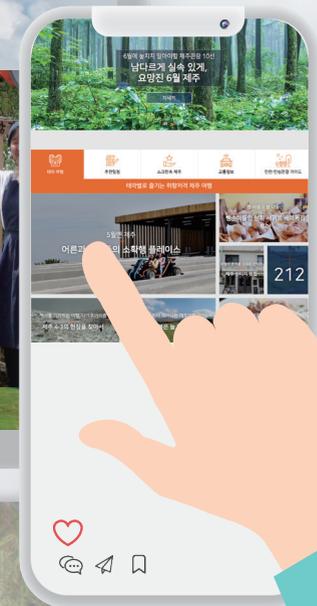


For Both Local Residents and Tourists

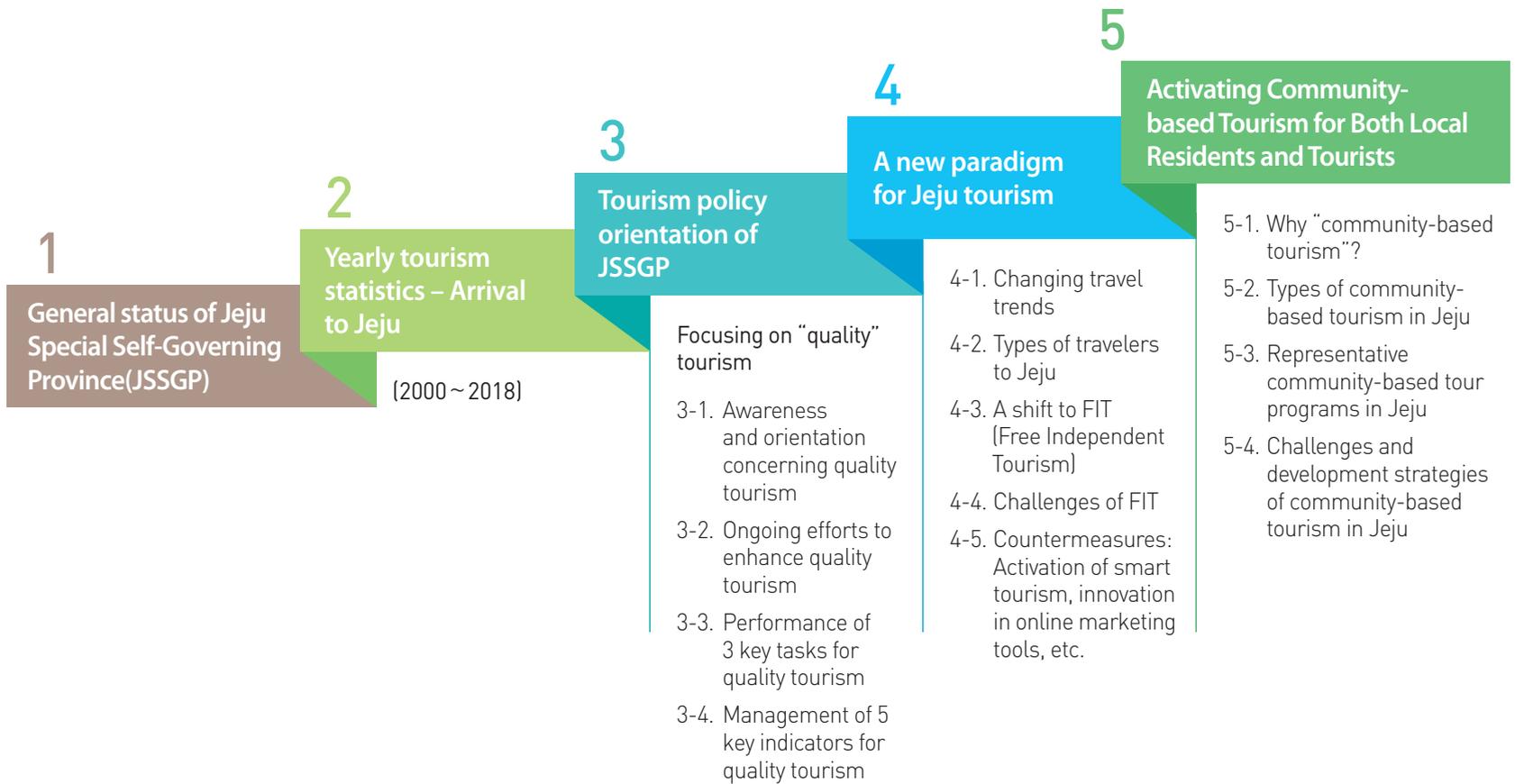
Activating Community-based Tourism

- A new paradigm for Jeju tourism -

Wednesday, May 29, 2019



CONTENTS



General status of Jeju Special Self-Governing Province



Area

1,850km²

(1.8% of the nation)

Population

692,000 ppl.

