

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/325906134>

# HOTELS & CHAINS IN ITALY 2018

Technical Report · February 2018

---

CITATIONS

0

---

READS

22

1 author:



Giorgio Ribaudo

University of Bologna

4 PUBLICATIONS 13 CITATIONS

SEE PROFILE

Some of the authors of this publication are also working on these related projects:



The impact of chain affiliation on international demand: a comparison of chain vs independent hotels in Italy [View project](#)

# Hotels & Chains in Italy 2018



5 YEARS OF ACCURATE HOSPITALITY STATISTICS



ASSOCIAZIONE ITALIANA  
CONFINDUSTRIA ALBERGHI



Horwath HTL™

Hotel, Tourism and Leisure



cassa depositi e prestiti

This year the census was made even more accurate and reliable thanks to the gentle support provided by development analysts, managers and directors of:

9 HOTEL COLLECTION	DELPHINA	LUNGARNO COLLECTION
A&O HOTELS & HOSTELS	DIMHOTELS	MANDARIN ORIENTAL HOTEL GROUP
ACAMPORA	DORCHESTER COLLECTION	MARRIOTT INTERNATIONAL
ACCOR	DUETORRIHOTELS	MEININGER
AEROVIAGGI	EDEN	MELIA HOTELS INTERNATIONAL
ALLEGROITALIA HOTELS & CONDO	FAMILY HOTELS ITALIA	MINIHOTEL
ALPITOUR	FATTAL	MITHOS HOTELS
AMAN RESORTS	FERIENVEREIN	MONRIF
AMAPA GROUP	FLORENTIA HOTELS & RESIDENCES	NH HOTELS
AMT HOTELS	FMTG	PALLADIUM
ARS HOTELS	FOUR SEASONS	PLANETARIA HOTELS
AURUM	GARIBALDI HOTELS	PLATENO GROUP
AZZURRO CLUB VACANZE	GB THERMAE HOTELS	PREMIER HOTELS
B&B	GENIESSER	PRIM HOTELS
BARCELO' HOTELS	GREENBLU HOTELS	RESIDENCE HOTELS
BELMOND	GROUPE VALADIER	RIMINI HOLIDAYS
BEST WESTERN	GRUPPO MIRAGE	RIMINI RESIDENCE
BIANCHI HOTELS	GRUPPO STUDIO VACANZE	RIZZANTE HOTELS
BIANCONI	GRUPPO UNA	ROCCO FORTE
BLUSERENA	H 10 HOTELS	ROSEWOOD
BOSCOLO	HILTON	SD HOTELS
CARLSON REZIDOR	HNH HOTELS & RESORTS	SHANER
CAROLI HOTELS	HRE	SHANTI HOSPITALITY
CATALONIA HOTELS	IH HOTELS	SINA HOTELS
CDS HOTELS	IHG	STARHOTELS
CERINI HOTELS	INC HOTELS GROUP	TH RESORTS
CHC	ITALIANA HOTELS & RESORTS	THE FAMILY COPPOLA HIDEWAYS
CHOICE HOTELS	ITALICA HOTEL	TIMBERS RESORTS
CIMINO HOTELS	ITI HOTELS	TOWN
CLAP HOTELS	JSH HOTELS & RESORTS	TREVI
CLUB ESSE	LDC HOTEL & RESORTS	TRIANON GROUP
CLUB FAMILY HOTELS	LEONARDI	TUI
CLUB MED	LHP HOTELS	VERATOUR
COMPAGNIE DES HOTELS	LOAN	VIP HOTELS
CONCERTO	LOUVRE	WYNDHAM

Thank you All.



ASSOCIAZIONE ITALIANA  
CONFINDUSTRIA ALBERGHI



Hotel, Tourism and Leisure





**Hotels & Chains in Italy 2018 – The Report**  
**EXECUTIVE VERSION**

© All rights reserved 2018

Author:

**Giorgio Ribaudò**

HORWATH HTL

Main contributors:

**Alessio Franzese**

HORWATH HTL

**Valeria di Claudio**

ASSOCIAZIONE ITALIANA CONFINDUSTRIA ALBERGHI

**Maddalena Terraneo**

HORWATH HTL

**Luca Usai**

UNIVERSITY OF CAGLIARI

**Burak Darici**

HORWATH HTL

Graphics & Web design:

**Gianluca Franzese**

**Efisio Farci**

*Edited in January 2018 by Horwath HTL and Associazione Italiana Confindustria Alberghi in partnership with Cassa depositi e prestiti.*

*Printed on February 2018 in Rome by Associazione Italiana Confindustria Alberghi, Roma.*

All data on hotel chains as of December 31<sup>st</sup>, 2017.  
5<sup>th</sup> edition. Executive Version

Scanning and photocopying prohibited – Please, ask us for extracts from this Report or the previous editions at [italy@horwathhtl.com](mailto:italy@horwathhtl.com)

This version of the Report is distributed for free.

We have tried our best to correctly report information and data on hotel chains and have directly contacted hotel chains responsible persons prior to distribution for data check, in order to improve accuracy. Nevertheless, omissions and minor errors may occur as methodologically accepted for any census.



# Table of Contents

Foreword, by Associazione Italiana Confindustria Alberghi	6
Foreword, by CDP Investimenti SGR	7
Five years of census, by Horwath HTL	8
Markets, chains and the research agenda, by the editor	9
 <b>HOTEL INDUSTRY IN EUROPE AND ITALY</b>	
Contribution of tourism to economic growth	12
Italy and the European arena	14
A full cycle of hotel demand in Italy	16
A full cycle of hotel supply in Italy	18
Recent trends & performances	20
 <b>HOTEL CHAINS IN ITALY</b>	
Chain's growth and Europe	24
Key evidences from 2017	26
Chain Hotels by number and size – 5 years	28
Chain Hotels by scale	30
Chains by type of destination	32
Chains' footprint	34
Focus: Chains' footprint in Lombardy	35
Chains' footprint growth 2013-2017	36
Business models	38
Top 30 Chains and Brands in 2017	40
Top 20 Brands by business model in 2017	41
Top 20 Brands by scale in 2017	43
Top 10 Brands by destination type	45
Hotel chains growing in 2017	47
Italian chains' international footprint	48
Pipeline by scale	50
Pipeline, re-branding and destinations	51
Brands' Country of origin	52
2020 competitive landscape for chains	53
Hotels & Chains in Bologna	54
Hotels & Chains in Genoa	56
Hotels & Chains in Matera	58
Hotels & Chains in Naples	60
Hotels & Chains in Turin	62
 <b>FOCUS ON CHAIN HOTELS FACILITIES &amp; SERVICES</b>	
Innovative hotel concepts and chains	66
Food & Beverage	67
Wellness & SPA	68
Swimming Pools	70
Leisure & Business facilities	72
Sport & Games	74
 Methodology	 77
Legenda	78
About the Authors	79

---

## Foreword

The international tourism demand is constantly on the increase: according to the latest UNWTO figures, in 2017 international tourist arrivals increased by 7% compared to 2016, thus reaching a total of 1.32 billion.

In Italy, Eurostat figures confirm this growing trend: in the first 10 months of 2017 international arrivals recorded a + 4.7% compared to the same period in 2016. The role of tourism as a key sector of our economy is consolidating: if in 2011 the sector contributed to 8.6% of the Italian GDP and 9.7% of employment, by 2027 these figures will rise to 11.9% of GDP and 14.5% of employed people, according to WTTC estimates. Also, tourism export is bound to increase from the current EUR 37.2 bn to EUR 47.8 bn in 2027.

These results are determining an increase in the interest of international operators and real estate fund managers towards our Country and in particular our hospitality sector.

What is the consequence of this? Firstly, the process of repositioning the offer towards more qualified segments continues: already in 2016 there was an increase in the capacity of 4 and 5-star hotels that now account for 37% of the rooms, while in 2007 they accounted for 29% of the total Italian hotels. The average size of the hotels is steady at about 33 rooms, a figure below the European average of 36 rooms, but not too much.

The chained-brand hotels are growing but with different business models and brands compared to the past: the development model based on the purchase of buildings continues to be the prevailing model, but in 2017 there was a strong surge in leasing. The other management models - contract management and franchising - are also growing, but at lower rates than the others, probably because they are typical models for the development of international chains which, compared to domestic ones, are still a minority. On the other hand, the increase in the number of brands is a sign of greater specialization on well-identified client targets or of the desire to diversify the business also in favour of forms of hospitality other than hotels.

In addition to these changes, today clients have different needs and look for something new - experience has become the key word in these latest years. Indeed, there are an increase in competitors from different sectors - and this proves the 'profitability' of the industry in Italy - various distribution channels, and last but not least, the impact of digitalization that unstoppably accelerated these transformations.

Two are the keywords: innovate and reinvent, as quickly as possible. We live in a very hectic world, where emerging trends can rapidly spread and become a consolidated expectation of an ever-growing group of clients. Those who, chains or independent hotels, will be able to anticipate the new trends, will succeed.



Giorgio Palmucci,  
Presidente Associazione Italiana Confindustria Alberghi

## Foreword

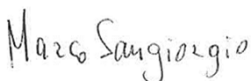
The Italian hospitality market, as highlighted by the 2017 data, will be driven in 2018 by growing hotel chains penetration, increasing real estate transactions volume and evolution of operators' business model.

About the first trend, finally there is a clear evidence that the Italian market is slowly but constantly year after year filling the gap with other European countries in terms of hotel chains penetration by number of hotels (4,5% in 2017 vs 3,9% in 2013). The current evolution to a more professional and high-quality offer by hotel chains is driven by the growing number of international arrivals and new generations of tourists (e.g. millennials) accustomed to easily compare and choose different travel experiences among different continents and a wide range of international destinations.

In terms of hotel transactions, according to the latest data from, an international consultancy firm, the Italian hotel market registered a record high volume of around €1.6 billion for 2017 up from €1.5 billion in the previous year, driven by cross-border investments mainly from private equities groups. The investor sentiment is expected to remain positive, thanks to a mix of different fundamentals: the recent long-awaited internal economic recovery, growing international tourists' inflows and solid market conditions that are driving the attention of foreign and domestic operators in the direction of the main Italian cities (i.e. Rome, Milan, Florence and Venice). In addition, an increasing number of market players are seeking exposure to leisure destinations in southern Italy as a result of the stronger appeal of Italy for international travellers due to the geopolitical instability in other Mediterranean markets like North Africa, Turkey and part of the Middle East.

"Asset light" vs "asset ownership": concerning the third market driver of 2018, for the first time data show that in Italy the number of rooms operated in leased hotels is larger than the number of rooms operated in owned hotels (Lease: 64.429 vs Owned: 62.050). In the Italian hospitality sector, Cassa di Roma (CDP) is promoting this evolution of the business model supporting the spin-off of real estate assets from the hotel management operations (also through sales and leaseback transactions). This strategy allows hotel chains and sector operators to unlock relevant amount of capital and reinvest the proceeds to fund expansion plans and core operations (e.g. FF&E - furniture, fixtures & equipment, on-line booking, human resources, marketing & branding etc.).

CDP, in its role of National Promotional Institution, recognizing the tourism industry as a key part of the national economy, has recently established – through CDP Investimenti SGR – a real estate investment platform called "FIT - Fondo Investimenti per il Turismo" with the specific mission to attract domestic and foreign investments for the renewal and upgrade of the Italian hospitality real estate infrastructure. CDP is eager to work and co-operate with all market players to strengthen the competitiveness of the Italian tourism sector improving the quality of the national hospitality real estate infrastructure while supporting hotel chains and national operators to create lasting value for their guests, employees, stakeholders and local communities.



Marco Sangiorgio,  
General Manager CDP Investimenti SGR

---

## Five years of census

Dear Readers,

six years have passed and 5 Reports have been produced since we started our research in the field of hotel chains. A census which has demonstrated to be a trustable source of information on chains in Italy in these years and today it renovates its contribution to the industry with this 5<sup>th</sup> edition.

A lot has changed since the very first edition: today we can track the evolution of the presence of chains in the country and understand how they evolved in terms of business models, geography, scale and their presence.

At the beginning of 2018, there are almost a thousand and five hundred chain hotels in Italy. A figure which demonstrates a certain increase compared to 2013 (+13.8%) which is reflected in an even higher increase in the chains' room stock (+14.1%). The number of brands has significantly grown, confirming that the attention international investors and brands put today on our country is kept high.

At the end of the year, we counted 227 corporate brands corresponding to 165 chains, clearly excluding networks, consortia and light brands in general. Their countries of origin are more differentiated than ever: not only Italy, USA, France and Spain, but also Germany, Austria, UK, Belgium, Israel, Taiwan, Canada, Turkey and many other countries. While expanding their global footprint, international chains are effectively struggling to have at least one property in Italy.

No surprise international brands continued to look at Italy with special interest in 2017: the latest available data (Eurostat 2017) confirmed Italy is the second European country for international hotel arrivals (after Spain).

But even domestic hotel chains have grown significantly during last year and have expanded internationally. We accounted for a well-structured panel of domestic chains: today Italian groups manage on average 900 rooms in 9 hotels in Italy (thus excluding their international portfolio).

Among them, white label operators continue their energetic growth. We recorded this year managed by a white label operator are close to 70, while they were around 50 in 2013. This witnesses the growing importance of both leasing to professional operators (most often domestic) while targeting international demand through global brands.

At the end of December 2016, along 470 destinations in Italy, we counted over 1,480 chain hotels for almost 165 thousand rooms, representing 15% of the Italian room stock. This is a net increase of over 60 hotels and 6 thousands rooms on 2016, which indicates that the process of branding and de-branding results in increasing size of chains' footprint in the country.

We do thank chains for their valuable support in improving market knowledge for Italy.  
We hope you will enjoy the reading!



Zoran Bačić,  
Senior Partner & Managing Director Horwath HTL



## Markets, chains and the research agenda

The importance of hospitality for the overall Italian economy is growing, being this a stable and reliable industry.

If we look at this phenomenon with the hoteliers' eyes and a global perspective, the curiosity for Italy as a *hotel destination* continues and even accelerates. According to most recent data<sup>1</sup> international hotel arrivals have grown 4.3% on 2016. It is an over the average result, considering the 60-year CAGR for this measure is 3.3%.

This deserved international success, which doesn't come new, has a key impact on two main financial grounds:

- *first* it supports a positive commercial balance, a real panacea for the Italian economic outlook and the robustness of country economy,
- *second* due to the larger and diversified portfolio of markets, it also lowers volatility of tourism contribution to GDP, thus generating stability or lowering fluctuations.

Are hotel chains contributing to all this? Is there any positive correlation between the increase of chains presence and the growth of international visibility?

We have long tried to study this potential correlation and finally tested it with the contribution of 22 brands, covering overall 21 destinations: we have found that chain hotels attract more international demand than the average ability of the destination. That, is, in general, per each destination and scale, chain hotels attract more international demand per room (FmPAR – Foreign market Per Available Room) than the average of hotels in the same destination and scale. This demonstrated to be true also for domestic chains, though to a minor extent.

Interesting to note that there is evidence, from the same study we conducted, that the home country of the brand will significantly determine the feeding markets for the hotel.

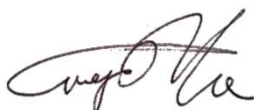
Back to the evidence of the census, Italian hotel chains are growing faster than international ones. In the last 5 years tens of Italian chains have flourished and reached the cut-off size of 5 properties. Domestic chains are very flexible in the current competition landscape: they can now source from both equity and non-equity business models, although domestic franchisor brands are very limited. They are prone to consider destinations outside tier 1<sup>2</sup> and manage even seasonal resorts, targeting lower but steady profits.

How much space is there left for chains expansion, then? For the most diverse reasons, in an *over-30-thousand-hotel* portfolio, the hotels in the melee are no more than 3 thousands. Half (1,488) is already taken.

These 5 years of census have taught that, in general, international operators will especially target destinations where the international demand share is higher. Since the need to “consolidate and compete” is growing also among family run businesses, franchisors will experience part of their expansion to be “pull” driven in the very next years.

The big challenge for domestic operators to grow is, instead, twofold: *rejuvenate* some of those tired hotels within the mentioned 1,5 thousands, taking advantage of the frequent generational transition issues, or *expand abroad*. This latter is a strategy someone is seriously taking into consideration.

Assuming markets and chains have something in common, will there be space for development abroad to attract Italians?



Giorgio Ribaudò,  
editor - Horwath HTL

<sup>1</sup>Eurostat figures for 2017 are available up to October: November and December data accounted as equivalent to 2016.

<sup>2</sup>Rome, Milan, Venice and Florence.

# Hotel Industry in Europe and Italy

## HOTEL INDUSTRY IN EUROPE AND ITALY

Contribution of tourism to economic growth	12
Italy and the European arena	14
A full cycle of hotel demand in Italy	16
A full cycle of hotel supply in Italy	18
Recent trends & performances	20



# Order the Hotels & Chains 2018 Full Edition

After 5 years of running the census in Italy we structured the most complete database on hotel chains, built and updated by Italian analysts based in Italy, with corporate information on presence, pipeline and key features of all the chain hotels in Italy.



Order the Full Edition to get over 100 pages of key statistics on hospitality in Italy, including:

- Extended rankings (+ 100 operators) by scale, size, business models, history of the last 4 years
- Top 50 brands complete outlook (list of properties and aggregate facilities profile)
- Top 50 brands market share and footprint history (2013-2017)
- Top 20 destinations complete outlook, including geo-referencing of chain and independent hotels by scale
- Complete pipeline 2018-2019
- Key persons (+100) in the area of hotel development and affiliation
- Interviews with Italy experienced development directors on hospitality business drivers 2018
- Recently branded and recently de-branded hotels
- ...and much more.

The Full Editions transfers business intelligence value from the database to any development function which has Italy as target.

Request the table of contents and order the Full Edition Report at [italy@horwathhtl.com](mailto:italy@horwathhtl.com)

# Contribution of tourism to economic growth

Travel and Tourism contribution to Italian GDP stands at 11%, ahead of European average. Estimates predict it will reach 12% in 10 years. The growth of employment created will be even higher.

Key tourism impact figures for Italy, France, Spain and Europe (2016 – 2027); Source: WTTC, *Travel & Tourism Economic Impact 2017*. (Direct and total contribution to employment expressed in employees)

Europe	2016			2017			2027		
	€bn	% of total	Growth	€bn	% of total	Growth	€bn	% of total	Growth
Direct contribution to GDP	624.3	3.5%	2.8%	816.9	3.9%	2.4%			
Total contribution to GDP	1,758	9.9%	2.6%	2,280	10.9%	2.4%			
Direct contr. to employment	13,962,000	3.7%	2.4%	17,009,000	4.5%	1.7%			
Total contr. to employment	36,030,000	9.7%	1.7%	42,451,000	11.3%	1.5%			
Visitor exports	447.3	6.1%	5.3%	683.0	7.0%	3.8%			

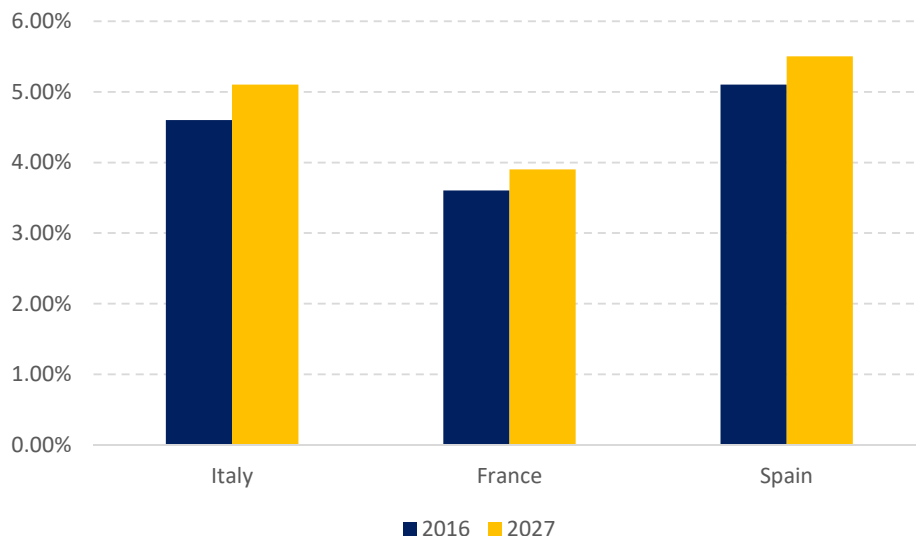
Italy (8 <sup>th</sup> for T&T impact on GDP)	2016			2017			2027		
	€bn	% of total	Growth	€bn	% of total	Growth	€bn	% of total	Growth
Direct contribution to GDP	77.3	4.6%	2.6%	93.8	5.1%	1.7%			
Total contribution to GDP	186.1	11.1%	2.4%	219.9	11.9%	1.4%			
Direct contr. to employment	1,246,000	5.5%	3.1%	1,595,000	6.7%	2.2%			
Total contr. to employment	2,867,000	12.6%	2.6%	3,455,000	14.5%	1.6%			
Visitor exports	37.2	7.5%	5.3%	47.8	7.7%	2%			

France (6 <sup>th</sup> for T&T impact on GDP)	2016			2017			2027		
	€bn	% of total	Growth	€bn	% of total	Growth	€bn	% of total	Growth
Direct contribution to GDP	80.7	3.6%	1.9%	100.5	3.9%	2%			
Total contribution to GDP	198.3	8.9%	1.8%	240.5	9.4%	1.8%			
Direct contr. to employment	1,180,500	4.2%	1.6%	1,429,000	4.9%	1.8%			
Total contr. to employment	2,791,000	9.9%	1.4%	3,238,000	11.0%	1.4%			
Visitor exports	41.9	6.5%	3.1%	64.0	7.1%	4.0%			

Spain (9 <sup>th</sup> for T&T impact on GDP)	2016			2017			2027		
	€bn	% of total	Growth	€bn	% of total	Growth	€bn	% of total	Growth
Direct contribution to GDP	57.1	5.1%	3.5%	72.1	5.5%	3.5%			
Total contribution to GDP	159.9	14.2%	3.8%	196.5	15.0%	1.8%			
Direct contr. to employment	862,000	4.7%	2.9%	1,016,000	5.2%	1.4%			
Total contr. to employment	2,652,500	14.5%	3.0%	2,981,000	15.3%	0.9%			
Visitor exports	58.9	16.1%	4.5%	78.5	15.1%	2.5%			

## Contribution of tourism to economic growth

Direct contribution of T&T to GDP as a % of total for Italy, France and Spain (2016 – 2027); Source: WTTC, *Travel & Tourism Economic Impact 2017*.



*Tourism and hospitality* is one of the most impacting industry for the Italian economy and its contribution to GDP is the more and more evident: in 2011 the T&T sector generated 8.6% of the Italian GDP, while in 2016 it generated 11.1% and this figure is expected to grow by 2.2% yearly for the next 10 years, nearly achieving 12% in 2027 (based on WTTC estimates, the contribution of this sector to GDP would reach 219.9 bn Euros in 2027, equal to 11.9% of GDP).

Compared to the 185 countries which WTTC analyses, in 2016 Italy ranks 8th for overall value generated by the sector, equal to 207.6 bn \$ (186.1 bn Euros). This ranking is headed by the USA (1,509.2 bn \$), China (1,000.7 bn \$) and Germany (376.7 bn \$).

The sector's impact is relevant on country employment as well: approximately 1.3 employees each 10 are working in tourism, a ratio which, within 2027, is expected to raise to 14.5%.

In 2016 tourist accommodations have hosted about 117 mln tourists, demonstrating a growth of 3.1% on 2015, a year which indeed was particularly performing for the sector, thanks to the visibility provided by EXPO 2015.

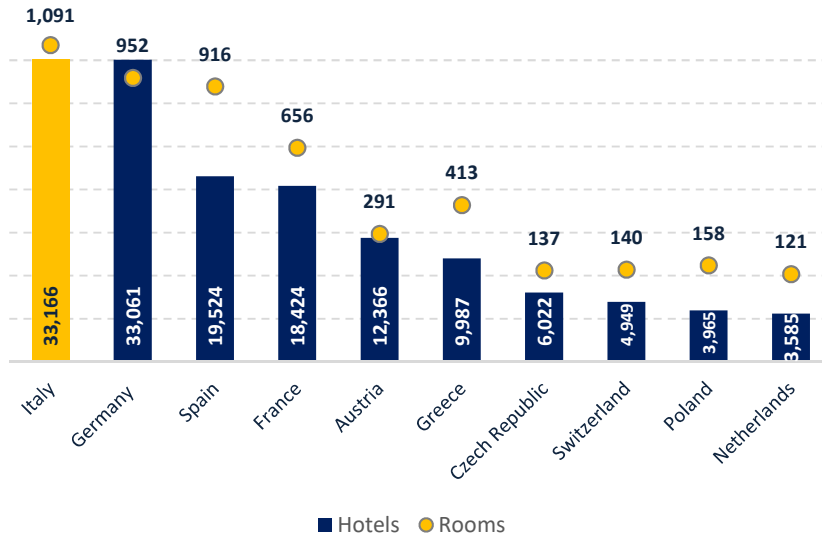
International demand continues to grow and today represents 48.5% of arrivals and 49.5% of overnight stays (in 2007, international arrivals represented 43.7% of total, while international overnight stays represented 43.3% of total). The increase in foreign demand affects the tourism payments balance: according to WTTC, in 2017 tourism has generated in Italy 7.5% of overall exports, a share destined to grow by 2.2% yearly, from now to 2027.



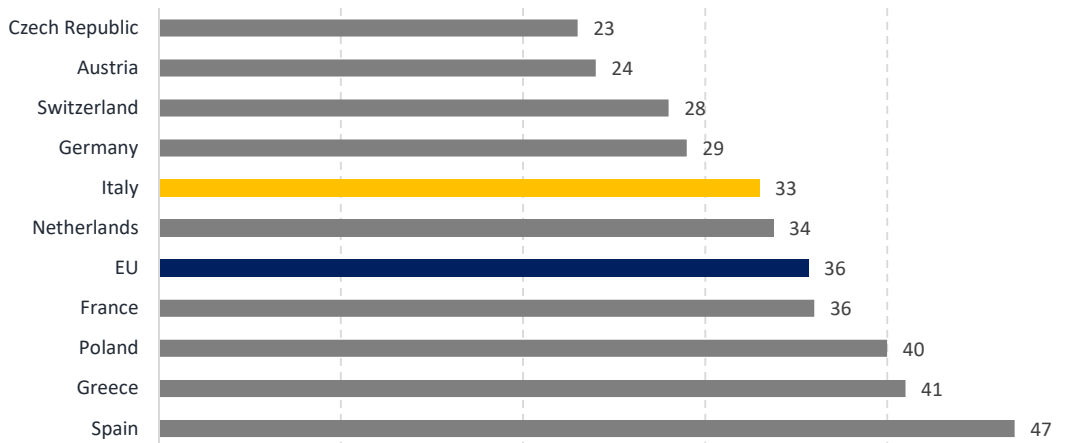
## Italy and the European arena

Italy accounts for the highest hotel portfolio in Europe, the third in the world. Hotel stock is declining slowly, though. Spain and Italy, besides being ranked as top destinations for hotel arrivals in Europe, report the highest shares of international demand.

Top 10 European countries by number of hotels and rooms (rooms: '000) (2016); source: processing of EUROSTAT data



Hotels average size in rooms in Top 10 European countries (2016) ; source: processing of EUROSTAT data



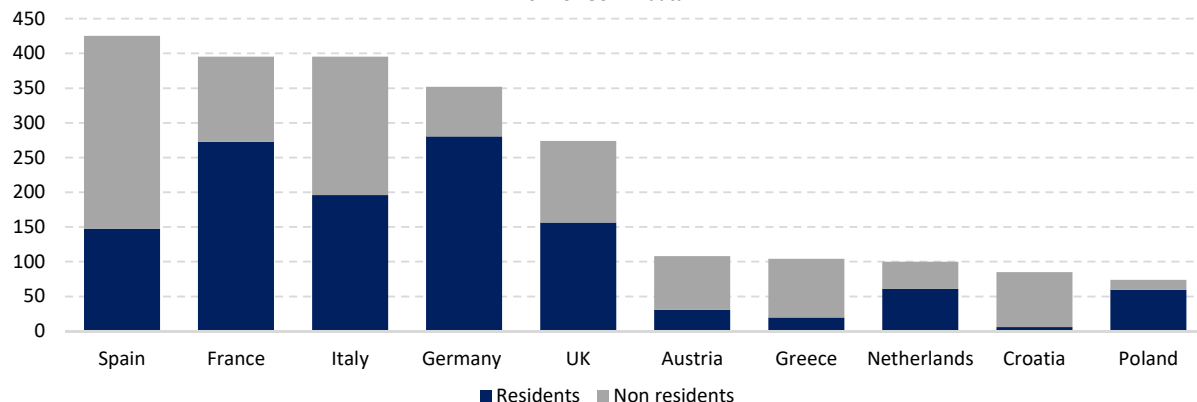
### Italy, the first hotel portfolio in Europe

With something more than 33,200 hotels and 1.1 mln rooms, in 2016 Italy accounted for the biggest hotel portfolio in Europe, followed by Germany (33 thousand hotels) and Spain (19.5 thousand hotels).

