A London TravelWatch report

The voice of transport users

Value for money on London's transport services: what consumers think

August 2013



London **TravelWatch** is the official body set up by Parliament to provide a voice for London's travelling public, including the users of all forms of public transport.

Our role is to:

- speak up for transport users in discussions with policy-makers and the media
- consult with the transport industry, its regulators and funders on matters affecting users
- investigate complaints users have been unable to resolve with service providers
- monitor trends in service quality.

Our aim is to press in all that we do for a better travel experience for all those living, working or visiting London and its surrounding region.

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Foreword

This report sets out to achieve a vitally important aim – to find out what consumers of London's transport services think about value for money. At a time when a six zone annual Travelcard costs over £2,000, and when most people's budgets face an exceptionally tight squeeze, the need for this has never been greater. For many London households, spending on travel can be well in excess of spending on other essential services such as energy, insurance and telecommunications.

What London TravelWatch has done is get consumers to talk for themselves, in a series of six structured focus groups, about what they perceive to be good and less good value for money in transport services.

This is of course only the start of what we hope will be a wide-ranging debate about what can be done to give all who travel in London a better deal. Some options are clearly off the agenda, at least for the short term – for example, it is unrealistic in the current environment to argue that fares should be cheaper across the board. And, in some areas, perceptions of poor value for money may not be fairly based in reality, given the inevitable costs associated with running large and complex services to a high standard. But our research helpfully pinpoints three areas in which consumers deserve significant improvements:

- **Better information of what is on offer** so that they can get cheaper deals - for example in terms of the benefits of registering Oyster PAYG cards, the savings associated with annual Travelcards and giving better information about advance fares
- **Easier ticket buying** - for example to spread the cost of an annual season ticket and to make it simpler to top up Oyster PAYG cards through a smartphone app
- **Low cost but high visibility benefits** that will genuinely improve people's experiences – for example free access to toilets at stations and interchanges for ticket holders, better local accessibility measures, and dealing effectively with anti-social behaviour.

Most of these improvements would necessarily fall to Transport for London and the train operating companies. But we hope that our findings, and the ideas they generate, will be of interest to all who are concerned to see our capital develop transport services worthy of all who live, work or visit here.

Stephen Locke
Chair

Contents

Introduction and key findings

In March 2013, London TravelWatch commissioned research to help improve understanding of passenger perceptions of value for money relating to public transport journeys of various types in and around London.

Passenger perceptions of the ‘value for money’ that they get for their tickets vary considerably depending on the type and frequency of journeys that they make. Some journeys, such as leisure or long distance journeys on National Rail or Transport for London (TfL) modes such as Tramlink, Underground and Docklands Light Railway (DLR) receive relatively high satisfaction scores from their users. However, commuters in particular feel that they get a very raw deal, especially when ticket prices have been rising above inflation and they feel they are a captive market. It is perhaps not surprising that satisfaction levels among commuters have not improved in recent years.

Some perceptions of poor value for money arise from misunderstanding. The research showed that there was very little appreciation of the value and benefits that could arise from the use of season tickets. Most participants did not realise that for an annual ticket they would only be paying for 40 weeks’ travel, instead believing they were paying for 48 or 49 weeks and even when they knew this, they were reluctant or unable to make such a large outlay in one go. Similarly understanding of the associated benefits of reduced off-peak or group travel was extremely limited.

However many poor perceptions of value for money are soundly based. Our research shows that improving satisfaction with value for money is a major challenge for service providers when the dominant influencing factor in the value for money equation is the high cost of travel. Passengers in the focus groups made it very clear that, in the current climate of wage restraint and real terms reductions in living standards, fare increases of any sort are difficult to bear.

Since fares are very likely to continue rising, service providers need to work harder to show improvements in other areas to help mitigate the level of dissatisfaction with fares inflation.

As well as giving passengers better value for money through maintaining and improving customer service standards, operators must do more to address some of the specific things that passengers perceive as providing poor value for money.

Demonstrating value for money does not necessarily require spending large sums of money, indeed quite the opposite in many respects. This research showed that the industry is not very good at giving clear information to passengers about the additional value they could get from tickets they have already bought, or about how large scale investment will help to improve the journey experience for passengers.

Network Rail and the train operating companies (TOCs) could do a lot more to demonstrate how the many improvement projects they have underway will actually benefit passengers rather than just cause them major inconvenience.

There were frequent indications that TfL are doing better in this respect and that their high profile investment in, for example, upgrading the Underground is helping to improve the overall impression of their services. However, the research also highlighted evidence of missed opportunities in relation to Oyster communications that might represent a 'quick win' for consumers.

Factors that impact on the passenger and journey environment, such as rolling stock layout and the provision of 'free to ticket holder' toilet facilities at stations and interchanges can make a significant contribution to value for money perceptions, especially for National Rail passengers. Passengers also clearly value the availability of WiFi at stations.

The research indicates a range of actions that operators can take to improve consumers' view of the value for money they receive:

1. Improve awareness of what is on offer

- Promote the benefits of registering Oyster PAYG cards, as many passengers are unaware of this facility, and encourage proactive outbound communications from TfL to help passengers save money. Better publicise the discounts available with annual Travelcards.
- Dispel the myths surrounding some rail fares by giving clearer information about the 12 week advance ticket booking window and the availability of advance fares that are not only available online.
- Give passengers more information about advance fares and improve awareness of TfL and Oyster PAYG fares, with greater clarity about who is responsible for these and more promotion of the discounts available.
- Better publicise improvement works to let passengers know what is happening and what the benefits for them will be, especially when these are not immediately visible or apparent.

2. Make ticket buying easier

- Introduce the facility to put a one-day Travelcard onto an Oyster PAYG card to improve consistency with other Travelcards and give clearer information on how the Oyster PAYG cap will be applied. Improving passengers' understanding of how the cap works will remove their confusion and put their minds at ease that the daily Oyster PAYG cap will be applied to their journeys.

- Provide an option to pay for an annual season ticket in monthly instalments to increase accessibility of benefits to those unable to afford to pay a lump sum. Operators might wish to investigate ways of helping passengers spread the cost of transport drawing on the experience of other sectors such as energy and insurance.

- Develop a smartphone app to provide a more convenient way to top up Oyster PAYG balances and allow passengers to immediately identify unexpected (incomplete) journey charges which have been applied.

3. Improve the travelling experience

- Address ‘hygiene factors’ such as: charges for the use of toilets at major stations and interchanges; perceived anti-social behaviour on buses and poor layout of carriages and stations that passengers associate with poor value for money.

- Continue to increase investment in accessibility, especially in small scale improvements that will help people with mobility impairments.

2 Research objectives and methods

In March 2013, London TravelWatch commissioned AECOM to conduct qualitative research using focus groups comprised of representative groups of passengers with regular experience of making commuting and leisure journeys on National Rail, London Underground, DLR, buses and London Tramlink services.

The main objective of the research was to understand passenger perceptions of the value for money that they are getting in relation to journeys made in and around London by public transport. The research also set out to identify (rather than quantify) the factors likely to exert a strong positive or negative influence on these perceptions.

The project was intended to help expand understanding of the background and reasoning for customer satisfaction survey data regularly compiled by TfL and Passenger Focus, and to understand the background to any poor satisfaction levels amongst London commuters and other passengers.

The overall aim of this research was to explore what would need to be changed to improve passenger attitudes to value for money and satisfaction with value for money on public transport in London. The research set out to investigate, in detail, the value for money equation from a customer perspective; such as awareness of the type and range of season tickets available, use of Oyster Pay PAYG and discounted tickets. The research also covered in less detail the impact of brand perceptions on value for money and factors relating to the journey experience and passenger environment.

The specific research objectives of the project were:

- to assess passengers' awareness of the ticket options available
- to understand what value for money means in a fares context
- to identify which factors contribute to value for money perceptions
- to evaluate the impact of journey and passenger environment issues on value for money perceptions
- to explore brand perceptions and the extent to which these impact on perceived value for money.

A qualitative approach was adopted comprising six, two hour focus groups in order to reflect the views of a broad range of passengers, journey types and modes of public transport in London. The groups included regular commuters as well as leisure travellers and the demographic profile of the focus groups reflected London's population.

The sample was constructed to represent the views of passengers using daily, weekly, monthly and annual season tickets and Oyster PAYG, and travelling by National Rail, Underground, buses and trams in and around London.

Group discussions were conducted in Central London, Wimbledon and Croydon.

Full details of the sample structure are outlined in Appendix B. The research approach adopted for this study was qualitative rather than quantitative because the primary objective was to gain insights from passengers and an understanding of their attitudes to value for money issues, rather than to provide a measurement of them. The intention was to include a cross section of users of TOCs and service providers in the London area rather than attempting to represent all of them equally within the research. The sample size and structure was designed to be sufficiently robust to have confidence in the findings which should be regarded as indicative of the views of public transport users rather than statistically significant.

3 Ticket options

3.1 Planning and purchasing

Understandably, there were significant differences between the views of leisure users and commuters participating in the focus groups in their attitudes and approach to the process of planning and purchasing tickets for the journeys they were making.

Leisure users tended to acknowledge that they could take advantage of cheaper ticket options, primarily since they would have sufficient flexibility to avoid making journeys at peak times. Furthermore, the ability to plan ahead meant that they could also take advantage of advance fares when making longer-distance journeys by rail. This meant that planning for this type of journey was always an important consideration in terms of accessing deals that impacted positively on value for money perceptions.

However, it was notable that the same level of thought did not apply to most day trips made in the London area, even when the cost of these could be considerable for those with large families. Instead the common tendency was to default to the ticket type that was most familiar, either Oyster PAYG or paper Travelcards, with little consideration or awareness of whether one might be cheaper than the other. Discussion in the sessions also revealed that some people were unaware of their eligibility for Railcards and the extent of the cost-savings that these could represent.

Commuters recognised that they were at the opposite end of this spectrum. Consistent with previous research[1] conducted in this area, they recognised that their circumstances mean that they are penalised by the combined effect of having to pay the maximum fare for their journey to and from work while also suffering the worst of the travelling conditions. Although ticket planning was less of an issue for commuters in terms of options available, there was some evidence to suggest that the current economic climate was making passengers think more carefully about the affordability of season tickets.

"If you are a commuter you are paying a premium to have the worst travelling conditions but you have to make it cheaper for the people who don't have to travel in to work at that time of day." [Leisure user, Croydon]

"In the rush hour you have to put up with cancelled trains and being late for work all the time or otherwise the trains leave early which is just as bad if you are running to a timetable." [Commuter, Wimbledon]

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[1] This research forms part of Passenger Focus' response to the Government's rail fares and ticketing review June 2012: http://tinyurl.com/o2597oy

3.2 Season tickets

Given that the focus of this research was to understand value for money perceptions and how they were affected, the participants recognised that season tickets were seen as having a central role to play among commuters and, spontaneously, a number of advantages of using season tickets were acknowledged across the focus group sample.

Using a season ticket was generally agreed to represent the most convenient ticketing solution for regular commuters due to the fact that it minimised the frequency of paying for travel and therefore removed much of the hassle associated with ticket planning and purchasing.

Using a Travelcard[2] was felt to be the most flexible option available since passengers were aware that the ticket would be valid on all forms of transport (within the specified zones), rather than needing to worry about whether an alternative would be accepted on an unfamiliar mode used less frequently, such as DLR or London Tramlink.

> *"I like the fact that I can just jump on public transport at the weekend if I'm going out because it's all done and paid for so you can use it as much as you want." [National Rail (NR) commuter, Croydon]*

Using any type of Travelcard (including a one-day Travelcard) meant that the user could be sure of avoiding some of the problems and uncertainties associated with Oyster PAYG, especially in relation to the daily cap being applied and confusion about what to do at certain interchanges.

> *"If I buy a Travelcard I know it will work without any hassle but if I put the same amount on my Oyster, I'm always worried it won't let me through when there's a big queue of people behind me so it's a load of stress." [London Underground (LUL) commuter, London]*

Using a season ticket was also recognised as being the cheapest way to travel for those commuting to work more than three times a week.

