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# CONTENTS

Issue	01
<b>A new era for workcation...</b>	
<b>What is the future direction of workcation?</b>	
Appendix	
<b>Key Economic Indicators</b>	11
<b>News</b>	13

## Issue

# A new era for workcation... What is the future direction of workcation?

Somi Kang

Associate Research Fellow at Yanolja Research

## Beyond Work-Life Balance, Towards Work-Life Integration/Blending

A 2020 survey<sup>1</sup> in South Korea found that 69.2% of respondents reported changes in their workplace attitudes after COVID-19, with the most significant change being "Work-Life Balance is more important than economic compensation.". This is one example that demonstrates how work-life balance has become a core value for modern individuals.

However, the concept of work-life balance is now seen as outdated. Instead, new terms such as work-life integration, or work-life blending, have started to capture public attention. Work-life balance focuses on creating a clear separation between work and personal life, while work-life integration/blending allows for a more flexible and fluid blurring of the boundaries between the two. The COVID-19 pandemic has accelerated new trend, as more and more people have been able to work remotely and have more control over their work hours and location.

## A New Way to Enjoy Work and Vacation: Workation

One way to achieve work-life integration/blending is through the rising trend of workation, which allows individuals to perform work tasks while enjoying their vacation in a different location. The term 'workation' is a combination of the words 'work' and 'vacation', and it was first used by Vanessa Van Edwards<sup>2</sup>, an author and researcher at the Science of People, in 2013 to describe her own lifestyle.

Although the term became more familiar due to the COVID-19 pandemic, it is not solely a term coined during the pandemic. Rather, the prevailing view is that workation is the popularization of the concept of 'Digital Nomad'<sup>3</sup>, which appeared in the late 1990s. Starting in the 2010s, as IT companies experienced rapid growth, particularly in Silicon Valley, the competition to attract talented developers became intense. As a result, IT companies began to introduce remote work policies as a way to attract top talent. Within this context, workation, which is a more passive form of digital nomadism, started to spread. In Western countries, the term digital nomad, considered the precursor to workation, is more frequently used. This can be observed by comparing the global interest in both terms using Google Trends<sup>4</sup>, which shows that the interest in digital nomadism is approximately 5.6 times higher compared to workation.

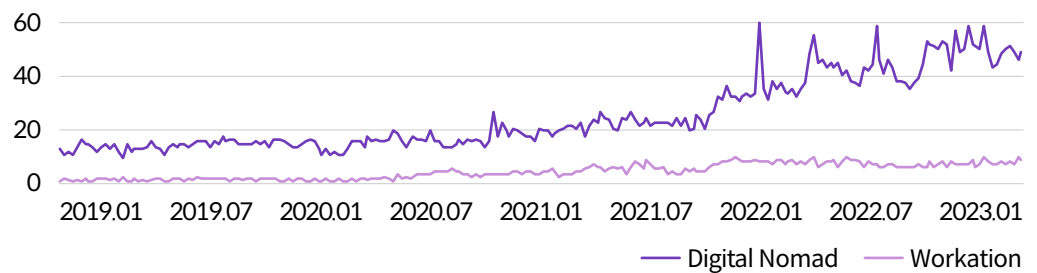
1 Conducted by Job Korea and Albamon in 2020, targeting 1,270 new and experienced job seekers.

2 HuffPost, 「How I Make My Living on 'Workations」 (2013.5.8)

3 A compound word of 'Digital' and 'Nomad', it refers to a person who works remotely and lives freely without space restrictions using digital technology, and mainly appears in certain occupational groups such as freelancers, developers, and writers.

4 Google's big data analysis service that shows search volume trends of search keywords in real time

### Comparison of Global Interest in Workation and Digital Nomad

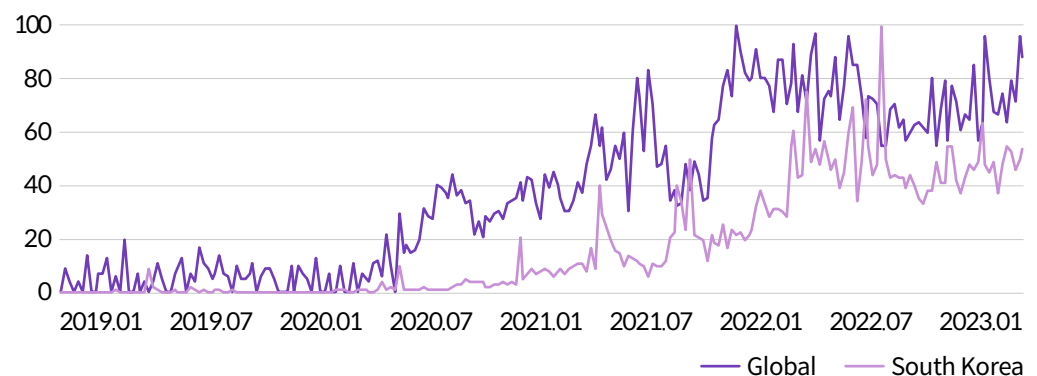


The concept of workation emerged in the early 2010s, but it is undeniable that the spread of workation was greatly influenced by the COVID-19 pandemic. Prior to COVID-19, workation opportunities were limited to certain professions such as developers, freelancers, writers, and a few countries that introduced flexible work environments. However, the COVID-19 pandemic forced many businesses to adopt remote work, which led to a significant increase in the number of people who could work from anywhere. As a result, global interest in workation has rapidly increased since the mid-2020s.

