



Italy: U.S. Bound Tourism

Student Intern Kristen Clark
PCO Michael Richardson
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● **Summary**

Italy remains one of America's top suppliers of inbound travelers from Europe. The market for Italian tourism to the United States was showing consistent growth since the beginning of the new millennium, although Italy's recession led to 7% fewer U.S. arrivals in 2012 (over 831,000).

Italians enjoy traveling both within Italy and to long-haul destinations. The number of vacations in 2012 averaged 1.3 per capita, at 78.7 million in total, a reduction of 5.7% from the previous year. Italians were reluctant to give up their summer vacations, and in 2012, four out of ten Italians took a trip in the months of June, July and August. The United States continues to rank first among preferred long-haul destinations. China, Brazil and Australia also attract a large number of Italians, but the United States continues to have a large edge in overnights when compared to other non-European destinations.

Italian Outbound Travel to the USA

- 831,000 arrivals in 2012
- 4th largest European market
- 11th largest international market
- \$3.848 billion in total spending

Total expenditures by Italians in the United States were up in 2012, reaching an all-time high of \$3.848 billion in total exports and \$4,630 per capita spending. The Italian market for tourism to the United States trails those of the U.K., France and Germany, but Italians remain the largest per capita spenders in Europe. The preferred activity is shopping, but Italian tourists also enjoy cultural and historical attractions, as well as visiting national parks and monuments. Data for the first quarter of 2013 from the Department of Commerce's Office of Travel and Tourism Industries (OTTI) show that visitation is down 2.2% year-to-date. Projections indicate that Italian tourism to the United States will continue to decline slightly over the next two years due to negative/low GDP growth, but the United States remains an attractive destination for both first-time and repeat Italian visitors. The strong euro and the appeal that the United States has for Italians of all ages are the main reasons for continued success.

● **Overall Italian Tourism Market**

Over the past few years, the overall Italian tourism market has suffered from the prolonged economic downturn that involved most European countries. Nevertheless, in 2012, with 46 million international arrivals, an increase of .5% over the previous year, Italy ranked fifth globally in terms of attracting foreign visitors. The top four tourism markets continue to be the United States, China, Spain and France. Italy holds its fifth position also in terms of total receipts, recording approximately \$41 billion. In the European tourism market, Italy represented an 8.7% market share for international arrivals and 9% for total receipts in 2012 (4.6% and 4.2% globally).

Despite the country's ongoing recession, 62.8% of Italians (31.7 million) took at least one vacation in 2012. Total travelers increased from 2011's figure of 27 million, but total expenditure dipped by 1%, totaling \$26.4 billion. Italians' tourism expenditure currently ranks 10th internationally, having been overtaken by Japan and Australia in 2012. According to ISTAT, the Italian Official Statistics Bureau, Italy continued to record a decline in the number of total trips (-5.7%), a more moderate decrease compared to 2010 and 2011 (-12.3% and -16.6%, respectively). But significantly, while trips within Italy decreased by 8.3%, outbound tourism recorded a growth of 11.2%, registering a rather large increase to non-European countries (31.4%).

This decrease in the number of vacations has been a trend since 2009. In respect to previous years, vacations were much more concentrated in the months of July and August; in 2012, four out of ten Italians traveled during the summer months. After three years of sacrificing vacation time, more Italians could invest in summer travel. Nevertheless, the overall decline in travel during the rest of the year clearly demonstrates that Italian tourism is still trailing pre-crisis figures. The negative trend is especially evident in low-season travel, with declines of 40% in March, 41.9% in October and so much as 65.4% in November.

- Leisure vs. Business Travel

Italians took roughly 78.7 million trips in 2012, compared to 83.4 million in 2011. The drop was largely influenced by the decline in leisure travel (-5.3%), which accounted for 87.3% of total trips (or 68.6 million vacations). As observed in 2011, Italians remain in favor of longer vacations, which last over four days. In 2012, long vacations represented 52.9% of leisure travel (46.2% of total trips). In respect to the average length of trips, the number remained stable with vacations lasting an average of 6.9 days (in 2011 the average was 6.8 days).

In 2012, business travel made up 12.7% of all trips taken compared to 13% in 2011. The ratio of vacations to business trips remained stable, but traveling for business purposes was also in decline. Italians went on 10.9 million business trips in 2011 and 10 million in 2012. A large portion of business-related travel was dedicated to meetings (26%), and participation in conventions, seminars and other such events accounted for 21% of business trips. In 2012, the average duration of business travel remained stable at 2.9 days (3 days in 2011).

