

HEAD TO HEAD WITH THE AIRLINES

With new taxes being imposed on air passengers, long check-in times, constant security scares and the scenes of chaos at airports over Christmas, trains ought to be able to take more business from domestic airlines. Rob Sheldon explains how

The threat posed by the growth in domestic air travel is becoming an ever-increasing concern for train operators running long-distance services. Airlines are keen to fight for a larger share of the profitable business travel market by extolling the speed and apparent convenience of flying.

The battle for the lucrative London-to-Manchester route, and the guerrilla marketing stunts carried out by Virgin Trains throughout 2006, illustrate the ferocity of the competition between rail and air services.

Virgin Trains' offer to exchange the boarding passes of airline passengers arriving in Manchester for first class rail tickets for the return leg of their journey, and the infiltration of an early-morning British Airways flight by a group sporting t-shirts emblazoned with pro-Virgin slogans, gained widespread media attention. The rivalry has also been highlighted by airport security fears and Sir Rod Eddington's transport review, which has sparked debate over the future of high-speed rail and has raised concerns about transport's environmental impact.

So with new domestic air services such as Bristol to Norwich launching almost monthly, how can TOCs compete with the lure of air travel on a commercial basis? What influences business travellers' choice of transport mode? And what developments would encourage more passengers to switch from the plane to the train? To provide some answers to these all-important questions my market research company, Accent, conducted a qualitative research project to explore business travel habits and identify how the needs of business passengers can be met. The findings provide a fascinating insight.

Those interviewed for the research made a variety of journeys each month by both rail and air. Air services were typically chosen for routes

from London, the Midlands and Bristol to Glasgow, Edinburgh and Inverness, whereas the train was the preferred mode for journeys between London and the Midlands or from south-west to north-east England. When air travel was chosen over rail, it was generally a result of the distance being covered and the perceived speed of flying.

What's more, there was a general perception that there is little to differentiate between air and rail in terms of cost; whereas some travellers are able to travel by rail during cheaper periods, many commented on the expense of peak-time tickets and the complexity of many operators' fare structures. Some interviewees also referred to overcrowding of trains, particularly on routes to London, and to the difficulties finding a seat experienced on some busier services.

While the rail industry may never be able

compete with air travel in terms of journey time from A to B, the research revealed that TOCs could profit from promoting the comparable convenience, overall door-to-door travelling time and flexibility of rail.

The availability of open tickets and the greater number of services were significant factors in favour of the train.

One passenger commented: 'There are more choices in terms of departure and arrival times – basically, more flexibility.' The ability to travel from city centre to city centre was also highlighted, with comments including: 'The total journey time is almost always better city-to-city by train', 'You can just turn up and go' and 'It does tend to be more door-to-door'.

The research also identified another major opportunity which TOCs can capitalise on: the ability of passengers to stay in touch and continue working while travelling by rail. Most interviewees considered trains to be more productive and more suited to the needs of business travellers than planes, and disliked the interruption associated with flights such as checking in, boarding and having to switch off phones and laptops onboard.

However, although most had made use of technological developments on rail services,



Long check-in times at airports put some passengers off domestic flights.



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Although journey times will always be faster by air, trains can often provide better travelling times from city centre to city centre. Cut-price airlines, in particular, rarely fly to city centres.

such as power points by seats and wi-fi access, many felt that such facilities were not available widely enough. As a result, several travellers often based their choice solely on journey time and favoured air travel, despite their need to keep working on the move.

Suggestions for improvements to rail services included better mobile phone signals, more tables, greater access to wi-fi and the introduction of more lounges at stations. Indeed, the provision of business lounges at airports was one area where airlines were perceived to have the edge. A number of interviewees stated that airports were better set up to allow passengers to continue working when faced with delays, or free time between transfers, than train stations.

Environmental issues are also likely to provide a significant opportunity for TOCs, as public fears regarding emissions and global warming continue to mount. One interviewee commented: 'I have an issue with flights and air pollution and now consider staying overnight so I can take the train. Environmental issues mean we have to start taking conscious decisions even if it is less convenient.'

Many of those interviewed were evidently aware of the benefits of rail travel, but there was a general feeling that these are not being

successfully conveyed to the public. As one interviewee succinctly put it: 'If train companies were switched on in terms of communication they would have a very powerful message.'

Another added: 'Train operators don't advertise enough about their onboard facilities. In fact, any advertising I've seen always tends to be aimed at families rather than business travellers.' Revealingly, few of those interviewed were aware of which operators provide wi-fi or even if it was available at all, despite potential demand for the service being high: 'Access to the internet would be great. I don't know if trains have



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access to the web but it would help.'

Tocs therefore have a clear mandate to maximise and promote the benefits of rail travel and to adjust their marketing strategies accordingly. Rail passenger numbers may be at an all-time high, but with a three-fold increase in air travel expected over the next 30 years, the rail industry needs to develop its offering to business travellers in order to gain a truly competitive edge.

As this research demonstrates, an enhanced understanding of the expectations of both existing and potential customers is vital if Tocs are to retain and consolidate their share of the ever-more competitive and diverse business travel market. And with the commercial fight set to take on a European dimension as the competition between Eurostar and air carriers heats up, the race for passengers is only just beginning.

Rob Sheldon is the managing director of market research consultancy Accent, which specialises in research for the transport industry, and Chair of the Association for European Transport (AET). He worked as a consultant to British Rail's new product development manager for three years and has continued to supply consultancy and research in this area.