Chapter 3

Tourism intelligence and statistics in Italy

Up-to-date economic information and tourism intelligence are considered very important public goods for the private sector. A modern system of tourism statistics has to provide timely and reliable information on tourism production and consumption aspects. Tourism statistics in Italy remain very fragmented, at the national, regional and local levels, and the review highlighted that users were often unsatisfied with the quantity and quality of tourism-related data available. Policy makers and business decision makers need access to precise and rigorous information about the economic significance of tourism and its various roles in the Italian economy, in order to monitor the development of tourism and to develop effective policies. A stronger co-operation between producers and end-users is necessary in order to improve the quality and timeliness of data in Italy. Such an approach would help to avoid duplication, support greater coherency of data, and produce appropriate information that meets the requirements of consumers.

Introduction

The diffusion of knowledge is an important mechanism for the production of innovation in the field of tourism. Up-to-date economic information and market intelligence are considered very important public goods for the private sector. Tourism is horizontal by nature (tourism industry branches are spread throughout the economy) and requires, as such, a cross-sectoral analysis providing statistical information on a wide range of issues, covering the economic, environmental and social aspects of tourism at various territorial levels (national, regional and local). A modern system of tourism statistics has to provide up-to-date and reliable information on tourism production and consumption aspects. Its primary focus will be on quantitative data but a good knowledge of tourism demand also requires qualitative information, for example on visitors' expectations.

The system of statistics for tourism is relatively young, in comparison to many other economic areas. In order to better measure the tourism economy, this system has rapidly expanded over the last 15 years. Notable developments include the UN-UNWTO-OECD-Eurostat *Tourism Satellite Account Methodology (TSA)* (2001 and 2008), the UN-UNWTO revision of the *International Recommendations on Tourism Statistics* (2008), and the EU Directive on Tourism Statistics (1995). In addition, important side methodological developments have taken place regarding sustainable tourism indicators (*e.g.* within UNWTO, OECD or Eurostat), employment (*e.g.* within the International Labour Organization [ILO], UNWTO or OECD) or competitiveness indicators (*e.g.* within EU or OECD).

These evolutions are making the system of tourism statistics more and more complex, demanding and costly to implement by public authorities. Therefore a strategic view with clear priorities and strong partnerships, *e.g.* with regions and the private sector, needs to be established to implement the national/regional statistical system. This applies to all countries, including Italy. Partnerships are instrumental to develop tools such as the Tourism Satellite Account (TSA).

Overall assessment

The purpose of the review was not to do an in-depth quality review of tourism statistics in Italy. So there is no proposal in this report regarding the improvement of the individual surveys (methodology, etc.). The purpose was rather to look at tourism statistics from a user's perspective, in particular, to identify gaps in information and ways to improve statistical information on tourism for better business and policy decision-making.

The review highlighted that users of statistics were often unsatisfied with the quantity and quality of tourism-related data available to them. Current official statistics in Italy, as in many other OECD countries, have important resource constraints. Major gaps identified by users include: *i)* the absence of a tourism satellite account; *ii)* more detailed information on domestic tourism consumption; *iii)* more detailed information on indirect and induced tourism impacts; *iv)* more comprehensive and robust local statistics; *v)* more detailed information on private accommodation and use of secondary homes for tourism purposes; and *vi)* lack of timeliness in the data. However, ongoing efforts to provide

information on line, including official and unofficial statistics, both specific to tourism and more general, have been noted.

While there is no clear picture on the overall level of investment in tourism statistics by the Italian authorities, there is evidence that there has been in recent years an increased awareness of the importance of having a good statistical system for tourism in Italy and a parallel recognition of the important gaps in the current system. Initial steps have been taken to strengthen partnerships for tourism statistics and dissemination with the creation of the National Observatory on Tourism or with the establishment of an inter-institutional platform for TSA development. In other more substantial areas like the TSA, progress has not been satisfactory.

In terms of organisational responsibility for tourism statistics, several producers of statistics – official and others – are playing an important role in providing and disseminating key information on tourism. However, no one organisation exercises overall responsibility for tourism statistics in Italy. This leads to a lack of strategic approach for the development of tourism statistics; a fragmentation of the resources allocated to tourism statistics; a lack of co-ordination and consistency across different sources; fragmented decisions about tourism statistics influenced by the particular objectives of each organisation; and presumably, less analytical work based on those statistics.

