

Attitudes to public transport ticketing initiatives in the North & Midlands

November 2018





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Foreword

*This is PwC's in-depth report into **attitudes towards public transport ticketing in the North & the Midlands**. We surveyed over 1,000 members of the public across the North of England and Midlands regions. We asked them about their current travel habits and how a range of ticketing and information initiatives would impact on their future use of public transport.*

This report presents our findings, based on analysis of the survey results. We examine respondents' travel habits, using a representative sample from each area of the North and Midland regions. We've looked in particular at the impact of six potential public transport initiatives on respondents' likelihood to use public transport more. And we provide insight into attitudes and expectations of public transport services.

The six initiatives we focused on in the survey – all linked to smart ticketing – are:

- Fare capping
- Best price promise
- Automatic refunds
- Topping up credit on a smart device
- Registering personal details to access more journey and personal data
- Use of multi-modal tickets on smart devices

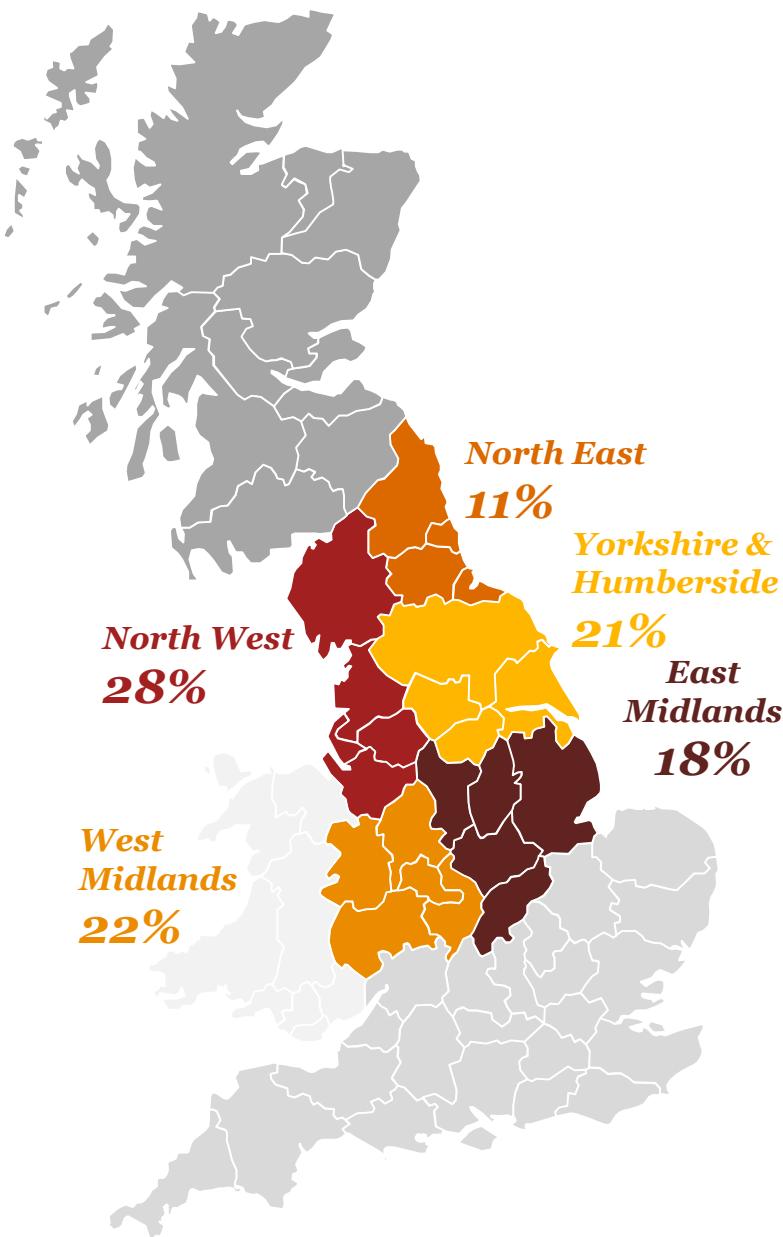
This report's findings come at a critical time as transport operators and authorities across the country look for ways to develop, invest in, and implement transport initiatives that deliver an enhanced customer experience and increased volume of journeys. This latter point is clearly key at a time of reducing ridership on buses across the country.

This report supplements PwC's national annual smart ticketing survey. It digs deeper into some of the issues in order to inform scheme designs and plans for future travel investments. While it has focused on customers in the North and Midlands, the insight and analysis provided should contribute to a forward looking public transport system that delivers a great customer experience resulting in increased patronage across the country.



Methodology

This report presents customer insights based on PwC's 2018 survey conducted with Opinium. The survey was conducted in September 2018 under the strict guidelines of the Market Research Society Code of Conduct by Opinium Research, a research and insight generation agency offering a range of qualitative, quantitative, and collaborative methods (www.opinium.co.uk).

