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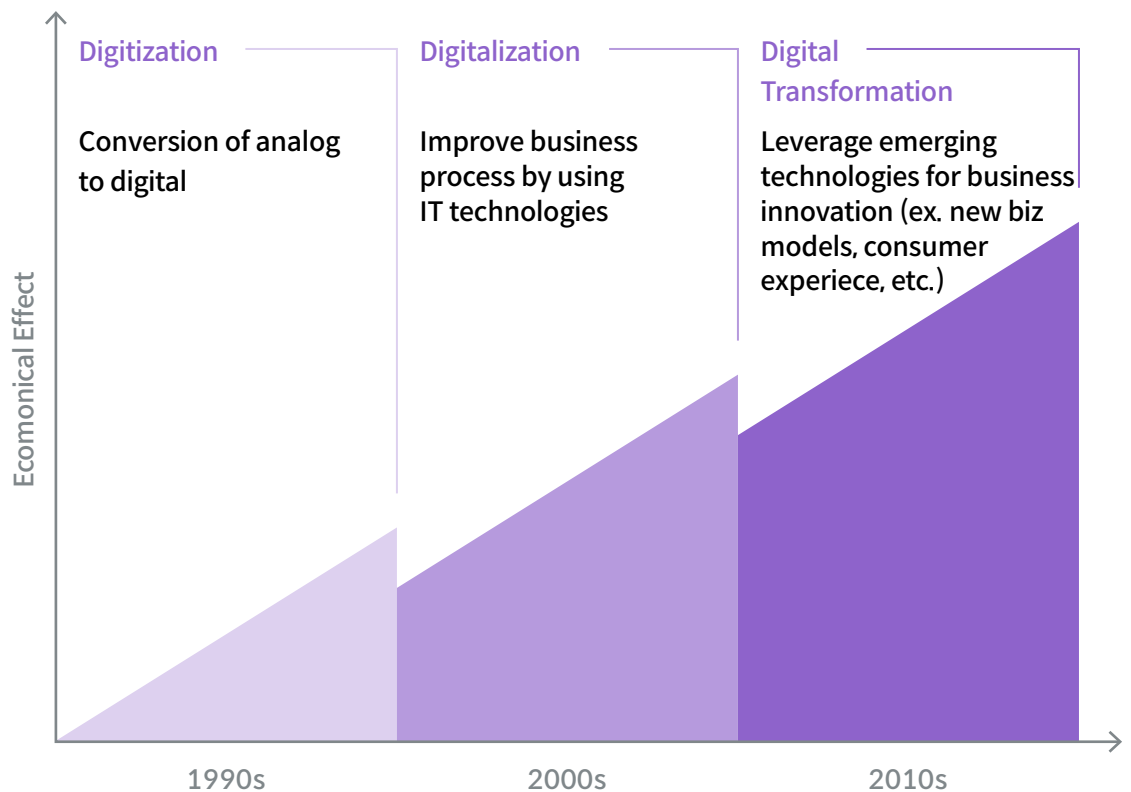
The Future of Digital Transformation in the Tourism Industry

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The service industry lags behind the manufacturing sector in terms of productivity in Korea. Yet, the tourism industry offers a promising new avenue for economic growth in the future. As of 2019, tourism accounted for a substantial 10.3% of global GDP, outpacing many other industries and growing at twice the rate. However, Korea's tourism industry contributes a mere 2.8% to the nation's GDP, the lowest among OECD countries. In contrast, Japan experienced a 1.82-fold increase in the number of foreign tourists between 2014 and 2019, a testament to its ongoing tourism promotion efforts since the early 2000s. At one point, Japan and Korea attracted similar numbers of foreign visitors, but Japan's strategic policies led to rapid growth in the sector. For Korea to achieve a similar trajectory, it must prioritize and effectively implement digital transformation initiatives in the tourism industry. The key to success lies in how quickly and efficiently these innovations are adopted and integrated into the sector.

The tourism industry, a burgeoning sector, is currently experiencing rapid digital transformation. A wealth of data reveals the extent of these changes: 77% of tourism businesses in OECD countries have a website, while 70% use social media for promotional purposes. Furthermore, 89% of travelers rely on online or mobile devices during their journeys, and 39% book tourist attractions online, according to a 2019 study by the Culture and Tourism Research Institute. In the near future, digital channels are projected to play an even more significant role in the industry, with the transaction volume for tourism product reservations anticipated to grow by 1.9 times in 2027 compared to 2020. But what exactly is digital transformation? Digital transformation, or DX, is a concept that transcends mere digitization and digitalization. It encompasses the strategic and comprehensive utilization of core data technology

The Path to Digital Transformation



elements from the Fourth Industrial Revolution, such as artificial intelligence, cloud computing, blockchain, IoT, and 5G. This approach involves developing digitally-based management strategies and activities that fundamentally reshape their operations.

The advent of groundbreaking data technologies is ushering in significant transformations within the tourism industry, both in terms of business practices and the industry's broader ecosystem. As traditional merging, steadily encroaching on the territory once dominated by offline businesses. Furthermore, the industry is witnessing an expansion in the scope of platform and solution-based businesses, along with a

growing influence within this rapidly evolving landscape.

