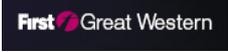


This document has been withdrawn as the study was completed in 2013.



SPA
Future
Thinking



First Great Western

Senior Concessionary Trial Final Report

Fieldwork period: September 2012 – October 2013

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**Background &
Objectives**



→ Background & Objectives

Background

→ First Great Western, in partnership with the DfT, launched a trial scheme on 1st September 2012 which allowed senior and disabled concessionary bus pass holders to receive discounted rail fares* on selected routes, without a railcard

**33% discount on standard class tickets at off-peak times (after 9.30am and before 11pm on weekday, all day on weekends and bank holidays)*

→ The Department for Transport approached several TOCs to run the scheme. First Great Western agreed to run the trial and incurred the cost of offering discounted rail travel as part of the scheme

→ The trial ran for a year and SPA Future Thinking was commissioned to assess the awareness and effectiveness of this scheme as part of a continuous monthly study, which ended in October 2013

→ A pre-stage was conducted in September 2012 and the results of this have been included as a comparison

Objectives

→ Assess how travel patterns change when this automatic discount is offered

→ Determine whether the discount scheme is revenue abstractive or revenue generative



→ Methodology

→ Around 60 questionnaires are distributed at each of the following locations every month:

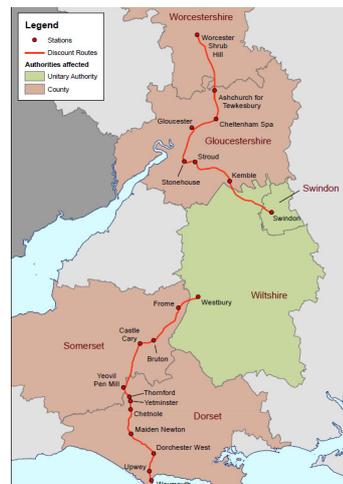
| Worcester | Gloucester | Cheltenham | Tewkesbury | Stroud | Swindon | Westbury | Yeovil | Dorchester, Dorset | Weymouth |
|-----------|------------|------------|------------|--------|---------|----------|--------|--------------------|----------|
|-----------|------------|------------|------------|--------|---------|----------|--------|--------------------|----------|

→ Respondents were screened on ownership of a concessionary bus pass (disabled or senior) and if eligible were given a questionnaire to complete and post back

→ We received roughly 150 returns a month

→ The map on the right shows the routes that were covered by the trial scheme,

→ The area is primarily rural, but does have significant urban centres; Gloucester, Worcester. While longer journeys are made within the area, the predominance is for shorter journeys within each respective area for all reasons for travel (e.g. Commuting, Leisure)





Summary



Summary (I)

- Unprompted awareness of any promotions was at 3% for the commencement of the trial and rose to a high of 7% in Q2, standing at 5% in Q4
- Prompted awareness of the scheme started at 4% and slowly increased to a peak of 9% in Q2 and remained at around this level for the rest of the trial
- Of those who were aware of the scheme, word of mouth, staff at station and advertising at the station were the most commonly cited sources that first informed respondents about the scheme. Given the limited awareness of the scheme, these results are directional, rather than statistically robust
- Despite this, the scheme was perceived to be a very good idea for the entire duration of the trial – on average 95% of respondents rated the scheme as good, very good or excellent
- In addition, there is clearly demand for this type of scheme, as demonstrated by the very high (nearly 9 in 10 on average) proportion of respondents that agreed with the statement "I would participate in the third off travel if it operated on long journeys in the future". Followed by an average of 88% that agreed they were much more likely to travel by train if they could receive a third off with their Bus Pass

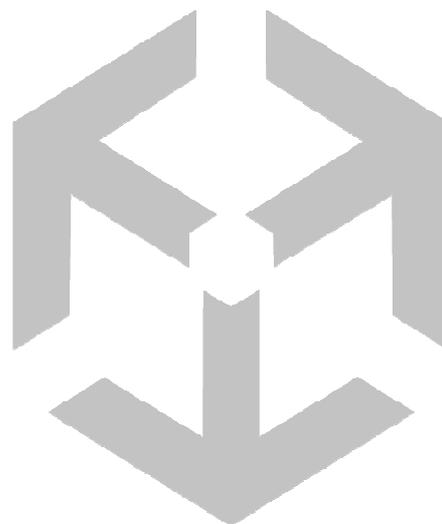


→ Summary (II)