Location

Longitude : **126°08' ~ 126°58' east**

Latitude : **33°06' - 34°00' north**

temperature

Mean annual temperature : **16.7°C**

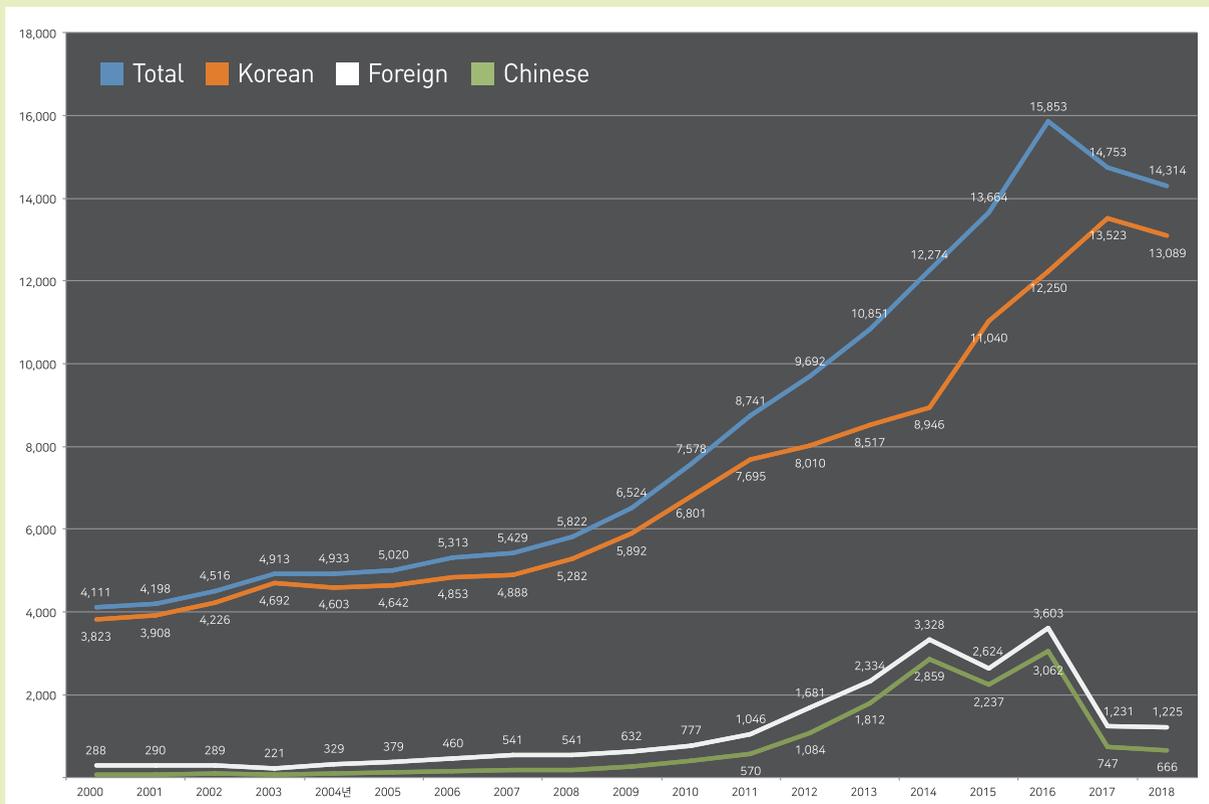
GRDP

18tn 23bn KRW (estimated as of 2017)

Industries

Primary **11.7%**, secondary **18.8%**,
tertiary **69.6%**

Yearly tourism statistics – Arrival to Jeju (2000 ~ 2018)



▶ 2000~2008

4.11M ppl. in 2000
5.02M ppl. in 2005
5.82M ppl. in 2008

▶ 2009~2015

Yearly growth in tourists by
1M ppl. to 1.4M ppl.

