

The Innovative Potential of Inbound Tourism in Japan

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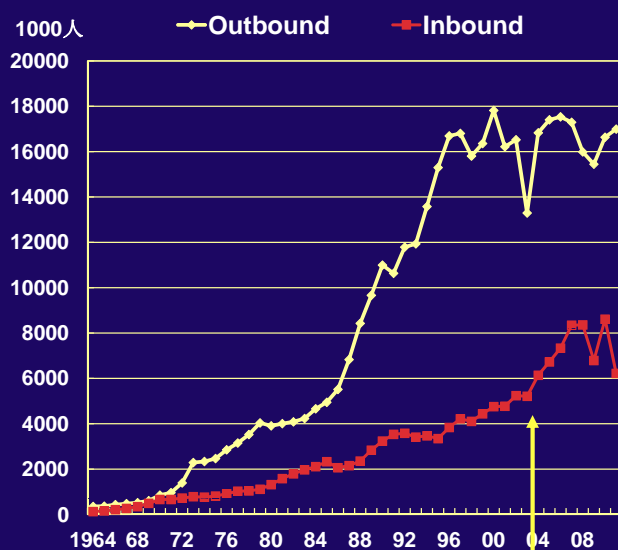
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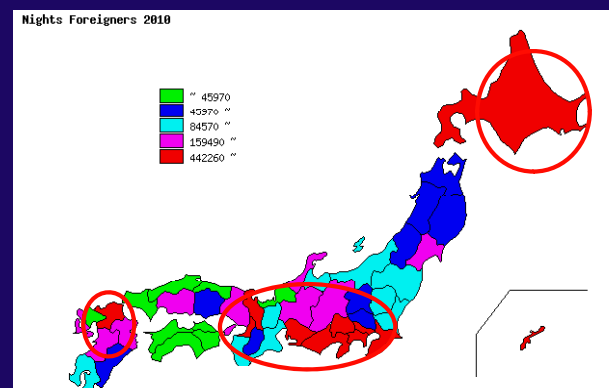
Outline

1. Inbound tourism in Japan
2. The need for innovation
3. Development as international destinations
 1. Hida Takayama
 2. Miyajima
 3. Beppu
4. Characteristics of foreign tourists
5. Innovation in tourism industries
6. Conclusion

1. Inbound tourism in Japan 1964-2011



2003: Visit Japan Campaign



Spatial distribution

- Nights by foreign tourists 2010: concentration in certain areas and destinations
- Diversification of demand: stay on weekdays; holidays different from Japanese

2. The need for innovation

1. Postwar~1973: domestic tourism growth
2. 1970s: stagnation
3. 1983~1992: TDL, "bubble economy", resort boom
4. Stagnation ("lost decade")
5. From 2003: Inbound tourism as growth motor



The increase in foreign tourists and changes in destinations

- Tourism Area Life Cycle:
 - More tourists → quantitative changes
 - New services and facilities → qualitative change
 → may lead to new stage in life cycle
- Innovations: Local administration and industry; national administration and industry

Interest in inbound tourism

- Accommodation facilities (No.=7068):
 - 36.8% think the promotion of inbound tourism is important, 25.6% think not
 - 62.2% had foreign guests within the last year, but only 48.6% of small facilities (<30 rooms)
 - Of those without foreign guests, 72.3% don't want any
- Administration (No.=1533):
 - 48% of municipalities think inbound tourism should be promoted
 - But only 25.3% collect data on foreign tourists
 - 64.5% don't do anything to promote inbound tourism
 - 61.8% are not interested in promoting inbound tourism
 - However, prefectures are more active and positive about inbound tourism (Japanese Government 2008)

