

An Analysis of Global Tourism in the Local Area

—Issues in Matching Local Services with Global Demand—

ローカル地域におけるグローバルツーリズムの分析
—グローバル需要とローカルサービスのマッチングを中心に—

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〈Abstract〉

This paper investigates the issues faced by local businesses in attracting attention for their services from tourists. The term “tourists” in this research refers to people who travel (or plan to travel) to visit an unfamiliar (to them) but generally well known destination, regardless of whether it is in their own country or not and, therefore, may be in the market for guided tours. Service provision in the city of Kanazawa is used as the research target as the numbers of both domestic and overseas visitors to that city have increased dramatically in recent years, and are expected to continue to grow through to and possibly beyond the Japan 2020 Olympics. Data from tourists accessing local business online marketing of tour services is collected and analyzed together with the profiles of the tourists. Observations of tourists in the local area are also included. It could be seen that the profiles of tourists accessing online marketing did not seem to match those of tourists observed visiting. Furthermore, difficulties in converting interest (intent) to actual behavior (purchasing of services) were seen in the online space. Discussion of findings suggest that changes are needed in online marketing or in the business model under study itself, and that analogue techniques may be an important way to attract business from certain demographics. This research forms part of the knowledge base advising local businesses on how to take advantage of growing tourism arriving on their doorstep.

〈Keywords〉

tourism, local service provision, tours, marketing challenges

1 Introduction

This paper explores the challenges faced by local businesses when faced with an influx of temporary visitors from outside their city, such as in the case of provision of tourism services. The difficulties are further complicated when provision of non-tangible services are offered to a global audience via an online booking system, and provided as a face-to-face service (such as online bookable walk-around tours of historical areas). Previous research has found that intangible “services are more likely to be associated with (an) online shopping mode”⁽¹⁾, indicating that tourists planning to take a guided tour of an area

would be likely to search for information and book related services online. On the other hand, the same research states that “tangible products are likely to be associated with bricks and mortar stores”⁽¹⁾, pointing to an area where providers of intangible services only could save on investments. However, the situation is complicated by tourist demographics, personalities and geography. For instance, not all tourists are comfortable making bookings online for tourism services as “people who are above a certain age are not likely to favor booking tourism products online”⁽²⁾, and are more likely to “stick to (a) traditional personal service”⁽²⁾ meaning that business

providing services in the local area have to find ways of finding and then engaging with potential customers of a certain age (or personality/background, etc) after those tourists have arrived in the local area. If money/time/staffing were not an issue, the ideal situation for businesses would be to have both an online presence to serve the market more likely to book online, and a bricks-and-mortar store (or at least a type of physical presence) for those looking for a personal booking service, even when their business model only offers intangible services such as local tours. As using both approaches would result in a wider market presence, it is necessary to examine both sides with the common goal of moving potential customers from the intentional stage⁽³⁾ of service reservation to one of actual behavior⁽⁴⁾, i.e., making a purchase.

This research investigates the above issues in the context of Kanazawa, a city that has recently seen a marked rise in the number of visitors from other cities and countries. Tourism combined with language and knowledge services in the form of a recently-launched English-language walking tour service was monitored, with focus on online customer reach, including service access (page views) and sales, while making comparison with more traditional approaches to market understanding such as physical observation.

2 Research Environment and Data

2-1 Research Environment

A start-up business offering walking tours of tourist hotspots in the Kanazawa city area (Ishikawa prefecture, Japan) agreed to provide the researchers with real data collected from analysis of their company website. The company (Kanazawa Walking Tours) created a multi-page professional website advertising their services⁽⁵⁾, launched it, and immediately began collecting usage and booking data with background analysis tools. This research uses a subsection of the data set in an attempt to clean the data by stripping out or taking into account non-customer access instances such as developer logins. While this data formed the bulk of the data collection and analysis, observations were also carried out on the ground by observing/speaking to potential and actual tour service users.

2-2 Research Data

Data collected from website analysis included information from the date the walking tour company

launched their site (April 17th, 2016) to the time of writing (June 15th, 2016), providing almost two months of data. The website gave information about walking tours available in the city, and included a booking engine/form to allow reservations to be made. The system accepted payments by credit card or PayPal⁽⁶⁾, and also gave an option to make queries through a contact form. However, the website took a few weeks to become popular, with popularity for the purposes of this paper being taken as over ten unique online viewing sessions per day. Taking only data after the site became popular is important as it minimizes the effect of initial (non-unique) access by the website designers during the site development and testing phases, as well as tour company logins for the purpose of monitoring. *Diagram A, Sessions vs New Sessions^(A)* (see the diagram section of this paper) shows that data from May 24th consistently satisfied the above definition of popularity, making the usable date range of our data set to be 23 days from May 24th to June 15th, 2016, inclusive (*Diagram B, Research Data Range^(B)*). This research data range was analyzed for trends including online user demographics, location, and interests.

