



South Korea Consumer & Travel Trade Research
Key Findings and Marketing Considerations



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Foreword

Background

The South Korean outbound travel has experienced tremendous growth since the economy rebounded from the serious downturn in 1997/98. In 2005, 10.0 million South Koreans travelled outside their own country (20.8% of the total population), compared to 5.5 million in 2000, representing an average growth rate of 12.7% per year. South Koreans now travel at a greater rate, with much stronger momentum than Japan, the region's largest foreign traveller producer.

For Canada, South Korea represents a market with huge potential. In 2005, Canada only attracted 2% of the total outbound travellers (see below) or 8.6% of long-haul travel beyond Asia (based on Korean destination statistics, discussed later). It is forecast that South Korean travellers to Canada will continue to grow rapidly in the next few years, reaching 233,000 by 2008.

EXHIBIT 1: 2005 TRAVEL MARKET

2005	South Korea	Japan
Population	48.0 Million	127.0 Million
Outbound Travellers	10.0 Million	17.4 Million
As Percent of Population	20.8%	13.7%
Growth Rate (2005)	+12.7%	+3.0%
Growth Rate (2000-2005)	+81.8%	-2.0%

Source: Population- U.S. Census International Division

EXHIBIT 2: PROJECTED TRAVEL MARKET

	2006	2007	2008
South Korean Outbound Travellers (projected) ¹	11.3 Million	12.7 Million	14.3 Million
Travellers to Canada ²	198,000	215,000	233,000

Source: KNTD except where noted.

¹ Projection based on 12.7% annual growth rate

² South Korea Market Analysis – CTC Asia/Pacific

Background

Insignia Marketing Research was commissioned to conduct the South Korea Consumer and Travel Trade Research on behalf of the Canadian Tourism Commission and a partnership group consisting of British Columbia and Ontario. The study was intended to obtain market intelligence to assist in developing appropriate marketing initiatives for the South Korean market in 2007 and beyond.

The CTC and its partners' business objectives when commissioning this research included:

- Identifying the target markets for travel to Canada
- Developing market sensitive product packages
- Making use of the most effective communication channels to reach the target market
- Providing direction and assistance for the travel trade to accelerate the growth of pleasure travel to Canada
- Designing the most effective advertising to reach the potential market

In order to fulfill these business objectives, Insignia conducted research with the following objectives:

- Determining the size of travel market
- Understanding the profile of prospective market
- Investigating travel motivators for Canada
- Identifying Canada's competitive set
- Developing market segmentation
- Determining overall marketing strategy and the best marketing channels
- Exploring regional opportunities within Canada
- Understanding the trends in the Korean travel market, and the activities of competitors
- Determining how Canada can capitalize on those ideas and trends

Methodology

The study involved a 4-phase approach.

- Phase One: Review of Existing Data
- Phase Two: Korean Traveller Focus Groups
- Phase Three: Travel Trade Interviews
- Phase Four: Consumer Quantitative Survey

Phase One: Review of Existing Data

Secondary research was conducted to gather information on South Korea, specifically on the economic developments, trends and forecasts. In addition, Insignia reviewed travel behaviour and trends by South Koreans both domestically and outbound. This information was very valuable in putting the survey learning into context.

Phase Two: Korean Travellers Focus Groups

In total, six 2-hour focus groups (recruit 8 for 6) were conducted from August 16-18 in South Korea.

The groups were broken down as follows:

EXHIBIT 3: FOCUS GROUPS BREAKDOWN

	Past Visitors to Canada	Have Not Visited Canada in the Past
Male 25-44	1	1
Male 45-65		1
Female 25-44	1	1
Female 45-65		1

Specific recruitment criteria were as follows:

Past Visitors:

- Must have taken a holiday trip to Canada for pleasure purposes in the past 2 years
- Primary motivation of trip(s) to Canada was pleasure, not to visit friends or relatives

Methodology

Not Past Visitors:

- All have travelled outside of Korea, Japan and China on a holiday trip during the past 3 years for 4 nights or longer, or seriously planning to in the next 3 years.
- Minimum half per group have done so in past 3 years
- All must be very interested in visiting Canada in the next 3 years
- Have not taken holiday trip to Canada in the past

