



MISSED CONNECTIONS: JAPAN INBOUND TOURISM CAMPAIGNS (OPORTUNIDADES PERDIDAS: AS CAMPANHAS DE TURISMO EXTERNO JAPONESAS)

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ABSTRACT

The concept of a governmental or a semi-government office fostering the development of tourism in an economy is a well established practice in both developed and developing countries (Kotler, 2006). However, within the Japanese context, the 2nd largest economy, instead of one central authority directing a variety of tourism developments/industries, there is a series of offices and organizations, with the task of promoting Japan as a travel destination. Utilizing both a qualitative methodology of ethnography and interviews and a quantitative analysis of recent tourists attracted in the “Visit Japan Campaign”, this paper investigates why Japan has one of the world’s least effective inbound tourism policies. Finally by illustrating the Japanese perception of tourism based on the reaction of various tourism “bodies” to typical academic tourism research, the paper examines whether tourism functions as an industry group in Japan or whether it is viewed as a tool by the Japanese government to promote a positive image of Japan.

KEYWORDS

Japan, Inbound tourism, tourism management, national tourism organization, VJC, Visit Japan Campaign.

INTRODUCTION

The original intention of particular Japanese tourism research was to establish a new database focused on the image of Japan as a tourism destination based on the Visit Japan Campaign (VJC) operation in its target countries since 2003.

RESUMO

O conceito de departamento governamental ou semi-governamental apoiando o desenvolvimento do turismo numa economia é uma prática aceite e bem estabelecida tanto em países desenvolvidos como em desenvolvimento (Kotler, 2006). Contudo, no contexto japonês, a segunda maior economia mundial, em vez de uma autoridade central dirigindo uma variedade de indústrias e realizações turísticas, existem vários departamentos e organizações com a tarefa de promover o Japão como um destino turístico. Utilizando tanto uma metodologia qualitativa de etnografia e entrevistas e uma análise quantitativa incidindo sobre turistas recentes atraídos pela campanha “Visite o Japão”, este artigo investiga a razão porque é que o Japão tem uma das políticas menos eficientes em relação ao turismo externo. Finalmente, ao ilustrar a percepção japonesa de turismo baseada na reacção de vários “agentes” turísticos à normal pesquisa académica, o artigo examina se o turismo funciona como uma indústria ou se é visto pelo governo japonês como uma ferramenta para promover uma imagem positiva do Japão.

PALAVRAS-CHAVE

Japão, turismo externo, gestão turística, organização nacional do turismo, VJC, campanha “Visite o Japão”.



Austrian Airlines (AUA) and conducted at the gate area at Vienna International Airport was used (Felber, 2004). In the AUA study, students interviewed tourists in the gate area at Vienna International Airport. To initiate this study official letters were sent to the Ministry of Land, Infrastructure and Transport (MLIT) as well as Narita International Airport Corp in Japan. Both inquiries received no answers so the alternative pursued was approaching a foreign airline as well as a Japanese airline for possible assistance. The reply of the foreign airline was: "Due to the security regulations at Narita Airport and customer security concerns it is not possible for us to assist you" and from the Japanese: "Because we are under heavy competition right now it will be difficult to have a survey conducted in the departure lobby". Temporarily blocked in gathering new data, the next step was secondary analysis. The Bank of Japan (BOJ) interviewed 4,259 inbound tourists regarding their spending during vacations in 2005 and 2006. These interviews were conducted at Narita Airport by a marketing firm commissioned by BOJ. When asked for access of these data through a contact at BOJ, the response was that only the report of the findings (BOJ, 2006) was available to outsiders. Japan National Tourism Organisation (JNTO) collects the most interesting data; several reports on inbound tourism, which also include questionnaires handed out to foreign tourists, are issued. As in case of BOJ, the raw data for analysis is not available, and the reports do not provide (e.g., full response to all questions might indicate alternative opinions).

