explorez sans fin
Canada
keep exploring

Restoring Canada's Growth/Yield with the Japanese Travel Market

Project Summary

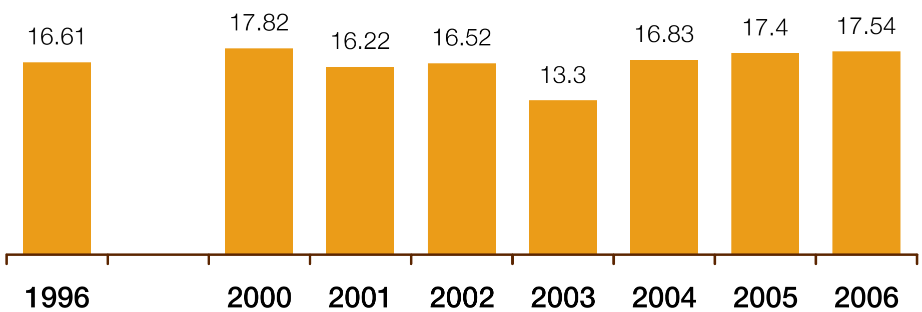
July 2007

Table of Contents

1. Background

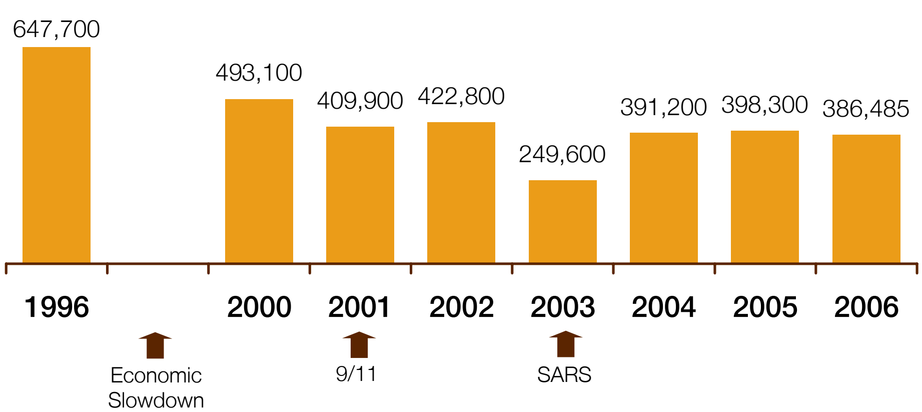
The Japanese outbound market shrank in the early part of the decade from 2000 to 2003. Then, it began to recover in earnest, climbing from 13.30 million trips in 2003 to 17.54 million in 2006.

Exhibit 1.1: Millions of Outbound Japanese Travellers[1]



However, travel to Canada from Japan has never recovered from its peak of 647,700 visitors ten years ago. An economic slowdown, world terrorism and the SARS crisis undermined travel throughout the past decade. In theory, since 2004, after the SARS crisis, the flow of visitors from Japan should have steadily recovered. However, it has not –remaining below 400,000.

Exhibit 1.2 Visitors to Canada[2]

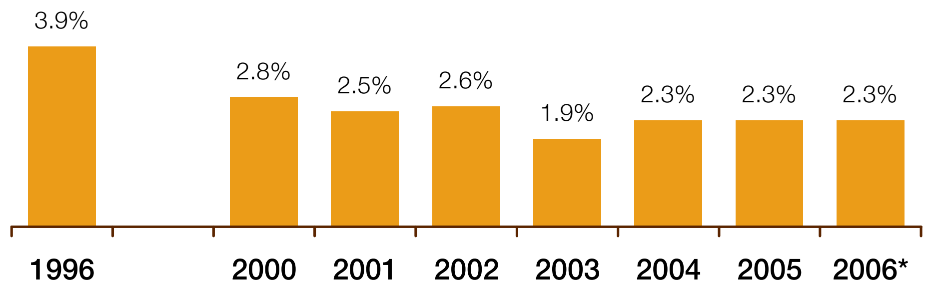


[1] Source JNTO

[2] Statistics Canada

Canada's share of outbound trips has also remained flat since 2004, and below the benchmark years of 1996 and 2000. The bottom line is that the weakness of Canada in the Japanese market extends back almost 10 years. Therefore, the factors affecting travel to Canada have been in place for a while, not simply in the past year or two.

Exhibit 1.3 Canada's Share of Total Japanese Outbound Market[3]



In order to identify critical factors that must be addressed in order to restore growth in the Japanese travel market to Canada (the third-largest market for this country), the Canadian Tourism Commission (CTC) commissioned Insignia Marketing Research to conduct primary research in Japan.

