

The impact of korean tv dramas on taiwanese tourism demand

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The popularity of Korean TV dramas began with the drama *Fireworks*, first shown in Taiwan from July to September 2000. Based on that information, the data were divided into two subsamples: January 1997 to September 2000 and October 2000 to December 2005. The Chow tests revealed a significant structural change in the total number of Taiwanese visitors to Korea between the two sample periods. Additional analyses indicated that a significant structural change was attributable mainly to the increase in pleasure travel, further demonstrating the strong effects of Korean TV series in Taiwan.

Empirical results support the concept of film-induced tourism. Keywords: TV drama; Korea; Taiwan; outbound travel; Chow tests

Traditionally, South Korea has focused on exporting manufactured goods. However, recently, the country has become known for exporting entertainment products. In May 1994, the Korean Presidential Advisory Board on Science and Technology released its first report regarding the impact of digital technology on economic development. The report pointed out that the Hollywood film *Jurassic Park* generated revenue equivalent to foreign sales of 1. million Hyundai cars (Shim, 2002). The comparison between Hyundai cars and 868 TOURISM ECONOMICS Hollywood films drew the country's attention to the importance of media content to the national economy. Since then, the Korean government has declared the high value-added audiovisual industry as one of the national strategic industries for the next century. In 1995, the government enacted the Motion Picture Promotion Law, with incentives such as tax breaks to encourage corporations to invest in the film industry (Shim, 2002).

Korean TV dramas did not travel much beyond the national border until the late 1990s. Along with the Korean government's support for the film industry, Korean TV dramas began to be broadcast in Asia, the Middle East, Eastern Europe and Russia (Lin and Huang, 2006). The Taiwanese media coined the slogan 'Korean Wave' in 2001, in response to the phenomenal popularity of the Korean popculture in Taiwan (Chang et al, 2005). Not only has Taiwan been engulfed by the 'Korean Wave', but also Japan, China, Singapore and Malaysia (Lin and Huang, 2006).

The popularity of Korean TV dramas in Taiwan began with Fireworks, first aired in 2000. The programme was an enormous success and it was rerun several times over the years, thereby forming the foundation of the 'Korean Wave' in Taiwan (Sung, 2008). Since Fireworks, more than 100 Korean soap operas have been shown in Taiwan (Lin and Huang, 2006). The Korean TV programmes have led to a dramatic change in the negative image associated with Korea; for example, roughness, violence and a lack of cultural refinement (Sung, 2008).

Taiwanese people are now more willing to purchase Korean consumer goods (Onishi, 2005), join an international trip to Korea (Onishi, 2005) or learn the Korean language (Sung, 2008). Lee (2005) argued that the popularity of Korean TV dramas and movies overseas could launch a second economic boom for South Korea, particularly benefiting the entertainment and tourism industries. Lee (2005) stated that according to the export statistics of South Korean TV dramas, Taiwan was a leading importer (24.5%), followed by Japan (19%), China (18.6%) and Hong Kong (3%). Accordingly, this study tests the influence of the popularity of Korean TV series in Taiwan on the <https://assignbuster.com/the-impact-of-korean-tv-dramas-on-taiwanese-tourism-demand/>

number of Taiwanese tourists travelling to Korea. Although previous studies have discussed the effect of films on tourism (Tooke and Baker, 1996; Riley et al, 1998), no formal statistical tests have been performed to examine the significant increase in visitation and there has been no focus on a specific overseas audience. Taiwanese tourism demand for Korea: from 1980 to 2005 Geographically, South Korea and Taiwan are very close to each other.

After World War II, both countries perceived each other as political allies until the early 1990s. For 12 years (1980–1992), the number of Taiwanese visitors to Korea increased gradually from 76, 995 to 302, 184, with an average annual growth rate of 14. 59% (see Figure 1 for the monthly travel flow from Taiwan to Korea). However, in August 1992, Korea severed diplomatic ties with Taiwan to pursue its relationship with China. In 1993, the travel flow collapsed dramatically, by almost 60%, after the end of the political relationship.