Facing the circumstances that have been introduced, it was decided to enter a joint project with the National Chiayi University, in Taiwan, through which cooperation it was possible to interview inbound tourists from Taiwan returning from a leisure trip to Japan. In total 476 questionnaires were collected during August/September 2007. The data collected allow generating theories regarding questions raised in relation to VJC about important target markets.

Considering other options on how to evaluate the effectiveness of the VJC, an additional project was launched: Interviewing foreign travel agents targeting Japan or being specialized in outbound travel. The research question was whether the overseas public relation and market promotion strategies listed in VJC documentation were

known or seen as important by foreign travel agents. Further they were asked to estimate the popularity of Japan as a travel destination compared to other Asian countries and asked to comment on the branding policy of Japan.

Quantitative research began with questionnaires being sent by email to companies listed in travel agent directories of the respective countries. The questionnaires were in English and were sent during the months of January and February of 2007. In total 458 questionnaires were sent, out of which 101 were rejected for various reasons. Of the 357 questionnaires reaching recipients the distribution by country was UK (14), HK (87), Taiwan (21), USA (98), Germany (8), China (18), Australia (26) and Korea (85).

Although these responses indicate some interesting concepts, the low number of responses left the cross-section and analysis questionable. Consequently, a new survey was undertaken from August 2007 to October 2007 with a specific focus on East Asian countries, and staffed with student assistants with first language skills. During this period an additional 24 questionnaires could be obtained. In the following there is a brief statement of the main points of the responses: Out of the 30 travel agents 15 knew of Visit Japan Campaign and 15 did not. One significant finding was that none of the nine travel agents contacted in China knew of the campaign even though China constitutes one of the most important markets targeted by VJC headquarters. Another section asked the respondents to evaluate the strategies developed by the Japanese government, copied from the official 2003 pamphlet of the Ministry of Land, Infrastructure and Transport (MLIT) titled "The Inbound Tourism Initiative of Japan". Many of the strategies were seen as important, but most of the travel agents were not aware of their existence. Additional points addressed were the high travelling expenses necessary for a trip to Japan and the resulting lack of price competitiveness compared to other Asian destinations, as well as lack of information available to the tourism professionals and the limited variety in travel products.

When the assistants were asked if they could offer possible reasons for low response rates, the following answers were given:

In the case of China, the two research assistants stated that:



1. E-business is not popular, because it is expensive for small Chinese companies. Not all companies could receive our questionnaires.

2. The companies only care about their profit. There is no concern with research, therefore even if they saw the email with the questionnaire, many would put it in the trashcan. In the case of Hong Kong:

1. This project is not a "Company's Project", so agents are not motivated to respond. If the project was associated with an airline company, many agents would be more willingly to take part because of the "power" of airline and because of prior agreements of co-operation.

2. "I found out one interesting thing when I send emails to agents. Some famous or 'big' agents do not respond to such requests." "Big" companies have their own opinion surveys (e.g., on their website) so that customers can give opinions.

In the case of South Korea only one reply could be obtained, but as the project assistant did not have any experience in the travel business, the likely explanations for the low success rate cannot be given. These answers suggest a cultural frame that inhibits obtaining data for quantitative analysis.

Based on the experiences encountered in obtaining data for this research, the research proceeds on the following basis: 1) analysis of the data accumulated in the Taiwan project; 2) analysis of the responses on foreign travel agents; 3) interviews with tourism specialists, both foreign and Japanese.

Summarizing, several points can be noted: most organizations and people contacted are essentially friendly and interested in tourism research. However, there seems to be cultural frames and mindsets in place which block academic research regarding Japan. There are various forms of protectionism in place and the management of the tourism industry itself is not transparent. Such residues of traditional Japanese corporate culture make it very difficult to conduct research. Inhibitors of research need to be reduced or removed in order to conduct tourism research that is credible. For future research it would be advisable to seek a partnership with a big player of the tourism industry (i.e. MLIT, a famous hotel group or an airline company), as this would give an incentive for companies to return the questionnaire. In Japan however this attempt seems to be quite

difficult as cooperation between these organizations and academics does not seem to be the norm, as previous attempts to involve these organizations - initiated by several professors - were either left unanswered or received a negative reply.

