

FORESIGHT

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FORESIGHT is a monthly commentary on significant issues within the tourism sector. Each month "Market Focus" discusses economic, social and political factors that underlie demand for tourism now and in the future. In addition, a spotlight is focused on a significant tourism issue. This month Market Focus covers Japan, South Korea and Hong Kong and Issue of the Month takes a look at what the Disability Discrimination Act means for the tourism sector.

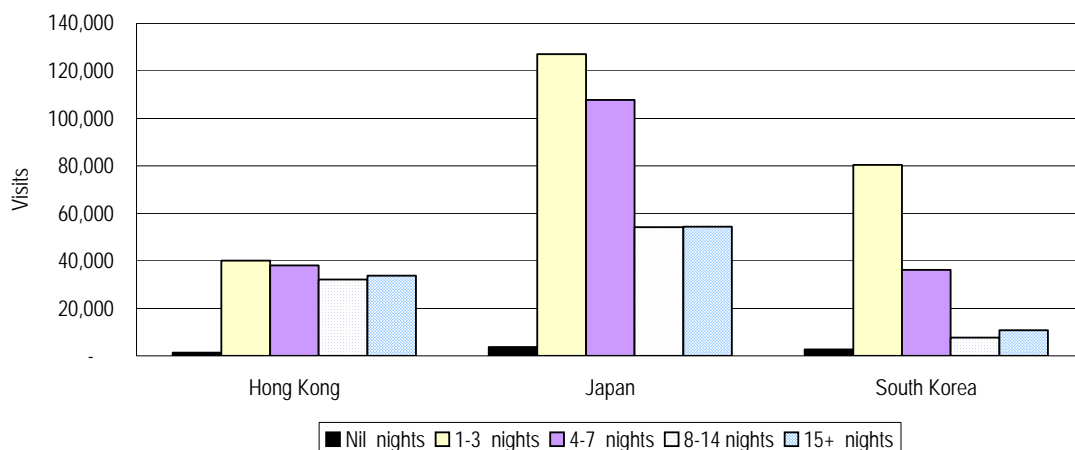
Market Focus – Japan, South Korea and Hong Kong

With provisional figures for the first eleven months of 2005 now available it looks as though the number of visits¹ from Japan and Hong Kong will be slightly down on 2004 with the number of visits from South Korea very similar to the level achieved the previous year. Slightly better news emerges when we look at spending by visitors from these three markets during the first three-quarters of 2005, with each registering a small increase compared with 2004.

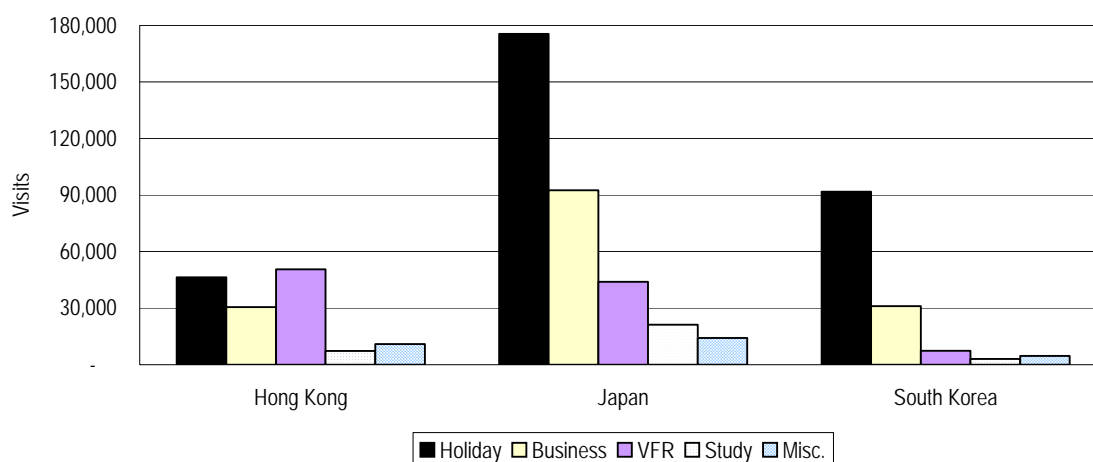
Similarities, and differences

The following charts reveal that many trip characteristics for Japan and South Korea have a lot in common, with 1-3 night stays being the most typical duration for visits to the UK, with significant numbers of visitors also staying 4-7 nights. The pattern for Hong Kong is for a far flatter distribution – there are almost as many 15+ night stays as there are 1-3 night stays. We can speculate that the surprisingly large number of short-stay visits from Japan and South Korea, from where the UK is very much a long-haul destination, may be a product of the fact that the dominant journey purpose for these visitors is 'holiday' and that this may well be a holiday to Europe rather than solely the UK. Visitors from Hong Kong are more likely to be visiting friends or relatives than they are to be having a holiday or to be on a business visit. It is, however, worth once again reinforcing the message that those visiting friends and relatives will undertake activities that benefit the visitor economy during their stay, as will their hosts.

