Exploring the impact of the COVID-19 pandemic on the tourism industry: The case of the Japanese retail sector

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Background

- The tourism industry is composed of various operating sectors, which can be divided into direct providers (transport, ancillary service, visitor service, hospitality) and indirect providers (e.g. retailers, wholesalers, manufacturing industry, insurance industry) (French, Craig-Smith, & Collier, 2000).
- As presented in Figure 1, in addition to direct providers, indirect providers (including the retail sector) are an important component of the tourism industry.
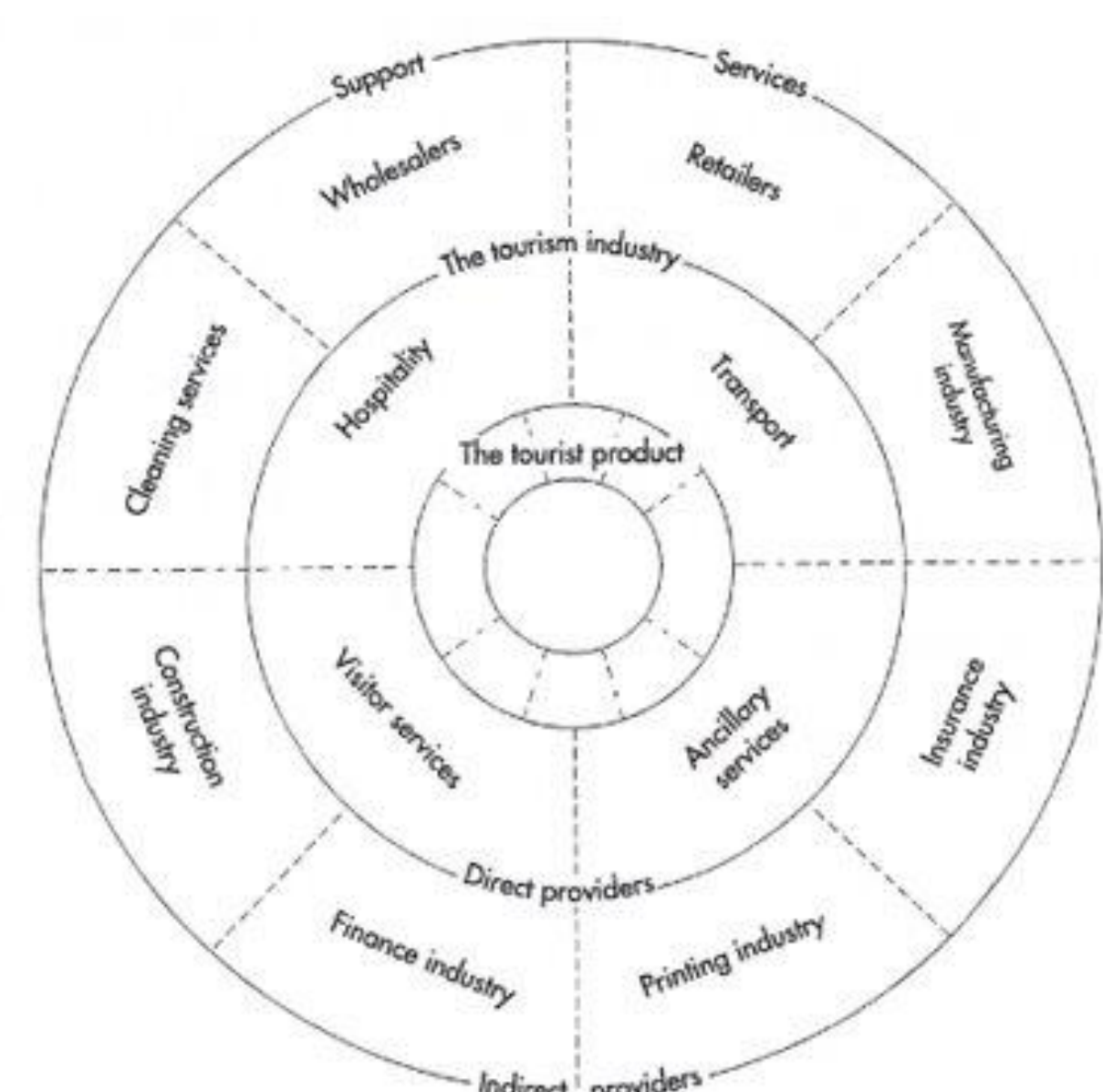

Figure 1. Structure of the tourism industry
Source: French et al. (2000)

- Japan received more than 31.8 million international tourists in 2019, which was the highest number in the nation's history (Japan National Tourism Organization, 2020).
- In 2019, international tourists' consumption in Japan reached 4.8 trillion yen. As shown in Figure 2, shopping accounted for more than 30 percent of their total expenses. This fact indicates that many retail stores in Japan greatly benefit from international tourists.

