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GLOBAL  
BUSINESS  
TRAVEL

# Let's go by train

*Integrating rail into  
business travel*

DON'T *do business* WITHOUT IT <sup>SM</sup>

# Putting rail at the heart of business travel

*Business travel is a force for good, bringing people together to create, build and generate prosperity. Before the pandemic, rail was a growing part of this story. As travel returns in the Covid era, first domestically and then cross border, rail will play a critical role in enabling commerce, recovery and growth. American Express Global Business Travel (GBT) has developed this report to understand how we can put rail at the heart of business travel.*

Rail offers compelling advantages for business travellers, including convenience, greater comfort and more space to work or relax. For companies looking to green their programme, today's efficient trains can outperform the car and the plane on emissions. And, in the Covid era, rail providers are providing clean, contactless experiences that will give travellers the confidence to get moving again.

At GBT, rail is a growing segment of our business: last year in Europe we managed rail transactions worth \$1.6 billion. In the UK, we facilitated 1.4 million rail transactions. We're looking forward to rail accounting for even more of our business in the future.

Many of Europe's major rail providers already deliver the quality of service that business travellers expect. Eurostar, SNCF and Trenitalia, for example, focus on customer demand and customer service – and business travellers appreciate the results.

In the UK, the rail proposition is improving at pace. We welcome the £20 billion investment in network improvements this year and we're encouraged that the government continues to support HS2 – this is a critical investment in connectivity that's good for travellers and for the country.



But, as we detail in this report, more needs to happen to make rail truly compelling for business travellers. In the following pages, we spotlight areas where the rail customer experience falls short, including quality of service, distribution and door-to-door travel. Informed by expert insights from our contributors, we also offer constructive recommendations for driving improvements.

*Let's go by train* concludes by identifying five areas where the rail industry, working with business travel, can accelerate progress to accommodate the needs of business travellers and business commuters as the economy recovers and travel returns.

I would like to thank the experts and industry leaders who shared their views for *Let's go by train*. As we recover and rebound after the pandemic, the future of rail looks bright. At GBT, we are proud to be helping to shape that future.

#### **Jason Geall**

Vice President & Regional General Manager, Europe  
American Express Global Business Travel

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# Introduction

Rail has arrived on the business travel agenda. Long uncelebrated as a basic transport essential, we're now seeing players from across rail and managed travel asking how they can integrate rail into business travel and accelerate rail growth. Looking at the bigger rail picture in the UK, the government has stated its ambition to "undo the damage" done by the historic Beeching cuts to the rail network.<sup>1</sup> We've seen the government ready to intervene in the railways with the end of franchising and the introduction of Emergency Recovery Management Agreements during the pandemic. And at last there's more clarity about HS2 – a landmark project for the future of rail that we've advocated strongly for.

At Black Box Partnerships, we work with railway stakeholders, ranging from central bodies shaping strategy, train operating companies (TOCs) on technology and delivery, and travel management companies like GBT on distribution and service delivery. Across the board, we are seeing a growing interest in rail, and questions about how rail can better support the needs of business travel and the wider economy.

*Let's go by train* identifies the key pain points which prevent rail from being fully integrated into managed travel. More importantly, it identifies the areas for smarter collaboration. Innovation and digitization are clear themes. The focus on structural change, identified by stakeholders from every corner of the industry, is aligned with the reforms anticipated from the Williams Review and, in some aspects, accelerated by the Emergency Measures Act.

Key to these reforms is the customer. There is currently no official industry category or strategy specifically for the business passenger. Without a clear focus on the business traveller – and the business commuter – the rail industry will struggle to develop products and services that successfully and consistently meet the needs of these



customers. In order to bring about a closer focus on the business traveller and business commuter, travel management companies and trade associations will need to be given representation on the bodies leading the industry.

For business travellers, this kind of focus will mean a smarter, personalised experience with more comfort, less anxiety and a better environment to get work done on the move. Companies benefit from the productivity gain and travel options that support their green goals. And the wider economy benefits from greater connectivity, spreading commerce and prosperity beyond the main cities.

So, let's get collaborating to build a business travel-friendly proposition for rail. A key step is to give business travellers a voice at the top table, and ensure that the companies that look after business travellers are welcome into the rail ecosystem to help drive its development.

