

Final Case Study - Rome
HMG 6710 - International Tourism Management
University of Central Florida
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Introduction

This paper seeks to discuss and analyze the tourism sector of the city of Rome. I will begin by looking at the current performance of Rome and discuss the future market attractiveness of Rome. Next, I will be discussing the issues of overtourism and economic development, and utilize the knowledge gained throughout this course in my discussion. Finally, I will reflect on the Sustainable Tourism assignment and the lessons learned from completing the assignment.

Current Performance

From ancient sites like the Colosseum, to ornate fountains, legendary artwork, delicious food and luxury shopping, Rome is a city on many traveler's must-see cities. In fact, Italy was the #5 for international arrivals and ranked #6 in top tourism earners in 2019 (International Tourism Highlights, p. 9) Specifically, Rome had over 10 million tourist arrivals 2019 and came in at #16 for top city destinations in the world according to EuroMonitor. Rome has gone down in rank amongst other cities over the years, but Rome has continually been attracting more visitors each year (Yaseem, R., p.23). Appendix 1 includes the table of the top 16 city destinations from EuroMonitor. Rome is Italy's top cultural destination and the entire city of Rome is a UNESCO World Heritage Site. Rome has a large concentration of historical monuments and art within a small area, and it is likely that the popularity of Rome will continue to rise. However, Italy and Rome are currently struggling due to the COVID-19 pandemic. Rome has seen a sharp decline in tourists and is struggling greatly to try to make up the lost revenue from tourism. According to CNN, Italy estimates they have lost €24.6 billion from overseas visitors (Pasquale, M.). The cities of Florence, Venice and Rome will be particularly impacted due to their dependence on the tourism sector. The Italian National Institute of Statistics projects that 60% of businesses in the industry fear imminent collapse as the country struggles with the continuing lockdowns and travel bans.

Future Market Attractiveness

In the near future, Rome must focus on supporting its tourism industry and attracting visitors back to the area. In an interview, Antonio Barreca, the director general of the Italian National Federation of the Travel and Tourism Industry, stated that the government is working to establish safe operating guidelines and help transition the industry to adapt to a new way of doing business. The Italian government is also providing tax credits and funds to assist the tourism industry to stay afloat while they can not operate. Antonio Barreca says that it is critical that "the government [shows] that it has understood the seriousness of the situation, and we expect special measures to help us face the situation" (Venturini, M.).

However, Rome has a high level of future market attractiveness once travel and tourism is able to return to more normal circumstances. The City of Rome has a National Strategic Tourism Plan that includes contributions from all players in the tourism industry to develop a comprehensive tourism plan that focuses on tourist products, infrastructures, digital tourism, reception and human resources, promotion and communication and participatory governance. The strategic plan focuses on the market attractiveness of Rome and seeks to ensure all stakeholders are working together to increase tourism flows and ensure the excellence of Rome in the tourism and hospitality industry (Towards the Strategic Plan for tourism in Rome.). Italy overall is ranked 8th by the World Economic Forum in Travel & Tourism Competitiveness.

Over-Tourism

Overtourism can be defined as “destinations where hosts or guests, locals or visitors, feel that there are too many visitors and that the quality of life in the area or the quality of the experience has deteriorated unacceptably” (Goodwin, H., p.1). In recent years, Rome has struggled with the issue of over-tourism. Rome is a popular tourist destination and is home to many iconic historical sites such as The Colosseum, The Pantheon and Saint Peter's Basicilla. The consequences of overtourism include increased pressure on urban facilities and infrastructure, increased prices, degradation of cultural assets, decreased quality of life for residents and negative experiences for tourists. The overcrowding of tourist destinations inhibits both tourists and residents in enjoying the city and experiencing the culture of the region. Over-tourism can result in tourism-pull inflation and can result in locals being driven out of their homes as they are no longer able to afford living there. Local residents might leave popular tourist destinations due to frustrations with overcrowding, or due to being unable to afford living there. When locals leave, the culture of the area also deteriorates and tourist centric stores, restaurants and hotels take over. Most tourists want to travel to experience a different culture and learn from locals, so it is crucial that destinations take over-tourism seriously and develop policies to ensure local residents and businesses can remain in their homes.

