

Connected Mobility

Policy Position Statement

Rail Retail &
Ticket Media in
the North of
England

Sep 2023



TRANSPORT FOR THE
NORTH



10 99 135 000 021

Contents

<u>Context</u>	<u>3-4</u>
<u>Transport for the North's role</u>	<u>5-8</u>
<u>Challenges & opportunities</u>	<u>9-14</u>
<u>Our position on future rail retail</u>	<u>15-16</u>
<u>Our position on future ticket media</u>	<u>17-18</u>
<u>What good looks like</u>	<u>19-20</u>
<u>Outcomes</u>	<u>21-22</u>



Context

The North of England's rail network is currently on the cusp of a significant shift in its retail and ticketing media landscape. Over the last few years, self-service technologies have proliferated, transforming the travel experience of countless passengers.

Ticket machines and digital platforms are increasingly playing a pivotal role in the purchasing of rail tickets, consequently this is changing the focus from pure retail for staff at railway stations.

The evolution in the ticketing system aligns with the broader trends in the transport sector, echoing the calls for more efficient, user-friendly, and digitised modes of operation.

The trend towards digital ticketing is unequivocal, with rates of digital ticket adoption rising consistently in the last few years. It is now more common for passengers to show a barcode on their mobile device rather than a traditional paper ticket.

The convenience offered by digital ticketing - from the ease of purchase to reduced waste - makes it an attractive proposition for many travellers, even those who were initially hesitant about embracing new technology - though there are still those for which these systems are not accessible.

Furthermore, digital ticketing provides valuable data that can be used to improve rail services, customer experiences, and strategic planning.

In line with the transition towards digital ticketing, there are key programs already underway to retire the mag-stripe orange tickets.

These tickets, which have been a mainstay of the rail industry for decades, are gradually being phased out and replaced with barcodes and other digital ticket formats. This transition is not merely about keeping up with technological progress; it's about leveraging the potential of digital technology to deliver better, more efficient services.

50% Of rail tickets are purchased digitally.

82% Of rail ticket sales are self service

Source: RDG (National metrics)

Emerging from this transition is the growth of pay-as-you-go (PAYG) schemes, which provide passengers with a flexible, convenient, and often cheaper way to travel where successfully enabled.

These schemes, usually tied to contactless payment methods or digital wallets, enable passengers to pay for their travel after they've completed their journey, removing the need for advanced planning and allowing for greater spontaneity; assuming journey assistance can be as flexible.

The development of these schemes aligns with a broader societal trend towards immediate, on-demand services.

However, this digital revolution is not without its challenges.

One key obstacle lies in ensuring that all travellers, regardless of age, socio-economic background, or digital literacy, can access and benefit from these new ticketing and payment systems.

3.3 Million

People at risk of transport related social exclusion in the North.

This challenge will need to be addressed head-on and we will need to work collaboratively to ensure that paying for rail in the North is inclusive, accessible, and that digital systems are affordable, especially where adapted for accessibility,

Balancing the benefits of innovation with the need for equitable access, and affordability of technology will be a crucial element of this policy.

The government's Integrated Rail Plan committed...

“...investment to deliver a programme of fares, ticketing and retail reform including the roll out of contactless pay-as-you-go ticketing at commuter stations in the Midlands and North”



Transport for the North's role



Transport for the North's Connected Mobility Strategy details the north's vision for a seamlessly interconnected mobility ecosystem, where all transport modes are effortlessly accessible to passengers in networks relevant to local markets.

Ensuring that the way tickets are sold and fulfilled meet both the geographic needs of our members and the practical needs of passengers across our diverse range of villages, towns and cities is a key outcome and is where our regional focus will lie.

Likewise, linked with our industry leading work on [Transport Related Social Exclusion](#), we will work to ensure passengers aren't disadvantaged by reform and that we make clear the case for accessibility and inclusivity in changes.

We will do this both by providing 'one voice' for transport in the north but also formally through the Rail North Partnership and in tandem with our regional, and wider, train operating companies.

Regional Collaboration and Partnership Building

As a sub-national transport body, our role includes fostering strong partnerships across local authorities, train operating companies, and tech companies to ensure seamless ticketing reforms.

We are well-positioned to bring together diverse stakeholders and facilitate dialogue to understand challenges and explore solutions collaboratively. This unity is crucial in shaping and influencing reform to systems that works across all regions and operators.

This approach ensures the North of England's unique needs and challenges are adequately represented in national policy discussions, thus aiding in how reform serves all travellers efficiently.

