



JUNE 2014

Overview

- South Korea was British Columbia's (BC) seventh largest international market in terms of direct customs entries in 2013; this ranking dropping one spot from 2012. South Korea was Canada's tenth largest market in 2013, remaining unchanged since 2012.
- South Korea was the fourth largest Asia/Pacific market for BC and fifth largest for Canada in 2013.
- In 2013, South Korea accounted for 9% of BC's Asia/Pacific entries and 8% of Canada's Asia/Pacific market share.

Top countries to BC (2013)

USA overnight	1	South Korea	7
China	2	Hong Kong	8
United Kingdom	3	Mexico	9
Australia	4	India	10
Japan	5	Philippines	11
Germany	6	Taiwan	12

Source: Statistics Canada

The market at a glance

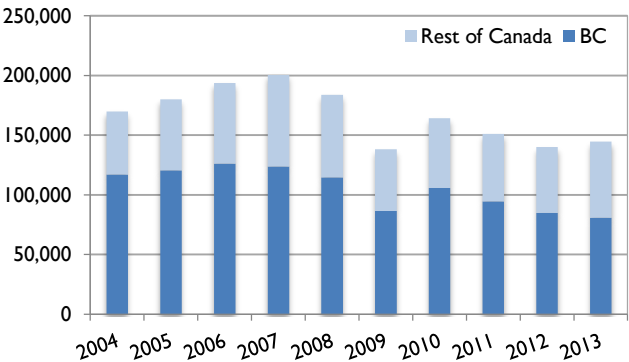
Estimated outbound trips from South Korea (2012)	14.9 million	Population (Korea, 2012)	50.0 million
Direct customs entries to BC (2013)	80,971	Unemployment rate (Korea, 2012)	3.2%
BC's share of Canada's South Korean custom entries (2013)	56%	GDP per capita (Korea, 2012)	\$30,800 USD
South Korea as a share of BC's total international customs entries (2013)	2%	GDP growth (Korea, 2011)	3.7%
Asia/Pacific as a share of BC's total international customs entries (2013)	20%	GDP growth (Korea, 2012)	2.0%
South Korea as a share of BC's Asia/Pacific customs entries (2013)	9%	Forecasted GDP growth (Korea, 2013)	2.7%

Sources: Canadian Tourism Commission, OECD, Statistics Canada

South Korean overseas travellers

- The travel market in South Korea started to recover in 2010 after the global economic downturn in 2008-2009.
- In 2012, South Koreans made almost 15 million outbound trips; roughly 14 million trips were recorded in 2011. Approximately 70% of Korean outbound travel is to Asian destinations.
- In 2013, almost 145,000 South Koreans travelled to Canada; 56% entered directly through BC (down 5% from 2012). South Korean entries to Canada decreased 15% in the 2003-2014 period and entries to BC decreased 31%.
- In 2013, annual inbound air capacity into Vancouver International Airport (YVR) from South Korea was 1% of total capacity to YVR. Total inbound air capacity from South Korea decreased 4% between 2009 and 2013, with air capacity at 148,430 in 2013. This reflects non-stop, one direction flights for all passengers (travellers/non-travellers) into YVR.

South Korean overnight customs entries (2004-2013)



Sources: Canadian Tourism Commission, Statistics Canada, Vancouver International Airport

The South Korean traveller in Canada¹

Visitor characteristics

In 2012, there were more male visitors from South Korea (54% male and 46% female). However, since 2009 the number of male visitors has decreased 4% while the number of female visitors has increased 4%.

The average party size for South Korean visitors has remained stable since 2009 (average size of 1.4). In 2012, nearly three-quarters of South Koreans travelled to Canada alone, down from 78% in 2009. In 2012, fewer South Koreans travelled in parties of three (down 3%) while travel in parties of two increased 8%.

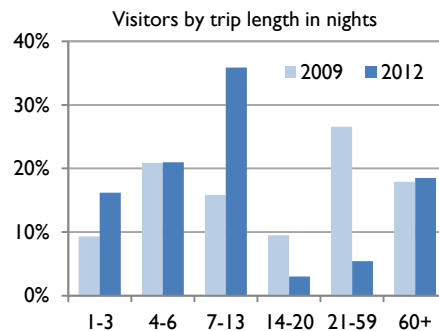
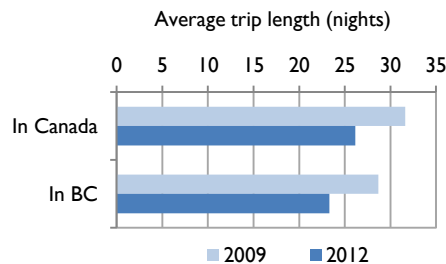
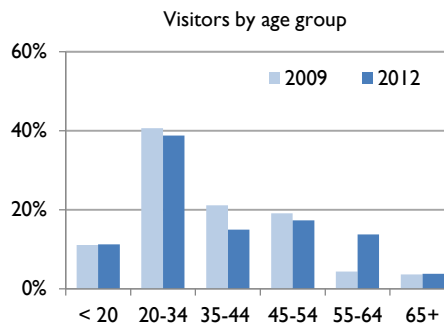
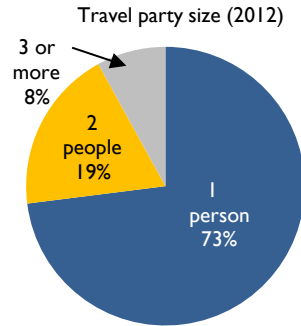
In 2012, young adults (aged 20 to 34 years) accounted for nearly 40% of South Korean travellers. There was a decrease of six percentage points among adults aged 35 to 44 years between 2009 and 2012. Adults aged 55 to 64 years saw the largest increase of nearly 10 points, up to 14% in 2012.