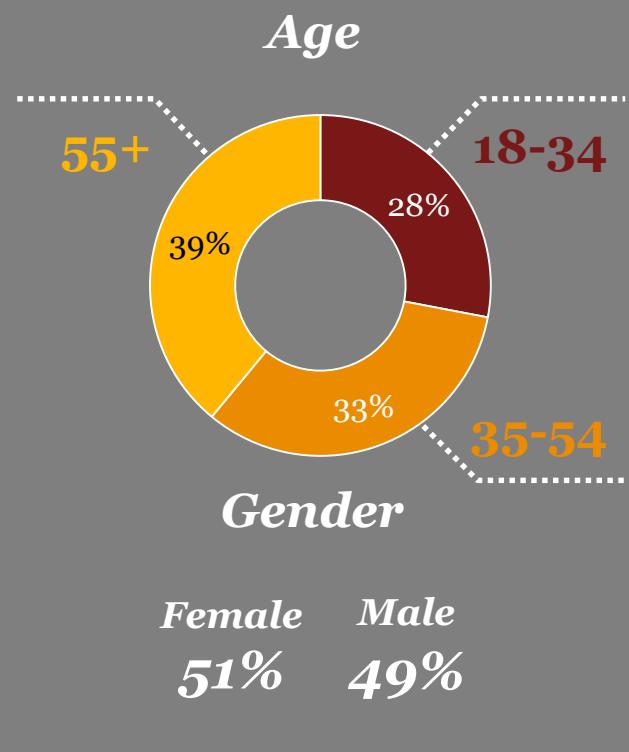


Research overview:

Field date:
September 2018

Sample:
1,002 online interviews with adults (over 18) in the UK.
(Including: North East, North West, Yorkshire & Humberside, East Midlands, West Midlands).

Weighting:
Our sample has been weighted to reflect a representative audience within the North and Midlands.



Summary



The survey shows there is significant appetite for initiatives that help passengers navigate multi-operator and multi-modal transport. It explores six interventions that operators can make – all related to smart ticketing.

The results suggest between 25% and 36% would use the public transport more if any one of these were implemented. They also show that across all those we surveyed (not just current bus and train users), they would make between 1 and 1.46 more journeys per week. In short, smart ticketing initiatives can transform the public transport market.

Amongst public transport users, bus remains the primary mode, with 32% taking a bus each week. This is more than double the next most popular mode, with 15% of people taking a train each week.

The results show that a significant proportion of public transport users experience multi-operator journeys. 34% of bus users travel with two or more operators in a week. Similarly, of those who travel by train, 33% travel with two or more train companies weekly.

Linked to the multi-operator environment are findings on the importance of operators themselves. When asked 'how important is the operator you travel with?', 46% say it isn't important, suggesting low levels of loyalty.

Results also show that around one third of respondents are likely to make more public transport journeys as a result of the sixth transport ticketing initiatives – as many as 1.46 more journeys per week, and even more in the 18-34 category.

Price-related initiatives are the most likely to increase journeys with a best price promise, fare capping and automatic refunds scoring highest. 36% of passengers say they are likely to make more public transport journeys if they secure the best price.

Car journeys make up a significant proportion of journeys (55%) for respondents. This mode choice is typically due to a lack of convenient public transport service alternatives.

The message for transport providers is clear:

Implementing the transport ticketing initiatives referenced in this survey is seen positively and could lead to a significant increase in journey volumes.

Travel habits – key findings

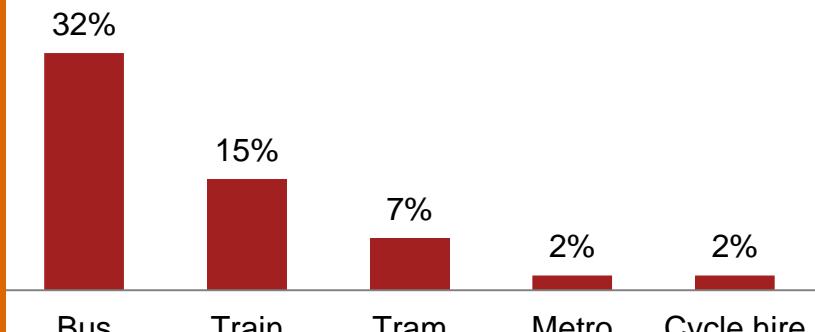
Public transport users across the North and Midlands take twice as many bus journeys as any other mode.

Bus remains the most popular mode of public transport across all regions surveyed, which is to be expected given its broad geographical coverage.

Also unsurprisingly the 55+ age bracket travel most by bus given many in this demographic have access to free bus passes.

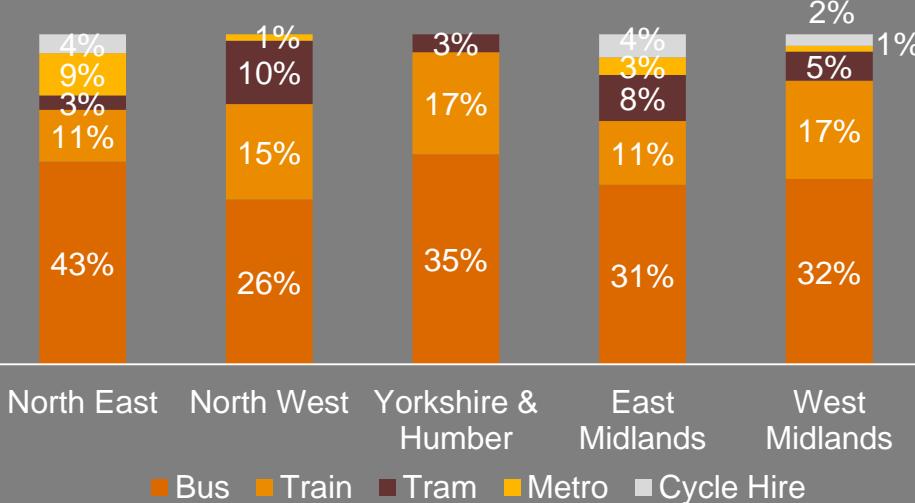
Breakdown of public transport usage by mode

Results based on question: In a typical week which of the following modes of public transport do you use for any reason?



