



Title	Rebuilding Japan with Foreign Tourists : Blueprint for building Japan's largest travel advisor website
Author(s)	Lloyd, Terrie
Citation	シンポジウム「被災地の復興と人材育成：持続的社會構築のための社会起業の可能性」(Reconstruction of Disaster-Aaffected Areas and Human Resource Development : The possibility of Building Sustainable Societies through Social Entrepreneurship). 2011年10月23日（日）. 北海道大学学術交流会館 小講堂.
Issue Date	2011-10-23
Doc URL	<a href="http://hdl.handle.net/2115/47636">http://hdl.handle.net/2115/47636</a>
Type	conference presentation
File Information	Lloid_CENSUS.pdf



[Instructions for use](#)



# Rebuilding Japan with Foreign Tourists

Blueprint for building Japan's largest  
travel advisor website

---

Terrie Lloyd  
October 2011

**メトロポリス**  
METROPOLIS



# Terrie's Credentials

- 53 years old, in Japan for 28 years
  - Entrepreneur for 27 years
- First company at 25
  - Since then 17 companies in Japan, 5 elsewhere in Asia
- Built from ground floor up, gaining broad business experience
  - Marketing, media, company start-ups, recruiting, software engineering, and network engineering
  - Largest publisher of English-language periodicals in Japan
    - 200K copies/month
  - 7 M&A earn-outs, US\$25MM raised in various fundings
  - Currently group of 7 companies, 120 people
    - IT and recruiting, software development, online and print publishing, website development, media distribution, market entry consulting, business incubation
- Personal mission is to open up Japan to other countries
- Technology and information focus



# Agenda

---

- 3/11 and Other Challenges
- Reinventing Yourself
- Key Elements for a Successful Service



# Only Constant is Change

- Even before 3/11, Japan has been in an important period of change
  - Lehman Shock disrupted the domestic market, forcing many companies to shift abroad
  - Graying society means less tax payers to cover social welfare (40:1 in 1970's, now 2.5:1)
  - Government debt is 200% of GDP and increasing by 20%-30% a year, something has to give by 2015-20
- Industries and markets are disappearing
  - High yen has been causing my main market, foreigners and foreign companies, to move off-shore (Singapore and Dalian for example)
  - Consumers are earning less and have far less confidence
- Yet, opportunity is everywhere and today's winners are opportunists
  - Does your business take advantage of the macro trends?
  - Are you helping someone else take advantage?
- As foreigners:
  - Helping facilitate Japanese domestic winners
  - Bring foreign innovation to Japan
  - Bring foreigners and foreign capital to Japan
- To turn our business around, we decided to leverage our foreignness, and our technology skills

# Challenges Peculiar to Publishing



How will publishers make money?.



Online duplication = cannibalization



Publishers own large, loyal communities

- Small-to-medium sized publishers globally are suffering
  - Advertiser revenues are dropping
  - Paper readers, subscriptions falling
    - Need to extend to Internet, smart phones, tablets
  - People don't want to pay for content
- Publishers don't extend to Web because:
  - Don't want to cannibalize remaining paper ad revenues by putting same content up on line free
  - Don't have technology
  - Don't know how to let readers find them (SEO, etc.)
- But publishers do have:
  - Large communities of qualified, loyal readers
  - Sales and marketing resources
  - Will to change and find news ways to make money
- Solution is to engage existing readers with new applications that don't cannibalize existing business



# Decision Points

- To fix our paper publishing business, we decided to:
  - Pick a sector that is in deep pain and no dominant players
    - Web sites need a theme and central purpose
  - Apply technology and “foreigner” advantage
  - Eliminate employment costs by changing business model to a franchise
  - Create a powerful story that will excite sponsors and users alike
  - Launch the business as cheaply as possible
    - Since venture capital is hard to get
  - Do it quickly before someone else does



# Agenda

---

- 3/11 and Other Challenges
- Reinventing Yourself
- Key Elements for a Successful Service





