

# Overseas Tourism Market Trend

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## Main Issue

- ▶ (China) Ctrip expected the number of Chinese outbound travelers during Lunar new year's holiday would be over 6 million, according to 「Global Free Travel Report 2016」, 「2016 Outbound Trip With Children Report」
- ▶ (Japan) JTB expected the number of Japanese outbound travelers will reach 17 million in 2017. According to JATA, Taiwan topped the most favorite overseas travel destination for Japanese during year-end while Korea was on the 7th place.
- ▶ (Tourism statistics) In December, the number of Korean and foreign tourists visiting Jeju increased from that number of last year while the December 2016 data was decreased from previous month.

## I Overseas Tourism Market Trend<sup>1)</sup>

### 1. Chinese Market Trend

#### ■ Ctrip expected that the number of Chinese outbound travelers would exceed 6 million in 2017 Lunar new year's holiday.

- Top 10 most popular destination ranking was released.
  - Thailand, Japan, U.S., Singapore, Australia, Malaysia, Korea, Indonesia, the Philippines, and Vietnam.
- Overseas travel trend during 2017 Lunar new year's holiday (January 27~February 2)
  - The number of customers who depart to overseas increases from January 23, 2017.
  - The number of customers who depart to overseas hits the highest on January 25.
  - Over 50% of such customers is expected to enjoy overseas trip by combining personal vacation and Lunar new year's holiday.
  - The number of outbound travelers during Lunar new year's holiday is expected to be over 6 million.
  - For one month afterward, short-term tour course e.g. Korea, Japan, or South-Eastern Asia would grow.
  - Price of tour products to Korea, Singapore, or Italy dropped by 10~30% than that of last year.

<新浪财经, December 13, 2016>

#### ■ Mafengwo(蚂蜂窝), released 「Global Free Tour Report 2016」

- Rather than overseas trip, free domestic tours are preferred.

- Free tour accounts for 96.5% of domestic tours and 62.5% of overseas tours.
- In 2016, the number of Chinese who did inbound free tour was 400 million while the number for outbound free tour was 79.93 million.
- In 2016, average amount of spending during outbound free tour was CNY13,756 which is two months' salary of city office worker.
- The most interested theme of free tour in 2016 was nature, gourmet, or shopping focusing on travelers' experience.
- Most interested transportation is train, flight, rental car, bicycle, and cruise.
- Rental car got much attention by tourists to Bali, Jeju, Sri Lanka, Hokkaido, and Okinawa.
- Average age of travelers selected cruise for their free tour was 45 and women accounted for 60% of such travelers.
- Free tourists prefer destinations with short distance which may be enjoyed within 4~5 days with leisure experiences. (Taiwan, Japan, or Korea)  
<旅業鏈接, December 21, 2016>

#### ■ Lumama(驴妈妈), Chinese online travel agency, released 「2016 Outbound Trip With Children Report」.

- Parents born in 1980 or 1990 increasingly go abroad with their children.
- In 2016, the number of outbound travelers going with children was almost doubled from that of last year showing the most rapid growth.
- Children aged 6~12 accounted for 42.7% of all children going abroad with their parents while aged 2~6 was 9.4%, aged over 12 was 20.6% and aged 0~2 was 7.3%.
- In 2017, over 80% of planned outbound travel is with children.

1) This article was written based on data provided from Overseas offices for Jeju tourism promotion located in China, Japan, and Malaysia.

- In 2016, the most popular destinations for overseas travel with children were Hong Kong, Japan, Thailand, Macao, and Korea.
- The most important elements travelers consider to decide their destination is convenience, stability, and seasonal weather.
- In 2016, the number of cruise tourists skyrocketed (about 4 times' growth within the year).

<Travel Weekly China, December 27, 2016>

## 1. Japanese Market Trend

### ■ JTB expected the number of Japanese outbound travelers will reach 17 million in 2017 and inbound travelers would be 27 million.

- Tourism forecast for 2017 was released.
- In 2017, it is expected that the number of outbound Japanese travelers would be 17 million, domestic travelers to be 298 million (0.4% up) and inbound travelers to Japan to be 27 million (12.0% up).
- Japanese Yen's decline can be consistent in 2017 due to rising stock prices and U.S. interests raise.
- For the next 1 year's spending, the report analyzed that Japanese travelers tend to save money but still desire to go trip to some extent.
- Average spending during outbound travel is expected to rise by around 3.8%.
- In 2017, Japanese travelers expected to stay in the trend of short-distance tour rather than long-distance one and the use of low-priced transportation e.g. LLC.