This phenomenon was also observed in South Korea, albeit with a delay of about six months. This can be attributed to factors such as successful infection management policies without full lockdown, rigid corporate culture, and a lack of awareness regarding digital nomadism, which required more time for individuals and companies to increase their understanding of workation.

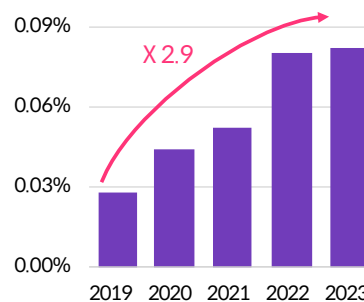
It is noteworthy that even at the current point in 2023, which has transitioned to an endemic phase, there continues to be a sustained level of interest in workation. This can be attributed to the fact that, following the experience of the COVID-19 pandemic, hybrid work models, flexible work arrangements, and the concept of the 'new normal' have become established practices.

### Comparison of Interest on Workation in Global and South Korea

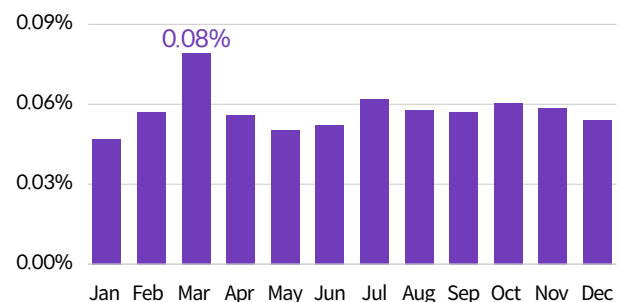


The increase in long-term stays can also serve as indirect evidence of the spread of the workation trend. Analyzing reservation data from Yanolja, it can be observed that the proportion of stays lasting six nights or more has steadily increased since 2019. Although the share of stays lasting six nights or more between January and May 2023 is less than 0.1% of the total reservations, this represents a 2.9-fold increase compared to 2019. Additionally, analyzing the reservation data for the period between 2019 and 2022 on a monthly basis reveals that the proportion of stays lasting six nights or more is significantly higher in March, which is considered the off-peak season. These findings from big data analysis indirectly suggest that an increasing number of people are enjoying workation during the off-peak season for travel, when accommodation is more affordable.

**Percentage of Long-Term Stays of 6 Nights or More by Year**



**Percentage of Long-Term Stays of 6 Nights or More Per Month (Total Between 2019 and 2022)**



Source: Yanolja

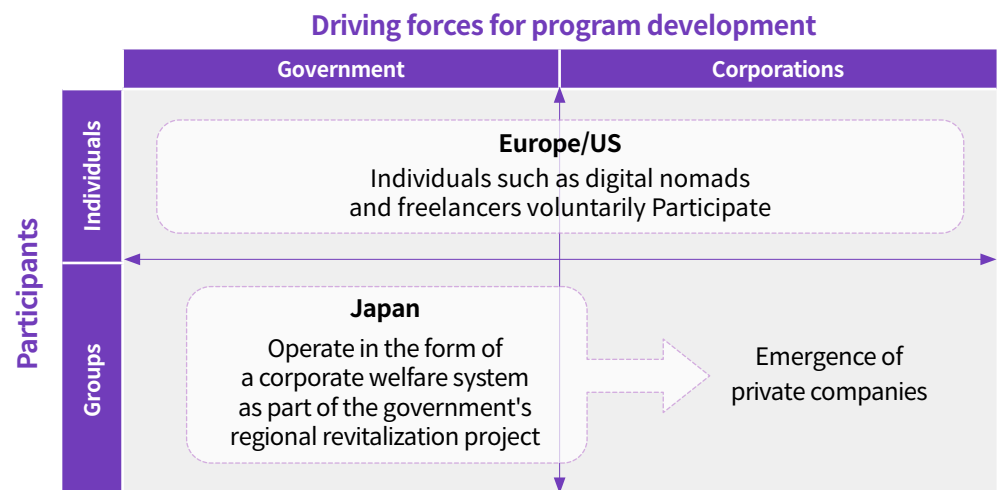
## Are All Workation Programs the Same? No!

As workation is a new trend, it is important to examine how workations are actually being implemented. When we look at workations more closely, we can see that their forms vary depending on the purpose. While there are many different ways, we categorize workations based on the participants and the driving force for program development.

Firstly, the participants of workation can be divided into individuals and groups. Individuals are those who conduct workations according to their own preferences, similar to the concept of digital nomads, without any employer's support. Groups are those in which employers implement workation programs under the purposes of employee welfare, organizational strengthening, etc., and are responsible for most aspects of program planning and financial support.

The main driving forces for the development of workation programs can be classified into government and corporations. Corporations from diverse industries such as hotels, coworking spaces, and travel agencies plan and operate workation programs with the goal of generating revenue. Governments also develop workation programs as part of their policies to revitalize local economies. The former is mainly observed in major cities or famous tourist destinations, while the latter is more common in smaller regional cities facing concerns of depopulation.

