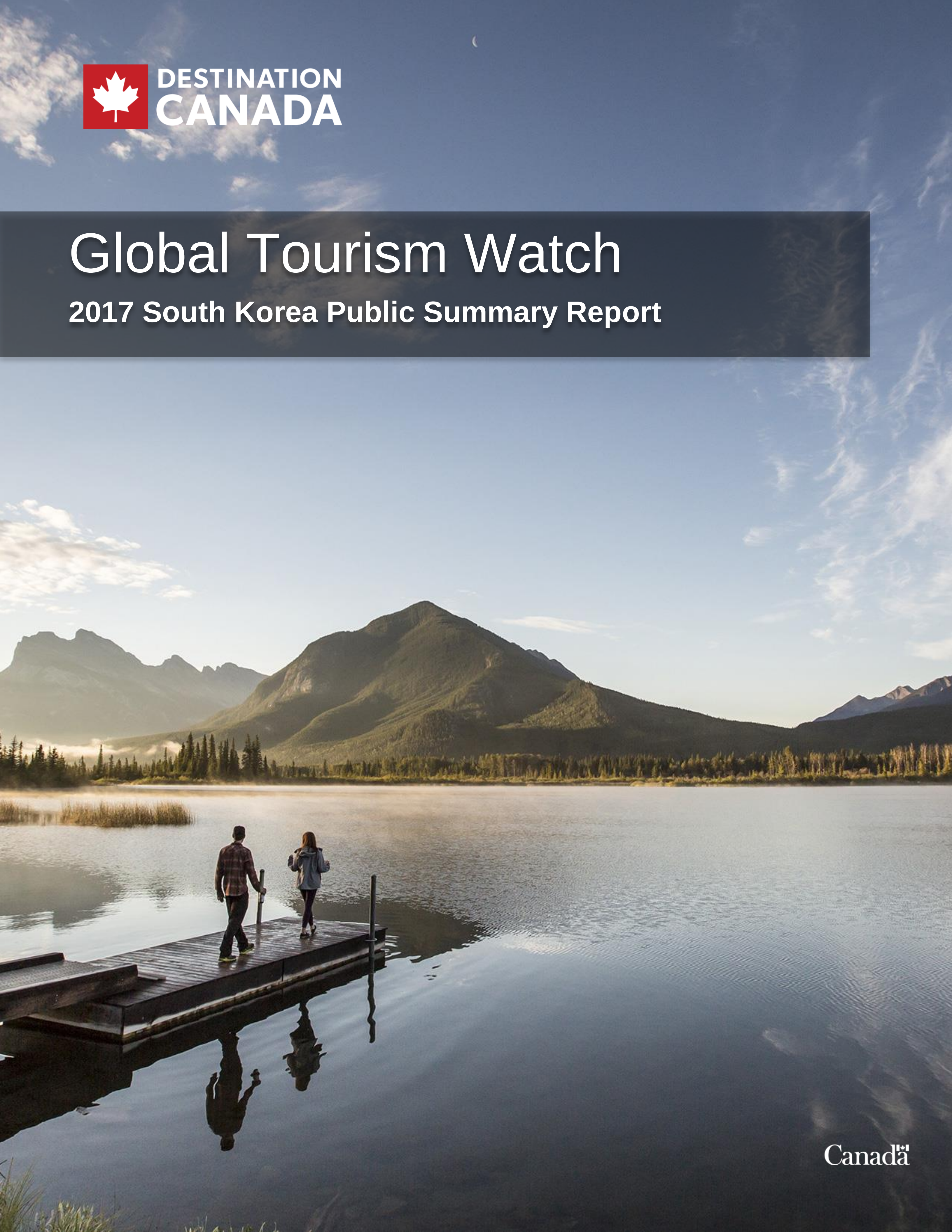
Global Tourism Watch

2017 South Korea Public Summary Report



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Introduction

Destination Canada began conducting the annual Global Tourism Watch (GTW) program in 2007. The primary purpose of this research program is to provide consumer-based intelligence in 11 core markets around the world: Australia, China, France, Germany, India, Japan, Mexico, South Korea, the United Kingdom, the United States, and the domestic Canadian market.

The overall objectives of the GTW study are to:

- Monitor awareness, travel intentions, and other key market indicators for Canada and the regions;
- Assess perceptions of Canada and track brand performance against competitors over time;
- Identify the general experiences sought by travellers, and identify growth opportunities;
- Identify motivators and barriers for travel to Canada; and,
- Determine the influence of various information sources on destination selection.

The GTW permits direct comparison of Canada to competing destinations in each market. Destination Canada has designated the following destinations as competitors in the South Korean market: the US, France, Germany, Switzerland, Australia, United Kingdom, Spain, Russia, India, Italy and Portugal. The countries included represent 95% of the outbound travel volume to long-haul destinations which are considered direct competitors to Canada (e.g., non-beach destinations).

Methodology

Data was collected via an online survey and has been weighted to represent the South Korean long-haul travel population. The target population in South Korea was residents aged 18 years and older, who have taken a long-haul pleasure trip outside of East Asia (including China, Hong Kong, Macau, Japan, South Korea, and Taiwan) where they had stayed at least 4 nights with a minimum of 1 night in paid accommodation in the past 3 years, or plan to take such a trip in the next 2 years.

Data was gathered from 1,500 respondents in South Korea, including 200 recent visitors to Canada, in July 2017. Results are compared against the previous GTW wave (data gathered in December 2016). In addition, select comparisons are made to the 2017 Pulse Check study conducted in November 2017. The Pulse Check is a shorter version of the GTW study, conducted to monitor movement of key metrics on a more frequent basis.

Throughout the report, statistically significant differences from one wave to the next are denoted by arrows in the charts: green arrows pointing up if the metric has increased and red arrows pointing down if the metric has decreased. Results were also analysed among different segments and demographic cohorts; throughout the report, references are made where there are statistically significant differences compared to the general traveller.

Study Overview: South Korea Market

The target population are residents aged 18 years and older, who have taken a long-haul pleasure trip, where they had stayed at least 4 nights with a minimum of 1 night in paid accommodation in the past 3 years, or plan to take such a trip in the next 2 years.

Timing of Fieldwork

JUL

2017

Geographical Definition for Qualified Trips

Outside of: East Asia (e.g., China, Hong Kong, Macau, Japan, South Korea and Taiwan)

GTW Sample Distribution

Sample distribution:	**National**
Recent visitors to Canada:	**200**
Other travellers:	**1,300**
Total sample size:	**1,500**

Seasonality

Fielding for the 2017 GTW study was conducted in July, which is different from 2016 timing (December), but consistent with timing for years before 2016. A Pulse Check study was conducted in November 2017, which allows comparison of key metrics across three waves to determine whether seasonality of survey fielding is a factor in results.

No metrics were seen to have significant variations, suggesting seasonality of survey fielding does not affect results for Canada in the South Korean market.

Key Metrics Tracking

	Pulse Check 2017 (November 2017) *(n=501)*	**GTW 2017 (July 2017)** *(n=1500)*	**GTW 2016 (December 2016)** *(n=1506)*
Unaided Consideration of Canada	**3%**	**2%**	**3%**
Aided Consideration – Canada	**31%**	**28%**	**28%**
Destination Knowledge (Top2Box) – Canada *(Among those considering Canada)*	*(n=175)* **28%**	*(n=553)* **24%**	*(n=548)* **23%**
Actively Planning a Trip to Canada	**17%**	**15%**	**15%**
Past Visitation to Canada	**30%**	**32%**	**32%**

▲ / ▼ Significantly higher/lower than previous wave.

Background

South Korea is the world's 11th largest economy, accounting for a 2.0% share of global GDP, according to the IMF GDP Nominal ranking *(International Monetary Fund, October 2017)*.

The country's GDP grew by 3.2% in 2017, and is forecasted to hold steady at around 3% through 2019 *(OECD, November 2017)*. Construction investment has been the primary driver of growth, but tightening government controls and rising interest rates is expected to impact the sector. The *Won*, South Korea's currency, has weakened as a result. In addition, economic growth has been impacted by falling contributions from labour and productivity. A decrease in the size of the labour market will intensify over the long-term as the population ages rapidly. South Korea's population is projected to move from the fourth youngest among OECD countries in 2014 to the third oldest by 2050 *(OECD, May 2017)*.

In March 2017, President Park, a conservative, was impeached after a corruption scandal. She was replaced in May 2017 by Moon Jae-in, a liberal. He favours a more open policy towards North Korea, and is expected to challenge the deployment of a controversial US missile defense system *(CNN, May 2017)*.

The unemployment rate was 3.6% in 2016 and is projected to decrease marginally to 3.3% in 2017. The unemployment rate is low in comparison to other OECD countries, being the lowest after Japan and Iceland. However, the rate is much higher for younger Koreans, standing at 8.1% among those 15 to 29 years old *(Statistics Korea, 2017).*

Inflation rose to 2% in 2017 and is expected to remain flat around 2% in the near term *(OECD, November 2017).* Consumer confidence is on the upswing in South Korea, standing at 45.1, up from 37.2 six months prior *(Thomson Reuters / Ipsos Primary Consumer Sentiment Index, July 2017).*

South Korea is the 7th largest outbound tourism market, with expenditures totalling US$27 billion in 2016 *(United Nations World Tourism Organization, April 2017)*. The number of outbound tourists reached 22.4 million in 2016 and is expected to top 26 million in 2017 *(Bloomberg, 2017)*.

When interpreting results for South Korea, it is important to note that outbound travel in this market has evolved very quickly over the past several years and continues to trend upwards. For this reason, some results could seem inflated. It will be important to continue tracking results over time to see how these metrics shift and stabilize.

Market Potential

HIGHLIGHTS

- ✓ *The immediate potential market remains relatively unchanged from the previous year: 8.24 million travellers are definitely or very likely to visit Canada in the next 2 years (versus 8.39 million in 2016).*
- ✓ *The proportion indicating they will spend more on long-haul travel exceeds those who say they will spend less, resulting in a long-haul outlook of +7 in 2017, up significantly from +1 in 2016.*

GTW data is used to estimate the size of the potential market for Canada. The table below provides an estimate of the size of the potential South Korean market for Canada in two ways – the macro target market and the immediate potential market.

The long-haul travel market size is derived from a 2016 omnibus study of the South Korean adult population. Long-haul travel incidence is comprised of travellers who indicate that they have travelled for a long-haul pleasure trip in the past three years, or intend to do so in the next two years.

The proportion of GTW respondents who are in the dream to purchase stages for Canada (81%, down significantly from 89% in 2016) is used to calculate a target market estimate of 16.23 million.

The immediate potential is a more conservative estimate based on GTW respondents who say they are definitely or very likely to visit Canada in the next two years (51%, versus 47% in 2016). This translates into a market of 8.24 million travellers with more immediate potential for conversion, which is similar to 2016 (8.39 million).

Although the immediate potential size is consistent year-over-year, it is important to note that the significant decrease in the dream to purchase stages for Canada has caused the overall target market to decrease from 17.70 million, down to 16.23 million. However, the marginal increase to the proportion who are definitely or very likely to visit in the next 2 years has made up for the decrease in the overall target market size.

