



**MISSISSIPPI RIVER COUNTRY USA
JAPAN QUARTERLY REPORT
July-September 2006**

Prepared by: Advance International, Ltd.
Japan Representative
September 20, 2006

This report provides a summary of activities the Japan representative undertook

during July-September 2006.

Travel News & Trends

Japanese Summer Travel Strong: During the first half of 2006 Japanese outbound travel rose only 1% over 2005. However, the market improved during the summer season with 2.51 million Japanese choosing to go abroad during the mid-July to late August period, 5% more than last year. Much of the growth was led by a recovery in the China market. Japanese leisure travel to China plummeted after anti-Japanese protests erupted in Spring 2005, but the market is now recovered and travel agents all report strong growth.

USA The Destination Of Choice Again: Japanese travel to the U.S. for January-April 2006 was down 1.5% from 2005, but tour operators all reported very strong U.S. sales during the summer months. A recent survey by Oricon, a leading Japanese advertising and market research firm, found the U.S. ranked first as the vacation destination Japanese were most glad they had visited in the last few years. The U.S. was number one among all age groups, both male and female. Italy and Australia were ranked second and third, but well behind the U.S. The study revealed that Japanese visitors are traveling to the U.S. again and most importantly, leaving with a very positive impression.

JTB Launches Life-Long Learning Program with University of California Extension Consortium: In August JTB announced it had entered into a partnership with the University of California Extension Consortium to send Japanese to attend courses in English, entertainment, business and various other subjects. While Japanese university students have studied in the U.S. for years, the goal of the new program is to offer continuous learning programs to adult Japanese of any age. JTB expects to market the program to corporations and individuals seeking to enhance business and language skills and to seniors interested in life-long learning. With over 10,000 different courses, the UC Extension Consortium is one of the largest in the U.S. JTB aims to create a new business model for the Japanese travel industry to follow to extend study abroad options to Japanese of all ages.

Baby-boomer Retirees Plan to Travel: In March 2007 the first wave of Japanese baby-boomers will begin retiring. The travel industry is looking to this large market segment as a source of new revenue. According to a recent survey by Dentsu, Japan's largest advertising agency, 68% of Japanese baby-boomers say they want to travel to celebrate their retirement and plan to double the frequency of overseas travel from once a year to twice a year. This figure was up from 57% in 2005.

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2006 marked the first year that this survey was conducted on baby-boomers approaching retirement. Unlike the current seniors, more of the baby-boomers surveyed said they plan to spend their savings on themselves rather than leaving it for their children, plan to buy whatever they want and spend less time

on mapping out an investment strategy for their retirement years. In terms of travel, 12% indicated they hope to spend an extended time overseas, 15% stated they plan to pursue language study, and 24% said they hoped to get involved in international volunteer organizations. An emerging trend among male baby-boomers appears to be the desire to travel alone. Twenty-three percent of male respondents said they hope to take a trip alone after retiring. In contrast, only 8% of women showed any interest in this idea.

JULY-SEPTEMBER ACTIVITIES

Inquiries

The following is a breakdown of inquiries to and sales calls made by the Japan office during July-September. A complete database of contacts and the nature of the inquiries is attached.

	Total	Trade	Media	Consumer/Other
All	36	22	9	5
Arkansas	7	1	5	1
Illinois	7	3	2	2
Iowa	0	0	0	0
Kentucky	5	2	2	1
Louisiana	28	15	6	7
Minnesota	6	5	0	1
Mississippi	12	3	7	2
Missouri	6	1	4	1
Tennessee	18	12	3	3
Wisconsin	1	1	0	0

Total 82

(The above totals exceed the total number of inquiries as some callers requested information on multiple states.)

Summary of Activities: Public Relations

Media Exposure

Travel Trade: 21 articles; ¥20,663,332 value (\$179,681)
 Consumer: 7 website articles; value undetermined
 Broadcast: 0 programs

Value for year-Print: ¥70,000,164 (\$608,697)

Value for year-Broadcast: ¥0 (\$0)

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The attached spreadsheet provides a complete listing of all publications and articles received during July-September 2006.

Mississippi River Country USA Japanese Website: A report of access to the Japanese website since it launched in May is attached. Participation in the U.S. tourism promotional campaign through banner advertising on the TIA

SeeAmerica.jp site helped to boost access significantly in July. The MRC Japanese website also links to the TIA site and the campaign information.

Mississippi River Country USA E-mail Newsletter: There was no MRC newsletter published during the period. However, Mississippi contracted to do a quarterly newsletter which was distributed on September 19 through TravelVision.jp, a leading travel trade website, to their database of over 17,000 travel trade and media. The newsletter is available in the What's New and Press Room sections of the MRC Japanese website. The second MRC newsletter will be published in November 2006 after the Japanese brochure is released.