## Categorization of Workation



There are also regional preferences for different types of workations. In Europe and the United States, there is a work culture that facilitates remote work or extended vacations of around a month. As a result, a culture of individuals leaving for workations based on their own work styles has become established. Driven by the self-generated demand from individuals, the workation market is growing, with the emergence of new workation operators in popular travel destinations or quiet small towns.

In Japan, the government promotes workation to attract a ‘relational population’<sup>5</sup> to areas facing depopulation. The Japan Tourism Agency began discussions on promoting ‘new styles of travel’ such as workation and bleisure as early as 2019<sup>6</sup>, even before the COVID-19 pandemic. From March 2021, they have been investing 500 million yen in workation programs. One notable successful example of workation in Japan is Wakayama. Wakayama was the first local government in Japan to initiate workation programs in 2017, focusing on attracting remote offices of IT companies. As of 2022, the efforts have paid off, with 13 companies, including Mitsubishi Jisho, NEC Solution Innovators, and Salesforce, operating remote offices in Wakayama.<sup>6</sup>

### Wakayama, a Leading Example of Workation in Japan

- Initiated workation promotion in 2017, as the purpose to be a ‘gateway for attracting businesses for remote office’
- Boasts advantages on excellent accessibility to major cities (2-hour train ride from Osaka, 3 daily flights from Haneda Airport in Tokyo), strong network infrastructure, and abundant tourist attractions (beaches, hot springs, etc.).
- As of April 2023, 251 companies have participated.



source: Council of Local Authorities for International Relations 「Wakayama Workation Program」 (2021); The Japan Times, 「Japan's spin on 'workations' proves a hit」, (2023.5.8)

5 A person who maintains a continuous relationship with a specific location without fully relocating or settling but visits the area on a regular or irregular basis.

6 A compound word of ‘Business’ and ‘Leisure,’ a trip to spend a leisure time during a business visit or to add a vacation schedule before or after a business trip

## Status of Workation Market in Korea

So, how is Korea doing? The current situation in Korea can be seen as similar to the early stages of the workation market in Japan. In Korea, it was large companies that led the spread of workation. Starting from the end of 2021, major companies such as Naver, LG U+, Hyundai Department Store, Lotte Members, Toss, Yanolja, CJ ENM, and others have begun to introduce workation as employee benefits. They offer workation programs where employees can work and relax simultaneously, ranging from short stays of three nights and four days to longer stays of up to a month, utilizing remote offices or accommodations provided by the company. The companies are actively promoting their workation programs through various channels, and it is clear that they are using workation not only to boost employee morale, but also to improve corporate brand and attract talented employees.

However, at the current stage, local governments are showing the most proactive steps. Gangwon was the first to start, collaborating with private enterprises to develop and sell individual and group workation packages since 2021. In a short period of time, Gangwon has achieved remarkable results. The sales of individual packages increased by 15.6%, from 19,727 stays in 2021 to 22,801 stays in 2022. The group packages showed an even higher growth rate of 168%, with stays increasing from 1,119 in 2021 to 2,994 in 2022.<sup>7</sup>

The year 2023 can be regarded as the inaugural year of workation expansion driven by local governments, as various programs are being introduced by each local government. However, there are differences in approaches among local governments. While some, like Gangwon, directly develop and sell workation packages, others, like Busan, provide shared offices for free to individual/business applicants and encourage them to stay in affiliated accommodations. Jeju focuses on supporting private workation companies within the province.

The decrease in local tourists due to COVID-19 has led local governments to actively promote workation. In response, local governments are converting budgets previously used for traditional tourism into new workation projects. The reason local governments are paying attention to workation is due to the significant social impact it can bring compared to traditional tourism. The activation of the workation market within regions can help alleviate the difficulty in securing tourism industry personnel caused by fluctuations in the scale of weekday and weekend visitors, as well as increase the relational population and mitigate financial burdens and social conflicts faced by local governments.

As overall societal interest in workation increases, the companies that specialize in workation have also emerged. Desker, a brand specializing in office furniture, was one of the first to move into this industry. In 2021, they opened a pop-up office in Yangyang, and they now operate two office spaces and one accommodation space in the area. Other startups, such as Dear Monday and O-Peace, have also entered the market, opening shared offices in tourist destinations and providing workation packages in collaboration with nearby accommodations. Additionally, B2B business models are emerging, such as The Hyoosik, which provides consulting services for implementing internal workation programs within enterprises.

