<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japanese Inbound Tourism to Australia</td>
<td>4</td>
</tr>
<tr>
<td>Working Holiday Program</td>
<td>6</td>
</tr>
<tr>
<td>Visitor Arrivals</td>
<td>7</td>
</tr>
<tr>
<td>Aviation</td>
<td>9</td>
</tr>
<tr>
<td>Tourism Forecasts</td>
<td>12</td>
</tr>
<tr>
<td>Overview of Japanese Outbound Tourism</td>
<td>13</td>
</tr>
<tr>
<td>Japanese Culture</td>
<td>14</td>
</tr>
<tr>
<td>Harmony in Japanese Society</td>
<td>15</td>
</tr>
<tr>
<td>Japanese Non-Verbal Communication</td>
<td>15</td>
</tr>
<tr>
<td>Japanese Hierarchy</td>
<td>16</td>
</tr>
<tr>
<td>Cultural Considerations for the Japanese Market</td>
<td>16</td>
</tr>
<tr>
<td>Food and Beverage</td>
<td>17</td>
</tr>
<tr>
<td>Japanese Perceptions of Australia</td>
<td>20</td>
</tr>
<tr>
<td>Key Travel Periods</td>
<td>21</td>
</tr>
<tr>
<td>Distribution Channels</td>
<td>22</td>
</tr>
<tr>
<td>Online Marketing &amp; Social Media</td>
<td>24</td>
</tr>
<tr>
<td>Local Community in Australia</td>
<td>25</td>
</tr>
<tr>
<td>Introductions &amp; Business Culture</td>
<td>27</td>
</tr>
<tr>
<td>Tips for Working with the Japanese Market</td>
<td>28</td>
</tr>
<tr>
<td>Useful Contacts</td>
<td>30</td>
</tr>
<tr>
<td>References</td>
<td>31</td>
</tr>
</tbody>
</table>
THE JAPANESE TOURISM MARKET AND AUSTRALIA

The following section outlines the Australian tourism industry’s relationship with the Japanese market including trends and Japanese outbound tourism in general.
JAPANESE INBOUND TOURISM TO AUSTRALIA

In 2012, Japan was Australia’s fifth largest inbound market for visitor arrivals and total expenditure, and sixth for visitor nights.

Tourism Australia identified the following characteristics in its most recent profile of Japanese visitors in the year 2012:

- **Repeat visitors**: 45%
- **Total arrivals for leisure**: 77%
- **Largest demographic**: 15-29 Years
- **Average spending**: $4,818
- **Average stay**: 30 Nights
- **Peak booking one month prior to travel**: 1 Month
- **Peak travel periods**: January to March & July to September

Through the Asia Marketing Fund, Tourism Australia has partnered with BS Asahi, Japan Airlines, industry and state and regional tourism offices on a TV broadcast program that ran throughout May 2013 aimed at revitalising perceptions of an Australian holiday in the Japan market.

The series encourages Japanese consumers to rank the experiences featured in the show via digital platforms and travel seller partners have started promoting new itineraries and products featured in the program.

* ‘Leisure’ includes travel for holiday and Visiting Friends and Relatives (VFR)
## Visitor Profiles for Spend and Nights

### Average Visitor
- **Spend per trip**: $4,818
- **Nights per trip**: 30.1
- **Spend per night**: $160

### Purpose of Visit
- **Holiday**
  - **Spend per trip**: $4,343
  - **Nights per trip**: 19.2
  - **Spend per night**: $226
- **Visiting Friends & Relatives**
  - **Spend per trip**: $2,650
  - **Nights per trip**: 18.1
  - **Spend per night**: $146
- **Business**
  - **Spend per trip**: $4,188
  - **Nights per trip**: 13.6
  - **Spend per night**: $308
- **Other** *(Including education & employment)*
  - **Spend per trip**: $9,461
  - **Nights per trip**: 111.1
  - **Spend per night**: $85

### Age Groups

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Spend per trip</th>
<th>Nights per trip</th>
<th>Spend per night</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 - 29</td>
<td>$5,765</td>
<td>51.3</td>
<td>$112.5</td>
</tr>
<tr>
<td>30 - 44</td>
<td>$4,387</td>
<td>21.6</td>
<td>$203.3</td>
</tr>
<tr>
<td>45 - 59</td>
<td>$3,723</td>
<td>8.4</td>
<td>$442.4</td>
</tr>
<tr>
<td>60 &amp; Over</td>
<td>$4,259</td>
<td>11.5</td>
<td>$371.9</td>
</tr>
</tbody>
</table>

*Source: International Visitor Survey (Tourism Research Australia), year ending December 2012.*
WORKING HOLIDAY PROGRAM

Japan and Australia have a Working Holiday Program arrangement. Australia’s program creates opportunities to encourage cultural exchange and closer ties between countries and is an important part of the tourism industry. The program enables young people aged 18-30 to have a holiday for an extended period and to supplement their funds with short-term employment. There is a special focus on helping employers in regional Australia to meet short-term employment needs by encouraging Working Holiday visa holders to take short-term and casual work in these areas within specified industries. There is also an opportunity for a second Working Holiday visa by working for three months in a regional area.