Trip characteristics

South Koreans have decreased the length of their trips to both Canada and BC by 5 nights since 2009. South Korean travellers to Canada (who also visited BC) spent most of their trip in British Columbia (26 nights in Canada, 23 nights in BC). Leisure travellers spent on average 22 nights in Canada and 19 nights in BC.

Over one-third of South Koreans visited Canada for one to two weeks (7 to 13 nights), up 20% from 2009. In addition, trip length of 21 to 59 nights decreased by more than 20% from 2009. In this same time period, shorter trips (1 to 13 nights) have increased significantly from 46% to 73% (including educational stays).

The volume of travel from South Korea to Canada, by month, fluctuated in 2012. Over 70% of South Korean travellers visited between May and October, peaking at 18% in July.



Data sources for South Korean travellers in Canada

The International Travel Survey (ITS) is an ongoing survey conducted by Statistics Canada in partnership with the Canadian Tourism Commission and some provinces, including BC.

The survey contains questions designed to collect data on the characteristics of travellers.

The ITS provides statistics on the volume and demographics of international travellers and on characteristics of their trips such as activities, expenditures, places visited, accommodations and length of stay.

The data in this section is based on the 2012 ITS results and on those who entered Canada from South Korea and who spent at least one night in BC.

Comparisons to the 2009 ITS results are discussed where available.

For more information, please visit www.statscan.gc.ca



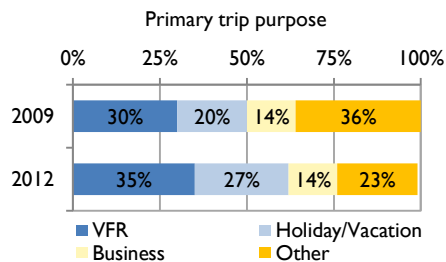
¹ Some totals may not sum to 100% due to rounding.

The South Korean traveller in Canada

Activities and transportation

Just over one-quarter of South Korean travellers to Canada visited for leisure (holiday/vacation) purposes, up 7% from 2009. Visiting friends or relatives (VFR) also increased 5 percentage points, from 30% to 35%. Between 2009 and 2012, “other” travel declined from 36% to 23%, with educational trip purposes dropping 12% within this category.

While shopping and sightseeing were the most popular activities for South Korean travellers, participation in both declined since 2009 (from 94% to 87% for shopping and from 86% to 82% for sightseeing). Visits to parks increased 8%, however almost every other activity had decreased or no change in participation rates. Most notably, there was a decline of 21% for participating in sports or outdoor activities.



Activities while in Canada

Trip activities	2009	2012
National or provincial park	51%	59%
Friends or relatives	63%	53%
Museum or art gallery	28%	25%
Sports or outdoor activities	44%	23%
Festival or fair	19%	18%
Historic site	22%	18%
Zoo, aquarium or garden	25%	17%
Theme or amusement park	16%	16%
Bar or night club	21%	12%

*Other than shopping and sightseeing

For South Korean travellers in Canada, metros, subways or taxis was the most used mode of transport in 2012, increasing from 2009. The largest decline in transportation mode was seen in the use of rented (-8%) and private (-6%) automobiles.

Transportation while in Canada

Transport method	2009	2012
Metro, subway, taxi	57%	60%
Private automobile	58%	52%
Bus	43%	46%
*Boat	21%	18%
Plane	18%	15%
Rented automobile	16%	8%
Train	2%	2%
Private boat	0%	0%
Private plane	0%	0%

*Includes cruise, ferries, etc.

Spending and perceived value

On average, South Korean travellers spent \$1,900 per party during their visit to Canada in 2012, down 10% from 2009. In 2012, travel parties spent \$74 a night, up 9% from 2009.

In 2012, about 60% of spending was directed to food, lodging and transport. South Koreans spent, on average, more money on food and beverage in 2012, up 3% from 2009.