▶ 2016

Record high number of visitors
to Jeju (15.85M ppl.)

▶ 2017

Decrease in foreign visitors
incl. Chinese due to THAAD
issue

▶ 2018

Decrease in both domestic
and foreign visitors

Tourism policy orientation of JSSGP

Focusing on “quality” tourism

3-1. What is “quality tourism”?

Awareness

Started with awareness of harmful effects of cheap tour packages



Tourists

Buyers of cheap tour packages fail to have authentic tourism experiences; dissatisfied due to forced shopping; have negative images of Jeju



Locals

Sales through shopping facilities have rare trickle-down effects on small shops, local-owned businesses and traditional markets. Therefore, backlash against cheap tour packages also exist.

- ▶ Ultimately, quality tourism should be sustainable, in harmony with quantitative growth, and create local income. It should satisfy both the tourists and the locals.
- ▶ Thus, important indicators such as spending, length of stay and level of satisfaction should be managed, and efforts for advanced policies are required.



Tourism policy orientation of JSSGP

Focusing on “quality” tourism

3-2. Ongoing efforts to enhance quality tourism

(Dec. '15)

Announced 5 key indicators for qualitative growth

- Length of stay
- per capita mean spending
- level of satisfaction
- diversification of market
- travel type

(Oct. '16)

Selected 3 key tasks

- Increase in FIT
- diversification of market
- improvement of cheap tours



Welcome to Jeju

Tourism policy orientation of JSSGP

Focusing on “quality” tourism

3-3. Performance of 3 key tasks for quality tourism

1

Increase in FIT

▶ Domestic and foreign FIT visitors increased

- Domestic: ('16) 92.8% → ('18) 95.2%
- Foreign: ('16) 40.8% → ('18) 86.8%

2

Diversification of market

▶ Improved accessibility/restored Japanese market/expanded SE Asian market

- Direct flights increased (Excl. China): ('16) 6 routes from 4 countries → ('18) 12 routes from 5 countries
- * (June & Sept. '17) T'way Air (Osaka, Tokyo), (April '19) T'way (Nagoya)
(Dec. '17) AirAsia X (Kuala Lumpur), (Dec. '18) Jeju Air (Hong Kong, etc.)

3

Improvement of cheap tours

▶ Improved commission practices, through crackdown on violation of tourism law, etc.

- Crackdown on unregistered travel agencies/tour guides: ('16) 142 cases ('17) 18 cases ('18) 41 cases



Tourism policy orientation of JSSGP

Focusing on “quality” tourism

3-4. Management of 5 key indicators for quality tourism

Domestic visitors

Level of satisfaction

Length of stay
Spending

▶ Upturn in level of satisfaction, Decrease in length of stay and spending (due to economic slowdown and preference for less costly travel)

- Level of satisfaction: ('16) 3.94 points → ('18) 4.10 points
 - Length of stay: ('16) 4.12 days → ('18) 3.95 days
 - Spending: ('17) 540,000 KRW → ('18) 510,000 KRW
- *Different method of calculation applies since '17

Foreign visitors

Level of satisfaction

Length of stay
Spending

▶ Upturn in level of satisfaction, length of stay and spending

- Level of satisfaction: ('16) 4.06 points → ('18) 4.07 points
- Length of stay: ('16) 4.13 days → ('18) 4.90 days
- Spending: ('17) \$1,274 → ('18) \$1,339

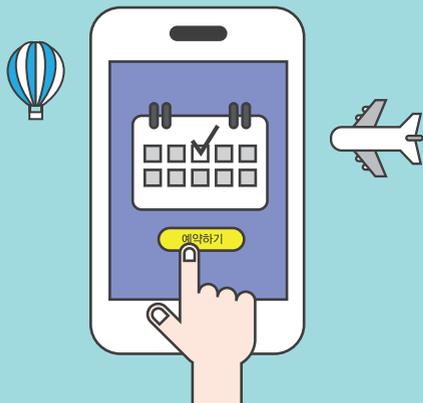


A new paradigm for Jeju tourism

4-1. Changing travel trends

IT revolution and advanced technologies related to the Internet and smartphones

Well-informed FIT visitors design their travel themselves



For travelers: (Before)

Itineraries were developed by the administration and the travel businesses (incl. travel agencies)



(Now)

FIT visitors obtain information themselves, lead the travel itineraries as consumer and designer, and make decisions

- (Before travel)** Plan itinerary, make reservations
- (During travel)** Search for restaurants, accommodations and hot spots; pay on mobile devices
- (After travel)** Evaluate through online review, proof pictures, etc.

