

## From 10 Million 'Sayonaras' to 10 Million 'Yokosos'

THE COUNTRY that, in 1987, launched the first project to dispatch 10 million outbound travellers to help offset its huge trade and balance of payments surpluses with the rest of the world has now embarked upon a campaign to attract 10 million inbound visitors by 2010. The country in question? Japan.

Reversals of fortune have led to a reversal of roles. In the days when it enjoyed a booming economy, Japan's travel industry paid little attention to inbound. The strength of the yen spurred outbound and gave Japan an image of being an expensive inbound destination. The Japan National Tourist Organization (JNTO) received little funding and marketing support. Airlines were making money on the huge volume of outbound leisure, business and MICE travel.

Economic stagnation has forced a rethink. A new strategy known as the Inbound Tourism Initiative of Japan has been launched and targets 10 million visitor arrivals by 2010, up from 4.77 million in 2001. The Visit Japan Campaign attempts to reposition Japan as an affordable, value-oriented, and comfortable destination. Branded as Yokoso Japan (which means welcome to Japan), it enjoyed an initial fund of US\$17 million in fiscal year 2003, and has targeted five priority markets: the United States, Korea (ROK), China (PRC), Chinese Taipei, and Hong Kong.

The campaign underscores the concept of "total tourism" (comprising the sum total of outbound, inbound and domestic tourism), which was announced by PATA at its 53rd Annual Conference in Jeju, Korea (ROK), April 2004. Indeed, Japan has been closely involved with PATA for many years. It has hosted three PATA conferences, in Tokyo (1973), Osaka (1987) and Nagoya (1999). It has also seen one Japanese PATA Chairman – Mr Kiyomi Sugahara former President of Jetour – in 1983, and will next year get its second – Mr Nobutaka Ishikure of Japan Airlines. Japanese travel industry institutions like the JNTO, All Nippon Airways, Japan Airlines and many Japanese hotel groups have been long-standing members of PATA.

### TIME TO CHANGE

It took less than 14 months to evolve Japan's Inbound Tourism Initiative from the first statement of political will to the setting up of a campaign headquarters:

**February 4, 2002:** Japanese Prime Minister Mr Junichiro Koizumi told Parliament: "The government will promote Japan's cultural traditions and other tourism resources worldwide to increase the number of foreign visitors to Japan."

**June 25, 2002:** The Japanese Cabinet issued a package of Economic Revitalisation Strategies, which included an action programme for inbound tourism. The Ministry of Land, Infrastructure and Transport (MLIT) was authorised to work with other related ministries to formulate an inbound tourism strategy.

**December 24, 2002:** The MLIT announced the Inbound Tourism Initiative of Japan.

**March 26, 2003:** The MLIT convened a high-level strategic meeting to unite the public and private sectors behind the Visit Japan Campaign.

**April 1, 2003:** Campaign headquarters set up, comprising 58 representatives from related organisations, private companies, ministries and agencies. The Minister for Land, Infrastructure and Transport was designated Headquarters Chairman and Chairman of the Tourism Industry Association (TIJ). Three vice-chairmen were appointed: the Deputy Minister for Land, Infrastructure and Transport, Chairman and CEO of the Japan Tourism Association (JTA) and the President of JNTO.

### JAPAN'S GREAT NEW EXPORT

Japan now sees inbound tourism as an export industry, with great potential to emerge as a leading industry in the 21st century. The MLIT has identified a number of reasons for endeavouring to boost inbound tourism:

**The imbalance between inbound and outbound travel:** In 2002, foreign visitors to Japan numbered 5.23 million as against



16.52 million outbound Japanese. Japan's international balance of payments was in deficit by about US\$29 billion (JPY3.5 trillion at US\$1 = JPY119.37) by the end of 2002 according to the Bank of Japan. That same year, Japan was 35th in the rankings of international tourist arrivals, well behind its Asian neighbours China (PRC), Thailand, Indonesia and Korea (ROK). The MLIT has acknowledged that this "reflects foreign tourists' widespread perception that Japan is a destination of meagre attractions". However, the MLIT added: "It may also indicate that Japan lacks a competitive edge". The MLIT noted Japan is well-placed to capitalise on the huge growth potential in Asia Pacific, which enjoyed major increases in international arrivals in the years before the "new normal." The World Tourism Organization estimates that East Asia and the Pacific will enjoy the world's highest growth rate of 7.7% on average through to 2010.