Among Destination Canada's ten international markets, South Korea was ranked 3rd in immediate potential market size (behind the US and China). However, actual visitation from South Korea was ranked 9th among Destination Canada's international markets in 2017[1]. This means that Canada has room to improve on converting potential travellers into actual visitors in the South Korean market.

For context, Canada attracted 286,000 overnight visitors from South Korea in 2017, 17% more than the record 244,000 visitors in 2016[2]. Despite the notable increase, the 286,000 arrivals represent only 3% of the immediate potential market, which suggests there is considerable potential for Canada in South Korea.

Size of Potential Market to Canada (Next 2 Years)

Measure	Size of Potential Market to Canada
Long-haul pleasure travel market	**19.96 million**
Target market for Canada (dream to purchase stage)	**81%** ▼
Size of the target market	**16.23 million**
Immediate potential for Canada (definitely/very likely to visit in next 2 years)	**51%**
Immediate potential	**8.24 million**

▲ / ▼ *Significantly higher/lower than 2016.*

Base: Target market for Canada = long-haul pleasure travellers (past 3 years or next 2 years) (n=1500); Immediate potential for Canada = dream to purchase stages for P2P for Canada (n=1228)
QMP1. Which of the following best describes your current situation when thinking about each of the following destinations for a holiday trip?
QMP6. Realistically, how likely are you to take a holiday trip to Canada in the next 2 years?

Also of interest is the demonstrated interest in Canada's regions among the Immediate Potential market (8.24 million). Quebec surpasses Ontario as the province with the greatest appeal (61% or 4.99 million potential visitors, up from 54% in 2016), placing Ontario in second place (54% or 4.42 million potential visitors). BC follows closely, appealing to 53% of potential visitors (4.39 million).

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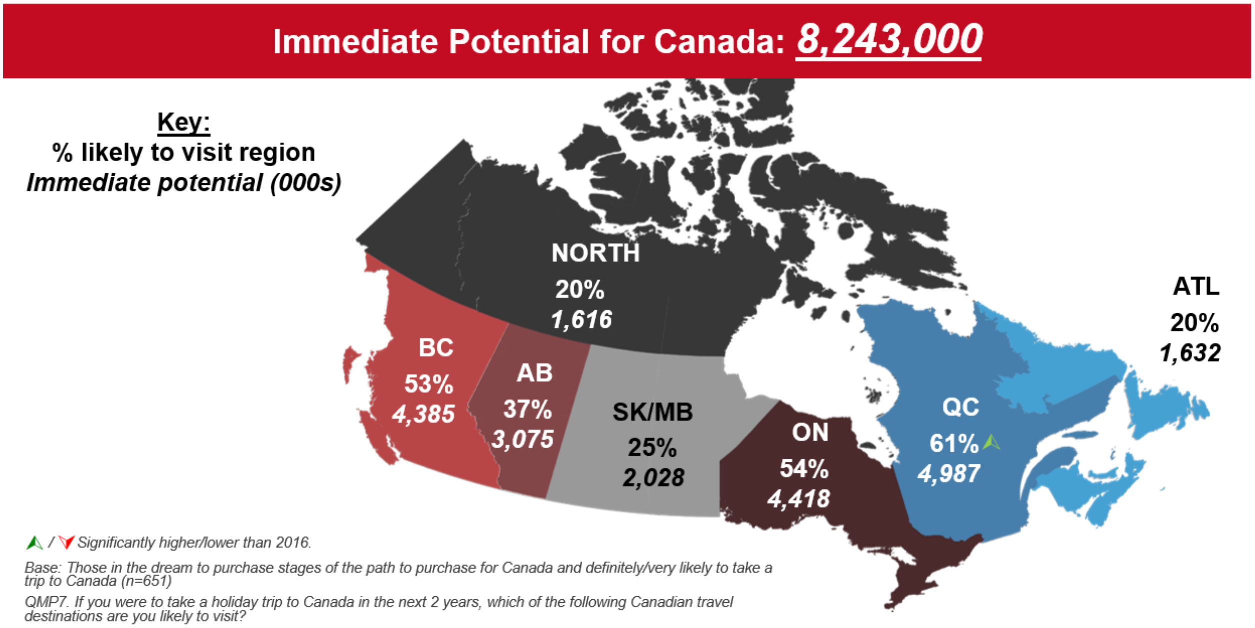
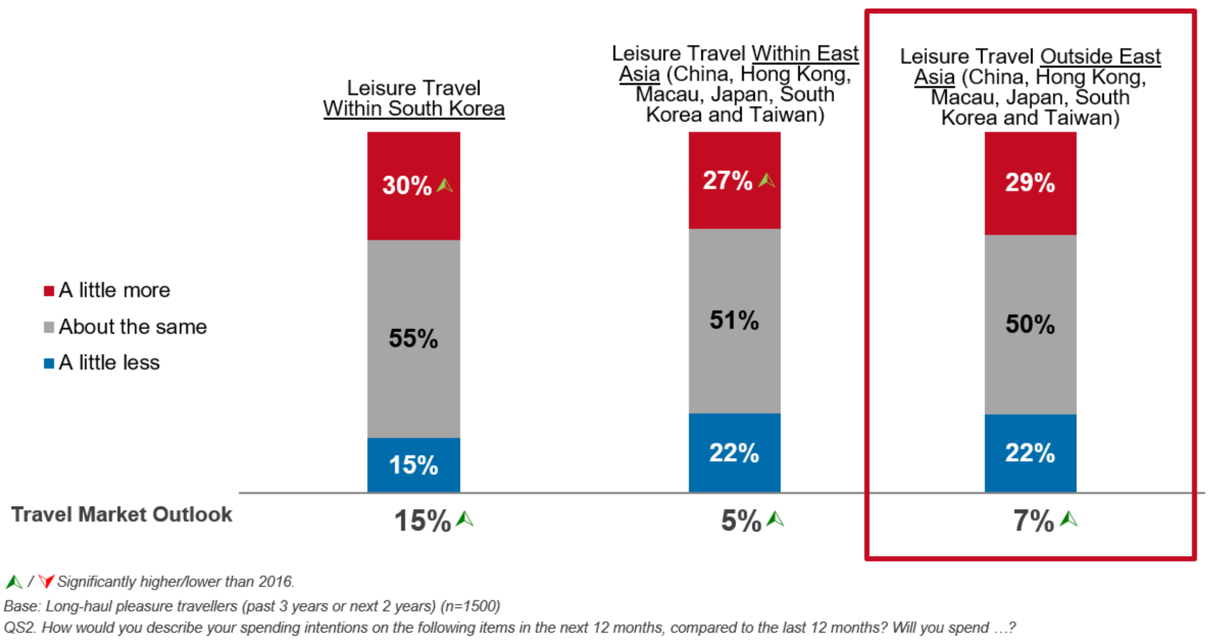
1 *Destination Canada, Tourism Snapshot, December 2017.*
2 *Destination Canada, Tourism Snapshot, December 2016 & December 2017.*

Potential Market Size for the Regions



The proportion of South Korean travellers saying they will spend more on long-haul travel is higher than those who say they will spend less, resulting in a long-haul outlook of +7 in 2017, up from +1 in 2016. Short-haul travel within East Asia also has a positive outlook, with the proportion of travellers indicating they will spend more exceeding those who intend to spend less (+5). However, South Korean travellers appear even more likely to travel within their own country (outlook almost doubling from +8 in 2016 to +15 in 2017). The increase in South Korean travellers indicating that they will spend more on travel within South Korea in the next 12 months may have been driven by a desire to attend the Olympic Winter Games being hosted in Pyeongchang in early 2018.

Spending Intentions (in the Next 12 Months)



Competitive Environment – Key Performance Indicators Summary

HIGHLIGHTS

- ✓ *While Canada remains well positioned among competitive destinations in terms of aided consideration and the newly added Net Promoter Score measure, there is opportunity to improve unaided consideration as well as knowledge about Canada.*
- ✓ *Travellers aged 55+ express stronger unaided consideration and greater knowledge of Canada.*

The GTW tracks the following Key Performance Indicators (KPIs) for Canada: unaided and aided destination consideration, aided destination knowledge, and past visitation. Canada's performance is tracked against key competitors for the long-haul travel market. For South Korea, these destinations are the US, France, Germany, Switzerland, Australia, United Kingdom, Spain, Russia, India, Italy and Portugal.

The outlook for Canada in the South Korean market remains favourable. Out of the 12 competitive long-haul destinations that respondents were asked to evaluate, Canada is ranked 2nd (behind Australia and tied the US) on aided consideration, 3rd on unaided consideration (behind Australia and the US) and remains 8th (unchanged since 2016) on destination knowledge (behind the US, Australia, Spain, UK, Germany, Italy and Switzerland).

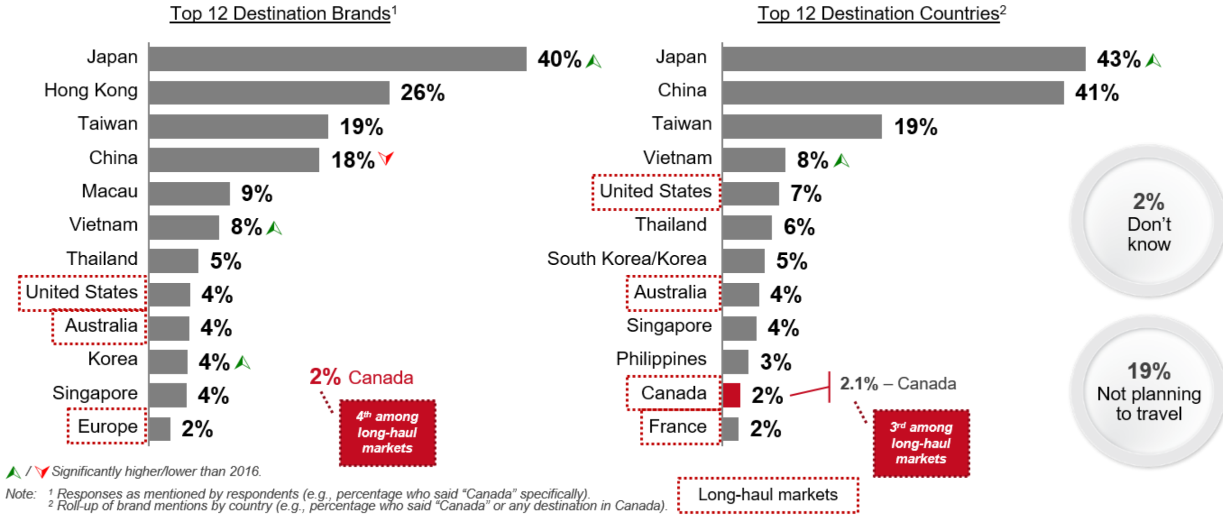
Consideration

Unaided consideration represents top-of-mind presence of destinations in the consumer mindset and requires travellers to think of destinations without being prompted. Unaided consideration indicates that a strong impression has rooted in the mind of a traveller for a destination. From a marketing perspective, travellers who have Canada on their unaided consideration list may be easier to attract since they are actively thinking of Canada as a travel destination.

It is important to note that even though respondents are asked to list out long-haul destinations that they would consider visiting on an unaided basis, many respondents still mention short-haul destinations within Asia. This could speak to the fact that many South Korean travellers are short-haul focused when thinking of travel destinations and could represent a challenge for convincing South Korean travellers to go further abroad.

