Global Market Profile

ITALY

September 2023

Introduction

- Tourism Economics forecasts international visitation to California will account for $24B in tourism spending in 2023 and increase to $28B in 2024, fully recovered to 2019 spending. While important North American and European visitor markets are either fully recovered or nearly recovered, visitation from markets in the Asia Pacific region continues to lag and hold back California's Gateway regions from fully recovery. Despite the uneven recovery, California's core international markets are critical to the success and growth of the tourism industry in the state.

- The **Global Market Profile** report has been developed by Visit California Research to provide insights on California's opportunity international markets.

Market Landscape:

+

Audience Insights:

+

California Traveler & Trip Details:

- **Market Landscape** includes foundational intelligence from Visit California:
  - Visitation and Spending Forecasts
  - Airlift Recovery (flights and seats)
  - Arrival Numbers & California Market Share
  - Consumer travel intent and barriers

- **Audience Insights** includes a profile of target travelers, including:
  - Description and size of Audience Target
  - Demographic profile
  - General travel planning behavior
  - General trip spending
  - Advertising and sports preferences

- **California Traveler & Trip Details** includes details about visitors to California from the past year, including:
  - Trip purpose
  - First/Repeat visitation
  - Destinations visited
  - Travel party, accommodations, activities and expenditures

Methodology & Sources

- The report contains three sections:
    - The **Market Landscape** section is sourced from Visit California's key research partners, including Tourism Economics, NTTO, CIC Research, Cirium and YouGov.
    - The **Audience Insights** section is sourced from YouGov's Global Travel Profiles which tracks travel-related sentiment and behavior in over 25 global markets, including all fourteen Visit California target markets. Panelists are surveyed on preferred trip types, booking methods, accommodation preferences, and advertising perceptions.
    - The audience profile is built on a segmentation of likely international leisure travelers in the market. For markets with enough sample size, the segmentation includes an additional filter of travelers considering California as a destination. The profile of these custom targets across California's target markets will provide insights into those travelers most likely to visit the state.
    - The **California Traveler and Trip Characteristic** section provides information on trips that included a stay in California from the Survey of International Air Travelers (SIAT).

Audience Profile Definitions

Audience Profile of: *International Leisure Travelers Considering CA*	Audience Profile of: *International Leisure Travelers*
Australia	Brazil
Canada	China
France	Italy
Germany	Japan
India	Middle East*
Mexico	Scandinavia**
South Korea	
UK	

*Saudi Arabia and UAE
**Denmark, Finland, Norway and Sweden

Market Landscape

Country Profile

Italy

POPULATION: *
58.9M

EXCHANGE RATE: **
Local currency to USD dollar
0.9

GROSS DOMESTIC PRODUCT (GDP):
Annual % chg ***
0.7%

INFLATION RATE:
Annual % chg ****
4.5%

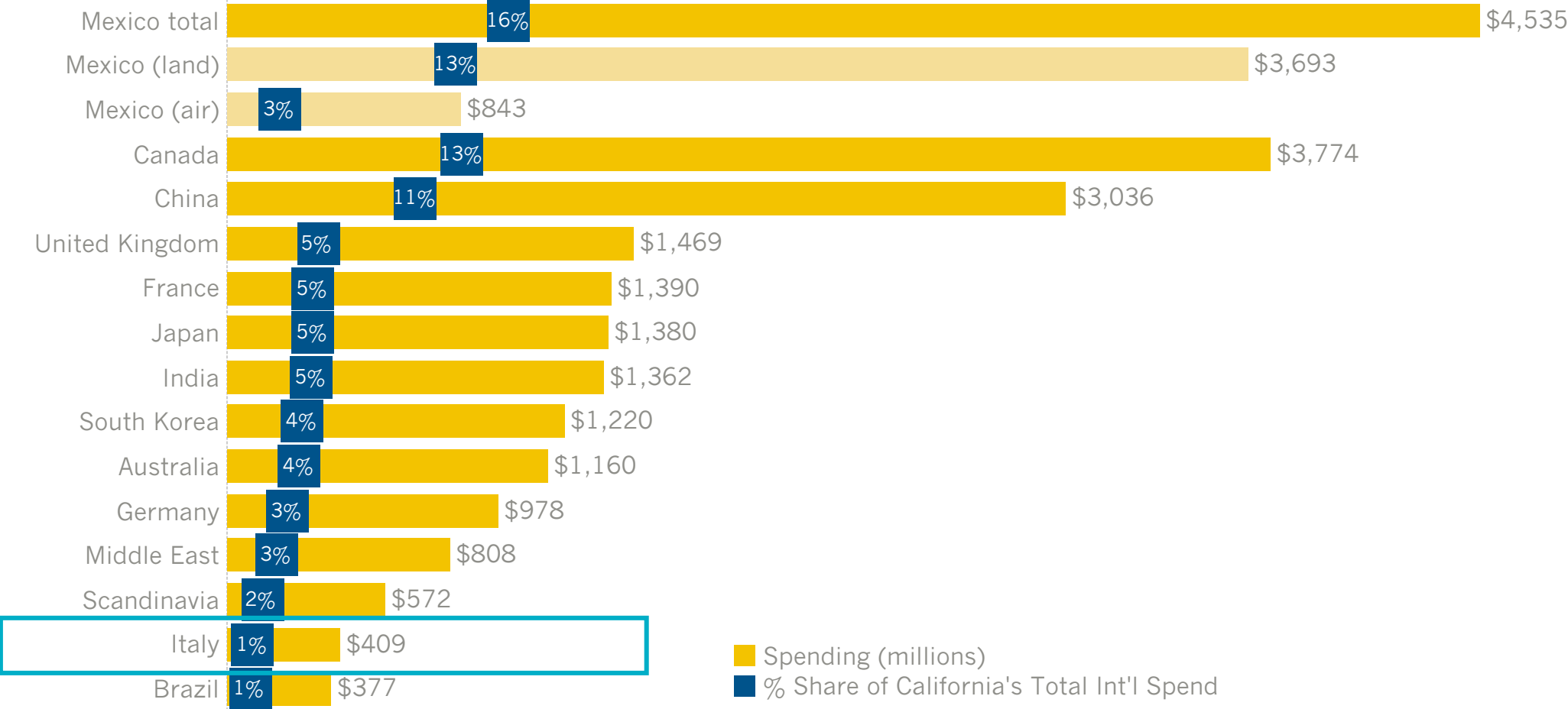# Forecast: Visitor Spending by Market (2024)

The chart below shows California's visitor spending forecast for the state's 14 target markets and share of total international spending in the state.

Market	% Share	Spending (millions)
Mexico total	16%	$4,535
Mexico (land)	13%	$3,693
Mexico (air)	3%	$843
Canada	13%	$3,774
China	11%	$3,036
United Kingdom	5%	$1,469
France	5%	$1,390
Japan	5%	$1,380
India	5%	$1,362
South Korea	4%	$1,220
Australia	4%	$1,160
Germany	3%	$978
Middle East	3%	$808
Scandinavia	2%	$572
Italy	1%	$409
Brazil	1%	$377

Spending (millions)
% Share of California's Total Int'l Spend

Source: Tourism Economics (Sept 2023)

Forecast: Visitor Spending

The chart below shows the state's visitor spending forecast and the recovery index for the focus market.

Italy: Visitor Spending Forecast with Recovery Index to 2019

■ Spending (millions) ■ Recovery Index to 2019

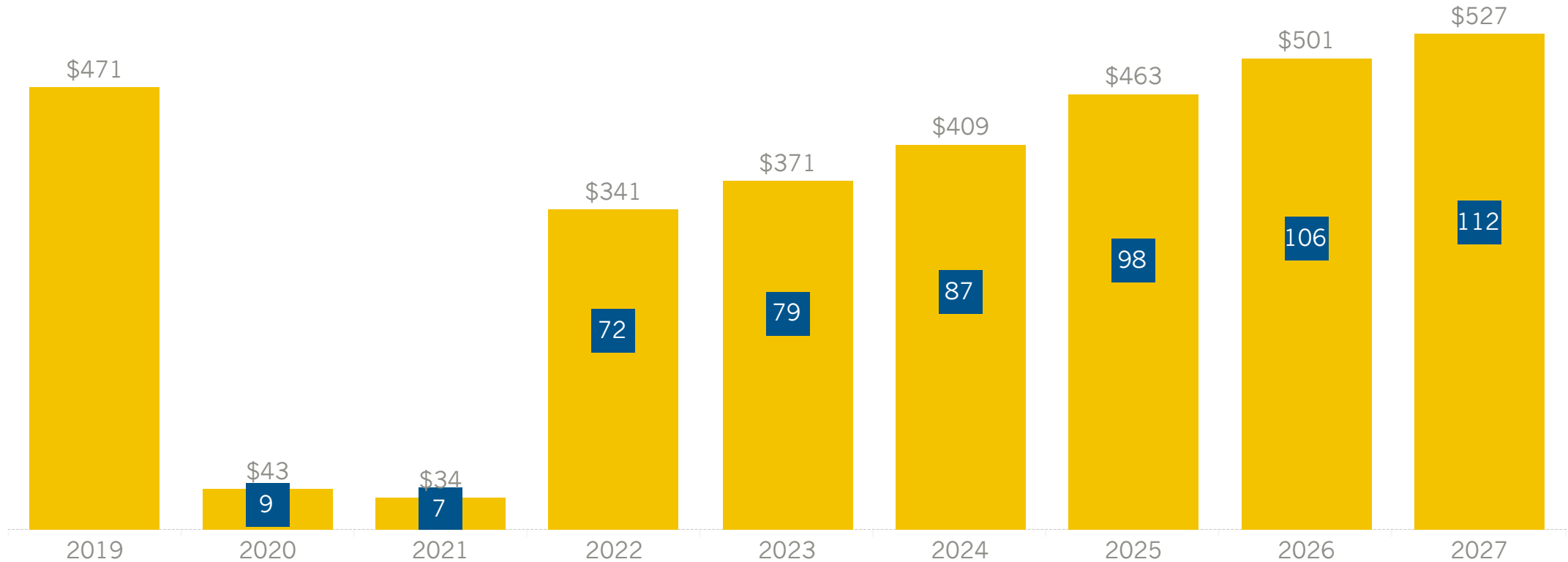| Year	Spending	Recovery Index
2019	$471	
2020	$43	9
2021	$34	7
2022	$341	72
2023	$371	79
2024	$409	87
2025	$463	98
2026	$501	106
2027	$527	112

Forecast: Visitor Volume

The chart below shows the state's visitation forecast and recovery index for the focus market.