<Travel Vision, December 20, 2016>

### ■ Taiwan topped most favorite overseas destination in year-end for the 2 consecutive years while Okinawa topped in domestic list, according to JATA.

- JATA (Japanese Travel Association) released the ranking of most-preferred tour destinations for its 320 member companies.
- The association selected popular foreign destination in the order of Taiwan, Hawaii, Guam, Singapore, Thailand, Vietnam, Korea, Hong Kong, Australia, and U.S.A.
- Asia and Guam which are in short distance maintain its popularity.
- Korea's ranking restored to 7th from 10th of last year and shows its growth in popularity with the concept of family tour or food tour.
- Within Japan, people prefer destinations in the order of Okinawa, Tokyo (Disneyland), Hokkaido, Osaka, and Izu/Hakone.

<Travel Vision, December 8, 2016>

### ■ Japan Synthesis Research Center released 2017 Local Economy Forecast for Kansai region.

- Pace of increase in individual consumption becomes slow, tourism industry will see lack of

accommodation.

- In household, employment and income environment to be improved while income level restoration is slow.
- In businesses, R&D investment on IoT and AI will be active. Agendas on urban development for rising inbound travel demand will be raised.
- Accommodations are insufficient for possible inbound demand. It will be improved after several hotels which are under construction complete its construction.

<Japan Synthesis Research Center, December 8, 2016>

## II

## Overseas Tourism Market Trend<sup>2)</sup>

### 1. Chinese Tour Industry Trend

#### ■ (Shanghai) Decrease of outbound tourists for Korean and Jeju products

- Due to Chinese authorities' crackdown on unreasonably low-priced Korean tour products and winter off-season, the number of tourists buying Korea and Jeju product decreased.
- Customers tend to be interested more to theme products, than package products.
- Due to falling CHY(Renminbi), outbound tour market was contracted.
- Spreading negative images against Korea (THADD, presidential impeachment) makes it difficult to secure potential customers for Korean tour products.
- The number of total outbound tour customers (not only specifically for Korean product) is showing decline in general.
- Chatter flight shows better boarding rate than that of regular flights.

#### ■ (Guangzhou) Sales of Korean tour products show slow pace.

- Due to winter off-season, the sales of outbound products showing sloughing pace than that of last year.
- Sales on products visiting Korea, Japan, South-eastern areas are not high.
- Due to negative issues about Korea e.g. controversial political standing or outbreak of avian influenza, sales of Korean products became low.
- Long distance products to Europe or America maintains similar pace of growth of last year.
- With the opening of Guangzhou Nansha(南沙) port, and Shenzhen Taiz (太子湾) port, promotion and marketing for cruise products became active.

2) This article was written based on data provided from Overseas offices for Jeju tourism promotion located in China, Japan, and Malaysia.

## ■ (Taiwan) Sales of Korean product during Lunar new year's holiday were weak.

- Gangbok Tour agency: Due to price decrease of European products and shortened Lunar new year's holiday (9 days in 2016 → 7 days in 2017), sales of Korean products during year-end and Lunar new year's holiday were low. Customers tend to prefer high quality products rather than cheap products.
- Wongsan Tour agency: Due to shortened Lunar new year's holiday, less Taiwanese prefer outbound tour during the period, due to expanded direct flights to Europe whose price became lower, customers increasingly select to buy European products.

## 2. Japanese Tour Industry Trend

### ■ (Tokyo) Rise in sales of Jeju tour products is expected in 2017

- JTB Media: From April 2017, LLC will start new flight between Jeju and Tokyo, making tour agencies attract tourists to Jeju using that LLC flight.
- JTB World: Even though it was off-season, there was no decrease in sales between January and March. When LCC flight started to Jeju in April 2017, greater tourists are expected.
- HIS: Due to the impact from reduced direct flight, sales of tour products have been declined. In 2017, focus of products would be on free-tour.
- Tobu Top Tours: Jeju has strong summer image making clear difference between sales of summer hot-season and winter off-season. Once LCC to Jeju starts in 2017, promotion on Jeju products would be intensified.
- NOE: It became hard to secure flights to Jeju since the direct flight was reduced since November 2017. It plans to promote Jeju products using LCC which is launched on April 2017 between Tokyo and Jeju.