Other data consisted of visually and verbally observed information in the local area, including estimated demographics, popularity of location, and reaction to verbal/written information about tour service provision. This observed data forms a minor part of this paper as only preliminary investigations have been completed at this point.

2-3 Research Tools

Data analysis of user website access was carried out using Google Analytics Solutions⁽⁷⁾, with access permitted by Kanazawa Walking Tours⁽⁵⁾. Active Users, Demographics, Interests, Geographical Location, Operating System Language, and Behavioral Flow were some of the tools available. Google Analytics Solutions allowed a quantitative insight into tourists accessing online information, and their behavior.

Secondary analysis was possible by looking at information directly provided by the tour company, such as booking numbers and messages received from users, in addition to information about the tour services offered. The resultant mix of quantitative and qualitative data was in itself a tool to be used to understand customer needs and desires, and could be used together with information

gathered to judge tourist requirements such as language spoken on the tour and expected peak business times.

3 Data Analysis

3-1 Online Potential Tourist Analysis

The website access instances between May 24th and June 15th were analyzed and the following was discovered:

1. 616 users accessed the website in that period during 722 sessions (meaning 83.80% of sessions were new/unique sessions).
2. The number of pages viewed was 1,460 (therefore 2.02 pages were viewed on average per session).
3. The average session duration was 1 minute 17 seconds.

The above (points 1-3) show that the website was being viewed for a reasonable time period, and that people who viewed the website tended to click through to further pages.

4. User behavioral flow shows that the first interaction (after landing on the home page) for users tended to be to look at the reservation page. (*Diagram C, User Behaviour Flow^(C)*)
5. Most user traffic tended to drop off after viewing the reservation page^(C).

The above (points 4-5) suggest that users were interested in the service, but there was a difficulty in converting interest to purchasing action, or from the intentional stage to actual behavior⁽³⁾⁽⁴⁾.

6. Demographics analysis of the online data showed that the largest age groups was the 25-34-year-old range (33.5%), followed by 18-24 (27.5%), 35-44 (15.5%), 45-54 (12.5%), with over 55 years totaling just 11%. (*Diagram D, Tourist Age Online^(D)*)
7. Interests of the potential tourists who accessed the tour company website were 1. Individual Sports/Running/Walking (5.49%), 2. Computers/Electronics/Accessories (3.94%), 3. Individual Sports/Cycling (3.05%), 4. Food & Drink/Cooking (2.96%), and Travel/Historical Sites (2.45%).

We could observe that younger people with an interest in sports, computers, food and travel were the main users. Note that not all users have their interests registered with their browser, explaining the above smaller numbers for these categories. Furthermore, the above analysis might give a hint as to what age group the introduction of this paper refers to as a “certain age”. With over half of all users being between 18 and 34, the “certain age group” of

people who may not be willing to purchase intangible services online might be within the 35+ age groups.

Next, the countries and cities from which tourists accessed the online website were analyzed.

8. The country from which most traffic was observed from May 24th to June 15th was the United Kingdom, at 19.39% of all sessions and 23.14% of all new users. This was followed by Japan, Malaysia and the United States. (*Diagram E, User Countries and Cities^(E)*).
9. The cities from which users accessed the website were also analyzed and listed^(E). It was found that many users did not set their city in their profiles (or it was not discoverable from their IP address), so the top ranking city was “not set”. However, using the country data, it could be surmised that many of these are from the United Kingdom.

It was noted that multiple cities in a country are listed. In total, cities representing six countries are listed, pushing out cities from four of the top ten countries (Philippines, Italy, Taiwan, and not set (probably the UK) from the list). The reader of this paper should be made aware at this point that two of the cities shown, Nomi and Hakusan are probably false positives (i.e., show artificially high numbers) as the web designers are most often based in those cities. Some site adjustment and testing occurred during the period under observation, so it is highly likely that web designer access sessions are included in those numbers. This may also be true of data (but less so) for Kanazawa, as that was where the tour company was based. Analysis might have been improved by logging IP addresses and matching them against known users.