General recruitment specifications included:

- Must be born in Korea or have lived in South Korea for the past 5 years
- Must be the key decision makers within the household in choosing foreign holiday destinations or share the responsibility equally with their partner
- Must be personally involved with booking holiday trips

The discussion sessions were conducted by E.H. Lee, a senior researcher with Gallup Korea, using the Discussion Guide appended to the report. The sessions were observed while in progress by representatives of Canadian Tourism Commission and Insignia Marketing Research. The sessions were audio and video taped and copies will be kept on file at Insignia Marketing Research Inc. until August, 2007. Recruiting was sub-contracted to Gallup Korea.

Phase Three: Travel Trade Interviews

In total, 15 executive interviews were conducted from August 16 to 18 in South Korea with key members of the travel trade. Each interview lasted approximately 45 minutes.

The interview sessions were broken down as follows:

- Travel Wholesalers – 4
- Retail Agents – 7
- Travel Media – 2
- Local partner representatives – 2 (BC and Alberta)

The discussion sessions were conducted by E.J. Kim and David Thexton using the Discussion Guide appended to the report.

Methodology

Phase Four: Consumer Quantitative Survey

A national online panel operated by OpenVenue was conducted with 2,618 Korean adults aged 18 and older from October 20 – November 17, 2006.

Respondents met the following criteria:

- Travelled outside of Korea, Japan and China for 4 nights or more for pleasure or personal reasons, to visit friends and relatives or to take a trip that combined business and pleasure in the past 3 years, or
- Planned to take a pleasure trip outside of Korea, Japan, or China for 4 nights or longer in the next 2 years.

An oversample was implemented to reach n=200 past travellers to Canada. This was achieved by screening both the main panel fully and a second sister panel for qualifying past Canadian travelers. The oversample of past travellers to Canada was then weighted down to the level in the cross-section survey. The average duration of interview was 20 minutes. The questionnaire is appended for reference.

The average error range with a sample of 2,618 is $\pm 2.0\%$. This means that in 19 out of 20 cases, the results based on a sample of 2,618 will differ by no more than 2.0% from what would have been obtained by interviewing all consumers who meet the qualification criteria in the market surveyed.

Omnibus Survey

In addition to the online survey, a telephone omnibus survey was conducted among 3,000 South Korean aged 20+ across the nation to obtain incidence and profile data of the past and future pleasure trip travellers. This provided a base to which to weight the online survey as required.

The online survey underrepresented individuals age 50+ due to the low incidence of Internet usage among that age group. Consequently, an age weight was applied to the online sample.

Key Findings

Key Findings

The South Korean Economy

“Ah, it’s good to be busy!” is the common reply in South Korea when someone tells you how many things they have to do. With this attitude, it is not surprising that South Korea’s economy is showing excellent signs of growth.

The GDP is expanding at a rapid, but sustainable, pace with no signs of slowing down. Infrastructure improvements and an eagerness to stand among the major industrialized nations are driving South Korea towards a stronger economy.

This economic expansion represents an increase in income, and disposable income. This provides some assurance that marketing investments in South Korea will be rewarded. However, there are more reasons than mere prosperity to believe that South Korea is a burgeoning market for travel.

The Motivated Market

Prior to 1989, South Koreans were unable to travel outside their own country except on business trips. Given the adventurous nature of South Korean society, and its emphasis on education—which travel is considered an important part of—this restriction was especially constraining. As a result, it caused a great deal of pent up demand for travel abroad.

Once the gates were opened and foreign travel allowed, South Koreans did not look back. Outbound travel has grown at 12.7% annually over the past 5 years and is expected to continue unabated. Currently, one third of South Korean adults are in the long-haul offshore travel market (13.3 million individuals).

Travel Trends

The first step in world travel for many South Koreans is to experience other Asian countries. Then, as they gain confidence and grow more adventurous, they begin to travel outside the region – to Europe, Oceania and the Americas.

Asia is the primary destination for South Korean travellers. It isn’t just China and Japan, Korea’s immediate neighbours and primary destinations, that receive these visitors. Even when China and Japan are excluded, Asia is the top destination for South Koreans.

