

KANTAR

Active Considerer (AC) Monitor South Korea (Q1 FY22)

Tourism New Zealand

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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 post-pandemic

BACKGROUND

- Unlike for the top six markets, where monitor data is collected monthly, for South Korea, we take a point-in-time read of the market as Tourism New Zealand (TNZ) requires
- This is the third dip in South Korea, following an understanding of the market landscape in 2017 and a dip last year (Q1 FY21)
- Tourism New Zealand (TNZ) is keen to get an update on the South Korean market to assess the opportunity when borders can open
- Specifically, Tourism New Zealand (TNZ) needs an update of the size and profile of the AC audience in South Korea from the previous dip as well as an understanding of the demand to travel internationally once travel opens up

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 8th – 28th September 2021

Context for the research

Current situation on the ground

69.6% are fully vaccinated and there are 27 daily new cases per million people (seven day average). As of 5/10, high-risk groups were able to book in for booster shots. South Korea has eased restrictions (18/10) as the average number of daily case numbers fell more than 40 per cent in the past two weeks.

Authorities now allow gatherings of up to four unvaccinated people and have eased opening hour restrictions on businesses. South Korea will switch over to a “living with Covid-19” strategy in November when the country reaches 80% fully vaccinated.

South Korea has never gone into full lockdown during the pandemic but it has imposed several stringent curbs on social gatherings. Since July, when the country was hit by its fourth wave of infections, restaurants, cafes, saunas and indoor gyms have been forced to limit their hours of operations, and gatherings with more than two people have been capped after 6pm in and around Seoul.

International developments

South Korea signed its first travel bubble agreement with Saipan in June. The second will be with Singapore from Nov 15 for fully vaccinated travellers.

As of 01 July, certain overseas travellers who had received COVID-19 vaccinations were exempt from Korea's mandatory two week quarantine. The policy, which was previously only applicable to people fully vaccinated in South Korea, applies to Korean citizens, foreign students and travellers visiting for family, business, academic or public interest reasons. Travellers from certain countries with major outbreaks or variants are not exempt from quarantine.

Departure Count

2,276 flights in Sept 2021 vs. 20,681 in Sept 2019 (11% recovery)

Connecting Ports (Airport Pairs)

96 in Sept 2021 vs. 278 in Sept 2019 (35% recovery)

Key insights (page 1 of 2)

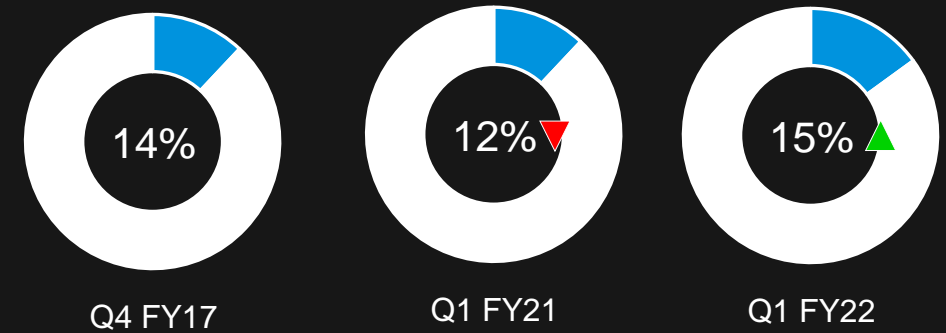


Insight 1

The South Korean market is a compelling opportunity for TNZ with a relatively large pool of 5.3m Active Considerers (ACs) and increasing levels of appeal, consideration and preference for New Zealand despite the recent (and ongoing) Delta outbreak

- The AC incidence has increased back to pre-Covid levels, following the dip to 12% last year
- All qualifying criteria of Active considerer (appeal, consideration and preference) have increased significantly

Incidence of Active Considerers



Key insights (page 2 of 2)



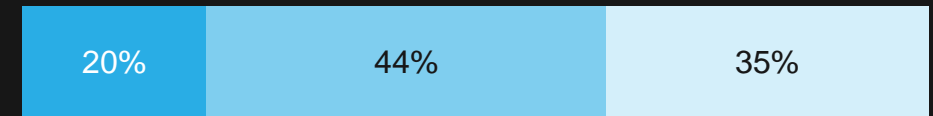
Insight 2

There is a clear advantage to being among the first group of holiday destinations to open a travel bubble with South Korea and to promote Covid safety measures in place