HISTORICAL BACKGROUND

In reviewing how Japan has managed tourism, a possible explanation can be found for the present organization of the tourism industry and the form of its marketing strategy. Before the VJC there was no integrate effort directed toward creating a continuous flow of inbound tourists. Rather, tourism seems to have been used as a tool for various purposes, one of the most important being various development projects. Use in development projects dominated for almost 60 years (until the 1970s). The only exception is the promotion of tourism during the Tokyo Olympic Games in 1964. However, this stopped immediately after the event. For the period up to the 1990s, Table 3 summarizes the periods when Japan promoted "tourism", the purpose of the promotion and the target countries of the promotion.

The most significant and successful pre mid-1990s policy was the "Ten Million Program" started in 1987. Core methods were used to encourage the Japanese to spend their holidays abroad. Firstly, Japanese "missions" were sent to 9 countries. Meetings and conferences were held between the Japanese missions and travel-related organizations to discuss what potential Japanese tourists want might want and strengthening the holiday infrastructure for Japanese tourists. Secondly, the duty exemption limit for each Japanese tourist coming back from a foreign country was doubled from 100,000 Yen to 200,000 Yen. It can be speculated that the purpose was to increase the number of young brand-oriented female tourists, as the price margin of branded goods inside Japan is the highest in the world. This may well have been a particularly appropriate policy as in roughly the same period, i.e., 1986, the Equal Employment Opportunity Law was enforced, by which the purchasing power of young Japanese women was increased.

The result of the "Ten Million Program" in relation to the economic policy and/or international diplomatic strategy was quite effective. The ratio of service balance, i.e., the deficit from travel made by the Japanese against the trade surplus was only 8.9 % in 1987, whilst the ratio was raised to 33.5 % in 1990.



Table 1: Tourism in Japan until 1990s

<i>Time Period</i>	<i>Purpose of Tourism</i>	<i>Target countries</i>
Late 19th to early 20 th C.	➤ Acquisition of technical knowledge	Western countries
Early 20th century until WWII	<ul style="list-style-type: none"> ➤ Improve Japan's international standing, reputation and competitiveness ➤ break away from international isolation ➤ Obtain foreign currencies 	Western countries, After 1939: Asian countries
After WWII	➤ understanding for international policies	
1964	➤ Tokyo Olympic Games	
1980ies	➤ International understanding after isolation following high growth period	Increasing focus on Asian countries
1987	➤ "Ten Million Program" to double the number of outbound tourists to 10 million with the aim of correcting the balance of payments and promote international good will	

Source: OECD, Soshiroda (2005), White paper MLIT

Table 2: Tourism in recent years

<i>Year</i>	<i>Characteristic</i>
1994	Only 40 cities approved for international tourism and conventions
1995	58.9% of Japanese Hotels and 50.7% of Ryokan (Japanese Style Hotels) in the red – opening to international tourism by launching "Welcome Plan 21"
2001 to 2004	Purpose of tourism: International understanding, friendship and world peace; counter unemployment
2003	"Visit Japan Campaign" (VJC)
2006	Need for Tourism Statistics

Source: White paper MLIT

As seen from Table 1, there was no intention of the government to increase the number of incoming tourists or to create a flourishing tourism industry by targeting incoming tourists. As a consequence, until the early 20th century no agency or government office was created to promote inbound tourism. In the early 20th century, JNTO changed from being solely responsible for outbound tourism. It gained responsibilities for inbound tourism policies. This occurred almost simultaneously with the creation of the Visit Japan Campaign Office.

In the 1990s a slow shift occurred in offering tourism sites in Japan to foreign travellers. The reason for this was the trouble faced by the Japanese tourism industry. As companies cut their budgets for trips a large portion to the revenues of the accommodation industry disappeared. In addition, travel preferences and demographics changed. More Japanese decided to travel abroad rather than spend their vacation within the country. Initially the government tried to assist the tourism industry by promoting extended vacations. The next step was



making Japan more attractive to foreign travellers. As this effort to make Japan more attractive did not have the desired impact, the “Welcome Plan 21” was launched. It involved attracting foreigners by translate signs and by permitting foreigners to travel more freely. Until the late 1990s cities in Japan still had to ask the government for approval to target international tourists. Table 2 gives a short overview of the main tourism issues during the 1990s and early 21st century.

