Smartphones: An Ageless Italian Passion
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Foreword

Smartphone dependence has become a global phenomenon and Italy is at the forefront of this new trend. Indeed, millions of Italian consumers check their smartphones constantly, day and night, as well as at work and while driving.

From a simple communication device, developments in smartphone technology have changed consumers’ lives, and not always for the better. Everything, from social etiquette to traffic laws, has to surrender to the immoderate use Italians make of their phones.

Italians top the charts for smartphone dependence in Europe; they wake to the sound of their phone alarms, use them to check news and notifications and to wish friends and family good night. Checking for notifications has become a tic. Indeed, Italians are the first in Europe for doing so even without having heard their phones ring.

Italians have started to prefer Instant Messaging to voice calls and text messages. Even over 65ers are now increasingly using IM apps such as “WhatsApp”. Increasingly techsavvy, many own a smartphone and have become an interesting target for mobile operators.

Always within hands reach, our smartphones have become a substitute for cameras, MP3s, GPS navigators and many other devices. Even Pcs, Tablets and TVs may be at risk. Mobile payments though, are still to gain traction. Indeed, while we use our phones to surf the web in search of products we like, we tend to make our actual purchases in store, paying by cash or card.

Another grey area for Italian consumers is that of Internet of Things (IoT); you don’t know what it means? Don’t be afraid, reading the survey you will discover that it represents the technology trend of the moment, but as a matter of fact, most Italians don’t even know its existence!

You also fit the profile of the Italian digital consumer if you tend to buy the latest phone model, or if you switch mobile operator to save a few pennies.

Conscious of the impact of digital consumer preferences on future market offerings, this year’s ”Global Mobile Consumer Survey” contributes to the analysis of the key trends emerging in the mobile industry. The question arises spontaneously: could you resist the urge of checking your smartphone for a whole day? If the answer is no, do not worry. You simply fit the profile of the Italian digital consumer, whether you are 18 or 70 year old.

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Global Mobile Consumer Survey 2015

Executive Summary

Edited by Alberto Donato

Glued to our phones: waiting for notifications day and night
Lost in the dozens of notifications we receive, checking our phones has become an obsession; it is even the very last thing we do before going to sleep. As a matter of fact, 63% of Italians check their phone 30 minutes before bed time, this is the highest rate in Europe. Heedless of manners, etiquette, or even of our own safety, we are the first in Europe to use our phone when with friends, in a meeting, or driving.

Tech savvy over 65ers: their propensity towards smartphone usage influences mobile operators
Over 65ers, clumsy pensioners? No way! 58% own a smartphone and have moved beyond simple voice calls, using it to take photos, read the news, send instant messages, conduct research online, and even to check social networks. This trend is particularly important considering that Italy has the highest proportion of over 65 years old in Europe. Indeed, mobile operators have quickly picked up on it with dedicated market offerings.

A digital predator: the smartphone replaces other gadgets
Portable and easy to use, the smartphone has progressively absorbed a variety of functions previously held by other gadgets. Alarm clocks, cameras, video cameras, agendas and music players, to name a few, have been declared ‘endangered species’. This list is likely to grow as we progressively use smartphones for functions that were previously limited to TVs, personal computers and tablets. However, cash and credit cards still resist as the method of payment preferred by Italians and are not currently being replaced by mobile payments.

Internet of Things (IoT): A looming invasion…
The time when all our physical belongings will be connected to the internet, offering us the possibility to control them though our smartphone, is increasingly closer. The trend has developed with consumers buying ‘smart’ electrical appliances (14%) and installing ‘smart’ alarm systems for our houses (12%). The industry as a whole will proliferate once security issues are dealt with and consumers are confident of the safety of their personal information.

Identikit of the digital consumer: Italians are different
Italians distinguish themselves also in terms of mobile trends. At European level, they are first in acquiring smartphones for the sake of exhibiting the latest model, rather than out of necessity (44%). Still, they choose their mobile operator on the basis of subscription cost, and do not hesitate to switch to the cheaper alternative. Furthermore, they are the greatest users of mobile but are hesitant to subscribe to ultra-fast internet when it costs more.
Glued to our phones: waiting for notifications day and night

Italians: connected 24/7 to their smartphone.
Data from Deloitte’s 2015 Global Mobile Consumer Survey confirms our views from the 2014 edition: Italians are still the first in Europe who check their phones after waking up in the morning. 70% check their phones within 30 minutes.

