



Canadian Tourism
Commission

Commission canadienne
du tourisme

Global Tourism Watch 2010

South Korea - Summary Report



Canada

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1. Research Objectives

Driven by the launch of a new global brand and ongoing challenges in Canada’s priority markets, the Canadian Tourism Commission initiated a Global Tourism Watch (GTW) program in 2007 to expand the consumer-based intelligence in its key markets. The overall objectives of the GTW study are:

- To monitor awareness, travel intentions and other key market indicators for Canada and the regions;
- To assess perceptions of Canada and track brand performance over time;
- To identify the general experiences sought by travellers, assess Canada’s competitive positioning on key products and identify growth opportunities;
- To identify motivators and barriers for travel to Canada, as well as media sources and images that lift Canada’s appeal.

2. Methodology

The target population for the online survey was residents aged 18 and older, who had taken a pleasure trip where they stayed at least four nights paid in accommodation in the past three years, or who plan to take such a trip in the next two years.

Pleasure trips included vacation or holiday trips, trips to visit friends and relatives, and combined business-pleasure trips. In South Korea, the target national sample was n=1,500 long-haul pleasure travellers, with a quota of 200-300 for recent travellers to Canada in the past three years, with the survey conducted in June 2010.

3. Market Health & Outlook

Based on the travel patterns in the past three years or plans to travel in the next two years, the incidence of South Korea long-haul international travel is 30%, translating into a total market potential of 11.8 million. The immediate potential - those that will definitely or very likely visit Canada in the next two years - is 33% or 3.9 million travellers. **Exhibit 3.1** shows the regional preference, with strong immediate potential for British Columbia and Ontario.

Exhibit 3.1 Size of the immediate potential long-haul pleasure travel market

	CDA	BC	AB	ON	QC	YK	NT
Immediate Interest¹	33%	93%	54%	81%	65%	12%	10%
Potential (M)	3.9	3.6	2.1	3.2	2.5	0.5	0.4

Base: Long-haul pleasure travellers (n=1,507).

¹Base for percentages is 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=1,081).

Note: Regional estimates are not additive since travellers may visit more than one region on a single trip.

The importance placed on long-haul travel by Korean travellers remained relatively stable, dipping marginally in 2010 (91%) from 93% in 2009, but above both 2008 and 2007 levels.

4. Unaided Destination Awareness

To measure Canada's brand awareness, respondents were asked about their top-of-mind destinations for a long-haul vacation. Canada saw a dip in top-of-mind awareness in 2009 among potential South Korean visitors, and while this measure moderately improved in 2010, it was still below 2008 and 2007 levels.

Exhibit 4.1 Unaided Destination Awareness

	2007	2008	2009	2010
1. US	38%	37%	37%	37%
2. Australia	36%	38%	31%	34%
3. Canada	22%	22%	19%	20%
4. France	21%	22%	18%	20%
5. Switzerland	18%	15%	14%	16%

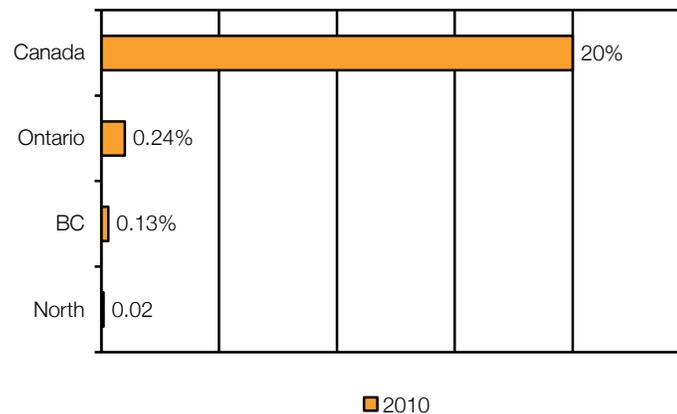
Q. In general what destinations come to mind for a long-haul holiday outside of [L-H definition]?

Base: Long-haul pleasure travellers (n=1,507).

Roll-up of brand mentions by country, e.g., percentage who said Canada or any destination in Canada.

As illustrated in [Exhibit 4.2](#), as a general rule, Canada's regions do not have top-of-mind awareness in South Korea.

Exhibit 4.2 Unaided AWARENESS OF Canada's regions



Base: Long-haul pleasure travellers (n=1,507).

Note: Only GTW regional partners are included.

