



“Observatory on the consumption styles and trends of the Italians”

Third edition

ABSTRACT OF THE RESULTS

THE CONTEXT

The last ten years have been characterised, world-wide, by a rapid transformation at both economic and social levels, where individuals have developed the - ever growing - sensation of being at the mercy of dramatic events and of having to cope with complicated situations from both the collective and individual point of view: international terrorism, migrations of whole peoples, environmental deterioration and, in the background but increasingly present, the economic, financial and employment crises. This all comes after a period of time, the 90's, in which people's overriding sensation was that things were moving towards a more peaceful world, a world that was in "peace" (*The End of History and the Last Man* – F. Fukuyama 1992), oriented towards development, and felt in particular by the people of Europe.



Un decennio di crisi

TERRORISMO INTERNAZIONALE

SALUTE (OBESITA' – SARS – H1N1)

AMBIENTE (energia, biodiversità, acqua, riscaldamento globale, disastri ambientali, sovrappopolamento)

ECONOMIA E FINANZA






GAME OVER

CHIUSO PER FALLIMENTO

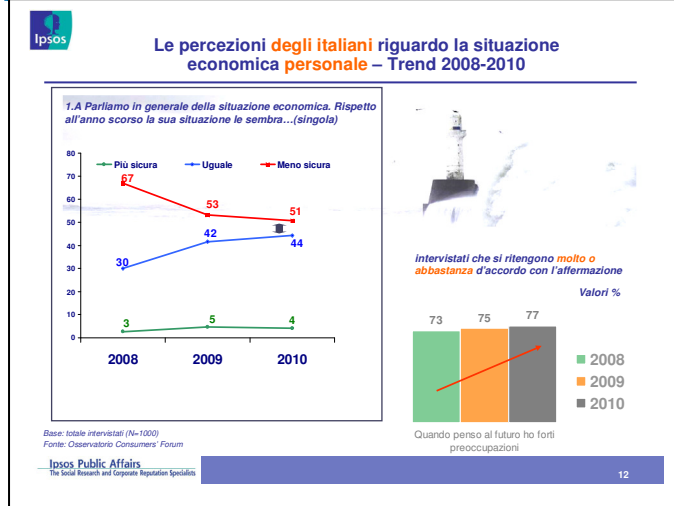
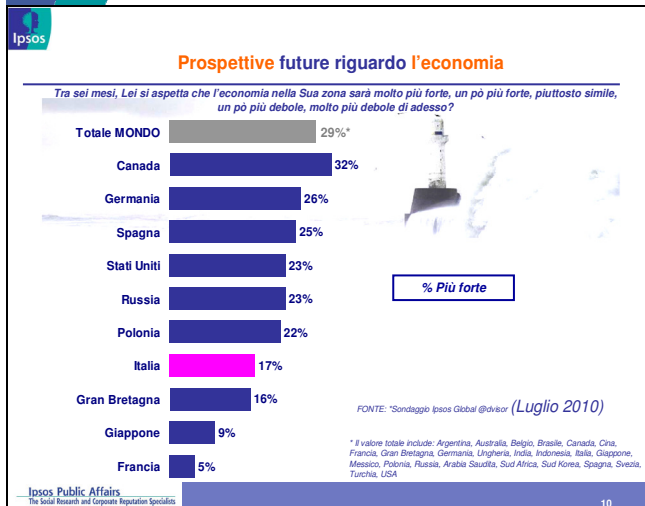


