

YANOLJA RESEARCH INSIGHTS

# South Korea's Global Tourist Attraction Strategy



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# South Korea's Global Tourist Attraction Strategy

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The necessity for South Korea to become a global tourism powerhouse has been discussed numerous times in previous Yanolja Research Insights. This insight aims to present the core strategies that South Korea must consider to leap forward as a tourism powerhouse in 2025.

The most critical aspect of revitalizing inbound tourism is establishing South Korea as an attractive and unique tourist destination in the hearts of people worldwide. To achieve this, a national-level branding strategy is indispensable. Government-led, consistent branding efforts not only improve the country's image but also enhance its appeal as a travel destination. Although the results of such initiatives may not be immediately evident, the central government is ultimately responsible for leading national inbound tourism marketing activities, including branding. It should devise long-term marketing strategies and work with various stakeholders—ministries, local governments, and domestic and international private companies—to execute coherent and integrated branding efforts. Only through such a comprehensive approach can we anticipate positive

## A Look at Nationally-Led Tourism Branding Strategies Through International Examples

Success stories from leading tourism nations clearly demonstrate the critical role of government-led branding strategies. These countries directly select priority nations for tourist attraction, conduct in-depth analyses of the target countries' economic, social, and cultural environments, and then develop meticulously prepared strategies based on these analyses. Subsequently, detailed implementation plans are formulated in accordance with these strategies, and tasks are executed concretely while maintaining a consistent direction. This is similar to the process of formulating a business strategy for a successful company. If we consider a nation as a company, tourism can be considered the tangible and intangible goods and services that we aim to sell.

For example, the US's "Brand USA" is an independent organization responsible for national marketing and branding related to tourism, with the goal of revitalizing the US tourism industry. In 2012, Brand USA published a report titled "<China, Office of Travel and Tourism Industry>" targeting Chinese tourists, providing detailed analyses of Chinese people's travel tendencies, tourism preferences, and methods of obtaining tourism information. Subsequently, in 2014, they announced a concrete implementation plan for attracting Chinese tourists through a report titled "<2014 Fiscal Year Brand USA Business Plan for China>". This plan included customized advertising strategies to promote specific tourist attractions within the US, as well as online and offline media campaigns. This case demonstrates the necessity of national-level branding and marketing strategies to maintain competitiveness in the global tourism market, particularly emphasizing the importance of deeply understanding the cultural, economic, and social characteristics of key target countries. Government-led marketing strategies for activating inbound tourism should be established based on differentiated,

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detailed, and specific analyses for each target country. Instead of using a general approach, it is crucial to thoroughly understand the characteristics and needs of tourists from each country and to concretize a customized value proposition based on this understanding. To this end, after selecting key target countries, it is necessary to identify the preferences and demands of tourists from those countries and to design specific strategies and implementation tasks based on this information.

For instance, the EU has been publishing reports analyzing target countries and their competing tourist destinations, using these insights to develop strategies for attracting tourists. These reports include in-depth analyses of markets such as China, Japan, Brazil, Canada, Russia, and the United States, comparing and contrasting factors like key customer needs, preferred tourism styles, information gathering methods, and the activities of major competitors. By following this process, the EU has demonstrated that it is possible to develop sophisticated strategies that not only attract tourists but also establish a competitive edge in the market.

#### **EU의 Marketing Strategies for Tourism Destinations. Target Market: China**

Category	Content
China's Outbound Travel Market	<ul style="list-style-type: none"> <li>• Large and rapidly growing market</li> <li>• China's tourism industry in Europe</li> <li>• Characteristics of Chinese travelers</li> <li>• Growth drivers</li> <li>• Strategies for successful tourist destinations</li> </ul>
Travel Destinations in the Chinese Market	<ul style="list-style-type: none"> <li>• Visa requirements</li> <li>• Flight availability</li> <li>• Political, economic, and sociocultural connections</li> <li>• Customer reviews</li> </ul>
Key Competitors for Europe in the Chinese Market	<ul style="list-style-type: none"> <li>• Destination Marketing Organizations (DMO)</li> <li>• Australia, South Korea, Malaysia, New Zealand, Russia, Thailand, and the United States</li> </ul>
Marketing Strategies of Competitor Countries	<ul style="list-style-type: none"> <li>• Australia's marketing strategy targeting Chinese travelers</li> <li>• The United States' marketing strategy targeting Chinese travelers</li> </ul>
Key Elements of Marketing in China	<ul style="list-style-type: none"> <li>• Market awareness</li> <li>• Marketing performance and opportunities</li> </ul>

Source: EU

Furthermore, Australia's Tourism Australia-China 2020 Strategic Plan provides an excellent example of a customized approach to attracting Chinese tourists. Launched in 2011, this plan comprehensively analyzed Australia's strengths and potential within the Chinese market. It incorporated tailored marketing strategies and implementation plans based on the needs and behaviors of Chinese tourists. For instance, by analyzing data on preferred tourist destinations, expected service quality, and information-seeking behaviors of Chinese tourists, Australia implemented localized promotions and service improvement strategies. These initiatives were continuously evaluated, and improvements were made based on the results.

Japan also offers a prime example of developing and implementing differentiated tourism strategies at a national level. In its "New Tourism Strategy for Revitalizing Japan's Economy" announced in 2016, Japan set a second vision to foster the

tourism industry as a globally competitive sector. This vision identified the United States, Europe, and Australia as key target regions and detailed specific activities aimed at tourists from these areas. For example, in the US market, campaigns highlighted Japan's unique culture and natural landscapes, while in Europe, the focus was on the fusion of traditional and modern Japanese lifestyles. Additionally, for the Australian market, Japan developed travel products themed around its four seasons and actively promoted these in collaboration with local travel agencies.



