

PROMOTING DOMESTIC TOURISM – THE ITALIAN EXPERIENCE

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Abstract

Domestic tourism in Italy has seen significant growth in recent years, spurred by innovative government policies and effective marketing campaigns. This study analyzes the strategies adopted by Italy to promote domestic destinations, with a focus on the use of digital technologies and public-private partnerships. The results highlight the impact of these initiatives on the country's image, tourist flows, and the local economy. The research explores the evolution of domestic tourism in Italy, focusing on the post-pandemic period. Through a quantitative analysis of official data and qualitative research based on interviews with key players in the tourism sector, the study identifies the factors that influenced the increase in domestic demand. Additionally, it examines the promotional tools used, such as media campaigns, online platforms, and loyalty programs. The findings underline the importance of adapting the tourism offer to the needs and preferences of Italian tourists, as well as the role of collaboration between the public and private sectors in promoting lesser-known destinations.

Key words: innovative tourism products, promotional tools, digital technologies

Introduction

Italy has managed to consolidate its position as a top tourist destination by leveraging the potential of domestic tourism. This study demonstrates that investments in digital marketing, personalized experiences, and the development of innovative tourism products have contributed to the increased attractiveness of domestic destinations. The results provide valuable implications for tourism promotion policies in other countries, emphasizing the need to create a coherent national image and to capitalize on local cultural and natural heritage.

The cross-border tourism survey conducted by the Bank of Italy shows that both foreign and Italian tourists traveled more in the first quarter of 2023, indicating a steady recovery in leisure travel. Compared to last year, foreign tourists' spending in Italy increased by 35%, driven by the rising number of travelers. At the same time, Italian travelers' spending abroad grew by 46%, primarily due to higher per capita expenditures.

Compared to the pre-pandemic period, both inbound and outbound tourist flows were higher in the first quarter of 2023. Inbound flows increased by 1.1%, while outbound flows saw a more significant rise of 10.7%.

The Bank of Italy also published data for 2022, showing that foreign tourists' spending in Italy doubled compared to 2021 but remained 10% lower than the pre-pandemic period. Similarly, Italian travelers' spending abroad increased, leading to a significant widening of the tourism balance surplus, returning to the 2019 level (1.0% of GDP, from 0.5% in 2021).

Despite ongoing travel restrictions in most Asian countries throughout 2022, international tourism experienced a global recovery. Italy's market share increased significantly from 3.9% to 4.5%.

Results and discussion

The COVID-19 pandemic has profoundly reshaped the behavior of Italian tourists. This research compares the segmentation of domestic tourists before and after the pandemic, identifying new trends and preferences. The analysis explores the impact of travel restrictions, economic factors, and marketing strategies on holiday decisions. The study uses primary data collected through online surveys to analyze the evolution of Italian tourist segmentation before and after the pandemic. Through advanced statistical

techniques such as factor analysis and segmentation models, the research identifies new tourist profiles and explores the determinants of behavior changes.

The pandemic accelerated the transformation of the Italian tourism sector. The study identifies a growing interest in lesser-known destinations, authentic experiences, and sustainable tourism. The results highlight the necessity of adapting the tourism offer to the new preferences of tourists.

The total number of trips in Italy exceeded pre-pandemic levels, reaching 35.22 million in 2023. This growth is attributed to a strong desire to travel and experience new things following the relaxation of travel restrictions, reduced travel costs offered by low-cost airlines, and increased incomes of young people. The compound annual growth rate (CAGR) for international departures is expected to exceed 6% between 2023 and 2027.

The Italian Source Market Tourism Research Report provides a detailed analysis of source markets and infrastructure development. It also offers a comprehensive understanding of market dynamics by analyzing opportunities and challenges. Additionally, a detailed assessment of traveler types will help understand demand trends. Domestic tourism led the Italian source market in 2023.

