



South Korea Market Report
May 2019

Visit Finland Country Representative

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Semiannual Report – SOUTH KOREA

Winter season 2018-19 and outlook for summer 2019

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Factors affecting the results of the winter season 2018-19

Reasons for the increase/decrease in overall outbound travelling from your market?

- South Korean arrivals and overnights mainly decreased during the Autumn 2018 season. The numbers rejuvenated in December where overnights grew by nearly +50% and has continued positive growth again in January-March of 2019.
- While statistically Koreans travel abroad evenly throughout the year, Winter season (Nov-Mar) is typically the lowest season for travel to whole Europe. Most Korean travelers head to South East Asia or other nearby countries during the cold winter months.
- Major international events (eg. FIFA World Cup in Russia) in the Spring and Summer seasons of 2018 resulted in many travelers coming to Europe during that period, resulting in less holidays to spend in the Winter season.
- Autumn and Winter season in the late 2018 saw the lowest growth (0% to +4%) in several years in terms of overall Korean outbound travel, but the growth rejuvenated to approx. +15% per month in the beginning of 2019.
- Package tours account to large part of Korean travel to Finland, but package tours for most major travel agencies suffered the worst sales in a long time during later part of 2018 as the trend is changing towards FIT travel.

Factors affecting the results of the winter season 2018-19

Reasons for the increase/decrease in travelling to Finland?

- **Changes in demand**

Slight decrease during Sep-Nov 2018, but growth picked up again Dec-Mar 2019. Finland and Iceland were the only Nordic countries that saw South Korean overnights grow in 2018 as Sweden, Norway and Denmark saw large drops in their Korean visitor numbers.

- **Finland's image as a travel destination**

Visibility in several major TV productions during late 2018 and early 2019 has considerably contributed to increased awareness of Finland, but raising the profile of Finland as a travel destination requires more PR work. Finland is still widely considered merely as a short stopover in Helsinki as part of Nordic tour.

- **Changes in distribution**

Several new Finland winter packages were launched in January 2019 contributing to growth in the early 2019

- **Changes in accessibility**

No changes in accessibility

Limited number of flights between Finland and Korea restrict growth potential as flight prices remain high during main travel seasons

Factors affecting the results of the winter season 2018-19

Reasons for the increase/decrease in travelling to Finland?

- **Products that have been attractive**

- Helsinki products

- Helsinki-Tallin combination products

- Combined Nordic tour including a cruise

- Russia+Finland combined package tour

- **Regions that have been attractive**

- Helsinki and the capital region remains by far the most popular region

- Lakeland region saw exponential growth in 2018

- **Campaigns, joint promotions results**

- Social media influencer public recruiting campaign and consequent trip to Ivalo, Rovaniemi, and Helsinki by 4 selected influencers in March 2019 resulted in much visibility on social media (Instagram, Naver Blogs)

Outlook for the summer season 2019

The overall outlook of travelling to Finland for the coming summer?

- **Increase/decrease and reasons for the increase/decrease**

Stable growth trend is expected to continue in 2019 with increased visibility and awareness thanks to good media and social media exposure in 2018. However, growth is expected to be modest compared with last year as last year Spring & Summer seasons had major events (such as FIFA World Cup in Russia) affecting the results.

- **New summer products**

Helsinki-Tallinn products

Helsinki-Naantali products

- **New sales channels**

Several travel agencies launching their first Finland-only products (FIT)

Outlook for the summer season 2019

The overall outlook of travelling to Finland for the coming summer?

- **What are the trends for the summer 2019?**

- Escaping the fine dust –travel
- Escaping the summer heat –travel
- Food travel

- **Which are the traveller segments?**

- FIT:s in their 20´s and 30´s
- Families with children

Outlook for the winter season 2019-20

Ad hoc marketing opportunities

- PR Newsletters and media articles released regularly bi-monthly + ad hoc media cases
- Joint marketing campaign with a Korean travel agency planned for Summer & Autumn seasons 2019 with possible continuation with a Winter season campaign
- Crossover media event in November 2019

Prospects for the autumn/winter season 2019-20

The overall outlook of travelling to Finland?

- **What trends should be considered in product development to increase the demand in the autumn/winter time?**

Autumn is one of the high seasons for travel by Koreans, especially during the Korean Thanksgiving holidays (Sep-Oct), and can be potential time to attract new visitors with fitting products. Northern Lights and the Finnish nature are some of the main themes that can help attract Korean visitors during this season.