Italy: Visitation Forecast with Recovery Index to 2019   ■ Visitation (thousands)   ■ Recovery Index to 2019

Year	Visitation (thousands)	Recovery Index to 2019
2019	200	
2020	17	8
2021	14	7
2022	132	66
2023	143	71
2024	170	85
2025	189	94
2026	202	101
2027	211	105

Airlift to California
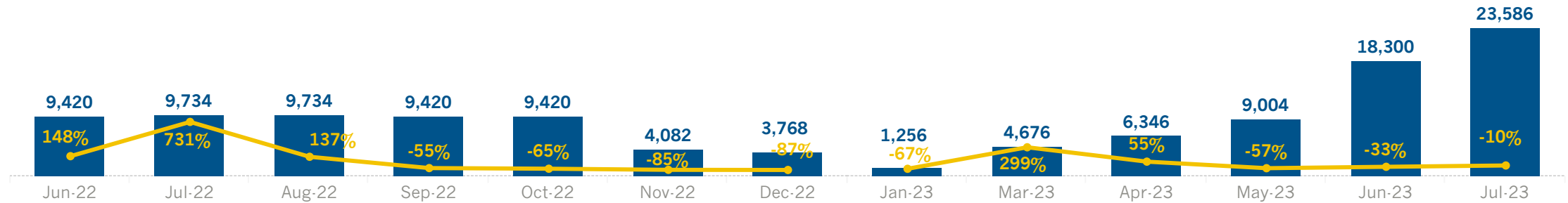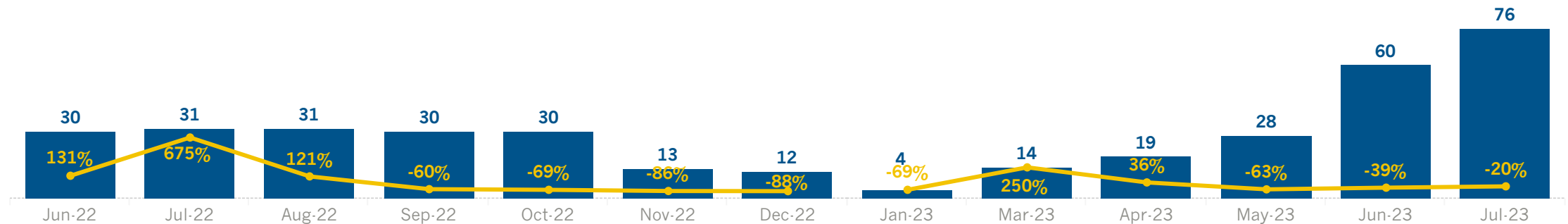
The charts below shows airlift to California and percent change to 2019 for the focus market.

Italy: Non-Stop Seats to CA (% chg vs 2019)

	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Seats	9,420	9,734	9,734	9,420	9,420	4,082	3,768	1,256	4,676	6,346	9,004	18,300	23,586
% chg	148%	731%	137%	-55%	-65%	-85%	-87%	-67%	299%	55%	-57%	-33%	-10%

Italy: Non-Stop Flights to CA (% chg vs 2019)

	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Flights	30	31	31	30	30	13	12	4	14	19	28	60	76
% chg	131%	675%	121%	-60%	-69%	-86%	-88%	-69%	250%	36%	-63%	-39%	-20%

Source: Cirium

Non-Resident Arrivals to California

The chart below shows non-resident arrivals at California's ports of entry and percent change to 2019 for the focus market.
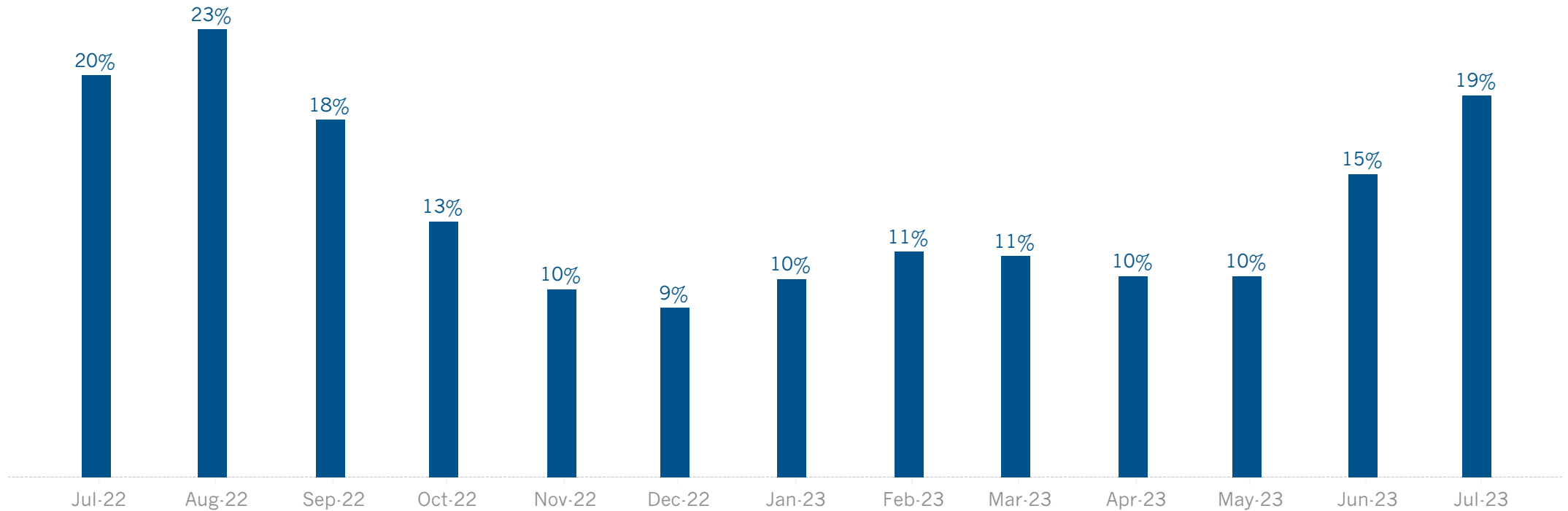
Italy: Non-Resident Arrivals at CA Ports of Entry (% change vs. 2019)

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Arrivals	2,186	2,216	3,462	5,493	5,448	8,937	13,229	24,038	10,344	8,005	5,368	7,108	4,758	4,813	6,647	8,003	7,091	9,826	14,988
% change	-70%	-66%	-53%	-60%	-46%	-35%	-29%	-32%	-30%	-28%	-21%	-25%	-35%	-26%	-10%	-42%	-29%	-29%	-19%
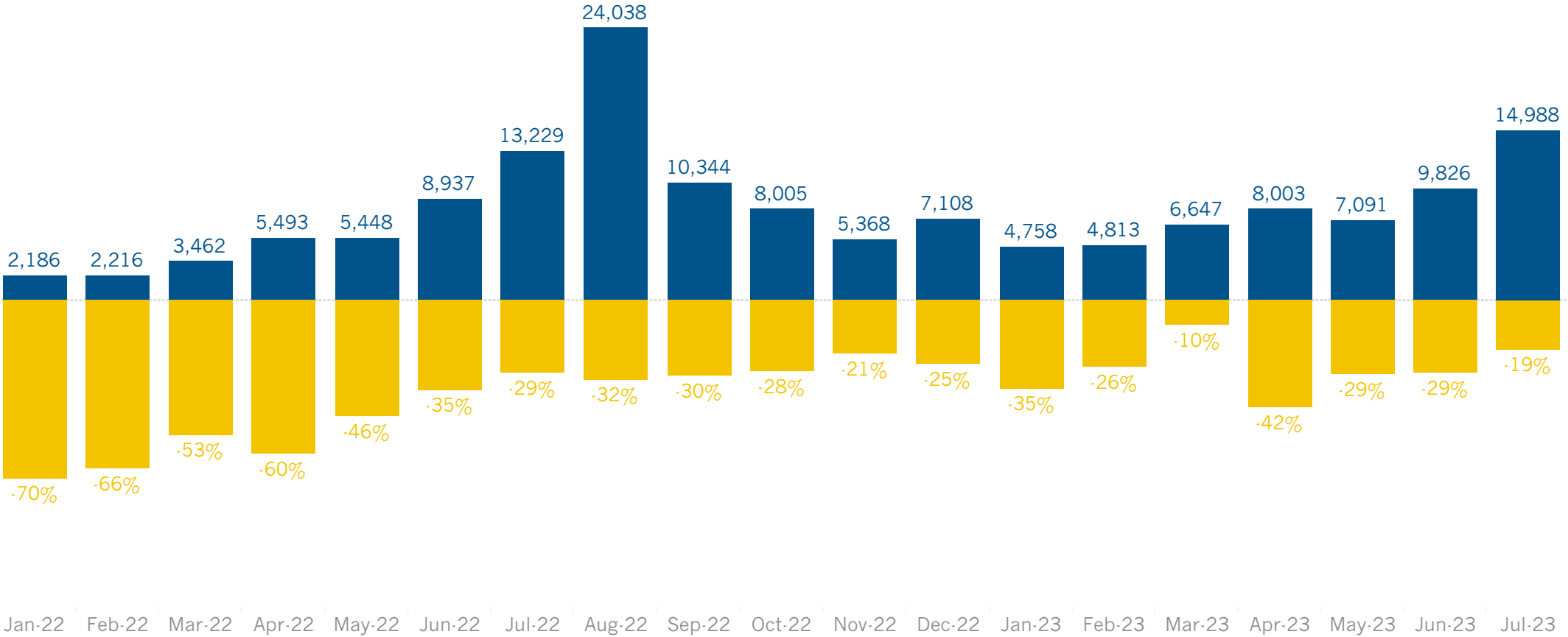
California's Share of Arrivals

