

Japan Travel Trade Research Project – Part 2

Conducted on behalf of

The California Travel and Tourism Commission

January 2007

The following Japan travel trade research project was conducted in Japan in January 2007, targeting key travel trade. The survey was conducted with 10 of Japan's major travel agents and wholesalers, targeting their key planning managers or sales managers in the U.S.A. division.

Please note that this Japan Travel Trade Research is Part 2 of a three-part research vehicle which also includes a detailed survey of Japan's media (Part 1 – submitted to CTTC HQ on January 19, 2007), and a large-scale Japanese consumer research project conducted on-line (Part 3) to assess the positioning of California as a destination among Japanese travelers, and to be submitted to CTTC HQ by January 26th.

The following Japanese Travel Trade research report (Part 2) is divided into the following sections:

- ▣ **Brief Profile of each travel agency interviewed**
- ▣ **Questions posed to each company**
- ▣ **Summary/synopsis of all responses**
- ▣ **Implications for the CTTC Japan Travel Trade Marketing plan in 2007-2008**

Travel Agent Profiles

Wholesalers

- **JTB World Vacations Inc.:** One of the largest and most influential wholesalers in Japan, and part of Japan Travel Bureau (JTB), Japan's largest travel agency. JTB is one of the three largest travel agents worldwide. Its wholesale brand Look JTB is sold nationwide throughout Japan and its main brochures are updated every three months.
- **H.I.S. CO., LTD:** H.I.S. is also one of the largest and most influential travel agents in Japan., with a very fast rate of growth, and a dynamic and innovative approach which has shaken up the Japanese travel industry over the past 20 years since its establishment. HIS' wholesale brand (Chao) is sold nationwide and main brochures are updated every two months. H.I.S. is also well known not only for its wholesale programs but also for their wide range of flexible tour products targeting FIT customers selling at reasonable price with discounted air tickets. One of their distinctive features of the company versus other Japanese competitors is HIS' flexible internal decision making system which allows it to revise/update/modify its tour products much faster than other wholesalers.

- **Kinki Nippon Tourist Co., Ltd.:** The wholesale department of Kinki Nippon Tourist (KNT) is one of the major wholesalers in Japan. Its wholesale brands are Holiday (first brand) and Holiday No.1 (second brand) and its brochures are updated every six months. Recently their wholesale department is placing priority on tour quality rather than price competition.
- **Jalpak Co., Ltd.:** Jalpak is one of the major wholesalers in Japan, as part of the Japan Airlines (JAL) group. Jalpak's wholesale brands are I'LL (first brand) and AVA (second brand) and its brochures are updated every six months. The distinctive feature of Jalpak is that it generally only packages destinations which JAL serves. As a result of being part of the JAL group, Jalpak's advertisements have more impact than those of other wholesalers.
- **ANA Sales Co., Ltd.:** ANA Sales is the wholesale tour department of All-Nippon Airways (ANA). Its wholesale brand is ANA Hello Tour and its brochures are updated every six months. The relationship between ANA and ANA Sales is quite similar to the relationship between Japan Air Lines and Jalpak.

Wholesaler and Tour Operator

- **R&C Tours CO., LTD.:** R&C works not only as a wholesaler but also as one of the major tour operators in Japan. As a wholesaler they produce WorldVacations with Northwest Airlines. Its brochures are updated every six months.

Media Travel Agents

- **Club Tourism International Inc.:** Club Tourism is one of the major Media Travel Agents in Japan which promote their tour packages via advertising in newspapers, online, and in other media, rather than by printing expensive brochures. Club Tourism produces mainly group package tours with tour escorts and sells the tours through newspaper advertising and via their direct-mailings to their own membership..
- **JTB Direct Marketing:** A subsidiary of JTB group (see above for description), JTB Direct Marketing produces the same kind of group tour products with tour escorts as Club Tourism. Their product brand is called JTB Tabi Monogatari.

