Special Interview

Try to Make the City of Tokyo a Global Tourism Brand;

Achieving 10 Million Foreign Visitors in Five Years Using Five Strategies

The Tokyo metropolitan government recently released the Tokyo Metropolitan Government's Industrial and Tourism Promotion Plan which details strategies for attracting more foreign travelers by boosting the attractiveness of Tokyo as an international city. Koji Ikehata, Chairman of the JATA Kanto Chapter which covers Tokyo and nine other prefectures in the Kanto area, spoke with Shinichi Sogou, Senior Director of Tourism Division at Tokyo's Bureau of Industrial and Labor Affairs, about tourism policy in Tokyo.

Koji Ikehata
Chairman of the JATA Kanto Chapter

Ikehata : The JATA Kanto Chapter is an industry group that is concerned with the travel scene across a wide area that covers ten prefectures, including seven prefectures in Kanto plus three neighboring prefectures. The policy of our chapter is to pursue our daily activities under the themes of promoting creation of tourism sites that visitors will trust, carrying out strict compliance, and finding ways to strengthen collaboration with local governments including Tokyo, the Japan Tourism Agency, and tourist associations. Today, I would like to hear mainly about the Tokyo Metropolitan Government's Industrial and Tourism Promotion Plan from your standpoint as Senior Director of Tourism Division at Tokyo's Bureau of Industrial and Labor Affairs. To begin, could you please explain the five strategies drawn up for the development of the policies in the plan?

Shinichi Sogou
Senior Director of Tourism Division
Tokyo's Bureau of Industrial and Labor Affairs

Sogou: Broadly speaking, the five strategies are new developments to attract foreign travelers, promotion of MICE hosting and attraction, development of tourism resources to boost attractiveness, enhancement of the receiving environment, and development and utilization of human resources. The main points in our stance are to convey the attractiveness of Tokyo to foreign travelers and to intensify our efforts to attract them to Tokyo. We want to promote inbound travel through activation of MICE demand (i.e., large business events) which will generally expand travel demand not only for international conferences but also for business trips such as incentive tours. Regarding development of tourism resources, Japan and Tokyo are currently popular worldwide, and so I think we should be able to attract more travelers if we network new tourism resources like cuisine, *anime*, and fashion and package them in a way that are easy to grasp for overseas travelers. Regarding the receiving environment, for foreign travelers as well as domestic travelers, we need to promote usage of information and communication technology (ICT) so that individuals can walk around while freely accessing information. Another important thing is development of human resources. With tourism promotion increasing in importance, local areas are promoting the creation of tourism-oriented towns, and initiatives by tourist associations are spreading. However, the results of these efforts vary wildly depending on whether or not there are people who can take a leading role. At the same time, the existence of local ties and the functioning of networking are important themes. For activation of the MICE market, the fact of the matter is that there are still few genuine meeting planners in Japan, and so we must create a mechanism for development of human resources that combines the strengths of the Tokyo Convention & Visitors Bureau and the private sector.

Ikehata: Have numerical targets been established?

Sogou: In regard to the numerical target, as I mentioned before, we had reached 5.94 million visitors before the disaster, and our target is to expand that to 10 million in the coming five years. The volume zone including China, South Korea, and Taiwan is definitely important for reaching that target, but at the same time, we must also work to raise the level by developing new markets. In the US and Europe, Japan's market share as a destination is still quite small. However, Japan and Tokyo are currently internationally popular, so I want to devise a strategy to draw individual travelers by communicating as much as possible about the attractions here, while strengthening our appeal through ten tourism representatives and so forth. Marketing will be extremely important for this, and so this year first of all I want to put energy into marketing.

Ikehata: Soon, in September, the site of the 2020 Olympics will be decided. We certainly hope that it will be held in Tokyo so that we will have a great opportunity to show the world what a fantastic city Tokyo is.

Sogou: I really would like for people everywhere to know what sort of welcome we here in Tokyo can offer to all travelers from around the world during a large event such as the Olympics. Tokyo is a metropolis that integrates a dense concentration of things to see and experience. As we approach September, we are doing our utmost to make the Olympic Committee aware that Tokyo is a sophisticated city with high potential that has the ability to hold the Olympics successfully with ease, as is written in the Tokyo Metropolitan Government's Industrial and Tourism Promotion Plan. We have also put together a new brochure that summarizes the attractions of Tokyo to distribute to people around the world so that they will know what attractions await them in Tokyo.

