

For Immediate Release

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(Translation of Japanese Release No.38)

## **A Survey of Women's Leisure Travel Preferences**

Preferring to Travel Overseas in the Face of a Once-in-a-Century Recession.

### **Overseas Travel Healthier After April, Powered by Repeat Travelers.**

--Those who go abroad every year show strong appetite for travel--

### **Desire for Overseas Travel Comes 1<sup>st</sup> for All Annual Income Groups (<5m to >15m yen).**

--Overall, desire does vary with income, but repeat travelers all put it in top place--

### **The Strongest Desire for Overseas Travel is Shown by Women in Their 20s and 60s.**

--Young women and those celebrating retirement show stronger desire than those about 40 usually thought to be keenest on travel.--

Overseas travel, under the influence of soaring fuel surcharges and the severe economic situation, has seen the numbers of those going abroad drop below the total for the same month the previous year for 21 straight months from May, 2007. However, bookings for LOOK JTB overseas travel packages are showing healthy double-digit growth over the previous year from April this year (based on sales staff reports).

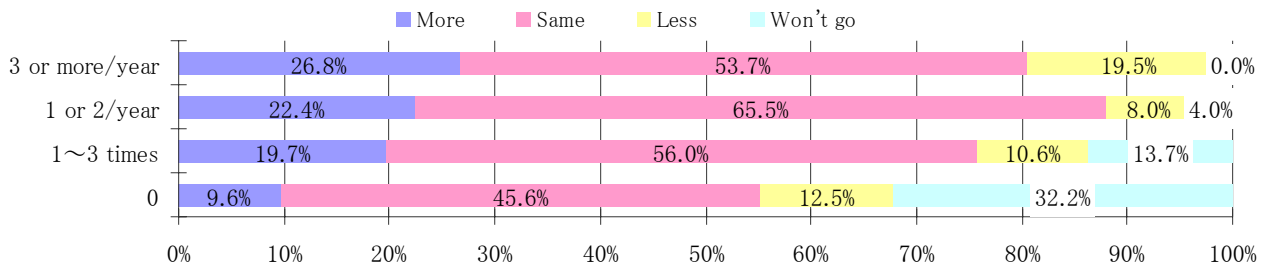
JTB performed an opinion survey of 1,500 women in age groups from 20s to 60s living in the Tokyo, Nagoya and Kansai regions, concerning overseas leisure travel. This, combined with interviews at the point of sale, has revealed the factors behind the recent healthy trend in overseas travel.

It is generally thought that repeat travelers (here meaning those who have traveled abroad every year for the last five years) are the engine powering demand for overseas travel and affecting the entire travel market, and they certainly seem to be exerting a major influence on the current healthy trend. The higher exchange rates for the yen that date from the autumn of 2008 and the major reductions in fuel surcharges from April are providing a strong following wind.

### **1. In the Current Financial Situation Repeat Travelers Power the Travel Market.**

During the present “once-in-a-century” recession, the Japanese overseas travel market has benefited from a major reduction in fuel surcharges and consistently higher exchange rates for the yen, which have reduced the cost of travel. When respondents were asked how the overall situation—including economic trends, gasoline prices, fuel surcharges, and higher yen rates—would affect the number of times they intended to travel this year, the responses were as shown in Graph 1. From this, it is clear that *repeat travelers (in our definition) want to travel even in the present economic situation*. Travel is an essential part of their life style as consumers, and they are immediately responsive to favorable changes in the travel environment.

**Graph 1: Travel Intentions This Year by Number of Journeys Made Over the Last Five Years**



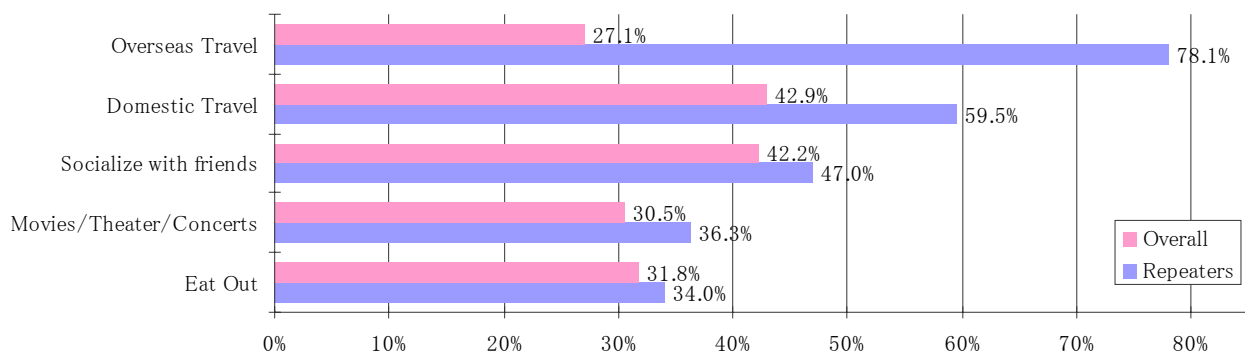
This tendency is particularly evident in bookings for overseas travel. Sales staff in the Tokyo area report that repeat travelers who had gone without travel last year in the face of large increases in fuel surcharges have now made their moves. As of March 6, bookings for LOOK JTB overseas travel packages in April through June are much higher than last year for all destinations, with numbers running at about 128% of the previous year.

