

“Tourism Statistics and Marketing”

Associate Dean & Professor, Rosen College of Hospitality Management & University of Central Florida

Stephen Lebruto



Tourism Statistics and Marketing
 観光経済分析のマーケティングへの活用
 (全64ページ)

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 第1回観光経済国際シンポジウム
 Stephen Lebruto, Ed.D, CPA, CHAE
 Associate Dean & Professor
 Rosen College of Hospitality Management &
 University of Central Florida
 米国フロリダ州セントラルフロリダ大学
 ローゼンホスピタリティ経営学部
 副学部長・教授(公認会計士)教育学博士、公認ホスピタリティ財務管理士
 ステファン・ルブルート

Statistics

- A narrow definition is a **mathematical science regarding the collection, analysis, interpretation, explanation, and presentation of data**
- Our assumption is that you expect to hear broader issue of “how tourism professionals can use various numbers into action”
 - This presentation will be using broader definition of “statistics” for tourism

Why We Need Statistics

- **Marketing Basics**
 - You need to create and maintain happy customers
 - Customers have different needs and wants
 - You have to develop good products, with right pricing, distribution channels and promotion
- **How do you know about your customers effectively?**
 - “No need to know”, as you think you have good products
 - **Statistics = Data → Marketing Intelligence**

Why We Need Tourism Statistics

- **Marketing Basics for Tourism**
 - You need to create and maintain happy visitors
 - Visitors have different needs and wants
 - You have to develop good tourism products, with right pricing, distribution channels and promotion
- **How do you know about your visitors effectively?**
 - “No need to know about visitors”, as you think you have good tourism products
 - **Tourism Statistics = Data → Marketing Intelligence**

Marketing and Sales Concept

Difference between Selling and Marketing Concept (for Generic Products)

	Starting Point	Focus	Means	Ends
Selling Concept	Factory	Existing Products	Selling & Promoting	Profits from Sales Volume
Marketing Concept	Market	Customer Needs	Integrated Marketing	Profits through Customer Satisfaction

- This is the difference between selling concept and marketing concept for Generic Products.
- How about application to “Tourism Products”?

Marketing and Sales Concept

- This is the difference between selling concept and marketing concept for Tourism Products.

	Starting Point	Focus	Means	Ends
Selling Concept	Japan (from Japanese viewpoint)	Existing Tourism Products	Selling & Promoting	Profits from Higher Number of Visitors
Marketing Concept	Market (potential inbound visitors)	Customer Needs	Integrated Marketing	Profits through Visitors' Satisfaction

You do not use visitors' detailed data
Lots of promotion materials
Simple Data on # visitors, expenditure would suffice

Start from "knowing customers"
Focused marketing on differentiated segments
Detailed Data on Visitors required for measurement of success

Selling Concept's Pitfall

- "If you build it (good tourism products), they will come" -- syndrome (良い物があれば客は来るという発想)
 - Because of proliferation of internet and affordable airfares, potential visitors have too many destinations to choose
- You have to change your business model from selling concept to marketing concept.

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It takes some efforts to maintain the position of a tourism capital with 48 million visitors per year

Top Hotels, Orlando, Florida

Talk Live! Special 0.99/night price **Call Now & Save More** 1-877-312-3100

Orlando

Search Orlando Hotels

Check In: OCT 18 2007
Check Out: OCT 18 2007
Rooms: 1 Adults: 2 Children: 0

Search Hotels

Offers only available by phone: **1-877-312-3100**
Must book by: 10/12/07

Looking for a family getaway that fits your budget? Think Orlando - it's got all the ingredients for the perfect family vacation: sun, fun, theme parks, magic, adventure and so much more. Book by 10/12/07 and you'll get special low rates on your stay when you mention this offer.

Discount Orlando Hotels

Best Western Blackland Orlando-Vicinity	Now \$19 Book Now
Best Western Plus International Kissimmee Area	Now \$19 Book Now

Vacation Packages

3 Days at WALT DISNEY + Tickets	\$409*
3 Days at Disney Parks + Tickets	\$399*

Attraction Tickets

Walt Disney World	2 for \$20
Universal Orlando	2 for \$25

Tourism Statistics

- One group of statistics are those to measure the size and significance of tourism-related activities to the region/nation.
 - Input-Output Based Tourism Satellite Accounts (discussed by Dr. Stanley Fleetwood)
 - How significant the tourism as an industry is
 - This is very important for regional/local government to explain to taxpayers to show how their money are used.
 - This will justify future budget allocations, introduction of certain policies

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Tourism Statistics

- Another group of statistics are those to facilitate marketing intelligence
 - to produce, manage and evaluate tourism products
 - to evaluate performance of tourism-related activities
- This is important to bring the visitors to the region and retain them as repeaters
 - How to bring visitors to your region
 - Who are the competitors for the similar visitors
 - How are the competitors doing
 - How to measure the success of your effort

Let's look at two Case Studies based on the Two Groupings



Case Study 1: Why do we have a Convention Center?



