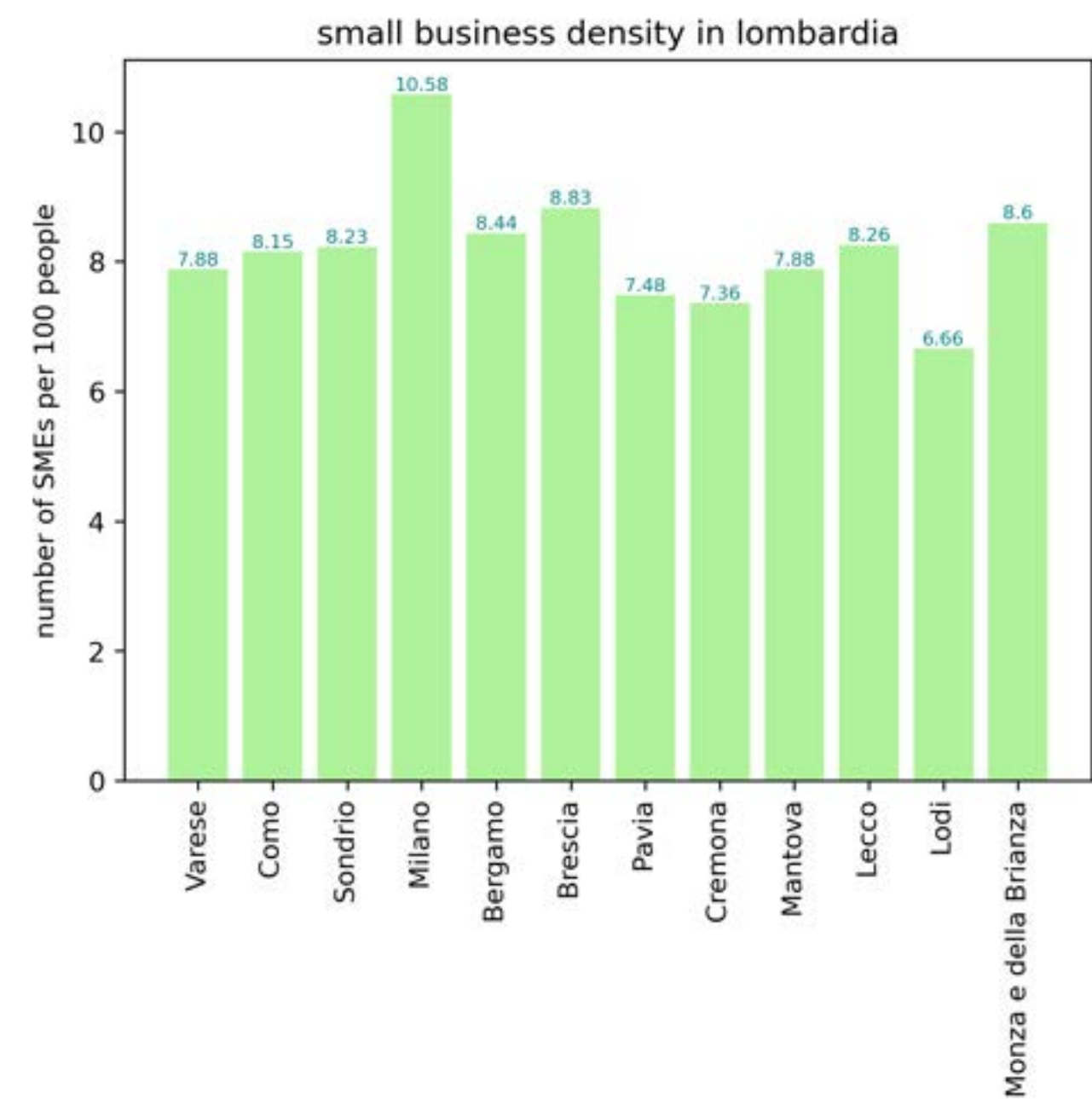
1. ISTAT
2. Eurostat
3. Geoportale Lombardia
4. Opendata Regione Sicilia
5. Cellphone data in Sicily and Lombardy region

### data analysis

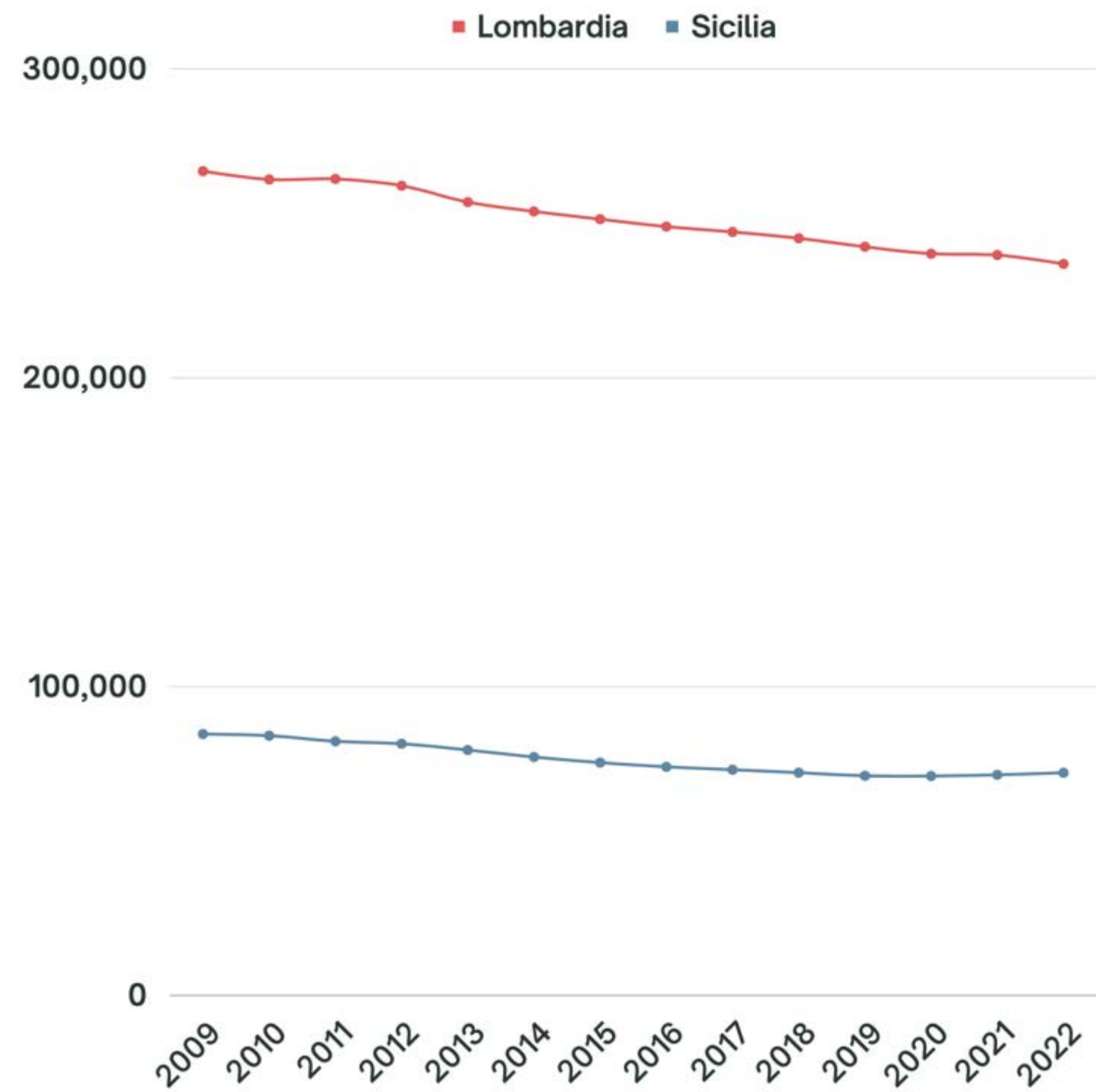




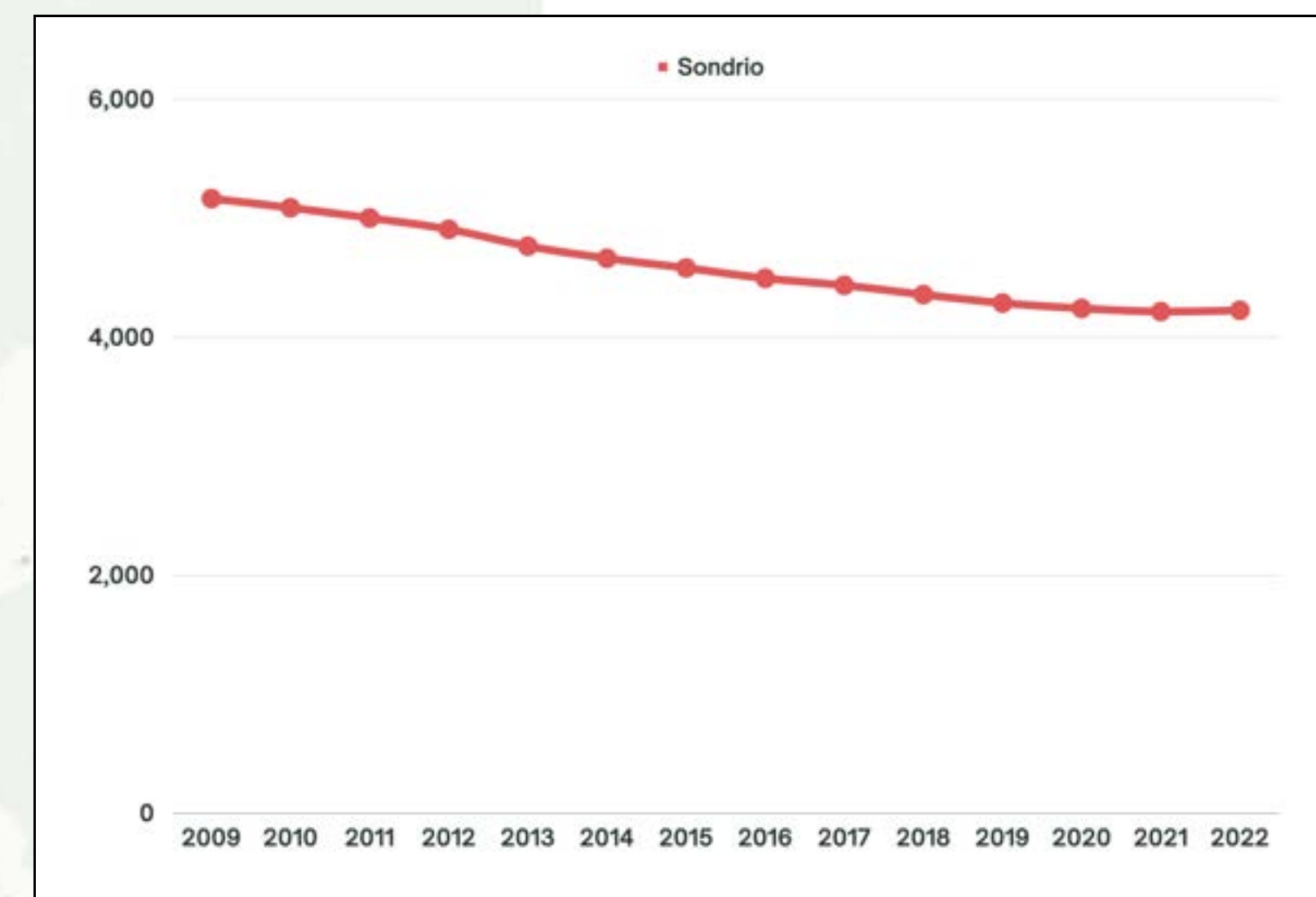
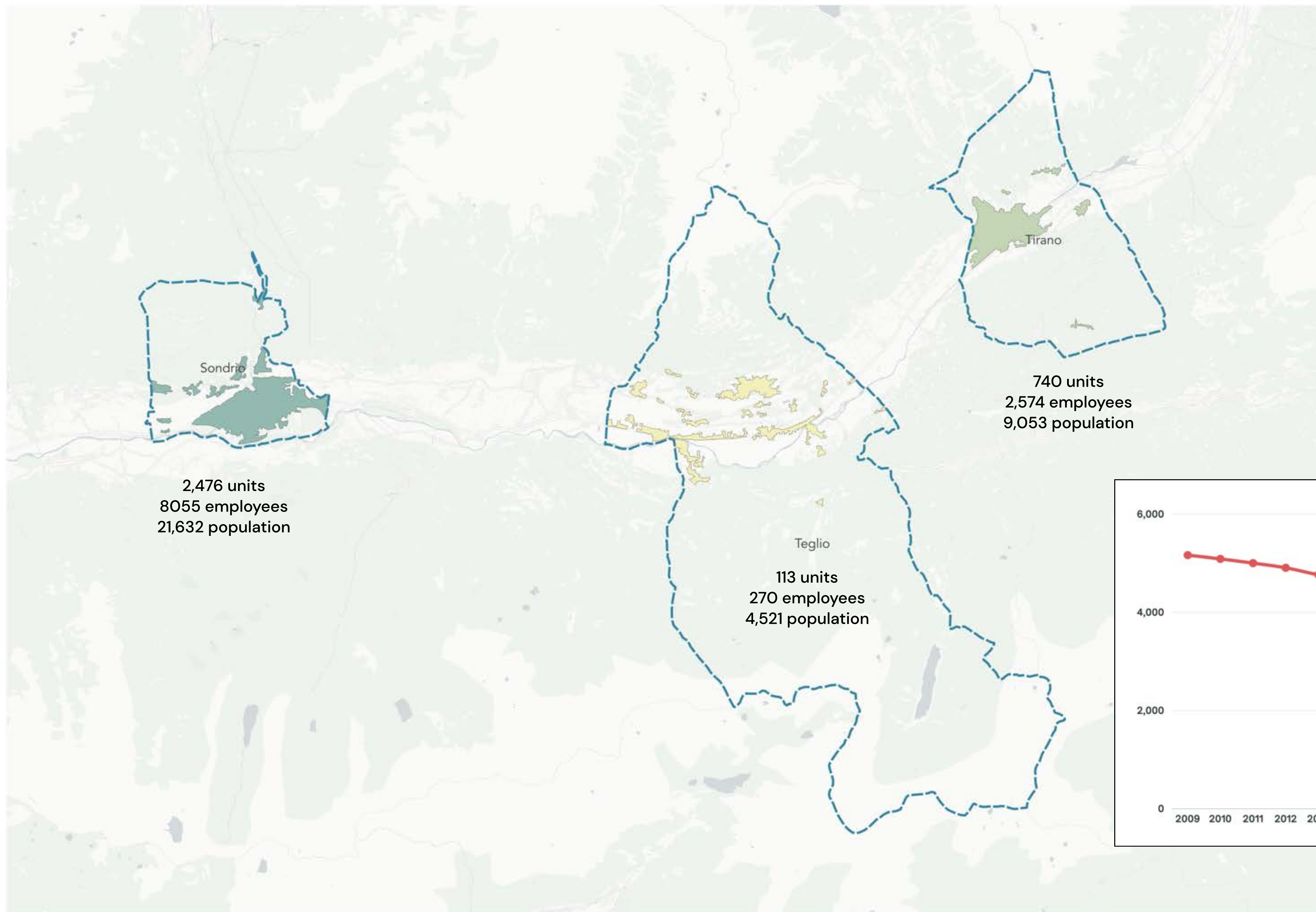
number of small businesses in Lombardy and Sicily



