



Market Segmentation Report

– ITALY

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Market Segmentation Report – ITALY

1. Short description of all segments/of the segmentation in your country

Within the USMARTCONSUMER project a statistical analysis has been carried out to verify the knowledge of Italians on household electrical consumption and in particular on smart meters as a tool to monitor consumption and eventually reduce the consumption and/or become more efficient. The analysis has been carried out during September – October 2014 with the use of a questionnaire distributed through online services (survey monkey). The sample of consumers who participated at the survey are nation-wide and are practical of internet, further as the dissemination of the survey was carried out in collaboration with UNC (Unione Nazionale dei Consumatori – a national consumer association) most likely a high percentage of the participants in the survey follow the activities of the consumer association. A total of 315 filled-in questionnaires were collected during the survey.

Within the Italian sample, three segments were derived from the dataset: segment 1 consists of 144 cases, segment 2 of 91 and segment 3 of 88. Due to the small overall sample size (315 questionnaires), the segments are relatively small, which makes them difficult to analyse. However the following paragraphs contain detailed results of the statistical analysis of all three segments including values and beliefs of the segments, social demographic statistics as well as preferences regarding Smart Metering.

2. Qualitative description of each segment:

2.1. Introduction of segment 1

Segment 1: "Curious - optimistic and innovative-oriented"

The consumers of this segment are optimistic for the future and want to have the most from life both in terms of their personal success and also in terms of fun in life. They are not afraid of the differences in life, which they do consider as an added value. In general they are well oriented to changes and innovation.

2.2 Additional values and beliefs of segment 1:

As shown in figure 1, the representatives of segment 1 who strongly agree with the statement "I am very interested in new technology and innovation" are high in comparison to the other segments, while all three segments generally agree with this statement. **Therefore "Segment1" can be an appropriate consumer group for the offers of Smart Metering services.**

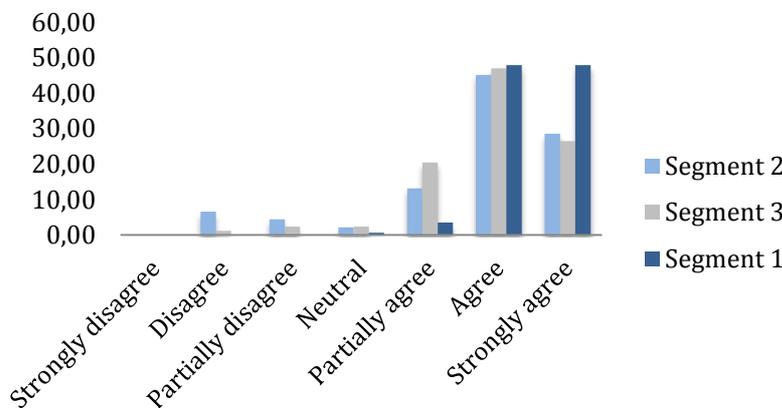


Figure 1 Answers to the question "I am very interested in new technology and innovation"

Consumers in this segment don't find it difficult to adapt to change. The percentage of people who agree with this statement is slightly above average (as for the previous statement, those who strongly agree with the statement are much higher with respect to the other two segments while those who agree with the statement are in line with the other two segments – figure 2).

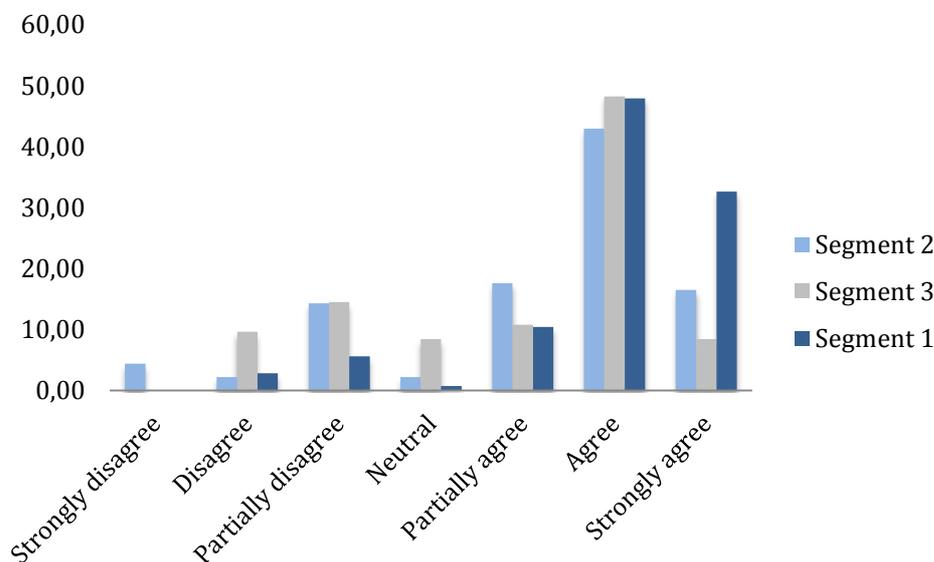


Figure 2 Answers to the question "I do not find it difficult adapting to change"

Further a large part of this segment does not want to keep all options open in life, which can be justified with their need for safety and stability as mentioned above. Family is the most important value in life for a lot of respondents.

An interesting feature of his segment is that they don't see a multi-cultural society in a very positive light.

2.3 Social demographic statistics of segment 1:

The gender distribution of the three segments is very similar, however this segment is the one characterised by the highest percentage of women: it is the only segment where women exceed 30% of the sample (30.8%).

