

# “Boosting Satisfaction” is the Keyword for a Tourism Nation Country 2013 is the Start of “Value Creation” in the Travel Industry



Chairman Kikuma

Last year, the Japanese travel market staged a rapid recovery following the setback from the Great East Japan Earthquake. In 2013, new trends are expected to accelerate, including the travel industry’s move toward autonomous creation of markets and expansion of destination-based travel products available only in select areas. We spoke with Norifumi Ide, commissioner of the Japan Tourism Agency, and Jungo Kikuma, chairman of JATA, concerning their expectations and aspirations for the new year.

### Desire to Raise the Development Capability of the Industry

-----How do you view the overseas travel market in 2013?

**Kikuma:** I think that 2013 will be the first year in which the travel industry itself autonomously creates markets. I see this year as being the start of value creation in the industry; until now, we have repeated various experiments, and now we plan to launch full initiatives beyond what we’ve done before. Due to the significant entry of low-cost carriers (LCCs) into the Japanese market and the rise of online agents, the role of the travel industry has become more sharply defined. Since direct sales by suppliers and price competition are becoming commonplace, we are arriving at the point in history when using a travel agent will be meaningless unless travel agents offer products that truly satisfy customers. In times like these, we ourselves must work independently to discover all kinds of appealing attractions at the destinations and create value and also to introduce the allure of travel in a more close-up manner. It is possible that travel agencies will be left behind, even if the number of travelers grows, unless we become autonomously involved and actualize a business model in which we ourselves create value through promotions, in collaboration with Team Europe in Europe and with ASEAN. With this year as the start, I want to strengthen the above areas and raise the development capability of the travel industry. East Asia alone makes up 50% of Japan’s overseas travel market; the fact that travel to Europe, ASEAN, Indochina, and North, Central, and South America is also expanding is leading to a need for crisis management so that the operations of the travel industry overall can keep up with the expansion. A major theme in 2013 will be how to assist member agencies in boosting their skills so that they can engage in such value creation.

**Ide:** Previously, the airline industry and others talked about creation of macro demand, and what is needed in the travel industry is the capability to develop travel products that are competitive content-wise. For example, when we see conventional travel agents lose a share of reservations to online booking, we tend to think of it as competition between the travel industry and the IT industry. However, I think it is actually competition between each travel agency’s know-how and knowledge of destinations versus the information available to consumers who use IT. Naturally, it is impossible for individual staff at travel agencies to win against all of that competition, and so the know-how and knowledge at travel agencies overall must outshine that of consumers. I think that



Commissioner Ide

such know-how and knowledge will support the development capability of which Chairman Kikuma spoke.

### Efforts to Improve Domestic Travel, Too

-----To promote Japan as a tourism country, what initiatives are you considering from here forward?

**Ide:** Japan has already succeeded completely as a trade-oriented country, and so no one is talking now about Japan being a trade-oriented country. The reason why the words “Tourism country” are being trumpeted now is that, in the field of tourism, Japan is still an emerging country. Fortunately, we are an extremely promising emerging country in the area of tourism resources; if we make an effort, we have a high potential for growth. Conditions make it difficult to acquire an adequate budget, but saying that the budget is insufficient won’t help matters. So, it is necessary to boost our cost performance, and we must utilize creative methods to do that. In domestic travel, we held the *Destination Tohoku Campaign* to support the revival of tourism following the Great East Japan Earthquake, and I think it is playing a large role as an engine of domestic tourism. Simultaneously, not only the local governments’ but also the local people’s enthusiasm and skills are increasing tremendously, and so in fiscal 2013, we want to promote projects to support regions which are trying out various creative ideas and engaging in their efforts with enthusiasm.

**Kikuma:** We have been highlighting the importance of satisfaction in inbound travel since Commissioner Ide assumed office. I think ensuring that people who visit Japan return home satisfied is an extremely important point. JATA plans to create a system to certify the quality of land operators as part of its policy to boost the quality of inbound travel and to make Japan a tourism-oriented country in the true sense. In addition to the large merits it has for visitors to Japan, I think we can also expect this certification system to promote local development through the creation of destination-based travel products that utilize the special features of each locality. By providing travelers with high-quality, safe, and relaxing travel experiences in Japan, the value of Japan as a destination should also rise. I think that offering high-quality, highly satisfying products that are differentiated from low-budget trips to Japan will lead to an increase in travel demand and a surge in repeat visitors. The quality of domestic travel should also improve through the locally-focused travel industry which will be launched. If the passion of the people who live in and love the local areas and who want others to experience the charm of the local areas is translated into destination-based travel products, quality will improve. JATA would like for each of its member agencies to create a wide variety of individualistic travel products, both large and small, for domestic travel, just as they do for overseas travel. In the “Tohoku (Northeastern region of Japan) Reconstruction Support 1,000 Project” held in December 2012, travel agents who only handle overseas travel did participate, but if travel agencies who handle domestic travel increase, the quality will improve, and so we would like to make efforts toward this.