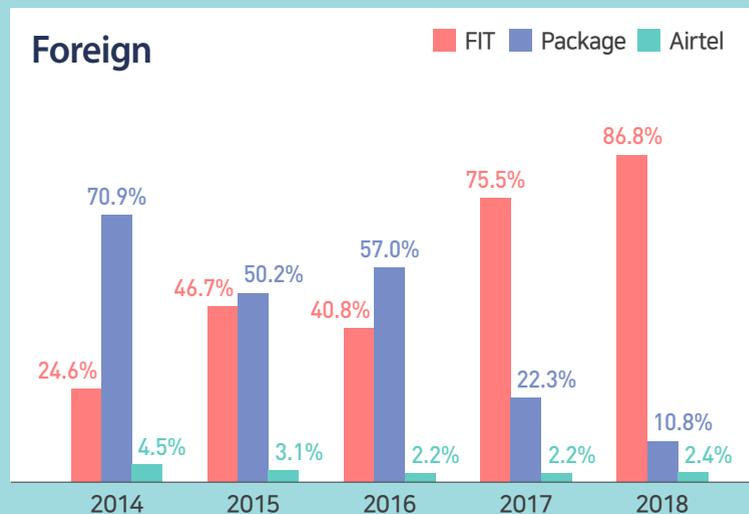
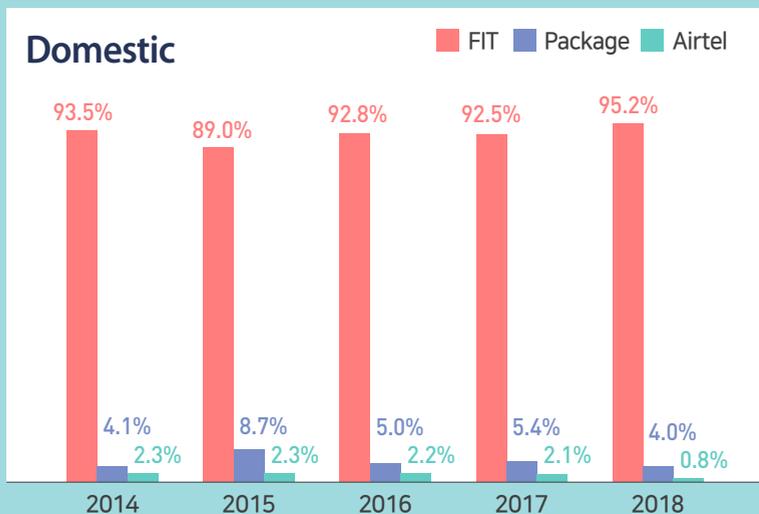


A new paradigm for Jeju tourism

4-2. Types of travelers to Jeju

For visits to Jeju, FIT is the general trend for both Koreans and foreigners

- Domestic: ('14) 93.5% → ('16) 92.8% → ('18) 95.2%
- Foreign: ('14) 24.6% → ('16) 40.8% → ('18) 86.8%



A new paradigm for Jeju tourism

4-3. A shift to FIT



Domestic FIT

(Before)

Travel agencies
designate tourist sites,
large restaurants, low/
medium cost hotels, etc.

(Now)

FIT visitors themselves
search for non-designated
tourist sites, new cafés,
restaurants, guesthouses, etc.