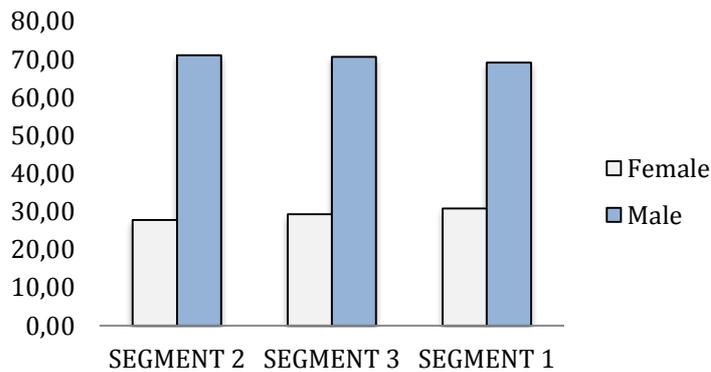


Figure 3 Gender distribution of Segment 1

With regard to age distribution, this segment has the highest percentage of people aged between 40 and 59 years.

Segment 1

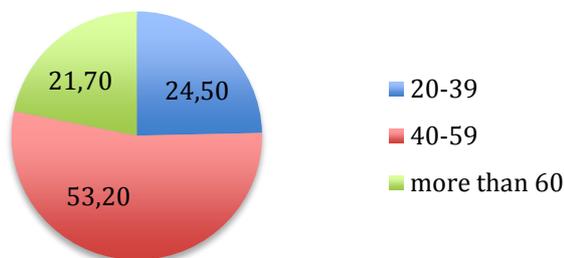


Figure 4 Age distribution of Segment 1

The education level of the consumers belonging to the segment is fairly good, with a high percentage of university graduates (the university levels in Italy are laurea breve, laurea specialistica and laurea; 48.4% of consumers of this segment have a university degree), Segment 1 is also the segment with the lowest percentage of lower education level.

Segment 1

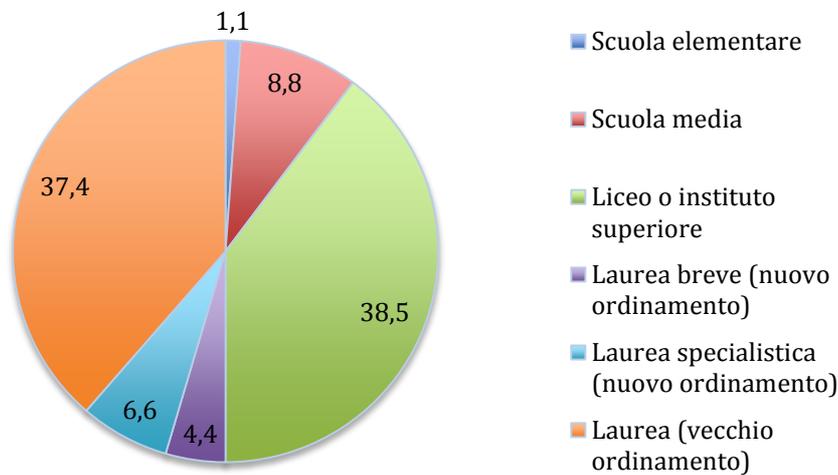


Figure 5 Education level of Segment 1

In this segment they are higher levels of percentage for singles and for families consisting of 5 or 6 persons. Energy consumption of this segment are the lowest among the three segments and, finally, it is the segment with the highest income level.

2.4 Smart Metering Preferences of segment 1:

This segment is what is deemed to be more informed about smart meters, as can be seen in the figure below:

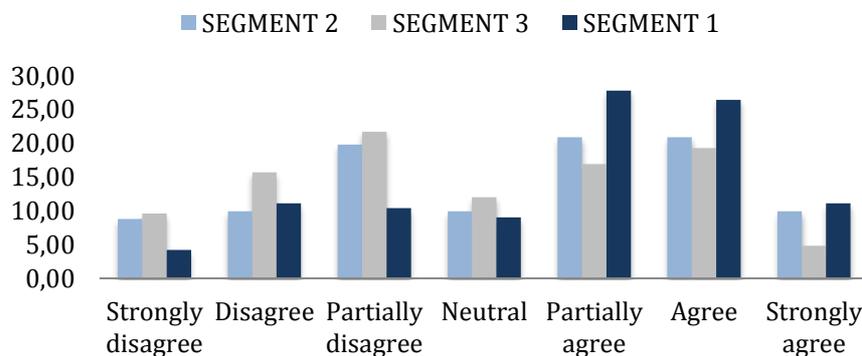


Figure 6 Answers to the question "I feel well informed regarding smart meters"

They are interested in information about smart meters and they prefer modern systems for controlling energy consumption through the web and app for smartphones and tablets, and with the use of charts and tables. They consider very important the information of smart meters to reduce their energy consumption

and, on average, to reduce CO2 emissions and are willing to pay for these services (above all to reduce the costs of the bills). They are the least worried that energy companies can manage their data but are, instead, moderately worried that their data might result in third parties.

2.5 Concluding remarks on segment 1:

Probably this segment does not represent a very broad target group numerically but, considering the social characteristics (age, education, income), they are very interested in products and services related to Smart Meters. This segment can be an interesting target group because they are willing to buy modern tools and services. In order to approach these subjects would be useful campaigns across the web and newspapers, specialized and generalists. Through the information campaigns, should be provided them the opportunity to have control over their consumption and to reduce energy costs. The most interesting products and services for this segment are electronic devices connected to the smart meters with remote control through the app for tablets and smartphones.