Based on Presentation prepared by the Orange County Convention Center, Orlando, Florida, USA

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February 1978



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September 2007



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Why do we have a Convention Center?



The mission of the Orange County Convention Center is **economic development and producing jobs!!!**

This is accomplished by hosting regional, national and international conventions, meetings, and trade shows, the Center infuses the local economy with new money and expanding business opportunities.

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According to a study commissioned by the Orlando/Orange County Convention & Visitors Bureau:

The average delegate stays 3.3 nights and spends approximately \$1,185

You have to communicate those figures to taxpayers in the local community

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Example:

10,000 Person Group = \$11.85 million direct spending

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Convention-related businesses and educational events known as "Conventions" contribute:

- **\$1.4 Billion Annual Economic Impact**
- **26,000 Jobs** ← Very important to taxpayers and local politicians
- **\$15 Million in ad valorem taxes for County Services**
- **\$19 Million in ad valorem taxes for County Schools**
- **\$4.3 Million in County Surplus**

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The Economic and Fiscal Impacts of the Orange County Convention Center

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- The taxable value of convention-related hotel, restaurant, retail, and service provider real property is **\$1.57 Billion**.
- Without the Convention Center, every household in Orange County would have to pay **\$86 more in property taxes** just to maintain the same level of County services currently provided.

Show actual benefit of having tourism products

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The Economic and Fiscal Impacts of the Orange County Convention Center

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How is the OCCC funded?

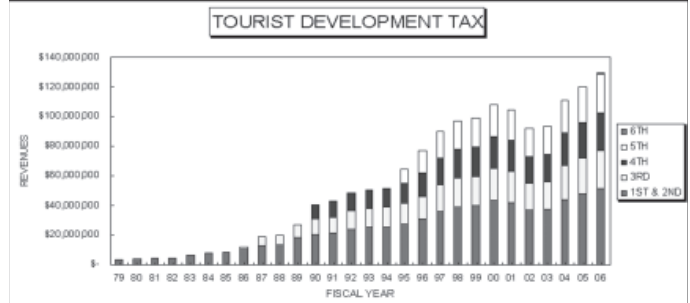
- Operating Revenues
- Tourist Development Tax (*local special purpose tax on hotel room charges: オレンジ郡特別地方税としてホテル宿泊客に対し課税*)
- No Ad Valorem Tax Dollars Required

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2006 TDT Collections more than \$129 Million



Who are our competitors?

- Las Vegas
- Chicago
- Atlanta
- New Orleans
- Every city!

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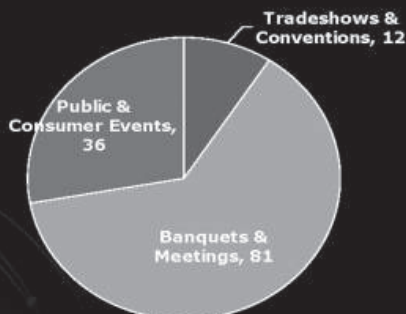
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Who are the customers of the OCCC?

- Professional Associations
- Medical Associations
- Trade Associations
- Trade Show Owners
- Educational Associations
- Scientific Organizations
- Religious Groups
- Promoters of Consumer & Ticket Events
- Employees
- Attendees
- Exhibitors
- Show Managers

Market Mix - 1983



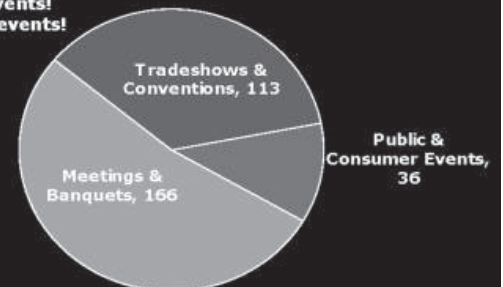
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Total Events = 129

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Market Mix - FY 2006

42 annual events!
62 rotational events!



Total Events = 315

2007 Event Highlights

- SHOT Show
January 11-14, 2007 – 42,000 Attendees
- PGA Merchandise Show
January 25-27, 2007 – 45,000 Attendees
- International Builders' Show
February 7-10, 2007 - 104,000 Attendees



Imagine impacts over local hotels and restaurants, as all these visitors have to eat and sleep.

