

2nd Strategy Workshop for the Future of Jeju Tourism
Methods of Service Quality Management and Guidance
System Improvement for Tourism in Jeju

February 16, 2016

■ Presentation 1: (Draft) Operation of a composite certification system on the quality of tourism

○ Presenter: An Deuk-Soo (Head of Tourism Infrastructure Office, Korea Tourism Organization)

- More people these days think that quality management in tourism is a good way to improve the national competitiveness in tourism with the growing number of tourists. Currently similar types of systems are operated by various government departments and municipalities gaining criticism that the government wastes budgets and causes a lot of confusion for tourists. Such situations deteriorate the credibility of the governments' policies.
- Some examples of the quality certification programs on Korean accommodations include the hotel ranking system, Good Stay, Korea Stay, and Hanok (Korean traditional house) Stay by Korea tourism Organization, and FOR&B-TEL, Greens-Tel, and Hangbok Hotel by Haeundae-Gu government. For restaurants, there are Korea Tourism Organization's Restaurants for Experiencing Culinary at Palace, Rural Development Administration's Tasty Farm House, Food and Drug Administration's Exemplary Restaurant, and various regions' own certification systems for delicious restaurants. Additionally, there are a variety of certification programs such as Good Tour Product Certification programs by Seoul, Gyeonggi-do, and Busan, as well as Korea Tourism Organization's First Premium Shopping.
- There are a few examples of overseas certification programs to consider, such as Quality in Tourism (U.K.), Calidad Turistica (Spain), Quality Tourism Service (New Zealand), and Qualite Tourisme (France). Evaluation on accommodations takes the largest share of the components of the tourism quality programs (96.5% for the U.K. program, 61% for France, and 58% for New Zealand). In the case of Hong Kong, the focus of such programs is on retail shops (shopping). In most cases, the cost for the operation and promotion of the program is paid for directly by tourism businesses.
- In most countries, along with the tourism quality certification systems, separate individual certification programs are operated together and regularly, every year in general, reviews on the program for management is conducted. Except for France,

there are hardly any legal basis for such tourism quality certification systems. Rather, such systems are operated by regulations of the applicable tourism authorities. The evaluation itself is conducted by outsourced or part-time reviewers.

- The scope of quality management of the composite Tourism Quality Certification System that we want to introduce would be set on the basis of the tourism value chain. It means the stages of the products and services in the tourism field and it limits the specific areas as regional tourism information, accommodations, restaurants, shopping, experience/leisure/work, regional sightseeing, and transformation for tours.



관광의 가치사슬과 품질관리 범위 설정 Value chain of tourism and setting scope of quality management

관광 전 Before tour

관광 현장 During tour

관광 후 After tour

정보수집/예약 Information collection/reservation

여행 Travel

지역관광정보 Regional tourism information

숙박시설 Accommodation

식당 Restaurant

쇼핑 Shopping

체험/레저/업무 Experience/Leisure/Business

지역관광 Local tour

관광교통 Transportation for tourists

여행 Travel

재방문결정 Decision to re-visit

관광품질 인증제 적용 범위 Scope of quality certification for tour products

여행업 Travel business

관광숙박업 Accommodation

관광객이용시설업 Facilities for tourists

관광편의시설업 Convenience facilities for tourism

유흥시설, 카지노, 국제회의 등 Entertainment, Casino, MICE

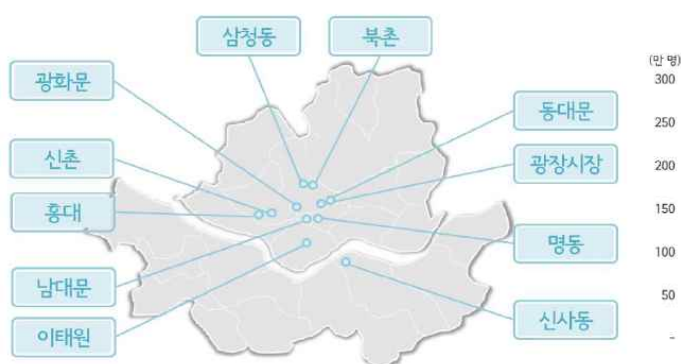
- Under the load-map for a long-term management system of tourism in Jeju, we've set

the first half of 2016 as a period to build necessary foundation. We plan to organize a system of composite operation programs and revision of related laws. In the latter half of 2016, we will enter into MOUs with related government departments and other municipality governments on the method of operation and the brand of such composites certification. While operating its pilot projects, in 2017, promotion will be expanded in addition to setting more targets for certification expand the active operations of the system.

