

Discussion: Japan-US Tourism Exchange Year Aiming to Boost Visitors to the US in Cooperation with Brand USA; Implementation of 7-point Action Plan Based on Memorandum

---- In September last year, JATA signed a memorandum entitled "Japan-US Tourism Exchange Year" with Brand USA, a tourism promotion organization. The aim of the memorandum is to attract 3.75 million Japanese travelers to the US by 2016. A number of activities are already underway. First please outline the sequence of events that led to the signing of the memorandum.

Hasegawa: Brand USA is an organization that aims to stimulate demand from the overseas market for tourism in the US. Brand USA is based on the Tourism Promotion Act enacted in March 2010. Seeing Brand USA's active promotion in the Japanese market, JATA prepared a program centered around a seven-point action plan to promote joint initiatives, which developed into the Japan-US Tourism Exchange Year. This led to the signing of the memorandum in September last year at the JATA Tourism Forum and Travel Showcase held in Tokyo.

---- Specifically, what sorts of activities are underway?



Kazuyoshi Hasegawa
Director and Secretary
General
Japan Association of Travel
Agents

Hasegawa: The seven-point action plan consists of (1) announcing and boosting recognition of the Japan-US Tourism Exchange Year, (2) promotion of informational and educational programs for travel agencies, (3) planning and implementation of plans and campaigns to promote development of new travel products, (4) awakening of demand for travel through promotion of exchanges between Japanese and US sister cities, (5) planning and implementation of plans and

campaigns to support the start of new air service to the US cities, (6) initiatives to boost mutual participation in the JATA Tourism Forum and Travel Showcase and PowWow, and (7) promotion of exchanges between the US and Japan travel industries through regular industry conferences. Activities are being implemented based on these points. As an informational and educational program for travel agencies, a monthly study group is held to train US Travel Professionals (USTP) to lead promotion of travel to the US. Participants are composed of staff from major travel agencies, including travel wholesalers, and ten professional USTPs and ten executive USTPs are certified by the US. US Deep-mining Intensive Seminars are also held.

Moreover, to promote the development and creation of high-quality, attractive US travel products, JATA is holding an American Tour Contest as part of the JATA Tour Grand Prix in which the winner will receive a special award in commemoration of the Japan-US Tourism Exchange Year. The deadline for entries is next month. The plan is to announce the prize at the JATA Tourism Forum and Travel Showcase in September this year.

---- JATA and Brand USA are pursuing efforts to promote travel from Japan to the US, but meanwhile, what is the current market like for travel agencies?



Masako Iwase
Senior Manager
Planning & Purchasing
Europe, Africa, Middle East
& Americas Division
JTB World Vacations, Inc
East Japan Regional
Headquarters

Iwase: Currently, the supply of airline seats is tight, and hotels are no longer easy to reserve, either. In the US market, a high percentage of airline seats and hotel rooms are bought online, and so suppliers have begun selling their goods using dynamic pricing. Travel agencies are hard pressed to secure airline seats and hotel rooms because, with the market that does not use travel agencies increasing in size, response to this market demand is given high priority.

Matsuura: At our company, the ratio of flights and hotels for FIT and those for packages is about seven to three. I have a feeling that customers are doing a thorough comparison of FIT prices and package prices. In the case of package products, it is a struggle to sell them when they are exceedingly skeletonized.

---- What kinds of approaches to the market are travel agencies considering?

Iwase: First, because many of our customers visit large urban areas, I think that we must not treat them all in a perfunctory manner but rather must offer attractive proposals that suit their interests. We must feature the attractions that can only be found in US cities, including sports such as the MLB and NBA, shopping, and seasonal events like Halloween and Easter. Demand from families is also increasing, and so we would like to devise ways for families to select cities and theme parks. Also, a fairly large number of customers of circular tours including multiple destinations are longing to visit and see many places at a reasonable price, and we would like to deal with that demand in a solid fashion.



Akihisa Matsuura
Team Leader
East Japan Regional Tour
Division
American and Oceanian
Area Team
H.I.S. Co., Ltd.

Matsuura: I feel that we must strengthen the contents of our products so that they are more tailored to our targets. We have been concentrating on non-packaged products for FIT, and the attractiveness of the US is not reflected very well in our package tours. For example, I think we could increase our appeal by offering a package to the Caribbean and Disney World for honeymooners. We are also looking at the senior citizen segment. Our efforts to attract senior people up to now have been insubstantial, and so I think we must strength our efforts for that segment from here forward.