Such customized strategies tailored to different countries are essential for strengthening competitiveness in the global tourism market. To satisfy the diverse needs and expectations of tourists from various countries, differentiated strategies based on specific analyses and data for each target country are necessary. For instance, while Chinese tourists tend to prefer large group tours and premium shopping, European tourists are more interested in cultural and historical experiences. Only strategies that reflect these characteristics can effectively meet the needs of tourists from different countries.

In other words, to achieve its goal of activating inbound tourism, South Korea must implement a national branding strategy while focusing on designing differentiated marketing strategies and execution tasks for each country. To this end, the government should systematically and sustainably execute customized marketing strategies for target countries. When these efforts are effectively carried out, South Korea will be able to secure a strong competitive position in the global tourism market.

### Collaboration Strategies with Overseas Businesses in National-Level Marketing

In national-level marketing targeting other countries, relying solely on domestic networks is insufficient. To secure a competitive edge in the international tourism market, it is essential to establish collaborative systems with various business partners in the target country, including government, local governments, tourism organizations, and private sector entities. This collaboration extends beyond mere information sharing or operational cooperation; it serves as the foundation for developing customized marketing strategies based on a thorough understanding of the target country's consumer characteristics. In other words, a comprehensive approach is required to effectively reach potential tourists through localized promotion and branding.

In particular, implementing specific localization strategies in collaboration with airlines, travel agencies, platform companies, and media outlets in the target country can yield more tangible results. For instance, expanding direct flight routes to specific tourist destinations or offering discounts in collaboration with local airlines can directly influence tourist attraction. Additionally, providing training to local travel agency staff about the attractions of Korean tourism and supporting them in directly selling products can effectively expand the touchpoints with local consumers. This goes beyond simply promoting products and plays a crucial role in establishing Korea's tourism strengths in the local market. In this process, significant investment from the central government or local governments is necessary to provide incentives to airlines, local travel agencies, and others. There is no more immediate way to increase the number of tourists visiting Korea than through incentives. Japan provides a case to benchmark, where local governments have successfully attracted inbound tourists through incentive systems for local travel agencies, airlines, and visitors.

Moreover, Australia's "Tourism Australia-China 2020 Strategic Plan" is a prime example of how important collaboration with overseas businesses is in national-level marketing. With the goal of revitalizing Australian tourism in the Chinese market, this plan, launched in 2011, comprehensively analyzed Australia's strengths and potential in the Chinese market and implemented tailored marketing strategies and execution plans based on the needs and behaviors of Chinese tourists. Notably, it collaborated with local Chinese airlines to expand convenient flight routes to

### Tourism Australia China 2020 Strategic Plan

Action	Content
Establishing a Chinese Tourism Website	With the support of local governments, consultations were conducted with Chinese consumer groups. This feedback was applied to create and operate a website that posts tourism content reflecting trends, in connection with Chinese social media platforms.
Partnership Marketing with Chinese Provincial Governments, Local Tourism Organizations, Airlines, Travel Agencies, and Financial Institutions	Collaborated with major private channels such as China Southern Airlines, Air China, UnionPay, and China Travel Service, alongside government organizations, to implement marketing campaigns. These efforts reached 22 million Chinese consumers.
Travel Agency Training through Collaboration with Chinese Regional Tourism Boards	According to a strategy report, the local insight emphasized that "Travel Agents are Key." Based on this, educational programs on Australian tourism were provided to over 4,700 local travel agencies.

Source: Australia Government

Australia and developed customized travel packages. Additionally, by conducting training programs for Chinese travel agency staff, they deeply introduced Australia's major tourist destinations and travel experiences, enhancing their ability to effectively sell tourism products locally. This collaboration went beyond a simple marketing campaign, leading to localized strategies and execution, ultimately strengthening Australia's tourism image and branding.

National-level marketing cannot succeed solely through the efforts of private companies. To secure a competitive edge in the international tourism market, governments must play a central role in coordinating cooperation between domestic and foreign companies and providing long-term, consistent direction. To this end, it is crucial to establish a collaborative system that organically combines the capabilities of domestic companies with overseas networks. This collaborative system should be structured to allow successful cases from one country to be expanded to others. Through this, systematic strategies for developing and expanding overseas markets can be implemented, laying the foundation for strengthening the tourism industry in the long term.

Ultimately, to enhance South Korea's competitiveness in the global tourism market, it is necessary to strengthen international cooperation networks based on partnerships with overseas businesses. To achieve this, systematic cooperation should be established with governments and companies in key target countries, and marketing strategies optimized for each market should be implemented. For example, it is necessary to develop products suitable for each country by analyzing tourism data from the target country and to create a platform for jointly promoting these products with local companies.

Furthermore, it is essential to deeply understand the market characteristics and cultural backgrounds of each country and adopt a flexible approach based on this understanding. By closely collaborating with local business partners to transform these strategies into concrete implementation plans, South Korea can secure a unique and differentiated competitive edge in the global tourism market.

### Leveraging Platforms for Customer Acquisition

The proliferation of platform economies has fundamentally transformed the landscape of tourism marketing. Today, tourists rely heavily on various digital platforms throughout their entire travel journey, from initial inspiration to information search, price comparison, and booking. As such, digital platforms have become indispensable in the tourism decision-making process, making platform collaboration a necessity rather than an option for national-level tourism marketing.

It's crucial to effectively understand the growth and role of global platforms and leverage them to consistently convey national-level messages, thereby capturing the attention of potential tourists and converting them into actual visitors. This strategy provides a foundation for implementing customized marketing tailored to local markets by maximizing the potential of platform features and data.

