



# PICK OF THE TOCs

**N**ow look here Anthony, the Coalition is pumping billions into the railways yet your survey thingys show the ungrateful British public still don't like their train companies - so the Government doesn't get any credit! Well, something like that must have been said to Anthony Smith, Chief Executive Officer of Passenger Focus, and thus began the 'Passengers' relationship with the Rail Industry' report which has now been published.

We tend to rely on the NRPS (National Rail Passenger Survey) as the continuing measure of people's satisfaction with their rail services, based on the usual criteria of timekeeping, cleanliness etc, and ratings come back for train operating companies (TOCs) ranging

between 96% and an embarrassing 69 position. This additional survey of 4,000 people looks deeper behind the numbers at whether we trust train operators (trust being measured in three ways: trust in service, relationship and judgement). Within the industry of course there is no trust - we have lawyers instead - but fortunately this survey only applies to TOCs, not the DfT or any of the other industry hangers-on.

The headline result is that, for every single TOC, the satisfaction level for the passenger's most regular journey is 20 - 30% below the NRPS figure. When asked about the last journey, the scores go within about 15%, but they are still lower (except for Southeastern - but that firm is so low in the NRPS it skews the statistics).

## BUILDING TRUST

The answer to the MP's point above is simple: you don't get credit for starting, only for finishing. There is indeed massive investment going on; I stared in amazement at the flyover being built at Reading the other day, but the passenger's journey is still much the same. We have invested billions in new rolling stock, but again most passengers' journeys haven't changed much, especially across the commuter TOCs - where if anything you are less likely to get a seat and your journey takes about the same time (unless you happen to be near High Speed 1). Railway investment to date is a bit like maintenance; if you don't do it you will suffer, but nobody praises you for doing it. HS2 and Crossrail are

exceptions, but most UK rail projects just keep our head above water. We will leave aside the Government's pretence not to run the railways, as that rather works against taking the credit for the good bits.

But this issue of trust in your service provider is still very interesting (well I think it is), because it reveals the inner thoughts of our customers, and if we're not interested in that we really do have a problem, so let's at least try to feign interest. Trust in the railways compares favourably to bankers and energy companies (whoopee - doo!) but lags behind airlines, supermarkets and the market leader, the National Health Service.

The report is trying to address the perception / experience gap, for example crime figures do not

Brand leader: Virgin West Coast service at Crewe, May 2008. Paul Bigland

Virgin

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support people's fear of crime. When politicians are doing badly in the polls they often blame the perception / experience gap and feel it is because they are not explaining their policies well enough. To quote Ronald Reagan: 'If you're explaining, you're losing.'

**TRUST IN SERVICE**

The first and most important trust measure is service, which could be summarised as 'If I have a vital meeting or connection, perhaps I should get an earlier train?'. Over all TOCs, the average score is -14%. Top marks here go to Grand Central (+8%), followed by Merseyrail (+3%), ScotRail (1%) then Virgin and East Coast hovering around zero. Southern is bottom with -29%, but more on that later.

Clearly local loyalty counts for a lot here, but that is only a part of what we are looking for, the emotions behind the scores. Time and again surveys show that if

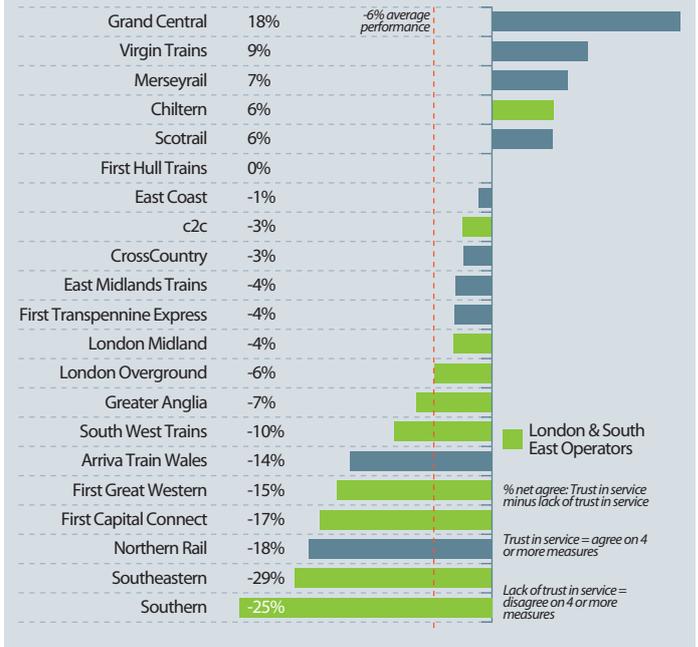
TOCs explain problems quickly and honestly people are much more tolerant. A bad delay with poor explanation will stay in the memory for a long time, gnawing away at the credit for better journeys, but still lack of explanation remains common.