<sup>7</sup> <http://worcation.co.kr>

## Local Government's Workation Program

Region	Period	Program Contents
Gangwon	2021.03~	<ul style="list-style-type: none"> <li>Develop and sale the individual/group workation products               <ul style="list-style-type: none"> <li>Individual: Recruit customers through travel agencies or own website</li> <li>Group: Attract participating companies through pilot projects</li> </ul> </li> <li>Offer 3-night, 4-day accommodation with 2 local tourist activities ticket (priced at 300,000 KRW per person)</li> </ul>
Gyeongnam	2021.11~ 2021.12	<ul style="list-style-type: none"> <li>Conducted a promotional event for the tourism product 'Working in Namhae Sea! Gyeongnam Workation' through online shopping mall 11st</li> </ul>
Incheon	2022.06~	<ul style="list-style-type: none"> <li>Opened a website for selling workation products</li> <li>Offered discounted package products that include accommodation, shared offices, and tourist activities in three areas: Songdo, Yeongjongdo, and Ganghwado</li> </ul>
Jeju	2022.09~ 2022.12	<ul style="list-style-type: none"> <li>Operated the '2022 Jeju Workation Program' targeting employees of small and medium-sized companies based in Seoul.</li> <li>Offered a 3-night, 4-day hotel voucher, a 50,000 KRW discount on flight tickets, a tourist activities voucher worth 80,000 KRW, and traveler's insurance (priced at 100,000 KRW per person)</li> </ul>
Busan	2023.02	<ul style="list-style-type: none"> <li>Provide one main workation center and two satellite centers as co-working spaces</li> <li>Offer workspace and hotel vouchers with a maximum discount of 50,000 KRW per night to approved workation applicants through the website.               <ul style="list-style-type: none"> <li>Vouchers can be used only at hotel registered on the website</li> </ul> </li> </ul>
Seosan	2023.03~ 2023.05	<ul style="list-style-type: none"> <li>Operated the 'Experience Living and Workation Program in Seosan for a Week' twice in 2023               <ul style="list-style-type: none"> <li>Provided 60,000 KRW per night for accommodation per team (1-4 members), 20,000 KRW per person for travel expenses, and 24,000 KRW per person for meals</li> <li>Recruited 15 teams for the first term (March) and 40 teams for the second term (May)</li> </ul> </li> </ul>
Jeju	2023.03~	<ul style="list-style-type: none"> <li>Organize workshops and operate websites and other platforms to introduce and facilitate connections between local workation organizations and workation participants</li> <li>Introduce the 'Jeju Workation Office Voucher', which provides support of up to 400,000 KRW per person               <ul style="list-style-type: none"> <li>Provide a daily support of 30,000 KRW per person for companies with three or more employees working for at least three days (up to a maximum of 10 days based on working days)</li> <li>Support leisure expenses with 50,000 KRW per session, up to twice a week</li> </ul> </li> </ul>
Chuncheon	2023.04	<ul style="list-style-type: none"> <li>Conducted a pilot program for workation (targeting 9 companies and 40 participants)               <ul style="list-style-type: none"> <li>Provided a 30% discount on accommodation, workspace, and networking programs.</li> </ul> </li> </ul>
Chungnam	2023.04~	<ul style="list-style-type: none"> <li>Sell workation packages for a 3-night, 4-day stay through own website               <ul style="list-style-type: none"> <li>Operate one workation program in each of the four cities (priced between 150,000 to 250,000 KRW).</li> </ul> </li> </ul>
Gyeongbuk	2023.06~	<ul style="list-style-type: none"> <li>Sell workation packages through the SNS platform 'Gyeongbuk Nadr'               <ul style="list-style-type: none"> <li>Offer accommodation discounts of 70,000 KRW on weekdays and 50,000 KRW on weekends per person, per night</li> <li>Additional 30,000 KRW weekday discount for companies with a business agreement</li> </ul> </li> </ul>
Jecheon	2023.06	<ul style="list-style-type: none"> <li>Establish a workation center on the former Taebaek Line railway site (completion in 2025)</li> </ul>

Source: Official websites of workation program, websites of local tourism associations, news articles, and more



## Yanolja's Workation Program: Tips for Success

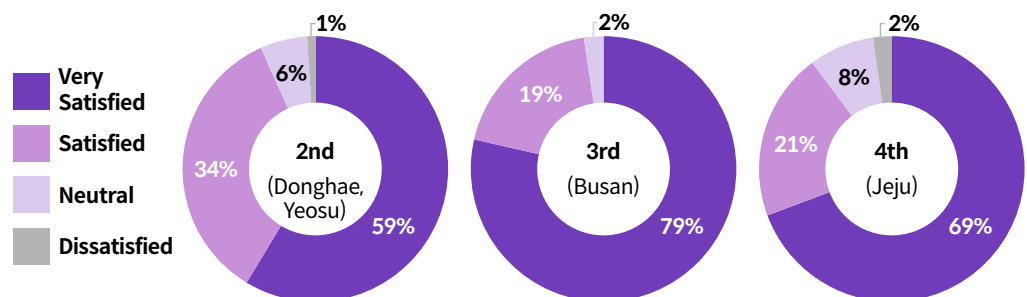
Yanolja, a South Korean travel platform company, introduced its workation policy in October 2021. As of June 2023, the company has held four workation periods, each lasting six nights and seven days. Participants are selected through a lottery system, and accommodation and meal expenses are provided.

