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Tourism Industry of Jeju Island

Big Data Analysis of Credit Card Sales: Analysis by Region

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The second big data analysis of Jeju tourism industry's sales in credit cards: Analysis by region

The last edition covered overall issues related to sales in credit cards in the tourism industry of Jeju Island. We analyzed the total credit card sales from 2012 to 2017 by year, age group, business type and region (six zones), separating the origin of sales between domestic visitors and foreign visitors. In this issue, which is the first part of consecutive in-depth reviewing of the industry’s credit card sales, we will divide the scope of the target area into 74 legal-status neighborhoods (eup, myeon and dong) from the previous six zones in order to look into the revenue by year and business type, reflecting continuous request for further analysis since the publication of the previous issue. The result of reviewing credit card sales in legal-status neighborhoods in this edition presents a number of significant implications for the growth in quality of the tourism industry of Jeju Island.

In this study, we used the sales data of S credit card company[1]; specifically, credit card transaction data from January 2012 to December 2017 in Jeju Island. Based on sales data of S card company, we calculated the actual amount of credit card use in the target market by applying correction factors for individual areas and credit card types using public data published by the Bank of Korea and the Credit Finance Association. For this reason, we acknowledge that the figures in this report have a certain limit in accuracy for reflecting the entire credit card sales and that the result of the analysis is entirely the opinion of the research center of Jeju Tourism Organization.

I Overview

▌ Classification of areas

◦ For the purpose of analyzing sales in credit cards by area, we divided the target areas based on legal-status neighborhood[2] (refer to Table 1).

- Jeju-si consists of 7 eups and myeons and 39 dongs.
- Seogwipo-si consists of 5 eups and myeons and 23 dongs.

* The areas of S credit card company’s sales data were divided into legal-status neighborhoods where credit cards were used.

<Table 1> Classification of legal-status neighborhoods

Classification	Jeju-si (46)	Segwipo-si (28)
Eups and myeons (12)	Hanlim-eup, Aewol-eup, Gujwa-eup, Jocheon-eup, Hangyeong-myeon, Chuja-myeon, Udo-myeon	Daejeong-eup, Namwon-eup, Seongsan-eup, Andeok-myeon, Pyoseon-myeon
Dongs (62)	Ildoi-dong, Idoil-dong, Idoi-dong, Samdoil-dong, Samdoi-dong, Geonip-dong, Yongdamil-dong, Yongdami-dong, Yongdamil-dong, Hwabukil-dong, Hwabuki-dong, Samyangil-dong, Samyangi-dong, Samyangsam-dong, Bonggae-dong, Arail-dong, Arai-dong, Orail-dong, Orai-dong, Orasam-dong, NohYeon-dong, Oidoil-dong, Oidoi-dong, Ihoil-dong, Ihoi-dong, Doduil-dong, Dodui-dong, Donam-dong, Doryeonil-dong, Doryeoni-dong, Yonggang-dong, Hoicheon-dong, Odeung-dong, WolpYeon-dong (Jeju-si), YeongpYeon-dong, Yeon-dong, DoYeon-dong, Heaan-dong, Naedo-dong	Seogwi-dong, Beopwhan-dong, Seoho-dong, Hoegeun-dong, Dongheung-dong, Seohong-dong, Sanghyo-dong, Hahyo-dong, Sinhyo-dong, Bomok-dong, TopYeon-dong, Jungmun-dong, Hoisu-dong, Daepo-dong, WolpYeon-dong, Gangjeong-dong, Dosun-dong, Hawon-dong, Saekdal-dong, Sangye-dong, Haye-dong, Yeongnam-dong, WolpYeon-dong (Segwipo-si)

1) S card company holds the largest portion of market, accounting for 22.16% of the market in 2017, and its composition of the customers generally reflects the representativity of the population.

2) Legal-status neighborhood is not used for the operation of direct administrative function but in traditional regional classification, address and land registration. Several administrative neighboroods are under the jurisdiction of a single legal-status neighborhood or vice versa (Source: Wikipedia)

▮ Classification of business types

◦ The business type is classified into six categories, namely, retail business, lodging business, restaurant business, transportation business, art·sports·leisure business and others among which **5 categories except transportation business were used** for the review based on the classification system presented in 「Estimated gross revenues of Jeju tourism industry」(Jeju Special Self-Governing Province, Jeju Tourism Organization).

- The sales of transportation industry were excluded because no area-specific data were available as 97% or more of sales came from air fares which were accounted for the turnover of the headquarters of airlines.

<Table 2> Classification of business type

Retail	Lodging	Restaurant	Transportation	Art·Sports·Leisure	Other
General retailing, food beverage and tobacco retailing, vehicle fuel retailing, handicraft and gift retailing	Hotels, others	General restaurants, other restaurants, bars and non-alcohol beverage	(Exclusion)	Museums, theme parks, amusement park operation, water entertainment service, gambling and betting (casino), other entertainment related, golf course operation	Rental cars, travel business, cosmetics, public bath and massage

Ⅱ Sales analysis by area and year

▌ The top 20 sales areas

◦ **As of 2017, the top 5 areas of sales in credit cards were in the order of Yeon-dong, Yongdami-dong, Saekdal-dong, NohYeon-dong and Seogwi-dong.**

- There are duty free shops for foreign tourists and local visitors in Yeon-dong and Saekdal-dong, respectively. However, the turnover of duty free shops in Saekdal-dong has sharply dropped to around 1% of the total sales of the area due to the relocation of the duty-free shops since 2015.
- In case of Yeon-dong and Saekdal-dong where restaurants and accommodations were heavily concentrated, relevant sales accounted for a significant portion of the areas' revenues.
- The major sources of sales in NohYeon-dong and Seogwi-dong were retail shops and restaurants because a great deal of commercial facilities was located in the areas.
- The sales in Yeon-dong has turned to a decline since 2017 starting in 2016, while sales in Yongdami-dong has shown a moderate but steady growth. These trends reflect a decrease of foreign tourists and an increase of local tourists in 2017.

◦ **The top 5 areas without counting duty free shop sales** were in the order of **Yeon-dong, Saekdal-dong, NohYeon-dong, Yongdami-dong and Seogwi-dong.**

- These areas feature the heavy concentration of key services for tourists such as lodgings, restaurants and shops. Yeon-dong and Yongdami-dong are, in particular, significant as areas where tourism revenue is made without duty free sales.

◦ Areas with **a growing trend of sales in credit cards by year included Gujwa-eup, Seogwi-dong, Aewol-eup and Andeok-myeon.**

- Up 7 notches: Gujwa-eup (20th in 2012 -> 13th in 2017)
- Up 5 notches: Seogwi-dong (10th in 2012 -> 5th in 2017)
- Up 3 notches: Aewol-eup (11th in 2012 -> 8th in 2017), Andeok-myeon (12th in 2012 -> 9th in 2017)

◦ Areas with **a decreasing trend of sales in credit card by year are Pyoseon-myeon, Jungmun-dong, Namwon-eup, Yongdamsam-dong and Hogeun-dong**.

- Down 5 notches: Pyoseon-myeon (5th in 2012 -> 10th in 2017), Jungmun-dong (6th in 2012 -> 11th in 2017)
- Down 4 notches: Namwon-eup (16th in 2012 -> 20th in 2017)
- Areas ranked outside the top 20: Yongdamsam-dong (15th in 2012 -> 21st in 2017), Hogeun-dong (18th in 2012 -> 46th in 2017)
- Pyoseon-myeon, Namwon-eup and Jungmun-dong where tourist attractions such as traditional folk villages and tourist complexes were established earlier than other areas were traditionally popular tourist destinations, while Yongdamsam-dong has greatly contributed to an upsurge in tourism of Jeju-si with coastal roads constructed in the late 90s. **Recent tourism trends are moving out of these areas because the increasing number of visitors prefers to visit other areas rather than revisiting the same places as the number of returning tourists increases**. Therefore, **it is necessary to develop various contents to induce tourists to return** to these areas.

<Table 3> The top 20 of credit card sales by region and year: Total revenue (Koreans and foreigners)

Unit: KRW billion

Rank	2012		2013		2014		2015		2016		2017	
	Area	Sales	Area	Sales	Area	Sales	Area	Sales	Area	Sales	Area	Sales
1	Yongdami-dong	301.3	Yongdami-dong	330.1	Yeon-dong	377.4	Yeon-dong	480.9	Yeon-dong	865.9	Yeon-dong	633.0
2	Yeon-dong	168.8	Yeon-dong	268.3	Yongdami-dong	356.6	Yongdami-dong	454.4	Yongdami-dong	513.5	Yongdami-dong	524.1
3	Saekdal-dong	117.4	Saekdal-dong	195.1	Saekdal-dong	268.6	Saekdal-dong	233.4	Saekdal-dong	169.8	Saekdal-dong	144.1
4	NohYeon-dong	57.8	NohYeon-dong	70.5	NohYeon-dong	89.8	NohYeon-dong	108.4	NohYeon-dong	135.1	NohYeon-dong	118.4
5	Pyoseon-myeon	53.9	Pyoseon-myeon	51.3	Seongsan-eup	60.3	Seongsan-eup	76.9	Seongsan-eup	88.8	Seogwi-dong	93.1
6	Jungmun-dong	46.1	Seongsan-eup	43.0	Pyoseon-myeon	57.8	Seogwi-dong	69.6	Seogwi-dong	88.5	Seongsan-eup	92.6
7	Seongsan-eup	33.3	Jocheon-eup	41.4	Jocheon-eup	49.7	Jungmun-dong	63.8	Jocheon-eup	78.4	Jocheon-eup	88.1
8	Jocheon-eup	32.2	Jungmun-dong	41.2	Seogwi-dong	49.7	Pyoseon-myeon	58.6	Jungmun-dong	71.1	Aewol-eup	84.5
9	Samdoi-dong	30.0	Seogwi-dong	38.1	Jungmun-dong	48.4	Jocheon-eup	58.1	Aewol-eup	67.2	Andeok-myeon	73.2
10	Seogwi-dong	28.8	Samdoi-dong	34.5	Andeok-myeon	44.8	Aewol-eup	53.3	Pyoseon-myeon	67.2	Pyoseon-myeon	72.9
11	Aewol-eup	24.2	Aewol-eup	30.1	Samdoi-dong	40.1	Andeok-myeon	50.3	Andeok-myeon	58.9	Jungmun-dong	70.5
12	Andeok-myeon	24.2	Andeok-myeon	29.8	Aewol-eup	39.9	Hanlim-eup	41.9	Hanlim-eup	47.9	Hanlim-eup	61.7
13	Hanlim-eup	21.5	Hanlim-eup	25.1	Hanlim-eup	37.3	Samdoi-dong	41.4	Samdoi-dong	45.2	Gujwa-eup	48.7
14	Beophwan-dong	16.1	Beophwan-dong	19.5	Beophwan-dong	26.3	Beophwan-dong	32.2	Beophwan-dong	40.7	Samdoi-dong	44.5
15	Yongdamsam-dong	15.2	Yongdamsam-dong	17.9	Idoi-dong	20.6	Gujwa-eup	29.0	Gujwa-eup	37.9	Beophwan-dong	41.6
16	Namwon-eup	13.1	Namwon-eup	16.1	Yongdamsam-dong	19.7	Idoi-dong	24.8	Idoi-dong	30.6	Daejeong-eup	37.5
17	Geonip-dong	12.3	Idoi-dong	15.4	Namwon-eup	19.4	Yongdamsam-dong	24.1	Daejeong-eup	28.8	Idoi-dong	35.8
18	Hogeun-dong	12.1	Geonip-dong	13.9	Geonip-dong	18.4	Daejeong-eup	23.5	Namwon-eup	27.6	Gangjeong-dong	29.5
19	Idoi-dong	10.7	Daejeong-eup	12.6	Daejeong-eup	17.6	Namwon-eup	23.1	Gangjeong-dong	26.6	Geonip-dong	28.9
20	Gujwa-eup	10.4	Gujwa-eup	12.4	Gujwa-eup	17.0	Geonip-dong	20.0	Yongdamsam-dong	26.5	Namwon-eup	28.4