> *"My Gold Card is better value for money than a weekly or monthly pass would be and I can also use it at the weekend and can get a third off the cost of travel for other members of my family. There's also the convenience of not needing to buy a ticket every week or month." [NR commuter, London]*

Interestingly however, in spite of the heightened cost sensitivities that are a consequence of the prolonged economic downturn, accurate levels of knowledge and awareness of the financial benefits of season tickets were

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[2] A Travelcard is valid for travel on any mode across two or more fare zones in London: www.nationalrail.co.uk/times_fares/ticket_types/46575.aspx

relatively low across the sample. Most assumed that there would be a correlation between the term of the ticket and the extent of the cost saving but none were able to explain or quantify this with any degree of confidence. This was perhaps best illustrated by discussions surrounding the annual season ticket or Gold Card; all agreed that this would represent the maximum cost saving but no one was sure of the extent of this, including those currently using this ticket type. The majority tended to assume that an annual season ticket would allow 52 week's travel for the cost of 48[3], effectively giving a benefit of one month free, although there was some doubt as to whether the discount would be this generous. Most other estimates were more conservative.

"I don't know whether it would be cost-effective for me to get an annual pass because what happens when you are on holiday or not going into work for other reasons?" [NR commuter, London]

"I have never looked into it but I would assume that you get 52 weeks for the cost of 48 or 50 weeks. I imagine you would get two weeks free because four weeks free would be too good to be true." [NR commuter, London]

"I used to get a zone 1 and 2 pass and it was the same cost to buy it on a weekly basis as it would have been to buy it annually so the annual one was more expensive because I would be paying for the weeks when I was on holiday. There was no saving if I bought a monthly or annual pass." [NR commuter, Croydon]

"I don't believe that you would get 52 weeks for the cost of 40 with an annual season ticket, that sounds like an exaggeration. I think that must be due to the fact that you can use it at the weekend rather than just Monday to Friday." [NR commuter, Croydon]

Participants were therefore surprised to discover that the annual season ticket was based on the cost of travel for 40 weeks and this had the effect of increasing levels of interest in this product significantly, at least at a theoretical level. Most who expressed an interest in acquiring an annual pass claimed these benefits to be unattainable due to affordability issues. Unless an employer offered the facility to pay on a monthly basis through a loan scheme, the financial outlay required was felt to be unrealistic for most participants. In the absence of such a repayment scheme from her employer or anywhere else, one person had recently applied for a credit card offering a 0% interest period on purchases to enable her to buy an annual pass and spread the cost over a number of months. Operators could build on this idea by providing links to websites which offer information on ways passengers can spread the cost of buying a season ticket. This would give more flexibility and protection to passengers than at present.

[3] An annual season ticket is actually based on the cost of 40 weeks' travel.

"I would love to be able to get the additional benefits of an annual ticket but I would never be in a position to be able to pay that amount up front. I would definitely do that if there was a way of being able to pay for it on a monthly basis." [NR commuter, Croydon]

"I would like to get an annual pass because it works out cheaper but my employer doesn't operate a loan scheme so I can't afford to pay that much upfront." [NR commuter, London]

"I pay my car insurance on a monthly basis because it helps me to be able to spread the payments over the year. If I could pay for an annual pass in the same way it would appeal to me because I would be getting a good deal and paying a manageable amount for me so I would be more in control. It would give me an option I haven't got at the moment. If I had to pay the council tax and all my bills as a lump sum I would be homeless." [NR commuter, London]

"Travel is one of my biggest expenses after rent and food so any help I could get with making it easier to pay and making my money go further would be welcome." [NR commuter, London]

In addition to the affordability issue, a further barrier to accessing the financial advantages of an annual season ticket was identified. Even if a monthly payment facility was available, some claimed they would be reluctant to commit themselves to an annual ticket due to concerns caused by lack of job security in the current climate of economic uncertainty. For daily commuters, this tended to exacerbate the perceptions of being unfairly penalised by the premium price of using public transport in London.

"I'm working full-time but it would be a big bundle of money to pay in one go for an annual pass and it's too big a commitment as well, you don't know what the future holds." [LUL commuter, London]

Three further knowledge gaps were identified that meant that the full value for money potential offered by season tickets was not appreciated by passengers, including those who had been using these ticket types for some time:

Firstly, some were using paper Travelcards since they were unaware that a period pass could be loaded onto an Oyster card.

"I have to get a paper Gold Card because I pay work back for it every month so I wouldn't be able to do that if I had an annual ticket on an Oyster would I? [NR commuter, Croydon]

Secondly, there was confusion among those who used a season ticket for their commute and also used Oyster PAYG for journeys to other parts of London regarding the most efficient way to cope with multiple ticket needs. The main issue in this respect was the universal lack of awareness that a season ticket and a PAYG facility could be loaded onto the same card and a failure to understand how this would work in practice.

"I don't understand how it would work if the season ticket for my train journey is on my Oyster because I sometimes just want to jump on a bus so how would it know the difference between the season ticket and the PAYG bit?" [NR commuter, Croydon]

Thirdly, many had no idea about the additional benefits and cost-savings available to Gold Card[4] holders and were therefore surprised to learn in the sessions that the value for money offered by this type of ticket was enhanced by, for example, the facility to get discounts when travelling with other family members. This was further complicated by a lack of understanding about whether the same range of benefits would be available if the season ticket was held as a paper ticket or on an Oyster card.

"That's another reason why I don't have my annual pass on an Oyster card because I thought I would lose the Gold Card benefits and discounts" [NR commuter, Croydon]

3.3 Oyster PAYG

It is important to preface this section by stating that findings in relation to Oyster PAYG were broadly consistent with other recent research conducted by AECOM for London TravelWatch[5] on the subject of fares and ticketing. Most passengers recognise that Oyster PAYG is the cheapest way to make journeys in London for those who would not derive full benefit from a season ticket such as infrequent commuters and leisure users. However, since the issue of value for money was the main theme of this research, Oyster PAYG and spontaneous perceptions of it were subject to more detailed scrutiny by the focus group participants. Subsequently, it transpired that there are a number of knowledge and information gaps that mean that the full value potential of Oyster (both PAYG and Travelcard products) is not always being realised by passengers.

Although Oyster products are usually believed to be the cheapest way to travel in London and therefore tend to be the default choice for many, this is in reality only in direct comparison to the cash fare for the same journey. In the environment of a focus group in which participants are asked to consider value for money issues, it was often possible to conclude that Oyster PAYG is seen as the standard rather than the discounted fare in relation to the cash fare, which represents extremely poor value for money.

"Tramlink and buses are good value for money as long as you use your Oyster card but if you pay cash it's an absolute rip-off." [NR commuter, Croydon]

[4] Gold cards are automatically issued with annual season tickets. They give discounts on other rail journeys for the holder and others.
[5] Research on (a) passengers' ticket purchasing and journey experiences: www.londontravelwatch.org.uk/document/14360/get and (b) incomplete Oyster PAYG journeys: http://www.londontravelwatch.org.uk/document/13964/get

"If you get caught with no credit on your Oyster and have to pay cash on a bus you feel like you've been fleeced if you have to hand over £2.40." [NR commuter, London]

"You can get a bus from Croydon to Trafalgar Square[6] for £1.40 and if you have kids with you they travel free so that's fantastic value for money." [Leisure user, Croydon]

When pressed further, perceptions of Oyster PAYG could be perceived to exist on a spectrum, rather than being fixed in terms of value offered. In relation to specific modes of transport:

1. Using Oyster PAYG on London Tramlink was agreed to represent best value for money at the flat fare of £1.40 for a journey of any length on any number of trams within a 70 minute period at any time of day.

2. Using Oyster PAYG for bus journeys at £1.40 could be regarded as good value, depending on the distance travelled, since this fare applies to each bus used rather than being for the length of journey.

3. The cost of travelling by London Underground depends on the number of zones travelled through rather than the length of journey so this could mean that there is little correlation between cost and distance travelled.

4. Finally the majority of participants thought there to be minimal, if any, discount available when using Oyster PAYG on National Rail services.

"Buses are good value for money if you use an Oyster card because the fare is only £1.40 or something but otherwise you have to pay £2 or £3." [LUL commuter, London]

"On the trams you only get charged the cost of one journey, even if you need to change trams, but on the bus it doesn't work like that and you get charged each time you get on." [Leisure user, Croydon]

During the course of the discussions there were a number of other issues in relation to Oyster PAYG that were felt to have a negative impact on overall value perceptions among users. These were broadly consistent with recent research conducted by London TravelWatch and can be broadly categorised as follows:

1. Awareness of the cost of making journeys by Oyster PAYG tends to be low. Many claimed to have no interest in knowing the cost of individual journeys since it is assumed that Oyster PAYG is the cheapest way to travel, but this can mean that the opportunity to reinforce the low cost of journeys in the minds of Oyster PAYG users is being missed.

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[6] This is not strictly true, a bus journey from Croydon to Trafalgar Square would now normally involve a change en route.

"The information on fares is there if you want to look for it but it's not always obvious. I want to get an app that would show me the cost but I don't seem to be able to get one for my BlackBerry for some reason." [NR commuter, London]

"I think the fact that we have been talking about using Oyster for 10 minutes shows that no one really knows how much it costs to use. I find it really confusing and it really annoys me." [LUL commuter, London]

"You only know how much it has cost at the end of the journey. You could ask a member of staff or check on a ticket machine but that would only give you the cash fare rather than the cost of using Oyster." [Commuter, Wimbledon]

2. There was some confusion over the definition of peak and off-peak fares and indeed about whether these would even be charged at different rates when using Oyster PAYG. Those who knew about the differential were unsure about the details of the fares that would apply at different times of the day.

"Off-peak starts at 10am and then again at 5pm unless you've got an off-peak Travelcard and then you can travel on any train until 4am the next morning." [Leisure user, Croydon]

3. The issues were further exacerbated by uncertainty about whether it is possible to load a one-day Travelcard onto an Oyster card. Some believed they were doing this by crediting the Oyster card with the cost of a Travelcard and others knew that this was, in fact, not possible. This demonstrated either a fundamental misunderstanding of the way in which the daily cap works or caused passengers to question whether it would be cheaper to use an off-peak Travelcard than Oyster PAYG if journeys were being made during the evening peak, especially by National Rail.

4. None of the participants were aware of the differential between the cost of a one day Travelcard and using Oyster PAYG for multiple journeys around London in one day. All assumed that the cost would be the same and a few claimed to 'know' that the cost of using Oyster PAYG was capped at the same cost as a paper Travelcard.[7]

"The cost of using Oyster is the same as a Travelcard because when you use Oyster it caps at the price of a Travelcard.*" [Leisure user, Croydon]*

"Oyster is good value for money but not as good as a paper Travelcard because you always know exactly what that will end up costing you for the day." [Leisure user, Wimbledon]

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[7] Currently Oyster PAYG daily caps are set at an average of around 50p below equivalent paper daily Travelcards.

5. A further issue related to mistrust of the daily fare cap, often on the basis of past experiences of it not having been applied correctly. Once again, this was cited by passengers in the Croydon area as the reason for buying a Travelcard when making journeys into London since they were safe in the knowledge that they would never pay more for their travel than the cost of this ticket.

"I think it should never charge more than the cost of a Travelcard and I don't understand why it sometimes does. A lot of times I will be touching in and out and it will go into a minus and then I can't go anywhere." [LUL commuter, London]

"I prefer to buy a Travelcard because then I know exactly what I am being charged rather than using Oyster and then having to worry about it, but I always assumed they were the same price." [Leisure user, Croydon]

"I still prefer to buy a paper ticket when I go into London because I'm worried that Oyster won't cap off when it's supposed to." [Leisure user, Wimbledon]

"There can be problems with Oyster touching in and out. You know what you are paying with a Travelcard and it's easier if you need a receipt to claim expenses back." [Commuter, Wimbledon]

6. Some participants expressed concerns about incomplete journeys, especially when these risked being incurred as a result of uncertainties about what to do at certain interchanges (such as Wimbledon). Some said they were unaware of when the maximum fare had been applied due to not checking their balance regularly, some were unaware of the resolution options available or assumed that it was not possible to resolve something that was their fault and others claimed to 'write off' the penalty and put it down to experience. In all instances, 'incomplete journeys' continue to undermine otherwise positive value for money associations with Oyster PAYG.

"Sometimes when you are in a panic you don't realise that there is a problem until you get on a bus and the driver tells you there is no money on your card but I never know what has happened so I just forget about that £4 or whatever it is." [NR commuter, London]

Many focus group participants were unaware of the facility to register Oyster cards or were reluctant to do so (often due to having lost multiple cards and the hassle of re-registering each time or because of 'big brother' concerns). This meant that these passengers were unable to take advantage of benefits that would be likely to exert a positive influence on value for money perceptions, such as the ability to refund credit on lost cards, the facility to resolve incomplete journeys online and receiving an unexpected email from TfL to inform the user that they are entitled to compensation for a delayed journey or other unexpected refunds.

