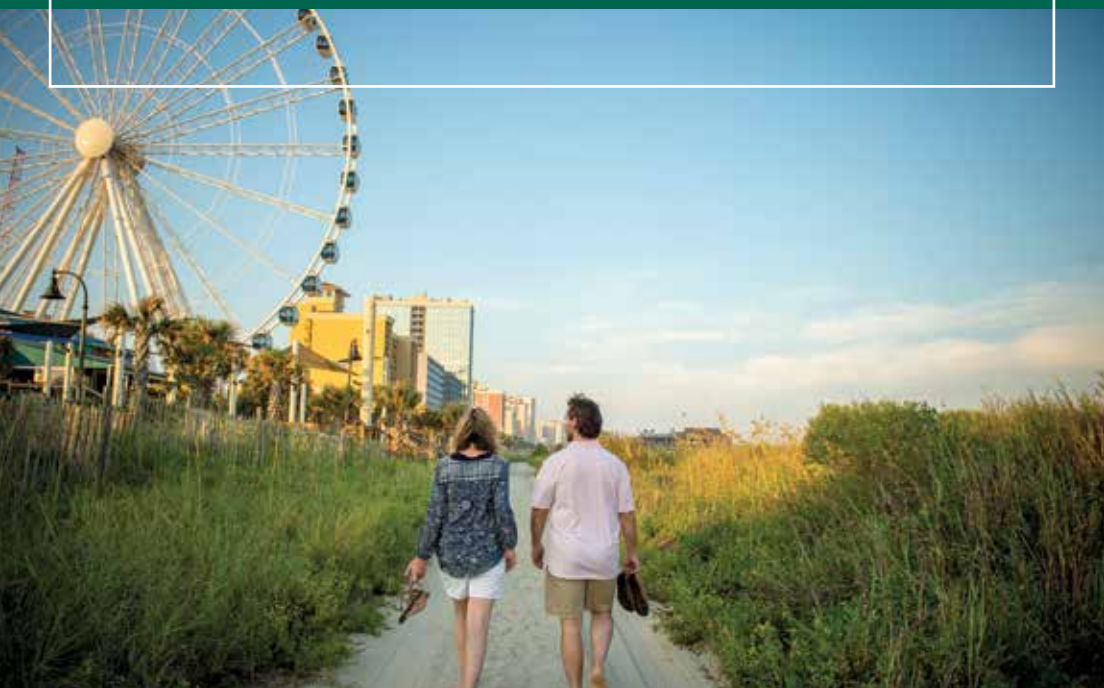




Brand USA

Market Information 2018

JAPAN



About This Guide

Brand USA is pleased to present this guide in partnership with the U.S. Commercial Service and the National Travel and Tourism Office (NTTO). It includes snapshots of the economies in Japan, along with information about travel from this region (booking channels, consumer trends, U.S. international inbound visitation data, and key travel motivators and indicators).

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About Brand USA

As the destination marketing organization for the United States, Brand USA's mission is to increase incremental international visitation, spend, and market share to fuel the nation's economy and enhance the image of the USA worldwide.

Established by the Travel Promotion Act of 2009 as the nation's first public-private partnership to spearhead a globally coordinated marketing effort to promote the United States as a premier travel destination and to communicate U.S. visa and entry policies, Brand USA began operations in May 2011.

As one of the best levers for driving economic growth, international travel to the United States currently supports 1.8 million American jobs (directly and indirectly) and benefits virtually every sector of the U.S. economy. Since its founding, Brand USA has worked in close partnership with more than 800 partner organizations to invite the world to explore the exceptional, diverse, and virtually limitless travel experiences and destinations available in the United States of America.

According to studies by Oxford Economics, over the past five years Brand USA's marketing initiatives have helped welcome 5.4 million incremental visitors to the USA, benefiting the U.S. economy with \$38.4 billion in total economic impact, and supporting more than 51,000 incremental jobs each year.

Brand USA's operations are supported by a combination of non-federal contributions from destinations, travel brands, and private-sector organizations plus matching funds collected by the U.S. government from international visitors who visit the United States under the Visa Waiver Program.

For industry or partner information about Brand USA, please visit TheBrandUSA.com. For information about exceptional and unexpected travel experiences in the United States, please visit Brand USA's consumer website at VisitTheUSA.com.

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A Message From Christopher L. Thompson

We at Brand USA — the destination-marketing organization for the United States — look forward to working with you to tap the great potential of Japan's outbound-tourism market.

This market guide will familiarize you with the factors that make Japan and the Japanese people so desirable to do business with.



Japanese travelers make up the fourth-largest group of international visitors who come to the United States. (Only Canada, Mexico and the U.K. provided more inbound international travelers.) During 2016, nearly 3.6 million Japanese opted to visit. Those Japanese visitors spent \$16.6 billion during their U.S. trips, which also made them number-four among the top international spenders.

Recent trends show that travel agents in Japan are shifting their focus from group tours to FIT travel, as the Japanese have become more savvy travelers. And, Japanese travelers continue to show enthusiasm for U.S. travel. According to a survey of Japanese travelers, 37 percent of the respondents said they would voluntarily recommend a trip to the United States. Another 38 percent said they would talk positively about U.S. travel if it emerged as a topic of discussion.

Toward the end of 2017 and into the current year, Brand USA has made a concerted effort to educate the Japanese travel trade about the diverse range of travel experiences available in the United States. We partnered with United Airlines to run training seminars in five Japanese cities. And, in February, we had a four-day “America Deep Discovery” seminar in Tokyo.

Brand USA's new giant-screen film, “America's Musical Journey” – since its release earlier this year – is a significant part of our outreach for introducing international travelers to the United States. The unique styles of American music evoke our cultural heritage and the stories associated with iconic locations across the U.S. landscape.

Another major initiative is our new travel-entertainment TV channel, GoUSA TV, which also launched early in 2018. Brand USA is the first destination-marketing

organization to develop such an outlet. GoUSA TV is now available on Roku, Apple TV and Amazon Fire TV around the globe. In 2019, the channel will also be on Google Chromecast.

Now in its first stages of development, GoUSA TV features an assortment of travel experiences across four different categories: The Great Outdoors, Road Trips, Food and Drink, and Culture and Events. GoUSA TV will increase programming to include additional themes and formats, including series, films, videos and live videos. And, GoUSA TV will have Japanese-language content in the near future.

The expanding development of GoUSA TV aligns well with the Japanese market, where the population is highly connected. Consider, for instance, that Japan, last year, had 9.9 million subscription video-on-demand households, the greatest number in the Asia-Pacific region. That number is expected to double during the next few years.

Brand USA, overall, has committed to a comprehensive “digital-screen strategy” that presents a storytelling approach regarding the diversity of travel possibilities in the United States. Using mediums that run the gamut from quick mobile content to giant-screen films, the storytelling continues to be relevant, engaging and authentic.

Please note that this summer, July 9-12, Brand USA will again host a sales mission to Japan and South Korea, allowing our partners to promote U.S. travel in these two markets. Also, Brand USA and participating partners will return to Tourism EXPO Japan (JATA). This high-powered tradeshow, which draws 190,000 visitors, will be held in Tokyo, Sept. 20-23.

I invite you to talk to our team about trip experiences in the USA and opportunities to enhance your marketing efforts in Japan. They can discuss with you the many ways to inspire Japanese travelers to book their USA trips now.

Together, we are marketing the USA!

Chris Thompson

President & CEO

Brand USA

Brand USA

Executive and Senior Leadership

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Geography

Area

377,915 km², world rank: 62
(slightly smaller than California)

Source: CIA World Factbook 2018



Demographics

Population

126,451,398 (July 2017)

Source: CIA World Factbook 2018

Largest Metropolitan Areas

Tokyo: 35.83 million (capital, finance, commerce, tourism)

Osaka-Kobe: Osaka: 18.66 million (electronics)

Nagoya: 8.86 million (automobiles)

Source: CIA World Factbook 2018

Population by Age

Age	Japan	USA
0-14 years	12.8%	18.9%
15-24 years	9.6%	13.6%
25-54 years	37.5%	39.8%
55-64 years	12.2%	12.7%
65 years and older	27.9%	14.8%
Median age	47.3 years	37.8 years
Population growth rate (2015 est.)	-0.21%	0.78%

Source: CIA World Factbook 2018

Economy

GDP: US\$5.405 trillion

GDP real growth rate: 1.5% (2017 est)

GDP—per capita: US\$42,700

Unemployment rate: 2.9%

Inflation rate: -0.4%

Source: CIA World Factbook 2018

Vacation Allocation

Salaried Japanese employees typically have a maximum of 20 paid vacation days (depending on seniority), plus 17 public holidays. Japanese workers typically receive two bonuses per year, often equivalent to two months' salary each, but these are dependent on the performance of the company.

