

## **Information Provision – One More Necessity for Long Stay Tourism of Janpanese Pensioners in Chiangmai**

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### **Introduction**

The long stay tourists referred to in this paper are defined as pensioners from leading industrial nations who can travel to the destination countries of their choice and stay for periods between one month and one year in duration. They can afford to do so as they receive pension funds provided by their governments. Their primary objective is to interact with the local people during the routines of daily life which allows them to learn the local language and facilitates cultural exchange. By definition, all long stay pensioner tourists return home upon the completion of their long stay. Therefore, long stay tourism is not a type of migration or permanent living in the foreign land (Tourism Authority of Thailand, 2002: 1-25).

For the past 15 years, Japanese individuals have increasingly preferred to stay overseas for long periods of time (long stay Japanese tourists) and to permanently live overseas (Japanese permanent residents overseas). Thailand has been one of the top ten countries which Japanese want to stay long term in for periods of more than 3 months in duration (see table below). One of the favorite areas for Japanese tourists to stay while in Thailand is Chiangmai province. In 2004, there were 108 Japanese pensioners, both male and female, who were registered as members of the Chiangmai Long Stay Life Club or CLLC (Interviews: Kawai, 3 July 2004, Chiangmai). Chiangmai has been an area of attraction to international tourists for a long period of time. It is one of five pilot provinces selected for the long stay tourism project in Thailand. The other provinces being Sukothai, Prachuabkirikhan (Hua-Hin and Cha-Am Districts), Kanchanaburi, and Nongkhai. In addition, Chiangmai is currently a hub for

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various areas in Asian region and in the future it is anticipated that its role will become even more important in the region.

**Table 1: Top ten countries which Japanese want to stay long term in for periods of more than 3 months in duration (year 1975-2000)**

Country	1975	1980	1985	1990	1995	2000
U.S.A	109,645	121,180	146,104	236,401	263,577	297,968
Brazil	146,488	141,580	120,276	105,060	90,890	75,318
U.K	5,559	10,943	19,889	44,351	51,668	53,114
China	5,037	6,199	8,415	8,269	16,592	46,090
Australia	3,393	5,007	7,466	15,154	23,929	38,427
Canada	8,759	12,280	16,995	21,846	25,493	34,066
France	4,646	6,842	12,156	15,026	18,543	25,574
Singapore	4,694	8,140	8,077	12,701	24,003	23,063
Germany	12,060	13,991	16,073	20,913	23,843	25,021
Thailand	5,952	6,424	7,852	14,289	21,745	21,154

Source: Consular and Migration Affairs Department, Minister's Secretariat, Ministry of Foreign Affairs, Japan.

Revenue from the tourism industry is important for Thailand's economy due to its large impact on gross domestic product and local employment (Thailand Development Research Institute, 2001:63-64). The Tourism Authority of Thailand (TAT) has thus been given support to promote various types of tourism and to conduct international tourism campaigns. Examples include mass tourism; tourism for meeting, incentive, conference, and exhibition; music festivals in major areas, i.e Koh Samui, Pattaya, and Bangkok; and long stay tourism. TAT's key objective for long stay tourism is to increase the number of days international tourists stay in Thailand so that the country can earn more foreign currency. TAT has employed niche /concentrated marketing campaigns to promote the long stay tourism project. Specifically, TAT has been trying to attract more international tourists with high-purchasing-power from European countries, from the United States of America, and from Japan (Tourism Authority of Thailand, 2002: 1-25). TAT has meanwhile prepared a variety of

accommodation types in order to please long stay pensioner tourists, ranging from, resort hotels to condominiums and detached houses.

Opinions regarding the management of the long stay tourism project in Thailand were collected from 63 long stay Japanese pensioner tourists in Chiangmai (40 males and 23 females). These pensioners were all members of the Chiangmai Long Stay Life Club. The pensioners expressed many needs and attitudes regarding their daily life experiences in Chiangmai beyond just the availability of accommodation in the province. These needs and attitudes are considered to be a kind of customers' responses (Perreault and McCarthy, 1996: 418-445) which are additional to normal goods purchase or general use of services offered. Therefore, the mission of the Thai government unit in Chiangmai, as the administrator of the long stay tourism project, should be to closely listen to these needs and attitudes in order to be able to improve the quality of services Chiangmai has to offer to long stay tourists. This will bring about additional satisfaction and an increase in perceived value by the tourists, and such high quality customer relationship management will ultimately lead to an increased preference by Japanese pensioners to stay long term in Thailand on a sustainable and continuing basis.

