



The voice of transport users

Annual Season Tickets: What price loyalty?

October 2017



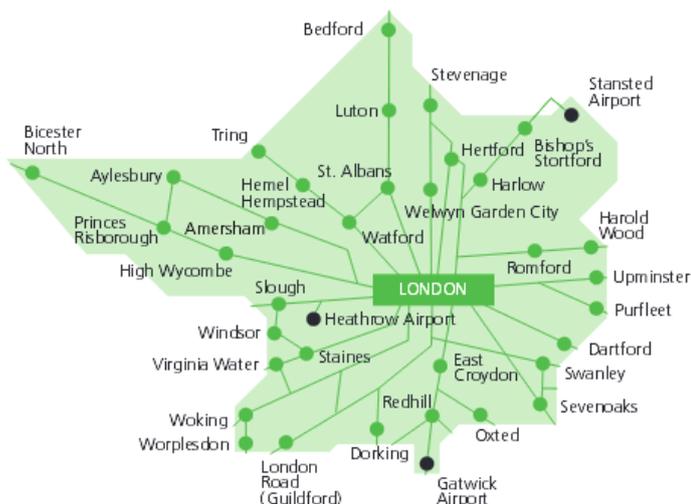
London TravelWatch is the independent, multi-modal body set up by Parliament to provide a voice for London's travelling public. This includes users of rail services in and around London, all Transport for London (TfL) services (bus, Tube, DLR, trams, taxis) and motorists, cyclists and pedestrians using London's strategic road network. We are funded by and accountable to the London Assembly.

Our approach

- We commission and carry out research, and evaluate and interpret the research carried out by others, to ensure that our work is based on the best possible evidence
- We investigate complaints that people have been unable to resolve with service providers. In 2016-17 we had almost 11,000 enquiries from transport users and we took up almost 2,400 cases with the operator because the original response the complainant had received was unsatisfactory
- We monitor trends in service quality as part of our intelligence-led approach
- We regularly meet with and seek to influence the relevant parts of the transport industry on all issues which affect the travelling public
- We work with a wide range of public interest organisations, user groups and research bodies to ensure we keep up to date with passenger experiences and concerns
- We speak for the travelling public in discussions with opinion formers and decision makers at all levels, including the Mayor of London, the London Assembly, the Government, Parliament, and local councils.

Our experience of using London's extensive public transport network, paying for our own travel, and seeing for ourselves what transport users go through, helps ensure we remain connected and up to date.

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.



(Crossrail Elizabeth Line only – Reading to Shenfield)

Foreword

Every year over 1 million commuters living in and around London spend more than £2 billion on season tickets to travel to and from their place of work. But the way in which people choose and buy tickets is changing, with planned changes to ticket offices on London Underground and elsewhere, and with the growth of online transactions and ticket vending machines. Our review of TfL's ticket office closures found that annual season ticket holders felt especially hard done by from the process so we decided to commission research to explore their needs and the reasons transport users choose particular products.



Our most important finding is that the majority of these commuters are unaware of the full range of ticket products available to them, and the complexity of fares and ticketing means they are often unsure whether they are getting the best value for money.

Our research shows that many passengers are happy to use online services to find help and information. However, for large value purchases like Annual Season Tickets, many prefer and are reassured by a face-to-face transaction. So the planned closure of ticket offices will pose significant problems for some passengers.

Meanwhile, even with the present system, many people are unaware of the further discounts they are entitled by virtue of their Gold Card which comes with their Annual Season Ticket. And, more worryingly still, some commuters are actually buying tickets that cost them more than they need to pay for their journeys.

There is clearly work to be done both by TfL and National Rail operators. They need to improve the way that they communicate the features and benefits of different tickets and they need to ensure that, in any changes to ticket offices, there is adequate help, support and reassurance during what can be a very large purchase. In many respects commuters are a captive market. But they are also a very important part of the market, and they deserve excellent service.

London TravelWatch looks forward to working with the operators to ensure that season ticket holders and other commuters get a fair deal.

Stephen Locke
Chair

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1 Executive summary and recommendations

London TravelWatch is concerned about the missed opportunities and unclear choices facing commuters using Annual Season Tickets and wanted to understand this better. London TravelWatch's review of the closure of London Underground ticket offices¹ last year found that Annual Season Ticket holders felt especially hard done by from the process. Our subsequent discussions with TfL and others have indicated a lack of understanding of the needs of these passengers or the decision making process that passengers go through when choosing to purchase a product of this type. In particular, this included the need for reassurance against fraud when making a very large payment.

London TravelWatch commissioned this research to understand better the needs of Annual Season Ticket holders, their decision-making processes for choosing a particular product, what attracts them to this and what they think that transport operators should be providing for them.

Key findings:

Availability and awareness of ticketing products

- The majority of Annual Season Ticket holders are unaware of the full range of ticket products available to them
- Most users have very little or accurate idea of the financial benefit to them of the ticket they currently use and no understanding of how to calculate this. Consequently there is uncertainty about whether Annual Season Tickets always represent the most cost effective means of travel
- Regular commuters feel that they have no choice about when they travel or how much they have to pay
- Consumers perceive that ticket retailers have little incentive to provide an attractive range of products at competitive prices or to address areas of customer service concern
- There is a need for more information to be more widely available on the costs and associated benefits of Annual Season Tickets. The benefits of the Gold Card package attached to Annual Season Tickets are not fully understood by users, and there is cynicism that discounts are restricted to off-peak travel only within London and the South East, with only a minority of focus group participants aware of the ability to get discounted travel using Oyster Pay As You Go

¹ The Mayor of London asked London TravelWatch to carry out a review of ticket office closures on the London Underground and this was published in December 2016

- Purchasers of Annual Travelcard Season Tickets from TfL claim that Gold Card benefits are not properly explained to them, and this provides an incentive to buy from train operators instead
- Part time workers feel that none of the current ticketing options available to them represent good value for money
- There is a desire amongst passengers for an electronic ticket that could combine a National Rail point to point season ticket and a Pay As You Go facility for other journeys.

The renewal process

- The renewal process for such tickets is more likely to be automatic rather than considered, with most users making a decision to renew at the very last moment
- A minority of Annual Season Ticket holders in this research appeared to be purchasing tickets that cost them more than they strictly would need to pay for their journeys
- The complexity of fares and ticketing issues means that users of Annual Season Tickets see a benefit from avoiding the need to make more frequent decisions about purchasing tickets and times of travel
- The period to renew Annual Season Tickets is seen to be too short, and this contributes to the feelings of last minute panic buying, with further problems caused by the fact that the majority of people need to renew during the busy Christmas holiday period.

Purchasing options

- Most users are aware that Oyster and contactless bank cards are not yet fully interchangeable. However, some claim that they switch between Oyster and contactless, depending on the time of the month and the state of their finances. This means they are unable to take full advantage of the capping mechanism which would be applied to each card separately
- Whilst many users are happy to use online services to find help and information, for a large value purchase, many prefer and are reassured by a face-to-face transaction. Passengers preferred local stations for this advice as they were felt more likely to provide detailed information and be open at more convenient times
- London Underground was considered a reliable and trusted source of information as a service provider, compared to other providers, with knowledgeable and helpful staff. However, the closure of ticket offices on London Underground means some users now anticipate inconvenience and difficulties if they need to change or cancel their Annual Season Ticket. They are also concerned about the need to conduct transactions online, because

they are unsure whether London Underground staff are able to provide the previous level of help or knowledge

- Some passengers who previously purchased Annual Season Tickets from London Underground now buy these from National Rail or London Overground ticket offices because these provide the reassurance of a face-to-face transaction. However, some passengers are reluctant to purchase Annual Season Tickets from certain train operators because of poor operational performance
- Annual Season Ticket holders want more transparency as to who is receiving their money between train operators and TfL, especially where a Travelcard is involved
- Those unable to benefit from an employer loan would welcome the ability to pay in monthly instalments
- There is a need for a high level of reassurance to consumers because of the complexity and high financial cost of the transaction, so that immediately after the transaction a check can be made to ensure the ticket is correct. This is essential for those who value face-to-face transactions

Failure to reward loyalty

- Commuters have strong negative associations in relation to buying season tickets as these are seen as a grudge purchase
- Annual Season Ticket holders consider themselves the best customers for public transport service providers based on their frequent use of services and their perceived spending with these providers. However, this is not felt to be recognised or acknowledged in terms of the relationship between the providers and the consumer
- Some Annual Season Ticket holders believe that they are less likely to receive good customer service as providers regard them as a captive market, with no need for sales effort. Those purchasing online believe that they receive the lowest level of customer service, but do not benefit from the lower cost of this to the provider. Better recognition from service providers is therefore required, with loyalty better rewarded
- Some users have had poor experiences caused by changing jobs, work location or moving home before their season ticket has expired and want the option of a refund without being penalised, especially if changing to another ticket

The ticket purchasing environment

- There is a strong feeling that current station ticket office environments are not ideal or conducive to buying an Annual Season Ticket. These are uncomfortable and unsuitable for a transaction of this nature and financial value when compared to how consumers purchase items of a similar nature

and value. Commuters resent being forced to visit ticket offices at less busy times to avoid being under pressure from people queuing behind them

- For season ticket holders there is a need for a higher level of customer service when deciding to purchase or renew their ticket. This should include the ability to evaluate options in a considered way, in a conducive, less pressured environment such as a private room with comfortable seats and refreshments. This would enable easier rectification of problems that may occur during or after the transactions.

Recommendations

1. TfL and train operators must acknowledge that they need to improve the customer service received by Annual Season Ticket holders at the transactional stage, by:
 - developing tools that enable consumers to make effective and informed purchasing decisions on the type of ticket that would suit their needs best. These could include an online calculator and should draw on the methods used in other markets such as financial services and energy which are characterised by large payments
 - providing dedicated areas where people can get help when buying Annual Season Tickets, within appropriate stations
2. TfL and train operators should work with the Office of Rail and Road and the Competition and Markets Authority to allow providers, other than the transport operators and TfL, to retail Annual Season Tickets to give consumers greater choice and allow them to benefit from competition
3. TfL and train operators should better publicise the benefits of the Gold Card so that commuters can get better value for money from their Annual Season Tickets, and they should expand the features to recognise the loyalty of committed customers. This could include extending the area where discounted travel is available outside the London and South East area
4. TfL and train operators should work together to develop an electronic ticket that could combine a National Rail point to point season ticket and a Pay As You Go facility for other journeys
5. The period to renew Annual Season Tickets should be extended to prevent the feelings of last minute panic buying, and alleviate problems associated with the Christmas holiday period
6. TfL should work to make the cap apply for people using a combination of Oyster Pay As You Go and Contactless payment cards.