Fonte: Trend Observer 2010

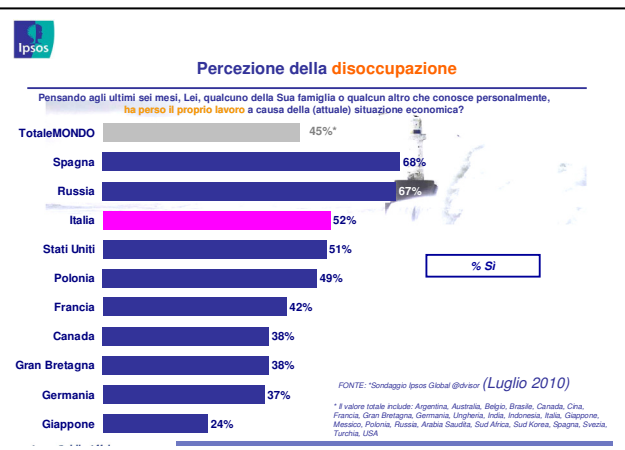
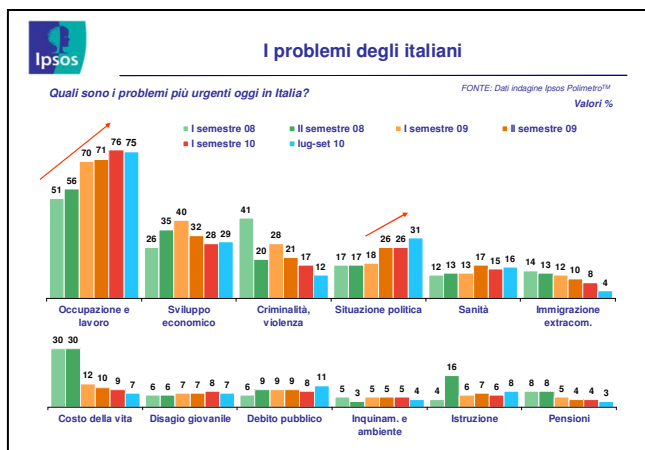
Ipsos Public Affairs
The Social Research and Corporate Reputation Specialists

5

The effects of these events have created a situation in which people's main concerns are for the future of the economy of their own country, whereas the prospects for a quick end to the problems are regarded as very low (29% in the Western world, 17% in Italy). The majority of Italians feel uncertain about their own future, whereas the gap between those who, all things considered, feel "easy in their minds", i.e. they will not cut their expenditure (as a result, too, of a situation of price stability), or consider that they will have less money to buy things and those who, vice versa, are personally affected by the crisis, gets wider.



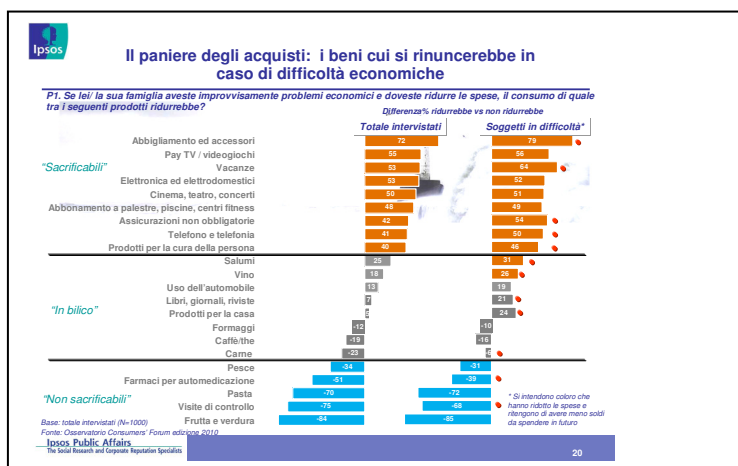
People's greatest uncertainties concern their own professional future and losing their job, a feeling that was also ascertained world-wide but that, in our country, assumes even more sizeable proportions (52% in Italy, mean figure of 45% world-wide). When questioned on their fears with regard to their own personal future, the aspect that most frightens the Italian respondents in all the demoscopic surveys is job security (75% in the 2nd half of 2010), whereas they express fewer worries with regard to criminality and international terrorism.