number of artisan enterprises in Lombardy and Sicily

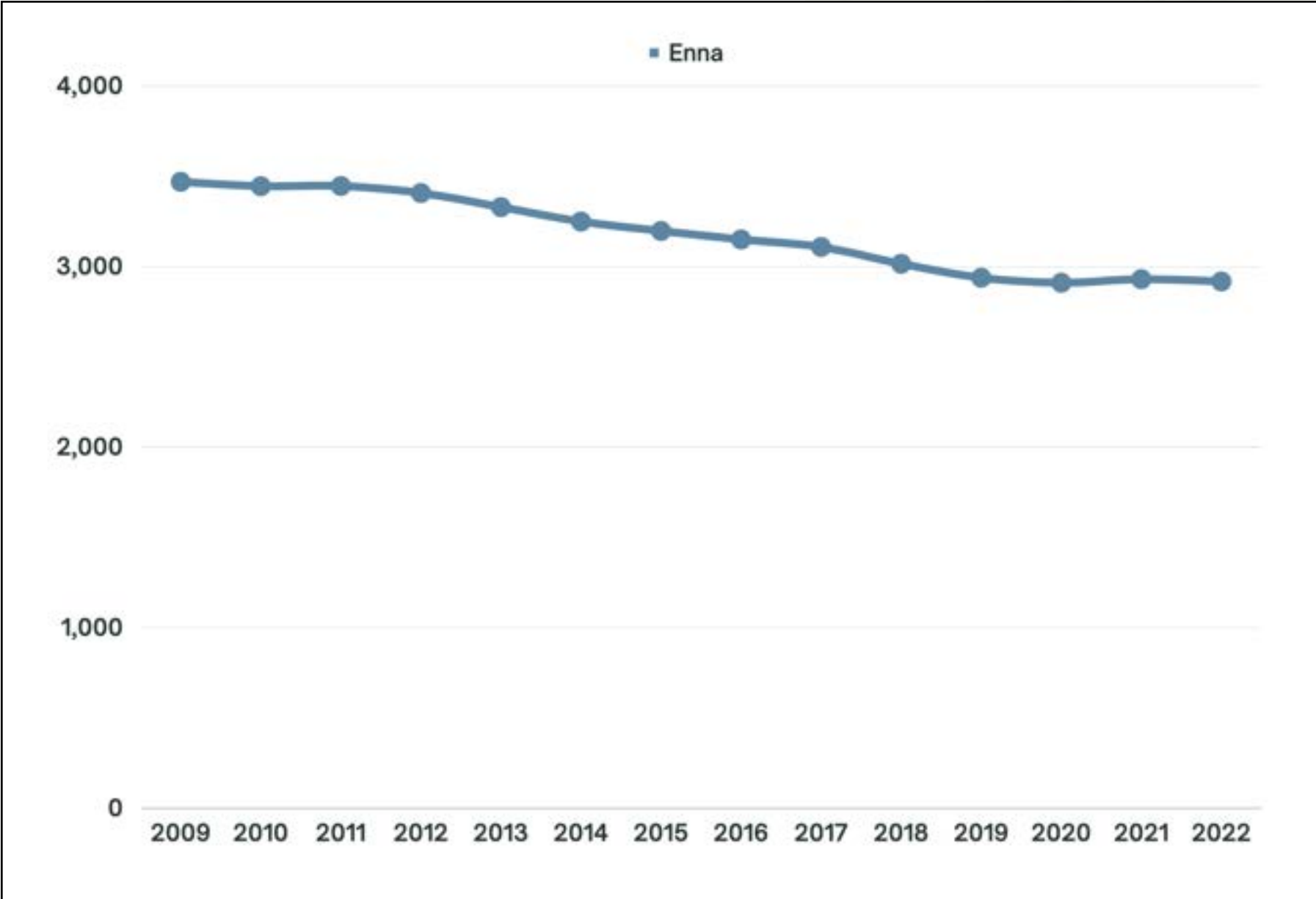




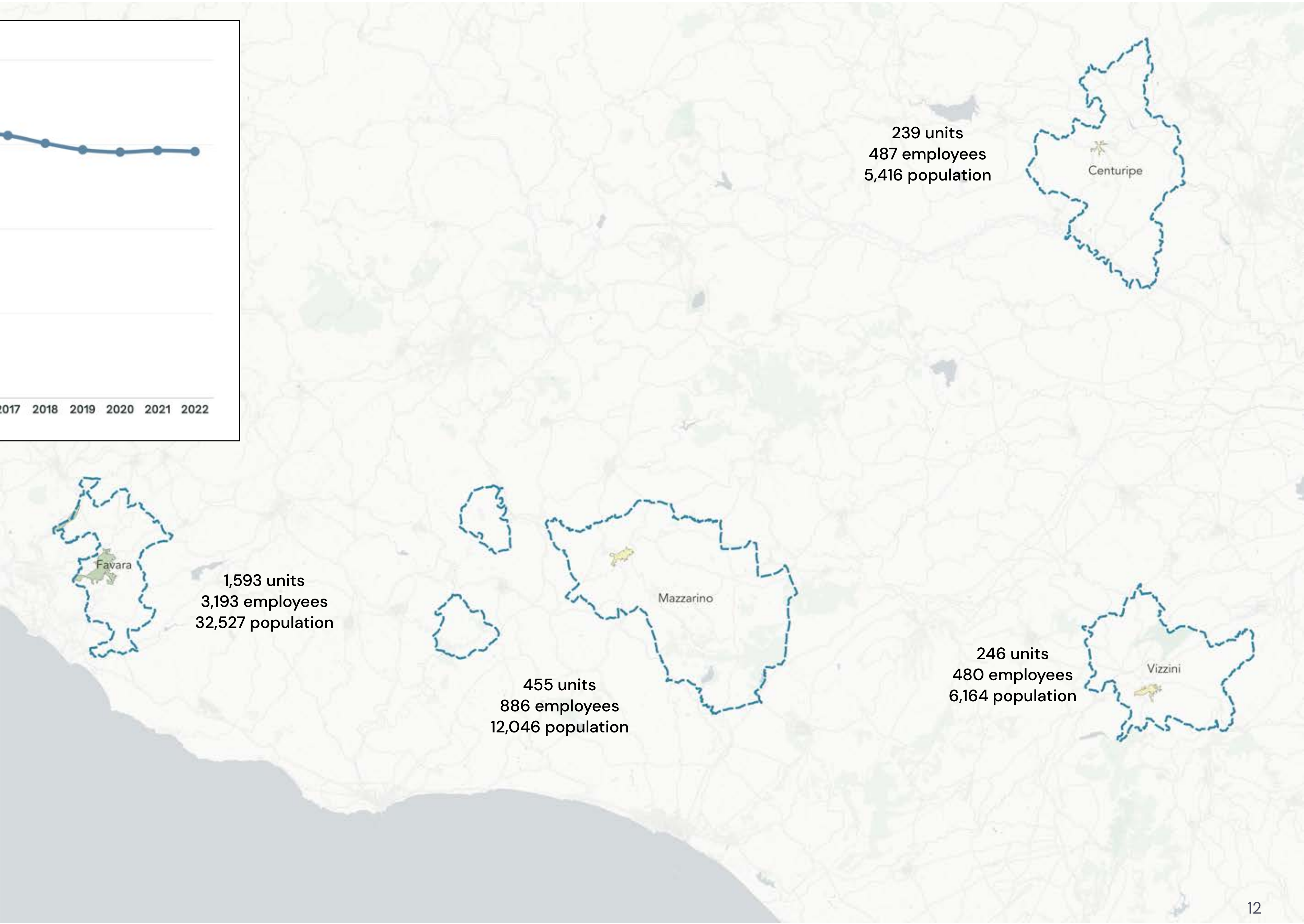


number of artisan businesses in Sondrio



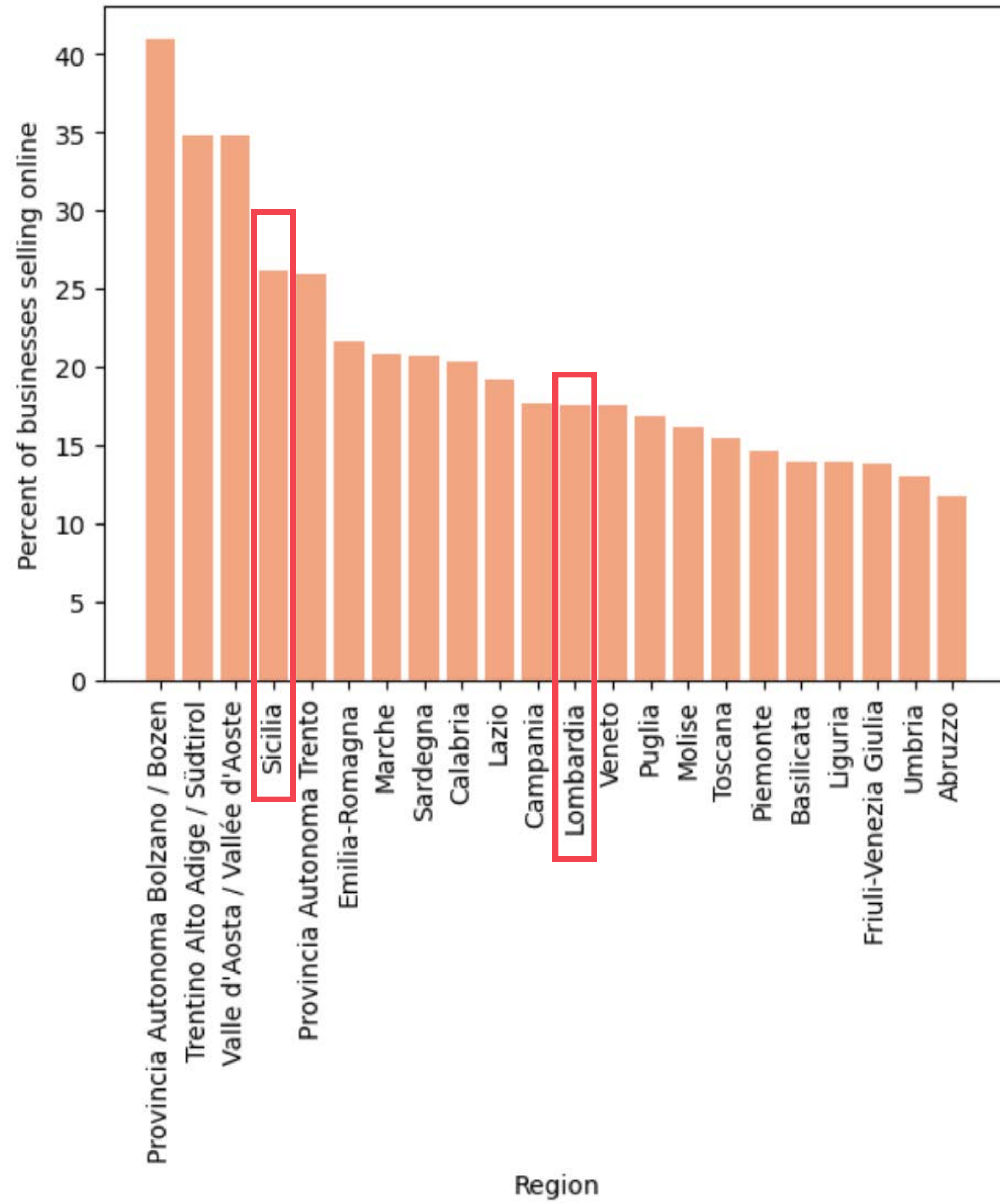


number of artisan businesses in Enna

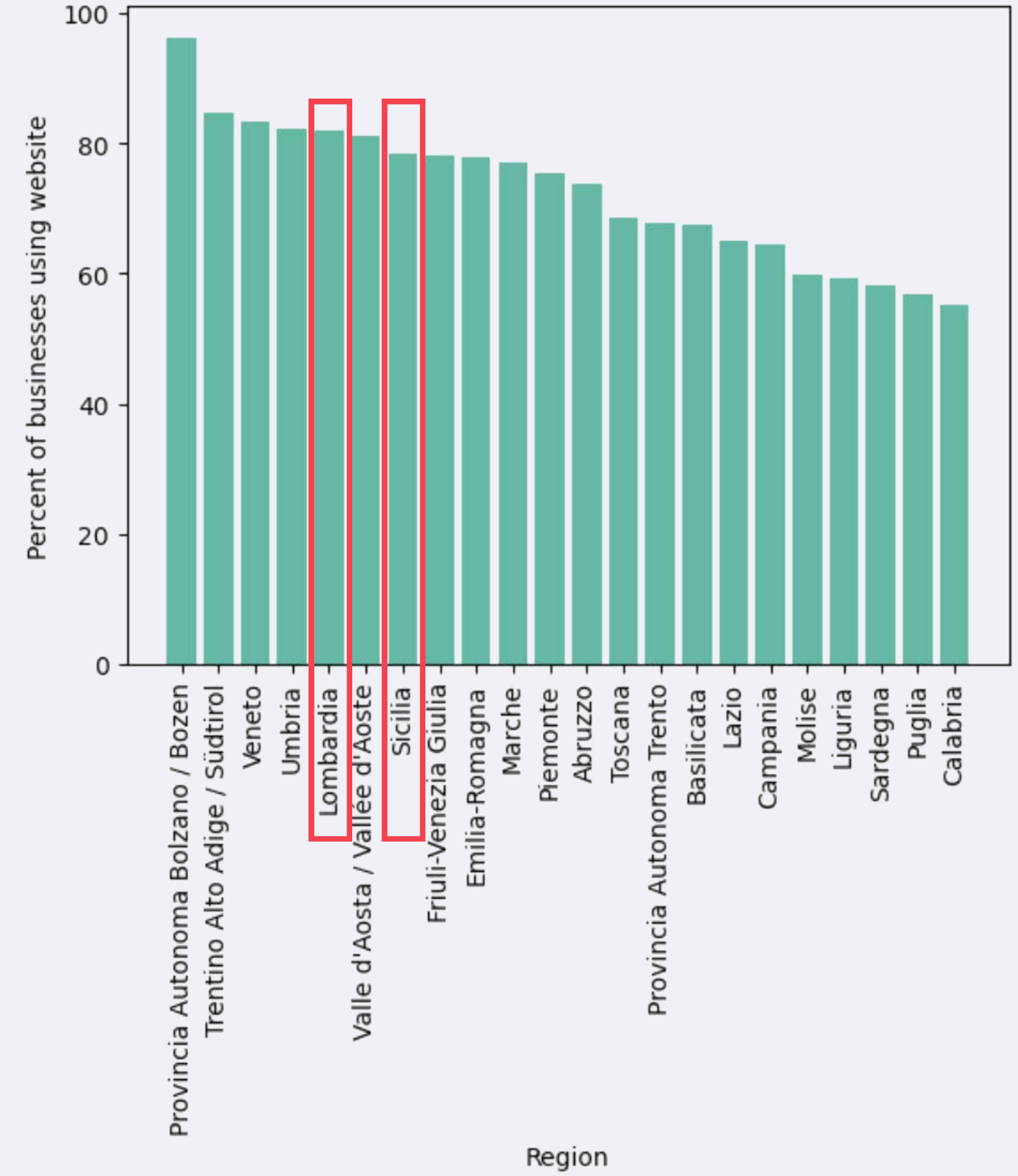




Businesses selling online in Italy by region



Businesses using website in Italy by region

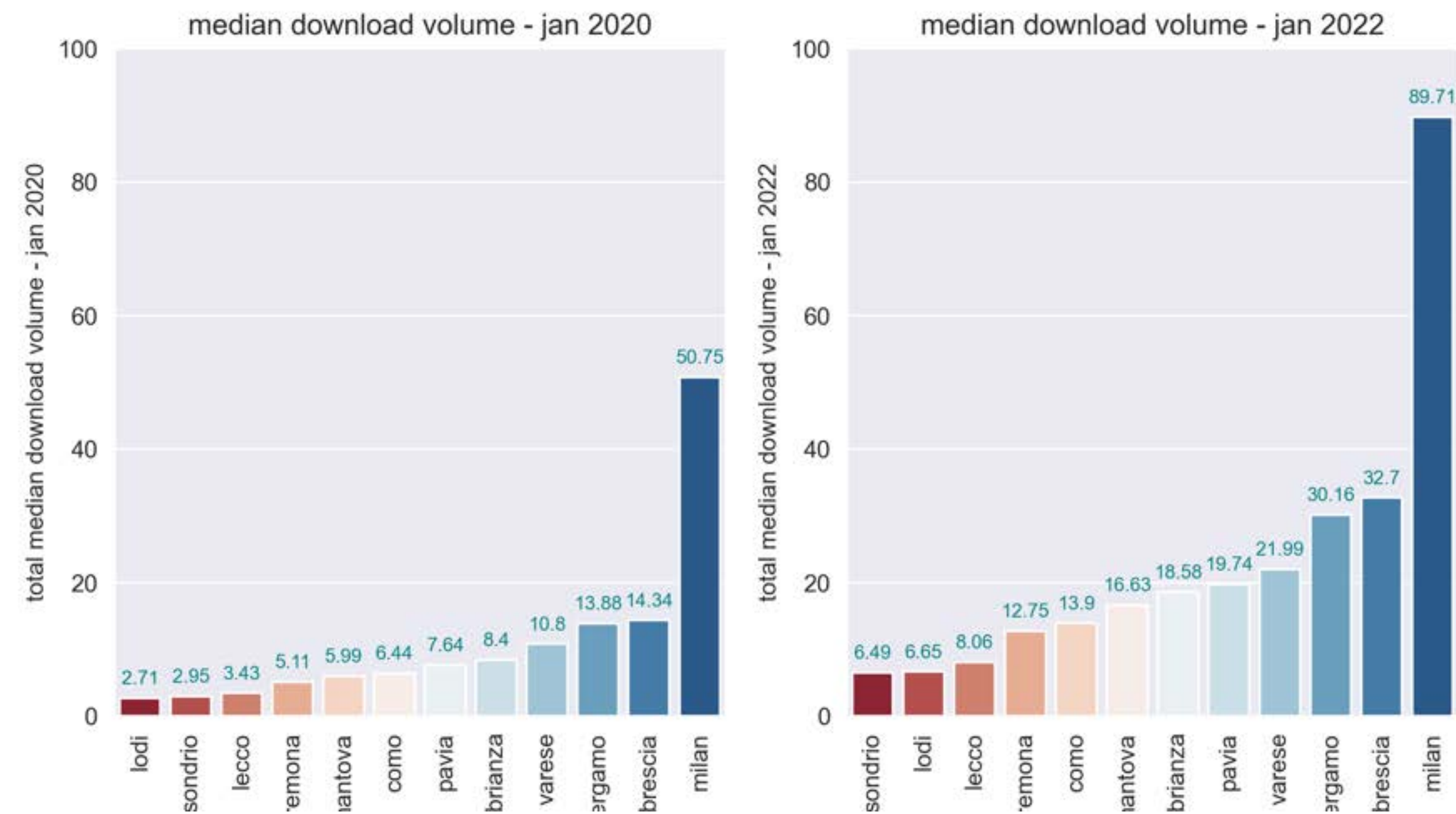


**“How is the current infrastructure in each region ready to support SMEs go digital?”**

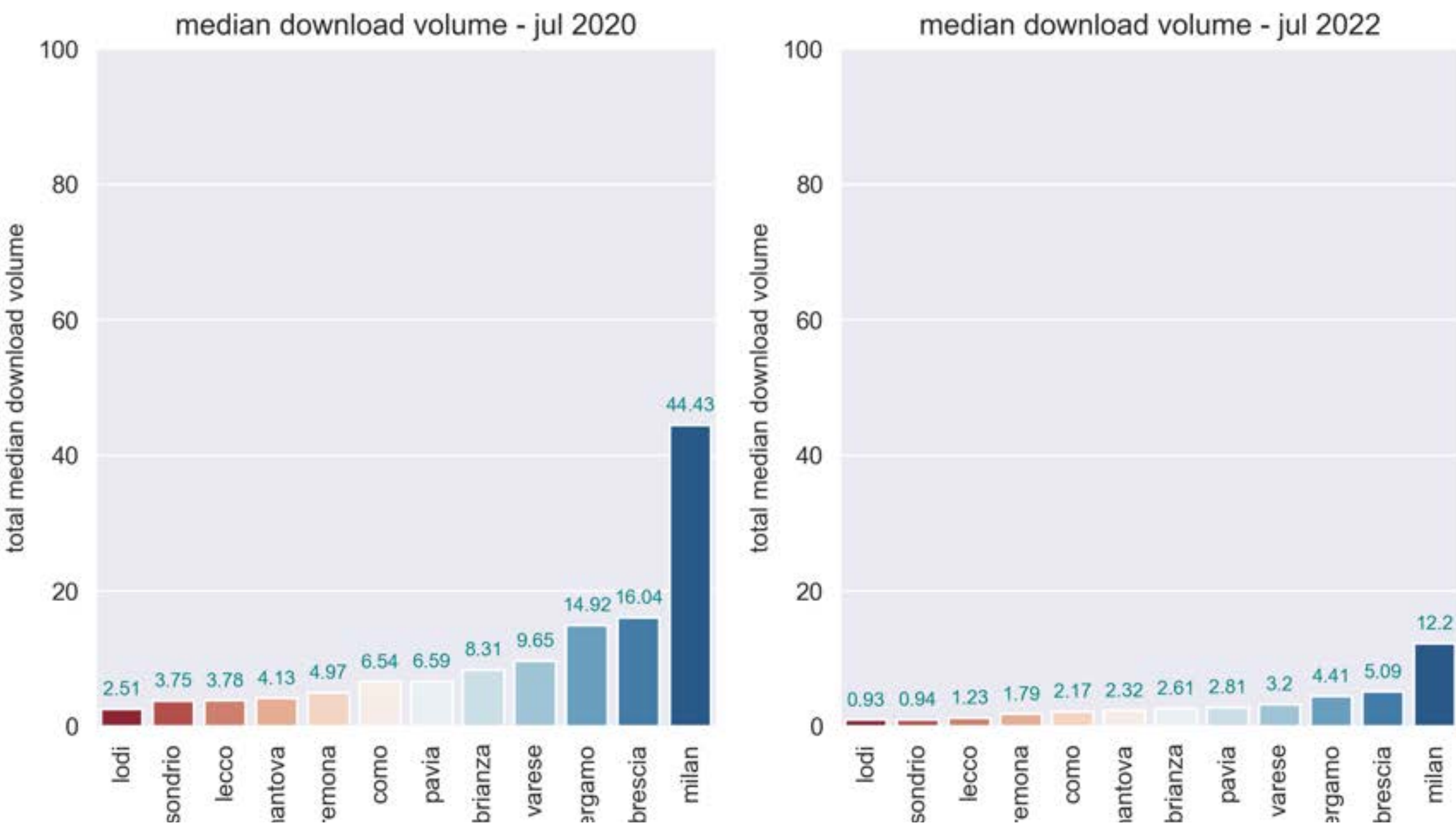


Lombardy Region

median download volume  