Even so, with the South Korean love of travel there is a large long-haul travel market. It is this market that Canada is most concerned with.

Key Findings

Canadian Opportunity

Canada's image in the South Korean market is overwhelming positive. Canada is seen as idyllic, clean, healthy, and a place one wants to live. As with most foreign markets, Canada's natural beauty forms a strong part of its appeal with the South Korean market.

At present, South Korea is essentially tied with Australia as the second most important Asia/Pacific travel market for Canada, behind Japan. Latent demand in South Korea for travel to Canada is sizable and, given that South Korea is indeed one of the major growth markets for global travel, the opportunities for Canada to invest further in tourism marketing are sizable.

EXHIBIT 1: LATENT DEMAND FOR CANADA IN SOUTH KOREA

Very Interested in Visiting Canada in next 2 years	Definitely/Very Likely to Visit Canada in Next 12 months	Definitely Likely to Visit Canada in next 12 months
3,984,000	2,064,000	516,000

Source: Quantitative Survey Q22-23

With the current visitors under 200,000, this latent demand shows the market available to Canada if appropriate action is taken. The South Korean travel market is one also sought after by a number of other destinations.

Brand Image/Travel Motivators

Canada's key competitors for South Korean travellers are: Australia, Europe, and the U.S. Mainland.

Australia

Australia is Canada's key competition because its brand image is very similar – beautiful nature, relaxing, and with wide open spaces. It also has the advantage of being perceived as closer. Australia has aggressively priced airfare and packages available to the Korean market, very important to the price sensitive Korean traveller.

Comparatively, the travel trade criticizes Canada for having airfare that is too high. This barrier is of great importance as the number of South Korean FIT travellers is large and expected to grow.

Key Findings

Europe

Europe offers quite a different product experience. It is a must see educational experience, focusing on history and “old culture”. Having been to Europe also carries a great deal of personal status, important to Koreans.

U.S. Mainland

The U.S. Mainland is the centre of “western culture” and is highly aspirational to South Koreans – far more exciting than Canada.

Canada’s Brand Image and Draw

As mentioned above, the Canadian environment is highly appealing to South Koreans. However, the draw to Canada goes far beyond physical beauty. The Canadian lifestyle is highly aspirational to Koreans. It feeds into three core needs of Korean society:

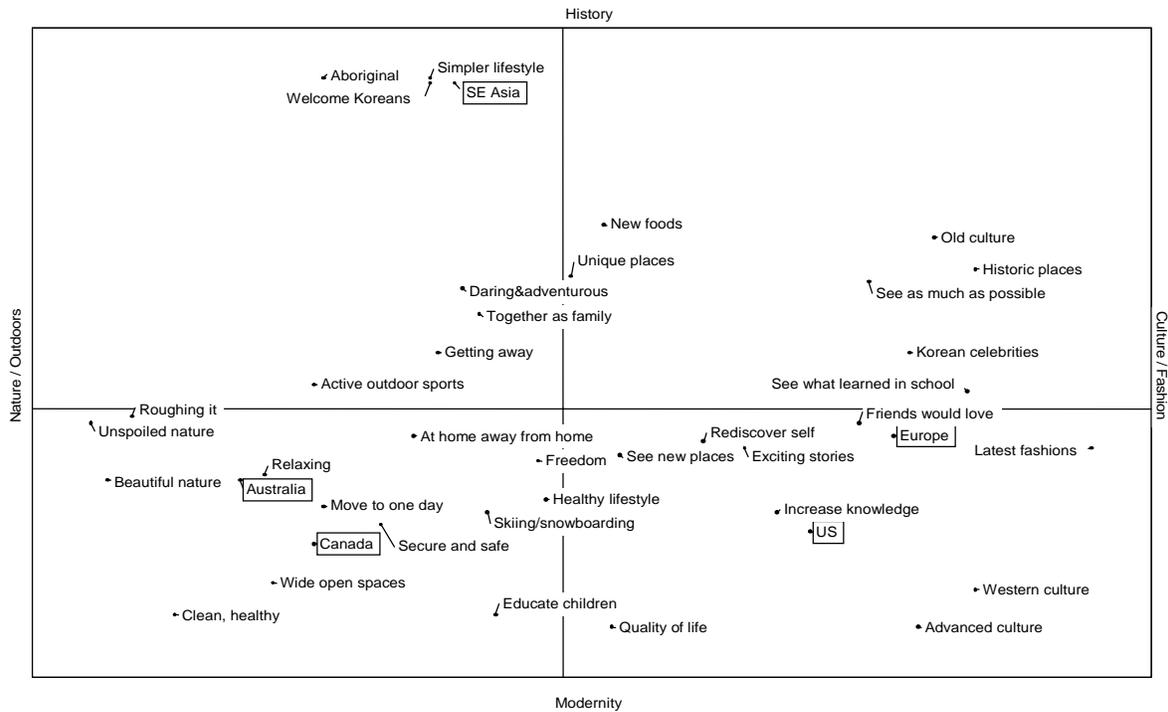
- Their desire to live a lifestyle of health and sustainability (known in Korean as LOHAS). Canada’s clean, healthy environment fits with this trend.
- The importance of educating their children abroad, especially to learn English. Canada is a preferred place for their children to go to school. This in turn drives exploratory family trips in advance to check out the schools and the environment, the school destined journeys themselves, and follow up family visits.
- South Koreans aspire to travel to the U.S. and Canada’s proximity works to its advantage.