2.6. Introduction of segment 2

Segment 2: "Altruistic, willingfull and a bit idealistic"

The consumers of this segment are relatively optimistic for the future. They are interested in a better society and also in a multicultural society and do not consider fun in life as important.

2.7 Additional values and beliefs of segment 2:

As shown in the figure below, the interest of consumers in segment 2 in new technology and innovation is similar to other segments (with the exception of the high value of those who strongly agree with the importance of new technology and innovation of segment 1).

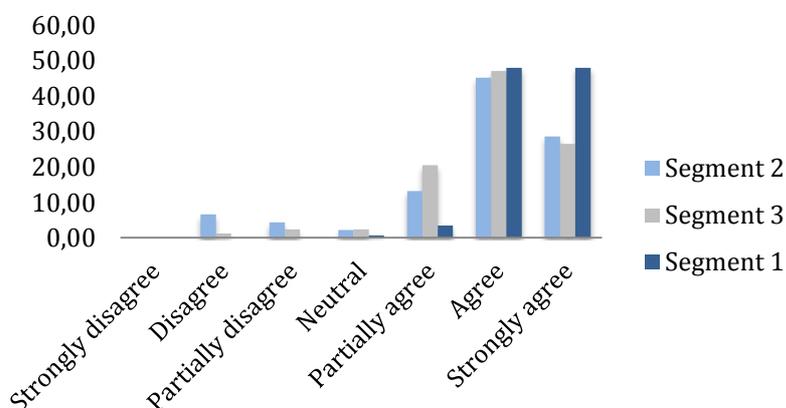


Figure 7 Answers to the question "I am very interested in new technology and innovation"

Consumers in this segment don't find it difficult to adapt to change.

Further a large part of this segment does want to keep all options open in life and fairly agrees with the statement “I want to have as much fun in life as possible”

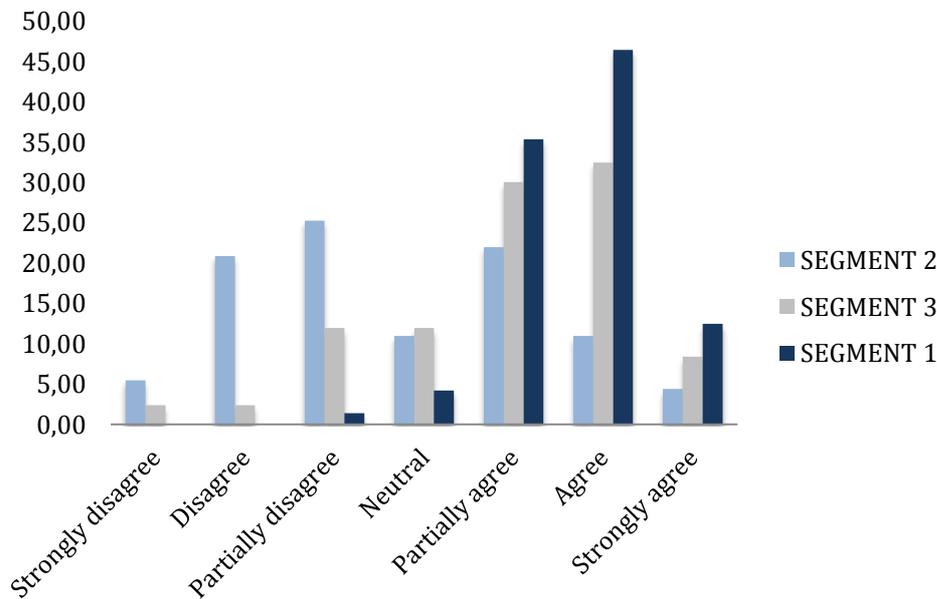


Figure 8 Answers to the question "I want to have as much fun in life as possible"

Family is also fairly important in life for a lot of respondents.

As for the other segments, also consumers of segment 2 agree that everyone should protect the environment

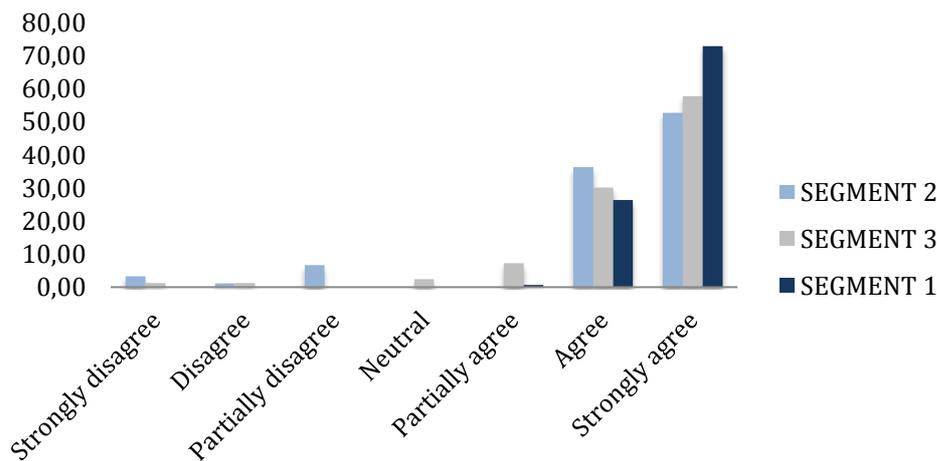


Figure 9 Answers to the question "Everyone should protect our environment"

2.8 Social demographic statistics of segment 2:

It is the segment with the lowest percentage of women (only 27.8 percent) even if (as reported in figure 3, the three segments have very similar gender distribution).

