

For Immediate Release

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A Survey of Travel Trends for Young People in their Twenties

- Three keywords in “declining” travel demand: cost, holidays, and travel companions --**
- 80% travel at least once a year within Japan. 70% would like to again this year --**
- Travel companions affect travel pleasures: couples and close friends prefer leisurely stays at hot springs, acquaintances form groups to visit theme parks... --**
- Overseas travel is the first choice for major discretionary spending, followed by savings, with domestic travel in third place. --**

In the 1990s, young people in their 20s led the travel market. In more recent years, the previous patterns of consumption by this segment, including those that are automobile related, are showing signs of weakening. This gives rise to the fear that they are also distancing themselves from travel-related consumption. Certainly, the number of overseas travelers in 2007 dropped below the previous year, although this must be at least partly due to the declining numbers of this segment of the population.

JTB therefore carried out a survey of the tourist travel trends and intentions of 1,000 young people in their 20s (500 each, men and women) living in Greater Tokyo, the Nagoya area, or Kansai.

The survey shows that despite the financial strictures of daily living, some 80% of these young people travel within Japan at least once a year. The keywords affecting their travel are “cost,” “holidays” and “travel companions.” The following are the major characteristics of travel by young people.

1. Domestic Travel is Popular with People in their 20s—Some 80% of them Experience Domestic Travel at Least Once a Year

We often hear complaints of weak demand for domestic travel, but young people in their 20s are frequent travelers within Japan. Over the last three years, 80.0% of women in our sample and 77.8% of men (78.9% of all respondents) have traveled at least once a year for tourism in Japan. Over half of them make two or more trips a year, which shows how popular domestic travel is with young people.

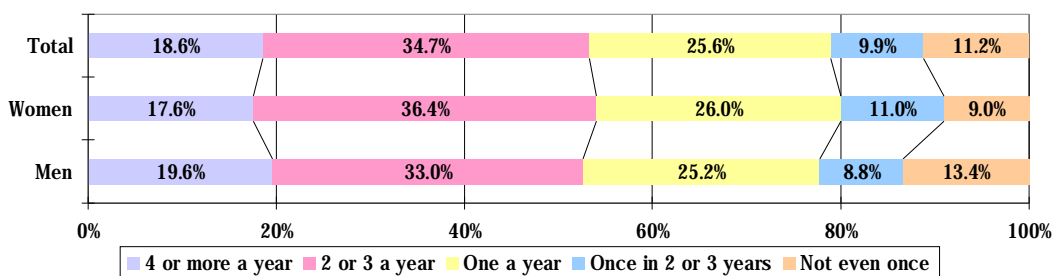
What is more, 28% of respondents had made at least two or three trips overseas during the last three years. For comparison, the overseas travel departure ratio in 2006 for the same three geographical regions were 18.7% for men, 32.4% for women, 25.4% overall (and 13.7% overall for the entire nation).

The reasons for the unexpectedly high popularity of domestic travel with these young people appear to be:

- (1) Trips can be short and need not cost much.
- (2) There is a rich variety of tourist attractions—natural and historical, cities, theme parks, culturally distinct areas and beach resorts, hot springs, good food, etc.
- (3) Safety and security are combined with freedom from language problems.

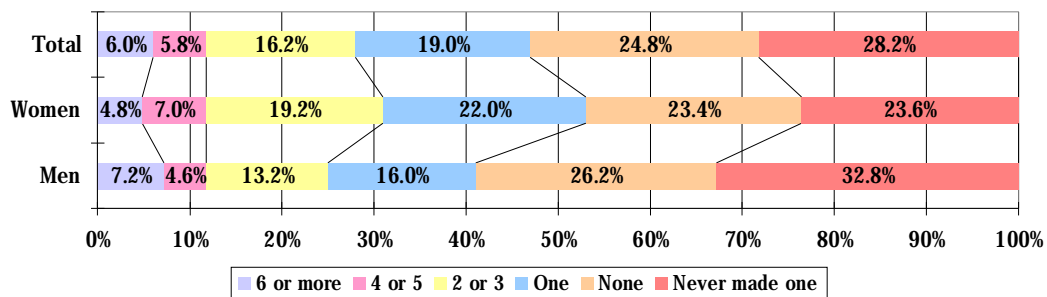
For young people in their 20s, whose consumption appears to be slackening, it is surely no exaggeration to say that the ease with which they can take a domestic trip makes it their major leisure activity.

