

Tourism Industry Struggling but New Strategy on the Way

The data show that 2015 was not the best year for the South Korean tourism industry, with the MERS outbreak forcing a lot of travelers to stay away. To make matters worse, the Asian region saw a clear shift in incoming tourism as Japan welcomed more international travelers due to a simplistic visa system and a great exchange rate on the yen.



As a result, the number of international visitors to the country saw a 6.8% on-year decline down to 13.23 million. This was the first decline in 12 years. Until now, the country had been experiencing a boom as Asia's fourth-largest economy and was a prime destination for K-pop fans and shoppers.

Tourism industry officials in South Korea are hopeful that 2016 will be greatly different. The problems of the Middle Eastern Respiratory Syndrome are behind them, but there are still a number of issues that they feel need to be addressed in order to improve the tourist numbers and revenue. The aim is to bring in 16.5 million inbound visitors along in 2016, with the additional hope of increasing this to 20 million in 2017. To do this, they are cracking down on poor quality package tours and encouraging visitors with new incentives.

Tourists have long been drawn by shopping and Korean culture, and officials now want to capitalize upon that.

International travelers have a clear fondness for Seoul because of the great shopping opportunities. Duty free goods and department stores are easy to come by. Foreign travelers contributed 10.4 trillion won (US\$9.02 billion) to the economy in 2015 with credit card transactions. While 1.6% of that related to tourism and leisure programs, more than half related to shopping. This is still a significant amount of money in a country with a tourism industry decline, so shoppers are a key target for future plans.



As for the Korean culture, there are a number of new resorts planned that aim to bring foreign viewers closer to the locations of their favorite Korean soaps. A former US military camp in Paju, home to the series "Descendants of the Sun," is set to be redeveloped and there are also plans to regenerate the former mining cities of Taebaek and Jeongseon, which are also featured, into tourist destinations.

This would not be the first time that tourism companies cashed in on television success stories. China's Aolan International Beauty Group recently sent 6,500 employees and customers to Incheon and Seoul. The trip included tours of filming locations of "My Love from the Star". If this many Chinese visitors can come over for a soap opera now off the air, there is clearly money to be made here.

This also involves some infrastructural improvements to help tourists get around. It is vital that tourists are able to get around to see all these sites and negotiate the cities. This is where the new K-travel bus comes in. This inter-city service is designed to connect major destinations and attractions across the country. An interesting development here is the idea of the tour package. For between US\$150–170, the visitors can embark on a two-day trip where all travel, lodging and admission fees are free. There is even an English speaking guide to help. This new initiative sounds brilliant for international travelers, but the tourism ministry need to be careful about quality following the recent incidents.



New package holidays and incentives are all about quality and revenue. One of the additional problems that has been uncovered by the Ministry of Culture is the widespread creation and promotion of what they deem to be substandard packages. They have dealt with a total of 9,311 cases since the beginning of 2014 and efforts have increased as complaints have risen. 6,175 of those cases occurred in the past year.

One of the main culprits were tour operators targeting the Chinese market with cheap, unacceptable tours with poor quality packages and unqualified guides. 68 such operators have had their licenses revoked in the past month. There is a clear need to clear out the bad operators giving the South Korean tourism industry a bad name and to overhaul the system.

The ministry is certain that it will be able to work with industry officials, tour operators and other businesses in order to provide that much needed upgrade to the tourism industry. They believe that the national image is at stake here and, with quality packages, better infrastructure and new opportunities, they will be back in form as a competitive Asian tourist destination.

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