

# Japanese Overseas Travellers' Shopping Behaviour Today and Tomorrow

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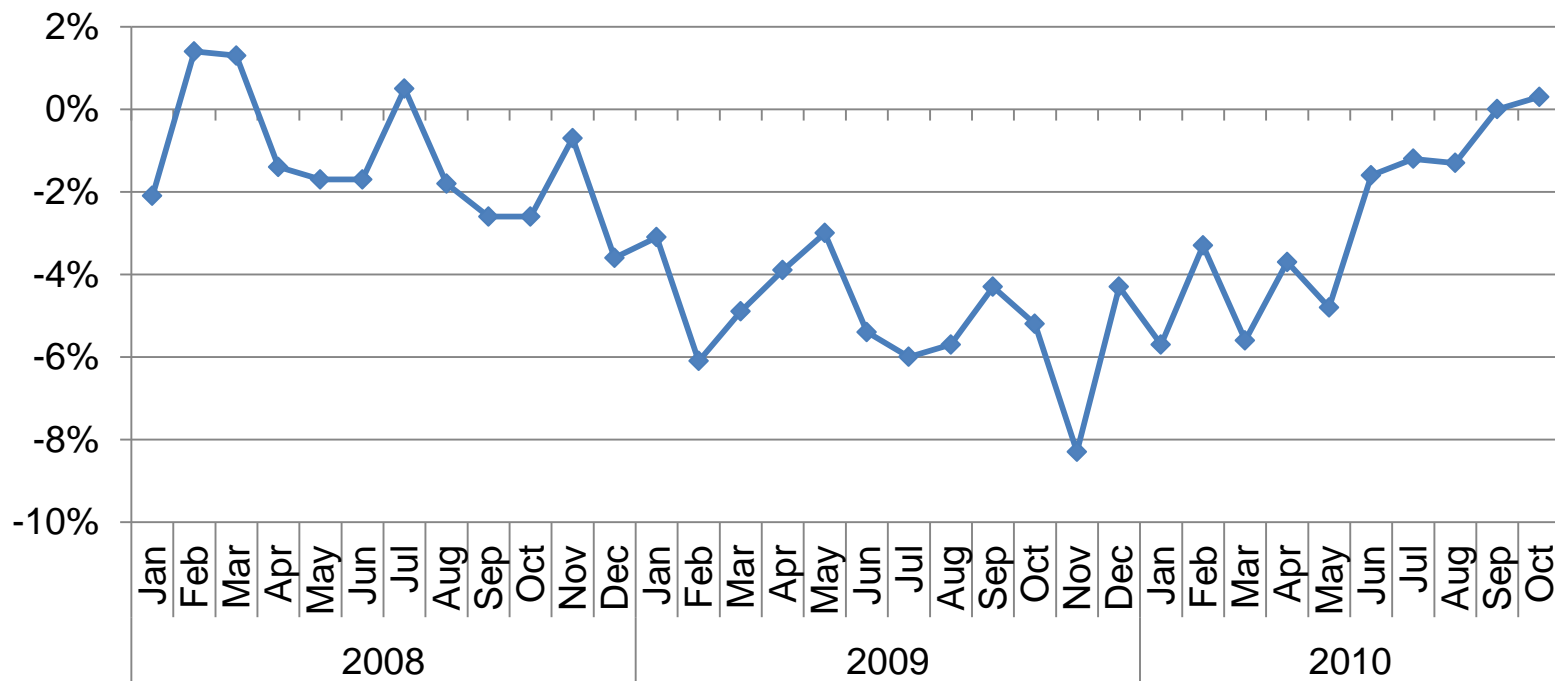
## Two Topics to Focus on

- What Does TFWA/JTM Survey 2009 & 2010 Tell Us About Japanese Travel Shoppers After the Recent Economic Crisis?
- How Does The 3.11 Earthquake, Tsunami and the Radiation Issues Affect Japanese Consumers?