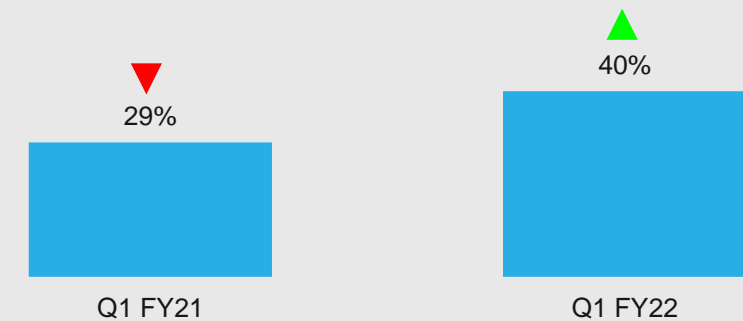
- There is pent up demand to travel internationally, with 35% ACs ready to take a holiday to any destination that would allow travel without restrictions while a further 44% would consider it if it met their needs
- Demand for a holiday in New Zealand is building up, with 40% ACs wanting to travel to New Zealand within 3 months of restrictions being lifted
- ACs will be prioritising destinations with robust safety measures in place

Priority of travel destinations once travel bubbles open up

■ Would prefer to wait until specific destination
■ Might take trip if destination meets holiday needs
■ Ready to take a trip to any destination possible



Desire to travel to NZ within 3 months of ease of travel restrictions



1 Detailed findings



Active Considerer journey funnel – South Korea

These estimates are updated every wave

Total population

51.2m

Online population, 18-74 years of age, in target cities

35.6m

Find New Zealand highly appealing as a holiday destination, and...

Conversion

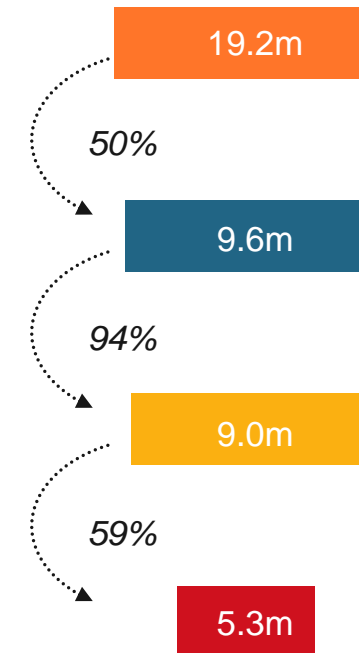
Would seriously consider visiting in the next three years, and...

Conversion

New Zealand is a preferred destination for their next holiday, and...

Conversion

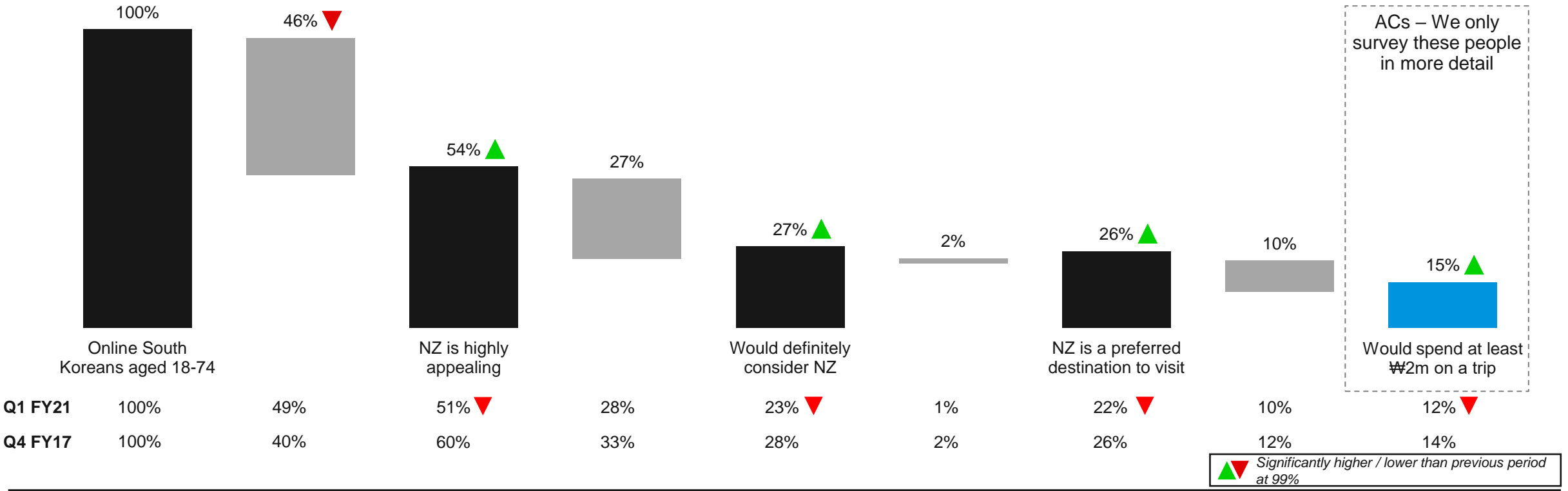
Willing to spend at least NZ\$2m per person on a holiday to New Zealand⁽¹⁾



