

USTA Marketing Outlook Forum 2011— ODO Marketing Forecast

The Disability Travel Market—Dynamic and Growing

In 2010 the Americans with Disability Act (ADA) celebrated its 20th anniversary. Accessibility in public spaces, whether publicly or privately owned, is now accepted as a matter of course in the United States, as is the accessibility of all major modes of transportation. Even taxi fleets in our major cities are finally adding or expanding the number of wheelchair-friendly vehicles. Seamless, accessible travel has in large part become a reality in the U.S.

As physical barriers have fallen, so too have attitudinal ones. Now that people with disabilities of all ages are out and about like everyone else, the “fear factor” is receding. Mainstreaming in our schools and in society generally is eroding the “otherness” of people with disabilities. People with disabilities are dining at the next table, sitting in the next airplane seat, riding across the aisle on the city bus and becoming more fully integrated into their communities.

Enhancing this attitudinal shift are several main factors. First, the aging of our population has brought issues relating to disability and accessibility to the fore. Because older people are more likely to have one or more functional limitations, the increase in Americans 65 and older—projected by the U.S. Census Bureau to rise 78% from 2010 to 2030—should be a wake-up call for the travel industry. With the bulk of the country’s wealth in the hands of this older cohort, businesses can no longer question whether the disability market is viable and worth actively marketing to and accommodating. Unlike earlier, more reticent generations of seniors, the “Boomers” are likely to demand services and facilities to accommodate their needs and enable them to continue to travel, whatever their disability.

A second boost to awareness and acceptance has come from our recent wars in the Persian Gulf, Iraq and Afghanistan. Media coverage of our wounded veterans, many of whom have lost limbs or experienced traumatic brain injury, has made Americans more empathetic toward people with disabilities and their struggles to regain full lives. Many tour and transportation operators have reached out to aid the various sports and travel programs like Wounded Warriors that have sprung up to serve these veterans, thereby gaining new experience and awareness themselves in working with people with disabilities. Kudos to all who support these projects.

A third force in raising awareness continues to come from families advocating for their loved ones with disabilities, especially children. Disability affects approximately 1 in 5 Americans and an even higher proportion of households: 2 in 7, according to the U.S. Census Bureau. Families have long played a major role in the mainstreaming of disability—raising funds for medical research, founding non-profit disability organizations, lobbying governments and school systems and demanding media attention. Many of the early specialists in accessible travel actually entered the field because of the lack of inclusive destinations and activities for their children with disabilities.

While just planning an accessible trip once required a major investment of time and money, these days there are more and more opportunities for families to travel and see things all over the country with information readily available via the Internet. Improvements in both physical access and attitudinal acceptance are now allowing families to drive a large portion of the disability travel market. Market Studies by Open Doors Organization have shown that people with disabilities usually travel with their families. From specialty programs at children's museums to improved access at arts and cultural institutions, the welcome mat is increasingly out for everyone, from children and adolescents with autism to older visitors with Alzheimer's.

Intergenerational travel continues to expand, with the access requirements of the family member with a disability a "make or break" factor in choice of destination or mode of travel. Those who can't accommodate a grandparent, parent or child with a disability miss out on revenue from the entire family. Cruises remain a popular option here as the major companies continue to both improve accessibility and expand entertainment offerings for all age groups. So do theme parks such as Disney.

Because the last few years have seen so many advances for American travelers with disabilities, it's worthwhile recapping these improvements sector by sector. Taken together, they also make a powerful case for strong growth in this market segment over the next decade, especially once the economy and job creation recover.

AIR TRAVEL

Thanks to both government and industry initiatives, air travel for people with disabilities continues to improve. In 2008 the Department of Transportation (DOT) issued a revised and updated version of Air Carrier Access Act (ACAA) regulations that extended their reach to foreign carriers serving the US market. No longer do air travelers with disabilities have to worry about whether they are flying on a foreign code share partner rather than a domestic carrier since protections in most respects are the same. The new rule also enhanced service for passengers with sensory disabilities and made it mandatory for air carriers to accept portable oxygen concentrators (POCs) so long as they are approved by

the Federal Aviation Administration (FAA) and labeled as such. Twelve POCs are currently FAA approved. For those requiring medical oxygen in flight, this change has literally opened up the world.

In September 2011 DOT issued a Supplemental Notice of Proposed Rulemaking that, if adopted, would create access on websites and at automated kiosks for people with all types of disabilities. This would not only impact the airlines but their distribution channels as well. Websites like Google, Yahoo, Expedia and Priceline would all have to raise their standards to those of their airline partners and that represents a fundamental shift; only small agencies would be exempt. The period for public comment is open until November 25, 2011.