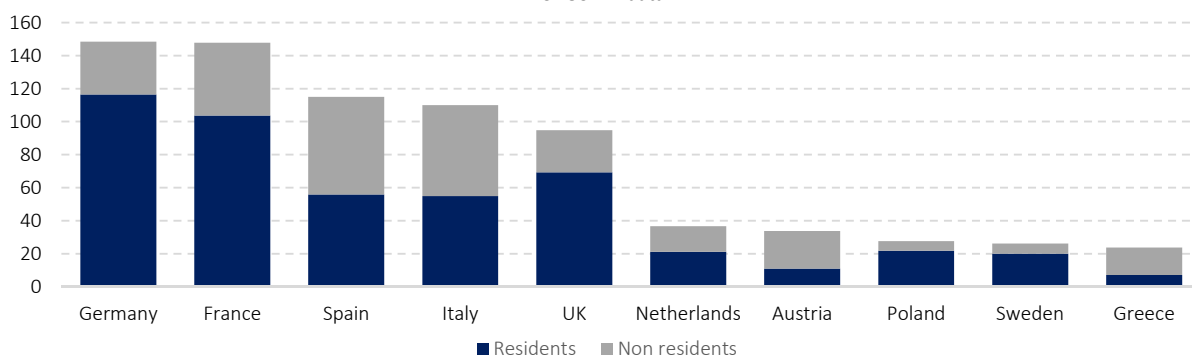
For the first time Italy surpasses Germany on the number of hotels and rooms.

## Italy and the European arena

Top 10 European countries by number of overall overnight stays among residents and non residents (in Mln) (2016); source: processing of EUROSTAT data



Top 10 European countries by number of overall arrivals among residents and non residents (in Mln) (2016); source: processing of EUROSTAT data



According to the last edition of the UNWTO World Tourism Barometer<sup>1</sup>, global tourism demand has grown further in 2017: international arrivals have grown by 7% on 2016, the highest growth rate recorded during the last 7 years, reaching quota 1,322 mln.

In 2017, international arrivals to Europe have grown to 671.1 mln, showing a 8.4% increase on the year before. European destinations of the Mediterranean have significantly contributed to this performance, since they have recorded over 1/3 of overall international arrivals to Europe (222.8 mln in 2017), an increase of 12.6% on 2016.

Indeed, Eurostat data, as of October 2017, confirm a growth of tourism demand in major European countries: total arrivals to France have grown by 5.9% YTD, Spain by 4.5%, Italy by 4% and Germany by 3.8%.

In the same period, international demand has played a key role: France +8.3%, Spain +6.6%, Germany +5.1% and Italy +4.7%. It is worthwhile to mention that, while international demand for Spain and Italy accounts for half of their overall demand, Germany and France still highly rely on domestic flows.

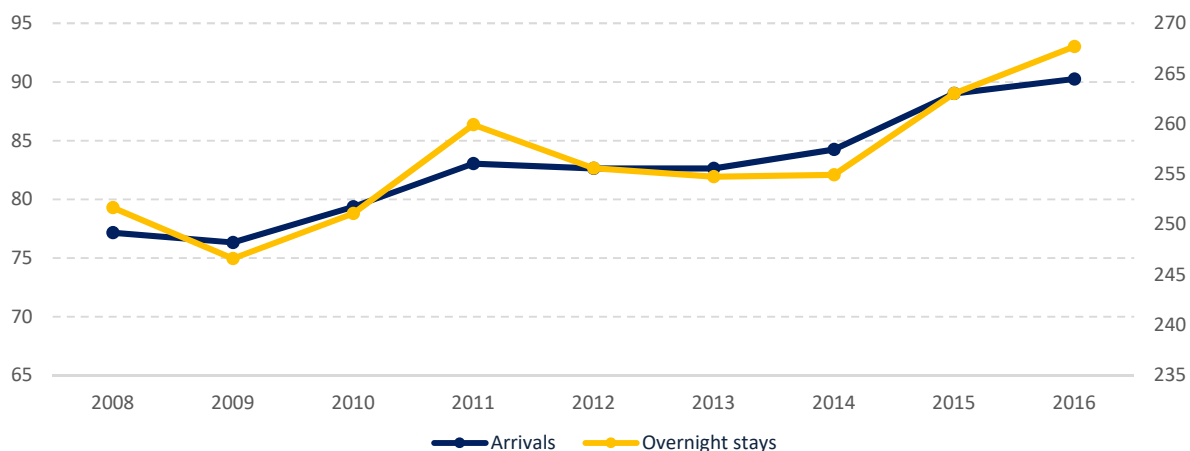
The analysis of the top 10 ranked destinations in Europe for arrivals and overnight stays highlights controversial results, depending on the parameter used: if we consider total arrivals, during 2017 (as of October) the ranking of the first 10 countries is headed by Germany (approx. 148.5 mln, +3.8% on 2016 YTD), France (147.8 mln, +5.9%) and Spain (115 mln, +4.5%). If we consider overnight stays, the first 3 countries are Spain (over 425 mln; +3.7% on 2016 YTD), followed by France (approx. 395.3 mln, +6.7%) and Italy, (395.2 mln; +5.5%) who compete on a very short distance.

<sup>1</sup>UNWTO World Tourism Barometer, Volume 16, Jan. 2018

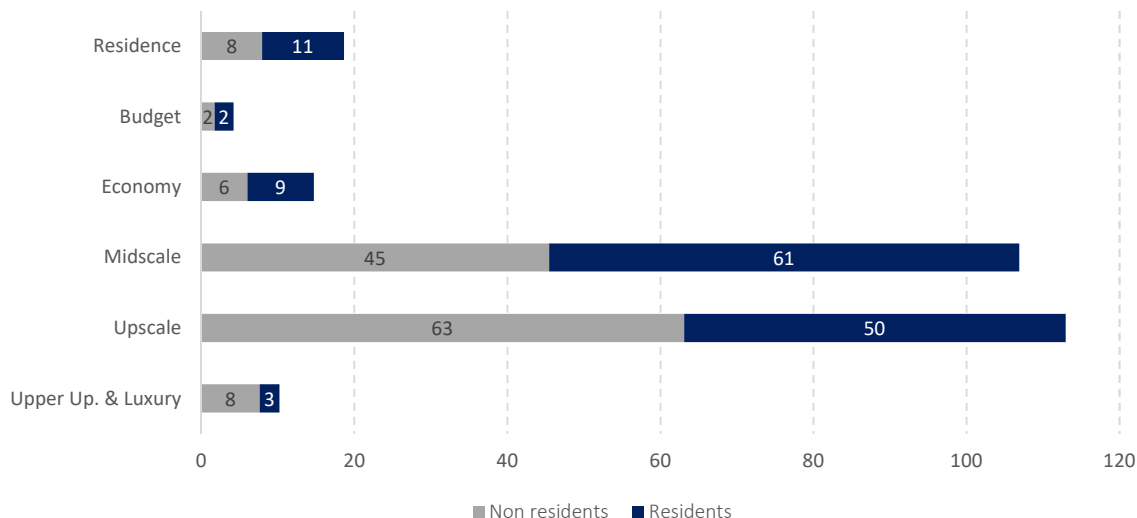
# A full cycle of hotel demand in Italy

Demand volumes firmly relaunched after 2014 stagnation. Bed-nights grow faster than arrivals, a sign of increased stays in S&B destinations during 2015 and 2016. Midscale and Upscale demand made the core of Italian most recent performance.

Hotel arrivals and overnight stays in Italy (2008-2016, Mln); source: processing of ISTAT data



Hotel overnight stays distribution by scale in 2016 (Mln); source: processing of ISTAT data



## Domestic demand for hotels completely recovered

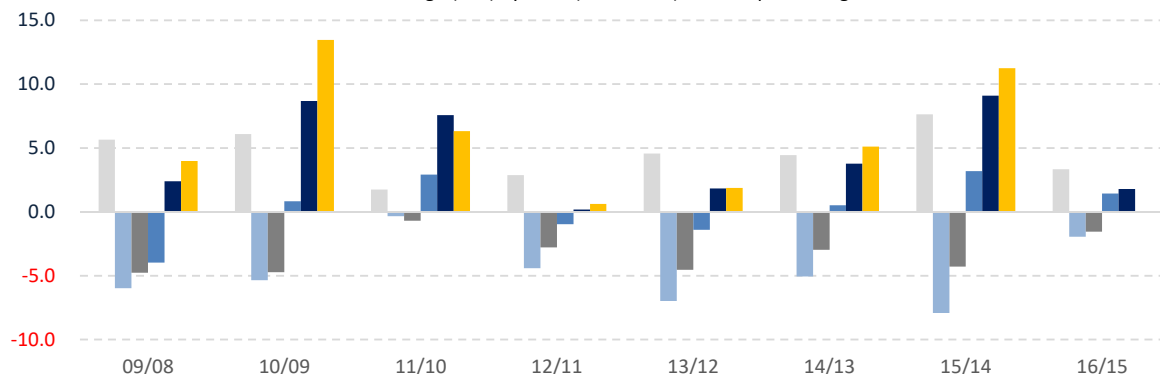
Hotels explain 76.2% of arrivals and 65.6% of overnight stays spent in the overall lodging supply of Italy.

Having a broader look at the years considered in the charts, the effects of the economic crisis are more evident along the period 2012-2013: such crisis have determined a drop in hotels in terms of both arrivals and bed-nights.

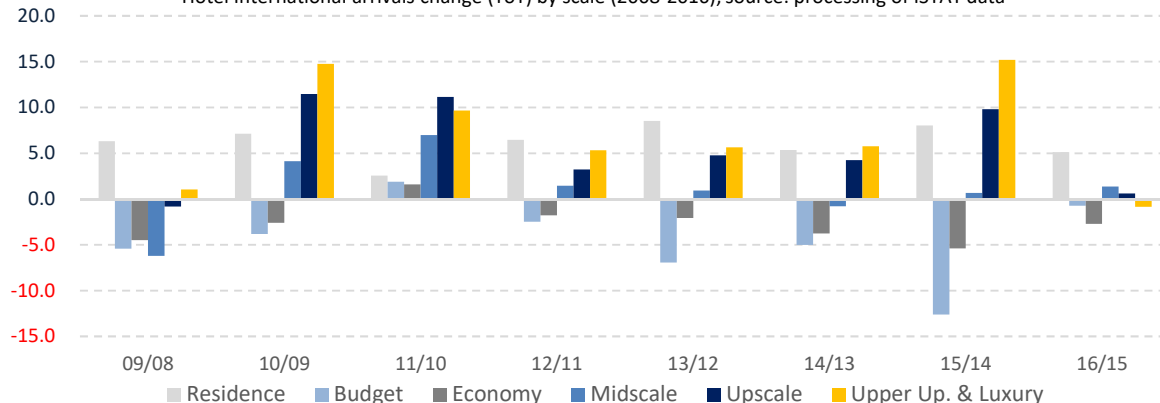
In 2014 and especially during the end of the year, an initial change of trend is finally recorded: arrivals grew by 1.9% on 2013 while bed-nights recorded a positive 0,1%. The growth consolidated in the following years, dragged by the demand from the foreign component, which substituted the domestic one. A recovery of domestic demand will only appear during the last months of 2016.

## A full cycle of hotel demand in Italy

Hotel total arrivals change (YoY) by scale (2008-2016); source: processing of ISTAT data



Hotel International arrivals change (YoY) by scale (2008-2016); source: processing of ISTAT data



### Alternate paths in the market

The analysis of the trend of different segments of demand, in the period 2008-2016, puts the light on alternate patterns.

In the upscale and luxury segments demand grew steadily: even during the crisis period, though at reduced pace, the positive trend did not stop. As opposite, the segment of 1 and 2 star hotels continued to suffer a constant decrease of arrivals, which didn't arrest even after 2014, a year of generally positive results. In the period considered in the charts, these segments recorded a fall of demand, from 8.3 mln arrivals in 2008 to slightly more than 6 mln arrivals in 2016; meanwhile 5 and 4 star hotels recorded a 41.3% growth of arrivals.

### International demand attracted by the upscale and luxury segment

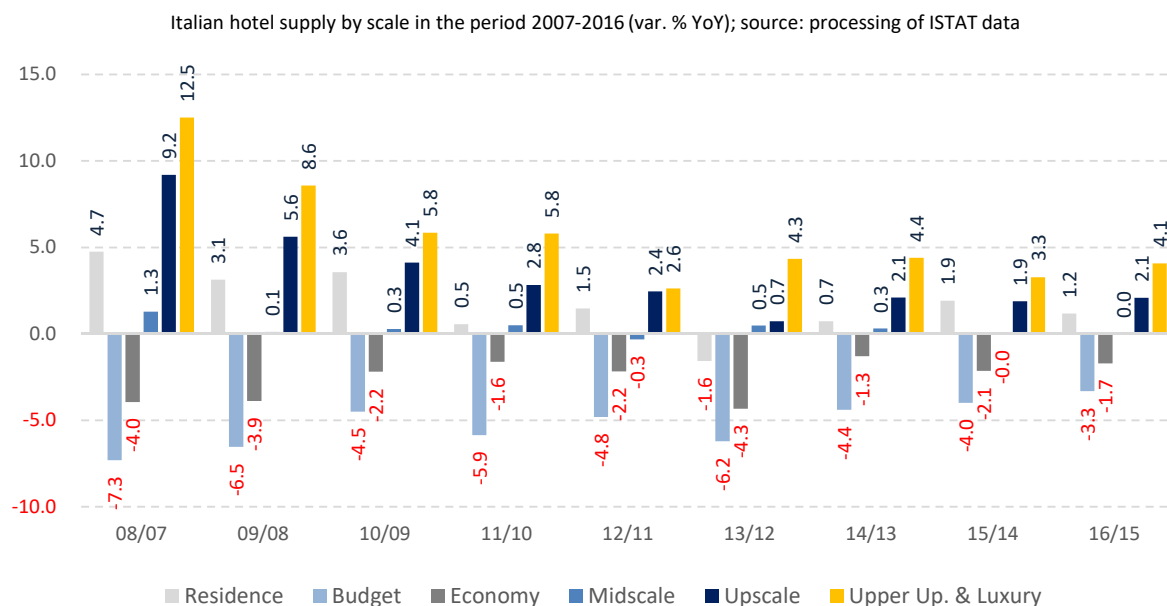
The positive performance recorded by the high-end scales are mostly attributable to foreign demand, who is the more and more oriented towards these segments: in the period 2008-2016 international arrivals to 4 and 5 star hotels have continuously grown and largely replaced the drop of domestic demand. As opposite, this switch didn't take place for the lowest segments, for which the shortfall of domestic demand summed up to that of the foreign component.

Between 2008 and 2016 foreign arrivals to hotels grew by 54.4%, while they fell by 22.3% in hotels in the 1 and 2 star ranks.

If we consider the overnight stays composition by origin, the year 2016 highlights a clear predominance of foreign demand in 5 star properties: in this scale demand reached 74.5% of overall overnight stays (56% in 4 star hotels), while hotels in the 2 and 1 star ranks only recorded nearly 41% of international overnight stays.

# A full cycle of hotel supply in Italy

A cycle of 10 years during which hotel stock is rejuvenating and changing direction to the Upscale and Luxury segments. Residence supply is constantly growing. 1 and 2 star supply fast decline is paralleled by the impressive growth of non-hotel lodging formulas.



## Italy hotel stock further modernized

The modernization and restructuring of the Italian hotel supply continues: further in 2016, we observe an increase within the 4 and 5 star segment – both in terms of hotels (+2.2%) and rooms (+1.7%), which is paralleled by a drop in the supply of hotels in the 1 and 2 star segments (-2.2% hotels and -2.5% rooms). Essentially, 3 star hotels have not moved and remained 15.4 thousand (46.3% of overall hotel supply). This segment continues to be, at least in terms of number, the most relevant component of the Italian hotel stock.

In the period 2007-2016, 4 and 5 star hotels have moved from 4.5 to 6.2 thousand, while in the same period the number of hotels in the 1 and 2 star segments have decreased from 12 to nearly 9 thousand.

## Italy, the first hotel portfolio in Europe

With something more than 33,200 hotels and 1.1 mln rooms, in 2016 Italy accounted for the biggest hotel portfolio in Europe, followed by Germany (33 thousand hotels) and Spain (19.5 thousand hotels).

For the first time Italy surpasses Germany on the number of hotels and rooms.

For Italy, as for Germany, the ongoing trend of decreasing hotel supply can be essentially attributed to the repositioning of hospitality offer. It is hard to benchmark these countries with others, due to very incomparable hotel rating systems, which is even, for some countries, based on voluntary assessment.

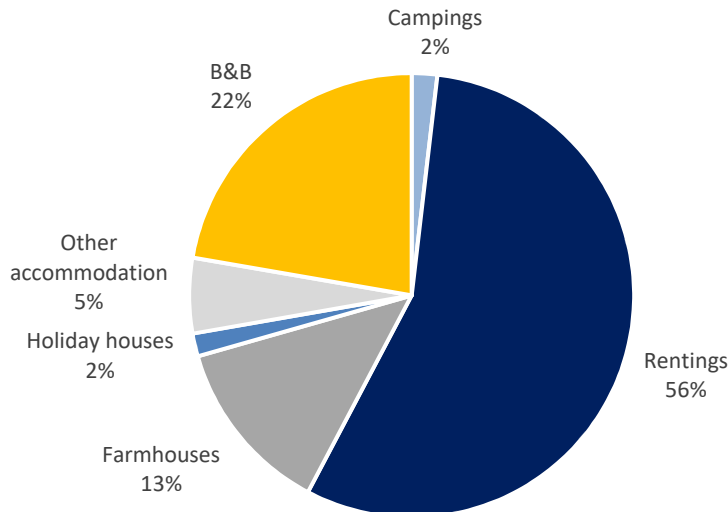
But, limiting the analysis on total hotels figures, a common trend can be found (with the exception of France): the total hotel supply for the 9 considered countries continued to fall by -0.3% in the period between 2007 and 2016, while the rooms stock, after nine years of continued growth, suffers a first drop.

It is worth to underline that Germany, the first country in Europe for hotel stock up to 2015, has lost approx. 3 thousand hotels, of which 3/4 in the last 5 years.



## A full cycle of hotel supply in Italy

Non-hotel supply in Italy in 2016; source: processing of ISTAT data



The presented hotel supply trends are paralleled, in Italy, by an explosion of other alternative forms of lodging: after years of stability, between 2014 and 2015 the non-hotel supply has grown by 7.5% and by an additional 8% between 2015 and 2016. In 2016 the number of non-hotel lodging units rises to 145 thousand, a figure which is equal to 4.4 times the number of hotel units.

The sharing economy lodging supply adds up to the former mentioned: according to a recent research by AirDNA, a company which tracks the business of short stay rentals internationally, in September 2017 over 318 thousand apartments were active on-line in Italy, demonstrating a growth of 22% on the year before.

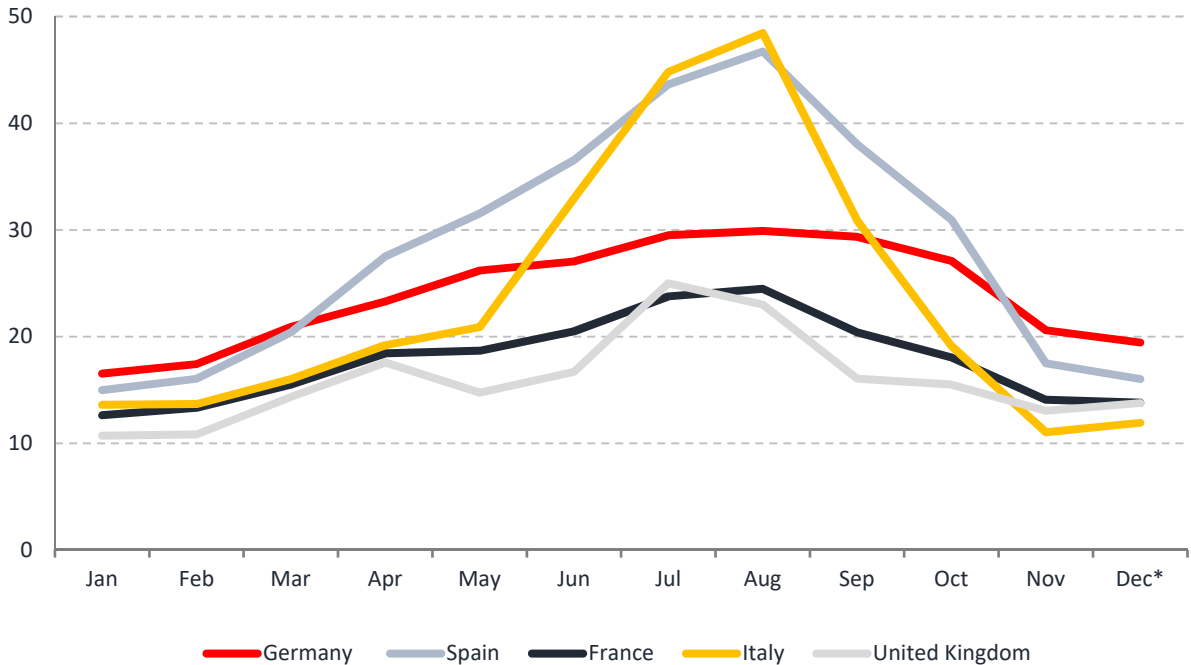
These figures make Italy the second destination in Europe, after France, in the top ten rank for the number of apartments proposed on-line.

It is a business which, for business model (64% of on-line promoted apartments belongs to multiple owners), price range (130 Euros on average, +15% on 2016) and booking processes, stands in very strict competition with the hotel industry.

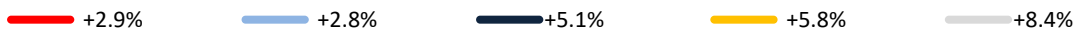
## Recent trends & performances

The Italian summer peaks the highest attractiveness in Europe in 2017. July and August volumes surpass Spain's ones. Leisure demand highly prevails.

Monthly distribution of overnight stays (Mln) in hotels in top 5 Countries in Europe in 2017; source: processing of EUROSTAT data, Dec based on 2016 data



Overnight stays % change Nov YTD 2016/2017 ; source: processing of EUROSTAT data



### Italy and Spain on the edge of global attractiveness in 2017

Recent Eurostat data (As of November 2017, December is based on 2016 figures) witness the 2017 momentum for both Spain and Italy on global markets. Last year the bed-nights recorded in Italy during July and August peaked over the bed-nights recorded in the rest of European countries, totalling nearly 50 mln in a month only.

Italian tourism volumes are yet too concentrated on summer, when the domestic component emerges and complement the international one.

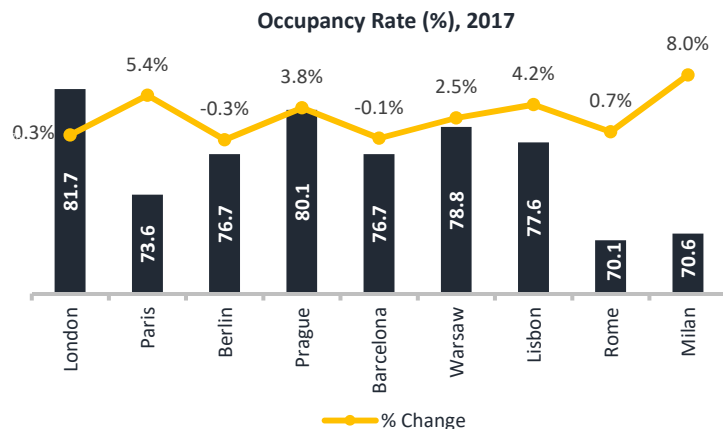
As we argued last year, the lack of international big events, trade fairs and exhibitions, together with the reduced appeal of our business environment (with the exclusion of some top business hubs) may explain the lower performance of April, May October and November, especially if compared to Germany.

\*Dec 2017 based on 2016 data

## Recent trends & performances

Milan continues to grow after EXPO 2015 demonstrating solid demand fundamentals. The city runs its sustained growth together with Lisbon, Warsaw and Prague, all recording a double digit RevPAR increase on 2016.

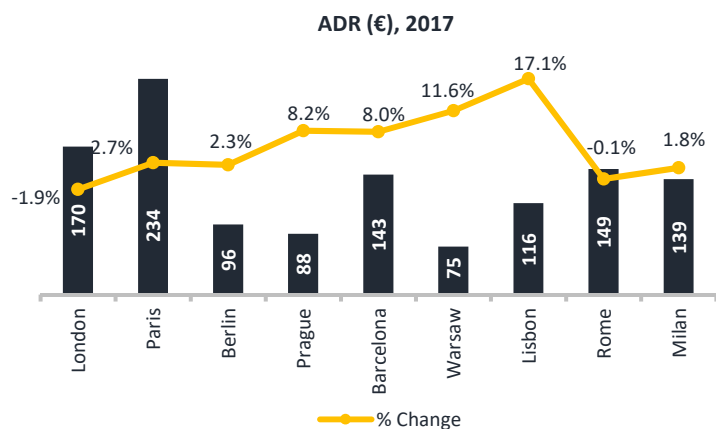
OR, ADR, RevPAR for selected european destinations in 2017 and percentage change over 2016; source: processing of STR data.



**2017: Rome hotels maintain unchanged sales volumes**

According to STR Global data covering the Rome hotel panel, OR in 2017 was maintained at a stable 70.1%, close to the Milan panel (70.6%).

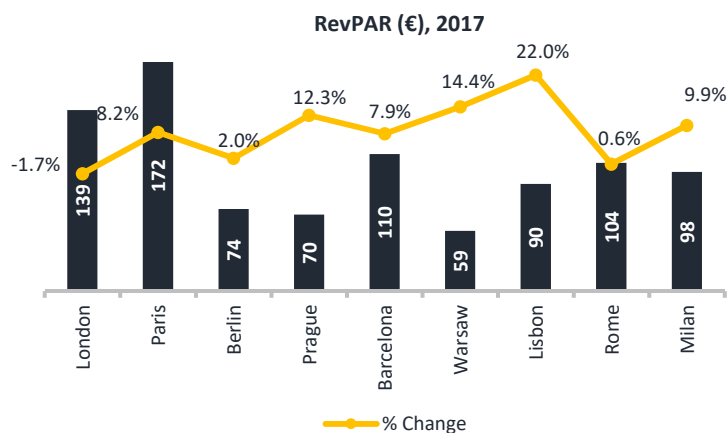
Compared to a set of selected top capital cities for tourism in Europe, as presented in the chart, these ratios are the lowest recorded.



**Europe: Lisbon panel records a successful year for imposing higher rates**

The counterpart of lower OR is for both Rome and Milan a high positioned ADR. Comparable to Barcelona but yet lower than Paris and London, the two Italian cities recorded respectively 149 and 139 Euros ADR as overall 2017. A stable performance if compared to 2016.

Among the European magnets, Lisbon panel of hotels outperformed, with an increase on 2016 of over +17%.



**Milan demonstrates solid market fundamentals despite questionable increased capacity**

Milan, after all and after EXPO 2015, grows on 2016, by almost 10% in terms of RevPAR, a performance which explains the solidness of its market mix fundamentals.

During the same year, the Rome panel accounted for stable revenues per available room.

# HOTEL CHAINS IN ITALY

## HOTEL CHAINS IN ITALY

Chain's growth and Europe	24
Key evidences from 2017	26
Chain Hotels by number and size – 5 years	28
Chain Hotels by scale	30
Chains by type of destination	32
Chains' footprint	34
Focus: Chains' footprint in Lombardy	35
Chains' footprint growth 2013-2017	36
Business models	38
Top 30 Chains and Brands in 2017	40
Top 20 Brands by business model in 2017	41
Top 20 Brands by scale in 2017	43
Top 10 Brands by destination type	45
Hotel chains growing in 2017	47
Italian chains' international footprint	48
Pipeline by scale	50
Pipeline, re-branding and destinations	51
Brands' Country of origin	52
2020 competitive landscape for chains	53
Hotels & Chains in Bologna	54
Hotels & Chains in Genoa	56
Hotels & Chains in Matera	58
Hotels & Chains in Naples	60
Hotels & Chains in Turin	62



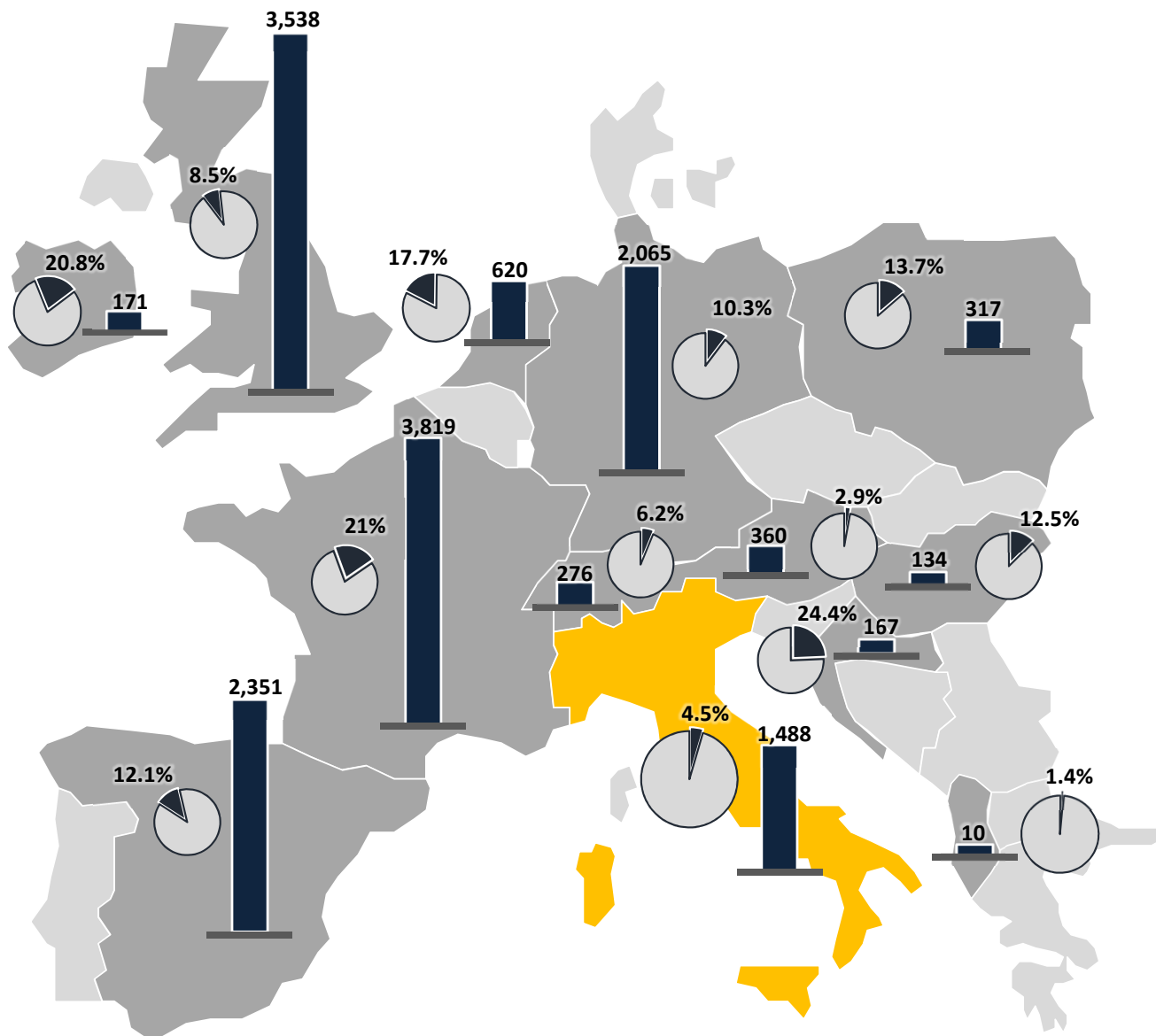




## Chain's growth and Europe

There are no strides in chains' presence in the map of the mature European destinations, with the exception of a sparkling Germany. Cyprus, Croatia and Spain account for the biggest branded resorts in the Mediterranean Europe in 2017.