"Apparently Wimbledon station causes all sorts of problems and I got an email to say I had been overcharged by 70p even though I wasn't aware of it and hadn't complained about it." [Leisure user, Croydon]

"Now I know you can get your money back if the card is registered it makes me feel a lot safer and I would be more likely to put credit on my Oyster and use it more." [Leisure user, Croydon]

"I didn't know that you could use the auto top-up if your card is registered but I wouldn't be interested in that anyway because I would be worried about losing control." [Commuter, Wimbledon]

"I don't imagine there is a compensation scheme for Oyster users and I would be amazed if there was but it would show they cared about passengers and have a positive impact on my value for money perceptions." [Commuter, Wimbledon]

There was some feeling that the benefits are not sufficiently well advertised since TfL assumes that Oyster PAYG has now become so well established that everyone will already be familiar with them.

"I have never needed to use Oyster before but I do now and I don't know about any of the benefits. They should promote it more for non-users because I have the impression that they don't want too many people to benefit from cheaper travel." [Leisure user, Wimbledon]

4 Perceptions of value for money by mode

This section considers in more detail what passengers perceive as having positive or negative value for money impact when travelling on different modes of public transport. It also puts this in the context of feedback from other satisfaction surveys of what passengers think about value for money. Full details are given in Appendix C.

1 National Rail

At a national level, passenger satisfaction scores in relation to value for money have remained static in the recent past. This is a measurement that takes into account all journeys and the majority of rail passengers still claim to be dissatisfied with this. Scores in London and the South East are worse than the national average of 47% Discussion during the focus groups provided some insight and explanation for this and the key themes identified as having a positive or negative impact on value for money perceptions are summarised below.

Figure 1: Value for money scores by sector

Sector	% of passengers satisfied
London and South East	43
Long distance	55
Regional (non-London and South East)	57
National average	47

Passenger Focus National Passenger Survey Autumn 2012

Positive impact on value for money perceptions – National Rail

As previously reported, passengers travelling for leisure were more likely to have a positive impression of the value for money aspect of their journeys. This was true for both leisure users and commuters who were able to contrast their regular experiences as a commuter with leisure journeys they made occasionally. This differential was more noticeable for travel by National Rail rather than other modes. Perhaps unsurprisingly, therefore, the key factors highlighted as exerting a positive impact on value for money perceptions of National Rail were defined exclusively in terms of leisure use.

"Rail is the least good value for money of all the transport brands but the service from Wimbledon to Waterloo is really great and there will always be less problems for us as leisure users than for commuters who have to rely on it every day" [Leisure user, Wimbledon]

Advance fares

There was widespread awareness of cheap fares being available when booked well in advance of the date of travel, even though there was minimal knowledge that 'Advance' is the name given by the industry to tickets that are bought one or more days before travel and that give a discount over tickets sold on the day (referred to by the industry as 'walk up' fares). Nevertheless, the level of discounts available in this respect certainly has the potential to challenge conventional value for money perceptions of National Rail.

"You can get good discounts on rail tickets if you book them far enough in advance online whereas tickets to travel by TfL are always the same price and some of the train companies also do loyalty schemes that make it cheaper to travel with them next time." [NR commuter, Croydon]

"I travel all over the country and I would prefer to go by train rather than drive because it's really cheap if you book the tickets in advance and it's much quicker because it takes an hour to get to Coventry on the train and two hours in the car." [NR commuter, Croydon]

"You can get some great deals but only if you book ages in advance. I paid £18 to go to Devon and back which is much less that the petrol would have been, even for four people." [Leisure user, Wimbledon]

However, these positive associations were balanced to a certain extent by low levels of knowledge of the specific details of the advance booking system that restricted passengers from taking advantage of the best fares available. At the simplest level, none were aware that the basic fare structure comprised advance, off-peak and anytime tickets and confusion in this respect was attributed to the belief that there is no uniformity across the system since each TOC was thought to operate its own fare structure with different ticket types and names.

Additionally, there was no accurate awareness amongst focus group participants of how far in advance it is possible to purchase tickets and no mention of the 12 week window that the industry allows for passengers to purchase in advance of the day of travel. Although it was generally assumed that there should be a correlation between the cost of the ticket and how far in advance it is booked, none were certain about the way that seats are allocated by TOCs or whether the same procedure would apply to all of them. Most felt that ticket sales and prices would reflect the airline model in which the cost increases as the date of travel approaches. However, some anticipated that this would be overlaid with a supply and demand model and that it would be in the interest of the TOC to reduce the cost of any unsold tickets prior to the departure date. This uncertainty had the effect of undermining positive associations with advance fares to some extent as the chance of securing the cheapest tickets was often felt to be down to good luck rather the result of careful planning.

Ticket retailing websites

Ticket retailing websites tend to be closely associated with advance fares in the minds of passengers. The main reason for this is that the online purchasing channel has become synonymous with booking train tickets in advance, perhaps as a result of TV advertising by these websites. Many participants were unaware of these fares being available from ticket offices or other sources. Previous research has shown that consumers prefer to book tickets online due to increasing levels of confidence with other types of online purchasing and because this channel allows passengers to compare prices and familiarise themselves with terms and conditions in the unpressured environment of their own homes.

> *"I don't like it being so complicated but I would rather have a lot of choice and be able to get really cheap tickets because if you can be organised enough to book in advance it's easy enough to work it out at home online." [NR commuter, London]*

However this research has identified some evolving and potentially interesting findings in relation to consumer attitudes to ticket retailing websites. There were occasional indications to suggest that the positive associations with advance fares were being attributed to the websites from which they were purchased rather than to the TOC responsible for issuing the tickets. There are likely to be a number of explanations for this:

- consumers are confused about the structure of the industry as well as the fares that apply within it and this could contribute to a lack of clarity surrounding the way in which tickets are sourced

- there is increasing awareness that tickets are not sold exclusively by the TOC operating the service, which creates a perception of there being competition among the TOCs to sell tickets at the most favourable price

- even when there is a 'hand-off' from the retailing site to the TOC to complete the transaction, consumers can be left with the impression that it was the website that was responsible for providing access to the discounted fare.

Although there were no strong signals from the research to suggest a tangible shift in consumer opinion in this respect, there was some evidence to indicate that one of the main positive drivers of value for money in the rail industry could be moving in perceptual terms away from the TOCs towards ticket retailing websites. Certainly aggregator sites in other industries (especially finance and energy) are credited with increasing the competitiveness of suppliers operating within these sectors.

Railcards

Those participants who were using Railcards were very positive about the discounts they offered and this obviously had a favourable impact on overall value for money perceptions. However, this was balanced to some extent by the fact that many frequent rail users were unaware that they may be eligible for a Railcard or what cost-savings could be achieved when travelling with one. Furthermore, those who had a Railcard tended to associate its advantages with longer distance journeys and were often unaware that the Railcard could be used to get discounts on short trips or of the full range of other benefits such as access to third party offers and deals.

"NR have more deals like Railcards that the tube don't have so it makes travel cheaper. I used to have one when I was younger and I think that they have them for old people too." [LUL commuter, London]

"If you book in advance it is much cheaper and I've got a Family and Friends Railcard which brings the price down considerably." [Leisure user, Croydon]

"A Family and Friends railcard is really good value because you get a good discount and you don't need to prove that you are all in the same family so I use it to take my nephew and niece out." [Leisure user, Wimbledon]

Negative impact on value for money perceptions – National Rail

Participants in the two focus groups of regular rail commuters were most dissatisfied with the value for money they perceived they were getting for the journeys they were making. This is consistent with previous work conducted in this respect but a couple of more contemporary issues were also identified.

Attitudes towards the punctuality and reliability of services remain unchanged. The key problem for TOCs in this respect is that this is considered to be such a fundamental requirement of commuter services that it has the status of being a hygiene factor; this means that when things work well and according to plan there is no positive impact on perceptions but problems experienced can have a major negative impact. The quality and quantity of information available to passengers can help to mitigate problems in this area, but this research indicates that this remains an area in which rail services are likely to perform less well than other modes of transport.

"When the Underground has delays it's usually for five or 10 minutes but if there are problems with the trains it will be a proper delay and it can be for a couple of hours. Trains are more susceptible to delays because the tube is usually signal failure but it can be all sorts of things on the trains like cable theft and things like that." [LUL commuter, London]

Commuters always report lower levels of satisfaction with value for money than other groups of passengers and the differential tends to be especially acute in the London area. Passengers also felt that they were penalised in relation to the cost of their journeys, especially since these needed to be made at times when the worst travelling conditions would be experienced. These problems were exacerbated by the current economic climate which is clearly having the effect of making these circumstances more difficult to tolerate than usual.

Tickets bought on the day of travel

A disadvantage arising from advance fares is that passengers' experiences of using them creates dissatisfaction with the purchase of tickets bought on the day of travel which are thought to represent extremely poor value for money in relative terms.

> *"I have turned up on the day and bought a ticket but I won't do it anymore because of the cost so now I always try to plan in advance because there's no way I will pay those prices. It would be cheaper to fly." [NR commuter, London]*

There was further evidence to suggest that (mis)perceptions around tickets purchased on the day can have a negative impact on value in other respects. Most passengers accept that fares will be more expensive on occasions when pre-planning has not been possible but the problem for TOCs is the lack of understanding among passengers about such fares. Most assume that buying tickets from a station will always be the most expensive channel since there is minimal recognition that discounted tickets are also available through this channel as they are so closely linked with online retailers. There is little evidence of current awareness of all fares being available through all channels. Awareness of 'online exclusives' means that cheap deals are associated with websites while stations have become synonymous with the most expensive tickets.

Complexity

Rail travel is perceived as being more complex than other modes and this can create dissatisfaction in other areas in addition to value for money. Passengers recognise that the size of the network and number of service providers causes difficulties in this respect but they do not accept that they should be adversely affected or penalised for this.

There is minimal understanding of how the fare structure works and rail users often assume that all TOCs operate different systems and that they as passengers are the victims of this in terms of possibly not being able to achieve best value for money. Most people are unaware of how to ensure that the cheapest fares are obtained and when this happens it tends to be attributed to good luck rather than good judgement based on accurate knowledge of the system. The picture can be further complicated by experiences of Megatrain[8] which appears to operate an independent pricing structure and unusual ticket offers such as off-peak fares that are valid during peak times.

[8] Web-based fares only available on certain South West Trains services.

"I have used a Super Saver and there is an Advance something but I thought they varied for every train company, I didn't realise they were standardised." [NR commuter, London]

"It's a bit of a lottery because it varies every time so you have to check all the dates and times and singles and returns and sometimes a First Class ticket can be cheaper than a Standard." [Leisure user, Croydon]

"It's not so cheap if you can't book three months in advance but I think that sometimes there are cheaper tickets available nearer the time if there are seats available but I don't know how that works." [Leisure user, Wimbledon]

"Travelling by train is a minefield and there are so many different options you have to be aware of and Ts and Cs. I know it's cheaper if you book in advance but I don't know whether the maximum period is three or six months so I'm not sure of the rules or how to get the best deals." [Commuter, Wimbledon]

Imagery

There were some indications to suggest that image associations of National Rail can have an adverse impact on user perceptions in a number of ways, including the extent to which value for money is likely to be derived.

There was confusion by focus group participants regarding the status of the National Rail brand, which is especially closely linked to the logo. The double arrow is often associated with British Rail and many are unsure whether there is any difference between this and National Rail (or indeed, Network Rail). This can have the effect of making the industry feel old-fashioned by appearing to want to cling to values that pre-date privatisation. This was manifest on occasions by less frequent rail users whose perceptions of rail travel appeared to be rooted in the past rather than based on the reality of the current situation. For example, some claimed to be reluctant to pay a lot of money to travel in outdated and poor-quality rolling stock with slam-doors on routes where these disappeared years ago.

2 London Underground

Passenger satisfaction with London Underground services is much higher than for National Rail or buses in London but slightly lower than for trams. No value for money statistics are available for London Underground but given the overall satisfaction scores it is likely that that perceptions of value for money would be significantly higher than for National Rail.

Figure 2: London Underground satisfaction scores

	2011/12 Q4	2012/13 Q1	2012/13 Q2	2012/13 Q3
Overall satisfaction	80	82	82	84

TfL customer satisfaction survey research (London Underground) 2012/13

Positive impact on value for money perceptions – London Underground

Service reliability

Even those participants who were least positive about the travelling environment acknowledged service reliability to be a major contributor to overall value perceptions of London Underground. All were extremely positive about the ease of using the system to access almost all areas of London and reliability was thought to be an important element of this. Participants talked positively about not needing to worry about timetables and the reassurance of never needing to wait for long for the next train, even when one had just been missed.