2 Research objectives and methods

The overall objective of this research is to provide London TravelWatch with a greater understanding of the needs of Annual Season Ticket holders on the public transport network.

More specifically, the objectives can be further defined as follows:

- To provide an assessment of how Annual Season Ticket users perceive their needs to be different from passengers using other ticket products
- To understand the various considerations and stages involved in the decision-making process when purchasing an Annual Season Ticket
- To assess how consumers differentiate between the different types of Annual Season Ticket available and the influencing factors on the ultimate purchase decision
- To understand how consumers evaluate the relative strengths and weaknesses of the alternatives available to them
- To gauge reactions to the purchase channels available for Annual Season Tickets and attitudes to each, especially in light of the closure of London Underground ticket offices
- To understand potential concerns associated with the purchase transaction, including the risk of possible fraud, and what reassurances or mitigations are available or required in this respect
- To compare the purchase of Annual Season Tickets with other major payments of £1,000 or more to understand what lessons could be learned to provide greater peace of mind to passengers in future.

A qualitative approach was adopted comprising five, 90 minute focus groups in order to reflect the views of a broad range of Annual Season Ticket holders. The groups also included some who recently used Annual Season Tickets but now use Pay As You Go and the demographic profile of the focus groups reflected London's population.

Group discussions were conducted among passengers living in a wide variety of locations across London and the South East who regularly commute using a variety of modes of public transport. The sessions took place in Central and South London.

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 provide an understanding of the needs of Annual Season Ticket holders, rather than to provide a measurement of them. The intention was to include a cross section of users of different types of Annual Season Ticket users 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 Annual Season Ticket users rather than statistically significant.

Annual Season Tickets

- Annual Season Tickets allow unlimited travel in London and are sold according to the London fare zones or as railway tickets between specific stations
- They typically offer a year's travel for the price of 10 months'
- You can buy an Annual Season Ticket at any staffed ticket office. If you are buying it for the first time, you will need to have a Photocard created. You may also be able to buy your ticket over the telephone or internet from the appropriate train company
- If the start date is a Saturday, Sunday or Monday (also Tuesday after a Bank Holiday), a new season ticket may be issued from noon on the previous Friday
- If the start date is another day, the ticket may be issued after noon on the previous day
- An Annual Season Ticket can be renewed any time up to seven days in advance.
- Annual Season Ticket refunds are calculated from the date the Season Ticket was handed in. It will be the difference between the price you paid and the cost of a ticket or tickets for the period for which you have actually used the ticket, plus an administration charge. Annual Season Tickets have no refund value after about 10 ½ months.

Source: www.nationalrail.co.uk

3 Ticket types

3.1 Awareness

The focus groups began with an introductory discussion to establish the type of tickets participants are using. This process revealed a wide variety of ticket types across the sample and had the effect of making consumers interested in the differences between the ticket they use and the ones other passengers use.

It is apparent from the output of this initial exercise that the majority of Annual Season Ticket users are unaware of the full range of products available. Indeed, some tend to categorise period passes as annual, monthly or weekly and tend not to think of the full range of options available within each of these categories.

“In the past it used to be called a Travelcard but recently it has been remarketed as a season ticket.” [Oyster, Online]

“It’s all corporate jargon and they say it’s your Annual Season Ticket but I would call it my Oyster card actually, that’s what I’d call it.” [Oyster, Online]

“You don’t have a choice so looking around doesn’t make sense because where I live there’s only one train into London. I have to make the journey every day so I wouldn’t ask somebody if there’s something else they can offer.” [NR, Point to Z1256]

This is explained partly by the fact that it is well known from previous research² conducted in this area that consumers tend to find the issues of fares and ticketing to be confusing. Annual Season Ticket users are able to avoid having to think about the complexity of the subject because they buy their ticket once a year. Between the annual purchase cycle, these consumers have no need to think again about issues associated with fares and ticketing (at least not for commuting purposes). This detachment means many are able to avoid the concerns faced by others who need to make more frequent decisions and purchases (and participants occasionally cited this as one of the main benefits of using an Annual Season Ticket).



Commuters at London Bridge

“I expect them to tell us. You see lots of websites selling different things and it just gets confusing. You don’t even know what’s what. If you try to work out what’s cheaper I’m sure you could use your time better.” [NR, Point to Z1256]

² Value for money on London’s transport services: what consumers think – London TravelWatch 2013

It transpired through the course of the discussions that the way in which Annual Season Tickets are often renewed provides further explanation for low levels of product awareness. Passengers claim the renewal process is more likely to be automatic rather than considered. This is because they know from experience their current ticket works for them and their commute so they see no reason to think about alternatives. Renewing the same ticket therefore offers the dual advantages of being the simplest option available and the least risky. The peace of mind and reassurance this provides when making what is often a very high value transaction is highly valued by many consumers and is discussed in more detail later in this report.

Commuters often feel they have no choice as to how they travel. Passengers often consider themselves a captive market for service providers and both parties recognise that one is selling a product the other is unable to manage without. This compounds the perception of a lack of real choice among consumers who perceive there to be little point in shopping around since ticket retailers have little incentive to provide an attractive range of products at competitive prices due to the nature of the relationship that exists between the service provider and the customer.

Consequently, among this relatively small sample of commuters, there are a number of instances highlighted by the research of those unlikely to be using the optimal Annual Season Ticket for their journeys. A couple of participants using Travelcard products are now aware of National Rail point-to-point alternatives as a result of talking part in the focus groups and realise this to be a better option for them, possibly in conjunction with a Pay As You Go facility.

“I am just going into London Bridge and I just continue with the season ticket because I used to have to get the Tube as well. I’ve probably wasted a bit of money if I could get a ticket that just goes from station to station.” [Oyster, Ticket Office]

“There are probably other ways of doing it that might be better but I’ve just stuck with what I’ve got used to.” [Oyster, Ticket Office]

“We’ve moved offices so now I don’t have to change, now I just walk from London Bridge. I’ll make a decision on the go but if the situation is the same I’ll probably still get the annual card.” [Oyster, Online]

Some people using National Rail Annual Season Tickets are aware of the option to use Oyster to combine Travelcard and Pay As You Go functions and would welcome an integrated point-to-point and Pay As You Go product since this is currently not available.

“I’ve got a separate Oyster card that I use for journeys around London and it seems nonsensical they can’t just combine the two into one.” [NR, Point-to-point]

However, passengers are more likely to find the concept of combining the Annual Season Ticket and Pay As You Go functionality on the same card or ticket too complex. A number of participants claimed to prefer to use the product they consider to be easiest to understand or most convenient to use than an alternative that may be cheaper. They likened this situation to mobile phone tariffs in that some

users prefer to pay more than they need to be safe in the knowledge they have a product that always works. Some participants are aware of others who have problems when making journeys with other types of tickets and enjoy the reassurance of knowing their Annual Season Ticket will always be valid and will avoid concerns such as those caused by incomplete journeys when using Pay As You Go.

“I do more with it because I know I can just go somewhere and not need to worry about the fare. It’s peace of mind like with my mobile I like to have it unlimited even though I pay more for it.” [Paper Travelcard]

“I used to do Pay As You Go when I lived in New Cross. I don’t know whether I thought it was cheaper, I just did it that way because I thought it would be easier.” [NR, Point-to-point]

3.2 The Key

The sample included a small number of passengers that currently use The Key, a smart card issued by certain train operators in London and the South East, and others who are aware of this product.

There are three specific issues in relation to The Key from observations among participants during the focus groups:

- One participant who is aware of The Key and potentially interested in using it explained how it is difficult to find information about The Key at local stations (but seems not to have looked at the London terminal station or online).

“Southern and South West Trains both do smart passes but I don’t know anything about them. There’s no information at my station and when I’m coming through Waterloo or Victoria I don’t have time to ask.” [Paper Travelcard]

“I’ve seen it advertised but I have no idea what it is beyond the fact it looks like a credit card, that’s all I know.” [Paper Travelcard]

- One participant has made enquiries about The Key but finds the information about it difficult to understand (especially compared to the paper Travelcard).

“I know about it because I started to read about it then I just lost the will to live. I found it really complicated, especially because I go to a lot of football matches and there’s thousands of people tapping in and out but I don’t have to worry about that.” [Paper Travelcard]

- One participant had investigated The Key and decided it suits her needs better than the Annual Season Ticket she is currently using but when she asked to buy it at her local station was advised not to get it due to teething problems that have not yet been resolved in relation to the functionality of the product.

“I had it sent (to the local train station) and he said ‘if I was you I wouldn’t pick it up because if it stops working we can’t sort it out’. The advice they gave me was to continue with the paper one, that’s actually what he said to me.”
[NR, Point to Z1256]

4 Gold Cards

4.1 Awareness

The previous section highlighted the low awareness of the different types of Annual Season Ticket available. This is illustrated and reinforced by attitudes among commuters to the Gold Card.

Previous research³ in this area has shown that many people who are entitled to a Gold Card are unaware of the functionality of the product and the range of benefits the user is entitled to. This research confirms that finding.

Spontaneous awareness of the Gold Card is by no means universal, including among those who currently have one. One or two participants were clearly unfamiliar with the term when the focus groups discussed it. They were then surprised to discover they had a Gold Card when they then looked at their Annual Season Ticket. Others know the Gold Card comes with an Annual Season Ticket but are not fully aware of the range of potential benefits that it entitles them to. Overall therefore, there is consistent evidence to suggest many Annual Season Ticket users are not taking advantage of the benefits they are entitled to and this is likely to impact on value for money perceptions.

“I think there was one of those Gold Cards when I got my season ticket but I didn't know what it was so I think I must have thrown it away.” [Oyster, Online]

“I vaguely remember buying my season ticket for the year online from TfL then getting a paper card through the post but it doesn't mean anything so I just use my Oyster card.” [Oyster, Online]

This suggests that in many cases commuters do not consider the Gold Card as one of the factors influencing the choice to use an Annual Season Ticket rather than other types of period pass or Pay As You Go. At best, the benefits of the Gold Card play a secondary role for those who are aware of them and take advantage of them.

This has potentially important implications for the way in which the industry positions and presents the role of the Gold Card as an integral element of the Annual Season Ticket package. The fact that some who know about the benefits at a theoretical level were unable to explain them easily to others in the focus groups when questioned confirms that the benefits of the Gold Card are often unclear. Further confusion in this respect is created by the fact that some claim from experience that the benefits of the Gold Card do not always materialise as expected (although this is likely to be due to a misunderstanding of the 'complex' terms and conditions associated with fares and ticketing, as explained in the previous section).