With regard to age distribution, in this segment has been the greatest presence of over 60.

The level of education is overall good with the highest percentage of graduates, however mainly consumers from this segment have a high school degree.

Segment 2

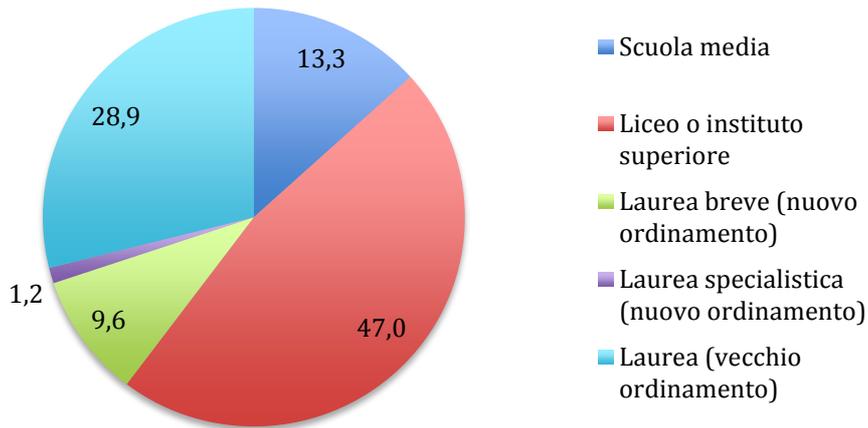


Figure 10 Education level of Segment 2

It is the segment with the lowest percentage of singles and highest percentage of couples.

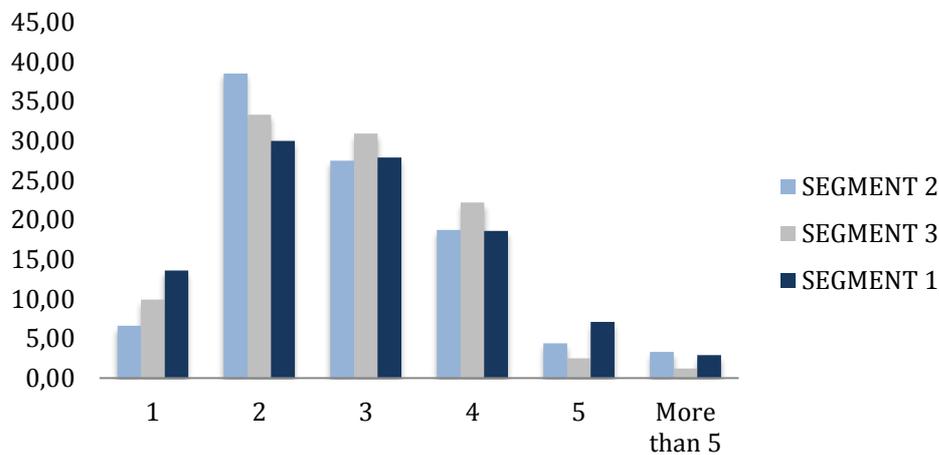


Figure 11 Number of people in household

Also in this segment, energy consumption values are quite low and the income is average.

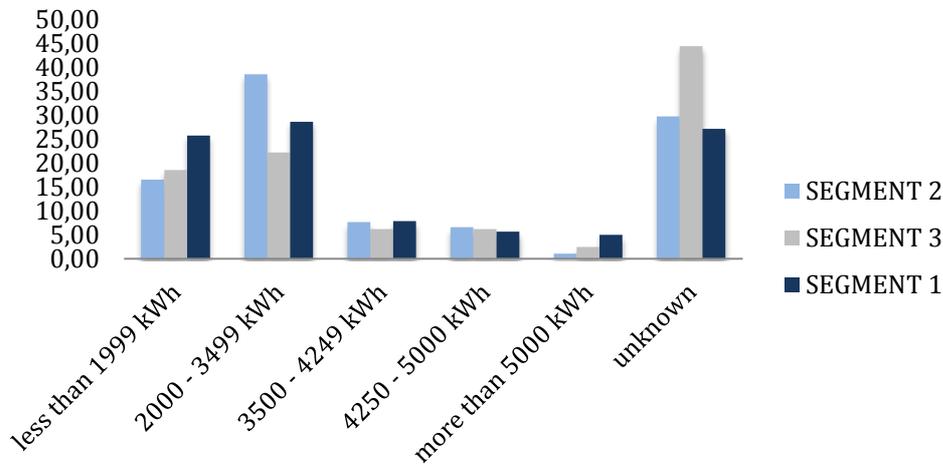


Figure 12 Energy usage per year

2.9 Smart Metering Preferences of segment 2:

This segment considers itself well informed on smart meters as can be seen in the figure below

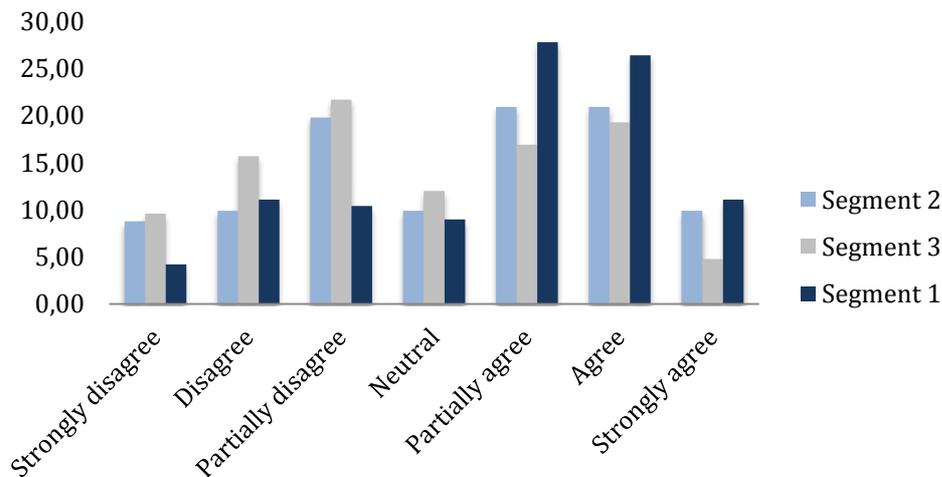


Figure 13 Answers to the question "I feel well informed regarding smart meters" moderately informed on smart-meters.