> *"If you miss a tube you only have to wait a couple of minutes for the next one but if I miss a train I have to wait half an hour." [LUL commuter, London]*

In the event of experiencing problems or delays, Passenger Information Systems (PIS) were usually considered to have been accurate and reliable, from past experience. Furthermore, there was a commonly held belief that significant problems were much less likely to occur on the Underground than when using National Rail and that because services were subject to less severe incidents then the time taken to resolve them was less likely to have a major impact on journey times.

Investment

Investment in infrastructure was frequently mentioned in the context of value for money, even though this was often felt to be an intangible variable that was difficult to justify or substantiate. In addition to recognising that ongoing investment is required in order to ensure that services are maintained and modernised, this was often expressed in terms of passengers wanting to have visible evidence of how the money they paid in fares was being spent.

London Underground tended to benefit in this respect from a perception that money was being spent on high-profile projects to improve the experience for users. Participants talked about improvements to certain lines, stations and rolling stock, in addition to other specific initiatives that had made a positive impact as mentioned below. Interestingly, this tended to be in contrast to investment on National Rail that was more likely to be viewed in terms of engineering works that caused inconvenience for passengers or improvements to stations such as King's Cross and St. Pancras that were felt to be focused on cosmetic rather than functional benefits.

> *"It looks nice when they spend a fortune putting glass ceilings in train stations but I would prefer the benefits to be something that will be more tangible for me as a passenger." [NR commuter, Croydon]*

WiFi

This was one of the most frequently mentioned current examples of investment that had a positive impact on value for money perceptions of using the Underground by focus group participants. Although knowledge of specific details was somewhat limited, the perception was that London Underground are in the process of rolling-out the facility to make WiFi available across the network free of charge to passengers[9] (some TOCs were known to charge for this).

This created the expectation that the quality of Underground journeys will be enhanced in future by allowing passengers to use laptops, tablets and other devices to access the internet during their journeys, whether for work or leisure purposes. It should be noted that a clear distinction was made in this respect with latent awareness of rumours in the media that it may be possible to locate transmitters for mobile phone signals underground which was anticipated to have a major negative impact if passengers were able to make phone calls across all parts of the network.

> *"Some stations now have WiFi so it would be great if that was everywhere because you could do more things on your way to work to make your journey more bearable when you are in your own little zone." [LUL commuter, London]*

> *"With WiFi you could go online, send emails, look at Facebook and all sorts of things. You could also look at a map to see where you need to go rather than needing to look for somewhere outside the station." [LUL commuter, London]*

> *"Having free WiFi in zone 1 now is brilliant. I just hope they don't allow you to get a phone signal down there or everyone will be on their mobile phones." [Leisure user, Wimbledon]*

Platform safety

Although not a major theme in the research, this is provided as another example of investment that was cited by participants as exerting a positive impact on value for money perceptions of London Underground users.

In one of the focus groups, participants talked positively about the glass doors on the platforms of certain stations on the Jubilee Line. These were felt to have been a sensible addition that provides a tangible benefit for passengers and it was agreed that this safety feature would be a welcome addition to busy stations in central London, especially those that are most likely to suffer with problems of overcrowding with commuters or tourists.

[9] This is currently available free for Virgin Media, Everything Everywhere, T-Mobile, Orange, Vodafone and O2 customers but charges apply to passengers who do not use these providers.

"The glass doors are a good example of what LU should be spending their money on because they make you feel so much safer. I think they should be at all stations and especially places like Oxford Circus and Piccadilly Circus because they get so busy." [LUL commuter, London]

"At some of the Jubilee line stations they have glass doors on the platform which are a great idea and a safety feature." [Commuter, Wimbledon]

Negative impact on value for money perceptions – London Underground

Overcrowding

This was identified as the main cause for dissatisfaction among users, especially the group who were recruited on the basis of using London Underground as their main mode for commuting journeys. Interestingly, these participants perceived their travelling conditions to be much worse than those for rail users, although the overall value for money equation should have been influenced by the fact that they were usually paying less and making shorter journeys.

Lack of facilities

In contrast to National Rail, and bus to a lesser extent, the Underground was felt to be missing basic facilities that can exert a significant impact on value for money perceptions. In the context of discussions regarding overcrowding in the summer months, air conditioning was felt to be the most obvious omission in this respect. For some users, the lack of toilets on trains and at most stations was recognised as being a factor that could have considerable value for money consequences in certain circumstances.

"Value for money on London Underground is rubbish compared to National Rail because it's overcrowded and you can never get a seat, it's really busy and the trains are always late and there's no air conditioning." [LUL commuter, London]

Night service

Positive views regarding service reliability were undermined to a certain extent by feelings that there is currently a large gap in the service provision. Some thought it was surprising and unacceptable that there is no night service on the Underground, especially in direct comparison to other modes including buses and National Rail. The general consensus was therefore that a 24 hour city such as London should run services through the night (as was known to be the case in some other countries) and some participants indicated that they would be willing to pay more to do this.

> *"The only problem with the transport in London is that it shuts down too early at night. It should keep running all the time because London is a 24 hour city." [LUL commuter, London]*

3 London Buses

Satisfaction with value for money for buses in London is high in relation to National Rail usage but still low compared to other factors measured in TfL's quarterly surveys, ranging from 66% to 71% between the last quarter of 2011/12 and the third quarter of 2012/13. Satisfaction with other factors over this period was above 80% in nearly every case.

Figure 3: London Buses value for money scores

	2011/12 Q4	2012/13 Q1	2012/13 Q2	2012/13 Q3
Overall satisfaction	81	82	82	81
Value for money	66	67	71	69

TfL customer satisfaction survey research (London Buses) 2012/13

Positive impact on value for money perceptions - buses

Oyster fare

As noted above Oyster PAYG fares tended to be perceived by focus group participants as the standard fare for journeys in London rather than a discounted rate. Nevertheless, the flat bus fare of £1.40 was felt to offer good value for money in most circumstances, especially when travelling long distances on the same route (without needing to change bus). The fact that the same fare applies during peak and off-peak periods contributed to this positive impression (even though this was not universally known) and was thought to offer the additional benefit of ensuring simplicity within the fare structure.

A small minority of participants suggested that it would be preferable to charge based on the length of journey as a fairer way of ensuring that passengers would get better value for money. However, it transpired in the general discussion that this suggestion was based on the assumption that the maximum fare would be £1.40 for the longest possible journey and that the cost to travel shorter distances would be calculated on a pro rata basis.

Passenger information

Previous research for London TravelWatch[10] showed that users were very positive regarding 'countdown' signs at bus stops that had helped to remove the uncertainty about the interval between services and this view was confirmed in this research. In a specific value for money context, this was felt to be useful in helping passengers to decide whether to wait for the next bus or to use an alternative mode of transport, especially in the event of delays. One or two participants also claimed to have decided to walk relatively short distances rather than wait for a bus on the basis of this information.

Negative impact on value for money perceptions - buses

On balance, it tended to be easier for participants to identify factors that had a negative influence on value for money perceptions of travelling by bus. However, it is important to note that this does not mean that buses were thought to represent poor value for money overall, but that there are three issues that individually or in combination have the potential to create dissatisfaction: service delays, anti-social behaviour and cleanliness.

Delays

Participants recognised that buses were more susceptible to journey time problems than other modes and therefore were more likely to regard this as having a negative impact on the value equation. This was primarily due to the ratio of stops to distance travelled being higher for buses than other modes; exacerbated by the perception that bus journeys in London were more likely to be subject to traffic delays than other modes.

Anti-social behaviour

There was universal agreement among participants that anti-social behaviour has a negative impact whenever it is experienced, irrespective of mode or context. However, anti-social behaviour on buses was of more concern to participants than on any other mode. Participants tended to recognise that this problem was partly related to the stereotypical bus user profile which was assumed to be dominated by young people (as well as older people using free bus passes). Anti-social behaviour ranged from relatively minor incidents such as passengers playing music too loud or without headphones to more serious situations involving theft or violence which is threatening and intimidating.

> *"I live in Tottenham and every time I get on a bus there is always some problem with someone arguing, or playing their music too loud or someone has had their phone nicked or someone hasn't paid and the driver has to get involved." [LUL commuter, London]*

[10] Bus passenger priorities for improvement in London (2010): www.londontravelwatch.org.uk/document/4152/get

Most acknowledged that drivers were usually powerless to do anything or not prepared to intervene and this tended to heighten the sense of insecurity when travelling by bus, to the extent that some claimed to be reluctant to choose this mode if they were alone, especially late at night. Some felt that this was a common enough problem to consider the need for another member of staff to travel on double-deck buses or even for a more visible law enforcement presence on certain routes or services that were known to be problematic.

> *"Buses are cheaper but they take longer and they are quite rough. There always seems to be problems on the bus and I always feel a bit wary of getting on one. In order to get value for money from a bus journey I would want a police officer to be on the bus." [LUL commuter, London]*

Cleanliness

Cleanliness of buses was a problem that was closely related to the issue of anti-social behaviour. At an immediate level, participants complained about litter being a constant problem on buses, especially food and food wrappers or cartons being left on seats. At a secondary level, this also implies insufficient resources being devoted to keeping buses clean. This was a particularly good example of a problem that causes dissatisfaction among users and the implications of it then have a more fundamental impact on value associations.

> *"My trains are pretty good because as soon as they arrive someone gets on to clean them so I think trains are much better than buses, especially night buses, which are always covered with kebab stuff and wrappers and chips and that's what makes it poor value for money for me." [NR commuter, London]*

4 London Tramlink

Value for money ratings among tram users are closer to the overall satisfaction score than the respective ratings given by bus passengers, although there is still clearly room for improvement.

Figure 4: London Tramlink value for money scores

	2010/11			2011/12				2012/13		
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Overall satisfaction	85	84	84	86	86	83	87	90	87	89
Value for money	78	78	72	73	75	72	73	75	81	77

TfL customer satisfaction survey research (Tramlink) 2012/13

Positive impact on value for money perceptions - trams

Some of the factors which influenced positive value for money perceptions related to both tram and bus travel, although tram users tended to give higher scores. The key themes can be summarised as follows:

Reliability

As discussed in relation to rail, service reliability is an area in which it is difficult to create a positive impression on users and very easy to cause dissatisfaction when problems are experienced. However, the absence of poor experiences in this aspect of service delivery among the tram users in the sample meant that this was more likely to exert a favourable rather than negative impact on perceptions of value for money.

Participants felt that PISs at tram stops were equally reliable in that the details provided relating to destination and arrival time tended to be more accurate than general experiences of using National Rail or buses.

Cost

Positive user perceptions were reinforced by the fact that tram journeys were considered to be reasonably priced. The flat fare of £1.40 was felt to be even more attractive than for bus travel since this represents the cost for the total journey within a 70 minute time period, rather than the cost to be paid for each tram used.

> *"Trams are brilliant value for money because you pay one fare and can go a really long way and the service is really frequent and reliable." [Leisure user, Wimbledon]*

Once again, Oyster PAYG fares tended to be perceived by focus group participants as the standard fare for journeys in London rather than a discounted rate and to be the same for peak and off-peak journeys.

Revenue protection

Regular tram users in the focus groups were aware from experience that revenue protection and police officers have a high-profile presence across the tram network. This was generally considered to be a necessary and welcome addition to journeys given the relative ease with which it would otherwise be possible to travel without having bought a ticket or touching in at the tram stop if using Oyster PAYG. Passengers recognised that this has a directly positive impact on value for money perceptions since it was felt to minimise the likelihood of TfL needing to increase fares in order to recover the cost of what was being lost through fare-dodging.

It was also noted that the revenue protection issue fulfilled to some extent the role that bus users requested in terms of providing a deterrent to anti-social behaviour.

> *"The trams are very good and very efficient but they are also very busy so you won't get a seat but I feel safer using them than buses because there are always a lot of ticket inspectors and police on the routes." [Leisure user, Croydon]*

Negative impact on value for money perceptions - trams

Limited network

There was nothing overtly cited in the discussions by tram users as having a negative impact on their value perceptions of the service. As an illustration of the high general levels of satisfaction in this respect, the only issue raised was a feeling of disappointment at the current limitations of the network and positive responses to the proposals to extend it to other areas of south London.

5 General findings across all modes

In addition to the modal specifics explained above, there were a number of broader themes developed through discussion in all the focus groups that were felt to have a negative impact on overall value for money perceptions, all of which relate to the cost of travel in London.