jan 2020 – 2022

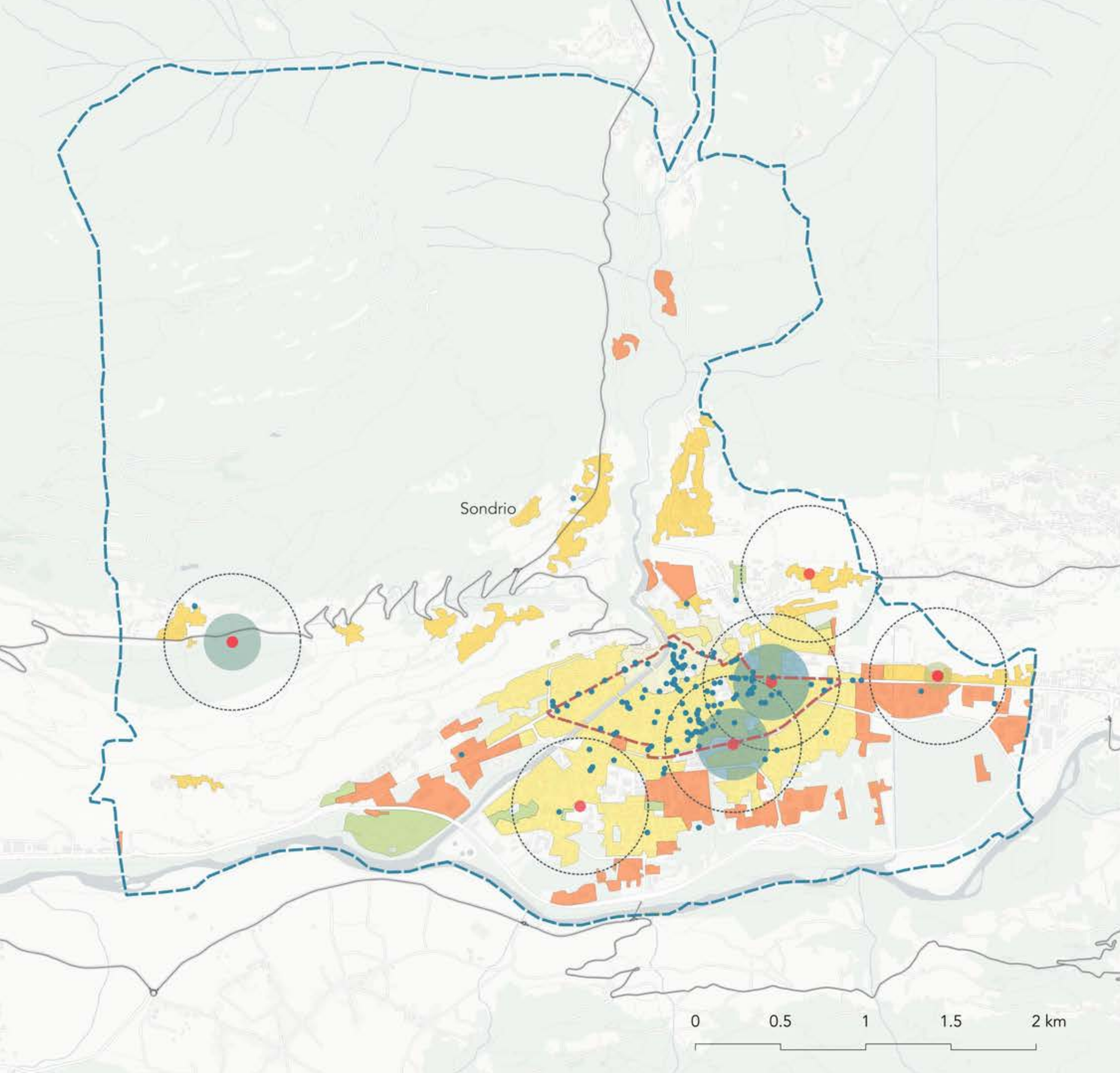


median download volume  
july 2020 – 2022





# Sondrio



— Provincial Street

urban district

• neighborhood shop

• cell tower location

cell tower coverage

download volume April 2020

0.04

0.06

0.08

0.1

0.12

0.139398

land use

dense residential

medium density residential

sparse density residential

industrial, artisanal, and commercial settlements

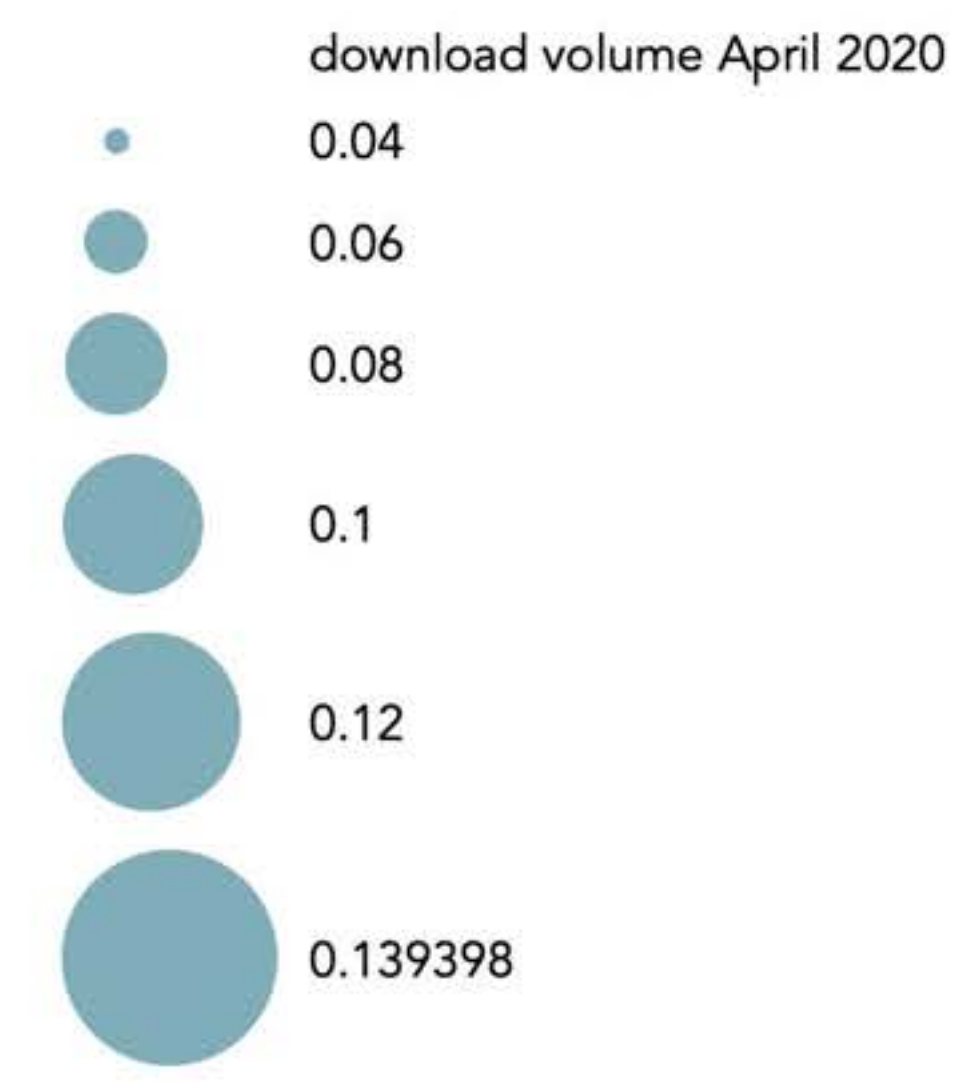
parks and gardens

0 0.5 1 1.5 2 km

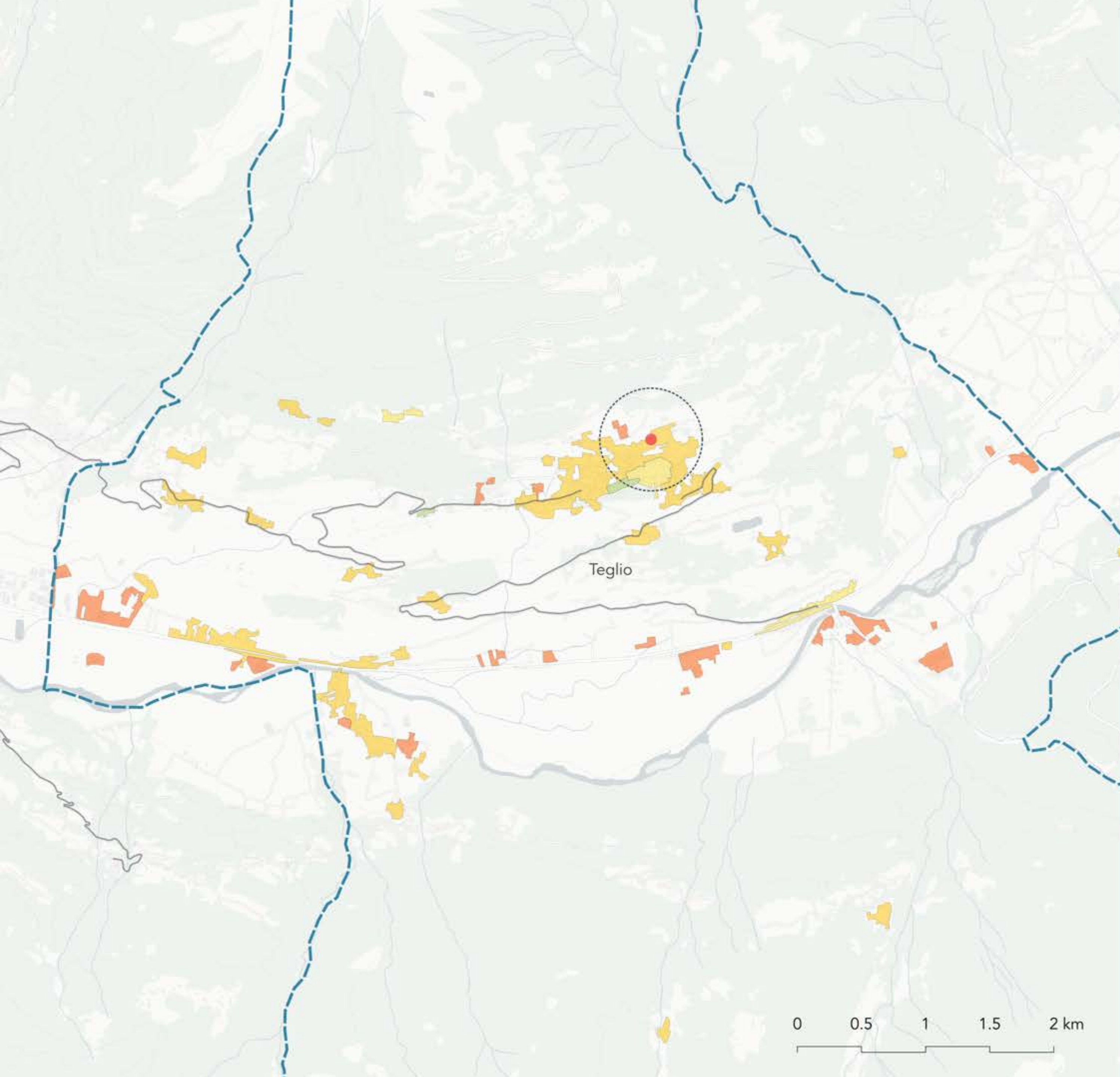


# Teglio

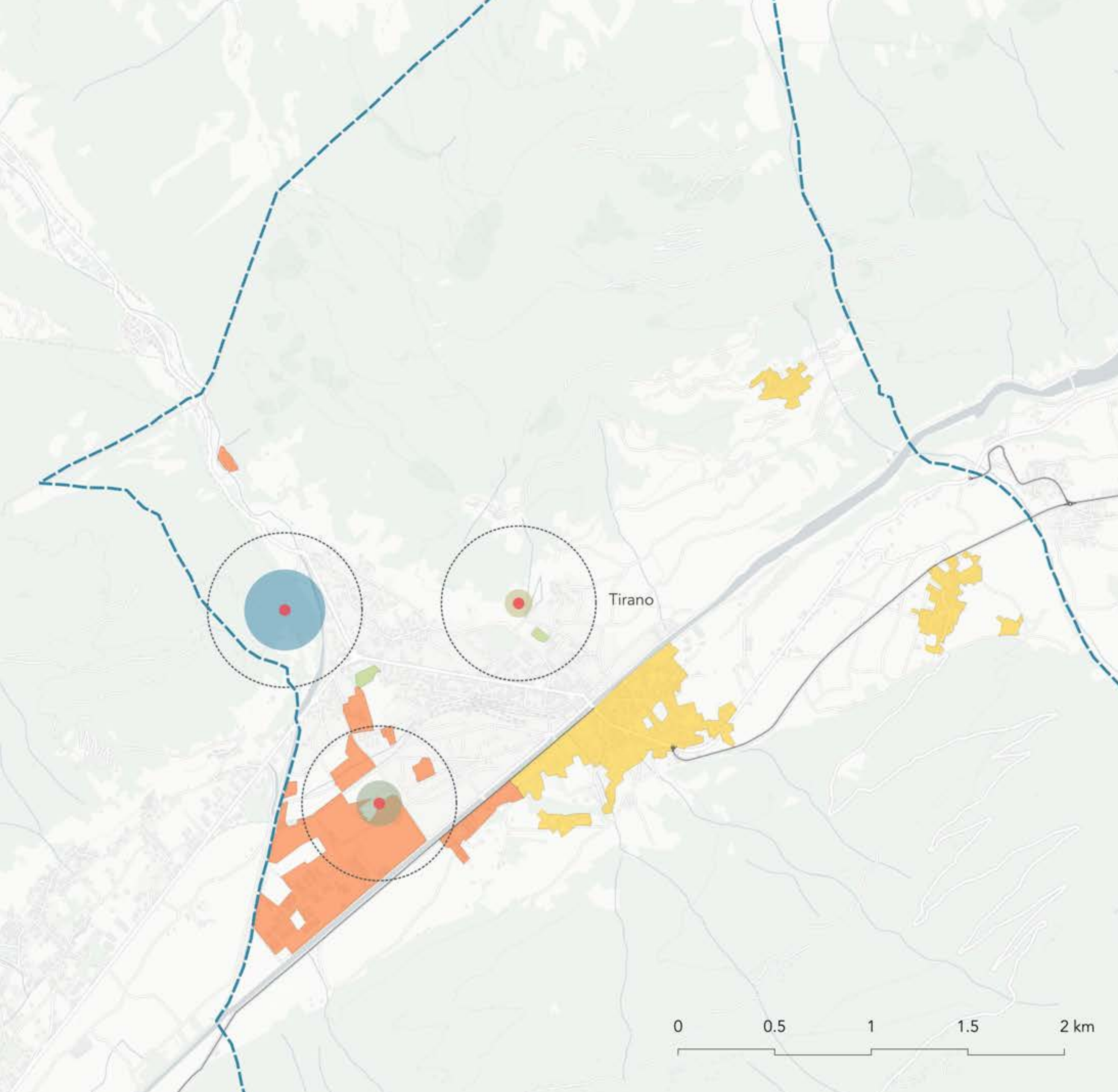
- Provincial Street
- urban district
