

UNWTO/WTCTF City Tourism Performance Research

Report for Case Study “Sapporo”



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Background

As part of the UNWTO-WTCF City Tourism Performance Research Survey, an instrument for collecting data that allows evaluating city tourism performance globally was collected through interviews conducted in the City of Sapporo.

The research includes five key performance areas: Destination Management, Economic Perspective, Social and Cultural, Environmental Perspective and Technology & New Business Models.

Based on basic research about existing data and research and consultation with the city of Sapporo and Sapporo Tourism Association, two key performance indicators were identified for this research –Destination Management and Technology & New Business Models.

All the data under each criterion were collected from official data sources including reports published by the city government. In addition, on-site interviews were conducted with the Tourism and Economic Bureau, the General Affairs Bureau, the City Development Policy Planning Bureau and the Transportation Bureau of the Sapporo City Government as well as with the Sapporo Electronic and Industries Cultivation Foundation and Sapporo Tourism Association.

This report is based on the findings from the survey conducted in July 2017 by Prof. Yusuke Ishiguro, Center for Advanced Tourism Studies, Hokkaido University, collaborated by JTB Tourism Research and Consulting.

1 Introduction to Sapporo – The City

Sapporo is the capital city of the Hokkaido prefecture, as well as the country's fifth most populous municipality, with a population of 1.96 million within the area of 1,121.26 km². Founded as a base of Hokkaido Development Commissioner in 1869 with the aim of cultivating the Ezo land where the Ainu traditionally had resided. Since the municipal system was introduced in 1922, the City of Sapporo has expanded its area and population through repeated mergers with neighboring towns and villages. In 1970, the population exceeded one million and in 1972, Sapporo was awarded with the status of Government Ordinance City by order of the Cabinet of Japan after cities such as ¹ after Yokohama, Nagoya, Kyoto, Osaka, Kobe and Kitakyushu.

The city is located in one of the snowiest places on earth with an annual snowfall of about 6 m. The mountainous surrounding of the city, the long and snowy winter, the high quality of snow and the easy accessibility through the international airport make the city a well-known international ski destination. There are 5 ski resorts with a total of 7 million annual skier arrivals and the regional Okadama Airport and the international New Chitose Airport make Sapporo the gateway to the area famous for its world class powder skiing among ski enthusiasts.

On the other hand, the Jozankei Onsen area located 30 km from the city center, is one of the most famous hot spring destinations in the country. It is also part of the Shikotsu-Toya National Park and the active volcanic landscape and the caldera lakes which attract both domestic and international visitors there.

Thus, Sapporo as a destination consists of two main areas: urban area around Sapporo terminal station and Jozankei Onsen in the southern part of the city.

¹ Japanese cities with over 500,000 population are granted a special status under Article 252, Section 19 of the Local Autonomy Law of Japan and include the delegation of many of the functions normally performed by prefectural governments. In 2017, 20 cities have been awarded with this special status, and generally “major cities” refer to 21 cities including these and Tokyo Metropolis which consists of 23 specified districts.

Figure 1.1 City area of Sapporo



Source: Prepared by author based on Sapporo Tourism Association (2016)

Figure 1.2 Around Sapporo station



Source: City of Sapporo

Figure 1.3 Jozankei Onsen



Source: City of Sapporo

Apart from the national park around Jozankei Onsen area, its vast areas of urban parks are also one of the features of Sapporo. Besides Moerenuma Park which is recognized as a tourist attraction already, the city is rich in green spaces. Being a 2 million plus city, it is ranked 3rd place in urban park surface area per capita among all ordinance-designated cities in Japan (see Table 1.1).

Table 1.1 Ranking on urban park area per capita, 2015 (m²)

| City | | Urban parks ¹ | | Population 2015 (million) | Surface area per capita (m ²) |
|------|--------------------|--------------------------|--------------|------------------------------|--|
| | | Number | Surface area | | |
| 1 | Kobe | 1,619 | 2,635,830 | 1.54 | 17.1 |
| 2 | Osaka | 465 | 1,143,220 | 0.72 | 15.9 |
| 3 | Sapporo | 2,725 | 2,438,150 | 1.95 | 12.5 |
| 4 | Kitakyushu | 1,702 | 1,170,280 | 0.96 | 12.2 |
| 5 | Sendai | 1,665 | 1,315,360 | 1.08 | 12.2 |
| 6 | Niigata | 1,369 | 804,540 | 0.81 | 9.9 |
| 7 | Kumamoto | 971 | 684,380 | 0.74 | 9.2 |
| 8 | Chiba | 1,060 | 890,800 | 0.97 | 9.2 |
| 9 | Fukuoka | 1,665 | 1,282,600 | 1.54 | 8.3 |
| 10 | Sakai | 1,167 | 698,260 | 0.84 | 8.3 |
| 11 | Hamamatsu | 557 | 638,550 | 0.80 | 8.0 |
| 12 | Hiroshima | 1,119 | 885,600 | 1.19 | 7.4 |
| 13 | Nagoya | 1,449 | 1,585,090 | 2.30 | 6.9 |
| 14 | Shizuoka | 490 | 421,070 | 0.70 | 6.0 |
| 15 | Saitama | 927 | 640,930 | 1.26 | 5.1 |
| 16 | Yokohama | 2,652 | 1,806,580 | 3.72 | 4.9 |
| 17 | Kyoto | 908 | 639,180 | 1.48 | 4.3 |
| 18 | Sagamihara | 604 | 297,970 | 0.72 | 4.1 |
| 19 | Kawasaki | 1,109 | 563,280 | 1.48 | 3.8 |
| 20 | Osaka | 988 | 950,850 | 2.69 | 3.5 |
| 21 | Tokyo ² | 4,238 | 2,764,020 | 9.33 | 3.0 |

1) It includes prefectural park.

2) The data is only about 23 special wards.

Source: Parks & Open Space Association of Japan (2016)

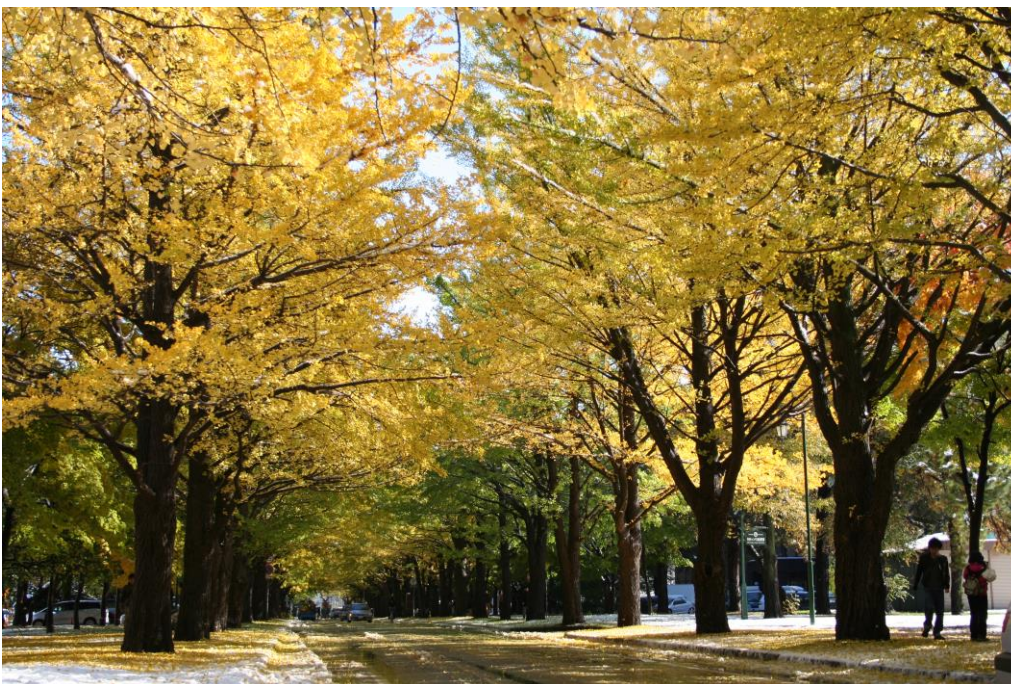
In addition to this, there are many universities and research institutions with extensive greenery, and its rural landscape that is not normally seen in a 2-million city attracts both locals and tourists.

Figure 1.3 Moerenuma Park



Source: City of Sapporo

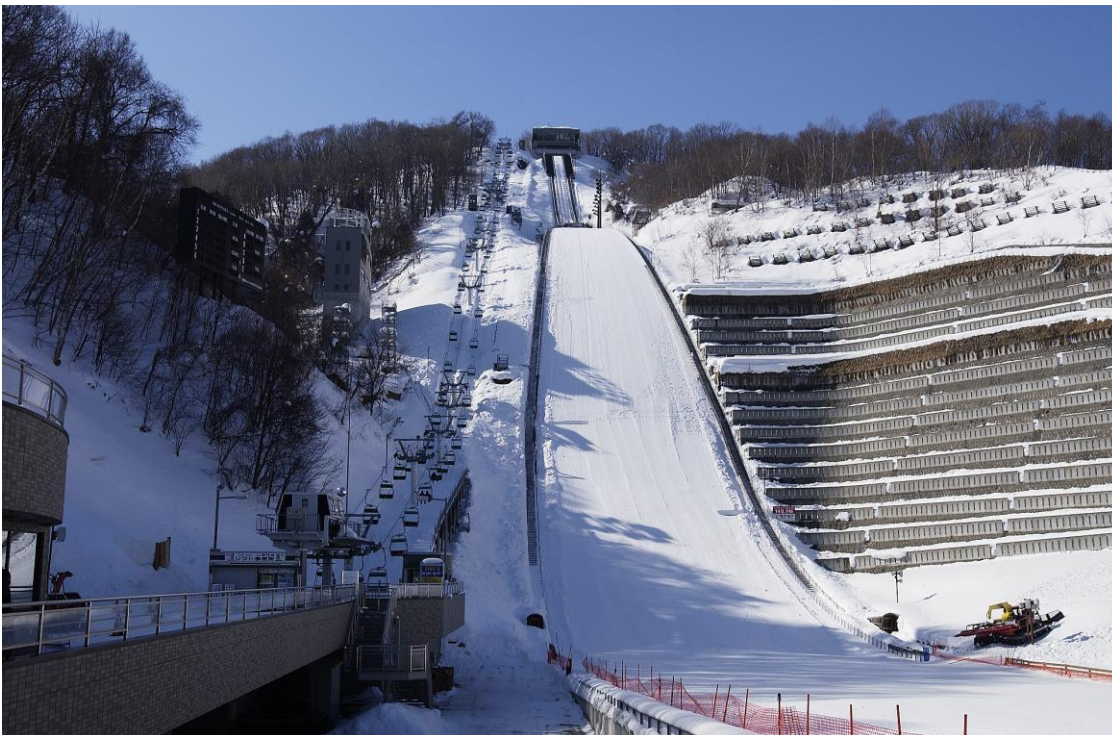
Figure 1.4 Hokkaido University in autumn



Source: Hokkaido University

Due to the abundant and diversified resources as described above and adequate infrastructure, Sapporo has successfully bid to host the 1972 Winter Olympics, the first Winter Olympics in Asia. Inside the city, visitors are able to encounter lots of sports facilities as the legacy of the 1972 Olympics such as Hokkaido Makomanai Park Outdoor Stadium where the opening ceremony was held and the Okurayama jumping stadium used for 90m ski jump. The city is now planning to run as candidate city for 2026 again.

Figure 1.5 Okurayama Ski Jumping Stadium



Source: City of Sapporo

1.1 Transport infrastructure

Its highly-developed transport infrastructure is one of the city's competitive advantages as a destination. The number of daily users of the Sapporo terminal station exceeds 95,000, and approximately 900 trains arrive at the station every day. In 2030, Hokkaido Shinkansen Bullet Train will be extended to Sapporo, and will increase accessibility from Tokyo by reducing the travel time to just 5 hours.

The subway system of the city which consists of three lines with 49 stations provides accessible and efficient transportation service to both citizens and travelers to travel throughout the city. The streetcar (tram), which is also considered a landmark feature of this most advanced, compact and environmental friendly city, circulates downtown and is an additional convenient travel option. Surprisingly, the tram and numerous buses running in the city are offering high quality and reliable service throughout the year, even in the cold winter season with 6 m of snowfall.

Furthermore, Sapporo is well connected via its two existing airports, Okadama and New Chitose. The former is located in the northeastern part of the city, and it is only for domestic flights. The latter, New Chitose Airport in Chitose City, around 50km south of Sapporo, is known as the gateway to the north of Japan due to its capacity. A daily average of 177 domestic and 16 international flights make this airport the 6th busiest in Japan.

Comparing these two airports, New Chitose is better known both in Japan and abroad. However, according to the history of both airports, Okadama is older as it started to provide service in 1962. The New Chitose Airport began operating 1988, 20 years later.

As Okadama has only 5 routes including 3 for destinations of Hokkaido, the capacity as an airport is totally different from the New Chitose. The following figures indicate that the number of landings at Okadama is 7,734 in 2015, while the number of New Chitose reached almost 70,000 and more than 20 million passengers used for both domestic and international flights of this airport. In addition, although New Chitose has recently expanded its usage records in recent years, both the number of passengers and landings at Okadama Airport are on a downward trend.

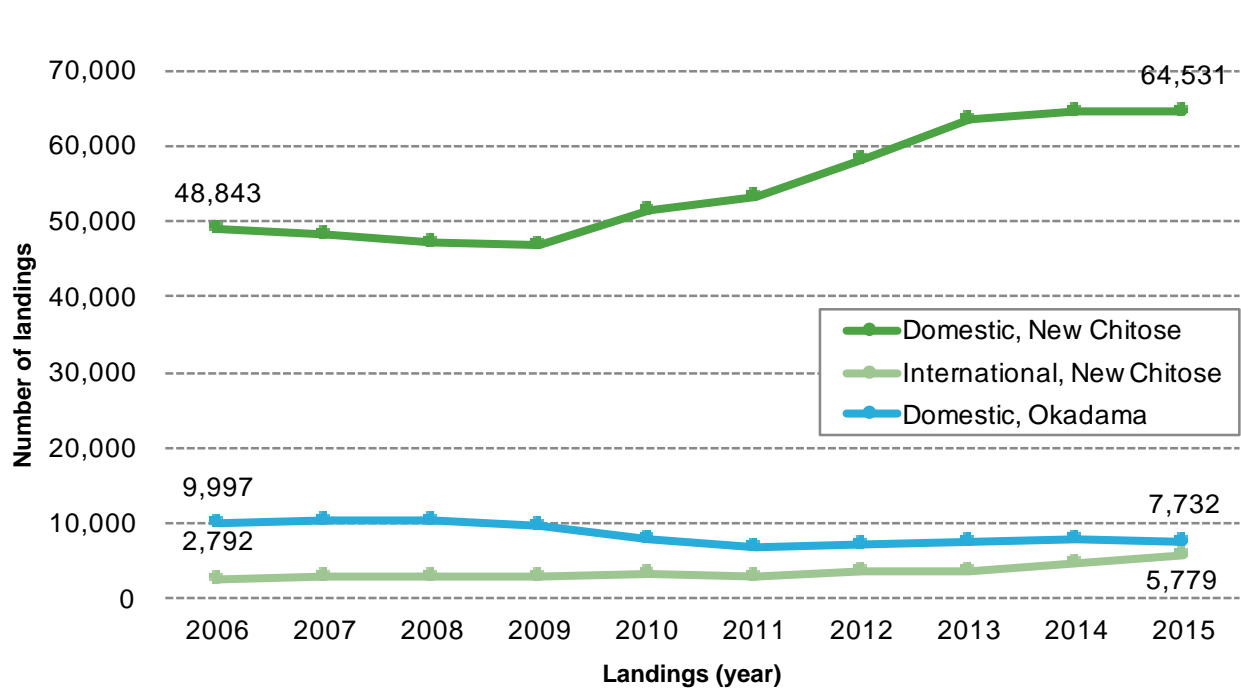
Especially after the All Nippon Airlines withdrew from this airport in 2010, this trend has been pronounced. As a result, the City of Sapporo is promoting the use of Okadama which has relatively high accessibility, intends to coexist both through the functional differentiation: Okadama for the propeller aircraft, and New Chitose for the jet aircraft.