Evidence Gathering and Advocacy

Our role extends to gathering comprehensive data and evidence on the existing approaches to rail retail and ticketing. Through careful analysis, we aim to identify areas for improvement and to establish a strong evidence-based case for reform. Surveys, passenger data, and ticketing trends will form part of this evidence, helping us to understand the current shortcomings and the potential for improvement.

Armed with this evidence, we act as an advocate for the passengers of the North of England. We present the findings to key decision-makers, pushing for reforms that directly address passenger needs. Our advocacy efforts strive to ensure that passenger voices are heard, and their needs prioritised in all stages of the ticketing reform process.

Promoting Digital Literacy and Access

We acknowledge the significant disparities in digital literacy across the region. As we promote digital ticketing, it's essential to simultaneously address this digital divide. Therefore, a vital aspect of our role involves devising and implementing strategies to enhance digital literacy among rail users.

Through targeted training programs, awareness campaigns, and collaborations with community organisations, we aim to bridge the digital literacy gap. By doing so, we aim to ensure that the move to digital ticketing does not exclude any user groups, thereby promoting inclusivity in access to public transport.

Facilitating Infrastructure Development

Reforming the rail retail and ticketing system necessitates improvements in digital and physical infrastructure. As a sub-national transport body, we play a role in identifying necessary infrastructure enhancements, making the case for funding, and facilitating their implementation.

Our efforts will span from improving internet and connectivity coverage in stations and trains to ensuring the robustness of digital platforms used for ticketing. We will also work to help ensure that self-service ticket machines are user-friendly, accessible to those with visual impairments or language barriers, and conveniently located across the region.



Facilitating Pay-as-you-go Schemes

Our aim is to have a joined up system that works for travellers right across the North and we recognise pay as you go has a core part to play in this. Therefore, we focus on facilitating the broader implementation of these schemes holistically across the region.

Our efforts include working with rail operators to explore viable pay-as-you-go models, ensuring the robustness of the necessary digital infrastructure at a local level, and promoting these schemes to the public. Our ultimate aim is to make rail travel more convenient, affordable, and user-centric in the North of England.

Enhancing Modal Integration and Local Retail Collaboration

As we look towards the future of rail retail and ticketing, enhancing modal integration is paramount. Our role involves facilitating and promoting integrated ticketing options that span multiple modes of transport and geographies.

This effort requires collaboration with bus, tram, and bike share operators, and aims to create a seamless travel experience across all modes, simplifying journey planning and ticket purchase.

Beyond ticketing for travel, we seek partnerships with local retailers to provide benefits for passengers. Our smart schemes could include retail discounts linked to ticket purchases, integrating shopping and commuting in a way that brings value to passengers and supports local businesses.

Furthermore, the integration of smart schemes into rail ticketing offers greater convenience and flexibility to travellers. These might include season tickets, loyalty rewards, and multi-operator tickets. Such schemes not only improve the passenger experience but also encourage the use of public transportation, driving towards a more sustainable transport network in the North of England.



Challenges & Opportunities

Challenges

Decreasing Role of In-person Sales

The trend towards digitalisation has seen the role of in-person ticket sales steadily decreasing, with only about 12% of sales taking place through ticket offices nationally (16% on Northern Rail)

While this shift aligns with a broader societal move towards digitisation, it also represents a significant challenge. Ticket offices offer a human touch, a chance for passengers to ask questions, seek guidance, and navigate the complexities of rail travel.

The challenge lies in balancing the efficiency and convenience of digital ticketing with the need for personalised, human interaction. This shift may lead to job losses and a reduction in service for those who prefer or rely on in-person service.

Risk of Excluding Older or Disabled Passengers

As we push for a digital ticketing revolution and more and more people are becoming tech savvy we still risk inadvertently excluding certain passenger groups.

Vulnerable individuals, such as the elderly, disabled, or those otherwise digitally excluded, may find it difficult to adapt to the new digital systems.

This challenge calls for thoughtful policy design and implementation, taking into account the diverse needs of the population and a need to ensure no passengers are left behind.

While it is crucial to continue pushing for innovation, we must also ensure that these changes do not marginalise any users.

Providing necessary digital literacy training and ensuring alternative options will be essential in addressing this challenge.

Interoperability with Local Schemes

Another challenge in reforming the ticketing system is ensuring interoperability with local schemes.

As the rail network integrates with other forms of transport, the need for a unified, cross-modal ticketing system becomes increasingly apparent.