Note: Sales without counting transportation business

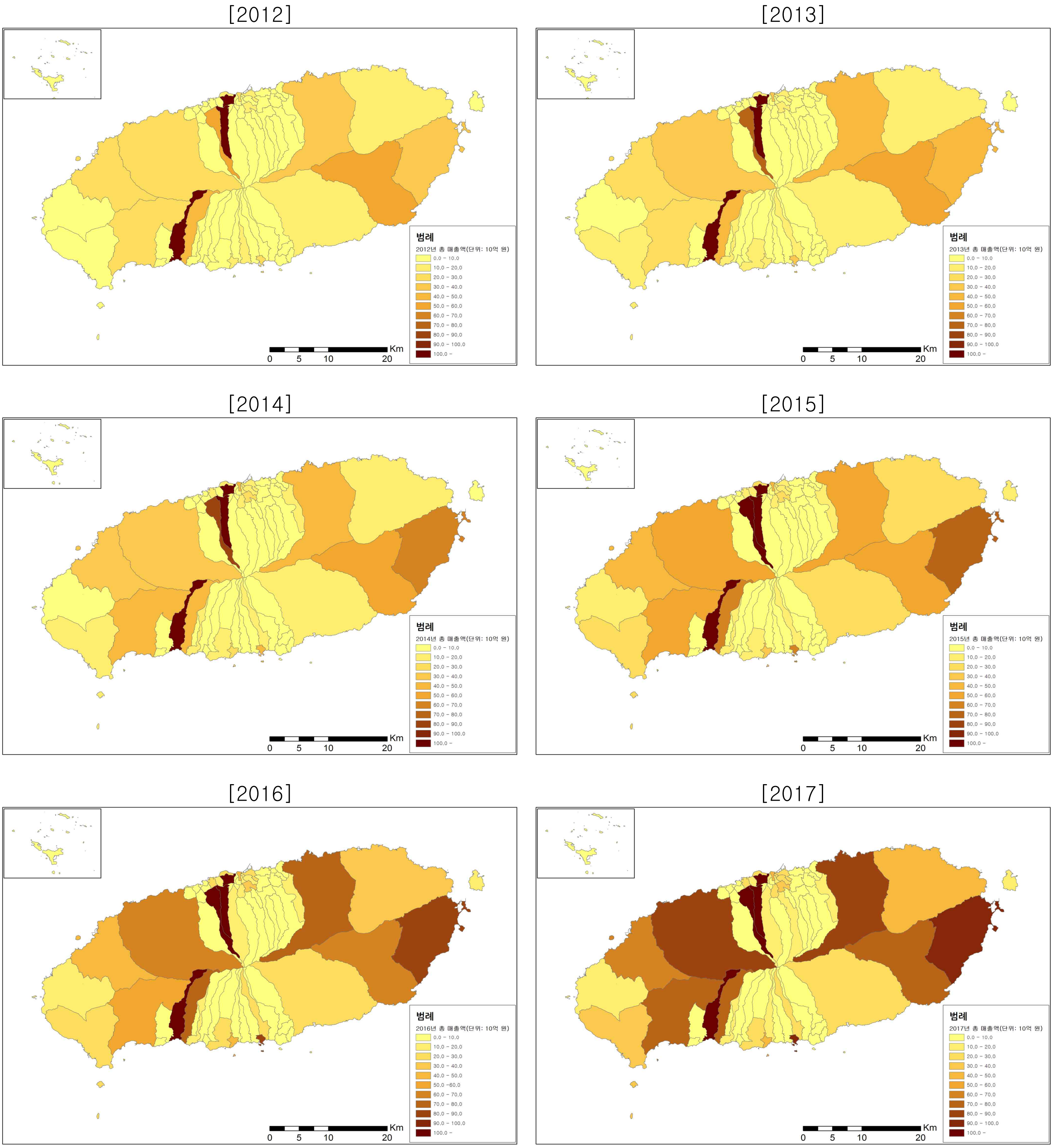
<Table 4> The top 5 of credit card sales by region and year without counting duty free sales: Total revenue (Koreans and foreigners)

Unit: KRW billion

Rank	2012		2013		2014		2015		2016		2017	
	Area	Sales	Area	Sales	Area	Sales	Area	Sales	Area	Sales	Area	Sales
1	Saekdal-dong	88.6	Saekdal-dong	116.4	Saekdal-dong	147.4	Saekdal-dong	163.4	Yeon-dong	185.4	Yeon-dong	148.2
2	Yeon-dong	76.9	Yeon-dong	94.1	Yeon-dong	136.3	Yeon-dong	148.4	Saekdal-dong	168.5	Saekdal-dong	141.1
3	Yongdami-dong	55.6	Yongdami-dong	67.9	NohYeon-dong	85.9	NohYeon-dong	105.0	NohYeon-dong	129.6	NohYeon-dong	115.7
4	NohYeon-dong	54.8	NohYeon-dong	67.6	Yongdami-dong	81.6	Yongdami-dong	94.1	Yongdami-dong	105.1	Yongdami-dong	113.6
5	Pyoseon-myeon	53.9	Pyoseon-myeon	51.3	Seongsan-eup	59.7	Seongsan-eup	76.1	Seongsan-eup	88.8	Seogwi-dong	93.1

Note: Sales without counting transportation business

<Figure 1> Credit card sales density by region and year



▌ Sales in credit card by region and year: Local visitors vs. Foreign visitors

◦ As of 2017, the top 5 areas of sales in credit cards from <u>domestic visitors</u> were in the order of **Yongdami-dong, Yeon-dong, Saekdal-dong, NohYeon-dong and Seongsan-eup**.
- Sales in 2017 were KRW 512.3 bn in Yongdami-dong, KRW 122.4 bn in Yeon-dong, KRW 118.3 bn in Saekdal-dong, KRW 102.9 bn in NohYeon-dong and KRW 89.5 bn in Seongsan-eup.
- As for the growth rate in 2017 compared to 2012, Yongdami-dong was 74.6% (KRW218.9 bn), Yeon-dong was 75.8% (KRW 52.8 bn), Saekdal-dong was 71.9% (KRW 49.5 bn), NohYeon-dong was 103.8% (KRW 52.4 bn) and Seongsan-eup was 162.3% (KRW 57.2 bn), showing the highest growth rate in NohYeon-dong and Seongsan-eup.
- Areas showing higher credit card sales from local tourists are reflecting well the continuous rising trend of Korean visitors. In particular, despite the issue of THAAD, Yongdami-dong and Seongsan-eup showed rise in sales in credit cards in 2017 compared to the previous year due to the increase of domestic visitors.

◦ The rank of credit card sales from **<u>local visitors</u> without including duty free shops** is changed to the order of **Yeon-dong, Saekdal-dong, Yongdami-dong, NohYeon-dong and Seongsan-eup**.
- Sales in 2017 were KRW 512.3 bn in Yongdami-dong, KRW 122.4 bn in Yeon-dong, KRW 118.3 bn in Saekdal-dong, KRW 102.9 bn in NohYeon-dong and KRW 89.5 bn in Seongsan-eup.
- The rank of Yongdami-dong in sales without counting revenues from duty free shops was changed to the 3rd place from the 1st place; however, its growth rate in 2017 compared to 2012 was 103.2% (KRW 56.1 bn) which was higher than its growth rate with duty free shop revenues of 74.6%.

◦ As of 2017, **the top 5 areas of sales in credit cards from <u>foreign visitors</u>** were in the order of **Yeon-dong, Saekdal-dong, NohYeon-dong, Yongdami-dong and Samdoi-dong**.
- In 2017, Yeon-dong recorded KRW 510.5 bn in sales and was followed by Saekdal-dong with KRW 25.8 bn, NohYeon-dong with KRW 15.5 bn, Yongdami-dong with KRW 11.8 bn and Samdoi-dong with KRW 9.9 bn.
- Yeon-dong and Saekdal-dong where duty free shops and accommodations for foreign tourists were concentrated recorded the highest sales in credit cards from foreigners.
- Credit card sales from foreign tourists showed a high growth rate between 2012 and 2016 but dropped sharply in 2017 yoy, being affected by the THAAD issues.
  - ·Sales in Yeon-dong had increased by 7.6 times from KRW 99.1 bn in 2012 to KRW 750.3 bn in 2016 but reduced to KRW 510.5 bn in 2017. In particular, reasons for the sales surge in the area by around 2 times from KRW 379.3 bn in 2015 to 750.3 bn in 2016 can be explained by the relocation of duty free shops placed in Saekdal-dong to Yeon-dong and the sudden increase of foreign tourists (2.62 million to 3.6 million, 37.3% year on year).
  - ·Saekdal-dong with the presence of duty free shops for foreign visitors showed sales growth from KRW 48.6 bn in 2012 to KRW 132 bn in 2015. However, its sales recorded KRW 65.2 bn in 2016 mainly from accommodations and have sharply decreased to KRW 25.8 bn in 2017 since the relocation of duty free shops in 2015.
  - ·With the concentration of shopping mall-based retail businesses, NohYeon-dong showed sales increase by around 5 times from KRW 7.3 bn in 2012 to KRW 36.1 bn in 2016 but its revenue rapidly diminished to KRW 15.5 bn in 2017, which was less than half the figure in the previous year.
  - ·In case of Yongdami-dong, sales mainly from duty free shops in Jeju Airport rose to KRW 20.2 bn in 2016 from KRW 8 bn in 2012 but declined to KRW 11.8 bn in 2017.
  - ·The sales in Samdoi-dong where accommodations for foreign tourist groups were located increased to KRW 15.9 bn in 2016 from KRW 5 bn in 2012 but reduced to KRW 8.9 bn in 2017 as well.

◦ If the **revenue from duty free sales is excluded**, **the rank of credit cards sales from <u>foreign tourists</u> was changed to the order of Yeon-dong, Saekdal-dong, NohYeon-dong, Samdoi-dong and Pyoseon-dong**.
- Yeon-dong recorded the highest sales with KRW 27.6 bn in 2017, which was followed by Saekdal-dong with KRW 22.9 bn, NohYeon-dong with KRW 12.8 bn, Samdoi-dong with KRW 8.9 bn and Pyoseon-myeon with KRW 7.4 bn.
- The growth rate in 2017 compared with 2012 was 261.8% (KRW 20 bn) in Yeon-dong, 12.7% (KRW 2.6 bn) in Saekdal-dong, 196.7% (KRW 8.5 bn) in NohYeon-dong, 78.8% (KRW 3.9 bn) in Samdoi-dong and -23.7% (KRW -2.3 bn) in Pyoseon-myeon. Yeon-dong and NohYeon-dong showed the highest growth rate.

◦ **The total sum of sales from domestic tourists for 6 years** from 2012 to 2017 **exceeded KRW 100 bn in all of the top 20 areas but sales from foreign visitors for the same period exceeded KRW 100 bn only in the top 3 areas**.
- The total sum of sales from domestic tourists exceeded KRW 100 bn in all of the top 20 areas including Geonip-dong ranked 20th with KRW 105.3 bn but sales from foreign tourists recorded KRW 112.4 bn in NohYeon-dong ranked the third place and KRW 84.3 bn in Yongdami-dong ranked fourth.
- While sales from domestic tourists showed relatively even distribution in all areas except Yongdami-dong where duty free shops were located, those from foreign tourists were concentrated in Yeond-ong and Saekdal-dong where duty free shops and lodging facilities were placed, respectively.

◦ The result of reviewing the sales in credit cards from foreign tourists showed that the majority of foreign visitors was package tourists who mostly enjoyed shopping and using duty free shops, implying that it is necessary to **secure measures and long strategies to effectively attract foreign free independent travelers (FIT) for the purpose of improving in quality tourism in Jeju Island**.
- Need to develop Yeon-dong and Saekdal-dong where accommodations for foreign tourists are concentrated as a specialized foreign tourist area.
- Need to encourage foreign FITs to stay in the east line of Jocheone-eup, Seongsan-eup and Pyoseon-myeon where accommodations for domestic visitors are located and develop specialized programs and attractions for foreign tourists.

◦ The result of analyzing sales in credit cards from domestic visitors indicates that their travelling patterns have been expanding to the entire island beyond certain areas developed for tourism. Therefore, **it is necessary to broaden the scope of development covering the entire part of the island in a balanced manner focusing on securing programs and attractions based on administrative districts for domestic tourists**.