Figure 1.6 International destinations from New Chitose Airport as June 2017



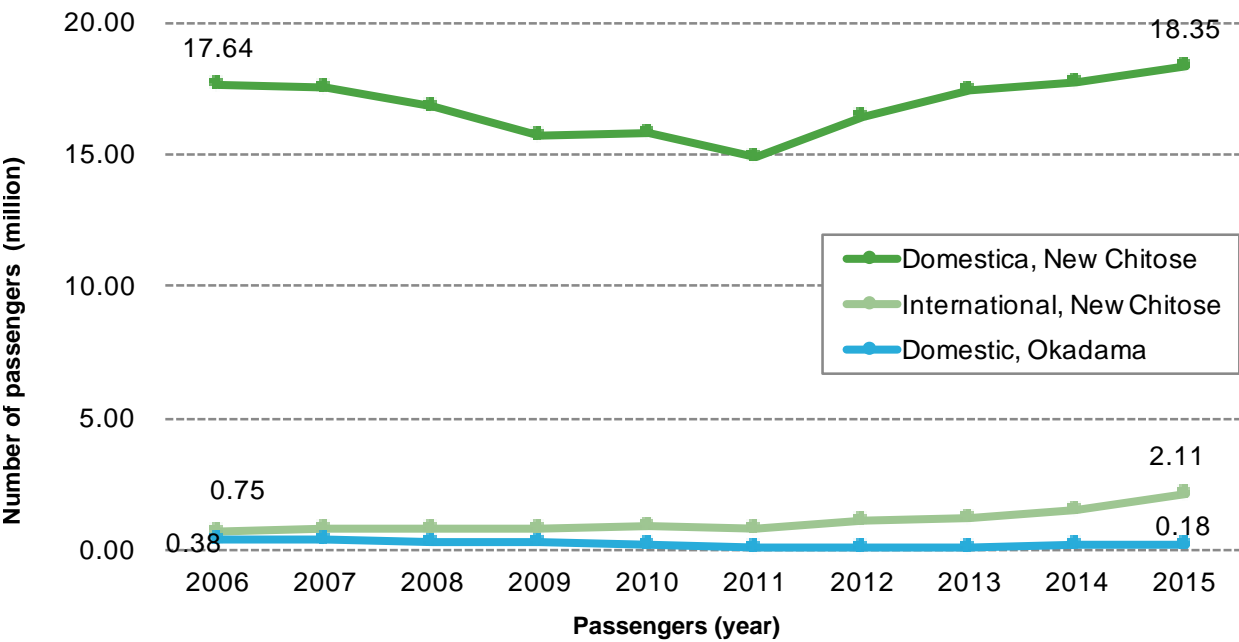
Source: Prepared by author based on Hokkaido Government (2017)

Figure 1.7 Number of landings at Okadama and New Chitose, 2006-2015



Source: Ministry of Land, Infrastructure, Transport and Tourism (2016)

Figure 1.8 Number of passengers at Okadama and New Chitose, 2006-2015



Source: Ministry of Land, Infrastructure, Transport and Tourism (2016)

Figure 1.9 Streetcar (tram)



Source: City of Sapporo

1.2 Tourism enterprises

Sapporo City has a total 11,405 establishments of tourism related enterprises. The food and beverage sector accounts for the majority with 9,777 establishments, and almost half of these establishments are accumulated in Susukino, which is one of the most popular and well-known entertainment districts in Japan. Furthermore, between Odori Park and Susukino, Tanukikoji shopping arcade with a Japanese-like atmosphere attracts tourists with lots of small restaurants and sundries. All of these spots located on the south side of Sapporo station, and the tourism consumption concentrates in this area.

Table 1.2 Number of establishments of tourism related enterprises, 2014

| City | Number of Establishments 2014 |
|----------------------|-------------------------------|
| Accommodation | 391 |
| Hotel and ryokan | 225 |
| Other | 166 |
| Food and beverage | 9,777 |
| Restaurant | 9,166 |
| Take-away / catering | 611 |
| Transport | 1048 |
| Railway | 530 |
| Road | 43 |
| Air transportation | 475 |
| Travel agency | 12 |
| Entertainment | 177 |
| Total | 11,405 |

Source: City of Sapporo (2016a)

Figure 1.10 Susukino entertainment district



Source: City of Sapporo

Figure 1.11 Tanukikoji Shopping Arcade

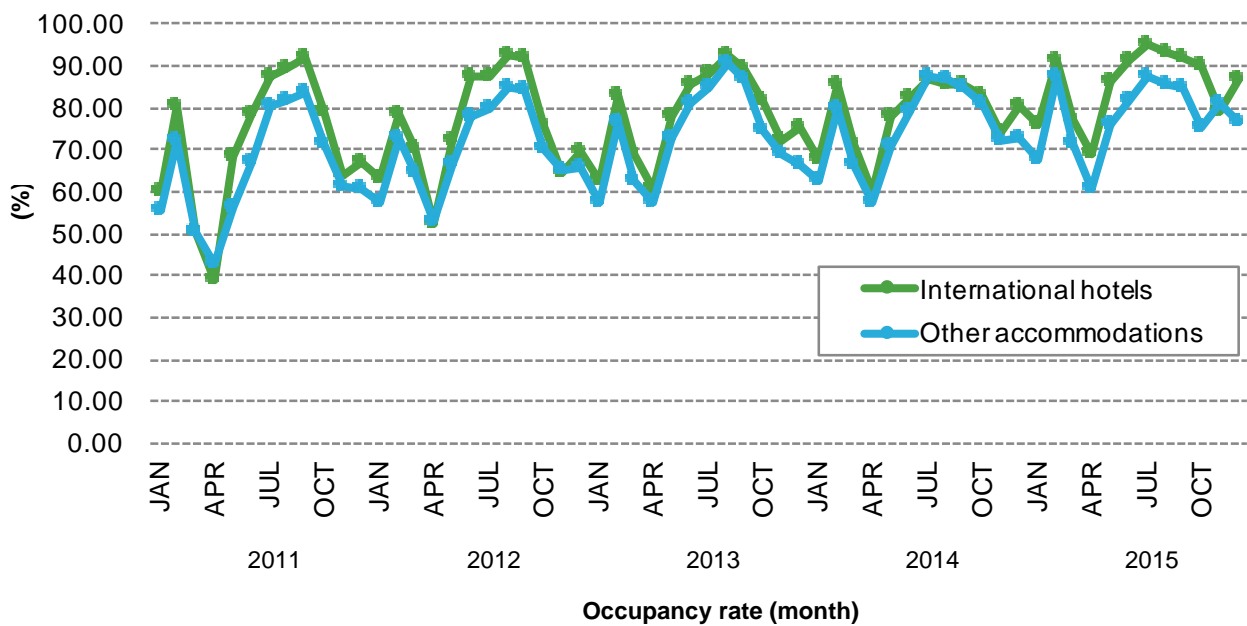


Source: City of Sapporo

About the accommodation sector, as described in the next chapter, the demand from foreign visitors has been growing in last 4 years, and many hotels are able to maintain high occupancy rates, especially in summer season. Based on the increased demand, the number of accommodations in the city is slightly rising, and the number of rooms and beds are also increasing in response.

However, in the Jozankei Onsen area which is recognized as a hub for tourist, the number accommodation facilities have declined slightly over recent years due to a decrease trend in group travelers. Based on this understanding, the City of Sapporo intends to further develop activity programs which aim at encouraging visitors to enjoy the abundant outdoor recreational opportunities.

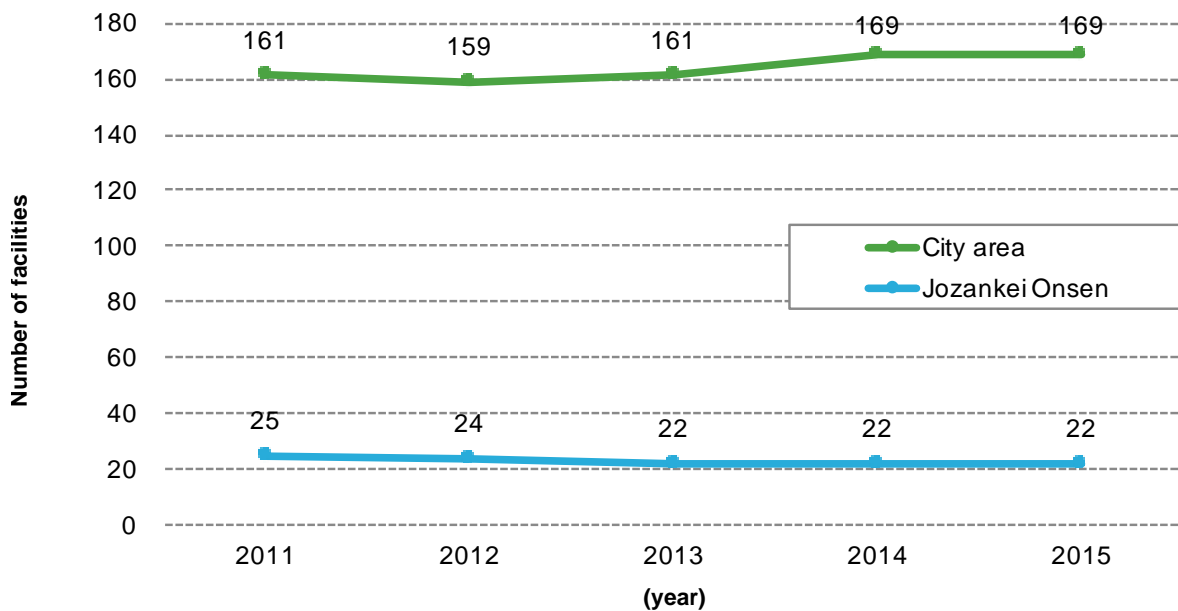
Figure 1.12 Trends in occupancy rate at the city area



Note: This table does not include public-administrated accommodation facilities.

Source: City of Sapporo (2016b)

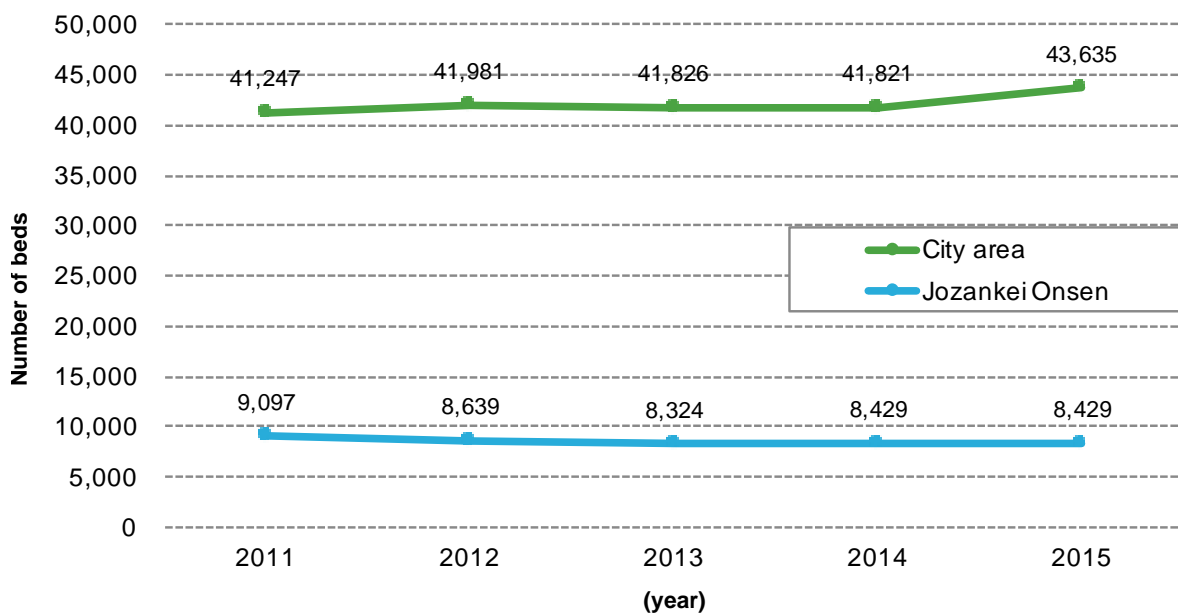
Figure 1.13 Trend in number of accommodation facilities, 2011-2015



Note: The annual data is based on Japanese fiscal year (April to March)

Source: City of Sapporo (2016b)

Figure 1.14 Trend in number of beds, 2011-2015



Note: The annual data is based on Japanese fiscal year (April to March)

Source: City of Sapporo (2016b)

1.3 Key attractions

The City of Sapporo has a variety of tourism resources and it is further diversifying its tourism product portfolio. The following attractions are the most mentioned in tourist guidebook and thus the most representative for the destination:

- Sapporo Clock Tower, the most important cultural heritage and a symbol of the city, originally built as a military drill hall of the Sapporo Agricultural College.
- Former Hokkaido Government Office, an American-neo- baroque-style structure with red bricks, constructed in 1888.
- Sapporo TV Tower, standing at the east end of the Odori park, the center of the town overlooking this town.
- Jozankei Onsen, a 150-years historical hot spring destination located southern part of the center.
- Odori Park, cutting across the city center, offers the opportunity to enjoy seasonal event such as summer beer garden and snow festival.
- Hitsujigaoka Observation Hill, the representative tourist spot of the city located on the top of the hill at a vast green area where national agricultural testing sites accumulated and known as statues of Clark, museums of the Sapporo Snow festival, restaurants and souvenir shops.
- Hokkaido University, the first institution for Agricultural Studies in Japan, located in the center of the city with rich greenery campus.
- Underground walkway, a 1.5 km-underground passageway is distinctive feature and response to the city's climate and utilized as a varied space such as shopping malls and art galleries.

As mentioned above, the rich greenery is also one of the attractions of this city. People forget to be in a 2-million city when visiting parks and green space as follows:

- Moerenuma Park, its basic design handled by Isamu Noguchi, a worldwide sculptor, and is intended to be the base of the "Circular Greenbelt Concept" of Sapporo.
- Mt. Moiwa, 531m-high mountain for a spot to enjoy stunning view of the city, especially at night.
- Mt. Maruyama, located in the western suburbs of Sapporo on the dome-shaped Maruyama hill, and the virgin oak forest extending on an area of 60,000 m² attracts

visitors.

In addition, including venues as the legacy of 1972 Olympic, the city has lots of sports facilities:

- Okurayama Ski Jump Stadium, one of the emblematic sites of the legacy of 1972 Olympic game.
- Ski resorts, a popular tourist attraction in the winter season located only less than 60 minutes from the center.
- Sapporo Dome, all-weather stadium that accommodates up to 53,738 people and is home to two Professional sports teams, Hokkaido Nippon-Ham Fighters and Consadole Sapporo.

Events play an important role in Sapporo's destination management. The main events held in the Odori Park in the center of the city are as follows:

- Sapporo Snow Festival, one of the biggest festivals in Japan that gathers more than 2.6 million people for two weeks and consists of numerous snow monuments.
- YOSAKOI Soran Festival, a dancing event originally from Kochi Prefecture, and it has developed into a major international event in which over 30,000 dancers from all over the world participate.
- Sapporo Summer Festival, which allows enjoying the short summer and became popular for its big beer garden in recent years.
- Sapporo Autumn Fest, event with a relatively short history that saw its first edition in 2008 and is known for its focus on the harvest season and the great variety of locally produced food from all parts of Hokkaido.
- The Sapporo White Illumination is the first illumination event in Japan started in 1981, and one of Japan's three major illuminations, with some 520,000 light bulbs.

Last but not least the gastronomy itself is an attraction. Sapporo is known for its food, especially in Japan, and one of the most popular gastronomic destinations. It is the sacred place of sushi and ramen which both became Japan's most famous dishes internationally, and other dishes that are well-known for its high quality of ingredients such as dairy products, vegetables and seafood. The following dish and places are particularly notable:

- Sapporo ramen, a local food of this city, loved by foodies all over the world and

becoming an iconic Japanese dish abroad.

- Jingsukan (mutton BBQ), a popular local dish named after the great Mongolian ruler Genghis Khan.
- Beer, known the city name as a beer's name, Sapporo is the birthplace of beer in Japan, and visitors can learn about the process of its production in a museum and brewery tours.
- Sweets, Hokkaido is known for many manufacturers of high-quality sweets, and their flagship stores are accumulated in Sapporo.
- Shiroi Koibito Park, a theme park run by Ishiya, a local chocolate company. It is a family spot featuring samples & exhibits of chocolate & cookies, plus a train ride & garden area.
- Susukino, the best entertainment district in Hokkaido with lots of bar, restaurants and shops.
- Central Wholesale Market, defined as a "refrigerator of Hokkaido" where the freshest produce and fishes are caught every day, and its retail market is very popular for tourists to find best crab.

Figure 1.15 Sapporo Clock Tower



Source: City of Sapporo

Figure 1.16 Sapporo Beer Museum



Source: City of Sapporo

Figure 1.17 Shiroi Koibito Park



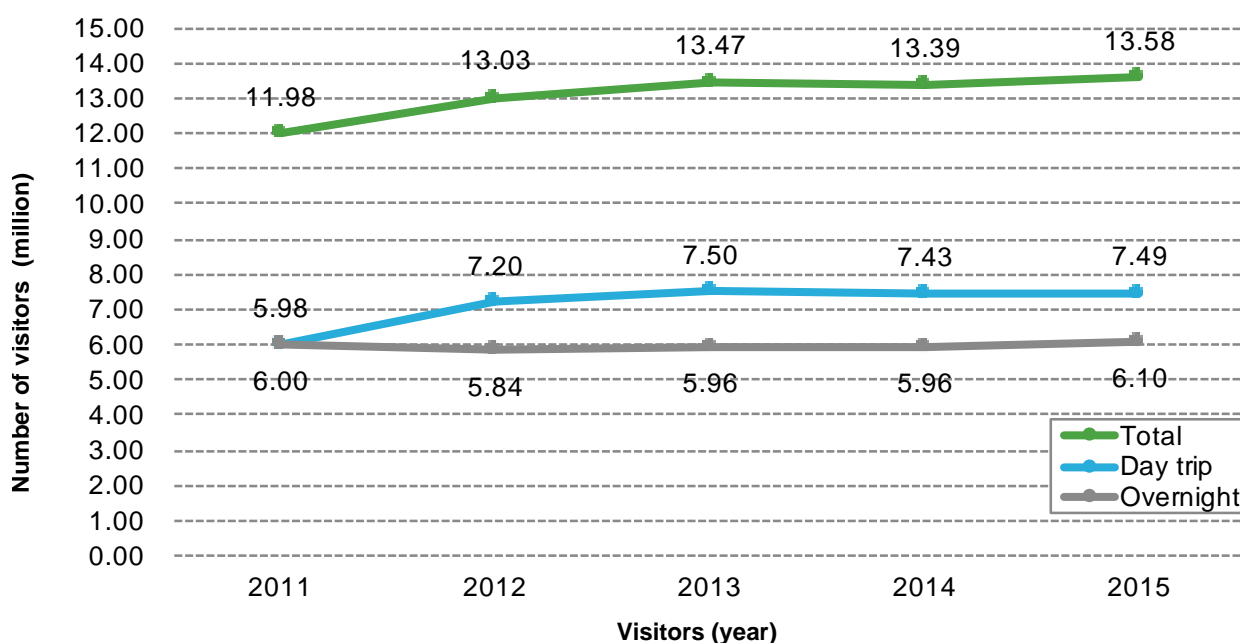
Source: City of Sapporo

1.4 Tourism trend

According to the latest survey on Tourism Consumption of the City of Sapporo in 2011, tourism is estimated to bring EUR 2.84 billion on only direct consumption of visitors.² Furthermore, tourism generates 3.8% of GDP and 4.1 % of total employment of the city.