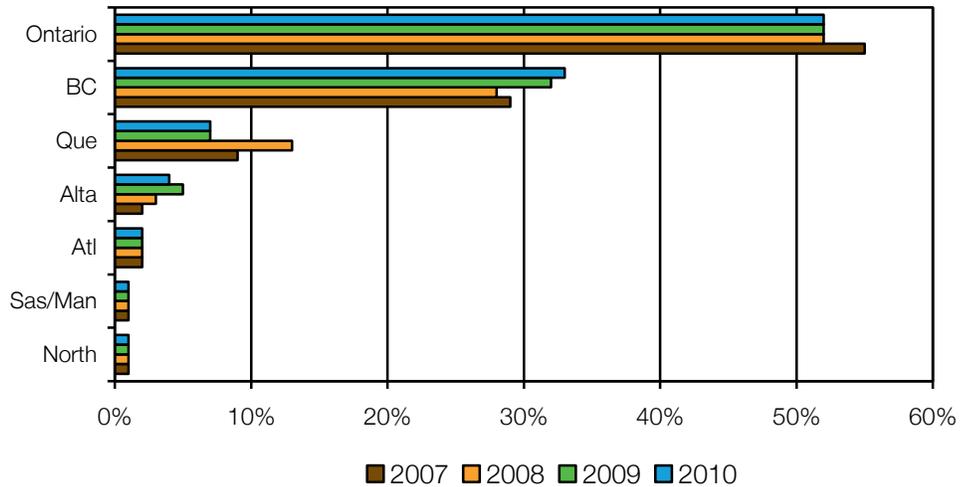
South Korea was one of the few international markets that was able to avoid falling into a recession during the global financial crisis of 2008-2009. In 2010, its economy posted a strong recovery with GDP growth of 6.2%. Despite this upswing, the overall intention to travel in the next two years declined in 2010 over the previous year. 33% of long-haul pleasure travellers from South Korea indicated that they were definitely or very likely to visit Canada in the next two years for a trip of four or more nights, a two percentage point decline over 2009 (35%).

- South Korean pleasure travellers reported a slightly stronger inclination to plan a shorter trip to Canada (29%) as opposed to a longer one (24%). Those that would

definitely or very likely take a trip of one to three nights in the next two years, declined slightly to 29% in 2010, down from 30% in 2009;

- This trend towards short-break travel to Canada could be an indication that South Koreans like to do shorter add-on trip to Canada as part of a US holiday.

Exhibit 4.3 Canadian Destination Likely to Visit



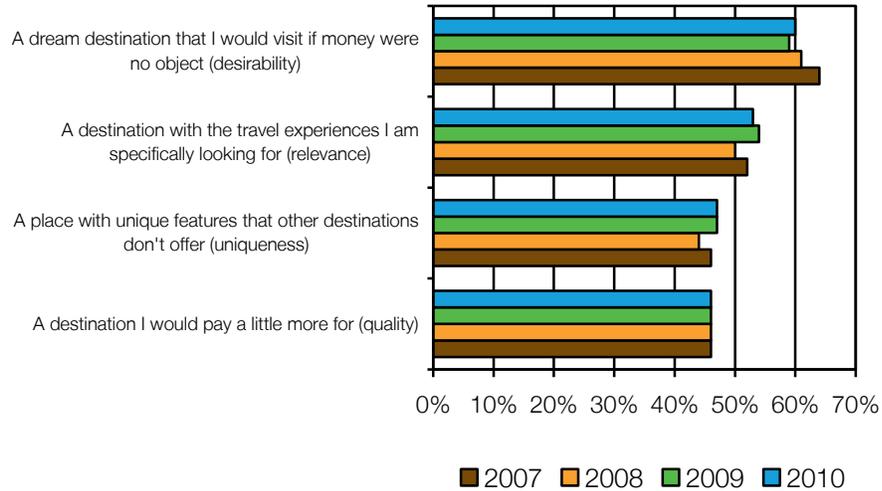
Base: Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there.

In 2010, Ontario posted a strong lead as the most popular Canadian destination for South Korean visitors. However, British Columbia continues to gain momentum as a destination of interest, reaching an all-time high of 33%.

5. Canada's Value & Price Perception

Canada's success as a travel destination cannot be measured only by the degree to which its brand has established itself. It is important for Brand Canada to be perceived as offering value at a good price.

