

Economic Impact of Inbound Tourism on Regional Destinations of Japan

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Research background and objective

- Japanese domestic travel market will decline
- Inbound tourism demand has been increasing
 - Economic impact on the regional destination?
 - Is Inbound tourism beneficial or not?
- Evaluate the economic impact on the regional destinations quantitatively
 - Inbound tourism spending survey
 - Effective inbound tourism policy for the regions

Research question

- ✓ Is inbound tourism important compared to the domestic tourism?
- ✓ What is the characteristics of inbound tourism spending behavior in the regional destination compared to that in the big cities?
- ✓ How can we measure economic impact of inbound tourism on the regional destination?
- ✓ What is the effective inbound tourism policy for the regional destination?

Positive impact of inbound tourism

	Economic	Socio-cultural
host	increase income, tax revenue creating job	improve destination image proud of their region conservation of cultural resources
both		mutual understanding (cultural fusion, passport to peace)
guest		understanding of cultural resources destination attachment

Number of overseas visitors stayed (2013) ⁵

		No. overseas visitors stayed (a)	/pop (a/pop)	oversea share (a/total no.)
Regional	Takayama	149,996	1.62	0.153
	Fujikawaguchiko	96,524	3.79	0.157
Big city	Sapporo	708,264	0.370	0.121
	Kyoto	789,945	0.536	0.144

Data: JTA (2013), Population census (2010)

- Small numbers compared to the big cities
- Inbound tourism impact on some regional destinations

Travel experience and destination

Visitors from	No. visits to Japan	Destination		
		Within Golden route	Hokkaido	Kyushu
Taiwan	1 st time	45%	19%	15%
	3 rd time	39%	20%	17%
Thailand	1 st time	70%	0.4%	0.4%
	3 rd time	49%	14%	16%

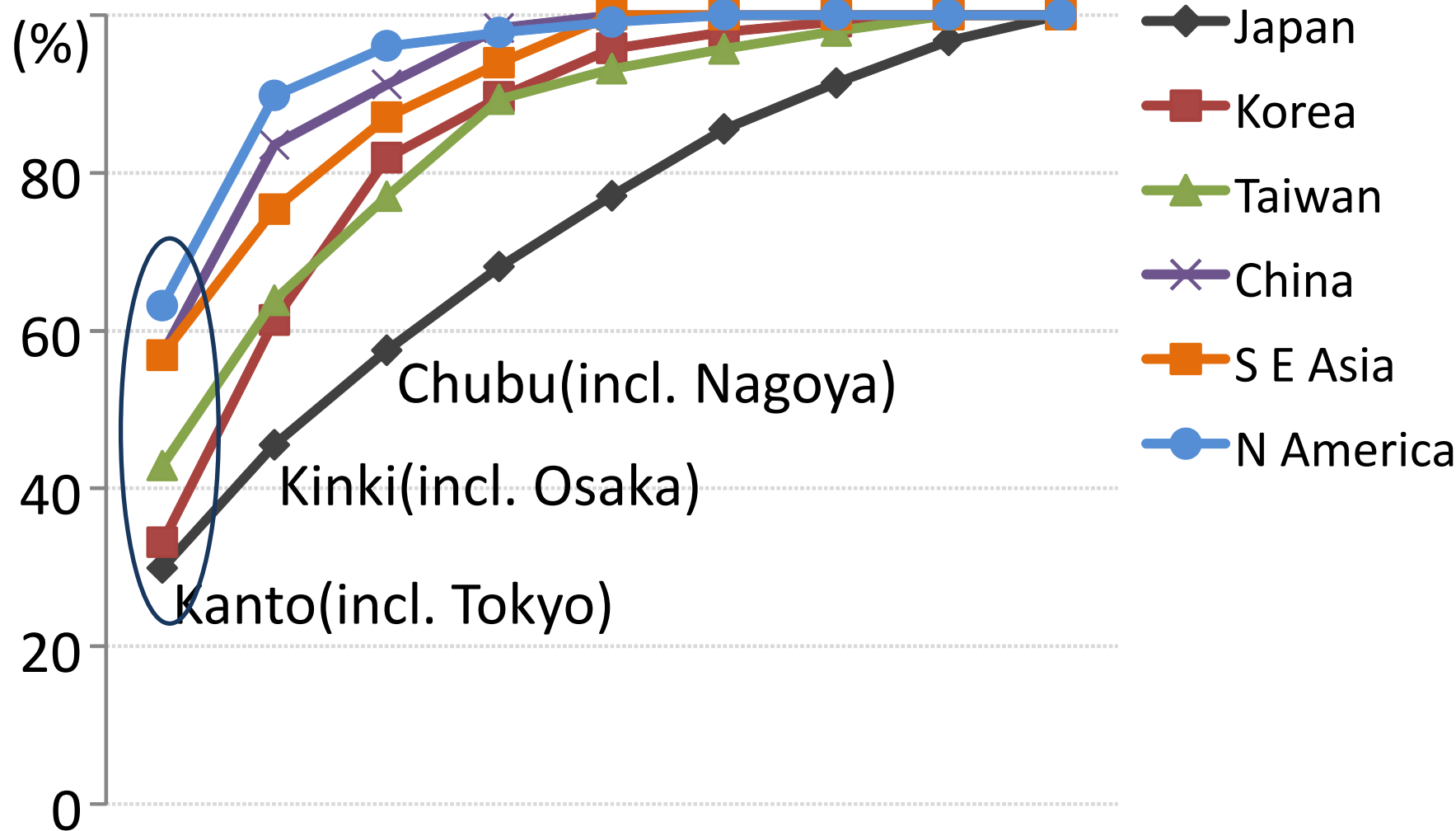
Golden route: Visitors to Tokyo area, Mt. Fuji, Nagoya, Kyoto, Osaka