Statistical information on tourism

Overview of Italian tourism statistics

ISTAT provides basic tourism statistics by following international definitions and methodologies, in particular the EU directive on tourism statistics. In terms of supply, the main surveys include:

- *Capacità degli esercizi ricettivi*, a census survey on the capacity of facilities. It is conducted on a yearly basis and enables the quantification of available accommodation facilities (camping, resorts, mixed camping and resorts, vacation houses rented for business, farmhouses, youth hostels, vacation homes, mountain hostels, B&Bs, etc.)[1].
- *Movimento dei clienti negli esercici ricettivi*, a monthly census survey on the number of customers present in accommodation facilities. It measures the flow (arrivals and departures) and the presence of both Italians and foreigners in the national territory. This survey is based on the daily forms that the facility administrations are obliged to submit to the competent authority.[2]
- Sample information, collected on accommodation facility activity during the Easter, *Ferragosto* (mid-summer holiday) and Christmas periods from *Attività Alberghiera, Pasqua, Natale* and *Epifania*. This information is available approximately 40 days after the specific period.

On the demand side, the flow of domestic tourists is monitored through a sample survey (*Viaggi Vacanze e Vita Quotidiana*), which is conducted on a quarterly basis and collects information on travel, holidays and daily life. It also collects information on travel type and behaviour, socio-demographic characteristics, and the organisation of the trip itself.

The Central Bank of Italy (*Banca d'Italia*) conducts surveys on international tourism flows and provides information on both inbound and outbound travel. Furthermore, it provides information on the monetary flows created by tourism with the rest of the world.

Other public institutions conducting surveys on tourism include the National Observatory on Tourism (ONT, *Osservatorio Nazionale sul Turismo*), and the regional observatories[3].

Additional private institutions include notably the Centre for Studies of Florence, the International Centre of Studies on the Tourist Economy in Venice (CISET), the Mercury of Florence, the Italian Touring Club and a range of other centres linked to universities.

The ONT disseminates data from ISTAT, the Bank of Italy, as well as surveys conducted by National Institute for Research on Tourism (*UnionCamere-Isnart*)[4] via its portal (*www.ontit.it*), created in May 2009. Information provided on the portal includes data on accommodation facilities[5] and other general tourism indicators[6]. At local level, each regional observatory also publishes official data and conducts studies tailored to regional requirements[7].

ENIT, along with the Ministry of Foreign Affairs (MAE, *Ministero degli Affari Esteri*), publish reports analysing the tourism market in foreign countries, as well as outbound tourism and demand for Italy.

Data on public sector tourism expenditure, including terms of investment for tourism development, is made available by the Department for Development and Economic Cohesion Policies (*Dipartimento per le Politiche per lo Sviluppo e la Coesione Economica*), which is part of the Ministry of Economic Development (*Ministero delle Sviluppo Economico*).

Tourism Satellite Accounting

The review underlined that policy makers and business decision makers need to have more precise and rigorous information about the economic significance of tourism and its various roles in the Italian economy, in order to monitor the development of tourism and to develop effective policies. In this regard, the TSA is considered worldwide as fundamental to acknowledging the economic weight of tourism within an economy and to comparing tourism to other industries. It is thus important to consider the TSA as only one tool in the system of tourism statistics. Other important dimensions to be covered include sustainability, employment or competitiveness indicators, to name a few.

Italy still lacks an official TSA which could allow a more consistent and comprehensive evaluation of tourism. A feasibility study was undertaken in 2001-2002 with support from the European Commission. The feasibility study produced partial TSA figures for the year 2002 and underlined the severe data gaps that remain in basic surveys. This lack of appropriate data prevented the complete TSA from being developed. Areas of concern include the lack of detailed information on tourism domestic consumption that leads to an underestimation of the aggregates. The inexistence of a supply-use matrix from national accounts makes the reconciliation between tourism production and consumption impossible and makes the calculation of tourism ratios difficult. The feasibility study recognised the leadership of ISTAT and the national tourism administration in compiling the TSA for Italy as well as the importance of co-operation with other partners and in particular with the Bank of Italy and CISET.

An important milestone in the process of encouraging the implementation of TSAs in Europe, was the adoption of the EU directive on the collection of statistical information in the field of tourism (Directive 95/57/EC), designed to harmonise a wide range of tourism statistics. This directive establishes a system to provide reliable and comparable statistics for each member state and hence for the EU as a whole. The directive sets up a system of reliable and harmonised statistics on tourism, focusing on the capacity of collective tourism accommodation (hotels, camping sites, etc.); on guest flows in these collective accommodation establishments, showing arrivals and nights spent; and on tourism demand among residents for the two most important tourism markets, *i.e.* holidays and business travel.

The continuing evolution of Italy's national accounts, coupled with the development of basic tourism data should contribute significantly to the creation of adequate information in the field of tourism and support TSA developments. When developing the Italian TSA, all efforts should be done to support also the creation of the TSA at regional level as the local dimension is fundamental for the analysis of tourism and the design of national and regional policies. Employment would also be an area of particular importance in the case of Italy. TSA extensions on employment offer opportunities for insights into the relationship between labour markets and other economic processes and produce data on elements such as productivity and indirect employment effects. The TSA would also provide a base to calculate indirect and induced impacts of tourism in order to understand the global reach of tourism in Italy. Some countries have developed economic models using input-output multipliers (Box 3.1).