Exhibit 5.1 Value Perceptions



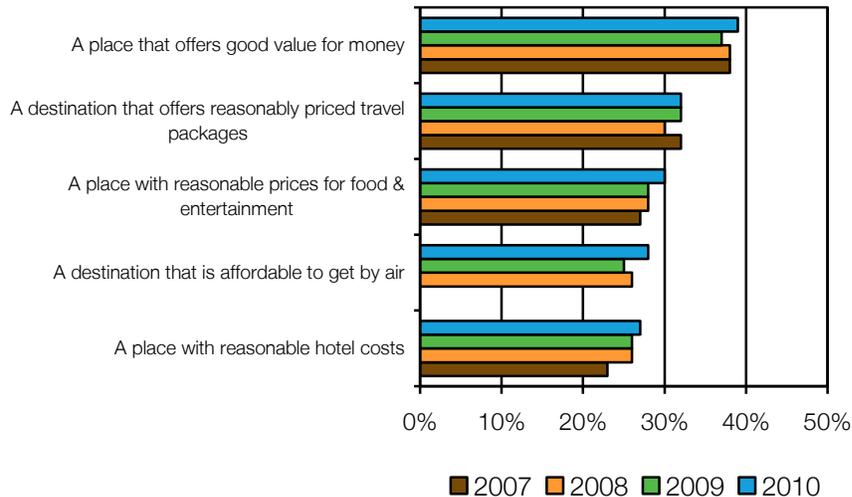
Base: Long-haul pleasure travellers.

Note: Top 2 Box refers to a rating of 4 or 5 on a 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".

Exhibit 5.1 shows the majority of value perceptions holding their ground in 2010. Among long-haul South Korean pleasure travellers, 60% see Canada as a dream destination, a slight rebound over 2009 but still below 2008 and 2007 levels. On the other hand, Canada's relevance as a travel destination declined slightly in 2010 to 53%, but is still above 2008 and 2007 levels.

Cost also plays a major role when it comes to travel destination decision-making. [Exhibit 5.2](#) shows how Canada is perceived by South Korean travellers on various travel cost components.

Exhibit 5.2 Price Perceptions



Base: Long-haul pleasure travellers.

Note: Top 2 Box refers to a rating of 4 or 5 on a 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".

South Korea's price perceptions of Canada improved in 2010, with the majority of measures reporting new record highs. However, in comparison with CTC's other core markets, South Korea's price perception continues to be lower on average. The overall perception that Canada offers good value for money, improved by two percentage points in 2010, reaching 39%. Airfare affordability also improved by three percentage points to 28%.

Travel package affordability was the only price perception to remain constant in 2010, highlighting the importance of continuing to promote affordable travel options to potential South Korean visitors.

