

Guest number of Japanese style inn in spa areas after the extension of Hokuriku Shinkansen Line

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Abstract

The Hokuriku Shinkansen Line newly started operation with the extension of the railway from Nagano to Kanazawa on March 14, 2015. Many promotion activities have been carrying out to increase the lodger number with the extension. Some Shinkansen Lines had a jinx. Namely it is said that the visitors decrease largely in the second year after the operation or extension. The total number of inn (Ryokan in Japanese) guests in Hokuriku primary nine spa areas is investigated to verify the Shinkansen effect. As a result, it is obvious that these areas experienced a decrease in the second year after the extension compared with the first year; Kaga four spa areas: 7.6, Wakura: 9, Wajima: 15.7, Unazuki: 10, Awara: 5.5, Yuwaku: 8.3 (%). These areas, which increased more than 15 % in the first year of the extension compared with the previous year, experienced a decrease of over 10 %, except Yuwaku. However, the areas still increased over 10 % compared with the previous year of the extension. Investigation was carried out to examine the causes of decreasing. As a result, both visitors (including one day trippers) and inhabitants had various kinds of dissatisfactions. In an era of falling birthrates and an aging society, it is necessary to manage the tourist resources systematically based on the intension of local residents (including tourism operators) and to invite inbounds from various countries.

Keywords

Shinkansen, guest number, Japanese style inn, spa, inbounds

1. Introduction

Rapid-transit railway networks have been constructed in Japan, like Shinkansen. There are seven Shinkansen lines now including Tokaido Shinkansen opened in 1964. Hokuriku Shinkansen was extended from Nagano to Kanazawa on March 14, 2015. Kanazawa City is located in Ishikawa Pref. and the capital city of Ishikawa. In the first year, the number of lodgers in the main hot spring areas of the Hokuriku District (Fukui, Ishikawa and Toyama Pref.) increased by about 17% compared with before the extension [Oyabu, 2017]. There was, however, some variations by areas. Tourism-related companies in Hokuriku had high expectations for the extension effect. Economic effect and the expectation by the local inhabitants were higher. There were some encouraging signs for the local economy. However, the decreasing phenomena of lodgers were recognized in the second year (fiscal year 2016) after the extension in most areas [Hokuriku Cyunichi Shinbun, 2017]. There exists some variation in the decreasing rate according to areas. The number of hotel guests in Kanazawa City increased slightly in FY 2016 but the one in Toyama City decreased. It is expected that some measures are taken to develop sustainably. The local autonomies must understand the behavior of tourists, that is to say, it is always necessary to pursue the increasing and decreasing factors. The number of lodgers is listed as a primary economic factor. Especially, the local business expects the increase of the number in the spa areas. Hot springs are a major resource in the Hokuriku District.

There are nine primary spa areas in Hokuriku and the local habitants understand the importance of the spas as a tourist resource. Travelling form is changing from the tour by group to individual travel by the family or friends even in hot spring resorts. However, the increase of grouped hotel-guests is expected in some hot spring resorts, and the hotel facilities for group guests are still maintaining. Visitors want to walk the streets freely and take an interest in an experience and interaction with local habitants. There is a change in the interest area of visitors [Atkinson, 2015]. Some tourism products for wide areas have to be developed, because some guests want to visit the surrounding areas subsequently. A story line in the product is required. There are serious opinions for Japanese style inns (Ryokan in Japanese). It is necessary to understand the needs of visitors and create the mechanism to satisfy the needs. Namely it is necessary to change the policy measure from product out to market in, and a new tourism organization should be established with cooperation by local government. DMO (Destination Management Organization) for Japan is effective depending on the operation, and local habitants should join the organization [Takahashi, 2017]. The organization considers to develop the area sustainably while taking the economics of scale.