3-2 Online Bookings

Of those 722 sessions from 616 users, how many bookings for walking tour services were made? According to the company, only one booking was made during the 23 days under investigation. The booking was made by an Austrian, which was surprising considering Austria was not among the top ten countries. However, upon meeting the client in person, the company learned that the Austrian tourist had accessed the site and made a booking from within Japan, so the analysis tools would have captured the sessions as domestic Japanese ones.

The fact that there was only one booking out of 722 sessions and 616 unique users was an interesting puzzle (and a worry for the company paying for the online

marketing and providing the local tourism services), and shows a need for research into this area.

3-3 Tourists in the Local Area

A smaller part of this research paper is the informal observed information about tourists who were already in the local area. However, this information may be important to understanding what is needed to understand the issues raised by the online analysis, as well as to guide further investigation.

The observation could be done regularly as the researchers live and work near the tourist areas in Kanazawa. Numbers were not tallied during these observations, making them more anecdotal.

1. Most tourists are Japanese, being approximately three quarters of the total. Of these, over half appear to be in the 40+ age range. They are mostly non-locals, and have arrived by train from other areas of Japan, including Tokyo.
2. Of the non-Japanese tourists, Taiwanese tourists were noticeable. This observation was confirmed by the “Kanazawa Goodwill Guide Network”, a non-profit organization providing free information to tourists.⁽⁸⁾ These tourists tend to arrive in family units, with parents in their 40s or older and their teenage or young adult children.
3. Non-Asian tourists were also noticeable and tended to be dominated by older Caucasians in their 50s or 60s. The majority of such tourists were couples. When approached and asked about their potential interest in guided tours in their language, tourists in this group expressed an interest and asked for further information, including telephone numbers and tour times. However, as Kanazawa tends to be a “add on” tour for many people (meaning it is often just an additional trip to visiting the main attractions of Tokyo or Kyoto⁽⁹⁾), they often do not have enough time in their itinerary unless approached on the point of their arrival. This was confirmed by survey data from Kanazawa City⁽¹⁰⁾. As tourists do not spend much time in Kanazawa, marketing could be most effective if conducted at the main point of arrival – the city train station.
4. Tourists arriving by train from Tokyo in the morning (A.M.) were predominantly Japanese, while those from Oceania, Europe and North America were tended to arrive more in the afternoon and evening (judging from

observation of tourists arriving on Sunday by train). Taiwanese tourists also came by train but a significant proportion arrived by plane (direct flight to the nearby Komatsu Airport)⁽¹¹⁾.

The findings regarding age of tourists (over half being over 40 years old) were confirmed by data collected by Kanazawa City in their 2015 survey, which found that 65% of tourists were in that age group.⁽¹⁰⁾

4 Discussion

It was found that potential tourists searching for online information about guided tours in Kanazawa tended to be young and active. While research has shown that such a demographic tends to book tourism services online, this was not found to be true in the case of walking tours in Kanazawa. Many of the online site users reached the booking page, but did not proceed to make a reservation. The local business offering the tour services tried to resolve the situation by expanding the list of tours offered and including a special deal, but to no avail.

The situation on the ground did not reflect the demographics of tourists online. It was observed that the ages of tourists seemed to be higher than the ages of people accessing the website. The local business needs to take this into account by possibly preparing more traditional marketing approaches (for example leaflets at point of arrival, hotel/café link-ups, etc.).

It appears that a large market exists online, with over 600 unique users (potential tourists) accessing the website in 24 days, with many of them clicking through to other pages, especially the reservation page. However, the company only got one booking during that time. Kanazawa is not a very well-known city worldwide, so, it is unlikely that people were searching for tour information on Kanazawa unless they were interested in actually visiting. With this in mind, a number of scenarios are conceivable, including:

1. Tourists who search online are in the process of planning their trips. They may not arrive in Kanazawa until many weeks or months later (and may not be ready to make a booking due to transport to the city not being organized yet). If this were true, the tour company might start to receive increased bookings in the weeks and months ahead based on the recent searches.
2. There is little demand for the product being offered. This is unlikely as a similar product is offered in many

cities around the world, and such products are popular, with the search term “walking tours” returning over 7 million pages⁽¹²⁾.