This year, seeking to shed light on Europeans’ habits before bedtime, Deloitte has identified a new area where Italians top the charts: the proximity between checking their mobile phones for the last time and going to bed. The data show that 63% of Italians check their phones within 30 minutes of preparing to sleep, and not to set the phone’s alarm clock! After kissing our families goodnight, we linger in our digital world: we might take a look at the weather forecast, or check up on our friends by browsing social networks, or maybe sending them a WhatsApp!

63% of Italians checks their phone within 30 minutes of going to sleep

Do you check your phone after waking up or before going to bed within 30 minutes?

A Faithful companion throughout the day.
Smartphones have become indispensable in our daily lives, making us feel safe and connected with the world. This year’s data reports an increase in the intensity of ‘smartphone dependence’, especially with regards to Italy. Indeed, Italian consumers are the first in Europe for using their mobile phone while spending time with family or friends (74%), when in a business meeting (42%) and while driving (31%).

Italians are the first in Europe for using their mobile phone while spending time with family or friends (74%), when in a business meeting (42%) and while driving (31%)

How often, if at all, do you use your mobile phone while doing the following?

- Meeting friends on a night out: 74%
- Watching TV: 69%
- Eating in a restaurant: 60%
- In a business meeting: 42%
- Crossing the road: 35%
- Driving: 20%
The comparison among European countries shows that in Italy and Poland people frequently use their smartphones without respect for traffic laws and social etiquette.

In the past meal times were ‘no call’ times, today 60% of Italians sit down at the table with their phones within hands reach and are unscrupulous in answering a phone call or a text. In contrast, Germans and the Dutch appear to have maintained a certain standard of manners as only 25% and 30% declare using their phones while eating, small percentage compared to Italy’s 60%.

Italians’ “obsession” for smartphone does not calm down neither while working: in contexts such as business meetings, seeing others more concentrated on their phones rather than on the topic of discussion is becoming the norm. Again, while a stunning 42% of Italians admit to this, only 17% and 19% of Germans and Britons do respectively, keeping their reputations for greater professionality high.

Together with the Polish, Italians are also the first in Europe for using their phones while driving, 20% admitting to it.

Unsurprisingly, as shown by data released by the Italian Automobile Club (ACI) and National Institute for Research and Statistics (ISTAT) 20% of accidents are actually caused by distraction related to phone use. Others, such as the English and the Spanish, instead appear more risk averse, with only 8% of respondents admitting to this infringement of the law.

Notification anxiety. What is so important to keep us glued to our smartphone all day long?
The interaction with our smartphones increasingly revolves around the notifications we receive, not only from other people, but also from the websites and applications of all kinds that we browse and use.

Italians are ‘notification dependent’: we are so used to receive notifications that, paradoxically, even when turning off our ringtone to avoid being disturbed, we compulsively check our smartphones, afraid of having lost important news. Not only, the data suggest we do so compulsively, 68% admitting to doing so without being prompted by a notification.

We top the charts in Europe, ahead of Spain, with 63%, France, with 62%, the UK, with 61% and Germany, with 48%.

68% of Italians admit to check their phone unprompted by a notification

Thinking about a typical day, how often, if at all, do you tend to check your phone without being prompted by a notification?
While voice calls and text messages are in decline, Instant Messaging and social media are riding high. Over the last 12 months, a growing number of Italians have started making use of more innovative and cheaper modes of communication. Although, voice calls and text messages are still the preferred communication methods by over 35ers, but the data shows a 13% decrease for those aged between 35 and 54 and a double digit growth for instant messaging apps, social networks and e-mail.

In 2015, Italians those aged between 25 and 34 have become the major users of instant messaging apps, a preference expressed by 82% of interviewees.

Free, fast and equipped with real-time functions, instant messaging apps have altered mobile communication dynamics. We know whether the other party is connected, and whether they have received and/or read our messages.

Moreover, we are able to send photos, videos and voice messages to both individual and group chats, as well as to make voice calls over IP (VoIP).

How have Italians’ preferences changed over the past 12 months.

