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South Korea Active Considerer market

Full report

Tourism New Zealand

December 2022

Objective

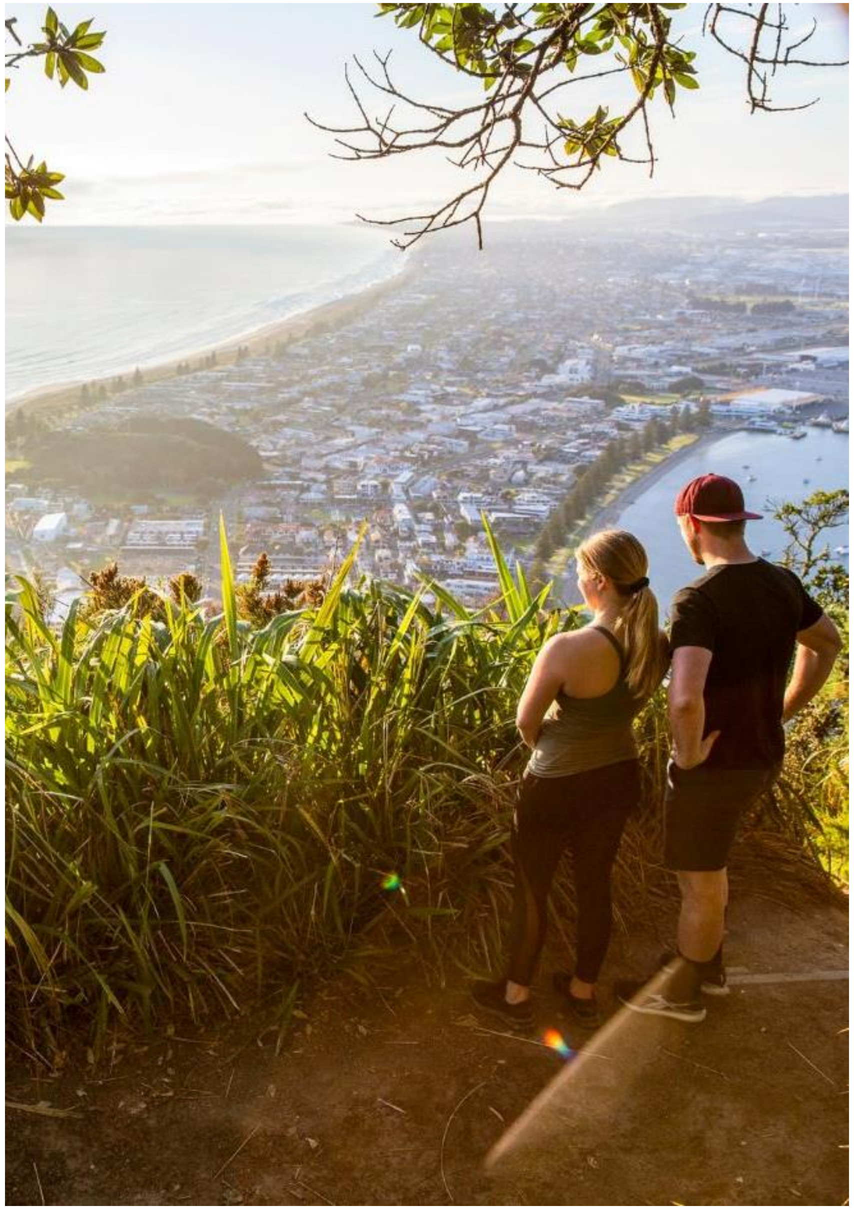
Provide an update on the size and profile of the Active Considerer (AC) audience in South Korea and their sentiment towards travelling to New Zealand

BACKGROUND

- The Covid-19 pandemic has had a significant impact on the New Zealand tourism industry but since border restrictions eased mid-2022, there have been strong signs of recovery
- Tourism New Zealand (TNZ) is keen to continue to evaluate its opportunity within the South Korean market
- Specifically, TNZ needs an update on the size and profile of the AC audience in South Korea from the last dip on Q4 FY22 as well as an understanding of the demand to travel to New Zealand now that borders have opened

RESEARCH APPROACH

- In order to answer the objective, a 10 minute online survey was conducted among 300 South Korean Active Considerers of New Zealand
- Fieldwork took place between 15th Nov – 23rd Nov 2022



Key insights

The South Korean market remains an attractive opportunity for TNZ to drive arrivals: a growing number of South Koreans (19%, which is approx. 6.9M people) are now actively considering a New Zealand holiday

There are immediate intervention opportunities to drive ACs through the consideration funnel, with 28% of ACs looking to travel to New Zealand between now and May 2023 and an average booking lead time of 3 months

When choosing their overseas holiday destination, clean environment and safety are the key criteria South Korean ACs look for, followed by a relaxing atmosphere and quality food and drink

New Zealand is in a strong position to leverage it's competitive strengths in being seen as clean and unpolluted and a relaxing stress-free destination, but activity also need to focus on improving relative perceptions that New Zealand offers a variety of experiences and quality food & wine

To drive brand salience, ensure New Zealand is present in the key channels ACs use for destination inspiration such as TV travel programs and social influencers. Being at key moments when ACs are thinking about taking a holiday such as immediate post-travel, key life events (retirement, honey moons, etc.) and special occasions is important.

There are opportunities to tailor content to meet travel preferences – namely, small group tours (8-10 people), travelling with immediate family and spending at least 6-10 days in New Zealand

1 What is the size of the opportunity for TNZ in South Korea?

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Active Considerer journey funnel – South Korea

Active Considerers definition

Active Considerers find New Zealand highly appealing as a holiday destination, would seriously consider visiting in the next three years, see New Zealand as a preferred destination for their next holiday and have a realistic budget for their visit (₩2m per person on a holiday to New Zealand).

Online population, 18-74 years of age (35.6M)

57%

Find New Zealand highly appealing as a holiday destination, and… **20.4m**

52%

Would seriously consider visiting in the next three years, and… **10.5m**

96%

New Zealand is a preferred destination for their next holiday, and… **10.1m**

69%

Willing to spend at least ₩2m per person on a holiday to New Zealand(1) **6.9m**

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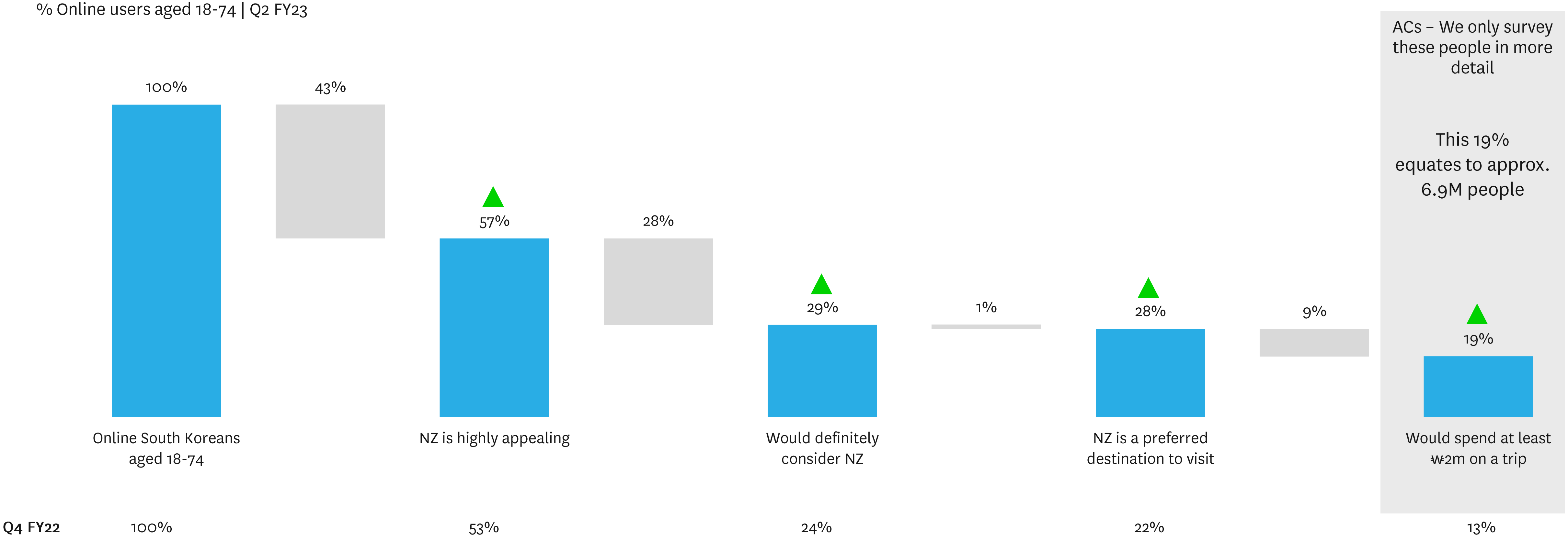
Notes:
1. Sample sizes: Q2 FY23 n = 3,147; total population of SK 51.2M

100% PURE NEW ZEALAND

The size of the opportunity in South Korea is growing, with the AC incidence increasing to 19% in Q2 FY23 (approx. 6.9M people)

Qualifying criteria for defining ACs

% Online users aged 18-74 | Q2 FY23



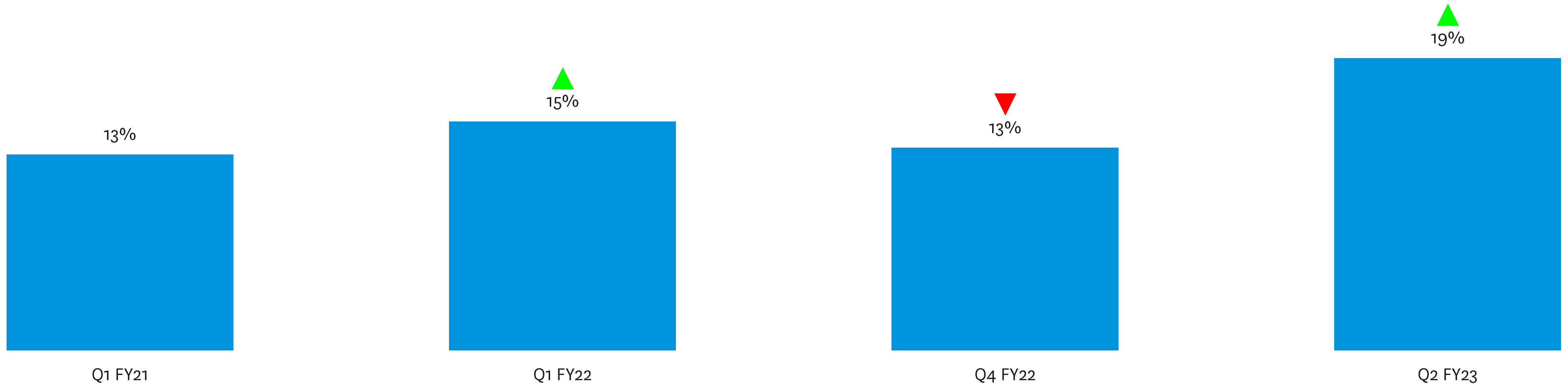
Notes:
1. Sample size: Q4 FY22 n = 3,977 | Q2 FY23 n = 3,147