Research Method

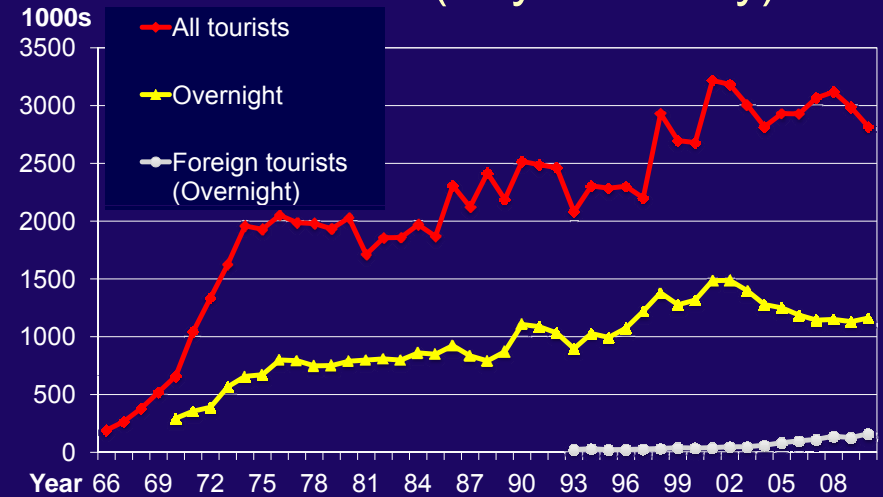
- Survey at destinations to compare travel behaviour by Japanese and Foreign tourists.
- Survey of small-scale tourism industries
- Interviews with local and regional administration, accommodation industry

Survey Language	Takayama 2010/11	Miyajima 2011/3	Beppu 2011/4
Japanese(J)*	245	243	84
English(E)*	106	101	38
Chinese(C)*	55	19	42
Korean(K)*	4	7	82
All	410	370	246