### Yanolja's 1st~4th Workation Programs

Period	Date	Location	# Participants	Activities
1st	2021.10.31~11.14	Pyeongchang	60	-
2nd	2022.05.15~05.28	Donghae, Yeosu	120	Leisure ticket for 120 people (limited to Donghae workation)
3rd	2022.10.30~12.03	Busan	120	Yachting X-the-Sky (observatory) ticket
4th	2023.03.19~04.22	Jeju	150	Frip <sup>8</sup> ticket, Networking dinner party

Despite the fact that previous participants were ineligible to apply, the competition ratio for the 4th workation exceeded 4:1. Furthermore, considering the high satisfaction rate of workation participants, which has remained above 90%, it can be inferred that Yanolja's workation policy is being successfully implemented. Notably, the 3rd workation held in Busan had a satisfaction rate approaching 98%.

### Results of the Workation Satisfaction Survey



Source: Internal survey conducted among participants of the Yanolja workation program.

So, what aspects of the workation made participants satisfied? We asked open-ended questions to participants from the 3rd and 4th periods about what they liked about the workation, and analyzed the results using a word cloud. The most frequently mentioned words were "refresh," "healing," and "experience," which expressed the happiness derived from getting away from everyday life. The most noticeable point is that the word "work" was mentioned most frequently. This is because there were many positive responses about improving work efficiency, such as "My concentration increased while working in a new place" and "I focused on work to enjoy the evening." This also indirectly shows that participants perceive workation as a way to enhance work efficiency rather than simply considering it as a vacation.

<sup>8</sup> The largest hobby/leisure platform in Korea, an online service that allows you to reserve various tourist activities and club meeting

We also checked the negative feedback of workation using a word cloud analysis. Negative opinions were mainly about the dissatisfaction with the space, specifically accommodation, hotels, shared offices, and monitors, instead of emotional words. And words related to meals, such as breakfast, dinner, restaurant, and lunch time, are also frequently mentioned. It seems that there is a considerable burden in having three meals a day in an unfamiliar place.

The successful operation of Yanolja's workation policy is likely the result of endless efforts and dedication from the team responsible for planning and managing the program. After meeting with the members of that team and learning from their experiences and insights, I have summarized the following "Four Considerations for Successful Workation Operation" based on their input.

**First, it is crucial to clearly define the purpose of the workation.** Different companies may have different objectives for implementing workation policy. For some, the primary goal may be stress management for employees, while for others, it could be strengthening the organization. The workation offered by a company may also vary, ranging from providing employees with time to relax in nature to offering opportunities for diverse experiences. Therefore, it is important to establish a clear purpose from the early stages of workation preparation, as the choice of location and accommodation criteria will depend on these objectives.

**Second, it is important to prioritize the practicality of daily life when choosing a location for a workation.** Work is a significant part of a workation, so minimizing the inconvenience of daily life is essential. As Brian Chesky, the co-founder of Airbnb, said, "the longer you're away, the more you want to be in a home with amenities and the comfort of your office or your house."<sup>9</sup> Not only is transportation from home to the workation site important, but having easy access to nearby facilities during the workation period is also crucial. This includes securing parking spaces for those who use their own vehicles. If local transportation options are limited, it can be challenging to have meals during lunch time or enjoy leisure activities after work hours.

**Third, networking channels among participants should be provided.** Yanolja discovered that many participants felt lonely during their workations. In response, they organized dinner parties for networking during the 4th workation program, which was met with positive feedback. Operating online communication channels also helps participants to connect with each other and facilitates spontaneous networking events. Yanolja created a private Slack channel<sup>10</sup> for communication between organizers and participants, which evolved into a platform where participants could share useful information such as good cafes for work, tourist attractions, and find colleagues to have meals or engage in activities together.

**Fourth, it is important to remember that everyone has different preferences and desires.** Since individuals have different purposes for participating in workation, preferred leisure activities, and personal preferences, it is impossible to accommodate everyone's needs perfectly. For example, the room type desired by someone who enjoys workation as a solo traveler may differ from that of

<sup>9</sup> Fortune, 「Airbnb's CEO: More than 1 million people have visited our job page since announcing permanent 'work from anywhere' policy」 (2022.5.29)

<sup>10</sup> Yanolja uses Slack as a messenger tool for internal communication and collaboration, and a channel refers to a group communication room within Slack

someone who is doing it with their family. Additionally, there are countless factors that may arise in terms of individual-specific requirements. From the perspective of the organizers, it is essential to clearly define the scope of accommodating individual requirements from the planning stage to minimize operational confusion.

During a workation, both travel and daily life occur simultaneously, requiring consideration of more aspects than ordinary travel. This means that operating a workation program requires a significant allocation of resources for the company. Additionally, it is challenging to measure the quantitative impact of workation compared to the resources invested. Therefore, in order for workation to become a common welfare system, social awareness that workation is an effective method for manpower management and management's willingness to introduce it should be further expanded.

### Is Workcation a Sparkling Popularity in the Era of COVID-19, or an Unavoidable Change?

The pandemic that brought about the rise of workation trends has come to an end. So, what does the future hold for workations? It is difficult to make definitive conclusions about the future, but I would like to explore both the factors that could diminish the popularity of workations and the possibilities of their continued spread.

The fact that many companies are scaling back remote work could hinder the growth of workations. Not only global tech giants like Google and Apple, but also many domestic companies require their employees to return to the office. This could be a significant barrier to the growth of workations, as workations require a significant amount of remote work.

