

# Characteristics of foreign visitors in Kaga City after the extension of Hokuriku Shinkansen to Kanazawa City

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## Abstract

*There are many visitors in the Hokuriku District since the Hokuriku Shinkansen started operation to Kanazawa (terminal station). The number of passengers to the station has tripled compared with before the operation started. It is difficult to book main hotels in Kanazawa City (Ishikawa Prefecture) because the occupancy rate for the hotels is over 85 percent. However, the rate of visitors to the south area of Ishikawa Prefecture (Minami-Kaga) only increased by 15 %. In this study, the number of lodgers was analyzed with the aim of maintaining or increasing the rate. It is necessary to make a new policy (measure) to increase the number of visitors in the area. The object area is Kaga City. There are various tourism resources in the city, namely hot springs, Yamanaka lacquer ware and other traditional crafts. There are three main hot spring areas in the city. The area names are Yamashiro, Yamanaka and Katayamazu, which are called "San Onsen Kyo" when referring to them collectively. A measure for inbounds is absolutely necessary to revitalize the area furthermore following the Shinkansen operation. As a result, the number of lodgers from Taiwan became 67 % in the spa areas, and visitors from Korea, Hong Kong and China are also increasing. The total from the four countries became 86.5 %. The rate is different from the data of foreign visitors in Ishikawa Pref., namely the number of visitors from Europe and America is small. The data is also different from the tendency of foreign visitors in Japan. The higher ranking countries for the number of viewers of the city home page are Taiwan, Hong Kong and USA in descending order. Correct promotion-activities are effective in those countries, especially Hong Kong and USA. It is necessary to make a better balance of the departure countries.*

## Keywords

*inbound, Kaga City, shinkansen, hot spring, regional development*

## 1. Introduction

There are many tourism resources, including traditional crafts, beautiful views and an attractive history in Kaga City. Also, there are many lodgers from the Kansai (Osaka) and Chukyo (Nagoya) areas in Kaga-Onsenkyo (San Onsen Kyo) which is located in the city. Three spa areas are included in Kaga-Onsenkyo, namely Yamashiro, Yamanaka and Katayamazu. The lodgers (hotel guests) produce a large economic effect, so the spa resource is important in the area. The newest section (from Nagano to Kanazawa) of the Hokuriku Shinkansen Line opened on Mar. 14, 2015. The line starts from Tokyo which is included in the Kanto area. So, there are many visitors from the Kanto area in the spa area, however, the number is still less than the number from Kansai. The transportation infrastructure is effective. The number of inbound tourists has been increasing as well as Japanese visitors. The trend of the visitors varied greatly compared with the one before the start of the operation. The total population of Japan had the peak value of 128.1 million in 2008 and it has been decreasing. It will become less than 100 million by 2050. So, it is difficult to increase greatly the number of domestic tourists. Of course, it could be expected to increase the number by holding some attractive events and developing new sightseeing resources. It is advisable to look for a gradual increase while maintain-

ing the Shinkansen effect. Hereby, it is possible to make the preparation to receive guests, that is, manpower training and maintenance of various kinds of infrastructures in the area for matching the increase of visitors.

It is difficult for inbounds to retrieve information on the provinces in Japan, so it is important to develop an information infrastructure and offer necessary information for inbounds. It is necessary to develop Wi-Fi devices and construct easily searchable web pages while investigating the trend of consumers [Japan Travel Bureau, 2016]. On the other hand, inbounds have a trend to visit a town which it is livable and also easy to visit. It is recommended to form a town in which the residents have a high awareness for regional growth [Atkinson, 2015]. Tourists could visit a town in which the residents can live securely. Therefore, it is necessary to organize DMO in Kaga City and combine the residents and workers in the area [Sato, 2016]. DMO means Destination Management / Marketing Organization.

In this study, the trend of inbound visitors is also examined in Kaga City, in which the inbound visitor is a target after the start of the Hokuriku Shinkansen Line. The adopted data is mainly published by Kaga City. As a result, the inbound visitors from Taiwan are 67 % and visitors from other Asian countries (including regions) occupy 87 %, namely the deviation of departure regions is large [Kaga City, 2016]. On the other hand, the countries and regions of viewers of web pages for the tourism in Kaga City were examined. The top three country and regions were Taiwan, Hong Kong and USA. Namely visi-

tors from Hong Kong and USA can be expected. The data used in this study were provided by JNTO (Japan National Tourist Organization) and Kaga City. Taiwan and Hong Kong belong to China.