The program is reciprocal and provides opportunities for young Australians to undertake working holidays overseas with arrangement countries such as Belgium, Canada, the Republic of Cyprus, Denmark, Estonia, Finland, France, Germany, Hong Kong SAR, the Republic of Ireland, Italy, Japan, the Republic of Korea, Malta, the Netherlands, Norway, Sweden, Taiwan and the United Kingdom.

Australia’s Working Holiday visa arrangements with Japan began on 1 December 1980, and in 2011–12 there were also notable increases in second Working Holiday visa grant growth rates of 25.6 per cent.
VISITOR ARRIVALS

In 2012 there were 325,000 visitors from Japan (a 6.3 per cent increase on 2011) with a total spend of $1.6 billion.

The Tourism 2020 Strategy estimates that the Japan market has the potential to grow to between $2.7 billion and $3.3 billion in total expenditure by 2020.

The graph shows that arrivals from Japan peaked in 1997, when Japan was Australia’s largest inbound source market. Between 2002 and 2012, arrivals have seen an annual compound decline rate of seven per cent. There are various factors that have attributed to a decrease in Japanese arrivals to Australia including the aftermath of the Asian Financial Crisis in 1997 and the outbreak of SARS in Asia and other influenzas across the region between 2002 and 2009.

Source: Australian Bureau of Statistics, Overseas Arrivals and Depatures
In 2010, there were signs of improvement in arrivals from Japan however the Tohoku earthquake and tsunami in March 2011 restricted further growth and there was a 16.4 per cent market decline in that calendar year. Arrivals from Japan grew 6.4 per cent on 2012 with market recovery from the aftermath of the natural disasters, but visitor numbers are yet to return to 2010 levels.

For the year-ending September 2012, Japanese visitors stayed longer, spent more money and stayed more nights in destinations beyond the major Australian gateways of Sydney, Melbourne, Brisbane and Perth. The number of visitor nights increased by 21 per cent and dispersed nights grew 11 per cent.

Expenditure by Japanese visitors driven by holiday arrivals grew nine per cent. Japanese holiday arrivals are the third highest spending market for Australia (behind the UK and China).

Holiday visitors were up seven per cent and remained the largest travel segment out of Japan, accounting for almost 68 per cent of total visitor arrivals. However, total visitor numbers are still 11 per cent below the 2010 levels (of 398,000 visitors), prior to the natural disasters of 2011.

Business Events arrivals for 2012 are less than 2010 numbers by eight per cent. Japan remains the fourth largest inbound market for Business Events visitors, posting increases of 15 per cent in 2012 compared to 2011.
AVIATION

In 2012, capacity from Japan to Australia recovered after years of declines, up 12 per cent. This growth was driven by Jetstar launching services to Darwin via the Philippines and Singapore. As average loads continue to improve, further growth of 10 per cent is expected during 2013. Australia has lost significant market share of total capacity out of Japan compared to similar haul destinations, in particular Hawaii.

The graph below shows Australia’s capacity in relation to its competitors.

Capacity from Japan to Australia vs Competitor Destinations

Source: Tourism Australia, Japan Market Profile 2013

Note: Chart includes direct capacity only and above percentages reflect change in direct capacity from 2011 to 2012
Key Airlines and Share of Passengers in 2012

The key airlines and that service Australia and Japan and their share of passengers in 2012 are shown below.

Tourism Australia’s Japan Market Profile 2013 provides the summary below regarding aviation in Japan.

- Following years of capacity decline due to withdrawn services, capacity to Australia from Japan grew in 2012
- Three new Low Cost Carriers (LCCs); Jetstar Japan, Peach and AirAsia Japan, commenced operations in Japan in 2012 and plan to expand their combined fleets by 2016. To support these new services, Osaka and Tokyo Narita are also developing new LCCs Terminals
- This introduction of LCCs to Japan is expected to be one of the most significant developments in decades for the Japanese travel environment, as consumers discover and adapt to this type of travel
- Japan Airlines and All Nippon Airways have invested in foreign-owned LCCs, Jetstar Japan and AirAsia Japan respectively, in order to secure their stake in domestic routes. These domestic services will improve access to Sapporo, Fukuoka and Okinawa and onward connections to Australia
- An open skies agreement between Australia and Japan was signed in September 2011. This has resulted in more slots becoming available at Haneda and Narita airports, providing an opportunity for existing and new carriers to increase flights between the two countries