[3] Source: JNTO.

Note: The second runway at Narita International Airport opening in 2002 had a profound effect on the infrastructure supporting the outbound travel market from eastern Japan (where 40% of all international traffic originates) facilitating the growth of short-haul travel. This impacted Canada's loss of market share as Canada did not obtain any additional slots on the second runway.

2. Objectives and Methodology

The following business objectives were central to the study:

- What is causing the slide in Japanese visitors to Canada?
- Can the CTC and its partners effectively stop or reverse the slide in Japanese travellers to Canada?
- If so, what are the most effective, collaborative strategic approaches that the CTC and its partners should implement to make this happen?

The study involved two main phases:

Phase 1: Qualitative Research – Twelve consumer focus groups were conducted in December 2006 to gain insights into the motivations of travellers. These insights were used to develop a more relevant set of questions for Phase 2. The groups were divided in the following ways:

Exhibit 1.3: Focus Group Distribuition

	Tokyo		Osaka		Nagoya	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
Younger 30 - 49	Past 3 years: competitor	Past 3 years: Canada	Planning to Travel	Planning to Travel	Past 3 years: Canada	Past 3 years: competitor
Older 50 - 69	Past 3 years: Canada	Planning to travel	Past 3 years: competitor	Past 3 years: Canada	Past 3 years: competitor	Planning to travel

In addition to the consumer focus groups, 30 in-depth interviews with the travel trade were conducted. Each interview lasted approximately 1 to 1.5 hours. The interviews covered the major aspects of the trade, with the following distribution:

- Twenty in Japan among agents, wholesalers and airlines
- Ten in Canada among in market tour operators

Phase 2: Quantitative Research - Japanese adults aged 18 and older who live in Tokyo, Osaka and Nagoya completed an online panel screener operated by Japan Market Intelligence. Respondents were screened to meet the following criteria:

- Travelled outside of Japan for 4 nights or more for pleasure or personal reasons, to visit friends and relatives or a trip that combined business and pleasure in the past 3 years, or
- Planned to take a pleasure trip outside of Japan for 4 nights or longer in the next 2 years.

A total of 3,236 respondents completed the main online survey. A quota was set to reach n=200 past travellers to Canada. The oversample was then weighted down to the level in the screening phase. Fieldwork was conducted between January 22 and 25, 2007.

The average error range with a sample of 3,236 is ±1.8%. This means that in 19 out of 20 cases, the results based on a sample of 3,236 will differ by no more than 1.8% from what would have been obtained by interviewing all consumers who meet the qualification criteria in the markets surveyed.

In addition to the online survey, a telephone omnibus survey was conducted among 1,200 Japanese aged 18+ across the nation to obtain incidence and profile data of past and future pleasure trip travellers. This provided a base from which to weight the online survey as required.

The online survey underrepresented individuals over the age of 50, due to the relatively low incidence of internet usage among that age group. Consequently, an age weight was applied to the online sample. Furthermore, a city weight was also applied to reflect a more accurate distribution of past/future travellers in each of the 3 cities.

3. Key Findings

a. destination trip profile

Duration - The typical duration for a trip to Canada is one week (7.0 night median). The average is somewhat longer (12.1 nights) due to a small proportion of longer stay visitors pulling up the average.

- Canada's length of stay is quite typical of other long-haul destinations.

Time of Travel -- The June/July and September/October periods are most popular for Japanese visitors to Canada.

- Asia tends to be an August to December destination, overlapping Canada's Fall appeal, but not Spring/early Summer.
- Australia, which offers sun destination benefits during the Japanese winter, draws visitors year-round.

Party Composition -- Canada is very much a couples destination, similar to Australia.

- Europe and Asia are much more likely to attract groups of friends travelling together, as well as couples.
- The U.S. appeals to a broad spectrum including people travelling alone.

Package Type -- To Canada, 6 in 10 (58%) are FIT (defined as non-group travel) -- 42% are truly independent (buying airfare and accommodation separately, not part of a package) and 16% bought FIT package (usually includes air, hotel, and airport transfers).

Accommodation – Most stayed in mid-priced hotel/motel, followed by luxury hotels.

- Japanese travelers to Canada are far more likely to involve luxury hotels than those to Australia, U.S. or Europe.

Trip Expenditure -- The average cost of a trip to Canada (per travel party) is 534,000 yen.

- Trip costs to Canada run higher than to the U.S. or Australia.
- Europe exceeds the cost of a Canadian trip on a total trip basis.