With all three of these travel motivators, Canada has a distinct edge over Australia. Hence, they become important selling points.

Key Findings

EXHIBIT 5: BRAND ATTRIBUTE MAP - BY DESTINATION

Country Attribute Map (Q21)



The typical visitor to Canada from South Korea is college educated, married or living together, 40 years or older, working a white collar job with a yearly household income in the 50 to 70K CAD range. As many as half have family in Canada. In essence, they are what many would consider middle/upper-middle class individuals who are established in their jobs and life.

South Koreans picture outdoor experiences in beautiful, wide-open surroundings when thinking of Canada, this is different than mere sightseeing. It is the experiential part that excites South Koreans.

The trip motivators that stand out for Canada include:

- Sightseeing (67%)
- Visiting friends and relatives – VFR is clearly a driving motivator (a factor to 53% of visitors)
- Experiencing local culture (29%)
- School related motivations (27%)

Key Findings

In competing with Australia, Canada must focus not only on its brand strengths, many of which are similar, but also on its key points of difference and advantage. These include:

- A better place to educate children
- A more significant VFR linkage (discussed later)
- A more desirable place to live (more aspirational to check out)
- A healthier, cleaner environment
- Proximity to the U.S. – a highly desirable destination in combination with Canada
- More “majestic” scenery

Product opportunities that surface include:

- Ensuring that nature viewing focused trips also include a measure of indulgence.
 - Fine cuisine, being pampered
 - Spa experience
 - Luxury resorts
 - Korean restaurant dining
- British Columbia coastal cruises
- Exploring by rental car
- Experiencing local culture with friends or relatives living in Canada.

FIT (non-group) travel is very common in Canada (61%). Further, over half of FIT travellers are fully independent – not buying any packages.

This is higher than for South Korean travellers to most other countries and is due in part to the predominance of a VFR connection, as well as school related travel.

The profile of FIT travelers is very similar demographically to the non-FIT traveler. One exception is that FIT travelers are more likely than travelers overall to have close family members in Canada.

Generally, South Koreans love to travel with their families and friends. Canada is no exception – the average (immediate) party size is 5.7 individuals.

Key Findings

Most important for package development, is to be able to offer mid-priced accommodation – especially important for the price conscious South Korean traveller.

Barriers

Despite the appeal of Canada to South Koreans, there are three fundamental barriers to the growth of the South Korea travel market to Canada:

1. Lack of Knowledge

- There is a lack of knowledge about what specifically there is to see and do in Canada. They know little beyond the basic brand imagery.
- Canada actually ranks as low as 11th in the destination priority list, far below its principle long-haul competitors (Australia is #1, U.S. Mainland #2, and specific European countries as high as #7).
- The travel trade is also quite unaware of what the country has to offer, beyond what they glean from existing packaged tour programs.
- The trade actually wants the CTC to appoint an individual in each of the key firms to become the Canadian expert who in turn can educate others.