A closer examination of the changes within the tourism industry reveals three overarching trends. Firstly, there is a shift from reliance on human labor to a greater dependence on technology, driven by contactless and unmanned services. Airports, tourist information centers, and hotels are increasingly adopting automated services for tasks such as ticket issuance, visitor assistance, and check-in/check-out processes. The tourism industry, once characterized by low value-added person-to-person services, is now evolving into a high value-added sector with reduced dependence on human labor. Secondly, an array of tourism-related solutions is emerging, enhancing service quality and operational efficiency. For instance, the hotel industry is experiencing a surge of specialized solutions for hotel management, room management, channel management, and self-check-in services. Notably, cloud-based XaaS hotel management solutions are supplanting traditional server-based property management systems. Moreover, various solutions cater to tour operators and tourists, ranging from transportation and tour product inquiries to travel planning and revenue management. Lastly, the industry is witnessing an increase in hyper-personalized services based on data. Previously, the marketing and service efforts of tourism operators were largely uniform, limited by the quantity and quality of available data. However, the advent of data-driven services has made it possible to tailor offerings to individual preferences. For example, since 2022, American Express has offered a service called Trip Planner, which analyzes customers' consumption patterns through card usage and surveys to compile personalized travel recommendations. This level of hyper-personalization is expected to extend beyond travel planning and information provision, ultimately becoming a universal system that instantly recommends tourist products tailored to individual needs.

As the tourism industry undergoes digital transformation, significant shifts are occurring not only within individual businesses but also at the industry level. Rapid changes are anticipated in the various functions that create and mediate tourism products. Firstly, the influence of platform companies within the entire value chain of the tourism industry is expected to expand continually. As part of this platform ecosystem, digitally-based services will become increasingly specialized and play a dominant role in shaping the overall tourism experience.

Secondly, competition between Online Travel Agencies (OTAs), which function as simple intermediaries, and various solution providers is poised to intensify. In the past, the global Big 4 OTAs – Booking Holdings, Expedia, Airbnb, and Ctrip – controlled 97% of the worldwide brokerage market. However, recent innovations in business models have begun to challenge their dominance. For instance, the emergence of solutions that gather information through search engines and directly connect users to tour operators offering relevant products has weakened the stronghold of established OTAs. This shift is reminiscent of the transition in the fashion industry, where clothing sales once primarily took place in shopping malls but eventually migrated to platforms like Instagram.

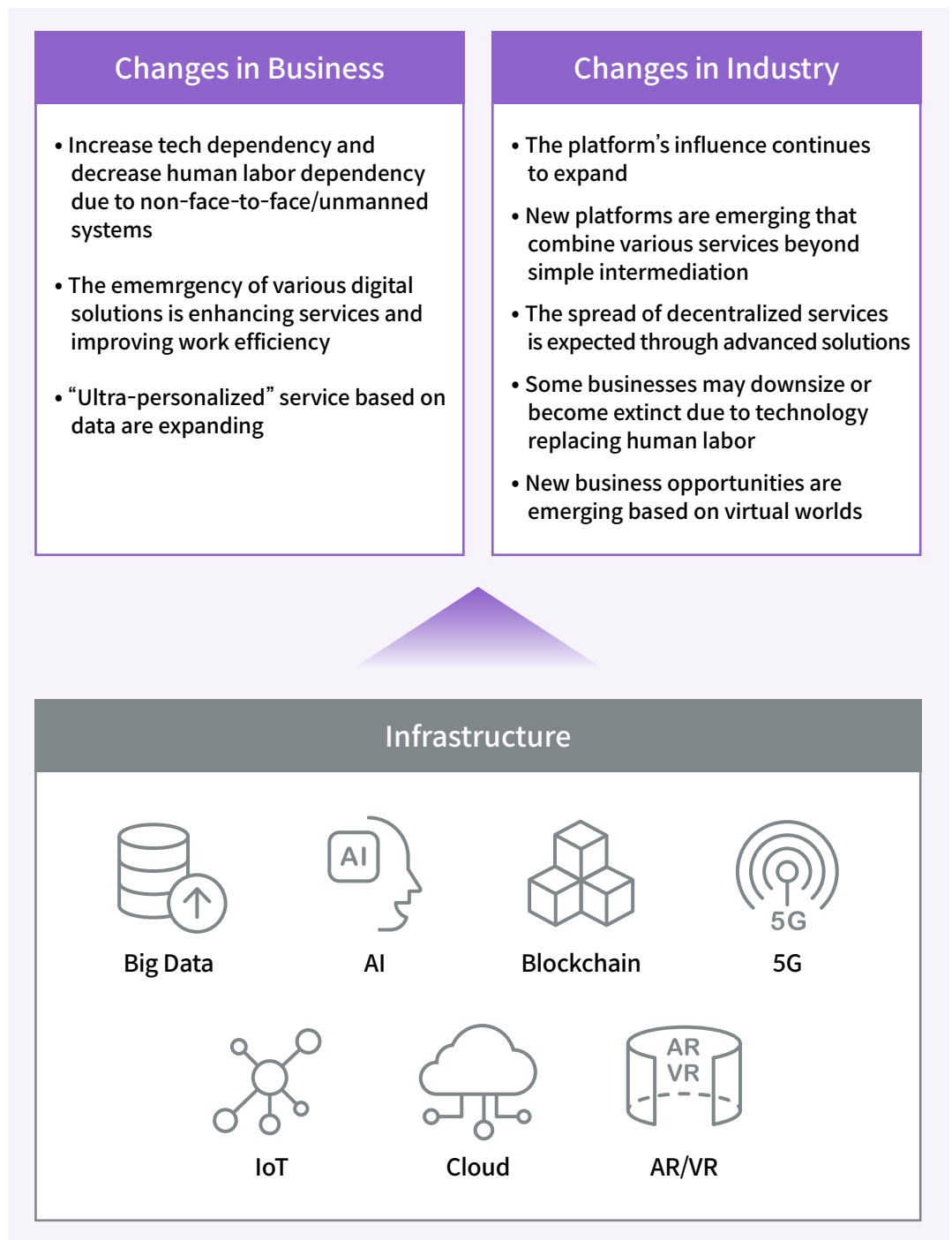
Thirdly, as solutions advance, the industry is expected to move from a centralized model, built around large-scale solutions, to a more decentralized approach. In the past, Global Distribution System (GDS) companies controlled distribution within the airline market. However, with the advent of New Distribution Capability (NDC), a novel distribution system, direct transactions between airlines and travel agencies have become possible, bypassing fees typically paid to GDS companies. This new system also allows for seamless trading of various ancillary

