

TourismAlliance

the voice of tourism

Age Discrimination Consultation Responses
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AGE DISCRIMINATION CONSULTATION

The Tourism Alliance was established in 2001 as the voice of the UK tourism industry. It now comprises 50 tourism industry trade and marketing associations that together represent some 200,000 business of all sizes throughout the UK (see Appendix 1 for membership list). The Tourism Alliance's mandate is to work with government on issues relevant to the growth and development of tourism and its contribution to the economy. It is therefore responding to this Inquiry in that capacity.

Britain's tourism industry has been one of the largest and fastest growing sectors of the British economy over the past 20 years and is now worth £86bn and accords for over 7% of the UK workforce. Importantly, in addition to the revenue and associated employment benefits, tourism delivers a wide range of social benefits that support the Government's social inclusion agenda.

The unique flexibility of tourism jobs is also the key to employing a wide range of groups who would otherwise be excluded from the labour market. For example, the tourism industry provides a valuable stepping-stone to young people with little or no experience and/or qualifications. 2008 ONS Labour Force Survey data shows that the tourism and hospitality sector employs more school leavers than any other sector, more "DDA disabled and work limiting disabled" people than any other sector. It also employs the greatest number of part time workers, thereby providing the employment opportunities needed by groups such as solo parents.

In providing these opportunities, the tourism sector is rightly proud of its record on anti-discrimination issues and is generally supportive of the discrimination law review as any move to remove barriers to people being able to fully participate in tourism-related activities is to be welcomed.

Before discussing the impact of the proposed Age Discrimination legislation on tourism in detail, it is worth noting that the tourism sector has characteristics relating to the provision of tourism products and services that differentiate it from other sector.

1. Non-Exclusive Use of Products and Services

Unlike many other products and services customers of tourism do not tend to have exclusive use of the product or service that they purchase. Because of the non-exclusive nature of the service or facility, the way that customers use them can detrimentally impact upon the enjoyment that other customers gain from using the same service or facility. For example, some elderly customers can feel severely intimidated by the activities of groups of young people in camping grounds or B&Bs when the young people themselves would simply say that were being “having fun” or “relaxing”.

To prevent some groups from adversely impacting upon the quality of experience received by others, tourism operators have a duty of care to ensure that all customers receive the quality of experience that they have purchased without this experience being ruined by other customers. To achieve this there is a need to retain an ability to impose restrictions based on age. It is not uncommon for accommodation providers to place age limits and size of group limits on customers to ensure that certain groups do not ruin the product or service that other customers have purchased. A good example of this is the many accommodation providers in certain city centres that place restrictions on hen and stag parties because they know that there is a considerable risk that other customers will be severely inconvenienced by their behaviour.

2. Market Segmentation

Tourism is a very large and diverse industry comprising of 180,000 businesses that seeks to satisfy the wide-ranging holiday requirements of 60m UK residents and 30m overseas visitors. Given the diversity of demand, it is difficult for any one tourism business to provide services and facilities that appeal to all tourists. Therefore, to establish a profitable business, many operators seek to target a specific market segment by providing services and facilities specifically aligned to the demands of that group. These market segments can be defined a wide range of ways including; by interest (eg., hiking, golfing, painting or heritage), by lifestyle group (eg, romantic country break, seaside family holiday or gay city breaks) and by age (saga, club 18-30, families with young children).

One of the benefits of this approach is that, by segmenting the market in this way, customers know that they will receive services and facilities specific to their needs (eg., hikers know that there will be clothes drying facilities, families know that the accommodation and staff will be child friendly, and club 18-30 visitors know that the activity schedule will include clubbing).

Market segmentation also helps customers in that they know that they will meet people who will share their interests and lifestyle (again, hikers will be in accommodation where they know people go to bed early and get up early, families know that other guests and staff will be more child friendly and gay and lesbian couples know they don't have to worry about other guests being homophobic).

In this way, market segmentation benefits both the business and the customer.