CONSUMPTION HABITS IN THE TIME OF CRISIS

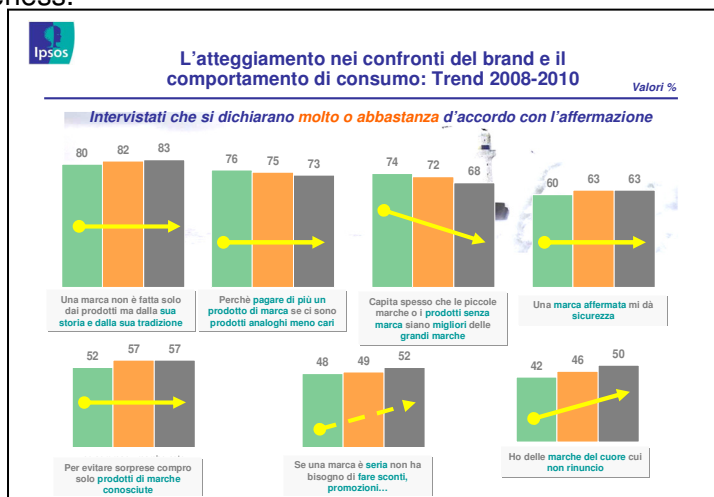
The new (precarious) economic scenario has engendered a consumer who is more aware and makes shrewder choices than in the past: “you need to spend your money well, not fritter it away”; a more selective consumer: the need for change is not i.e. perceived as mere privation, but as a change in the ways of thinking that determine the final choice of product, where the preference is increasingly to take a “simpler” and more “pragmatic” approach.

There is no doubt that people have reduced the scope of their purchases but these are sacrifices that concern mainly non-essential and superfluous items (first of all clothing, then Pay TV, holidays, electronic goods), whereas they do not seem to have reduced their spending on products regarded as “must-haves” which, in various respects, relate to physical well-being or food and diet (on one hand medical treatment, on the other the main foodstuffs: fruit, vegetables, pasta and fish).



This growing awareness with regard to the choices that they make prompts consumers to want a greater degree of involvement: they want to establish with their commercial “partners” a relationship based on logics of exchange/dialogue and sharing. They want in other words to be involved, be listened to, and they have started to “talk” through channels that are much more powerful and evolved than they used to be.

The consumer's approach to a brand is based on dialectics and comparison: the brands are still regarded as capable of performing several functions such as guaranteeing quality and establishing and developing emotive bonds over the years. They continue to inspire confidence (a fact not taken for granted at a time of crisis), to instil trust, but we need to bear in mind that, in order to capture the attention of a more selective and demanding consumer, the offerings of goods or services and the channels through which they are proposed must necessarily move in the direction of transparency, information and concreteness.



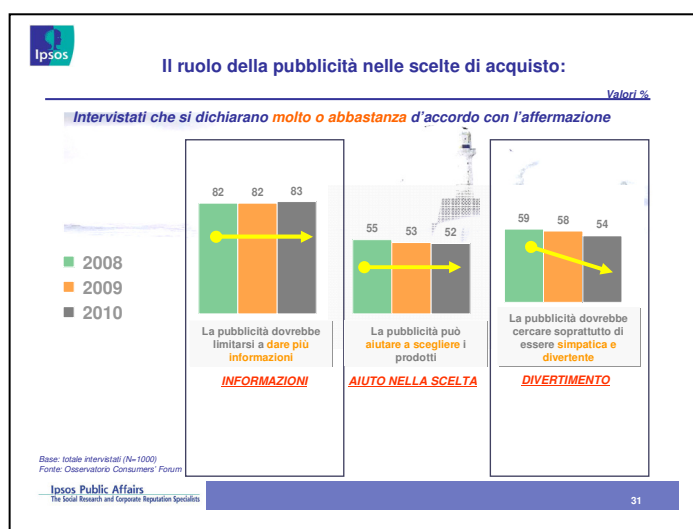
THE ROLE OF ADVERTISING

The role played by advertising in determining consumers' choices embraces three different environments:

being informative, helping to make the choice and, lastly, being entertaining/amusing.

The main role that advertising is called upon to play, and this has been stable over the three-year period, is being "informative"; with regard to the "formative" role of helping people to make their choice, the figures remain stable; the playful / entertainment aspect is slightly on the decrease.

These trends can be interpreted as a growing need to be told concrete things. It is precisely in this sense that the information has to ensure that it is "fully usable": it must be simple, clear and direct so as to enable people to make aware and transparent choices: in times of difficulty "too much" information bewilders/disorients people.