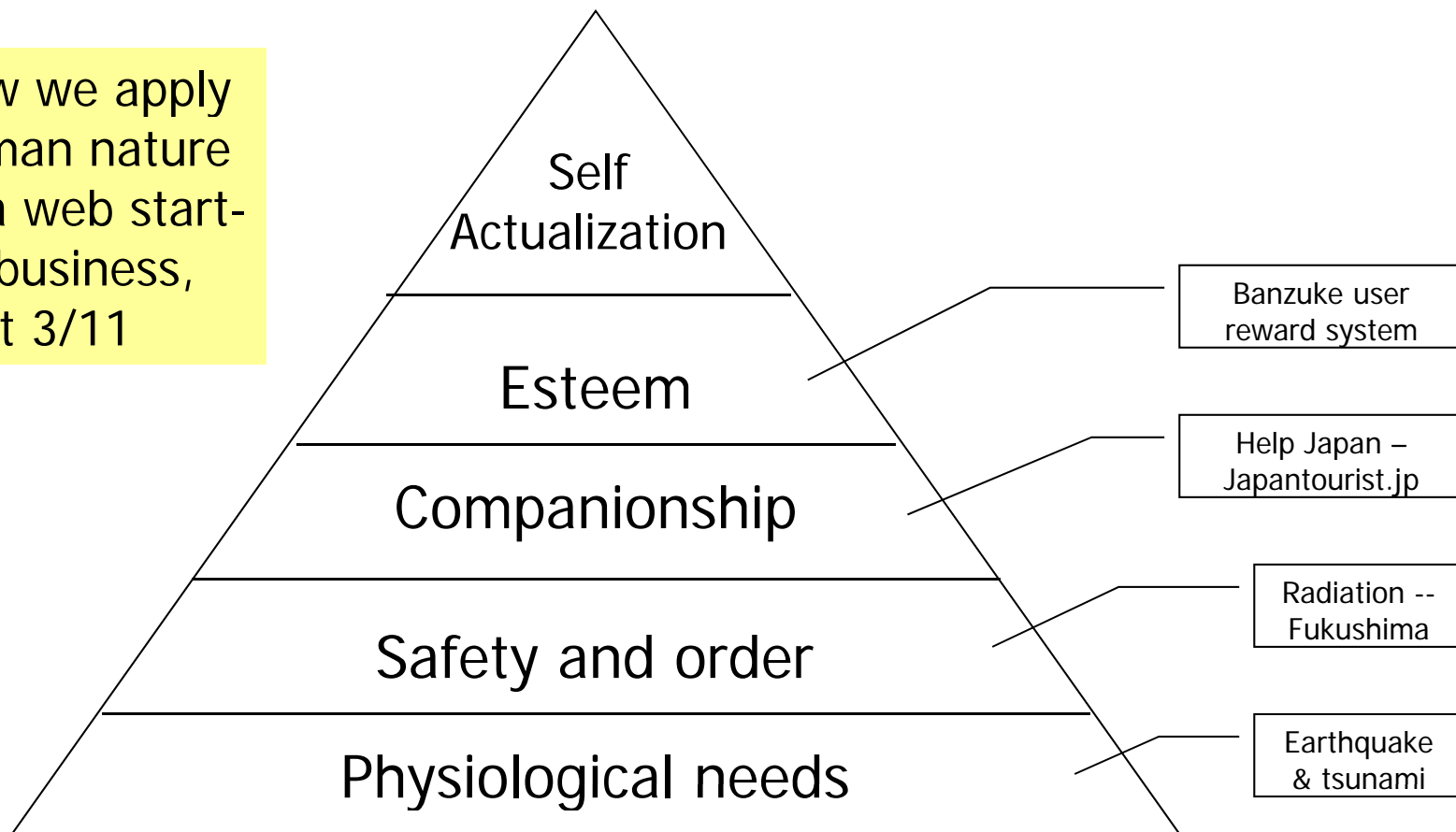
# Creating Something Sellable

- Sometimes your existing products are no longer sellable – the world just passes them by
  - Harder work and more efficiency can't help a product/service that is dated
- Visualize – roll of leader/entrepreneur
  - Propose, Listen, Refine
  - In uncertain times, the leader of the business has to use personal instincts to steer the company through choppy waters
  - Means going against the wishes of employees wanting a “comfortable demise”
- Pre-produce – roll of program manager/leader
  - Create concept, test on clients, then investors, THEN colleagues
  - Create production system, test audience, listen, refine
    - Team has to be flexible enough to refine, within the vision
- Launch – role of marketing/leader
  - Publicize, Market, Sell, Deliver, Listen, Refine
  - Marketing needs to understand the value proposition in a way that makes the “new thing” stand out
  - Role of online buzz cannot be underestimated – budgets need to be opened up to develop social media groups to support the new thing
  - Work all forms of PR, traditional, online, and in-community
- Endorsements
  - In uncertain times, customers want certainty
  - Business with governments and large organizations – credibility
  - Tie-ups with Google and other famous brands – credibility and volume of user
  - Tie-ups with other content owners wanting your access – credibility and volume of content