Zone 1 travel

Commuters in the focus groups understood the rationale for premium pricing for travel in Zone 1, but this did not prevent them from feeling penalised by this aspect of the fare structure in the context of their travel to and from work. The key issue in this respect is that for many people in the Greater London area, commuting journeys are considered to be compulsory rather than discretionary and the majority of these require travel within Zone 1.

> *"They have you snookered if you work in central London because they know people have to use public transport so they just keep putting the fares up and know people will have to pay it." [NR commuter, Croydon]*

There was some feeling that service providers were able to take advantage of this situation through what were felt to be disproportionately high fares for this part of London, especially in relation to the geographical size of the zone. This view tended to be exacerbated by the limited knowledge of ways in which Zone 1 costs could be avoided, based on personal experiences of participants that were shared during the sessions. For example, one commuter from Croydon explained how she had been travelling by train to London Victoria then going by Underground to Vauxhall for many years until a colleague at work explained how to change trains at Clapham Junction to avoid going into Zone 1.

This is consistent with recent research conducted for London TravelWatch[11], which highlighted that there was limited awareness of the ability to travel round rather than through Zone 1 in order to avoid incurring the more expensive cost of this part of the journey (i.e. paying less to make longer journeys), although this point was not raised spontaneously on this occasion.

Peak fares

Attitudes amongst focus group participants on the subject of peak fares were similar to those raised in relation to Zone 1 travel in that this was something that commuters felt unfairly penalised by. Rather than being prepared to accept the cost differential being based on the principle of supply and demand, many felt that they were being exploited by a system that was designed to take advantage of employers' inflexible working arrangements. This was most acutely felt among younger workers and those on lower

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[11] Passengers' ticket purchasing and journey experiences July 2013: www.londontravelwatch.org.uk/document/14360/get

wages who tended not to be in a strong position to negotiate alternative working hours and were also least well able to afford to travel during peak times.

Strong negative views on this subject were occasionally fuelled by a sense of injustice in three respects:

There was some feeling among a minority that those who work in London should be insulated from the high cost of commuting since these jobs were considered to be vital to the performance of the economy, especially during the current climate.

In the context of earlier discussions regarding the cost of travel and ticket types, it was agreed that a season ticket is the most cost-effective way to make commuting journeys but it was generally assumed that it is not possible to buy an off-peak season ticket. This was felt to make any discussion on the subject of flexible working hours somewhat redundant.

"Even if my employer allowed me to work flexitime and if I wanted to do it, it would be no good because you can't buy an off-peak season ticket." [NR commuter, Croydon]

Some felt that it was wrong for service providers to cash in on commuters who represent a captive audience since they are 'obliged' to travel into London in order to do their jobs.

"They know that most people need to travel between 7am – 9am so that's why they charge you the earth at that time of day." [NR commuter, Croydon]

"You just have to accept that it's one of those things that you have to accept and have to pay because they've got you over a barrel. It's not like buying groceries where you have a choice because you have to travel into work." [NR commuter, Croydon]

Annual fare increase

As previously mentioned, although annual fare increases at more than the rate of inflation are now expected, this does not make passengers feel any better about them. Three factors were frequently highlighted as having an especially negative impact on value perceptions:

Firstly, passengers often perceived that they were being asked to pay more for a service that remained the same or deteriorated over time. Some commented that fare increases would be more acceptable if the additional revenue was used to make tangible improvements for passengers. TfL were felt to perform better than National Rail in this respect since participants were more easily able to recall visible investment in aspects of the Underground than for TOCs whose services they were using.

"The prices go up annually but you are not getting anything more for your money because they don't refurbish the trains in line with the increases. That's what is turning everyone against public transport

because every year the fares go up and Boris comes out with a load of rubbish about how they are improving this and spending money on that but they're not." [NR commuter, London]

Secondly, fare increases were felt to be especially difficult to bear in the current climate of wages that are static and therefore often decreasing in real terms. This was highlighted as being a particular problem for passengers for whom the cost of travel represents a substantial element of their annual household expenditure. When finances are tight and consumers are trying to make cut-backs, this is one area of the budget in which it is impossible to make savings since consumption of the product is beyond the control of the consumer.

"It doesn't matter how much the fares go up by it's the principle because not everyone gets pay rises so it's really annoying because I don't notice any difference to my journey so you pay more for the same thing?" [LUL commuter, London]

"It always goes up every January. Why can't they freeze it like they do with other things such as the council tax?" [LUL commuter, London]

"It goes up every year, it's just a joke. This year one of my mates wanted to renew his season ticket before the cost went up but he couldn't afford it but he would have saved himself £300-£400." [NR commuter, London]

"I think transport is up there with gas and electric the way that prices have gone up recently because my wages haven't gone up but everything is getting more expensive." [Leisure user, Croydon]

"I used to commute every day and it was always so rammed that you had someone's armpit in your face. The fares went up so much that I couldn't afford it any more so I started to cycle and saved £136 per month." [Leisure user, Wimbledon]

This is a subject that attracts much negative media coverage and therefore tends to fuel negative feelings among consumers. Focusing on the headline stories and worst case scenarios can also cause users to perceive a percentage fare increase that is higher than the reality.

"Every year the prices go up and there is no improvement to the service so what is it that you are paying extra for, it's the same train and the same people? I think this year my season ticket went up by 13%." [Leisure user, Croydon]

"Two years ago a Travelcard used to be £5.90 but I bought one the other week and it was £12.90 so how can it have gone up by that much in two years because my wages haven't?" [Leisure user, Croydon]

No realistic alternatives

The sense of feeling like a captive market was strengthened by the common perception of there being no realistic alternatives to the commuting journeys that were being made. When challenged by the moderator about why alternatives were not used by those who were dissatisfied with the value for money of public transport, participants considered this to be a specious argument.

Those with cars recognised the cost of driving into central London to be prohibitive, occasionally on the basis of limited experience.

> *"I drove into London for two months and it took me an hour and a half in each direction each day and with petrol and parking it was costing me about £40 a day just to go to work." [NR commuter, Croydon]*

The possibility of cycling was rejected either on the grounds of distance or safety concerns or being impractical, or a combination of these. High awareness of intentions to improve the cycling facilities in London tended to be eclipsed by knowledge of high profile accidents involving cyclists in the recent past.

6 Journey and environment issues

6.1 Overview

Towards the end of the sessions, participants were shown a selection of photos to facilitate the discussion of various aspects of the journey experience across the modes of transport being used most frequently. Following spontaneous discussions in relation to value for money issues, the purpose of this exercise was to identify other factors at a prompted level that were also thought to exert some influence over value perceptions.

This was not intended to be a sorting or ranking exercise in which participants were encouraged to look for positive and negative examples of value for money, but rather was a way of using visual stimulus to help remind passengers of public transport experiences and to illustrate different travelling environments that not all would have previously experienced.

In research of this nature it is important to attempt to distinguish between things that passengers merely like or dislike and the factors that they feel strongly enough about to influence value for money perceptions. There were three specific areas that were identified from the research in this respect from the selection of images provided. These can be classified as seating, facilities and station environment and the key themes are summarised below.

6.2 Seating

When it comes to the issue of seating on public transport and perceptions of value for money, the key issue is whether passengers feel that buying a ticket gives them an automatic right to a seat or whether they approach the journey with the mindset of expecting not to get a seat. Naturally this will depend on a number of variables including things such as the length of journey and whether it is being made during peak or off-peak times.

"The amount of leg-room isn't really an issue, it's more to do with whether you can get a seat or not. If you can sit down you won't be too bothered about how comfortable it is." [NR commuter, Croydon]

Interestingly, what may be regarded as a fundamental requirement for one journey can be considered as an unexpected bonus for another. The need to have a (pre-booked) seat for an off-peak, long distance train journey is very different to the expectation that none will be available on an Underground train travelling into London at 8.00am. Indeed, in the latter situation, the value equation may shift to the extent that good value for money may be defined in terms of whether it is possible to board the train rather than whether a seat is available.

"The underground is always packed but I get to Liverpool Street earlier than I need to in order to get a seat on the train so for that reason the train part

of my journey is good value for money because in my mind it is related to whether you can get a seat." [NR commuter, London]

For the purposes of this exercise however, there was greater clarity around the issue of what represents value for money in terms of the seating style and density. Although this issue is clouded to some extent by views being personal and subjective, an effective way to illustrate value perceptions was through the extremes of what was considered to be most and least acceptable.

> *"London Overground have really nice trains because the seats are along the outside so you can see right through and there is plenty of room if you need to stand. I prefer that because they are more spacious." [NR commuter, Croydon]*

Reactions amongst focus group participants to this image of the interior of new rolling stock on the Hammersmith and City line were extremely positive overall. The fact that this was readily recognisable as a new train influenced responses to some extent but this was felt to be a relevant example of the type of investment in infrastructure that have a positive impact on value perceptions. However, participants were able to look beyond this to provide a more objective appraisal of this seating arrangement.

Attitudes to this lower density style of seating tended to be pragmatic, especially among commuters. Some were unfamiliar with what was considered to be a new approach to interior carriage design but assumed that this is likely to represent the way forward for commuter services in London or other major cities. The key advantages that were felt to have a positive impact on value for money perceptions were felt to be:

- Ergonomic seating design, even if this necessarily means fewer seats overall.

- Emphasis given to the way in which the carriage is likely to be used most of the time i.e. for the majority of passengers who will be standing rather than the few who will be seated.

- Adequate provision for passengers to stand safely and comfortably in the event of not being able to get a seat. The number of poles and grab-handles was thought to demonstrate that these features had been designed with these criteria in mind.

- The design allows a clear view down the length of the carriage which was felt to be an important safety enhancement, especially for those travelling alone at less busy times or late at night.

- The seats have armrests. Even though the chances of getting a seat were acknowledged to be lower, it was felt to be important to have armrests to act as dividers between the seats to define the personal space of each passenger.

"This makes a positive impression because the seats have armrests and there just seems to be a lot of space in between the seats and it looks clean." [NR commuter, London]

Although passengers in the focus groups were reluctant to appear to be condoning a seating design that increased the likelihood of them needing to stand during their journeys, this picture was generally felt to come closest to representing good value for money for the reasons outlined above.

"That looks much better than the usual carriages because it's so much more spacious and it's a bit more airy. I would also feel safer because if there was a problem you could run through the train and everyone would be able to see." [LUL commuter, London]

"The layout is good because the space has been well utilised and there is loads of room to stand if all the seats are taken." [Leisure user, Wimbledon]

This was in stark contrast to the image below that was typically selected as the visualisation of the opposite end of this spectrum.

This seating style was felt by participants to epitomise passenger dissatisfaction with seats on public transport. The key negative features were identified as follows:

- The wear on the fabric indicates the need for refurbishment. This implies a lack of customer care by the service operator and is an illustration of a lack of investment.

"Some of the trains are really old and nasty and all the cushions are coming off the seats." [LUL commuter, London]

- Rows of three opposite each other are especially unpopular. These are associated with insufficient leg-room and a lack of personal space. This configuration tends to perform poorly in passenger preference research. Rows of three seats tend to be unpopular and many passengers claim they would prefer to stand rather than use the middle seat if available. The comparative lack of wear on the middle seat confirms its relative unpopularity.

- The seats look uncomfortable as they are in a low position and lack armrests or headrests.

To an extent these comments can be regarded as examples of what passengers dislike about seating. However, it is also possible to interpret the strength and consistency of negative responses towards them as an illustration of how seating can have a negative impact on value perceptions.

6.3 Facilities

Passengers in the focus groups tended to be realistic in terms of expectations of service provision when using public transport. Although requirements again tended to be personal and subjective to some extent, there was broad agreement on a few fundamental principles which influenced perceptions of value for money:

- There are practical constraints on the provision of certain facilities for certain modes. Although toilets on Underground trains may be desirable, participants recognise why it is not possible to provide them.

- Facilities need to be appropriate to the mode of travel. Toilets would be unnecessary on buses since journey lengths tend to be relatively short.

- Facilities need to be appropriate to passenger volumes. A small station in a suburban area would be expected to have few facilities but a major London terminal would be expected to offer the widest range of facilities to cope with constant passenger demand for them.

Beyond this there was also a tacit acknowledgement of the need for service providers to provide facilities in line with a basic needs hierarchy (in line with passenger volumes and demand):

- At the most fundamental level is an expectation that shelter will be provided. Most needs tend to be fulfilled in this respect although this is most likely to be an issue in relation to some bus stops.

