

Basic Analysis of the Features and Promotion of Regional Areas and Inbound Policies

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1. Introduction

The number of foreign visitors to Japan has been increasing, which is important for regional areas in Japan in terms of international understanding and economic impact. In order for inbound policies that are based on accepting more foreign visitors to Japan to be effective, cooperation among the regional areas of Japan is essential. This report analyzes the present state of foreign visitors to regional areas of Japan.

2. Importance of Attracting International Visitors to Japan's Regional Areas

The number of foreign visitors to Japan in 2013 was over 10,000,000 and over 14,000,000 in 2014, which is the highest number so far (JNTO 14). To achieve this figure, some changes have been realized. For instance, the “Visit Japan” campaign policy started in 2003, Japan Travel Agency was founded in 2008, and the national government has also deregulated visa procedures for some foreign countries. Additionally, an increasing LCC (Low-cost carrier) and depreciation of the Yen have contributed to the rate at which foreigners have been visiting Japan. At present, if the current system changes in order to allow easier access to Japan, or depreciation of Yen continues, more foreign visitors are expected to visit Japan. Factors influencing change are the recovery from the devastating 2011 earthquake and the 2020 Olympic Games that will be held in Tokyo.

In many regional areas of Japan, efforts are being made to attract more foreign visitors. This includes regions not only outside the areas of the so-called “Golden Route” but also numerous other attractive areas in Japan. It is expected that the increase in effort will result in a rise in the number of repeat visitors, that is, those who have visited Japan more than once. As such, the policies and activities of each regional area are important for establishing the regional images as the future discoverable areas of Japan. This would include a strategy outlining the natural attractiveness of the regions, which will be separate from the promotion of big city areas. In that sense, it is a wider regional area approach, which spans beyond prefectural borders, that is important.

The Tourism Nation Promotion Basic Law states, “sightseeing promotes a regional economy ... international mutual understanding” and “it is an essentially important issue to realize Tourism Nation, in order to develop Japan's economic society in the 21st century. The methods of which are: to form highly attractive sightseeing spots with the power to compete on an international scale, to provide training to the appropriate people in order to reinforce global competitiveness in Japan's tourism, to contribute to the promotion of international tourism, and so on” (preamble of the Law). Regarding regional areas, it states, “local governments need policy planning where

tourism features and play a role in practicing it” (the 4th article of the Law) and “when practicing the policy, local governments need to cooperate extensively with other local governments to execute the plan effectively” (the 4th article 2 of the Law). According to the Tourism Nation Promotion Basic Plan (established in 2012), regarding international tourism, it states, “... more mobile and effective business development is in demand, based on the travel style of foreign visitors..., and it is an urgent matter to determine new levels of attraction and appeal, which acquires not only new foreign visitors but also those who have previously been to Japan.” It goes on to state, “it is necessary to discover more attractive factors such as Japanese cuisine, culture, and advanced technology, and use them for tourism promotion, in cooperation with both national and local governments.” The aim of achieving 20,000,000 foreign visitors to Japan in 2020 (Tourism Nation Cabinet Meeting [10]) cannot be achieved by simply promoting the Golden Route, and with regards to securing return visitors, it is essential to develop and promote second or third places of interest to visit. This outlines the importance of inbound policies for regional areas.”

The reason cooperation in the wider area is important is because foreign visitors generally prefer to see many different areas; regional borders do not have specific meaning for them¹. Moreover, one specific regional area does not always contain enough sightseeing locations to satisfy visitors, so it is expected that a wide area policy will produce a synergetic effect of mutual complementation among sightseeing areas (Nakao [12]). For instance, collaboration among sightseeing spots that have different attractions could have a synergetic effect. Therefore, many types of ongoing alliances could be conducted.

3. Advantages of Attracting Repeat Visitors to Wider Regional Areas

Currently, various policies on the regional areas of Japan have emphasized inbound policies. However, the appeal of the area for the people who live there might not necessarily be the same appeal for foreign visitors. In addition, it is also unclear whether a visitor to Japan would choose to visit a regional area as their first destination, even if the number of visitors from that market is the highest amongst main foreign markets. Furthermore, since there have been very few studies conducted that investigate the reasons why visitors repeatedly come to Japan, the reason for any increases in the number of visitors would also be unclear, although intensive promotion targeting repeat visitors would still be done. Moreover, even if a high volume of visitors to a regional area are from one particular foreign market, whether they spend money in that regional area, that is to say, whether that area receives an economic gain, is uncertain without specific research regarding the needs of that area. Hence, it is important to determine which foreign markets should be targeted for each regional area, from the perspective of a cost-benefit analysis.

Generally, first-time foreign visitors to Japan, whose main purpose is sightseeing, are most likely to visit popular areas such as Tokyo or the Kansai area. From another view, those most likely to visit regional areas in Japan would be, in all probability, repeat visitors whose countries are mature markets regarding Japanese inbound

¹ For instance, Aoki [1] analyzes the sale of the broad-based trip tour in Singapore.

tourism.

Therefore, the inbound policy in a wide regional area should target the markets of returning visitors, as there are benefits for both foreign visitors and the regional areas they visit. The AIDMA model is a useful tool to explain this point. The AIDMA model outlines that in a standard case, foreign visitors who want to come to Japan have “1) attention/awareness about Japan,” “2) interest,” and “3) desire.” By having interest, visitors can make “4) memories” prompting them to take “5) action” to finally visit Japan (Takai, et. al [11]).

Essentially, there would be a similar explanation for visiting a regional area in Japan, although each foreign market has some different features. However, the following viewpoints might change to some extent, considering the repeat visitors are the primary target for regional areas. In the case of foreign visitors from mature markets, and the targeting of regional areas in Japan, point one from above has already been achieved. Point two is not about Japan, but the next (regional) area of Japan they want to visit. In addition, points three and four are also experienced by repeat visitors, or those who want to visit Japan many times in the future. Therefore, their hesitancy would be relatively lower than a first-time visitor.

Those who have previously been to Japan are already aware, to some extent, of Japan’s image, culture, traditions, customs, food, etc. From this perspective, the promotion of regional areas does not have to start with an introduction to Japan itself, but from promotion of the unique features of the area. These features may not yet have been experienced by the repeat visitor, and as such, the first investment in promotion by regional areas is thought to be relatively efficient. Therefore, it would be more effective for the inbound promotion of a regional area to commence later in any given year, than campaigns for other areas, in an attempt to secure more repeat visitors. An inbound regional activation policy that emphasizes these aspects could therefore lead to a potentially effective promotion strategy.

4. Present State of the Chubu Area and Comparison of Regional Areas

Given the importance of the wide area approach and requirement for cooperation regarding inbound policy, this first section aims to analyze the state of main regional areas by reviewing the total number of foreign hotel guests. The review is based on the “Accommodation Survey”² by Japan Tourism Agency (JTA [4]-[9]³). Ideally, the research would be analyzed based on the number from each particular sightseeing place or institution, but because of the difficulties obtaining exact numbers of visitors and the importance of comparison analysis based on the same levels and method, using statistics from JTA is a more reliable option.

In the analysis, five main regional areas, with the exceptions of Kanto and Kansai, were targeted. The specific areas that were used in the analysis were Hokkaido, Tohoku (comprising six prefectures of Aomori, Iwate,

² Not all prefectures provide statistics of the number of foreign hotel guests, so the number determined by JTA is used in this report.

