

C urrent State & Future Direction of Kagaya's Overseas Development

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Four Functions of *Ryokan*

Kagaya is based in the Wakura *Onsen* area of the Noto Peninsula, located in the northern part of the central region of the Japanese archipelago. This *onsen* (hot spring) area facing the Sea of Japan is said to have been discovered in the seventh century, according to oral tradition. Up until about 200 years ago, *onsen* appeared on small islands off the coast, and people apparently traveled back and forth by boat. Nowadays it is one of Japan's few chloride-spring *onsen* areas.

Kagaya is an *onsen ryokan* (hot spring Japanese-style inn) that was established in 1906. In response to social changes, diversification in the business style of *onsen ryokan* has been steadily advancing throughout Japan, while Kagaya is one of the few *ryokan* that still maintains its old-style traditions.

Generally speaking, Japan's *onsen ryokan* have multiple functions, specifically the four functions of accommodation, food and drink, leisure and hot springs, and community. The *ryokan* business provides accommodation. The biggest difference between a *ryokan* and a restaurant lies in this accommodation function. A *ryokan* offers more than just staying overnight and sleeping, allowing you to rest and relax more deeply. Many of Japan's *ryokan* promote a system of one night's accommodation accompanied by two meals. The greatest difference from the hotel business is that customers are aware of, and accept, this "set" in advance.

Ryokan also offer enjoyable "leisure". This could feature scenery or décor, for example, but most attention is paid to the large Japanese-style bath. There are only very few countries in the world that utilize *onsen* as facilities for bathing. There is especially strong interest from guests from overseas who have not experienced this as part of their daily lives.

A *ryokan* also plays the role of facilitating meetings and connections among all kinds of people. This means that properly fulfilling its community function for users greatly relates to the success or otherwise of the *ryokan*. It is required of a *ryokan* that it plays the multiple role of offering thoroughgoing services in all four of the above-mentioned functions.

Kagaya places particular importance on the community function.

Put simply, this means "Japanese-style *motenashi*" (hospitality). The core of this is our personalized room service system, which results in creating a community through connections between people.

Differences between *Ryokan* & Hotels

Western-style hotels basically respect the individual will in regard to the actions of overnight guests at the hotel, which offers a space where privacy is protected, divided into sections of time. For example, on the occasion of dinner, the choice of eating in a restaurant in the hotel, or going out to eat, or buying food at a convenience store and then eating it in one's room, is left up to the guest. Japanese *ryokan*, meanwhile, could be said to be more like a "home". Inviting their relatives and friends to their home, a family gives them hospitality, or *motenashi*. The family members do their best to have people they care about enjoy a pleasant time. The basis of *motenashi* in the *ryokan* business is to be sensitive to the needs of guests, while having this same kind of attitude. This is also shown in the saying "*ichigo ichie*" (meaning "treasure every encounter, for each is unique"), said to be the phrase that best reflects the spirit of the tea ceremony. The meaning of this phrase is that every encounter we have with someone today is a once-in-a-lifetime experience, and therefore we should always make our best efforts, reflecting a never-changing spirit.

Bringing Genuine Item to Overseas Development

Japan today can no longer be expected to achieve economic growth simply by means of manufacturing, as it did in the past. Rather than trying to stick to the old ways of achieving economic growth, it makes more sense to change to develop other methods (such as *motenashi*). In the meantime, it is important also from the viewpoint of increasing international understanding to implement the commercialization of Japanese culture and conduct overseas development, as exemplified by the "Cool Japan" trend. Based on this philosophy, as one stage in the overseas development of Japanese *ryokan*, Kagaya has been established at Baitou *Onsen* in Taiwan.

Baitou *Onsen* is an *onsen* area located about 30 minutes from downtown Taipei. In the Meiji Era when Japanese people developed Taiwan, this was the *onsen* area with the oldest history; there is an abundant amount of hot water, and there are 40 *onsen* facilities there. Kagaya has a total of 90 guest rooms; each is Japanese-style and the bathrooms feature hot water from Baitou *Onsen*. The décor is all Japanese-style, Japanese traditional crafts adorn the interior of the *ryokan*,



Large bath



Outside view

Photos: Nisshousei Kagaya, Taiwan

and the utensils used are uniformly Japanese pottery or lacquerware. Naturally, there is a large bath, an essential feature of a Japanese *ryokan*, and there are also individual Taiwanese-style baths. The focus was put not so much on the effort to make a Japanese-style *ryokan*, but rather on developing overseas, in both the “soft” and “hard” aspects, “Kagaya.”