Furthermore, there is some feeling that the Gold Card does not provide the user with access to genuine benefits since these are included in the cost of the Annual Season Ticket and therefore being paid for rather than being provided as something

³ Value for money on London's transport services: what consumers think – London TravelWatch 2013

for nothing. Indeed, there is a degree of cynicism about the extent of the Gold Card benefits among a few who were aware that the discounts available for leisure travel are restricted to London and the South East. A couple of others claim to feel 'cheated' since similar but more comprehensive discounts are available to anyone who buys an Annual Railcard for considerably less than the cost of an Annual Season Ticket.

*"It's called a Gold Card but the benefits don't feel like they have gold status."
[Oyster, Online]*

4.2 Benefits

Although a small number of commuters are aware of the benefits of the Gold Card and clearly value these as part of the overall package they buy, the majority are unclear.

One or two people claimed that their choice of purchasing channel is influenced specifically by this issue. There was a perception that the Gold Card is not available if an Annual Season Ticket is purchased from TfL and this provides sufficient incentive to buy the product from a train operating company instead. This is relevant to the issue of TfL ticket office closures for the purposes of this research but participants did not raise it in this context.

"If you buy your ticket from a National Rail company you get benefits in addition to the normal Travelcard. One of them is that you get the Gold Card which is the same as a rail pass." [Oyster, Online]

A small number of people were aware that they could get a third off the cost of off-peak Pay As You Go journeys on Oyster when they link their Oyster card to a Gold Card. Others who were unaware of this were very interested to hear of this during the focus groups and the indications are that participants considered this a significant benefit that has the potential to change perceptions of the Gold Card. Coupled with the advantage of discounts available from certain rail service providers, participants claimed that this provided a good incentive to make incremental leisure journeys that people may not otherwise consider without the Gold Card element of Annual Season Tickets.

*"I saw an advert for it at the station and I had a look online at some of the offers but none of them really appealed to me or were relevant so I haven't taken them up."
[NR, Point-to-point]*

"My Gold Card gives me a discount for my Travelcard to get to here. I think it's 20%, I'm not sure exactly." [NR, Point-to-point]

"They could have a section (on the TOC website) for Gold Card people. There could be an app for Gold Card members where they have options or promotions or whatever it might be." [NR, Point to Z1256]

5 Decision making

5.1 Overview

Participants were asked to discuss their approach to the decision-making processes involved during the course of the focus groups. This provided a fuller understanding of consumer attitudes to Annual Season Tickets.

Naturally, this is subject to a range of different influences at an individual level but a number of common themes have been identified from the research. One of the most important issues in this respect is that there tends not to be much decision-making or much of a process of any type involved for the majority of commuters. Certainly this is true for those renewing Annual Season Tickets who represented the vast majority of this sample.

*“You just renew it as it is really don’t you, you don’t spend much time on it.”
[Oyster, Ticket Office]*



Commuters like these at Waterloo resent having to pay large sums of money for their Annual Season Ticket, but often leave it to the last minute to make renewal decisions

Given the annual renewal cycle, findings in this respect are interesting and perhaps somewhat surprising at a superficial level. Rather than preparing for renewal of their Annual Season Tickets in advance, many claim this to be effectively a panic purchase rather than a planned process.

This is partly due to attitudes surrounding the nature of the product that are common among commuters. The majority resent having to pay a large sum of money for the specific purpose of travelling to work, especially since many have uncomfortable journeys associated with travelling into London during peak times. This is compounded by a common reluctance to engage with what is often considered a complex product area. This can result in consumers preferring to put the issues associated with renewing Annual Season Tickets to the back of their minds rather than actively attempting to find a way to deal with them.

“I just think ‘Oh my God, it’s running out next week’ then you have a bit of a panic don’t you and think ‘I’d better make sure I get a new one quick’ then every year you think ‘I might think about it next year’ but you don’t.” [Oyster, Ticket Office]

It is also partly explained by the fact that a large proportion of Annual Season Ticket renewals occur during the Christmas holiday period. This is due to the combined effects of preferring to have a ticket that is valid for a complete calendar year and the common desire to renew before the annual fare increases in January. This means that consumers often relegate the renewal decision to the back of the mind while they prioritise the range of other activities they traditionally prefer to engage with at this time of year.

“Mine expires between Christmas and New Year and sometimes you’re not at home or whatever. It would be nice to be able to renew it before Christmas so you know it’s done but you can’t, so I literally do it two or three days before or sometimes on the morning of the day it expires.” [NR, Point-to-point]

“You can buy a single ticket up to 12 weeks in advance so why can’t you buy your Annual Season Ticket up to 12 weeks in advance?” [NR, Point-to-point]

For the reasons explained above, many commuters admit to leaving the renewal of their Annual Season Ticket until the last minute. This contributes to the likelihood of commuters taking the line of least resistance by simply buying the same ticket again rather than considering the range of options available. Some recognise that this may not be ideal at a rational level since it effectively means repeating the same mistake every year in the event of not using the optimal product for journeys made. This is especially true in recent years since a wider choice of products is now available including contactless bank cards and smart cards issued by train operators, such as The Key.

Interestingly however, the majority assume the different product platforms available are unlikely to impact significantly on the cost of their Annual Season Tickets. Perhaps a more important issue is that most seem to be unsure how best to evaluate the options to ensure they are getting the product that most suits their specific circumstances. One respondent explained she had previously trialled a monthly season ticket before committing to an annual one after her commute changed but the evidence seems to suggest this to be the exception rather than the rule.

“I’m between stations so to do it from my station is one price and from the other station is a different price. It’s a bit confusing so I just do point-to-point to my station.” [NR, Point-to-point]

5.2 Considerations

As previously indicated, some consider the annual renewal to be sufficient justification for their choice of ticket. In spite of the issues mentioned above, buying a ticket once a year is felt to be much less trouble than needing to purchase or even think about other options more frequently. Many commuters value the peace of mind and reassurance that using an Annual Season Ticket gives them in this respect more highly than the financial justifications.

“I worked out it’s probably cheaper not having this (Annual Season Ticket) but it’s much more convenient, there wasn’t much in it.” [Oyster, Online]

This is especially true since uncertainty about how to evaluate the options available extends to value for money and financial cost-saving associated with buying an Annual Season Ticket (even though this is universally acknowledged to be the primary driver in the decision-making process).

Consistent with previous research⁴ conducted in this area, the vast majority have very little accurate idea of the financial benefit to them of the ticket they currently use and no understanding of how to calculate this. The common assumption is that an Annual Season Ticket provides the user with around six weeks’ free travel. This causes many to be sceptical about the extent of the financial benefits of such products since they perceive the ‘free’ travel to amount to little more than the time most are away from work due to holidays, sick leave or other reasons.

“I wasn’t aware of the figure but I knew it was a lot cheaper. I’ve been doing it for 15 years so I looked at it at the start but you don’t go back and check it again.” [Oyster, Ticket Office]

“There are two formulas. I might be slightly wrong but it’s 42 times the cost of a weekly pass or 10.5 times the cost of a monthly pass.” [Oyster, Online]

“You get about a month or six weeks free. I think it’s 47 weeks that I pay for.” [Paper Travelcard]

“I could sit down and try to work it all out but at the end of the day I can’t be bothered.” [NR Point to Z1256]

It should be noted that most are very surprised to learn the cost of Annual Season Tickets is calculated on the basis of 40 weeks’ travel and this has the effect of enhancing attitudes overall, especially in terms of value for money.

The lack of knowledge in relation to the cost-saving means there is considerable uncertainty about whether Annual Season Tickets always represent the most cost-effective way to travel and commute. Some recognise an Annual Season Ticket to be the cheapest option even in the event of working four rather than five days a week (or frequently working from home). This knowledge understandably reinforces

⁴ Value for money on London’s transport services: what consumers think – London TravelWatch August 2013
South Western Franchise – Transport Focus December 2015

perceptions associated with the complexities of evaluating the value for money of alternative ticket options.

“I work at home sometimes so I don’t use it day in day out but it’s so much cheaper to buy an annual than it is to buy a monthly or a six monthly.” [NR, Point-to-point]

However, some people question whether they might be better off switching to a more flexible form of ticketing such as monthly or weekly season tickets or even Pay As You Go.

“It’s a false benefit because after annual leave, sick days and bank holidays you don’t gain that much really. If you do the daily tickets you might actually be a bit better off.” [NR, Point to Z1256]

6 Pay As You Go

Although the primary focus of this work is to understand attitudes towards Annual Season Tickets, Pay As You Go is relevant to the objectives of this work for a number of reasons:

- As previously discussed, Pay As You Go may be required as a supplement to an Annual Season Ticket in certain circumstances
- A small number of participants were recruited on the basis of having recently switched from using Annual Season Tickets to Pay As You Go
- One of the specific questions the research set out to answer was to understand commuters' responses to recent TfL advertising about the potential cost-effectiveness of Pay As You Go.

6.1 Perceptions

The participants recruited as Pay As You Go users in this sample had switched from using an Annual Season Ticket due to a change in their working circumstances. This was usually because of a voluntary reduction in hours worked or increasingly flexible full-time working patterns in which working from home is becoming more common and acceptable. None of these participants still commute five days a week so they recognise their needs have changed in relation to their ticketing requirements. As a result, these commuters have also looked again at the question of value for money.

These participants often reached interesting conclusions about the optimal ticketing solution for their journeys. They all recognised that Annual Season Tickets are likely to represent poor value for money for people who commute fewer than five days a week. Although some acknowledged an Annual Season Ticket might still be the cheapest option, they saw it as less good value for money for someone who uses it less often than another user paying the same price to commute more frequently. Participants had the same view about other period passes, which also require holders to pay for days that they will not use. Pay As You Go therefore tends to become the default option but some then resent the fact that the unit cost of their journeys is higher than the price paid by other commuters. Those who work part-time and therefore earn less than other people doing the same jobs on a full-time basis felt particularly strongly about this.



Some people use Pay As You Go payment options like Oyster/Contactless as an alternative to an Annual Season Ticket

“I plan out my week and depending on how much I’m travelling I will buy a Travelcard but if you use Pay As You Go more than two days in the week you kind of throw money away.” [Paper Travelcard]

“If you only work part-time, if you only do three days a week, that’s when you’re going to get shafted.” [Paper Travelcard]

Part-time workers therefore feel that none of the current ticketing options available represent good value for money in comparative terms. This creates the feeling that there is an obvious gap in the current product range for a flexible ticket that will cater for the needs of part-time workers by allowing them to take advantage of the same discounted fares as others who commute frequently.

“I think I’m better off with Pay As You Go rather than shelling out for an annual ticket but it’s quite hard to determine at the outset.” [Oyster, Ticket Office]

A minor, additional issue to emerge from the research is the fact that part-time workers consider themselves to be disadvantaged further since they assume they are unable to benefit from an interest-free employer loan scheme if they use Pay As You Go rather than an Annual Season Ticket.