- Accomdation 29.36%
- Food and Beverage 21.60%
- Transportation 10.36%
- Entertaiment 3.96%
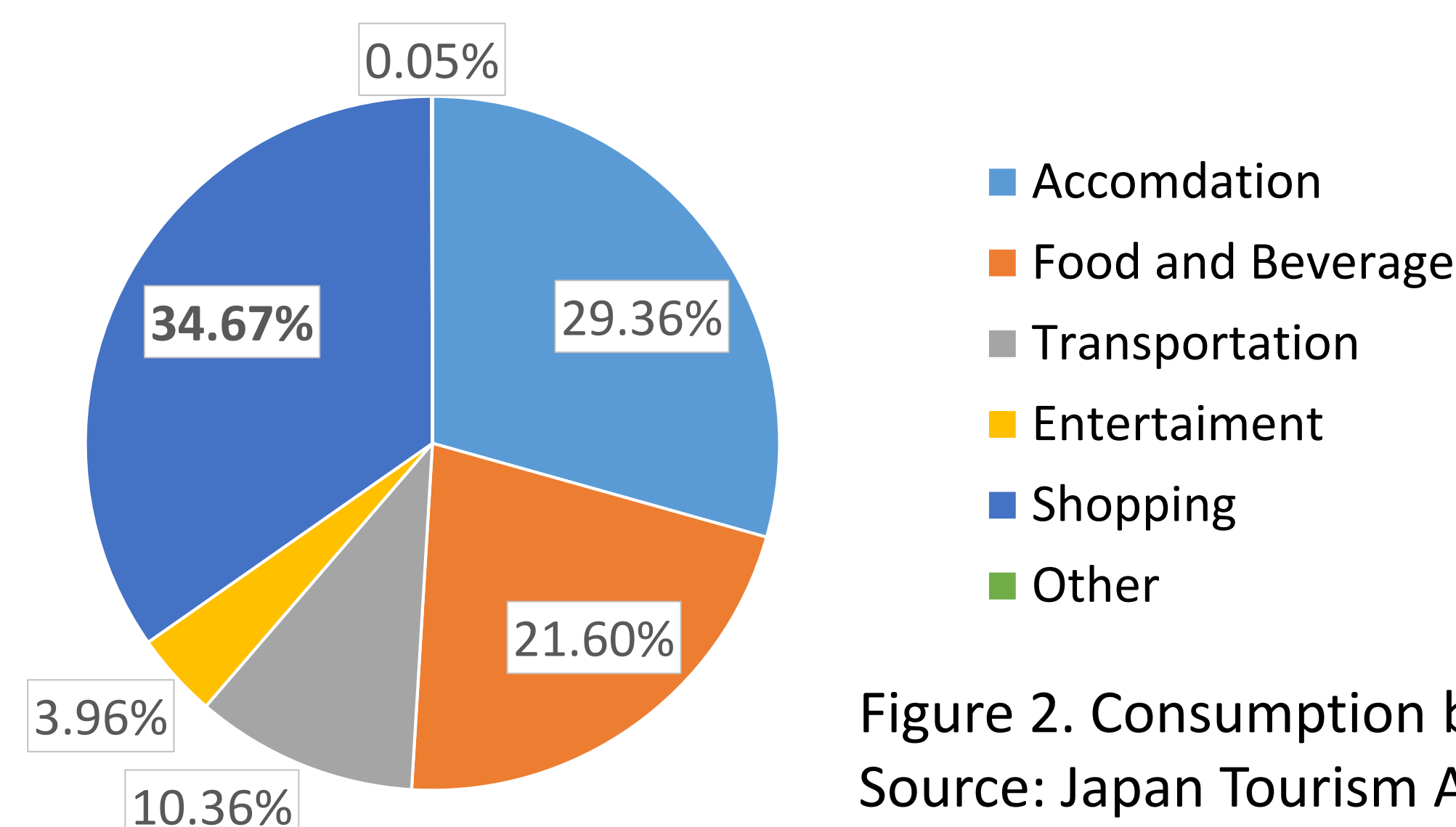- Shopping 34.67%
- Other 0.05%

Figure 2. Consumption by inbound tourist in 2019
Source: Japan Tourism Agency (2020)

- The outbreak of the novel coronavirus (COVID-19) has affected the global economy, and tourism is one of the most impacted industries in the world (UNWTO, 2020). The Japanese tourism industry, including the retail sector, is no exception. The Japan Department Store Association (2020) reported that department store sales in April 2020 fell 72.8% compared with those in the same month last year.
- The hospitality and transport sectors have drawn enormous research attention from tourism scholars; by contrast, despite its economic contributions to the industry, the retail sector has received limited research focus (Choi, Heo, & Law, 2015). In particular, how the retail sector collaborates with other tourism suppliers for destination development has not been well investigated.
- It has been widely discussed that close collaborations between multiple sectors are essential during a destination's crisis recovery process (Jiang & Ritchie, 2017).

Research Aims

This proposed study focuses on the Japanese retail sector and aims to achieve the following:

1. Understand the Japanese retail sector's existing collaborations with other tourism-related sectors in a tourism destination;
2. Explore how the COVID-19 pandemic has influenced the collaborations between these sectors; and
3. Explore how the retail sector collaborates with other sectors to recover a destination from the COVID-19 crisis.