Duration of stay in 2004



Purpose of visit in 2004



Technology

According to figures from the European Travel Commission New Media Review around two out of every three residents in both Hong Kong and South Korea have access to the Internet, with Japan not far behind. Analysis by GMI undertaken during 2005 revealed that when asked about their preferred method of travel planning 'web search' came top, cited by 53% of surveyed Internet users in Japan. In South Korea the same survey found 69% of Internet users saying that their preferred method of travel planning was a 'web search' with personal recommendation the next most popular method, quoted by 30% of respondents.

Japan

There is talk of economic revival in Japan, with deflation set to come to an end and a reinvigorated reformist Prime Minister having recently been re-elected. We have of course been here before over the past decade, with talk of Japan returning to its former role as one of the world's leading economic lights, this time, however, there are signs it may not be yet another false dawn.

One such sign of improving confidence in Japan's economic recovery had been the nation's Nikkei share index, with the index achieving its strongest annual growth since the mid 1980s during 2005. However, the index recently fell 6% in the space of two days following allegations of fraud at a leading Japanese Internet company. The most recent Tankan survey of business confidence had earlier added to the optimistic sentiment, with both manufacturing and non-manufacturing business leaders reporting improved confidence.

If we take into account the relative cost of living in one country versus that of another (known as 'Purchasing Power Parity'), figures from the IMF reveal that in 2006 the average income per head in PPP terms will be US\$32,640, making the Japanese population the 13th wealthiest worldwide despite nearly a decade of poor economic performance (a decade ago Japan enjoyed 7th spot in the league table).

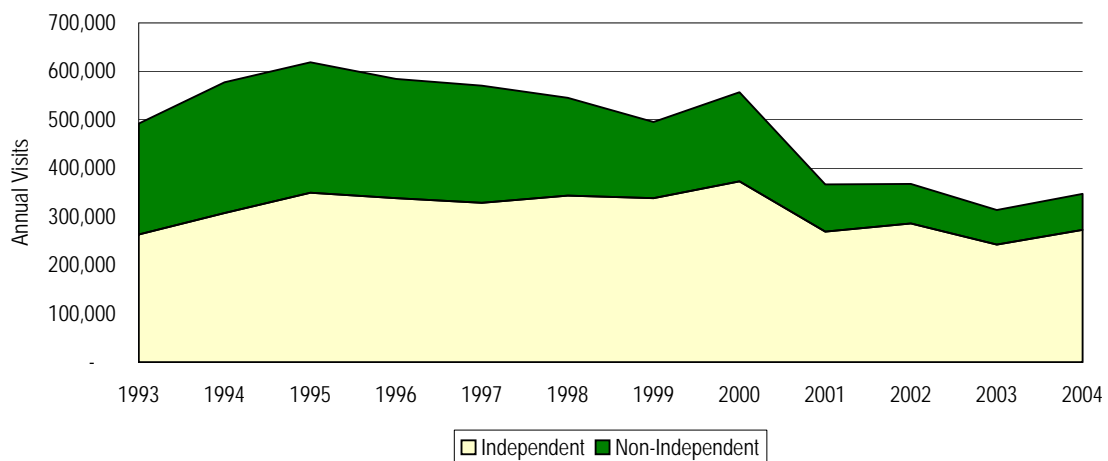
A current brake on Japan's economy has arrived in the form of record-breaking snowfalls and sub-zero temperatures disrupting many sectors of the economy.

Independent travel

The following chart tells us a good deal about trends in travel to the UK from Japan, with one key conclusion to note being the number of visits in 2004 was 270,000 down on the peak years of the mid 1990s. If we assume that these 'lost' visitors were still travelling to the UK and had spending habits akin to those who did visit in 2004, the UK visitor economy would have benefited to the tune of £187m, equivalent to total spending by visitors to the UK from either Denmark or South Africa during 2004.

The second point underscored by the chart is that the Japanese continue to become more confident at making their own travel arrangements rather than visiting as part of a package tour. Back in 1993 almost half of all visitors from Japan were travelling as part of an arranged package, but by 2004 this proportion had diminished to barely a fifth of all visitors (still well above the global average for visitors to the UK at a shade under 9%).