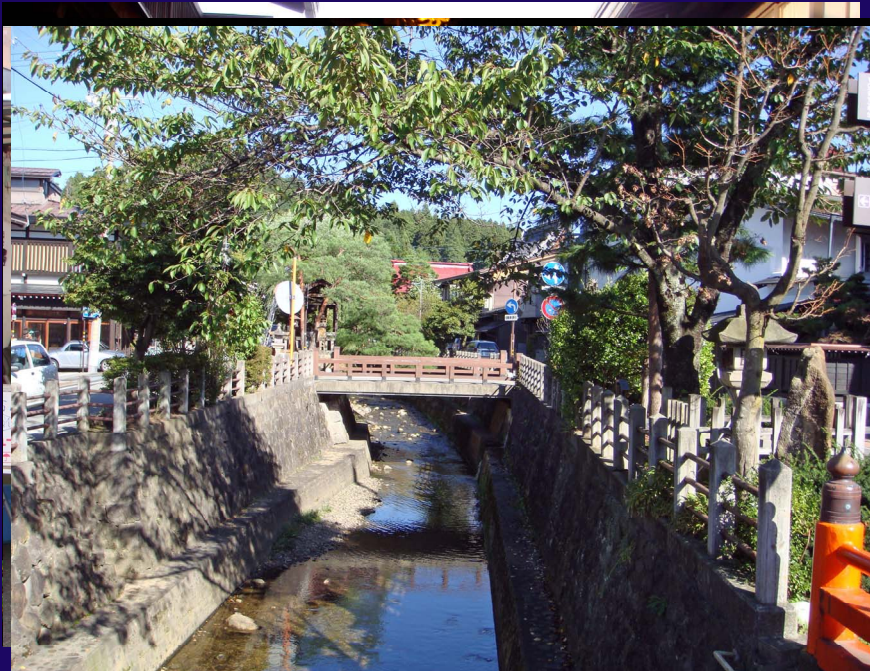
Hida Takayama



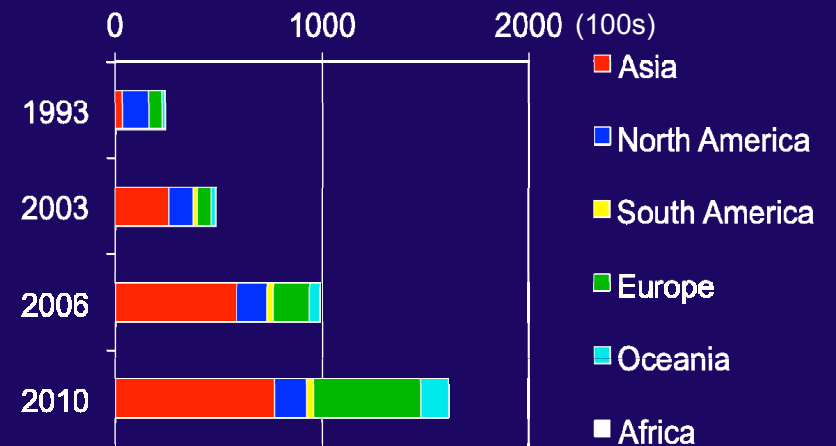
Tourism in Takayama 1966-2010 (City area only)



Tourism developed since the 1970s based on historic townscape
Changes in tourist numbers based on access development



Foreign tourists in Takayama (Overnight)



Inbound tourism policies and promotion

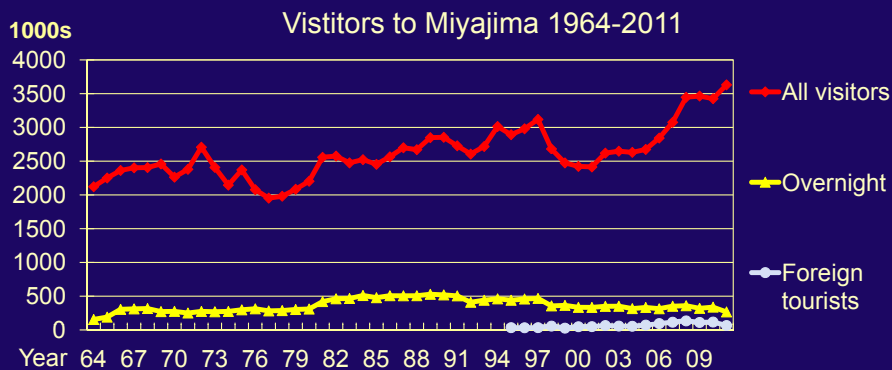
- 1982 *Takayama Tourism Association* → active tourism promotion
 - 1986 *Model Area for International Tourism*
 - 1987 Tourist Information Office opens in front of station; 2010: 253.103 enquiries, of which 17.155 by foreign tourists
 - 1999 *International Convention City*
 - 2003 *Hida Takayama Council for the Attraction of Foreign Tourists* ; City's Tourist Information HP becomes multilingual (Currently 11 languages)
 - 2009 Subsidy for private sector efforts for internationalization
- Active role of administration and tourism association

Miyajima



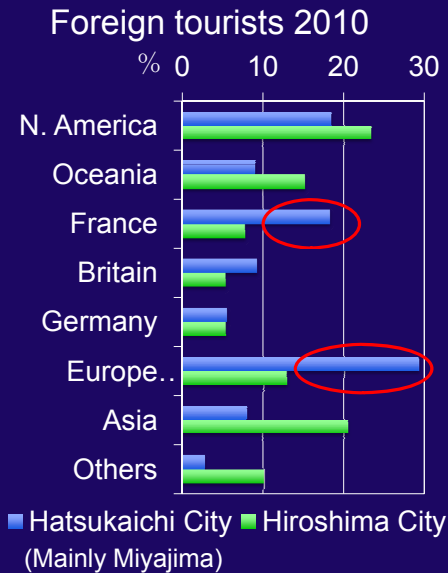
Tourism in Miyajima 1964-2011

- 2000 inhabitants, 3 million visitors
- First peak in 1997 (Historical TV series, world heritage)
- Increase since 2004: international guidebooks, increase in domestic tourism
- Foreign tourists: increase *3.3 from 1997-2010



Inbound tourism policies

- 1998: Theme Districts for International Tourism (Hiroshima Pref.)
- 2005: Municipal merger; Hatsukaichi City creates action plan for tourism
- Official HP: 7 languages;
- English HP for accommodation (private company)
- 2009 : Tourism Friendship with Mt. St. Michel (France)

