

Nankai Electric Railway Services Targeting Inbound Visitors

Osamu Mochizuki

Company History

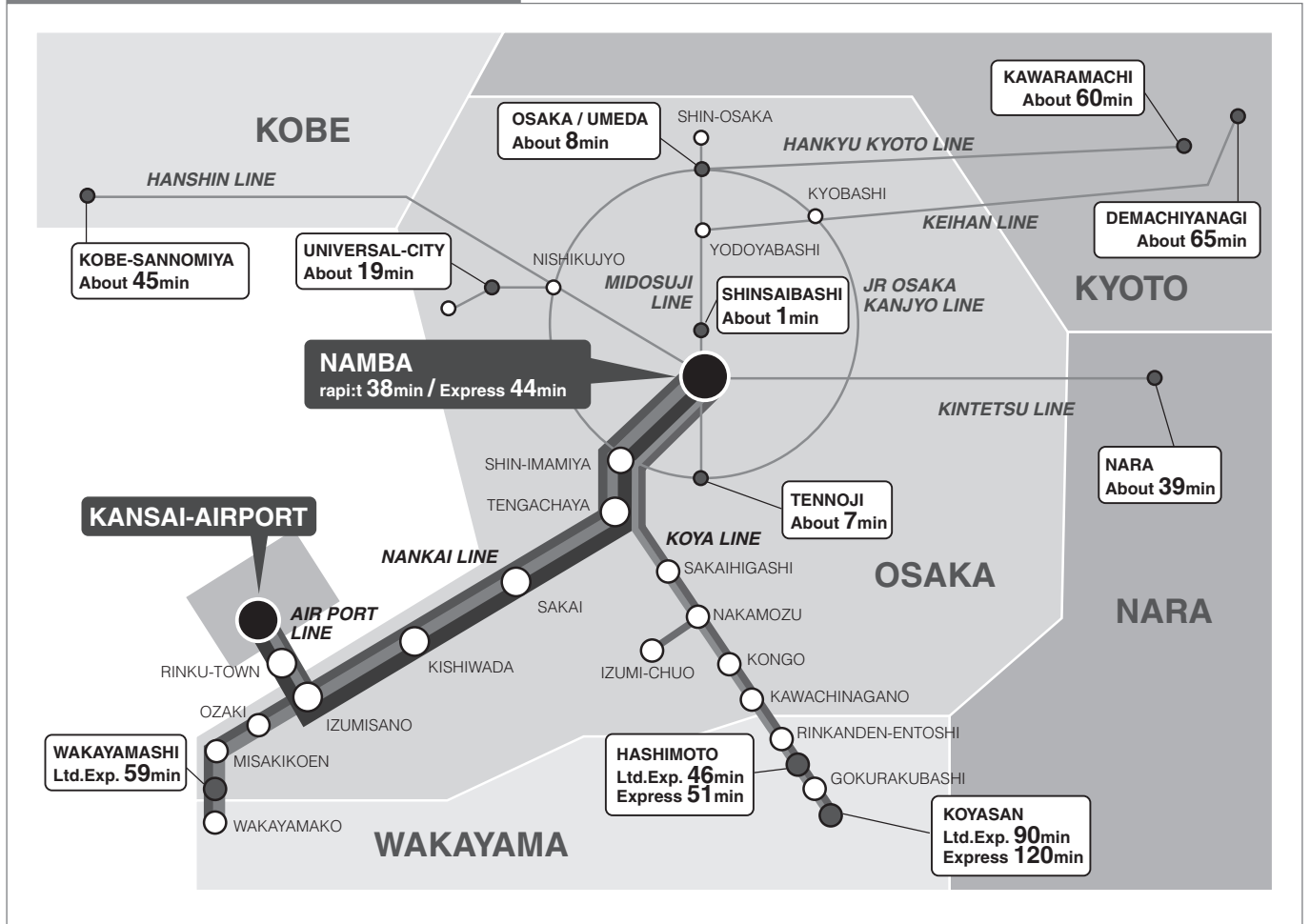
Nankai Electric Railway started operations in 1885 as Japan's first true private-sector line. Today, it has 154.8 km of track in southern Osaka Prefecture spreading from Namba and reaching to northern Wakayama Prefecture and carries 233 million passengers a year (FY2015). The operating profit of the 82 transport, real estate, logistics, and other companies in the Nankai group is ¥219 billion (FY2015). When Kansai International Airport (KIX) opened in 1994, the group started direct access from the airport to Namba using the 42.8-km Airport Line, as well as airport bus

services to Kyoto, Nara, Kobe, and other parts of the Kansai (west Japan) region (Fig. 1).