Key segments of the Italian source market tourism sector include domestic and outbound tourism. In 2022, domestic travel in Italy experienced significant recovery, a trend that continued in 2023. Market revenue growth was supported by the accommodation, food services, and retail sectors. The increase in domestic tourism spending during the forecast period is due to the removal of travel restrictions, proactive government measures to protect health, and increased demand for leisure travel and visits to friends and relatives.

On the other hand, outbound tourism spending returned to pre-pandemic levels in 2023, demonstrating a growing demand for international travel, largely due to the reopening of borders and the revival of leisure travel.

Market segmentation of the Italian source market by type shows that sun and beach holidays were the most popular in 2021. The Italian tourism market is diverse, including beach tourism, cultural tourism, visits to friends and family, and adventure activities. Popular domestic destinations for sun and beach holidays include Sardinia, the Neapolitan Riviera, Sicily, Rimini, and Puglia.

City breaks became the second most preferred type of vacation, with destinations like Florence, Naples, Perugia, Siena, and Bergamo, where visitors can explore ancient ruins, admire beautiful architecture, and discover rich culture in local museums.

The growth of the Italian tourism sector is attributed to the development of tourism infrastructure, good transportation links, and favorable summer climate. Domestic tourism could be a safer option in times of uncertainty and international restrictions. Additionally, government measures in other countries to control over-tourism offer Italy opportunities to develop its tourism industry by improving infrastructure.

However, the rising cost of living may affect the development of the tourism sector, influencing travelers' purchasing decisions. Additionally, the increased threat of terrorism can affect travel conditions and public perception. Therefore, destinations must prioritize safety, highlight internal stability, expand tourist attractions, and encourage regional collaboration.

A new emerging segment in the Italian tourism market is glamping, which combines luxury with nature and uses sustainable materials. Glamping has seen a spectacular rise in recent years, with an annual growth rate of 10%. The pandemic has accentuated this trend, as restrictions have favored outdoor activities. Glamping offers luxurious vacation experiences while respecting the surrounding environment. In Italy, glamping generates 22 million euros annually, with substantial growth compared to the pre-pandemic period. Italy has approximately 295 glamping accommodations, most of which are in Tuscany, Piedmont, and Veneto, with a total of around 10,000 beds available.

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Another trend is Italy Family Hotels, a group of 140 family-friendly hotels located in some of Italy's most picturesque locations, which conducted a study revealing several interesting trends. It highlighted an increased interest in hotel vacations, a trend toward earlier booking, a focus on experiential activities, and a desire to bring pets along.

Compared to last year, requests for offers in June and September increased by 13%. The beach remains the preferred destination for Italian families, chosen by 79.6%, but mountains and lakes are also becoming increasingly popular, with growth rates of 29.2% and 10.9%, respectively. Italian families are increasingly adopting the early booking model, with summer vacation requests rising by 115% in January and 49% in February.

When booking a summer vacation at a hotel, families prioritize access to a private beach and sea, a swimming pool, and entertainment. Additionally, there has been a significant increase in interest in the availability of SPAs (+20%) and wellness services for children (+15%), creative workshops (+15%), educational visits (+56%), and nature activities such as canoeing (+100%) and horseback riding (+75%). Pet-friendly accommodations have also become increasingly popular, with a 22% increase, and organic food services are increasingly appreciated, with a 20% increase.

Conclusions

Italy has experienced a significant increase in travel numbers following the COVID-19 pandemic, surpassing pre-pandemic levels in 2023. This growth is driven by a strong desire to travel, reduced travel costs provided by low-cost airlines, and increased disposable income among young people.

The Italian tourism market is diverse, with beach and sun vacations being the most preferred types of travel, followed by city breaks. Domestic destinations such as Sardinia, the Neapolitan Riviera, and Sicily attract tourists for summer vacations, while cities like Florence and Naples are popular for city breaks.

The growth of the Italian tourism sector is attributed to the development of infrastructure and favorable conditions. However, rising living costs and security threats, such as terrorism, present significant challenges. In this context, focusing on safety, internal stability, and regional collaboration is essential for the sustainable development of tourism.

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