It is also concerning that there is still a considerable number of people in Korea who do not view workations in a favorable light. As mentioned earlier, the benefits of workations are not easily quantifiable. Therefore, many executives hesitate to introduce workations. From the perspective of workers, there are negative views such as reluctance to work even in vacation and dissatisfaction with the perceived inequality of workation opportunities. Recently, there has been a heated competition as various local governments jump into the workation business. If there are numerous cases of failure in workation programs, it could amplify the negative perception of workations.

However, if we shift our perspective, the widespread adoption of hybrid work could also create opportunities in the workation market. Even with a hybrid work system, it is entirely possible to have shorter workations lasting around 3 nights and 4 days, including weekends. Therefore, there is still untapped potential for growth, particularly in the short-term workation sector. Additionally, there is a likelihood of more companies expanding the utilization of workation programs as compensation for ending or canceling remote work. In fact, it has been reported that Hyundai Department Store will double the number of participants in its existing workation program when it terminates remote work policy in early 2023.<sup>11</sup>

11 Chosun, 「Even if remote work decreases... 'workations' will continue」 (2023.3)

According to the Yano Economic Research Institute in Japan, the Japanese workation market is projected to experience rapid growth, with an average annual growth rate of 39%, from 69.9 billion yen in 2020 to 362.2 billion yen in 2025.<sup>12</sup> If Korea also develops a similar growth momentum, workations could be utilized as one of the key tourism resources in the future.

## The Path Ahead for Workation

If workation is focused solely as a corporate welfare system, the growth potential of the workation market is clearly limited. Therefore, the major demand should shift from group to individual. To achieve this, a variety of workation packages should be offered to individuals, allowing them to choose based on their work style and financial situation. Moreover, the domestic workation demand should not be limited to domestic travelers alone. Korea possesses numerous elements that make it appealing to global digital nomads, such as excellent IT infrastructure, public transportation, and healthcare services. Furthermore, the Korean government has announced plans to introduce a dedicated visa for digital nomads by 2023. With collaborative efforts between the public and private sectors, Korea has the potential to become one of the best global workation destinations.

To realize this vision, the establishment of a workation ecosystem is essential. The workation ecosystem should consist of local startups that can provide innovative ideas for new workation services, as well as platforms that integrate these services. Workation service providers should have comprehensive and detailed knowledge of the local area, including accommodations, shared offices and cafes for work, various tourist activities, transportation options, and local shops. Therefore, smaller local companies are more advantageous than large travel agencies, as they have a deeper understanding of the local area and can provide more personalized services. If a dedicated platform is developed where consumers can easily search, compare, and purchase a wide range of services offered by local businesses, it will serve as a booster for the growth of the workation ecosystem.

Creating a workation industry ecosystem requires the participation of various stakeholders. These include accommodation providers, travel agencies, content providers, platforms, as well as government authorities and local communities. If everyone joins forces to foster a workation industry with global competitiveness, it is expected to lay a solid foundation for Korea to become a leading tourism nation.

<sup>12</sup> Yano Economic Research Institute, 「Workation Market(2021)」 (2021.2)

## Appendix

## Key Economic Indicators

Indicator	Statistics	Measure	2018	2019	2020	2021	2022	22.04	22.05	22.06	22.07	22.08	22.09	22.10	22.11	22.12	23.01	23.02	23.03	23.04	23.05
General Economics	GDP Growth Rate <sup>1</sup>	Real GDP Growth(%)	29	22	-07	43	26	07(Q2)			03(Q3)			-04(Q4)			03(Q1)				
		Private Consumption Growth(%)	32	21	-48	36	43	29(Q2)			17(Q3)			-06(Q4)			05(Q1)				
	Composite Indexes of Business Indicators <sup>2</sup>	Leading Indicator	942*	960*	1000*	1062*	1087*	108	1085	1089	109	109.1	1093	1095	1096	1094	1094	1093	1093	1094	
		Coincident Indicator	983*	997*	1000*	1038*	1083*	1076	1078	108	1085	109.1	1093	1093	1089	1084	1082	1088	1096	1100	
		Lagging Indicator	950*	978*	1000*	1037*	1095*	108.1	1085	109	109.7	1103	1108	1113	1118	1124	1128	1129	1131	1134	
Business Trends	Business Survey Index <sup>3</sup>	Total	941*	908*	815*	1014*	940*	99.1	972	963	926	869	958	896	867	854	885	831	935	930	938
		Non-manufacturing	969*	936*	842*	1006*	961*	1046	102	993	95.1	914	948	911	897	873	903	851	957	905	933
		Leisure/Hospitality	-	-	-	995*	897*	1143	1111	87.5	100	90	667	111.1	889	90	857	778	889	1200	107.1
	Business Survey Index by Industry <sup>4</sup>	Total	78*	73*	65*	84*	82*	83	86	87	82	79	82	79	76	74	70	68	71	73	74
		Accommodation	78*	70*	30*	48*	85*	70	84	95	110	102	95	102	91	98	78	71	68	69	94
	SME Business Outlook Survey <sup>5</sup>	Total	878*	836*	707*	778*	827*	847	876	86.1	815	785	832	851	823	817	777	-	-	-	-
		Food/Accommodation	877*	820*	607*	578*	809*	768	95	94.1	96.7	84.7	80.5	86.2	90	959	801	-	-	-	-
	Consumer Survey Index <sup>6</sup>	Consumer Confidence Index	104*	99*	88*	103*	96*	104.1	1029	967	863	89	916	89	86.7	902	907	902	92	95.1	98
		Consumer Expenditure Outlook	108*	108*	97*	108*	111*	114	116	114	112	110	109	110	107	108	110	112	110	110	111
		Travel Expenditure Outlook	94*	90*	71*	86*	93*	101	104	99	92	87	91	91	89	90	90	91	94	97	99
		Entertainment Expenditure Outlook	91*	91*	80*	89*	92*	95	97	94	93	91	93	92	89	92	91	91	92	93	94
		F&B Expenditure Outlook	93*	91*	83*	92*	94*	98	100	96	91	92	92	91	89	91	90	90	91	94	96
	Production Index of Service Sector <sup>7</sup>	Total	1006	1020	1000	1050	1120	1107	1128	1142	1121	1121	1132	1135	1134	1268	1098	1083	1177	1141	-
		Accommodation	1502	1497	1000	1113	139.1	1287	1428	1515	1592	1594	1431	1613	1440	1484	1276	1324	1267	1451	-
		Food & Beverage	1207	1194	1000	1007	1167	116.1	127.9	1220	1289	1254	1164	1236	1172	127.7	1126	1109	1189	1169	-
	Production Index by Industry <sup>8</sup>	All Services	10063*	10193*	10000*	10509*	11188*	11140	11180	11190	11290	11380	11410	11370	11280	11460	11400	11640	11580	11540	-
		F&B/Accommodation	12437*	12294*	10001*	10178*	11931*	12062	12319	12371	12593	12518	12523	12437	12281	12056	12008	12984	12487	12402	-