Data: JTA (2012)

- Popular destinations for 1st time visitors
- Repeat visitors travel to some other destinations

Inbound tourism spending in Japan

Spending/region (cumulative %, 2010)



- Most spending goes to the metropolitan area

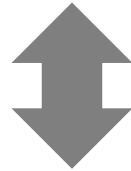
Data: JTA

Necessities for the spending survey

- Consumption trend survey for foreigners visiting Japan
 - Japan Tourism Agency
 - Data limitation on the regional destinations



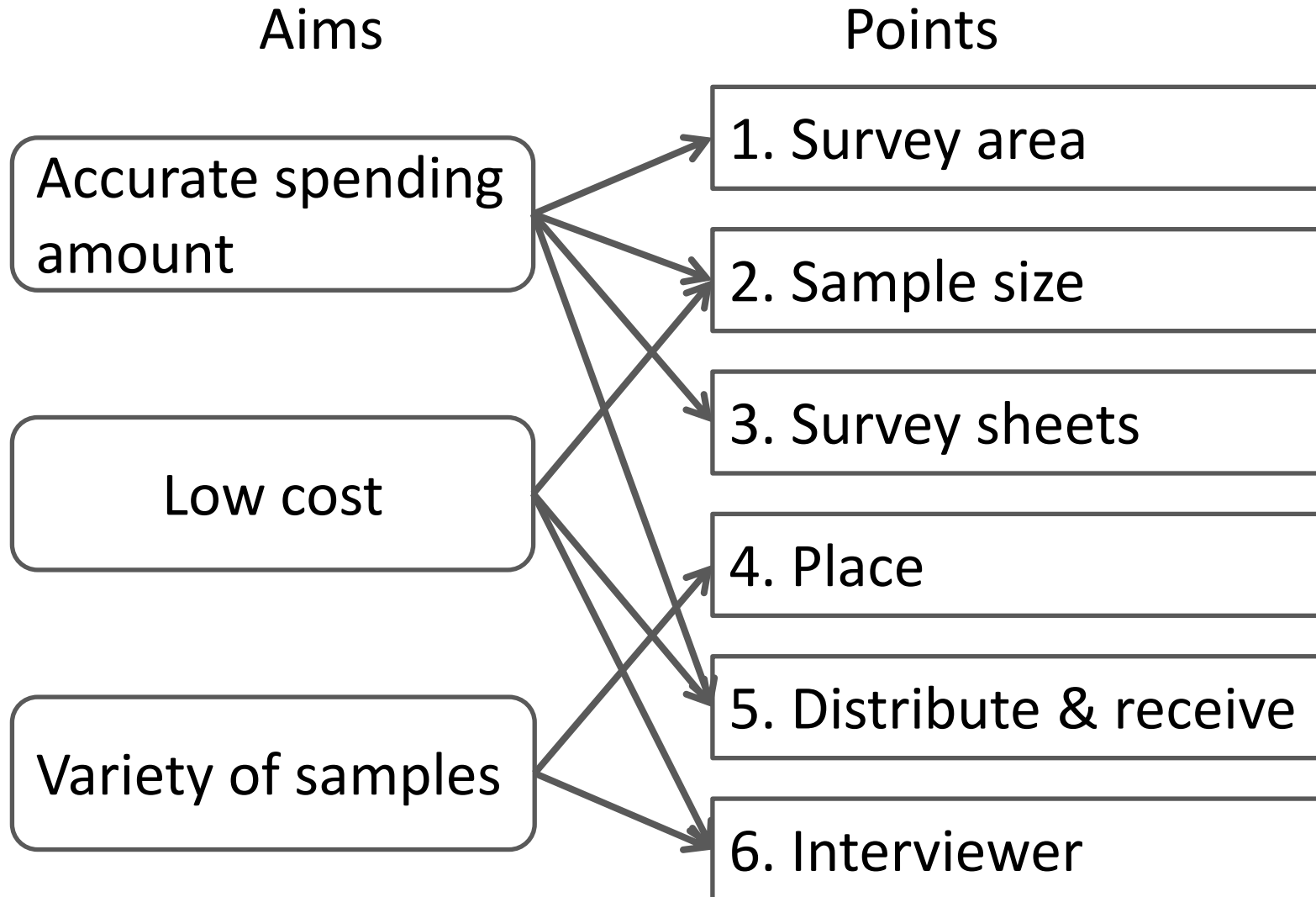
Needs their own survey

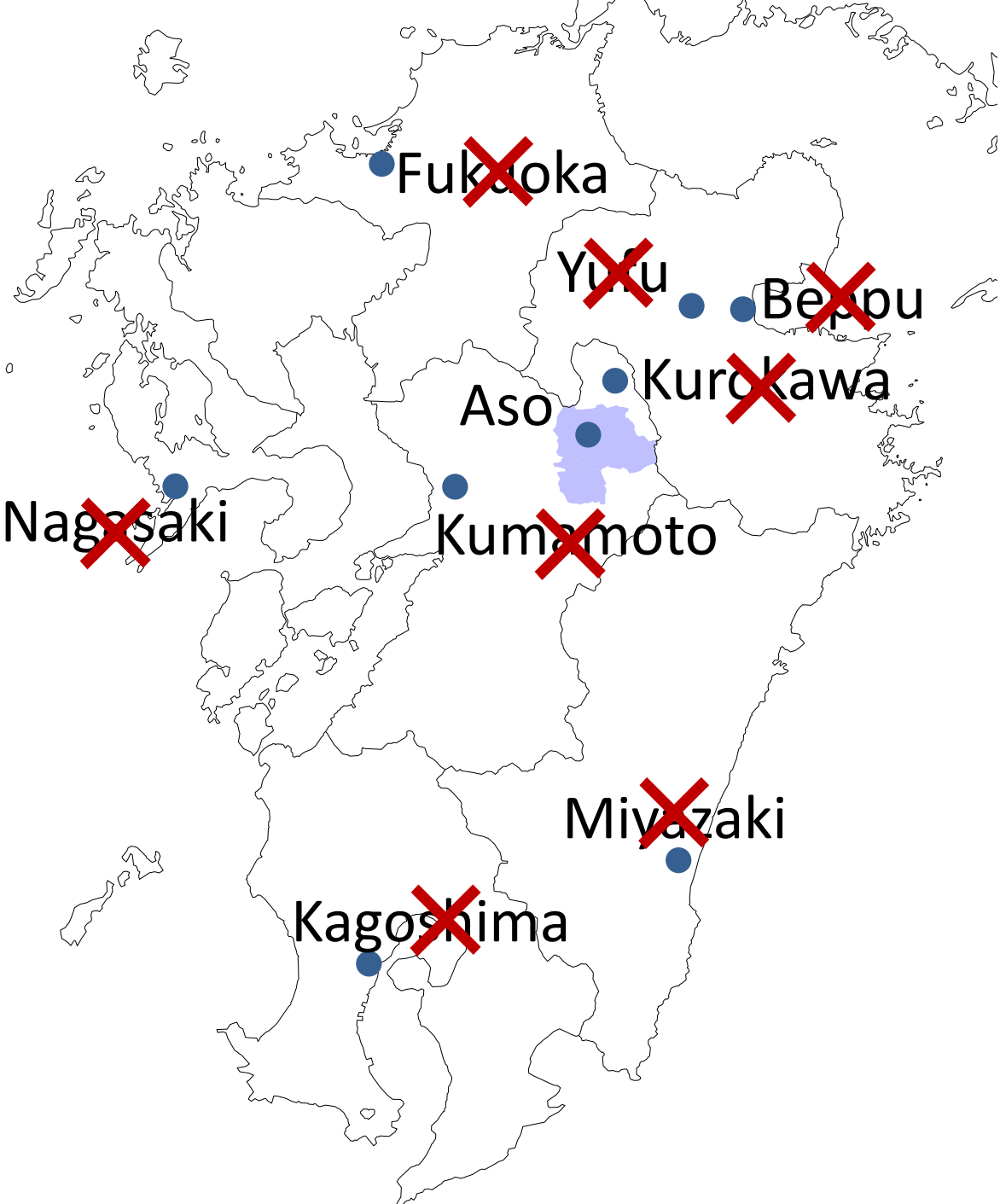


Know-how?

