Product development for Japanese FIT-markets

Laila Niemi
The following report is a study conducted for Oy Tumlare Corporation Ab, a worldwide destination management company with a branch office in Helsinki. The purpose of the research is to determine, what kind of travel products should be developed for Japanese FIT-markets.

In order to conduct the research, different aspects of Japanese travellers were studied in depth: topics such as their characteristics, interests, behaviour and differences in demographic groups are covered. After providing some insight on the Japanese travellers, different theories of product development in travel industry are presented.

The data was gathered through a qualitative research method of semi-structured interviews, that followed the themes presented in the theoretical part of the study. Scope of the research was relatively narrow, but the findings did present new aspects of product development for the Japanese FIT-markets. All of the interviewees are stakeholders of Tumlare Corporation, and have been working closely with Japanese travellers.

The interview findings heavily support the theories and statements made in the theoretical portion of the report. The results of the study suggest, that Japanese FIT-markets have a strong desire to experience the true local culture amongst the locals in Finland. The results show, that the Japanese FIT’s are able to get by with English language, but do not necessarily grasp the true meaning behind an explanation due to culture-bound logic. This is something that the travel professionals should be taking into consideration more.

Products designed for Japanese FIT’s should involve participation in some way or form, but it shouldn’t come as a surprise for the customer. Incorporating a story behind the product has been deemed an extremely important aspect for the Japanese. Marketing the product to Japanese FIT’s should be initially done through easily consumable mass media, reviews, and word of mouth.

Due to such a broad and forever changing topic, no fool-proof pattern to product development for the target market was found. However, different characteristics of Japanese travellers and product development were discovered, that could ease future product development ideas and processes.

**Keywords**

Tourism, product development, Japanese, FIT
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1 Introduction

As the title suggests, the following report is a study focused on product development in the travel industry. The thesis was conducted for an incoming travel agency, Tumlare Corporation, and the target market chosen for the study is so specifically limited into Japanese independent travellers – after all, Japan is the main source market of the company. Inbound or incoming tourism refers to those people, who are travelling into a country they are not residents of, and stay in the country for less than 12 months (Tilastokeskus).

The goal of the thesis is to study both the target market and product development in travel industry in depth, and to pinpoint, how to make a successful travel product for a specific target market. The purpose behind the thesis is to find out, what kind of products should be developed in order to appeal to – and consequently lure in - more customers. Hopefully, one of the outcomes of the study is to make developing future products – and possibly improving already existing products – somewhat easier. Inevitably, the study will focus on the characteristics of Japanese travellers, providing a bit insight on the target market. The report will also delve into the world of product development and creating experiences in the travel industry.

In order to provide a broader view, a qualitative research was conducted in the form of semi-structured interviews. The interviewees are all stakeholders from Tumlare Corporation’s network, who have a long history in working with Japanese travellers. The focus of the interviews revolved around the themes that make up the knowledge base: Japanese travellers and their characteristics, modern-day Japanese travellers in Finland, their needs, and what factors could help in creating a wholesome travel product that would stick with the customer as a lifelong experience.
2 Tumlare Destination Management

The following study was conducted as a commission for Tumlare Corporation Oy Ab, the Finnish branch of a worldwide B2B tour operator, Tumlare Destination Management. As a destination management company, or as a DMC, Tumlare Corporation focuses on providing destination knowledge and different travel services in the destination, ranging from simple transfer requests to full, complex travel itineraries (Hard 13 May 2018).

Making a research paper for Tumlare Corporation was a natural choice, as the writer has been working as a tour coordinator for the aforementioned company since January 2017. Therefore, the author has had a first-class seat in observing the business environment and daily operations that are essentially intertwined with the themes of the thesis. Due to this, the report will inevitably include some dire observations from the author herself. The author's information and remarks regarding the company are coming from as objective point of a view as possible.

The ensuing part introduces Tumlare Destination Management both as a worldwide corporation, and as a local destination office in Finland. The following text will also dive a bit into the company history, providing more insight on the importance of Japanese tourism markets to Tumlare Corporation. Lastly, there will be a look at where the company stands today, as there have been some major changes in the business during the past two years, that will definitely have an impact on the company in the upcoming years.

2.1 Company history

Tumlare Destination Management is by no means a newcomer in the travel industry. The company was originally established in 1972 through the joint efforts of two gentlemen, Fujio Ota and Rune Tumlare. The company was based in Copenhagen, Denmark, followed by an office in Stockholm shortly after. The two offices in Scandinavia made Tumlare the very first inbound tour operator in Europe that was focusing on Japanese travel markets. (Tumlare 2016.)

Following the offices based in Northern Europe, the first Tumlare sales office was opened in Tokyo. Shortly after, yet another destination office was opened in Oslo, marking it already the third office in a Scandinavian capital. Within the first decade of its existence, Tumlare also managed to acquire DTS, a German tour operator, and open yet another sales office in New York, giving the company a foothold on the other side of the Atlantic Ocean. (Tumlare 2016.)
Soon after opening the sales office in New York, Tumlare acquired the majority of a Danish travel agency, Net Travel Service Copenhagen. Coming to the 90’s, a new office in Moscow was opened, and a new sales office in Osaka was established. Shortly after this, the company continued spreading throughout Europe, as an office in Budapest was opened. (Tumlare 2016.)

The new century also marked an important step in Tumlare’s growth as a worldwide tour operator, as in 2000 the company joined an alliance with JTB Group – one of the biggest travel agencies in the world (JTB Global 2017). Quickly after establishing the alliance, a FIT Center was opened in Budapest, focused on catering on the needs of FIT-clients (Tumlare 2016). FIT-clients refer to Foreign Individual Travellers – the type of travellers that will be at the very centre of this report (Quinby 2009).

The company kept growing rapidly in early 2000’s, as new sales offices were opened first in Sao Paolo, followed by Hong Kong and Taipei. After the launch of an online platform directed at FIT-markets, Tumlare soon after officially became a part of JTB Group. A couple of years later, a new sales office was opened in India, giving Tumlare a better reach for traveller markets all across Asia. By 2015, a new sales office had been opened in Beijing, opening a new door to reach the massive tourist volumes of mainland China. (Tumlare 2016.)

Tumlare Destination Management has been steadily growing throughout the years, establishing its position as a worldwide player in tourism industry amongst other tour operators. The story doesn’t however end there, as major changes took place during the past couple of years, reshaping the whole company.

2.2 The company today

As of 2016, Tumlare had become a credible competitor in the European destination management with almost 20 destination offices covering some of the major cities on the continent. As two more sales offices were opened in mainland China – namely in Guangzhou and Shanghai – the company had established a network of 15 worldwide sales headquarters, spreading all the way from North America to Southeast Asia (Tumlare 2018).

Covering a large scale of different business areas and land services, Tumlare has been able to cater to the needs of a wide variety of different tourism markets: group travel, individual clients, events, and different sorts of special interest programmes are only some of
the things that the company is able to provide to its customers (Tumlare Destination Management, 13).

Tumlare’s destination office in Helsinki has its focus on specialized tours arriving to Finland, meanwhile the “volume” tours – stemming mainly from Japan – are handled from Scandinavian Operations Center based in Tallinn. As it was previously mentioned, individual travellers (or FIT-clients) are mainly handled from Tumlare’s FIT-center based in Budapest. This leaves the operationally most demanding tours - such as special interest tours with e.g. company visits, itineraries demanding more extensive destination knowledge or local presence, or high-profile VIP-guests – to be operated from Helsinki office.