However, achieving interoperability between different systems, operators, and regions is a complex task.

This challenge requires collaboration, shared standards, and potentially significant investment in technology and infrastructure.

The process may involve overcoming resistance from operators who are protective of their systems and data. However, the benefits of achieving a truly integrated transport system make it a challenge worth tackling.

Maintaining Cash Payment Options

While digital payments offer convenience and efficiency, it's important to recognise that a significant number of passengers still rely on cash payments.

Whether due to personal preference or lack of access to digital payment options, these passengers require protection as the ticketing system evolves.

Balancing the drive towards digitalisation with the need to maintain cash payment options is a challenging task.

Eliminating cash payments could alienate and exclude certain passenger groups. Therefore, preserving, and even enhancing, cash payment facilities, alongside digital payment options, will be a key challenge in the ticketing reform process.

Validation, Throughput, and Revenue Protection

Validation and throughput of different ticketing media presents a significant challenge in rail ticketing reform. Different forms of ticketing, such as paper tickets, barcodes, and contactless cards, require different validation processes. Ensuring quick and effective validation to maintain smooth passenger flow, particularly during peak times, is a complex task.

Moreover, the introduction of more technologically advanced ticketing methods, such as mobile ticketing and pay-as-you-go schemes, can potentially expose vulnerabilities in terms of revenue protection. .

As the system becomes more complex and diversified, there's a risk of increased fare evasion and fraud, which could result in significant revenue loss.

Addressing this challenge requires a combination of robust technology, efficient infrastructure, and rigorous enforcement. Systems must be in place to detect and deter fraudulent activity.

Simultaneously, we must ensure the validation processes for different ticketing media do not result in bottlenecks and delays, disrupting the travel experience for passengers or causing safety concerns.

Balancing these aspects represents a challenging but critical aspect of ticketing reform

Opportunities

Customisation through Account-based Tickets

The advent of account-based ticketing presents a significant opportunity for rail retail reform. With this approach, passengers can enjoy a tailored, personalised experience.

This system, which associates each ticket purchase with a passenger's account rather than a physical ticket, allows for more flexibility and personalisation - alongside added ancillary revenue opportunities for operators.

For instance, it enables the creation of custom ticket packages, discounted plans, or loyalty schemes, tailored to each passenger's travel habits. It also opens the door to seamless multi-modal travel, where one account can be used across different types of transport.

This level of personalisation can significantly enhance the passenger experience, making public transportation a more attractive option. It would also enable passengers to flexibly amend plans, be better and automatically directed to alternate travel in case of disruption.

Increased Integrations with 3rd Party Travel Platforms

There's a significant opportunity to continue integrating rail ticketing systems with online travel platforms, such as Booking.com, Airbnb, or Expedia.

These integrations could allow passengers to book their rail tickets simultaneously with their accommodation or other travel arrangements, making the process more convenient and efficient.

These integrations could also promote the rail network to a broader audience, potentially attracting new users.

By positioning rail travel as part of a holistic travel experience, it could boost rail usage and revenue. Furthermore, it would open up possibilities for package deals or discounts when booking multiple travel services together.

Greater Integration with Local Retail Systems

Reforming rail retail presents an opportunity to integrate more closely with local retail systems. Rail stations could become hubs for local commerce, with integrated ticketing systems allowing for purchases in local shops, cafes, or other facilities



In regions where cash remains a preferred payment option, these integrations could provide an alternative venue for cash transactions.- e.g local shops.

This approach could enhance the travel experience by adding convenience and value, but also support local businesses by driving customer traffic.

It could also contribute to the creation of vibrant, multifunctional public spaces where people gather not just to travel but also to shop, eat, and socialise.

Optimising Pricing Models

The reform of rail retail and ticketing also opens up opportunities for more dynamic and responsive pricing models.

With the right technology in place, rail operators could implement demand-responsive pricing, offering lower prices during off-peak times to encourage more balanced use of the rail network.

Such a pricing strategy could not only manage demand more effectively but also make rail travel more affordable for certain user groups - see our Policy Position on Rail Fare Reform for more.

It would require careful planning and implementation to ensure fairness and transparency, but it could significantly improve the efficiency and accessibility of rail travel.

Encouraging Sustainable Travel

Lastly, reforming how rail tickets are sold and fulfilled presents an opportunity to further promote sustainable travel. By making rail travel more convenient, integrated, and personalised, we can encourage more people to choose public transport over private vehicles.

