3.2 Economic Impact of Tourism

3.2.1 Tourism Receipts

The tourism receipts as invisible receipts of balance of payment including income by cruise ships, credit card payments, etc. amounted to US$3.84 billion in 1988. This can be compared with US$3.48 billion in 1987, or an increase of 10.3%. These tourism receipts represented 41% of all invisible receipts and 25% of all export of goods and services (merchandise exports and invisible receipts).

The ratio of tourism receipts to GNP has been increasing steadily from less than 3% during 1960s to over 7% at present. (See Table 3.2.1 and Figure 3.2.1). However, when the national economy slowed down in the early part of the 1980s due to worldwide economic stagnation after the oil crises, the number of foreign arrivals declined. Devaluation of drachmas followed by inflation further affected tourism receipts.

Table 3.2.1
GNP & Tourism Receipt

Item	1975	1981	1982	1983	1984	1985	1986	1987	1988
1) GNP (US$ Billion)	21.5	33.1	39.4	35.4	33.8	33.1	39.3	47.0	n.a
2) Tourism Receipts:1/									
-US$ billion	1.0	2.8	2.3	1.8	2.0	2.1	2.7	3.48	3.84
-% to GNP	4.7	7.3	5.8	5.1	5.9	6.3	6.9	7.4	n.a
3) No. of tourists (thousand)	3,173	5,577	5,463	5,258	6,027	7,039	7,340	8,004	8,231
4) Receipts per tourist (US$)	304	506	419	335	327	304	375	435	467

Source: Greek Economy Today, Min. of National Economy

1/ Tourism receipts were estimated by taking into account of the portion of other items under invisible receipts which can be attributed to tourism as shown in Appendix 3A.

Figure 3.2.1
Trend of Tourist Arrivals and GNP

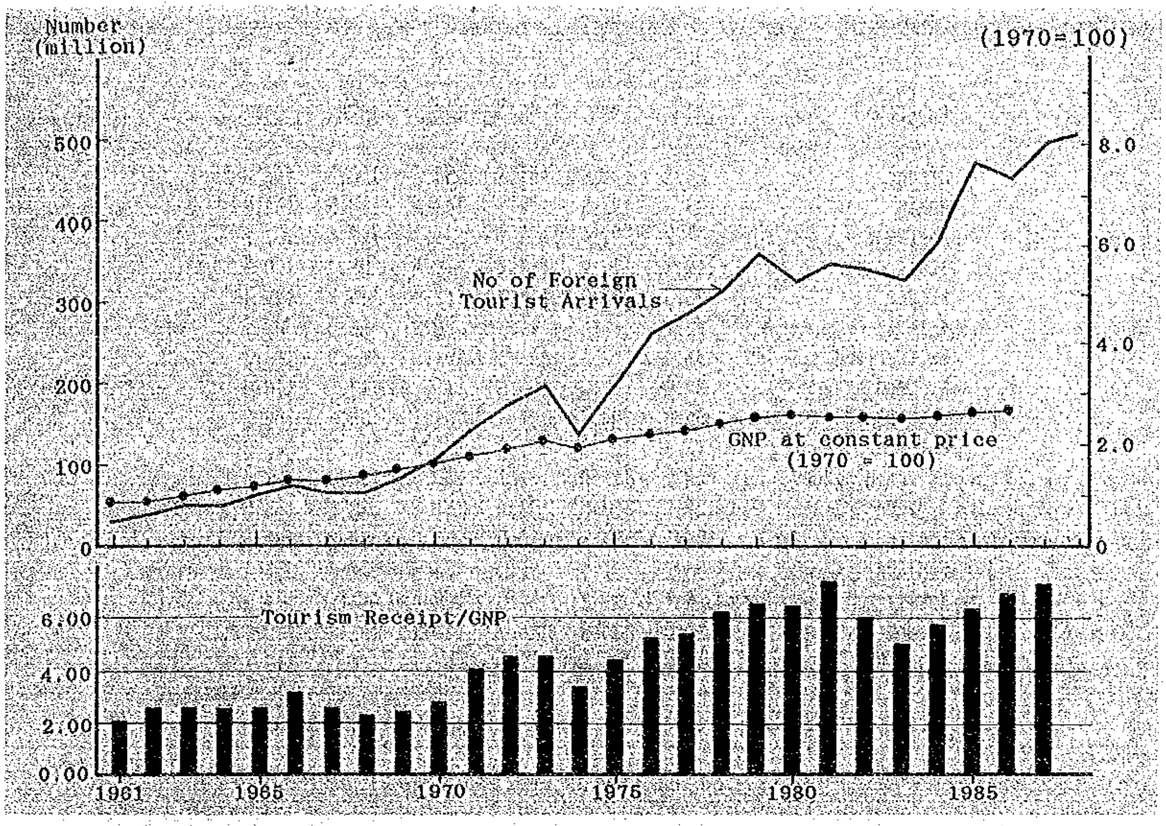


Table 3.2.2 shows the trend of international tourist receipts in major OECD countries after allowing for inflation and exchange rate fluctuations. Although Greece has shown a steady growth since 1983, the previous 1981 level was only reached in 1986.

A decrease in per capita expenditure by foreign tourists in Greece in real prices was obvious since 1981 as shown in Table 3.2.3.

o Although the ratio of tourism receipt to GNP has been increasing steadily since 1960, per capita expenditure by tourist in real prices decreased recently in Greece.

Table 3.2.2
Trends of International Tourism Receipts by Major OECD Country, Index in Real Prices

Country	1981 = 100					
	1982	1983	1984	1985	1986	1987
Greece	82.2	69.6	84.1	94.5	100.7	104.8
Spain	109.5	122.5	139.5	141.9	158.5	164.3
Portugal	91.7	97.4	113.7	130.1	142.4	167.7
Italy	112.2	118.5	117.4	118.8	98.4	100.7
France	126.3	138.0	155.3	157.9	144.0	149.4
Austria	98.7	95.1	96.3	96.9	96.0	98.1
Switzerland	97.4	102.1	111.1	111.9	109.3	113.6
W. Germany	94.4	97.0	104.8	115.7	113.9	116.0
Netherland	95.3	94.3	107.4	106.1	99.5	100.2
Belgium/Luxemburg	112.5	127.3	131.2	128.5	130.2	145.9
United Kingdom	99.1	119.2	131.1	147.0	140.5	153.4
Ireland	127.7	127.5	134.5	151.6	138.6	155.3
Iceland	129.1	154.5	190.0	231.0	263.8	297.5
Finland	85.2	77.9	77.5	77.2	72.6	82.0
Norway	96.1	92.1	94.8	108.0	113.5	111.9
Sweden	119.0	139.8	145.7	148.2	152.8	170.5
Denmark	110.3	113.4	119.3	119.4	116.8	119.7

Source: Tourism Policy and International Tourism, OECD 1987 & 1988

Table 3.2.3
Tourist Per Capita Expenditure In Real Price

	1981	1982	1983	1984	1985	1986	1987
Tourist Arrivals in Real Price (1981=100)	100.0	82.2	69.6	84.1	94.5	100.7	104.8
Tourist Arrivals (thousand)	5,577	5,463	5,258	6,027	7,039	7,340	8,004
Per Capita Expenditure (1981=100)	100.0	83.9	73.8	77.8	74.9	76.5	73.0

Source: GNTO
Tourism Policy and International Tourism, OECD 1987 & 1988

3.2.2 Tax Revenue from Tourism Expenditure

Tax in Greece comprise the following:

(a) Direct Tax:
- . Income Tax (Personal, Corporate, Special Category)
- . Other Direct Taxes

(b) Indirect Tax:
- . Customs Duties
- . Consumption Tax (Turnover, VAT, Fuel, Car, and Others)
- . Transaction Tax (Capital transfer, Stamp duties, and Banking business)
- . Other Indirect Taxes

The total tax revenue of the country in 1987 was 1,607 billion drachmas of which direct taxes and indirect taxes accounted for 28% and 72% respectively (See Appendix 3B). VAT (value-added tax) was imposed as a general indirect tax on January 1, 1987 in Greece. This is the single largest tax and contributed to 31% of the total tax revenue in 1987. Exemption from VAT is granted to foreign residents. Outline of VAT and the condition of the exemption are explained in Appendix 3C.

Of all international tourist receipts, the major tax revenue source is the VAT. It is estimated that the tax revenue from VAT alone is approximately US$433 million or 12.7% of the total tourism receipts (US$3.8 billion) in 1988 as shown in Table 3.2.4.

o The VAT revenue from tourism receipts represents about 11% of the total VAT revenue of the country and contributes to roughly 3.5% of the total Government revenue.

Table 3.2.4
Tourist Revenue by Expenditure Item, 1988

	Amount Spent		Tax Revenue	
Items	US$ Million	(%)	Rate (%)	US$ Million
Accommodation	1,709.7	44.5	10.8	166.2
Excursion	557.1	14.5	6.0	31.5
Purchase of Goods	691.6	18.0	16.0	95.4
Foods & Beverages Outside Hotel	461.0	12.0	16.0	63.6
Entertainment	195.9	5.1	30.0	45.2
Miscellaneous	226.7	5.9	16.0	31.3
Total	3,842.0	100.0	12.7	433.2

Source: GNTO

3.2.3 Tourism and Employment

1) Employment of Tourism

Statistics are not sufficiently available on the employment of tourism sector. An estimate, according to GNTO official, suggests that it offers 210,000 directly and 100,000 indirectly. OECD information indicates that hotel sector employed about 170,000 persons or 13.5% of the total service sector's employment (1.25 million in 1978). OECD survey also gives an information on the ratio of workforce of hotel sector against entire tourism industries which are 1 to 2 in Austria and Italy on larger side, while 1 to 4 in Switzerland on smaller side.

Assuming that the employment structure has not changed, it is estimated the hotel sector employed about 210,000 in 1986, thus, the total employment of tourism sector will be 420,000 when 1 to 2 ratio is assumed. It is considered that tourism sector is an important employment source in the Greek industry.

o Preparation of up-to-date statistical information on the employment of tourism sector is the necessary basis to encourage more effective tourism development.

2) Manpower Supply and Training

As the current unemployment rate is rather high, quantitative supply of manpower to tourism sector is not considered a serious problem of the industries. Demands for more qualified personnel are becoming more important.

There are a number of institutions and schools which provide education and training on various tourism activities. As shown in Table 3.2.5, Technical Educational Institutions (TEI) offer different courses and supply managerial level staff for most of the regional hotels. Especially school of administration and economy provides tourist enterprises department with a total number of students of 3,090 in 1985/86.

Vocational training in the hotel and catering sector is carried out by the School for Tourism Occupations (STE) which gives basic training, and the (higher-level) Centres for Technical and Occupational Training (KATEE). The manpower employment authorities (OAED), in collaboration with the Greek National Tourist Organization (GNTO), have initiated accelerated training programmes for waiters and room-maids which are provided for unemployed, non-qualified personnel. These programmes are executed and last 40 working days.

GNTO intends to strengthen tourism personnel by upgrading courses and improving curriculum in STE and KATEE, establishing a post graduate section for Art of Cooking in Corfu and expanding study trips and seminars for teaching personnel.

o It seems that the tourism sector is given an importance on education and training system for manpower.