Mississippi River Country USA Japanese Brochure: The office continued work on this project during the quarter. The 12-page brochure will be published in early November in Travel Journal. In addition to the new MRC brochure, Minnesota and Illinois each published new Japanese brochures in August in September in time for JATA World Travel Fair.

Ongoing Media Projects: During July-September the office was approached about assistance with the following media projects involving the Mississippi River Country region.

- Yomu Yomu: New literary magazine for women; interested in doing feature on Southern writers including Mark Twain, William Faulkner and Tennessee Williams. The office is being asked to assist with accommodations and press passes in Hannibal, Oxford, New Orleans and River Road plantation area in mid-October.
- Travel Journal: Leading travel trade magazine; planning a special feature on New Orleans tourism recovery. The office is being asked to assist with a visit by a reporter in late October.
- Nihon TV BS: Satellite channel of major national television network; will be filming a video series of all 50 states to air in 2007. Arkansas, Louisiana, and Mississippi will be the first 3 states to be filmed in visit in late October-early November. The office is being asked to provide assistance with all arrangements.

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Summary of Activities: Marketing

SeeAmerica Week: The fifth SeeAmerica Week in Japan was held in Tokyo from September 19-24. The series of events was organized by The Japan Visit USA Committee, TIA and the U.S. Embassy Commercial Service. Travel trade activities included the following events.

- TIA Media Marketplace—September 19, Roppongi Hills. A

tabletop workshop for media organized by TIA. The marketplace attracted 90 members of the travel trade and general media. This year's marketplace included scheduled appointments arranged by TIA at the request of the media. Mississippi River Country did not participate in this event, but several media inquiries for Arkansas, Illinois, Louisiana, Mississippi, Missouri, and Tennessee resulted from Advance International's participation on behalf of another client. Illinois participated in the event. A reception for the media followed the workshop where TIA presented its "Travel Writer of the Year" award. This year's winner was a magazine feature on Hawaii.

- JATA World Travel Fair—September 22-24, Tokyo Big Sight. This year's show attracted 106,241 visitors—68,193 consumers and 38,048 travel trade and press. The U.S. Pavilion was one of the best in years thanks to good organization by the Visit USA Committee and promotional funding from the U.S. Department of Commerce. The theme of the pavilion was fly & drive, and the airlines and rental car companies had substantial presences. A silent auction and treasure hunt game encouraged a steady flow of visitors. A SeeAmerica Reception was held in an on-site meeting room during the evening of the first day where travel executives were shown a presentation on fly & drive travel in the U.S. Mississippi River Country did not participate in this event, but Minnesota and Illinois had booths in the SeeAmerica Pavilion.

Nagoya Sales Calls: The office made sales calls on key tour operators in Nagoya in late July to update them on recent developments in the 10-state region. There was strong interest in fly & drive options, cruise opportunities, and incentive tour options. The Nagoya area is home to Toyota and a number of auto parts manufacturers so many operators in the region are active in incentive tour planning.

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Summary of Activities: Consumer Promotion

U.S. Promotional Campaign: The U.S. tourism campaign moved into full gear in July with a media reception sponsored by the U.S. Embassy on July 6, the Mitsukoshi Department Store promotion from July 11-19, and the U.S. advertising campaign running on television, in movie theaters and in subway/train stations from mid-July through early August. The Tsutaya online promotion which launched in June continued to run through August.

The main exposure for Chicago, New Orleans and Memphis was through the

Tsutaya promotion which included an online sweepstakes for a free trip to New Orleans. The full report on this promotion is being compiled and will be forwarded when received. Chicago was also featured in the television commercials through a clip from the film "Chicago". The final report on the total impact of the campaign will be available in early 2007.

Part of the campaign included the redesign of the TIA Seeamerica.jp website. All advertising directed consumers to the site. A banner with the "Experience Mississippi River" logo and brief copy about the region appears on the site on a random rotating basis. The banner links to the MRC Japanese site.

After the television advertising concluded, TIA continued the movie campaign by launching a movie trivia quiz and sweepstakes for consumers. The quiz features questions on movies from across the U.S. and a companion section features itineraries including an "Experience Mississippi River" suggested itinerary. The sweepstakes includes a grand prize "Rhythms of the South" trip for two to Atlanta, Nashville and New Orleans sponsored by Delta Air Lines and a separate trip for two to any United gateway city including Chicago. The campaign will run through late December.

The TIA newsletter section featured 5 stories on Memphis, St. Louis, New Orleans, Chicago and Louisiana River Road plantations in July and August taken from the MRC e-mail newsletter and individual newsletters distributed by Louisiana and Graceland. Copies of all of these materials are attached.