- The next level up from this is whether a waiting room or toilets are available. Due to the longer intervals between services, such facilities are more likely to be expected at train stations than in relation to other modes.

"Some of the older and smaller stations like Denmark Hill[12] literally have no facilities, there's not even a waiting room so you are left to stand outside in all weather and it makes you feel unsafe if you are waiting there in the dark." [NR commuter, Croydon]

"If your train is delayed I don't think it's unreasonable to expect that there will be somewhere for you to be able to sit and wait because you wouldn't need the seats if the train was on time." [Leisure user, Croydon]

- Passengers tend to have pragmatic expectations in relation to refreshments being provided. In most situations, the requirement is minimal and can be met by a vending machine (although passengers understand the practical limitations around providing them). A wider offer and choice of outlets is expected only at the biggest and busiest stations.

An interesting paradox was highlighted by responses in the focus groups to some of the images provided to help explore the issue of value for money associations in relation to the provision of passenger facilities.

This picture elicited unanimously positive reactions across the sample. This was occasionally in the context of an assumption that service providers were expected to have mandatory requirements to provide a certain level of facilities for disabled passengers but positive views expressed always went beyond this. All recognised that these are expensive facilities to provide for the benefit of a small minority of customers but all agreed that they were not only happy for companies to make this kind of investment but that doing so had a positive impact on overall value for money perceptions.

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[12] The upgrade of Denmark Hill has been completed since the focus group research took place.

"I think it's great that disabled people are able to use these facilities and I would be happy to know that I was paying for them through the cost of my ticket." [Leisure user, Croydon]

"The only thing that bothers me about disabled facilities is when I am waiting for a bus to get home from work when it's pouring with rain and the driver won't let me on even when there is a massive empty space for a wheelchair." [Leisure user, Croydon]

This situation was sharply contrasted with strong sentiments expressed about the provision of some toilet facilities.

The key issue in this respect was a strong objection by participants in principle to having to pay to use toilets. In spite of some understanding that the rationale for this may be to deter non-passengers from using toilets and loitering around them, all considered even a token charge to be unacceptable. These negative responses were compounded by examples often cited by participants who had been prevented from using toilets, including when travelling with children, if they did not have the correct change.

"I don't think they should charge to use the toilets and it's always a specific coin that you need as well which makes it even more annoying because if I only have a 50p I have to go and get some change." [LUL commuter, London]

"I think it's a con when you are expected to pay to use toilets. There's no consistency because you don't have to pay at smaller stations, only at the major London ones. I've had children who have been bursting to go and staff have refused to give me change, it's a nightmare and so unfair." [NR commuter, Croydon]

"There is no value for money when you have to pay to go to the loo. I think it's quite insulting and it makes me angry. I can understand that they want to stop people doing drugs in there but they could let you in if you show your ticket." [Leisure user, Croydon]

"Having to pay to use the toilets at train stations is poor value for money, especially when you compare it to Gatwick where the toilets are really nice and free to use." [Commuter, Wimbledon]

In summary, the difficulty of understanding what represents good and poor value for money in relation to provision of facilities was illustrated by the fact that costly disabled assistance that is unlikely to be used was considered to be an indication of very good value but paying 20 pence to use toilets at a station was seen to represent extremely poor value.

6.4 Station environment

In relation to the station environment, passenger reactions amongst focus group participants tended to be focused around two main themes; safety and aesthetics.

The issue of safety and personal security was claimed to be extremely straightforward from a value for money perspective. This was universally agreed to be the most fundamental of hygiene factors so, in simple terms, any environment in which a passenger feels less than 100% safe to travel, for any reason, was judged to be unacceptable, with predictable consequences on value for money perceptions.

These views were encapsulated by the picture of a subway at Lewisham station. Participants considered this to be threatening and intimidating and it was thought to represent a security risk to all passengers but especially to women travelling alone at night.

"It looks really run down and skanky and generally not fit for purpose. It's horrible, threatening and not safe." [NR commuter, London]

"You wouldn't want to have to walk through those on your own late at night because they look dark and dirty and not safe. It might be different if there were other people milling around." [Leisure user, Croydon]

In contrast, the issue of aesthetics was much less clear-cut in the minds of participants when attempting to equate this to value for money. As previously discussed, passengers stated that they preferred money to be invested in improvements that made a tangible difference to their journey experiences rather than on cosmetic changes.

It was generally agreed that environment issues did exert an impact on journey perceptions, even though the link with value for money was more subjective and tenuous. Of the images provided for use as stimulus, the following picture came closest to creating a positive impact in this respect.

This was well received by participants at a number of levels because it was visually appealing without being overtly or wastefully extravagant and demonstrated good use of space designed with passenger volumes in mind. It also showed a wide choice of catering options appropriate for a major rail terminal and gave a sense of passenger safety and security.

"This is good because it looks very clean and modern and spacious even in spite of the fact that there are a lot of people." [NR commuter, London]

Whether these factors are sufficient to affect overall perceptions of value for money is debatable in reality. It is more likely that participants were simply expressing positive views towards a pleasant environment rather than one that has not benefited from recent investment or one that is considered to be unacceptable, such as the subway pictured.

This provides a further illustration of the difficulty faced by service providers in attempting to demonstrate value for money to passengers. Even when significant amounts are invested in making improvements to the travelling environment, these will not necessarily exert a positive impact on value perceptions. However any evidence of under-investment will be interpreted as a lack of customer care and a failure to maintain minimum standards which will be a strong detractor.

> *"The main thing for me is how clean the stations and trains are because it really bugs me when you pay all this money and they can't even keep things clean. I wouldn't mind paying so much if it was always clean when I used it." [NR commuter, Croydon]*

> *"All I want is to get a seat, a bit of comfort, not have someone standing over me, reasonable cleanliness and for the train to be on time and that's it but if I travel at peak time I'm not going to get that so that impairs my value for money." [NR commuter, London]*

"Safety nowadays is an absolute nightmare because when I get on a tube or a bus I don't feel safe at all. The number of times I have been on a bus and seen a fight break out or people arguing and the driver has to stop the bus. I think the safety on all London transport is shocking." [NR commuter, London]

7 Brand analogy issues

The branding of products clearly has an impact on whether consumers think that they are getting value for the money that they spend, this is as true for public transport as it is for other forms of retailing space. However, this has not necessarily always been a priority for public transport providers for various reasons. Branding tends to be outweighed by the other issues highlighted during this and other research and is a lesser consideration in situations where consumers are unable to exercise a choice.

In the last part of the focus groups, participants were asked to participate in a brand analogy projective exercise. This is a technique commonly used in qualitative research to help consumers articulate views and opinions on complex issues or subject matter that they are unlikely to have given much previous consideration to. On this occasion it was used as a way to help to illustrate value for money perceptions of public transport service providers.

Participants were provided with the logos of brands that were likely to have strong value associations and for the purpose of this research grocery retailers were used. The object of the exercise was to liken transport brands to the retail brands in order to help understand perceptions of them and differences between them. The insight from this exercise comes not from the brands that are selected as comparisons but in the explanation of why they have been chosen in order to remove the risk of misinterpretation due to subjective brand preferences. For example, a specific brand may be used as a brand analogy by one person who associates them with the most competitive prices and by another who perceives that they represent unacceptable levels of customer service.

The examples that emerged from the research are provided as a way to help illustrate value for money perceptions of transport providers rather than as a direct comment on consumer views of retailer brands.

Comparing National Rail and TfL

In passenger research, TfL consistently achieves higher satisfaction ratings for value for money than National Rail. The brand analogy exercise was conducted to further improve understanding of these issues and the differential.

“TfL has better value for money associations because you can get anywhere within the whole network within an hour or so, you can chop and change across all the modes of transport and it’s a great network and they are making improvements to the infrastructure.” [NR commuter, London]

When the National Rail logo was shown to participants, it achieved universal recognition but an equally high level of brand misattribution since it was associated with British Rail.

"The National Rail logo is very old and used to be BR which had a terrible reputation and mud sticks doesn't it. Even if the trains were really cheap, that logo makes me think of strikes in the 1970s." [Leisure user, Croydon]

Although the logo was acknowledged to represent the rail industry rather than a specific train company, participants had no difficulty in conducting the brand analogy exercise at a collective rather than company specific level and a relatively consistent picture emerged across the groups. It should be noted that since the focus of the research was on journeys made in the London area and that the sample was biased to reflect the views of commuters, this exercise tended to be based on perceptions of commuter services rather than longer distance rail journeys.

"In the context of commuting it is always very expensive because you have no choice about when you travel. It's also unreliable and unpredictable because you never know what to expect." [NR commuter, London]

It was more usual for two retail brands rather than one to be selected for the analogy exercise for National Rail. The initial instinct tended to be for the groups to gravitate towards one of the premium grocery retailers, to reflect the high cost of making journeys by rail in London, especially in comparison to other modes. However, these brands were not felt to be an accurate reflection of National Rail since, although acknowledged to be more expensive than mainstream brands, both supermarkets were also associated with outstanding customer service.

"The cost of National Rail is like (premium retailer) because everything is really expensive but the quality you are getting is more like (value supermarket)." [NR commuter, Croydon]

"National Rail is like (high end grocery retailer) as far as the cost is concerned but the quality you get is more like (discount brand) and that's being harsh on (discount brand)." [Leisure user, Croydon]

This meant that participants felt the need to balance the positive brand imagery of the premium retailer with one from the opposite end of the cost spectrum. Although certain brands were often spontaneously suggested in this respect, some were uncomfortable with this comparison on the basis of having experimented with using these supermarkets to help save money during the recession and were aware of them offering good value for money. On reflection, a discount wholesaler was chosen as a brand that the majority tended to associate with inferior quality products and poor customer service.

"National Rail feels like it should be (discount brand) but the comparison doesn't work because I've recently discovered that those shops are good value for money." [NR commuter, Croydon]

In summary, therefore, the interpretation of this brand analogy exercise was that National Rail is thought of as being at the top end of the price range within its comparative set but that this is not justified due to the poor quality of the offer. This mismatch between cost and service delivery equated to poor value for money in the minds of participants who offered this as the most likely explanation for disappointing ratings for the rail industry in this respect.

The TfL logo achieved much lower levels of spontaneous recall across the sample. All were familiar with the roundel, however this tended to be associated with London Underground rather than TfL. Most claimed to be unfamiliar with the blue logo and it was mentioned that TfL passengers were more likely to be exposed to the white out of blue format (as appears on Oyster cards) rather than the one used for the purposes of this exercise.

"That logo makes me think of investment at the moment because I know that they are in the middle of a programme to upgrade all the underground stations." [NR commuter, London]

Again it was more common for two supermarket logos to be selected during the analogy exercise that represented standards of customer service and pricing but for different reasons. Given the focus on value for money, participants felt it to be important to make a distinction between journeys made using Oyster PAYG or paying the cash fare.

The Oyster aspect of the TfL offer was usually represented by one of the mainstream, mid-market grocery retail brands. On balance, the brand that was thought to be the best fit was the retailer that was generally perceived to be the market leader with more customers and a slightly cheaper price positioning. However, for those paying cash fares on TfL services, a convenience store brand was usually chosen. The analogy here was described as a brand that offers the same products but at a price that would be impossible to justify for everyday use. In consumer terms, this tended to be described as a 'rip-off'.

The way that the output of the analogy exercise for TfL can be interpreted is that users will have differing value for money experiences depending on their choice of payment method. The lower cost option is perceived to be an acceptable price rather than cheap whereas the cash alternative is considered to represent extremely poor value for money.

From a value for money perspective, these analogies were felt to apply across all modes operated by TfL. However it may be interesting to note that this exercise was occasionally stretched by participants to illustrate the attitudes expressed towards bus travel.

In these instances, one of the discount retailers was thought to be a good representation of the user imagery. The interpretation in this respect was that the low cost is attractive to certain segments of society, especially those on lower incomes, who are prepared to accept a compromise in certain environmental aspects of the offer in order to save money.

"The bus is a bit like (discount brand) or someone that has good and bad things about them. It's cheap and cheerful but a bit filthy and not very pretty." [Leisure user, Wimbledon]

Train operating companies

Participants found it difficult to differentiate between the various train company brands sufficiently to conduct the analogy exercise in a meaningful way. This was largely due to the fact that the sample was not designed to represent users of all TOCs and from the way that a few participants were describing recent usage experiences it was apparent that levels of brand awareness and recall were not high enough for the analogies to be reliable.