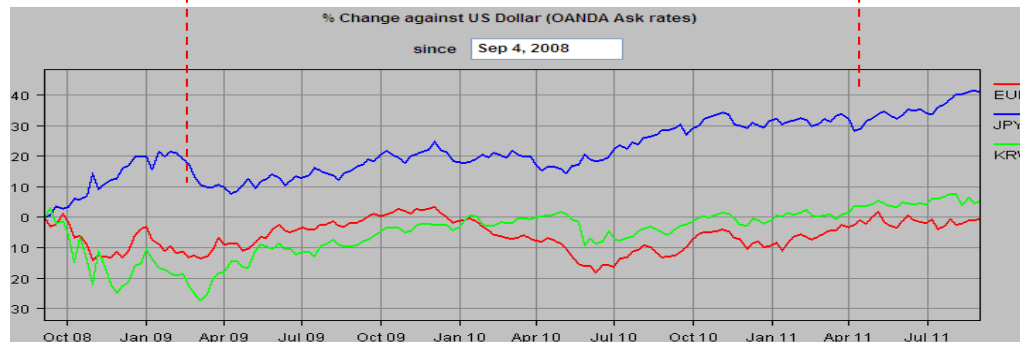
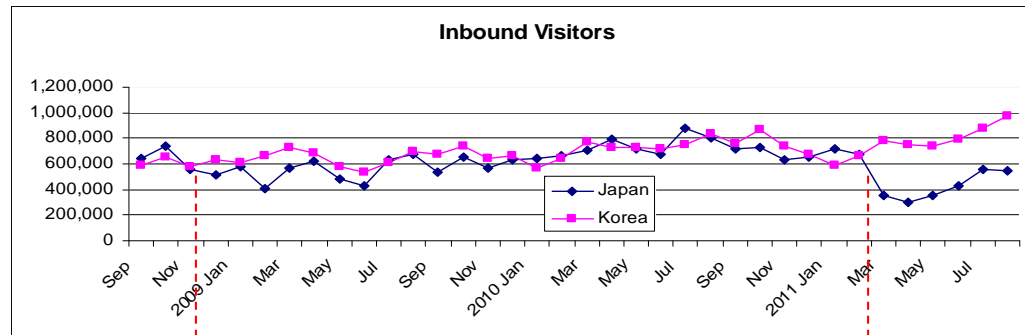
# Maslow's Hierarchy of Needs

How we apply human nature to a web start-up business, post 3/11





# Japan's Tourist Problem



## ■ Tourism 3 ills said to be:

- High Yen
- Language
- Fukushima nuclear power plant

## ■ But:

- Yen impact not seen in 2010 travel numbers
- Korea has foreign language but same or higher tourism
- Fukushima impact will be resolved soon

## ■ Real problems are:

- No coherent international marketing
- Lack of variety and volume of information
- Lack of modern social media sites
- Old fashioned tourism sector with low appeal to young people and special interest groups

## ■ Solution:

- A broad, detailed travel website that appeals to tourists and helps tourism operators understand interests of foreigners



# First Steps to Reinvention

- Challenge
  - How to restore the Metropolis value proposition of being “The Biggest” data resource for the sectors it is in
  - How to get advertisers excited to be part of the shift
- Solution
  - Launch, new, large, integrated service
    - We want to be biggest in Japan
  - Be the best and encourage others to collaborate
    - Friendly, business sharing
  - Retain control of technology and content
    - Ensure means of production is protected, consistent, and reliable
- What we did
  - Created a software resource to create the software platform – MetroWorks KK
  - Created the software reader/advertiser platform
    - Automated as much as possible
  - Brought in partners through franchise arrangement, reduced costs as much as possible
  - Networked to web “nexus points” as much as possible
    - Google... many others coming (one reason we need to be biggest)
  - Ready to launch on November 4<sup>th</sup>, 2011
    - We’re ready to change as much as is needed as we gain experience



