

Office of Rail Regulation

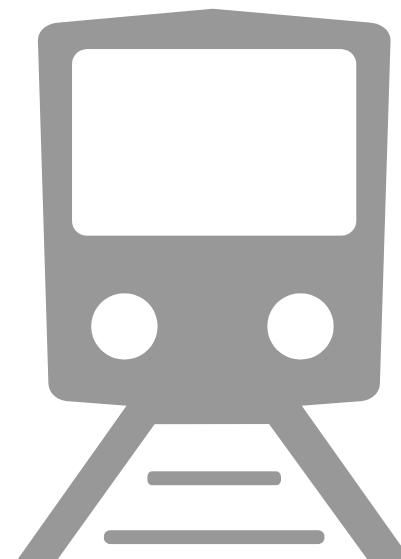
Customer satisfaction benchmarking research 2015

Opinion Leader
March 2015



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Aim



To understand the drivers of satisfaction and dissatisfaction in non-rail service providers and to use these findings to establish best practice in the rail industry

Methodology

Desk research and focus groups



Review of customer satisfaction in:

- Travel
- Mobile phones
- Banking
- Retail
- Utilities



6 group discussions with passengers:
2 x Leisure
2 x Business
2 x Commuters



Research conducted in London, Manchester and Bristol between 21st January - 3rd February

10 Drivers of satisfaction: across rail and non-rail sectors

- **Customer-centric process**

- **Honesty in information**

- **Value for money**

- **Good communication**

- **Reliability of service**

- **Personal service**

- **Fairness**

- **Easy transactions**

- **Help when you need it**



- **Transparency of communications**



Key drivers of satisfaction across industries

Good Communication



Customers want firms to be engaging and listen to them. They want accurate, honest and timely information which is provided proactively across various channels.

- Consumers have high expectations for communications. Frustrations at communications impact satisfaction to a much larger extent than other factors, such as physical restoration works.
- Communications that are personalised, integrated and pro-active are key for driving satisfaction.
- Social media and applications are regarded as an accessible method which advocate these three driving factors.
- Customers want information to be accurate and timely so they can make informed decisions. The customer feels the outcome to be in their control, and reduces potential for inconvenience.

“Whilst I may have paid slightly more than I could’ve got it for online, the service I got was amazing, the understanding, it was a very personal service.” Business
Bristol.

“One good thing is if they have a well publicised Twitter account, which is all about their current service status. If you have a power cut, you could still check it through the mobile networks, and then you have some peace of mind that it’s being resolved.” Commuter.
London

“What time are we going to set off? Should we cancel our hotel? It’s the not knowing. I think if you know what’s happening, it’s fine, but if you’re sitting there going, ‘I could be here until tomorrow, on a plane’ you want to know” Leisure, London

“Well, I phoned twice, three times, they’ve never sent it to me, and I don’t think they ever will. you haven’t got time to keep going over what you’re doing” Leisure,
Manchester

Customer Centric



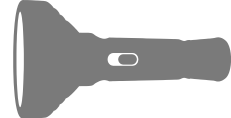
Placing the customers' needs at the heart of processes drives satisfaction, as customers want ease and efficiency. When services do not fulfil their expectations, consumers expect to be compensated appropriately .

- Customers want each stage to be convenient and personalised to fit their needs, and to feel confident they will be listened to and understood.
- Frustrations occur when processes lose the human touch by becoming automated and when expectations of customer service are not fulfilled (e.g. via computer systems in store or over the phone)
- Refunds and compensation for unsatisfactory products or services are expected, and when handled correctly, can reduce dissatisfaction. This makes customers feel valued and recognised as individuals.
- When giving refunds data is being used to meet customer needs efficiently and automatically, saving the consumer time and worry.

"I rang them up ready to go on the war path, and they were really really calming, they were polite, they understood the situation. They said, 'Right, well it's no problem, we'll just put it back down to whatever you're comfortable with, you set the budget.'" Business, Manchester

"I had a text from Npower, that's who provide my electricity, last week just saying, 'Can we have a meter reading in advance?' Normally they just send you out the bill. It was good communication rather than having to ring up and, as you say, sometimes you can be on that phone for a long time" Commuter, Bristol

"I'd call up Oyster, 'Look, you can see that this train's cancelled.' They're very helpful, but even better, in the last year or two, they've now clearly got some kind of clever algorithm in there which sees what's happened, and it automatically refunds it, which I found really impressive, especially as a coder." Commuter, London.



