

# Wesgro

cape town & western cape research

an inspiring place to know

### Contents

- 1. Overview of Italy
- 2. Economic Overview of the Italy Travel Market
- 3. Overview of the Italy Travel Market
- 4. The Italian traveller to South Africa
  - 4.1 Visitor Arrivals to South Africa
  - 4.2 Purpose of visit to South Africa
  - 4.3 Activities in South Africa
- 5. The Italian traveller to the Western Cape
  - 5.1 Visitor Arrivals to the Western Cape
  - 5.2 Italy Passenger Traffic through Cape Town International Airport
  - 5.3 Spend patterns
  - 5.4 Bed nights & Average Length of Stay in the Western Cape
- 6. Italian Traveller Trends
  - 6.1 Outbound travel trends
  - 6.2 Media Consumption Habits
- 7. Italian Booking Trends
- 8. Key Findings
- 9. List of sources

# 1. Overview of Italy

About Italy			
Where is Italy?	Italy consists of a mountainous peninsula in southern Europe extending into the Mediterranean Sea, and includes the islands of Sicily, Sardinia and about 70 other smaller islands. The Alps form Italy's border with France, Switzerland, Austria and Slovenia.		
Population (millions)	60.6 (2018)		
Time Difference	South Africa is an hour ahead of Italy		
Language	Italian, German, French, Slovenian		
Economy	Italy ranks among the top 10 economies in the world in terms of GDP.		
	Greeting which can mean either hello or goodbye:		
Formal Greeting	Standard Greeting: 'Buon giorno' (bwohn-johr-noh) Informal Greeting: 'Ciao' (chow)		
	Restaurants		
	Food and wine are fundamental components of Italian culture.		
	Most Italians are big bread eaters and always have bread on the table when dining.		
	General culture		
Italian Etiquette	Most Italians are social and outgoing who want flexibility, fun and freedom when travelling.		
	They enjoy natural scenery and authentic cultural and historical experiences.		
	First impressions are important to Italian people and maintaining a favourable image matters.		
	Italians dislike being called on their first name unless they have invited one to do so.		

#### 2. Economic Overview of the Italian Travel Market

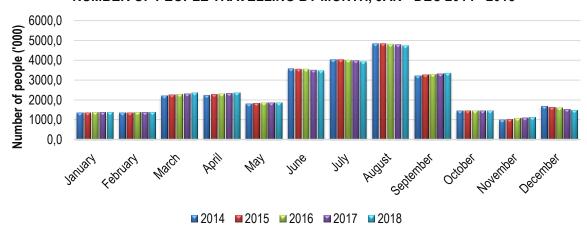
- Italy's economy has struggled over the last few years and this trend will continue through 2019. Real GDP is expected to decrease by 0.1% in 2019, down from growth of 0.9% in 2018.
- Italy's current population is around 60 million and with relatively slow fertility of 1.4 births per female, the median age is rising. Italy currently has the second oldest population in Europe, after Germany.
- The ageing population and generous pension systems has created a growing demand for discretionary items such as tourism. The number of travellers aged 50 64, and 65+ years increased by 14% and 13% respectively over the 2012 2017 period.
- In 2018, Italy's savings ratio was 7,5% of disposable income and consumer expenditure per capita amounted to US\$21 041.
- Consumer spending is expected to grow at an average annual rate of 0,7% over the 2019 2030 period. Health goods & medical services, and transport are expected to be the categories showing strongest growth in expenditure over the 2019 2030 period.
- Despite high average disposable income and a relatively low wealth gap, consumer confidence remains low. Average household expenditure declined by 4% in real terms over the 2012 – 2017 period, however health and hospitality with the only categories to witness growth.
- Social Media usage is on the rise in Italy. The 2017 Global Consumer Trends Survey by Euromonitor found that 53% of Italian respondents accessed a social networking site daily from a phone, and 72% used a messaging app every day (up from 65% in 2016).
- The rise of social media has led to increased impact of social media influencers on consumer spending habits, especially in the areas of beauty and fashion. A 2018 study by L'Oreal found that 30% of Italian women consulted blogs when researching cosmetic products.
- Euromonitor International's GCT Survey of 2017 found that 82% of Italian respondents took at least one domestic leisure trip and 55% at least one international leisure trip within one year. Most travellers do not venture beyond other European destinations but visits to the US increased by 6% in 2018.
- In 2018, Egypt, Morocco, Kenya, and Tunisia were the most significant African destinations visited by Italian travellers, with more than 100 000 outbound trips each.
- Italian consumers are paying more attention to ethical living. The 2017 GCT Survey revealed that 42% of Italian respondents seek products that are sourced locally and 37% of respondents said that they look for environmentally/ethically conscious features when buying household essentials.

