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Getting into the minds of air-rail customers

Airrail EVENTS Conference 18 March 2010
Edinburgh

Objectives

- Use existing 'knowledge' as a basis
- Get into the mind of the air-rail customer
- Apply a psychological analysis
- Use the findings to help new and existing air-rail links learn
- Increase market share
- Link between customer satisfaction and profit

Introduction



Richard Brown MBA

Founder & Managing Director of North Star which has over 100,000 hours of experience working on air rail links around the world. On IARO board



Dr Richard Plenty C.Psychol., F IEHF

Managing Director of 'This Is' and Board Member of the Association of Business Psychologists`, working with airports since 2005

Content

- What we already know
- Research Methodology
- Findings
- Conclusions

Air-rail customer blueprint development

- North Star experience in UK and globally
- Share in a collaborative exercise
- Founded on the customer perspective
- Identify what works well around the world
- Create guidelines which the best all achieve to some extent
- Helps both start-up companies and existing measure performance
- Globally appropriate and weighted for customer views

Air rail blueprint for success

- 15 golden rules (Strategic, Commercial, Operational)
- Demonstrable link to market share
- Applied it to Light Rail as well as dedicated services

Comparison found light rail to be:

- Cheap alternative
- Airport often an add-on rather than core purpose
- Rolling stock design compromised for different users
- Limitations on passenger experience enhancement
- Success normally due to outside variables – lack of competition
- All things to all people = lack of true focus

What can be enhanced on light rail?

Context:

Average market share: Dedicated 21%, Light rail 7%

Overall score average: Dedicated 64.7%, Light rail 49.8%

Top four reasons Light rail is lower:

- It lacks the time advantage (-3.3%)
- Trains not designed for airport traveller (-5.1%)
- Purchase of tickets is not user friendly (-2.9%)
- The service is not marketed sufficiently (-2.3%)

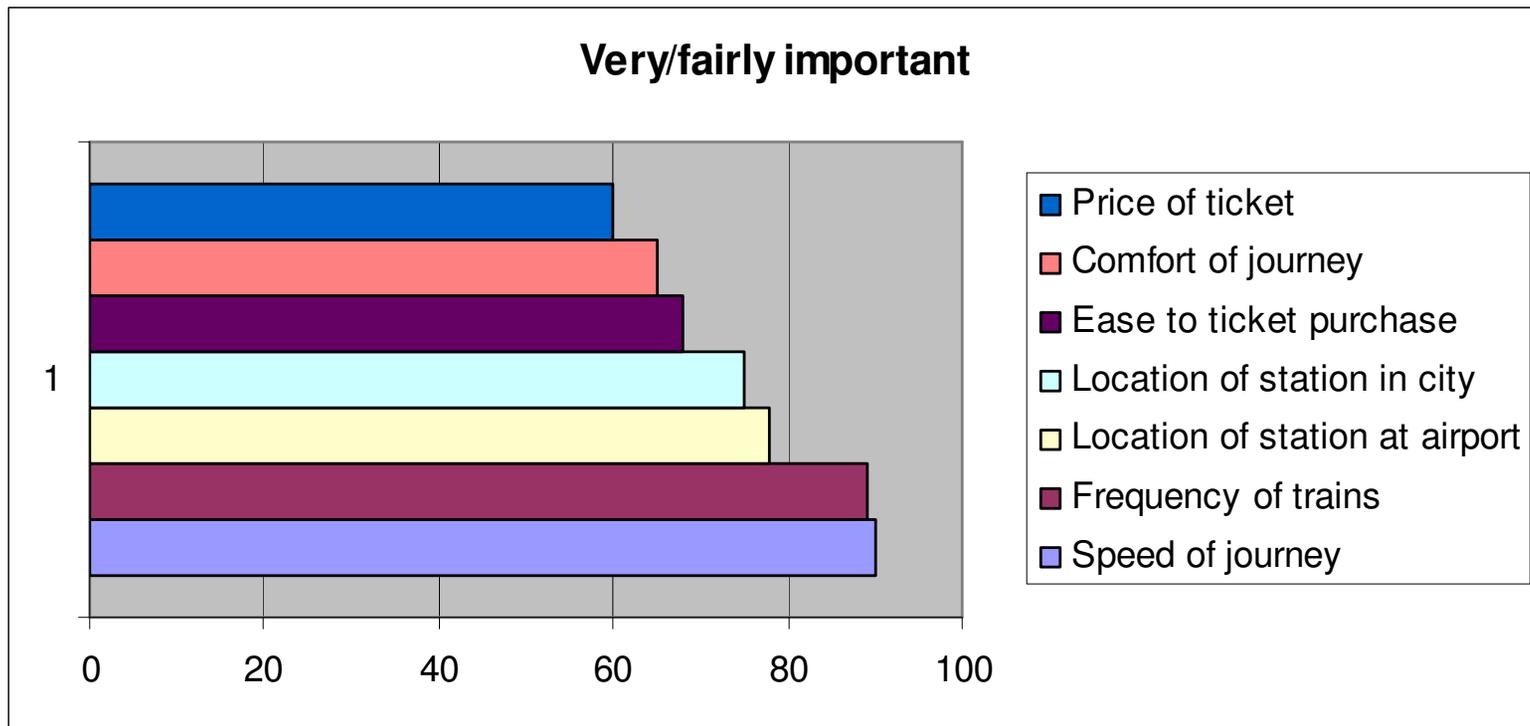
It is better in some areas:

- The service frequency (+2.0%)
- Onward travel opportunities (+1.2%)

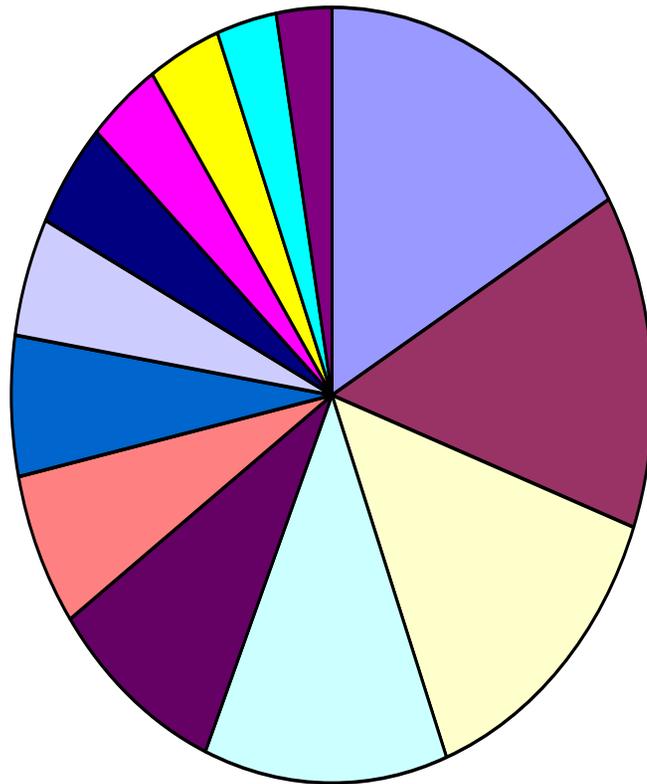
Detailed research from 2006 (n.2,657)

- 30% of rail users heard by word of mouth
- Net Promoter Score 31% (high growth companies = 70%)
- Speed and frequency most important for rail users
- Convenience most important reason for non-use
- Price least important factor in choosing to travel by train
- 41% of rail users always use the train
- Only 50% of rail users say it is value for money

Importance aspects- rail users



Reasons for not travelling by train



- Luggage
- Alternative easier
- Alternative more convenient
- Too expensive
- Offered/given lift
- Time of travel
- Access to station
- Too slow
- Not door to door
- Size of party
- Travelling with children
- Too many changes
- Distance to station

Interim conclusion

- If you build it right people will come
- Users are reasonably loyal
- Word of mouth is very significant
- Net Promoter Score way below benchmark for growth companies
- There is potential to turn customers into your sales force

Therefore find out what people really want and give it to them

Our research approach

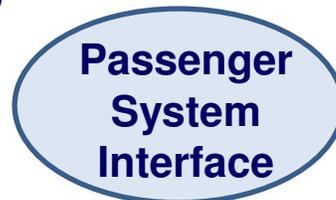
Psychology is based on evidence - from behaviours, dialogue, physiology, human performance metrics - interpreted with insight

- *Literature Review*
 - *Market Research studies e.g. National Passenger Survey 2009 ,*
 - *ATOC Survey - Integrated Transport Perceptions and Reality 2010*
 - *Existing psychological studies e.g. AMTRAK ridership*
- *Pilot Research Study*
 - *Air Rail customers on Gatwick Express or at station*
 - *Interviews , questionnaire, in-depth questioning , videos, Feb/Mar 2010*
40 participants, mix of business and leisure, foreign and domestic

Passenger - centred paradigm

Critical interfaces on trip

'Moments of truth'
Socio- Technical system
Task analysis
Human Factors in Transit



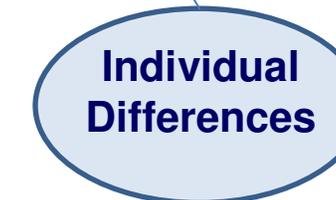
Whole journey analysis

Antecedents/consequences
Locus of control
'Life space', 'Field theory'
Shaping the Environment



Company strategy

Leadership and culture
Customer orientation
Interactions, dialogue
Customer relationships

