

This Japanese hotel room costs \$1 a night. The catch? You have to livestream your stay
Hotel charges 1\$ per night for rooms in hopes of advertising revenue on filming guests

(Nov. 2019) When 27-year-old Tetsuya Inoue began running Asahi Ryokan -- a hotel in the Japanese city of Fukuoka that is owned by his grandmother -- he wondered how he could improve business in the new economy.

Inoue had an idea: what if he could use the internet to bring in a new audience and a new revenue stream?

Now, guests coming to Asahi Ryokan have the option to pay just ¥100 (about \$1) per night to stay the night -- if they agree to have their entire stay livestreamed.

That said, there are restrictions around how the livestreaming works. Inoue explains to CNN Travel that the feed is video-only, so guests will have privacy in their conversations or phone calls. His YouTube channel is called One Dollar Hotel.

Guests are permitted to turn the lights off, and the bathroom area is out of camera range.

"This is a very old ryokan and I was looking into a new business model," says Inoue, who started running the hotel last year. "Our hotel is on the cheaper side, so we need some added value, something special that everyone will talk about."

So far, four guests have taken him up on the offer since Inoue began offering the deal last month.

"Young people nowadays don't care much about the privacy," Inoue adds. "Some of them say it's OK to be [watched] for just one day."

And while the \$1 rooms are clearly a loss leader, Inoue is thinking beyond the cost of a single night's stay. The YouTube channel has already passed 1,000 subscribers. Once it accumulates more than 4,000 view hours, he will be able to put ads on the channel and monetize it.

On days when the room is vacant or no one is streaming, Inoue will post a livestream of himself working in the ryokan's office. Signs in Japanese and English are posted in front of the camera to let viewers know when he's out of the room.

So, besides the opportunity to have thousands of strangers watch your REM cycle on the internet, what's the incentive to head to Fukuoka?

Plenty -- so much that CNN Travel named Fukuoka one of its must-visit destinations for 2019.

The pretty seaside city is known for its incredible food. In addition to local, freshly-caught seafood, Fukuoka is also the birthplace of the popular Ichiran chain, home of yummy pork tonkotsu ramen. Also, the acclaimed Fukuoka Art Museum reopened in early 2019 following three years of renovations.

Summary: A Japanese hotel has an offer to charge about 1\$ per night if the guest agrees to have their stay livestreamed on

YouTube. The streaming is video-only, permits the guests to turn out the light in the room, and does not capture footage from the restroom, but otherwise is ubiquitous in its coverage. The intention is for such a stream to gain enough popularity to draw in advertising revenue, by monetizing the YouTube channel.

Analysis: This article is about a **sole proprietorship**¹ (a privately owned business with a single owner), in the form of a hotel owned by a single individual. This places it in the realm of **microeconomics**² (the scientific study of how households and firms make decisions and how they interact in markets). Hotels provide a mix of **goods**³ (tangible items) and **services**⁴ (intangible items) from such things as providing a place to stay, room service, entertainment, or food. The hotel's offer for a room at the cost of about 1\$ represents an exchange of **money**⁵ (anything generally accepted in transactions involving the transfer of goods and services from one person to another), either as **fiat**⁶ (a good whose value is less than the value it represents as money) currency or **bank money**⁷ (the book credit that banks use to extend to their depositors transactions made by checks drawn on deposits held at the banks involved) such as via a debit card. This article takes place in Japan, which has a **mixed**⁸ (an economy consisting of aspects of traditional, command, and market economy structures) **capitalist**⁹ (productive resources are owned by private individuals) economy. The offer of 1\$ per night comes with the added **constraint**¹⁰ (something that limits) of having the guest's entire stay livestreamed on YouTube. The reason for this is that the combination of advertising revenue from YouTube, and the novelty of the experience may be enough to offset the lost revenue from pricing the stay itself so low. Hotels rely largely on **human resources**¹¹ (the mental or physical work effort of human beings), but **natural resources**¹² (that which is on the land, under the land, in the water, or in the air) play a role as well, in terms of tourism and being in a useful location. The livestreaming of the guests is an example of utilizing **technological resources**¹³ (the practical applications of scientific knowledge). The decision to have one's stay livestreamed over the internet requires the guests to judge the **opportunity costs**¹⁴ (the value of the next best choice sacrificed) when trading privacy for a cheaper stay at the hotel. The cheaper price provides an **incentive**¹⁵ (something that induces a person to act) for the guest. The hotel's manager may have performed a **marginal analysis**¹⁶ (a comparison of marginal benefits and marginal costs) in order to determine that the potential revenue from advertising the livestream was higher than any added revenue from raising the cost of a normal stay. The **supply**¹⁷ (the ability and willingness to sell specific quantities of a good or service at alternative prices in a given time period, ceteris paribus) of hotel space in the region is somewhat constrained by the **scarcity**¹⁸ (the fact that resources are limited) of available building space, but **demand**¹⁹ (the ability and willingness to buy specific quantities of a good or service at alternative prices in a given time period, ceteris paribus) continues to exist due to local amenities in the area.