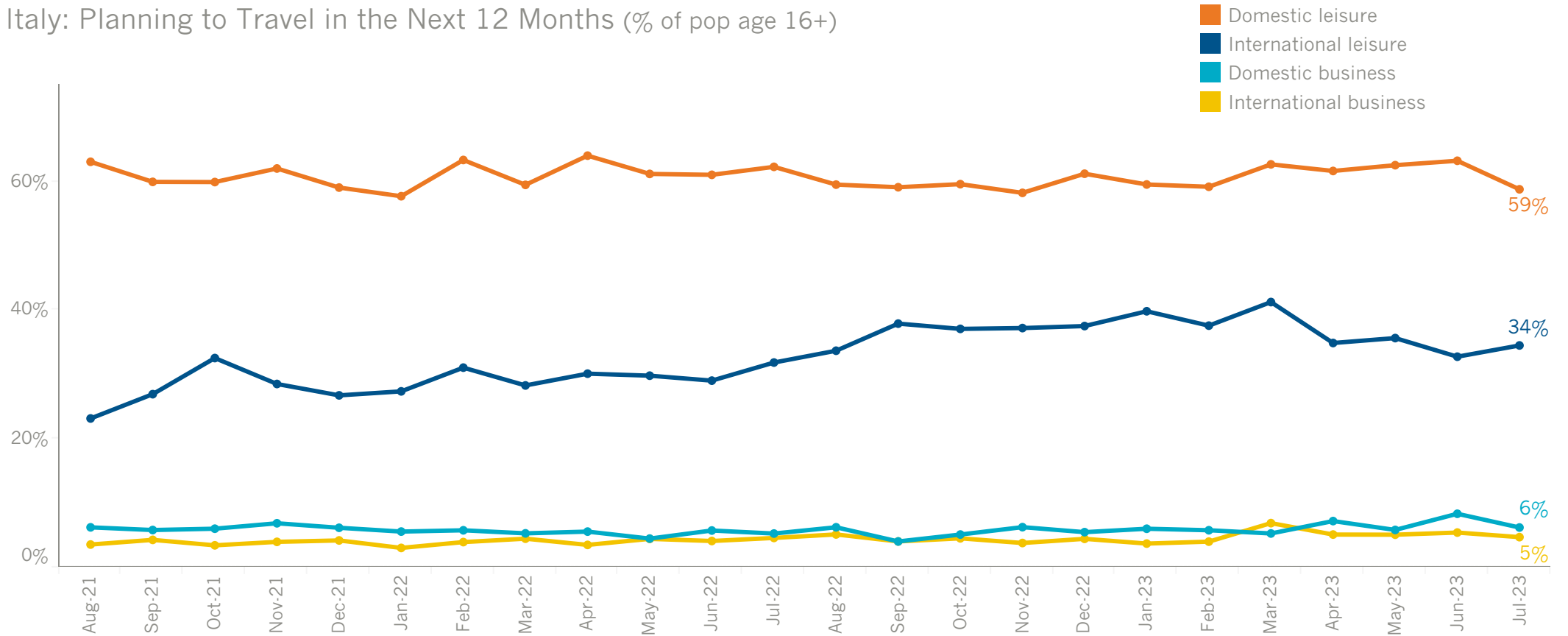The chart below shows California's share of arrivals from the focus market based on First Intended Address (FIA).

Italy: California Market Share of Arrivals Based on First Intended Address (%)

Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
20%	23%	18%	13%	10%	9%	10%	11%	11%	10%	10%	15%	19%

Data reported through: July 2023

Source: NTTO/CIC Research

Travel Planned in Next 12 Months

The chart below shows the types of trips planned in the next 12 months for the focus market.

Italy: Planning to Travel in the Next 12 Months (% of pop age 16+)

- Domestic leisure
- International leisure
- Domestic business
- International business

59%

34%

6%

5%

Q: Which, if any, of the following trips are you planning to take in the next 12 months?
Data reported for: July 2023

Barriers to Travel

The chart below shows perceived barriers to travel among consumers not currently planning an international trip in the focus market.

Italy: Barriers to Travel (% among not planning to travel internationally in next 12 months)

Legend:
- Health risks
- Travel restrictions
- Safety
- Price of travel
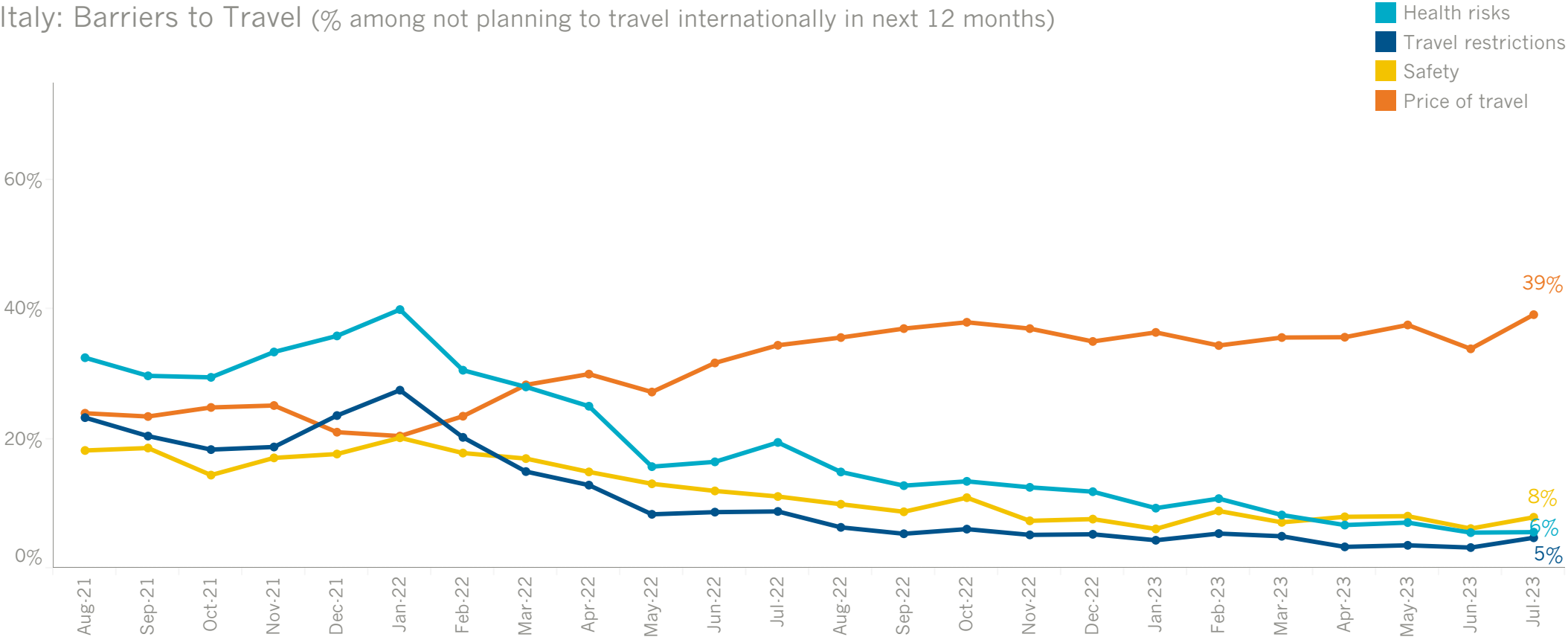
Q: Which, if any, of the below factors are currently preventing you from traveling?

Data reported for: July 2023

Source: YouGov

Audience Insights

Audience Profile

The chart shows the incidence of international leisure travelers in the focus market.

The following audience profile is based on the survey responses over a 12-month period of those consumers planning an international leisure trip in the next 12 months.

Definitions:
International Leisure Travelers (Target Int'l Travelers):
Consumers in the focus market planning an international leisure trip in the next 12 months.

Int'l leisure travelers
"Int'l Traveler Target"