- The scheme has also improved the perception of both the DfT and train companies – taking the results across the trial 84% agreed that the scheme made them feel much more positive about train companies and 80% for the equivalent statement regarding the DfT
- As further validation that the scheme has potential, an average of 89% said that they would definitely or probably renew or apply for a concessionary bus pass if they received a third off any off-peak rail journeys in the UK using their pass. 87% felt the same way towards the scheme if it covered just local journeys. However, it is important to note that the value of the concessionary bus pass as a standalone 'product' is clear, with 83% claiming they would definitely or probably renew or apply for the concessionary bus pass even if this scheme did not exist
- Perhaps unsurprisingly, a significantly lower proportion would definitely or probably renew or apply for a Senior Railcard if the scheme offered a third off with the concessionary bus pass, both for off-peak local journeys (45% on average) and for off-peak journeys in the UK (44% on average)



→ Main Findings





SIGNIFICANCE TESTING

- Solid boxes - significantly higher than Quarter 3 (Apr-Jun 2013)
- Dashed boxes - significantly lower than Quarter 3 (Apr-Jun 2013)

Green boxes indicate a positive movement
Black boxes indicate a neutral movement
Red boxes indicate a negative movement



Unprompted awareness of promotions

In Q4 5% were aware of promotions
(Q3: 6%, Q2: 7%, Q1: 6%, Pre-stage: 3%)

Senior Railcard & National Express card

FGW on Stroud Line

Trial in the Yeovil area

Reduced price London Transport Day travel pass

Reduced rail travel

I can use Buss Pass on local train journeys

First Great Western Rail Travel

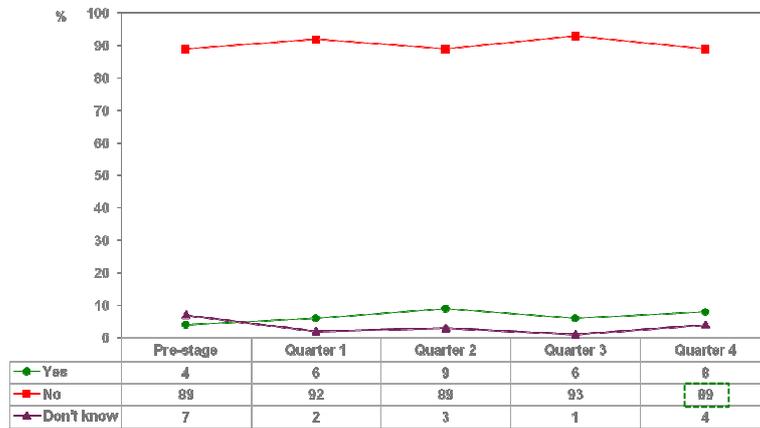
Just a vague idea concerning use of the bus pass to buy certain rail fares at reduced rates.

Base: (Those answering)

Q1. Are you aware of any additional offers or fare reductions that have been available to you as a Concessionary Bus Pass holder in the past few months?
Q2. What promotions are you aware of?:



→ Awareness of concessionary discount scheme

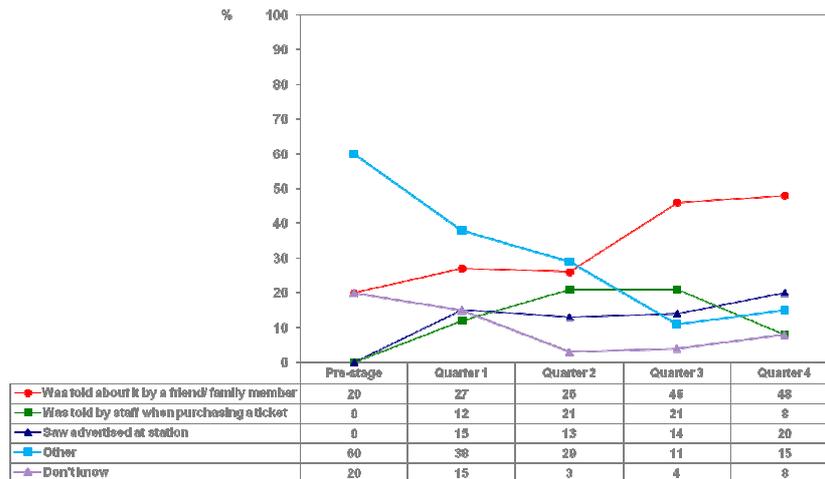


Base: (All respondents: Pre 139 | Q1 425 | Q2 445 | Q3 462 | Q4 531)

Q3. In fact a promotion has been running (in conjunction between the Department for Transport and First Great Western) in your area allowing people with Disabled or Senior concessionary bus passes to travel by train on certain journeys and receive a third off their travel (without the need to have a specific Railcard). Were you aware of this scheme?