Crucially, it must be recognised that, while individual businesses may target specific market segments, the industry as a whole caters for all target segments. No one misses out on being able to have the holiday that they want.

The proof that customers and the general public see segmentation of the tourism market as positive thing is evidenced in the GEO's impact assessment, which states that;

“A survey of 500 Saga travel customers found that 78% prefer to go on holiday with others aged 50 and over and 97% do not object to holiday companies that offer holidays for particular age groups. A British Market Research Bureau survey of 2,004 adults found that only 9% thought that it would be good if holidays confined to a certain age group were banned.”

3. Tourism Businesses are SMEs

Tourism is a very diverse and fragmented industry with an estimated 80% of tourism businesses (140,000 operators) being SMEs. Many of these businesses (eg., B&Bs, guesthouses, self catering businesses) are operated by people who use their own house. These businesses have neither the resources nor the industry structure required to produce the valid statistical data required to support a case for objective justification. While financial firms and health agencies (which are the primary target for this legislation) have the resources to produce extremely comprehensive data on the level of risk associated with different age groups, people who own a holiday cottage and let it over the summer period depend know that letting the property to a group of young males entails a higher degree of risk than renting it to an elderly couple but will be unable to produce any valid statistics to be able to prove what is simply common sense. As such, these businesses will be at a considerable disadvantage if they were asked to prove objective justification when they make common sense decisions.

Bearing the unique characteristics of the tourism industry, our comments on the tourism-related question in the consultation are as follows;

Q16 *Do you agree with the proposed exception to allow age targeted group holidays to continue?*

The Tourism Alliance fully supports the proposal to allow age targeted holidays. As noted in the GEO analysis, there is a very large demand by the public to go on holidays with people of their own age – indeed 78% of Saga customers prefer to go on holiday with others aged 50. There is also a very high degree of public acceptance that businesses should be able to offer age-related tourism products with British Market Research Bureau survey showing that over 90% of the public were happy for this to continue.

It is also important to note that the purpose of the age discrimination legislation is to stop people of certain ages (notably the young and elderly) being treated in a less favourable manner than the public as a whole and therefore marginalised from society. Tourism age-related products act in exactly the opposite manner - they actually enhance and expand the holiday market by providing opportunities for people who, for whatever their reason, wish to spend their free time associating with people their own age.

To ban age-related holidays would therefore, be contrary to the public's wishes, limit the holiday opportunities rather than enhance them and restrict the holiday taking of people that feel uncomfortable socialising with people outside their generation. This, in turn, would result in the marginalisation of some people, the contraction of the holiday industry and a loss of employment.

Q17. Do you agree with the proposal not to provide a specific exception allowing age limits on holiday accommodation?

The Tourism Alliance is very much of the view that not only is the need to provide an exemption for holiday accommodation justified, doing so is beneficial to both customers and businesses.

As mentioned above, most accommodation is a largely non-exclusive product, meaning that the use of it by one customer can impact upon the enjoyment of the product by other customers. This is one of the reasons that some accommodation providers tend to target specific market segments – so that customers have similar expectations regarding the acceptable behaviour of other guests. This minimises conflicts and helps ensure that all guests have an enjoyable experience. In targeting particular market segments, owners are very adept at determining which groups are suited to their premises and other guests and which have the potential to cause problems.

To provide the high quality experience that customers demand, accommodation providers need to be given the protection of being able to turn away or impose different conditions on customers that common sense dictates are likely to adversely impact upon other customers. For anyone to argue that the owner of a B&B must wait until situation arises where members of a stag party become drunk and obnoxious before removing them (if this is even possible) rather than allowing the owner to decline the booking in the first place, shows scant regard for the safety of accommodation owners.

If small B&B and Self-Catering operators are not permitted to exercise their discretion in accepting bookings, there is no doubt that some will decide that the risk to either themselves or their properties is too great and will cease trading. Tourism Alliance research shows that if the self-catering market decreased by just 5% as a result, this would equate to a decrease in revenue of £55m per annum and cost 1,200 full time jobs.