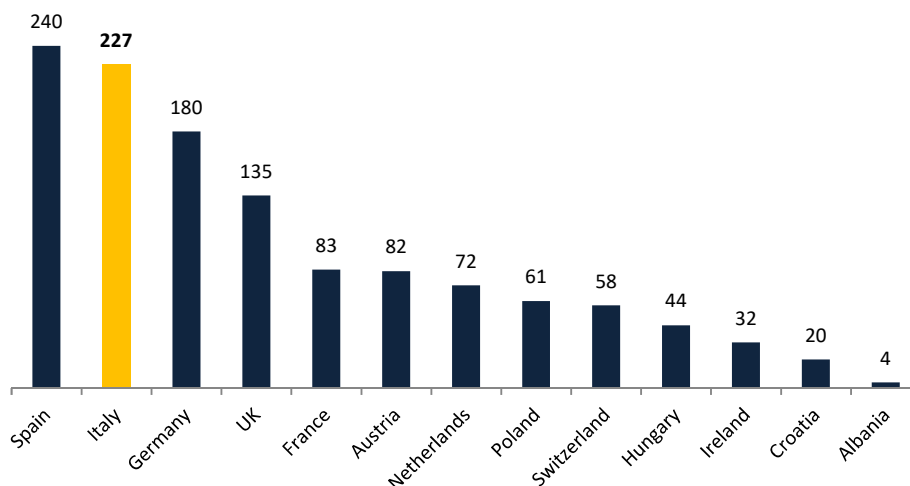
Number of chains' hotels and chains penetration by hotel in selected European Countries (2017); source: Horwath HTL Italy and other European offices



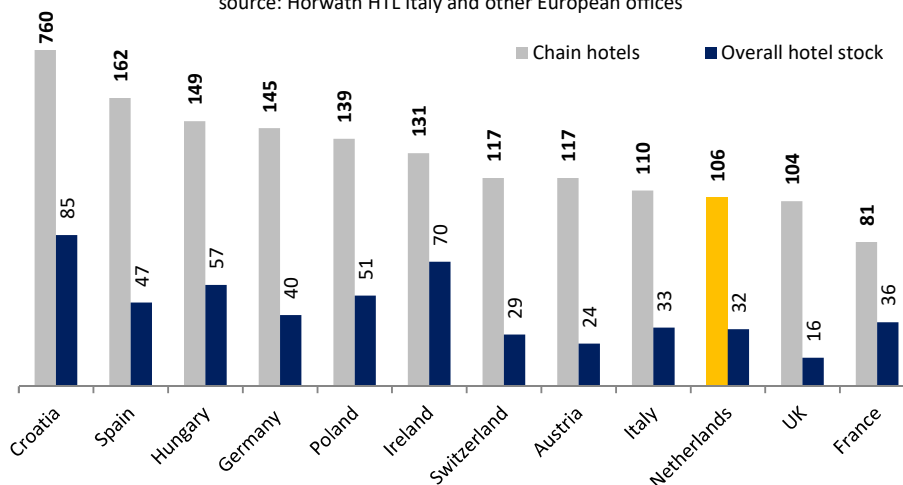
*Not all country figures are updated to 2018. The Hotels & Chains Report 2017 wrongly reported 5,500 hotels for Spain. The correct figure is the one reported in this map, 2,351 hotels for 12.1% of hotel penetration.*

## Chain's growth and Europe

Number of brands in selected European countries (as of April 2017; Italy as of 31st December 2017); source: Horwath HTL Italy and other European offices



Average size of chain hotels and overall hotel stock in selected European countries (as of April 2017; Italy as of 31st December 2017); source: Horwath HTL Italy and other European offices



The European Chains Report, edited by Horwath HTL in April 2017, confirmed chains' penetration in Italy (4.5% by hotels) is modest when compared to France (21%), Spain (12.1%), Germany (10.3%). UK (8.5%) figures are pretty uncertain, due to the lack of an official statistical coverage of hotel population in the country.

It is interesting to note that chains develop differently along Europe, as demonstrated by data on the size of hotels: it would seem very often big S&B resorts in Croatia and Spain, franchised city hotels in UK and France.

Chain hotels are always much bigger than the average of countries' hotel populations: over 3 times bigger in Netherlands, Italy, Switzerland and Austria.

During 2017 chains have expanded especially in Germany (+ 125 hotels), in Switzerland, with a major increase of 58 hotels, in Albania, with additional 5 properties and further expanding in 2019 with more than a couple of big pipeline in the country.

## Key evidences from 2017

Chains' growth in the country follows a steady pace. The recorded 5 year net growth stands at +45 hotels per year. Penetration rate reaches 15% of rooms and 4.5% of hotels. The overall number of corporate brands on the market is impressive: 227.

Key Evidences from the Horwath HTL 2017 Census of Chains' Hotels in Italy

Key evidences of the last 5 years census (Horwath HTL Italy)	2013	2014	2015	2016 <sup>3</sup>	2017	Growth % 2017 vs 2016	Growth % 2017 vs 2013
Chains Hotels	1,308	1,330	1,360	1,424	1,488	4.5%	13.8%
Italian Hotels Stock (overall supply)	33,728	33,316	33,290	33,199	33,166	-0.1%	-1.7%
<b>Chain penetration % by Hotels</b>	<b>3.9%</b>	<b>4.0%</b>	<b>4.1%</b>	<b>4.3%</b>	<b>4.5%</b>	<b>4.6%</b>	<b>15.7%</b>
Chains Rooms	143,968	144,956	148,963	158,043	164,196	3.9%	14.1%
Italian Rooms Stock (overall supply)	1,093,286	1,089,770	1,090,300	1,091,569	1,091,061	0.0%	-0.2%
<b>Chain penetration % by Keys</b>	<b>13.2%</b>	<b>13.3%</b>	<b>13.7%</b>	<b>14.5%</b>	<b>15.0%</b>	<b>3.9%</b>	<b>14.3%</b>
Average Size per Chain Hotel in Rooms	110	109	110	111	110	-0.6%	0.3%
Average Size per Hotel in rooms	32.4	32.7	32.8	32.9	32.9	0.1%	1.5%
Total number of brands	148	170	196	207	227	9.7%	53.4%
Domestic Brands	87	98	110	127	137	7.9%	57.5%
International Brands	61	72	86	80	90	12.5%	47.5%
International Chains Hotels IDC	516	515	537	515	523	1.6%	1.4%
Domestic Chains Hotels IDC	860	882	890	974	1,034	6.2%	20.2%
International Chains Keys IDC	64,260	62,945	66,042	64,597	65,965	2.1%	2.7%
Domestic Chains Keys IDC	88,231	90,809	90,637	102,904	107,881	4.8%	22.3%
Top 10 Chain Groups (by Hotels) total Hotels	488	487	523	520	525	1.0%	7.6%
Top 10 Chain Groups (by Rooms) total Rooms	63,078	61,964	62,848	66,475	66,662	0.3%	5.7%
Top 10 Chain Groups Hotels %		37%	38%	42%	41%	-3.5%	
Top 10 Chain Groups Rooms %		43%	42%	37%	35%	-3.4%	

The 5<sup>th</sup> edition of the Report unveils several interesting truths about hotel chains in Italy, among which the most clear is the unrelenting growth of their footprint.

Since the beginning of this census, last year (2016) and this year (2017) were the greatest net growth recorded, with over 60 hotels and about 8 to 10 thousand rooms added per year.

Taking into account that greenfield projects are very rare in the country, these are figures accounted mostly among branding deals, conversions from residential or office former use, relaunched.

While the number of brands with a least one flag in the country expands, the concentration among top players has not increased significantly, indicating that the hospitality market is vibrant and not yet definitively consolidated.

<sup>3</sup>2016 data reviewed in 2017.

## Key evidences from 2017

2017 New Entry chain Hotels with more than 200 keys, Horwath HTL 2017

Hotel	Brand	Group	Scale	Keys	Location	Region	Project Type
Garden Calabria	VALTUR	VALTUR	Upscale	580	Curinga	CALABRIA	<b>Branding</b>
Hotel Capo Calavà	TH RESORTS	TH RESORTS	Midscale	320	Gioiosa Marea	SICILIA	<b>Re-branding</b>
AO Venedig Mestre	A&O HOTELS & HOSTELS	A&O HOTELS & HOSTELS	Economy	319	Venice Mestre	VENETO	<b>Greenfield</b>
NYX Milan	NYX HOTELS by LEONARDO HOTELS	FATTAL	Upscale	300	Milan	LOMBARDIA	<b>Conversion</b>
Villaggio Olimpico	TH RESORTS	TH RESORTS	Upscale	295	Sestriere	PIEMONTE	<b>Branding</b>
Le Meridien Visconti Rome	LE MERIDIEN	MARRIOTT INTERNATIONAL	Upscale	240	Rome	LAZIO	<b>Branding</b>
Sighientu Hotel & Spa	STUDIO VACANZE	GRUPPO STUDIO VACANZE	Upscale	220	Quartu S. Elena	SARDEGNA	<b>Re-branding</b>
Hilton Garden Inn Milan Malpensa	GARDEN INN	HNH HOTELS & RESORTS	Upscale	207	Somma Lombardo	LOMBARDIA	<b>Operator change</b>
Sheraton Donnafugata Golf Resort	SHERATON	MARRIOTT INTERNATIONAL	Upper Up. & Luxury	202	Ragusa	SICILIA	<b>Re-branding</b>

Among them the year 2017 saw the entrance of some very big properties, such as the Garden Calabria by Valtur, the Hotel Capo Calavà by TH Resorts, the A&O Venedig Mestre by A&O, the Nyx Milan by Leonardo Hotels, all over 300 rooms each, and many others. Overall 9 properties sized over 200 rooms entered the census in 2017.

Nevertheless, the size of chain hotels remains stable and stick to 110 rooms, indicating that also small gems in the center of art cities were still a target in 2017: The First Hotel Rome by The Pavilions Hotels – Rome 29 rooms, Venice Times Hotels by Mood Hotels – Venice 33 rooms, and many others.

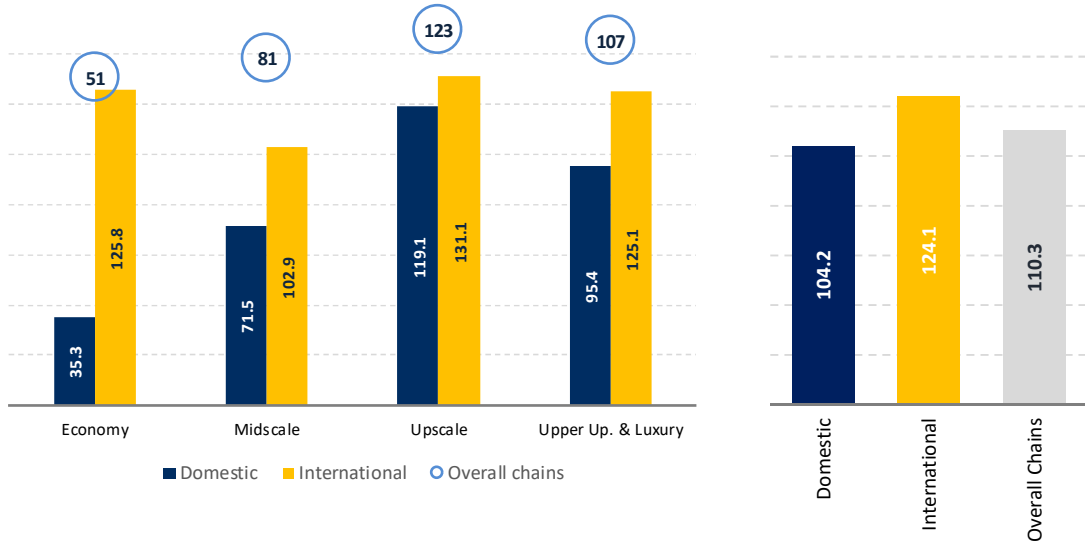
Have we finally reached our physiologic threshold with a room penetration rate of 15%, then? Some signs indicate the answer should be “not yet”. Indeed, the pipeline we have recorded for projects in 2018-2020 accounts for over 12,700 rooms and over 90 hotels. More projects will be disclosed during the year 2018. Given the natural turn-over of branded and de-branded hotels it should turn out to be a chain portfolio of around 175.000 rooms and 1,600 hotels by 2020.

In addition, we may assume that both the sentiment of optimism generated by impressive tourism performances (2015-2017) and the massive amount of NPL hotels have instilled in the investment funds a switch in their outlook for hospitality from “watch” to “buy”. Investment funds will be very active in 2018 and 2019 and this will facilitate and accelerate chains growth for obvious reasons.

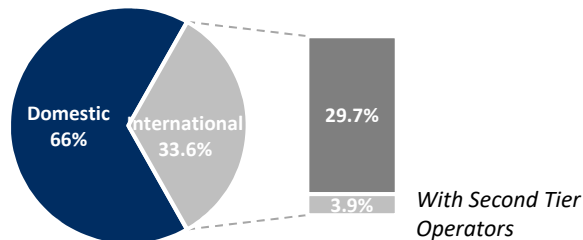
## Chain Hotels by number and size – 5 years

The overall average size of chain hotels in Italy is about 110 rooms. It has not changed in years. International chains hotels are bigger in all segments. Penetration rates vary significantly along scales, reaching 51% (by rooms) in the Upper Upscale & Luxury segment.

Hotels overall average size among Domestic and International chains and by scale; Horwath HTL 2017



Chains' hotels distribution among International, Domestic and Second Tiers; Horwath HTL 2017



### Domestic chains prevail in the Italian market

We replicate what we argued about the 2016 census, saying there is few new under the sun about the composition of corporate governance in the country environment of “chained” hotels: 2/3 of the chains hotel portfolio belongs to domestic chains.

International chains, including hotels branded but managed by second tier operators (or white label, usually domestic) cover 34% of the Italian chained portfolio, a rate which is somehow stable in years or even diminishing.

### Development in the Economy segment: a different approach

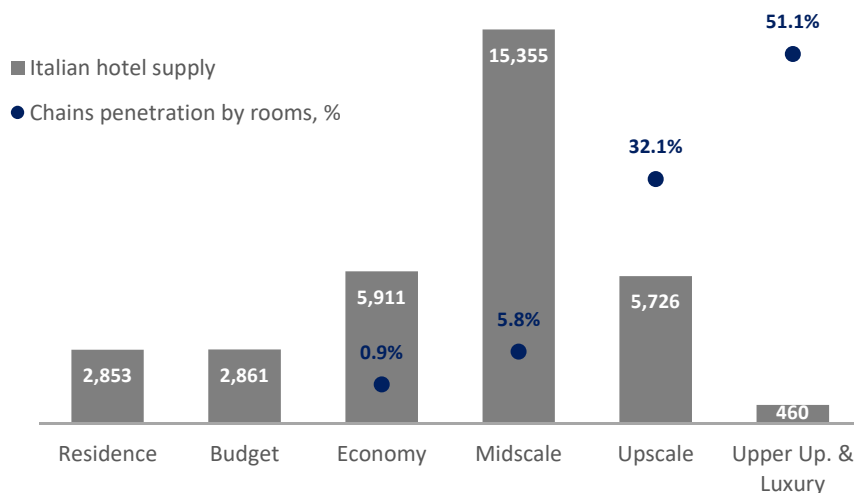
The historic difference between the size of international chains and domestic chains hotels remains visible and even augmented.

Especially in the Economy segment there seems to be a different approach to hotel development. International operators seek economies of scale with projects over 125 rooms, while domestic operators still keep very small properties within their portfolio. This significant difference may be originated by domestic operators initial approach to development and their initial family core base of assets.

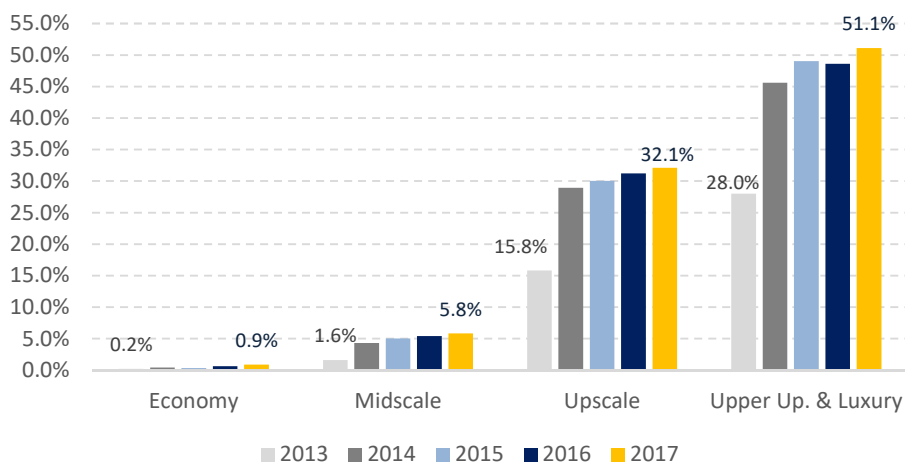


## Chain Hotels by number and size – 5 years

Italian hotels portfolio by scale in 2016 and chains penetration rate by rooms (%); Horwath HTL 2017, ISTAT 2016



Chains penetration rate (by rooms) by scale in the last 5 years ; Horwath HTL 2013-2017



### More chains than independent hotels in the 5 star rank, ...and growing

Hotel chains penetration in Italy has grown in the last 5 years. At the end of the year the overall penetration rate is 15% in terms of rooms and 4.5% in terms of hotels. Especially in the 4 and 5 star segments, since 2014, there has been a consistent increase in the number of hotels managed or branded by a chain.

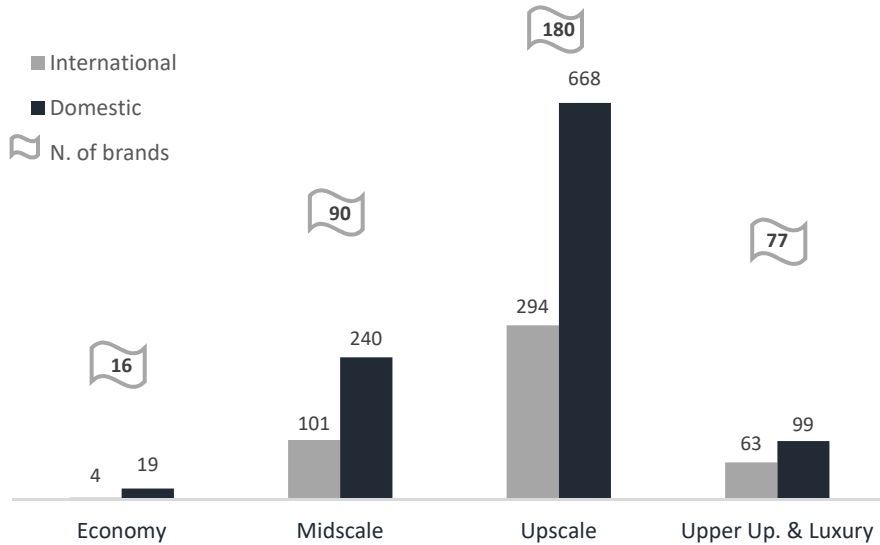
More than 1 hotel each 2 in the 5 star rank is a chain property, branded or managed. 1 each 3 in the 4 star segment.

Midscale recorded a steady growth of brands also, while in the Economy segment the absolute growth of chains hotels is weak, though tangible.

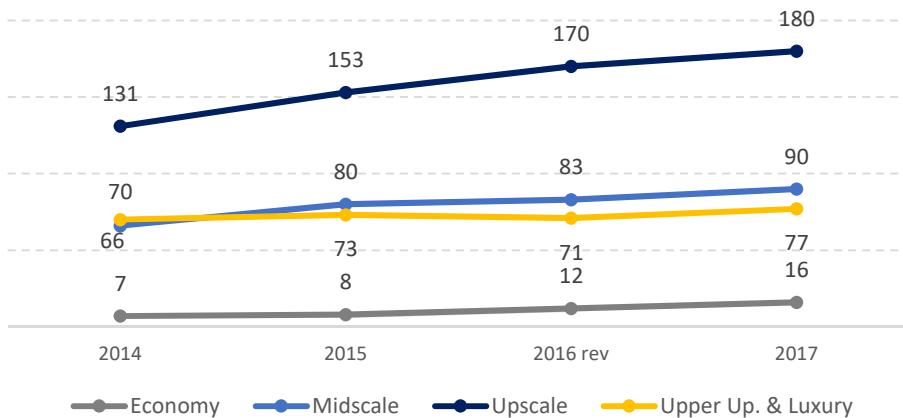
## Chain Hotels by scale

The upscale tier attracts over a hundred brands while chains presence in the economy scale is still very limited, probably due to the lack of greenfield projects available on the market.

Chains' hotels and brands distribution among Int.l and Dom.c chains and by scale; Horwath HTL 2017



Number of brand distribution among Int.l and Dom.c chains and by scale; Horwath HTL 2017



### 180 brands over 4 star hotels, only 16 on the Economy scale

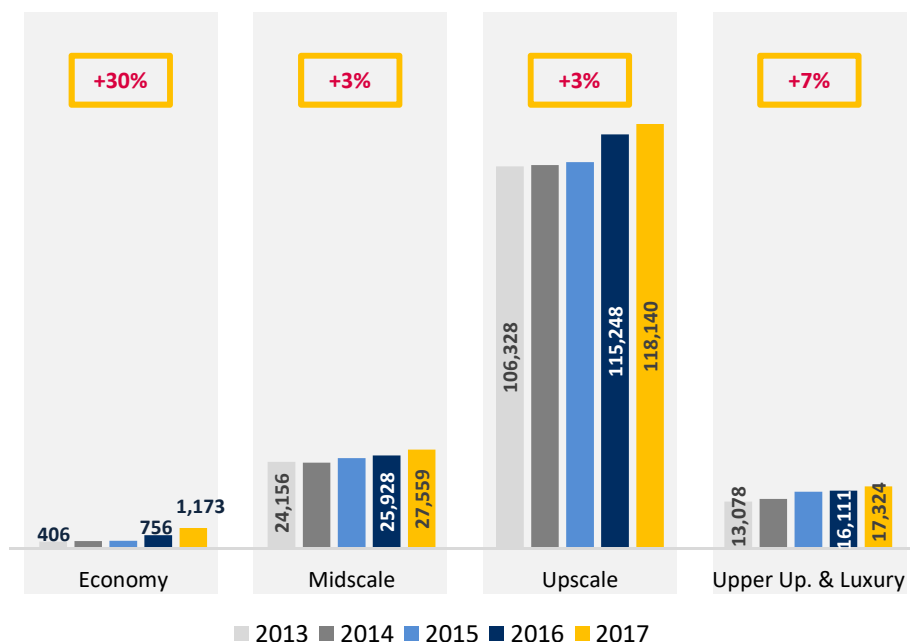
The distribution of chains' presence revealed by the 2017 census clearly explains current competitive environment for Italy: the attractive and performing scales, Upscale and Luxury, are recording a growing crowd of brands. But while penetration of new flags is slow in the Luxury tier, it has been very fast in the Upscale. Indeed, the majority of brands continues to be concentrated on affiliating 4 star properties.

There are 90 brands operating in the Luxury tier, but yet a limited presence in the Budget and Economy scale. Nevertheless, the growth of brands in such categories is a clear sign for the future: branded low priced hotels will grow in Italy, even though current lack of greenfield projects still holds back this development.

*It is worth to clarify that one brand covers more than 1 scale when it brands/operates hotels belonging to different star categories*

## Chain Hotels by scale

Chains' rooms growth and CAGR by scale; Horwath HTL 2013-2017



### 5 years of growth for branded rooms in the Economy scale

Observing chains in their last 5 years in Italy provides a privileged point of view on segments' perspectives. As mentioned, there is, and will be, a wide space for growth in the Economy scale which already demonstrated a strong increase YoY, with a CAGR of 30% in the last 5 years. Despite the need for efficient and modular structures, which can be guaranteed most often by greenfield projects, conversions from offices or other asset class, in the second circles of gateways cities, may be, in the next future, the most frequent development case for new Economy branded hotels.

The two extremes, the low cost segment and the highest segment, are growing the most in the period considered. Midscale and Upscale segments have recorded the same compound growth in the period, but resulting in different room volumes and penetration rates.

2016 and 2017 are the years where the highest absolute growth of chain room stock was recorded, respectively circa 10 and 8 thousand rooms of yearly increase. These figures were mostly explained by the Upscale segment.

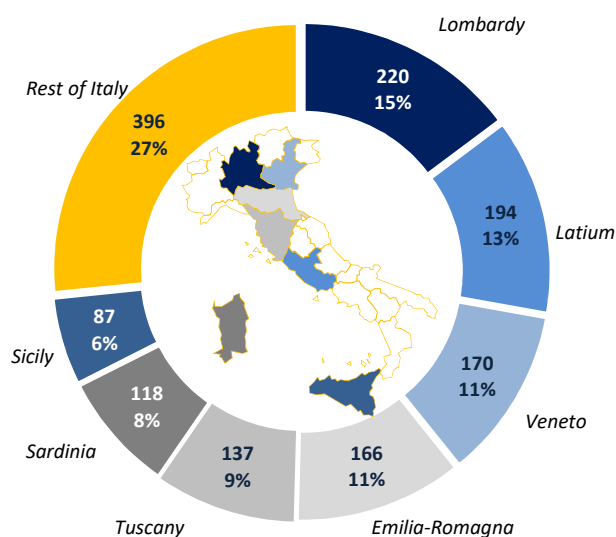
## Chains by type of destination

Out of the top 4 chains' cities, development growth in the last 5 years appears very modest, with the exceptions of Budoni where we recorded the growth of local groups. Rome and Milan recorded the highest increase in 2017, for over 1 thousand rooms each.

Top 10 destinations by chain rooms in 2017; Horwath HTL 2017

Rank	Destination	Rooms 2017	Hotels 2017	Hotels 2016*	Hotels 2015	Hotels 2014	Hotels 2013
1	ROME	20,167	175	168	149	151	146
2	MILAN	14,924	115	108	116	127	123
3	VENICE	5,257	54	55	51	49	46
4	FLORENCE	4,627	60	58	62	59	58
5	BOLOGNA	3,188	24	23	23	26	27
6	NAPLES	2,354	16	15	15	16	16
7	TURIN	2,337	21	23	23	26	24
8	GENOA	2,039	19	19	20	19	21
9	BUDONI	1,924	11	12	6	6	6
10	TAORMINA	1,786	14	13	14	12	12

Distribution of chains' hotels among regions; Horwath HTL 2017



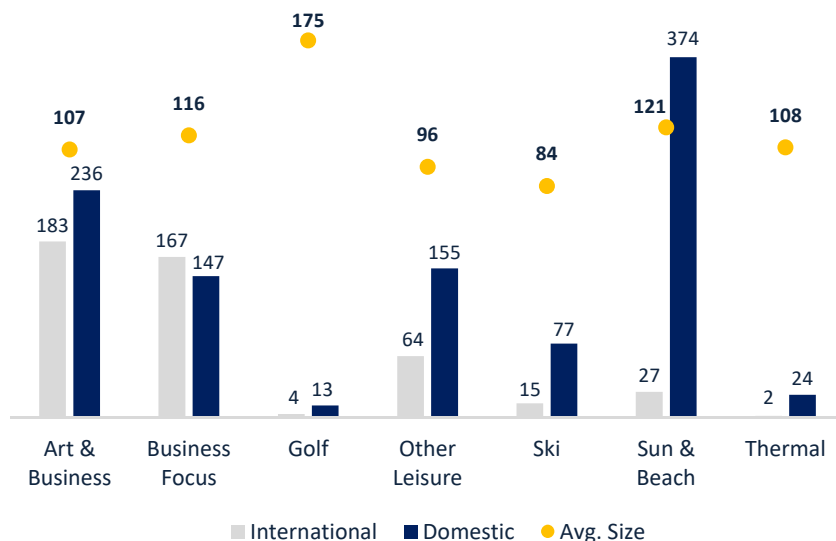
Top 10 destinations for new chain rooms in 2017; Horwath HTL 2017

Rank	Destination	New Rooms	New Hotels
1	ROME	1,093	14
2	MILAN	1,036	11
3	CURINGA	580	1
4	VENICE	520	3
5	DOMUS DE MARIA	423	1
6	GIOIOSA MAREA	320	1
7	SESTRIERE	295	1
8	SAN TEODORO	250	2
9	TURIN	242	2
10	MILANO MARITTIMA	235	3

\*2016 data reviewed in 2017.

