

# Passenger Requirements of Rail Fares

## Qualitative Research Report

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**Date:**

April 2006

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## Introduction

- This research was commissioned by Passenger Focus to find out about passengers views and attitudes towards fares and ticketing. There are two stages to this research: firstly a qualitative stage, followed by a quantitative stage. This report presents the results of the qualitative stage.
- The qualitative research involved 14 focus groups in various locations around Great Britain (6-8 respondents per 90 minute session) with discussions among specific groups of rail users (including commuters, business users, leisure users and railcard holders) and non-users who preferred to travel by car or coach. The research was conducted in February 2006.

## Management Summary of Research Findings

- Some types of rail user feel that the absolute cost of many rail fares is high and that they also have to tolerate poor travelling conditions (especially commuters in the London area, for example).
- Even when dissatisfaction was expressed regarding annually increasing fares, this was not always the biggest concern.
- Cost per se of fares appears to be more of an issue for consumers when it is prompted as an issue and is possibly more acutely felt to be the case at the point of travel or immediately after the event. Ticket cost calculations made by particular user groups of consumers also appear to be quite narrow and may give a one-dimensional and potentially misleading view of the overall perception of fares among rail users generally.
- In order to evaluate the way that passengers feel about the issue of fares, it is necessary to take a broader view that takes into consideration a number of associated factors related to the journey being made in order to put the ticket price in the context of overall value for money provided. This is a very complex and subjective picture that will vary according to passenger mindsets, journey purpose and circumstances. When evaluated against the realistic transport alternatives available it tends to cause consumers to re-consider initial perceptions of fares.
- Consumers often feel that they are unable to achieve the best value tickets for journeys being made as a consequence of the confusing and inconsistent variety of tickets available across the different Train Operating Companies.
- The situation regarding the difficulty in obtaining best value tickets is present to varying degrees among the different user groups represented in the sample, though for commuters it tends to not be an issue since their needs are narrow in terms of journey type and ticket information requirements. Those who regularly make long distance journeys by rail (especially leisure users and some business users) feel most heavily penalised and disadvantaged by the current fare structure.
- A closely related issue to the difficulties in obtaining best value tickets is the widespread ignorance and confusion surrounding Saver tickets. Awareness of turn up and go fares in general is limited, but when prompted there is a universal consensus that the removal of Saver tickets would have a negative impact on value perceptions of rail travel

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among users since their availability was considered to be infinitely preferable to market pricing by TOCs.

- Many consumers are unaware that they are able to obtain significant discounts for advance bookings in general or of the existence of the nine-week window for booking. It is therefore concluded that the partial awareness of discounted fares that commonly exists is creating a further barrier for many to obtain the best value ticket for which they are eligible when travelling by train.
- Commuters recognise the growing need to find a solution to managing demand around the morning peak (but in a way that will not penalise them further). This research has highlighted that the 9 to 5 mentality that is prevalent (although slowly changing) will represent a considerable barrier in this respect. Furthermore, the measures with the biggest impact are likely to be those that attempt to change mindsets of commuters and employers towards greater flexibility of working hours, but this will mean that they are also likely to be the most challenging to implement. Our overall conclusion in this respect is that the re-definition of the morning peak time is worthy of further consideration and research.
- **The research has concurred with previous findings that have indicated that there is dissatisfaction among many user groups surrounding the issue of fares. However, the extent to which rail travel is considered to represent poor value for money must be viewed in the broader context of a variety of associated factors. We recommend that Passenger Focus should:**
  - **Lobby to resolve the choice / complexity paradox for users (see para. 3.3.4)**
  - **Pursue initiatives that offer inclusive benefits and discounts such as the National Railcard concept**
  - **Explore re-definition of the morning peak time as a possible way of attempting to manage demand in future**
  - **Proceed with the next stage of quantification as planned**

# 1. Research Context and Objectives

The level of fares paid by passengers to make journeys by rail has been controversial for some time. Passenger Focus has amassed a substantial amount of evidence and knowledge on the types of fare offered historically and the rate of fare increases over time and is aware that many passengers are not satisfied with the value for money offered by the ticket purchased. The National Passenger Survey which surveys 50,000 passenger journeys each year has indicated low levels of satisfaction 'with the value for money for price of ticket' since the survey was introduced in autumn 1999. In autumn 2005 only 45% of passengers were very or fairly satisfied with this measure. Satisfaction was lowest in the London and South East with 39% satisfied and highest in the regions with 59% satisfied. 53% of Long Distance passengers were satisfied.

On some long-distance journeys the absolute fare can appear extraordinarily high such as a £202 return from London to Manchester in the weekday AM peak standard class or £311 first class. However train operating companies point to the availability of very low - priced tickets available for those passengers who are able to be flexible with their travel plans and to book in advance.

Whilst much of the public debate on rail fares in the media tends to focus on long-distance journeys, the majority of passengers are currently using rail for shorter commuting and leisure journeys. Commuters often have little choice around when they travel and therefore have to travel in the weekday peaks. Leisure travellers on short journeys cannot book discounted tickets in advance (because such tickets do not exist unlike in the long distance sector) and therefore are subject to 'turn up and go' fares. However a number of passengers are eligible for Railcards that provide a discount on the majority of fares for journeys outside of the morning peak, these include Family, Young Persons, Senior and Disabled railcards.

A paired preference survey carried out in spring 2005 for the Strategic Rail Authority identified 'value for money for price of ticket' as the second highest priority for improvement out of 30 individual service aspects. Only punctuality / reliability was a higher priority. This was the case for commuters, leisure and business travellers.

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Passenger Focus was recently invited to provide evidence to a Transport Select Committee inquiry into rail fares. Despite a lot of knowledge about rises in fares and passengers' lack of satisfaction with current fares, Passenger Focus is aware that it does not fully understand passengers' requirements about rail fares, their knowledge of what is currently available, or how fares should be calculated. Furthermore Passenger Focus is aware that rail fares do need to serve a number of purposes such as helping to encourage travel at quieter times in order to better utilise the rail network. If Passenger Focus was to simply suggest that all fares should be low at all times, this would ignore the need to encourage off-peak travel to alleviate crowding at busier times. In addition, the majority of funding for rail already comes from taxation via the government and there does not appear to be an agenda for additional taxpayer subsidies for rail by government. The rail network is operating at or in excess of capacity in the peak hours; however, scope for increasing usage in the off-peak is available for many routes.

Policy and recommendations from Passenger Focus need to consider the overall financial implications of any suggested changes in addition to the impact on particular groups of passengers.

The overall objective of the research was to inform Passenger Focus' knowledge, evidence, policy and lobbying around passengers requirements from rail fares in Great Britain and to provide understanding in terms of:

- awareness and views on existing ticket ranges – in particular where these appear to offer real choice vs. where they are thought simply to be confusing/complex
  - awareness of quotas on cheaper long-distance fares amongst relevant target groups
  - satisfaction with availability of cheaper long-distance fares and level of discount
- passenger experience of ticket purchase in terms of how the ticket was purchased, timing (planned vs. not) and information on fares obtained
- meaning and perceptions of 'good deal' and what would represent value for money in fares
- preferences in terms of ticket types: areas where simplification would be welcomed; areas where choice is welcome
- preferences for standardisation across TOCs: to what extent should TOCs be free to decide on their own fare structure/ticket names, and to what extent should this be standardised

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- views on fare price differences by time of day (is this an acceptable way to control demand – and if so, what degree of variation should there be)
- perceptions of TOCs methods of calculating rail fares - and whether these are reasonable (pence-per-mile, time of day, type of train, quotas, demand-curbing, etc)
- what factors add up to value for money in passengers' minds (how travel costs are mentally calculated; are the train fares looked at in isolation or added to additional journey costs such as parking, taxis etc)
- awareness and views on current 'turn-up-and-go' fares (including Saver ticket) and the fact that these are regulated by the government (and whether they should be)
  - views on potential withdrawal of Saver ticket
- triggers & barriers for commuters to travelling outside peak hours
  - how could they be incentivised to generate behaviour changes
- the impact of current fares and ticketing on socially excluded groups
  - including Railcard discount holders, and lower income groups who are not eligible for existing railcards
- requirements for booking in advance: ideal number of weeks in advance when tickets should become available; considerations and key requirements.

## 2. Sample & Methodology

In order to meet the research objectives, a two-stage project comprising qualitative and quantitative research was conducted. This report covers the findings of the qualitative stage only which comprised 14 standard discussion groups among rail users and non-users (6-8 respondents each for 90 minutes), as follows:

	<b>Commuters</b>		
<b>SEG</b>	ABC1	ABC1	C2D
<b>Age</b>	25-39	40-55	18-25
<b>Location</b>	Cardiff	Manchester	South East
<b>Group No.</b>	<b>1</b>	<b>2</b>	<b>3</b>

	<b>Leisure</b>		
<b>Journey Type</b>	Long distance	Short distance	Mix
<b>SEG</b>	ABC1	C1C2	C2D
<b>Age</b>	40-55	18-25	25-39
<b>Location</b>	Edinburgh	London	Leicester
<b>Group No.</b>	<b>4</b>	<b>5</b>	<b>6</b>

	<b>Business 1<sup>st</sup> Class</b>	<b>Business Standard</b>
<b>Journey Type</b>	Long & Short	Long & Short
<b>SEG</b>	AB	ABC1
<b>Age</b>	40-55	25-39
<b>Location</b>	Manchester	London
<b>Group No.</b>	<b>7</b>	<b>8</b>

	<b>Railcard (Senior)</b>	<b>Railcard (Young)</b>	<b>Railcard (Disabled)</b>
<b>Journey Type</b>	Any	Any	Any
<b>SEG</b>	C1C2	BC1C2	ABC1/C2D
<b>Age</b>	60+	18-25	Mix
<b>Location</b>	Edinburgh	Leicester	South East
<b>Group No.</b>	<b>9</b>	<b>10</b>	<b>11</b>

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	<b>Non-Rail Users</b>	<b>Non-Rail Users</b>	<b>Non-Rail Users</b>
<b>Journey Type</b>	Leisure	Business	Commuters
<b>SEG</b>	BC1C2	ABC1	C1C2D
<b>Age</b>	18-25	40-55	25-39
<b>Location</b>	Cardiff	South East	South East
<b>Group No.</b>	<b>12</b>	<b>13</b>	<b>14</b>

A key aspect of the definition of each type of respondent was **frequency of train use**. The following criteria therefore applied:

**Commuters:** were using National Rail for commuting purposes 3+ days per week including some in each group who don't commute every day (therefore unable to take advantage of discounts/travelcards)

**Leisure Users:** Long distance were travelling at least 3 times a year by National Rail. Shorter distance were travelling at least once every two months by National Rail. Groups included representation of respondents with Family Railcards.

