

Entrepreneur Training Program – The 2nd Entrepreneur Seminar Takaya Shinozuka,  
CEO of Taste Local Inc.

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On Wednesday, September 9, the 2nd Entrepreneurial Seminar was held with Mr. Takaya Shinozuka, CEO of Taste Local Inc., as a guest speaker.

Profile:

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Mr. Takaya Shinozuka (CEO, Taste Local Inc.)



After graduating from Toyo University in 2006, he studied in the U.S. for one year and traveled as a backpacker in Japan and abroad.

In 2007, joined Recruit Co., Ltd. as a new graduate. Assigned to the Travel Company and experienced sales of the travel reservation site "Jalan".

In 2011, founded Loco Partners, Inc. in the wake of the Great East Japan Earthquake.

In 2013, launched "Relux", an accommodation reservation site. Relux joined the KDDI Group in 2017 and the service has grown a merchandise value of 20 billion yen.

In 2020, he retired from the company and established TASTE LOCAL Inc. Appointed as CEO and released the online gourmet site TASTE LOCAL.

## College Days

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When I was a student, I was just playing my life away. I chose the travel industry simply because I liked it. There was no strategies or odds.

Every vacation, I went on a trip and visited 20 foreign countries and 46 prefectures in Japan excluding Okinawa. Then I realized that Japanese tourism had abundant assets such as variety of food cultures and characteristic seasons. That was the starting point.

At that time, it was not easy to book airline tickets and accommodation online, so only few students travelled abroad.

## TASTE LOCAL

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### From Business Planning to Service Release

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As I found out that an inn registered at Relux in Izu was in a predicament due to COVID-19 pandemic, I bought 10 famous simmered red bream to support them. I wanted to help more, so we envisioned TASTE LOCAL.

We quickly launched the service on April 10, a week after the conception had been planned, and it was captured the hearts of people who were tired of the self-restraint under COVID-19 pandemic or stressed out about self-catering three times a day.

In only first month, we sold 2,000 red bream and sales amount was over 13 million yen (half of them were sold via TASTE LOCAL, and the other half were by direct phone order to the inn). As a result, it was featured in many media. The lineup we handle ranges from affordable to luxury products, and currently we have more than 200 items. It can be said that the e-commerce for selected food has great potential.

### Securing Human Resources/ Future Prospects

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"People, goods, and money" are indispensable for any business. The most important is people, but TASTE LOCAL's service charge is very low (revised in August, service charge is 10% excluding credit card commission. Before that, it was 10% including credit card commission and net income is 6%). There tend to be a shortage of business continuation fund. Therefore, through the blog, we recruit pro bono who agree with our business philosophy, and with their help, we are running the business.

The other day, we renewed our site using Shopify. It used to be difficult to provide services with point back and mobile apps, but now it is possible to add such functions. We want to improve usability so that new products are lined up every time customers access our site.

## Relux

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### From Business Planning to Service Release

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When I was involved with Jalan in Recruit, I was often consulted by friends and acquaintances about the inn. They said "I don't need hundreds of thousands of information about inns since I travel only once or twice a year. It's too many to decide". Relux's concept is to create the awareness that "as long as you have a reliable source of information, you don't need the amount of information."

Before the start of Relux, we raised 60 million yen from Recruit Holdings Co., Ltd. and CyberAgent, Inc., and even after the service started, we succeeded in raising an additional 300 million yen from Recruit Holdings.

### Turning Point

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Like many ventures, Relux and TASTE LOCAL might be regarded as glamorous companies, but the reality is not that easy.

At the beginning of Relux, we were anguished because we didn't get any reservations. We didn't know the cause at that time, but now that I think about it, I know what it was. At the time of business launch, only 20 accommodations scattered throughout Japan were registered. Because they were all famous inn and was fully booked almost all the time, when customer searched "no result" occurred frequently. So, we believed that we would receive reservations someday and focused on increasing the number of registered inns.

I didn't have a secret plan for the number of reservations to skyrocket, but I think that the increase in the number of registered inns has led to an increase in reservations.

As for sales, the annual occupancy rate is about 80 to 90% even for a very popular inn, we persuaded to register by telling "Let's fill three more rooms on this day. We're bringing in new customers."

In general, accommodation reservation sites are operated with performance-based fee and do not charge fixed costs. Its maintenance is also hassle-free because it's done by external services. Therefore, once the fuel is gained, it is not difficult to increase the number of registered accommodations. Relux's service charge is set higher compared to other sites (our site is 15% while other companies are around 12%), but we don't think the adoption hurdle is that high because filling vacant rooms will definitely increase profit.

## Issues of Tourism in Japan

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The travel industry is a big market, but DX is essential to further increase the market. However, even major companies in Tokyo are not yet progressing with DX.

I think the winning strategy of the tourism industry is simply online. However, it is not common at present. Online sales accounts for only about 25% of the total sales and 75% are in physical stores and on the phone. If you simply change the travel ledger from handwriting to an equipment such as iPad, it would bring a marked improvement in work efficiency. I think something online will create absolute value in the future.

## Industry With / After COVID-19 Pandemic

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### Recovering from COVID-19 Crisis

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When we look back on human history, we can be confident that we will be able to recover from the COVID-19 crisis. An important point is considered to be the crucial movement of the industry. However, the world would not be the same as it was before recovery. Japan's GDP is down 30% compared to pre-COVID-19 pandemic, but it is not decreasing uniformly in all industries. We need to focus on the fact that some industries are growing.

The recovery of the travel industry will take a lot of time, as it will require to have as many country-to-country discussion as there're countries. As for overseas travel, I think that the Ministry of Foreign Affairs will issue travel safety information and the destination will be limited.

Domestic travel is on a recovery trend, and small luxury is already back, but Tokyo and large hotels are still in a tough state. Domestic travel will take at least 2 years, and inbound will take at least 3 years to recover. However, I think that it will grow again after the recovery.

### Job Hunting in COVID-19 Pandemic

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In order to make it the axis of job hunting, the company size does not matter. The most important thing is the growth rate of the company. I don't think you should join a company which mainly focuses on the industry with less growth potential.

Whether a large company or a venture company, it is difficult for new graduates to maximize the company's profits right away. Rather than aiming to be a short-term talent, joining a growing company with many opportunities is the key to growth for university students.

Things you should do is to reach such an environment, Steve Jobs' commencement address at Stanford University, "The dots are connected and becomes a line", I think that's life.

When I was a student, I never thought that what I liked would be utilized in later life. However, in my case, my travel experiences have led to the start-up of the travel business. Those who make everything halfway can't connect the dots.

It's the same for everyone in obstructive situation due to the pandemic. On the other hand, it is very important to look for something that can be done in this hard time.

### Transforming the Way, We Work in COVID-19 Pandemic

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Due to the pandemic, acceleration from job-type to project-type work, as well as remote work and workation, have attracted attention. However, many companies, including myself, think face-to-face is better than remote work. Currently, many companies are focusing on remote work, but it is expected to return to the conventional way of working when the pandemic is over.

DX will surely change. IT companies have been DXing naturally, but many businesses have not. In future, DX will become a matter of course at many companies.