



# RVing in the Land of the Rising Sun

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With the market experiencing favorable internal and external stimulus, the Japanese RVing Industry continues to grow and faces a positive outlook thanks to the upcoming Tokyo Olympics and the growing desire for both local and foreign tourists to explore this mystic land.

*Words Antonio Mazzucchelli and Bartek Radzimski  
Photo Antonio Mazzucchelli*

**L**ike many aspects of the Japanese enigma, the Japanese RVing Industry is one that has been hidden behind a veil created by distinctive market demands, unique base vehicles, limited interest from foreign manufacturers and of course cultural and language barriers. In the meantime, the market and its man-

ufacturers have been experiencing steadily growth while collectively working to educate the 126 million population about the joys of RV travel. With one of the most extensive public transportation systems in the world that counts delays in seconds and a work culture that for many years looked down on taking holidays due to the risk of inconve-

niencing co-workers with extra workloads, convincing the population to take extended vacations by driving long distances in an RV has been a tough sell. Nevertheless, with an aging population, which has been working and saving all their lives to enjoy retirement plus young adults, who no longer enshrined by the safety of





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## JRVA

### Interview with Takashi Furihata, JRVA Chairman

The Japanese RV Association (JRVA) is the organization combining the manufacturers, dealers and suppliers of the RV industry in Japan. We were able to sit down with Chairman, Mr. Takahashi Furihata to learn about the association's activities and prospects for the future.

#### **Aboutcamp BtoB: Could you give us an overview of JRVA?**

*Takashi Furihata:* JRVA is the Japan Recreational Vehicle Association. Two years ago we celebrated the 25th anniversary, so 2020 is our 27th year of activities. The number of member companies of our association is 138. This number includes manufacturers, dealers and suppliers related to the RV sector.

#### **Aboutcamp BtoB: Could we have some figures about the market, in terms of registrations?**

*Takashi Furihata:* We are still gathering the data from the manufacturers and the figures should be ready around the middle of this year. In 2018, we registered 5,367 vehicles across the segments. I can tell you that the number of units has increased comparing to the previous one, so the trend is positive. In terms of the number of vehicles that are on Japanese roads today, we estimate this number to be approximately 110,000 RVs altogether.

#### **Aboutcamp BtoB: What does the association do for its members?**

*Takashi Furihata:* The main activity that the JRVA is doing at the moment concerns this show which we prepare every year. Another important activity concerns the RV Parks: at the moment there are about 150 RV Parks in Japan, but the target is to reach 200 or even 300 parks in the next years. In Japan, we are aiming for these parks to be rather close to towns as RV owners in Japan consider this convenient.

#### **Aboutcamp BtoB: This is quite interesting regarding the parks, why do you locate them near towns?**

*Takashi Furihata:* I think that you may have the same trend in Europe, for example in Japan going to the hot spring is one of the most popular activities while RVing. Also, people traveling by RV tend to enjoy the local cuisine by eating out rather than cooking themselves. Also, me included, most men like to enjoy a cold local beer after a long day driving; however, Japan has a zero tolerance for driving under influence. Due to this, most owners prefer near town locations.

#### **Aboutcamp BtoB: How is the structure of these RV Parks and how do you find new RV Park locations?**

*Takashi Furihata:* The RV parks are privately owned and we are quite lucking as due to increasing interest from the market in RVing we are receiving many requests from individuals who want to set parks up.

#### **Aboutcamp BtoB: Is there anything that should be changed in the laws, here in Japan, to make the driving easier for the caravan and camper users?**

*Takashi Furihata:* As you can see, my company is importing caravans, so please allow me to answer from this perspective. In Japan, the caravan market is very small as we have quite archaic and difficult regulations. Due to Japan not having a big private trailer market, even private persons need a special commercial license for trailers over 750kg. As you can imagine, this kind of license is difficult to get. An additional complication is that the testing facility does not have a trailer, so to take the test you have to bring your own trailer. But, if you don't have a license, how can you bring the trailer there?



A moment of the opening night organized by JRVA

Due to topics like this the end users are often confused. Many laws in Japan take long time to refresh. This particular one about the weight is over sixty years old and I believe based on European regulations that existed when passenger cars had much weaker engines. It is irrelevant for today's market and needs an update.