- Codeshare agreements are also changing the Japan aviation landscape:
  - The expanded code share agreement between Singapore Airlines and Virgin Australia provides opportunities to connect six airports in Australia to four airports in Japan via Singapore
  - Jetstar Japan and Japan Airlines commenced code sharing on 12 domestic Japanese routes from 6 March 2013. Jetstar and JAL have been code sharing on international flights to Australia since 2007
  - Qantas, Jetstar and Jetstar Japan were also recently approved to increase coordination of services and marketing in Japan
The Tourism Australia Quarterly Market Update for February 2013 reported that there are opportunities in aviation between Japan and Australia to connect six airports in Australia, provided through the expanded code share agreements between Singapore Airlines and Virgin Australia. In addition, LCCs continue to redefine the aviation landscape in Japan, with Peach Aviation, Jetstar Japan and Air Asia Japan expected to increase their fleet by July 2016 to over 74 aircraft.

The Tourism Australia Quarterly Market Update for May 2013 provides further updates on aviation:

- Jetstar has announced spot cancellations to the Narita-Cairns services for nine selected days starting 10 May 2013
- Jetstar will increase its Osaka-Cairns service, to a daily service, from 24 July to 1 September 2013
- Japan’s Ministry of Land, Infrastructure, Transport and Tourism has approved Virgin Australia’s application to codeshare with Singapore Airlines on services between Japan and Australia from 28 February 2013. The Ministry’s approval covers codeshare on services between Sydney, Melbourne, Brisbane, Perth, Adelaide and Darwin to Singapore, and onto Tokyo Narita, Nagoya Chubu, Osaka Kansai and Fukuoka
- Japan Airlines has announced it will use the 787 Dreamliner on Tokyo Narita-Sydney services from December 2013, effectively diminishing capacity by up to 24 per cent, however improving the passenger experience
- Heavy demand from Australians travelling to Japan in the first quarter for skiing has reduced the number of seats available for Japan-Australia traffic in an already tight capacity environment

For the latest information on aviation, visit the following links:

**Market Regions - Japan**


Information on aviation can be found in the Tourism Australia Japan Market Profile 2013 and also via the link to the latest Aviation Newsletter.

**Aviation Newsletters**


Every month Tourism Australia produces an Aviation Newsletter which summarises latest relevant news, largely sourced from CAPA Centre for Aviation. This link provides past newsletters which also include insights into Tourism Australia's marketing activity with airlines.

**Quarterly Market Updates**


Each quarter Tourism Australia produces a detailed report on the performance of its key markets and international campaign activity, including aviation updates.
TOURISM FORECASTS

Tourism Research Australia’s Forecast (October 2013), estimates that visitor arrivals from Japan will down 0.1 per cent to 339,000 in 2013-14 and 2.4 per cent to 347,000 in 2014-15, with a 1.7 per cent annual compound growth rate expected between 2012-13 and 2022-23.

In 2012, Australia ranked 17th among all outbound destinations from Japan, the same ranking as in 2011. In addition, Australia’s share of total outbound travel from Japan has decreased from four per cent in 2002 to 1.7 per cent in 2012.

Australia’s top five competitors in terms of out of region outbound destinations from Japan include the USA, Thailand, Germany, France and Singapore.
UNDERSTANDING THE JAPANESE CONSUMER

JAPANESE CULTURE

There are some key things that you should keep in mind when dealing with the Japanese according to Kwintessential.

Face

- Face is a mark of personal dignity and means having high status with one’s peers
- Saving face is highly important in Japanese society
- The Japanese believe that turning down someone’s request causes embarrassment and loss of face to the other person
- If a request cannot be agreed to, the Japanese will often say ‘it’s inconvenient’ or ‘it’s under consideration’
- The Japanese will try never to do anything to cause loss of face, and therefore do not openly criticise, insult, or put anyone on the spot
- Face can be lost, taken away, or earned through praise and thanks
HARMONY IN JAPANESE SOCIETY

- Harmony is the key value in Japanese society
- Harmony is the guiding philosophy for the Japanese in family and business settings and in society as a whole
- The Japanese see working in harmony as the crucial ingredient for working productively
- Japanese children are taught to act harmoniously and cooperatively with others from the time they go to pre-school. The Japanese educational system emphasises the interdependence of all people, and Japanese children are not raised to be independent but rather to work together
- This need for harmonious relationships between people is reflected in much Japanese behaviour
- There is a great emphasis on politeness, personal responsibility and working together for the universal good, rather than that of the individual
- They present facts that might be disagreeable in a gentle and indirect fashion