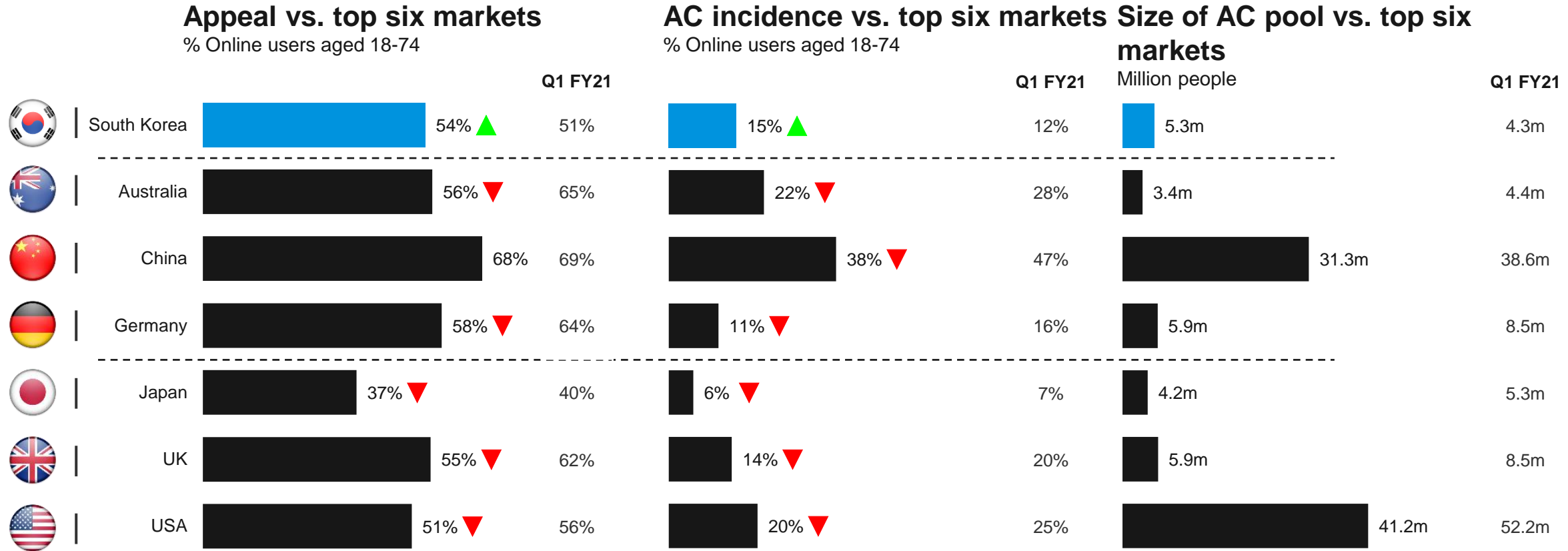
The AC incidence in South Korea has increased to 15% (pre-Covid levels) due to increases in appeal, consideration and preference towards New Zealand in the last year