**Aboutcamp BtoB: Is JRVA in touch with politicians to make this happen?**

*Takashi Furihata:* JRVA and it's members have made many activities, but the authorities always conclude that this topic is not safety related; just related to sales of cars or trailers, thus not critical. Another issue relates to LPG; about 20 years ago there were accidents in the housing sector that has made recharging bottles very complicated. When JRVA approached the responsible officials, we were informed that the problem relates to the gas stations refusing the charging of unfamiliar bottles; not official regulation. So, answering your question, although we tried various approaches, unfortunately, the RVing Industry is still too small to effectively lobby such topics.

**Aboutcamp BtoB: What about the imported vehicles? How do you see the potential of such vehicles?**

*Takashi Furihata:* Yes, for sure imported vehicles have a good po-

tential to grow. At the moment, the import market represents only 10-15% of the overall market; however, the production capacities of foreign makers are much higher than local ones. One important step is for foreign makers to make modifications that match Japanese needs. From the perspective of manufacturing the vehicle, I don't think that the modifications are difficult; however, for importers they are expensive and complicated.

For example, in Japan we have 100V, not 230V so we have to change the inverter and much wiring. Also due to the LPG issues, plus the lack of necessity for a boiler, we need to add a Fuel Operated Air Heater. Another topic is that AC is becoming very common; however, we are not able to use the roof mounted ones due to lack of plug-in infrastructure. As in any market, if you match the market needs, you will see a success!!!

**Aboutcamp BtoB: Does JRVA have contacts with other international associations? Does it support its members in discovering new markets, innovations from Europe?**

*Takashi Furihata:* In terms of number of companies which are importing vehicles from abroad, it is still a very small percentage of all our members. Due to this, in principle, JRVA is not doing this kind of activities and the companies that have such an interest do it by themselves.

lifetime employment are starting to reevaluate their life values, a significant increase of interest in domestic leisure activities has been developing and RVing is seen as one of these activities or a medium to comfortably get to the desired destination.

Additionally, several external factors are helping the trend along. Foreign tourism, the 2019 World Rugby Cup and the 2020 Tokyo Olympics are all bringing an increased number of fans of RVing to Japan and for the RVing Industry have helped to boost the thus far limited demand for rental RVs.

**The Japan RV market**

To put the market in a more figure-based perspective, the Japanese RV Association (JRVA) has existed for 26 years with the oldest of the 70 vehicle manufacturing members approaching or already celebrating their 30-year foundation anniversaries. The association and its members have grown from relatively obscure entities to ones that are getting more and more recognition from the mainstream media and the public. At the moment the association has 138 members split between vehicle manufacturers, dealers and parts suppliers. With a limited budget for large scale promotion activities, JRVA has focused on preparing and promoting the RVing lifestyle through the various end-user focused shows which take place at a neck-breaking pace in all the key cities around Japan starting with the Japan

## Brands from abroad

Foreign-made RVs have been present in the market since the very beginning. What used to be a niche volume, US-focused business, has changed to a predominately European one. Import volumes have been steadily climbing and currently make up about 10-15% of the total market. Motorized RVs from brands like Adria, Dethleffs, Hymer sell the highest volumes representing 90% of all imports, while trailers from Trigano, Hobby, Airstream and Eriba make up the remaining 10%.

The marginal volumes can be linked to two main factors; lack of serviceability for base vehicles and vehicle size. Although both FCA and Mercedes-Benz enjoy relative success in one of the most homogeneous passenger car markets in the world, neither maker's professional line-up is sold locally. Thus, the importers of foreign brands are faced with providing full-service for both the base and RV part of the vehicle. This results in foreign RVs being sold at premium prices and leads to long lead-times for repairs. Per size, a 6m vehicle is already considered large in Japan and due to all vehicles needing registration to dedicated parking spaces, especially in the urban sprawls, spaces for +6m vehicles are rare and often expensive escalating ownership costs.







## LAC Holdings

### Interview with Hideaki Yamada, Representative Director

We met Mr. Hideaki Yamada, Representative Director of LAC Holdings, the first RV Manufacturers Group in the Japanese Market that comprises of Deltalink Co., Ltd (Japan), Deltalink Co., Ltd (Korea), Annex Co., Ltd. & Camping Car Land Co., Ltd. The group is also the importer of European motorhomes and caravans from Adria and Niesmann + Bischoff.