³ It is noted that not every hotel guest would have visited the sightseeing spots in the area, but the statistics of foreign hotel guests provide a relatively accurate numerical value in statistics. Nukaga [13] indicates the importance of the “Accommodation Survey.”

Miyagi, Akita, Yamagata, and Fukushima), Chubu⁴ (comprising nine prefectures of Toyama, Ishikawa, Fukui, Nagano, Gifu, Shizuoka, Aichi, Mie, and Shiga), Chugoku/Shikoku (comprising nine prefectures of Tottori, Shimane, Okayama, Hiroshima, Yamaguchi, Tokushima, Kagawa, Ehime, and Kochi), and Kyushu (comprising seven prefectures of Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, and Kagoshima), in terms of the area balance and attracting customers.

The total number of foreign hotel guests in 2008 is illustrated in Figure 1. The numbers from Hokkaido, Chubu, and Kyushu are approximately 2,000,000, and approximately 500,000 in Tohoku and Chugoku/Shikoku. The national share of each regional area are 9.9%, 2.3%, 10.7%, 2.2%, and 8.3%, for the five areas respectively. In terms of characteristics from each area, the Taiwanese in Hokkaido and the South Korean in Kyushu attain large proportions of each of these. Hokkaido is well known for its attractive snow scape and Kyushu is relatively closer to South Korea than any other area in Japan. In addition, Tohoku and Chubu had relatively high proportions of Taiwanese, and there was a large number of Americans in Chugoku/Shikoku.

The total number of foreign hotel guests in 2013 is illustrated in Figure 2. The numbers from Hokkaido and Chubu were approximately 3,000,000, Kyushu had approximately 2,500,000 guests, and Chugoku/Shikoku had approximately 600,000. However, the number for Tohoku has decreased to approximately 300,000. It seems that the earthquake's negative effects continue to exist. The national share for each regional area was 9.2%, 1.0%, 10.2%, 2.3%, and 7.7%, respectively. The share of each area has declined, with the exception of Chugoku/Shikoku.

In terms of the characteristics of each area, there are still large proportions from Taiwan in Hokkaido and

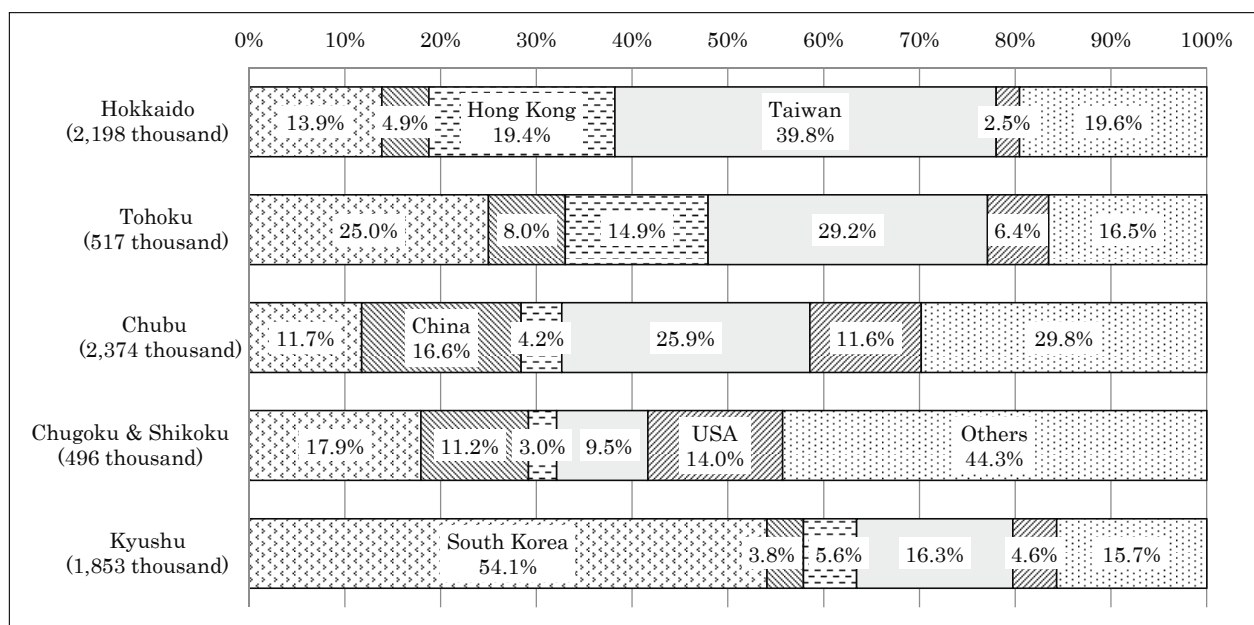


Figure 1 Number of Foreign Hotel Guests at Main Regional Areas in Japan (2008) Source: JTA [4].

⁴ There are various divided area definitions for the Chubu Area. The reason why this framework (nine prefectures) has been used in this report is because there is a wide-area inbound association comprising nine prefectures, known as the “Central Japan Tourism Promotion Association,” which is also the same as the framework of the “Chubu Area Governor’s Conference,” which holds political importance in this area.

South Korea in Kyushu, the same as 2008, but they have declined since then. The increase–decrease rates of the five main markets of South Korea, China, Hong Kong, Taiwan, and USA, is illustrated in Figure 3. Except for the minor decrease in South Korean numbers, the total increase rates are high. Particularly, the rate from China in Hokkaido is high, and the increase rates of Hong Kong in Chubu, Hong Kong and Taiwan in Chugoku/Shikoku, and China in Kyushu are also relatively high.

To analyze such points in more detail, the Chubu Area has been focused upon as a case study. Regarding the seasonal proportions of the Chubu Area in 2013 (cf. Figure 4), the highest rate was 11.4% for April (389,000, or

