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F.Y.I.

- Nearly half of the Japanese population are over 50 as of 2005.
- By 2025, over one-quarter of the Japanese population will be 65 or older.
- Elderly consumers have continued to increase their spending on education and recreation as well as transportation and communication. Today the elderly between the ages of 60 and 74 spend most on socializing as well as on education and recreation.
- Today among the general population and also among the elderly population, one-person households are increasing the fastest and the growth in household consumption is propelled by active consumption in the one-person household.
(Hakuhodo Institute of Life and Living)

INFINI Homepage:
<http://www.infini-trvl.co.jp/english/index.html>

Air Canada: A Natural in Japan

IU: Air Canada is one of a number of North American carriers flying transpacific. What does AC do to differentiate its product in this market?

AC: The Asia to North American market is highly competitive. Capacity is on the increase, aircraft and service standards are improving, and prices are lower than we have ever seen in the past. In this environment it is our network that primarily differentiates the AC product in the market. As you might expect, AC serves more Canadian destinations than any other carrier, but it is our trans-boarder network that sets AC apart as a truly North American airline. Many people don't realize that Air Canada has the most extensive trans-boarder service of any North American carrier. Passengers can travel from most Canadian cities, directly or through one of our hub cities, to all major US points with frequency and ease whether it's on a leisure trip from Japan to Niagara Falls and Las Vegas or from Hong Kong with business stops in Toronto, Chicago or even White Plains, New York.

IU: What is the Japanese impression of Canada and how does AC attract travelers?

AC: One word: Nature. I think that sums up the image the average Japanese traveler has of Canada. When pressed, most would add Canada is safe and clean with polite and friendly people. But Canada is more than just mountains, rivers and Aurora. Our cities are some of the most cosmopolitan anywhere with Vancouver regularly cited as the top city in the world to live in. Montreal is renowned as a city of culture and



Todd Edwards
 Commercial Manager, Asia-Pacific

festivals with an International Jazz festival that would meet any music lover's tastes. Canada also leads the way in numerous high tech industries from the Synchrotron (a high energy light source used to probe matter and analyze geological and biological processes) at the University of Saskatchewan in Saskatoon to the famous "Canadarm", the robotic arm used so successfully by NASA on the Space Shuttle missions. However, we still must promote our strengths, so we appeal to our customer's imagination, at least in the leisure market, with products to Niagara Falls, the Rocky Mountains, Aurora viewing in the winter and foliage viewing in the fall. We always promote Canada as a year round destination that has something for everyone.

IU: Even through the difficult period following the SARS outbreak and AC's own filing of CCAA (bankruptcy filing in Canada) your capacity did not

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drastically change. Is Asia an integral part of the AC business plan for the future?

AC: We did have some difficult times a few years back, but apart from a noticeable drop in traffic from Japan during the SARS outbreak, our Asia routes preformed very well overall. We are more than a year out of CCAA now and are looking at a very bright future. Asia is indeed an integral part of that future with tremendous growth opportunities in countries like China and India. Our capacity in China will increase this summer with daily Toronto-Beijing flights and three Toronto-Shanghai flights per week. Additionally, the daily services to both cities from Vancouver are a strong indication of the potential we see in our Asia market.

IU: You deal with very distinct

market in Asia (China, Hong Kong, Korea, and Japan). Are there commonalities that allow AC to market an "Asian" product?

AC: It would be nice to say yes, there are marketable commonalities, but in fact each market is very distinct. The common factor is really only in geographical location. One could even say the Tokyo market behaves differently from the Osaka market! We need to be wary of generalizing market plans and strategies to "Asia" and stay focused on each individual market. From pricing, distribution, and booking patterns to language, in-flight meals and entertainment, each market is unique. The key is to recognize those unique qualities and strive to meet each market's demands.

IU: What is your view on business for the rest of 2006 for AC?

AC: We expect the rest of 2006 to be strong in the Asia Pacific region



as well as for AC worldwide. Locally in Japan, we are excited about the implementation of E-ticketing at NRT and KIX in early April. Along with our Star Alliance partners, we will also move to the brand new Terminal 1 (T-1) at Narita (NRT) on June 2. Once in T-1, connection times will be significantly reduced, self check-in kiosks will be available and the lounges will all be state of the art. Together with the refurbishing of interiors on our long-haul aircraft these activities all point to an exciting year in 2006.

INFINI'S Data Products: An Edge for Marketing

INFINI's MIDT products, market favorites, since they were first launched in 1998 continue to give airlines the accurate and timely CRM data that they need to get a full picture of the Japan market at its moves. This essential data adds an effective edge to all aspects of airline marketing strategy.

INFINI booking data whether received on a monthly or real-time basis allows you to pinpoint where and when your customers are traveling and how you can reach them. Here is a quick view of the available market product options that are now available at reasonable prices:

HMIDT – HISTORICAL MIDT

HMIDT contains the booking data of each month backdating to twelve (12) months.

Fee: 600,000/mos. (US 5,098)*

CMIDT – CURRENT MONTH MIDT

CMIDT contains booking data of the current month.