JAPANESE NON-VERBAL COMMUNICATION

- As the Japanese strive for harmony and are group dependent, they often rely on facial expression, tone of voice and posture to tell them what someone feels
- The Japanese often trust non-verbal messages more than the spoken word as words can have several meanings
- The context in which something is said affects the meaning of the words. Therefore, it is imperative to understand the situation to fully appreciate the response
- Frowning while someone is speaking is interpreted as a sign of disagreement
- Most Japanese maintain an impassive expression when speaking
- Expressions to be mindful of include inhaling through clenched teeth, tilting the head, scratching the back of the head, and scratching the eyebrow
- Non-verbal communication is so vital that there is a book for foreigners on how to interpret the signs
- It is considered disrespectful to stare into another person’s eyes, particularly those of a person who is senior to you because of age or status
- In crowded situations the Japanese avoid eye contact to give themselves privacy
JAPANESE HIERARCHY

- The Japanese are very conscious of age and status
- Everyone has a distinct place in the hierarchy, be it the family unit, the extended family, a social or a business situation
- At school children learn to address other students as senior to them (‘senpai’) or junior to them (‘kohai’)
- The oldest person in a group is always revered and honoured. In a social situation, they will be served first and their drinks will be poured for them

CULTURAL CONSIDERATIONS FOR THE JAPANESE MARKET

According to Iponics Japan, the Japanese traveller has become increasingly sophisticated and independent resulting in a rise in the number of people taking responsibility for their own travel plans and also actively seeking value for money and time, and lifestyle experiences.

As the Japanese are discerning and demanding customers, a little extra care or attention to their needs can go a long way. An important factor of success lies in making efforts to understand the Japanese customer’s mind. The Japanese emphasise quality, human relationships, perseverance, value-for-money and long-term commitment.

Some things to be aware of when dealing with Japanese travellers includes the following:

- **Information** - presenting the potential traveller with some information in Japanese is highly recommended (pamphlets, info guides and travel information, etc). The most effective way of providing all of this information is probably online
- **Quality products** - Japanese tourists may spend a lot, but value-for-money is important
- **Quality service** - back home in Japan, the Japanese are used to the highest levels of service - quick, polite and considerate service is the norm and they will notice when service levels are not up to standard
- **Quiet feedback** - Japanese may give little immediate feedback (good or bad) and often this is because they are too embarrassed or not confident in their ability to communicate. They will however communicate when they get back to Japan - potentially creating very good or very bad word-of-mouth
- **Attention to detail** - Japanese generally like and notice small touches and details
- **Safety** - Japanese travellers are very sensitive towards safety issues
FOOD AND BEVERAGE

Here are some tips from Kwintessential on what to do when you have been invited out with Japanese, which may be useful if you visit Japan or plan to host and dine with Japanese business associates or guests:

- Wait to be told where to sit. There is a protocol to be followed.
- The honoured guest or the eldest person will be seated in the centre of the table the furthest from the door.
- The honoured guest or the eldest is the first person to begin eating.
- Never point your chopsticks.
- It will yield tremendous dividends if you learn to use chopsticks.
- Do not pierce your food with chopsticks.
- Chopsticks should be returned to the chopstick rest after every few bites and when you drink or stop to speak.
- Do not cross your chopsticks when putting them on the chopstick rest.
- Place bones on the side of your plate.
- Try a little bit of everything. It is acceptable to ask what something is and even to make a face if you do not like the taste.
- Don’t be surprised if your Japanese colleagues slurp their noodles and soup.
- Mixing other food with rice is usually not done. You eat a bit of one and then a bit of the other, but they should never be mixed together as you do in many Western countries.
- If you do not want anything more to drink, do not finish what is in your glass. An empty glass is an invitation for someone to serve you more.
- When you have finished eating, place your chopsticks on the chopstick rest or on the table. Do not place your chopsticks across the top of your bowl.
- If you leave a small amount of rice in your bowl, you will be given more. To signify that you do not want more rice, finish every grain in your bowl.
- It is acceptable to leave a small amount of food on your plate when you have finished eating.
- Conversation at the table is generally subdued. The Japanese like to savour their food.
Findings from Tourism Australia’s Australian Consumer Demand Research project conducted by BDA Marketing Planning in 2012 indicate that when selecting a holiday destination, Japanese visitors want (in order of importance):

- A safe and secure destination
- World class beauty and natural environments
- Rich history and heritage
- Good food and wine
- Value for money
Japan: Top 5 Importance Factors