Transparency in communications

Consumers want to feel respected and want transparent and clear information provision to be able to make informed decisions

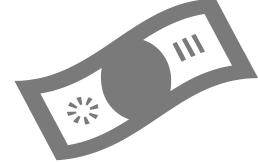
- Transparency allows customers to see all of the options available to them. This applies to costs: how much different options cost, what the cheapest price is and how different options compare against each other in terms of benefits and limitations.
- This also applies to choosing route options, where an item can be delivered to and upfront information concerning timeframes of service delivery. Consumers want to see all of their options through clearly displayed information.
- Being transparent is also felt to involve an organisation making sufficient efforts to inform customers about rights they might have for example to compensation or a refund.

"I think if you keep people informed of the processes, I'd far rather someone be honest about it, don't try and lie about it. If it's not what I want to hear, that's fine, but be honest about it. Commuter, London

"What I don't like is the fact that if you do a bit more research when you're booking and buy split tickets it's a lot cheaper than buying a one-way ticket. Bristol to Nottingham return is, I don't know, £130 I think but if you split it, it's £70 which I think is pretty scandalous. It takes an extra couple of minutes to look into it but it would be nice if they gave you that option when you're booking." Commuter, Bristol

"Clearer, honest pricing, like there is, again, on Amazon, where it tells you exactly what you're paying for, including costs of any surcharges or delivery or whatever it might be." Leisure, Manchester

Value for Money



Customers expect to get what they think they have paid for and to only pay a premium where they can see a clear benefit to doing so

- Customers have come to expect value for money and regardless of the product, they want to feel they are getting a good service at the right price.
- Customers paying a premium for a service have higher expectations of it in terms of performance.
- Regular customers want to be recognised by companies, and receive benefits not welcome to first time users. Reward schemes are welcomed by those who use them and result in customers feeling valued and can increase loyalty. However, awareness of schemes can be low and their terms misunderstood.

“I think that when you are being rewarded and you still only pay for what you’re using then there’s a big benefit to that, especially in this day and age where it’s so expensive.” Leisure, Manchester

“It is horrendous, you paid for a decent ticket and you’re stuck beside the toilet for an hour, an hour and a half, and it’s just disgusting.” Business, Manchester

“(Energy supplier) sent me a nice little credit. That was nice. Just for being a customer.”
Commuter, London

“My pet hate with any of these, there’s no loyalty to older customers. They offer deals for new customers, to fish you in with cash backs - you know, the guy who’s been there for x amount of years gets nothing”. Leisure, Manchester

Easy Transactions



Consumers want to transact in a way that suits them. For some this is online, others telephone and others face to face. Organisations which make it easy to transact have multiple customer touchpoints

- Consumers want transactions to be simple and have high expectations of this from online retail experiences (such as Amazon).
- Applications available on mobile devices are regarded highly, meeting customers demands for clear and quick processes.
- Communications surrounding transactions detailing clear time frames help the customer feel informed and confident in their purchase.
- Choice of communication method is important amongst consumers, individuals prefer varying methods and want options upfront; the control to choose how to engage.
- Automated processes using machines can make transactions difficult especially if the options do not match the customers needs for contacting the organisation

"It's like it's a present, it's not like you're paying for it. It's really good how quick that it gets there, and you get an email or a text saying 'it will be at store between this time and this time'. I'm all about that, so it doesn't mess my day up". Business, Manchester

"No phone number. It says 'contact us', you know, 'to call us'. You go, 'Right,' click that, then it goes 'you can send us an email, you can write to us, you can chat online'. No, I just want to speak to someone" Leisure, Manchester

"I want to speak to someone if there is a problem most of the time. I can deal with an email if it's something, just a query" Commuter, Bristol

Customer journey: good and bad experiences for each customer type

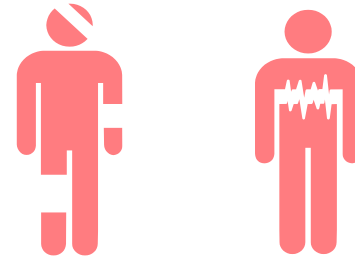
Business customer



Needs



Pain points



- Quick journey
- Comfortable journey
- High quality refreshments at station/on train
- Regular service
- Reliable service
- Easy booking of trains
- Affordable parking at station
- Easy book/payment of parking at station
- Wi-Fi