Italy
General Population
Age 16+

International Leisure Travelers
"Int'l Traveler Target"
36% of Gen Pop
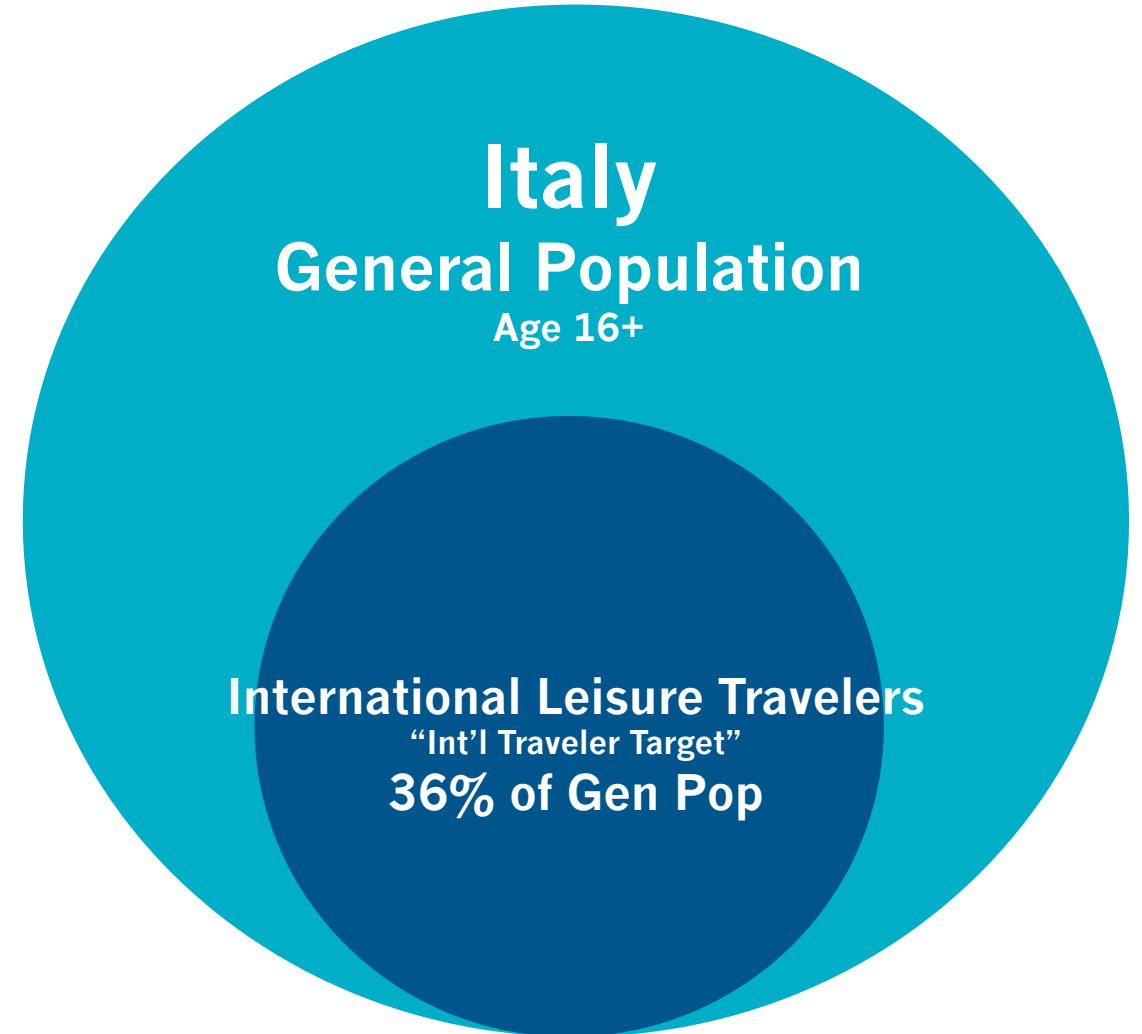
How to Read the Data

Generation	Int'l Traveler Target
Gen Z	10%
Millennial	41%
Gen X	34%
Baby Boomer	14%
Silent	1%

Generation Definitions:
- Gen Z (2000 and later)
- Millennial (1982-1999)
- Gen X (1965-1981)
- Boomer (1946-1964)
- Silent (<1945)

Data:

- **Int'l Traveler Target:** Shows the incidence (%) of the demographic characteristic or travel activity among international leisure travelers in the focus market.

- **Index:** No indices are shown for the Int'l Traveler Target.

Demographic Profile

The chart below shows the demographic profile of the consumer target in the focus market.

Italy

Gender

	Int'l Traveler Target
Female	50%
Male	50%

Marital Status

	Int'l Traveler Target
Single	20%
Married	43%

Family Status

	Int'l Traveler Target
Children <18	17%

Age

	Int'l Traveler Target
Age 16-24	11%
Age 25-34	17%
Age 35-44	17%
Age 45-54	20%
Age 55+	36%

Generation

	Int'l Traveler Target
Gen Z	8%
Millennial	31%
Gen X	35%
Baby Boomer	25%
Silent	1%

Income*

	Int'l Traveler Target
Higher income	12%
Middle income	39%
Lower income	31%
Prefer not to say	17%

Region

	Int'l Traveler Target
Lombardia	18%
Lazio	12%
Veneto	9%
Campania	9%
Emilia-Romagna	8%
Puglia	7%
Piemonte	7%
Sicilia	6%
Toscana	6%
Sardegna	3%

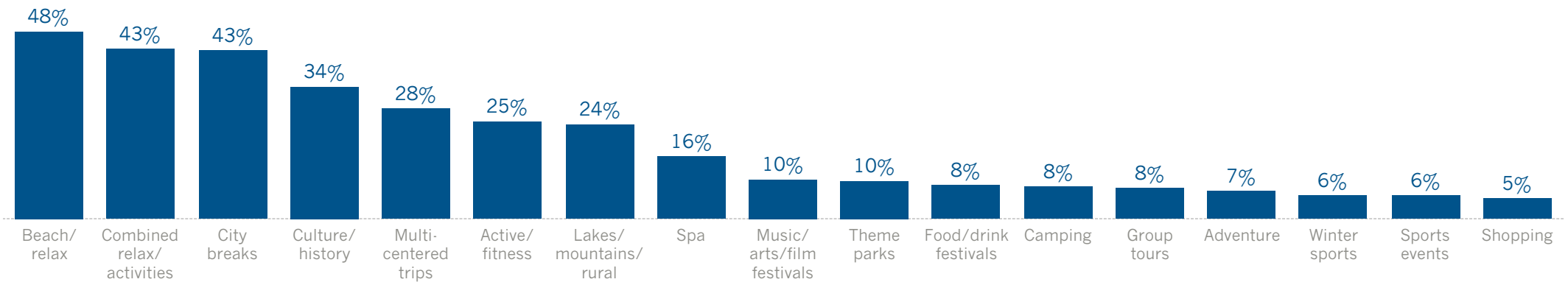*Income definitions: Higher >200% of median, Middle 75% to 200% of median, Lower <75% of median

Trip Preferences/Characteristics

The chart below shows the typical trip preferences & characteristics of the consumer target in the focus market.

Int'l leisure travelers
"Int'l Traveler Target"

Italy

Trip Type

Trip Type	Percentage
Beach/relax	48%
Combined relax/activities	43%
City breaks	43%
Culture/history	34%
Multi-centered trips	28%
Active/fitness	25%
Lakes/mountains/rural	24%
Spa	16%
Music/arts/film festivals	10%
Theme parks	10%
Food/drink festivals	8%
Camping	8%
Group tours	8%
Adventure	7%
Winter sports	6%
Sports events	6%
Shopping	5%

Traveler Type

	Int'l Traveler Target
Adventurous	12%
All-inclusive	6%
Budget	44%
Luxury	3%
Responsible	22%

Travel Party (from most recent vacation)

	Int'l Traveler Target
Friend(s)	22%
Solo	5%
My children	30%
My partner	65%
Other family	14%
Other person(s)	4%

Q Trip Type: Which of the following types of holidays do you typically take?
Q Traveler Type: Which of the following best describes the type of traveler you are?
Q Travel Party: Thinking about your most recent holiday, which of the following best describes the group or individual you went on holiday with?
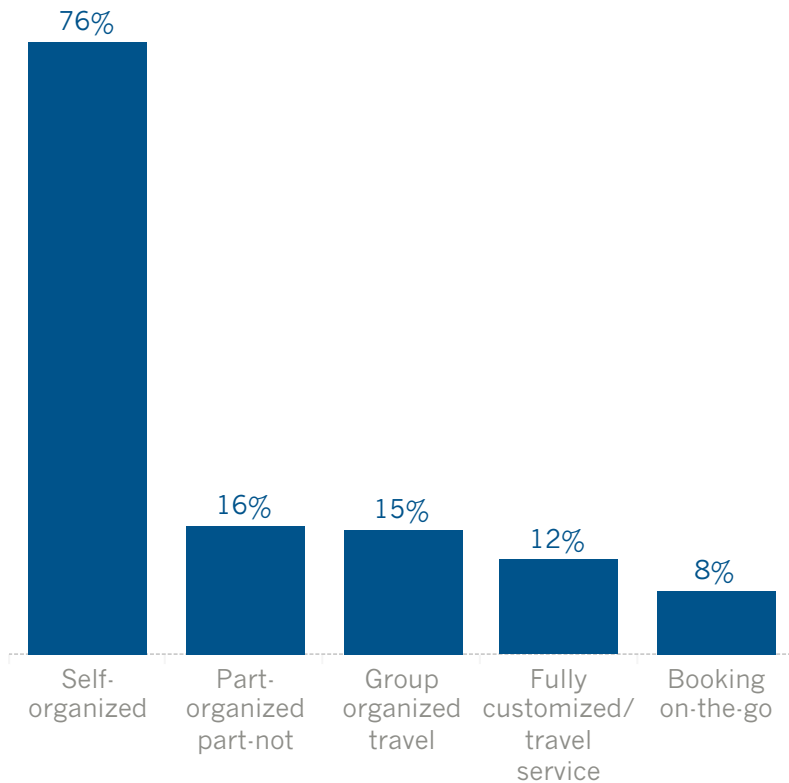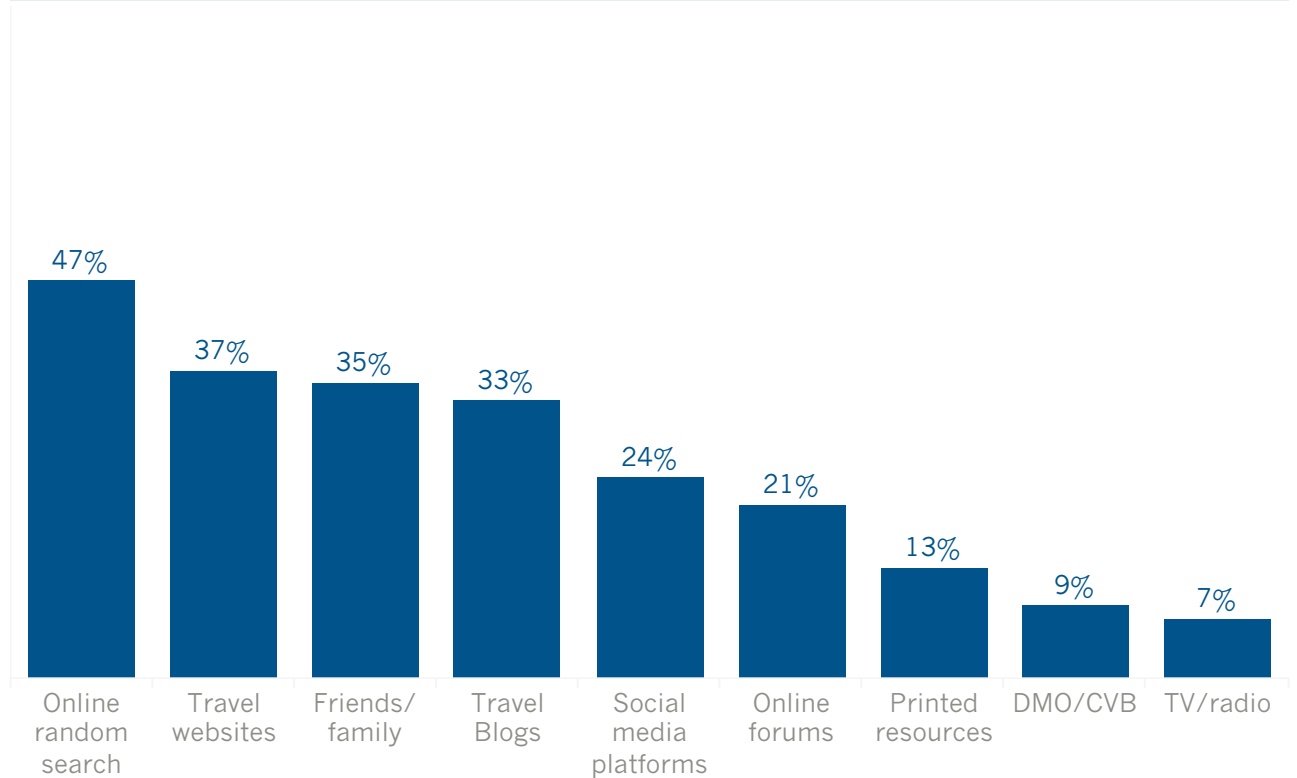
Organizing/Planning Methods