The figure below shows the factors that Japanese value when choosing a holiday destination.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>A safe and secure destination</td>
<td>77</td>
</tr>
<tr>
<td>World class beauty and natural environments</td>
<td>52</td>
</tr>
<tr>
<td>Rich history and heritage</td>
<td>50</td>
</tr>
<tr>
<td>Good food, wine, local cuisine and produce</td>
<td>45</td>
</tr>
<tr>
<td>A destination that offers value for money</td>
<td>37</td>
</tr>
<tr>
<td>A family friendly destination</td>
<td>30</td>
</tr>
<tr>
<td>A range of quality accommodation options</td>
<td>29</td>
</tr>
<tr>
<td>Clean cities, good road infrastructure with clear signposts</td>
<td>27</td>
</tr>
<tr>
<td>Flights with no stopovers</td>
<td>24</td>
</tr>
<tr>
<td>Friendly and open citizens, local hospitality</td>
<td>23</td>
</tr>
<tr>
<td>Romantic destination</td>
<td>17</td>
</tr>
<tr>
<td>Spectacular coastal scenery</td>
<td>17</td>
</tr>
<tr>
<td>Great swimming beaches</td>
<td>15</td>
</tr>
<tr>
<td>Native or cultural heritage or activities</td>
<td>11</td>
</tr>
<tr>
<td>Great shopping/ world class brand names</td>
<td>11</td>
</tr>
<tr>
<td>Ease of obtaining a visa</td>
<td>10</td>
</tr>
<tr>
<td>Luxury accommodation and facilities</td>
<td>7</td>
</tr>
<tr>
<td>Different and interesting wildlife</td>
<td>6</td>
</tr>
<tr>
<td>Good leisure activities such as nightclubs/ bars and/or casinos</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Tourism Australia, Japan Market Profile 2013
JAPANESE PERCEPTIONS OF AUSTRALIA

Compared to other out of region destinations, Australia ranks very highly for safety and security, natural beauty, and being family friendly as well as having clean cities and good infrastructure.

The Tourism Australia research shows that Australia delivers a positive holiday experience that exceeds the expectations of Japanese visitors. This was particularly clear for their perception of Australia offering good food and wine and value for money. Food and wine rankings were very high amongst those who have visited Australia and sampled Australia’s offering, compared to the perceptions of those who had not been which presents future marketing opportunities.

Despite unfavourable exchange rates at the time of research, Japanese respondents who had visited Australia perceived their experiences delivered value for money (note that ‘value’ was not defined during the research and is considered a subjective term).

The research also found that Japanese respondents prefer experiences in Australia which include wildlife (both aquatic and non-aquatic), food and wine, coastal or harbour settings and/or shopping.
KEY TRAVEL PERIODS

For Japanese travellers coming to Australia, the peak booking period is one month before travel. The peak travel period to Australia is January to March and July to September and December.

Seasonality of Visitors from Japan

Source: Tourism Australia, Japan Market Profile 2013
DISTRIBUTION CHANNELS

According to the Tourism Australia Japan Market Profile 2013, Japan has a highly regulated travel distribution system with three levels of travel agencies. The Japanese travel industry is one of the most vertically integrated in the world and the major operators in the Japanese market control all levels of the distribution system. Although distribution channels are becoming more fragmented, this integration remains a key feature of the Japanese travel trade.

Traditionally, the key focus for Australia has been wholesale package tour divisions of the General Travel Agents (GTAs). However, as Japanese outbound travellers mature, increasing focus is being placed on the Free Independent Travel (FIT) segment and the evolution of the Japanese travel industry into a more specialised, consumer-oriented sector is expected to continue.

As Japanese outbound travellers become more confident to travel independently and are less reliant on packaged tours, demand for FIT travel grows and the Japanese travel industry will continue to become more specialised and consumer-oriented. Large wholesalers are increasing their focus on retail consultants to meet consumer demand for FIT travel.

In addition to the two major brochure seasons of Kamiki (April to September) and Shimoki (October to March), wholesalers have begun packaging tours on-demand, taking advantage of last-minute trends and peak or low travel periods. The major wholesaler JTB has announced a shift in global strategy to move towards a Destination Management Company model, which provides a travel agent, tour operator and conference bureau.

When buying travel products, there are a number of distribution channels available to Japanese consumers. According to findings from Tourism Australia's Consumer Demand Research, Japanese respondents would use a mix of online and offline sources when researching a trip to Australia. This includes a general internet search, looking through guidebooks, visiting a travel agent or government website and brochures. The use of brochures for research by Japanese consumers was above the average across all markets in the study.

Listed on the following page are some traditional distribution channels. Some wholesalers are shifting their business to the retail sector to enhance their competitiveness.

