



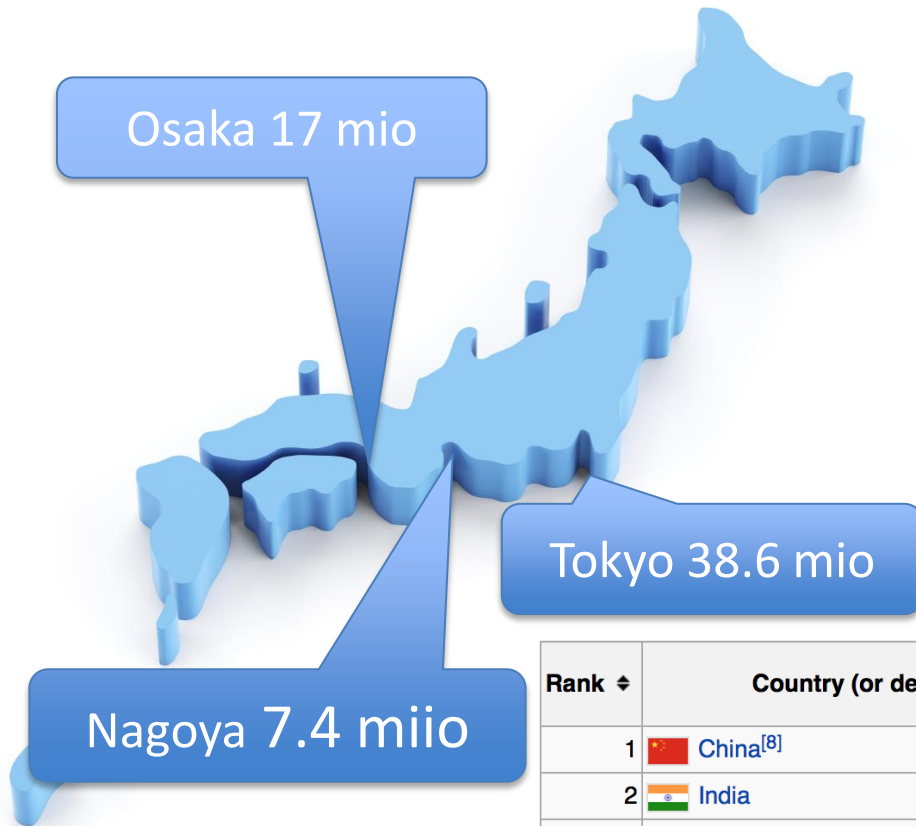
## Japanese tourism trend and potential for Baltics & South Coast of Finland

Expectation and cultural differences of Japanese tourists  
Working culture of Japanese travel agencies











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Foresight Marketing



# Geography



- GDP: World No.3, 4.58 trillion € (8.2% of world GDP)
- 128 mio population,
- 10<sup>th</sup> biggest population in the world
- 3 metropolitan areas (Tokyo metropolitan area is No.1 in the world)
- 11 cities more than 1mio population

Rank ↕	Country (or dependent territory) ↕	Population ↕	Date ↕	% of world population ↕
1	 China <sup>[8]</sup>	1,367,960,000	February 1, 2015	18.9%
2	 India	1,266,240,000	February 1, 2015	17.5%
3	 United States	320,307,000	February 1, 2015	4.44%
4	 Indonesia	255,461,700	July 1, 2015	3.54%
5	 Brazil	203,817,000	February 1, 2015	2.82%
6	 Pakistan	188,848,000	February 1, 2015	2.61%
7	 Nigeria	183,523,000	July 1, 2015	2.54%
8	 Bangladesh	157,756,000	February 1, 2015	2.18%
9	 Russia <sup>[9]</sup>	146,270,033	January 1, 2015	2.03%
10	 Japan	127,020,000	January 1, 2015	1.76%

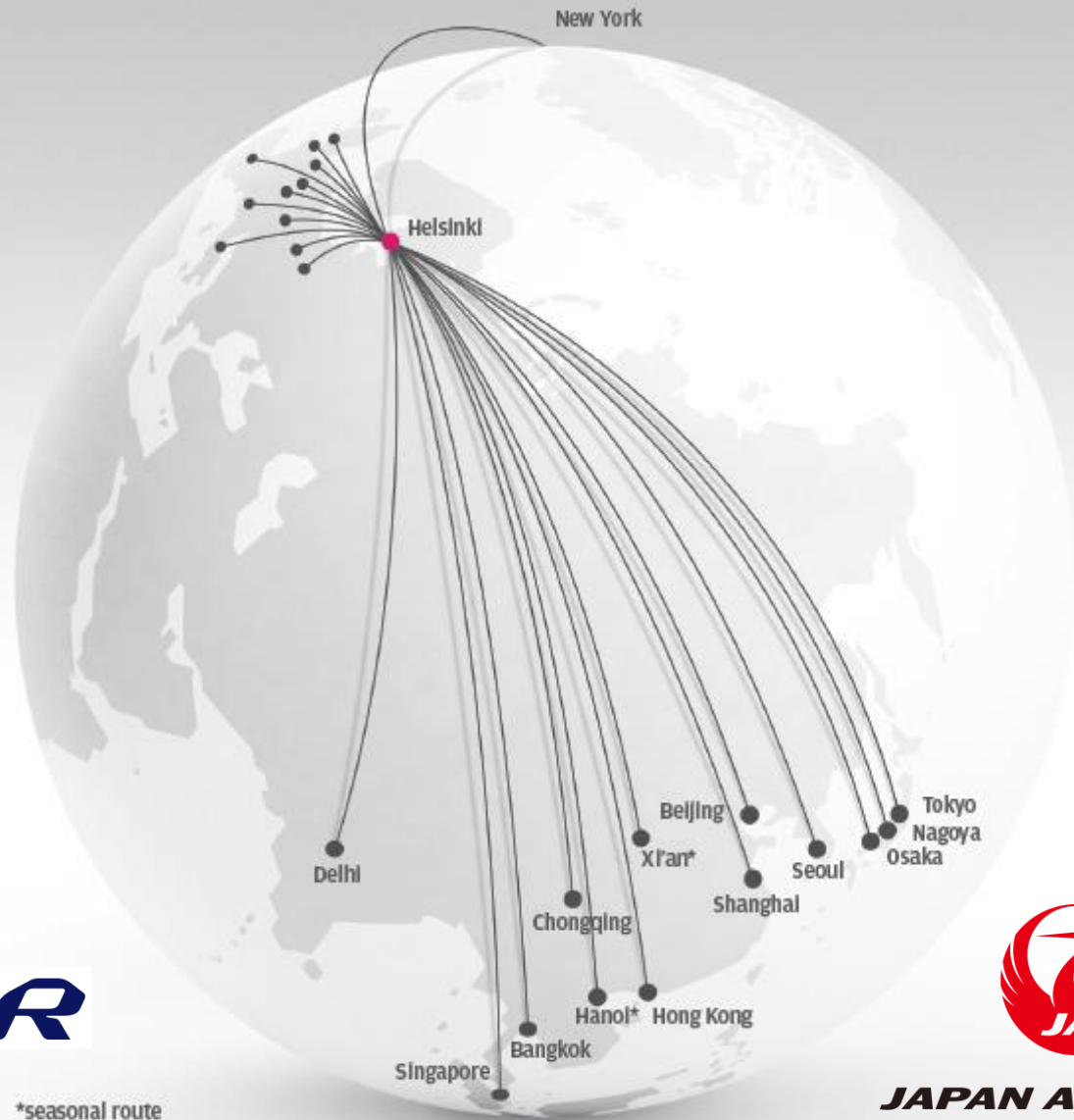
# 35 weekly flights from Japan

## The **shortcut** between Asia and Europe

Flying via Helsinki means the geographically shortest route, smooth and uncongested transits, and straighter flights that generate fewer emissions.

**FINNAIR**

\*seasonal route



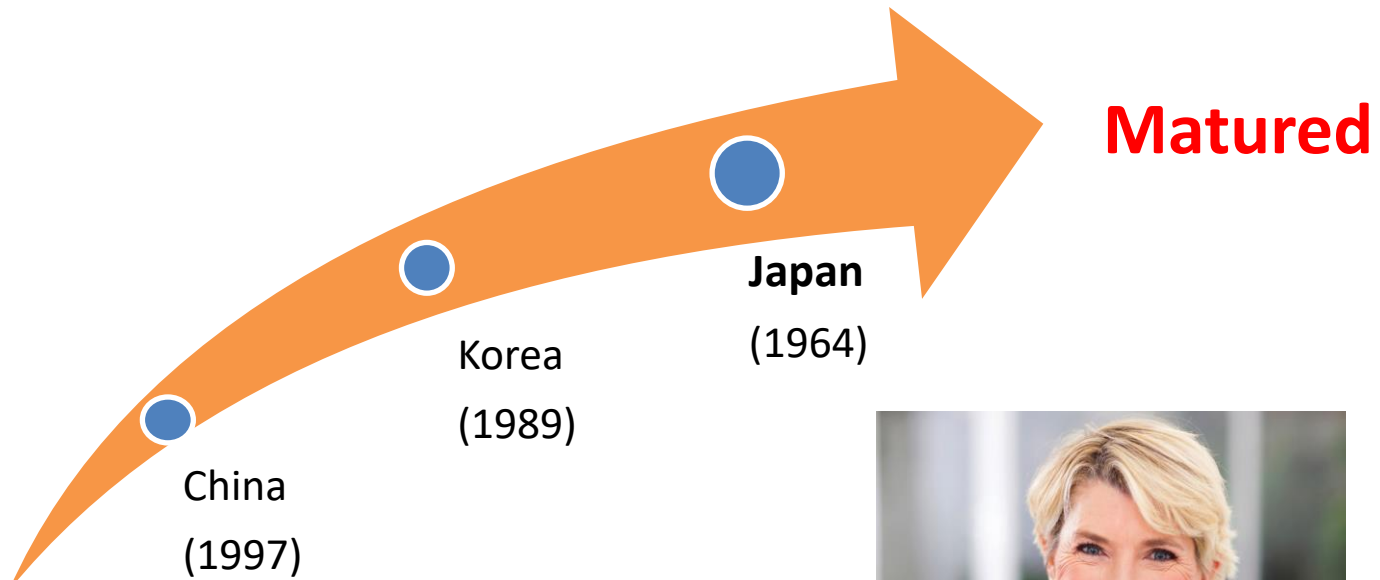
**JAPAN AIRLINES**

A top-down view of various vintage travel items arranged on a rustic wooden surface. In the center is an open, blank notebook with lined pages. To the top left is a silver and black vintage camera. Above the notebook is a round compass with a black face and a red needle, resting on a small, patterned rectangular object. To the top right is a red passport with a gold eagle emblem and the word 'PASSPORT' in red. To the bottom left is a small map showing a network of roads and a yellow pocket watch with a gold chain. To the bottom right is a brass telescope. The wooden surface has a natural grain and some minor wear.

Japanese outbound traveling

# The difference between 2 Asian markets

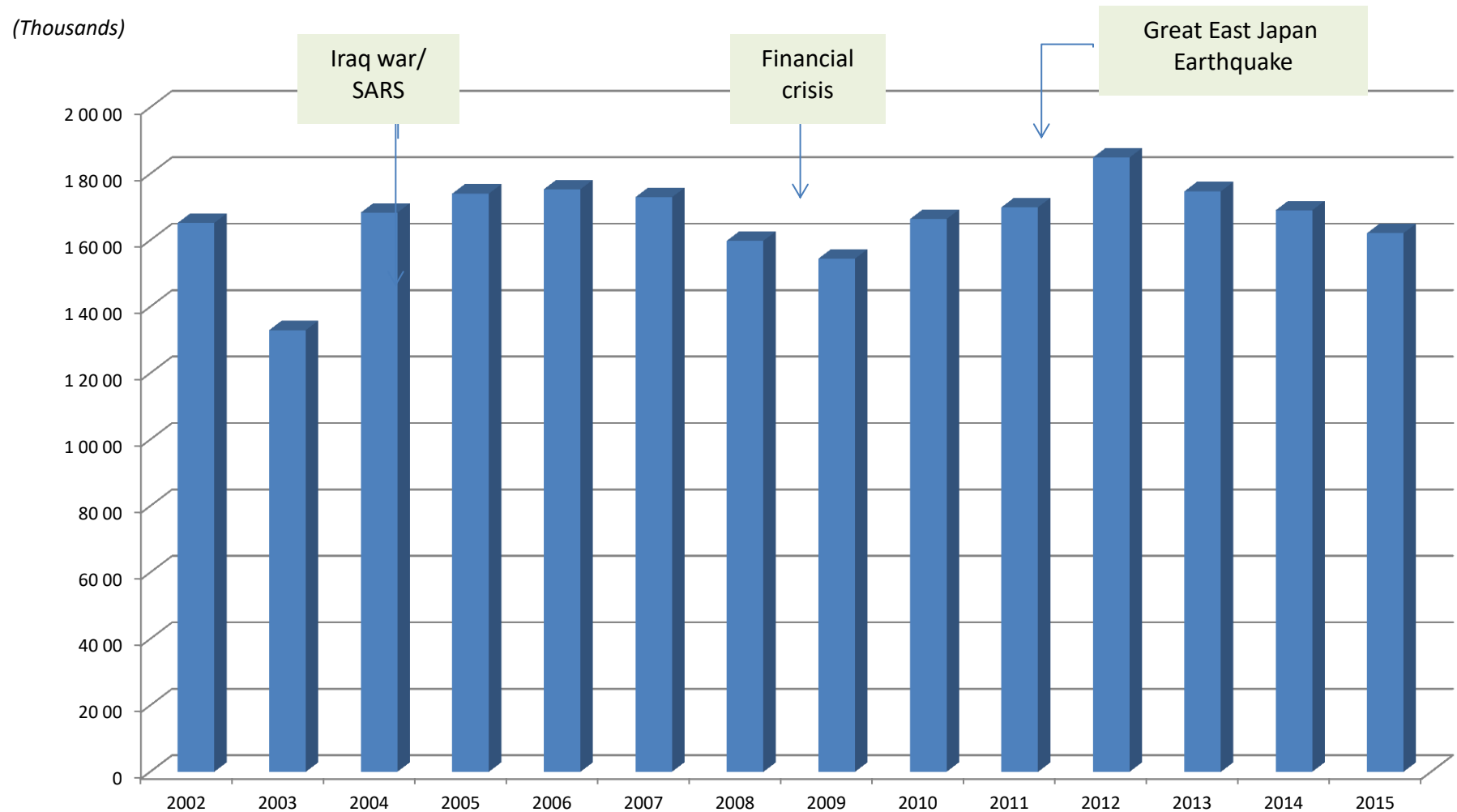
The year of liberalization of overseas traveling