Naturally, the destination offices (including Helsinki office) do a lot more than just merely operate tours, as one of their primary missions is to support the other offices all around the world, and to provide information about the destination and its (possibly still unknown) travel products and suppliers. The destination office is capable of introducing new areas in the destination to the sales offices, and therefore possibly also steering some of the incoming tourism volume into those new areas.

It was mentioned in subchapter 2.1, that there were some major changes taking place in recent years. These major changes refer to the move that JTB made in May 2017, when it acquired Kuoni Global Travel Services, one of Europe’s biggest players in B2B group travel – consequently making it also one of Tumlare’s biggest competitors alongside companies like G2 Travel and MIKI Travel (Kuoni Global Travel Services 2018). Needless to say, bringing competitors together under JTB Group companies was a massive move – a move fitting the scale of JTB’s goal of becoming the “No. 1 Global DMC”. (Wagner 2017.)

Since the initial news of the acquisition in 2017, the companies have been working behind the scenes in order to bring together the two old competitors. As of now, the changes are not that visible to the public eye, but one notable change did take place earlier in 2018: the companies’ names were fused together into “Kuoni Tumlare”. A web domain for the new company has been set up, making the transition from two separate companies into one entity more detectable (Kuoni Tumlare).

As the merge is only taking its first steps, it’s hard to determine, what’s in store for the company in the future. Keeping this in mind, the following study will be approached from the viewpoint of Tumlare Corporation, leaving “Kuoni Tumlare” mostly out of the speculations. What can be said already at this stage, is that the ambitious alliance of the two tour
operators will have its impact on all stakeholders – customers, employees and suppliers alike.

2.3 Connections to Japan

In the earlier paragraphs it became apparent, that from the very beginning Tumlare has had very strong connections to Japan. One of the two founding members being Japanese, having sales offices in major Japanese cities, joining a strategic partnership with – and then becoming a part of – Asia’s leading travel agency, JTB, have all been factors strengthening the bond between Tumlare and the Japanese tourism sector. Being the main source market, Japanese outbound travel is essentially important to Tumlare’s business.

Tumlare has been catering to the needs of the Japanese markets in many ways, one of them being the seasonal local offices in Lapland. Tumlare has a “winter office” based in Rovaniemi, that especially caters to the needs of Japanese tourists in Lapland. Brining in Japanese speaking staff and operating a travel product aimed specifically for Japanese markets (an aurora bus tour) are just a couple of concrete examples of the efforts that the destination is putting in for its biggest customer segment. (Visit Rovaniemi.)

Widening horizons and mingling with new source markets has been an inevitable part of Tumlare’s growth, but the importance of Japanese customers remains as a dominant part of the company’s profile.
3 Japanese outbound tourism

When traveling in major cities around the world, one might bump into Japanese tourists. An occurrence like this is nothing unusual, especially when considering the fact that Japan boasts a population of roughly 127 million – an industrial country with such an impressive number of people is bound to have an impressive number of people also interested in travelling abroad. The population is however rapidly aging, which could affect outbound tourism originating from the said island nation. (The Japan Times 2018).

If one were to describe Japanese tourists abroad, they would probably mention at least their tendency of travelling in groups, taking photos anywhere and everywhere (though only if it’s allowed), and buying souvenirs. These characteristics can also be found in an article published in the Telegraph in early 2017, where Demetriou (2017) describes a scenario with tourists jumping on and off a bus while taking pictures in between, and states: “This familiar spectacle has unfolded with a clockwork regularity around the world for decades, leaving many witnesses in little doubt as to where these visitors are from: namely Japan, land of the rising package tourist.” Though the description sounds horrifically generalizing, in all honesty, it might not be that far-fetched of a profile.

After mid-nineteens wars and Japan’s economic growth, travel has become an accessible commodity for many. Travelling abroad could even be described as a must-have experience for the common folk. In the 70’s and 80’s, as more and more people from different social classes were able to travel abroad, tourism became sort of a mass phenomenon. (White 2009, 207). These mass movements from decades ago possibly played a major part in shaping Japanese outbound tourism, as well as in creating the stereotype of a Japanese tourist.

The following section will focus on Japanese tourists and travellers. There will be discussion, whether there are differences between people who opt group travel and those who wish to travel by themselves. Previously mentioned argument regarding the rapidly aging population of Japan will be taken under scrutiny, and dissimilarities and similarities between generations and their travel preferences will be studied.

3.1 Japanese travel preferences and characteristics

According to Office of International Tourism, there were almost 18 million Japanese overseas travellers in 2017. Age-wise, biggest ratio of the travellers were from ages 20-59. Ratios however do not tell the whole truth: even though the elderly Japanese (those over
had a smaller ratio that the younger age groups, their portion of the total population of Japan is quite massive (Office of International Tourism 2018a). Purpose-wise, by far the biggest segment were leisure travellers, covering roughly 80% of the total number (Office of International Tourism 2018a). Leisure tourism will be in the limelight of the following overlook of generic Japanese traveller profiles.

Japanese tourists can be divided into two groups: those, who partake in group travel, and those who prefer to travel independently. As mentioned previously, the generic Japanese tourist is travelling in a group with a ready-made package tour, led by a guide or a tour leader (or possibly both) (Nakasendo Way). How was this stereotype born, and have there been cracks made to this mould of Japanese tourists?

The characteristics of Japanese travel habits – including the tendency of preferring group travel – seemingly originate all the way from Edo period, and era that ended in latter half of 1800’s (History.com Editors 2009). Back then, travels were made into destinations that were a long distance away, making the travelling dangerous and expensive. The best solution was to journey in groups, and to bring back omiyage – sorts of return gifts. The tradition of omiyage has stuck as an essential part of the Japanese travel culture, as modern-day tourists are still putting a lot of money and effort in bringing back souvenirs from their travels. (Guichard-Anguis 2009, 12).

Based on different studies regarding Japanese society and their travel behaviour, it seems that the tendency to prefer travelling in groups stems from the collectivism that’s deeply ingrained in Japanese culture (Reisinger & Turner 1999, 1207). Along with group travel, another important characteristic of Japanese outbound tourism is package tours. Package tours are often cost-effective and overall easy for consumers, combining different services in the destination into one package. In the context of package tours for Japanese, the package often includes services such as accommodation and a tour guide. (Gill & Yamamoto 1999, 134-136).

Travelling in groups and opting packaged tours have been some of the fundamental factors shaping and supporting Japanese outbound tourism, and the said two factors have created the image of a generic Japanese tourist, that so many nowadays have – as could be seen from Demetriou’s article. Curiously enough, according to a study made in 1999 – nearly 20 years ago – the relative importance of packaged tours had been declining in the mid-80’s and 90’s. Already at the time of the study, the forms of more individualized and customized forms of travelling were on the rise. (Gill & Yamamoto 1999, 134). An article from 2009 backs up this statement, according to which the “new tourisms” in Japan are
more individualized, empirical experiences, that are supposed to also stick with the travel-
ler after the journey is over (White 2009, 207).