Continuing an upward trend, the general tendency towards direct booking was the preferred means of arranging trips (52.7%), most notably for business travel (69.2%) and long vacations (55.2%). A large portion of travelers utilized the Internet to book accommodation and/or transport for 37.4% of vacations and 44.1% of business travel. Compared to 2011, business travel registered a strong decline in bookings through an agency, dropping from 22.4% in 2011 to 8.9% in 2012. The drop can be attributed to the large gains made by direct bookings in 2012.

- Air Travel

A reform of the airport system in Italy is one of the government's next priorities. Presently, there are 60 airports servicing Italy; the proposal aims to reduce that number to between 33 and 40. In fact, the most recent news is that the Ministry of Infrastructure and Transport is defining 24 airports of

national interest, carrying 90% of the traffic, upon which to focus strategic investments for intermodality. The National Authority of Civil Aviation (ENAC) suggests the establishment of networks of airports, such as the North West and North East.

In the northwest area, Malpensa should strengthen its role as an international hub, Linate is expected to become more of a city airport, Bergamo will continue hosting low-cost carriers and Brescia will be devoted to cargo traffic. In the northeast area, Venice is defined as an intercontinental gateway, Verona will host charter flights and Trieste will strengthen its cross-border services as the gateway to/from Eastern Europe. This reform, if actually carried out, would be very welcomed by the U.S. carriers who are frustrated by the fragmentation of the Italian airport system that has benefitted other European carriers.

Four U.S. airlines, American, Delta, United and US Airways, and two Italian carriers, Alitalia and Meridiana (branded as Air Europe) continue to offer daily non-stop service between the United States and Italy. Direct flights are offered from major cities (Milan, Rome and Venice) and smaller cities during the summer (Naples, Pisa and Palermo) to a number of American destinations. Beginning October 1, 2013, Emirates Airlines will begin offering a non-stop daily flight connecting New York's JFK to Milan Malpensa. This will be the first time that a non-U.S. or Italian carrier has traffic rights between the two countries. And from November 22, 2013 through April (seasonally), American Airlines will begin a daily non-stop from Milan Malpensa to Miami International. From Milan, AA has operated flights to New York for 5 years and this is the only year-round service. From Rome, it operates New York and Chicago only during the summer season.

Besides New York and Miami, other American cities connected all year with daily non-stop flights from Italy include Boston, Chicago, Los Angeles, Philadelphia and Charlotte. During the summer months, 27 non-stop flights connect Italy to the United States, most of them with daily departures; this amounts to over 180 direct flights each week. In addition, over 100 direct flights are offered every day and all year long by other European carriers (British, Lufthansa, Swiss, Air France, KLM and Iberia), and many Italians choose the lower-cost flights through gateway cities such as Frankfurt, London and Paris.

- E-Commerce

In the last few years, the Italian tourism market has been dominated by the steady growth of e-commerce and the inclination of an increasing number of operators to take a stab at online sales. According to the 2012 edition of the e-commerce survey conducted by Politecnico di Milano and Netcomm, e-commerce in Italy is growing rapidly. In fact, with a turnover of roughly \$14 billion, e-commerce increased by 18% in 2012. The number of Web shoppers in Italy is growing consistently at 33%, surpassing 12 million (40% of Internet users) by the end of 2012. Growth in e-commerce is expected to stay in the double digits at 14% in 2013. The tourism sector accounts for 45% of total online sales, amounting to approximately \$6.3 billion. The use of e-commerce in the tourism industry is anticipated to grow by 15% in 2013. According to the e-commerce ranking by Casaleggio & Associati, the most popular travel websites among Italians are Booking, Trenitalia, eDreams and Ryanair. Other popular travel and tourism websites include, Expedia, Kayak, Lastminute, Octopustravel, Opodo, Venere, Volagratis and Tripadvisor.

- U.S. Hotel Chains in Italy

Most major U.S. hotel chains are represented in Italy – Best Western International, Fairmont and Raffles, Hilton Worldwide, Hyatt, Marriott International, Sonesta Collection, Starwood and Wyndham Hotel Group – thus making bookings in the USA relatively easy for the Italian buyer.

● *Italian Travelers to the United States in 2012*

The market for Italian tourism to the United States registered a moderate decline in 2012, recording 831,000 visitors – a 7% decrease from 2011. Nevertheless, Italy continues to be the 11th-largest inbound market to the United States.