On an unaided basis, 2% of South Korean travellers mentioned Canada as a destination under serious consideration in the next 2 years (versus 3% in 2016). Canada's result is in line with France (2%) but trails Australia (4%) and the US (7%), which garnered the most mentions of any long-haul destination. Older travellers aged 55-64 were more likely to mention Canada (5%). No specific places in Canada were mentioned by South Korean long-haul travellers, with all just saying Canada, suggesting knowledge of specific Canadian destinations is low.

Unaided Long-Haul Destination Consideration (Next 2 Years)



Note: ¹ Responses as mentioned by respondents (e.g., percentage who said "Canada" specifically).
² Roll-up of brand mentions by country (e.g., percentage who said "Canada" or any destination in Canada).

Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)

QS8. You mentioned that you are likely to take a long-haul holiday trip outside of East Asia (e.g., China, Hong Kong, Macau, Japan, South Korea and Taiwan) in the next 2 years. Which destinations are you seriously considering? (Please list up to 3 destinations.)

Aided consideration represents the proportion of travellers who say they would seriously consider visiting a destination, but only after they are prompted with a list of competitive destinations. Travellers who have aided consideration for Canada may not be thinking of Canada top-of-mind, but they are considering a visit. Continued prompts and cues through marketing efforts could help move these considerers down the Path to Purchase. On an aided basis, 28% say they are seriously considering Canada for a leisure trip in the next 2 years, unchanged from 2016. Canada's result is narrowly behind Australia (29%) and tied with the US (28%). Of note, aided consideration improved significantly for Switzerland in 2017 (22%, up from 19% in 2016), propelling Switzerland into 4th position after Australia, Canada and the US.

On an aided basis, younger travellers aged 18-34 express stronger interest than average in Germany and the UK, but lower interest in Australia. Travellers aged 35-54 are the least interested in visiting the US. Both recent visitors to Canada and those considering a visit rank Canada first overall in aided consideration among all destinations in the competitive set (for recent visitors, Canada is tied for first with the US). Knowing that past visitors are more interested in returning, it is important to attract new visitors to grow the pool of potential repeat visitors.

Canada is tied with the US for 1st in aided consideration and is 3rd in unaided consideration – clearly, there is greater consideration when South Korean travellers are reminded of Canada as a potential destination. Given the stronger position when prompted, continuous marketing efforts could help Canada take advantage of the favourable sentiment to remain more top-of-mind.

Knowledge

Aided destination knowledge measures knowledge of travel opportunities in each destination among those with that destination in their consideration set. Thirteen percent of all South Korean long-haul travellers rate their knowledge of travel opportunities in Canada as either excellent or very good, unchanged from 2016. Among those considering Canada, destination knowledge stands at 24% (versus 23% in 2016), which keeps Canada in 8th place, behind the US (36%), Spain, Australia, the UK, Germany (all at 28%), Italy (26%), and Switzerland (25%). Given the large number of potential South Korean visitors in the next 2 years, efforts to increase knowledge of Canadian travel opportunities could help to move these potential visitors along the path-to-purchase.

Visitation

In terms of past visitation, 32% of South Korean long-haul travellers indicate that they have visited Canada on a leisure trip at some point in their lifetime, consistent with 2016 levels. Travellers aged 35-54 and 55+ are more likely to have visited previously (31% and 39% respectively) compared to younger travellers aged 18-34 (25%). Those considering a trip to Canada are also considerably more likely to have visited previously (52%). Messaging designed to encourage a repeat visit is recommended since past visitors to Canada voice considerably higher interest in returning.

Key Performance Indicators

Indicator	Definition	All Long-Haul Travellers (n=1500)	Recent Visitors to Canada[1] (n=200)	Considering Canada[2] (n=553)
Intentions:				
Unaided destination consideration	% who mentioned Canada or a destination in Canada on their consideration list[3]	**2%**	**4%**	**5%**
Competitive positioning on destination consideration	Rank on the consideration list among 12 destinations	**3**	**1**	**1**
Destination knowledge:				
Aided awareness of travel opportunities in Canada	% with excellent/very good knowledge of travel opportunities in Canada	**13%**	**47%**	**25%**
Past visitation:				
Past visitation	% who have ever visited Canada for pleasure	**32%**	**100%**	**52%**

▲ / ▼ Significantly higher/lower than 2016.

1 Visited Canada in the past 3 years (pleasure trip of 4 or more nights, with at least 1 night in paid accommodations).
2 Those in the consider to purchase stages of the path to purchase for Canada.
3 For trips in the next 2 years.

Base: Long-haul pleasure travellers (past 3 years or next 2 years)

QS8. You mentioned that you are likely to take a long-haul holiday trip outside of East Asia (e.g., China, Hong Kong, Macau, Japan, South Korea and Taiwan) in the next 2 years. Which destinations are you seriously considering? (Please list up to 3 destinations.)
QBVC1. You may have already mentioned this before, but which destinations would you seriously consider visiting in the next 2 years?
QMP3. How would you rate your level of knowledge of holiday opportunities in each of the following destinations (asked only for destinations in consideration set)?
QRT14a. Approximately, how many times have you been to Canada?

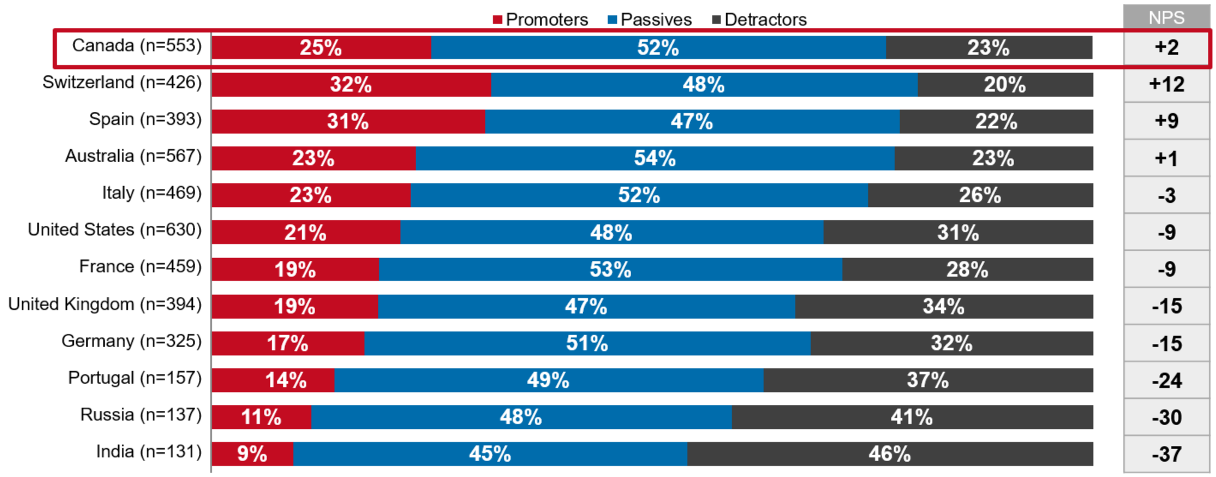
Net Promoter Score (NPS)

The Net Promoter Score (NPS) measure was added in 2017 (previously asked in 2015). NPS measures the likelihood of travellers to recommend a destination. Results are gathered among travellers for each destination in their consideration set (have visited previously and/or considering a visit). The measure has an 11pt scale (0-10). The score is calculated by subtracting Detractors (0-6 rating) from Promoters (9-10 rating). Passives are those who provided a rating of 7-8.

Switzerland (+12) and Spain (+9) achieve the highest NPS result among South Korean travellers. Switzerland has slightly more Promoters than Spain (32% vs 31%), and slightly less Detractors (20% vs 22%). Canada follows in 3rd place with a NPS result of +2, with Australia close behind at +1. Canada has one of the largest proportions of Passives (52%) compared to other destinations in the competitive set, suggesting that many South Korean travellers do not have a strong opinion on Canada.

When the results for Canada are examined among recent visitors, the score rises to +17, underscoring the opportunity to capitalize on advocacy from recent visitors as well as encouraging them to return. South Korean travellers aged 55+ have the highest NPS score for Canada (+14), with younger travellers aged 18-34 having the lowest score (-10).

Net Promoter Score



+ New question added in 2017 – no trending.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) considering visiting each country
+QMP11. Whether you have visited or not, how likely are you to recommend each of the following destinations to a friend, family member or colleague?

Path-to-Purchase

HIGHLIGHTS

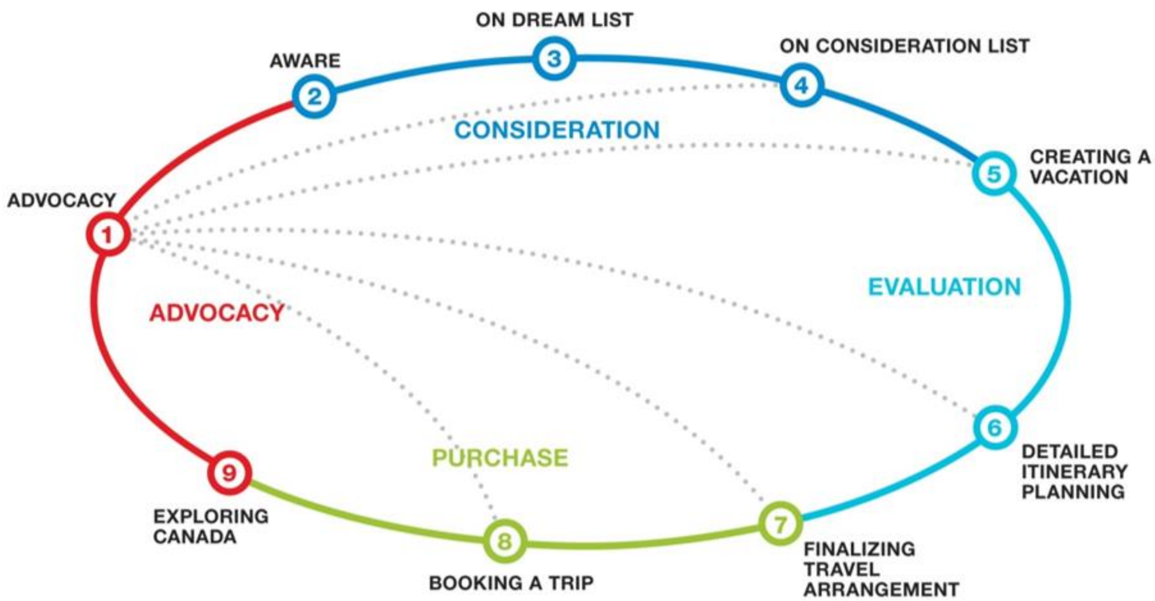
- ✓ *Younger travellers aged 18-34 indicated decreased active planning for trips to Canada in 2017. As a result, travellers aged 35+ are now more likely to be actively planning a trip to Canada than those aged 18-34.*
- ✓ *Additional focus could be placed on moving travellers from the creating a vacation movie to detailed itinerary planning.*

Like any other expensive and discretionary consumer product, there is a purchasing or decision-making cycle associated with long-haul travel: consumers move through progressive stages from not knowing anything about a destination to booking a trip.