Table 3.2.5
Outline of Technical Educational Institutions (TEI)

Location	No. of Students 1985/86	Available Departments
Athens	22,000	A B C D E
Heraklelon	4,844	A B C E
Thessaloniki	8,295	A B C F E
Kavala	1,800	A C F
Kozani	2,380	A C F
Larissa	6,837	A F B C
Mesolonghi	2,291	F B C
Patras	4,456	A F B C
Piraeus	7,304	A G
Serres	2,217	A C
Chalkis	2,700	A C
Total	65,124	

Type of TEI	No. of Students 1985/86
A. School of Technological Applications	18,461
B. School of Health and Welfare Professions	16,025
C. School for Administration and Economy	
a. Business Administration Dept.	5,281
b. Marketing & Advertising Dept.	848
c. Accountancy Dept.	8,335
d. Library Classification Dept.	1,001
e. Tourist Enterprises Dept.	3,090
f. Health and Welfare Units Administration Dept.	404
g. Cooperative Organization & Operation Dept.	551
Subtotal	19,510
D. School of Graphic Arts and Artistic Studies	1,429
E. School for Technology of Foodstuff and Nutrition	1,643
F. School of Technology and Agronomy	6,847
G. School of Business Administration	1,209
Total	65,124

Source: Special Technical College Service, Min. of Education

3.2.4 Expenditure of Japanese Tourists

Japanese tourists to Greece are categorized into five major segments: honeymooners, female office workers, students, businessmen, and others. The number of arrivals by segment was estimated to be 33,000, 11,00, 13,000, 21,000, and 27,000 persons respectively in 1988.

According to a survey conducted in this study, the average number of nights spent by Japanese tourists in Greece is 2.17. And a typical itinerary of Japanese tourist other than businessmen is said to be as Figure 3.2.2.

Figure 3.2.2 Typical Itinerary of Japanese Tourists in Greece

	AM	PM	Stay
1st day	Ar. Athens	Sightseeing in Athens	Athens
2nd day	One-day Cruise		Athens
3rd day	Lv. Athens		

Assuming that honeymooners, female office workers, students and others follow the above itinerary and that 3.5 nights stay in Greece is the average for business travellers, we have calculated the average expenditure by each segment as shown Table 3.2.6.

The average expenditure per stay per person is estimated to be Yen 83,000, 74,000, 35,000, 161,000, and 108,000 for honeymooners, female office workers, students, businessmen, and others respectively.

Table 3.2.6
Expenditure of Japanese Tourists per Stay per Person by Market Segment

	Honey-mooner	Female Office Worker	Student	Business-man	Others
1. Number of Nights in Greece	2.1	2.1	2.0	3.5	2.3
2. Expenditure per Person (thousands Yen)					
Air Fare	15	15	10	30	15
Domestic Transportation	7	7	7	12	7
Accommodation	10	7	6	41	8
Food & Beverages	5	5	2	18	5
Purchase of Goods	45	39	10	60	72
Miscellaneous	1	1	0	0	1
Total	83	74	35	161	108

Source: Estimated by the Study Team based on available information
Note : Items of expenditure are explained in Appendix 3.D.

Based upon the above assumption and estimation, the expenditure of a Japanese tourist is calculated and compared with that of an other foreign tourist in Table 3.2.7. The average expenditure of a Japanese is higher than that of an other foreigner. A Japanese tourist spends US$324 per night per stay. A Japanese spend 1.7 times more than an other foreigner per stay.

Regarding expenditure by item, a Japanese tourist spends 51% of the total for goods, while other foreign tourist spends 17%.

Table 3.2.7
Estimated Average Expenditure by Japanese and Other Foreign Tourists, 1988

Item	Per Night	Per Stay			
	Japanese (US$)	Japanese (US$)	Japanese %	Other Foreigner (US$)	Other Foreigner %
Accommodation	49	118	15	210	46
Transportation /Entertainment	84	203	27	66	14
Purchase of Goods	165	397	51	80	17
Foods & Beverages Outside Hotel	24	56	7	56	12
Miscellaneous	2	3	0	52	11
Total:	324	777	100	464	100

Source: Estimated by the Study Team based on available information

The total expenditure by the estimated 105,000 Greece bound Japanese tourists is calculated in Table 3.2.8. The total expenditure by Japanese tourists was approximately US$82 million in 1988, or about 2.1% of the total international tourist receipts (Japanese tourist arrivals represent 1.3% of the total).

Table 3.2.8
Tourism Expenditure by Japanese and Other Foreign Tourists, 1988

(US$ Million)

Item	Japanese Tourists	Other Foreign Tourists	Total
Accommodation	12.3	1,697.4	1,709.7
Transportation	21.3	535.8	557.1
Purchase of Goods	41.7	649.9	691.6
Foods & Beverages Outside Hotel	5.9	455.1	461.0
Miscellaneous	0.4	422.2	422.6
Total	81.6 (2.1%)	3,760.4 (97.9%)	3,842.0 (100.0%)

Source: Estimated by the Study Team based on the available information.

Final Recipient of Japanese Tourist Expenditure

Final recipient of the expenditure by Japanese is not only Greek tourism industry.

Table 3.2.9 shows the expenses by category and the distribution of input source for item of accommodations. Expenditures on accommodation are classified into personnel expenses, purchase of food and beverages, maintenance costs, and so on. Of all expenditure spend on accommodations, about 90% is estimated to come from local sources and 10% is estimated to be from foreign countries as shown in Table 3.2.9. Details of other expenses is explained in Appendix 3.E.

It is roughly estimated that of the total expenditure of Japanese tourists, approximately 83% remains in Greece, while 17% flows to other countries as shown Table 3.2.10.

o It is important to minimize the leakage of tourism receipts to other foreign countries.

Table 3.2.9
Expense Categories and Input Source for Accommodations

Expence Category 1/		Domestic Input	Foreign 2/ Input
Personnel expenses	40%	40%	
Purchase of food & beverages	13	10	3
Maintenance 3/	13	13	
Other operating expenses	12	10	2
Financial expenses & profit4/	22	17	5
Total	100	90	10

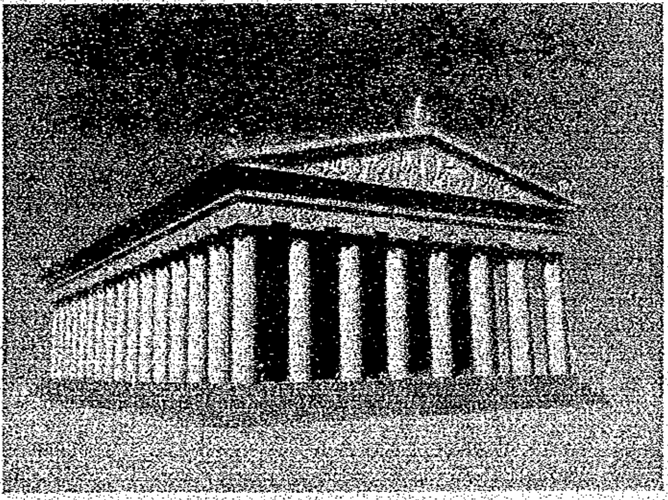
1/ Source: Tourism in Greece Business 1989
2/ Estimated by the Study Team based on Input-output Table of the Greek Economy, 1970 (Center of Planning and Economic Research, 1980)
3/ Including electricity, water telephone, cleaning, etc.
4/ Including interest, depreciation, etc.

Table 3.2.10
Japanese Tourist Expenditure in Greece by Final Recipient Country

Expenditure Item	Total Expenditure		Domestic Input	Foreign Input	Final Recipient	
					Greece	Other Countries
	US$ million	%	%	%	%	%
Accommodation	12.3	15	90	10	14	1
Air Fare	14.4	18	60	40	11	7
Domestic Transportation	6.8	8	70	30	5	3
Purchase of goods	41.7	51	90	10	46	5
Food & Beverages	5.9	7	90	10	6	1
Miscellaneous	0.4	1	100	0	1	0
Total	81.6	100			83	17

Source: Estimated by the Study Team based on the available information

CHAPTER 4 GREEK TOURISM POLICY



CHAPTER 4 GREEK TOURISM POLICY

4.1 Organizations and Implementation

The national body for the Implementation of Greek national tourism policy is the National Tourism Organization of Greece (GNTO). This organization, which was established in 1951, is an autonomous legal entity, directly supervised by the Ministry of National Economy in the promotion of Greek tourism.

Although GNTO has the central function on tourism planning and promotion activities, there are a number of ministries and agencies directly or indirectly related to tourism development.

An Inter-ministerial Council has been established to coordinate all government policies related to the tourism sector. The council is composed of the following members:

Chairman : Undersecretary, Minister of National Economy

Members : Secretary-General of;

Minister of Culture
Minister of Public Order
Minister of Agriculture
Minister of Trade
Minister of Transport and Communications
Minister of Merchant Marine
A representative of Minister of Foreign Affairs

Subjects to be coordinated by this Council are summarized as in Table 4.1.1.

4.2 Current Policies

The Five Year Economic and Social Development Plan, 1983/1987 embodies the major policy of the Greek Government to restructure the economy and its institutional framework. This will be done through modernization of the public and private sectors, decentralization of the decision-making process, and participation of social partners in the determination of priorities. The current objectives, as set out in the 1987/88 programme, are for the economic and social development for Greece as a whole, of which tourism has three main aims:

- To increase the international competitiveness of Greek tourism by improvement of the quality of the services offered;
- To make the best use of idle or under-utilized capacity; and
- To implement a balanced pattern of supply.

Table 4.1.1
Subjects Coordinated by Inter-Ministerial Council

Area	Subjects
1. YOUTH	1) Tourism for young people 2) Social tourism in the interior 3) Youth hostels 4) International youth organizations 5) Special youthful activities, youthful initiatives, farm tourism 6) Ecletic tourism
2. EMIGRANT GREEK COMMUNITIES	1) Invetment by emigrant Greeks in tourism 2) Travel facilities for emigrant Greeks 3) Emigrant communitices; publicity, events, conferences for emigrants 4) "Tourist villages" of local/national Associations of Emigrants 5) Programme for elder generation
3. SPORT	1) Development of sport tourism 2) International sport events 3) Attraction to Greece of foreign sport events 4) Publicity for sport events 5) The 1996 Olympics
4. CULTURE	1) Museums and archaeological sites 2) Prices of admission tickets 3) Excavations, exploitation of archaeological sites 4) Subsidies to cultural societies 5) Conferences
5. PUBLIC ORDER	1) Environmental control of tourism areas (prevention of noise, etc.) 2) Reconstitution of the special Trouist Police 3) Security at airports 4) Passport control at entry points
6. AGRICULTURE	1) Farm tourism 2) Tourism exploitation of forestland 3) Fixing of ones of intensive farming cultivation/prohibition of use 4) Riding clubs; equestrian trousim 5) Ecletic tourism; plans for management of waterfowl reserves 6) Protection of the fauna
7. TRADE	1) Recreation centres (classification and supervision) 2) Pricing of popular art goods (checks on quality and overpricing)
8. TRANSPORT	1) Transportation by air (in consultation with the Civil Aviation service and Olympic Airways) 2) Olympic Airways air fares 3) International overland transportation (in consultation with the Sate Railways) 4) Tourist motorcoaches 5) Urban and trunkline bus services 6) Rent-a-cars 7) Taxis 8) Trunkline terminals 9) All EEC subject concerning transportation 10) Airport fees 11) Rail transportation (in consultation with the State Railways)
9. MERCANTILE MARINE	1) The coastal service 2) Cruise ships 3) Professional yachts 4) Commercial ports 5) Servicing marinresort events
10. EQUALITY OF THE SEXES	1) Initiatives by women's groups 2) Initialives by groups of women farmers; (Agro-Tourist Cooperatives) 3) Vocational training of women in tourism matters
11. FOREIGN AFFAIRS	1) Greek-Turkish relations 2) Bilateral relations of various countries with Greece 3) Bilateral economic relations
12. INTERIOR	1) Development initiatives by local authorities in 2) Municipal and communal tax revenue tourism sector 3) Committees for tourism 4) Financial aid to local authorities for various projects 5) Tourist entertainment events 6) Technical aid to local authorities
13. FINANCE	1) Taxation of all forms of tourist accommodation 2) VAT on yachts 3) Customs formalities 4) Airport fees 5) Tax exemptions in relation to tourist areas
14. LABOUR	1) Collective labour agreements concerning hotel staff, guides, tourist motorcoach drivers labour issues 2) EEC regulations concerning various labour 3) Subsidies to those employed in tourist accommodation 4) Training courses for hotel staff (in consultation with OAED and the special)
15. ENVIRONMENT-AREA PLANNING-PUBLIC WORKS	1) Building regulations concerning tourist accommodation 2) Legislation concerning unlicensed constructions 3) Road construction (in conjunction with Prefectures) 4) Improvements and airport works (in consultation with Civil Aviation Service) 5) Environmental protection-beaches, etc. 6) Ecletic toursim