■ Presentation 2: Portable Tourist Information Center, Thinking Outside the Box

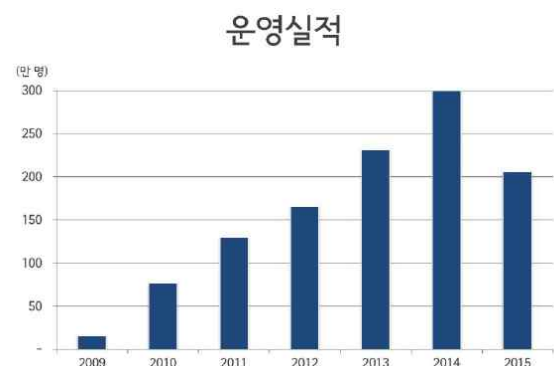
○ Kim Hyun-Suk (Head of Tourist Information Center Team, Seoul Tourism Association)

- Since January 2009, the tourist information service which has been provided only within the information center office began service outside of the office. For the first time in the world, the portable service began providing services throughout the year, for Korean and foreign travelers.
- Red Angels help provide travelers with tourist information on transportation, shopping, foods, and accommodation. They also accompany sick tourists to the hospital, help find missing family members at the tourist attractions, and operate a Lost and Found center for tourists.
- In 2010, the service was selected as the Start Program of Korean Tourism, won the Seoul Mayor's Award, and designated a Smile Representative of Korea and has continued its activities for tourists. All 84 Red Angels (as of February 2016) are working on the 11 areas where travelers are concentrated within Seoul. In 2014, the number of tourists they have helped reached around 3 million.



상암동 Sangam-dong
북촌 Bukchon
동대문 Dongdaemun
광장시장 Gwangjang Market
명동 Myeongdong
신사동 Sinsa-dong

광화문 Gwanghwamun
신촌 Sinchon
홍대 Hongdae
남대문 Namdaemun
이태원 Itaewon



운영실적 Operational Record

- The activities of the Red Angels have been introduced through various Korean and overseas news media. With systemic and professional training programs, Red Angels will continue to improve themselves to be better Guiding Angels for travelers.

■ DISCUSSION

○ Lee Jae-Hong (Director General of Jeju Tourism Organization)

- This year, we came up with a new slogan for tourism in Jeju, the new qualitative growth. For several years, there has been a lot of talk about the qualitative growth of tourism both in Korea and overseas countries. And discussions have only continued on how we may move forward to achieve actual qualitative growth, or whether the concept of qualitative growth and quantitative growth are contrary or supplementary.
- Today, many experts from diverse areas of academia, the tourism industry, news media, and of course, administrative bodies have gathered. I think all of you are well versed on this subject. I hope this gathering can be an opportunity where various policies which can lead the future direction of Jeju Island and suggestions can be shared with communities and also get feedback from them, rather than as a place to provide information from only one point of view.

○ Kim Jong-Moon (President of Jeju Branch, Korea Hotel Business Executives Association)

- In overseas countries, if a hotel is rated as three stars, such a hotel provides facilities and services which meet the quality standard required for three star hotels. But in Jeju, it seems that there are many cases which do not satisfy such expectations. As Seoul does, clear information should be given on the reviewers and evaluation criteria and then the grade system should be operated on that basis.

○ Kim Dong-Hun (Policy Director of Jeju Branch, National Rental Car Business Association)

- Rental Car services serve as the first impression of tourism in Jeju facing more than 80% of F.I.T. travelers. So its contribution to tourism is significant. But it seems that the administrative authorities do pay not close attention to this sector. Also, price competition among rental car companies in Jeju is quite fierce. And cars are allocated with quite short intervals between rental contracts requiring inspection and whether the maintenance of such cars is done at a certain required level.
- From an outsiders' perspective, staff at rental car businesses or offices where more than 700,000 people visit every year should wear uniforms. What should be done first is to help rental car companies provide better services through multi-dimensional support. And then the service quality should be managed by making quantitative criteria on the allocation interval and maintenance status of cars.