## 2. Characteristics of tourism in Japan and Kaga City

### 2.1 Trend of Chinese visitors

The population of Japan has been declining in recent years. It reached a peak in 2008. Generally, there is a strong correlation between GDP (Gross Domestic Product) and population. So, it is difficult to expect a large economic effect using usual measures so far. It is necessary to make an innovation to increase GDP. It could be expected an economic effect and its improvement by the innovation, even if the population is declining [Yoshikawa, 2016]. It is strongly required for innovation that creates new goods and services. It is essential to use ICT (Information and Communication Technology) which is one of Japanese advantages at this moment [Ministry of International Affairs and Communications, 2016; Society for Tourism Informatics, 2015].

The monthly number of the hotel guests including foreign people in Japan is shown in Figure 1 [Japan Tourism Agency, 2016]. Inbound visitors with lodging have a high economic effect. The characteristic exceeds 56 million in August and about 42 million in July and October. The monthly average is 42 million. It is necessary to increase the guests in winter to reduce the

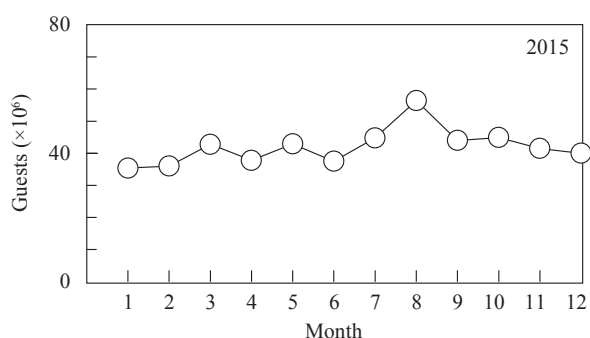


Figure 1: The number of the hotel guests including foreign people in Japan

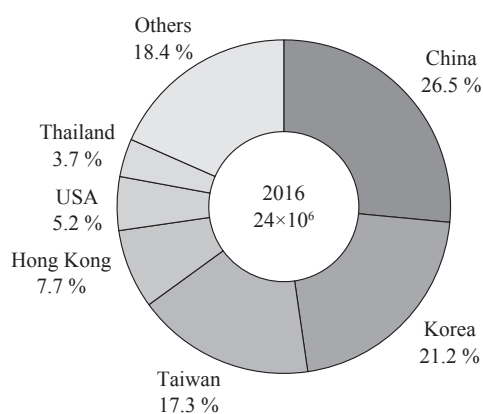


Figure 2: Departure-place of foreign visitor in 2016

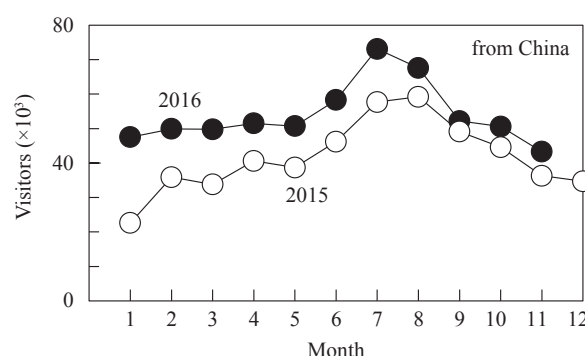


Figure 3: Monthly transition of Chinese visitors to Japan in 2015 and 2016

variation. The coefficient of variation (*cv*: standard deviation/average) is 0.037 which is small, but the leveling of the characteristic is further necessary. New measures are required to level the monthly guest-number and it is also necessary to examine the departure countries of inbounds. Departure places (countries and regions) of inbounds in 2016 were published by JNTO. The proportion is indicated in Figure 2. The number from the Chinese mainland (6.37 million) is biggest, second is Korean (5.09) and third is Taiwanese (4.17). The rate of USA (1.24) is relatively high. The monthly characteristics for Chinese visitors in 2015 and 2016 are indicated in Figure 3. Those characteristics have a peak in July or August and resemble each other. Chinese visitors from the mainland have a similar tendency every year and the tendency somewhat complements the Japanese lodger characteristic in July as indicated in Figure 1. Chinese visitors purchased many expensive goods for their families and friends as souvenirs until 2014. Recently, there is a tendency that they purchase some goods for themselves. The survey result (Oct. to Dec. 2015) on desired souvenirs for them by JTB Tourism Research and Consulting Co. summarized as follows (desired order).

