

Affluent Insights™ 2016

Asian Luxury Travel Report

- The Pulse of the Asian Traveler –



Market: **Japan**

Affluent Insights™ Report Summary: 2016 Japan Travel Consumer Report

- In a recent report by CNBC, Credit Suisse ranked Japan in 3rd place for most millionaires in the world. With 2.1 million millionaires in the country, it is no doubt that the affluent market in Japan holds huge purchasing power.
- With traditional views and mindset, many wealthy Japanese do not have the same spending habits as their Asian counterparts. It has been said that “in Japan you may live right next door to a millionaire and not know it because his house looks just like yours”.*
- Thus, in order to better understand this market, it is key to have very good and detailed insights into the consumption habits of these Affluent consumers. Being able to learn and position the right products to this market segment

*Source:The Japan Times



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This Japan market report is based on findings from the Affluent Insights™ Luxury Travel Survey

- Fielded online in Japan in April/May 2016.
- We interviewed 307 respondents.
- All of the respondents were defined as affluent with minimum annual household income as per the table below:

Country	Affluent Definition (HHI/a)
Japan	JPY 10 million+

- All respondents have travelled internationally for leisure or business in the past 12 months.

Affluent Insights™ Report Summary:

2016 Asian Travel Consumer Report

Key Implications to Brands:

- Top destinations for planned trips in the next 12 months for Japanese travelers:

RANK	
1	Hawaii
2	Singapore
2	New York
4	Taipei
5	Bali
5	Paris
7	Hong Kong
8	London
8	Sydney
8	Los Angeles

- **We can expect Japanese source travel to continue growing.** There is an evident rise in optimism for the coming 12 months, with 6 in 10 Japanese travelers likely to travel more next year than they did last year.
- **You need to meet travelers expectations of luxury.** The new Japanese traveler has an invigorated outlook for the coming year, especially in terms of luxury travel and luxury spending.
- **You need to adapt to changing expectations about luxury.** Social responsibility further cements its place as the top motivation for using luxury brands, but higher quality and uniqueness are also highly important and continues to rise in importance.

Key Implications to Brands (continued):

- **Japanese travelers are looking for opportunities to shop for luxury brands.** Getting the best price possible remains the most important purchase preference. Travel and luxury shopping increasingly go hand in hand, and is a key motivator for choosing travel destinations. Tax free purchases are also important for Japanese travelers.
- **Travelers are going beyond sightseeing and are looking for food and shopping.** Japanese travelers enjoy trying local cultural cuisine, but outlet shopping and attractions like theme parks are also of much interest to them. Many also go for nature tours/safaris.
- **Travel booking cannot be a one-size-fits-all solution, and must be tablet/mobile optimised.** A significant number of travelers prefer customization and to book different components of their trips separately. Travel booking is no longer only booked online, but many also use their tablet and mobile phone to book their travel.

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