Winter remains to be a challenging season to market due to multiple factors: high prices and difficulty of reserving rooms in Lapland, low interest in travel to colder countries, majority of holidays already spent during Summer and Autumn seasons

- **Which present target groups should be considered to increase the demand?**

20's and 30's FIT travelers

Families with children

- **Which new target groups should be considered to increase the demand?**

Honeymooners

Theme check: Sustainability, digitalization and year-round tourism

Visit Finland strategic cross-cutting themes are sustainability, digitalization and year-round tourism.

What kind of demand or potential of these themes you find in the market you represent ? (Products, target groups)

- Korean travelers' tendency to travel mainly in the Autumn and Summer seasons can be potential to balance the winter season and achieve **year-round tourism**.
- **Digitalization** can help reach the highly tech-savvy Korean travelers, but language barrier is a major obstacle that must be overcome first.
- Awareness towards **sustainable** tourism is still low.

Trends and other relevant travel related topics

Trends

Any new travel trends on your market? What's hot now on your market (BtoC and/or BtoB)

- "Escaping the Fine Dust" is one major recent travel trend as Korea has suffered from increasingly polluted air in recent years. Travelers are looking to escape the pollution to countries with clean air, which can be an opportunity for Finland
- Escaping the heat of the summer season is a continuing trend, as summer in Korea (July-September) is becoming more hotter every year
- Food related contents has become very trendy in the recent years, especially with airing of popular TV shows themed on eating food abroad leads to increasing importance of culinary travel.

New distribution channels

Your suggestion on how to develop business with them: what needs to be done?

- A well designed and targeted joint marketing campaign adjacent with new FIT product launch together with a major FIT-oriented travel agency
- Increasing demand will naturally lead to new distribution channels. Without creating buzz the creation of new distribution channels remains difficult

Online channels

Channels where Visit Finland should be present and suggestion of how to be present

- Naver travel section and travel blogs through PR activities and social media influencer campaigns
- Finding ways to bring more Koreans to Visit Finland's Instagram page

Trends and other relevant travel related topics

Competitors' actions

- Sweden, Denmark, and Norway all celebrated 60th anniversary of diplomatic relations with Korea and have many promotional events and state visits planned throughout 2019.
- Spain has been the hottest country in Europe for Korean travelers with huge growth expected to continue strong in 2019. Several extremely popular TV shows (dramas and entertainment shows) were filmed in Spain and contribute to the rising popularity. Spain Tourism Organization also held a B2B Travel workshop in December to capitalize on the huge increase in demand.
- Destination Canada set up an exhibition of photos taken across Canada at a ski resort in Korea
 - QR codes placed next to the photos direct visitors to an online site that introduces recommended travel itineraries at the location
- Korean Air opened a new direct route between Riga and Incheon for a limited number of flights and started advertising Baltic travel packages with the launching of the route.