If communication is the problem you could argue that Grand Central should know all their passengers personally, so that leaves the two big boys, Virgin and East Coast. They must be doing something right because timekeeping figures alone say they shouldn't be among the leaders.

**TRUST IN RELATIONSHIP**

This is the emotional bond between TOC and passengers, and the top TOCs are the same except for Chiltern (+6%) deposing East Coast (-1%). You would guess that a TOC named in a blog like 'I hate First Great Western' doesn't get the emotion it wants and sure enough it scores

**CHART 2: TRUST IN RELATIONSHIP**



-15%. It is pretty evident that First Group has a problem as even First TransPennine, with new trains, local loyalty and only Northern (-18%) to compete with, still scores only -4%.

Grand Central comes top with 18%, and before dismissing that as a small, intimate outfit look at First Hull Trains, to which all the same arguments apply, and it scores 0% (the highest First Group position). First Capital Connect is down among the other commuter TOCs with -17%.

Remember, it's not my opinion, it is that of 4,000 passengers (allowing a +/- 3% confidence interval). This section relies on honesty, integrity, building long-term relationships and treating customers fairly - so you

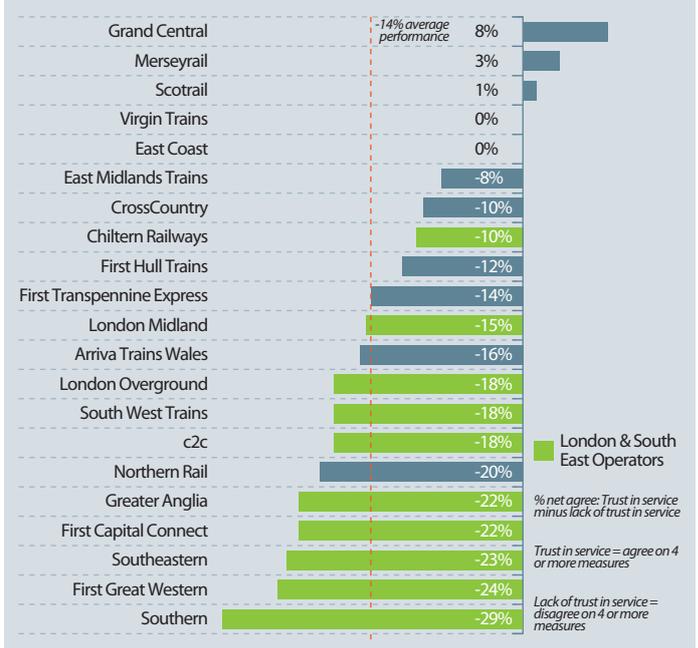
wouldn't think it would be all that difficult, would you?

**TRUST IN JUDGEMENT**

This is probably the most encouraging category as every TOC except no-hopers Southeastern score positively. The average is +16%. Summed up as 'doing the right thing even when no one is looking', this has a lot to do with branding, the bit we all think doesn't apply to us, but does. There is a clear leader here, with Virgin trouncing everyone with its massive +50% - beating even Merseyrail and GC, at equal second place on +32%.