products, such as baggage options, in addition to air tickets. The proportion of transactions conducted through NDC has grown rapidly, increasing from 5% in January 2021 to 10% in June 2022 – more than doubling in just a year and a half.

Fourthly, the emergence of innovative technologies and services is poised to displace human labor, leading to the contraction or disappearance of certain business sectors. For instance, the advent of AI solutions like ChatGPT may reduce or eliminate the need for businesses that offer travel recommendation services. Previously, these diminishing or disappearing services constituted the core offerings of some operators; however, the rise of innovative technology-based solutions could relegate many tour operators' services to simple add-ons. While predicting the future may be challenging, technological evolution theory suggests that numerous innovative services will emerge. Tourism technology companies must proactively prepare for these developments.

Lastly, a new business area is emerging, grounded in the virtual world. As anticipated, metaverse and virtual reality technologies are advancing rapidly. Consequently, the most pressing growth area within the tourism industry, in terms of adopting new technologies, is the metaverse. The expansion of the metaverse industry hinges on the establishment of a stable ecosystem, encompassing four key pillars: media, participants, intellectual property rights, and compensation. Regarding the metaverse, domestic frontrunners like ZEPETO are growing at a pace that rivals global leaders. To secure a leading position in the worldwide market from a long-term perspective, it is essential to establish a national policy agenda for the metaverse and develop a preemptive system for virtual currency and non-fungible tokens (NFTs).

The Changes in Tourism Business and Industry Due to Digital Transformation



Digital transformation is poised to reshape the landscape of the tourism industry, heralding both challenges and opportunities depending on an organization's ability to adapt. Innovative solutions and platforms serve as crucial instruments in this digital metamorphosis. As solution providers accumulate data, they will be better equipped to offer enhanced services and attract more tourists. Previously, the conventional wisdom held that data would be collected through platforms, leading to the emergence of more convenient services. However, as platforms have grown and solutions have proliferated, high-quality personalized data or information not readily available to platforms have been found within these solutions. By actively leveraging this data, the rapid advancement of services is expected to continue apace.

The role of solution providers in facilitating digital transformation is crucial. In the end, both online and offline tour operators rely on these solutions to develop their businesses and share data with solution providers. This collaboration enables a symbiotic relationship between travel tech companies and tourism operators, driven by data. Moreover, solutions can facilitate direct connections between tourism operators and consumers, bypassing the need for platforms. Offline tourism operators that adopt these solutions can gain a competitive edge through improved efficiency, while solution providers can actively utilize the data supplied by offline tour operators to bolster their existing businesses and expand their reach. This synergy paves the way for a win-win strategy. In the accommodations sector alone, successful solution companies like Yanolja Cloud PMS Solution, Onda Accommodation Solution, and H2O Hospitality Solution are experiencing significant growth. The expansion of these solution companies is forging a new ecosystem for the tourism business.

The slow pace of digital transformation in Korea's tourism industry can be attributed to the small scale of its tourism operators. As of 2018, 86% of domestic tourism companies reported sales of less than 1 billion Won, and 83% employed fewer than 10 workers, underscoring the modest size of these operators. To support these small-scale tourism operators, XaaS solutions provided by private-sector companies can serve as a vital means of enhancing their business efficiency. It is expected that the government will not develop these solutions directly but instead actively promote the distribution of private technological solutions to small tourism operators in order to accelerate the digital transformation process.

It is imperative to acknowledge that the tourism industry, grounded in digital transformation, constitutes a strategic national industry. The focus should be on enhancing the quality of tourism services by actively employing platforms and solutions, rather than merely increasing the number of inbound tourists. Digital transformation stands to broaden the scope of the tourism industry, improve the country's industrial structure, boost the profitability of domestic small-scale tourism operators, and ultimately play a part in the worldwide dissemination of K-Contents.