**The multiplier effect of tourism income:** The MLIT understands the great multiplier effect of tourism income, as it spreads throughout the country to reach travel agencies, accommodations, transportation networks, restaurants, retailers, the amusement and entertainment sectors, advertising, primary industries and even elements of the manufacturing and construction sectors. At 2002 levels of arrivals – 5.23 million – Japanese inbound is estimated to have created jobs for about 230,000 people.

**The potential for international understanding:** The MLIT has said: "Despite its rich natural attractions, cultural heritage and traditions, foreigners' leading image of Japan has long been one of a 'great industrial, manufacturing and economic powerhouse.' This has often led to a chronic misunderstanding of the Japanese character and people." The MLIT has recognised that through

local cultures", which they can then show off to visitors. Each area has its own wealth of natural attractions and cultural traditions, which local residents may not notice "because they have become too familiar". Yet these resources can become valuable tourism attractions.

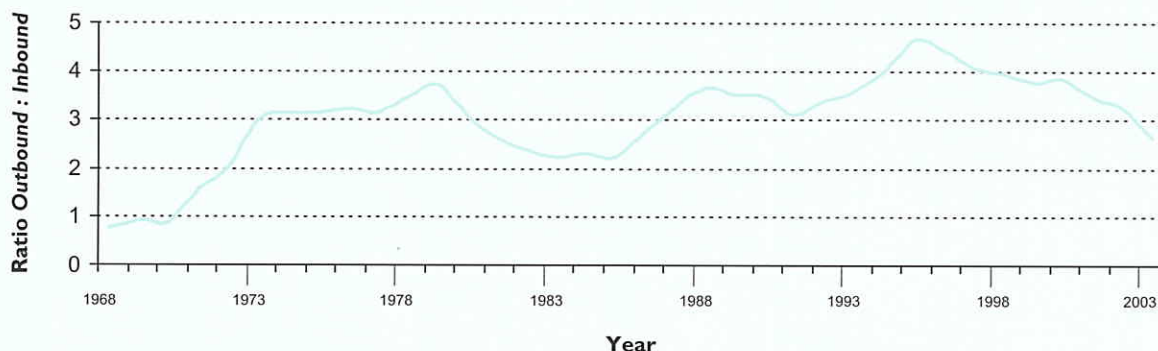
## CALL TO ACTION

A five-year period, 2003-2007, has been named the "Strategic Period to Expand Inbound Tourism" to eight million visitors per year by the end of 2007. If this annual average growth rate of at least 9% is attained, it will create an economic ripple worth more than US\$22.6 billion (JPY2.7 trillion) and new jobs for at least 156,000 people.

In 2003, the government began implementing a new plan through a broad range of strategies designed to strengthen its international tourism competitiveness. A policy package – the first of its kind in Japan – was formulated in close collaboration between the government and the private sector. It includes a number of measures proposed by various ministries, government bodies and private-sector interests. The government has said: "It is vitally important for local government bodies, tourism-related organisations and private-sector enterprises to share the same awareness and enthusiasm in pursuing the stated goals."

By the end of 2003, there were almost 13.3 million outbound trips from Japan and more than 5.2 million inbound arrivals, improving the ratio of outbound to inbound from a high of almost 4.6 in 1995 to just below 2.6 in 2003.

**Chart: Ratio of Outbound from Japan to Foreign Inbound to Japan 1968 - 2003**



welcoming foreign visitors "a deeper appreciation and a true understanding" of Japan and its people will be generated. It added: "This ongoing process of international mutual understanding will certainly contribute not only to Japan's sense of security but also to world peace."