In line with the other segments, also consumers from segment 2 would prefer to have information from their smart meters through modern systems (IHD, tablet, etc.) with a preference for the.

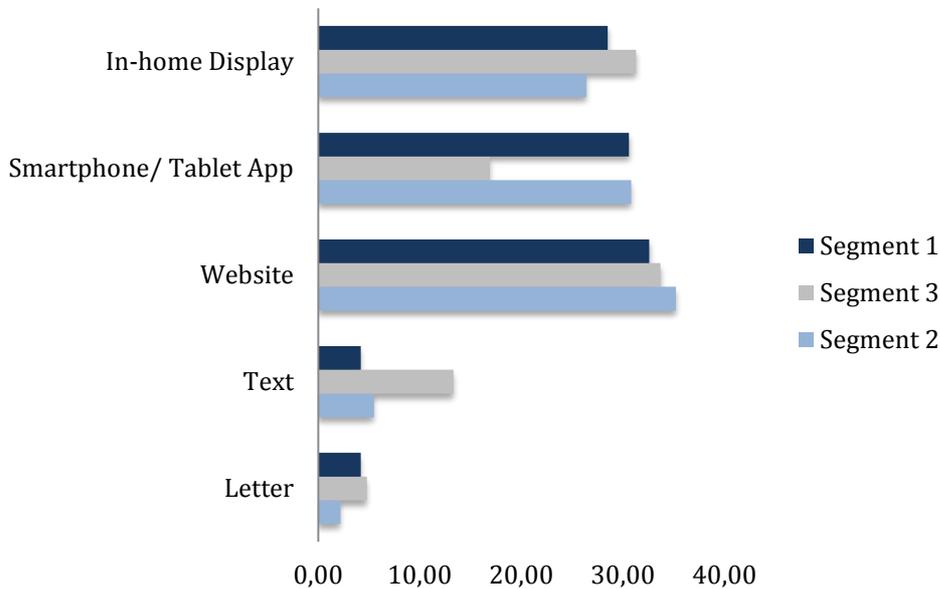


Figure 14 Answers to the question "Which of the following options would you prefer for the retrieving of smart metering information?"

This segment that prefers fewer charts and consider very important information from smart meters to control their energy consumption.

In general they are willing to pay for services which would enable them to reduce their bill and energy cost reduction however they are more willing to pay for the services to favour the reduction of CO2 emissions.

They are concerned about the energy companies collecting too much information through the smart meters.

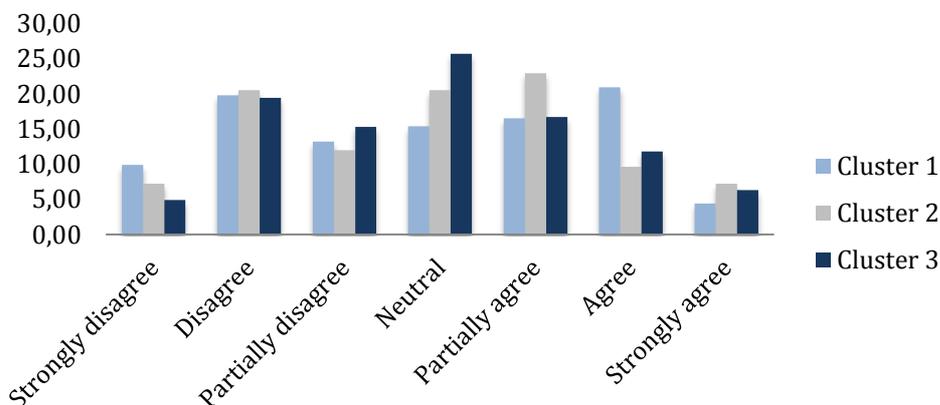


Figure 15 Answers to the question "I am worried about my energy company collecting too much information through the smart meter."

However they are more concerned about third parties intercepting their personal data and abusing the information.

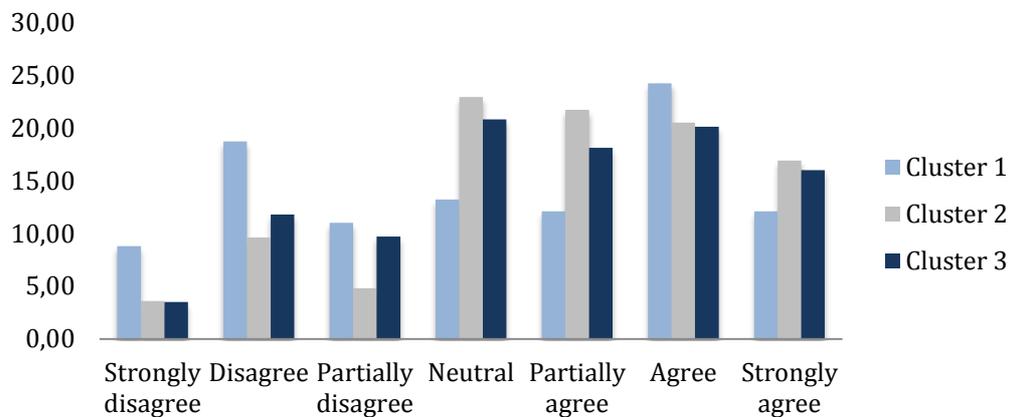


Figure 16 Answers to the question "I am concerned about third parties intercepting my smart meter data and abusing the information."