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2007 Event Highlights

- Megacon
February 16-18, 2007 – 13,500 Attendees



米国で大人気の「ナルト」キャラの服装をした米国人が町を埋める！皆日本に行きたいと言っています。

Photos from Megaconvent109.com

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2007 Event Highlights

- Central Florida Home & Garden Show
March 9-11, 2007 - 20,000 Attendees
- CTIA
March 27-29, 2007 - 40,000 Attendees
- Hispanic Business Expo
April 22-24, 2007 - 20,000 Attendees
- National Hardware Show
May 8-10, 2007 – 55,000 Attendees
1st Full Facility Event
- Church of God in Christ Women's International Convention
May 27-June 1, 2007 - 24,000 Attendees

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2007 Event Highlights

- Premiere Beauty Show
June 10-11, 2007 - 41,000 Attendees
- Microsoft MGX
July 18-21, 2007 – 10,000 Attendees
- The Lutheran Church – National Youth Gathering
July 28–August 1, 2007 - 27,000 Attendees

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2007 Event Highlights

- International Baking Industry Expo
October 7-10, 2007 – 25,000 Attendees
- Southern Women's Show
October 11-14, 2007 – 30,000 Attendees
- American Heart Association
November 4-6, 2007 – 30,000 Attendees

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2007 Event Highlights

- International Association of Amusement Parks & Attractions (IAAPA)
November 13-16, 2007 - 28,000 Attendees
- Central Florida International Auto Show
November 15-18, 2007 – 40,000 Attendees
- Performance Racing Industry
December 6-8, 2007 - 30,000 Attendees

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Usage of OCCC: February 13-19, 2007



Reprinted Sportswear Show - 2/16-18 (NB) - 5,000 Attendees
 U.S. Tae Kwon Do - 2/15-18 (WE1) - 2,000 Attendees
 National Religious Broadcasters - 2/18-20 (WA1&2) - 7,400 Attendees
 Orgill Move In Begins - 2/14 (SA&SB) - 20,000 Attendees
 Magical Classic - 2/16-17 (WF) - 1,000 Attendees
 Hibaccon - 2/16-18 (WC) - 10,500 Attendees
 OCFR Recruit Class # 43 Graduation - 2/16 (W208) - 300 Attendees
 Re/Max of Florida Annual Awards - 2/17 (Valencia) - 950 Attendees
 Orlando Truckers Conference - 2/17-18 (WD1) - 750 Attendees
 Dysanite Regional Finals - 2/17 (W230A&B) - 150 Attendees
 Global Pet Expo Move In Begins - 2/18 (WA3-WC) - 9,800 Attendees
 Manufactured Concrete Products Expo Move In Begins - 2/18 (NA) - 5,000 Attendees

Usage of OCCC: February 20-26, 2007



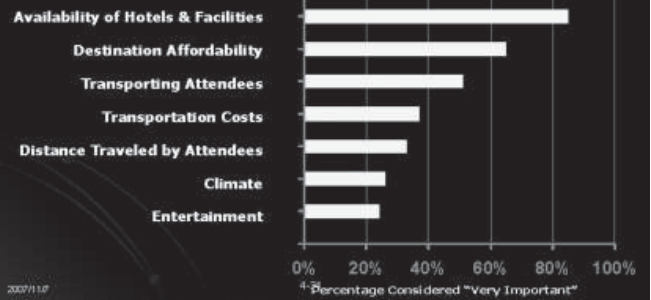
National Religious Broadcasters - 2/18-20 (WA1-2) - 8,200 Attendees
 Drill Spring Dealer Market - 2/22-24 (SA & SB) - 20,000 Attendees
 Global Pet Expo - 2/22-24 (WA3-4, WB & WC) - 9,800 Attendees
 Manufactured Concrete Products Expo - 2/22-24 (NA) - 5,000 Attendees
 Dept of Business & Professional Regulation Construction Exam - 2/25-24 (WB) - 1,000 Attendees
 Florida Pool & Spa Show - 2/23-24 (WD) - 5,000 Attendees
 Mason Contractors Assn - 2/23-24 (WE1) - 1,000 Attendees
 U.S. Naturalization Ceremony - 2/23 (Theater) - 1,000 Attendees
 Time Out for Women - 2/24 (WF) - 2,400 Attendees
 Success Mechanics' Extreme Business Makeovers - 2/23-24 (WB) - 900 Attendees
 Spirit Sports Cheer & Dance - 2/24-25 (NB) - 5,000 Attendees
 Schering Nat'l Hospital - 2/25-3/1 (W203-311) - 500 Attendees
 Florida High Tech Corridor - 2/26-27 (Valencia) - 250 Attendees