\*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 that 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 that 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 con

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; 2015 = 100

Indicator	Statistics	Measure	2018	2019	2020	2021	2022	22.04	22.05	22.06	22.07	22.08	22.09	22.10	22.11	22.12	23.01	23.02	23.03	23.04	23.05
Prices	Consumer Price Index <sup>9</sup>	Total	99.09	99.47	100.00	102.50	107.71	106.85	107.56	108.22	108.74	108.62	108.93	109.21	109.10	109.28	110.10	110.38	110.56	110.80	111.13
		Hotel	108.91	106.51	100.00	99.82	108.71	100.61	105.40	103.62	120.62	123.54	110.38	115.68	113.33	116.34	113.51	107.30	108.27	114.21	116.83
		Motel	101.28	101.43	100.00	98.39	101.64	99.84	100.11	100.80	101.97	102.85	102.75	104.46	104.16	104.67	104.58	104.86	104.98	105.89	105.57
		Resort	101.21	102.29	100.00	99.86	102.43	93.79	95.25	93.23	106.88	131.22	100.03	98.83	94.02	106.67	115.30	101.64	98.88	99.99	105.56
		Recreational Facilities	81.99	84.36	100.00	102.65	108.58	99.35	102.82	105.79	126.96	133.59	110.99	108.09	104.94	108.70	108.77	107.16	105.95	107.64	109.89
	Producer Price Index <sup>10</sup>	Total	103.48	103.50	103.03	109.60	118.78	118.59	119.43	120.10	120.44	119.98	120.06	120.68	120.29	119.79	120.25	120.46	120.59	120.50	120.14
		Accommodation Service	105.32	104.41	100.25	99.80	105.91	99.73	102.56	101.53	112.96	118.58	106.77	109.92	107.84	111.55	111.40	106.08	106.20	109.78	111.92
		Hotel	104.00	101.82	95.59	95.59	104.09	96.33	100.92	99.21	115.49	118.29	105.69	110.76	108.51	111.40	108.69	102.74	103.67	109.36	111.87
		Motel	99.60	99.76	98.35	96.87	100.14	98.36	98.63	99.31	100.46	101.33	101.23	102.92	102.62	103.12	103.03	103.31	103.43	104.33	104.01
		Resort	114.96	116.04	113.44	113.83	117.12	107.24	108.91	106.60	122.20	150.04	114.37	113.00	107.51	121.97	131.84	116.21	113.07	114.33	120.70
Labor	Economically Active Population Survey <sup>11</sup>	Unemployment Rate(%)	38	38	40	37	29	30	30	30	29	21	24	24	23	30	36	31	29	28	27
		Employment Rate(%)	60.7	60.9	60.1	60.5	62.1	62.1	63	62.9	62.9	62.8	62.7	62.7	62.7	61.3	60.3	61.1	62.2	62.7	63.5
Tourism	Tourism Balance <sup>12</sup>	Total Tourism Balance(\$M)	-13066.1	-8515.6	-3175.3	-4328.6	-5297.3	-382.0	-431.2	-489.4	-594.6	-556.0	-301.6	-335.2	-588.3	-837.9	-1158.3	-856.5	-572.9	-344.1	
		Total Tourism Income(\$M)	18461.8	20744.9	10181.1	10622.5	11781.4	875.1	970.6	973.4	818.4	1088.9	1127.5	1306.7	1125.1	1089.8	865.5	955.3	1200.8	1347.2	
		Total Tourism Expenditure(\$M)	31527.9	29260.5	13356.4	14951.1	17078.7	1257.1	1401.8	1462.8	1413.0	1644.9	1429.1	1641.9	1713.4	1927.7	2023.8	1811.8	1773.7	1691.3	
	Immigration <sup>13</sup>	Number of Outbound Travelers(K)	28,696	28,714	4,276	1,223	6,554	215	316	413	674	702	620	773	1,041	1,393	1,782	1,725	1,472	1,497	
		Number of Inbound Travelers(K)	15,347	17,503	2,519	967	3,198	128	176	228	264	311	338	476	460	539	434	479	801	889	
Currency	Exchange Rate <sup>14</sup>	USD	1,100.30	1,165.65	1,180.05	1,144.42	1,291.95	1,232.34	1,269.88	1,277.35	1,307.40	1,318.44	1,391.59	1,426.66	1,364.10	1,296.22	1,247.25	1,270.74	1,305.73	1,320.01	1,328.21
		EUR	1,298.63	1,304.81	1,345.99	1,352.79	1,357.38	1,334.08	1,342.43	1,348.96	1,332.91	1,334.53	1,377.09	1,404.83	1,388.29	1,371.13	1,342.37	1,361.65	1,398.50	1,446.41	1,444.20
		JPY	996.27	1,069.75	1,105.07	1,041.45	983.44	977.38	985.49	951.34	955.93	975.17	973.2	969.36	956.51	959.12	956.76	956.68	977.31	990.52	969.37
		CNY	166.4	168.58	170.88	177.43	191.57	191.82	188.78	190.68	194.13	193.75	198.19	198.37	189.53	185.47	183.16	185.97	189.1	191.6	190.02