The chart below shows the organizing and planning methods of of the consumer target in the focus market.

Italy

Organizing Travel

Method	Percentage
Self-organized	76%
Part-organized part-not	16%
Group organized travel	15%
Fully customized/ travel service	12%
Booking on-the-go	8%

Planning Methods

Method	Percentage
Online random search	47%
Travel websites	37%
Friends/ family	35%
Travel Blogs	33%
Social media platforms	24%
Online forums	21%
Printed resources	13%
DMO/CVB	9%
TV/radio	7%

Q Organizing: Which of the following describe how you generally organize your holidays?
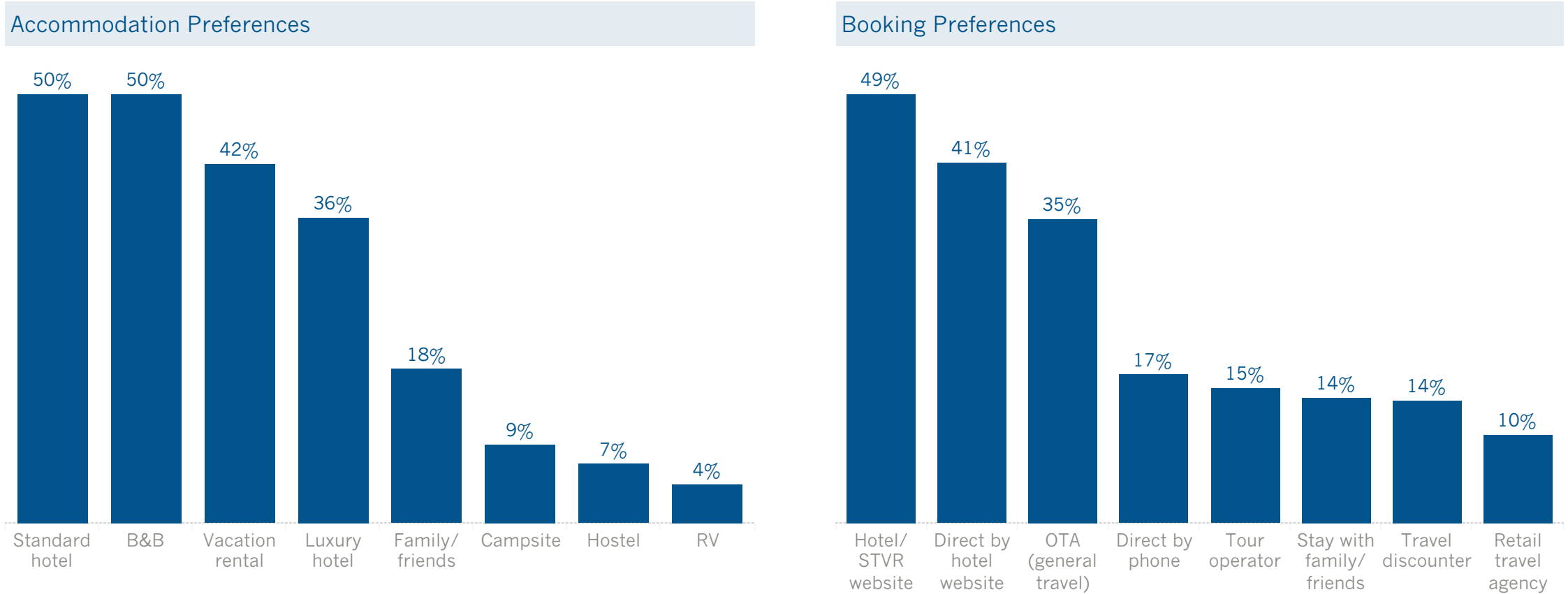Q Planning: Which of the following methods do you generally use to help plan a holiday?

Booking Preferences

The chart below shows the accommodation preferences of of the consumer target in the focus market.

Italy

Accommodation Preferences

Accommodation	%
Standard hotel	50%
B&B	50%
Vacation rental	42%
Luxury hotel	36%
Family/friends	18%
Campsite	9%
Hostel	7%
RV	4%

Booking Preferences

Booking	%
Hotel/STVR website	49%
Direct by hotel website	41%
OTA (general travel)	35%
Direct by phone	17%
Tour operator	15%
Stay with family/friends	14%
Travel discounter	14%
Retail travel agency	10%

Q Accommodation: Which of the following types of accommodations do you typically stay in when you are on holiday?
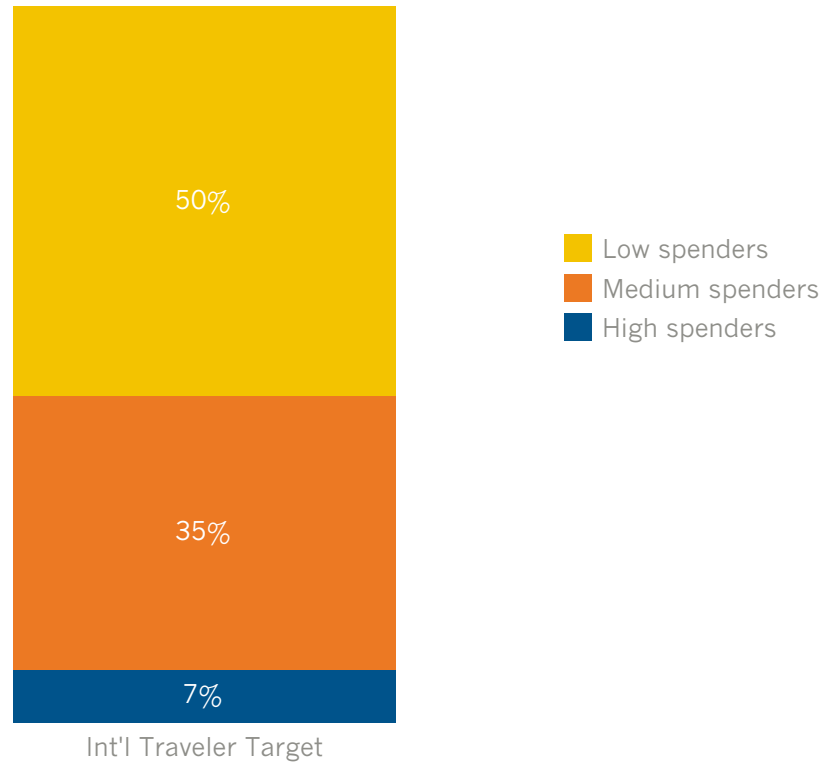Q Booking: Which of the following booking methods do you typically use when booking accommodations for the holidays?

Source: YouGov (July 2022-June 2023)

Media & Advertising

The data shows advertising influences and sports preferences of the target consumer in the focus market.

Italy

Advertising Influences	
Social media	46%
Travel websites	38%
Magazines (digital)	34%
TV - Free to view channels	28%
Online streaming services	20%
Billboards	18%
Radio	17%
Direct mail	16%
Magazines (physical)	15%
Cinema	13%
Public transport	13%
National newspaper (digital)	13%
TV - paid/subscription	12%
Podcast	10%
Local newspaper (digital)	9%
Local newspaper (physical)	9%
National newspaper (physical)	7%

Sports Watched/Followed	
Soccer/Football	33%
Tennis	26%
Volleyball	20%
Swimming	20%
Cycling	16%
Athletics/Track & Field	15%
Basketball	13%
Gymnastics	12%
Running/Marathon	7%
Boxing	6%
NFL	4%
Golf	3%
Horse Racing	3%
Ice Hockey	3%
Rugby League	3%
Baseball	3%
Surfing	2%
Cricket	1%
Australian Rules Football	1%