3. The marketing for the product is poor. This is unlikely as the photographs were professionally taken and the website was reviewed by third parties and regarded as “excellent”.
4. The pricing structure and/or reservation system may not be suitable. This could be a realistic statement. Although the price of a tour is not expensive (1,700 to 2,000 yen for a 1.5-hour tour by an expert guide) tourists might not be willing to book it and then have it dominate their schedules. As Kanazawa is probably a secondary destination within Japan for many foreign tourists (who would be interested in an English-speaking guide), the tourists might often not be sure whether or not they can get to guide destinations on time, and have no idea of distances in the city. A pricing structure and/or reservation system that addresses that might result in more sales of tours. A reservation system change could be to have days when tours go ahead regardless of bookings having been made or not, allowing tourists to simply turn up and join. A pricing system change could be to abandon set fees and instead rely on a tipping system (with a recommended tip), such as the “free-tour” system.

5 Conclusions

(Potential) tourists and customers who access online information on walking tours tend to be young and have an interest in sports, computers and historical tours. They are mainly from abroad and spend time on the website including looking at the booking page. However, getting them to make a booking is a challenge for businesses providing local guide services. Changes in the pricing structure and/or reservation system could be one way to remedy this.

Tourists observed visiting Kanazawa tend to be older and travel in groups. The ones expected to be likely to be interested in English-speaking guided tours (Oceania, North America, Europe) arrive by train in the afternoon or evening. It is expected that they do not stay in Kanazawa for many days, as it is probably only a small part of their overall trip, and this was confirmed with data gathered by Kanazawa City. Ways to attract such tourists to use guided tour services could be to distribute flyers at their point of arrival (i.e., the train station), or to leave information in places they might frequent, such as cafes.

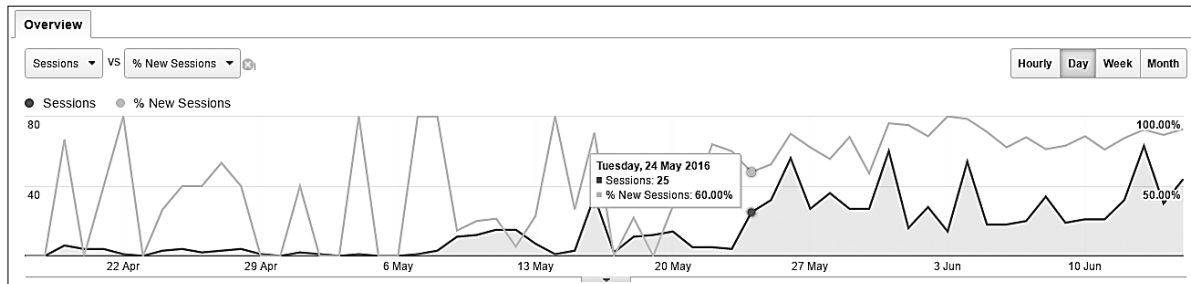
This is the first paper of a project researching matching local services with global demand in the city of Kanazawa, and it has reported a lack of success thus far in the walking tour industry there. Further research will include tourist interviews to strengthen the data set and reveal new information.

Notes/References

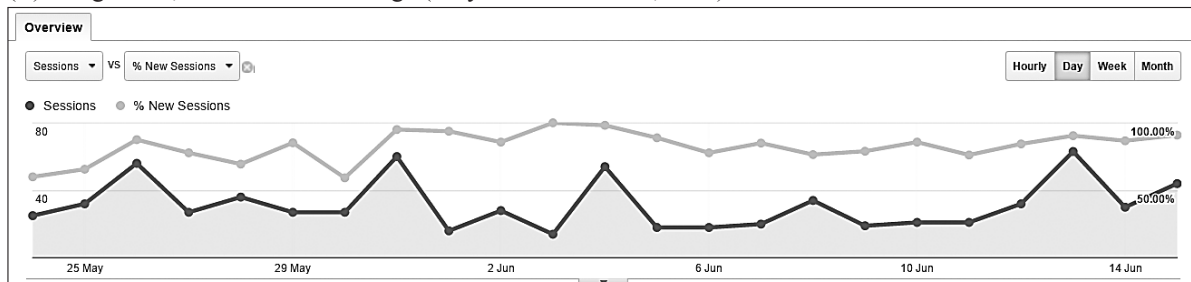
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Diagram Section