1. Cosmetics
2. Sweets
3. Clothes, bag, watch,
4. Household electrical appliance
5. Sake (Rice wine),
6. Crafted products
7. Miscellaneous goods and pharmaceutical products.

The rate of tax exemption-form for which Chinese visitors applied was 78 % in 2016 and it was biggest. There is a trend that tourists who apply for the form purchase expensive products. Visitors from Hong Kong were 65 %, Taiwanese were 64 % and Thai were 47 %. The average was 47.7 %. By the way, Japanese outbounds were 1.75 million in 2016. So, the number of inbounds (2.4 million) exceed outbounds.

### 2.2 Situation of visitors in Kaga City

There were about 4 million lodgers and day trippers in Kaga City around 1991. The number of day trippers is below 10 % of

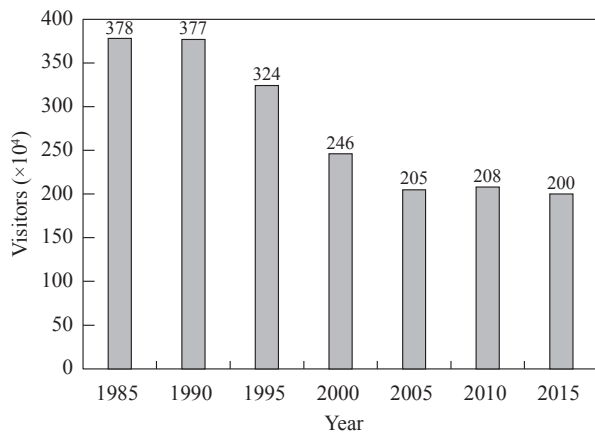


Figure 4: Number of visitors in Kaga City

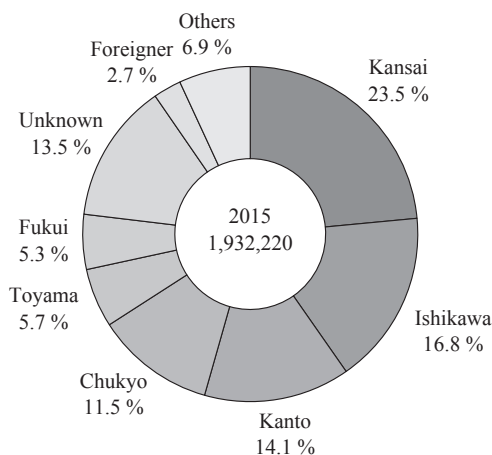


Figure 5: Departure place of hotel guests in the three hot spring areas

the whole. The value has been decreasing and it was 1.8 million in 2014, which was less than 50 % of the number in 1991. It increased to about 200 million in 2015 due to Hokuriku Shinkansen opening of business. The increasing rate is 11 %. Several inns went bankrupt before the opening of business in the city as one of the factors. The change of visitors is shown in Figure 4. The value includes lodgers and day trippers and it is the total of three spa areas (Yamanaka, Yamashiro and Katayamazuru) and other areas (the rate is a few). The rate of departure places in 2015 is expressed in Figure 5. The ratio from Kansai is 23.5 % and the one from Ishikawa prefecture is 16.8 %. Most of the visitors are the lodgers in the three spa areas as follows.

- Yamashiro 40.1 %
- Yamanaka 25.3 %,
- Katayamazuru 31.4 %
- Others 3.2 %
- Hotel guests (lodgers) 92.6 %
- Day trippers 7.4 %

Kaga three spa areas have been thronged with visitors from

Kansai (Osaka area) and Chukyo (Nagoya area) from long ago, because the area was geographically close to those districts and there were many JR limited express trains. Many guests visited the city to attend their company recreation trips in the bubble economy period. At that time, there were three Kanko Kyokais (tourist offices), namely Yamashiro, Yamanaka and Katayamazuru Kanko Kyokais. Each office carried out their own measures for increasing guests. It has decreased to half of the peak in the present. Kaga Tourism Promoting Organization was established as a unified organization a few years ago but three former offices have been active respectively. The ratio of visitors from Kanto (Tokyo area) increased to 14 % from 7 % due to the activities of the new tourism organization and Shin-kansen opening of business. An increasing sign of economic effect appeared in 2015. It is required to maintain this increasing tendency at least. The rate of foreign visitors is few (2.7 %) and it is necessary to increase the rate to around 10 % without deviation (from Taiwan). The risks of political and economic factors become higher when foreign visitors are limited to one departure place.

