Canadian Tourism Commission
Commission canadienne du tourisme

Global Tourism Watch Year 1

South Korea – Key Findings

Canadian Tourism Commission (CTC)

Canada

www.canada.travel

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introduction

Background

The shocks of 2001 and 2003 were strong reminders for the tourism industry regarding the speed of which consumer perceptions and decision-making processes can change based on a single event.

While there has not been a major shock to the tourism industry since 2004, a myriad of technological, social, environmental, and policy changes have occurred, affecting consumer perceptions, attitudes, motivations and travel intentions. Such changes include:

- Escalation of social media websites and their popularity across many age groups;
- Desire for healthier and more sustainable lifestyles;
- Climate change and related advocacy efforts by high-profile personalities; and
- Entry rules such as the Western Hemisphere Travel Initiative (WHTI).

To stay on top of and to adjust to the changes that are occurring, an annual research monitor was initiated to keep a pulse on consumer changes in CTC key markets.

Objectives

In 2007, the Canadian Tourism Commission, in conjunction with a partnership group that included Ontario, British Columbia, Manitoba, the Atlantic and the North, engaged Harris/Decima to conduct the Global Tourism Watch (GTW) tracking research. The program was implemented in eight global markets – the US, Mexico, the UK, France, Germany, Australia, Japan, and South Korea.

The research objectives are to collect market intelligence (across all markets in a consistent way) related to four over-arching themes:

- Monitoring key performance indicators;
- Tracking response to Brand Canada;
- Identifying and tracking product opportunities; and
- Providing input into marketing activities and strategic plans.

Methodology

The target population for the survey consisted of residents, aged 18 and older, who have taken a long-haul pleasure trip where they stayed at least one night in paid accommodations in the past three years or who plan to take such a trip in the next two years.

A total of 1,546 South Korean respondents completed the online survey. A quota was set to reach n=200 past travellers to Canada. Fieldwork was conducted in November 2007.

The online survey sample was weighted by region, age and gender to align it with the long-haul traveller population in each market based on data collected through a random telephone Omnibus (n=2,000).

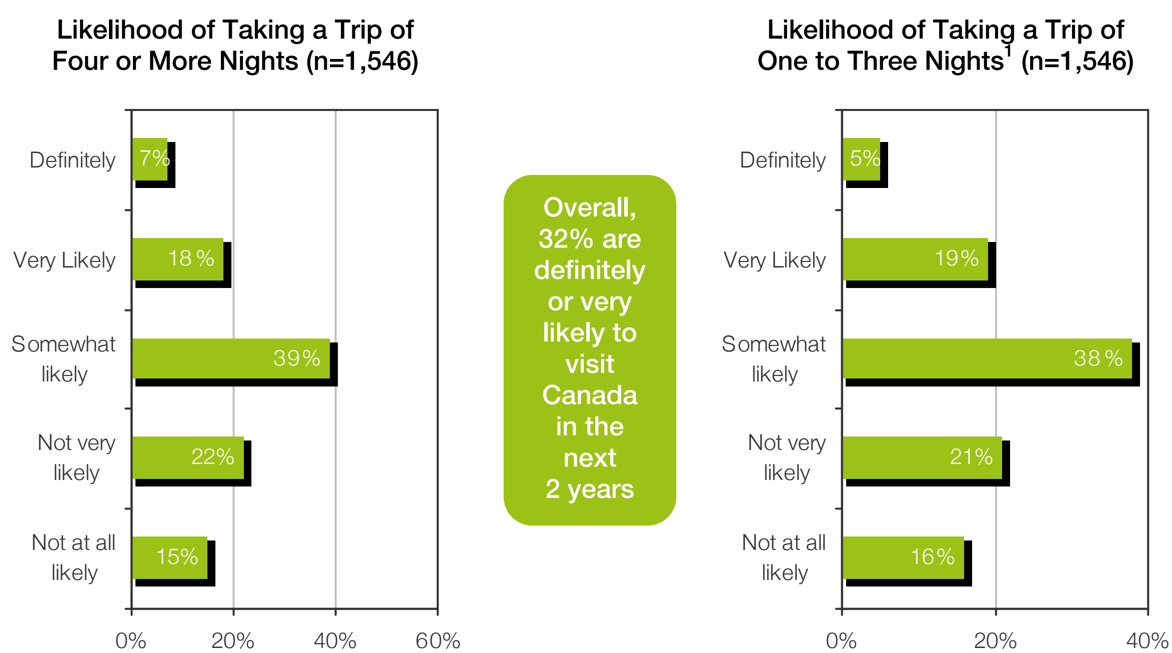
what is the outlook for travel to canada and the regions in the next 2 years?

Likelihood of Visiting Canada

The likelihood of visiting Canada in the next two years was assessed for both shorter stays of one to three nights and longer stays of four or more nights (see Exhibit 1). In total, almost a third (32%) of Korean long-haul pleasure travellers say they are either definitely or very likely to visit Canada in the next two years, providing a solid base of receptivity for Canada's marketing efforts in this country.

Interestingly, the proportion who say they are considering a shorter trip to Canada (24%) equals the proportion who are considering a longer trip (25%). This points to good opportunities to market Canada as a short-break destination (given Koreans' lack of vacation time) or as an add-on to US travel (particularly after the visa-free status goes into effect).

Exhibit 1: Likelihood of Visiting Canada in the next 2 years



Base: Long-haul pleasure travellers.

Note: 1 Including trips to other countries (e.g. the US) that involve a stay of one to three nights in Canada.

Size of the Potential Market to Canada

Exhibit 2 provides an estimate of the size of the potential market for Canada in two ways – the target market and the immediate market.

The target market is a broader estimate of the market size based on expressed interest (very or somewhat) among Korean travellers interested in visiting Canada in the next two years. This yields a target market of almost 6 million travellers with some level of interest in Canada.

The immediate market is a more conservative estimate based on those who say they will definitely or are very likely to visit Canada in the next two years. Under this scenario, there are more than 2.6 million travellers with immediate potential for conversion. Again, this makes South Korea one of the smaller markets in terms of immediate potential for Canada.

Although there is clearly a sizeable potential market for Canada, converting interest into actual travel will be a challenge due to low awareness, competition from better known and/or closer destinations, and the cost of a trip to Canada in a market where financial reasons are the main constraint for travel.

Exhibit 2 – Size of the potential market to Canada (next 2 years)

	Size of Potential Market to Canada
Total potential long-haul pleasure travellers (aged 18 plus)	8,183,000
Target Market for Canada	
Very/somewhat interested in visiting Canada in the next 2 years	73%
Size of the target market	5,974,000
Immediate Potential for Canada	
Will definitely/very likely visit Canada in the next 2 years	32%
Size of the immediate potential	2,619,000

Base: Long-haul pleasure travellers (n=1,546)

Canadian Destinations[1] Likely to Visit

Exhibit 3 indicates that Ontario and British Columbia are the leading destinations of interest among likely travellers to Canada. In fact, Korea is one of only two GTW markets where interest in British Columbia is on par with Ontario (both at close to 90%).

Around 40% say they will visit the Atlantic region. The Northern region garners the interest of a fifth of likely travellers to Canada.

Vancouver is the individual destination that draws the most attention from Korean travellers (80%), which is not surprising given its proximity to Korea and the large Korean population there. Niagara Falls also enjoys healthy interest at 73%. Despite its large Korean population, Toronto wins the interest of just under half of likely travellers. Outside of these major destinations, only Victoria (25%) and Saint John's (21%) appeal to more than a fifth of likely travellers.

Exhibit 3 shows the size of the immediate market potential for the regional partners on the GTW study based on current levels of interest. The market sizes are obviously substantial for Ontario and British Columbia, but the Korean market also offers good potential for the Atlantic region.

Exhibit 3: Destination Interest and Market Potential for the Regions

	BC	MB	ON	ATL	North
Likely to visit region	89%	6%	89%	41%	20%
Size of immediate potential for the regions*	2,331,000	157,000	2,331,000	1,074,000	524,000
Most popular destinations within region	Vancouver (80%)	n/a	Niagara Falls (73%)	St. John's, NFLD (21%)	Yukon (11%)
	Victoria (25%)		Toronto (48%)	Saint John, New Brunswick (18%)	NWT (9%)
	Whistler (13%)		Ottawa (16%)	Charlottetown (17%)	Nunavut (6%)

1 Of CTC partner regions.

what are south korean awareness levels of canada?

Unaided Performance Indicators

The Global Tourism Watch measured three unaided (or top-of-mind) indicators[2] – unaided awareness of Canada, unaided awareness of Canadian travel advertising, and unaided destination consideration.

In terms of unaided destination awareness, Canada ranked third, with 22% of long-haul respondents mentioning Canada as a destination which comes to mind for a long-haul vacation.

For top-of-mind Canadian travel advertising, Canada ranked 6th, with 7% of long-haul respondents mentioning that they had seen or heard Canadian advertising relating to travel or holidays within three months of the survey.

Regarding unaided destination consideration, Canada ranked 3rd, with 11% of long-haul respondents mentioning that they are seriously considering Canada and Canadian destinations for their holiday trips in the next 2 years.

2 All results include Canadian sub-destinations.

what do recent and potential visitors from south korea look like?

Target Market for Canada

Exhibit 4 provides demographic profiles recent travellers to Canada and travellers interested in visiting Canada.

Recent visitors to Canada are a more elite group of travellers: almost 80% are college/ university graduates, 25% are senior executives, and almost 20% earn 96 million won or more a year (i.e., CDN$100,000 plus). Although Canada has a relatively broad appeal in South Korea, these results indicate that it is more affluent travellers who end up making the trip. Again, this suggests that Canada is positioned as a high-end destination.

Recent visitors to Canada also tend to be older, with 46% between 35 and 54. Possibly, it is the older travellers who have the earning power and financial means to support a trip to Canada. However, at almost 40%, the 18 to 34 segment is still sizeable and should not be ignored. In fact, almost a fifth of recent visitors are students, no doubt due to Canada's popularity as a study destination.

At 63% with friends or relatives in Canada, Korean travel to Canada is more likely to be driven by VFR than any other market studied. This is consistent with the picture of older Koreans who are venturing to Canada to visit their children and other relatives.

Those interested in travelling to Canada are a relatively young market (41% between the ages of 18 and 34). In addition to being a relatively young market, Korean long-haul travellers are generally well-educated, well-positioned in the workforce and fairly well off. Approximately 65% have a college or university education, about half are executives/managers, and a little over a quarter (27%) have annual household incomes of 72 million won or more (i.e., in excess of CDN$75,000).