**The development of local pride and confidence:** The MLIT thinks that Japanese people living in provincial areas can "develop a deeper confidence and pride through the rediscovery of their own

## ON YOUR MARKS, SET ... GO!

The strategies being implemented during the "Strategic Period to Expand Inbound Tourism" – 2003-2007 – include:

**Market identification:** The first step was to undertake market research to determine the most appropriate target markets and the public relations and marketing approaches needed to effectively reach them. It was felt that Japan needed to better understand trends in order to determine how to compete



against long-established competition. Research helped identify appropriate destination images of Japan as well as the tourism products needed to attract the respective target markets.

**Image and product development:** To establish Japan's new image and the development of needs-specific tourism products, a fundamental question was posed: Why isn't Japan a first choice destination among foreign travellers? Research facilitated the development of promotional themes and images designed to revolutionise the stereotyped images. This was followed by the planning and development of tours in support of such themes and images, as well as creating tour products geared to specific and diverse tourist needs.

**Overseas PR and market promotion:** Intensive public relations activities are being rolled out to supply positive information to potential overseas visitors via every possible media. These include the new images of Japan, an array of inviting tourism attractions and resources and useful travel information. To convert interest into booking, Internet and other media are being used to provide easy purchase of tour products through travel agents. Emphasis is on increasing the number of repeat visitors and promoting international conventions and events and special interest group tours. An intensive campaign is being carried out focusing on the 2005 EXPO of Global Harmony to take place in Aichi.

**Visa simplification:** Simplification of visa requirements and expedited visa issuance procedures are recognised as critical. This policy is being pushed forward "while paying due consideration to the maintenance of public peace and order".

**International coalitions:** Close partnerships with foreign governments are being forged to stimulate tourism exchanges. Specially targeted countries are Korea (ROK), China (PRC) and the United States. Talks are also being held with PATA, the World Tourism Organization (WTO), Asia-Pacific Economic Cooperation (APEC) and other relevant organisations. The Japanese government is also supporting international exchange programmes carried out by local government bodies and private-sector groups.

**'Yokoso' – Welcoming strategies:** The MLIT acknowledges that "international visitor reception systems and facilities are still relatively poor". It is noted, for example, that a lot of signage is in Japanese only, and currency exchange is often "a time-consuming and troublesome process". In some provincial areas, immigration control, customs and quarantine systems are still incomplete. And the MLIT also notes that "some Japanese may appear unfriendly (in most cases simply because they lack the ability to communicate in a foreign language or are shy in dealing with foreigners)". Efforts are underway to make foreign visitors warmly and naturally accepted. These seek to "nurture the attitude that, though the foreign visitor may differ somewhat in appearance, language and custom, he or she is really not much different from the Japanese and associating with them will eventually become an everyday matter and become a positive element within the local Japanese lifestyle".

**Information supply:** This strategy ensures that travellers and tour groups obtain all the information they need for their entire itinerary before departure. It includes specific information, such as about sightseeing, transportation and accommodations. Initially provided in English, the information will be later expanded to other languages.

**Transportation access:** To move visitors to their intended tourist sites smoothly and comfortably, including through Japan's international gateways, it is considered imperative that Japan's international air and seaports be upgraded. The MLIT has realised that "moving around a foreign country as an individual or even in a group is often not without a certain level of stress. It can certainly be mentally painful if one happens to get lost or has taken a wrong train or bus." Japanese public transportation companies are being encouraged to improve the serviceability of domestic transportation to allow smoother and more efficient transfer for international visitors.

**Developing tourism destinations:** Efforts are being made to create tourism destinations that will appeal to prospective foreign visitors and allow them to "appreciate the true Japan". This will mean creatively presenting traditional, cultural and historic heritage, as well as areas of special interest, such as sports or shopping. A review of locally available tourism resources was carried out. Rather than viewing such resources as isolated tourist "spots", the strategy advised looking upon them "as an entire complex, including local lifestyles and hands-on personal experiences in numerous activities, friendly interchange with local people, and even landscapes that can be enjoyed through a bus or train window". It suggested the creation of "international tourism theme areas" in cooperation with local government bodies and backed by efficient operational systems and creative personnel competent enough to plan and lead comprehensive community development programmes. The MLIT said it would encourage competition among tourist areas to motivate them to improve their respective attractions even further.