Significantly higher / lower than last wave

The incidence of ACs in South Korea is showing an upward trend over time, now at the highest level seen since Q1 FY21

Incidence of ACs

% Online users aged 18-74 | Over time



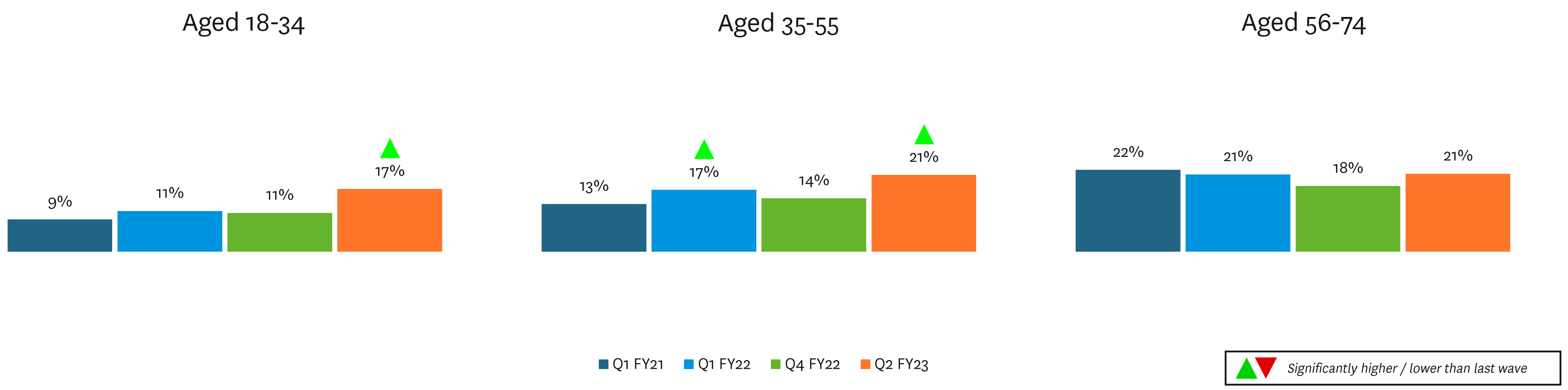
Notes:
Sample sizes: Q1 FY21 n = 4,230 | Q1 FY22 n = 2,855 | Q4 FY22 n = 3,977 | Q2 FY23 n = 3,147

Significantly higher / lower than last wave

The significant uplifts in AC incidence are seen amongst those aged 18 – 34 years and 35 – 55 years

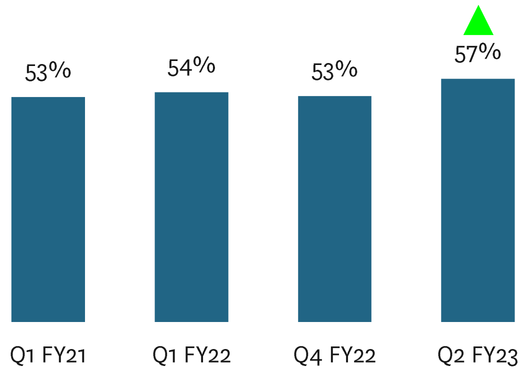
Incidence of ACs

% Online users aged 18-74 | Over time

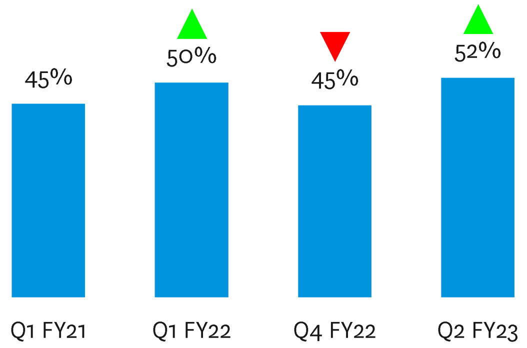


Appeal, consideration, preference for New Zealand and willingness to spend at least ₩2M have all increased in Q2 FY23, resulting in a growing incidence of ACs

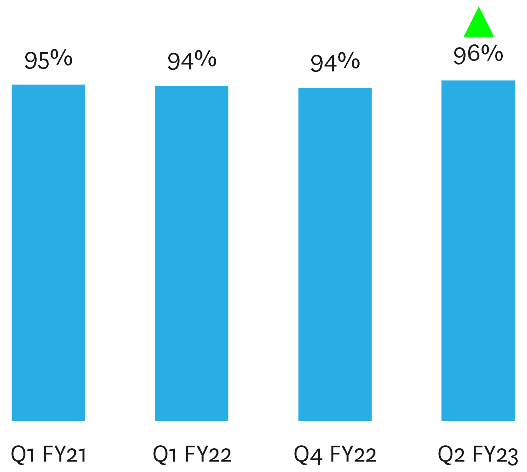
Appeal of New Zealand (%8-10)
% Online users aged 18-74 | Q2 FY23



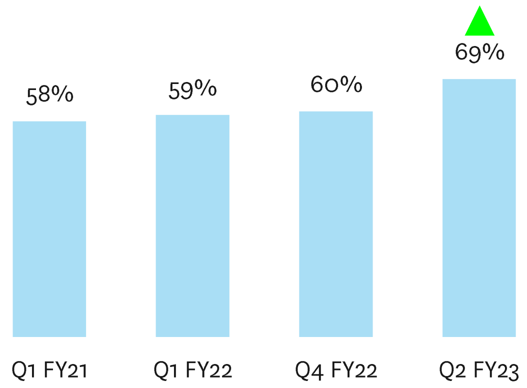
Consideration of New Zealand (%8-10)
% Those who find NZ appealing | Q2 FY23



Preference of New Zealand (%4-5)
% Those who would consider visiting | Q2 FY23



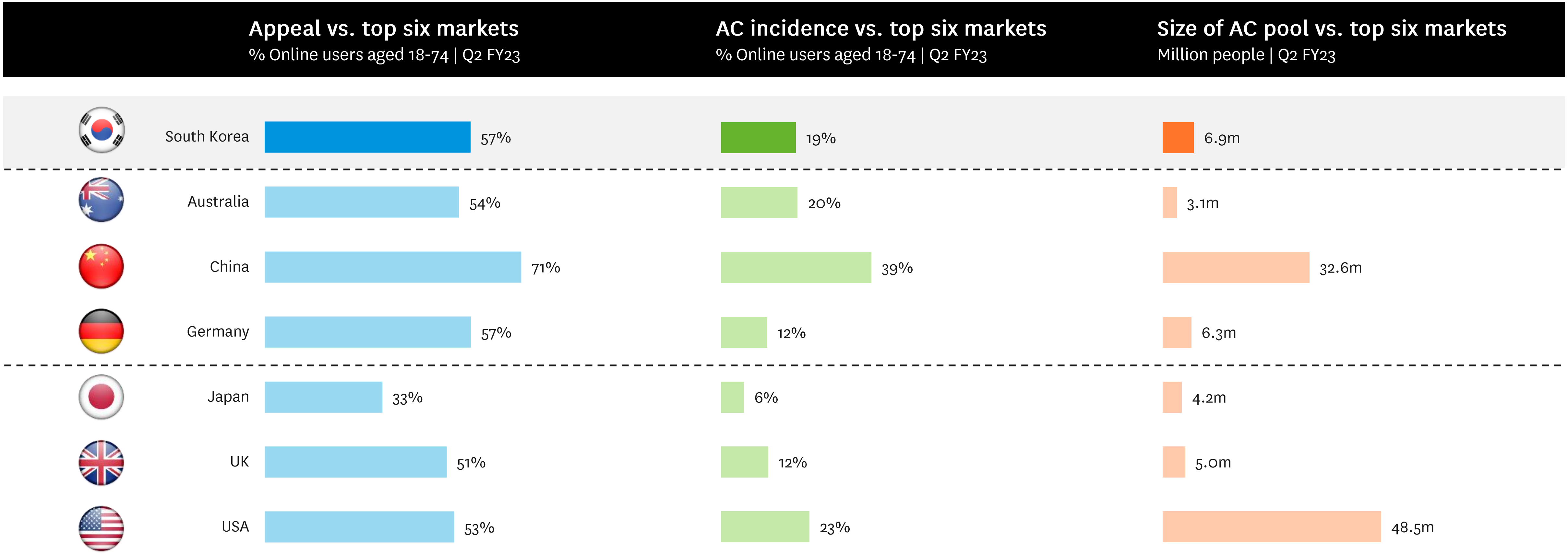
Anticipated spend on holiday in New Zealand (>2Million Won)
% Those who agree NZ is a preferred holiday destination | Q2 FY23



Significantly higher / lower than last wave

Notes:
Sample sizes: Q1 FY21 | Q1 FY22 | Q4 FY22 | Q2 FY23. Appeal n = 4,230 | 2,855 | 3,977 | 3,147 Consider n = 2,159 | 1,463 | 2,030 | 1,688 Preference n = 974 | 749 | 909 | 802
Spend n = 914 | 696 | 844 | 755
Q "Putting aside any thoughts about time and cost, how appealing do you find New Zealand as a holiday destination?"
Q" Would you consider visiting New Zealand for a holiday within the next three years?"
Q" To what extent do you agree or disagree that New Zealand is a preferred destination for your next holiday?"