# Don't Forget Soft Skills

- In adverse times, employees (and customers) look for **leadership**
  - Important while launching a new business to stay engaged
- Leaders Stay Informed:
  - Being right about external events
    - Study world economic patterns and trends
    - Talk to clients at strategic level and learn what they know/think
    - If you can forecast future accurately, your team and clients will believe and follow your vision
  - Staying on top of internal events
    - You need continual feedback from trusted employees (more than one)
    - Always tackle problems immediately or schedule immediately
    - Do conscious training sessions with your managers
- Leaders Stay Visible:
  - People buy into visions and ideals, not cash
  - Being heard (yet listening)
    - Personal newsletter Terrie's Take, 8,400 readers
    - Frequent posts to partner group and to internal staff
  - Making things happen, moving quickly, getting results
    - Creating the layout and production planning myself
    - Staying in constant contact with producers (software, content, partners, etc.)
    - Doing sales BEFORE launching, emphasizing that project is real and viable



# Agenda

---

- 3/11 and Other Challenges
- Reinventing Yourself
- Key Elements for a Successful Service



# Comparing JapanTourist

## ■ Collaborative

- Unique, not just one company but
  - 47+ partners
  - Around each partner a “cell” of 20-200 contributing writers = 1000’s of writers
- Japan’s only English-language “kuchikomi” travel site

## ■ Targeting

- Like TripAdvisor.com – but just Japan
- Targeting independent, repeat travelers
- Focusing on ADVENTURE

## ■ Eliminating language barrier with natural, compelling English

- Partners are foreigners, bilinguals
- “Foreigners-to-foreigners” means better messaging and targeting
- Chinese and Korean in 2012

## ■ Using latest technologies

- Sophisticated kuchikomi engine
- iPhone, Android apps
- Automated reward system for contributors

Features	lonelyplanet.com	tripadvisor.com	japan-guide.com	jinto.go.jp/engl	japantourist
User reviews functions	✓	✓	✗	✗	✓
1,000+ Japan full-length articles	✗	✗	✗	✓	✓
100+ Japan editorial contributors	✗	✗	✗	✗	✓
Full IP/syndication rights	✓	✓	✓	✗	✓
Commercial site	✓	✓	✓	✗	✓
User incentives/rewards	✗	✗	✗	✗	✓
iPhone, Android apps*	✓	✓	✗	✗	✓
Merchant content tools	✓	✓	✗	✗	✓
No. full-length articles	1,778	479	826	4,500	900/mth

- Notes:**
1. All japantourist numbers are Dec 2011 estimates
  2. iPhone, Android apps under development
  3. TripAdvisor doesn’t publish full-length articles. We approximated shorter traveler articles (not to be confused with user comments)
  4. Competitor article counts are approximate