However, on occasions when the moderator was confident that comparisons were being made on the basis of accurate recollection of experiences, a number of analogies were identified and the interpretations behind each of these can be summarised as follows:

- *Virgin - high end grocery retailer*

British flag carrier; upmarket; good value for money, quality customer service. (NB: there is some evidence of a halo effect from the Virgin brand and Richard Branson rather than this being all about Virgin Trains.)

"I think of Virgin as being good value for money because all of the things we were talking about earlier, Virgin usually have, such as lots of space, tables to sit at, sockets to plug things in. You can also get really good off-peak deals because I have travelled to Birmingham with them for £5." [LUL commuter, London]

"I find Virgin good and I've always had good experiences with them because they have good trains, good staff and reasonable pricing and good value and they feel a bit more modern and more up to date." [NR commuter, London]

"Virgin is like (high end grocery retailer) because it's a strong brand so they never have any offers on the things you need." [Leisure user, Wimbledon]

"Virgin would be (high end grocery retailer) because they are classy and good quality and have good staff and good service." [Commuter, Wimbledon]

- *Gatwick Express - high end grocery retailer*

Expensive; reliable; nice inside; consistent and good service

"Gatwick Express is good but very expensive compared to Southern." [Leisure user, Wimbledon]

"Gatwick Express would be (high end grocery retailer) because it's more expensive than the others but reliable." [NR commuter, Croydon]

- *Heathrow Express - premium retailer*

Overpriced; upmarket; high quality

"The Heathrow Express is obviously very expensive compared to getting the tube but it is very fast and efficient and it's never late but it does what it says on the tin." [NR commuter, London]

"None of them would be like (premium retailer) but the closest would be Heathrow Express because it's so expensive and almost the same cost a getting a taxi and the sort of thing the Prime Minister would use." [NR commuter, London]

"The Heathrow Express is like (premium retailer) because both are high quality and upmarket but also overpriced." [Commuter, Wimbledon]

- *South West Trains - convenience store*

Expensive; unreliable; provide the bare minimum rather than what customers need; functional standard

"South West Trains are like (convenience store) because every time I use them they are unreliable and expensive and don't give me everything I need but it will just provide the bare minimum to make do with." [NR commuter, Croydon]

- *First Capital Connect - discount retailer*

Old fashioned; not a pleasant or comfortable customer experience

"It's very variable with First Capital Connect. Some of the trains are nice like the one I get in the morning but the one in the evening is a really rubbish old thing." [NR commuter, London]

"First Capital Connect are horrendous. The service is infrequent and unreliable and they get cancelled all the time. The trains are awful and falling apart and they smell and are generally disgusting." [Leisure user, Wimbledon]

Notwithstanding the issues raised above relating to choice of options available, this exercise illustrates that it could benefit public transport operators and authorities to pay more attention to the issue of branding to help improve passenger perceptions of value for money.

8 Conclusions

This research demonstrates that much more needs to be done to improve both perceptions of and actual 'value for money' for passengers, particularly as in the London area fares revenue covers a large proportion of operating costs, both of TfL, and National Rail operators. Policy makers and operators should note that:

1. Passengers' cost and value for money calculations continue to be re-calibrated in the current economic climate.

This research indicates that passengers' cost and value for money calculations are being re-calibrated in the context of the current economic climate. Since financial pressures have increased for most consumers in the past two years, the value for money equation is coming under even more intense scrutiny.

2. Annual fare increases are more difficult to bear when wages are static and decreasing in real terms.

Annual fare increases are never popular with passengers and this tends to be a highly emotive subject, especially when discussed in market research focus groups. A theme that was common across this sample was the feeling that ongoing increases at more than the rate of inflation are putting extreme pressure on budgets in the current climate. This is especially true for those for whom the cost of commuting represents a significant element of their total annual household expenditure.

3. Passengers are often unable to make a distinction between cost and value for money. Providing access to information and fares that keep transport costs as low as possible would therefore help to enhance value perceptions.

As is often the case when conducting qualitative research, consumers are often unable to differentiate between these related variables. This has important implications as far as fares on public transport are concerned at two levels:

Firstly, the lack of distinction means that when the cost of something is perceived to be high or when it increases, this is interpreted as poor value for money.

Secondly, since there is little that can be done about the level of fares charged for journeys made, it becomes increasingly important to ensure that passengers know what will be the cheapest way to make journeys in terms of the most cost-effective ticket option. To facilitate this, it is necessary to provide access to information that will help to ensure that transport costs are kept as low as possible in order to enhance value perceptions. This research has identified a number of ways in which performance by service providers in both areas is currently sub-optimal, particularly in relation to annual season tickets.

4. **Some negative influences on passenger perceptions of value for money will be difficult to address, especially where commuters are concerned, but this should not be an excuse to avoid attempting to improve service standards.**

Commuters, especially those in the London area, recognise that there is no realistic alternative to having to pay premium prices to travel to work at peak times while experiencing the worst travelling conditions. It will therefore be extremely difficult to exert a positive impact on the value for money equation under these circumstances for these passengers.

Investment in infrastructure may help to mitigate this to some extent, especially when it has a visible and tangible impact on passenger experiences. In the same way that this type of improvement will help to enhance value for money perceptions, failure to maintain minimum standards in any area is a strong detractor.

5. **Basic passenger expectations make it more difficult for service providers to deliver value for money.**

Many of the criteria that passengers use to evaluate their public transport experiences are so fundamental that they are considered to be hygiene factors. This means that effective delivery in areas such as punctuality and reliability of services will have minimal positive impact on the value equation but any shortfall can have a major adverse effect.

6. **Value for money scores for TOCs would be higher if the advance ticket purchasing systems, online and at ticket offices, were better understood by passengers and the fact of the lower fares was understood to be associated with the TOCs rather than online retailers.**

Passengers regard advance fares as good value for money and many successfully purchase them online. However, the process of purchasing such fares is not well understood. Many passengers do not realise that advance purchase tickets can be obtained at ticket offices as well as online. Some passengers attribute these good value products to online retailers and not to the TOCs.

The transport industry in London has seen a continued growth in usage in recent years despite an uncertain and difficult outlook for the economy in general. However, such growth in the future is not guaranteed. Continued poor perceptions of value for money by passengers and the public in general will undermine or prevent growth in usage. It is therefore crucial for policy makers and transport operators to prioritise improving value for money for passengers by adopting measures recommended in this report to ensure that this does not happen.

Appendix A - Focus group discussion guide

London TravelWatch – value for money
2 hour groups - discussion guide

Introduction

- Introduce self / AECOM / viewing facility
- Explain nature and purpose of research
- Outline research agenda and process
- Respondent details: name, age, occupation, where live (including zone)
- Not including public transport, think of an example of a company or brand that provides very good or very poor value for money and give reasons for this.

Ticket planning and purchasing

- What types of journeys do you typically make by public transport:
    - Commute / business / leisure?
    - How frequently do you make these journeys?
    - Which modes do you use most often / occasionally?

[Moderator note: Focus on primary mode used most often and whether for commuting or leisure and compare for other modes used or experienced]

- How much thought do you give to the process of buying a ticket or paying for your journey? What does this involve? What are the considerations for the journeys you make?
- What information sources do you use? Which are best / worst? Which do you trust most / least? Why? Is there sufficient information available to you to make an informed choice?
- Which channels do you use to purchase tickets (online / F2F / TVM)? What are the strengths and weaknesses of each? Which do you trust most / least? Why?
- Does it make a difference which channel you use in terms of cost or VFM? What are the associations with each in this respect?
- If you wanted to be sure of buying the cheapest ticket for the journeys you make, which channel would you use / avoid?
- How do you know whether to buy tickets on the day of travel or in advance? Can you buy both types through all channels? How much variation is there in the cost?
- How do you know you are making the correct decisions and have bought the ticket best suited to your needs? How confident are you about this? How do you know?

Ticket types and range

- What ticket options are available for the journeys that you make (period pass / Oyster / paper ticket)? What are your views about this range? What are the strengths and weaknesses? Are there any gaps?
- Which type of ticket do you tend to use and when? How do you decide? What are the influencing factors? What is most important to you (flexibility; simplicity; cost; VFM; time of day; speed of service etc)?
- Do you have a paper season ticket or is it loaded onto an Oyster card? What is the difference? What are the benefits of each?
- Why do you use daily tickets or Travelcards (paper or Oyster) or Oyster PAYG? In what circumstances?
- What are 'walk-up' fares? How do these compare to those that are pre-paid or bought in advance? What are the strengths and weaknesses? When would they be used? How do they impact on VFM perceptions?
- What are the names of rail tickets? Are you aware of Advance, Off Peak and Anytime? What do each of these mean? Are there any others? What about Super Off-Peak?
- How easy or difficult is it to understand different ticket types? What are the benefits / disadvantages of the choice available? Would you prefer a simpler structure (with fewer types of ticket available)? What if this means losing some of the cheaper fare types? How would you resolve this trade-off?
- What is the difference in price between Peak and Off-Peak? When does Off-Peak begin / end? How do you know? How does this impact on VFM perceptions of travel?
- What restrictions apply to the different ticket types? How do you know? Where can you find this information? What are the VFM implications?

Oyster PAYG

- How much does it cost to make journeys? What does this depend on (peak / off-peak; zones; mode etc)?
- Are you aware of the price cap? How does this work? How does this affect VFM perceptions?
- How do you know where / when to touch in and out? How easy is it to locate readers? How well signposted are they? What if you interchange between modes? How does this work? When should you touch in and out during these journeys?
- What happens if you fail to touch in or out correctly?
- Are you aware of incomplete journeys? Why do these occur? How do you know about them? What can you do to resolve these? What has your experience of doing this been? Are you aware of the facility to resolve these online? What do you think of this?

Value for money

- Do you feel you are getting a good deal on the journeys you make? What is a good deal and how is this defined?

- What does VFM mean in the context of public transport? When do you get good / poor VFM? Give examples using specific experiences of modes / ticket type / operator etc.
- How do season tickets impact on VFM perceptions? How much do you save? (e.g. 52 weeks for the price of 40 – would it be better explained as a smaller number e.g. 3 for the price of 2)? When does it become worthwhile to have one? Are there any other benefits (e.g. free weekend travel, discounted travel off normal route)?
- What about railcards? Which do you use? Which would you be eligible to use? How does this impact on VFM perceptions? Are you in favour or not, depending on whether you take advantage of railcards?
- Do you ever travel with children? Are you aware of what fares / discounts apply when travelling with parents? What do you think of this in terms of VFM (for you and others)?
- What about Oyster and the VFM this offers compared to not using one?
- What factors exert a positive / negative influence on VFM perceptions?
- Do you focus on the cost of travel only or are associated costs included in the overall VFM equation (e.g. parking, cost of Oyster card)?
- How are VFM perceptions affected by consideration of alternatives (e.g. making journey by car / coach / plane)? How is VFM determined for these other modes? Are there any learning points for TfL / TOCs?

[Show TfL roundel and a National Rail double arrow. Ask which they associate with better value for money].

- Why does satisfaction with TfL VFM tend to be higher than for rail? What needs to be done to improve VFM for rail operators? Is there a price guarantee?
- What trade-offs would you consider to get better VFM (travel off-peak only; travel before 7am; avoid certain modes / zones at certain times of day; purchase online only; buy ticket to stand rather than sit; pay extra to reserve a seat etc)? Headlines of comfort, choice, reliability, information, frequency, ability to do other tasks while on journey.
- How does the current fare structure relate to demand for services throughout the day? To what extent does this influence journey planning? Do you know when peak pricing currently occurs? How could this be improved to enhance VFM perceptions among passengers?
- Should Peak / Off-Peak be determined by time of day or demand for services? How would this affect how you would use services differently? How would it impact on VFM issues?

Discounted tickets

- What does this mean in the context of public transport? What examples of discounted tickets are you aware of or have used in the past?
- What do you consider to be the standard fare and a discounted fare? Is Oyster PAYG the standard fare or a discounted rate? What are the implications of this on VFM perceptions?
- What is the relationship between the cost of the ticket and how far in advance it is bought? How do you know this? How could you find out?

- (For rail tickets) Are you aware of quotas on Advance tickets? How does this work? How do these fares affect VFM perceptions?
- What is the level of discount offered? How do you feel about this? How much effort do you make to ensure you always buy discounted tickets?
- Are you able to take advantage of discounted fares? How do you feel about this?
- What is the current window for advance bookings? How does it work? Is this like the airline model or different? What would be best for passengers? What represents best VFM?
- Is there a cut-off point for buying advance tickets? What should this be?