## Chains by type of destination

Distribution of chains' hotels among Dom.c and Int.l by type of destination and average size; Horwath HTL 2017



Average size of chains' hotels by scale in the first 5 destinations in Italy ; Horwath HTL 2017

Destination	Economy	Midscale	Upscale	Upper Upscale & Luxury	Avg. Destination
ROME	28.3	69.8	128.6	129.4	115.2
MILAN	52.5	108.1	136.9	129.6	129.8
VENICE	174.0	32.4	94.4	127.7	97.4
FLORENCE		58.5	85.7	71.2	77.1
BOLOGNA		89.0	143.3	109.0	132.8

### S&B and golf resorts the biggest chains' properties

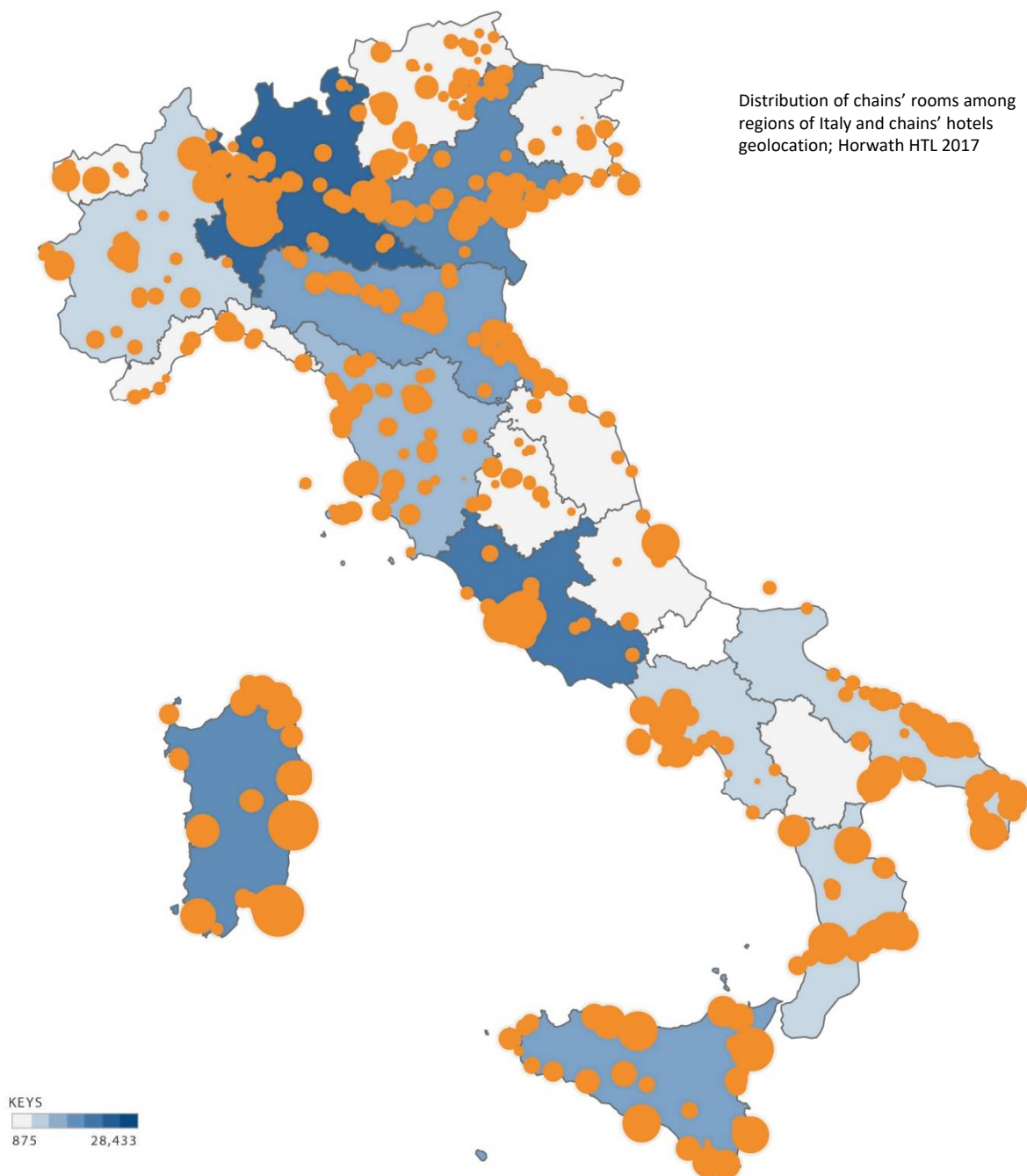
The 17 golf resorts we have counted in the branded population of hotels in 2017 are very big on average, 175 rooms, bigger than S&B resorts (121 rooms).

The analysis by geography shows S&B destinations are by far those concentrating the most of hotels, the majority of which under domestic brands. Art & Business cities are the second most relevant magnets attracting chains.

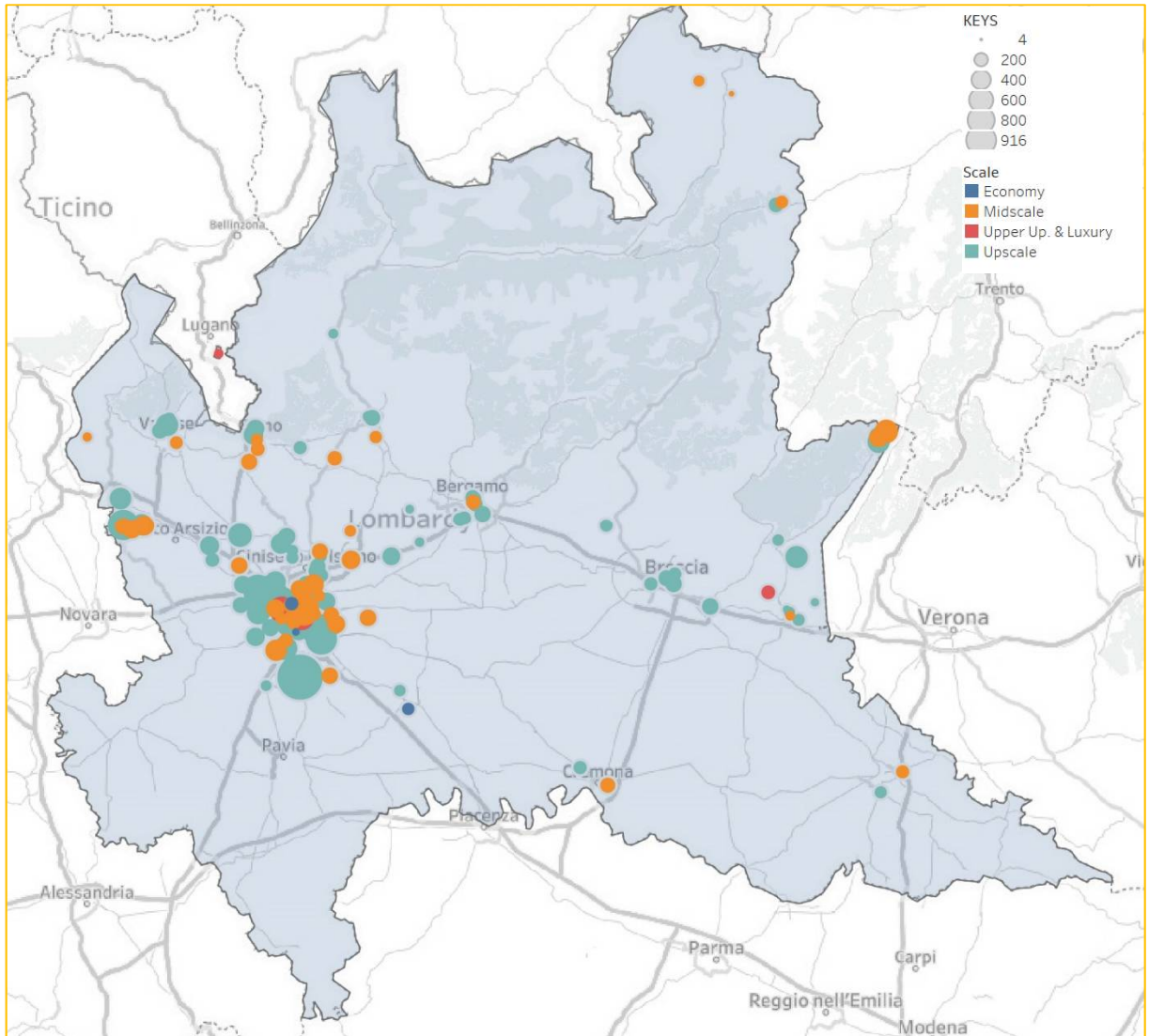
Interesting to note that Business focus destinations record more international chains than domestic, which might be explained by the ease of expansion of USA chains in these environments, where their ability to make an impact (in franchising / management) is highly recognized and sought after.

## Chains' footprint

Art cities, industrial and business clusters, S&B Riviera and lifestyle retreats are the magnets which make hotel chains concentrate on certain areas of the countries. Nevertheless, with limited exceptions, chains cover the overall provinces of Italy.



## Focus: Chains' footprint in Lombardy

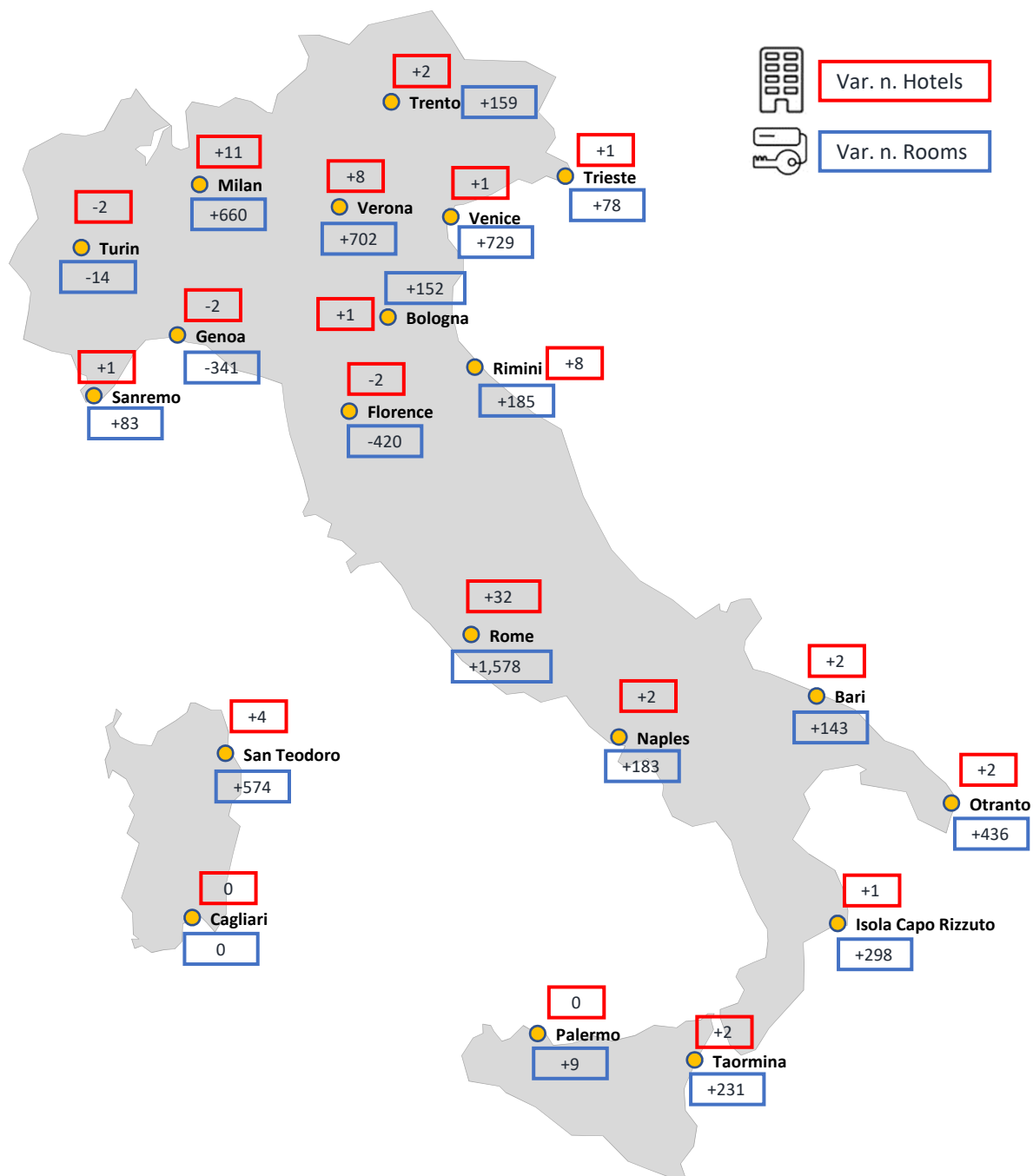




# Chains' footprint growth 2013-2017

With the exception of Florence, who records a negative trend, most destinations accounted for a net growth of chains presence in the last 5 years. Rome: over 1.5 thousand rooms. Venice and Verona over 700 rooms. Milan: over 600 rooms. San Teodoro: over 500 rooms.

Chains' rooms and hotels net variation in 2017 over 2013 for a selection of Italian destinations; Horwath HTL 2017



## Chains' footprint growth 2013-2017

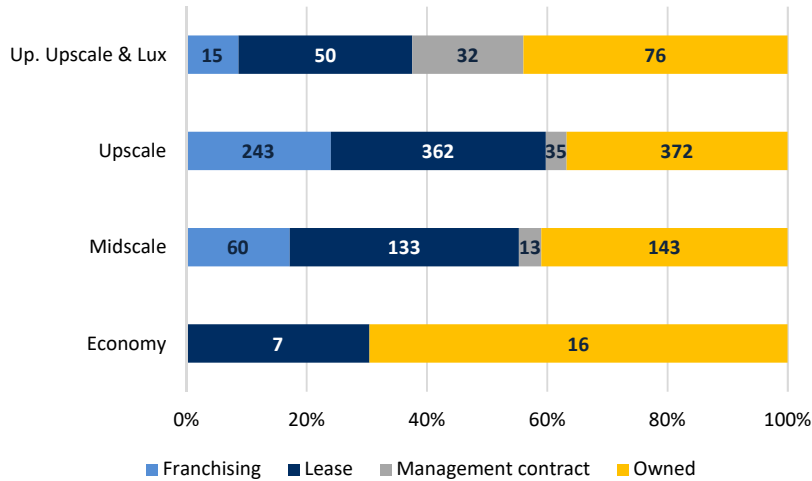
Top 30 destinations by chain rooms net variation in 2017 over 2013; Horwath HTL 2017

Rank	Destination	Rooms Var. 2017-13	Hotels Var. 2017-13
1	ROME	1,587	32
2	BUDONI	1,018	5
3	VENICE	729	1
4	VERONA	702	8
5	SCOGLITTI	681	1
6	MILAN	660	11
7	DOMUS DE MARIA	644	2
8	CURINGA	580	1
9	SAN TEODORO	574	4
10	SYRACUSE	511	3
11	ARZACHENA	505	4
12	JESOLO	476	5
13	CAROVIGNO	443	1
14	OTRANTO	436	2
15	VARESE	405	3
16	POMEZIA – ROME	387	3
17	SANTA FLAVIA	378	1
18	POLLINA	346	1
19	SOMMA LOMBARDO	345	2
20	CALAMBRONE – PISA	328	3
21	SIENA	328	3
22	CASERTA	320	1
23	GIOIOSA MAREA	320	1
24	SAMPIERI	320	1
25	MILANO MARITTIMA – CERVIA	309	3
26	LA THUILE	305	2
27	ISOLA DI CAPO RIZZUTO	298	1
28	POLIGNANO A MARE	297	3
29	SESTRIERE	295	1
30	TORRE DELL'ORSO - MELENDUGNO	293	2

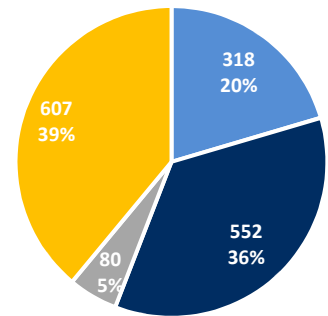
## Business models

While ownership prevails in terms of hotels, due to domestic operators core base, lease gets ahead for rooms stock, pushed by second tier operated rooms and investment funds appetite for this model.

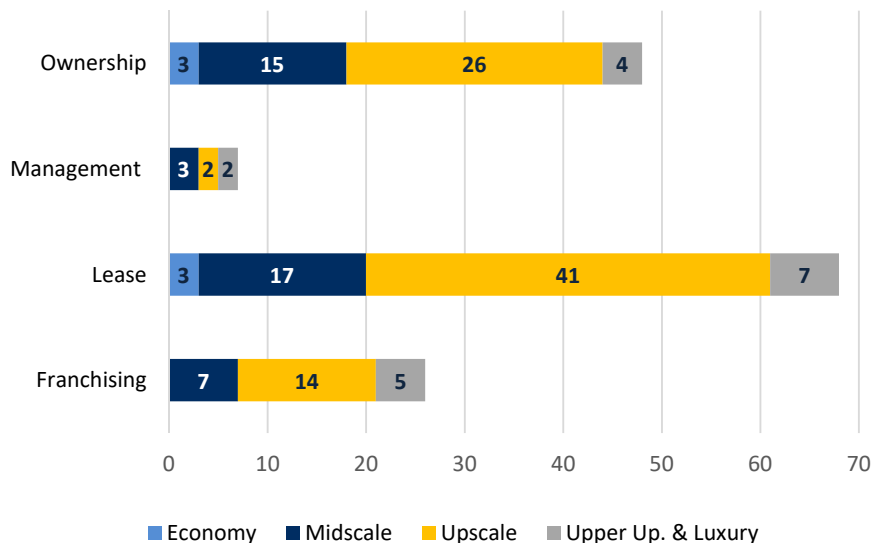
Distribution of business models among chain hotels by scale; Horwath HTL 2017, IDC



Percentage distribution of business models by hotels; Horwath HTL 2017, IDC



Distribution of business models among scale for hotels entered in 2017; Horwath HTL 2017, IDC

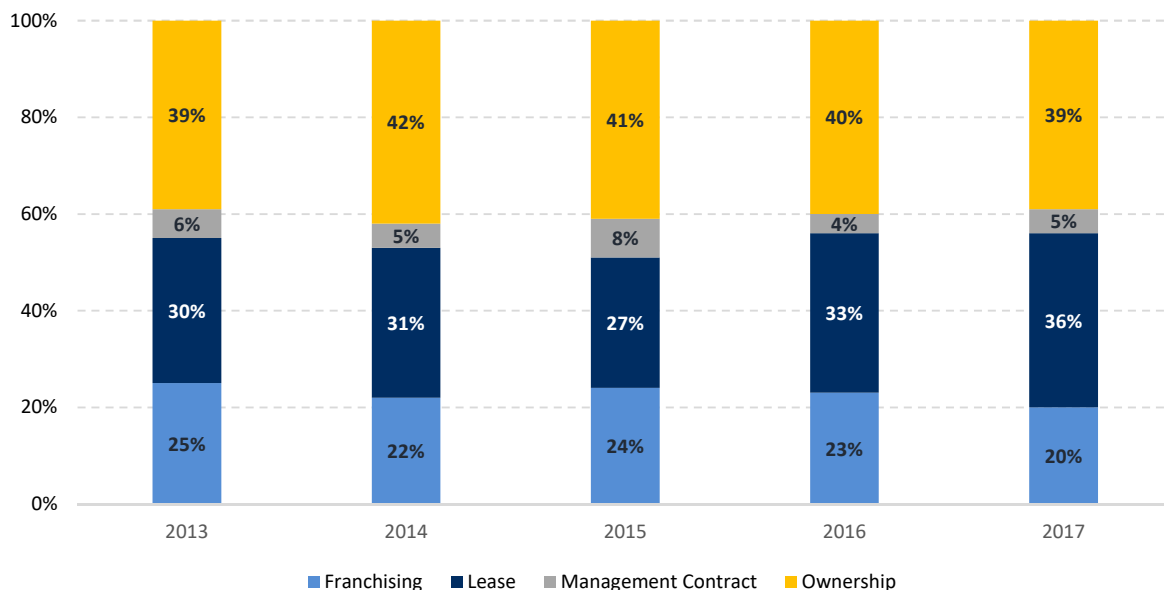


### Lease is by far the preferred model for chain hotels' agreements in 2017

Especially in the Upscale segment, it happened in 2017 that lease was the most frequent agreement for development, reflecting the attitude of domestic operators and, probably, a favorable environment due to available deals involving investment funds or banks (management turnaround in NPL deals).

## Business models

Evolution of percentage distribution of business models by hotels ; Horwath HTL 2013-2017



Chains' hotels average size by business model ; Horwath HTL 2017



### The share of management contract agreements drops, but this model becomes more frequent

The use of management contract increased during the last year, but this model, among the others, grows at lower pace. The same can be considered for franchising: its popularity grows, though development is slower than what the census records for lease.

There were 76 management contract operated hotels for 11,815 rooms in 2016, 80 for 12,267 in 2017. The size it requires for being effective seems higher than other models (153 rooms). In 2014 there were less than a ten of management contracts signed by Italian operators, today they are more than doubled (18).

Meanwhile, lease contracts moved from 517 properties and 60,916 rooms to 552 properties and 64,429 rooms: a visible growth reflected also in the increase of white label operated hotels (+8%). Hotels operated through lease are generally sized over the average (117 rooms).

## Top 30 Chains and Brands in 2017

Chains ranking by rooms has remained unchanged during 2017 for the top 10 positions. These operators account for nearly 40% of the entire chains' room stock. Brands ranking faced minor changes either.

Top 30 Hotel Chains by rooms in Italy in 2017 and % market share by rooms over the total; Horwath HTL 2017

Rank	Chains	Hotels	Rooms	Market share
1	BEST WESTERN	149	11,386	6.5%
2	ACCOR	79	10,283	5.9%
3	MARRIOTT INTERNAT.	51	9,673	5.6%
4	NH HOTELS	50	7,748	4.5%
5	GRUPPO UNA	43	5,516	3.2%
6	VALTUR	14	4,711	2.7%
7	IHG	30	4,681	2.7%
8	HILTON	21	4,639	2.7%
9	ITI HOTELS	37	4,356	2.5%
10	STARHOTELS	24	3,669	2.1%
11	BLU HOTELS	30	3,369	1.9%
12	AEROVIAGGI	14	3,183	1.8%
13	TH RESORTS	17	3,137	1.8%
14	BLUSERENA	8	3,130	1.8%
15	B&B	30	2,889	1.7%
16	JSH	12	2,517	1.4%
17	AURUM	15	2,132	1.2%
18	GETURHOTELS	14	2,004	1.2%
19	PARC HOTELS	13	2,004	1.2%
20	GRUPPO STUDIO VACAN.	12	1,976	1.1%
21	CHINCHERINI HOLIDAY G	21	1,969	1.1%
22	ALPITOUR	9	1,815	1.0%
23	APOGIA HOTELS GROUP	26	1,700	1.0%
24	CLUB MED	4	1,684	1.0%
25	CLUB ESSE	14	1,677	1.0%
26	UAPPALA HOTELS	17	1,651	0.9%
27	PIAZZA DI SPAGNA VIEW	16	1,575	0.9%
28	DELPHINA	8	1,527	0.9%
29	GIORGIO MAZZELLA G.	5	1,510	0.9%
30	I GRANDI VIAGGI	5	1,383	0.8%

Top 30 Brands by rooms in Italy in 2017 and % market share by rooms over the total; Horwath HTL 2017

Rank	Brands	Hotels	Rooms	Market share
1	BEST WESTERN	112	8,254	4.7%
2	NH HOTELS	39	6,142	3.5%
3	VALTUR	14	4,711	2.7%
4	BLU HOTELS	30	3,369	1.9%
5	MERCURE	29	3,249	1.9%
6	AEROVIAGGI	14	3,183	1.8%
7	TH RESORTS	17	3,137	1.8%
8	BLUSERENA	8	3,130	1.8%
9	B&B	30	2,889	1.7%
10	STARHOTELS	17	2,772	1.6%
11	ATAHOTELS	13	2,664	1.5%
12	ITI HOTELS-MARINA H&R	22	2,622	1.5%
13	JSH	12	2,517	1.4%
14	SHERATON	7	2,431	1.4%
15	HOLIDAY INN	15	2,391	1.4%
16	NOVOTEL	13	2,210	1.3%
17	UNA HOTELS & RESORTS	25	2,192	1.3%
18	AURUM	15	2,132	1.2%
19	HILTON	6	2,065	1.2%
20	PARC HOTELS	13	2,004	1.2%
21	GETURHOTELS	14	2,004	1.2%
22	BEST WESTERN PLUS	21	1,990	1.1%
23	STUDIO VACANZE	12	1,976	1.1%
24	CHINCHERINI HOLIDAY G	21	1,969	1.1%
25	VOI HOTELS	9	1,815	1.0%
26	IBIS	10	1,758	1.0%
27	APOGIA HOTELS GROUP	26	1,700	1.0%
28	CLUB MED	4	1,684	1.0%
29	CLUB ESSE	14	1,677	1.0%
30	PIAZZA DI SPAGNA VIEW	16	1,575	0.9%



## Top 20 Brands by business model in 2017

Aeroviaggi, ITI, Blu Hotels, Starhotels and Aurum are the biggest hotel owning players in Italy in 2017, concentrating 20% of the directly owned room stock in the country. Best western, Mercure, Holiday Inn, Best Western Plus and Crown Plaza are the brands covering the highest number of franchised rooms.

Top 20 Brands by room market share in Italy under Ownership in 2017; Horwath HTL 2017

Rank	Ownership	Market share
1	AEROVIAGGI	4.5%
2	ITI HOTELS-MARINA H&R	4.1%
3	BLU HOTELS	4.1%
4	STARHOTELS	3.8%
5	AURUM	3.4%
6	PARC HOTELS	3.2%
7	GIORGIO MAZZELLA GROUP	2.4%
8	NH HOTELS	2.3%
9	APOGIA HOTELS GROUP	2.2%
10	I GRANDI VIAGGI	2.2%
11	BLUSERENA	2.2%
12	LOAN	2.0%
13	ALLIANCE ALBERGHI	2.0%
14	STUDIO VACANZE	1.7%
15	CHINCHERINI HOLIDAY GROUP	1.7%
16	SELECT	1.7%
17	ZACCHERA HOTELS	1.5%
18	GB THERMAE HOTELS	1.4%
19	ITI HOTELS- COLONNA LUXURY	1.3%
20	DIMHOTELS	1.2%

Top 20 Brands by room market share in Italy under Lease in 2017; Horwath HTL 2017

Rank	Lease	Market share
1	VALTUR	7.3%
2	NH HOTELS	6.8%
3	TH RESORTS	4.9%
4	B&B	4.0%
5	ATAHOTELS	4.0%
6	JSH	3.6%
7	UNA HOTELS & RESORTS	2.8%
8	GETURHOTELS	2.8%
9	BLUSERENA	2.7%
10	CLUB MED	2.6%
11	VOI HOTELS	2.6%
12	PIAZZA DI SPAGNA VIEW	2.4%
13	DELPHINA	2.4%
14	CLUB ESSE	2.3%
15	SHG	1.7%
16	IH HOTELS	1.6%
17	NH COLLECTION	1.6%
18	SUNFLOWER	1.5%
19	CHINCHERINI HOLIDAY GROUP	1.4%
20	STUDIO VACANZE	1.4%

## Top 20 Brands by business model in 2017

Top 20 Brands by room market share in Italy under Management Contract in 2017; Horwath HTL 2017

Rank	Management contract	Market share
1	IBIS	12.2%
2	NOVOTEL	9.7%
3	SHERATON	9.5%
4	WESTIN	7.3%
5	LUXURY COLLECTION	6.6%
6	HILTON	4.8%
7	VERATOUR	3.9%
8	UNAWAY	3.7%
9	WALDORF ASTORIA	3.0%
10	MERCURE	2.9%
11	NH HOTELS	2.7%
12	PULLMAN	2.2%
13	JW MARRIOTT	2.2%
14	ST REGIS	2.1%
15	DOUBLETREE BY HILTON	2.0%
16	FOUR SEASONS	1.9%
17	JSH	1.8%
18	HNH HOTELS & RESORTS	1.7%
19	EUROSTARS	1.6%
20	KEMPINSKI	1.5%

Top 20 Brands by room market share in Italy under Franchising in 2017; Horwath HTL 2017

Rank	Franchising	Market share
1	BEST WESTERN	23.5%
2	MERCURE	8.0%
3	HOLIDAY INN	6.8%
4	BEST WESTERN PLUS	5.7%
5	CROWNE PLAZA	4.2%
6	MGALLERY by SOFITEL	3.5%
7	IBIS STYLES	3.4%
8	HILTON GARDEN INN	3.4%
9	SHERATON	3.3%
10	HILTON	3.3%
11	AC HOTELS MARRIOTT	3.3%
12	MARRIOTT	3.1%
13	NOVOTEL	2.9%
14	FOUR POINTS by SHERATON	2.8%
15	QUALITY	2.5%
16	HOLIDAY INN EXPRESS	2.1%
17	GOLDEN TULIP	2.0%
18	BEST WESTERN PREMIER	1.6%
19	AUTOGRAPH MARRIOTT	1.6%
20	RADISSON BLU	1.5%

## Top 20 Brands by scale in 2017

Players in the Economy scale have still a very limited number of hotels in Italy. The Midscale and Upscale are more fragmented and include some brands which operate in both segments (according to the Italian star rating system).