- neighborhood shop
- cell tower location
- cell tower coverage



- land use
- dense residential
  - medium density residential
  - sparse density residential
  - industrial, artisanal, and commercial settlements
  - parks and gardens



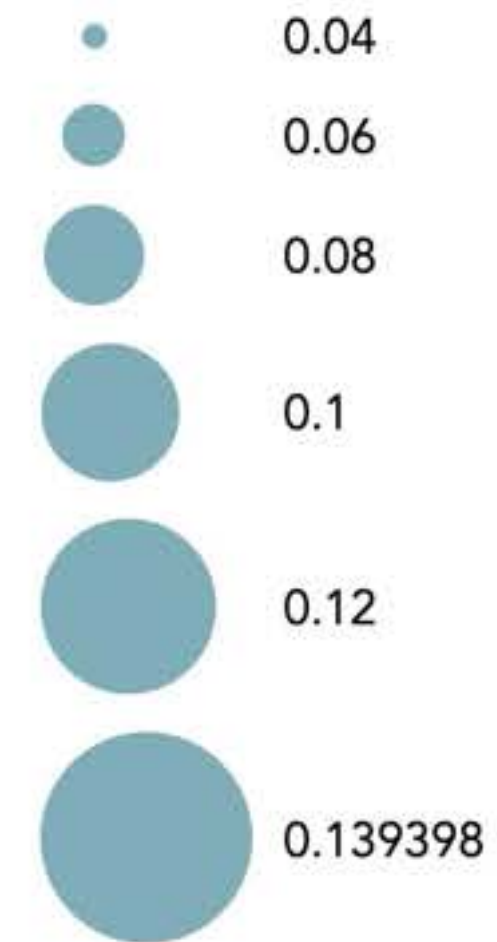




## Tirano

- Provincial Street
- urban district
- neighborhood shop
- cell tower location
- cell tower coverage

download volume April 2020



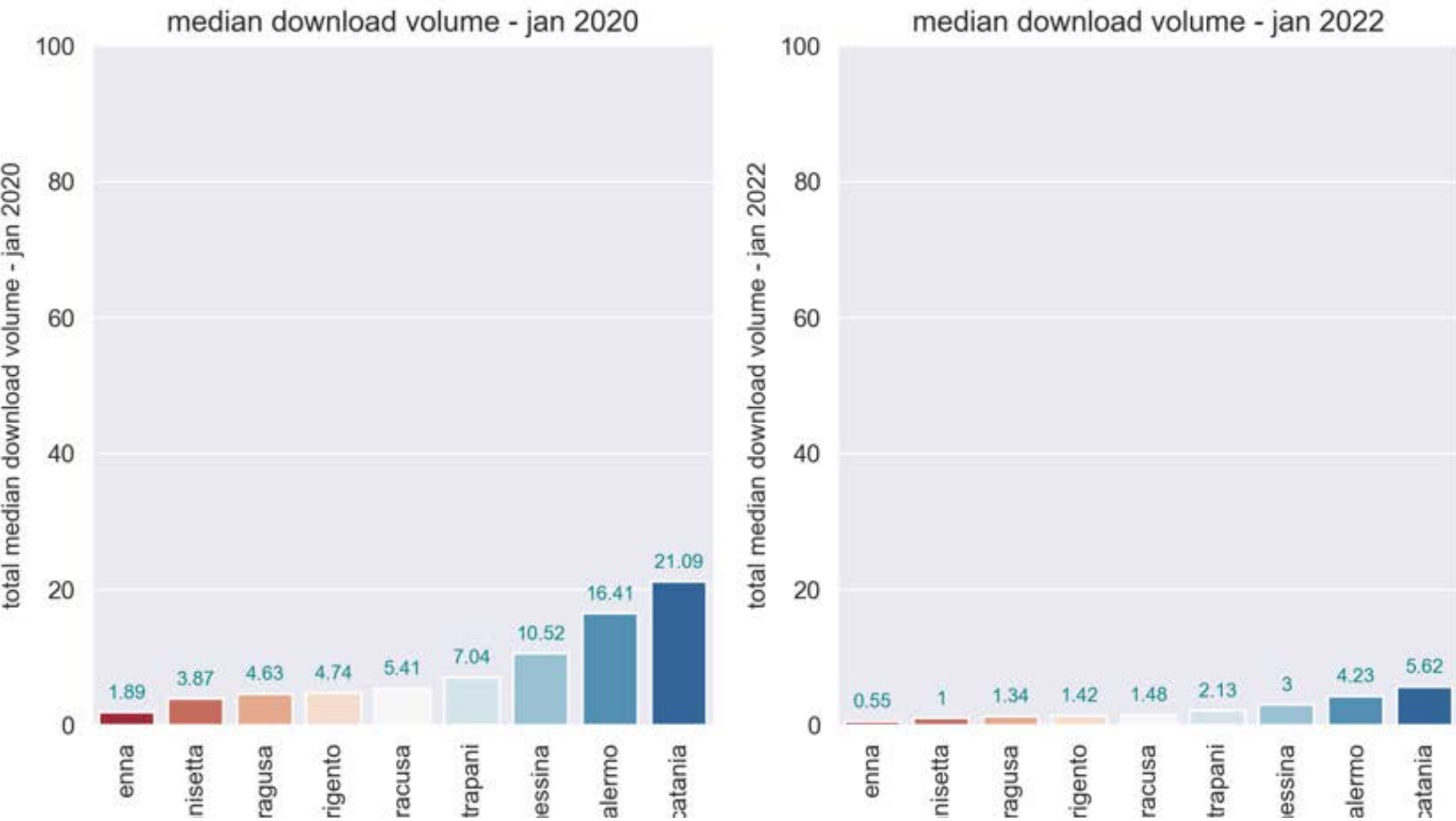
land use

- dense residential
- medium density residential
- sparse density residential
- industrial, artisanal, and commercial settlements
- parks and gardens