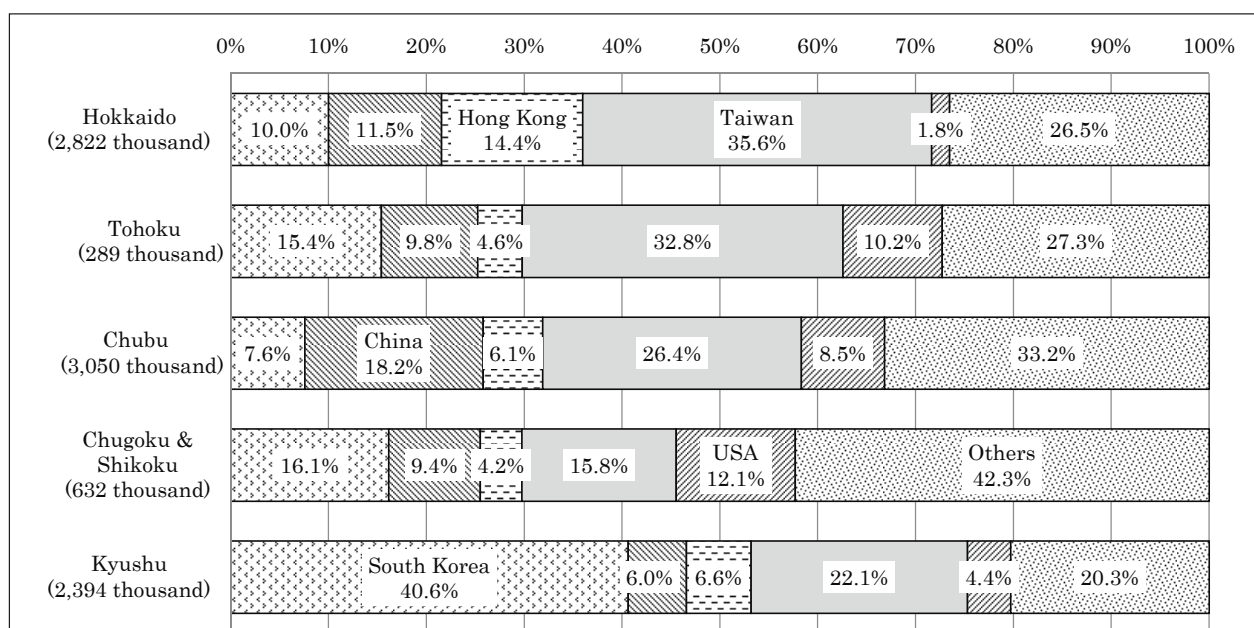


Figure 2 Number of Foreign Hotel Guests at Main Regional Areas in Japan (2013) Source: JTA [9].

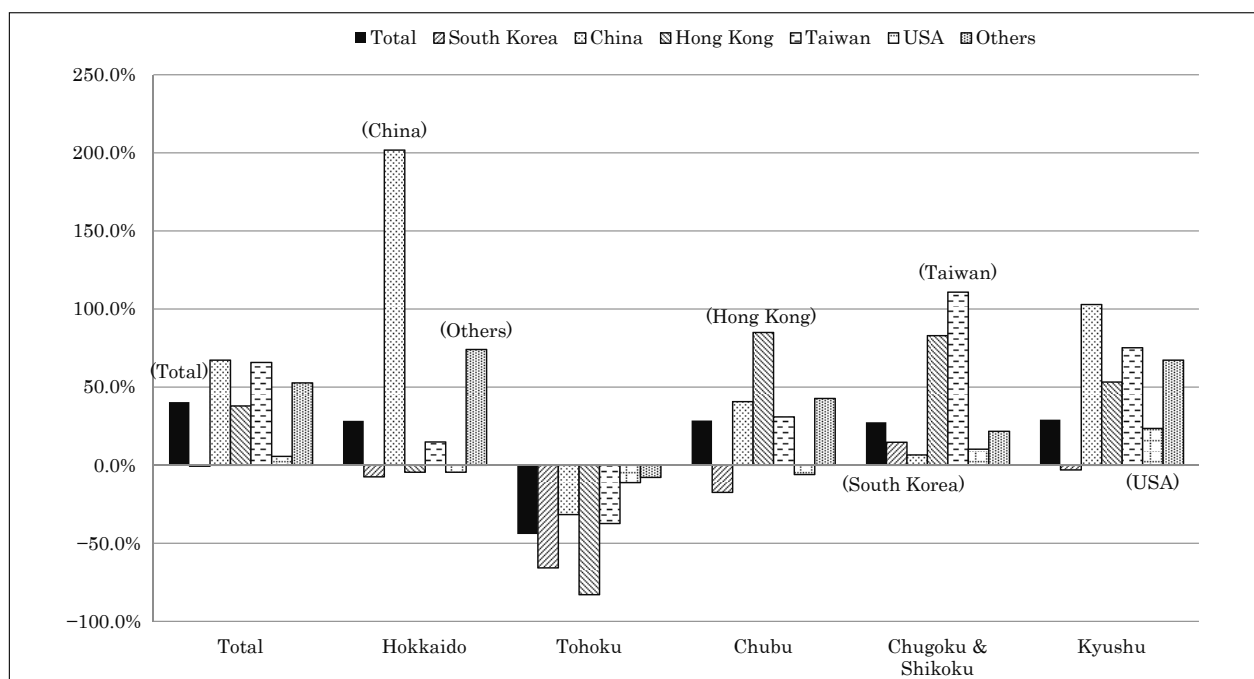


Figure 3 Increase & Decrease Rate of Main Foreign Hotel Guests in Regional Areas of Japan from 2008 to 2013 Source: JTA [4]-[9]

367,000, in the case of removing facilities with less than 10 employees), and the smallest was 6.4% in January (218,000, or 151,000, as per the above condition). In the case of 2008, the highest rate was 12.6%, or 299,000 in April, and the smallest was 5.2%, or 123,000, in December (both numbers do not include facilities with less than 10 employees). Generally, foreign hotel guests visited the Chubu area in spring and autumn, however, comparing the number between 2008 and 2013 indicates that the degree to which travel was seasonal has somewhat dispersed.

Comparison of proportions of the main foreign markets in 2013 indicates that the Taiwanese were the highest (26.4%; the proportion of national base: 19.8%), and the second highest was China (cf. Figure 5: the facilities with less than ten employees were removed). In the case of each prefecture of the Chubu Area, with the exception of

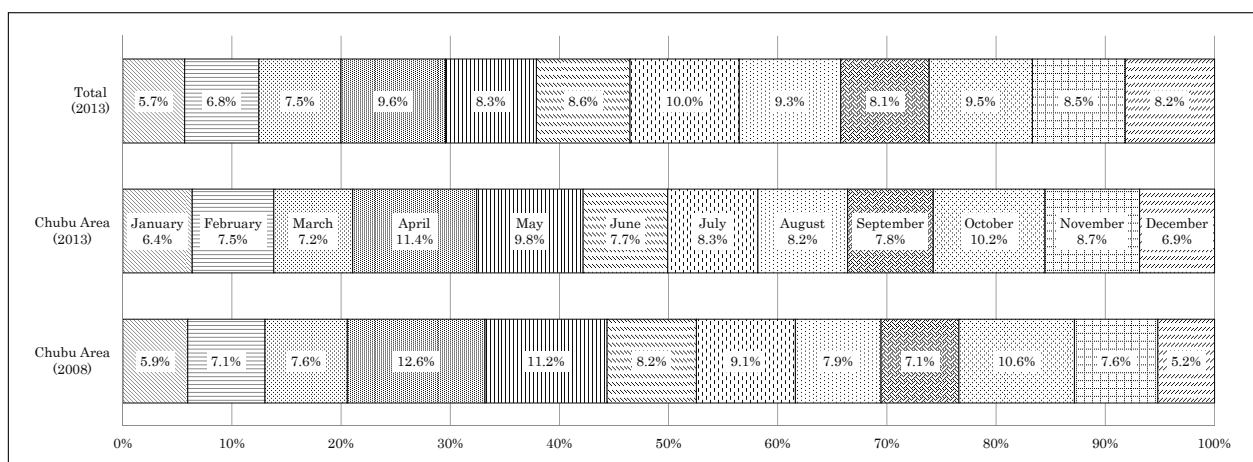


Figure 4 Rate of Foreign Hotel Guests at Each Month in the Chubu Area of Japan (2008 & 2013) Source: JTA [4]-[9].