The other consequence of not allowing operators to exercise discretion would be that existing customers, through either consequently having a bad experience, fearing that they will have one, or not being able to holiday with people their own age, will simply decide not to take that type of holiday in future. This would cause a further contraction of the industry and a further loss of jobs.

Q18 Do you agree that there should not be a specific exception allowing upper and lower age limits on the rental of vehicles?

The UK car rental industry provides its service to over 5 million leisure customers with an estimated annual turnover of circa £800 million pounds. The British Vehicle Rental and Leasing Association (BVRLA) estimates the additional regulatory costs of being forced to rent to young drivers to be circa **£43 million** pounds each year, with smaller rental operators being disproportionately impacted.

If rental firms are unable to either recover the additional costs from those younger drivers or restrict their services to this age group, then the delivery and costs of the service to all their customers would be severely impacted. This could, for example, make car rental services unaffordable to tourists and could mean that some vehicles previously booked may not be available as they are being repaired because of the higher incidences of younger rental drivers involved in accidents.

Research by the Association of British Insurers^[1] has shown that young drivers are twice as more likely to make an insurance claim than older drivers, and the average value of each claim is three times greater. This clearly indicates that the damage caused by younger drivers is far greater than that of older drivers.

It is on this basis that the Tourism Alliance is supportive of an exemption for the UK vehicle rental sector and for this sector to be able to vary their prices to recover the additional cost and risk associated with renting to young drivers.

CONCLUSION

As stated at the outset, the tourism industry is supportive of effects to remove barriers to people being able to fully participate in society and is proud of its ability to provide employment and holiday opportunities to people who would otherwise be marginalised. However, it needs to be recognised that not discrimination is harmful – provided that no one is disadvantaged by the industry as a whole, the ability of individual businesses to provide the products targeted to the wants and needs of particular market segments is a benefit to both the industry and to the consumer.

The Tourism Alliance view is that not providing an exemption for holiday accommodation has a very real potential to damage parts of the tourism industry and will reduce consumer choice rather than enhance it.

This potential damage has to be viewed in the context that no evidence has been presented to suggest that there is a problem associated with the accommodation sector that needs to be resolved. As no clear, justifiable problem with the provision of accommodation has been presented throughout the GEO's consultation process, and no benefit to either customers or the industry identified, the Tourism Alliance strongly believes that principles of good regulation dictate that this legislation should not be imposed on the sector.

If the Tourism Alliance, or its members, can be of any assistance in providing further evidence or expanding or clarifying tourism-related issues, please feel free to contact our Policy Director, Kurt Janson, at the address below.

Yours sincerely

Ken Robinson CBE

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^[1] ABI Young Drivers, September 2006

Appendix 1: **Tourism Alliance Members**

Association for Tourism in Higher Education
ABTA – The Travel Association
Association of Leading Visitor Attractions
Bed and Breakfast Association
British Association of Leisure Parks, Piers & Attractions
British Beer & Pub Association
British Educational Travel Association
British Hospitality Association
British Holiday & Home Parks Association
British Marine Federation
British Resorts and Destinations Association
British Vehicle Rental and Leasing Association
Business In Sport and Leisure
Business Visits and Events Partnership
Camping and Caravanning Club
Confederation of British Industry
Confederation of Passenger Transport UK
Country Land and Business Association
Cumbria Tourism
Destination Performance UK
East of England Tourist Board
English Association of Self Catering Operators
English UK
European Tour Operators Association
Events Industry Alliance
Farm Stay UK
Guild of Registered Tourist Guides
Heart of England Tourist Board
Heritage Railway Association
Historic Houses Association
Historic Royal Palaces
Holiday Centres Association
Holiday Cottages Group
National Caravan Council
National Trust
South West Tourism
The Caravan Club
Tourism for All
Tourism Management Institute
Tourism Network North East
Tourism Society
Tourism South East
UKinbound
Visit London
Visitor Attractions Forum
Yorkshire Tourist Board

Associate Members

Local Government Association
SouthWest RDA
VisitBritain
VisitEngland