# 1. Economic and Outbound Market Recovery in 2010

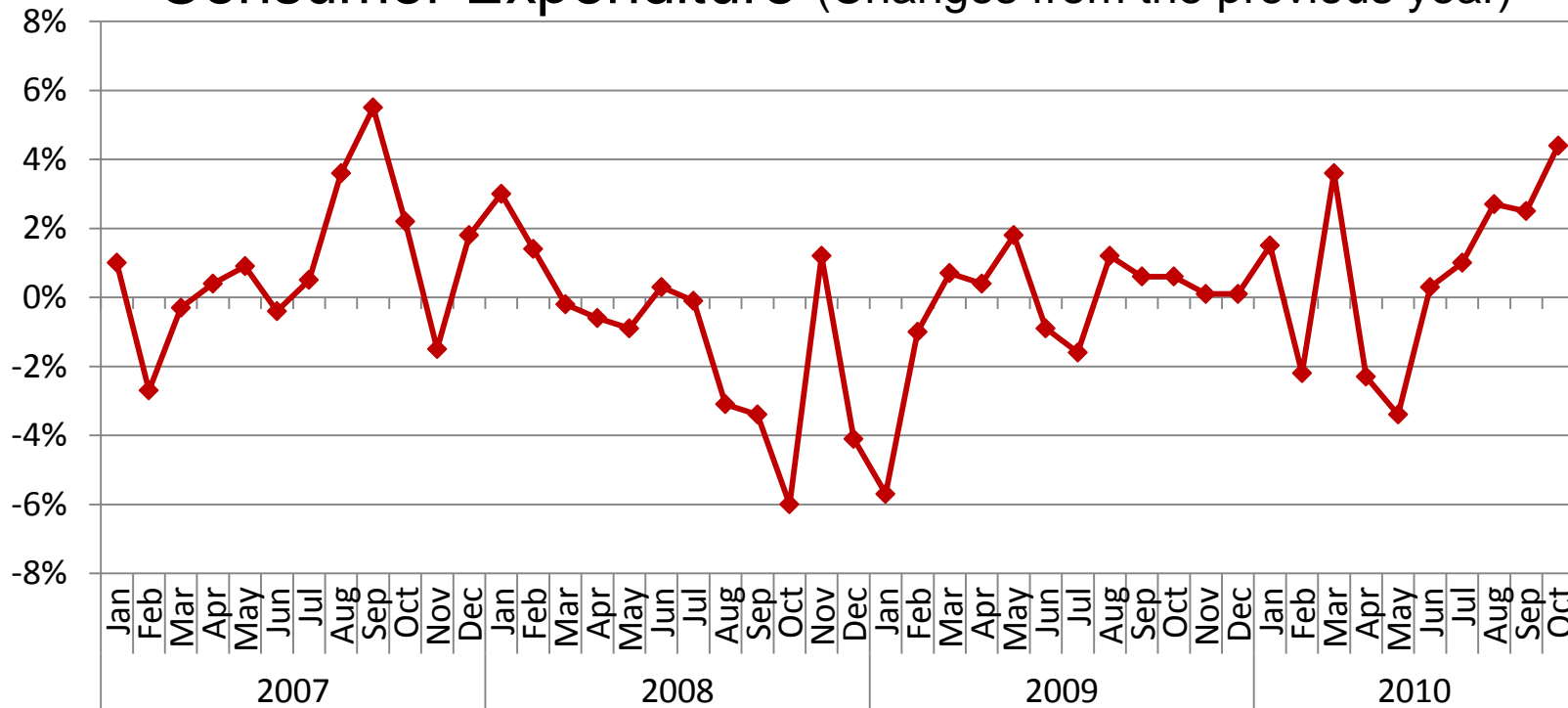
# Signs of Recovery

## Sales of Large-sized Super Markets



# Signs of Recovery

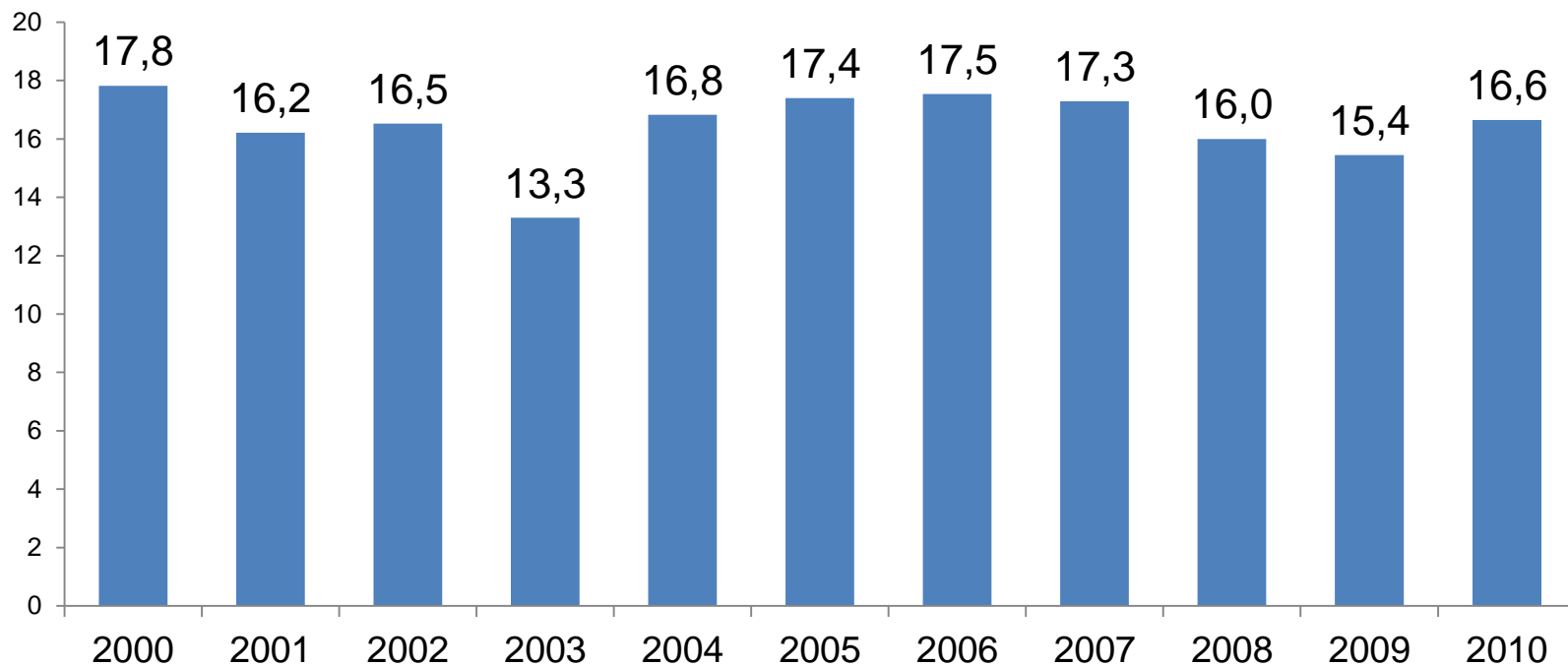
## Consumer Expenditure (Changes from the previous year)



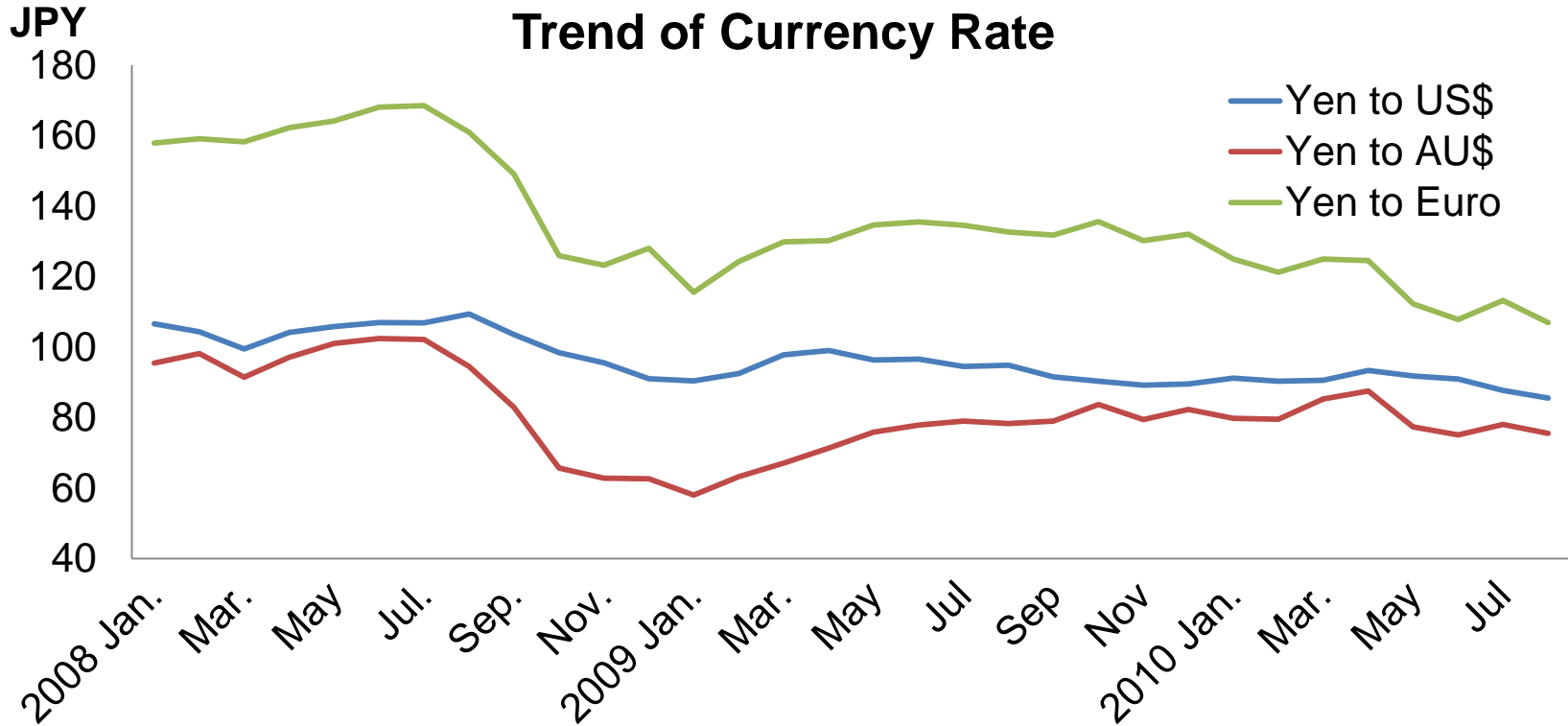
# The Outbound Travel Market Showed A Recovery in 2010

(Million)

Number of Japanese International Departure

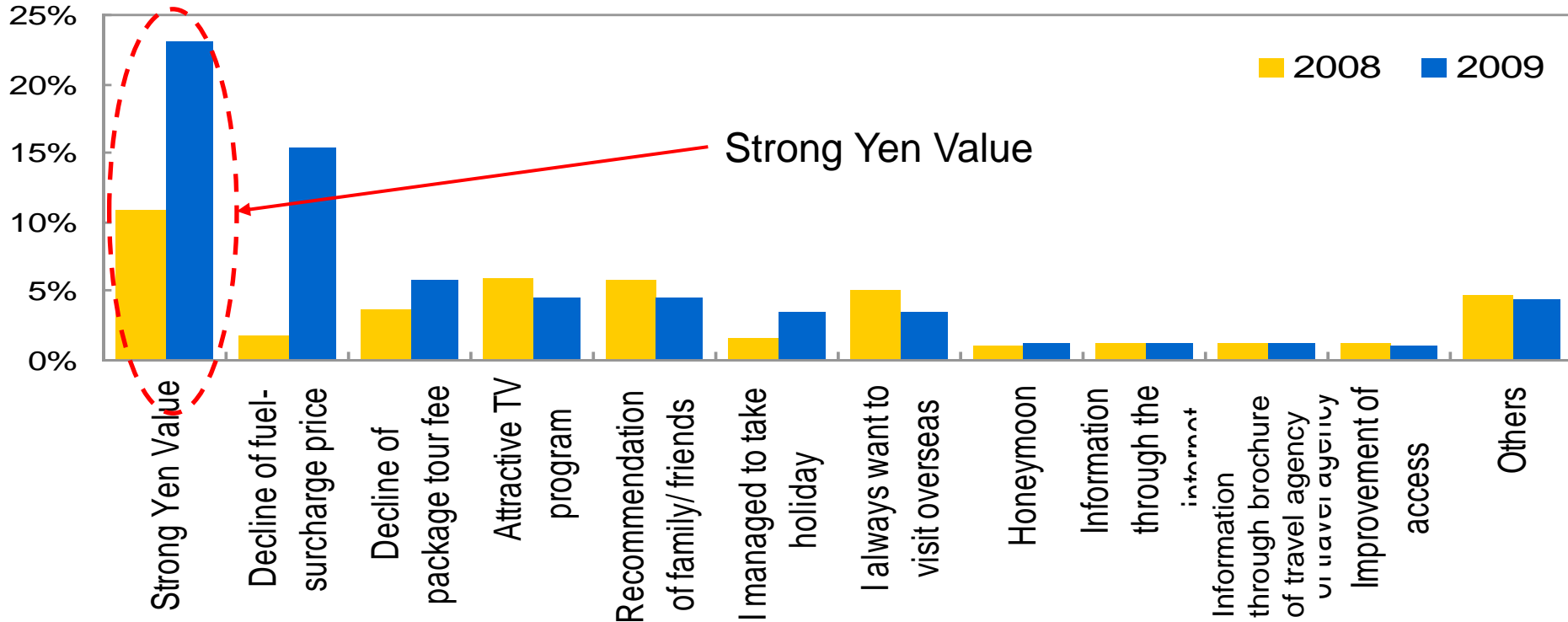


# Strong Yen Encourages Japanese to Travel and Shop Overseas



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## Favorable Factors for Overseas Travel