Brand issues

- To what extent are VFM perceptions generic public transport issues or related to specific mode or service operator?
- Is this an area that passengers will always say represents poor VFM (especially for commuting) or would it be possible to improve perceptions? What needs to be done to achieve this (other than reducing fares)?
- How do you explain the differential between TfL and rail in terms of passenger satisfaction with VFM? Is it because TfL are good or TOCs are poor in this respect?
- What would TOCs need to do in order to close the gap between VFM perceptions of rail travel and TfL service provision? E.g. embrace Oyster more fully by being able to resolve queries / add products at station booking offices.
- How do perceptions of the TOCs impact on VFM perceptions at a brand level?
- *[Ranking exercise using Flashcards]* What are your top of mind associations with any of these brands? Are these based on experiences / perceptions / media stories?
- Which of these do you associate with especially good or poor VFM? Explain.
- *[Brand analogy / matching exercise – introduce logo cards for grocery and other retailers]*. How could we use brands from another sector to help understand differences in perceptions between public transport service providers in terms of VFM? What does the brand hierarchy look like for other retailers? How could this structure be applied to public transport? Where are there similarities between the two sectors that help understand VFM issues?
- Could some of these public transport brands potentially disappear?

Journey experience

[The purpose of this section will be to explore aspects of the journey experience to identify factors that exert most impact on VFM perceptions and to identify areas for improvement. Stimulus photos to be shown as required].

- What do you want / expect in terms of facilities to buy tickets? What is your experience of using TVMs? What have you used them for (purchase, PAYG balance / journey history, TOD)? How reliable have you found these? Do they always work?

- What are your views on access to stations / transport? What about if you have luggage or a buggy? What about disabled access? What are the best / worst examples you have experienced?
- What do you think about the level of staff presence at stations or when travelling? What is the minimum that would be acceptable? What would be ideal?
- What about the quality and quantity of information provided? What are the strengths and weaknesses by mode? Any problems or room for improvement?
- What are your views on service reliability? What does this mean? How is this defined in the context of commuting or leisure usage? Are you aware of compensation schemes that exist? How do they work? How does this impact on VFM perceptions?
- What about journey time? How consistent is this? How reliable are timetables? Which modes are best / worst? How could stopping patterns be revised to improve the journey experience? Should this relate to numbers of passengers wanting to get on or off?
- What has been your experience of interchanges? Where do problems occur? What should you do if using Oyster PAYG? What could be done to make things better?
- Do you ever use a phone or tablet when travelling? How reliable is the signal and WiFi availability? What room is there for improvement? Would your VFM perception be improved if it was more or less difficult for passengers to use mobile phones?

Passenger environment

[To assess the factors which contribute to VFM perceptions and to explore where trade-offs exist that could allow service providers to save money and pass savings onto passengers].

- What is your impression of stations and stops? Is there any difference by mode / provider / area? What are the strengths and weaknesses? What sort of environment do you want? What are the hygiene factors? What would surprise and delight? What impacts on VFM perceptions?
- What do you think of the cleanliness of the stations and stops you use? How important is this as part of the travelling experience?
- What facilities should be available? What is the minimum expectation? What would exceed expectations? How does this vary by location / size of station? What do you need in terms of retail outlets? How many? What about catering facilities? What range does there need to be?
- How about provision of shelter and seating? What are the best and worst examples? How does this impact on VFM perceptions? What is most important, availability or comfort of seating? Would you be prepared to compromise on one to get an improvement in the other?
- What is your view on toilets? Are there always toilets available when you need them? What about the condition and cleanliness of them? Would you be prepared to pay (more) to use them to get improvements?

Summary

- What are the key themes that have been identified in relation to VFM?
- What are the factors that have the biggest positive and negative impact on VFM?
- What are the priorities for improvement and future investment? What would best practice look like for public transport? What learning points could be applied across modes?
- What are the quick wins and longer term improvements that would make the most difference to you in future? How would this affect your use of public transport?
- What are the environmental issues that we need to focus on in the next project in order to obtain further understanding about the nature of any problems that exist?

Appendix B - Focus group composition

The composition of **six focus groups**, each lasting approximately 120 minutes was as follows:

Figure 5: Composition of focus groups - commuters

	Commuters			
Life stage	**Single or double income, no children**	**Young family**	**Older family**	**Parents but children no longer living with them**
Age indication	20-30	25-39	40-54	50+
Socio economic class	ABC1	C2D	ABC1	C2D
Primary mode	LUL	National Rail	National Rail	LUL
Ticket type	Season	Season	Season	Oyster PAYG / Day ticket
Location	Central London	Croydon	Central London	Wimbledon
Group no.	1	2	3	4

Figure 6: Composition of focus groups – leisure users

	Leisure users	
Lifestage	**Single or double income with no children or young family**	**Older family empty nesters**
Age indication	20-40	41-60
Socio economic class	ABC1	C1C2D
Primary mode	Mixed	Mixed
Ticket type	Oyster PAYG / day ticket	Oyster PAYG / day ticket
Location	Wimbledon	Croydon
Group no.	5	6

Additional recruitment criteria

- a mix of both sexes in each group
- all recruited as mainly commuters or mainly leisure users
- all on the basis of the mode of transport they use most often (but may also use other modes)
- commuters could also make leisure journeys
- leisure users were not regular commuters or using weekly / monthly / annual passes
- leisure users included a mix of those using train, LUL, tram and bus

- commuter groups 1, 2 & 3 comprised a mix of those using weekly / monthly / annual passes
- commuter group 4 were commuting or making business journeys no more than three times per week (so not using period passes)
- train users to include a mix of TOCs including Southern, Southeastern, First Capital Connect, First Great Western, Greater Anglia, South West Trains, Virgin, London Midland and East Coast
- all paid for their own tickets and / or Oyster products (concessions and Freedom Passes were excluded)
- representation of railcard users in all groups and all railcard types across the sample
- all groups were representative of the ethnicity of the area from which they were recruited.

Appendix C – Figures referred to in the research

Figure 7 : Customer satisfaction on National Rail

Improved ↑
Unchanged =
Declined ↓

The value for money of the price of your ticket

% of passengers satisfied/good by sector:
London and South East - 43%
Long distance - 55%
Regional - 57%

	Autumn 2012				Improvement/decline in % satisfied or good since Spring 2012		Improvement/decline in % satisfied or good since Autumn 2011	
	sample size	% satisfied or good	% neither/ nor	% dissatisfied or poor	% change	significant change	% change	significant change
Arriva Trains Wales	1283	55	17	28	-1	=	-4	=
c2c	1087	46	25	29	4	=	3	=
Chiltern Railways	1127	50	19	31	1	=	-1	=
CrossCountry	1337	53	20	27	5	↑	1	=
East Coast	1187	58	18	24	2	=	1	=
East Midland Trains	993	49	19	32	-3	=	-4	=
First Capital Connect	1607	38	22	39	4	↑	0	=
First Great Western	2880	53	18	29	5	↑	0	=
First Hull Trains	553	60	19	20	4	=	-1	=
First TransPennine Express	1054	57	17	26	0	=	-2	=
Grand Central[1]	915	73	15	13	-	-	-6	↓
Greater Anglia	1959	37	21	42	7	↑	4	↑
Heathrow Connect	510	52	26	22	-4	=	-6	=
Heathrow Express	484	40	22	38	7	↑	4	=
London Midland	999	52	22	26	-1	=	0	=
London Overground	958	57	20	23	8	↑	3	=
Merseyrail	577	70	10	20	3	=	4	=
Northern Rail	940	57	16	27	7	↑	-3	=
ScotRail	1249	52	19	29	1	=	-6	=
South West Trains	2166	37	24	39	1	=	-1	=
Southeastern	1467	38	22	40	6	↑	2	=
Southern	2375	42	22	35	4	↑	0	=
Virgin Trains	1320	60	18	23	1	=	0	=

National Passenger Survey Autumn 2012 (Passenger Focus)
The latest National Passenger Survey results are available from:
www.passengerfocus.org.uk

Figure 8: Customer satisfaction with London Buses

Q4 11/12	Q1 12/13	Q2 12/13	Q3 12/13		
81	82	82	81		Overall evaluation
83	**84**	**85**	**84**		**Vehicle - average score**
86	87	88	87		On-bus safety & security
82	**84**	**84**	**83**		**Information - average score**
83	85	86	84	↓	Bus exterior
81	82	83	82		Bus interior
81	**82**	**82**	**82**		**Cleanliness - average score**
83	84	85	84		Bus exterior
79	79	80	79		Bus interior
83	**84**	**85**	**84**		**Condition - average score**
84	85	86	85		Bus exterior
82	83	84	83	↓	Bus interior
82	**83**	**83**	**82**		**Journey - average score**
85	85	86	86		Driver
79	81	81	81		Time waited to catch bus
82	84	85	84	↓	Journey time
85	86	87	86		Ease of boarding/alighting
80	80	82	80	↓	Level of crowding on bus
81	82	82	81	↓	Comfort on bus
81	82	82	81		Smoothness and freedom from jolting
82	86	83	85		Ease of interchange
77	78	79	80		Reliability
66	67	71	69		Value for money

TfL Customer satisfaction survey research (London Buses) Q3 2012/13

Figure 9: Customer satisfaction with the Tramlink service

10/11 Q2	Q3	Q4	11/12 Q1	Q2	Q3	Q4	12/13 Q1	Q2	Q3		
85	**84**	**84**	**86**	**86**	**83**	**87**	**90**	**87**	**89**	▲	**Overall evaluation**
81	**84**	**82**	**84**	**85**	**84**	**85**	**88**	**88**	**87**		**Stops composite**
81	81	83	85	84	84	86	88	86	88	▲	Personal safety at tram stop
78	82	80	82	83	81	83	85	87	85		Freedom from litter at the tram stop
80	85	83	85	86	84	86	88	89	87		The cleanliness and freedom from graffiti at the tram stop
82	85	84	84	84	85	85	89	89	88		The state of repair at the tram stop
82	84	82	85	87	86	85	88	88	87		The information provided at the tram stop
81	**84**	**82**	**83**	**85**	**83**	**84**	**87**	**87**	**87**		**Tram composite**
83	86	82	84	85	84	86	87	89	89		Cleanliness and freedom from graffiti of the outside of the tram
77	79	79	79	81	79	79	80	83	83		Cleanliness and freedom from litter inside the tram
82	87	83	84	86	85	86	89	90	90		State of repair of the outside of the tram
81	84	82	84	85	82	84	88	88	87		State of repair inside the tram
81	87	84	84	87	86	87	89	89	88		Information provided on the outside of the tram
81	82	82	84	85	84	85	87	87	85		Notices and other information provided inside the tram
81	**84**	**83**	**84**	**85**	**84**	**84**	**87**	**86**	**87**		**Journey composite**
78	78	81	82	82	81	83	85	82	85	▲	Your comfort inside the tram
82	83	82	82	86	84	84	86	86	87		Length of time you waited for the tram
85	87	87	87	90	88	87	90	90	90		Ease of getting on and off this tram
85	89	86	86	88	87	88	90	90	91		Length of time your tram journey took
82	85	83	86	85	85	84	87	85	87		Smoothness and freedom from jolting during your journey
76	77	75	79	81	78	77	80	81	82		Level of crowding inside the tram
84	87	86	87	88	88	87	91	90	90		Your personal safety during the tram journey
79	83	82	85	85	84	84	87	86	80	▼	The announcements (including driver announcements) in the tram
81	**84**	**82**	**84**	**85**	**84**	**84**	**87**	**87**	**87**		**Service Composite**
84	83	83	83	84	85	85	86	86	86		Reliability of trams being on time
78	78	72	73	75	72	73	75	81	77	▼	Value for money
85	89	81	82	84	84	85	83	90	87		Ease of getting to the tram stop where you got on the tram

TfL Customer satisfaction survey research (Tramlink) Q3 2012-13

Glossary

Term	Definition
Advance ticket	Rail ticket which provides a discounted fare if bought up to 12 weeks in advance of travel either online or from a ticket office
DLR	Docklands Light Railway
Gold card	A card automatically issued with annual season tickets which gives discounts on other rail journeys for the holder and others
LUL	London Underground Limited
Megatrain	Web-based fares only available on certain South West Trains services
NR	National Rail
Oyster PAYG	Oyster Pay As You Go
PIS	Passenger Information System
Season ticket	Allows unlimited travel in both directions between two stations over a certain period of time (eg. a week, month, year)
TfL	Transport for London
TOC	Train operating company
Travelcard	A ticket valid for travel on any mode across two or more fare zones in London

Value for money in transport services

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