Main Trip Purpose / Activities – For 62% of travelers to Canada, sightseeing was the main reason for travel.

- A lower percentage travel to the U.S. for sightseeing. Europe has the highest percentage of travelers visiting for sightseeing (as main reason).
- Top activities in Canada include: seeing beautiful rivers or waterfalls, visiting wilderness areas, visiting places of historical interest, seeing old architecture, eating at a Japanese restaurant, visiting world heritage sites, seeing wildlife in their natural environment, and taking a garden or flower tour.

Trip Planning / Booking Leadtime – For Canada, Japanese plan 22 weeks in advance and book about 9.9 weeks in advance of travel.

- The pattern is similar for Europe and the U.S.

b. factors contributing to decline in travel to Canada

There are eight key factors contributing to the decline in travel to Canada.

- Destination Trends Toward Asia.
- Canada Is Off The Radar Screen.
- Needs Are Changing.
- Canada's Core Product Now Out of Date.
- Canada's Current Market Reflects Its Image.
- Canada Is Receiving Little Trade Support.
- Lack of Airline Sensitivity.
- Need For More Assertive Leadership.

1. Destination Trends Towards Asia

There has been a shift in offshore travel to Asia over the past 6 years, away from traditional longer-haul destinations.

China experienced a growth of 70% over the 6 year period – attracting over 1.5 million more Japanese visitors than in 2000. The 2008 Beijing Olympics may continue to drive this upward curve. Taiwan, Vietnam and Thailand also saw sizable growth in numbers of Japanese visitors.

Exhibit 3.1: Japanese Travel Abroad – Major gainers and losers[4]

Major Gainers (2000 to 2006)		
	#	%
China	+1,544,400	+70
Taiwan	+245,188	+27
Vietnam	+231,141	+151
Thailand	+181,839	+15
Major Losers (2000 to 2006)		
	#	%
U.S. Mainland	-1,375,962	-27
Germany	-611,303	-44
Hawaii	-441,164	-24
Rome	-390,618	-47
Canada	-152,100	-31

The major loser was the U.S. mainland (less 1.4 million trips), but key European countries suffered significant losses as well over the 6 year stretch. Canada lost 152,000 visitors, down 31%. Australia, in contrast, lost only 69,971 visitors, a marginal 10% decline from 2000.

The decline in value of the yen to most long-haul foreign currencies, along with a fuel surcharge ($300 per trip in the case of Canada) have been contributing factors, together with a flurry of inexpensive airfares within Asia and growing appeal of certain countries – primarily China.

Participants in the focus groups were asked to shed light on individual country trends. The following is their reasoning as to why they may be occurring:

China ↑

China is a trendy destination and the Japanese like to be trendy. Magazine articles are featuring China, new Japanese/Chinese film productions have come on stream and websites are discussing China, all contributing to heightening interest. This is supported by eased travel restrictions, more low cost flights and a curiosity about the evolving country.

[4] *JNTO data projected to 2006

Other Asia ↑

There is a shift occurring here away from Korea to other Asian countries. Korea has been a popular "esthetics" destination, particularly for Silver ladies[5]. But, other Asia countries are now offering spas and esthetics as well. In particular, Vietnam and the Philippines were cited as new and evolving.

To some degree Korea had been a fad destination – Japanese women have long admired Korean soap opera stars. And, there used to be a good deal of publicity in the press about Korean getaways. However, now the soap operas are losing some of their cache and Japanese ladies are becoming less interested. Some speculate that an anti-Japanese sentiment may be another reason for declining travel.

Further, the other South East Asia countries are relatively inexpensive and easy to reach. Tours to these other destinations are becoming less and less expensive in their view.

Australia ↓

Travellers remarked:

"Australia has nothing new to sell"
"You go once, that's enough"

Again there is evidence of the influential power of the media. Australia used to be "featured in magazines" but less so now. So, the country is no longer quite as "in" as it used to be, in the opinion of Japanese travellers.

Europe ↓

Over the past decade, undoubtedly fear of terrorism and rising costs had a seriously negative impact on travel to Europe. However, in the past year travel to Europe has improved.

The cost of air travel has come down which is making this highly desirable destination more accessible.

Then, once again, there is a "fad" factor (an important driver for the Japanese): Latest craze in Japan for Flamenco dancing is helping Spain. Also, recent interest in Gaudi architecture (benefiting Spain again).

[5] Age 50+

U.S. Mainland ↓

Opinions on why the U.S. may be down are quite unanimous -- Fear for personal safety, the risk of terrorism and heightened border security. Generally, travel to and in the U.S. is more threatening.