Primary Travel Periods

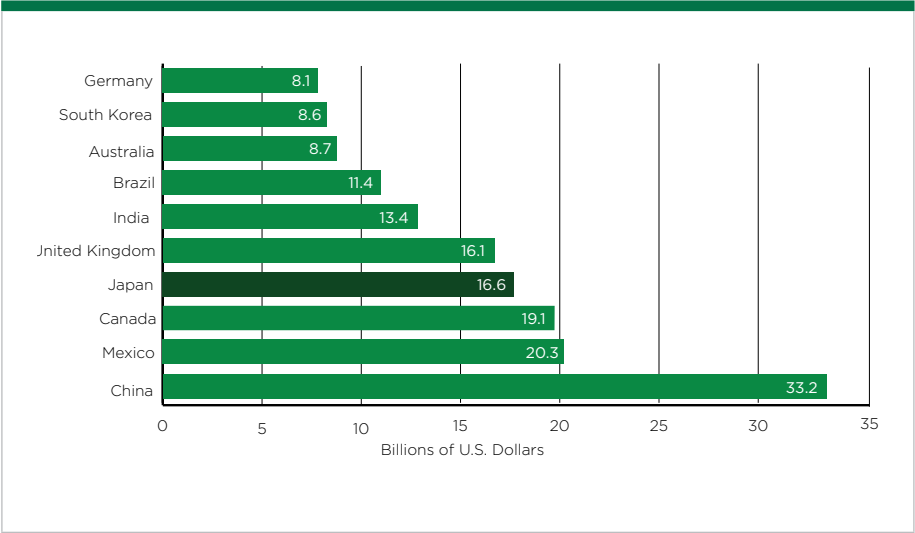
- **Golden Week:** April 29–May 7
- **Obon:** Mid-August
- **Silver Week:** September 15, 17, 22, 24
- **New Year Holiday:** Approximately December 28 - January 4
- **Emperor's Birthday:** December 23

Public School Holidays

- **Spring:** 2 - 3 weeks (late March to early April)
- **Summer:** 5 - 6 weeks (late July through end of August)
- **Winter:** 2 - 3 weeks (late December to early January)

International Visitation Trends*

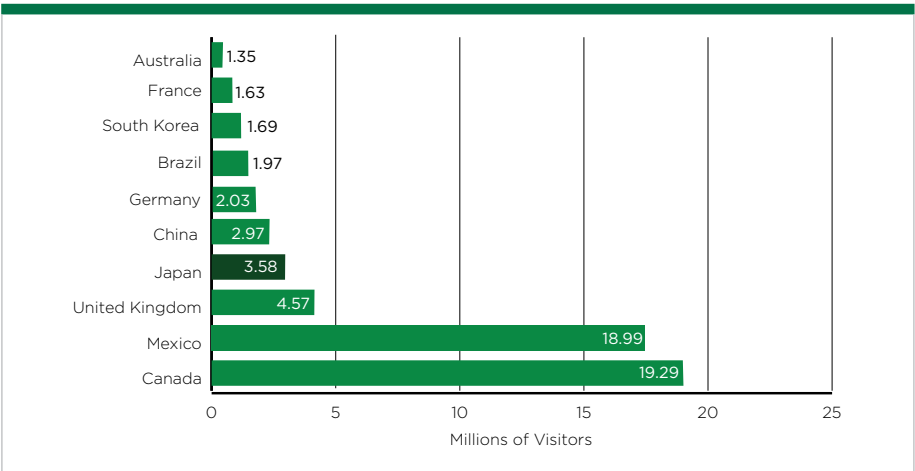
Visitor Spending (billions of U.S. dollars)



Source: U.S. Department of Commerce, National Travel and Tourism Office

International Arrivals to the USA, 2016

Top 10 Countries Generating Travel to the United States (Long-haul arrivals)



Source: U.S. Department of Commerce, National Travel and Tourism Office

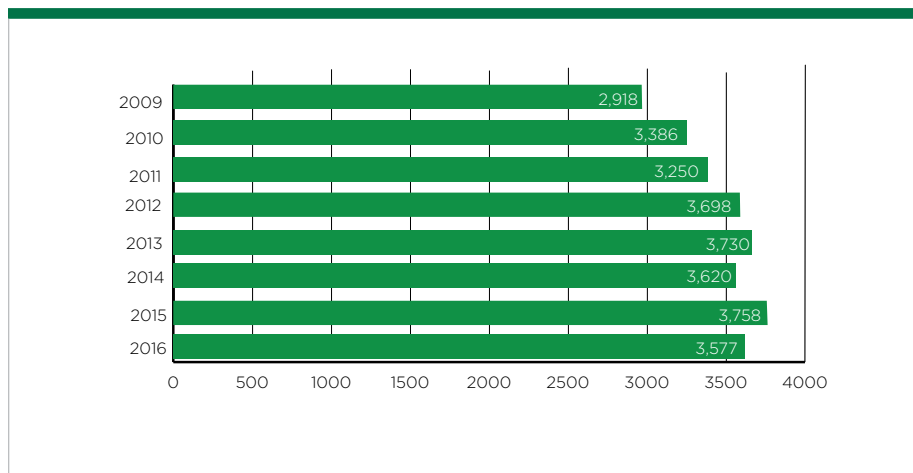
Travel Trends*

Spending Trends (exports) (millions of U.S. dollars)

	2009	2010	2011	2012	2013	2014	2015	2016	Change
Total Travel & Tourism Exports	\$12,636	\$14,529	\$14,591	\$17,063	\$16,984	\$17,331	\$17,660	\$16,613	\$3,977
Travel Receipts	\$9,082	\$10,222	\$9,977	\$11,835	\$11,545	\$11,220	\$11,660	\$10,887	\$1,805
Passenger Fare Receipts	\$3,554	\$4,307	\$4,614	\$5,228	\$5,439	\$6,111	\$6,000	\$5,726	\$2,172
Change (%) in Total Exports	-14	15	0	17	0	2	2	-6	31

Source: U.S. Department of Commerce, National Travel and Tourism Office

Visitation Trends (arrivals)



Source: U.S. Department of Commerce, National Travel and Tourism Office

*U.S. Department of Commerce National Travel and Tourism Office data to be revised during calendar year 2018.

Traveler Characteristics*

Main purpose of trip

Main Purpose of Trip	2015 (%)	2016 (%)	Point Change
Vacation/Holiday	69	71	2.4
Business	13	12	-1.1
Visit Friends/Relatives	9	8	-0.8
Convention/Conference/Trade Show	7	6	-1.2
Education	2	2	0.2
Health Treatment	0.1	0.1	0.0
Religion/Pilgrimage	0.1	1	0.4

Source: U.S. Department of Commerce, National Travel and Tourism Office

Select Traveler Characteristics

Traveler Characteristics	2015	2016	Change
Length of Stay in U.S. (mean nights)	7.0	7.3	0.3
Length of Stay in U.S. (median nights)	4	4	0.0
First International Trip to the U.S.	25	24	-0.7

Source: U.S. Department of Commerce, National Travel and Tourism Office

Activity Participation While in the USA

Activities	2015 (%)	2016 (%)	Point Change
Shopping	85	83	-1.1
Sightseeing	85	87	1.8
Experience Fine Dining	39	25	-14.5
Water Sports	24	20	-3.9
Guided Tours	20	22	2.1
National Parks/Monuments	12	12	-0.4
Historical Locations	11	12	0.9
Art Gallery/Museum	9	8	-0.3
Small Towns/Countryside	11	10	-0.9
Amusement/Theme Parks	10	12	1.4

Source: U.S. Department of Commerce, National Travel and Tourism Office

*U.S. Department of Commerce National Travel and Tourism Office data to be revised during calendar year 2018.