### ■ (Nagoya) During winter season, sales of Jeju tour product is not strong.

- JTB World: During winter off-season, sales of Jeju product is not strong.
- Blue Sky: As there's no direct flight to Jeju, sales of Jeju product has limitation.
- Hanqyu Transportation Company: Sales of product using flight to Busan show good number.
- Kinki Nihon Tourist: During January off-season, sales are not good. In February and March, sales of Seoul free-tour products were strong.

### ■ (Osaka) Sales of tour products to Korea during year-end period increased from the number of last year.

- Mitsuru Air: Reservation was focused on the low-priced products at JPY 10,000~20,000 range.
- Hanqyu Transportation Company: Reservation during year-end season (December 29~January 3) increased from that of last year. Pace of reservation increase in

February and March became slow.

- Japan Tour: Reservation during year-end season (December 29~January 3) increased from that of last year. Product to Busan which is cheaper than Seoul products attract more reservation.
- Kinki Nihon Tourist: Reservation during year-end season (December 29~January 3) increased from that of last year.

### ■ (Fukuoka) Sales of outbound tour product during cold season were slowed.

- In autumn, the sales of Jeju product was increased than that of last year thanks to the group tour demand e.g. company tour. The sales increase during winter became slow.
- After year-end holidays, sales of outbound tour products became slowed in general.
- For tour products to popular regions (Taiwan, Korea, or Hawaii), sales will be focused on off-season's low-priced outbound tour products e.g. early-year big discount products or special price products departing on not-favored date.
- Due to the stable flights of LCC, outbound tour is also expected to grow.
- Singapore tour which meets 50th anniversary of Japan-Singapore diplomatic ties became popular.

### ■ Jeju product trend of each regions' major outbound travel agencies

- (Tokyo) Only Jeju product is main, 1 night 2 days ~ 3nights 4 days, JPY 29,800~219,000
- (Osaka) Only Jeju product is main, 1 night 2 days ~ 3nights 4 days, JPY 19,800 ~ 197,800
- (Fukuoka) Detouring Busan product is main, 2 nights 3 days ~ 4 nights 5 days, JPY 28,000~316,000
- (Nagoya) Detouring product is main, 3 nights 4 days ~ 6 nights 7 days, JPY 44,800~110,000

### III Statistics on Jeju Tourism

#### 1. Statistics on Tourists

##### ■ Monthly trend of number of travelers visiting Jeju (2016)

(Unit: 1 person, %)