**2. “What Do You Want to Have or Do in This Financial Situation?” Definitely Overseas Travel!**

When our questionnaire asked respondents what they would like to spend their money on in the present financial situation, the overall ranking has “domestic travel” in first place, followed by “socialize with friends,” “eat out,” and “movies/theater/concerts” in that order, with “overseas travel” coming fifth. This is a similar result to many former questionnaires.

However, when we single out repeat travelers, an overwhelming 78.1% put “overseas travel” in first place as shown in Graph 2, followed by 59.5% selecting “domestic travel” and 47% “socialize with friends,” demonstrating both generally higher consumer motivation and a predominant concentration on overseas travel.

**Graph 2: What Do You Want to Have or Do in This Financial Situation?**



**3. All Income Groups Put “Overseas Travel” First: By Age Group, Women in their 20s and 60s.**

Examining these categories by annual household income, all groups put “overseas travel,” “socialize with friends,” “movies/theater/concerts” and “eat out” at the top. For those with incomes under 15m yen (approx. 150,000 USD at a nominal 100JPY/USD) “overseas travel” comes in fourth to sixth place among things they would like to have or do, but for household incomes of 15m yen or more, it comes top, showing that the affluent are maintaining their strong desire to travel overseas (see Table 1).

Once again, when we single out repeat travelers, the statistics show “overseas travel” in top place for all income groups—from those under 5m yen to those over 15m. This is a clear indication of the strength of women’s commitment to overseas travel as a form of consumption completely consistent with their tastes and financial resources (see Table 2).

**Table 1: “What I Want to Have or Do in the Present Economic Situation” (by income group, overall)**

Under 5m Yen		5m to 10m Yen		10m to 15m Yen		Over 15m Yen	
Socialize with friends	13.4%	Domestic travel	13.5%	Domestic travel	12.7%	Overseas travel	14.6%
Domestic travel	11.3%	Socialize with friends	12.4%	Socialize with friends	11.5%	Domestic travel	13.0%
Movies/Theater/Concerts	9.3%	Eat out	9.6%	Eat out	9.3%	Eat out	10.2%
Eating out	8.9%	Movies/Theater/Concerts	9.3%	Overseas travel	9.2%	Socialize with friends	9.3%
Overseas travel	7.0%	Children’s tuition/lessons	8.1%	Movies/Theater/Concerts	7.6%	Movies/Theater/Concerts	8.9%

**Table 2: “What I Want to Have or Do in the Present Economic Situation” (by income group, repeaters)**

Under 5m Yen		5m to 10m Yen		10m to 15m Yen		Over 15m Yen	
Overseas travel	76.6%	Overseas travel	75.8%	Overseas travel	78.3%	Overseas travel	88.9%
Domestic travel	59.6%	Domestic travel	50.5%	Domestic travel	73.9%	Domestic travel	66.7%
Socialize with friends	48.9%	Socialize with friends	41.1%	Socialize with friends	60.9%	Eat out	48.1%
Movies/Theater/Concerts	31.9%	Movies/Theater/Concerts	36.8%	Eat out	45.7%	Movies/Theater/Concerts	44.4%
Eat out	21.3%	Eat out	30.5%	Movies/Theater/Concerts	34.8%	Socialize with friends	40.7%

An examination of these tendencies in terms of age groups reveals an unexpected development. Table 3 shows the statistics by age group for those responding “overseas travel” when asked “Now, with the economic situation worsening, what do you want to do (or have) so much that you will spend money on it?” The proportion of those aged 60 to 69 was 37.9% and for those in their 20s it was 35.7%, overshadowing those within five years of age 40 who are usually thought to be keenest on overseas travel. And the younger generation, often thought to be less interested in overseas travel, prove to be strongly motivated.

