

Company	ConsumerInsight	E-mail	kwonyg@consumerinsight.kr
Query	Kwon, Younggyo / Director	Phone number	02) 6004-7622
Issued	Monday, Aug 5 th 2019	Pages	Total of 3 pages

Only 9% of people are now interested in traveling to Japan... Interests in visiting Japan were reduced to 1/3 within a month

- 57% of consumers changed their opinion within a month and now think negatively toward traveling to Japan
- ConsumerInsight 'Weekly travel behavior and planning study'
- The declining trend which lasted for a year has accelerated with the trade conflict
- An average of 14% per week have negatively changed their attitude since the start of the trade conflict

The tendency of traveling to Japan is significantly declining. An average of 14% per week have been developing a negative opinion on traveling to Japan since the Korea vs. Japan trade war broke out. In the fourth week of July, 75% became "less interested" in travel, which is 8 times more than the 'more interested' rate of 9%. The difference between the two is 66%p (points), which is an increase of 57%p against the rate before the dispute was triggered (in the 4th week of June). Since the boycott of Japanese products in Korea, an average of 14% of consumers have changed from 'positive' or 'neutral' to 'negative' regarding travel to Japan. This current trend is likely to result in more serious outcomes.

This is the result of analysis on how customers' interest in traveling to major destinations abroad, including Japan, have changed in the last 3 years according to 'Weekly travel behavior and planning study' (a sample group of 500 travel consumers, 26,000 sample per year) conducted by ConsumerInsight Consumer Trend Research Lab.

■ Declining trend since the 2Q of last year... Korea-Japan trade war inflicting pain on tourism market

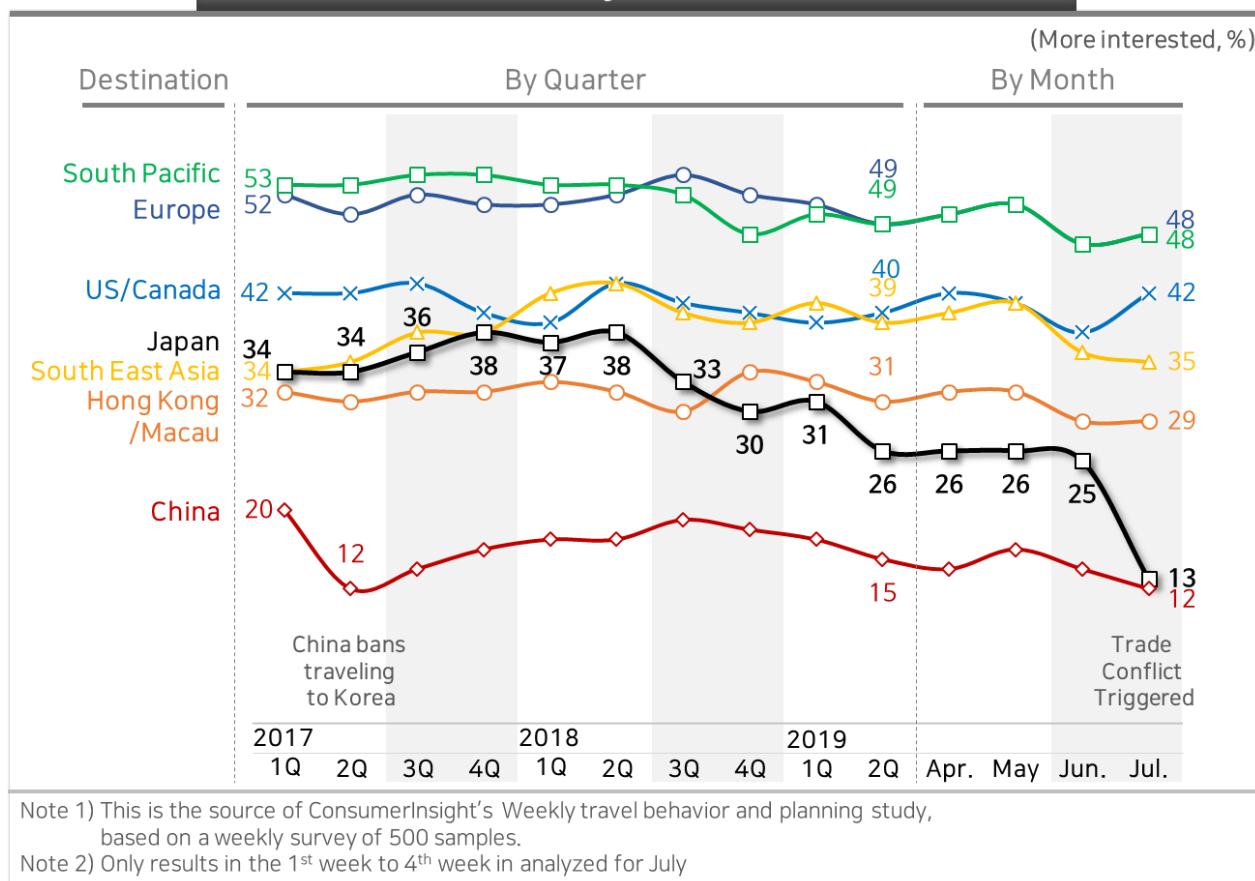
Japan is the most popular overseas destination for Koreans, accounting for nearly a third of the total outbound market over the past few years. However, after the rate reached the peak of 38% in the 2018 2Q for 'more interested' as a travel destination, it fell to 33% in the 3Q and then dropped to 26% a year later (2019 2Q) [Figure 1].

This seems to be due to the increase in the number of travelers to Japan over the past few years and the fact that the destinations are no longer 'fresh' for repeated visitors. The interest in destinations that are easy to get to often falls. The decline in interest in Southeast Asia can also be interpreted in the same context.