**Business users:** to be making journeys by National Rail at least twice a month. Both groups included a mix of those working for large, medium and small companies.

**Railcard holders:** were travelling by National Rail at least once a month.

**Non-rail users:** were non-rejecters of rail travel but had not used National Rail in last 6 months. All had access to rail but choose not to use it and listed high fares as one of main barriers to rail travel.

The following considerations also applied:

- Mix of gender across all groups.
- Long distance defined as inter-city National Rail travel (journey greater than one hour). Shorter distance defined as travel by National Rail within a city or region (and journey less than one hour).
- Groups 3 and 6 were low income (12K max in Leicester and 15K max in South East) and comprised 3 respondents with SEG of D.

Research was conducted in February 2006

## 3. Main Findings

### 3.1 Consumer Mindsets

#### 3.1.1 LONDON COMMUTER MINDSET

Perhaps unsurprisingly, those who were regularly commuting within the London area tended to have the most consistently negative mindsets towards the subject of rail travel of all the consumer segments represented in the sample. It was clearly apparent that this was due to the commonly held assumption that they experienced the rail network at its worst. Various other rail user groups frequently acknowledged the accuracy of this situation.

One of the key issues that was universally highlighted in the London area was the perceptually increasing problem of overcrowding on commuter trains, especially during the morning peak time. In the Croydon area where the commuter group was conducted, there was resigned acceptance of the fact that no seats would ever be available and even that standing space is usually at a premium. This is a problem that seems to have been made worse rather than improved by the recent introduction of new rolling stock by the TOC with the main responsibility for this route.

Negative attitudes and mindsets were compounded by a high awareness or expectation among these respondents that mile for mile, the journeys that they were making would be the highest fares in the country. The overriding impression therefore was that London commuters are subject not only to the worst travelling conditions but are also asked to pay the highest fares for them.

*“Every year they hike it up, put about 10/15% on it, it’s a bit of a pxxx take”*

*[C2D, Commuter, Croydon]*

These combined issues were exacerbated by the demographic profile of the group recruited as commuters in the Croydon area since all were not only young C2Ds but were also recruited as a low income group (all earning less than £15,000 p.a.). These consumers felt especially disadvantaged as the nature of their jobs meant that there was little if any room for them to work flexible hours in order to be able to avoid the worst conditions and highest fares by travelling on off-peak trains.

Furthermore, there was a strong sense of resentment at being penalised by what was often perceived as a 'regressive' fare structure: the 'annual' price increase at always more than the rate of inflation hits those who earn least hardest as a proportion of their income.

*"I think it can be quite expensive generally travelling by rail – because of how much I get paid, by the time I've spent on rail travel it's quite a considerable amount coming out of my income"*

*[C2D, Commuter, Croydon]*

Only one of the groups in the London area was specifically recruited on the basis that all respondents were Commuters but the Standard Class Business Users group conducted in Watford also contained some consumers who were commuting regularly. Although the primary focus of the discussion with this group was on their Business needs, they also recognised and echoed all of the issues raised by the Croydon group (in spite of the fact that they were not recruited on the basis of having low incomes).

Importantly however, a key finding from this stage of the research was that negative mindsets were often balanced by pragmatic attitudes to rail travel overall. The most critical consideration in this respect was a ready acknowledgement that although all had access to a car or bus route, neither of these were felt to represent a realistic alternative to commuting by train. Among the younger respondents especially, this was accompanied by an acceptance of the status quo with regard to rail travel as part of the price that many were prepared to pay as one of the downsides of living cosmopolitan lifestyles in the capital.

At worst, these consumers were continuing to use rail in spite of dissatisfactions expressed towards fares and service elements that were tolerated as something that commuters in the capital get used to and have to put up with.

### 3.1.2 REGIONAL COMMUTER MINDSET

The commuters represented in Manchester and Cardiff also recognised that they were at a relative disadvantage compared to other rail user groups. However, this was by no means felt to be to the same extent as among the London commuters. Their key requirements were focused on achieving a stress-free commute and fares tended not to feature high on the agenda for many.

These groups were making an active choice in favour of rail due to the perceived benefits of this method of commuting over driving (generally). As was also the case in London, these benefits were readily identifiable and consistently expressed as: avoiding the hassle and cost of city centre parking, not needing to worry about getting stuck in traffic jams and not having to pay the bridge toll (in Cardiff).

*“I take the train because of traffic really; the bottle necks and single lane carriage way would put 15 minutes on my journey”*  
[ABC1, Commuter, Cardiff]

*“It’s quicker, less traffic, no parking the car, and it’s easier to get the train”*  
[ABC1, Commuter, Cardiff]

*“It’s just less stressful, travelling at peak time you’ve got to fight in a car and pay money over the bridge. It’s just more straightforward by train”*  
[ABC1, Commuter, Cardiff]

Although these respondents talked about problems associated with high ticket costs, overcrowding, cancellations and reliability problems, these tended to be outweighed by familiarity with the service and the relative ease of use of it (especially in comparison with experiences or expectations of the situation in London).

These commuters were often purchasing their tickets on the day of travel rather than using season tickets, for a number of reasons: This was mainly due to the fact that a greater degree of flexibility was required than among the London respondents since more of the regional commuters encountered in this research were self-employed, working from different offices (or not at a fixed location) or were able to work from home on a regular basis. There was also some fear of commitment to period tickets or advance purchasing due to the claimed uncertainty of what the future might hold with regard to current or future jobs. Furthermore, some

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simply preferred to purchase their tickets on the day of travel. This meant that some enjoyed the interaction with station staff on a regular basis or the flexibility of being able to buy a ticket on the train or at the destination without fear of incurring a penalty charge.

Among these groups, dissatisfaction with fares generally tended to be lower on the agenda than in London since most openly acknowledged that commuting by train was cheaper than travelling by car as the most natural alternative. Nevertheless, some were envious of leisure users who used the rail network only infrequently but were able to take advantage of cheaper (off-peak) fares, deals and special offers and better travelling conditions generally.

### 3.1.3 LEISURE USER MINDSET

Attitudes to leisure travel among those recruited as primary users of rail for this purpose were affected by a number of factors, including length of journey, age profile of passengers and availability of Travelcards (in London).

With regard to the length of journey being made, short journeys by definition were much more likely to be turn up and go, both in terms of the ticket purchasing and the journey planning processes. Longer journeys were much more likely to be subject to pre-planning in terms of active consideration of alternative modes of transport and advance booking of tickets. Advance booking was not always with the motive of obtaining cheaper fares in mind but was often to ensure a seat would be reserved to avoid the possibility of having to stand for the duration of the journey.

*“If it meant it was a lot cheaper going to London say, then I’d fly”  
[C1C2, Senior Railcard, Edinburgh]*

*“Normally you can just turn up at the station and get your ticket that way”  
[C1C2, Short Distance, Leisure, London]*

Age tended to be a differentiator only in the area of leisure travel rather than influencing attitudes or behaviour to rail travel in general terms. Older respondents tended to plan more thoroughly and were more likely to be influenced by deals. There was frequent evidence of younger consumers paying the full fare for a variety of journeys, even when they could have been eligible for a railcard or taken advantage of a discount.

The availability of Travelcards influenced attitudes to train travel and ticket purchasing among Leisure users in the London area. For many who were making journeys within zones 1 – 6, a Travelcard was often the automatic, unconsidered choice. This was often on the basis that a Travelcard was assumed to represent the cheapest way to travel even though this may not always have been the case in reality. Instead, it was apparent that consumers would opt for what they regarded as the easiest and most convenient ticket rather than needing to investigate something that was considered to fall outside their comfort zone.

*“I just get a Travelcard if I’m going into Kings Cross, then you can use it  
for when you’re coming home as well”  
[C1C2, Short Distance, Leisure, London]*

An overall observation across the Leisure users represented in the sample was that some were clearly paying more for the rail journeys they were making as a result of low familiarity and knowledge of the rail system and fares structure.

#### 3.1.4 BUSINESS 1ST CLASS USER MINDSET

The 1st Class Business users (in Manchester) were surprisingly detached from the issue of fares. The majority tended to have only low involvement in the planning process and consequently had minimal awareness of either fare structures or ticket pricing. Less surprisingly, price sensitivity among these respondents was extremely low.

*“Normally it would be booked online, but it wouldn’t be myself, I have a  
receptionist”  
[AB, Business 1st Class, Manchester]*

There was minimal evidence that these users were benefiting from discounted fares, even on occasions when they were able to book in advance. For them, the guarantee of flexibility in their ticket was much more important than potential cost savings that could be achieved. Indeed, many were unaware that discounts were available for advance bookers and the only advantage associated with pre-planning was to ensure that a seat was reserved for their journey.

Many of these respondents were making regular journeys by rail (most often to London) and could easily justify the premium prices that they were paying due to the fact that they perceived that they were buying a travel package rather than just a ticket. This effectively ensured that they were able to either work or relax on the train and would have access to business lounges to make maximum use of journey time. Travelling by train was also regarded as a way of avoiding the hassle of getting to and from airports and the associated high costs of taxis at either end of the journey.