In this study, the number of the Japanese style inn guests in the primary nine spa areas, which are tourism resources in the Hokuriku Region, are examined and the characteristics in each fiscal year (FY) are considered as a Shinkansen effect. The number is add up day-to-day and the reliability is high. As a result, it became clear that the lodger number of some areas decreased significantly in the second year after starting opera-

tion. There are several decreasing factors, for example discontinuous of business and failure. It is important to understand the number because it is necessary to construct a tourism strategy. The number of inn guests in the spa areas increased by 17 % (in 2015) in comparison with the previous year (before the Shinkansen operation started) but for 2016 decreased by 8 % in comparison with 2015. However, it increased by 7 % compared with 2014. However, the number of foreigner guests is increasing [JNTO, 2016]. It is necessary to focus on the countermeasure for inbounds which have a potential to increase rather than domestic guests, because Japan's population has entered into a decreasing phase. Occasionally, there are some frictions by the difference of cultural properties. An investigation was carried out with inhabitants and visitors including inbounds. It became clear that both parties had some dissatisfactions. Cooperation between the administration and inhabitants (inhabitants force) is essential to solve them and the force is a pivot to maintain the number of visitors. It is necessary to establish a new institution according to reflect the force. The establishment of DMO of Japan version is necessary to develop sustainably in the Hokuriku area from the investigation.

2. Trend of tourists visiting Japan

Foreign visitors to Japan are increasing exponentially according to the data of Japan Tourism Agency. The growth rate was large from 2014 (the number is 13.4 million) and it was 28.7 million in 2017 [Japan Tourism Agency, 2017]. On the other hand, the number of outbounds who are going abroad from Japan is a plateau state (16.7 million) from around 1996 and it was 17.9 million in 2017. The number of inbounds exceeded the outbounds in 2015 and travel expenditure for the inbounds also increased. It is 4.4 trillion yen in 2017 (3.75 trillion yen in 2016) [JTB, 2017]. The one per person is 154 thousand yen in 2017 and it is large economic effect. The dependability for travel expenditure of the inbounds is increasing in Japan. The departure countries of higher expenditure are Australia, China and Spain. The ratio of visitor number in 2016 is shown in Figure 1. The one from China is largest and the second is Korea. A ratio from East Asia occupies 72.7 %. The one for Southeast Asia and India is 11.0 %. Monthly characteristics of inbound and outbound in 2016 are indicated in Figure 2. Recently, staying experience at a hot spring is also given as an interest of inbounds. Monthly visiting characteristic of inbounds has a maximum peak in July and two small peaks in April and October. It is different from the one for outbounds, which has a maximum peak in August. The rate of prefectures in which foreigners stayed in 2016, is summarized in Figure 3. Tokyo Prefecture occupies 26 % and Osaka follows. The third place is Hokkaido and these three prefectures occupy 50 %. Ishikawa Prefecture is 18th in Japan and holds the first place in the Hokuriku area, however it is only 0.9 % of the whole prefectures. The value is extremely low and it is thought that the prefecture has high potential to increase the rate.