# Dawn of Japanese overseas traveling 1964

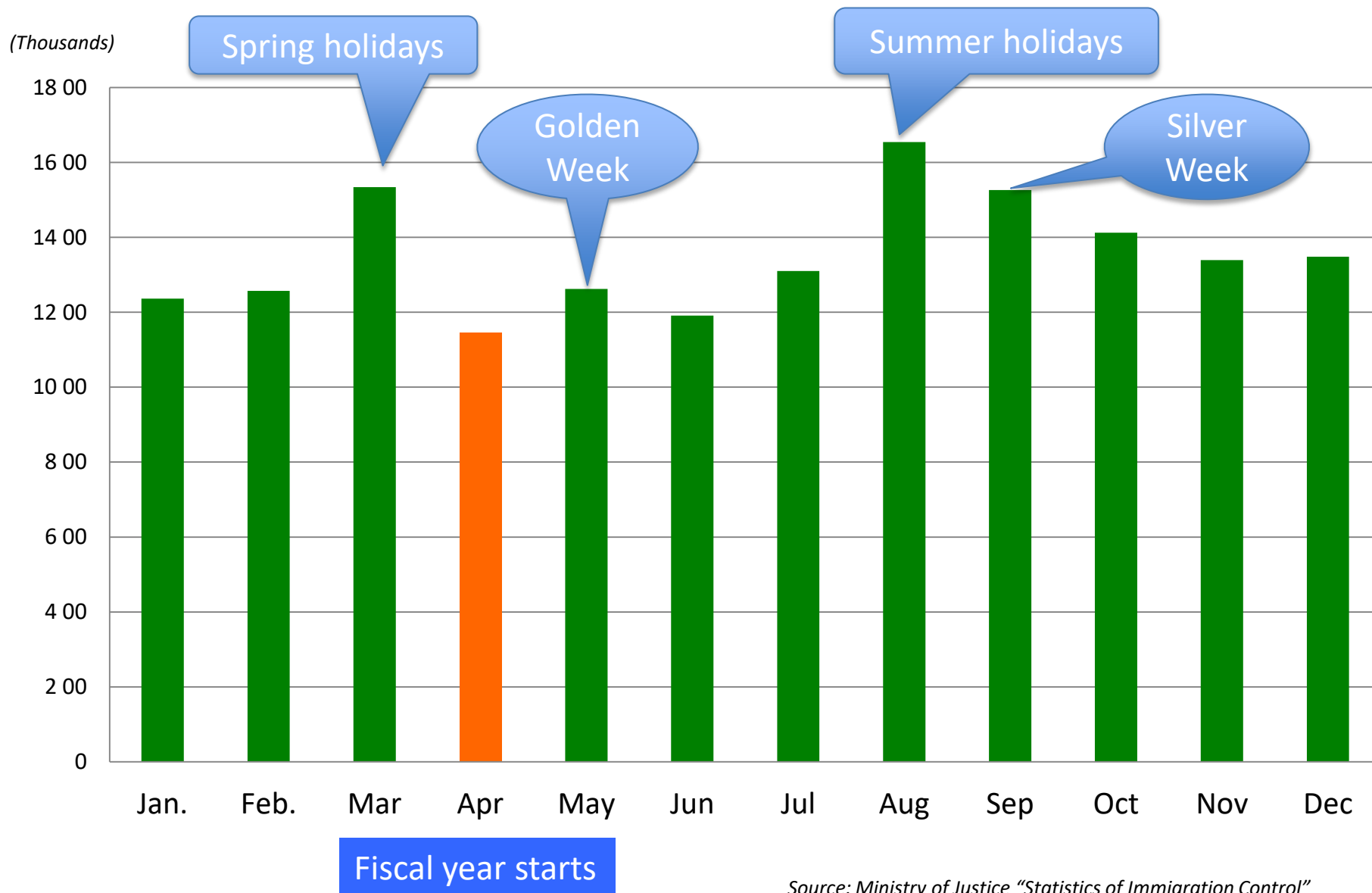


# The number of Japanese travelling abroad



Source: Ministry of Justice "Statistics of Immigration Control"

# Number of Overseas Travelers by Month



Source: Ministry of Justice "Statistics of Immigration Control"

# 2017 Calendar

1							2							3						
日	月	火	水	木	金	土	日	月	火	水	木	金	土	日	月	火	水	木	金	土
1	2	3	4	5	6	7				1	2	3	4				1	2	3	4
8	9	10	11	12	13	14	5	6	7	8	9	10	11	5	6	7	8	9	10	11
15	16	17	18	19	20	21	12	13	14	15	16	17	18	12	13	14	15	16	17	18
22	23	24	25	26	27	28	19	20	21	22	23	24	25	19	20	21	22	23	24	25
29	30	31					26	27	28					26	27	28	29	30	31	
4							5							6						
日	月	火	水	木	金	土	日	月	火	水	木	金	土	日	月	火	水	木	金	土
						1		1	2	3	4	5	6					1	2	3
2	3	4	5	6	7	8	7	8	9	10	11	12	13	4	5	6	7	8	9	10
9	10	11	12	13	14	15	14	15	16	17	18	19	20	11	12	13	14	15	16	17
16	17	18	19	20	21	22	21	22	23	24	25	26	27	18	19	20	21	22	23	24
23	24	25	26	27	28	29	28	29	30	31				25	26	27	28	29	30	
30																				
7							8							9						
日	月	火	水	木	金	土	日	月	火	水	木	金	土	日	月	火	水	木	金	土
						1			1	2	3	4	5						1	2
2	3	4	5	6	7	8	6	7	8	9	10	11	12	3	4	5	6	7	8	9
9	10	11	12	13	14	15	13	14	15	16	17	18	19	10	11	12	13	14	15	16
16	17	18	19	20	21	22	20	21	22	23	24	25	26	17	18	19	20	21	22	23
23	24	25	26	27	28	29	27	28	29	30	31			24	25	26	27	28	29	30
30	31																			
10							11							12						
日	月	火	水	木	金	土	日	月	火	水	木	金	土	日	月	火	水	木	金	土
1	2	3	4	5	6	7				1	2	3	4					1	2	
8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9
15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16
22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23
29	30	31					26	27	28	29	30			24	25	26	27	28	29	30
														31						

- Many national holidays
- Frequent long weekends
- Short holidays
- Less consumption of paid holidays

January



April



# Golden Week

4 April

2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat	
26	27	28	29	30	31	1 エイプリル・フール	
2	3	4	5	6	7	8	
9	10	11	12	13	14	15	
16	17	18	19	20	21	22	
23	24	25	26	27	28	29 昭和の日	
30	1	2	3	4	5	6	

June-July



# August



# Silver Week

9 September

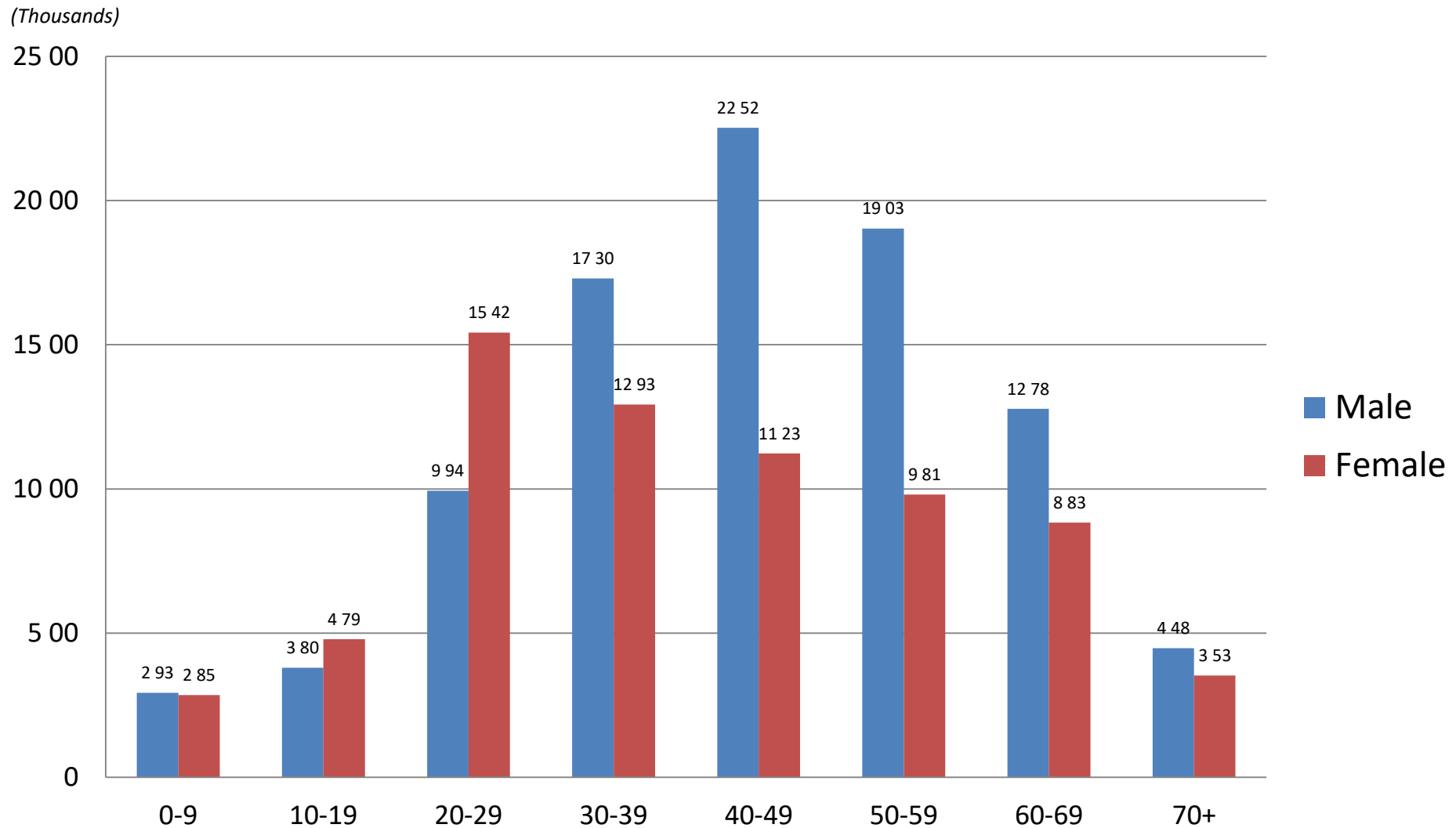
2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
27	28	29	30	31	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18 敬老の日	19	20	21	22	23 秋分の日
24	25	26	27	28	29	30

December



# Numbers of Overseas Travelers by Gender and Age Group (2015)

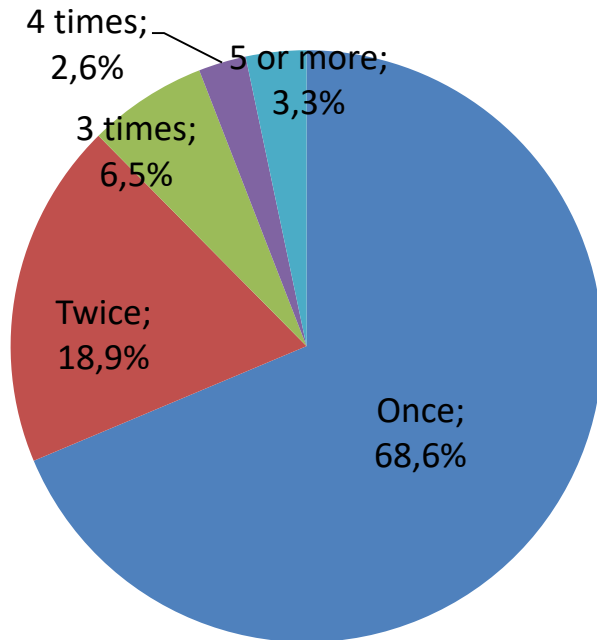


Source: Ministry of Justice "Statistics of Immigration Control"

# Number of Overseas Trips Taken and Previous Travel Experience

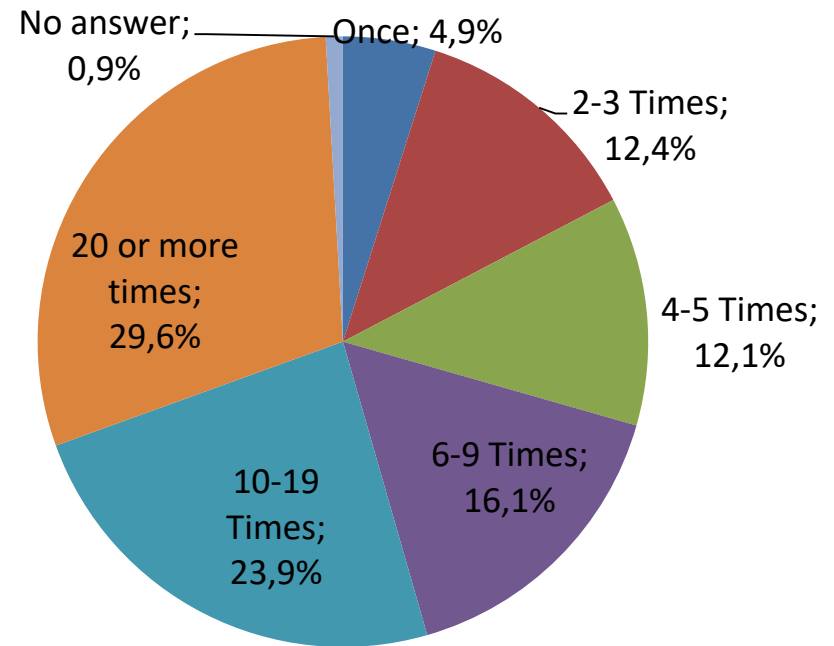
*An average of 1.6 trips were taken by overseas travelers during the year 2015. The highest average number (2.0) was for middle-aged men, while the lowest (1.2) was for housewives.*