In 2015, the city received total of 13.6 million visitors including day trippers and overnight guests. There is no big change in this proportion within the 5 years since 2011. Considering the position of Sapporo in tourism of Hokkaido, it is the most important destination in this prefecture with 10% of the 136.3 million visitors in all the 179 municipalities. Furthermore, in terms of the number of overnight visitor, Sapporo's contribution to Hokkaido tourism is much bigger: It is estimated that 24.5% of all overnight visitors in Hokkaido stay in Sapporo.

Figure 1.18 Number of visitors to Sapporo, 2011-2015 (million)

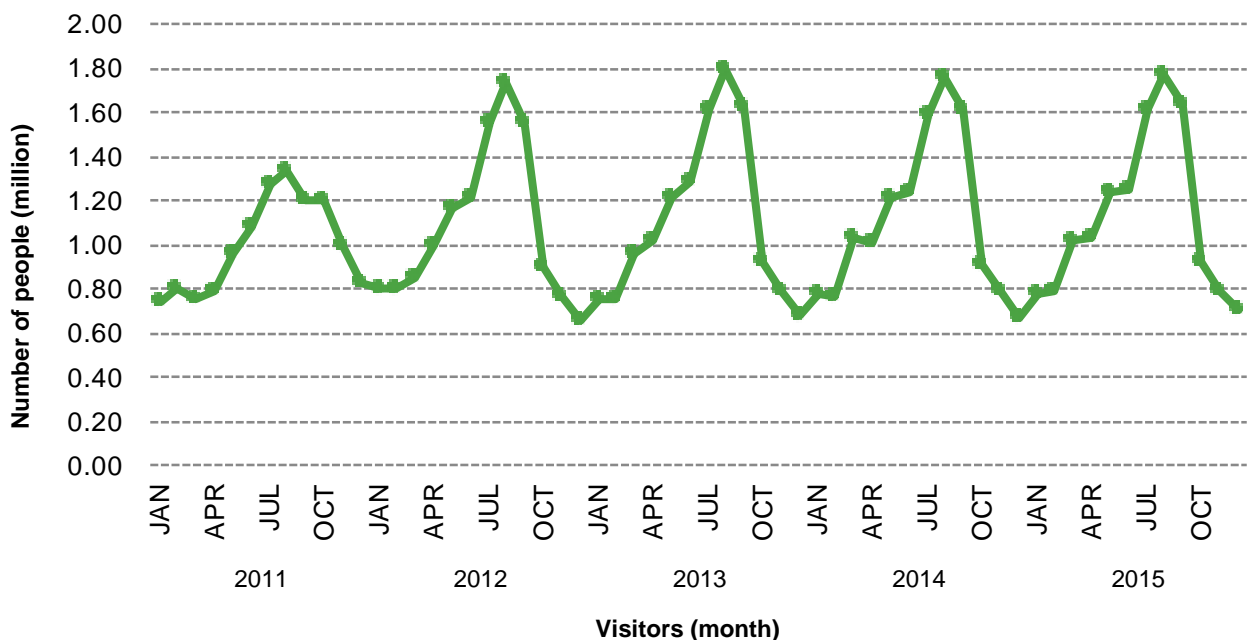


Source: City of Sapporo (2016b)

² Calculated 1 EUR=130 JPY.

The next figure explains the monthly change of visitors to Sapporo in recent years. In the first half of 2011, it is clear that the Great East Japan Earthquake affects the declining tourism demand for Sapporo. However, recovering in the next year, it returns to the "usual trend": the visitors in summer exceed 1.7 million, and fell to below 0.7 million in winter. Thus, June which is known as the beginning of flower season is the start of the high season in Hokkaido and Sapporo, and ends in September when summer vacation is over. As described later, such fundamental features determine the starting point of the tourism policy of Sapporo, as for instance the holding of mega events.

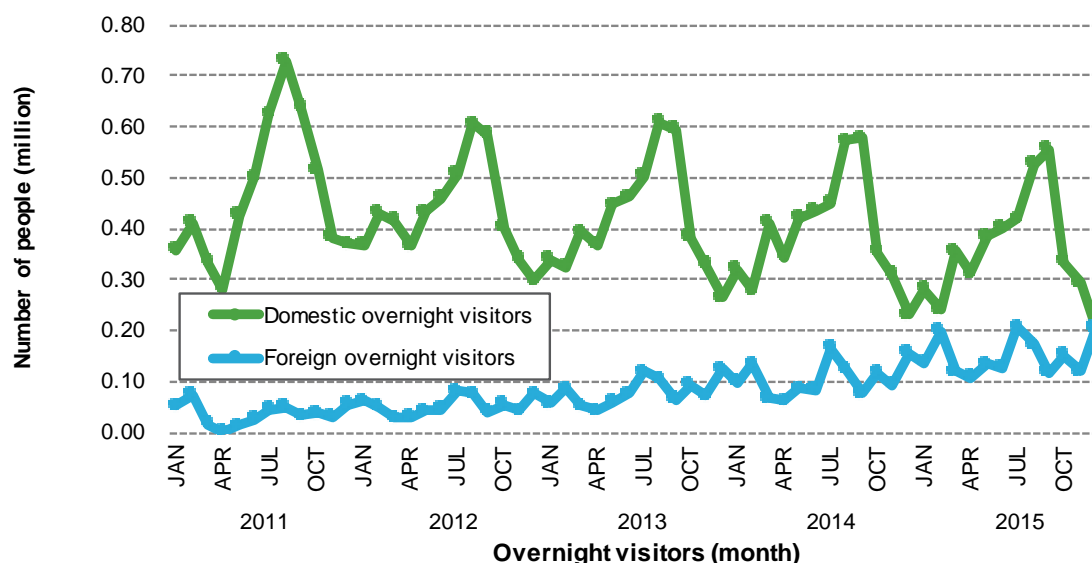
Figure 1.19 Number of visitors to Sapporo by month, 2011-2015 (million)



Source: Hokkaido Government (2016)

As shown in the next figure, the number of overnight visitors from abroad has seen a steady increase compared to a slight decline in the number of domestic overnight visitors. In 2011, the annual peak of domestic overnight visitors exceeds 700,000, and the difference between the foreign and domestic is more than 680,000, however, both numbers are at almost same level in December 2015. The presence of the inbound market is underpinning the low season of the domestic while the volume of domestic visitors still exceeds inbound in total.

Figure 1.20 Number of overnight visitors by month and origin, 2011-2015 (million)



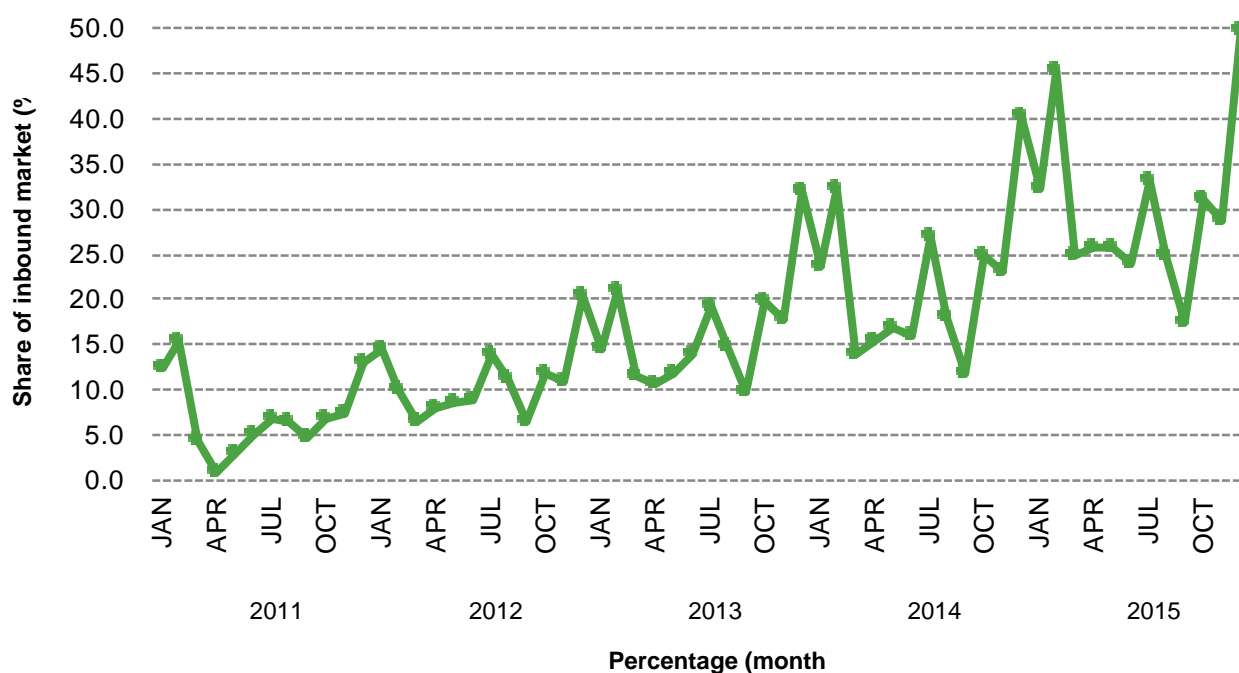
Source: Hokkaido Government (2016)

Underlined by the next figure, the significance of international tourists for the tourism sector in Sapporo is increasing. In December 2015, the percentage of foreign visitors in total overnight visitors reached 49.7%, it means that the inbound market accounts for approximately half of all the market of the hotel industry in Sapporo. Also, the monthly trend of foreigners is very interesting. The graph shows clearly two peaks for the months of December and January.

As explained before, the tourism trend in Sapporo seems to be stable in the last 5 years at first glance; however, the data for visitors by nationality shows that a drastic change has occurred.

Promotion of inbound tourism is becoming the most important objective of the national tourism policy. Nevertheless, Sapporo has already achieved the inbound market to be of big significance and have the same presence as the domestic market. It is clear that the inbound market is not the target which the city “should” focus on, is absolutely the “must” market today.

Figure 1.21 Percentage of foreign visitors in overnight visitors, 2011-2015 (%)

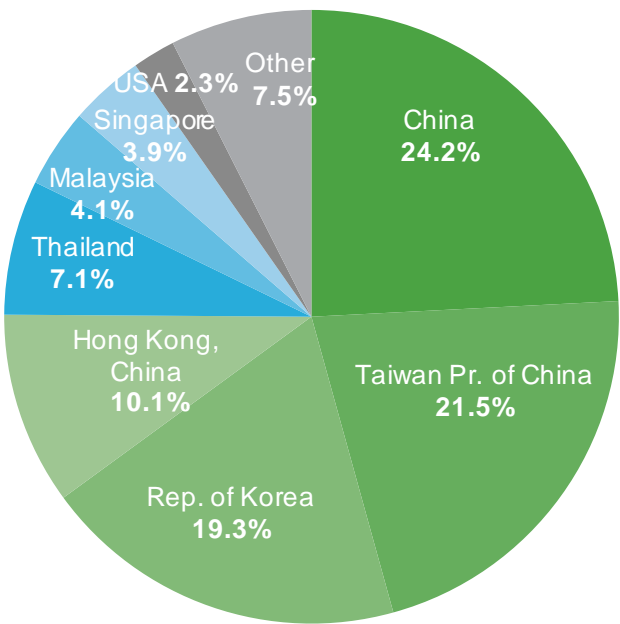


Source: Hokkaido Government (2016)

Looking at the structure of the inbound market of Sapporo which is rapidly growing, it is found that four main East Asian markets (China, Taiwan Province of China, Rep. of Korea, and Hong Kong, China) stand for 75% of the total. As it is the case for other Japanese destinations as well, Sapporo depends on the East Asian market on the inbound tourism. Due to its very rapid and steady growth, China ranks first since 2015. Meanwhile, demand from South East Asia has also increased in recent years, and the City of Sapporo pays more attention to this emerging markets.

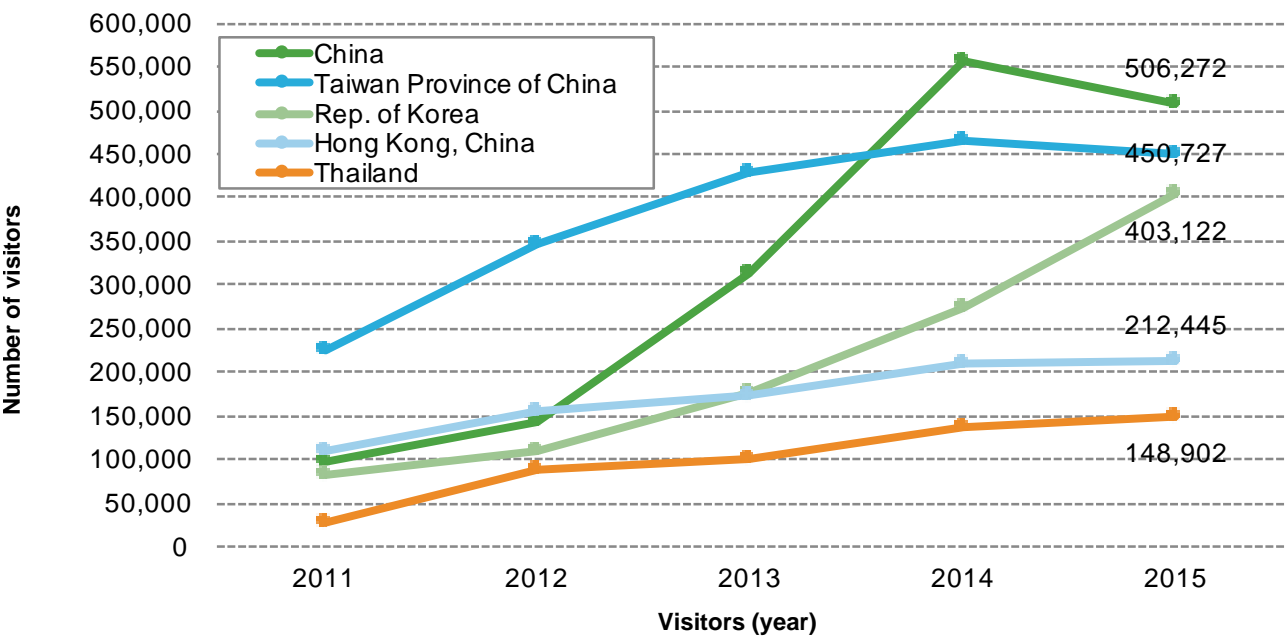
On the other hand, Sapporo is relatively weak in the non-Asian markets which are more matured. Even the United States of America, the largest of the non-Asian markets, the share remains at only 2.3%. From the standpoint of not only diversifying the market but also promoting the variety of Sapporo City's attraction, the approach to these markets will become increasingly important from now on.

Figure 1.22 Number of foreign overnight visitors by nationality, fiscal year 2016 (%)



Note: The annual data is based on Japanese fiscal year (April to M
Source: City of Sapporo (2016b)

Figure 1.23 Number of foreign overnight visitors by nationality, fiscal year 2016 (%)



Note: The annual data is based on Japanese fiscal year (April to March).
Source: City of Sapporo (2016b)

2 Sapporo: Tourism Performance Research Survey Findings

For this research, the five key performance areas are set: destination management, economic perspective, social and cultural perspective, environmental perspective, and technology & new business models. In case of Sapporo, destination management and technology & new business were selected due to following reasons:

- Destination management is currently the most attention-getting area in what regards tourism in Japan.
- The strategy to control the seasonal fluctuations of tourism flow should be evaluated and shared through this research.
- Although the Sapporo Tourism Association is not registered as a Japanese style DMO yet, its multifaceted business development and a high ratio of own financial resource might be helpful for other domestic and foreign DMOs.
- Sapporo has introduced several initiatives related to sustainable tourism by technological innovation such as compact city, and smart city initiatives, and the declaration of Eco capital.
- In the New Industrial Structure Vision compiled by the Ministry of Economy, Trade and Industry (METI), Sapporo is defined as an advanced case about community development through information communication technology.
- Considering the need to show the wide range and diversity of Japanese tourism cities' efforts worldwide in this research, it is very important to differentiate from case study about Tokyo.

