

## HRS-Hotel Reservation Service Co., Ltd.

A major German global hotel solution provider, HRS established Hotel Reservation Service Co., Ltd. in Tokyo in 2013. The company is entering the Asia-Pacific market to offer travel services exclusively for corporations, leveraging its 40 years of experience and information on 300,000 hotels.

HRS was founded in 1972 in Germany as a corporate travel company. Currently, it offers approximately 300,000 hotels in 190 countries and regions to corporate and individual travelers, and over 40,000 companies use its services all over the world. It has a headquarters in Cologne as well as offices in 18 cities around the world including Paris, London, Shanghai and New York.

The company established its Japanese arm, Hotel Reservation Service Co., Ltd. (hereinafter, “HRS KK”) in October 2013. With the recent expansion of the business travel market, the company offers travel services mainly to corporate clients in Japan. It is aiming to enter the Asia-Pacific market in full scale as a comprehensive solution provider for global lodging needs.



### Global Hotel Solutions

#### Background of starting operations in Japan

According to the President of HRS KK, Ken Mishima, there are two major reasons HRS decided to advance into the Japanese market: (1) the size of the business travel market in Japan and (2) requests for support from existing corporate clients. In the entire travel market, business travel account for 20-30%. Japan, with the 3<sup>rd</sup> largest GDP after

China and the US, has a very large business travel market, which HRS has taken into consideration in its business strategy. In addition, HRS’s corporate clients include multinational companies that have established offices not only in Europe but also in North America and Asia. Some of these corporate clients told HRS that they wanted to use HRS’s solutions in their operations in Japan just as they do in Europe, so HRS established its Japanese arm in October 2013, and began operation in May 2014.

Currently, HRS KK is entering into partnerships with more hotels in Japan and offers accommodation arrangement services for business travel within Japan and overseas to Japanese companies, as well as providing support to the Japanese offices of the existing overseas corporate clients. In the future, the company will begin collaboration in Japan with operation-related companies such as expense reimbursement system providers and travel agencies with which HRS’s European offices have partnerships.

#### Strengths of HRS

In addition to the fact that it offers approximately 300,000 hotels to business travelers, as an additional strength of HRS, Mr. Mishima cites terms and conditions suitable to business travel. For example, the company allows last-minute changes of lodging conditions before travel and has a flexible cancellation policy. Furthermore, the

use of HRS's solutions enables corporate travel managers to collectively manage the lodging data of their employees. This allows collected data to be efficiently used for safety and crisis management regarding employees and analyzed to help cut business travel costs. HRS offers not only hotel information, but also data analysis services utilizing HRS's unique technologies to corporate travel managers, something which Mr. Mishima says is another advantage of the company.

### Difficulties when starting operations in Japan

Although HRS is well-known in Europe for its corporate travel services, it was virtually unknown in Japan when its Japanese arm was established, so the employees of HRS KK had some difficulty selling its services. Immediately after it advanced into the Japanese market, they tried to increase the company's recognition by visiting many hotels, travel agencies and other companies, offering thorough explanations on its business model and the advantages of using HRS's solutions. These efforts succeeded in increasing the interest of many hotels and companies in their services. In expanding business in the country, the company is also leveraging the advantage it has as the only company in Japan to offer its particular solutions on a global scale.

### Future business development in Japan

Toward future business development, Mr. Mishima says that HRS KK will approach large Japanese companies and propose their network as a way to secure lodging in an optimal manner. Further, it will consider what kinds of services it can offer to small and medium-sized companies that it has not

approached yet in the Japanese market. In addition, Mr. Mishima thinks that numbers of cities throughout Japan which are also home to many production bases of Japanese companies are in great demand for domestic business travel, and the company will start negotiations with hotels in these areas to create a new business travel market targeting corporations.

The future challenge of HRS KK is to "build systems that suit the characteristics of Japanese companies". They have different behavioral patterns from those of European companies, and one generation of employees in a company use systems differently from another generation. To some companies, HRS KK has already provided customized systems to meet their needs, but Mr. Mishima says that pursuing ease of use through the eyes of its clients is the company's challenge as well as its objective.

### JETRO's support

When HRS established its Japanese arm, the JETRO Invest Japan Business Support Center (IBSC) lent a temporary office and provided consultation on the establishment of a company in Japan and information on permits and approvals. Mr. Mishima says, "The connections we made with foreign companies in the temporary office helped us tremendously in collecting information."

After establishment, the company took the stage at the Business Alliance Networking Conference for the Tourism Industry organized by JETRO (held in Tokyo in July 2014 and in Kyoto in March 2015). This event directly led to even more partnerships with Japanese companies. As demand for business travel increases in Japan, HRS KK is determined to expand its business through such active partnerships.



Ken Mishima, President of Hotel  
Reservation Service Co., Ltd.

(July 2015 Interview)

## Corporate history

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1972	Founded in Cologne, Germany
1977	Registered as GmbH (limited liability company in Germany)
1995	Started operations as booking website
2000	Opened first Asian office in Shanghai, China
October 2013	Established Hotel Reservation Service Co., Ltd. in Japan
May 2014	Started selling services in Japan

## Hotel Reservation Service Co., Ltd. (Japanese base)

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Establishment:	October 2013
Business:	Business travel services for corporations
Parent company:	HRS-Hotel Reservation Service
Address:	Toranomon Building, Floor 7, 1-1-12 Toranomon Minato-ku Tokyo 105-0001
URL:	<a href="https://www.hrs.com/">https://www.hrs.com/</a>

## JETRO's support

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- Provision of IBSC temporary office
- Support with procedures for incorporation
- Provision of information on permission and authorizations