In 2014, the United States demonstrated the effectiveness of platform collaboration through its Brand USA campaign targeting Chinese tourists. By partnering with Weibo, China's largest social networking platform, and Weixin, the operator of WeChat, the US conducted an intensive 8-week campaign. This campaign achieved over 4 million impressions, effectively promoting the appeal of US tourism in the Chinese market. Additionally, the US collaborated with global OTAs (Online Travel Agencies) like Expedia, TripAdvisor, and Orbitz Worldwide, as well as local OTAs like Elong, to enable consumers



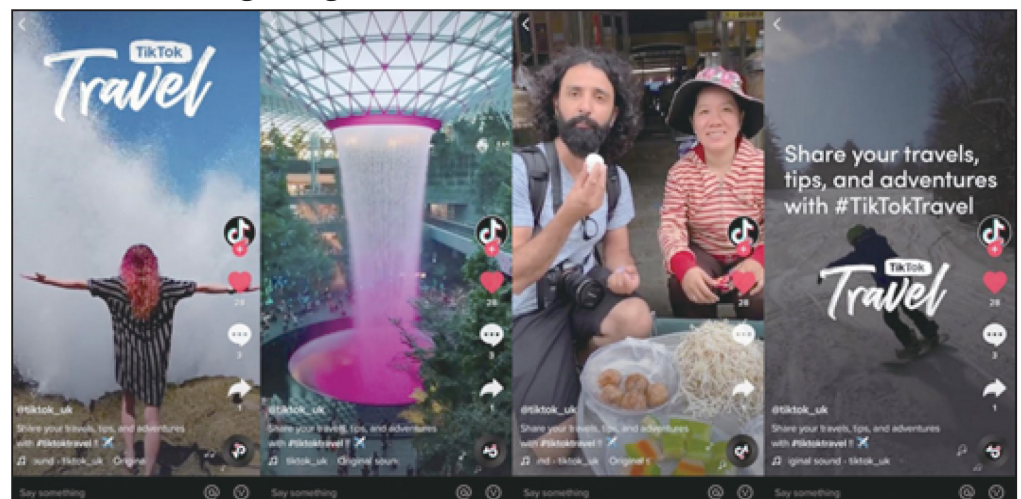
to easily search for and book tourism products. This collaboration was significant as it went beyond mere ad exposure and led to actual consumer actions such as purchases and bookings.

### Leveraging Next-Generation Platforms

While traditional OTAs and social media platforms remain significant, it is also essential to actively utilize platforms favored by younger generations. For instance, Switzerland successfully executed a national marketing campaign on YouTube to signal the resumption of tourism post-COVID-19 pandemic. By producing a promotional video themed around an Alpine road trip, Switzerland garnered a massive 100 million views. This campaign was highly significant not only for introducing tourist destinations but also for providing tailored content targeting the lifestyles preferred by Gen Z and Millennials.

Furthermore, short-form content platforms like TikTok are effective in promoting the appeal of specific tourist destinations through short, impactful visual content. These platforms serve as powerful tools for sparking consumer curiosity and interest, thereby enhancing awareness of specific countries or tourist destinations.

### Tourism Branding Using TikTok



Source: tiktok\_uk official channel

### Case Studies of Platforms in Spreading K-Culture

The global spread of K-culture content is a prime example of the crucial role played by platforms. Psy's "Gangnam Style" achieved global fame through YouTube, becoming the first video in YouTube history to surpass 1 billion views. Subsequently, artists like BTS and BLACKPINK also experienced explosive viewership on YouTube, expanding K-pop's global fanbase.

Netflix has played a pivotal role in introducing K-culture to the world through K-dramas and films. Notably, "Squid Game" achieved the top global ranking for non-English-language dramas, proving the competitiveness of K-culture. This demonstrates that global platforms, with their content production capabilities, can transcend national boundaries and serve as powerful distribution channels.



## Establishing Sustainable Partnerships with Platforms

Collaborating with platforms offers more than just advertising opportunities. Platforms provide flexibility to optimize campaigns based on real-time data and deliver personalized messages by analyzing consumer behavior data. For instance, by analyzing real-time increases in interest in specific tourist destinations, additional advertising and promotional strategies can be quickly developed.

Beyond global platforms, utilizing integrated platforms like super apps to provide one-stop solutions for booking flights, hotels, and tour packages is also noteworthy. These platforms can become the optimal channels for significantly enhancing the consumer travel experience. For successful tourism marketing leveraging global platforms, close cooperation between private companies and the government is essential. The government should facilitate collaboration between domestic and foreign platform companies and provide systematic support measures, such as funding for advertising and content creation, and addressing legal and administrative barriers. Such policy support will lay the foundation for strengthening the global competitiveness of tourism content.

Leveraging global platforms for tourism marketing is a core strategy for propelling the Korean tourism industry into the global market. Platforms serve as powerful tools for effectively exposing Korean tourism content to global consumers and as essential channels for connecting tourism products and services. By maximizing the potential of platforms through collaboration between the government and private sector, and by developing strategic approaches, South Korea can secure a unique and differentiated competitive edge in the global tourism market.