With a larger AC pool than many other key markets, South Korea is a sizable opportunity for TNZ to drive arrivals



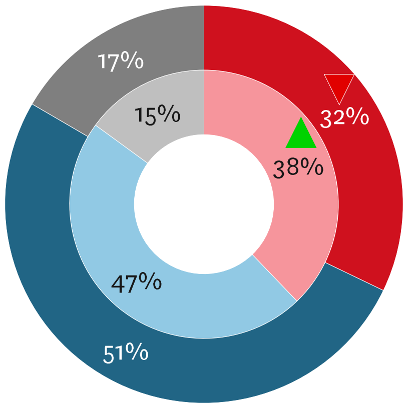
Notes:
1. Sample sizes: Q2 FY23 n = 3,147
2. Source for top 6 markets: AC Monitor | Online users aged 18-74 | May22-Oct22
Australia n = 4,220 | China n = 2,303 | Germany n = 7,950 | Japan n = 16,802 | UK n = 8,760 | USA n = 5,726

South Korean ACs are more likely to be male and concentrated in Seoul and Gyeonggi; the global priority mindsets, Experienced Connectors and Vibrant Adventurers, make up 23% of the AC pool

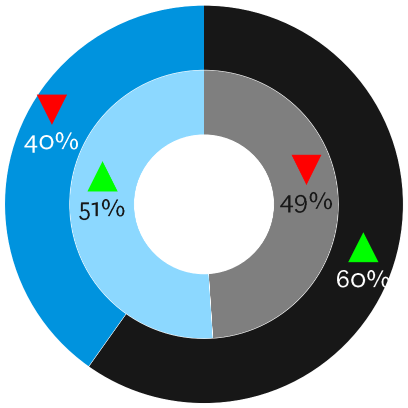
Profile of AC segments

% Active Considerers | % Non-AC

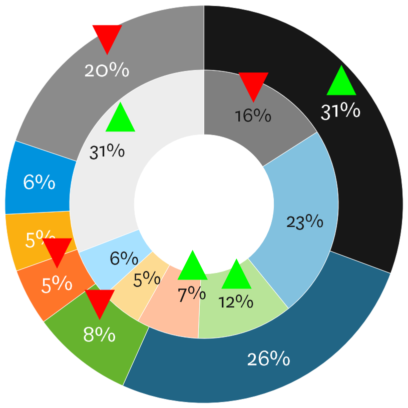
By age segment(1)



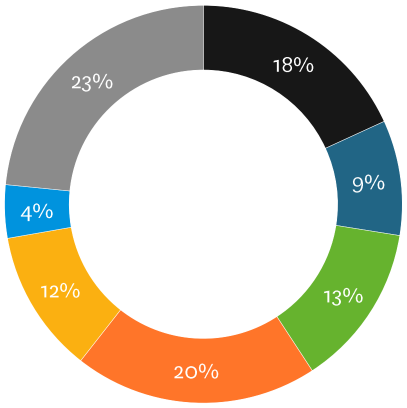
By gender(1)



By region(1)



By Mindset(2)



Outer ring: South Korean ACs
Inner ring: South Korean non-ACs

Significantly higher / lower than non-ACs

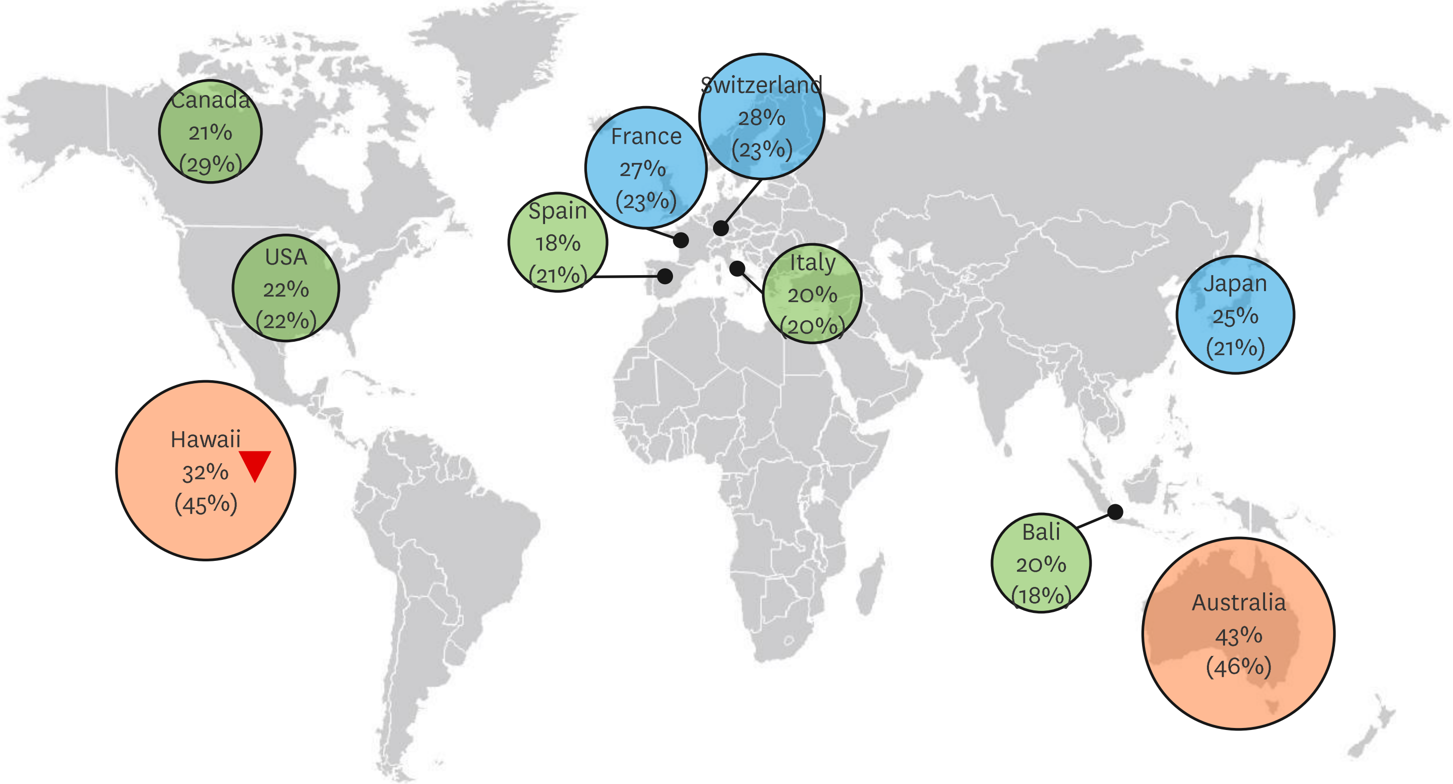
Notes:
1. Sample size: AC n = 501, non-AC n = 2,646
2. Sample size: n = 300

2 How can TNZ drive desirability of New Zealand as a holiday destination?

New Zealand's competitive set remains unchanged with Australia and Hawaii being the top two competitors; however, preference for Hawaii has softened considerably

Top ten competitor set for ACs

% Active Considerers | Q2 FY23



Significantly higher / lower than last wave

Notes:

1. Sample size Q4 FY22 n = 300, Q2 FY23 n = 300

% selected destination in their top five preferred destinations

Q "Aside from New Zealand, what other four destinations make up your top five preferred destinations to visit for a holiday?"

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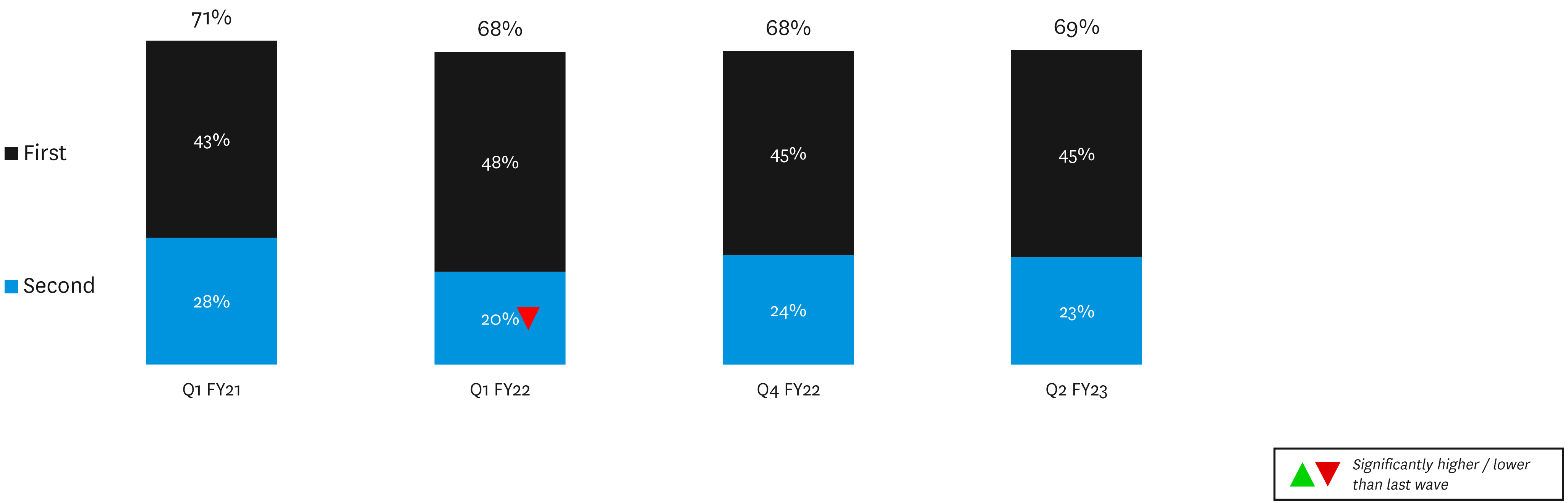
NEW ZEALAND TOURISM

Preference for New Zealand has remained strong and relatively stable over time

Preference KPI South Korea over time

% Active Considerers | Q2 FY23



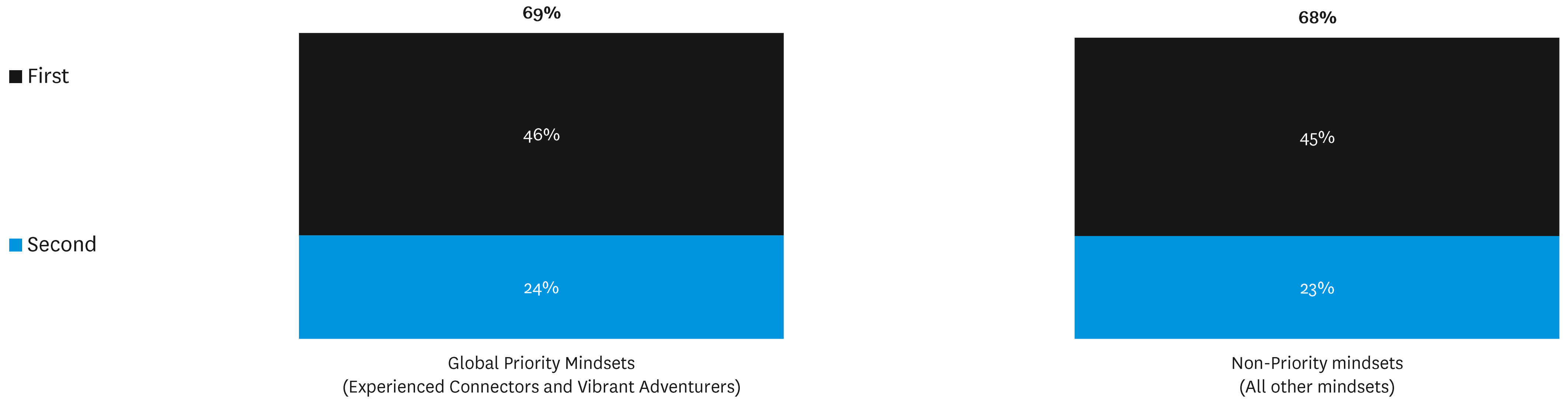
Notes:
1. Sample sizes: ACs Q1 FY21 n = 301 Q1 FY22 n = 300, Q4 FY22 n = 300, Q2 FY23 n = 300

Q "Can you please rank those destinations in order of preference where 1 is your most preferred destination?"