The second Five Year Economic and Social Development Plan 1988/1992 is now with the Parliament for its final approval. As far as tourism sector is concerned, the Government policy has been, in addition to the continuity of the above policies, expended with the following emphasis:

- To open up of new markets such as Japan, Canada, Australia and Latin America
- To attract higher quality (high-income) tourists
- To develop incentive tourism

In compliance with the policies, various actions and measures have been undertaken. The examples are outlined as follows:

a) Accommodation and Restaurant: Reclassification of hotels by number of stars and the classification of refreshment centres and premises serving meals are currently being done.

b) Vocational Training and Employment: In addition to the existing vocational schools, establishment of new schools, expansion of training courses, and the conduct of special seminars for vocational postgraduate during winter period have been undertaken. OAED (Organization for Employment of the Labour Potential) conducts training in cooperation with the "Council for Equality between the Sexes" for personnel who would work at the women's co-operatives during summer in various places.

c) Development of New Forms of Tourism: The introduction of programme for health tourism is being planned. Other new developments being promoted include maritime tourism, athletic meetings, international conferences, and winter sports.

d) Environmental Protection: GNTO has continued to finance restoration work on ancient monuments in cooperation with Archaeological Society. It is also pursuing a programme for restoring and converting traditional habitations into hostels. GNTO participated in the European Year of Environment and is also financing local authorities and private agencies involved in cave exploration. Campaigns are also being conducted on the importance of environmental protection.

e) Aid and Incentives: The various investment incentives in the form of credit facilities and fiscal exemption are being maintained.

f) Staggering of Holidays: To extend the season, more loans have been given for the construction of heated swimming-pools at a number of main tourist establishments. The project for social tourism and other new forms of tourism have been concentrated on off-peak periods which are associated with regional development plans.

g) Other Recent Measures: Setting up of three new luxurious casinos; Introduction of time-sharing system which will allow foreigners to rent tourist accommodations for a period of five to 60 years for annual use of one or more weeks to create steady and high-income clientele, Development of incentive tourism for which Conference Office with its headquarters in London will be set up, and a large number of relevant events more popularly be held, especially in USA.

The existing program of public investment for infrastructure and complementary works is mainly related to the following three integrated systems: the national systems for marinas (ports for recreational vessels), ski centers and spas, to promote marine tourism, winter tourism and therapeutic treatment, respectively. And major projects are listed as follows:

a) The construction of 21 marinas and the extension of the existing ones (13 billion Drachmas by 1992)

b) The restoration, conservation and maintenance of traditional settlement of Vathia Manis started operation in summer 1988.

c) The development and extension of the existing winter sport centers. Apart from the development of the Parnassos and Velouchi winter sports centers, new similar centers at Omalos in Crete, Vassilitsa in Grevena, at Vergoritida-Kaimaktsalan in Thrace etc.

d) Development of spas and the construction of the new ones creating modern hydrotherapy and fitness centers.

e) The carrying out of works in archaeological sites of tourist importance.

f) Promotion of tourist vessels the current 50 cruise ships which undertake group tours around the Greek islands and to the coast of neighboring countries and providing rich recreational programmes, artistic events and opportunities for shopping.

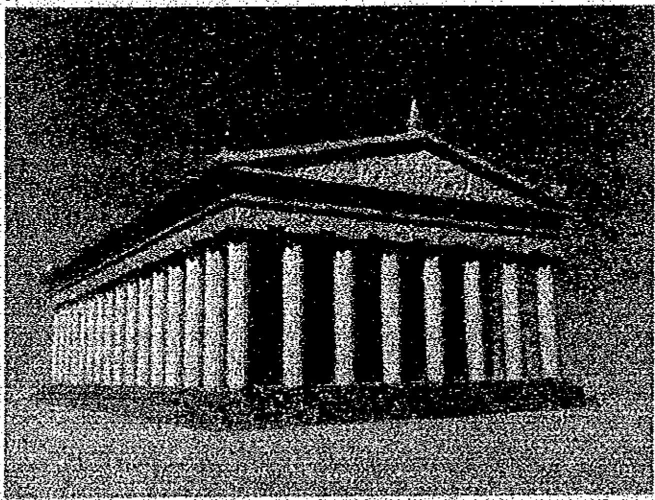
g) Construction of the convention centre of Athens with a capacity of 3,500 people and all the supplementary facilities.

Besides, the Civil Aviation Authority has the improvement programme of the following airports within the year 1989: Hellenikon (Athens), Mytilini, Kos, Preveza, Carpathos, Corfu, Chios and Herakleion.

o As such tourism policies as outlined above are very significant and effective also from the viewpoint of attracting more Japanese tourists to Greece, prompt and smooth execution/implementation of these policies is considered to be of utmost importance.

At the same time, since the needs of Japanese tourists are very often different from those of Europeans or Americans, considerable care should be taken upon implementing those tourism policies so as to meet their (Japanese) expectations.

CHAPTER 5 GENERAL CHARACTERISTICS OF JAPANESE OVERSEAS TRAVELLERS



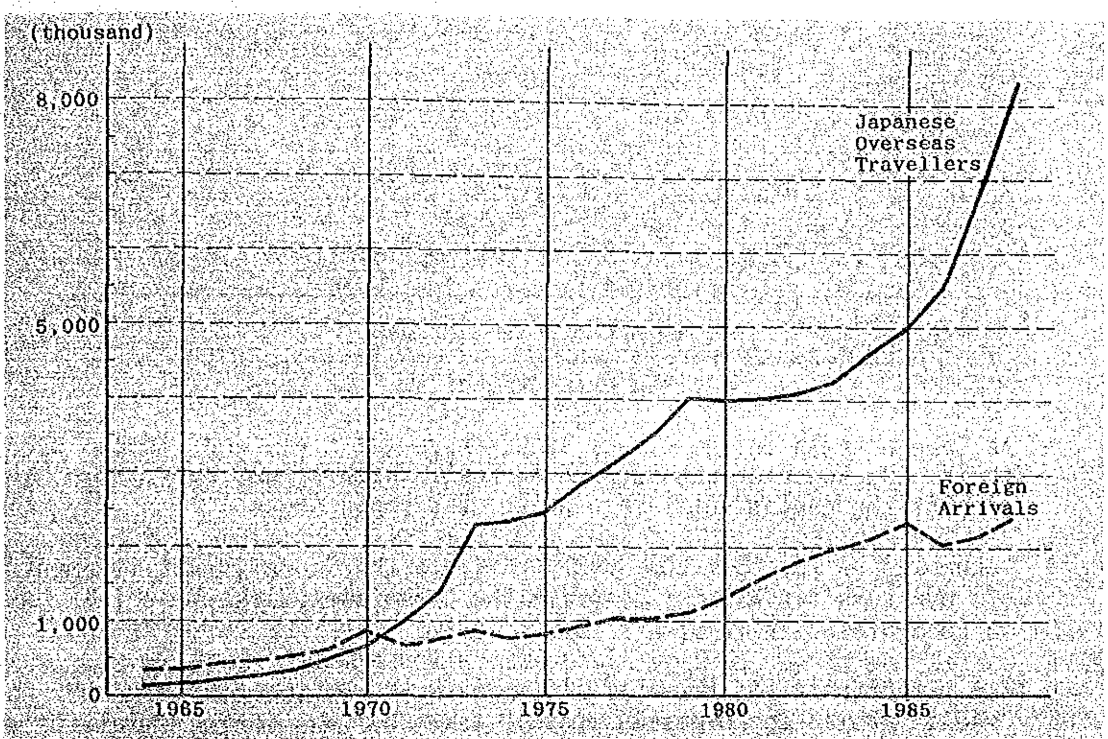
CHAPTER 5 GENERAL CHARACTERISTICS OF JAPANESE OVERSEAS TRAVELLERS

This chapter aims to clarify the general characteristics of the Japanese overseas travellers, based on various available data and studies' results.

5.1 Number of Japanese Travellers Going Abroad

The number of Japanese overseas travellers has been growing very rapidly, notably since 1985 as shown in Figure 5.1.1. After 5 million was reached in 1985, the market has grown to 8.4 million in 1988 and is expected to reach 10 million by 1990.

Figure 5.1.1
Trend of Japanese Overseas Travellers
and Visitors Arrivals to Japan, 1964 - 1988

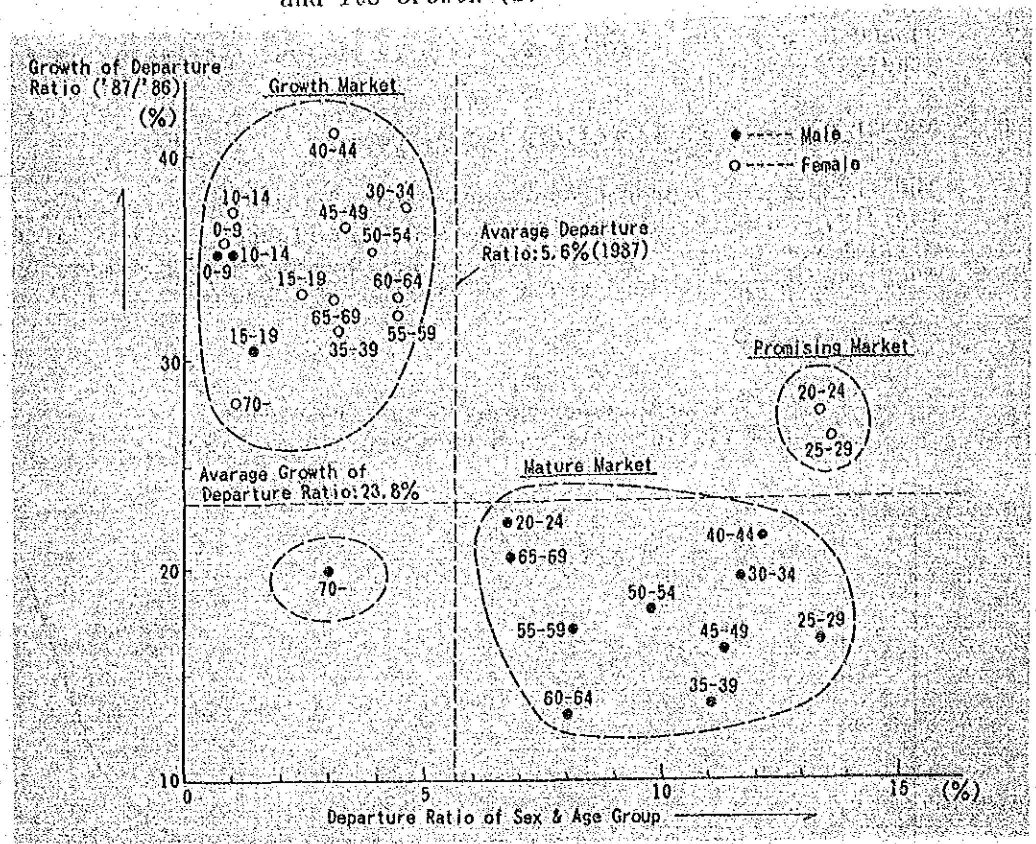


Source: Immigration Bureau, Ministry of Justice, Japan

5.2 Overseas Travellers by Sex and Age

Figure 5.2.1 shows the recent features of the overseas tourist market, in which the ratio by age with sex (ratio of overseas travellers to total population by sex and age) is taken along the abscissa and the annual growth ratio (1987 growth ratio over 1986) along ordinate.