Points to the survey

- Provide a finding to the regional destinations





Benefit for collecting data

1 Understand the travel spending behavior

✓ Information for inbound tourism marketing

2 Input for estimating the economic impact

✓ Cost benefit analysis

✓ Who is the beneficiary of inbound tourism?

→ discussion on cost burden

Survey outline

Popular destinations in Japan



Takayama Apr 2013

Yufu, Aso, Ibusuki

Oct 2013 to
Feb 2014



Fuji kawaguchiko Oct 2012

Spending items

Accommodation



Eating & drinking



Transport

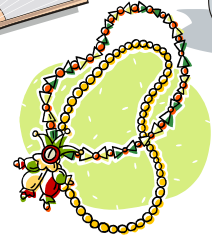
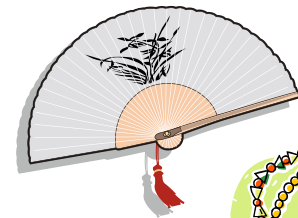


(exclude JR pass, etc.)

Amusement service



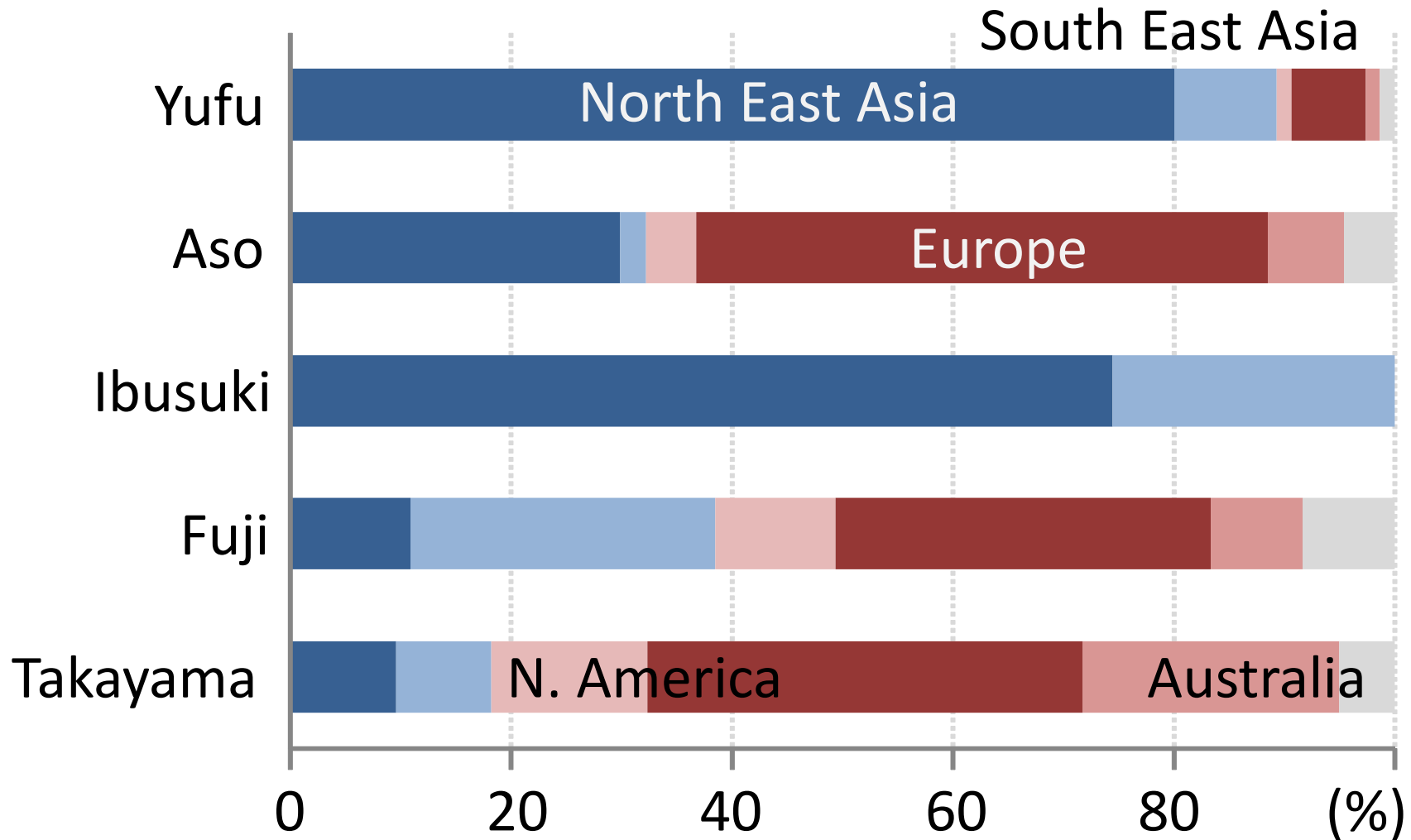
Shopping



Survey Result

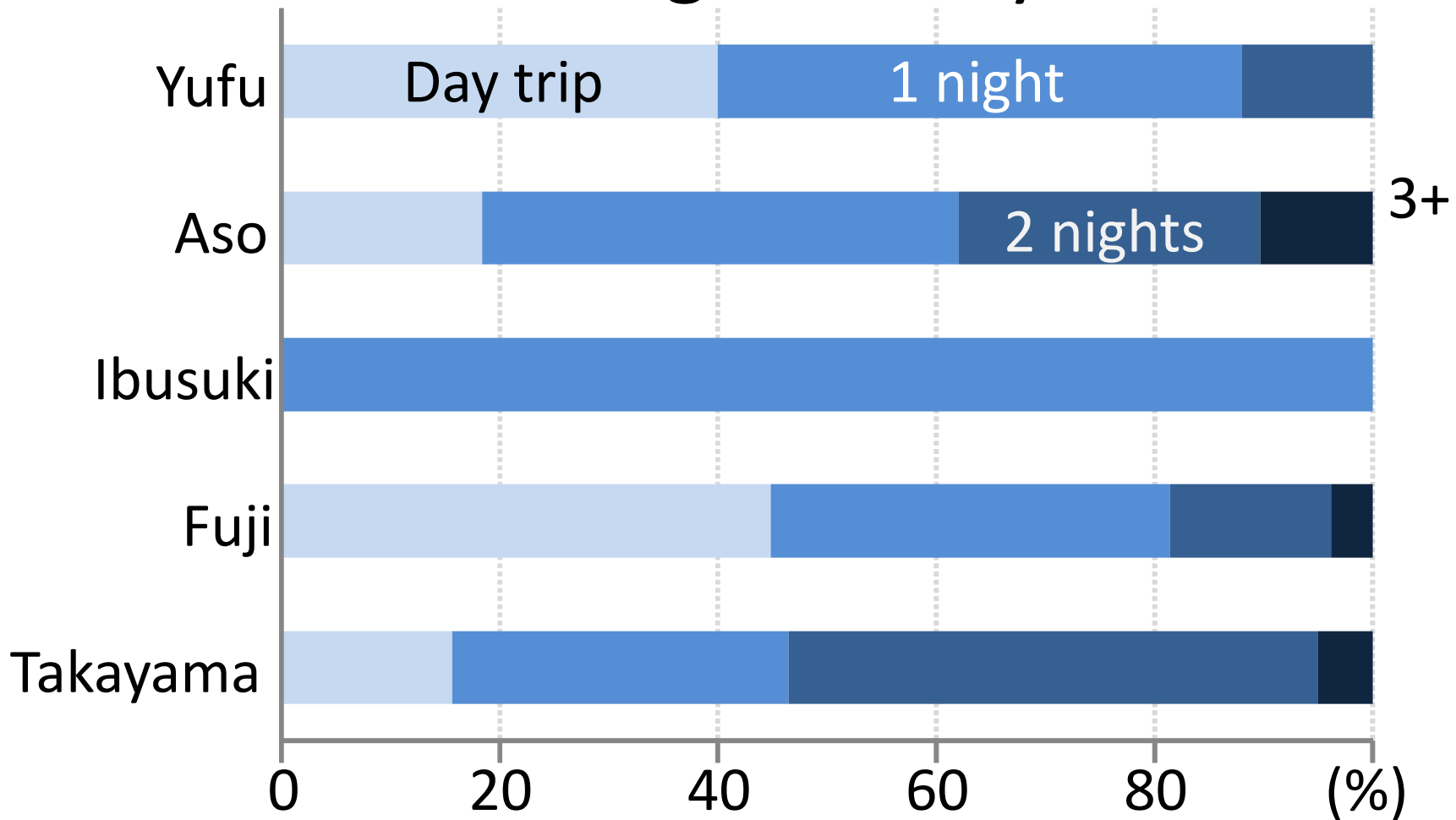
	No. distribution (a)	No. respondents	Valid samples (b)	Return rate (b/a)
Yufu	593	90	76	13%
Aso	620	91	87	14%
Ibusuki	600	58	43	7%
Fuji	258	160	156	60%
Takayama	377	210	198	53%