Usage of OCCC: February 27 - March 4, 2007



Florida High Tech Corridor (cont.) - 2/26-27 (Valencia) - 250 Attendees
 Schering Nat'l Hospital Mtg (cont.) - 2/25-3/1 (W203-311) - 500 Attendees
 Helicopter Assn Int'l - 3/1-3 (WC-WF) - 13,000 Attendees
 Long-Term Care Joint Training - 2/27 (W204-307) - 300 Attendees
 University of Florida - 3/1 (WB1-2) - 700 Attendees
 Central Florida Boat Show - 3/1-4 (NA&NB) - 10,000 Attendees
 Scrapbook Expo - 3/2-3 (WA1) - 5,000 Attendees
 Florida Immediate Delivery Show - 3/2-4 (SA) - 3,000 Attendees
 The Orlando Log & Timber Home Show - 3/2-4 (WB4) - 5,000 Attendees
 Deery University Spring 2007 Graduation - 3/1 (Theater) - 1,500 Attendees
 BWW Go Diamond Event - 3/2-4 (W311-326) - 2,500 Attendees
 Orlando Volleyball Academy - 3/2-4 (SB) - 5,000 Attendees
 Electronic House Expo Move In Begins - 3/3 (WA2-3) - 2,500 Attendees

Meeting Planners Select Sites Based on a Variety of Factors



ORANGE COUNTY CONVENTION CENTER Calendar Year Overview 2006

- 298 Events
- 1,425,045 Attendees
- \$1.47 billion in Economic Impact

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Future Conventions & Tradeshow Bookings

Furthest out booking is in 2029
 • 918 Events
 • 13.3 million Attendees
 • Estimated \$17.4 billion in Economic Impact

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Source: OCCC Future Bookings Report 2007

Summary of Case Study 1: OCCC

- Having basic tourism-related statistics helps to maintain local community's support for the industry.
- Tourism-related statistics helps local governments to allocate appropriate funding for the industry.

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Case Study 2: Importance of Tourism-Statistics for Marketing

- We will look at a study in which cooperation between tourism practitioners and academics generated useful **tourism intelligence**.

■ *Rompf, Severt & Breiter 2007*

A Critical Matching of Destination Attributes with Event Destination Selection Criteria

Paul Rompf, Ph.D.
Kimberly S. Severt, Ph.D.
Deborah Breiter, Ph.D.

Colloquium
September 28, 2007
Rosen College of Hospitality
Management

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Study Purpose...

To determine if there is a significant difference in the *criteria* used by *meeting planners* to select a *destination* based on the type of event being staged.

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Introduction

- Associations, corporations, government agencies, and a variety of other organizations produce a *myriad of events* for different purposes.
- Events span a wide *variety of genres*, all with different goals and objectives.
- As a result... Event planners may assign **different levels of importance to destination selection criteria based upon the type of event** (convention, training meeting, conference, etc.)

If you understand this, your destination can market right kind of attributes to right kind of customer needs
= Your destination can sell your tourism products more effectively!

The planner and host organization typically establish a list of *site priorities* that are *central to the needs of the event*

The outcome – RFP...

is typically disseminated in collaboration or cooperation with *preferential destination marketing organizations (DMOs)* and/or *suppliers*.

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The selection of a destination may also depend significantly on the size and budget of the organization



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There may be a distinct difference between **destination attributes** and **destination selection criteria** relative to the event type

DMOs have the tendency to emphasize the former rather than the latter



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Literature Review in brief

As a generalization...

Previous studies have focused on the importance of a destination's attributes, Investigated the importance of destination selection attributes for an aggregation of events, or Investigated destination selection criteria for a single type of event (e.g., convention).

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Literature Review in brief cont...

Destination Image... a factor in draw power?

Previous experience with a destination has been found to influence event planners' *perceptions* of a particular destination.

Other meeting planners are typically requested for information on their experiences with a destination.

Each destination has different strengths and weaknesses attached to its image (Baloglu and Love, 2005)

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Literature Review in brief cont...

Destination attributes...

Participant proximity to the convention site, quality of exhibition space, plenary rooms, break-out rooms, and perceived food quality were important determinants of a convention site being selected (Crouch and Louviere 2004).

Every destination has numerous characteristics (+/-) that will affect the choice of destination, and **these physical and operational attributes must match the market each destination intends to target** (Fenich, 2001).

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Methodology in brief

Sampling frame consisted of event planners holding membership in three leading event planners' associations.

- Meeting Professionals International (MPI),
- Professional Convention Management Association (PCMA),
- International Association of Exhibition Management (IAEM).

A stratified random sampling resulted in proportionate representation within the sampling frame.