Monthly lodger characteristics of the three spa areas in 2015 are indicated in Figure 6. They closely resemble each other and there are relatively many visitors in October to December. It is thought that there are many visitors to watch the leaves change colors and join the year-end party. The characteristic represents the feature for tourism resources in Kaga City, namely measures in the three areas have a competitive relation-

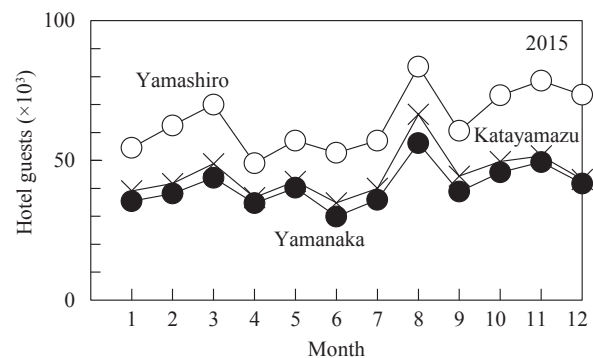


Figure 6: Transition of hotel guests in three spa areas in 2015

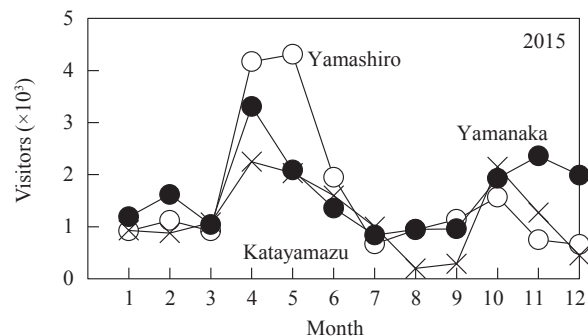


Figure 7: Transition of foreign visitors in the three spa areas in 2015

ship. The characteristic for inbounds is shown in Figure 7. The rate of Yamashiro is higher in April and May but the one for Yamanaka is higher in other months. It is thought Yamanaka is attractive to foreign visitors. Annual total numbers of foreign visitors in each area are as follows.

- Yamashiro  $19.11 \times 103$
- Yamanaka  $19.62 \times 103$ ,
- Katayamazu  $14.13 \times 103$
- Total  $52.86 \times 103$

The departure countries and regions for foreign visitors are indicated in Figure 8. The rate of Taiwanese is highest and occupies 67.2 %. There is a strong deviation. There is a direct flight everyday between Komatsu and Taipei. A direct flight is an important factor for increasing foreign visitors even if there could be a disaster or economic crisis. It is important to arrange some direct flights from Korea, China and Hong Kong. The rate of Europe and USA is small (only 6 %). A measure is necessary for foreign visitors to move to Kaga from Kanazawa.

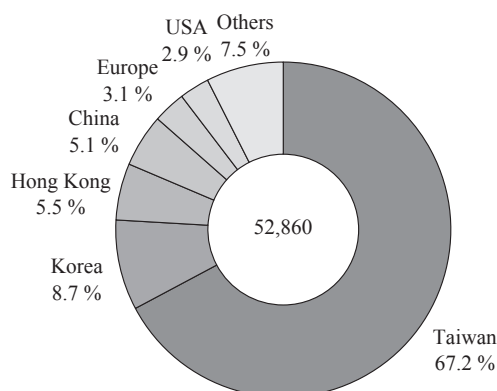


Figure 8: Departure-place of foreign visitors in 2015

### 2.3 Feature of inbounds in Kaga City

It is important to derive the features of inbound visitors to Kaga City and take some measures. The scatter diagram drawn from Figure 2 and 8 is shown in Figure 9. The first departure place and the second place of the foreigner who visited Japan are China and Korea. In the figure, Chinese and Korean are extremely few in comparison to Taiwanese, namely the rate of Taiwanese is very high and there is a biased distribution. A promotion to increase the percentage of Chinese and Korean visitors is necessary. It does not mean to suppress the increase of Taiwanese. It is important to increase the visitors from neighboring countries and suppress the deviation. Especially the measure for Chinese and Korean visitors, which are on the upper left in the figure, is the urgent need.