Korea's Leap for a Tourism Powerhouse through Digital Transformation and Globalization

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In an era of rapid digital transformation (DX), the tourism industry has experienced unparalleled change with the rise of digital conversion. The once-unthinkable is now the norm, as travelers routinely search for information and purchase products online, while industry players turn to cutting-edge digital technology and big data to gain a competitive edge. Platform operators are leveraging vast troves of data to develop distinctive offerings for their customers, tailoring experiences to individual preferences and needs. Meanwhile, hotels are revolutionizing the hospitality experience by utilizing reservation systems that enable personalized services, ensuring the utmost satisfaction for each and every guest. In addition, ChatGPT, recently unveiled by Open AI, empowers travelers to create effective domestic and international travel itineraries without the professional assistance from travel agencies. This remarkable shift, unimaginable merely a decade ago, has unfolded at a breakneck pace, redefining the tourism landscape for both consumers and businesses alike.

An Example of Travel Itinerary created by ChatGPT



Please make a plan for the trip to Thailand



Sure! Here's a rough plan for your trip to Thailand:

Day 1: Arrival in Bangkok and Transfer to Hotel

- Take a taxi or shuttle from Suvarnabhumi International Airport to your hotel.

Day 2: Sightseeing in Bangkok

- Visit Bangkok's top attractions such as the Grand Palace, Wat Phra Kaew, Wat Arun, and Wat Pho.
- In the evening, check out the lively streets of Khao San Road or Soi Cowboy.

At the heart of the hyper-connected era, the tourism industry has been profoundly impacted by the advent of DX, with connection being its driving force. Previously, the limitations of information made it challenging for the industry to develop products and services that catered to the desires of consumers. However, the evolution of digital technology has ushered in an age where understanding the needs of travelers and providing more satisfying products and services is not only possible but also encourages repeat visits. In essence, data analysis allows for the identification of consumer preferences and trends, creating a ripple effect across the entire industry ecosystem. As the tourism sector continues to adapt and innovate, the influence of these changes will reverberate throughout all aspects of the industry, shaping the way we travel and experience the world.

The tourism industry stands to gain significant advantages from DX, and Korea is at the forefront of this digital transformation with its world-class information and communication technology (ICT) infrastructure, as well as its highly skilled workforce and cutting-edge technologies. Furthermore, the country boasts a competitive landscape of travel platform companies and Travel Tech firms on the global stage, cementing its position as a leader in DX infrastructure. By leveraging these opportunities, tourism businesses can effectively align themselves with Korea's technological prowess and reap the benefits.

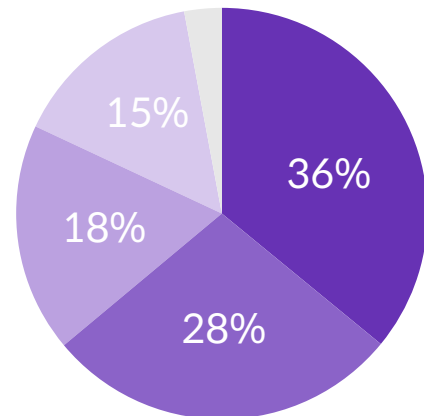
However, the current state of the tourism industry presents a different narrative. Despite some success for domestic online travel agencies (OTA) platforms in Korea, overseas OTA companies continue to penetrate the market. In the global arena, a small handful of dominant players, including Booking Holdings, Expedia Group, Airbnb, and

Trip.com, control a staggering 97% of the market share, having created an oligopolistic landscape.

*Source: Statista,
Statista Mobility Market
Outlook

*Note: The revenue
share is a rounded
decimal number

Global OTA Revenue Share (2020)



What is our stance on welcoming inbound tourists? Significant improvements have been made through government and industry efforts, such as offering tourist information in foreign languages and deploying guides at major attractions. However, despite these advancements, online services are still inadequate. One major issue is the difficulty in using foreign credit cards on domestic platforms, causing significant inconvenience for foreign tourists. Additionally, the lack of foreign language services on most platforms makes it nearly impossible for foreigners visiting Korea to purchase tour products online. With such challenges, one could argue that our tourism industry has yet to fully embrace foreign travelers as consumers. Despite the buzzwords of "globalization" and "globalism", practical efforts to achieve a globalized travel and tourism industry have fallen short. Perhaps we have merely planted the seeds of globalization without truly realizing its potential?

The tourism industry's competition used to be limited to domestic and regional levels, but now global online travel agencies (OTA) have

entered the domestic market, intensifying the competition. Evidence of this trend can be seen in Koreans' increasing use of global OTA platforms like Expedia and Agoda when traveling from Seoul to Jeju Island. As digitalization accelerates globalization, the domestic market is increasingly being integrated into the global market. To survive in this fiercely competitive landscape, Korean tourism companies must adopt aggressive strategies to enter and thrive in the global market. Focusing solely on defending the domestic market could lead to even greater challenges for the industry. In short, the globalization of the tourism industry is crucial for survival, rather than just a matter of expansion.

Even if DX is successfully implemented, the worst-case scenario could occur if domestic Travel Tech companies cannot secure global competitiveness, where global giant companies can easily and quickly dominate the domestic market. Without successful globalization, Korea's tourism industry may depend solely on foreign companies, risking industrial retreat or being relegated to the international periphery. Both digital innovation and securing global competitiveness are thus necessary not only for Korea to become a tourism powerhouse but also for the industry's survival.

Essential elements for achieving Korea as a tourism powerhouse



So what changes are necessary to secure both DX and global competitiveness? First of all, a shift in perspective on the tourism policy is needed. The majority of tourism operators in Korea are small-scale, and government support policies have been geared towards small Third, given that small businesses often struggle to secure competitiveness, creating an environment that activates M&As of small and medium-sized platform companies and offering incentives with tax support is necessary. businesses in the industry. However, given the national recognition of tourism DX and globalization as strategic directions for the future, it is imperative to actively foster and support policies that encourage strategic investments across companies of all sizes.