Graph 1: Numbers of Domestic Trips Made in the Last Three Years



Proportions of those making at least one trip a year: Overall, 78.9%. Women, 80.0%. Men, 77.8%.

Graph 2: Numbers of Overseas Trips Made in the Last Three Years

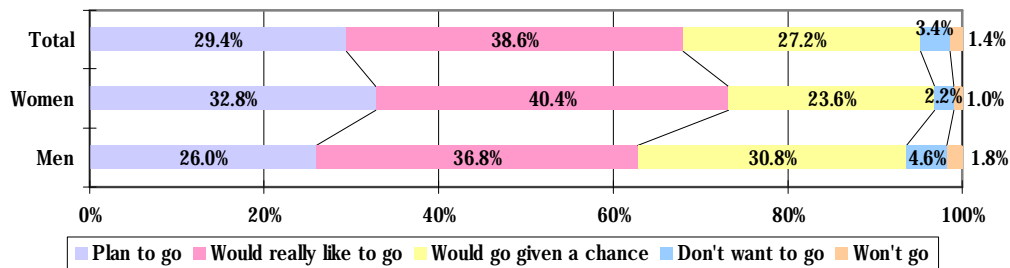


Proportions of those having made two or three trips in the last three years: Overall, 28.0%. Women, 31.0%. Men, 25.0%.

● This Year, Some 70% of Respondents Want to Travel within Japan

When respondents were asked their travel plans for this year, 29.4% replied that they intended to travel within Japan and were already making practical plans to do so, and another 38.6% really wanted to but had no definite plans, making a total of 68% who actively wished to travel. The proportion for women was 73.2% and for men 62.8%, another measure of young women’s desire for domestic travel.

Graph 3. Plans for Domestic Travel this Year



Totals of those planning to go and really wanting to: Overall, 68.0%. Women, 73.2%. Men, 62.8%.

2. “Free and Easy Travel as a Couple is Best!” or “Visiting a Theme Park with a Group of Friends, and Enjoying Good Food...” Companions Decide the Pleasure!

● So with Whom Would You Like to Travel?

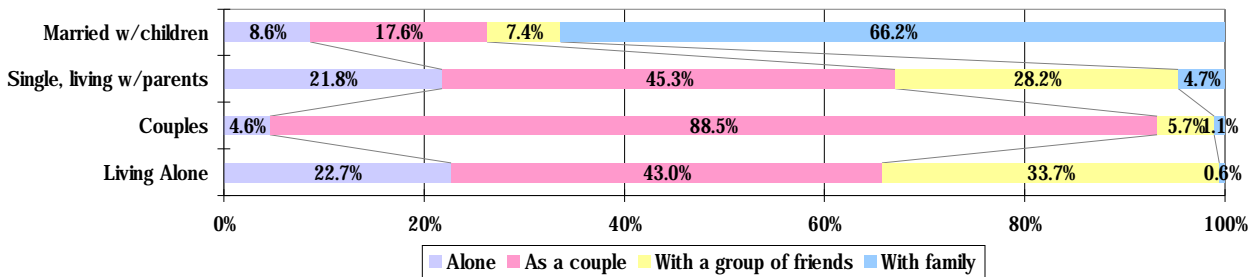
The largest proportion of respondents (45.1%) prefer to travel as a couple with “spouse or partner,” followed by 20.8% who prefer to travel in a group of “two or three friends,” 18% “family” and 13.6% “alone.” In terms of family situation, married couples with children overwhelmingly prefer to travel as a family including their children, but others prefer to travel with congenial friends or life partners. Travel in groups of friends is particularly common among women while there are many men who prefer to travel alone.

