International Marketing Research Report for Australia Zoo in regards to South Korea.

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Executive Summary

Tourism Australia has prioritised inbound tourism from Asian markets, enhancing the opportunities for Tourism firms such as Australia Zoo. South Korea has emerged as one of the fastest growing markets for inbound tourism to Australia, compared to other growing markets such as Indonesia and Japan. The Korean highly values world-class beauty and the natural environment, an importance factor that can be leveraged by the firm. The majority of South Korean visitors to Australia are aged 15-29 and demand superior technological functionality, reflecting the nations position as a technological leader paving the way as a 'global powerhouse' for virtual (VR) and augmented realities (AR). The proposed strategy consists of developing an innovative VR experience. The experience will be distributed on university campuses, leveraging the high levels of tertiary education and rapidly evolving technological trends within the market. A portion of the VR program will be embedded within the Australia Zoo website in order to enhance the online search process and software will be internationalised to adapt to the language and region. While the product will be fairly standardised, modifications will be made in regards to language and with consideration to the value of 'face' in Korean culture.

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Analysis

Australian Tourism: South Korea

Tourism Australia aims to put the Queensland tourism industry at the forefront of understanding and meeting the needs of the "new Asian traveller" (Tourism Australia, 2016a). Australia Zoo envisions making itself "the biggest and best wildlife conservation facility in the entire world" (Australia Zoo, 2017).
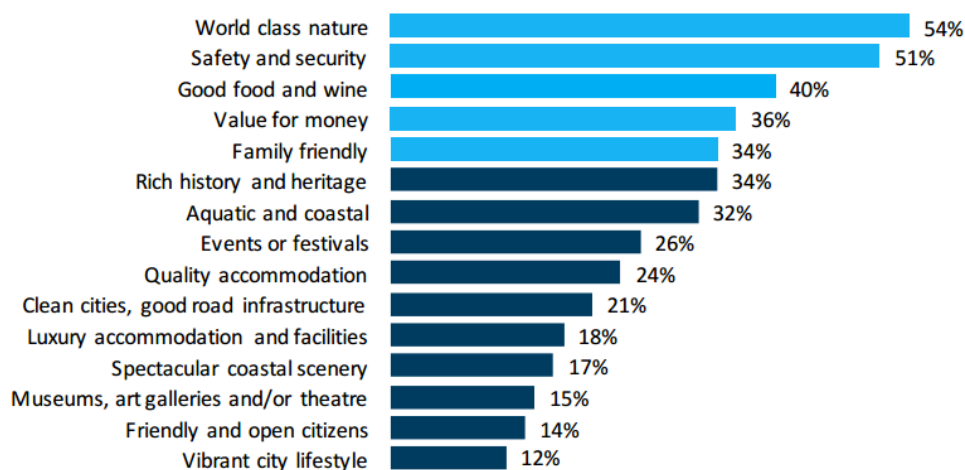
South Korea (hereafter Korea) has emerged as one of the fastest growing markets, and is the 9th largest market for inbound tourism to Australia with an 18 percent increase in total spending to form a total of $1.3bn (Ludlow, 2016; Tourism Australia, 2016b). In comparison to other key emerging markets such as Indonesia and Japan, Korea displays strong potential as an emerging market. Indonesia is Australia's 12th largest inbound market and has a total spend of $0.7bn (Tourism Australia, 2017). Inbound tourism from Japan climbed 29 percent in 2016, while although higher than the increase of 17 percent from Korea, long-term statistics tell a different story, indicating that over the decade of 2006-2016 inbound tourism from Japan experienced the greatest decline of any market, 36.2 percent (Australian Bureau of Statistics, 2017). Korea over the same decade showed a steady climb of 7.7 percent, suggesting it as the stronger market.

South Korea: Travelling market

Tourism Australia's (TA) activities are managed from offices in Seoul; with almost half the nation's population residing in the greater Seoul-Gyeonggi province metropolitan area, it represents the key area of focus for acceleration within the Australian tourism strategy (Tourism Australia, 2016a; Hines & Mullins, 2012). While other Asian countries display stagnant growth in regards to mobile broadband penetration Korea holds the global lead and has experienced strong economic growth, rapidly rising income and the easing of overseas travel restrictions, contributing to both online internationalisation and outbound travel (Shin & Koh, 2016; Lim, 2004. Korean tourists tend to value world-class nature (figure 1), with 33 percent consisting of repeat visitors, while 73 percent of the total arrivals are for leisure including holidays and

visiting friends or family (Tourism Research Australia, 2013a; Tourism Australia, 2016). Korea and Australia create opportunities to encourage cultural exchange between countries through a working holiday program, enabling 18-30 year olds to prolong their stay and gain supplementary funds (Tourism Research Australia, 2013b). In 2011-2012, Korea represented the second largest source of working holidaymakers to Australia following the UK with 27,397 new visas granted (Tourism Research Australia, 2013b). This age group tends to be highly educated; with 65 percent of 25-34 year olds having attained tertiary education Korea has the highest tertiary gross enrolment ratio worldwide (Clark & Park, 2013).