# 3. Overview of the Italian Travel Market

Italy Travel Market	
Largest Cities % of total population, number of people	<ol> <li>Rome: 4,4% (2.7 million)</li> <li>Milan: 2,1% (1.2 million)</li> <li>Naples: 1,5% (917 100)</li> <li>Turin: 1,4% (885 200)</li> <li>Palermo: 1,0% (633 500)</li> </ol>
Disposable income Per capita, US\$ 2017	20,868
Savings As % of disposable income	7.5%
Median Age	27.5 years
Paid Holidays (2019) Public Holidays (2019) Annual Leave (2019)	26.0 11.0 37.0
Outbound Departures ('000 trips)	1. 2016: 30,320.4 2. 2017: 31,106.8 3. 2018: 32,419.9
Top 3 Outbound Destinations ('000 trips, 2018)	<ol> <li>France: 7,097.5</li> <li>Spain: 4,300.6</li> <li>Germany: 1,742.3</li> </ol>
Events impacting outbound travel	Extension free Vietnam visa for visitors from 5 European countries including Italy
Type of Outbound Trips	Leisure: 85.6% Business: 14.4%

#### Seasonality Patterns

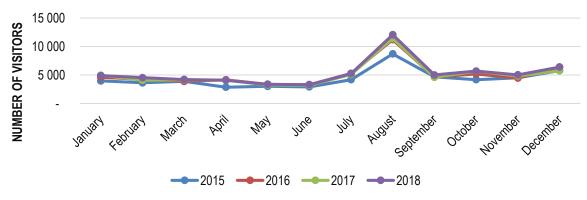
#### NUMBER OF PEOPLE TRAVELLING BY MONTH, JAN - DEC 2014 - 2018



# 4. The Italian traveller to South Africa

Italian Travel Market	
Number of Arrivals	2015: 52 377 2016: 60 774 2017: 61 126 2018: 63 870
Purpose of visit to South Africa (2017)	Leisure (74,7%) Business (18,3%)
Average length of stay in South Africa (Number of nights)	2016: 11,1 2017: 14,7 2018: 15,0
Age profile (2018)	18 – 24 yrs (11,0%) 25 – 34 yrs (31,4%) 35 – 44 yrs (19,6%) 45 – 54 yrs (17,6%)
Repeater Rate of Italian Travellers (2018)	<ol> <li>First Time: 68,0%</li> <li>2 -3 times: 14,9%</li> </ol>
Accommodation Usage (2018)	<ol> <li>Hotels (229 631)</li> <li>Game Lodge (152 469)</li> <li>Friends &amp; Family (144 364)</li> </ol>
Total Foreign Direct Spend in South Africa (R in millions)	2016: R 852 2017: R 1 274 2018: R 1 142
Average Spend in South Africa	2016: R 15 600 2017: R 23 700 2018: R 19 800
Most positive experiences for Italian visitors in South Africa (2017)	<ol> <li>The scenery</li> <li>The wildlife</li> <li>The diverse experience</li> </ol>

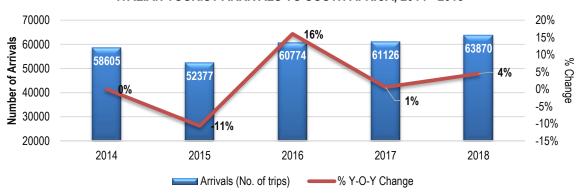
#### SEASONALITY PATTERNS: ITALIAN TRAVELLERS TO SOUTH AFRICA BY MONTH, JAN - DEC 2015 - 2018



#### 4. The Italian traveller to South Africa

#### 5.1. Visitor Arrivals to South Africa

#### ITALIAN TOURIST ARRIVALS TO SOUTH AFRICA, 2014 - 2018



#### 5.2. Purpose of visit to South Africa

Italian visitors travelling to South Africa are predominantly visiting for the purpose of holiday, MICE, and business. They are most impressed with South Africa's scenery, wildlife, and the diverse experience. They typically visit the Western Cape, Gauteng, and Mpumalanga province and their length of stay in the country is on average 15.0 nights.