As in Japan, there are *kimono*-clad individual staff members in charge of each room, and the basic style is for meals to be served in guests’ individual rooms. We have also endeavored to fully reflect the poesy of Japanese culture, such as through rooms that feature *tatami* (straw mats), *fusuma* (sliding doors), and *shoji* (paper doors), and by providing *yukata* (cotton robes), *zori* (Japanese sandals), incense, powdered green tea, etc.



Staff in charge of individual rooms



Dinner (one example)

Factors Differentiating Kagaya in Taiwan

The first is the cuisine. Kagaya decided to export the cuisine of Kagaya Japan to Taiwan exactly as is. The second is the system of assigning one individual staff member to be in charge of one particular room. The person in charge of a room thoroughly conducts *motenashi* from the moment guests arrive until the moment they leave. We see the difference between *motenashi* and “service” as being that “service” is passive and involves responding accurately to requests, while in contrast *motenashi* starts from the concept of voluntarily taking it upon oneself to engage in communication with guests from the time of their arrival in order to elicit any concerns they might have, and then to resolve any problems and give the guests a feeling of satisfaction. At Kagaya Taiwan, guests experience “Japan” from the second of their arrival, and everything up until the time of their departure is “Japan” – this is what differentiates Kagaya from traditional Taiwanese hotels and *ryokan*.

Fostering Personnel a Major Task

Since we offer the same *motenashi* at Kagaya Taiwan as at Kagaya Japan, before its establishment we spent a great deal of time and effort in training staff. In particular, the existence of individual staff in charge of each room is an essential element in our style of hospitality. The employees at Kagaya Taiwan wear the same *kimono* as the staff of Kagaya in Japan, and play the most important role, since they appear in front of guests who are staying overnight. It is no exaggeration to say that the quality of the staff in charge of each room is the overriding factor in guests’ overall evaluation of Kagaya. Accordingly, the selection of employees to fill this role was the major point of difficulty when we entered Taiwan. However, the standard for selection was based on the extremely simple point of being able to speak Japanese. It is not that dealing with customers in Taiwan is actually carried out in Japanese, but rather that those people who can speak Japanese are more likely to have an understanding of Japanese culture, and to absorb further instruction more rapidly. Currently, there are 80 room staff for 90 rooms, and by tackling this issue with sincerity we have been able to implement customer service that is very close to what we would wish for.

Meanwhile, there were problems with other staff in conducting the operations of the *ryokan*, especially with those working behind the

scenes. Many of the local employees who are unfamiliar with Japanese *ryokan* or Japanese values carry out their duties in merely the same way as if they were working for ordinary hotels. There are still issues to be resolved in the area of personnel training.

In *ryokan*, there are many areas where staff cannot simply follow the manual, as they might in a hotel, and where suitable responses to every situation cannot be written down clearly in advance, but where thoroughgoing attention is constantly required. Unless every single employee fully understands and implements this, the *ryokan* cannot be called the genuine article. However, following the concept that you cannot enforce a mindset, but rather, if you can carry out the form, the spirit will follow, we conduct staff training by emphasizing the form.

Also, if we were to coerce staff into adopting a Japanese sense of values, it would surely result in obstacles to smooth operation. Thus it is important to distinguish between “things that should be changed and things to be protected no matter what.” In order to take the culture of Japanese *ryokan* to Taiwan and to have it permeate both sides, the staff and the customers, a little more time will probably be required.

The key to our future is the extent to which our guests in Taiwan value the style of the traditional Japanese *ryokan*, with which they are unfamiliar, featuring such aspects as Japanese cuisine that has not been adjusted to Taiwanese tastes, the *motenashi* of the individual room staff system, and so on.

Coming Development & Future Vision

Currently, because of our slightly high price-setting for the Taiwanese market, and the strong effect of seasonal fluctuations, which we had not taken into consideration before opening, as well as the fact that there are high costs associated with pure Japanese-style operations, we cannot say that our management is going 100% smoothly. We plan to be in the black in three years’ time.

First we want to have the experience of success in Taiwan, which is friendly towards Japan and where Japanese culture has already had a considerable impact, and then in the near future we would like to develop Japanese *ryokan* in various other countries. When we do so, we will be faced with the extremely difficult choice of whether to stubbornly insist on maintaining the current style of Kagaya Japan, or whether to adapt our style to that of the country we are entering. We have had enquiries from several countries, but we are currently considering whether or not the present formula of Japanese *ryokan* is in fact applicable globally. **J.S**

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