The departure countries and regions of inbound visitors to Ishikawa prefecture in 2015 are as follows.

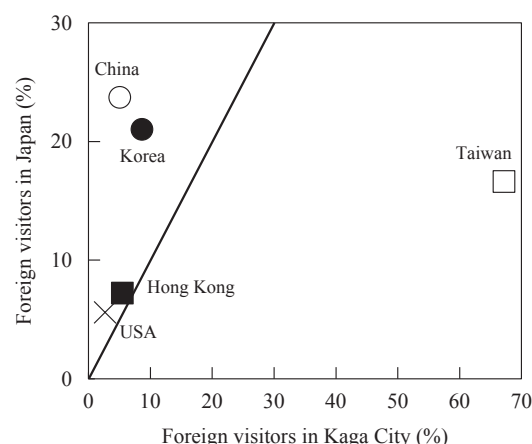


Figure 9: Scatter diagram of foreign visitors to Kaga City and Japan

- Taiwan (30.0 %)
- USA (8.8 %)
- China (8.3 %),
- Hong Kong (7.7 %)
- Korea (3.6 %)
- Europe (15.6 %),
- Others (26.0 %)

The scatter diagram derived from the above mentioned percentages and Figure 8 is indicated in Figure 10. The feature of inbound in Kaga City is different from the one in Ishikawa prefecture, that is, the feature of inbound visitors to Ishikawa does not spread to Kaga. Taiwanese visiting Kaga mostly travel in parties and use a chartered bus from the railway station (Kanazawa or Komatsu). Most parties arrive at Komatsu airport. On the other hand, the visitors from Europe and USA are mainly independent travelers and use public bus (including hotel bus) or taxi from the railway station or the airport.

There is a bus line to Kaga City from the main sightseeing facilities in Kanazawa City (Kanazawa station, Kenrokuen Gar-

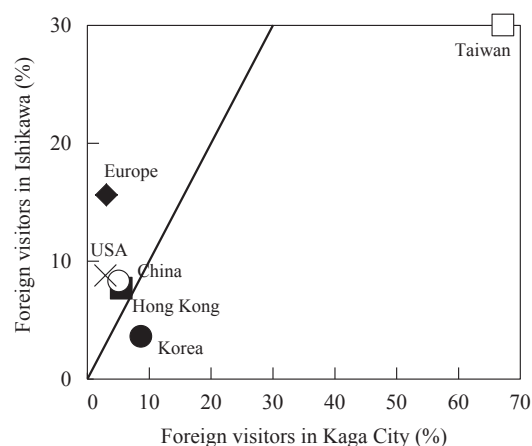


Figure 10. Scatter diagram of foreign visitors to Kaga city and Ishikawa Pref.

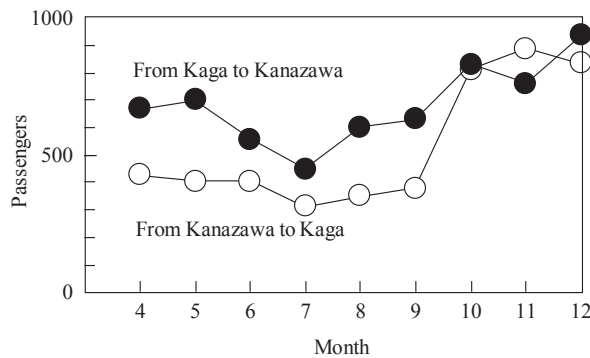


Figure 11: Number of bus users between Kanazawa and Kaga City

den and The 21st Century Museum of Contemporary Art). The line name is “Kaga Yunosato Tokkyu” and links to the three spa areas and Kaga Onsen station (main station of Kaga City). There are two bus services a day and it takes 45 minutes from Kanazawa to Katayamaz. The fee is 1,140 to 1,350 yen depending on the point of getting off the bus. It takes 70 minutes to Yamanaka Spa area. The number of bus users for April to December in 2015 is represented in Figure 11. Many people used the bus line in October to December. The number of passengers departing from Kaga (6,141) is 30 % larger than that of departing from Kanazawa (4,811). The visitors to Kaga use other transport in outward way and use the Kaga Yunosato Tokkyu in the return path. Most of visitors understand in the area that there is the bus line to Kanazawa. It is difficult for foreign visitors to know about the bus service, so it is necessary to transmit information on traffic access and the fee to inbound visitors [Oyabu et al., 2015]. A cut-rate fee for inbounds should be considered and an environment which is easy to visit should be created.

