

RAILWAY STUDY FORUM

Rail Retailing: The key to recovery of Britain's railways

CILT's Railway Study Forum (RSF) made a welcome return to in-person meetings on Wednesday 17 May with a panel Q&A session to discuss the vital aspect of how the railway industry collects revenue from its passengers, now widely recognised as being in dire need of reform.

This was another great event for RSF in this 2nd year of Charley Wallace's presidency. Sadly for us all, after bravely fighting her illness, Charley's battle came to an end in March when she passed away [Focus, May 2023, p6], leaving a large gap in all of our lives. Her legacy lives on: this and remaining RSF events until the summer are dedicated to her memory.

Kindly sponsored and hosted by Ashurst at its London offices at the London Fruit & Wool Exchange, the session was chaired by Paul Bowden (Commercial Director, Rail Delivery Group), while the panel consisted of:

- John Davies, VP Industry Relations, Trainline
- Alistair Lees, Managing Director, Assertis
- Stewart Fox-Mills, Programme Director: Fares, Ticketing & Retail, GBR Transition Team

Panellists were invited to share their vision for the future of rail retailing, their views on what the rail industry must do to aid and drive recovery, and on how its antiquated arrangements can be improved at a time when investment is constrained.

There was a good deal of consensus among the panellists on the vision: to be better, simpler and more competitive:

- Better in the sense of greater rollout of digital (mobile via barcode) ticketing and/or Pay-as-you-go (PAYG). Digital has been willingly adopted by many passengers in preference to often markedly poorer alternatives, brings the benefit of greater industry understanding of passenger behaviour and needs, and the ability to test offerings with discrete groups of passengers. PAYG is seen as working well in London but remains an 'island' and boundaries create anomalies.
- Simpler in that the current complexity and absurdity of the fares structure is a huge deterrent, and simplification is urgently needed. Rail has been poor at retiring legacy fulfilment methods, the retention of which adds significant costs. Inevitably there will be winners and losers and this process will not be without pain.

- More competitive with other modes, seeking to innovate to grow rail use substantially – a small percentage shift from road representing a large percentage gain for rail – and not the unambitious target of simply regaining pre-Covid levels of patronage.

Punctuality and reliability are of course key, and some structural and organisational challenges remain to be overcome, but from a retailing perspective there is concern also over reducing booking horizons when improved visibility of availability into the future is sought by many. The declining significance of traditional season tickets was noted; some success has been achieved with flexible seasons, but there is further to go: account-based solutions could offer increasing discounts for more travel.

Retailers remain keen to invest, but need a stable environment and a level playing field, and are seeking clarity and direction from GBR. Digital channels can be expensive to support because of rapidly evolving user expectations, but by rail industry standards the level of investment required in this area is comparatively small and offers good returns in increased revenue and reduced costs. ■