Box 3.1. Direct and indirect economic impacts (Australia)

The estimates of tourism gross value added, tourism GDP and tourism employment in the TSA relate to the direct impact of tourism only. A direct impact occurs where there is a direct relationship (physical and economic) between the visitor and producer of a good or service.

Indirect tourism demand is a broader notion that includes the downstream effects of tourism demand. For example, when a visitor buys a meal, indirect tourism demand is generated for the food manufacturer, the transporter, the electricity company, etc. providing the necessary inputs required to make the meal. To fully measure the indirect effects, changes in incomes which may create further changes in tourism demand should also be taken into account. A full analysis of indirect effects is best done using economic modelling. Tourism Research Australia (formerly Bureau of Tourism Research) has undertaken this work and the latest results are reported in the Tourism Research Report (Volume 5, No. 2, 2004), Indirect Economic Contribution of Tourism to Australia, 2001-02.

Source: Commonwealth of Australia (2007), Tourism Satellite Account, 2005-06.

While there are plans to compile a full-fledged TSA, there has not been any systematic production of accounts to date. The governance of this project associates ISTAT, the Department of Tourism, and other stakeholders such as the National Tourism Observatory, the *Ufficio Italiano Cambi* (UIC) and CISET. Close co-operation between all stakeholders active in tourism statistics and national accounts is a prerequisite for the success of such a complex project. Italy should speed up the development of its TSA and, in this regard, additional efforts should be made to ensure that the inter-institutional platform functions effectively.

Private accommodation data

Private accommodation plays a significant role in the Italian tourism economy. In 2009, about 430 million nights were registered in private accommodation, compared with 358 million nights in hotels and other collective accommodation facilities. Associated expenditure represented EUR 27.4 billion out of the EUR 75.9 billion of total tourist expenditures in Italy for 2009 (UnionCamere, 2010). However, a large share of private accommodation remains unregistered and therefore is not included in official statistics. Nomisma (Italian economic research institute) and the Italian Federation of Professional Real Estate Agents (FIAP, *Federazione Italiana Agenti Immobiliari Professionali*) have estimated that very few private holiday rentals are declared in Italy. A main reason to explain the situation would be tax evasion. This situation could change with the introduction in January 2011 of the single tax on all rental accommodation which aims to encourage the formalisation of rental income.

From a tourism policy perspective, there is high interest for having a better knowledge of private accommodation in the Italian economy as there is evidence that private accommodation is playing a very significant role in some destination areas and complements other forms of accommodation. Furthermore, a better knowledge about the use of private accommodation by visitors would support tourism policy development. Therefore, Italy is encouraged to find innovative ways to better measure private accommodation and its use for tourism purposes. There is a need for an improved list of registered private accommodation.

Other weaknesses in existing statistical information

Tourism statistics in Italy remain very fragmented, at national, regional and local levels. A stronger co-operation between producers and end-users would be necessary in order to improve the quality and timeliness of data. This would also help to avoid duplication, support a better coherency of data and produce appropriate information, which meet the requirements of consumers (ISTAT, 2009).

There is currently a lack of information that represents social and economic dynamics connected with the development of tourism as a phenomenon, particularly in relation to employment and environmental sustainability. More could be done to analyse tourism in relation to quality of life and well being; this would contribute to ongoing international efforts to improve the measurement of well-being and the progress of societies. Official statistics remain rather poor in terms of qualitative data, with little focus notably on quality aspects. The integration of qualitative information with quantitative data should, therefore, be one of the objectives of tourism statistics.

Economic information on tourism, both at the national and local level, is currently lacking, and could be strengthened using for example the survey on hotel, restaurant, and other activities supporting tourism activity and transportation turnover, or the Statistical Archive of Active Companies (ASIA, *Archivio Statistico delle Imprese Attive*), a business register and archive that may allow a detailed analysis of the tourism sector at a local level[8]. The weaknesses identified include the regional economic dimension of tourism or the total (direct plus indirect) impact of tourism in the national economy. Several stakeholders underlined that the current data set on tourism does not properly reflect the overall performance of the sector and makes any evaluation of tourism difficult and incomplete. For example, despite its importance, domestic tourism remains neglected

and under-researched in Italy. There is a need to expand work and analysis on domestic tourism consumption.

The availability of good tourism statistics at local level is essential to support local tourism, social and economic policies. Currently, the tourism indicators available do not appear to satisfy such needs. Better co-ordination between local authorities and ISTAT is also necessary, especially concerning methodological developments. For example, the number of overnight stays should not only include stays at hotels, but also at second homes and at homes of friends or relatives. A recent study in the Piedmont region demonstrated that the application of different methodologies to estimate overnight stays, can result in significantly different estimates[9] (Sviluppo Piemonte Turismo - ISNART, 2009).