The final stage, advocacy, happens during and after the actual visit.

Destination Canada wants to understand where the organization can have the greatest influence in converting those with interest in Canada to actual visitors.

Destination Canada's Path-to-Purchase Model



In addition to looking at individual stages of the P2P, Destination Canada has identified phases travellers move through in the purchase cycle. Key phases are defined below and are referenced throughout this report.

Destination Canada's Path-to-Purchase Model

Unaware	Have never thought of taking a trip to this destination
Aware	Not interested in visiting/returning in the foreseeable future
On Dream List	Dreaming about visiting/returning someday
On Consideration List	Seriously considering visiting/ returning in the next 2 years
Creating a Vacation Movie	Have started to gather some travel information for a trip to this country
Detailed Itinerary Planning	Am planning the itinerary for a trip to this country
Finalizing Travel Arrangements	Am currently making transportation and accommodation arrangements
Booking a Trip	Have already booked my transportation and accommodations

Dream to Purchase

Consider to Purchase

Active Planning

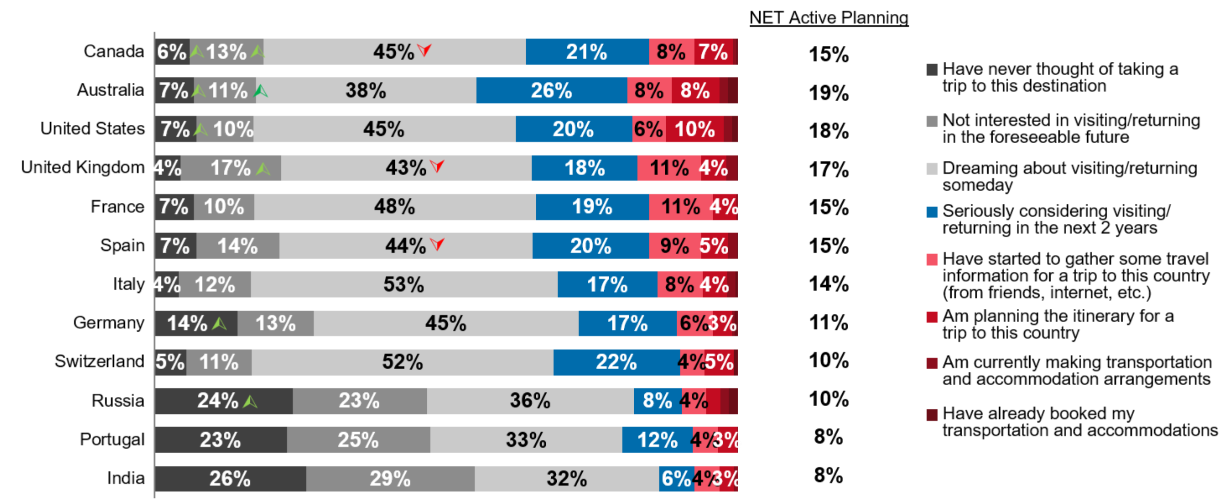
Australia and the US continue to lead the way with 19% of South Korean long-haul travellers actively engaged in planning a visit to Australia and 18% actively planning a trip to the US. An additional 26% for Australia and 20% for the US are seriously considering a visit. The UK has jumped into 3rd spot (from 9th in 2016) with 17% actively planning a trip to the UK. Canada is not far behind with 15% (unchanged from 2016), tied for 4th place with France and Spain.

The proportion of South Korean travellers in the dream to purchase stages for Canada has decreased significantly year-over-year (81%, down significantly from 89% in 2016).Less South Korean travellers are dreaming about visiting Canada (45%, down significantly from 53% in 2016) while more are not interested in visiting in the foreseeable future (13%, up significantly from 7%), and more have never thought of taking a trip to Canada (6%, up significantly from 4%). Results from the November 2017 Pulse Check wave suggests that seasonality of survey field timing does not have an effect on path-to-purchase measures for Canada among South Korean travellers. Any significant shifts between December 2016 and July 2017 results have remained stable in the November 2017 Pulse Check wave.

Travellers aged 35+ are more likely to be actively planning a trip to Canada (17%) than those aged 18-34; this is due to a drop in the proportion of young travellers actively planning a trip in 2017 (10%, down from 16% in 2016). Travellers aged 25-34 are more likely to be in the dream stage.

Among competitors, there are significant shifts in the path-to-purchase for Australia, the US, the UK, Spain, Germany and Russia. Several countries can attribute their shifts to seasonality, including Australia and Spain. Shifts for the UK, the US, Germany and Russia do not seem related to seasonality. Given the recent increase in long-haul travel propensity among South Koreans, many may still be assessing their interest to visit different destinations. The large number of significant shifts across competitors in the unaware and not interested stages of the path-to-purchase could indicate a South Korean traveller audience that is starting to narrow down their list of desired destinations.

Stage in the Purchase Cycle by Country



/ Significantly higher/lower than 2016.

Base: Long-haul pleasure travellers (past 3 years or next 2 years) – note all respondents evaluated Canada plus 2 randomly selected countries from the competitive set (n=varies)

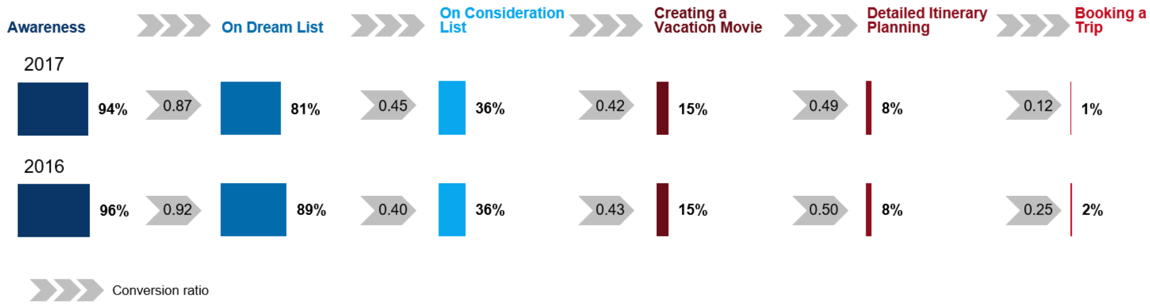
QMP1. Which of the following best describes your current situation when thinking about each of the following countries for a holiday trip?

Getting travellers to move through the purchase cycle to booking a trip is critical. The charts below show Canada's progress converting travellers at crucial steps in the purchase cycle relative to top competitors (determined by past 3-year visitation) and other destinations in the competitive set. For reference, also shown is the average across the entire competitive set. 'Strong' and 'weak' conversion ratios were derived through statistical analysis, specifically if a conversion ratio is greater than one standard deviation from the average, then it is considered 'strong' and if a conversion ratio is lower than one standard deviation from the average, then it is marked as 'weak'.

Canada's performance remains average in 2017 across the purchase cycle. Canada's performance is weakest, comparatively to other top destinations, at converting travellers from creating a vacation movie to the detailed itinerary planning phase. This could be a potential area of focus for Canada. At the detailed itinerary planning stage, travellers are primarily self-motivating and will explore the many sources available to build their dream trip; they seek authenticity and real-life experiences in their search for advice.

South Korean travellers who are currently in the itinerary planning stage for Canada cite the following as the top sources of information that helped them plan their trip: friends and family, in person (37%), TV programs (34%), travel agents/tour operators in-person (32%), travel guidebooks (25%), and blogs (22%).

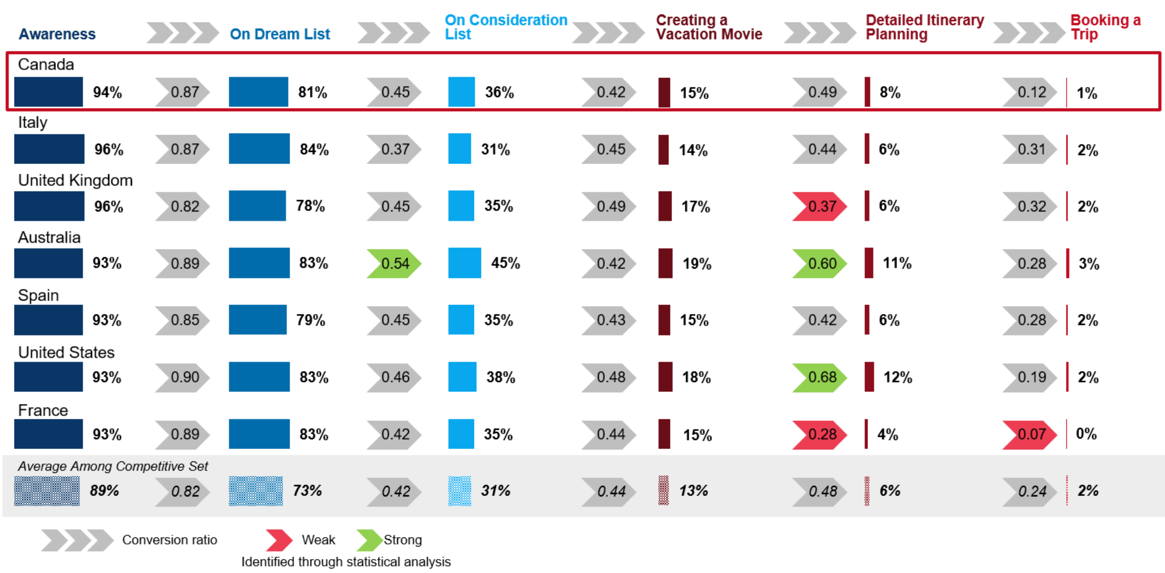
Path-to-Purchase Conversion – Canada



Australia excels at getting on travellers' consideration list while both Australia and the US record above average results at getting travellers to start detailed itinerary planning. Given that the US and Australia are the top competitors to Canada, these positive results continue to be something to watch out for. The UK and France however are identified as weak performers in converting travellers from the movie stage to detailed itinerary planning.