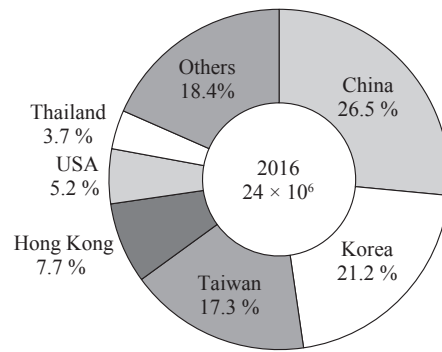


Figure 1: Departure-place of foreign visitors in 2016

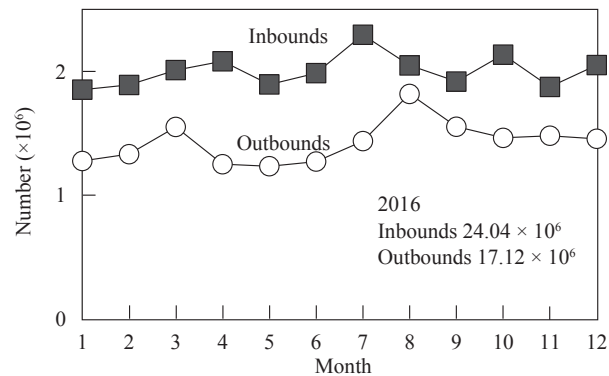


Figure 2: Characteristics of monthly numbers for inbounds and outbounds in 2016

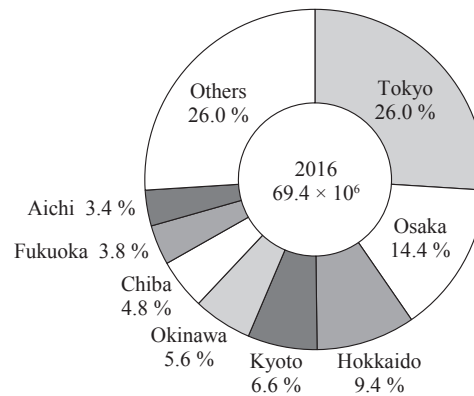


Figure 3: The rate of staying prefectures for inbounds in 2016

3. The number of inn guests in nine spa areas in Hokuriku

3.1 Total number of guests

There are many tourism resources including hot springs in the Hokuriku district, but there are few visitors. The local tourism agencies think that more foreign visitors will visit the area. The following areas are given as the nine primary hot spring areas. The data which are reported by each inn (joining the area inn-association), are summarized and analyzed. A few inns do not join the association. Yamashiro, Yamanaka and Katayamazuru are sometimes referred to as ‘Kaga Three Onsenkyo’ because these three areas are near and located in Kaga City. Kaga Three Onsenkyo and Awazu are referred to as ‘Kaga

Four Onsenkyo' together. 'Kaga Five Onsenkyo' also consists of Kaga Four Onsenkyo and Awara. The Hokuriku District consists of three prefectures (Toyama, Ishikawa and Fukui).

- Toyama Prefecture: Unazuki (located in Kurobe City)
- Ishikawa Prefecture: Yamashiro, Yamanaka, Katayamaz (Kaga City); Awazu (Komatsu City), Wakura (Nanao City), Wajima (Wajima City); Yuwaku (Kanazawa City)
- Fukui Prefecture: Awara (Awara City)

The lodger number of the nine areas in 2014 to 2016 (fiscal year) is shown in Table 1. Fiscal year (FY) means from April 1 to March 31 of the following year. The Hokuriku Shinkansen extended to Kanazawa from Nagano on March 14, 2015 and Kanazawa experienced many visitors. Each data is shown as the growth rate (%) in Table 1 on the basis of the value (100 %) in 2014 (before the extension). The rate increases about 17 % in the opening year and it remains at 7.5 % next year (2016), namely it largely decreases. Local travel agents hoped that the rate kept a tendency to increase at least. The expectation was off and they were greatly discouraged. It is 8 % of decrease than in 2015. The monthly total changes in lodger number (FY: 2014 to 2016) in the Hokuriku nine spa areas are indicated in Figure 4. It has a peak (about 450 thousand in 2016) in August and in 2014 is 367 thousand. There are few visitors in Jan., Apr., Jun., Jul. and Sep. The same tendency can be seen after the extension of the Shinkansen Line. The tendency of inbounds has two peaks in April and July. Foreign guests can make up for the decrease of Japanese guests. It is a good point.

Table 1: Lodger number stayed at the inns in the Hokuriku nine spa areas

Fiscal year	Nine spa areas	Percentage change (%)
2014	3,575,158	100.00
2015	4,176,787	116.83
2016	3,842,741	107.48

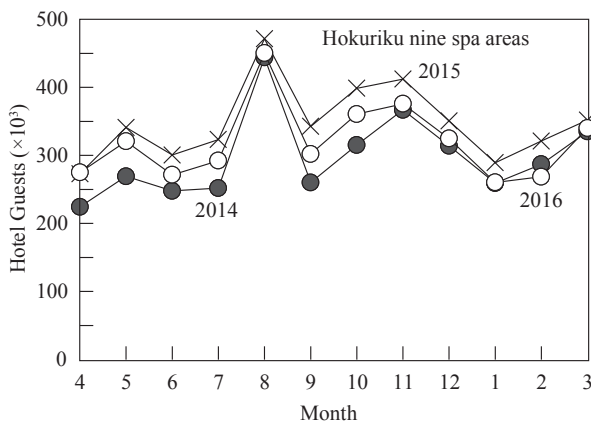


Figure 4: Characteristics of monthly lodger number in the Hokuriku nine spa areas