THE NEW TRIBES OF CONSUMERS

The research identified five types of consumers, who sometimes display contradictory behaviours, characterised by "rigour and seriousness", alongside disenchantment and frivolousness; trust in and commitment towards their favourite brand, counterbalanced by a sort of "layman's attitude" towards brands in general.

For each group, the main characteristics highlighted are:

Disenchanted: these consumers manifest behaviours and attitudes to life that are decidedly pragmatic and tendentially "laical". They are satisfied with their own condition and express a certain "disenchantment" with the things of the world.

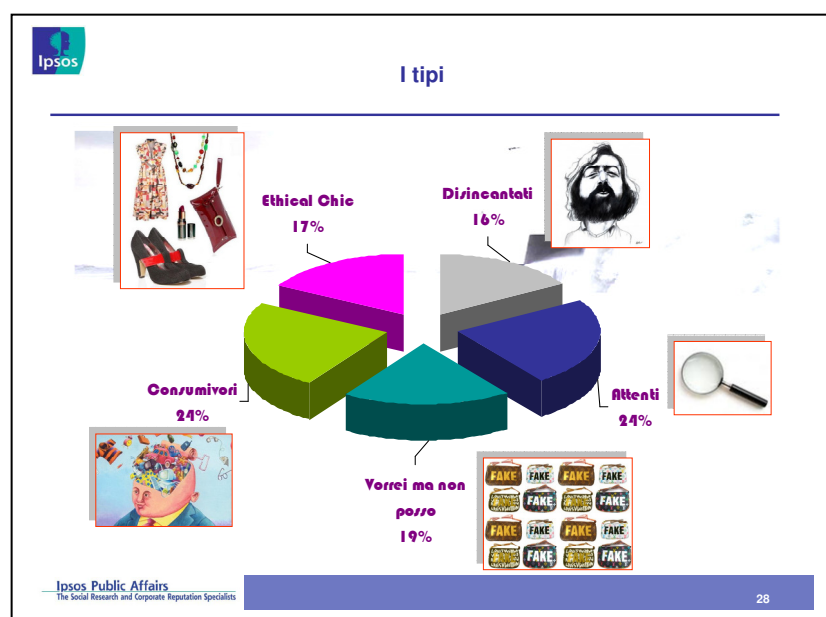
Careful: these people are savers, serious and concrete/down to earth. They pay attention to the events that surround them, especially when they concern economic matters. They are characterised by an underlying "understatement" and, although they are not deterministically "brand oriented" they do not display an attitude of being "a priori" against advertising and the brands.

Wannabes: these consumers can be linked to the "logic of the herd". They would like to be part of the mass of people and, for this reason, they try and emulate the main trends. Their problem is the

financial aspect, which they of necessity have to take account of, and which often represents a source of disappointed expectations and frustration.

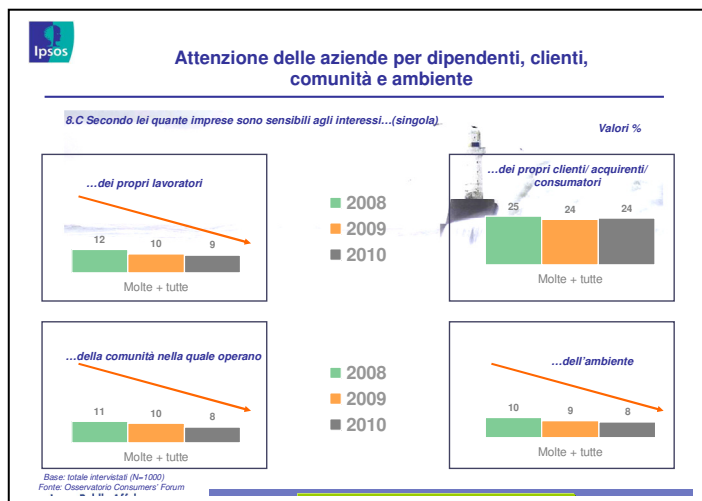
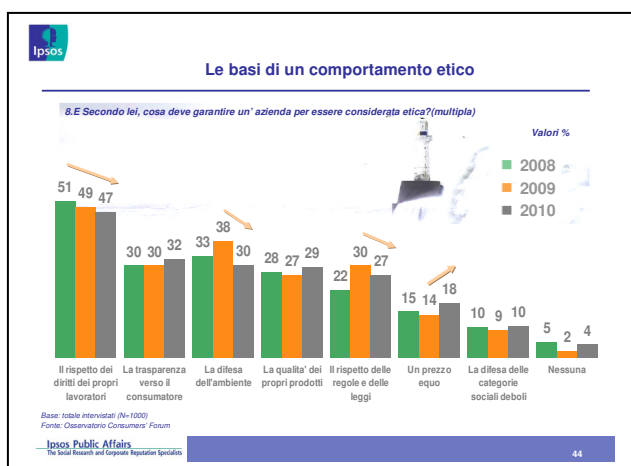
Consumivori: The OMNIVORS of consumption. They sniff, they search, they “examine minutely”. Anywhere, anything, of any kind. If they could have more money they would spend all they have on buying things, which is their main source of gratification.