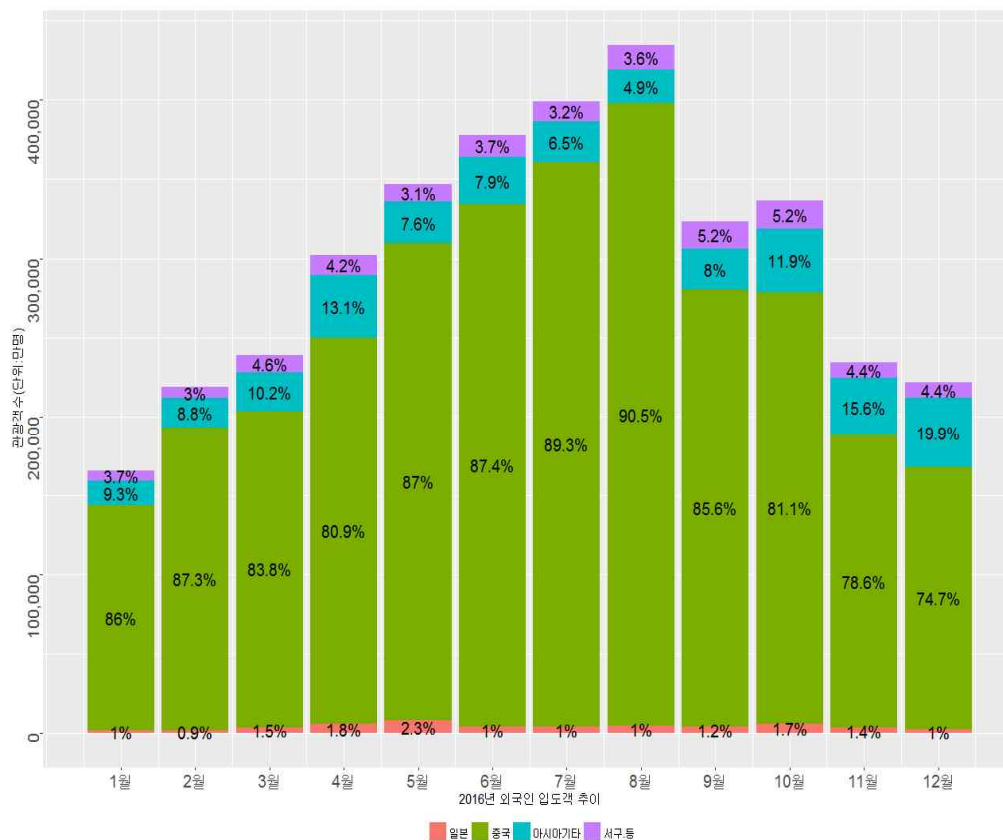
Mon	Korean Tourists		Foreign Tourists						
	no. of tourists	Increase	Japan	China	Asia (Other)	Westerns, ETC	Monthly Sum	Increase	Year 2015
Jan	884,466	11.6	1,646	142,133	15,287	6,177	165,243	21.8	135,676
Feb	879,708	21.9	1,942	190,761	19,276	6,589	218,568	1.2	216,016
Mar	920,582	16.3	3,471	199,952	24,298	10,890	238,611	14.4	208,509
Apr	1,066,510	13.5	5,479	244,440	39,548	12,776	302,243	-5.8	320,711
May	1,095,575	7.9	7,855	301,570	26,477	10,854	346,756	13.9	304,450
Jun	1,065,241	40.8	3,854	330,235	29,938	13,815	377,842	108.7	181,013
Jul	1,143,578	14.9	4,131	356,436	25,924	12,593	399,084	382.6	82,688
Aug	1,116,449	0.1	4,539	393,479	21,248	15,590	434,856	103.4	213,773
Sep	1,027,964	6.7	4,032	276,431	25,824	16,736	323,023	23.5	261,473
Oct	1,110,276	1.3	5,751	272,842	40,123	17,514	336,230	9.6	306,713
Nov	990,222	4.0	3,291	184,371	36,585	10,226	234,513	11.4	210,505
Dec	952,141	5.7	2,178	165,629	44,144	9,769	221,720	21.3	182,733
<b>Total</b>	<b>12,252,712</b>	<b>11.0</b>	<b>48,169</b>	<b>3,058,279</b>	<b>349,009</b>	<b>143,232</b>	<b>3,598,689</b>	<b>37.1</b>	<b>2,624,260</b>

\* Source of Data: Jeju Special Self-Governing Tourism Association

\*\* The data for December 2016 is provisional number. Once confirmed data is released, some of the data may be modified.

\*\*\* Asia (Other) includes Taiwan, Hong Kong, Singapore, South East Asian countries and other Asian countries.

\*\*\* Westerns, ETC. include countries except for Asian countries.