For context, the US recorded 1.98 million arrivals from South Korea in 2016, while Australia saw 303,700 in 2017 and Canada welcomed 286,000.[3]

Path-to-Purchase Conversion – Top Competitors



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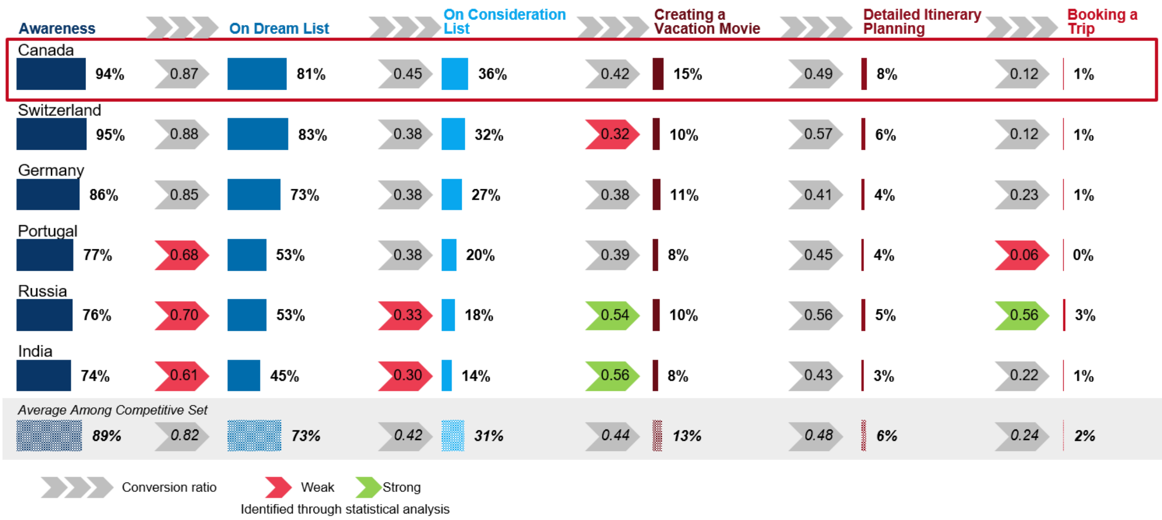
[3] *Destination Canada, US National Travel & Tourism Office, Tourism Australia.*

Examining purchase cycle results for destinations visited less frequently by South Korean travellers is also illuminating. Most notably, Russia is a strong performer at the latter stages with above average performance at the vacation movie and booking stages, but a weak performer at the early stages of getting on travellers' dream list and consideration list. This is an indication that Russia may struggle to get South Korean travellers to consider the destination, but once they do, Russia is successful in getting them to visit. India also struggles in the early stages and excels at the vacation movie stage, but records average performance in the latter stages.

Path-to-Purchase Conversion – Rest of Competitors



Destinations

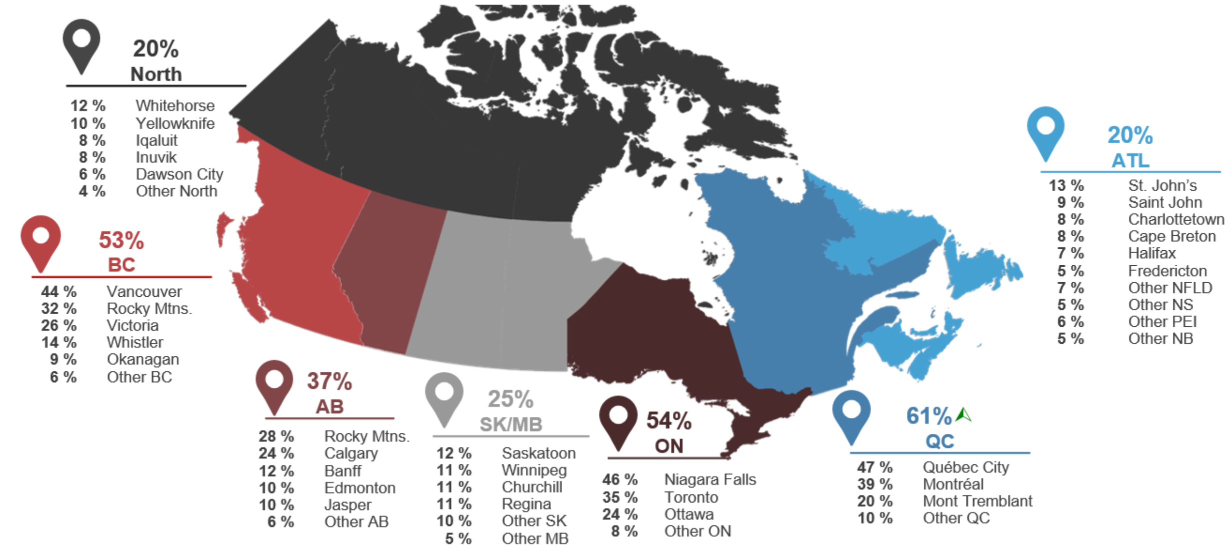
HIGHLIGHTS

- ✓ *Likelihood to visit Quebec has increased significantly, moving the province into first place, ahead of Ontario and BC.*
- ✓ *Quebec City has also seen a rise in mentions, and now sits in 2nd place behind Niagara Falls as the destination with the greatest appeal.*

South Korean travellers in the dream-to-purchase stages and indicating they are definitely/very likely to visit Canada in the next 2 years were asked which parts of the country they would likely visit. More South Korean travellers indicate interest in visiting Quebec (61%, up significantly from 54% in 2016). Quebec has now become the most popular province, overtaking Ontario, with Quebec City (47%) and Montreal (39%) as the primary draws. Ontario is the second most popular province (54%), with Niagara Falls (46%) and Toronto (36%) as the top destinations. BC follows closely behind (53%), with Vancouver being the most popular destination (44%).

There is also interest in visiting the Rocky Mountains, with 32% of probable visitors heading to BC for this experience and 28% saying they would go to Alberta, which is in line with 2016.

Canadian Destinations Likely to Visit (Among those definitely/very likely to visit)



/ Significantly higher/lower than 2016.

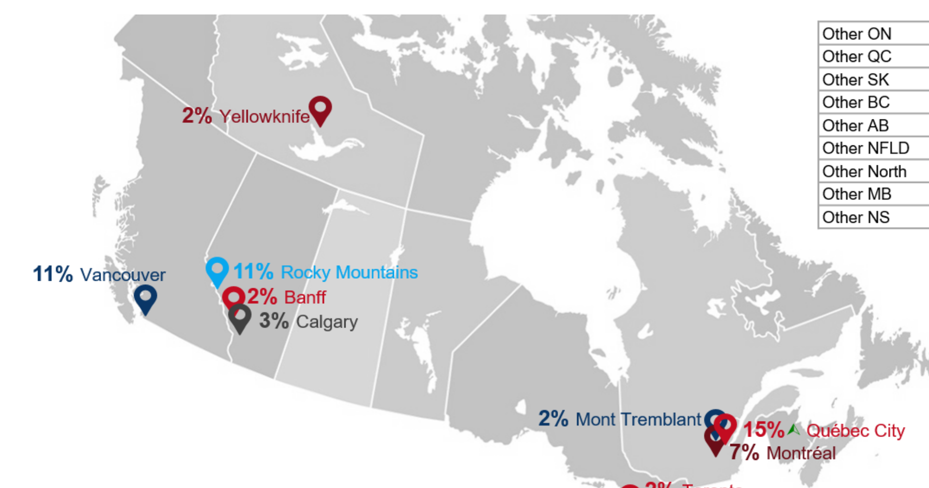
Base: Those in the dream to purchase stages of the path to purchase for Canada and definitely/very likely to take a trip to Canada (n=651)

QMP7. If you were to take a holiday trip to Canada in the next 2 years, which of the following Canadian travel destinations are you likely to visit?
QMP7a-g. Within [province/region], which travel destinations are you likely to visit?

An additional question asked potential visitors to identify the one Canadian destination holding the greatest appeal. Niagara Falls, selected by 26% of potential visitors, is clearly the top attraction followed by Quebec City (15%), Vancouver (11%), Rocky Mountains (11%), and Montreal (7%). Of note, appeal for Quebec City rose significantly from 9% in 2016 to 15% in 2017. The South Korean TV drama 'Goblin', which was filmed in Quebec City, was watched by 64% of South Korean travellers. Given the broad appeal, it is likely that this television series was responsible for much of the increased interest in Quebec City.

Although the results suggest Canada's landscape-based icons (particularly Niagara Falls) still hold greater appeal for South Korean travellers than city destinations, the increasing appeal of Quebec City may be an indication of increasing knowledge and desire to visit cities as well. There continues to be an opportunity to use well-known natural landscapes as anchors and highlight their proximity to cities and lesser known/desirable destinations to attract South Korean travellers.

Most Appealing Canadian Destination – Top 10 Mentions



Other ON	1.1%
Other QC	0.9%
Other SK	0.7%
Other BC	0.4%
Other AB	0.3%
Other NFLD	0.3%
Other North	0.2%
Other MB	0.1%
Other NS	0.1%

Whitehorse	1.9%
Victoria	1.9%
Jasper	1.3%
Inuvik	0.9%
Edmonton	0.6%
Ottawa	0.4%
Regina	0.4%
Iqaluit	0.4%
Okanagan	0.4%
Fredericton	0.4%
Cape Breton	0.3%
Charlottetown	0.3%
Whistler	0.3%
Saskatoon	0.3%
Dawson City	0.2%
Halifax	0.2%
Churchill	0.1%
St. John's	0.1%

/ Significantly higher/lower than 2016.

Base: Those in the dream to purchase stages of the path to purchase for Canada and definitely/very likely to take a trip to Canada (n=651)

QMP8. And, which place in Canada most appeals to you?

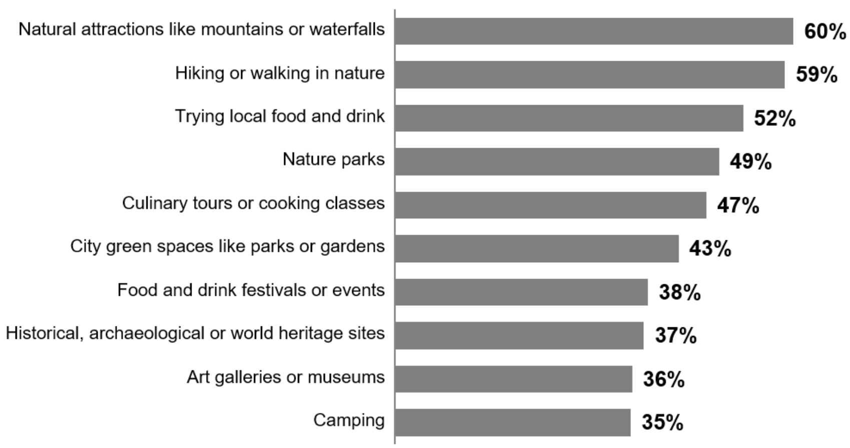
Vacation Activities

HIGHLIGHTS

- ✓ *Natural attractions like mountains or waterfalls is the top trip anchor activity, which aligns with South Koreans indicating Niagara Falls as the destination with the greatest appeal.*
- ✓ *Popular activities that Canada could do more to promote to South Korean travellers: Northern lights, culinary tours or cooking classes, cruises, spa or wellness centres, food and drink festivals, Aboriginal culture and traditions, nightlife, camping, and historical sites.*

South Korean travellers were asked about which activities and experiences they seek while on holidays in general, regardless of the destination. The top activities results are similar to 2016, however there have been some shifts among lower ranked activities. Culinary tours or cooking classes have moved up to 5th (from 7th in 2016). Spa or wellness centres and viewing wildlife or marine life have both seen significant declines which have dropped them out of the top 10, allowing food and drink festivals and camping to break into the top ten. Natural attractions and hiking or walking in nature remain the most sought-after holiday experiences, followed by trying local food and drink and visiting nature parks. Apart from city green spaces, art galleries or museums, and camping, which hold relatively equal appeal across all groups, food related activities such as trying local food and drink and food and drink festivals generally hold stronger appeal for younger travellers aged 18-34. All other top activities generally hold stronger than average appeal for older travellers aged 55+.