6.2 Usage

An initial observation is that Pay As You Go tends to be primarily associated with TfL rather than train operators. This is because TfL are synonymous with the development of Oyster in London. Many people recognise that Pay As You Go journeys can be made with service providers other than TfL using Oyster and contactless bank cards. However, this is not always an automatic link. This is likely to be partly explained by the fact that National Rail Annual Season Ticket users are unable to combine Pay As You Go functionality with their point-to-point product in the same way that Travelcard users can.

Participants welcomed the option to use a contactless bank card to make Pay As You Go journeys as an alternative to Oyster but not everyone was aware that this could be done. Some people were aware that they could use contactless cards but were unsure if this payment method comprises the same functionality as Oyster, especially in relation to the fare capping facility.

Many consider contactless payment cards to have advantages over Oyster. There are indications from this research to suggest this is a growing trend (even among Annual Season Ticket holders who use Pay As You Go less frequently than many other users of public transport in the London area). These consumers are aware that using contactless cards is a more seamless way to travel than using Oyster since it removes the need for unnecessary additional processes (and negates the need to carry an additional, travel-specific plastic card). One or two also recognise the loyalty rewards available from certain financial service providers to be an additional incentive to use a contactless bank card to pay for journeys rather than Oyster. A small minority interpret this as the next step in the evolution of fares and ticketing in the London area that will see Oyster gradually phased out over time.

However, some are aware of the fact that Oyster and other contactless cards are not yet fully interchangeable. One or two are aware that it is not possible to link Gold Cards to contactless cards in the same way as Oyster. Some are aware the TfL website provides detailed information on fare capping and other savings available when using Oyster but are unsure if the same benefits apply when using a contactless bank card (or where to go to find this information). Of perhaps greater concern is the fact that some claim to switch between Oyster and another contactless card, depending on the time of the month and the state of their finances, not realising this will prevent them from being able to take full advantage of the fare capping mechanism.

“You can go on TfL and work it out. It’s a bit complicated but it tells you the daily and weekly caps at each zone. It shows you the savings but you’ve got to sift through it a bit.” [Paper Travelcard]

7 Information sources

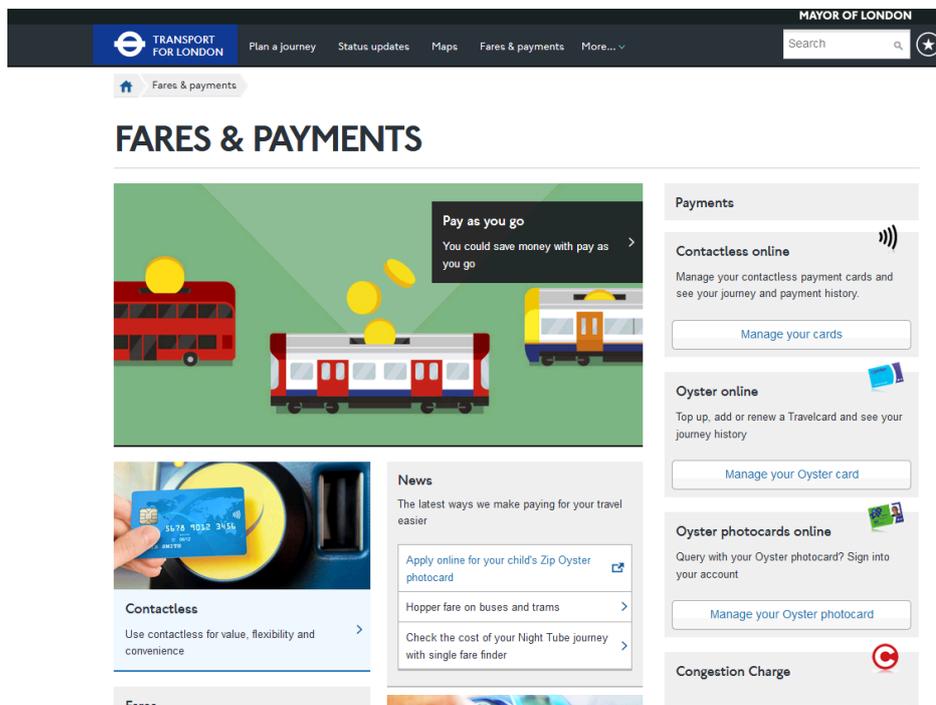
7.1 Online

All participants agreed that information regarding fares and tickets is now more easily accessible than it has been at any time in the past. In addition, they thought that service providers in the public transport sector have been relatively slow to respond to the increasing consumer demand for improved information of all types but that the industry is catching up and is now better than it used to be.

“There’s a lot more information on the websites now, on the train operators’ as well as National Rail, than what there used to be, but it’s just being able to find the details.” [Oyster, Ticket Office]

In the event of needing information on fares and tickets generally and Annual Season Tickets specifically, the majority of this sample are most likely to look online since this is consistent with the trend for the internet to be the default choice for information relating to travel or almost any other subject matter nowadays.

The main advantage of searching for this type of information online is that consumers are able to do it in their own time and at their own pace. This is especially important in areas that passengers perceive to be complex, such as fares and ticketing and financial services. Indeed, some with experience of attempting to obtain information relating to fares online acknowledge it can be confusing to calculate costs, partly due to the complexity of the subject and partly because of the variety of information sources that many feel inclined to check in order to provide the most comprehensive picture possible.



Participants thought that the TfL website provided clear and transparent fares information

Although views were somewhat mixed, the consensus was that the TfL website is one of the better examples in this field. Participants thought that the site provides clear and transparent information and tools such as the journey calculator and best fare calculator provide reassurance to consumers who can sometimes feel overwhelmed when attempting to access information of this nature. A small minority are aware of the facility to be able to call TfL if help is required and one respondent reported positive experiences in this respect.

“To be fair, TfL are quite transparent about it, I don’t know if that’s because they are a not-for-profit organisation. They spell it out on their website if you’re only travelling four days then it’s cheaper to buy a specific ticket.” [Oyster, Ticket Office]

“The TfL website has a lot of options on it so it’s not straightforward. You want to be able to say ‘I’m going from here to here, well you need this.’” [Oyster, Ticket Office]

7.2 Face to Face

In spite of the fact that most default to online information, it is important to note that some still prefer a more personal service in this sector. This is primarily due to the known complexity of fares and ticketing issues compounded by the importance attached to what can be a very high transaction value in the case of buying an Annual Season Ticket.

This is especially true for those who begin their journeys by train since they generally consider fares involving a National Rail element to be more complex than those involving modes operated by TfL only. Some commuters therefore prefer to have the option of dealing face to face with staff trained in providing ticket advice (as opposed to staff who provide advice relating to routes or of a more general nature).

*“A guy on the ticket barrier might not be as knowledgeable or helpful about a ticket. At a ticket office, the person’s supposed to be properly trained up so they should be able to read maps, manuals whatever and go on the computer.”
[Oyster, Ticket Office]*

Rail passengers often prefer to use their local station for help and advice rather than the London station they travel into, especially when this is a terminal station. This partly due to the fact that London stations are more likely to be busier than local stations, especially at peak hours, so commuters can visit their local station at a time convenient to them, such as the weekend in many instances. It is also partly because commuters assume staff at their local station are more likely to be better equipped to provide detailed information relevant to their specific journeys than staff at London stations who are required to have broader knowledge of a wider variety of journeys.

“At Victoria there is an information point but if I had a query or some question I would always do it at my home because there’s no queue generally speaking and there’s massive queues at Victoria. I can’t say that all staff at Victoria aren’t helpful but they’re under a lot more pressure and much busier” [Oyster, Ticket Office]

“It’s easier to have that conversation. It may take a little bit of time but they can pull up any information you want and with no queue it just feels a better experience.” [Oyster, Ticket Office]

“In London, the stations are a lot busier and most stations are quieter out of London so it makes sense. You can do it on the way home or on the way in or at the weekend, whatever works for you.” [NR, Point-to-point]

The exception to this is that a couple of participants find the service provided at the Information Centre at Victoria Station preferable to their local station (but acknowledge it can often be busy due to its popularity with tourists). Another potential issue is that passengers occasionally feel cost-related information is not readily available, especially in certain smaller rail stations. This is a minority view from the research and is likely to be due to an idiosyncratic view that a specific train operating company may not have comprehensive information available about routes operated by competitors. A further important factor in this respect is that some are aware that smaller rail stations are not always manned at all times of day and may therefore be closed at the time when information or help is needed.

“You show up at a station trying to get your ticket replaced because the magnetic strip has worn out and there might not be anybody there because they’re only open for certain hours in the week.” [Paper Travelcard]

“At City Thameslink, the offices are shut quite a lot of the time at weekends so when you run into any problems you can’t get it sorted out when you want.” [Paper Travelcard]

8 Purchasing channels

One of the objectives of this research is to understand consumer responses to the recent closure of London Underground ticket offices and the impact this has had on the way people buy Annual Season Tickets.

As discussed in the previous section, TfL is widely considered a reliable and trusted source of information as a service provider, especially in direct comparison to competitors. Ticket offices operated by TfL are therefore highly valued by users of public transport in London, including those that used to be available at London Underground stations.

“I used to pop in during the afternoon because there was virtually no queue. An annual one is quite expensive and even though I’m young I used to like doing it in person rather than on the internet.” [Oyster, Ticket Office]

“Most of the ticket offices don’t issue annual cards anymore and I found it really difficult because I thought I couldn’t do it online and I wanted to speak to someone to understand if I would get a Gold Card and to ask if I would be able to change zones.” [Oyster, Online]

Participants in this sample who recall buying Annual Season Tickets through this channel are aware that staff who sold these products used to be knowledgeable about them. The majority recognise TfL staff generally to be helpful and to have good knowledge in relation to journey planning but many are uncertain if London Underground staff are able to provide advice on Annual Season Tickets now that the ticket offices have been closed.



Tube ticket office closures have made it more difficult for some people to renew their Annual Season Tickets

A further issue for those with positive experiences of using London Underground ticket offices in the past related to the need to resolve any problems associated with an Annual Season Ticket. Since these ticket offices are no longer available, some commuters anticipate inconvenience and difficulties in the event of needing to change or cancel their Annual Season Ticket. Those who prefer face-to-face contact are especially concerned about having to conduct a transaction of this nature online.