Tour Operator

- **Trans Orbit Co., Ltd.:** One of the leading tour operators in Japan, mainly handling one-off group tours and FIT business.

Travel Agent

- **Nippon Express Co., Ltd.:** Nippon Express used to be one of major wholesalers. They have, however, withdrawn from the wholesaling of tour products from October 2006 due to intense price competition. As a result, Nippon Express is mainly handling group tours and has its own package tour product called Look World.

Question & Response Synopsis/Summary

I. How many times have you been to California and where? When was the last time?

How many times?	Number of answers
1 time	1
3 times	2
5 times	2
8 times	1
10-20 times	1
More than 20 times	2
More than 40 times	1

- ⇒ ***All travel trade planners interviewed have visited California.***
- ⇒ ***Frequency of visitation depended primarily on how long the planner has been in his/her position. Internal staff transfers generally happen every four to five years at major travel agents in Japan.***
- ⇒ ***The two travel trade managers who have visited California more than 20 times each are with smaller scale organizations, where they would remain in the USA divisions for a longer period of time.***

Where have you visited?	Number of answers (multiple answers)
San Francisco	5
Los Angeles	4
San Diego	4
Anaheim	2
Sacramento	1
Fresno	1
Palm Springs	1

- ⇒ ***The gateways of Los Angeles and San Francisco are the top two visited cities —not surprising as most major agents have offices in both cities, with the LA offices usually acting as their California or USA headquarters.***
- ⇒ ***It is surprising for San Diego to be ranked third on a par with Los Angeles, in view of its more limited tour product exposure in Japan.***
- ⇒ ***We suspect that the existence of the Disney International Office in Tokyo means that Japanese travel trade managers do not visit Anaheim as often as Los Angeles.***

When was your last visit?	Number of answers
2006	5
2005	1
2001	2
No answer	2

- ⇒ *Half of the Japanese travel trade managers interviewed have visited California in the past 6 months, with August, September and October visits most common as this is the period when internal meetings will be held with the California offices to decide on the next fiscal year's tour roster.*
- ⇒ *Conversely, half of the travel trade planners responsible for U.S. tour products have not visited California in the past year, and we believe this suggests the growing power of headquarters offices in Japan to determine tour rosters.*

II. Name 10 destinations in California in the order that you think they appeal to Japanese travelers.

California destinations have been listed by the key travel trade planners below, with the destinations with greatest appeal listed first:

Answer 1	Answer 2	Answer 3	Answer 4	Answer 5
Los Angeles	Disneyland	Disneyland	Los Angeles	San Francisco
San Francisco	Yosemite	Los Angeles	Anaheim	San Diego
Anaheim	Universal Studios	San Francisco	Yosemite	Yosemite
Yosemite	Beverly Hills	Anaheim	San Francisco	Monterey
Kings Canyon	Hollywood	Yosemite	San Diego	Carmel
Santa Monica	Santa Monica	Universal Studios	Catalina	Santa Barbara
San Diego	San Francisco	Santa Monica	Santa Barbara	Palm Springs
Oakland	San Diego	San Diego	Solvang	Los Angeles
Sacramento	Napa	Napa, Sonoma	Napa	Anaheim
Monterey, Carmel	Monterey	Monterey, Carmel		

Answer 6	Answer 7	Answer 8	Answer 9
Los Angeles	Los Angeles	Los Angeles	Los Angeles
Orange County	San Francisco	San Diego	San Francisco
San Francisco	Anaheim	Anaheim	San Diego
Gold Country	San Diego	San Francisco	
Dessert Area	Yosemite		
Northern Coast			