The Italian market showed signs of recovery in 2010 and 2011, achieving a record 892,000 travelers in 2011. Early projections were that inbound arrivals would have increased by 3% in 2012, and reach one million visitors by 2016; however, the decline in the Italian economy, followed by a low-growth scenario, will continue to impact tourism in Italy. GDP growth is predicted to be a slight negative in 2013 and a small positive by 2014, and although forecasts indicate a drop in Italian travelers until 2015, there is still large potential for increased arrivals to the United States.

Italy is considered one of the strongest European markets, ranking 4th in the European context after the U.K., Germany and France. In 2012, Germany was the only market which experienced an increase, 3% respectively, of travelers to the United States. Both France and the U.K. registered moderate declines (-3% and -2%). In the last eight years, Italy and France have recorded huge increases in visitors to the United States, both topping out in 2011 at 94% and 89% (growth in U.S. travel since 2004). Germany's growth remains stagnant and the U.K. has registered an 11% decline in international arrivals since 2004.

The United States continued to be the preferred long-haul destination for Italian tourists in 2012. Data from Banca d'Italia shows that, in 2012, the USA ranked first in the number of Italians traveling to a long-haul destination, with about 19 million overnights. Italian visitors to other long-haul destinations are far behind the number of visitors that the United States continues to attract. China and Brazil counted respectively 7.8 and 5.6 million overnights by Italian travelers, followed by Australia with almost 5.3 million overnights. Moreover, in 2012 the United States confirmed its position as top destination for business trips, accounting for 9.4% of work-related travel among Italians.

The United States is the ideal destination both for first time visitors and repeaters who choose to visit different places each time. The strong exchange rate and the appeal that the United States has for Italians of all ages are the main reasons for continued success and anticipated growth.

● **Trip Planning**

The United States is considered a mature destination for the Italian market. Though the peak season continues to be August, especially because of honeymoon travel, Italians have also learned to spend their vacations in other months, looking for more attractive tourism offers. The months of February and April recorded increases in Italian arrivals, respectively a 7.8% and 1.2% change from 2011. In 2012, 34% of Italian travelers to the United States referred directly to the airlines (+17.3%),

indicating that airline offers in low-season months are a consistent factor in persuading more Italians to travel outside of peak times during the year.

Italian tourists use varied information sources to plan their vacations. Aside from referring directly to the airlines, travel guides and personal recommendations were also popular sources of information for booking trips, while the use of travel agencies dropped from 43% to 32%. The use of travel agencies also fell between 2010 and 2011 from 49% to 43% (-5.4%). Instead, the use of online travel agencies is increasing in popularity each year, with 29% of Italians taking advantage of OTAs in 2012. As a result, the many travel agencies present in Italy are beginning to make use of the Internet by providing more informative web pages and online booking options.

Pre-paid packages are continuing to lose popularity due to the increasingly independent spirit of the Italian traveler. In 2012, pre-packaged tours lost 4% compared to 2011, and from 2010, the decline was even greater at -12%. While 18% of Italians utilized pre-packaged tours in 2012, the remaining travelers either chose a do-it-yourself option or customized travel packages.

Italian tour operators are generally medium/small companies and cover market niches. A few exceptions are Alpitour (Viaggidea brand for United States-packaged tours), Hotelplan, and Kuoni (dba Best Tours). The most technologically advanced tour operators are Naar and Alidays. Albatravel Group is another emerging key player of the Italian travel to the United States. The Visit USA Association Italy counts among its membership most of the largest tour operators specialized in selling the United States (see VUSA's website: <http://www.visitusaita.org>).

● **Italians' Spending in the United States**

Despite the 7% decline in the number of Italian arrivals in 2012, total expenditures increased 5% from 2011, setting a new record at over \$3.848 billion in total spending, and \$2.8 billion in travel receipts. In 2012 therefore, per capita spending by Italian visitors to the United States amounted to \$4,630. Moreover, with \$3,317 in per capita travel receipts, Italy is one of the world's largest spenders for U.S. tourism services, mainly for hotel accommodations, restaurants, car rentals and sightseeing tours.

In comparison, the UK's total spending of \$12.644 billion and 3,763,000 arrivals led to a per capita spending of \$3,360; Germany's \$6.940 billion and 1,875,000 arrivals to a per capita of \$3,701; and France's \$5.301 billion and 1,544,000 arrivals equaled \$3,643. All of this confirms that Italian per capita spending is the highest in Europe.