3 Destination Management

Destination management is one of the most noteworthy areas in tourism policy of each city of Japan today and Sapporo meets almost all criteria established for this. Although it does not have the specific policy which matches the criteria about sustainable tourism, the City of Sapporo promotes sustainable community development based on related and superior policies such as the Environmental Basic Plan, Declaration for Eco Capital and Smart City Initiative.

3.1 Destination growth strategy

Table 3.1 Performance criteria on destination growth strategy

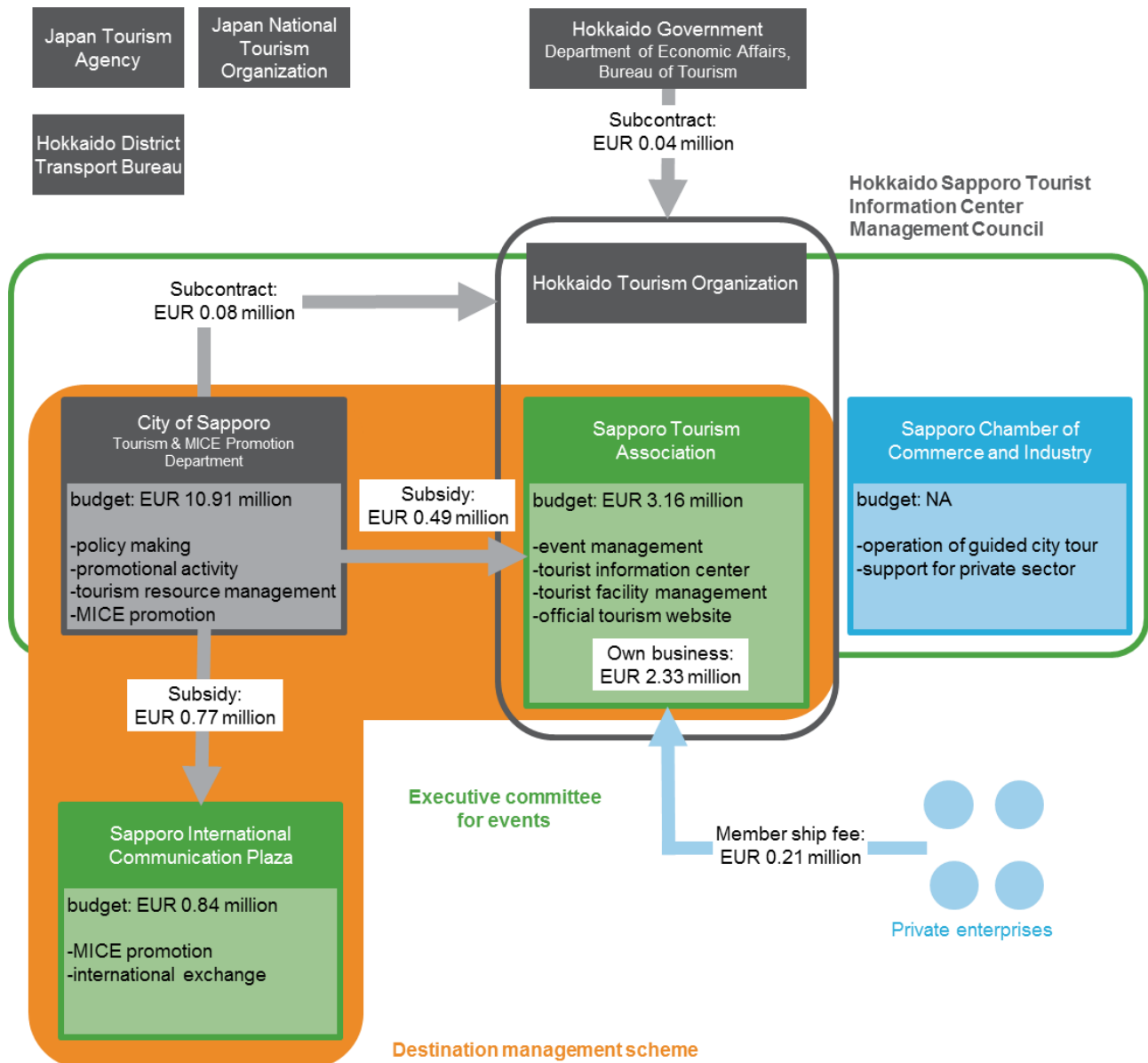
| Performance criteria | Yes / no |
|--|----------|
| Existence of a DMO at the destination | Yes |
| Clear vision and governance structure for destination in place | Yes |
| Sustainable tourism policy and regulations within the overall development strategy of the city | No |
| Differentiation of the destination (USP and/or UEP) | Yes |
| Public and private sectors commitment/ involvement | Yes |
| Collaboration with the stakeholders within and across sectors | Yes |
| Regular update of the strategy & action plan | Yes |
| Performance measurement tools in place | Yes |

Destination management organization and related entities

The next figure shows a comprehensive framework of destination management of Sapporo. At the national level, Japan Tourism Agency is implementing various tourism policies through the Hokkaido District Transport Bureau. Japan National Tourism Organization focuses on promotional activities through overseas offices, travel exhibitions and websites. At the prefectural level, the Bureau of Tourism of the Hokkaido Government is in charge of policy making, and at the same time, it operates public private partnership project through Hokkaido Tourism Organization, the DMO of the prefecture of Hokkaido.

At the city level, the entity, which manages the biggest budget, is the Tourism & MICE Promotion Department of the city. It is in charge of policy making as an administrative department, and promotional activities, tourism resource development and MICE promotion are also among its responsibilities.

Figure 3.1 Destination management structure



Although the budget is smaller in comparison to the budget allocated for tourism by the City of Sapporo, the role of the Sapporo Tourism Association (STA) is extremely important in destination management of Sapporo. STA is the only organization which both the public and

private sector are committed to. The City of Sapporo provides EUR 0.49 million as a subsidy to support events coordinated by STA, and private enterprises pay a membership fee. In addition, the City of Sapporo and Hokkaido government pay a contract fee to the Hokkaido Sapporo Tourist Information Center Management Council, which is governed by STA, for outsourcing the management of the main tourist information center located in the terminal station. As a result, the management of the tourist information center involves four entities that differ in character and administrative level, and STA is a core player.

Figure 3.2 Sapporo tourist information center



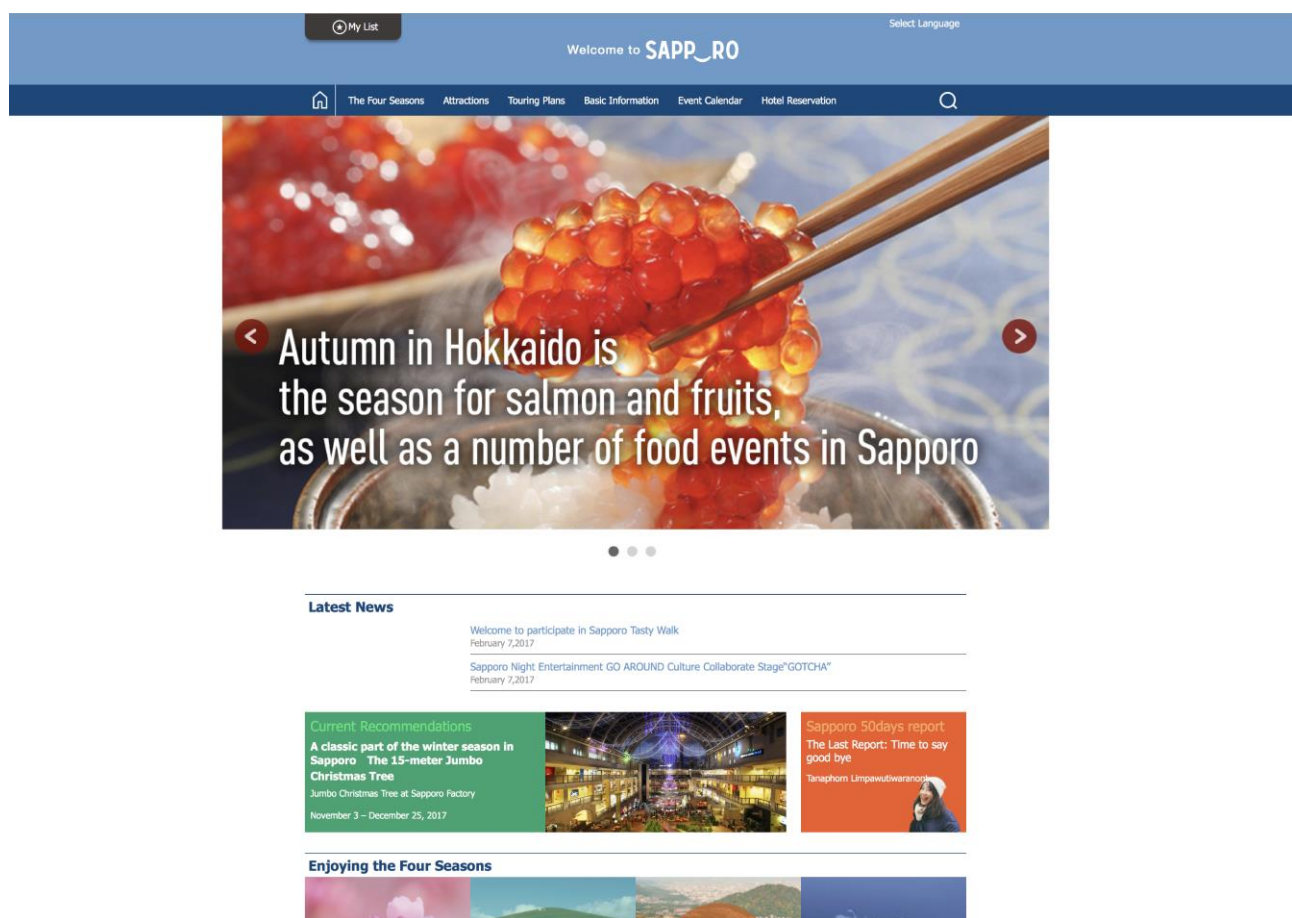
Source: Prepared by author

Furthermore, the management of the official tourist website “Yokoso Sapporo” has been shifted from the city administration to STA since April 2017. The operation of the website means that the STA manages one-stop shop of both on-line and on-site.

STA itself has gained EUR 2.33 million in the fiscal year 2016 from entrance fees, merchandising sales and tenant fees, in Hitsujigaoka Observation Hill which is the most popular tourist spot of the city. Thus, STA operates its own business to secure the fiscal stability, business strategy and its continuity. Though STA indirectly receives some amount

of financial assistance from the City through committee of events and Hokkaido Sapporo Tourist Information Center Management Council, the direct subsidy to the body of the association is only 15.6% in 2016 which is low compared to similar entities in other cities such as Tokyo, Nagoya Osaka and Kyoto where it exceeds 60%. The existence of such kind of association is very common in Japan; however, STA is unique due to its financial structure.

Figure 3.3 Yokoso Sapporo website (www.sapporo.travel)



Source: www.sapporo.travel as 5th November

In what MICE is concerned, the department supports promotional activities and coordination through the Sapporo International Communication Plaza. Sapporo International Communication Plaza is extra-departmental body of the city. The Mayor of the city is at the same time chairman of this body and the majority of the budget is covered by subsidies from the city budget. In that sense, it is one of the important organizations responsible for the

implementation of the policy on destination management. The annual budget is around EUR 2.5 million and is spent on promotion for international exchange and support for foreign residents; however, around 80% of the project expenses are dedicated to MICE promotion.

The City itself also has a volunteer guide system with approximately 200 official guides. The beginning of this system was the training system for volunteer guide started in 1986, and from 1994, the City has maintained it and provided free guiding service at tourist information centers.

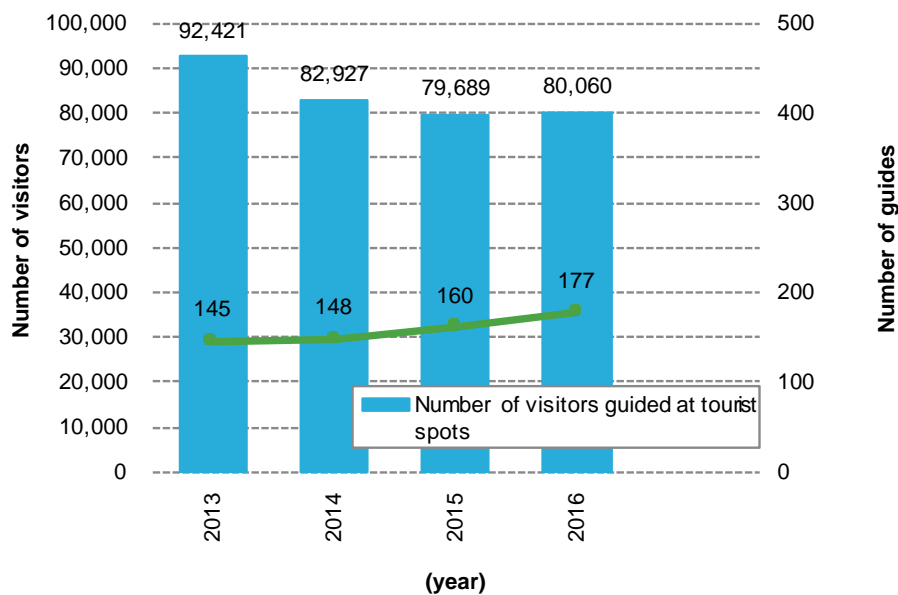
About the volunteer guide, the Sapporo Chamber of Commerce and Industry as a private sector association operates the system as well, and it implements measures to improve hospitality service of its member enterprises. Particularly, its volunteer guide system in particular is a key in considering Sapporo's destination management. As mentioned above, Sapporo has a remarkable multilayered attractiveness as a city destination, and the existence of guides is indispensable in order to connect its resource to customer satisfaction.

Sapporo Chamber of Commerce and Industry conducts the certification of the city guides once a year, and it has developed a system to manage the pool of guides for guiding services. Currently, it offers two types of guiding: services corresponding to requests from travel agents and free guidance at each tourist spot in the city. As can be seen from the figure below, the results of the guided tour are also almost flat while the number of tourists to Sapporo is sluggish. According to the organization, they intend to develop a nighttime guiding service and to improve the guiding in foreign languages.

Sapporo is not only a 2-million-city, but it is the administrative capital of Hokkaido. In that sense, it is pointed out that Sapporo's specific feature in relation to destination management is its multilayered framework not only in the horizontal direction with public and private sectors in the city, but also in the vertical direction with the country and the prefecture. In such a complicated structural framework, STA plays an extremely important function. It can be said that it is an example of multilayered and multifaceted destination management scheme, and it is totally different from DMO scheme by integration and concentration shown in various countries around the world. Although the Sapporo Tourism Association (STA) has not applied to become a "Japanese style DMO", a new innovative concept promoted

nationwide as a national policy by Japan Tourism Agency (JTA), it has proven that it covers the function of a DMO to a great extent.

Figure 3.4 Trend in volunteer guide service, 2013-2016



Source: Interview with Sapporo Chamber of Commerce and Industry

Superior visions of the destination management policy

The City of Sapporo indicates its destination management policy in the “Sapporo Tourism City Development Plan” formulated in 2014 and the plan is positioned under the two political visions: The Strategic Vision for City Development and the Industrial Development Vision.

The goal of the Strategic Vision for City Development is to improve the attractiveness, vitality, and the quality of life, and the conceptual image which it aims to realize, was defined in the Vision: “the world admired city which creates Hokkaido’s future” and “the symbiotic city with diversity and spiritual richness”. Based on this, the vision includes 8 basic strategies and 25 concrete policies.

Tourism is one of the most frequently appearing keywords in this vision, and its significance and the role it plays in city development are mainly mentioned as follows:

- Tourism as a driving force to lead the industry advancement by utilizing local resources and to enhance competitiveness as a city.
- Sapporo must create new forms of city tourism with a variety of resources and maximize its economic impact.
- Tourism links local industry and creative industry through tourism.
- Sapporo is able to enhance the collaboration with other municipalities in Hokkaido.
- Tourism is a core of city promotion.
- Improvement of public transportation is important from the destination competitiveness as well as city development.
- Integration and sophistication of urban functions contribute to tourism.
- Promotion of agro-tourism is effective for conservation of agricultural land.