→ How heard about the concessionary discount scheme



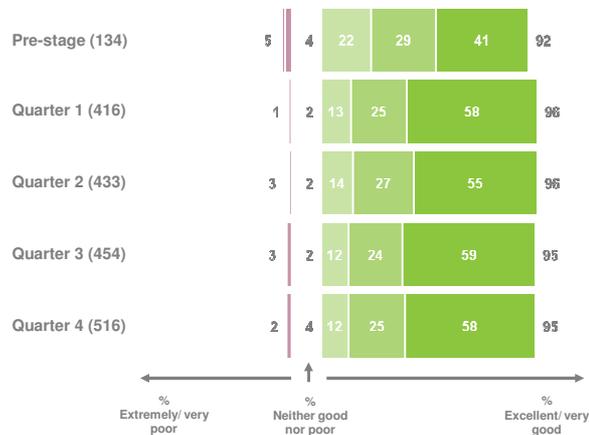
Caution – low base

Base: (Those aware of promotion: Pre 5# | Q1 26# | Q2 38 | Q3 28# | Q4 40)

Q4. How did you hear about the scheme?



Opinion of concessionary discount scheme

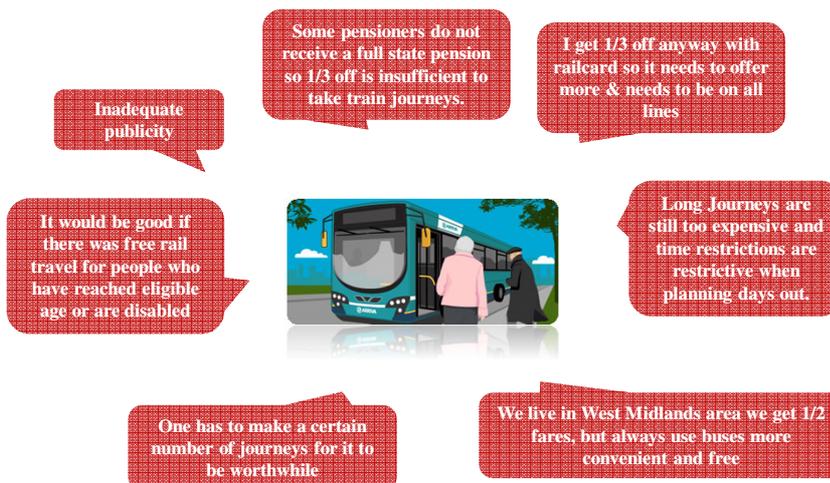


Base: (Those answering)

Q5. What is your overall opinion of a scheme that allows you to get a third off rail fares using your concessionary Bus Pass?



Reasons for rating the concessionary discount scheme as poor

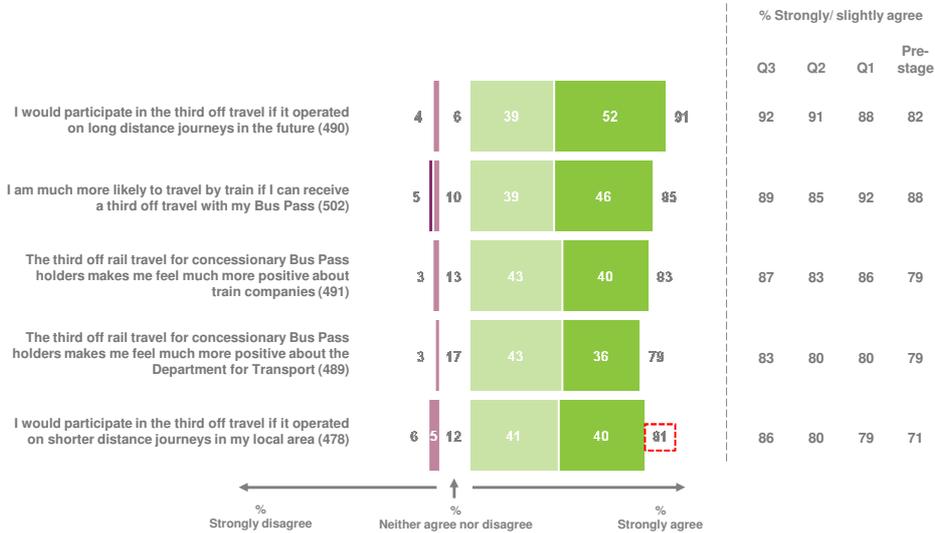


Base: (Those answering)

Q6. Why did you rate the scheme as poor?