#### 2.4 Web page viewers

There is a tourist center (in Kaga Onsen station) and also a web site (called “KAGA Tabi•Machi Net”) in Kaga City. Tabi means sightseeing and Machi means a kind of community. To increase the visitors to the center means there are many matters they want to know, that is, it means there are many interesting matters and a lack of information. It is necessary to understand the object of their visit and review the web contents constantly. The center and web are a customer contact point and should be enriched [Oyabu, 2015]. It is also necessary to pay close attention to the trends of center users and web page viewers. The transition of foreign visitors to the center is indicated in Figure 12. The total number of visitors (3,256 persons) in 2015 increased sharply compared with a year earlier. Shinkansen started the business and foreign visitors had interest in the tourism resources in the neighboring city of Kanazawa. The number of Japanese visitors in the same year was 39,181 persons. The one for 2014 was 34,416 and it could not recognize the sudden increase. The rate of foreign visitors is nearly 8 % of Japanese visitors. The characteristic of monthly foreign visitors in 2015 is shown in Figure 13. It is the characteristic after April

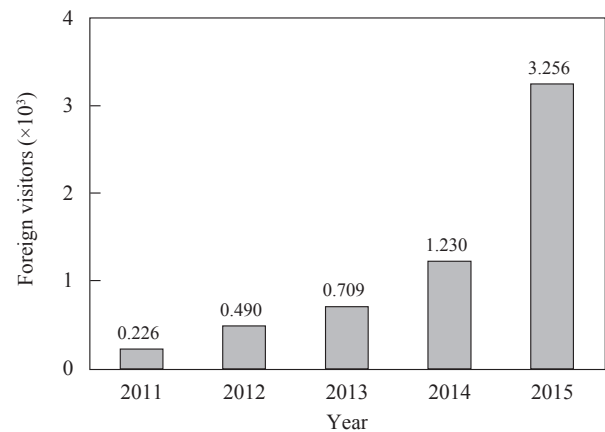


Figure 12: Number of foreign visitors to tourist information center in Kaga City

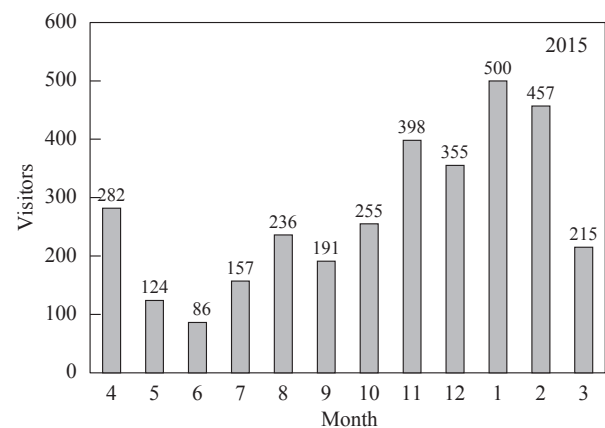


Figure 13: Number of foreign visitors to tourist information center in Kaga City in 2015

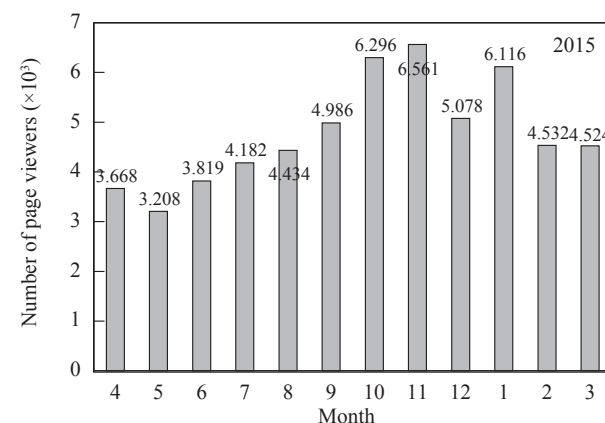


Figure 14: Number of viewers of the website of Kaga City

2015 (Hokuriku Shinkansen started the business on March 14, 2015). There are many foreign visitors in the winter. The characteristic of foreign web-page viewers is indicated in Figure 14. It stands for a similar feature with Figure 13 and there are many foreign viewers in the winter. The number of foreign viewers by country or region for April 2015 to March 2016 (in