They are typically between the ages of 25 and 54 years, with 31,4% in the 25-34 years category, 19,6% in the 35-44 years category, and 17,6% are in the 45-54 years category. In 2018, 68,0% of Italian travellers to South Africa were first time visitors to the country and 32,0% were repeat visitors.

Top reasons for travel to SA
Holiday (68,0%)
MICE (10,7%)
Business (8,7%)
Average length of 15,0

#### 5.3. Activities in South Africa

Top activities undertaken
1. Wildlife
2. Visiting natural attractions
3. Adventure
4. Business
5. Theme parks

Wildlife, visiting natural attractions, adventure, business, and theme parks, were amongst the top activities undertaken by Italian tourists while in South Africa. In 2018 their average spend was R19 800 per tourist.

stay (2018)

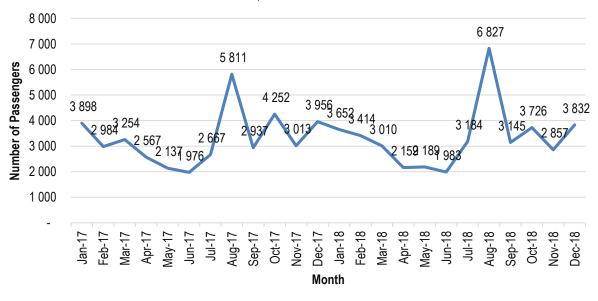
They are more likely to book hotels or make use of game lodge accommodation Many Italian guests also opt to stay with family and friends.

nights

# 5. The Italian traveller to the Western Cape

Italy Travel Market	
Number of Arrivals	2015: 30 007 2016: 37 433 2017: 34 045 2018: 38 622
Total Foreign Direct Spend in the Western Cape (R in millions)	2015: 316 2016: 382 2017: 566
Average Spend in the Western Cape	2015: R 11 600 2016: R 11 400 2017: R 17 800
Average length of stay in the Western Cape (Number of nights)	2015: 10,4 2016: 10,1 2017: 13,5
Total bed nights spent in the Western Cape	2015: 283 000 2016: 342 000 2017: 441 000
Total number of *formal bed nights spent in the Western Cape	2015: 210 000 2016: 271 000 2017: 313 000

# ITALIAN PASSENGER MOVEMENT THROUGH CAPE TOWN INTERNATIONAL AIRPORT, JAN 2017 – DEC 2018



Sources: SA Tourism, OAG Traffic Analyser, 2019

<sup>\*</sup>Formal bed nights = Hotels, B&B's, Guesthouses, Self-catering units, Game Lodges and Backpackers

# 5. The Italian traveller to the Western Cape

#### 5.1. Visitor Arrivals to the Western Cape

The Western Cape saw a significant increase in Italian visitors in 2016. This comes after a decrease in Italian tourist arrivals in 2015 and again in 2017.

Visitor numbers have since recovered, increasing by 13,4% from 2017 to 2018.

The top airlines operating between Italy and Cape Town are Emirates, Lufthansa, Ethiopian Airlines, British Airways, and Turkish Airlines.

