

ABSTRACT

What about the digitalization in South Tyrol?

Digitization is one of the most important megatrends of our time and is changing the business activities of many companies, regardless of size or sector. Companies must therefore face up to the future challenges of digitization to remain competitive. For this reason, the Institute for Economic Research of the Chamber of Commerce of Bolzano has carried out a survey of around 1,500 South Tyrolean companies: How do the companies themselves assess their degree of digitization? Which technologies and instruments are already in use, which are planned? How will digitization affect operational structures and processes?

Although many studies indicate that digitization has a major impact on business and work processes, South Tyrolean companies often do not expect significant changes. In comparison, only effects on the "quality of customer service" and the "need for further training measures" for one's own employees are frequently recognized.

In addition, many companies (a quarter) are unable to assess the impact of digitization. When asked about the digitization status of their own company, only a small number of companies (4.1 percent) consider themselves to be "highly developed". In other words, 9.7 percent feel "not developed at all". Most of the companies, instead, see themselves either fairly or poorly developed. However, as the size class increases, the proportion of companies that assess their level of digitization as "highly developed" or "fairly developed" increases significantly. In the wholesale trade and in services, companies most frequently rate their level of digitization as "highly developed".

Interesting is the distribution of the different digital technologies and instruments in the South Tyrolean companies. Of the technologies examined, "Internet banking" is used most frequently by 78.9 percent of companies. "Data backup", a "company's own website" and the legally prescribed instruments "digital signature" and "electronic invoicing" are also often used. It can be observed for almost all the technologies surveyed that as the size of the company increases, the proportion of companies that have implemented the respective instrument increases too.

In summary, large companies are usually already well positioned, while the situation is ambivalent for small and medium-sized companies. Some of these companies recognize a high need for action in the field of digitization and want to react to it. However, many companies also believe that digitization is not relevant to their business or cannot assess the potential impact.

This poses the following challenges:

- > Remarkable is the high proportion of "do not know" answers to the question about the effects of digitization. Depending on the level of information, small and medium-sized enterprises must be approached differently. Companies that recognize the need for action in the field of digitization must overcome the obstacles to implementation (e.g. lack of financial or organizational resources and/or lack of know-how) and actively support the companies with targeted support and advice. For

those companies that consider digitization to be of little relevance, awareness-raising and educational work must be stepped up. The benefits of digitization must also be better emphasized in those areas which are not prescribed by law.

- > Clearly, not all digital tools and technologies are equally important for companies in different sectors and sizes. However, every company needs an appropriate online presence to remain visible, e.g. through its own website or by using social media such as Facebook.
- > Special attention should be paid to the further training of employees and entrepreneurs in the use of the new digital instruments and technologies. Especially older employees are challenged and must be supported accordingly.
- > Irrespective of the degree of digitization of the companies, all "digital" location factors in South Tyrol must also be further improved and adapted. This includes the comprehensive expansion of broadband Internet.