Breakdown of public transport usage by region

Results based on question: In a typical week which of the following modes of public transport do you use for any reason?



More distinct is the regional variation in bus travel; **the North East shows a high rate (43%) of bus travel**, especially when compared with the North West, the region that came in lowest with only 26% of respondents using the bus each week.

¹Results based on questions: In a typical week which of the following modes of public transport do you use for any reason?, How many different bus companies do you use in a typical week? (e.g. First and Stagecoach are different bus companies), Thinking about the journeys you take for work and non-work purposes, through which of the following ways do you most often travel for these types of journeys?

Other key findings include...

39%

Use one or more modes of public transport in a typical week



34%

Use more than one bus company in an typical week



16%

Travel by public transport for non work purposes



55%

Choose 'drive myself' as most common form of transport



Travel habits – key findings

Multi-operator travel is common across the North and Midlands regions, with 34% of bus passengers and 33% of train passengers using two or more bus or train operators in a typical week.

The North East has a particularly high rate of multi-operator bus travel, with **47%** of bus passengers using two or more bus operators a week.

Regional split of passengers travelling with two or more bus / train operators per week

Results based on questions: How many different bus companies do you use in a typical week? (e.g. First and Stagecoach are different bus companies), How many different train operating companies do you use in a typical week? (e.g. Northern and TransPennine Express are different train companies)



For rail travel, the North East and West Midlands see higher rates of passengers using two or more train companies a week (47% and 37% respectively) when compared with the other sub-regions.

We asked ‘How important is the operator that you travel with?’ and requested respondents to think about the operator they travel with when answering this question, rather than the route they travel. **46% of those surveyed thought the operator was not important, suggesting low operator loyalty is the norm.** Whilst there was an average of 22% of people who thought the operator they travelled with was important, this figure rises to 31% for those in the North East.

“ How important is the operator that you travel with? ”
46% said...

“ Not important’ vs. 22% who said ‘important ’ ”

Transport initiatives

Price related initiatives that deliver best monetary value are more popular with passengers, but support for other initiatives is close behind.

We asked respondents if they would be likely to take more journeys by public transport if they could...



Receive a '**Best Price Promise**', meaning that the smart travel system will charge me the best fares possible for the journeys I have made.

36%
said yes



Receive **automatic refunds** so that, if my journey is disrupted, I can be compensated automatically without having to apply for a refund.

34%
said yes



Have my **fare 'capped'** so I can make several 'pay-as-you-go' journeys using some form of smart ticketing and then get charged at the end of the day based on my travel. If there is a day/week 'cap' then I automatically pay no more than this.

30%
said yes



Be able to use the same **smart ticketing device** on multiple types of public transport. For example, this would mean tapping my bank card or phone to make a bus journey and then using the same device to travel by tram that day.

30%
said yes



Be able to **register my details** so I can, for example, add new payment cards, update personal details or check my journey and payment history.

27%
said yes



Be able to **top up an account** - I can choose to 'top up' with credit and then spend this using a smart card or similar. For example, if I don't have a contactless bank card or would rather not use it.

25%
said yes

²Results based on question: To what extent would the following make you more likely to choose public transport when you travel?. Respondents were asked to rate the feature from 1 to 5 where: 1 - It would make no difference, 2- Slightly more likely (1-2 more single journeys per weeks), 3- Somewhat more likely (3-5 more single journeys per week), 4 - More likely (6-7 more single journeys per week), 5- A lot more likely (8+ single journeys per week)

Best price promise



Receive a '**Best Price Promise**', meaning that the smart travel system will charge me the best fares possible for the journeys I have made.

36%
said yes

The results show...

The Best Price Promise is the initiative most likely to encourage additional public transport journeys.

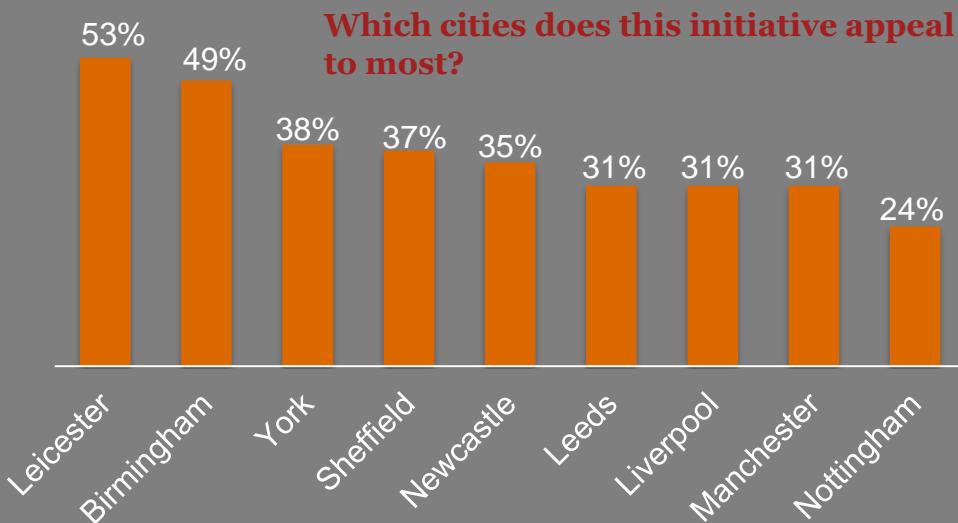
Who is most likely to choose public transport if they are always charged the best fare?