- ⇒ **80% of Japanese travel trade managers answered Los Angeles, Anaheim or Disneyland as the top California destination appealing to Japanese visitors.**
- ⇒ **In the next tier, San Francisco ranked in the top 3 California destinations in terms of appeal to Japanese visitors for 2/3 of Japanese planners. The only company which listed San Francisco as the most appealing California destination does not handle wholesale package tours and rated SFO highly because it targets the FIT market for whom public transportation in San Francisco is much more readily accessible than in Los Angeles.**
- ⇒ **80% of Japanese travel trade managers list San Diego as one of the most appealing California destinations for Japanese visitors, which is disproportionately high given San Diego's relatively limited exposure in tour programs in Japan.**
- ⇒ **60% of Japanese travel trade managers list Yosemite as a top appealing destination for Japanese tourists. These travel agents produce group package tours with escorts which include Yosemite National Park, targeting "active silvers" (energetic retirees).**

III. What adjectives come to mind when you hear the word "California" as a destination?

Image	Number of Answers
Good Weather	
Warm Weather	4
Blue Sky	2
Bright / Shining	2
Sunshine	1
Destinations	
Ocean / Coastline	1
Beaches	1
Beverly Hills	1
Hollywood	1
Theme Parks	1
Napa Valley	1
Gateway to the US	1
Adjectives	
Refreshing	3
Pleasant	1
Relaxing	1

Open	1
Other	
Celebrity	1
Fashion	1
MLB / NFL / NHL / NBA	1

- ⇒ **All of the adjectives/images listed by key Japanese travel trade managers are positive with not a single negative adjective/image mentioned which is rare for us when conducting such destination research. It suggests the continuing strong image/perception for California as a destination among the Japanese travel trade.**
- ⇒ **The strongest images of California among the key Japanese travel trade are relating to the good weather, beaches and Hollywood.**
- ⇒ **Destinations described as image adjectives are primarily located in Southern California with the exception of Napa Valley.**

IV. How many pax have you sent to California in the last 12 months, and how many are you projecting for 2007?

	2006	2007
Answer 1	76 pax	500 pax
Answer 2	2,800 pax	2,000 pax
Answer 3	3,000 pax	1,000 pax
Answer 4	3,000 pax	4,000 pax
Answer 5	5,000 pax	5,000 pax
Answer 6	10,000 pax	8,000 pax
Answer 7	10,000 pax	10,000 pax
Answer 8	16,000 pax	18,000 pax
Two agents	Cannot disclose	

- ⇒ **5 out of 8 travel agents are targeting significant increases in their California business in 2007.**
- ⇒ **3 out of 8 travel agents are projecting drops in volumes to California primarily due to the reduced number of flights available between Japan and California from October 2006.**
- ⇒ **Travel agent #3 who shows a collapsing California business withdrew from the wholesale business worldwide from October 2006 (see agent profiles above), and thus it will lose its 2,000 wholesale pax, which will be taken up by other agents.**

V. Has the number of California tour products that you carry decreased or increased in the last 5 years? Why?

Tendency	Number of Answer
Increased	4
Unchanged	2
Fluctuating	1
Decreased	2
Cannot disclose	1

- ⇒ **6 out of 9 key travel agents answered “Same or Increased” number of tour products,**
- ⇒ **Some key Japanese travel agents are struggling to increase California tour products, and CTTC Japan plans to work closely with these key players in 2007-2008 to ensure they expand the breadth, depth and seasonality of their California tour product.**
- ⇒ **An increase in new California tour products in 2006 was also due to Disney’s 50th Anniversary promotions.**

VI. What percentage of your business to California is packaged and what percentage is FIT?

Answer 1	Package Tour 100%	
Answer 2	Package Tour 100%	
Answer 3	Package Tour 99%	
Answer 4	Package Tour 95%	FIT 5%
Answer 5	Package Tour 80%	FIT 20%
Answer 6	Package Tour 80%	FIT 20%
Answer 7	Package Tour 70%	FIT 30%
Answer 8	Group Tour majority	
Answer 9	Package Tour 10%	Group & FIT 90%
Answer 10	Not disclose	
Average		