USA Destinations Visited (States, Cities, and Regions)

U.S. Destinations/Regions	Market Share 2015 (%)	Volume 2015 (000)	Market Share 2016 (%)	Volume 2016 (000)
Regions				
Pacific Islands	61.62	2,316	63.98	2,289
Pacific	17.41	654	16.14	577
Middle Atlantic	9.88	371	9.17	328
South Atlantic	6.50	244	5.59	200
East North Central	4.65	175	4.54	162
Mountain	4.78	180	4.46	160
States/Territories				
Hawaii	40.45	1,520	43.21	1,546
Guam	21.19	796	20.86	746
California	15.65	588	15.12	541
New York	8.84	332	8.26	295
Cities				
Honolulu & Oahu	35.94	1,351	35.76	1,279
New York City	8.37	315	8.24	295
Los Angeles	7.72	290	7.57	271

Source: U.S. Department of Commerce, National Travel and Tourism Office

Transportation Used in the USA

Transportation Types	2015 (%)	2016 (%)	Point Change
Taxicab/Limousine	41	39	-2.4
Bus between Cities	32	36	4.0
City Subway/Tram/Bus	27	25	-2.2
Air Travel between U.S. Cities	23	23	0.0
Rented Auto	21	18	-2.5
Auto, Private or Company	17	16	-1.1

Source: U.S. Department of Commerce, National Travel and Tourism Office

**U.S. Department of Commerce National Travel and Tourism Office data to be revised during calendar year 2018.*

Air Travel Information

Non-Stop Flights from Japan to the USA

Flights To	Flights From	Marketing Airline	Departure Time	Arrival Time	Frequency (week)
Atlanta	Tokyo (Narita)	DL	16:30	16:00	7 (daily)
Boston	Tokyo (Narita)	JL	18:10	18:00	7 (daily)
Chicago	Tokyo (Haneda)	NH	10:50	08:40	7 (daily)
Chicago	Tokyo (Narita)	JL	10:50	08:35	7 (daily)
Chicago	Tokyo (Narita)	NH	17:05	14:55	7 (daily)
Chicago	Tokyo (Narita)	UA	17:45	15:45	7 (daily)
Chicago	Tokyo (Narita)	AA	17:55	15:55	7 (daily)
Dallas Fort Worth	Tokyo (Narita)	AA	10:30	08:20	7 (daily)
Dallas Fort Worth	Tokyo (Narita)	AA	17:25	15:15	7 (daily)
Dallas Fort Worth	Tokyo (Narita)	JL	11:10	08:50	7 (daily)
Denver	Tokyo (Narita)	UA	17:15	12:35	7 (daily)
Detroit	Tokyo (Narita)	DL	15:40	14:20	7 (daily)
Detroit	Nagoya	DL	16:30	16:06	5
Los Angeles	Tokyo (Haneda)	DL	15:15	08:56	7 (daily)
Los Angeles	Tokyo (Haneda)	AA	16:25	10:50	7 (daily)
Los Angeles	Tokyo (Haneda)	NH	22:55	16:55	7 (daily)
Los Angeles	Tokyo (Narita)	NH	16:00	09:50	7 (daily)
Los Angeles	Tokyo (Narita)	NH	17:00	10:50	7 (daily)
Los Angeles	Tokyo (Narita)	JL	17:25	11:15	7 (daily)
Los Angeles	Tokyo (Narita)	UA	17:10	11:10	7 (daily)
Los Angeles	Tokyo (Narita)	AA	18:05	12:25	7 (daily)
Los Angeles	Tokyo (Narita)	SQ	19:15	13:25	7 (daily)
Los Angeles	Osaka	JL	17:25	11:45	7 (daily)
Minneapolis	Tokyo (Haneda)	DL	15:55	13:05	7 (daily)
New York (EWR)	Tokyo (Narita)	UA	17:00	15:45	7 (daily)
New York (JFK)	Tokyo (Haneda)	NH	10:20	10:15	7 (daily)
New York (JFK)	Tokyo (Haneda)	JL	10:40	10:35	7 (daily)
New York (JFK)	Tokyo (Narita)	NH	16:50	16:35	7 (daily)
New York (JFK)	Tokyo (Narita)	JL	18:25	18:20	7 (daily)
Portland	Tokyo (Narita)	DL	16:20	09:21	5
San Diego	Tokyo (Narita)	JL	17:05	09:45	7 (daily)
San Francisco	Tokyo (Haneda)	UA	16:50	09:45	7 (daily)
San Francisco	Tokyo (Haneda)	JL	19:50	13:10	7 (daily)
San Francisco	Tokyo (Narita)	NH	17:00	09:15	7 (daily)

Flights To	Flights From	Marketing Airline	Departure Time	Arrival Time	Frequency (week)
San Francisco	Tokyo (Narita)	UA	17:55	10:10	7 (daily)
San Francisco	Osaka	UA	16:50	10:40	7 (daily)
San Jose	Tokyo (Narita)	NH	17:30	09:45	7 (daily)
Seattle	Tokyo (Narita)	DL	17:25	09:45	7 (daily)
Seattle	Tokyo (Narita)	NH	18:15	10:20	7 (daily)
Houston	Tokyo(Narita)	NH	10:50	09:45	7 (daily)
Houston	Tokyo(Narita)	UA	17:00	13:45	7 (daily)
Washington DC	Tokyo (Narita)	NH	10:40	09:15	7 (daily)
Washington DC	Tokyo (Narita)	UA	16:55	15:20	7 (daily)
Guam	Fukuoka	UA	11:50	16:40	7 (daily)
Guam	Tokyo (Narita)	JL	10:40	15:20	7 (daily)
Guam	Tokyo (Narita)	UA	11:00	15:40	7 (daily)
Guam	Tokyo (Narita)	UA	17:25	22:00	7 (daily)
Guam	Tokyo (Narita)	UA	21:20	01:55	7 (daily)
Guam	Nagoya	UA	11:30	16:30	7 (daily)
Guam	Nagoya	UA	20:50	01:25 +1	7 (daily)
Guam	Osaka	UA	11:05	15:50	7 (daily)
Guam	Osaka	UA	20:45	01:20 +1	7 (daily)
Guam	Osaka	TW	10:40	15:10	7 (daily)
Saipan	Tokyo (Narita)	DL	16:30	19:15	7 (daily)
Honolulu	Fukuoka	DL	18:55	07:52	5
Honolulu	Sapporo	HA	20:00	08:15	3
Honolulu	Tokyo (Haneda)	HA	21:30	09:45	7 (daily)
Honolulu	Tokyo (Haneda)	HA	23:55	12:05	4
Honolulu	Tokyo (Haneda)	NH	22:00	10:20	7 (daily)
Honolulu	Tokyo (Narita)	NH	20:20	08:40	7 (daily)
Honolulu	Tokyo (Narita)	NH	21:35	09:55	7 (daily)
Honolulu	Tokyo (Narita)	JL	20:00	08:40	7 (daily)
Honolulu	Tokyo (Narita)	JL	20:40	09:10	7 (daily)
Honolulu	Tokyo (Narita)	JL	21:15	09:55	7 (daily)
Honolulu	Tokyo (Narita)	JL	22:00	10:30	7 (daily)
Honolulu	Tokyo (Narita)	UA	19:00	06:50	7 (daily)
Honolulu	Tokyo (Narita)	DL	20:00	07:27	7 (daily)
Honolulu	Tokyo (Narita)	DL	21:00	08:53	7 (daily)
Honolulu	Tokyo (Narita)	HA	19:00	06:50	7 (daily)
Honolulu	Tokyo (Narita)	KE	21:00	08:35	7 (daily)
Honolulu	Nagoya	DL	21:35	10:14	7 (daily)
Honolulu	Nagoya	JL	22:05	10:55	7 (daily)

Flights To	Flights From	Marketing Airline	Departure Time	Arrival Time	Frequency (week)
Honolulu	Osaka	JL	22:15	11:20	7 (daily)
Honolulu	Osaka	HA	21:20	09:55	7 (daily)
Honolulu	Osaka	DL	20:05	08:55	7 (daily)
Honolulu	Osaka	D7	23:25	12:30	4
Honolulu	Osaka	TR	19:50	09:00	4
Kona	Tokyo (Narita)	JL	21:25	-	7 (daily)
Kona	Tokyo (Haneda)	HA	23:55	-	3

Source: Brand USA Proprietary Research

Market Snapshot

Sales distribution

Japan has a highly regulated travel distribution system that includes three levels of travel agencies. Major operators in Japan's travel industry are involved in all levels of the distribution system.

Type 1 agencies provide package, wholesale and retail services for international and domestic travel products. A typical agency in this category has wholesale, media-sales, group-tour sales and retail divisions.