9) KOSTAT; 2020 = 100  
10) KOSTAT; 2015 = 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



## News

### Yanolja Research Seminar in H1 2023: Platform Economy and the Tourism Industry



Yanolja Research, in collaboration with the H&T Analytics Center at Kyung Hee University and the CHRIBA Research Institute at Purdue University, organized a seminar on Friday, June 30, 2023. The seminar focused on the platform economy and the tourism industry, featuring a presentation by Professor Choi Kyu-wan from Kyung Hee University, followed by a panel discussion. The panel discussion was chaired by Jang Soo-cheong, the Director of Yanolja Research, and included participants such as a professor from Hanyang University, Park Jung-rok, the Vice Chairman of the Seoul Tourism Association, Jeong Gwang-min, a research fellow at the Korea Culture and Tourism Institute, and Shin Sung-cheol, the Business Development Director at Yanolja. The panel discussed fostering the tourism industry through the utilization of platforms and explored various approaches.

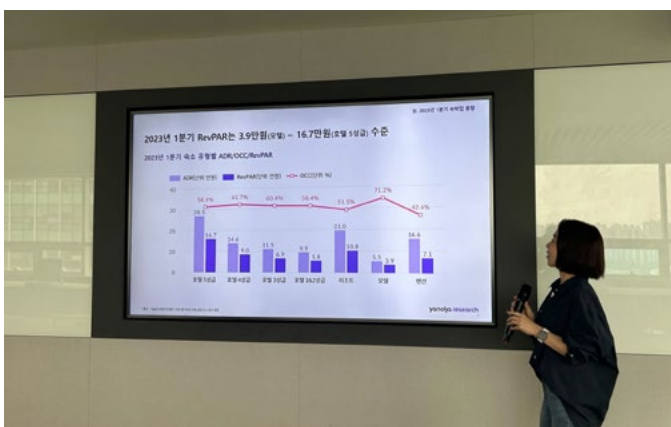
### 2023 Travel Innovation Idea Competition



Yanolja Research and Yanolja are jointly hosting a competition for university students to submit creative and practical ideas for tourism platform services, strategies for utilizing platforms to enhance tourism, and digital transformation strategies for tourism businesses.

- Submission Period: July 3, 2023 (Mon) ~ July 17, 2023 (Mon)
- For more information, please visit the Yanolja Research website. (<http://yanolja-research.com>)

### Briefing for Q1 2023 Trends in the Korea Lodging Industry



Yanolja Research conducted an internal briefing on June 15, 2023 to discuss the Q1 2023 trends in the domestic lodging industry for Yanolja employees. The presentation covered key indicators such as ADR (Average Daily Rate), OCC (Occupancy Rate), and RevPAR (Revenue Per Available Room) to examine the trends in the hospitality sector during the first quarter of 2023. The briefing also included an analysis of the impact of COVID-19 on the hospitality and tourism industry using big data.

- The Q1 2023 Trends in the Korea Lodging Industry report is available on the Yanolja Research website. (<http://yanolja-research.com>)



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**Address : 17th Floor, Dongil Tower, 38, Teheran-ro 114-gil, Gangnam-gu, Seoul, South Korea**

**Email : [yanoljaresearch@yanolja.com](mailto:yanoljaresearch@yanolja.com) | Website : [yanolja-research.com](http://yanolja-research.com)**

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