The ability to seamlessly switch between different modes of transport with integrated ticketing, for example, makes sustainable travel more appealing.

Combined with the potential for tailored, flexible ticketing products that suit a range of travel needs, these reforms could significantly contribute to the shift towards more sustainable, low-carbon travel behaviours.

Enhancing Data Analysis and Service Improvement

A vital opportunity presented by rail retail reform lies in the realm of data and the intelligence that can be derived from it in setting routes, products and timetables.

Digital ticketing systems generate valuable data about passenger behaviour and preferences, such as peak travel times, popular routes, and ticket types purchased.

This data, if effectively analysed, can provide insights that can shape service improvement; however, it must be countered with robust privacy measures to protect personal data.

For example, understanding when and where demand is highest can guide decisions about service frequency or capacity.



Our Position on Retail Reform

1. Ticket Offices and Customer Support at Stations

We believe changes to the role of ticket offices should occur organically as a result of rail retail reforms progress rather than before. With simpler retail and simpler fares station staff should organically transition from traditional ticket sales roles to offering guidance, information, and support to passengers. This transition will help to maintain the human touch that is so integral to the passenger experience.

Station staff, in this revised role, can assist passengers unfamiliar with digital ticketing platforms, helping to bridge the digital divide. They can provide real-time information about schedules, delays, and connections, enhancing overall journey efficiency. Rather than closing ticket offices outright, we prefer transforming them into customer support hubs where travellers can seek assistance and information.

2. Digital Ticketing and Online Sales

We see immense potential in digital ticketing and online sales. With technological innovation and improved customer support, these platforms can deliver enhanced user experiences. They offer convenience and flexibility, providing passengers with the ability to purchase tickets anytime, anywhere - though they need to have parity with the product set offered at Ticket Offices.

However, we recognise the risks of a digital divide and are committed to mitigating these. Our policy would include initiatives to promote digital literacy and ensure that everyone, including older and vulnerable passengers, can confidently use digital ticketing platforms. We also advocate for maintaining alternative ticket purchasing options, such as self-service machines at stations, to cater to those who may be less comfortable with digital platforms



3. Integrating with Local Ticket Systems and Sales

Our position supports robust integration with local ticket systems and sales. This approach aims to create a seamless travel experience across different modes of transport, supporting passengers as they switch between bus, light rail, and rail services. Local integrations could include unifying ticket purchases through local apps or vending machines, and implementing local fare capping systems.

By integrating rail ticketing with local systems, we can make public transportation more accessible and attractive for users, thereby boosting ridership. Additionally, integrating with local retail systems could support local economies and offer additional convenience to passengers, such as the ability to make cash payments.

4. Customer Personalisation

We firmly support the longer-term shift towards more personalised retail for passengers. By linking tickets to passenger accounts rather than physical tickets, we can offer a more tailored and relevant experience to each passenger. Such a system can simplify the ticketing process, reducing complexity at the front end and integrating passenger assistance more fluidly.

This allows fare packages, loyalty rewards, or other personalised incentives, which can enhance passenger satisfaction and encourage more consistent use of public transport; it also enables more relevant disruption management and identification of user-centric next best steps if things go wrong. However, in implementing this system, it's essential to protect passenger data and privacy, ensuring a secure and trustworthy experience.

Our position on ticketing reform

1. Pay as You Go / Contactless Bank Cards

We support the expansion of Pay as You Go (PAYG) and contactless bank card systems. These methods are often faster and more convenient than traditional ticketing, streamlining the passenger journey and reducing queues at stations. They also enable dynamic fare calculation, offering passengers the best price without needing to understand fare structures.

However, we are aware that not all passengers may have access to contactless bank cards or feel comfortable using them. As a result, our policy encourages maintaining alternative payment options, providing support for users to understand and trust contactless payments, and exploring potential partnerships to expand access to these payment methods, such as through local credit unions or community banks.

2. Barcode Tickets

Barcode tickets, which can be printed at home or displayed on a mobile device, offer another convenient option for passengers. They can be easily purchased online and do not require any specialised card or device. This accessibility makes them a viable choice for a wide range of passengers, including occasional travellers and tourists.

Our policy supports the ongoing availability and promotion of barcode tickets, recognising their role in enabling access to rail travel for those who might not regularly use the service or have access to other ticketing methods. We also recommend further exploration of how to make these tickets more accessible and user-friendly for passengers with disabilities or who lack digital skills.



3. Smart Cards

Smart cards have long played a significant role in ticketing, offering a durable, reusable option that can be linked to online accounts for top-up and tracking usage. They offer a good balance between digital innovation and physical ticketing.

