



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 March 2018 Quick Facts¹

Visitor Expenditures:	\$173.5 million
Primary Purpose of Stay:	Pleasure (70,777) vs. MCI (2,629)
Average Length of Stay:	7.70 days
First Time Visitors:	79.8%
Repeat Visitors:	20.2%

	2016	2017P	% Change 2017P vs 2016	2018 Forecast (Feb. 2018)	% Change 2017P vs 2018 Forecast	YTD Mar. 2018P	YTD Mar. 2017P	% change YTD
Korea (by Air)								
Visitor Expenditures* (\$ Millions)	585.3	525.3	-10.2%	591.2	12.5%	173.5	128.7	34.8%
Visitor Days	1,849,761	1,869,227	1.1%	2,019,426	8.0%	570,965	463,018	23.3%
Arrivals	257,189	258,398	0.5%	279,070	8.0%	74,142	61,827	19.9%
Per Person Per Day Spending* (\$)	316.4	281.0	-11.2%	292.8	4.2%	303.9	278.0	9.3%
Per Person Per Trip Spending* (\$)	2,275.8	2,033.0	-10.7%	2,118.5	4.2%	2,340.4	2,081.7	12.4%
Length of Stay (days)	7.19	7.23	0.6%	7.24	0.0%	7.70	7.49	2.8%

*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 three months of 2018, arrivals rose 19.9 percent to 74,142 visitors.
- 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 March 2018, 98% of Korean visitors went to O‘ahu, while 14% went to the Island of Hawai‘i, 12% went to Maui and 4% went to Kaua‘i.
- In 2017, 50% of Korean visitors were true independent travelers (FIT). Through March 2018, 55% were FIT.
- In 2017, first time visitors accounted for 82.1% of Korean visitors and 17.9% were repeat visitors. Through March 2018, first time visitors comprised 79.8% of Korean visitors and 20.2% 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 March 2018, Seats from Seoul rose 25.6 percent compared to the first three months of 2017.

Market Insights

- Korea Tourism Organization reported the number of Korean outbound travelers in February was 2,311,009, a year-on-year increase of 3.5%. 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 airfares, 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 March was 1,070.38 won, a slight decrease from the previous rate of 1,080.07 won in February. Fuel surcharges were imposed in March up to 112,200 won (\$104) for a round trip 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 raised their fuel surcharges amid soaring oil prices, meaning passengers have to pay extra for all tickets purchased from February 2018. The fuel surcharge increased 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.
- Hawai‘i is ranked as the No. 1 destination for Korean honeymooners according to a study by Interpark Tour, a leading OTA. It is their most preferred destination, followed by Phuket, Bali, Maldives, and Cancun.
- 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 in terms of 'family trips & reservations,' a five-fold gain from the previous year.
- Young South Korean travelers now prefer to plan their trips through travel agencies. A survey of 1,000 travelers aged between 21 and 65 showed 66% of respondents were willing to pay additional fees to a travel agency when planning their trip to the U.S. Millennial generation people were the highest proportion of respondents who preferred to use travel agencies. The survey was done by Signature Travel Network and research company CGK (Center for Generational Kinetics).
- The trend towards 'solo travel' among South Koreans is expected to continue rising. 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.

Distribution by Island

	2016	2017P	% Change 2017P vs 2016	YTD Mar. 2018P	YTD Mar. 2017P	% change YTD
Korea (by Air)						
O'ahu	252,467	253,900	0.6%	72,704	60,940	19.3%
Maui County	49,122	45,259	-7.9%	8,897	12,355	-28.0%
...Maui	48,961	44,857	-8.4%	8,676	12,265	-29.3%
...Moloka'i	827	1,055	27.4%	391	190	105.5%
...Lāna'i	594	850	43.2%	160	181	-11.6%
Kaua'i	7,827	10,646	36.0%	3,309	3,039	8.9%
Island of Hawai'i	20,674	27,554	33.3%	10,694	6,253	71.0%

Airlift

Departure City	2018					2017					%CHANGE				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
Seoul	109,692	71,896	93,156	93,445	368,189	87,365	79,899	97,608	119,147	384,019	25.6	-10.0	-4.6	-21.6	-4.1

Source: Diio Mii airline schedules, updated March 2018.

Group vs. FIT; Leisure vs. Business

	2016	2017P	% Change 2017P vs 2016	YTD Mar. 2018P	YTD Mar. 2017P	% change YTD
Korea (by Air)						
Group vs FIT						
Group tour	35,237	42,307	20.1%	12,941	9,838	31.6%
True Independent	119,206	128,478	7.8%	40,685	32,143	26.6%
Leisure vs business						
Pleasure (Net)	244,910	247,170	0.9%	70,777	59,269	19.4%
MCI (Net)	6,172	6,910	12.0%	2,629	1,333	97.3%
Convention/Conf.	3,410	2,726	-20.0%	1,802	537	235.3%
Corp. Meetings	302	189	-37.4%	303	28	991.2%
Incentive	2,502	4,160	66.3%	532	768	-30.7%

First Timers vs. Repeat Visitors

Korea (by Air)	2016	2017P	Change 2017P vs 2016	YTD Mar. 2018P	YTD Mar. 2017P	% change YTD
1st timers (%)	82.2	82.1	-0.1	79.8	80.9	-1.1
Repeaters (%)	17.8	17.9	0.1	20.2	19.1	1.1

Tax Revenue

Korea (by Air)	2016	2017P	% Change 2017P vs 2016	YTD Mar. 2018P	YTD Mar. 2017P	% change YTD
State tax revenue generated* (\$ Millions)	68.32	61.32	-10.2%	20.25	15.02	34.8%

*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