## Focal Points of a Two-Track Strategy for Customer Growth

### Maximizing Marketing ROI through Encouraging Repeat Visits from Neighboring Countries

A primary focus of the two-track strategy is on attracting repeat visits from neighboring countries. The high proportion of tourist demand from neighboring countries is rooted in the inherent characteristics of tourism, namely the constraint of physical distance. Tourism involves consumers physically traveling to experience a specific place, and the shorter the distance and the easier it is to cross borders, the more active tourism becomes. This trend is common not only in Korea but also in other major tourist destinations worldwide. Therefore, the high demand for tourism from neighboring countries is not merely a regional characteristic but rather a universal characteristic of the tourism industry. In the case of Korea, although there are no land borders, there is high demand for tourism from neighboring countries such as China and Japan, which are located nearby. Until recently, Chinese and Japanese tourists accounted for a significant portion of foreign tourists visiting Korea, demonstrating the impact of geographical proximity on tourism demand.

Similar phenomena can be observed in other regions. For example, in Europe, there is a high level of tourist movement between neighboring countries like France, Germany, and Italy. Europe has an environment conducive to frequent visits by tourists due to relatively free movement between countries and short physical distances. Similarly, in North America, there is a high influx of tourists between the United States, Canada, and Mexico, indicating the significant impact of geographical proximity and ease of border crossing on the tourism industry.

In particular, the Asia region has seen an increasing dependence on tourism from neighboring countries. This is due to the rapid growth of the middle class in Asia in recent years, leading to increased demand for tourism. Additionally, tourism in neighboring Asian countries is becoming more active due to relatively low costs, short travel times, and flexible travel schedules. These factors play a crucial role in encouraging tourists to revisit neighboring countries.

Repeat visits from neighboring countries not only increase the number of tourists but also serve as a significant factor in maximizing the marketing return on investment (ROI). This is because tourists who have already visited a destination are more likely to be attracted back with relatively lower marketing costs compared to new tourists. For instance, repeat visitors already have basic information about the destination and are more likely to revisit if their previous experience was positive. Therefore, strategies to encourage repeat visits from neighboring countries can yield high economic benefits at relatively low costs.

Furthermore, as the number of visits increases, neighboring country tourists are more likely to engage in deeper tourism activities. While first-time visitors may focus on major tourist attractions, repeat visitors tend to explore hidden tourist spots, local experiences, and food culture. This can lead to increased consumption within the tourist destination and contribute to the revitalization of the local economy.

To encourage repeat visits from neighboring countries, several strategic approaches are necessary. First, it is essential to strengthen customized marketing campaigns targeting neighboring countries. For example, marketing messages targeting China and Japan should reflect the cultural and economic characteristics of those countries. Second, it is necessary to provide special benefits or customized products for repeat visitors to give existing tourists new reasons to visit. Third, digital platforms and social media should be actively utilized to maximize the word-of-mouth effect based on the positive experiences of previous visitors.

### Percentage of Top 5 Visitor Countries by Country in 2019

Country	Top1	Top2	Top3	Top4	Top5	Top1-5 Percentage
Korea	China (33.6%)	Japan (18.3%)	Taiwan (7.0%)	USA (5.8%)	Hong Kong (3.9%)	Total (68.6%)
Japan	China (32.5%)	Korea (18.9%)	Taiwan (16.6%)	Hong Kong (7.8%)	USA (5.8%)	Total (81.5%)
USA	Canada (26.1%)	Mexico (23.1%)	UK (6.0%)	Japan (4.7%)	China (3.6%)	Total (63.5%)
Spain	UK (21.6%)	Germany (13.4%)	France (13.3%)	Italy (5.4%)	Belgium (3.0%)	Total (56.7%)
Vietnam	Korea (26.4%)	USA (8.7%)	Thailand (5.5%)	Cambodia (5.5%)	Singapore (4.9%)	Total (51.0%)

Tourism Knowledge & Information System, OECD, JNTO, ITA, gso

### Percentage of Inbound Tourists by Continent

Country	Continent	2009	2019	Rate(%p)
Korea	Asia	77.1%	81.9%	4.8%
Japan	Asia	72.8%	85.1%	+12.3%
USA	America	65.4%	60.5%	Δ3.9%
	Asia	10.7%	15.3%	+4.6%
Spain	Europe	92.4%	85.5%	Δ6.9%
	Asia	1.0%	3.6%	+2.6%
Vietnam	Asia	64.6%	81.3%	+16.7%

Source: UNWTO Statistics

Looking at the examples of advanced countries, attracting repeat visitors has become a major tourism strategy. For instance, the US's "National Travel & Tourism Strategy Update (2019)," New South Wales's "NSW Visitor Economy Strategy 2030," and Queensland's "Cape York Tourism Development Action Plan (2016-2021)" all emphasize the importance of repeat visits. By enhancing the satisfaction of existing tourists and encouraging them to return, these strategies aim to foster sustainable growth in the tourism industry. This strategy is economically effective because repeat visitors require lower marketing costs compared to new visitors and tend to spend more during their stay.

These examples suggest that Korea should also strengthen its strategic approach to effectively attracting repeat visitors. In summary, encouraging repeat visits from neighboring countries is an effective strategy for maximizing the return on investment (ROI) in the tourism industry. In the case of Korea, by leveraging its geographical proximity and implementing customized marketing targeting tourists from neighboring countries like China and Japan, and by adopting a strategic approach to encourage repeat visits, the country can foster sustainable growth in its tourism industry.

### Encouraging Repeat Visits: Focusing on Everyday Tourist Experiences

To encourage repeat visits, it is crucial to enhance satisfaction in everyday, repeatable consumption activities such as shopping and dining. This implies that if Korea can provide familiar travel experiences similar to domestic travel, the likelihood of repeat visits will increase.