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Respondent Characteristics in brief

The 'meeting planners' reported a diverse and broad range of 150 different titles

A majority reported meeting planning occupied 90 percent or more of their time

71% of the respondents had 10 or more years of experience in the industry

Meetings were reported to be held in over 134 separate cities with 25 held outside the US

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Results N = 393 Unit of Analysis = the Event



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Destination selection criteria based on event type

- Researchers (Rompf, Severt, Breiter) used the 1-5 Likert Scale questionnaires (1 least important, 5 most important) to ask the relative importance of attributes to different meeting purposes.

- Accessibility by air
- Accessibility by road
- Choice of restaurant
- Variety of nightlife
- 1st class hotel rooms
- Brand name hotels
- Exhibit space
- Destination Image

Which attributes are relatively important?

Are they equally important to different meeting purposes?

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Descriptive Statistics Result: 1/2 Overall Means and (Standard Deviations)

Destination Attribute / Meeting Type	All Meeting Types N = 393	Convention/Conference N = 212	Incentive Meeting N = 16	Sales Meeting N = 24	Exhibition N = 42	Board Meeting N = 39	Training Meeting N = 46	'Other' N = 14
Accessibility by air	4.05 (1.16)	4.13 (1.10)	4.44 (0.81)	4.21 (0.93)	3.59 (1.29)	4.18 (1.28)	4.07 (1.04)	3.46 (1.66)
Accessibility by road	3.60 (1.20)	3.63 (1.19)	3.19 (1.32)	3.42 (0.88)	3.85 (1.11)	3.50 (1.28)	3.66 (1.20)	3.25 (1.42)
Choice of restaurant	3.27 (1.11)	3.29 (1.08)	4.13 (0.79)	3.46 (1.02)	3.08 (1.08)	3.41 (1.16)	3.07 (1.10)	2.69 (1.37)
Variety of nightlife	2.93 (1.10)	2.93 (1.02)	4.13 (1.02)	3.04 (1.12)	2.79 (1.03)	2.79 (1.21)	2.67 (1.16)	3.08 (1.18)
1st class hotelroom	3.63 (1.25)	3.69 (1.17)	4.94 (0.25)	3.92 (1.10)	3.26 (1.31)	3.69 (1.33)	3.27 (1.28)	3.31 (1.54)
Brand name hotels	3.46 (1.16)	3.61 (1.11)	4.69 (0.48)	3.50 (1.05)	3.05 (1.12)	3.74 (1.31)	3.45 (0.95)	3.23 (1.64)
Exhibit space	3.04 (1.74)	3.59 (1.58)	1.44 (1.09)	1.91 (1.41)	4.72 (0.51)	1.21 (0.65)	2.16 (1.52)	2.08 (1.44)
Destination Image	4.10 (1.05)	4.16 (1.03)	4.73 (0.46)	3.83 (1.04)	4.36 (0.71)	4.03 (1.08)	3.75 (1.22)	3.69 (1.49)

Descriptive Statistics Result: 2/2 Overall Means and (Standard Deviations)

Destination Attribute / Meeting Type	All Meeting Types N = 393	Convention/Conference N = 212	Incentive Meeting N = 16	Sales Meeting N = 24	Exhibition N = 42	Board Meeting N = 39	Training Meeting N = 46	'Other' N = 14
Reputation for hosting	4.16 (1.00)	4.15 (0.97)	4.63 (0.89)	4.25 (1.03)	4.23 (0.90)	4.15 (0.93)	4.05 (1.10)	3.85 (1.34)
Safety and security	4.05 (1.02)	4.02 (1.00)	4.63 (0.81)	4.38 (0.82)	4.05 (1.02)	4.26 (0.91)	3.89 (1.06)	3.54 (1.33)
Support Services	4.08 (0.98)	4.10 (0.97)	4.69 (0.48)	4.29 (0.86)	4.08 (0.81)	3.97 (1.08)	4.00 (1.05)	3.62 (1.26)
Overall cost	4.22 (0.96)	4.26 (0.98)	4.13 (0.96)	4.42 (0.78)	4.13 (0.89)	4.23 (1.03)	4.30 (0.77)	3.31 (1.18)
Perceived Value	4.25 (0.91)	4.27 (0.87)	4.13 (1.14)	4.38 (0.92)	4.26 (0.85)	4.29 (0.98)	4.32 (0.80)	3.36 (1.43)

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Dependent Variable	df	F	Sig.
+ Accessibility by air	6	2.337	.032*
Accessibility by road	6	0.953	.457
Choice of restaurant	6	2.947	.008**
Variety of nightlife	6	3.985	.001**
+ 1st class hotel rooms	6	4.888	.000**
+ Brand name hotels	6	4.533	.000**
+ Exhibit space	6	35.778	.000**
+ Desirable destination image	6	2.921	.009**
Rep for hosting succ events	6	0.952	.458
Safety and security	6	2.378	.029*
Support services for events	6	1.879	.083
Overall cost	6	2.371	.029*
+ Perceived value for money	6	1.004	.422

*means significant (α = .05) and **means very significant (α = .001) difference exists.