Q Advertising: Thinking about your next travel or holiday related purchase,...where would you advertise to catch your attention?
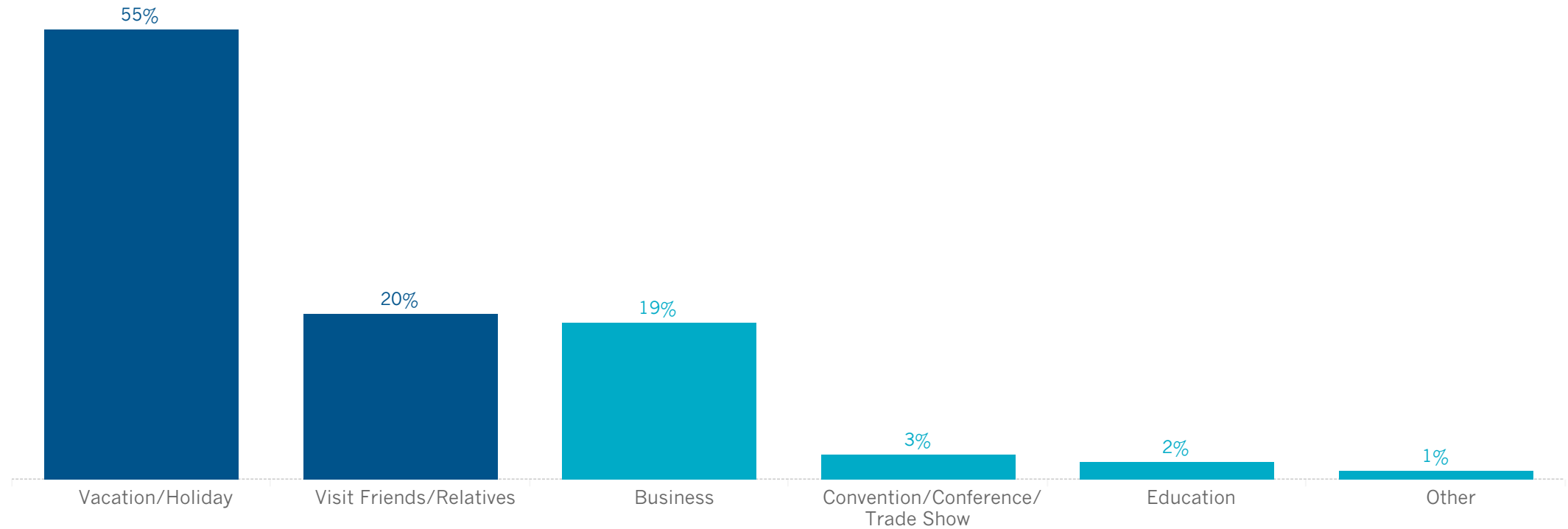Q Sports: Which of the following sports do you watch or follow?

California Travelers &
California Trip Characteristics

Main Purpose of Trip

The chart below shows the main purpose of the trip among travelers in the focus market.

Italy

Main Purpose of Trip

Vacation/Holiday	Visit Friends/Relatives	Business	Convention/Conference/Trade Show	Education	Other
55%	20%	19%	3%	2%	1%

Q. What was the main purpose of your trip?
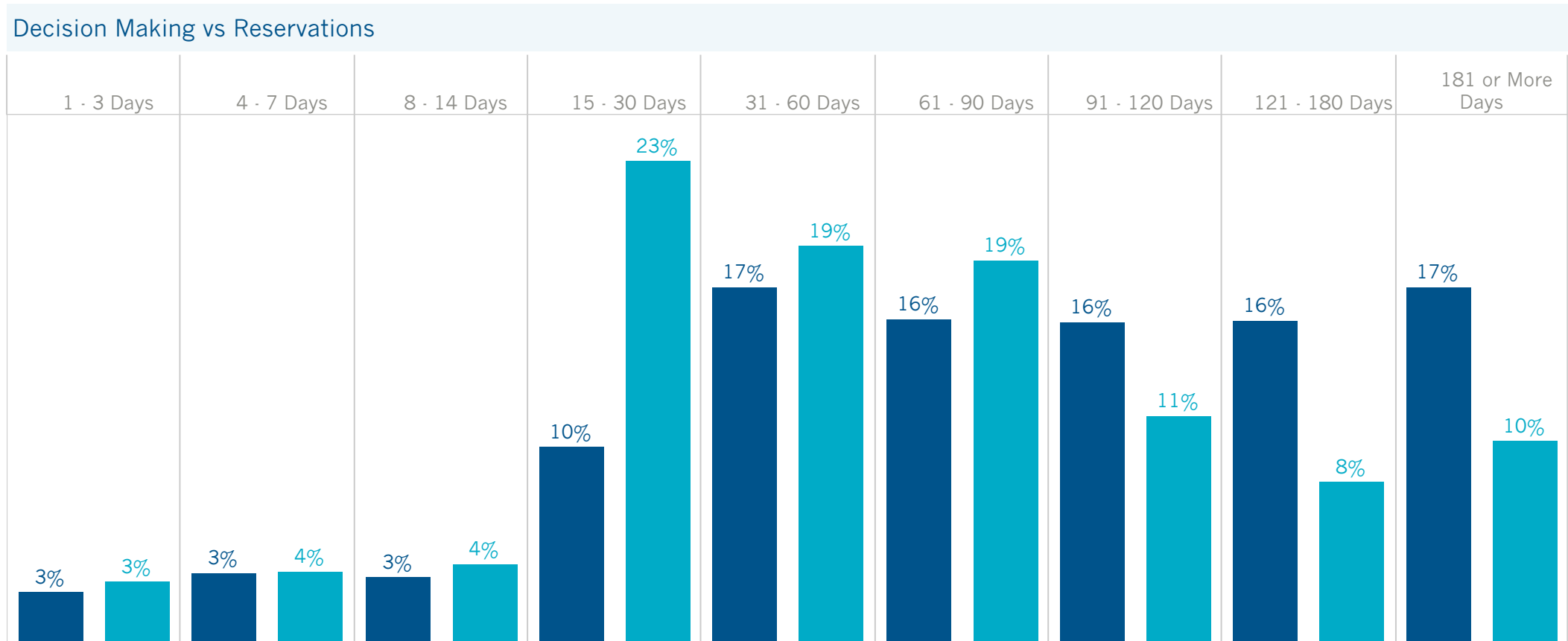
Source: SIAT 2022

Decision Making vs Reservations

The chart below shows the timeframe for making the decision to travel and making the reservations among travelers in the focus market..

Italy

Decision Making vs Reservations

Legend:
- How many days prior to departure did you make the decision to travel?
- How many days prior to departure did you make air travel reservations?

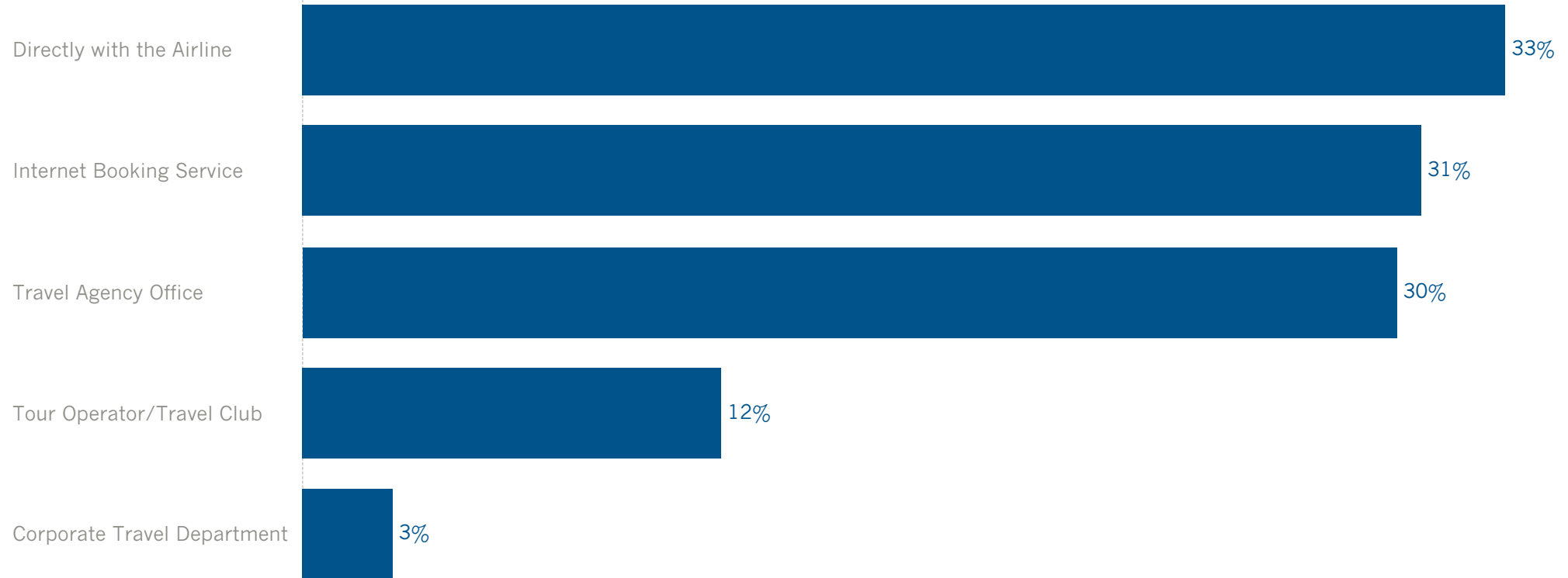|	1 - 3 Days	4 - 7 Days	8 - 14 Days	15 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 180 Days	181 or More Days
Decision to travel	3%	3%	3%	10%	17%	16%	16%	16%	17%
Air travel reservations	3%	4%	4%	23%	19%	19%	11%	8%	10%

Leisure travelers

Airline Reservations

The chart below shows how airline reservations were made for the trip among travelers in the focus market.