For instance, shopping and food exploration are among the most preferred activities for foreign tourists revisiting Seoul. These activities are perceived as more routine experiences compared to visiting specific tourist attractions, making tourists feel that Korea is a familiar and comfortable destination. This plays a significant role in strengthening the motivation for repeat visits. Therefore, to encourage repeat visits, the Korean tourism industry should adopt the following strategic approaches:

### 1. Enhance satisfaction in shopping and dining

A diverse range of experiences should be provided at popular shopping destinations and restaurants frequented by neighboring country tourists. For example, to stimulate shopping tourism, programs such as duty-free discounts, promotions of local specialties, and offering products at various price points can be introduced. Additionally, to activate food tourism, special culinary experiences combining traditional Korean cuisine and modern fusion food should be provided.

### 2. Develop cultural and entertainment products

Programs that allow tourists to experience Korean culture and lifestyle firsthand, beyond simply visiting specific locations, should be developed. For example, entertainment products combining traditional cultural experiences (such as Hanbok experiences and Korean cooking classes) with contemporary cultural content like K-pop concerts and tours of drama and film filming locations can be effective.

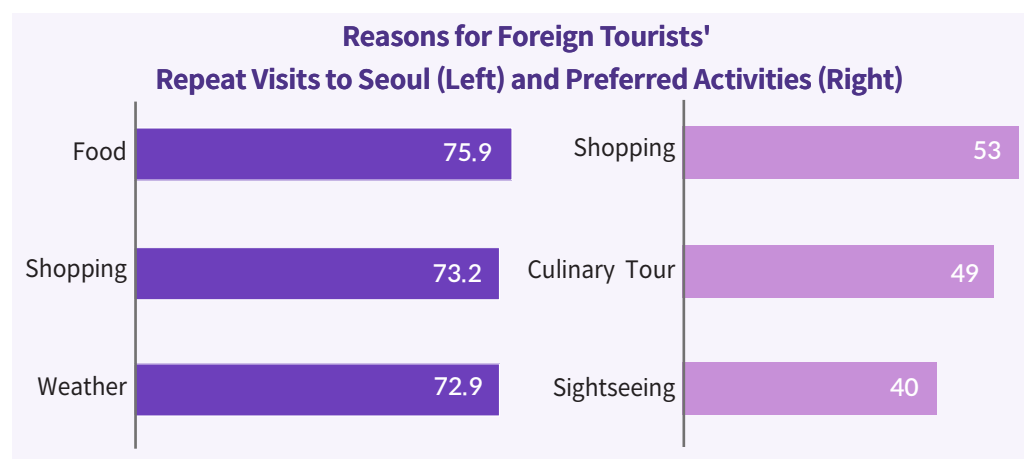
### 3. Shift perception towards everyday travel

Accessibility and convenience should be improved to enable tourists from neighboring countries to visit Korea as naturally and comfortably as they would visit their own cities. To achieve this, it is important to strengthen tourism infrastructure and utilize digital platforms that provide convenient transportation and accommodation booking.

### 4. Government-private sector collaboration

The government should support incentive programs for repeat visitors in collaboration with private companies. For example, providing discounts, special airfares, and hotel upgrades to repeat visitors can encourage them to return.

Encouraging repeat visits from neighboring countries is a crucial strategy for the sustainable growth of Korea's tourism industry. Not only can this generate high economic benefits with low marketing costs, but it can also enhance the appeal of Korea as a tourist destination by providing tourists with familiar and comfortable travel experiences. By strengthening everyday, repeatable tourism activities such as shopping and dining, and by encouraging tourists to perceive Korea as a friendly travel destination, Korea can effectively activate repeat visits from neighboring countries and strengthen its global competitiveness in the tourism industry.



Source: Seoul Tourism Organization

### A Powerful XOI (Experience on Investment) Strategy to Attract Tourists from Non-Neighboring Countries

The other focus of the two-track strategy is on non-neighboring countries. For the sustainable growth of the Korean tourism industry and the diversification of foreign tourists, active efforts to attract tourists from non-neighboring countries are necessary. This can be achieved by addressing the various barriers that tourists from non-neighboring countries face when deciding to visit Korea and by providing them with a strong experiential value. For tourists to make the decision to travel a long distance, plan a long trip, and pay a high price, they must be guaranteed a unique and exotic experience.

According to consumer behavior theory, tourism is also a consumable product, and tourists search for information and compare alternatives before selecting a destination. Therefore, for tourists from non-neighboring countries, Korea should be presented as a special and attractive final choice rather than just one of many options. Clear and persuasive information must be provided during this process. The government and local governments play a crucial role in this process, and they should systematically provide reliable information to tourists during their information search and decision-making process.

### Foreign Tourists' Key Considerations When Traveling to Korea

	한국과의 거리(km)	음식/미식	쇼핑	자연풍경	전통문화	페션 유행
All	-	67.6	51.1	37.9	35.2	15.6
USA	11,047	55.5	29.3	33.6	41	8.5
Canada	10,506	63.1	34.5	35.5	37.9	6.9
France	8,965	61.1	28.7	40.7	58.1	24.5
UK	8,854	60.2	22.8	42.3	59.8	13
Australia	8,409	62.1	44.5	30.3	43.4	14.1
Germany	8,124	57.3	22.1	41.9	60.8	19.1
Middle East	6,781	38.8	48.9	40.6	46.1	15.1
Russia	6,603	48.5	43.9	28.8	42.4	15.2
Indonesia	5,291	71.3	65.1	38.3	28.4	24.9
India	4,685	29.6	44.4	63	51.9	11.1
Singapore	4,668	77.6	73.9	55.2	23.3	16.8
Malaysia	4,612	66.4	64.2	52.2	40.1	6.5
Thailand	3,507	82.2	74.6	41.4	16.7	20
Vietnam	2,740	75.6	64.6	54.9	23.2	12.2
Phillipines	2,619	71.2	56.8	42.4	32.8	8.8
Hong Kong	2,091	85.8	80	38.7	13.5	18.7
Mongolia	1,992	28.6	57.14	47.6	23.8	23.8
Taiwan	1,643	79.6	70.1	37.8	22.9	26.6
Japan	1,147	82.6	75.5	8.2	7.6	15.8
China	953	64.5	59.6	41.4	15.4	17.9