Proposed Methods

- To achieve the research aims, this study will use Osaka, a popular destination among international tourists, as a case of a Japanese tourism destination.
- This research project will be divided into three phases (Figure 3). Adopting a research design used by Jesus and Franco (2016), this study will collect primary and secondary data.
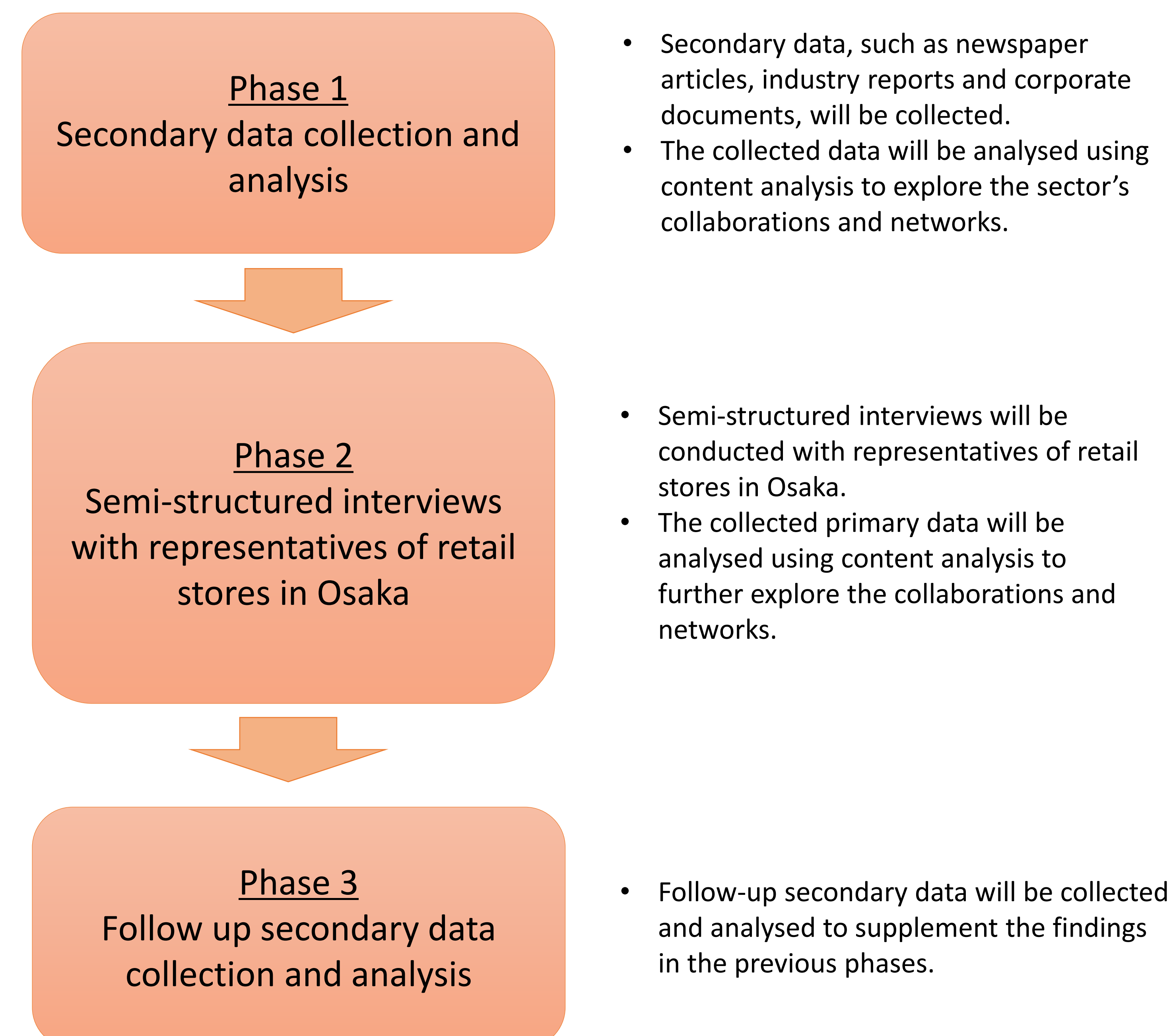
Phase 1
Secondary data collection and analysis

- Secondary data, such as newspaper articles, industry reports and corporate documents, will be collected.
- The collected data will be analysed using content analysis to explore the sector's collaborations and networks.

Phase 2
Semi-structured interviews with representatives of retail stores in Osaka

- Semi-structured interviews will be conducted with representatives of retail stores in Osaka.
- The collected primary data will be analysed using content analysis to further explore the collaborations and networks.

Phase 3
Follow up secondary data collection and analysis

- Follow-up secondary data will be collected and analysed to supplement the findings in the previous phases.

Figure 3. Proposed research design

Conclusion

- This poster introduced a research project that aims to understand the collaborations between the Japanese retail sector and other tourism-related sectors in a destination by focusing on Osaka as the context.
- The topic of this study is timely and important, as it addresses a challenge that many Japanese destinations face due to the COVID-19 outbreak.
- The outcome of this study is also expected to provide useful knowledge that destination management organisations and tourism practitioners in Japan may consult for future crisis and disaster response.

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