2.10 Concluding remarks on segment 2:

Considering the social features of this segment (the care for the environment, the interest in diversity) and characteristics of age, income and education, **this segment is a prime target group for a campaign on smart meters**. Through the services and tools related to smart meters they can monitor their consumption and ensure the reduction of CO2 emissions and hence can have more sustainable behaviour from an environmental point of view. Information campaigns should be targeted on ethical and environmental aspects involving associations of reference (environmentalist associations, consumer associations) to ensure third party status of information about products and services offered. The most interesting products and services for this segment may not be overly technical but at least should provide services through the web.

2.11. Introduction of segment 3

Segment 3: "Closed-Pessimistic, passives"

The consumers of this segment do not like changes. They fear the future and cultural changes. They are egoistic, and are interested in their personal life and in their own fun however they do keep open all the doors. They may be defined as "Closed-Pessimistic, Passives"

2.12 Additional values and beliefs of segment 3:

As shown in the figure below, the interest of consumers in segment 3 in new technology and innovation is similar to other segments (with the exception of the lowest value of those who strongly agree with the importance of new technology and innovation of segment 1). It can be said that consumers belonging to segment 3 do agree on the importance of innovation and technology but do not consider them as priority in life.

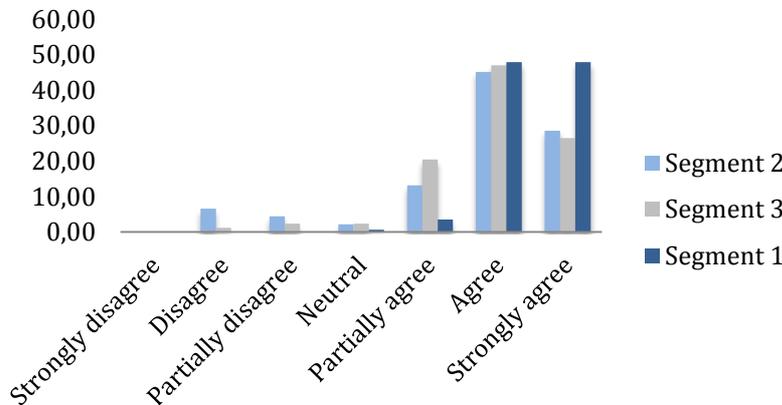


Figure 17 Answers to the question "I am very interested in new technology and innovation"

Consumers in this segment, in general do not find it difficult to adapt to change, however they represent the lowest percentage of those who "strongly agree" with this statement.

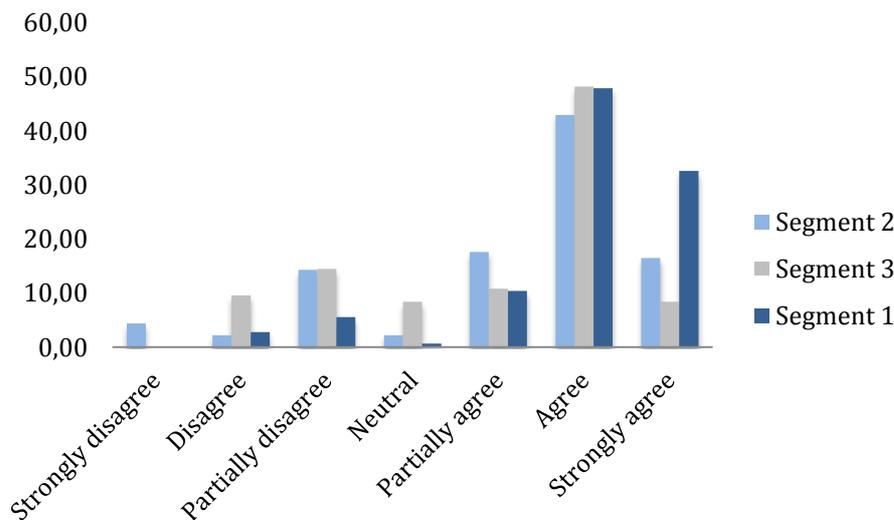


Figure 18 Answers to the question "I do not find it difficult adapting to change"

Further, in general they agree and partially agree on keeping all options open in life, but it is important to underline that the percentages of those neutral or who disagree with the statement is nearly one third of the group.