“I’d rather sit down with somebody. Maybe it’s just being old school but I’d rather look at somebody and have somebody you can reference if it went wrong, otherwise you’ve got to get on the phone and try to work your way round the systems.” [Oyster, Ticket Office]

An additional but less important issue for a small minority is the fact that the closure of London Underground ticket offices has made it more difficult to buy an Annual Travelcard Season Ticket with a company cheque for those participating in the interest-free loan scheme operated by their company. In the course of this research

we found evidence that some employers are attempting to phase out this approach to purchasing tickets due to cumbersome logistical issues associated with it rather than the closure of ticket offices. They instead use company credit cards to make the transaction. However, other employers have continued to insist on the use of company cheques. This caused difficulty for some members of the focus groups at the times they needed to purchase Annual Season Tickets. This suggests a need for TfL and train operators to engage with businesses to encourage them to use systems such as BACS to transfer funds rather than company cheques.

“A lot of places won’t take a cheque now so as an employer it’s quite difficult to give one to people. It used to be absolutely normal to give people a cheque made out to whoever it was, TfL or Southern Railway. Now it’s definitely a problem for employers to pay for people’s tickets” [Oyster, Ticket Office]

It should be noted that many participants in this sample claim not to miss London Underground ticket offices. This may be due to non-use of this channel in the past or a preference to use other channels. Many have a pragmatic view about the increasing trend towards automation and accept the fact that the option of conducting face-to-face transactions is becoming less readily available in other sectors, even if they do not always welcome this.

Responses to the channels used by commuters for purchasing Annual Season Tickets since the closure of London Underground ticket offices can be summarised as follows:

8.1 Online

Many consumers have never considered buying their Annual Season Ticket online. Some are simply unaware the facility to do so exists and others are aware of the option but dismiss it due to a perception that it is too complex to buy such a product online. Obviously this channel is not available to those who need to pay for their ticket with a cheque issued by their employer.

“I did it with someone because I wouldn’t have been able to do it because I found it so confusing. I like to do it face-to-face but because there wasn’t anyone at London Underground and because it’s such a large amount of money you want to make sure it’s all done properly.” [Oyster, Ticket Office]

“I’m not comfortable spending two or three grand on a ticket from a machine or online, it’s an uncomfortable thing.” [Oyster, Ticket Office]

“I tried to do it online once and it was pretty complicated. I don’t think it’s straightforward the way you do it and there are restrictions in terms of how far in advance you can buy it.” [NR, Point-to-point]

There is some perception that the convenience benefit of buying an Annual Season Ticket online is negated by the need to validate it at a London Underground station (if this is necessary). There is also some feeling that a discount should be provided for those who buy online since they are opting out of the costs associated with buying tickets in a face-to-face environment.

“If you do things online with TfL they have to do something then you have to take the physical ticket to a station to activate it.” [Oyster, Ticket Office]

The participants in the focus group recruited on the basis of buying their Annual Season Tickets online tend to have a very different perspective. These consumers are very comfortable and confident in their ability to conduct transactions online and prefer to do so in most instances. They tend not to have reservations about paying for a high value item online and prefer the convenience this channel provides, especially in direct contrast to face-to-face transactions that are often considered inefficient and time-consuming.

“Initially I went to Bond Street station and thought I wasn’t doing the right thing because I’m more comfortable buying online. So I thought actually I’ll understand it better if I can read things without a queue of people behind rushing me into the decision, so that’s why I did it online.” [Oyster, Online]

“It’s 24 hours a day, seven days a week so it’s at my convenience and it’s quicker as well.” [Oyster, Online]

Commuter Club is a business that specialises in providing finance to allow people to purchase Annual Season Tickets outside of company-based season ticket loans. The majority of participants in our focus groups were unaware of Commuter Club but a couple of participants had experience of buying their Annual Season Ticket online from this source. The single motivation for using Commuter Club (for these commuters) is the facility to spread the cost of the purchase over the year in instalments if an employer does not offer an interest-free loan facility. Interestingly, it is not known whether Commuter Club charge a premium for this facility although some claim this may be worth paying in order to spread the cost of the Annual Season Ticket. There is also some uncertainty about whether tickets bought through Commuter Club have the same (Gold Card) benefits as other channels or what happens in the event of having no further need for the annual ticket part-way through a year.

“There’s a thing called Commuter Club, it’s just basic, the cheapest train fare possible, there’s no benefits except to pay by 10 monthly instalments. They just send you an Oyster card all ready to go but there’s no perks because it’s just for commuting, there’s no frills or anything like that.” [Oyster, Online]

“I used Commuter Club one year because I couldn’t afford to pay for a yearly ticket so it was logical to use that and I would use it again if needs be. I’d rather pay it upfront and be done with it but it’s a necessary evil sometimes.” [Oyster, Online]

“I did check out Commuter Club because I was thinking it’s a lot of money this year. I was considering not paying that much and doing it month by month because it did seem like a large amount.” [Oyster, Online]

8.2 National Rail ticket office

Some people who miss being able to buy their Annual Season Ticket from London Underground ticket offices now buy from a National Rail or London Overground ticket office instead. This alternative retail outlet provides the face-to-face reassurance that some require for making a major transaction or if information is required. These channels also allow people to easily resolve problems if provided with an incorrect ticket. Participants felt it was often worth the trouble of going out of the way to use a second-choice channel once a year.



Many people who want to buy or renew a Season Ticket face-to-face use a National Rail ticket office

“If I’m spending over £1,000 on something I maybe don’t understand and have a question, if I can I’d like to see someone. I just feel I might make a mistake and I want somebody who knows what they’re doing not to make a mistake and it’s just done, sorted.” [Paper Travelcard]

“I buy stuff online but if I was going to buy a car I wouldn’t just do it online, I’d rather speak to someone.” [Paper Travelcard]

“I like the reassurance of having someone else typing it in as opposed to me. If I make a mistake they would probably say I’ve got to pay 20% but if they do it at the station I know for a fact it’s correct.” [NR, Point-to-point]

There is evidence to suggest some Travelcard users do not consider these channels, because they are unsure if a National Rail ticket office is able to sell Annual Travelcard Season Tickets or other Oyster products. This was especially true for some commuters in the focus group conducted in South London who were aware from past experiences that even major National Rail offices such as Sutton have been unable to deal with queries related to TfL products and assume this still to be the case.

“You used to be able to renew at the tube station at London Bridge but they’ve all shut down which really messed me up because that’s where I always went every year and just bought the ticket. I can’t do it at Carshalton Beeches because they didn’t do it. I don’t know if they’ve changed but they never did Oysters.” [Oyster, Ticket Office]

“TfL withdrew the facility for rail stations to sell Oyster cards. You can do it on the ticket machines but not from the ticket windows. I did try and they wouldn’t let me do it.” [Oyster, Ticket Office]

“What makes it frustrating is the disjoint between the rail company you’re travelling with in an Oyster zone and the franchise to sell the Oyster products is not joined up.” [Oyster, Ticket Office]

Three other specific problems associated with buying Annual Season Tickets from National Rail ticket offices have been identified by this research and can be summarised as follows:

- One or two commuters have experience of renewing their Annual Season Tickets at London Bridge station during the disruption caused by the Thameslink Programme. Since the main ticket office was closed for a long period of time, these participants were directed to a kiosk with a long queue of passengers paying excess fares and buying other tickets. Understandably, this is not considered to be an appropriate environment for conducting such a major transaction.

“Because of the work there was a makeshift ticket office at the time I went to renew it and they said ‘no, you can’t do it here’ and I thought ‘well how are you supposed to do it?’” [Oyster, Ticket Office]

- A number of participants claimed to be reluctant to buy their Annual Season Ticket from certain train operators. This appears to be a specific response to the recent industrial action problems that have affected Southern Rail services especially but extends to other franchises operated by Govia (including Southeastern). The rationale in such situations is that if the company concerned is unable to provide its core services reliably, why should consumers trust them in other areas, such as processing large financial transactions? These customers would also like information on which companies receive money from their season ticket purchase. In particular, they feel that there should be more transparency around the distribution of revenue for Travelcards, between TfL and the train operators as they resent the thought that train operators with poor reliability should continue to receive more than their fair share of revenue.

“I would prefer not to buy it from Thameslink because I can’t stand them, it’s just a terrible service, I would avoid Thameslink if I could. If I had another option I’d buy from somewhere else.” [Oyster, Online]

“I’d prefer TfL to get the money than the train company because generally I think they provide a better service.” [Oyster, Online]

- Consumers are unaware if they have the flexibility to buy their Annual Season Ticket from any train operator (in the way that other rail tickets can be purchased) or whether they have to buy it from the service provider they commute with. One participant buys his Annual Season Ticket from Chiltern Railway which entitles him to free weekend travel to Birmingham at weekends as a result but commuters in other areas were unsure whether they would be able to buy their ticket from Chiltern and if so whether they would receive the same benefit.

“If you buy your annual ticket from Chiltern you get free travel at the weekend so it’s a fantastic benefit for anybody who wants to go to Birmingham but I never use it.” [Oyster, Online]

8.2 Ticket Vending Machines (TVMs)

Annual Season Tickets have never been available from ticket vending machines and so it is not surprising that participants in the research had not considered whether this was feasible for them or whether this would be a desirable option.

“You can’t get a season on a machine. It’s not a simplified process, it’s really confusing. It’s actually quite frustrating, the process of buying it.”
[Oyster, Ticket Office]

“You might be there deciding on your annual ticket and working out how to use the machine and you’ve got 20 people behind you wanting to catch a train.”
[Paper Travelcard]

It is well known from previous research⁵ conducted in this area that rail passengers tend not to trust their ability to use ticket machines (although often perform better than expected when confronted with the challenge). This is especially true of Annual Season Ticket holders who almost by definition are less likely to be using ticket machines than other customers. The resulting lower than average levels of confidence with ticket machines combined with the higher risk associated with the high value of an Annual Season Ticket means many are reluctant to consider using a ticket machine, even if their ticket can be bought in this way.

“It’s a big thing and you only get one shot at it. If someone at a counter gives you the wrong ticket you can say ‘it’s not the right ticket’ but a machine has already pumped it out and you’ve paid for it.” [Oyster, Ticket Office]

“I wouldn’t want to use a ticket machine to spend more than a grand for a yearly. I don’t even know if you can. Machines go wrong then you have to go through the hassle. It’s pressure as well, the people behind you. It’s never really a good time at a machine when you want to concentrate.” [Paper Travelcard]

“If I went up to a machine I wouldn’t know where to look. Those machines are quite alien to me.” [Paper Travelcard]

“I hate those ticket machines. They never work and you have to press so many buttons and it’s just the most unreliable way of doing things and there are 10 people behind you, it’s too stressful.” [NR, Point-to-point]

A further barrier to using this channel is the high awareness that ticket machines in London Underground stations tend to be much busier since the closure of ticket offices. The fact that ticket machines therefore tend now to be associated with long queues of impatient passengers adds to the stress of making a complex, high value transaction and makes commuters even less likely to consider this as a realistic channel option. The introduction of contactless cards for Pay As You Go journeys

⁵ Passengers’ ticket purchasing and journey experiences – London TravelWatch July 2013

has reduced the amount of time needed to queue and the numbers of queues at ticket machines but the perceived need to do this is a problem for some users.

