



A SELECTION OF JANUARY FARE RISES

Company	Journey	Ticket type	Price 2010	Price 2011	% Increase
Southern	Brighton to London terminals	Off-peak day return	£22.60	£24.90	10.18%
Southern	Brighton to London Victoria	Off-peak day return	£21.60	£23.70	9.72%
First Great Western	Oxford to London Paddington	Anytime return	£46.70	£51.00	9.2%
First G W	Exeter to London	Off-peak rtn	£78.00	£83.00	6.4%
Virgin West Coast	London to Manchester	Standard open return	£262.00	£279.00	6.5%

Cutting costs shouldn't mean cutting corners for passengers

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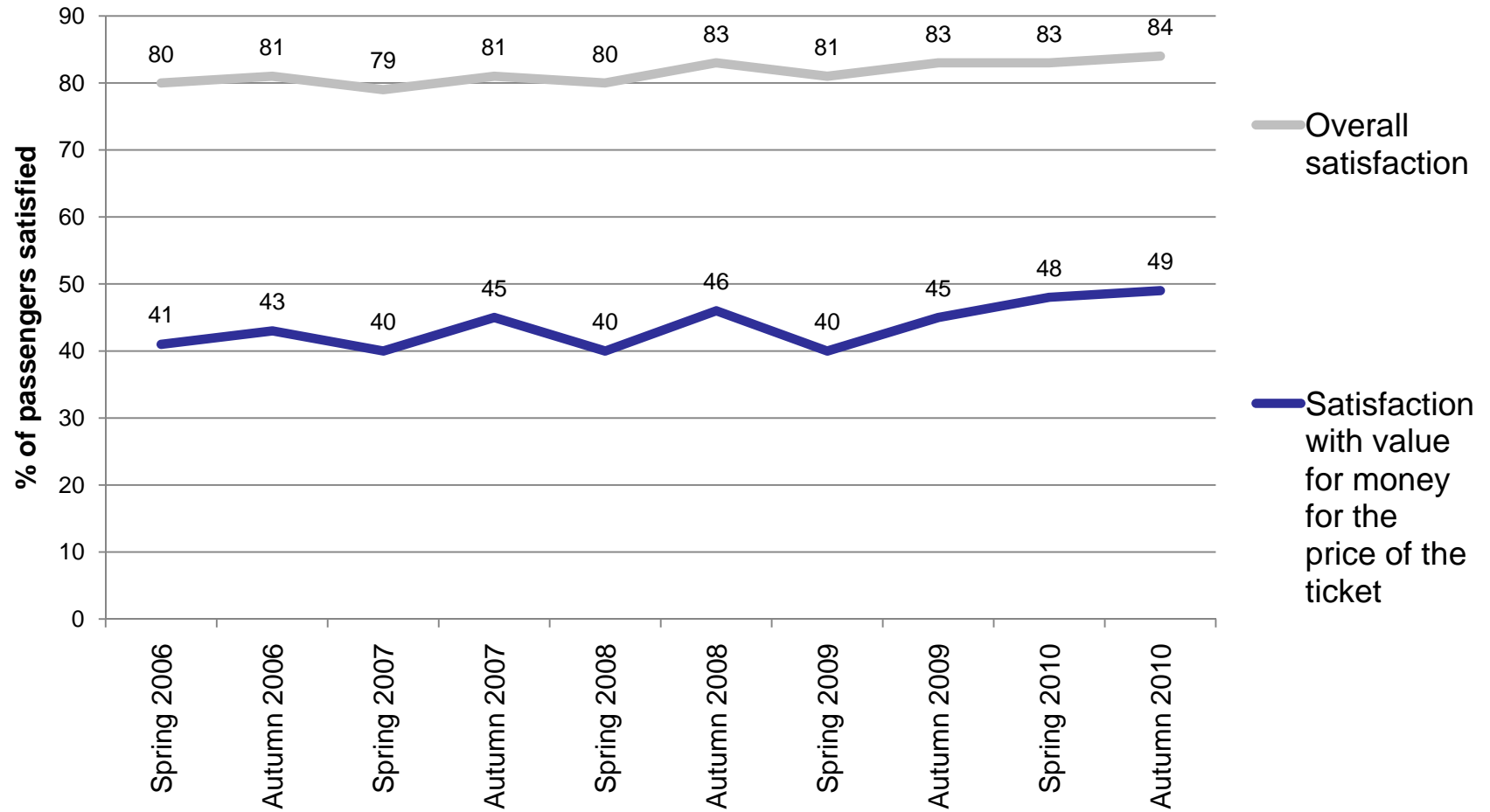
A success story?

- 2010 Demand reached a new peak:
 - 1.32 billion passenger journeys were made by rail, covering a record 33.3 billion miles
 - Highest during peace time since the 1920s
 - Over two thirds of rail trips start between 06:30 and 10:00, and 16:00 and 20:00
 - Sale of advance tickets rose 12% compared to 2009
 - Passenger numbers grew by 4.8% in the first three months of 2011

A success story?