Preference for New Zealand is similar among priority and non-priority mindsets

Preference KPI South Korea

% Priority mindset group I Non-priority group



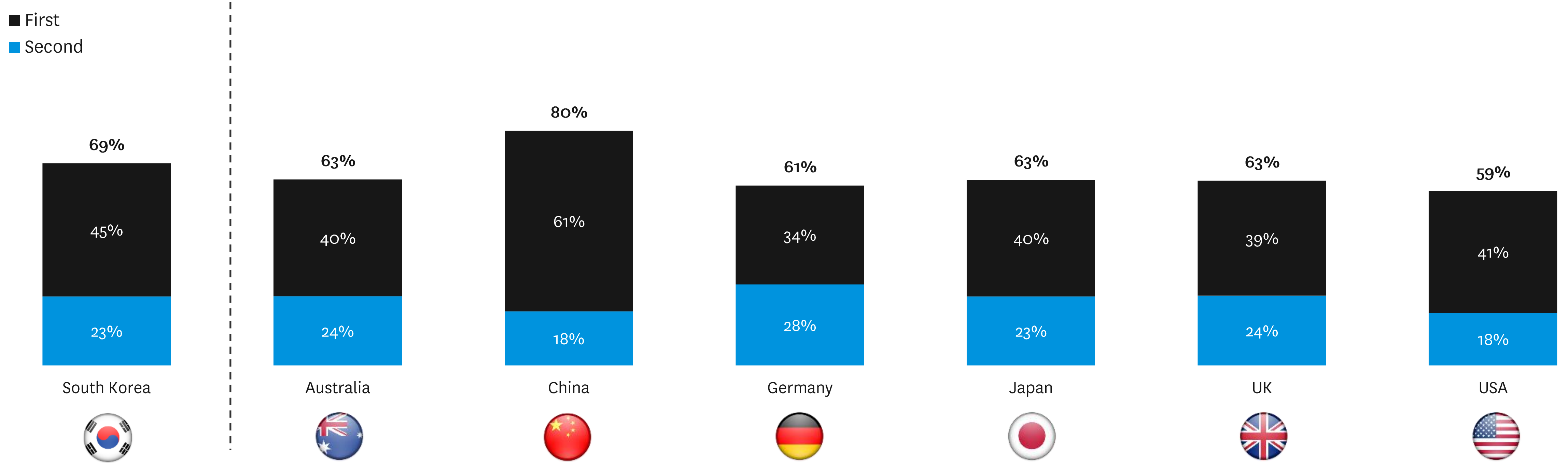
Significantly higher / lower than other group

Sample size: Q2 FY23 Priority Mindset = 64, Non-priority mindset = 236

Levels of preference among South Korean ACs are strong relative to key markets

Preference KPI vs. top six markets

% Active Considerers in market | Q2 FY23



Notes:

1. Sample size: Singapore ACs Q2 FY23 n = 300
2. Source for top 6 markets: AC Monitor | 6MRA | Total Active Considerers | Apr22-Sep22

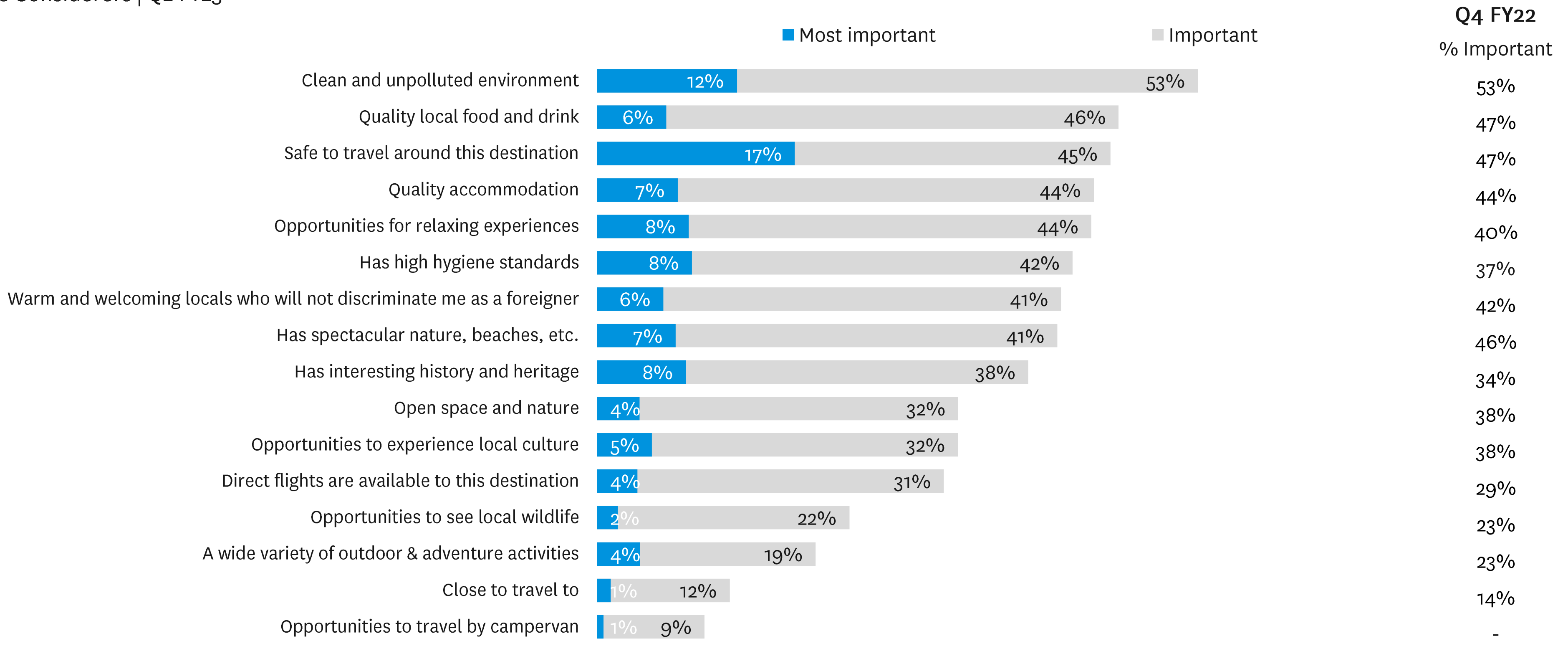
Australia n = 900 | China n = 902 | Germany n = 901 | Japan n = 900 | UK n = 900 | USA n = 899

Q "Can you please rank those destinations in order of preference where 1 is your most preferred destination?"

When choosing their overseas holiday destination, clean environment and safety are the key criteria South Korean ACs look for, followed by relaxing atmosphere and quality food and drink

Likely drivers of overseas holiday destination choice

% Active Considerers | Q2 FY23



Significantly higher / lower than last wave

Notes:
1. Sample size: Q4 FY22 n = 300, Q2 FY23 n = 300

Question: "Which of these destination attributes will you be looking for when choosing your next overseas holiday destination?"
Question: "And which of these attributes would be the most important one?"

New Zealand is in a strong position to leverage it's competitive strengths in being seen as clean and unpolluted and a relaxing stress-free destination, but activity also needs to focus on improving relative perceptions that New Zealand offers a variety of experiences and quality food & wine

Relative brand positioning

Active Considerers | indexed performance, New Zealand and top five competitors, Q2 FY23

Brand associations	New Zealand	Australia	Hawaii	Switzerland	Canada	France
Landscapes & scenery	114	119	104	138	25	61
Safe destination	93	105	86	98	78	137
Embraces visitors	103	91	100	100	77	122
Range of adventure	103	110	107	91	88	92
Clean & unpolluted	123	114	87	137	51	54
Fun & enjoyment	85	99	119	90	91	119
Friendly people	102	100	100	103	71	112
Range of experiences	74	99	79	91	173	124
Unique experiences	96	96	95	126	114	81
Comfortable	103	86	92	126	80	109
Escape the troubles of the world	109	83	131	137	66	59
Relax & refresh	114	76	146	111	52	81
Amazing wildlife experiences	150	164	81	40	56	52
Local culture	98	114	105	62	118	108
Quality food & wine	77	99	107	78	225	69
Affordable activities	89	35	60	32	130	298
Local experiences	107	102	116	68	84	114
Iconic attractions	76	83	72	118	198	105

Actions for TNZ:

More focus is needed on communicating:

- Fun & enjoyment
- Range of experiences
- Quality food & wine
- Iconic attractions

While leveraging our strengths:

- Landscapes & scenery
- Clean & unpolluted
- A place you can escape the troubles of the world
- Relax & refresh
- Amazing wildlife experiences
- Local experiences

NOTES:
Only top drivers are reported by rank as reported in Preference Driver Analysis 2021 (Jul20 – Jun21)

Relative weakness			100			*Relative strength*
Heat map shading is across rows, i.e. compares the six countries on that attribute						

3 How is travel demand and behaviors shaping post-Covid 19?

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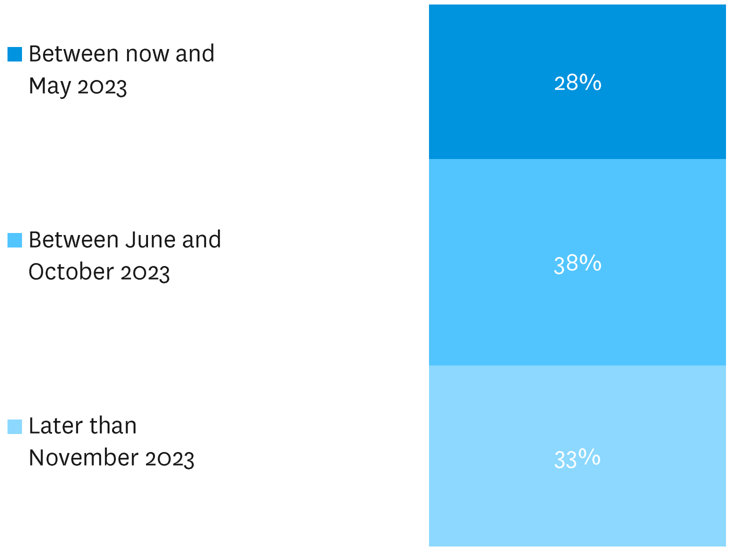
There is a good opportunity to drive immediate arrivals, with 28% of ACs looking to travel to New Zealand between now and May 2023; the booking lead time is fairly short - 56% ACs expecting to book a long-haul holiday less than three months in advance of travelling