Almost 76% of Italians visited the United States for vacation and to visit friends or relatives, an 8.4% decrease from 2011. On the other hand, business travel grew by 3.7%. Over 20% of Italian arrivals came on business, attending conventions, conferences or trade shows; the remaining 5% visited for educational purposes. Similar to 2011, nearly one third of Italian travelers to the United States rented a car, while taxi and subway continue to be the preferred means of transportation.

Italians enjoy a wide range of activities and appreciate the many vacation options available in the United States. Nevertheless, shopping remains the favorite activity due to the strong euro and

Italians' fondness of American consumer products. In 2012, 81% of the 831,000 Italian tourists went shopping, a slight 1.7% decline from 2011. Shopping and dining aside, Italian travelers also enjoy cultural and historical activities such as sightseeing, museums, and guided tours. Visits to art galleries and/ or museums recorded a slight increase of 1.8%, and guided tours are also becoming more popular with 26% of visitors taking part (+8.3%). Other popular activities are concerts, nightclubs and sporting events. New York City continues to hold a little over half of the total market share of Italian tourism; however, this percentage is decreasing marginally each year due to more repeat travelers and different offerings among Italian tour operators. In 2012, 32% of Italians were first-time travelers to the United States, a 12.2% decline from last year. Therefore, it is likely that alternative destinations will continue to gain market share.

| Traveler Characteristics | 2011 | 2012 | % Change |
|---|------|------|----------|
| Leisure & Visiting Friends or Relatives | 85% | 76% | - 8.4% |
| Business & Convention | 21% | 25% | 3.7% |
| Rented Auto | 30% | 29% | - 1.2% |
| Taxi/ Cab/ Limousine | 45% | 43% | - 2.1% |
| Utilized Airlines in the United States | 23% | 30% | 7.4% |
| Amusement/ Theme Parks | 30% | 23% | - 6.6% |
| Art Gallery/ Museum | 39% | 41% | 1.8% |
| Guided Tours | 18% | 26% | 8.3% |
| Shopping | 82% | 81% | - 1.7% |
| Advanced Trip Decision Time (mean days) | 82 | 84 | 2.0 |
| First International Trip to the United States | 44% | 32% | - 12.2% |
| Prepaid Package | 22% | 18% | - 4.0% |
| Gender: % Male (among adults) | 61% | 62% | 1.1% |
| Average Age: Female | 37 | 38 | 1.4 |
| Average Age: Male | 42 | 41 | -0.6 |

Source: International Trade Administration, U.S. Department of Commerce (OTTI/ITA/USDOC)

● **Market Forecast for 2013**

Official data from the U.S. Department of Commerce's Office of Travel and Tourism Industries (OTTI) indicate that visitation is down 2.2% year-to-date from the 1st quarter of 2012. Most recent forecasts from OTTI indicate that the number of visitors from Italy is expected to decrease marginally in the next two years, while growth is anticipated to resume in 2015.

A survey conducted by the Visit USA Association Italy shows that the United States continues to be the most requested long-haul destination among Italians. Most Italian travel agents and tour operators declared that the first quarter of 2013 was similar to that of 2012, and noted that they

have already had many requests for vacation quotes, in particular for honeymoon trips with respectively high budgets. New York remains the favorite destination, but California continues to attract more visitors, especially to San Francisco.

Activities being offered this year remain consistent: escorted tours, fly and drive, and the cities, although alternative destinations are beginning to gain popularity. The President of Visit USA Italy is confident that the summer will be characterized by a good movement of Italian travelers to the United States. Tour operators continually recommend new American destinations, knowing full-well of the unique and safe nature of vacations in the United States.

In the first half of 2013, Italian travelers requested the classic itineraries: New York, Miami Beach and trips that include California and a national park in nearby states (i.e. Bryce, Zion, Grand Canyon, Monument Valley...). New trip proposals for 2013 include a tour of Alaska with an Italian speaking guide; the opportunity to stay on a ranch and experience the far West; and the chance to discover the roots of blues, jazz and country music, and departing from Chicago and culminating the trip in New Orleans. Other American regions that are gaining market share include New England and the South. Accompanied tours from Italy through hidden corners of these regions are on offer in 2013, as well as new ideas to experience the more traditional destinations such as New York and California.