Expenditures by travel party

Expenditure type	2009	2012
Accommodation	24%	25%
Transportation	15%	14%
Food and beverage	21%	24%
Recreation/entertainment	15%	16%
Other costs	25%	22%
Total spend by party	\$2,139	\$1,936
Party spend by night	\$68	\$74

In 2012, over three-quarters of South Korean visitors to Canada were most satisfied with the hospitality of the local people. Two-thirds were satisfied with having a variety of things to see and do.

Since 2009, all five trip experiences saw ratings increase from “poor” to either “average” or “good” ratings. Ratings of “good” for the variety of things to see and do increased 10% since 2009. In general, “good” rating percentage points were lower among South Koreans than for other overseas visitors.

South Korean travellers were less satisfied with their trip to Canada in terms of value for money. Nearly 60% of South Koreans said Canada’s value for money was adequate, 24% indicated the value as “poor”.

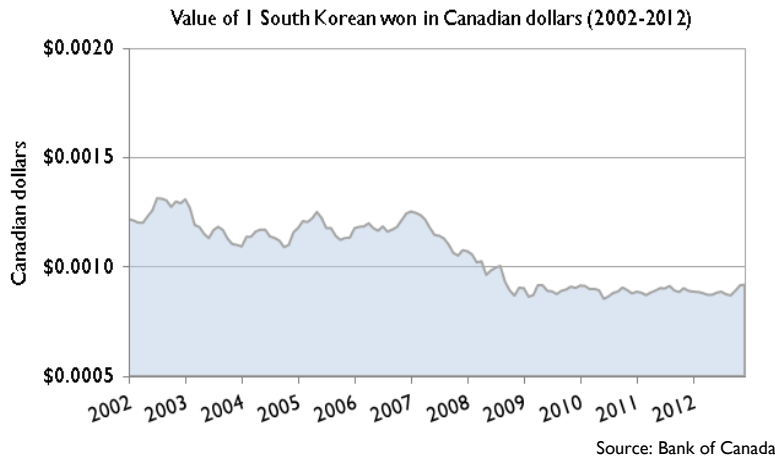
Trip experiences in Canada

Satisfaction with...	2009	2012
Transportation services		
Good	58%	58%
Average	31%	39%
Poor	11%	3%
Accommodation services		
Good	52%	58%
Average	42%	40%
Poor	6%	2%
Hospitality of local people		
Good	76%	76%
Average	21%	23%
Poor	3%	1%
Value for your money		
Good	15%	18%
Average	55%	58%
Poor	30%	24%
Variety of things to see and do		
Good	56%	66%
Average	34%	29%
Poor	10%	6%

South Korea's economic profile

South Korea, over the past four decades, has demonstrated incredible growth and global integration to become a high-tech industrialized economy. Although Korea's export focused economy was hit hard by the 2008 global economic downturn, it quickly rebounded in subsequent years, reaching as high as 6.3% growth in 2010.

The US-South Korea Free Trade Agreement went into effect in March 2012. Throughout 2012 and 2013 the economy experienced much slower growth averaging a more moderate 3.2% per annum, mostly because of market slowdowns in the United States, China and the Eurozone.



In 2014, the government is likely to face the challenge of balancing heavy reliance on exports with developing domestic-oriented sectors, such as services. The South Korean economy's long-term challenges include a rapidly aging population, inflexible labor market and heavy reliance on exports, which comprise about half of the GDP.

Another source of concern for the government and the central bank has been the level of the won (Korea's currency), which strengthened against the dollar by 8% in early 2014 from a low six months previously. However, the won remains much weaker than its levels in the years leading up to the 2008 financial crisis. A persistently strong current account surplus has increased concerns that the won is still significantly undervalued, in part because of authorities' intervention in the foreign exchange markets.

For the most part, both business and consumer confidence are strong in Korea. Private consumption has been rising, along with a pick-up in property prices and reasonably strong wage growth. The longer term outlook for Korea's economy is casting some doubts, however, in the face of slowing growth in China.

Sources: CIA World Factbook, Financial Times, Reuters

Competition for Canada and BC

The Canadian Tourism Commission (CTC) defines Canada's competitive set for the long-haul South Korean leisure travel market as the United States (US), Australia, New Zealand, Switzerland, France and the United Kingdom (UK).

The South Korean economy is recovering better than many other economies. GDP growth rate, low interest rates, consumer spending and low unemployment rates have all contributed to the recovery. Still of concern however, is high personal debt, consumer confidence and the Korean won. Although the travel market softened due to the economic downturn, South Korean long-haul travel intenders have been anxious to head abroad with the economy showing signs of recovery.

Koreans appear to have little knowledge of Canadian destinations. The US emerges as the front runner as the destination South Korean travellers feel most knowledgeable about. Canada, France and Australia are tied for second spot on aided destination awareness.