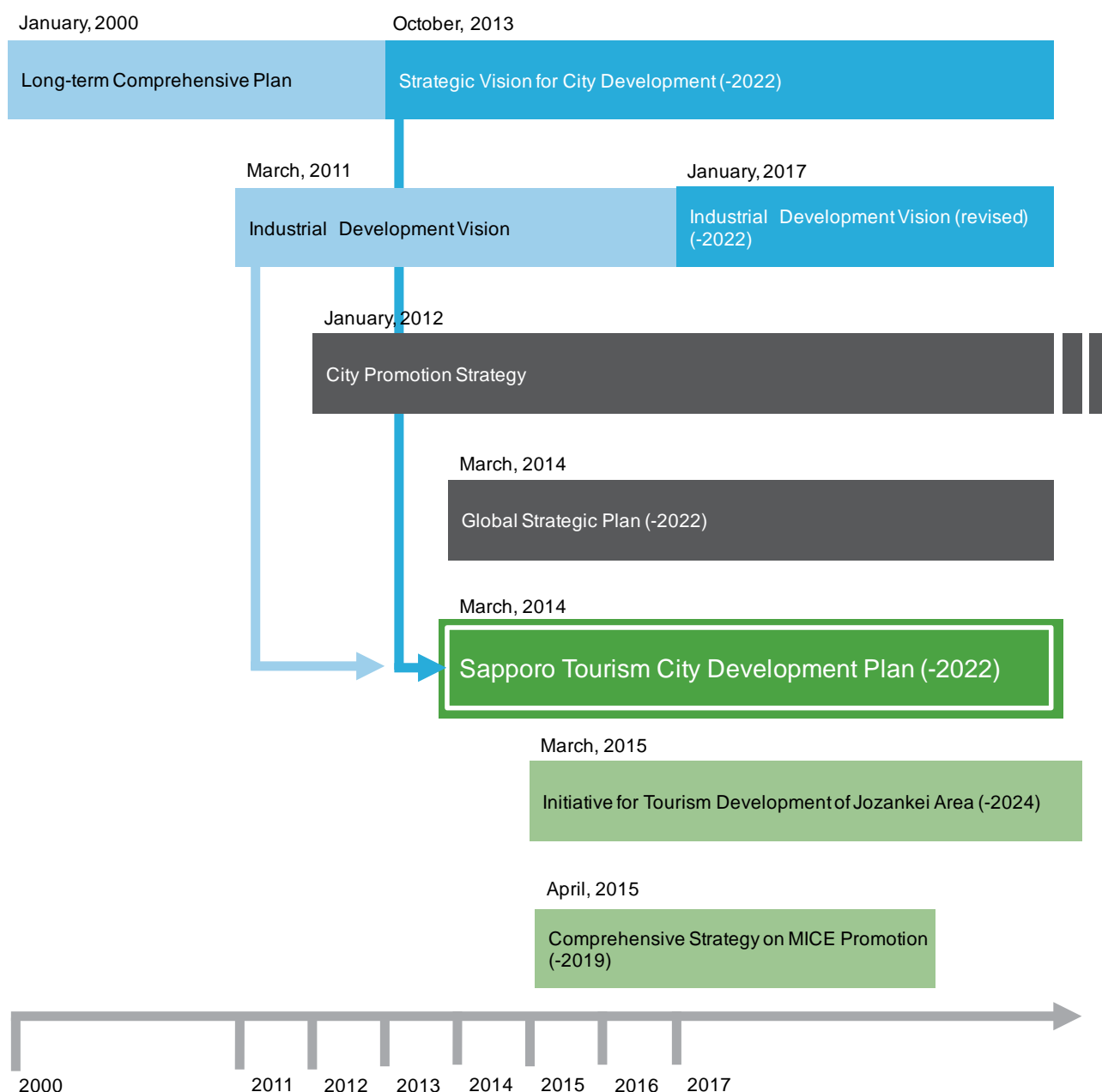
On the other hand, the Industrial Development Vision focuses on the more economic perspective of tourism in Sapporo and tourism is clearly emphasized as one of the priority areas with food, environment (energy), health and welfare/medical, and information technology and creative industry.

In addition, the following are identified as the basic strategies of tourism area.

- Basic Policy 1:
Development of more local and more unique tourism resources
- Basic Policy 2:
Promotion by utilizing various media; improvement of facilities and services for foreign visitors.
- Basic Policy 3:
MICE promotion by utilizing the rich tourism resources and its urban function.

In addition, as the umbrella strategy of it, the city has formulated a concept of destination management. This 10-year plan from fiscal year 2013-2022 shows the goal of destination management: the collaborative tourism development by public private academic partnership.

Figure 3.5 Framework of destination management related policies and strategies



According to this plan, the City concludes the current situation of tourism in Sapporo as following:

- Due to the declining population in Hokkaido, the intra-prefectural tourism market will shrink more and more, and it is necessary to develop new market.
- Since the growth of the inbound market in the future is expected to come mainly from

East Asia, the city will collaborate with JTA and Hokkaido Government for effective promotional activities.

- On the other hand, to avoid economic and political risks, the target market must be diversified and defines that Europe, USA, Australia and Russia will be the next target.
- The MICE segment is vital to make the tourism sector more stable and competitive, and in order to catch up other advanced cities, the city will enforce the political support for hosting MICE events and improving venues.
- The organization of events is an effective means to expand the economic effect of tourism and it is important to increase awareness of events other than Sapporo Snow Festival and YOSAKOI Soran Festival in Tokyo, Osaka and Nagoya, so that the city will be recognized as an all-year-around event destination.
- Increasing the number of direct international flight and improving accessibility to/from Sapporo within Hokkaido will enable the city to enhance the function as a hub.
- In order to increase the economic effect of tourism, it is necessary to expand the number of visitors and extend the duration of stay in the city.
- At the same time, it is necessary for citizens themselves to discover tourism resources and promote its attractiveness for maintaining domestic demand.
- For the efficient and continuous growth as a destination, improvement of satisfaction level and repeat visitation rate are indispensable.
- Contribution by citizens to the diversification of tourism resources leads to responding to the demand from visitors and it will strengthen the competitiveness as a destination.

Based on this understanding, the City of Sapporo developed the basic policy of destination management as “finding Sapporo style tourism”.

The Sapporo Style is defined as three basic principles and includes:

- Locals become key actors by discovering, learning and enjoying Sapporo.
- More information leads to more emotion of visitors.
- Providing visitors opportunities to touch the tips to enjoy Sapporo.

Destination Marketing and Positioning

Considering the consolidated and challenging seasonality pattern, the events and festivals have an extremely important role in Sapporo’s development strategy. It is a very common

approach to hold a short-period event to increase the number of tourist in a specific season, however, in the case of Sapporo, the city tries to fill the calendar with events throughout the year. The existence of Odori Park, created by the grid-like urban plan that imitated Kyoto, and its size of the economy as a 2-million-city, enable Sapporo to follow such strategy.

Table 3.2 Event calendar of Sapporo

| Event name | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | Number of visitors 2016 (million) |
|------------------------------------|------|------|------|------|-----|------|------|------|------|------|------|------|--------------------------------------|
| Sapporo Ramen Show | | | | | | | | | | | | | 0.1 ¹ |
| Sapporo Lilac Festival | | | | | | | | | | | | | 0.7 |
| YOSAKOI Soran Festival | | | | | | | | | | | | | 2.1 |
| Sapporo Flower Festa | | | | | | | | | | | | | NA |
| Sapporo City Jazz | | | | | | | | | | | | | 0.2 ² |
| Sapporo Summer Festival | | | | | | | | | | | | | 2.0 |
| Sapporo Autumn Fest | | | | | | | | | | | | | 2.2 |
| Sapporo Chrysanthemum Festival | | | | | | | | | | | | | NA |
| Sapporo White Illumination | | | | | | | | | | | | | NA |
| German Christmas Market in Sapporo | | | | | | | | | | | | | 1.4 ³ |
| Sapporo Snow Festival | | | | | | | | | | | | | 2.6 |

1) Nippon Ramen Association (2016)

2) Data for 2017

3) Data for 2015. City of Sapporo (2017c)

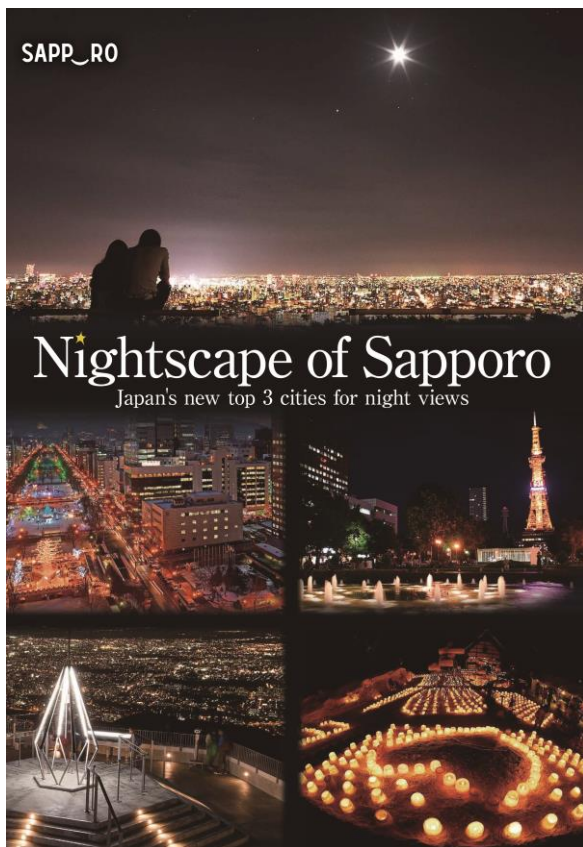
Note: The table contains only events held in Odori Park and its surrounding area.

Source: City of Sapporo (2016b)

From a marketing perspective, the scale and constancy of the events are extremely important. The fact that the events are always being held in the city center connects them to the city's entertainment and dynamics. This image is being transmitted as city image to the markets by media and the visitors act as multipliers in word of mouth promotion and by doing so continue to evoke travel demand. At the same time, the fact that the citizens maintain the initiatives and ownership of events, it leads to create the image of rich urban life. As mentioned before, the concept of destination management is "finding Sapporo style tourism" and the key function of the events is not attracting many tourists, but creating the image of a livable city with abundant attractions shaping the appeal of the city life and urban characteristics in Sapporo as a 2-million city, the national park and the hot spring area coexist. All stakeholders involved in destination management consider the civic life is the greatest attraction in the destination's marketing and positioning.

In recent years, Sapporo promotes its night-time appearance as a new tourist attraction; however, it does not mean exclusively create an attraction for tourists. The citizen themselves enjoy the "light of the town" on a daily basis, and they just open a part of it to tourists. The source of attractions which leads to Sapporo's competitiveness as a destination is created inside the civil life, not by short-term campaign or mega events aimed at attracting lots of tourist.

Figure 3.6 Framework of destination management related policies and strategies



Source: City of Sapporo

Public Private Academic Partnership

Sapporo is the main city of Hokkaido, and many headquarters of enterprises are located in this city. Since they run the business from Sapporo as retailers, industrial manufacturers or as financial service or banking providers, they are strongly rooted in the region. They emphasize on their local spirit and character and in that sense, are very committed and actively collaborate with public sector entities, in particular in recent years. For example, "porocle", a cycle sharing system in Sapporo which will be explained more in detail in a later chapter, has been operating since 2008 as a corporate social responsibility project by

Docon Co., Ltd, a general construction consultant company based in Sapporo. Also, the North Pacific Bank, LTD. and Sea and Nissenren S-CORT Co. Ltd, a local credit card company, have been participating in the development of city guide map for foreign individual travelers (FIT) through the Society for Promotion of Creative Tourism from 2015.

Also known as one of the 7 former imperial universities established by Meiji government, Hokkaido University exerts a certain presence in policy making, and other universities and public and private institutions do as well. The existence of Academia greatly contributes to the innovation of Sapporo as a tourist city.

For example, a consortium composed of private sector entities and universities is actively involved in the ICT utilization project, described in the next chapter about technology & new business model. In addition, the Society for Promotion of Creative Tourism is also a unique public private academic initiative in Sapporo. It has been founded with the objective of providing research and allows individual collaborators such as students, professors, officers of the municipal administration and employees of various private enterprises to contribute and join the Society as a researcher. This approach enables participants to engage to tourism policy of the city from academic perspective, and leads to development of landmark and strategic tourist spots and new business model in the city.

3.2 Visitor satisfaction

In Sapporo, a survey on tourist satisfaction is conducted on an annual basis. The city adopts two different methods for each market: on-line research for Japanese tourist a face-to-face interview for foreign tourists. The questionnaire includes following subjects:

- Basic demographic data including annual income
- Experience of visit to Hokkaido and Sapporo
- Duration of stay
- Destinations and route
- Number of group
- Purpose of visit
- Arrangement of travel
- Expenditure
- Information source
- Satisfaction level
- Transportation
- Intention for repeat visits
- Awareness level for events
- Destination image of Sapporo

Table 3.3 Performance Criteria on visitor satisfaction

| Performance criteria | Yes / no |
|---|----------|
| Repeat visitation (within 5 years) / recommendation | Yes |
| Analysis of the visitor satisfaction with different elements of destination | Yes |
| Analysis of the visitor satisfaction with their overall experience at the destination | Yes |

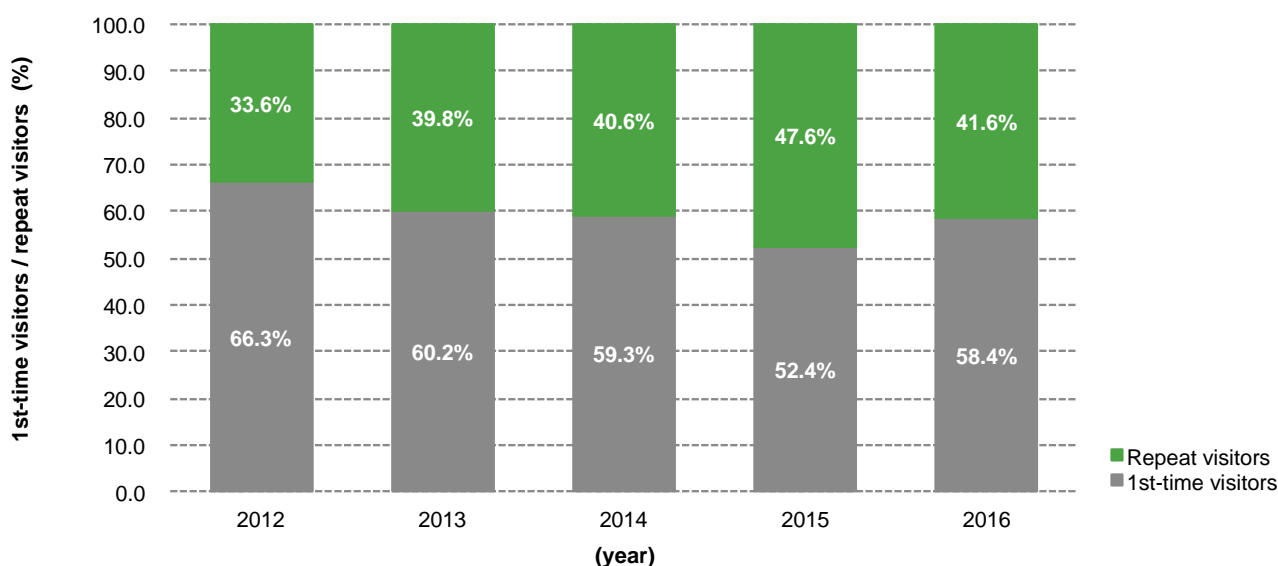
Repeat visitation

According to the survey, the repeat visitation rate of foreign visitors has grown in those five years. The rate, which was only 30% in 2012, increased by more than 10 points in 5 years, to 41% in 2016. The reason for the small decrease in the share in 2016 seems to be attributable to the increase of tourists from Republic of Korea. In this year, lots of low cost

careers (LCC) began to operate direct flight to New Chitose airport and expanded a relatively young segment which consists of travelers that had not visited Hokkaido yet due to the travel cost.

On the other hand, more than 70% of domestic tourists have visited Sapporo more than one time. As many Japanese companies have branch offices in Sapporo, the demand of business travel is relatively high and it leads to high repeat visitation rate. In addition, Hokkaido's certain share in school educational trip for a few decades, contributes to this number.

Figure 3.7 Repeat visitation rate of foreign tourists 2012-2016



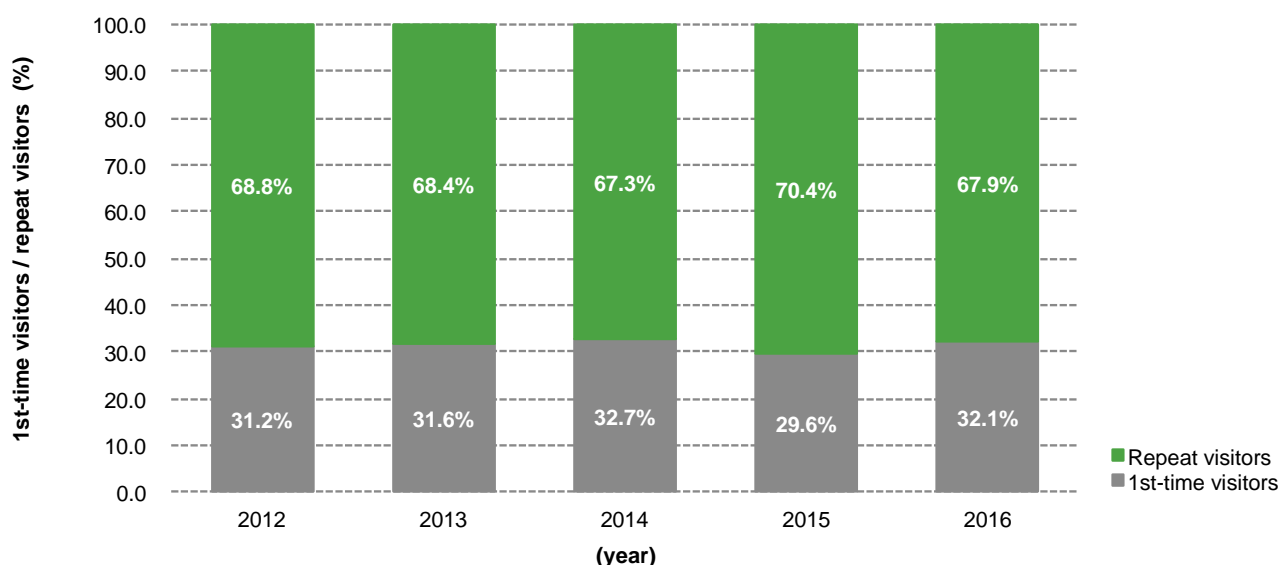
Source: City of Sapporo (2016b)

Visitors satisfaction

The City of Sapporo's surveys on satisfaction consists of different subjects by international and domestic tourists. The result is utilized as a reference for deciding on priorities of the tourism policy for the next fiscal year.