- The largest Japanese agents interviewed are heavily tour group/package agents, and so this question is skewed in favor of package tours – nevertheless the results show the continuing importance of the package tour business in selling California in Japan among the largest agents.
 - The medium and small-size agents have much more of an FIT emphasis.
 - In addition, even with the major group agents, all agents specifically commented on the rapidly increasing number of FIT pax, and that the FIT market is critical to their future growth.
- ⇒ **CTTC Japan would like to add aggressive promotions targeting group tours, including student and incentive markets in the 2007-2008 Japan travel trade marketing plan.**
 - ⇒ **Clarification is needed from CTTC HQ whether CTTC Japan is permitted to target the booming group incentive markets in Japan.**

VII. What are the major trends in California travel with your customer base – which destinations/attractions are hot and which are not?

Destinations Gaining Popularity

- ✓ L.A.
- ✓ San Francisco
- ✓ Napa
- ✓ Yosemite
- ✓ World Heritage Sites

Increasingly Popular Activities

- ✓ Long-stay
- ✓ Shopping
- ✓ Anaheim
- ✓ Disneyland
- ✓ Universal Studios

Destinations Losing Popularity

- ✓ L.A.

Less Popular Activities

- ✓ Theme Parks

Other Comments

- *Activities and destinations vary dramatically in popularity depending on the market segment being targeted – as a result, this question yielded a host of replies which are difficult to summarize neatly – and which are seemingly contradictory as each agent had a very different perspective on what is hot and what is not.*
- *Any neat summary will distort the reality without keeping in mind the need to closely link a destination or attraction with its target segments. In general, however the trends are as follows below:*
 - Traveler numbers to downtown Los Angeles and to surrounding cities (Santa Monica, Beverly Hills, West Hollywood etc.) are still the leading California destination for Japanese but have softened in the past half-year.
 - Traveler numbers to San Francisco are beginning to trend upwards according to the major Japanese travel trade.
 - Theme parks in Southern California such as Disneyland and Universal Studios remain the most popular activities in California.
 - Visitor numbers from Japan to Disneyland increased through September 2006 due to the 50th anniversary celebrations, but in the past six months, Disneyland has seen softness in the Japan market.
 - Particular growth is being seen in Japan among young travelers who tend to travel on an FIT basis rather than using package tours, and in “active silvers”, the over 55 age group.
 - The over-55 age group traveler, however, prefers hiking in California’s National Parks rather than in theme parks
 - According to the key Japanese travel trade, sports activities in California are surprisingly

not popular – this is somewhat counter-intuitive given growing overseas travel by “active” and “sporty” Japanese seniors -- this conclusion needs to be carefully confirmed in the consumer research.

- ⇒ ***Once again, popular activities and destinations are completely different depending on the market segment. Different approaches for different market segments must be considered in refining the 2007-2008 Japan travel trade marketing plan.***

VIII. Which market segments are you primarily sending to California (sex/age/type of travel)?

Number of Agents	Target Market Segment	Gender	Age	Tour Type
3	Young Females	F	20s-30s	Skeleton type package tour
2	Couples	F & M	20s-30s	Theme park package tour
2	Couples	F & M	50s	Group package tours with tour escort
2	Young	F & M	30s	Fly & Drive, Hotel only
1	Young	M	20s-30s	Skeleton budget package tour
1	Families			Theme park package tour

- The majority of key Japanese travel agents continue to target the mass market younger Japanese traveler in their 20’s and 30s, with a skeleton budget package tour (air and hotel only) or growing Fly & Drive packages (see above).
 - The second core California target for major Japanese travel agents are seniors in their 50’s and 60’s who generally travel on group tours with an escort to avoid transfer and language problems, although growth in FIT in this segment is also being seen.
 - The senior segment is the fastest growing segment in travel to California.
- ⇒ ***Fly & Drive promotions being added to the 2007-2008 Japan marketing plan should target the young generation, not the mature age segment.***