Exhibit 4 – Target market demographics for Canada

	Recent Travellers to Canada (n=206)	Interested in Canada (n=500)
Gender		
Female	51%	48%
Age		
18 to 24	5%	8%
25 to 34	32%	33%
35 to 44	18%	16%
45 to 54	28%	23%
55 or older	17%	19%
Close Friends or Relatives Living in Canada		
Yes	63%	34%
Have Children in Household Under 18		
Yes	46%	40%
Marital Status		
Married / partnered	59%	67%
Single / never married	36%	30%
Other (e.g. separated, divorced, widowed)	5%	4%
Education		
High school or less	21%	35%
Completed college / university	79%	65%
Employment Status		
Employed full-time/part-time	55%	62%
Housewife / homemaker	18%	16%
Retired/Unemployed	1%	5%
Student	17%	10%
Occupation		
CEO / Chairman / Managing Director / President	15%	12%
Director / GM/VP/CFO / Treasurer / Secretary / Controller	10%	7%
Owner / Partner	12%	9%
Manager / Executive / Supervisor / Officer	26%	25%
Other skilled / unskilled white collars	12%	20%
Skilled / unskilled blue collars	5%	7%
Other	21%	21%
Average Monthly Household Income		
Under 3 million won	13%	18%
3 to 3.99 million won	13%	22%
4 to 5.99 million won	42%	34%
6 to 7.99 million won	13%	15%
8 million won or above	19%	12%

Target Market for Canadian Regions

Exhibit 5 shows the demographic profile of travellers who are likely to visit Canada (or are considering a trip there) in the near-term, as well as those who plan to visit each of the regions (only GTW regional partners are included). The profiles for British Columbia and Ontario are based on those who say they are most likely to visit the region, while the other profiles are based on those who express an interest in visiting the region, given the fairly low proportion of travellers who say they are most likely to visit these regions.

There are few meaningful differences across the regions, the most notable being that potential British Columbia travellers are more likely to have friends and relatives in Canada.

Exhibit 5 -- Target market for Canada's regions

	Canada Total[1] (n=1,062)	BC[3] (n=317)	MB[2] (n=70)[4]	ON[3] (n=571)	ATL[2] (n=446)	North[2] (n=202)
Gender						
Female	46%	51%	45%	44%	49%	44%
Age						
18 to 24	7%	9%	7%	7%	8%	8%
25 to 34	36%	37%	30%	36%	33%	33%
35 to 44	16%	15%	17%	17%	15%	12%
45 to 54	23%	22%	24%	22%	24%	26%
55 or older	18%	17%	21%	18%	19%	22%
Close Friends or Relatives Living in Canada						
Yes	27%	33%	24%	25%	26%	24%
Have Children in Household Under 18						
Yes	41%	44%	40%	39%	41%	42%
Marital Status						
Married / partnered	67%	60%	56%	68%	67%	67%
Single / never married	30%	36%	33%	28%	28%	26%
Other	3%	4%	10%	3%	5%	8%
Education						
High school or less	32%	37%	23%	30%	36%	40%
Completed college / university	68%	62%	75%	70%	64%	58%
Employment Status						
Employed full-time/part-time	61%	62%	65%	61%	59%	61%
Housewife / homemaker	16%	19%	12%	15%	15%	10%
Retired / Unemployed	5%	2%	9%	5%	6%	8%
Student	10%	10%	8%	10%	9%	11%

	Canada Total[1] (n=1,062)	BC[3] (n=317)	MB[2] (n=70)[4]	ON[3] (n=571)	ATL[2] (n=446)	North[2] (n=202)
Occupation						
CEO / Chairman / Managing Director / President	9%	12%	11%	6%	10%	11%
Director / GM/VP/CFO / Treasurer / Secretary / Controller	6%	6%	7%	5%	6%	4%
Owner / Partner	12%	11%	14%	12%	12%	12%
Manager / Executive / Supervisor / Officer	28%	26%	28%	31%	25%	26%
Other skilled / unskilled white collars	21%	21%	14%	20%	20%	19%
Skilled / unskilled blue collars	6%	5%	7%	6%	8%	9%
Other	18%	20%	19%	19%	19%	18%
Average Monthly Household Income						
Under 3 million won	19%	18%	20%	17%	22%	23%
3 to 3.99 million won	23%	23%	11%	22%	23%	22%
4 to 5.99 million won	36%	34%	41%	40%	34%	31%
6 to 7.99 million won	14%	13%	11%	14%	11%	11%
8 million won or above	9%	12%	16%	7%	10%	12%

Notes:

1 *Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there.*

2 *Those likely to visit the region.*

3 *Those most likely to visit the region.*

4 *Results should be interpreted with caution due to the small sample size.*

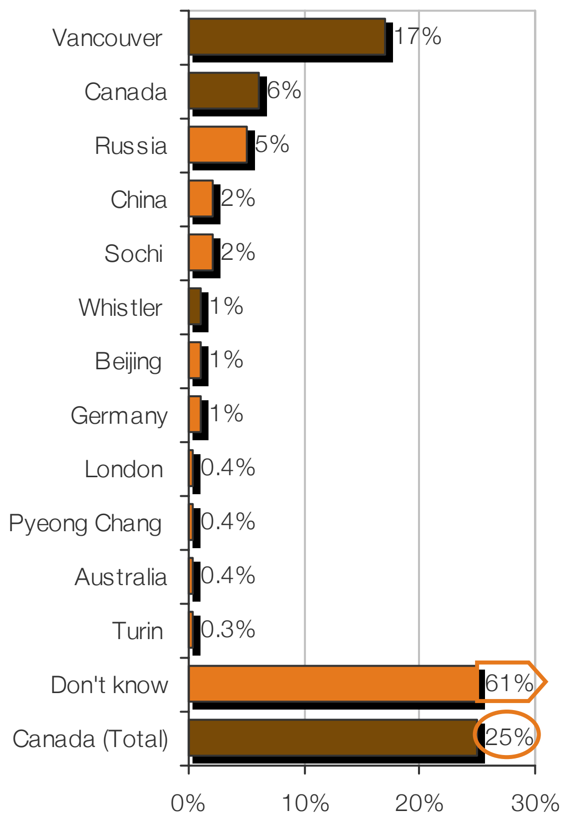
what is the impact of the 2010 Olympic Games on travel to canada?

Around 1 in 4 Koreans correctly identify Canada as the host country for the upcoming 2010 Winter Olympics (see Exhibit 6), with most of them identifying Vancouver as the host city. This is the highest awareness of any CTC market surveyed, possibly because South Korea had bid on the 2010 Games and lost out to Canada.

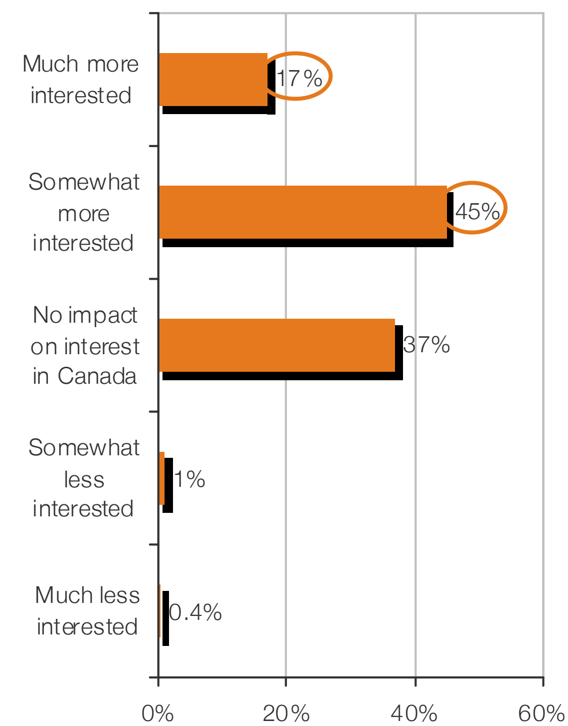
Over 6 in 10 Korean travellers say that Canada's hosting of the Games increases their interest in visiting the country. The high impact level suggests that the Games will provide an unprecedented opportunity for Canada to not only enhance awareness and perceptions of the country among those watching the Games in Korea, but to lure sports-loving Koreans to Canada to experience this prestigious event first-hand.

Exhibit 6 – Impact of 2010 Winter Olympics on General Interest in Canada

Unaided Awareness of 2010 Olympics Host Destination (n=1,546)



Impact of 2010 Olympics on Interest in Visiting Canada (n=1,546)



Base: Long-haul pleasure travellers (n=1,546)

what are canada's product strengths and weaknesses?

Canada's Product Strengths and Weaknesses

Exhibit 7 presents a product strengths and weaknesses map for Canada in South Korea, which looks at impressions of Canada's product offerings vs. the importance of these products to Korean travellers on their long-haul trips. The purpose is to identify products of importance to the Korean market where Canada is either favourably or unfavourably perceived.

General product strengths for Canada are products that are both important in the minds of travellers in planning their long-haul trips and for which Canada is favourably viewed. As in most markets, nature is Canada's key product strength, including rivers/waterfalls and coastal scenery, as well as beautiful landscapes and national parks. Related to Canada's nature offerings, hiking emerges as a strength, as does wildlife. Touring by car/train and guided tours, also edge in as strengths, but just barely, indicating room for improvement in these areas.

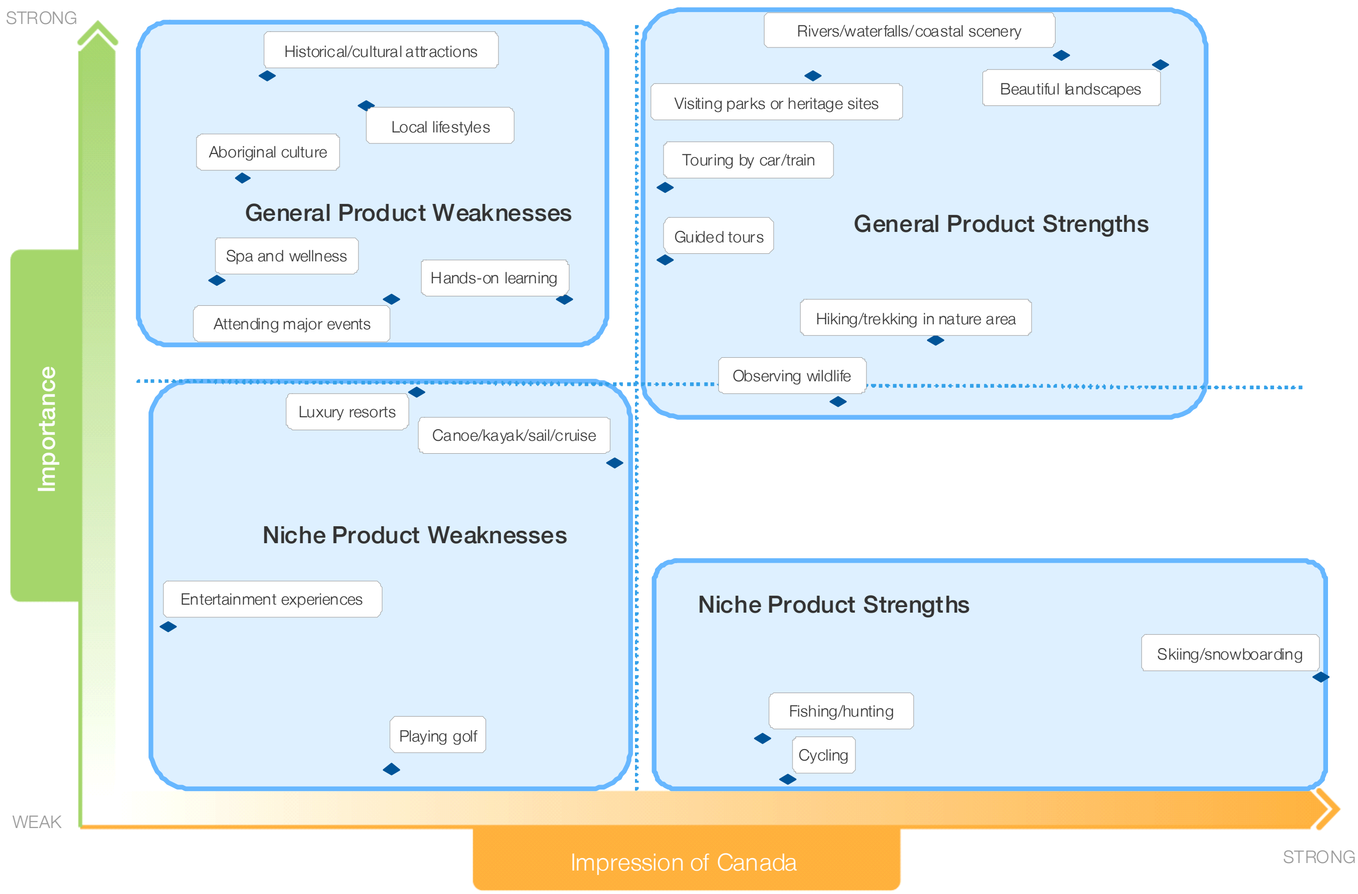
Niche product strengths appeal to smaller groups of travellers and represent potential niche markets to be developed or targeted. As in other markets, these include a number of outdoor activities. Not surprisingly, skiing is Canada's real strong suit, but fishing/hunting and cycling are also niche strengths.