*“The benefit for my client of me travelling First Class is how quickly I can get there and what I can be doing on the way i.e. using my laptop, starting my work from the first class lounge etc.”*

*[AB, Business 1st Class, Manchester]*

*“The breakfast is included in the First Class ticket, I suppose you take that into consideration in comparison with if you were travelling by car and stopping at service stations”*

*[AB, Business 1st Class, Manchester]*

*“You have the First Class lounge at Euston, you might have an hour and a half to wait for your train so you go to the lounge, you can work there, you can relax, read the paper, watch TV, have a drink, whatever, it's all included”*

*[AB, Business 1st Class, Manchester]*

Overall, the first class business users were much more concerned about maximising the convenience and added value elements of their travel than spending time focusing on the details of different ticket types or worrying about saving money on discounted fares.

### 3.1.5 BUSINESS STANDARD CLASS USER MINDSET

Those respondents who travelled standard class for business purposes were much closer to the subject of fares and associated issues than the First Class passengers. Since they were more likely to get involved in the planning and purchasing processes, there was a generally higher awareness of fare structures and prices, especially since most were booking tickets online. The fact that they usually had to travel standard class also meant that there was a greater amount of (enforced) price sensitivity imposed on them from employers.

*“For longer journeys you get a better deal if you book more in advance, I tend to do that”*

*[ABC1, Business Standard, Watford]*

Consequently, these respondents tended to take advantage of discounted fares for their business travel since they were often able to book journeys in advance, although usually not longer than one or two weeks before the date of travel.

*“I try to book in advance to save money if I can”*

*[ABC1, Business Standard, Watford]*

*“I go to Leeds later in the morning because it’s very expensive so I try and go slightly later otherwise I find it hard to justify spending X amount, it’s a huge difference it really is”*

*[ABC1, Business Standard, Watford]*

Although there was greater price awareness and sensitivity among this group than was the case for First Class users, flexibility was still often claimed to be important for business travel purposes and sometimes more so than the cost of the ticket.

These respondents however were more concerned about the speed and convenience of using the train to travel efficiently from A to B rather than the added value elements that were valued by First Class users. In this respect, the train was generally regarded as a functional business tool that was widely perceived to perform well against any of the possible alternatives available.

In summary, the most important consideration for standard class business users is the ability to be able to travel when required in order to fulfil their work commitments and fares, while an issue for many, play a secondary role.

### 3.1.6 SENIOR RAILCARD USER MINDSET

Of all passenger types represented in the sample, those with Senior Railcards recognised that they had the greatest degree of flexibility with regard to their rail travel needs. Consequently they preferred (and were able) to travel during off-peak times when they could benefit not only from less crowded conditions on trains but also to take advantage of (even) cheaper fares. Indeed, some recognised that they were able to travel at any time of day in order to get the best deals available, especially on longer journeys

*“When I take the train down south I like to go in the middle of the day because it’s much more relaxing that way and the train isn’t nearly as busy”*

*[C1C2, Senior Railcard, Edinburgh]*

Although most expressed generally favourable attitudes to the railcard, there was some dissatisfaction surrounding the subject of fares overall. There was a feeling that the current fare structure is geared towards those who are in a position to most easily afford to travel by train, rather than being based around the needs of lower income groups, such as those on a basic state pension.

*“They need to think about those people who don’t have loads of money to spend and who are on a pension because we can’t afford these expensive tickets to London”*

*[C1C2, Senior Railcard, Edinburgh]*

A key issue that was spontaneously raised by these respondents in Scotland was the universal awareness of the impending initiative to provide free bus travel for all OAPs. Most in this group claimed not only a high level of interest in this but that they were likely to take full advantage of it, to the extent that one or two felt that this would make their railcards redundant. The prospect of free bus travel was felt to offer the ultimate degree of flexibility and spontaneity although this was balanced to some extent for respondents in this age group by the

potential length of inter-city journeys that some were making and the quality of amenities on board buses compared to trains.

*“Well I don’t think I’m going to be using my railcard much now, because beginning in April there is going to be free bus travel for all pensioners across the whole of Scotland”*

*[C1C2, Senior Railcard, Edinburgh]*

For Senior Railcard users, deals were identified as a key driver as was the need to ensure personal contact when making a booking.

### 3.1.7 YOUNG PERSON’S RAILCARD USER MINDSET

This group had generally positive attitudes and mindsets to rail travel overall. Indeed, their feelings were epitomised by their feelings and responses to the railcard itself. This was universally regarded as an essential part of the student toolkit (to the extent that it was often chosen as a Fresher Pack free gift instead of a cash alternative). The general view was that railcard ownership among this group provided an additional incentive to travel by train on more occasions than would otherwise have been the case.

There was a consistently expressed view among the young people represented in the sample that (discounted) rail travel represents good value for money, even in spite of a common awareness that cheaper alternatives are available (such as the Mega Bus).

Even among this group who acknowledged that cost was always an important consideration in their travel plans, there appeared to be minimal evidence of accurate knowledge of ticket types or fare structures. Perhaps more surprisingly, there also seemed to be little motivation to make detailed investigations to establish whether any additional discount for journeys made might be available. The only exception to this was in the case of two respondents who tended to book all travel through the Student's Union specifically to ensure that they were obtaining the best price available for their travel since the union performed the same function as a travel agent for students in this respect.

In spite of a common awareness that rail fares seem to be subject to annual increase, students and young people with railcards felt that they were getting a sufficiently good deal from rail travel to the extent that many were not taking advantage of further discounts that they could have been eligible for.

### 3.1.8 DISABLED RAILCARD USER MINDSET

Perhaps unsurprisingly, the disabled passengers included in the sample tended to be concerned with issues relating to travel that were a greater priority to them than fares.

*“On a lot of the new WAGN trains if you’ve got a friend travelling with you and they go and sit on the seat closest to the gap between the doors, you can actually sit in that gap and talk to them. But on a lot of the older ones the gap is too small. And on some of the new trains to Brighton the wheelchair slot isn’t wide enough to get the wheelchair in”*  
*[Disabled Railcard, London]*

It transpired that journey planning was more important for these customers who often needed to investigate specific and precise details in advance such as the type of train that they would be travelling on and the nature and availability of help facilities that could be expected on trains and at stations.

A further issue for disabled passengers was that they claimed to have less flexibility than other railcard user groups since the nature of the journeys that they were making were for reasons such as going to work, travelling to hospital and for a variety of other practical rather than leisure related reasons.

Those with the most severe disabilities and mobility problems had no alternative other than to travel by train and were therefore grateful that the Disabled Railcard gave them access to good deals and was generally felt to represent very good value for money. The fact that the railcard itself cost only £14 up front and entitled the holder to discounts on all off-peak and some peak time services as well as free travel for a carer if required meant that they had little to complain about from a fares perspective. As an illustration of this latter point, there was some confusion and uncertainty among respondents regarding the exact extent of discount that their railcard entitled them to.

*“The only other means of transport I have for long distances, at least, is coach”*

*[Disabled Railcard, London]*

*“I take my partner and she gets discount as my carer. So basically it’s like two for the price of one, it’s only 34% but that’s still 34% off two tickets”*

*[Disabled Railcard, London]*

Instead, a variety of issues and problems with rail travel were identified in other areas such as perceptions of poor attitudes to disabled passengers from some members of staff and a lack of adequate disabled access across much of the network. Specific issues that were raised in this group included the frustration of not being able to purchase a peak rate season ticket in conjunction with the disabled railcard that necessitated having to buy a ticket on a daily basis (highlighted as a convenience problem rather than a cost issue). Inconsistency across TOCs with regard to discount availability on peak time services was flagged as a further area of confusion and irritation as were the frequent problems experienced by one respondent who claimed that staff were not sufficiently familiar with the fare structure to sell a ticket that could be integrated with a travelcard in London and also qualify for the usual discount entitlement.

*“Picking tickets up from machines is inaccessible to me because it’s a touch screen and there’s no way for me to get help doing it” [respondent was severely visually impaired]  
[Disabled Railcard, London]*

Overall therefore, disabled passengers seem not to be focussing on fares as much as some other user groups partly due to their heavier dependency on rail travel but also due to the extent of discount that they are able to obtain when using their railcard.

### 3.1.9 NON-RAIL CAR USERS

The non-rail users that were included in the sample were broadly split into two groups; those who were tending to travel by car instead of using trains and those who were coach passengers.

Among those who preferred to travel by car, train travel as an alternative tended not to be top of mind and often hardly featured in their consideration set. For these consumers, taking the car was perceived to be the easiest and most stress-free option, even if this meant having to drive, as was usually the case.

*“I can go to Vauxhall but there’s no trains into Mayfair or Piccadilly where I need to go, so I can’t do it. I won’t use the Tube because it’s sweaty, hot, uncomfortable and crowded”  
[ABC1, Non-Rail User, Croydon]*

Many held pre-conceived ideas about train travel based on previous experiences or word of mouth from other users. Almost always these perceptions tended to focus on negative associations of rail travel such as the high (uncompetitive) cost of travel, unpleasant and overcrowded travelling conditions, poor service reliability, dirty or vandalised carriages and a general expectation of discomfort as a passenger.

*“Going from Sutton where I live, you have to change at Clapham Junction and you take your life into your hands, you’re literally herded on to a train like sardines”  
[ABC1, Non-Rail User, Croydon]*

Interestingly, the perceived hassle associated with travelling by train was frequently identified as a further key barrier to active consideration of this as a method of transport. As non-users, these respondents felt out of touch with the rail system and consequently anticipated obstacles that provided an excuse not to use the train in terms of planning journeys, getting to and from stations and finding out about connecting services.

For car users, the financial implications and barriers associated with train travel were magnified by the up-front cost of the ticket due to the fact that this is always a visible and often considerable outgoing. In contrast, the cost of using a car tended to be hidden or at least often not immediate, creating the impression that in comparison car travel can appear to be 'free of charge' (especially in situations when fuel or parking tickets do not need to be purchased as part of the journey being undertaken).

*"With the car, you can drive to your destination, there is usually parking nearby, you can go straight there. Petrol is expensive but if you work it out it's not going to be that much different to what it's going to be on the train and probably less"*

*[BC1C2, Non-Rail User, Cardiff]*

Although these consumers were committed car users, they were not unreceptive to communications about other modes of transport that were not completely ruled out as future options that may be used in specific circumstances. In this respect there were occasional references to headline deals and price promotions for other methods of transport. These still clearly have the potential to impact on some non-users, indicating the potential for rail to be included in the consideration set in future as a possible consequence of visible and sufficiently attractive promotional activity. It should however be remembered that fares currently represent only one of the barriers to travelling by train.

