



# The future of ticketing

Online community

Summary report

22 March 2019



future  
thinking

# Objectives and methodology

## Core objective

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- Explore passengers' **aspirations for paying for public transport** in the medium and longer term

## Secondary objectives

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- Understand passenger experiences through the current ticket purchasing journey
- Explore everyday consumer experiences when using technology
- Explore the perceived future impact of technology on society, travel and passengers' personal lives

## Methodology

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**A 5-day online community with a sample of 45 passengers** to uncover perceptions of the rail ticketing **status quo**, **attitudes** to payment technology and payment **innovations** across all areas of **daily life**, and explore passenger-generated ideas around the **future of payment systems** and processes for rail travel

We spoke to passengers living in four regions: Devon Metro, South Wales, South West Midlands and the Thames Valley

We recruited a mix of passenger types:

- Business passengers, leisure passengers and commuters
- Buying in advance, on the day, online, at the station
- Small and large station passengers
- Disabled passengers
- Passengers with varying degrees of 'tech savviness'
- Weekend and weekday passengers
- Frequent and infrequent passengers

This document outlines key findings from the Online Community project, which was structured as follows:

- Day 1: Getting to know you. Task Aim: Understand train users' behaviour and priorities
- Day 2: Technology. Task Aim: Understand attitudes and behaviours around technology and innovation
- Day 3: Technology and payment. Task Aim: Understand current experiences around payments
- Day 4: Technology and paying to travel. Task Aim: Understand current experiences around paying to travel
- Day 5: Future of paying for train travel. Task Aim: Understand consumer expectations for the future of paying to travel by train

# Current behaviour and priorities

## Why travel by train?

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- Our passengers' love of trains was multi-faceted, they love the convenience, speed and comfort of their regular journeys
- They stated that trains give them the freedom that many other forms of transport cannot; trains offer them a flexible space for work and social interactions
- Passengers felt that the flexible space allowed them to either 'be in their own bubble' or interact with others
- Trains alleviate the stress and responsibility of everyday travel and are a great opportunity for a bit of escapism
- Current frustrations largely revolve around the cost, and capacity i.e. the lack of seat availability (particularly on commuter services)

## How are people buying tickets now?

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- The plethora of ways to buy tickets was felt to be overwhelming for some of our passengers; current systems are not joined up, and it is difficult to know which purchase route is likely to offer the most cost-effective solution for their journey
- Overall, having a paper ticket is important for some who appreciate its tangibility and using it as proof for expenses, however the possibility of losing it is, of course, a negative
- Whilst apps are used to book tickets, only a minority were using these for the additional functionality they bring. Though being able to save preferences and tickets was seen as invaluable, some had preoccupations regarding having enough space on their phone and their phone dying during the journey

### **Advance online purchase**

- Buying an advance ticket online was seen as the best means of securing the cheapest ticket possible (though this does require some work i.e. searching multiple websites in order to find the best deal)
- Booking in advance helps maximise your chances of getting a seat
- It also provides peace of mind, with many referencing the fact that purchasing in advance means you don't need to worry about buying tickets on the day, whilst also enabling you to plan the rest of your trip around the service you're booked on
- However, it is important to recognise that not all trips are planned; as a society, we increasingly value spontaneity and impulsiveness, and many bemoan the fact that current ticketing systems penalise this behaviour with higher fares

### **Purchase at station**

- For those buying tickets from a ticketing machine, long queues were a frustration, with many feeling that the current systems can be clunky and hard to follow, as well as most feeling that the machines do not always give you the most cost-effective ticket or route. Passengers felt that there was an opportunity to educate passengers about using machines more effectively
- Passengers felt that staff at the ticket office had expert knowledge about train times and routes – they are still relied upon heavily, particularly for older passengers, as was availability of staff at some stations (this is an increasing issue)

### **Purchase on-board**

- Buying your ticket on board was something which our passengers continue to value, they enjoy the personal interaction which guarantees a seat and a fair price
- However, many were anxious about which trains allow you to buy with a guard and were worried about being fined, as there were inconsistencies across routes and TOCs