→ Agreement with statements

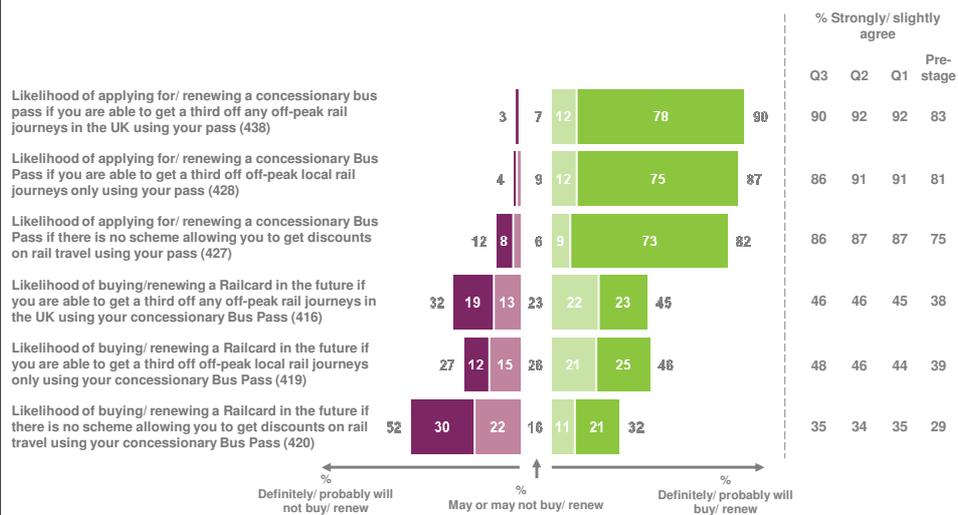


Base: (Those answering)

Q7. Can you please tell me how much you agree or disagree with each of the following statements that relate to the scheme?



→ Agreement with statements



Base: (Those answering)

Q130-135. How likely do you think you will be to ...





Abstraction / Generation



Abs Gen Calculation

- The following slides look at the data collected to determine whether specific elements of the trial scheme and the current Railcard offer, abstract or generate revenue
- Individual slides discuss the specific calculations used, however in basic terms:

$$\begin{array}{l} \text{100\% of the cost of} \\ \text{journeys made by} \\ \text{train which would} \\ \text{not have been} \\ \text{made/ have been} \\ \text{made by another} \\ \text{mode if the} \\ \text{concession not} \\ \text{available} \end{array} \quad - \quad \begin{array}{l} \text{50\%* of the cost of} \\ \text{journeys made by} \\ \text{train which would} \\ \text{have still been} \\ \text{made in exactly} \\ \text{the same manner if} \\ \text{the concession not} \\ \text{available} \end{array} \quad = \quad \begin{array}{l} \text{Amount of revenue} \\ \text{abstracted or} \\ \text{generated} \end{array}$$

**Under the concessionary scheme, passengers pay two-thirds the cost of the full price fare, therefore, a half of the price of the fare paid is equivalent to the difference between the fare paid and the full price fare*



→ Abs Gen Analysis (i)

→ It is very difficult to produce Abstraction/ Generation data based on the number of journeys made under the scheme during this trial

→ The research found:

19 individuals who claim to have made journeys under the scheme

This individuals have made a total of 22 journeys

The average fare for these journeys is £8.41

6 are completely abstractive as they would have been made anyway

6 are generative as would have used a different mode of transport/ not travelled if it had not been available

4 would have purchased a cheaper ticket

6 did not specify whether they would have travelled or not



→ Abs Gen Analysis (ii)

| Generative | | Abstractive | | Generated |
|---------------|---|-----------------|---|-----------|
| 6 x £8.41 | - | 6 x (£8.41x0.5) | = | £25.23 |
| £50.46 | | £25.23 | | |

Assuming those who would have bought cheaper tickets are revenue neutral, this suggests the scheme generates revenue to the value of 17.6% of total value of tickets purchased

n.b. The average ticket price has been used for this calculation. One 'generative' journey was made on 'more expensive ticket' - £38. If the actual cost of generative vs abstractive tickets are used this makes the scheme more generative. This could be indicative that the scheme encourages longer journeys, however, it could also be an outlier and hence 'average ticket price' used.



