



Italy

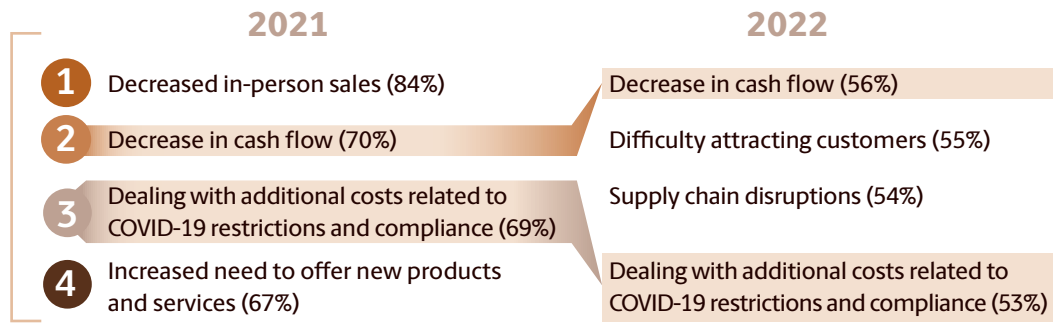
Supporting SMB Growth: Unlocking Recovery through E-commerce



UPS, in partnership with Nathan Associates, Confartigianato, Federvini, and the University of Florence in Prato, surveyed 101 SMBs in Italy to better understand how national and international trade policy can best support SMBs to compete in the global online marketplace. 40 percent of the surveyed SMBs were women-owned. Below are some of the challenges, trends, and recommendations that emerged from this survey.

Ongoing Impacts of COVID-19

Decrease in cash flow and additional costs related to COVID-19 were also reported as top pandemic-related challenges in a similar 2020-2021 survey.



E-commerce Trends and Challenges

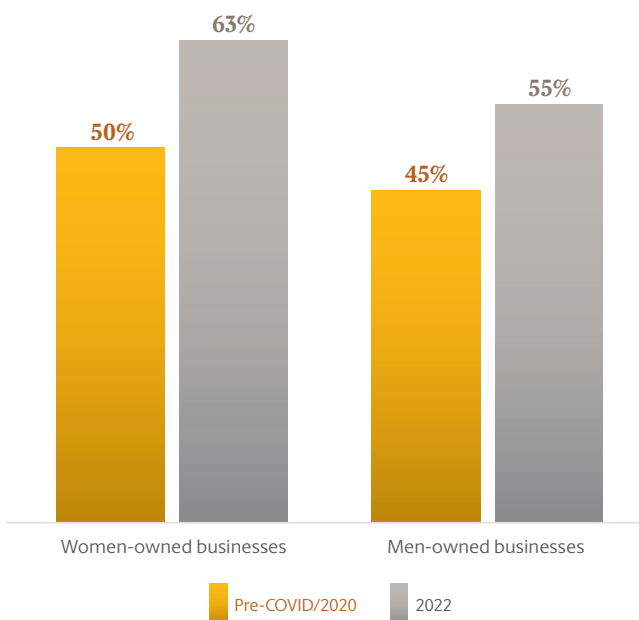
Primary e-commerce challenges in 2022

- Supply chain disruptions
- Recovering the cost of e-commerce fees
- Online marketing and branding
- Access to financing for upgrading to e-commerce

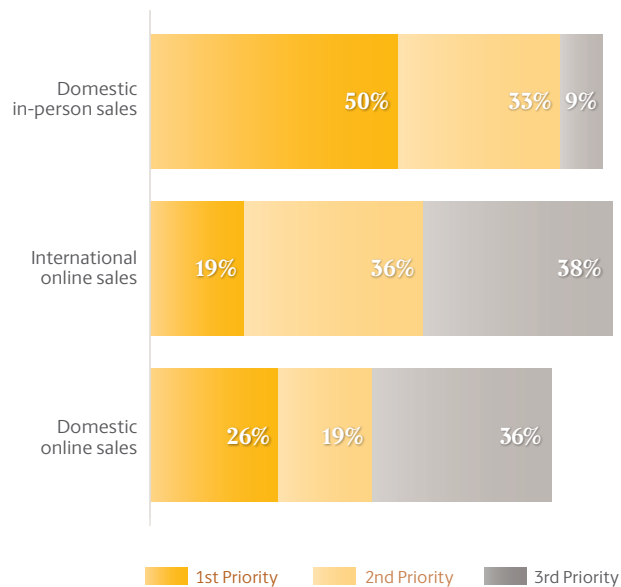
Is e-commerce a priority?