Top 16 Brands by rooms in the Economy scale in 2017;  
Horwath HTL 2017

Rank	Economy	Hotels	Rooms	Market share
1	A&O HOTELS & HOSTELS	1	319	27.2%
2	PARC HOTELS	2	220	18.8%
3	GENERATOR	2	104	8.9%
4	AUTOSOLE	2	93	7.9%
5	RIMINI RESIDENCE	4	86	7.3%
6	MEININGER	1	80	6.8%
7	RESIDENCE HOTELS	1	60	5.1%
8	ACAMPORA	1	50	4.3%
9	APOGIA HOTELS GROUP	1	40	3.4%
10	GARIBALDI HOTELS	1	35	3.0%
11	MENCARELLI HOTELS	1	26	2.2%
12	GALLERINI HOTELS	1	19	1.6%
13	RAFFAELLI	1	16	1.4%
14	SEVERI HOTELS	1	10	0.9%
15	GROUPE VALADIER	2	10	0.9%
16	CAROLI HOTELS	1	5	0.4%

Top 20 Brands by rooms in the Midscale segment in  
2017; Horwath HTL 2017

Rank	Midscale	Hotels	Rooms	Market share
1	B&B	30	2,889	10.2%
2	IBIS	10	1,758	6.2%
3	BEST WESTERN	28	1,695	6.0%
4	CLUB MED	3	1,450	5.1%
5	VALTUR	5	1,430	5.0%
6	GETURHOTELS	7	1,330	4.7%
7	CHINCHERINI HOLIDAY GROUP	10	1,170	4.1%
8	IBIS STYLES	10	896	3.2%
9	TH RESORTS	5	805	2.8%
10	AEROVIAGGI	2	772	2.7%
11	BIANCHI HOTELS	11	751	2.7%
12	HOLIDAY INN EXPRESS	6	664	2.3%
13	MEDITUR	11	613	2.2%
14	AURUM	3	599	2.1%
15	APOGIA HOTELS GROUP	11	578	2.0%
16	RIMINI RESIDENCE	16	546	1.9%
17	AZZURRO CLUB VACANZE	10	516	1.8%
18	CLUB ESSE	5	499	1.8%
19	TULIP INN	4	445	1.6%
20	VIVA HOTELS	4	392	1.4%

## Top 20 Brands by scale in 2017

Top 20 Brands by rooms in the Upscale segment in 2017; Horwath HTL 2017

Rank	Upscale	Hotels	Rooms	Market share
1	BEST WESTERN	84	6,559	5.2%
2	NH HOTELS	39	6,142	4.9%
3	BLUSERENA	8	3,130	2.5%
4	MERCURE	27	3,039	2.4%
5	VALTUR	8	3,023	2.4%
6	BLU HOTELS	24	2,989	2.4%
7	STARHOTELS	17	2,772	2.2%
8	ATAHOTELS	11	2,488	2.0%
9	AEROVIAGGI	12	2,411	1.9%
10	ITI HOTELS-MARINA H&R	19	2,395	1.9%
11	HOLIDAY INN	15	2,391	1.9%
12	TH RESORTS	12	2,332	1.9%
13	NOVOTEL	13	2,210	1.8%
14	SHERATON	5	2,133	1.7%
15	UNA HOTELS & RESORTS	24	2,127	1.7%
16	JSH	10	2,112	1.7%
17	STUDIO VACANZE	12	1,976	1.6%
18	BEST WESTERN PLUS	19	1,942	1.5%
19	HILTON	5	1,686	1.3%
20	VOI HOTELS	7	1,644	1.3%

Top 20 Brands by rooms in the Upper Upscale & Luxury segment in 2017; Horwath HTL 2017

Rank	Upper Upscale & Luxury	Hotels	Rooms	Market share
1	LUXURY COLLECTION	8	954	5.0%
2	WESTIN	4	899	4.8%
3	MGALLERY by SOFITEL	5	625	3.3%
4	NH COLLECTION	4	567	3.0%
5	AUTOGRAPH MARRIOTT	4	557	2.9%
6	GB THERMAE HOTELS	3	542	2.9%
7	DELPHINA	3	541	2.9%
8	ITI HOTELS- COLONNA LUXURY	3	477	2.5%
9	BOSCOLO	3	458	2.4%
10	SELECT	3	451	2.4%
11	MELIA'	4	449	2.4%
12	ROCCO FORTE	3	427	2.3%
13	BELMOND	6	412	2.2%
14	JSH	2	405	2.1%
15	DORCHESTER COLLECTION	2	399	2.1%
16	BAGLIONI	6	398	2.1%
17	GIORGIO MAZZELLA GROUP	2	397	2.1%
18	SINA	5	391	2.1%
19	ALLEGROITALIA	5	389	2.1%
20	HILTON	1	379	2.0%

## Top 10 Brands by destination type

Few brands demonstrate a sort of specialization based on the destination type. The presence of chains is by far lower in Golf resorts and Thermal destinations. ITI Hotels (S&B), TH Resorts (Mountain) and GB Thermae (Thermal) demonstrate also some product specialization.

Top 10 Brands by rooms in Art & Business destinations in 2017; Horwath HTL 2017

Rank	Art & Business	Hotels	Rooms	Market share
1	BEST WESTERN	37	2,977	6.0%
2	NH HOTELS	19	2,872	5.8%
3	MERCURE	13	1,775	3.6%
4	B&B	16	1,481	3.0%
5	SHERATON	2	1,457	3.0%
6	STARHOTELS	9	1,438	2.9%
7	LOAN	10	1,257	2.6%
8	HOLIDAY INN	5	1,116	2.3%
9	NOVOTEL	6	1,011	2.1%
10	LEONARDI	16	930	1.9%

Top 10 Brands by rooms in Business Focus destinations in 2017; Horwath HTL 2017

Rank	Business Focus	Hotels	Rooms	Market share
1	BEST WESTERN	53	3,845	10.0%
2	NH HOTELS	17	2,655	6.9%
3	ATAHOTELS	8	1,496	3.9%
4	STARHOTELS	8	1,334	3.5%
5	B&B	13	1,324	3.4%
6	UNA HOTELS & RESORTS	11	1,113	2.9%
7	HOLIDAY INN	8	1,010	2.6%
8	NOVOTEL	6	984	2.6%
9	JSH	1	916	2.4%
10	MERCURE	9	886	2.3%

Top 10 Brands by rooms in Other Leisure destinations in 2017; Horwath HTL 2017

Rank	Other Leisure	Hotels	Rooms	Market share
1	CHINCHERINI HOLIDAY GROUP	14	1,567	7.1%
2	PARC HOTELS	6	935	4.2%
3	ZACCHERA HOTELS	5	908	4.1%
4	ATAHOTELS	2	826	3.7%
5	BEST WESTERN	11	819	3.7%
6	BLUSERENA	2	810	3.7%
7	BLU HOTELS	7	794	3.6%
8	HILTON	2	720	3.3%
9	VOI HOTELS	3	631	2.9%
10	ACAMPORA	5	618	2.8%

Top 10 Brands by rooms in Sun & Beach destinations in 2017; Horwath HTL 2017

Rank	Sun & Beach	Hotels	Rooms	Market share
1	AEROVIAGGI	12	2,959	5.9%
2	VALTUR	8	2,770	5.6%
3	ITI HOTELS-MARINA H&R	21	2,562	5.1%
4	BLUSERENA	5	2,170	4.3%
5	STUDIO VACANZE	11	1,916	3.8%
6	BLU HOTELS	13	1,668	3.3%
7	CLUB ESSE	12	1,609	3.2%
8	DELPHINA	8	1,527	3.1%
9	GIORGIO MAZZELLA GROUP	5	1,510	3.0%
10	GETURHOTELS	9	1,508	3.0%

## Top 10 Brands by destination type

Top 10 Brands by rooms in Ski destinations in 2017;  
Horwath HTL 2017

Rank	Ski	Hotels	Rooms	Market share
1	TH RESORTS	9	1,624	20.6%
2	VALTUR	4	780	9.9%
3	BLU HOTELS	8	744	9.4%
4	CLUB MED	2	450	5.7%
5	GETURHOTELS	4	400	5.1%
6	MITHOS HOTELS	5	379	4.8%
7	RESIDENCE HOTELS	7	378	4.8%
8	AURUM	2	274	3.5%
9	HIT HOTEL	3	268	3.4%
10	FALKENSTEINER	4	258	3.3%

Top 10 Brands by rooms in Golf destinations in 2017;  
Horwath HTL 2017

Rank	Golf	Hotels	Rooms	Market share
1	VALTUR	1	903	28.4%
2	JSH	4	623	19.6%
3	GOLDEN TULIP	1	270	8.5%
4	ROCCO FORTE	1	203	6.4%
5	SHERATON	1	202	6.3%
6	VERATOUR	1	150	4.7%
7	MONRIF	1	148	4.6%
8	CORDIAL HOTELS	1	123	3.9%
9	PARC HOTELS	2	109	3.4%
10	ATAHOTELS	1	109	3.4%

Top 10 Brands by rooms in Thermal destinations in  
2017; Horwath HTL 2017

Rank	Thermal	Hotels	Rooms	Market share
1	GB THERMAE HOTELS	5	855	27.6%
2	DIMHOTELS	8	775	25.0%
3	UAPPALA HOTELS COLLECTION	2	309	10.0%
4	AURUM	2	290	9.4%
5	RADISSON BLU	1	284	9.2%
6	ITALIAN HOSPITALITY COLLECTION	3	203	6.5%
7	BEST WESTERN	2	118	3.8%
8	ALLEGROITALIA	1	93	3.0%
9	SELECT	1	70	2.3%
10	LHP HOTELS	1	63	2.0%



## Hotel chains growing in 2017

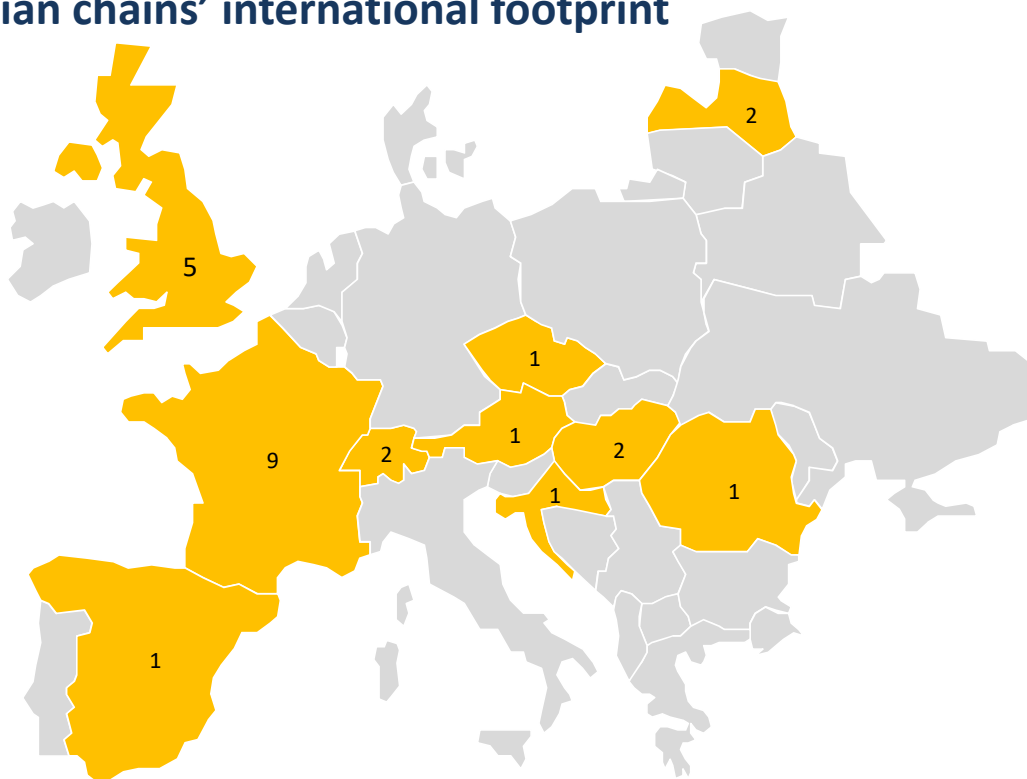
The net growth reported last year by Marriott international is the highest in the country. TH Resorts, B&B and ITI Hotels follow, all with over 500 rooms of net increase in their respective portfolios.

Top 20 Chains for net<sup>1</sup> rooms growth in 2017; Horwath HTL 2017

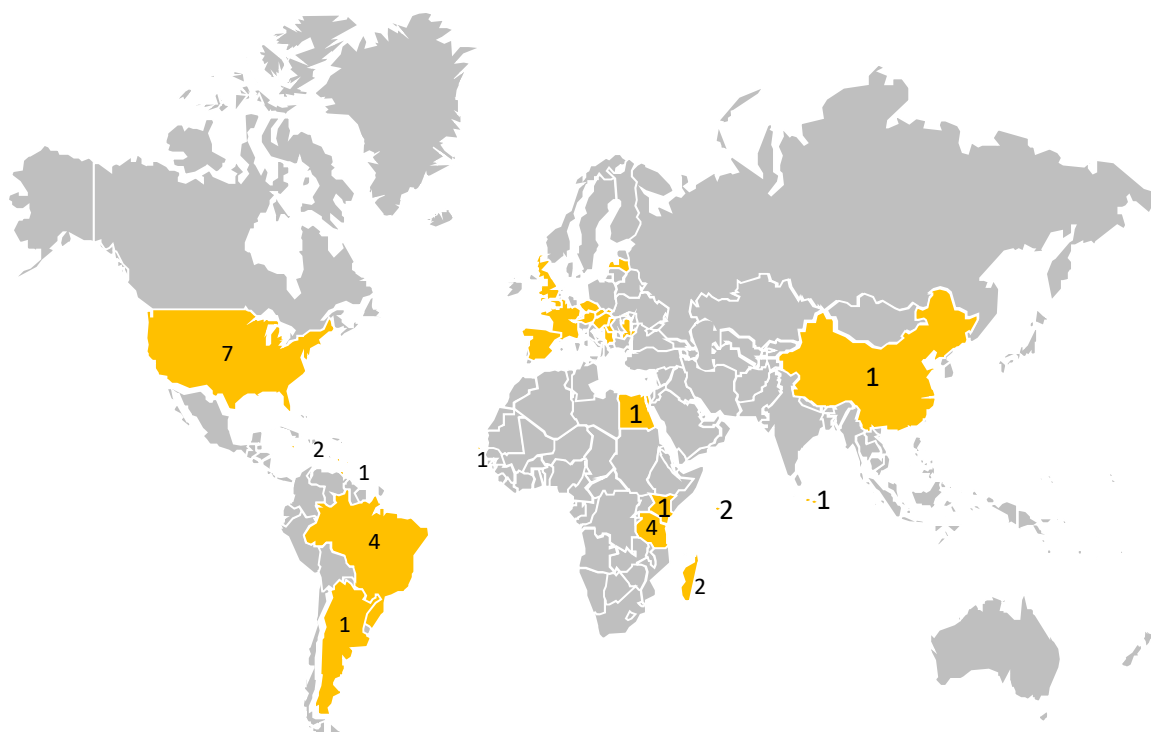
Rank	Chains	Entry Rooms in 2017	Exit Rooms in 2017	Rooms increase in 2017
1	MARRIOTT INTERNATIONAL	783	0	783
2	TH RESORTS	872	207	665
3	B&B	568	0	568
4	ITI HOTELS	532	0	532
5	GRUPPO STUDIO VACANZE	340	0	340
6	SHG (SALUTE HOSPITALITY GROUP)	373	46	327
7	IH HOTELS	320	0	320
8	FATTAL	300	0	300
9	ACCOR	640	383	257
10	CDSHOTELS	251	0	251
11	HILTON	337	97	240
12	ALPITOUR	154	0	154
13	UAPPALA HOTELS	424	274	150
14	VERATOUR	104	0	104
15	HOTUSA	98	0	98
16	RIMINI RESIDENCE	98	0	98
17	COSMOPOLITAN HOTELS GROUP	96	0	96
18	TRIDENTE COLLECTION	91	0	91
19	BARCELO' HOTELS	84	0	84
20	ASHOTELS	82	0	82

<sup>1</sup>Net: difference between rooms entering the census and rooms exiting the census in a certain period.

## Italian chains' international footprint



International footprint of Italian chains by hotels; Horwath HTL 2017



## Italian chains' international footprint

Italian chains are expanding abroad. Most of the expansion has happened in Latin America and the Caribbean for S&B product experts.

Top 15 Italian chains for international footprint, by rooms; Horwath HTL 2017

Rank	Chains	International		World	
		Hotels	Rooms	Hotels	Rooms
1	ITI HOTELS	11	1,837	48	6,193
2	BOSCOLO	5	759	10	1,420
3	ALPITOUR	4	700	13	2,515
4	STARHOTELS	5	412	29	4,081
5	VERATOUR	4	397	10	1,115
6	JSH	2	249	14	2,766
7	I GRANDI VIAGGI	4	247	9	1,630
8	BAGLIONI	4	204	10	602
9	APOGIA HOTELS GROUP	2	191	28	1,891
10	SELECT	1	187	12	1,229
11	TRIANON GROUP	2	169	5	232
12	ROBERTO NALDI COLLECTION	2	106	5	368
13	ALLEGROITALIA	1	83	13	932
14	VALTUR	1	75	15	4,786
15	AUTOSOLE HOTEL GROUP	3	71	6	204

### Over 800 rooms added to the international footprint of Italian chains

Italian chains added close to 800 more rooms abroad in 2017 and continued their footprint expansion, which had a boost in the year 2014. It is a significant evidence which tells that domestic operators are seriously considering their expansion abroad as part of their development strategy, which, of course, remains of regional scope for most of them. The ranking of domestic chains with most relevant presence abroad was headed and continues to be headed by ITI Hotels. The chain has grown even in 2017 adding over 500 rooms in the USA, Brazil and the Caribbean to its international portfolio of resorts.

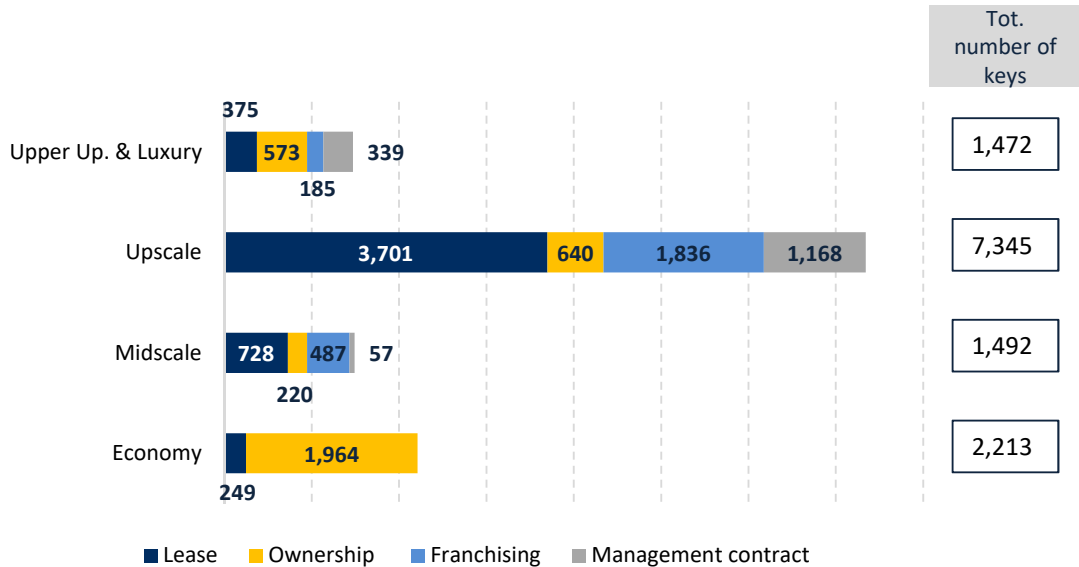
Roberto Naldi consolidated its European presence by one additional boutique property in the luxury scale, while Baglioni re-arranged its presence in France and added 1 resort at the Maldives.

According to the census, the rest of ranked operators maintained or reduced their presence abroad during the year. At the end of 2017 there are approximately 20 domestic hotel chains with at least 1 hotel abroad.

## Pipeline by scale

Of the over 12 thousand rooms already in the pipeline for the 2018-2020, 65% will open in 2018. In the next 3 years chains will embark in over 100 hotels, will they be branding or new opening.

Pipeline and re-branding rooms (2018-2020) by scale and business model; Horwath HTL 2017



### Lease supports future expansion for chains in the Midscale and Upscale segments

Learning from the aggregate of almost a hundred of future chain hotels in the country gives the opportunity to think about how the branded environment will look like in 3-4 years from now. There is a natural turnover of de-branded hotels to take into account, but considering that most of the pipeline we recorded is concentrated on 2018, next year we expect to report a very significant growth of chains footprint in the country. It is worth to compare the expected over 12 thousands new rooms (2018-2020) recorded as of December 2017, with those of December 2016, which were only 7,400 (2017-2019).

The greatest expansion is again expected by means of international chains, who are anticipating approximately 8.2 thousand new rooms in the period, compared to 4.5 thousand of domestic operators. But this estimation doesn't reflect what we have learned from the past: domestic chains are expanding more rapidly and the wrong about pipeline figures is that simply they disclose less than what they will effectively do, possibly because their development cycle is more frenetic or less "promoted".

For this same reason we may assume that, if the overall hotel pipeline for 2018 will be finalized on time and if the domestic expansion will follow its historic path, the expected net<sup>1</sup> growth of chains in Italy for the next year will account for 7-8 thousand rooms.

Growth will be guaranteed especially through lease agreements and franchising. In the Economy segment the openings of hotels owned by The Student Hotel will shock this segment and, possibly, stimulate interest and investments in the low priced scale.

<sup>1</sup>Net: difference between hotels entering the census and hotels exiting the census in a certain period.

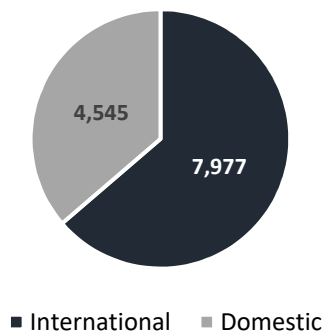
## Pipeline, re-branding and destinations

Rome and Venice will absorb the most of future chains' development efforts, while Florence will account for a massive growth concentrated in the Economy scale. The re-launch of the ex Nova Yardinia makes the Ionian sea appear among the top ranked destinations for pipeline.

Pipeline and re-branding rooms (2018-2020) by scale in the top 10 destinations, by rooms; Horwath HTL 2017

Rank	Top 10 Destinations by pipeline rooms	Economy	Midscale	Upscale	Upper Upscale & Luxury	Total pipeline rooms per destination
1	ROME	618	398	804	422	<b>2,242</b>
2	FLORENCE	1,064	30	173		<b>1,267</b>
3	VENICE		408	671	180	<b>1,259</b>
4	CASTELLANETA			790		<b>790</b>
5	MILAN	131		503	56	<b>690</b>
6	BOLOGNA	400				<b>400</b>
7	ACIREALE			374		<b>374</b>
8	BADESI			350		<b>350</b>
9	CEFALU'				332	<b>332</b>
10	PADUA			316		<b>316</b>

Pipeline and re-branding rooms (2018-2020) by origin of chains; Horwath HTL 2017



Pipeline and re-branding hotels and rooms (2018-2020) by region of Italy; Horwath HTL 2017

Rank	Top 5 Regions by pipeline rooms	Hotels	Rooms
1	LATUM	20	2,300
2	VENETO	16	1,797
3	TUSCANY	10	1,774
4	LOMBARDY	11	1,470
5	SICILY	7	1,300

### Sicily in the evoked set for development

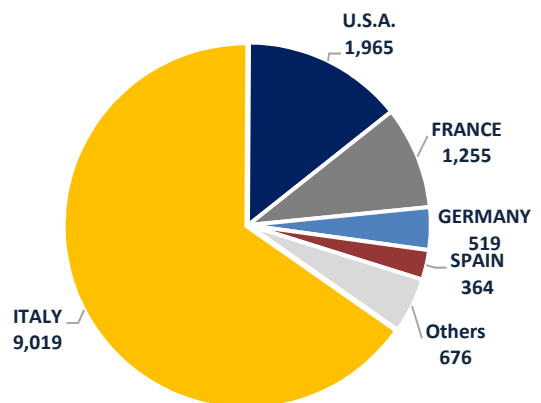
With the exception of the re-launch of the former Yardinia resort, in Apulia, totalling 790 rooms, the highest number of rooms will be developed in the top tier: Rome, Florence, Venice and Milan. Only Rome, though, spans from Economy to Luxury projects or re-branding, demonstrating to be the most sparkling destination for the next couple of years. Sicily makes its return among the top ranked regions for development, after two years of positive performance of the so called "Mare Italia", a product which has been particularly preferred to that of other international S&B destinations by the domestic market.

## Brands' Country of origin

Hotels and rooms by country of origin of chains;  
Horwath HTL 2017

Rank	Country Headquarter	Rooms	Hotels
1	ITALY	107,823	1,033
2	U.S.A.	27,576	242
3	FRANCE	16,042	121
4	SPAIN	11,498	77
5	U.K.	6,165	45
6	GERMANY	1,320	6
7	AUSTRIA	898	13
8	BELGIUM	766	3
9	ISRAEL	430	2
10	TAIWAN	379	5
11	SWITZERLAND	349	2
12	CANADA	234	2
13	TURKEY	181	2
14	HONG KONG	133	2
15	RUSSIA	28	1
16	SINGAPORE	24	1

Rooms entering the census in 2017 by country of origin of their brand; Horwath HTL 2017



We introduced the relevance of the correlation between brands and international markets appeal for hotels in Italy in the first pages of the report.

If we look at international demand growth *from a global perspective*, for example in the light of the booming Chinese and Indian markets, we note that international brands from the USA are very common in these countries and their destination countries. USA brands, among others, have significant footprint in China and India: thus, they are able to drive the choice of Asian long-haul markets in Europe, since these guests may feel at home when exposed to a brand they have tried in their country. Clearly up to the moment when Chinese or Indian brands will land in the country.

India and China (PRC) are high potential markets for Italy but they do not express hotel chains in the country yet (if we exclude Hong Kong and Taiwan for China).

Despite the significant differences in air connections to Asia, in 2016 Chinese arrivals recorded in Italy (2.68 mln) were 2 times those recorded in Germany (1.36 mln). In the same year, Indian arrivals to Italy (0.45 mln) were, as well, 2 times Indian arrivals to Germany (0.23 mln).

Since almost 3-4 years, Chinese investors are assiduously trying to enter Italy with their very first hotel. Despite the footprint of Chinese chains in the country is yet almost invisible, there are several single asset investments active in the top tier cities. Especially Rome and Florence account for a significant number of Middle East and Asian owners, who do not qualify as chains, but who run operations leveraging their ability to connect to their *country of origin* feeding markets.

As the experience of tourism gets more globalized, the link between the country of origin of a brand and its ability to bring specific markets will be more and more relevant in the mind of owners and hoteliers looking for affiliation.



## 2020 competitive landscape for chains

In a milestone IBM report by Steve Peterson<sup>1</sup>, named “Hotel 2020: The personalization paradox”, hotel chains were depicted as mess about at the choice between service personalization and operations standardization. The effort to be perceived by the guest as personal, different and not standardized, while appearing more flexible in expansion in the eyes of shareholders, has brought several groups to own up to over ten brands while diminishing involvement in real estate asset ownership.

Indeed, in the last 10 years, chains’ investments have completely switched to brand positioning and gaining awareness on the target markets. Accelerated development, obtained through a “no-real estate” strategy<sup>2</sup>, is part of the effort to improve global visibility while cashing fees.

In the current competitive scenario, for Italy as well as France, Spain and Germany, there are clear strategic challenges for expanding international chains, as they will compete in an over-crowded brand environment in 2020:

1. Solve some brands’ positioning overlapping.
2. Widen the geographic focus, thus including destinations which still have to express their potential.
3. Clarify and deliver product specialization, as many destinations in Italy are seeking product/segment specialists rather than “one size fits all” brands.

In the light of the last 5 year trend and the recent acceleration of chains’ development, the branded rooms stock in Italy will further grow of about 6 - 7 thousand rooms a year, with second tier targets, such as Bologna, Turin, Verona, Naples, Bari, Trieste, Genova, driving the most of growth.

To expand in those destinations where they can effectively make an impact due to the local lack of specific service delivery standards or the lack of innovative hotel concepts will be a key driver of hotel chains development in 2020. For instance, segment/product knowledge in S&B resorts will also be a lever for both domestic and international operators to expand in Apulia, Sardinia and Sicily, where there will be strong request for relaunches of huge tired coastal resorts.