**Tourism industry revitalisation:** Tourism-related entrepreneurs have been reminded that their industry's primary mission is to satisfactorily service both foreign and domestic visitors. It was admitted that Japan lacked good quality tourism-related facilities to provide customers with acceptable levels of service. To address this, the MLIT said "managers and entrepreneurs of travel agencies, accommodations, restaurants and other tourism-related entities will be encouraged to ratchet up their consciousness" in providing these services. The ministry said it will help eager entrepreneurs review their services from an international perspective and help them satisfy a range of service-oriented needs.

**Incubation:** As visitors to Japan buy more local goods and services, the MLIT noted that some companies' ability to supply these required goods and services may fall short of demand, in both quantity and quality. Hence, support will be extended to entrepreneurs in such business sectors to develop new ventures.



**Coalition development:** This critical element of the plan recognises the important role of small businesses and the need to support them. The MLIT said: "For the well-balanced prosperity of the tourism industry as a whole, it is vital to develop harmonious coalitions between companies or between related industries as they forge their respective links to the tourism industry." As many new small companies attempt to enter the field "without sufficient expertise", they will need to learn from existing success stories or collaborate with more experienced companies. "This makes it critical to support and strengthen coalitions among a wide range of companies together with those that are tourism-related," the MLIT said.

**Government- and private-sector collaboration:** An inter-ministerial collaborative process has been set up with the MLIT as the core. Local government bodies, tourism-related organisations and members of the private sector have to match the effort. An umbrella executive group is being mooted to promote the strategy and coordinate its implementation. The executive grouping will be "flexible and open-minded in its strategic endeavours, inviting industries, heretofore regarded as having had little apparent interest in the arena of travel and tourism, to take part in the strategy".

**Implementation:** The Inbound Tourism Initiative will be implemented carefully and methodically. All participants, including the central government ministries, local government bodies, private-sector entities and others "are required to secure the organisation and finances necessary to implement measures in their own respective capacities". Should several entities jointly pursue one specific measure, after setting up the organisation structure and securing funding, "an information campaign should commence to convince the general public as to the importance and expected positive effects of the promotional measures contained in this tourism initiative".

**Assessment and review:** As the strategies roll out, inbound tourism trends will be monitored to assess and review them and maximise their cost-effectiveness. The industry will also conduct market surveys, attempt to compile reliable statistics and monitor international tourism market trends overseas. The strategies can be reviewed and assessed based on this feedback and new follow-up measures (if required) can then be adopted.

### 'YOKOSO' AMERICA

With the United States targeted as a top priority country for attracting inbound visitors to Japan, a five-year programme was launched in New York, September 19, 2003. It included:

- Supporting foreign-based tour operators in creating and marketing new tours. This support is in the form of financial assistance with brochure development, Web site links, co-sponsored newspaper and magazine advertisements,

familiarisation trips and co-sponsored familiarisation trips for operators' select travel agents.

- Supporting travel agents actively selling Japan via a monthly e-mailed newsletter to Japan Travel Specialists, familiarisation trips, seminars and participation in major travel trade shows.
- Sending a message to the American traveller that Japan is a welcoming, friendly and value-oriented place to visit. This message is being dispersed through newspaper and magazine advertisements and advertorials, participation in consumer travel shows, such as the national AARP Convention Life @ 50+, and public relations activities.
- Launching a new campaign Web site at [www.japanwelcomesyou.com](http://www.japanwelcomesyou.com).
- Conducting a direct mail campaign in conjunction with American Express.

### BATTLE HALF WON

There is a saying that it is never too late to begin anew. Japan's Inbound Tourism Initiative is being closely watched in Asia Pacific tourism marketing circles and is already beginning to pose a competitive threat to established destinations. It has three inherent advantages – high-quality infrastructure, solid funding and a reputation for safety, punctuality and professionalism. Hence, half the battle has already been won. The good news is that inbound promotion will not be at the expense of outbound. According to the Japan Association of Travel Agents, the country is still targeting 20 million outbound travellers by 2007.

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