- Overcrowded trains – not getting a seat
- Delayed/cancelled trains
- Lack of transparency of prices
- High cost of peak travel

Commuter customer

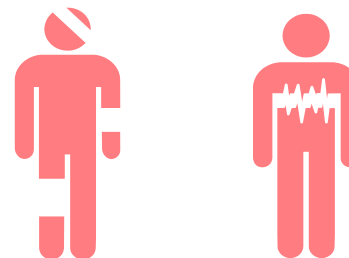
Needs



- Easy payment and pre-payment options
- Quick journey
- Comfortable journey
- Regular service
- Reliable service
- Wi-Fi



Pain points



- Overcrowded trains – not getting a seat
- Delayed/cancelled trains
- Paying for 7 days and using 5 (weekly ticket)
- Engineering works at weekend (Especially London)
- High cost (some)

Leisure customer

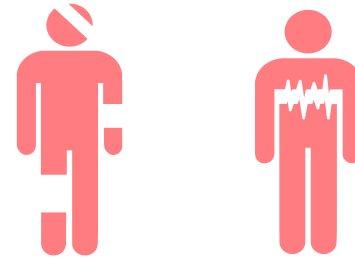
Needs



- Comfortable journey
- High quality affordable refreshments at station/on train
- Overhead storage
- Affordable rail travel
- Transparency of prices
- Clear timetables
- Affordable parking
- Wi-Fi

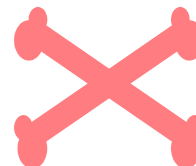


Pain points



- Lack of overhead storage
- Poor quality, expensive refreshments at station/on train
- Paying for the toilet
- Dirty toilets
- Access to help at station

Before the journey



- Great Apps – up-to-date info, easy to use
- Online booking – quick, easy, customer friendly e.g. saved journeys
- Downloading tickets on phone



- Clear passenger information
- Technology for buying tickets – Oyster and contactless



- Choice of how to receive tickets
- Pre-book seat
- Cheap advance prices



- Difficulties knowing what the cheapest ticket is
- High cost of peak travel
- Large variation in prices
- High cost of last minute bookings
- Poor information about whether trains are running
- Lack of ticket machines
- Lack of ticket offices
- Can't book more than 3 months in advance
- Ticket options confusing

Before the journey - quotes

"It's really good how you collect your tickets, you can either download them and print them off, or get them at the self-service point as well. That very helpfully cuts down the time, you don't need to queue up at the ticket desk to get the tickets."

Business, Manchester

"The app's very good because you know if you're going to actually miss the train. It's current and you can book in live time, in real time. It makes it very, very easy. You store your credit card details on it, and you can book a ticket in, like, ten seconds. The technology is there, it's very good".

Business, London

"If you have to go for a funeral or for someone not being well and you have to travel last minute, you're penalised terribly for getting a train ticket the day before." Leisure, Manchester

"I was quite pleased with myself, because it cost me £40 return, and the chap next to me had paid £65. Somebody else had paid about £130, and then someone else paid £20. For every train journey, there is a massive-, you can do exactly the same journey, and there's a huge variance in prices." Commuter, Bristol

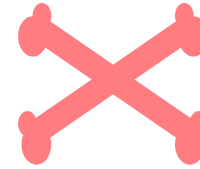
"When you're booking the tickets, although it says the cheapest one to get from A to B, it doesn't show the cheapest way to get to A, B and C." Commuter, Bristol

"I find particularly in bad weather, it's a bit of a Russian roulette, especially if you're on an early shift, to know the night before if the trains going to run or not? You get to the station for the first train and it's not there."

Commuter, London

"There are so many options and I would like them to be really clear so I can understand and pick the best one... Super off-peak, or a super saver, or a super mega day return. I don't know what they all mean. I just want a ticket that goes there and back." Business, London

At the station



- Knowledgeable, helpful staff
- Ticket machines easy to use and quick
- Good information on platforms

- Paying for toilet
- Not enough staff on the platform
- Unclear departure boards



- Staff selling tickets at peak times
- Mobile phone payment parking

- Poor range of food/drink outlets
- Trains leaving early
- Long walk to platforms



- Convenient ways of paying (contactless/Oyster)
- Good facilities (e.g. Kings Cross)
- Price OK (some)