<table>
<thead>
<tr>
<th></th>
<th>18-24</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voice calls</td>
<td>70%</td>
<td>77%</td>
<td>75%</td>
<td>78%</td>
<td>82%</td>
<td>82%</td>
</tr>
<tr>
<td>Text messages</td>
<td>73%</td>
<td>75%</td>
<td>74%</td>
<td>76%</td>
<td>70%</td>
<td>64%</td>
</tr>
<tr>
<td>Instant Messaging</td>
<td>81%</td>
<td>82%</td>
<td>74%</td>
<td>64%</td>
<td>48%</td>
<td>37%</td>
</tr>
<tr>
<td>Social networks</td>
<td>76%</td>
<td>76%</td>
<td>63%</td>
<td>45%</td>
<td>35%</td>
<td>28%</td>
</tr>
<tr>
<td>E-mail</td>
<td>55%</td>
<td>68%</td>
<td>58%</td>
<td>53%</td>
<td>41%</td>
<td>37%</td>
</tr>
</tbody>
</table>

In the last 7 days, in which, if any, of the following ways did you use your phone to communicate with others?

Our study reveals that 64% of Italian respondents make use of instant messaging apps on a weekly basis. Considering the rapid spread in usage, and the rates for our European neighbors, we could expect this figure to grow. Indeed, the percentage of weekly users increases to 70% for Holland and to 78% for Spain. The rapidity with which IM usage has spread suggests that in the coming years, even those over 35, who currently prefer voice calls, will shift to this mode of communication.
Tech-savvy over 65ers: their propensity towards smartphone usage influences mobile operators

58% of over 65ers own a smartphone and 28% of them are planning on buying one in the next 12 months

Riding the digital wave. A year ago, the idea of receiving a ‘Happy Birthday selfie’ from our 75 year old aunt was literally science fiction, that same aunt that a few years ago ran after the nephew praying him to write the text messages that she had to send to friends and family. This year we may see her pose in front of the Christmas tree, ready to take a picture to post on social networks or to send via WhatsApp to her closest friends.

The digital divide between old and young is narrowing, especially with regards to mobile technology, with a growing proportion of over 65ers becoming increasingly tech-savvy.

58% of Italians aged between 65 and 75 years old already possesses a smartphone, and 28% declare themselves intentioned to buy one in the next 12 months. In comparison with 2014, the willingness to buy smartphones has increased from 19% to 28%.

Interestingly, while in 2014 the propensity towards acquiring a new mobile phone was inversely proportional to age, 2015 data shows a reversal in trend. In fact, those most willing to spend their money on a new smartphone today, are those aged between 35 and 64.

A number of over 65ers still desire to buy a smartphone, some of them have taken action as 60% of the over 65ers that own a smartphone bought it in the last year.

How has the propensity to acquire a smartphone changed since 2014?

When did you buy or get given your current phone?
The success of new functionalities. The way over 65ers communicate via mobile is changing. Indeed, in 2015 there has been the first decline in voice calls and text messages by over 65ers with a YoY decline from 88% to 82% in voice calls, and from 74% to 64% in text messages in favor of more innovative communication channels, namely instant messaging and social networks, the usage of which increased from 26% to 37% and from 18% to 28% respectively.

2015 has seen the first decline in usage of voice calls and text messages by over 65ers in favour of instant messaging and social networks.

Over 65ers also make use of the other functionalities available on their smartphones, and in some cases, to a greater extent than other age groups; for example, 39% of over 65ers access news through their phones with respect to the European average of 35%.

The data shows that 58% of over 65ers use their smartphones to take photos on a weekly basis. Also, 28% use them to conduct online research, 25% to check social networks and 15% to access their online banking portals; 63% do so through Wi-Fi, and 46% through the mobile network allowances offered in their pre-paid or post-paid packages.

In the last 7 days, in which, if any, of the following ways did you use your phone to communicate?

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voice calls</td>
<td>82%</td>
<td>88%</td>
<td>-6%</td>
</tr>
<tr>
<td>Text Messages</td>
<td>64%</td>
<td>74%</td>
<td>-10%</td>
</tr>
<tr>
<td>Instant Messaging</td>
<td>37%</td>
<td>26%</td>
<td>+11%</td>
</tr>
<tr>
<td>Social Networks</td>
<td>28%</td>
<td>18%</td>
<td>+10%</td>
</tr>
<tr>
<td>E-mails</td>
<td>37%</td>
<td>37%</td>
<td>+6%</td>
</tr>
</tbody>
</table>
Although having become habitual and proficient users, over 65ers cannot be labeled ‘smartphone addicted’ like their younger peers. Just like in 2014, only 15% check their phones 25 times a day or more. Instead, 62% of those aged between 18 and 24 do so, up from 58% in 2014.