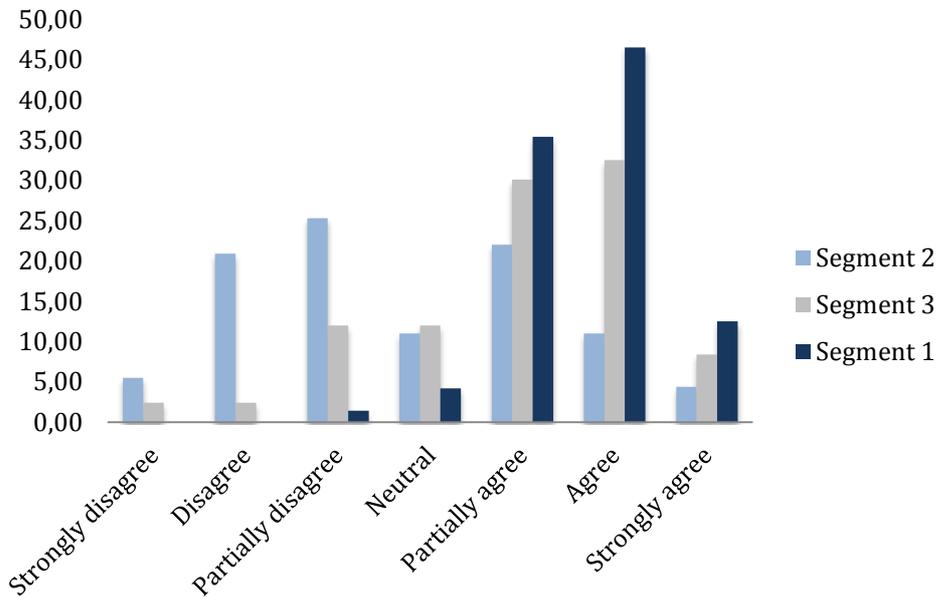


Figure 19 Answers to the question "I want to have as much fun in life as possible"

Family is also important for the consumers of this segment.

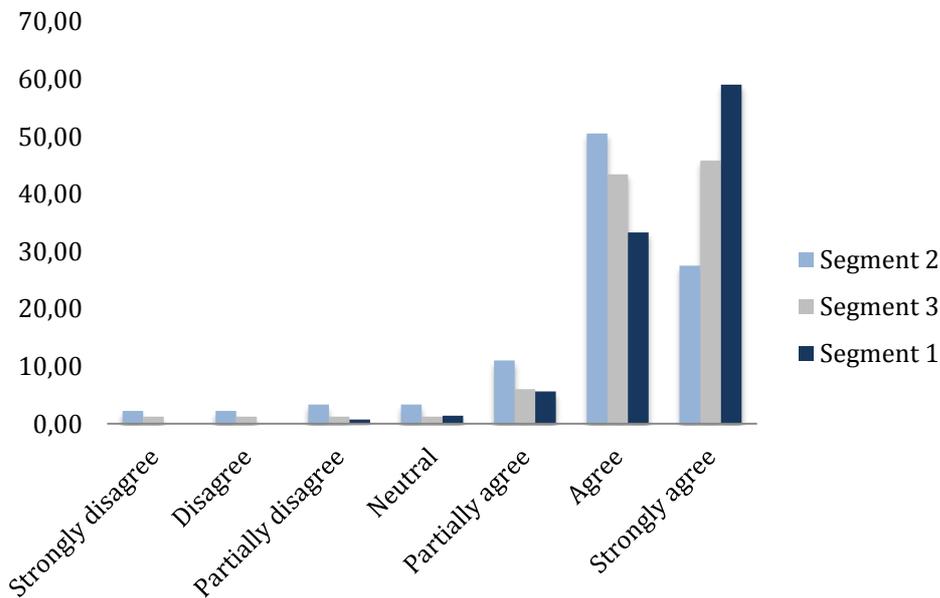


Figure 20 Answers to the question "Family is the most important thing in my life"

As for the other segments, also consumers of segment 3 agree that everyone should protect the environment

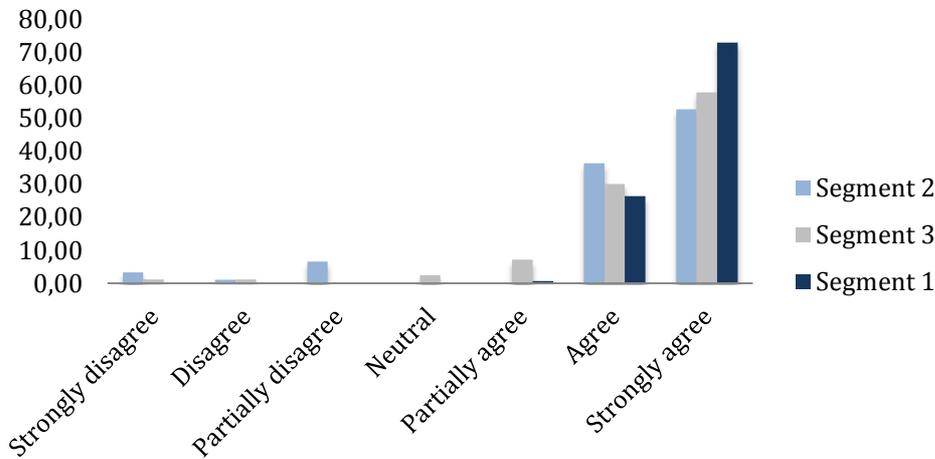


Figure 21 Answers to the question "Everyone should protect our environment"

2.13 Social demographic statistics of segment 3:

The gender distribution of this segment is very close to Segment 1 with approximately 30% of women (but as already mentioned the gender distributions of the three segments is very similar)

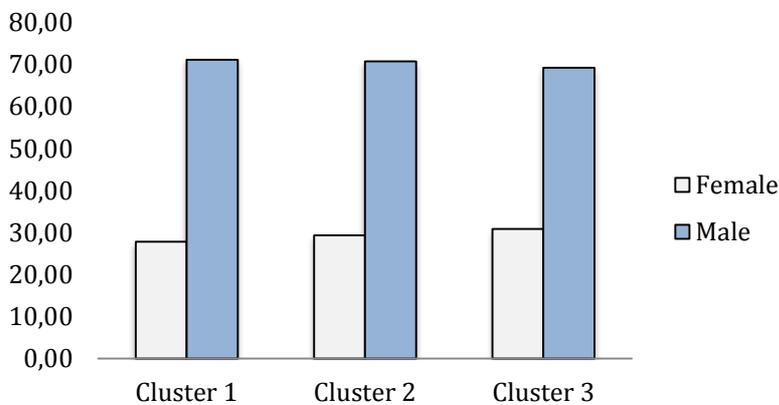


Figure 22 Gender distribution of segments

With regard to age distribution, this segment has the highest percentage of people aged between 20 and 39 years.