Most important factors when selecting a holiday destination

World class nature	54%
Safety and security	51%
Good food and wine	40%
Value for money	36%
Family friendly	34%
Rich history and heritage	34%
Aquatic and coastal	32%
Events or festivals	26%
Quality accommodation	24%
Clean cities, good road infrastructure	21%
Luxury accommodation and facilities	18%
Spectacular coastal scenery	17%
Museums, art galleries and/or theatre	15%
Friendly and open citizens	14%
Vibrant city lifestyle	12%

Read as: 51% of respondents rate 'safety and security' among the top 5 most important factors when choosing a holiday destination.

Figure 1. Importance Factors (Tourism Australia, 2016)

Digital Opportunities

Technology and tourism are becoming closely entwined as the Internet becomes a "conduit between business and international markets", and the travel industry has thus gained a decisive online advantage (Mathews & Healy, 2012; Arnott & Bridgewater, 2002; Mathews & Healy, 2006). The majority of Korean consumers demand technological superiority and functional performance with broadband penetration shifting services from 'passive' to 'interactive' (Shin & Koh, 2016). Of emerging and impactful technologies such as virtual reality (VR) and augmented reality (AR) Korea is

paving the way as a 'global powerhouse' and the tourism industry continues to evolve (Guttentag, 2010). Within the travel sector, technology enables firms to positively influence international market growth and facilitate relationships through providing a 'taste 'of possible destinations (Warc, 2017; Mathews et al., 2016; Guttentag, 2010). Research by ad tech firm YuMe and Nielsen gauged emotional responses to content delivered via VR and showed that VR elicited 27 percent higher emotional engagement than 360-degree videos on flat screens and engaged viewers for 34 percent longer (WARC, 2016a). Studies suggest that both engagement and potential return on investment is enhanced by involving more of the senses into promotional material, making VR a powerful tool for providing 'tangible' information (Driescher et al., 2017).

Competitor Analysis

Domestic competitors such as Taronga Zoo in Sydney and Melbourne Zoo in Melbourne illustrate the direct threats in regards to a competitive tourism industry within Australia. Statistics show 37.9 percent of short-term visitors from Korea intended to stay in New South Wales, followed by 24.9 percent in Victoria and thirdly Queensland at 21.8 percent (Australia Bureau of Statistics, 2017). The strongest competitor in Korea is Seoul Grand Park with 2700 animals (Seoul Grand Park, 2016). Though Australia Zoo positions itself competitively by offering it's value as 'home of the crocodile hunter' Steve Irwin, there appears to be little, if any, research indicating whether Koreans are familiar with this public figure. It does not appear as though he was a prominent figure in their media, thus indicating a potential gap in the market where Australia Zoo may find it necessary to educate the market and publicise the Australian icon in order for this value proposition to be competitively advantageous.

Market Challenges

Significant barriers to engagement and growth within Korea include a lack of knowledge pertaining to the specific market; language barriers; cultural awareness; understanding at the customer service level and mismatches between product offering and customer expectations (Tourism Research Australia, 2013b; Marketline, 2016). Marketing challenges may arise from the

importance of maintaining 'face' within the Korean culture and it is thus important not insult individuals (Tourism Research Australia, 2013a). Low birth rates and a rapidly ageing population will potentially create a range of issues in the future, particularly in regards to 15-29 year olds, who are currently the largest demographic for inbound travel to Australia (Hines & Mullins, 2012; Tourism Research Australia, 2013a). While younger Koreans tend to be slightly more comfortable using English language websites for research and bookings, consumers continue to prefer Korean language to be used for information and brochures overall (Tourism Australia, 2016b).

Digital Challenges

The European Travel Commissions new 'media trend watch' reports that Korea has a vibrant online economy but that it can be difficult to penetrate due to unique language and a strong local culture of technological development; Koreans often use Naver, Tristory and Cyworld as opposed to Google, Yahoo! and Facebook (Tourism Research Australia, 2013a). The Internet blurs country-of-origin (COO) as an indicator of quality (Lee & Lockshin, 2011). While COO image is used to understand consumer behaviour concerning foreign products based on country perceptions, Lee and Lockshin (2011) propose a reverse COO effect that suggests perceptions of destinations stem from beliefs about a country's products. The inability of the firm to control perceptions of other Australian products in Korea and thus potentially the perceptions of Australia as a destination may be a barrier (Lee & Lockshin, 2011). The Australian Made, Australian Grown (AMAG) logo has been formally trade marked in Korea, and as a registered COO trademark appears to be perceived positively in Korea (Australian Made, 2013). A potential negative implication that the rapid adoption of VR technology presents is the possibility that tourists may begin to accept VR simulations as substitutes for real visitation to the tourist destination (Guttentag, 2010). Despite these challenges, if implemented effectively, the added value is expected to far outweigh the risks.