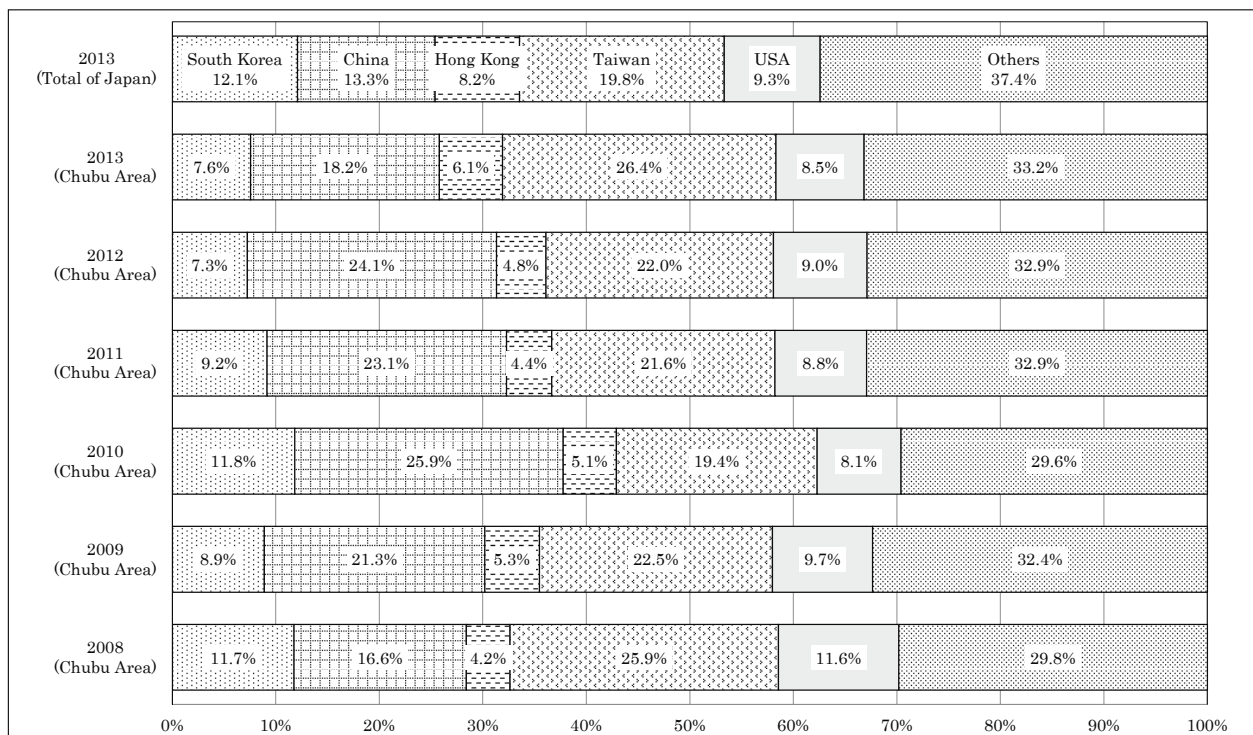


Figure 5 Each Share of Foreign Hotel Guests from Main Foreign Markets to Chubu Area of Japan (2008 to 2013)

*Except the Accommodation Facilities with Staff Numbers of Less than 10.

Source: JTA [4]-[9].

Aichi and Shizuoka, the Taiwanese represented the largest proportion. This was the case particularly in Toyama, where it was over 50%. The total proportion of the five main markets in the Chubu Area has continued to represent approximately 70% since 2008. However, the total proportion has slightly decreased; from 70.2% in 2008 to 66.8% in 2013. In the case of the national level, the total proportion of the five main markets was 62.6% in 2013, which is less than the number for the Chubu Area.

For the next stage of the process, the tendencies of foreign visitors in each prefecture of the Chubu Area were reviewed, from the perspective of gaining cooperation in the broader Chubu Area. Specifically, the primary surveyed point was to determine whether there were any differences in the proportion of foreign hotel guests from each prefecture. First, the data for visitors to all of Japan (based on 47 prefectures) in 2008 is shown in Figure 6. It could be said that the more the number of total hotel guests increased, the more the rate of foreign hotel guests

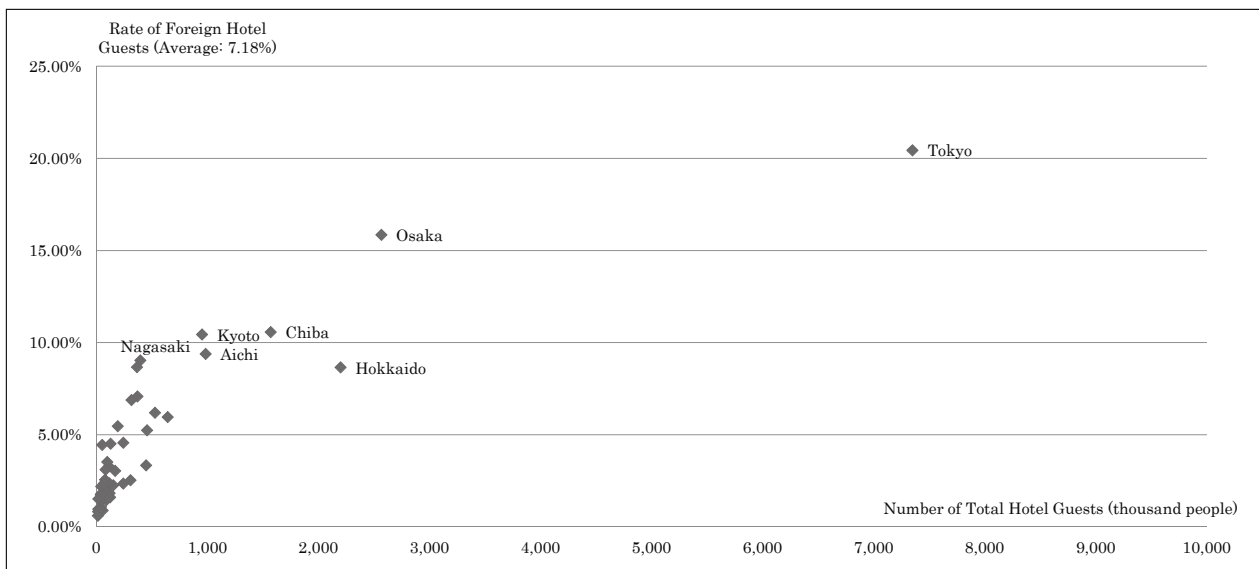


Figure 6 Number of Foreign Hotel Guests and their Rate among Total Hotel Guests (2009) Source: JTA [4].