For reference: Travel companions preferred by baby boomers (according to the survey carried out in March, 2007)

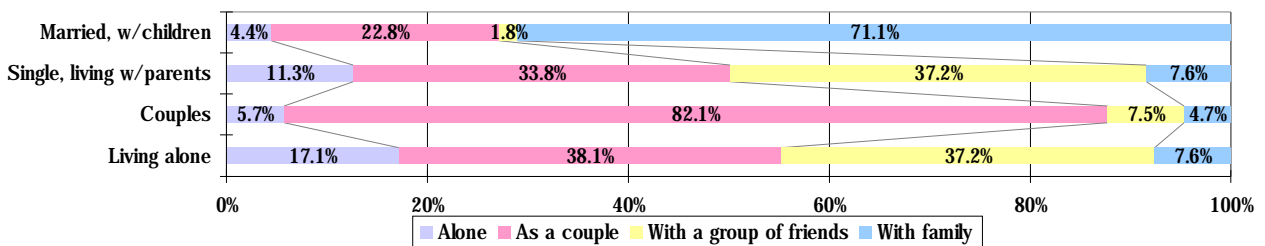
- Men : (1) As a couple with spouse (72.5%),
- (2) By myself (10.7%),
- (3) With friends/acquaintances (7.4%).
- Women: (1) As a couple with spouse (48.7%),
- (2) With friends/acquaintances (22.5%),
- (3) As a couple with daughter (7.6%).

While the young women of this survey do like to travel with friends, they differ from women of the baby boomer generation (who most often use group tour packages) in preferring free and easy travel either with spouse or congenial friends.

Graph 4-1. Most-Favored Travel Companions by Family Situation (Men)



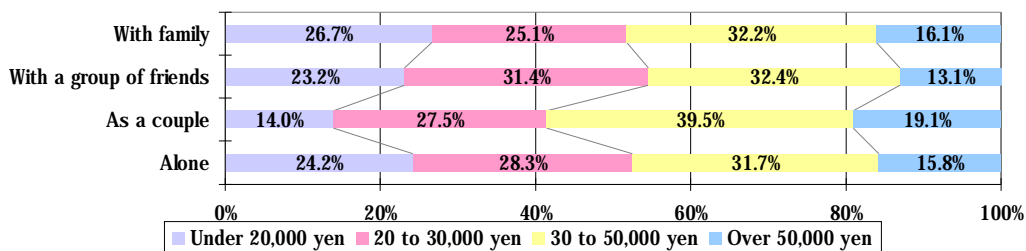
Graph 4-2. Most-Favored Travel Companions by Family Situation (Women)



- The Most Money is Spent on Free and Easy Travel by Couples

It seems that travel by couples is where the most money is spent. Among those in their 20s, more is spent by those who travel as couples than by those in groups of friends. While total spending on family travel may be higher, the tendency to economize also appears to be stronger. Higher amounts tend to be spent on travel alone or for ones' self.

Graph 5. Expenditures on Travel Categorized by Fellow Traveler(s)



Average amounts spent per person participating in different types of travel.

Type of Travel	Avg. Expenditure	Type of Travel	Avg. Expenditure
Couples	42,880 JPY	Family	37,935 JPY
Alone	38,629 JPY	Group of Friends	35,780 JPY

- Couples Want to Relax at Hot Springs and Enjoy Good Food, Groups Want the Excitement of Theme Parks, While Men Traveling Alone Indulge their Hobbies.

When asked where they would want to go and what they would want to do with their preferred fellow traveler(s), “enjoying Nature and scenery” and “the delicious local cuisine” came top with all of them. Surveys of travel trends by the Japan Travel Bureau Foundation also show that for many years the top three travel choices have been “hot springs,” “Nature” and “gourmet cuisine.”

For those in their 20s, both traveling as couples and with their families, relaxing at hot springs is the overwhelming first choice. Theme parks are chosen by groups looking for excitement. Sports are also an attraction for larger groups. In contrast, a very high proportion of those who travel alone seek to enjoy their personal interests. Men enjoy driving their cars or riding the railroads, while women show a far higher proportion enjoying esthetic treatments than anything else.

Clearly, the kind of travel that these young people enjoy is more or less determined by those with whom they choose to travel.