According to the Vox Group, Rome has taken steps to help combat over-tourism including increasing prices, reducing permits, and better marketing and education. The city has also banned tourist buses from the city center and has started to work to facilitate private company funding of the restoration of historical sites. Italy as a whole has struggled to cover the maintenance of artistic and archaeological sites, and with the ever increasing number of tourists, the country's sites have deteriorated at faster rates. The country is working to partner with private companies to fund the maintenance in exchange for advertising the company on or near the site. I think this is a smart way to pay for the needed maintenance, but needs to be done carefully as not to overtake the historical sites with advertisements. By taking steps to increase high spending tourists, educating tourists on respecting their destinations and implementing policies to reduce

congestion, Italy and Rome are hoping to ensure tourists and residents are able to enjoy “The Eternal City” to its fullest extent (Overtourism).

Economic Development

Rome’s economy relies heavily on the tourism industry, and Rome has not been focusing on a long-term strategy to diversify its economy beyond tourism. This reliance on the tourism industry has revealed Rome to be “vulnerable and quite often unsustainable”, especially due to the coronavirus pandemic where Rome has struggled to find ways of bringing in money (Kaniadakis, E.). As Tanja Mihalic writes, “tourism development may not bring lasting economic benefits to a country; rather, it might trigger inflation and bring environmental degradation and economic dependency” (Sharpley, R., p.79). Tourism accounts for 13% of Italy’s GDP and the country has praised the tourism industry since it has “created jobs, spurred development and injected cash flow into the national economy” (Ghiglione, G.). However, Italy as a whole has a more diversified economy and they have the second largest manufacturing output in the EU. Although, the tourism industry grew by 2.8% in 2019, while industrial output shrank by 2.4%. While manufacturing is currently a larger part of Italy’s economy than tourism, this growth in tourism is promising for cities like Rome that rely heavily on the tourism sector. According to the World Economic Forum, tourism accounts for 5.6% of Italy’s GDP and 6.6% of the employment in the country, or over 1.5 million jobs (Country Profiles - Italy).

In general, tourism and the economic benefits from tourism grows faster in emerging destinations than in advanced ones, and that economic benefit relies heavily on the political intervention and structures in place. In Rome, the government is very supportive of the industry and as discussed in the previous section, actively works to include all stakeholders in the development of a strategic plan to grow the tourism industry. In Europe, tourism is often “seen as a vehicle for sustainable development and a possible agent of more green economies” (Sharpley, R., p.93). Tanja Mihalic also notes that in Europe, tourism is often an important source of employment and has contributed to regional development. The continued growth of tourism in Rome could be economically productive for those involved in the tourism sector, but could disadvantage others not sharing in the tourism sector gains. There has been an increase in mass tourism or “fast tourism”, where tourists do not spend the time to get to know the location and instead focus on “fast culture, fast food and fast shopping” (Montanari, A., p.310). These tourists often cost the territory more than the advantages they bring. Therefore, for a city like Rome, it is important that the government focuses on attracting the tourist that will bring more advantages than costs.

Sustainable Tourism, St. Pete Beach and Rome

Through our Sustainable Tourism project researching information about various Florida destinations to researching the city of Rome, I have seen a common theme that it is often difficult to find the information you are looking for. When I was researching St. Pete Beach it was almost impossible to find specific information for just St. Pete Beach. The information I could find was often for St. Petersburg, Pinellas County or the State of Florida. Even then, it was often hard to find the exact information you were looking for. Similarly, for Rome, I sometimes had a hard time finding the information that I wanted to include. Sometimes my research would lead me to articles about the Roman Empire or I would only be able to find information about Italy. I think overall, the tourism industry is not as well reported or researched as other industries and can result in destinations being unsure about their strengths and weaknesses. Collecting more data and making data more accessible can help businesses, politicians, tourists and residents be more prepared for the future and understand the current state of the industry. As well, being able to see how certain measures have changed over time can be helpful to see how new policies or approaches have impacted the industry.