### 3.1.10 NON-RAIL COACH USERS

Inconvenience and poor perceptions of comfort were cited as the key reasons for not using trains among those who preferred to travel by coach instead.

For those who were commuting, the coach was preferred for a number of reasons: This was simply a more convenient option for some who claimed that the coach that they used left from nearer their home or terminated closer to their final destination than would be the case if conducting the same journey by train (which often also avoided the need to use any other method of transport). Others mentioned factors such as the guaranteed availability of a seat for the duration of the journey, the 'community' feeling of travelling regularly with the same group of passengers, the availability of air conditioning, a feeling of safety and security, scenic journeys and the fact that the driver was available to answer questions if necessary as justification for travelling by coach rather than by rail. Indeed, it was apparent that familiarity with a service that clearly becomes a habit and an immediate association was a compelling reason to continue using coach travel. In many instances, enthusiasm for this method of transport overcomes price considerations to the extent that some claimed they would continue to travel by coach even in the event of it becoming more expensive than rail travel.

In spite of general levels of satisfaction with coach usage, these respondents did accept that travelling by train was likely to be faster on many routes and that services were more frequent, to the extent that it was accepted that the train would have to be used as an alternative in situations when a journey needed to be made outside normal commuting hours.

Overall therefore, the largely positive associations of coach travel among regular users means that many would be reluctant to considering the train as an alternative even if there was a financial incentive to do so.

## 3.2 Value for Money in Fares

### 3.2.1 OVERVIEW OF FARES PERCEPTIONS

Fares is a key issue for many passengers as Passenger Focus is well aware, given the results of the National Passenger Survey in which 55% of passengers in 2005 were dissatisfied 'with the value for money for the price of the ticket'. Also, a paired preference survey carried out in spring 2005 for the Strategic Rail Authority identified 'value for money for the price of the ticket' as the second highest priority for improvement out of 30 individual service aspects, with only punctuality and reliability a higher priority.

This qualitative research has confirmed that the subject of fares is a key issue for passengers for a number of reasons, as follows:

Firstly, commuters in particular feel that current peak time fares are penalising them. Their argument is that this is unfair since they have to travel to work at these times using this mode of transport and moreover that they do not feel that they receive best value in terms of service due to problems of overcrowding, poor punctuality etc.

*"I don't see why we should subsidise the people who use the train very infrequently at off peak times. How is that fair?"*  
*[ABC1, Commuter, Manchester]*

*"The irony for the commuter is that you pay the most for the train journey and you're not sat down or you're squeezed in"*  
*[ABC1, Business Standard, Watford]*

Some also complain that fares represent a high proportion of their income and that this can make rail travel prohibitively expensive for them. This is particularly the case amongst lower Socio-Economic Grade passengers.

There is a fairly widely held perception that rail fares increase exponentially year on year. While commuters often feel the brunt of this with the price of their season tickets increasing dramatically, it is also a source of concern for many other rail passengers. The fear is that with fares perceived to be rising much faster than the rate of inflation, TOCs are in effect pricing some customers and potential customers out of the market of rail travel, again particularly lower socio-economic group (SEG) passengers, although many others claim that for longer distance journeys they will now check prices of other modes of transport much more freely due to the price of rail fares.

*“Mine was £24 for my weekly and now it’s £27. Although the difference doesn’t sound much that is per week. It just works out so expensive. I can’t complain because it is better than getting up hours earlier (to travel by bus) but it is expensive”*  
*[C2D, Commuter, Croydon]*

Season tickets have become unaffordable for some commuters due to the high up front cost and commitment involved.

*“I’ve looked into getting a monthly or a season ticket, and I would be saving a bit more, but it’s the initial outlay that is just too much”*  
*[C2D, Commuter, Croydon]*

However, despite being a key source of concern for the reasons outlined above, fares often did not emerge as the single most top of mind issue in this research. Issues that did emerge spontaneously as more important were those of reliability of service, comfort and overcrowding, either through passengers experiencing them directly for themselves or through non-rail users misperceiving what the service is like.

*“Trains are just dirty and smelly, there’s always delays and late at night it’s not good”*  
*[C1C2D, Non-Rail Commuters, Watford]*

*“They’ve got so much work going on that, whereas they didn’t use to, they print a bus map on the timetable to show you where the bus stop is. It used to be that you got the relief bus service once in a blue moon, now it’s every other weekend”*  
*[ABC1, Commuter, Manchester]*

*“The train is very convenient when it runs on time and there is nothing cancelled. It’s very inconvenient on the numerous occasions that it’s been cancelled and you’re stood on the platform half an hour waiting”*  
*[ABC1, Commuter, Manchester]*

We would draw to the attention of Passenger Focus that it is important to remember that fares is a subject that can elicit a knee-jerk response and that it is therefore important when seeking to gain a real measure of views, not to look at fares in isolation. Thus, this qualitative research allowed passengers to weigh up all the relative issues and trade them off against each other while in a comfortable environment away from the rail network.

*“It’s hard to say if it’s value for money because if you are spending more you expect more”*  
*[ABC1, Business Standard, Watford]*

*“Virgin Trains for example are very good but then you’re paying for it. So yes while you are paying a lot more than you used to, I think generally speaking the experience of travelling on trains is much better than it used to be”*  
*[ABC1, Business Standard, Watford]*

*“I want a comfortable train and I want reliability of service”*  
*[ABC1, Commuter, Cardiff]*

### 3.2.2 CALCULATING THE COST OF TRAVEL BY RAIL

It emerged during our discussions with passengers that the perceived cost of the rail journey is often calculated fairly narrowly, as follows:

Fare minus Deals minus Discounts = Perceived Cost

Thus, factors such as the cost of travelling to the station, parking and refreshments on board the train are often ignored when calculating the journey cost. However, when evaluating value for money as opposed to cost per se, many factors are taken into consideration that results in a very subjective and complex 'calculation' for rail users. Indeed, this is such a complex issue that it will not typically be considered for all journeys but instead will exist at a perceptual level, based on experiences of past journeys.

Although the nature of the equation is variable and will change depending on the specific circumstances of each journey, the factors that tend to impact on consumer perceptions of value for money are generally consistent and can be summarised as follows:

- Expectations (based on past experiences)
- Actual price paid for ticket
- Journey experience (today and on previous occasions)
- Extent of choice of alternatives available
- Comparisons between rail and other methods of transport

These factors themselves do not form the whole picture as they will also be subject to a variety of influences from external sources such as media coverage of rail services and word of mouth experiences of other users. Finally, the value for money equation will not be a consistent calculation for each user since other factors that need to be taken into consideration on each occasion will be key issues such as the frequency that the journey is made, the time of day that travel is being undertaken and the length & purpose of the journey.

Overall therefore, at a considered level it would appear that consumer perceptions about the cost of rail travel are more than merely a response to the price paid for a ticket but are more to do with the evaluation of a number of factors that combine to form a subjective and complex value for money equation.

## 3.3 Role of Ticket Types on Fare Perceptions

### 3.3.1 TICKET PLANNING

Overall ticket planning is only really an issue for those making inter-city and longer journeys.

*“If I’m going to Glasgow, I’d just buy it on the day. But if I’m going to Newcastle I’d buy it in advance”*  
[ABC1, Long Distance Leisure, Edinburgh]

*“If you buy a ticket to Glasgow, if there’s four of you travelling, you get it half price, so quite often I arrange this with my friends”*  
[ABC1, Long Distance Leisure, Edinburgh]

After travelling on the same route over a period of time most Commuters tend to operate on autopilot, becoming so familiar with the journey and the ticketing options that they simply renew season tickets when needed or buy the same ticket every day without much consideration for other ticketing options or deals. Therefore there are very few planning decisions made from day to day when commuting, with the exception of journeys made by workers with more flexible arrangements, travelling at different times and sometimes on different routes with which they are less familiar.

For most of those using local services again there is little planning and many just turn up at the station and buy a ticket from the ticket office or machines on the day of travel. However, for those who are aware, the differences between prices at peak and off peak times will naturally encourage travel to be made earlier or later to take advantage of lower fares and to ensure more comfortable travelling conditions. Additionally, the availability of deals may influence the time of travel and whether the journey is to be made with other passengers.

The planning process for those using inter-city services is rather different since the majority are typically booking in advance in order to take advantage of deals and discounts available and/or to guarantee a seat reservation. In this respect there seems to be some correlation between the amount of planning and the length of the journey with the greatest amount of prior thought and consideration often going into the longest journeys. For longer journeys, many would also be more inclined to make active comparisons with other methods of transport, especially since (budget) airlines may then come into the consideration set.

### 3.3.2 BARRIERS TO PURCHASING BEST VALUE TICKETS

Rail passengers perceive that there are a number of barriers to finding and purchasing best value tickets. The number of ticket types available from each company, and indeed across the network as a whole, can feel overwhelming, with seemingly meaningless names adding little to help potential purchasing decisions.

*“And there’s so many different tickets you get and it’s not easy I don’t think. There are so many different names for just the one ticket”*  
[ABC1, Long Distance Leisure, Edinburgh]

Those travelling on routes that are unfamiliar to them find the choice of ticket types particularly baffling due to a lack of knowledge about the options available. In addition many passengers lack trust in TOC staff to give them the best deal available with some wondering whether sales staff actually know or have access to all available options.

*“It is quite confusing with all these different types of tickets and I do find myself thinking sometimes that I might not be getting the best deal”*  
[C1C2, Senior Railcard, Edinburgh]

*“When four of us were going on the train together – I can’t remember where, we went up to the desk individually to get our tickets and came away with three different prices”*  
[C1C2, Leisure, London]

### 3.3.3 AWARENESS AND PERCEPTIONS OF TICKET TYPES

For many rail passengers the overall impression is of a complex and confusing fare structure. This perceived complexity leads many to conclude that the current fare structure is a hindrance rather than an aide to making purchase decisions. In general, rail users would most like to be able to ensure that they are getting the best deal possible but many feel that the current system does little to show this in a transparent or helpful way.