2. Lack of Product

- According to the trade, the most common Canadian package is a one week trip across Canada – B.C., Alberta and Ontario, covering the scenic highlights of the country.
- Beyond that, there is little product available, in their view.
- To build the pleasure business, new and interesting packages must be brought to market.

3. Lack of Inexpensive Flights

- The FIT market is growing and more and more South Koreans are wanting to purchase inexpensive air tickets. This is especially important for Canada because of the sizeable VFR market (50%) and school related travel (27%).
- Australia and the U.S. in particular have provided numerous low cost airfare options. Canada destined airfares are criticized by the trade for being too expensive.

Key Findings

Trip Planning

In spite of being one of the most advanced countries in the world in terms of Internet usage, South Koreans infrequently use the web for travel planning information (only 35% - even among online panel survey respondents). Part of this may be a bias towards non-Internet contact. 77% of those who did not book online gave either a preference for face-to-face interaction or the requirement of confirmation in person or by phone.

Further, the most common websites for travel information are actually online travel agencies. Use of private sector sites is very low.

Undoubtedly, contributing to this behaviour is the absence of Korean language websites run by the destinations.

Travel agents prevail for planning information (66% use) and for booking (75%).

However, internet use will undoubtedly grow over time and, for CTC Korea, this supports the value of providing Korean language content to the market.

Planning lead times are long in South Korea, especially for long-haul destinations. Canada is no exception, with 2+ months being the average lead time. However, actual booking takes place 3 to 4 weeks in advance for both Canada and other destinations.

Travel Trade

The opinions of the trade reflect the consumer perspective.

As the South Korean travel market matures, the comfort with FIT travel is growing. This is especially the case with repeat travelers who are seeking more experiential travel than is typically presented in group packages.

Further, as the drive for independence grows, the more important the availability of inexpensive air fare becomes as travelers book their own components and seek out the best value for money.

Consequently, the trade needs a more diversified group of flexible packages and inexpensive fares to offer clients.

More FIT packages, directed to the growing family travel market in particular, are essential.

Key Findings

Clarifying that Canada is virtually as close as Australia would help correct a misperception of greater distance.

The no visa requirement is also an advantage worth highlighting.

In general, the travel trade believes that the Canadian Tourism Commission is doing a good job given their limited budget.

The travel trade believes that the efforts of the Canadian Tourism Commission should be expanded into:

- More aggressive marketing and product development;
- An increased effort to educate the trade;
- Increased marketing to the general public; and
- Facilitating more packaged products to sell.

The travel trade interviews identified four key challenges with developing successful Canadian products:

- Lack of knowledge of Canada among consumers;
- Lack of knowledge of Canada amongst the travel trade;
- Challenges with the airlines (mainly Air Canada); and
- The need for a more diverse range of packages.

The travel trade is unanimous in their main recommendations for meeting each of these challenges:

- General advertising for the first challenge;
- Educational trips for the travel trade to meet the second challenge;
- An open-skies policy or a reduction in airfare for the third challenge; and
- Innovation, especially for the FIT market, to meet the fourth challenge.

Given the growing use of the Internet by South Koreans, and the role of the trade as information brokers, Insignia recommends that the CTC consider developing / providing online content for the travel trade.

For British Columbia, the travel trade recommends the development of more in-depth packages, more short term (3-4 day) packages, and more FIT packages.

Key Findings

The travel trade provided fewer recommendations for Ontario due, in part, to a lack of knowledge of the province outside of Niagara Falls.

- This highlights the importance of fam trips to Ontario for a special orientation and product development conference.

