Italy 2019: Communitarian and Cosmopolitan - the new divides

GAME CHANGERS

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1. Invisible recovery.

Fear of recession looms as economic indicators turned negative at the end of 2018. Italians are responding in two contradictory ways: on one hand, consumer confidence is diminishing, but on the other there are signs of relative optimism relating to political developments. While the lack of recovery is causing frustration, positive changes are expected from the new League/5-Star government government. The proportion of citizens that think the country is going in the right direction increased from 18% to 37% after the June election.

But still, the climate in the country appears to be dominated by a feeling of uncertainty and precariousness, meaning there are frequent vacillations between weak optimism and gloomier visions.

2. Consumption is not picking up.

Italians again showed a desire to save in the second quarter of 2018, with gross household savings at 8.6%, (up from 7.5% in the first quarter). Accompanied by indications of stagnant consumption, this suggests that recession is on the horizon. After years of rising consumer spending, we have begun to see a widespread slowdown.

Italians are being more careful, above all with the goods that had seen the most growth recently. This will firstly affect semi-durable goods, followed by basic necessities such as food and household goods.

3. Is the honeymoon over?

The Conte government marks a change of climate in the country. And it seems to close the gap between the elite and the people which appeared in the early 80s with the gradual modernisation and secularisation of the country. This saw traditional politics be reduced to a pure expression of partisan interests (again, of the elites) as well as the appearance of trends such as:

- **Individualisation**: whereby the individual becomes the sole measure of things.
- **Presentism**: the progressive worsening of historical memory.
- **Directism**: the elimination of mediators in a digital environment enabling people to directly confront their leaders and politicians.
- **Trivialisation of language**: resulting from the same, where brevity, speed and simplicity dominate.

4. The impossible community.

Faced with external threats (from globalisation to immigration and the impoverishment of the middle classes) and the perceived inability of the democratic system to deal with these new challenges – to the extent that two thirds of Italians think that a better system is needed – we see a communitarian reaction of self-protection where citizens wish to close themselves off from the outside world.

But this trend is contradicted by an increasingly extreme process of individualisation. The individual's continuous dissociation from the community is happening at the same time that they are seeking a protective shell through membership to a particular group. In this way, the relationship between individual and community identities are increasingly complicated.

5. The precautionary principle.

The prevailing sentiments amongst Italians are anti-elitist and highly critical of the EU. But the precautionary principle prevails: in the event of a referendum, only 25% would vote to leave Europe.

The trend we see runs exactly counter to the course of debate and media climate. The more voices that are raised against Europe and the Euro, the firmer the choice to remain within the confines of the single currency becomes.

There is a major consensus base within the electorates of the governing parties, as the majority of both pro-Euro 5-Star party and League supporters are against the notion of leaving the European community.

6. Identity and borders.

The immigration narrative focuses on arrivals by sea, with all the symbolic and iconographic associations that come with the landings.

In late 2017 and early 2018, this messaging fuelled the electoral campaign of the League and its leader but it has persisted into the second part of 2018, after the government was established. It has remained a hot topic in mainstream media and social media platforms, resulting in increasing concern in public opinion even though the landings have significantly decreased.

The decade-long economic crisis prepared the ground for this concern to take root as it has left a strained and unequal country, sensitive to defensive appeals.

In all this, Ipsos has found an extremely fragmented public opinion on the topic of migration, where solidarity exists side by side with fears, and welcoming attitudes side by side with hostility.

7. Make it easy.

Simplification as a response to increasing complexity gives brands a new way to craft memorable messages. Brands are choosing direct language that conveys the very “core” of the message.

For example, Ferrero pralines refrain from talking about the product itself but focus instead on the idea of quality and appealing to the senses.

The Zambon painkiller breaks with the traditional scientific approach to these products and opts for a creative approach to advertise the product’s immediate effectiveness.

This trend does not mean that brands have cut their communications and stopped their efforts to make connections. Careful choice of channels enables them to reach broader audiences and speak to real communities. Some brands have become more involved in debates on social media, for example.

As 67% of Italians would recommend a brand that supports a good cause, brands must develop purpose-driven marketing that embraces the shared values between them and potential customers.

8. Buying less, but with better purchasing experiences.

A more informed consumer makes intelligent purchases. Beyond the rationale of “smart” purchases made during the crisis, they look for a clearly better offer: not only the best product with the best price, but also the one with better applications and services associated with it.

In semi-durable and durable sectors, it is precisely duration that is considered in contrast to waste, not only as a functional quality, but an ethical value as well.

Interest in the purchasing experience is growing, putting retail a position to redesign space and enhance packaging to make the whole experience more attractive.

The appeal of central shopping centres is decreasing in favour of areas designed around experiences ancillary to the act of buying, such as catering, entertainment or body and health care.

Purely digital retailers are drawn to this experience economy with “short-term” moments that appeal to their community of buyers. For example, the ClioMakeUp pop-up store in Milan, Rome and Naples promises to offer all fans in the digital world a “real” beauty experience.

9. From product to service: Hyper-customisation.

In the Fourth Industrial Revolution we are witnessing a shift from transactional sales to product-as-service. In this model, “usage-based bundles” are sold rather than the product itself.

The goal for companies is to shift towards more flexible management of the production cycle, from industrial mass production to differentiated production but on a large scale. Also important is production that can adapt to new requirements in real-time.

Being innovative means being more efficient, timely, valuable and different. The key word is customisation, which means knowing the consumer, satisfying their needs and letting them live a “social life”, in which they see themselves buying one particular brand over another.

The right customisation can create a strong brand identity. New methods and tools in manufacturing and technology are being developed in by companies in Italy, for example ‘flash sintering’ for ceramics and the use of LEDs to transmit data.

10. From crisis of fact-based narrative to fake news.

The current information ecosystem is one where inconsistencies in interpretation are less of a concern than the narrative itself. In this way, different conflicting versions of reality exist at once.

The slow pace of the news media in adapting their production and supply models to the digital world has meant the accelerated depletion of its resources, and therefore ability to make investments. AGCOM (the regulator and competition authority for the communication industries in Italy) warned 3 years ago that a decrease in investment would damage the quality of media content, and they may have been right.

Digital platforms, initially designed to modify and multiply the supply/distribution channels of publications, ended up disrupting the entire publishing process and enabling some crucial steps such as validation and newsworthiness to be skipped.

In the new digital information ecosystem, the daily newspaper has lost its central position – only 17% of people read the newspaper every day. Consequently, it has lost its “meta-information” function: the role of filtering, selecting and prioritising news stories and defining an “agenda” for the benefit of the reader. More people receive their information through algorithmic sources (55%), than through editorial (39%). All this is fertilizer for misinformation and “fake news”.

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10 key points

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- country values and mood
- the influence of history, religion and culture
- visions of the future, people's ambitions and desires, their ideals
- consumer behaviour and their relationship with brands

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