- Investment going in:
 - New carriages
 - Electrification
 - Passenger information
- Passenger satisfaction increasing:

Passenger Satisfaction



National Passenger Survey 2006 – 2010

Passenger Satisfaction

- National Passenger Survey
 - Autumn 2010 results

% satisfied National Total	Autumn 2009	Autumn 2010
Overall Satisfaction	83%	84%
Punctuality/reliability	83%	82%
Sufficient room to sit/stand	67%	68%
Value for money	45%	49%
How well the train company handled delays	36%	40%
Provision of information during journey	68%	70%
Facilities and services at the station	51%	51%
Overall satisfaction with the station	N/A	76%

Passengers' priorities for investment:

- Our research continually emphasises the importance of the core product:
 - Value for money;
 - Punctuality;
 - Frequency; and
 - Getting a seat.

National Passengers Priorities for Improvement 2009

Rank	Attribute
1	Price of train tickets offer excellent value for money
2	At least 19 out of 20 trains arrive on time
3	Sufficient train services at the times I use the train
4	Passengers are always able to get a seat on the train
5	Company keeps passengers informed if train delays occur
6	Information on train times/platforms accurate and available
7	Maximum queue time no more than two mins
8	Trains are consistently well maintained/in excellent condition
9	Seating area on the train is very comfortable
10	Station staff are available whenever required
11	Journey times reduced by five minutes on average
12	Passengers experience a high level of security on trains
13	The inside of the train is cleaned to a high standard
14	Personal security improved by CCTV/staff at stations
15	Good easy connections with other forms of transport

Don't kill the golden goose...

- Cost cutting:
 - Relaxing punctuality standards will damage passenger satisfaction
 - Cutting carriages and reducing services damages the 'core product', especially if it leads to more overcrowding.
 - Efficiency savings – e.g.
 - Ensure infrastructure allows the benefits of new rolling stock to be exploited fully
 - Synergies between renewals and enhancements (e.g. If renewing the track then increase line speeds at the same time)

Don't kill the golden goose...

- Demand management:
 - Commuters
 - Captive market (ability to react to price increase linked to longer-term decisions on work and home). Limited alternatives (especially into London)
 - Enabling people to get to work adds value to the economy – it isn't just a cost! NB Savills!
 - Satisfaction with value for money amongst passengers is poor (49%) but is lower still for commuters (31%) (NPS Autumn 2010)
 - Commuting in England is more expensive than in other principal European cities (*Fares and Ticketing Study 2009*)
 - And passengers are already going to be paying more : RPI+3% to be applied for the next 3 years

The captive commuter market

Horsham to London Victoria	RPI +3% (basic regulatory formula)	RPI+3%+5% (maximum regulatory flexibility)
Jan 2011 (current price)	£3300	£3300
Year 1 (Jan 2012)	£3531	£3696
Year 2 (Jan 2013)	£3778	£4139
Year 3 (Jan 2014)	£4043	£4636
Increase	£743 (22.5%)	£1336 (40.5%)

St Albans to London St Pancras	RPI +3% (basic regulatory formula)	RPI+3%+5% (maximum regulatory flexibility)
Jan 2011 (current price)	£2820	£2820
Year 1 (Jan 2012)	£3017	£3158
Year 2 (Jan 2013)	£3228	£3537
Year 3 (Jan 2014)	£3454	£3962
Increase	£634 (22.5%)	£1142 (40.5%)

Figures assuming RPI will be 4% pa.

Don't kill the golden goose...

- Demand management:
 - Long Distance
 - We have some of the most frequent services in Europe. The benefits of this are lost if you have are tied to a specific train. Turn-up-and-go frequencies do not align themselves well to airline style book ahead restrictions. (*Fares and Ticketing Study 2009*)
 - Airline cost models are not applicable to much of rail travel. Would an airline have flights every 20 minutes between London and Manchester?
 - High cost of flexibility (Anytime vs Advance)
 - Self-fulfilling prophecy! Advance/Easyjet

Long distance:

Long distance operators: Type of ticket travelling on	%
Anytime	27
Off-Peak	31
Advance	27
Season	6

Source: combined Spring and Autumn 2010 NPS waves.

Sample size 13889

Long distance:

Long distance operators: satisfaction with value for money by ticket type	% Satisfied	% Dissatisfied
Anytime	49%	31%
Off-Peak	57%	23%
Advance	72%	14%
Season	29%	48%

Source: combined Spring and Autumn 2010 NPS waves.

Sample size 13889

Don't kill the golden goose...

- Demand management:
 - Business Users
 - Some disinclination to book Advance tickets, especially among Business Users
 - Insufficient flexibility due to nature of their jobs – what happens if their meeting overruns?
 - Some bad experiences of having unusable tickets when plans have changed (associated hassle and cost)
 - Worry that employer will not reimburse cost of unused ticket

Source: emerging conclusions from fares and ticketing research May 2011

Don't kill the golden goose...

- Demand management:
 - Some alternatives:
 - More flexibility within Advance tickets - facility to upgrade ticket on train
 - Address balance between (empty) First and (overcrowded) Standard carriages
 - Generate additional demand by reducing engineering possessions (weekends especially)
 - ATOC figures show that high petrol prices are feeding demand. Rail has a competitive advantage: feed it, don't kill it!



www.passengerfocus.org.uk