Figure 5.2.1
Ratio of Age Group with Sex
and Its Growth (1986 and 1987)



o As can be seen in the figure, young boys and girls and women over their 30s comprise the "growth market", which is not very large in size at the moment but is expanding at a rapid pace.

o Young women in their 20s, who constitute the "core target segment" of overseas travellers, comprise the "promising market", which has large share and high growth rate.

o The importance of this "promising market" was substantiated by a "Public Poll on Overseas Travel" taken by the Prime Minister's Office in November 1987, which disclosed that the percentage of those who experienced overseas travel was highest for young women in this age bracket than for any group of respondents (See Table 5.2.1).

Adult men who once dominated the overseas tourist market, now constitute the "mature market", which has a relatively low growth rate.

o Generally speaking, the overseas tourist market in 1987 was featured by the growth of middle/older-aged women and children, although young women in their 20s continued to remain the core target group. In other words, the market became larger in size mainly because of the growth of those segments which had included not many overseas travellers in the past. This feature will continue in the future.

Table 5.2.1
Experience of Overseas Travel

				No. of Samples	Have been abroad: Total	Have stayed abroad1/	Have traveled abroad1/	Not been abroad	G. Total
					%	%	%	%	%
Total				2,287	22.6	2.4	20.3	77.4	100.0
[Sex]									
Male				1,050	28.9	3.8	25.2	71.1	100.0
Female				1,237	17.3	1.3	16.1	82.7	100.0
[Age Group]									
Male	20-29			133	23.3	-	23.3	76.7	100.0
	30-39			238	30.7	2.1	28.6	69.3	100.0
	40-49			243	30.5	2.9	27.6	69.5	100.0
	50-59			256	26.2	3.1	23.4	73.8	100.0
	60-			180	32.2	11.1	21.7	67.8	100.0
Female	20-29			192	34.9	1.0	33.9	65.1	100.0
	30-39			301	18.3	2.0	16.6	81.7	100.0
	40-49			290	9.7	0.3	9.3	90.3	100.0
	50-59			273	12.8	2.2	10.6	87.2	100.0
	60-			181	16.0	0.6	15.5	84.0	100.0

Source: Public Poll on Overseas Travel (Nov. 1987, prime Minister's office)

1/ Multi Answer (that is, one respondent may supply the answer for both "stayed" and "travelled" abroad).

5.3 Purpose of Overseas Travel

Table 5.3.1 shows the 1987 total number of travellers according to the purpose of travel from the "Overseas Travel Survey" compiled by the Japan Travel Bureau Foundation. As seen in the table, sightseeing holds a dominant place, cited by about 60% of all respondents, then comes business cited by 23%. By sex, however, it can be seen that the difference between these two purposes is narrowed down among men. Among women, sightseeing holds an overwhelming rate of 77%.

5.4 Duration of Overseas Travel

The duration of overseas travel naturally varies by purpose. It is longer for business tours than for sightseeing tours among Japanese overseas travellers. Those going abroad on overseas assignments or those going to study abroad stay for a number of years. Likewise, the duration of travel is also influenced by the destination. The length of travel is short if the destination is not far from Japan, and long if it is far from Japan.

Table 5.3.1
Purpose of Overseas Travel

Purpose	Total No. of Samples	Total %	Male No. of Samples	Male %	Female No. of Samples	Female %	Not Specified No. of Samples	Not Specified %
Sightseeing	5,100	58.4	2,346	46.7	2,512	77.4	242	52.8
Honeymoon	582	6.7	352	7.0	210	6.5	20	4.4
Business (incl. Government Official)	1,987	22.8	1,770	35.2	90	2.8	127	27.7
Overseas Assignment	77	0.9	59	1.2	12	0.4	6	1.3
Study Abroad	85	1.0	22	0.4	60	1.8	3	0.7
Study/Inspection Tour	470	5.4	301	6.1	132	4.1	37	8.1
Visiting Friends/ Relatives	306	3.5	111	2.2	179	5.5	16	3.5
Others	81	0.9	43	0.9	33	1.0	5	1.1
N. A.	41	0.5	20	0.4	19	0.6	2	0.4
TOTAL	8,729	100.0	5,024	100.0	3,247	100.0	458	100.0

Source: "Overseas Travel Survey",1987 (Japan Travel Bureau Foundation)

Table 5.4.1 shows the duration of stay at each destination. Despite the small sample size, the duration shown in this table is longer than can be conceived from our image of overseas sightseeing travel. This is because all those going abroad for business purposes, overseas assignments or for study abroad and staying at their respective destinations for a long time are included in the calculation of average duration of overseas sightseeing travel. It is probable that the duration of travel to "Other parts of North America" and "Western Europe/USSR" is made longer because so many of such kind tours/travel are included. On the other hand, the figures for "Hawaii" and "Guam/Saipan" can be considered to represent the actual length of stay of sightseers because of the small number of them.

Accordingly, in order to obtain an idea on the average duration of overseas sightseeing travel by destination, it is more advisable to use the variate of the largest sample (i.e., mode) than to use the average duration of stay shown in the said table (except for the USA because of a large number of business trips).

o It is often said that Japanese overseas travellers' length of stay is shorter at their destinations than those of other nationals.

This may be proven by the following fact. According to the 1986 statistics of foreign tourists visiting the United States, the average length of stay in the country was 12.0 nights for tourists from U.K., 11.4 nights for those from France, 13.6 nights for those from Australia, and 12.2 nights for those from Hong Kong, but Japanese tourists recorded only 6.1 nights on the average, about half of other countries' average stay, although this figure of 6.1 nights is quite different from the figure in Table 5.4.1. (No. 842, "Survey topics," Japan National Tourist Organization).

Table 5.4.1
Travel Itineraries (Duration of Stay) by Destination

Duration	Total	Korea Hong Kong Taiwan	China	South-east Asia	West Coast of United States	Other Part of North America	Hawaii	Guam Saipan	South Pacific Islands	Oceania	Europe
1-4 days	988 (11.3)	776 (34.7)	43 (7.2)	84 (6.7)	1 (0.1)	3 (0.3)	8 (0.6)	128 (21.9)	-	1 (0.3)	5 (0.3)
5 days	916 (10.5)	326 (14.6)	70 (11.9)	277 (22.2)	10 (1.2)	12 (1.3)	19 (1.3)	269 (46.1)	9 (11.7)	4 (1.4)	7 (0.4)
6 days	1,179 (13.5)	228 (10.2)	81 (13.8)	177 (14.2)	19 (2.3)	32 (3.4)	596 (41.6)	93 (15.9)	11 (14.3)	13 (4.4)	19 (1.1)
7 days	673 (7.3)	136 (6.1)	64 (10.9)	67 (5.4)	89 (10.9)	64 (6.7)	273 (19.1)	12 (2.1)	4 (5.2)	23 (7.8)	30 (1.7)
8 days	836 (9.6)	77 (3.4)	65 (11.1)	95 (7.6)	96 (11.8)	109 (11.5)	139 (9.7)	10 (1.7)	21 (27.3)	103 (35.2)	203 (11.8)
9-10 days	746 (8.5)	84 (3.8)	54 (9.2)	73 (5.8)	117 (14.4)	150 (15.8)	84 (5.9)	9 (1.5)	10 (13.0)	54 (18.4)	259 (15.0)
11-14 days	931 (10.7)	83 (3.7)	55 (9.4)	88 (7.1)	138 (16.9)	169 (17.8)	48 (3.4)	7 (1.2)	6 (7.8)	19 (6.5)	487 (28.2)
15-20 days	555 (6.4)	63 (2.8)	19 (3.2)	80 (6.4)	94 (11.5)	126 (13.3)	35 (2.4)	2 (0.3)	2 (2.6)	14 (4.8)	226 (13.1)
More than 21 days	735 (8.4)	112 (5.0)	42 (7.1)	122 (9.8)	139 (17.1)	166 (17.5)	48 (3.4)	3 (0.5)	6 (7.8)	32 (10.9)	276 (16.0)
N. A.	1,170 (13.4)	354 (15.8)	95 (16.2)	185 (14.8)	112 (13.7)	118 (12.4)	182 (12.7)	51 (8.7)	8 (10.4)	30 (10.2)	213 (12.3)
Total	8,729 (100.0)	2,239 (100.0)	588 (100.0)	1,248 (100.0)	815 (100.0)	949 (100.0)	1,432 (100.0)	584 (100.0)	77 (100.0)	293 (100.0)	1,725 (100.0)
Average Length of Stay	days 10.1	6.8	9.5	10.1	14.4	14.8	8.1	5.0	10.0	11.6	15.1

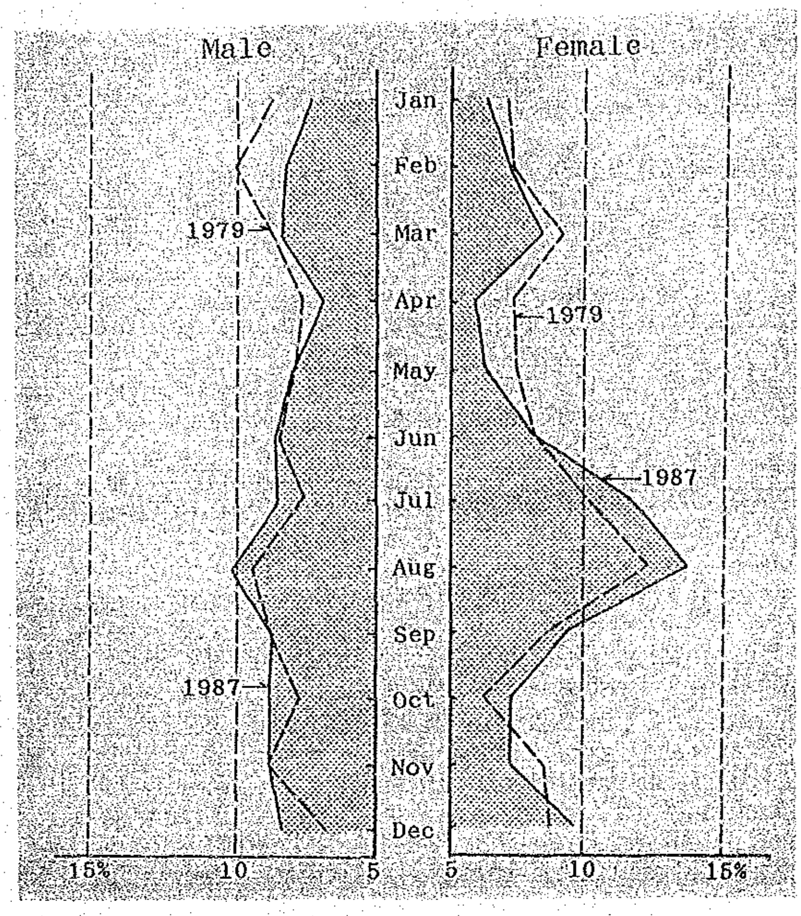
Source: "Overseas Travel Survey" (1987, Japan Travel Bureau Foundation)

5.5 <u>Seasonal Fluctuations of Overseas Travel</u>

Overseas sightseeing travel is greatly influenced by the "ease of obtaining a vacation," especially because it requires a longer free time than domestic travel.

Figure 5.5.1 is a 1979-1987 comparison of seasonal fluctuations of overseas travel by sex.

Figure 5.5.1
Seasonal Fluctuation of Overseas Travelers, 1979 and 1987



Source: Immigration Bureau, Ministry of Justice, Japan

It can be seen that the fluctuations are smaller for men because their share of business travels is quite large and are conducted at all seasons of the year.

o The figure also indicates that both male and female travellers now have a stronger tendency to travel in the summer season. This is notable especially for women and may be ascribed to the increase of female office workers travelling abroad in summer. However, this summer concentration of overseas tours is far less distinct in

Europe. This may be explained by the rush of honeymooners flowing out of Japan in spring and autumn and a great many students enjoying overseas travel in the February-March period.

Note: . Spring and autumn are wedding seasons for Japanese. More than 70% of honeymoon couples choose overseas travel as their honeymoon trip.

. In general, it is said that a certain amount of Japanese students go abroad twice during their university lives of four years. First, 3rd grade students try overseas travel to learn English in summer vacation, and second, to visit the other countries as sightseers in spring vacation of 4th grade students, just before they start employment.