For SMBs that are currently selling online, e-commerce is a priority area of growth for their business, with domestic online sales and international online sales as their highest and second highest priorities, respectively.

SMBs Selling Online from Pre-COVID to 2022



SMB Business Growth Goals for the Next Two Years



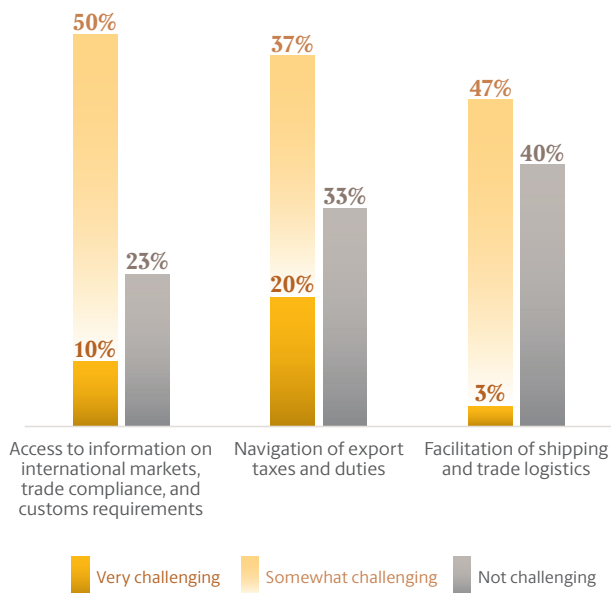


Export Trends and Challenges

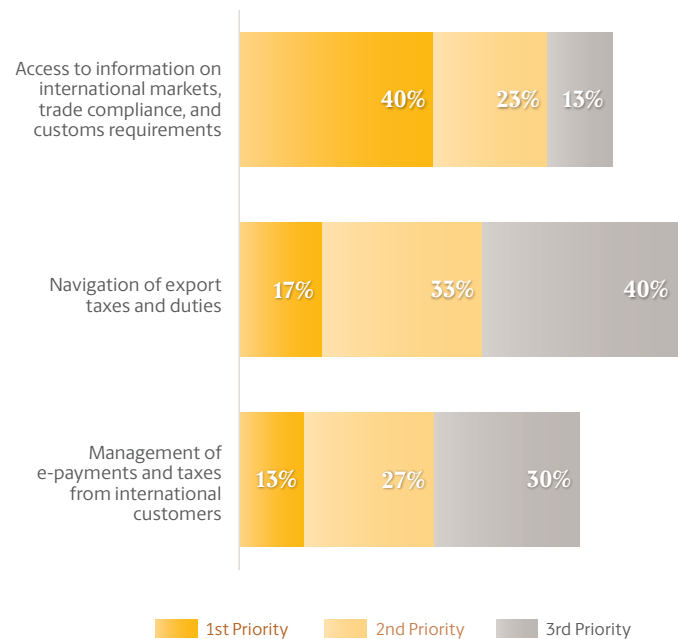
Of the one-third of SMB respondents that were exporting, more than half (53%) said that exporting has gotten easier since the COVID-19 pandemic began. As in 2021, navigating customs requirements and costs was a top challenge for SMBs. Protection of intellectual property rights was ranked as a top challenge for 2021 respondents, while in 2022 only 30 percent of respondents ranked this as “very” or “somewhat” challenging. In 2022, SMBs identified the following top three challenges:

- Access to information on international markets, trade compliance, and customs requirements
- Navigation of export taxes and duties
- Facilitation of shipping and trade logistics

Challenges to SMB E-commerce Exports



SMB Policy Intervention Priorities to Support E-commerce Exports



Policy Recommendations



Build E-commerce Capacity.

Continue providing government-sponsored, customized trainings for SMBs about running an e-commerce business, such as creating an online store, managing logistics, digital payments, and online marketing.



Support Digital Literacy. Improve SMBs' digital literacy, interest, and demand for e-commerce buying and selling.



Provide Financial Incentives. Support access to tax credits and training support to encourage SMBs to move into e-commerce.



Ease Access to Export Information.

Provide continuous education on the export opportunities offered by e-commerce.



Expand Women's Entrepreneurship Fund to Export. Allocate funds for export promotion as part of this fund.



Build Digital Infrastructure. Enhance the connectivity voucher plan by combining it with e-commerce education to increase demand and adoption of these services.