

# Canada's Tourism Industry to Target Japan

Canada's most important overseas market in terms of visitor revenues, is Japan, whose visitors to Canada generated approximately \$435 million in 1992, excluding international airfares.

Japanese visitors to Canada generate the highest yield per day (\$174 in 1992) of any of our major markets. The potential for increased revenue is significant — provided Canada can maintain or increase its market share.

To do that, Canada's tourism industry will have to become aware of, adapt to, and initiate programs that will further enhance Japanese tourism interest — and visits — to this country.

A step in this direction is to understand the type of Japanese visitors that come to Canada.

A recent market profile of Japanese pleasure travellers to Canada clearly defines distinct customer segments ("Office Ladies" - highest priority, "Silver Agers" and "Skiers").

Exploratory work is being conducted on several additional segments that show good potential for Canada. These include: Middle-age (45 years and over); "Fullmoon" travellers (couples 45 years plus); "Baby-boomers" (40-44) and their children; business travellers; and students.

It is also worth noting that, while the inventory of Canadian travel packages available in Japan is large, opportunities exist to significantly expand the variety of product, destination, and seasonality of tours.

Tapping into those opportunities means taking into consideration the fact that Japan's sophisticated market is undergoing considerable changes in consumer travel purchase behaviour.

This is a result of the "bubble burst" economy: a wiser consumer

seeking value rather than "brand"; an increase in small groups as well as Foreign Independent Travel (FIT); and "off-peak" purchases.

All these changes will necessitate a long-term commitment by Canada's tourism industry.

Another factor worth considering: Competition for a greater share of this shifting yet lucrative market is very intense. This competition will increase with completion of the Narita Airport facility expansion and with the opening of the Kansai International Airport in September 1994. The completion of this latter airport is expected to create another wave of strong growth in traffic.

To maintain and build Canada's share through to the turn of the millennium, Canada must achieve a strong market presence *now*, and position itself with tourism partners to meet the competition head-on in 1994.

In fact, at a recent Canada-Japan Tourism Conference in Montreal, the head of the Japanese delegation challenged the Canadian and Japanese industries to triple the number of Japanese visiting Canada annually from approximately 500,000 to 1.5 million.

This "1.5 Million Challenge" will impose significant implications on the Canadian tourism product, including considerations such as the need for increased air capacity and access, the requirement for new product and packaging, customs and immigration policies and procedures, and the availability of Japanese-speaking guides.

One of the immediate initiatives flowing from the Tourism Mission is the formation of the "Canada Committee", chaired by Tourism Canada. This Committee brings together experts in various fields of the Canadian tourism industry to provide an in-depth review of

the issues linked to the 1.5 Million Challenge.

A half-dozen sub-committees of that steering group will formulate specific action items over the next few months, leading up to the 1994 Canada-Japan Tourism Conference in Osaka. It is anticipated that the Honourable John Manley, Minister of Industry (responsible for tourism), will table a final report at that Conference, planned to take place immediately following the World Forum of Tourism Ministers in November 1994. The Canada Committee meeting clearly recognized the need for the adaptation and development of new tourism product. As a result, this month, Japan will be represented, with over 60 select delegates, at **Rendezvous Canada 1994**, Canada's internationally recognized travel trade marketplace.

As a corollary to **Rendezvous Canada**, the Canadian Embassy in Tokyo will host **KANATA '94**. This latter marketplace is designed to assist the Canadian travel trade to sell new Canadian products, to develop business networks and to improve market knowledge. It will be staged in Fall 1994 in the Kansai region of Japan, in preparation for the growing potential demand as a result of the September 1994 opening of the Kansai International Airport.

The economic benefits of reaching the target set by the 1.5 Million Challenge are enormous. An additional \$1 billion would be pumped into the Canadian economy each year, creating more than 20,000 new jobs.

To achieve this end, the Canadian tourism industry must commit itself to "making good" on the strategy as outlined in Canada's Action Plan for Japan — with

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