There are mixed levels of knowledge about different choices of fares. Those who are most knowledgeable are long distance users (both Leisure Users and some Business Users) who have acquired information over a period of time while planning travel by train. While those who use the Internet to plan and book train travel are exposed to the greatest variety of ticket types, many can feel even more confused by the number of fares that they are able to choose from.

*“I’ve tried booking in advance but it’s such a load of guff – saver, super saver, old age return saver, super platinum saver – what’s that all about? It’s a load of rubbish; it’s so complicated it’s just ridiculous”*  
*[BC1C2, Young Person’s Railcard, Leicester]*

The rail users who are least knowledgeable are those who only make limited or specific use of the rail service, namely commuters, some business users and some local service users and non-users.

### 3.3.4 THE CHOICE COMPLEXITY PARADOX

Many passengers faced with such a range and variety of ticket types to choose from feel that they lack the necessary expertise to make correct purchasing decisions. Many feel that they would rather not have to choose in this way and would prefer a simpler system that provides them only with the best available option. The current system leads many to fear that they are not only likely to be missing out on the best available deal but when they do choose the choice they make will be the wrong one. In addition to the sheer number of different ticket types available many feel that with the exception of one or two, most are not relevant to them.

*“Two companies serve Milton Keynes – you should just call it Express or non-Express fare and that would be much simpler. It would be much harder to make a mistake then and get on a wrong train”*  
*[Disabled Railcard, London]*

Indeed the vast number of ticket types that were occasionally known to be available was regarded as a minefield for all but the most confident of rail users. The perception of complexity was often exacerbated among those who were aware that it was sometimes cheaper to buy two single tickets for certain journeys rather than a return (that was widely considered to be the most natural choice).

*“When you look at the website it tells you that it is sometimes better to get two singles than a return. Whereas it used to be that you paid £1 extra on longer journeys for a return. It’s all quite confusing”*  
*[ABC1, Long Distance Leisure, Edinburgh]*

While in many areas of decision making the wide availability of choices tends to be regarded as desirable, this was clearly an area in which consumers felt that they were being placed at a disadvantage by the breadth and complexity of the array of alternatives that they were often being presented with, especially when buying online. As well as being confused by this situation, many consumers were clearly frustrated at their inability to make informed decisions that gave them the peace of mind to feel assured that they had bought the most appropriate ticket for the journey that they were making.

*“There is that feeling you get that however much effort you put into it, you’ll always be sitting next to someone who has got a better deal than you”*  
*[ABC1, Long Distance Leisure, Edinburgh]*

### 3.3.5 THE CHOICE COMPLEXITY PARADOX – SUGGESTED SOLUTIONS

During the discussions, respondents spontaneously suggested or were invited to comment on ways in which the choice / complexity paradox could potentially be resolved. Although this in reality was an unrealistic task, many were able to offer constructive thoughts on how the current system could be ‘improved’.

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A common reflexive response was often to suggest that the system should be revised with the primary objective of making the structure much simpler and easier for consumers to understand. In this respect, some rail users perceived that the majority of travel needs could be met by splitting journeys into either peak or off-peak times and then overlaying the intended class of travel (First or Standard). Naturally this model is not only far too simplistic to be practical but if implemented would be extremely unlikely to offer users best value on almost all occasions.

A more considered view was a restructuring of the way in which ticket choices are currently offered to consumers. As an alternative to the current system that asks for basic journey details and places the onus of choice on the passenger, some felt that it would be preferable to provide additional details up-front (such as the amount of flexibility required) in order to then be offered the ticket solution that would be guaranteed to offer the best value. Although also too simplistic to be workable in reality, it was felt that this system could work across all purchase channels by removing the complexity of the decision making process and calculating the best fare for the journey requested.

Although there is likely to be no solution that will meet the needs of all parties, it would appear that the potential does exist to improve the way that tickets are currently purchased in order to provide consumers with peace of mind and reassurance that they are buying the correct ticket for each journey they make.

### 3.3.6 PERCEPTIONS OF SAVER TICKETS

Although the terminology was familiar to many respondents, the vast majority were vague about the details of Saver tickets and were not able to explain their role within the overall fare structure. Indeed there was consistent evidence to suggest that many passengers had used Savers in the past without being specifically aware of the fact that they were doing so.

*“They are the sort of super saver things. I imagine you get money off”  
[ABC1, Business Standard, Watford]*

There was no spontaneous awareness that certain types of tickets were subject to regulation by the government although some were not surprised to learn that this was in fact the case. On reflection, certain consumers stated that regulation was desirable to avoid a situation in which the TOCs would be free to set prices for all tickets.

When Saver tickets were explored in detail in some of the groups, they tended to elicit a universally enthusiastic response at a conceptual level. This was balanced however to some extent by the claim among those who tended to book in advance that they would be unlikely to change their habits since buying a ticket on a 'turn up and go' basis would not guarantee them a seat reservation which would be a problem for longer journeys.

*"I don't use savers because if you get a flex Virgin you can travel any time with that. So come 3.00 or 3.15 when I can't travel out of Euston with a saver ticket, I can just go at 4.00 and it's not an issue"*  
*[Disabled Railcard, London]*

*"I guess the one big disadvantage with those tickets though is that you don't get a seat reservation if you just buy it at the station. I wouldn't want to be making a long journey without a seat so I'll probably just keep booking my tickets the way I do just now"*  
*[ABC1, Long Distance Leisure, Edinburgh]*

Furthermore, there was considerable confusion on exposure to more details of Saver tickets as to which services they were valid on, especially in terms of whether restrictions applied for peak vs off-peak journeys. This latter exercise tended to contribute to the general perception of fares being complex and difficult for consumers to understand rather than straightforward.

*"Is that the one where you have to make sure you are on the right train? It can be a bit restrictive sometimes like if you don't know exactly when you want to come home you have to choose there and then"*  
*[C1C2, Leisure, London]*

The overall view across the sample was that although little is known about Saver tickets, the continued availability of them is likely to represent better value for rail users than if tickets are subject to market pricing by the TOCs.

### 3.3.7 CURRENT PERCEPTIONS OF DISCOUNTED FARES

Many passengers from the various user groups were not taking advantage of discounted tickets. Indeed, most had only a partial awareness, if any, of the discounted fares available to them.

With regards to promotional deals on off-peak rail travel, only a small minority of respondents in this sample had any direct experience. Generally, these users expressed very positive opinions about the promotions and within the group discussion environment were vociferous in explaining the benefits to others.

Even among non-rail users, most reacted positively when the concept was explained to them. This was particularly apparent for promotions for families; where entrance to attractions and events are included; and group travel with companions. This would appear to indicate high levels of future potential for discounted tickets among these non-users. The challenge here will be to promote these discounts in order to raise awareness, bearing in mind that the aim will be to promote the concept to non-rail users and that advertising on site at stations will not sufficiently reach this audience.

In terms of booking discounted rail travel in advance, many longer distance passengers felt that this was essential in order for them to consider travelling by train. For some of these, the availability of this type of discount was the main, if not only, reason to travel by rail instead of by low cost air or by car. Others expressed concerns that they may not otherwise be guaranteed a seat on their chosen service and so book in advance in order to reserve a numbered seat.

The decision to reserve tickets in advance was often based on the individual user's perceptions of what constitutes a long journey. For example, some users regard the journey from London to Leicester as a comparatively short trip, since the return can easily be made in the same day. With this in mind, many are unlikely to regard this journey as one worth booking in advance. Other users see the journey from Edinburgh to Newcastle as a relatively long trip, thus making it more important to reserve tickets in advance.

For those making day-trips, flexibility is a key requirement. Any level of pre-planning can remove the spontaneity associated with the journey.

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Some groups of rail user, however, are not currently reserving their tickets in advance. This tends to be either a) because they imagine that the financial saving will not be significant, particularly among those using the train for short-term leisure purposes and some railcard holders, b) due to general apathy, or c) because the individual in question is not personally paying for the ticket, particularly among business users.

*“If you book it 9 weeks in advance, your money is laying in their bank account accumulating interest all that time”  
[C1C2, Senior Railcard, Edinburgh]*

*“In my case I wouldn’t like the train to be all early booking because I never book my ticket early, so my personal preference would be for like a free for all”  
[ABC1, Business 1st Class, Manchester]*

There are varying perceptions with regard to when operating companies release tickets for advance sales. Most tended to base their opinions in relation to how far in advance they typically research or buy their tickets. In fact, among this sample, there was no awareness of the nine-week advance purchase window. Moreover, most feel that nine weeks is too far in advance for their purposes, as they require a certain amount of flexibility with regard to changing plans and times of travel. For these users, five to six weeks before the date of travel appears to be the earliest that they would look to buy tickets. However, some expressed disappointment at operating companies not publishing information on dates of release.

*“It seems to vary. Is it a fortnight before?”  
[C1C2, Senior Railcard, Edinburgh]*

*“Well I would have guessed that it was about 6-8 weeks and I knew they got dearer as it gets nearer the departure time. That’s the whole point of Apex presumably”  
[ABC1, Long Distance Leisure, Edinburgh]*

*“Sometimes when I phone they say the tickets haven’t been released yet and to just keep phoning back. The time before last I’m sure I must have spent about £10 in phone calls”  
[C1C2, Senior Railcard, Edinburgh]*

Overall therefore, with regard to advance booking discounts, there are strong qualitative indications that many rail users are not currently taking full advantage of the best value available to them.

### 3.3.8 SEASON TICKETS

In the South East, in particular, there is a feeling that train travel offers poor value for money. Consumers feel that they pay over the acceptable odds for their monthly and annual tickets and expressed disappointment at service issues, such as punctuality, reliability and crowding, although some also recognise recent improvements in this area. However, this opinion is often mixed with a strong degree of resignation over the matter, the feeling being that there is little chance of this situation changing in the foreseeable future.

There was some evidence that lower pricing in the Cardiff and Manchester areas is impacting positively upon service use and value perceptions of fares. Journeys in the Manchester area are subsidised (by GMPTE), which can lead to feelings that season tickets will not offer significant discounts. Some in these locations were not taking advantage of season tickets as a consequence of having flexible working arrangements (that were not always 9-5, five days every week).