The leading commuter TOC for trust in judgement is c2c (25%), so I

**CHART 1: TRUST IN SERVICE**





asked the firm's MD, Julian Drury, the secrets of success:-

- a clear, simple product (easy to remember timetable, simple fares structure);
- transparent and honest (cheapest fares easy to find, honest explanations when things go wrong);
- ruthlessly consistent, ultra-reliable (metronomic service delivery).

Shouldn't really be a secret to anyone.

### **TUBULAR BELLS**

The opinion bit starts here, in case you don't notice.

Virgin has a massively strong brand, so strong it couldn't even be damaged by running a train service. For me it goes back to 1973 when I ordered my copy of 'Tubular Bells' by post from Virgin Records, but for others it might be Virgin Atlantic exceeding the expectations of British Airways travellers or perhaps banking with a more human face. Can you really imagine any other TOC gathering over 100,000 signatures supporting the incumbent when threatened with losing a franchise? That's what branding can do if you get it right.

The report uses my favourite example of branding, which is Apple. I recently changed to a Mac and suffered greatly in the process. 'Just turn it on and it works,' they say, which is true as long as you only want to check your e-mail, but all is not so easy. When you go to technical forums there is an amazing

difference in attitude compared to Microsoft as most questions start with 'I must be doing something wrong' and the explanations seem to require all sorts of tricky re-configurations, yet they seem to go away quite happy. Apple suffers loads of software issues, but people don't hate that company like they do Microsoft. I just spent 25 quid on a plastic iPhone cover and am happy with it – I know, I too have become a victim.

Sky is another leader; all my experience is good and the firm upgrades things without you doing anything. Banks, on the other hand, clobber your savings interest to nothing as soon as you stop watching them.

### **THE VIEW FROM THE BOTTOM**

Consistently rubbish TOCs in the public view are Govia-owned Southern and Southeastern, with First Capital Connect marginally better. When asked why, Southeastern answers: 'We take you where you don't want to go – to work, that's why you don't like us.' What utter arrogant tosh. Southern managers also play this card with real belief, so they stand equally accused. This is not to say there isn't an element of truth, but to dismiss all criticism like this is, as I say, arrogant tosh.

For a start South West Trains does better in all categories, and C2C even better than SWT, just missing a positive relationship score. Are the Govia managers really saying nobody else is going to work by train? Just south of London commuters?

No. They hate you. The first step is recognising the problem.

I should say that I have dealt quite a bit with Southern and I would rate their engineers pretty highly in the trust stakes, but that is not the issue. This is the perception gap and the unquestionable fact that despite all those new trains and innovative franchise ideas, their passengers still hate them.

I had the opportunity of surveying a sample group of 'normals' (non-railway people) on their London commuting, and the same replies came back as were in the report, such as 'they don't listen to you' and 'all they want is your money'. The most telling question I asked one regular was 'what colour is your train?'. Despite five years of commuting on Southeastern she didn't know, although she thought it was yellow at the front.

Communication is hopeless despite the fact that so many ticket sales are season tickets, so these companies know where their passengers live, they know their e-mail address, but I doubt they are friends on Facebook. One nice touch Chiltern offers is free leisure travel at weekends for season ticket holders: that's the sort of thing which makes you more popular and costs next to nothing.

When you fill in a survey the big question they want answered is 'would you recommend...?' and if you would you are a 'net promoter'. This is widely used in business to show how well you are doing, but in UK railways only Grand Central has a positive net promoter score, which is pretty desperate. The report states

that the low scores for the commuter TOCs indicates the 'absence of any particular brand relationship'.

### **THE SONG REMAINS THE SAME**

Now to be fair, there is an obvious problem with building brand loyalty for train companies as the franchise system means they are by nature transitory. They also don't control their product, as Network Rail plays a big part and delays are quickly blamed on other TOCs, freight trains, trespassers or the old enemy: leaves on the line. TOCs cannot be seen as the full service provider because basically – they're not.

Also there is precious little staff loyalty in franchises, so there is little incentive to promote the company and tales of surly, unhelpful staff are common. I don't think I have ever heard anyone look back favourably on Connex, Central Trains, Northern Spirit or any of the late unlamented operators of the last few years. The performers may change but the song remains the same. It is now 20 years since privatisation; by 2019 this system will have been around as long as the LMS, LNER, GWR and Southern Railway. Yet these companies engender loyalty to this day, 66 years after they were nationalised to form British Rail. Why?