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.

Outbound Travelers Decline 12.3%, to 1.237 million, in April;

6.1% Cumulative Decrease during January through April

According to the estimate of outbound Japanese travelers released by the Japan National Tourism Organization (JNTO) on May 22, the figure was only 1.237 million travelers in April, a drop of 12.3% year on year. This follows February's decline of 4.9%.

During the four months from January through April, outbound travelers numbered 5.68 million, a decrease of 6.1% year on year.

Last year, the annual number of outbound travelers reached 18.49 million, an 8.8% increase year on year, surpassing the 18-million benchmark and setting the highest annual figure ever. January of this year also maintained the positive trend with a 2.2% increase year on year, but figures for February and March were both negative.

The overseas travel market seems to have shifted from slack movement to an actual slowdown, making the outlook for the future even harsher.

Meanwhile, inbound foreign visitors numbered 923,000 in April, representing an increase of 18.1% year on year. The number of inbound foreign visitors was negative in January, down 2.4% year on year, but displayed an increase of 33.1% year on year in February and 26.3% year on year in March. Thus, double-digit growth was maintained for three consecutive months.

JNTO attributes this satisfactory movement in the inbound market to the perception that trips to Japan are relatively inexpensive now thanks to the weakening of the yen, the increase in the supply of airline seats, and the Visit Japan promotion conducted in markets worldwide to stimulate travel to Japan during the cherry blossom season in March and April.

	Japanese Overseas Travelers		(Unit: Persons)
Month	2012	2013	Change (%)
1 Jan.	1,331,144	1,360,639	2.2
2 Feb.	1,572,587	1,430,633	−9.0
3 Mar.	1,737,033	1,652,000	−4.9
4 Apr.	1,410,963	1,237,000	−12.3
5 May.	1,431,204		
6 Jun.	1,481,674		
1～6 Jan.-Jun.	8,964,605		
7 Jul.	1,598,016		
8 Aug.	1,964,041		
9 Sep.	1,622,996		
10 Oct.	1,470,289		
11 Nov.	1,434,503		
12 Dec.	1,436,172		
1～4 Jan.-Apr.	6,051,727	5,680,000	−6.1
1～12 Jan.-Dec.	18,490,622		

JAPAN NATIONAL TOURISM ORGANIZATION

Number of inbound trips to grow 42.3% by 2017

According to market research firm Euromonitor International, Japanese tourism is experiencing a tremendous recovery, with visitor numbers increasing by 34% to reach 8.3 million visitors in 2012.

In 2011, a devastating earthquake decreased inbound travellers 28% and in 2012, the region had strong growth of 2.1 million visitors. Furthermore, while bidding for the 2020 Olympics, Tokyo announced a goal to reach 18 million visitors by 2016 and 25 million by 2020.

The solidarity of the international community assisting in disaster relief, the government's campaigns and several tourism organizations proactively encouraging travel to Japan represent the major factors behind the current optimism within the tourism industry.

"The Japanese government spent 8 billion yen in 2012 to ensure that inbound tourism recovered by raising the number of translation guide services to ensure tourists security in case of emergency, building halal friendly environment, and providing interactive smartphone apps with information on radiation levels in major cities", says Ayako Homma, research analyst at Euromonitor. "Business travel also grew by 12% as Japan held major international conferences such as IMF, Sibos, and WTTC, the World Travel and Tourism Council "

Towards the latter half of 2012, the territorial disputes with South Korea and China over the surrounding islands which islands caused Japan to suffer a slight slow-down of incoming tourists from South Korea, China and Taiwan. Those countries represent 60% of the total key visitors in 2012.

"Japan saw strong growth in travellers from Thailand, Malaysia and Indonesia due to the Japanese government easing visa requirements and shifting promotional campaigns to these countries," said Homma.

Within the forecast period, Euromonitor estimates the number of inbound trips to strongly grow 42.3% by 2017. The introduction of low cost carriers such as Jet Star, Peach and Air Asia in 2012 and the weakening of the yen currency will encourage the country through a full recovery.