IX. What package types are selling well – pricing, duration, destinations?

Destination	Price Range	Duration	Number of Answers
Los Angeles	Under \$850 per pax Budget conscious	5-6 days	3
Anaheim Theme Parks	Budget conscious	5-7 days	2
Natural sites such as Yosemite	Not mentioned	8 days	1
Las Vegas & New York	Varies from \$700-1,700	8 days	1

- The best-selling mass market Japan packages to California according to the major Japanese travel trade are package tours to Los Angeles and theme parks, lasting 5-7 days, and being sold at very competitive prices.
 - Tours visiting natural sites such as Yosemite are seeing real growth, and have a generally longer travel duration and higher cost given the primary target among “active silvers”
 - FIT tours are growing faster than package tours, although the California market remains heavily packaged.
- ⇒ ***Given the rapid growth in FIT business, there is growing interest among key Japanese travel wholesalers and agents in the Fly & Drive segment. CTTC Japan plans to provide leadership in this new segment in its 2007-2008 Japan marketing plan.***
- ⇒ ***In the case of other U.S. destinations, the selling point is more often distinctive accommodations, and not discount pricing. For California to compete against other U.S. destinations such as Las Vegas, distinctive accommodations and/or attractions need to be featured more for their quality and less for their low-cost, to attract a higher-spend visitor.***
- ⇒ ***Ultimately the major agents are seeking to sell higher-value packages which generate a higher commission although price competition from other destinations and channels (on-line) makes this a challenge.***

X. What percentage of your California products have a focus on: a) Los Angeles, b) San Francisco, and c) non-gateway?

	a) Los Angeles	b) San Francisco	c) Other
Answer 1	Majority is LAX		
Answer 2	70%	20%	10%
Answer 3	70%	20%	10%
Answer 4	65%	10%	25%
Answer 5	60%	30%	10%
Answer 6	50%	20%	30%
Answer 7	50%	25%	25%
Answer 8	30%	30%	40%

- Los Angeles dominates Japanese tour products as the primary gateway city from Japan.
 - This is partly due to the power of the theme parks, and partly due to marketing in Japan.
- ⇒ ***A key feature of CTTC Japan's 2007-2008 Japan marketing emphasis is to ensure the Japanese travel trade are exposed to a much greater flow of information about the huge depth and breadth of tourism offerings in California outside Los Angeles.***

XI. Do you see any major changes in California travel trends in the last 5 years?

Comment	Number of Answers
No major changes	3
No major changes except Disney 50 th anniversary	2
Increase of FIT travelers	2
Boutique type hotels, which don't have inbound rates are getting popular.	1
Less people visiting theme parks in California.	1
Declining interest in shopping overseas due to internet shopping	1
University graduating student trips are recovering since 9.11.	1
Not sure	1

- 50% of the major Japanese travel trade managers do not see significant changes in California travel trends, with the exception of Disney's 50th Anniversary.
- This is a worrisome indication that more California destination news needs to be disseminated more frequently to the travel trade in Japan to emphasize the on-going developments, new openings, new attractions in the state and the fact that the destination is rapidly evolving and growing.
- The above ratio (50%) is quite similar to the results of our media research.
- The image of California as a constantly evolving, growing, fresh, hot destination needs to be carefully cultivated among the Japanese travel trade and media, otherwise Japanese consumers tend to cool on a destination very quickly. It is easy for Japanese consumers to turn hot on a destination, but also it is easy for Japanese to find a destination tired and outdated.