Implications

The results provide evidence that event planners may assign different levels of importance to destination selection criteria based on event type.

Event facilities and services need a clear understanding of how the destination selection contributes to the success of the event.

For the buyers of a site, it is a "critical factor in the success or failure of the event," while for the potential supplier, "... the decision can mean millions of dollars to the hospitality industry" (Crouch and Ritchie, 1998, p. 52).

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Summary of Case Study 2

- Building beautiful facility & promotional material is **not enough** to "sell" your tourism product.
- You have to know the selection process of the targeted customers in depth and offer what they need with what you have.

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Implications from two cases 1/2

- **Tourism Statistics are important**
 - to educate local community about significance of tourism as an industry (TSA, Impact studies, or raw data such as # arrivals, hotel occupancy %,)
 - to market your tourism product effectively to the decision making processes of different customer segments to win them against competitors = know your customer

	Starting Point	Focus	Means	Ends
Selling Concept	Japan (from Japanese viewpoint)	Existing Tourism Products	Selling & Promoting	Profits from Higher Number of Visitors
Marketing Concept	Market (potential inbound visitors)	Customer Needs	Integrated Marketing	Profits through Visitors' Satisfaction

Implications from two cases 2/2

- All our discussion underscores the importance of **"Destination Marketing"**
 - Who are your customers (visitors to your region)?
 - Do you know what they need? Did you ask?
 - Who are your competitors? (*Korea, China, USA?*)
 - What makes those people to come to Japan?
 - Why do they visit competitors instead of Japan?
 - **Do not guess what visitors want.** Why don't you start by asking them by collecting data scientifically?

Marketing Concept	Market (potential inbound visitors)	Customer Needs	Integrated Marketing	Profits through Visitors' Satisfaction

Last Comments: Importance of Tourism & Hospitality Education

- Now that we know **"Tourism Statistics" are important**, let's talk about an equally important thing.
- You have to develop human resources to understand all these data to extract **tourism intelligence** that are useful for managing different aspects of tourism.

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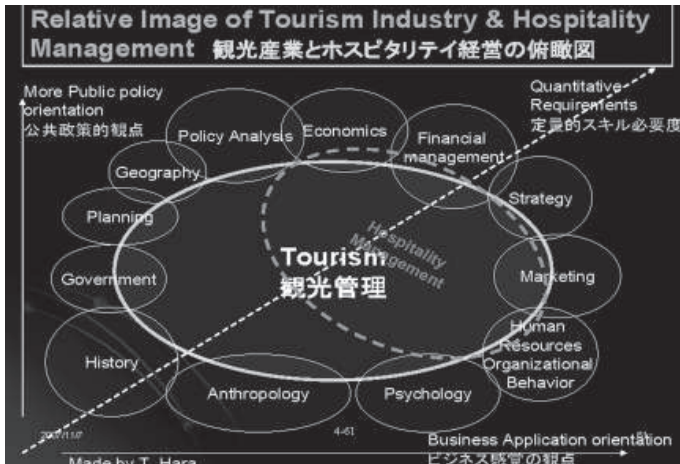
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Hospitality and Tourism program: Business Model 1/2 観光とホスピタリティ(ホテル)部門

- Tourism and Hospitality often co-exist, or they are often aggregated under one institution with subsets of two programs.
- **Tourism is broader multi-disciplinary subject**, while the hospitality is often put in management context.
- At top programs in the U.S., **"management" aspects are emphasized throughout the curriculum.**
 - Differentiate the program from "vocational" community college models, which put emphasis on student placements.
 - **Quantitative skills** (not necessarily statistical ones, but ability to understand financial statements) are emphasized (to cater to industry needs for training towards "manage by numbers"). 経営幹部候補生育成→財務諸表・計数感覚養成

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Hospitality and Tourism program: Business Model 2/2

ホスピタリティと観光のビジネスモデル検討

- It would be a little easier for students to understand the complex interdependence of various private sectors & public sectors to serve the tourism demand, if they are located in or near the tourism destinations. (Hawaii, Las Vegas, Orlando)
- Internship opportunities are extremely valuable in many aspects.