However, the average interest in July this year was 13%, which had plummeted by almost half, down from 25% interest in June. This is almost the same as the 12% interest in traveling to China, which has remained at the bottom of the list since China's economic retaliation measures linked to the THAAD deployment in early 2017, indicating that Korean-Japanese relations were seriously strained in June and July.

<Figure1. Interest in Major Overseas Travel Areas>

[Figure1] Interest in Major Overseas Travel Areas



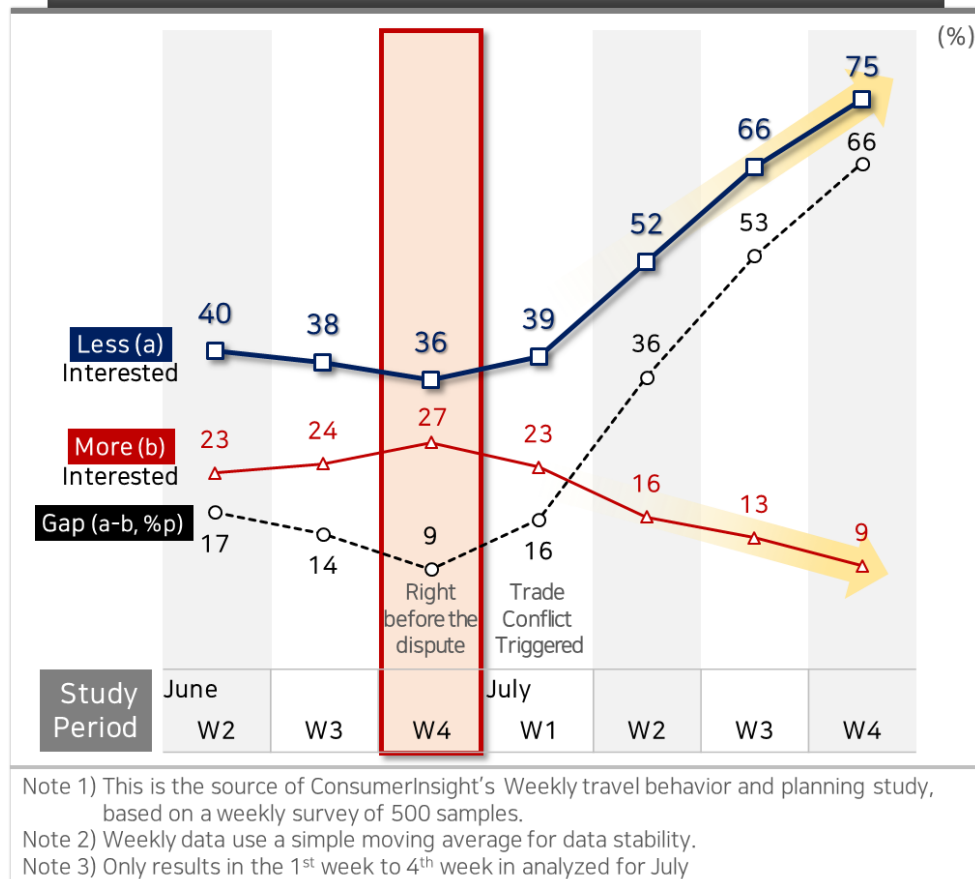
■ 'Less interested' rate was doubled while 'More interested' reduced to 1/3 within 4 weeks

To find out how the rapid decline was made, the results of the survey from June were analyzed on a weekly basis. The 'Less interested' group comprised 39% in the 1st week of July when the conflict broke out, then soared to 52%(13%p increased) in the 2nd week, 66%(14%p increased) in the 3rd week, and 75%(9%p increased) in the 4th week, which was almost the upper limit [Figure 2]. On the other hand, the 'More interested' group was rising until the end of June, but then significantly dropped to 9% in the 4th week, which was lower than interest in traveling to China (12%). Compared to the 4th week of June, just before the Japanese government announced its export regulation (on July 4th), 'Less interested' surged more than double over four weeks (36% → 75%), and 'More interested' was cut by a third (27% → 9%).

The difference between 'Less interested' and 'More interested' shows how people's perception of travel to Japan has changed. The difference, which was only 9%p just before the dispute (in the 4th week of June), increased to 66%p in the 4th week of July (after 4 weeks), meaning that an average of 14% of consumers negatively changed their opinion on travel to Japan. This is a major change.

<Figure 2. Weekly trends of interest in traveling Japan>

[Figure 2] Weekly trends of interest in traveling Japan



■ Dropped momentum is hard to recover...Negative impact on the tourism market is foreseen

If the boycott continues, tourism will inevitably hit the ground. Given that interest in traveling to China has remained at around 10 percent since 2017, it is evident that getting consumers to travel again isn't easy. Moreover, the current trend may not yet be over and may result in an even larger gap in the rate. The current situation is the first of its kind in Korea's outbound travel market, and it is important to take note what changes will be made to the overall travel market, including outbound.

These results are based on a weekly survey of 'Weekly travel behavior and planning study' conducted by ConsumerInsight Consumer Trend Research Lab with a sample group of 500 travel consumers (26,000 sample per year). Weekly updated survey results and analysis reports can be viewed at www.consumerinsight.co.kr/travel and the summary of the survey results by year can be downloaded.

[\(Download Reports\)](#)

Copyright © Consumer Insight. All rights reserved.

The contents of the report cannot be used for commercial purpose.

For-more-Information

Kwon, Younggyo / Director

E. kwonyg@consumerinsight.kr

T. 02)6004-7622