I would also imagine that emerging destinations have even less data available for use. Tourism can prove to be a great vector to help destinations develop, if approached in the right way. However, if governments are not able to collect and analyze data about their country, it may be hard for them to utilize tourism to develop in a productive manner.

Conclusion

The City of Rome has been one of the top tourist destinations in the world, and I believe the city will continue to grow and develop to support tourists. Rome is reliant on tourism and as a result, has the support of the government for the tourism industry. The country will need to focus on the issue of overtourism and maintaining the culture of the city, while expanding their ability to accommodate visitors. They will also need to ensure they can handle the influx of visitors they are likely to receive after the world returns to more normal circumstances after COVID-19. Additionally, Rome will need to focus on the sustainability of their tourism and maintaining the cultural sites that bring millions of visitors each year. Finally, I think Rome should consider diversifying their economy as their heavy reliance on tourism has proven to be risky in scenarios where international travel becomes restricted. Overall, Rome is fortunate to have such a rich history and a multitude of iconic cultural sites that draw tourists from around the world. Rome is also located in a country that attracts over 55 million tourists a year (Country Profiles). They need to take measures to protect those cultural sites and provide the most genuine Italian experience for visitors.

Appendix

1: Top 100 City Destinations 2019

	CITY	COUNTRY	ARRIVALS ('000)			GROWTH (%)		RANK MOVEMENT	
			2017	2018	2019	2018	2019	2013–18	2018–19
1	Hong Kong	Hong Kong, China	27,880.3	29,262.7	26,716.8	5.0%	-8.7%	0	0
2	Bangkok	Thailand	22,453.9	24,177.5	25,847.8	7.7%	6.9%	0	0
3	London	United Kingdom	19,828.0	19,233.0	19,559.9	-3.0%	1.7%	0	▼ 2
4	Macau	Macau, China	17,337.2	18,931.4	20,637.1	9.2%	9.0%	▲ 2	▲ 1
5	Singapore	Singapore	17,618.8	18,551.2	19,760.8	5.3%	6.5%	▼ 1	▲ 1
6	Paris	France	15,834.2	17,560.2	19,087.9	10.9%	8.7%	▼ 1	0
7	Dubai	United Arab Emirates	15,790.0	15,920.7	16,328.3	0.8%	2.6%	0	0
8	New York City	US	13,100.0	13,600.0	14,010.0	3.8%	3.0%	▲ 1	▼ 3
9	Kuala Lumpur	Malaysia	12,843.5	13,434.3	14,072.4	4.6%	4.8%	▲ 1	▼ 1
10	Istanbul	Turkey	10,730.3	13,433.0	14,715.9	25.2%	9.6%	▲ 2	▲ 1
11	Delhi	India	10,157.0	12,645.3	15,196.5	24.5%	20.2%	▲ 30	▲ 3
12	Antalya	Turkey	9,482.4	12,438.8	13,332.1	31.2%	7.2%	▼ 1	0
13	Shenzhen	China	12,075.1	12,202.1	12,324.1	1.1%	1.0%	▼ 5	▼ 1
14	Mumbai	India	8,984.9	10,590.1	12,442.4	17.9%	17.5%	▲ 28	▲ 1
15	Phuket	Thailand	10,109.4	10,550.7	10,965.2	4.4%	3.9%	0	0
16	Rome	Italy	9,531.6	10,065.4	10,317.0	5.6%	2.5%	▼ 3	▼ 1

(Yaseem, R., p.43)

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