In light of the \$2 million fine imposed by DOT on Delta in February 2011, nearly every US carrier has taken new initiatives to improve access. The Department has made it very clear that all US and foreign carriers need to do whatever is required to insure timely and nondiscriminatory service to passengers with disabilities. Note that \$1,250,000 of Delta's civil penalty may be spent on service enhancements such as an automated wheelchair tracking service and improved website features for customers with disabilities. Offsets from past civil penalties have also resulted in tangible benefits such as video pay phones at Chicago's airports.

Access in airports is also improving thanks to governmental programs. The FAA now conducts airport audits in an attempt to educate airports on their responsibilities under the ADA and the Air Carrier Access Act. One important new FAA requirement is appointment of an Access Coordinator. Airports have risen to the occasion and made strides that the disability community has long awaited. Visual paging is becoming a norm and family restrooms, although not mandated by law, are everywhere. Service animal relief areas, now required under ACAA regulations, are mainly outside security, but US airports are now examining how to install such areas past security for travelers making connecting flights or experiencing long flight delays.

On the negative side, highly publicized horror stories concerning security screenings may be discouraging some travelers with disabilities from flying. The Transportation Security Administration (TSA) is seeking to combat its poor image in the community by providing detailed advice concerning all types of disabilities on its website and by issuing a card to fill out in advance and then present at screening describing any hidden disability or medical issue. Anecdotal evidence suggests that better training and supervision as well as more careful hiring practices may be needed to effectively counteract these inappropriate or insensitive behaviors.

RAIL

For travelers with restricted mobility, train travel offers multiple benefits including the ability to ride in one's own wheelchair, accessible onboard restrooms, no

security lines and arrival at downtown stations that connect to accessible public transportation. Not surprisingly, ridership by people with disabilities and their companions on Amtrak is on the rise, growing 38.8% from 2005 to 2010 while revenue jumped 51.8%.

To better serve these customers, Amtrak is making major investments in station accessibility, automated check-in kiosks with universally accessible keypads and information displays with visual paging. Improvements to their Internet site including the ability of guests with disabilities to check-in online are also in the works. Amtrak's commitment to the disability community was underscored in 2011 with the hiring of Open Doors Organization to train approximately 8,000 frontline employees nationwide in their esteemed Block Training program. These full-day trainings, conducted primarily by people who have disabilities themselves, not only focused on policy and procedure but also emphasized the importance of customer service and equality.

On the regulatory side, a new rule from the Department of Transportation issued in September 2011, promises to increase rail access nationwide by requiring level boarding at all new or altered stations and for all types of service: intercity, commuter and high speed.

INTERCITY BUS

While intercity bus ridership by people with reduced mobility has historically been low, the advent of low cost, curbside service is attracting new customers from the disability community as well as the general public. The meteoritic rise of this new type of express service between urban centers caught even industry insiders off guard, outpacing both air and rail growth for the past three years. A DePaul University study estimates that curbside operators like Megabus and Boltbus expanded their departures by 29.3% in 2010 alone.

Boltbus and Megabus operate fleets that are 100% wheelchair accessible, the former using traditional high floor coaches with wheelchair lifts, the latter double deckers with low floor entry via ramp. Despite their fleet's superior access, Megabus, however, was fined \$55,000 by the Department of Justice in May 2011 as part of an ADA settlement. As a result, the carrier is improving its customer service to people with disabilities and revamping how they book online.

While the DOT has historically done little to enforce its Over-The-Road-Bus (OTRB) regulations, a new requirement that roadside safety inspections by the Federal Motor Carrier Safety Administration (FMCSA) include questions regarding ADA compliance is now snaring carriers who have heretofore ignored training and reporting requirements as well as wheelchair access. FMCSA may revoke a carrier's operating authority for willful violation of DOT ADA regulations.

An important deadline under the DOT OTRB rule is coming up in May 2012. By that date, Greyhound and other large line-run motorcoach operators must

achieve 100% accessibility in their fleets. Thereafter, customers who require a wheelchair lift will no longer have to give 48-hours advance notice to be guaranteed a reservation. This is a long awaited landmark in the disability since operators have had 12 years to make the transition.

CRUISE INDUSTRY

Although the cruise industry is the last major mode of transportation to be regulated under the ADA, it in fact has a long and remarkable record of welcoming and accommodating passengers with disabilities. In 2010 the DOT issued an initial rule covering only nondiscriminatory service and policy issues. When the US Access Board finalizes guidelines for physical access onboard vessels, the DOT plans to combine these requirements and the current rule into one comprehensive document. This is expected to take another few years but nonetheless the pace of change and attention to accessibility is increasing as full coverage under the ADA approaches. Cruise lines are auditing their ships and planning barrier removal while at the same time using the new ADA Access Guidelines, approved by the Department of Justice (DOJ) in 2010, and the 2008 draft of the Passenger Vessel Access Guidelines (PVAG) as minimum standards. In addition there is a new focus on the development of disability awareness training.