Domestic brands will continue to grow faster than international being more prone to lease agreements and flexible in negotiation. Nevertheless, we assume franchising will be the fastest growing business model, due to the increase in the number of second tier operated hotels and a more favorable aptitude towards affiliation of Italian owners.

By 2020 management contracts will be more common and, possibly, future changes in legislation will make domestic investment funds able to accept such model, a circumstance which would boost this kind of agreements. Domestic operators will also (modestly) expand through management contracts.

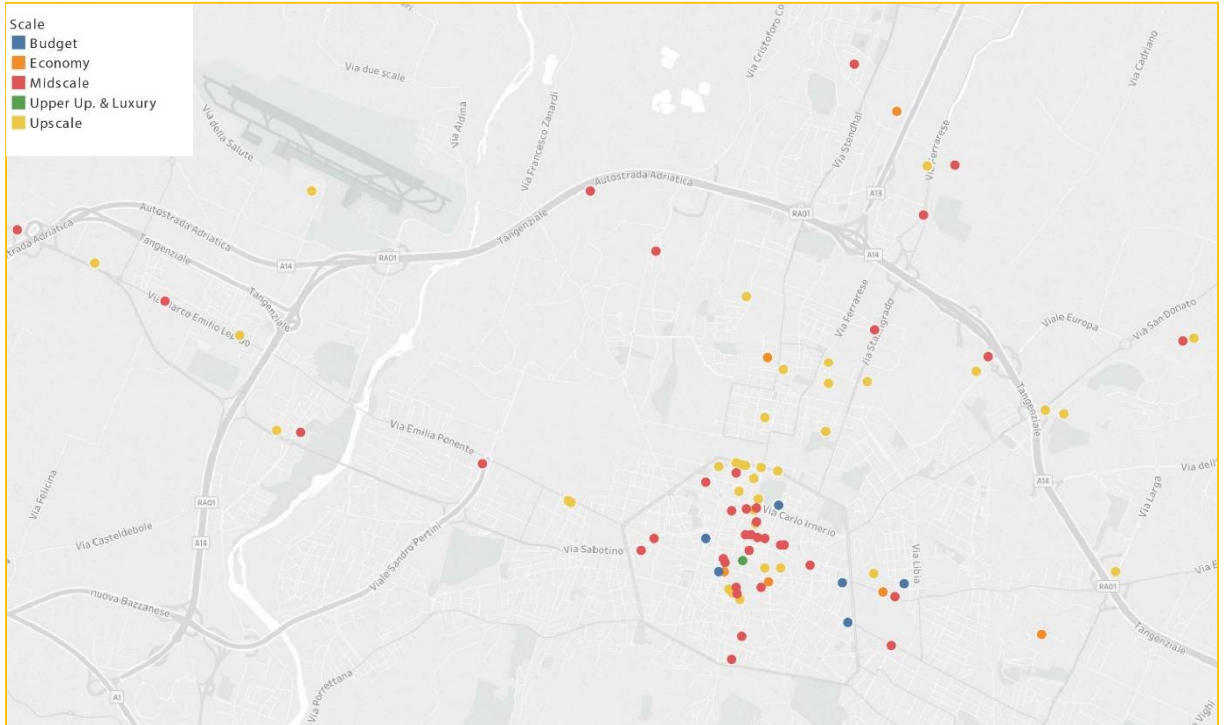
By 2020 the Economy segment will finally have a structured ten of operators who compete on efficient and standardized operations of low cost properties in gateways cities. This segment of the market may also welcome its Italian leading operator, possibly the new spin-off brand of a major domestic chain.

<sup>1</sup>Global Travel & Transportation leader for IBMs Institute for Business Value (2011).

<sup>2</sup>The label is purposely used in place of “asset-light”

# Hotels & Chains in Bologna

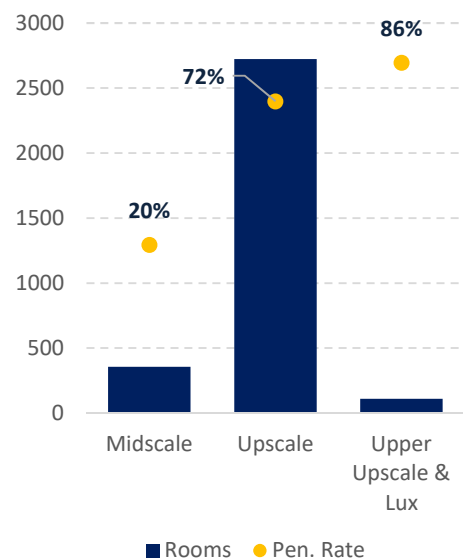
Location of independent and chain hotels by scale in Bologna; Horwath HTL 2017



Top 5 brands in Bologna by rooms; Horwath HTL 2017

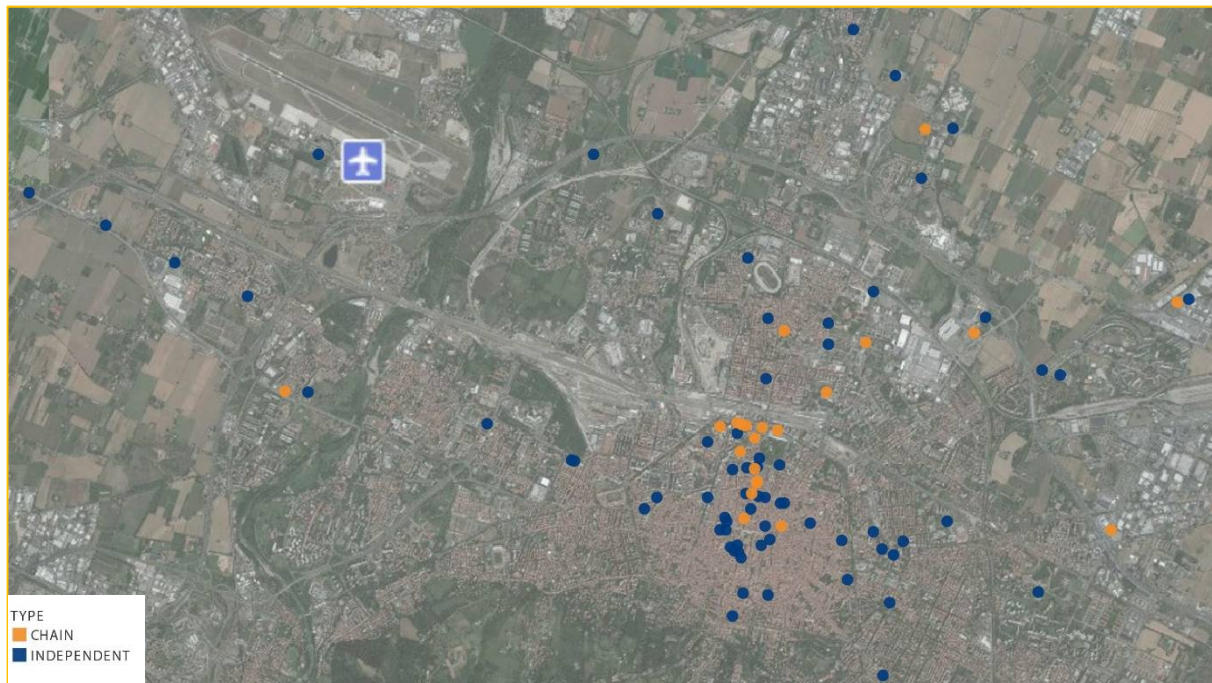
Rank	Top 5 Brands in Bologna	Hotels	Rooms
1	MONRIF	2	352
2	ZANHOTEL	4	273
3	MERCURE	1	244
4	UNAWAY	1	211
5	NOVOTEL	1	207

Chain Rooms by scale and chains' penetration rate; Horwath HTL 2017

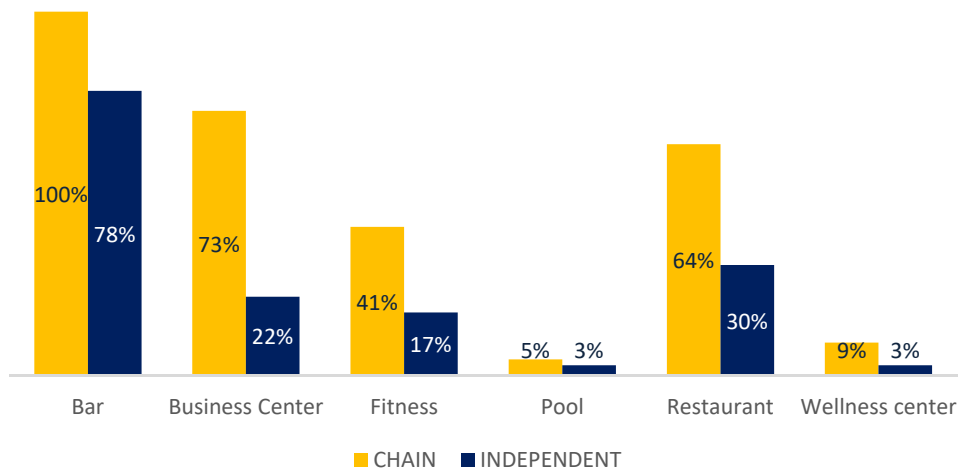


## Hotels & Chains in Bologna

Location of chain and independent hotels in Bologna; Horwath HTL 2017

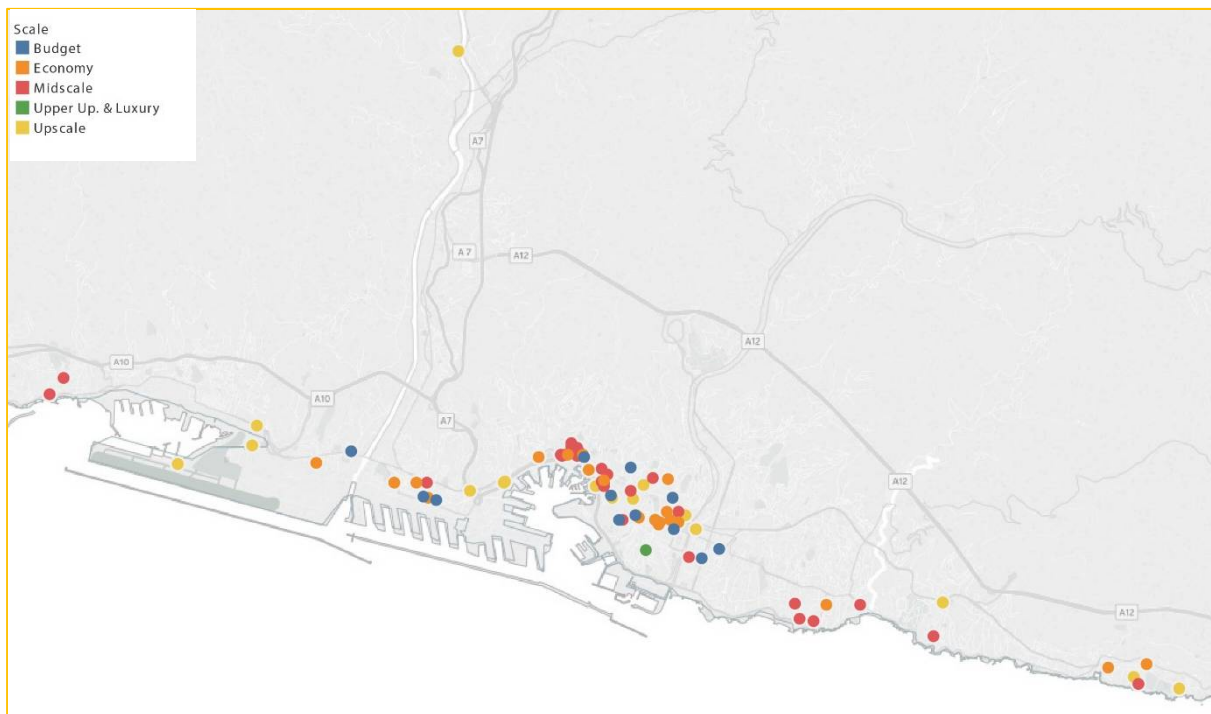


Presence of selected facilities in chain and independent hotels in Bologna; Horwath HTL 2017



# Hotels & Chains in Genoa

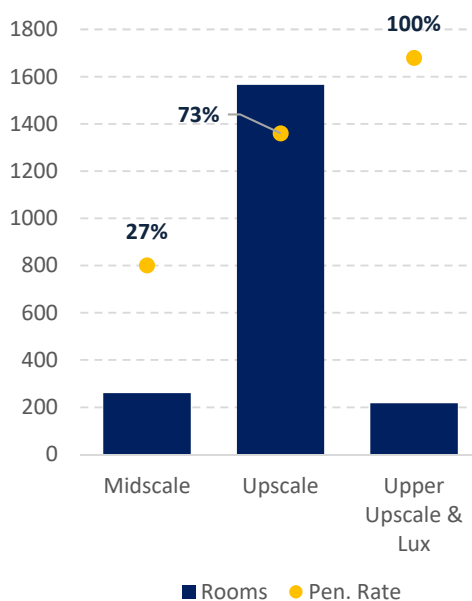
Location of independent and chain hotels by scale in Genoa; Horwath HTL 2017



Top 5 brands in Genoa by rooms; Horwath HTL 2017

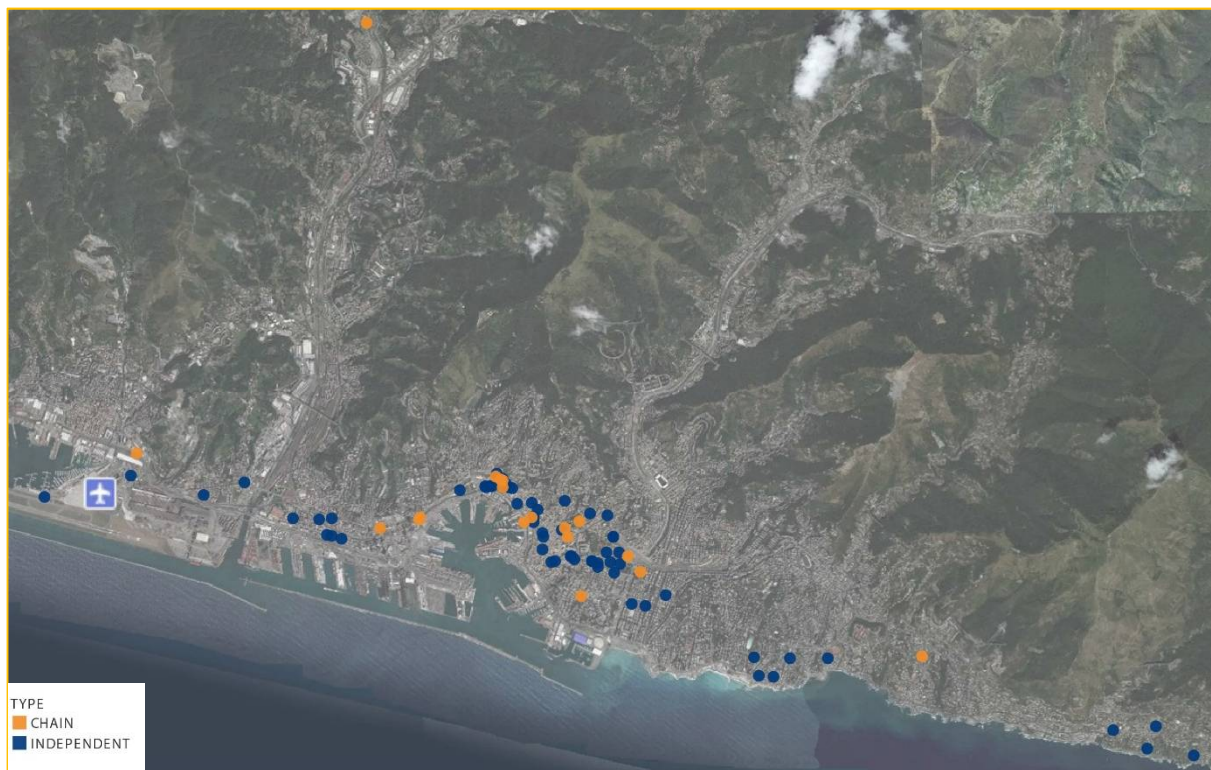
Rank	Top 5 Brands in Genoa	Hotels	Rooms
1	CHC	3	277
2	NOVOTEL	1	223
3	STARHOTELS	1	191
4	BEST WESTERN	3	189
5	PLANETARIA	2	161

Chain Rooms by scale and chains' penetration rate; Horwath HTL 2017

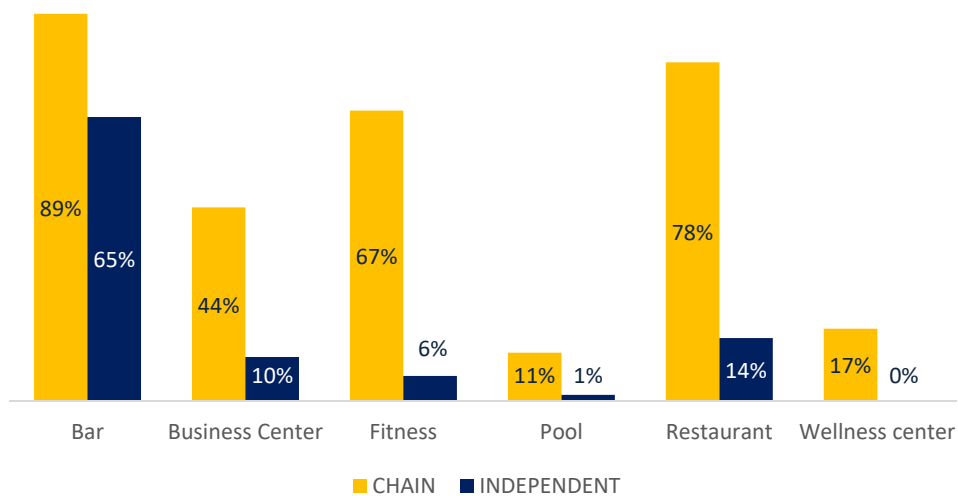


## Hotels & Chains in Genoa

Location of chain and independent hotels in Genoa; Horwath HTL 2017



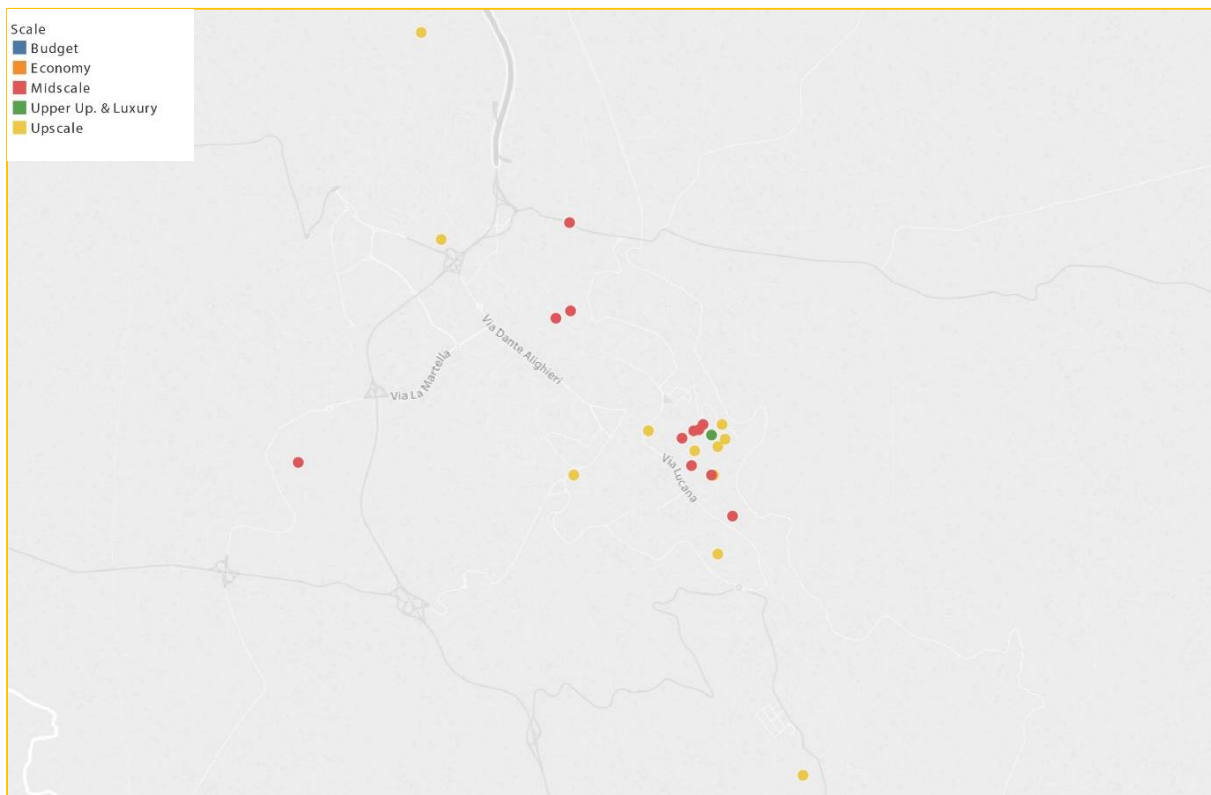
Presence of selected facilities in chain and independent hotels in Genoa; Horwath HTL 2017





# Hotels & Chains in Matera

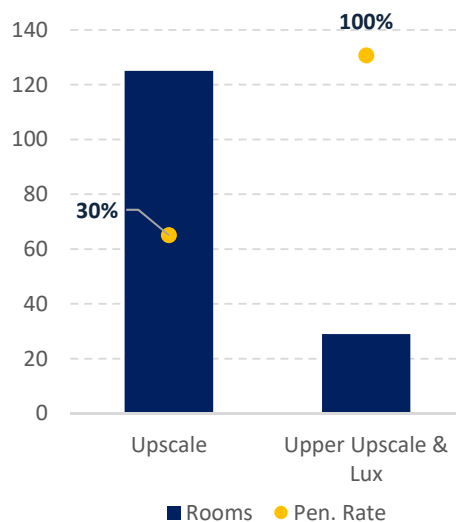
Location of independent and chain hotels by scale in Matera; Horwath HTL 2017



Top 5 brands in Matera by rooms; Horwath HTL 2017

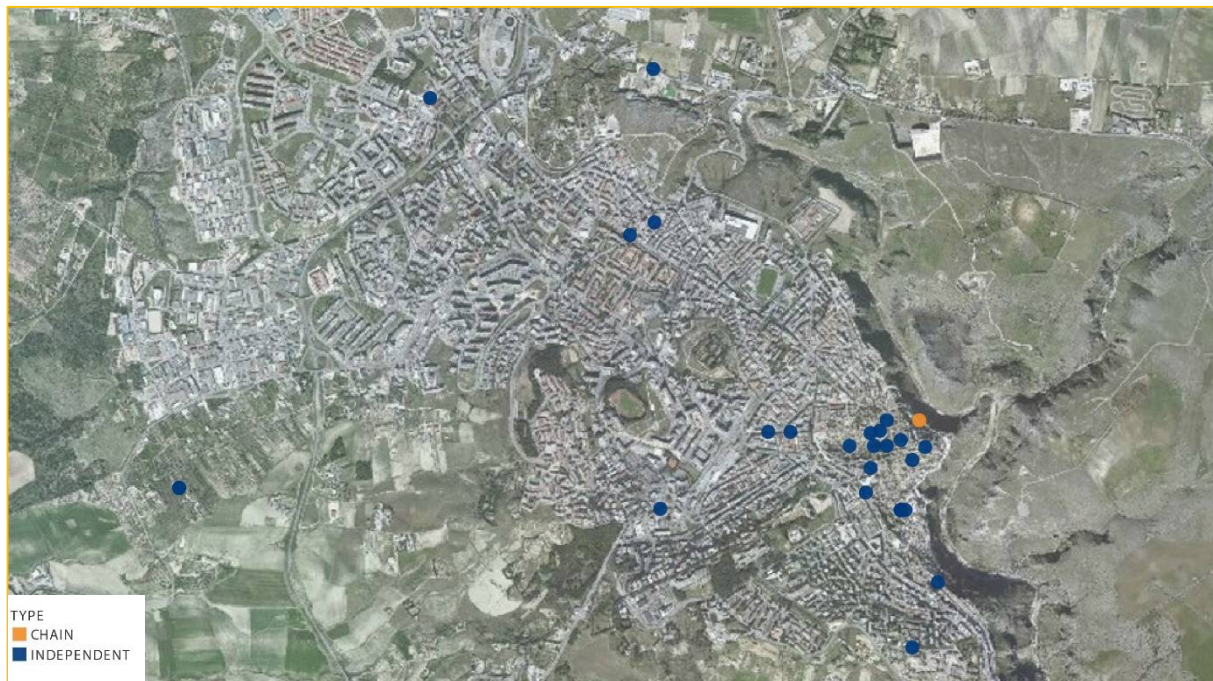
Rank	Chain Brands in Matera	Hotels	Rooms
1	HILTON GARDEN INN	1	125
2	SD HOTELS	1	29

Chain Rooms by scale and chains' penetration rate; Horwath HTL 2017

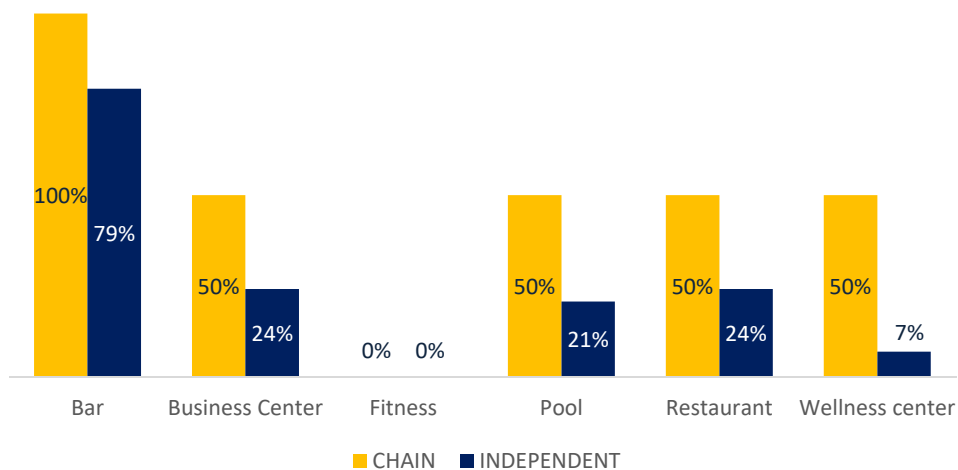


## Hotels & Chains in Matera

Location of chain and independent hotels in Matera; Horwath HTL 2017



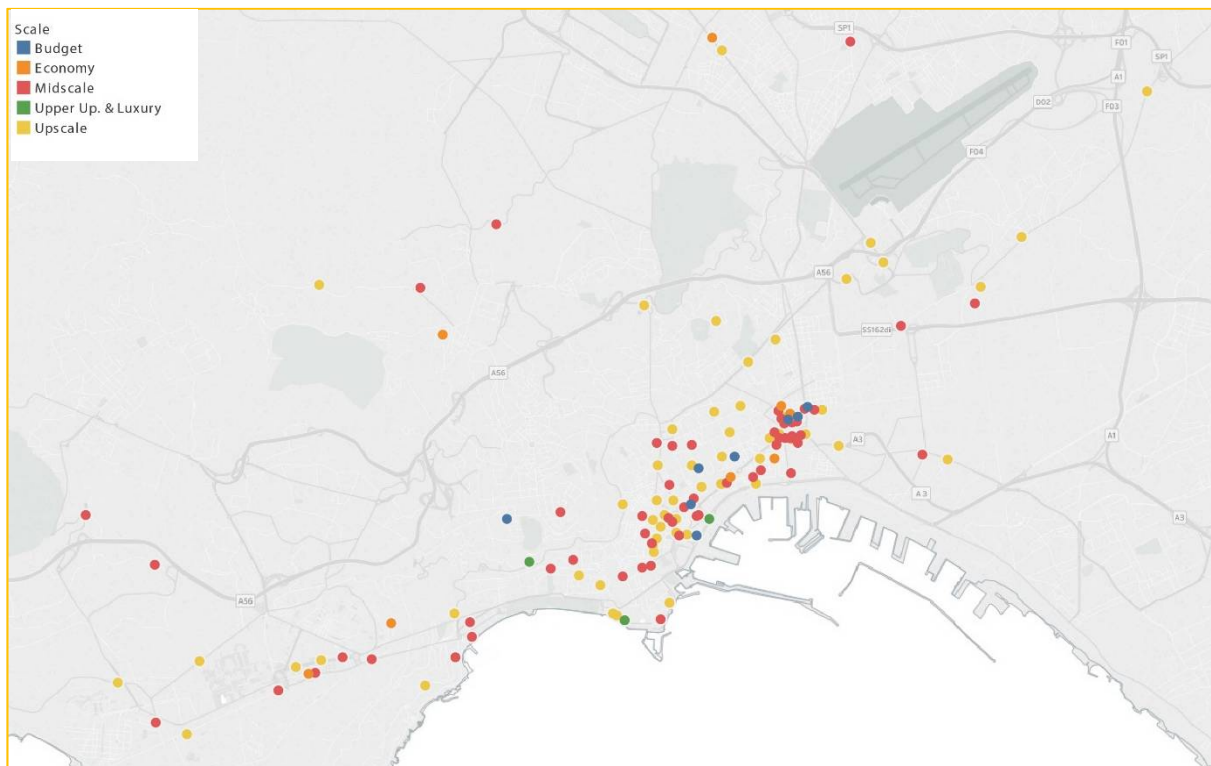
Presence of selected facilities in chain and independent hotels in Matera; Horwath HTL 2017





