

# Background and Overview of 'Appealing Train' Measures

JR East Marketing Department

JR East announced its JR East Group Management Vision V – Ever Onward (GVV) in October 2012. Since then, the company has debuted individually customized trains, such as *TOHOKU EMOTION*, *SL Ginga*, *Koshino Shu\*Kura*, and *Toreiyu Tsubasa*, the likes of which have never been seen before. More recently, plans for a 'luxury cruise train' have been published with a scheduled operation start in spring 2017.

Subsequently, in recent years, other operators have started running appealing trains, which are gaining people's attention. This article describes the background to their introduction and introduces some examples at JR East.

## Background

The GVV catchphrase is 'Thriving with Communities, Growing Globally', demonstrating JR East's mission of coming together as part of the community and building vibrant communities. This mission can be accomplished only because railway business functions as a network. It is based on the concept that railway business growth depends on both vigorous regional areas and the huge market of Greater Tokyo, as well as movement of people between the two.

Seen from this viewpoint, we introduced *TOHOKU EMOTION* and other trains as new-concept trains to promote riding on regional lines as the objective.

This revolutionary idea reverses how we think about the train. Conventionally, a train is seen as a means of moving from one point to another, so the focus has been on physical aspects, such as improving convenience and comfort, or increasing travel expectations if the destination was a resort. However, these new trains focus on creating tourism by operating as local resources running only on regional lines. When developing the concept for each individual train, we tried to infuse regional characteristics into the design, so the trains would become a loved and supported part of the local community. Some specific examples are described in this article.

Unlike 'luxury cruise trains', instead of promoting Japan as a travel destination, the objective of these regional trains is to show the intrinsic enjoyment of rail compared to other modes while improving the corporate brand of the

JR East group of companies. The train specifications are described later.

## Positioning in Management Strategy

As previously mentioned, the background to introduction of appealing trains was not only to secure operation revenues, but was also to deploy measures embodying the JR East management philosophy. Although diverging from the main topic, I would like to explain how we are positioning appealing trains after reviewing JR East's current management strategy.

Japan faces a severe problem of falling birth rates and an aging population. According to the National Institute of Population and Social Security Research, Japan's population will drop by 4.1% from 128.06 million in 2010 to 124.1 million by the 2020 Tokyo Olympics. Moreover, the working population (aged 15 to 64 years) making up the bulk of railway users is expected to decrease by 9.4% from 81.03 million to 73.41 million.

The railway business is an infrastructure industry with high fixed charges; it has less flexibility than other industries that can cut costs as demand declines. As a countermeasure, JR East's management strategy is securing revenue in an aging society while also making cost-cutting reductions.

Traditionally, measures to increase revenues have included large-scale demand-stimulating travel promotions in populous areas such as Greater Tokyo, discounts such as special-plan tickets, and external sales using the customer-attracting abilities of travel agents. Although these measures still continue, even more radical measures matching the current market conditions are needed and some are introduced below.

## Enhancing yield management to increase per-train revenue

- Introduce world-first railway yield management system controlling seat sales and discounts using big data trends from previous seat reservations and results.
- Discontinue conventional special tickets with no sales control and shift to limited-seat special ticket sales coupled with yield management system.

### Enhancing target growth

- Develop usage analysis engine and enhance web communication interface to attract senior generation over next 20 years and increase repeat usage.
- Grow sales to foreign visitors expected to reach 10 million people annually over next 10 years in response to national policy promoting Japan as travel destination.

### Creating new demand

- Develop and refine new tourism resources in JR East operations area and enhance commercialization
- Deploy measures to promote decentralization from Greater Tokyo to regional areas
- Introduce appealing trains in response to boom in railway popularity

I will leave explanations of individual measures to a future opportunity, but introduction of appealing trains as an all-new tool for creating demand in an aging society occupies a key position in terms of management strategy.

## The Trains *TOHOKU EMOTION*

The concept of the *TOHOKU EMOTION* running on the Hachinohe Line mainly at weekends and holidays since October 2013 is a restaurant space with an emphasis on 'discovering/experiencing a new Tohoku region' in terms of design, food, and art.

It is formed from just three carriages for only 48 passengers. The first car is composed of private dining compartments; the second car is a kitchen viewing space; and the third is an open restaurant.