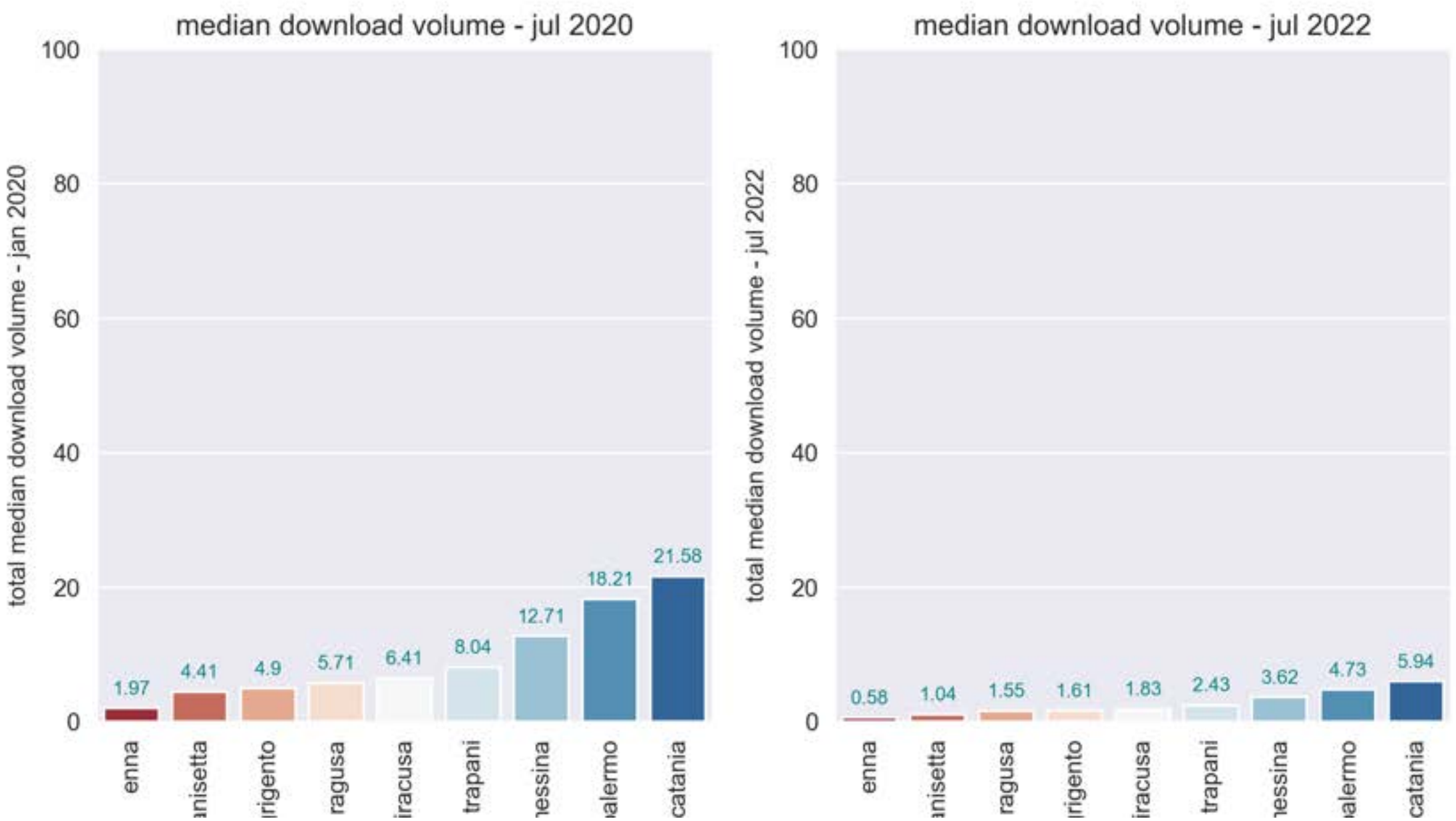


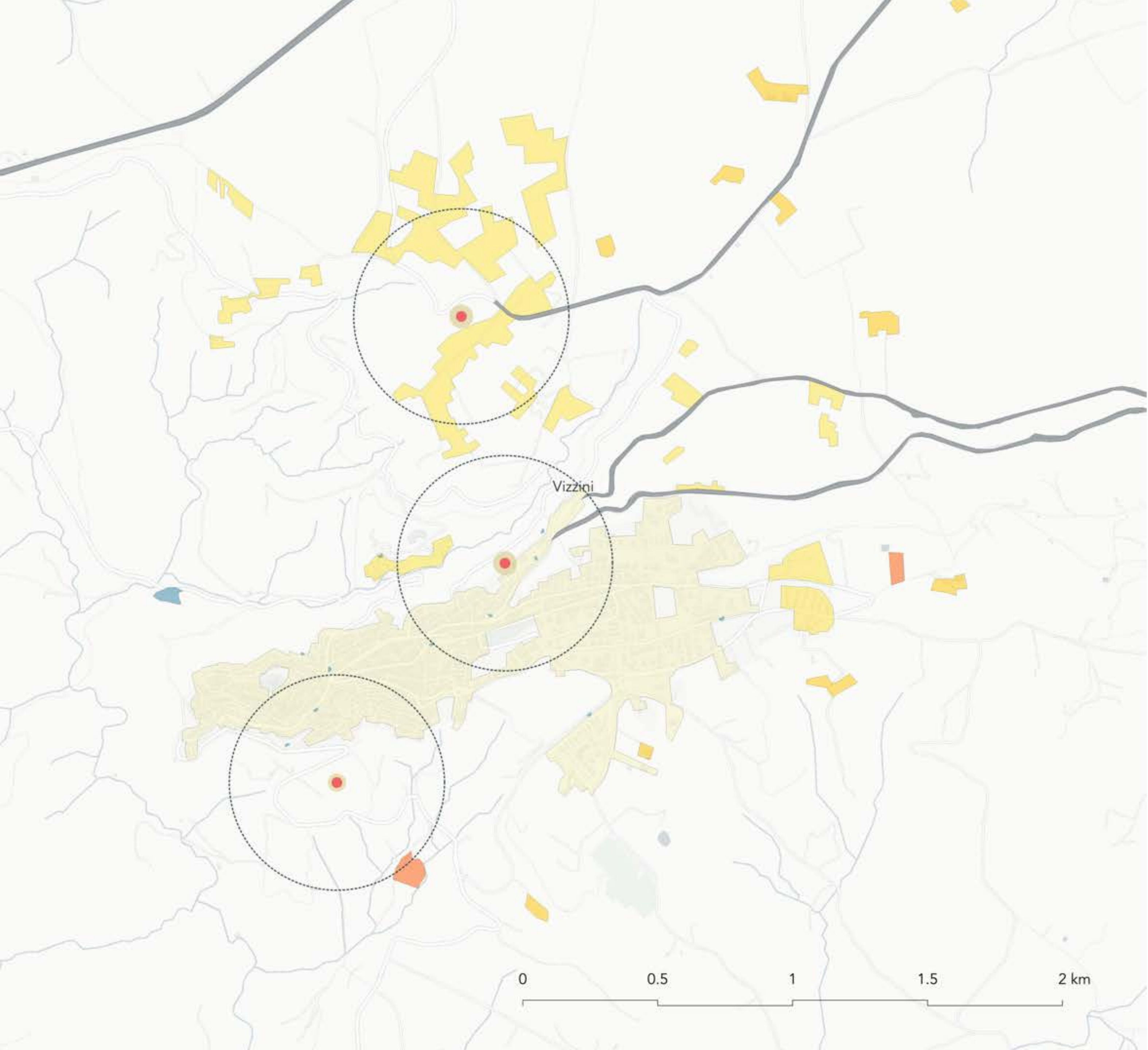
Sicily Region

median download volume  
jan 2020 – 2020

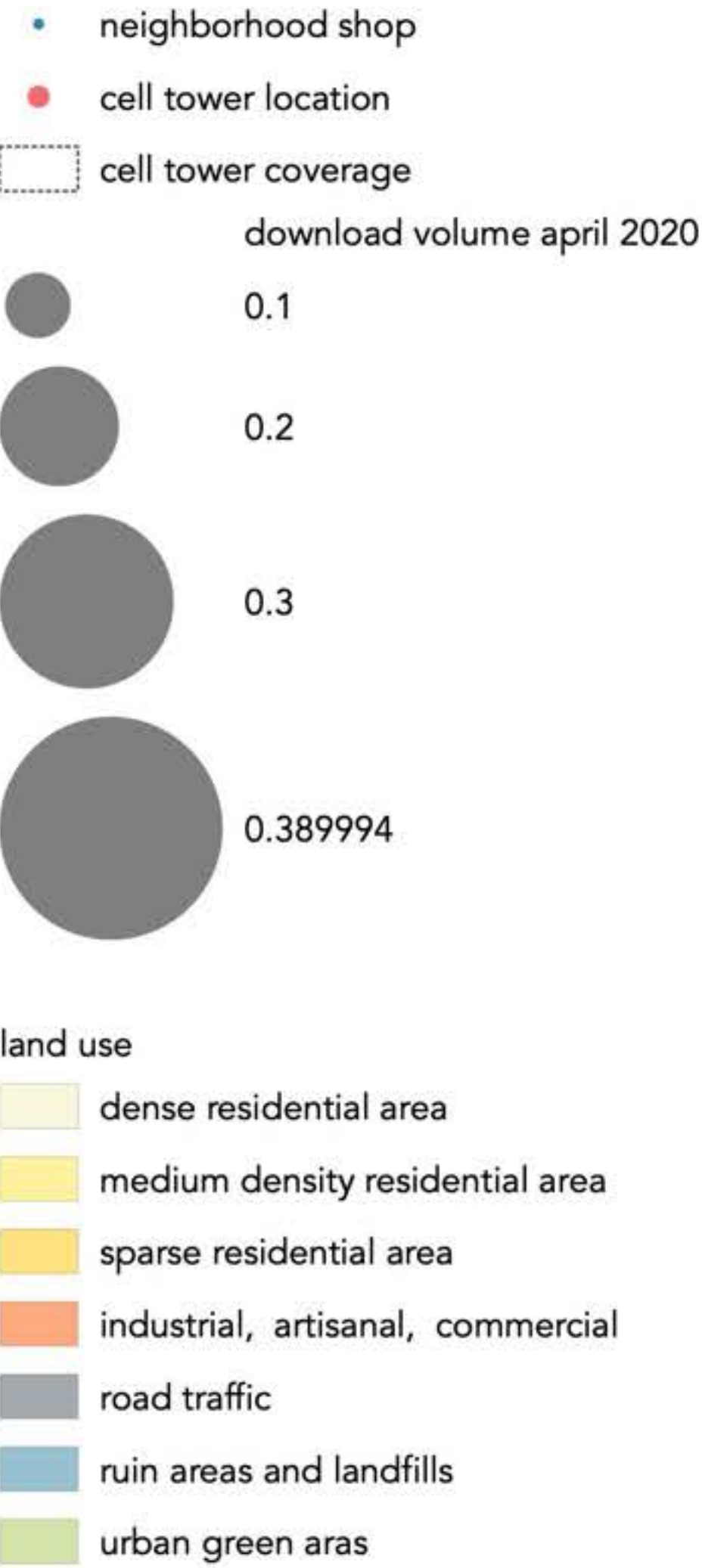


median download volume  
july 2020 – 2022

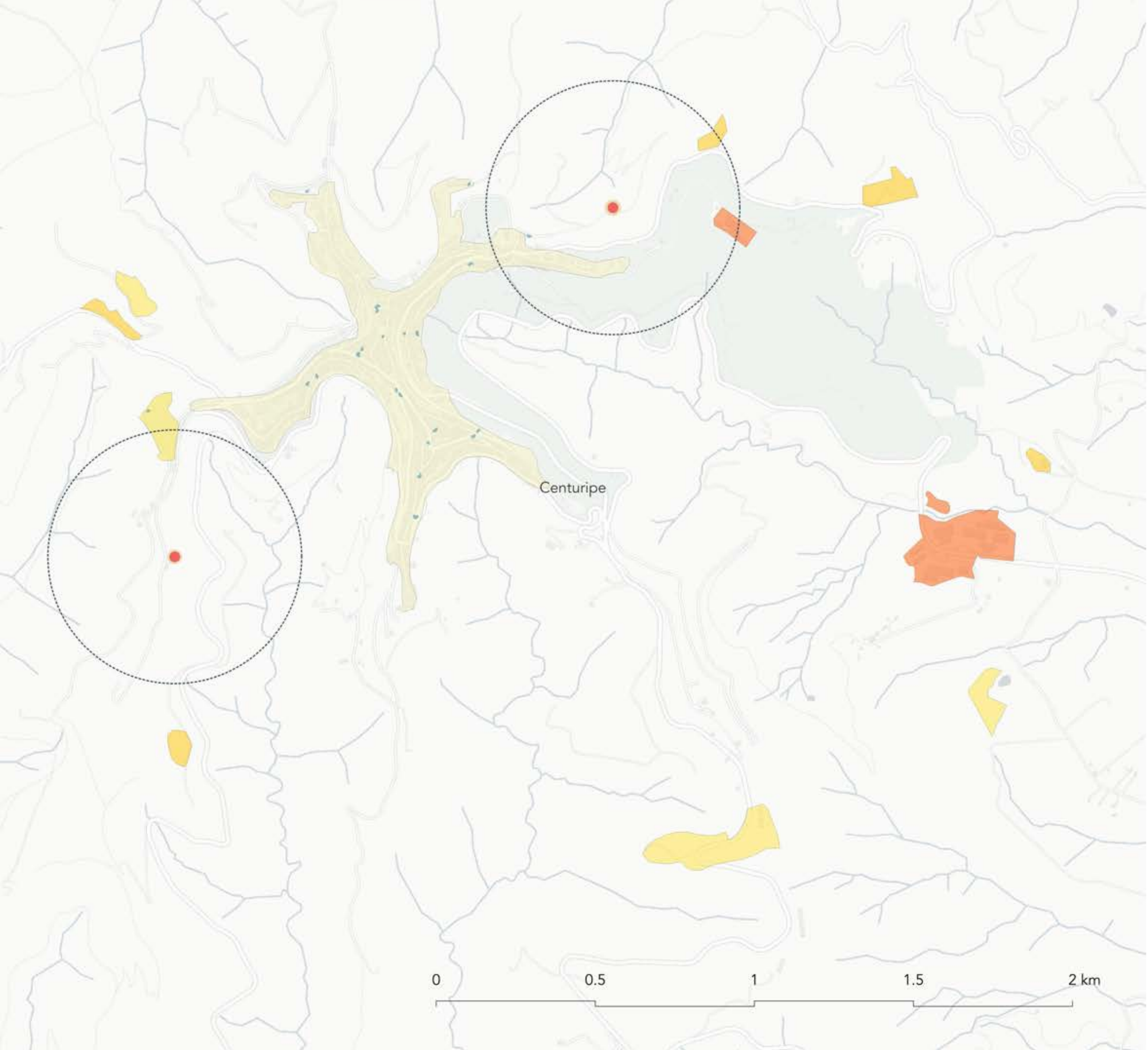




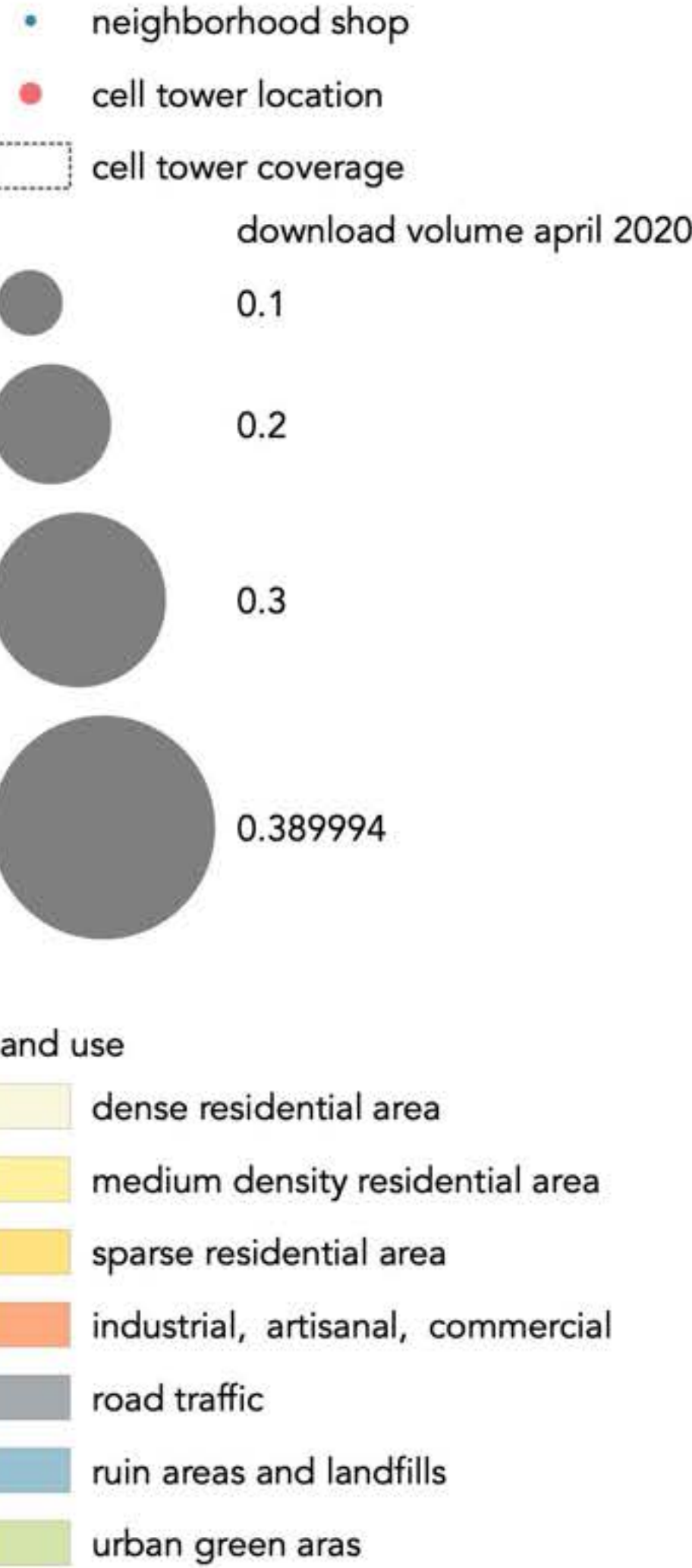
# Vizzini



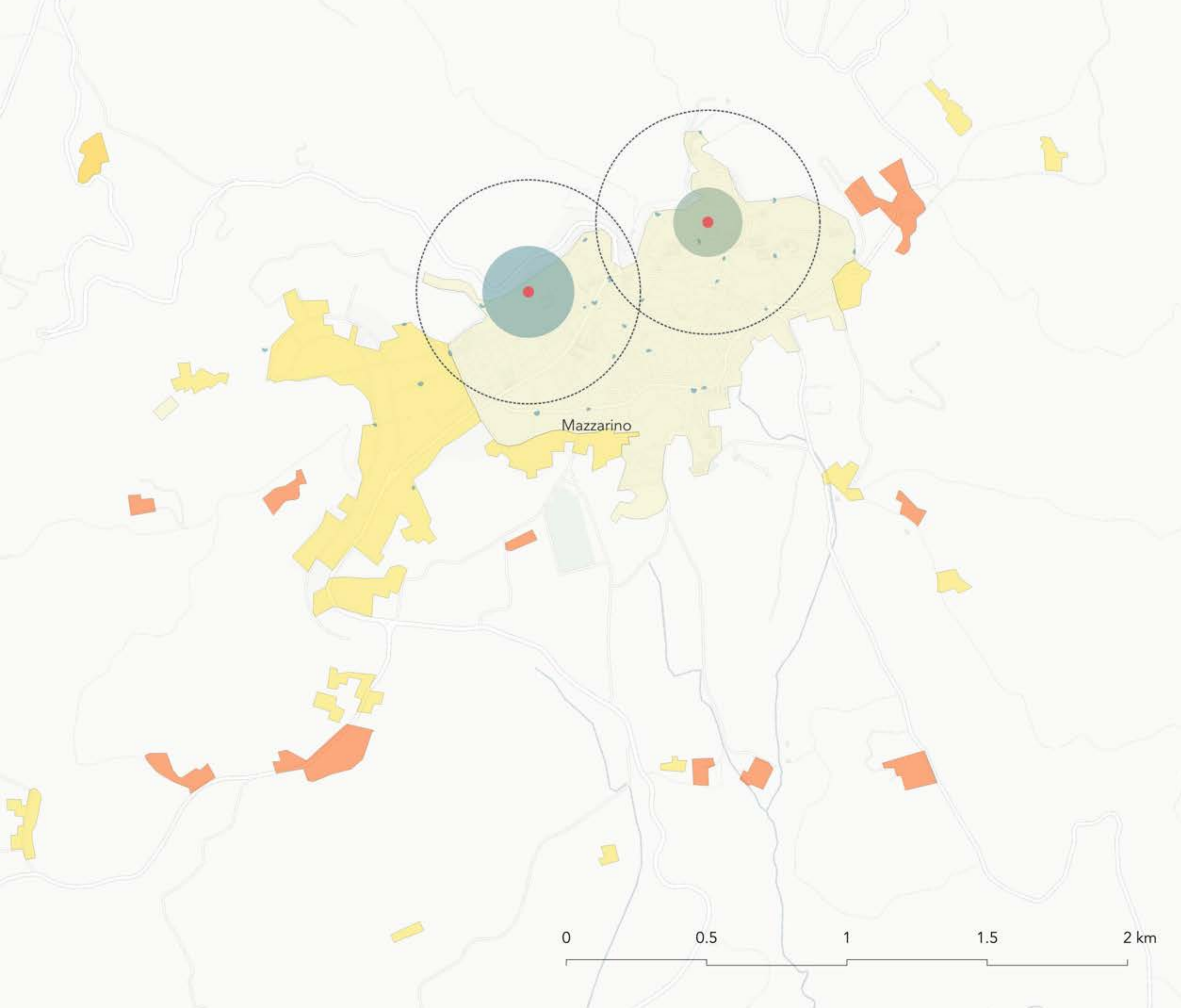




# Centuripe







## Mazzarino

• neighborhood shop

• cell tower location

□ cell tower coverage

download volume april 2020

0.1

0.2

0.3

0.389994

land use

□ dense residential area

□ medium density residential area

□ sparse residential area

□ industrial, artisanal, commercial

□ road traffic

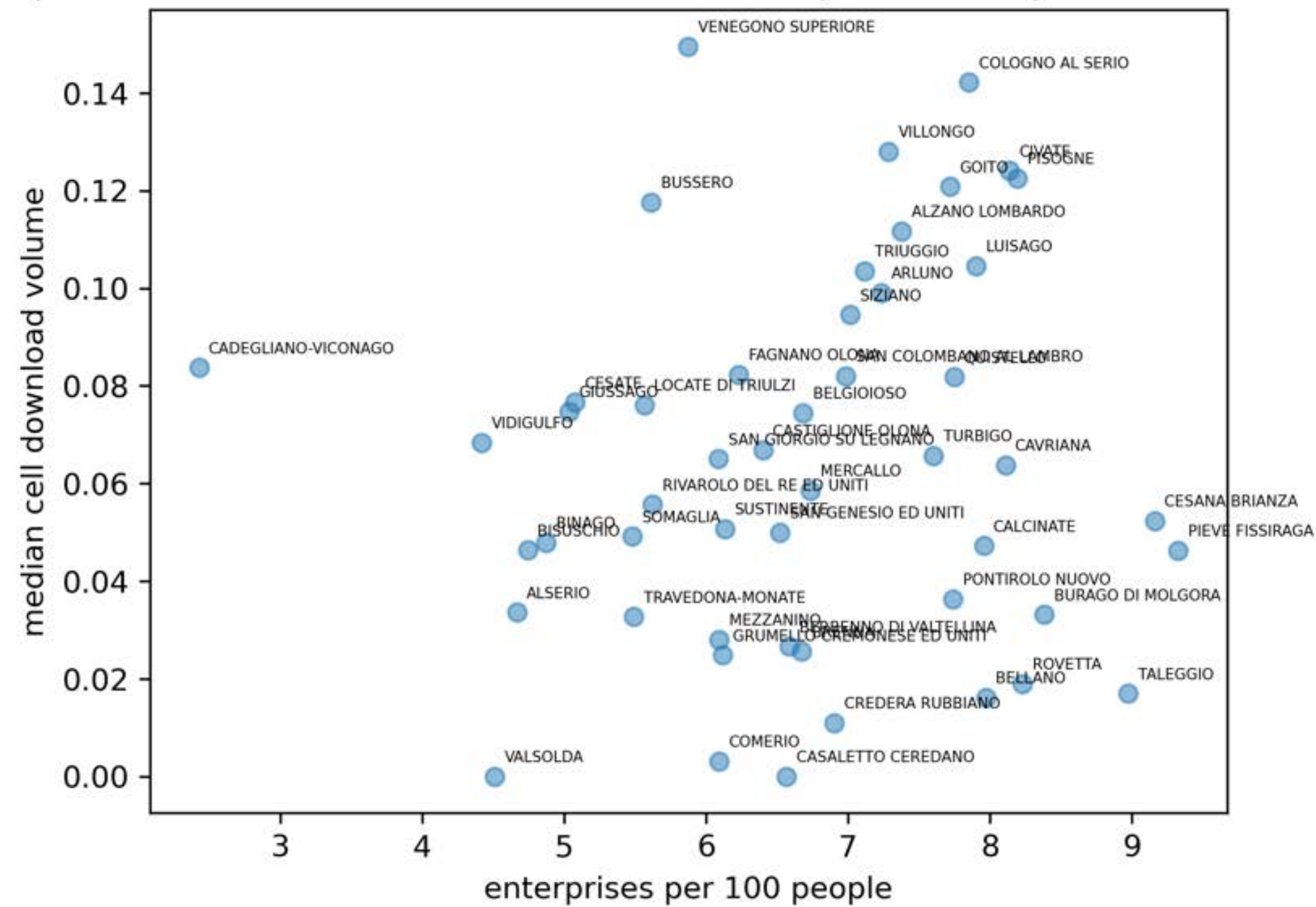
□ ruin areas and landfills

□ urban green aras



identifying areas for potential economic development and digital intervention

relationship between cell download volume and enterprise density - lombardia municipalities





*Lombardia has better access to support SMEs to go digital.*

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**“Are SMEs using digital infrastructure effectively?”**



Interviews with small business owners



- food
- art
- agriculture
- hospitality
- food service
- agriturismo



Engagement Process



Federico Romeri



Giuseppe Grasso



Rosario Muni



Isaac Catellani

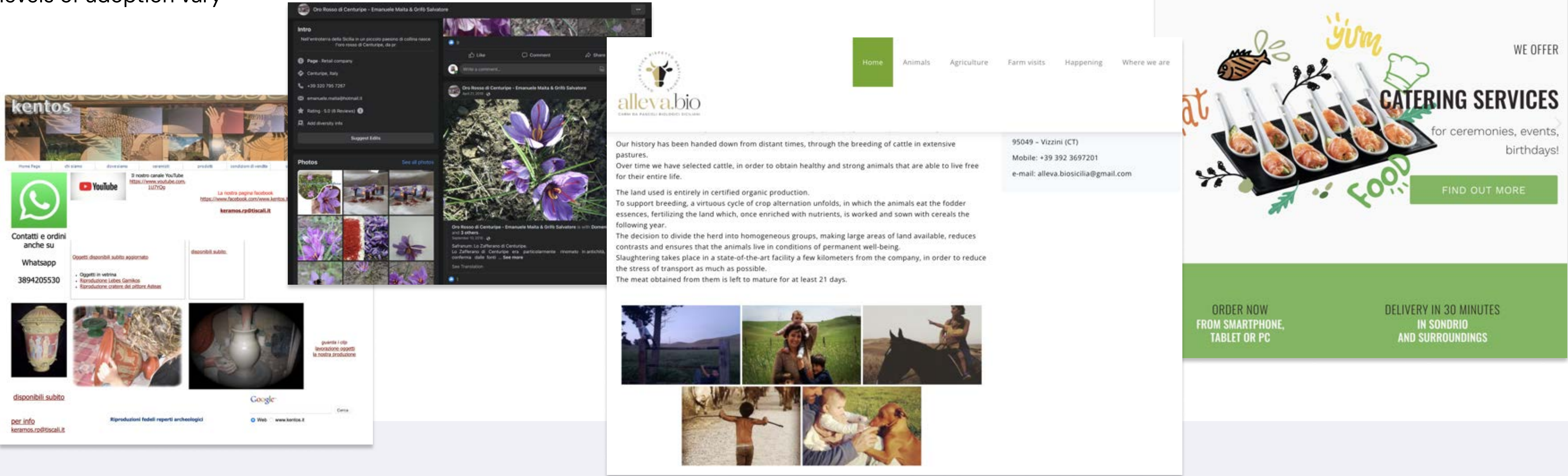


Mattia Gurini



Key Findings:

While business owners use Web for some aspect of their business, levels of adoption vary



low ←————→ high

- uses social media to promote business
- builds low-fidelity websitesells products through 3rd party online marketplace
- integrates blockchain for business
- develops in-house mobile and web applications