Wholesalers/ Large Agents

- The top five wholesalers for Australia in Japan are JTB, HIS, KNT, NTA and JALPAK, all of which produce Australian brochures
- There are also strong regional brand wholesalers such as Meitetsu in Nagoya and Nishitetsu in Fukuoka. These wholesalers have overseas departments to develop Australian products in the destination
- Wholesalers compete for retail business as most have a retail chain under the same brand. Major wholesalers provide national coverage by distributing packages through their own retail outlets as well as external agencies

Special Interest

- Australia is the most popular destination for overseas school excursion programs from Japan. Major wholesalers handling this market include JTB, KNT, NTA, TOP and HIS, who have dedicated sales teams
Retail Agents
Commission Level: 5% to 10%

- Japan has a highly regulated travel industry structure with three levels of travel agencies. The industry applies strict and complex licensing laws, with high levels of consumer protection.

- First Level Agencies: General Travel Agencies (GTAs) provide package, wholesale and retail services for international and domestic tours. They generally have the following:
  - Wholesale Division, which designs and produces wholesale packages and group tours. The tour products are then on-sold to retailers, either via their own retail shops or to other agencies.
  - Media Sales Division, which produces packaged tours for direct sale to consumers and promoted through advertising, members magazines and online.
  - Group Tour Sales Division, which arranges and sells special order and one-off tours for clients (including schools/corporate) and niche tour organisers.
  - Retail Division and Retail Shops, which sell travel directly to consumers via retail shops. These shops sell packages produced by the in-house wholesale division as well as packages produced by other agencies.

Aussie Specialists

- Tourism Australia’s Aussie Specialist Program (ASP) in Japan runs in conjunction with the Japan Association of Travel Agents (JATA) Destination Specialist program.

- As at March 2013, there were 318 qualified Aussie Specialists in Japan and a further 246 agents in training.

- Tourism Australia has a two-tier trade engagement programs in Japan. Tier one is called Club Oz and targets the general manager-level staff of travel agencies. Tier two is called Oznet and targets product planning staff and qualified ASP agents who focus on general product and experience development. As part of this program, Tourism Australia with state, territory and regional tourism organisations provides educational opportunities, including seminars and monthly newsletters.

Inbound Tour Operators
Commission Level: 5% to 10%

- JTB, HIS, KNT and NTA operate their own Inbound Tour Operators (ITOs) in Australia. These inbound companies buy products, operate tours and provide product information to their respective head offices in Japan.

- Medium and small travel agencies and some sections of large GTAs use Australian ITOs. These ITOs have a sales office in Japan and in many cases sell other international destinations.

Business Events

- Major travel wholesalers handle the Business Events segment using dedicated event and group sales teams.
Brochures and Rates

<table>
<thead>
<tr>
<th>Brochure Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ The Kamiki period is April to September</td>
</tr>
<tr>
<td>▪ The Shimoki period is October to March</td>
</tr>
<tr>
<td>▪ There are also quarterly brochures (January - March, April - June, September &amp; October - December)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Brochure Space Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Most travel sellers require financial support to secure inclusion in their brochure</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Selling Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Rates are required six to twelve months in advance for the Kamiki period. During this planning period brochure content is reviewed and new products may be introduced</td>
</tr>
<tr>
<td>▪ Shimoki is a succession of Kamiki with only minor changes to the program such as rates and new timetables</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Standard Rate Validity Periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ 1 April to 31 March</td>
</tr>
</tbody>
</table>

Source: Tourism Australia, Japan Market Profile 2013

ONLINE MARKETING & SOCIAL MEDIA

According to findings from Tourism Australia, Japanese repeat travellers tend to use the internet more for research and bookings, in addition to the traditional distribution channels.

The number of online-only businesses in Japan is increasing, and major wholesalers are expanding online services and advertising. Consumers are increasingly booking flights through airline websites. Some online travel agents are growing business from these consumers by focusing on accommodation and optional tours only.

Operators are now searching for new and more cost effective marketing methods, including increasing their focus on digital marketing and social media.

Online Distribution

▪ Up until recently, travel agencies with a retail presence sold the same retail package products online. However, some travel agents are selling special online packages to improve price competitiveness

▪ In recent years, Online Travel Agencies (OTAs) who have no retail presence have been growing sales by focusing on flexible airfare and hotel booking systems. Examples of this are Rakuten and Expedia Japan

▪ Another style of online agent is those who only handle land content. Examples of these are Australian Tour Specialists and Alan One

▪ The number of consumers who book airfares only through airline websites is increasing

Tourism Australia’s Quarterly Update for May 2013 reports that in February 2013, JTB and Air Asia Expedia announced a joint partnership which will offer mutual access to accommodation listings available on their booking websites.