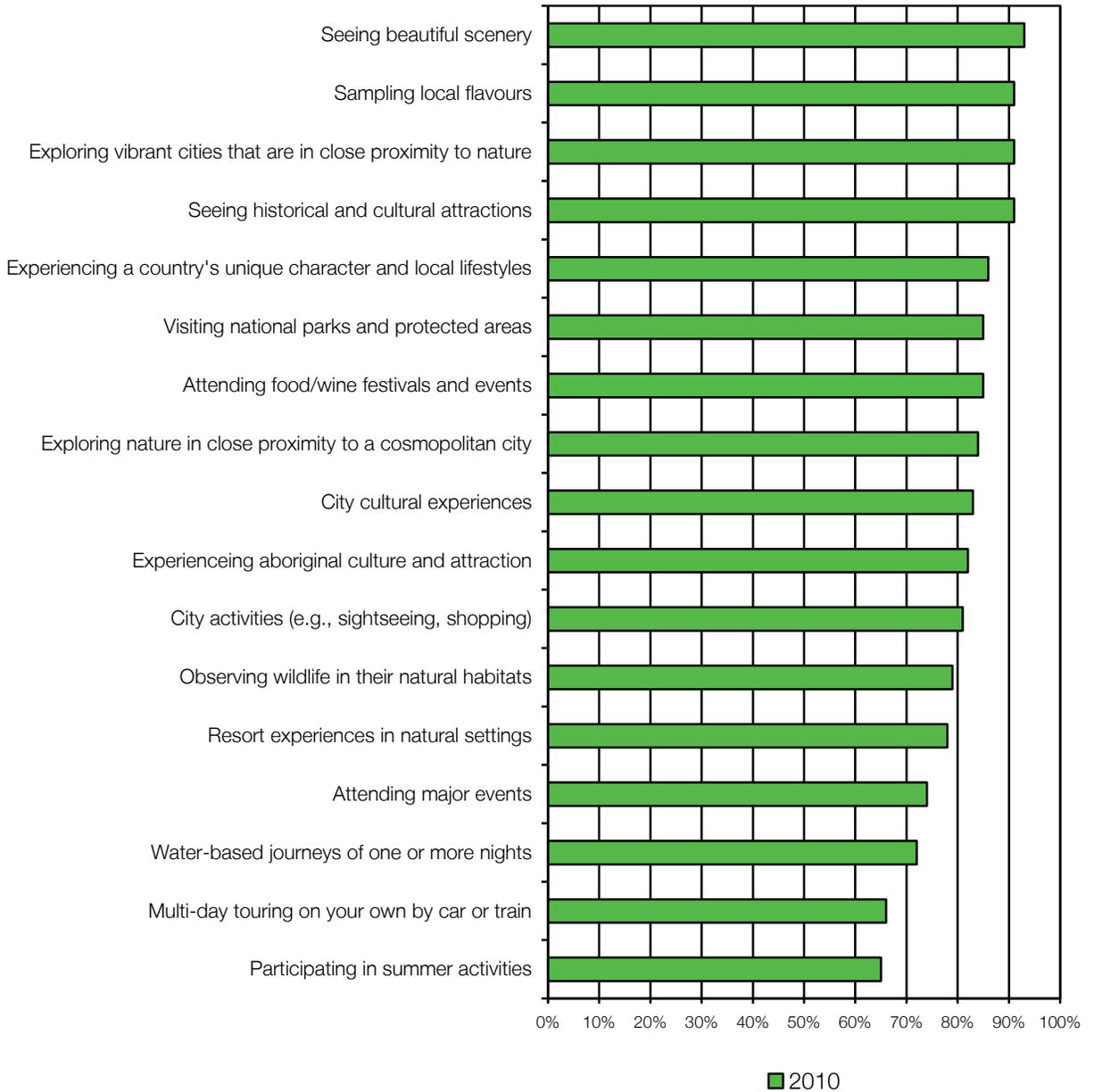
6. Product Interest

As seen in the strong across-the-board responses to travel-related products and activities, South Korean travellers are enthusiasts that want to try and do it all while on vacation. Koreans also exhibit a strong diversity in their vacation preferences with scenery, local flavours, visiting cities close to nature and history and cultural attractions all represented among their top interests appealing to over 90% of respondents.

City experiences perform strongly in the South Korean market, with all four related measures appealing to over 80% of travellers. South Korea long-haul pleasure travellers also report a uniquely strong interest in experiencing aboriginal culture and attractions (82%).

In the past, South Koreans have characteristically shown a strong interest in health and well-being travel and this trend continued into 2010. For example, at close to 80%, resorts in natural setting are rated very well in comparison with other CTC core markets.

Exhibit 6.1 Product Interests



Base: Long-haul pleasure travellers.

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

7. Competitive Product Positioning

Exhibit 7.1 highlights Canada's product scores against comparable competitive long-haul travel destinations. As shown, Australia poses a true competitive threat for Canada, reporting strong product perceptions offering similar activities/experiences as Canada. Combined, Australia and New Zealand reported leading positions for 10 products including exploring vibrant cities in close proximity to nature and experiencing a country's unique character and local lifestyles, both of which rank among the top five most important products for South Korean long-haul travellers.

In comparison with other CTC core markets, Canada failed to hold its usual commanding lead in winter and ski activities, with Switzerland being seen as an alternative winter travel destination. Although, Canada is considered the top destination for seeing beautiful scenery at 43%, there is still great potential to strengthen this lead, as this is the No. 1 product of interest among South Korean visitors, appealing to 93% of respondents.