SWOT Analysis

SWOT Analysis

Strengths

- The South Korean economy is growing at a rapid but sustainable pace.
- The outbound travel market of South Korea is booming
- Canada has a very aspirational lifestyle
- Friendly, clean desirable place to live
- Appeals to those seeking LOHAS
- Preferred schooling location for students (significant advantage over Australia)
- Large numbers of Korean immigrants and students come to Canada, drawing friends and relatives for visits.
- Beautiful, majestic nature
- Numerous outdoor activity experiences available of high interest to South Koreans (hiking, mountain biking, skiing/snowboarding, dog sledding, whale watching , etc)
- Close proximity to highly desirable U.S. market (advantage over Australia)
- Brand very distinctive from two primary long haul destinations--Europe (old culture, history) and U.S. Mainland (exciting, centre of Western culture)

SWOT Analysis

Weaknesses

- The Canadian dollar's strength compared to the Korean Won.
- Perceived as a very distant destination (further away than Australia perceptually)
- The travel trade lacks awareness of Canadian products
- Limited package offerings
- Australia also offers nature experiences (although different than Canada—more recreational, less passive observation)
- South Koreans are not aware of the range of outdoor activities available in Canada
- General awareness problem with Canadian products, beyond majestic nature
- Canada is much lower on the future destination priority list (11th) than Australia (1st) and the U.S. Mainland (2nd).
- Travel trade perceives an air capacity problem
- Lack of low cost airfares for the FIT market
- Not enough pure pleasure travel—too dependent on VFR and school related motivations

SWOT Analysis

Opportunities

- Create a wider range of packages to communicate the breadth and depth of Canada's product experiences
- Focus on opportunities for Koreans to experience the Canadian lifestyle
- Enhance the appeal to FIT travellers:
 - Low cost airfares
 - Air/hotel packages
 - Fly/drive packages
 - Provide special fares for small groups to encourage family travel (not currently offered by many, if any, airlines). The average Korean party size to Canada is 5.7 persons.
- Project trust with Canadian packages (in contrast to bad experiences with Australian package providers)
- Focus on regional packages to address growing traveller's needs to focus on one region, especially FIT and repeat travellers
- Create interesting specialty packages or package components:
 - Train excursions
 - Spa experiences
 - Specific outdoor activity focus
- Provide packages to include excursions to the U.S.
- Build stronger relationships with the trade
- Build awareness of Canadian products
- Create a Canadian product expert within each major travel agency/wholesaler who can then act as an ambassador for Canada and a source of knowledge and advise to co-workers
- Reach beyond traditional advertising, especially with the Internet
- Use celebrities to promote Canada
- Include Canadian testimonials on popular blog sites
- Consider adding testimonials to CTC Korea website (especially celebrity testimonials)

SWOT Analysis

Threats

- Canada's competitive set is aggressively pursuing the South Korean market.
 - Heavy promotion
 - More flights
 - Cheaper airfare/ packages

Marketing Considerations

Marketing Considerations

Summary

The research has pinpointed ten key areas where the CTC Korea team can take specific action to foster growth in the market for Canada. Each of these is elaborated on in detail on the following pages.

1. Develop a wider array of regionally focused products and packages.
2. Develop packages linked with the U.S.
3. Work with the airlines to bring low airfares to the market.
4. Create Canadian specialists within key trade organizations to take ownership of and to promote Canada internally.
5. Enhance the CTC website with greater interactivity, blogs on travel experience in Canada for example.
6. Use influential Korea celebrities to sell Canada.
7. Encourage non-travel firms to use Canadian imagery in their advertising.
8. Re-position the Canadian brand to address the core appeal of the country to Koreans.
9. Target high priority market segments whose needs can be addressed by the Canadian travel experience.
10. Work with Canadian universities to create educational fairs to which prospective foreign students would benefit from attending.

Marketing Considerations

Develop a wider array of regionally focused products and packages

In general, the trade expects there to be an increase in the desire for “self-directed tours”. These require flexible products that allow for add-ons to existing packages.

The trade believes that the market is ready for regional packages. In particular, that repeat visitors want to focus on one area next time. The primary focus for product development should be on western packages vs. eastern packages that focus on experiencing the Canadian lifestyle. From the focus groups and travel trade interviews, a number of package ideas emerged:

Western Packages

- Vancouver and nature (3 days) – featuring Vancouver and Whistler, offering a western Canada lifestyle experience in beautiful natural surroundings and luxury resorts.
- Vancouver, Vancouver Island (Victoria and Nanaimo) and Whistler (4-5 days).
- Deluxe lodge stays in the Rockies (7 to 10 days) – modeled after popular New Zealand packages.
- British Columbia coastal cruise – beautiful scenery, outdoor activity opportunities, experiencing the good life.
- Train excursion through the Rockies – Eurail has whetted the appetite of Koreans for train travel in destination countries.