# Technology

Use of technology amongst our audience is vast and has penetrated into almost every aspect of their lives

- It allows for professional and creative innovation and exploration
- Communication with family/friends/business partners all over the world in real time
- Ability to control your life from a personal, portable screen (banking, mapping, communication)
- Database and source of almost unlimited information
- Discovery of new ways of paying (e.g. booking tickets/appointments cryptocurrencies, phone payments)

Technology can/has had a huge impact on personal/professional lives, making things easier and opening up a wealth of possibility

- **“It has allowed me** to have a creative career. I used to work in HR but my passion for photography and the wonders of technology has allowed me to set myself up as a professional wedding photographer”
- **“Smartphones have made it possible** to run your entire life from your phone on the move, booking travel, keeping up with friends/family, making payments/checking online banking, keeping up with work emails/clients and customers”
- **“They have changed my life** my phone literally ‘runs my life’. It has opened a huge door in my life”

The biggest technological successes that have had the biggest impact on lives have been the internet and mobile phones

- It allows you to be in control of everything at the touch of a button
- It allows you to keep up to date with things you wouldn't otherwise be able to
- It allows you to save money/time in business – instead of having to travel to meetings you can now speak to a whole room of people on a computer
- It makes life easier because everything is in one place and easy to access

However, it can also be seen as a double-edged sword. Whilst it broadens our horizons and generates limitless opportunities, it can also create pressures, with many citing an expectation to always be 'on', to ensure you're not missing out or being left behind

- For something that has become relied on so heavily to complete basic tasks it can be hugely frustrating when things don't work as they should, or if your battery runs out, or the Wi-Fi connection is poor
- Privacy and data protection are top of mind for many. The ability to easily be able to find out anything about anyone is worrying, and it can also be annoying/creepy when advertising is able to be so targeted to things that you do
- Some said it was frustrating to be 'pushed into technology' for areas of life or tasks when you don't want to. It was felt that companies and service providers assume people prefer to manage their affairs online, but this isn't always the case
- Others talked about it being irritating when an assumption is made that you can use tech as well as others, which may not always be the case

# Technology and payment

## Innovators

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- Apple is seen as the leader in technology and payment, with Apple Pay being at the forefront of people's minds when thinking about payment innovation. As well as this, Apple are constantly improving safety features with fingerprint and face recognition
- PayPal is considered to be one of the most trusted and convenient online payment systems, remembering your details and guaranteeing a safe transaction
- Amazon's Alexa and One Click were also mentioned as innovators in the industry, taking payment with speed and minimal verification (though this was also a concern for some)
- However, the rise of online payment does have its downsides. Passengers discussed their worries about the death of the high street, and less personal interactions with people, as well as the security of online payment (a particular concern for older members of our cohort)

## Early adopters

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- TfL's introduction of contactless payment in London was a highlight for our rural passengers who appreciated its convenience compared to their local buses and taxi services which often require exact change
- Uber's location tracking and ability to pay directly through the app was felt to be a game changer
- Food chains e.g. Wagamama, Wetherspoons, enabling customers to pay from their table and guarantee them a seat, as well as Tesco allowing customers to pay while they shop to reduce queues and collect reward points, were also cited as being customer-centric tech solutions
- Monzo banking allows users to receive constant updates on their spending, control their budget, transfer money easily and use their card abroad

## Late majority

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- The train industry is slowly catching up with new ways of paying, passengers mentioned their awareness of apps and e-tickets, though few were using these regularly due to the perception that these systems are often 'clunky and glitchy'
- "I sometimes think train companies lag behind in their websites. They are often **clunky and glitchy**. I've never been able to order my season pass online as the website always breaks!"
- "Train lines in general seem to be **moving in the right direction**, allowing tickets to be bought in app for convenience"

## Laggards

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- Small independent shops are considered to be laggards in the shift toward innovative payment, with many shops still requiring a £5 minimum spend