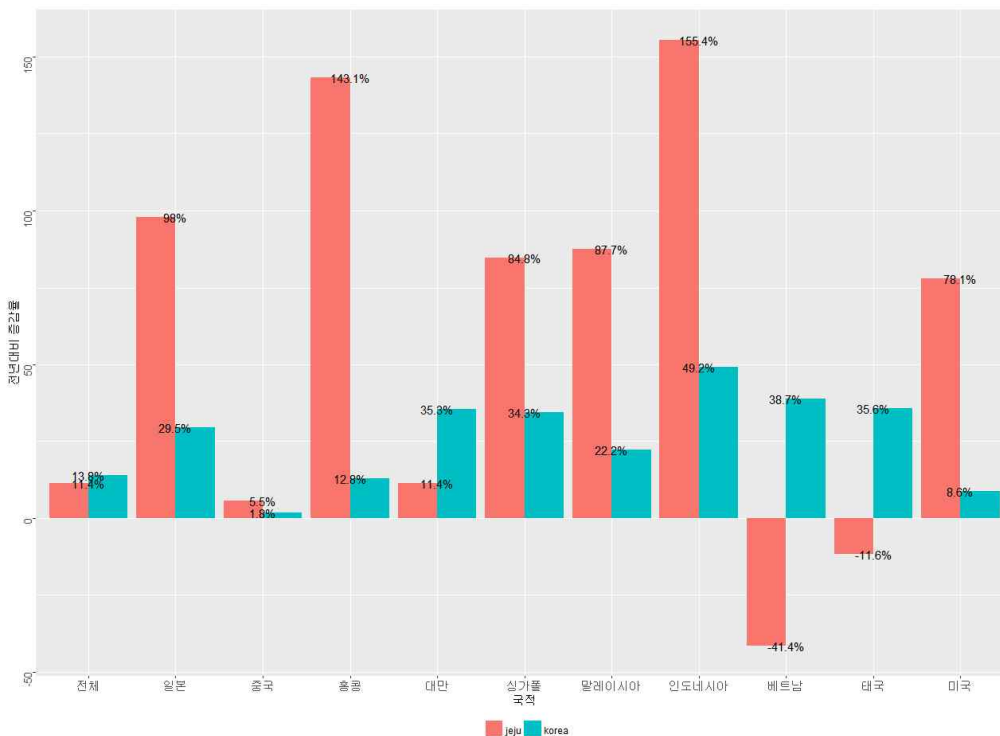


■ Trend of foreign outbound travelers visiting Jeju compare with the number of foreign outbound tourists visiting Korea. (As of November 2016)<sup>3)</sup> (Unit: a person, %)

- The number of Korean tourists visiting Jeju in December increased from the number of last year but decreased from that of last month.
- The number of foreign tourists visiting Jeju in December increased from the number of last year but decreased from that of last month.
- Share of Chinese tourists among all foreign visitors has been decreased since August.

3) The comparison between the number of foreign tourists visiting Korea and Jeju is the results from analysis based on the data of Korean Tourism Statistics created in November 2016, which suggest changes from the number of last year.

			Jeju			Korea		
			Year 2016	Year 2015	Increase(%)	Year 2016	Year 2015	Increase(%)
Grand Total		Monthly Sum	234,513	210,505	11.4	1,309,055	1,150,074	13.8
		Grand sum	3,376,969	2,441,527	38.3	15,898,425	12,115,201	31.2
Asia	Total	Monthly Sum	224,247	200,754	11.7	1,098,057	961,684	14.2
		Grand sum	3,243,506	2,356,947	37.6	13,509,667	10,022,223	34.8
	Japan	Monthly Sum	3,291	1,662	98.0	213,211	164,685	29.5
		Grand sum	45,991	57,462	-20.0	2,100,684	1,677,905	25.2
	China	Monthly Sum	184,371	174,677	5.5	516,956	507,579	1.8
		Grand sum	2,892,650	2,096,528	38.0	7,532,186	5,518,952	36.5
	Hong Kong	Monthly Sum	3,885	1,598	143.1	53,406	47,329	12.8
		Grand sum	41,321	21,475	92.4	586,678	468,674	25.2
	Taiwan	Monthly Sum	2,253	2,022	11.4	64,210	47,463	35.3
		Grand sum	36,329	16,043	126.4	768,977	468,696	64.1
	Singapore	Monthly Sum	6,670	3,610	84.8	24,470	18,224	34.3
		Grand sum	37,750	21,547	75.2	181,591	132,819	36.7
	Malaysia	Monthly Sum	9,489	5,056	87.7	34,322	28,090	22.2
		Grand sum	49,903	30,796	62.0	267,204	191,207	39.7
	Indonesia	Monthly Sum	3,126	1,224	155.4	24,639	16,513	49.2
		Grand sum	30,767	18,623	65.2	265,556	173,033	53.5
	Vietnam	Monthly Sum	1,673	2,854	-41.4	22,552	16,257	38.7
		Grand sum	23,311	25,910	-10.0	232,770	150,949	54.2
	Thailand	Monthly Sum	4,233	4,789	-11.6	42,892	31,627	35.6
		Grand sum	43,358	39,892	8.7	417,641	327,629	27.5
	Others	Monthly Sum	5,256	3,262	61.1	101,399	83,917	20.8
		Grand sum	42,126	28,671	46.9	1,156,380	912,359	26.7
West, ETC	Total	Monthly Sum	10,266	9,751	5.3	210,998	188,390	12.0
		Grand sum	133,463	84,580	57.8	2,388,758	2,092,978	14.1
	U.S.A.	Monthly Sum	1,883	1,057	78.1	67,641	62,273	8.6
		Grand sum	31,595	15,929	98.3	799,589	710,033	12.6
	Others	Monthly Sum	8,383	8,694	-3.6	143,357	126,117	2.9
		Grand sum	101,868	68,651	48.4	1,589,169	1,382,945	5.3