Qualifying criteria for defining ACs

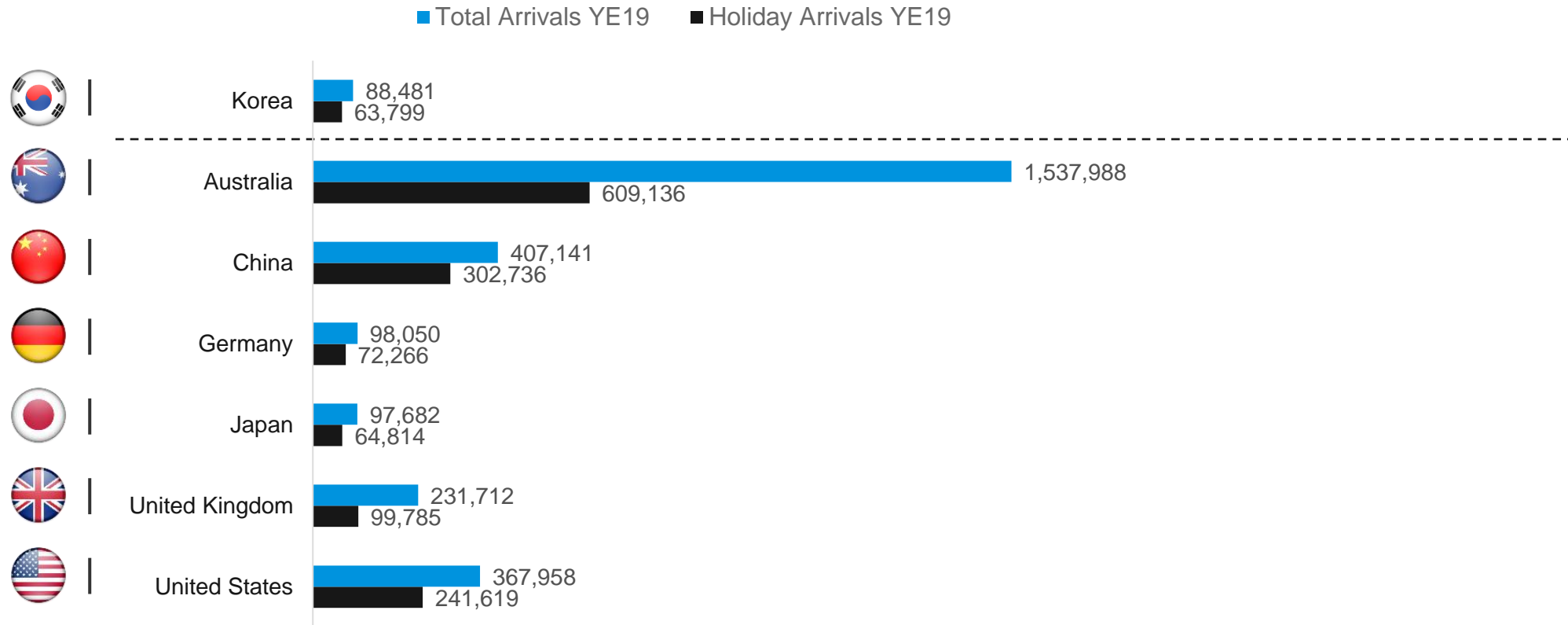
% Online users aged 18-74



With the increased interest in New Zealand among South Koreans, the size of the AC pool in South Korea is now larger than that in Australia and Japan