Eastern Packages

- Eastern Canada lifestyle culture and nature experience – Toronto, Niagara Falls and Montreal (54% of South Koreans visiting Ontario currently include Quebec)
- Eastern Canada explored – featuring Toronto, Niagara Falls, Ottawa, Montreal, Quebec City, Prince Edward Island (to see Anne of Green Gables).
- Ontario University Fairs (3 to 4 days) – for prospective students.

Both Regions

- Fly/drive – regionally focused emphasizing exploring and freedom.
- Mid-priced hotels – Koreans prefer mid-priced properties and it would help to bring package costs down.

Marketing Considerations

- All packages should be “packed with activities” according to the trade and the consumer. Koreans need to be busy.
- Honeymoon packages – these are popular to Australia, and Canada should be competing directly against this segment. Niagara Falls is known as the “honeymoon capital of the world” in the western hemisphere and this could be communicated in order to appeal to the status conscious South Koreans.
- Whistler and Banff in the west would also be very saleable honeymoon destinations.

Popular Add-on Components

- Spa experiences.
- Rental car (many FIT travellers are organizing their own cars).
- Korean restaurant dining (Koreans look forward to dining at a Korean restaurant in Canada). Other country packages tend to include dining more often than Canadian packages.
- Specific outdoor activities – particularly appealing is hiking, skiing, dog sledding, whale watching.
- Wine country tours (B.C./Ontario).
- Light plane sightseeing.

Develop packages linked with the U.S.

Given the appeal of the U.S. to South Koreans and Canada’s proximity to the U.S., products can be designed to offer South Koreans a taste of the excitement of the U.S. while having a safe “home-base” to return to.

Two examples of U.S./Canada combination trips could be:

- Western America (7 to 10 days) featuring Vancouver and the surrounding area plus Los Angeles and/or San Francisco.
- Eastern America – featuring Toronto, Niagara Falls and New York City.

Work with the airlines to bring low fares to the market.

This is a very high priority. South Koreans are both highly price sensitive and shifting to FIT travel. Key competitors are offering low cost airfares; Canada (according to the trade) is not. Air Canada needs to be convinced of the benefits of lower cost fares; charter airlines need to be encouraged to consider South Korea; and non-Canadian carriers (primarily U.S.) should be encouraged to provide one-stop service to Canada.

Marketing Considerations

Create Canadian specialists within key trade organizations.

Addressing the trade's specific requests, the CTC should foster Canadian specialists within key travel organizations to help create products and sell them internally. One of the barriers that Canada must overcome is a lack of knowledge and product awareness, one that affects not just the market but portions of the trade as well.

Enhance the CTC website with greater interactivity.

The CTC website could be made more interactive and "current" by providing video clips, audio clips, and blogs highlighting real Korean's travel experiences, recommendations on places Koreans would enjoy to travel to, and similar content. This would not only make the site more engaging but aid to increase knowledge about Canada among South Koreans.

Use influential Korea celebrities to sell Canada.

In both the focus groups and travel trade interviews, the importance of celebrity interest in a destination was mentioned. This fits with the status conscious aspect of the South Korean travel market and creates an excellent opportunity for Canada. For example, celebrities providing testimonials about ski holidays in Canada (e.g. Whistler, Banff, etc.) can be used to take advantage of the high interest in skiing among these status seekers.

Any Korean celebrities who have recently been to Canada should be written up by CTC Korea's public relations people. Other celebrities should be contracted to visit Canada for promotional purposes. The popularity of travel blogs in Korea opens the door to using these channels for celebrity testimonials.

Encourage non-travel firms to use Canadian imagery in their advertising.

The trade reinforced the value of the co-op advertising that CTC Korea is currently involved in developing. Any advertiser who promotes LOHAS (lifestyle of health and sustainability) would be a natural to utilize Canadian imagery.