Type 2 agencies take international-travel products from Type 1 agencies, and sell them directly to consumers. They do not produce their own overseas-travel products, though they do produce and sell domestic tours.

Type 3 agencies sell the international and domestic packages produced by Type 1 and Type 2 agencies. They do not have wholesale or packaging divisions.

Revenue of the top 50 Japanese travel companies

Combined revenue of Japan's top-50 travel companies increased 3.2 percent —totaling 6.63 trillion, or US\$ 62.52 billion —over a 12-month period ending in March 2016, compared to the previous 12 months.

Strong growth continued in the inbound and domestic sectors, though outbound-travel revenue dropped 8.4 percent, to 2.02 trillion, or US\$19.05 billion.

Type of Travel	Revenue (Apr 2015–Mar 2016) (US\$)	Revenue (Apr 2014–Mar 2015) (US\$)	Y-o-Y Change
Outbound	US\$19.05bn	US\$18.10bn	- 8.4%
Inbound	US\$1.64bn	US\$910m	+44.0%
Domestic	US\$41.86bn	US\$33.05bn	+8.3%
Total	US\$62.52bn	US\$52.06bn	+3.2%

Source: Japan Tourism Agency, Ministry of Land, Infrastructure, Transport and Tourism

Distribution trends

Major Japanese companies control all levels of the distribution system. Although distribution channels are becoming more fragmented, this integration remains a key feature of the Japanese travel trade. Large wholesalers are increasing their focus on retail consultants to meet consumer

demand for Free and Independent (FIT) travel. In addition to the two major brochure seasons of Kamiki (April - September) and Shimoki (October - March), wholesalers have begun packaging tours on-demand, taking advantage of last-minute trends and peak or low travel periods. The number of online-only businesses in Japan is increasing, and major wholesalers are expanding online services and advertising.

Japanese travel agents are rapidly shifting their focus from group tours to FIT travel as Japanese travelers become more experienced. The ratio of FIT travelers as a proportion of all outbound travelers hit a record high of 58.5% in 2016, and a total of 62.9% of travelers now book online, so Japanese travel agents are gradually moving resources from brick and mortar sales to sales via their websites. At the same time, there is recent evidence that traditional stores are still important as a place for consumers to consult travel professionals, particularly for young consumers with less experience who want advice on recommended destinations, travel activities and which products provide best value for money.

Whether booked online or in-store, the majority of bookings go through Japan's traditional travel agencies, so it is important for a destination, hotel or attraction to be included in agents' portfolios. During the first half of 2016, an estimated 56% of all travel bookings (both online and offline) were made through Japan's traditional travel agencies, with 16.6% being made through airline websites and just 11.9% made through OTAs

Key Travel Trade Events in 2018

JATA Tourism Expo, Sept. 20-23

KIX Travel Fair, May 19 and 20

Booking tendencies

Japanese typically make bookings one to six months in advance – travel to long-haul destinations is often booked earlier than average.

Stage of booking a trip	Average number of months before departure
First think about making a trip	4.8
Start to consider trip options	3.6
Start booking application process	2.9

Source: AB Road Research Center

Japanese styles of travel

In 2017, 28.4% of Japanese traveled overseas with their partner, down from 29.3% in 2016. Travelling alone is the second most common form of travel for the fourth year in a row, families travelling with children is up 0.3% year-on-year. The majority of Japanese prefer to travel in small groups of one to three people.

Style of Travel	2016 (%)	2017 (%)
Married Couple	29.3	28.4
Single Traveler	16.4	15.4
Family with Children	14.0	14.3
With a Friend (2 people)	12.0	11.4
With Friends (3 people or more)	9.8	10.3
Travel with Parents	6.5	6.5
Couple Travel	4.3	5.0
3-Generation Family Travel	3.0	3.4
Other	4.6	5.3

Source: AB Road Research Center

Japanese travelers

Taiwan overtakes Hawaii (Oahu) as overall top destination for Japanese travelers in 2016.

South Korea and Guam remain firm favorites at 3rd and 4th place respectively as well as other Asian destinations including Thailand.

2016	2015	Top Destinations for Japanese Travelers	(%)	% Change
1st	2nd	Taiwan	18.8	2.9
2nd	1st	Hawaii (Oahu)	12.7	-0.3
3rd	3rd	South Korea	12.1	2.1
4th	4th	Guam	6.2	-0.8
5th	8th	Hong Kong	5.9	0.5
6th	5th	Thailand (other than beach resorts)	5.8	-0.4
7th	6th	Singapore	5.6	-0.5
8th	9th	Italy	5.4	-0.4
9th	10th	USA West Coast	5.2	0.0
10th	11th	Western Europe (exc. France, Spain, Italy, Germany)	5.0	-0.5

Source: AB Road Research Center

What influences Japanese travelers' travel making decisions?

Japanese consumers make their travel destination decisions based on multiple factors:

- Safety concerns
- Financial factors (strength of the Japanese Yen, fuel surcharges etc.)
- Compatibility of local cuisine with Japanese tastes
- Ease of communication at the destination
- Value of travel as a life experience (especially following the 2011 Tohoku earthquake)

Japanese travelers` destination satisfaction

All regions of the U.S feature in the top 10 destinations of satisfaction in 2016. U.S. West Coast increased 13 places year-on-year and Hawaii (Oahu) has climbed 4 places at 3rd place. They are closely followed by U.S. South in 5th

and Hawaii (except Oahu) and U.S. East Coast. The rise in ranking for each US destinations could be due to slight decrease in satisfaction ratings for many destinations, for example Canada, compared to 2015.

Satisfaction Rankings			Destinations	% of Japanese satisfied with trip
2016	2015	2014		
1st	5th	3rd	Western Europe (exc. France, Spain, Italy, Germany)	97.7
2nd	15th	12th	USA West	95.8
3rd	7th	10th	Hawaii (Oahu)	95.5
=	6th	10th	Germany	95.5
4th	-	-	Italy	95.3
5th	10th	-	USA South	94.9
6th	-	-	Other places Europe	94.8
7th	7th	10th	Hawaii (except Oahu)	93.5
8th	8th	-	Central/South America	93.4
9th	11th	4th	U.S. East Coast	93.0
10th	2nd	7th	Canada	92.6

Source: AB Road Research Center

Technology and Media Consumption

Distinctive characteristics of Japanese mass media consumption (2016)

Television Usage

Television is still the main source of news and entertainment for the Japanese. The average person watches 2 hours 55 minutes of television per day, and this figure greatly increases among older generations.



Smartphone Usage

Smartphone increased 19% year-on-year to 48.32 million in 2015. Ownership rate is 64.0% among those aged 30-39 and 50.1% among those aged 40-49.

Internet Usage

Approx. 100.6 million Japanese are internet users - 79.1% of the population. Internet for an average of 3.5 hours per day – greatly increased compared to twenty years ago, but still less than other technologically advanced nations. However Japanese aged 20-29 now spend longer per day on the internet than they spend watching television.

Internet Travel Searches

An estimated 72% of Japanese outbound travelers refer to information on the internet before making reservations. The most popular sources of information to refer to are online travel agencies` websites (47%), followed by airlines` websites (25%) and the websites of traditional travel agencies that have physical stores (23%).

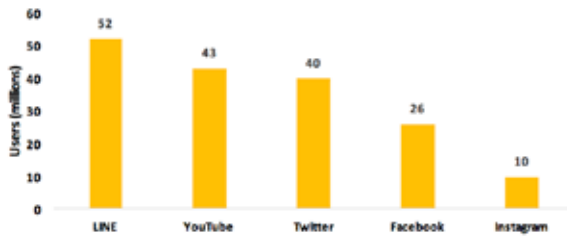
Social Media

By far the most popular social media application in Japan is LINE, a social messaging service similar to WhatsApp and Facebook Messenger. Worldwide leaders Facebook, Twitter and YouTube also dominate market share, but Japanese users also continue to embrace home-grown platforms such as long-running social network and gaming platform Mixi, and video-sharing website Niconico. While the majority of middle-aged Japanese are now familiar with Facebook and Twitter, image-sharing applications such as Instagram and Tumblr are just beginning to take off with younger generations.

Social media usage

The average amount of time that Japanese spend using online social media per day is 15.5 minutes, compared with an average of 26.0 minutes browsing web pages, but this rate varies greatly by generation. While Japanese aged 10-29 spending an average of 46.6 minutes on online social media, Japanese aged 30-59 spend an average of just 7.5 minutes.