- **44% of people who commute to work**
- **56% of people aged 18-34**
- **45% of people based in West Midlands**



The 18-34 age category is particularly receptive to initiatives that deliver monetary value.

Being early in their careers with lower wages, and lower rates of house and car ownership, this group is more price-sensitive and more open to using public transport.



Results for Leicester and York should be seen as indicative only due to low base

'Best Price Promise' particularly appeals to the **Midlands** area, with over half of respondents being more likely to travel by public transport if this initiative were in place in **Leicester & Birmingham**. Interestingly however, in Nottingham this drops to less than a quarter.

³Results based on question: To what extent would the following make you more likely to choose public transport when you travel?. Respondents were asked to rate the feature from 1 to 5 where: 1 - It would make no difference, 2- Slightly more likely (1-2 more single journeys per weeks), 3- Somewhat more likely (3-5 more single journeys per week), 4 - More likely (6-7 more single journeys per week), 5- A lot more likely (8+ single journeys per week)

Automatic refunds



Receive **automatic refunds** so that, if my journey is disrupted, I can be compensated automatically without having to apply for a refund.

34%
said yes

The results show...

Automatic Refunds come a close second in the scores for initiatives most likely to encourage passengers to make more journeys by public transport.

Who is most likely to choose public transport if they are automatically refunded for disrupted journeys?

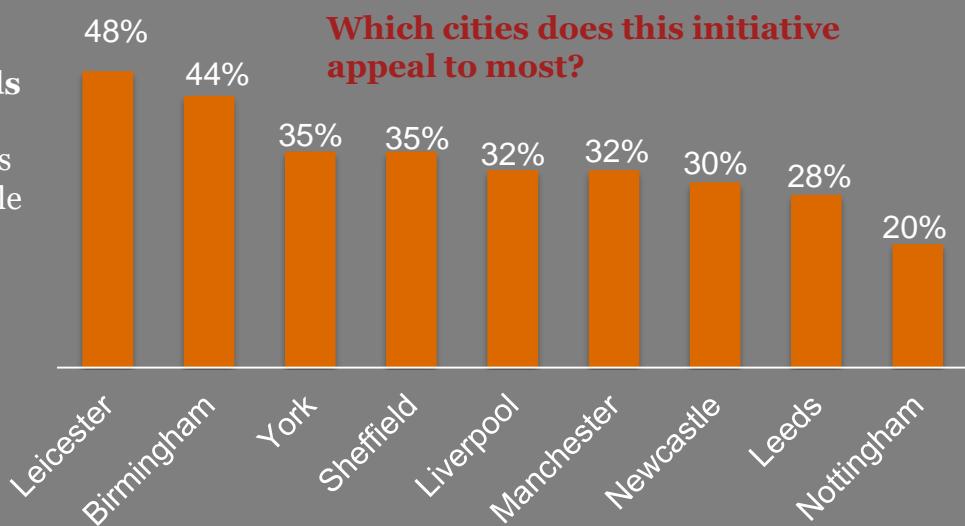
- **55% of people aged 18-34**
- **43% of people who commute to work**
- **34% of people travelling for non-work reasons**

This initiative rates most highly of the six with those travelling for non-work reasons.

Weekend / off peak travellers often experience disruption due to roadworks or rail engineering works which take place outside the peak commuting hours.



This initiative proves most popular with the **Midlands** region – interestingly **Nottingham** once again is on the other end of the scale though, appealing to only 20%.



Results for Leicester and York should be seen as indicative only due to low base

⁴Results based on question: To what extent would the following make you more likely to choose public transport when you travel?. Respondents were asked to rate the feature from 1 to 5 where: 1 - It would make no difference, 2- Slightly more likely (1-2 more single journeys per weeks), 3- Somewhat more likely (3-5 more single journeys per week), 4 - More likely (6-7 more single journeys per week), 5- A lot more likely (8+ single journeys per week)

Fare capping



*Have my **fare 'capped'** so I can make several 'pay-as-you-go' journeys using some form of smart ticketing and then get charged at the end of the day based on my travel. If there is a day/week 'cap' then I automatically pay no more than this.*

**30%
said yes**

The results show...

Fare capping was another popular initiative, especially amongst commuters who are most likely to make regular, repeat journeys that will invoke daily or weekly caps.