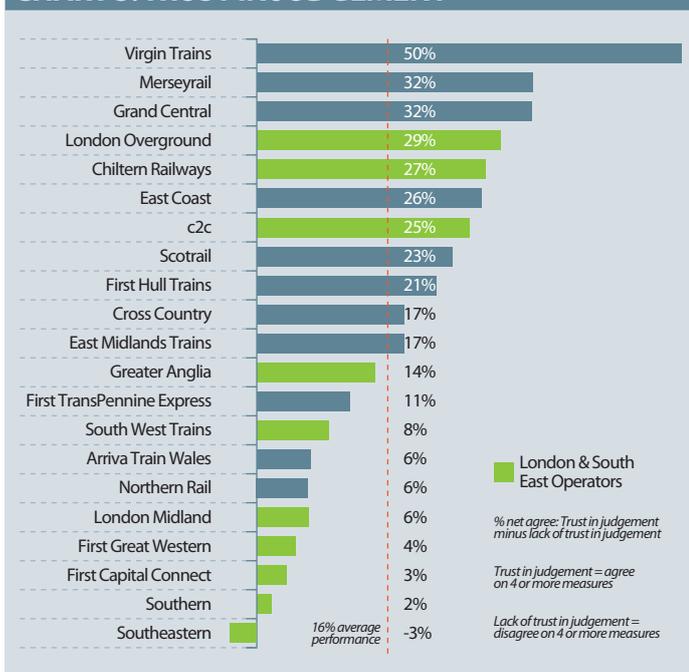
### **THE REAL SOUTHERN RAILWAY**

Did people hate the Southern Railway (SR) because it took them to work? I do appreciate blogging was limited to letters to The Times between 1923 and 1948, but there is no doubt the end of the Southern Railway

Commuters: crowded concourse at Waterloo. Ian Walmsley



CHART 3: TRUST IN JUDGEMENT



is lamented by some to this day. The Southern Railway was formed in 1923 from the three companies that are essentially the franchises of today as a means of saving money (there's a clue there). Soon after its creation the Southern realised it had a problem with bad public relations as newspapers consistently attacked it through 1924 so it launched a propaganda initiative (before propaganda acquired the negative connotations of the 1940s).

What we would now call a PR initiative used what now seem incredibly detailed posters to spread the word with headings like 'The truth about Southern' and listing the big investments being made, particularly in electrification. These all had a corporate look, what we would now call brand re-enforcement, and were backed up by newspaper campaigns. Every effort was made to get the newspapers 'on side' using press releases close to 'advertorial' copy and nurturing an interest in railways; Southern in particular.

Southern was in competition with Great Western for holiday traffic to the West of England, so this was a big area of promotion, including the naming of the 'King Arthur' class picking up the myths and legends of the Round Table to promote the area. Even though much of Southern's business was commuting, it had a lot of other things to shout about such as links to Southampton's liners and the romance of the 'Golden Arrow' or 'Atlantic Coast Express'. The firm knew that to promote a brand you needed to build it beyond the day-to-day experience. If Southern was around today it would probably

be promoting space travel, as Virgin does.

All the posters are 'signed' by one man, H. A. Walker, General Manager. There was no doubt who the boss was. And everyone knew what he was doing to make their life better: electrification, more coaches, a quicker and more comfortable journey to work. For some that journey was vastly superior to today, with buffet cars quite common and even the luxury of the 'Brighton Belle' Pullman.

Of course the Southern Railway had some great advantages:-

- it controlled the whole railway;
- it was big enough to spend money on promotion;
- it didn't have leaves on the line, they had men with saws;
- it lived in an era where loyalty and pride were not 'sad'.

### CAPACITY KILLER

The important thing about Southern's PR initiative was that it worked. The complaints it suffered in 1924 melted away as the brand strengthened, and by the time Southern was nationalised with the rest of the 'Big Four' companies it would have been scoring Virgin-like trust scores if Passenger Focus had been around then.

