

JAPAN

Market Summary

Arrivals to Australia were down 22 per cent year on year in 2009, due largely to the outbreak of H1N1 Influenza and the impact on the school excursion market which continued into the fourth quarter of 2009.

Total outbound departures for the same period were down by only 4 per cent, but short haul destinations such as Korea continued to experience strong growth due to the continued An-Kin-Tan ('Short, cheap, close') trend.

December 2009 arrivals showed signs of improvement with reduced H1N1 impact and five charters to Cairns over the Christmas New Year period. Industry feedback suggests school excursion bookings for early 2010 are picking up.

Japanese outbound travel is forecasted to increase in 2010 by 5 to 9 per cent compared to 2009.

1. Market News

- The Japanese Government unveiled a long-term plan to achieve annual economic growth of more than two per cent over the next decade. The government identified industries offering growth potential, including tourism, health and sustainable technologies. The government's longer-term fiscal plans are expected in May 2010. *Source: Reuters.com, 30 December 2009*
- Japanese authorities stated that although the economy has picked up with exports and production increasing, it remains in a difficult situation due to factors such as high unemployment.
Source: The Cabinet Office - Monthly Economic Report, January 2010
- The Australian dollar – Japanese Yen exchange rate fluctuated by 7.7 per cent in January 2010, peaking in mid-January at JPY 86.1 before going down to 79.5 at the end of January.

2. Consumer Insights

- Despite the uncertainty in the economic environment, JTB forecasts the number of Japanese outbound travellers in 2010 to rise 8.9 per cent to 16.8 million, compared to 15.43 million in 2009. JTB estimates travel demand will grow due to:
 - Further expansion of the metropolitan airports;
 - Favourable calendar dates for Golden Week from late April;
 - Preventive measures taken against H1N1;
 - Strong Japanese Yen;
 - Major events (i.e. Olympic Winter Games in Vancouver, World Cup in South Africa and Shanghai World Expo)
- Private consumption in retail sectors such as home electronics, especially in flat screen TVs and hybrid cars have been steadily increasing although the sales of large scale retail stores continue to decrease in every region of Japan.
Source: Bank of Japan Monthly Report January 2010
- JTB expects that the average travel budget for overseas trips will decline by 1.6 per cent to JPY 255,000 as short-haul destinations continue to attract outbound travellers. *Source: JTB press release, January 2010*
- According to recent research, 44 per cent of Japanese people in metropolitan Tokyo intend to travel overseas in 2010; this was 15 percentage points higher than the 2009 survey and is likely to be due to the stronger Japanese Yen.
- Amongst females, those aged in their 30's had the highest level of intention to travel abroad (63 per cent of total respondents), followed by those in their 20's (51 per cent). Sightseeing was the top activity (70 per cent of respondents), followed by exploring cities, then shopping (up 11 percentage points), and enjoying local cuisine. *Source: Nikkei Research Institute of Industry and Regional Economy, November 2009*
- The Long Stay Foundation's 2009 Statistical Survey found that staying in one destination for more than two weeks continued to attract Japanese travellers, despite economic recession. Malaysia is ranked as the most popular long stay destination, followed by Australia, USA and Hawaii. The most preferred duration was from one to three months (41 per cent of respondents), followed by over three months (37 per cent), then less than one month (19 per cent). *Source: Travel Journal News, 29 January 2010*
- Japan's affluent population have been impacted by the recession, but demand for luxury consumption has not diminished markedly.
 - 16 per cent of people with annual income over JPY 30million have cut back their international travel.
 - 23 per cent of people with income of less than JPY 20million have cut back their international travel.
 - 12 per cent of the wealthiest respondents spent more on overseas travel. *Source: Nikkei Marketing Journal, 18 November 2009*

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

3. Trade Update

- Feedback gathered in late January 2010 from key inbound tour operators active in Japan, suggests a rebound in the school excursion market. Other group tours, such as company incentives are yet to show signs of recovery.
- For the first time in 16 years, JTB World Vacations will revamp the product line of LOOK JTB to enhance the quality of their overseas package tours. In pursuit of new product lines, JTB used a customer survey to assess which products will be included in LOOK JTB portfolio. Those products not included in LOOK JTB will become 'off-brand products', which will be marketed as strategic, targeted and price-competitive tours to stimulate off-peak season demand and for late bookings. *Source; Travel Vision 14 January 2010*
- H.I.S. reported 21 per cent year on year growth in operating profit at JPY 7.1 billion despite an 11.8 per cent decline in revenue. HIS market share is assumed to be at around 18 per cent, up 3 per cent from 2009. Online sales represent 17.3 per cent of total revenue. More resources will be put into web business to expand sales, especially taking advantage of growing mobile phone channels. *Source: Travel Vision, 17 December 2009*
- In early January 2010, Hiroshi Mizohata, former Oita Football Club President, replaced Yoshiaki Honpo as the Commissioner of Japan Tourism Agency (JTA).
- Voyages Ayers Rock Resort recently enlisted internationally recognised cross-cultural customer service experts to educate the resort team on the service needs and expectations, cultural differences and communication skills necessary to successfully interact with Japanese tourists.
- At January 2010, there were 128 registered Aussie Specialists Program (ASP) agents. The ASP was launched in Japan in partnership with the JATA Destination Specialist Program.