3.2 Kaga Onsenkyo

There are three-type areas on Kaga Onsenkyo, which are mentioned in a foregoing paragraph. Three spa areas (Yamashiro, Yamanaka and Katayamaz) are forming a core and called Kaga Three Onsenkyo. These areas are near to each other. Kaga Three Onsenkyo and Awazu are called Kaga Four Onsenkyo, and called Kaga Five Onsenkyo when Awara is added to Kaga Four Onsenkyo. Monthly characteristics in Kaga Four Onsenkyo closely resemble, but the rate is different. The characteristics for Kaga Three Onsenkyo in each fiscal year (business year) are represented in Figure 5. Yamashiro has the largest guest number in Kaga Five Onsenkyo. It had about 800 thousands (in total) in 2016. When the number of Yamashiro is a standard, Yamanaka is 0.55, Katayamaz is also 0.55, Awazu is 0.18 and Awara is 0.83. The characteristic for Yamashiro is shown in Figure 6. Both figures have a peak in August (summer vacation) and also have a slightly low peak in November, in which it is colored leaves season and the crab season is opened. There are also relatively many guests in March. It is necessary to increase the number in June, July, September and January due to providing some interesting events. At that time, the operation rate of each facilities will be greatly improved.

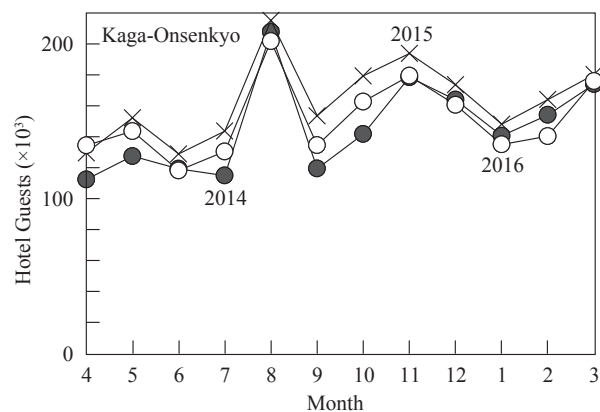


Figure 5: Characteristics of monthly lodger number in Kaga Three Spa Areas

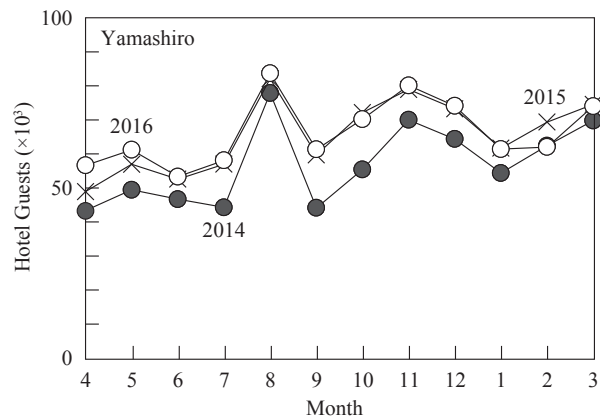


Figure 6: Characteristics of monthly lodger number in Yamashiro

Table 2: Percentage of lodger number stayed at the inns in Kaga spa areas (FY2014 = 100 %)

Fiscal year	Yamanaka	Yamashiro	Katayamazuru	Three spa	Awazu	Four spa	Awara	Five spa
2015	110	115	110	112	106	112	114	112
2016	102	117	91	105	90	104	108	105

The increase and decrease rates of Kaga Five Onsenkyo are demonstrated all together in Table 2, in which the number in 2014 is the standard. Increase of more than 10 % except for Awazu was understood in 2015 (Shinkansen extending year) and Yamashiro largely grew in five areas. It was thought as a reason that an inn started a business newly. Only Katayamazuru and Awazu decreased in 2016. Yamanaka almost returned to the value in 2014. It remains at 5 % of the increase before the extension in Kaga Five Onsenkyo. Local inn operators are expecting strongly to increase the guest number in 2017. It is essential to increase the number in Katayamazuru and Awazu.