It may seem that by 1995 Japan tried to create a constant flow of inbound tourists. By consulting the MLIT description of the “Welcome Plan 21” for details, one sees the picture is not clear: When asked for the differences between “Welcome Plan 21” and VJC the answer was that “Welcome Plan 21” was not a marketing campaign but a plan. It involved cooperation between government offices of different countries. There were no specific target countries for “Welcome Plan 21.” There were “rough focused markets such as Asian Countries”. Still, VJC is the first general campaign using promotion abroad. However, that plan shows a perception gap between what the Japanese think is best for the foreign tourists and what foreign tourists actually want. The number of nights per person per year spent for domestic travel is very small (2.81 nights in 2003 and 2.78 nights in 2004 based on MLIT Tourism White Paper, 2004). For the domestic tourist market it was rare to find package tours longer than a four nights. A package tour of two nights and three days using an airline/train to reach a distant area was common. A trip can be up to about 10,000km, is the distance between the northern regions and the southern regions. On a trip tourists could move 200-400km by bus.

Theorising from Tanaka (2005), one can develop some ideas. It seems that the Japanese travel agents who plan tours to Japan from East Asian countries presume that the desired density, the area covered, distance and the duration, is similar to that of Japanese domestic tourists. A possible explanation could be the long international isolation and long economic seclusion causes flawed views.

As the will for developing a tourism industry occurred very recently, there are few tourism statistics available for Japan. Statistics on a larger scale are produced by JNTO (e.g., 2007 JNTO Report on Economic Effects by Inbound Tourists to Japan, 2005-2006 JNTO Handbook on Inbound Tourism). However, JNTO statistics need to be considerably improved. For example, in all the publications, there

is no distinction between leisure and business travel. Lack of appropriate segmentation occurs in most government as well as in media reports: When talking of the effect of VJC, misimpressions are fostered since total number of inbound tourists is used when VJC does not target business travellers.

REVIEW OF LITERATURE

There has been extensive research on the Japanese outbound market but little has been published in prominent scientific journals regarding Japanese inbound tourism. One publication about inbound tourism is Soshiroda, 2005. The author identifies five policy periods that have occurred between the late 19th century and 2004. Goals, means and target groups are identified. Research on incoming tourism has been conducted by several Japanese governmental bodies. The International Tourism Center of Japan, in cooperation with JNTO, issues ‘Statistics on Tourism for Japan’ (JNTO, 2006). The publication contains raw data on inbound tourists but it does not contain any analysis. Some studies were carried out by the Bank of Japan in relation to the balance of payments. A goal was improving ‘travel’ data allowing introducing new and better balance of payment estimation methods. The Airport Department of the National Institute for Land and Infrastructure Management published several short reports on how to make Japan a more attractive country to foreign tourists. Their work recommends preserving historical buildings as well as scenic improvements to roads, and sustaining the natural scenery in accordance with the Beautiful Country Creation Policy (July 2003) and the Scenery Law (June 2004). The Japan Association of Corporate Executives covers incoming tourism in their report ‘How to Make Japan a Place where Non-Japanese People Want to Visit, Study and Work’ (2002). The report criticises the broad linkage of several ministries and agencies in relation to the tourism sector even though MLIT is mainly responsible for the sector. There have been various public works projects (‘hakomono’) justified based on tourism but which did little to attract tourists or contribute to the creation of a destination brand.

The Organisation for Economic Co-operation and Development (OECD) has issued a report ‘National Tourism Policy Review of Japan’ (July 2002). It addresses the tourism industry in Japan by considering inbound and outbound tourism and tourism policy. The report identifies actions to stop the degeneration of the Japanese tourism market. The report



relates to products for the incoming and also domestic tourists.