Period	Tourist Arrivals	Y-O-Y % Change	
2014	33 332	-	
2015	30 007	-10,0%	
2016	37 433	24,7%	
2017	34 045	-9,1%	
2018	38 622	13,4%	

#### 5.2. Passenger Traffic through Cape Town International Airport

Inbound Passenger Performance: Italy – Cape Town				
Country	Country Passengers 2018		Passengers Jan - Aug 2019	% Change Jan - Aug 2018- 19
Italy	39 978	1%	27 530	4%

Top 5 Cities: Italy – Cape Town					
Rank	Airport	Passengers 2018	% Change 2017-18	Passengers Jan - Aug 2019	% Change Jan - Aug 2018-19
1	Milan Malpensa	16 103	4%	11 234	6%
2	Rome Fiumicino	8 683	-2%	5 747	3%
3	Venice Marco Polo	4 861	-1%	3 212	-4%
4	Bologna Guglielmo Marconi	3 674	-3%	2 376	-5%
5	Milan Linate	2 541	-16%	1 252	-25%

#### 5.3. Spend Patterns

In 2017, the Italian market contributed R566 million to the Western Cape's economy placing it top 10 most lucrative source market for the province.

On average, Italian tourists spent R17 800 per trip in the Western Cape in 2017. Total Foreign Direct Spend has increased steadily between 2015 and 2017, growing by a significant 48,2% from 2016 to 2017.



# TOTAL FOREIGN DIRECT SPEND IN THE WESTERN CAPE, 2015 - 2017

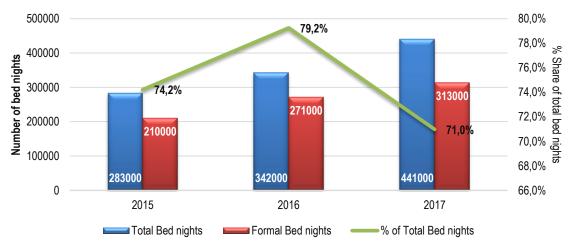


#### 5.4. Bed nights and Average Length of Stay in the Western Cape

In 2017, Italian travellers spent 441 000 bed nights in the Western Cape, of which 313 000 were spent in the \*formal accommodation sector. The number in total bed nights increased by 28,9% and formal bed nights increased by 15,5% when compared to the 2016 figures.



# NUMBER OF BED NIGHTS SPENT BY ITALIAN TOURISTS IN THE WESTERN CAPE, 2015 - 2017



<sup>\*</sup>Formal Bednights refers to Hotels, B&Bs, Guesthouses, Self-catering units, Game Lodges and Backpackers.

#### 6. Italian Traveller Trends

#### 6.1. Outbound travel trends

In 2018, a total of 33 059 900 Italian international outbound trips were made with an expenditure value of EUR 25 million, which is expected to increase to EUR 27 million by 2024. A GCT Survey in 2017 revealed that 55% of Italian respondents took at least one international leisure trip for the year.

Most travellers prefer travel to other European destinations. France, Spain, Germany, Greece, and the UK were the top five outbound destinations for Italian travellers in 2018 which accounted for 50% of all outbound trips. The USA was the most popular non-European destination for Italian travellers over the period 2014 – 2018. Egypt, Morocco, Kenya, and Tunisia are the most popular African destination for Italian travellers and accounted for 3% of outbound trips in 2018.

Italian travellers have, on average, 37 days annual leave per year. Seasonality patterns indicate that they are most likely to travel between June and September with the peak of outbound travel taking place in August. Of all outbound trips in 2018, 85,6% were for the purpose of leisure.

Italy has the second oldest population in Europe, after Germany. The ageing population and generous pension systems has created a growing demand for discretionary items such as tourism. The number of travellers aged 50 – 64, and 65+ years increased by 14% and 13% respectively over the 2012 – 2017 period.

The 2017 GCT Survey indicates that 'relaxation' (53%), 'arts and heritage' (36%), 'nature and outdoor activities' (30%), and 'safe destination' (29%) were the most important considerations for travel for Italians

Top travel considerations
Relaxation
Arts & Heritage
Nature & Outdoor Activities
Safe Destination

#### 6.2. Media consumption habits

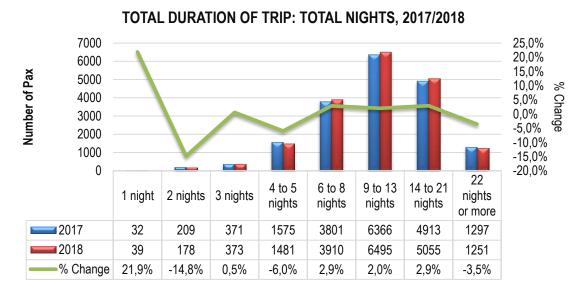
Travel is the most prominent industry in digital commerce in Italy according to Euromonitor International. Italians book accommodation and transport online making use of search engines and OTA's to compare prices and obtain lower prices.