Ethical chic: They manifest an ambivalent attitude towards buying things, half way between hedonism and feeling of guilt. Not being overly worried by the financial aspect, they allow themselves to be tempted to buy things, only to then, afterwards, let themselves be gripped by remorse and do all they can to emphasise the ethical and sustainable aspects of their consumption.



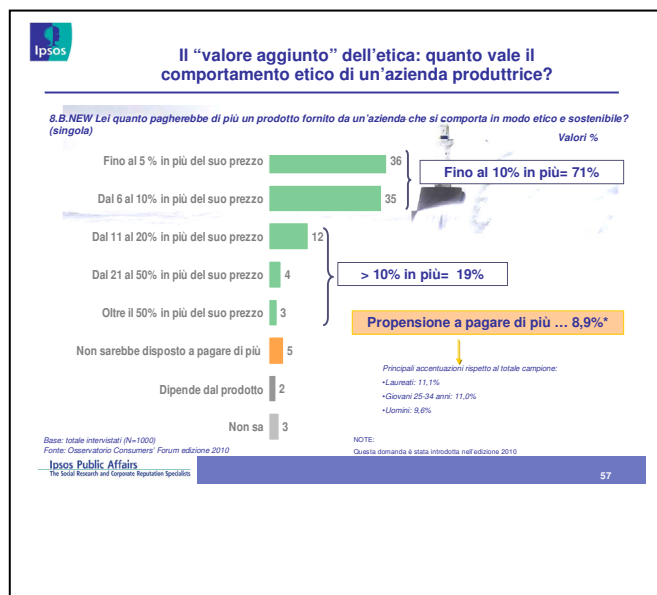
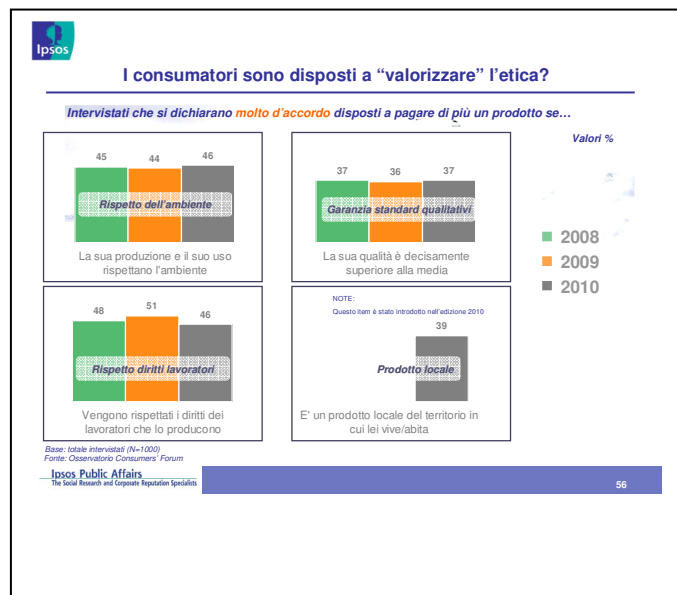
THE “VALUE ADDED” OF ETHICS