Italy

Airline Reservations

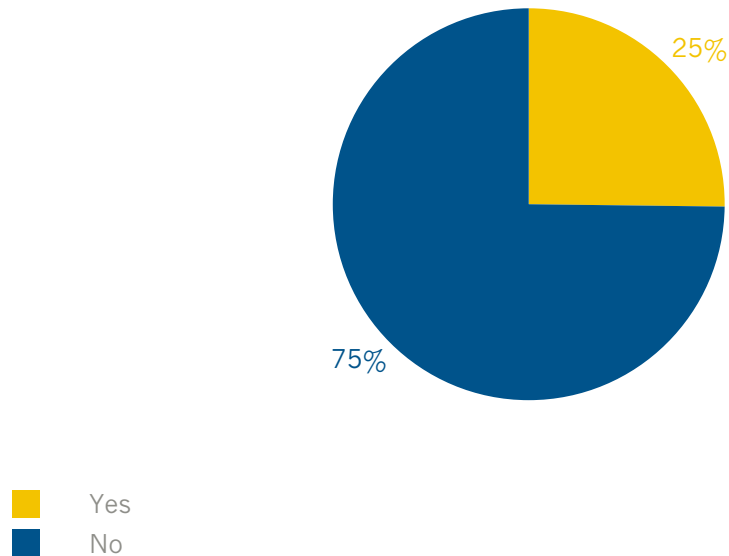| Category	Percentage
Directly with the Airline	33%
Internet Booking Service	31%
Travel Agency Office	30%
Tour Operator/Travel Club	12%
Corporate Travel Department	3%

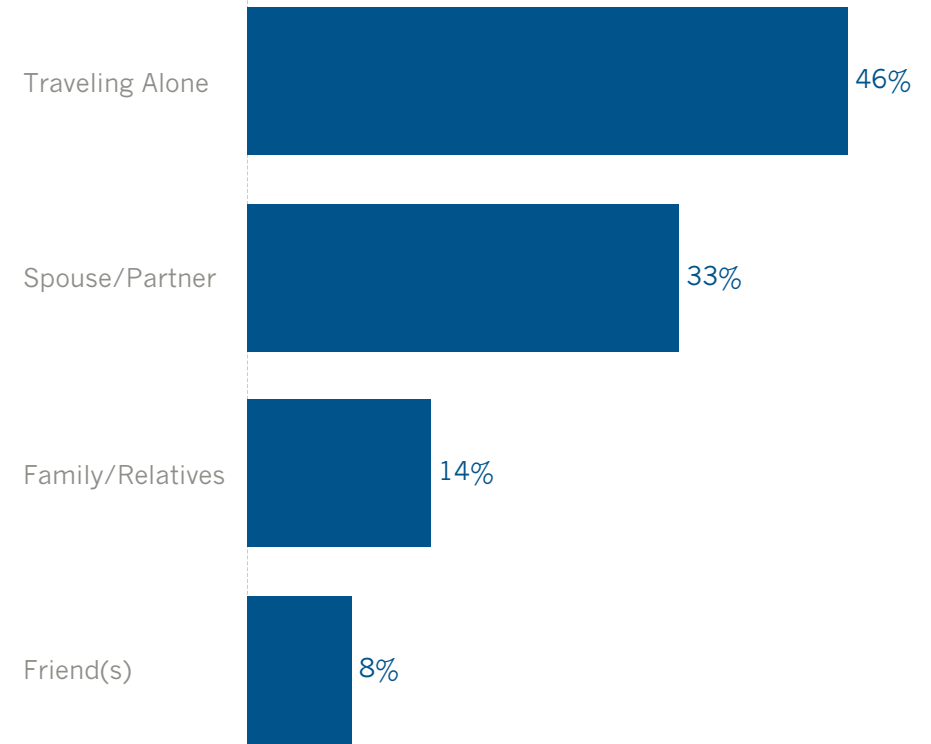# First/Repeat Visitation, Travel Party Size

The charts below show first-time and repeat visitation and travel party size among travelers from the focus market.

Italy

First trip to the US

25%

75%

Yes
No

Travel Companion

Traveling Alone — 46%

Spouse/Partner — 33%

Family/Relatives — 14%

Friend(s) — 8%

Q; Is this your first trip by air to the US?
Q: With whom are you travelling now?

Types of Accommodations & Nights

The charts below show types of accommodations stayed in and number of nights in destination among travelers from the focus market.

Italy

Types of Accommodations

- Hotel or Motel, etc.: 66%
- Private Home: 29%
- Other: 11%

Nights in Destination

- 4-7 Nights: 37%
- 8-14 Nights: 31%
- 2-3 Nights: 14%
- 15-30 Nights: 11%
- 31+ Nights: 5%
- 1 Night:
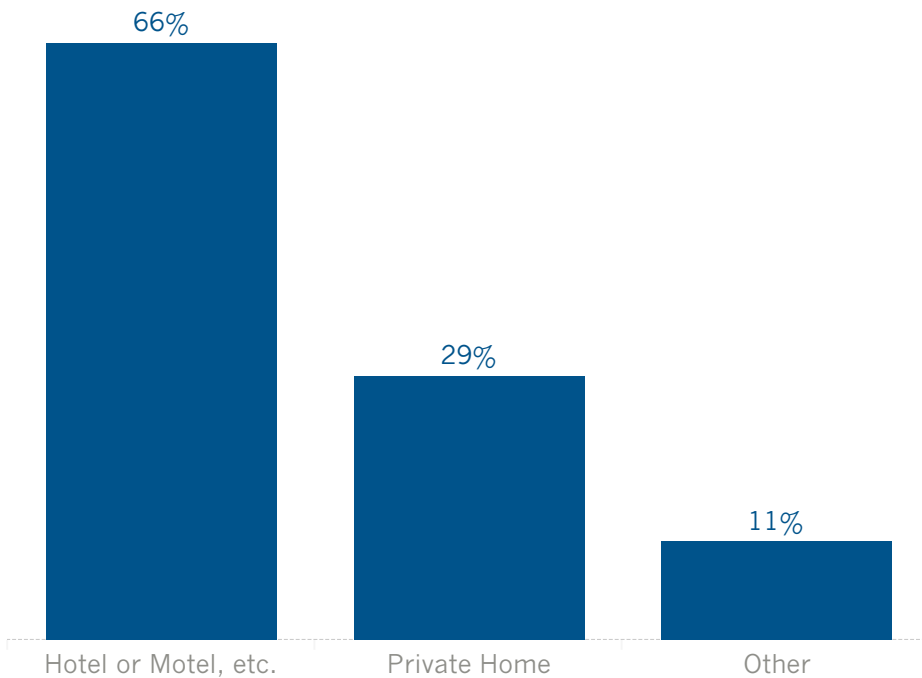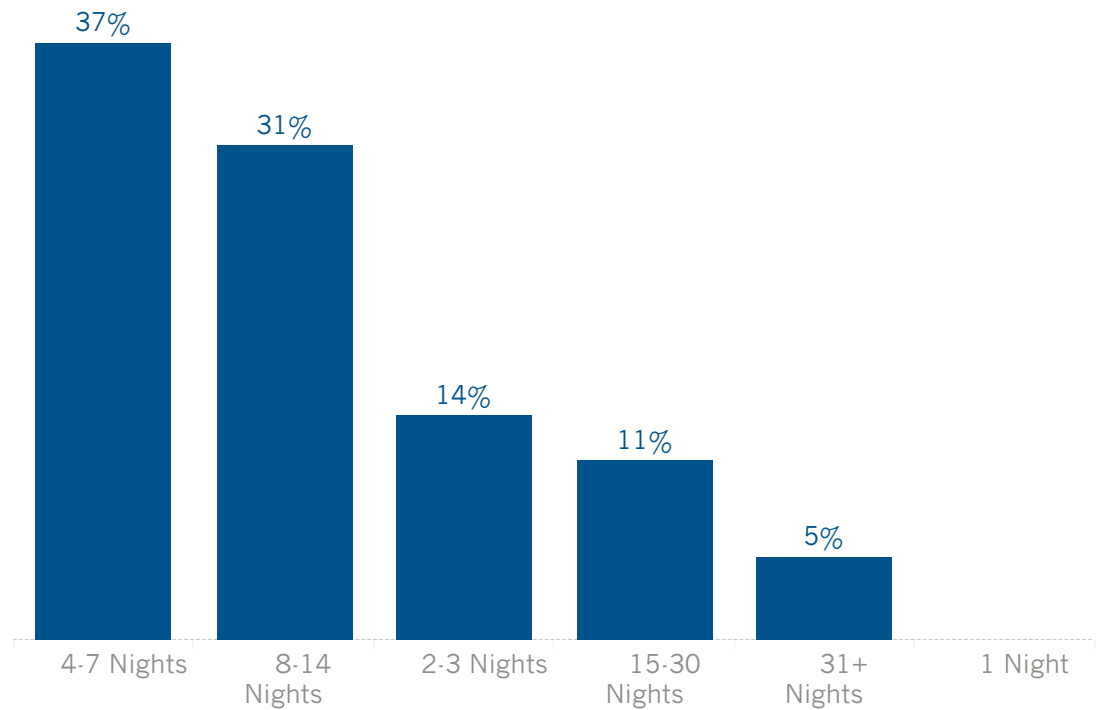
Q: Type of accomodations in the destination
Q: Overall nights in destination

Source: SIAT 2022

Destinations Visited

The chart below shows top U.S. destinations visited on a trip among travelers from the focus market.

Italy

US Destinations visited	
Los Angeles-Long Beach	72%
San Francisco	49%
Las Vegas	40%
Flagstaff-G.Cyn-Sedona	24%
San Diego	17%
New York City	11%
Monterey-Salinas	8%
Anaheim-Santa Ana	5%

Q: What U.S. Destinations did you visit (include main destination)?