It seems that the fundamental characteristics of Japanese society have been one of the
founding factors behind the travel culture that is so typical for the Japanese outbound
tavel today. Travelling in groups and choosing packages over booking everything inde-
dependently has been a safe option, but as could be observed from studies, slow changes in
this conception have been taking place for a longer time. More independent ways of trav-
elling have been taking over the Japanese outbound tourism business for a long time, as
travelling has become more than a regular commodity: it’s a process of learning and self-
actualization (Gill & Yamamoto 1999, 141-142).

As the studies from almost two decades ago forecasted, several different sources are
reporting that Japanese FIT’s are a growing market (Office of International Tourism
2018a). This is no shocker, as combined with the purpose of travelling to achieve self-
growth, the technological advances in 2000’s and the evolution and spread of the internet
have made booking travel services easy. Consumers no longer need the physical pres-
ence of an agent, or even the help of an expert, as they’re capable of browsing destina-
tions and services on their own (FT Reporters 2016). This also applies to Japanese, as
they’re getting more confident in booking services themselves online (Bremner 2013).
This doesn’t however apply to the whole source market, as differences between the elder
and younger generations can be observed through their profiles and preferences.

3.2 Differences between generations: Seniors and Millennials

As mentioned previously in the study, Japanese population is aging fast. This will inevita-
bly also correlate with the international passenger volume from Japan: the nation is grow-
ing older, and the population is diminishing year after year. Though the Japanese popula-
tion is getting smaller, surprisingly enough, it’s not (yet) reflected to the number of out-
bound travel. Quite on the contrary: according to the data from Office of International
Tourism, in 2017 the number of Japanese travellers overseas increased by 4.5% com-
pared to the previous year (Office of International Tourism 2018a). It might well be, that
the aging population has more free time on their hands as they retire from working life and
are no longer bound to the schedules set by their jobs.

It’s been reported, that 30% of Japanese population will belong to the senior demographic
group (ages 60 and above). By quick calculations, that’s approximately 38 million people.
Unfortunately, seniors interested in travelling abroad are a minority amongst the Japanese
elderly. It’s not necessarily only a question about health or economic stability – as most of the Japanese elderly could afford to travel abroad if they wanted to – but more about their interest to travel abroad, and the ability to take the initiative to actually put plans into motion. (Office of International Tourism 2017a). Despite all this, being such a big demographic group of nearly 40 million people, Japanese seniors offer impressive possibilities for international tourism.

Referring to the previous insights on preferences of Japanese outbound tourism, it should be noted that the elderly population sees tours organized by a travel agent a safer option, than travelling independently. Seniors are also fond of tours that have a specialized theme or focus. (Office of International Tourism 2017a). This might be one of the reasons why Europe has been so popular amongst the elderly population, as there’s an impressive variety of ready-made package tours covering the vast historical and cultural heritage that the continent has to offer (Bremner 2013).

Based on this information, it’s assumable that the Japanese senior demographic group values safety when travelling. Asking travel agents for packaged tours is a safe and easy option to see the world, as long as there is willingness to do so. It could be, that the senior population is not as technologically savvy as the younger generations, making it difficult for them to put a trip together by themselves.

The other major factor in choosing package tours might well be the language barrier that the Japanese will inevitably face abroad: in an article from Tsuboya-Newell (2017), it’s stated that when comparing the results of an English proficiency test between countries, Japan’s rank is 35 out of 72 participants. To give some comparison on this ranking, Japan places between Russia and Uruguay, whereas the top spots are mostly dominated by North-European countries. (Tsuboya-Newell 2017). Possible problems with the language barriers aren’t however limited only to the elderly population – and neither is the study mentioned earlier. The younger Japanese demographic groups also have their own struggles with English language.

Office of International Tourism highlights Japanese millennials as one of the main markets that should be taken into consideration when thinking about the future of Japanese outbound tourism. Pew Research Center defines millennials as people born between 1981 and 1996 (Dimock 2018). Other definitions besides this exist, but the general idea is that millennials are people that reach young adulthood at the beginning of the new millennium. Office of International Tourism emphasizing the importance of this particular segment makes sense, as this is the generation that will define the consumption trends in the up-
coming years, and outbound travel is no exception. (Office of International Tourism 2018b).

On a generic scale, millennials are seen as the generation of “digital natives”. In other words, this particular generation not only witnessed the rapid evolution of technology and internet, but also grew with it (Dimock 2018). They’re connected to the rest of the world and are able to voice their opinions online (and offline). Most of the Japanese millennials have been traveling abroad during their childhood, and approximately half of them travel abroad at least once every three years. Needless to say, the generation possesses impressive power over the future travel trends, especially when the senior population is gradually coming to the stage where they’re necessarily not able to travel anymore. (Office of International Tourism 2018b).

According to the reports from Office of International Tourism, Japanese millennials have both adopted some of the views and values of the older generations but are also listening to those of the younger generation. It seems that the Japanese millennials, however, might be a bit more prone to be affected by the opinions to their closest circle of people, such as family members and friends, than millennials in general. This is a factor that probably also affects the travelling tendencies and decisions of the Japanese millennials. (Office of International Tourism 2018b).

When it comes to goals and reasons behind outbound travel, Japanese millennials wish to explore the parts of the world they don’t yet know. Travelling is seen as a reward to oneself, and to create memories with loved ones. These factors are also highly valued by other generations, but what’s interesting to see, is that Japanese millennials value self-growth and expanding one’s experiences more than the other generations. (Office of International Tourism 2018b). This could be one of the factors that’s reflected into the rise of more independent forms of travelling over package tours and group travel.

Japanese millennials are less driven to have a successful career but are more focused in finding a good balance between work and rest of the aspects in life. This is likely one of the reasons Japanese millennials have interest to travel abroad, though they find surprisingly little appeal in studying the language and history of foreign countries. (Office of International Tourism 2018b).

Mapping out the minds of Japanese millennials proves to be a challenge, as travel industry professionals are struggling to find out, why the generation isn’t as keen on travelling abroad as one might suppose. One argument from professor Morishita from Toyo Univer-
sity is, that the generation hasn’t found travel products appealing specifically to them. Millenials desire for more variation, maybe more personal products, and the current products offered are apparently not interesting enough to catch their eye. (Office of International Tourism 2017b).

It’s apparent that there are big differences in the views of overseas travel between the elderly Japanese generation and the millennials. There are some unifying factors between the generations, such as the surprising fact that surprisingly many of them are not travelling abroad for whatever reasons.

### 3.3 Japanese tourists in Finland

Japanese are one of Finland’s main markets when it comes to incoming tourism. In 2017, Japanese were the 8th biggest source market of Finland’s incoming travellers based on overnights (see Table 1). There are a couple of traveller profiles that define the majority of Japanese people travelling to Finland: elderly couples, aurora watchers, and young women. The importance of Japanese women as a valid customer segment has been increasing lately, as they are hyperaware of the latest consumer trends. Visit Finland states that there’s a new group of women from ages 20 to 50, who usually stay in Helsinki for multiple nights without a specific travel plan. (Visit Finland 2018).

Table 1. International overnights in Finland (2017), Visit Finland
Japanese travellers have generally high expectations, as they've travelled a long way from their home country and are therefore expecting to get value for their money. Japanese tourists have specific expectations when it comes to accommodation facilities, such as twin beds and bathtubs. This is especially important for the elder generation, whereas the younger travellers are not as picky. Generally speaking, auroras, hiking, Finnish design, and increasingly Finnish sauna, are some of the core interests that lure Japanese tourists to Finland. (Visit Finland 2018).