#### Aboutcamp BtoB: Could you please tell us when and how the LAC Group has been formed?

**Hideaki Yamada:** LAC Group is made up of several companies, so I will explain from the one that I founded. Deltalink was established 26 years ago and initially we were a dealer of RVs. Before the foundations, I worked for another RV manufacturer, so all of my professional life I have been in the RV market. After some years of managing the dealership, I realized that the margins are quite limited and to improve the company situation, about 14 years ago, Deltalink started to design its own original vehicles. In those days, we outsourced the manufacturing to these models to other domestic companies. Also, around the same time we started to look into importing foreign brands. The first foreign brand we started to import was Adria. In the next step, 10 years ago, I set up a company in Korea with the target to import and distribute Adria for Korea. With the successful increase of foreign brand sales, Deltalink took the next step by forming the LAC Group 3 years ago. This step was taken for two main reasons, insourcing the production of Japan designed RVs and decreasing the risk association with doing a high ration of imported vehicles. Although foreign brands are very important for LAC Group, the threat of a local regulations change causing a business stop is real. With the formation of the Group, we gained as strong production base in Japan and China while the combining of all partners created a strong dealer network in Japan and Korea.

#### Aboutcamp BtoB: Is Adria a successful brand in Japan?

**Hideaki Yamada:** In terms of turnover and number of units sold for Deltalink, Adria makes up the biggest percentage. From all of the brands which are imported from Europe, Adria has the highest number of sales both in Japan and Korea. In Japan, we sell a very high percentage of motorhomes vs. caravans; but in Korea due regulations preventing the import and registration of foreign motor vehicles, we only sell caravans. Due to the success we had with Adria, from last year, we also started the distributon of Niesmann + Bischoff here in Japan, however due to the Korean regulations, we don't sell the motorhomes there. In addition,

from my understanding, right now in Europe Adria is having about 7.5% of the overall market; with 15,000 units, however, around 10 years ago, when I started to work with them their production was only 9,000. This is a amazing growth and I thinks there are 3 main reasons that attribute to this success:

1. The continued improvements in production
2. Great distribution concept
3. Excellent dealership network and support

In addition, Adria pricing is quite aggressive and competitive compared to other foreign brands, but there is no compromise on quality. In Japan the foreign RV brand sales volume is still quite limited. Typically, the approach is that if you sell just a few, you allocate a large margin on assure profit, however, my idea is to set smaller margins, so that I can sell many. For me, the main thing is that I enjoy selling RVs; it is actually the only business that I have ever done and is the only business that I want to do.

#### Aboutcamp BtoB: How is your dealer network structured?

**Hideaki Yamada:** Both in Japan and Korea we have our direct dealers who are part of the LAC Group and external partner dealers. In Japan we have 4 own dealers and X external dealers. In Korea, we have 2 own dealers and X external dealers. In both countries the sales done through our own shops represent about 50% of the total business. For us to keeping a good relationship, providing strong support and allowing the dealers to grow is most important. One of the challenges of the network is that although there are a lot of places that can fix an RV, there exist very few places which can service the base vehicle and the RV in the same locations. Due to lack of service from the base vehicle manufacturer in Japan, as an importer we are challenged with servicing the whole vehicle by ourselves. This is also one of the reasons why we established in key geographical locations our direct shops that can directly fix the whole camping car. We are importing all foreign vehicles on the Fiat Ducato chassis, but this vehicle is not sold in Japan. Therefore, we developed and train our own dealer network. As all of our dealer shops have the Fiat Diagnostic Tool it allows us to address any issues that arise with the vehicles. We are, of course, able to access any recall notifications or perform software updates. This important diagnostic tool can be provided to our Japanese dealers thanks to the excellent cooperation of Adria and a Slovenian Fiat Dealer. In the end this results in better support for our dealers and of course the owners of the vehicles.

#### Aboutcamp BtoB: Is the Fiat Ducato so important in Japan?

**Hideaki Yamada:** Yes, it is very important from my point of view. Several years ago, Mercedes Benz blocked the import of the Sprinter van and Sprinter based vehicles to Japan. Also, neither VW nor the other European makers sell their commercial line-up in Japan. For our company and other importers, all vehicles imported in Japan are on the Ducato base, so the vehicle is key. With regards to the vehicle itself, if compared to the Japanese base vehicles, mostly coming from Toyota, the Ducato with its equipment, driving performance and comfort is far, far ahead of the Japanese ones.