If teenager do not even consider the idea of leaving the phone while eating, over 65ers also seem to hold faithful to older social norms, 70% declaring to not use their phones while having dinner with family and friends.

**Ad hoc offers.** Over 65ers who own a smartphone, surf the web both thorough Wi-Fi (63%) and through the data bundle available in their monthly contracts (46%).

To take advantage of new market opportunities offered by this age group, mobile operators have started marketing dedicated offers. In addition to calls, texts and internet at advantageous prices, they have started offering special client management services. Not surprisingly, the main motivations that push over 65ers to choose or change provider are exactly price and service quality.

**How do you connect each of your device(s) to the Internet?**

<table>
<thead>
<tr>
<th>Connection Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wi-Fi at home</td>
<td>63%</td>
</tr>
<tr>
<td>3G</td>
<td>46%</td>
</tr>
<tr>
<td>Wi-Fi in a public place</td>
<td>27%</td>
</tr>
<tr>
<td>4G</td>
<td>18%</td>
</tr>
</tbody>
</table>

*In the last 7 days, in which, if any, of the following ways did you use your phone?*

- 58% Take photos
- 39% Read news
- 28% Online research
- 25% Check social networks
- 15% Check bank balances

**Over 65ers choose or switch mobile operator on the basis of price and customer service quality**
A Digital Predator: the smartphones replaces other gadgets

*Lunch is served.* With the proliferation of the smartphone, a series of widely used devices such as fixed phones, alarm clocks, calculators, GPS navigators have fallen in disuse. Indeed, the smartphone itself can complete all of the tasks they were designed for. Rising ownership and capabilities may even put PCs, tablets and TVs at risk.

*Objects replaced by the smartphone*

- Landline
- Camera
- Video-camera
- GPS
- MP3 player
- Calculator
- Agenda
- Watch
60% of Italians prefer taking photos with their phones rather than with photo cameras.

The appetizer: the camera. The camera is at the top of the list of endangered devices; 60% of Italians, with respect to a European average of 45%, tend to take pictures with their mobile phones rather than with digital cameras.

Through our camera-equipped smartphones, we are able to capture every instant of our lives and share them real-time with the online community.

The reason for this may involve the progressive improvement in camera quality as smartphone cameras doubled the megapixel available in the last five years.

The advent of the smartphone has altered the very essence of photography: just until a few years ago, Italians took pictures to freeze moments they wanted to remember; today, they photograph anything worth portraying.

They take photos of their meals at restaurants and post them on social networks, while shopping, they send pictures to their friends asking for advice, or while travelling they pose and take photos in front of monuments, maybe with a selfie stick. In today’s social media driven society, the ‘selfie’ has gained such notoriety that a new market for related accessories has emerged.

The most famous, the selfie stick, has experienced such a success that Time magazine nominated it as one of last year’s 25 greatest inventions.
For which, if any, of the following activities do you typically use your phone instead of other devices such as laptop, TV, tablet or gaming console?

A double first course: PCs and tablets. Together with cameras, PCs and tablets could soon be replaced by the smartphone. One third of Italians believe that the smartphone is the best device for checking social networks, for reading news and for browsing on the web. The survey reveals that more than 40% of respondents under 54 years old declare to access social media through smartphone rather than other devices. The same percentage relates to over 65ers that prefer to read the news on their smartphones rather than on other devices.