Exhibit 7.1 Competitive Positioning

	1	2	3	4	5	6	7
Participating in other winter activities	CAN	SWI	USA	NZ	AUS	FRA	UK
Seeing beautiful scenery	CAN	AUS	NZ	SWI	USA	FRA	UK
Ski and snowboard vacations	SWI	CAN	USA	NZ	AUS	FRA	UK
Exploring vibrant cities that are in close proximity to nature	AUS	CAN	NZ	USA	SWI	FRA	UK
Visiting national parks and protected areas	AUS	NZ	CAN	USA	SWI	UK	FRA
Observing wildlife in their natural habitats	AUS	NZ	CAN	USA	SWI	UK	FRA
Resort experiences in natural settings	AUS	NZ	CAN	SWI	USA	FRA	UK
Water-based journeys of one or more nights	AUS	NZ	CAN	USA	SWI	UK	FRA
Land-based journeys of one or more nights	AUS	NZ	CAN	SWI	USA	FRA	UK
Experiencing aboriginal culture and attractions	NZ	AUS	CAN	USA	SWI	FRA	UK
Exploring nature in close proximity to a cosmopolitan city	AUS	USA	NZ	CAN	SWI	FRA	UK
Multi-day touring on your own by car or train	USA	AUS	SWI	CAN	FRA	NZ	UK
Attending major events	USA	UK	FRA	CAN	AUS	SWI	NZ
Participating in summer activities	AUS	NZ	USA	CAN	SWI	FRA	UK
Multi-day guided group tours by bus or train	USA	FRA	AUS	SWI	CAN	NZ	UK
City activities (e.g., sightseeing, shopping)	USA	FRA	UK	AUS	CAN	SWI	NZ
Entertainment experiences	USA	FRA	UK	AUS	CAN	NZ	SWI
Experiencing a country's unique character and local lifestyles	NZ	AUS	SWI	FRA	UK	CAN	USA
Attending food/wine festivals and events	FRA	AUS	SWI	UK	USA	CAN	NZ
City cultural experiences	FRA	UK	USA	SWI	AUS	CAN	NZ
Sampling local flavours	FRA	SWI	AUS	USA	NZ	UK	CAN
Seeing historical and cultural attractions	FRA	UK	USA	AUS	SWI	NZ	CAN
Participating in culinary learning experiences	FRA	AUS	USA	UK	SWI	NZ	CAN

Base: Long-haul pleasure travellers (n=1,507).

Note: Figures represent the percentage of respondents choosing the destination among the top 3 places to go for each attribute.

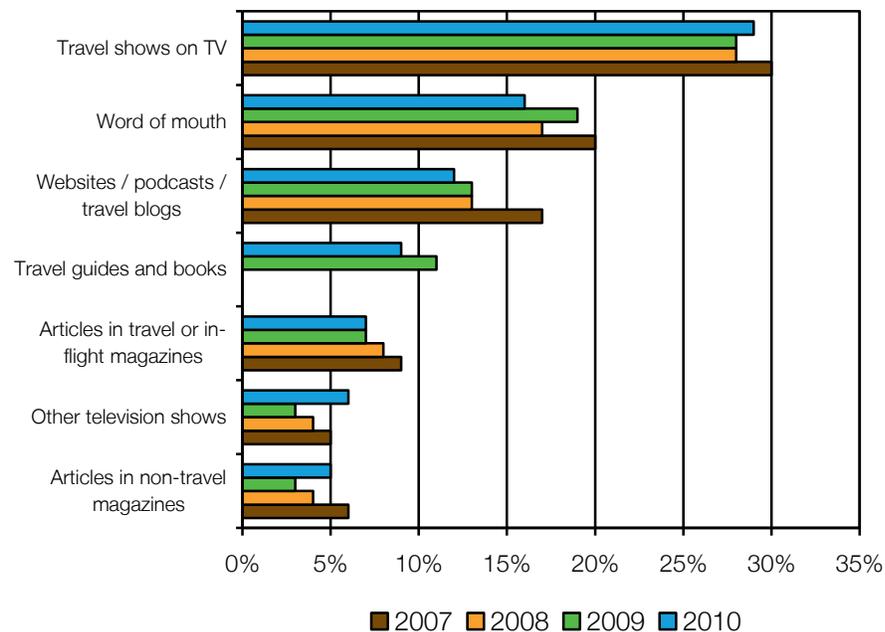
Legend: CAN = Canada, USA = United States, AUS = Australia, NZ = New Zealand, SWI = Switzerland, UK = United Kingdom, FRA = France.

8. Sources of Information for Increasing Canada's Appeal

In 2010, TV shows and word of mouth continue to be the most effective means of influencing travel to Canada; however there was a notable three-point drop in word of mouth.

Gains were reported in non-travel related television shows (up three points) and non-travel related magazines articles (up two points) in providing information that increased Canada's appeal in 2010. These gains may have been linked to the hosting of the 2010 Winter Olympic Games.