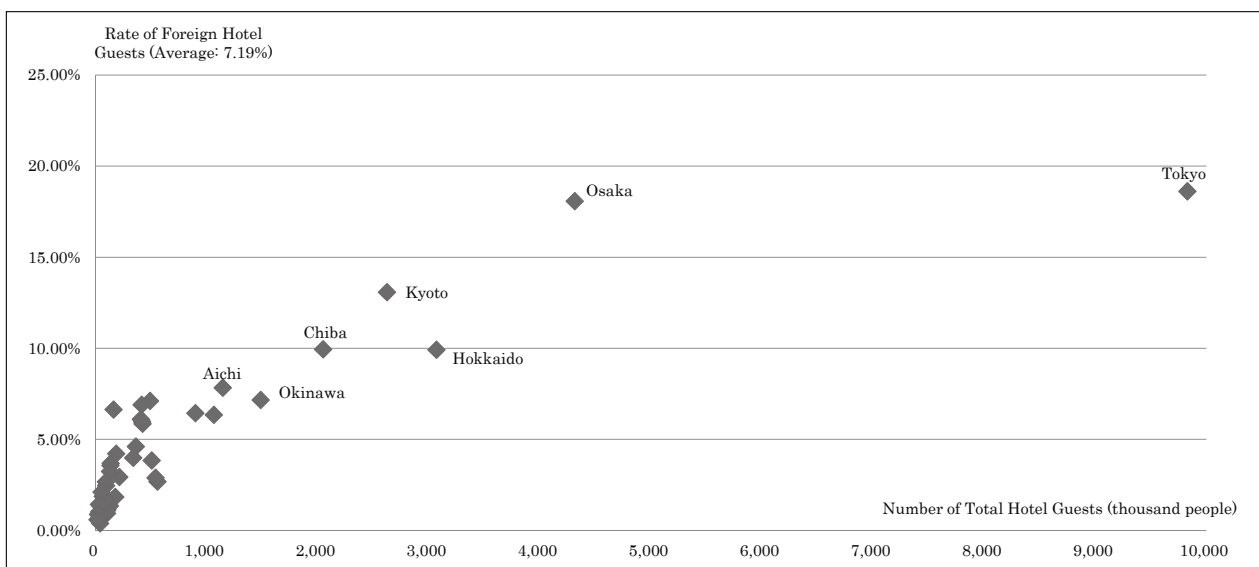


Figure 7 Number of Foreign Hotel Guests and their of Rate among Total Hotel Guests (2013) Source: JTA [9].

increased. The national average of foreign hotel guests was 7.18%, but this number increases in Tokyo and Osaka, which had higher numbers of hotel guests and a larger share of foreign hotel guests, as the median of the number is 2.53%. The case of 2013 is shown in Figure 7. The national average of foreign hotel guests was 7.19%, and the median of the number is 2.90%, showing that the general tendency did not change, but there was a slight decentralization⁵.

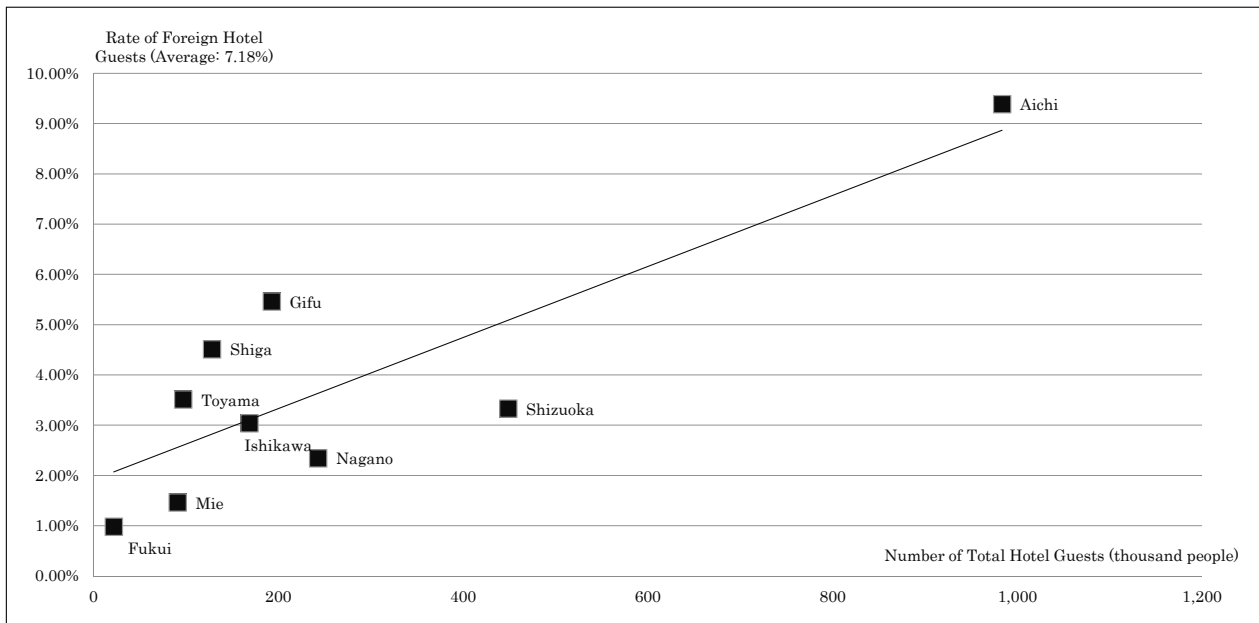


Figure 8 Number of Foreign Hotel Guests and their Rate among Total Hotel Guests in Chubu Area (2009) Source: JTA [4]

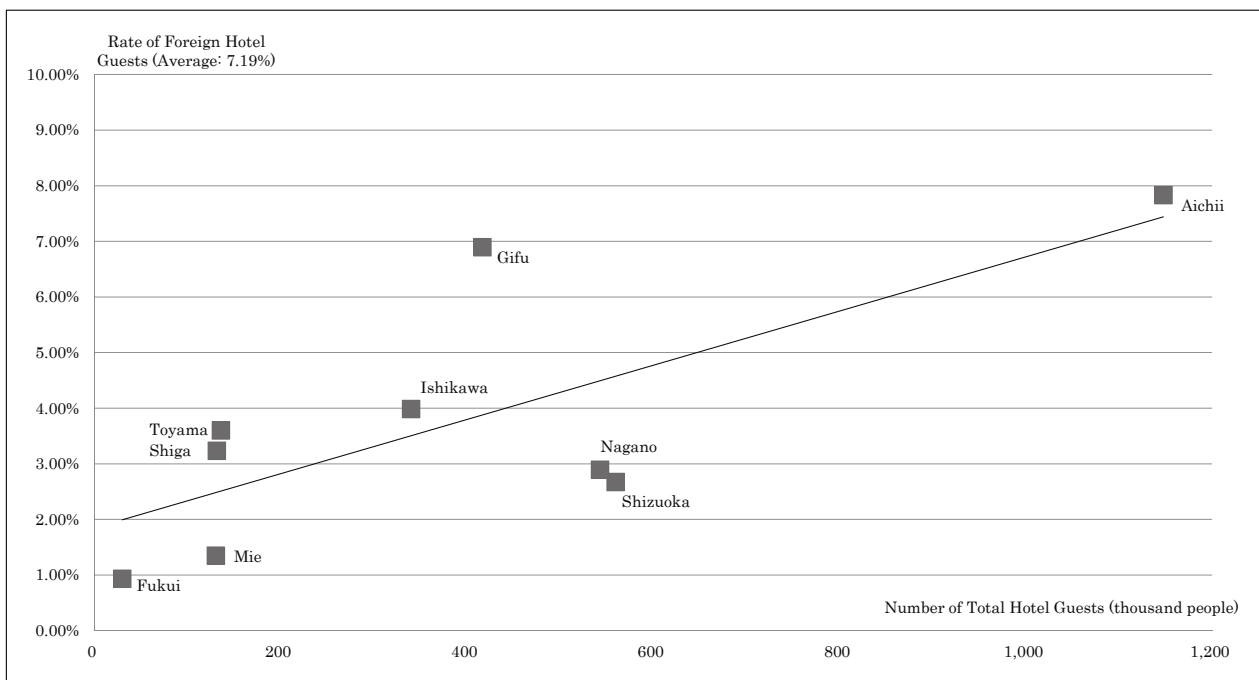


Figure 9 Number of Foreign Hotel Guests and their Rate among Total Hotel Guests in Chubu Area (2013) Source: JTA [9].