**Table 3: “What I Want to Have or Do in the Present Economic Situation” (by age group, overall)**

Age (years)	20 - 29	30 - 34	35 – 39	40 - 44	45 - 49	50 - 59	60 - 69
Overseas Travel	35.7%	28.6%	23.0%	22.5%	27.9%	30.0%	37.9%

#### 4. Repeat Travelers Were Waiting for Fuel Surcharges to Drop!

As shown in Table 4, fuel surcharges have been greatly reduced from this April. Compared to their peak in the fourth quarter of 2008, the return surcharges to Europe, North America and Oceania have dropped by 59,000

yen (approx. USD590) and to Hawaii by 40,000 yen (USD400). With comments like “I could enjoy a good domestic trip for the cost of the surcharge alone” repeat travelers were clearly waiting eagerly for them to drop.

Graph 3 shows the effects of the large reductions in fuel surcharges. Although overall 65.9% responded that these would make “no difference” to them, only 31.8% of repeat travelers agreed with them; the remaining 70% were positively influenced. This shows how very effective the reductions were in motivating repeat travelers.

The nature of this effect was first, to increase the number of trips; second, to increase the range of available choice, and third; to make longer journeys. This reveals that repeat travelers who cut back the number of trips taken under the influence of high fuel surcharges and/or switched over to closer destinations, are now motivated to make repeated visits to more remote destinations.

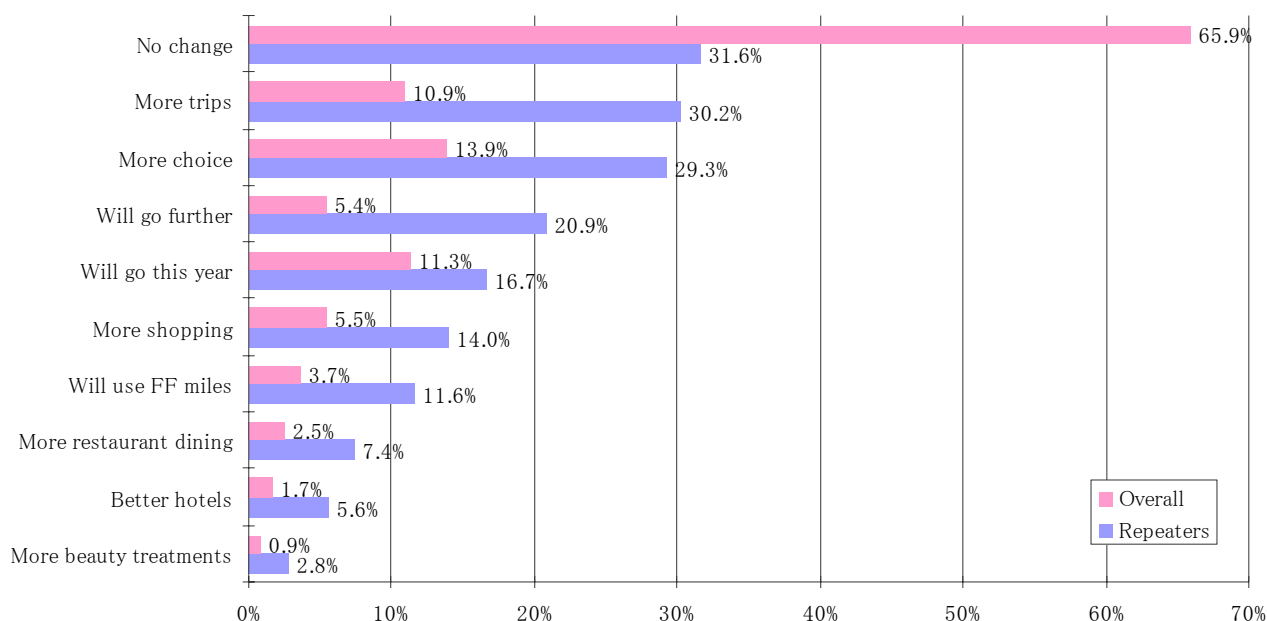
An examination of repeat traveler motivation in terms of the frequency of their overseas trips reveals that those going abroad once or twice a year had been choosing destinations with lower fuel surcharges but now report that they feel free to choose their preferred destinations and increase the number of trips. Those who had been making at least three trips a year, in contrast, want to make more trips to more remote destinations (see Table 5).