5.6 Package Tours Usage

o Package tours are preferred by Japanese overseas travellers because of their relatively low expenses of travel and many kind of convenience, e.g., language and tipping. As high as 85% of sightseers and honeymooners make use of package tours (see Table 5.6.1).

o By sex, the usage is higher for women than for men. Among women, it is higher for young ones, about 20 years of age, and old ones above 50 years of age, than for those in all other age brackets.

There is no available data for international comparison of package tour usage. Nevertheless, in the "Study on a Comprehensive National Tourism Development Plan in Malaysia" conducted in 1987 by JICA, it was found that the ratio of the package tour usage by the Japanese people for all types of tours was more than 3 times as compared with that of other countries. Thus, it can be said that the package tour usage is very high among Japanese overseas travellers.

o Since package tours are organized by travel agents, it can be said that they play an important role in promoting overseas travel to the Japanese people.

5.7 Destinations of Japanese Overseas Travellers

Table 5.7.1 shows the changes in destinations by Japanese overseas travellers from 1983 to 1987.

As seen in the table, Hawaii, Korea, Hong Kong and Taiwan continued to remain the top four preferred destinations, although their rankings change from time to time. Australia has been getting very popular for the last 3 years. As seen in the table, the growth ratio to the previous year of the certain countries are considerably high.

Table 5.6.1
Package Tours Usage of Japanese Overseas Sightseers & Honeymooners

Sex	Age Group	Total: Number of Samples (A)	Total: Proportion	Used: Number of Samples (B)	Used: (B)/(A)	Did Not Use: Number of Samples (C)	Did Not Use: (C)/(A)	N A: Number of Samples (D)	N A: (D)/(A)
			%		%		%		%
Total	-19	10	100.0	8	80.0	2	20.0	-	-
	20-29	1,005	100.0	896	89.2	108	10.7	1	0.1
	30-39	414	100.0	335	80.9	79	19.1	-	-
	40-49	197	100.0	141	71.6	54	27.4	2	1.0
	50-59	319	100.0	250	78.4	64	20.1	5	1.6
	60-	436	100.0	386	88.5	48	11.0	2	0.5
	N. A.	166	100.0	141	84.9	24	14.5	1	0.6
		2,547	100.0	2,157	84.7	379	14.9	11	0.4
			%		%		%		%
Men	-19	3	100.0	3	100.0	-	-	-	-
	20-29	273	100.0	233	85.3	40	14.7	-	-
	30-39	234	100.0	181	77.4	53	22.6	-	-
	40-49	113	100.0	75	66.4	36	31.9	2	1.8
	50-59	163	100.0	113	69.3	48	29.4	2	1.2
	60-	321	100.0	280	87.2	40	12.5	1	0.3
	N. A.	86	100.0	69	80.2	16	18.6	1	1.2
		1,193	100.0	954	80.0	233	19.5	6	0.5
			%		%		%		%
Women	-19	7	100.0	5	71.4	2	28.6	-	-
	20-29	732	100.0	663	90.6	68	9.3	1	0.1
	30-39	180	100.0	154	85.6	26	14.4	-	-
	40-49	84	100.0	66	78.6	18	21.4	-	-
	50-59	156	100.0	137	87.8	16	10.3	3	1.9
	60-	115	100.0	106	92.2	8	7.0	1	0.9
	N. A.	72	100.0	66	91.7	6	8.3	-	-
		1,346	100.0	1,197	88.9	144	10.7	5	0.4

Source: "Overseas Travel Survey" (1987, Japan Travel Bureau Foundation)

o The most popular destination countries in Europe are France (about 610 thousand travellers in 1987) and West Germany (about 590 thousand) followed by Switzerland (about 370 thousand), and U.K. (about 300 thousand). Greece has more or less a similar level of Japanese travellers as Denmark, Belgium, Netherlands, etc., which are about 80 to 90 thousand.

Table 5.7.1
Japanese Overseas Travelers by Destination
(Arrivals from Japan)

Destination		1983	%Chng	1984	%Chng	1985	%Chng	1986	%Chng	1987	%Chng
ASIA											
China	NF	265,033	8.1	386,169	45.7	470,492	21.8	483,507	2.8	577,702	19.5
Hong Kong	RF	502,175	-2.6	584,013	16.3	635,767	8.9	727,219	14.4	1,033,525	42.1
India	NF-RF	26,764	-8.2	29,538	10.4	30,585	3.5	36,346	18.8	46,355	27.5
Indonesia	NF	84,770	16.3	92,393	9.0	102,352	10.8	120,254	17.5	160,168	33.2
Iran	NF	6,551	91.1	8,096	23.6	3,660	-54.8	3,353	-8.4	2,654	-20.8
Korea	NF	528,265	2.0	576,448	9.1	638,941	10.8	791,011	23.8	893,596	13.0
Macau	NF	161,214	-4.6	168,740	4.7	158,174	-6.8	168,358	6.4	250,868	49.0
Malaysia	RF	101,830	12.2	111,637	9.6	117,250	5.0	125,458	7.0	134,200	7.0
Maldives	NF	1,844	33.6	7,268	294.1	14,117	94.2	9,422	-33.3	10,747	14.1
Nepal	RF	10,570	12.4	7,360	-30.4	10,257	39.4	12,072	17.7	16,132	33.6
Pakistan	NF	8,523	29.1	7,807	-8.4	8,442	8.1	9,171	8.6	9,200	0.3
Philippines	RF	178,783	11.8	161,083	-9.9	153,511	-4.7	134,261	-12.5	126,825	-5.6
Singapore	RF	370,639	-2.1	369,534	-0.3	377,686	2.2	404,278	7.0	541,399	33.9
Sri Lanka	NF-RF	11,788	-2.2	20,573	74.5	23,356	13.5	12,696	-45.6	7,414	-41.6
Taiwan	NF	595,042	3.4	632,481	6.3	615,584	-2.7	696,686	13.2	807,736	15.9
Thailand	NF	223,614	-2.0	221,945	-0.7	221,485	-0.2	259,381	17.1	341,899	31.8
Turkey	NF	7,782	24.0	13,060	67.8	16,811	28.7	16,740	-0.4	21,067	25.9
EUROPE											
Austria	RHA	90,755	8.0	106,355	17.2	125,598	18.1	118,585	-5.6	162,976	37.4
Belgium	RHN	72,950	-9.9	88,665	21.5	98,203	10.8	95,327	-2.9	106,393	11.6
Denmark	NHN	82,100	10.5	79,500	-3.2	78,000	-1.9	70,100	-10.1	82,900	18.3
Finland	RHN	36,807	52.9	41,872	13.8	44,180	5.5	38,550	-12.7	51,318	33.1
France	NFA-RHA	457,159	-2.6	447,843	-2.0	470,298	5.0	543,696	15.6	611,796	12.5
Germany(F.R)	RAA	354,876	1.9	410,296	15.6	488,582	19.1	494,333	1.2	588,615	19.1
Greece	NF	82,029	9.7	86,476	5.4	92,802	7.3	85,075	-8.3	92,000	8.1
Italy	NF	327,133	7.8	340,209	4.0	335,190	-1.5	401,278	19.7	384,837	-4.1
Netherlands	RAA	66,900	-15.4	72,900	9.0	80,345	10.2	71,383	-11.2	N.A.	
Norway	NHN	52,997	27.3	62,958	18.8	64,365	2.2	46,046	-28.5	75,131	63.2
Portugal	NF	14,354	3.8	19,514	35.9	19,986	2.4	23,246	16.3	28,596	23.0
Spain	NF	94,963	18.4	108,563	14.3	126,639	16.7	121,072	-4.4	130,487	7.8
Sweden	NAN	54,330	-2.4	60,148	10.7	59,928	-0.4	54,689	-8.7	64,286	17.5
Switzerland	RHA	267,501	9.4	280,931	5.0	294,688	4.9	313,295	6.3	369,008	17.8
U.K.	RF	170,300	6.8	200,600	17.8	210,700	5.0	205,400	-2.5	297,200	44.7
Yugoslavia	RAA	8,747	-6.7	9,346	6.8	10,042	7.4	11,624	15.8	13,721	18.0
AFRICA											
Egypt	NF	25,942	17.4	33,063	27.4	31,384	-5.1	25,887	-17.5	35,655	37.7
Morocco	NF	N.A.		6,503	*	6,936	6.7	7,435	7.2	9,800	31.8
AMERICA											
Brazil	NF-RF	25,347	36.6	19,877	-21.6	22,508	13.2	27,652	22.9	N.A.	
Canada	RF	138,716	-0.5	162,240	17.0	174,503	7.6	235,158	34.8	311,700	32.6
Mexico		56,000	4.7	N.A.		N.A.		N.A.		N.A.	
Peru	NF	7,752	-9.3	7,908	2.0	8,086	2.3	8,852	9.5	N.A.	
U.S.A.	RF	1,282,875	5.2	1,414,909	10.3	1,496,202	5.7	1,681,071	12.4	2,128,481	26.6
Guam	RF	294,492	11.4	301,499	2.4	301,690	0.1	332,317	10.2	412,637	24.2
Hawaii	Ne	729,000	1.5	816,000	11.9	855,000	4.8	944,000	10.4	1,161,000	23.0
OCEANIA											
Australia	RF	71,800	18.9	87,884	22.4	107,590	22.4	145,608	35.3	215,562	48.0
Fiji	RF	14,401	-20.1	14,864	3.2	12,601	-15.2	11,801	-6.3	5,487	-53.5
Marianas	RF	104,581	18.3	104,096	-0.5	107,770	3.5	127,338	18.2	152,095	19.4
New Caledonia	RF	21,699	14.4	21,981	1.3	17,512	-20.3	15,942	-9.0	16,260	2.0
New Zealand	RF	32,481	18.8	41,888	29.0	50,264	20.0	62,656	24.7	76,150	21.5
Tahiti	RF	1,558	-22.0	1,060	-32.0	2,410	127.4	4,661	93.4	3,898	-16.4

Remarks: R: Reported by residence
N: Reported by nationality
F: Frontier arrival
HA: Arrival in hotels
AA: Arrival in registered tourist accommodations
HN: Nights spent in hotels
AN: Nights spent in registered tourist accommodations
N.A.: Not available

*: % change over the previous year not avilable
e: Estimated figures
p: Provisional figures

Source: Tourism Statistics, 1987 (JNTO)

5.8 Overseas Travel Expenses

According to the "Overseas Travel Survey" conducted by Japan Travel Bureau Foundation in 1987, the average amount spent by the Japanese overseas travellers was ¥512,000 or Drs. 569,000 (using the 1987 conversion rate; 1 Drs. = 0.9 yen). People who went on their honeymoon spent ¥595,000 (Drs. 661,000), and sightseeing ¥441,000 (Drs. 490,000).

o It is commonly observed that the average expenditure of the Japanese is higher than those of other nationals. Hawaiian Visitors Bureau also reported that Japanese tourists spent 5 times more than Americans per day in 1988.

5.9 Travelling Companions

o Of all travelling companions of Japanese overseas travellers, "company colleagues" and "friends", comprise the largest percentage, about 40% (see Table 5.9.1). It appears that Japanese often travel with "company colleagues" not just for business and study/observation tours but also for sightseeing. This tendency is noticeable especially for female office workers.

Table 5.9.1
Travelling Companions

	Number of Samples	Proportion
Alone	1,965	22.5%
with Spouse	1,726	19.8%
with Family	800	9.2%
with Relatives	141	1.6%
with Friends	1,977	22.6%
with Colleagues	1,598	18.3%
with Family/ Friends	112	1.3%
with Family/ Colleagues	21	0.2%
Others	316	3.6%
N.A.	73	0.8%
Total	8,729	100.0%

Source: Overseas Travel Survey (1987, Japan Travel Bureau Foundation)

o The percentage of "those travelling with spouse" is high for the elderly people. "Those who travel abroad with family" are still smaller in number than domestic travellers. This may be because of the difficulty in taking a long vacation at the same time by all family members and the high expense of family travel.

