



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 strong relationship between HTA and Hawai'i Tourism Korea (HTK) aims to grow the awareness and allure of our islands. HTK is focused on expanding airlift, increasing visitor expenditures, strengthening Hawai'i's presence in online and social media, and promoting the neighbor islands.

Year-to-Date February 2018 Quick Facts¹

Visitor Expenditures:	\$134.9 million
Primary Purpose of Stay:	Pleasure (56,055) vs. MCI (2,028)
Average Length of Stay:	7.87 days
First Time Visitors:	79.1 %
Repeat Visitors:	20.9 %

	2016	2017P	% Change 2017P vs 2016	2018 Forecast (Feb. 2018)	% Change 2017P vs 2018 Forecast	YTD Feb. 2018P	YTD Feb. 2017P	% change YTD
Korea (by Air)								
Visitor Expenditures* (\$ Millions)	585.3	525.3	-10.2%	591.2	12.5%	134.9	97.8	37.9%
Visitor Days	1,849,761	1,869,227	1.1%	2,019,426	8.0%	460,984	362,298	27.2%
Arrivals	257,189	258,398	0.5%	279,070	8.0%	58,609	47,646	23.0%
Per Person Per Day Spending* (\$)	316.4	281.0	-11.2%	292.8	4.2%	292.6	269.9	8.4%
Per Person Per Trip Spending* (\$)	2,275.8	2,033.0	-10.7%	2,118.5	4.2%	2,301.1	2,052.5	12.1%
Length of Stay (days)	7.19	7.23	0.6%	7.24	0.0%	7.87	7.60	3.4%

*Excludes supplemental business spending

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¹ 2016 visitor data are the final numbers and reflect data from the National Travel and Tourism Office and updated reports from airlines. 2017 and 2018 data are preliminary.

Market Summary

- In 2017, arrivals (+0.5% to 258,398 visitors) were comparable to the previous year. Through the first two months of 2018, arrivals rose 23 percent to 58,609 visitors, supported by increased air service.
- In 2017, 98% of Korean visitors went to O'ahu, while 17% went to Maui, 11% went to the Island of Hawai'i and 4% went to Kaua'i. through February 2018, 98% of Korean visitors went to O'ahu, while 15% went to the Island of Hawai'i, 10% went to Maui and 4% went to Kaua'i.
- In 2017, 50% of Korean visitors were true independent travelers (FIT). Through February 2018, 57% were FIT.
- In 2017, first time visitors accounted for 82.1% of Korean visitors and 17.9% were repeat visitors. Through February 2018, first time visitors comprised 79.1% of Korean visitors and 20.9% were repeat visitors
- For 2017, there were 384,019 air seats from Seoul, which was an increase of 2.2 percent from the prior year. Through February 2018, Seats from Seoul climbed 33.8 percent compared to the first two months of 2017.

Market Insights

- Korea Tourism Organization reported the number of Korean outbound travelers in December was 2,404,942, a year-on-year increase of 19.8%. The final tally in 2017 marked the first time that the figure surpassed 26 million with year-to-date growth of 18.7%, which is a remarkable number at more than half of the nation's population of around 51 million. The upward trend is expected to continue to 2018, taking advantage of favorable external conditions, cheaper fares, strong seat supplies offered by low-cost carriers, strong KRW, and extended national holidays.
- South Korea's economy is expected to grow 2.7% this year according to the Korea Economic Research Institute (KERI).
- The average USD/WON exchange rate in January was 1,064.29 won, a slight decrease from the previous rate of 1,107.12 won in December 2017. Fuel surcharges were imposed in January up to 63,800 won (\$60) for a roundtrip between Korea and the U.S.
- Asiana Airlines increased its Incheon/Honolulu service to daily last year from October 29 in time for Korea's high winter travel season. Over 6,000 seats were added to the flight supply.
- Korean airlines are raising their fuel surcharges amid soaring oil prices, meaning passengers will have to pay extra for all tickets purchased from February 2018. The fuel surcharge will rise by US\$5.14 to US\$43.17 on international flights for Korea's legacy carrier Korean Air and US\$5.60 to US\$35.98 for Asiana Airlines. Fuel surcharges are applied on international and domestic routes according to changes in the average price of fuel traded on Singapore's spot market. No fuel surcharge was imposed from May to September 2017 when oil prices were low, but it resumed in October due to rising prices. The fuel surcharge for domestic flights will remain the same for both airlines at US\$3.08.
- Nuclear assault threats against Guam have not deterred South Koreans from visiting the U.S. Western Pacific territory. Travel agents in South Korea and Guam say they have fielded lots of inquiries from South Koreans, who make up about 46% of visitors, but few have canceled their vacations, the Herald Business News and Guam's Pacific Daily News reported.