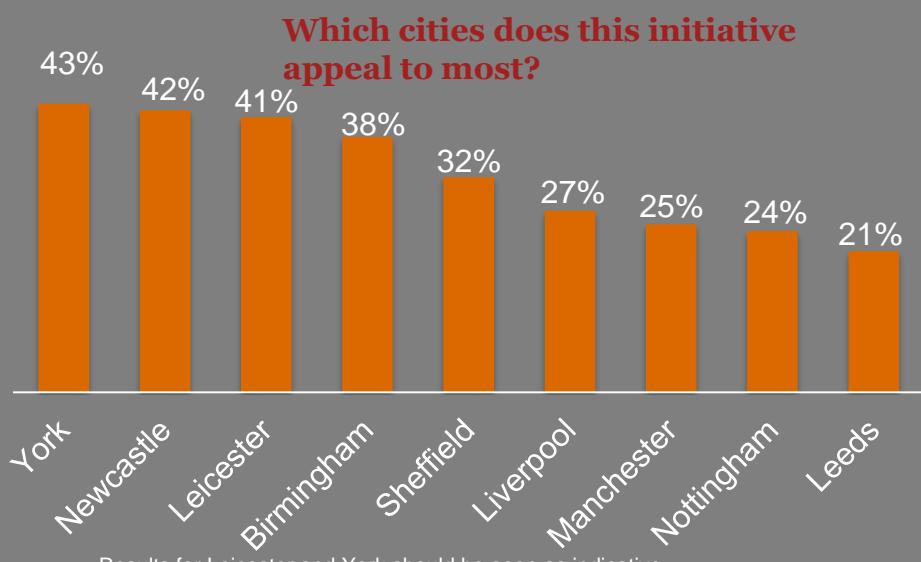
Who was most likely to choose public transport if they could benefit from daily or weekly fare caps?

- **46% of 18-34 year olds**
- **43% of people based in York**
- **37% of people who commute to work**



Fare capping appeals to the price sensitive 18-34 year olds. It also gives diverse city results with York, Newcastle and Leicester showing over 40% of passengers likely to choose public transport with capping in place.

The 'fare capping' initiative is most appealing to those based in **York** and **Newcastle**. In **Leeds** however, popularity halved to just 21%, meaning the Yorkshire & Humber region is heavily split.



⁵Results based on question: To what extent would the following make you more likely to choose public transport when you travel? Respondents were asked to rate the feature from 1 to 5 where: 1 - It would make no difference, 2- Slightly more likely (1-2 more single journeys per weeks), 3- Somewhat more likely (3-5 more single journeys per week), 4 - More likely (6-7 more single journeys per week), 5- A lot more likely (8+ single journeys per week)

Smart ticketing devices



*Be able to use the same **smart ticketing device** on multiple types of public transport. For example, this would mean tapping my bank card or phone to make a bus journey and then using the same device to travel by tram that day.*

**30%
said yes**

The results show...

Being able to use smart ticketing devices for multiple transport modes is highly attractive, especially to the tech-savvy 18-34 generation.

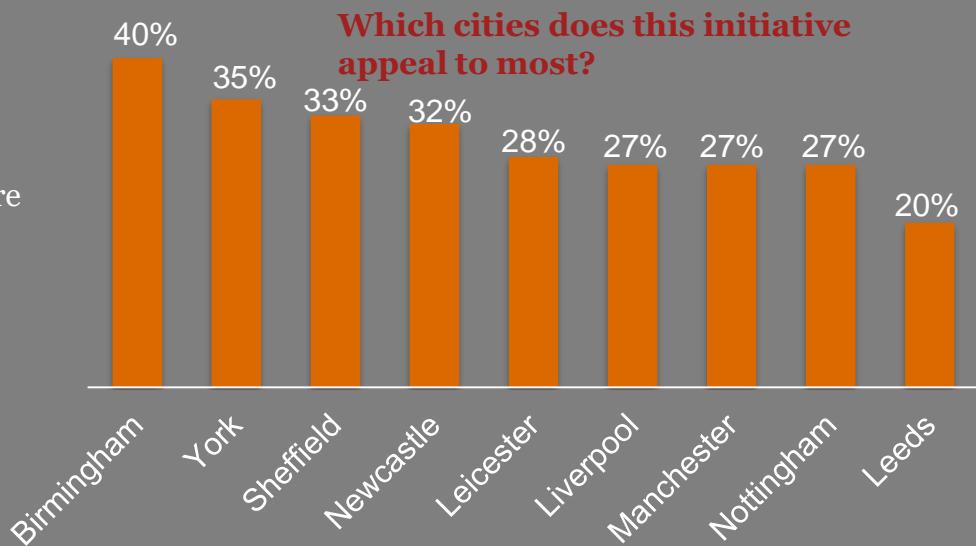
Who is most likely to choose public transport if they could use smart ticketing devices for multi-modal tickets?

- **37% of people who commute to work**
- **44% of people aged 18-34**
- **32% of people aged 35-54**

Use of smart devices has grown exponentially in recent years. It's unsurprising that use of smart devices appeals to the tech-savvy 18-34 age group, but advocacy for this initiative was also high amongst the 35-54s where use of smart devices is also commonplace.



Smart ticketing devices appeal greatly to people based in **Birmingham**. This contrasts with the **North West** region where the initiative proves less popular in cities such as **Manchester** and **Liverpool**.