<Table 5> The top 20 areas of sales in credit cards by area and year: Domestic visitors

Unit: KRW billion

Rank	2012		2013		2014		2015		2016		2017	
	Area	Sales	Area	Sales	Area	Sales	Area	Sales	Area	Sales	Area	Sales
1	Yongdami-dong	293.3	Yongdami-dong	314.4	Yongdami-dong	341.5	Yongdami-dong	440.8	Yongdami-dong	493.3	Yongdami-dong	512.3
2	Yeon-dong	69.7	Yeon-dong	79.6	Yeon-dong	92.1	Yeon-dong	101.6	Yeon-dong	115.7	Yeon-dong	122.4
3	Saekdal-dong	68.8	Saekdal-dong	79.0	Saekdal-dong	87.8	Saekdal-dong	101.4	Saekdal-dong	104.6	Saekdal-dong	118.3
4	NohYeon-dong	50.5	NohYeon-dong	59.9	NohYeon-dong	69.6	NohYeon-dong	85.7	NohYeon-dong	99.0	NohYeon-dong	102.9
5	Jungmun-dong	45.3	Pyoseon-myeon	42.2	Seongsan-eup	54.2	Seongsan-eup	71.5	Seongsan-eup	79.1	Seongsan-eup	89.5
6	Pyoseon-myeon	44.2	Jocheon-eup	40.5	Jocheon-eup	47.1	Seogwi-dong	60.4	Seogwi-dong	76.8	Seogwi-dong	87.9
7	Seongsan-eup	32.3	Seongsan-eup	40.2	Pyoseon-myeon	45.0	Jocheon-eup	55.9	Jocheon-eup	71.2	Jocheon-eup	86.1
8	Jocheon-eup	31.8	Jungmun-dong	39.5	Jungmun-dong	43.7	Jungmun-dong	54.9	Jungmun-dong	64.7	Aewol-eup	82.0
9	Seogwi-dong	27.7	Seogwi-dong	35.0	Seogwi-dong	43.1	Aewol-eup	50.6	Aewol-eup	63.7	Andeok-myeon	70.9
10	Samdoi-dong	25.0	Aewol-eup	28.5	Aewol-eup	36.8	Pyoseon-myeon	48.8	Pyoseon-myeon	56.2	Jungmun-dong	67.3
11	Aewol-eup	23.7	Andeok-myeon	27.7	Andeok-myeon	35.6	Andeok-myeon	43.7	Andeok-myeon	53.2	Pyoseon-myeon	65.5
12	Andeok-myeon	23.1	Samdoi-dong	24.9	Hanlim-eup	29.4	Hanlim-eup	37.7	Hanlim-eup	44.7	Hanlim-eup	59.4
13	Hanlim-eup	18.6	Hanlim-eup	22.9	Samdoi-dong	23.6	Gujwa-eup	28.2	Gujwa-eup	37.0	Gujwa-eup	48.3
14	Beophwan-dong	15.1	Beophwan-dong	18.4	Beophwan-dong	21.9	Beophwan-dong	28.0	Beophwan-dong	35.5	Beophwan-dong	38.3
15	Yongdamsam-dong	14.6	Yongdamsam-dong	17.0	Namwon-eup	18.9	Samdoi-dong	26.1	Samdoi-dong	29.4	Daejeong-eup	36.9
16	Namwon-eup	13.0	Namwon-eup	15.9	Idoi-dong	18.9	Idoi-dong	23.4	Idoi-dong	29.0	Samdoi-dong	35.6
17	Geonip-dong	11.8	Idoi-dong	14.5	Yongdamsam-dong	18.8	Yongdamsam-dong	23.2	Daejeong-eup	28.2	Idoi-dong	34.6
18	Hogeun-dong	11.7	Geonip-dong	12.9	Daejeong-eup	17.0	Daejeong-eup	23.1	Namwon-eup	27.1	Gangjeong-dong	28.9
19	Idoi-dong	10.5	Daejeong-eup	12.4	Gujwa-eup	16.2	Namwon-eup	22.8	Yongdamsam-dong	25.5	Namwon-eup	27.7
20	Gujwa-eup	10.2	Gujwa-eup	12.1	Geonip-dong	15.8	Geonip-dong	18.1	Gangjeong-dong	25.3	Geonip-dong	27.5

Note: Sales without counting transportation business

Table 6> The top 20 areas of sales in credit cards by area and year: Foreign visitors

Unit: KRW billion

Rank	2012		2013		2014		2015		2016		2017	
	Area	Sales	Area	Sales	Area	Sales	Area	Sales	Area	Sales	Area	Sales
1	Yeon-dong	99.1	Yeon-dong	188.6	Yeon-dong	285.2	Yeon-dong	379.3	Yeon-dong	750.3	Yeon-dong	510.5
2	Saekdal-dong	48.6	Saekdal-dong	116.1	Saekdal-dong	180.8	Saekdal-dong	132.0	Saekdal-dong	65.2	Saekdal-dong	25.8
3	Pyoseon-myeon	9.7	Yongdami-dong	15.7	NohYeon-dong	20.2	NohYeon-dong	22.7	NohYeon-dong	36.1	NohYeon-dong	15.5
4	Yongdami-dong	8.0	NohYeon-dong	10.6	Samdoi-dong	16.5	Samdoi-dong	15.3	Yongdami-dong	20.2	Yongdami-dong	11.8
5	NohYeon-dong	7.3	Samdoi-dong	9.6	Yongdami-dong	15.0	Yongdami-dong	13.6	Samdoi-dong	15.9	Samdoi-dong	8.9
6	Samdoi-dong	5.0	Pyoseon-myeon	9.1	Pyoseon-myeon	12.7	Pyoseon-myeon	9.8	Seogwi-dong	11.7	Pyoseon-myeon	7.4
7	Hanlim-eup	2.9	Seogwi-dong	3.1	Andeok-myeon	9.2	Seogwi-dong	9.2	Pyoseon-myeon	10.9	Seogwi-dong	5.2
8	Ihoi-dong	1.9	Seongsan-eup	2.7	Hanlim-eup	7.9	Jungmun-dong	8.9	Seongsan-eup	9.7	Beophwan-dong	3.3
9	Seogwi-dong	1.2	Hanlim-eup	2.2	Seogwi-dong	6.6	Andeok-myeon	6.6	Jocheon-eup	7.2	Seongsan-eup	3.2
10	Andeok-myeon	1.1	Andeok-myeon	2.2	Seongsan-eup	6.1	Donam-dong	6.3	Jungmun-dong	6.3	Jungmun-dong	3.2
11	Seongsan-eup	1.1	Ihoi-dong	1.7	Jungmun-dong	4.7	Seongsan-eup	5.5	Andeok-myeon	5.7	Aewol-eup	2.5
12	Beophwan-dong	0.9	Jungmun-dong	1.6	Beophwan-dong	4.4	Beophwan-dong	4.2	Beophwan-dong	5.3	Andeok-myeon	2.3
13	Jungmun-dong	0.9	Aewol-eup	1.6	Daepo-dong	3.7	Hanlim-eup	4.2	Donam-dong	4.8	Hanlim-eup	2.2
14	Daepo-dong	0.6	Idoil-dong	1.3	Donam-dong	3.5	Daepo-dong	3.0	Geonip-dong	3.8	Jocheon-eup	1.9
15	Aewol-eup	0.6	Daepo-dong	1.2	Aewol-eup	3.1	Aewol-eup	2.7	Aewol-eup	3.5	Donam-dong	1.7
16	Yongdamsam-dong	0.6	Beophwan-dong	1.2	Jocheon-eup	2.6	Ildoi-dong	2.3	Ildoi-dong	3.3	Ildoi-dong	1.7
17	도두일동	0.5	토평동	1.1	Geonip-dong	2.5	Jocheon-eup	2.2	Hanlim-eup	3.1	Geonip-dong	1.4
18	Hangyeong-myeon	0.5	Geonip-dong	1.1	Gangjeong-dong	2.0	Geonip-dong	1.9	Daepo-dong	2.9	하예동	1.2
19	Geonip-dong	0.4	Idoi-dong	0.8	Idoil-dong	1.8	하예동	1.4	하예동	2.6	Idoi-dong	1.1
20	Hogeun-dong	0.4	Yongdamsam-dong	0.8	Idoi-dong	1.7	Gangjeong-dong	1.4	이호일동	1.8	Idoil-dong	0.9

Note: Sales without counting transportation business

<Table 7> The top 5 areas of sales in credit cards by area and year except duty free shop sales: Domestic visitors

Unit: KRW billion

Rank	2012		2013		2014		2015		2016		2017	
	Area	Sales	Area	Sales	Area	Sales	Area	Sales	Area	Sales	Area	Sales
1	Yeon-dong	69.3	Yeon-dong	79.3	Yeon-dong	91.8	Yeon-dong	101.3	Yeon-dong	115.2	Yeon-dong	120.6
2	Saekdal-dong	68.3	Saekdal-dong	78.6	Saekdal-dong	87.5	Saekdal-dong	101.2	Saekdal-dong	104.6	Saekdal-dong	118.2
3	Yongdami-dong	54.4	Yongdami-dong	64.8	Yongdami-dong	77.0	Yongdami-dong	90.0	Yongdami-dong	99.6	Yongdami-dong	110.5
4	NohYeon-dong	50.5	NohYeon-dong	59.9	NohYeon-dong	69.6	NohYeon-dong	85.7	NohYeon-dong	99.0	NohYeon-dong	102.9
5	Pyoseon-myeon	44.2	Pyoseon-myeon	42.2	Seongsan-eup	53.5	Seongsan-eup	70.6	Seongsan-eup	79.1	Seongsan-eup	89.5

<Table 8> The top 5 areas of sales in credit cards by area and year except duty free shop sales: Foreign visitors

Unit: KRW billion

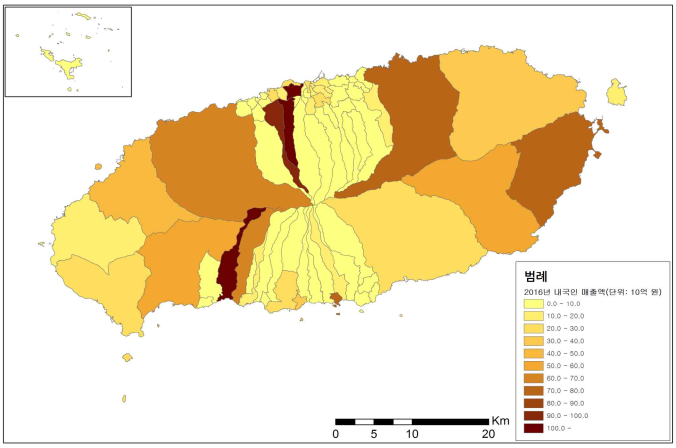
Rank	2012		2013		2014		2015		2016		2017	
	Area	Sales	Area	Sales	Area	Sales	Area	Sales	Area	Sales	Area	Sales
1	Saekdal-dong	20.3	Saekdal-dong	37.7	Saekdal-dong	59.9	Saekdal-dong	62.2	Yeon-dong	70.2	Yeon-dong	27.6
2	Pyoseon-myeon	9.7	Yeon-dong	14.8	Yeon-dong	44.5	Yeon-dong	47.1	Saekdal-dong	63.9	Saekdal-dong	22.9
3	Yeon-dong	7.6	Samdoi-dong	9.6	Samdoi-dong	16.5	NohYeon-dong	19.2	NohYeon-dong	30.6	NohYeon-dong	12.8
4	Samdoi-dong	5.0	Pyoseon-myeon	9.1	NohYeon-dong	16.3	Samdoi-dong	15.3	Samdoi-dong	15.9	Samdoi-dong	8.9
5	NohYeon-dong	4.3	NohYeon-dong	7.7	Pyoseon-myeon	12.7	Pyoseon-myeon	9.8	Seogwi-dong	11.7	Pyoseon-myeon	7.4

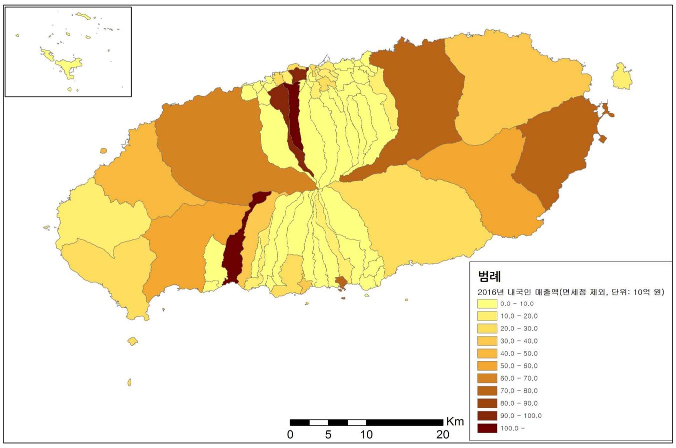
<Figure 2> Density of sales in credit cards by area: Domestic visitors