Ethics and social responsibility, although re-sized by the crisis, prove to be integral parts of this awareness of people's rights and companies' duties; the consumers appear in fact to be somewhat critical of the behaviour of companies. According to our respondents, the bases of an ethical style of behaviour translate first of all into respect for the workers (47% in 2010, 2% down on last year and down 4% on 2008), transparency towards consumers (32%), safeguarding of the environment (30%) and offering a product at a fair price (18%, the only aspect to show an increase compared to both 2008 and 2009), but in the eyes of the consumers, few companies really pay attention to these aspects.



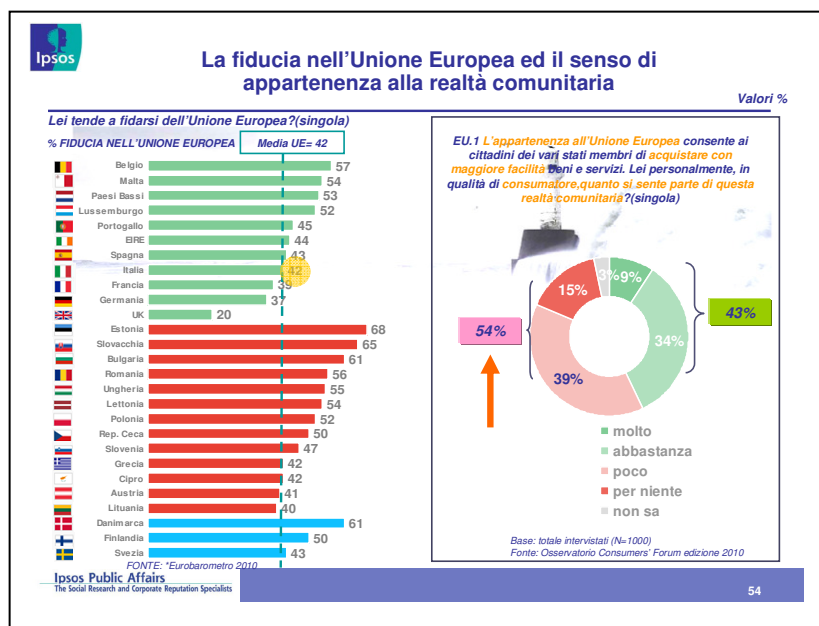
In this context the “quantification” of the “added value” of ethical behaviour allows for good hopes: the consumers say that they are potentially willing to buy a product that respects the environment and workers' rights, guarantees high standards of quality and is a local product but, as we have seen, they do not have a lot of trust in the companies.

Having to “quantify” how much more they would be willing to spend in order to buy a product supplied by a company that is run in an ethical and sustainable way, the majority of the respondents (about 70%) state their willingness to accept an average price increase of 8.9%. This mean figure hides differing behaviours but as many as one respondent out of five expresses a willingness to pay 10% more than the current price.