**Number of Overseas Trips in 2015**



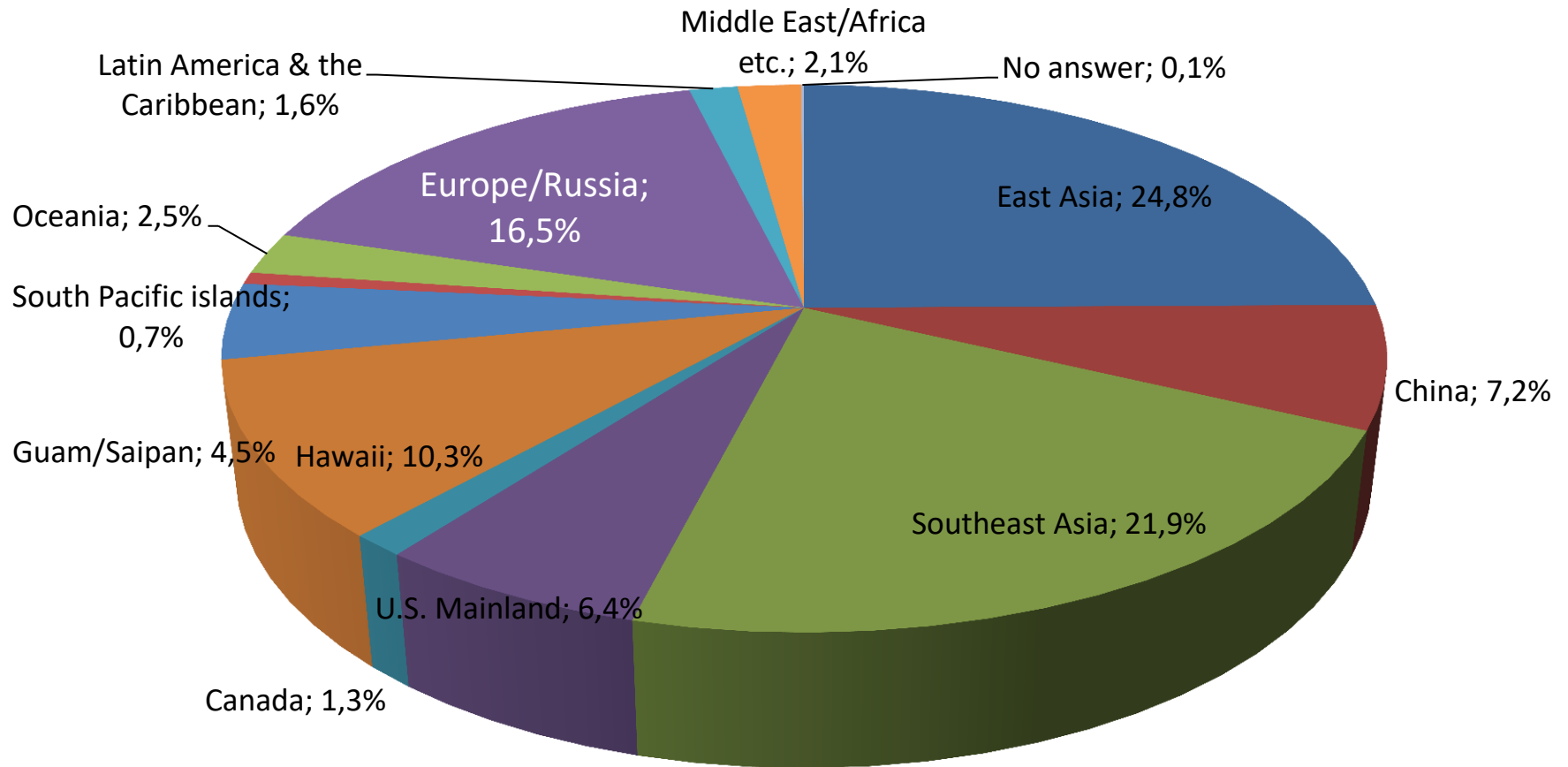
Average: 1.6 times in 2015

**Previous Experience of Overseas Travel by Market Segment in 2015**

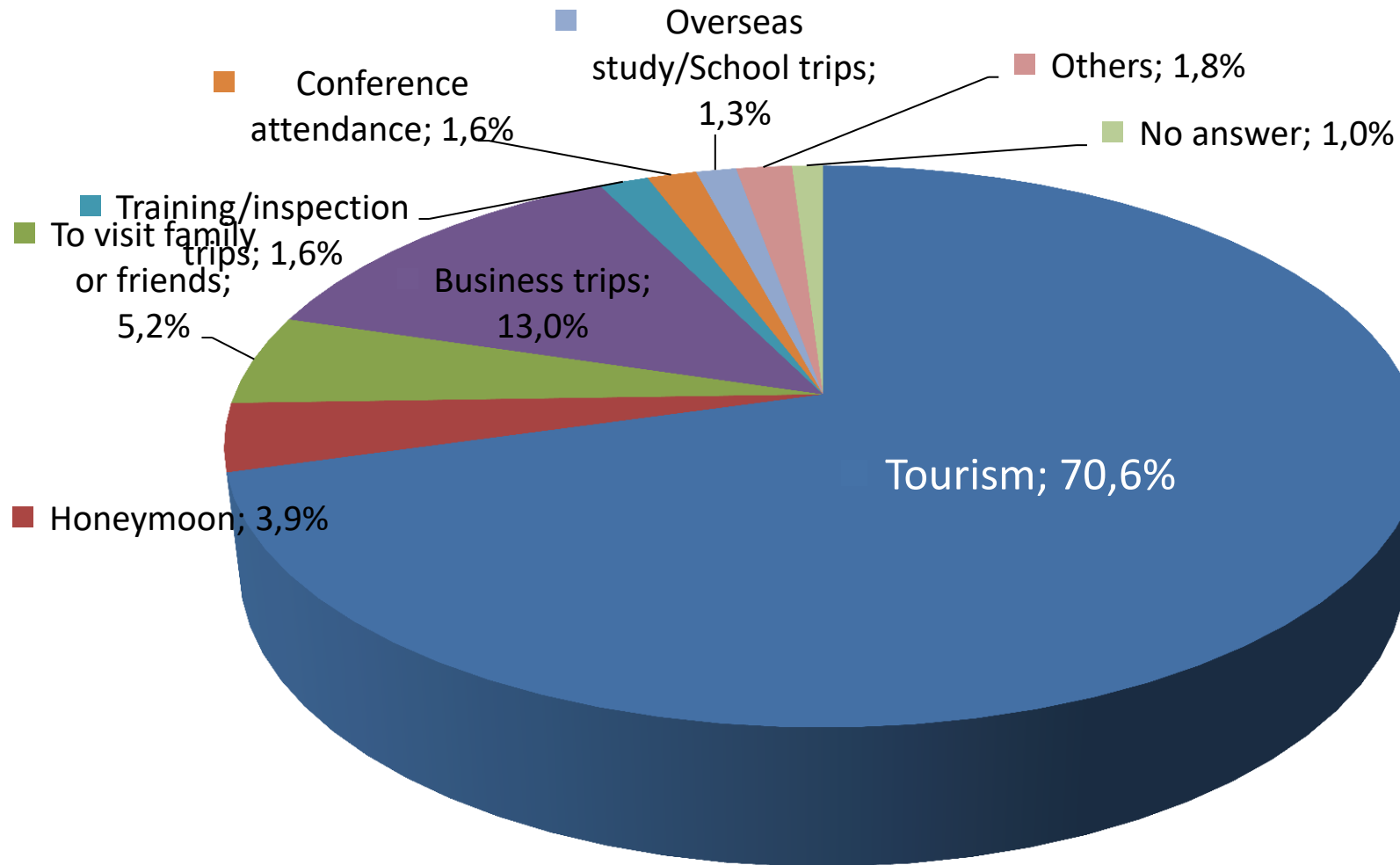


Average: 17.0 times

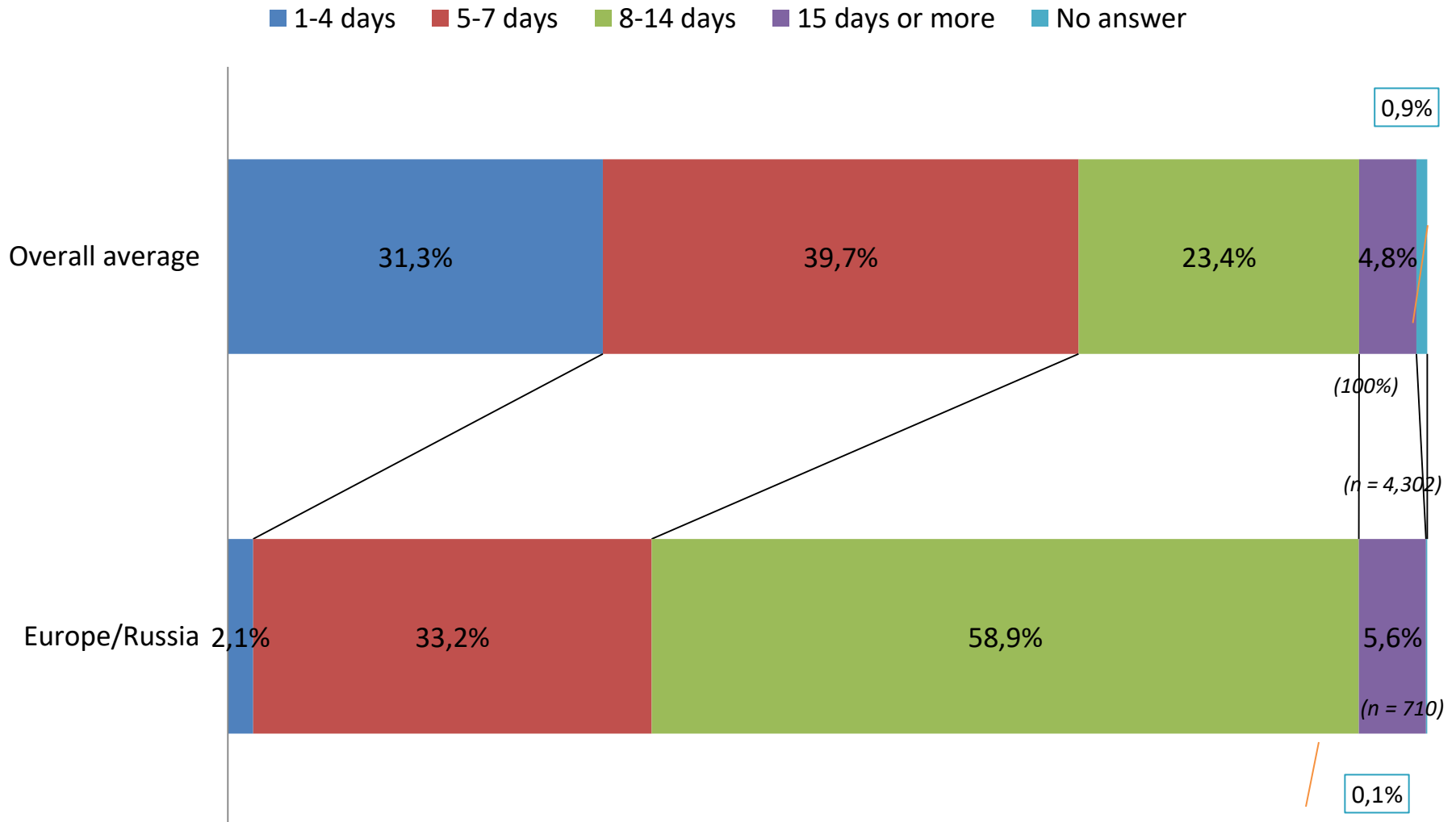
# Destinations by Market Segment



# Purpose of Travel

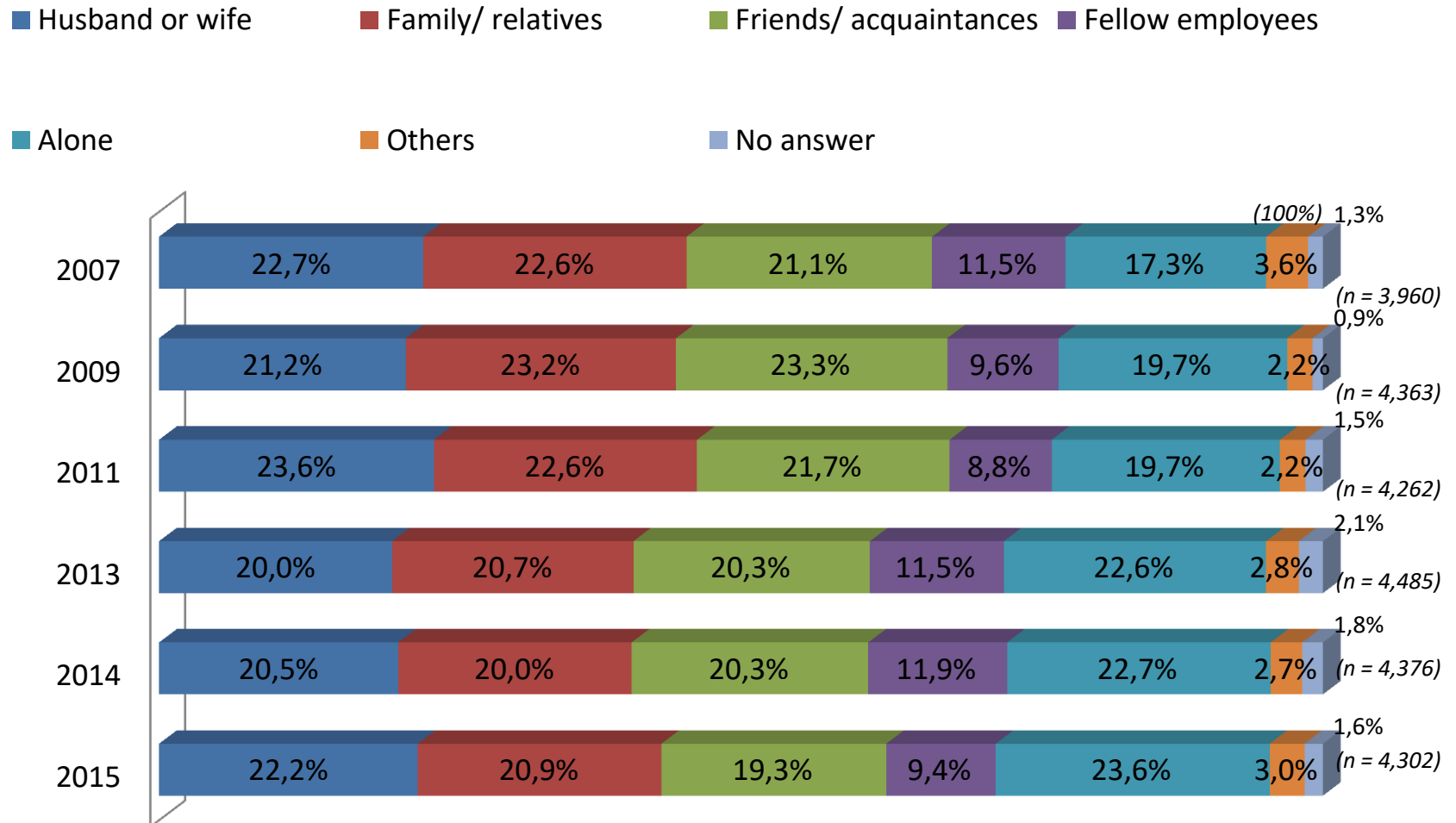


# Travel Duration: Europe/Russia

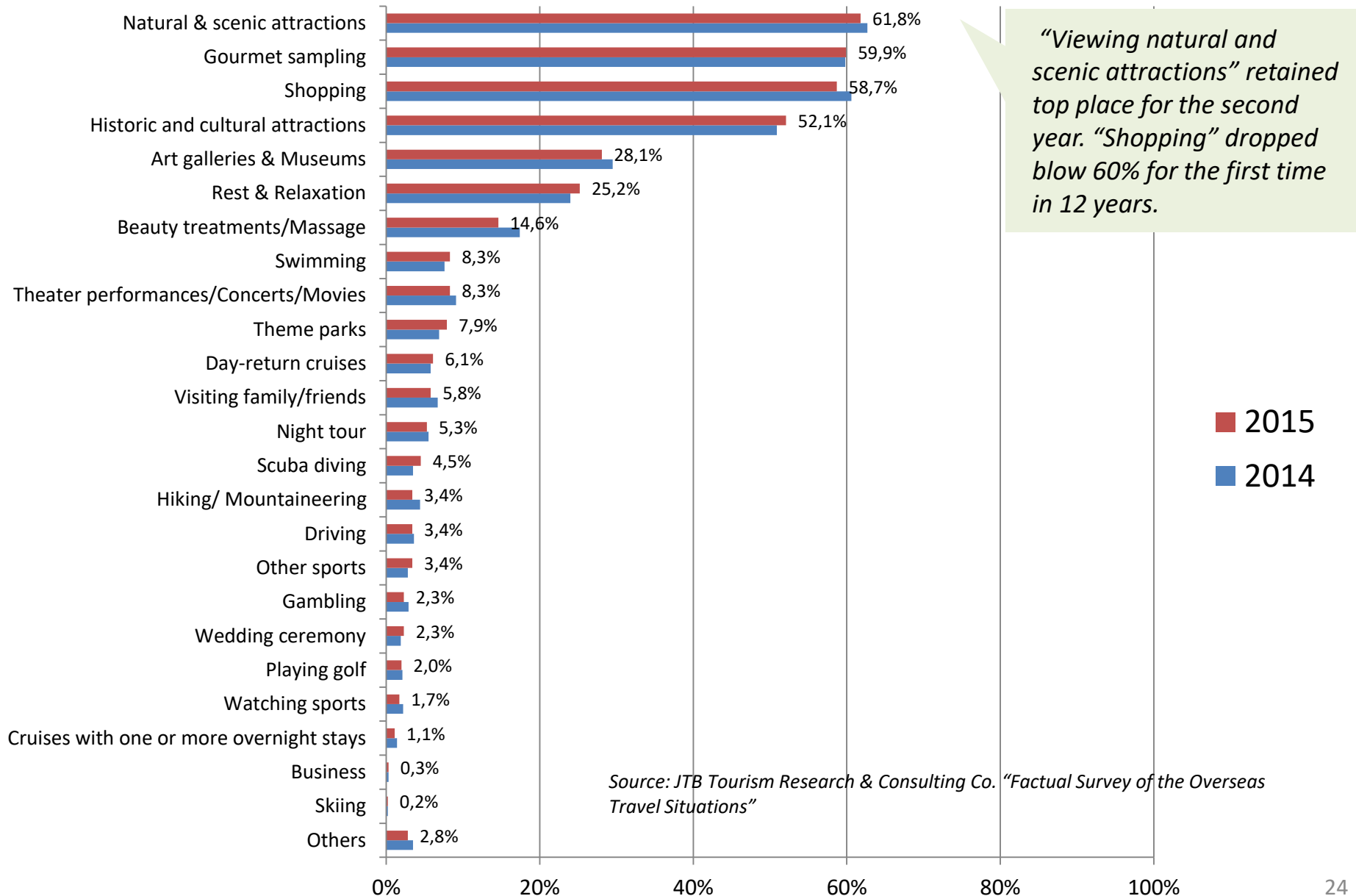


# Travel Companions

*Traveling alone continued to expand.*

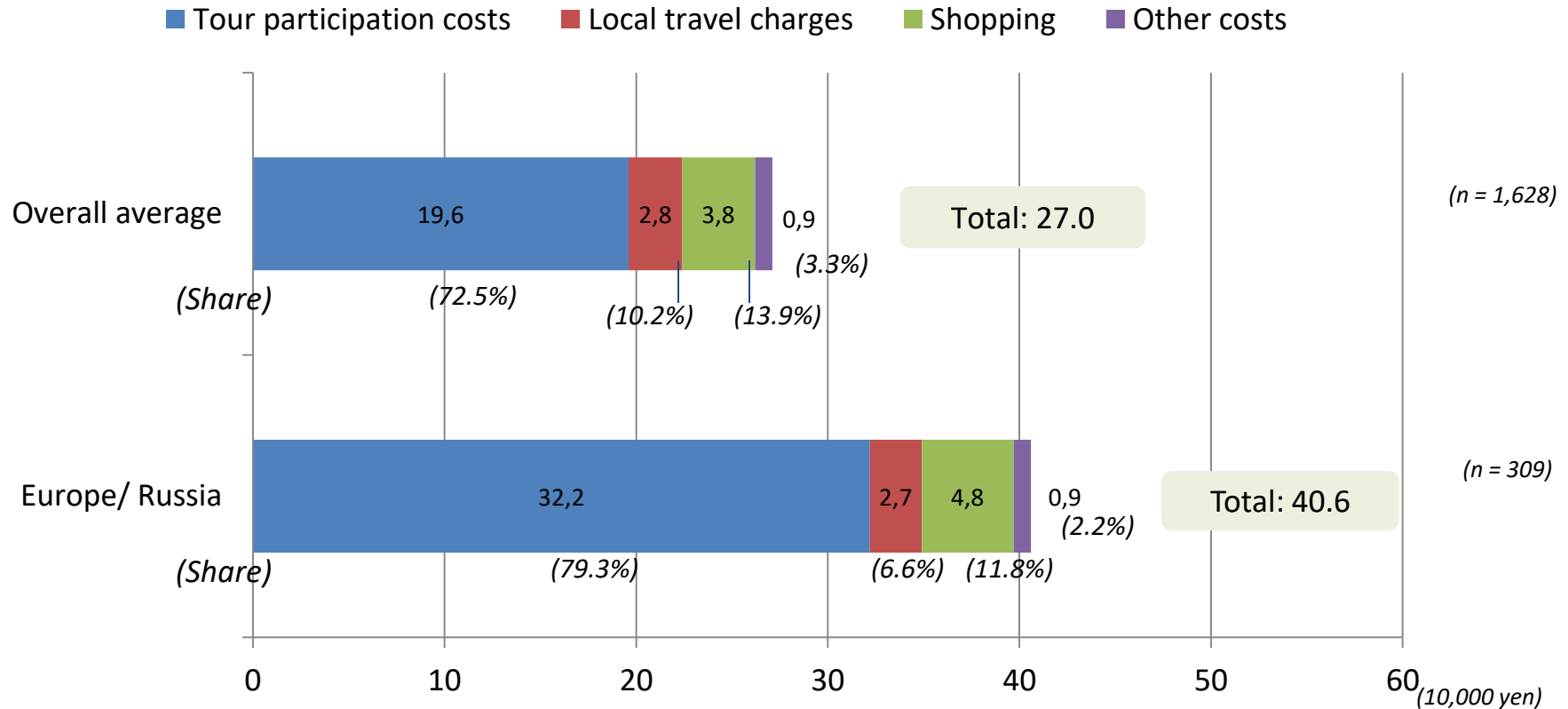


# Activities at Destinations



# Travel Costs by Destination: Europe/Russia

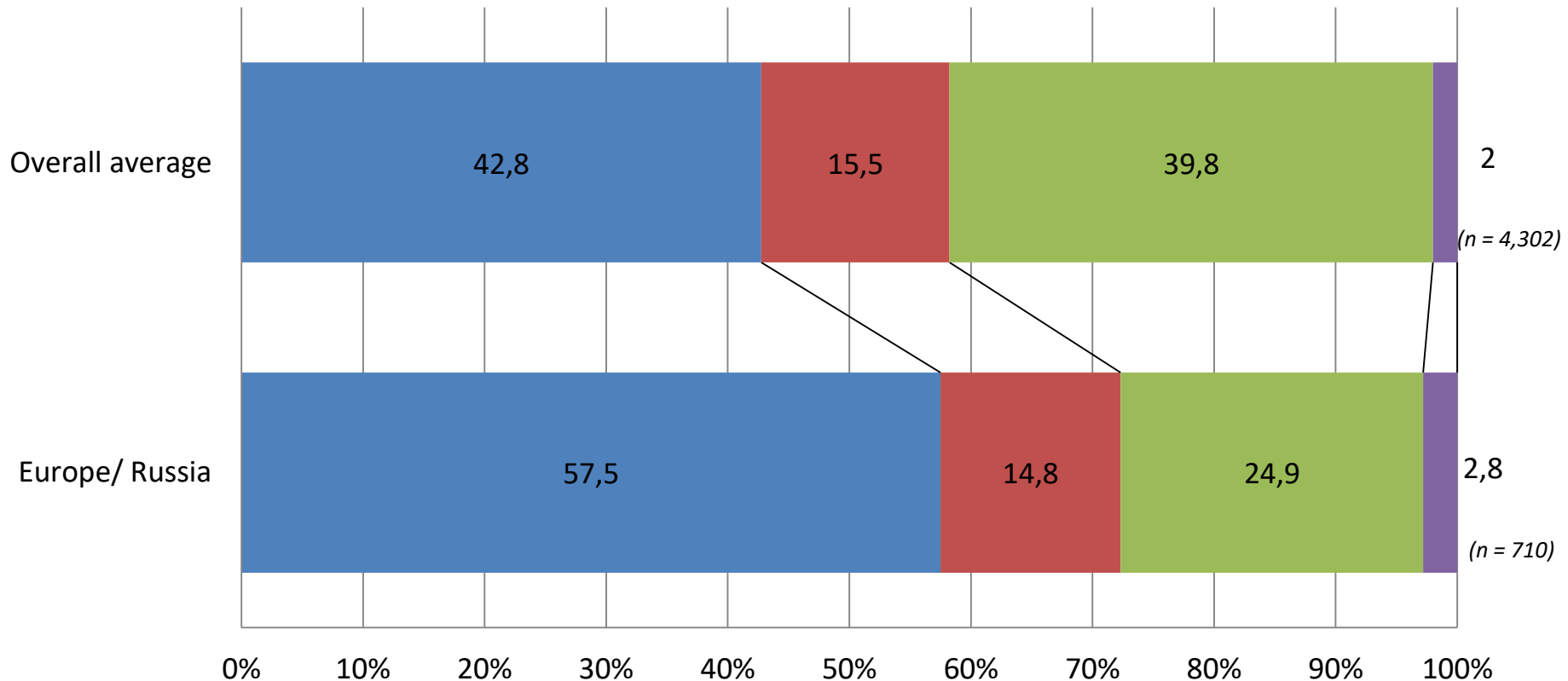
Looking at the total expenditure of travelers who participated in package tours, they were the highest for trips to Latin America, at 660,000 yen. This