[[The total sales in credit cards from domestic visitors in Jeju Island's tourism industry]]

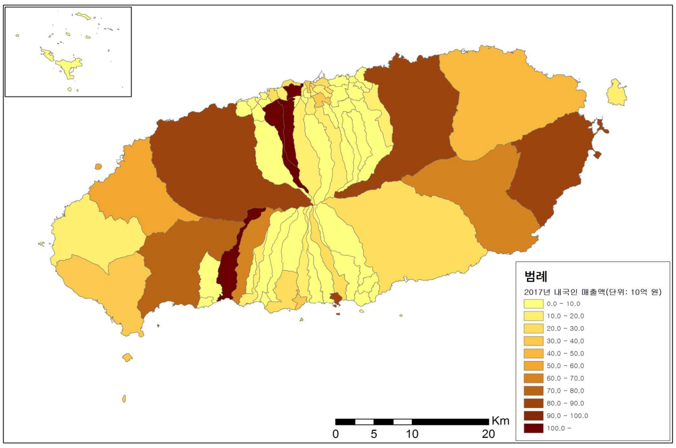
[[The total sales in credit cards from domestic visitors in Jeju Island's tourism industry: except duty fee shop sales]]

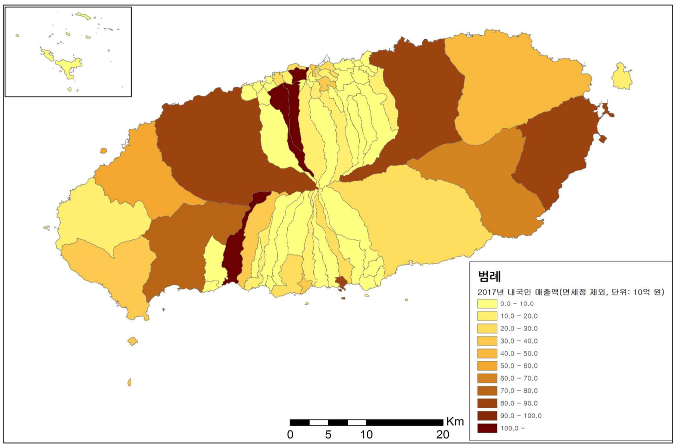
2016





2017



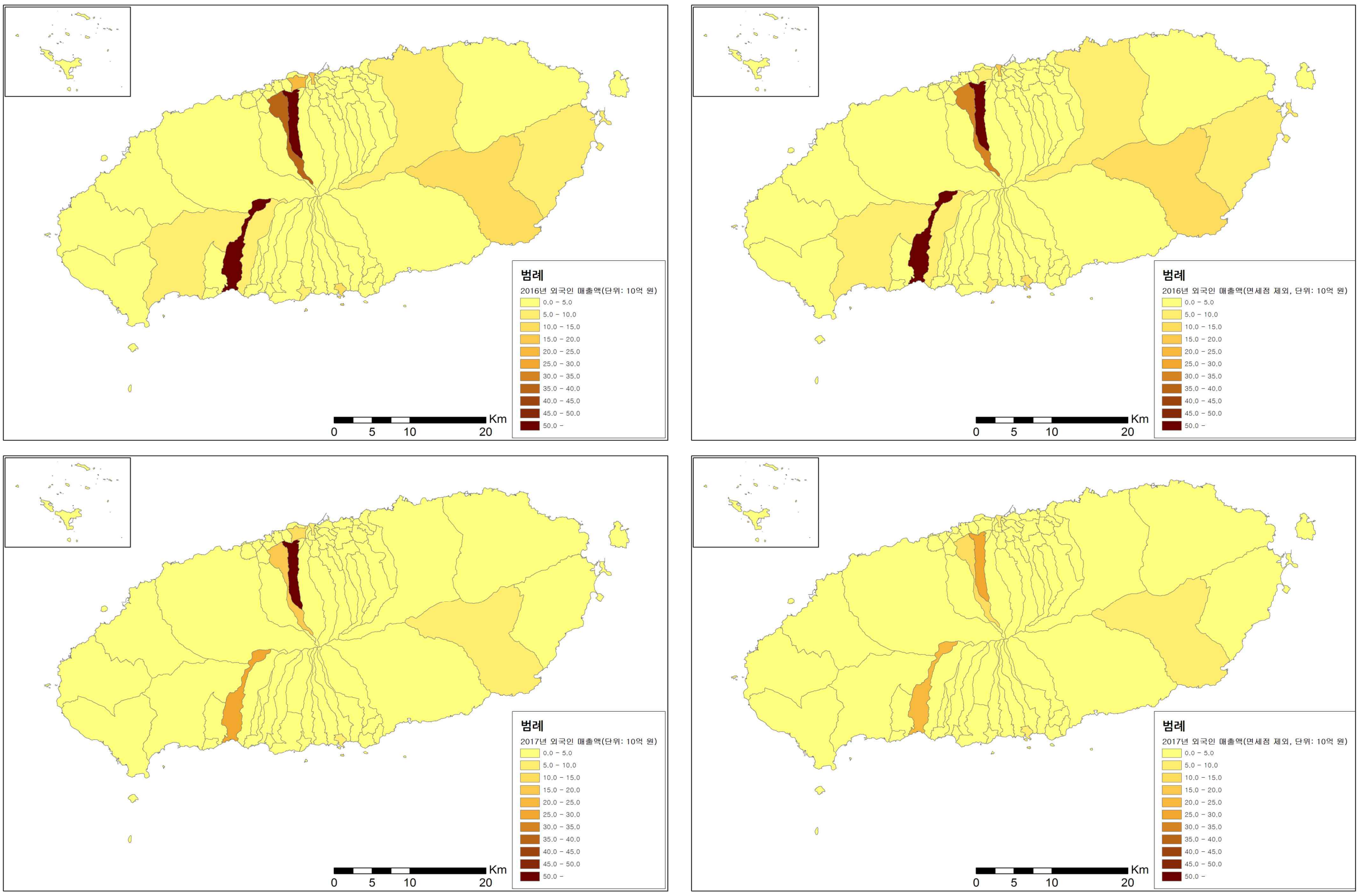


<Figure 3> Concentration of sales in credit cards by area: Foreign visitors

[The total sales in credit cards from domestic visitors in Jeju Island's tourism industry] | [The total sales in credit cards from domestic visitors in Jeju Island's tourism industry: except duty fee shop sales]

2016

2017



Ⅲ Sales analysis by area and business type

▮ Sales in credit card by area and business type

◦ We selected 20 areas with highest sales in credit card as of 2017 for comparative reviewing of credit card sales by area and business, and **performed the comparative analysis of credit cards sales in 2016 and 2017 by business type**.

- The years 2016 and 2017, which were the right before and after the installation of THAAD, were particularly important for the tourism industry of Jeju Island.
- Identified reasons for sales changes compared to the previous year based on the sales ranks by area and business in 2017.

◦ **Yeon-dong is an area where is heavily populated with hotels, restaurants and duty free shops for foreign tourists, and ranks top for sales volume in retailing and food sales and second in lodging business** in terms of sales volume.

- The sales volume in retailing, restaurants and lodging businesses declined in 2017 compared to those in 2016 due to reduction in sales from foreign visitors.

◦ **Yongdami-dong where duty free shops for local visitors and a number of rental car companies are located held the second place for sales volume in retail business and top in other categories.**
- The sales in retailing and restaurants increased slightly in 2017 year on year due to the growth of sales from domestic visitors.

◦ **With a great deal of presence of accommodations, Saekdal-dong ranked top area for lodging business.**
- In 2017, restaurants and lodging businesses in the area experienced slight reduction in sales compared to the previous year. The area showed a mixed result of sales increase from domestic visitors but reduction from foreign tourists.

◦ **With a heavy cluster of shopping malls and restaurants, NohYeon-dong recorded third in retailing and restaurants (second in 2016)**.
- The sales of both retailing and restaurants reduced moderately compared to those in 2016. As in Saekdal-dong, there existed a mixed result of sales increase from domestic visitors but reduction from foreign tourists.

◦ **With the major sales sources of restaurants and retails shops, Seogwi-dong held the second rank (third in 2016) in restaurants.**
- As the sales increase from local visitors in 2017 offset the reduction of sales from international tourists, the sales in credit cards year on year slightly increased.

◦ Sales in credit cards in Jungmun-dong in 2017 showed a steady tone year on year due to the presence of duty free shops for local visitors and additional sales sources of restaurants and lodgings.
- A slight increase in sales of restaurants and lodging business compared to the previous year was offset by reduction in sales from foreign tourists and in duty free shops for local tourists.

◦ **Sales in eups and myeons** in 2017 increased year on year **due to less effect from aftermath of THAAD installation as sales from foreign tourists accounted for a small portion of their sales and steady increase in sales of restaurant, retail, lodging, art/sports/leisure activities for Korean tourists.**
- Key areas with sales increase were Jocheon-eup, Aewol-eup, Hanlim-eup and Gujwa-eup in Jeju-si and Sungsan-eup, Pyoseon-myeon, Andeok-myeon and Daejeong-eup in Seogwipo-si. This shows that the scope of the tourism industry in Jeju Island was expanding horizontally from the downtown areas of Jeju-si and Seogwipo-si. Especially, **it was encouraging that the sales increase in restaurant and retail businesses is the main driver of the growth.**
- Small municipalities with a sales growth of over 20% year on year included Daejeong-eup (29.9%), Gujwa-eup (28.4%), Hanlim-eup (28.8%), Aewol-eup (25.8%) and Andeok-myeon.
- **In the ranking of arts, sports and leisure, Andeok-myeon ranked the first place and was followed by Jocheon-eup ranked second (third in 2016) and Seongsan-eup ranked fourth.**

◦ Sales in credit card from foreign tourists were mostly concentrated in retail businesses including duty free shops, and sales of accommodations and restaurants from foreign visitors were limited to certain downtown areas including Yeon-dong, Nohyeok-dong, Samdoi-dong, Saekdal-dong and Seogwi-dong.

◦ On the other hand, sales in credit cards from local visitors occurred throughout the entire island reflecting the growth trend of retail businesses along with the establishment of food service-based commercial zones for enjoying good food and drinks.

<Table 9> The top 20 areas of sales in credit cards by business type: Total revenue (domestic visitors + foreign visitors)

Unit: KRW billion

Rank	Area	2016 (Previous year)						2017					
		Retailing	Lodging	Restaurant	Art, Sports, Leisure	Other	Sum	Retailing	Lodging	Restaurant	Art, Sports, Leisure	Other	Sum
1	Yeon-dong	720.9	45.3	90.7	2.2	6.8	865.9	513.5	32.2	78.3	2.0	6.9	633.0
2	Yongdami-dong	457.5	0.2	25.1	0.0	30.7	513.5	463.4	0.1	30.2	0.0	30.3	524.1
3	Saekdal-dong	9.3	109.2	33.1	17.5	0.7	169.8	10.7	89.8	31.9	11.0	0.5	144.1
4	NohYeon-dong	68.0	5.8	54.6	0.8	5.9	135.1	53.6	4.2	52.0	0.6	7.9	118.4
5	Seogwi-dong	20.1	13.9	53.8	0.2	0.6	88.5	24.2	9.1	58.7	0.2	0.9	93.1
6	Seongsan-eup	17.1	14.3	45.3	11.9	0.2	88.8	23.4	11.9	47.8	9.4	0.2	92.6
7	Jocheon-eup	16.0	19.8	28.6	13.7	0.3	78.4	19.9	17.5	36.9	13.5	0.2	88.1
8	Aewol-eup	24.7	8.1	27.9	6.0	0.5	67.2	31.4	10.2	36.9	5.4	0.6	84.5
9	Andeok-myeon	11.1	3.8	17.9	24.5	1.7	58.9	15.2	4.4	30.7	21.2	1.6	73.2
10	Pyoseon-myeon	25.2	17.7	18.5	5.4	0.4	67.2	24.5	21.8	19.8	6.3	0.5	72.9
11	Jungmun-dong	43.0	8.0	18.8	0.8	0.4	71.1	41.8	7.4	20.1	0.7	0.4	70.5
12	Hanlim-eup	12.4	3.7	22.6	9.1	0.1	47.9	15.9	4.6	32.3	8.8	0.1	61.7
13	Gujwa-eup	6.6	1.5	24.6	4.9	0.3	37.9	8.1	1.4	34.2	5.0	0.0	48.7
14	Samdoi-dong	16.7	18.6	9.3	0.0	0.7	45.2	14.4	17.3	12.2	0.0	0.6	44.5
15	Beophwan-dong	29.8	3.2	6.6	0.8	0.2	40.7	29.7	4.4	6.6	0.7	0.2	41.6
16	Daejeong-eup	10.4	0.8	17.6	0.1	0.1	28.8	14.1	1.0	21.8	0.3	0.2	37.5
17	Idoi-dong	5.6	1.6	20.5	0.2	2.7	30.6	6.6	2.1	24.0	0.1	3.0	35.8
18	Gangjeong-dong	13.2	5.0	8.0	0.0	0.3	26.6	13.9	5.1	10.1	0.0	0.4	29.5
19	Geonip-dong	5.8	1.7	13.9	0.1	1.5	22.9	10.3	1.1	16.0	0.2	1.4	28.9
20	Namwon-eup	4.9	8.6	6.9	7.1	0.1	27.6	5.0	7.8	7.8	7.7	0.1	28.4