The décor is extravagant and presents an image of being in a 'moving restaurant'. French gourmet main courses are served on the outbound run followed by a dessert buffet on the return. Passengers enjoy elegant meals while watching the scenic seashore on a trip lasting about 1 hour 40 minutes.



Exterior of *TOHOKU EMOTION*

(JR East)



Interior design of *TOHOKU EMOTION*

(JR East)



Local volunteers welcoming *TOHOKU EMOTION* passengers

(JR East)

### Relationship with local community

The *TOHOKU EMOTION* was introduced to help revitalize local communities and support restoration after the 2011 Great East Japan Earthquake.

The meals use locally sourced ingredients and the restaurant spaces are decorated with art exhibits from local museums to showcase traditions, crafts, and materials from across the Tohoku region.

The chefs supervising the meals are rotated periodically to ensure staff have local connections whenever possible.

Local volunteers undertake community measures to

liven-up the trip; locals ensure the seashore vistas are kept clean and greet trains arriving at stations by waving large flags and banners symbolizing a large catch of fish.

### *SL Ginga*

The concept of *SL Ginga* running on the Kamaishi Line most weekends and holidays from April 2014 is to evoke the feel of Tohoku culture, nature, and scenery. The train is hauled by a restored Class C58 steam locomotive and the carriage interiors feature themes from Kenji Miyazawa's (1896-1933) *Night on the Galactic Railroad*. Miyazawa was a famous Japanese poet and author of children's literature and a journey on *SL Ginga* shares the atmosphere of his story world.

The livery of the four-car train with a planetarium in the first car features constellations and animals from *Night on the Galactic Railroad* against an azure background, symbolizing the night sky. The train carries 176 passengers on a one-way trip lasting 4.5 hours.

### Relationship with local community

The *SL Ginga* is a restoration of the C58239 locomotive that had been on static display in a public park in Tohoku. The idea for the restoration was to help revitalize the local





Exterior of SL Ginga

(JR East)



Interior of SL Ginga

(JR East)

community after the damage caused by the 2011 Great East Japan Earthquake and tsunami.

Stories for a picture book featuring steam locomotives were collected mainly from the Tohoku area, and copies of the completed book were donated to trackside primary schools, kindergartens, libraries, etc.

In conjunction with the start of operations, a facility for experiencing a real steam locomotive was created at the Kamaishi terminal, enhancing the attraction of Kamaishi and giving children an opportunity to come into contact with railways.

## ***Koshino Shu\*Kura***

The concept of the *Koshino Shu\*Kura* running mainly on weekends and holidays on the Shin'etsu and Iiyama lines since May 2014 is to allow up to 70 passengers to enjoy Niigata's famous *sake* (rice wine) and Japanese cuisine. The train interior features motifs of a Japanese sake brewery. The first carriage has a special seating arrangement with paired observation seats next to large windows where exclusive

vintages and fine meals can be enjoyed. The second carriage has an event space with bar tables made from barrels for tasting local brews, and enjoying jazz concerts and other events. The third car has reclining seats. A one-way trip lasts about 3 hours.

### **Relationship with local community**

The *Koshino Shu\*Kura* was introduced to revitalize the local community by providing an opportunity to run a large-scale



*Koshino Shu\*Kura* introduced to revitalize local community

(JR East)



Interior of *Koshino Shu\*Kura*

(JR East)



campaign promoting the Niigata area. Celebrities promote menus using local specialties such as local sake, while others perform jazz. One brand named after the *Koshino Shu\*Kura* is served only on the train. Other specialists serve local sake on some days.

## *Toreiyu Tsubasa*

The concept of the *Toreiyu Tsubasa* running mainly on weekends and holidays on the Ou Line since July 2014 is to offer its 143 passengers a way to enjoy local delicacies,



*Toreiyu Tsubasa* introduced in July 2014

(JR East)



Interior of *Toreiyu Tsubasa*

(JR East)

history, and nature while visiting a hot-spring resort. The train livery features a motif of Mt Gassan, the region's highest peak.

