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## Korea Fact Sheet

### Korea Overview

HTA has contracted with Aviareps to provide marketing services in Korea. There is great opportunity to grow Hawai'i's share of the Korean travel market. A blossoming relationship between HTA and Hawai'i Tourism Korea (HTK) aims to grow the awareness and allure of our islands. New HTK is focused on expanding airlift, driving up visitor expenditures, strengthening Hawai'i's presence in online and social media, and promoting neighbor islands.

### January 2017 Quick Facts<sup>1</sup>

Visitor Expenditures: \$47.9 million  
 Primary Purpose of Stay: Pleasure (23,455) vs. MCI (360)  
 Average Length of Stay: 7.83 days  
 First Time Visitors: 80.6%  
 Repeat Visitors: 19.4%

Korea MMA (by Air)	2015	2016P	% Change 2016P vs 2015	2017 Forecast (Feb. 2017)	% Change 2016P vs 2017 Forecast	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
Visitor Expenditures* (\$ Millions)	395.4	515.4	30.4%	523.8	1.6%	47.9	56.1	-14.7%
Visitor Days	1,345,225	1,744,310	29.7%	1,809,413	3.7%	190,484	189,449	0.5%
Arrivals	193,658	245,857	27.0%	255,344	3.9%	24,340	24,222	0.5%
Per Person Per Day Spending* (\$)	293.9	295.1	0.4%	301.1	2.0%	251.4	296.4	-15.2%
Per Person Per Trip Spending* (\$)	2,041.7	2,096.3	2.7%	2,051.5	-2.1%	1,967.3	2,317.9	-15.1%
Length of Stay (days)	6.95	7.09	2.1%	7.09	-0.1%	7.83	7.82	0.1%

\*Excludes supplemental business spending

### Contact Information

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<sup>1</sup> 2016 and 2017 data are preliminary.



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### Market Summary

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- In 2016, Korean arrivals increased 27 percent compared to 2015 to 245,857 visitors. In January 2017, arrivals of 24,340 visitors were similar to January 2016.
- For 2016, 98% of Korean visitors went to O'ahu, while 19% went to Maui, 8% went to the Island of Hawai'i and 3% went to Kaua'i. In January 2017, 98% of Korean visitors went to O'ahu, while 20% went to Maui, 15% went to the Island of Hawai'i and 4% went to Kaua'i.
- In 2016, 46% of Korean visitors were true independent travelers (FIT). In January 2017, 61% were FIT.
- For 2016, first time visitors comprised 82.7% of Korean visitors while 17.3% were repeat visitors. In January 2017, first time visitors accounted for 80.6% of Korean visitors and 19.4% were repeat visitors.
- For 2016, there were 375,920 air seats from Seoul, which was a 26.1 percent increase from the prior year. Through January 2017, Seats from Seoul rose 1.8 percent.

### Market Conditions

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- HTA sees a great opportunity to grow Hawai'i's share of the Korean travel market. With a population of 50 million, Korea has 16 million outbound travelers. Approximately, 1.5 million travel to the U.S., and only 12% visit Hawai'i. Considering Hawaii is the closest state to Korea, the possibilities are immense.
- Jin Air launched service from Incheon to Honolulu on December 19th, 2015. This has added more than 100,000 seats annually. HTA will continue to grow the awareness and allure of our islands to drive up visitor expenditures, maintaining healthy load factors for all airlifts to Hawai'i and spread visitor numbers across all islands.
- South Korea's central bank has lowered its 2017 growth outlook to 2.5 percent. The Bank of Korea (BOK) said in an economic outlook report that it adjusted its forecast from the October prediction of 2.8 percent as domestic demand will turn weaker than previously expected, although exports should do better than last year.
- The average USD/WON exchange rate in January was 1,189.52 won, considerably up from the December rate of 1,170.63 won.
- South Korea is considering easing the 'Kim Young-ran Law' which was promulgated in 2016 to address corruption. The law has been affecting tourism industry activity related to holding media trips or events. The law currently bans those working in government, schools, and media industry from receiving free meals priced higher than KRW 30,000 (US\$25), gifts exceeding KRW 50,000, and congratulatory and condolence money over KRW 100,000. The government is reportedly considering changing the price limit on meals to KRW 50,000 from KRW 30,000 in revisions to the ordinance in March.
- Major purposes of travel: Pleasure (52%), Honeymoon (39%), Business (3.6%)

# HAWAII TOURISM

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#### Visitor Statistics

Korea MMA (by Air)	2013	2014R	2015	2016P	% Change 2016P vs 2015	2017 Forecast (Feb. 2017)	% Change 2016P vs 2017 Forecast	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
Visitor Expenditures* (\$ Millions)	331.4	333.6	395.4	515.4	30.4%	523.8	1.6%	47.9	56.1	-14.7%
Visitor Days	1,235,622	1,233,910	1,345,225	1,744,310	29.7%	1,809,413	3.7%	190,484	189,449	0.5%
Arrivals	177,113	178,118	193,658	245,857	27.0%	255,344	3.9%	24,340	24,222	0.5%
Per Person Per Day Spending* (\$)	268.2	270.4	293.9	295.1	0.4%	301.1	2.0%	251.4	296.4	-15.2%
Per Person Per Trip Spending* (\$)	1,871.0	1,872.9	2,041.7	2,096.3	2.7%	2,051.5	-2.1%	1,967.3	2,317.9	-15.1%
Length of Stay (days)	6.98	6.93	6.95	7.09	2.1%	7.09	-0.1%	7.83	7.82	0.1%

