

JAPAN

Market Summary

In early September, Japanese schools were impacted by another outbreak of H1N1 Influenza. This will impact further on school excursion travel in October and November. To help address this issue, Tourism Australia prepared an advertorial for release in a key education media with a testimonial from a school Headmaster whose students travelled to Australia during the previous outbreak in May.

News in the aviation environment has concentrated on the recovery plan for Japan Airlines and the reintroduction of fuel surcharges from October 2009.

The needs of consumers are becoming increasingly diversified with a growing tendency to seek travel with a specific objective. The recent Sydney marathon was a good example, attracting over 600 Japanese runners, four times more than last year.

1. Market News

- From early September, Japanese media reported on the anticipated H1N1 Influenza outbreak in Japan. Schools reacted to the outbreak by cancelling group activities. According to the Ministry of Health and in accordance with local government health guidelines, there were 113 schools and 1,638 classes closed in the first week of September.
- On 30 August, the Democratic Party of Japan (DPJ) defeated the Liberal Democratic Party (LDP) / New Komeito ruling coalition in the Lower House election. The DPJ's victory ended an almost uninterrupted rule by the LDP since 1955. Yukio Hatoyama was elected as Japan's 93rd prime minister, succeeding Taro Aso of the LDP.
- The biggest challenge of the new government will be re-igniting economic growth in Japan. The economy has been stagnant for 15 years and faces record unemployment, falling wages, deflation, and soaring government debt.
Source: IMA Asia, September 2009
- Consumer confidence in Japan was down 2 per cent in the first half 2009. Reaching an index of 42, consumer confidence in Japan is much lower than the

global average of 77. *Source: Nielsen Global Consumer Confidence Report, First Half 2009*

- The Yen- Australian dollar exchange rate was stable during August and September at AUD1: JPY 77 (at end September).

2. Consumer Insights

- According to a MasterCard study of Japanese consumers, travel is the third largest saving priority in the next six months, behind retirement and investment. Thirty per cent of respondents conduct up to 10 per cent of their shopping online. *Source: Mastercard Worldwide Index of Consumer Purchasing Priorities, First Half 2009*
- 'Reviewing' has become the latest advertising trend in Japan, with a growing number of Japanese companies using Twitter, in the hope that the speedy word-of-mouth communication medium will give their sales a much-needed boost. In mid August, Rakuten Travel announced a plan to begin using Twitter to increase access to its hotel reservation site. Major online travel agencies are also considering launching more marketing campaigns targeting 'Twitter' users. *Source: PC Online, 18 August 2009*
- For Japanese consumers, the internet is the preferred method of making comparisons prior to travel, with over 78 per cent of respondents using the internet for that purpose. *Source: AB-Road 'Market Survey of Overseas Travel 2009'*
- Research revealed that 66 per cent of advertisers believe that internet ads are a very important communication tool. This was up from just 57 per cent in 2007. *Source: Internet Hakusho, 2009*

For the latest in visitor arrivals, please visit 'Research & Statistics' at www.tourism.australia.com

3. Trade Update

- Due to the outbreak of H1N1 Influenza among schools in Japan, there were an estimated 10,000 cancellations to Australia for travel between October and December.
- On 26 - 27 September, Jetstar offered special airfares to Cairns and the Gold Coast from JPY 30,000. In August, Jetstar also launched a special Star Class double airfare at JPY 120,000 per person.
- Despite difficult market conditions, total turnover for major travel companies declined in June and July compared to the same period of the previous year.
- Tourism Australia launched the Aussie Specialist Program in collaboration with the JATA Destination Specialist program offered by the Japan Association of Travel Agents. This joint program aims to improve the educational level of front-line agency staff. At 25 September 2009 there were 120 agents registered in this program.

4. Airline News

- From October 2009, fuel surcharges will be introduced. Japan Airlines and Qantas will charge JPY 14,000 for return trip (A\$175). Jetstar will charge JPY 12,000 for return trip (A\$150). It is anticipated this will discourage consumers from travelling to long haul destinations.
- Japan Airlines now has a cumulative deficit of JPY800 billion (AUD 10 billion). Their operations have been greatly impacted by the global economic crisis and the outbreak of H1N1. The new Transport Minister Seiji Maehara is reviewing the recovery plan which involves five potential major reforms:
 - Restructure the international and domestic routes, including the Narita-Brisbane route
 - Reduce their staff count by 6,800 employees
 - Review the company pension scheme
 - Restructure the cargo business
 - Align with Delta or American Airlines.

5. Competitor News

- Tourism Authority of Thailand (TAT) will conduct monitor tours to Thailand. TAT will partner with 15 Japanese travel companies to recruit 340 people from Tokyo, Osaka and Fukuoka as part of a campaign called '*Amazing Thailand Value Happy Campaign*'. The project starts in September and the travel reports of the participants will be on TAT website and other media.
- In September, the New Zealand Tourism Board started using 'Twitter' to expand the network of fans of New Zealand.
- Hawaii Tourism Japan currently target wedding and honeymoon, family and active senior segments. They recently announced that they will also target females around 40 years of age and the school market. The focus will be on the diversity of experiences Hawaii can offer and anniversary trips.

6. Key Campaigns and Activities in Market

August to September campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
29 September 2009	30 June 2010	" <i>Taiken Navi</i> " on-line navigation tool created to help consumers find their SIT experience of interest – Japan-specific content. This digital tool will link to a booking site on travel portal AB-Road.	Young females 20s/30s	AB Road travel portal
August 2009	November 2009	<i>Qantas Wild Flower Express</i> : Cooperative campaign to promote Western Australia in Tokyo with eight travel agents. Promoted through various channels; retail promotion, campaign website (http://style.qantas.jp/wa) and newspaper advertisements.	Experience Seeker	Qantas TWA

Upcoming campaigns and activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
28 Sep 2009	End of November	<i>In-store Display Contest</i>	Retail shops	Travel Vision
2 October 2009	3 October 2009	<i>Club Oz Meeting in Osaka</i>	Travel Agents	All STOs Jetstar
15 October 2009	20 October 2009	<i>JATA Seminars</i> in Osaka and Tokyo focusing on Honeymoon and Wedding	Retail Staff of Travel Agents	JATA Jetstar, Qantas, Watabe Wedding
October 2009	October 2009	<i>JAM2010 Prospectus Open</i> : JAM2010 will be held in Tokyo from 24 to 25 February 2010	Australian Sellers	All STOs
October 2009	November 2009	<i>School Excursion business recovery advertorial</i> : TA will place a testimonial advertorial from a school headmaster who recently visited Australia in May 2009 in an educational media and the TA school website.	School Teachers	Japan School Tours Bureau

October 2009	March 2010	<i>STO Co-op Campaigns</i> : joint activity with 7 STOs featuring agreed SIT products and experiences.	Experience Seeker	All STOs Travel Agents Others
November 2009	November 2009	<i>Dreamtime 2009</i> in Melbourne and Sydney	Travel Agents	Qantas
4 November 2009	30 March 2010	<i>Aussie Oji campaign</i> – consumer campaign targeting young females, encouraging them visit Australia by highlighting the appeal of SIT experiences through one of Australia's true assets, the warm and welcoming nature of its people.	Young females 20s 30s	