UNIVERSITÀ DI TRENTO

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Innovation and Business in ICT

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Idea Generation Report

Local tradition and innovation joining the future

Student
Carlo Corradini
223811

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Contents

Idea

Service

I was born and live in a small village surrounded by family-run businesses of farmers. These farmers favor the quality of their products rather than the quantity. Most of them don't own a personal shop and not distribute them in the mass. The only way to reach them is to go physically to the warehouse (typically their home) or wait until the next local market week. These small realities are full of imaginations, love and tenancy. The major problem is that they have significant difficulties in reaching a wider clientele, useful for future projects (B&B or Agritur[1]). Moreover, they have troubles selling all perishable products before the expiration date, because they don't contain any preservatives or unnat-

Vineyards of the Valle dei Laghi

ural additives. See attachment A, where helping and buying from locally owned businesses can bring a lot of benefits, not only to the individual but from the whole community.

In the last few years two significant events laid the foundation of the idea for a new and undiscovered market. Firstly, the modern society is more aware about the natural environment, ingredients and quality of the food and, more in general, the lifehood of the others. Secondly, due to the economic crisis, increasingly more young and motivated people have rediscovered the tradition. People (potential customers) now can use the new technologies (such as Internet and social networks) to buy anything from everyone and everywhere from all over the world.

e-commerce model

Inspired by the tradition, innovation and opportunities, I had an idea about a new service, which I now describe. The service is intended to facilitate local businesses and companies to reach out new customers and deliver their goods. The platform takes care of collecting the products from the warehouse, package and deliver them. In other words, it frees the manufacturers of such burdens. Moreover, the service promotes the businesses by means of a website or a mobile application. Customers can use such website to discover local products and order them with ease. The goods (i.e. food and crafts) are offered for sale on a website or a smartphone application, compatible

with IOS and Android operating systems. Each product should be accompanied with pictures and rich descriptions that would intrigue and entice even the fussiest and skeptical customers. In addition, all sponsored businesses can publish a dedicated page where to describe themselves, their stories, and visualize how the products were produced. The page contains photos and some brief history of the business with the possibility to book a free room if the business is or has a B&B or an agritur. To

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[1] What Is... An Agriturismo? For a long time, agriturismi (loosely, Italian "farm-stays") have been Italy's best-kept accommodation secret[9].

maintain the reliability of the company and the quality of the products unchanged over time, only a finite number of products per producer can be sold in a defined period to then refill the stock. This is both a preventive security measure and a sales index that can be used to increase the prices of the most requested products.

Last but not least, a business adhering to my service should respect the Sustainable Development Goals defined in the attachment B.

Customers

Now that I defined the service, the next step is to delineate the customers for it. Two categories of clients can be clearly defined.
The first category, called External Customers, represents people from all over the world (with any nationality/ethnicity) who can buy, even a single time, or can be interested, even remotely, in buying natural high quality handcrafted products on the platform. To attract more clients, an advertising campaign that

Loyalty model

automatically identifies the most suitable and potential buyer will have to be established. This can be easily achieved using Google Ads that is capable of: *"Get in front of customers when they're searching for businesses like yours on Google Search and Maps"*[2]. The cost of the service is based on the total number of visits to the website or calls to the business. For the company, this means higher initial expenses, but with the consequence of drastically increasing the number of total sales and incomes in the near future. Another important factor that has to be considered is the trustiness and feedback given by customers. A happier client is more inclined to buy another time and maybe spending even more. A subscription model, like Amazon Prime, can also be added to retain the customers, increasing the loyalty to the company[4].
The second category, called Internal Customers, represents the small-scale family-run businesses that directly produce the products (i.e., food and crafts). Each individual business must be convinced and guided in the process of becoming a fundamental gusset for the ecosystem. The more businesses that agree to join the platform, more diverse products can be offered to the final customers.
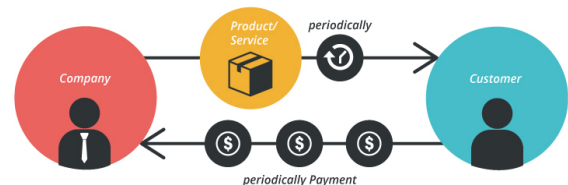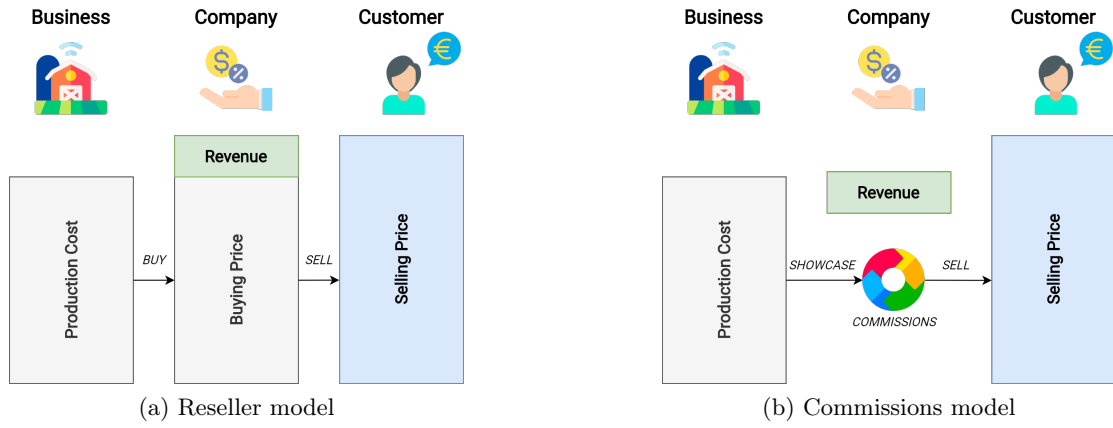
Revenues