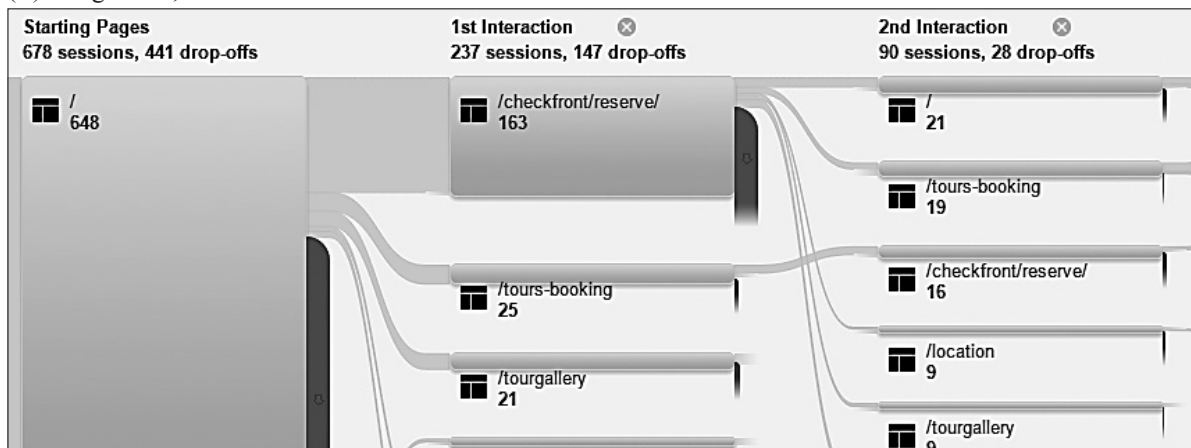
(A) Diagram A, Sessions vs New Sessions (April 17th to June 15th, 2016)



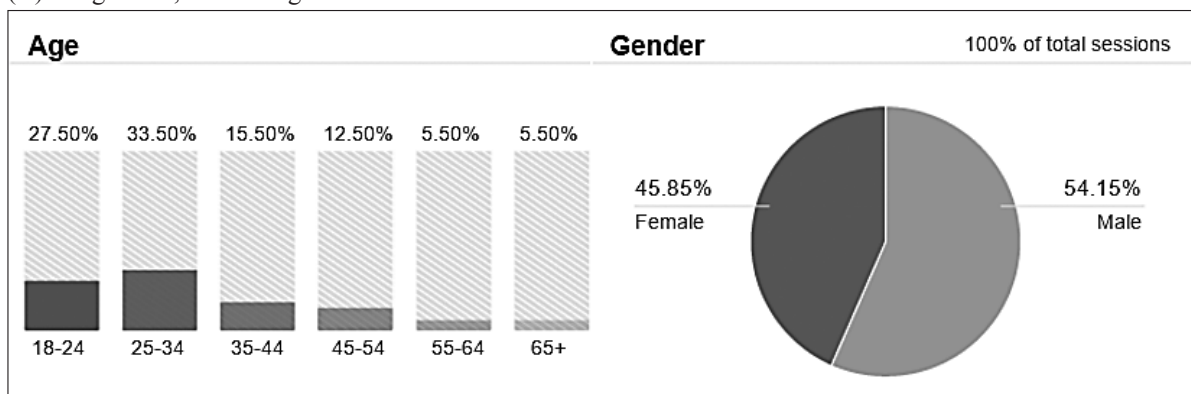
(B) Diagram B, Research Data Range (May 24th to June 15th, 2016)













(C) Diagram C, User Behavior Flow



(D) Diagram D, Tourist Age and Gender Online



(E) Diagram E, User Countries and Cities

Country ?	Sessions ? ↓	City ?	Sessions ? ↓
	722 % of Total: 100.00% (722)		722 % of Total: 100.00% (722)
1.  United Kingdom	140 (19.39%)	1. (not set)	204 (28.25%)
2.  Japan	105 (14.54%)	2. Kuala Lumpur	42 (5.82%)
3.  Malaysia	96 (13.30%)	3. Kanazawa	27 (3.74%)
4.  United States	52 (7.20%)	4. Jakarta	26 (3.60%)
5.  China	47 (6.51%)	5. Singapore	24 (3.32%)
6.  Indonesia	44 (6.09%)	6. Nomi	23 (3.19%)
7.  Philippines	36 (4.99%)	7. Beijing	21 (2.91%)
8.  Singapore	33 (4.57%)	8. Hakusan	21 (2.91%)
9.  Italy	31 (4.29%)	9. New York	17 (2.35%)
10.  Taiwan	26 (3.60%)	10. Shinjuku	13 (1.80%)