was followed by other remote locations including Canada at 462,000 yen, the South Pacific Islands at 432,000 yen, and Europe & Russia at 406,000 yen. Tour costs generally declined as a percentage of total expenditure for all major destinations.



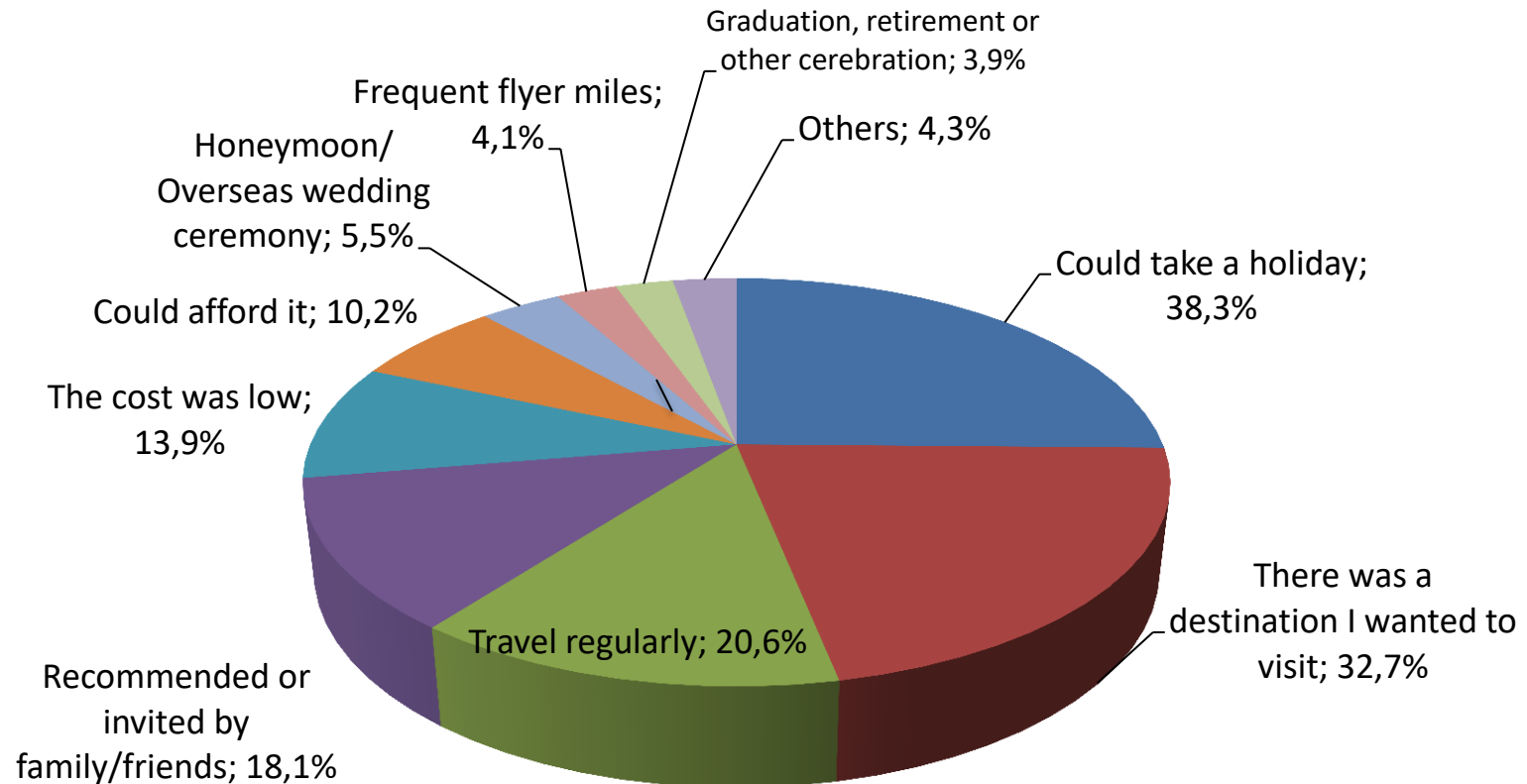
# Destination and Repeat Travelers: Europe/Russia

Number of Repeat Visits to Destinations (2015)

■ First ■ Second ■ Third or subsequent ■ No answer

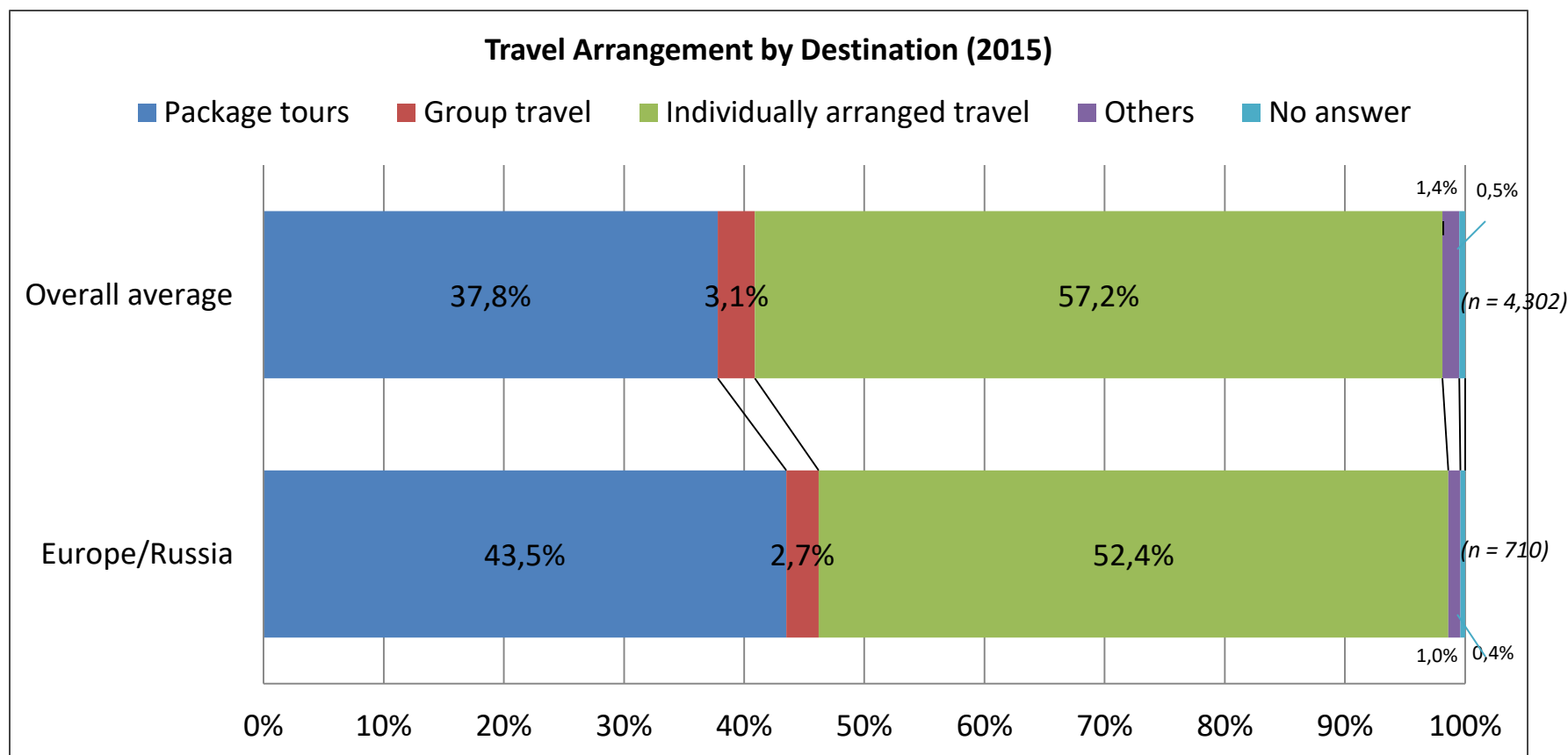


# Motivation for Overseas Travel



# Travel Arrangement by Destination: Europe/Russia

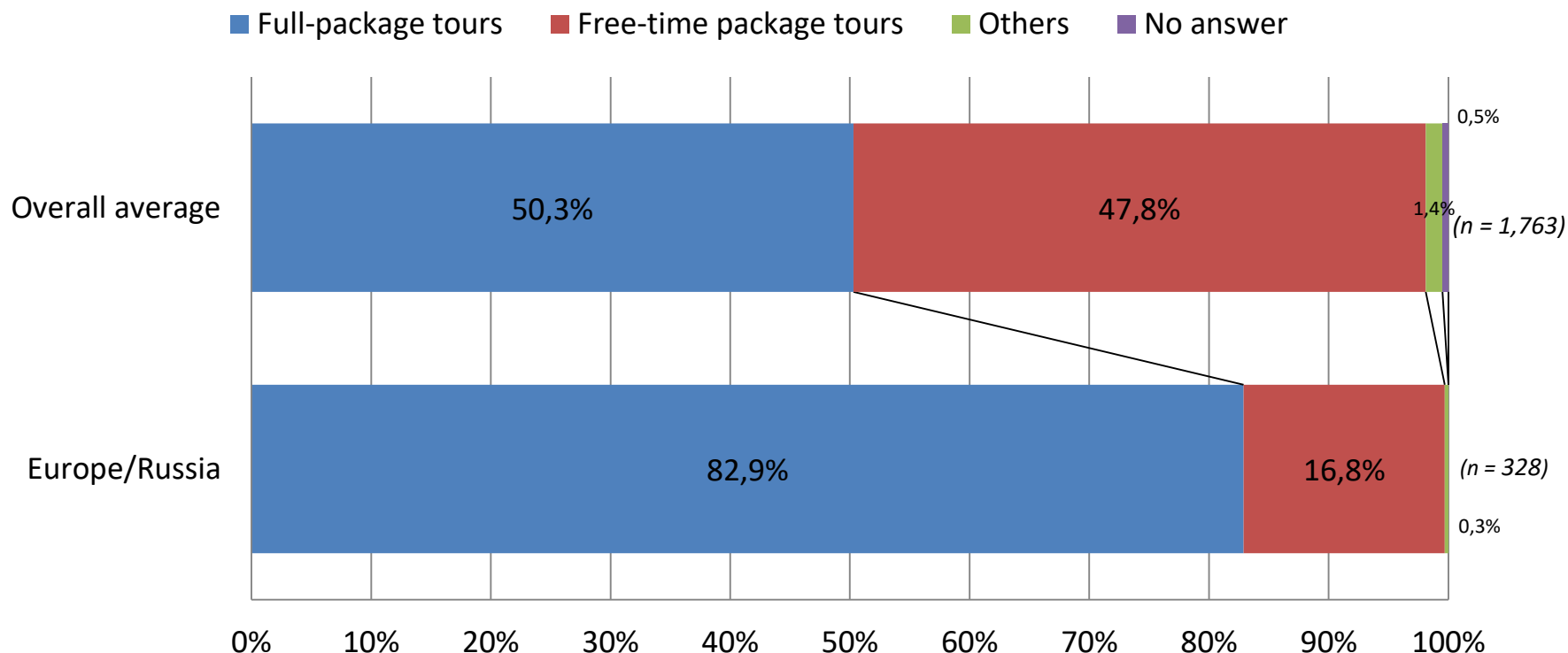
*Package tour usage was high for both resort-type and touring destinations. The proportion of individually arranged travel did decline from the previous year (2014) and there was a noticeable increase in package-tour usage.*