- No mobile tickets
- Having to carry bikes downstairs
- Overcrowding at peak times
- Having lots of tickets (weekly travel)



- Shops and restaurants at some stations
- Clean and nice platforms

- Platforms far from the station entrance
- Not enough lifts/shelters/seats

At the station- quotes

“Oyster cards, since I’ve had an Oyster card and they’ve done overground, I haven’t had to buy a ticket at the ticket machine for my commute anymore because you can just do it all online, that’s good.” Commuter, London

“Self-service ticket machines - easy, put in where you’re going, gives you a price, pay, print out, go.”
Leisure, Manchester

“I love King’s Cross, at the station, but I also think that main rail stations that have had renovation work have got a nice range of restaurants. It’s not just your journey’s end, there’s a really good selection of different food, that’s rather nice.” Commuter, London

“I’ve got to say mine’s brilliant. It’s £3 a day, return. So five days, obviously, that’s £15, but my weekly is £9. That’s for seven days, and I do quite often use it on the weekend, so that, for me, is amazing.” Business, Bristol

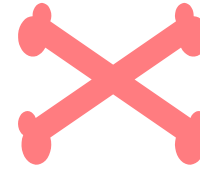
“I have noticed that if you’re at a station, quite often, when there’s a problem, you will not see a single National Rail employee, they’re gone, the station is suddenly clear of them.”

Commuter, London

“The departure boards are really unclear. I know I’m going to Birmingham New Street, but when I look on the board it doesn’t say Birmingham New Street. It says Birmingham International. It doesn’t say that on my ticket.” Leisure, Manchester

“Paying 20p to go to the toilet. It should be free. I resent paying to go to the toilet.” Commuter, London

The journey



- Power sockets
- Wi-fi
- Reserved seats
- Polite and helpful train guards

- Silent carriages
- Quick and regular service

- Clean
- Modern trains

- Quiet coach
- On time
- Trolleys



- Paying for Wi-fi
- Toilets – out of order/smell/cleanliness/no water
- Delays
- Lack of luggage space
- Cancelled reservations
- No seats
- Not enough space for bikes
- Early termination of trains
- Bags on seats
- Expensive food
- Lack of luggage space

The journey - quotes

"Your reserved seats with a plug socket. You can select your seat, pre-purchase, airline style, forward facing."

Business, Manchester

"The Wi-Fi is good. If you're on a business trip and you need to do something beforehand, you can't get a phone signal but you can get a Wi-Fi signal. So even if I have to pay for it, the fact that the facility's there is good."

Leisure, Bristol

"I always feel very safe on the train. If my kids are on the train, I'm always happy for them to be on a train, my teenage children, because I just think it's safe. There's always someone walking up and down and if there's any trouble they monitor them and they're usually quite well-mannered."

Leisure, Manchester

"You shouldn't have prices if you've got to stand. I raised the same question with one of the train mangers of a train company, he said you don't pay to sit down, you pay to travel. You're not paying for a seat "

Business, Bristol

"I've noticed times on my train when it's delayed, and "Times on my train when it's delayed, it'll say it's no longer 17:19, it's expected 17:20, you think, 'Okay, one minute, no problem,' and then it goes up again, and it goes up again. It keeps going up, and then you find out it never even left the terminus, so you think, 'In what way was that ever accurate?'"

Commuter, London

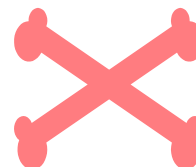
"There are only meant to be two bikes allowed on our Severn Beach train. It's not just that, but people get on in the wrong place on the train with their bikes. Sometimes the guards don't tell them to move. I think, if that train crashed, those bikes would blocking the doors. It really stresses me out. It's not the cyclist's fault."

Commuter, Bristol

"If someone's sat in your seat, you're either going to have to fight with them or you're going to have sit somewhere else. There should be a process where somebody, like if you're on an aeroplane, the air stewardess can move them straight away."

Leisure, Manchester

After the journey



- Refunds/vouchers
- Easy to reconcile tickets on some websites (thetrainline.com)



- Compensation forms given out on trains
- Guards explaining about compensation
- Taxi home
- Bus replacement



- Good connections at destination station

- Complaints procedure not customer-centric – time consuming
- Limited liability to travel (not wider implications of delays)
- Lack of awareness of being able to get refunds

- Refund process time consuming
- Cash preferred to vouchers in compensation

After the journey - quotes

"There's an app for that, does it all for you. Train Refunds - they've got forms on there that fills it out for you, tells you what trains have been delayed, all you've got to do is press a few buttons, it sends the form to you, you sign it, send it off."