General Activities/Places Interested In – Top 10

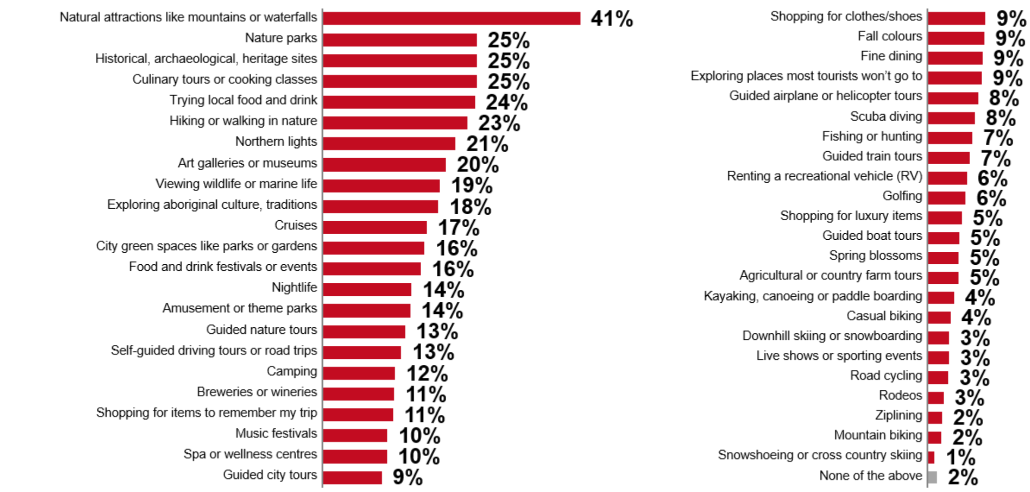


/ Significantly higher/lower than 2016.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
QMP10. In general, what activities or places are you interested in while on holiday?

Trip Anchor Activities

A new question added in 2017 asked South Korean travellers which vacation activities are important enough that they would base an entire trip around them. Natural attractions is the top trip anchor activity by a large margin (41%), followed by nature parks (25%), historical sites (25%), culinary tours or cooking classes (25%), trying local food and drink (24%), and hiking or walking in nature (23%). All of these are also among the top activities of interest for South Korean travellers. Given that South Korean travellers are willing to anchor a trip around these activities, focus could be placed on messaging about their availability in Canada. These anchors are particularly important to highlight at the creating a vacation movie stage of the path-to-purchase since travellers are looking to build a framework around what their trip could look like.

__Trip Anchor Activities__



+ New question added in 2017 – no trending.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) answering (n=1487)
+QMP12. Among these activities, are there any that are important enough that you would base an entire trip around that activity?

Activities of Interest & Participation in Canada

Another new question added in 2017 looks at participation in activities among recent visitors to Canada. Actual participation data is presented in tandem with general vacation interests to identify any gaps. The activities are grouped into “Popular” activities (those with above average interest among all activities) and “Niche” activities (those with below average interest.) Gaps in participation are identified by calculating the proportion of recent visitors who participated in an activity versus general interest in an activity. Activities with below average participation are highlighted to indicate the largest gaps. In South Korea’s case, actual participation is higher than general interest for many activities – to account for this, the average is calculated only among those activities with actual participation gaps (participation rates under 1.0).

Participation rates are high for some of the top activities of interest that are widely available, such seeing natural attractions, hiking or walking in nature, trying local food and drink, visiting nature parks, and visiting city green spaces like parks or gardens. However, participation is lower for popular culinary related activates such as culinary tours or cooking classes and food and drink festivals. Activities where participation is higher than general interest (participation rates over 1.0), indicate that Canada is doing well at delivering on the activity. Travellers could be fulfilling their stated activity interests, or travellers could be opportunistic when coming across activities in destination – either way, the activities are accessible to visitors from this market.

Among popular activities for South Korean travellers, participation gaps are most pronounced for:

- Cruises
- Northern lights
- Spa or wellness centres
- Food and drink festivals
- Culinary tours or cooking classes
- Exploring Aboriginal culture, traditions or history
- Nightlife
- Camping
- Historical, archaeological or world heritage sites

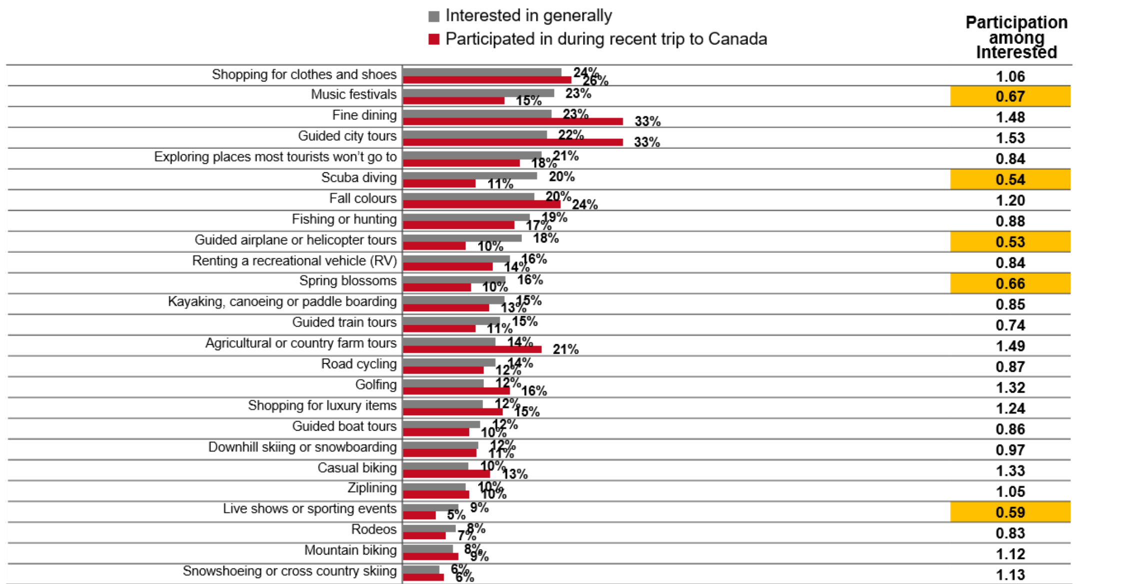
There is an opportunity for the Canadian tourism industry to either further develop or more clearly communicate offerings in these areas since there is evident interest that is going unmet.

Culinary tours or cooking classes and historical sites are among the top activities that South Korean travellers would anchor a trip around. Improved messaging on availability and accessibility of culinary tours or cooking classes could help to increase participation among South Korean travellers. For historical sites, highlighting Canada's offerings could help build knowledge around potential experiences.

Cruises and Northern lights, two activities with the largest gaps, several communication points could be addressed to increase participation among South Korean travellers, including improved messaging on availability, accessibility, and differentiation of the Canadian experience compared to European offerings.

Food and drink festivals, spa or wellness centres, exploring Aboriginal culture, nightlife and camping are other activities where improved communication and marketing could increase participation. Although they are not among the top trip anchor activities, given the wide availability of marketable products, they are well positioned as add-ons for South Korean travellers.

Popular Activities with Above Average Interest



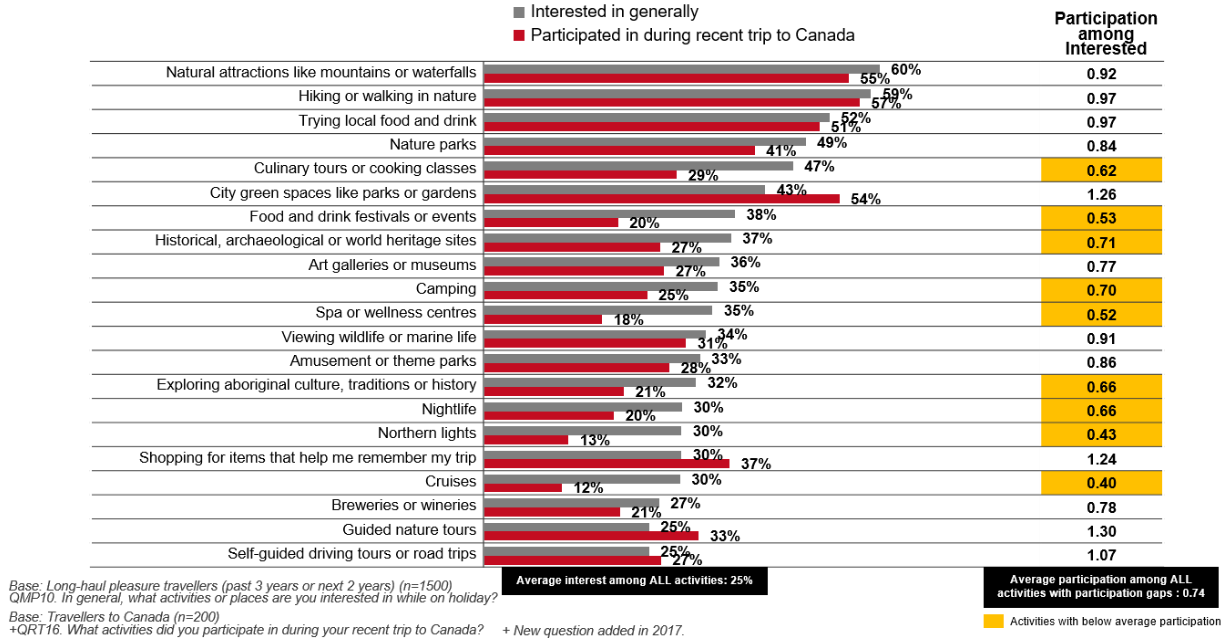
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
QMP10. In general, what activities or places are you interested in while on holiday?
Base: Travellers to Canada (n=200)
+QRT16. What activities did you participate in during your recent trip to Canada? *+ New question added in 2017.*

Among the less popular or niche activities, there are many large gaps in participation among recent visitors to Canada and general interest. Most notable are niche activities with large gaps in participation and wide availability of marketable products. These activities tend to be on the softer spectrum (as opposed to active) and there is opportunity to better position these activities as add-ons for different types of South Korean travellers.

Soft Activities:

- Guided airplane or helicopter tours
- Live shows or sporting events
- Music festivals

Niche Activities with Below Average Interest



Barriers

HIGHLIGHTS

- ✓ *Length of flight and cost remain the top two deterrents to visiting Canada, cited much more often that the next closest impediments.*
- ✓ *Older travellers aged 55+ have fewer barriers to visiting and are most likely to say nothing will prevent them from travelling to Canada.*
- ✓ *Those at the evaluation stage (gathering information or planning a visit) are increasingly likely to mention length of flight, and are now more likely to mention this potential barrier than those at the consideration phase. However, mentions for many other barriers have declined since 2016, while the proportion of those saying nothing would prevent them from visiting Canada has increased. These results could be due to the popular South Korean TV drama 'Goblin' having an effect on knowledge and interest among those in the evaluation stage.*

All South Korean long-haul travellers were asked what could prevent them from visiting Canada. The long trip/flight remains the primary deterrent, followed by cost. The top two barriers continue to far outpace the next closest impediments – the unfavourable exchange rate, lack of time to take vacation, and distance between destinations and attractions. A lack of knowledge of Canada also continues to be a more prevalent barrier than a preference for other destinations. Younger travellers aged18-34 are more likely to mention a desire to visit other places, lack of knowledge, lack of reason to visit imminently, and safety concerns. Older travellers aged 55+ are more likely to say that there is nothing to prevent them from visiting Canada.