The bulk of research on Japanese tourism is studying the Japanese traveller (their spending, destinations, trends and psychological profiles, e.g. conducted by the European Tourism Commission (2000) or Canadian Tourism Commission (2006)). These Japanese outbound studies are to assist foreign travel agents and countries in targeting Japanese travelers. Even Japanese corporations like the Japan Tourism Marketing Co. and Japan Travel Bureau focus their publication series on the outbound, e.g. JTM (2006).

Previous research and suggestions/criticisms published in Japanese journals acknowledge that the efforts made so far by the VJC campaign do not address the fundamental issues facing the inbound tourism industry. For example, Shiotani (2005) and Shiotani and Chujo (2005) suggest that the Japanese 'closed inclination toward the rest of the world' is the largest contributor to flawed thinking and policy. Japan should open up. Shiotani and Chujo try to 'enlighten' the Japanese people to 'accept foreigners with open-mindedness.' Issues raised include burdensome entry permit regulations, misimpressions about foreigners being associated with crime, and the need for an environment where foreign unskilled labour can be easily accepted for working in Japan. The fact that the authors feel the need to comment on crimes allegedly committed by foreigners implies that the problems of cultural insularity exist among the Japanese. Isolation is confirmed in the Japanese version of the Annual MLIT Tourism White Paper for 2004. Although 76.9% of Japanese respondents answering the ministry's questionnaire (667 sample) welcomed the idea of increasing foreign tourists. However, 9% of the respondents were against increased inbound tourism with the main reason being increase of crimes and troubles.

Shiotani (2005) and Shiotani and Chujo (2005) also propose that the VJC does not appropriately recognize different segments when marketing Japan. They suggest that more marketing of Japan's modern features should go to East Asian tourists, particularly young tourists. Based on a multiple-choice questionnaire, the Annual Tourism White Paper for 2004 mentions the opinions of Japanese respondents about Japanese attractions that should be promoted to incoming tourists. Culture related destinations including shrines/temples and festivals came first

(80%). Popular culture attractions including animations and films and urban city atmosphere were the least selected (approximately 20%). The point raised by Shiotani and Chujo (2005) was that the as Japanese people did not recognize what would be attractive to East Asian tourists.

Tanaka (2005), after examining the length of stay and areas visited by package tour tourists from Hong Kong, Taiwan, China and South Korea (12 top tour operators and 339 kinds of tours in total) observed that the duration of package tours sold in Hong Kong and Taiwan are four to six nights while the majority of Korean package tours are for three nights. He also observed that most package tours took the tourists to more than one prefecture and were planned and marketed by Japanese travel agents. Because of Japanese travel agent involvement, there are not many differences in terms of the selection of routes and locations with package tours sold in Japan for Japanese domestic tourists. Tanaka presented results of customer feedbacks from a Korean package tour's participants the majority showing complaints were related to the hectic itinerary, too many locations and lengthy transits to them by bus. For a four-day tour, almost two days were spent in a bus moving around Japan. Tanaka suggests that restrictions imposed by the availability of transport modes, locations of infrastructure and accommodation make it difficult for tour operators to plan satisfying packages. Both Shiotani & Chujo (2005) and Tanaka seemed to raise the issue of a particular attitude of the Japanese. Specifically, many arrangements for inbound tourism were only designed from a Japanese point of view.

CASE STUDY: VISIT JAPAN CAMPAIGN

Overview

VJC was initiated for the purpose of boosting the service sector in Japan. Resorts and hotels faced a decline because of catering to Japanese tourists. The Japanese changes in travel preference, change in company culture, change in demographics (rising number of the elderly), and an increasing population of working women were impacting profitability. Company workers on overnight group trips sponsored by their employers and groups of middle aged women had contributed heavily to revenues in the tourism sector. This picture changed as company funds for collective travel were substantially reduced as a result of economic stagnation. Also, there was a change in attitude towards company