General product weaknesses are products that are important to travellers, but for which Canada is not favourably rated, pointing to possible issues (perceptual or actual) to be mitigated. Within the Korean market, Canada has some real challenges when it comes to positioning the country as a destination for cultural experiences. In fact, product weaknesses include all of the cultural products in the product battery. That Canada has little to offer in the way of cultural attractions, local lifestyles and aboriginal culture is clearly a misperception that needs to be countered given the importance of these products to the Korean market.

Spa and wellness, hands-on learning and major events (e.g., sports, exhibitions) also emerge as general product weaknesses for Canada in the Korean market. Although impressions of Canada for major events may change following the Olympics, for now, it is seen as being weak on the spectator sports that Koreans enjoy, e.g., soccer, baseball and basketball.

Niche marketing weaknesses are unfavourably rated activities that appeal to smaller groups of travellers. As such, a considerable investment may be required to improve product perceptions for a lower return. In particular, Canada is not really seen as being a luxury travel destination (e.g., it is weak on entertainment, luxury resorts and golf). Canoeing/kayaking/sailing also emerges as a niche product weakness.

Exhibit 7 – Product Strengths and Weaknesses Map



Base: Long-haul pleasure travellers (n=1,546).

Top-Rated Products for Canada

Decima conducted a competitive exercise that asked respondents to select the best places to visit for a variety of travel products from amongst seven competitors -- Australia, the US, the UK, Germany, Thailand, and the Philippines.

Results show that Canada has a very limited number of strengths in this market, as do most of its competitors, which likely reflects a lack of detailed knowledge of what is available in different destinations. Where Canada does stand out is skiing, which is good news given that there is a relatively large segment of skiers in Korea. Canada also has strengths, although not unique ones (as Australia is also perceived favourable to be able to provide those experiences), when it comes to landscapes, rivers/waterfalls and hiking/trekking.

what are korean views on environmentally-friendly travel products?

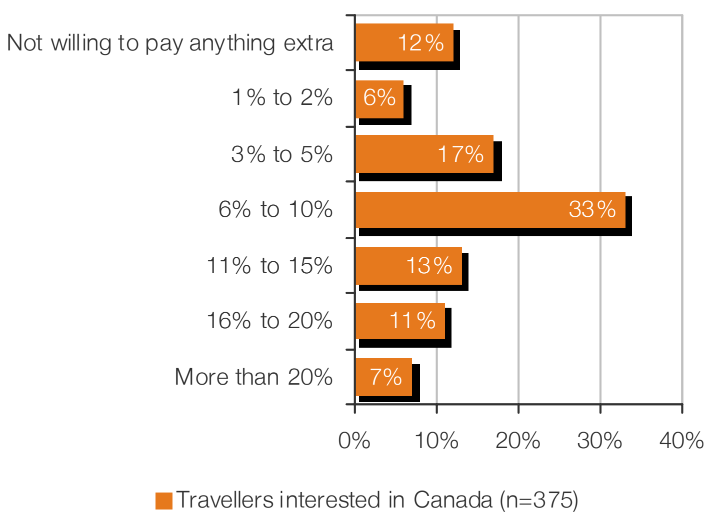
Prompted by growing public awareness of the environmental impact of travel and an increasing focus on responsible tourism in many countries, the GTW survey examined the attitudes of travellers towards eco-friendly tourism and travel products.

The desire to live a lifestyle of health and sustainability (LOHAS) is a burgeoning phenomenon in South Korea. This may explain why Korean travellers are so supportive of environmentally-friendly travel. Survey results show a full 90% say that environmentally-friendly tourism is extremely important, and 70% say they put this into practice when deciding where to travel. This makes Korea one of the three most environmentally aware markets (along with France and Mexico). Of the three, Koreans are the most likely to actively make environmentally-friendly choices when travelling (64%).

The fact that almost 90% of potential visitors to Canada view the country as an environmentally-friendly destination, and the strength of Canada's nature brand in this market, suggests that there may be good opportunities for Canada to tap into this trend with eco-tourism products. One strategy might be to focus the marketing of these products in communities that have been certified as "citta lenta" (slow city), due to their environmentally-friendly cultures.

Exhibit 8 shows a total of 88% Korean travellers interested in Canada said that they were willingness to pay a premium for green travel. Notably, close to 31% said that they are willing to pay a surcharge of more than 10%.

Exhibit 9 – Willingness to pay a premium for environmentally-friendly products (Travellers interested in Canada)



how is canada perceived?

Unaided Brand Personality Perceptions

Brand personality often serves as a good metaphor for understanding travellers' perceptions of a destination. As such, respondents were asked to indicate three personality traits or characteristics that come to mind when they think of Canada as a person. The responses were coded into a number of personality dimensions, each comprised of a group of related personality traits. These included the eight dimensions encompassed by Brand Canada: Authentic, Confident, Informal, Intriguing, Open, Warm, Witty and Youthful, as defined by the CTC.

Exhibit 9 shows that, on an unaided basis, Korean perceptions are not strongly aligned with any one dimension of the new Canadian brand, with moderate mentions of many of the individual traits. Almost 6 in 10 travellers mentioned at least one of the eight Brand Canada personality traits, which is fairly high.

Across the eight dimensions, Warm and Informal are the two traits that are utmost in the minds of Koreans when thinking about Canada's brand personality, each mentioned by 17%.

Interestingly, mentions of "warm" are actually quite low compared to other markets, suggesting that Canada's traditional image as a warm and friendly place may not be as engrained in South Korea as it is in some markets. However, the opposite is true for "informal," which is a more prevalent image in South Korea than in other markets. This suggests there may be some opportunity to position the self-expression aspect of the brand by promoting Canada as a place where Korean travellers can unwind in a laid-back environment and be themselves. This also aligns well with Koreans' perceptions of Canada as offering "freedom."

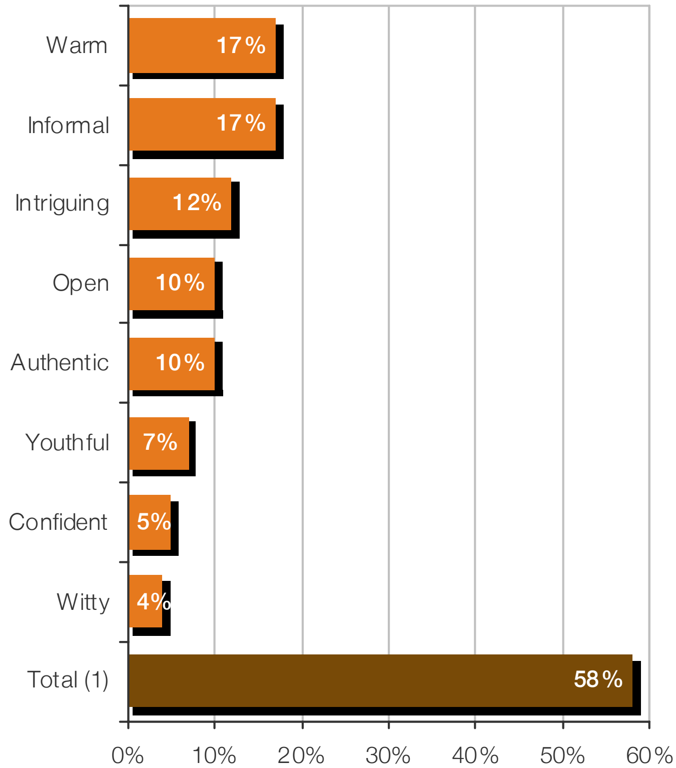
The next most commonly-identified traits of Brand Canada, mentioned by between 10% and 12%, include:

- Intriguing (e.g., fascinating, interesting, exciting, appealing, engaging);
- Open (e.g., accepting, liberal, open-minded, flexible, accessible); and
- Authentic (e.g., genuine, sincere, honest, down-to-earth, trustworthy).

While "warm," "informal," "open" and "authentic" are largely carry-overs from Canada's traditional image of being a friendly and relaxing place to visit, the relatively strong mentions of "intriguing" (12%) add a bit of an edge to help round out the image. However, the other new image attributes have yet to make inroads in the marketplace, and with mentions between 4% and 7%, suggest that more work needs to be done to lend greater excitement, energy and depth to Canada's brand in this market:

- Youthful (e.g., energetic, lively, young at heart, vigorous, fun, vibrant, peppy);
- Confident (e.g., self-assured, sure, secure, poised, positive); and
- Witty (e.g., humorous, quick, entertaining, clever, bright, intelligent).

Exhibit 9 – Unaided Brand Personality Perceptions



Base: Long-haul pleasure travellers (n=1,546).
Note: [1] *Percent who mentioned any of the 8 Brand Canada personality traits (or synonyms thereof).*

Exhibit 10 shows other personality traits that are associated with Canada among Korean travellers. "Nature/natural" is the top trait, mentioned by about 1 in 5, supported by other nature-related adjectives like "expansive/vast" (11%), "beautiful" (8%) and "environmentally-friendly" (5%), as well as "breathtaking/spectacular," "pure/unspoiled/pristine" and "rugged/wild/outdoors" further down the list.

