



Asia: Japan

First of all, I would like to thank you—from the bottom of our hearts—for all the thoughts and prayers for Japan's disaster.

CHANGES IN JAPAN, THE CUSTOMERS:

Japan is forced to face a dynamic change in its economy and consumer trend in the wake of the March 11 earthquake, tsunami and the subsequent nuclear crisis. The government downgraded its views on key sectors like exports, industrial production and private consumption. And it warned of downside risks to the outlook from power supply constraints, slow progress in restoring supply chains, and the impact of rising oil prices. From here onwards, it is obvious that we cannot expect much at all from domestic consumers in Japan at the moment. Actually, at least 560,000 people have cancelled their hotel bookings in Japan and the total number of reservations for April-May's domestic tour packages has dropped off 20-45% when compared with the previous year.

Although Tokyo has long been a favorite destination for wealthy tourists, especially those from the fast-growing neighbors such as China, the crisis over the nuclear plant in Fukushima and reports of radiation in food has prompted a number of cancellations by foreign visitors, giving another blow to the airlines, shops, restaurants and also spas, in an economy already affected by weak domestic consumption. A total 8.6 million people travelled to Japan last year, marking a healthy rebound from the 6.8 million in 2009 when the swine flu pandemic and global economic downturn curbed international travel. However, the number of foreign travelers visiting Japan in March 2011 is estimated to be 352,800, halved from a year earlier. Comparing data from before and after the March 11 quake and tsunami, the average number of foreign travelers arriving in Japan each day dropped from 19,600 to 6,900 in the month. Many spa resorts and Onsen Ryokans (Japanese-style inns with natural hot springs) have been expected to receive tourists from overseas but now they are suffering from severe shortage of the guests.

On the other hand, the number of Japanese people departing for overseas destinations in March fell 18 percent from the previous year to 1,282,000 amid a mood of self-restraint following the devastating earthquake and tsunami that killed more than 13,000 and have left over 14,000 unaccounted for. Citizens in many areas of eastern Japan, including Tokyo, are engaged in rolling blackouts and trying to save on electricity thorough the coming summer season. Therefore, conventional tourism with luxury spa services must be in quite little demand for the time being, at least in eastern Japan. According to a rough estimation (as of March 2011) by the board chairman of Nippon Spa Association, the number of guests at some key spas in Tokyo and Okinawa (southernmost islands) decreased by about 50% or more, and spas in the western part including Osaka decreased by 10-20% compared to the average. And now, no one can figure out the current status of spas in northeastern part due to their severe damage and chaos.



However, there must be some possibility that there is a need for massages and treatments as effectual cure/care at reasonable day-spas or public facilities to relieve their tired bodies. Actually, an aroma related association (AEAJ) is conducting a charity tour project in order to serve aromatic hand treatments and enlighten aromatherapy to the people in the eastern Japan, with many voluntary aroma-therapists, though it'll be difficult to provide sufficient treatments around the devastated area until the infrastructure has recovered.

The International Shiatsu Foundation (ISF) is also taking similar action by shiatsu volunteers. Additionally, some of the Onsens (including an Imperial villa) and public bath houses have opened their facilities to the refugees from the strong needs in the regions. It may bring a great opportunity to appeal the beneficial effect on the body and mind by spa services and its value to many people who don't know much about it on this special occasion. In connection with these movements, there is a sign of recovery recently that some hotel spas in Tokyo are gradually getting favorable sales by starting charity treatments menu.

PROSPECTIVE SECTORS, THE MONEY:

According to the International Air Transport Association, it is expected that travel and tourism contributed about 7% of GDP this year, equivalent to 33 trillion yen (approx. US\$400 billion). The forecast will likely be reduced after the earthquake. Affected by the aging population and deflationary pressures, Japan has focused on tourists to boost the weak domestic consumption in the economy, particularly to visitors from the rest of Asia.

Although a large majority of foreign visitors and workers in the tourism industry are evacuated from Japan at the moment, it can be considered that it would be a big chance to invest for breeding new wellness businesses in Japan, making provisions for the future market because the values of land and building should be cheaper than the ordinary time in general. As there are many huge recovery construction plans in northeastern Japan, it may be good timing to advance proposals on new wellness facilities for not only locals but also appealing to international visitors because the inbound tourism is an indispensable factor for recovering local industry.

Additionally, a majority of Japanese customers, so far, were not so much interested in wellness-oriented tourism, but the health and wellness fields will be a more keen issue through this long stressful time period after the crisis. Meanwhile, as three ministries, with some research institutes and wellness related companies have conducted some demonstrational experiment projects to standardize the technology for the innovative business model with Personal Health Record (PHR), there is a possibility that some leading wellness resorts will implement the evidence based wellness services by utilizing PHR networking system.



According to the pre-marketing survey on “e-wellness tourism support system with PHR” against the targeted 23 representative spas and related organizations, 90% of them answered that they need that kind of new technology and innovative business model, and 88% of them answered that there is a possibility to implement that in the future.

Aside from the above topic, safety and healthy foods and innovative agricultural systems may also be needed, because the government’s new growth strategy defined that both “environment” and “health” related innovations will be driving engines for generating new growth markets.

LOOKING INTO THE FUTURE:

There are some movements of enhancing the worldwide collaboration network on the above-mentioned innovative technologies and business models. Facebook, portable devices such as smart phones and tablet-PCs, cloud-computing and so on must bring many innovations on businesses and consumer’s life-style. And that kind of IT must greatly help to promote globalization.

However the age-old important issue would be how to create genuine effectual wellness programs, services and environment. It must require down-to-earth study and daily efforts to grasp the latest customer needs.

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