- The number of foreign visitors to Jeju showed less changes from the number of previous year than that of Korea as of November 2016.
- Nationalities showing stronger changes from the number of visitors to Jeju last year than that data of Korea: Japan, China, Hong Kong, Singapore, Indonesia, and U.S.A.
- Nationalities showing weaker changes from the number of visitors to Jeju last year than that data of Korea: Taiwan, Vietnam, Thailand.

## 2. Statistics in Flight<sup>4)</sup>

### ■ Currently available direct flight to Jeju

Country	Destination (City)	no. of weekly flight			
		Oct 2016	Nov 2016	Dec 2016	Jan 2017
China	Beijing(PEK)	22	18	16	18
	Pudong(PVG)	100	94	92	92
	Hong Kong(HKG)	16	8	8	8
	Gaungzhou(CAN)	4	12	4	4
	Guiyang(CAN)	4	-	-	4
	Dalian(DLC)	4	8	4	6
	Yangzhou(YTY)	8	8	8	8
	Shenyang(SHE)	12	12	12	12
	Shenzhen(SZX)	8	8	8	8
	Zhengzhou(CGO)	4	4	4	4
	Changchun(CGQ)	4	4	4	4
	Changsha(CSX)	10	6	6	6
	Chengdu(CTU)	6	6	6	-
	Chongqing(CKG)	12	4	-	-
	Tianjin(TSN)	42	26	30	26
	Ningbo(NGB)	8	14	18	18
	Nantong(NTG)	4	6	6	8
	Nanning(NNG)	6	6	6	6
	Nanjing(NKG)	12	12	14	14
	Nanchang(NKG)	-	10	10	10
	Wenzhou(WNZ)	4	-	-	-
	Wuhan(WUH)	4	-	6	-
	Shijazhuang(SJW)	6	6	6	6
	Xian(XIY)	6	6	6	4
	Xiamen(XMN)	6	6	6	6
	Fuzhou(FOC)	6	6	6	6
	Quanzhou(JJN)	6	6	6	6
	Kunming(KMG)	6	-	-	-
	Hangzhou(HGH)	38	38	36	36
	Harbin(HRB)	6	6	6	2
Sum		374	340	334	322
Japan	Tokyo(NRT)	8	6	6	6
	Osaka(KIX)	6	8	8	8
Sum		14	14	14	14
Thailand	Bangkok(BKK)	14	14	-	-
Taiwan	Taipei(TPE)	8	8	-	-
U.S.A.	Saipan(SPN)	-	-	-	4
Grand Total		410	374	348	340

- No. of Direct flight to Jeju was expanded: Baijing, Dalian, Nantong
- No. of Direct flight to Jeju was decreased: Tianjin, Xian, Harbin
- Direct flight to Jeju was newly added: Saipan
- Direct flight to Jeju was cancelled: Chengdu, Wuhan

4) This data was written based on Korea Airport Corporation's Oct-Dec 2016 and Jan 2017 data.



## IV Special I : Cases of Popular Night Tourism

### ■ Why night tour needs to be introduced?

Necessity	Requirement	Solution
Lack of fun at night	Provide colorful experience at night	Utilize Night Tour
Desolate&dark image at night	Make bright and lighterful atmosphere	
Reduced visitors in off-season	Provide fun in off-season	
Declining local commerce	Give active image to the local commerce	

- Night tour provides different charm and fun than daytime tour.
- It re-creates and use resources and space of the region.
- Night tour may help vitalizing local commercial zone and improve regional image.