# Method



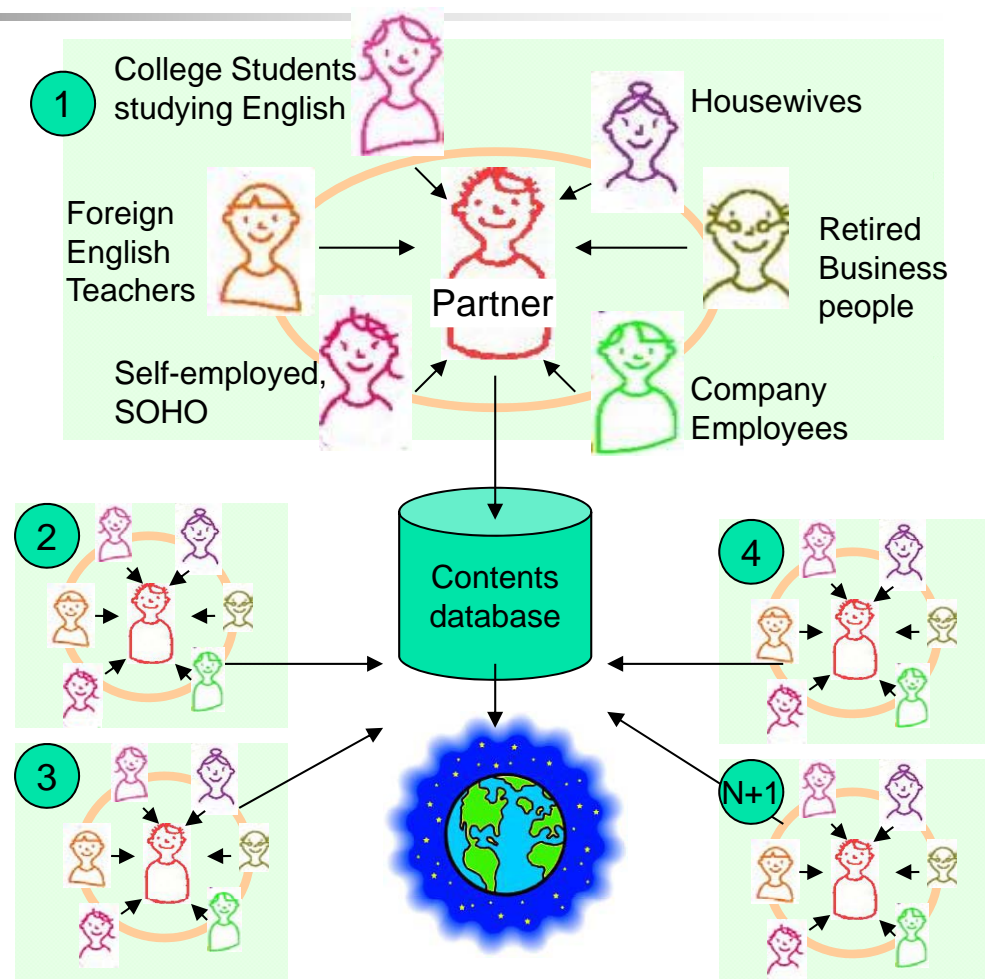
## ■ Massive grass roots campaign

- Network of 45\* regional partners recruit 100's of contributors – articles, photos, videos
- We PR appeal to millions of Japanese – to kick-start
- Totally new approach to Japan inbound tourism – high interest value
- Resulting volume of content makes us largest