Japanese Social Media Users (December 2016)



LINE

- A smart phone application `social messaging network` that has an estimated 52 million users in Japan, making it Japan`s most popular social messaging network. It is used by an estimated 82% of all Japanese female SNS users, and 66% of all Japanese male SNS users. LINE is arguably the most powerful B2C SNS, and both Japanese and overseas corporations are creating official accounts to communicate directly with consumers and offer them stamps and special offers. Among overseas DMOs, Tourism Malaysia, Tourism Authority of Thailand and the Taiwanese Tourism Bureau have official LINE accounts.

Facebook

- Estimated to have 35.4 million users in Japan, 26.0 million of who are monthly active users. Accessing Facebook via a smartphone is particularly popular in Japan, with 86% of Japanese Facebook users doing so compared to a global average of 71%.
- 95% of Japanese access Facebook through mobile devices, and 84% of Facebook posts are made on mobile devices.

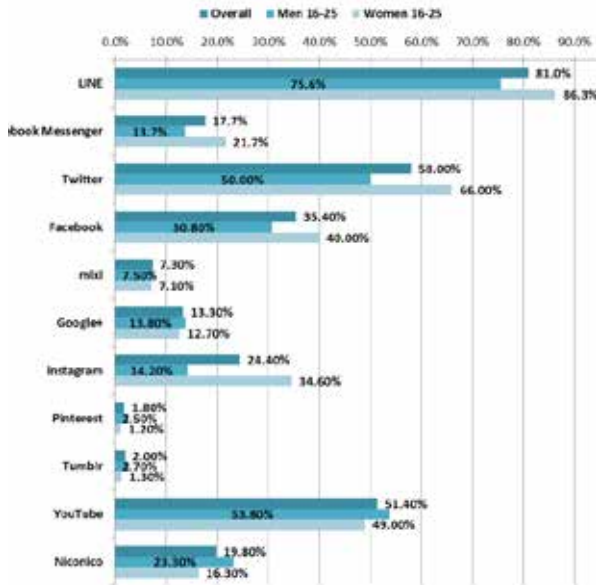
Twitter

- Estimated to have 40 million users in Japan at the end of 2016; a growth of 35 million users from 5.2 million in 2011. It is distinctly more popular among younger demographics than other SNS, with 56.7% of males and 62% of females aged 10-19 using it. Japanese is the second most tweeted language in the world after English.

Instagram

Estimated to have 10 million monthly active users (Dec 2016), Instagram has experienced the fastest growth rate among SNS in Japan in the past few years, with 2.6 times more users in December 2014 than in January 2013.

Social Media Platforms Currently Used by Japanese aged 16-25 (December 2015)



Sources of Information for Finding Package Tours

While the amount of time Japanese spend browsing the internet using hand-held devices now exceeds the amount spent using a desktop computer, when it comes to conducting detailed research on package tours, desktop computers are still the preferred choice.

Source of information	(%)
Internet accessed by desktop computers	42.7
Travel Agency pamphlets	20.1
Travel Agency counters	8.6
Information magazines sent from travel agents and airlines	8.4
Internet accessed by smartphone/tablet, etc.	7.0
Travel with Parents	6.5

Sources of Information for Finding Package Tours

Source of information	(%)
Internet accessed by desktop computers	76.2
Travel Agency counters	4.1
Internet accessed by smartphone/tablet, etc.	8.7
Email Magazines sent by travel agencies or airlines	1.9
Internet accessed by smartphone/tablet, etc.	7.0
Travel with Parents	6.5

Source: AB Road Research Center

U.S. Culture in Japan

Halloween in Japan

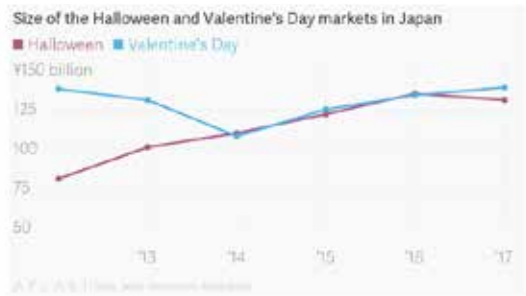
In recent years, Halloween has been growing increasingly popular and wide-spread in Japan, rivaling Christmas and Valentine's Day.

According to the Japan Anniversary Association, which registers and tracks commemoration days, the 2016 market for everything from shopping to Halloween-themed dining reached ¥135 billion (\$1.2 billion) even surpassing Valentine's Day (¥134 billion) spending that year.

Halloween merchandise are readily available in stores throughout the country from September from Fancy dress outfits to confectionery and stationery lines.

More than 10 events were held in Tokyo alone, including a pumpkin parade and theme parks generate interest in the festival through Halloween special events.

Japanese interest in popular American holidays seems set to increase as Easter is also starting to be recognized more widely



Brand USA Online Channels

Digital/Social Marketing

Brand USA employs digital and social media marketing strategies to inspire, engage, and activate international travelers to visit the United States during the year through:

- Proprietary website platforms
- Social media channels
- Global digital marketing and social campaigns
- Online video
- Retargeting and other targeted advertising

Proprietary Consumer Website Platforms

Brand USA has two online consumer identities in the marketplace:

- VisitTheUSA (VisitTheUSA.com), which is active in most markets where Brand USA markets the United States to international travelers
- GoUSA, which is active in Asian markets, including China and Hong Kong (GoUSA.cn), Taiwan (GoUSA.tw), India (GoUSA.in), Japan (GoUSA.jp), and South Korea (GoUSA.or.kr)

Together, the VisitTheUSA and GoUSA website platforms are the consumer-facing online identities international travelers associate with travel to the United States.

Social Media Channels

In addition to the global and in-market VisitTheUSA and GoUSA proprietary websites, Brand USA leverages related social media accounts in consumer-facing content and communications. Each market where Brand USA has a fully developed marketing presence has a dedicated, in-language website and social channels, which Brand USA uses to reach consumers in its target markets.

The following handles are used for global, consumer-facing promotions in English:

- Website: VisitTheUSA.com
- Twitter: @VisitTheUSA
- Facebook: Facebook.com/VisitTheUSA
- YouTube: YouTube.com/VisitTheUSA
- Instagram: VisitTheUSA
- Google+: Google.com/+VisitTheUSA

The following campaign hashtags support global and thematic promotions and initiatives:

- Global: #VisitTheUSA
- Flavors/Culinary: #TasteUSA
- Road Trips: #RoadTripUSA
- Great Outdoors: #OutdoorsUSA
- Market the Welcome: #USAWelcome

In addition to leveraging these global channels, Brand USA currently has localized social media efforts in the following markets via the channels shown in Chart 1.