The tourism industry plays a crucial role as an export industry, with tourism exports including not only foreigners visiting Korea but also our platform and solution companies expanding overseas and attracting foreign customers. To facilitate this growth, support measures must be put in place to foster the global competitiveness of these companies. Furthermore, the industry has traditionally focused on hardware-oriented businesses, such as developing local tourist destinations, but now must shift towards strengthening digital capabilities and undertaking digital transformation across all tourism operators in Korea.

To achieve this transformation, a global mindset is essential among all professionals in the industry, academia, and government. Operators must recognize that their customer base includes not only domestic tourists but also foreign tourists, and it is crucial to approach product and service planning with a global market in mind.

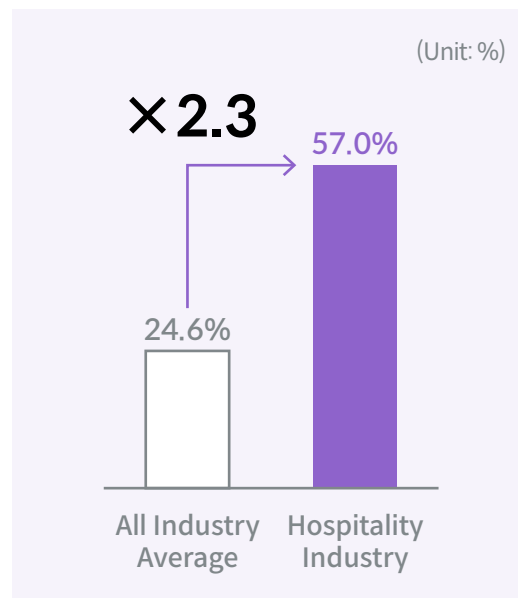
To achieve the globalization of the tourism industry, various strategies have been discussed, but the focus here will be on government policies and support.

One potential approach is to provide support to domestic companies pursuing entry into the overseas markets. Tourism platform and solution companies invest heavily in R&D, much like semiconductor and automobile manufacturers. If the tourism industry is recognized as a strategic industry for the future, tax support and financial assistance, such as investment tax credits applied to manufacturers, can be considered. Additionally, the creation of a tourism overseas export fund that can be used by Travel Tech companies when entering overseas markets could potentially help cover some of the required funds for expansion.

Second, to connect the K-content industry, a crucial driver of inbound tourism, with the tourism industry, infrastructure that allows foreign tourists to directly experience Korean culture must be expanded. For example, it is worth considering national-level construction of large-scale permanent performance hall that can showcase K-content at all times. Additionally, government support or cooperation is needed to establish a consultative body between domestic tourism platforms and K-content providers, strengthening win-win business partnerships. For instance, if it becomes easier for overseas users to purchase tickets for famous domestic idol performances directly through domestic OTA platforms (currently, some platforms allow direct purchases, but the process may be complicated due to a lack of detailed information or payment processes), we can introduce and encourage the use of domestic OTA platforms to overseas users.

Third, given that small businesses often struggle to secure competitiveness, creating an environment that activates M&As of small and medium-sized platform companies and offering incentives with tax support is necessary.

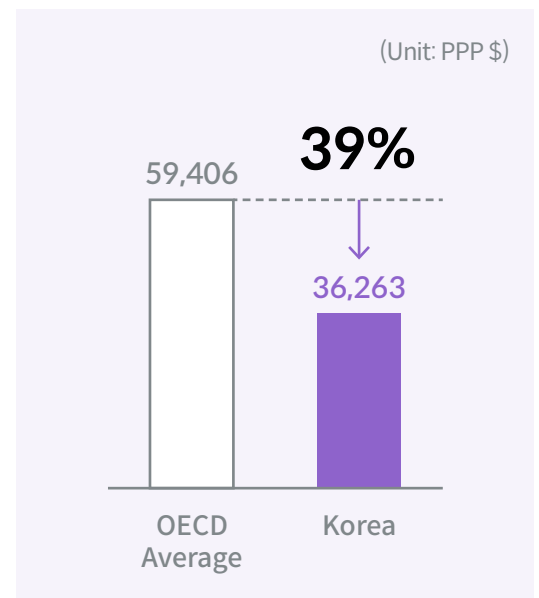
The Proportion of Self-Employed & Temporary Workers¹ (2020)



*1) Includes self-employed, unpaid family workers, temporary workers and daily employed workers

*Source: Ministry of Employment and Labor

GDP per Worker in Distribution/Transportation/Hospitality Industry (2020)



*Source: Korea Productivity Center

Lastly, improving the “Galapagos” regulations in Korea and creating legal conditions that enable domestic companies to do business on equal footing with foreign companies by eliminating regulations that only apply to domestic companies is essential. Such policy support is crucial for the tourism industry's development with global competitiveness.