Also, the Japan Travel Bureau Foundation reported that Facebook is the most used social media website among Japanese opinion leaders who like travelling (42 per cent), followed by mixi (27 per cent), Twitter (26 per cent), and LINE (20 per cent).
LOCAL COMMUNITY IN AUSTRALIA

It can be useful when targeting an international market to also look at the local community international community in Australia. Many cities have a local Japanese newspaper or media, and international students often attract visitation from family and friends.

The Department of Foreign Affairs and Trade has stated that according to the 2011 census, more than 50,000 residents claimed Japanese heritage. Data suggests that there are approximately 70,000 Japanese nationals living in Australia (for a period of 3 months of longer) according to the Japanese Statistics Bureau. Historically, early Japanese settlers started the pearling industry in Australia and larger-scale migration began after the Second World War and continues today.

In 2011, more than 11,300 Japanese students studied in Australia on a student visa, making Japan the eleventh-largest source country for international students in Australia. There are strong education and science linkages between Australia and Japan, which underpin wide academic and research collaboration at the university level, extensive school student exchanges (27,000 Japanese students travelled to Australia in 2010), and strong interest from young Japanese in working holidays in Australia where they usually undertake short-term English language study.

Japan and Australia’s people-to-people links are supported by 16 Australia-Japan and 47 Japan-Australia societies which provide grass-roots community support to the relationship. There are also 100 sister city and six sister state-prefecture relationships.
ENGAGING WITH THE JAPANESE MARKET

The following section contains information about how to work with the Japanese market from a business perspective, including business etiquette.
INTRODUCTIONS & BUSINESS CULTURE

Meeting people

In dealing with Japanese business people, bowing is common and is a mark of respect. However, most Japanese business people who have dealt with foreign companies before will be just as comfortable with a handshake.

Japanese people will often refer to each other by following the last name with ‘san’. This polite term of reference is used as a mark of respect. First names are reserved for use by friends and family.

Relationships and communications

The Japanese prefer to do business on the basis of personal relationships. In general, being introduced or recommended by someone who already has a good relationship with the company is extremely helpful as it allows the Japanese to know how to place you in a hierarchy relative to themselves.

One way to build and maintain relationships is with greetings/seasonal cards. It is important to be a good correspondent as the Japanese hold this in high esteem.

Business meetings

Seating arrangements are used in formal business meetings. The most important guest sits furthest from the door and the host sits closest to the door. If in doubt, wait to be seated or ask where you should sit.

Product brochures and a company profile should be taken with you when you visit a Japanese company for the first time.

While business meetings during the day can seem to be slow and often skirt key issues, night time drinking and dinners are often the time when more useful information is fed back to you.

The Japanese equate being indirect with being polite. Thus being indirect, such as starting a business meeting with ‘small talk,’ will help to get the meeting off to a good start. Australians can misunderstand this indirectness and interpret it as indecisiveness or non-commitment from the Japanese side. In these situations, it pays to be patient.

Business cards

Business cards are handled in both hands and laid carefully on the table. You will need to bring at least 100 business cards with you to Japan. Business meetings invariably begin with the exchange of business cards. Don’t place the card in your pocket or write on it. If time allows, have your business cards printed with your company name and name in Japanese. Don’t have your business address translated to Japanese as this renders it meaningless.

Punctuality

Punctuality is a must in Japan. It is usual to arrive at a meeting at least five minutes before the appointed time. In the event that you are running late, it is polite to call ahead to advise of when approximately you will be arriving. All appointments should be arranged with companies prior to your arrival in Japan.

Gifts

Gifts are not necessary and it is inappropriate to offer expensive gifts, particularly on first meetings. Small gifts, such as company pens or ties, etc. can be presented once business is ready to commence or has commenced. It is generally considered impolite to open gifts in front of the giver.
TIPS FOR WORKING WITH THE JAPANESE MARKET

Below are some guidelines on business etiquette when working with the Japanese market, as suggested by Austrade. In Japan, business etiquette and practices are important. Here are also some public holidays in Japan which should be observed when planning meetings.