## ■ Grass roots means we can reach regions in Japan not normally involved in foreign inbound tourism

- Adding to the novelty and interest both domestically and abroad

Note: Currently 27 partners – remainder by Dec12

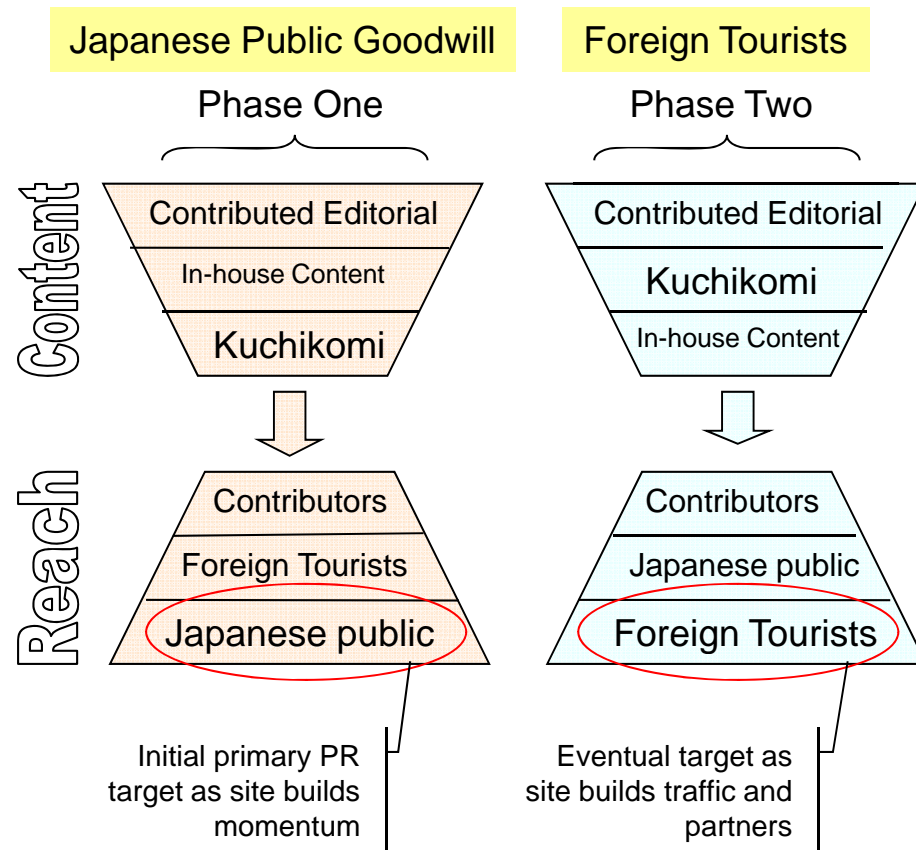






# Project Scope & Staging

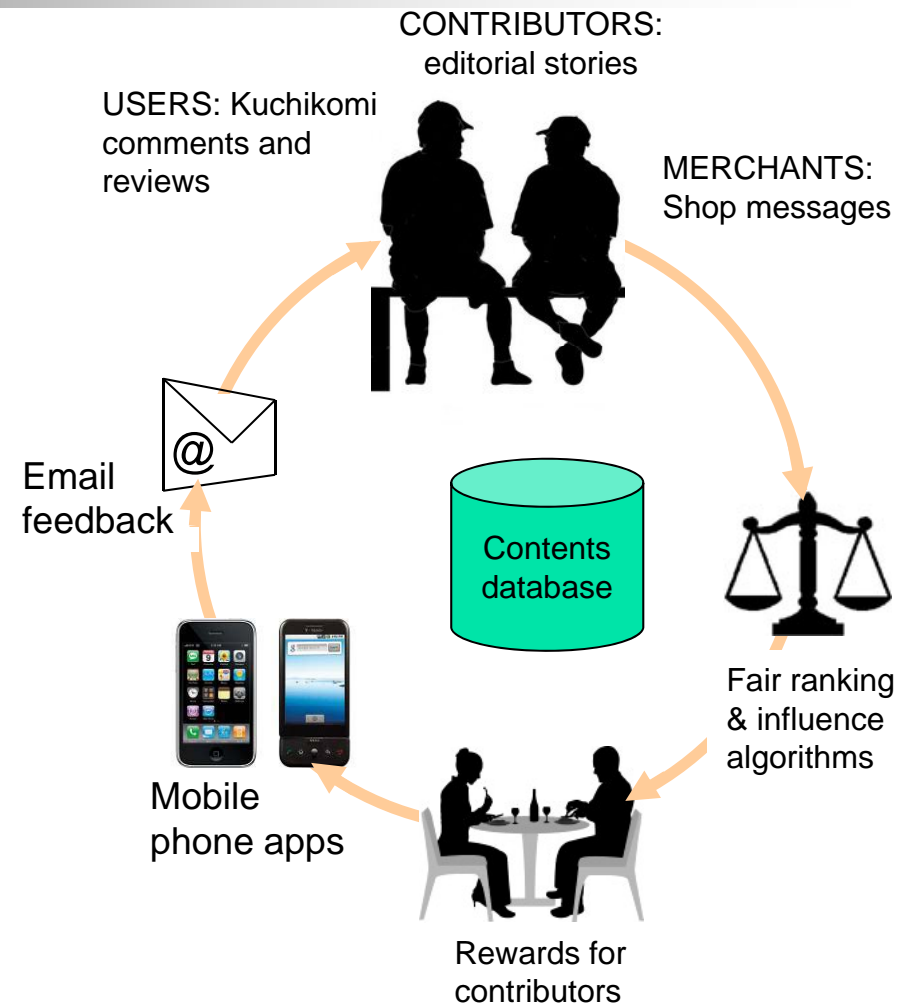
- Two-stage roll-out, anticipating Fukushima clean-up by Jan-Feb 2012
- Phase One
  - Target Japanese goodwill
    - Cells of 45 x 20-200 = 900-9,000 contributors
    - PR to 1-3m audience with Delta brand name
  - Create massive content
    - 1,000 stories, 3,000 photos by Dec 2011
- Phase Two
  - Focus on foreign tourist interest, w/tie-ups, PR
    - 10m PVs/month by June12
  - Create automated content (kuchikomi)
    - 10,000+ kuchikomi reviews
    - 10,000 editorial stories, 15,000 photos and videos by Dec2012





