

Tourism Strategy towards 2020: Promotion of Tourism and the Revitalization of Regional Areas

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Abstract The Japanese government has positioned tourism as part of Japan's regional revitalization strategy and economic growth strategy, and has announced its intention to increase annual numbers of foreign tourists to 30 million. However, the easing of existing tourism-related regulations and change in Japan's readiness to accept foreign tourists, looking towards increasing the depth of tourism in the nation, will be essential for a tourism strategy which seeks to compete with other countries around the world. This chapter provides an overview of relevant issues and presents a number of proposals. This chapter also introduces the next two chapters by two experts examining the concept of Japanese-style destination marketing organizations (DMOs) and the issue of *minpaku*, paid accommodations using private houses or apartments, to provide suggestions for concrete policy orientations in both areas.

Keywords Tourism strategy • Regional revitalization • Regulatory reform • Inbound tourism • Japanese tourists • Destination-based tourism • Destination marketing organization (DMO)

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1 INTRODUCTION

In 2013, the Japanese government realized its much-desired goal of achieving a figure of ten million foreign visitors to Japan (inbound tourists). In FY 2016, 24.04 million visitors were recorded, and the 20 million mark was broken. The total amount of spending in Japan by foreign tourists also increased in 2016, to 3.7476 trillion yen, the highest-ever figure. And it was in 2015 when the first sharp increase in the amount of spending by foreign tourists was observed, to 3.4771 trillion yen, and that was the first time the amount had exceeded three trillion yen in a year. This represented a 71.5% increase against the figure of 2.278 trillion yen for the previous year. Positioning tourism as part of its strategy for regional revitalization and economic growth, the government has now announced a new goal, raising its target for the annual number of foreign visitors to Japan to 40 million (Ministry of Land, Infrastructure, Transportation and Tourism, 2015; The Prime Minister of Japan and His Cabinet, 2016). However, the easing of existing tourism-related regulations and innovation in Japan's readiness to accept foreign tourists, looking towards increasing the depth of tourism in the nation, will be essential for a tourism strategy which seeks to compete with other countries around the world. This chapter provides an overview of relevant issues and presents a number of proposals. For the following two chapters in this section, we asked experts on the concept of Japanese-style destination marketing organizations (DMOs), which will offer a foundation to boost regional revitalization and tourism in Japan to a new level, and on the issue of *min-paku*, which is attracting controversy in relation to the easing of accommodation regulations against the background of a chronic shortage of hotel accommodation in Japan's large metropolitan areas, to provide us with suggestions for concrete policy orientations in both areas (Fig. 7.1).

2 TOURISM IN JAPAN: STATUS AND ISSUES

According to international balance of payments statistics for Japan, the travel balance recorded a surplus in FY 2014 for the first time in 55 years. The rapid increase in foreign visitors to Japan became a talking point, but what we should focus on here is the decline in the amount of domestic travel expenditure by Japanese tourists. The figure declined by around two trillion yen in 2014. A major factor in this decline was a rapid shift in the type of travel undertaken by Japanese tourists, from the traditional

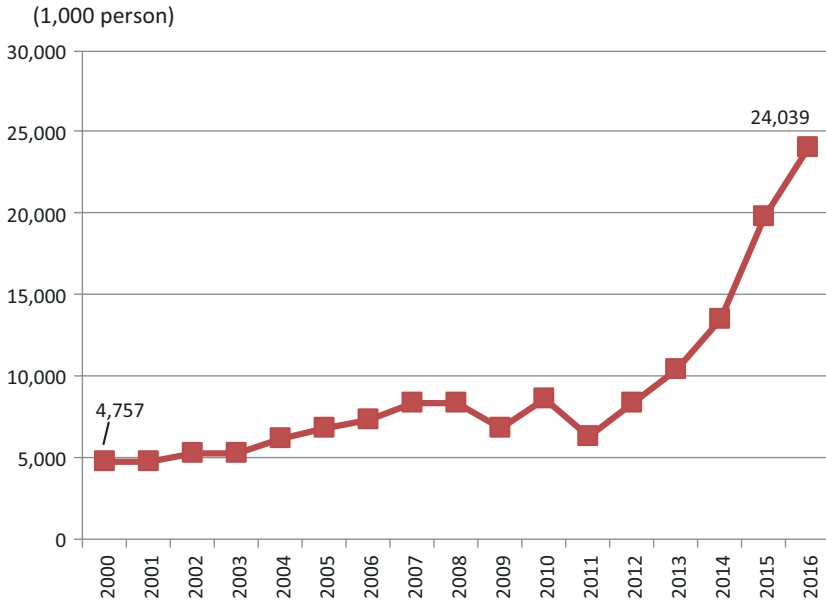


Fig. 7.1 Changes in the number of foreign tourists visiting Japan. Source: Japan Tourism Agency, White Paper on Tourism, each year. Original source was documents compiled by the MLIT (Ministry of Land, Infrastructure, Transport and Tourism) based on documents by the Ministry of Justice (2000–2008), and estimation by Japan National Tourism Organization (2009–2016)

group tour type, in which tourists travel to a variety of destinations, to individual travel focused on experience, which tends to see the traveler staying at a specific destination. Innovation in domestic tourism products in response to this change is severely delayed. The tourism industry in Japan grew with a central focus on domestic demand, and now faces a major turning point. It must turn away from a model in which tourist areas have been developed and tourists catered for based on traditional group-oriented tourism, towards the restructuring of Japanese tourism in its entirety, while also bringing overseas tourists into its purview. The issue here will be to promote the easing of tourism-related regulations and boost the floating population of Japan's regions with the tourism industry as the central axis. I believe this will function as a driving force for regional revitalization.