Canada ↓

It is not a security issue that has negatively impacted Canada in the view of Japanese travelers. Canada does not seem to be affected by a security threat with its neighbour to the south. Rather, Canada's stellar image of being safe remains intact. Most think the reason Canada may be down is simply because it is not very visible.

In addition, quantitative results show that one in four trips to Canada combined a visit to the U.S. – the fall off in U.S. travel is bound to have contributed somewhat to the decline in travel to Canada.

2. Canada Is Off The Radar Screen

Another reason for decline is that Canada is simply not "hot" anymore and, to a nation that responds to what is currently popular, that does not bode well for Canadian tourism.

- A key reason is lack of T.V. exposure -- Canada is not featured in dramas and travel shows like it used to be[7], and television exposure is a key driver of destination appeal, beyond friends and relatives.
- The Japanese love trendy destinations -- Canada is not trendy.
- Celebrity travel to Australia and other destinations are also key influencers. -- Canada has not had the same level of celebrity exposure.

Exhibit 3.2: Destination priority of long-haul travellers[6]

Rank	
1	Hawaii
2	U.S. Mainland
3	Italy
4	Australia
5	France
6	New Zealand
7	Guam/Saipan
8	China
9	Korea
10	Spain
11	United Kingdom
12	Canada

6 Of those who have traveled in the past 3 years or are likely to take a long-haul pleasure trip in the next 2 years.

7 According the majority in consumer focus groups and trade.

According to the trade:

"It's a shame. There really isn't a specific product or celebrity that you can associate with Canada. Canada doesn't even register on the customer's radar."

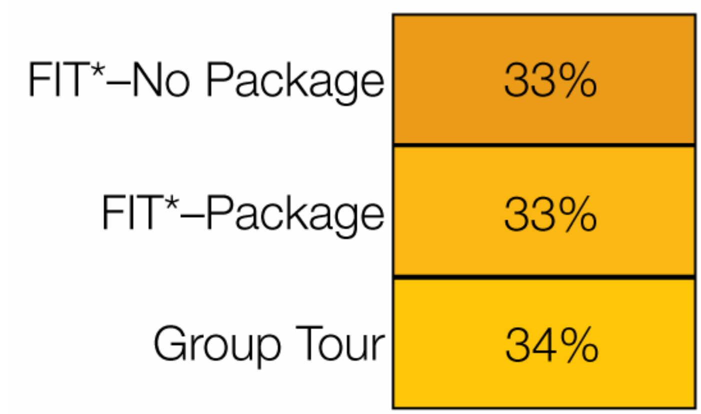
In addition, Canada ranks only 12th on people's priority list for near future travel, confirming that the country is not top of mind. Even New Zealand, a secondary long-haul destination is ranked far above Canada (6th). Hawaii, U.S. Mainland and Europe clearly have high latent demand, in spite of recent losses.

3. Needs Are Changing

As the confidence of Japanese travellers grow, the tightly controlled group tour, traditionally popular with Japanese long-haul travellers, is giving way to:

- More flexible group itineraries
- FIT travel (non-group)

Exhibit 3.3: FIT (*non-group travel)[8]



According to the trade:

"Most people are going on trips by themselves now"

"Most of the vacations were done with tour guides in the past as people were afraid of not being able to speak the language of the destination country and they were more nervous about being able to communicate. However, now more people are going on trips even without perfect English, and they feel comfortable about going with just being able to handle basic communications."

"You can look up various things on the internet so there's a trend for them to buy only the airplane ticket and then arrange for everything else by themselves."

"There is a trend from group tours to individual vacations."

[8] Sample size: n=3.236.

In fact, in 2006, two-thirds of outbound travellers are opting for FIT.

The desire for experiential travel is growing rapidly as well, which means:

- Greater interest in one region.
- Getting more involved in the destination's range of activities.
- Getting closer to the people and their way of life.

This is particularly true with repeat travellers, now more confident with a country and having identified locales of high interest and elements of Canada that they would like to explore further.

Australia has recognized the trend toward experiential travel. As Geoff Buckley, Managing Director, Tourism Australia states:

> *"We want to disperse our overseas visitors away from the main city centres, and allow them to discover the rest of Australia…It is definitely one of our key objectives…We want to tap into the overseas visitor where they will be able to feel, taste, touch, and smell the destination. There's an obvious trend toward the experiential traveller…and that is something we are definitely picking up on."*
>
> ***The Globe and Mail – February 13, 2007***

4. Canada's Core Product Is Now Out Of Date

Canada's core positioning has been "big nature", but today's traveller wants more.