*“It’s all governed by the GMPTE because it’s in the Greater Manchester area, they dictate what the prices are...it’s subsidised by the Council Tax and so fares are probably lower than what they should be”  
[ABC1, Commuter, Manchester]*

There was a significant lack of knowledge regarding the actual levels of discount that a season ticket offers. For example, many did not realise that the cost of an annual ticket would mean paying the cost of only forty weeks. Indeed, some believe that the saving that would be made in purchasing an annual ticket would be outweighed by the inconvenience of having to pay the full amount in a single transaction.

Lower income users feel that they were especially penalised in this respect since they were unable to take advantage of discounts available often due to cash flow issues which meant that those who are paid weekly are unable to afford a large lump sum pre-payment.

Indeed, it would appear that having to pay a large sum up-front is a significant barrier to uptake of season tickets across many user groups. The challenge is to communicate the benefits of season tickets to those who can afford them, while providing an alternative, flexible product for those who express concerns.

In addition, many felt that season tickets do not offer enough flexibility, especially in some situations where working schedules were irregular or unpredictable. In these instances the (Oyster) electronic ticketing concept was favourably received on the basis of offering full flexibility with discounted travel with no compromise to either aspect. Such a system was felt to offer the user the added benefit of being relatively hassle free in terms of usage.

### 3.3.9 PERCEPTIONS OF RAILCARDS

There was some feeling among rail users and non-users that, while railcards provide good deals for some, they are available only to certain exclusive user groups rather than promoting inclusivity.

Disabled railcard holders feel that their railcard offers a very good deal. Indeed, they often feel that the discount that they receive obviates the need to take advantage of advance purchase tickets.

Senior Railcards are regarded as a type of rite of passage. Affluent Senior Railcard holders tended to be more motivated by deals and special offers whereas those who were less affluent were more likely to buy their ticket on the day of travel, as they were already receiving discounted travel by virtue of their railcard.

Family Railcards can encourage switching from using a car to using rail for travel, particularly during school holidays. However, non-rail users were discouraged by the perception that travelling with children by rail is impractical, thereby diminishing the perceived overall value of family railcards.

Young Person's Railcard holders felt that the railcard offers good value for money and that the savings start very quickly. Many claimed that the cost of the railcard can be recouped in the very first journey in which they use it. Non rail-users, by comparison, were unsure whether they will make significant savings, thereby questioning the value for money that the railcard offers.

There was virtually no awareness of the Network Card among this sample. When explained to respondents during the course of the groups there was some confusion over why availability of this product was limited to the South East area only and also certain usage conditions and practicalities associated with it. However, there was spontaneous interest, among rail users and non-users, in the concept of a National Railcard that anybody can purchase. Respondents believed that it promoted inclusivity and extends the benefits of railcards beyond exclusive user groups. This appeal appears to be linked to widespread familiarity with commercially based loyalty schemes, where the value of the potential benefit directly correlates with the amount of rail usage.

Spontaneous positive reactions to the concept of a National Railcard included:

- Generous discount on rail travel if 50%
- Appears to be a cheaper alternative for off-peak users
- Raises consideration of rail travel for off-peak journeys

*"I think that's a brilliant idea"*  
*[C2D, Commuter, Croydon]*

*"You'd have to work out how many times you'd have to travel before you have made your money back. If you use it a lot it's good"*  
*[BC1C2, Non-User, Cardiff]*

*"You would have to weigh up your lifestyle, do you work shifts, do you travel off peak when you go to London, these types of things"*  
*[ABC1, Commuter, Cardiff]*

However, on the negative side, reactions included:

- Little relevance to commuters who travel in peak periods
- Little relevance to those who do not wish to travel by train at off-peak times
- A prohibitive advance lump-sum
- Less frequent rail users assume that they will not make significant savings
- Incompatibility with travelcards
- It may cannibalise other railcard usage

*“It wouldn’t make much of a difference to me unless I stopped working during the day and had off peak hours”*  
*[C2D, Commuter, Croydon]*

*“It’d probably work out that I wasn’t saving much at all”*  
*[C2D, Commuter, Croydon]*

*“I think the concept is good but I think the group you’ve got here are all commuters, that’s the only reason we use the train. We’re not particularly interested in using it for social or leisure purposes. But the concept is good”*  
*[ABC1, Commuter, Cardiff]*

*“If you are giving a 50% discount then it would probably just move everybody to this Railcard”*  
*[C1C2, Senior Railcard, Edinburgh]*

*“But what is it 50% off? Is it 50% off the full price that you spoke about, is it 50% off the Apex or what?”*  
*[C1C2, Senior Railcard, Edinburgh]*

Overall, therefore, the concept of a national railcard had fairly high appeal and indicates the potential to promote positive attitudes towards rail travel. However, it may prove to be challenging to communicate its benefits to those who are more sceptical.

## 3.4 Managing Demand & Creating a Fairer Structure

Among rail passengers in the capital there is a common acknowledgement of the problems of overcrowding and increasing passenger numbers. For those travelling in peak times, there is fairly high motivation to find a resolution to these problems, although this is much less the case amongst non-peak users.

Outlined below are reactions to some ideas tested in the research to help manage demand as well as some suggestions developed with passengers during the group sessions:

### 3.4.1 GRADUATED FARES SCALE

We tested the concept of a graduated fares scale where peak fares would apply before 9.30am and after 5.30pm and discounts of 20% would apply from 9.30am until lunchtime, and 40% between lunchtime and evening peak.

While initial reactions to this concept were that it sounds reasonable in terms of matching up with the basics of supply and demand theory, in reality it is expected to be fairly impractical. In particular, this was felt to add an extra layer of complexity to an already complex fares structure and was felt to add to existing problems of inflexibility of tickets within this structure. For example, respondents wondered how journeys between different time and price zones might work. The apparent creation of an evening peak time period was also met with considerable scepticism since currently evening trains often do not require more expensive tickets. Thus, the perception is that a graduated fares scale would be even more penalising than the current peak time fares structure is perceived to be, and the idea was broadly rejected on the basis of being seen to potentially add to the perceived complexity and unfairness of the current system.

*“That would work out expensive because after 5 pm it goes back...”  
[C1C2, Senior Railcard, Edinburgh]*

*“I think that they should just make it 60% off all day”  
[C1C2, Senior Railcard, Edinburgh]*

### 3.4.2 INCENTIVISING COMMUTERS TO CHANGE TRAVEL HABITS

There is some agreement that it may be possible to incentivise commuters to travel to work at different times, perhaps at the edge of peak times, in order to help smooth the early morning usage spike. However, this research has revealed that in order to achieve this it is likely that there will need to be emphasis placed on changing mindsets rather than a re-structuring of fares. Below we have outlined several potential ways in which we feel mindsets could be challenged:

Getting Away From the 9am-5pm Mentality - Helping commuters to break out of the 9am-5pm mentality that is still so prevalent in this country is one of the keys to changing mindsets since this could potentially open up the possibility of some commuters working a less regular day while still working the same number of hours, thereby changing their commuting times and lightening the load on the rail network.

*“I think it’s very much a nine to five society that we live in and it’s hard to  
get away from that”  
[ABC1, Commuter, Manchester]*

Consulting Employers - While consulting commuters and persuading them to break out of the 9am-5pm mentality is very important, it has become clear through this research that consulting employers and getting them on board is going to be essential as well, since many commuters are simply unable to say whether or not their employers would be prepared to allow them to arrive at and leave work at different times. Thus, it will be important to ensure that commuters are encouraged to lobby their employers as well as for organisations like Passenger Focus to play an active role in consulting employers about such matters to gain their opinion and possible approval.

Re-Defining Morning Peak Time - Currently the morning peak period is fairly broad so that even those travelling on very early (and often quiet) trains are paying peak fares:

*“Sometimes I travel at 6:30 in the morning when the trains are empty so why do I have to pay peak rate?”*

*[C2D, Commuter, Croydon]*

*“There’s no-one there so there’s no reason to charge me so early in the morning for a peak rate”*

*[C2D, Commuter, Croydon]*

*“About 7.45 onwards it gets busier because when I have to get in early I’m on the 7.09 train and its empty, whereas if I go for the 7.48 it’s a lot busier”*

*[ABC1, Commuter, Manchester]*

Re-defining this peak period could involve only applying peak fares to trains or times when overcrowding is most acute. This could vary according to the location, route, TOC etc. in order to keep the peak period as narrow as possible. In such a system, off-peak fares could be applied to trains arriving at their destination before say 8am, thereby providing an incentive for commuters to travel to work before rather than after the morning peak time. It is less likely that employers would express concern about their workforce arriving earlier rather than later at work.

*“Make the peak two hours more expensive but cheaper before so people can go to work earlier on a cheap ticket and it would spread everyone’s journey out”*

*[C2D, Commuter, Croydon]*

*“Peak tails off at about 8.30”*

*[ABC1, Commuter, Manchester]*

This concept worked particularly well for some workers who currently have flexitime arrangements (including those working for the Civil Service) as they envisaged themselves being able to accrue extra holiday while not upsetting their employers, with the additional benefit of having a much cheaper commute to work. There was also some theoretical appeal in this idea among lower paid workers who do not currently have flexitime arrangements. While this would require them

To arrive at work earlier than at present, several claimed they would be happy to do this and for example read a newspaper to pass the time in order to gain the benefit of much cheaper fares.

*“I think if it actually came down to it and having the financial kind of benefits in front of us it would look a lot more appealing”*

*[C2D, Commuter, Croydon]*

*“I would do it; I can go in at 7 in the morning”*

*[ABC1, Commuter, Manchester]*

*“If you’re working in the public sector, you’ve got certain jobs to do and you’ve got to get in at a set time so it doesn’t matter that you might want to get an off peak train”*

*[ABC1, Commuter, Manchester]*

Having said this, there were also plenty of respondents who felt they would be unable to derive any benefit from this idea and others who simply valued their time in bed in the morning too much to travel to work any earlier than absolutely necessary - thus we must not lose sight of the relative importance of the fares issue for some groups!