Strategy for Handling Inbound Visitors

Since KIX opened, Nankai's airport access services have been used mainly by Kansai residents when travelling abroad. Many inbound visitors are from North America and Europe, and their use of the JR West Kansai Airport Line running parallel to Nankai's Airport Line has stood out for travel to Kyoto or other places across Japan. However, the more recent dramatic increase in inbound visitors from Asia

Figure 1 Major Nankai Electric Railway Routes



has changed the situation; the number has increased across Japan, and KIX has successfully attracted more services, such as 18 low-cost carriers (LCCs, including Peach Aviation) using the airport for 371 flights a week—the largest number of LCC services in Japan.

Against this background, Nankai is transitioning its airport access services to handle inbound visitors. A 2015 survey showed that inbound visitors made up about 40% of passengers (excluding airport employees) using Nankai's Kansai Airport station, with the ratio increasing further this year. The largest majority are Asian women in their 20s and 30s enjoying personal travel. Another survey showed that 6 million inbound visitors visited Namba—Nankai's base—translating to a third of all inbound visitors nationwide.

This trend had been forecast by Nankai and the company proposed the following strategies (Fig. 2).

Multi-dimensional enhancement of efforts in each stage of travel itineraries

The concept is to separate travel into 'pre-travel/flight/access/lodging/sightseeing', 'experiencing/eating', and

'shopping/post-travel' categories, and increase business opportunities in coordination with stakeholders at each stage.

Increasing potential of Minami area and making it part of main travel route near Osaka

This strategy attracts more visitors to Namba (Minami area), Osaka's largest sightseeing area and Nankai's base, and makes excursions around Osaka City from Namba the travel standard.

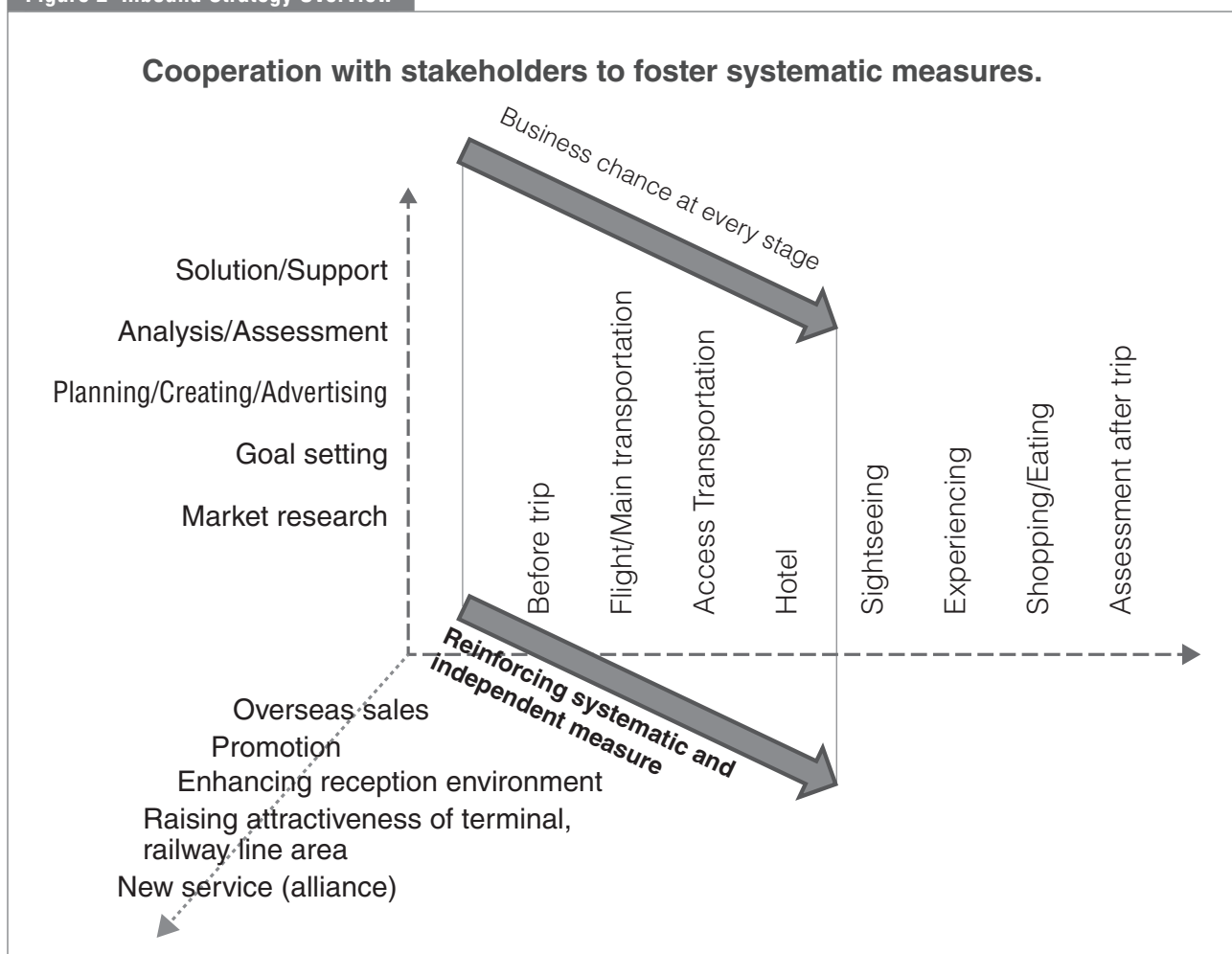
Securing earnings by increasing value of Kansai tourism nodes and terminals