5.10 Destinations Japanese Would Like to Visit

The "countries actually visited in the past" by many Japanese overseas travellers do not coincide with the "countries they would like to visit."

Table 5.10.1 shows the "destinations Japanese would like to visit" as cited by respondents from the Capital Region and the Keihanshin (Kyoto, Osaka and Kobe) Region.

Table 5.10.1
Destinations Japanese Would Like to Visit

		Switzerland/ Alps	Australia/ New Zealand	Hawaii	Canada/ Alaska	Paris	Greece/ The Aegean Sea	Rome	Vienna	New York/ Washington	San Francisco/ Los Angels
Total		666 (43.7)	608 (39.9)	603 (39.6)	583 (38.3)	529 (34.9)	499 (32.7)	436 (28.6)	407 (26.7)	381 (25.0)	354 (23.2)
Men	10's	35 (30.2)	54 (46.6)	51 (44.0)	37 (31.9)	45 (38.8)	31 (26.7)	39 (33.6)	27 (23.3)	43 (37.1)	42 (36.2)
	20's	68 (35.2)	95 (49.2)	67 (34.7)	75 (38.9)	61 (31.6)	61 (31.6)	60 (31.1)	49 (25.4)	64 (33.2)	55 (28.5)
	30's	52 (34.9)	63 (42.3)	60 (40.3)	76 (51.0)	38 (25.5)	53 (35.6)	34 (22.8)	33 (22.1)	29 (19.5)	33 (22.1)
	40's	50 (37.0)	44 (32.6)	43 (31.9)	53 (39.3)	34 (25.2)	39 (28.9)	39 (22.2)	32 (23.7)	27 (20.0)	22 (16.3)
	50's	42 (42.9)	28 (28.6)	37 (37.8)	33 (33.7)	29 (29.6)	28 (28.6)	30 (30.6)	27 (22.4)	16 (16.3)	16 (16.3)
	Total	247 (35.7)	284 (41.1)	258 (37.5)	274 (39.7)	207 (30.0)	212 (30.7)	193 (27.9)	163 (23.6)	179 (25.9)	168 (24.3)
Women	10's	50 (50.5)	44 (44.4)	50 (50.5)	34 (34.3)	55 (55.6)	33 (33.3)	36 (36.4)	34 (34.3)	40 (40.4)	34 (34.3)
	20's	105 (50.7)	100 (48.3)	96 (46.4)	87 (42.0)	112 (54.1)	93 (44.9)	79 (38.2)	78 (37.7)	81 (39.1)	67 (32.4)
	30's	121 (55.0)	63 (40.5)	60 (40.5)	76 (36.8)	38 (30.9)	53 (38.2)	34 (25.9)	33 (23.6)	29 (12.7)	33 (18.2)
	40's	84 (50.0)	48 (28.6)	66 (39.3)	56 (33.3)	49 (27.2)	53 (31.5)	40 (23.8)	51 (30.4)	31 (18.5)	27 (16.1)
	50's	50 (42.4)	42 (30.2)	43 (30.5)	51 (36.7)	38 (27.3)	24 (17.3)	31 (22.3)	29 (20.9)	22 (15.8)	18 (12.9)
	Total	419 (50.3)	324 (38.9)	345 (41.4)	309 (37.1)	322 (38.7)	287 (34.5)	243 (29.2)	244 (29.3)	202 (24.2)	186 (22.3)

Source: '88 Survey on Japanese Likes/Dislikes (1987, Japan Travel Bureau Foundation)

As seen in the table, "Switzerland/the Alps" comes atop all among other destinations, cited by 44% of the respondents, followed by "Australia/New Zealand," and "Hawaii", in this order.

A closer look at Table 5.10.1 reveals that the "preferred destinations" show some differences by sex and age. For example, "Switzerland/the Alps" is preferred by more than half of the women, but it ranks a low fourth among the men. "New York/Washington," placing 9th on the overall basis, goes up to rank third among teen-boys, as it may be a symbol of modern civilization.

o Among those who prefer the "Greece/the Aegean Sea", women in their 20s show highest figure.

5.11 Characteristics of Japanese Package Tours

As described earlier (in section 5.6), package tours enjoy a high usage among Japanese overseas sightseers, but it should be noted that there are several characteristics differentiating them from the package tours offered in Europe and North America.

o First, Japanese travel agents, which organize and operate package tours, have their own network of stores and sell their tours directly to consumers in many cases. They also function as wholesalers selling such tours to their affiliated travel agents on a commission basis, but many leading travel agents sell their tours at their own stores. In addition, they also function as retailers by purchasing tours from other wholesalers. For instance, JTB, the largest travel agent in Japan and also the largest retailer of Japan Creative Tours, functions as a tour operator by organizing its own tour product "Look" and selling it directly to customers. It also functions as a wholesaler, selling its tours to its affiliated agents and other travel agents.

There are some, though not many, travel agents specializing in the wholesale business in Japan. These include Japan Creative Tours which deals with Jalpack and Jetour which deals with Jet Tour.

o Second, most of Japanese package tours are of the excursion-type tours, especially for the tour to Europe.

However, this does not mean that Japanese do not prefer long-sojourn type of tours to overseas resorts. The sojourn type of tours to Hawaii, Guam, Saipan and Southeast Asian beach resorts are getting popular especially among the young Japanese tourists.

o Third, there are very few Japanese package tours organized to make use of chartered flight services. Most of them are organized with the use of regular flight services. One of the reason for this situation is considered to be that the ITC charter from Tokyo and Osaka international airports, from which more than 80% of the overseas travellers are departing, are restricted due to their capacity.

Table 5.11.1 is a list of principal package tours organized, promoted and operated by the Japanese travel agents.

Table 5.11.1
Major Package Tours by Japanese Travel Agents

Brand	Tour Operator	Number of Users('87)
Asahi Sun Tours	Asahi Sun Tours Inc.	*20,000
Century	Asia Creative Tours Co., Ltd.	15,000
Club Med	Club Mediterrance K.K.	25,000
Compass	Nissin Travel Service Co., Ltd.	*67,000
Diamond Tour	Yusen Air & Sea Service Co., Ltd.	34,820
Dynasty Holidy	Japan Cosmos & Dynasty Holidays, Inc.	*29,900
Dream Holiday	Overseas Tourist Co., Ltd.	11,000
Echo Tour	Travel Nippon Inc.	19,929
Good Luck Tours	Good Luck Incorporated	*120,000
Greening Tour	Hankyu Express International Co., Ltd.	*133,200
Hello Tour	All Nippon Airways World Tours Co., Ltd.	*88,000
Holiday Tour	Kinki Nippon Tourist Co., Ltd.	98,500
Jalpack	Japan Creative Tours Co., Ltd.	121,400
Jetset	Jet Set Inc.	13,000
Jet Tour	Jetour Inc.	151,541
Leisure Tours	Fuji Tours International, Ltd.	*80,400
Let's Go Tours Tours	Nissin Travel Service Co., Ltd.	*58,000
Look	Japan Travel Bureau Inc. & Nippon Express Co., Ltd.	335,097
Mach	Nippon Travel Agency Co., Ltd.	84,140
Maple Vacance Nice Pack	Naigai Travel Service Co., Ltd.	*38,000
Playguide Tour	Playguide Tours Inc.	10,000
Ramble Tour Mild Royal Pacific	United Tours Co., Ltd.	8,200
Sawayaka Tour	I Transport Inc.	*40,000
Smile Tour	Seiko Travel Service Co., Ltd.	*63,500
Sun World	Kyushu Sanko Turist	2,700
Top Tour	Tokyu Tourist Corporation	67,203
Unic	Tobu Travel Co., Ltd.	19,200
Wing Tour	Tokyo Tours Inc.	*18,000
You I Tour	You I Tour Inc.	33,900

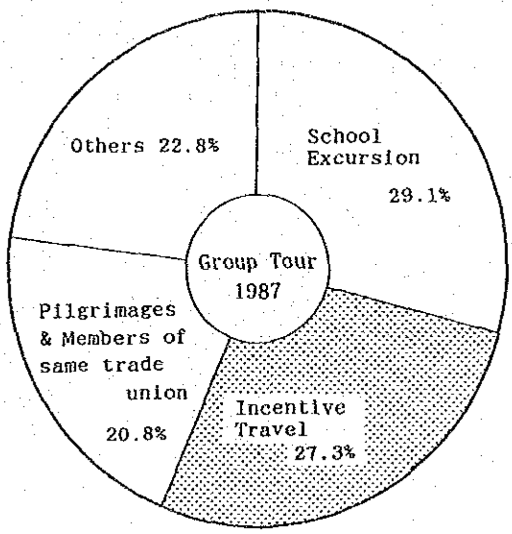
Remarks: * Includes non-package (e.g., air ticket)
Source : '88 *Annual Report of Japanese Tour Wholesalers* (1988, Travel Times)

5.12 Japanese Incentive Travel Market

o Originally, incentive travel meant trips for pleasure, which were awarded by manufacturers to dealers who logged superior sales records. The concept of incentive travel has gradually expanded in scope, and today all types of travel for promotion offered to employed personnel, distributors and consumers are included.

It is very difficult to estimate the total Japanese incentive travel market, but still there are some data. In 1987, Japan Travel Bureau, the biggest travel agent in Japan, collected a gross of 370 billion yen (Drs. 411 billion) for services rendered on behalf of organized group travel. Of this vast amount, school excursions accounted for the largest share, or 29.1%. The next largest share, 27.3%, consisted of incentive travel, sponsored by corporations. While other organized groups, such as pilgrimages to religious headquarters, member of the same trade union or profession, and the like, showed third, with 20.8% (see Figure 5.12.1).

Figure 5.12.1
Share of Incentive Travel in Group Tour
(In case of JTB by amount of sales, 1987)



Source: Japan Travel Bureau

Various types of incentive travel can be described as follows:

o Incentive travel for employed personnel is given as a reward for good performance, to commemorate the anniversary of the company's establishment and so on. Generally, companies seldomly arrange their own corporate group travel for these occasions.

  Jobsite tours range from large groups in which all, or nearly all company employees take part, to smaller ones organized by corporate department or individual jobsites. Financing of these tours range from those paid by employees themselves to those shouldered by the company in its entirety.

In the instance of jobsite tours, when the duration of travel is within 3 nights and 4 days, more than half the cost is borne by the company, and more than half of the employees participate, the expense becomes tax deductable as a form of welfare. This regulation is now applied not only to domestic travel but to overseas travel.

- o Incentive programmes organized by companies for dealers, sales personnel and agents are considered as most important in Japan's incentive travel market. Since most of this type of incentive travel comes as a reward for superb sales achievements, the itineraries usually feature a commendation ceremony at the destination. For this reason, sponsors look for the availability of a suitable conference hall, good entertainment and hospitality. Many incentive programmes also include visits to places of technical interest.

  Let's take as an example Toyota Motors. In May 1988, it conducted a trip to Hawaii as an award to its dealers who showed the best records for sales. The group proved to be a huge one, and altogether some three thousand from the Toyota family participated.

- o Incentive travel for consumer is conducted as a premium and consists of a variety of package tour ranging from ordinary pleasure travel to a technical one.

  Lately, what is called "crown events" are becoming very popular as an effective promotion method. They are programmes organized under the banner of sponsoring organizations, and comprise varied athletic meets, attending musicals, concerts, art exhibitions, symposiums, and seminars, etc. They take place mainly in big cities and the demand for travel arises since consumers are invited from throughout the country.

  Representative of "crown events" are the Kirin World Soccer Tournament, Kirin being one of our popular brands of beer; the NEC Davis Cup Tennis Championship, NEC standing for Nippon Electric Company; the Suntory Special Reserve Concert - Suntory is a major brand for whisky and other beverages; and the Aurex Classical Concert. CITIZEN Golden Marathon, described above, also can be included "crown events".