*“If it’s 20 minutes earlier I think that’s fine but in the case where I have to leave an hour earlier and then get to my destination and then go for a coffee to kill that time because I work in a store and the store does not open, what I’m going to save on train fare I’m going to spend in*

*Starbucks”*

*[ABC1, Commuter, Cardiff]*

*“I prefer to have my sleep”*

*[C2D, Commuter, Croydon]*

Other suggested means of incentivising commuters to change their travel habits included the following, although these measures were mostly seen as additional reasons for changing rather than actual triggers in themselves:

Increasing Fare Differential

While commuters certainly do not advocate increasing peak fares, some claim that simply making off-peak fares cheaper could encourage them to at least think about travelling to work at the edge of morning peak time - typically those who are already arriving at their destination station towards the edge of peak time already.

More Flexible Period Ticket

For those who have more flexible working habits, the idea of a flexible period ticket is appealing. There is particular appeal in a product that incorporates some of the benefits of Oyster, especially retrospective charging – i.e. the user is only charged for what they use, so a three day working week would not mean having to pay for a five day week of commuting. The simplicity of renewing and topping up Oyster cards at machines is also seen as preferable to having to queue to achieve this currently. This is seen as a solution that would still allow commuters to travel at peak times but would recognise when for example they make an off-peak journey instead and would only charge them accordingly – unlike the current inflexible season tickets.

Promotions and Offers on Off Peak Trains

For some, simply increasing the number of promotions and offers on off peak trains, particularly trains running at the edge of morning peak and those running early in the morning, would encourage them to consider changing their travel habits.

*“Years ago they had an incentive that if you were going into town after 6 at night you only paid a pound or something like that”*  
*[ABC1, Commuter, Manchester]*

*“I would prefer an offer of free tickets rather than discount prices”*  
*[ABC1, Commuter, Cardiff]*

*“If you could get money off, if you get a group of you going and a couple of you go free, that would reduce the costs wouldn't it”*  
*[ABC1, Commuter, Cardiff]*

*“Do tokens, so 20% off if you travel at this time”*  
*[C2D, Commuter, Croydon]*

*“If you spend x amount then you get a free travel card on the day of your choice”*  
*[C2D, Commuter, Croydon]*

### Loyalty Scheme

Several respondents spontaneously suggested the concept of a loyalty scheme to incentivise off-peak travel, due to high familiarity with loyalty schemes from other aspects of life, e.g. credit cards, fuel, air miles etc. The suggestion was that vouchers or equivalent could be provided with every off-peak journey to redeem against future travel. Thus, travelling to work at an off-peak time rather than during peak time could have the dual advantage of cheaper commuting alongside free travel for themselves (and possibly their families too) at other times. Alternatively, some claimed that they would redeem their vouchers on their commuting journeys, thereby making the commute cheaper still. One of the key advantages of such a scheme is felt to be that it would still allow passengers to commute during peak times if necessary, but would reward them for doing otherwise rather than penalise them for doing so.

*“What about a miles thing, rail miles”*  
*[ABC1, Commuter, Cardiff]*

*“As you mentioned like a loyalty card so the more you use it the more points you get and then you sort of get something, maybe cash back at the end of the year or something like that:*  
*[ABC1, Commuter, Cardiff]*

*“They’d probably give you a discount if you use it x amount of times you can have a discount, 20 % for the year or something”*  
*[ABC1, Commuter, Cardiff]*

### Other Incentives

Other suggestions included fairly simple ideas such as providing free coffees and newspapers on off-peak / edge of peak trains which, while not necessarily incentives to change in themselves, could help encourage commuters to make the switch.

*“Buy one get one free or get a free buffet car on every trip”*  
*[ABC1, Commuter, Cardiff]*

## 4. Conclusions & Recommendations

In conclusion, the subject of fares is clearly an important issue for many rail passengers, but is often viewed in conjunction with a number of other factors such as expectations, (mis)perceptions of what the journey experience will be like, choice of other modes available etc. Thus, perceptions of value for money in rail travel are very subjective and somewhat complex. Furthermore, we feel that perceptions of value for money may be accentuated when prompted at the point of travel, and we have already made some suggestions to Passenger Focus as to how this could be taken into account in the ensuing quantitative phase of this research.

We have also uncovered in this research considerable confusion among certain user groups due to the perceived complexity of the rail fares structure and the number of ticket types available. Indeed, our overall thought having conducted this research, is that the current complexity of the fares infrastructure is often not allowing consumers to feel they are achieving best value on fares. In particular, passengers are fearful that they may end up choosing the wrong type of ticket. But the perceived complexity also serves to emphasise the key consumer requirement that they get the best deal without the responsibility of having to seek it themselves. The fact that consumers tend to operate on a 'need to know' basis and that ticket types is not information that they think they need to know, means that detailed information such as the benefits of Saver tickets and the 9 week window for advance discounted tickets remain largely unknown.

Flexible working is emerging as a growing trend and one that is changing customer requirements for period tickets. Awareness and knowledge of Oyster, both in the capital and further afield, has led some to request similar systems nationwide. However, those in locations further away from the capital whose commute only costs them a relatively small amount often seem happy paying daily. With regards to season tickets, we found that some who commute daily are simply unaware of the nature or extent of benefits available, while others are unable to take advantage of the benefits due to the amount of money they would be required to pay up front.

Advance booking discounts are important for those passengers making longer distance journeys although we did find that not all were taking advantage at present due to a lack of system knowledge. It also became clear that passengers often ignore advance booking discounts when the return journey can be made in a day, irrespective of the length of journey.

The concept of a National Railcard was well received by most, fulfilling some requests for a more inclusive product.

The problem of how to better manage demand on the rail network is a challenging one to solve since it is difficult to provide a solution without adding to the current perceptions of complexity. Our feeling is that a solution is more likely to require re-focusing of mindsets through societal changes rather than a re-structuring of fares.

Non-users of the rail network cite a number of reasons for choosing other modes of transport, and fares and cost are not always the primary barrier to rail travel. Nonetheless, it is clear that more active promotion of existing deals could help to trigger future usage among current non-users, as well as serving to encourage a more positive mindset towards rail travel.

In light of the research, we would suggest that Passenger Focus could consider the following recommendations:

For Commuters:

- Promote benefits of season tickets
- Consider more flexible period ticket products
- Change 9-5 mindsets
- Incentivise off-peak travel
- Encourage commuters to lobby employers
- Increase peak/off-peak differential (make off-peak cheaper)
- Promotions on off-peak fares (especially earliest trains)
- Travel vouchers or equivalent with off-peak journeys
- Free drinks/newspapers for off-peak
- Re-define morning peak time

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For Non-Rail Users:

- Promote current deals further
- Communicate benefits of rail travel

For All:

- National railcard
- Establish best fare system for ticket purchase (with help and advice)
- Further promotion of deals

## 5. Appendix

### 5.1 Discussion Guide

#### 5.1.1 Introduction & Context

Given the nature of the objectives of this project, the way in which the research is explained and presented to respondents will be important. The moderator's introduction should cover the following:

- The project has been commissioned to provide a detailed understanding of consumer attitudes to and requirements of rail fares
- Outlook are conducting the research on behalf of Passenger Focus, the watchdog for rail passengers whose mission is to get a better deal for rail passengers
- Research output will have important implications for rail fare structuring in future. Respondents have been selected to be representative of various rail user groups and all views are therefore important and will be listened to
- We (and Passenger Focus) need help from respondents to identify and understand issues. This is a genuine opportunity to make a difference for all rail users
- Important to be open minded throughout session. Not enough time to get involved with individual anecdotes so instead need to consider issues from a broad perspective
- Essential for output of session to be constructive. Not acceptable therefore simply to identify negative issues or problems but to think about realistic possible resolutions

#### 5.1.2 Research Agenda

Explain to respondents that we expect them to have lots they will want to talk about but that time is limited! Important therefore that we make them aware of the discussion framework in advance and the areas to be covered.

Overall objective of session is to identify ways in which consumers feel they could derive better value from rail travel in general, but with particular focus on their needs relating to types of journeys made. Likely therefore that the discussion will need to cover the following areas:

- Types of journeys typically undertaken
- Ticket planning and purchasing
- Ticket types available
- Fare structures
- Booking in advance vs turn up & go

### 5.1.3 Background

Respondent introductions to include name, occupation and...

Users: types of train journeys undertaken and frequency.

Also to include exercise to encourage positive mind-set for purposes of discussion:

- “For last journey made by train, what advantages did this method of transport offer over possible alternatives?”

Non-Users: types of coach or car journeys undertaken and frequency.

Also to include exercise to encourage positive mind-set for purposes of discussion:

- ‘Although you tend not to travel by rail nowadays, can you think of any possible advantages over using coach or car?’

### 5.1.4 Journey Types

*(Introductory discussion to establish types of journeys typically being made by respondents)*

In the past 6 months or so, what types of journeys have been made by rail? How would you describe the main purpose of this journey (Commuting; Leisure; Business; Other)?

How frequently do you make this type of journey? Do you make this journey alone or with others? Who else/how many travel with you? Do you consider this journey to be short or long distance?