→ Abs Gen Analysis (ii)

- Putting this into context, over the same period 1075 journeys were made using a Senior Railcard
- Of these 1075 journeys, 448 would have been made at the same time on the same train without the card and are, therefore, abstractive:

The average cost of these is £26 – abstracting £13 per journey
TOTAL FULL ABSTRACTION = £5,824

- 289 journeys were completely generative (they would not have made the journey or travelled by another mode without the discount)

The average cost of these is £28.70
TOTAL FULL GENERATION = £8,294

- 195 journeys would have been made at different times on cheaper tickets (these can be assumed for this calculation as revenue neutral)
- **AS SUCH THIS ACTUALLY SUGGESTS OVER A 12 MONTH PERIOD, EXCLUDING THE COST OF THE CARD, THE SENIOR RAILCARD SCHEME GENERATES REVENUE ON A PER JOURNEY BASIS (THE 6 MONTHLY CALCULATION SUGGESTED IT WAS ABSTRACTIVE BUT MORE JOURNEYS ARE INCLUDED IN THIS CALCULATION)**
- **THE UPLIFT IN THE NUMBER OF JOURNEYS BEING MADE DURING Q3-Q4 IS LIKELY TO BE DUE TO THE MORE FAVOURABLE WEATHER DURING THIS PERIOD**



→ Journey Creation

- This research found
 - 251 journeys were made by other modes of transport where train would 'definitely' have been used if a third off had been available – 41 of these journeys were made by people with Disabled/ Senior railcards (and therefore could have got this third off if it was a qualifying service) so only a maximum of 210 are likely to be relevant journeys
 - 297 journeys were made by other mode where train probably would have been used – 42 of these by railcard holders, reducing the number to 255
 - If we use a standard 'actual' behaviour vs claimed behaviour weighting of 95% definitely and 45% probably, this suggest $(210 \cdot 95) + (255 \cdot 45)$ = the scheme could have generated, from our sample up to an additional 314.25 journeys
 - c50% of these journeys are currently made by car
 - If the £28.70 average fee for Railcard Generative journeys is applied these would have generated £9,019





Revenue Topline Summary

- The limited number of journeys Made under the scheme makes it difficult to provide robust Abstraction/Generative analysis.

- However, at this stage, the data does suggest
 - Journeys made under the scheme are revenue generative
 - Railcard journeys are also generative on a per journey basis
 - There is potential for the scheme to cause a modal switch that would make the scheme even more revenue generative

- Whilst the limitations on the trial area and the amount of data available for analysis need to be borne in mind at this stage there is a suggestion that switching from a railcard to a concessionary bus pass scheme would be popular with passengers and potentially create a revenue generative scheme.



Conclusions and recommendations





Conclusions and recommendations

- The scheme is clearly viewed very positively by the vast majority and based on the limited data available, the scheme does appear to be generative
- If the trail were to be run again to collect data on a greater number of journeys then raising awareness of the scheme could possibly be improved by devising a targeted, and much more encompassing, campaign aimed at areas where the scheme is likely to have the most impact/ success
- There were a handful of comments from respondents querying how this scheme will work alongside the Senior Railcard and if there is need for both. Any campaign would likely need to address this to distinguish the difference between them
- Staff at stations and the customer services team would need to be thoroughly briefed to be able to inform respondents about the scheme and to give them the information they need. For example the rules around carers and travelling companions etc.
- To substantiate the directional conclusions drawn from this study additional research would be required

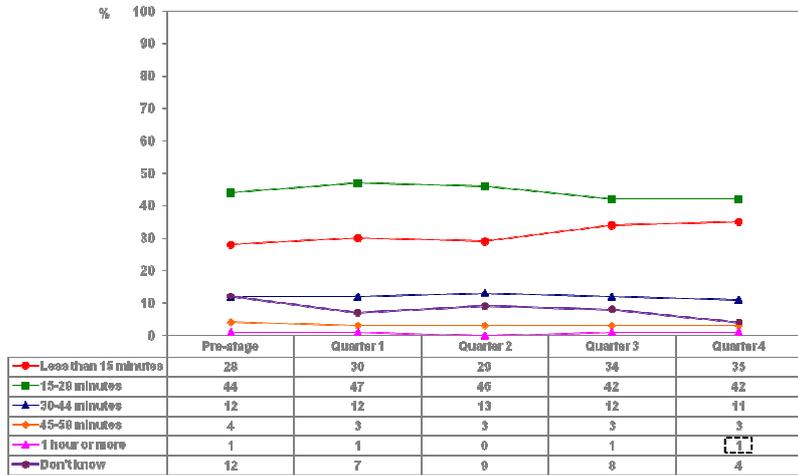


Appendix



➔ Profile (I)