## **2. TFWA / JTM Consumer Survey 2009 & 2010**

## A Majority of Japanese Consumers Are Still In A Saving Mood

- ✓ 2% of the respondents say their income has recovered from a temporary decline after economic crisis.
- ✓ More than 50% had no major influence to their household income.
- ✓ 35% experienced a decline in their household income.
- ✓ 10% see decreased value in their personal assets.

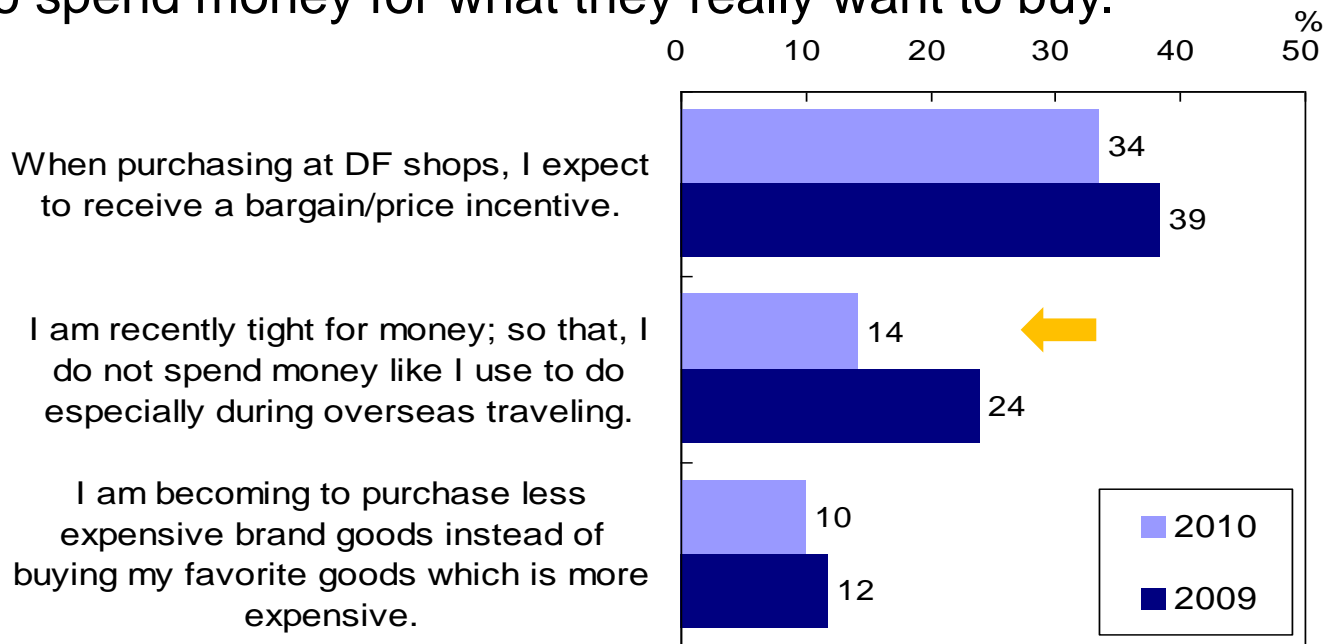


- ✓ 38% reduced the spending for luxury goods and leisure activities.
- ✓ 35% feel like making some saving on their spending.
- ✓ 15% do not think they need to reduce their spending.
- ✓ 6% increased the spending for luxury goods and leisure activities.

Their attitude toward luxury and travel consumption is not simply a matter of their income, but more psychologically influenced.

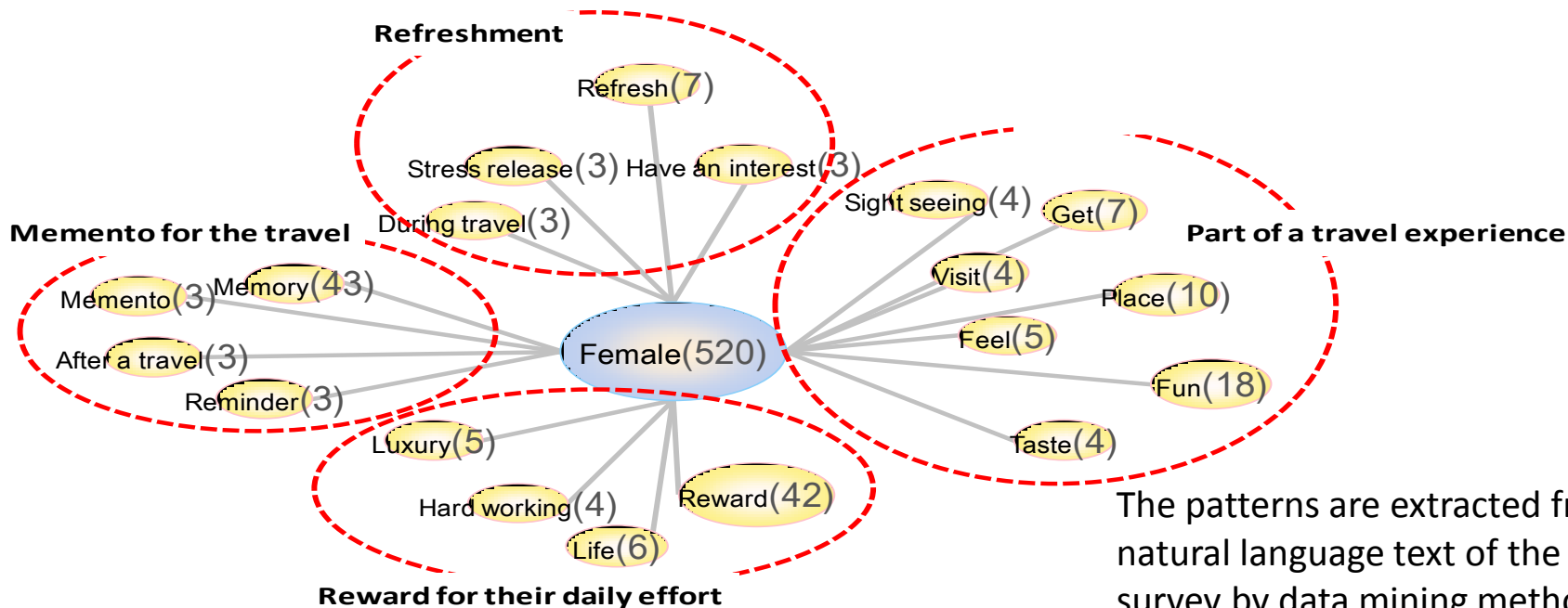
## Japanese Travelers' Intension of Shopping

Japanese consumers are likely to be less thrifty than a year before; they do spend money for what they really want to buy.