The methods on how to make revenues, shown in the figure below, can be classified in two separate categories.
The first one, called Reseller method and shown in figure a, is focused in buying products from the businesses and reselling them at a higher price to the final customers. The difference between the two prices is the revenue the company can make. The products are shown in the main page as an advertising and sales are constantly tracked. This method is used with newly joined businesses that need a little initial push and a testing phase.
The second one, called Commissions model and shown in figure b, is mainly used with already tested and trusted businesses that have been present on the platform for some time. The businesses pay a commission for each product that is present on the platform. The commission is calculated as a percentage, starting from 5% up to 10%, for a maximum of €48 from the final selling price of the product. This can help the business to have more flexibility and variety on selling products that can lead to a healthier and robust partnership.

(a) Reseller model   (b) Commissions model

Revenue models

Research

- Online marketplace for local products[5]
  https://atlasofthefuture.org/project/local-products

- New Research Shows How Digital Connects Shoppers to Local Stores[3]
  https://www.thinkwithgoogle.com/consumer-insights/consumer-trends/how-digital-co
  nnects-shoppers-to-local-stores

Conclusions

I would like to conclude the report with a statement:
"On the sight of traditions we will no longer think about the old past but about the rich future that is yet to come"

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Attachment A Benefits

Small-scale, locally owned businesses create communities that are more prosperous, connected, and generally better-off across a wide range of metrics. When we buy from independent, locally owned businesses, rather than national chains, a significantly greater portion of our money is then cycled back through our local economy - to make purchases from our friends' businesses, to aid our neighbors in need, and to support our local farms - ultimately strengthening the base of our whole community[7].
In recent decades, policy across the country has privileged the biggest corporations. Yet a growing body of research is proving something that many people already know: small-scale, locally owned businesses create communities that are more prosperous, entrepreneurial, connected, and generally better off across a wide range of metrics[6].

SUPPORT COMMUNITY GROUPS

LOCAL BUSINESSES DONATE MORE PER SALES DOLLAR TO LOCAL NON-PROFITS, EVENTS, AND TEAMS COMPARED TO NATIONAL CHAIN

INVEST IN COMMUNITY

Local businesses are owned by your friends and neighbors who live in this community, are less likely to leave, and are more invested in the community's future – just like you.

BETTER SELECTION FOR YOU

small businesses, That select products based not on a national sales plan, but on their own interests and the needs of their local customers, guarantees a much broader range of product choices and price.

KEEP OUR COMMUNITY UNIQUE

One-of-a-kind businesses are an integral part of the distinct character of our place. It's what distinguishes the uniqueness of our community compared to a chain store that looks The same anywhere else.

CREATE MORE LOCAL OWNERSHIP AND GOOD JOBS

Small local businesses are the largest employer nationally, and in our community, provide the most jobs to residents. Let's encourage more start-ups!

GET BETTER SERVICE

Local businesses often hire people with a better understanding of the products they are selling and take more time to get to know customers.

BETTER PUBLIC SERVICES

local businesses mean a stronger tax base and Better use of public services Compared to Nationally Owned Stores.

This means better public services like schools, transportation, emergency response for you and your family.

ENCOURAGE LOCAL PROSPERITY

Entrepreneurs and skilled workers are more likely to invest and settle in communities that promte their one-of-a-kind businesses and distinctive character. This also means a better use of community space.

Attachment B SDGs

I found the following five Sustainable Development Goals (SDGs) compatible with my entrepreneurship idea[8]. The union of these goals must produce a livable work environment in conjunction with an economic growth that fully respects the nature.

5 GENDER EQUALITY

ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

5 Trying to include as many women as men's to achieve a more dynamic thinking to different situations and problems.

7 AFFORDABLE AND CLEAN ENERGY

ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

7 The company must use electric cars and trucks rechargeable with energy from renewable sources.

8 DECENT WORK AND ECONOMIC GROWTH

PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

8 Help little businesses to grow with the help of experts of various sectors. Achieve a corporate welfare, since happier employees are more productive[1].

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION

9 Build more newer, safer and less polluting infrastructure. Trying to reduce the impact of chemicals on the environment replacing harmful substances with natural methods

11 SUSTAINABLE CITIES AND COMMUNITIES

MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

11 A more happier community due to the fact that has a stable income and have less preoccupation is more inclusive and resilient automatically. Obviously with a little initial help.