How long it takes to get to nearest station

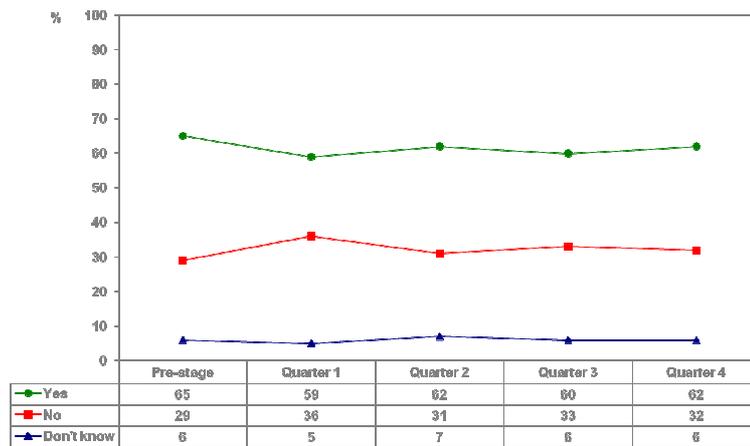


Base: (All respondents: Pre 139 | Q1 425 | Q2 445 | Q3 462 | Q4 531)
Q136. How long does it take to get your nearest rail station?



➔ Profile (II)

Whether hold a valid UK driving licence

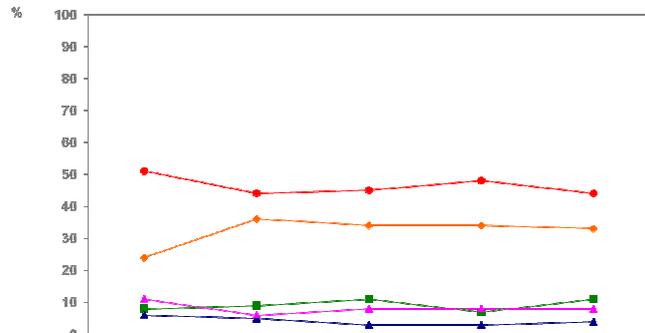


Base: (All respondents: Pre 139 | Q1 425 | Q2 445 | Q3 462 | Q4 531)
Q137. Do you currently hold a valid UK driving licence?



➔ Profile (III)

Which statements best describe you



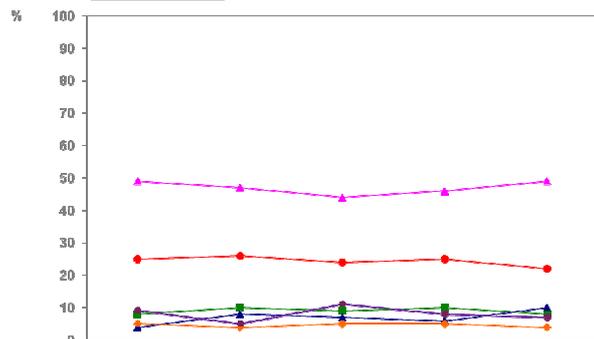
| | Pre-stage | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|-----------|-----------|-----------|-----------|-----------|
| I have my own car I can use whenever I want | 51 | 44 | 45 | 48 | 44 |
| I share a car but can use it most of the time | 8 | 9 | 11 | 7 | 11 |
| I share a car but can't use it very often | 6 | 5 | 3 | 3 | 4 |
| I don't have access to a car | 24 | 36 | 34 | 34 | 33 |
| Don't know/can't remember | 11 | 6 | 8 | 8 | 8 |

Base: (All respondents: Pre 139 | Q1 425 | Q2 445 | Q3 462 | Q4 531)
Q138. Which of these statements best describes you?