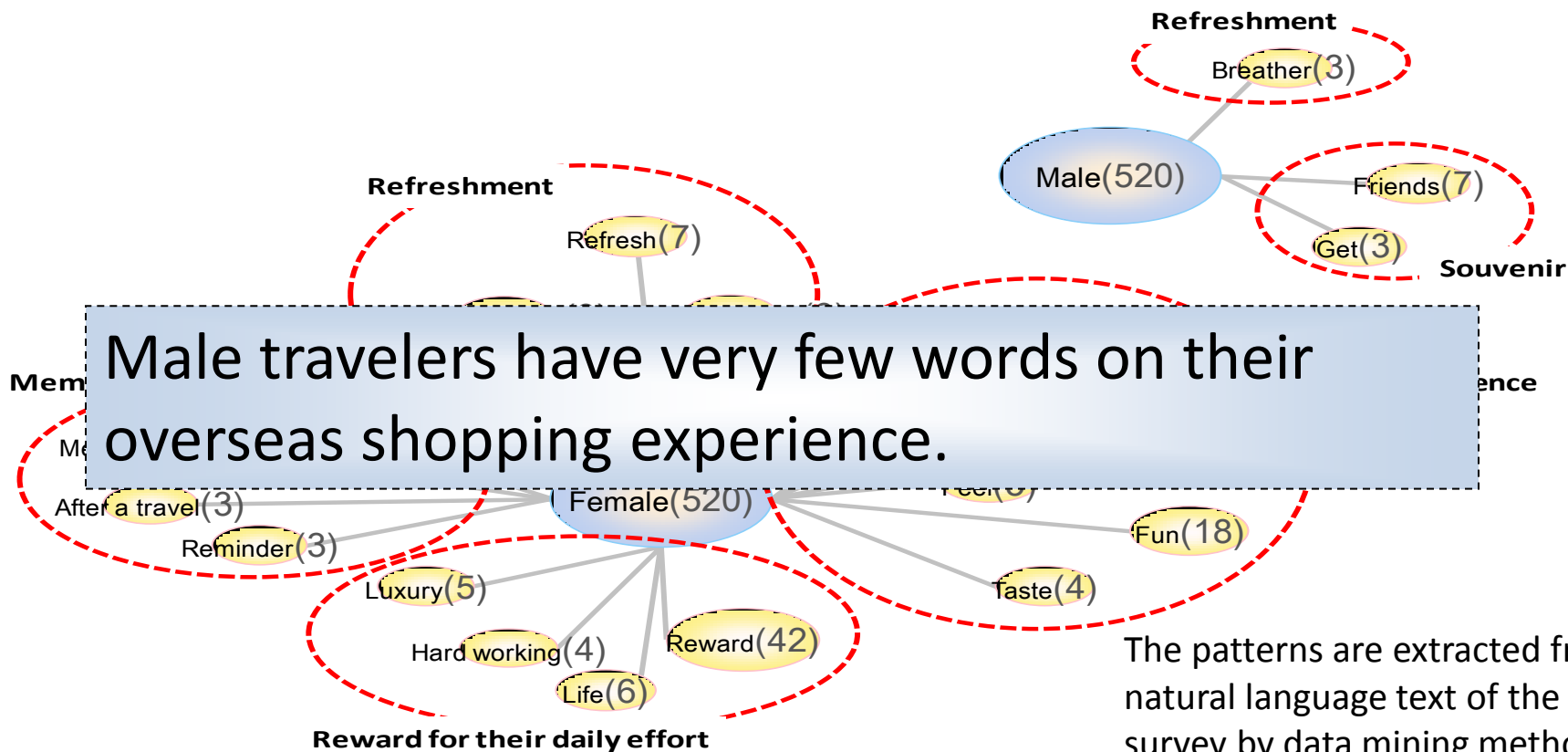
# What is Shopping Overseas for Japanese Travelers?

Shopping overseas has a lot of meaning for women; it is something very special.



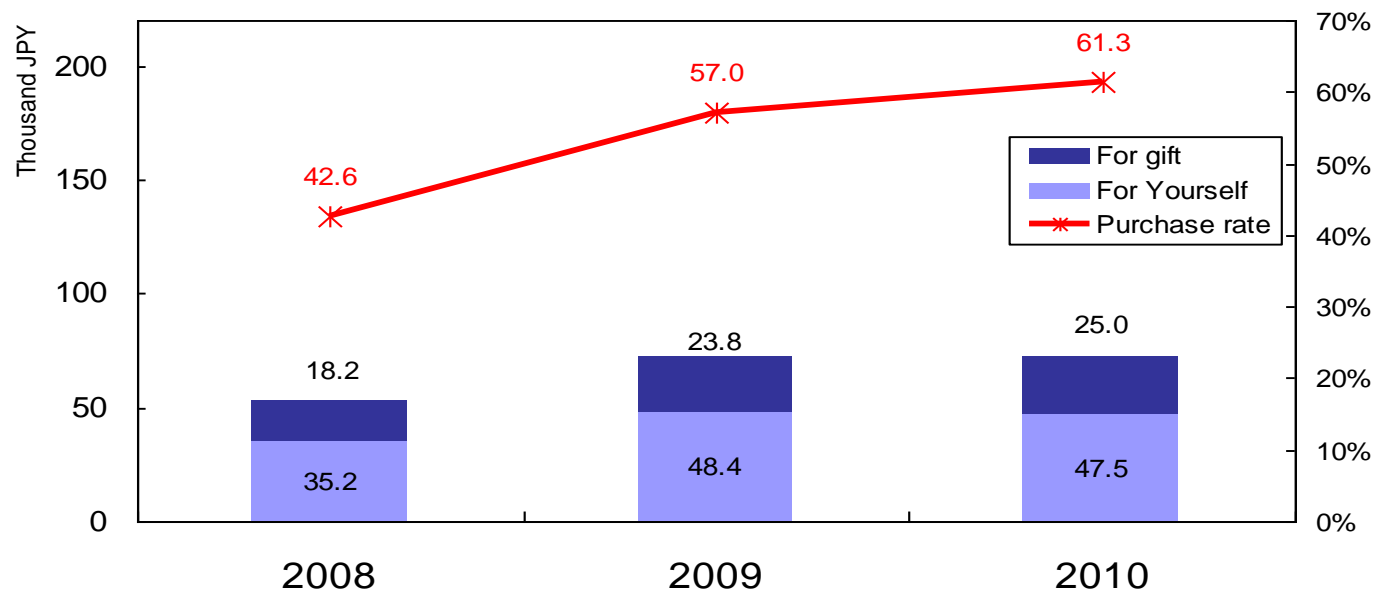
The patterns are extracted from natural language text of the survey by data mining method.

# What is Shopping Overseas for Men?

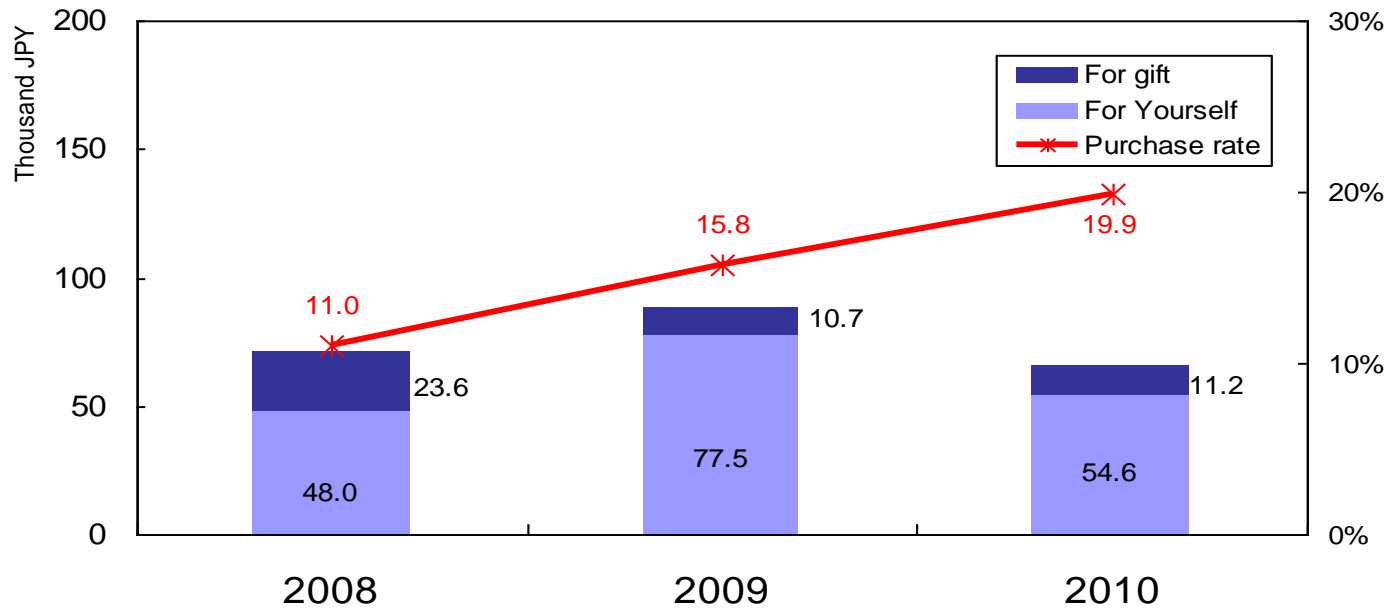


The patterns are extracted from natural language text of the survey by data mining method.