Evaluation and Recommendations

International Marketing Strategy

While it is recommended that Australia Zoo standardise the majority of the product offering to create a uniform global image of the 'Australian' experience, modifications should be made in regards to language with careful consideration given to the use of 'Aussie slang' that may threaten 'face' of the Korean consumer (Tourism Research Australia, 2013a). It is important that tourism enterprises demonstrate an appreciation of cross-cultural issues such as language, thus it is recommended that Australia Zoo internationalise the software so that it is able to adapt to different languages, regions and cultures (Tourism Australia, 2016; Arlt, 2005 p.325; Shaw, 2011).

By implementing innovative technology and focusing on an enhanced international relationship model through virtual networks, Australia Zoo aims to create significant strides in value for the company and customers (Mathew et al., 2016; Kim & Mauborgne, 2005; Arnott & Bridgewater, 2002). Overall visitation is a desired outcome and therefore promotions to encourage visitation will focus primarily on education of the 'crocodile hunter', the importance factor of world-class nature (figure 1) and enhancing the perceived quality of the destination. Generally, many Korean respondents had low association with Australia in regards to importance factors though they were much higher in those who had previously visited, thus presenting opportunities for the destination to build awareness through VR marketing by allowing consumers 'taste' destination (Tourism Research Australia, 2013; WARC, 2017). Associating Australia Zoo with AMAG branded products in Korea may also enhance any aforementioned reverse COO effects (Lee & Lockshin, 2011).

Internet Marketing Activities: Innovative Strategy

It is recommended that Australia Zoo develop VR technology and embed a fraction of the overall technology into the website in the form of 360-degree panoramic videos in order to add value to the information search and decision

making process (Driescher et al., 2017). The VR component residing within the website should be architecturally designed to consist of several layers (figure 2). When viewers first access the portal they will be presented with attention grabbing animations, followed by an index page consisting of options such as 'explore', 'search' and 'links' where viewers can access 360-degree videos, information and hyperlinks to useful websites pertaining to transport, accommodation and currency (Aziz & Siang, 2014). Considering that Korean consumers tend to be tech savvy and combine traditional and online search channels when planning and booking travel, enhancing the online experience and facilitating moments of truth is competitively advantageous (Tourism Australia, 2016a).

The larger VR experience, drawing upon the ''Irwin/Australian nature' experience' may be inspired by 'David Attenborough's VR experience' developed for the Australian Museum by Alchemy VR (Australian Museum, 2017; Alchemy VR, 2017). It will be an immersive and informative preview of the destination and will be inclusive of relevant sights and sounds (Driescher et al., 2017). Ultimately the experience will be provided through headsets on university campuses to target both potential young leisure travellers, and potential visa applicants for the working holiday program. The research pertaining to establishing promotional material on Korean university campuses may be an expensive process, however the substantial size and value of this potential market is expected to warrant the expense (Clark & Park, 2013; Tourism Research Australia, 2013a).
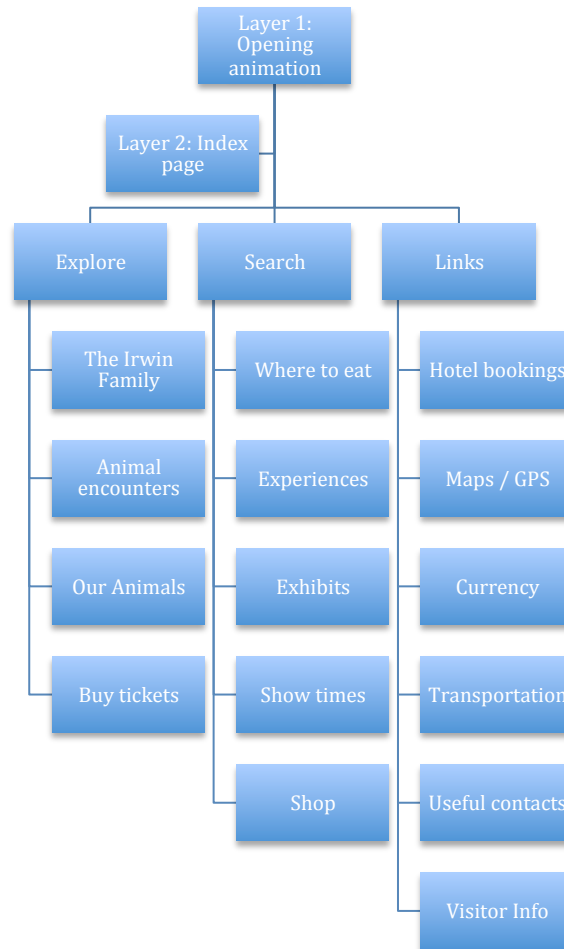
Figure 2: proposed VR portion of the website

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