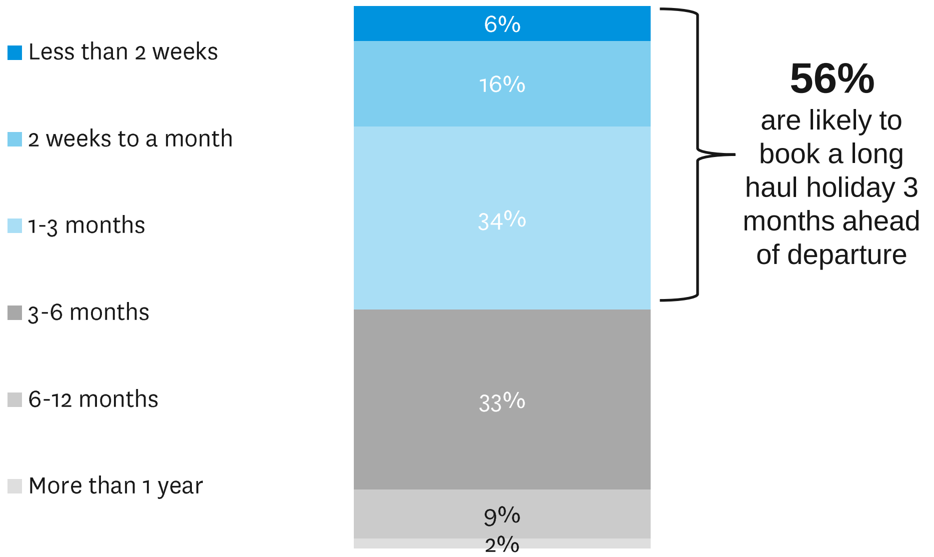
Speed of New Zealand holiday demand recovery

% Active Considerers | Q2 FY23



Lead up time for booking long haul holiday

% Active Considerers | Q2 FY23



Notes:
1. Sample size: Q2 FY23 n = 300

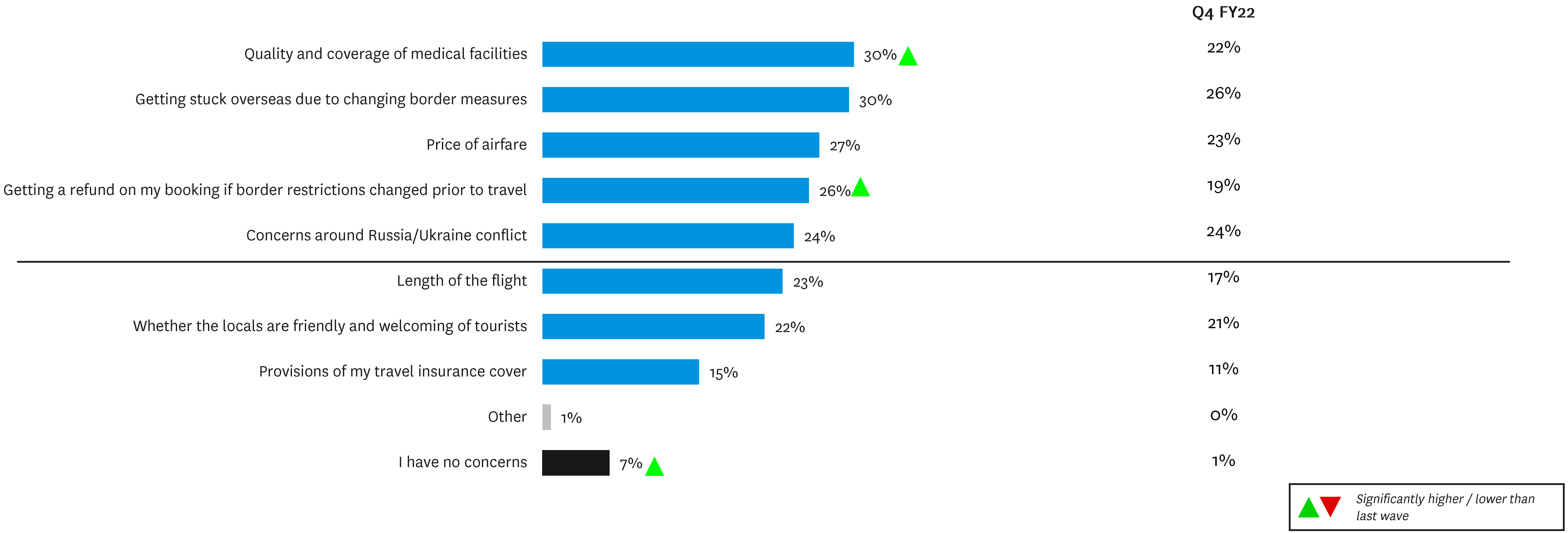
Question: "When do you think you will travel to New Zealand for a holiday?"

Question: "How far in advance would you expect to book a long-haul holiday? By long-haul we mean a flight of 6 hours or more"

South Korean ACs still have strong Covid travel-related concerns; to break down barriers, messaging needs to provide clarity on access to medical treatment and border-closure procedures

Concerns ACs have about travelling internationally

% Active Considerers | Q2 FY23

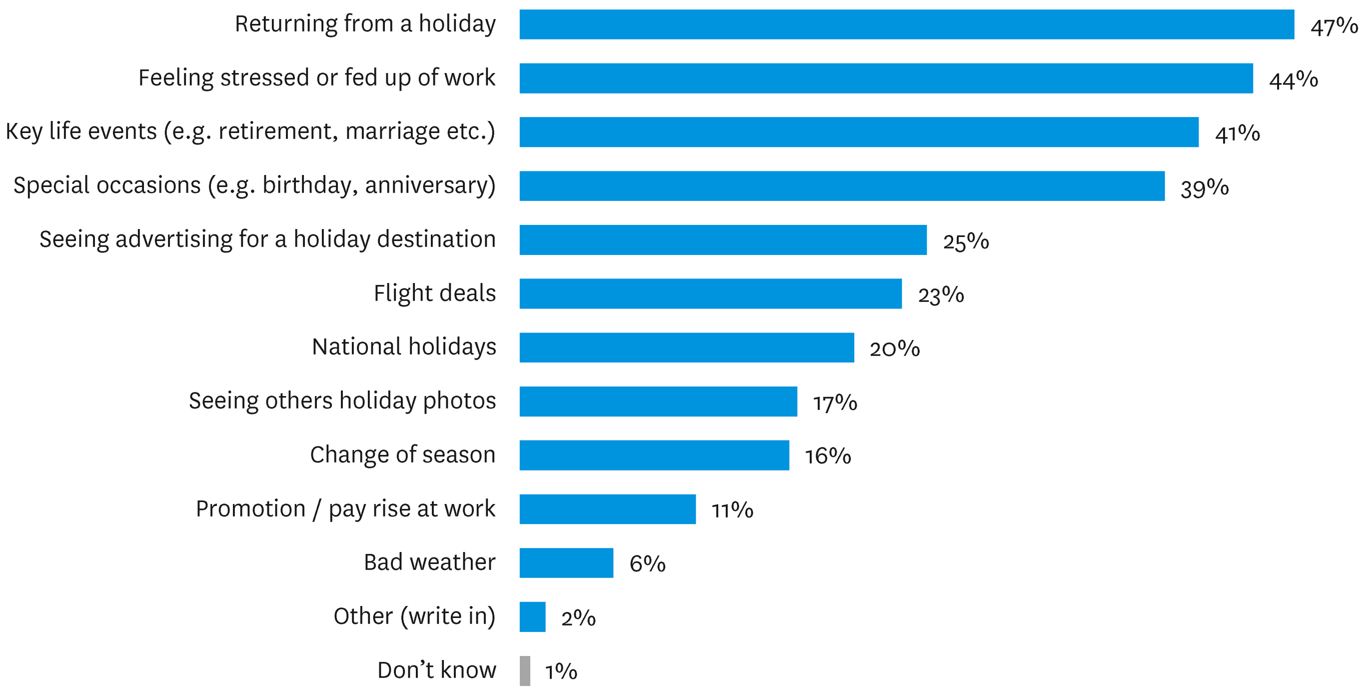


Notes:
1. Sample size: Q4 FY22 n = 300 | Q2 FY23 n = 300
Question: "When it comes to international travel, what are your biggest concerns currently?"

Returning from a holiday and feeling stressed at work are key moments that trigger ACs to think about taking a next holiday – messaging can capture this mindset by highlighting New Zealand as perfect to get away, relax and forget about the stresses of the world

Triggers to take overseas holiday

% Active Considerers | Q2 FY23



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Notes:
1. Sample size: Q2 FY23 n = 300

Question: “Which of the following have prompted you to take an overseas holiday?”

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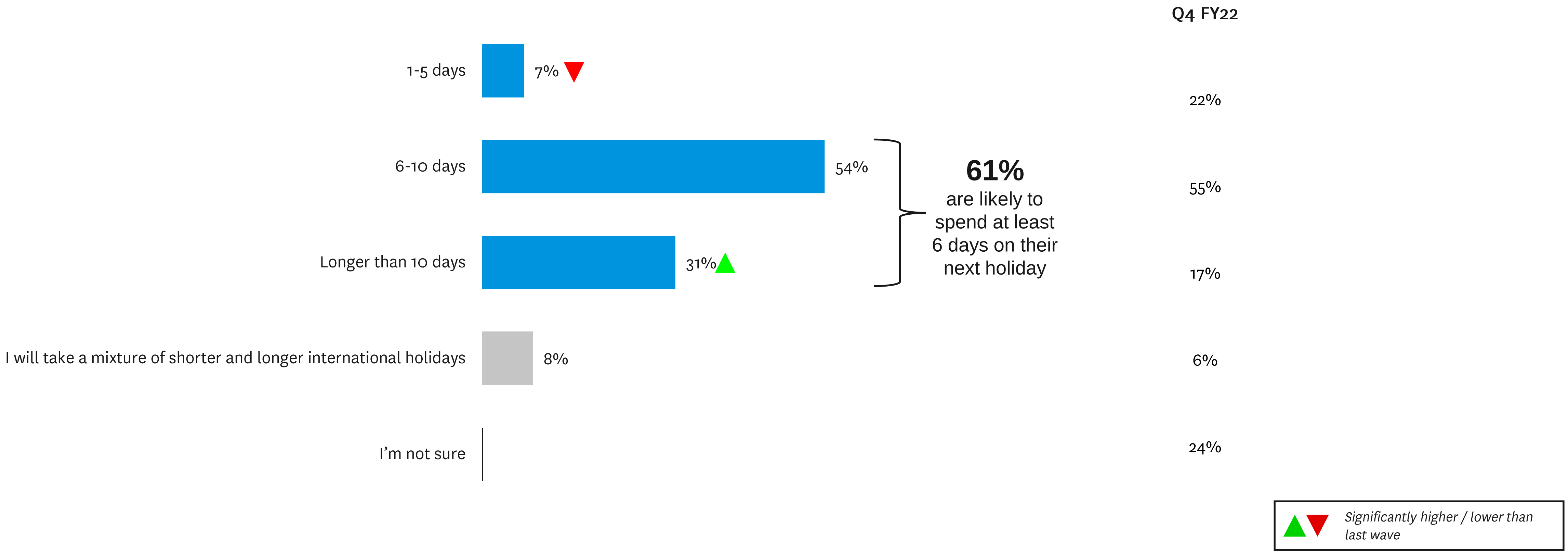
South Korean ACs desire longer overseas holidays, with 31% seeing themselves spending 10 days or longer on upcoming overseas trips

