

International Consultancy Project

Business Doncaster (Italy)

Creative, Digital and Tech Industry

Student Name

Date

Background of the Creative, Digital, and Tech Industries in Italy

- Italy has a rich cultural heritage and a long history of creativity, art, and design.
- The creative industry in Italy has significant contribution to the country's economy and development (Centobelli et al., 2022).
- Italy's creative, digital and tech industry is characterized by increasing number of startups, a clear indication of positive growth of the industry.
- This aspect has led to increased growth in the market as witnessed at the end of 2021/2022 fiscal year, with the digital market being valued at \$ 77 billion (Ciasullo et al., 2022).

PESTLE Analysis

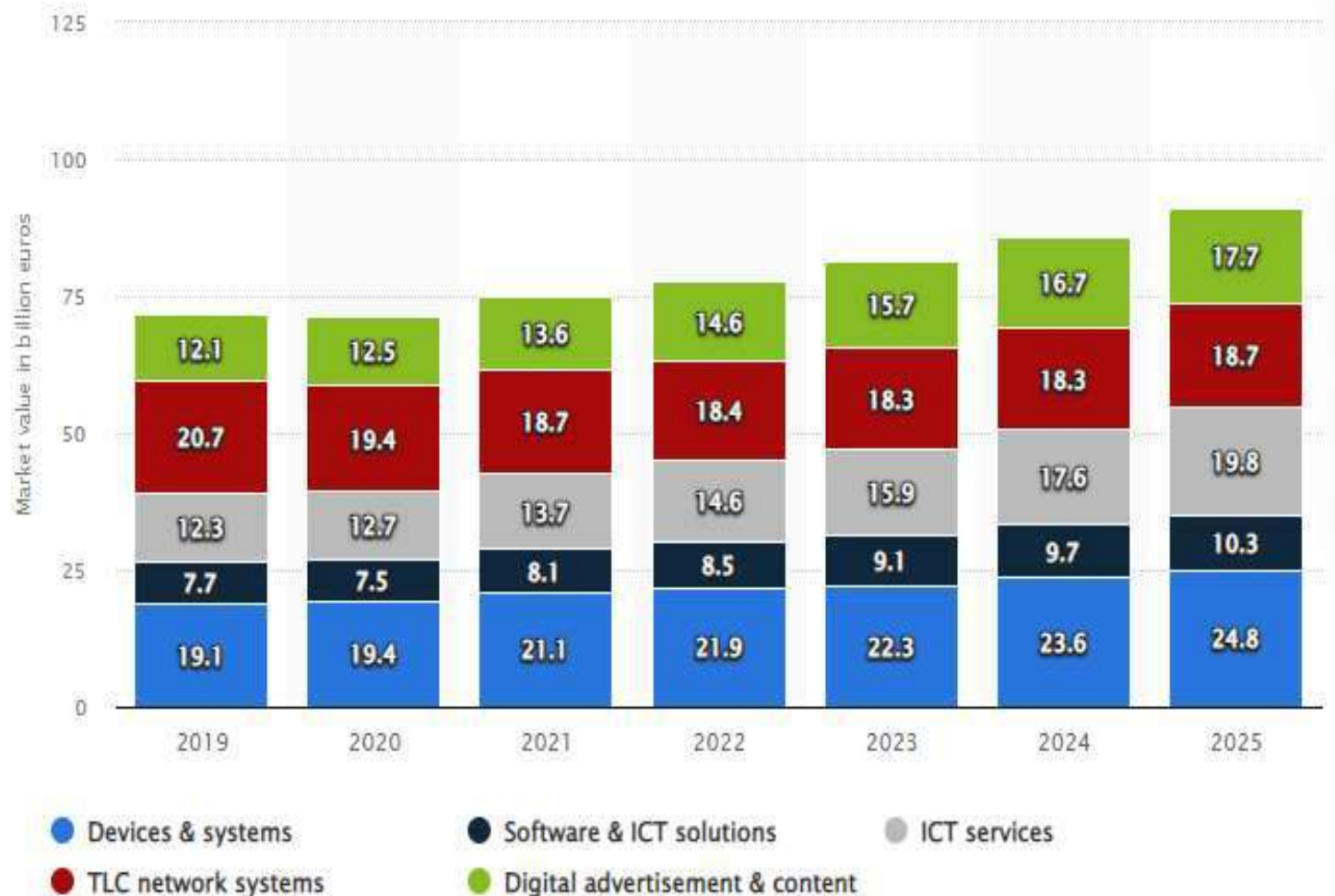
- **Political:** The government's actions and policies have aided the expansion of the digital media, software, and hardware businesses in Italy (Ciasullo et al., 2022).
- **Economical:** Italy's creative industry is an important contributor to the country's economy with approximately 1.2 million people employed and a sale of € 90 billion (Khlystova et al., 2022). Italy's digital and tech sector is also expanding rapidly, now employing over 200,000 people and generating over €130 billion in revenue annually (Khlystova et al., 2022).
- **Social:** Italy has a rich cultural heritage and a strong tradition of art and design, which has helped fuel the creative, digital and tech industry's growth (Ciasullo et al., 2022).
- **Technological:** The advancement of technology has been a key factor in the expansion and improvement of the creative and digital sector.
- **Legal:** The legal framework for the creative industry in Italy is well established, with laws and regulations that protect intellectual property and ensure fair competition (Visvizi et al., 2022).
- **Environmental:** The creative industry in Italy is becoming increasingly aware of the need to adopt sustainable practices and reduce their environmental impact.