- Research shows the female proportion of overseas travel has gradually increased since 2012 and 'Active Seniors' aged from 50 to 60 are the largest segment of outbound travel. The demand for themed package products is also rising.
- As South Korea heads to becoming a "super-aged" society, more and more businesses are looking to cater to the needs of older citizens, such as by providing smartphone voice social media platforms for seniors. In 2018, Korea will become an "aging society" - a qualification earned when more than 7% of the population is over 65. If the over-65 population is over 20%, a nation earns the title of "super-aged society."
- Korea's social commerce TMON reported that Hawai'i's popularity as a top family holiday destination has grown rapidly. The finding was based on data for 50,000 bookings made for the period September 2017 to March 2018. TMON noted Hawai'i had jumped into the top 6 destinations' category in terms of 'family trips & reservations,' a five-fold gain from the previous year. The data also showed a rise in the popularity of long-distance travel destinations such as Hawai'i, New York, and Western Europe for the upcoming Lunar New Year holidays (Feb 15-17). The trend is linked to lower fares offered by foreign airlines and increased demand for long-distance travel triggered by various marketing campaigns and TV shows.
- The trend towards 'solo travel' among South Koreans is expected to continue rising at the expense of travelling with family or friends. In the tourism industry, travel agents are competing to release products targeting single travelers. In line with the trend, new social media platforms have been developed to target young solo travelers.
- A three-party promotion with Hawaiian Airlines and Hertz Rent-a-Car was extended through February and invited more partner travel agents to maximize sales volume increases. The promotion targets the FIT/Family market to increase weekday arrivals to Hawai'i. It involves 11 participating travel agents – Hana Tour, Tour Baksa, Web Tour, Online Tour, YB Tour, Interpark, Naeil Tour, KRT, Hawai'i No.1, Gaja Hawai'i and Blue Hawai'i.
- HTK is organizing a three-city roadshow with top wholesaler Mode Tour. It will cover the major cities of Seoul, Gwangju, and Daejeon from March 14 to 15 to educate over 150 of Mode Tour's retail personnel in destination information and highlight Hawai'i's culture and history. The Korea team and Mode Tour will produce a Hawai'i Sales Manual for distribution to roadshow attendees and conduct a call-to-action Sales Contest.

Visitor Statistics

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*Excludes supplemental business spending

Distribution by Island

	2016	2017P	% Change 2017P vs 2016	YTD Feb. 2018P	YTD Feb. 2017P	% change YTD
Korea (by Air)						
O'ahu	252,467	253,900	0.6%	57,639	46,891	22.9%
Maui County	49,122	45,259	-7.9%	6,183	9,990	-38.1%
...Maui	48,961	44,857	-8.4%	5,986	9,912	-39.6%
...Moloka'i	827	1,055	27.4%	256	119	115.3%
...Lāna'i	594	850	43.2%	5	134	-96.0%
Kaua'i	7,827	10,646	36.0%	2,462	2,514	-2.1%
Island of Hawai'i	20,674	27,554	33.3%	8,731	5,337	63.6%

Airlift

DepCity	2018					2017					% CHANGE				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
Seoul	118,541	104,403	105,742	99,192	427,878	87,365	79,899	97,608	119,147	384,019	35.7	30.7	8.3	-16.7	11.4

Source: Diio Mii airline schedules, updated January 2018.

Group vs. FIT; Leisure vs. Business

	2016	2017P	% Change 2017P vs 2016	YTD Feb. 2018P	YTD Feb. 2017P	% change YTD
Korea (by Air)						
Group vs FIT						
Group tour	35,237	42,307	20.1%	10,508	6,967	50.8%
True Independent	119,206	128,478	7.8%	33,321	26,232	27.0%
Leisure vs business						
Pleasure (Net)	244,910	247,170	0.9%	56,055	45,690	22.7%
MCI (Net)	6,172	6,910	12.0%	2,028	1,102	84.0%
Convention/Conf.	3,410	2,726	-20.0%	1,499	447	235.6%
Corp. Meetings	302	189	-37.4%	258	19	1231.3%
Incentive	2,502	4,160	66.3%	279	636	-56.2%

First Timers vs. Repeat Visitors

	2016	2017P	Change 2017P vs 2016	YTD Feb. 2018P	YTD Feb. 2017P	% change YTD
Korea (by Air)						
1st timers (%)	82.2	82.1	-0.1	79.1	78.9	0.2
Repeaters (%)	17.8	17.9	0.1	20.9	21.1	-0.2

Tax Revenue

	2016	2017P	% Change 2017P vs 2016	YTD Feb. 2018P	YTD Feb. 2017P	% change YTD
Korea (by Air)						
State tax revenue generated* (\$ Millions)	68.32	61.32	-10.2%	15.74	11.42	37.9%

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

Industry

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