The next figure explains the trend of satisfaction of international tourists. Comparing the percentage of Wi-Fi to other subjects, it is very clear that the Wi-Fi service cannot satisfy the demand. It seems that the City needs to improve the quality of Wi-Fi connection, as the satisfaction level has been increased in recent years. Except the Wi-Fi, the satisfaction level of all the subjects reach almost 95 %.

Figure 3.8 Repeat visitation rate on domestic tourists 2012-2016



Source: City of Sapporo (2016b)

Contrary to foreign international tourists, the satisfaction level of domestic tourists tends to decline slightly. Except for accessibility, the rate exceeds for 80% and it remains in relatively high standards, however such kind of data shows the necessity of continuous efforts for destination management. As mentioned before, not only the City of Sapporo, but also other related entities collaborate on the management. The STA started to enhance the official website and the Sapporo Chamber of Commerce and Industry continues to elevate the service quality of private sector.

Table 3.4 Visitors satisfaction in international tourists, 2012-2016 (%)

| Subject | 2012 | 2013 | 2014 | 2015 | 2016 |
|-----------------------|------|------|------|------|------|
| Wi-Fi | NA | NA | 78.8 | 63.7 | 65.8 |
| Sapporo Snow Festival | 96.5 | 94.4 | 95.5 | 95.3 | 96.1 |
| Hospitality | NA | NA | NA | 96.0 | 97.5 |
| Tourist information | 90.7 | 94.0 | 95.8 | 93.3 | 94.5 |
| Overall | 96.1 | 94.2 | 96.6 | 97.1 | 98.0 |

Note: Satisfaction level is defined as the total percentage of people who chose 1 or 2 on a five-point scale.

Source: City of Sapporo (2016b)

Table 3.5 Visitors satisfaction in domestic tourists, 2012-2016 (%)

| Subject | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------------------------|------|------|------|------|------|
| Tourist information | 86.8 | 88.1 | 90.6 | 86.4 | 81.7 |
| Hospitality | 87.6 | 89.0 | 90.8 | 86.9 | 81.7 |
| Accessibility | 84.4 | 82.3 | 85.5 | 83.5 | 79.6 |
| Jozankei Onsen | 93.8 | 95.8 | 93.9 | 89.0 | 89.3 |
| Overall | 91.4 | 92.5 | 92.5 | 89.1 | 85.6 |

Note: Satisfaction level is defined as the total percentage of people who chose 1 or 2 on a five-point scale.

Source: City of Sapporo (2016b)

4 Technology and new business model

Already back in the 1950s, at the beginning of the computer era, lots of companies doing business in data processing services, storage servers and software development have successfully established in Sapporo. Nowadays Sapporo is the ICT (Information and Communication Technology) cluster in the eastern part of Japan apart from Tokyo. In addition, the reputation and self-image as an environmentally conscious and advanced city has paved the way for the introduction of the smart city concept and ICT based city management. Sapporo is one of the most technology-savvy cities, and this given framework conditions contribute to the smart destination management of the city.

In addition, it is also a great advantage of Sapporo that the global enterprises in the information-related fields are positively committed to community development, such as Crypton Future Media, INC. which is known for “Hatsune Miku”, a humanoid persona voiced by a singing synthesizer.

4.1 Peer economy

As the declaration of “Eco Capital Sapporo”³ in 2008 indicated already, the city had implemented various measures and strategies to mitigate the environmental impact of urban city life for many years. Furthermore, as the population decreases and the economic scale shrinks, the improvement of productivity and the efficiency of civil life is the most important issue for Sapporo. From this perspective, the promotion of the peer-to-peer economy is essential component on policy of all areas.

However, among the criteria of this survey, Sapporo has not been evaluated efficiently due to the regulations by the government. For example, car sharing services such as Uber have expanded globally; however, they still provide limited services in only some areas or are restricted to participation in pilot projects in Japan. Although Sapporo City is very active in promoting the peer-to-peer economy, it is still in the initial stage on the national level. It seems difficult to measure the performance based on common indicators on a global level.

³ City of Sapporo (2008)

Table 4.2 Performance Criteria on Peer Economy

| Performance criteria | Value | Year | Source |
|--|--------|------|----------------------|
| Number of shared accommodations | 1,263 | 2017 | AirLABO ¹ |
| Existence of car and bike sharing platform | NA | | Yes |
| Number of shared bicycles per capita | 0.0002 | 2017 | porocle |
| Number of shared vehicles per capita | 0.0002 | 2017 | Times24 Co., Ltd. |
| Existence of Car-pooling | NA | | |

1) The number based on AirLABO (<http://airlabo.jp/>) as to 6th November.

Shared accommodation is currently the hottest topic in the tourism industry in Japan. For many years, national regulations did not allow to provide accommodation service in general housing facilities, however some conditions have been relaxed by the amendment of the law in 2017. As well as it is the case in other famous destinations, the number of available accommodation of that kind tends to increase in recent years in Sapporo. It reaches 1,263 in November 2017 and it is expected to grow.

On the other hand, the significance of shared car and vehicle services are still very limited. Although the City of Sapporo has played a leading role in this area due to the designation as a special regulatory zone for car sharing by the Ministry of Internal Affairs and Communications in 2005, only 360 cars are being provided through providers today.

As far as shared bicycle services are concerned, a private company runs this business in Sapporo. Docon Co., Ltd, a general construction consultant company, started this activity in 2011. The project has initially taken off as a corporate social responsibility (CSR) project after a pilot phase and discussion for two years. Named “porocle”, it is a commercial activity run by the company, and at the same time, it has a character of a public, private and academic partnership from the beginning. The bicycle ports were set in public spaces such as public roads, in proximity to the city hall and the tourist information center. In addition, university students are still involved in the operation as for instance ticket sales, promotional activities and the maintenance of the bicycles.

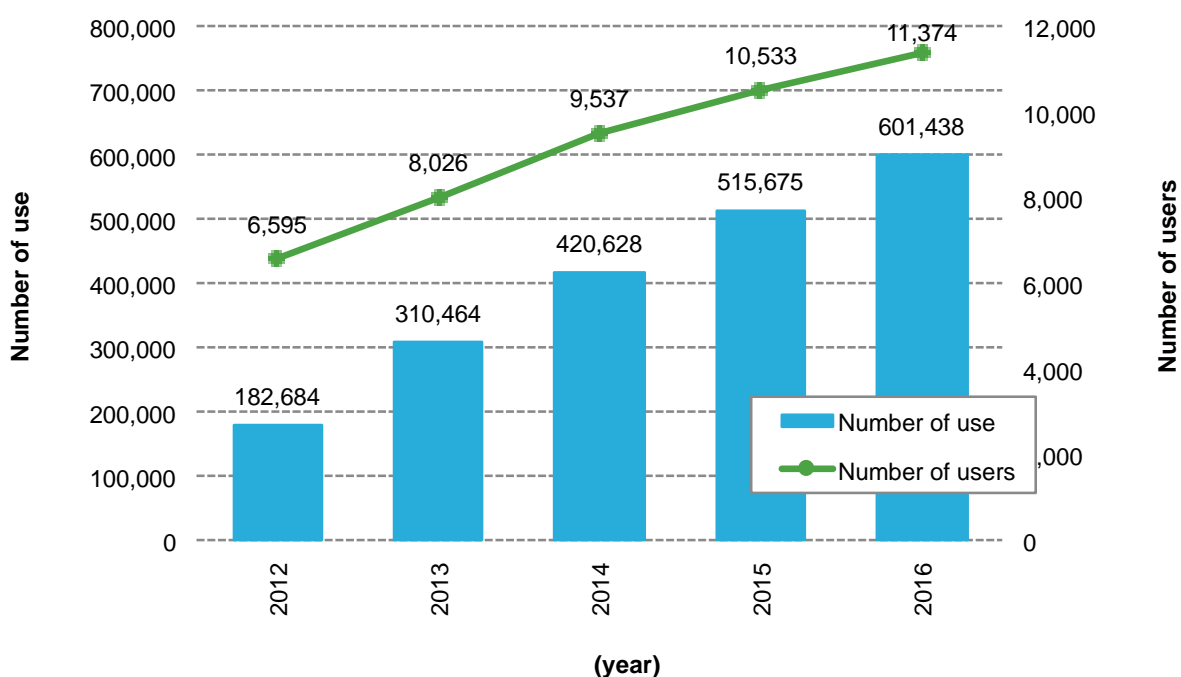
Although the business is facing some limitations due to the climate conditions which lead to snow covered roads from December to April, the number of users has steadily grown. In

recent years, the tourist pass which is available for only one day has boosted the total sales of the business. To purchase the pass, tourists simply need to register at a tourist information center or more than 30 hotels in the city, with no need to use the credit card for the payment.

Figure 4.1 Logo of “porocle”

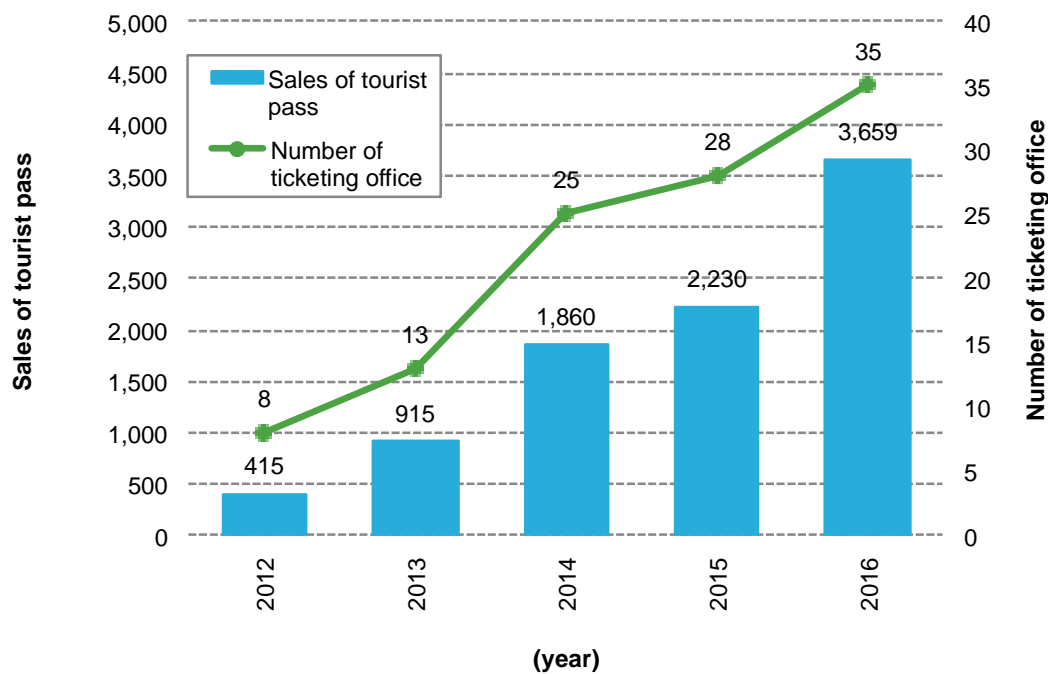


Figure 4.2 Number of “porocle” users, 2012-2016



Source: Interview with Approved Specified Non-profit Corporation "porocle"

Figure 4.3 Trend in sales of tourist pass, 2012-2016



Source: Interview with Approved Specified Non-profit Corporation "porocle"

Figure 4.4 Bicycle port at Sapporo Beer Garden



Source: Approved Specified Non-profit Corporation "porocle"

4.2 Smart city

In order to respond to the challenges of the phenomenon of the aging society, and to reduce environmental impact, the smart city concept was identified as one of the fundamental policies of Sapporo. Particularly in what regards the use of ICT, the City of Sapporo recognizes them as an essential resource for the competitiveness of the city. In November 2013, Sapporo joined the UNESCO Creative City Network, and became a "Media Arts City", as the first in Asia, and the second in the world after Lyon in France.

Table 4.3 Performance Criteria on Smart City

| Performance criteria | Value | Year | Source |
|---|-------|------|-----------------|
| Number of open Wi-Fi spots per km ² | 0.35 | 2017 | City of Sapporo |
| Number of infrastructure components with installed sensors | 4/7 | 2017 | City of Sapporo |
| Number of services integrated in a singular operations center leveraging real-time data | 7/7 | 2017 | City of Sapporo |
| DMO's initiatives for online brand measurement | No | 2017 | STA |

Based on this understanding, the City established a special department responsible for the ICT strategy and developed the "ICT Utilization Strategy" to improve the smart city concept continuously. Shown by the next figure, the strategy composes of six concrete measures to achieve the goal which is identified on the Strategic Vision for City Development as the overall vision. To evaluate the effect of the measures, three indicators were set as Key Performance Indicators (KPI) of the strategy and these underline the basic idea that the public private partnership matters to realize the smart city.

Based on this political direction, each tourism-related municipal department has implemented a number of projects. For instance, Tourism & MICE Promotion Department has set up 387 free Wi-Fi spots in the city. This service is available for both tourists and residents, and its service area covers almost all the major tourist spots of the city and helps to give smart access to information. Utilizing the access data of this, the City of Sapporo started to analyze the data and a pilot experimental program was initiated in order to better understand and influence people's flow as mentioned in the next chapter. It surely brings the smart city to the next level.

Figure 4.5 ICT Utilization Strategy

Strategic goals

| |
|---|
| The globally admired city |
| The leading city for the Hokkaido's future |
| The symbiotic city with diversity and happiness |

| Key Performance Indicators | 2015 | | 2019 |
|---|--------|---|--------|
| Percentage of those who have utilized electric administrative service in past one year. | 56.8 % | ▶ | 65.0 % |
| Percentage of enterprises which plan to innovate the own business through ICT year. | 15.3 % | ▶ | 18.2 % |
| Percentage of enterprises which intend to utilize the open data. | 35.9 % | ▶ | 50.0 % |

Basic measures

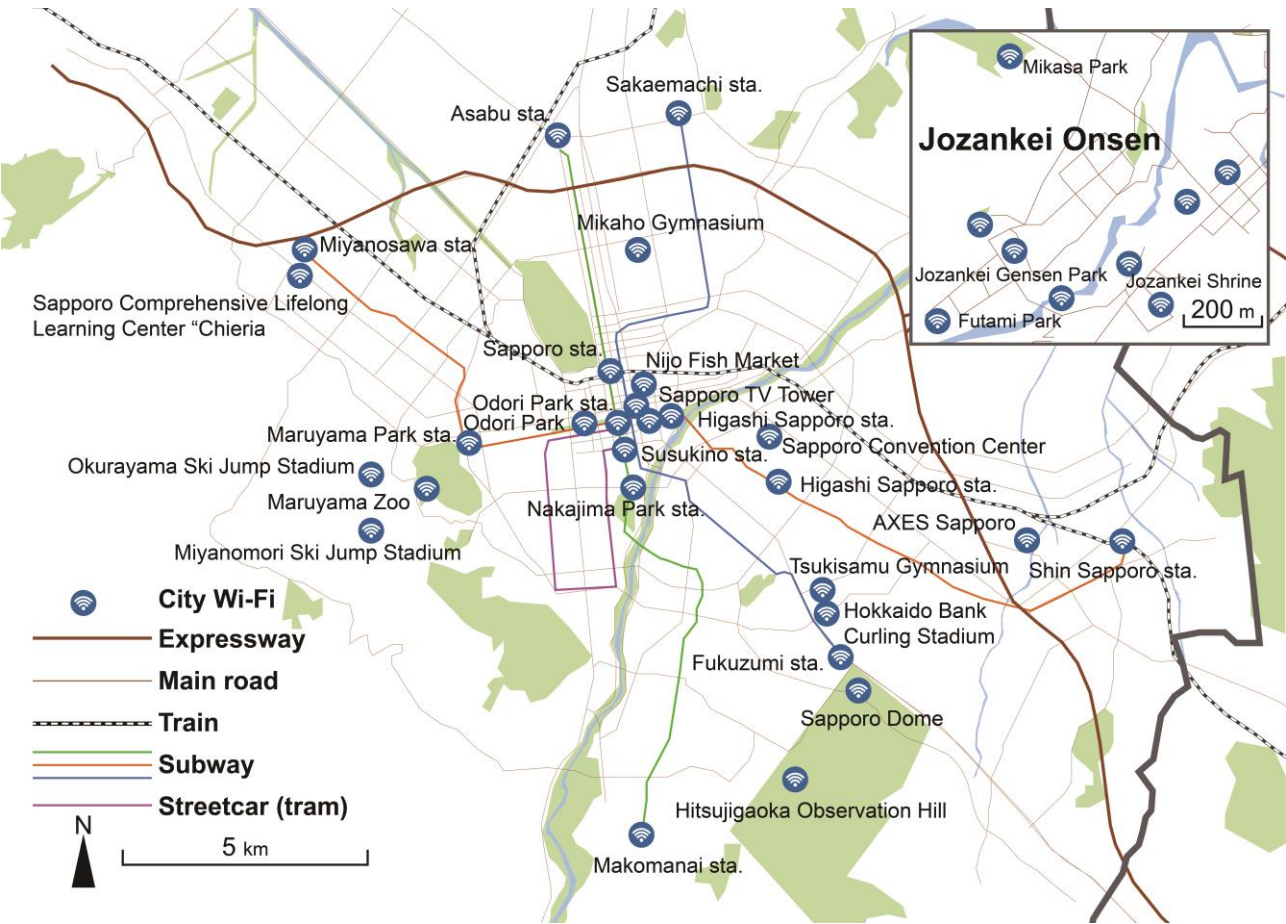
| |
|---|
| 1. Improvement of quality of life through ICT <ul style="list-style-type: none"> • Enhancement of administrative service through ICT • Improvement of occupant comfort through ICT |
| 2. High security and safety in civil life <ul style="list-style-type: none"> • Development of advanced management system for disaster control • Elevation of medical and welfare service through ICT |
| 3. Industrial promotion <ul style="list-style-type: none"> • Expansion of private initiative in ICT industry • Development of tourism and its related sectors through ICT |
| 4. Diversification of employment pattern <ul style="list-style-type: none"> • Promotion for in-house work • Support for recruitment for local personnel |
| 5. Capacity building <ul style="list-style-type: none"> • Development of ICT educational programs • Establishment of open-data platform for civil activity |
| 6. Efficient administrative service <ul style="list-style-type: none"> • Simplification on administrative procedure • Public private academic partnership on ICT |

Source: City of Sapporo (2017)

Figure 4.6 Logo of Sapporo City Wi-Fi



Figure 4.7 City Wi-Fi service map



Source: Prepared by author based on the interview with the City of Sapporo

Smart sensors for traffic control were also applied. The Transportation Bureau installed real time information service about the streetcar (tram) based on the collected data. All the streetcars/trams and stations are equipped with a sensor that is connected to the internet and they provide the location of unit. It helps not only to alleviate congestion and reduce waiting time, but also improves barrier-free public service, since the location information of “Ultralow-floor tram” is extremely important for elderly people and wheelchair users.