- The above issue reflects the success of Dubai, Las Vegas or Disneyland that are constantly evolving, constantly growing, and effectively communicating this news.
- ⇒ ***As per the Media Research Report, CTTC Japan proposes expanding the Japan newsletter to a monthly circulation, and with a much increased travel trade distribution to all major travel agencies nationwide. The CTTC Japan newsletter will include new package itineraries, destination/attraction suggestions, destination news, California monthly event calendar, campaigns, promotions etc.***
- ⇒ ***In addition, CTTC Japan plans to significantly increase the number of travel agent fams, in-house training seminars and stand-alone California workshops in its 2007-2008 Japan marketing plan, to dramatically increase training and educational opportunities for the key Japanese travel trade.***
- ⇒ ***In terms of segments, as already noted above, the growing FIT market will be targeted more aggressively in the Japan 2007-2008 marketing plan.***
- ⇒ ***The rapid growth of direct bookings via the Internet also needs to be taken into account in future CTTC Japan promotions, with an increase in E-marketing efforts by both CTTC and California CVBs urgently required.***

XII. Are you considering developing new California tour packages in 2007-2008?

Answer	Number of Answers
Yes	5
No	4
Not decided	1

- ⇒ ***50% of travel agents are fully intending to develop new California itineraries.***
- ⇒ ***CTTC Japan's mission in 2007-2008 is to ensure that these new California itineraries include a great variety and depth of destination and attraction in California to breathe new life into the marketing of California in Japan.***
- ⇒ ***A second challenge is to convert the remaining key Japanese travel agents who don't intend to develop new California packages in 2007-2008, to ultimately develop new product. This will be achieved by daily sales calls on key planners, increased information flow via the new monthly newsletter, and increased training and motivation sessions including fam trips to California, in-house seminars, and stand-alone California workshops, all designed to introduce new ideas and fresh product to the travel trade in Japan.***

XIII. What kind of new California tour packages are you considering?

Comment	Number of Answers
Fly & Drive tours	2
Expand tour offerings to San Diego.	1
Feature more high-class hotels near Southern California beaches	1
World Heritage tour	1
Combination with cruise tour.	1
Undecided	1

- ⇒ ***As noted above, a new hot trend among the Japanese travel trade is to develop Fly & Drive packages to California. CTTC Japan will be placing emphasis on this segment in 2007-2008 to encourage take-up of this new product concept among a broader range of agents.***
- ⇒ ***World Heritage tours are booming worldwide mainly for the mature aged segment, and California has significant World Heritage sites which must be more broadly packaged in Japan.***
- ⇒ ***Major Japanese travel agents tend not to disclose their new tour products ideas until they launch the tours due to competitive concerns, but CTTC Japan will be able to work with all the major agents prior to launch, to maximize exposure for new California tour products.***

XIV. What do you consider the key selling points of California tour products for your clients?

Comment	Number of Answers
The West Coast can be reached with a shorter flight than the East Coast	2
Competitive tour price	1
Rental car product / Suitability for Fly & Drive	1
Interesting walking tours in each city	1
Wide range of accommodation choices depending on needs and budget.	1
Many positive features -- good weather, relaxing atmosphere, friendly people	1
For group tour planning the important point is how to differentiate from wholesale package tours. For example, arranging a local guide besides a Japanese tour escort in Yosemite.	1

- ⇒ ***Major Japanese agents still tend to target budget Japanese travelers in their 20s and 30s with competitive tour prices.***
- ⇒ ***Increasingly, however, most agents recognize the need to differentiate California from other destinations, by offering more unique attractions, accommodations, or itineraries.***

- ⇒ ***The importance of ease of access reflects the current tendency for Japanese to chose nearby destinations, seeking “shorter travel duration” and “cheaper travel cost” due to continuing low consumer confidence in Japan.***
- ⇒ ***Once again, Fly & Drive is highlighted as an emerging trend for California that CTTC Japan must be quick to capitalize on.***
- ⇒ ***Detailed product information in Japanese, especially regarding accommodations, needs to be developed to satisfy the rapidly growing FIT market.***

XV. What do you consider the major weak points of California for your clients?

Comment	Number of answers
Poor public transportation system especially in the Los Angeles area	2
Difficulty securing air seats	1
Frequent hotel blackouts due to conventions in San Francisco	1
Lack of attractive destinations and attractions except the theme parks	1
Increasing ground cost all over the U.S. versus low-cost Asian destinations	1
Escalating price competition using Asian airlines.	1
Theme parks are small in comparison with Florida	1
Lack of destination freshness which can attract Japanese travelers	1
Poorer safety image in comparison with improving image of New York	1