- Kim Ah-Mi (Vice Director of Jeju Branch, Association of Korean Tour Interpreters)
 - You may have visited foreign countries on several occasions. And as you may know during overseas travel, the quality of the tour can be determined by the quality of the tour guide. And such quality of a guide can be improved through training. But there are limits to providing such training with the Association's own budget. So we are working along with the provincial government and the Jeju Tourism Organization. What is unfortunate is that as the volume of training is arranged based on the allocated budget, consistent training cannot be provided for tour guides.
 - In particular, training programs for tour guides of the region needs to be continuous and organized on a long-term basis. But as a result of the characteristics of the job, large group training opportunities for tour guides is hard to achieve. So, it would be better to apply a yearly curriculum approach to training.

- Go Seung-Chul (Head of Tourist Attractions' Committee, Jeju Tourism Association)
 - I'll touch on the issues of tourist attractions. With various public tourist attractions which receive a heavily discounted entrance fee than that of private attractions, the price gap issue has been raised. Also, there is increasingly heated competition among private attractions as there are too many businesses certified as a Good Tourist Company from the Jeju government. Tourist sites can easily get approval of the business and there is no dedicated department for the management and supervision of such attractions. In reality this causes a lot of problems so I think we need to have a department in control of this tourism area.

- Jo Boo-Yeon (Business Professor, Jeju National University)
 - Quality of services can be classified into low quality and high quality. And Jeju needs to consider where it would place its focus on service quality management. The minimal quality management is the type that provides services at tourist destinations and are managed to meet the designated minimum level of criteria which are required for any tourist services. High quality control is a way to provide service quality improvement by providing additional services to the already existing services. Unlike general manufactured products, services are evaluated on their quality at the lowest level. So, minimal quality management is required for services.
 - As to the certification brands, policy assets for promotion of the certification are critical. In the case of Australia, as we discovered in the previous presentation, that a lack of policy assets may hinder the sustainability of such certification systems.

○ Oh Seung-Chul (Director of Report Department, Jeju MBC)

- We have talked about the qualitative growth of tourism since the number of travelers reached 5 million. I think the issue gained more attention recently as tour products or experience programs that travelers visited in the region became more popular in the age of soft power.
- To strictly evaluate the quality of services under a specific set of criteria, neutral organizations should operate such certification systems. To raise the service quality, the dark side of tourism in Jeju such as commission fees or dumping prices should be exposed. There should be a great deal of consideration to manage the detailed parts of tourism in Jeju.

○ Lim Jae-Young (Vice Chief of Social Department of Editing Desk, Dong-a Ilbo Newspaper)

- There are diverse opinions on whether Korea can be considered an advanced tourist destination or if Jeju is a premium tourist attraction. The size, the number of visitors, is not the only important part. The region should be developed into a tourist destination which encourages repeated visits of tourists who are satisfied with their stay in Jeju.
- Jeju's natural resources are globally renowned. But in terms of the product's quality or its system, we have a lot of work to do. Although there have been many certification systems, it's hard to remember a specific one. In other words there is no certification that appeals to both of the tourism industry and general customers. As the currently available certification system in Jeju has weak brand power and no follow-up management is done, the level of tourists' credibility is very low. When we actually operate an effective certification system, Jeju will become a popular tourist destination where travelers can feel safe, spend their money, and visit again.
- When such a certification system is introduced and operated, I think the intervention of the public sector is critical. Afterwards, the governments should be engaged in the development project of the certification system. And given the significance of Jeju as a region for the pilot operation of such programs, comprehensive management should be done on Jeju's certification programs through collaboration with the Korea Tourism Organization, Jeju Tourism Organization, Jeju Provincial Government, and the Ministry of Culture, Sports, and Tourism.

○ Lee Nan-Young (Senior Council Member of Service Management Center, Korean Standards Association)

- Tour patterns of tourists to Jeju are now changing. For changing tourism trends such as the increase of F.I.T. travelers, I think it is important to consider the changing needs of travelers and align them with the growing trend. There should be more

thought on what travelers would do, how they feel, and to meet the minimal expectations for such experiences, as well as placing an additional quality on the attractiveness of Jeju that we can provide to travelers.

- As previously mentioned by other panels, in reality, if just one part cannot meet the minimum requirements for satisfaction when all other parts provide good service qualities, such a low level of service quality for such a small part determines the overall satisfaction of all of the services. In this regard, we should secure measures to control the quality difference in various fields and provide guidelines to raise the overall qualities to an above-standard level. In addition to the guidelines, at this point, we need to determine which guidelines should be identified as mandatory while the others are classified as optional.