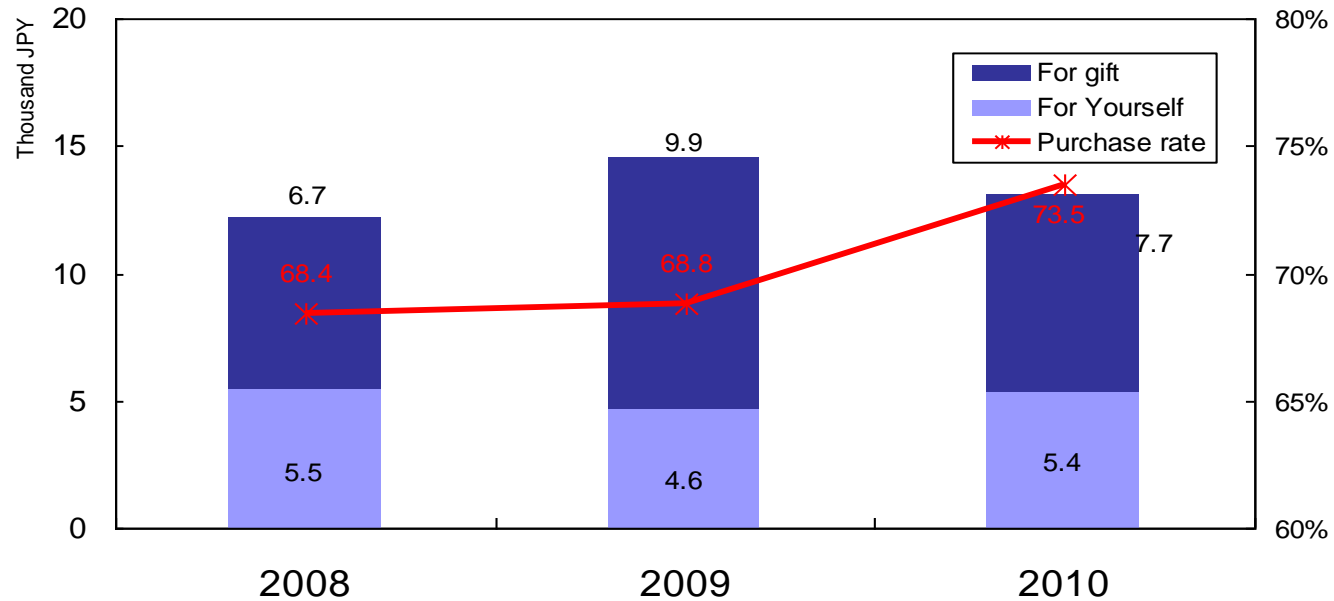
# Trend of Shopping Amount and Purchase Rate - Fashion & Accessories/ Leather goods/ Lingerie -



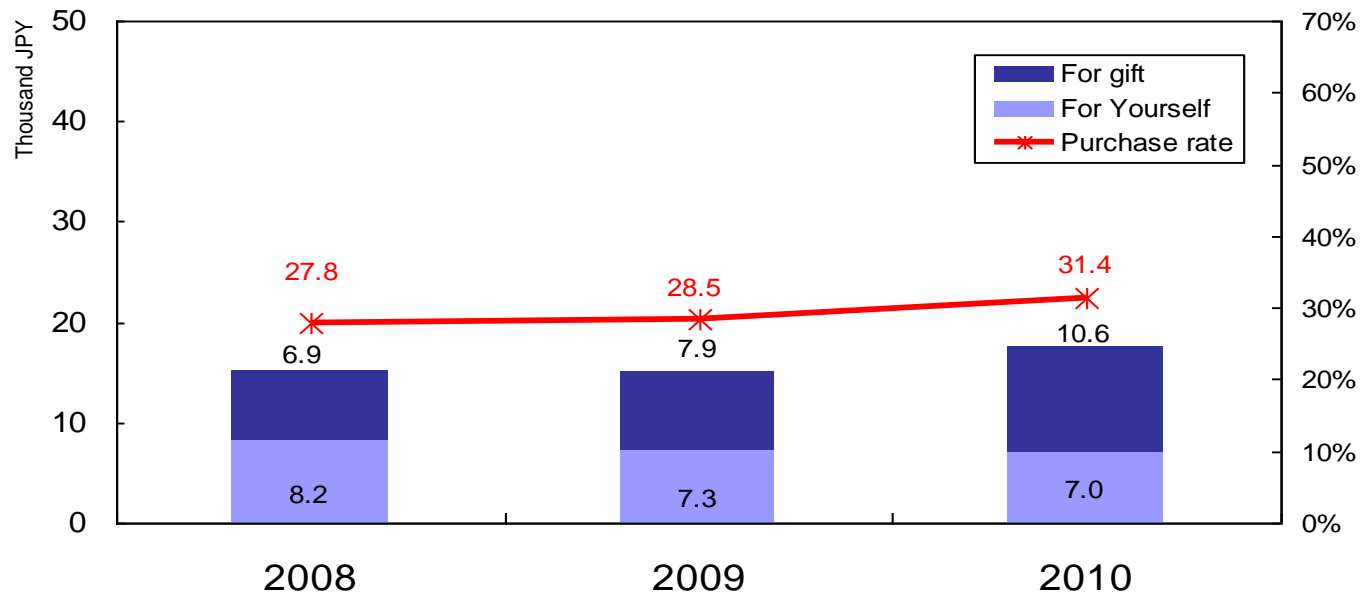
# Trend of Shopping Amount and Purchase Rate - Jewelry / Watches -



# Trend of Shopping Amount and Purchase Rate - Confectionery -



# Trend of Shopping Amount and Purchase Rate - Wines & Spirits -



### 3. How Does The 3.11 Earthquake, Tsunami, Power Shortage and the Radiation Issues Affect Japanese Consumers?



## Direct Damages From The Earthquake and Tsunamis

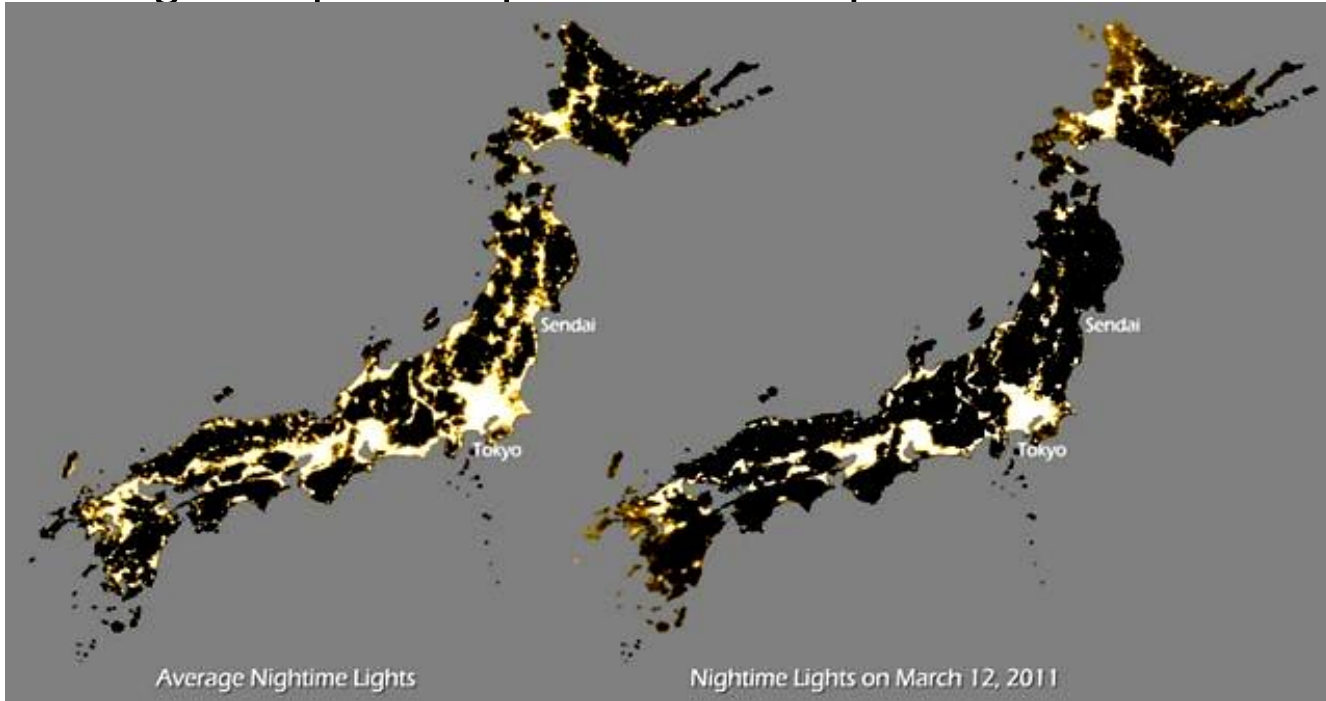
- ✓ Tsunami have washed over nearly 30,000 people.
- ✓ 274,267 buildings damaged or destroyed.
- ✓ 136,284 people lost their homes.
- ✓ The amount of suffering exceeds 25 trillion yen.  
\*17 trillion yen Kobe earthquake in 1995
- ✓ Supply shortage caused by the damage of manufacture factories in the eastern Japan affected the whole country.