- ⇒ ***Lack of public transportation in the Los Angeles area is something often brought up (see below for further detail), and it has the unfortunate consequence of making many Japanese package tours quite similar as agents share transportation resources.***
- ⇒ ***A key issue for CTTC Japan is the decreasing number of flights and air seats, especially in economy.***
- ⇒ ***The above answers reflect continued misunderstandings/misperceptions about California even within the USA divisions of major Japanese travel agents → This again emphasizes our need to increase training, education, and information programs targeting the Japanese travel trade to defuse these misconceptions, and raise awareness of all that is new in California.***
- ⇒ ***The co-op consumer campaign this year will be a huge boost in refreshing/revitalizing the image of California in Japan, and in motivating the Japanese travel trade to package and sell the destination more aggressively.***

XVI. Where do you consider the top competing destinations in Japan for California? Why?

Comments	Number of answers
Okinawa (bright image, weather, low tour price)	3
Tokyo Disneyland, Disney Sea, Universal Studios Osaka	3
Can not compare with destinations in Japan because Japanese destinations appeal to different aspects -- such as Japanese local food	2
Shonan beach region of Japan (Surfing, marine sports)	1
Hokkaido (fly & drive, reasonable product price)	1

Other Comments

- There were many Japanese who visited theme parks in the US when only Tokyo Disneyland was open. With the opening of a variety of additional parks in Japan such as Disney Sea in Tokyo and Universal Studios in Osaka, Japanese increasingly prefer to visit those American theme parks in Japan. However, the 50th anniversary of Disneyland was an exception.
- With the increased fuel surcharge (approx. \$200 per person), many Japanese have shifted from overseas to domestic travel.
- With the availability of internet shopping, discount outlets in Japan, and even the opening of DFS in Okinawa, shopping is no longer a major driver for California travel.
- ⇒ ***California theme parks still have huge potential to appeal to Japanese travelers with special promotion differentiating them from the offerings in Japan.***
- ⇒ ***The stated competition for California is stiff as it is primarily domestic -- Okinawa, Hokkaido and theme parks in Japan.***

XVII. What kind of support would you like to receive from CTTC Japan to increase your sales of California travel to your client base?

Comment	Number of answers
Increase exposure via mass-market advertising/consumer promotion	5
Targeted advertising/exposure depending on different target segments	2
Joint promotion with CTTC Japan including tie-up media projects	1
Access to regular tourism information including events in California	2
Incentive paid to agents based on number of pax sent to California	1
Financial support for brochure production	1
California tourism brochures in Japanese	1
Japanese brochures targeting the silver market	2
Japanese-speaking toll-free number at rental car companies to promote Fly & Drive	1
Japanese speaking staff at both LAX and SFO airport	1
Improvement of public transportation in the Los Angeles area	1

- ⇒ *The over-riding request from the Japanese travel trade is for more consumer promotions and advertising exposure in the Japan market – something which will be addressed with the Japan consumer co-op campaign which is currently in planning.*
- ⇒ *Japanese travel trade recognize the dearth of Japanese-language brochures available, and CTTC Japan is preparing a request to CTTC HQ for Japan brochure development in 2007-2008, including poster development for agent branches.*
- ⇒ *As always in this kind of travel agent research, the travel trade are seeking financial support/incentives. While agents understand that no such funds are available, CTTC Japan will for the first time be able to undertake co-op co-funded marketing activities with the travel trade, particularly in conjunction with the consumer promotion campaign.*
- ⇒ *Many of the requests made are beyond the scope of CTTC Japan, covering several California infrastructural issues.*

XVIII. Any recommendations for marketing programs in Japan to boost travel to California?

Suggestions

- Given California's unique film and music industry, arrange for Japanese singers, comedians and actors to visit California, perhaps in conjunction with media. Joint promotions can be carried out to organize tours to send Japanese travelers with these Japanese celebrities to California.. *(CTTC Japan Comment; an example of this would be the Gorie promotion last year.)*

