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

Shigeyoshi Noto
Foresight Marketing
Geography

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

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

Average longevity: 80.21
66% live in urban area
Birth rate per couple: 1.2
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.
Japanese outbound traveling
The difference between 2 Asian markets
The year of liberalization of overseas traveling

- China (1997)
- Korea (1989)
- Japan (1964)

Matured
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

(Thousands)

Spring holidays
Golden Week
Summer holidays
Silver Week

Source: Ministry of Justice “Statistics of Immigration Control”
### Numbers of Overseas Travelers by Gender and Age Group (2013)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Male (Thousands)</th>
<th>Female (Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-9</td>
<td>299</td>
<td>291</td>
</tr>
<tr>
<td>10-19</td>
<td>389</td>
<td>495</td>
</tr>
<tr>
<td>20-29</td>
<td>1,784</td>
<td>1,067</td>
</tr>
<tr>
<td>30-39</td>
<td>1,870</td>
<td>1,489</td>
</tr>
<tr>
<td>40-49</td>
<td>2,342</td>
<td>1,202</td>
</tr>
<tr>
<td>50-59</td>
<td>1,867</td>
<td>1,066</td>
</tr>
<tr>
<td>60-69</td>
<td>1,386</td>
<td>1,045</td>
</tr>
<tr>
<td>70+</td>
<td>477</td>
<td>403</td>
</tr>
</tbody>
</table>

Source: Ministry of Justice “Statistics of Immigration Control”
Number of Overseas Travelers by Month

Source: Ministry of Justice “Statistics of Immigration Control”
- Many national holidays
- Frequent long weekends
- Short holidays
- Less consumption of paid holidays
January
April
June-July
<table>
<thead>
<tr>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>28</td>
<td>29</td>
<td>30</td>
<td>31</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>16</td>
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<td>20</td>
<td>21</td>
<td>22</td>
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<td>24</td>
<td>25</td>
<td>26</td>
<td>27</td>
<td>28</td>
<td>29</td>
<td>30</td>
</tr>
</tbody>
</table>

Silver Week
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

- Once: 68.6%
- Twice: 18.9%
- 3 times: 6.5%
- 4 times: 2.6%
- 5 or more: 3.3%

Average: 1.6 times in 2015

Previous Experience of Overseas Travel by Market Segment in 2015

- 0 or more times: 29.6%
- 1-3 Times: 12.4%
- 4-5 Times: 12.1%
- 6-9 Times: 16.1%
- 10-19 Times: 23.9%
- 20 or more times: 23.9%
- No answer: 0.9%

Average: 17.0 times

Source: JTB Tourism Research & Consulting Co. “Factual Survey of the Overseas Travel Situations”
Destinations by Market Segment

- East Asia: 24.8%
- China: 7.2%
- Southeast Asia: 21.9%
- U.S. Mainland: 6.4%
- Canada: 1.3%
- Hawaii: 10.3%
- Guam/Saipan: 4.5%
- South Pacific islands: 0.7%
- Oceania: 2.5%
- Europe/Russia: 16.5%
- Middle East/Africa etc.: 2.1%
- No answer: 0.1%
- Latin America & the Caribbean: 1.6%

Source: JTB Tourism Research & Consulting Co. “Factual Survey of the Overseas Travel Situations”
Purpose of Travel

- Tourism: 70.6%
- Business trips: 13.0%
- Honeymoon: 3.9%
- To visit family or friends: 5.2%
- Conference attendance: 1.6%
- Training/inspection trips: 1.6%
- Overseas study/School trips: 1.3%
- Others: 1.8%
- No answer: 1.0%

Source: JTB Tourism Research & Consulting Co. “Factual Survey of the Overseas Travel Situations”
Travel Duration: Europe/Russia

The proportion of trips lasting 1 to 4 days was again the highest in East Asia. For remoter destinations, such as Canada, Europe & Russia, Latin America, the Middle East & Africa, etc., over 60% lasted at least eight days.

Travel Duration by Destination (2015)

<table>
<thead>
<tr>
<th>Duration</th>
<th>Overall average</th>
<th>Europe/Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-4 days</td>
<td>31.3%</td>
<td>2.1%</td>
</tr>
<tr>
<td>5-7 days</td>
<td>39.7%</td>
<td>33.2%</td>
</tr>
<tr>
<td>8-14 days</td>
<td>23.4%</td>
<td>58.9%</td>
</tr>
<tr>
<td>15 days or more</td>
<td>4.8%</td>
<td>5.6%</td>
</tr>
<tr>
<td>No answer</td>
<td>0.9%</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

Source: JTB Tourism Research & Consulting Co. “Factual Survey of the Overseas Travel Situations”
Travel Companions

*Traveling alone continued to expand.*

Source: JTB Tourism Research & Consulting Co. “Factual Survey of the Overseas Travel Situations”
"Viewing natural and scenic attractions" retained top place for the second year. "Shopping" dropped below 60% for the first time in 12 years.

Source: JTB Tourism Research & Consulting Co. "Factual Survey of the Overseas Travel Situations"
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.

Source: JTB Tourism Research & Consulting Co. “Factual Survey of the Overseas Travel Situations”
Destination and Repeat Travelers: Europe/Russia

Number of Repeat Visits to Destinations (2015)

- **First**
- **Second**
- **Third or subsequent**
- **No answer**

**Overall average**
- 42.8% (First)
- 15.5% (Second)
- 39.8% (Third or subsequent)
- 2% (No answer)

- **Europe/Russia**
- 57.5% (First)
- 14.8% (Second)
- 24.9% (Third or subsequent)
- 2.8% (No answer)

(n = 4,302) (n = 710)
“There was a destination I wanted to visit” was important for the elderly, “Recommended or invited by family/friends” (common among women and younger segments) surged for female students.