The idea is to generate earnings by using the focus of railway networks at Namba for travel to Kyoto, Nara, and Kobe, and promote the combined terminal made up of Nankai's Namba Station, department stores, shopping centres, hotels, and offices to visitors.

Utilizing group resources and revitalizing trackside areas

The concept is to attract inbound repeat visitors to cities along the lines and areas where Nankai's resources are

Figure 2 Inbound Strategy Overview





Entrance to Nankai's Namba Station

(Nankai Electric Railway)



Nankai started Airport Line service at opening of KIX in 1994

(Nankai Electric Railway)

concentrated, such as the Mt Koya and Nanki (Wakayama and Mie prefectures) areas, and help revitalize tourism in areas suffering from declining populations.

Building Infrastructure Supporting Inbound Visitors

Building infrastructure to support inbound visitors is a prerequisite for implementing this strategy.



Signs at Namba Station in four different languages

(Nankai Electric Railway)



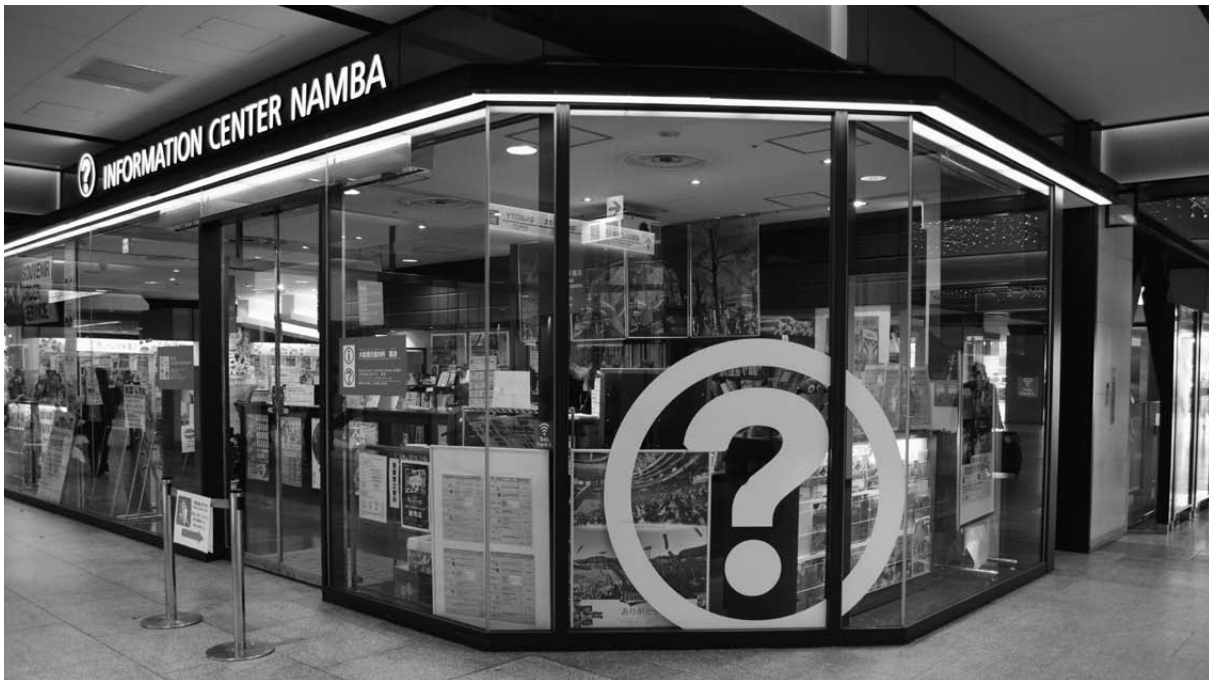
Multilingual guidance at Namba Station

(Nankai Electric Railway)