As compared to its competitors (mainly Scandinavia), Finland has the advantage of well-established high-seasons both in summer and winter (Visit Finland 2018). However, in 2017, the number of Japanese tourists travelling to Finland for the winter season went down. This is the result of multiple factors, one of them being lack of capacity on flights and accommodation facilities (Noto & Numata 2018). Lapland as a destination keeps attracting more and more travellers, and the competition of securing accommodation in well-developed destinations is becoming increasingly fierce, causing also the rates to increase.

As it is impossible to appeal to every single Japanese tourist travelling to Finland, Visit Finland has put their focus on more specific market segments. Previously mentioned females of ages 20-50 are one of the main focuses of Visit Finland’s market research. In 2014, a study revolving around Japanese ladies of ages 25-45 was conducted. Based on the research, people who have interest to travel to Scandinavia often have a background of high education and high income. Especially single women, or couples without children, saw the Nordic countries as appealing destinations. (Visit Finland 2014).

This core group consists mostly of individual travellers, who have organized the trip themselves. They’re often experienced travellers, who have high expectations of the destination and its services. Those who took part in the research and had said to have visited Scandinavia, also had visited multiple Scandinavian countries. Combining a couple of countries in one trip when visiting Europe is not unusual by any means, considering the distance that Japanese tourists have to cross in order to reach their destination. These travellers connect Northern Europe heavily with auroras, nature and winter. Finland in particular was also (unsurprisingly) associated with Moomins, Christmas and design. (Visit Finland 2014.)

In a more recent study from Visit Finland, the main international source markets were divided into six different customer segments based on their interests in the destination: City Breaker, Nature Explorer, Nature Wonder Hunter, Activity Enthusiast, Authentic Lifestyle Seeker and Comfort Seeker. When considering Finland and its strengths as a travel des-
tination, three of these customer segments were deemed as the most potential customer markets: Nature Wonder Hunters, Nature Explorers and Activity Enthusiasts. The competition between destinations for the other possible customer segments is so vast, and other destinations might have more interesting things to offer, that Finland might have difficulties standing out. (Visit Finland 2017a).

The main source markets were also divided into these segments and studied a bit more in depth. Contradictorily enough, the previously mentioned three most potential travel segments actually are the three smallest segments of Japanese outbound traveller markets as a whole (Visit Finland 2017b). Nevertheless, as the limitations of the destination cannot be ignored, and the possibilities of the destination aren’t necessarily limitless, the Finnish travel companies should probably pay more attention to the smaller segments that would most likely deem Finland a potential travel destination.

When it comes to Japanese Nature Wonder Hunters, Nature Explorers and Activity Enthusiasts, there were quite many unifying factors between the segments. All of the segments mention safety and security as their top priority when choosing a travel destination, followed by world famous buildings and sights, exoticness, and culinary culture and local food. All of the Japanese sub-segments mostly travel with their partners, though Activity Enthusiasts – the youngest of these three segments – also like to travel with their friends. (Visit Finland 2017b).

The majority of the previously mentioned Japanese segments travel in the autumn, often travelling for a week. Nature plays a big part for all the segments, as their interests include experiencing nature parks and forests, experiencing archipelago, berry picking, or experiencing wintertime in the arctic nature. (Visit Finland 2017b).

There are also common media platforms that are preferred within these customer segments: television and YouTube rank at the top when studying the segments’ weekly media usage, and travel information is mostly searched from online travel platforms and travel-related blogs. These segments usually prefer to book their trips themselves, and travel inspiration is often searched from online travel sites. The two older segments, Nature Explorers and Nature Wonder Hunters, also turn to more traditional sources of inspiration in the form of printed magazines. Activity Enthusiasts, a clearly younger segment compared to the other two, prefer online platforms and social media when searching for inspiration. (Visit Finland 2017b).
According to a market report focused on Japanese outbound tourism by Visit Finland, more and more younger and elder Japanese travellers book their flights, accommodation, and activities with smartphones. Also, the importance of different online booking platforms - such as Veltra – has been highlighted in the report. Having destination’s product information available both on- and offline already in Japan is still a valuable asset though. (Noto 2017.)

As the importance of online availability increases within the Japanese traveller markets, social media and websites such as TripAdvisor are becoming some of the main sources for tourism product bookings on a global scale. Travellers often listen to word of mouth, as it’s seen as a reliable review from someone who has already experienced the product. Offline sales in the destination often take place, if the product is for example dependent on the weather conditions. In these cases, local visitor centres, tourist hot spots in general, hotels and hostels, as well as restaurants, could all be efficient distribution channels in the destination. (Fuggle 11 June 2018.)

Putting all these factors together, it’s apparent that the generic image of a Japanese package tour traveller doesn’t necessarily apply anymore. Despite being a rapidly aging nation, the population travelling abroad is becoming more and more comfortable with arranging their trips themselves. Printed media is still highly valued especially amongst the elder travellers, but the elderly are also surprisingly comfortable in navigating on different electronic platforms. Taking these findings into consideration, maybe it’s time to see Japanese travellers more as individuals that are capable of stepping outside of the safety and comfort provided through ready-made package tours.
4 About product development

Product development is the process of noticing an opportunity in the markets, and grasping that opportunity by developing and distributing a product that fulfils the market’s needs and desires. A successful product is something that produces profit to its developers. Successful product development can be measured in multiple different aspects, such as quality (is the product satisfying customer needs), cost (is it profitable to develop), development process (how much time and money went into the process) and the ability of the company to develop new products and learn from the previous processes. (Eppinger & Ulrich 2012, 2-3).

4.1 Characteristics of tourism products

Product development in tourism business is somewhat different from traditional, industrial product development, in which something physical is being produced. Tourism products are often first and foremost services: the customer will be consuming something immaterial that is being produced simultaneously. Service-based products cannot be stored anywhere for future consumption, nor can they be returned in case the customer is dissatisfied. Standardizing an immaterial product is extremely challenging, as its success is so heavily depending on the immediate interaction between the consumer and the supplier. (Boxberg & Komppula 2002, 10-11). Quality control systems for services have been developed, for example the ISO system has internationally acknowledged sets of quality standards for all sorts of business fields (Boxberg & Komppula 2002, 118).

Most of the time, tourism products are experiences: fleeting moments that one will memorize with warmth – if the moment has been pleasant, that is. Experiences are essentially tied to the moment, making them always unique (Boxberg & Komppula 2002, 28). This is also why it might be a challenge to appease an indignant client after an unsatisfactory experience: the customer was expecting to have a perfect moment which they did not receive, on top of which they’ll never get that time back.

When visiting a destination, the tourist’s experience isn’t limited down into one particular product, but they’re experiencing a wide chain of services instead. From restaurants to hotel rooms, airlines to taxis, there are many variables involved in creating the travel experience (World Tourism Organization 2011, 6). If one of these services proves to be dissatisfactory, it might affect the whole experience. From the viewpoint of a tour operator, this is exactly the part where there should be no mistakes made: if a customer has approached a travel agency in hopes of getting a perfectly organized trip through them,
and all of a sudden something goes wrong, in customer's mind, it's essentially the agency's fault.