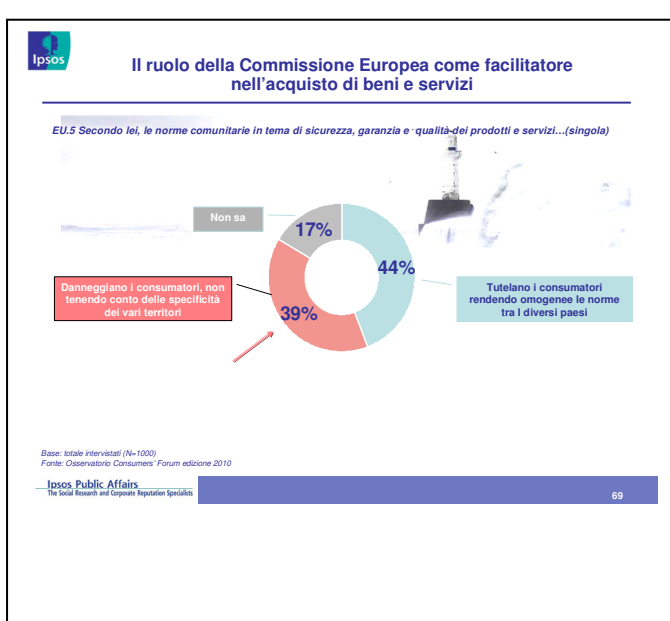
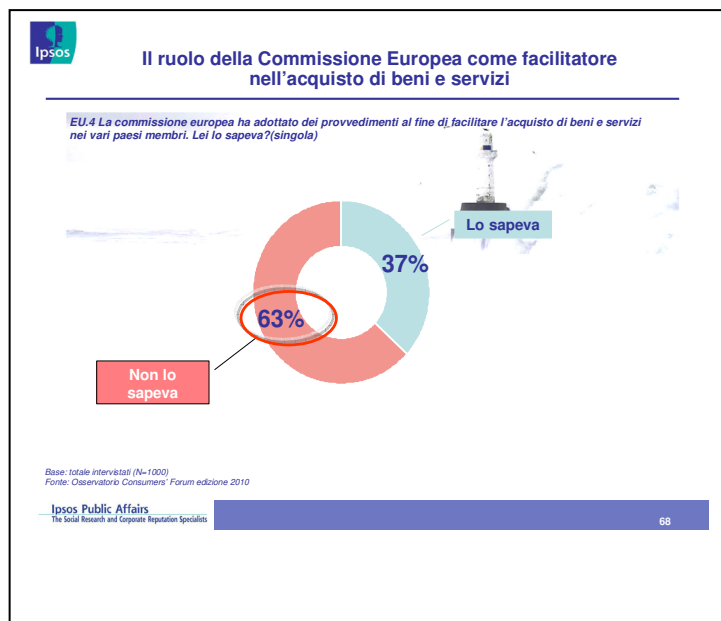


EUROPE: SO NEAR, YET SO FAR AWAY

The European Community appears to be perceived by the Italians as a remote and fuzzy entity, although, looking to the future, there is a lot of confidence, inasmuch as the E.U. does not yet appear to have expressed all of its potential. In fact, though on one hand their degree of confidence in the E.U. appears aligned with the European mean (42%), on the other consumers' feeling of belonging to a "real community" is shared by just over two respondents out of five (43%); the majority state, on the contrary, that they do not perceive themselves to be an integral part of this "continent – nation" (54%).

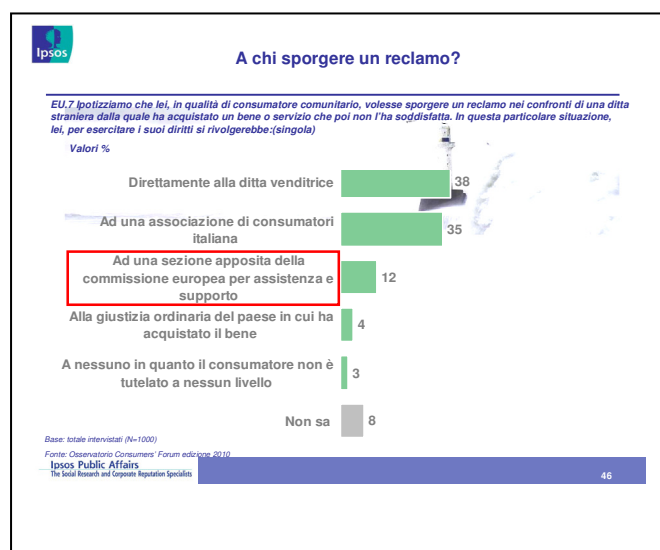
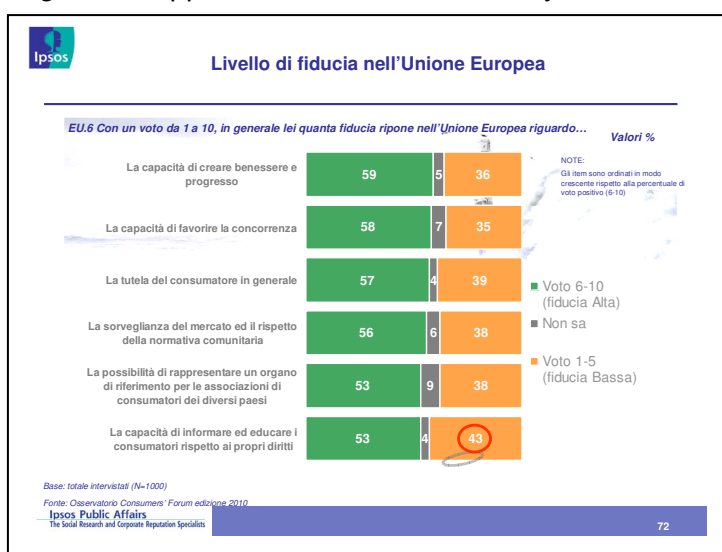