**Table 4: JAL Fuel Surcharges by Destination (for return trips)**

(units, JPY)

	2005 Apr.	2006 Apr.	2007 Apr.	2008 Apr.	2008 Jul.	2008 Oct.	2009 Jan.	2009 Apr.
Korea	1,000	2,600	3,400	5,000	7,000	8,000	5,000	400
China	2,000	5,400	8,200	13,000	17,000	21,000	12,000	1,000
Guam, the Philippines	2,000	7,800	10,400	16,000	21,000	26,000	15,000	2,000
Thailand, Malaysia, Singapore	3,600	13,000	17,400	28,000	40,000	40,000	25,000	3,000
Hawaii	5,000	16,000	17,400	28,000	40,000	44,000	29,000	4,000
Oceania, N. America, Europe.	5,000	16,000	24,000	40,000	56,000	66,000	44,000	7,000

**Graph 3: The Effect of Reduced Fuel Surcharges on Travelers**



**Table 5: Changes in Motivation for Overseas Travel with Prior Experience**

Those going abroad once or twice a year	
No change in travel plans	32.2%
More choice of destination	30.5%
More trips	29.3%
Will go further	18.4%
Will go this year	17.8%

Those going abroad at least three times a year	
More trips	34.1%
Will go further	31.7%
No change in travel plans	29.3%
More choice of destination	24.4%
More opportunity for shopping	12.2%

**5. Attitudes to Travel Expenses: Active Support Exceeds 70%.**

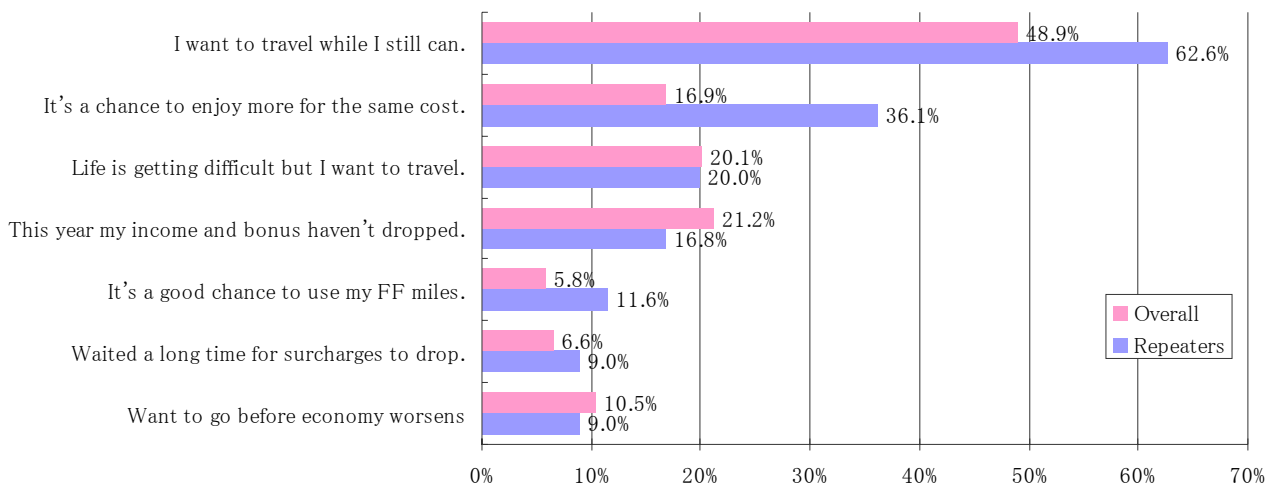
If we disregard those who said they would not be traveling, attitudes to travel expenses show 16.2% wanting to increase them, 56.0% wanting to keep them about the same, and 27.8% wanting to reduce them. Despite the current financial situation, over 70% of respondents actively wanted to spend either the same or even more on travel (below, we group these together as “not wanting to cut back”).

The most frequent response when the 70% were asked their reasons for not wanting to cut back was that they wanted to go while they still could, followed by the fact that there had as yet been little influence on their income or bonuses, etc., and finally that although daily life was becoming difficult they still wanted to travel.

The opinions of repeat travelers alone are shown in Graph 4, where typical comments were “I want to go while I still can. With fuel surcharges down, I can have more fun than last year for the same cost” and “I was waiting for the fuel surcharges to drop, so now is a good chance to use my frequent flyer miles.”