#### Aboutcamp BtoB: What is your feeling about the market?

**Hideaki Yamada:** Let me talk not only about the Japanese market but of all the Asian market. The overall market, including China, Korea and Japan continues to increase. In the future, the Asian market and the European market could become very similar in size, so it's important to take care of this opportunity from the beginning. In my opinion, the next generation that follow us will see the flower blossoms coming from the efforts that we are currently making. For example, if you look at the percentage of people in Japan who are using RVs versus Europe, the percentage is about 1 to 10. One reason for this is the fact that Japan is an island and the country itself similar to Germany in landmass is small. This fact is even more relevant for Korea which has a landmass ¼ the size of Germany. From few years ago, I have put an effort into easing RV travel between Japan and Korea and have made the journey personally several times, however, despite the two countries having a vehicle ferry connection, due to various import customs laws; the procedure of crossing with an RV is still very complicated. Nevertheless, I am positive that in the future this will become easier and crossing also to China will become feasible. Once this kind of travel option starts to exist in Asia, the popula-



The Camping Car Land Funluce based on the Hi-Ace chassis received great reviews for its efficient interior layout.

tion of camping cars will easily multiply by a factor of ten. Although this may seem farfetched at the moment, actually, as part of the Asian Highway Network, there is a route called the Asian Highway 1 (AH1) which starts from Tokyo, Japan and after 20,557 km (12,774 mi) joins with the Trans-European Motorway. (E80) I believe that in the future this kind of travel will become easier to do and in order to accomplish this, the step from Japan to Korea then to China is key.

**Aboutcamp BtoB: Do you think China should be an interesting market for LAC Group in the future?**

**Hideaki Yamada:** About 10 years ago, I came very close with Deltalink to establishing a company in China. Due to some issues at that time, I had to stop right before the incorporation. Still, as China is the biggest landmass and has the highest population in Asia, sometime in my lifetime, I would like to try the challenge of selling camping cars there. Actually, I am quite convinced that it doesn't matter if LAC Group tries this challenge in the US, Europe or China as the Japanese service we provide to our end customers by far exceeds what is available in other countries. With the formation of the LAC Group, we have a production facility based in Dalian, so the target is one step closer. In my view, Japanese quality production and end customer service, we may have the winning combination; however, our group will still need a few more years to take this exciting step forward.

**Aboutcamp BtoB: You told us the market is going to grow in the future. Could you be more specific?**

**Hideaki Yamada:** In the next 7 to 8 years, the market will continue to grow due to the Japanese population over 50, which is for me the biggest customer base, continuing to increase. However, the threat that I see is the ratio of this older population compared to the population between

15 to 50 years old is very unbalanced in Japan and unless some big changes are occurring in the demographics of the Japanese population.

This shift will most likely be the biggest decrease in population that has ever been seen in the world and if one looks at the situation 15 years from now, the number of people in the segment which represents the potential customer for RVs will definitely shrink. Consequently, the only way to counterbalance this will be to increase the share of people who are using the RVs; thus, less people, but amongst them, more users. In Europe, the record number of units sold, including both caravan and RVs, was approximately 300,000 units; however, in the worst period the production dropped down to 138,000 units. During that critical period, a lot of mergers occurred, with strong groups emerging as the result. Looking at that situation and taking it as an example, I decided that now would be a good time to take early counter measures for the future. One of the key ideas of the LAC Group is to provide the end user with bigger showroom and a wider range of products to choose from assuring that they can find what they are looking for and come away a satisfied customer of the Group.

**Aboutcamp BtoB: And as the last question, could you tell us what are the most requested models in the LAC Group?**

**Hideaki Yamada:** For Deltalink, the most popular vehicle is the Darwin which is a Hi-Ace based model. For Annex, the most popular model is the Liberty which is based on the 2.5-ton truck cab conversion and for Camping Car Land the Funluce, the cab conversion based on either the Hi-Ace or the 2.5-ton truck is the most popular model. In terms of the appeal of our vehicles to the end user, for Annex and Deltalink we are using very high-level fabrics, from Capiro. Deltalink was the first to incorporate the Capiro fabrics into their vehicles and we chose the highest grade which includes the anti-stain Teflon coating. In addition, for the furniture we use Melamine which is very tough and scratch resistant material. Due to the use of such materials, our vehicles do not suffer from the typical aging factors so much. Thanks to this, the resell value remains high as the vehicle looks quite brand new even after many years of usage. This and the generally careful usage of the vehicles by the Japanese users leads to a long lifetime of most vehicles.



The Annex Ricorso is designed with couples travel in mind. Despite the narrow space of the Hi-Ace, the interior layout is spacious and the vehicle well equipped.