CHART 1

Digital Channels

MARKET	URL	Local Tagline	FACEBOOK	TWITTER	HASHTAG	INSTAGRAM	YOUTUBE
Australia	VisitTheUSA.com.au	Plan Your USA Trip Now	facebook.com/VisitTheUSAau	@VisitTheUSA	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSA
Brazil	VisiteosUSA.com.br	Planeje Sua Viagem Aos USA Agora Mesmo	facebook.com/VisiteOsUSA	@VisiteOsUSA	#VisiteOsUSA	VisitTheUSA	YouTube.com/VisiteOsUSA
Canada: English	VisitTheUSA.ca	Plan Your USA Trip Now	facebook.com/VisitTheUSAcA	@VisitTheUSAcA	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSA
Canada: French	frVisitTheUSA.ca	Planifiez Votre Voyage Aux USA Dès Maintenant	facebook.com/VisitTheUSAcA	@VisitTheUSAcA	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUS Afr
Chile	VisitTheUSA.cl	Planifica tu viaje a USA ahora	facebook.com/VisitTheUSACl	@VisitTheUSAes	#VisitTheUSA	VisitTheUSA	(Spanish) YouTube.com/VisitTheUSAes
China	GoUSA.cn	即刻 定制 您的 USA 旅行 计划	n/a	Sina Weibo (Chinese microblogging site/hybrid of Twitter and Facebook): http://weibo.com/GoUSACn Youku (YouTube equivalent): http://youku.com/gousacn Wechat (Chinese mobile social network for texting, images, music and articles sharing, mobile only): 美国国家旅游局			
Colombia	VisitTheUSA.co	Planifica tu viaje a USA ahora	facebook.com/VisitTheUSAcO	@VisitTheUSAes	#VisitTheUSA	VisitTheUSA	(Spanish) YouTube.com/VisitTheUSAes
France	VisitTheUSA.fr	Préparez Votre Voyage Aux USA Dès Maintenant	facebook.com/VisitTheUSAFr	@VisitTheUSAFr	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSAFr
Germany	VisitTheUSA.de	Plant Jetzt Eure Reise In Die USA	facebook.com/VisitTheUSAdE	@VisitTheUSA	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSAdE
India	GoUSA.in	Plan Your USA Trip Now	facebook.com/GoUSAin	@GoUSAin	#VisitTheUSA	VisitTheUSA	YouTube.com/GoUSAin
Japan	GoUSA.jp	今すぐ USAへの旅の計画を	facebook.com/GoUSAjp	@GoUSAjp	アメリカ旅行	VisitTheUSA	YouTube.com/GoUSAjp
Mexico	VisitTheUSA.mx	Planifica Tu Viaje A USA Ahora	facebook.com/VisitTheUSAmx	@VisitTheUSAes	#VisitTheUSA	VisitTheUSA	(Spanish) YouTube.com/VisitTheUSAes
Korea	GoUSA.or.kr	지금 USA 여행을 계획해보세요	facebook.com/GoUSAkr	@GoUSAkr	#미국여행	VisitTheUSA	YouTube.com/GoUSAkr
Sweden	VisitTheUSA.se	Plan Your USA Trip Now	facebook.com/VisitTheUSAse	@VisitTheUSA	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSA
Taiwan	GoUSA.tw	立即訂製專屬你的美國之旅	facebook.com/GoUSA.official	@VisitTheUSA	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSA
United Kingdom	VisitTheUSA.co.uk	Plan Your USA Trip Now	facebook.com/VisitTheUSAuk	@VisitTheUSAuk	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSA

Brand USA Traveler Research

In the summer of 2013, Brand USA launched its Global Market Intelligence program. As part of this program, Brand USA commissioned PhoCus Wright, Inc. to conduct proprietary consumer research in various international markets. Respondents were recruited from an online panel. For markets beyond North America, the results reflect responses from adults who travel outside of their continent for leisure. The Global Market Intelligence program is designed to gain insight into travelers' perceptions of the USA and its competitors, as well as general travel behaviors and preferences.

Top 5 Motivations for Selecting Last Intercontinental Destination

Motivation	% Selected
Dining/Gastronomy	60
Cultural Historical Attractions	56
Shopping	41
Local Lifestyle	31
Beaches/ Seaside Attractions	28

Top 5 Strongest Impressions of the USA

Impression	% Selected
Energetic	45
Diverse	45
Friendly	28
Optimistic	23
Adventurous	22

Question: What motivates your desire to visit that destination? Select all that apply. For each of the following countries, select which characteristics, if any, describe it as a holiday destination. Select all that apply (N=1029). Base: Japan Intercontinental travelers 2017.

Source: Brand USA Market Intelligence Study 2017.

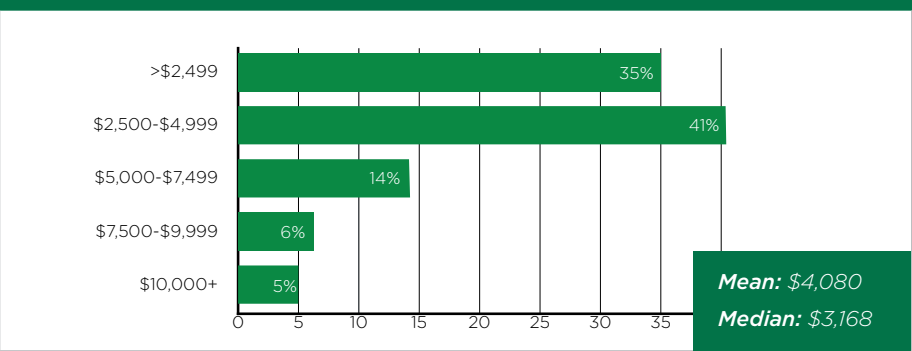
Top 5 Channels Used in Destination Selection for Last Intercontinental Trip

Channels	% Selected
Websites via computer	65
Information in printed travel guidebooks	40
Printed publications, articles, and brochures	32
Personal advice from friends/family	25
Websites/applications via mobile phone	22

Question: What sources of information did/will you use to select the destination for this holiday? Select all that apply. Base: Japan Intercontinental travelers (N=1029).

Source: Brand USA Market Intelligence Study 2017.

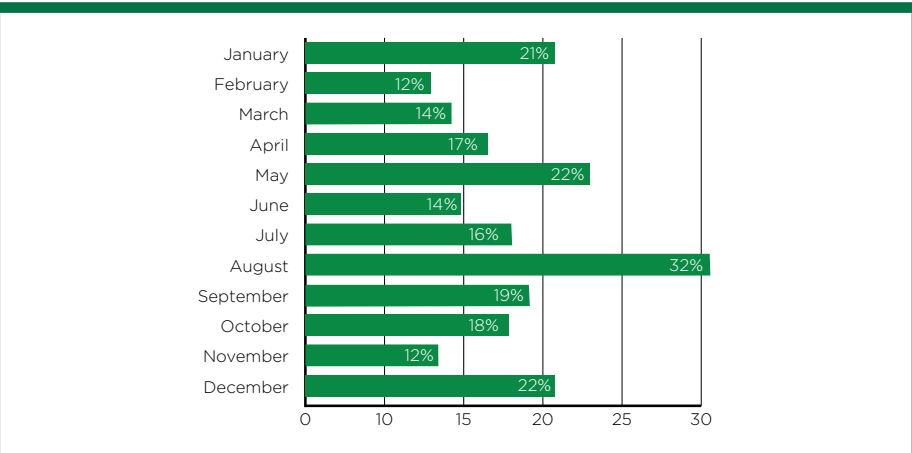
Expected Household Travel Spend for Next Intercontinental Trip



Question: What is the total amount you expect your household to spend on each of the following elements of this holiday? Enter a whole number without the currency symbol. Airline tickets/Lodging/ Additional trip-related expenses, such as dining, local transportation, souvenirs and local tours.
Base: Japan Intercontinental travelers (N=1029). Note: Totals may not add up to 100% due to rounding.
(Conversion JPY to USD= 0.009).

Source: Brand USA Market Intelligence Study 2017.

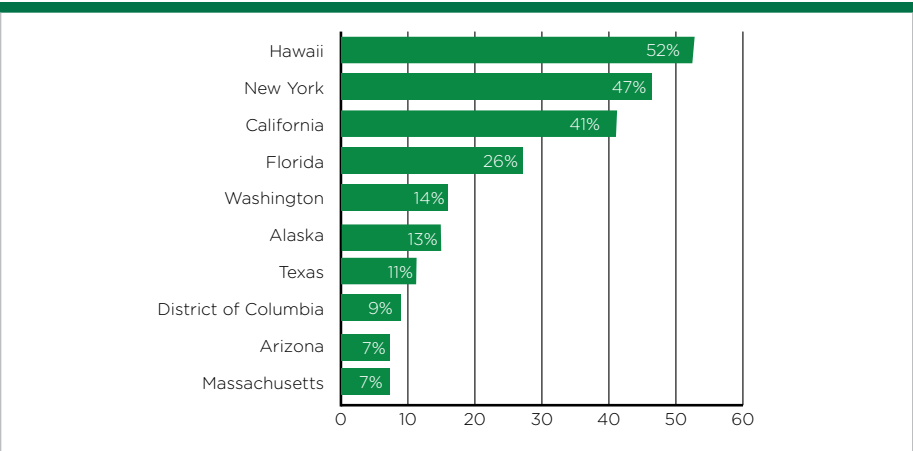
Months Traveled (April 2015–April 2017)



Question: During what month(s) did you take your holiday(s)?
Base: Japan Intercontinental travelers 2017 (N=1029).

Source: Brand USA Market Intelligence Study 2017.