<table>
<thead>
<tr>
<th>Date</th>
<th>Holiday</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1</td>
<td>New Year’s Day</td>
</tr>
<tr>
<td>January 9</td>
<td>Adulthood Day</td>
</tr>
<tr>
<td>February 11</td>
<td>National Foundation Day</td>
</tr>
<tr>
<td>April 29</td>
<td>Greenery Day</td>
</tr>
<tr>
<td>May 3</td>
<td>Constitution Day</td>
</tr>
<tr>
<td>May 4</td>
<td>People's Day</td>
</tr>
<tr>
<td>May 5</td>
<td>Children's Day</td>
</tr>
<tr>
<td>July 20</td>
<td>Marine Day</td>
</tr>
<tr>
<td>September 15</td>
<td>Respect for the Aged Day</td>
</tr>
<tr>
<td>October 9</td>
<td>Health and Sports Day</td>
</tr>
<tr>
<td>November 3</td>
<td>Culture Day</td>
</tr>
<tr>
<td>November 23</td>
<td>Labour Thanksgiving Day</td>
</tr>
<tr>
<td>December 23</td>
<td>Emperor’s Birthday</td>
</tr>
</tbody>
</table>

**Business etiquette**

- The Japanese are extremely polite and place importance on respect and social rank. You will be showered with elaborate compliments while your host remains humble and plays down their achievements. Australians who show modesty will be well regarded by Japanese people.

- English is not widely spoken in business and government, with some exceptions, such as in trading companies. If a meeting is conducted in English, be sure to speak slowly and clearly, and do not use Australian idiomatic expressions or humour. Meetings in English are rare and an interpreter is generally required.

- **Partners** - it is inappropriate to take friends, spouses, or children to business meetings in Japan. It is also not common for spouses to be invited out for business dinners.

- **Resolving conflict** – Japanese people also try hard to avoid open conflict and so may answer ambiguously or even agree to an offer that they have no intention of accepting. One productive way of solving this problem is to prepare a brief but clear memo describing the situation and obligations of both parties and present it to the Japanese side as a record of the meeting. This will test the Japanese side’s position on the issue as they will be forced to respond.
Making sales calls

Tourism Australia has provided the following top tips for sales calls to Japan:

- Communication with the retail industry is handled by Tourism Australia, the airlines and the state and territory tourism organisations (STOs) based in Japan. Generally, Australian products liaise with their Inbound Tour Operator (ITO) then the wholesaler. It is not advisable for Australian product to visit retail agencies directly, unless for specific activities and only after the relevant ITO and wholesaler have been consulted.

- The best time of year for sales calls is in August, September, February and March.

- It is preferable to avoid Golden Week (end of April to early May), Obon (mid August) and New Year (late December to early January).

- The key market centres to visit are Tokyo and Osaka, followed by Nagoya, Fukuoka and Sapporo.
USEFUL CONTACTS

For more information about the Japanese market, you may wish to view the following resources:

**Austrade**

Doing business in Japan –

Japan market brochure –

**Department of Foreign Affairs and Trade**

Japan –

Japan country factsheet –

Japan country brief –

Australia in the Asian Century – Japan profile –

**Tourism Australia**

Japan –

Japan market profile 2013 –

Japan External Trade Organisation 1999,
Communicating with Japanese in Business –

**Additional Resources**

**International Visitors in Australia, Tourism Research Australia**

The IVS samples 40,000 short-term international visitors (aged 15 years and over) annually. Face-to-face interviews are held with departing visitors at the major international airports around Australia, and include questions on: country of residence, expenditure, demographics, purpose of visit, transport, accommodation, activities, repeat visitation, group tours, travel party, information sources, and places visited.

**Tourism forecasts, Tourism Research Australia**

TRA publishes a forecast publication twice a year, which contains international, domestic and outbound forecasts for the next 10 years.

**Overseas Arrivals and Departures**

A summary of monthly data for visitors arriving and residents departing short term, the intended length of stay, main purpose of journey, principal destination (departures) or country of usual residence (arrivals) and state and territory in which most time was spent.

**Quarterly Market Update, Tourism Australia**

Tourism Australia’s Quarterly Market Update provides an update to industry on the current state of international tourism for Australia.
REFERENCES

Austrade - Japan, Doing business

Department of Foreign Affairs and Trade - Japan country brief

Department of Immigration and Border Protection - Fact Sheet 49—Working Holiday Program

Department of Immigration and Border Protection 2012 - Working Holiday Maker visa program report 31 December 2012

Iponics Japan - The Japanese Tourist
marketing-to-japan.com/the-japanese-tourist.html

Japan External Trade Organisation (JETRO) 2007 - Doing Business in Japan Fact sheet

Kwintessential Japan - Language, Culture, Customs and Etiquette
www.kwintessential.co.uk/resources/global-etiquette/japan-country-profiles.html

Tourism Australia 2013 - Japan Market Profile 2013

Tourism Australia 2013 - Markets – Japan and Korea

Tourism Australia 2013 - Quarterly Market Update February 2013

Tourism Australia 2013 - Quarterly Market Update May 2013

Tourism Research Australia - Forecasts