Intended duration of international holidays over the next 2 years

% Active Considerers | Q2 FY23



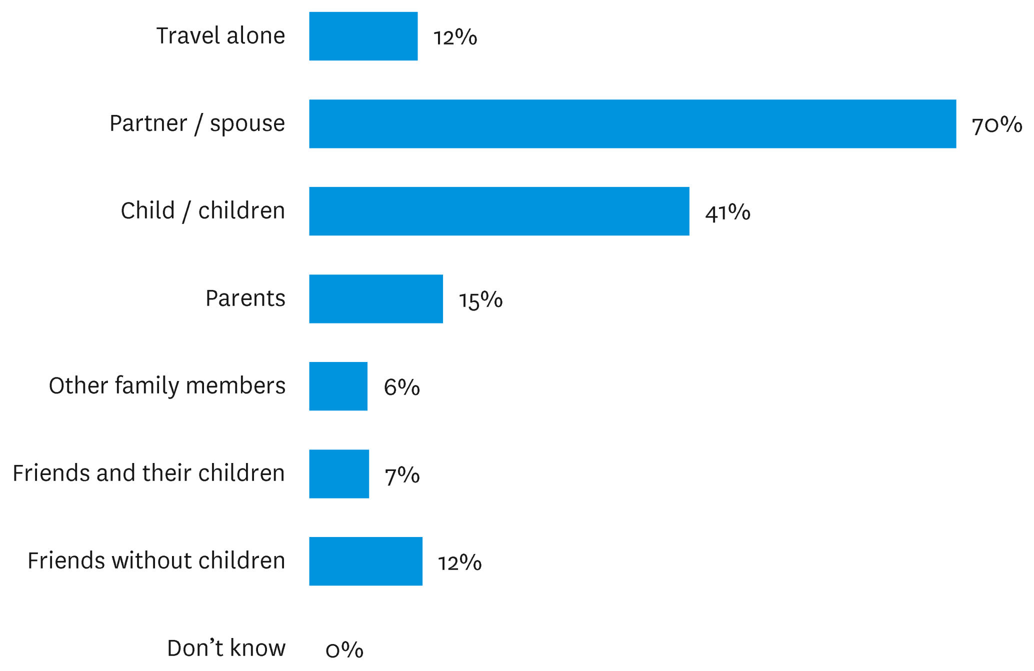
Notes:
1. Sample size: Q4 FY22 n = 300 | Q2 FY23 n = 300

Question: "Thinking about the international holidays you might take over the next 2 years, on average how long do you think each of your holidays will be?"

South Korean ACs are likely to travel with others when taking a long-haul holiday, most commonly a partner and, in many cases, children – messaging should focus on travel with close family

Travel party for long haul overseas holiday

% Active Considerers | Q2 FY23



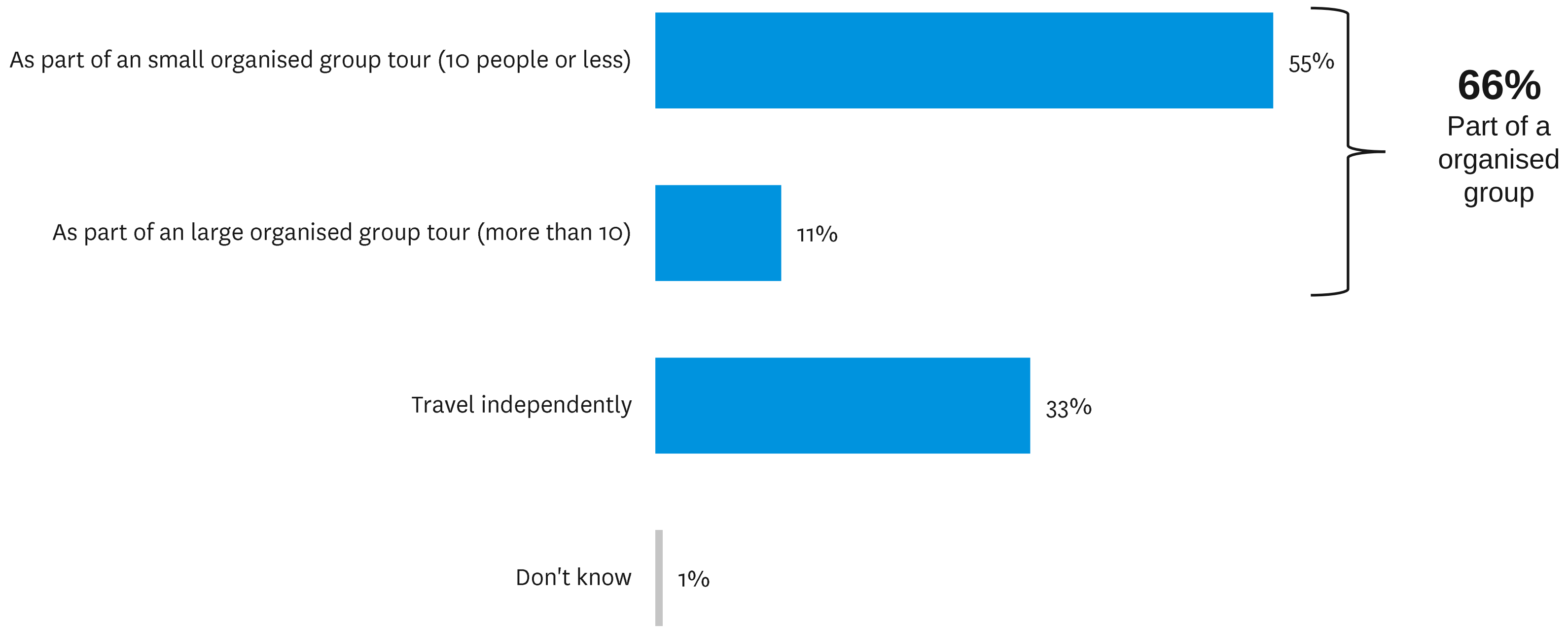
Notes:
1. Sample size: Q2 FY23 n = 300

Question: “When you take your next long-haul overseas holiday, who will you likely to be travelling with? By long-haul we mean a flight of 6 hours or more”

A small group tour is the most popular way to experience an overseas holiday, and only a third of ACs prefer independent travel

Overseas travel preference

% Active Considerers | Q2 FY23



Notes:

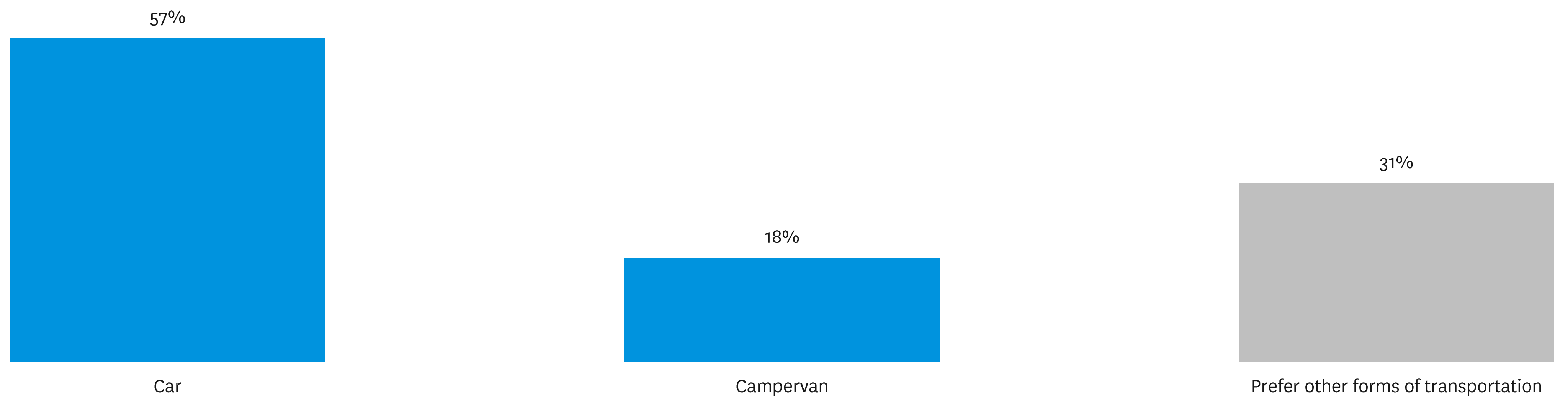
1. Sample size: Q2 FY23 n = 300

Question: "Are you likely to travel as part of an organised group tour?"