“Baker Street is full of tourists so you can’t queue there because the machines are always blocked by tourists and they haven’t a clue what they’re doing.”
[Paper Travelcard]

It is apparent from discussions during the focus groups on this issue that some are familiar with buying tickets for non-commuting purposes online and collecting them using the ‘ticket on departure’ facility on a ticket machine. Consequently, those commuters who are currently comfortable buying their Annual Season Ticket online may be prepared to consider collecting it from a ticket machine (although this creates a further issue in relation to paper tickets, as discussed later in this report).

“They could have the complexity on the online bit so once you turn up at the machine you literally just have to put the code in, like you do with other tickets.”
[NR, Point-to-point]

9 Customer service

9.1 Experiences

The issue of customer service is interesting in the context of the objectives of this research. Annual Season Ticket holders consider themselves to be among the 'best' customers for public transport service providers based on frequency of use and perceptions of the amount they spend. However, they generally felt that operators generally did not recognise or acknowledge this.

"You're buying the services of a company not just to provide you with transport but they should also be capable of solving problems and they should be respectful and treat you like someone who's paying them a large sum of money." [NR, Point-to-point]

"What I think they lack is customer service, they don't follow through. So when they mess up commuters aren't happy because they haven't been talking to us. They take my money but they're not giving me anything." [NR, Point to Z1256]

The common view is that no special treatment or service is provided for Annual Season Ticket users. This is in the context of many being unaware of Gold Card benefits and others considering these not to be exclusive to Annual Season Ticket users. Beyond this, there is a feeling that customer services experiences are not in line with expectations based on the cost of Annual Season Tickets relative to fares paid by other customers.

"It feels like you are paying British Airways prices and getting Ryanair service." [NR, Point-to-point]

"We pay the most money and they get it in advance but we get less service because we only buy a ticket once a year." [NR, Point to Z1256]

"I don't think you get any special treatment for having an annual but you would think spending so much that maybe you should." [Paper Travelcard]

"They should reward loyalty because you're spending a lot more money than somebody who's a one-off." [NR, Point-to-point]

"The only customer service you have is when you're sold the ticket and you're not even told about half the benefits. Then you don't hear from them for another year so essentially there's no customer service." [NR, Point to Z1256]

Some Annual Season Ticket holders believe they are less likely to receive good customer service than other customers since service providers regard commuters as a captive market. The perception is that no sales effort is needed in order to sell Annual Season Tickets so all customer service is instead focused on marketing to less frequent customers using other ticket types.

“They know we have to buy a season ticket to get to work so they know they don’t need to bother to sell it to us because it’s not as if we have a choice.”
[Oyster, Ticket Office]

“If they send stuff to me I can choose not to engage but if they don’t send me anything they’re not telling me what I’m getting for my money. We’re tied in for the whole year, so they’ve got us for the whole of that year, we’re not going anywhere.” [NR, Point to Z1256]

The most extreme example of this is illustrated by those who prefer to pay online who recognise they receive the lowest levels of customer service by using this channel and indeed may have different needs if they choose to transact in this way.

“I don’t get none (customer service), that’s the truth, I don’t get none. I don’t interact with them at all, it’s just paid online, I don’t have no human interaction”
[Oyster, Online]

There is a correlation between quality of service provision and customer service experiences. Indeed, many commuters find it difficult to separate these issues at a conceptual level. In general, TfL are historically associated with better levels of customer service than train operators.

“I don’t feel I’m getting a service for the money. I’m paying a fortune for it and they’re not delivering the service, and I have no alternative, I can’t do anything.”
[Oyster, Online]

However, there is some evidence from this research to suggest the dynamics of these relationships and perceptions may be changing. The closure of London Underground ticket offices has limited channel options for customers buying and renewing Annual Season Tickets. Interestingly however, this seems not to have a negative impact on perceptions of customer service in direct comparison to train operators. This is likely to be partly due to the highly publicised recent service delivery problems associated with Govia Thameslink Railway especially those causing a ripple effect among all rail users in London and the South East. These serve to offset any negative views about TfL since the ticket office closures, (mentioned frequently in the focus groups, even by users of other train operators or TfL).



Problems with GTR services may have offset any negative views about TfL since the ticket office closures

“It’s a shame the (London Underground) ticket offices closed because the customer service they provided was better than you get from a train company.”
[Oyster, Online]

One area in which experiences are acknowledged to have improved recently is delay repay compensation payments. This is especially important for Annual Season Ticket holders who are likely to experience service disruptions more often than less frequent users. A small minority are aware these processes are now more efficient and automated for certain train operators.

“They’ve improved their game in terms of compensation...you can do it online.” [NR, Point to Z1256]

“With The Key, if you have a delay repay they update it onto the card and you have access to it as an online account.” [NR, Point to Z1256]

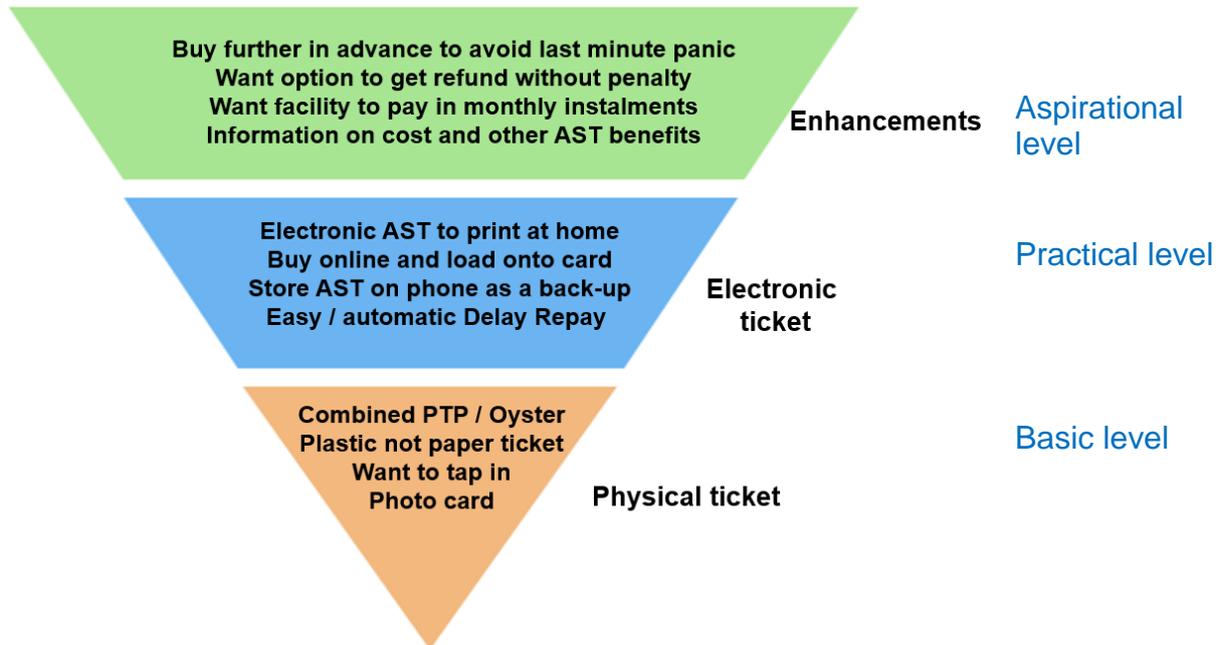
9.2 Expectations

In reality, Annual Season Ticket users are unlikely to expect any tangible difference between the level of customer service they receive compared to other customers. Nevertheless, there is a common feeling they should be entitled to expect to be treated differently and to receive an enhanced level of customer service due to their higher level of spend and commitment to public transport service providers.

In the ‘hothouse’ environment of the focus groups in which these issues are discussed, it is easy for participants to overstate or exaggerate customer service expectations (especially since they hope they will be listened to and actioned through the mechanisms of the research process). Some Annual Season Ticket holders therefore claim to want better recognition from service providers who they believe should make more effort to acknowledge their status as valued customers. Some feel they would like their loyalty to be better rewarded than it currently is, occasionally citing the model that exists in the transport sector of frequent flier programmes or points schemes provided by grocery retailers.

10 Needs

During the course of the focus groups, a number of needs emerged as being especially relevant to Annual Season Ticket holders (rather than generic needs among users of public transport in relation to fares and ticketing issues). These can be summarised by the following diagram:



10.1 Physical ticket

At the most basic level, Annual Season Ticket holders have a number of simple, unfulfilled needs in relation to the physical ticket itself.

Most frequently mentioned across the sample in this respect is the common desire to have a plastic rather than a paper ticket for those not currently using Oyster. The main advantage of this is to make the ticket more durable since paper tickets can become worn and illegible towards the end of their 12-month validity period. An additional benefit would be the facility to tap the ticket on readers at barrier gates rather than needing to insert it.

"I used to have a paper ticket but if you lose it it's very difficult and it wears out the whole time." [Oyster, Online]

"The wear and tear on paper tickets through the year means they get quite tattered, mine is all smudged, I can't even read it anymore." [Paper Travelcard]

"I have to show mine to staff now and get them to open the gate but I don't want to be slowed down by having to do that." [Paper Travelcard]

"Mine has been through the wash at some point. It would be better if you could just tap it as you go through rather than taking your card out and putting it through. It would be so much quicker as well." [NR, Point-to-point]

A minority would also like the option for the ticket to also be a photocard to prevent fraudulent use in the event of the ticket being lost or stolen.

“If you’ve got a card with your photo on it, when it comes to renewing you can just click a few buttons online and you don’t ever need to speak to the station staff.”
[NR, Point-to-point]

As previously mentioned, it is currently not possible for a National Rail Point-to-point ticket to co-exist on the same card with a Pay As You Go facility. While this wasn’t high on the list of focus group participant’s priorities, there is evidence to suggest an integrated product would be welcomed.

10.2 Electronic ticket

Commuters recognise a number of potential benefits in relation to electronic ticketing. Of greatest interest in this respect is the possibility of storing an Annual Season Ticket on a mobile device since this technology is already established for rail ticketing and also familiar in other areas, such as cinema tickets. However, some are concerned about relying on their phone to access their Annual Season Ticket in case of battery failure or other malfunction and therefore want this as a back-up in the event of the physical ticket being left at home.

“It would be good to have a back-up on my phone because if I lose my ticket I’ve got my phone and if I don’t have my phone I’ve still got my wallet.” [Paper Travelcard]

Alternatively, some would like the facility to have an online account that allows them to buy and renew their Annual Season Ticket in this way, which can then be either loaded onto a plastic card, printed at home or collected from an ATM. A further advantage of an online account is the ability for delay repay payments to be credited easily and automatically to commuters, which is especially beneficial for those who suffer disruption most frequently.

