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## Going beyond the city

By Rachel AJ Lee (<https://www.tgmice.com/author/rachellee/>) / Posted on 7 June, 2023 11:35

**Naomi Mano, founder and CEO of Luxurique, is also the chairman of the Japan MICE Association. She talks about how the business events landscape has changed, and why she is advocating strongly for the country's rural locations**



### How has Japan's MICE industry changed since the pandemic?

One of the biggest changes is that clients have been downsizing MICE events because of various reasons, such as guests' reservations toward travel, companies implementing stricter regulations around in-person attendance or business trips, and reduced budgets and resources. Many clients entertain options of semi-hybrid now, so clients can be more selective about whom they invite in person.

Another reason for downsized events has been some clients' lingering reservations about crowded places. Clients with local teams in Japan and elsewhere in Asia can be particularly reserved because many of these countries only just removed the last of their Covid restrictions. People are still wearing masks and avoiding crowded places, but now that the pandemic has been downgraded to the same level as influenza in Japan as of May 8, we expect that this attitude will change slowly.

We're also seeing that meeting and incentive budgets went up a little bit because the yen is weak, but unfortunately, hotel prices also went up by around 20 to 30 per cent, so it doesn't leave a lot of room for other things we'd like them to experience. A meeting or an incentive is not just about the meetings, hotel rooms and banquet halls. We want them to experience Japan's culture as well, but they don't really have the budget for that.

### What are some of your priorities for some of the hats you wear now?

My priority is to align ourselves with the government's plans to make Japan one of the leading tourist destinations in the world. And we want to position ourselves as the number one go-to agency in Japan for our target clients – for having a high understanding of our clients' needs and wishes; providing seamless services from coordinating unique meetings and events; producing exclusive and tailor-made experiences and teambuilding activities; and seamless hospitality programmes and itineraries.

Right now, we're operationalising to spearhead a travel system transformation that will make Japan as easy and available to them (clients) as possible. Our vision is beyond that of a travel agent.

### Could you share your business approach? How are you aiming to be more progressive in a traditional society, yet keeping certain cultural traditions?

We want our content to be as authentic as possible, so we don't change traditions but rather understand the essence of them and ensure we're presenting it and storytelling it in a way that translates to the client's culture. It's about delivering the key messages that you want the client to take away. If you give them too much information, it may not translate (well). Breaking it down and delivering the message in a way that resonates with them is the key to making Japan's culture accessible.

### **What are some of the MICE trends you currently see in Japan and Asia-Pacific?**

One of the trends we're seeing is sustainability. It's been a hot topic for a while now but has gained relevance since before the pandemic. We'd never suggest activities that would be unsustainable – we prioritise what is locally sustainable. It's what we live and breathe – preserving Japan's culture is something the whole company is based around. In many ways, Japan is sustainable anyway, we eat seasonally, and we're very local in the way we do things.

Recently, for meetings and incentives especially, we're seeing clients specifically requesting EV cars, locally sourced food, sustainable lodgings and local employees.

Another trend is wellness. Compared to pre-pandemic, everyone is much more cautious about the well-being of their employees and clients now. We're including a lot more wellness programmes, content and activities for them, whether it's morning bike rides, night walks to the temple, meditation or more wellness-orientated foods. People realise after the pandemic that their health and well-being are so important, so I think this is likely to be an ongoing trend.

On that note of wellness tourism, I am a member of the Global Wellness Institute's wellness tourism initiative. Wellness tourism still isn't clearly defined around the world, but Asia is a very strong market that can sell it. Japan's contribution is hot springs and Zen spirituality among many others. I think Asian countries can collaborate, learn from each other, and be proactive in implementing some of these wellness solutions for meetings and incentives. I can envisage working together with other countries to do multi-country retreats with, say, South Korea or China. People who travel from as far away as Europe aren't going to visit just one destination. They will go to two or three. Wellness is a good theme to tie them together.

### **What are the current challenges facing Japan's MICE industry and what should be done?**

There aren't enough planners in Japan. It's one of the challenges the government recognises and is trying to put more effort into. Planners need to be able to communicate with clients – and that's not just about speaking English, but understanding what their needs are and translating that to the locals here, because the mentality is so different. That's one of the challenges; training them and empowering them, so that they can produce content to match the needs of the client – instead of the other way around, where the planners are selling only what is offered or available.

Because of overtourism in the urban areas, there's a drive to bring more meetings and incentives to some of the rural areas. How do we train those locals outside of urban areas to cater to these meetings and incentives? We at Luxurique are working with local municipalities, artisans, and venues to help train them and to empower them to think outside the box, to cater to the unique needs of all of our MICE clients.

### **How do you move groups out to these rural areas?**

The government still thinks it's about logistics – which of course it is, in part – so they're building Shinkansen train stations, such as the new Fukui station opening next year. These stations are key to putting these locations on the map.

A lot of Japanese people think if you don't have a lot of hotel rooms then you can't put a destination on the map for inbound clients. I don't think that's true because a lot of meetings and incentives post-Covid are smaller – say 10 or 20 people – and a lot of smaller hotels or ryokans are more reasonably priced and allow groups to be in a unique, rural setting that offers local experiences.

We want to advocate for these rural locations and change the mentality of rural suppliers by convincing them that their ryokan of 50 rooms is actually perfect for a meeting, incentive or board meeting. Typically, in Japan, when people hear MICE, they think of a huge convention with 50,000 people, but there's a lot more meetings and incentives compared to conventions. You don't need a banquet hall that seats thousands of people to be able to do an incentive.

I think some of these rural areas are the perfect location for an off-site executive board meeting, teambuilding (session) or incentive. They're so beautiful and so local and you get something so different and inspiring that it's actually much, much better, but they can't sell it that way because they don't know it.

### **What is your business outlook for 2H2023 and 2024? Is the pace of recovery what you expected, do you think it'll pick up even further?**

Because of the cautiousness of Japan, we only really opened our borders on October 11, 2022. I'd say the recovery is at 60 per cent, but the demand is at about 300 per cent from pre-Covid. It's picking up extremely rapidly with new requests coming in every day. The turnaround time has changed since pre-Covid.

In the past, we'd have had six months to a year's notice, because people were planning two years ahead, but because planning has been stalled for so long, sometimes we're getting requests coming in only around six weeks out. It means our staff have to be able to respond to much shorter lead times.

### **You are the chairman of Japan MICE Association. Could you share what are your plans moving forward?**

One of the things we're working on is training. The Japan MICE Association is not meant for large institutions, it's for smaller, rural local entities that need support. We're working on training programmes, like free webinars.

Smaller entities often aren't able to represent themselves, so they are re-represented by a large travel agency in Japan, which is never ideal. We hope that these training programmes help them understand the needs of foreign clients and how they can answer these needs without having to be represented by larger travel agencies. They can sell for themselves and stand up for what they really, truly represent.

(<https://www.ttg mice.com/author/rachellee/>)

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