The cruise lines have always been ahead of the curve. They have not only tried to remain steadfast in their policies but have been ready to work with the DOT and DOJ during the regulatory process. As a result the major cruise lines—Royal Caribbean, Celebrity, Holland America, Princess, Norwegian, Carnival and Disney—have strong support from disability associations and work closely with the specialized travel agents. Not only have they gone beyond regulatory requirements, but really understand the market and how best to attract these consumers.

Another positive for cruise passengers generally, as well as those with disabilities and seniors, is the proliferation of cruise ports in the U.S. With more ports and ships in driving range, one can avoid the stress and expense of air travel and possibly also damage to mobility devices.

LODGING

Improvements to consolidator websites now make it easier for persons with disabilities to select accommodations that meet their needs and also to take advantage of the same discounts as everyone else. As the result of a California lawsuit, hotels.com and expedia.com in late 2009 began to include basic access information for people with hearing, vision and mobility limitations. Once travelers specify which access features are required, staff check that rooms with those facilities, such as a roll-in shower, are available on the requested dates at that property. If not, then they identify similar properties in the same area that can accommodate the guest.

Unlike the cruise lines, the lodging industry has in many cases bucked the trend toward accessibility, either doing the bare minimum to comply with ADA regulations or indeed nothing at all toward barrier removal. Only in the past few years has the DOJ finally begun significant enforcement actions that include compliance audits in major cities such as New York and San Francisco. One important and precedent-setting ADA settlement with Hilton in November 2010 impacts roughly 900 properties worldwide including not only Hilton-owned properties but also those where Hilton is the manager or franchisor. It also requires Hilton to make its central Internet reservation system more accessible and to “block” accessible rooms, i.e., guarantee the room will be available on check-in.

Even in new facilities, poor room design and inappropriate furniture make it hard or impossible for guests with reduced mobility to take a shower or even get into bed. The latter complaint is now leading the DOJ to create guidelines for not only built-elements but also furniture. While disability advocates would much prefer the lodging industry to embrace change and welcome the community’s business, it appears that only legal action and steep fines can impel the sector forward. Unfortunately, this does little to address the issue of attitudinal change which is just as important to customer satisfaction. There are, of course, hoteliers who do want to provide superior service and facilities to guests with disabilities, among them InterContinental Hotels Group and Microtel.

ATTRACTIONS

In 2010 DOJ approved new ADA Access Standards that include detailed requirements for the accessibility of recreational facilities of all types, from pools to fishing piers, miniature golf to rides at attractions. Making such guidelines mandatory ensures that people with disabilities will be able to join in activities with their friends and family, not just sit on the sidelines. Walt Disney Resorts, of course, represents the gold standard for inclusion and accessibility in theme parks. When the need arises, they even develop adaptive technology such as hand-held captioners for guests with hearing loss.

INFORMATION TECHNOLOGY

Advances in information technology such as smart phones with a built-in read out feature, video relay and texting are revolutionizing life for people with sensory loss. Mobile apps can put detailed, real-time information about accessible transportation into the hands of travelers with disabilities as they navigate an unfamiliar city. By integrating detailed accessibility information, the app could enable the traveler to find attractions, restaurants and hotels that meet his specific needs and preferences, then plan routes and modes of transportation to move between the various locations. IBM this October released a pilot app, Access New York, that attempts to do just that and which builds on a 2010 White House “Geo-Access” Challenge that used data from ODO’s Easy Access Chicago guide. Wayfinding for persons who are blind is another area where mobile technology is likely to have a profound impact. Needless to say, any

technological advances that enhance independence for people with disabilities are sure to provide a boost to their propensity to travel.

CONCLUSION

Despite the economic downturn, travel among Americans with disabilities, no less than the general population, is still perceived as a necessity—almost, in fact, a right. So while travel time might be shorter or closer to home or just by car rather than plane, the travel imperative is still strong. As the sectoral analysis above indicates, barriers to travel continue to fall while opportunities and incentives rise. This in conjunction with the increasing population of both older and younger Americans with disabilities foretells growing overall expenditures by this market segment which ODO currently estimates to be \$15 billion annually on travel. Open Doors Organization's next Market Study of Adult Travelers with Disabilities is planned for 2012.

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