<table>
<thead>
<tr>
<th>Stated preference</th>
<th>18-24</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take photos</td>
<td>53%</td>
<td>61%</td>
<td>64%</td>
<td>60%</td>
<td>59%</td>
<td>58%</td>
</tr>
<tr>
<td>Check social networks</td>
<td>45%</td>
<td>44%</td>
<td>43%</td>
<td>38%</td>
<td>28%</td>
<td>25%</td>
</tr>
<tr>
<td>Read the news</td>
<td>29%</td>
<td>37%</td>
<td>34%</td>
<td>35%</td>
<td>36%</td>
<td>39%</td>
</tr>
<tr>
<td>Online search</td>
<td>30%</td>
<td>35%</td>
<td>31%</td>
<td>34%</td>
<td>30%</td>
<td>28%</td>
</tr>
<tr>
<td>Watch short videos</td>
<td>31%</td>
<td>35%</td>
<td>27%</td>
<td>30%</td>
<td>21%</td>
<td>19%</td>
</tr>
<tr>
<td>Voice calls using the Internet</td>
<td>16%</td>
<td>24%</td>
<td>16%</td>
<td>16%</td>
<td>14%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Finally, comparing Italian results with European ones, the data shows that Italians are well above European average for using their phones to conduct online research (+39%) and read the news (+30%). Italians are also those in Europe who most prefer to use their smartphone to check their social network accounts instead of a PC or tablet (+40%).

PCs and tablets could soon be replaced by smartphones

Italians typically use their mobiles to check social networks, watch short videos and make videocalls, and they do so more than other Europeans.

Stated preference 18-24 25-34 35-44 45-54 55-64 65+
Take photos 53% 61% 64% 60% 59% 58%
Check social networks 45% 44% 43% 38% 28% 25%
Read the news 29% 37% 34% 35% 36% 39%
Online search 30% 35% 31% 34% 30% 28%
Watch short videos 31% 35% 27% 30% 21% 19%
Voice calls using the Internet 16% 24% 16% 16% 14% 13%
Video viewing boom caused mainly by Instant Messaging Apps

For which, if any, of the following activities do you typically use your phone instead of other devices?

The second course: the TV. Italians are also those in Europe who most prefer using their smartphone to watch short videos; 28% express this preference, a 250% increase with respect to 2014. The analysis suggests that this is due to greater coverage and data speed of 3G and 4G mobile networks, allowing for a better vision experience, increases in network subscription rates, as well as new video sharing functions available on Instant messaging Apps.
If an increase in video watching on mobile might sound as good news for advertisers, now presented with yet another outlet for targeting consumers, the majority of respondents (63%) deny having being pushed into buying a product after seeing an ad on their phone.

63% of Italian respondents deny having being pushed into buying a product by advertising seen on their phones

The dessert: shopping in physical retails outlets. The smartphone has also contributed to revolutionizing our shopping habits. We no longer choose our clothing in-store, but directly on e-commerce websites on our mobile phones. The survey highlights how Italians use their mobiles for online-product search. 33% access online-search motors and 17% access online shopping websites such as eBay and Amazon. The data reveals that preference for the medium depends on age: respondents aged between 45 and 55 years tend to use Google (39%), while those aged between 18 and 24 tend to access the social media pages of the brands or stores they are interested in.

When you search online on your phone for a product that you are likely to buy, which one of the following do you do most frequently?

<table>
<thead>
<tr>
<th>Stated preference</th>
<th>All</th>
<th>18-24</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Go to a search engine</td>
<td>33%</td>
<td>26%</td>
<td>33%</td>
<td>33%</td>
<td>39%</td>
<td>32%</td>
<td>32%</td>
</tr>
<tr>
<td>Go to a marketplace website</td>
<td>17%</td>
<td>25%</td>
<td>20%</td>
<td>18%</td>
<td>14%</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Use a marketplace app</td>
<td>10%</td>
<td>9%</td>
<td>16%</td>
<td>13%</td>
<td>7%</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Go to the company’s social network page</td>
<td>8%</td>
<td>16%</td>
<td>6%</td>
<td>8%</td>
<td>8%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Go to the retailer’s website</td>
<td>8%</td>
<td>6%</td>
<td>11%</td>
<td>8%</td>
<td>5%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Use the retailer’s app</td>
<td>4%</td>
<td>6%</td>
<td>1%</td>
<td>4%</td>
<td>3%</td>
<td>5%</td>
<td>7%</td>
</tr>
</tbody>
</table>
Cash: a tradition. Italians’ habits remain unchanged with regards payments themselves; they still prefer to buy in-store and to pay by cash or card, rather than with new technological ways of payment. In fact, while the possibility of NFC enabled payments through mobile is becoming a reality, interest for this mode is payment is declining. Last year, almost 50% of respondents declared interest in paying for parking through mobile. Today, when doing so is actually possible, only 37% is interested in paying the parking with the smartphone.