3.3 Wakura and Wajima

Wakura and Wajima areas are located in the Noto Peninsula. JR (Japan Railways) runs between Wakura from Kanazawa as an old railroad line. It takes about one hour when a limited express is used. The access is easier than the bus use. Some trains go through to Wakura from Osaka (about 4 hours) directly, and there are many inn guests from the Kansai area. The number of foreign guests reaches about 30 thousand and the target is for 50 thousand by 2020. There are many visitors from Taiwan now, but it is necessary to promote for Europe and America in addition to Taiwan. The monthly guest number in Wakura area is represented in Figure 7. There were 761,481 guests in 2014 and it increased to 120 % in 2015. It decreased to 109 % in 2016. The characteristic has a peak in August and it decreases in July and September. It is necessary to increase the guests in these months as well as winter seasons. However, the rates of the decrease in May and June are small compared with the ones of Kaga Three Onsenkyo.

Transport access from Kanazawa is not good in the Wajima area than Wakura. It takes about 1 hour from Wakura area

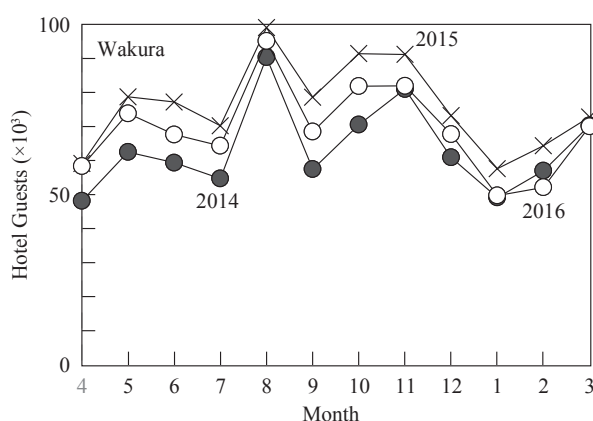


Figure 7: Characteristics of monthly lodger number in Wakura

by bus. The monthly guest number is indicated in Figure 8. It is different from the one in Wakura. Wajima was a filming location of NHK Morning Drama serials 'Mare', which was broadcast from March 30 to September 26 in 2015 (around six months). Therefore, there was not a fall of the number in July like in 2014 and many people visited the location in 2015. The guest number in Wajima was 130,255 in 2014. It increased to 133 % in 2015 and it was 112 % in 2016 compared with the value in 2014. The guest number decreased in 2016, in which the broadcast was finished, but the rate is larger than before Shinkansen opening of business to Kanazawa. Wajima was authorized to a world agriculture inheritance as 'Satoyama and Satoumi in Noto' in June, 2011. The area tries to maintain the practice of agriculture utilizing traditional resources and also to plan the conservation of regional biodiversity. It is desired to focus on drawing in visitors utilizing those resources.

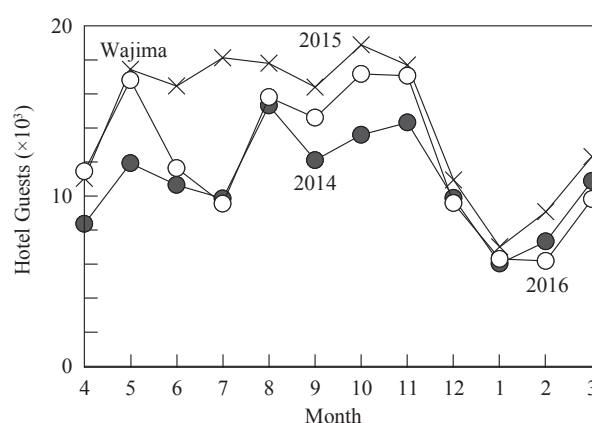


Figure 8: Characteristics of monthly lodger number in Wajima

3.4 Unazuki and Yuwaku

The monthly guest number of Unazuki is indicated in Figure 9. It is necessary to increase the number in June and September in addition to the winter. It has a peak in October as well as August. Colored leaves season begins in October and the visitors can experience the wonderful scenery. It is a strength. A truck train runs between the Unazuki spa area and Keyakidaira (about 20 km) in Kurobe Canyon, and the visitors can enjoy autumn color. In winter, a ski ground opens in Unazuki, but the visitors are decreasing and there is not the policy to put on the brake of the decrease now. It is necessary to utilize the facility including the off season. Spas and ski are attractive in winter and the disseminating relating information is expected.