Trends and other relevant travel related topics

Free word

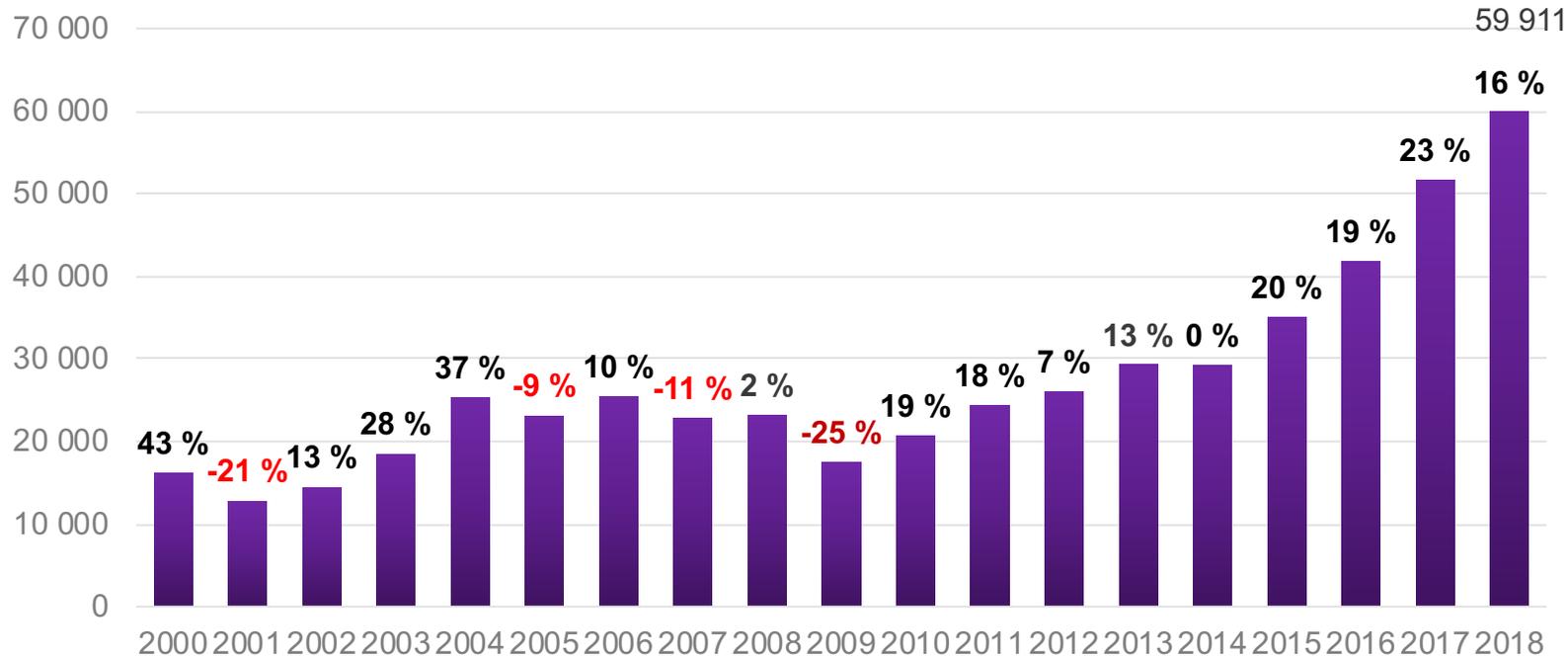
- Korean market has been experiencing quite fast and stable growth (+15 to 20% per year) in recent years and will keep growing as long as effort is done to keep Finland visible in the media. Experiences from other countries (eg. Spain 2018-19, Croatia 2017-2018) have shown clearly that it only needs one big media hit as a catalyst to exponentially increase the demand and create a new travel trend – signs are there that North Europe will be the next big thing and Finland has the largest potential among the Nordic countries to lead this trend.
- The biggest challenge is in changing the image of Finland from a short Helsinki stopover in a Nordic tour, into a really considerable mono-destination – not only among the consumers but also in the eyes of the travel agencies.