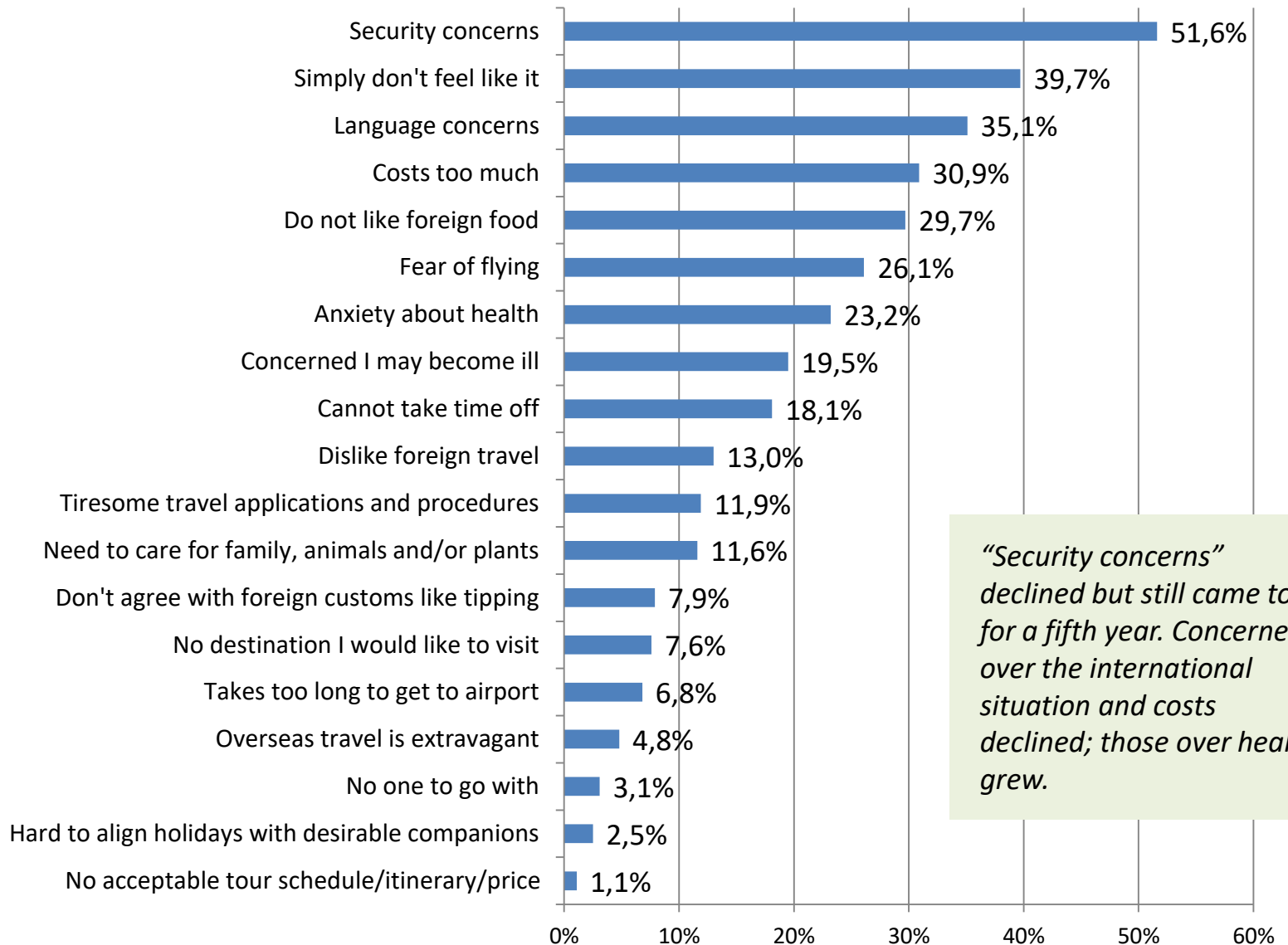
# Travel Package Type by Destination: Europe/Russia

*Full-package tours are for mainly touring destinations; free-time tours are popular for resort areas. In terms of their destinations, full-package tours for touring destinations headed the list in the Middle East & Africa, etc. and in Europe & Russia.*

**Travel Package Type (Full vs Free Time) by Destination (2015)**

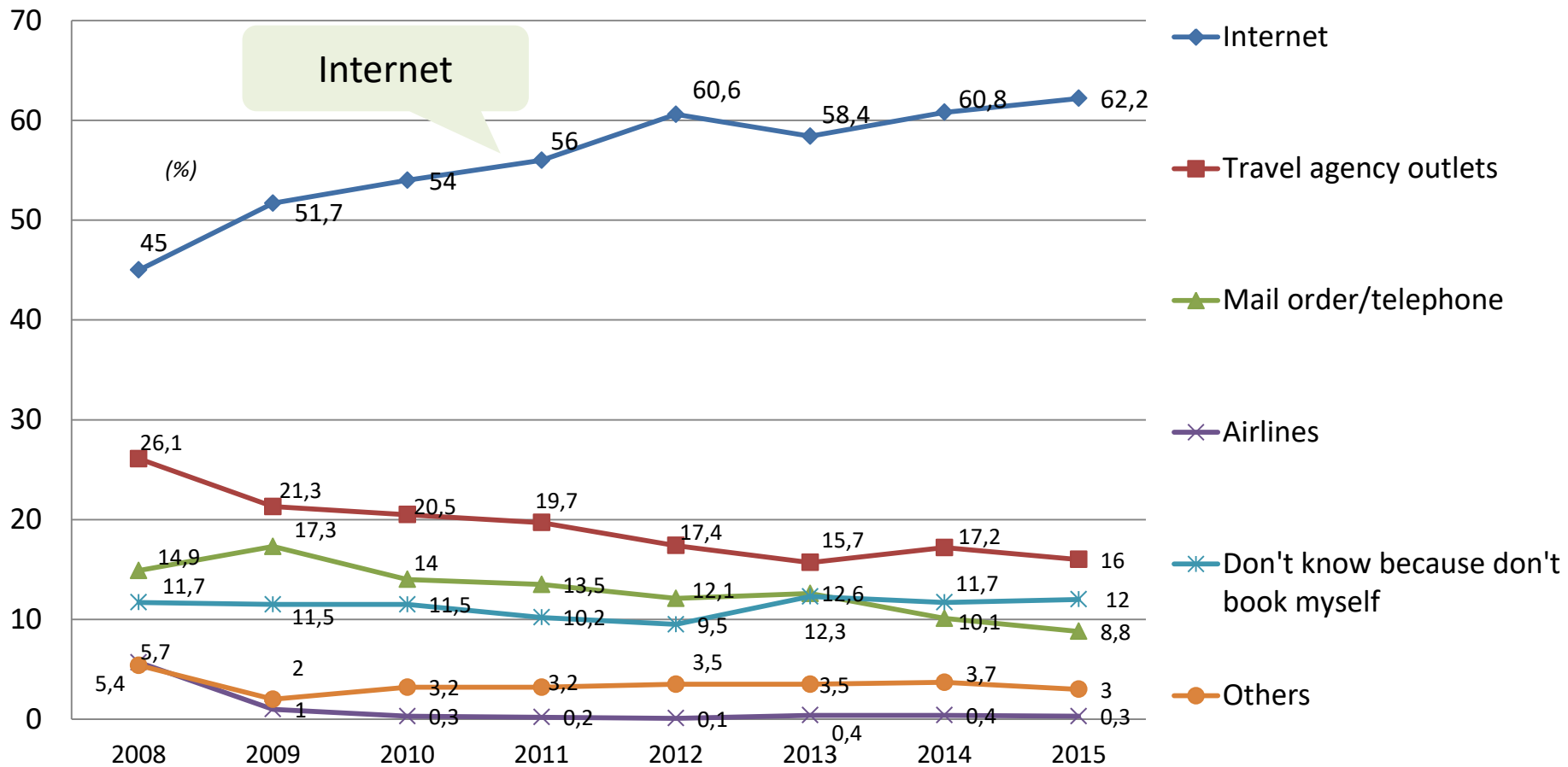


# Factors Hindering Overseas Travel

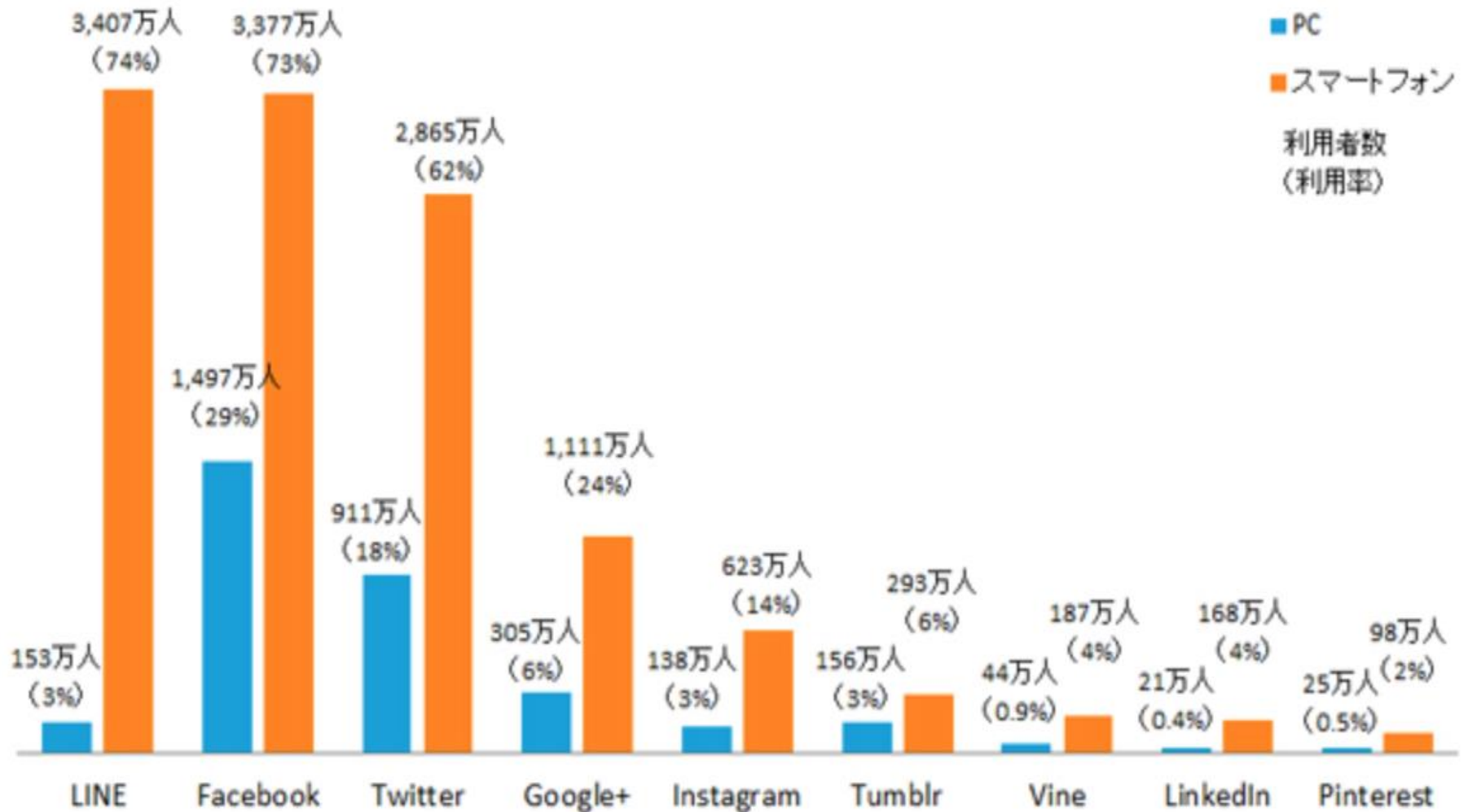


*"Security concerns" declined but still came top for a fifth year. Concerned over the international situation and costs declined; those over health grew.*