- creates high quality digital marketing content



### Key Findings:

Small businesses see themselves as part of a larger ecosystem built on local connections to each other and to place

- Small business owners rely on other small business owners, and seek to collaborate to create vibrant local economy
- They also emphasize how their craft creates a unique sense of place and believe this creates potential for in-person experiences appealing to visitors

“I feel like I need to promote ***not only my business, but the entire region.*** We do not have someone promoting us like some other places do.” – Isaac Catellani, BnB owner, Sondrio

“I dream to create a network of people who think in a different way but see in the same direction, **this is an important opportunity for a small town like Vizzini.** I spoke with the government in Vizzini, and said when most people think about Vizzini they think about ricotta cheese, but only one person makes cheese, because most people left the farm to go to university.” – Giuseppe Grasso, Allevabio, Vizzini

“I want to launch a street fair with street vendors where people can taste the saffron with local food” – Salvo Stancanelli, Saffron Farmer, Centuripe



Key Findings:  
SME Business Landscape

Key Characteristics

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**local  
relationships**

**rich cultural  
history**

**specialized  
product**

Needs

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- **improve marketing**
  - **customer acquisition:  
awareness, engagement,  
conversion**
- **co-create vibrant local  
economy with other business  
owners**
- **develop place identity through  
in-person and virtual  
experiences**