While there is uneasiness over future prospects, living has not yet come under much pressure, so *the large reductions in fuel surcharges and the effects of high yen exchange rates are outweighing the worsening economic climate, with repeat travelers wanting to seize this chance to travel.*

**Graph 4: Travelers’ Reasons for Not Wanting to Cut Back Travel Expenses**



**6. Top Three Preferred Destinations are in Europe: First Italy, Second France & Third Switzerland.**

When asked their preferred destinations in the present economic situation, the most frequent response by repeat travelers was “Italy” followed by “France” and “Switzerland” in that order. Including Eastern Europe in seventh place, this puts European destinations at the top except for Korea, which has experienced explosive

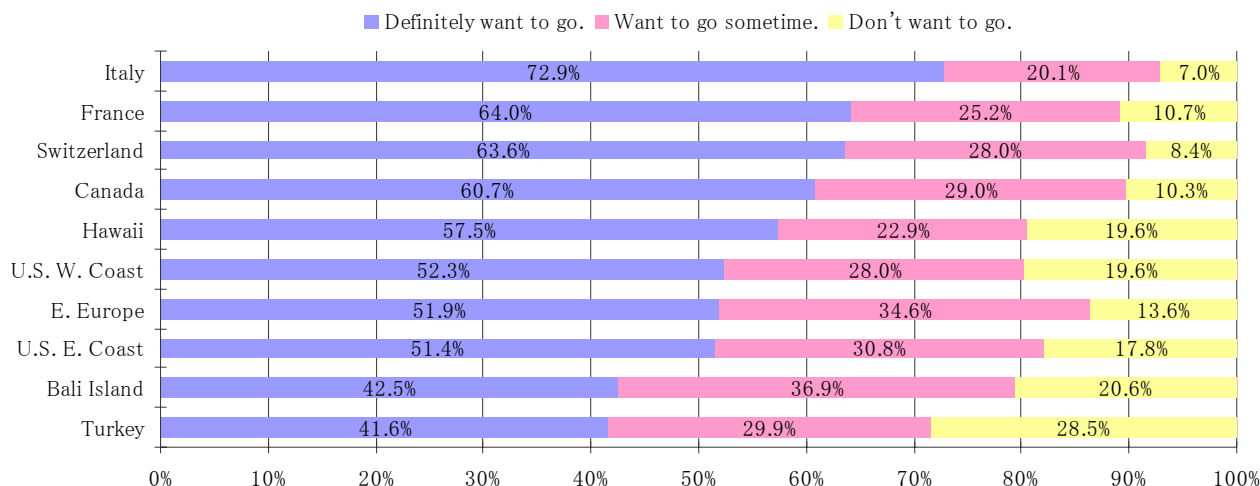
popularity since last autumn due to the decline in the value of the Korean won and the appreciation of the yen. However, other favorite destinations such as the United States and Canada, Hawaii and Bali Island, are not far behind, thanks to reductions of 40,000 to 59,000 yen in fuel surcharges below those of the fourth quarter of 2008.

While one main reason for the popularity of such remote destinations is the major reduction in fuel surcharges, another favorable factor is the strengthened appeal and lower costs of package tours.

LOOK JTB products departing for Europe in April include many more that will run even if only two people book them. For instance, the popular “8 Days to Enjoy Italy” package is guaranteed to run on any day for which two people book. Including the lower fuel surcharges, prices are down by about 20%, making it easier to enjoy travel on a schedule, and at a price, that suits one’s own convenience.

Bookings for the second quarter of 2009 (April through June) departing Tokyo for Europe were running at 151% of the previous year’s level as of March 6, clear evidence of the recovery in demand for travel to Europe. There is also the fact that the end of March is the time for retirements. We are seeing many celebrate their retirement by heading for the Europe of their dreams, and this is also adding to bookings.

**Graph 5: Repeat Travelers’ Preferred Destinations**



**Survey Methodology**

Survey Timing: From Wednesday March 4 through Friday March 6, 2009.  
 Survey Respondents: Women in their 20s to their 60s in the Tokyo region (Metropolitan Tokyo and Kanagawa, Saitama and Chiba), the Nagoya region (Aichi, Gifu and Mie), and the Kansai region (Kyoto, Osaka, Hyogo and Nara).  
 Sample Size: 1,500  
 Survey Methodology: Online web-based survey

**Issued by: Corporate Communication Division**

JTB Corp., 2-3-11 Higashi Shinagawa,  
 Shinagawa-ku, Tokyo 140-8602 JAPAN  
 Phone: 03-5796-5833, Fax: 03-5796-5848

**For mail address change/addition/deletion, please contact Mr. S. Sakaguchi,  
 mail: [jtc-s-sakaguchi@jtb.gr.jp](mailto:jtc-s-sakaguchi@jtb.gr.jp)**