Foreign FIT

Pattern change
(Package → FIT)
* Chinese overseas
purchase agents (Ttaigong)
mainly go shopping in
duty free shops

However, young Chinese
FIT visitors show changing
pattern, visiting popular local
restaurants

A new paradigm for Jeju tourism

4-4. Challenges of FIT



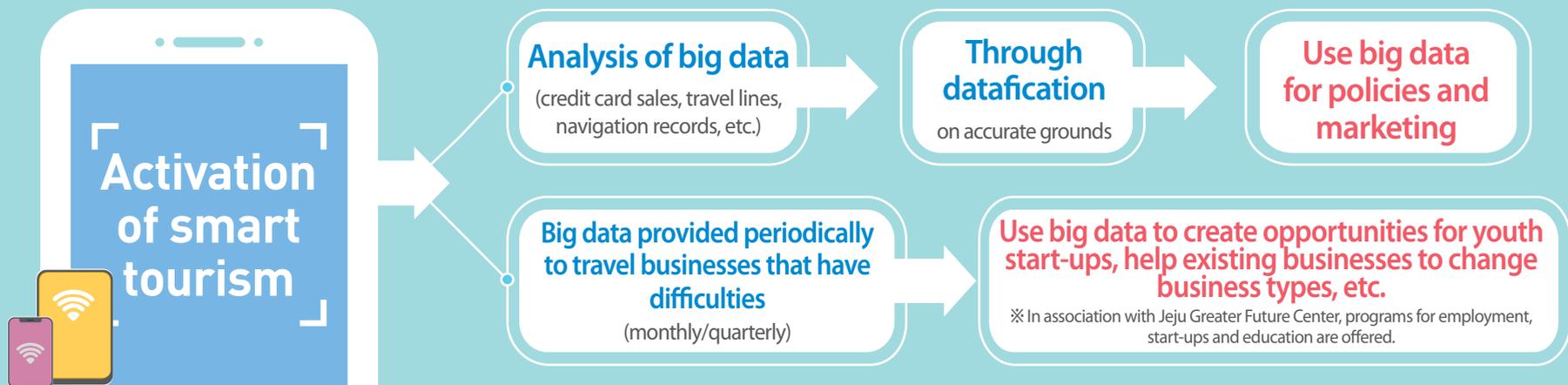
With the shift in paradigm, improvement is required due to insufficient understanding of FIT patterns and lack of analyzed data of FIT-specific travel lines

Access to FIT patterns should be based on data, but some information provided by suppliers (administration, travel businesses) is inaccurate

Furthermore, travel patterns are not partially changing from 'group tours' to 'small group tours', but show a completely different change led by the millennial generation

A new paradigm for Jeju tourism

4-5. Countermeasures



Promotion through videos featuring YouTube celebrities and on other social media tailored to target countries

- Budget for online promotion
 - ('18) 5% (350m KRW) → ('19) 50.4% (4.77bn KRW)
- [China] Mafengwo, WeChat, Weibo, etc.
- [Japan] Rakuten, Airtory, etc.
- [SE Asia] FaceBook, Instagram, etc.

Innovative online marketing strategies targeting the millennial generation

A new paradigm for Jeju tourism

4-5. Countermeasures



Customized education

Customized education for enhanced preparedness for tourism and local capacity

- Enhanced information system, incl. providing language service and installing information boards (on location, content, etc.) for FIT visitors

* Jeju Tourist Information Center opened (Dec. '17): Real-time service for foreigners in 9 languages



Continue to diversify overseas market (Due to concentration on Chinese market)

Enhanced accessibility/restored Japanese market/expanded SE Asian market

- Direct flights (excl. China): ('16) 6 routes from 4 countries→('18) 12 routes from 5 countries
 - (Airport infrastructure): Overseas market diversification requires increased slots at Jeju Airport
 - * Need to increase from the current 35 to 36
- In the mid and long term, stable market diversification will be possible by improving accessibility through securing 2nd Jeju Airport



Activation of high value-added tour products and content

- Activation of MICE, sports tourism (off-season training, etc.), maritime and leisure tourism industries

Activating Community-based Tourism for Both Local Residents and Tourists

5-1. Question: Why “community-based tourism”?

FIT visitors

Recently, FIT visitors show interest in experiencing the local lifestyle. They desire to buy tour products incl. experience programs. That is, they wish to experience new aspects of Jeju.



Locals

Policies should upscale trickle-down effects to bring benefits to the locals, rather than sharing profits among businesses only.

- ▶ However, it is difficult to measure and manage regional tourism by the indicators of ‘level of local satisfaction’, ‘income-generating effects’, etc.
- ▶ Thus, efforts have been made to create a local-led regional tourism model by discovering, sharing and disseminating success stories.