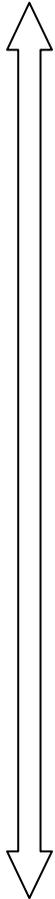


Personal circumstances

Gender, age, 'status'
Cultural style, language
Psychological type
Passenger segmentation

Quality of the travel experience

+ Most Positive Impact +



Choosing Mode of Transport
Staff on the Train Station
Waiting for the Train
Delivery/Access to Tickets
Making the Booking
Looking Through Train Timetables
Overcrowding
Getting to the Terminal Perceived Reliability
Seating Arrangement
Current Temperature
Getting to the Train Station
Communication Effectiveness
Fellow Passengers
Mobile Phone Reception
Loading the Bags off the Train
Noise Levels
Loading the Bags on the Train
Dealing with Luggage
Cost of Purchase

- Most Negative Impact -

How did the following aspects of your journey affect the quality of your travel experience ... Score 1-5.

What business travellers value

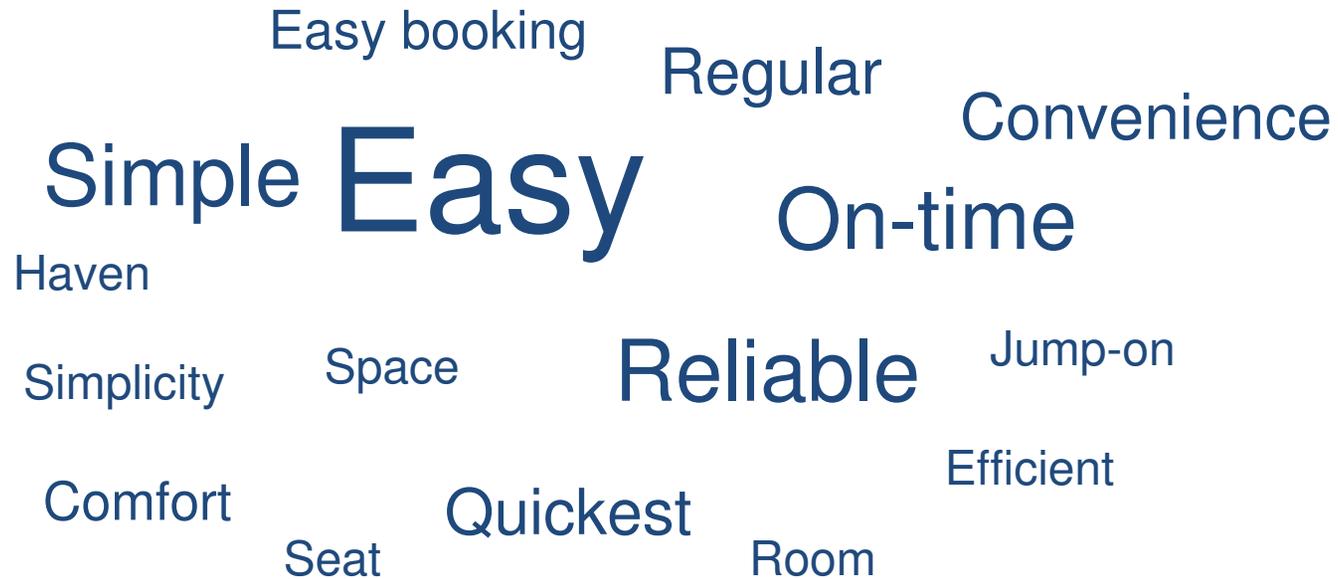
- **Fast effective and polite staff service**
- **Empathy from staff when journey delayed**
- **Simple informative communication regarding the journey**
- **Smart, technologically advanced equipment**
- **The extras on journeys that can give access to more information about business or travelling on business**

*What do you as a business traveller value in terms of service
Score 1-10*

Video clips

Will illustrate points made in the interviews

What did we hear?



A word cloud of customer feedback terms. The words are arranged in a roughly circular pattern around the center. The largest word is 'Easy', followed by 'Simple', 'Reliable', and 'On-time'. Other words include 'Easy booking', 'Regular', 'Convenience', 'Haven', 'Simplicity', 'Space', 'Jump-on', 'Efficient', 'Quickest', 'Seat', and 'Room'.

Easy booking Regular Convenience
Simple **Easy** On-time
Haven
Simplicity Space **Reliable** Jump-on
Comfort Quickest Efficient
Seat Room

Summary of findings....

- Users are reasonably loyal
- Research findings largely consistent with other studies
- Whilst pricey, it is a very good service with quite satisfied customers
- Handling baggage is an issue worth reviewing in greater detail – whilst identified as an issue in market surveys, our review indicated it may be very important
- For growth a good experience must be made into an excellent one

To make a good service excellent ...

- Find ways of addressing key passenger - system interface issues
 - Dealing with baggage
 - Further improving communication of information
 - Mobile phone issues
- Look at improving the personal touch
- Investigate further the factors which cause people NOT to travel by rail and choose another mode of transport

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