Note: Dotted line 1 - end of political relationship between Korea and Taiwan (8/1992). Dotted line 2 - earthquake of 21 September (9/1999). Dotted line 3 - start of the popularity of Korean TV series in Taiwan (10/2000). Dotted line 4 - outbreak of SARS in Taiwan (4/2003). Starting in 2001, the number of Taiwanese tourists travelling to Korea increased rapidly, although political ties were not renewed. Experts attribute the sudden travel flow to Korea to the unprecedented popularity of Korean TV dramas in Taiwan (Onishi, 2005). The growth rate of the travel flow to Korea (28. 9%) in a short period is impressive: 108, 831 in 2000 to 368, 205 in 2005. One sharp decrease occurred in 2003 because of the negative effect of the SARS outbreak in Taiwan on Taiwanese overseas departures. However, the number of

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Taiwanese visitors to Korea rebounded quickly. In 2004, to accommodate the strong tourism demand for Korea, Taiwan signed a new aviation agreement with 870 .

Figure 2. Monthly time-series data of Taiwanese tourist arrivals in Korea: different purposes for visitation (1/1997-12/2005). Korea to resume flights between the two countries, ending a 12-year suspension on regular flight services (Government Information Office, 2005). Data, hypotheses and tests of structural changes Figure 1 presents monthly time-series data of total Taiwanese overseas travel (all countries) from January 1980 to December 2005; data were obtained from various issues of the annual report on tourism by the Taiwan Tourism Bureau.

Figure 1 also plots the monthly data of total Taiwanese outbound travel to Korea over the same period. Data were collected from the Korea National Tourism Organization's (KNTO) Taipei office. Figure 2 illustrates monthly data of Taiwanese arrivals to Korea in terms of purposes for visiting: pleasure, business, official and other. Data from the KNTO Taipei office were available for only nine years, from January 1997 to December 2005. KNTO (2006) reported that in 2005 pleasure trips accounted for 94. 1% of the total Taiwanese travel to Korea; in the same year, business, official and other categories accounted for only 0. 23%, 4. 86% and 0. 10%, respectively. To examine whether the popularity of Korean TV dramas in Taiwan has a Taiwanese tourism demand for Korea 871 significant impact on Taiwanese travel to Korea, we hypothesize that there is a structural change in the total number of Taiwanese trips to Korea before and after October 2000. This date is selected because the first popular Korean TV drama, Fireworks, ended in <https://assignbuster.com/the-impact-of-korean-tv-dramas-on-taiwanese-tourism-demand/>

September 2000. To investigate the effects of the popularity of Korean TV dramas further, we test if there is a structural change in total outbound departures (all countries) before and after October 2000. We expect no structural change in total outbound departures if the significant increase in Taiwanese overseas travel is restricted to South Korea, due to popular Korean TV dramas rather than the overall growth of outbound travel in Taiwan. In addition, we apply the same hypothesis to the different purposes for visitation (business, pleasure, official and other) to see which type of visit is affected more significantly by the popularity of Korean TV series.

Accordingly, the following hypotheses are tested:

- Hypothesis 1: There is a structural change in the total number of Taiwanese visitors to Korea before and after October 2000.
- Hypothesis 2: There is a structural change in the total Taiwanese outbound departures before and after October 2000.
- Hypothesis 3: There is a structural change in the number of Taiwanese pleasure trips to Korea before and after October 2000.
- Hypothesis 4: There is a structural change in the number of Taiwanese business trips to Korea before and after October 2000.
- Hypothesis 5: There is a structural change in the number of Taiwanese official trips to Korea before and after October 2000.
- Hypothesis 6: There is a structural change in the number of trips of the other category before and after October 2000.

We used two Chow tests, namely the Chow breakpoint test and the Chow forecast test, to ensure the consistency of structural break test results. To

perform the tests, the full sample period is divided into two subsamples: January 1997 to September 2000 and October 2000 to December 2005.

The results of the Chow breakpoint test (Table 1) show a significant structural change in the total number of Taiwanese visitors to Korea, but no structural change in the total Taiwanese outbound departures before and after October 2000. In addition, structural changes are detected in pleasure travel and official travel, but no significant structural change is found in business and other travel. In conclusion, the Chow breakpoint test results support Hypotheses 1, 3 and 5. Table 1. Tests of a structural change in the number of Taiwanese visitors: before and after the popularity of Korean TV series.