Marketing Considerations

Re-position the Canadian brand to address the core appeal of the country to Koreans.

The best positioning theme for Canada in South Korea, to take advantage of its key strengths and advantages over competitive destinations, should be:

“Come and experience the Canadian lifestyle”

All of Canada's strengths can tie into this theme—whether it relates to the clean, natural environment, the wide open spaces, a sense of freedom and a place to explore, the advanced society, the proximity to the U.S., experiencing the good life, considering Canada as a place to live one day, or schooling children.

Supportive visual imagery should communicate:

- Beautiful, natural scenery (especially unique, majestic nature to differentiate Canada from Australia)
- Clean air and a healthy environment
- An advanced society (standard of living and lifestyle)
- The abundance of outdoor activities (in particular hiking and skiing/snowboarding)
- A sense of freedom
- Exploring by rental car (very popular)
- Satisfied students attending school
- A local Korean restaurant—providing a home away from home experience
- Spa experiences (Koreans love to indulge themselves)
- The ease of crossing the border to the U.S.
- Koreans experiencing local culture

Another core element of Canada's positioning is that the travel time to its west coast is really not that much greater than going to Australia, to overcome the misperception of much greater distance and time.

Target high priority market segments whose needs can be addressed by the Canadian travel experience.

Developed initially from the grass roots learning from the focus groups and then implemented through a statement ranking question in the quantitative survey, Insignia has segmented the travel market into 5 segments, based on the benefits they seek in travel. Three of these segments should be prime prospects for Canada and there are specific opportunities with the fourth that should be exploited.

Marketing Considerations

Wellness Seekers (Prime Target)

This segment represents 22% of the South Korean travel market. They aspire to a lifestyle of health and sustainability (LOHAS) and seek out travel destinations that provide a clean, healthy environment. The Canada brand is ideally suited to the needs of this group.

Outdoor Experience Seekers (Prime Target)

Also representing 22% of the travel market, this segment wants to actively participate in outdoor sports, surrounded by beautiful, unspoiled nature. The opportunity to “rough it” is highly appealing. Australia appeals to this segment, but the Canada brand is clearly in the same image space.

Aspirational Lifestyle Seekers (Prime Target)

At 27%, key benefits sought in travel by this segment are to explore a better lifestyle for their family. Highly appealing is an advanced culture with a better quality of life where their children can attend school. Canada provides the right ingredients for their needs as well. The Canadian lifestyle is highly aspirational in terms of standard of living, health care, government services, economic infrastructure, and material wealth.

Status Seekers (Niche Opportunity)

This group (11% of the market) shows all the signs of status seeking – wanting to visit the same places Korean celebrities do, to buy the latest fashions and to go to places that would impress friends. There is also a high correlation with alpine skiing/snowboarding interest which provides a perfect opportunity for the CTC to use celebrity spokespeople to promote Canada’s prime ski resorts.

Young Culture Seekers (Low Priority)

The final segment (18%) is described as Young Culture Seekers because they tend to be both young (often under 30), single, and looking to explore the world – experiencing unique places and expanding their knowledge. Both ‘Western culture’ and ‘Old culture’ (e.g. Europe) are highly appealing, as are places of historical importance. However, Europe and the U.S. are the cultural centres that appeal to this group, not Canada.

Marketing Considerations

Demographically, the key segments skew over 40 years of age, married with children. Those with the highest potential have friends or relatives in Canada or have children who want to attend school.

Work with Canadian universities to create educational fairs to which prospective foreign students would benefit from attending.

Prospective Korean students often travel to Canada with their families to check over schooling options. Any existing multi-university fair should be of interest to this segment.

Media Planning

From a media planning perspective, there would be advantages to placing billboard advertising in and around spas, schools (high schools in particular) and popular high-end restaurants in order to specifically target several of these segments:

- Wellness seekers
- Young culture seekers
- Aspirational lifestyle seekers/status seekers

FOR MORE INFORMATION, PLEASE CONTACT TOURISM BC RESEARCH DEPARTMENT (research@tourismbc.com) FOR THE FULL FINAL REPORT.