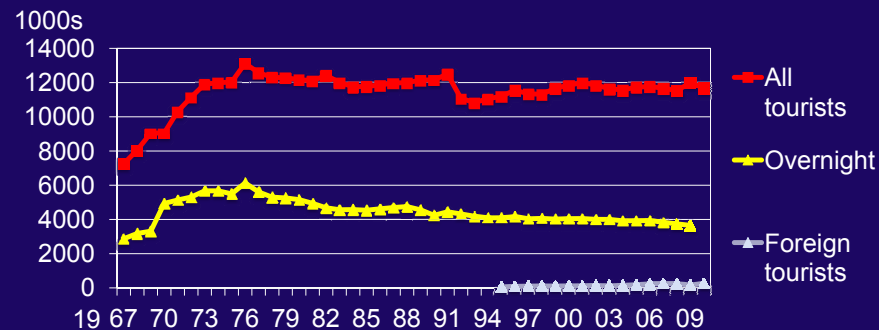


Beppu



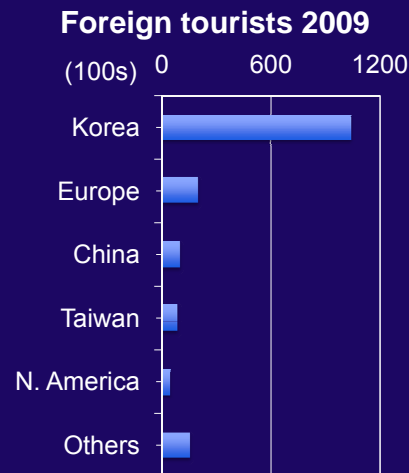
Tourism in Beppu 1967-2010

- More than 2600 natural hot springs used for spa hotels, public baths and *jigoku meguri* (tour of hells)
- 1950/60s: large scale mass tourism development
- 1990s: small-scale, "retro" oriented tourism based on *machiaruki* (walking around town)



Inbound tourism policies

- 1950: Law for Construction of Beppu International Tourism Spa Culture City
- 2000 : Ritsumeikan Asia Pacific University (APU) opened → 2600 foreign students → research and human resources for inbound tourism
- 2004-8: Regional Revitalization plan with focus on cooperation with Asia



	Takayama	Miyajima	Beppu
Development as destination	Since 1970s based on townscape; ups and downs in connection with transport network	Traditional tourism to shrine, diversification + growth since 2000s	Since 19thC: Spa tourism, golden route; stagnation since 1990s
Tourists 2010	2.817.000	3.426.000	11.670.000
Foreign tourists 2010	161.000 (overnight)	117.000 (estimate)	270.000
Main market for inbound tourism	Taiwan, Europe	Europe, N.America	Korea, Europe
Inbound policies and promotion	Since 1990s active policies of <u>city</u> , <u>tourism association</u>	Mainly <u>Hiroshima Prefecture</u>	Part of <u>national policies</u> ; since 2000s cooperation with <u>university</u>
Innovation in facilities and services	Since 1990s active policies of <u>city</u> , <u>tourism association</u> ; civic groups; <u>accommodation facilities</u>	<u>Accommodation facilities</u> ; civic groups; <u>small-scale entrepreneurs</u> ; after merger: City Action Plan	Human resource <u>education</u> (APU), civic groups