South Korea – Market Review



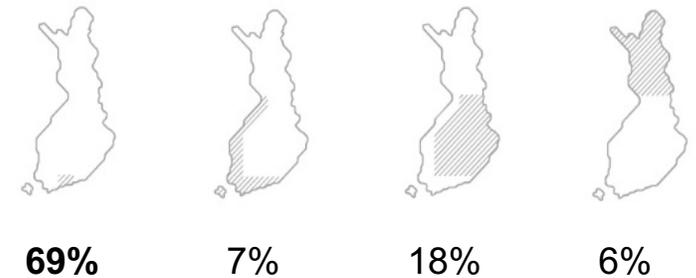
Visit Finland

Korean overnights in Finland



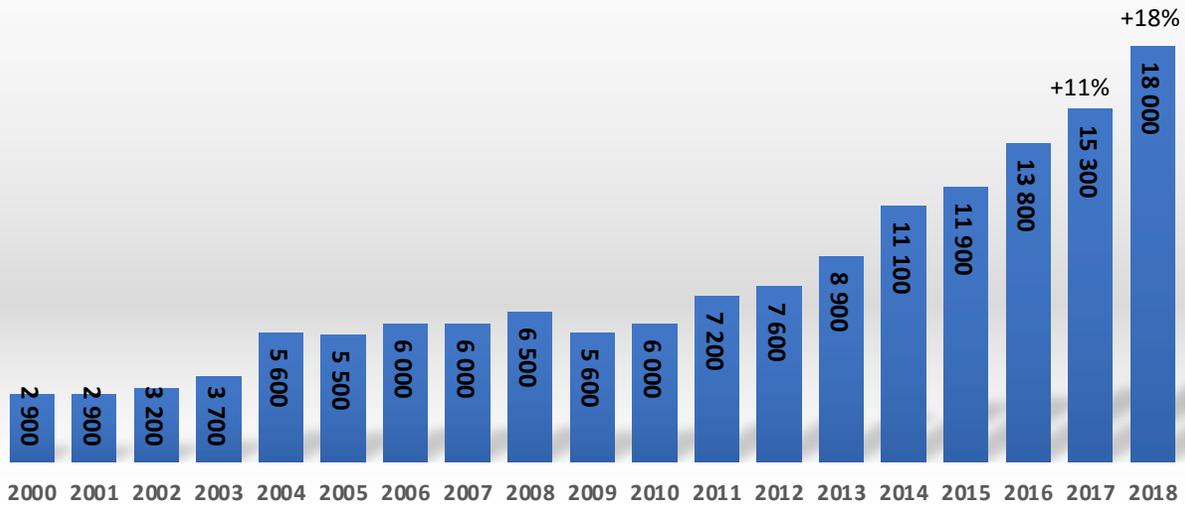
Year 2018
21st in country rankings
 with a **1% share** of foreign overnights
 Average change 2000-2018: **+11%**
 Change 2018 compared to 2000: **+269%**

Share of overnights by regions 2018

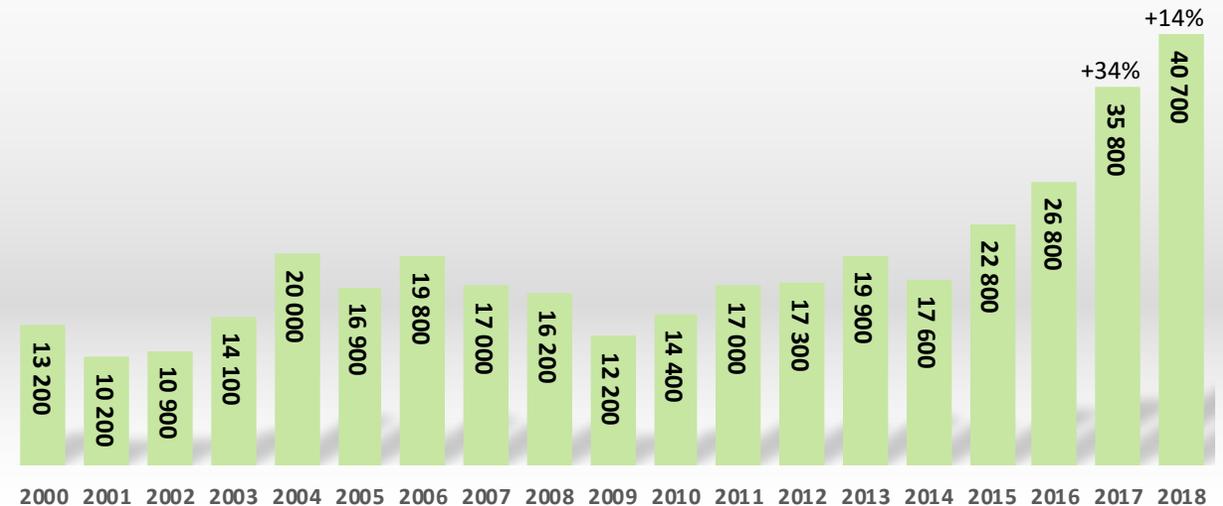


Winter and Summer 2018

Registered overnights in winter season (Nov-Apr)
by Korean visitors



Registered overnights in summer season (May-Oct)
by Korean visitors



Winter 2018: **29th** in country rankings
with a **1%** share of foreign overnights

Average change 2001-2018: **+12%**

Change 2018 compared to 2000: **+518%**

Summer 2018: **19th** in country rankings
with a **1%** share of foreign overnights