# Content Ecosystem

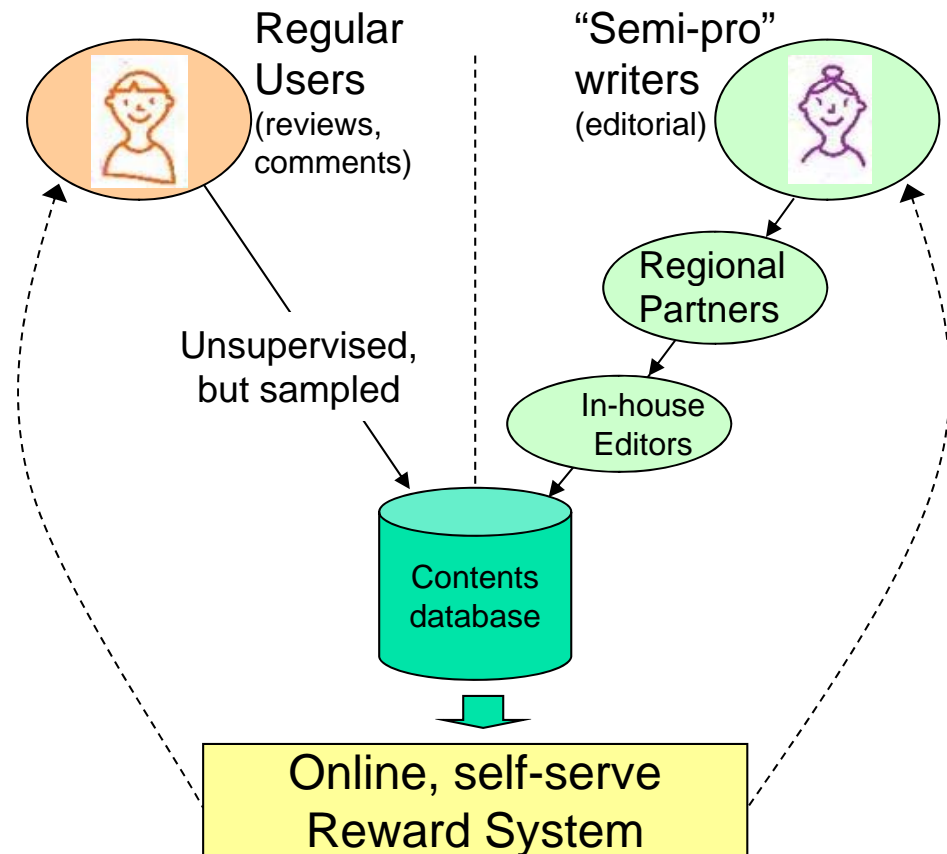
- 3 types of content
  - Served on PCs and Mobile
- Editorial
  - Until tourists start coming back, this is our major content
  - We reward contributors both with recognition and vouchers
  - Voucher system is unique for user supported site
- User reviews (“kuchikomi”)
  - Proven way to build credibility and user action
  - Popularized Japan and abroad (Tabelog, Yelp, Rakutentravel, Lonely Planet, etc.)
  - JapanTourist is only English-language kuchikomi site in Japan
- Merchant messaging
  - Menus, promotions, discount vouchers, introduction of staff and improvements, etc.
  - Commercial Partners are a *special version* of Merchants, with additional acknowledgement and branding