Source: 2022 Foreign Tourist Survey

Note: Shaded areas indicate above average categories

The primary reasons why Western tourists choose Korea are its exotic and unique natural landscapes, scenery, traditional culture, and distinctive elements such as K-culture. This contrasts with the preferences of nearby neighboring country tourists who primarily seek everyday experiences like dining and shopping. To attract and entice non-neighboring tourists, the following XOI (Experience on Investment) elements should be enhanced:

### 1. Unique cultural experiences

Develop differentiated programs that combine traditional Korean elements (e.g., Hanbok experience, Korean cooking classes) with contemporary cultural content (K-pop concerts, drama filming location tours).

### 2. Distinctive nature and environment

Emphasize unique natural landscapes such as Jeju Island's volcanic terrain, Seoraksan's stunning scenery, and DMZ ecological tours to promote the unique experiences Korea can offer.

### 3. Attracting global events

Actively attract international sports events, cultural festivals, and other events of global interest and utilize them as catalysts for attracting non-neighboring tourists.

## Performance funnel analysis based on McKinsey's visitor sources

	Awareness	Conversion Rate→	Consideration	Conversion Rate→	Consideration	Conversion Rate→	Revisit
China	98%	90%	88%	70%	62%	83%	51%
Thailand	92%	96%	89%	61%	54%	81%	44%
Australia	95%	82%	78%	38%	30%	86%	25%
USA	96%	89%	86%	44%	38%	85%	32%
UK	93%	85%	79%	41%	32%	76%	25%

Source: The Future of Japan's Tourism Path For Sustainable Growth toward 2020

Japan's success in attracting tourists from non-neighboring countries serves as a testament to the importance of systematic and strategic approaches. A 2016 McKinsey report titled "The Future of Japan's Tourism: Path for Sustainable Growth toward 2020" outlines the diverse strategies Japan adopted to attract Western tourists. Japan leveraged the 2019 Rugby World Cup and the 2020 Tokyo Olympics as opportunities to actively promote the country to Western nations. These global events effectively communicated Japan's culture and appeal to Western tourists.



## 2019 Rugby World Cup branding campaign featuring a main poster and pro-Japanese Western figures



Source: Japan Rugby Football Union, Japan National Tourism Organization

Furthermore, the Japanese government significantly allocated promotional budgets to create content targeting Western audiences to strengthen national branding. Additionally, they formed a global advisory board consisting of pro-Japan Western celebrities to create content that would attract Western tourists. This effectively communicated Japan's unique culture and tourism attractions to Western markets. Moreover, Japan conducted branding campaigns utilizing global media channels like CNN to showcase the country's natural beauty, culture, and urban appeal. The use of such customized promotional channels significantly contributed to attracting the interest of Western tourists and positioning Japan as a special and attractive travel destination. These strategies played a crucial role in Japan's success in attracting tourists from Western countries beyond Asia. Japan's case clearly demonstrates the importance of systematic and strategic approaches for attracting tourists from non-neighboring countries.

### CNN's JNTO Branding



Source: CNN travel (<https://edition.cnn.com/specials/travel/discover-japan>)

### Strategic Recommendations for Attracting Tourists from Non-Neighboring Countries

To attract more tourists from non-neighboring countries, Korea needs to adopt several strategic approaches. First, developing customized content and branding that reflect the preferences of non-neighboring tourists is crucial. It is essential to create integrated tourism products that offer unique experiences combining culture, nature, and entertainment. For example, programs such as K-pop star experience tours, DMZ ecological explorations, and natural scenery tours themed around the four seasons of Korea can be included. Such customized content will instill a compelling image of Korea in the minds of non-neighboring tourists.

Secondly, enhancing information accessibility is essential. To facilitate tourists'



decision-making process, it is necessary to strengthen multilingual support on global and local platforms. In particular, it is essential to closely analyze the channels primarily used by non-neighboring tourists and conduct information dissemination and marketing activities accordingly. This will significantly increase accessibility to Korea and encourage tourists to visit.

Furthermore, it is necessary to establish a collaborative system between the government and the private sector. By closely collaborating in large-scale projects such as attracting global events, improving tourism infrastructure, and implementing national branding strategies, the government and private sector can maximize the effects of attracting tourists. This collaboration will contribute to the long-term sustainability of the entire tourism industry beyond short-term achievements.

Finally, it is necessary to establish a long-term national branding strategy. Rather than limiting efforts to short-term campaigns, it is essential to set clear visions and goals for continuously attracting tourists from non-neighboring countries. This will not only strengthen the global competitiveness of the Korean tourism industry but also contribute to more stable and balanced growth by diversifying the countries from which tourists originate.

### In Conclusion...

This insight aimed to present the direction of a global tourism attraction strategy necessary for South Korea to leap forward as a major tourism power. It emphasized that strengthening government-led national branding strategies is essential for South Korea to secure a unique and differentiated position in the global tourism market. To achieve this, it is crucial for the central government, local governments, and the tourism industry to collaborate organically and make continuous efforts. In particular, policy consistency and execution based on cooperation between the public and private sectors are essential for securing a competitive edge in the global market.