Visitors' country/region



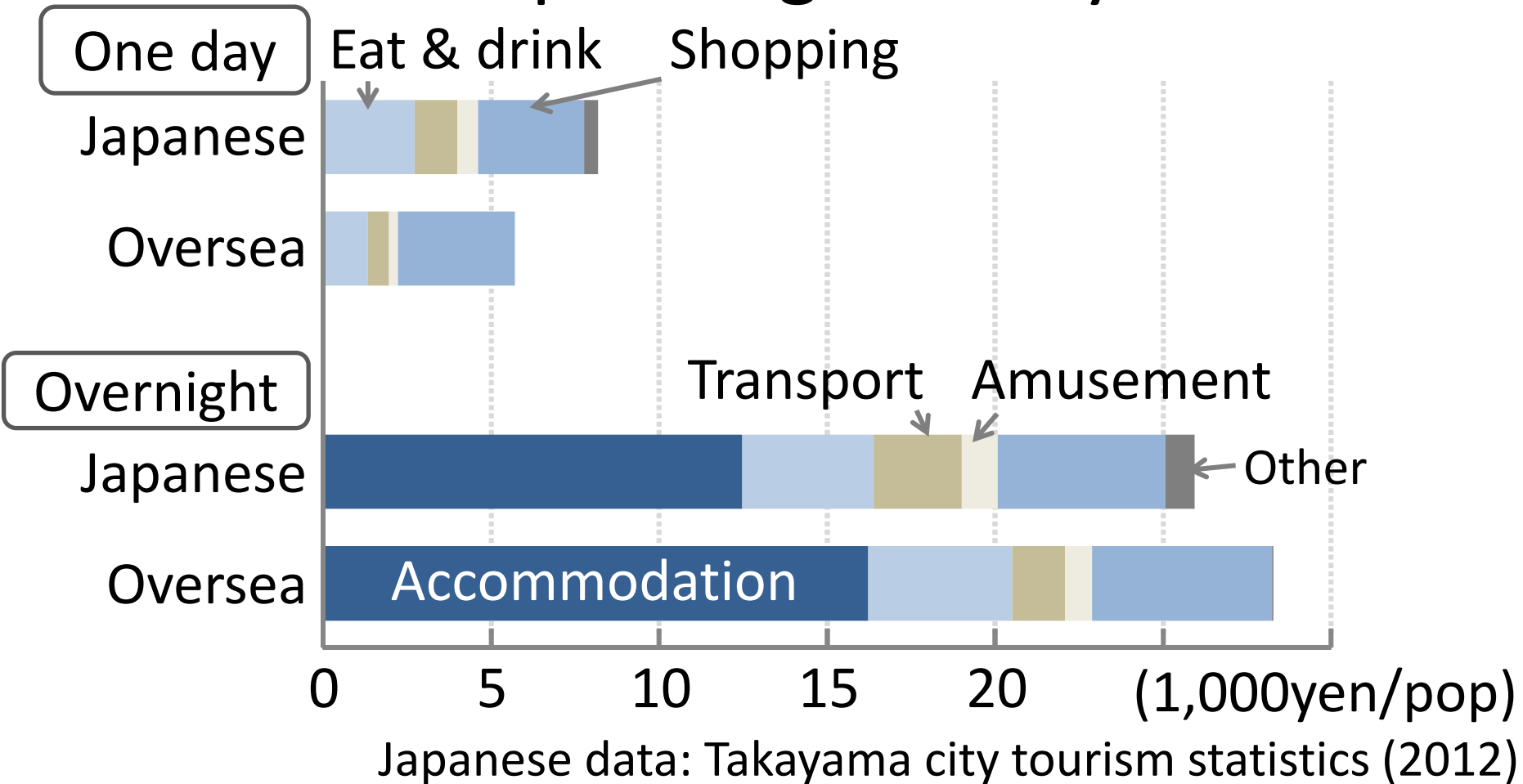
- Small number of visitors from North East Asia at Aso, Fuji and Takayama.