➔ Profile (IV)

Annual Income



| | Pre-stage | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| Up to £15,000 | 25 | 26 | 24 | 25 | 22 |
| £15,001-£19,999 | 8 | 10 | 9 | 10 | 11 |
| £20,000-£29,999 | 4 | 8 | 7 | 6 | 10 |
| £30,000+ | 5 | 4 | 5 | 5 | 4 |
| Do not wish to declare | 49 | 47 | 44 | 46 | 49 |
| Don't know/can't remember | 9 | 5 | 11 | 8 | 7 |

Base: (All respondents: Pre 139 | Q1 425 | Q2 445 | Q3 462 | Q4 531)
Q139. Please indicate your approximate annual household income (before tax).

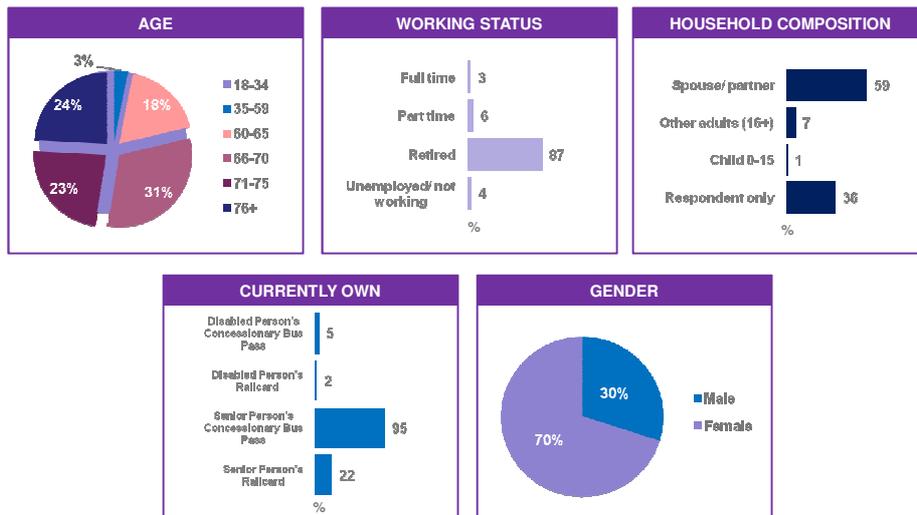




Sample



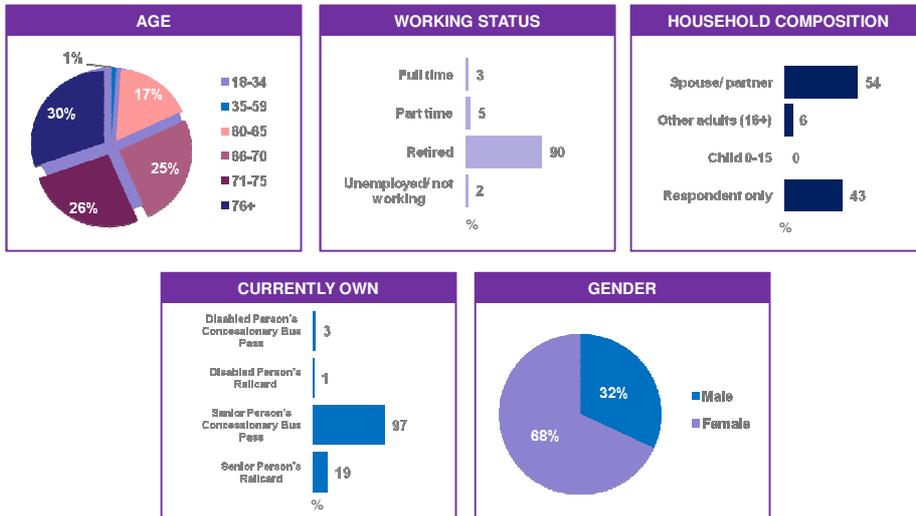
Sample Profile – Quarter 4 (Jul-Oct 2013)



Base: (All respondents Q4: 531)