Systematic physical measures include changing signs to pictograms in four languages (Japanese, English, Chinese (simplified), and Korean), enumerating station names with location codes, providing multilingual guidance and announcements at stations and on trains, providing luggage

space on trains, and adding ticket counters to the crowded Kansai International Airport and Namba stations.

In terms of operational measures, more airport access services have been added; six limited express and express trains are run each hour during daytime, and early morning



Namba Information Center at Namba Station

(Nankai Electric Railway)



Prayer room at Namba Terminal

(Nankai Electric Railway)



Osaka Free Wi-Fi logo
(OSAKA CONVENTION & TOURISM BUREAU)

and late night train services were started with LCCs in mind. As well as using cash, fares can be paid using IC cards and credit cards, including China UnionPay.

Information booths have been set-up at three locations including Kansai Airport Station and the Osaka Convention & Tourism Bureau information center (run by Nankai) in the Namba terminal.

Rather than operate its own wi-fi network, Nankai joined the Osaka Free Wi-Fi service provided by the Osaka Convention & Tourism Bureau to enable wi-fi connections across Osaka Prefecture.

A prayer room at Namba terminal meets the religious

duties of Muslim visitors, and the terminal also has large lockers and luggage storage so visitors can go sightseeing unhindered; duty-free counters in the terminal help alleviate complex duty-free procedures handled by individual shops.

Distribution of Information in Country of Departure

Nankai provides substantial information outside through mediums such as travel exhibitions and media. However, awareness of Nankai services is poor partly because private railways are unusual in other countries. And while many



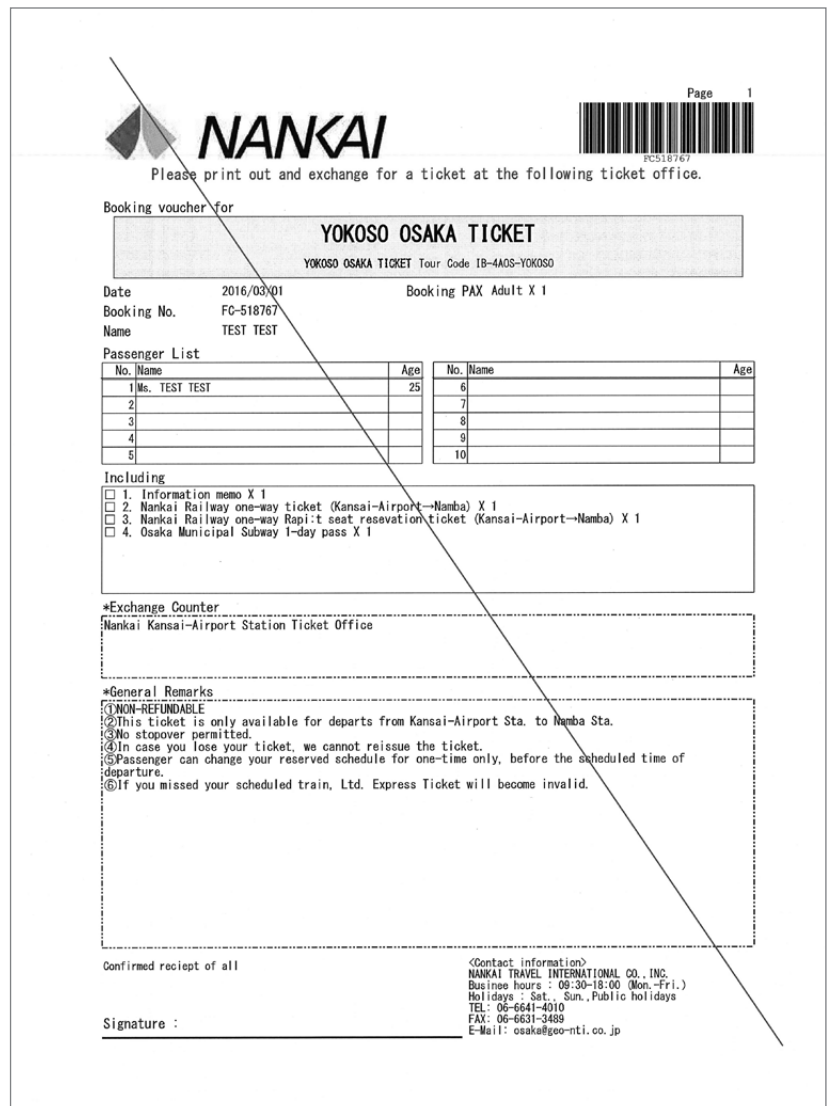
How to Enjoy Osaka website home page

(Nankai Electric Railway)