Southern advertising tackled the same problem as today. Here's a sample from an advert announcing the replacement of 600 coaches as part of the £8 million suburban electrification scheme: '67 million more passengers were carried last year than in 1914 – one of the greatest increases in railway history. The carriage deficiency is being reduced

month by month. Electrification – two years of unceasing work – is at hand to help solve the problem of evergrowing traffic.'

Lagging behind the required capacity is not a new phenomenon, but they were certainly doing something about it. Apart from electrifying railways in two years, much of that 1920s advert rings true today as we still have increasing numbers of passengers despite the deterrent of higher fares and fewer available seats. High Speed One should have been a massive PR boost as it decimated journey times and was the perfect flagship for Southeastern trains. Despite this Southeastern is still hated. Now that is spectacularly rubbish branding.

Apart from HS1, progress in the rest of commuter land is patchy, with modest time savings here and there and quite a few extended journey times compared to the 1930s. Fast trains kill capacity (unless they get their own track) because they mean stoppers have to get out of the way, hence the modest speed increases seen with new stock tend to go into added stops and longer dwell times.

One of my buddies used to commute from Whitstable in the 1960s, coming home on the 17.14, into Whitstable at 18.19 complete with buffet car. His fastest run (after a late departure) was 61½ minutes with one stop, but today it takes 94 minutes, or 75 minutes using HS1. Generally there are a lot more trains, and these tend to stop at more stations, which means longer journey times for the longer distance commuters who pay the higher season ticket rates.

The Campaign for Better Transport looked at season ticket rates across Europe in 2011 and compared them to Woking – London at £3,268. Similar journeys cost £924.00 in France, £705.00 in Germany, £653.00 in Spain, and £336.00 in Spain.

Somehow the UK's unique way of running railways means passengers pay more, get less and, unsurprisingly, dislike the people doing this to them.

### OPPORTUNITY TOCS

So the Southern Railway and the three Southern franchise holders do basically the same job as far as the passenger is concerned, although the Southern Railway did everything whereas today's TOCs are just operators. The Southern Railway carries loyalty 66 years later; today's franchisees have huge negative ratings from the public. The lesson of this report is that the branding and image of Southern and Southeastern is hopeless.

South West Trains scores higher than the other two, and has a fairly well known brand. My experience is also better; SWT appears to make more of an effort, but could that be the effect of the brand?

It seems absolutely clear to me that what we have now does not work as well as what we had from 1923 to 1948. One system is hated, the other is still loved, even revered – and it cost less.

Surely the best answer is a common brand across London commuter-land. As so often, Transport for London shows the way. All London buses have a common brand, although they also bear a label 'operated by xxx'. ScotRail has also cracked it – the new franchise holder will use the Saltire livery, the brand endures whoever runs it.

Even if we don't have the political guts to re-form Network SouthEast (and I don't want that livery back Chris), we need a new Southern Railway. Yes you can mock me as a Luddite, but we are comparing 60-year loyalty to brands that people can't even remember. That's hard to defend, and 'it's because we take them to work' just won't wash.

I haven't mentioned London Overground, which scores a trust in 'Judgement' of 29%, just behind the three leaders; I think it takes a few people to work now and again. If you are looking for an anchor to hold commuter services together, look no further.

Thameslink, Crossrail and Crossrail 2 all mix the old regional boundaries; there is no real reason why London commuter TOCs should remain based on Victorian railway companies.

Affinity to London doesn't reach all the way to the coast, and we have to recognise that unpicking what we have got is not going to happen. Ironically the two least-trusted TOCs are both Govia/Keolis franchises, which is now mobilising to take on Thameslink, Southern & Great Northern, so they are getting closer to a unified railway all the time. The new franchise is set to become GTR, another little brand for a big railway. Govia also has London Midland, the south half of which is another piece of the old Network SouthEast.

Isn't this the opportunity to create a new brand for all these commuter TOCs which would be big enough to gain some respect? Brand Thameslink, Southern & Great Northern and Southeastern into one and we might be getting somewhere.