“If it isn’t a paper ticket that has to be sent in the post and I could do it online and it would automatically load onto a card I think I’d definitely use online then.”
[NR, Point-to-point]

10.3 Enhancements

The needs categorised as enhancements are based on specific issues commuters would like to see introduced to make the processes of buying and using an Annual Season Ticket easier in future. Although not necessarily identified as such during the course of the research, these are all things that could be positioned as improved customer service, meeting consumer requirements previously indicated in this area.

The issues are as shown in the diagram above and can be explained as follows:

- Some claim the window to renew Annual Season Tickets is too short and this contributes to the last-minute panic described earlier that is a common feature when renewing. This could be avoided by providing the facility to renew further in advance of the expiry date, which will help to avoid the problems associated with the Christmas holiday period especially

“It’s absolutely ludicrous. If you go there eight days before they say ‘sorry, you’ve got to come back next week’. Why? It makes absolutely no sense if I’ve got the money two weeks before rather than have the hassle of doing it at an inconvenient time. I don’t really understand why they do that.” [NR, Point to Z1256]

- Some have had poor experiences caused by changing jobs or moving house before their Annual Season Ticket expires and therefore want the option to get a refund without being penalised, especially when replacing one ticket with another
- The facility to pay in monthly instalments is popular among commuters who are unable to benefit from an interest-free loan from their employer. Some are reluctant to enter into this kind of relationship with an unknown entity such as Commuter Club but are more inclined to do so with service providers
- Some claim to be unaware of where to look for information on cost and other benefits associated with Annual Season Tickets and want these details to be more widely publicised and more easily accessible
- Many would like advance notice of engineering works that will affect their journey during the course of their ticket’s validity, so they can make decisions about when, if or how to travel.

11 Concerns and risks

Towards the end of the focus groups, participants discussed any concerns and risks associated with buying and renewing their Annual Season Tickets.

A common theme to emerge from the research in this respect is the degree of reassurance that many require due to the combined effects of the complexity and high financial cost associated with the transaction. As a result of this, many participants said that they wanted to be able to check their ticket immediately to ensure it is correct and that no errors have been made. This is especially true for those who value the facility for transactions to be made face-to-face rather than remotely.

“If you buy a boiler or any other high value purchase there’s a process they go through and they confirm the price again and so on and so-forth.”
[Oyster, Ticket Office]

Those who prefer to buy online often check for security reassurances when purchasing any high value items, especially when they are unfamiliar with the website or they are using it for the first time. A small minority are surprised that a online transactions do not provide a formal receipt as a matter of course for such a major purchase and feel this would help allay some concerns if available when buying through any channel.

“I worry about this kind of purchase whether it’s TfL or something else above £100 just from a security perspective. I look at the browsers, security certificate and all the warnings and if it goes through that extra check with your bank and things like that. That’s what I’d be looking out for.” [Oyster, Online]

There is frequent evidence from the research to suggest that commuters’ attitudes to buying Annual Season Tickets are influenced by their mindsets at the time they conduct the transaction. Typically, commuters have strongly negative associations surrounding rail tickets as they commonly consider them to be a grudge purchase. Since there is no enjoyment derived from spending such large sums of money on an item that is needed rather than wanted, this tends to create a negative frame of mind in which concerns and risks are likely to be heightened rather than suppressed.

“If you’re buying a holiday, you know you’re going to have a good time but when you’re spending £2,000 on a ticket you’re thinking ‘oh gosh, mornings, sweaty, smelly armpits, that’s what I’m buying’ you know.” [Oyster, Online]

The circumstances that people associate with buying Annual Season Tickets from National Rail ticket offices often exacerbate these factors. As previously explained, poor experiences and poor perceptions of train operators create a lack of trust among some consumers and this can translate into concerns about the ability of the company concerned to handle this non-core activity in an efficient and safe manner.

“None of them have a good name, do they? I suppose it’s part of the trust factor, I mean look at Southern.” [NR, Point-to-point]

“They like to pass the buck as well. They’ll quite quickly say ‘oh, it’s Network Rail, it’s out of our hands, you need to contact them if you want a refund.’”
[NR, Point-to-point]

There is also a strong feeling that buying an Annual Season Ticket from a rail station is not ideal for other reasons. The sales environment was seen by some participants as is often uncomfortable and unsuitable for a transaction of this nature, especially when compared to how other items of a similar value tend to be purchased. Commuters can also resent the fact that they feel forced to visit the ticket office when it is less likely to be busy rather than at a time convenient to themselves as a customer. If other passengers in the queue are kept waiting due to the long transaction time associated with buying Annual Season Tickets, this can create concerns that mistakes will be made if the purchase is under pressure and has to be rushed.

12 Comparisons

Following discussion of the concerns and risks associated with buying Annual Season Tickets, participants were asked to briefly compare their experiences with other purchases of a similar value.

Naturally, this exercise is subject to individual experiences and a wide range of other issues that influence perceptions, such as the nature of the item and the purchasing channel used. It is therefore not possible to draw firm conclusions based on this work but a number of common themes have been identified.

The most obvious examples participants are able to think of at a similar value tend to be items they derive enjoyment from (such as furniture, holidays, luxury items) rather than being grudge purchases. Items with negative associations (such as a new boiler, emergency home repairs) tend to be one-off or infrequent rather than annual purchases and are generally felt to be more acceptable on this basis.

“If I’m spending the equivalent amount on something for the house or on a holiday, it’s more of a luxury.” [Oyster, Online]

When buying online, comparisons are focused on the channel rather than the retail environment although levels of trust and confidence in the retailer affect levels of comfort with conducting the transaction. For the purposes of this work therefore, it is more interesting to compare the retail environment and face-to-face experiences when purchasing items of a similar value to Annual Season Tickets. Consumers recognise there to be a number of obvious differences in this respect.

The issue that tends to make the most difference for consumers is the fact that the retail environment is generally considerably more comfortable than ticket offices at train stations tend to be. In certain situations, high levels of customer service are provided when sales staff appear to make an effort to engage with customers. This may even extend to sitting in comfortable seats in a private area with free drinks available in certain situations. This allows the customer to feel relaxed when conducting the transaction rather than under pressure as is often the case when buying an Annual Season Ticket.

“With train tickets, it’s a given you don’t get any customer service. But if you go to buy a sofa or a car the experience is very different, you probably sit down and have a cup of coffee and a few biscuits, it’s a very different transaction.” [NR, Point to Z1256]

An additional advantage of other retail environments is that consumers feel it is usually easier to rectify problems that may occur during or even after the transaction. This includes the option to change or return a product if the customer subsequently changes their mind. Focus group participants often felt this to be true even when making a purchase online. This in stark contrast to what commuters would expect to happen if a mistake is made when buying an Annual Season Ticket through this channel.

13 Conclusions

There is broad consensus between the findings of this work and previous research⁶ conducted by London TravelWatch:

- Those who have started using Annual Season Tickets recently have never had the facility of London Underground ticket offices available to them so don't miss them
- Many who used the ticket offices in the past regret they are no longer available but tend to adopt a sanguine and pragmatic view. The majority understand the rationale behind TfL closing the ticket offices and accept the fact they need to find an alternative channel, even if this is not their natural first choice
- Others feel that the closure of the ticket offices has disadvantaged them. These are people who want the facility to transact face-to-face, especially for a complex, high value item, who are less comfortable or confident online and have reservations about using National Rail ticket offices.

This research draws a number of interesting conclusions regarding various other issues associated with Annual Season Tickets and these can be summarised as follows:

- 1. The subject of fares and ticketing is known to be complex. This applies equally to Annual Season Tickets where the risk for commuters is higher due to the very high costs involved. Low awareness of the range and the confusion that is apparent from the focus groups suggests some consumers are not using the optimal product for their journeys and therefore not getting best value for money**

The research indicates this is compounded by considerable levels of consumer apathy resulting from the belief that it is not worth investing time and effort to explore the options available. The introduction of The Key should make this process simpler for some in theory but in practice some seem to be sceptical about it.

- 2. There is similar confusion and scepticism surrounding Gold Card benefits. Many people are unaware of what these benefits are or how they are obtained. This has implications for value for money perceptions associated with Annual Season Tickets**

It should be relatively easy for the industry to communicate the benefits of the Gold Card to commuters but it seems this is not happening efficiently. Consequently, some feel they are paying for benefits attached to their Annual Season Tickets that they are not using.

⁶ Review of ticket office closures on the London Underground – the passenger perspective. London TravelWatch November 2016

- 3. The combined effect of the previous two points makes the decision-making process considerably more complex than it needs to be. This is especially true for those buying an Annual Season Ticket for the first time rather than renewing. Those renewing tend to block rather than confront this process as far as possible**

A key issue in this respect is the fact that most are unaware of the true extent of the financial benefit of using an Annual Season Ticket. If commuters are unaware of how the cost of their ticket is calculated, it can create doubt rather than reassuring them that they are using the correct product.

- 4. This research confirms the need for the industry to resolve the paradox of part-time workers paying the highest unit costs for their commuting journeys. An account-based ‘carnet’ style ticketing system is more likely to suit the needs of these commuters than the current default of Pay As You Go**

Those who do not always commute five days a week use either period passes or Pay As You Go. This results in the perception of paying for journeys that are not being made or paying more each time than others making the same journey. Both options result in poor value for money perceptions, especially among those who work part-time (rather than those who choose to work from home occasionally).

- 5. Many claim not to look for information before their Annual Season Ticket is due for renewal (or whether an alternative such as Pay As You Go would be better in certain circumstances) and renewals instead tend to be automatic and based on habit**

The closure of London Underground ticket offices is an important influencing factor in this respect. This is especially the case for people who know information is widely available online but prefer to transact face-to-face with someone who can provide advice and answer questions. National Rail offices are considered a poor substitute since local stations are often unmanned. The evidence shows consumer confidence and trust in the industry has been undermined in the recent past by long-running industrial disputes involving certain train operators.

- 6. The closure of London Underground ticket offices is a problem in situations where consumers feel they have no realistic alternative channel options**

A significant minority of people feel that operators have forced them online to buy their Annual Season Ticket even though they prefer not to use this channel for a transaction of this value, complexity and importance and resent having to do this. This is especially true for those who are unsure whether they can buy Annual Season Tickets from National Rail offices or Ticket Vending Machines or have reservations about using either. There is also a geographic issue in that users with a Travelcard on Oyster from areas unserved by London Underground such as South East London, have mostly never been able to buy their product at

National Rail stations and therefore had to use central London Underground stations. London Underground has now withdrawn this option from them, which has added to the disquiet and dissatisfaction about their treatment.