3 ISSUES TOWARDS 2020

3.1 Creation of Japanese-style Destination Marketing/ Management Organizations (DMOs) as a Foundation to Boost Regional Revitalization and Tourism to a New Level

Rapid population decline in Japan's rural areas is resulting in increasing contraction of regional economies (Kaneko, 2016; Masuda, 2015). Against this background, increasing the vitality of regional areas by boosting the non-resident population, that is, promoting regional development by increasing tourism, is an important policy issue in relation to regional revitalization. Attention is being focused here on the launch of Japanese versions of DMOs, tourist organizations which are standard features of advanced tourist regions such as Europe and the USA (The Prime Minister of Japan and His Cabinet, 2016). This issue is discussed in detail in Chap. 8, "Creation of DMOs to Promote Inbound Tourism: Methods and Issues," by Professor Yoshitaka Mizoo (2018). The concept for the Japanese-style DMOs being advocated by the government is "independently-operated organizations established with the aim of marketing and promoting (branding) tourist areas (regional tourism resources), possessing functions for management of the quality (safety) of services for the acceptance of tourists, the formulation of tourism strategies, and the management of business planning," which work to assist in regional revitalization.¹ One major issue is promoting a higher proportion of visits to regional areas by foreign tourists. The functioning of these DMOs in regional tourist areas and their ability to newly create environments that allow for the acceptance of foreign tourists, and to put in place measures for the cultivation of the necessary human resources and to functionally implement them in regional areas, represent two major factors in successfully increasing visits to regional areas by overseas tourists.

3.2 New Directions in Accommodation Facilities in Japan: Discussion Is Increasing around the Minpaku Issue

To recap issues discussed in detail by Professor Kumiko Tomikawa in Chap. 9, "Towards the Relaxation of Regulations on *Minpaku* in Japan," (Tomikawa, 2018) there is a chronic shortage of hotel spaces in large metropolitan areas in Japan, in particular Tokyo and Osaka. This is considered to be due to the doubling of the number of overseas tourists visiting Japan

in the two-year period from 2013. In Tokyo, where a 75% hotel occupancy rate was previously considered good, occupancy rates are in excess of 90%, and there is an ongoing inability to ensure accommodation for business travelers. Looking towards 2020, an even greater shortfall in accommodation facilities is looming, but spiraling construction costs mean that it will be difficult to ensure a sufficient number of rooms to respond to the expected demand. Overseas, there is an active sharing economy. The website Airbnb, which connects people seeking to rent accommodation with people needing accommodation, already covers more than 800,000 rooms and other accommodations located in 33,000 cities in 192 countries (Ozawa and Machida, 2015).

However, because rental contracts of less than 30 days' duration are subject to restrictions based on the Hotel Business Act, and because it is not possible to offer short-term rentals without satisfying the conditions required for accommodation facilities, for example having a reception desk, the use of this sharing economy is not allowed in Japan.

In order to break through this particular "bedrock regulation," the government is allowing the offering of accommodation for less than 30 days by private individuals or businesses which are not registered as hotels, termed *minpaku* in Japanese, in special zones in which the restrictions of the Hotel Business Act in this respect do not apply. As pioneering examples of these strategic *minpaku* zones, Tokyo's Ota Ward and Osaka City have formulated independent regulations, and independent *minpaku* businesses commenced legal operation from 2016. The regulations provide measures for the prevention of illegal residence for purposes of crime or terrorism, and to respond to complaints from neighbors regarding noise or garbage. At the same time, new measures for the revitalization of the special zones through their existing economic activities are being put into effect, with the administrations involved in the establishment of the special zones using the formulation of the new regulations as an opportunity to promote increased circulation in their local economies by attempting to increase the appeal of their areas to *minpaku* users through initiatives such as offering free tickets for the use of local public baths, and to boost tourist spending at local stores and restaurants by issuing coupons that can be exchanged for various services and printing maps in a variety of languages.

In addition, as Professor Tomikawa indicates in her chapter, in its attempt to increase the annual number of overseas visitors to Japan to 40 million, the government has also established a policy of treating *minpaku* businesses as "budget hotels" under the Hotel Business Act as a second move in its easing

of the regulations on *minpaku*, and is reviewing the possibility of expanding legal recognition of *minpaku* nationwide, but it is feared that this step would face serious opposition from existing *ryokan* owners.

4 CONCLUSION

This chapter has considered issues facing Japan's tourism strategy as it looks towards 2020 and the easing of tourism-related regulations for the promotion of regional revitalization. However, while the goal of making Japan a tourism-oriented nation and realizing a significant increase in the annual number of overseas visitors from a base of 20 million in 2016 to 40 million by 2020 is an important one, we must be careful not to merely prioritize the achievement of the target figures. It would be desirable to see comprehensive discussion of the positioning of the tourism industry in Japan covering aims such as what type of people from which countries we seek to attract, for which purposes, and whether we seek to encourage single or repeat visits; these discussions should also encompass concrete measures for the revitalization of tourism demand among the Japanese themselves. We must promote the development of tourism as a new engine of regional revitalization and growth in the Japanese economy which will become a major pillar of economic reform.

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NOTE

1. An excerpt from Japan Travel and Tourism Association (2015), "*Nihonban DMO no Tebiki* (Outline of Japanese-style DMO)" (www.mlit.go.jp/common/001110766.pdf) (in Japanese).

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