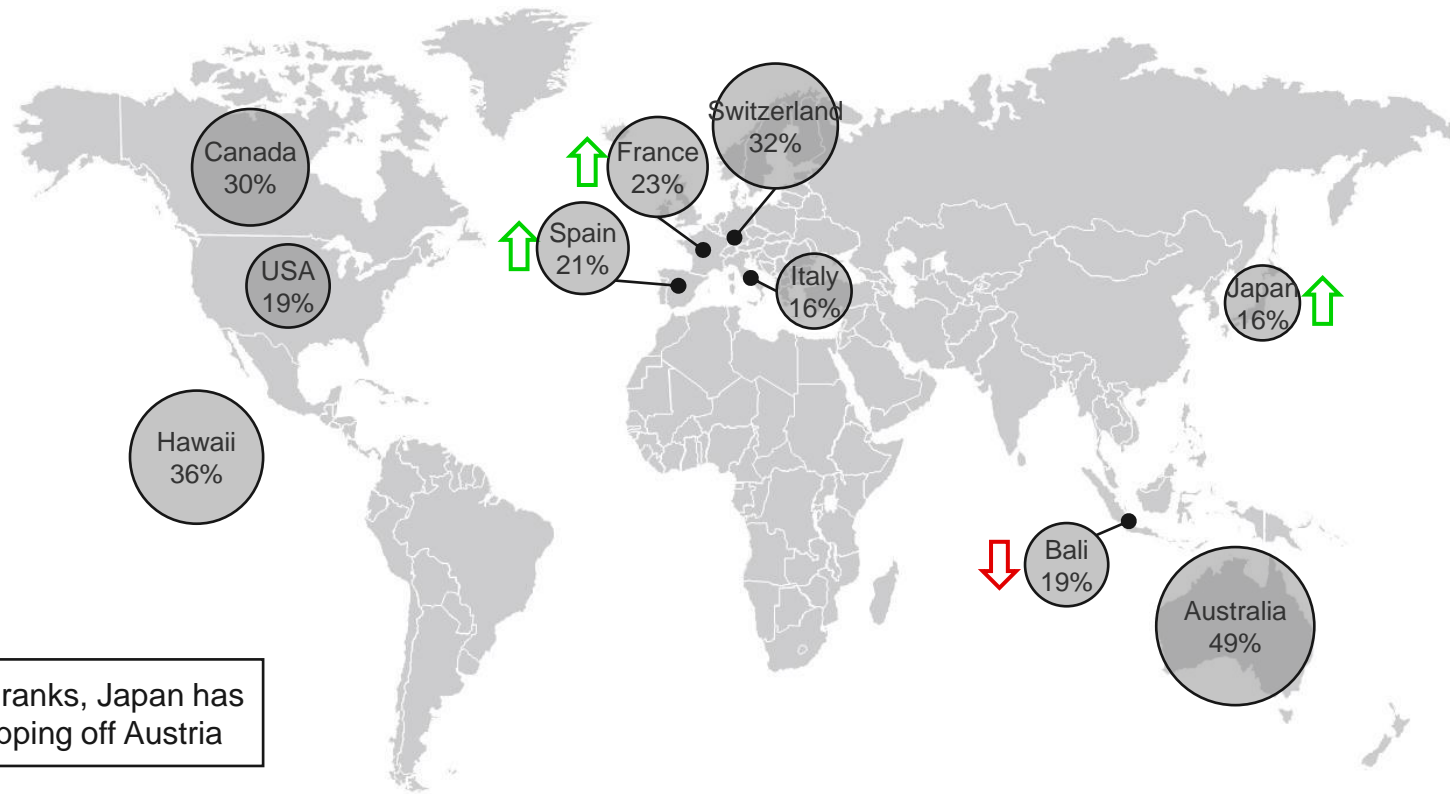
South Korea is not only a sizeable audience of Active Considerers, but volume of actual visitation is comparable with Germany and Japan from our top six markets



Australia and Hawaii remain New Zealand's key competitors, but there has been increased interest in France, Italy and Japan

Top ten competitor set for ACs

% AC, Q1 FY22



France has moved up two ranks, Japan has risen to top 10, while dropping off Austria

↑ ↓ Change in rank by at least two places compared to last wave

There is pent up demand to travel internationally, with 80% of ACs saying they'd consider alternative destinations outside of their priority list – an implication if NZ border opening lags significantly