trips to strengthen bonds between employees. Women, on the other hand, preferred foreign travel destinations to relatively expensive domestic holidays. These factors causing reduced domestic tourism industry forced rethinking strategies to attract customers. Simultaneously, economic reform was supported by former Prime Minister Koizumi. This was reflected in the Cabinet decision 'Basic Policies for Economic and Fiscal Policy Management and Structural Reform 2002' relating to improving the economy of Japan. There were to be influence on the tourism sector. In December 2002 the 'Inbound Tourism Initiative' was initiated by the MLIT in cooperation with several other ministries and agencies to promote inbound tourism. The aim was to balance the number of outbound travellers, 16.22 million people, with the number of inbound tourists, who only came up to 4.77 million people. This fact led to a significant deficit in the international balance of payments by approximately 30 billion Euro (exchange rate 2002) (MLIT, 2003). In order to significantly increase inbound tourism an action plan called for revitalising the tourism industry and stimulus by prolonged holidays for Japanese 'VJC', with 'Yokoso! Japan' as its catch phrase, became the market campaign in 2003. The budget was 12 million Euro in 2003 was raised to 23 million Euro in 2006.

VJC as an organisation setup

The board that is responsible for the VJC was authorised by the MLIT. Though some initiatives came from the private sector, the member structure of the VJC board exhibits some problems with the degree of government involvement in the campaign. Problems include the transparency and the assignment of responsibility to each of the organizations managing, regulating and promoting the Japanese tourism sector. Figure 1 represents an overview of the VJC operational setup allowing one to see structural implications. First of all, the related ministries involved, apart from the MLIT, are only the Ministry of Foreign Affairs (MFA), Ministry of Economy, Trade and Industry (METI) and the Agency of Cultural Affairs. Despite the hotel industry's importance, the Ministry for Health Labour and Welfare (MHLW), which is deals with accommodation standards, is excluded. The Ministry of Environment and the Ministry of Agriculture, Forestry and Fisheries (MAFF) are also excluded, though there was eco-tourism/green tourism policy on the governmental agenda. It seems that the relatively speedy, in Japanese terms, establishment of the campaign is

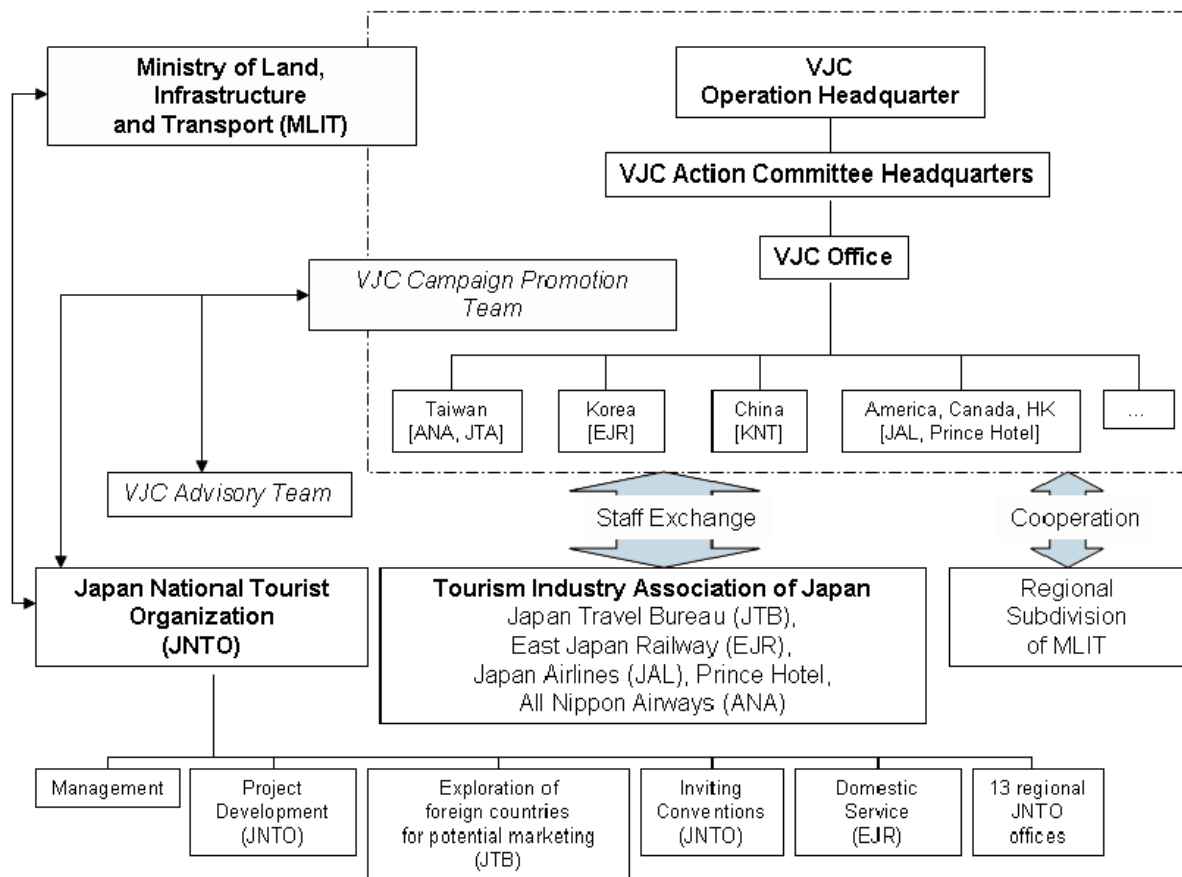
centred around the MLIT. Since the administrative reform in 2001, which is more or less just a reshuffling of the ministries, the separate jurisdictions respectively under the former Ministry of Transport, the former Ministry of Construction, the former National Land Agency and the former Hokkaido Development Agency have been unified under the same roof as the MLIT. The emphasis on tourism fits very with this unified governance. Bitter fights over jurisdictions should be reduced or eliminated. More importantly, as Lincoln (2001) suggests, an area exceptionally suited for politicians seeking pork-barrel projects, i.e., public works has been created. Politicians can more easily gain influence over the bureaucracy given they have a one-stop location for pork.