Note: Sales without counting transportation business

<Table 10> The top 20 areas of sales in credit cards by business type: Domestic visitors

Unit: KRW billion

Rank	Area	2016 (Previous year)						2017					
		Retailing	Lodging	Restaurant	Art, Sports, Leisure	Other	Sum	Retailing	Lodging	Restaurant	Art, Sports, Leisure	Other	Sum
1	Yongdami-dong	440.4	0.1	24.0	0.0	28.8	493.3	453.8	0.1	29.7	0.0	28.6	512.3
2	Yeon-dong	21.6	18.3	67.3	2.0	6.5	115.7	24.1	20.7	69.0	2.0	6.7	122.4
3	Saekdal-dong	6.7	62.3	22.8	12.2	0.6	104.6	7.3	70.9	29.2	10.3	0.5	118.3
4	NohYeon-dong	45.7	2.1	44.9	0.8	5.5	99.0	43.8	2.5	48.6	0.6	7.4	102.9
5	Seongsan-eup	15.7	12.3	40.6	10.3	0.2	79.1	22.9	11.1	46.4	8.9	0.2	89.5
6	Seogwi-dong	19.0	7.1	49.9	0.2	0.5	76.8	23.8	6.1	57.0	0.2	0.9	87.9
7	Jocheon-eup	15.4	16.0	26.8	12.7	0.3	71.2	19.7	16.6	36.4	13.2	0.2	86.1
8	Aewol-eup	24.0	6.8	27.2	5.3	0.4	63.7	31.1	9.2	36.4	4.7	0.6	82.0
9	Andeok-myeon	10.9	2.8	17.0	20.8	1.6	53.2	15.0	4.1	30.2	20.0	1.6	70.9
10	Jungmun-dong	42.4	3.5	17.7	0.7	0.4	64.7	41.5	5.0	19.7	0.7	0.4	67.3
11	Pyoseon-myeon	17.7	15.4	17.8	5.0	0.3	56.2	20.8	18.5	19.6	6.2	0.4	65.5
12	Hanlim-eup	11.8	3.4	21.9	7.6	0.1	44.7	15.4	3.7	31.9	8.4	0.1	59.4
13	Gujwa-eup	6.5	1.3	24.3	4.7	0.3	37.0	8.0	1.4	33.9	5.0	0.0	48.3
14	Beophwan-dong	26.2	1.9	6.4	0.8	0.2	35.5	27.7	3.1	6.5	0.7	0.2	38.3
15	Daejeong-eup	10.2	0.7	17.2	0.1	0.1	28.2	13.8	1.0	21.5	0.3	0.2	36.9
16	Samdoi-dong	12.1	9.5	7.2	0.0	0.5	29.4	12.7	10.7	11.6	0.0	0.6	35.6
17	Idoi-dong	5.4	1.1	19.7	0.2	2.6	29.0	6.5	1.8	23.2	0.1	3.0	34.6
18	Gangjeong-dong	13.0	4.1	7.8	0.0	0.3	25.3	13.9	4.6	10.0	0.0	0.4	28.9
19	Namwon-eup	4.9	8.4	6.8	6.9	0.1	27.1	5.0	7.2	7.8	7.6	0.1	27.7
20	Geonip-dong	5.4	1.1	11.1	0.1	1.5	19.2	9.9	0.9	15.1	0.2	1.4	27.5

Note: Sales without counting transportation business

Table 11> The top 20 areas of sales in credit cards by business type: Foreign visitors

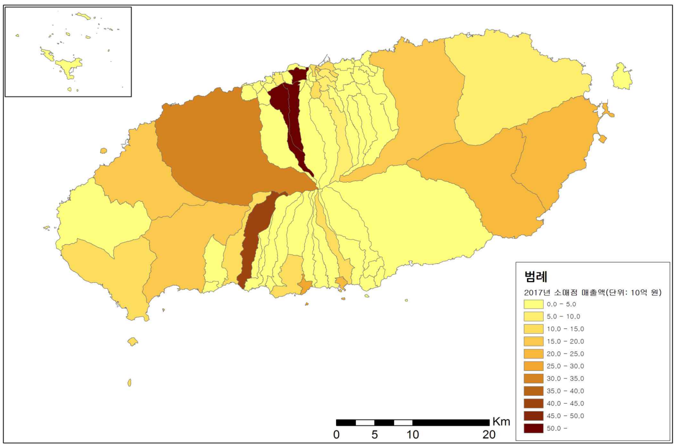
Unit: KRW billion

Rank	Area	2016 (Previous year)						2017					
		Retailing	Lodging	Restaurant	Art, Sports, Leisure	Other	Sum	Retailing	Lodging	Restaurant	Art, Sports, Leisure	Other	Sum
1	Yeon-dong	699.3	27.0	23.4	0.2	0.4	750.3	489.4	11.5	9.3	0.1	0.2	510.5
2	Saekdal-dong	2.6	46.9	10.3	5.3	0.1	65.2	3.4	18.9	2.7	0.8	0.1	25.8
3	NohYeon-dong	22.3	3.7	9.7	0.0	0.4	36.1	9.8	1.7	3.4	0.0	0.5	15.5
4	Yongdami-dong	17.2	0.1	1.1	-	1.9	20.2	9.6	0.0	0.5	0.0	1.7	11.8
5	Samdoi-dong	4.5	9.2	2.0	-	0.2	15.9	1.7	6.7	0.5	0.0	0.0	8.9
6	Pyoseon-myeon	7.5	2.3	0.7	0.4	0.0	10.9	3.7	3.3	0.3	0.2	0.1	7.4
7	Seogwi-dong	1.1	6.8	3.9	0.0	0.0	11.7	0.4	3.0	1.7	0.0	0.0	5.2
8	Beophwan-dong	3.6	1.3	0.3	0.0	0.0	5.3	2.0	1.2	0.1	0.0	0.0	3.3
9	Seongsan-eup	1.4	2.0	4.7	1.6	0.0	9.7	0.4	0.9	1.4	0.5	0.0	3.2
10	Jungmun-dong	0.6	4.5	1.1	0.1	0.0	6.3	0.3	2.4	0.4	0.0	0.0	3.2
11	Aewol-eup	0.7	1.4	0.7	0.7	0.0	3.5	0.3	1.0	0.5	0.7	0.0	2.5
12	Andeok-myeon	0.2	1.0	0.8	3.7	0.1	5.7	0.2	0.4	0.5	1.2	0.0	2.3
13	Hanlim-eup	0.6	0.3	0.7	1.5	0.0	3.1	0.5	0.9	0.4	0.4	0.0	2.2
14	Jocheon-eup	0.6	3.8	1.8	1.0	0.0	7.2	0.2	1.0	0.5	0.3	0.0	1.9
15	Donam-dong	0.5	0.0	3.5	-	0.8	4.8	0.3	0.0	0.8	0.0	0.5	1.7
16	Ildoi-dong	2.8	0.1	0.4	0.1	0.0	3.3	1.5	0.0	0.1	0.0	0.0	1.7
17	Geonip-dong	0.5	0.6	2.7	-	0.0	3.8	0.4	0.1	0.9	0.0	0.0	1.4
18	Haye-dong	0.1	2.4	0.1	-	-	2.6	0.0	1.2	0.0	-	0.0	1.2
19	Idoi-dong	0.2	0.6	0.8	0.0	0.0	1.6	0.1	0.2	0.8	0.0	0.0	1.1
20	Idoil-dong	0.4	0.9	0.2	-	0.0	1.5	0.2	0.6	0.1	0.0	0.0	0.9

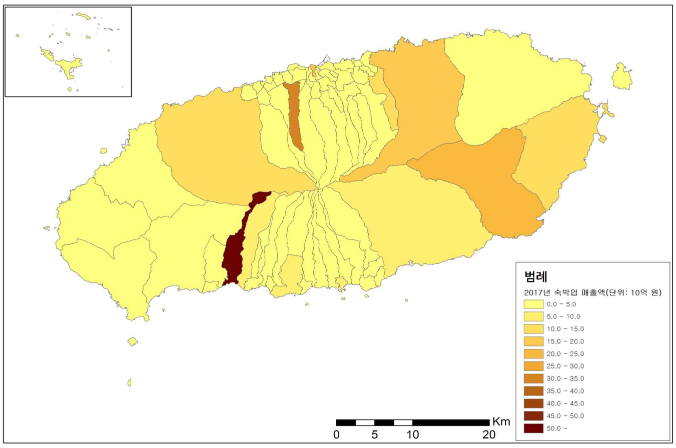
Note: Sales without counting transportation business

<Figure 4> Credit card sales density by area and business type in 2017

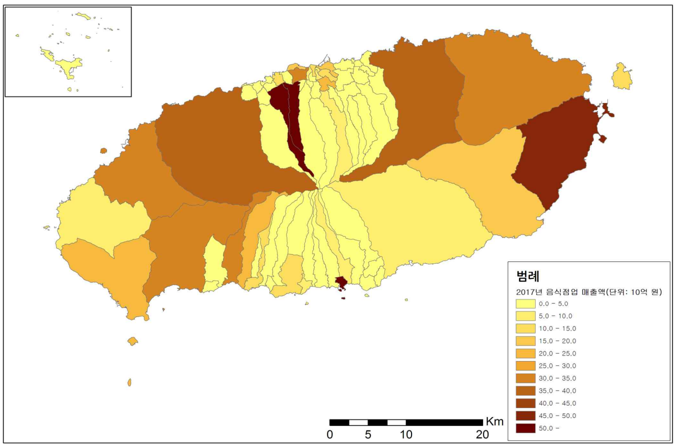
[Sales volume by business type: Retail business]



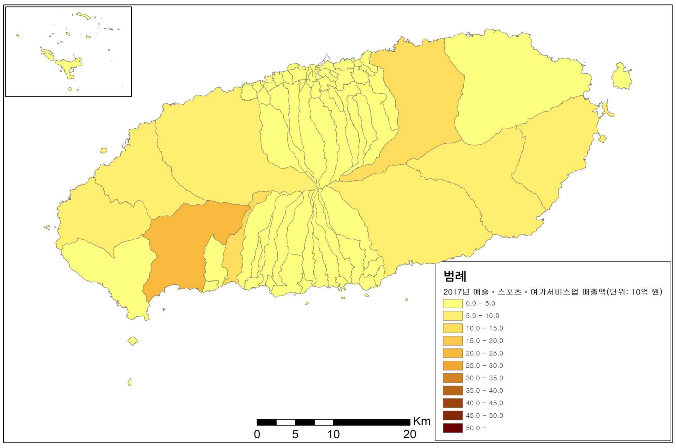
[Sales volume by business type: Lodging business]



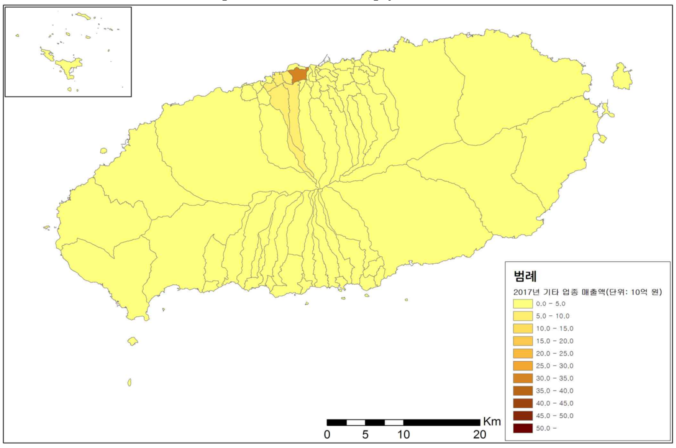
[Sales volume by business type: Restaurants]



[Sales volume by business type: Art, Sports and Leisure]



[Sales volume by business type: Other businesses]



Ⅳ Retail business analysis

▮ Sales in credit cards by subsectors of the retail business

◦ The retail sector held the largest portion of credit card revenues and sales in duty free shops accounted for a significant part of the revenues. For this reason, we intend to review the sales volume of **duty free shops by year as well as the sales distribution of duty free shops and sub-sectors of retail business**.