### 4.2 Steps of product development in the tourism industry

As described previously, tourism products really can’t be approached in the same way as physical products. The majority of the steps of product development process in tourism industry can however also be applied to more industrial product development processes.

The whole process of product development in tourism begins from throughout study of the target market. In order to understand the markets that the product is being developed for, it’s essential to have a fundamental understanding of the trends, characteristics, different segments and their tastes. Studying the markets requires access of all sorts data related to the travel process - such as accommodation statistics and entrances to attractions – and the ability to comprehend said data and link the pieces of information into a comprehensive profile of the market. (World Tourism Organization 2011, 18, 37-38).

After recognising the main characteristics of the markets, it’s essential to know, what kind of a setting for product development does the destination have. The goal is to develop a product that matches the requirements of the market, and understand, what kind of (maybe already existing) supply is attracting demand. Product development process often starts with assessing, what kind of a platform does the destination provide for a new product. Tools such as PEST and SWOT analyses are often used at this stage. (World Tourism Organization 2011, 43).

PEST analysis is used to comprehend the macro-environment of the business by assessing its political, economic, sociocultural and technological factors. SWOT analysis sets an objective for a project, and studies different internal and external factors that might either hinder or contribute to the process of reaching the set objective. Internal factors include strength and weaknesses, whereas opportunities and threats are the external factors. (World Tourism Organization 2011, 68-70).

After recognising the kind of a product that the market needs, it needs to be recognised, in which part of the overall destination should the product be developed in. Depending on the destination, the idea of tourism product development should be sincerely discussed with the relevant stakeholders. Opinions and possible worries all the way from administrative level down to the local residents should be heard. These discussions could
also provide a possibility for cooperation between different stakeholders. (World Tourism Organization 2011, 39-43).

Recognising the major pull factors of the product development areas can help in creating a “hub” destination that would lure in more tourists. Often a hub is born through a unique attraction or feature that’s appealing to visitors – the Pyramids in Egypt are one example. Once there is such a major attraction in a destination, support services are then developed to cater to the needs of the visitors. Often a “flagship” destination like this can also bring more visitors to the surrounding areas. This is where “spoke” destinations come in: they’re destinations often dependant on the tourism volume pouring into the “hub”, and are often clusters of services and attractions, or are known for their tourism trails or events. (World Tourism Organization 2011, 48-56).

An essential step in tourism product development is to collect all of the previously gathered data, recognise the opportunities of the destination and the market, and prepare a development plan for the product. In case the product development is taking place on a larger scale and will have it’s effect on the destination, it’s also essential to have knowledgeable and educated professionals working in the private sector. (World Tourism Organization 2011, 18, 64).

When the product is ready to hit the markets, it needs to be marketed properly. The product should be introduced to the markets so, that it’s desired by the target market, and awakens the interest to make an actual purchase. Marketing in tourism business also relies heavily on word-of-mouth, as consumers share their experiences of a destinations to their friends and family. Satisfied customers often lead to positive word-of-mouth, which in turn might lead to more visitors, and eventually into repeat customers. (World Tourism Organization 2011, 64-65).

Product development is an opportunity for a company to step out of the traditional field of competition through creating new product categories. This could be done by looking at the competitive field differently, creating cooperation between different suppliers (Garcia-Rosell & al. 2010, 9). Thinking outside of the box might provide competitive advantage. Recognising consumers’ needs first and responding to them by creating something that’s still missing from the markets – or recreating something that’s already on the markets, but doesn’t necessarily work as well as desired – might give an upper hand in the competitive tourism field.
4.3 Experience in the core of tourism products

In a so-called handbook for product development in tourism, the importance of creating product value through creating comprehensive experiences that the consumer sees as life-improving events is heavily emphasized. The product – or actually the experience – should never be seen as a finished product, but is constantly being developed and modified according to the customers’ and markets’ needs. A successful product has a story behind it, and it speaks directly to the customers as individuals, and supports the values of the desired market. (Garcia-Rosell & al. 2010, 17-18).

Creating valuable experiences requires recognizing the layers behind a fulfilling experience. In order to transform into an experience, the importance of having a story behind the product cannot be highlighted enough. A good story provides possibly mystical elements and stories of old, and braids them together with factual information. A story is the backbone of the experience, as it explains why some particular actions are taken in a particular location. A story transforms individual actions into a string of meaningful events. (Kylänen & Tarssanen 2009, 13.)

An experience should also feel real in order for the consumer to believe it - even though the product would include completely fictional elements. In the end, the authenticity of the product is truly measured by the person experiencing it. However, the authenticity of the product shouldn’t be driven to the extent that it would somehow be harmful or unethical towards the local communities (Kylänen & Tarssanen 2009, 12-13). An experience should be felt through multiple senses, and it should provide contrast to the daily life. The experience should encourage interaction with the product itself, but also with the other people that are also taking part in the experience. (Kalliomäki 9 December 2011.)

Appealing to the consumer on different levels is essential in the progress of turning a product into an experience. The customer's motivational level needs to be elevated to the point that they're interested in the product. Taking the physical levels of the product into consideration is extremely important, as it refers to the physical surroundings of the experience. In other words, it could be said that the physical levels are reflecting the comfort level of the experience (Kylänen & Tarssanen 2009, 15-16). Bringing intellectual levels into the product provides the customer a possibility to sense the product and to learn from it. What actually makes an experience is the emotional level: evoking emotions in the customer is the key, so that the customer will feel that the experience has been truly meaningful. On top of all this, if the consumer is also stimulated on a spiritual level, the experience could well be a life-changing one. (Kalliomäki 9 December 2011.)
Consumers are more invested in having a say on the types of products they wish to consume. Creating a comprehensive image of a customer requires a wide understanding of them, focusing on the way they live their daily lives and creating segments based on the choices they make every day. Recognising unifying features between individual customers makes it easier to also recognise the needs of those customers, in turn making the product development process that much easier. (Garcia-Rosell & al. 2010, 31, 33.)
5 Research

The following chapter will focus on the research itself, will introduce the methods used, and give a bit of background on why the particular method was chosen, and also how the data was analysed.

In order to gain concrete insight directly “from the field”, a qualitative research was conducted in the form of semi-structured theme interviews. The interviews were conducted either in Finnish or in English, depending on the interviewees preference.

5.1 Research method

A so-called semi-structured interview is a qualitative research method, that rotates around specific themes. The idea behind this type of a research is to initiate and encourage conversation through presenting open questions. Semi-structured interviews do not provide ready-set answers for the interviewee to choose from, and the goal is gain more thorough understanding of the themes under discussion, as the discussion could provide completely new viewpoints that might've not been taken into consideration previously. This research method provides valuable information based on the interviewees experiences. (Evaluation Toolbox.)

As semi-structured interviews are heavily based on the discussion between the interviewee and the one conducting it, a recording of the interview could be obligatory (Evaluation Toolbox). According to proper research ethic, the interviewer should not lead the interviewee to get answers that they personally desire to hear.

This research method was chosen because the author had some prior knowledge of the themes covered in the report. As working for Tumlare Corporation for the past two years has already provided some information to the author, this research approach was picked in order to provide fresh, unbiased points of view through conversational approach with different stakeholders. As the author has already built a decent knowledge base of her own, and also has her own images and thoughts regarding the topics of the research, it was important to gain information and opinions from someone, who could offer a different point of view.