## Indirect Damages From The Earthquake

- Impact on economic activities  
Cabinet office estimated the real GDP in 2011 to decrease 1.25 trillion to 2.75 trillion yen (-0.2~0.5%) compared with the prequake figure.
  
- Japanese started to 'restrain' themselves  
Calling off their town festivals or even national events.
  
- The earthquake depressed consumer confidence.

## Indirect Damages From The Earthquake

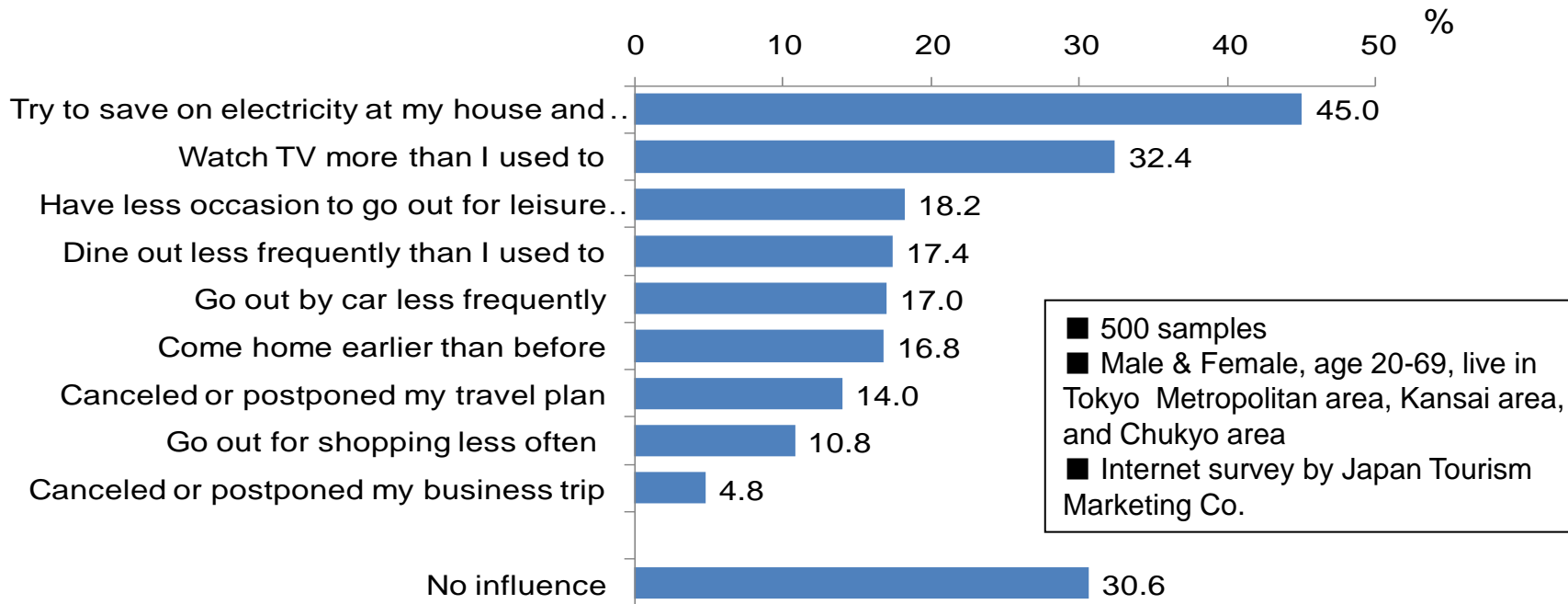
- ❑ The accident of nuclear power plant caused shortage of power supply, shifted thinking of Japanese power consumption.



## Increased Needs for Relaxation and Refresh



# The Quakes, Tsunami and Power Shortage Have Made Japanese More Homebound

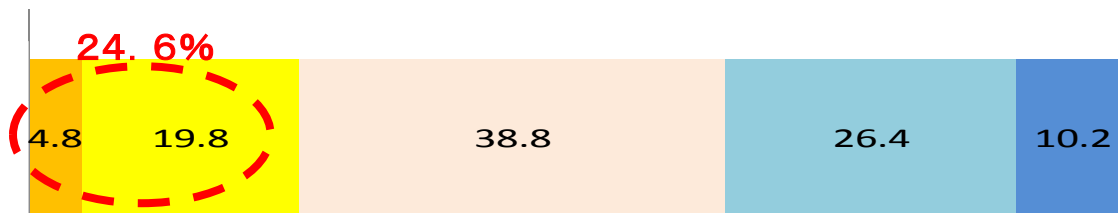


# Japanese Try to Keep Their Spirits Up

I try to keep my spirits up and go out for leisure activities and shopping

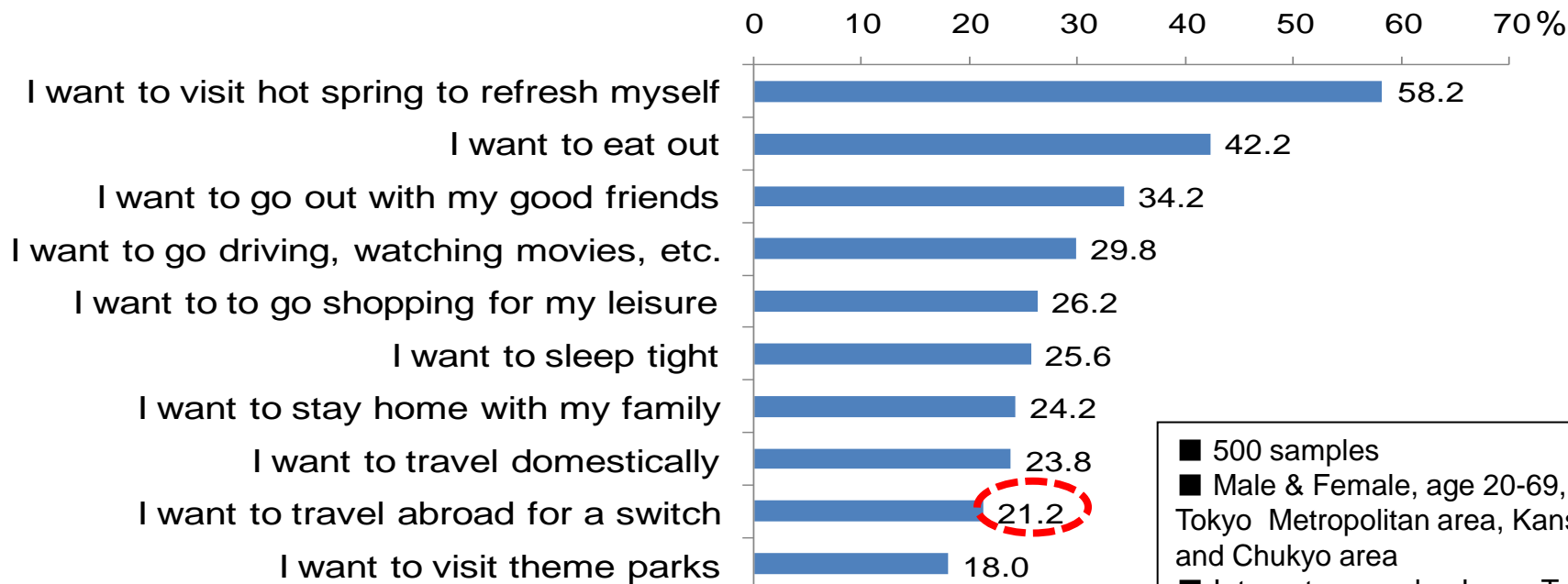


I try to refrain from leisure activities in this difficult time.