Tourist arrivals to Korea	Total outbound departures	Total Taiwanese visitors to Korea	Pleasure	Business	Official	Other	Chow breakpoint test	Chow forecast test
Yes	Yes	Yes	Yes	No	No	Yes	872	872

TOURISM ECONOMICS The Chow forecast test produced similar results, with a minor difference in the results of travel purposes (Table 1). Structural changes are detected in the total number of Taiwanese visitors to Korea, pleasure travel and other travel; no structural changes are found in the total Taiwanese outbound departures and business and official travel before and after 2000.

Therefore, Hypotheses 1, 3 and 6 are supported. Discussion and conclusion This study conducts tests of structure changes to examine the effects of popular Korean TV dramas on Taiwanese outbound travel to Korea from January 1997 to December 2005. The two Chow tests demonstrate a structural change in the total number of Taiwanese visitors to Korea between

two periods: before and after October 2000 (before and after the showing of the Korean drama Fireworks).

In addition, the fact that there is no structural change in the total number of Taiwanese outbound departures suggests that the significant increase in travel flow to Korea is an independent phenomenon, not associated with the overall growth of outbound departures in Taiwan. Chow tests, using travel purposes, do not show that business travel has a significant structural change, indicating that the number of Taiwanese travellers coming to Korea for business is not changed significantly before and after 2000. For official and other travel, the results of two Chow tests are mixed; therefore, it may be difficult to support the existence of a structural change. Among four groups, only pleasure travel consistently shows a structural change through both Chow tests. This indicates that pleasure travel most likely drives a structural change in the total number of Taiwanese visitors to Korea before and after 2000, thereby further demonstrating the significant effects of popular Korean dramas in Taiwan.

If Korean TV dramas, staged in Taiwan over the past few years, were linked to travel motivation, the effect would be seen on pleasure trips rather than other types. Overall, this study presents strong evidence regarding the effects of film on overseas travellers and supports the concept of film-induced tourism (Tooke and Baker, 1996; Kim et al, 2007). After diplomatic ties ended in 1992, South Korea was perceived by the Taiwanese as a violent country and one that overnight traded loyalty and faith for economic gains (Choe, 2001).

Although this study does not measure the image/perception change, it is reasonable to assume that the popular Korean TV dramas have had a positive influence on the image of Korea, thereby leading to more Taiwanese pleasure trips to Korea. This study, therefore, confirms indirectly that movies, specifically TV dramas, can be an effective vehicle to change the perception of a certain destination country and further ease political conflict between two countries by stimulating social/pleasure travel flow (Kim et al, 2007).

The film-induced tourism of this study is therefore in line with earlier notions that tourism is likely to act as a positive force to promote peace by reducing tension and suspicion (D'Amore, 1988). The great success of Korean TV dramas in neighbouring Asian countries such as Taiwan seems to offer an opportunity to consider countries further away than Asia. Due to globalization, outbound travels from the West to the East (and vice versa) are increasing constantly. The West may learn Asian culture, Taiwanese tourism demand for Korea 873 specifically Korean culture, through Korean dramas or movies.

Therefore, the Korean government should develop the deeper understanding resulting from film-induced tourism to promote South Korea as a more appealing travel destination in the world. Future research directions The analysis of the present study is at a general level, breaking down Taiwanese arrivals only by total and purpose of visit. It is useful to identify the detailed profile of Taiwanese visitors drawn by popular Korean TV dramas. Hence, it is recommended that future research of this kind includes demographic variables such as gender, age and occupation.

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In addition to Taiwanese tourists, similar analyses should be performed using visitors from other countries/places where Korean TV programmes are broadcast. Currently, the film-induced tourism demand for Korea is being generated from East and South East Asian countries where the 'Korean Wave' exists strongly. In Asia, each country has its unique cultural character and economic power. Some demographic or behavioural differences may be found among these Asian visitors to Korea.

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