  While on the subject of incentive travel, it should be mentioned that there is a law, based on fair trade practices, which sets limits on the premiums given, and this definitely affects the travel industry, especially with regards to overseas travel. Fifty thousand yen (¥50,000 or Drs. 56,000) is the maximum legal value of a premium which may be given by a corporation to a consumer in return for his patronage. Naturally this makes it extremely difficult to give away an overseas tour as a premium. However, in the instance of combined premiums as offered, for example, at a shopping mall as part of a special sales campaign, the total is increased to 200,000 yen (Drs. 222,000). And this, of course, makes it possible to give away free trips abroad.

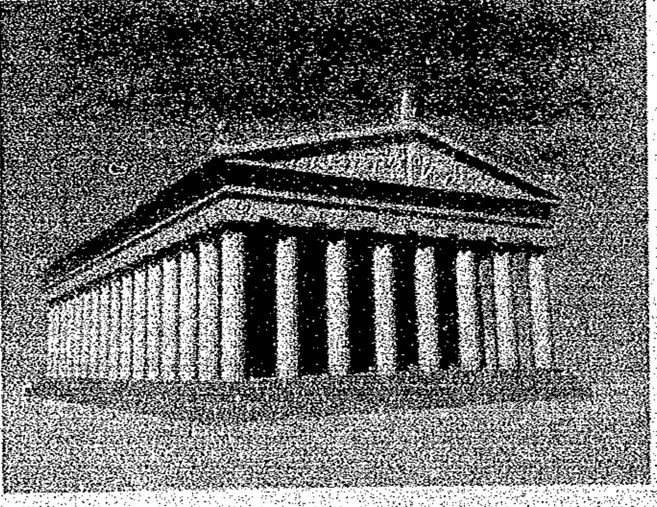
Now let's turn to Japan Travel Bureau's achievements in the realm of incentive programmes. Classified according to industry, housing ranks first with respect to the overall amount of incentive travel handled by JTB in recent years. Commerce comes in second; services, third; machinery, fourth; the publishing trade, fifth; insurance, sixth; manufacturing, seventh; automotive industry, eighth; food and beverages, ninth; and cosmetics, tenth.

Classified by overseas destinations based on JTB, incentive travel abroad leads, first, to Hawaii, which hosts 30% of this trade; second is Taiwan with 17%; third is Hong Kong and Macao with 10%; fourth is Korea with 9%; and fifth is Peking with 8%; followed by other places in China (7%) and Guam (6%). Recently, however, the volume of incentive travel to Australia has shown a rapid increase.

o Incentive travel of the future must focus on entertainment and attractions - events - which will stimulate interest and create memories of days well spent. Merely going, eating and loafing, and coming home will not be enough. In this respect, the packagers of this sort of tourism, to get their share of the business, must concentrate on developing total plans, rather than dwelling mainly on the travel aspect.

In the United States, incentive houses offer total planning so as to respond to whatever the sponsor's need. Since Japan suffers from an acute shortage of firms of this caliber, travel and advertising agencies, the so-called "event planning industry", printing companies, display firms and the like have been acting independently to do what they can to fill the gap. And fortunately the gap is about to be closed, as enterprises representing various fields of endeavour are beginning to set themselves up as total incentive planners.

CHAPTER 6 MARKET SURVEY



CHAPTER 6 MARKET SURVEY

6.1 Methodology

The Study Team conducted six (6) surveys during September and October in 1988 and one (1) Group Interview Survey in March. The questionnaire forms used for said surveys are attached in Appendix 6.1.

6.1.1 National Omnibus Survey

1) Number of Interviewee

2,000 individuals above the age of 18 years, recruited at 200 places in Japan.

2) Details of the Survey

a) Area: Nationwide

b) Sampling Procedure: Multi-stratified two-stage random sampling

c) Survey Method: Personal interview

3) Date of Field Work: September 19, 1988 (Wednesday)

4) Number of Effective Responses: 1,372 responses

6.1.2 Questionnaire Survey of Japanese Tourists Who Have Been to Greece

1) Number of Questionnaire Distribution

1,250 users of Japan Travel Bureau's package tours "Look"

2) Details of Survey

Mail survey using a structured questionnaire to those who availed the 16 courses of "Look" to Europe, Africa and Middle East including Greece, from April 1987 to May 1988.

3) Date of Questionnaire Dispatch: October 4, 1988 (Tuesday)

4) Number of Effective Responses: 657 responses

5) Sample Adjustment

Users of "Look" could not represent the general tendency of sighseeing tour to Europe because of its inclusion of too many number of honeymoon couples. Accordingly, number of samples were modified, based on the results of the Overseas Travel Survey in 1987 conducted by Japan Travel Bureau Foundation.

6.1.3 Questionnaire Survey of Japanese Tourists to Other European Countries

1) Number of Questionnaire Distribution

1,500 users of Japan Travel Bureau's package tour "Look".

2) Details of Survey

Mail survey using a structured questionnaire to the users of 10 popular courses of "Look" to Europe, excluding the ones visiting Greece, from April 1987 to May 1988.

3) Date of Questionnaire Dispatch: October 4, 1988 (Tuesday)

4) Number of Effective Responses: 796 responses

5) Sample Adjustment

Users of "Look" could not represent the general tendency of sighseeing tour to Europe because of its inclusion of too many number of honeymoon couples. Accordingly, number of samples were modified, based on the results of the Overseas Travel Survey in 1987 conducted by Japan Travel Bureau Foundation.

6.1.4 Questionnaire Survey of Japanese Tourist on a Cruise Ship of the Saronic Gulf

1) Number of Questionnaire Distribution

300 Japanese tourists on a 1-day cruise ship of the Saronic Gulf.

2) Details of Survey

Interview survey using a structured questionnaire to Japanese tourists in cooperation with the staff of Greek National Tourist Organization.

3) Date of Field Survey

September 24 (Saturday) - October 14 (Friday), 1988 intermittently

4) Number of Effective Responses: 173 responses

6.1.5 Questionnaire Survey of Japanese Tourists through Tour Operators in Athens

1) Number of Questionnaire Distribution

200 Japanese tourists of group tours who stayed in Athens.

2) Details of Survey

Survey using a structured questionnaire to the Japanese tourists of group tours by Greek tour operators.

3) Date of Field Survey

October 4 (Tuesday) - 21 (Friday), 1988 intermittently

4) Number of Effective Responses: 111 responses

6.1.6 Group Interview Surveys

1) Group Interview of Japanese Tourists who have been to Greece

a) Number of Interviewee: 5

b) Date of Interview: March 6, 1989 (Monday)

2) Group Interview of Japanese Tourists who have been to Other European Countries

a) Number of Interviewee: 6

b) Date of Interview: March 9, 1989 (Tuesday)

3) Group Interview of Tour Conductors

a) Number of Interviewee: 5

b) Date of Interview: March 10, 1989 (Friday)

6.1.7 Interview Survey of Travel Agents in Japan and Greece

1) Interviewee Travel Agents (Japan)
Amphitryon Travel & Shipping Agencies Ltd., JTB World Vacation Inc., Kinki Nippon Tourist Co. Ltd., Kuoni Travel Ltd., Miki Tourist, Ohshu Express Ltd., Recruit International Inc., University Co-op Tourism

2) Interviewee Travel Agents (Greece)
Amphitryon Travel & Shipping Agencies Ltd., Kuoni Travel Ltd., Nippon Hellenic Tours

3) Month of Interview: September - October, 1988

6.2 Analysis of Survey

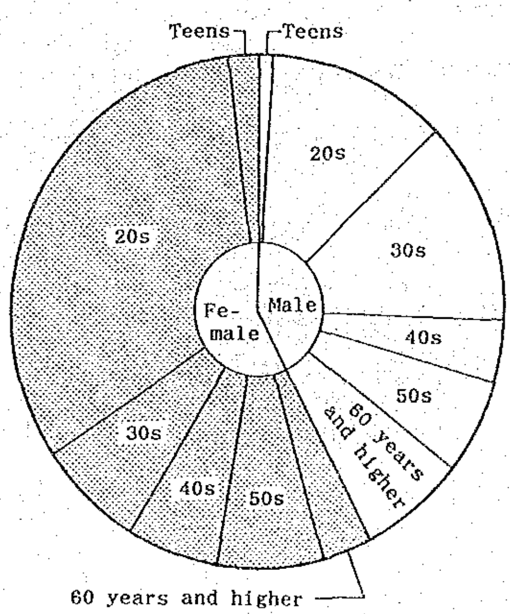
6.2.1 Demographic Features

1) Sex and Seasonality

- Japanese tourists to Greece include quite a large number of women in their 20's, accounting for about one-third. (See Figure 6.2.1 and Table 6.2.1)

- The data on seasonal fluctuations of Japanese tourists to Greece differs from those of all foreign tourists to Greece. That is, the peak months of the Japanese tourists are February and March while the peak months of all foreign tourists are July and August (see Figure 6.2.2). In February and March, honeymooners and students (female college students) consist a large share.

Figure 6.2.1
Distribution ofJapanese Tourists
to Greece by Sex and Age



Source: Questionnaire Survey to Japanese Tourists Who have been to Greece, JICA (Octobe 1988)

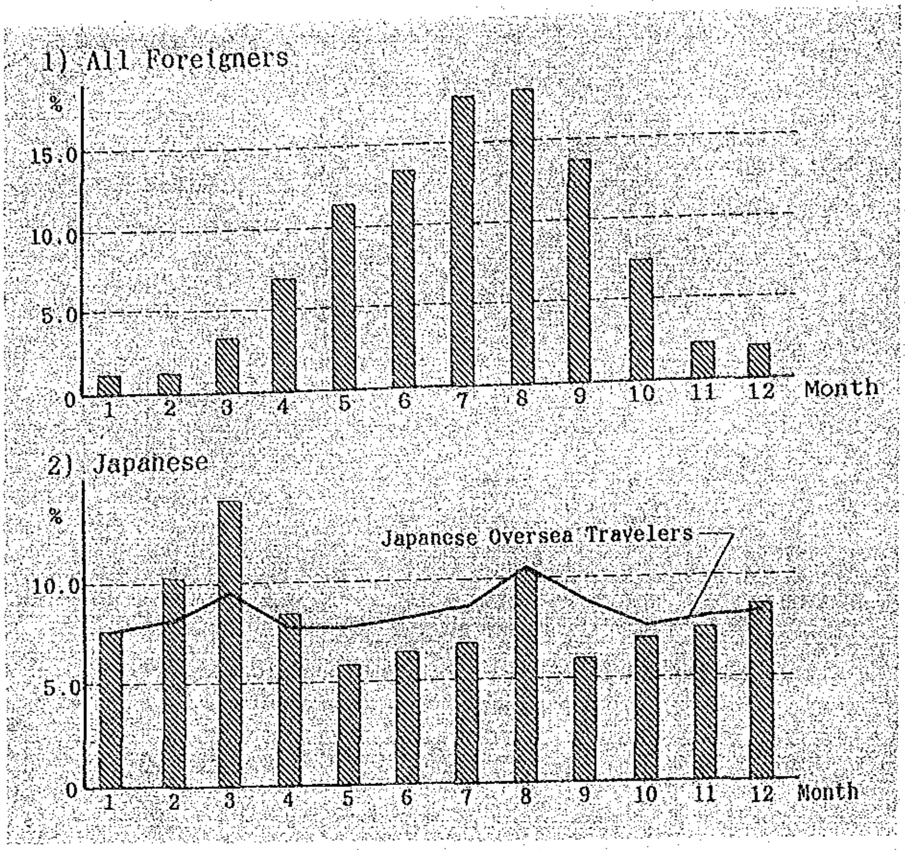
Table 6.2.1
Distribution of Japanese Overseas Tourists
by Sex and Age

Classifica-tion	Tourists to Greece	Tourists to European countries excl. Greece	Tourists to ASEAN countries	All Japanese Overseas tourists
Total	100.0	100.0	100.0	100.0
Total of men	42.7	36.2	63.0	52.2
- 19 years	1.0	1.8	-	2.5
20 - 24	1.3	0.9	4.1	14.4
25 - 29	11.0	6.4	16.6	
30 - 39	13.0	7.3	17.1	12.4
40 - 49	3.5	4.8	6.2	7.9
50 - 59	6.2	6.5	11.1	7.0
60 & more	6.8	8.5	7.8	8.1
Total of women	57.3	63.8	37.0	47.8
- 19 years	1.7	2.6	0.3	2.3
20 - 29	10.6	5.5	12.4	21.4
25 - 29	22.5	13.2	10.1	
30 - 39	6.6	10.6	4.1	6.9
40 - 49	6.1	7.9	2.8	5.1
50 - 59	6.5	16.4	4.9	6.2
60 & more	3.4	7.8	2.3	5.8

Note: * Estimated from JTB Foundation's "Survey of Overseas on the basis of the statistics of the Immigration Bureau, Ministry of Justice.

