

New types of tickets with smart ticketing: what do passengers think about carnets?

Summary report



Foreword

from Anthony Smith, chief executive

Transport Focus would like to see all passengers able to get the best tickets they can, in terms of both value and convenience. More and more passengers are working flexible hours and travelling irregularly and would like ticket products that reflect this.

When designed well, smart ticketing schemes can help to

deliver more convenient and cost-effective product options. Passengers tell us that being able to access better value, more personalised tickets is a key benefit of smart ticketing.

The carnet concept of offering a discount to those who buy tickets in bulk, is appealing to many types of passenger. Delivered as a product

via smart ticketing, carnets offer both convenience and flexibility.

Awareness of carnets, however, is still low among passengers. These results suggest there is scope to build awareness and make them more appealing. This could be done by changing both the way the product is explained and the name to something more descriptive.

How we did it

- Three group discussions in Manchester, Birmingham and Bristol with passengers who were retired, part-time / flexible workers, and university students.
- Four groups in London with passengers who travel into London from surrounding areas.
- Four interviews with stakeholders from organisations representing students, working families and part-time workers.
- An online survey of 1000 respondents living in England's south east. To qualify, passengers had to use the train for either business, commuting or leisure purposes at least twice a month, but no more than four times a week.

Background

Previous research has shown one of the main attractions of smart ticketing is that passengers are able to buy ticket types which are not available or feasible in paper form. In turn these tickets are more convenient and perhaps cheaper.

Different product types will have varying levels of appeal according to local issues and individual or demographic factors. Many products developed to date are probably aimed at commuters or users of multiple modes of public transport. There is a need to look at other types of passenger as well.

What we wanted to find out

- The appeal of existing and new ticketing products with those who travel frequently, but are not doing a traditional five-day-per-week commute.
- Explore any difference in desires and requirements of passengers in the south east of England and cities outside of this area.
- Look specifically at the popularity in principle of a carnet product to passengers and what combination of features has the most appeal.

All our smarter travel research can be found at:
www.transportfocus.org.uk/research/smarter-travel

This is the latest report to our joint programme with the Department for Transport exploring passenger needs from smart ticketing.

Passenger views on ticketing products

The passengers we spoke to in **Manchester**, **Birmingham** and **Bristol** were made up of three categories:

- **workers** working any one of the following: weekdays and weekends; travelling to or from work in off-peak hours; travelling to multiple locations for work; or working part time and travelling to work three or four times a week
- **retired** passengers using rail at least twice a week, and paying full price for the train at least once a week
- **students** travelling by train at least three times a week to get to college or university.

Overall, these passengers generally chose **convenience over cost saving as their key concern** when it comes to ticketing on public transport. Long queues at ticket offices and ticket vending machines, the need to purchase a ticket for every journey, and complicated ticketing options were all reasons why participants

"I've jumped on the train before without buying a ticket. I had to make a certain train and the queue to buy a ticket was ludicrous. I had no choice."

Birmingham

found the idea of ticketing products which could minimise or remove these issues attractive.

Passengers liked the idea of smart ticketing along with better ticket options in general. They viewed smartcards as an improvement to the way tickets are currently delivered and a step in the right direction.

Of all the ticketing options discussed, the concept of a **carnet** where passengers can buy tickets in bulk and receive a discount for doing so, seemed to be a product with the most benefits. It was also seen to offer an improvement to what is currently available. Although awareness of carnets was initially low, once explained, passengers could generally see the benefits. However, there were concerns about the upfront cost, their start and end points, and peak/off-peak flexibility.

"It also sounds uncharacteristic of the train companies to do this sort of deal, so it might actually be quite a good publicity thing for them."

Bristol



"It's a lot of money and the only way I'd be able to finance it would be to take out a season ticket loan from my employer."

Irregular worker, London

"I would use it [a carnet] if it would provide a discount on the tickets but otherwise, I don't see why I would need it."

Student, London

London passengers

Our second stage of research tested the appeal of carnets with passengers in the south east of England. Those travelling into London pay considerably more for their travel, so cost could be more of a determining factor. Flexible working is also more prevalent, with some people working from home for one or more days a week and potentially having choices around the times and days they travel.

These passengers are generally more familiar with smart ticketing because of exposure to Transport for London's Oyster scheme. So we wanted to test whether there is more demand for a new product such as a carnet, particularly if it was delivered in a smart format.

As expected, those we spoke to in London were **more focussed on potential cost savings than convenience as the key requirement from new ticketing products**. The participants used the train to travel to work two to four times a week from outside of the Oyster boundary, on a variety of train operating companies. These passengers generally considered the cost of their tickets to be excessive and were looking for ways to save money. When the idea of a carnet was presented to them it was the

potential discount which had the greatest appeal. Passengers felt they should be rewarded for continued loyalty to train companies and for the significant amount of money they spent on tickets, and carnets were felt to represent such a reward or recognition.

For some who bought season tickets, carnets could be attractive as they do not feel they get maximum value currently. This is particularly relevant for passengers who only use their season ticket three or four days a week.

Although value for money was a key focus, for those who bought tickets on a daily basis, the idea of having to do this less frequently and avoid queues was also very attractive.