⁵ The mean barely changed between both years, but the dispersion of the rate of foreign hotel guests spread slightly, with 0.00170 in 2013 and 0.00162 in 2008.

The Chubu Area is emphasized in Figure 8. It shows the comparison between total hotel guests and the proportion of foreign hotel guests in nine prefectures of the Chubu Area in 2008. Only Aichi exceeds the national average of the proportion of foreign hotel guests, but six prefectures, including Ishikawa, exceed the median number on the vertical axle. The average proportion of foreign hotel guests among total hotel guests for the Chubu Area is 4.13%, and its median is 3.33%, meaning that many prefectures exceeded the national average of the proportion of foreign hotel guests among total hotel guests. Figure 9 illustrates the data from 2013. Similarly to 2008, it is also only Aichi that exceeds the national average of the proportion of foreign hotel guests, but six prefectures, including Nagano, whose number is the median of all prefectures, exceeded the median number. The Chubu Area's average of the proportion of foreign hotel guests, among total hotel guests, is 3.86%, and its median is 3.40%, meaning from the number in 2008, the distance between the average and the median is narrow. The balance between them seems to have slightly improved, revealing that the Chubu Area seems to have the balance between the two numbers.

In the Chubu Area, the Gifu, Shiga and Toyama prefectures tend to have a relatively high proportion of foreign hotel guests, and the proportion for the Mie and Fukui prefectures tends to be relatively low. Compared with the national number of the proportion of foreign hotel guests, the Chubu Area seems to be slightly. Further promotion of the inbound policy should be considered important; however, on a mid- and long-term basis, improving the decentralization and diversification of its inside areas and its acceptance of season-balanced visitors from foreign markets also becomes important for the Chubu area.

5. Analysis of Activities in Japan from Main Foreign Markets, and Review of the Efforts Made in the Chubu Area

This section examines whether there are similarities between what foreign visitors want to do when they come to regional areas in Japan and what sites regional areas want them to visit.

Table 1 shows the results of a questionnaire survey of foreign visitors from 15 main markets (16 markets when “others” are included), regarding what they wish to do when next visiting Japan (investigated in 2013 by JTA [2]). For instance, in the case of South Korean visitors, approximately 52% of them expected to take hot spring baths when in Japan on their next visit. Approximately 47% of Taiwanese visitors want to eat Japanese food (although it does not show what particular type of Japanese food). In total, eating Japanese food (47%), taking hot spring baths (47%), shopping (41%), and sightseeing in places of natural beauty (40%) are the most popular choices. From the perspective of the 15 main markets, the Russian and European/American markets rated eating Japanese food highly (71% in the case of Russia), whereas East Asian markets, considered as mature markets for visiting Japan from the viewpoint of inbound tourism, rated this activity relatively low. This market tended to want to perform different activities on their next visit to Japan. The number of return visitors is comparatively higher in East Asian markets, and it can be assumed that many of them have already eaten Japanese food at least once, probably on their first visit to Japan. It could also therefore be assumed that they might want to try a different

Table 1 Questionnaire on Desired Activities when Next Visiting Japan (2013)

Year of 2013

(%)

survey items		Total	Siuth Korea	Taiwan	Hong Kong	China	Thailand	Singapore	Malaysia	India	UK	Germany	France	Russia	USA	Canada	Australia	Others
The Activities You Want to Do in Japan Next Time	Eat Japanese Food	47.0	23.8	46.6	52.9	52.9	53.8	46.3	62.1	54.9	67.3	64.5	65.7	71.0	56.6	57.7	50.7	63.1
	Stay at a Japanese Style Hotel	31.4	23.2	30.4	33.2	31.9	31.8	39.3	34.1	31.2	44.6	31.5	46.9	37.7	37.6	41.3	39.7	34.6
	Take Onsen (Hot Spring)	47.0	51.9	45.2	49.9	49.7	35.9	42.6	43.7	35.5	47.2	38.7	53.1	54.0	43.4	44.7	50.8	41.8
	See Nature or Sughtseeing Spots	39.8	23.5	42.4	40.6	45.3	42.4	44.9	45.9	43.0	46.0	47.0	53.2	41.2	46.4	43.3	41.4	52.4
	Go for a Walk in Downtown Area	31.6	15.1	36.2	33.4	36.3	35.3	30.4	45.0	38.4	36.2	32.7	40.5	42.1	36.4	34.3	35.2	45.0
	Do Shopping	40.6	21.6	46.2	47.0	54.8	50.3	38.2	57.7	44.5	38.5	36.5	46.5	45.3	37.6	36.1	36.8	52.3
	Visit Museums	25.3	18.3	24.2	19.4	19.7	25.9	19.4	31.9	23.6	33.7	36.2	45.1	42.4	38.3	36.9	35.8	28.6
	Enjoy Night Life	18.7	14.0	17.2	13.7	9.7	24.1	15.9	23.9	24.2	25.8	29.1	32.6	30.9	28.7	35.2	31.5	24.0
	Ski	23.3	23.7	25.8	24.5	15.5	32.3	32.5	27.2	18.0	20.5	14.5	17.9	25.2	24.7	28.0	37.7	21.2
	Play Golf	16.0	21.9	15.8	12.6	7.3	20.2	13.4	16.7	13.5	14.6	10.9	11.9	17.2	18.7	23.1	19.2	13.8
	Visit Theme Parks	26.3	25.3	28.0	27.1	25.1	34.0	27.2	34.9	23.9	20.4	15.3	22.4	35.4	25.2	27.9	30.4	25.4
	Enjoy Events	25.6	16.0	32.0	23.7	19.9	29.3	30.6	30.4	23.0	31.7	28.1	24.9	24.7	35.5	38.6	36.0	25.0
	Watch Kabuki, Drama, Mjusic, etc.	21.9	21.7	19.9	14.8	13.2	21.5	26.7	27.9	22.5	24.7	23.9	30.3	36.7	31.8	33.9	31.2	20.8
	Watch Sports (Succer, Sumo, etc.)	19.6	19.7	19.4	13.3	9.6	21.3	20.1	20.9	19.2	24.5	19.4	24.0	30.6	29.0	32.5	26.8	20.8
	Join Nature Experience Tours, Agricultural Tours	21.5	16.3	23.8	19.8	14.2	27.3	25.3	32.2	24.0	21.7	24.4	23.9	32.6	29.8	24.3	27.1	22.8
	Enjoy Seasonal Features (Hanami, Autumn Leaves, Snow, etc.)	34.6	21.8	40.2	35.1	39.1	36.8	43.4	41.1	30.2	31.6	32.5	43.7	46.9	37.3	48.5	40.9	30.6
	Visit Filming Locations	17.2	18.0	18.5	12.7	11.3	24.0	17.6	21.7	15.4	20.1	13.0	17.4	15.4	20.2	25.7	21.4	16.1
	Experience Japanese Histry, Culture	31.4	23.2	31.3	20.9	28.8	33.1	36.1	41.4	35.0	40.4	39.4	50.5	45.9	41.7	35.5	37.0	42.0
	Expweriece Japanese Life Style	27.1	21.8	28.0	20.1	23.5	26.0	28.2	39.0	29.1	31.3	28.2	46.4	40.2	29.0	30.7	32.5	42.5
	Vist Relatives, Friends	19.0	14.4	17.0	11.4	15.3	23.1	16.7	23.0	21.5	24.5	23.2	23.6	24.7	29.6	30.7	29.5	25.5
	Do Business	22.5	17.7	14.7	12.2	19.9	32.4	20.2	25.7	48.1	35.6	43.4	32.0	31.8	32.7	26.6	23.6	39.0
	Go to Doctor, Experience Medical Tourism	10.3	11.9	10.4	9.1	5.3	13.7	11.2	15.4	7.3	8.4	9.6	7.0	14.9	12.6	12.6	16.0	10.6

Source: JTA [3].

experience, or if they want to eat Japanese food, it would be something they have never tried. It is therefore necessary for regional areas to provide additional attractions for return visitors.