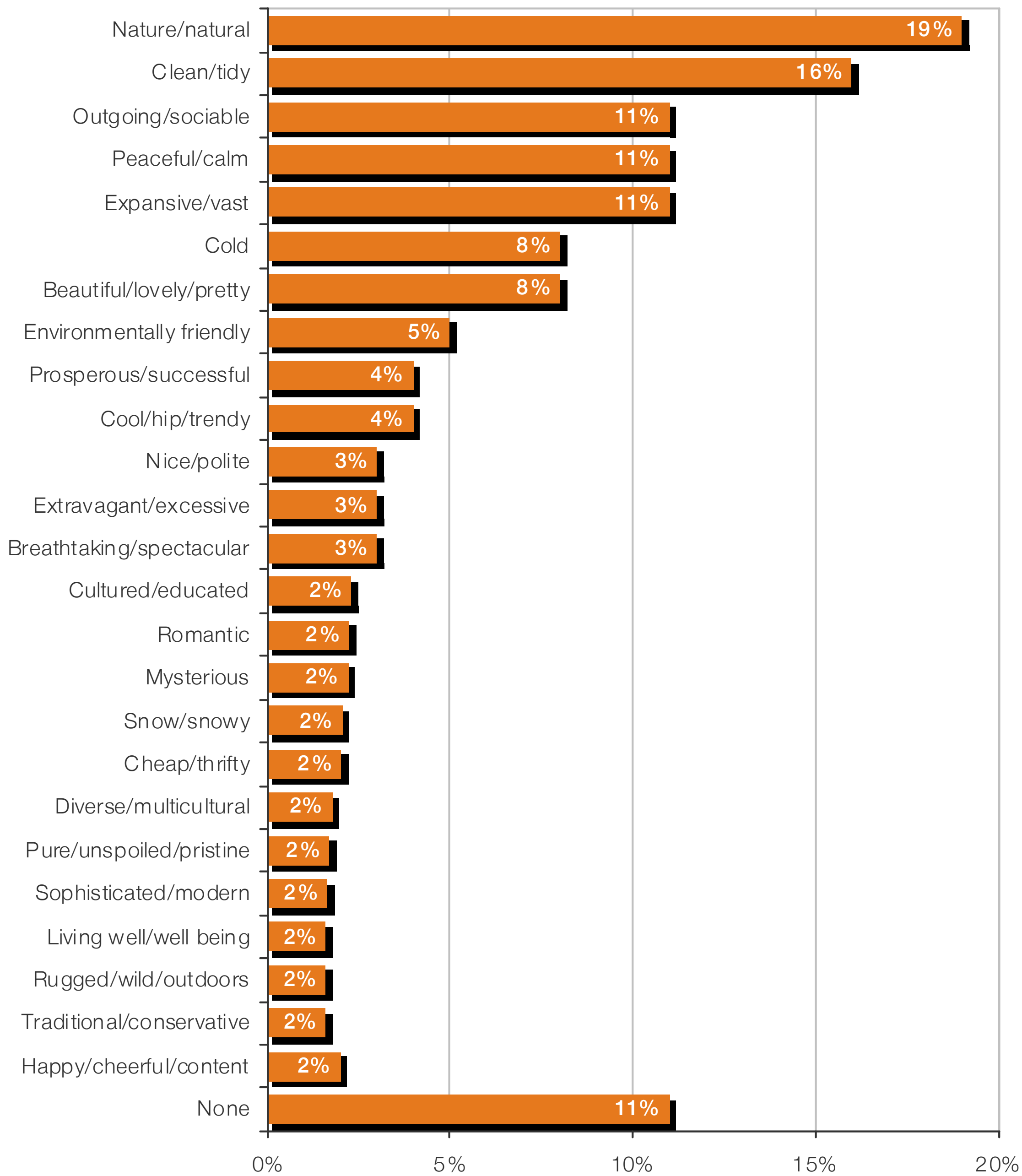
The nature/geography component of the brand is obviously appealing to Koreans, who are known to seek rejuvenation and invigoration from their holidays, with getting back to nature viewed as one way of achieving this. In fact, mentions of "peaceful/calm" (11%) and "living well/well-being" (2%) suggest that positioning Canada as a place for rejuvenation and stress-relief would be both accepted by, and attractive to, Korean travellers.

Also on the list are several noteworthy traits that are more prominently mentioned by Koreans than by travellers in most other markets:

- Clean/tidy emerges near the top of the list (16%) and likely reflects the reputation of Canadian cities, especially when compared with Seoul and other Korean cities that are overcrowded and highly polluted;

- Outgoing/sociable (11%) goes beyond the perception of Canada as merely “friendly” to suggest a more dynamic and energetic environment;
- Prosperous/successful (4%) and cool/hip/trendy (4%) both point to an element of popularity and prestige, which may relate to Canada’s western culture, cities and/or lifestyles;
- Although low in terms of number of mentions (2%), mysterious is a relatively unique mention to South Korea that again points to their lack of knowledge about Canada.

Exhibit 10 – Unaided Brand Personality Perceptions – Other Mentions



Base: Long-haul pleasure travellers (n=1,546).

Value Perceptions

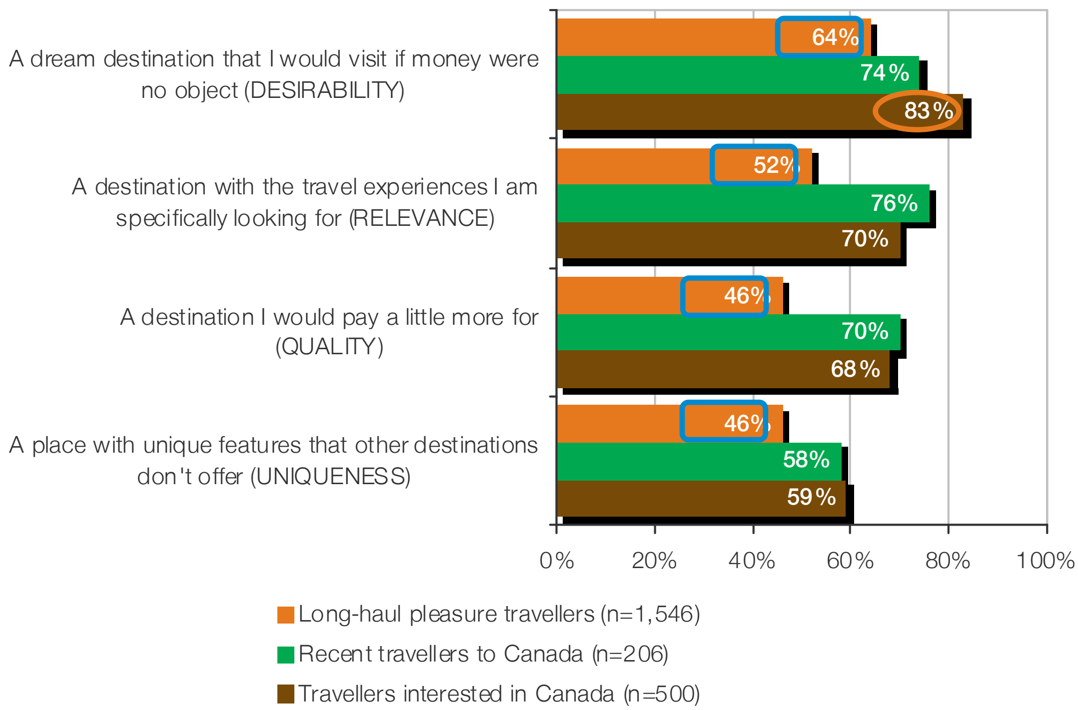
For a destination to have value, it should:

- Have an inherent desirability or appeal;
- Offer high quality experiences and travel products;
- Be relevant to travellers, with the experiences they are specifically looking for; and
- Offer a unique product relative to other destinations.

To assess value perceptions of Canada in South Korea, respondents were asked to rate Canada on four value-related statements that embody each of the above criteria. Exhibit 11 shows that, of the four, Canada performs best on the desirability dimension, with about two-thirds who agree that Canada is a dream destination that they would visit if money were no object. This is consistent with the high interest rating awarded to Canada and confirms that the destination has an inherent appeal to Koreans.

While desirable to many, only half (52%) feel that Canada offers travel experiences that are directly relevant to them, while less than half (46%) feel that it offers a quality or unique travel experience. In fact, Korean travellers give Canada the lowest uniqueness rating of any market, suggesting that Canada should build greater awareness of the specific products available, and at the same time, differentiate these from competitor offerings.

Exhibit 11 – Value Perceptions



Base: Long-haul pleasure travellers.

Notes: Top 2 Box refers to a rating of 4 or 5 on a 5-point scale. ***Blue squares*** *indicate a result that is significantly* ***lower*** *than another group;* ***orange circles*** *indicate a result that is significantly* ***higher*** *than another group.*

Recent Travellers to Canada: those who have visited Canada in the past 3 years (pleasure trip, 4 or more nights, 1 or more nights in paid accommodations).

Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

Price Perceptions

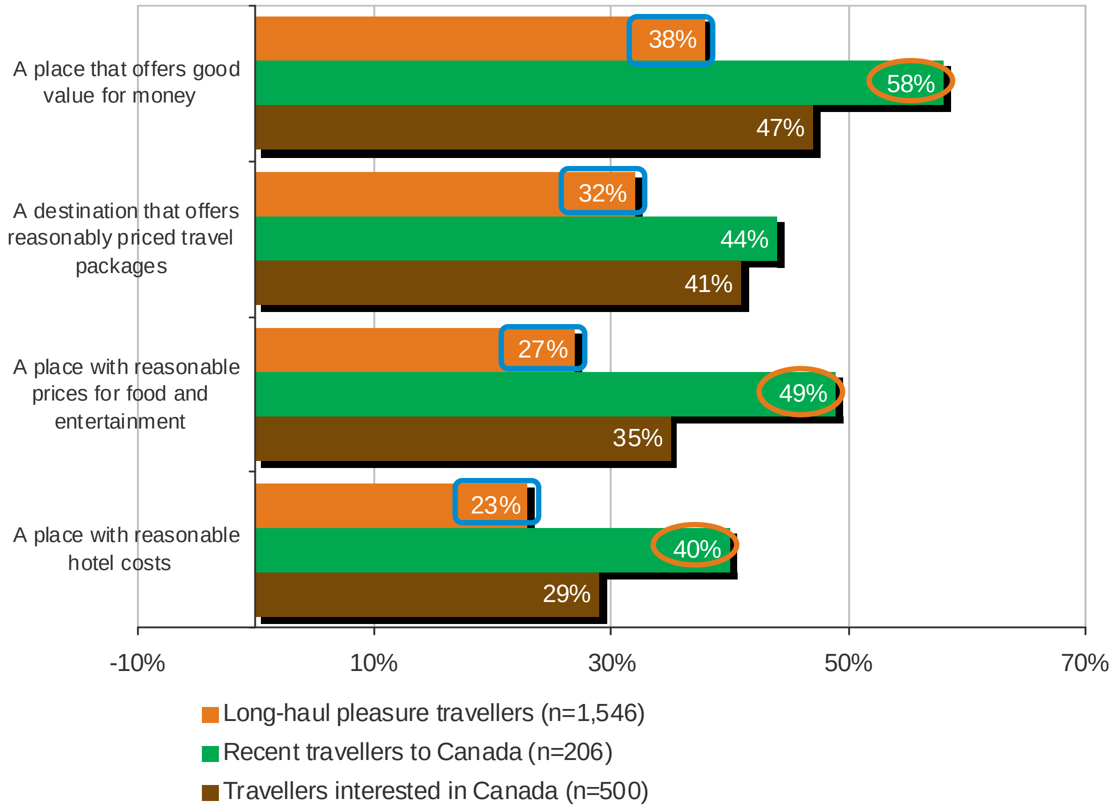
In addition to brand image and destination value, cost obviously plays a major role when it comes to destination decision-making. Exhibit 12 shows how Canada is perceived by Korean travellers on various travel cost components.