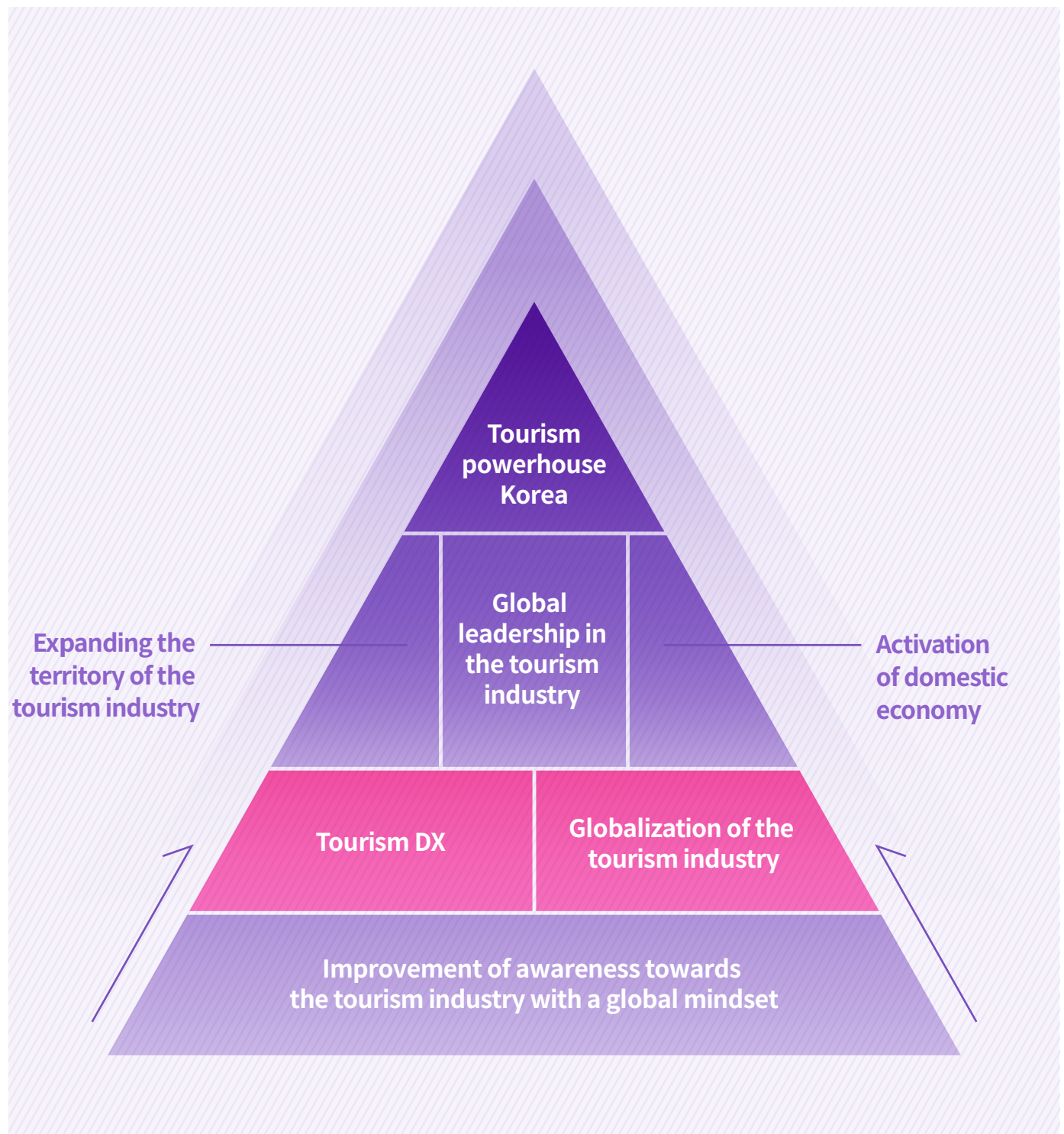
Successful globalization of the tourism industry would result in a significant expansion of its scope from a small domestic market to a vast global market. Companies like Samsung Electronics, LG Electronics, and Hyundai-Kia Motors would not have achieved their global success if

they had limited themselves to the domestic market. Such companies' growth has played a crucial role in the expansion of the Korean economy. Similarly, the globalization of the tourism industry, which is the core of the service industry, could serve as a stepping stone for further growth in the Korean economy.

Moreover, successful globalization of the tourism industry is expected to bolster the economy of the working class, including domestic small businesses, through an increase in foreign tourists and the expansion of the industry. As foreign tourists spend heavily on tourist destinations, local small businesses can expect to see a direct increase in sales, with the potential for job creation across a range of fields, including hotels, restaurants, travel agencies, and transportation.

By realizing these positive impacts, Korea can fulfill its vision of becoming a tourism powerhouse. Achieving this goal requires a steadfast belief in the transformative power of digital innovation and globalization within the tourism industry to determine Korea's future. A global mindset must be embraced by all, with a commitment to driving digital innovation and enhancing the competitiveness of the service industry. Through these measures, Korea can increase the added value of its tourism industry and rise to become a world-class tourism powerhouse, enabling the country to develop a more balanced economy akin to those of advanced nations. This transformation requires not only the active engagement of companies but also the government and academia, who must contribute their expertise to driving digital innovation within the tourism industry.