# Hotels & Chains in Naples

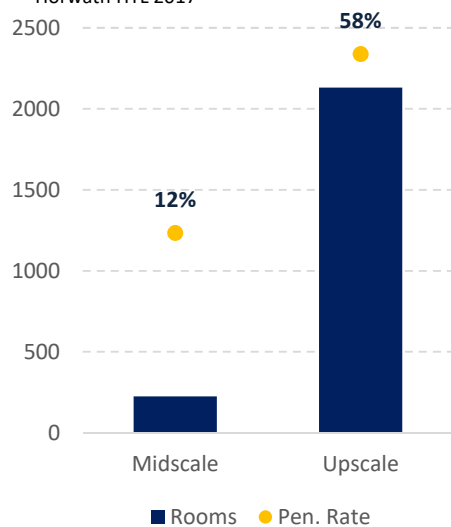
Location of independent and chain hotels by scale in Naples; Horwath HTL 2017



Top 5 brands in Naples by rooms; Horwath HTL 2017

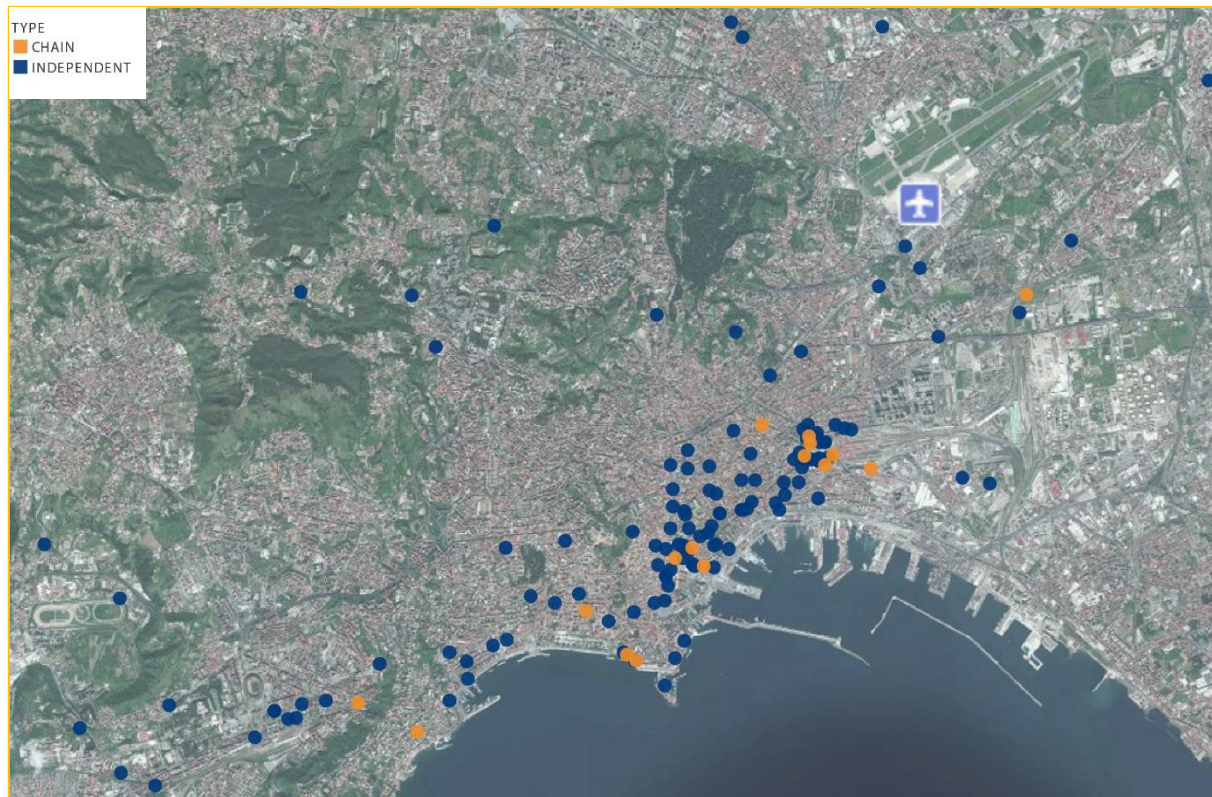
Rank	Top 5 Brands in Naples	Hotels	Rooms
1	ROYAL GROUP HOTEL & RESORTS	1	397
2	HOLIDAY INN	1	323
3	NH HOTELS	1	230
4	RENAISSANCE	1	189
5	STARHOTELS	1	170

Chain Rooms by scale and chains' penetration rate; Horwath HTL 2017

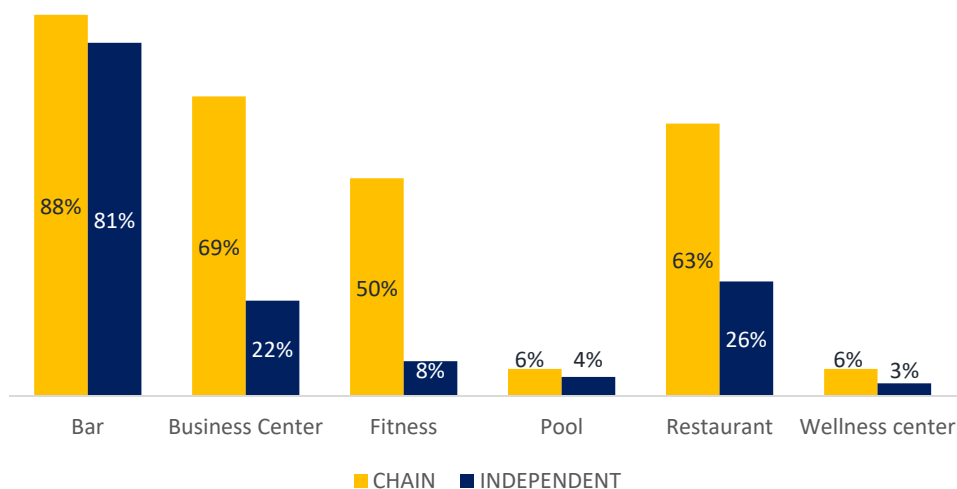


## Hotels & Chains in Naples

Location of chain and independent hotels in Naples; Horwath HTL 2017

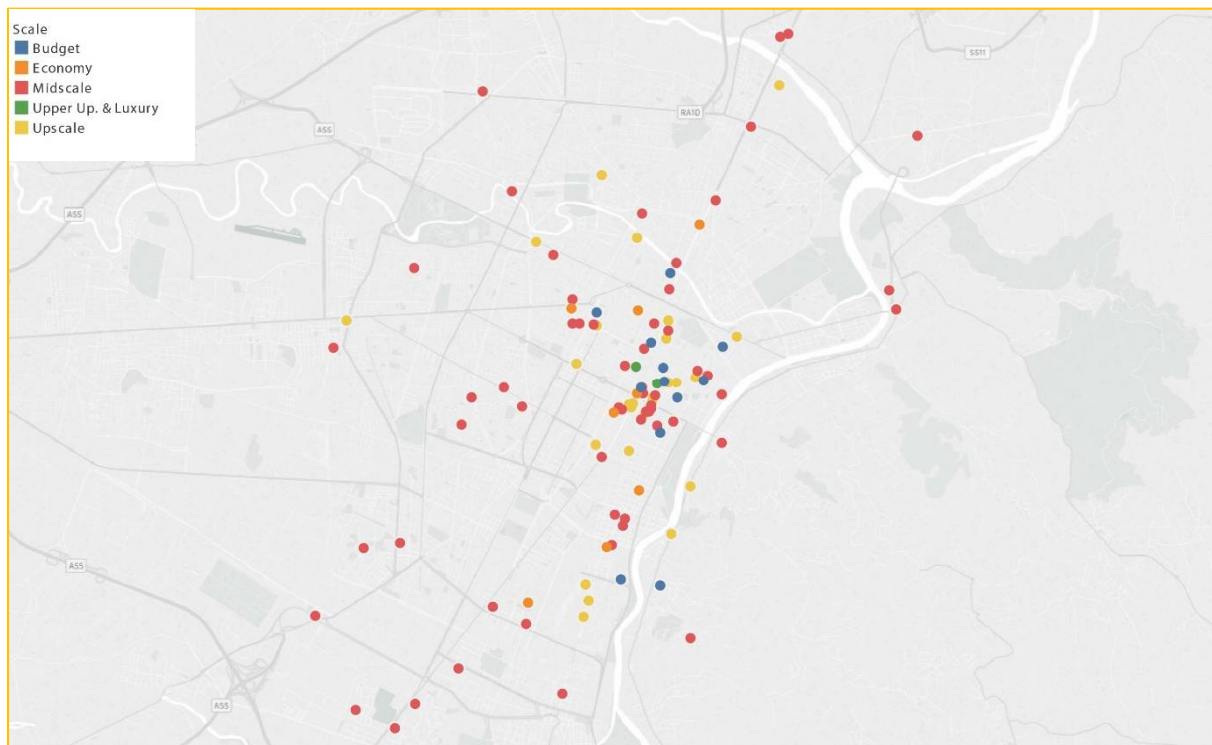


Presence of selected facilities in chain and independent hotels in Naples; Horwath HTL 2017



# Hotels & Chains in Turin

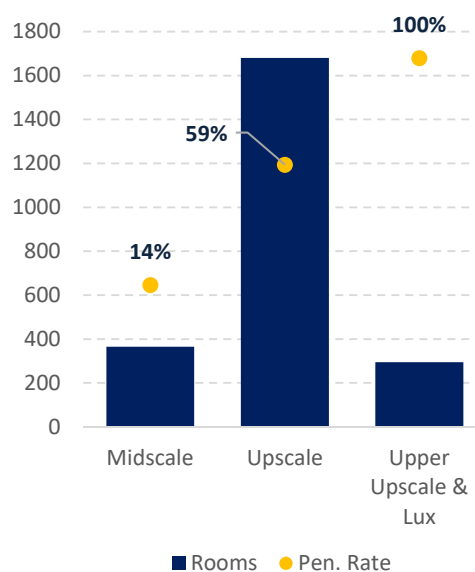
Location of independent and chain hotels by scale in Turin; Horwath HTL 2017



Top 5 brands in Turin by rooms; Horwath HTL 2017

Rank	Top 5 Brands in Turin	Hotels	Rooms
1	NH HOTELS	3	547
2	BEST WESTERN	5	341
3	ALLEGROITALIA	1	195
4	HOLIDAY INN	2	187
5	BEST WESTERN PLUS	2	165

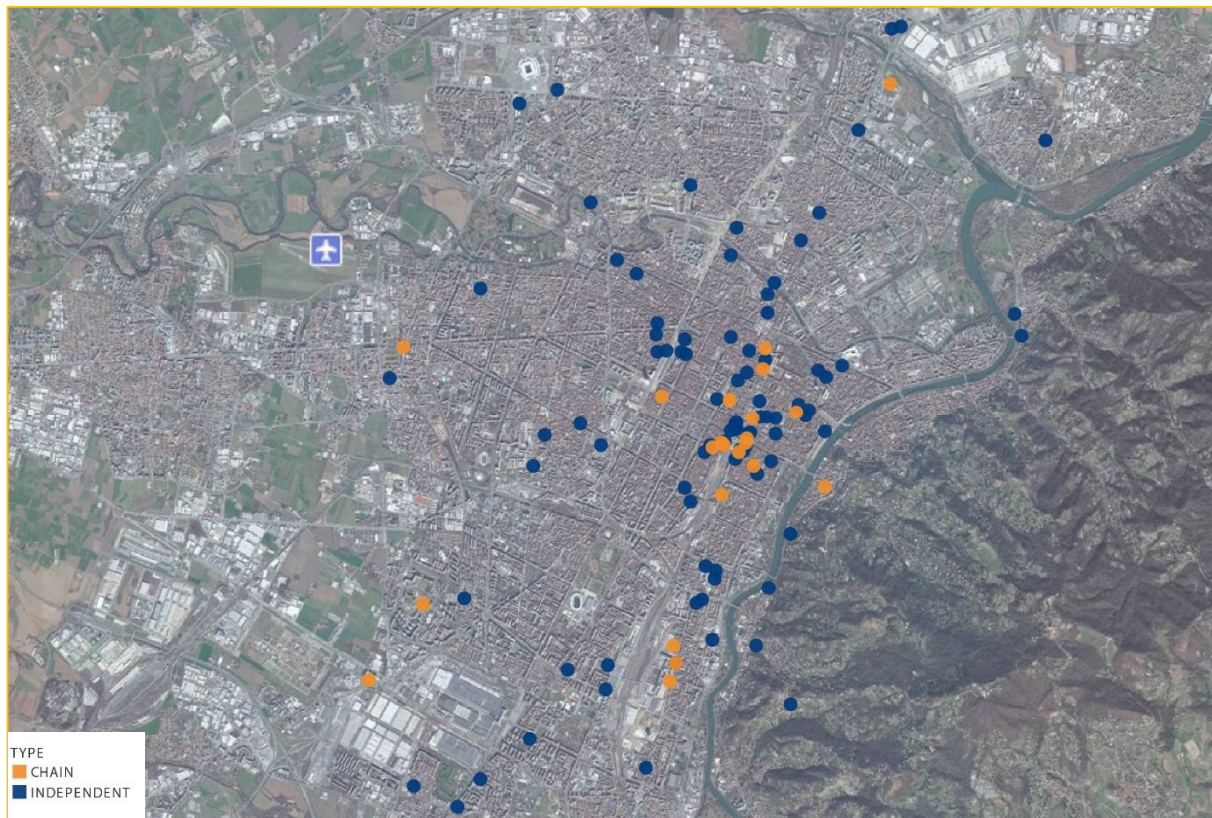
Chain Rooms by scale and chains' penetration rate; Horwath HTL 2017



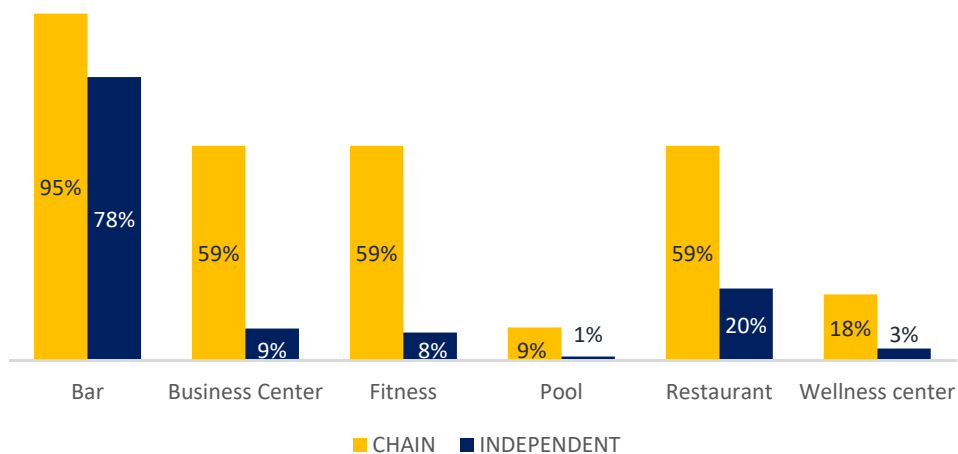


## Hotels & Chains in Turin

Location of chain and independent hotels in Turin; Horwath HTL 2017



Presence of selected facilities in chain and independent hotels in Turin; Horwath HTL 2017





# FOCUS ON CHAIN HOTELS FACILITIES & SERVICES

## FOCUS ON CHAIN HOTELS FACILITIES & SERVICES

Innovative hotel concepts and chains	66
Food & Beverage	67
Wellness & SPA	68
Swimming Pools	70
Leisure & Business facilities	72
Sport & Games	74
Methodology	77
Legenda	78
About the Authors	79





# Innovative hotel concepts and chains

## The hotel product, unveiled

The analysis of facilities and services is a new branch of research Horwath HTL has developed by integrating the Hotels&Chains database with a massive databank of records on hotels' facilities derived by major OTAs and directories.

These databanks were integrated in October 2017 for the first time and are updated on a monthly base by means of computerized procedures.

The combination of data on chains' brands, hotels size, geography and business models together with those covering the hotel product in terms of facilities and services, is a powerful tool for understanding the industry environment and learn from it.

The analyses which follow are based on the last update of the database, as of January 10<sup>th</sup>, 2018. They are based on a sample of 1,382 chain hotels, distributed as follows:

Chains hotels population (2017) and research sample by category; Horwath HTL 2017

Chain Hotels	Economy	Midscale	Upscale	Upper Up. & Luxury	Total
Population	23	341	962	162	<b>1,488</b>
Sample	23	303	900	156	<b>1,382</b>
<b>Sample representativeness</b>	<b>100%</b>	<b>89%</b>	<b>94%</b>	<b>96%</b>	<b>93%</b>

For the scope of analyzing facilities, we have classified hotels also based on their size, as follows:

Sampled chains hotels by size category and distribution among categories; Horwath HTL 2017

SIZE Classes	Room class	Sample #	Sample %
BOUTIQUE	7-30	141	10.2%
SMALL	31-70	419	30.3%
MEDIUM	71-130	488	35.3%
BIG	131-250	246	17.8%
ULTRA BIG (U. BIG)	over 250	88	6.4%
		1,382	100%

For this very first edition of the Facilities and Services analysis we have concentrated on:

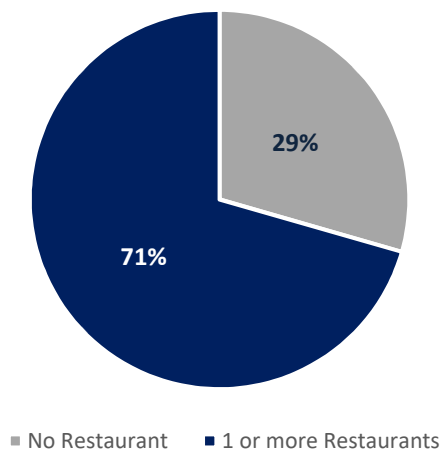
- **Food & Beverage (Restaurant and Bar)**
- **Wellness & SPA**
- **Swimming Pools (a focus on the types)**
- **Leisure and business facilities**
- **Sports & Games**

*Data are based on a sample of 1,382 chain hotels out of 1,488. Information gathered through on line travel agencies platforms by means of computerized procedures.*

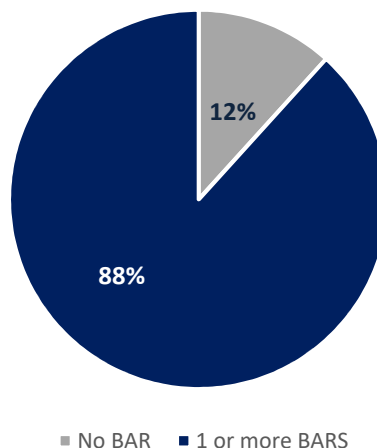
## Food & Beverage

Although commonly intended as a basic facility from Midscale on, restaurant are present just in 70% of chain hotels, a sign that concept is changing and “limited service” advancing. Small hotels often lack of a (served) bar, some have replaced service with vending machines or «honesty bars».

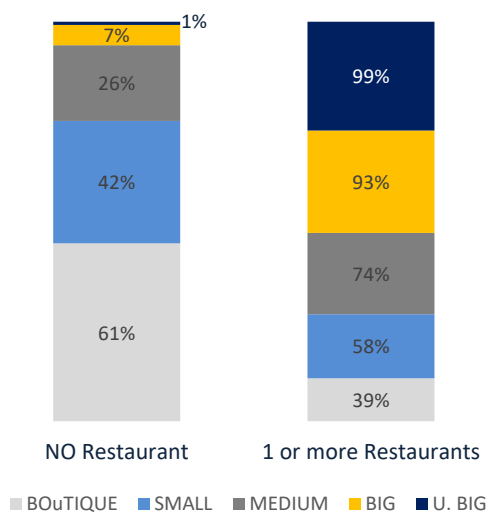
Presence of 1 or more restaurants in chains hotels; Horwath HTL 2017



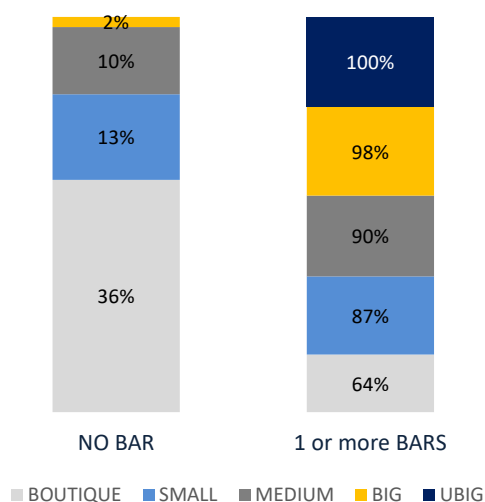
Presence of 1 or more bars in chains hotels; Horwath HTL 2017



Presence of restaurant(s) among size categories of chains hotels; Horwath HTL 2017



Presence of bar(s) among size categories of chains hotels; Horwath HTL 2017



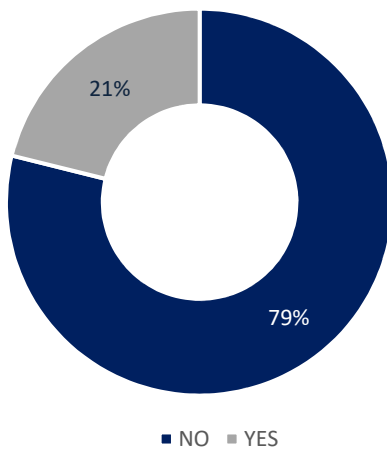
Data are based on a sample of 1,382 chain hotels out of 1,488. Information were gathered through on line travel agencies platforms by means of computerized procedures.



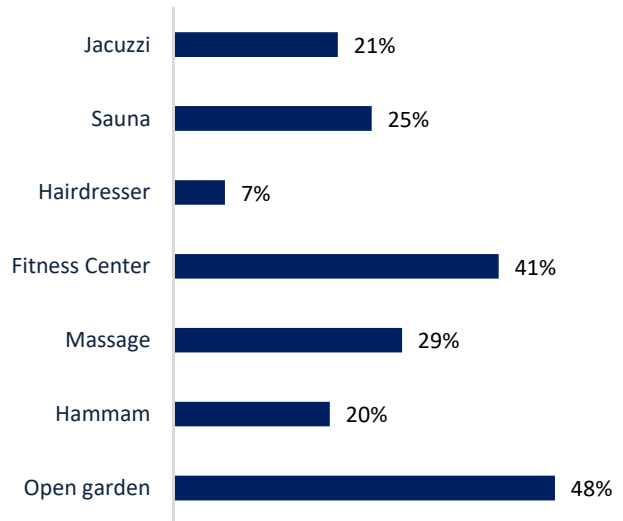
## Wellness & Spa

1 out of 5 chain hotels declares a wellness centre or a SPA, but this proportion reaches 2 out of 3 in Upper Upscale & Luxury. Generally, the gym and an open (private) garden are more frequent prerogatives. International chains care more about offering a gym than domestic do. Wellness facilities are wider in range in big and ultra big (over 250 rooms) hotels.

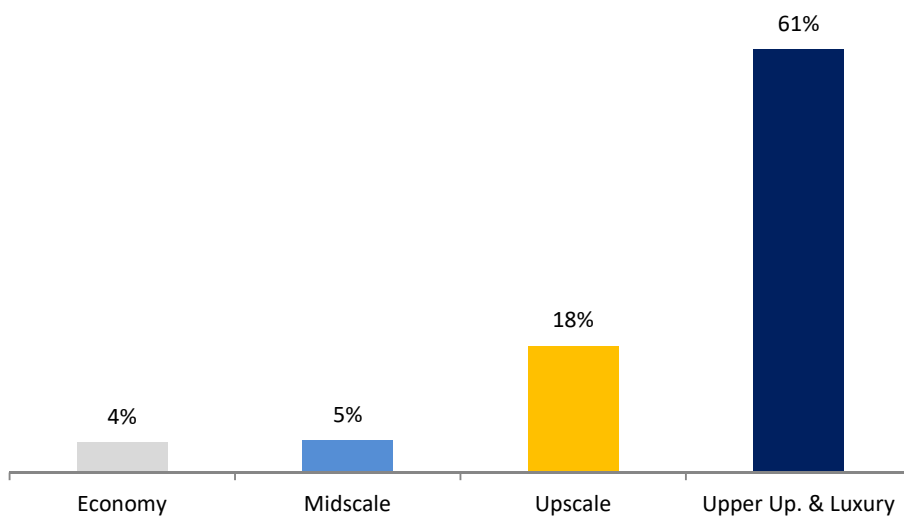
Presence of Wellness Center / SPA in chains hotels;  
Horwath HTL 2017



Presence of certain Wellness facilities in chains hotels;  
Horwath HTL 2017



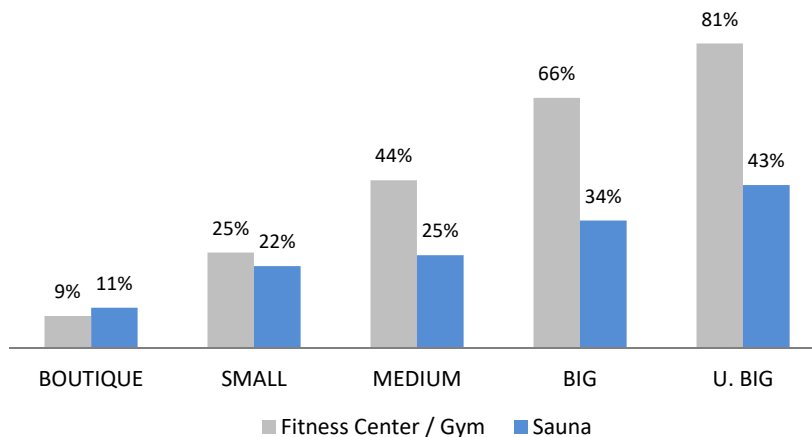
Presence of Wellness Center / SPA by scale of chains hotels; Horwath HTL 2017



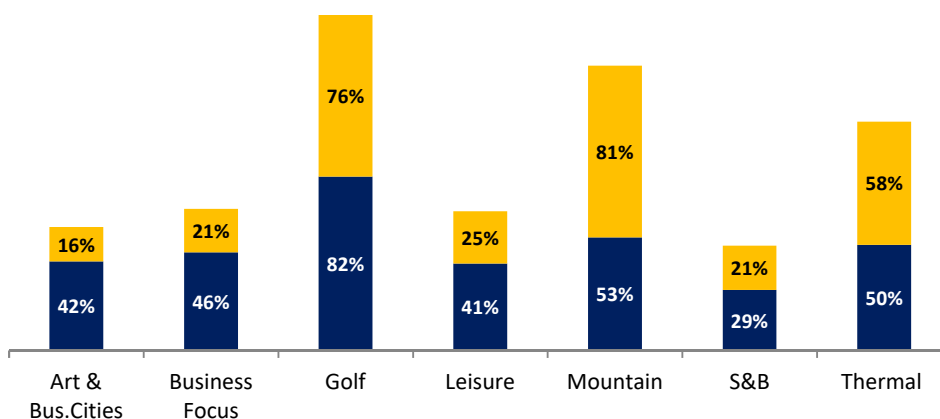
Data are based on a sample of 1,382 chain hotels out of 1,488. Information were gathered through on line travel agencies platforms by means of computerized procedures.

## Wellness & Spa

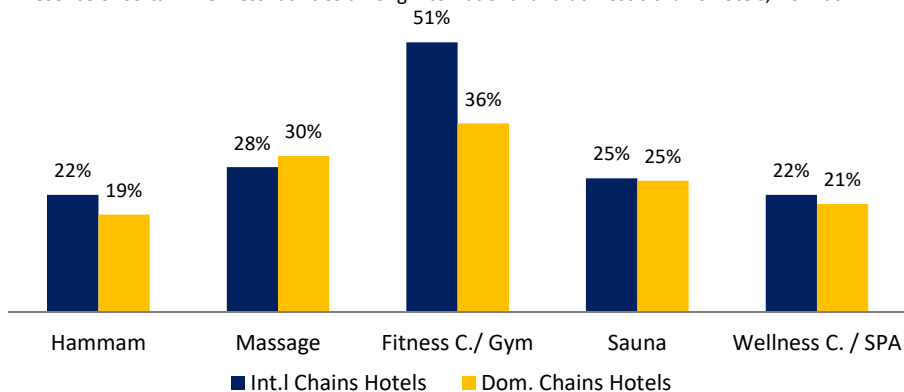
Presence of Gym and Sauna by size of chains hotels; Horwath HTL 2017



Presence of Gym and Sauna by type of destination of chains hotels; Horwath HTL 2017



Presence of certain Wellness facilities among international and domestic chains hotels; Horwath HTL 2017

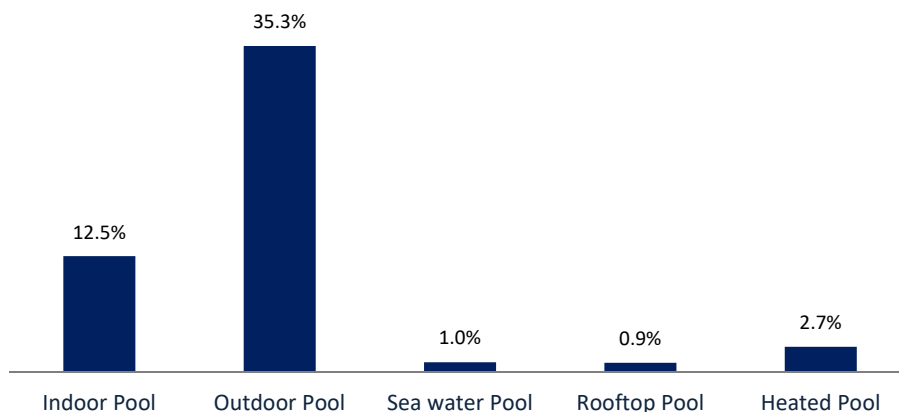


Data are based on a sample of 1,382 chain hotels out of 1,488. Information were gathered through on line travel agencies platforms by means of computerized procedures.