・ホスピタリティ各セクターがより大きな観光産業という社会構造の中にあり、各セクターが相互依存をしているという点を教えるには、観光地にてインターン実地経験をすると効果が高い。
 ・地方政治計画、税収、公共財政、民間投資家、ホテル・レストラン・運輸等の経営者、従業員、居住者(納税者)、利益団体、教育機関等が観光産業発展による共通の利益を認識して、共同することの重要性を教える。

Collaboration: government, industry and educational institution

- Tourism Statistics (data) should be utilized**
 - How to develop data
 - How to interpret data to squeeze out key information, to build your **tourism intelligence**
- Educational Institution is the key**
 - Scientific data generation and analyses
 - Dissemination of research results
 - Educating student to digest data and act accordingly
 - Providing the government and tourism industry with qualified graduates as future managers
 - We have advisory committees to reflect current needs of the industry into our curriculum

Thank you and congratulations on the First International Symposium on Tourism and the Economy, we highly appreciate this opportunity to be here

第一回国際観光経済シンポジウム開催
 誠にありがとうございます。

米国フロリダ州セントラルフロリダ大学
 ローゼン・ホスピタリティ経営学部一同より

Stephen Lebruto, Ed.D, CPA, CHAE
 Associate Dean & Professor
 Rosen College of Hospitality Management
 同学部副学部長・教授 公認会計士・教育学博士・
 公認ホスピタリティ財務管理士
 ステファン・ルブルート

Keynote Presentation III

“The future of Tourism Industry and its effectiveness for the Economy in Japan”

Takuro Morinaga

Presentation

“The future of Tourism Industry and its effectiveness for the Economy in Japan”



Professor, Faculty of Economics, Dokkyo University **Takuro Morinaga**

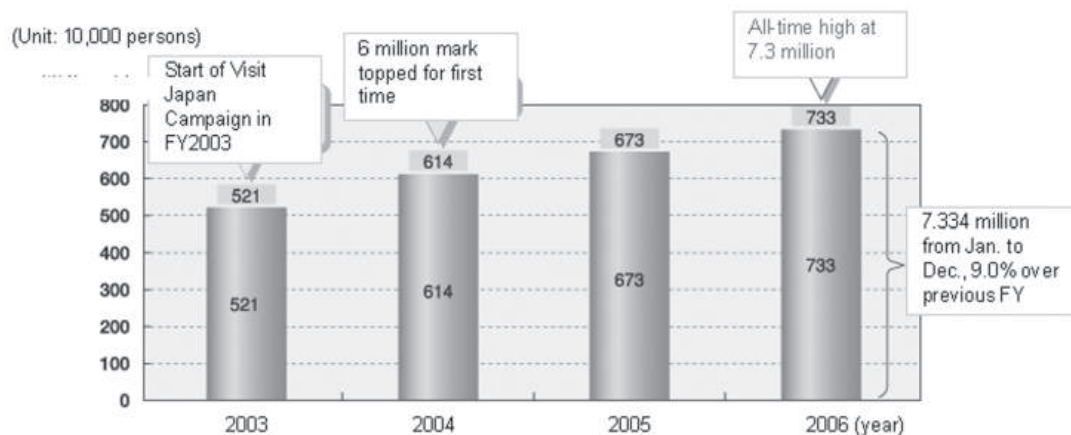
Tourism is a vital industry when looked at in terms of economics. That is because, when incomes rise as a result of economic growth, though consumption itself does not saturate, its structure changes from materials to services. There are limitations to material consumption, therefore, as a country becomes more affluent, the needs of the people gradually shift to a higher grade of services. The tourism industry is an important component for making that happen.

In fact, according to the United Nations World Tourism Organization (UNWTO), there were 806.28 million foreign travelers around the world

in 2005, which was an increase of 5.5% over the previous year, and worldwide revenues from international travel increased 7.5% to 68.04 billion \$US. In both categories, the historical highs were attained.

Within that, Japan has been promoting a “Visit Japan Campaign” with targets set on developing tourism and doubling the number of foreign travelers to the country to 10 million by 2010. Moreover, the number of visitors to Japan has been increasing sharply on the effects of deregulation, which includes more countries that do not require a visa to enter Japan (Fig. 1).