Yuwaku, in which there are some inns, is located in the suburbs of Kanazawa. There were 51,010 inn guests in 2014

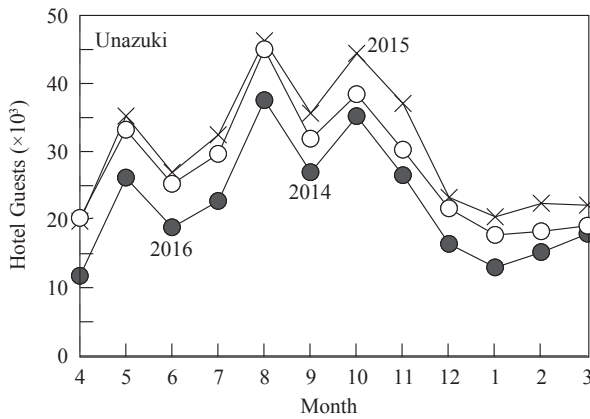


Figure 9: Characteristics of monthly lodger number in Unazuki

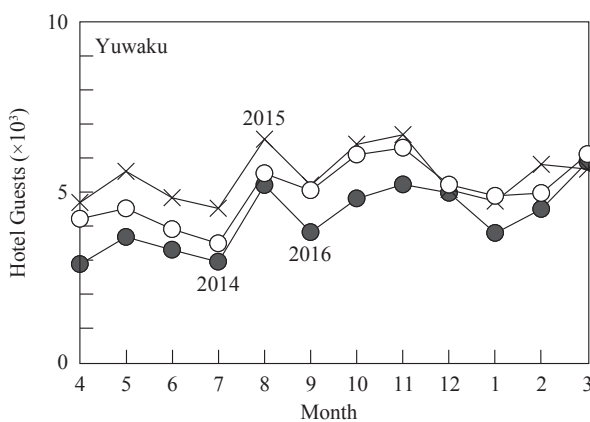


Figure 10: Characteristics of monthly lodger number in Yuwaku

and the number increased to 129 % in 2015, when the value in 2014 was supposed to be 100 %. However it decreased to 118 % in 2016. The lodger number in Yuwaku occupied only 1.6 % among nine spa areas in 2016. Some guests stay in Yuwaku when there is a large scale MICE in Kanazawa, because the hotels in the city are completely booked up. MICE participants hope personally for a hot-spring inn staying experience. The monthly lodger number in Yuwaku is represented in Figure 10. The fluctuation of the characteristics is small. It falls largely in July. When inbounds visiting the city area are attracted, the inns can manage effectively.

The increase and decrease are shown in Table 3 together except for the ones in Kaga Five Onsenkyo. The numbers in whole areas decreased in 2016 compared with the previous year. The decreasing rate in Wajima was large and it was 21 %

Table 3: The percentage change of lodger number stayed at the inns in Hokuriku four spa areas other than Kaga Five Spa Areas (FY2014 = 100 %).

Fiscal year	Yuwaku	Wakura	Wajima	Unazuki
2015	129	120	133	136
2016	118	109	112	123

because NHK Morning Drama ended in 2015. The rates in Yuwaku and Wakura decreased by 11 % and the one in Unazuki is 13 % compared with the ones in 2014, however the numbers increased compared with the ones in 2014.