Results for Leicester and York should be seen as indicative only due to low base

⁶Results based on question: To what extent would the following make you more likely to choose public transport when you travel? Respondents were asked to rate the feature from 1 to 5 where: 1 - It would make no difference, 2- Slightly more likely (1-2 more single journeys per weeks), 3- Somewhat more likely (3-5 more single journeys per week), 4 - More likely (6-7 more single journeys per week), 5- A lot more likely (8+ single journeys per week)

Registering my details



*Be able to **register my details** so I can, for example, add new payment cards, update personal details or check my journey and payment history.*

27%
said yes

The results show...

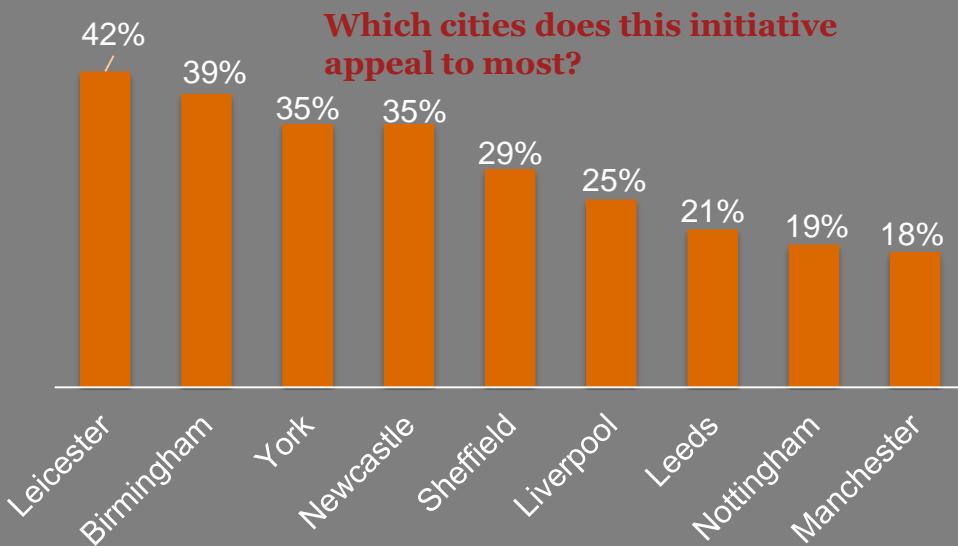
Registering details to access additional information drives the highest positive response amongst 18-34 year olds.

Who is most likely to choose public transport if they can register their details?

- **41% of people aged 18-34**
- **34% of people who commute to work**
- **35% of people based in West Midlands**



Whilst use of smart devices is popular amongst 18-34 and 35-54 year olds, registering details appeals more to the younger generation. 41% of 18-34 year olds would choose to travel more by public transport as a result of this initiative, versus only 28% of those aged 35-54.



Results for Leicester and York should be seen as indicative only due to low base

Being able to register details appeals to **Midland** based people, similarly to other initiatives. Popularity in **Manchester** however drops by more than half, at just 18%.

7Results based on question: To what extent would the following make you more likely to choose public transport when you travel?. Respondents were asked to rate the feature from 1 to 5 where: 1 - It would make no difference, 2- Slightly more likely (1-2 more single journeys per weeks), 3- Somewhat more likely (3-5 more single journeys per week), 4 - More likely (6-7 more single journeys per week), 5 - A lot more likely (8+ single journeys per week)

Top up an account with credit



Be able to top up an account - I can choose to 'top up' with credit and then spend this using a smart card or similar. For example, if I don't have a contactless bank card or would rather not use it.

25%
said yes

The results show...

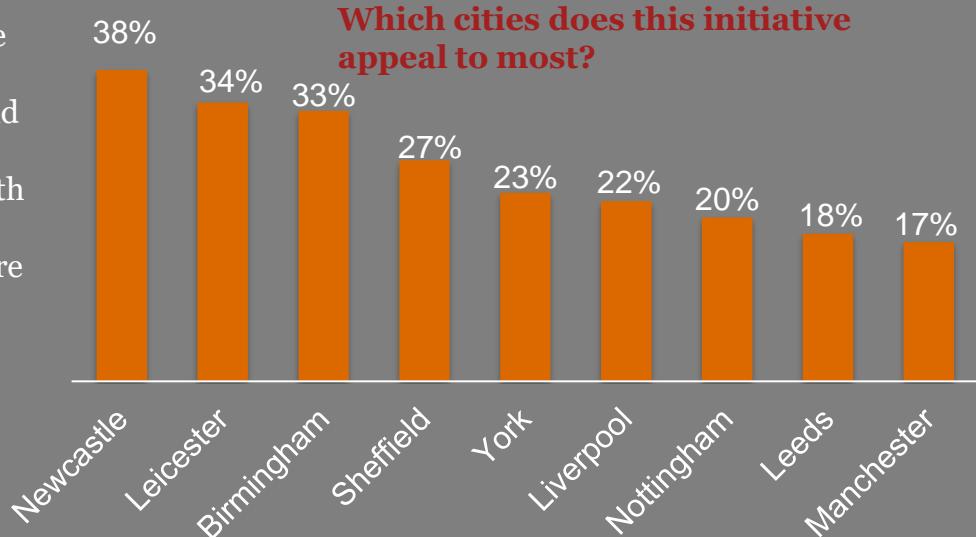
Use of a smart card or similar media that's topped up with credit appeals to a quarter of passengers.