visitors know about Osaka and Kyoto, they know little about the Kansai region or even the relationship of Kyoto, Osaka, and Kobe to each other. In this light, Nankai's 'How to Enjoy Osaka' website mostly provides information about the area with less information on the company image. At travel exhibitions, Nankai exhibits jointly with the Surutto KANSAI association made up of local governments and private railways, emphasizing Namba as a node for Kansai tourism as expressed in the aforementioned strategy.

Ticket Sales

Sales of discount tickets for the KIX access Airport Line are an effective measure for attracting visitors to Namba. However, purchase at counters soon after arriving in Japan causes issues in terms of language, currency, and time, and just selling cheap ticket has little benefit to Nankai, so Nankai emphasizes overseas sales of discount tickets and while on-board arriving flights. Special vouchers are sold wholesale to overseas travel agencies and users can purchase tickets



Example of voucher output from Internet

(Nankai Electric Railway)



Kansai Railway Network Map in various languages

(Nankai Electric Railway)

online at the 'How to Enjoy Osaka' site. Flight attendants of Peach Aviation and other LCCs sell Nankai tickets on-board, a service that passengers rate favourably. Furthermore, the KANSAI THRU PASS produced by Surutto KANSAI, KANSAI ONE PASS joint IC card for inbound visitors usable with different operators, and other products are sold on consignment to promote travel via Namba throughout the Kansai area.

Promotion of Community-based Tourism

The idea of community-based tourism is to stimulate the attractiveness of different locations, a task that is difficult for one company. Moreover, individual sightseeing spots are transit points in visitors' overall trips, and itineraries cannot be created with information only on specific locations. Consequently, excursion routes are being developed in coordination with stakeholders, such as regional governments, airports, other transport modes, shopping districts, and land tour operators.

In doing so, maps produced by local governments tend to be limited to specific areas for funding reasons. While railway operators can print maps covering a wide area, Japan's railway network with many lines of different

operators in the same urban area is hard for overseas visitors to understand. Consequently, major companies and agencies cooperate to produce the Kansai Railway Network Map that can be downloaded from their websites.

Plans that allow exploring on foot in the surrounding area instead of just a single facility are important for shopping, and eating out, both activities that rank as high as tourism. Nankai coordinates with surrounding businesses, shopping districts, and of course, the company's own Namba terminal, to promote stops by group tours at these locations, provide information, give special benefits, and hold events (street illuminations, seasonal sales, gourmet events, etc.) for overseas visitors.

Moreover, Namba functions as a base for community-based tours using various means, such as opening the Namba terminal parking lot to open-top buses running in a loop around Osaka City, and tour buses that meet certain conditions.

Future Issues

As described, Nankai makes various efforts to meet the needs of inbound visitors. The aim is to coordinate with stakeholders and provide seamless service throughout travel



Illuminations in NAMBA PARKS, a facility located next to Namba terminal

(Nankai Electric Railway)

itineraries. As the number of visitors to Japan increases, parties who were unenthusiastic at the start of efforts have realized that these efforts concern them. However, some issues have become apparent.

For example, shop business hours in the Namba terminal are shorter than the railway operating hours. Although Japanese residents are unconcerned about shops being closed in the early morning and late at night, closed shops are an inconvenience for inbound visitors exploring at these times. Lengthening business hours has many issues besides securing staff, such as air-conditioning operation hours, so these issues must be given some consideration.

Another worry for visitors is what to do with luggage while shopping or enjoying other activities. In addition to increasing luggage storage, ideally luggage could be sent directly to the hotel from KIX to allow visitors to move unencumbered from the day they arrive in Japan. With independent visitors expected to increase even further, demand for luggage handling will probably increase, making promotion of so-called 'hands-free sightseeing' an important issue.

Nankai actually operated a luggage check-in counter jointly with airlines at Namba terminal for a few years, but the service was discontinued due to low demand and

inability to overcome cost issues. Looking back, luggage handling is far from easy. These issues and other factors prove that measures to please incoming visitors need to be worked out while working in coordination with concerned stakeholders. ■



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