Length of stay



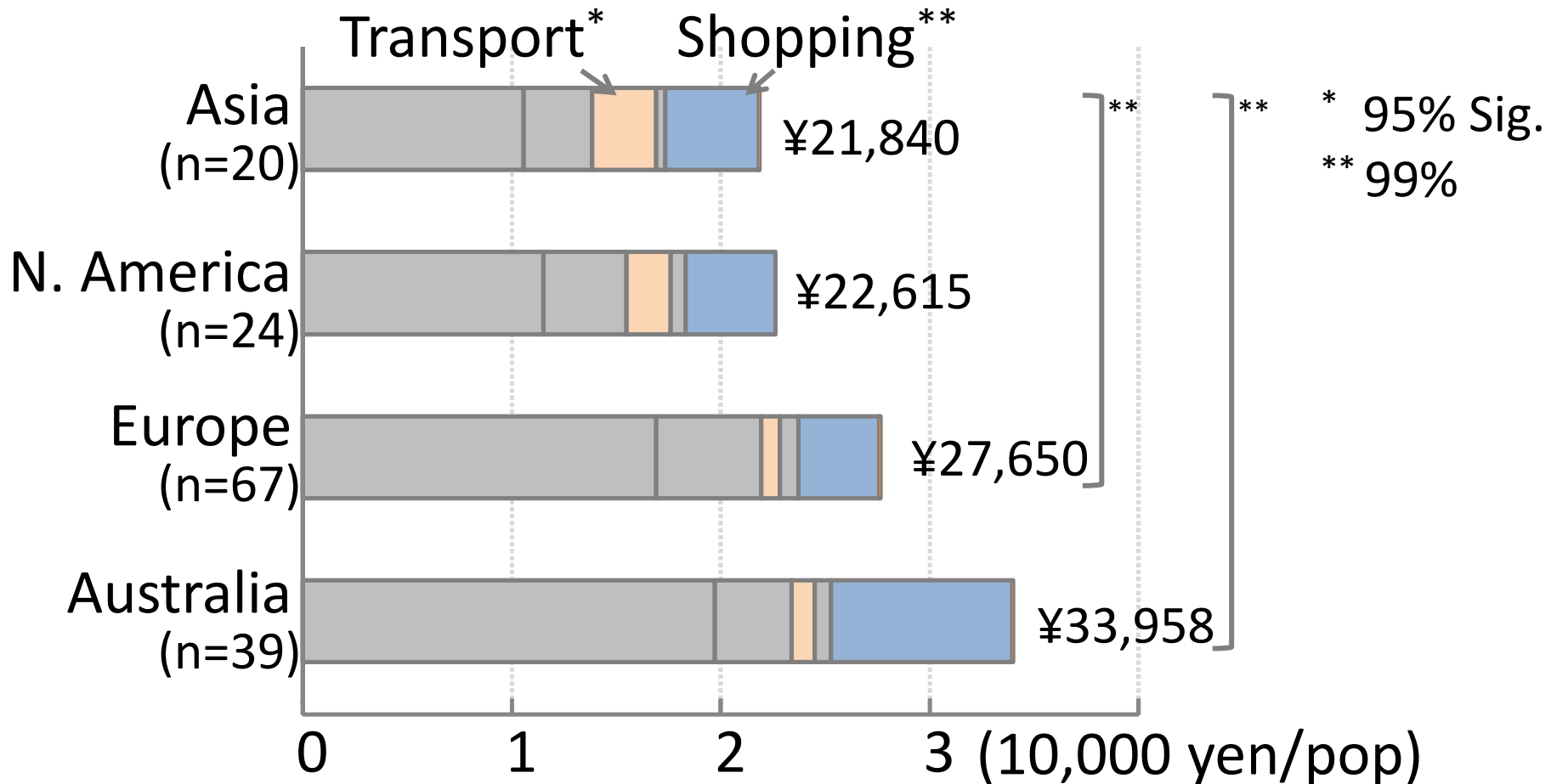
- Yufu, Fuji: close to the major destination(Beppu, Shinjuku)