Commuter, London

"Coming back took five hours instead of three or four hours, got back to Temple Meads, I'd missed my branch line train, they paid for us to get a taxi home. Absolutely brilliant."

Business, Bristol

"We were an hour and a half late, nobody was very happy, but as we got off the station at Paddington, they were there with forms for us to fill in to claim back for our tickets. I was really impressed with that, nobody even had to ask, they were literally stood there waiting for us to give us the forms."

Business, Bristol

"The refunds aren't always fair. My mum got a refund. They don't give you the money back. They give you these gift-card things and if you lost them...It's not fair. It's their fault "

Business, Manchester

"Call my counsellor. Time-consuming and eventual failure. I gave up in the end. It was going to cost me more than I would get the £15 back."

Business, London

"It's ten o'clock at night, customer service is closed. You speak to someone that says, 'Call this number.' That number wasn't working. It's like, 'Okay, right I'll sort it out online tomorrow. The trains might be running at eleven o'clock at night but the rest of the services aren't."

Leisure, Manchester

"What really annoys me, is sometimes the train's been late, and actually in being late it's cost me a fortune. What they're not interested in is any costs you've incurred after the journey. If this had been on time, I'd have got a lift, or I'd have got a bus. Now I've got to pay £25 on a taxi "

Commuter, Bristol

Good practice from other industries and actions of other regulators to drive customer satisfaction

Best practice from other industries

- In the utility sector online interactions are considered to be comprehensive and integrated. The monitoring of social media and other communication channels during major incidents is used to provide customers with detailed information and updates for problem solution.
- In the banking industry having an easy to use, convenient and reliable platform when combined with good communication and information provision account for over half of the variation in customer satisfaction.
- In the travel industry, a report by the CAA highlighted the importance of accurate and accessible information provision during major incidents to enable individuals to make informed decisions about whether to travel or not.
- The ability to rebook travel through operator websites alone was perceived to be hugely beneficial, avoiding overcrowding at airports and airline desks.
- Having access to free Wi-Fi during major incidents at airports was felt to increase levels of satisfaction as it opened up another more convenient, less costly form of communication.
- In the mobile phone industry rewards and incentives are seen to make customers feel valued and recognised as individuals.
- In the mobile phone industry social media is perceived to drive dissatisfaction as negative interactions reach twice as many people as positive interactions
- In the mobile phone industry faults and errors in the service infrastructure are considered to have less impact on dissatisfaction if communicated pro-actively.
- In the retail industry 70% of customers have ceased to buy goods or services from a company after poor customer service.
- Amazon is considered to be an exemplar of good customer service – convenient selection of item, regular communications through the journey and quick problem resolution.

Actions of other regulators to drive satisfaction

- Ofwat introduced the Service Incentive Mechanism which rewards or penalises water companies according to levels of satisfaction and has resulted in year-on-year decreases in complaints.
- In the banking sector the FCA have suggested that complaint handling guidelines should be issued to support fair calculation of redress to ensure consistent and fair outcomes for all complainants. The FCA also recommended that complaint handling staff should be remunerated based on fair outcomes for consumers.
- The CAA recommended providing free Wi-Fi and flexible rebooking to be adopted as industry standard to drive satisfaction.
- Ofcom have implemented a code of practice to ensure a minimum standard of transparency, accessibility and effectiveness in complaint handling. When a complaint can not be resolved, Ofcom have an approved ADR scheme whereby telecoms providers must abide by independent body's chosen outcome.

Conclusions

Conclusions 1

- The key elements to customer satisfaction from rail and non-rail industries are:
 - **Having customer-centric processes**
 - **Good communication**
 - **A personal service**
 - **Easy transactions**
 - **Value for money**
 - **Transparency of communications**
 - **Reliable service**
 - **Fairness**
 - **Help when you need it**
 - **Honesty in information**
- Business, commuters and leisure customers share some common needs such as having a convenient way of booking and paying for onward travel, a comfortable journey and straightforward ways of making redress. There are other needs which typify these customer types. Comfort is more of a priority for leisure customers, reliability is more important for business customers and getting a seat more of a priority for commuters.

Conclusions 2

Participants had a number of positive and negative experiences across their rail journey.