Fee: JPY800, 000/mos. (US 6,798)*

DMIDT – DAILY MIDT

DMIDT electronically transmits booking data on a daily basis.

Fee: JPY 1,000,000/mos. (US 8,497)*

MTC – Market Track Compact

MTC is a "light" version of MIDT that includes data just for your airline.

Fee: 250,000(US 2,124)*

*All above US dollar rates based on 117JPY/USD rate.

Please contact your INFINI account manager for more details or send an e-mail to vmktg@infini-trvl.co.jp to take advantage of these great INFINI products.

Blue Skies Ahead for Vietnam Airlines



*Nguyen Duong Binh
General Manager, Japan
Vietnam Airlines*

We spoke with Vietnam Airlines General Manager-Japan, Nguyen Duong Binh, about Vietnam Airlines approach to the Japan market.

IU: Who is the typical VN customer in Japan?

VN: When Vietnam Airlines began its Ho Chi Minh City route from Kansai International Airport November 1994 about 90% of our customer were businessmen. One of the lasting impressions of our first flight was that the only female passenger on board was a Japanese high school girl. An article in a magazine provided the spark that really changed our customer profile. In June 1995, Hanako, a women's magazine in Japan ran an article featuring "Vietnam Food". During the same year, we manage to draw a lot of interest from woman in the 35-50 age range at our booth at the annual Japan Association of Travel Agents Travel Fair held in Osaka. When the Asia Financial Crisis hit in 1997-98, we did our best to make use of our experience and this interest and began aggressively promoting Vietnam as a destination to this customer segment. The results were clear in 1998, when we saw a significant increase in the number of female customers. By the summer of 2001,

60-70% of our customers were women in this age group. Now in 2006, Vietnam Airlines operates six routes between Japan and Vietnam and our customer profile continues to change and expand. In the future, we are considering more promotion of Vietnam as resort destination for customers who want to play golf or enjoy fishing.

IU: One of the key points for any destination is developing "repeater" travel. How is VN working to develop these kinds of customers?

VN: The present rate of repeater

travelers to Vietnam is about 25% with a strong trend toward additional growth. On average, travelers visit 3-4 times. For the Japanese traveler, Vietnam is seen not as a single destination, but one with multiple attractions.

For instance, if a traveler's first visit to Vietnam is to Ho Chi Minh and they enjoy their visit, they often want to see more of the charm of Vietnam and plan a second trip. In many cases, they choose Hanoi as the destination for their second visit. Besides Ho Chi Minh and Hanoi, there are many other interesting destinations such as Da Nang, Hue, and Nha Trang, which we are considering for additional promotion.



IU: VN flies to many destinations in Asia, Europe, and Australia. How important is the Japan market for your airline?

VN: Compared with Europe, Australia, and other Asian markets, Japan is the key market for Vietnam Airlines. Geographically close, with a large population and very active trade relations we view it as our most important market.

IU: Are there any plans for increasing flights to Japan in the future?

VN: We do not have any immediate plans for capacity increases, but we always monitor market trends to ensure that we are meeting the market's needs.

IU: VN recently choose to implement INFINI's Multi Access product. Is this one part of your plans to manage growth in Japan? Can you tell some details about this decision?

VN: We feel that Infini Multi Access is an indispensable tool for our expansion in the Japanese market. We plan to introduce this product in Spring 2006. We expect that Multi Access can reduce our reservation staff's work load and automate the reservation process for travel agencies. The product features exceed our expectations for facilitating reservations. We plan to collaborate with INFINI on joint sales promotion events nationwide to ensure a smooth start for all agent users in the coming months.

INFINI's "Tripple" Online Support



INFINI announced its release of Tripple, an enhanced online itinerary product for INFINI users and their customers in April 2006. Tripple merges functions of two existing products, PIR Helper (Passenger Itinerary Receipt) and Virtually There, while adding several new features.

With Tripple, retail and wholesaler agent users will be able to create and store PIRs in addition to providing online itineraries for their clients. They can communicate in real time with individual customers about any changes or questions they may have via Tripple mail.



Sample Tripple itinerary

New Tripple Features

- Customization-** Enhance a user's branding power by customizing an online itinerary with their company logo and information address. Additionally, user's can customize the PIR and itinerary display for individual and group PNRs.
- Multiple Formats-** Delivers almost any mail format for a user's online needs (URL / PDF / MSWord / Text and Japan Mobile Phones)
- Multilingual-** "Fluent" in Japanese, Simplified Chinese, Traditional Chinese, and English.
- Address Book-** Imports contacts into an Address Book in a variety of formats.
- Group Handling-** Enables agents to handle multiple PNRs included in a group.

INFINI Connectivity Upgrades

- **Answer Back**
Sahara Airlines (S2)
Bangkok Airways (PG)
- **Electronic Ticketing**
Dragon Airlines (KA)
Philippine Airlines (PR)
- **Multi Access**
Qatar Airways
(Agent /Airline Creation)
(Implemented: Oct.05 - Mar.06)