

**THE JAPANESE TOURISM MARKET:**  
**THE CANADIAN CONNECTION**

Japanese outbound travel has grown at a phenomenal rate over the past 25 years, from 128,000 visits abroad in 1964 to 11.9 million in 1993. Some incentives to travel include a substantial appreciation of the yen against foreign currencies, a recent five-year program that actively encourages outbound travel, changes in Japanese lifestyle, and extremely competitive promotional efforts by the travel industry. Despite the slowing of economic growth, industry observers predict that, by the year 2000, over 20 million Japanese will travel overseas annually. To expand and enhance bidirectional tourism, the Japanese Ministry of Transport (MOT) recently announced a program called "Two-Way Tourism 21" to promote broad-based international tourism now and into the twenty-first century.

Tourism has important links to other sectors of the Canadian economy. It provides direct employment for more than 600,000 Canadians, and is ranked fourth in terms of export earnings.

Some Japanese businesses are investing in the Canadian tourism sector, particularly in hotel and resort properties in Toronto, Hamilton, Banff, Vancouver, Whistler and Victoria. Major Japanese travel companies have now established their own operations and liaison offices in Canada, creating employment and displaying their long-term commitment to promoting the Canadian travel destination.

Japan now ranks as Canada's most important overseas market in terms of visitor revenues, generating approximately \$435 million in 1992, excluding international airfares. Long-term Japanese visits (over 24 hours) increased by 3.6 percent in 1993 to reach 409,127 (preliminary figure); total visits from Japan to Canada increased 2 percent to 505,812. As Japanese visitors generate the highest yield per day of any of our major markets (\$174 in 1992), potential incremental revenue is significant, provided Canada can maintain or increase its market share.

To do that, Canada's tourism industry must 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 more about the type of Japanese visitors that come to Canada.

While the major objective of increased revenue will be met partly through increased arrivals, another key variable is increased spending per trip. Emphasis is being placed on the latter by continuing to target high-yield segments. "Office ladies" remain the priority, followed by the "Silver Age" group, and skiers - a key niche segment. The marketing approach in Japan is tightly-focused, featuring product-specific messages aimed at these