- As of 2017, credit card sales except transportation business sales recorded KRW 2,769.4 billion with retail sales amounting to KRW 1,550 billion accounting for 54.2%.

◦ **The retail sector** is divided into four subcategories: **General retailing, food and tobacco retailing, vehicle fuel retailing and handicraft and gift retailing. Duty-free sales are included in the category of general retailing.**

- General retailing was classified into 7 further subcategories: department stores, other large-scale general retailers, supermarkets, franchise convenience stores, other general retailers selling mainly food and beverages, duty free shops and other general retailers.
- Duty free shops had been included in the subcategory of other large-scale general retailers in Korean Standard Industrial Classification ver. 9. However, the industrial classification ver. 10 separated duty free shops from other large-scale general retailers. For this reason, we applied the classification of ver. 10 to duty free shops although the big data of S credit card company were constructed on the basis of the industrial classification ver. 9.

◦ Credit card sales in the retail sector in 2012 amounted to KRW 657.1 billion with the duty-free sales of KRW 401.1 billion accounting for 61.0% of the total revenue. **In 2017, the sales of duty-free shops recorded KRW 930 billion accounting for 62% of KRW 1,500.6 billion of total retail sales**.

- In 2016, duty-free shops held the largest portion of the retail sector with 68.4% of the total sales, which had been around 64.6% from 2013 to 2015. The main reason for the increase in 2016 could be explained by the growth of the portion of foreign tourists in credit card sales due to the increase of the number of foreign visitors.

<Table 12> Retail sales by business type and year: Total revenue (domestic+foreign visitors)

Unit: KRW billion

Business type	2012	2013	2014	2015	2016	2017	Total
Ⅰ. General Retailing							
1. Department store	-	-	1.7	2.5	4.0	0.3	8.5
2. Other large-scale general retailing	42.1	51.4	64.2	76.3	91.5	82.2	407.8
3. Supermarket	27.3	32.0	47.9	61.2	73.1	85.3	326.9
4. Franchise convenience store	20.2	32.2	41.2	61.7	93.9	110.2	359.5
5. Other general retailers selling mainly food and beverages	24.2	26.8	16.8	20.3	25.8	25.8	139.8
6. Duty free shops	401.2	542.0	668.6	799.9	1,129.0	930.0	4,470.7
7. Other general retailing	0.02	0.04	1.0	0.7	1.0	1.8	4.5
Ⅱ. Food, beverage and tobacco retailing							
1. Grain retailing	0.2	0.2	0.1	0.1	0.1	0.3	0.9
2. Meat retailing	2.0	2.6	3.8	5.3	6.0	7.0	26.6
3. Marine product retailing	12.4	12.0	13.3	17.9	18.1	26.7	100.5
4. Fruit & vegetable retailing	35.4	33.8	33.9	38.3	40.2	46.3	227.9
5. Bread and confectionery retailing	1.0	0.3	0.3	1.4	1.7	1.0	5.7
6. Health supplements retailing	7.1	5.5	1.7	1.5	1.7	2.3	19.9
7. Other grocery retailing	4.0	4.5	21.0	19.5	21.7	18.0	88.7
8. Beverage retailing	0.5	1.8	0.1	0.2	0.2	0.1	2.7
9. Tobacco retailing	0.7	1.1	0.2	0.4	0.6	0.3	3.2
Ⅲ. Vehicle fuel retailing							
1. Gas station operation	41.4	51.3	57.7	65.9	77.0	89.7	383.0
2. Vehicle LPG gas station	15.5	17.4	22.4	20.4	19.3	21.6	116.7
Ⅳ. Handicraft and gift retailing							
1. Handicraft and antique retailing	0.03	0.02	0.6	0.3	0.4	0.6	1.9
2. Handicraft and souvenir retailing	21.9	24.3	36.3	44.1	44.3	51.1	222.0
Total	657.1	839.2	1,032.8	1,238.1	1,649.6	1,500.6	6,917.4

▌ Credit card sales by subcategories of retail sector: Domestic visitors

◦ **The credit card sales from local visitors in duty free shops recorded KRW 432.6 billion accounting for 44.5% of the total retail sales of KRW 972.9 billion**.

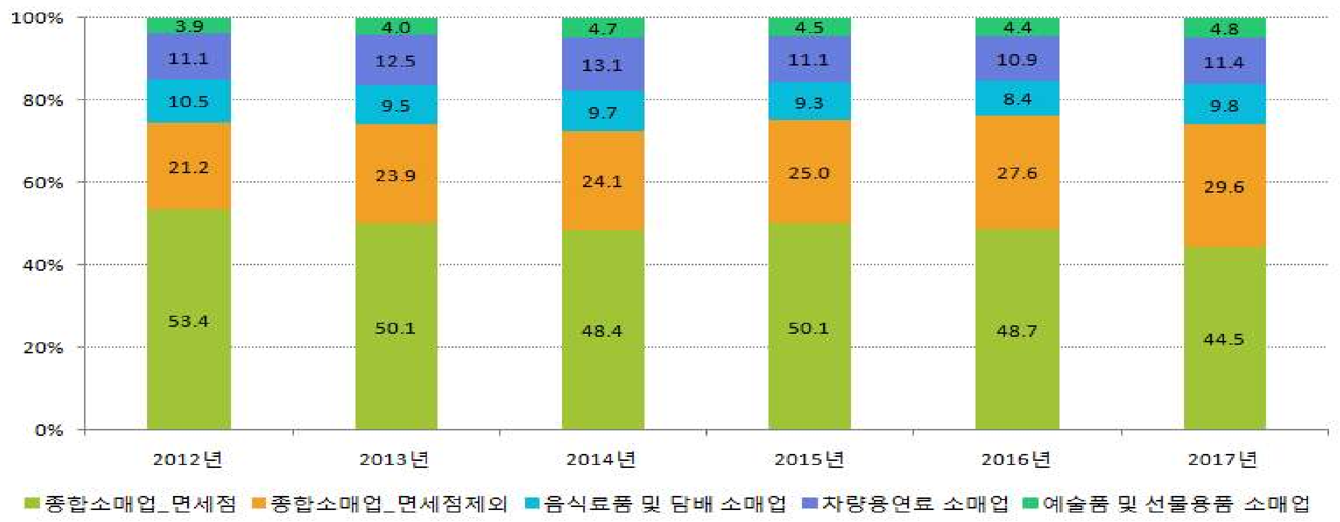
- **The share of duty free shop sales in retail revenue has been steadily decreasing since it recorded 50.1% in 2015**.

◦ The proportion of general retailing sales except duty free shops constantly rose from 21.2% in 2012 to 29.6% in 2017. It indicates that **the purchase of daily necessities, food and beverages in large-scale retailers, supermarkets and convenience stores has grown.**

◦ Changes in proportion of sales in subcategories other than general retailing were not significant.

- **Sales decline in vehicle fuel retailing before and after 2016 reflected a fall of oil prices (recorded the lowest price in March, 2016)**.

<Figure 5> The sales proportion in retail sector by business type and year (%): Local visitors



<Table 13> Retail sales by business type and year: Local visitors

Unit: KRW billion

Business type	2012	2013	2014	2015	2016	2017	Total
Ⅰ. General Retailing							
1. Department store			0.1	0.05	0.1	0.01	0.2
2. Other large-scale general retailing	39.2	46.8	51.9	60.1	69.7	72.6	340.3
3. Supermarket	26.6	30.7	45.3	58.4	69.2	83.1	313.3
4. Franchise convenience store	18.7	28.3	35.2	55.1	81.4	105.4	324.2
5. Other general retailers selling mainly food and beverages	23.2	25.2	12.5	17.4	21.2	24.6	124.1
6. Duty free shops	271.5	274.2	292.3	384.7	427.2	432.6	2,082.5
7. Other general retailing	0.02	0.04	0.5	0.7	0.9	1.8	4.0
Ⅱ. Food, beverage and tobacco retailing							
1. Grain retailing	0.2	0.2	0.1	0.1	0.1	0.3	0.9
2. Meat retailing	1.9	2.4	3.6	5.1	5.8	7.0	25.7
3. Marine product retailing	11.1	11.2	12.7	17.2	17.2	26.4	95.7
4. Fruit & vegetable retailing	31.7	30.7	31.7	36.0	37.2	45.3	212.7
5. Bread and confectionery retailing	1.0	0.2	0.3	1.2	1.6	1.0	5.2
6. Health supplements retailing	5.0	3.4	0.6	0.4	1.2	2.0	12.7
7. Other grocery retailing	1.3	1.0	9.7	11.4	10.5	13.2	47.2
8. Beverage retailing	0.5	1.8	0.04	0.1	0.1	0.1	2.7
9. Tobacco retailing	0.7	1.0	0.2	0.3	0.3	0.3	2.6
Ⅲ. Vehicle fuel retailing							
1. Gas station operation	41.1	50.9	57.1	65.1	76.3	89.1	379.7
2. Vehicle LPG gas station	15.4	17.3	22.3	20.3	19.2	21.6	116.2
Ⅳ. Handicraft and gift retailing							
1. Handicraft and antique retailing	0.03	0.02	0.5	0.3	0.4	0.5	1.7
2. Handicraft and souvenir retailing	19.7	21.9	27.9	34.5	38.3	46.0	188.3
Total	508.8	547.3	604.5	768.6	877.7	972.9	4,279.9

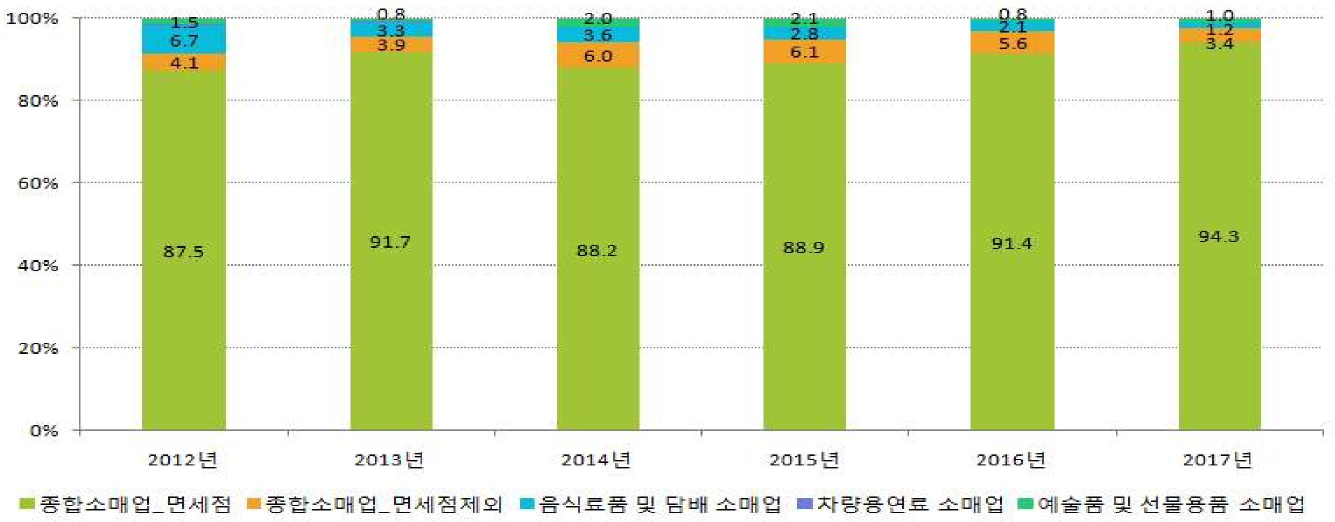
▮ Credit card sales of retail sector by subcategories: Foreign visitors

◦ **Credit card sales from foreign visitors in duty free shops recorded KRW 497.4 billion accounting for 94.3% of the total retail sales of KRW 527.7 billion**.