There are relatively no significant differences in the ratings for hot spring baths within the 15 main markets. Shopping is also relatively highly rated; generally more than 30%, with the exception of South Korean visitors.

Whilst individual analysis of each market is important, it is also important to determine the positioning of each market, for the sake of policy review. Therefore, to research general tendencies of the markets more objectively, the principal component analysis can be conducted regarding the questionnaire results.

Table 2 illustrates a summary of the principal component analysis of the 15 main markets and other markets. Approximately 65% of the total results⁶ can be explained by both the first and second principal components (22 items were plotted, as shown in the reference figure). A general tendency, and the wish to have various experiences, could be explained by the first principal component. Nightlife experience, art gallery/museum visits, relatives/friends visits, watching a stage performance, and experiencing Japan's historical, traditional, and cultural experiences are relatively high on their to-do lists. These choices could be explained by the fact that the

⁶ The principal component analysis was also done with 8 Asian markets and 7 markets affiliated with Europe and North America respectively. The general characteristics did not change so much in each market, but, the explanation rose to 75% with the first and second principal components, respectively.

Table 2 Result of Principal Component Analysis on 15 Main Markets and Other Market

	First Component	Second Component
Eat Japanese Food	.682	-.626
Stay at a Japanese Style Hotel	.712	-.234
Take Onsen (Hot Spring)	-.022	.127
See Nature or Sughtseeing Spots	.526	-.732
Go for a Walk in Downtown Area	.609	-.569
Do Shopping	.129	-.553
Visit Museums	.875	-.162
Enjoy Night Life	.902	.005
Ski	.289	.773
Play Golf	.329	.869
Visit Theme Parks	.267	.504
Enjoy Events	.681	.292
Watch Kabuki, Drama, Mjusic, etc.	.861	.295
Watch Sports (Soccer, Sumo, etc.)	.841	.384
Join Nature Experience Tours, Agricultural Tours	.805	.171
Enjoy Seasonal Features (Hanami, Autumn Leaves, Snow, etc.)	.614	.037
Visit Filming Locations	.551	.622
Experience Japanese Histry, Culture	.843	-.391
Experience Japanese Life Style	.739	-.364
Visit Relatives, Friends	.883	.072
Do Business	.426	-.480
Go to Doctor, Experience Medical Tourism	.498	.712
(eigenvalue)	9.187	5.028
(contribution ratio)	41.758	22.853
(cumulative contribution ratio)	41.758	64.612

* The numbers are load of principal component Source: JTA [3] and author

respondents have experienced Japan one or more times previously, and would therefore hope to do something different when they next visit Japan. These features tend to be relatively found in FIT. Regarding the second principal component, the number could be explained by foreign visitors wishing to participate in activities involving personal hobbies or interests, because the numbers for outdoor activities such as playing golf, skiing, and enjoying theme parks are high. The negative number could be explained by Japan-oriented orthodox activities, because the numbers for experiences such as sightseeing in Japan's nature or scenic spots, eating Japanese food, and walking around town are high.

According to these tendencies, Figure 10 shows the position of the 15 markets and other markets, on the basis that the horizontal axle representing the level of the first principal component, and the vertical axle representing the second principal component. As a general implication, it could be said that the more a market is located to the right of the horizontal axle, the more the visitors from that market expect to have numerous experiences in Japan at one time. Referring to the vertical axle, the higher the position, the more personal activities the foreign visitors from that market tend to want to do, and the lower the positon, the more Japan-oriented activities the foreign visitors from that market want to do.

Based on such a viewpoint, it could be assumed that, because there is a relatively higher number of return visitors from East Asian markets (South Korea, China, Hong Kong, and Taiwan), fewer of them may want to have a

variety of experiences than other markets, which is indicated by the left area from the zero line of the horizontal axle in Figure 10. However, South East and European/North American markets are located on the right side on the horizontal axle on Figure 10, indicating that visitors from these markets want to have many experiences, or see many attractive spots when they visit Japan⁷. On the vertical axle, North American markets tend to want to partake in personal activities (located in the positive direction), and European markets tend to want to partake in Japan-oriented activities (located in the negative direction). In terms of distance, Japan is relatively further for visitors traveling from European markets, so it is possible that they are still in the initial stages of getting to know Japan.

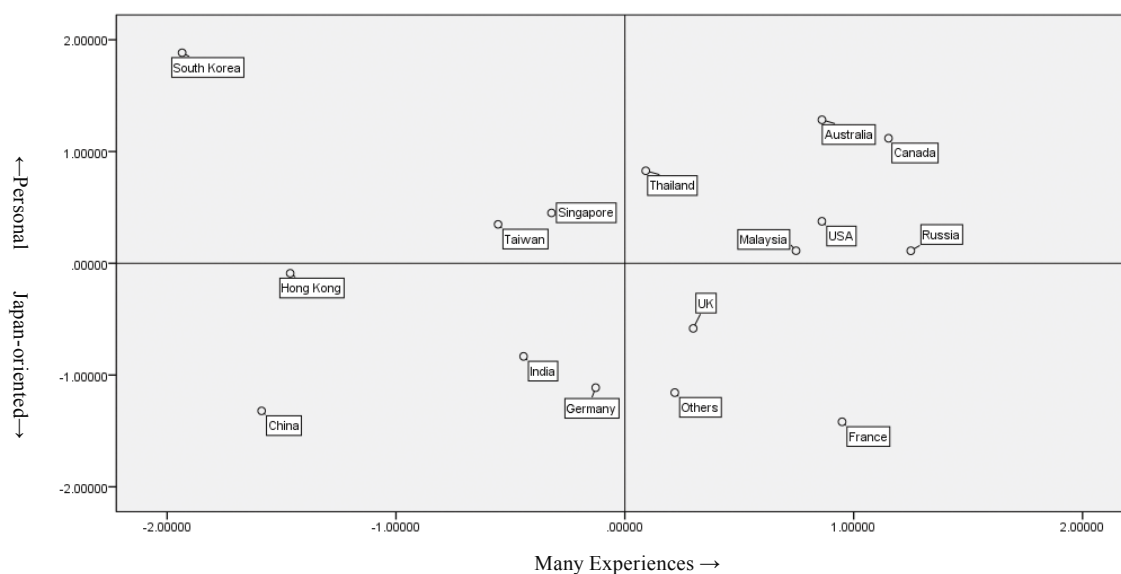


Figure 10 Positions of 15 Main Markets in Principal Component Analysis Source: Author