The quality of the information (*e.g.* transparency and accountability) on the public accounting system at local level is important for tourism. For instance, in some local administrations, the funds allocated for the development of farmhouse enterprises are allocated to the agricultural sector and by others to the tourism sector. The Information System of Public Institutions Database (SIOPO, *Sistema Informativo delle Operazioni degli Enti Pubblici*) contains standardised codified data for central administration levels. This database should be applied to all levels of government, in order to improve standards of harmonisation in the classifications adopted by the public administrations at all levels of government[10]. The adoption of common balance patterns would provide more coherent accounting information, upon which to base trends and forecasts for the tourism sector.

Moving the system of information towards a tourism intelligence structure

In Italy, there is a need to strengthen the organisation for tourism statistics in order to develop and maintain tourism statistics of appropriate quality. An important effort to support a better dissemination and analysis of tourism data was made with the creation of the National Tourism Observatory (ONT). The ONT could be considered as a one-stop shop for analysing economic and statistical data provided by different stakeholders. The organisation for tourism statistics could be further strengthened by developing a tourism intelligence centre for increased statistical co-operation with the regions and the private sector in the field of tourism. Such a centre would help to develop and maintain tourism statistics of appropriate quality and could play an important role in the move towards better tourism statistics. Such a role would imply increased support, strong management and increased statistical capacity to stimulate the co-operation with the regional observatories. A prerequisite is a close working relationship among official statistical providers and users, such as ISTAT, the Bank of Italy, regional observatories or the ONT. The ONT could be one option for the tourism intelligence centre. However, efforts should go beyond dissemination and the new organisation for tourism statistics in Italy should also address issues related to the production of tourism statistics (coverage, quality, timeliness).

The role of new information technologies

In this context, new information technologies could also be used more actively as tools to improve information asymmetries. Today, information is a tool to improve the competitiveness of territories in the promotion and pursuit of local economic development. The web portals of the Minister of Tourism (*www.italia.it*) and ENIT

(*www.enit.it*) provide visitors with important information on Italian tourism products. Unfortunately, these websites are still poorly utilised. The same is true with web portals for tourism professionals such as *www.ontit.it*. Recent research undertaken by Confturismo, with the support of the IULM university, identifies areas for progress for *www.italia.it,* including the need to: *i)* focus information on specific targets instead of on places/destinations; *ii)* further articulate segmentation with information aimed at new niche tourism markets; *iii)* develop a section dedicated to large tour operators and MICE; *iv)* make the information hierarchy less rigid in order to facilitate navigability; *v)* tailor the content to the specifics of different cultures; and *vi)* shift the emphasis from information to promotion.

The Minister's web portal, for example, could be a particularly useful tool to identify potential destinations according to the type of vacation that a traveller wishes to make. The ENIT portal, on the other hand, is more oriented towards providing information on transportation and accommodation options at a destination. Both portals represent an important step in the provision of information and a positive website user experience. However, improvements could be made in both cases, for example, through the innovative application of Internet mapping technology and web 2.0 applications (Box 3.2).

Box 3.2. Application of Internet mapping technology

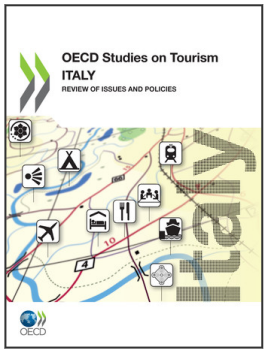
By incorporating, for example, a system similar to Google Maps with Street View[11], users are able to view at street level, including on compatible mobile phones, potential attractions and destinations and to find ancillary services available in the area (restaurants, means of transportation, etc.).

The current agreement between UNESCO and Google provides an example that local agencies could use as a template. The collaboration provides users with information that is far more detailed than currently available on the national portals. For example, when viewing the UNESCO site, Pompeii, with Google Street View, the user can view the archaeological site, the route, and finally all other services available in the area (Google maps – UNESCO, Pompeii).

The information provided by this type of system could include as inputs, the location of the tourist, the length of time that the tourist can spend in the location, and the location type (*e.g.* cultural, leisure, sports, entertainment).

Recently, the Department of Tourism introduced this type of information system in a limited capacity, although this too could benefit from providing a more interactive experience for the user. Similarly, regional web portals have only very recently aligned their layout to complement that of the national portal, so that queries can be entered in the same way, with the consistent layout making it easier for Internet users to navigate the various portals.

In addition, the Ministry of Cultural Heritage and Activities has recently introduced I-Mibac – Top 40, a free application for mobile phones, with multiple uses, that currently provides information on museums and monuments and will soon be extended to movie theatres and libraries. In addition to providing information on the location of these attractions, it also provides information on guided tours and ticket prices that can be purchased on the Internet.



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