The trade:

> *"The packaged products that are selling best now are all nature based and quite traditional for Canada".*

- Nature tours
- Rockies
- Aurora
- Autumn Foliage
- Niagara Falls

The image for Canada is more about "observing" nature, not participating in it.

- Australia, a key competitor, is more outdoor and recreation.
- Canada is more outdoor, preservation and observation.

The trade commentary on the lack of awareness of what else Canada has except "big nature":

> *"I don't think that inexperienced travellers will go to Canada. There's nothing else there besides the waterfalls and nature."*
>
> *"When I was considering going abroad myself, Canada didn't even come up as a possibility, there's no image besides maple syrup in my head."*
>
> *"Didn't know what I could do in Canada."*
>
> *"We know Canada has a lot of appealing points such as great nature and towns, but there is always a lack of awareness of Canada in the Japanese market. Canada needs more advertisement/promotion."*

The trade confirms travellers want more experiential travel in Canada. They see particular opportunity with the following:

Exhibit 3.4: Activities of Interest

Outdoor Related	**Lifestyle Related**
Walking tours	Practicing a hobby
Horseback riding	Hanging basket making
Hiking	Visiting private gardens
Wild flower viewing	Visiting similar clubs in Canada (e.g. Japanese Chess players)
Sea kayaking	Studying English
Bird watching	Tea party in Canadian garden
Whale watching	Experiencing French Canadian culture
Salmon fishing	Going to supermarkets – to see the difference from Japan
	Seeing how people dress differently
	Attending cooking classes
	Attending flower arranging

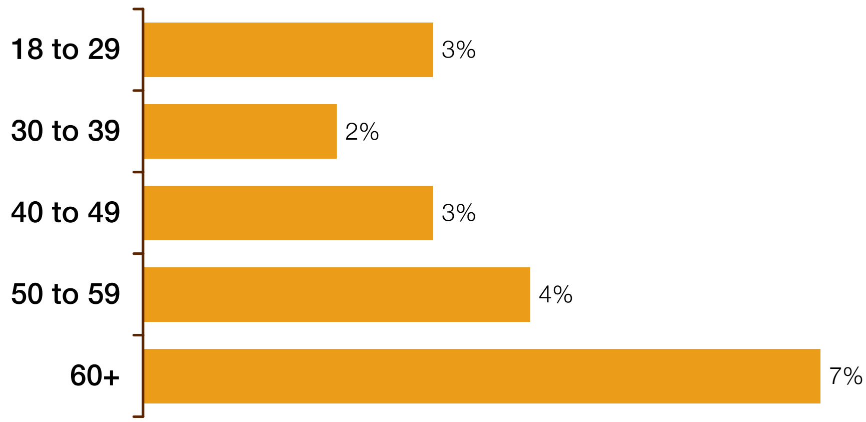
According to focus group feedback, there is a growing trend towards wanting to have a FIT experiential vacation in Canada. Currently, Japanese travellers to Australia, U.S. and Asia are buying more FIT[9] packages than when traveling to Canada (16%).

[9] * FIT is defined as non-group

5. Canada's Current Market Reflects Its Image

First, Canada is not attracting enough younger travellers. Over 4 in 10 current visitors are age 60+. This compares to only 16% age 60+ for Australia, 18% for the U.S.

Exhibit 3.5: Canada's Share of Trips Outside Asia, by Age



The 60+ age segment has a number of very specific needs not shared to the same degree by younger travellers:

- A high level of safety and security.
- A strong desire to feel a wide open, spacious outdoor environment.
- To see unspoiled natural beauty.

These are Canada's primary competitive strengths, so it is not surprising that the country is so attractive to age 60+.

Younger travelers are more interested in activities like: Visiting a local supermarket; experiencing a different country's healthy lifestyle; coming home with exciting travel stories. -- This supports the importance for Canada of positioning and promoting itself as an experiential destination.

However, the market must be expanded to young travellers to rebuild the visitor base. Younger travellers want FIT which Canada is weak on.

Exhibit 3.6: Canada's Priority Ranking, by Age

	Canada's Priority Ranking
Total	12th
Age	
18-29	13th
30-39	14th
40-49	11th
50-59	10th
60+	5th

Exhibit 3.7: Fit vs. Group Travel, by Age

	Age of Past 3 Years Travellers:				
	18 to 29	30 to 39	40 to 49	50 to 59	60+
Travelled as:	%	%	%	%	%
Total FIT	70	76	71	64	50
FIT – bought package	37	40	30	24	29
FIT – no package	33	36	41	40	21
Total group	30	24	29	36	50

Younger travellers want lower priced accommodation to satisfy lower budgets. -- Canadian packages typically involve high end accommodation.