The travel arrangements of visitors from Japan



Japan's Population Research Institute announced shortly before Christmas that it expected the population to shrink by 10,000 in 2005, the first ever decline since records began, with 10,000 fewer births than deaths and only limited inward migration. The Institute estimates that if current trends persist the population will have declined in number by more than a fifth by 2050 to stand at 100 million.

Never the closest of neighbours, Japan and China ended 2005 with a renewed diplomatic spat, this time with Japan questioning the purpose behind China's expansion in military spending, the differences that exist between China and Japan remind us that the tourism industry cannot assume that all visits from Asia have the same set of characteristics or needs.

South Korea

Very slow progress continues to be made in talks trying to persuade North Korea to drop its nuclear ambitions, but so far this has not been too heavy a weight on South Korea's economic

performance, with the IMF forecasting that in 2006 economic growth will reach 5% compared with a figure close to 4% during 2005. The average South Korean is forecast to have an income of US\$24,130 in 2006 (taking into account the different cost of living from one country to another) according to the IMF, well ahead of the figure in either Greece or Portugal.

Industrial production rose by a stronger than expected annual rate of 12.2% in November 2005, mainly on the strength of the booming export sector. This augurs well for a firming of economic activity in the coming months.

Hong Kong

A new Chief Executive is in place in Hong Kong, but protests are still taking place demanding a swifter process to deliver full democracy. Proposals for limited reforms put forward by the new leader have been defeated by pro-democracy supporters leading to criticism from Beijing and fears that China will now tighten its grip on Hong Kong.

Oasis Hong Kong Airlines is planning to enter the long-haul market out of Hong Kong with a low-cost, low-fare business model later this year. Details of the flight frequency to London and a definite start date remain unclear at present, but Oasis claims that its fares will be 40%-50% lower than those of 'full service' carriers.

Building on 2005

As noted earlier, 2005 was not a year in which visits to Britain from these three markets grew strongly, but in 2006 there is the potential that we may be welcoming greater numbers of visitors, especially if the Japanese economy is back on-track. VisitBritain and partner activity in the pipeline that will help boost travel to the UK includes a Wales Week in Hong Kong, two Korean celebrities visiting Britain with their stories featuring in a popular lifestyle magazine and continuation of the 'Happy Britain' campaign in Japan with a particular focus on those approaching retirement with good pensions and an appetite for travel. A return to growth in visitor numbers from these markets is crucial, with each delivering a higher average spend per visit in 2004 than the global average for inbound visits to the UK.

Issue of the Month – Tourism and the Disability Discrimination Act

Disability can be an emotive and confusing subject, full of misunderstanding and misconceptions about the nature of disability and the needs of disabled people. This month we try to explore what the Disability Discrimination Act means for the UK tourism industry, but also highlight some of the information sources and schemes designed to make it easier for businesses to ensure that they really are 'open to all'.

Market Size

According to the 2001 Population Census out of 51.1 million residents living in households in England and Wales 9,019,242 had a limiting long-term illness or disability, representing 18% of the population. These figures are based on self-reported information and include those who do not have a disability, but do have a limiting long-term illness. Others, including the Disability Rights Commission (DRC) estimate there may be as many as 10 million disabled people living in the UK. Yet another data source, the number claiming Disability Living Allowance, indicates there to be 2.7 million disabled people living in the UK.

The Census figures provide the greatest depth in terms of profiling the size of the disabled population against other socio-economic variables. These figures show a strong correlation between the proportion reporting a long-term illness or disability "which restricts daily activities" and age. A rate of only 3% was reported for the under 5's, whereas at the other end of the age spectrum 75% of the over 90s reported having a disability or long-term illness. The prospect for a continued demographic shift towards the proportion of the population in higher age brackets is well known, meaning that the number of disabled customers wishing to make use of tourism facilities can only increase in the future – indeed, it is estimated that the number of people aged over 60 in the UK will increase by roughly 2 million by the end of the decade.

It is enlightening to think about the size of the disabled community within Britain not in terms of absolute numbers but in terms of their spending power. The DRC estimate that consumption by disabled people to be worth between £40bn and £50bn pa to the UK economy. Evidently UK tourism businesses have much to gain by being accessible to those with a disability.

Clearly then there is conflicting evidence about the scale of the disabled population in Britain. This is not at all surprising when we consider the decidedly wide variation in the interpretation that individuals and businesses have with regard to what constitutes 'disability'.