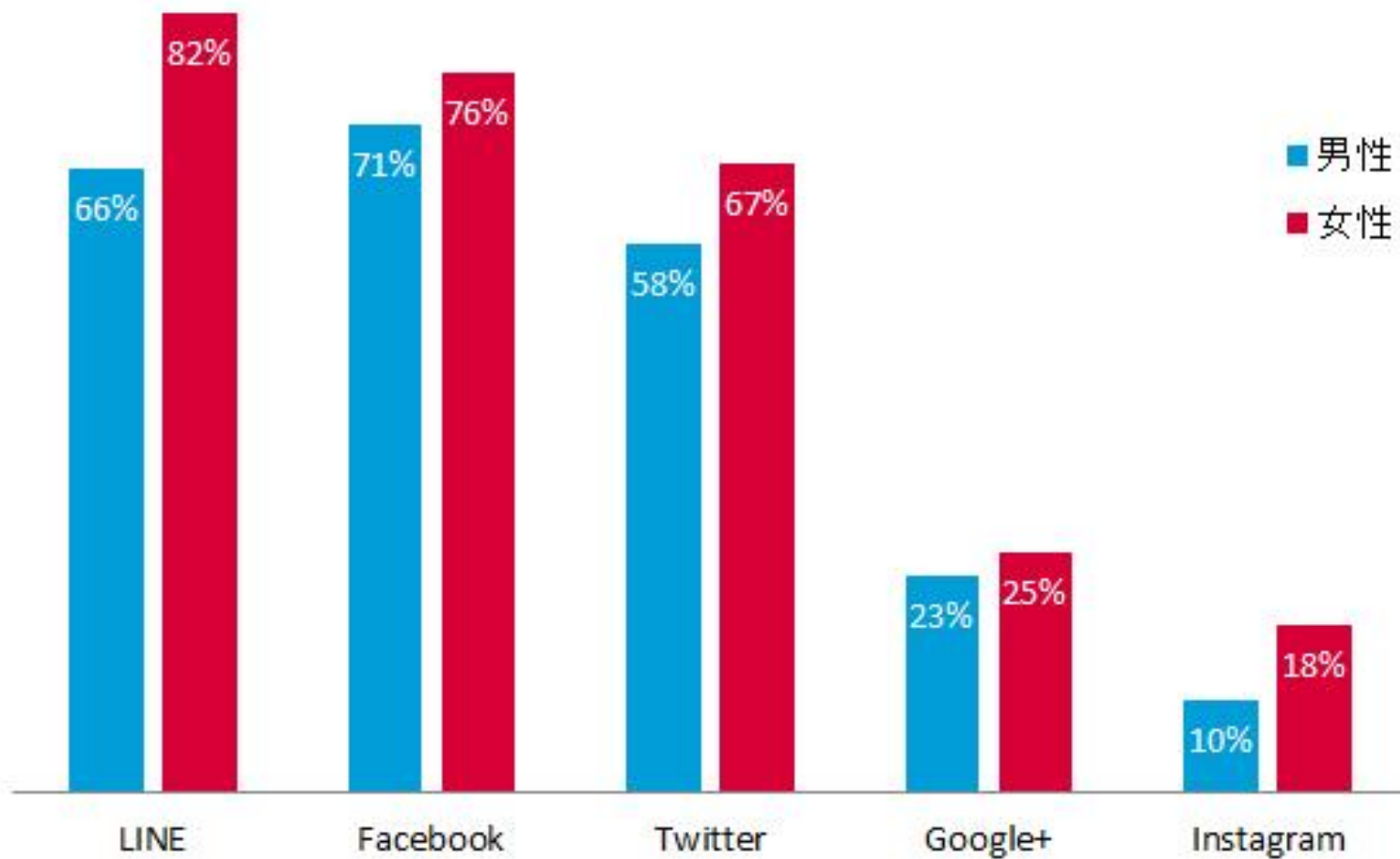
# Travel Reservation Methods



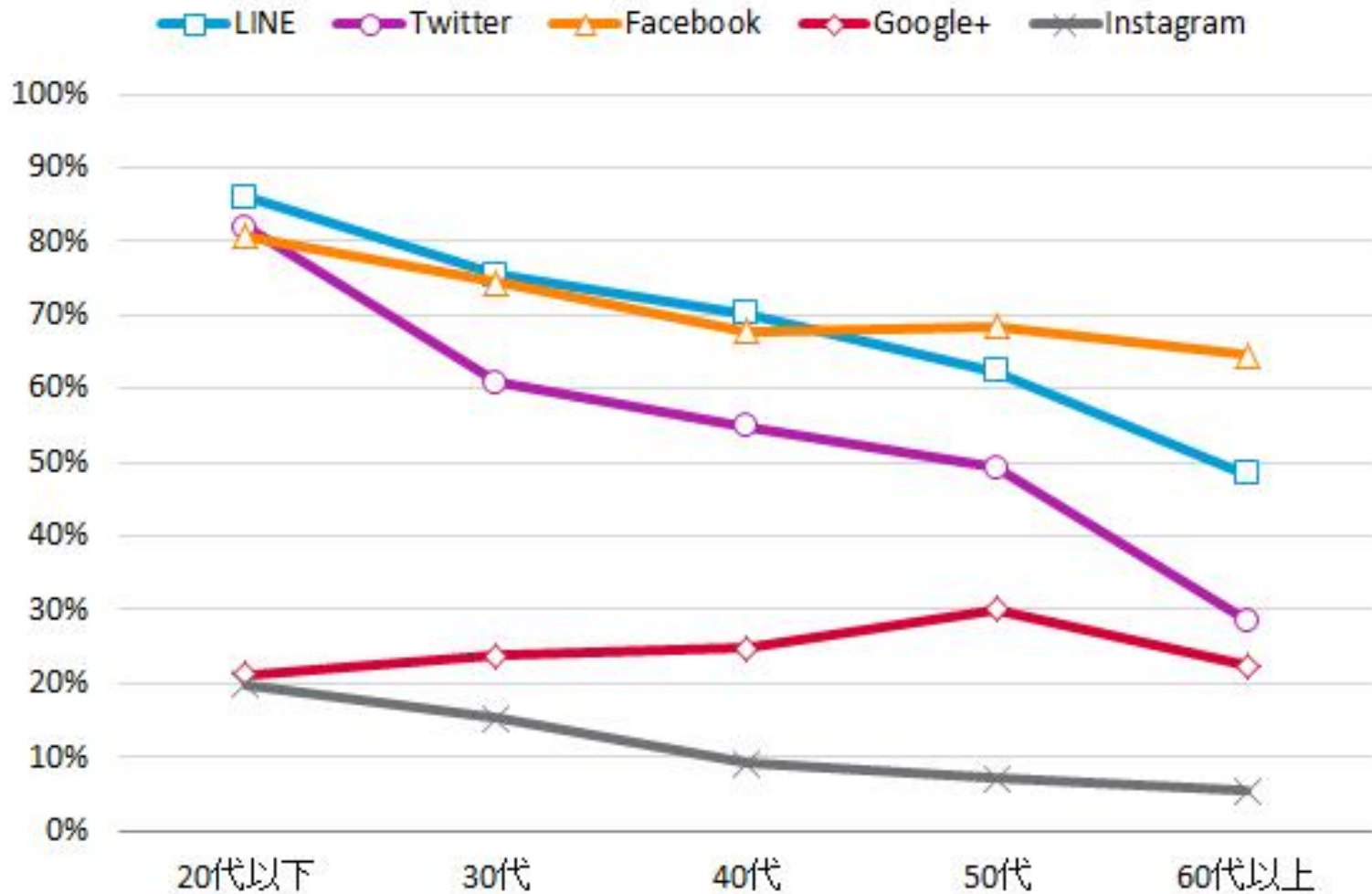
# SNS in Japan Jan, 2016



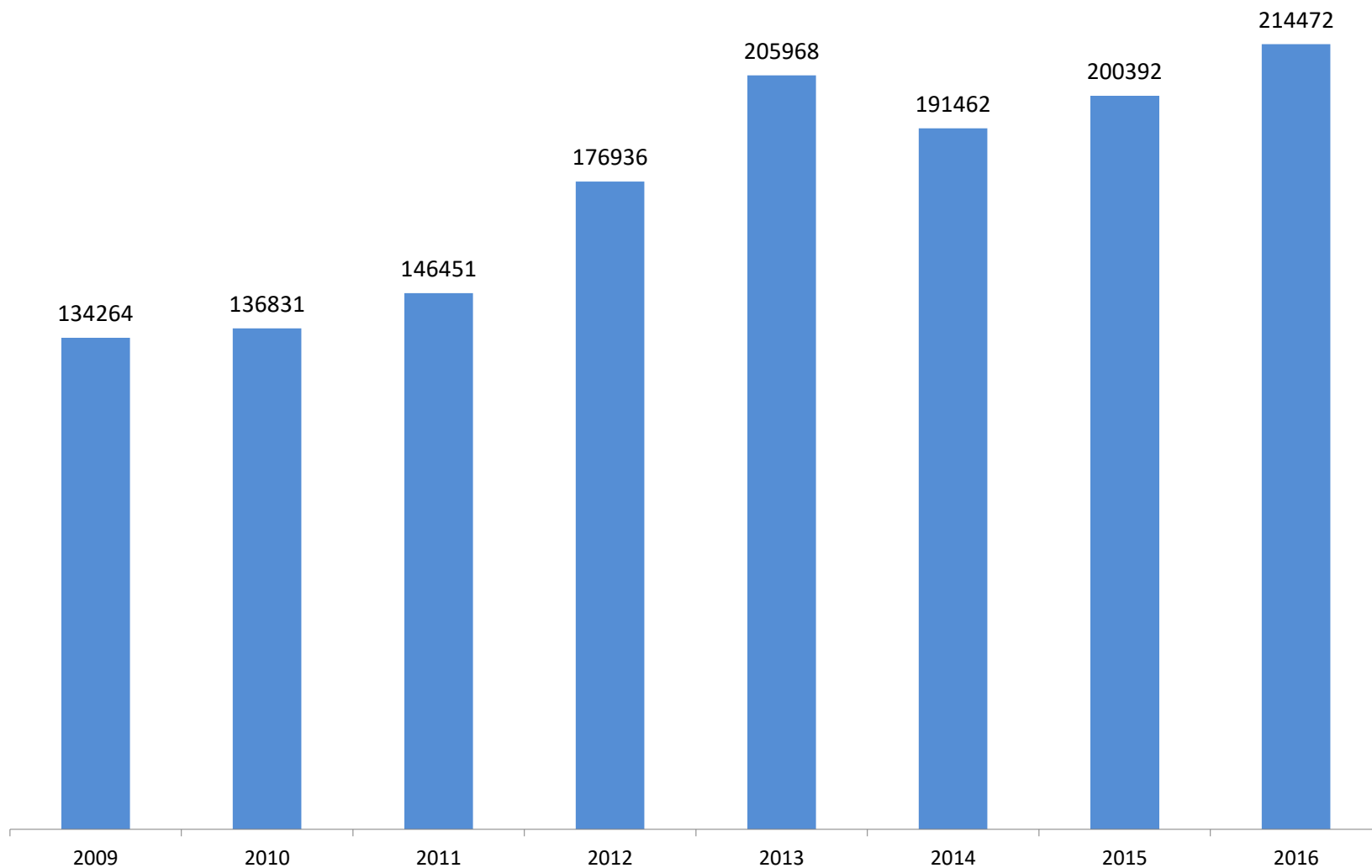
# SNS in Japan (2)



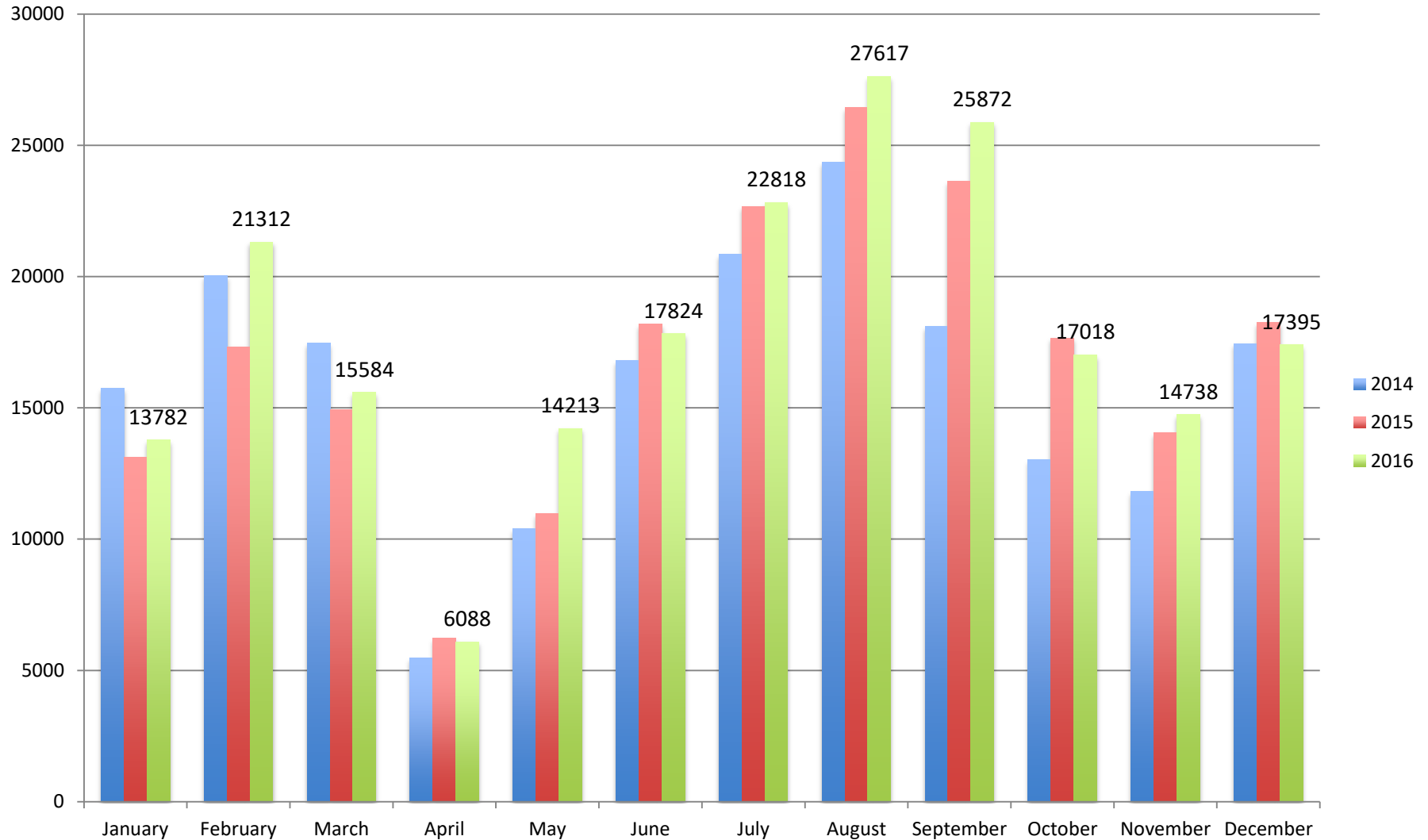
# SNS in Japan (3)