Passengers' opinions on carnets

Benefits

Convenience of not having to buy a ticket for every journey

Potential to save money

Value of the ticket only depreciates when a journey is made (unlike a season ticket)

Concerns

Significant financial outlay upfront

They may be left with unusable tickets if they change where they work or live

Only useful for those making journeys via a consistent route and to a consistent location

Passenger language around carnets

When passengers discussed the concept of a carnet, they used language such as a multi-journey product, a bulk-buy discount, and buying ten for the price of eight. The term carnet was not well known or spontaneously mentioned very frequently.

Stakeholder interviews

We carried out telephone interviews with representatives from bodies representing students, working families and part-time workers. This was to help shape the questionnaire for the next stage of the project to measure the awareness and appeal of carnets with a particular audience via an online survey. These interviews highlighted some concerns that these organisations had with current rail ticketing.

All of the organisations felt that carnets would appeal significantly to the people that they represented, and they would welcome their introduction.

Cost

- Struggle to afford peak-time rail tickets into college/university/work
- Season tickets not feasible as upfront payment is required and not everyone can afford to do this

Flexibility

- Season tickets often not considered value for money if not working five-day week

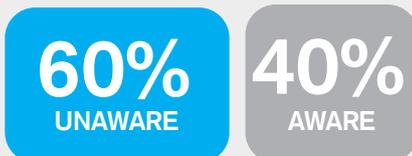
Confusion

- Lack of clarity as to what different tickets offer meant that passengers don't always get the best deal

Passenger views on carnets

We interviewed 1000 commuter, business and leisure passengers who used the train for one (or more) of these journey types at least twice a month, but no more than four times a week. To qualify, passengers were also required to be travelling to the same destination from the same place when they used the train. This was to ensure that the people that we spoke to would in theory suit a carnet product.

Less than half of respondents were aware of carnets prior to the survey



We described carnets to respondents using the following definition:

“You buy several tickets of the same type in one go, for example single or return from a to b, and in return receive a discount on each ticket. You will also have to have used these tickets within a certain time frame.”

When described at this basic level, appeal and likelihood to buy were relatively high at 56 per cent appeal and 53 per cent likelihood to buy.

As part of the survey, we carried out a ‘conjoint’ exercise. Conjoint is a technique which determines what combination of attributes is most influential on respondent choice.

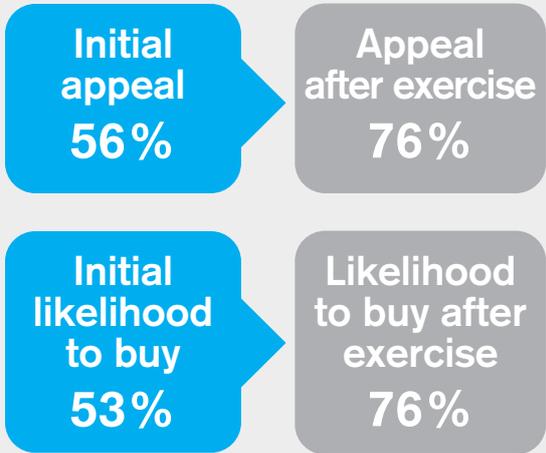
Respondents saw 10 screens with three options on each, similar to the table below. They were asked to indicate which appealed most and whether they would buy this one instead of their usual ticket.

Tickets	5	10	40
Discount	5%	0%	10%
Expiry date (months)	18	6	12

Appeal and likelihood to purchase

Initial awareness was low. However, this changed once the concept of carnets was explained and they went through the 'conjoint' exercise which demonstrated how the tickets can be adapted to suit different passengers. Both the appeal and likelihood to buy rose significantly.

Passengers travelling regularly for all reasons, commuter, leisure and business, said they would be likely to purchase the product. The concept particularly appealed to those who currently bought season tickets and those making a range of journeys for more than one reason. Appeal for carnets was highest among commuters, with 81 per cent of this group saying they would be likely to purchase a carnet, assuming it was designed for them.



What should a carnet look like?

Passengers wanted a ticket type to match their travel patterns, and return tickets were generally favoured in carnets over singles. A mix of peak and off-peak travelling times had the highest appeal with 49 per cent of participants wanting this option, which may be a reflection of varied working and travelling patterns. Offering a range of options would ensure all passenger types could choose the ticket that suited them best as 36 per cent of commuters would choose a peak-only ticket option.

Detailed analysis allowed different carnet scenarios to be measured in terms of likely appeal and take-up. The results showed if there was a 'realistic' three-tier offering, where the discount increases with the number of tickets, 83 per cent would choose carnets rather than their current ticket.



Optimum product range

20 tickets	15% discount	12-month expiry	= 47%
10 tickets	10% discount	3-month expiry	= 24%
5 tickets	5% discount	1-month expiry	= 12%

83% of people would purchase at least one of the products

Over half of the passengers in our survey said they would purchase a carnet with no discount offering at all. This shows that passengers are attracted to the idea of carnets for reasons other than discount.

With high appeal and likelihood to buy across all passenger types, carnet products would be likely to achieve high levels of take-up. Being able to budget better was the key perceived benefit for those attracted to carnets.

It is important to note, however, that the figures produced through this analysis do not take into account the commercial models of train operators. They also assume passengers are aware of carnets and understand how they work, both of which would be challenges for train operating companies.

It is worth noting that declared intention to purchase does not always translate into actual behaviour for various reasons.

This research is part of the joint Department for Transport/Transport Focus smarter-travel research programme. This research project was carried out by Illuminas.

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