- **The share of duty free shop sales** in retail sales **has been steadily increasing since it recorded 88.2% in 2014.**

◦ **The proportion of general retailing sales except duty free sales moderately rose from 4.1% in 2012 to 6.1% in 2015** but dropped to 1.2% in 2017. It reflected the sales increase of large-scale retailers and convenience stores due to the growth of foreign tourists and, since then, sales falls due to the reduction of foreign tourists as a result of THAAD issues.

<Figure 6> The sales proportion in retail sector by business type and year (%): Foreign visitors



<Table 14> Retail sales by business type and year: Foreign visitors

Unit: KRW billion

Business type	2012	2013	2014	2015	2016	2017	Total
Ⅰ. General Retailing							
1. Department store			1.6	2.5	3.9	0.3	8.3
2. Other large-scale general retailing	2.9	4.7	12.3	16.1	21.8	9.6	67.4
3. Supermarket	0.7	1.3	2.7	2.8	3.9	2.2	13.6
4. Franchise convenience store	1.5	3.9	6.0	6.6	12.6	4.8	35.3
5. Other general retailers selling mainly food and beverages	1.0	1.6	4.4	2.9	4.6	1.2	15.6
6. Duty free shops	**129.7**	**267.8**	**376.2**	**415.2**	**701.8**	**497.4**	**2,388.1**
7. Other general retailing			0.5	0.05	0.03	0.02	0.5
Ⅱ. Food, beverage and tobacco retailing							
1. Grain retailing	0.001	0.004	0.003	0.001	0.001	0.001	0.0
2. Meat retailing	0.1	0.1	0.3	0.2	0.2	0.1	0.9
3. Marine product retailing	1.3	0.8	0.6	0.8	0.9	0.3	4.8
4. Fruit & vegetable retailing	3.6	3.0	2.2	2.3	3.1	1.0	15.3
5. Bread and confectionery retailing	0.05	0.1	0.03	0.2	0.1	0.02	0.5
6. Health supplements retailing	2.1	2.1	1.1	1.1	0.6	0.3	7.3
7. Other grocery retailing	2.8	3.5	11.2	8.1	11.2	4.7	41.5
8. Beverage retailing	0.01	0.03	0.02	0.01	0.01	0.003	0.1
9. Tobacco retailing	0.04	0.1	0.02	0.1	0.4	0.01	0.6
Ⅲ. Vehicle fuel retailing							
1. Gas station operation	0.2	0.3	0.6	0.8	0.8	0.6	3.3
2. Vehicle LPG gas station	0.05	0.1	0.1	0.1	0.1	0.1	0.4
Ⅳ. Handicraft and gift retailing							
1. Handicraft and antique retailing	0.001	0.001	0.1	0.04	0.04	0.02	0.2
2. Handicraft and souvenir retailing	2.3	2.5	8.4	9.6	6.0	5.0	33.7
Total	**148.3**	**291.9**	**428.3**	**469.4**	**771.9**	**527.7**	**2,637.5**

Ⅳ Summary and Conclusion

◦ The June edition of Jeju Tourism Issue Focus presented the result of analyzing sales in credit cards by year and business type using credit card sales data in areas consisting of 74 eups, myens and dongs (based on legal-status neighborhood).
- The purpose of the analysis was to identify implications for quality growth of tourism industry in Jeju Island by reviewing credit card sales in the areas of eup, myeon and dong.
- The areas where credit cards were used were divided into 12 eups and myeons and 62 dongs.

◦ The business type is classified into six categories among which 5 categories except transportation business, namely, retail business, accommodation business, restaurant business, art·sports·leisure business and others were used for the study based on the classification system presented in 「Estimated gross revenues of Jeju tourism industry」(Jeju Special Self-Governing Province, Jeju Tourism Organization).
- In case of transportation business, no area-specific data were available because 97% or more of transportation business sales came from air fare which was accounted for the turnover of the headquarters of airlines located outside the island.

◦ As of 2017, the top 5 areas of sales in credit cards were in the order of Yeon-dong, Yongdami-dong, Saekdal-dong, NohYeon-dong and Seogwi-dong.
- With the presence of duty free shops, Yeon-dong (from foreign visitors) and Yongdami-dong (from local visitors) showed a high portion of retail sales from duty free shops.
- Saekdal-dong densely populated with tourist facilities such as accommodations and restaurants showed a high portion of sales in the category.
- NohYeon-dong and Seogwi-dong where malls and restaurants were located had a high portion of sales in the category.
- The top 5 areas in revenue without counting duty-free sales were changed to the order of Yeon-dong, Saekdal-dong, NohYeon-dong, Yongdami-dong and Seogwi-dong.

◦ Areas featuring a growth trend of sales among the top 20 were Gujwa-eup, Seogwi-dong, Aewol-eup and Andeok-myeon, while a downward trend appeared in Pyoseon-myeon, Jungmun-dong, Namwon-eup, Yongdamsam-dong and Hogeun-dong.
- The rate of revisit to areas where tourist attractions such as traditional folk villages and tourist complexes were constructed earlier showed a downward trend.

◦ The top 5 areas in credit card sales from local visitors were in the order of Yongdami-dong, Yeon-dong, Saekdal-dong, NohYeon-dong and Seongsan-eup.

◦ The top 5 areas in credit card sales from foreign visitors were in the order of Yeon-dong, Saekdal-dong, NohYeon-dong, Yongdami-dong and Samdoi-dong.
- Samdoi-dong is the area where accommodations for foreign group tourists are located.

◦ The total sales from domestic tourists for past 6 years from 2012 to 2017 exceeded KRW 100 bn in all of the top 20 areas but sales from foreign visitors for the same period exceeded KRW 100 bn only in the top 3 areas.

◦ Sales in eups and myeons showed a steady growing trend in the areas of restaurants, retail, lodging, art/sports/leisure activities for Korean tourists because they were less affected by the issue of THAAD as sales from foreign tourists accounted for a small portion their sales.
- Key areas with sales increase included Jocheon-eup, Aewol-eup, Hanlim-eup, Gujwa-eup, Sungsan-eup, Pyoseon-myeon, Andeok-myeon and Daejeong-eup, indicating that the scope of the tourism industry in Jeju Island was expanding to neighboring eups and myeons out of the downtown areas.

◦ In 2017, the sales of duty-free shops recorded KRW 930 billion accounting for 62% of KRW 1,500.6 billion of total retail sales
- Credit card sales from local visitors in duty free shops recorded KRW 432.6 billion accounting for 44.5% of the total retail sales of KRW 972.9 billion.
- Credit card sales from foreign visitors in duty free shops recorded KRW 497.4 billion accounting for 94.3% of the total retail sales of KRW 527.7 billion.
- The share of duty free shop sales in the total retail sales has been steadily decreasing since it recorded 50.1% in 2015, but sales from foreign visitors has been constantly increasing since it recorded 88.2% in 2014.

◦ The result of analyzing credit card sales by area and business type has the following implications.
- Considering that a growing number of people who revisit the island prefer to go other areas without travelling through the areas where they had previously visited, it is necessary to develop diverse contents to encourage their revisit to old tourist complexes.
- Given the travel patterns of local tourists covering the entire island rather being limited to specific areas developed for tourism purposes, area-specific tourist attractions in eups, myeons and dongs need to be created for local visitors ensuring the balanced development of the island. In particular, active policy supports for tourist attractions need to be considered for areas with lack of resources for making revenues from tourism.
- It is necessary to establish measures and long term strategies to actively attract non-group foreign travelers to improve the quality of the island's tourism industry. The expansion of free travel sector for foreign visitors in the east line including Jocheon-eup, Seongsan-eup and Pyoseon-myeon where accommodations for local visitors are located can be considered.

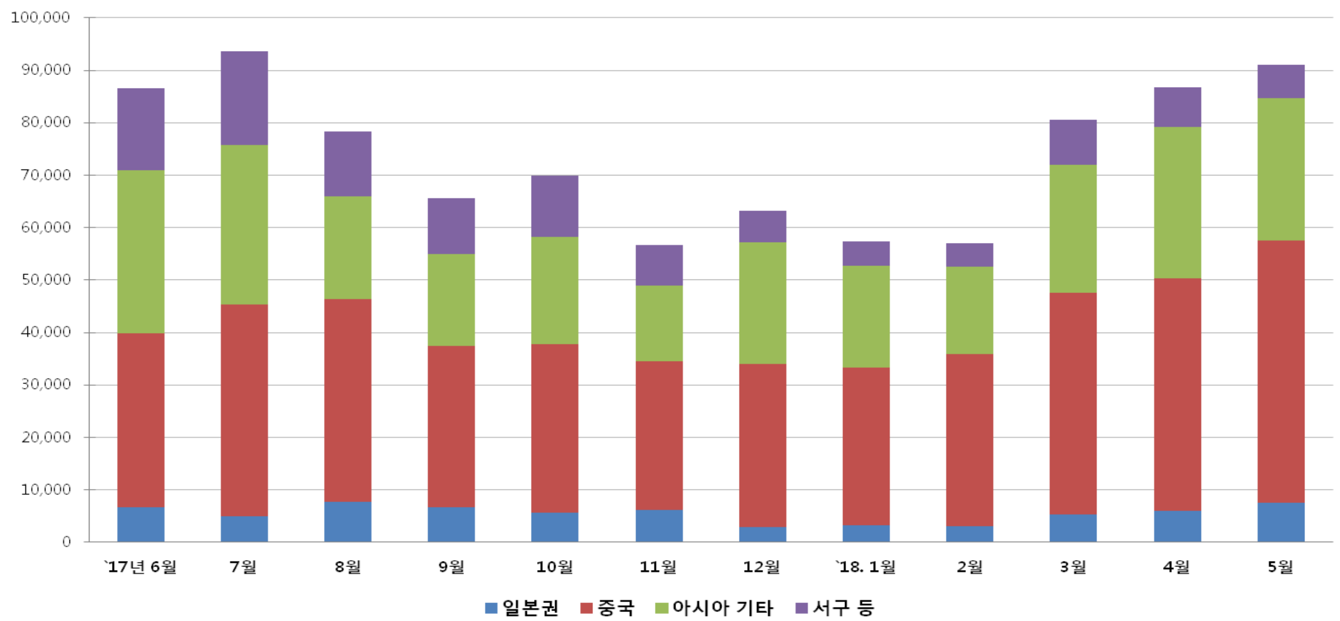
Annex

▌ Monthly statistics of tourists visiting Jeju Island

(Unit: People, %)

Classification	Local tourists		Foreign tourists					
	People	Variation	Japan	China	Other Asian countries	Western countries	Monthly sum	Variation
June in 2017	1,187,388	11.5	6,709	33,184	31,121	15,617	86,631	-77.1
July	1,191,311	4.2	4,894	40,525	30,336	17,888	93,943	-76.5
August	1,240,389	11.1	7,768	38,560	19,580	12,472	78,380	-82
September	1,186,048	15.4	6,710	30,753	17,474	10,620	65,557	-79.7
October	1,229,679	10.8	5,659	32,175	20,397	11,672	69,903	-79.2
November	1,097,987	10.9	6,222	28,329	14,368	7,726	56,645	-75.8
December	1,043,775	9.9	2,965	31,050	23,183	6,024	63,222	-72
January in 2018	1,044,956	3.9	3,229	30,131	19,444	4,618	57,422	-73.4
February	892,863	-1.4	3,045	32,782	16,690	4,529	57,046	-72.1
March	1,033,778	3.3	5,311	42,243	24,474	8,587	80,615	-32.5
April	1,224,521	0.8	5,984	44,257	28,922	7,519	86,682	-9.8
May	1,205,904	-1.1	7,576	50,010	27,034	6,451	91,071	12.4
Aggregate in 2018	**5,402,022**	**10.4**	**25,145**	**199,423**	**116,564**	**31,704**	**372,836**	**-48.0**

* Source: Jeju Special-Governing Provincial Tourism Assoication
** The number of tourists visited Jeju Island as of May 2018 is published statistical data (estimated figures have yet to be released).
*** Includes Taiwan, Hong Kong, Singapore and Southeast Asian countries
**** Includes America and European countries
***** Variation refers to the rate of increase or decrease compared to the same month of the previous year.



◦ In May, the number of local tourists slightly decreased while foreign tourists increased compared to the same month of the previous year.
◦ The number of Chinese tourists increased by about 20,000 people compared to the previous month. The portion of China increased by about 4%, accounting for 54.9% of the total.
◦ The portion of tourists from Japan, other Asian countries and Western countries accounted for 8.3%, 29.7% and 7.1%, respectively.