4. Characteristics of foreign tourists: survey results

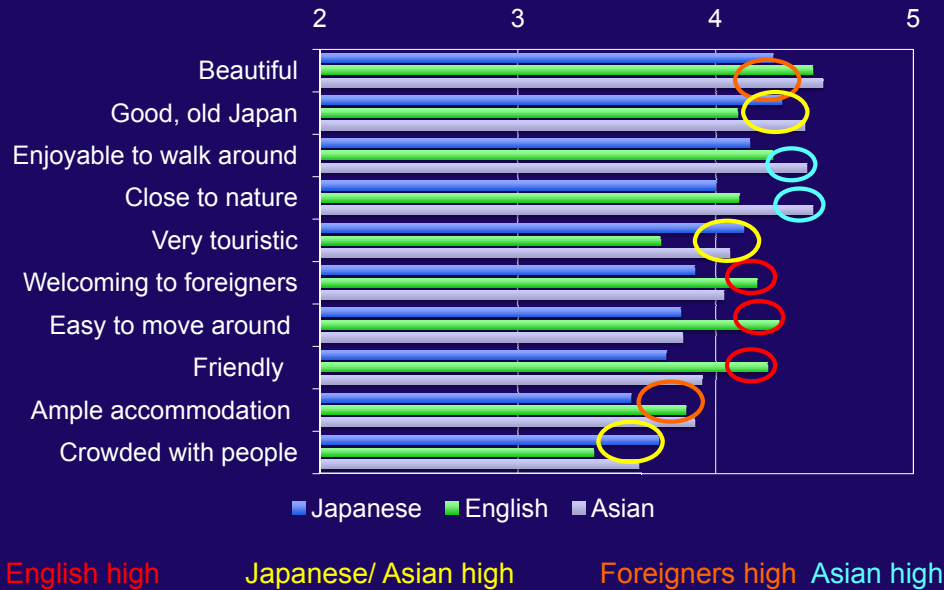


	Takayama	Miyajima	Beppu
Main purpose of visit	All: Culture/ history C/K: nature	All: Famous historical sites, culture/history E: relaxation	All: Hot spring, relaxation C: nature
General travel motivation	E: experience something new C/K: Nature, sports J,C/K: spend time with family, relax	E: experience something new C/K: Nature, sports, events J, C/K: spend time with family, relax	C,K: Nature J,K: spend time with family E,C,K: experience something new K: enjoy local culture/history
Travel style	All: plan schedule and accommodation myself E: special experience, visit unknown spots J: don't rely on travel agents C/K: comfortable and easy trip, package tour	All: plan schedule and accommodation myself E: visit unknown spots J,E : special experience J,C/K: comfortable and easy trip, escape boredom	All: plan schedule and accommodation myself J,C: comfortable and easy trip C,K: package tour, use travel agents E,C,K: special experience, visit unknown spots

J=Japanese, E=English, C=Chinese, K=Korean

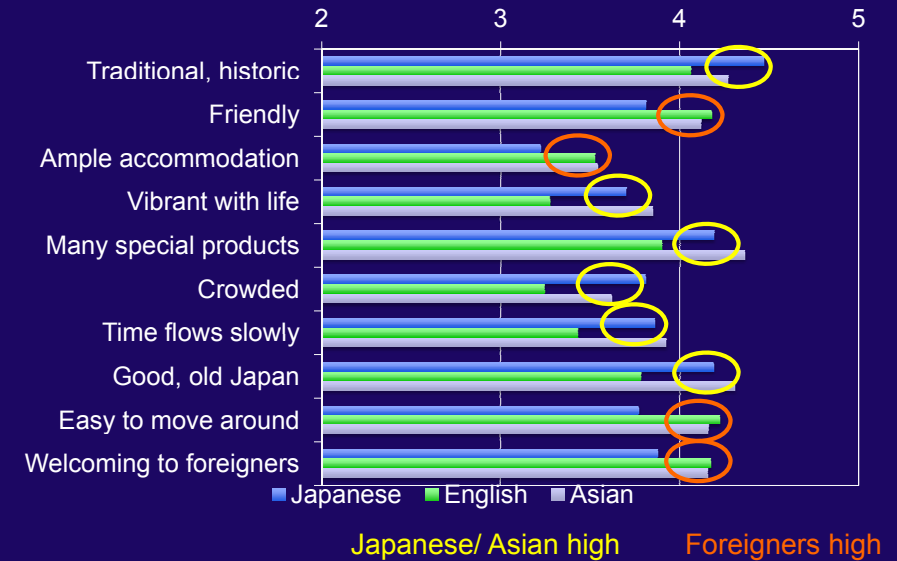
Impression of Takayama

(Average, only items with significant difference)