Last minute and low cost bookings are a growing trend along with automated chatbots that allow consumers to book via instant messaging apps such as Facebook Messenger. A recent survey by Euromonitor International reveals that 40% of interviewees were willing to interact with chatbots to book their travels.

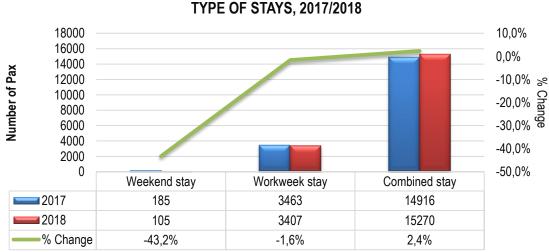
Although desktop computers are still the preferred device used for bookings, mobile phones are used to search for information prior to, as well as during the trip. This is driven mostly by the development of apps that address the traveller needs at different stages of the travel cycle.

## 7. Italian Traveller Booking Trends

This section provides an overview of traveller booking trends obtained from ForwardKeys, an established data, IT and business intelligence company. ForwardKeys offers a new approach to traveller operational business intelligence, leveraging global flight reservation information and other data to monitor and qualify traveller flows, map global demand, and forecast trends. ForwardKeys receives fresh data daily from different BI providers, ranging from capacity data, to flight searches, and booked air plane tickets. It is therefore important to note that the sample of bookers represent travellers who have conducted bookings at the respective BI providers aligned with ForwardKeys, and does not represent the complete travel market.

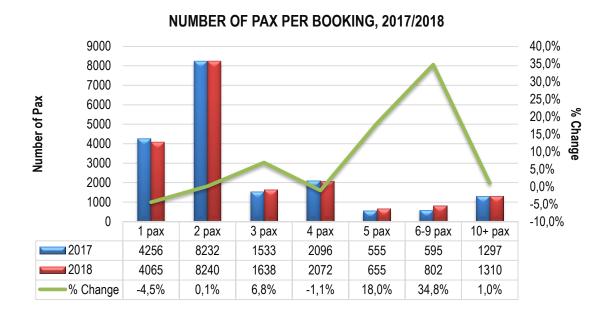


Visitor arrivals from Italy to the Western Cape increased by 1,2% from 2017 to 2018, The total duration of trip indicates that Italian visitors spent a longer time travelling in 2018 than they did in 2017. The year-on-year change was most significant in the 6 - 21 nights categories. The length of stay in destination also saw an increase in the 3 nights (+8,1%) and 6 to 8 nights (+19,4%) and 9 to 13 nights (+0,1%) categories indicating that tourists took longer holidays and spent more time in Cape Town in 2018. This is further reflected in the 2,4% year-on-year increase of Combined Stays from the Italian market.

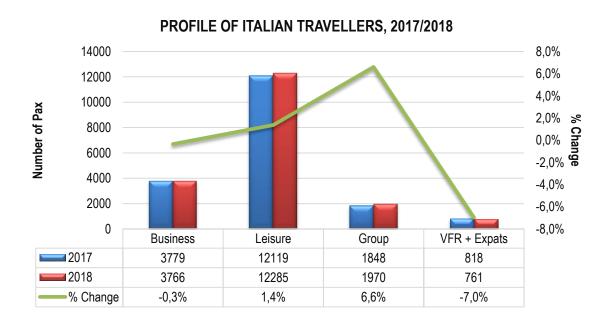


an inspiring place to know

# 7. Italian Traveller Booking Trends

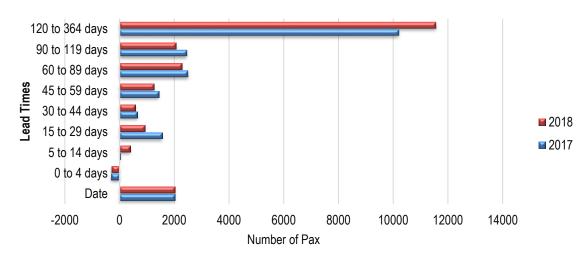


The number of passengers per booking indicates that Italian travellers are inclined to travel in small groups, though most still travel in pairs. The year-on-year change was most significant in the 5 pax (+18,0%) and 6-9 pax (34,8%) categories. Business Travel saw a slight decline in 2018 and Leisure remains the predominant reason for Italian travel to Cape Town.