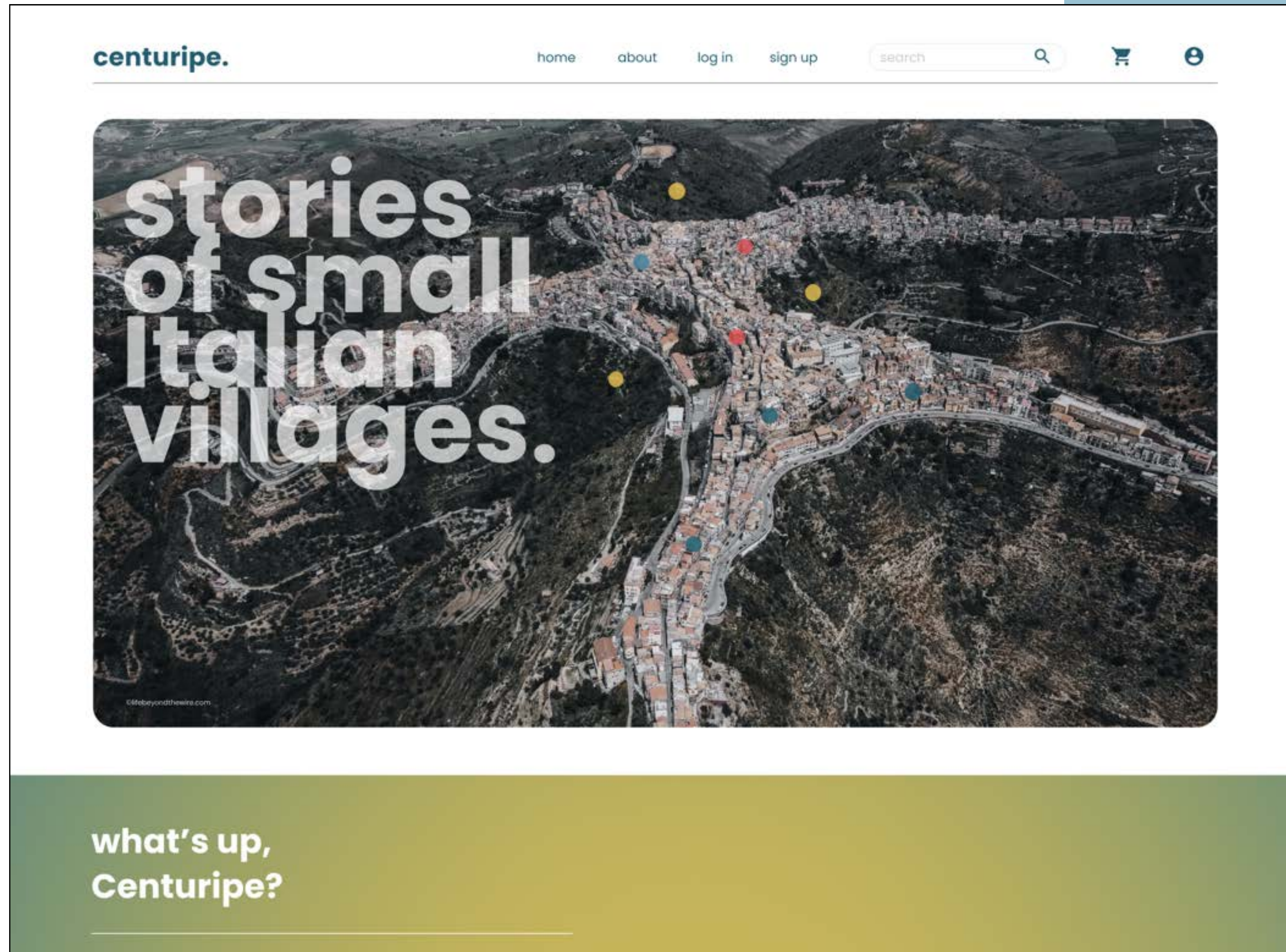
*How might we create a digitalization strategy in small town Italy that creates a sense of place and business growth among SMEs?*

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**We propose a web platform that incorporates digital storytelling and a localized e-commerce market, focusing on small business owners in small town Italy.**



## Features



- multi-sided platform
- storytelling
- interactive
- e-commerce platform

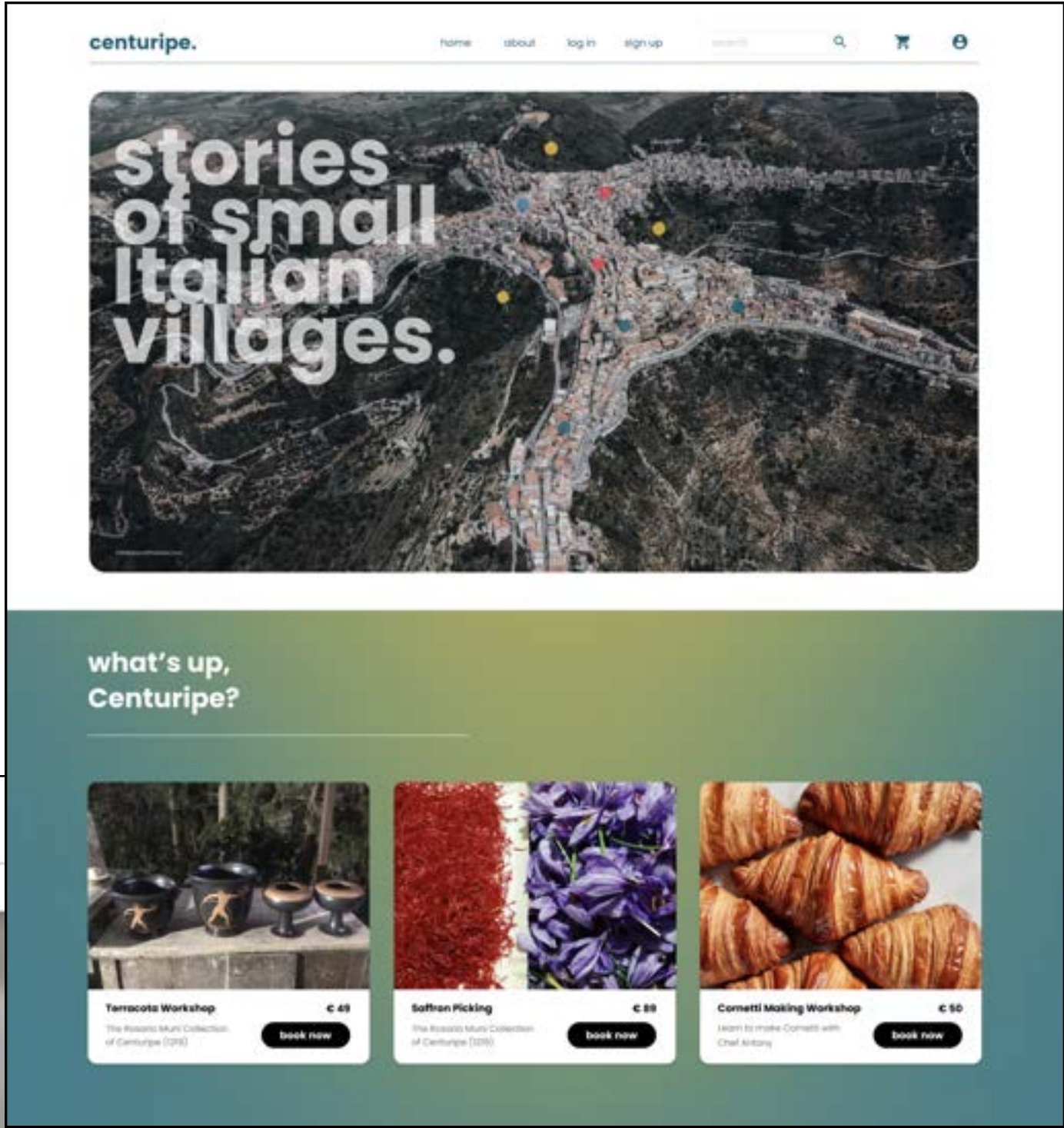
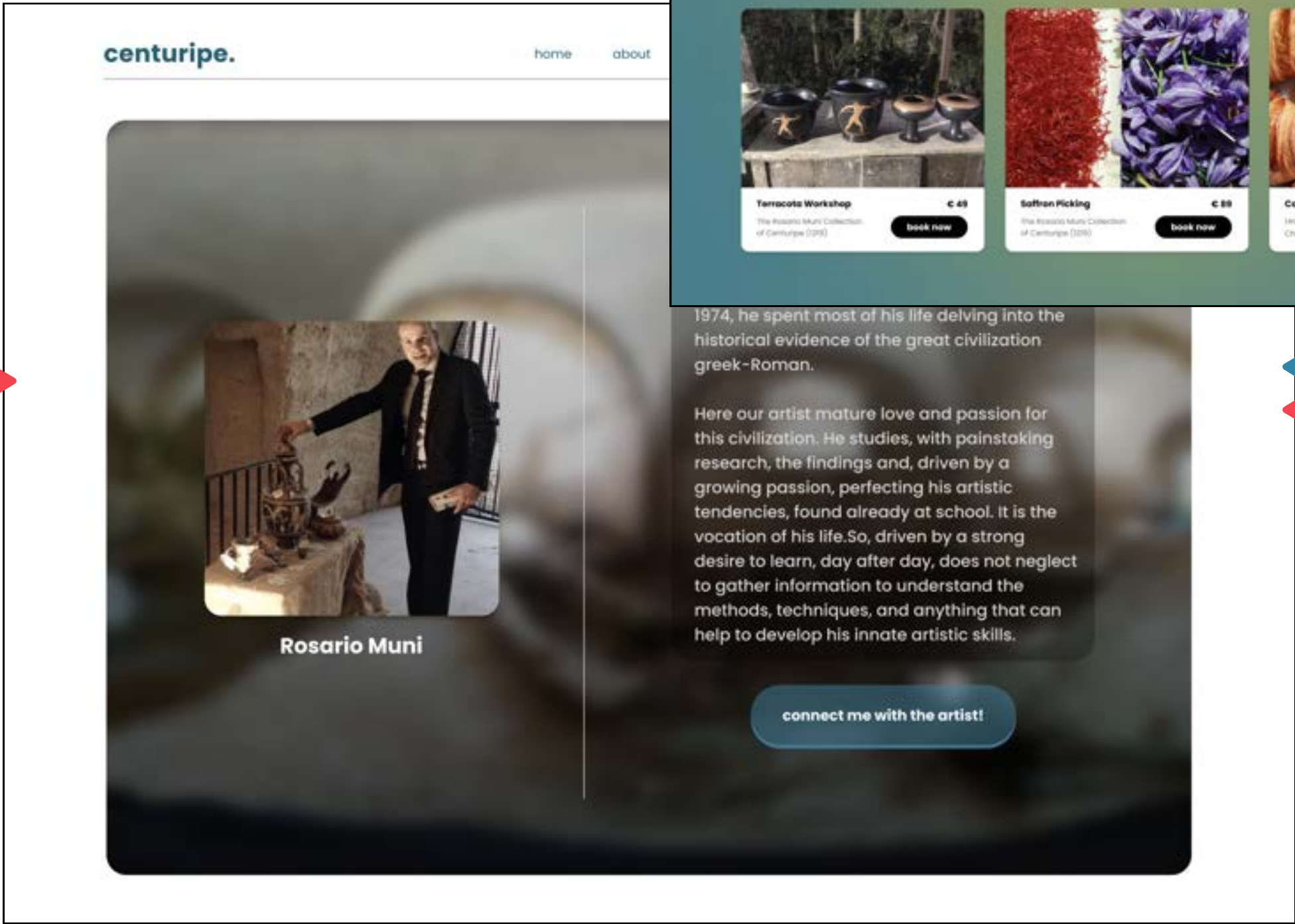


Features:  
Front-end & Back-end

small business owners

story telling

- Showcase products
- Interactive experiences
- Cultural preservation
- Globalize the local



customers

exploration

- Explore experiences in Italy small towns
- Explore local products
- Explore new businesses

small business owners

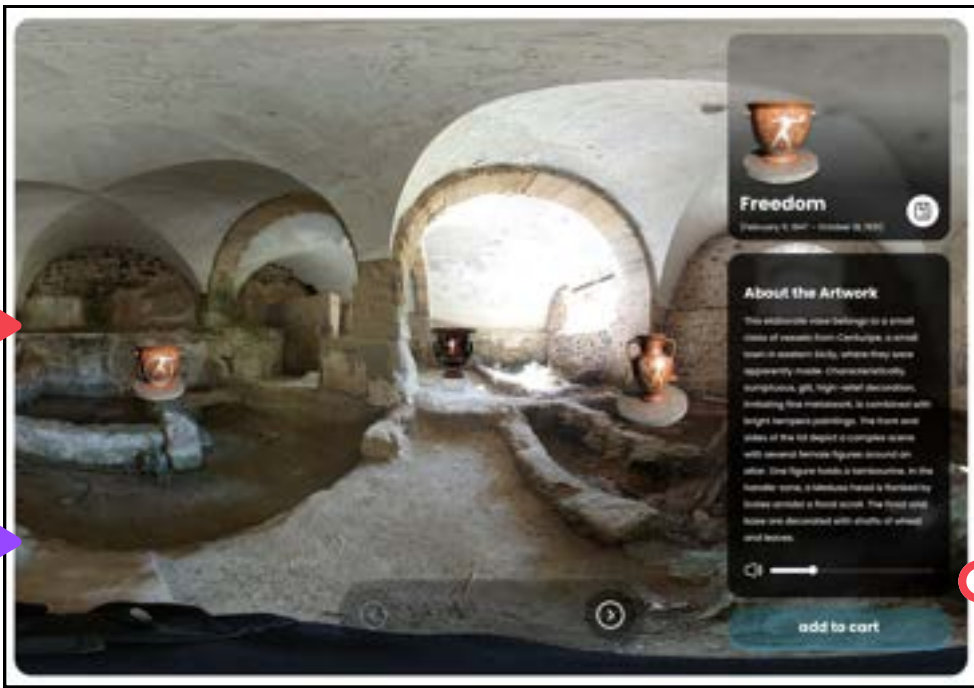
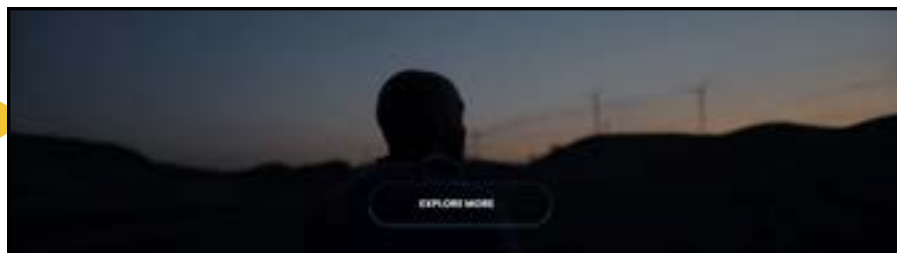
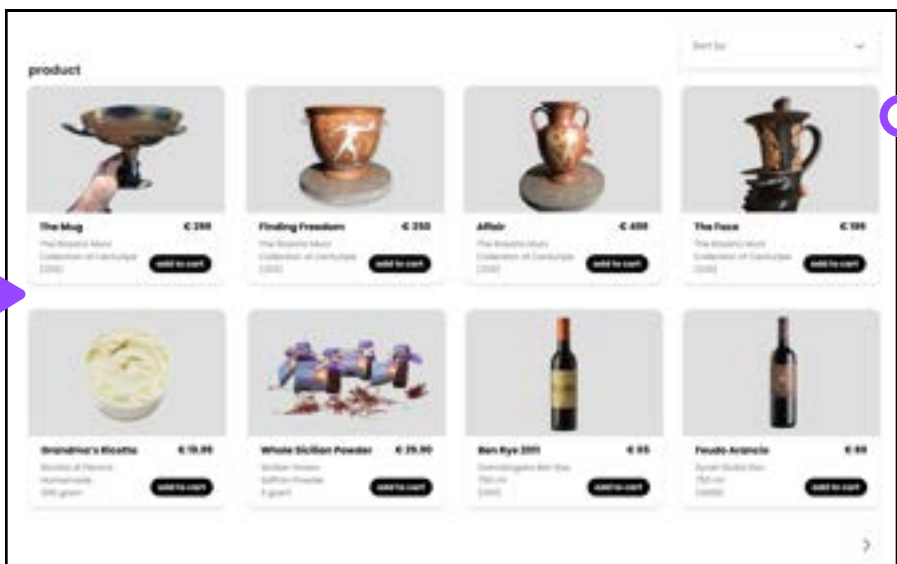
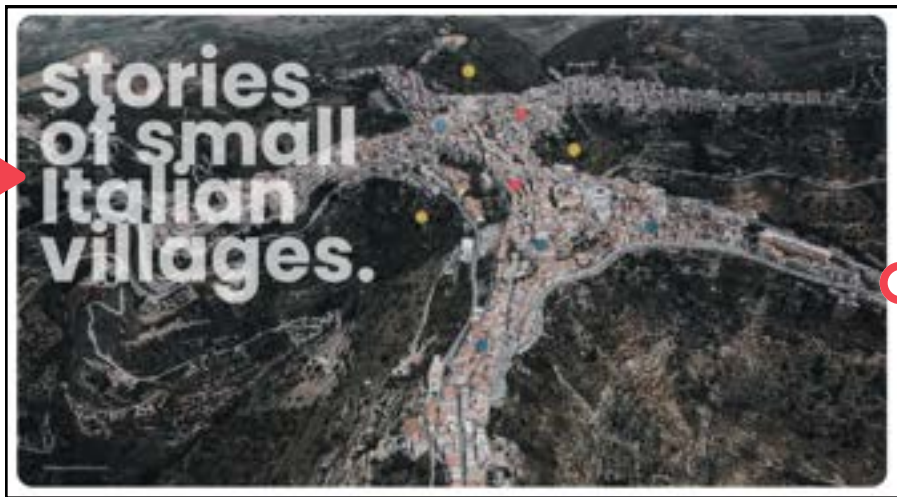
collaboration