Sector Locations and SWOT Analysis

- The industries are spread across regions and cities with the key locations including Milan, Rome, Florence, and Venice (Rialti et al., 2022).
- **Strengths:** Italy has a rich cultural heritage and a strong tradition of art and design, making companies to rely on these factors to ensure better productivity. For instance, Valentino, a luxury fashion brand based in Rome, is known for its elegant and sophisticated designs.
- **Weaknesses:** The creative industry in Italy is affected by changes in the market such as supply chain disruption. For instance, Valentino experienced a decline in sales by 28% in 2020 during the Covid 19 pandemic as a result of the broken supply chain (Visvizi et al., 2022).
- **Opportunities:** The creative, digital and tech companies have a high growth potential, with the government and other organizations supporting the sector's development. An example of a company leveraging this opportunity is Leonardo, an Italian multinational company specializing in aerospace, defense, and security.
- **Threats:** Industries in Italy faces intense competition from other countries, such as France, which also have strong creative, digital, and tech industries.

Market Analysis

- Italy's creative, digital, and tech industries' market structure is highly competitive, with many businesses operating in these sectors.
- However, the market is also highly fragmented, with many small and medium-sized enterprises competing against larger, established companies (Rialti et al., 2022).



FDI and Market Entry Modes

- Foreign direct investment (FDI) is an important factor in the growth and development of Italy's creative, digital, and tech industries.
- Foreign corporations can exercise complete management over their Italian activities via wholly-owned subsidiaries and adapt their approach to the country's specific business climate.
- Awards and recognition programs such as the Premio Compasso d'Oro for design excellence, the Italia Startup Award for innovative startups, and the Digital360 Awards for digital innovation are important for businesses in Italy's creative, digital, and tech industries.
- It is important to have local knowledge and networks in entering the Italian market
- Local partners and advisors would provide foreign businesses valuable insights into the local market

Recommendations

- **Establish a dedicated Italian FDI team:** This strategy is more likely to succeed than relying on informal initiatives by various groups within the company.
- **Develop marketing materials tailored to Italian audiences:** For instance, these materials can highlight Doncaster's competent workforce and business-friendly climate, as well as its convenient transit connections to other parts of the UK.
- **Organize trade missions and events:** These events can feature talks about Doncaster's business climate, tours of local facilities, and networking opportunities with Italian companies and investors

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