Who is most likely to choose public transport if they can use a top up smart card or similar media?

- **35% of people aged 18-34**
- **31% of people who commute to work**
- **25% of people travelling for non-work reasons**

Pre-paid travel cards tend to be popular with passengers who wish to closely control their travel spend. The 18-34 age category are the biggest supporters of this initiative, reflecting once more their greater price-sensitivity than older groups. There is also a larger disparity between city results perhaps indicating varying levels of affluence which would make top ups more attractive to some groups.

This is a popular initiative with people based in **Newcastle**. In **Leeds** and **Manchester** however, topping up an account with credit proves **less appealing**, with the figure halving down to 17%.



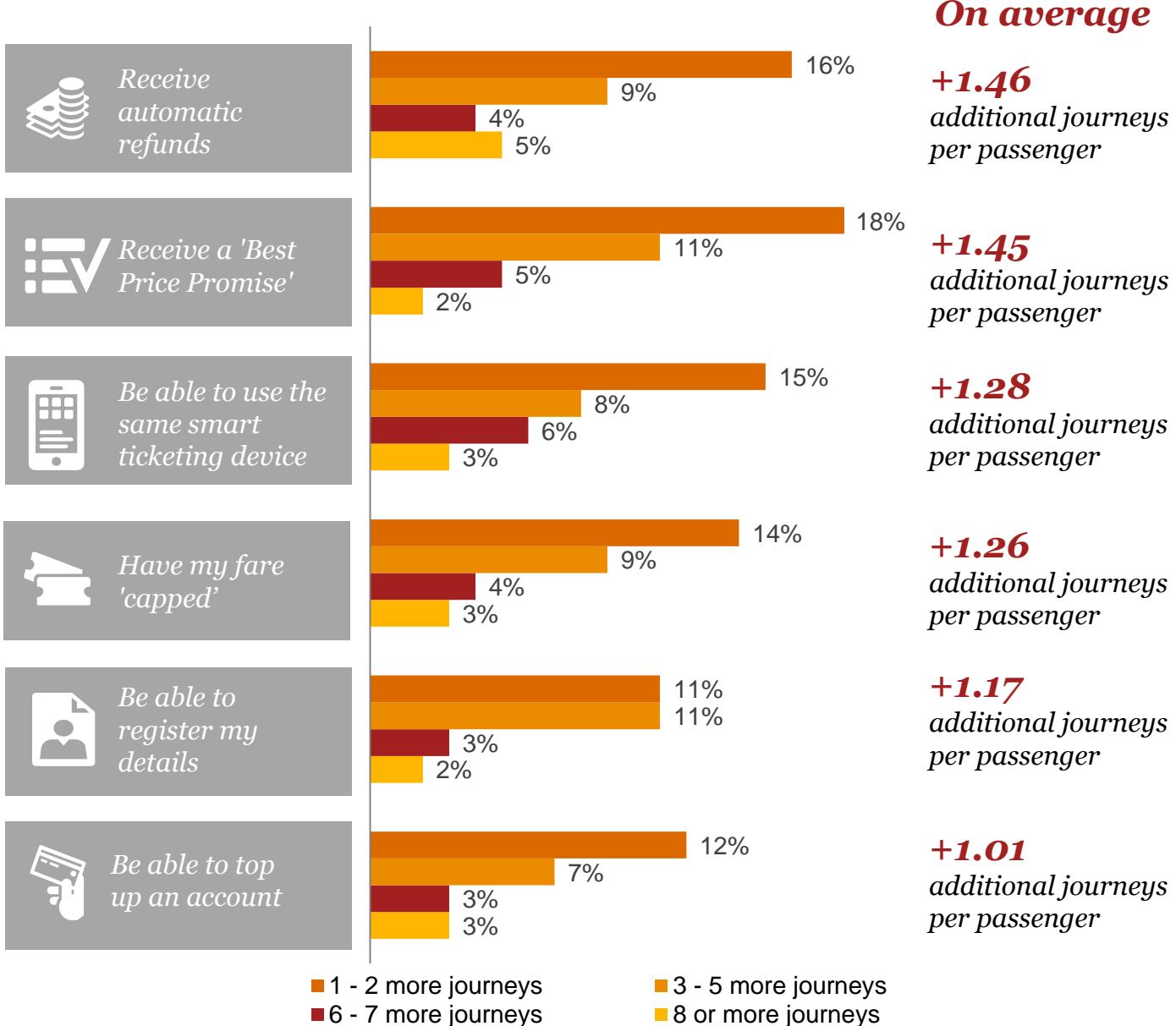
Which cities does this initiative appeal to most?

Results for Leicester and York should be seen as indicative only due to low base

⁸Results based on question: To what extent would the following make you more likely to choose public transport when you travel?. Respondents were asked to rate the feature from 1 to 5 where: 1- It would make no difference, 2- Slightly more likely (1-2 more single journeys per weeks), 3- Somewhat more likely (3-5 more single journeys per week), 4 - More likely (6-7 more single journeys per week), 5- A lot more likely (8+ single journeys per week)

Impact on passenger journeys

We asked all survey respondents **how many more journeys each initiative would encourage them to make every week**.



'Receiving automatic refunds' and the 'best price promise' are the leading interventions that could generate the highest number of additional public transport journeys. But each of the six would show a positive change. Note: these figures are for all respondents, not just currently public transport users.