Generally, the price ratings are very low, ranging from 38% for value for money down to 23% for hotel costs. Notably, Koreans tend to have worse perceptions of both hotel and food/entertainment costs than travellers in other markets, no doubt exacerbated by the recent appreciation of the Canadian dollar against the won.

Low scores indicate that there are considerable barriers to overcome in marketing Canada as an affordable destination to Korean travellers, particularly since they are known to be price-sensitive consumers that are always on the look-out for a bargain. As well, there is steep competition to be had from cheap package tours to short and mid-haul destinations. As a result, Canada will likely need to position itself as a high-end destination for wealthier Koreans.

Although travellers interested in visiting Canada have better perceptions of the cost of a trip to Canada than the market as a whole, this group still feels that cost is a constraint.

Exhibit 12 – Price Perceptions



Base: Long-haul pleasure travellers.

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why do south koreans visit canada and the regions?

Key Motivations for Visiting Canada

Among those likely to visit Canada (or are considering a trip), Canada's unique attractions/landmarks and landscapes/nature are the primary motivations for wanting to go there. Both are mentioned by 86% of travellers (see Exhibit 13). Also related to nature and the outdoors, about three-quarters say they look to Canada as a place for winter scenery and activities, while almost two-thirds want to visit Canada for outdoor adventure experiences.

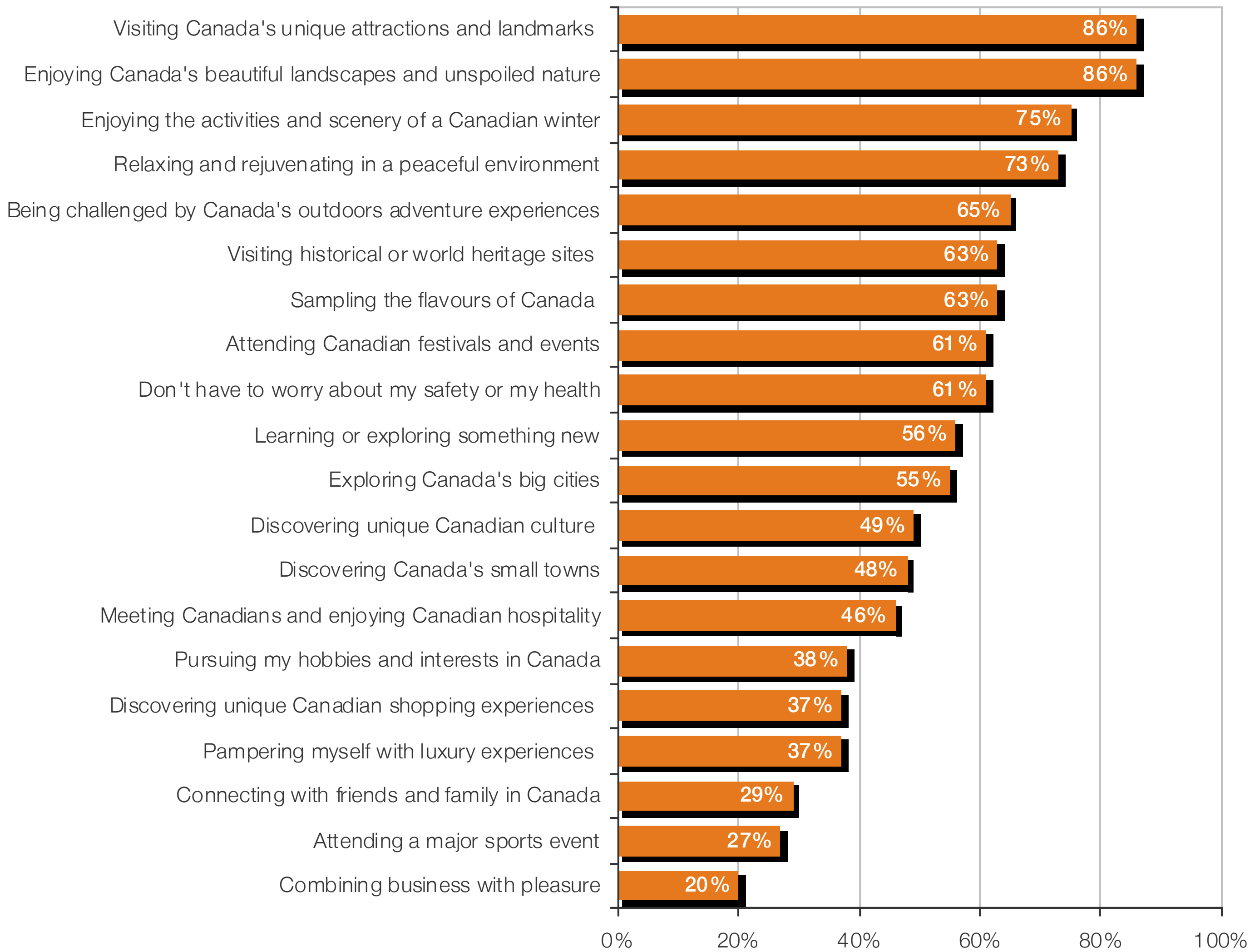
Just under three-quarters say they want to relax and rejuvenate in a peaceful environment, which suggests that Canada does have some "wellness" appeal in this market to build on. In this regard, the fact that over 60% look to Canada for a worry-free vacation is a big plus.

Although culture is a primary interest for Korean travellers on their long-haul trips, they are less likely to be seeking these experiences in Canada, with the lowest scores of any market (i.e., under 50%) for unique Canadian culture, small towns and meeting Canadians. They are also less interested in learning or exploring something new compared with most other markets.

There are however, several cultural experiences that fare somewhat better in the ratings. Historical/heritage sites, the flavours of Canada and festivals/events are motivators for just over 60%, and could be marketed to Koreans who are after a taste of Canadian culture.

Urban experiences such as major sporting events, shopping and luxury experiences all fall towards the bottom of the motivator list, indicating that they are not strong triggers for travel to Canada.

Exhibit 13 – Key Motivations for Visiting Canada



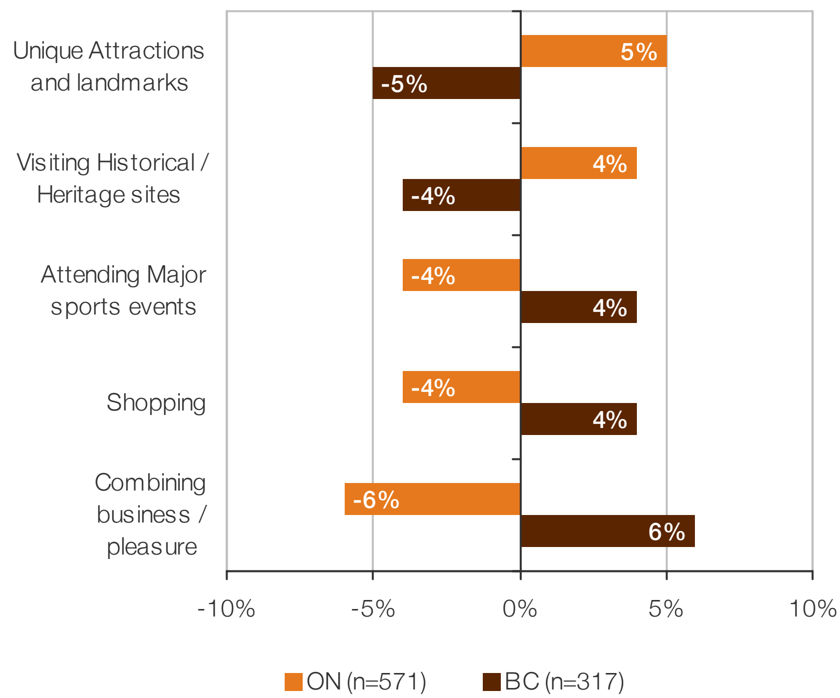
Base: Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there (n=1,108).

Note: Top 2 Box refers to a rating of 4 or 5 on a 5-point importance scale.

Regional Motivations[3]

Exhibit 14 shows how travellers that are likely to visit each of the GTW partner regions are differentiated from each other in their motivations for visiting Canada. Note that motivational scores have been re-calibrated to remove "group and attribute" effects to better emphasize the differences between the regions. In essence, this involves a two-way normalization of scores across both regions and attributes to pull out the differentiating motivations for travellers likely to visit each of the regions.

Exhibit 14: Regional Motivations



Note: In the exhibit, high positive values indicate motivations that are of greater relative importance for a region, while high negative values represent motivations that are of lesser relative importance. The exhibit shows that:

- Travellers likely to visit Ontario are more likely to be motivated by attractions and landmarks (e.g., Niagara Falls) and historical/ heritage sites.

3 Motivations of GTW regional partners with sufficient sample size.

- With British Columbia set to host the 2010 Winter Olympics, it is perhaps not surprising that potential visitors to the province are more likely to be motivated by attending major sporting events. Potential visitors are also more likely to want to shop and combine business with pleasure, suggesting that British Columbia (specifically Vancouver) is seen as the best region for city experiences.
- None of the other regional partners had a sufficiently large sample size (of those most likely to visit) to be included in this analysis.

what barriers does canada face in attracting visitors from south korea?

Barriers for Travel to Canada

Exhibit 15 shows why Korean long-haul pleasure travellers are unlikely to visit Canada in the near-term. These results are important because, more likely than not, travellers that are likely to visit may have similar concerns that could ultimately lead them to select alternate destinations.

As noted previously, the cost of a trip to Canada is a major barrier for Koreans. Among those unlikely to visit Canada in the future, nearly everyone (92%) cites the expense as a barrier, with almost 6 in 10 saying it is a major barrier. This is the highest of any market, and again confirms the positioning of Canada as a higher-end destination. Moreover, the increase of the Canadian dollar against the Korean won has likely worsened these perceptions over the last year. In fact, the unfavourable exchange rate is cited as a barrier by over 6 in 10 – again the highest of any market.