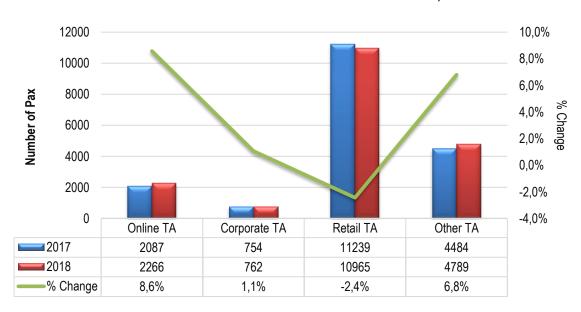
# 7. Italian Traveller Booking Trends

LEAD TIMES: NUMBER OF DAYS BETWEEN BOOKING AND FLIGHT DAY, 2017/2018



Booking trends indicate that Italian tourists are more likely to book their flights more than 4 months before the actual flight day. The use of Online Travel Agencies (OTA's) grew by 8,6% from 2017 to 2018, however, Retail Travel Agency remains the top distribution channel used by Italian travelers when making bookings.

#### **DISTRIBUTION CHANNELS USED BY ITALIAN TRAVELLERS, 2017/2018**



## 8. Key Findings

- Italian visitors travelling to South Africa are predominantly visiting for the purpose of holiday, MICE, and business. They are most impressed with South Africa's scenery, wildlife, and the diverse experience.
- Italian visitor arrivals increased by 14% since 2014, and Total Foreign Direct Spend increased by 48,2% from 2016 to 2017, making it one of the top 10 source markets for the Western Cape.
- Euromonitor International's GCT Survey of 2017 found that 82% of Italian respondents took at least one domestic leisure trip and 55% at least one international leisure trip within one year.
- Most travellers do not venture beyond other European destinations. The USA was the most popular non-European destination for Italian travellers over the period 2014 – 2017. Egypt, Morocco, Kenya, and Tunisia are the most popular African destination for Italian travellers and accounted for 3% of outbound trips in 2018.
- In 2017, the Italian market contributed R566 million to the Western Cape's economy placing it top 10 most lucrative source market for the province.
- Italian travellers have, on average, 37 days annual leave per year. Seasonality patterns indicate that
  they are most likely to travel between June and September with the peak of outbound travel taking
  place in August.
- Italy has the second oldest population in Europe, after Germany. The ageing population and generous pension systems has created a growing demand for discretionary items such as tourism. The number of travellers aged 50 64, and 65+ years increased by 14% and 13% respectively over the 2012 2017 period.
- Social Media usage is on the rise in Italy. The 2017 Global Consumer Trends Survey by Euromonitor found that 53% of Italian respondents accessed a social networking site daily from a phone, and 72% used a messaging app every day (up from 65% in 2016).
- Last minute and low cost bookings are a growing trend along with automated chatbots that allow consumers to book via instant messaging apps such as Facebook Messenger. A recent survey by Euromonitor International reveals that 40% of interviewees were willing to interact with chatbots to book their travels.
- The Western Cape is the leading province visited by Italian travellers followed by Gauteng and Mpumalanga province.

# 9. List of sources

- 1. South African Tourism
- 2. Euromonitor International
- 3. OAG Airline Passenger Traffic Analyser
- 4. ForwardKeys

Wesgro has taken every effort to ensure that the information in this publication is accurate. We provide said information without representation or guarantee whatsoever, whether expressed or implied. It is the responsibility of users of this publication to satisfy themselves of the accuracy of information contained herein. Wesgro cannot be held responsible for the contents of the publication in any way.

© Wesgro, 2019.