We advocate for continued support for smart card schemes, particularly as part of an integrated ticketing system spanning different modes of transport. However, to minimise potential exclusion, it's essential to ensure that the process of obtaining, topping up, and using smart cards is made as simple as possible, and that support is available for those who need it

4. Token Agnosticism and Account Based Tickets

Token agnosticism – the ability to use various forms of media as a 'token' for travel – is a promising approach to future ticketing. By linking to account-based systems, it allows passengers to use a smart card, mobile phone, wearable device, or contactless bank card interchangeably, providing flexibility and choice.

We see significant potential in this approach and would encourage policies that support its implementation. However, as with all new technologies, it's important to ensure it's introduced in a way that is inclusive. Education and support will be critical to help passengers adapt to and benefit from this innovation, and alternatives must be maintained to ensure those who can't or choose not to use these technologies are not left behind.

What good looks like

We believe we should be striving to deliver 'what good looks like' before any wholesale change to passenger experiences at stations.

Accessibility and Inclusivity

Good looks like ensuring that all passengers, regardless of age, digital literacy, or socio-economic background, can confidently access and use the rail service.

This means maintaining a range of ticketing options, from support staff at stations to self-service machines and various digital platforms.

Adequate support and education should be available to help all passengers adapt to new technologies and processes.

Inclusivity also means ensuring that pricing structures are fair and transparent, and that payment options are flexible enough to cater to all users.

Seamless Multimodal Integration

A high-quality passenger experience involves seamless travel across different modes of transport.

For the North of England, this means having an integrated ticketing system that allows passengers to move smoothly between existing and new modes of travel.

Whether using smart cards, mobile apps, or contactless payments, passengers should be able to navigate the entire transport network with ease.

Tickets and fares should be easy to understand, with clear information about routes, connections, and prices readily available.

Personalised and Convenient Experience

For rail retail reform and modernisation of ticketing media, good looks like offering a personalised and convenient experience for passengers.

Account-based ticketing should enable the provision of tailored offers, discounts, and services based on individual travel patterns.

Online sales platforms should be user-friendly and responsive, providing passengers with the ability to purchase tickets at their convenience.

Furthermore, pay-as-you-go and contactless payment methods should be widely accepted, ensuring quick and smooth transitions at station barriers.

Robust Support and Infrastructure

Finally, good looks like having robust support and infrastructure in place to underpin these reforms.

This involves reliable technological systems, well-maintained and signposted physical infrastructure, and skilled, approachable staff.

Passengers should feel confident that if they encounter problems or need assistance, support is readily available.

In the context of the North of England, this support should be informed by local knowledge and awareness, providing assistance that is sensitive to the specific needs and circumstances of northern passengers and communities.

Outcomes

Increased accessibility:

Rail services become more accessible to all individuals, irrespective their disability, age, socio-economic background, digital literacy, due to a comprehensive range of ticketing options and necessary support.

Seamless multimodal integration:

Passengers can transition smoothly between various modes of transport (rail, bus, light rail and other first/last mile options) using an integrated ticketing system.

Personalised user experience:

Account-based ticketing offers a more personalised and relevant service to each passenger, with tailored offers and services based on individual travel patterns.

Enhanced convenience:

Widespread acceptance of pay-as-you-go and contactless payments, alongside user-friendly online platforms, makes rail travel and ticket purchasing convenient and fast.

Enhanced customer support:

Whether in-person at the stations, over the phone, or digitally, passengers can easily access the support they need, providing confidence in the system and mitigations when things go wrong.

Inclusive digital transition:

The digital divide is mitigated with measures such as tech education and maintenance of alternative ticket purchasing options, ensuring that digital advancements do not leave anyone behind.

Data-driven service improvement:

Enhanced data collection from digital platforms allows for refined service delivery based on passenger behaviour and needs, leading to more efficient and customer-oriented rail services in the North of England.

Integrations with destinations:

New ticketing options facilitate the integration of rail travel with other services, such as hotel bookings or visitor attractions, offering holistic solutions for travel and enhancing the passenger experience.

Regional economic growth::

Reform helps to support regional economies through the promotion of local transport and retail integration, driving footfall to local businesses and attractions, and reinforcing the role of rail as a key facilitator in regional economic growth and development.



Transport for the North

2nd Floor
4 Piccadilly Place
Manchester
M1 3BN



0161 244 0888



info@transportforthenorth.com