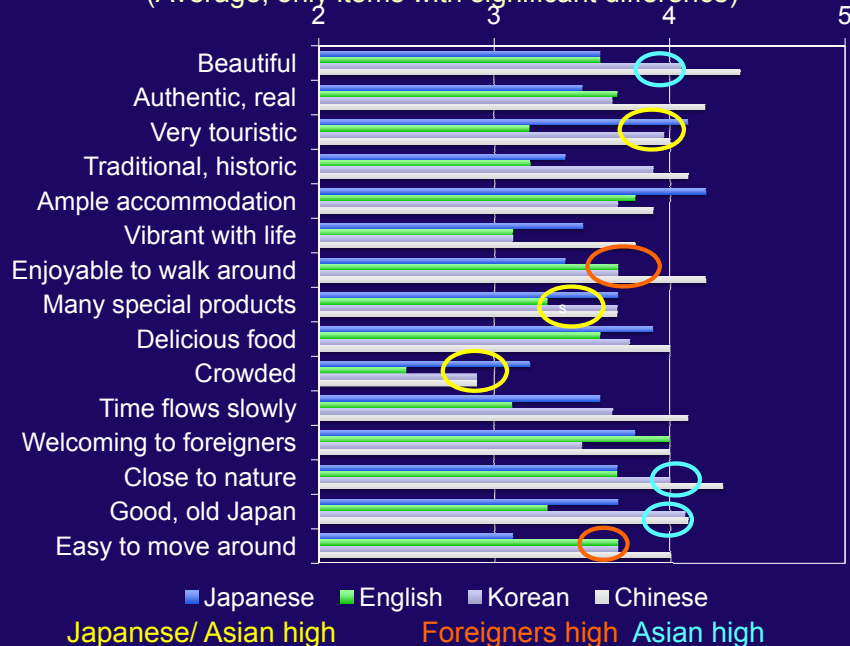
Impression of Miyajima

(Average, only items with significant difference)



Impression of Beppu

(Average, only items with significant difference)



5. Innovation in tourism industries

- Survey:
 - Takayama: No.= 100
 - Miyajima: No.= 66
- Customers:
 - Takayama: Tourists : Locals = 7.1 : 2.9
 - Japanese : Foreigners = 7.3:2.7
 - Miyajima: Tourists : Locals = 8.0 : 2.0
 - Japanese : Foreigners = 7.1:2.9