4. Airline News

- On 19 January 2010, Japan Airlines (JAL) and its subsidiaries JAL International and JAL Capital filed for bankruptcy protection under the Corporate Rehabilitation Law. JAL will aim to return to profitability by the end of 2011. Measures will include drastic flight network restructuring, with JAL reducing its international flight routes from 93 to 79 by the end of FY2012 and its domestic flight routes from 136 to 119. New appointments at JAL are as follows:
 - Kazuo Inamori, former CEO of Kyocera Corp is now Chairman and CEO
 - Masaru Onishi, the head of JAL unit, Japan Air Commuter was appointed as President
- From 17 March to 5 April, Continental Airlines will increase their Guam to Cairns services from four-weekly to daily. CO will actively promote these additional services, highlighting the convenience of connections from Sapporo, Sendai, Niigata, Tokyo, Nagoya, Osaka, Okayama, Hiroshima and Fukuoka.
- Two charter flights to Cairns are planned by All Nippon Airways in March 2010 to meet the demand during spring holiday from Kyushu area.

5. Competitor News

- A study conducted by Expedia Japan, one of Japan's leading online travel companies for people aged 20 to 59 years found that Hawaii was the most popular destination by far in the overall ranking, followed by Australia and Italy. Australia's strongest drawcards were relaxing, healing and nature. *Source: Expedia, 4 Jan 2010*
- Hawaii Tourism Japan (HTJ) unveiled the 'Hawaii in My Life, My Anniversary Hawaii' campaign. HTJ will collaborate with a photographer Junji Takasago for various programs to introduce 50 selected activities and attractions to the Japanese market. The campaign will also have an online marketing component (www.gohawaii.jp) and partnerships with social networking sites. The campaign will target the following market segments:
 - Romance travellers - weddings, honeymoons, anniversaries
 - Families - baby's first trip, reunions
 - Active seniors - retirement, birthdays, anniversaries
 - Arasa / Arafo - Single professional women between 30 and 40 years of age
 - School Trips*Source: Weekly Wing Travel, 18 January 2010*
- Guam Visitors Bureau (GVB) reported a 2.9 per cent decline in Japanese visitors in 2009 (825,129 visitors) compared to 2008. Looking forward, GVB Japan expects this result to improve due to direct flights from Haneda to Guam in 2010. In 2010, GVB will be looking to extend their 40 per cent market share in the wedding/ honeymoon market and will also target the student/ education segment. *Source; J-Wing Travel 1 February 2010*
- Qatar Airlines is set to put additional aircraft into service between Narita and Doha from 26 April 2010 following an increase in departure and arrival slots. The aircraft will provide daily flights via Kansai International Airport. Emirates is also set to put their airliners into service between Narita and Dubai from 28 March, to meet demand for travel between Tokyo, the Middle East, Africa and Europe. *Source; Japan Tourism Marketing Report January 2010*
- The Thailand Convention and Exhibition Bureau (TCEB) will launch a program to attract more Japanese MICE business to Thailand. Involving the Immigration Department, Airports, Thai Customs, Tourism Authority of Thailand and Thai Airways, the program will aim to cut the red-tape to facilitate business travel to Thailand. In 2008, Thailand welcomed 35,000 MICE visitors from Japan. *Source: TTG Daily News, 1 February 2010*

6. Key Campaigns and Activities in Market

December / January campaigns and activities				
START	END	DESCRIPTION	TARGET AUDIENCE	PARTNERS
September 2009	June 2010	<i>'Taiken Navi'</i> : online navigation tool created to help consumers find their special interest tourism (SIT) experiences of interest – the site features Japan-specific content and is linked directly to a booking site on leading travel portal AB-Road.	Young females 20s/30s	AB Road travel portal
October 2009	March 2010	<i>Co-operative Campaigns</i> : Joint activity with seven STOs featuring SIT products and experiences, such as world heritage, wildlife, food/wine, outback/Indigenous, marathon, beach, wildflower, trekking/walking and tennis	Young females 20s/30s Males and females over 55	All STOs Travel Agents Jetstar, Qantas, Japan Airlines
November 2009	End April 2010	<i>Aussie Oji campaign</i> : Consumer campaign to highlight the appeal of Australia's SIT experiences through one of Australia's true assets, the warm and welcoming nature of its people. Social Networking activities have started on Twitter, Face book and Mixi.	Young females 20s/30s	All STOs Travel Agents Jetstar, Qantas, Japan Airlines

Upcoming campaigns and activities				
START	END	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
February 2009	June 2010	<i>Jukunen campaign</i> : consumer campaign that will highlight the appeal of Australia's SIT experiences. Consumer talk shows featuring key story tellers, digital tie-ups and dedicated content on Australia.jp.	Males and females over 55	STOs
23 February 2010	23 February 2010	<i>School & Group Workshop</i> : To be held in Tokyo as part of JAM 2010	Group sales forces	STOs
24 February 2010	25 February 2010	<i>Japan Australia Mission 2010</i> : JAM2010 will be held in Tokyo	Tour planners and purchasing staff	STOs Airlines