Priority of travel destinations once travel bubbles open up

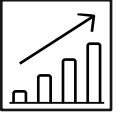
% Active Considerers



Top box preference for New Zealand has increased slightly to 48%

Preference KPI for New Zealand

% AC



■ First ■ Second

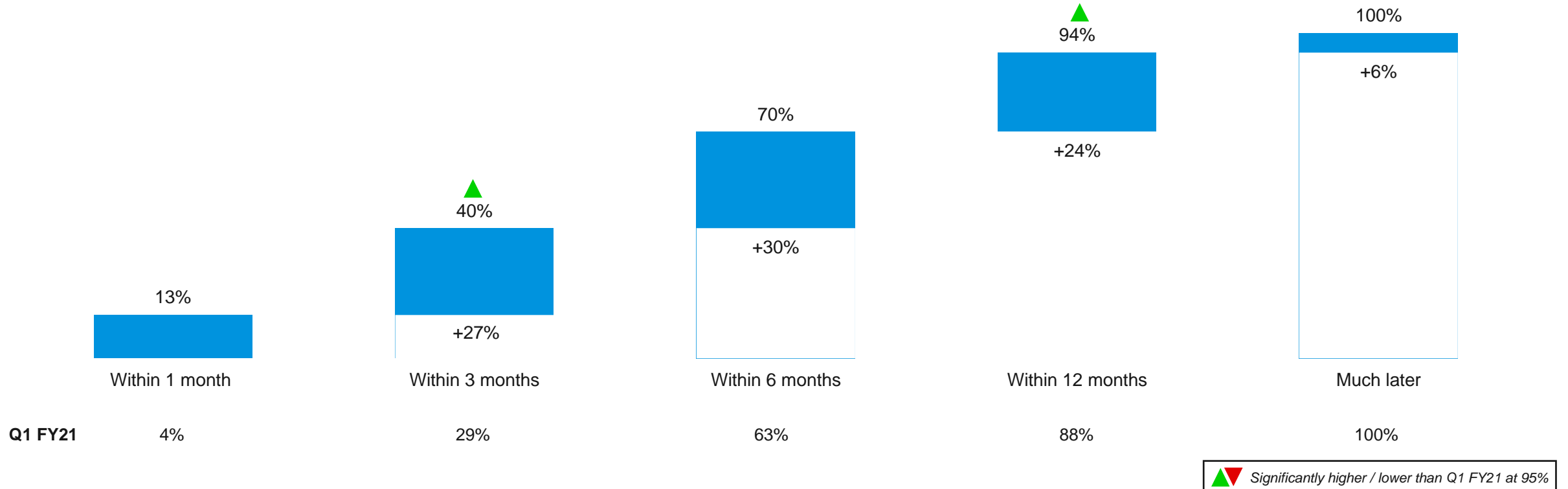


▲ ▼ Significantly higher / lower than Q4 FY17 at 95%

Demand for a holiday in New Zealand is building up, with more ACs wanting to travel sooner than they did compared to a year ago