# The number of overnights by Japanese in Finland



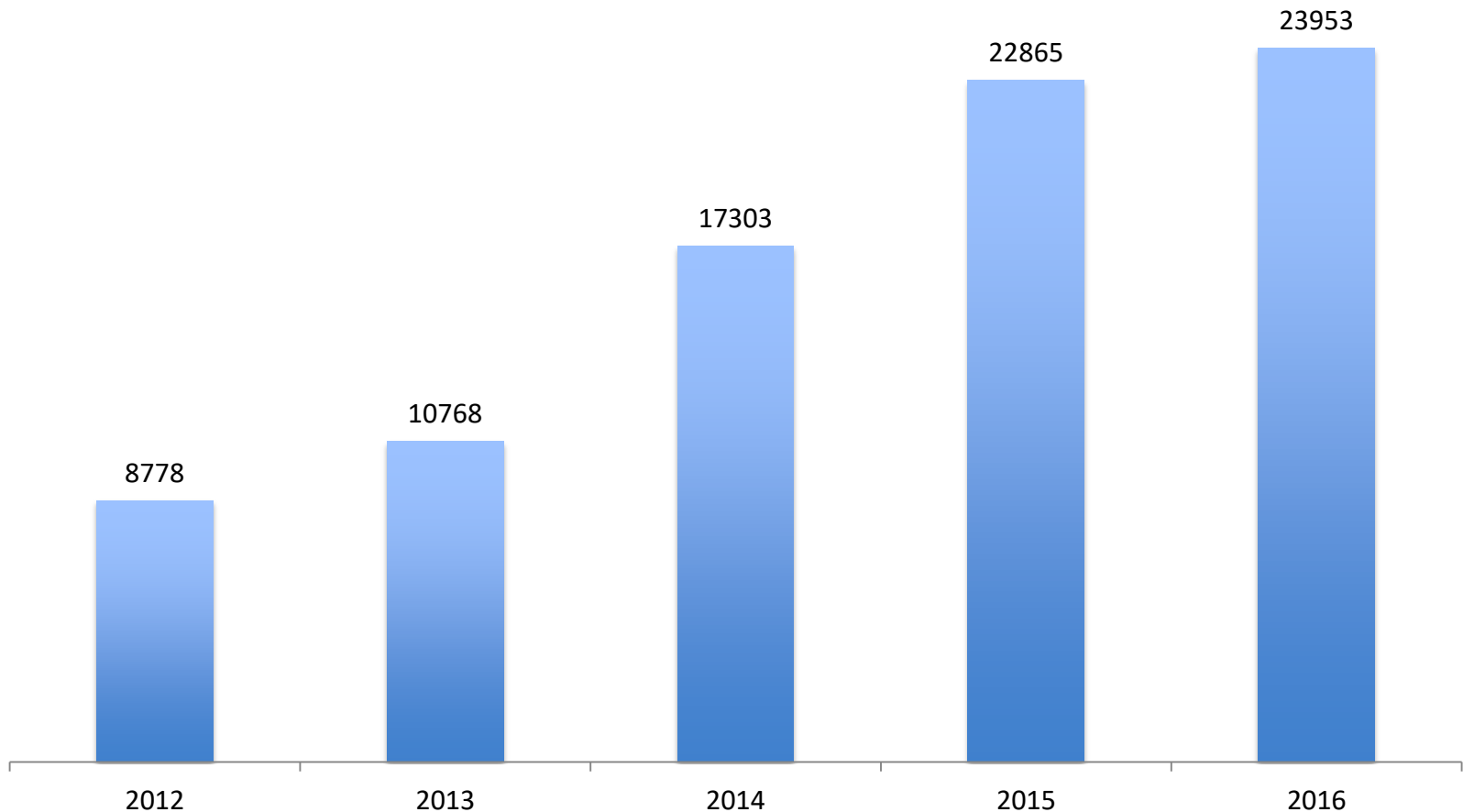
# Overnights by Japanese in Finland



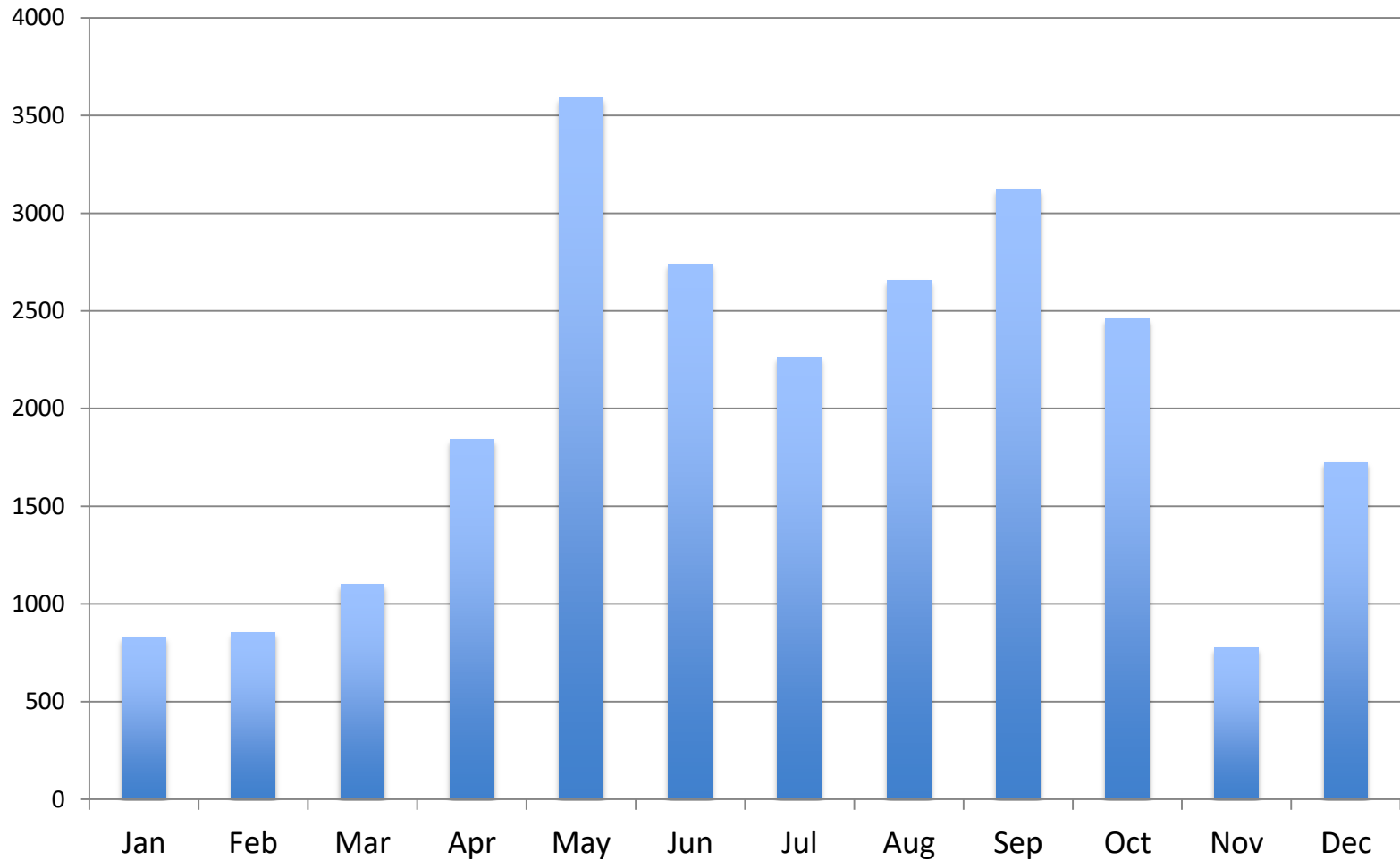
# 3 client's profiles for 3 seasons

- Elderly couples in summer season
- All generations in winter season
- Ladies in 20's-40's through the year

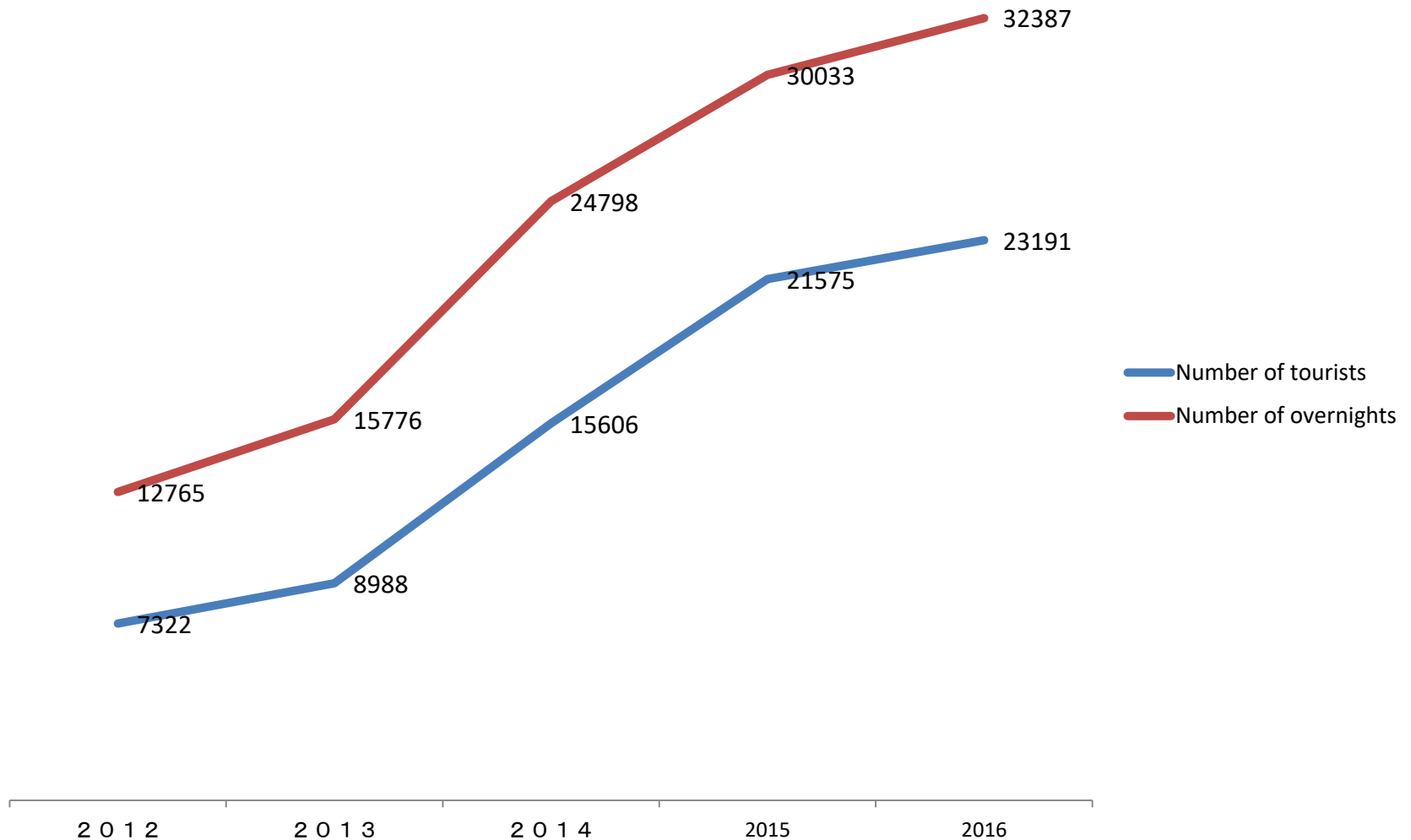
# The number of overnights in Estonia



# The number of overnights in Estonia by month



# No of tourist & overnights in Latvia by Japanese



# Japanese Travel Trade



# How many travel agencies in Japan ?

10,100  
companies in  
2016



Category I  
708

Organize packages

- Overseas
- Domestic

Sell packages

- Overseas
- Domestic

Ordered

- Overseas
- Domestic

Category II  
2,827

Organize packages

- Domestic

Sell packages

- Overseas
- Domestic

Ordered

- Overseas
- Domestic

Category III  
5,668

Sell packages

- Overseas
- Domestic

Ordered

- Overseas
- Domestic

Referral Agent  
810

Consignment  
sales under the  
name of travel  
agents.

# Structure



# Role of Land (Tour) Operators

A white double-decker bus is shown driving on a multi-lane highway. The bus is viewed from a front-three-quarter angle, moving towards the viewer. The background features a clear blue sky with scattered white clouds and a distant horizon line. The overall scene is bright and clear.

- Offices in Japan
- Communication in Japanese
- Frequent sales calls
- Interpretation between local and Japanese culture
- Control package tour itineraries
- Support sales events of agents

**Possibility to shift toward direct consumer sales**

# Travel Agency Act

- Strict consumer protection law
- Indirect influence to you



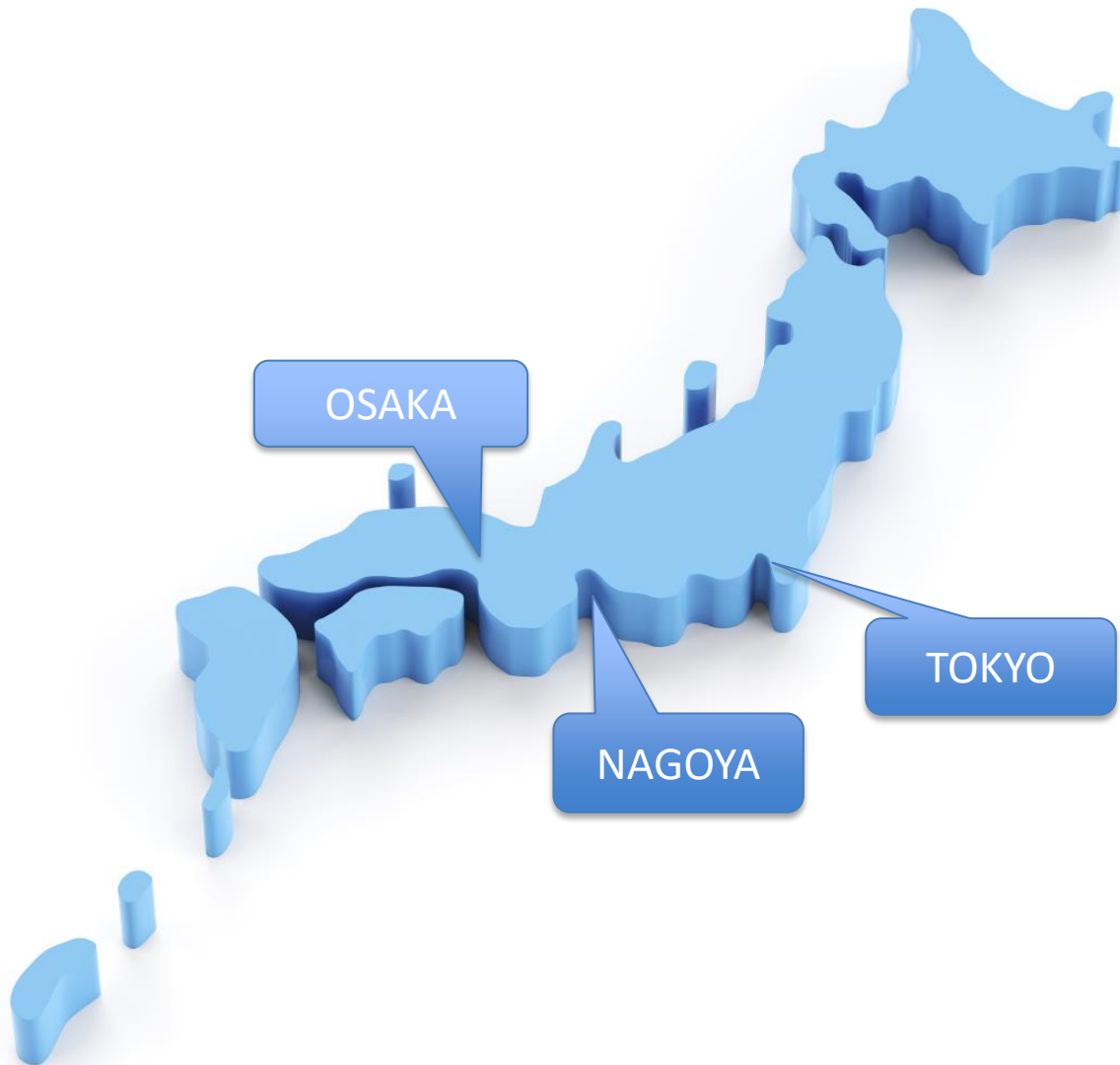
# New trend and new comers

- Travel agencies shift to inbound business
- Package tour business is getting smaller
- Aggressive non-Japanese Hotel Booking Engines (Expedia, Booking.com)
- Cruise business is popular among senior
- Cooperation between LCC and agencies
- Website is main booking tools among consumers
- More individual traveling, more solo traveling

# Japanese consumer behavior



# Difference by areas 1



# Difference by areas 2

Countryside



Urban area



# Difference by generation



1964



# Japanese generally

- They have very limited linguistic ability
- Well known as good manner people
- Their holidays are quite short

## Trend going on

- Group traveling → Individual traveling
- Ordinary sightseeing → Purpose led programs
- Touring around → Single destination

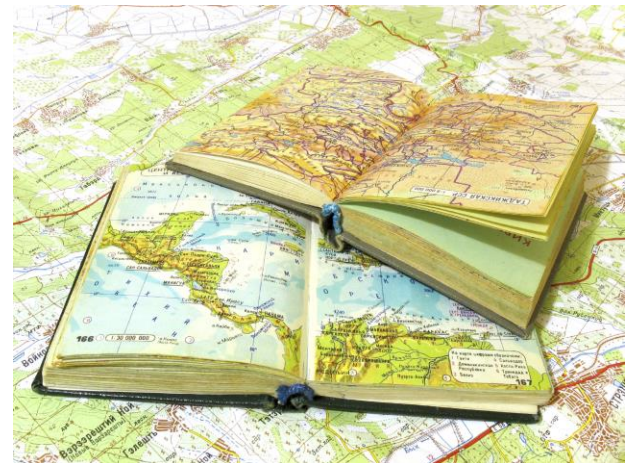
# Decision making process

- Ladies are decision makers
- Influence by
  - short-haul destination: word of mouth
  - long-haul destination: HP of tourist offices & agents



# Preparation period

- Japanese still appreciate printed materials in Japanese
- They want to get as much as practical information such as weather, cloths, transportations, map e.t.c.
- Concrete proposals are more attractive for them.





Informative society

UICA  
SMO  
かえます

1万円・5千円札 も使えます

1万円・5千円札 も使えます

1万円・5千円札 も使えます

# During trip

- Smiling is worth while million euro promotion
- Japanese are not so active people.
- Wifi is must service in accommodation
- “Enjoy yourself “ doesn’t work
- We can treat them in local way, but a bit more explanation
- Portion of food
- Prepared people



# After trip

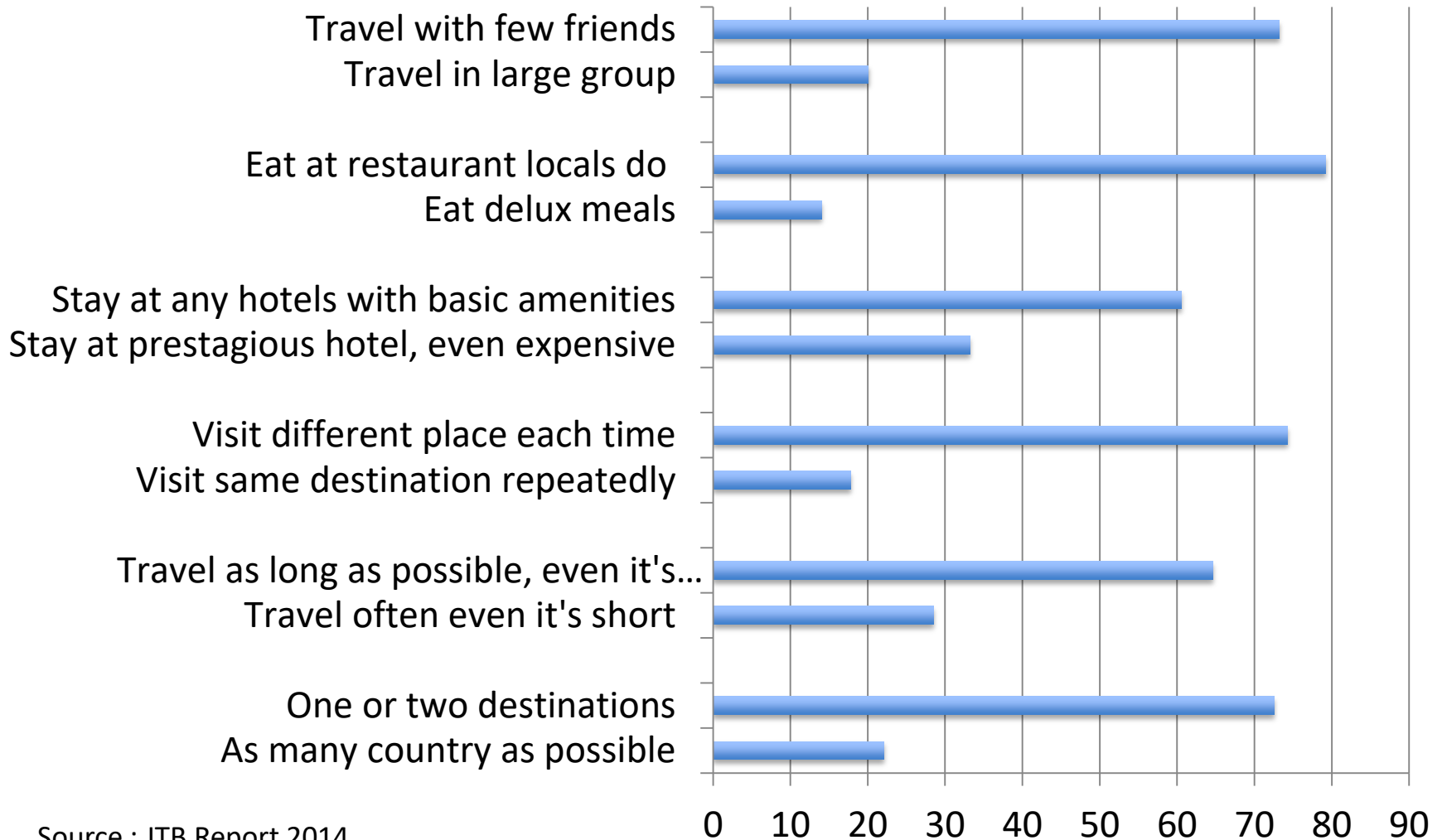
- Silent evaluation
- They are potential repeat travelers
- Words of mouth is final stage of traveling
- Complains come afterward