Highlighting the increasing availability of direct flights between South Korea and Canada (up 17% over 2016[4]) may help address issues around distance to travel to Canada. While cost and exchange rate barriers are challenging to address, it can be indirectly dispelled through messaging about the value offered by a Canadian vacation experience.

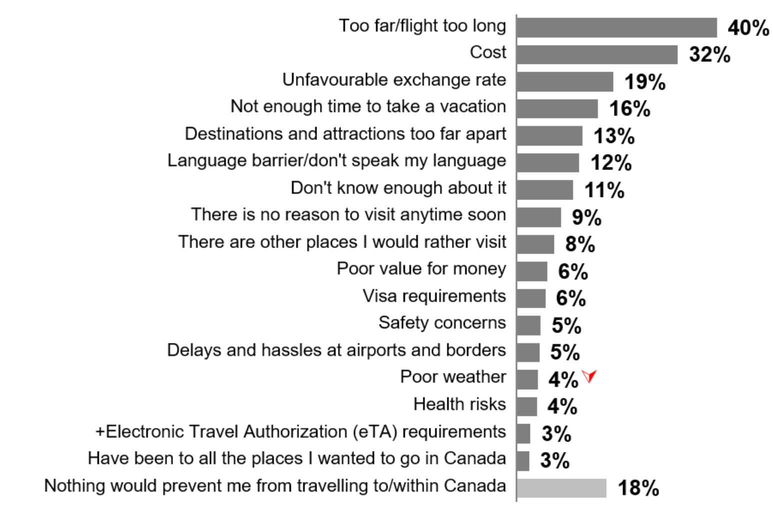
Secondary barriers, such as lack of knowledge, can be addressed through advertising and could be targeted towards younger travellers aged 18-34 as the barrier is more pronounced among this group. Emphasizing the ability to anchor a trip to specific regions/experiences rather than having to see the whole country, or that you don't have to see the whole country all at once, could help counter the notion that Canadian destinations are too far apart.

It is notable that even though there are no formal visa requirements for South Korean citizens to enter Canada (100% of respondents said they were South Korean citizens), 6% of respondents listed visa requirements as a barrier to visiting. The Electronic Travel Authorization (eTA) requirement was included as a response option for 2017, yet only 3% saw it as a possible barrier.

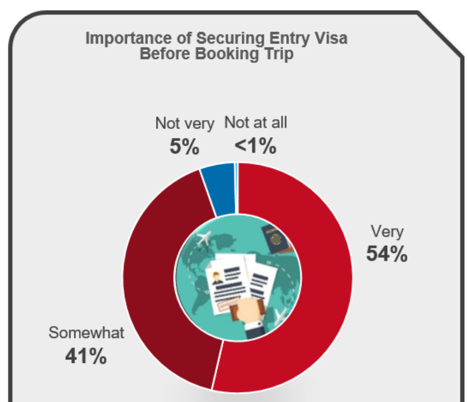
An additional question asked respondents about the impact of entry requirements on booking. It appears this is an important consideration for South Korean travellers, with 95% saying securing an entry visa before booking is important. Note this question is not destination specific.

Older travellers aged 55+ represent the best immediate opportunity as they are most likely to say that nothing would prevent them from visiting Canada. From a lifetime value standpoint, younger travellers may require more effort to attract, but the pay-off can be greater. Attracting younger travellers will take more effort as travellers need to be informed about what Canada can offer as well as dispel concerns about safety. From a strategic marketing viewpoint, Destination Canada could consider focusing branding awareness efforts on younger travellers and split tactical efforts in collaboration with partners between the younger and older generation.

Key Barriers for Visiting Canada



+ New response option added in 2017 – no trending.
/ Significantly higher/lower than 2016.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
QMP9. Which of the following factors might discourage you from visiting Canada?



+ New question added in 2017 – no trending.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
+QMP14. If you are thinking about visiting a country where you require an entry visa, how important is it for you to properly secure a visa before you start booking flights, accommodation or other trip components?

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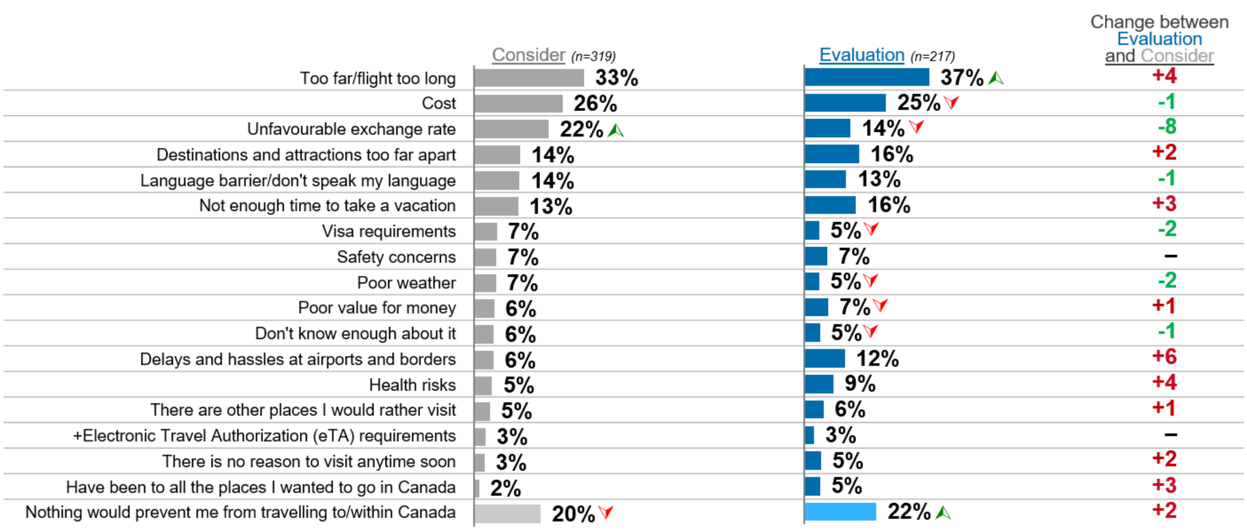
[4] *Destination Canada, Tourism Snapshot, December 2017.*

Examining barriers at key path-to-purchase stages provides additional insight. Those in the evaluation stage (gathering information or planning a visit) are further along the path-to-purchase than those in the consideration stage. For those considering a visit, the top three barriers remain the same with flight length as the top barrier, followed by cost and an unfavourable exchange. Mentions of an unfavourable exchange rate have increased significantly from 14% in 2016 to 22% in 2017; this is despite the fact that the KRW/CAD exchange rate was similar across the December 2016 and July 2017 survey field timings.

In a change from 2016, those at the evaluation stage are more likely to cite flight time as a potential barrier than those in the consideration phase, this is due to a significant increase in mentions (37%, up from 27% in 2016). Cost is now the second most important barrier among those in the evaluation stage, but mentions have declined significantly (25%, down from 34% in 2016). Several other potential barriers have also seen a decrease in mentions, including unfavourable exchange rate (14%, down from 22%), visa requirements (5%, down from 11%), poor weather (5%, down from 10%), poor value for money (5%, down from 13%), and lack of knowledge (5%, down from 10%). Notably, the proportion saying nothing would prevent them from visiting Canada has grown among those in the evaluation stage (22%, up from 12% in 2016).

The increased interest in Quebec and Quebec City, due to the popularity of the South Korean TV drama ‘Goblin’, may have had an effect on barriers among those in the evaluation stage. Many in the evaluation stage could be looking specifically at a trip to Quebec, which has a much further flight distance compared to the West Coast of Canada. Decreased concerns about cost, exchange rate and value for money could also be alleviated because South Korean travellers have an improved idea of the value offered by a trip to Canada.

Key Barriers for Visiting Canada – by Path-to-Purchase Segments



+ New response option added in 2017 – no trending.

/ Significantly higher/lower than 2016.

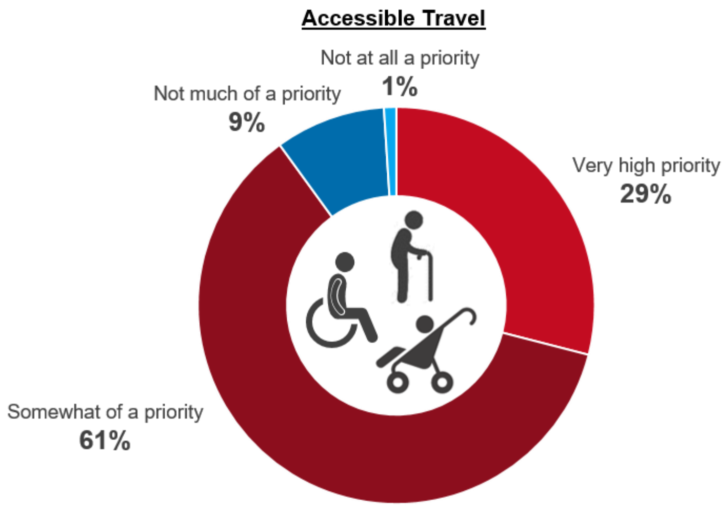
Base: Long-haul pleasure travellers in specific path-to-purchase segments

QMP9. Which of the following factors might discourage you from visiting Canada?

Niche Market

Additional questions were added for 2017 to size particular niche markets. Accessible tourism, which strives to make a destination accessible to everyone, regardless of physical limits, disability, or age, is relevant for 90% of South Korean travellers, with 29% seeing it as a very high priority. Older travellers aged 55+ are most likely to see accessibility as a priority. Those in the consideration stage for Canada are also more likely to see accessibility as a high priority, which suggests communicating Canada's commitment to accessible tourism could be a draw for South Korean travellers.

Niche Market Sizing



+ New question added in 2017 – no trending.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
+QMP13. Accessible tourism strives to make tourist destinations, products and services accessible to everyone regardless of physical limits, disability or age. How much of a priority is having accessible travel options for you and your companions?

Recent Trip Profile

HIGHLIGHTS

- ✓ *Recent travellers to Canada are significantly less likely in 2017 to cite as a motivator that they saw/read/heard something that made them want to visit (12%, down from 24% in 2016).*
- ✓ *78% of recent South Korean visitors to Canada consulted a travel agent/tour operator. Travel agents/tour operators are most likely to be utilized for research potential destinations and booking flights and accommodations.*

The following section provides details on the most recent long-haul trip taken by South Korean travellers to competitive set destinations in the past 3 years (51% took such a trip). If the most recent trip encompassed more than one destination, the data reflects where the most time was spent.