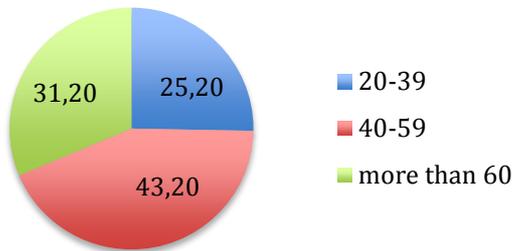


Figure 23 Age distribution of segment 3

It is the segment with the lowest level of education although it has the highest percentage of people with secondary school. In this segment, families are mainly made up of 3 or 4 people. A very important feature of this segment is that it has very a high percentage of persons who do not know their own energy consumption.

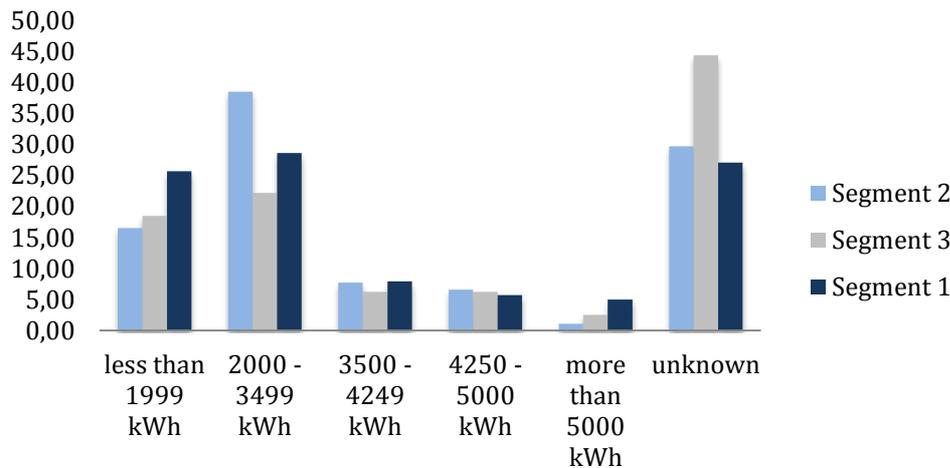


Figure 24 Answers to the question "Energy usage per year"

The income of this segment is medium, medium-low.

2.14 Smart Metering Preferences of segment 3:

This is the segment with the lowest level of knowledge about smart-meters and the services and tools associated with them.

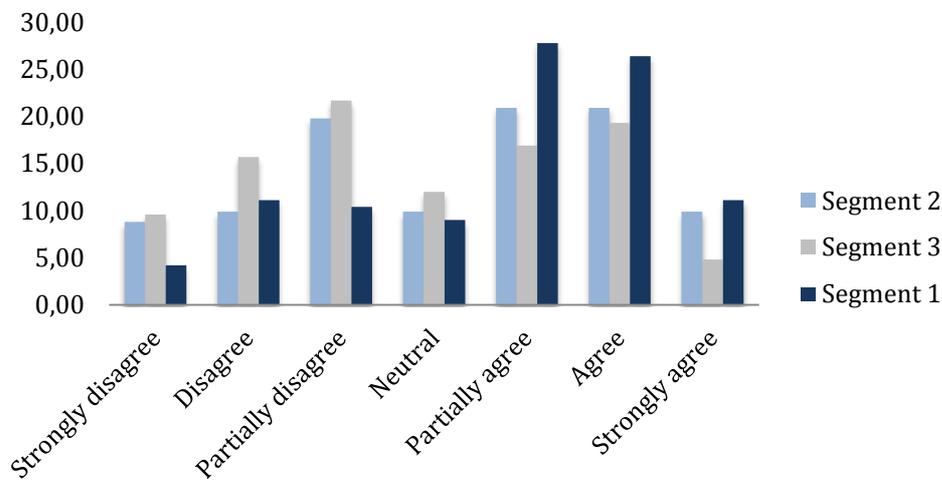


Figure 25 Answers to the question "I feel well informed regarding smart meters"

Among the different options for the provision of energy consumption data they prefer in-home display and the website, this is the segment with the lowest percentage of preference for smartphones and tablet app.

In general consumers of segment 3, do not see benefits in the use of smart-meters in general and do think that there may be advantages for energy savings but are not willing to pay the services, especially to reduce CO2 emissions.

They are not worried about data collection by the company but are worried about collecting data by third parties.

2.15 Concluding remarks on segment 3:

Considering the social demographics and the fact that this segment has a low level of knowledge about smart meters and the benefits attached to them, this segment does not appear to represent a target group in the short term. However, it is crucial to implement information policies and to involve this segment, which represents a significant portion of the population. Information campaigns should be coordinated by public administrations and should be involved all stakeholders: companies and associations representing (environmental organisations, consumers). Products and services for this segment should be targeted to explain in a simple way the advantages of smart meters starting, for example, by tools in personal pages or bills of individual users and through in-home tools and on the web.