The main causes behind resistance to mobile payments are: the perception they are not secure enough (34%), the lack of perceived utility (24%), the unavailability of the service in-store (21%), the absence of specific features/apps on respondents’ phones (21%).

Who would you prefer to process in store purchases using your mobile phone?

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank</td>
<td>40%</td>
</tr>
<tr>
<td>Money transfer service</td>
<td>23%</td>
</tr>
<tr>
<td>Financial institution</td>
<td>22%</td>
</tr>
<tr>
<td>Mobile operator</td>
<td>15%</td>
</tr>
</tbody>
</table>

In relation to the security issues concerning mobile payments, most Italians (40%) would prefer to have financial institutions processing their payments. The data suggest that albeit efforts from mobile operators, this form of payment will have a hard time taking off, at least in the near future, and until consumers start appreciating its benefits. Currently therefore, cash and credit cards appear as one of the few commodities still able to resist takeover by smartphone functionalities.
Internet of Things: A looming invasion…

58% of respondents do not own a smart device and 57% are not planning on buying one

Smart gadgets: demand still low, for now. Tech experts have declared 2016 the year of the Internet of Things (IoT). Nevertheless, most Italians have no idea what they’re talking about.

Imagine a world where electrical appliances, cars, wristbands, shoes and many other consumer products are connected to the internet and are able to exchange information, make decisions or sound alarms. The Internet of Things describes such a reality.

Being able to control electrical appliances at a distance though smartphones is a project on which tech companies have been working on for years. Today, we see washing machines that automatically detect malfunctioning and call for technical assistance, fridges that automatically remember food expiry dates or heating systems that turn on automatically when they understand we are about to return home.

Different types of ‘smart objects’ are also emerging in the apparel sector. For examples, apparently common looking watches or rubber bracelets turn into personal trainers that monitor our physical activities, the calories we consume, our heartbeat and even whether we sleep well.

Some of the greatest innovations have been in the healthcare sector. Today, it is possible to buy smart devices such as smart pill boxes that alert us if we’ve forgotten to take the correct medication, wearables that inform us the state of our values, or others devices that help with prevention and diagnosis or that, implanted in the human body, are actually able to decide about when and how to administer medication.

Experts though, predict we will still have to wait a few years before smart devices become part of our daily lives. In fact, the data shows that internet connected devices are yet to spread: 58% of respondents do not own one, and 57% of them are not planning to buy one any time soon. These results are similar across Europe; in the UK for example, a 71% of respondents is not interested in acquiring smart objects in the near future.
**Smart home.** Those who are considering buying smart devices, express interest in those for home automation: 14% are looking into smart TVs, 12% into smart surveillance security systems and 9% into connected thermostats, lighting and other appliances, controllable through specific phone Apps. Albeit not widely developed, the Italian ‘smart device’ market appears larger than that of other European Countries, making it attractive market for companies in the business.

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**Italians are those in Europe who exhibit most in interest in the ‘smart car’**

Which of these would you find of greatest value if your car would connect to the Internet?

- Route optimization and traffic tracking: 20%
- Maintainance and automated diagnosis: 20%
- Lock, unlock and/or track the vehicle: 12%
- Autonomous driving and driverless operations: 6%

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**Smart cars.** The survey suggests that ‘super cars’ that drive themselves are still miles away. Italians though, together with the Polish, are those in Europe who are most attracted towards this innovation (6%), followed by the UK, Germany and Norway, where only 3% of respondents express a desire for them. The majority of respondents are interested in connected car systems, enabling data to be sent to and from the car. They would like to optimize travel times (20%), prevent malfunctioning (20%), open/ close and track their vehicles at a distance (12%), and monitor fuel consumption through phone applications (6%). The demand for connected cars could experience a significant increase over the next few years if embedded connectivity is offered by default.
The security issue. In the next years, we expect the IoT to substantially affect our lifestyles. Still, before it does, it will have to overcome a serious challenge: that of securely managing user information. Indeed, Internet connected devices collect valuable information for companies. With respect to the car industry, examples are stolen vehicle tracking or usage-based insurance tracking, that register, and transmit information about driving habits or about the dynamics of accidents to insurers. Equipped with this knowledge, insurers are able to offer ad hoc client packages; this could turn out as an incentive towards a greater respect of traffic laws. By connecting their devices to the internet, people put their personal information at risk, exposing them to the reach of hackers. A few months ago, for example, two computer experts succeed to take control of Jeep’s Smart Car prototype during a testing session by breaching its internet connection firewall.