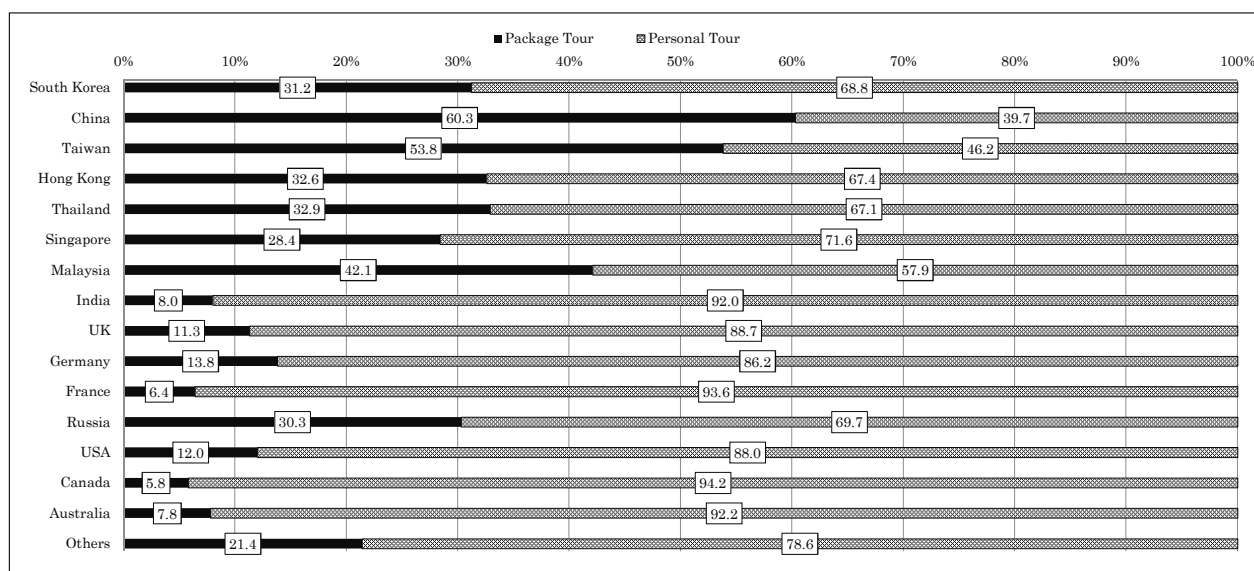


Figure 11 Proportion of Tour Styles of Foreign Visitors to Japan from Main Markets (2013)
(Case of Sightseeing and Leisure)

Source: Japan Tourism Agency [2]

⁷ In some markets, there are more return visitors, and it could be said that the kind of change seen in regional areas will become important in terms of time-series analysis.

In terms of East Asian markets, some differences were found between South Korea and China. In the case of South Korea, the tendency to focus on personal activities is most likely due to the fact that the majority of them are visitors returning to Japan. South Korean visitors seem to want to do specific activities with certain purposes, for example, playing golf in Kyushu or mountain trekking in Chubu. In the case of China, however, because the Chinese need a visa to enter Japan and tend to join package tours, they have a high rate of wanting to perform Japan-oriented activities, or they join a tour with such an itinerary (cf. Figure 11).

The characteristics of foreign visitors from each market have been analyzed in many ways, and this research provides similar results. It indicates that the regional areas receiving foreign visitors need to meet the demands regarding what the visitors want to do once they arrive. Considering the results of this analysis, for instance, the proportions of visitors looking for “a personal activity,” or “a Japanese way of life, a relationship with the Japanese” are relatively high. Certainly, experiences of Japanese culture, traditions, and food are high as well, but visitors might also want to do these things on the basis of a personal activity, not a group activity. This tendency shows that the more visitors are used to traveling, the more they want to know the country in detail, and not to simply visit popular tourist spots (Takai et al. [11]). That tendency seems to intensify in the case of FIT in particular⁸. In other words, the inbound policies of regional areas, especially for the return visitor, should allow for more than the typical Japanese-oriented experiences and provide something new. Each area’s originality, which foreign visitors may not have experienced, should be highlighted, and the information should be easy to obtain, when potential visitors search the internet at home.

Additionally, more visitors from European/North American Markets come to Japan in FIT style. Furthermore, visitors from other markets are now starting to come in FIT style, even though formerly their main style was the package tour. Therefore, for inbound policies of regional areas, the reaction to FIT is an important point for receiving more foreign tourists.

6. Conclusion

In this report, the basic features of visitors from main foreign markets, and the characteristic activities in which they participate in regional areas of Japan have been analyzed. Conclusions of this report include the following points:

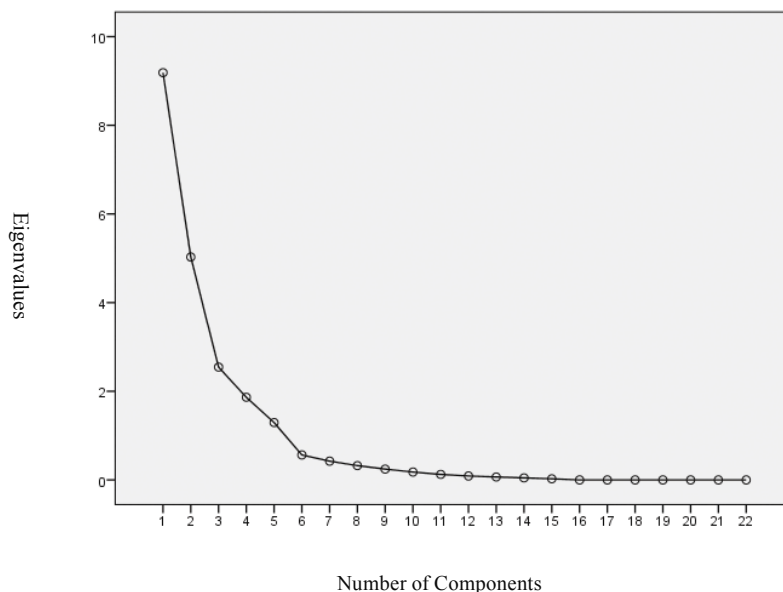
First, the state of foreign visitors to regional areas in Japan is relatively varied according to geographical factors, seasonal factors, and so on.

Second, there are some differences in what visitors do in Japan on return visits, from East Asian, Southeast Asian, and European/North American markets. At the same time, it is clear that there are some differences,

⁸ For instance, “Historic Villages of Shirakawa-go and Gokayama” located in Gifu and Toyama prefectures which are the world heritage do not have convenient transport access, such as trains, but have some Japanese-style inns with thatched roofs. That some European/American visitors are staying there might be because they would like to converse with the local Japanese, and try the local cuisine, creating a fuller experience not found in hotels in cities.

according to season, in activities inside one regional area.

For the next step in the analysis, the Chubu Area was emphasized. 1) Model analyses of how to determine the needs or tendencies of every foreign market as much as possible; for instance, the development of an effective model route managed by a wide area inbound association, would be one recommendation. 2) Specific analysis on the Chubu Area, in order to win the inbound competition with other areas in Japan could be conducted. 3) The model analysis considering environmental conservation or effectiveness, which is closely related to nature sightseeing. These are the subsequent issues to be analyzed.



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