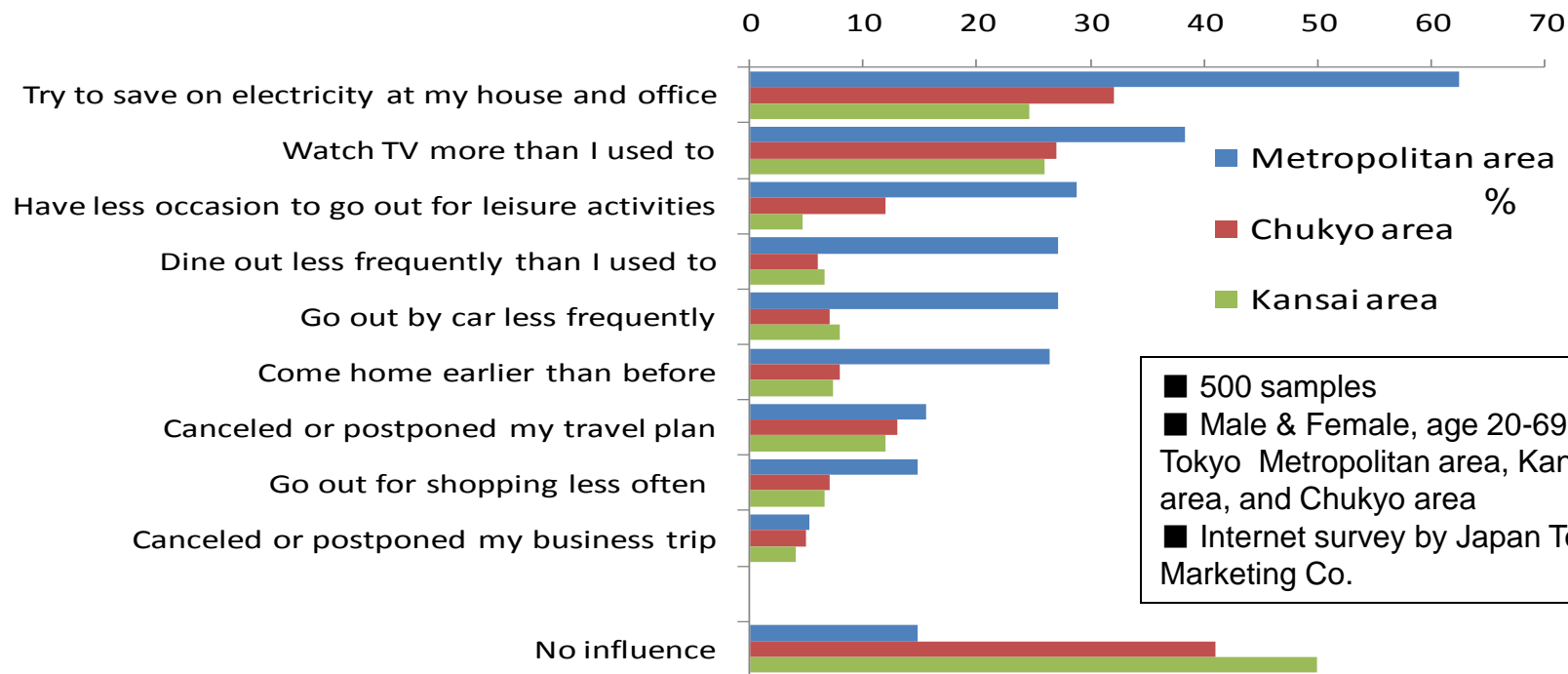
■ 500 samples  
■ Male & Female, age 20-69, live in Tokyo Metropolitan area, Kansai area, and Chukyo area  
■ Internet survey by Japan Tourism Marketing Co.

## 20+% of Respondents Want to Travel Abroad to Refresh Themselves



■ 500 samples  
■ Male & Female, age 20-69, live in Tokyo Metropolitan area, Kansai area, and Chukyo area  
■ Internet survey by Japan Tourism Marketing Co.

# The Disaster Has a Greater Impact on People Living in Tokyo Metropolis



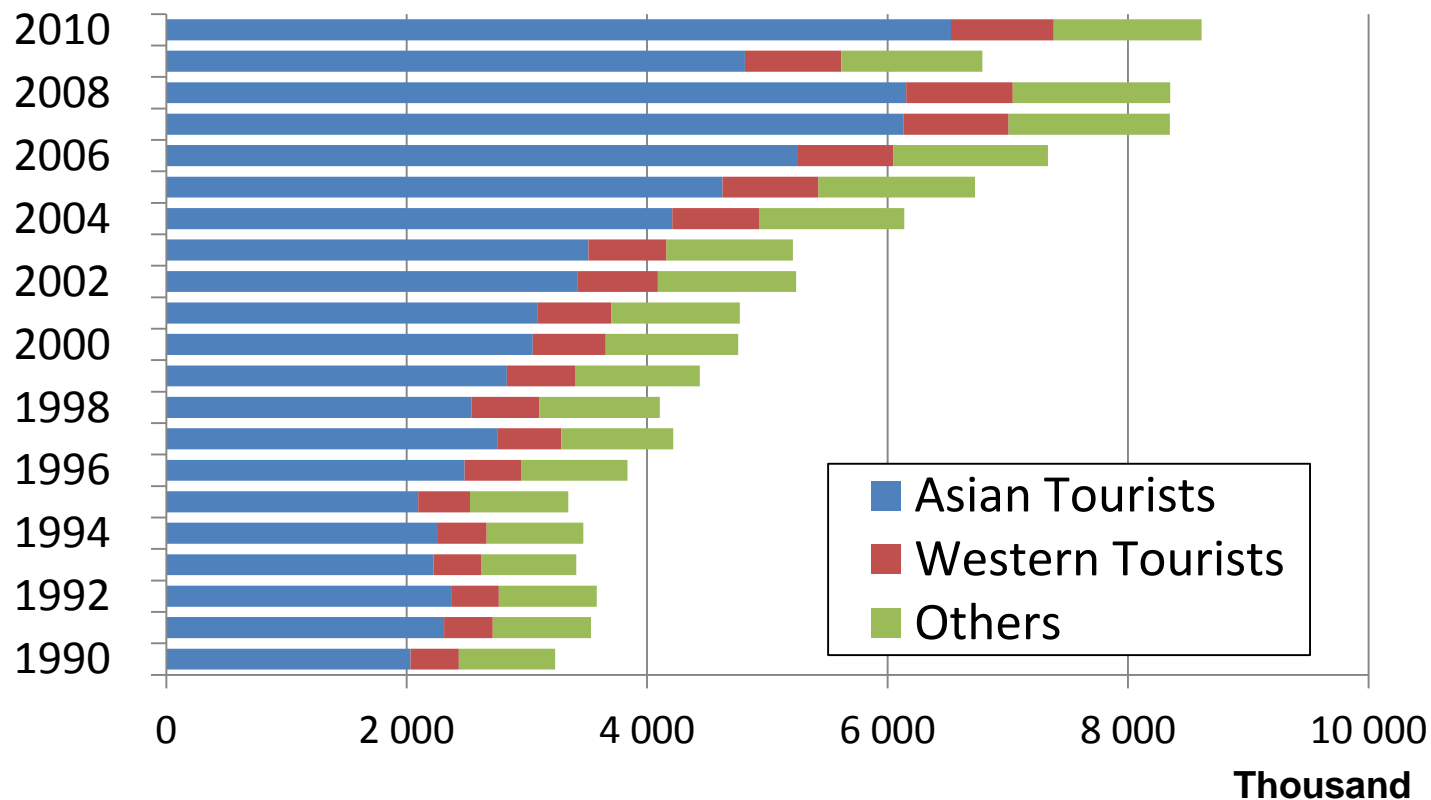
## Possible Changes in Japanese Lifestyle Value