# Work-Reward System

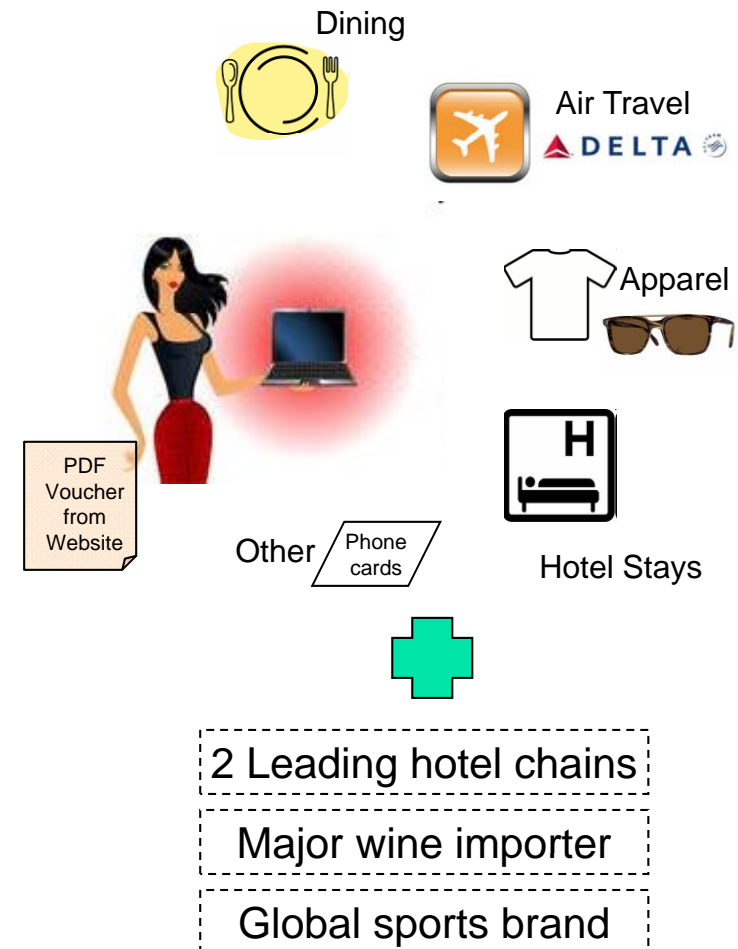
- Unique system provides rewards for users who contribute to the site
  - Reinforces interest of contributors
  - Improves quality of contributions
  - Provides companies with a non-cash way to be involved in the project
- Two types of contributors
  - Casual users, who are unsupervised
    - Content is sampled, reviewed for appropriateness
    - Casual user contributions go into User Reviews content stream
    - Rewards points are small and frequent
  - “Semi-pro” contributors, who act as freelance journalists
    - Content fully reviewed, accepted/rejected by Regional Partners
    - Semi-pro contributions go to into Editorial content stream
- Rewards come from Commercial Partners
- Rewards are self-serve for easier logistics



# Vouchers and Logistics



- Goodwill aspect of japantourist is very strong – everyone wants to help with the 3/11 recovery
- Rewards are services, goods vouchers from participating companies (Commercial Partners)
- Contributors add content to system, as they do they earn points that can be “spent” on shopping page
- Users redeem rewards by “buying” vouchers
  - Our shopping cart system has to be approved by human before approval – thus preventing “gaming” of the system
  - After receiving reward PDF, user reads instructions on how to redeem at stores, online, etc.
- Per the website terms and conditions, users are limited to just those items on the shopping site
  - If they are dissatisfied with offerings, they can wait for new offerings or can drop out
- Rewards are attractive, but are subject to terms and conditions specified by Commercial Partner
- Commercial Partners have call center or online system to take redemptions
- Vouchers good for one year from date of issue
  - Typically 6-9 months from date reward is claimed





## Wrap-up

- Japan is going through an intense period of change
  - 3/11 Earthquake+Tsunami, Lehman Shock, and aging demographics are breaking down old attitudes
    - Many firms have cash and they are spending on strategic investments
    - Japanese companies are looking to partner – especially if you have something new
  - Lots of inefficiencies, but the spirit of the people is still strong
- Reinventing a new business has never been more viable
  - Starting at the bottom of economic cycle is right time
    - But it requires vision and confidence
  - Internet – every knows it's the future
    - Get out of businesses that are not working for you
    - Figure out how to be relevant in a connected, group-enabled world
  - Reinvention does not have to cost the earth – the real value is in your idea
    - To measure that idea – does it excite people?



# Contacts

- People
  - Main contact point
    - Metropolis KK group principal – Terrie Lloyd
      - [terrie@metropolis.co.jp](mailto:terrie@metropolis.co.jp), +81-3-4550-2926
- Web
  - Terrie's Take newsletter – weekly [www.japaninc.com](http://www.japaninc.com)
  - [www.japandoor.com](http://www.japandoor.com)
  - [www.biosjp.com](http://www.biosjp.com)
  - [www.japaninc.com](http://www.japaninc.com)
  - [www.metropolis.co.jp](http://www.metropolis.co.jp)
  - [www.lincmedia.co.jp](http://www.lincmedia.co.jp)
  - [www.accjournal.com](http://www.accjournal.com)
  - [www.metrodining.jp](http://www.metrodining.jp)
  - [www.japantourist.jp](http://www.japantourist.jp) (from November, 2011)
  - [www.metrohomes.jp](http://www.metrohomes.jp) (from November, 2011)