⁹Sample includes all survey respondents including public transport and non-public transport users. Results based on question: To what extent would the following make you more likely to choose public transport when you travel?. Respondents were asked to rate the feature from 1 to 5 where: 1 - It would make no difference, 2- Slightly more likely (1-2 more single journeys per weeks), 3- Somewhat more likely (3-5 more single journeys per week), 4- More likely (6-7 more single journeys per week), 5- A lot more likely (8+ single journeys per week)

Perceptions of public transport

We asked survey respondents to tell us **which statement best describes their public transport situation** when thinking about work and non-work related journeys.

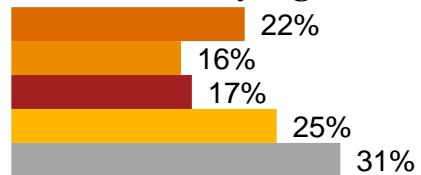
Statement 1

"There are public transport options that are both **convenient** and **practical**."

Non- work related journeys

26% agree

Work related journeys – broken down by region



Statement 3

"There are public transport options available, but they are **not practical or convenient** for this purpose, however I could use them if there is **no other option**."

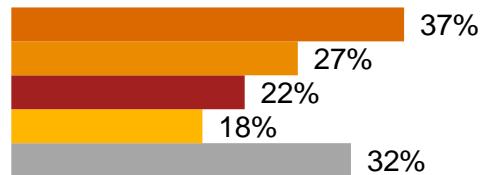
33% agree

29% agree

12% agree

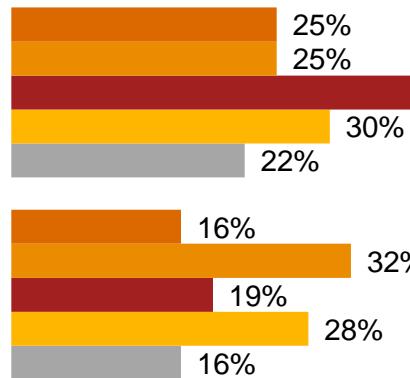
Statement 2

"There are public transport options available, but I choose not to use these as they are **not as practical or convenient** as driving/walking."



Statement 4

"There are **no public transport options** available to me."



■ West Midlands

■ East Midlands

■ North West

■ North East

■ Yorkshire & Humber

The results show a relatively **even split** among the four options with **statement 2** scoring the highest with **33%** of respondents stating that public transport is **not convenient or practical** for them.

Overall only **12%** of respondents who use public transport for **non-work purposes** feel there are **no public transport options** available to them, although this figure goes up to **23%** when asking those who are **commuting**. But encouragingly, the flip side indicates that 88% (and 77% of commuters) feel there are at least public transport services that could be considered under the right circumstances.

Those based in **Yorkshire and the Humber** were most likely to choose **statement 3**, in contrast to the North East where **31%** are satisfied with the current public transport options available to them.

¹⁷Results based on question: Thinking about the following types of journeys (work and non-work purposes), which statement best describes your situation?

All change to increase ridership

We asked survey respondents to provide further comments on **what could be changed about public transport to encourage them to travel more**. Even though **12%** of respondents state that **nothing could encourage them** to use public transport more, **84%** of respondents are open to increasing their use of public transport if certain improvements are made. The answers highlight 4 key themes for improvement: **service quality, price, customer experience and reliability.** **4%** feel that public transport **does not need to change** as they are satisfied with it as is.

Service quality 27%

Survey feedback shows a consistent desire for improved service quality with more regular services, better timetables and service hours, improved bus routes and less crowded services.

Price 17%

Results show that high prices are seen as barriers for passengers taking additional journeys. There is frequent reference for the need to make pricing more ‘reasonable’ especially when compared with the cost of a journey made in the car.

Customer experience 14%

A range of feedback references the need for cleaner, safer transport services with reduced anti social behaviour and better access for passengers with moving disabilities.

Reliability 12%

Responses frequently make reference to a lack of reliability in the public transport services they use. A common theme in feedback is for buses and trains in particular to provide a more reliable service.

“I would always travel by public transport if they were **conveniently near** and went to where I wanted to go directly.”

“More **frequent** services in the evening.”

“My train is one per hour meaning inconvenient and **overcrowded**. I would like a more regular service.”

“**Reduce bus fares** - it costs nearly the same as a taxi to take a bus.”

“Lower prices, both bus and train fares are too **expensive to use regularly**, it's cheaper to walk when possible or use the car when necessary.”

“**Cost.** Bus full of people paying £1.50 each is better than a bus with 4 people on it paying £3.50. No logic in not wanting a full bus.”

“Buses should be **clean** and smelling fresh every day for the public’s use.”

“More **staff presence**. Too few vehicles have only a driver and no guard or conductor.”

“Hygiene and **anti social behaviour** on buses.”

“It would be **more reliable** and not having no bus for a while and then 3 at once which is what happens now.”

“If the buses were more reliable & **less likely to break down** so often.”

“Public transport that was reliable. When I used to rely on getting a bus to work, it **would often just not turn up**... with the next bus being an hour later.”

¹¹Results based on question: If you could change one thing about public transport that would encourage you to travel more, what would it be?

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