### ■ Busan Christmas Tree Cultural Festival



- Period: Year-end (End of November ~ Early January next year)
- Programs: Daily concert, hanging card on wish tree, voluntary auction event by local commerce, treasure hunting
- To vitalize urban commercial area in Busan which has no special winter attraction, since 2009 Busan Christmas Tree Cultural Festival has been hosted.

### ■ Japan, Street of light, Hakata (光の街・博多)



- Period: Year-end (End of November ~ Early January next year)
- Programs: Christmas market, Live show (inviting entertainers, ensemble of local residents and university students, etc)
- Taking German traditional events as a motif, street store Hutte sells cookies, craft products, and gluhwein.

### ■ France, Lyon's festival of light (Fete des Lumieres)



- Period: Year-end (December)
- Programs: Light-up, Video, sound, stage art, projection mapping, media façade
- The festive was originated in 19th century when citizens gathered bringing candle lights and prayed for the Holy Virgin Maria due to the outbreak of plaque. The festival started to re-find constructional heritages in downtown area.

### ■ Belgium, Brussels Grand Place "Winter Wonders"

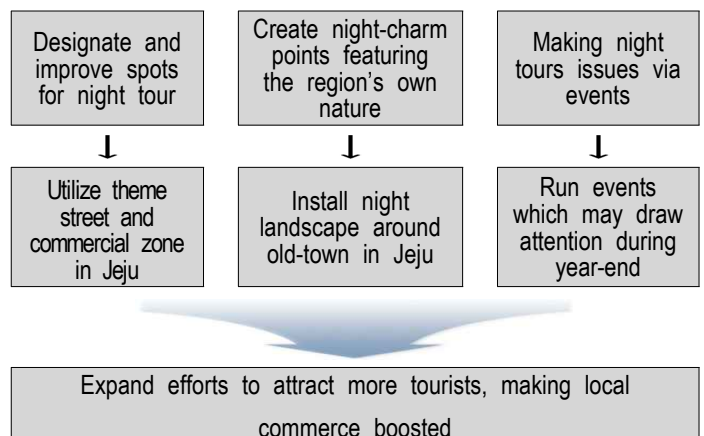


- Period: Year-end (End of November ~ Early January next year)
- Program: Sound and light show, Christmas market, festival attraction (merry-go-round, big-wheel, etc)
- The market is the largest Christmas market in Belgium. It provide English speaking guide tour is provided for foreigners.

#### ☞ Common points of the cases

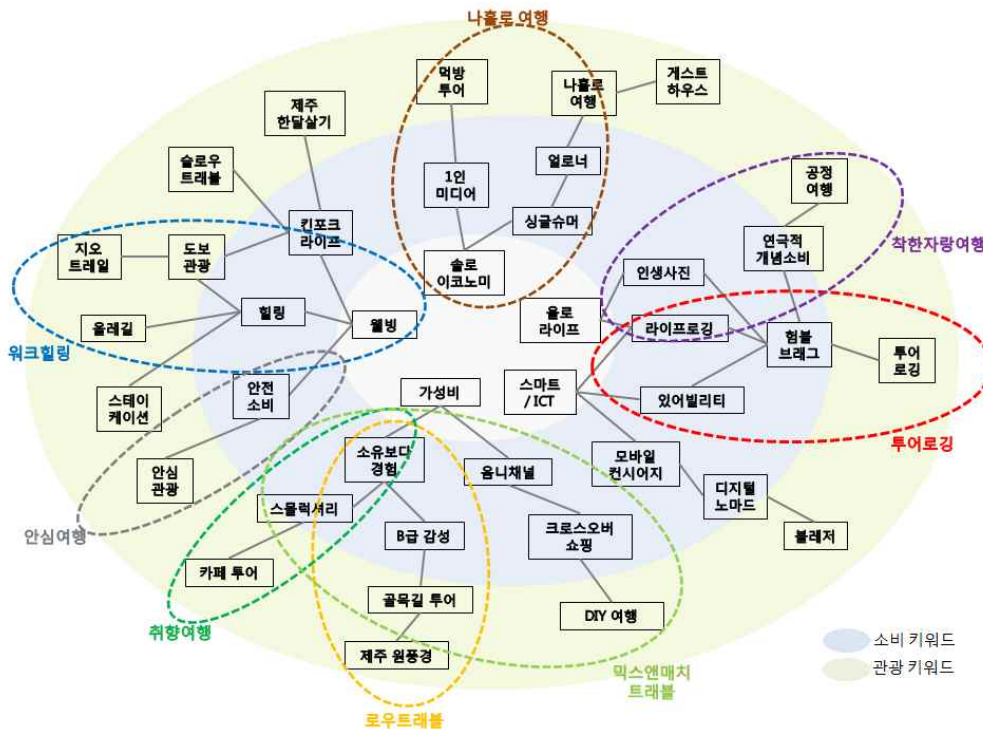
- From when winter off-season starts, for about one month, night attraction is continuously provided.
- By providing events which may draw attention, night attraction becomes an issue.