Trip Purpose

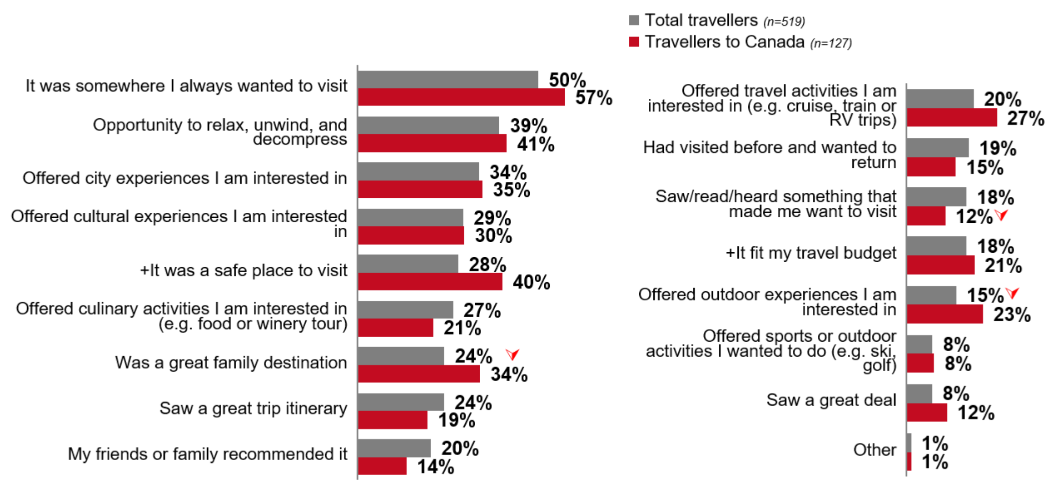
Unchanged from 2016, the primary reason for travelling among all South Korean long-haul travellers was for holiday purposes (cited by 67% of all travellers). In terms of trips to Canada, the same proportion of travellers (67%, versus 62% in 2016) cited holiday as the primary purpose. The next most common purpose mentioned for a trip in general is visiting friends and relatives (14%), but a higher proportion of the travellers to Canada mention this reason (20%, versus 17% in 2016), underscoring the importance of VFR (Visiting Friends and Relatives) as a reason for South Korean travellers to visit Canada.

Motivators

Those travelling for holiday purposes were asked about factors which influenced their choice of destination.

Once again, a longstanding desire to visit was the primary reason for choosing the destination, both among travellers generally and visitors to Canada. The next most important reason for both trips in general and trips to Canada is the opportunity the destination offered for relaxation. Equally important for trips to Canada was safety of the destination, which is less of a motivation for trips generally. Other motivators that are stronger for Canada compared to trips generally include: great family destination, offering travel activities of interest, and offering outdoor experiences of interest. In a change from 2016, significantly less travellers to Canada indicated seeing/reading/hearing something that made them want to visit Canada (12%, down from 24% in 2016).

Factors Influencing Destination Selection



+ New response option added in 2017 – no trending.
/ Significantly higher/lower than 2016.
Base: Long-haul pleasure travellers (past 3 years) travelling for holiday
QRT3. Which of the following factored into your choice of destination for this trip?

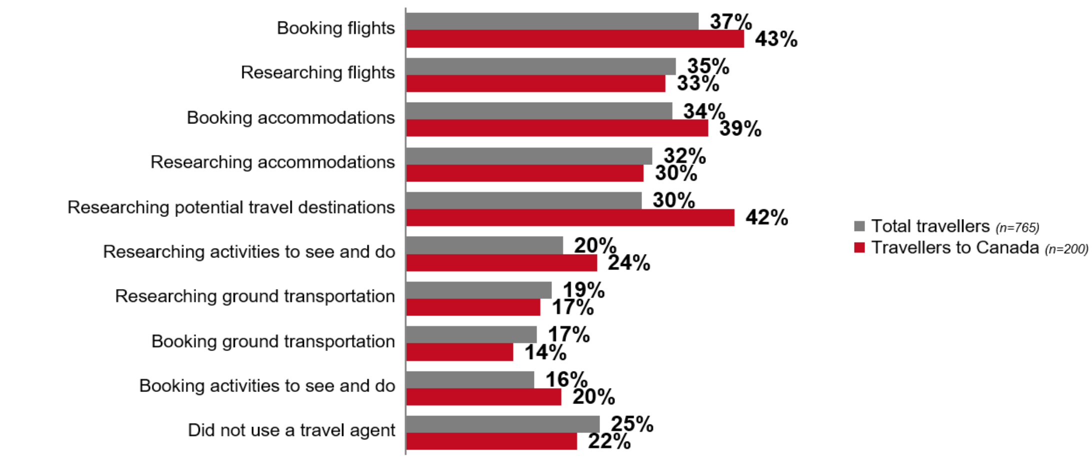
Travel Party

Regardless of destination, South Korean travellers were most likely to be accompanied by their spouse or partner (57%). This is particularly common among travellers aged 35+ (64% among 35-54 year olds and 72% among 55+ year olds). Seventeen percent of South Koreans travelled solo, which is most common among younger travellers aged 18-34 (31%). Young travellers aged 18-34 were also most likely to travel with friends (25%). Sixteen percent of South Korean travel parties contained children under the age of 18 (most common among travellers aged 35-54), which suggests the family market is small. Recent travellers to Canada (26%, up significantly from 16% in 2016) are more likely to travel with friends than for trips generally (16%).

Booking

Seventy-five percent of all South Korean travellers report consulting a travel agent/tour operator on their most recent long-haul trip for either planning or booking purposes. Travellers aged 18-34 are least likely to consult a travel agent/tour operator (64%) while older travellers 55+ report higher use (85%). An additional question added in 2017 shows that travel agents/tour operators are more likely to be used for flights and accommodations – both booking and researching. Travel agent/tour operator use is similar among visitors to Canada (78%), although more likely to be for researching potential travel destinations and booking flights and accommodations.

Travel Agent/Tour Operator Usage

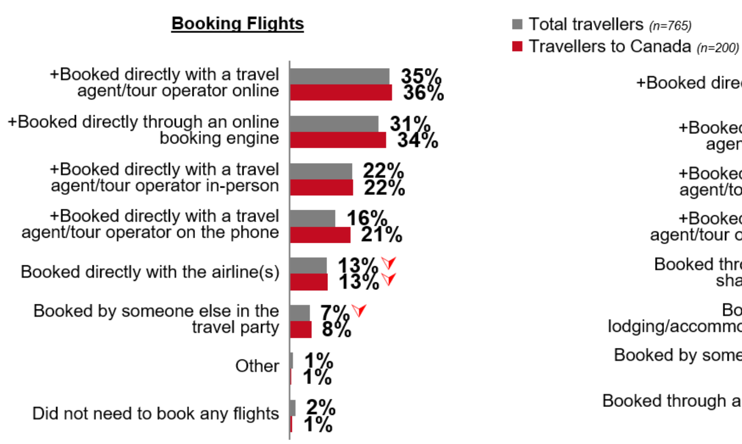


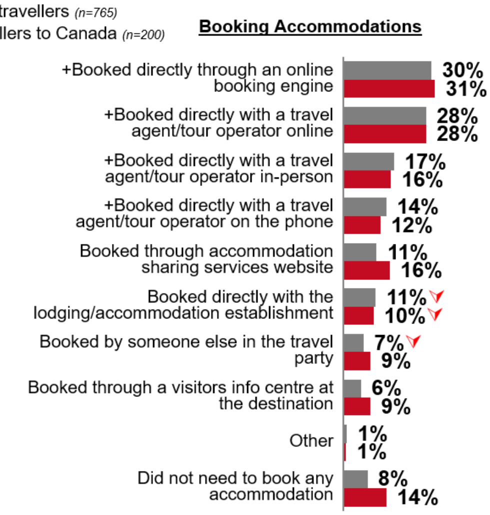
+ New question added in 2017 – no trending.
Base: Long-haul pleasure travellers (past 3 years)
+QRT15. Did you use a travel agent or tour operator to help you with any of the following for this trip?

Booking patterns for trips generally are similar to those for trips to Canada. In terms of flights, the most popular way to book is with travel agents/tour operators online (35%), followed by online booking engines (31%), and then with travel agents/tour operators in-person (22%).

For accommodation, online booking engines are the most popular (30%), followed by travel agents/tour operators online (28%), and travel agents/tour operators in-person (17%).

Booking of Flights and Accommodations





+ New response option added / wording change in 2017 – no trending.
▲ / ▼ Significantly higher/lower than 2016.
Base: Long-haul pleasure travellers (past 3 years)
QRT6. How did you book your flight for this trip?
QRT7. How did you book your accommodation for this trip?

Organized group travel is common among South Korean travellers, especially those who visited Canada – 68% indicated at least a portion go their trip was part of an organized group, of which 27% said their whole trip was part of an organized group. Booking group travel directly with a travel agent/tour operator online is the most common way to arrange organized group tours (45%).

Type of Accommodation

Similar to 2016, regardless of destination, South Korean travellers continue to show a preference for mid-priced hotels (51%) followed by luxury hotels (27%), and budget hotels (21%). The same pattern is evident among recent visitors to Canada (49% opted for a mid-price hotel, 30% for a luxury hotel and 25% for budget accommodation). Visitors to Canada were slightly more likely to stay with friends and family (12%) than travellers in general (7%).

Information Sources

HIGHLIGHTS

- ✓ *TV programs and friends and family in-person are the most influential information sources at the initial stages up to planning. This underscores the importance of working with partners to develop content for TV programs to build awareness, and to encourage past visitors to advocate and share their experiences with their friends and family.*

Examining information sources by path-to-purchase stages is informative. TV programs are the most influential source at three stages – dreaming, seriously considering, and gathering information – and the second most influential at the planning stage. These results underscore the importance of this medium in awareness building. Personal interactions with friends and family is the 2nd most influential source at the first three stages and moves into top spot during the planning stage. This underscores the need to encourage past visitors to Canada to advocate and share their experiences with their personal networks. Travel guidebooks and blogs play an important role throughout the path-to-purchase and travel agents/tour operators appear as an important source in the latter stages.

Top Information Sources for Canada – by P2P Stage

Information sources that…	**Dreaming** *…inspired you to think about a trip to Canada*	**Seriously Considering** *…encouraged you to seriously consider visiting Canada*	**Started Gathering** *…helped you gather some information for a trip to Canada*	**Planning Itinerary** *…helped you plan your itinerary for a trip to Canada*	**Making Arrangements** *…helped you make transport and / or accom arrangements for a trip to Canada*	**Already Booked** *…helped you book your transportation and / or accom for a trip to Canada*
	(n=675)	(n=319)	(n=121)	(n=96)*	(n=10)***	(n=7)***
Top 5 Sources	TV programs **50%**	TV programs **36%**	TV programs **43%**	Friends and family, in person **37%**	Travel guidebooks **67%**	Travel agents, in person **36%**
	Friends and family, in person **31%**	Friends and family, in person **35%**	Friends and family, in person **34%**	TV programs **34%**	Travel guide websites **62%**	Travel guidebooks **31%**
	Blogs **25%**	Travel guidebooks **22%**	Travel guidebooks **29%**	Travel agents, in person **32%**	Travel booking sites **44%**	Friends and family, in person **31%**
	Travel guidebooks **22%**	Blogs **21%**	Blogs **23%**	Travel guidebooks **25%**	Friends and family, in person **27%**	TV programs **26%**
	Films featuring the destination **21%**	General search engines **19%**	Official destination websites **22%**	Blogs **22%**	Blogs **17%**	Travel review sites **16%**

+ New question added in 2017 – no trending.

** Small base size (<100), interpret with caution.* **** Extremely small base size (<30), directional finding only*

Base: Those in the dream to purchase stages of the path to purchase for Canada (n=1228)

+QMT3. Earlier you mentioned that you [insert P2P stage for Canada]. Where did you see, read or hear information that [inspired/encouraged/helped in P2P stage for Canada]?