Furthermore, the strategic use of digital platforms is essential in marketing activities, including national branding. Platforms can be utilized as integrated channels that not only convey information but also attract tourists' attention and maximize their experiences. Additionally, South Korea should employ a two-track strategy, targeting neighboring and non-neighboring countries with tailored approaches. For neighboring countries, it should provide continuous and personalized experiences to encourage repeat visits, while for non-neighboring countries, it should deliver high experiential value through unique and exotic experiences based on nature and culture. This differentiated approach will contribute to both attracting tourists and enhancing the country's image and brand value.

In conclusion, for South Korea to truly establish itself as a major tourism power, it requires policy vision and execution capabilities led by the government, efficient implementation through public-private cooperation, and a strategic approach that reflects technology and global trends. It is hoped that the solutions proposed in this insight will lead to practical policies and businesses, enabling South Korea to make a significant leap forward in the global tourism market and become a beloved tourist destination for people around the world.

## Appendix

## Key Economic Indicators

Indicator	Statistics	Measure	2018	2019	2020	2021	2022	23.11	23.12	24.01	24.02	24.03	24.04	24.05	24.06	24.07	24.08	24.09	24.10	24.11	24.12
General Economics	GDP Growth Rate <sup>1</sup>	Real GDP Growth(%)	2.9	2.2	-0.7	4.3	2.6	-	-	1.3(Q1)	-	-	-0.2(Q2)	-	-	0.1(Q3)	-	-	-	-	0.1(Q4)
		Private Consumption Growth(%)	3.2	2.1	-4.8	3.6	4.1	-	-	0.8(Q1)	-	-	-0.2(Q2)	-	-	0.5(Q3)	-	-	-	-	0.2(Q4)
	Composite Indexes of Business Indicators <sup>2</sup>	Leading Indicator	94.3*	96.0*	100.0*	106.3*	108.7*	113.0	113.4	113.7	114.2	114.3	114.9	115.1	115.7	115.9	116.2	116.5	116.8	-	-
		Coincident Indicator	98.3*	99.7*	100.0*	103.7*	108.2*	111.0	111.1	111.5	112.0	111.9	112.0	111.5	111.7	111.2	111.3	111.5	111.6	-	-
		Lagging Indicator	95.1*	97.9*	100.0*	103.6*	109.3*	114.2	114.4	114.4	114.6	114.8	115.1	115.2	115.4	115.5	115.8	116	116.2	-	-
Business Trends	Business Survey Index <sup>3</sup>	Total	94.1*	90.8*	81.5*	101.4*	94.0*	90.1	94.0	91.1	92.3	97.0	98.6	94.9	95.5	96.8	97.1	92.9	96.2	91.8	97.3
		Non-manufacturing	96.9*	93.6*	84.2*	100.6*	96.1*	91.1	100.5	95.2	92.9	93.5	98.9	94.1	95.2	105.5	99.5	91.9	96	92.5	105.1
		Leisure/Hospitality	-	-	-	99.5*	89.7*	100.0	128.6	107.1	114.3	100.0	121.4	128.6	85.7	142.9	135.7	78.6	114.3	71.4	123.1
	Business Survey Index by Industry <sup>4</sup>	Total	78*	73*	65*	84*	82*	69	69	68	69	72	71	73	74	72	72	72	72	70	68
		Accommodation	78*	70*	30*	48*	85*	81	78	75	53	60	72	86	75	66	75	67	79	66	87
	SME Business Outlook Survey <sup>5</sup>	Total	87.8*	83.6*	70.7*	77.8*	82.7*	80.7	78.8	77.5	75.4	81.8	81.0	79.2	79.4	78.0	76.6	77.4	78.4	77.1	72.6
		Food/Accommodation	87.7*	82.0*	60.7*	57.8*	80.9*	90.5	86.9	86.1	86.3	85.4	85.9	93.7	88.2	87.3	86.9	78.4	79.7	80.4	75.7
	Consumer Survey Index <sup>6</sup>	Consumer Confidence Index	104*	99*	88*	103*	96*	97	100	102	102	101	101	98	101	104	101	100	102	101	88
		Consumer Expenditure Outlook	108*	108*	97*	108*	111*	111	111	111	111	111	110	109	109	111	109	108	109	109	102
		Travel Expenditure Outlook	94*	90*	71*	86*	93*	93	95	96	95	97	97	96	99	100	97	95	96	96	88
		Entertainment Expenditure Outlook	91*	91*	80*	89*	92*	91	92	94	93	93	94	92	93	94	93	92	92	93	87
	F&B Expenditure Outlook	F&B Expenditure Outlook	93*	91*	83*	92*	94*	92	95	96	95	95	96	94	95	97	95	95	95	95	89
		Total	100.6	102.0	100.0	105.0	112.3	116.9	130.9	114.0	109.5	118.8	116.0	117.3	119.1	117.2	118	117.2	117.2	-	-
		Accommodation	150.2	149.7	100.0	111.3	139.0	144.4	147.8	126.8	125.2	129.1	138.2	147.0	148.4	144.1	147	140.4	136.2	-	-
		Food & Beverage	120.7	119.4	100.0	100.7	116.6	112.3	124.4	112.8	105.9	114	115.0	120.3	115.0	116.3	115	115.7	113.8	-	-
Prices	Consumer Price Index <sup>8</sup>	Total	99.09	99.47	100.00	102.50	107.72	112.67	112.71	113.15	113.77	113.94	114.01	114.10	113.84	114.13	114.54	114.65	114.69	114.40	114.91
		Hotel	108.91	106.51	100.00	99.82	108.71	115.22	125.47	111.90	112.71	114.12	118.11	120.02	120.29	126.44	133.21	121.3	128.01	123.46	123.93