- **Market Entry**

The U.S. Commercial Service in Italy partners with **Visit USA Association Italy** (VUSA) on programs and activities to promote U.S. tourism in Italy. The U.S. Commercial Service in Italy is an honorary member of VUSA and hosts the VUSA secretariat in its Milan office. This has allowed CS Italy and VUSA to work closely together and to increase the number of activities planned each year. Mr. Sandro Saccoccio, Office Manager of G2 Travel, was re-elected in 2012 as the President of VUSA and will hold this title for two more years.

With over 85 members – 55 Italian travel trade industry members, 23 U.S. sponsors and 10 honorary members in 2012 – Visit USA Association Italy is increasingly active in the market through participation in the most important tourism trade fairs, and in organizing workshops targeted at tourism trade, as well as in training travel agents through its online program. VUSA's Facebook and Twitter pages have already registered over 6,000 "likes", of which many are travel agents. Visit USA's membership fee is currently \$1,200 for U.S. sponsors and €1,200 for Italian members (no entry fee is required).

New companies that joined VUSA in 2012 include Albatravel, Alitalia, Avis Budget Italia, Eden Viaggi, Fiera Milano, Hyatt Hotels & Resorts, Il Tempo Ritrovato, Uvet and ITN Network; in addition to the

U.S. sponsors – Eaglerider, Illinois Office of Tourism, Loews Hotels and Puerto Rico Tourism Company.

Brand USA, the new public-private organization created to increase international travel and promote outbound tourism, acknowledges all our scheduled activities and confirms its full support of our marketing efforts in this industry sector.

● **Trade Promotion Opportunities**

The U.S. Commercial Service in Milan (CS Milan), in cooperation with Visit USA Association Italy and Brand USA, is supporting the U.S. delegation at the Discover America Pavilion at **TTG Incontri, October 17-19, 2013**, in Rimini, Italy by offering a customized Matchmaking Service to interested U.S. companies.

CS Milan and Visit USA Associations Italy are organizing the 17th annual **Showcase USA-Italy** matchmaking extravaganza, which will take place **March 2-4, 2014**, in **Verona**. Showcase USA-Italy is the only marketing exhibition exclusively dedicated to promote Italian tourism towards the United States. It is an ideal event for new-to-market companies, as well as for repeat exhibitors wishing to reconfirm placements with existing clients or find new ones. On this unique occasion, United States exhibitors will have the opportunity to meet up to 30 major Italian tour operators, all focused on the promotion of tourism to the United States. Our team will provide participants matchmaking appointments with Italian companies, logistical assistance, on-site business counseling and support, as well as a pre-event briefing.

Other important tourism shows taking place in Italy are: **BIT, February 13-15, 2014** in **Milan** – an important opportunity for tour operators to meet clients and travel agents, as well as gather valuable information about up-and-coming tendencies in the travel and tourism industry; and **BMT, April 4-6, 2014** in **Naples** – a trade show for both new and returning companies to make business connections in the Mediterranean tourism market.

The U.S. Travel Association's **International Pow Wow (IPW)** will take place in **Chicago, IL, April 5-9, 2014**. IPW is the travel industry's premier international marketplace and is the largest generator of Visit USA travel. The U.S. Travel Association is a long-term partner of CS Italy and VUSA, whose main role is to recruit for foreign delegates at annual trade shows.

● **Resources & Contacts**

- For more information, please contact (in Milan):

Michael Richardson, Principal Commercial Officer, michael.richardson@trade.gov

Francesca Spagnoletti, Commercial Assistant, francesca.spagnoletti@trade.gov; +39-02-626-88529

Lia Maiorca, Secretary, VUSA Italy, infodesk@visitusaita.org; Tel +39 02-626-88536

Please also see: <http://export.gov/italy>

- Travel and tourism is a best prospect sector in the Commercial Service's Showcase Europe program. U.S. Commercial Service offices in Europe concentrate their promotional and market research efforts and resources on industry sectors representing best prospects for U.S. business.

For more information, please see:

<http://export.gov/europe/showcaseeuropesectors/traveltourism/traveltourismevents/>

- For more information about the travel and tourism industry in Italy, please visit the following sites:

- [Travel & Tourism Events](#)
- [Visit USA Association Italy](#)
- [ASTOI](#) (Italian Tour Operators Association)
- [FIAVET](#) (Italian Travel Agents Association)
- [AiNet](#) (Italian Association of Network Travel Agents)

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