Destination Interest—Top 10 States

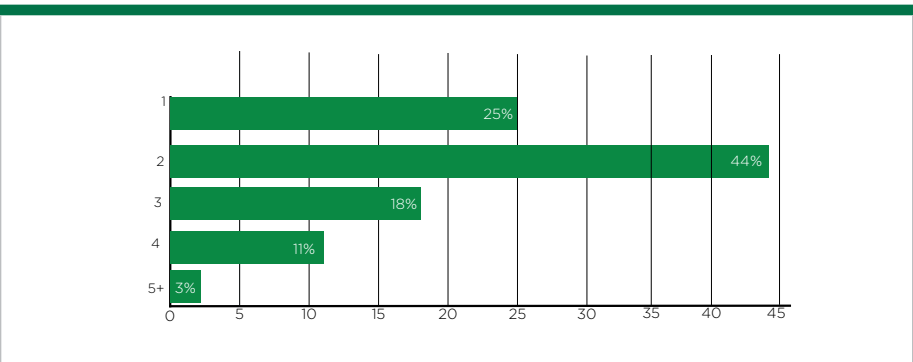


Question: You indicated in a previous question that you have interest in visiting the U.S. sometime in the future. Which U.S. state(s) are you interested in visiting?

Base: Japan Intercontinental travelers with interest in visiting the United States (N=959).

Source: Brand USA Market Intelligence Study 2017.

Expected Travel Party Size of Next Intercontinental Trip

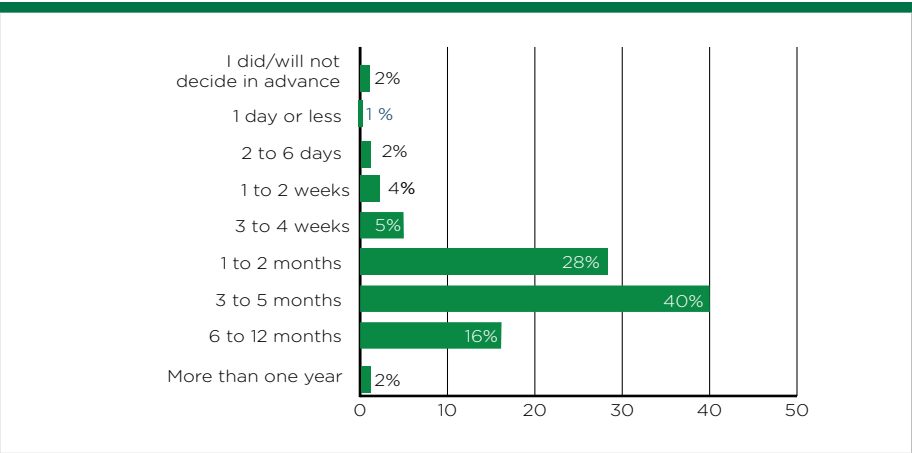


Question: Who will travel with you on this holiday? Select all that apply.

Base: Japan Intercontinental travelers 2017 (N=1029). Note: Totals may not add up to 100% due to rounding.

Source: Brand USA Market Intelligence Study 2017.

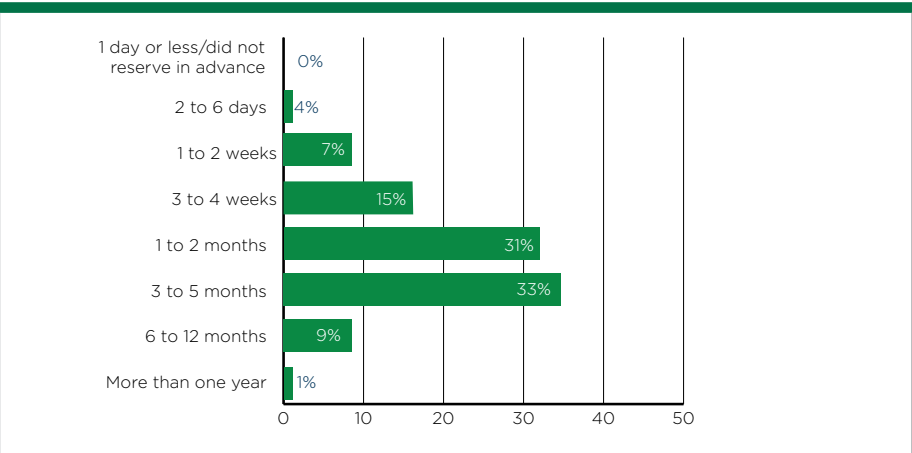
Destination Decision for Next International Trip



Question: How far in advance of your departure date did/will you decide on the destination?
Base: Japan Intercontinental travelers 2017 (N=1029). Note: Totals may not add up to 100% due to rounding.

Source: Brand USA Market Intelligence Study 2017.

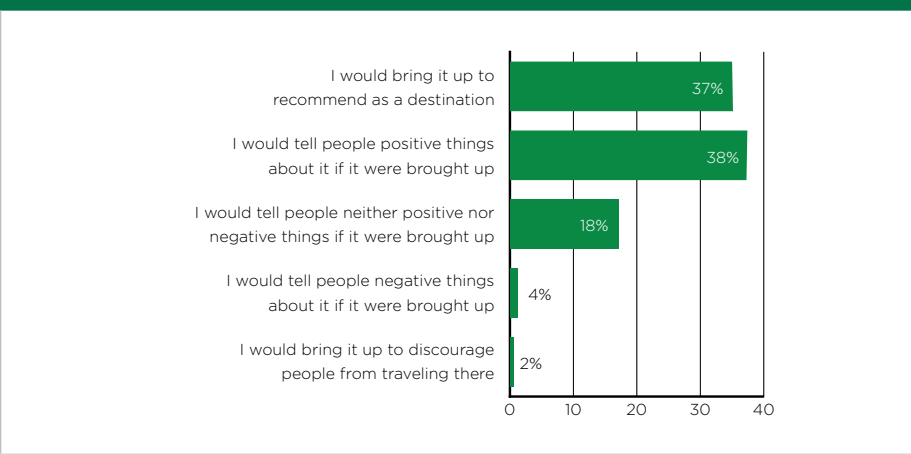
Air Booking for Next International Trip



Question: How far in advance of your departure date did/will you book the travel products for this holiday? Select one option from the drop-down box. Base: Japan Intercontinental travelers 2017 (N=1029). Note: Totals may not add up to 100% due to rounding.

Source: Brand USA Market Intelligence Study 2017.

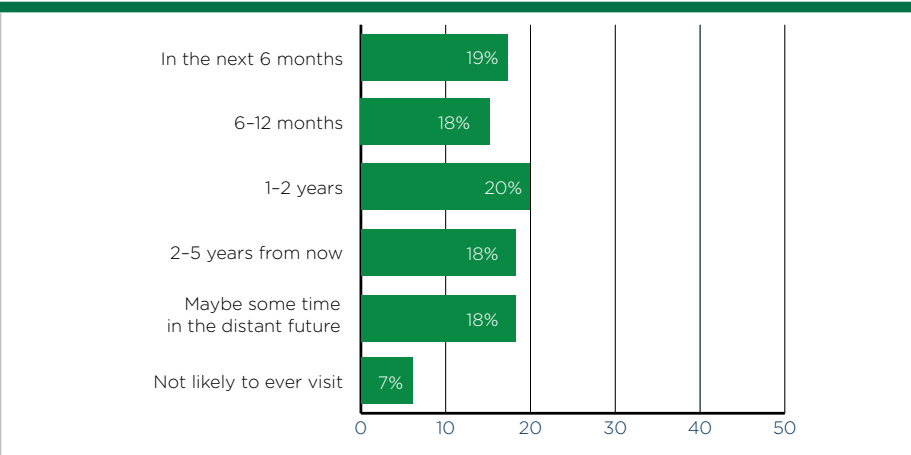
Net Promoter



Question: United States of America: If a friend or relative were discussing a future holiday destination with you, which statement would best describe your attitude toward the following countries? Base: Japan Intercontinental travelers (N=1029). Note: Totals may not add up to 100% due to rounding.

Source: Brand USA Market Intelligence Study 2017.

Likelihood of Travel to the USA



Question: When, if ever, are you likely to visit the following countries? Base: Japan Intercontinental travelers 2017 (N=1029). Source: Brand USA Market Intelligence Study 2017.