*(Focus on specific issues relevant to each group):*

#### Commuters

- Where travelling from / to
- What times of day are journeys made
- Any flexibility within travelling times
- Is rail travel all or part of commute
- What reasonable alternatives to rail are available
- Is rail a positive choice or a default choice
- What are main advantages associated with using rail for commuting
- Any disadvantages of using rail
- Is commute always Monday – Friday & every week except holidays
- Any indication of commuting pattern changing in recent past
- How might needs change in the future

### Business

- Understanding of travel within context of jobs
- Is train a personal choice or employer determined
- Main reasons for choosing rail
- Any situations when rail not used
- Book tickets in advance or turn up & go
- How far in advance are journeys known / booked
- Who is responsible for booking journeys
- Who decides on first vs standard class travel
- Existence of company policies or guidelines regarding train travel

### Leisure

- Destination & frequency of journeys made by rail
- Weekday vs weekend travel
- How far in advance are journeys planned
- Use of rail vs alternatives
- Travel alone or with others
- Awareness / usage of Family or Network railcards
- Interest / propensity to use railcards

### Railcard Users

- Attitudes to railcard holding
- What impact does railcard have on propensity to use rail & frequency of usage – make more journeys?
- Does railcard holding influence time of day/week journeys made
- Would rail be used if railcard no longer available
- What other factors influence rail usage (or railcard only)
- Any reasons why railcard holders would choose not to use rail

### Non-Users

- Brief exploration of general attitudes to rail (travel)
- What have been reasons to use rail for journeys in the past
- What are current reasons for not using rail (in detail)? Explore cost vs other barriers
- What are preferred methods of travel used
- (Focus on Commuting, Business or Leisure as appropriate to each group)
- What advantages does method use offer over rail
- What are disadvantages of method used
- Can you always make the journeys you want to make or do you have to make compromises or sacrifices
- What are disadvantages of not using Rail?
  - Leisure: What are the social consequences of not using rail?
  - Business: Negative impact associated with not using rail e.g. stress of driving, unable to work on journey etc.

#### 5.1.5 Ticket Planning & Purchasing Journey

*This section is intended to provide an understanding of the experience of purchasing a ticket. Respondents will be encouraged and helped to think of this as a 'journey' that starts with the time that the need to make the journey is identified and will end at the point that the ticket is purchased. Non-users will go through the same process for a journey made by coach or car.*

*Respondents to individually complete a Decision Path Diagram in order to get them to focus on all stages in the process. This involves filling in boxes between a defined start and end point that can be used as the basis for subsequent discussion and can also be analysed separately to enhance our understanding of issues involved. This exercise will also enable us to capture all costs associated with the total journey and not just the train fare in isolation*

*(Information on ticket types and cost / value for money issues to be followed up in more detail in subsequent sections) Output of exercise to be summarised as follows:*

Ease / difficulty of completing this exercise. Do respondents tend to think about journeys made in this way or focus on certain parts of the process only? How much time elapses between start point and end point of Decision Path? How much planning & preparation usually goes into the process of purchasing a ticket? What information sources are used to facilitate the process? How do consumers know they are making the correct decisions & choices? At what point is price considered (ticket price or total cost of journey)?

What would Decision Paths look like for alternative methods of transport? Which elements would be easier / more difficult? How would costs compare? What are key learnings for Passenger Focus regarding relative journey costs?

#### 5.1.6 Current Ticket Offerings

*(Focus on journey type and / or railcard holding as appropriate)*

Awareness of ticket types available for journeys typically made in general terms. How are consumers aware of these ticket types? Feelings about range available. How easy or difficult is it to understand differences in ticket types? What are the benefits / disadvantages of the choice available? Is there a trade off between breadth of choice and complexity of offer? How would this 'problem' ideally be resolved? How does choice available affect propensity to travel by train? How does choice reflect on TOC? Should a standard fare structure with consistent nomenclature be applied across all TOCs to make ticket purchasing easier for consumers? What would be the disadvantages of this?

5.1.7 Cost / Value for Money issues

*(Respondents to think about last occasion ticket purchased to allow drill down on specifics of ticket purchasing and price associations)*

Awareness of options available to consumers for purchasing tickets. Which methods have been used in the past? What perceptions / experiences are associated with each? Which are most / least preferred methods, with reasons? How much planning goes into selection of ticket type? How do customers know that they have bought the ticket best suited to their needs?

What method of payment is preferred? Is method preference influenced by channel choice or ticket price? Are consumers always able to use preferred payment method to purchase train tickets?

Do consumers feel they are getting a good deal (from train ticket for Users or Coach / car travel for Non Users)? What is a good deal and how is this defined? What constitutes value for money in the context of (rail) travel? Do respondents feel that they are currently getting value for money? In what circumstances is good / poor value for money felt to be provided? Are any types of fare felt to offer particularly good or poor value for money (Standard Open Return; Super Saver; Apex etc)? What are the specific factors that influence value for money perceptions among the different segments and user types? Do consumers tend to focus on the cost of the train / coach ticket or fuel for cars or are associated costs factored in? How do these additional costs impact on overall value for money perceptions?

5.1.8 How Fares Are Calculated

*(To provide insight into way that consumers think that fares are currently set)*

Is this a subject that consumers have previously considered? Who is assumed to be responsible for setting fares? Extent to which this is felt to be controlled by TOC vs government? Are TOCs free to charge as they wish or is there any government regulation? Which fares should be regulated and which left to TOCs / the market to determine?

*(Syndicate exercise to establish consumer perceptions of how fares are set)*

*Each syndicate group to be given a set of cards showing possible criteria that could influence how fares are derived. Each syndicate to sort the cards by 'yes' 'no' & 'maybe' & report output back to group.*

*Criteria to include: miles travelled; time of day; peak vs off peak; frequency of service; popularity of service; supply & demand factors; stopping vs express service; reliability / punctuality of service; age of train; comfort of train; amount of spend / investment in service; safety record of TOCs; availability of alternative methods of (public) transport etc*

Discuss outcome of exercise. Discuss areas of consistency or disagreement. How would consumers like fares to be derived? How is this different from the way that fares are expected to be derived? Is there any common ground? What would be an acceptable compromise solution? In conclusion, any guidelines emerging to indicate what would be a fair / acceptable way to set fares in future?

#### 5.1.9 Discounted Fares

*(To evaluate consumer awareness & attitudes to discounted fares and to consider future alternatives)*

Spontaneous awareness of any discounting that applies to journeys being made. Assumed rationale for discounting from TOCs. Extent to which consumers are able to take advantage of discounted fares. How does availability of discounts impact on feelings about rail travel? How is this manifest in behaviour and rail usage patterns?

##### Managing Demand

How should the discount structure operate to manage demand for tickets throughout the day? How does it currently work? To what extent does this influence journey planning? Should fares be on a graduated scale in relation to time of day? E.g. Full standard fare before 9.30, 25% less from 9.31 – 13.00, 40 % less from 13.01 – 17.00, full fare after? Alternatively, is current system of discounts being offered after 9.31 preferable?

*(If appropriate and depending on time available, discussion could be supplemented by brainstorming and / or syndicate group work to assist with idea generation on this issue)*

##### Long Distance Journeys

Are long distance travellers aware of the quota of discounted advance purchase tickets that exist? How do they know about these? What has been their experience of using these in the past? How does availability of these tickets influence journey planning? How does this affect attitudes to rail travel? Are consumers satisfied with current offer / discounts available? How could current system be improved? What would make rail travel a more attractive option in future?

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How far in advance to consumers expect to have to book to take advantage of discounted fares? How far in advance is it usually possible to book for different types of train journeys? How to reconcile any discrepancy in this respect? Any difference between leisure vs business travel? Extent of awareness of current nine week window for advance bookings? Is 9 weeks acceptable? Should this be more or less than 9 weeks? How would this impact on discounted fare structure? How important is this window in terms of journey planning? Why is this important (planning important journeys, availability of cheap ticket quotas in advance, booking seat for journey etc)?

Saver Tickets

Any awareness of current 'turn up and go' fares? Extent of current knowledge of Saver Tickets. Are consumers aware that a 'Saver ticket' is offered for many off-peak journeys? Previous usage of Saver tickets? Extent to which availability of these influences journey planning? How do these impact on attitudes to rail travel?

Do consumers know that Saver ticket prices are regulated by the government? How does this knowledge impact on attitudes to TOCs and rail travel? Attitudes to possible withdrawal of the current off-peak turn up and go Saver ticket in favour of market pricing by TOCs? What implication would this be likely to have on rail fares in future? How would this impact on likely future propensity to use rail? How might this affect planning of rail travel in future?

Railcards

Extent of general awareness of railcard availability. What types of railcards are there? Who is eligible for these? What are eligibility criteria? How do you find out about them? How do they work?

*(Explore specific responses among user groups represented in sample: Young People, Senior, Disabled and Family. Also explore response to Network Railcard in South East especially and awareness of anything similar in other areas and appeal of something similar being available)*

What advantage do they offer? What level of discount is available? How do holders feel about this discount? How do they impact on attitudes to rail travel? How is this manifest in terms of (increased) usage? Current satisfaction with railcards? How could they be improved? What would encourage more frequent consideration / usage of rail?

How do non-holders feel about availability of railcards for other users? Are there any other socially excluded groups who should be entitled to railcards? What impact do fare structures currently have for those on low incomes? How does this affect propensity to consider / use rail travel? How do those on low incomes feel about railcards? How do they feel about not being eligible for any railcard or concessions?

Explore responses to the concept of a National Railcard. What are spontaneous associations / expectations? Initial feelings about potentially being available to anyone? How could this work? What would be minimum requirements in order for this to be interesting? Responses to a product that would give 50% discount on all off-peak fares? How much would consumers be prepared to pay for this? How appealing would this be at £30 pa? Anticipated likely uptake at this price? How would this affect attitudes to rail travel and future behaviour? Would this make rail travel more accessible / affordable? Likelihood to smooth demand over different times of day and reduce crowding at peak times?

#### 5.1.10 Incentivising Commuters

Explore possibility of commuters travelling outside current AM peak. Likelihood in context of more flexible working arrangements nowadays? What about if this was incentivised? What type of incentives would be acceptable? Explore reactions to benefits such as getting a seat, free parking space? Any other suggestions? Reactions to lower fares as an incentive? What level of discount would be expected / necessary? Would this need to be more than the current differential between peak & off-peak travel? What would be needed to lead to behaviour change?

#### 5.1.11 Summary

Identify key learnings and points of interest from discussion, especially:

- Feelings about current range of tickets available and how to resolve the choice / complexity paradox
- What currently constitutes value for money and how could this be improved?
- How could fares be structured in a way that would be more fair to consumers?
- How to use fares to smooth demand?
- What to do about Saver / turn up and go tickets and the 9 week window for booking in advance?
- How to encourage passengers to travel in off-peak times more frequently?
- How to encourage non-users to consider rail travel in future?

Which of these are the most important issues that respondents across the various segments represented want to see addressed? Which are likely to be most realistic and usable for Passenger Focus?