\*Excludes supplemental business spending

#### Distribution by Island

Korea MMA (by Air)	2013	2014R	2015	2016P	% Change 2016P vs 2015	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
O'ahu	173,088	172,219	189,159	241,277	27.6%	23,817	23,859	-0.2%
Maui County	46,629	42,452	44,273	46,371	4.7%	4,978	4,639	7.3%
...Maui	46,314	42,050	43,891	46,208	5.3%	4,973	4,637	7.3%
...Moloka'i	739	527	419	655	56.2%	41	69	-40.9%
...Lāna'i	345	444	533	350	-34.3%	4	2	98%
Kaua'i	5,060	5,233	7,312	7,317	0.1%	1,017	1,060	-4.1%
Island of Hawai'i	15,430	15,144	15,439	19,183	24.2%	3,588	2,851	25.8%

#### Airlift

	2017					2016					2017 vs. 2016 (%)				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
Seoul	87,380	79,512	97,348	97,348	361,588	93,947	90,873	95,508	95,592	375,920	-7.0%	-12.5%	1.9%	1.8%	-3.8%

Source: Diio Mii airline schedules

#### Group vs. FIT; Leisure vs. Business

Korea MMA (by Air)	2013	2014R	2015	2016P	% Change 2016P vs 2015	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
Group vs FIT								
Group tour	37,643	35,166	32,105	33,983	5.8%	2,885	5,942	-51.4%
True Independent	65,059	70,463	74,652	112,763	51.1%	14,743	10,354	42.4%
Leisure vs business								
Pleasure (Net)	161,981	164,644	181,827	234,598	29.0%	23,455	23,055	1.7%
MCI (Net)	8,217	6,581	7,270	5,685	-21.8%	360	290	23.9%
Convention/Conf.	4,205	3,448	4,556	3,134	-31.2%	305	211	44.8%
Corp. Meetings	1,261	631	316	282	-10.7%	12	3	263.0%
Incentive	2,929	2,645	2,519	2,308	-8.4%	43	78	-45.6%



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### First Timers vs. Repeat Visitors

Korea MMA (by Air)	2013	2014R	2015	2016P	% Change 2016P vs 2015	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
1st timers (%)	82.8	82.8	82.6	82.7	0.1	80.6	84.0	3.4
Repeaters (%)	17.2	17.2	17.4	17.3	-0.1	19.4	16.0	-3.4

### Tax Revenue

Korea MMA (by Air)	2013	2014R	2015	2016P	% Change 2016P vs 2015	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
State tax revenue generated* (\$ Millions)	35.29	35.53	42.11	54.89	30.4%	5.10	5.98	-14.7%

\*State government tax revenue generated (direct, indirect, and induced)



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**Industry** (Confidential – for internal purposes only)

### Major Hotels

Korean visitors prefer to stay at hotels with brand named hotels, such as Hilton, Hyatt, Starwood, and Outrigger, etc. Korean travelers also prefer hotels that have Korean staff at the front desk and/or Korean language websites. This list is also derived from Korea’s key travel agents that sell Hawai’i tour products.

Destination	Hotel	
	Romance	Family/Package
O'ahu	Aston Waikīkī Beach Hotel Hyatt Regency Waikīkī Resort and Spa Hilton Hawaiian Village Beach Resort and Spa Waikīkī Beach Marriott Resort & Spa Sheraton Waikīkī Outrigger Reef on the Beach The Modern Honolulu Moana Surfrider, A Westin Resort & Spa Royal Hawaiian, a luxury collection Halekūlani The Kāhala Resort & Hotel Trump Int'l Hotel Waikiki Beach Walk	Hawai'i Prince Hotel Waikīkī Sheraton Princess Ka'iulani Embassy Suites Waikiki Beach Hotel Waikīkī Resort Hotel Pacific Beach Hotel Queen Kapiolani Hotel Waikīkī Gateway Hotel Ohana Waikīkī East Island Colony Hotel Aqua Palms Gateway Hotel Ala Moana Hotel
Maui	Ritz-Carlton Kapalua Hyatt Regency Maui Resort & Spa Westin Maui Resort & Spa Wailea Beach Marriott Resort & Spa Fairmont Kea Lani Grand Wailea Hotel Wailea Mākena Beach & Golf Resort Four Seasons Resort Lāna'i	Ka'anapali Beach Hotel Royal Lahaina Resort Makena Beach & Golf Resort Maui Beach Hotel
Island of Hawai'i	Fairmont Orchid Hawai'i Hilton Waikoloa Village Waikoloa Beach Marriott Resort & Spa The Mauna Lani Bay Hotel & Bungalow Sheraton Kona Resort & Spa at Keauhou Bay	King Kamehameha Kona Beach Hotel Royal Kona Resort Hilo Hawaiian Hotel
Kaua'i	St. Regis Princeville Grand Hyatt Kauai Resort & Spa Sheraton Kaua'i Resort Kaua'i Beach Marriott Resort	Kauai Beach Resort



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### Major Tour Operators

This list shows the current top 10 leisure tour operators in Korea.

- Hana Tour
- Mode Tour
- Interpark Tour
- Hanjin Travel
- Very Good Tour
- Red Cap Tour
- YB Tour
- Online Tour
- KRT Travel
- Honeymoon Resort

This list shows the current top 5 MCI TMC's in Korea.

- Hana Tour
- Mode Tour
- KRT Travel
- SM C&C (BT&I)
- Sharp Travel