Exhibit 8.1 Top sources of information



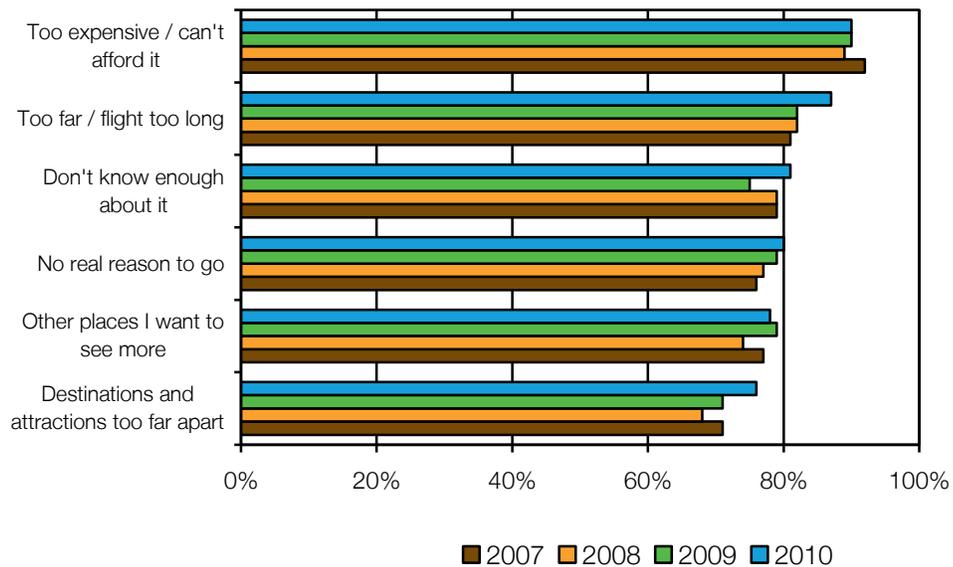
Base: Long-haul pleasure travellers.

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

9. Key Barriers for Travel to Canada

It's important to know barriers to travel to Canada, as these concerns could lead travellers to select alternative destinations. Affordability and a long flight continue to be the two most noted barriers for travel to Canada at 90% and 87% respectively. A lack of knowledge of Canada saw a notable six point increase over the previous year and was followed closely by respondents feeling that they had no real reason to visit Canada.

Exhibit 9.1 Key Barriers for Visiting Canada



Base: Long-haul pleasure travellers who are unlikely to visit Canada in the near future.

Note: Percentage is the sum of major barrier and minor barrier responses.

Result for past travellers to Canada who are unlikely to re-visit in the near future are not shown due to small sample size.

10. Conclusions: Key Take-Aways

South Korea reported a steady growth in inbound travel to Canada in 2010, up 18.9% year-over-year:

- South Korea represents a mid-sized inbound market for the CTC with a potential long-haul travel market of 11.8 million. However, in 2010, this market saw a two-point decline in the likelihood of respondents visiting Canada in the next two years;
- In 2010, there was a slight rebound in Canada's perceived desirability among Korean long-haul pleasure travellers, with three out of five respondents stating that they saw Canada as a dream destination that they would visit if money were no object;
- South Korea's price perceptions of Canada as a travel destination are low when compared with the perceptions of other CTC core markets. However, in 2010 improvements were seen in the perception of Canada as a place that offers good value for money, improving by two percentage points to 39% and a three-point jump in perceived airfare affordability to 28%;
- In 2009, British Columbia saw a four-point increase in interest by Koreans who were likely to visit in the next two years and/or those who had booked a trip. This momentum continued in 2010 with a one-point gain in interest in British Columbia, reaching an all-time high of 33%. Both gains were likely influenced by British Columbia hosting of the 2010 Winter Olympic Games. In fact, in 2010 British Columbia reported a 22.3% increase in overnight visitation from South Korea when compared with the previous year.
- In 2010, Canada reported a moderate one-point increase in top of mind awareness among potential long-haul visitors from South Korea (20%). While US top of mind awareness remained constant over the previous year at 37%, Australia was able to post a stronger rebound of three points reaching 34%;
- In part linked to the hosting of the 2010 Winter Olympic Games, TV travel shows (up one point) and other television shows (up three points) rose as a sources of information that increased Canada's overall appeal as a travel destination;
- In 2010, Australia and New Zealand posed a true competitive threat for Canada. They offer similar products and activities as Canada and Koreans have a stronger awareness of these activities being available in Australia and New Zealand;
- In 2010, South Korean long-haul travellers saw Canada as the leading destination for participating in winter activities and for seeing beautiful scenery. In comparison, Australia and New Zealand combined reported leading positions for 10 products including exploring cities close to nature and experiencing a country's unique character and local lifestyles, both of which were ranked among the top five most important products for Korean long-haul travellers;
- Canada should address key barriers for travel by highlighting unique and distinctly Canadian experiences that are affordable and easy-to-get-to.