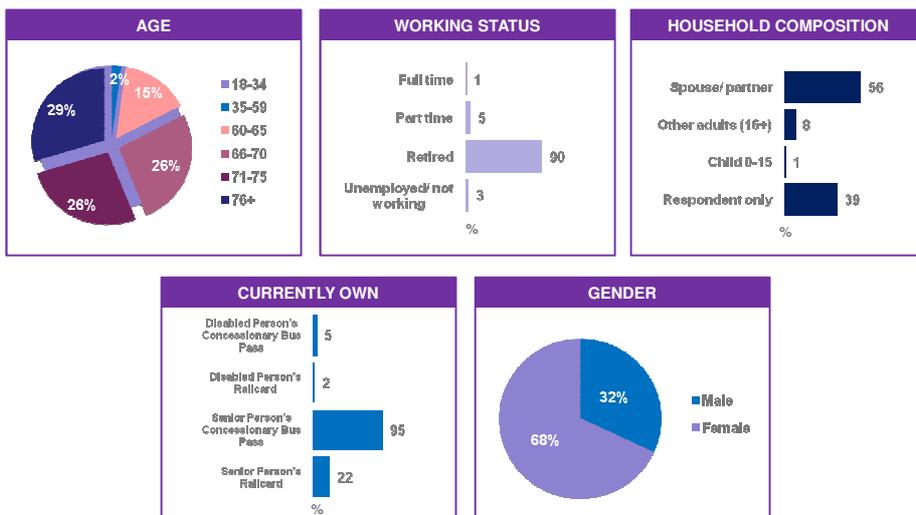
➔ Sample Profile – Quarter 3 (Apr-Jun 2013)



Base: (All respondents Q3: 462)



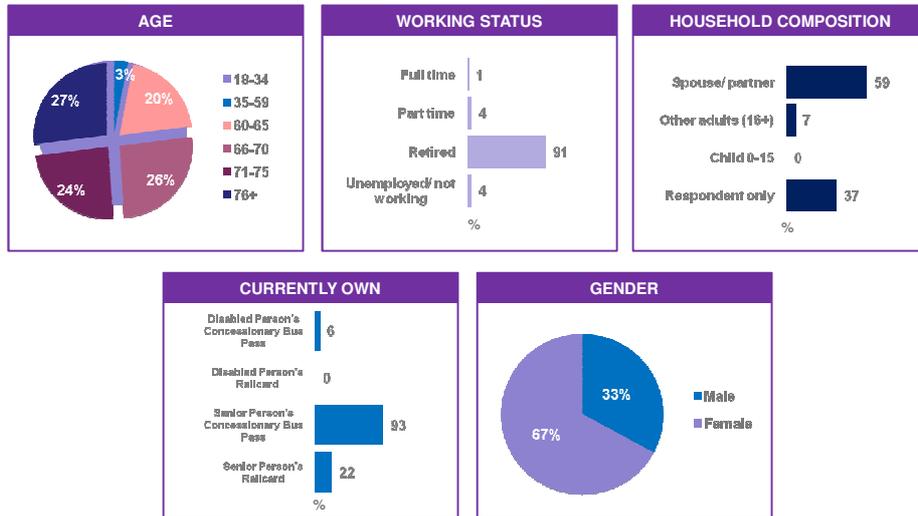
➔ Sample Profile – Quarter 2 (Jan-Mar 2013)



Base: (All respondents Q2: 445)



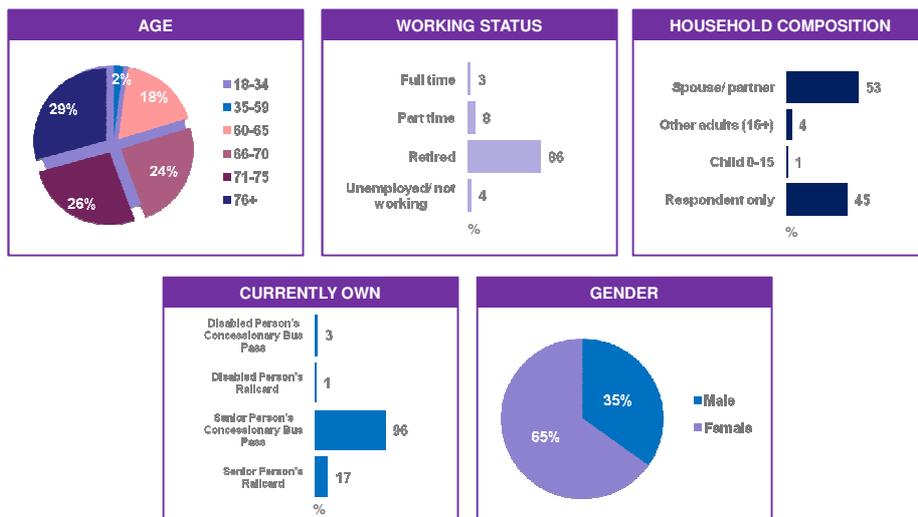
➔ Sample Profile – Quarter 1 (Oct-Dec 2012)



Base: (All respondents Q1: 425)



➔ Sample Profile: Pre-stage (September 2012)



Base: (All respondents Pre: 139)