How to Realize Korea as a Tourism Powerhouse



Key Economic Indicators

Indicator	Statistics	Measure	2018	2019	2020	2021	2022	22.02	22.03	22.04	22.05	22.06	22.07	22.08	22.09	22.10	22.11	22.12	23.01	23.02
General Economics	GDP Growth Rate ¹	Real GDP Growth(%)	2.9	2.2	-0.7	4.1	2.6	0.6(Q1)		0.7(Q2)		0.3(Q3)		-0.4 (Q4)						
		Private Consumption Growth(%)	3.2	2.1	-4.8	3.7	4.3	-0.5(Q2)		2.9(Q2)		1.7 Q3)		-0.6 (Q4)						
	Composite Indexes of Business Indicators ²	Leading Indicator	94.2*	96.0*	100.0*	106.3*	108.7*	107.7	107.8	108.0	108.5	109.0	109.0	109.2	109.4	109.6	109.6	109.5	109.5	
		Coincident Indicator	98.3*	99.7*	100.0*	104.1*	108.6*	107.8	108.1	108.0	108.2	108.4	108.8	109.4	109.6	109.6	109.2	108.7	108.5	
		Lagging Indicator	95.0*	97.8*	100.0*	103.7*	109.5*	107.2	107.7	108.1	108.5	109.1	109.7	110.3	110.9	111.3	111.8	112.3	112.7	
Business Trends	Business Survey Index ³	Total	94.1*	90.8*	81.5*	101.4*	94.0*	99.7	102.1	99.1	97.2	96.3	92.6	86.9	95.8	89.6	86.7	85.4	88.5	83.1
		Non-manufacturing	96.9*	93.6*	84.2*	100.6*	96.1*	99.3	99.3	104.6	102	99.3	95.1	91.4	94.8	91.1	89.7	87.3	90.3	85.1
		Leisure/Hospitality	-	-	-	99.5*	89.7*	66.7	66.7	114.3	111.1	87.5	100.0	90.0	66.7	111.1	88.9	90.0	85.7	77.8
	Business Survey Index by Industry ⁴	Total	78*	73*	65*	84*	82*	85	88	83	86	87	82	79	82	79	76	74	70	68
		Accommodation	78*	70*	30*	48*	85*	51	67	70	84	95	110	102	95	102	91	98	78	71
	SME Business Outlook Survey ⁵	Total	87.8*	83.6*	70.7*	77.8*	82.7*	77.2	84.9	84.7	87.6	86.1	81.5	78.5	83.2	85.1	82.3	81.7	77.7	
		Food/Accommodation	87.7*	82.0*	60.7*	57.8*	80.9*	59.6	63.5	76.8	95.0	94.1	96.7	84.7	80.5	86.2	90.0	95.9	80.1	
	Consumer Survey Index ⁶	Consumer Confidence Index	104*	99*	88*	103*	96*	103	104	104	103	97	86	89	92	89	87	90	91	90
		Consumer Expenditure Outlook	108*	108*	97*	108*	111*	110	114	114	116	114	112	110	109	110	107	108	110	112
		Travel Expenditure Outlook	91*	91*	80*	89*	92*	90	93	95	97	94	93	91	93	92	89	92	91	91
		Entertainment Expenditure Outlook	94*	90*	71*	86*	93*	89	93	101	104	99	92	87	91	91	89	90	90	91
		F&B Expenditure Outlook	93*	91*	83*	92*	94*	93	96	98	100	96	91	92	92	91	89	91	90	90
	Production Index of Service Sector ⁷	Total	100.6	102.0	100.0	105.0	112	99.9	111.1	111.0	113.1	114.6	112.5	112.5	113.6	113.9	113.8	127.2	111.3	
		Accommodation	150.2	149.7	100.0	111.3	139.1	109.5	103.3	128.7	142.8	151.5	159.2	159.4	143.1	161.3	144.0	148.4	132.7	
		Food & Beverage	120.7	119.4	100.0	100.7	116.7	89.7	101.5	116.1	127.9	122.0	128.9	125.4	116.4	123.6	117.2	127.7	112.7	
	Production Index by Industry ⁸	All Services	100.6*	101.9*	100.0*	105.1*	112.2*	107.8	109.6	111.8	112.2	112.3	113.2	114.1	114.5	114.1	113.3	115.0	115.1	
		F&B/Accommodation	124.4*	122.9*	100.0*	101.8*	119.3*	106.28	105.51	120.62	123.19	123.71	125.93	125.18	125.23	124.37	122.81	120.56	120.81	

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

1) 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 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; 2015 = 100