4. New organization establishment

The Hokuriku district is composed of Toyama, Ishikawa and Fukui Prefectures and the total population is about 300 million. The GDP is about 12 trillion Yen (0.11 trillion USD). It is necessary to develop the district sustainably using various kinds of tourism resources after the extension of Shinkansen [Iwasaki, 2015]. However, it is difficult to develop the area continuously due to the aging society with a declining birth-rate and the end of the rapid growth of the economy. Shortage of human resources is also a problem in the tourism industry. Especially, the employment rate of the youth is few and the life of local residents is threatened due to the increase of visitors in the city area of Kanazawa area after the extension. In the Kanazawa city area, investigation was carried out to declare the discontents of inhabitants and visitors in August 2017, however, the number is only 50 persons including local residents (25 persons). The residents mainly gave the following opinions;

- They cannot buy ingredients in the same market (e.g. Omi-cho market)
- There are many customers in a favorite pub
- Inhabitants cannot live a peaceful life due to many visitors

On the other hand, visitors gave the following comments;

- Remarkable rise of the hotel charges in the on-season
- Insufficient maintenance of Wi-Fi and web pages
- It is impossible to use JR card (Suica) in payment of the local bus fare
- Insufficient language-environment for inbounds
- Untruthful attitude of local bus driver

The described problems should be evaluated by local residents and tourism operators. Some of them can be solved by the local government. It is necessary for various kinds of related organizations and persons to solve the regional problems. The Japanese Government announced a new policy about the tourism to revitalize rural areas on February 10, 2017, namely Japanese version DMO (Destination Management/Marketing Organization). The purposes of the organization match to the described problems which have to be solved [Kato, 2015]. The destination management by policymaking based on the local inhabitants is always desired.

The guest number decreases in Hokuriku spa areas after two years of the extension. It is necessary to carry out a measure to which visitors, inhabitants and local government can agree. The components of the tourism industry are indicated in Figure 11. Local government and DMO coordinate a policy established comprehensively by the DMO. There are two main infrastruc-

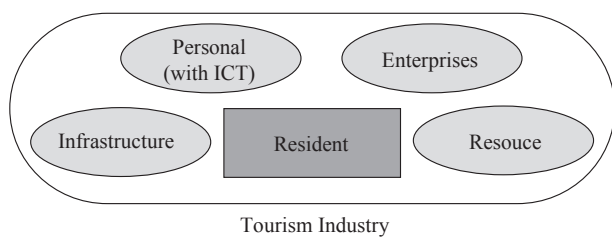


Figure 11: Component factors in tourism industry

tures, namely transportation and information infrastructures. It is necessary to develop human resources on tourism and save labor using ICT in particular [Ministry of Internal Affairs and Communications of Japan, 2016]. Labor-force participation ratios of women and the elderly are already high in Hokuriku and it is difficult to solve the labor shortage potentially. It is essential to save the labor by applying ICT in the industry, however special care should be paid to avoid making the service worse.

5. Conclusion

The number of inn guests in the main nine spa areas of the Hokuriku district was investigated before and after Shinkansen extension to Kanazawa from Nagano. In the district, the total percentage change is as follows, namely 117 % in fiscal 2015 and 107 % in fiscal 2016, compared with the value in fiscal 2014. The value in 2016 decreased 8 % compared with 2015. However, the guest number in Kanazawa city area slightly increased in comparison to the spa areas in 2016 and foreign guests also increased well in the Toyama city area. The characteristics between urban and spa areas are different. There are various kinds of characteristics in spa areas. When the inn guest number in FY 2016 is calculated compared with FY 2015, the one in Kaga Three Onsenkyo decreased by 6.7 % and Wakura decreased by 9 %. Wajima decreased by 15.7 % and Unazuki decreased by 9.7 %. Decreasing ratio becomes larger as the increasing rate is larger. As a result, the nine areas experienced ‘the jinx of Shinkansen opening of business second year’.

There are the specific challenges to manage a rural spa area continuously according to the tourism exchange. Various opinions including discontents were obtained due to investigations. It is necessary to solve the ones due to not only local government but also the inhabitants and tourism companies. DMO should be managed by these three parties and specialists in tourism. New regional growth strategy, which is satisfied by inhabitants and the companies, is demanded. The establishment of DMO is a key point to revitalize a rural area. It is also necessary to manage the organization properly for the area. After this, a hearing examination limited to the inn guests will be carried out.

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