



Jinya, where guests clearly sense Japan's history and traditions, has a Japanese garden covering some 33,000 m², offering abundant natural surroundings that change with each season.



DIGITAL TRANSFORMATION

PROPELS TOURISM TOWARD THE FUTURE

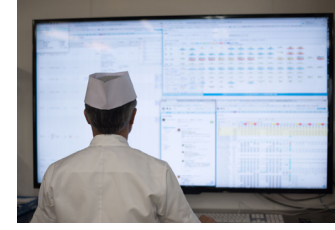
Opportunity in the face of adversity: a venerable inn that revived its fortunes through digital transformation pushes Japan's tourism business into the future.

As the world reels from the COVID-19 pandemic, Japan is building a new post-coronavirus society by implementing bold regulatory reforms, especially the promotion of digital transformation. In December 2020, Prime Minister SUGA Yoshihide announced that the Japanese government would create a digital agency in September 2021, to serve as the control tower

of digital transformation in the public and private sectors. In that way, the Suga Cabinet is accelerating its efforts towards digital transformation, which has been a key policy since the prime minister assumed office in September 2020.

Jinya, a hot-spring inn that has been in business for over a century, is one of the forerunners of Japan's digitalization. It is located an hour away from Tokyo in a quiet residential area of central Kanagawa Prefecture. While Japan's traditional tourism industry—best exemplified by hot-spring inns—earned its popularity by offering a high quality of service, it is heavily reliant upon human resources, making the business often more challenging to manage. This was also true of Jinya—which at one time was 1 billion yen in debt—but digital transformation turned its business around. Looking back, Jinya Representative Director and President MIYAZAKI Tomoko, who has been operating the inn with her husband for 11 years, says, “When we took over the inn, everything was managed in the old way: on paper. In order for the inn to survive, we needed to be resolute and switch everything over to digital technology.”

Jinya decided to make use of cloud services, which at the time had only recently become available, to manually build its own core systems. In addition to centralizing the management of bookings and guest information, the change allowed the staff from all the inn's departments, including those for cleaning and food-preparation, to share information instantly. Moreover, integrating all business administration, such as accounting procedures and staff attendance management, into one system, sped up,



The Jinya's in-house system is built on the inn's hospitality management expertise. As other inns across Japan adopt this system and offer their feedback, it has been further evolving.

and streamlined troublesome operations. The greatest benefit of all of that, according to Miyazaki, has been that staff members now have time to do more, allowing them to check all sorts of information and act on their own initiative to provide guests with even more attention. Thus, the digital transformation has raised the level of service, leading to more repeat guests for the inn,

while also considerably increasing both sales and profits. Miyazaki says that building such trust has kept Jinya an inn at which customers feel safe staying, even during the pandemic.

Jinya is also popularizing the system among similar enterprises, with nearly 400 establishments across Japan having since adopted it for their own business. Furthermore, Jinya has built a cooperative network of inn operators and has also launched a project in which inns can exchange resources such as food ingredients, equipment, and labor on a website. Those are all examples of how the company has worked to create a new tourism industry within a digital society. Miyazaki says, “All our staff want to provide *omotenashi* (good hospitality). If we can make good use of digital technology to provide a service that is enjoyable and of high quality, our guests will certainly visit us constantly.” Benefiting from its early digitalization efforts, Jinya's management has been solid enough to ride out the pandemic while spearheading Japan's tourism industry. The enthusiasm of the venerable inn has created a wave of digital transformation throughout the country. ●

MIYAZAKI Tomoko, who used to be an office worker, has made abundant use of that experience to manage Jinya. In the photo, she sits in the VIP room that was made to accommodate Emperor Meiji (the 122nd Emperor of Japan, who reigned from 1867 to 1912).