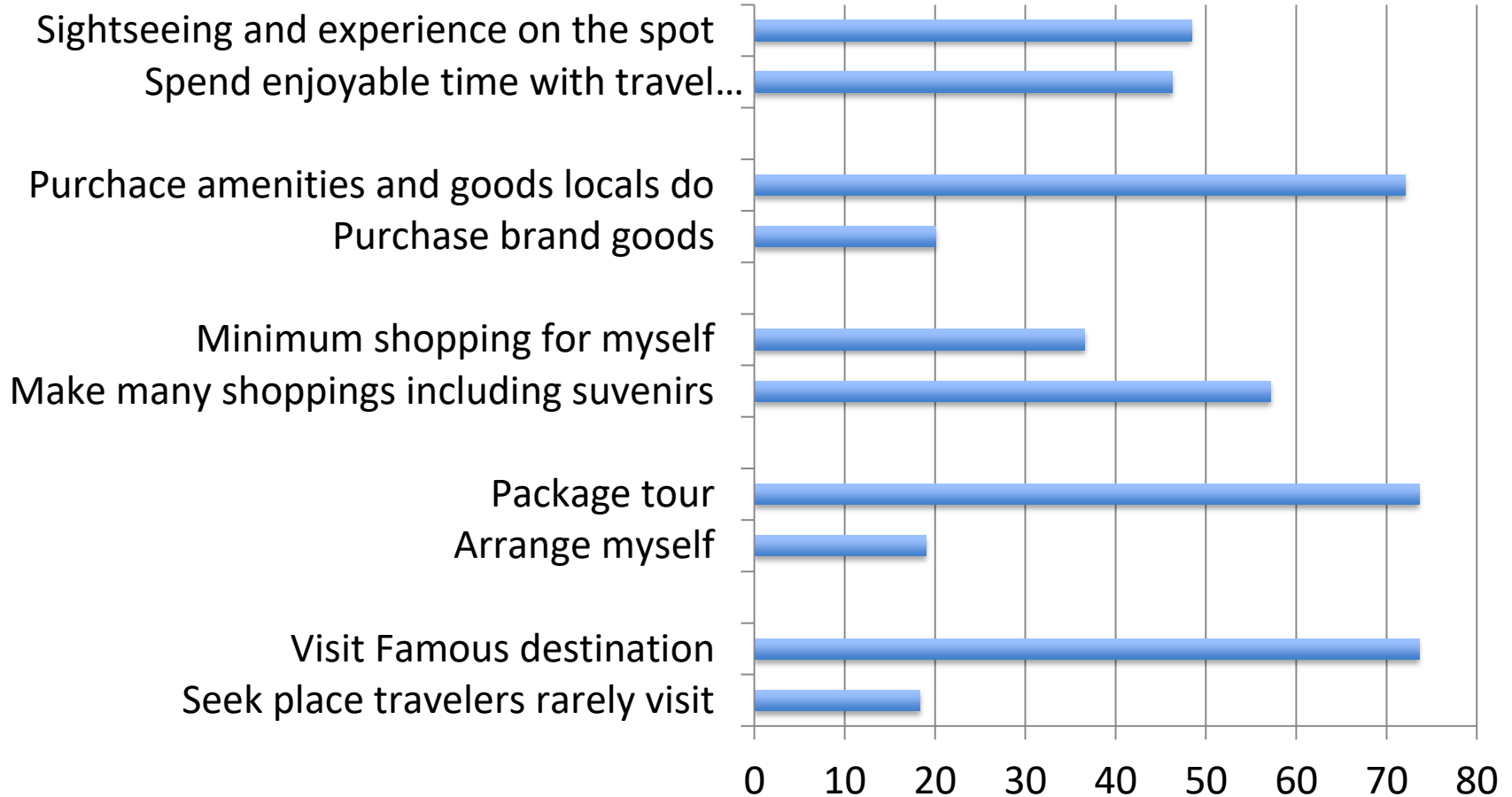
# Market Trend



# Preferred Travel Style (1)



# Preferred Travel Style (2)



Source : JTB Report 2014

# What information Japanese TO's are looking for?



Shigeyoshi Noto  
Foresight Marketing

# These are information TO's want on product manual

- Is farm running actual agriculture or just tourist farm ?
- Host family information
- Closest hospital information and language availability
- Public and private transportation information (Accessibility)
- Emergency contact
- Room information (Bed)  
Whole number of room and how many beds there are  
(How many twins, singles, family rooms e.t.c.)
- Room information (Amenity)
- Room information (Bath room and toilet)
- Seasonality (Also good for winter season ?)
- Price range
- Description on activities guests can experience
- Information on liquidation, deposit
- Meal condition
- Environment around the facility
- Beautiful pictures for usage on pamphlet and website

Quality level and the scope of the country tourism products that we could include to the tour package

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Foresight Marketing

# What Japanese Tourists expect from Overseas Destinations

Historical & Cultural sites



Warm Hospitality

Local Cuisine

Beautiful Nature and Wild Life



Shopping

## Experience

Art and Local Craft



Safety & Security

Easy Access

Good Sanitation

Reasonable and clean accommodation



The condition tour operator association recommend when new business starts with suppliers.

### ❖Transportation

- The company licensed by local authority
- Utilizing the vehicles licensed by local authority
- Following the law to maintain the vehicles
- Following the driving regulation by local authority
- Having insurance regulated by local authority
- Having emergency contact
- Driver hopefully speaks English
- Check the record of serious accident
- Having appropriate working condition of the drivers

The condition tour operator association recommend when new business starts with suppliers.

## ❖ Accommodations

- Licensed by local authority
- Following the local laws as accommodation
- Having proper system for fire such as exits
- Good security system
- Following the local sanitation law
- Immediate action plan for injuries and emergency

## ❖ . Restaurants

- Licensed by local authority and following the food, sanitary regulation
- Having proper system for fire such as exits
- Environment around restaurant should be clean enough
- Check the record of accidents, incidents, criminal case by local authority

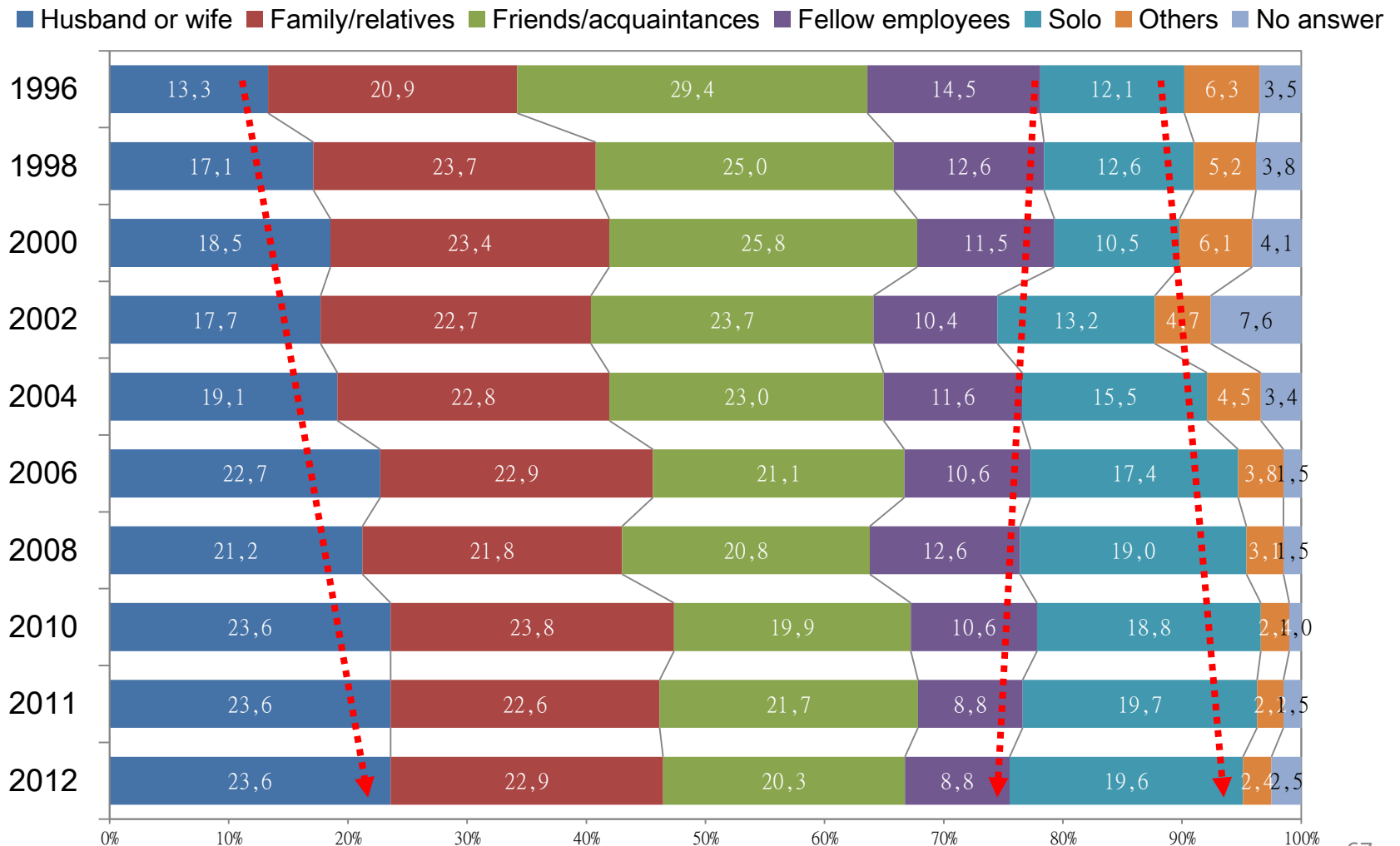
# Target Groups



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# Married couple travelers & solo travelers are growing, which really reflects 2 emerging segments

*“Who do you travel with?”*



# Emerging Segment(1) – Travel Savvy Seniors



## Demographics

- 60s +
- Rich senior couples
- Retired

“I don’t want to miss the world’s must-see touching sites/experiences in my life”

## Who they travel with

- Travel on her own
- With Husband, or Female friends



# Emerging Segment(1) – Travel Savvy Seniors



## Activities

- They clearly understand what they want. So they focus on a couple of activities they really want to experience.
  - Specific World Heritages even if it's in a hard-to-access area
  - Also, specific restaurants/gourments, shops, and hotel in a city area



# Emerging Segment (2) - Culture oriented girls

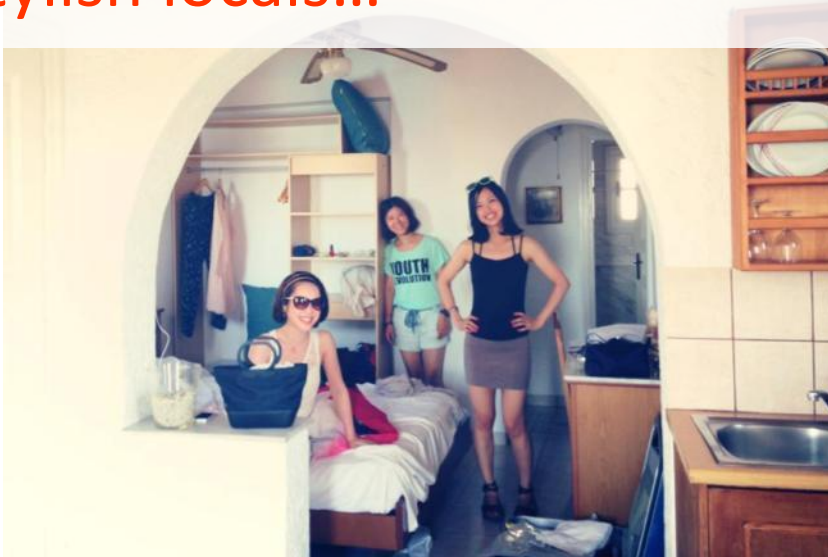


## Demographics

- 25 – 45 year old female
- mid to high income
- Living in metropolitan areas



“I like to travel as if I were living like stylish locals...”



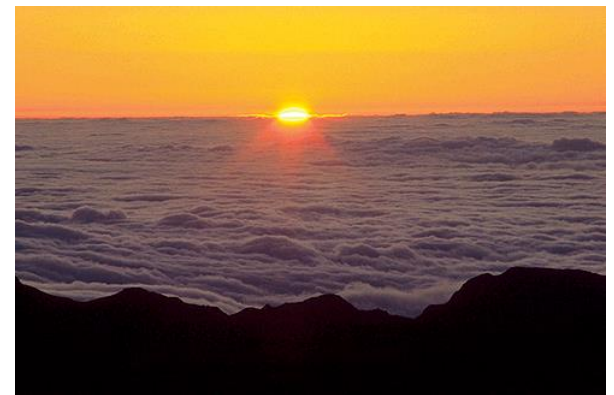
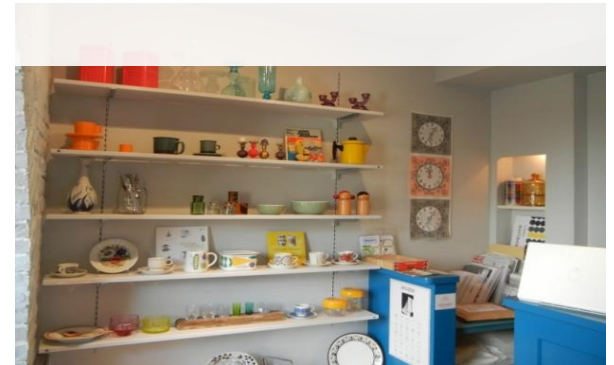
- Travel on her own
- With Husband, or Female friends

# Emerging Segment – (2) Culture oriented girls



## Activity

- Rambling around the local stylish districts for inspiration
  - Trendy restaurants, cafés, bars which are not touristy
  - Shopping at local cute boutiques/shops, not luxury brands
  - Taking photos of them to upload to SNS
- Taking short trip to rural natures/historical places for healing herself



# Emerging Segment – (2) Culture oriented girls

Lots of media have been igniting the growth of this segment

- Travel issues of female Fashion & lifestyle magazines are very well sold. Some of those already featured Finland.
- A series of guidebook named “Ko-trip” targeted at this segment has been selling 8 million copies as a total.



“Finnish healing forests”



“Turkish holiday in Istanbul”



“Let's find something cute in Estonia, Latvia, Lithuania”



“Ko-trip” are sold 8 million copies (!)

## 2 segments look different superficially, but have common driver

- They are fascinated by a country with;
  1. A combination of **sophisticated culture** & **touching nature**
  2. Which are **unique in the country**
  3. And, which are **presented as must-see-in-life**, as **special experience** they can never get anywhere else.



Travel Savvy Seniors



Culture-oriented Girls



THANK YOU