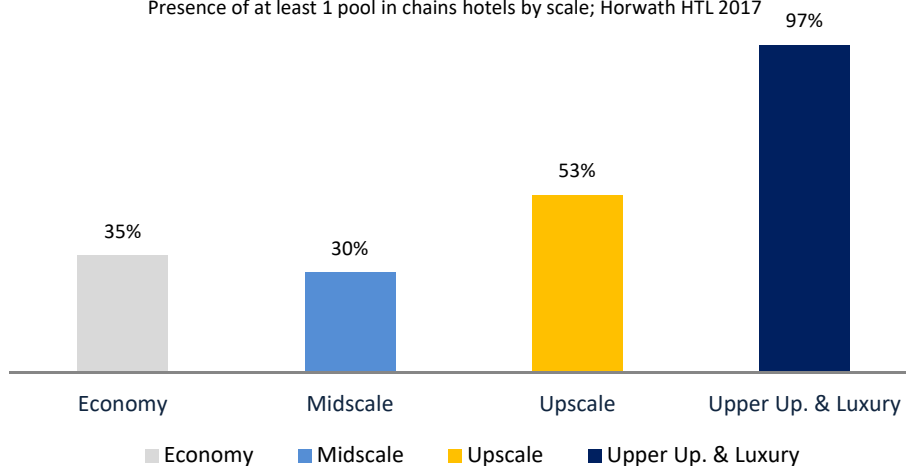
## Swimming pools

Almost all chain hotels in Italy have at least 1 swimming pool in the Upper Upscale and Luxury segment. 1 each 2 hotels in the Upscale segment. International brands are more prone to offer a pool in hotels located in cities than domestic are. All sampled golf resorts offer a pool.

Presence of certain types of pools in in chains hotels (% of the overall sample); Horwath HTL 2017



Presence of at least 1 pool in chains hotels by scale; Horwath HTL 2017



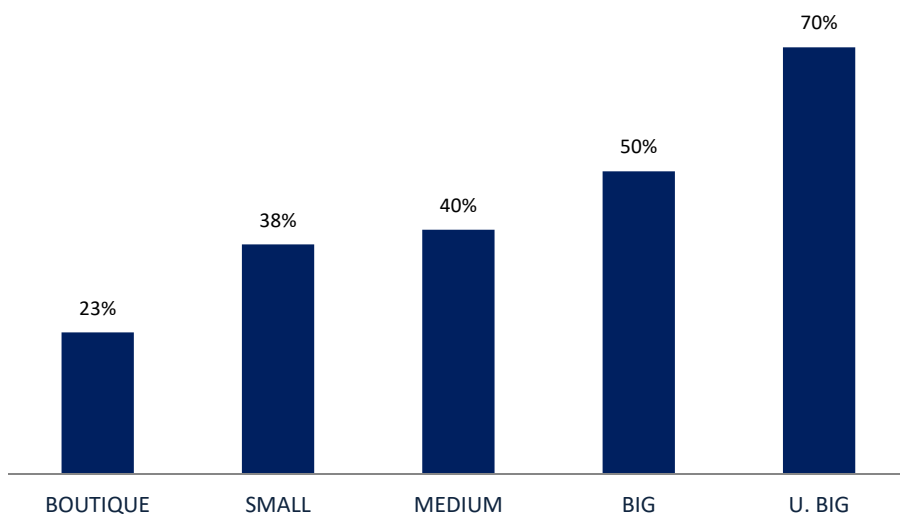
Distribution of Indoor and Outdoor pool among international and domestic chains hotels – focus on «Art & Bus.» and «Business Focus» destinations only; Horwath HTL 2017

Type of Pool	International	Domestic
Indoor Pool	7%	5%
Outdoor Pool	17%	13%

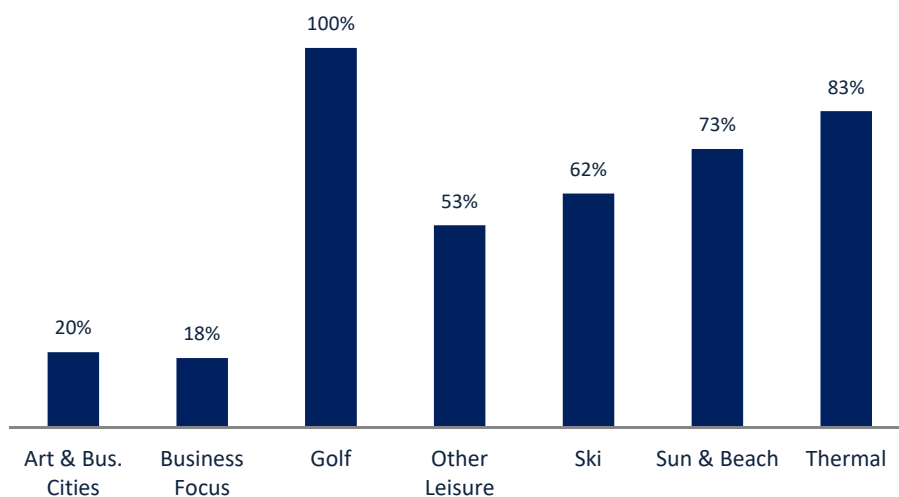
Data are based on a sample of 1,382 chain hotels out of 1,488. Information were gathered through on line travel agencies platforms by means of computerized procedures.

## Swimming pools

Presence of at least 1 pool in chains hotels by size category; Horwath HTL 2017



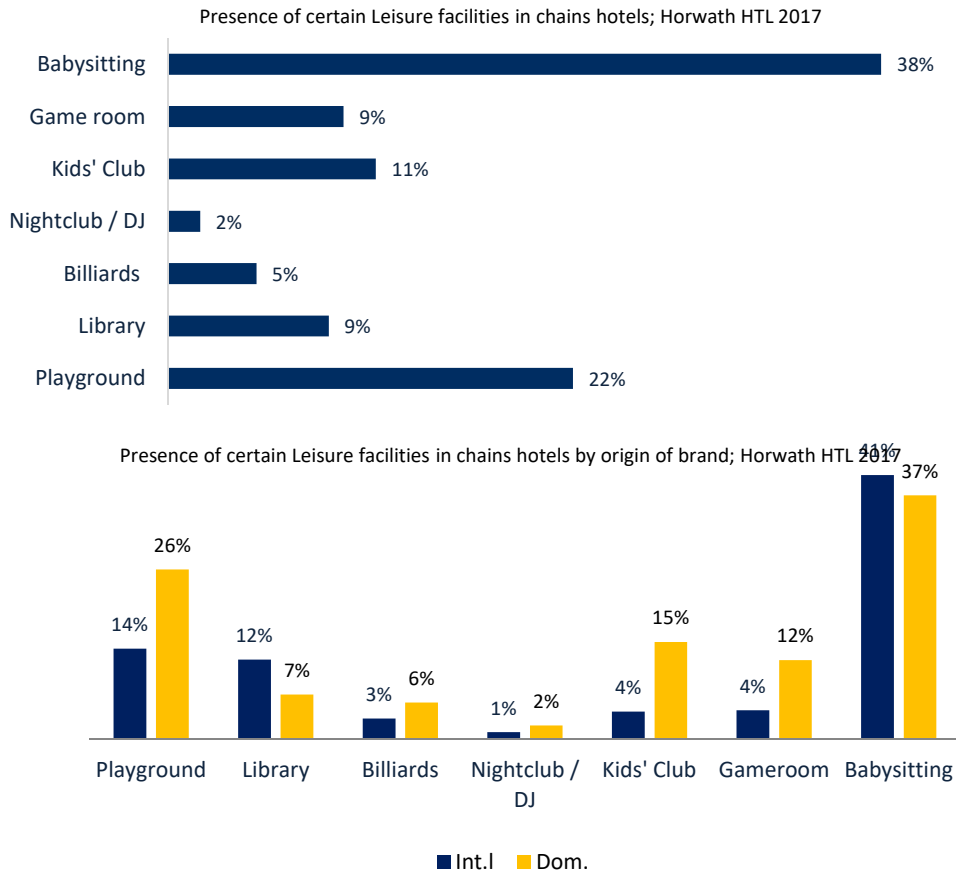
Presence of at least 1 pool in chains hotels by type of destination; Horwath HTL 2017



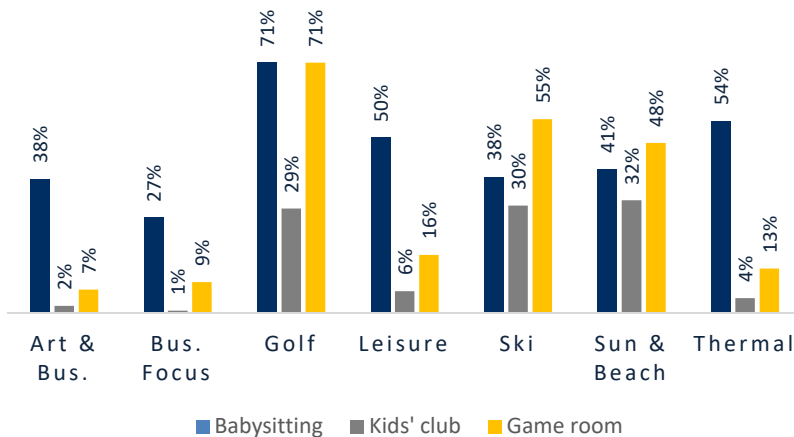
Data are based on a sample of 1,382 chain hotels out of 1,488. Information were gathered through on line travel agencies platforms by means of computerized procedures.

## Leisure & Business facilities

Babysitting and playgrounds are the most frequent leisure facilities offered in chain hotels. Golf and Ski resorts are the richest in services and facilities dedicated to kids. Business centres are more diffused in big and ultra big properties, in Business and Golf destinations, more often in international than domestic hotels.



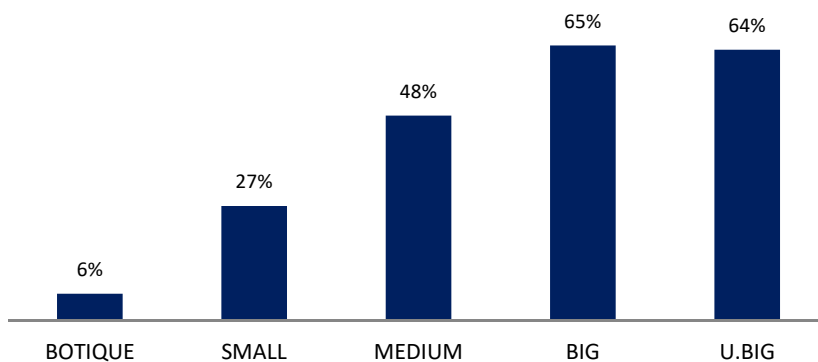
Presence of certain Kids facilities in chains hotels by type of destination; Horwath HTL 2017



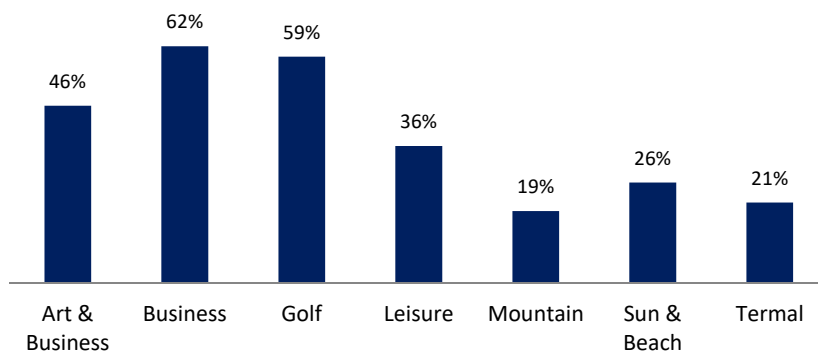
Data are based on a sample of 1,382 chain hotels out of 1,488. Information were gathered through on line travel agencies platforms by means of computerized procedures.

## Leisure & Business facilities

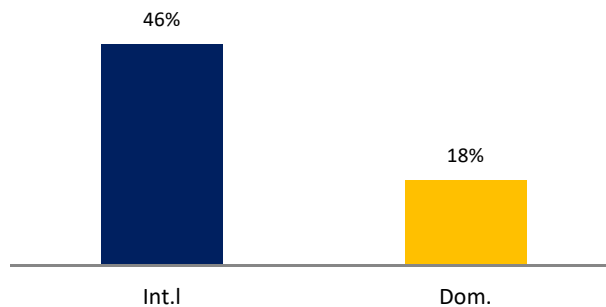
Presence of business centers in chains hotels, by size category; Horwath HTL 2017



Presence of business centers in chains hotels, by type of destination; Horwath HTL 2017



Presence of business centers in chains hotels, by origin of the brand, with focus on "Art & Business" and "Business Focus" destinations only; Horwath HTL 2017

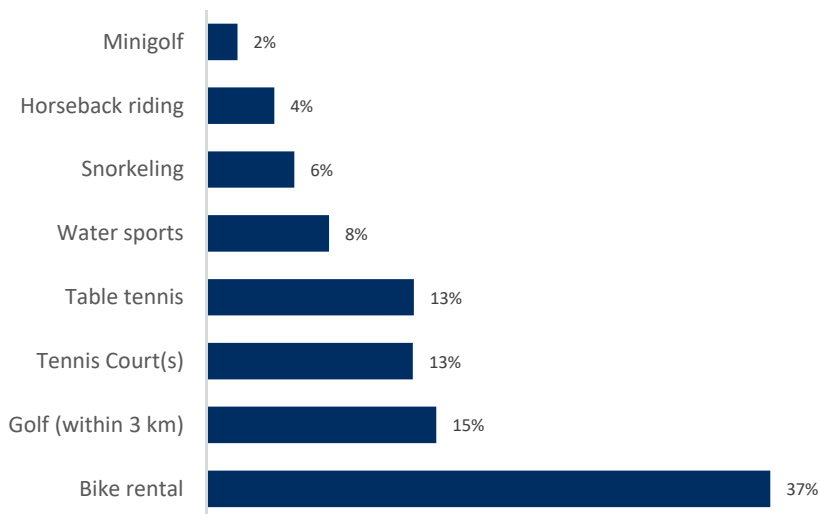


Data are based on a sample of 1,382 chain hotels out of 1,488. Information were gathered through on line travel agencies platforms by means of computerized procedures.

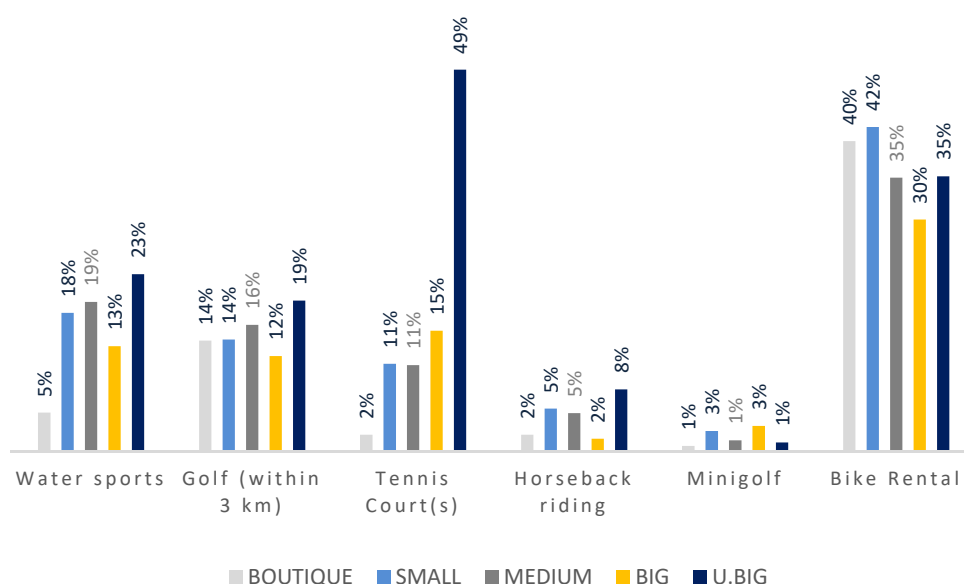
## Sport & Games

Bike rental is by far the most diffused sport option in chain hotels in Italy. Boutique and small hotels especially are well equipped with bikes. Ultra big resorts and hotels are very frequently equipped with tennis courts.

Presence of certain Sports and Games facilities in chains hotels; Horwath HTL 2017



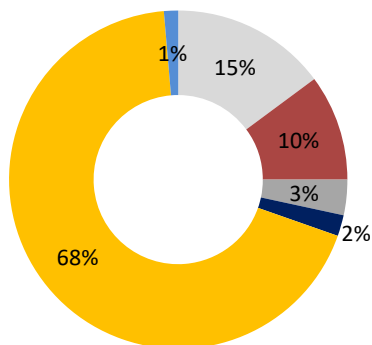
Presence of certain Sports and Games facilities in chains hotels by size category; Horwath HTL 2017



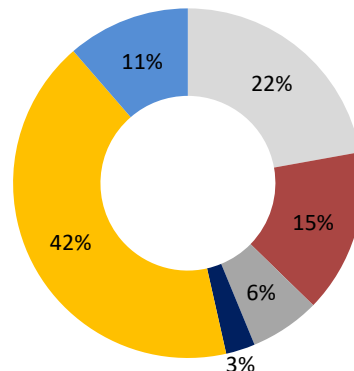
Data are based on a sample of 1,382 chain hotels out of 1,488. Information were gathered through on line travel agencies platforms by means of computerized procedures.

## Sport & Games

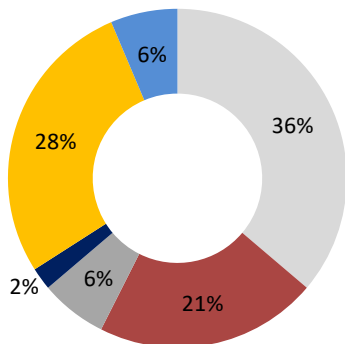
Distribution of Sports & Games facilities in chains hotels of "Arts & Business" destinations; Horwath HTL 2017



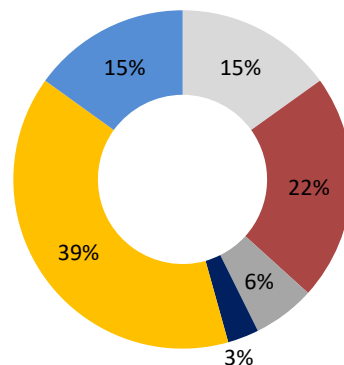
Distribution of Sports & Games facilities in chains hotels of "Other Leisure" destinations; Horwath HTL 2017



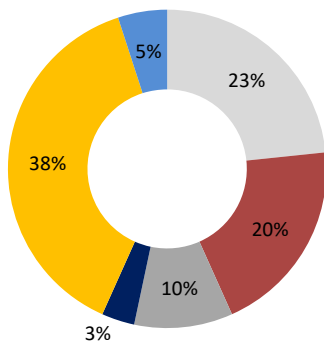
Distribution of Sports & Games facilities in chains hotels of "Golf" destinations; Horwath HTL 2017



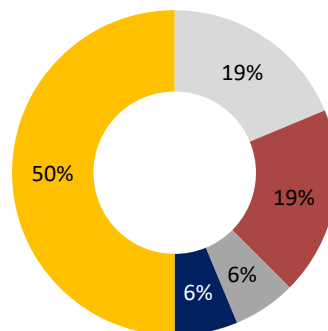
Distribution of Sports & Games facilities in chains hotels of "Sun & Beach" destinations; Horwath HTL 2017



Distribution of Sports & Games facilities in chains hotels of "Ski" destinations; Horwath HTL 2017



Distribution of Sports & Games facilities in chains hotels of "Thermal" destinations; Horwath HTL 2017



Data are based on a sample of 1,382 chain hotels out of 1,488. Information were gathered through on line travel agencies platforms by means of computerized procedures.



# Order the Hotels & Chains 2018 Full Edition

After 5 years of running the census in Italy we structured the most complete database on hotel chains, built and updated by Italian analysts based in Italy, with corporate information on presence, pipeline and key features of all the chain hotels in Italy.



Order the Full Edition to get over 100 pages of key statistics on hospitality in Italy, including:

- Extended rankings (+ 100 operators) by scale, size, business models, history of the last 4 years
- Top 50 brands complete outlook (list of properties and aggregate facilities profile)
- Top 50 brands market share and footprint history (2013-2017)
- Top 20 destinations complete outlook, including geo-referencing of chain and independent hotels by scale
- Complete pipeline 2018-2019
- Key persons (+100) in the area of hotel development and affiliation
- Interviews with Italy experienced development directors on hospitality business drivers 2018
- Recently branded and recently de-branded hotels
- ...and much more.

The Full Editions transfers business intelligence value from the database to any development function which has Italy as target.

Request the table of contents and order the Full Edition Report at [italy@horwathhtl.com](mailto:italy@horwathhtl.com)

## Methodology

All data on Italian competitiveness and comparison with other EU states are based on Eurostat data as of December 31<sup>st</sup>, 2017.

This report contains evidences from the Horwath HTL census of operating chain hotels in Italy in the year 2017, as of December 15<sup>th</sup>, 2017.

All trading performance data referring to 2017 are full (total) 2017 year and are based on STR Global monthly outlooks.

For the purpose of the hotel chains census:

- *Chains* are corporation owning one or several hotel (or hostel) brands. *Second tier* operators, otherwise named *white label* operators, are chains who operate at least one hotel under a third party brand.
- *A chain is any organization operating 5 or more hotels in the world - of which at least 1 is in Italy for the scope of this report - by owning, managing, leasing or franchising properties. Simple ownership, with no control on operations, does not qualify for being considered a chain.*
- *Light brands and the so called "voluntary affiliation networks" are not considered into the count.*
- *International chains are those with headquarter outside Italy; domestic chains are those with headquarter in Italy, including those that also have operations abroad.*
- *Investigation is based on voluntary cooperation of participating hotel chains and desk research covering several sources such as official websites, international and domestic chains directories, previous studies.*
- *As for the census, scales are based on the official classification of hotels (Italian "stars" system) and do not represent the target positioning of the brand itself.*
- *Double counting of hotels managed by second tier operators and franchised by a chain has been avoided. Therefore, aggregated data is net of double-counting. When the case, figures including double counting of properties are reported as "IDC".*
- *For the scope of this report, pipeline hotels are counted separately and do not sum up into the census. Pipeline and re-branded hotels are counted together. Pipeline do not include the count of independent hotels. All hotels listed under a chain after December 31st 2017 are considered as pipeline.*
- *"Rooms" is used as equivalent to "keys", even in the case of suites and apartments.*
- *All charts showing international and domestic chains may not sum up to overall because of second tier operated hotels.*
- *All projections have been elaborated by Horwath HTL.*
- *Because of some chains that, due to their recent growth in size, have been included in 2017 census, with a certain, limited, impact on the previous years, we have partially reviewed the census figures for 2016. Therefore we reported "2016rev." data to indicate that there might be some differences with previous Hotel Chains Reports.*
- *Penetration rate (by rooms or by hotels) is estimated considering the ISTAT hotels/rooms stock of the preceding year, due to the lack of official supply data on 2017. Since hotels and rooms supply is pretty stable along years, this mismatch may only cause limited errors in the area of 0.1% of the proposed penetration rates.*

For any enquire on the census methodology please contact the author, Giorgio Ribaudo at [gribaudo@horwathhtl.com](mailto:gribaudo@horwathhtl.com)

# Legenda

<b>ADR</b>	Average Daily Rate	Room revenues in a period divided by rooms sold in the same period
<b>Avg</b>	Average	
<b>CAGR</b>	Compound Annual Growth Rate	
<b>F&amp;B</b>	Food & Beverage	
<b>GDP</b>	Gross Domestic Product	
<b>IDC</b>	Including Double Counting	White labels managed hotels have been included and sum up twice to total
<b>LCC</b>	Low Cost Carriers	
<b>MICE</b>	Meetings, Incentives, Conferences, Exhibitions	
<b>MIn</b>	Millions	
<b>MOD</b>	Minor Operating Departments	Includes e.g. parking, guest laundry, shops, pay-TV, business center, ...
<b>NOI</b>	Net Operating Income (or Net Operating Profit)	
<b>P&amp;L</b>	Profit & Loss Statement (Income statement)	
<b>OR</b>	Occupancy Rate	Ratio between rooms sold and available rooms in a certain period
<b>RevPAR</b>	Revenue per Available Room	Total room revenues of a period divided by the number of total available rooms in the same period
<b>S&amp;M</b>	Sales and Marketing	
<b>VAT</b>	Value Added Tax	
<b>YoY</b>	Year Over Year	
<b>YTD</b>	Year To Date	
<b>Definitions</b>		
	Hotel Chains (in this report)	Any hotel organization operating 5 or more hotels in the world by owning, managing, leasing or franchising properties. Simple ownership (in the lack of operations control) does not qualify to be reported as an hotel chain.
	International Chain	A chain with headquarter outside Italy
	Domestic Chain	A chain with headquarter in Italy, including those which also run operations abroad.
	White label, Second Tier	A chain operating one or more hotels branded by another chain

## About the Authors

### **HORWATH HTL**

In its field, Horwath HTL (Hotel, Tourism and Leisure) has been recognized as the pre-eminent consulting specialist in the hotel, tourism and leisure industries by providing unequalled experience and expertise for client projects around the world through a combination of detailed local knowledge and international understanding. It is involved with projects in all phases of the property lifecycle and supports national and international clients: developers, lenders, investors, industrial corporations, public administrative offices and institutions.

### **ASSOCIAZIONE ITALIANA CONFINDUSTRIA ALBERGHI**

*Associazione Italiana Confindustria Alberghi* originated from the merger of the two industry- representing players at Confindustria: the independent hotels and the hotel companies.

*Associazione Italiana Confindustria Alberghi* is present throughout the country, with more than 2,500 tourist accommodation facilities totalling 175,000 rooms, 70,000 employees and more than 5 billion Euros in revenues. It is therefore a reference player of the tourism economy in Italy and has an entrepreneurial vision whose main features are commitment, planning skills, and attention to market change and rationale.

*Associazione Italiana Confindustria Alberghi* is a member of Confindustria and of Federturismo and, as such, it integrates with the other players of the Italian economy and tourism industry.

At an international level *Associazione Italiana Confindustria Alberghi* looks to new phenomena and dynamics that drive investments and tourist flows. Its aim is to provide companies with the tools to address today's crisis while looking at the future of an industry that all indicators see as growing strongly in the years to come, worldwide.

### **HORWATH HTL**

Via Flaminia 21,  
00196 Rome, Italy

Tel. +39 06 68395091  
italy@horwathhtl.com  
www.horwathhtl.it

### **Associazione Italiana Confindustria Alberghi**

Viale Pasteur, 10  
00144 Rome, Italy

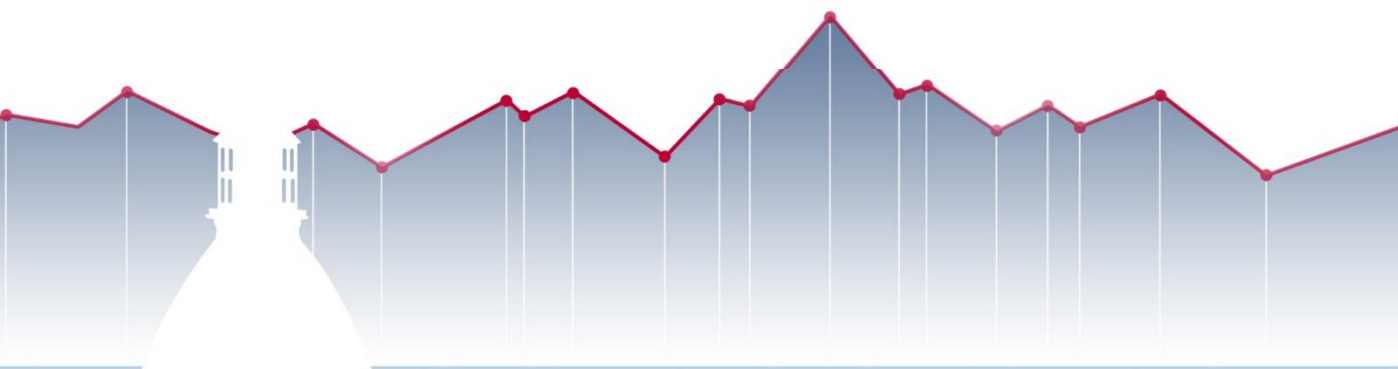
Tel. +39 06 5924274 +39 06  
54220808  
info@alberghiconfindustria.it  
www.alberghiconfindustria.it

*In partnership with*

### **CDP Investimenti SGR Spa**

Via Versilia, 2  
00187 Roma  
Tel. +39 06 4204.5499  
segreteria@cdpisgr.it  
www.cdpisgr.it





**Horwath HTL Italy**  
[www.horwathhtl.it](http://www.horwathhtl.it)