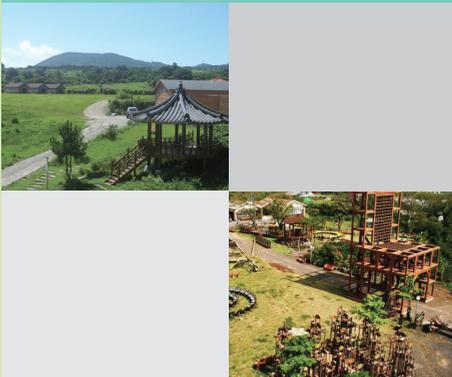
Activating Community-based Tourism for Both Local Residents and Tourists

5-2. Types of community-based tourism in Jeju



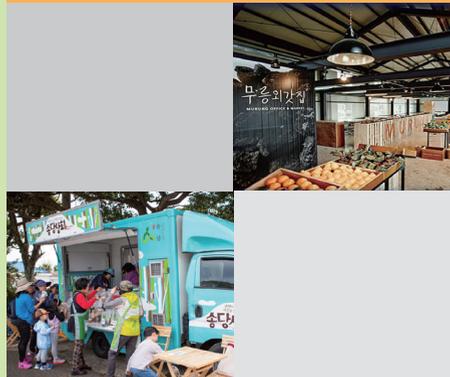
Rural Experience Village

25 villages incl. Chamsari Village (in Myeongdoam), Ahopgut Village (in Nakcheon), and Eomeong Abang Janchi Village (in Shinpung).



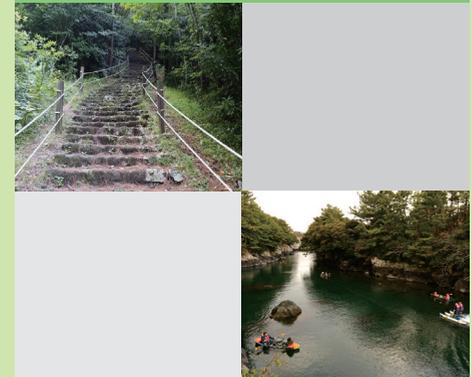
Village Corporation

34 corporations incl. Songdang Sanghwe Agricultural Association Corporation, Mureung Owegatjip, Onpyeong Modadeureong Co., Ltd.



Eco Tour Site

3 sites incl. Dongbaekdongsan Wetland (Seonheul 1-ri), Hyodon-cheon Stream and Harye Village, Jeoji Oreum and Jeoji Gotjawal



Activating Community-based Tourism for Both Local Residents and Tourists

5-3. Representative community-based tour programs in Jeju



Feeding sheep, cooking barley dumpling soup, making conch flute, cooking bingteok crepe, fishing onboard tewoo [traditional local raft], etc.



Torreya nut oil (in Songdang), premium gulfweed (in Udo Island), sesame oil (in Josu), firefly watching (in Gotjawal forest), etc.

Rural Experience Village

Eco Party



Village Corporation

Eco Tour Sites



Activities in Meochewat Forest in Hannam (education on regional history, botanic ecology, etc.), activities with mandarin orange in Hahyo (making nectar, walking along batdam [stone walls] of flowery farms)

*'18 18 parties → '19 (First half) 14 parties



Education on Ramsar Wetlands (in Seonheul), stream tracking (in Harye), etc.

Activating Community-based Tourism for Both Local Residents and Tourists

5-4. Challenges and development strategies of community-based tourism in Jeju



Failure analysis

Some show visible outcomes based on administrative support in the early stage. After the end of the support, many lose self-reliant power. Failures of village corporations also need attention.



Cultivation of specialists and provision of consulting services

Independent operation by villagers is difficult. Thus, the administration needs to continuously cultivate specialists and provide consulting services.

* e.g. Fostering tourism ventures, holding start-up academies, providing consulting services, nurturing storytellers and regional travel planners, etc.



Institutional tools for civilian-public cooperation

To revitalize regional tourism, civilian-public cooperation is necessary in preparing institutional tools (scheme for promotion, evaluation, financial support, etc.) for fair support and stable operation.



Thank You!