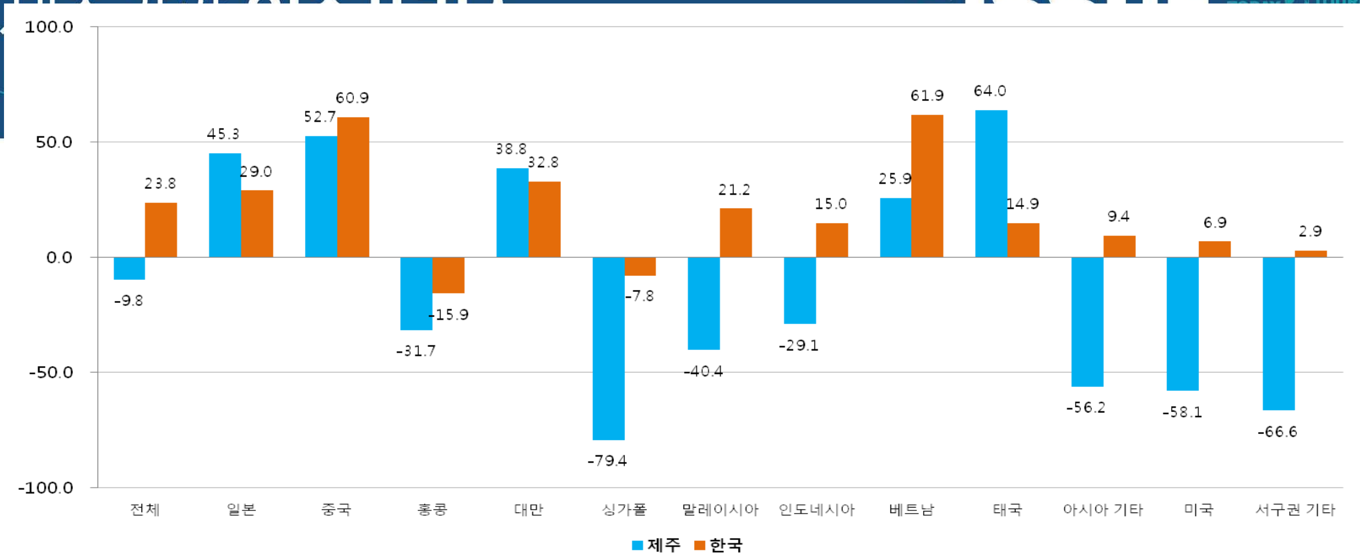
▮ Number of foreign tourists in Jeju Island compared to those in the main land (as of April, 2018)[3]

(Unit: People, %)

Classification			Jeju Island			Main land		
			2018	2017	Variance	2018	2017	Variance
Total		Monthly sum	86,682	96,097	-9.8	1,331,709	1,075,899	23.8
		Aggregate	281,765	635,268	-55.6	4,699,260	4,782,314	-1.7
Asia	Sum	Monthly sum	79,163	74,829	5.8	1,071,213	824,290	30.0
		Aggregate	256,512	587,243	-56.3	3,824,802	3,957,073	-3.3
	Japan	Monthly sum	5,984	4,119	45.3	213,853	165,748	29.0
		Aggregate	17,569	10,780	63.0	843,653	780,120	8.1
	China	Monthly sum	44,257	28,988	52.7	366,604	227,811	60.9
		Aggregate	149,413	481,057	-68.9	1,420,485	1,744,626	-18.6
	Hong Kong	Monthly sum	4,146	6,066	-31.7	66,533	79,067	-15.9
		Aggregate	9,633	14,842	-35.1	214,134	219,270	-2.3
	Taiwan	Monthly sum	2,971	2,141	38.8	105,177	79,203	32.8
		Aggregate	10,637	6,271	69.6	363,157	299,168	21.4
	Singapore	Monthly sum	1,401	6,786	-79.4	21,130	22,912	-7.8
		Aggregate	4,559	14,947	-69.5	62,069	62,634	-0.9
	Malaysia	Monthly sum	6,023	10,113	-40.4	41,735	34,441	21.2
		Aggregate	19,112	24,416	-21.7	124,222	105,656	17.6
	Indonesia	Monthly sum	2,439	3,439	-29.1	27,913	24,278	15.0
		Aggregate	7,102	7,446	-4.6	79,888	86,881	-8.0
	Vietnam	Monthly sum	3,683	2,925	25.9	50,727	31,324	61.9
		Aggregate	7,311	6,573	11.2	129,176	88,697	45.6
	Thailand	Monthly sum	5,140	3,135	64.0	64,720	56,351	14.9
		Aggregate	18,680	6,257	198.5	208,824	190,754	9.5
	Other	Monthly sum	3,119	7,117	-56.2	112,821	103,155	9.4
		Aggregate	12,496	14,654	-14.7	379,194	379,267	0.0
Western countries and other	Sum	Monthly sum	7,519	21,268	-64.6	260,496	251,609	3.5
		Aggregate	25,253	48,025	-47.4	874,458	825,241	6.0
	USA	Monthly sum	2,056	4,903	-58.1	89,209	83,485	6.9
		Aggregate	5,841	11,836	-50.7	295,232	265,906	11.0
	Other	Monthly sum	5,463	16,365	-66.6	171,287	168,124	2.9
		Aggregate	19,412	36,189	-46.4	579,226	559,335	5.3

* Foreigners visiting Jeju Island include foreign national tourists residing in Korea.

3) The increase/decrease of foreign tourists compared to those in the entire country was obtained as of April 2018 at the time of the publication of official tourist statistics in Korea.



◦ As of April, 2018, the number of foreign visitors to Jeju Island showed overall decrease yoy compared to nationwide statistics.

- Countries from which more visitors to Jeju Island than the main land include Japan, Taiwan, Thailand, etc.
- Countries from which less visitors to Jeju Island than the main land include China, Hong Kong, Singapore, Malaysia, Western countries, etc.

▮ Operational status of international airlines in Jeju International Airport

Airlines	Country	May						Aggregate in 2018					
		Operation (Flight)			Passengers (People)			Flight (number)			Passengers (People)		
		Arrival	Departure	Sum	Arrival	Departure	Sum	Arrival	Departure	Sum	Arrival	Departure	Sum
Asiana Airlines (OZ)	Korea	0	0	0	0	0	0	0	0	0	0	0	0
Air Macao (NX)	China	0	0	0	0	0	0	17	17	34	1,272	1,348	2,620
Capital Airlines (JD)	China	0	0	0	0	0	0	0	0	0	0	0	0
Air China (CA)	China	9	9	18	1,138	1,160	2,298	20	20	40	2,552	2,445	4,997
China Eastern (MU)	China	39	39	78	6,415	6,999	13,414	190	190	380	28,527	30,379	58,906
Hainan Airlines (HU)	China	0	0	0	0	0	0	0	0	0	0	0	0
Spring Airlines (9C)	China	162	162	324	24,527	22,983	47,510	685	684	1,369	108,523	99,440	207,963
China Southern (CZ)	China	0	0	0	0	0	0	0	0	0	0	0	0 S
Star Alliance (ZH)	China	0	0	0	0	0	0	0	0	0	0	0	0
Xiamen Airlines (MF)	China	0	0	0	0	0	0	0	0	0	0	0	0
Juneyao Airlines (HO)	China	33	33	66	4,236	4,553	8,789	55	55	110	7,392	7,525	14,917
Estar Jet (ZE)	Korea	35	35	70	6,101	6,147	12,248	157	157	314	27,142	27,125	54,267
Tianjin Airlines (GS)	China	0	0	0	0	0	0	0	0	0	0	0	0
Dragon Air (KA)	Hong Kong	18	18	36	2,685	2,613	5,298	66	63	129	9,678	9,201	18,879
Honkong Express (UO)	Hong Kong	18	18	36	3,169	3,036	6,205	62	62	124	10,567	10,290	20,857
JC International (QD)	Cambodia	2	1	3	266	173	439	2	1	3	266	173	439
Jeju Air (7C)	Korea	2	2	4	368	363	731	12	12	24	1,709	1,751	3,460
Jin Air (LJ)	Korea	31	31	62	4,558	5,106	9,664	155	155	310	25,937	26,090	52,027
Korean Air (KE)	Korea	62	62	124	8,377	8,984	17,361	297	297	594	35,984	35,546	71,530
Lucky Air (8L)	China	0	0	0	0	0	0	0	0	0	0	0	0
Mongolian Airlines (OM)	Mongolia	0	0	0	0	0	0	0	0	0	0	0	0
OK Air (BK)	China	0	0	0	0	0	0	0	0	0	0	0	0
Philippine Airlines (PR)	Philippines	0	0	0	0	0	0	5	4	9	381	516	897
Pacific Air (BL)	Vietnam	0	0	0	0	0	0	5	5	10	831	775	1,606
Yakutia Airline (R3)	Russian	0	0	0	0	0	0	0	0	0	0	0	0 ti
Tiger Air (IT)	Taiwan	18	18	36	2,993	2,975	5,968	86	86	172	13,420	13,084	26,504
t'way (TW)	Korea	53	53	106	7,614	8,293	15,907	231	231	462	34,316	34,503	68,819
Vietjet (VJ)	Vietnam	0	0	0	0	0	0	2	2	4	345	316	661
AirAsia X (D7)	Malaysia	18	18	36	4,337	3,655	7,992	87	87	174	24,075	21,228	45,303
Total		500	499	999	76,784	77,040	153,824	2,134	2,128	4,262	332,917	321,735	654,652

* Source: Korea Airports Corporation Aviation Statistics (www.airport.co.kr), as of May, 2018
** (　　) next to the name of airlines indicates the airline's code.
*** The statistical data of international passenger lines of airlines including regular and irregular lines.

▮ The monthly operational statistics of international lines in Jeju International Airport

(Unit: Flight, People)

Region			Taiwan	Hong Kong	China	Japan	Asian countries including SE	Western countries	Total
Jan.	Operation (Flight)	Arrival	18	0	181	74	50	0	323
		Departure	18	9	179	74	50	0	330
		Total	36	9	360	148	100	0	653
	Passenger (People)	Arrival	2,472	0	26,098	8,575	10,022	0	47,167
		Departure	2,447	983	25,183	9,050	10,350	0	48,013
		Total	4,919	983	51,281	17,625	20,372	0	95,180
Feb.	Operation (Flight)	Arrival	16	0	183	68	48	0	315
		Departure	16	8	181	68	46	0	319
		Total	32	8	364	136	94	0	634
	Passenger (People)	Arrival	2,520	0	28,096	9,325	9,555	0	49,496
		Departure	2,479	1,343	27,431	8,954	9,040	0	49,247
		Total	4,999	1,343	55,527	18,279	18,595	0	98,743
Mar.	Operation (Flight)	Arrival	18	8	215	76	48	0	365
		Departure	18	13	214	76	47	0	368
		Total	36	21	429	152	95	0	733
	Passenger (People)	Arrival	2,875	1,507	34,442	9,936	10,810	0	59,570
		Departure	2,721	1,784	31,739	9,761	9,248	0	55,253
		Total	5,596	3,291	66,181	19,697	20,058	0	114,823
Apr.	Operation (Flight)	Arrival	16	34	273	76	48	0	447
		Departure	16	34	273	76	48	0	447
		Total	32	68	546	152	96	0	894
	Passenger (People)	Arrival	2,560	5,654	44,404	10,626	10,389	0	73,633
		Departure	2,462	5,794	41,759	10,014	9,574	0	69,603
		Total	5,022	11,448	86,163	20,640	19,963	0	143,236
May	Operation (Flight)	Arrival	18	36	302	80	49	0	485
		Departure	18	35	304	80	49	0	486
		Total	36	71	606	160	98	0	971
	Passenger (People)	Arrival	2,993	5,854	45,327	10,559	9,687	0	74,420
		Departure	2,975	5,499	46,061	11,221	9,060	0	74,816
		Total	5,968	11,353	91,388	21,780	18,747	0	149,236

* Source: Korea Airports Corporation Aviation Statistics (www.airport.co.kr), as of May, 2018
** The statistical data of international passenger lines of airlines including regular and irregular lines.
*** Asian countries include 'Macao', 'Vietnam', 'Thailand' and 'Malaysia', and Western countries include 'the USA' and 'Russia'.
**** Total refers to the simple sum of international flights which also include transit routes.

Since 2017, the research center of Jeju Tourism Corporation has been regularly conducting basic researches on Jeju tourism, statistical data management and operation of international tourism policy network (including the operation of he Secretariat of Island Tourism Policy Forum) and involved in the study of key policy issues and network operation for the growth of Jeju tourism.

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