The privacy issue is very significant, last May the agency for the protection of personal data has launched a public inquiry to define new guidelines for the management of information gained from internet connected devices.

Notwithstanding the importance of proper data management, our data shows Italians are not too worried about sharing the information generated by their smart devices with businesses. Indeed, they are the European population with the highest willingness to do so, with 62% of respondents in favor, compared to a European average of 49%. We observe strong variations across the continent: in Spain and the UK, 55% of respondents are favorable, only 35% in France. Among the Italians who are willing to share information though, 84% are not ready to do so unconditionally.

To what extent, if at all, are you willing to share the usage information generated by a device that you own?

- With some companies as long as I can choose what information to share
- With any company as long as I can choose what information to share
- All of my usage information with any company

![Chart showing willingness to share usage information](chart)
The spread of smartphones in Italy is in line with that of the rest of Europe. Still this year’s data highlights a number of traits that distinguish Italians from their European cousins.

**Italian respondents are the most narcissistic and consumerist.** Italian respondents emerged as those who most tend to buy the latest smartphone model because it was just released (8%) or because they like it more than the one already in their possession (36%). Italians, instead, are between the last to buy their phones out of necessity: only 28% waits for their phone to break before buying a new one.

Respect to a European average of 32%, 42% of Italian respondents own a Samsung phone.

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**Which of the following best describes your attitude toward new devices?**

<table>
<thead>
<tr>
<th>Stated preference</th>
<th>All</th>
<th>Italy</th>
<th>UK</th>
<th>France</th>
<th>Germany</th>
<th>Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td>I buy the latest devices as soon as they enter the market</td>
<td>8%</td>
<td>8%</td>
<td>5%</td>
<td>7%</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>I tend to buy the latest devices if I really like them</td>
<td>33%</td>
<td>36%</td>
<td>28%</td>
<td>35%</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>I buy devices after they’ve been out for a while</td>
<td>27%</td>
<td>26%</td>
<td>38%</td>
<td>26%</td>
<td>30%</td>
<td>29%</td>
</tr>
<tr>
<td>I only replace devices when they go wrong or are broken</td>
<td>29%</td>
<td>28%</td>
<td>28%</td>
<td>29%</td>
<td>32%</td>
<td>30%</td>
</tr>
</tbody>
</table>

**Italians are the greatest Samsung buyers.** Independently from age, the most successful smartphone brand in Italy is Samsung; 42% of respondents own one, the highest rate in Europe. With respect to other smartphone brands chosen by Italians, Nokia (18%) follows, and holds the highest rate in Europe, Apple is third placed (14%). The reason for which Italians remain faithful to the Nokia brand is its image of indestructibility; as a matter of fact, 50% of Nokia phones have been in circulation for more than 5 years.
Apple iPhones, although not yet widespread in Italy, have all it takes to experience rapid growth. 70% of iPhone owners said they would only change their current iPhone for another model of the Apple family. No other smartphone model retains such a level of customer loyalty.

70% of iPhone owners declare they would only change their phone for a later model of the Apple family

<table>
<thead>
<tr>
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<th>UK</th>
<th>France</th>
<th>Germany</th>
<th>Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple iPhone</td>
<td>20%</td>
<td>14%</td>
<td>26%</td>
<td>18%</td>
<td>15%</td>
<td>11%</td>
</tr>
<tr>
<td>Nokia</td>
<td>12%</td>
<td></td>
<td>15%</td>
<td>11%</td>
<td>12%</td>
<td>6%</td>
</tr>
<tr>
<td>Samsung</td>
<td>32%</td>
<td></td>
<td>31%</td>
<td>38%</td>
<td>41%</td>
<td>33%</td>
</tr>
</tbody>
</table>

65% of Italians prefer to buy their phones in store instead of other outlets such as e-commerce websites

Italians still tend to buy their phones in retail stores. Respect to a European average of 55%, 65% of Italian respondents prefer to complete their purchase at a physical outlet. Only 18% buy their phones online, compared to Germany (42%) and the UK (32%), although the percentage is higher for those under 34 years old.