- Intensive market research targeting only Baby Boomers who are retiring, a whole generation that will retire soon, in order to inspire them to travel to California. **(CTTC Japan Comment: we agree with this assessment of the emerging importance of the retiring baby boomer generation, and have folded in this key market segment into our marketing plans targeting the over-55 generation).**
- Develop a giveaway campaign whereby special giveaways are provided to travelers to California during a limited campaign period. **(CTTC Japan Comment: this was done over the last two years with the Governor's cell phone strap giveaway in Japan in conjunction with major agents. We are considering a second generation giveaway campaign for the major agents in conjunction with the Co-op Japan Consumer campaign currently in planning).**
- Market research in each prefecture in Japan **(CTTC Japan Comment: this 3-step research vehicle consisting of Media Audit, Consumer Research and Travel Trade Interviews is an excellent first step given that CTTC has never conducted Japan research in the past. If we were to expand the Japan research project to a Phase II, the next step would probably not be prefectural-based research but consumer focus groups responding to key messages).**
- Launch a promotion by using Japanese celebrities who live or have a house in California. A message in Japanese and conveyed by those Japanese celebrities can be appealing. **(CTTC Japan Comment: the power of celebrities in Japan cannot be underestimated, and we will continue to try to secure celebrity involvement in our media projects on an unpaid basis.)**
- Joint promotion with Tokyo Disneyland. For example, a reciprocal billboard advertisement with "Come to Disneyland in California next time" at Tokyo Disneyland. **(CTTC Japan Comment: CTTC Japan would perceive this to be the bailiwick of the Disney International Office in Tokyo.)**

Research Implications for 2006-2008 Japan Travel Trade Marketing Plan

- Await results of Japan Consumer Research (Part 3) before making final recommendations regarding 2007-2008 Japan Travel Trade marketing Plan.
- Re-set the target market segments based on the results of all 3 research vehicles but current target segments have been confirmed as:
 - Young male and female travelers in their 20's-30s, including young families
 - Active seniors, 55 and over, including the emerging baby-boomer generation
- Set key theme and suitable destinations for each of the target segments to appeal more effectively to these segments.
e.g. a) Theme Parks for young generation, female and family
b) Yosemite for mature age market
c) World Heritage sites for the Active Silver market
- Expand availability, awareness, and packaging of a greater variety and seasonality of California destinations and attractions.
- Conduct daily travel trade sales calls not only to wholesalers but also to group tour agents/tour operators including student and incentive markets (pending CTTC HQ permission)
- Sales calls will be organized by target market segment, such as Fly & Drive, or high-yield travel etc.
- Increase information programs including new monthly newsletter targeting the travel trade nationwide
- Establish major Japan mission with California workshop in Tokyo, Osaka, and Nagoya, as well as smaller-scale in-house agent training seminars
- Develop travel agent fams which target specific market segments
- Build a stronger network of relationships with regional CVBs to handle the organization of travel agent fams more smoothly.
- Secure more buy-in from California CVBs and attractions given that CTTC Japan now has a significant budget available to implement a greater variety of Japan marketing programs
- Design the Japan co-op Consumer Promotion campaign to refresh and revitalize the image of California in Japan, to energize travel agents nationwide to sell the destination more aggressively, and to motivate the travel trade to develop a broader range of new California tour products
- Undertake joint marketing activities with travel trade in conjunction with the Japan Consumer Promotion, including possible giveaway campaign, on-line promotions etc.
- Put priority on promoting off season (autumn and winter) in California in case of joint marketing activities with travel agents
- Develop new design California collaterals, including posters for agent branches, possible accommodations guide in Japanese, giveaways etc.
- Develop new CTTC Japan website to educate the travel trade with a photo library for travel trade brochure development

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