ACs likely to choose an independent travel option when in New Zealand would most likely rent a car

Likely mode of transport when on holiday in New Zealand

% Active Considerers likely to travel independently | Q2 FY23



Notes:

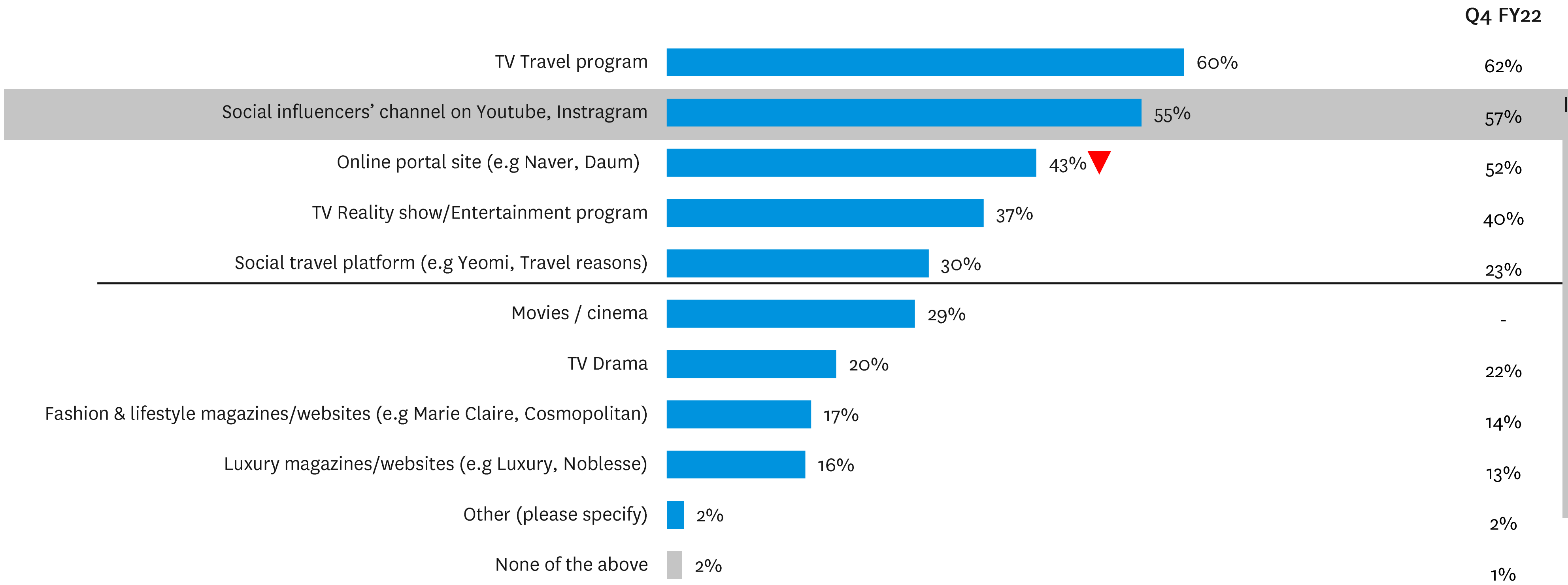
1. Sample size: Q2 FY23 n = 109

Question: "Would you be likely to rent a car or campervan when on holiday in New Zealand??"

ACs get travel inspiration from a wide range of channels, with TV travel programmes and social media influencers offering the best opportunity for TNZ to reach a large proportion of ACs

Channels that influence consideration of a travel destination

Active Considerers | Q2 FY23



Influencers mentioned (unprompted):

Top two:
-빠니보틀 Pani Bottle
-곽튜브KWAKTUBE

Other mentioned:
-여미 YEOMI
-Joe튜브
-민조엥 minjoeng
-영국남자 Korean Englishman
-브루스리tv
-마이리얼트립

Significantly higher / lower than last wave

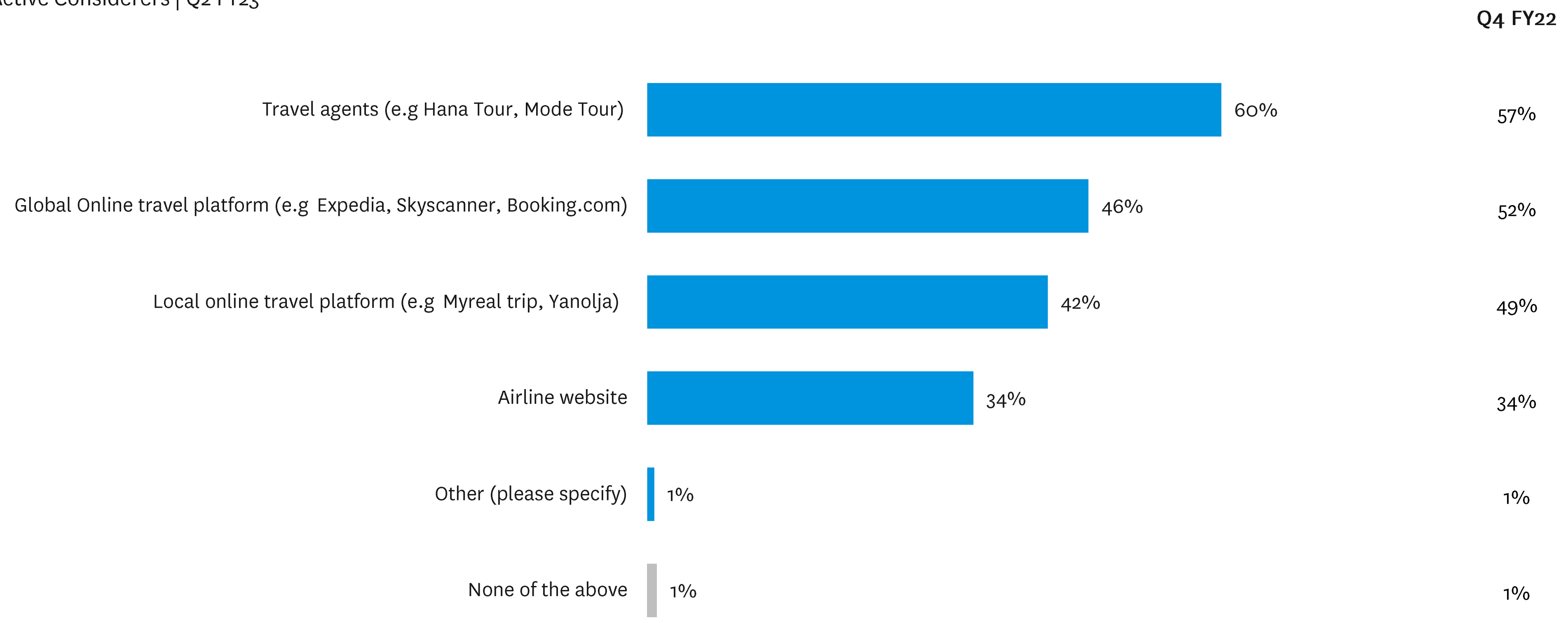
Notes:
1. Sample size: Q4 FY22 n = 300 | Q2 FY23 n = 300

Question: "Which of these media channels influences your consideration of a travel destination?"

60% of ACs book their overseas travel via travel agents, but online travel aggregators are also commonly used – thus, any of these channels would offer good opportunities for trade partnership

Preferred channels used for booking travel

% Active Considerers | Q2 FY23



Significantly higher / lower than last wave

Notes:
1. Sample size: Q4 FY22 n = 300 | Q2 FY23 n = 300

Question: "Which of the below are your preferred channels to book an international holiday?"

4 | Appendix

Full wording for the preference drivers

Wording for the preference drivers

Shorthand	Full wording
Affordable activities	Things to see and do are affordable
Affordable to fly to	It's affordable to fly to this destination
All seasons	Suitable for a holiday all year round
Amazing beaches	Has amazing beaches
Blending in with locals	Ideal for blending in with locals and not being seen as a tourist
Challenging	Ideal for physically and mentally challenging yourself
Clean & unpolluted	The environment there is clean and unpolluted
Comfortable	I'd feel comfortable visiting, despite any cultural differences
Easy to travel around	It's easy to travel around to see and do things
Embraces visitors	A destination that embraces visitors and wants them to enjoy their time there
Excitement	Thinking about visiting makes me feel really excited
Family friendly	Ideal for a family holiday
Friendly people	The locals are friendly and welcoming
Fun & enjoyment	Ideal for having fun and enjoying yourself
History & heritage	Offers opportunities to experience history and heritage
Iconic attractions	Has iconic attractions and landmarks

Shorthand	Full wording
Interesting cities	Has interesting cities to visit
Landscapes & scenery	Spectacular natural landscapes and scenery
Local culture	Offers opportunities to experience local culture
Local experiences	Offers opportunities to experience how it is to live like a local
Place to escape	Ideal for escaping normal daily life
Popular	A popular destination that lots of people want to visit
Quality food & wine	Offers quality local food and wine experiences
Range of adventure	Offers a wide variety of outdoor & adventure activities
Range of experiences	Offers a wide variety of tourist experiences
Relationship with the land	A destination where the people have a special relationship with the land
Relax & refresh	Ideal to relax and refresh
Safe destination	I would feel safe travelling around this destination
See lots without travelling far	Once there, you can see a lot without having to travel far
Unique experiences	Offers experiences that you can't get anywhere else
Unique wildlife	Opportunities to see local wildlife
Working holiday	Ideal for a longer term working holiday

Appendix: brand positioning 'how to'

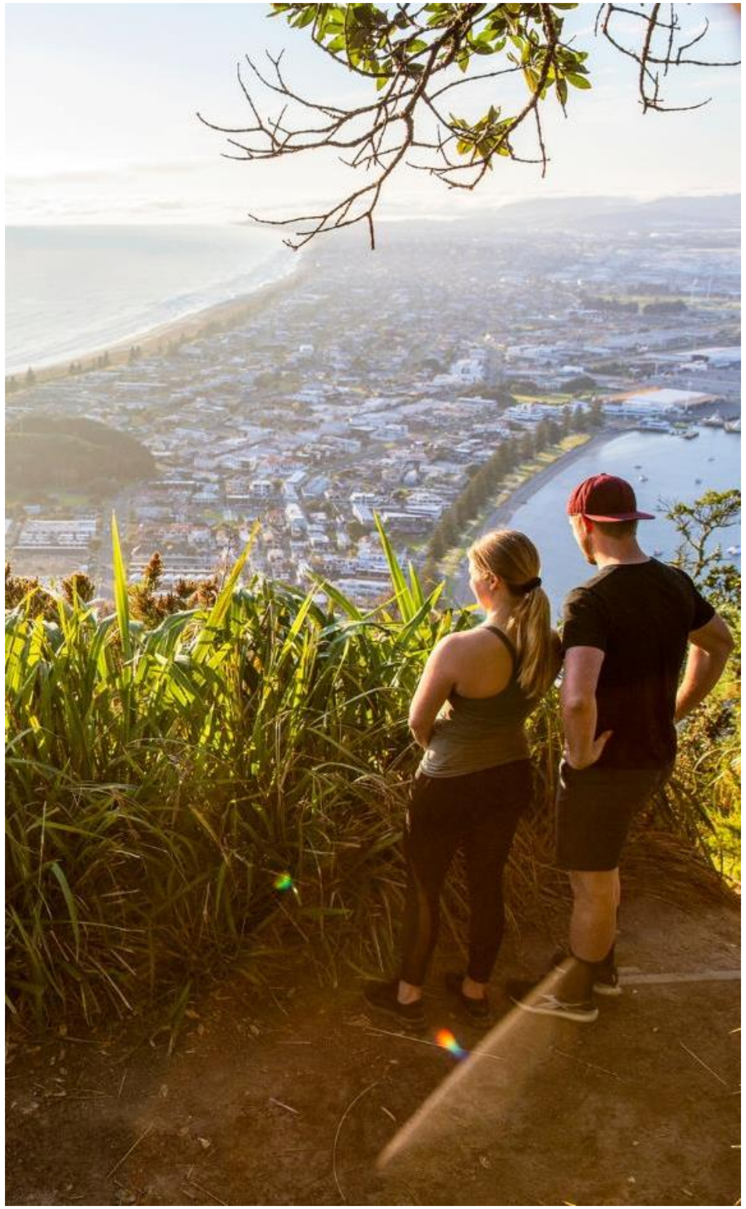
ACs are biased towards New Zealand by design. Because we're already talking to people that really like the idea of visiting New Zealand, New Zealand tends to get rated much more favourably on the brand attributes than competitors do. To better understand relative performance, we need to adjust for this bias and provide an indexed view of performance:

- A score of 100 means performance is in line with expectations after adjusting for bias
- Above 100 indicates a relative strength
- Below 100 indicates a relative weakness

Scores are **relative**, i.e. removing / adding attributes and / or destinations from the analysis would give different scores

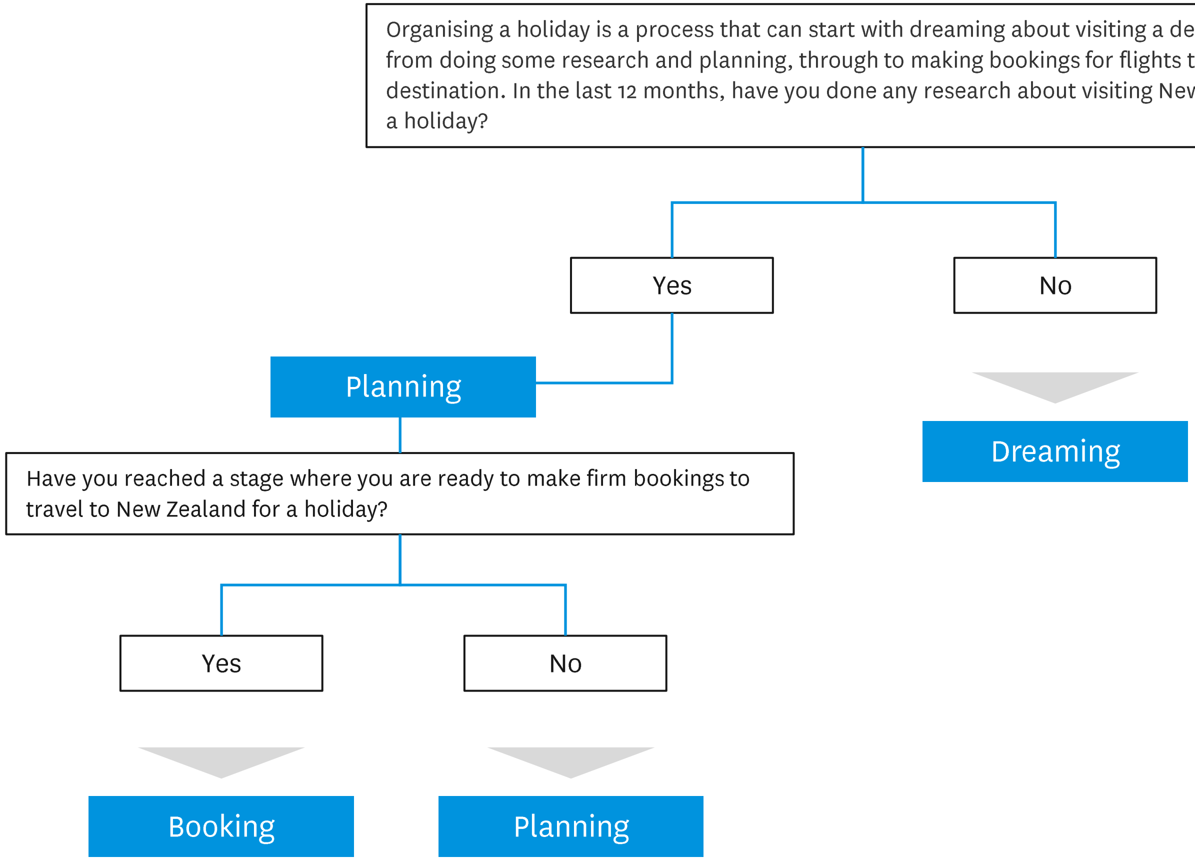
Brand associations	New Zealand	Japan	Australia	Taiwan	South Korea	Thailand
Spectacular natural landscapes and scenery						
The locals are friendly and welcoming						
Ideal to relax and refresh						
I would feel safe travelling around this destination						
Things to see and do are affordable						
Affordable to fly to this destination						

- We look at how a given number of competitors perform on a given number of attributes to derive an index that measures expected performance
- It's key to note that the score is relative – any change to the competitor and / or attribute sets will result in a change in the indices
  - For example, when we look at the top 10 versus when we look at the 12 monitor attributes, the scores reported for those same attributes will be different in each attribute set



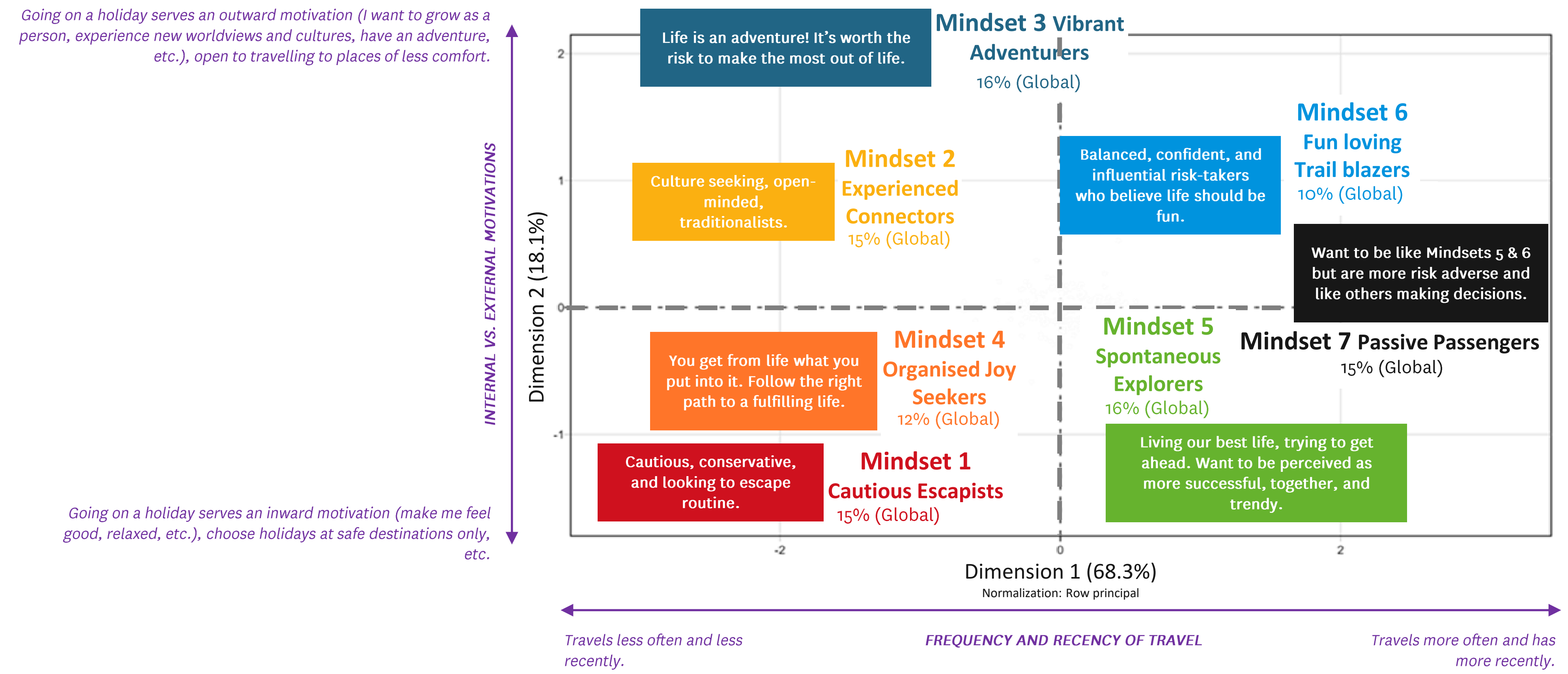
Appendix: Visitor consideration funnel

We ask two questions to determine where someone is in the visitor consideration funnel ...



Mindset Introduction

A Visual Representation



Mindset Introduction

Side by side

Mindset 1 Cautious Escapists	Mindset 2 Experienced Connectors	Mindset 3 Vibrant Adventurers	Mindset 4 Organised Joy Seekers	Mindset 5 Spontaneous Explorers	Mindset 6 Fun Loving Trail Blazers	Mindset 7 Passive Passengers
These cautious close-to-homers avoid taking unnecessary risks in life, like consistency and predictability and letting others lead. They have concerns about safety and worry about the future. They follow rules and are late adopters and value family stability and thrift. Travel is less important, but they travel to escape routine, feel pampered and connect with others and it gives them a sense of rejuvenation, appreciating and excitement.	These open-minded traditionalists like to make their own decisions, support their community and prefer to share credit. They value curiosity, authenticity learning and honesty. They travel for a different worldview, to learn new cultures and experience new things while spending time with others. They're confident travellers who like researching and value experience over money. They'll travel 10 hours plus and 2 + weeks for international holidays and feel grateful and appreciative for travel.	These adventurous risk takers like to make the most out of life. They like experimentation and prefer fun and open-minded, colourful settings and value freedom. Travel has a high importance, and they are motivated by uniqueness, adventure, and a different worldview. They like researching and will spend more to get off the beaten track. They're resilient & will sacrifice other things to travel, seeking less common destinations. Travel makes them feel bold and daring.	These self-reliant planners believe they get from life what they put into it. They avoid unnecessary risk and make their own decisions. Valuing duty, family, knowledge and wealth they like to pamper themselves when travelling and spend time with family and friends. They choose safe destinations, enjoy nature, escaping routine, cuisine and prefer to spectate. While they're less frequent travellers travel gives them joy, rejuvenation, freedom, confidence.	These striving leaders are living their best life, getting ahead and want to be perceived as successful, trendy and important. They value adventure, status, wealth, excitement & romance. They travel to reconnect with self & others, explore nature and a different worldview. They tend to be spontaneous, will do a few shorter trips, avoid sightseeing & like packages and guided tours for ease of travel. Amazement, naughty & quirky are feelings they tap into while traveling.	These balanced, confident achievers are open to risk-taking and experimentation and believe life should be fun. They tend to be influential and value wealth, status, excitement as well as tradition, social responsibility, freedom and loved ones. They travel often and to interesting places to meet people, learn cultures and reconnect with themselves and others. Travel gives them a sense of rejuvenation, joy, boldness and confidence.	These idealistic dreamers want to be like Parrots and Penguins but are more risk-adverse in life and like it when others make decisions for them While they value status and wealth, they prefer consistency. Something of a less-confident traveller, new is not that important, they like travelling locally and do little research or sightseeing. They tend to follow influencers and consult travel agents. They travel to reflect, grow and connect and feel understood.