Also, to control the traffic and air/water quality, the city has installed sensors and provides real-time information. In addition, the real-time information service about ambulance, emergency, fire, weather and air quality is available through the city web-site or email mailing service. The traffic related information collected through these sensors are all controlled at the prefectural level.

Figure 4.8 Ultralow-floor tram



Source: City of Sapporo

4.3 Internet connectedness

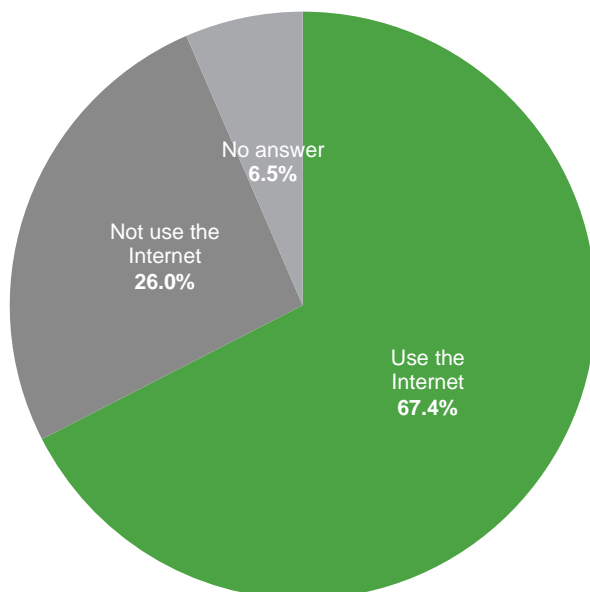
To promote the Smart City, the internet has a key function. Although the City has no information available about the speed of internet connection, the result shows its high evaluation in this area.

Table 4.4 Performance Criteria on Internet connectedness

| Performance criteria | Value | Year | Source |
|--|--------|------|-----------------|
| Number of internet connections per 100,000 population | 67,400 | 2015 | City of Sapporo |
| Percentage of Internet-connected households | 65.6 | 2015 | City of Sapporo |
| Percentage of commercial and residential users with internet download speeds of at least 2 Mbit/s | NA | | |
| Percentage of commercial and residential users with internet download speeds of at least 1 gigabit/s | NA | | |

According to the basic survey for the development of the ICT Utilization Strategy, 67.4% of citizens have an Internet connection. In addition, 97.3 % of those who have an Internet connection answered, that they used it at home. Estimated by this survey, 65.6 % of the total of households connect to the Internet.

Figure 4.9 Percentage of citizens using Internet 2016, (%)



Source: City of Sapporo (2017)

4.4 Open Data

The City of Sapporo strongly promotes the concept of open data based on the ICT Utilization Strategy by collaborating with universities, public institutions and private companies. As a result of this strategy, Sapporo has scored well in this criterion as shown in the following table.

Table 4.5 Performance Criteria on Open data

| Performance criteria | Value | Year | Source |
|--|-------|------|--|
| Number of mobile apps available (iPhone) based on open data | 5 | 2017 | Sapporo Open Data Council ¹ |
| Existence of official citywide privacy policy to protect confidential citizen data | Yes | 2017 | City of Sapporo |

1) Only the apps which are introduced on the website of Sapporo Open Data Council.

The Sapporo Open Data Council which is established as a public and private partnership introduces various apps on its website. Currently there are 5 apps available for iPhone. In addition, the city itself has developed 7 mobile apps covering a variety of subject including tourist information, child rearing support, and information on garbage collection.

At the same time the city fully complies with the strong regulations in what data protection and confidentiality is concerned.

4.5 Government services

Based on the ICT Utilization Strategy, most of the government services are available via Internet such as traffic information, library search and reservation and tax payment. However, the City has no data on its percentage.

Table 4.6 Performance Criteria on government services

| Performance criteria | Value | Year | Source |
|--|-------|------|-----------------|
| Percentage of government services that can be accessed by citizens via web or mobile phone | NA | | |
| Existence of electronic benefit payments (e.g. social security) to citizens | No | 2017 | City of Sapporo |

4.6 Public Transport

In Japan, since public safety is concerned, traffic lights management falls under the competence of the national police which has a regional headquarter on prefecture level. Due to that fact municipalities do not have any access to the data related. However, the data on the other subjects describe that Sapporo maintains high standards of performance in this field.

Table 4.7 Performance Criteria on public transport

| Performance criteria | Value | Year | Source |
|---|-------|------|-----------------|
| Percentage of traffic lights connected to real-time traffic management system | NA | | |
| Number of public transit service that offer real time information | 4/5 | 2017 | City of Sapporo |
| Availability of mobile app for public transport | Yes | 2017 | City of Sapporo |

The City of Sapporo provides a variety of real-time service about public transportation such as subway and streetcar (tram). As mentioned before, the City provides the location information of streetcar on real time through its website. About subway, the passengers can obtain the real-time traffic information including accident and delaying service through website as well.

The public bus of the city is operated by private companies. One of these companies, the JR Hokkaido Bus Company runs an extended network of bus lines connecting Sapporo and its surrounding areas. The company developed a mobile app to deliver the location information and operation information in real time.

The “Sapporo Eki (station) Navi” app developed by the city provides information about timetables, route maps and real-time operation information to users. It is also offers the option to search for the shortest route from A to B within the city which helps both citizens and tourist to move within the city the most convenient and efficient way.

Figure 4.10 Eki Bus Navi App (only Japanese version available)



Source: City of Sapporo

5 Best practice examples of Sapporo

This chapter shows a part of best practice of Sapporo based on the findings from the survey.

5.1 Sapporo Snow Festival

Outcomes and lessons learned

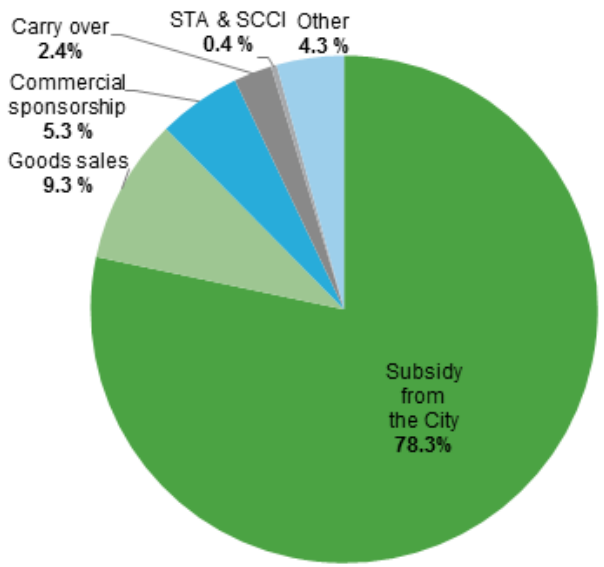
The Sapporo Snow Festival began in 1950, with six small snow statues at Odori Park, made by middle and high school students. 50,000 citizens enjoyed square dance and watched movies surrounded by the snow statues. This was a welcomed pleasure in dark and cold winter typical for Sapporo.

Over the years the scale of the event expanded, and the Self Defense Force joined in the production of big snow statues already in its sixth edition. It started with only one venue and as a one day event but has since developed into a two week-long festival at three different locations. As a result, it is now one of the biggest winter events known internationally. During the event, various snow statues, large and small, and stalls of food and drinks, skating rinks and various shows attract visitors cover great areas of Odori Park in the center of the city.

According to the official data, the number of visitors to the festival reached 2.61 million in 2016, and it has maintained an increasing trend in recent years. Especially for tourists from Southeast Asia where it never snows, the festival gives the greatest motivation to visit Hokkaido in winter.

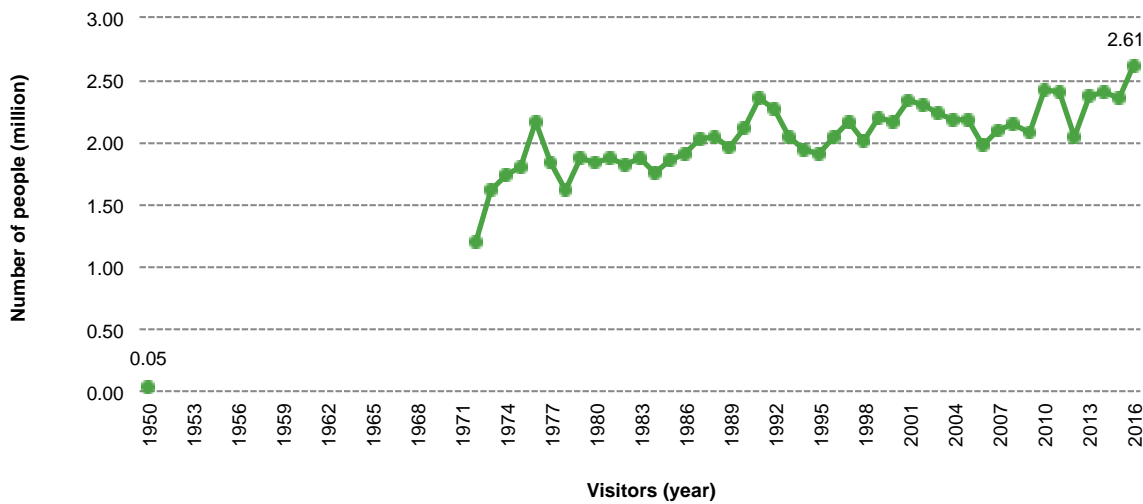
In addition, it has contributed to create a destination image as a snow city destination globally and it also enhanced the public private partnership in destination management. The amount of the total budget of the festival in 2016 was EUR 3.39 million, and STA, the main entity of the event, covers only some part of it. The City of Sapporo adds the biggest share with 78.3 % and private companies cover the other part by direct sponsorship or through the Sapporo Chamber of Commerce and Industry. In that sense, the event has an essential role not only externally as a brand, but internally as a facilitator for public private cooperation well.

Figure 5.1 Financial result of the Sapporo Snow Festival in 2016



Note: SCCI = Sapporo Chamber of Commerce and Industry
Source: Interview with STA

Figure 5.2 Trend in number of visitors to Sapporo Snow Festival 1950-2016 (million)



Note: The data between 1951-1971 is not available.
Source: City of Sapporo (2016b)

Figure 5.3 Sapporo Snow Festival



Source: STA

Figure 5.4 Sapporo Snow Festival



Source: City of Sapporo

Outcomes and lessons learned

The City of Sapporo has used the festival strategically for its destination marketing. This event is not merely intended for the purpose of attracting visitors for two weeks, but it functions as a mid- to long-term destination management and marketing tool and includes some basic features:

- Events are strategically planned to draw attention from domestic and foreign media and potential visitors, and in many cases, the design of snow statues contains world heritage, famous architecture, events of that year, and scenes of hit movies under the collaboration with governments, tourism authorities, and private sectors of various countries.
- When the Winter Olympic Games were held in 1972, the statue of a giant Gulliver's travel memento was delivered to the world through television, giving a very strong impression to people all over the world.
- As the venues for tourists and citizens are set in the north and south of the city, the tourist flow is geographically decentralized to reduce congestion in the crowded city and maximizes the economic impact. It also contributes to promote continuous participation of citizens.
- The tourism events are organized for “outsiders” in many cases, however, as the Sapporo Snow Festival started for citizens as mentioned above and it remains so, it contributes to create the identity and improve the residents’ sentiment to the city.
- For STA which is in charge of the head office as the organizer of this event, it is very important to show the presence as the main entity of destination management of the city.
- As the budget is covered by various entities, the event functions as platform for public private partnership.

5.2 Sapporo Autumn Fest

Outcomes and lessons learned

The City of Sapporo has traditionally attracted many tourists in the summer due to the relatively low humidity and pleasant temperatures. However, this trend generates some structural problems of pronounced seasonality: a big gap between seasons, unstable employment, and stagnation on tourism investment.

In collaboration with STA, the City of Sapporo has added the Sapporo Autumn Fest to the event calendar of the city and by placing it in the month of September intended to tackle the problem of the seasonality gap.

In 2008 the Sapporo Autumn Fest was held for the first time. Visitors can enjoy the gastronomic specialities and locally produce food from more than 100 municipalities in Hokkaido including one of the best quality beef in the world, local wines and seafood. The event is held at Odori Park as well and is popular among citizens and tourists alike.

Figure 5.5 Sapporo Autumn Fest



Source: City of Sapporo

Figure 5.6 Sapporo Autumn Fest



Source: City of Sapporo

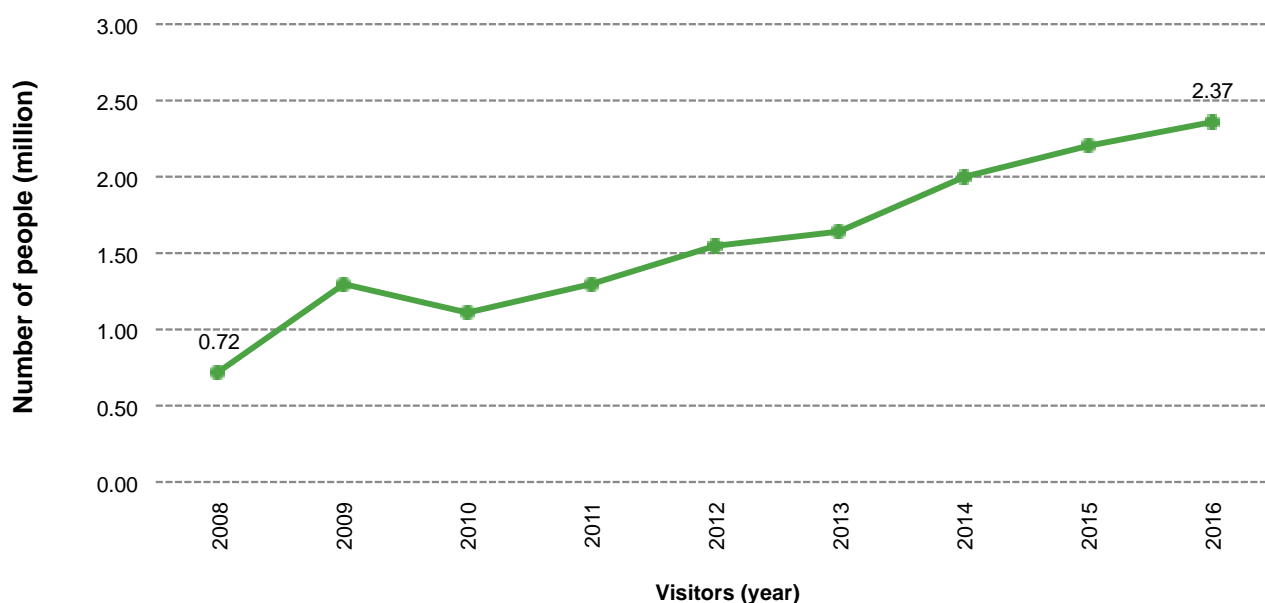
Outcomes and lessons learned

As mentioned earlier, the event plays a very important role in Sapporo's destination management. On one hand it contributes to attracting visitors by building an intense destination image of an event hot spot, but it also serves as for redressing the seasonal imbalance of tourism flow.