Nor are the Italians wholly convinced with regard to the E.U.'s role as "facilitator" in the buying of goods and services, due also to the fact that they are not sufficiently informed: the community's initiatives in matters of goods and services are known to little more than one respondent out of three (37%); the majority are unaware of them (63%). The sample is split more or less down the middle in their judgement of the actions undertaken with regard to the exchange of goods and services: 39% maintain that they would harm consumers, since they do not take account of the specificities of the various territories, whereas 44% agree with the idea that, vice versa, consumers are protected by them, since they standardise norms and guarantees.

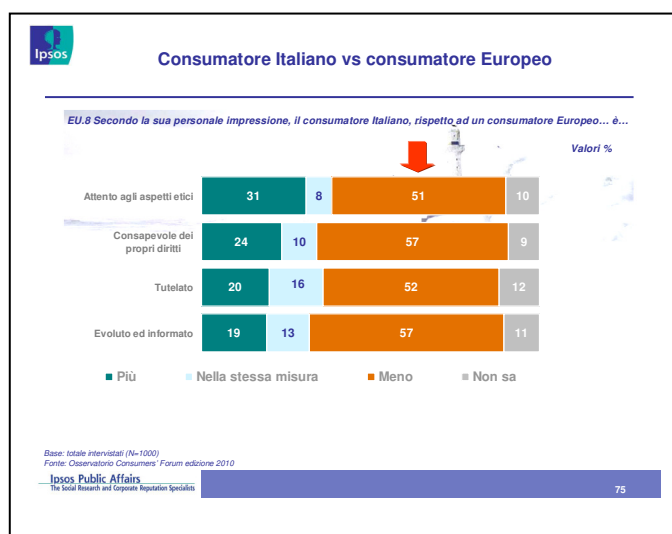


The levels of confidence in the E.U., in its “formative” and “informative” role vis-à-vis the consumer, highlight for the most part (a mean score of just under 60%) an overall positive evaluation of this Supranational Body. We observe however a sizeable percentage of respondents (about 40% on average) who express less flattering assessments. In effect, assuming they had to make a complaint about a foreign company that supplied a product or a service, the European commission is mentioned by a very small percentage of people (12%); this result is probably also determined by the fact that those who have made purchases in a member state in the last 12 months amount to just under one respondent out of three (29%).

In the event of making a complaint, the predominant approach is to act on one’s own behalf, contacting the manufacturer directly (38%). A short way behind however we also find the hypothesis of contacting the Italian Consumers Association (35%), a fact that shows a good degree of support for and trust in this body.



Sceptical, poorly informed but, at least, aware and “self-critical”, compared to their European counterparts, Italian consumers regard themselves as less evolved and less mindful of the ethical aspects but also perceive themselves as less protected and less aware of their rights.



In the medium-long term therefore, is it an advantage or a disadvantage to be part of the European Union? Two out of three respondents consider it to be none the less an advantage: an apparently contradictory evaluation, although not altogether so, if looked at from a future point of view. Despite their disillusion and lack of information, the Italians are aware that in the next few years this supranational body will be the inescapable reference point for every policy, over and above the separate individual national interests, a fact that people must assimilate as soon as possible, if they are not to miss the “European train”.