- **Before the journey** – apps were highly praised for their convenience and detailed information whereas a lack of transparency over ticket options was a particular bugbear
- **At the station** – easy and quick ways of picking up tickets or pre-paying for tickets were appreciated whereas being inconvenienced e.g. having to walk to platforms far from the station entrance was not appreciated
- **The journey** – having Wi-Fi was appreciated, especially on longer journeys, however problems with toilets was frequently mentioned as impacting negatively on the experience
- **After the journey** – compensation practices could either lead to more positive or negative experiences after a delayed journey. Where staff were pro-active in providing the means to get compensation participants were positive whereas when getting compensation was complex and time consuming participants felt more negative.

Conclusions 3

The key findings from the desk research are:

- In the utilities sector modern website interfaces and state of the art call centres are driving satisfaction with communications in this industry
- Information provision and communications are considered to be integral drivers of satisfaction in financial institutions
- In the travel industry timely communication is considered to positively impact satisfaction.
- Mobile phone operators who used social media to contact customers about network issues reduced levels of dissatisfaction with the service

Recommendations:

The suggested areas for improvement include both new ideas as well as existing practice which establishes better relationships, being more proactive and engaging with customers in a way that suits their needs.

Recommendations for the rail industry

New ideas 
Existing ideas 

- The recommendations are a combination of existing ideas which represent good practice in the rail industry and new ideas. These have been highlighted in different colours – green for new ideas and purple for existing ideas.

Before the journey

- Apps are perceived to be a convenient, quick and useful way of getting up-to date information about train journeys and booking journeys. However there is an appetite for **adding additional functionality such as electronic ticketing** on mobile phones to be more widely available to train customers
- Passengers would like to be able to **amend their booking online without paying a charge** rather than having to get a refund and then purchase another ticket
- Accurate **information about the resolution of a problem** on the railways is desired as it enables customers to make other arrangements
- There exists a strong desire for greater transparency on journey prices. Participants want to know what was the cheapest way of travelling from x to y. Rail information providers need to be **more transparent about the prices of tickets**
- Participants wanted to be given the option to postpone their journey in the event of a major disruption. Passengers could be allowed to **postpone their journey** in this situation or use the services of other TOCs to make journey (s) to the destination station
- Participants showed strong support for closing stations in the event of major weather disruption to avoid unnecessary cancellations of journeys. Protocols could be discussed **to agree the circumstances where stations are closed in advance of severe weather disruption**

At the station

- Stations such as Kings Cross and Manchester Piccadilly were felt to have a good range of places to eat and shops. Participants appreciated this as it gave them wide food choices as well as **having the opportunity to enjoy any spare time** at the station more than stations without these facilities.
- Participants appreciated it when **additional staff issued tickets during peak times**. Additional staff could be provided at stations which have long queues during these times
- Staff at stations are perceived to be knowledgeable and helpful, however they are not always visible when problems arise which is when their help is most needed. **Staff need to be visible** generally and especially during difficult times.
- To reduce the cost of parking partnerships with local car parks could be made so that **a bundle of train ticket + parking could be offered**.

On the train

- Issues such as lack of **overhead luggage space and insufficient room for bikes** should be considered when procuring new rolling stock. Consulting passengers at the design phase of new rolling stock should be encouraged to ensure that it is fit for purpose.
- Participants appreciated being able to access WIFI on some services especially when it was free. **Provision of free Wi-Fi access should be encouraged** in order to increase satisfaction with the journey.
- Cleanliness of the toilets was perceived to vary considerably between services and individual trains. Having **more frequent checking and cleaning of toilets during the journey** (especially long journeys) is likely to improve customer satisfaction
- The perceived lack of **variety of affordable food options on trains** is an aspect of service that could be addressed via research into customers preferences
- Participants wanted **increased capacity of trains during peak times** by adding carriages

After the journey

- There should be encouragement to provide the **best practice when issuing compensation to passengers**. Participants appreciated it when compensation forms were given out by guards or at the station and when it was easy to find out how to make a claim via the TOCs website.
- There remains a low awareness of refund rights (Opinion Leader conducted research into refund rights in 2013). **Passengers should be informed about their rights to get a refund**.
- Response to complaints were felt to be slow and participants would appreciate a quick response to a complaint 24/7 via Twitter or via webchat, as well as the complaint being resolved quickly. **Improved minimum service levels could be mandated**.

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