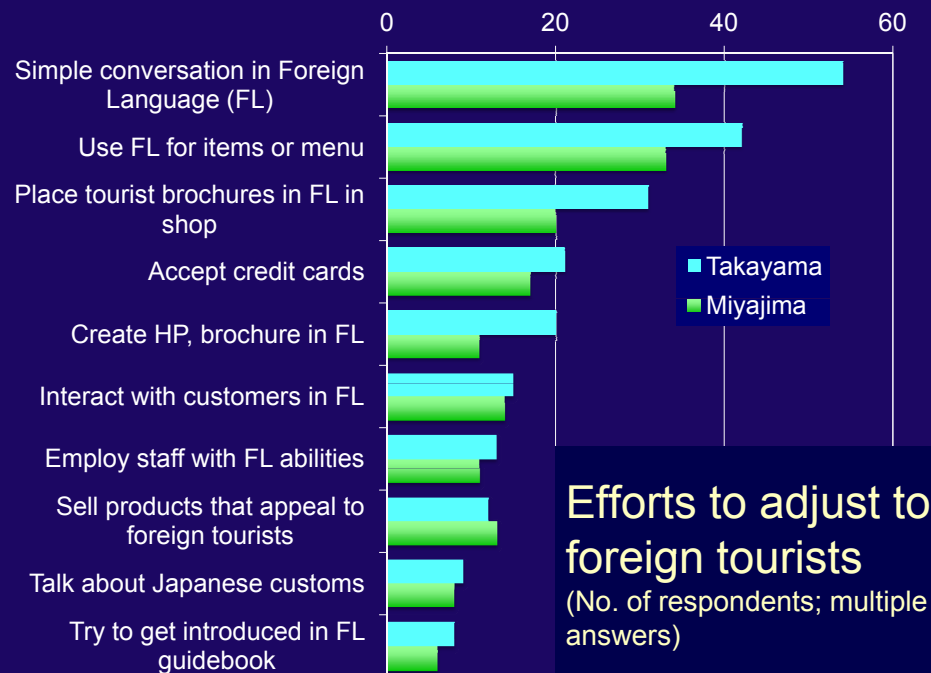


Opinions about the increase in foreign tourists

- + Good chance to meet people from different countries; generally positive; vitalizes town, strong interest in Japan
- Language problems; foreign tourists don't spend much money
- Both/ neither good and bad
- In both locations (Takayama, Miyajima): mainly positive responses

Ave- rage	Ko- rean	Chi- nese	Eng- lish	Other Euro- pean
Miya- jima	2,89	2,74	1,64	2,05
Taka- yama	2,73	2,82	2,34	2,14

Which market should be promoted preferably?
(Average rank 1~4
→ low average=high priority)



Accommodation

- Western tourists: small-scale, Japanese style facilities → niche market
- Large facilities: can employ specialized staff
- Service to support facilities: Internet reservation site (Miyajima)



Conclusion 1

Different functions of inbound tourism:

- Takayama: individual foreign tourists + groups from Asia help to balance the irregular ups and downs of the domestic market
- Miyajima: foreigners form an important clientele for accommodation facilities, especially smaller ones, and enlarge the individual tourism sector
- Beppu: a revival method for a declining *onsen* destination with struggling large-scale accommodation facilities, supported by the existence of an internationally oriented university

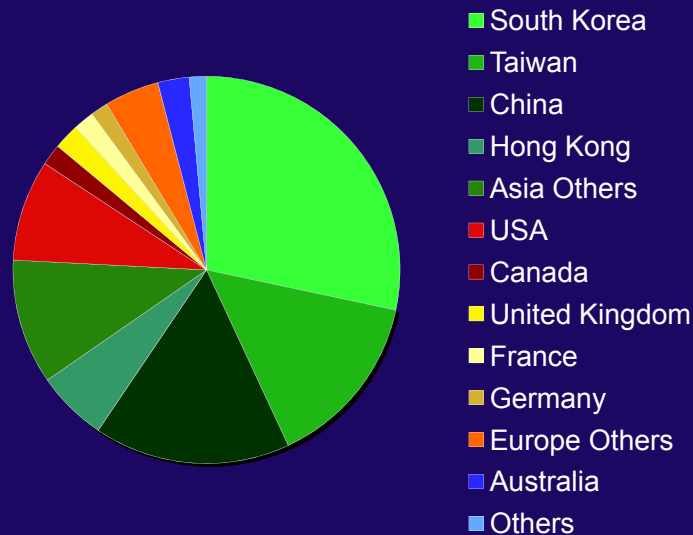
Conclusion 2

- The role of small-scale business: seen as reason for slow innovation within the tourism sector
- But: active support through cooperation of public and private sector, specialised service companies and internationally oriented educational institutions is possible; small-scale businesses use inbound tourism as a niche market
- Inbound tourism in Japan has the potential to differentiate and widen the domestic market
- However, this will mainly happen in selective destinations and, within these destinations, in selective parts of the tourism industry.

Thank you for your attention



Inbound tourists by origin (2010, includes all purposes)



Motivations for travel (Takayama) (Average of 5 point scale)



English high

Japanese/ Asian high

Asian high

*= significant difference at 0,05

Travel Style (Takayama)

(Select two answers)



■ Japanese ■ English ■ Asian

English high

Japanese/ Asian high

Japanese high

*= significant difference at 0,05