Speed of New Zealand holiday demand recovery after restrictions are lifted

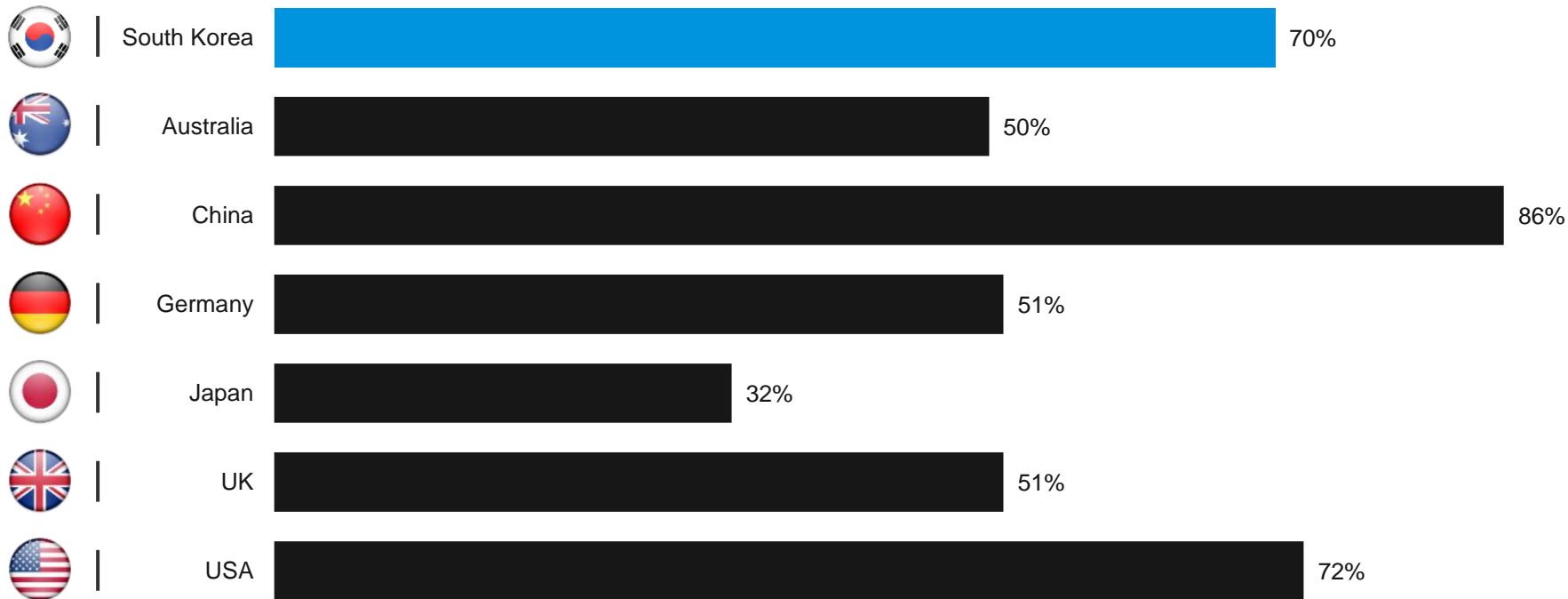
% AC | Q1 FY22



Once New Zealand's borders open, levels of demand to travel are likely to be higher among South Korean ACs than those of many other markets

New Zealand holiday demand recovery within six months vs. top six markets

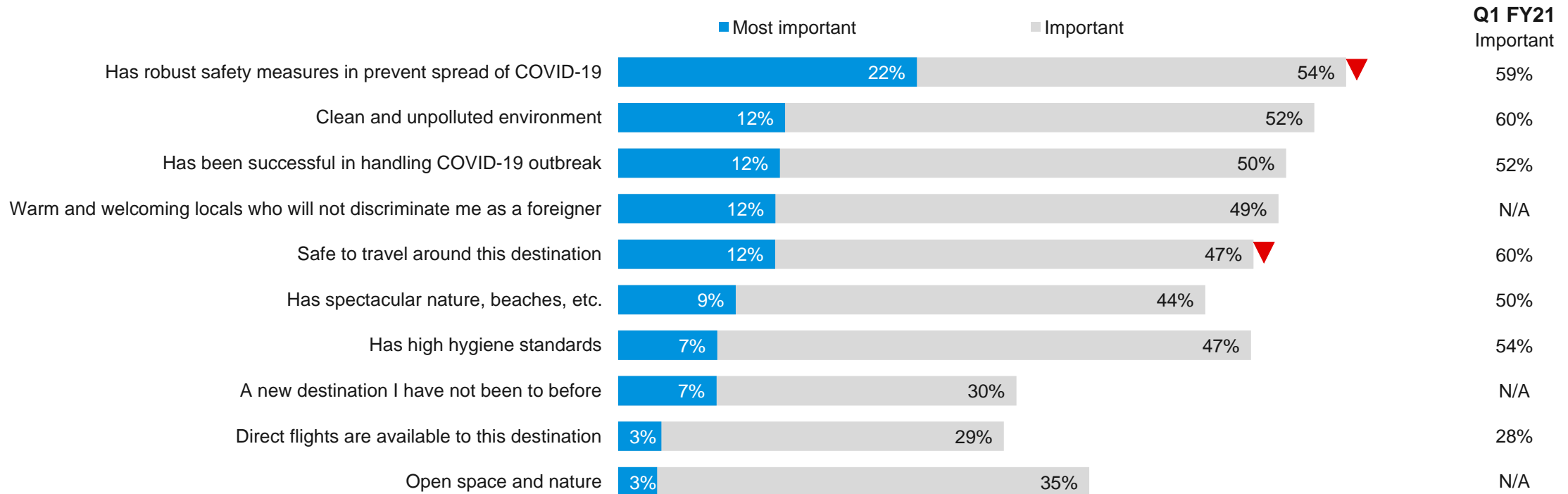
% AC | Q1 FY22 for South Korea



Once travel is resumed, ACs will be looking for destinations with robust safety measures in place, while direct flights and open spaces are less likely to influence their decision

Likely drivers of overseas holiday destination choice, after travel restrictions are lifted

% AC | Q1 FY22



2 Appendix

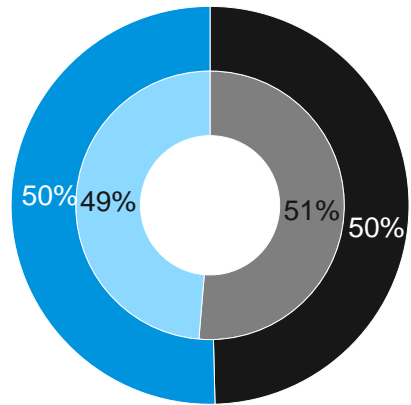


Within the Active Considerer base, gender split is 50/50, and one in four live in Seoul