Another matter for consideration is that the VJC board consists of 57 members. They represent different organisations. As many as 29 members belong to the form of organisation collectively called 'koeki-hojin (translated as public benefit corporation)'. Koeki-hojin represent a group of companies in the same line of business to affect the allocation of government funds and subsidies to their members. Koeki-hojin is a source of post-retirement jobs for government officials leading to the criticism that too associations have been created to provide post-retirement jobs. The names of these vary from 'special agency', 'fund agency', 'independent administrative agency' to 'specific trade group agency'. Koeki-hojin receive substantial financial support from the government, presumably reflecting close ties of personnel to bureaucrats. Nevertheless, the government exerts some control through these organisations with former government workers to some degree being a monitoring tool. Such Japanese government control over the industries is summarised as 'informal guidance', i.e., complicated and vague informal communication between the government and private sector. This is reflected in the tourism sector. Both the JNTO and the Japan Foundation used to be 'special agencies'. The VJC's board has four representatives of the 'fund agency'.

Recently the government decided to change 'special agency' in line with the latest administrative reform. JNTO once during the previous administration faced being closed down (administrative reform under the Hashimoto government in 1993). Around that time the main JNTO's operation was to provide information to outbound tourists. With the private sector playing a big role in outbound information



Figure 1: VJC Operation Setup



Source: VJC (July 2007), translated and simplified from Japanese Version

provision, the JNTO was considered to be superfluous. However, it was rescued by being given a new role in 2003. It became the main vehicle for action in relation to a new law regarding the promotion of international conventions in Japan.

Out of these 29 ‘koeki-hojin’ organisations, some may be purely trade associations which occasionally lobby. However, some are organisations which exist just as redistributors of subsidies loans and tax relief. At least, one can say that the VJC board houses vested interests. Because of this, the allocation of funds and subsidies is likely to be inefficiently. In Japan, establishing mutual consent is often observed as the main objective in meetings. There is also an egalitarian approach to public projects.