Fig. 1 Number of foreign visitors to Japan



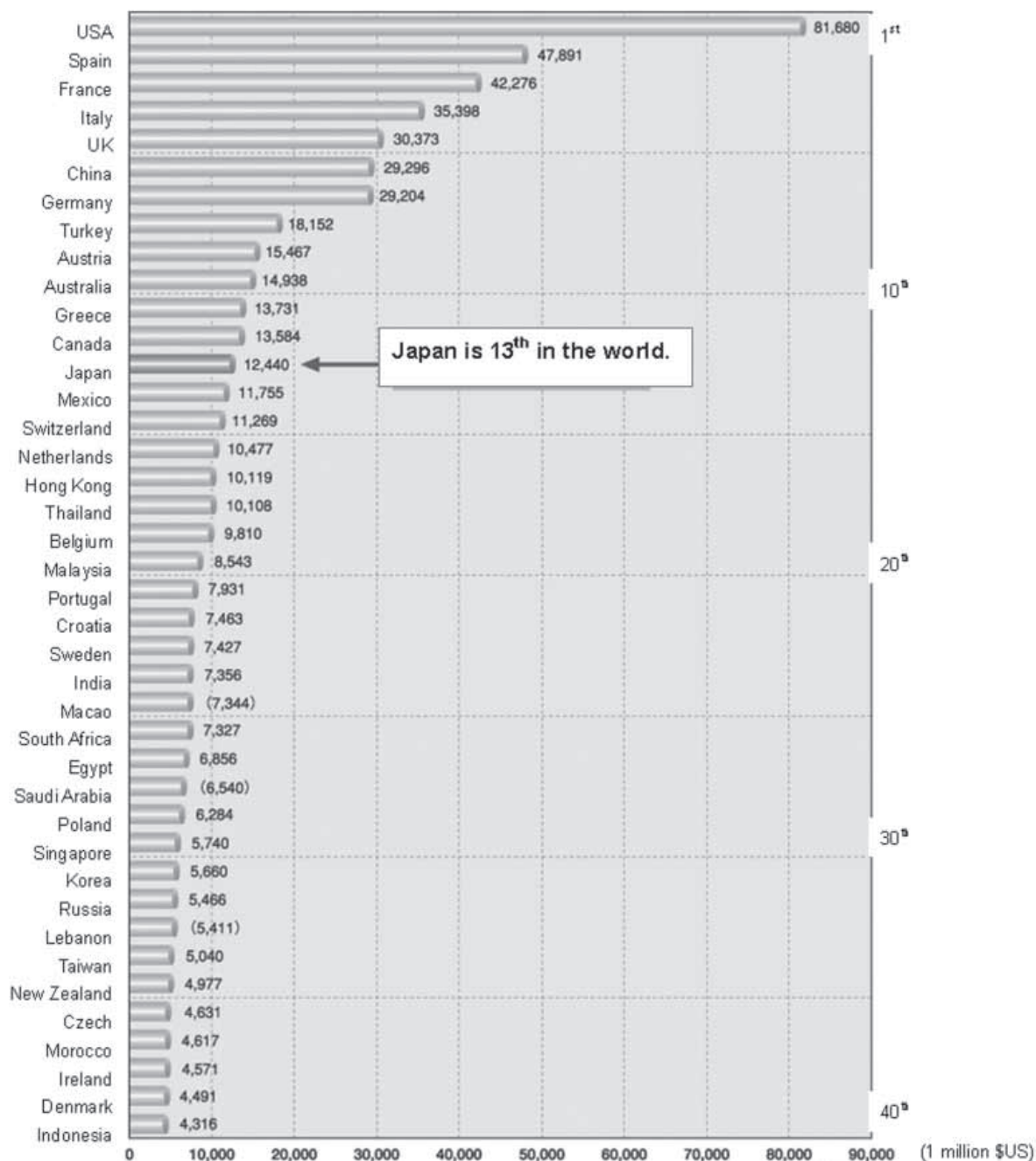
Note: Prepared by Policy Bureau, MILT from information of Japan National Tourist Organization (Source) 2007 “White Paper on Tourism”

The number of foreign travelers to Japan in 2005 increased 9.6% over the previous year (9.0% increase in 2006), which was far higher than the 5.5% increase worldwide.

However, if we look at revenues from international travel, the situation of tourism in Japan is by no means something to rejoice openly about. Speaking broadly, revenue from

international travel is high given the size of the Japanese economy, but Japan, despite having the second largest GDP in the world, ranks 13th in revenue from international travel (Fig. 2). And, Japan is 4th in expenditures for international tourism (Fig. 3). Japan's international tourism balance is markedly unbalanced at 25.1 billion \$US in the red.

Fig. 2 Revenue rankings for internal travel (2005)



- Note 1. Prepared by Policy Bureau, MILT from information of UNWTO, Japan National Tourist Organization and tourists bureaus in each country
 2. Figures in this table are estimates valid as of June 2006. 2005 figures were unavailable for Macao, Saudi Arabia and Lebanon, therefore figures from 2004 are used.
 3. Revenue from international travel in this table does not include international travel fares.

(Source) 2007 “White Paper on Tourism”