### ■ Ways to vitalize night tour in Jeju





## ■ Jeju Tourism Trend Map (utilizing Futures Wheel Method)



- **Lifelogging**: Making individual's daily life logged online or in smart gears
- **Ethics on the Stage**: Moving beyond the original intention of "Good Consumption", consumption is used as a way of showing off
- **Humblebrag**: Combination of terms "Humble" and "Brag". It means subtle bragging
- **Cross-over Shopping**: Purchase behavior via various distribution channel, moving cross the line of on-and-offline shopping channel.
- **B-Movie Taste**: Non-mainstream taste rather than major taste. It's about sensual and light things.
- **Small Luxury**: A phenomenon people feeling satisfied via small extravagance instead of big-luxury.
- **Aloner**: Those who live alone who choose to live alone voluntarily because they prefer to live in that way.

## ■ Consumption trend and issues of Jeju Tourism

- Boom of Staying One Month in Jeju has been declined
- Increase of solo Jeju tour
- Rising demand on the safe tourism which may make travelers feel safe
- Re-evaluation of original scene of Jeju e.g. stone wall or stone filed
- Increasing cafes and visitors to unique cafes in Jeju
- Slowing pace of interests in Olle Trail and more diversified type of "Walking"
- Spreading awareness on the necessity to protect Jeju's original environment due to increasing trash or traffic issues

## ■ Jeju Tour Trend 2017

- **Tour Logging**: Life Loggin + Yolo Life  
"Making my Jeju travel as log"  
: Like Life Logging which leave log of individual's daily life in online media or smart gears, makes the whole course of tour as a log on SNS e.g. blog.
- **Raw Travel**: Old scenery of Jeju + Alley Tour  
"Leave to find what Jeju really is"  
: A travel thinking what the region originally was valuable from the nostalgia of something raw. It's a trip enjoying Jeju's original scenery e.g. stone wall, stone filed, a house guarded by stone wall, or mandarin orange warehouse.
- **Taste Tour** (Small Luxury + Cate Tour)  
"Taste = Tour Contents"  
: My taste makes my travel style. Recently increasing travelers who enjoy nice café-hopping in Jeju can be seen in the same context.

- **Walk Healing**: Walking Tour + Healing  
"Even trekking is too hard to me. I'd feel healed by going to walk."  
: Tour type for those who feel even trekking is a hard exercise. Enjoying Jeju's nature while easily walking.
- **Good Bragging** (Humblebrag + Ethics on the Stage + Fair Travel)  
"Brag by making good trip"  
: Trips of those who enjoy subtle bragging from combined mindset with humble and showing off. They show off their good doing via SNS. Sharing their experience of protecting Jeju's environment and caring life of local residents is also a pattern of humble bragging.
- **Being alone tour** (Solo-eating/solo-drinking + Aloner)  
"I'll enjoy restaurant hoping in Jeju alone"  
: Those who enjoy eating trip alone. Expanded solo economy and solo-eating people's rise led such type of travel. They visit well know delicious restaurants in Jeju alone.
- **Safe Trip** (Safe Consumption + Safe Travel)  
"A trip where I can feel safe"  
A trip whose base is desire for safe consumption e.g. preference for eco-friendly products or mark of regions of origin in food products. They prefer a travel which may ensure safety of visitors and provide enough rest.
- **Mix & Match Travel** (Cost effective + DIY travel)  
"Travel is with luxury taste via cheap transportation"  
: Combination of unlikely elements of travel, e.g. flight to Jeju via cheap LLC airlines and stay in luxurious accommodation in Jeju.