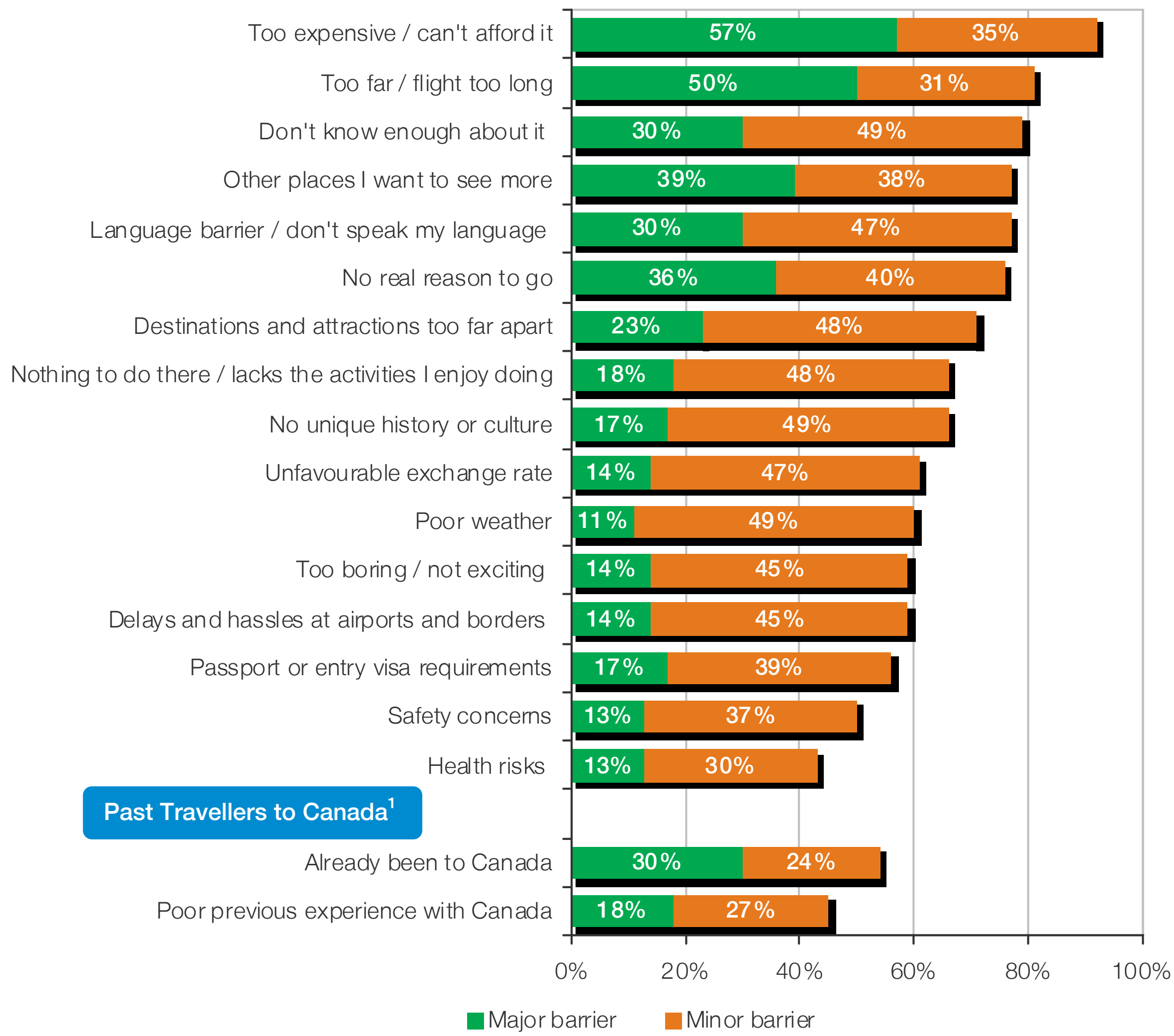
Distance also factors in as a major barrier among Korean travellers. Again, no other market either rates or ranks this barrier as highly as Koreans do. This is obviously a factor for the US as well, so it is not insurmountable, but certainly suggests that Canada needs to do more to build excitement and strengthen the value proposition to negate the distance handicap.

Unfortunately, lack of information and knowledge about Canada is a major issue, mentioned by almost 8 in 10 travellers. Korea is the only market in which this emerges as one of the top three barriers, and it is also the highest absolute mention of any market. This is likely a blanket issue that perpetuates some of the other negative perceptions and barriers that emerge in this market. For example, over three-quarters feel that there is no real reason to go to Canada, two-thirds say there is nothing to do there and no unique history/culture in particular, and almost 60% say that Canada is too boring. It is perhaps not surprising, then, that competition from other destinations plays a role for over three-quarters of those unlikely to visit Canada.

Despite the fact that most Koreans now learn English in school, language issues remain a significant barrier (77%), and are a much more widespread concern in Korea than in any other market. The only other barrier to be mentioned in the top ten is the impression that destinations and attractions are too far apart to see in a single trip (mentioned by over 70%).

The intensity of the barriers in South Korea is particularly notable, with 8 out of the 16 barriers being more prominent in this market than in any other CTC market studied. Clearly, the embryonic nature of this market will make conversion a challenge for Canada in the near-term, as the roadblocks are both pervasive and severe.

Exhibit 15 – Key Barriers for Visiting Canada



Base: Long-haul pleasure travellers who are unlikely to visit Canada in the near future (n=438).

Note: 1 Base is long-haul pleasure travellers who have previously visited Canada and are unlikely to re-visit in the near future (n=32). Results should be interpreted with caution due to small sample size.

where do south korean travellers see or hear information on canada?

Sources of Information on Canada

Close to 85% of all Korean long-haul pleasure travellers, and an even stronger majority (90%) of potential travellers to Canada, recall seeing or hearing information on travel to Canada in the past three months. Despite the lack of detailed awareness about Canadian travel experiences, Koreans appear to be well attuned to Canadian travel information. However, Korea is a media-driven society, and may be more generally tuned into media in general.

As shown in Exhibit 16, television is by far the leading source of information on Canada for Korean travellers. Just under half of all long-haul travellers, and more than half of those interested in Canada, saw information here in the last three months. This suggests that television features on Canada and advertising during travel shows are excellent ways for the CTC to reach the potential market in Korea.

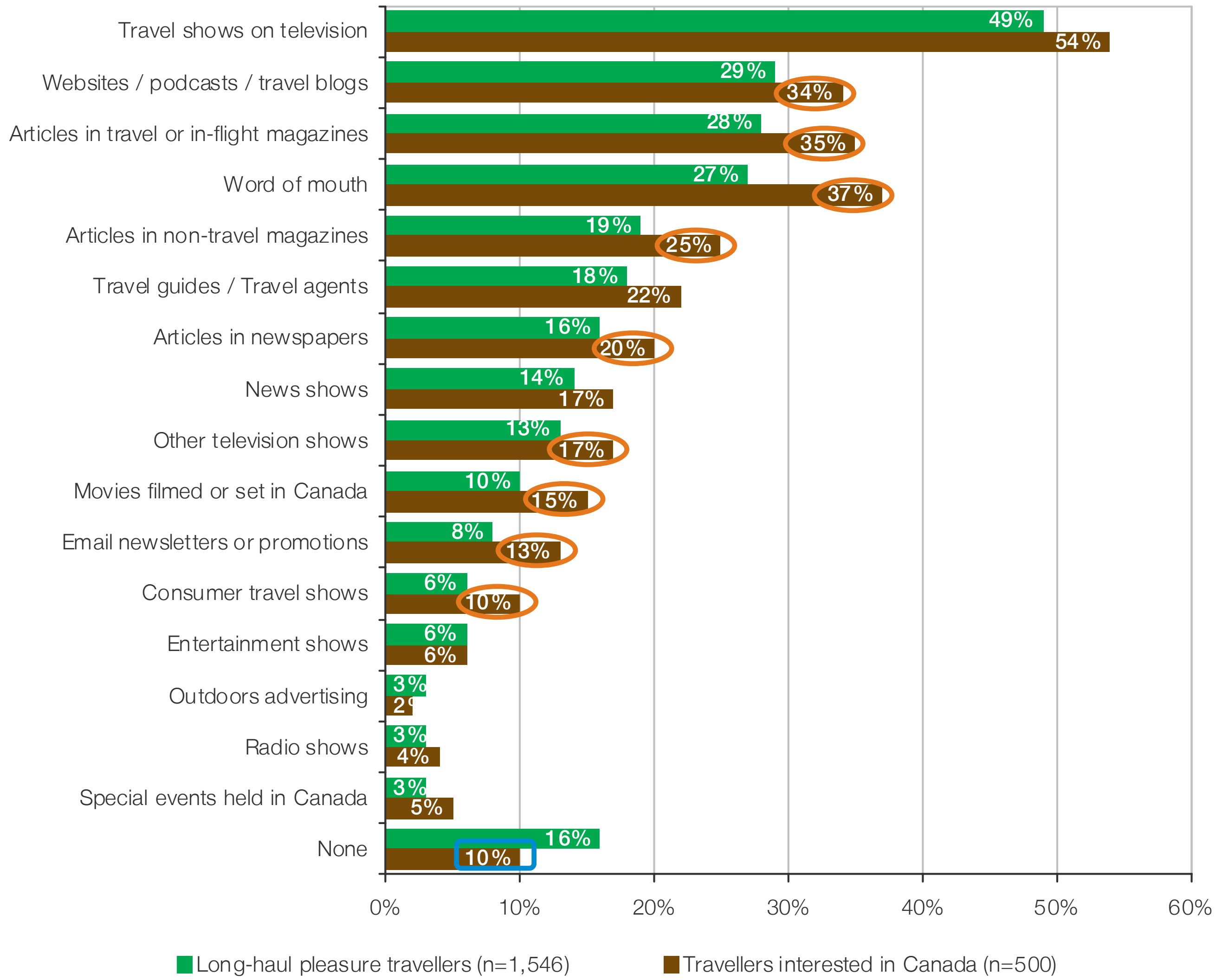
In fact, television generally exerts a huge influence in this market, especially TV soap operas, which have a huge following among Koreans. A number of countries, like Australia and France, have used placements within these popular programs as a way to increase the awareness and appeal of their countries as travel destinations. This strategy has met with some success as Koreans like to visit locations seen in their favourite shows. As well, celebrity endorsements by stars of these shows have proven to be highly effective in a market where popular culture plays such an influential role on consumer preferences.

Websites/podcasts/blogs are the second leading source of information on Canada. According to the OECD, Korea is one of the top five "wired" societies in the world, and the Internet has quickly become a go-to source for information on overseas travel for this market. As such, the Internet is clearly a good way for Canada to reach long-haul travellers, although Korean-language content is essential.

Articles in travel magazines and word of mouth are also leading sources of information on Canada, about on par with the Internet at just under 30%. Although fewer people cite articles in non-travel magazines (just under 20%), there are about 20 major magazines with travel and lifestyle sections in South Korea that are targeted at upper class Koreans, making them potentially good vehicles for Canada to reach this elite target segment. Along with non-travel magazines, travel guides/agents and newspaper articles are leading sources of information on Canada, cited by between 15% and 20% of travellers.

Not surprisingly, given the higher salience of the information to them, travellers interested in Canada are significantly more likely to have seen information on Canada across most of the sources listed. Interestingly, while word of mouth is the fourth-ranked source of information for the market as a whole, it is the second most important channel for those interested in Canada, pointing to the importance of recommendations by trusted sources. Again, this suggests that celebrity endorsements might be a good way of drawing attention to Canada and reassuring those who don't know much about it.

Exhibit 16 – Sources of Information on Canada (past 3 months)



Base: Long-haul pleasure travellers.