This article is aimed at presenting the concept of information provision to target customer groups who, in this case, are Japanese long stay pensioner tourists in Chiangmai province. The purpose of this information provision is to achieve efficient, successful, and sustainable long stay tourism project management in Thailand. The article is divided into 4 sections, namely, niche marketing, customers' response, communication for promotion, and conclusions and recommendations.

### **Niche marketing**

Kotler and Armstrong (2004:253-254) defined niche or concentrated marketing as a market-coverage strategy in which a firm goes after a large share of one or a few segments or niches. In accordance with the old adage "one size does not fit all", different niches have different needs, wants, and demands of their own. Although,

niche marketing intends to cover only one or a few segments, they are the segments within which needs are responded to most thoroughly. Through niche marketing, a firm achieves a strong market position because of its greater knowledge of the needs of the niche consumers it serves and the special reputation it acquires. It can market more effectively by fine-tuning its products, prices, and programs to the needs of carefully selected segments and by targeting its products or services, channels, and communication programs toward only consumers that it can serve best and most profitably. In this way, a firm can plan its marketing strategy more accurately and thus be able to predict its incomes in a more realistic manner.

In the case of Thailand, TAT has chosen to focus on Japanese pensioner tourist market. This decision was made taking into consideration the three factors of market segment evaluation, namely: segment size and growth, segment structural attractiveness, and Thailand's objectives and resources compared to its competitors for long stay tourism. In regards to segment size and growth, the number of Japanese senior citizens has tremendously increased due to the phenomenon of aging society Japan is currently facing. In view of segment structural attractiveness, Japanese retirees receive their pension fund from the government which differs in amount depending on one's past working background. Leading industrial nations like Japan have a decreasing trend of co-habitation among extended families and are thus becoming societies with more and more nuclear-family units. The result is that Japanese pensioners lack caretakers who were traditionally their offspring. These factors, together with the fact that Japanese people preferred to travel overseas to seek wealth and prosperity in the old days of Japanese history, has led to an increasing trend in the number of long stay Japanese pensioner tourists. In response to Thailand's objectives and resources compared to its competitors, in fact, not only is the revenue from the tourism industry plays a key role in Thailand's economy, in addition to exporting industries, but Thailand is also in the right position to well respond to the needs of Japanese pensioner tourists, ranging from transportation facilities, accommodation, attraction places, tourism suppliers, and unique culture in each of the regions in the Kingdom. By taking into consideration these three factors of market segment evaluation, it enables Thailand to focus its management of the long stay tourism project for Japanese pensioner tourists

in a more balanced demand-supply manner and thus would positively affect in the long run the increase rates of the Japanese pensioner tourists in Chiangmai to be in line with niche marketing strategy.

### **Customers' response**

Customers' response is a signal in the communication channel between the sellers and the buyers wherein the buyers express their needs and attitudes towards goods or services being offered to them (Perreault and McCarthy, 1996:418-445; McCarthy and Perreault, 1991: 280; Best, 2000: 215-236). The 63 Japanese pensioner long stay tourists in Chiangmai expressed opinions regarding 4 major issues. These opinions stem directly from their experiences during their long-term stays in the province.

Firstly they wish to see better management of public utility systems in the province, especially the electricity system, as Chiangmai has frequent black outs with no special reasons (i.e heavy rain storm) and with no advanced notification whatsoever to the consumers. Frequent black outs not only create inconvenience and frustration for consumers but they can also cause elderly people to have accidents.

Secondly they wish to see the provision of a mass rapid transportation system in Chiangmai. Shuttle bus, electric trail, or metered taxis should be made available so that fares for certain routes are known to the tourists. This would facilitate easier travel around town for the tourists.

Thirdly they wish to see the availability of direct flights between Japan and Chiangmai, without a stopover in Bangkok, in order to save time and expenses. At the present time, whenever tourists want to directly fly to Chiangmai, they need to gather together into one big group in order to charter a flight heading to Chiangmai. With no regular direct flight, tourists can not fly to Chiangmai as often as they wish.

Fourthly, they would like to see an official Thai government unit in the province to provide advice and information on cultural exchange activities between the tourists and the local residents. The joint activities could be in form of leisure activities, e.g. golf, picnic trips, friendly sports competitions etc., or it could be in form of volunteer work in the Thai community.