- Identify other small business owners
- Build community
- Schedule meeting

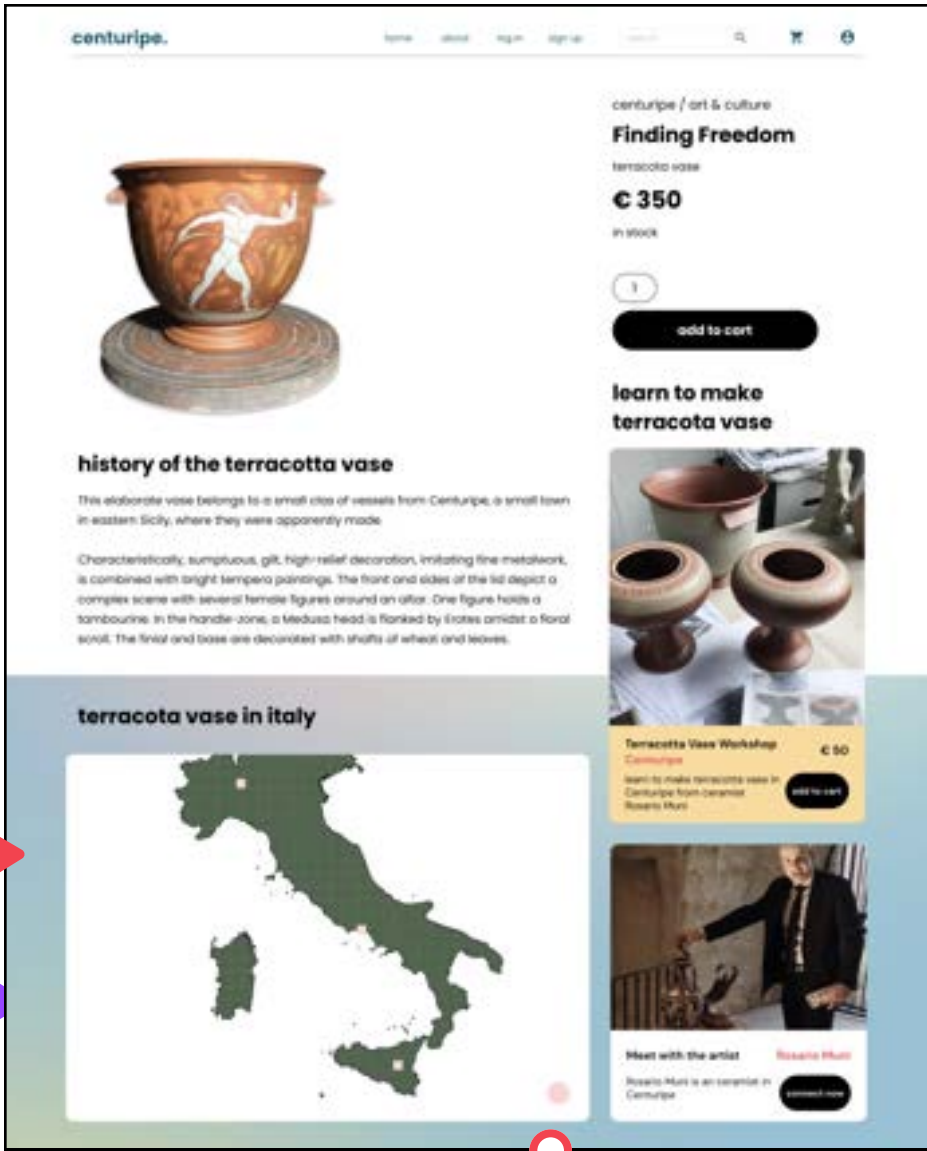
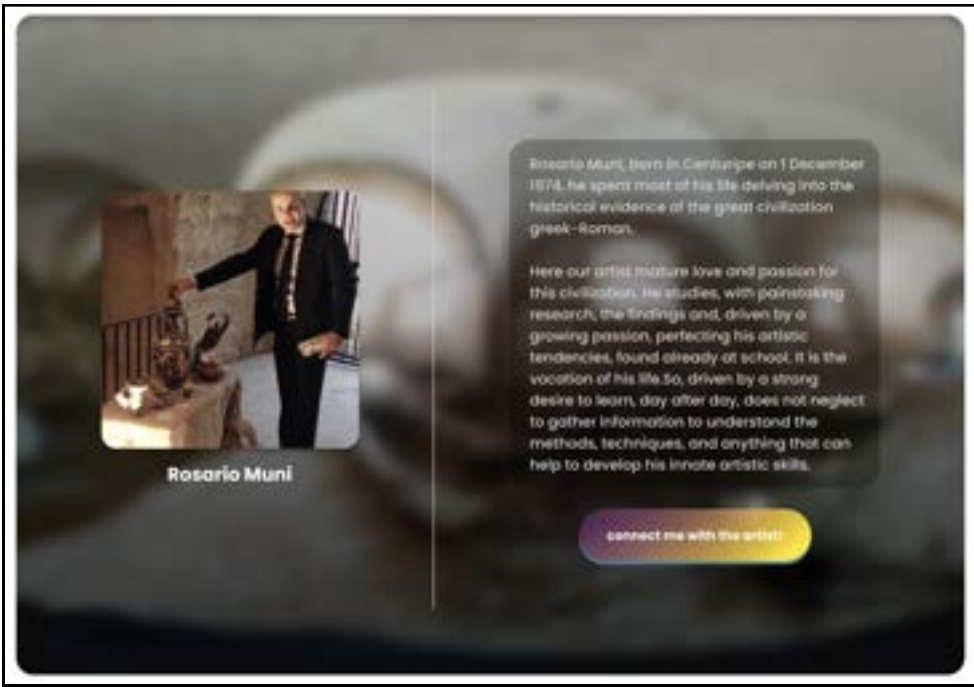


Customer Journey

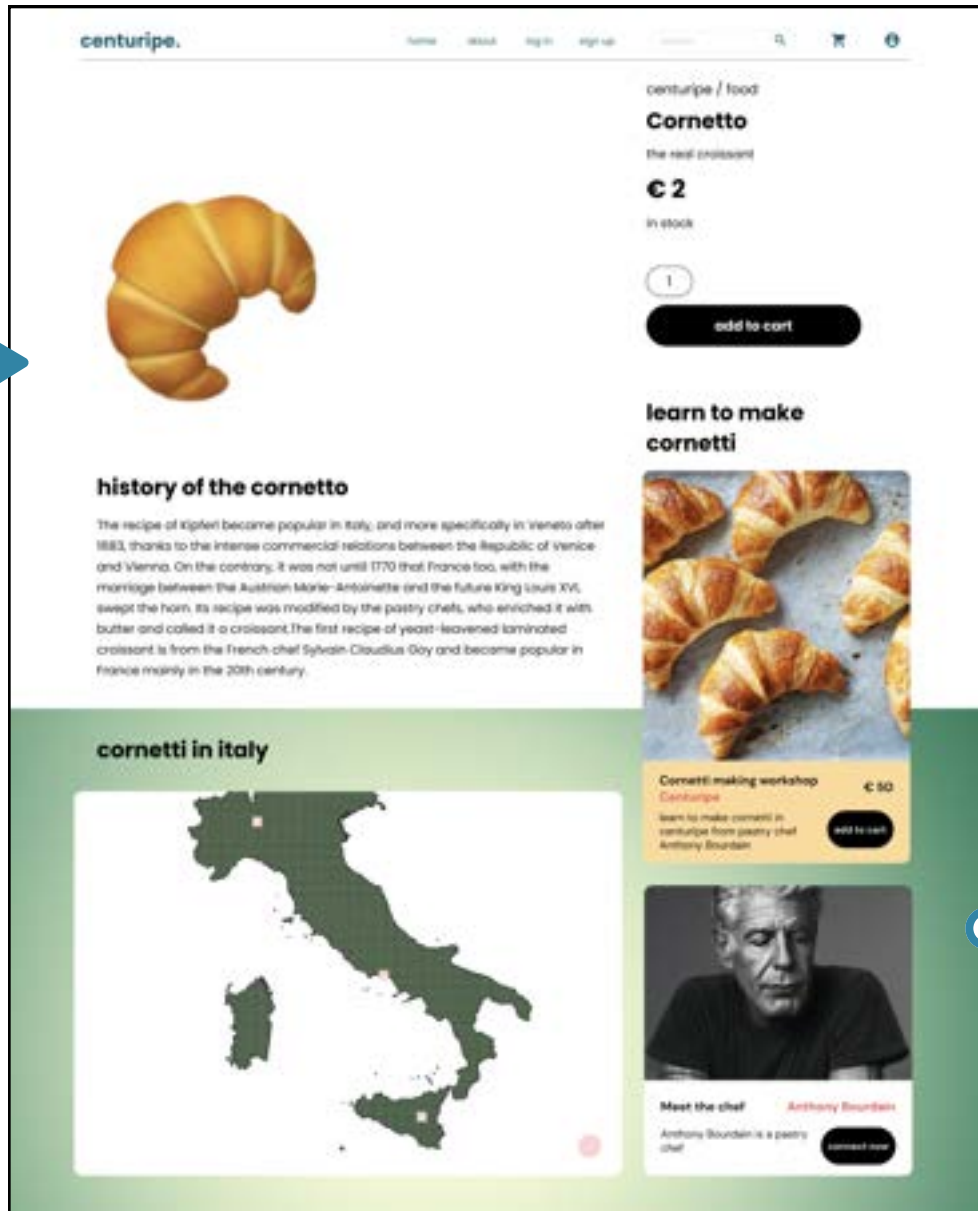
- homepage
- interactive map
- featured experiences
- product page
- exploration features



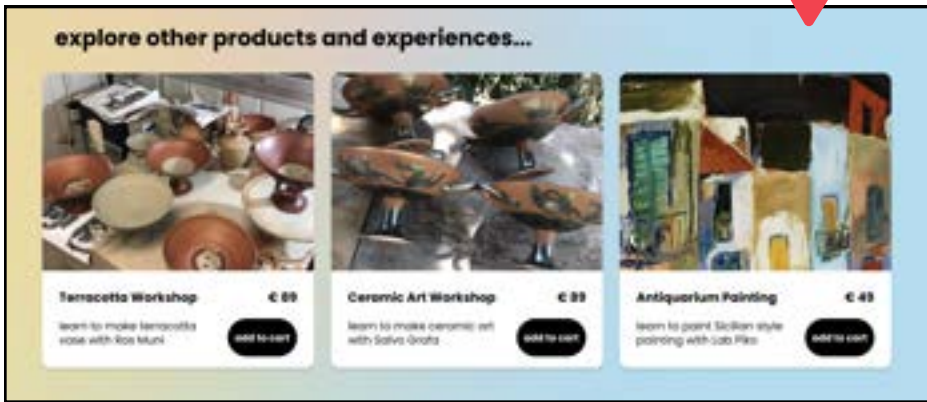
virtual experience + story telling



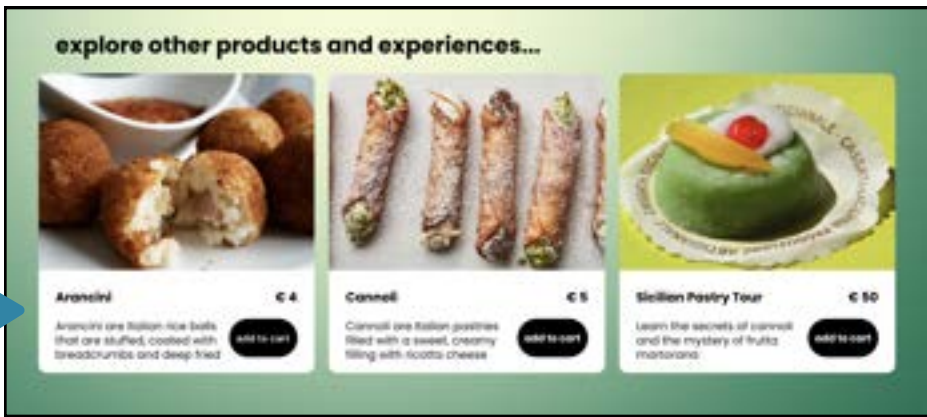
product page



product page



explore more experiences



explore more experiences



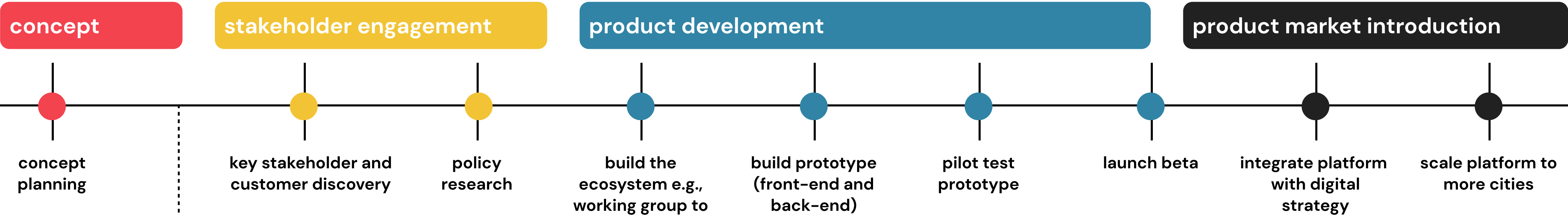
virtual experience







# Implementation Strategy



Italy and EU is investing in multiple small towns





**thank you.**