Defining Disability

Perhaps one of the commonest misconceptions about disability is that it is restricted to those suffering from reduced physical mobility. The Disability Rights Commission rightly notes, "it is important to recognise that the majority of disabled people are not wheelchair users". The following box lists types of people within the Disability Discrimination Act (DDA) definition of disability (recent legislation has increased the number of groups covered, these are italicised).

People who are blind or partially sighted	People with Dyslexia
People who are deaf or hard of hearing	People who have arthritis
People who have heart conditions	People who are wheelchair users
People with epilepsy	People who have experienced mental health problems
People who have problems with continence	People with learning difficulties
People who have insulin dependent diabetes	<i>People with MS (from the point of diagnosis)</i>
People with Downs Syndrome	<i>People with HIV (from the point of diagnosis)</i>
	<i>People with certain forms of cancer (from the point of diagnosis)</i>

An over-arching set of criteria ensures that some guidance on the degree to which a person is 'disabled' exists. Within the DDA the disability must be 'substantial' meaning that it is not 'minor or trivial', 'long term' meaning for at least 12 months, and must have an impact on normal day-to-day activities.

The horse's mouth

The Department for Work and Pensions has prepared some advice for small to medium sized enterprises within the service sector about how best to make their business more accessible to the disabled. The advice covers many of the touch-points that a disabled customer may have with the business, ranging from advice about how to reach the location, ensuring seats are available in areas where visitors may have to queue through to the accessibility of toilets.

One piece of advice that is of great merit is that rather than try to guess what changes disabled customers may find beneficial businesses should ask them. This can be in the form of a formal questionnaire handed to all visitors, conversations with disabled visitors when they leave the attraction or check-out of the accommodation, or through contacting local disability groups and asking them to come and assess the accessibility of the business.

Disability Discrimination Act (DDA) Time Line

1995 It becomes illegal for service providers to refuse to serve a customer on the grounds that they are disabled, to treat a disabled customer less favourably than non-disabled customers, or to offer a lower quality of service to the disabled person

1999 Service providers must make 'reasonable adjustments' for disabled customers, such as giving extra help or changing the way in which the service is provided, for example by amending policies, practices and procedures, and providing auxiliary aids and services

2004 Service providers must take reasonable measures to remove, alter or provide a reasonable means of avoiding any physical barriers to accessing and using their premises. Additionally the employment requirements of the DDA are extended to all employers

2005 A wider definition of 'disability' is adopted. Transport operators are included, with a target date of 2020 for all rail vehicles to be 'disabled friendly'

'Service providers' include transport operators, hotels, B&Bs, campsites, visitor attractions, galleries, museums, conference and exhibition venues, gift shops, restaurants, pubs, zoos and so on – in short, pretty much every business within the tourism sector.

So what is 'reasonable'?

Nearly all legislation is open to interpretation, but this is even more the case when words such as 'reasonable' are key to interpreting what is, and what is not, required action on the part of businesses. If a business, large or small, can demonstrate that responding to a particular need or request to provide auxiliary aids or remove physical features is 'unreasonable' then the law does not require the business to act.

The level of resource available to the business is one of the main considerations that can help to determine what is deemed reasonable. Resource includes financial, human and physical. So, it is entirely acceptable for one business to respond differently to that of another if implementing changes would be disproportionate relative to available resource. However, small businesses cannot simply ignore the DDA on grounds of size, and all businesses must try to anticipate the needs of disabled visitors, not just respond to individual requests.

A 'reasonable' auxiliary aid can be something as simple as placing a chair in areas where people may have to queue for a few minutes, and a 'reasonable' change to practices could be as simple as allowing insulin dependent diabetics to store insulin in the B&B proprietor's own fridge.

National Accessible Scheme (NAS)

Administered by VisitBritain the NAS has been operating since the early 1990s, having been reviewed in 2002, at which point the scheme was extended to cover those with visual and hearing impairments, and again in 2005 to take on board latest feedback from consumers, the industry and assessors. The scheme provides a nationally recognised rating that can be used to promote the range of facilities available.

VisitBritain has sent out more than 20,000 information packs about the NAS to businesses keen to understand how they can become more accessible, and who potentially want to join the scheme. A series of regional roadshows, funded by the Department for Culture Media and Sport, are underway to highlight the benefits of the NAS and of making businesses open to all through promoting the work of Tourism for All. The scheme ensures businesses recognise the value of making changes to the way they work, the physical layout of the business and of producing an 'access statement' to help inform potential visitors about levels of access.