Travel spending in Takayama



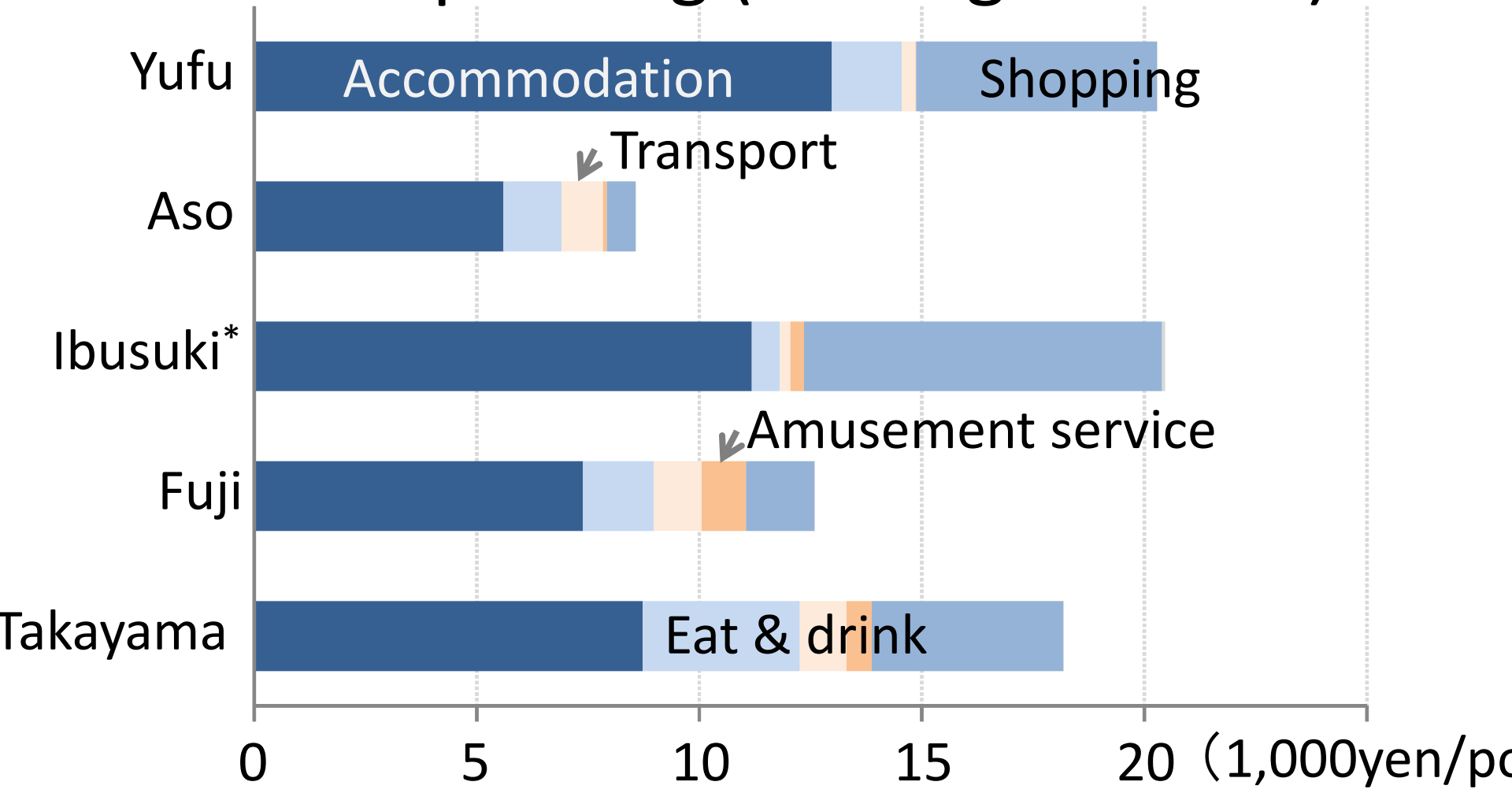
- Oversea visitors' travel expense
 - Total amount exceeds Japanese visitor for overnight visitor
 - Spending for shopping is higher for both one day and overnight

Travel spending in Takayama



- Travel spending of visitors from Europe and Australia is higher than visitors from Asia
- By spending items: Transport→Asia, Shopping→Australia

Travel spending (one night visitor)



Travel spending and Length of stay

night(s)		a	b	c	d	e
Yufu	0-1	-	●	×	●	●
	1-2	-	-	-	-	-
Aso	0-1	-	-	-	-	-
	1-2	○	●	●	×	○
Fuji	0-1	-	×	×	×	×
	1-2	○	×	×	×	×
	2-3+	-	-	-	-	-
Takayama	0-1	-	●	×	●	×
	1-2	●	×	×	○	×
	2-3+	×	×	×	×	×

● 99% significance level
○ 95% significance level
× no significance

a) Accommodation
b) Eating & Drinking
c) Transportation
d) Amusement Service
e) Shopping

- Travel spending of each regional destination has its saturating point

Conclusion

- Propose the inbound tourism spending survey in regional destinations
- Characteristics of inbound tourism spending in the region
 - Value for money; regional specialty that reflects their own history or story
 - Saturation of spending amount \Leftrightarrow even length of stay extend, spending increase?
 - Visitors from Asia spend more? like Tokyo?

Policy implication

- ✓ Monitoring the spending trend in the regions themselves
- ✓ To increase the number of visitor is better than extend the length of stay in some regions
- ✓ Quality and variety of local food, amusement service, products(souvenirs) for enhancing the economic impact