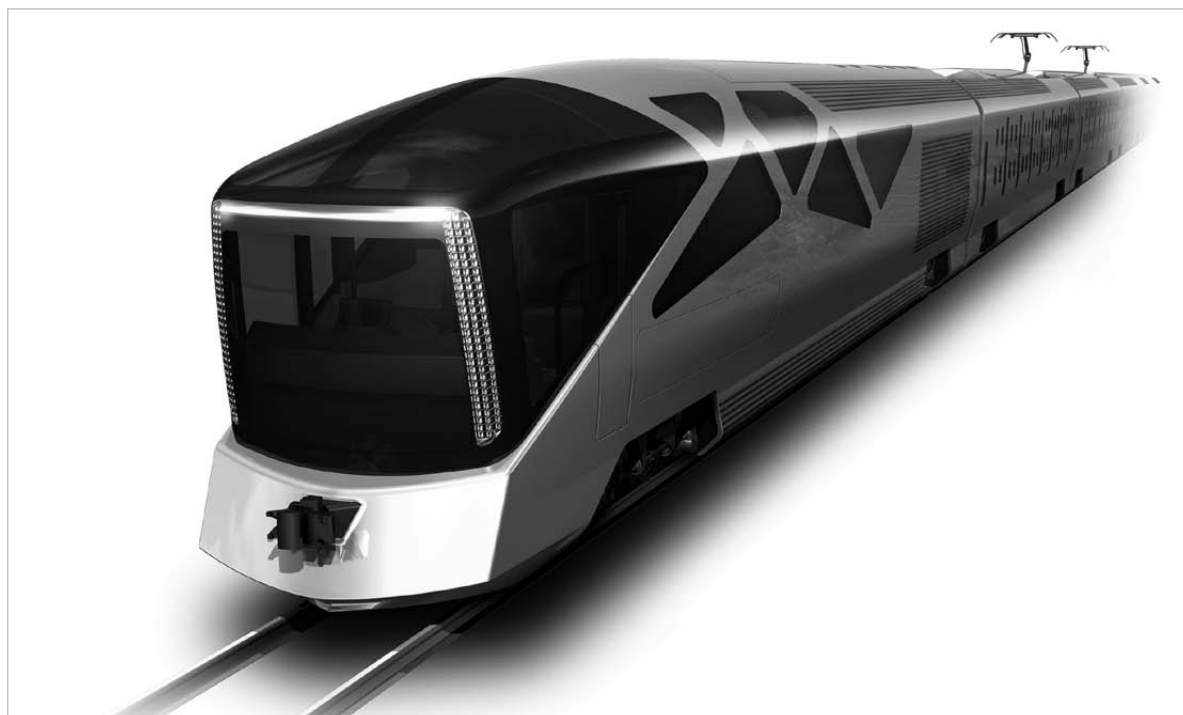
The six modified shinkansen cars with relaxing foot spas make it 'fun to ride' the train; passengers can watch the passing scenery as they soak their tired feet. A bar counter, brunch sets, etc., serve local foods produced by celebrity chefs from the local area.

### Relationship with local community

The *Toreiyu Tsubasa* was introduced to invigorate the local community by promoting the Yamagata area, and an onboard exhibition space displays traditional crafts from the Mogami, Murakami, Okitama, and Shonai districts of Niigata.