As well semi-independent associations/agencies exerting influence, VJC board members representing the private sector are all from established firms which have been providing domestic tourism related services. This implies that the VJC can be looked upon as the same circle of market participants, established decades ago. This is the group brought to-

gether under the supervision of the MLIT. The structure tends to dampen competition between the firms, and can even prevent new entrants to the industry from having incentives available to their competitors. Another example is that in spite of statements like ‘we need new talents in the new field of inbound tourism’ from the VJC’s Japanese websites, one of the ways the VJC local offices approach this objective is by sending and funding ‘charisma’ inn owners (‘charisma’ is a fashion word in Japan which is often used in context with an ideal representative of a certain profession, e.g. ‘charisma chef’, ‘charisma business man’) who have been either successful for a long time or ‘the big name’ in the industry to the community of regional accommodation associations for holding conferences or workshops. Furthermore there is still no change in the structure of package tours for foreign tourists; two firms, JTB (offering Sunrise Tours) and Hato-bus, have been the leaders for decades. Their package tours can purchase after arriving in Japan (at the airports or hotels). One of these sells 1-3 day packages around the nation and the other sells tours Tokyo by bus tours.



VJC's headquarters has its operating units: Each unit is assigned to take up the marketing task for its region. These units consist of staff which is temporarily reassigned to the VJC headquarters from Japan's established travel-related companies. It should be noted that no marketing specialists had been employed for VJC so far, which is quite a contrast to the strategy applied in the outbound tourism policy "Ten Million Program" described before.

Supporting VJC is legislation tailored by the MLIT. These laws mostly outline policy direction in general terms and empower the ministry to interpret and apply the laws in a flexible way. This characteristic makes it necessary for companies to either hire lawyers to interpret these laws or to engage in a close relationship with government officials or government related tourism organizations if they want to establish themselves in the Japanese tourism sector.

Lastly, another entity will be added to the organizational chart of VJC in the summer 2008, the "Tourism Agency". However, according to VJC Office the role of this agency will be limited to regulatory and juridical issues, like "visa handling, foreign driving licences, subsidies of travel agents etc."

CONCLUSION

Although incoming tourists have been slowly increasing since the start of VJC in 2003 it is questionable if this is largely due to the introduction of VJC. Factors like the exemption for tourist visa for Citizens from Hong Kong (introduced in 2004), Taiwan (2005) and in Korea (2006) may be driving change. Also, the increasing wealth of the Asian population is an exogenous influence. Furthermore, the increasing popularity of Japanese pop culture may have contributed more to increased inbound tourism than the marketing campaign launched by the government.

There are several indicators that VJC and its surrounding organisational network is not ideal for promoting Japan as a tourist destination. There are too many organisations which have the "official" task of promoting tourism in Japan. To what degree, if at all, particular agencies participate in promotion can only be perceived by insiders. At present, Japan does not have a single National Tourism Organization (NTO) which manages the tourism industry. It has a variety of organizations which have their separate staff, budgets and offices. These entities

even engage in separate research. This situation makes it impossible to find an effective tourism strategy, set goals and define a clear mission statement. The number of organizations makes it difficult for foreign companies or governments to approach and negotiate with Japan on tourism issues, as it is not clear who is responsible. In consequence destinations other than Japan are approached to avoid coping with Japan's confusing system.

Another key point of Japan still being ranked as 29th in the number of inbound tourists ranked by the United Nations World Tourism Organization is the absence of attractive tourism products in Japan. Existing tours have been designed for Japanese. It is important to optimise the offer in tourism products sold in foreign countries by considering what purchases want.

Tourism is a quite new industry for Japan. Until recently it was not recognised as contributing to the economy. There is still limited experience among the stakeholders. As well, the public does not understand benefits from tourism and the value of a more positive attitude towards it. In order to establish a successful tourism sector in Japan it is necessary to substantially improve organization in support of it. There is the need for the employment of tourism specialists for research, promotion and the creation of tourism products. After all, the most expensive marketing campaign misses the point without a product which satisfies the needs of the consumers, the tourists.

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