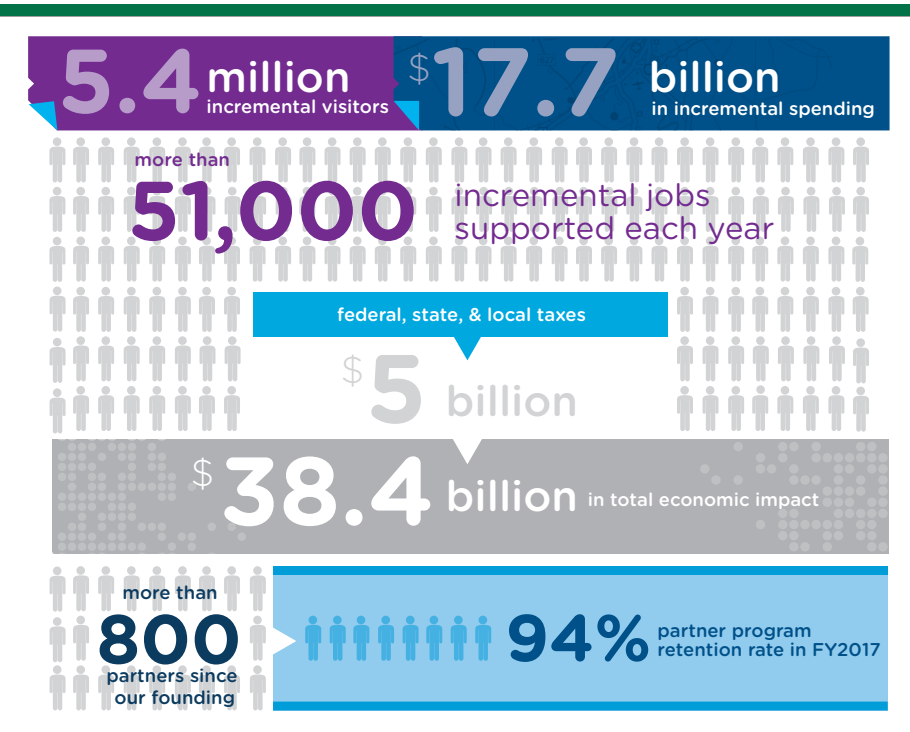
Brand USA Highlights

Brand USA is building on success.

With the support of its many partners worldwide, Brand USA has grown from a start-up organization (that launched its first full year in operation in 2012 with just 89 partners) to an organization that has worked with and been supported by over 800 partners worldwide.

Here is some of what we've accomplished with the support of our partners since we began operations in 2011:

- Generated 5.4 million incremental international visitors to the USA over the past five years, which has benefited the U.S. economy with \$38.4 billion in total economic impact, and supported more than 51,000 incremental jobs a year (source: Oxford Economics).



- Increased active consumer engagement with Brand USA assets (website page views, social interaction and social ad engagement) by 29 percent in FY2017.

- Continued to execute the USA consumer campaign in 14 markets (Australia, Brazil, Canada, Chile, China, Colombia, France, Germany, India, Japan, South Korea, Mexico, Sweden, and the United Kingdom Colombia and Sweden). In total, these markets generate more than 80 percent of all international visitation to the United States.
- With the launch of a “social first” storytelling approach in 14 markets, including OOH, OLV, digital display, social, search, native, and influencer media, the “GO” campaign resulted in almost 6.5 billion impressions.
- Brought 23 percent more members of the travel trade to the USA via our three MegaFams, which included 287 travel agents (of which 49 were product developers) from three countries (China, United Kingdom & Ireland, and Mexico).
- Hosted three sales missions (to India, Japan/Korea and China) with 108 U.S. delegates who promoted their travel brands and destinations to more than 1,618 Buyers.
- Leveraged \$52.5 million in contributed media from 35 global media partners, plus an additional \$5.7 million of in-kind contributions, to promote travel to the USA directly to consumers in numerous international markets. This compares to \$49 million in contributed media from 29 global media partners in FY2016.
- Increased earned media exposure for corporate media relations efforts by 41 percent over FY2016, reaching 2.7 billion impressions and an ad equivalency of nearly \$230 million in FY2017.
- Generated more than \$100 million in industry contributions, including cash contributions of \$43.5 million (compared to \$53 million in FY2016) an in-kind contributions of \$66.3 million (compared to \$47 million in FY2016) in recognized revenue—representing 40 percent in cash contributions and 60 percent in in-kind contributions for the year.
- Grew Brand USA's partnership network from 707 in FY2016 to 851 partners through FY2017 (a 20 percent increase).

By all these measures and more, Brand USA's marketing efforts are working—effectively and efficiently.

Brand USA Markets

Brand USA deploys its marketing efforts in a strategic combination of emerging and established markets that have the potential to drive the greatest returns in terms of visitation, spend, and market share.

Based on these market selection factors, Brand USA currently focuses the majority of its consumer marketing efforts in the following markets:

- Australia
- Brazil
- Canada
- Chile
- China
- Colombia
- France
- Germany
- India
- Japan
- Mexico
- South Korea
- Sweden
- United Kingdom

These 14 international markets generate more than 80 percent of inbound travel to the United States. In total, through the combined total of Brand USA's cooperative marketing platforms, contributed media, and trade outreach, the international marketing effort is present in more than 40 markets, including:

- Argentina
- Australia
- Austria
- Bahamas
- Belgium
- Belize
- Brazil
- Canada
- Chile
- China
- Colombia
- Costa Rica
- Denmark
- Ecuador
- El Salvador
- France
- Germany
- Guatemala
- Honduras
- Hong Kong
- India
- Ireland
- Italy
- Japan
- South Korea
- Mexico
- Netherlands
- New Zealand
- Nicaragua
- Norway
- Panama
- Peru
- Qatar
- Russia
- Singapore
- Spain
- Sweden
- Switzerland
- Taiwan
- Turkey
- United Arab Emirates
- United Kingdom
- Venezuela

Visit USA Committee, Japan

How Brand USA Works with Visit USA Committees

Brand USA works in collaboration with Visit USA committees around the world to promote the United States as a premier travel destination. These committees organize a wide range of promotional activity, including travel trade and consumer fairs, workshops and programs for travel agents, newsletters, and more.

Visit USA committees are managed by voluntary members with an interest in promoting and selling travel to the United States. Brand USA collaborates with Visit USA committees and supports activities that align with Brand USA's objectives and marketing strategies. In addition, Brand USA makes use of the in-market expertise of Visit USA committees, both in markets where Brand USA has established international representation and in select markets where the organization is not currently represented.

Visit USA Committee Japan

Tel: 81-70-6515-8374

Fax: 81-48-927-9756

Koda@visitusa.jp

About the U.S. Commercial Service

The U.S. Commercial Service (USCS) is the trade promotion arm of the U.S. Department of Commerce's International Trade Administration (ITA). The USCS is a federal government agency with a domestic network of over 100 offices and a global network operating in over 75 countries. The mission of the USCS is to assist American companies in their export needs and to support foreign direct investment into the United States.



As America's largest service export, travel and tourism is a key sector for the USCS. The Commercial Service Global Travel and Tourism Team helps U.S. destinations and travel suppliers to attract international visitors and to grow international arrivals. This assistance can include: trade counseling, market research, vetting of potential partners, outreach to wholesale buyers, and support with international sales calls/trade shows/visits. Our specialists in Japan can be reached at the contact details below.

Contact:

U.S. Embassy-Tokyo

Tamami Honda
Senior Commercial Specialist
Tamami.Honda@trade.gov

Youqing Ma
Commercial Officer
Youqing.Ma@trade.gov

Our Partnership with The U.S. Department of Commerce

Brand USA collaborates closely with the International Trade Administration, U.S. Department of Commerce, through its National Travel and Tourism Office (NTTO) and U.S. Commercial Service Offices in international markets.



In addition, Brand USA works in close partnership with Visit USA committees in market and more than 800 contributing partners throughout the world to implement highly successful campaigns that are inspiring an increasing number of travelers to visit the USA.

The National Travel and Tourism Office (NTTO)

The NTTO is the federal liaison to Brand USA on behalf of the Secretary of Commerce, who appoints the Brand USA Board of Directors and approves Brand USA's annual objectives in consultation with the Secretary of State and the Secretary of Homeland Security. Additionally, NTTO facilitates the approval of matching funds for Brand USA and connects Brand USA to other federal partners.

The NTTO also serves as the official source of national travel and tourism statistics to inform policy and private-sector decision making. These data are used by the Bureau of Economic Analysis to calculate the balance of payments for travel and tourism and measure the economic impact of international visitation to the United States. Furthermore, NTTO advances policies that support travel and tourism export growth and addresses export barriers in key international markets.

Contact:

The NTTO is located in the International Trade Administration of the Department of Commerce.

14th & Constitution Avenue, NW,
Washington, DC 20230
202.482.0140
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