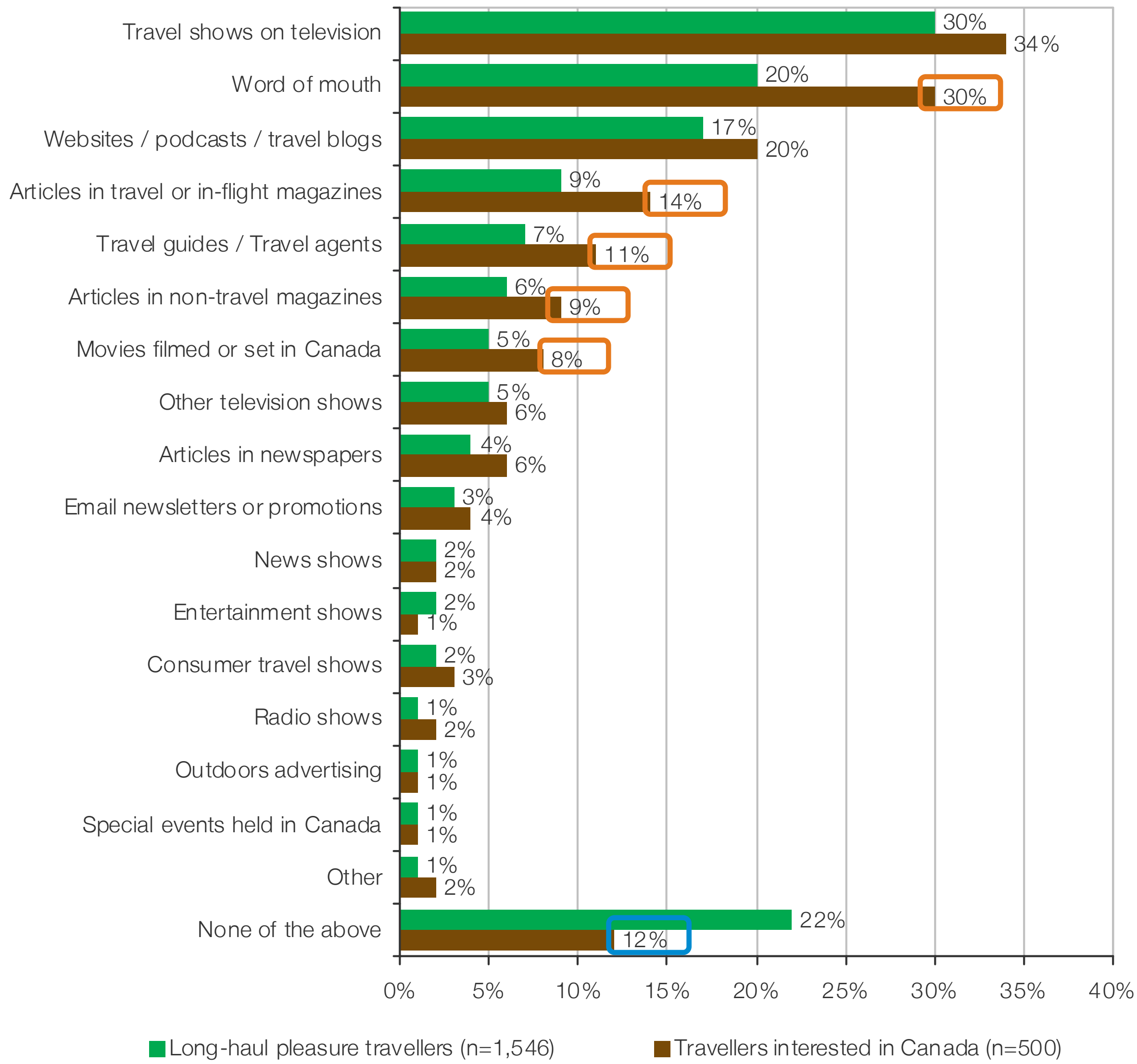
Notes: ***Blue squares*** *indicate a result that is significantly* ***lower*** *than another group;* ***orange circles*** *indicate a result that is significantly* ***higher*** *than another group.*

Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

Top Information Sources for Increasing Canada's Appeal

Potential travellers to Canada feel that the top five sources are best for increasing Canada's appeal are: travel shows on television, word of mouth, websites / podcasts / travel blogs, articles in travel or in-flight magazines, and travel guides / travel agents (see Exhibit 17).

Exhibit 17 – Top Information Sources for Increasing Canada's Appeal



Base: Long-haul pleasure travellers.

*Notes: **Blue squares** indicate a result that is significantly **lower** than another group; **orange circles** indicate a result that is significantly **higher** than another group.*

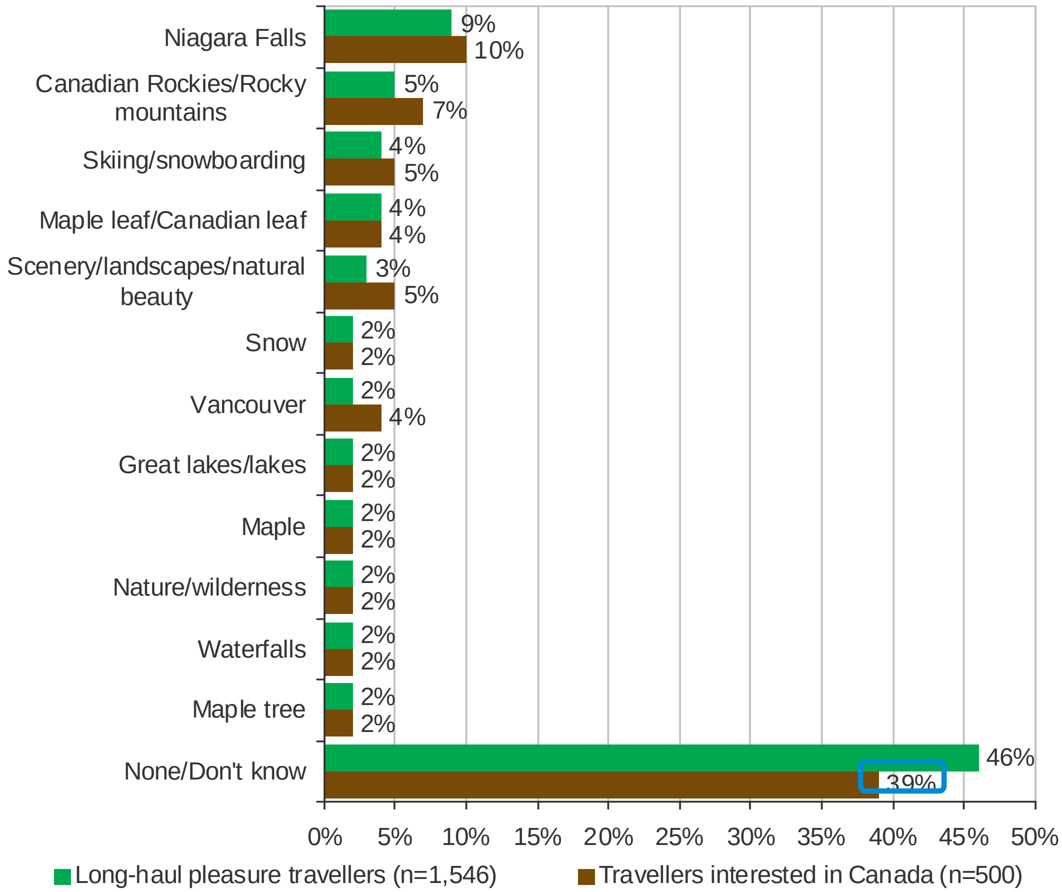
Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

what icons or images inspire interest in canada?

Exhibit 18 provides further evidence that Korean travellers lack awareness about Canada. None of the images or icons register widely in this market, and almost half of all travellers are unable to think of any icons/images that inspire interest in Canada, which is the highest percentage of any market. Of the icons and images mentioned, all but one (Vancouver) relate to nature and the outdoors, again suggesting a somewhat one-dimensional view of Canada.

At the top, Niagara Falls (9%) and the Canadian Rockies (5%) are the two images/icons most widely associated with Canada, followed by skiing/snowboarding and the maple leaf, each mentioned by 4%. There are additional mentions of maple and maple tree, which emphasizes the extent to which this imagery is associated with Canada. Interestingly, there are no mentions of wildlife among the top icons. This could be because it isn't strongly associated with Canada, but could also be because Koreans are generally less interested in wildlife products than most markets.

Exhibit 18 – Icons or Images that Inspire Interest in Canada



Base: Long-haul pleasure travellers.

Notes: ***Blue squares*** *indicate a result that is significantly* ***lower*** *than another group;* ***orange circles*** *indicate a result that is significantly* ***higher*** *than another group.*

Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

what are the key drivers for visiting canada?

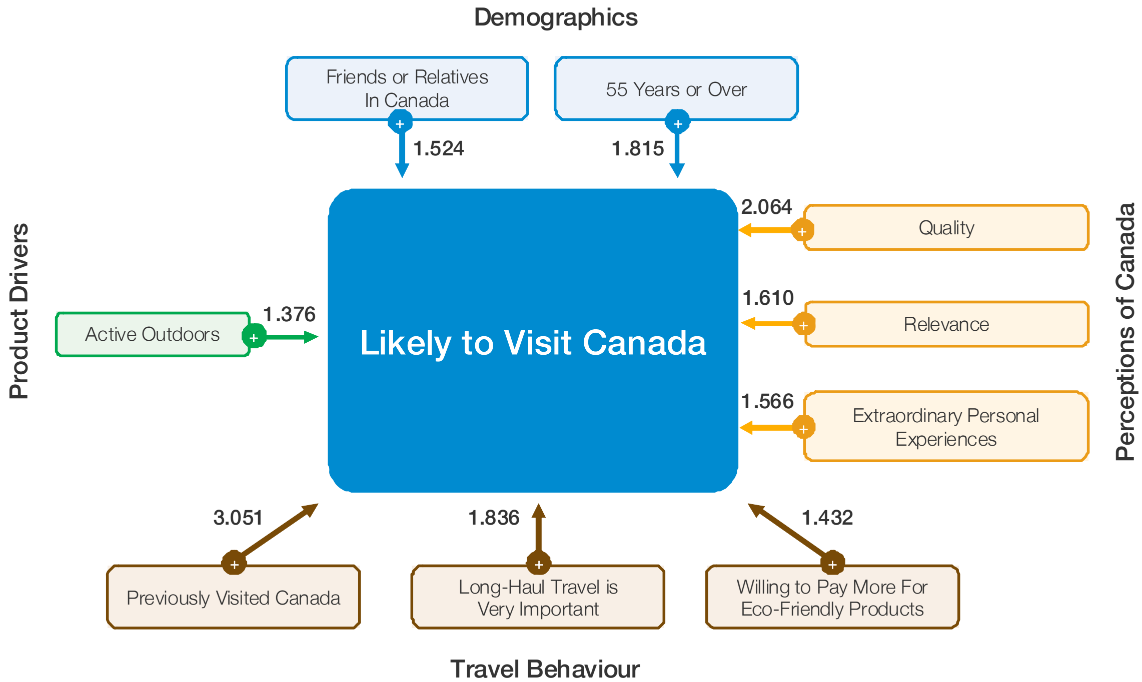
A key drivers model was developed with the dependent variable being whether or not travellers are likely to take a pleasure trip of four or more nights to Canada in the next two years. The independent variables that were modelled against likelihood of visiting included demographics, travel attitudes and motivations, perceptions of Canada, product interests and travel behaviour (previous visitation of Canada, importance of long-haul travel, etc).