### **Communication for promotion**

Promotion is considered to be the communication of information between sellers and potential buyers in order to influence the latter's present status of attitudes and behavior. The influence can be in form of reinforcement or positive changes. What should be communicated is, however, determined by target customers' needs and attitudes. Three basic promotion objectives are (1) to inform or to educate (2) to persuade and (3) to remind, all of which focus only at providing information to target customers. Publicity is considered to be an effective means of communication for promotion.

In the case of Japanese long stay pensioner tourists in Chiangmai, communication for promotion may serve the above 3 mentioned objectives as follows:

- (1) informing/educating - this can be achieved by informing the tourists on how different it will be when they stay long-term in Thailand as compared to other countries;
- (2) persuading – this can be achieved by persuading Japanese pensioner long stay tourists to prolong their stay in Thailand; and
- (3) reminding – this can be achieved by reminding the tourists of how much past satisfaction they garnered from their long-term stays in Thailand.

The importance of communication for promotion does not depend only on the message being communicated through efficient publicity, but also on the use of an effective communication channel. Targeted customers commonly perceive the importance of their information source (Perreault and McCarthy, 1996:418-445). Therefore, opinion leaders can greatly help in this communication process. In the case

of Japanese pensioner long stay tourists in Chiangmai, as expressed by the 8 Chiangmai administrators, it is evident that the communication link between the two parties is not adequate. Since long stay tourists are not those "stay longer" type in mass tourism, they then need much more management attention in order to cater to their specific needs, which in this case is the communication for promotion needs. As a result, the Thai government units in Chiangmai should seek cooperation from the Chiangmai Long Stay Life Club (CLLC) in disseminating required information to its members. CLLC, as an opinion leader, does not only spread the word around effectively, but it also serves as a mechanism to prevent the misunderstandings which could be caused by a common frame of reference or by cultural differences between Japanese pensioner tourists and the local Thais.

Returning to the 4 major issues raised by the 63 Japanese pensioner long stay tourists. The Thai government unit in Chiangmai should communicate to the tourists through the CLLC that frequent black outs in the province are caused by the expansion of Chiangmai itself. Over the course of the next 4 years, it is planned that Chiangmai will become the hub for surrounding areas in terms of trade and investment, tourism, finance, transportation/aviation and medical services. It is therefore necessary for Chiangmai to construct additional infrastructure, such as tunnels at the intersections around town, in order to facilitate the expected increase in traffic flow in the near future. When providing this information to the tourists, it may be given a positive spin by suggesting the possible provision of a mass rapid transportation system and perhaps direct flights between Japan and Chiangmai, once Chiangmai is actually established as the hub for trade & investment and transportation/ aviation in the region. At the same time, information provision regarding joint cultural activities between the tourists and the locals, which are considered an integral part of long stay tourism, should be made in conjunction with the CLLC in order to match the required activities with the available responses.

## Conclusions and Recommendations

Upon retirement Japanese workers complete their career responsibility and have generally completed their family care-taking responsibilities. During this period of freedom Japanese pensioners prefer to spend some of their time staying overseas as long-term tourists. After a long hard working period of 30-40 years, their aim is to make use of their second life in a valuable and meaningful way. They expect their retirement to be a relaxing time, filled with activities they have never before done in their lives. For instance, Japanese pensioners would like to find out about traditional ways of living in developing countries. They want to truly learn more about foreigners through experiencing their local way of living. Retired Japanese would also like to spend more time with their spouses in order to compensate for their negligence towards them while working. At the same time, Thailand wants to generate income from international tourists in order to gain more foreign currency for country development. This has been reflected in many tourism campaigns conducted by TAT aimed at international tourists. Nevertheless, Japanese pensioners can not successfully stay long-term in Thailand if they lack a channel of communication through which they may express their needs and attitudes to the locals. This need is exacerbated by the lack of a communication channel with the local Thai government unit, which is the key coordinator of the long stay tourism project in the host area. The promotion of a niche market should fit logically into the strategy being developed to satisfy the customer needs in the particular target market. As such, communication for promotion should become one of TAT's marketing strategies. Communication for promotion helps in creating a better understanding between the tourists and Thai government units. When the needs and attitudes of the tourists are that they require more information on issues pertaining to their daily lives during their long stays, the Thai government unit in Chiangmai has the responsibility to respond to these needs by communicating through effective means and efficient channels on a continuing basis. The desired outcome is for Thailand to have good customer relationship management, to enhance tourists' satisfaction, as well as to achieve efficiency, success, and sustainability in the long stay tourism project.

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