The interviewees chosen represent both Japanese and Finnish background, and as previously mentioned, are stakeholders of Tumlare Corporation. Japanese travellers were not interviewed due to the possible limitations set by the language barrier, as the interviewer
does not speak Japanese, nor could it be guaranteed, that the chosen travellers would have felt comfortable communicating in English.

5.2 Interviews and themes

The interviews were conducted face to face, were recorded with interviewees’ consent, and are presented anonymously in the following report. In case of direct references to particular interviews, from now on the interviewees shall be referred to as Interviewee A, Interviewee B, and Interviewee C.

The interview questions were chosen based on the themes that arise from the theoretical parts of the report. The questions were presented in an open-ended way as much as possible, and occasionally the interviewees’ questions prompted to ask follow-up questions – some of which weren’t necessarily planned in the first place. The lengths of the discussions varied from 35 minutes to 1 hour 18 minutes, usually depending on the amount of engagement and the amount of in-depth explanation from the interviewees side.

The first part of the interview was constructed of questions regarding Japanese travellers in Finland and their characteristics. The interviewees were asked to describe modern-day Japanese travellers, differences and similarities between Japanese travellers from different generations, differences and similarities between group travellers and FIT’s, language skills of Japanese travellers, Japanese FIT’s expectations regarding Finland, and so forth. A full list of questions presented during the interviews can be found under Appendix 1.

The second major theme of the interview was product development, and interviewees were asked to give their thoughts regarding quality control of travel products, current supply of travel products in Southern Finland, how to provide information about travel products to Japanese travellers, important characteristics of travel products, and experiencing the product from a Japanese traveller’s point of view.

The last part of the interview concerned Tumlare Corporation and its position in product development for Japanese FIT-markets.

In the very beginning, the idea was to interview four different Tumlare Corporation’s stakeholders’ representatives from different areas of tourism industry, but after consulting the thesis instructor, the number increased to five. However, unfortunately only three interviews were eventually able to be conducted. The interviews were conducted in late October and early November 2018, which was a difficult time period for some of the
planned interviewees due to a major sports event, Helsinki Grand Prix 2018, being held in Helsinki around the same time (Suomen Taitoluisteluliliitto). The competition brought a surge of Japanese ice skating fans to Finland, which consequently meant busy times for some of the stakeholders that are heavily involved with the Japanese traveller business in Helsinki. Therefore, the following findings provide a relatively narrow insight into the topics that were covered during the discussions.

Even though the interviews and the discussions were covering product development for Japanese FIT-markets as a general topic, an already existing travel product from Tumlare was used as a reference in some points of the discussions. The particular travel product was launched in summer 2017, it had its second operational season in summer 2018. The product is also known as Midnight Nuksio Hiking tour: a tour that includes private transportation to and from Helsinki city centre, an evening hiking tour in Nuksio national park accompanied by both a hiking guide and a Japanese speaking guide, and late evening snacks by open fire. This product was used as an example in some of the questions, or to open the question a bit better for the interviewees.

5.3 Research analysis

Despite the scarce number of conducted interviews, the amount of data received was still enough to draw some conclusions based on the statements from the interviewees.

The interview recordings were first all transcribed as separate, individual entities, after which they were studied together one question at a time. The main points of each answer were then collected under each corresponding interview question, and during this process most of the unnecessary data was filtered out.

After collecting the key points, the answers were reviewed, and recurring themes were identified. In a way, the analysis method was close to the constant comparison method, which heavily lies on the patterns and repetitive themes that arise from the data gathered (Devault 7 May 2018). These rising themes and topics were then reflected to the theoretical findings made earlier in the report.
6 Research findings

As seen in the earlier chapters of the report, there is already an impressive amount of data regarding Japanese travellers, and many of the following findings back up the statements made earlier in the theoretical part of the report. However, there were a lot of interesting points being made during the interviews, some of which hadn’t been addressed in the theoretical part of the study.

When describing a modern day Japanese traveller, two out of three interviewees brought up younger couples as a customer segment, that’s nowadays visible in Helsinki. Interviewee B highlighted specifically younger women, who travel either with their friends or their mothers – or occasionally, there might be Japanese families with their children. Curiously enough, when they were asked if they’ve noticed changes in the Japanese travellers in Finland, all the interviewees mentioned that they haven’t actually noticed any significant changes in the demographics during their time in the industry. It will be interesting to see, whether the demographics will go through major changes in the upcoming years, as the Japanese population is growing older.

A theme that kept popping up during all of the interviews was the amount of knowledge that some of the Japanese travellers – especially FIT’s - nowadays have regarding their destination. According to the interviewees, modern Japanese travellers, especially those from a younger generation, are more and more willing to search for information about the destination – and sometimes this information could well be something that even the locals might not have.

This statement is backed up by the comments of the interviewees, when they were asked, if there had been changes amongst the Japanese travellers coming to Finland compared to the time when the interviewees started working in the industry. The answers indicated, that the travellers really do more research before departing to a foreign country, and that nowadays more people feel that they are capable of travelling themselves. Interviewee B speculated, that the source behind the increased courage of Japanese travellers probably is that group of Japanese travellers, who have previously visited Finland and have provided a sufficient amount of information of the visited country to their fellow Japanese. Interviewee C brought up, that nowadays the purpose behind the trip could be more specifically narrowed down to a specific topic or point of interest, such as Moomins or hiking. Logically thinking, having interest towards a specific theme also means, that there is some background research to be made in order to gain knowledge of the said topic. This also applies to special interest tours: a person interested in Moomins will probably look up for
example Moomin Museum in Tampere, which could prompt to further search about the city of Tampere, and how to reach it. According to the answers from the interviewees, these sorts of special interests are visible especially amongst the Japanese FIT’s.

When asking about the differences between traditional group or package tour travellers and individual travellers, one of the key points (that was frequently brought up also later in the discussions) was the importance of experiencing true local culture when travelling. Right from the get-go, Interviewee A mentioned that those who travel independently have a reason behind it, and that is to experience the destination without being constantly surrounded by their fellow countrymen. Interviewee B also mentioned, that Japanese FIT’s are more likely willing to spend a bit more money: people travelling independently can do things that they truly want to do, and in order to get their expectations fulfilled, they are willing to pay. Individual travellers are in charge of controlling their own travel experience, whereas for group travellers, it’s mostly under the control of a travel agency. It was also pointed out, that package tours are pretty expensive as they are already, so spending money on additional services is less likely, as the package tourist is probably travelling with a lighter wallet.

When narrowing down the demographics of Japanese travellers, it became apparent that most of the interviewees find that younger Japanese generations are more daring to travel independently, whereas the elderly generation sticks mostly to the package tours and to the safety provided by the tour leader. This also leads to the point made by Interviewee B, that their expectations are basically those points, that have been pre-set by the travel agency (seeing certain major sights and eating a specific dish that represents the local cuisine), but there isn’t necessarily any actual desire to witness the authentic local culture in the destination.