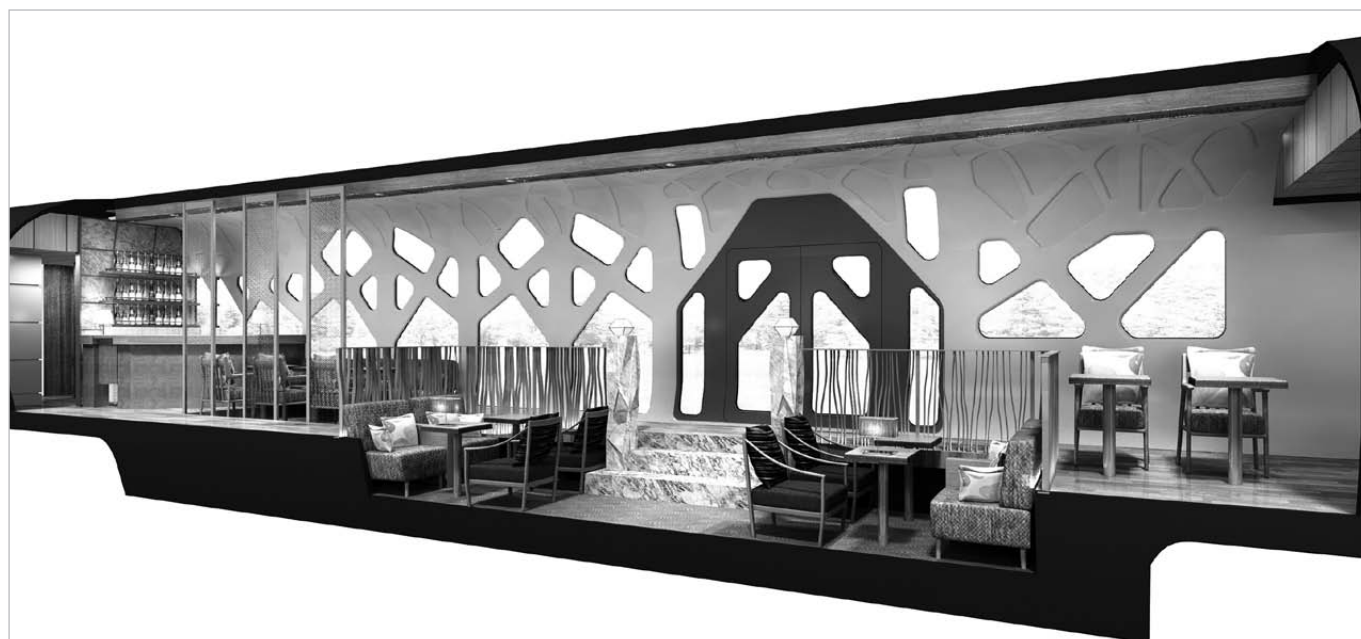
### Future 'Luxury Cruise' Trains

The concept of these future train operations scheduled to start in spring 2017 is enjoyment of the passing of time and



Exterior design image of JR East Cruise Train

(JR East)



Interior design image of JR East Cruise Train

(JR East)

**Table 1 August 2014 Results and Sales Area Ratio**

Train	Ticket Sales	Sales Outside Operations Area
<i>TOHOKU EMOTION</i>	841	47%
<i>SL Ginga</i>	3414	49%
<i>Koshino Shu*Kura</i>	1932	66%
<i>Toreiyu Tsubasa</i>	2247	48%

space in a quality and refined space not yet experienced in trains. The trains will travel throughout the Japanese archipelago centred on east Japan, depending on the season and journey theme.

The trains will use newly developed electric/diesel cars for running over both electrified and non-electrified sections with high performance and backup redundancy.

Each 10-car set for 34 passengers is composed of a motor car with observation lounge and curved panoramic windows at each end, a lounge car, a dining car, a deluxe suite car (with two cabins), and five suite cars (each with three cabins).

The lounge car will have a high ceiling and a design creating the impression of a forest for an elating out-of-the-ordinary travel experience. The dining car will be a relaxing space where passengers can enjoy local fresh in-season foods while watching the passing scenery.

The deluxe suite cabins will be one maisonette type and one apartment type while the suite cabins will be all apartment type. They will be quality spaces combining Japanese aesthetics with modern design.

Details of travel plans and service contents are to be announced later.

## Current Situation and Future Outlook

The sales for the currently running trains are all good (Table 1).

The percentage of reserved seats sold outside the areas where the trains run vary between 47% and 66%, demonstrating that the trains themselves have become tourism resources as planned.

These trains are attracting attention from overseas too and recent *TOHOKU EMOTION* passengers from Hong Kong said they also wanted to ride the *Toreiyu Tsubasa*.

We are studying deployment of these types of trains

in future overseas markets and are promoting 'wholesale sales' combining train trips with onboard food and drinks via travel agencies.

Most important is promoting and deepening the idea of 'valuing community connections'. Our experiences so far show that trackside communities support these trains. Unlike other transport modes, trains appeal to people as social capital and can be 'symbols for regional unity'. If local operators combine their efforts to enliven trains, it can lead to cooperation in other activities too. The JR East group is aiming at revitalizing communities as well as increased revenues by promoting train rejuvenation based on its slogan of 'Thriving with Communities'. ■

## Further Reading

National Institute of Population and Social Security Research *Population Projections for Japan* (January 2012)

## Acknowledgement

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