How did you purchase your current phone?

- In store: 65% (Italy) vs 55% (European average) (+10%)
- Online: 18% (Italy) vs 25% (European average) (-7%)
- Other: 6% (Italy) vs 10% (European average) (-4%)
- I did not purchase my current phone: 11% (Italy) vs 10% (European average) (+1%)

Stated preference All Italy UK France Germany Spain

Apple iPhone 20% 14% 26% 18% 15% 11%
Nokia 12% 15% 11% 12% 6%
Samsung 32% 42% 31% 38% 41% 33%
Going against the trend, 74% of Italians still prefer pre-paid cards rather than post-paid subscriptions.

We sell ourselves to the lowest bidder. Italy is the first country in Europe for number of users who have switched operator in the past 3 years.

If you were to change your operator in the future, which, if any, of the following would be the reasons for changing?

<table>
<thead>
<tr>
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<th>All</th>
<th>Italy</th>
<th>UK</th>
<th>France</th>
<th>Germany</th>
<th>Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td>A monthly contract/post-pay which includes the phone</td>
<td>37%</td>
<td>12%</td>
<td>49%</td>
<td>48%</td>
<td>44%</td>
<td>44%</td>
</tr>
<tr>
<td>A monthly contract/post-pay which doesn’t include the phone (SIM only contract)</td>
<td>23%</td>
<td>11%</td>
<td>19%</td>
<td>39%</td>
<td>20%</td>
<td>40%</td>
</tr>
<tr>
<td>A Pay as you go/Pre-pay package</td>
<td>34%</td>
<td>74%</td>
<td>30%</td>
<td>4%</td>
<td>28%</td>
<td>12%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
<td>2%</td>
<td>2%</td>
<td>9%</td>
<td>8%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Italians are those who Pay-as-they-go. Against the greater European trend, 74% of Italians own a pre-paid SIM card, 40 percentage points above the European average. In fact, the rest of Europe seems to prefer monthly contracts, where consumers purchase their phones and credit bundles together, paying for them at the end of each month through direct debit. In the UK, the number of subscriptions reaches 50%. The number for Italy stands at 12%; the lowest in Europe.

Italians are the least faithful to their mobile operator. Together with the Spanish, Italians top the charts for users who have changed operator in the last 3 years (40%). The main motivations to change are cost-related; independently from quality of service, 34% of Italians tend to subscribe to the operator that offers them the cheapest deal.
Italians are the greatest 3G user. Italy is the country in Europe with the highest number of respondents to declare to connect their smartphone to the internet through their mobile network allowances (45%). Although 55% of Italians still prefer Wi-Fi, they do so less than other Europeans, for whom the rate stands at 64%.

Although making the best of their network allowances, only 22% of Italians has subscribed to ultrafast internet (4G). Although one of the lowest rates in Europe, it has increased three-fold from 7% over the past year. Moreover, Italians are those in Europe most interested in subscribing to 4G packages in the next 12 months; 41% do so respect to a European average of 37%.

Italy is the European country with the highest number of users that connect to the internet through their mobile network allowance rather than through Wi-fi.
Deloitte’s Mobile Consumer Survey is a study about mobile phone users around the world produced by Deloitte’s Global TMT Research Center. The 2015 study comprises 49,500 respondents across 31 countries and 6 continents. The data reported in ‘The Italian Cut’ refer to trends and tendencies particular to the Italian market, and are confronted with those from the rest of Europe.

Data quoted in this report is based on a nationally representative sample of 2,000 Italian consumers aged 18-75. Fieldwork took place online during the second half of 2015, focusing on:

- The modes of phone usage.
- Preferred channels.
- The propensity towards subscribing to new services and making use of new technologies.
- Some significant market trends.

Participating countries in the 2015 GMCS edition

Sampling was selected on the basis of the same criteria used by the National Institute for Research and Statistics (ISTAT) in its own studies in terms of population distribution by region, age, gender and socio-economic status, making the data representative of the 5 Italian macro-regions (the North-West, North-East, Centre, South and the Islands) and the 6 relevant age groups (between 18 and 75 years).
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