		Motel	101.28	101.43	100.00	98.39	101.64	107.22	107.17	107.24	107.16	106.81	107.72	107.13	107.34	107.98	108.29	107.99	107.85	108.04	108.06
		Resort	101.21	102.29	100.00	99.86	102.43	99.16	123.53	119.09	109.93	105.43	105.37	111.34	108.28	133.88	150.45	114.78	109.62	107.77	121.56
		Recreational Facilities	81.99	84.36	100.00	102.65	108.58	106.00	111.36	106.12	110.85	108.41	106.77	110.56	112.83	129.18	135.00	114.19	111.67	109.23	110.01
	Producer Price Index <sup>9</sup>	Total	100.43	100.46	100.00	106.38	115.29	117.41	117.56	118.19	118.55	118.82	119.16	119.25	119.23	119.56	119.38	119.16	119.02	119.11	119.51
		Accommodation service	105.06	104.15	100.00	99.55	105.65	111.28	119.66	111.77	111.01	111.07	113.52	115.12	114.95	121.79	127.7	116.56	119.46	116.84	118.87
		Hotel	108.79	106.52	100.00	100.00	108.89	116.37	126.71	113.00	113.82	115.24	119.27	121.21	121.48	127.69	134.53	122.5	129.27	124.68	125.15
		Motel	101.27	101.43	100.00	98.49	101.82	107.27	107.22	107.30	107.21	106.86	107.77	107.18	107.39	108.03	108.35	108.05	107.90	108.09	108.11
		Resort	101.34	102.30	100.00	100.34	103.24	100.99	125.81	121.29	111.96	107.38	107.32	113.39	110.27	136.35	153.22	116.9	111.64	109.76	123.81
Labor	Economically Active Population Survey <sup>10</sup>	Unemployment Rate(%)	3.8	3.8	4.0	3.7	2.9	2.3	3.3	3.7	3.2	3.0	3.0	3.0	2.9	2.5	1.9	2.1	2.3	2.2	3.8
		Employment Rate(%)	60.7	60.9	60.1	60.5	62.1	63.1	61.7	61.0	61.6	62.4	63.0	63.5	63.5	63.3	63.2	63.3	63.3	63.2	61.4
Tourism	Tourism Balance <sup>11</sup>	Total Tourism Balance(\$M)	-13,066	-8,516	-3,175	-4,329	-5,715	-1,077	-1,067	-1,169	-1,206	-906	-660	-684	-750	-	-1,063	-713	-339	-606	-
		Total Tourism Income(\$M)	18,462	20,745	10,181	10,623	12,241	1,302	1,224	1,226	999	1,235	1,462	1,469	1,323	-	1,404	1,528	1,836	1,522	-
		Total Tourism Expenditure(\$M)	31,528	29,261	13,356	14,951	17,956	2,380	2,291	2,395	2,206	2,141	2,122	2,153	2,074	-	2,468	2,241	2,176	2,127	-
	Immigration <sup>12</sup>	Number of Outbound Travelers(K)	28,696	28,714	4,276	1,223	6,554	2,062	2,416	2,771	2,512	2,141	2,111	2,268	2,219	2,502	2,359,550	2,311,792	2,382,464	2,391,140	-
		Number of Inbound Travelers(K)	15,347	17,503	2,519	967	3,198	1,115	1,037	881	1,030	1,492	1,463	1,418	1,417	1,408	1,563,221	1,464,300	1,464,300	1,361,076	-
Currency	Exchange Rate <sup>13</sup>	USD	1,100.30	1,165.65	1,180.05	1,144.42	1,291.95	1,310.39	1,303.98	1,323.57	1,331.74	1,330.70	1,367.83	1,365.39	1,380.13	1,383.38	1,354.15	1,334.82	1,361.00	1,393.38	1,441.9
		EUR	1,298.63	1,304.81	1,345.99	1,352.79	1,357.38	1,415.59	1,422.28	1,444.12	1,437.52	1,447.27	1,466.77	1,476.24	1,485.57	1,499.68	1,491.48	1,481.60	1,481.35	1,482.93	1,482.93
		JPY	996.27	1,069.75	1,105.07	1,041.45	983.44	874.28	904.83	906.71	891.08	889.12	889.97	875.88	874.32	875.3	925.99	929.25	906.77	907.16	907.16
		CNY	166.40	168.58	170.88	177.43	191.57	180.86	182.29	184.41	184.82	184.48	188.52	188.54	189.80	189.91	189.07	188.53	191.63	193.27	193.27

\*This index should be interpreted with caution because the value is calculated by averaging monthly or quarterly indices in Yanolja Research.

1) The Bank of Korea, QoQ(%)

2) KOSTAT; 2020=100

3) The Federation of Korean Industries; if the index is above(below) 100, more(less) companies expect the next month's business conditions to improve than those do not.  
 "Leisure/Accommodation and Food Services" sector was not surveyed before 2021.

4) The Bank of Korea; Index range = 0~200; If the index is above 100, the number of companies with a positive outlook is greater than those with a negative outlook.

5) Ministry of SMEs and Startups; If the index is above(below) 100, more(less) companies expect the next month's business conditions to improve than those that do not.

6) The Bank of Korea; Index range = 0~200; If the index is above(below) 100, consumers sense that overall economic situation is better(worse) than average.

7) KOSTAT; 2020=100; Constant

8) KOSTAT; 2020=100

9) KOSTAT; 2020=100

10) KOSTAT; 2020=100

11) KOSTAT; Surveys the unemployment rate(%) and employment rate(%) among the economically active population aged 15 and over.

12) The Bank of Korea

13) Korea Tourism Organization DataLab

14) Hana Bank; Based on the sales base rate



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