7. There is consistent evidence from this research to suggest commuters' perceptions and expectations of customer service have been affected by London Underground ticket office closures and recent experiences with train operators

This is often in the context of pre-existing feelings that customer service delivery is not always what it should be for those who consider themselves to be the best and most loyal customers of the service providers concerned.

8. A number of unmet customer needs have been identified that all feel realistic and reasonable in the context of the relationships that Annual Season Ticket holders feel they should have with service providers

These fall into three broad categories: improvements to the physical ticket, issues to do with electronic ticketing and other enhancements associated with the processes of purchasing and using Annual Season Tickets.

9. A number of concerns and risks have also been identified in relation to buying Annual Season Tickets

Many of these stem from negative associations with the nature of the product and are more difficult to mitigate since the closure of London Underground ticket offices.

10. When making a direct comparison with other significant purchases of a similar value, there are obvious face-to-face differences but there is a common feeling that even online transactions feel better when conducted with other merchants

These issues are mostly to do with the sales environment, which makes it difficult to make constructive suggestions relevant to Annual Season Ticket retailers. However, these comparisons tend to highlight fundamental differences in relation to basic principles of customer service between buying an Annual Season Ticket and other major items, that commuters would like to see addressed.

Appendix A - Focus group discussion guide

London TravelWatch – Annual Season Tickets 90 minute focus groups - discussion guide

Purpose of research:

- To assess the needs of Annual Season Ticket (AST) AST holders
- To understand the AST decision making and purchasing processes
- To assess how consumers differentiate between different AST products
- To evaluate the impact of the closure of London Underground (LU) ticket offices
- To gauge reactions to the alternative purchase channels available
- To understand the risks associated with the purchase and reassurances required
- To identify potential learnings from other high value transactions

Introduction

- Explain AECOM role – MRS code – research for London TravelWatch
- Purpose of group is to provide London TravelWatch with a greater understanding of the needs of Annual Season Ticket holders on the public transport network
- Indicate what we would ideally like to have a good understanding of the range of issues and attitudes surrounding the subject matter by the end of the session but explain that it is not necessary to reach a conclusion or consensus.

Warm-up

- Paired introductions
- First name, occupation, background details
- One positive thing and one negative thing about type of ticket generally used
- Any other key themes to add to strengths and weaknesses identified

Context

To understand journey patterns and modal usage

- What journeys do you typically make?
- Where do you commute to/from; what time of day/week?
- What modes of transport do you tend to use for your journeys?
- Do you also use public transport for leisure (or business) purposes (in London or the wider South East?)
- How do you decide which modes to use?
- What are the key influences in the decision making process?

Ticket options

To assess awareness and understand of the alternatives available

- What ticket options are available for your commute?
- How do you know about the different alternatives?
- What type of ticket do you use at the moment?
- What types of ticket have you used in the past?
- What are the different types of ticket available [*spontaneous then probe with Travelcard vs National Rail; rail only vs rail and other modes; Oyster vs paper ticket vs rail company smartcard; PAYG vs season ticket; weekly vs monthly vs annual season ticket*]?
- What do you consider to be the main differences between the options available?
- What are the key strengths and weaknesses of each?
- How do you decide which type of ticket to use?
- How do you assess which ticket type will best meet your needs?
- What do you think about the range of tickets/fares available to meet your needs?
- How do you know the best type of ticket to buy for your journeys?

Information sources

To provide a detailed understanding of information provision and needs

- Which information sources do you use to help with decision making?
- What is good and bad about current information provision?
- Do you prefer to get information online or to talk to someone?
- Are there any information gaps that need to be filled?
- Which websites/apps do you use? How do these compare and meet your needs?
- What would you like to see improved in future?
- Understanding of what would be good, better and best in this respect?

Decision making process

To understand influencing factors on the decision making process

- What are the key considerations when deciding which type of ticket to use?
- What factors need to be taken into account [*spontaneous then prompt with modes used, length of journey, zonal coverage, frequency of journey, job security, cost, budgeting, funds available, employer loan scheme, purchase channel options, purchase / renewal frequency, ticket format (plastic vs paper), associated benefits, habit etc.*]?
- Which of these is most/least important?
- Which exerts the most/least influence over the ultimate decision?
- Detailed discussion of each factor identified as being important

AST users

- Why do you choose to use an AST rather than other options available?
- What are the main advantages to you?
- What are the disadvantages?
- Do you always consider alternatives each time you renew? Why/not?
- Which alternatives have you considered and rejected? Why?
- How would you promote the benefits of the AST you use to others (in the group) who use something different?
- What would you miss if you used a different type of ticket?
- What benefits/incentives to transport providers offer to AST users?
- How could this be improved?
- How likely are you to renew your AST next time? Why/not?
- How likely are you to continue using an AST in future? What would make you reconsider?

Ex-AST users

- Why did you stop using an AST?
- What were the main disadvantages?
- How are you now paying for journeys instead?
- What are the main advantages of the way you now pay vs the AST?
- What are the disadvantages?
- How would you promote the benefits of what you do now to those using the AST?
- What benefits/incentives do you get from transport providers?
- How could this be improved?
- What are you likely to do in the future?

Channel options

To assess awareness of options available and perceived strengths and weaknesses of each

[Explore mainly for ASTs but understand issues for other ticket types too]

- What options are available for buying the type of ticket you use *[spontaneous then prompt with National Rail/TfL; ticket office/online/TVM; travel information centre; Commuter Club etc.]?*
- Which have you used in the past? Which do you use now?
- What are the strengths and weaknesses of each?
- Which do you prefer to use? Which do you tend to avoid?
- Do you use the channel for information and advice or purchasing only?
- What else is needed that isn't currently available?
- Have you ever bought your AST from a LU ticket office in the past? Why/not?
- How did the LU ticket office compare to other channels discussed?
- What were the main advantages and disadvantages of this option?
- How did you feel when LU closed ticket offices?
- What impact did this have when you needed to renew your AST?
- What did you do instead of using the LU ticket office?
- How did the alternative compare? What was better/worse about it?
- Did you consider/buy a different type of ticket? Why?
- What needs were met by LU ticket offices that need to be filled?

Financial issues

To understand the relative importance of financial considerations in relation to the decision making and purchasing processes and issues related to the London Travelcard agreement

[Follow up on issues raised previously during the discussion]

- What role does cost play in the decision about which type of ticket to use?
- How do you assess the value for money of each of the options available?
- How does the cost per journey of the AST compare to monthly/weekly tickets?
- How does the cost per journey compare to PAYG?
- How important is the financial outlay in the decision making process?
- How is this influenced by employer loan schemes?
- Do you have any idea of how fare revenue is distributed between transport providers?
- Do you expect this to be the same for all types of ticket or different for each type?
- How important is this to you?
- To what extent would it influence which type of ticket you use?
- Do you feel as though transport providers encourage you to use one type of ticket rather than another?
- How much notice would you take of promotion/advertising of this nature?

Concerns and risks

To understand these and how they can be mitigated

- How much does your AST cost?
- How does this compare to other transactions/expenditure you need to make?
- How do you feel about spending this amount of money?
- How does this differ if buying yourself vs employer loan scheme vs online instalments?
- What method of payment do you tend to use? Why?
- Is the method of payment linked to the value of the transaction?
- Do you have any concerns about making payments related to ASTs?
- What are the concerns and why do they exist?
- Do you consider there to be any risks involved? What are these?
- How do the risks vary by purchase channel used (especially online vs face-to-face)?
- What measures are in place to minimise/mitigate any risks?
- How reassuring do you find these?
- What could transport providers do to allay these concerns?
- What impact would this have on future decisions to buy ASTs?

Comparisons

To compare AST with other high value purchases

- What other purchases have you made in the past 12 months of a similar value to ASTs?
- How do you feel when spending on these things compared to the AST?
- How do the decision making and purchasing processes compare?
- What sources of information/advice are available?
- What channel options do you have? Which do you prefer?
- What method of payment do you tend to use? Why?
- Did you have any concerns about paying for the items concerned?
- What concerns did you have and why do they exist?
- Did you consider there to be any risks involved? What were these?
- How do the risks vary by purchase channel used (especially online vs face-to-face)?
- What measures are in place to minimise/mitigate any risks?
- How reassuring do you find these?
- What did/could the merchant do to allay these concerns?
- What could transport providers learn from other merchants to make AST purchasing better in future?

Appendix B - Focus group composition

The **five focus groups**, each lasting approximately 90 minutes, included the following consumer types:

1. Annual Travelcard Season Ticket holders with the product on Oyster and bought through a ticket office or travel information centre
2. Annual Travelcard Season Ticket holders with the product on Oyster but bought online. This includes people purchasing directly from TfL and also people buying via other companies such as Commuter Club
3. Annual Travelcard Season Ticket holders with the product purchased as a paper ticket for Travelcard zones 1 to 6 only (not to include travel from outside the Travelcard area)
4. Annual National Rail point-to-point Season Ticket holders purchased either as a paper version or rail company smartcard
5. Annual National Rail point to zone 1256 Travelcard Season Ticket holders purchased either as a paper version or rail company smartcard.

Composition of focus groups - Travelcards

	Annual Travelcard Season Ticket holder		
Ticket	Oyster	Oyster	Paper ticket
Channel	Ticket office (or travel information centre)	Online (via TfL and other companies)	Mixed
Recruitment area	South London	LU network	LU network
Venue	South London	Central London	Central London
Group no.	1	2	3

Composition of focus groups – National Rail

Ticket	National Rail Season Ticket holder	
	Paper or rail company smartcard	Paper or rail company smartcard
Type	Point-to-point	Point to zone 1256
Recruitment area	LU network	Outside Zone 6
Venue	Central London	Central London
Group no.	4	5

Additional Recruitment Criteria

- A mix of both sexes in each group;
- Age: 20 - 60 years;
- Mix of social grades (BC1C2D) across the sample;
- The ethnic diversity of London was represented across the sample;
- A mix in each group of those who paid for their own tickets and those who got them through an employer loan scheme;
- G1, 2, 3 & 4 could include two who used to buy the relevant type of season ticket but who started using Oyster Pay As You Go or other contactless payment card in the last two years;
- Some in each group had recent experience of making a high value purchase of £1,000+ (for comparison purposes);
- Participants were not buying tickets from any of the following stations (as it is still possible to buy Season Tickets from these London Underground stations so they were excluded to avoid confusion during the focus groups): Harrow & Wealdstone; Kenton; South Kenton; North Wembley; Wembley Central; Stonebridge Park; Harlesden; Acton Central; Kensal Green; Queens Park; Kew Gardens or Gunnersbury.

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ISBN: 978-0-9563561-4-7