Exhibit 3.8: Type of Accommodation, by Age

	Age of Past 3 Years Travellers:				
	18 to 29	30 to 39	40 to 49	50 to 59	60+
Accommodation Type:	%	%	%	%	%
Mid-priced hotel/motel	40	38	41	48	50
Luxury hotel	26	36	31	45	44
Resort hotel	13	16	17	11	20
Budget hotel	24	15	10	6	2
House of friend or relative	12	9	10	7	11
Other	5	6	8	4	3
Total Trip Expenditure (Average, per travel party)	**371 K**	**376 K**	**447 K**	**501 K**	**550 K**

6. Canada Is Receiving Little Trade Support

If the consumer does not ask for Canada, the trade is reluctant to push it. Most agencies have monthly sales quotas and naturally lean toward promoting easier to sell products that are in high demand. Further aggravating the situation is that most agents are quite unaware of what Canada has to offer beyond "big nature" viewing. There is a real need for education. Canadian agency and wholesale offices are working hard at bringing new varied and experiential products to market, but they meet resistance at the retail level in Japan because of the lack of overall support for Canada.

7. Lack Of Airline Sensitivity

Canada is considered expensive and much of the blame lies with the carriers, according to the trade.

The trade is having a very difficult time negotiating affordable group fares for its clients. Using other airlines is often not an option because they feel locked into Air Canada when clients need domestic flights. The fuel surcharge ($300 per trip) simply aggravates the situation.

Further, reduced air service (Air Canada) to Nagoya has undermined that critical market.

> *"We'd promote Canada for sure as a company (trade) if there was easy access as we did for Dubai and Europe when Nagoya International Airport opened up."*
>
> *"Even one flight to Vancouver would be fine."*

Exhibit 3.9: Direct Air Seat Capacity from Japan to Canada

Direct Air Seat	2001	2002	2003	2004	2005	2006
Seats available – in 000s (year-over-year percent change)	503	524 (4.2)	479 (-8.6)	475 (-0.8)	514 (8.2)	459 (-10.7)

8. Need For More Assertive Leadership

Agents claim that for Canada to make headway requires more aggressive efforts by CTC Japan among both consumers and the travel trade. What they are asking for CTC Japan is to:

- Provide more leadership
- Work together with the provincial tourism offices to provide synergy
- Do more to rally agent support
- Do more to rally consumer demand
- Provide a clear strategic plan (They have heard about Brand Canada, but where is it? What is it?)

Given Canadian's weak position in the Japanese market, aggressive efforts are essential with both the consumer and the trade to stop the decline and begin rebuilding traffic to Canada.

c. ideal trip to Canada

Those very interested in visiting Canada in the next 2 years were asked to describe their ideal trip. This information is very helpful in directing future vacation product planning. Although many prospective visitors opt for the traditional cross-Canada group tour -- likely due to unfamiliarity with the country -- many others express interest in being more adventurous. The data show high interest in the following:

Season

- July to September is ideal

Region

- Regionally focused trips, especially among repeat visitors

Duration

- One week

Packaging

- FIT packages
- Group tours but with much flexibility (free days)
- FIT fully independent

Inter-city Travel (beyond air)

- Rail travel (between cities)
- Rental car

Accommodation

- Experiential accommodation – mountain resorts, lakeside resorts, spas, log cabin/lodge

Activities

- Repeat travellers want to get more involved – hiking, salmon fishing, golfing, visiting a local family.
- The tradition activities of aurora viewing and autumn leaves remain popular, but seeing historical sites, experiencing French Canadian cuisine, getting involved with nature and Canada's way of life are also high on the activity priority list.

d. market segmentation

Assisted by grassroots learning from the preliminary focus groups, a 32 statement rating question was created for the quantitative survey. Four segments emerged:

Outdoor Experience Seekers (32%)

This segment represents 32% of the travel market. Key benefits sought in travel are to experience unspoiled nature and to feel its healing powers. Involvement is also key – participating in outdoor activities in particular. The demographics skew older.

Culture Seekers (31%)

This group has a strong cultural focus – experiencing old culture, Western culture, seeing first hand what they learned in school. This segment also skews older.

Local Flavour Seekers (22%)

These are lifestyle experiential seekers, wanting to "go deep" and experience the way people live – visiting their homes, seeing their supermarkets, trying new foods, spending a great deal of time in one area. Younger individuals dominate this segment.