The Sapporo Autumn Fest brings some change to the tourism sector of Sapporo and it has a great significance for the destination management of Sapporo such as:

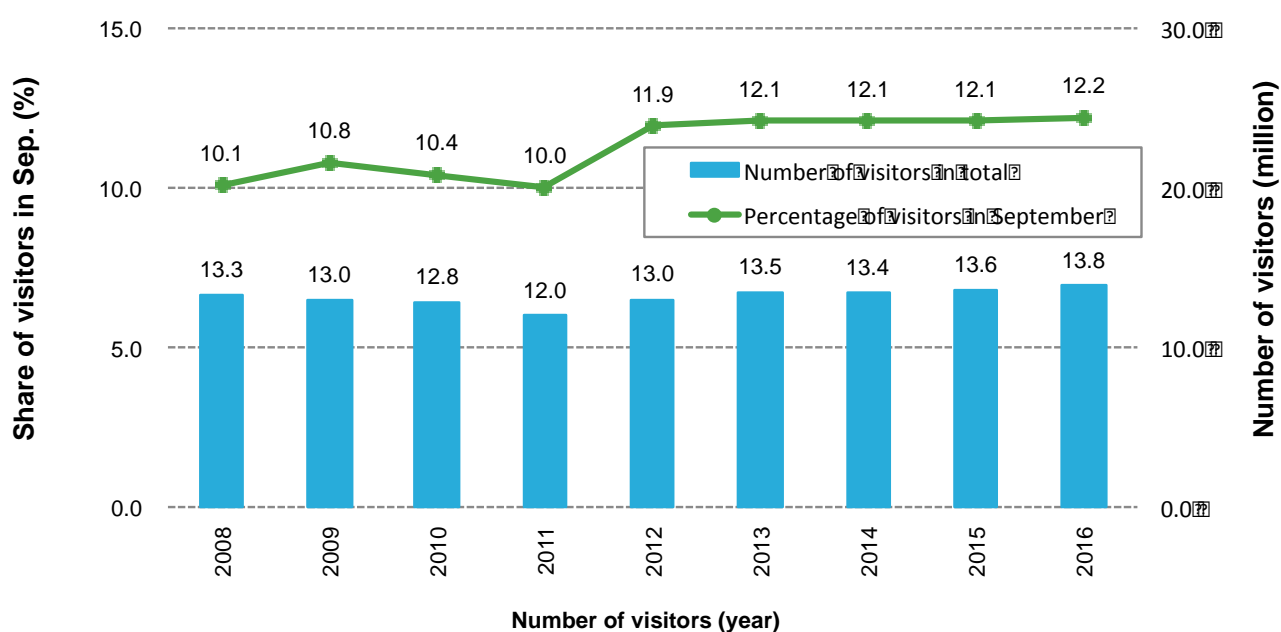
- The Sapporo Autumn Fest fills in the only blank period on the event calendar and it completed the year-around event strategy.
- The share of visitors in September has increases since the establishment of the festival in 2008 and proves that the event is efficient to redress the seasonal imbalance of tourism flows.
- Even though its scale and awareness levels are still limited; the new event, if held continuously, can establish itself and further stimulate demand.

Figure 5.7 Trend of number of visitors to Sapporo Autumn Fest 2008-2016 (million)



Source: City of Sapporo (2016b)

Figure 5.8 Change in share of visitors in September and total visitors to Sapporo 2008-2016 (million)



Source: City of Sapporo (2016b)

5.3 Publishing of “50 things to do in Sapporo”

Outline of the project

The Society for Promotion of Creative Tourism in Sapporo, financed by the city government and the Hokkaido University, has intended to resolve other issues related to tourism through collaboration with inter-sectorial enterprises such as a bank, a credit-card company, an advertising company and the professional baseball team.

The aim of the collaboration approach is to rediscover the charms of Sapporo for residents and promote them among visitors. In 2015 the Society started to collaborate with Time Out Tokyo to develop a guide map. The participants in this initiative which includes students from Hokkaido University looked for new tourism resources based on the citizen's perspective, and refined them as activities to do, not attractions to see and to eat.

Outcomes and lessons learned

As a result, the society has launched the booklet “50 things to do in Sapporo” with both Japanese and English version in 2015, the Chinese version will follow in 2008. Time Out is already know as the most famous city guide worldwide, however, it was first Time Out's guide map has been developed in collaboration with a public private and academic partnership.

The Japanese version was is particularly popular, and within only one and a half months after launch already 50,000 copies were distributed. That makes for the most successful launch of a guide map for Time Out Tokyo.

Figure 5.9 “50 things to do in Sapporo”

001 Restaurant
Order a boat of sashimi

Creepy masks and vintage toys line the walls of this seafood restaurant. Order a boat of sashimi. If you find it hard to plough through all that raw fish, ask them to cook it in flavour. Reservations recommended.

002 Restaurant
End your night with a miso-flavoured slurp

A popular spot for post-booze noodles, Iso-kan is one of Susukino Shin Ramen Alley's top shops and stays open until 5am (3am on Sundays). Don't miss the local speciality: miso-based Chuka Negi Ramen served with corn and a nice big chunk of butter.

003 Sightseeing
Peek at public art

Admire the impressive Glass Pyramid and other quirky open-air pieces at this extensive 'art park' designed by Isamu Noguchi. The place gets really snowy from early January to early March, but skis and snow shoes are available to rent.

004 Shopping
Set your alarm for

Organic-leaning, heartily the shelves, but you'll need opened bakery in the morning hands on one of the super-p they'll all be gone by noon.

005 Shopping
Pick out paper

Stocking more varieties of paper than we knew existed, Mabuchi is your one-stop shop for any and all letter-writing needs. Find it at the top of a flight of stairs, to your right as you enter the store.

006 Restaurant
Warm up like the locals do

Soup curry is one of Sapporo's best-known culinary inventions – sample it with shrimp-based soup and chunky veg at the funky Okushiba chain's original branch, which is set inside a traditional Japanese-style house.

008 Restaurant
Taste a fusion monstrosity

'Ramen salad' is a popular izakaya dish in Hokkaido, and we have this eatery inside the Sapporo Grand Hotel to thank for the innovation. Try combining noodles and veg with a pint of Sapporo beer, brought in directly from the brewery.

012 Café
Lick the emperor's ice cream

Created exclusively for the Imperial couple back in 1968, the decadently rich Snow Royal ice cream can now be had by commoners as well – it's even available in parfait form. Also check out their amazing selection of other parfaits on offer.

013 Shopping
Go apartment shopping

It may look like a normal apartment building from the outside, but each room here is actually a shop, café or workshop. Gather your courage and ring the doorbells – adventures await on the other side. Note: some shops only open on weekends.

014 Restaurant
Order a fish set for breakfast

If only the freshest marine treats are good enough for you – and fish for breakfast doesn't sound too offputting – this popular eatery inside the Nijo Fish Market is a must-visit. Head over from 7am and order the grilled fish set.

009 Art
Descend into an arty tunnel

Alfresco art is everywhere in Sapporo, but some of the finest pieces are actually hidden underground: as the name suggests, this free gallery shows off local (and sometimes foreign) artists' work over a 500m stretch between Odori and Bus Center-Mae metro stations.

010 Shopping
Discover what lies beneath

Snake-like underground passageway is not convenient on rainy or snowy days: it's also a shopping destination, with areas like 'Pole Town' and 'Pole Town' set up to attract visitors.

011 Shopping
Lock a padlock

High Mount Moiwa for a Sapporo and – on fine days – who lock a padlock up on the 'Bell of Happiness' are rewarded with a view after.

Source: Time Out Tokyo

Figure 5.10 “50 things to do in Sapporo” in the tourist information center in Sapporo



Source: Prepared by author

Figure 5.11 Society for Promotion of Creative Tourism in Sapporo



Source: Prepared by author

5.4 Promotion of in-city round trip based on big data analysis

Outline of the project

The City of Sapporo and Nippon Telegraph and Telephone Corporation (NTT) are implementing a project which aims at steering tourist flows through providing information in real time. The necessary data is being retrieved from GPS data of mobile phones, location tracking through the city's free Wi-Fi service and by the analysis of Social Media such as Facebook and Instagram.

The next figure shows the number and amount of time Taiwanese tourists spent in different locations or attractions in Sapporo in winter 2016. According to the results, the number of Taiwanese tourists visiting Nakajima Park was relatively small; however, the time of duration of stay was quite long. The project team came to the conclusion that many Taiwanese visitors were enjoying free ski activities by analysing Social Media activities.

Based on this, the City of Sapporo intended to actively influence the Taiwanese tourists flows in a pilot project in 2017. In collaboration with NTT, the City provided information on the ski activity exclusively to Taiwanese tourists through their smart phones.

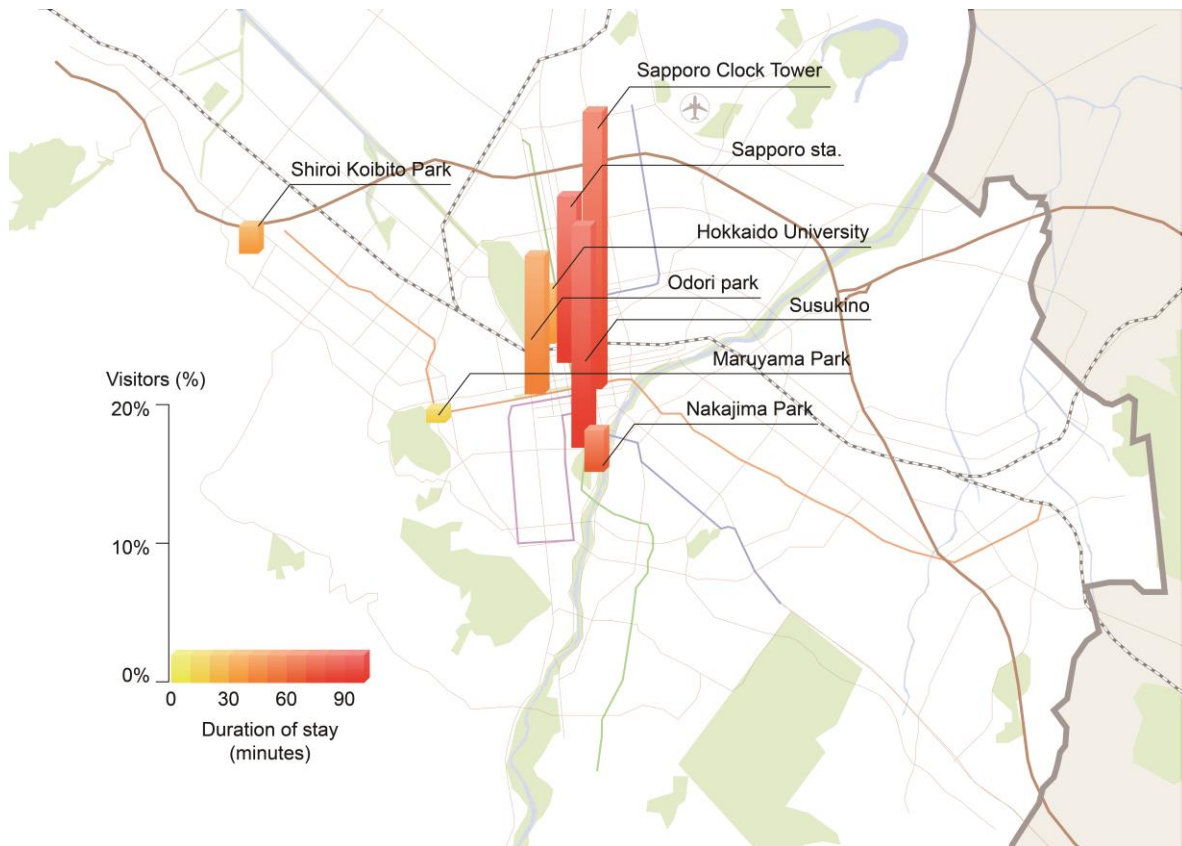
As a result, the number of participants in skiing activity at Nakajima Park has seen an tremendous growth of 218% compared with the previous year.

Outcomes and lessons learned

This project is still a trial stage; however it shows some interesting results such as:

- Real-time promotion through big data analysis may work effectively in certain segments.
- Especially for travelers from Asia who frequently use smart phones while traveling, it is effective to deliver the real-time information through smart phones.
- In a relatively wide destination such as Sapporo, it can help to reduce congestion and improve decentralization of the tourist flow.

Figure 5.12 Big data analysis about Taiwanese tourist flow in February 2016



Source: Nippon Telegraph and Telephone Corporation

Figure 5.13 Push notifications about ski activity (in Chinese)



5.5 Development of “Satsu-chika” app based on the multi real-time service

Outline of the project

Through a public private partnership with the City of Sapporo an experimental pilot project is conducted in the underground shopping mall in the center of Sapporo. Its objective is to analyze the flow of people and to provide comprehensive information.

The analysis is based on data collected by infrared sensors, touch sensor signage, and 197 beacons which were set on the walls and roofs of the underground mall. The real-time information collected by these three devices provides the data about the amount, position and direction of people walking through the underground facility.

This technology contributes not only to disaster prevention and traffic demand management but also to the improvement of the convenience of the underground space by providing coupons, location information and transfer information to each user through a smartphone app. The Sapporo city center data platform utilization consortium, which is organized by public private and academic sectors, has already developed the application named “Satsu-chika” and started providing services.

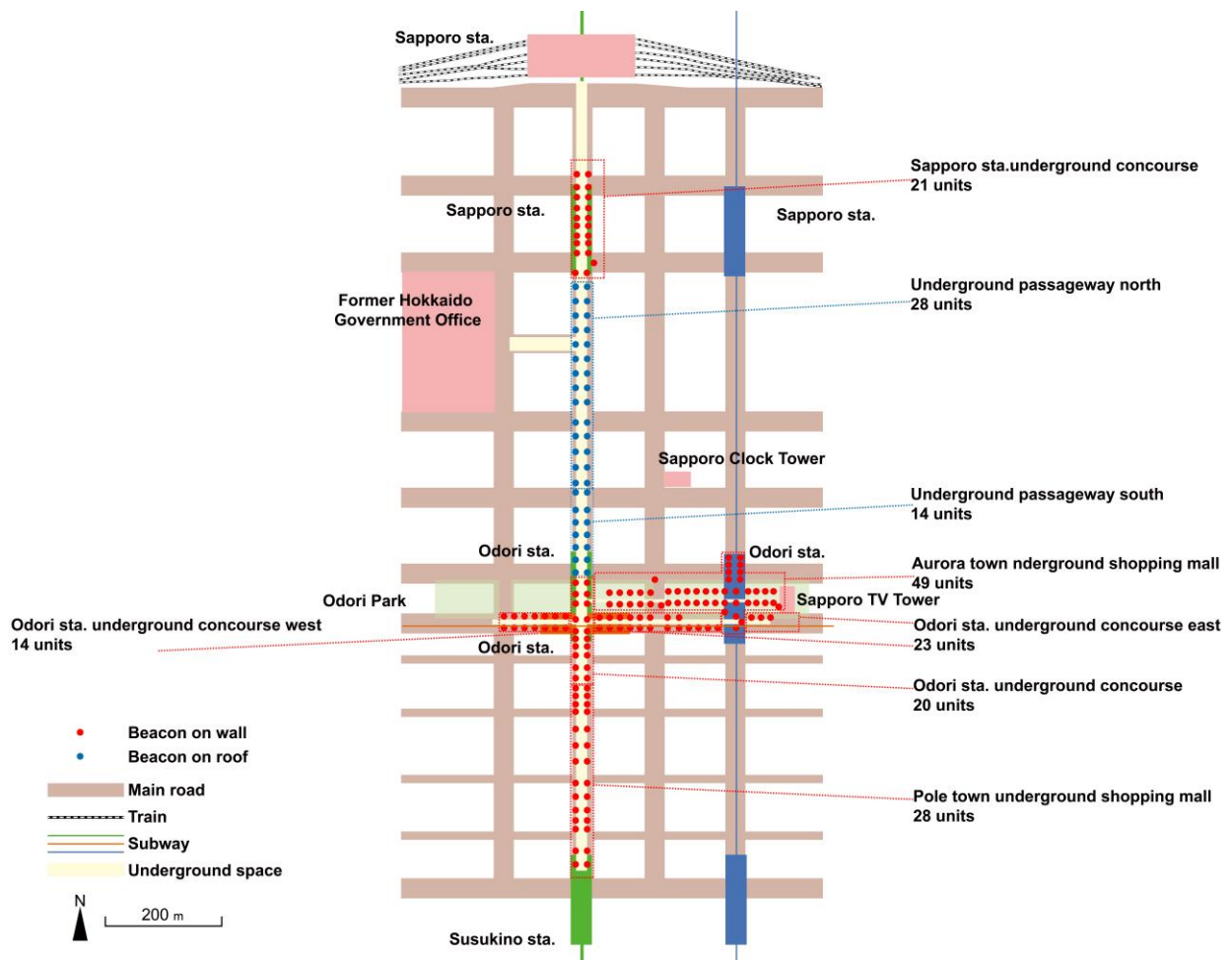
Outcomes and lessons learned

The “Satsu-chika” app provides multifaceted functions such as:

- Grasping the location information of users and guide them to the nearest exit
- Promoting sales by delivering coupons of restaurants and shops in the shopping malls
- Providing weather information to users who are in the underground, this is particularly effective during the winter season
- Provide comprehensive information about location, time, and the timetable of the subway and reduce the transit time.

In addition, it is expected to greatly contribute to big data analysis and the real-time information providing system for effective destination management.

Figure 5.14 Location map of beacons set in the underground shopping mall



Source: Nippon Telegraph and Telephone Corporation

Figure 5.15 “Satsu-chika” app



Source: Sapporo city center data platform utilization consortium

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