Table 1. Percentages Selecting Types of Travel Categorized by Travel Companions

Type of Travel/Companions	Alone	Couples	Family	Groups of Friends	
				2 or 3	4 or more
Enjoy nature and scenery.	60.2	45.7	46.3	33.1	18.0
Visit famous, historical sites.	49.8	33.2	33.7	35.4	22.9
Eat gourmet meals.	43.8	69.5	71.9	69.4	65.1
Relax at hot springs.	25.5	43.3	47.2	29.3	25.3
Strengthen friendships.	0.8	10.5	12.5	21.3	32.5
Enjoy theme parks	2.0	22.5	23.3	29.0	39.8
Enjoy driving or railroads.	12.0	9.1	7.2	9.1	16.9
Enjoy sporting and other activities	9.6	4.7	4.2	10.0	25.3
Enjoy hobbies.	16.3	3.0	1.8	4.1	3.6

3. Given Enough Money... the First Choice is Overseas Travel, then Savings to Preserve Living Standards.

The low cost of domestic travel makes it popular with young people, but ever since peaking in 1996, the numbers going overseas have been dropping along with the departure ratios for those in their 20s. This is closely related to the fact that since the late 1990s regular employment has increasingly given way to lower-paid temporary employment. Asked what they spend their discretionary income on, respondents said that clothing accounted for 20.8% and entertainment 17.8%, showing clearly

that consumption is largely connected with daily life. Truly discretionary monthly income was less than 30,000 JPY for 47.4% of women and 37.4% of men.

However, this by no means indicates a lessening of the desire for travel. When respondents were asked how they would use a considerable lump sum (about 300,000 JPY) if available, first choice went to overseas travel (20.4%), second to savings (17.3%) and third to domestic travel (12.5%). This shows a very strong motivation to travel abroad.

Table 2. Numbers of Departures for those in their 20s and Departure Ratios

(Source: Statistical trends for international arrivals and departures as of October 1, prepared by the Statistics Bureau of the Ministry of Public Management, Home Affairs, Internal Affairs and Telecommunications).

		1996	2000	2006
Men	No. of Departures	1.73m	1.53m	1.15m
	Departure Ratio	17.8%	16.2%	14.7%
Women	No. of Departures	2.90m	2.65m	1.83m
	Departure Ratio	30.9%	29.3%	24.3%

4. Hindrances to Travel are (1) Lack of Money, (2) Inability to Take Holidays and (3) Incompatible Schedules for Intended Companions

Asked what three factors hindered them from domestic and overseas travel, the factors in common were first, lack of money; second, the inability to take time off; and third, schedules for intended companions that could not be reconciled. The difficulty of taking paid holidays, or the loss of annual income that would result from taking unpaid time off, are both increasingly common reasons for not taking time away from work. Also, this segment has marked preferences in fellow travelers, and inability to reconcile their schedules is a strong disincentive to travel.

Additional factors hindering overseas travel include the problem, common among Japanese, of being unable to communicate in a foreign language, and concerns over possible trouble at the destination, over security and infectious diseases, and over food and hygiene. There were also those who showed the current favorable attitude to domestic travel among young people by mentioning the desire to take it easy at home and claiming that they had other more enjoyable things to do with their time than travel overseas.

In the current situation, where incomes are not rising, the relative priority on overseas travel seems to have been reduced by the cost of mobile phones and personal computers, which have become almost essential adjuncts to daily living. If government policy to increase the number of overseas travelers to 20m by the year 2010 is to succeed, there seems to be a clear need to establish the advantages of overseas package tours in terms of their safety, convenience, and the pleasures of travel.

Table 3. Factors Hindering Travel (selecting three items)

(Domestic Travel)		(Overseas Travel)	
Cannot take holidays.	39.4%	Cannot take holidays.	39.2%
Would like to go but lack money.	34.8%	Would like to go but lack money.	35.3%
Prefer to spend on other things than travel.	38.2%	Prefer to spend on other things than travel.	26.4%
Want to avoid non-essential expenses.	17.0%	Want to avoid non-essential expenses.	10.3%
Companion's schedule didn't agree.	19.5%	Companion's schedule didn't agree.	14.9%
Prefer to relax at home.	12.9%	Concern over language/communications.	25.8%
Have other more enjoyable things to do.	10.8%	Concern over trouble at the destination.	18.7%
		Concern over security and infectious diseases.	17.3%
		Concern over food and hygiene.	13.2%

Survey Details

Survey period: Saturday March 1 through Monday March 3, 2008.

Respondents: Men and women in their 20s resident in the Greater Tokyo region (Tokyo, with Kanagawa, Saitama and Chiba Prefectures), Central Japan (Nagoya with Aichi Prefecture) and the Kansai Region (Kyoto, Osaka and Hyogo Prefecture).

Sample size: 1,000 individuals (men and women, 500 each)

Survey methodology: Online Internet survey

Survey content: Consumption and travel

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