- ❑ More Ecology-oriented
- ❑ More hope and confidence for the future, value a spirit of mutual aid and seek for a strong bond
- ❑ Increased desire for a relaxation and a refreshment (including overseas travel)

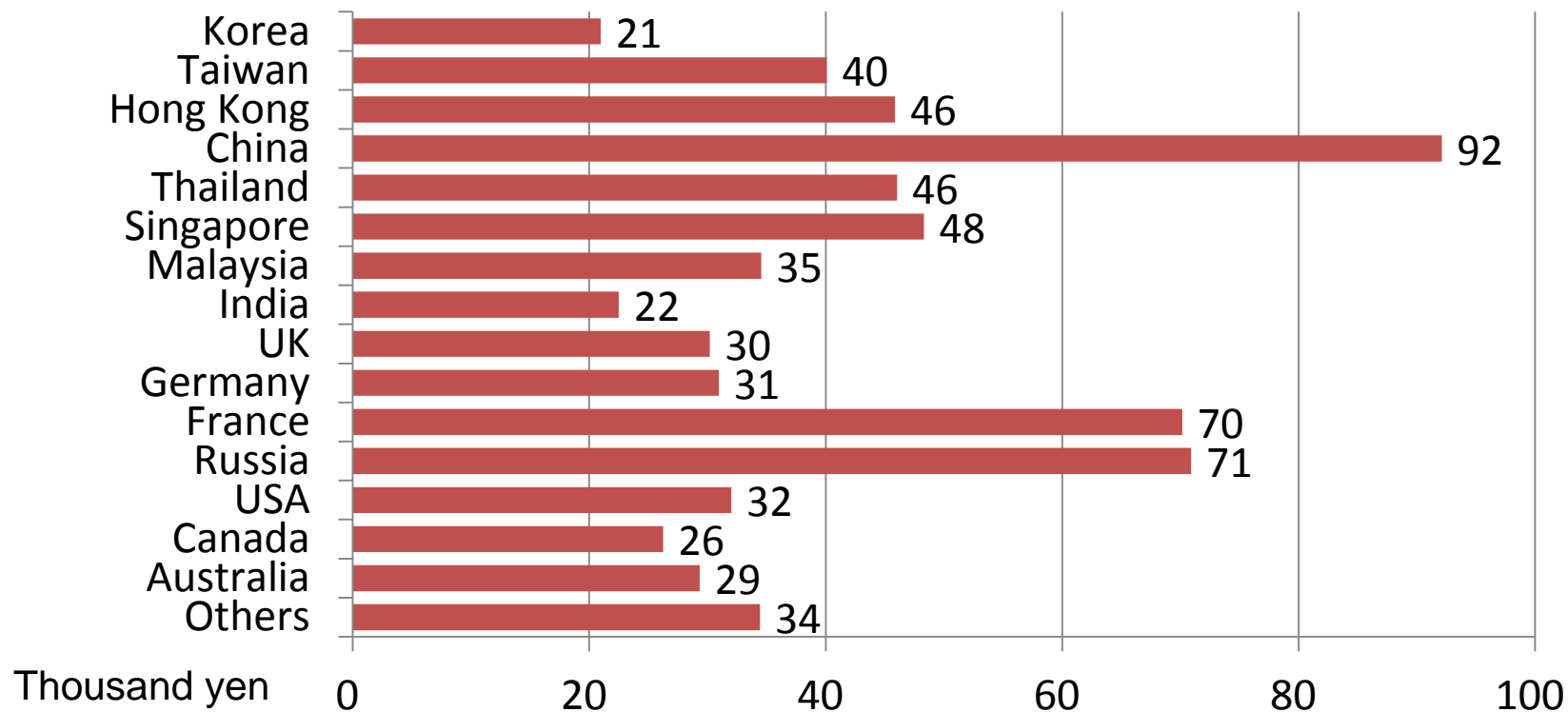


## 4. Japan; A Travel Shopping Destination

## Number of Tourists to Japan by Source of Area



## Shopping Expenditure of Tourists to Japan by Source Country



## Breakout of Shopping Expenditure Within Japan (1)

	Korea	Taiwan	Hong Kong	China	Thailand	Singapore	Malaysia	India
Confectionery	2522	6014	6341	6649	13858	9949	4782	3219
Other foods	3410	3695	4940	6722	3640	5945	3378	2472
Camera, Video and watches	658	2174	1594	19841	4788	1373	4530	5324
Other electricity	1430	1508	2029	11988	2347	1184	1586	2889
Cosmetics / medicines	3998	10315	6608	23282	7107	3060	2232	1073
Kimono	309	1077	1920	1719	935	2532	3668	1605
Other clothes, bags and shoes	3605	10570	16187	15380	9391	18282	11157	2485
Comics, DVDs and Anime goods	249	670	623	722	585	1055	277	216
Other goods	4774	4068	5628	5821	3380	4930	2944	3214

## Breakout of Shopping Expenditure Within Japan (2)

	UK	Germany	France	Russia	USA	Canada	Australia
Confectionery	2442	2460	2828	6897	2026	2145	2384
Other foods	6722	6177	21848	5965	5922	3526	6179
Camera, Video and watches	4681	348	5587	14733	1324	743	1800
Other electricity	1076	909	2256	5867	1019	1091	824
Cosmetics / medicines	1079	418	1008	4305	1025	2486	1246
Kimono	2817	2769	3350	3986	5108	5421	4064
Other clothes, bags and shoes	5117	14427	23471	15382	3580	5355	6645
Comics, DVDs and Anime goods	1875	417	4844	549	436	966	863
Other goods	4377	3035	4959	13239	11594	4525	5337

## Purchase Rate By Product Category and Source Market (1)

	Korea	Taiwan	Hong Kong	China	Thailand	Singapore	Malaysia	India
Confectionery	47.3	62.2	53.8	58.2	75.9	65.8	37.6	40.7
Other foods	38.5	37.1	35.8	40.1	30.6	38.1	44.3	30.4
Camera, Video and watches	3.0	5.1	5.8	29.2	15.8	3.2	11.0	16.1
Other electricity	3.4	6.1	4.7	21.1	7.4	6.2	10.8	12.4
Cosmetics / medicines	31.0	55.6	38.4	64.5	38.8	24.0	12.1	9.6
Kimono	3.7	10.0	13.8	11.6	9.7	12.3	26.0	15.3
Other clothes, bags and shoes	18.6	37.2	45.4	29.6	42.6	44.1	33.8	19.7
Comics, DVDs and Anime goods	4.1	6.9	8.1	6.4	5.5	8.1	7.4	3.3
Other goods	28.1	22.6	25.4	21.0	19.9	29.2	21.8	29.5

## Purchase Rate By Product Category and Source Market (2)

	UK	Germany	France	Russia	USA	Canada	Australia
Confectionery	28.4	33.7	33.0	40.3	32.6	33.7	34.2
Other foods	41.8	41.4	42.0	40.2	43.4	40.8	45.0
Camera, Video and watches	6.9	2.0	6.3	20.4	4.9	5.4	9.0
Other electricity	4.8	6.3	5.0	16.4	4.7	5.6	7.1
Cosmetics / medicines	8.3	7.4	8.8	22.8	8.5	10.5	13.0
Kimono	20.0	15.4	24.7	18.7	23.0	25.5	26.0
Other clothes, bags and shoes	15.2	15.1	22.1	27.5	16.1	23.4	27.3
Comics, DVDs and Anime goods	9.9	8.7	13.8	5.3	7.2	11.6	8.0
Other goods	19.7	22.3	24.3	38.3	30.4	36.1	24.7

## 5. Summary

- ✓ In 2010, the number of Japanese outbound travelers increased for the first time in the last four years.
- ✓ The recovery of Japanese economy, strong yen and decline of fuel surcharge were the major contributors for the market recovery.
- ✓ TFWA/ JTM survey 2009 - 2010 has revealed that more Japanese travelers enjoy shopping overseas actively in 2010.
- ✓ Purchase rate of several product categories rose.
- ✓ Shopping overseas is still a special experience for Japanese women.

- ✓ The eastern Japan earthquake and tsunamis made damages to almost half of whole land of Japan.
- ✓ This experience may lead to generate consumers with a sense of value that is different from traditional one.
- ✓ Japan's potential as a marketplace for international travellers is quite promising.
- ✓ International visitors to Japan spend a large amount on diverse products.

# Thank You!

**Masato Takamatsu**

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