Source: SIAT 2022
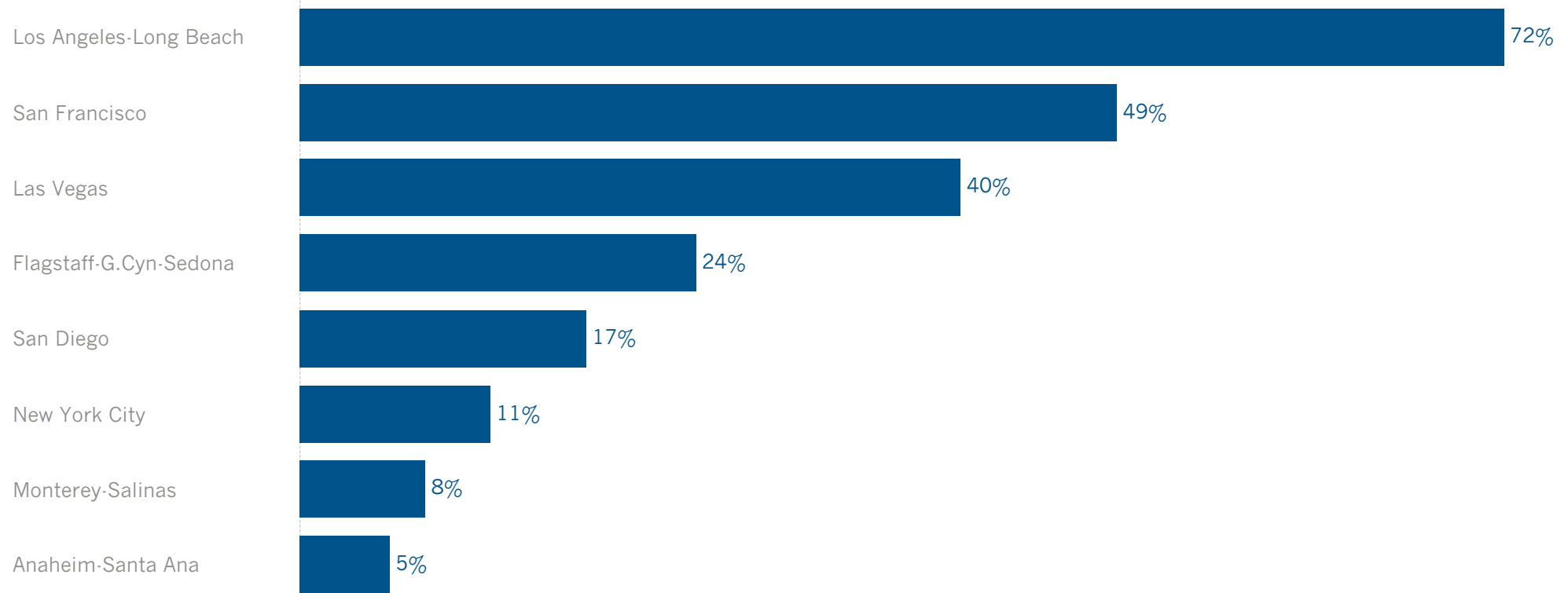
Transportation

The chart below shows the types of transportation used on the trip among travelers in the focus market.

Italy

Types of Transportation	
Auto, Private or Company	54%
Rented Auto	54%
Air Travel between U.S. Cities	44%
City Subway/Tram/Bus	33%
Ride-sharing Service	20%
Bus between Cities	17%
Ferry/River Taxi/Srt Scenic Cruise	14%
Taxicab/Limousine	12%
Rented Bicycle/Motorcycle/Moped	11%
Railroad between Cities	2%
Cruise Ship/River Boat 1+ Nights	1%

Q: What types of transportations were used on this trip?   Source: SIAT 2022
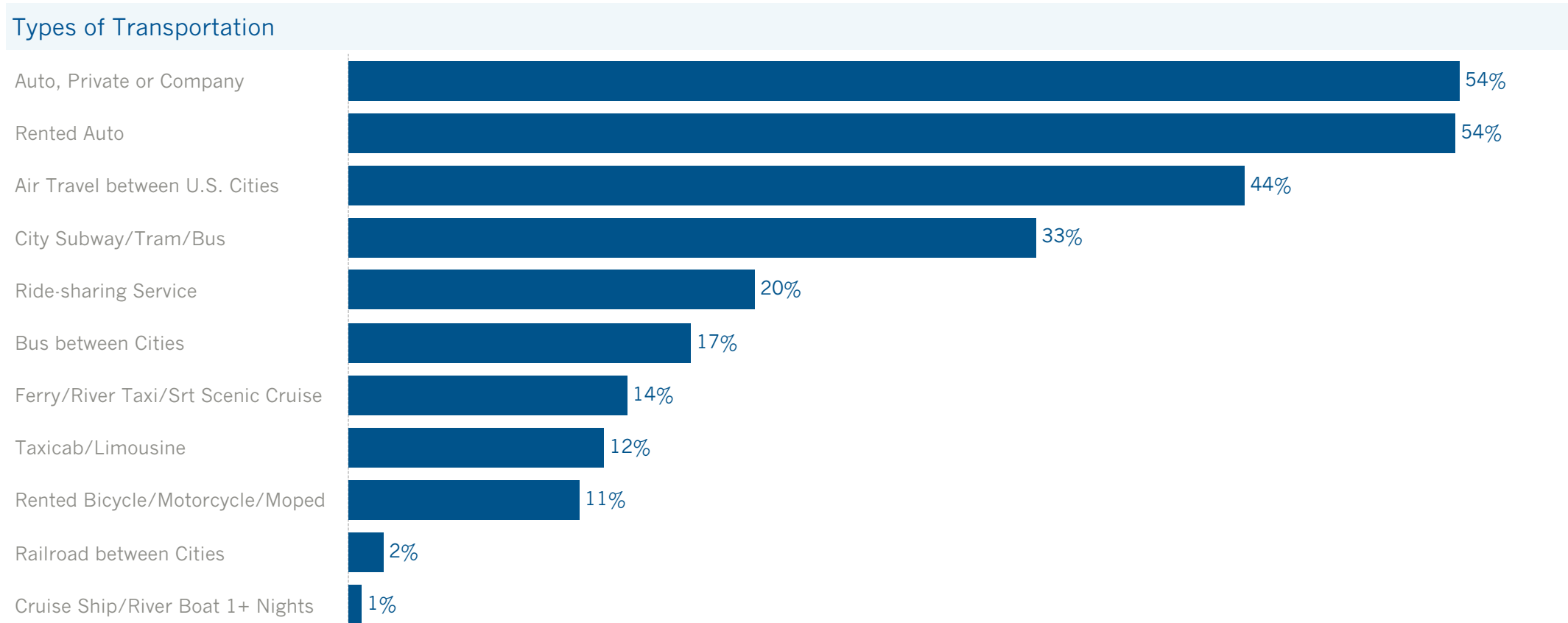
Activities

The chart below shows the leisure activities engaged in on a U.S. trip among travelers to California from the focus market.

Leisure travelers

Italy

Leisure Activities

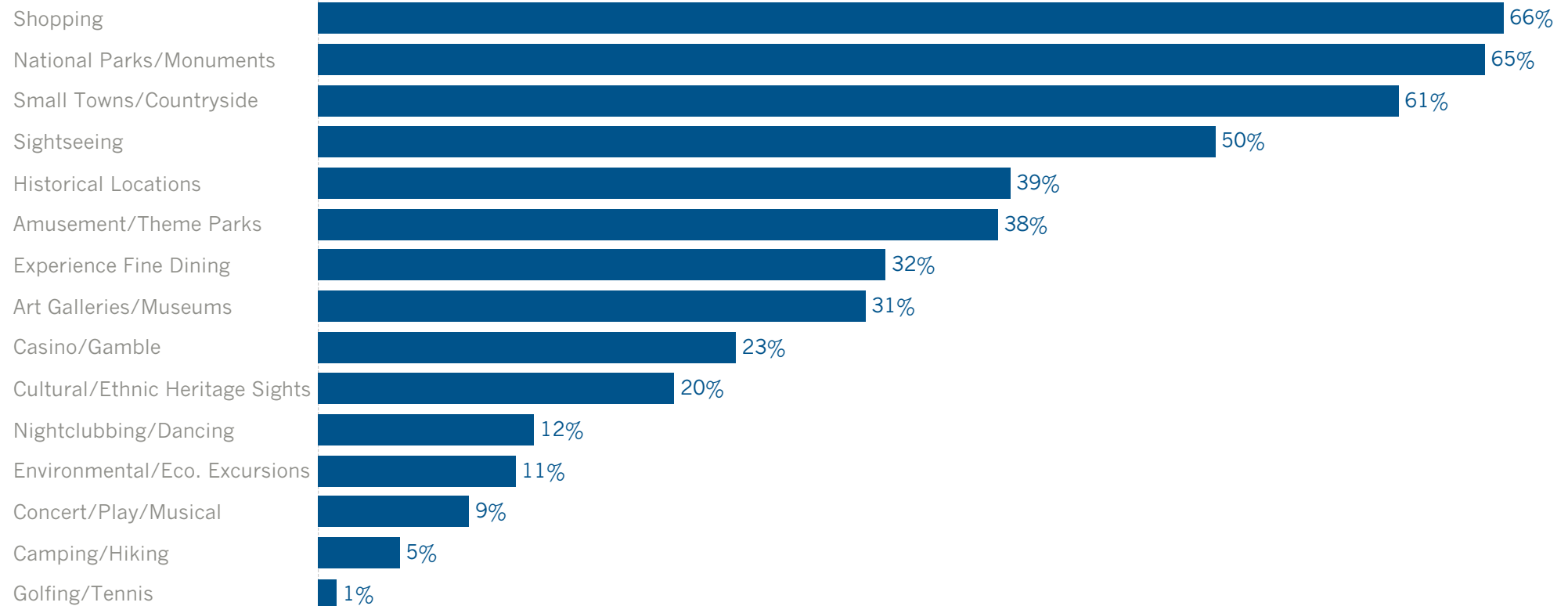| Activity	%
Shopping	66%
National Parks/Monuments	65%
Small Towns/Countryside	61%
Sightseeing	50%
Historical Locations	39%
Amusement/Theme Parks	38%
Experience Fine Dining	32%
Art Galleries/Museums	31%
Casino/Gamble	23%
Cultural/Ethnic Heritage Sights	20%
Nightclubbing/Dancing	12%
Environmental/Eco. Excursions	11%
Concert/Play/Musical	9%
Camping/Hiking	5%
Golfing/Tennis	1%

Q: Did anyone engage in any of the following leisure activities?

Source: SIAT 2022

Expenditures in the US

The chart below shows mean expenditures by category among travelers to California from the focus market.

Italy

Expenditures per visitor	
International Airfare	$907
Food and Beverages	$472
Accommodations/Lodging	$393
Entertainment and Recreation	$229
Shopping, Gifts, and Other Purchases	$200
Ground Transportation	$124
Additional Air Transportation	$114

Q. Mean expenditures per visitor/trip

Source: SIAT 2022