Sources: 1. Questionnaire Survey of Japanese Tourists Who Have Been to Greece, JICA (October 1988)
2. Quuestionnaire Survey of Japanese Tourists to Other European Countires, JICSA (October 1988)
3. Questionnaire Survey of Japanese Tourists to ASEAN Countries, JICA (October 1988)
4. Survey of Overseas Travelers, JTB Foundation (1987)

Figure 6.2.2
Monthly Share of Japanese Tourists to Greece



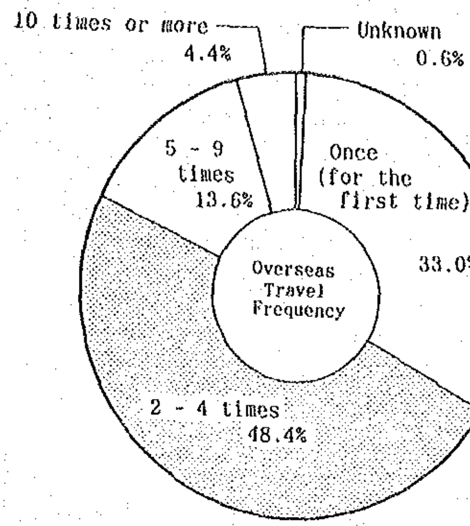
Source: GNTO

2) Experience of Overseas Travel and European Travel

Those who experienced European travel "for the first time" accounted for 76.7% of all Japanese tourists to Greece (see Figure 6.2.3). This rate is higher than 66.0% registered for tourists to European countries excluding Greece.

Moreover, one-third of the Japanese tourists to Greece is "beginner" of overseas travel.

Figure 6.2.3
Overseas Travel Frequency
of Tourists to Greece



Source: Questionnaire of Japanese Tourists Who Have Been to Greece, JICA (October 1988)

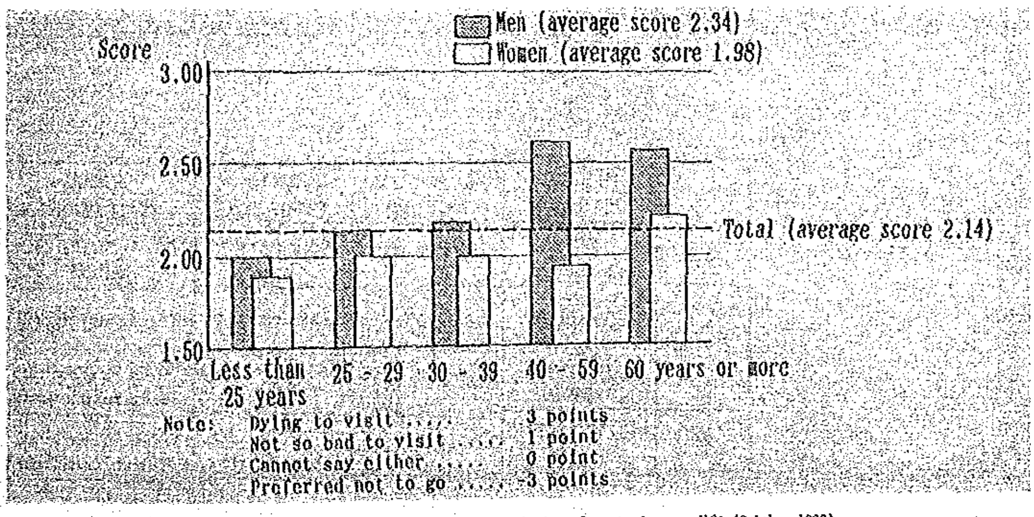
6.2.2 Market Segment

1) Market Core Target

o Greece will continue to be a destination of Japanese honeymooners and students. But it is necessary to develop new market segment to attract more Japanese tourists to Greece.

Figure 6.2.4 indicates that middle and elder generation show stronger inclination to Greek tour. The young female office workers who already constitute quite a large share of overseas travellers are also big potential market segment.

Figure 6.2.4
Inclination for Greek Tour by Sex



Source: Questionnaire Survey of Japanese Tourists Who Have Been to Greece, JICA (October 1988)

2) Season

o As for the season suitable for attracting Japanese tourists, the months of June and July could be targetted for the female office workers. Likewise, the months of September is for the married couples in the middle and higher age brackets because the number of Japanese tourists is relatively small in these months and the "blue Aegean Sea" can be enjoyed to the fullest with all its attractions, as envisaged from its image (see Table 6.2.2).

Table 6.2.2
Criteria for Greek Tour Development
by Customer Type

		Weather condition	Easy of taking vacation	Acceptability of tour price	Social restrictions	Overall judgement
Long wedded couples	Spring	◎	○	○	×	
	Summer	△	◎	○	○	2
	Autumn	◎	○	○	○	1
	Winter	×	○	○	△	
Honeymooners	Spring	◎	◎	○	◎	1
	Summer	△	○	○	×	
	Autumn	○	◎	○	◎	1
	Winter	○	○	○	○	
Students	Spring	○	◎	◎	◎	1
	Summer	◎	◎	×	○	
	Autumn	○	×	△	△	
	Winter	○	○	◎	◎	2
Female office workers	Spring	○	○	○	○	
	Summer	◎	◎	○	○	1
	Autumn	○	△	○	○	
	Winter	○	○	◎	○	2

Note:

	Weather condition	Ease of taking vacation	Acceptability of tour price	Social restrictions
◎	Very favorable	Very easy	Very easy to buy	No restrictions at all
○	Favorable	Easy	Easy to buy	No restrictions
△	Not very favorable	Not very easy	Not very easy to buy	Need to consider some restrictions
×	Not favorable at all	Not easy at all	Not easy to buy at all	Need to consider various restrictions

6.2.3 Reasons for Selecting the Greek Tour

Not all tourists to Greece visit the country because they actually wanted to. There are many who come to Greece because it is part of the itinerary of the tour (Figure 6.2.5).

o The principal reason for not having studied the Greek tour is the lack of knowledge or the poor dissemination of information about the country (see Figure 6.2.6). Those results suggest that Greece is not wellknown country in Europe to most of the Japanese travellers. As a matter of fact, the survey disclosed that virtually all respondents were unaware of the promotion of Greek tourism (see Figure 6.2.7).

Figure 6.2.5
Reasons for Selecting Greek Tourist Course
(Total)

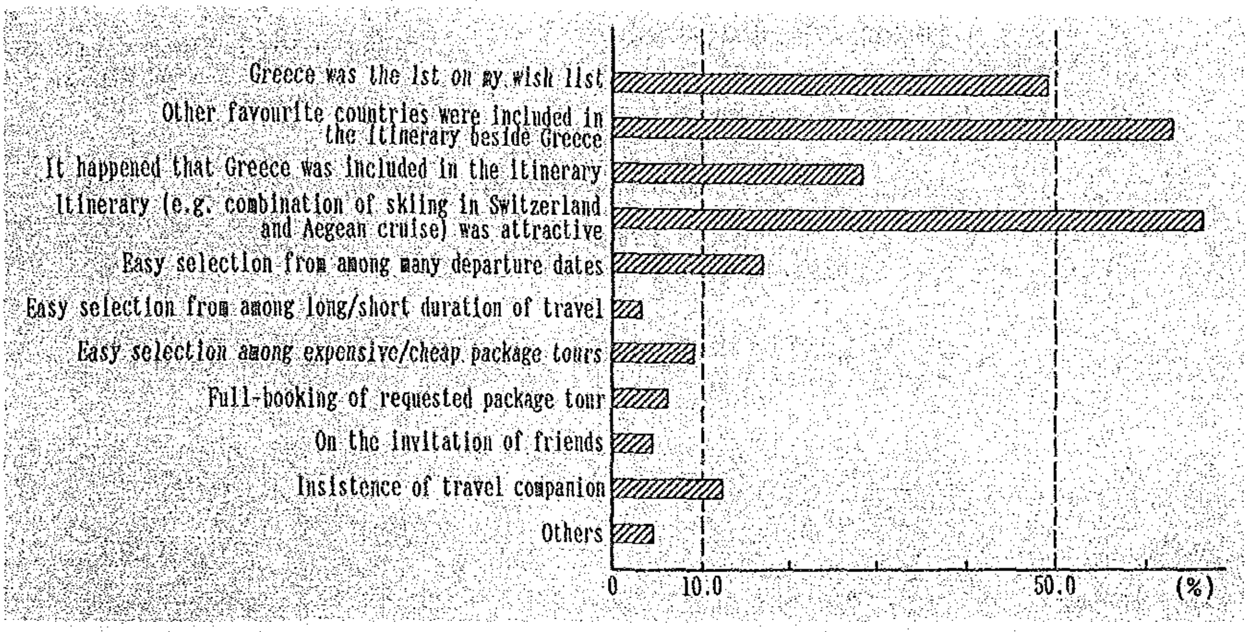


Figure 6.2.6
Reasons for Not Having Studied Greek Tour
(Total)

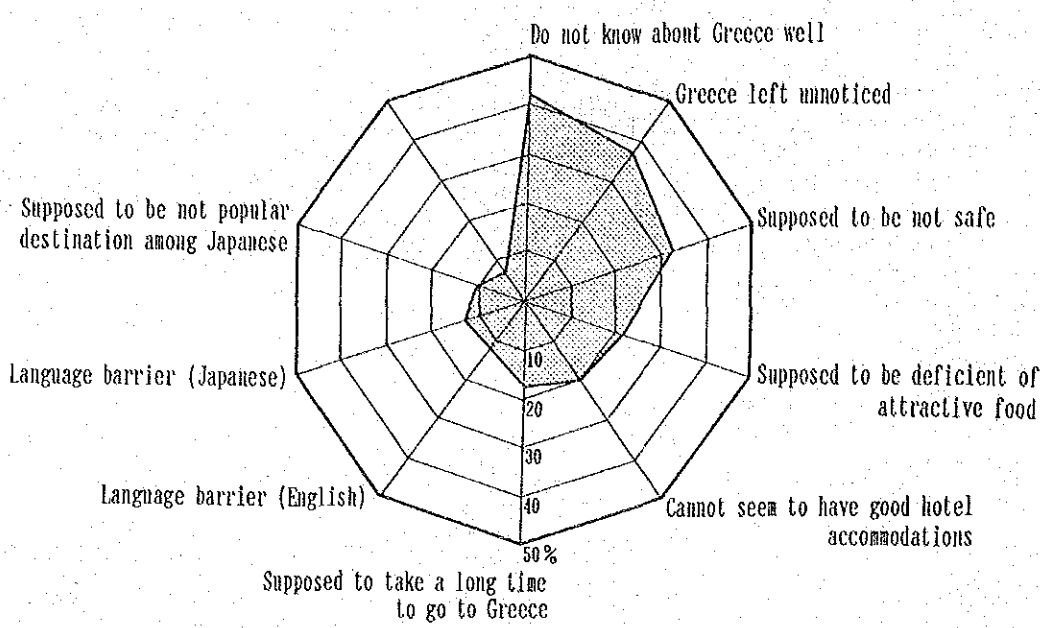


Figure 6.2.7
Comparison of Promotion Awareness Levels