The NAS is delivering many benefits to both the tourism sector and disabled visitors. For example, by joining the scheme a business is not only demonstrating its desire to comply with the DDA and making its business more accessible, but importantly, it enables disabled people to make informed choices about levels of accessibility on offer. This will lessen the chance that a potential trip does not take place because someone thinks "that looks like a lovely hotel but I bet they have no facilities for someone who is hard of hearing like me" etc, and thus leaving a room unoccupied rather than earning revenue.

Europe for All (Formerly OSSATE, One-Stop-Shop for Accessible Tourism in Europe)

Europe is believed to be home to more than 50 million disabled citizens, that's more than the total population of Spain. VisitBritain (along with the Greece, Belgium and the University of Surrey) is currently participating in a two year European Commission project. The objective is to provide better information on the accessibility of European tourism products and services via new media channels, including VisitBritain's websites and a EuropeforAll website, as well as other devices such as mobile phones.

The project is endeavouring to empower people with access needs (eg older travellers, families with young children, those with temporary disabilities as well as disabled people) to find reliable information, in their own language. They will be able to find accommodation, attractions, events etc that more closely meet their requirements by providing searchable data against their own personal needs profile. This will allow visitors with access needs to plan travel with far

more confidence than at present as they will be able to know beforehand to what extent their desired destination will be accessible to them.

The role of information, and the way in which it is made accessible is not just an issue that can be addressed at the national level, every business can take steps to put its website and printed material into a format that can be easily read by those with eyesight difficulties (by selecting suitable fonts and colour schemes) and use 'plain English' to help those who may have learning difficulties.

Touch-points

There is a plethora of ways in which a business can make itself more accessible to disabled visitors, with the majority of these having little or nothing to do with radical changes to physical infrastructure. An excellent guide for operators of guest accommodation has been published by the Disability Rights Commission and has already been sent to more than 20,000 businesses. A separate DRC publication covers 'Organising Accessible Events'.

Improvements in the way disabled customers are dealt with by staff can be as influential in determining the probability of a return visit as can physical features of the business. Training employees to be more attuned to the needs of disabled visitors, and being able to respond accordingly can make a real difference. Examples include sitting down when having a discussion with a wheelchair user to make eye-to-eye contact easier, through to asking cleaning staff to remember to leave visually impaired guests' belongings in the places they were left when tidying a room.

Moving away from the 'micro' level to the 'macro' level help is available to those responsible for 'destination planning' in respect of taking account of the needs of the disabled. The Tourism Management Institute's Destination Management Handbook contains a dedicated section on 'tourism access for all'. This reminds us that the DDA does not simply deal with the insides of buildings, it is about other facilities too, for example sightseeing boat tours, wildlife parks, formal gardens, even Tourist Information Centres themselves.

Transport operators are responding to the DDA too, with an increasing proportion of coaches, buses and trains becoming 'disabled friendly'. The government has set a target that by 2020 all rail vehicles should meet DDA requirements.

It is estimated that there may be as many as six million people in the UK who act as carers for disabled people, and as Tourism for All observes, carers frequently express the desire to take holidays, either as respite, or with the one they care for. This group of people has first hand experience of the needs of disabled people and present a good source of insight on how businesses can improve the way in which they cater for disabled visitors.

A market segment that will definitely grow

As already noted, with people living longer, and the age structure of the population changing, there can be little doubt that in the future there will be more visitors who have a disability. It seems plausible that as a generation able to enjoy travel and tourism more than any preceding generation gets older, and the numbers among that population with a disability starts to rise, the desire to continue participating in tourism will not diminish.

Changes that enable more visitors to enjoy their holiday accommodation, visitor attractions, forms of transport, shops, restaurants, pubs and even parkland with a greater degree of ease, safety and comfort are indisputably a good thing. With sufficient imagination, and by talking directly with disabled visitors about their needs, many tourism businesses can go a long way to opening up their business to more customers without incurring enormous expense. The secret is not just to make 'reasonable' changes, but also to ensure marketing communications targeting potential customers convey the fact that the business has disabled friendly facilities and attitudes.

For more information...

The following websites provide useful background and information to all those in the tourism industry wishing to find out more about the Disability Discrimination Act and providing services to disabled customers.

Disability Rights Commission: www.drc-gb.org

Government information and services: www.disability.gov.uk

National Accessible Scheme: www.visitbritain.org/ukindustry

Tourism for All: www.tourismforall.org.uk

OSSATE: www.ossate.org

Department for Work and Pensions (information for employers): www.dwp.gov.uk

Tourism Management Institute (Destination Management Handbook): www.tmi.org.uk

Centre for Accessible Environments (help with accessibility audits and design): www.cae.org.uk

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