**Motivation for Overseas Travel (2015)**

- There was a destination I wanted to visit: 32.7%
- Travel regularly: 20.6%
- Recommended or invited by family/friends: 18.1%
- Could afford it: 10.2%
- The cost was low: 13.9%
- Could take a holiday: 38.3%
- Honeymoon/Overseas wedding ceremony: 5.5%
- Graduation, retirement or other cerebration: 3.9%
- Others: 4.3%
- Frequent flyer miles: 4.1%

*Source: JTB Tourism Research & Consulting Co. “Factual Survey of the Overseas Travel Situations”*
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.

Source: Japan Tourism Marketing Co., “Factual Survey of the Overseas Travel Situation”
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.

Source: Japan Tourism Marketing Co., “Factual Survey of the Overseas Travel Situation”
Desire to Travel Overseas by Gender, Age and Marital Status

All segments showed increasing desire to travel overseas, with single women keen to travel surging past 80%.

Factors Hindering Overseas Travel

Security concerns: 51.6%
Simply don't feel like it: 39.7%
Language concerns: 35.1%
Costs too much: 30.9%
Do not like foreign food: 29.7%
Fear of flying: 26.1%
Anxiety about health: 23.2%
Concerned I may become ill: 19.5%
Cannot take time off: 18.1%
Dislike foreign travel: 13.0%
Tiresome travel applications and procedures: 11.9%
Need to care for family, animals and/or plants: 11.6%
Don't agree with foreign customs like tipping: 7.9%
No destination I would like to visit: 7.6%
Takes too long to get to airport: 6.8%
Overseas travel is extravagant: 4.8%
No one to go with: 3.1%
Hard to align holidays with desirable companions: 2.5%
No acceptable tour schedule/itinerary/price: 1.1%

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

Preferred Purpose of Travel

Nature and scenery 60.1%
Historic sites and architecture 44.9%
Local cuisine or favorite foods 39.0%
Rest and relaxation 33.9%
Shopping 31.4%
Experience different cultures 22.5%
Art galleries and museums 20.0%
Water sports (windsurfing, scuba diving etc.) 14.3%
Deepen friendship with companions or enjoy family get-togethers 13.1%
Meet local people for cultural and other exchanges 11.4%
Stay at famous hotels 9.7%
Concerts or other musical events 6.0%
Absorb foreign languages, expert knowledge 4.7%
International sports events, carnival, etc. 4.3%
Experience latest fashions/trends 3.5%
Gambling, shows 3.2%
Sports (tennis, golf, etc.) 2.1%
Skiing or other winter sports 1.3%

Enjoying “nature and scenery” declined but retained the top place for the 12th year; preferences generally ran lower than last year.

Travel Reservation Methods

Source: Japan Tourism Marketing Co., “Factual Survey of the Overseas Travel Situation”
### Desired destinations

<table>
<thead>
<tr>
<th>Ranking</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hawaii</td>
<td>Hawaii</td>
</tr>
<tr>
<td>2</td>
<td>Italy</td>
<td>Australia</td>
</tr>
<tr>
<td>3</td>
<td>France</td>
<td>Italy</td>
</tr>
<tr>
<td>4</td>
<td>Australia</td>
<td>France</td>
</tr>
<tr>
<td>5</td>
<td>Guam</td>
<td>Guam/UK</td>
</tr>
<tr>
<td>6</td>
<td>UK</td>
<td>Guam/UK</td>
</tr>
<tr>
<td>7</td>
<td>Switzerland</td>
<td>Germany</td>
</tr>
<tr>
<td>8</td>
<td>Germany</td>
<td>Switzerland</td>
</tr>
<tr>
<td>9</td>
<td>Spain</td>
<td>Singapore</td>
</tr>
<tr>
<td>10</td>
<td>Canada</td>
<td>Spain</td>
</tr>
<tr>
<td>18,</td>
<td>Scandinavia &amp; Finland</td>
<td>Out of ranking : Scandinavia &amp; Finland</td>
</tr>
</tbody>
</table>
SNS in Japan Jan, 2016

Source: Nielsen research
SNS in Japan (2)
SNS in Japan (3)
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.

Source: Japan Tourism Marketing Co., “Factual Survey of the Overseas Travel Situation”
The number of overnights by Japanese in Finland

- 2009: 134264
- 2010: 136831
- 2011: 146451
- 2012: 176936
- 2013: 205968
- 2014: 191462
- 2015: 200392
- 2016: 214472
Overnights by Japanese in Finland

![Bar chart showing overnights by Japanese in Finland from January 2014 to December 2016. The chart includes data for each month in the years 2014, 2015, and 2016. The highest number of overnights occurred in August 2016.](chart.png)
Finland is number one Nordic destination in Japanese markets.

Japanese overnights in the Nordic countries Jan-Dec 2014

- Finland: 191,462, 42%
- Norway: 89,514, 20%
- Denmark: 88,576, 20%
- Sweden: 83,385, 18%

Finland is the top destination in Japanese markets.
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

- 2012: 8778
- 2013: 10768
- 2014: 17303
- 2015: 22865
- 2016: 23953
The number of overnights in Estonia by month
No of tourist & overnights in Latvia by Japanese

Number of tourists

Number of overnights

THANK YOU