○ Gwan Oh-Seung (Head of Service Management Center, Korean Standards Association)

- I think from a macro-perspective, evaluation on the level of desired quality of services Jeju currently hopes to determine what should come first in order to move qualitative growth forward, and therefore moving beyond qualitative growth. There could be some limitations if we directly identify policies or build strategies without any quantitative measurement on such expectations.
- In conclusion, it would be better to first measure what is the current level of service quality in Jeju and then apply the data to the policies. In the longer term, what we need to measure would be divided by sectors, and it would be a good approach to determine the long-term expectations in each sector or seek ways of how we to overcome the quality-gap between Jeju and other regions such as Japan.

○ Kim Jae-Hwan (Business Professor, Nasaret University)

- I would like to mention that on the composite certification system and conversion of our focus on service quality, from the quantity side to the quality side. As we can see in the case of France in the presentation, I think certification systems on tourism need to be operated under a composite system. If there's an issue here, I think that would be continuity.
- Once we introduce a certification system, the basic approach should be on the continued business. After granting certification, there should be incentives or policies which can provide motivation for better service qualities. And for businesses which failed to get certified, they should be given feedback on how and why they need to improve to qualify for the certification.
- I think that for the quality management on services, fundamentally we need to find and manage variables which have an impact on the quality. And such variables should differ depending on the tourists' expectations, contents of services as a process, and methods of how the service is provided. Therefore, it should be managed from the

business management perspective.

- Currently what is most important is storing more data on the current status of tourism in Jeju. And in the macro-perspective, we need to think about how we can achieve the certification systems.

○ Oh Heung-Wook (Head of Travel Customer's Right Center, Korea Customer Agency)

- To improve competitiveness, I think it's desirable to allow publicly credible certification agencies to grant such certifications. As far as I know, the governments have also considered streamlining many certification programs which have been introduced without any unified principles. And though such arrangements would be important, if possible, granting certifications in each specific domain with the reviews and evaluations of true experts of the area, would be desirable for the tourism industry and the quality improvement of the services.

○ Han Deok-Hwan (Tourism Promotion Officer, Tourism Promotion Department of Seogwipo City Government)

- When we talk about qualitative tourism, internally we mean the fair distribution of benefits from tourists to the residents including tourist businesses while externally we refer to the image of tourism in Jeju.
- In this regard, when I think from the policy-perspective, we have adopted the indicators for qualitative tourism such as days of stay, amount of spending, level of satisfaction from tourism, and the portfolio of the tourist markets and suggested tourism quality certifications as a policy task to achieve quality tourism.

○ Kim Nam-Sun (Head of Tourism Industry Department, Jeju Special Self-Governing Province)

- As to the composite certification grade system announced by the Korea Tourism Organization, Jeju has already carried out in five domains. And only the hotels' grade system has a ranking system, not quality certification, with 106 accommodations in Jeju which have earned the grade. 16 Accommodations failed the certification process.
- Up to this point Jeju has selected and supported Good Tourist Companies. As to the idea of aligning with the central governments' composite certification system, I don't think that would be effective. Jeju will follow in the footsteps of one or several municipalities that operate such a system as a pilot attempt along with the Korea Tourism Organization and then create high quality systems and manuals. But at this point, I want to say that Jeju has created its own criteria and has operated on its own system quite well.

○ Kim Hyun-Suk (Head of Tourist Information Center Team, Seoul Tourism Association)

- I want to comment on the convergence of tourism services and IT. Of course, such attempts will create a lot of benefits. What I want to point out is that there are certainly cases and situations where IT may not contribute to the guidance to travelers, as we have seen in the cases of F.I.T travelers who could not find the necessary assistance required while using the service, although they received the assistance that they required from the Red Angels because the assistance required a human touch.
- At the same time, I don't agree with the training of tour guides which only places emphasis on the completion of the course. I think we need the approach of continuous programs with consistent monitoring. Our Association also conducts monitoring on the follow-up improvement of trainees.

○ Lee Jae-Hong (Director General of Jeju Tourism Organization)

- The Future Strategy Workshop was prepared to share the current circumstances of tourism and collect various opinions on what we need to do to achieve qualitative growth, rather than making any immediate decision. I deeply appreciate all of you who have gathered today despite your busy schedules and now I would like to close today's discussion. Thank you.

- Jeju Tourism Organization is proactively suggesting various policy solutions to provide measures to solve pending issues in this regional society.
- We would like to come up with more reasonable and forward-looking alternative solutions that can be made based on the results of this workshop in order to contribute to the increased quality of life for Jeju residents and to the region's development.



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