This differs from the younger Japanese travellers, as Interviewee B pointed out, that the younger generations are most likely looking for a more comprehensive lifestyle-experience when travelling, which could be due to their restricted holidays. Interviewee C pointed out that the younger travellers might even have some local connections, who are able to provide them unique information of the destination, and what it has to offer. Interviewee A mentioned, that younger Japanese travellers are keener to use their smartphones and other devices in order to search for information regarding the destination, than the elderly. This could well be one of the key factors, why the younger generations feel more confident with the thought of travelling abroad independently.
One interesting point that was brought up in the discussions was, that even though Japa-
nese are more encouraged to travel independently, it doesn’t mean that there are no trav-
el agencies involved. The general feeling from the interviews was, that even though travel-
ing independently is not as scary of a thought as before, it could well be a travel agency 
that’s arranging the flights and accommodation (which is still a traditional hotel for the ma-
majority), not the traveller. So, in a sense, the Japanese are still more or less somewhat rely-
ing on the travel agencies, FIT or not, but the services they’re requesting have been nar-
rowed down to the mere basic necessities. The tour is then customized by the travellers 
according to their own personal interests.

When discussing about the reasons behind why Japanese FIT’s choose to travel to Fin-
land and what their expectations are, the very first thing that all of the interviewees men-
tioned were the direct flights from Japan. The interviewees mentioned that Finland and 
Helsinki are seen as safe destinations, but also there is a mystical aura surrounding Fin-
land due to the sheer amount of nature and forests – and it’s not that the Japanese need 
to actually visit the forests, but just knowing that it is everywhere is enough to make the 
traveller’s imagination run wild. Interviewee B also brought up the segment of younger 
Japanese women, who are big consumers of the kind of culture that for example 
Marimekko represents. It was stated that it’s not only the image of Finland that attracts, 
but it’s also combined with the material side of consumption as well.

When talking about the expectations that Japanese FIT-travellers have towards Finland, 
Interviewee C brought up multiple times, that the Finns are actually much friendlier than 
they give themselves credit for, and the kindness is also something that the Japanese are 
looking forward to. They also brought up the image of Finnish daily life that is seen as a 
kind of an ideal in Japan: taking it easy and enjoying life. According to Interviewee C, this 
is something that the Japanese wish to experience, which is why they also aim to do 
some of the same, mundane things, that the locals do, such as visiting local restaurants 
and cafes or going to festivals.

Local restaurants also happen to be one of the most frequently asked questions that the 
interviewees hear from Japanese travellers. Interviewee B pointed out, that food plays a 
huge part in Japanese culture, thus good food is also in a massive role when it comes to 
travelling. There certainly is information about restaurants in Helsinki on different guide-
books, but the travellers might prefer places that the locals frequent themselves, not nec-
essarily what the guidebook recommends.
Interviewee C mentioned, that one of the relatively frequently asked questions might be as simple as how to go somewhere in Helsinki. When thought from a Finnish point of view, the answer to the question is usually pretty simple, but Japanese travellers need to be given a thorough explanation of how to purchase a train ticket, where it’s bought from, how to use it, why are some things different from Japan, and so on. Interviewee B brought this matter up when discussing about the possible language barrier that the Japanese might face here: it’s not necessarily the foreign language that’s causing confusion and misunderstandings amongst the Japanese travellers, but it’s more about the way that the questions are answered. Interviewee B stated, that the Finns should understand, that just because the locals speak English well, it doesn’t automatically mean that everyone will truly understand them. When translating things from one language to other, things often get lost in translation. Japanese probably understand English, or know certain phrases, but following Finnish set of logic when explaining things to a person from a foreign culture probably doesn’t give the best possible outcome. Nevertheless, Japanese travellers probably do get by with English, but it was pointed out that when facing a question in the destination, having services in Japanese is probably something that would lower the stress levels of a Japanese traveller significantly.

When discussing about the sources of information that the Japanese FIT’s use in order to search for data of the destination or individual travel products, unsurprisingly all of the interviewees mentioned that guidebooks hold an important role. Interviewee A stated, that the guidebooks are often the starting point when searching for information, and that it’s the guidebook that makes a destination or a product initially well known. All interviews concluded, that the first step towards a trip abroad is most likely made based on the information provided by the guidebook, but further, in-depth research is most likely done online.

Based on the comments made by Interviewees B and C at other points of the interviews, Japanese are very visual when it comes to marketing and consumption, so therefore images, along with a certain easiness of gaining a lot of information from compactly constructed sources, are highly valued aspects for the Japanese. This is definitely something that the travel marketers and suppliers should also take into consideration when trying to reach Japanese consumers. However, Interviewee C pointed out that in Tumlare Corporation’s case, forwarding information about travel products for Japanese consumers is a challenge, as it’s a B2B-company. Therefore, the information from the DMC will travel through multiple filters before it even reaches the end customer, and in the end could be presented in a way that was not intended.
It was also mentioned, that travel blogs and other travellers’ reviews are highly valued sources of information for Japanese travellers. Social media platforms such as Instagram and YouTube are also frequented, which further backs up the claim of the importance of visual aspects for Japanese, and also additionally highlights the value of word of mouth. Both Interviewees B and C also mentioned different Japanese travel programmes as an important source of information, though in these cases the information is not necessarily actively searched at all, but is actually gathered passively. These comments are supporting the recent visitor segment studies made by Visit Finland, that also covered media behaviour.

When it comes to travel products themselves, based on the interviews it can be stated, that the actual experience itself is at the forefront for the Japanese, not any physical aspect that they might gain by purchasing the product. Interviewee B mentioned a shopping tour as an example, and that some clients might not even purchase anything during a tour – because for the traveller, the key point was to experience the journey, despite the purpose of the tour being shopping.

When talking about individual characteristics of a product, based on the interviews, it seems that the price is not the biggest factor behind the decision. Naturally the product can’t be too expensive, but a Japanese consumer is not necessarily as price conscious as a consumer from some other culture. Interviewee B mentioned that it probably also depends on the party that’s selling the product: whether it’s a high-end travel agency, or a slightly shabbier business. However, the importance of a story behind a product was seen as an absolutely crucial factor for a Japanese traveller.

The interview themes also included questions about experiencing a product, and the interviewees gave quite unanimous answers: Japanese travellers would probably want to try and experience things themselves, but only if they know about it in advance, it’s not too challenging of an action, and doesn’t demand a lot of explaining from the supplier. The interviewees felt, that the Japanese are a bit shy, and might feel uncomfortable if they’re put in a situation that they don’t understand. However, it was stated that if participating in an action is included in the product in the right way, it could be one of the highlights for the Japanese traveller.

The interviewees were asked, if they found the supply of travel products in Southern Finland and Helsinki area for the Japanese sufficient, and the replies were a bit mixed. Some thought, that the current supply is alright, and that it’s not up to the local travel professionals, which destination or attraction will gain the attention of the Japanese traveller markets
– it’s up to the travellers mostly. Interviewee A did point out, that there could be room for smaller scale products, that could be as simple as a transfer package to places in the metropolitan area, that might be otherwise difficult to reach as a tourist.

One of the themes covered in the interviews was quality control for travel products. Interviewee A used earlier mentioned Midnight Nuksio bus as an example, and felt that the amount of people signing up for the bus tour could be reflected in the quality of the product. This year, at best there were over thirty people signed up for the tour, which inevitably also meant, that there were more people with basic human needs – such as stopping for toilet. This meant, that the time reserved for the Midnight Nuksio experience itself had to be cut down, so that everyone can use the toilet if needed. With a smaller group, things like these are more likely easier to control.