# Technology and paying for travel

## Passenger expectations

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- We increasingly lead, flexible, spontaneous lives, and whilst planning is sometimes a necessity, people also value the ability to change their plans in an instant
- There have been a number of innovations in the past few years, that have provided greater access to a wider range of transport solutions e.g. Uber, Zipcar etc. These have brought mobility solutions closer to being able to support flexible and spontaneous lifestyles
- However, the rail network is lagging behind other transport modes. Paying to use the rail network is not convenient, quick, reliable or flexible enough to support the truly liquid lives we seek to lead
- In addition, different transport modes are not connected enough to enable people to make informed decisions about the best combination of modes to complete their journey as efficiently, comfortably and cost-effectively as they'd like
  
- "I choose to travel by train because it gives me the **freedom of being able to enjoy the journey and make it part of the trip**. I feel I get more freedom to be **spontaneous** and I get to see some amazing bits of the country that you don't see if you're driving or even flying"
- "There shouldn't be **extra charges** for changing the date and time of your ticket! You as a consumer shouldn't be punished for changing travel dates... things change! I think we should be sufficiently modernised now in our perception of time to recognise **most people's tasks operate outside of timetabling alone**"
- "Companies that have limited payment options will have a **drop in sales** as customers opt to buy goods and services from **companies that provide flexible payment options**"

## The ideal way to pay?

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- In terms of the UK, London was felt to lead the way in terms of offering flexible, digital payment solutions (Oyster, contactless etc.) As such, this was often used as an initial starting point for what the future could look like - extending these systems out to the rest of the country
  
- Further afield, Japan was thought of as the pioneer for new technology, supplying fast, reliable and comfortable transport at a competitive price
- "In Japan you can use a mobile phone/charged card to pay for transport. You can **pay for all services** including at local convenience stores by using your mobile or charged Suica rail card. It is so **convenient** and saves you having to carry cash"
- "In my opinion one of the **countries leading the way** in transport is Japan, it not only has one of the most extensive train systems but also, it's **well organized, fast** and **effective**. Japan is known as being a **pioneer in technology** in all the aspects and transport is not different"

## **In an ideal version of the future, transport and ticketing would be centred around the needs of the individual**

- Our passengers were looking for an **integrated platform** which was operational across the country. This system should bring together all TOCs but also, ideally, other transport modes too (buses, taxis etc.) The key benefit of such a solution would be that you wouldn't need multiple cards/season tickets, or even local knowledge, to travel around the country)

- *“The ideal system would combine an integrated public transport system that allows the user to have one app to **pay for all modes of transport**, whether using trains, cross country buses, local transport and even national plane travel”*
- *“I would love to have one single card **for all modes of transport**, that you top us as you go like an **Oyster** card”*
- This platform, however it is accessed (most were assuming an app), should enable users to store their preferences as well as collect rewards for being a frequent traveller
- This platform must be flexible for users with varying degrees of tech savviness, as well as being fast, reliable and simple
- As well as this they would like it to be intelligent; there were suggestions of an Artificial Intelligence system which could offer the best routes and deals across modes of transport?
- Although passengers are looking for a system which knows them and how they like to travel, significant worries persist around data and security
- Any new platform would have to foster confidence around how secure it is; passengers suggested using fingerprint recognition as a way to ensure security
- Though passengers were interested in digital solutions, they felt that there should always be a ‘back up plan’ just in case a digital platform fails

**There were a number of other solutions/builds generated by passengers, all centred around making travel quicker, easier and cheaper**

- Biometric tickets that hold all information when you touch in at the station and charge you at that point removing all need to queue or think/book in advance
- Booking tickets through Alexa/Google home devices/Apple watches
- Holograms at stations or even able to be downloaded at home that act as station staff/ticketing staff to order and ask questions
- Automatic call outs of buses/spare trains/extra carriages in peak hours or in the case of delays
- Voice recognition when purchasing tickets
- Being able to purchase tickets from any station or even at cash machines/supermarkets

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