Over one-third of South Korean travellers have visited the US or Thailand in the past, making them the most visited countries. Fewer than 15% have ever visited Canada, with 30% of those trips having occurred in the past three years.

The US and Australia hold the top positions for unaided destination consideration. European countries are gaining share and appeal while interest in Canada dropped marginally and sits at fifth place overall, the lowest rank in six years.

South Korean travellers showed the greatest interest in visiting the US and Switzerland in the next two years. Although aided interest in visiting Canada increased, growing interest in other destinations caused Canada to drop to last spot among the competitive set. BC remains ahead of Ontario as the leading Canadian destination of interest.

In the past, South Koreans expressed the greatest interest in exploring nature with vibrant cities, culinary experiences, city activities and cultural attractions. Urban experiences are becoming of greater interest to South Korean travellers as expressed levels of interest in exploring nature, visiting parks, culinary experiences and observing wildlife is decreasing. Canada's top strength is in winter activities, although winter activities hold the least appeal among South Koreans. Switzerland is also highly regarded in this area. Although Canada holds the top spot for beautiful scenery, travellers are expressing less interest in this experience. The US is the top destination for entertainment and city experiences.

Source: Canadian Tourism Commission

Emerging trends in travel

The South Korean travel market has seen more accessible airline capacity, growing demand for tour group bookings and an emerging independent traveller market. South Koreans regard travel as good for their personal wellbeing and refreshment (i.e., pursuing a happy and healthy life - physically and mentally).

As travellers, Koreans seek beautiful environments and a strong urban and city element, with interest in the latter increasing especially. They tend to be concerned about personal safety which can be expected given that many are aged over 50 years. The top considerations of South Koreans when selecting any travel destination are safety and security, value for money, family friendliness, natural beauty and good food and wine. South Korea is considered a price sensitive market and the expense of a Canadian vacation is an often cited barrier that could prevent or delay a trip to Canada.

South Korean National Holidays	2013	2014
New Year's Day	January 1	January 1
Seollal (Lunar New Year)	February 9-11	Jan 30-Feb 1
Independence Movement Day	March 1	March 1
Children's Day	May 5	May 5
Buddha's Birthday	May 17	May 6
Memorial Day	June 6	June 6
Liberation Day	August 15	August 15
Mid-Autumn Festival	September 18-20	September 7-9
National Foundation Day	October 3	October 3
Hangeul Proclamation Day	October 9	October 9
Christmas Day	December 25	December 25

Source: timeanddate.com

For more information, please contact:
Destination British Columbia
 Research, Planning & Evaluation
 Email: tourismresearch@destinationbc.ca
 Website: www.destinationbc.ca/research.aspx

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For the most part, South Koreans prefer modern accommodation facilities at modest prices. Youth hostels are popular with the younger set. According to the Canadian Tourism Commission (CTC), long-haul trips tend to be planned in advance (7 months) with careful consideration to details, so that the booking cycle is quite lengthy (4 to 5 months).

The South Korean travel distribution system is complex and constantly changing. Consumers use a combination of traditional and online channels to plan and book their travel. There is often no clear distinction between wholesalers and retail agencies in the marketplace.

Hanatour is the largest wholesale agency and has diversified the number of Inbound Tour Operators (ITOs) it works with. Hanatour also promotes a strong FIT (Free Independent Traveller) brand/business unit called Hana Free. Hanjin/Kal Tour is a subsidiary of Korean Air. ITOs provide a vital link between international product and South Korean group travel agents.

Travel agents do play an important role in the South Korean market, with three-quarters of travellers still consulting an agent about long-haul trips. A significant proportion also book through a travel agent, although South Korean visitation to Canada is less reliant on travel agents than the general public. Canada is seen as a safe and suitable destination for greater independence.

There are two types of overseas travel agencies in South Korea: General Travel Agencies (GTAs) handling both inbound and outbound travel and Overseas Travel Agencies (OTAs), selling only outbound travel. All major travel agencies have an online presence; however, the number of direct consumer enquiries and visits to offline agents is still high.

Luxury travel is a growing trend in the South Korean market, especially with the older age travel demographic. Two large wholesalers, Hanatour and Mode Tour Network, have dedicated divisions dealing with luxury products; they are Zeus and Jewellery Mode. Korean Air's partner travel agent, KAL Tour, uses KALPAK for luxury products. Jason Travel is specialized in high-end honeymoon products. Major credit card companies also provide cardholders with travel services, including high-end packages.

South Korea is one of the most connected countries in the world with high broadband penetration rates and a tech savvy population. Facebook is not the number one social media site; Cyworld is South Korea's top social network. Travel blogs are also very popular.

Sources: Canadian Tourism Commission, Euromonitor International, MVF Global Customer Acquisition, Tourism Australia, Tourism New Zealand