Interviewee B said, that for package tours, the responsibility of quality control lies heavily on the travel agency, whereas for FIT’s, the responsibility lies more on the traveller’s shoulders. The importance of fulfilling the travellers’ expectations arose as an important theme during this question, and it was pointed out by the interviewee, that it’s important to also create expectations that match the reality, and to explain the reasons behind local behaviour – why things are done in a certain way.

At the end of the interview, the interviewees were asked, how they felt about the input of Tumlare Corporation when it comes to product development. The interviewees mentioned the connections that Tumlare has with the local suppliers. Interviewee B felt, that Tumlare has a big part to play when it comes to destination knowledge, and also that the company should be selling these ideas also to the suppliers, so that inbound tourism is seen as a positive thing within the local community. Interviewee C also felt that as a DMC, Tumlare has a good understanding of the different stakeholders involved in the creation of a travel product and also has the possibility to create sustainable economic cycles with the local suppliers.
7 Conclusions and afterthoughts

First and foremost, it needs to be acknowledged, that there is no straightforward answer to how to make a successful travel product. Despite the fact that for this research, the target market has been limited to a specific nationality, it needs to be understood that all of the customers are their own individuals, and every trip is unique. However, even though the amount of data gathered for this particular research was small, some valuable points can be pointed out from the findings.

7.1 Research conclusions

Based on the data gathered, Japanese FIT’s have a strong desire to experience local culture amongst the locals, but still have a sense of comfort via thorough explanation of the product and its different elements. Services provided in Japanese are not obligatory as long as it’s understood by the locals, that explaining things in English with a Finnish logic might not be totally comprehended by the Japanese. The local suppliers and travel professionals need to adjust their way of thinking to match their potential customers’ mentalities.

The travel product could – and should – encourage the Japanese to complete different actions during the experience in order to enhance it and to make it memorable, but it should be informed well in advance, that customer participation is included in the product. The action shouldn’t be too difficult, and if it requires excessive explanation in a foreign language, the customer might not feel comfortable. Incorporating a story into the product is crucially important in order to appeal to the Japanese travellers.

When it comes to marketing, visual aspects play a massive part. In the first stage, information should be presented in an easy, comprehensive package, that doesn’t include too much details. Later on in the purchasing stage, these details are however needed, and it’s necessary to explain as much things as in depth as possible. Mass media, easy consumption and word of mouth play key parts when it comes to reaching the Japanese FIT.

It was mentioned in one of the interviews, that smaller scale products might sell amongst the Japanese FIT’s. This point, combined with the most frequently asked question “Where should I eat?” could work as a source of inspiration for new travel products. Maybe a Helsinki restaurant pass could work with this particular market – who knows.
All in all, many of the findings do resonate with the already existing information presented earlier in the report, especially the points that were made regarding Japanese travellers: specifically, many points from Visit Finland’s recent customer segment studies ring true. The theories of product development were also touched on, especially when there were points being made regarding the connections and involvement of local suppliers, and the levels behind a truly comprehensive experience.

In the end, it could be claimed that the most valuable findings were in fact those regarding the difference of mentalities between Japanese and Finnish people. Many Finnish travel professionals know the Japanese travel markets well, and are aware of their quirks, but maybe the process of adapting according to those peculiarities should be taken even further. Truly understanding the mindset of a Japanese traveller requires changing one’s own mindset.

### 7.2 Afterthoughts

As has been mentioned, this research was conducted on a scarce amount of data, so the results should be taken with a grain of salt. This report merely scratched the surface of the topic of product development for Japanese FIT’s, and further research is absolutely encouraged – and also needed, as the markets are changing constantly.

It also needs to be noted, that this topic was approached from the viewpoint of a DMC, not for example from a Japanese consumer point of a view. A corresponding research from a different point of view could well offer some interesting arguments and different insights. Had the author and the interviewees been complete outsiders of Tumlare Corporation, the approach would have probably been completely different.

Perhaps the biggest challenge of this particular research was narrowing down the themes that should be covered. The base of the theoretical part – Japanese travellers and product development – are both extremely intriguing topics, and when studying these areas, new interesting subjects kept coming up. Hadn’t it been for the limited timeframe, the background research for these two themes would have spread on a much larger scale.

Narrowing down the main objective behind the research proved to be an unexpected struggle as well. It might be, that the difficulty of narrowing down the covered topics was in a way transferred to the recognising the true objective behind the study.
Having an already set base of knowledge and thoughts regarding the topics covered was both a blessing and a curse. Naturally, having some kind of an understanding of the themes helped to comprehend the theories and research findings, but that prior knowledge also meant, that there were already some thoughts established by the author. Trying to approach the subjects from an unbiased point of view was challenging at times. Also, finding a balance between own prior knowledge and someone else’s theories was challenging at times.

Nevertheless, conducting this research was educational and eye-opening, and the process provided more in-depth knowledge of the business, Japanese travellers, and product development in tourism industry.
References


Appendices

Appendix 1. Semi-structured interview themes and questions

Japanese travellers – demographic differences, groups and FiTs, Japanese in Finland

For a long time, Japanese have travelled to Finland in groups. However, recently the rise of individual Japanese travellers who organize their trips themselves has been on the rise.

- How would you describe a modern Japanese traveller?

- What are the major differences between Japanese groups and individual travellers? What about similarities?
  o (What do you think of the stigma of a package tourist that Japanese tourists might have?)

- How have the Japanese tourists travelling to Finland changed during your time in the industry?
  o How have the demographics changed?
    ▪ What is a generic Japanese elderly traveller like?
    ▪ How about a traveller from a younger generation?
  o How are the younger Japanese travellers compared to the elderly?

- What do you think about the language skills of Japanese travellers?
  o Services offered in native language is a must-have?

- What kind of questions do Japanese travellers ask you?
  o What kind of things do they want to experience?

- Why do you think the FIT’s choose to come to Finland?
  o What are they expecting from their trip?
  o How do you think they searched for information about Finland?

- What are FIT’s looking for in a travel product?
  o How do they come across the product?
  o How to keep them coming back?

Product development – quality, processes, producing complete experiences

You have been working with Japanese travellers for some time and have been observing Japanese tours / working with them. From your point of view:

- How to control the quality of a travel product?
  o Who is responsible for controlling it?

- How is the supply of travel products in Finland (specifically southern Finland and Helsinki area)?
  o Do you think it meets the demand of Japanese travellers?
    ▪ Taking the current amount of traveller data into consideration, do you think there’s something missing from the supply?
Generally speaking, printed information of travel products has been very important for Japanese travellers. Nowadays, different online platforms and buying travel products on the spot have become increasingly important.

- How do you think Japanese tourists find and purchase travel products?
  - What should Finnish suppliers do to reach them better?

- What characteristics of a product are Japanese FIT / group travellers mainly looking at when choosing travel products? (E.g. Price, brand, location)
  - What do you think, do Japanese travellers consider stories behind experiences important?
  - How do you think Japanese travellers want to experience the product? (Observing, participating?)

**Tumlare Corporation – connections to Japan and position as a DMC**

Tumlare has been working closely with Japanese travellers for a long time and has a lot of knowledge of the Japanese traveller markets, as well as a wide network of suppliers. From the aspect of product development:

- Could there be something more that Tumlare could do considering the connections, possibilities, and limitations as a destination management company?
- What could Tumlare do better?