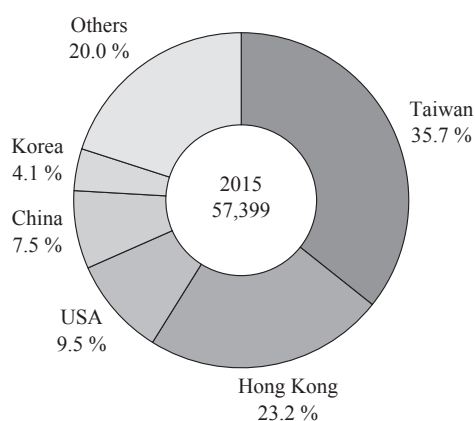


Figure 15: Number of web page viewers for each country

fiscal 2016) is as follows. Total number is 57,399. Taiwanese occupies a large percentage. It is summarized in Figure 15. There are also many viewers from USA and Australia. A clue for the tourism promotion could be derived by the features, namely the countries and regions in which promotion should be made.

- Taiwan (20,489)
- Hong Kong (13,306),
- USA (5,457)
- China (4,325)
- Korea (2,325)
- Australia (1,852)
- Singapore (1,292)
- Germany (957)
- Canada (876)
- Others (6,523)

The characteristics of foreign visitors to the center and foreign web page viewers show a similar characteristic. The scatter diagram for Figure 13 and Figure 14 is represented in Figure 16 and the correlation coefficient is 0.62. It can be determined that there is a correlation. It is necessary to increase the foreign

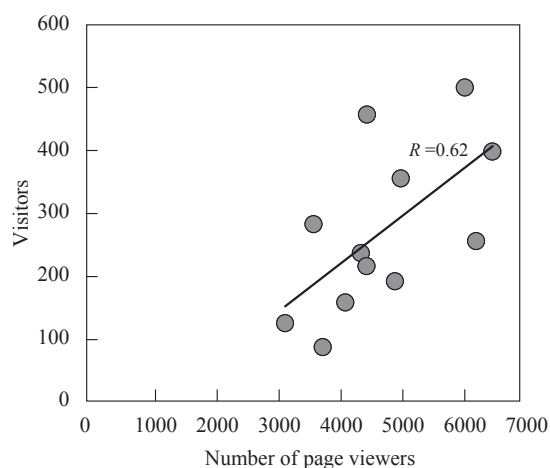


Figure 16: Scatter diagram between the number of web page viewers and foreign visitors to information center in Kaga City

visitors to Kaga City by preparing attractive web pages. There were two charter flights between Hong Kong and Komatsu airport in 2017. The boarding rates were about 99 %.

### 3. Conclusions

It becomes obvious that there are some different characteristics in the trends of foreign visitors to Kaga City, Ishikawa and Japan due to tourism resources. The Kaga area largely depends on hot spas and there are comparatively many visitors in winter. The dispersion of the departure place made progress after the Hokuriku Shinkansen started operation. Visitors from Kansai and Chukyo increased largely from before the operation. The percentage from Kanto increased to over 14 % after the operation began (about 7 % before the operation). The rate doubled. The number of foreign hotel guests also increased in the three spa areas of Kaga City in 2015. A similar trend is recognized in the monthly foreign visitor characteristic. The one in Yamanaka is relatively large. It is thought that the visitors feel an attraction to the streets with beautiful spectacles and traditional craft. The number of inbounds will increase because the numbers of visitors to the tourist center and web page viewers are increasing. However, improvements in convenience to the transportation system and the information devices (Wi-Fi etc.) are especially important. Measures for inbound visitors should be constructed because the Hokuriku Shinkansen will extend to Tsuruga (Fukui Pref.) five years later and a new Kaga Onsen station for the Shinkansen will be built. It is necessary to consider that facilities for attracting customers (market, hospital and educational facility) should be established around the station.

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