Status Seekers (15%)

Travellers in their middle years dominate this segment. They want to go where celebrities travel, come back with exciting travel stories to share with friends, along with the latest fashions.

On their next trip to Canada, the two key segments (for Canada) describe their ideal.

Exhibit 3.10: Summary of ideal Trip to Canada – Key Segments

	Local Flavour Seekers	Outdoor Experience Seekers
Season:	July to September	July to September
Duration:	One week	One week
Region:	More open to one region than others	More open to one region than others
Trip Type:	FIT – non-package	Split preference – group vs. FIT
Inter-city Travel (beyond air)	Open to rental car, rail	Open to motor coach or rental car
Accommodation:	Experiential opportunities preferred – lakeside/mountain resort, log cabin/lodge, horse ranch, farm, spa	Lakeside/mountain resort or spa preferred
Activities	Local flavour clearly includes more than visiting Canadian family homes. They also want to experience French Canadian cuisine, to participate in a hobby and outdoor activity.	This group, being older, appears a little more passive, preferring to view nature (particularly Autumn leaves) and perhaps hiking rather than overtly strenuous activities.

4. The Way Forward: Considerations

1. develop a new positioning strategy

A critical first step will be to develop a new positioning strategy to reflect changing needs and to ensure that everyone is on the same page.

Canada should be positioned to communicate that it provides excellent opportunities for experiential travel beyond big nature viewing.

The new Brand Canada underlying message fits well with the needs of the evolving Japanese market.

Freedom

...TO EXPLORE

...TO BE YOURSELF

...TO EXPERIENCE CANADA IN A PERSONAL WAY.

The main benefit of visiting Canada should remain as the opportunity to see and experience "big nature" – that is the primary reason for choosing Canada, this country's global Unique Selling Proposition.

However, beyond that the experiential opportunities should be woven into the positioning story. -- In a country which is exceptionally safe and friendly, Japanese travellers have an opportunity to experience Canada in a closer, more personal way.

By developing and adhering to the new positioning strategy, all communication to the consumer, retail trade and wholesalers should have a consistent message and theme.

There are two general categories of experiential activities that the market wants in Canada, both of which link back to Canada's healthy, clean, natural environment:

Outdoor-Focused Experiential Activities

- Soft adventure (e.g. canoeing/kayaking, hiking, horseback riding)
- Non strenuous activities (e.g. trail walking, mountain flower viewing, salmon fishing)
- Hobby related (e.g. bird watching, nature photography)

- Staying at a mountain or lodge, or in an authentic log cabin.
- Visiting a spa in a natural setting.

Lifestyle-Focused Experiential Activities

- Seeing the way local people live
- Interacting with Canadians (e.g. home visits for tea and garden viewing, visiting a local supermarket)
- Seeing Canadian festivals
- Hobby related (e.g. learning to make hanging baskets)
- Experiencing French Canadian culture at the grassroots level)
- Staying on a horse ranch or farm.

2. focus on the prime target market

The silver* traveller is currently Canada's core market (58% are over 50, 44% are over 60%).

Historically, they have been attracted to Canada's big nature, quite content with observation:

- Standing at the base of the natural icon
- Feeling the healing powers and spirituality
- Rejuvenating the soul

These older "observers" should not be ignored because of their importance. However, the majority are likely to come to Canada regardless.

Based on travel trade feedback and consumer insights, the new target should be defined by interests not by age – specifically, those who want experiential travel in a natural environment. These individuals cut across all age categories:

- Even silver ladies are expressing greater interest today in getting more involved while in Canada.

New product must appeal to a broad cross-section of ages, but all focused on creating an interesting and exciting experience in Canada.

---

* Age 50+

3. create a "buzz" around Canada

Building awareness and interest can be done effectively and cost efficiently by putting less emphasis on commercial media and focusing on very specific media promotions which influence Japanese travel behaviour (as discussed in the focus groups) – namely the following:

- Source programming that producers of travel shows (like the very influential "World Heritage Culture" television program) are interested in. Ensure that the programming is consistent with the new positioning strategy.
- Invite Japanese film producers to shoot special shows in Canada. Trade ideas for on-target productions include:
  - Canada – a LOHAS Shangri-La (a Canadian spa or hot spring)
  - Soft adventure activities in a beautiful setting
  - Canadian cooking show
  - Photographing Canadian mountain wildflowers
- Tourism Australia funded a Japanese celebrity's wedding (to an Australian) in their country which garnered enormous publicity in Japan. Clearly, if an investment is required the payback can be substantial.
- Encourage a drama series produced in Canada (featuring Canadian scenery and experiential opportunities).
- Provide public relations material on the many popular feature films shot in Canada. Nobody is telling them now.
- Brainstorm if there are any celebrities who would be ideal spokespersons for Canada – Japanese celebrities who vacation in Canada, have a residence in Canada, play sports in Canada or any other strong connections. Then, contact and engage them to become Canadian "travel ambassadors".
- Canadian celebrities should also be considered as spokespersons—for example:
  - Avril Lavigne is currently very popular in Japan.
  - Skating is hot right now in Japan and Kurt Browning is a well known Canadian skating star in Japan.
- Depending on the celebrity, the cost of contracting can vary significantly but, if they truly appreciate Canada, some may be prepared to act as a spokesperson for a low fee, depending on the time involved.

In the past, food, alcoholic beverage and car companies used Canadian scenery in their advertising. This had a very powerful influence on lifting Canada's visibility and appeal.

The CTC should look for new opportunities among non-travel advertisers -- An excellent fit would be firms that are active in the growing LOHAS* segment—since Canada's imagery fits this practice so well.

The quantitative survey confirmed the importance of television and media publicity on inspiring Japanese.

Australia has a very active programme involving television shows, celebrity visits, and popular Japanese actors.

Hosting small events has been an integral part of CTC Japan's marketing strategy for years. And, they can be very beneficial long-term. However, short-term, their reach may be too restrictive. CTC needs to focus on the high profile publicity initiatives (as suggested) if it wants to create widespread excitement about Canada.

4. aggressively pursue the trade retailers

Given the need to generate both awareness and knowledge about Canada's new positioning, it is essential to aggressively approach key retailers – especially the major agencies like JTB, H.I.S., and Kintetsu.

Specific steps that can be taken (all requested by the trade):

- Utilize and expand the **Canadian specialist** program and focus on bringing that individual up to speed on the Canadian product. This individual can then act as an information source for others within the firm.
- Provide the agencies with merchandising materials including posters, CD's, videos, and giveaways.
- Encourage retail agency stores to set up a Canadian information centre in one corner of the office which would feature posters and contain all of the relevant materials.

To bring about change, CTC Japan must become more pro-active with the trade.

* Lifestyle of Health and Sustainability – a practice followed by 29% of Japanese.

5. work with the in-market tour operators and wholesalers to create product

The in-market tour operators (ITO's) in Vancouver are actually doing quite a good job developing experiential products. However, they have a difficult time selling them through to the Japan retailers. Consequently, the absence of consumer demand and lack of Japan retailer knowledge and support blocks the flow of these new products.

Trade suggestions include:

- Attending the ITO's regular meetings and seminars and
- Involving them in product planning and development.

6. work with canadian partners

Create synergy by working more with the provinces. This will give Canada a greater presence and louder voice in the competitive marketplace.

7. aggressively pursue key niche markets

There are key niche markets that could be targeted with a very focused sales effort:

1. "Shugaku Ryoko" – since it is already well known as a safe, friendly, clean and nature-rich country, Canada is natural for school excursions. The trade confirms that once Canada makes in-roads here, it will remain popular for a long time and other schools will follow. This segment is worth a significant investment in time and energy by CTC Japan. The trade suggests billing Canada as a "school trip paradise".
2. Hobby groups/clubs – another very targetable segment, CTC Japan staff should create a list of and directly approach groups that would have a high interest in Canada (e.g., hiking, nature groups, etc.)
3. Long-stay (age 60+) – as the baby boomers roll into their 60's, long-stays of a few weeks to a few months are increasingly popular. Again, Canada, known as a safe, friendly and healthy environment, is ideally suited to this segment.
4. LOHAS followers – an estimated 29% of Japanese are now LOHAS consumers. Since Canada is an ideal destination to practice LOHAS (e.g., at Canadian spas) this segment should be targeted. Specific LOHAS websites, health product suppliers provide plenty of opportunity for target marketing.

8. build a more interactive website

This takes lower priority than the other broad scale initiatives.

However, the CTC can move ahead of many NTO sites in design by creating a more dynamic, interactive site. Suggestions include:

- Communicate “real time” with time, temperatures, weather, current festivals, events.
- Create an interactive blog.
- Include testimonials of Japanese travellers.
- Consider contacting Japanese living in Canada to write about the country and what would interest Japanese travellers.

Very important is to ensure that the site is compatible to the Japanese mobile phone system.

- Over 90% of mobile phone users access the net through their mobile phones.