The results of the key drivers model and key findings are discussed below:

- Past travel to Canada is unquestionably the strongest predictor of future travel intentions. In fact, everything else being equal, those who have visited Canada in the past are three times as likely to say they will visit Canada in the next two years than those who have never been to Canada.
- Not surprisingly, given the distance and cost, those for whom long-haul travel is very important are more likely to consider a trip to Canada.
- Having close friends and relatives in Canada is another key driver of travel intentions, which is consistent with previous findings relating to VFR.
- Interestingly, those over 55 are almost twice as likely to say they will visit than those under 55, possibly because older travellers are more likely to be able to afford the trip.
- Outdoor activities are a strong pull factor for Canada, and meshes well with a “well-being” theme. Moreover, those concerned about the environment and willing to pay for eco-friendly products are more likely to visit, again confirming a good opportunity to market these types of products in Korea.
- Perceptions of Canada also have a strong influence on the purchase decision. In particular, those who associate premium quality with the Canadian travel experience are more than twice as likely to visit, while those who perceive the country as having relevant products are more than one and a half times as likely to visit. Notably, however, perceptions of both quality and relevance are rather weak in this market, so efforts to improve value perceptions should focus in these areas.
- Koreans who view Canada as offering opportunities to create extraordinary personal travel experiences are also more likely to visit, suggesting that the central brand promise of the new Brand Canada will be effective in winning over Koreans.

These results support the direction that the new brand is taking – that of a more youthful and intriguing destination – while continuing to play on Canada’s traditional strengths of nature and the great outdoors.

Exhibit 19 – Key Drivers for Likelihood to visit Canada



Base: Long-haul pleasure travellers.

Notes: Numbers are odds ratios. Odds ratio is the exponentiated value of B. If >1, the odds ratio is the factor by which the odds of being likely to visit Canada increase as the independent variable increases; if <1, it is the factor by which the odds of being likely to visit Canada decrease.

conclusion and considerations

In a country where outbound travel has only recently been permitted, it is not surprising that the incidence of long-haul travel (13%) is lower in South Korea than in most other GTW markets. However, with a booming economy, a growing middle class, increasing disposable incomes and more leisure time, long-haul travel is becoming more accessible and witnessing rapid growth.

Among Korean long-haul travellers, the outlook is exceedingly bright. The fact that fully 56% of travellers say they will travel more in the next three years than they have in the past three years (the highest of any CTC market surveyed), signals continued strong growth ahead.

With close to 6 million long-haul travellers that are interested in Canada, and a strong upward trend in visitor arrivals, South Korea holds unquestionable opportunity for Canada. However, Canada faces some fundamental challenges in fulfilling this potential in the near-term, including lack of awareness, competition from closer and better known destinations, and perceptions that Canada is a pricey destination.

Moreover, the GTW suggests that neither Canada's brand nor its travel products are particularly well-defined in the minds of Korean travellers, and the fact that Australia is so well-positioned in the nature and outdoor arena only serves to underscore the challenges. Generally, the study indicates a need for greater investment if Canada wants to see a gain in its market share.

Specific marketing implications arising from this study that the CTC may wish to consider, depending on its mandate, priorities and budgets are as follows:

Key Performance Indicators

Build general awareness of Canada. While general interest in Canada is high and Koreans find the destination inherently appealing, current market penetration and awareness of specific Canadian travel experiences is very low. As might be expected of a fledgling market, Koreans are in the early stages of the purchase cycle compared with other markets, and few Koreans presently have Canada on their travel consideration list. Even more telling is the fact that almost half of Korean travellers are unable to think of any inspiring Canadian icons/images, and close to 80% say that lack of information is a barrier for travel to Canada, with both measures more severe in Korea than in any other market. This suggests the need to enhance consumer awareness of Canada if it is to stand up against such prominent and visible competitors as the US and Australia. Realistically, to gain share at this point may require a higher level of investment in awareness building.

Position Canada as an add-on to US travel. The US is the single most widely-visited destination outside of Asia in this market, with a travel incidence of more than twice that of Canada. With talks currently underway to admit South Korea to the US Visa Waiver Program, visitation to the US looks set to increase substantially in the future. This suggests good opportunities for Canada to increase Korean visitor flows by positioning itself as an add-on to more popular US travel. Given the enormous drawing power of Niagara Falls and its proximity to the US, this represents a possible add-on opportunity, that could be combined with a visit to nearby Toronto.

Brand Performance

Strengthen perceptions of Brand Canada. The GTW results suggest that for the most part, Brand Canada has not taken root in this market. However, the reasonably strong acceptance of the central brand promise of creating extraordinary personal travel stories, coupled with the fact that this is a key driver of travel to Canada, suggests that this could be a major thrust of marketing campaigns in South Korea.

Craft a more energetic and youthful image. In terms of brand personality, only three of the new brand traits really register with Korean travellers on an aided basis – "open," "informal" and "intriguing." While these are good strengths to build on, more could to be done to bring greater energy, vitality and depth to the brand. In particular, Canada may wish to improve perceptions of its "youthfulness" as Korean travellers tend to be a fairly young crowd (44% are 18 to 34). Although a good portion of current travel to Canada may be generated by older Koreans visiting their children or relatives in Canada, the young represent the vanguard of Korean travel. Given that the 18 to 34 segment represents around 40% of both recent and potential visitors to Canada, the CTC may wish to ensure that Canada's campaigns appeal to the younger set.

Strengthen the Culture and People brand pillars. Brand Canada is supported by three brand pillars – Geography, Culture and People. While Canada is relatively well-perceived on its physical/geographical attributes, it could strengthen perceptions of its culture and people for a more well-rounded brand image. Promoting Québec and Francophone culture may be one way of doing this as Koreans currently view this region as offering a unique culture, small-town charm, and opportunities to meet and get to know Canadians.

Market Canada as an elite destination with world-class cities and attractions. Given that Canada is perceived as an expensive destination, and one that may be beyond the affordability of less affluent Koreans, Canada could consider positioning itself as an upper-end or elite destination. In this regard, Canada has the advantage of being seen as a prestigious destination in a market where long-haul travel is viewed as a status symbol. As a result, it could play up the international renown of major cities such as Toronto and Vancouver, highlight its world-class attractions (particularly iconic ones such as Niagara Falls and the Rockies), and emphasize opportunities to see western culture and lifestyles first-hand.

Product Opportunities

Fortify the positioning of Canada's unique nature/outdoor products. While in some markets, Canada is seen as being a market leader in the nature/outdoor area, in South Korea, Australia has the strong upper hand. At present, the only real differentiator for Canada is skiing, and the market for this niche is obviously limited. Canada may want to strengthen its positioning on the nature dimension, with rivers/waterfalls, landscapes/ scenery, national parks and car/train tours representing good possibilities for market leadership. In particular, Canada could emphasize how its nature products are unique from those of Australia (e.g., majestic nature on a grand scale, snow-covered mountains, glaciers, fall colours, Niagara Falls, etc.), both to differentiate itself, and to improve its overall uniqueness rating, which is currently lower in South Korea than in any other market.

Develop and market products around eco-tourism. Korean travellers emerge as one of the most environmentally-conscious of the CTC's markets, and their widespread view of Canada as an environmentally-friendly destination indicates a general receptivity to messaging and products around an eco-tourism theme. As a result, Canada could market its best-in-class eco-tours, adventures and eco-lodges/resorts to Korean travellers, although it may wish to place less emphasis on wildlife viewing. Eco-tourism products are an especially good fit for Canada as Koreans are willing to pay a fairly high premium for them, and such products have the added benefit of helping to shore up Canada's authenticity and quality ratings.

Jump on the wellness bandwagon. Wellbeing fever has swept South Korea, with Koreans looking for rejuvenation, pampering and stress-relief while on vacation. Luxury travel is seen as the chief way of achieving this, but many also seek wellness through physical activity and outdoor experiences. For those wishing to be pampered, Canada could showcase the country's leading spas and resorts, particularly those in a natural setting, as well as the hot springs of western Canada. On the more active side, Canada may want to highlight its world-class outdoor experiences, with hiking/trekking and skiing offering the most immediate potential. Above all, Canada could convey the message that it offers a relaxing, peaceful and worry-free backdrop for a wellness vacation.

Enhance awareness of cultural products. Culture is a big part of the holiday experience for Koreans, but a distinct weakness for Canada. This gap in its product offerings makes it difficult for Canada to compete with destinations like Australia that offer the dual experience of nature/culture that Koreans seek. Canada's weak competitive positioning belies the fact that it has some unique cultural products – communities and neighbourhoods, festivals and events, historical and cultural attractions, aboriginal lifestyles, etc. However, some investment may be required to ensure these products are market-ready, and to package and market them better to an international audience.

Promote individualized and guided tour itineraries. Given the immaturity of the Korean market, touring is a widespread interest. At the same time, it is a product strength for Canada, suggesting that both guided tours and products that allow for greater independence (e.g., scenic driving routes) could be promoted more heavily in this market. The spectacular imagery associated with these offerings could also provide a good opportunity to strengthen and differentiate Canada's nature image.

Strategic Marketing

Harness the power of television. For maximum impact, the CTC may want to consider the use of television advertising to get the word out on Canada, as this is a highly influential medium in South Korea. Advertising and "product placements" on popular Korean TV shows, along with special features on travel shows would likely be most effective. Canada should also consider the use of endorsements by popular Korean television celebrities (e.g., bring them to Canada and shoot a TV feature or webcast), as they have tremendous influence on this media-driven society. Australia, for one, has applied these strategies with great success.

Use online channels to reach potential travellers to Canada. South Korea is one of the word's top nations in terms of Internet penetration and usage. As a result, the CTC could explore the use of online media, such as websites and podcasts to enhance awareness and appeal of Canada among potential visitors. It goes without saying, however, that all content should be in Korean.

Focus on nature imagery in marketing initiatives. The CTC should continue to use nature and outdoor imagery in its marketing initiatives, as Koreans find this imagery very appealing. With respect to nature, a focus on images of Niagara Falls, the Rockies and other majestic scenery may prove effective, as well as seasonal imagery (e.g., skiing, fall colours / maple trees). However, the CTC may also want to use images of modern cities and urban activities (e.g., first-class hotels, gourmet dining, spas, nightclubs) to play up the diversity of the Canadian travel experience, promote a sense of excitement and youthfulness, and make Koreans aware that Canada has more to offer than just nature.

Leverage the 2010 Olympic Games. That over 6 in 10 Korean travellers say their desire to visit is enhanced by Canada's hosting of the Olympics suggests there are already some opportunities to leverage the Games to enhance Canada's positioning in the international arena and enrich image perceptions globally. According to the Australian Tourist Commission, hosting the 2000 Games was the single most beneficial event in the history of Australian tourism, and accelerated the development of Brand Australia by 10 years. The CTC, Tourism British Columbia, Olympic sponsors and the international media should continue to work together to build excitement in the years leading up to the Games and ensure that everything is ready for the few weeks in 2010 when the eyes of the world will be on Canada.