Profile of AC segments

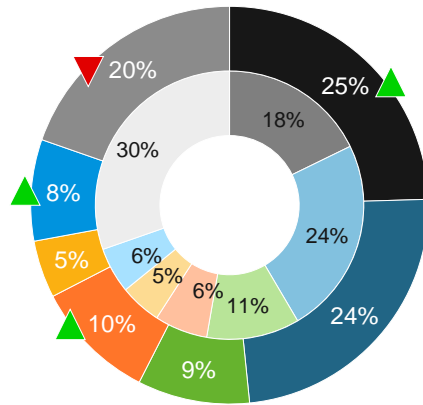
% AC | % Non-AC

By gender⁽¹⁾



■ Male ■ Female

By region⁽¹⁾



■ Seoul ■ Daegu
 ■ Gyeonggi ■ Incheon
 ■ Gyeongsangnam ■ Elsewhere
 ■ Busan

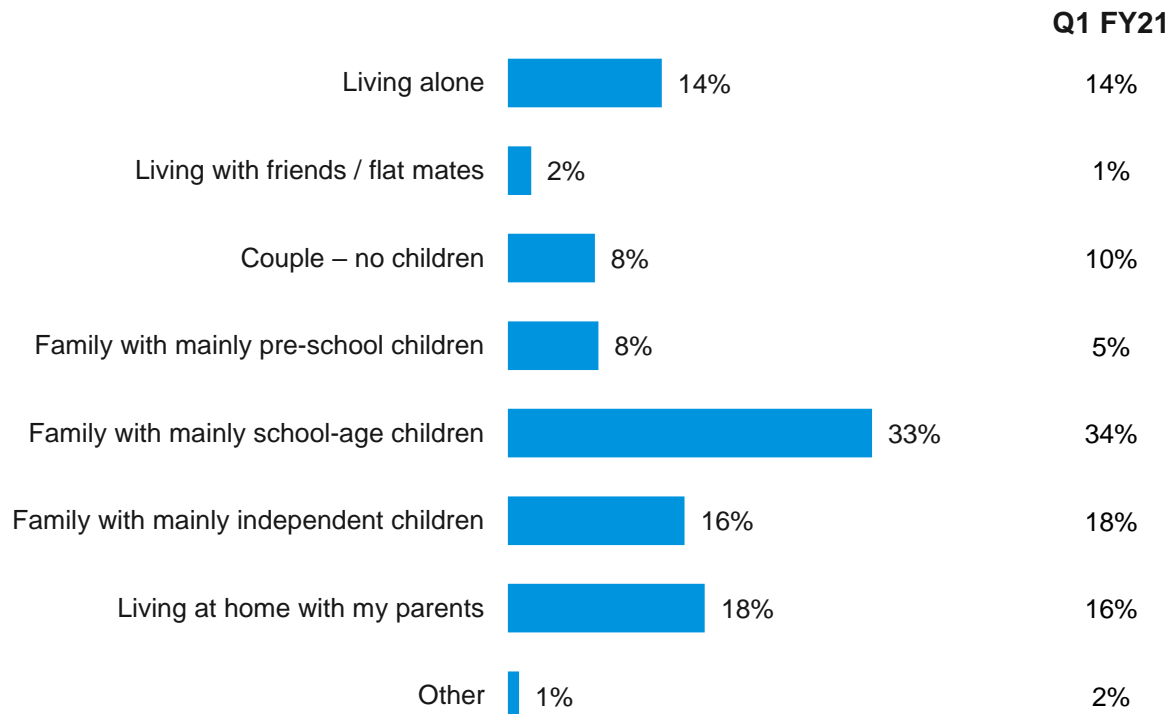
Outer ring: South Korean ACs
 Inner ring: South Korean non-ACs

▲ ▼ Significantly higher / lower than non-ACs at 95%

Household composition, and employment status remains consistent over time, with large proportions of ACs with family with young kids

Household composition

% Active Considerers



Employment status

% Active Considerers