Key Economic Indicators

Indicator	Statistics	Measure	2018	2019	2020	2021	2022	22.02	22.03	22.04	22.05	22.06	22.07	22.08	22.09	22.10	22.11	22.12	23.01	23.02
Prices	Consumer Price Index ⁹	Total	99.09	99.47	100.00	102.50	107.71	105.30	106.06	106.85	107.56	108.22	108.74	108.62	108.93	109.21	109.10	109.28	110.10	110.38
		Hotel	108.91	106.51	100.00	99.82	108.71	98.79	95.24	100.61	105.40	103.62	120.62	123.54	110.38	115.68	113.33	116.34	113.51	107.30
		Motel	101.28	101.43	100.00	98.39	101.64	99.21	99.94	99.84	100.11	100.80	101.97	102.85	102.75	104.46	104.16	104.67	104.58	104.86
		Resort	101.21	102.29	100.00	99.86	102.43	103.20	92.96	93.79	95.25	93.23	106.88	131.22	100.03	98.83	94.02	106.67	115.30	101.64
		Recreational Facilities	81.99	84.36	100.00	102.65	108.58	101.42	98.35	99.35	102.82	105.79	126.96	133.59	110.99	108.09	104.94	108.70	108.77	107.16
	Producer Price Index ¹⁰	Total	103.48	103.50	103.03	109.60	118.78	114.95	116.70	118.59	119.43	120.10	120.44	119.98	120.06	120.68	120.29	119.79	120.25	120.42
		Accommodation service	105.32	104.41	100.25	99.80	105.91	100.04	96.82	99.73	102.56	101.53	112.96	118.58	106.77	109.92	107.84	111.55	111.40	106.08
		Hotel	104.00	101.82	95.59	95.59	104.09	94.59	91.20	96.33	100.92	99.21	115.49	118.29	105.69	110.76	108.51	111.40	108.69	102.74
		Motel	99.6	99.76	98.35	96.87	100.14	97.75	98.46	98.36	98.63	99.31	100.46	101.33	101.23	102.92	102.62	103.12	103.03	103.31
		Resort	114.96	116.04	113.44	113.83	117.12	117.99	106.29	107.24	108.91	106.60	122.20	150.04	114.37	113.00	107.51	121.97	131.84	116.21
Labor	Economically Active Population Survey ¹¹	Unemployment Rate(%)	3.8	3.8	4.0	3.7	2.9	3.4	3.0	3.0	3.0	3.0	2.9	2.1	2.4	2.4	2.3	3.0	3.6	3.1
		Employment Rate(%)	60.7	60.9	60.1	60.5	62.1	60.6	61.4	62.1	63.0	62.9	62.9	62.8	62.7	62.7	62.7	61.3	60.3	61.1
Tourism	Tourism Balance ¹²	Total Tourism Balance(\$M)	-13,066.1	-8,515.6	-3,175.3	-4,328.6	-5,297.3	-259.2	-287.6	-382.0	-431.2	-489.4	-594.6	-556.0	-301.6	-335.2	-588.3	-837.9	-1,158.2	
		Total Tourism Income(\$M)	18,461.8	20,744.9	10,181.1	10,622.5	11,781.4	752.1	933.5	875.1	970.6	973.4	818.4	1,088.9	1,127.5	1,306.7	1,125.1	1,089.8	877.7	
		Total Tourism Expenditure(\$M)	31,527.9	29,260.5	13,356.4	14,951.1	17,078.7	1,011.3	1,221.1	1,257.1	1,401.8	1,462.8	1,413.0	1,644.9	1,429.1	1,641.9	1,713.4	1,927.7	2,035.9	
	Immigration ¹³	Number of Outbound Travelers(K)	28,696	28,714	4,276	1,223	6,554	113	146	215	316	413	674	702	620	773	1,041	1,393	1,782	1,725
		Number of Inbound Travelers(K)	15,347	17,503	2,519	1,045	3,198	100	97	128	176	228	264	311	338	476	460	539	434	479
Currency	Exchange Rate ¹⁴	USD	1,100.30	1,165.65	1,180.05	1,144.42	1,291.95	1,198.34	1,221.03	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
		EUR	1,298.63	1,304.81	1,345.99	1,352.79	1,357.38	1,359.89	1,345.33	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
		JPY	996.27	1,069.75	1,105.07	1,041.45	983.44	1,039.85	1,028.59	977.38	985.49	951.34	955.93	975.17	973.2	969.36	956.51	959.12	956.76	956.68
		CNY	166.4	168.58	170.88	177.43	191.57	188.81	192.16	191.82	188.78	190.68	194.13	193.75	198.19	198.37	189.53	185.47	183.16	185.97

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

Yanolja Research Press Conference and Foundation Seminar

Yanolja Research, the first private travel and tourism research institute in Korea, was officially launched on March 16, 2023. The event consisted of two parts, a press conference and a foundation seminar, and generated significant media and industry attention as it was Yanolja's first offline event in about four years due to the Covid-19 pandemic.

The press conference began with a speech by JaeHwan Lee, Vice President of the Korea Tourism Organization, followed by a presentation from BoChan Bae, CEO of Yanolja, who explained the foundation background and expected effects of Yanolja Research. Then SooCheng Jang, newly appointed director of Yanolja Research, introduced the institute's vision, goals, and operational plans.

The foundation seminar, which focused on the theme of digital transformation and globalization strategies in the tourism industry, began with a speech by HyungJung Yoon, President of the Korea Airports Corporation. The first presentation was given by KyuWan Choi, a professor at KyungHee University's school of tourism, who discussed ways for the Korean tourism industry could benefit from the rapid digital transfor-

*Left: BoChan Bae, CEO of Yanolja, during the press conference

*Right: KyuWan Choi, professor at Kyunghee University, during the foundation seminar





*SooCheong Jang,
director of Yanolja
Research, during the
foundation seminar

mation that has been taking place in recent years. The second topic was presented by Director SooCheong Jang, covering the ways that the Korean tourism industry could successfully enter the global market and the role that the government could play to achieve this goal.

The seminar concluded with a panel discussion on digital transformation and globalization strategies in the tourism industry, moderated by DaeGwan Kim, professor at KyungHee University's school of tourism. The panel included YoungMoon Kim, vice president of the Korea Hotel Association and CEO of Mayfield Hotel, JongYoon Kim, CEO of Yanolja Cloud, HyeonSil Ahn, director of the AI Economic Research Institute of the Korea Economic Daily, and BeomSoo Han, professor at Kyonggi University's school of tourism.



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