Average change 2001-2018: **+10%**

Change 2018 compared to 2000: **+210%**



South Korean overnights in Finland

Seasonal overnights in 2018

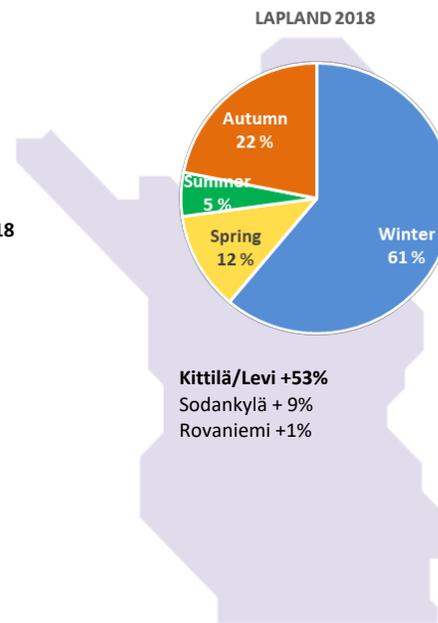
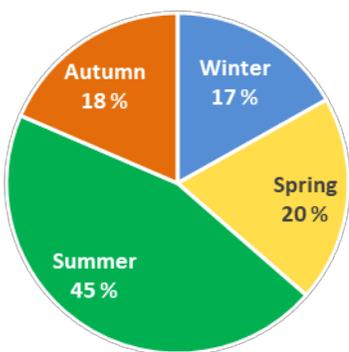


Whole Finland

	No. of Korean overnights				Seasonal YtoY change		
	2016	2017	2018	2019	2017 vs. 2016	2018 vs. 2017	2019 vs. 2018
Winter (Dec-Feb)	7 100	8 700	9 800	11 200	+22%	+13%	+15%
Spring (Mar-May)	6 800	7 600	11 400		+12%	+50%	
Summer (Jun-Aug)	17 600	22 300	26 300		+27%	+18%	
Autumn (Sep-Nov)	9 100	13 000	10 800		+44%	-17%	

Korean overnights in Finland by season in 2018

WHOLE COUNTRY 2018



Lapland 2018

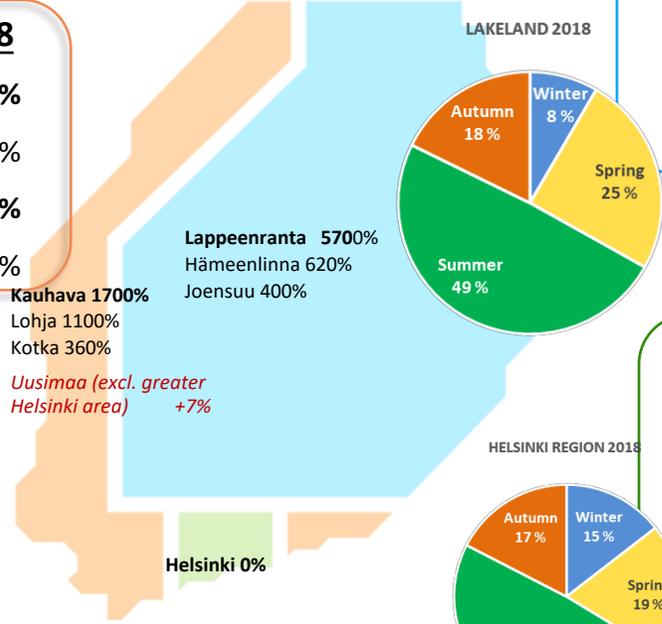
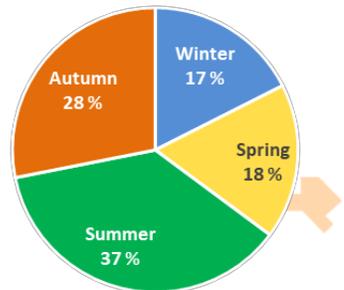
Winter	2 500	-6%
Spring	500	+1%
Summer	200	-48%
Autumn	900	-17%

Kittilä/Levi +53%
Sodankylä +9%
Rovaniemi +1%

Coast & Archipelago 2018

Winter	700	+145%
Spring	700	+56%
Summer	1 400	+13%
Autumn	1 100	+53%

COAST AND ARCHIPELAGO 2018



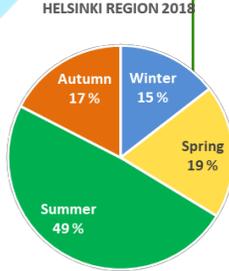
Lakeland 2018

Winter	900	+121%
Spring	2 500	+569%
Summer	5 000	+478%
Autumn	1 800	+16%

Kauhava 1700%
Lohja 1100%
Kotka 360%
Uusimaa (excl. greater Helsinki area) +7%

Helsinki area 2018

Winter	5 800	+8%
Spring	7 700	+23%
Summer	19 700	-1%
Autumn	7 000	-28%



Source: Rudolf data base, Statistics Finland

Trends for seasonal overnights in Finland – Korean visitors