**Raj Sachdave**  
Managing Partner  
Black Box Partnerships

# The age of the train

*Increasingly, rail is recognised as the fastest, most convenient and green option for many journeys. People can work onboard, and the overall experience is less stressful than other modes of transport.*

This century has seen a renewed focus on rail across Europe, as improved services and growing awareness of rail's environmental advantages versus other modes draw millions of people back to the train. The UK is no exception: here, prior to the pandemic, passenger numbers had doubled in 20 years and almost 5 million people were getting on a train each day.<sup>2</sup>

As the world adjusts to a "new normal", the 2020s can herald a new age for the train in business travel. Rail is an increasingly attractive proposition for the business traveller. For one, the product has improved: decades of sustained investment in infrastructure have delivered faster, more frequent services across the world. Train travel is in tune with growing concerns about the environmental impact of flying. In some countries, governments are taking steps to make the train more attractive versus flying: for example, the German government has cut

the tax rates for rail travel while increasing taxes on aviation.<sup>3</sup> In May 2020, Air France radically cut back its domestic network: for journeys of less than 2.5 hours, travellers should take the train.<sup>4</sup>

Rail is an established component of the business travel mix in continental Europe: around 40% of all the bookings made on Neo, GBT's integrated online booking and expense management tool, are for the train.

In the UK, however, rail is not integrated into managed travel to the same degree. According to Clive Wratten, CEO of industry group the Business Travel Association (BTA), travel management companies (TMCs) in the UK have tended to view rail as "a second-class citizen". Yes, many people travelling for business in the UK take the train. However, for many business travellers, the train is not always their first choice.



## The rail advantage

*Versus air and cars, rail offers business travellers and companies important benefits.*

**Faster, and more frequent:** Massive investment into the UK's rail network is delivering a better railway, reducing bottlenecks that slow services, improving journey times and putting more trains onto the network. In the UK, Network Rail has reduced delay minutes by 20% over the past 10 years.<sup>5</sup> Sustained infrastructure investment also means improved reliability: across the world, high speed rail investments mean the train offers a competitive alternative to the plane on many key city-to-city business routes.

**Better for wellbeing:** The rail experience is usually less stressful than the plane, where traveller anxiety can spike at several stages including the queue for check-in, security scanning or the final rush to the departure gate.

The train can also offer greater comfort: there's space to relax or stretch your legs. Many services in Europe and the UK have sophisticated food offerings, with freshly prepared meals. However, the advantages of the rail traveller experience can be cancelled out by service delays or insufficient passenger information. Critically, in the Covid era, the train has been shown to be a safe way to travel (see opposite).

**Closer to the final destination:** Rail can beat the plane when it comes to convenience. The train can usually get business travellers closer to their meeting or conference, because stations are typically located in or near key business destinations. This also positively impacts total trip cost: city centre stations reduce the need for taxi / chauffeur transfers to the final destination.

**Enabling traveller productivity:** Plenty of space means you can keep working on the train. As Colin Kelly, Innovation Manager at TransPennine Express puts it: "There's never wasted time on your train journey." With free WIFI and mobile phone connectivity, plus a table with ample space for your laptop, the train can be an office on wheels.

**A greener way to travel:** Rail has a strong story to tell on sustainability, as noted by David Higgins, General Manager of Trainline for Business: "Overall interest in rail is driven by a growing environmental awareness, as well as convenience and price. Companies are increasingly paying attention to rail as they look to reduce their CO2 emissions."

The introduction of new electric trains is slashing CO2 emissions per passenger.<sup>6</sup> David Horne, Managing Director of London North Eastern Railway (LNER), points to significant efficiency gains from modern fleets: "Running our new Azuma trains on the London to Aberdeen route is cutting carbon emissions by about 80% per passenger, versus our old trains." According to Rail Delivery Group (RDG), a high-speed train travelling at 250 mph emits just one tenth of the CO2 emissions per passenger of the average aircraft, and half the emissions of an electric car.<sup>7</sup>

Business travellers are increasingly prepared to make the trade-off between longer journey times and lower emissions. Paul Brindley, Head of Indirect and Distribution at cross border operator Eurostar, says: "More businesses are mandating train travel but the price has to be comparable [with other modes] and they need to be satisfied that travellers can work on the train and will arrive relaxed and ready to work."

## Covid-safe travel

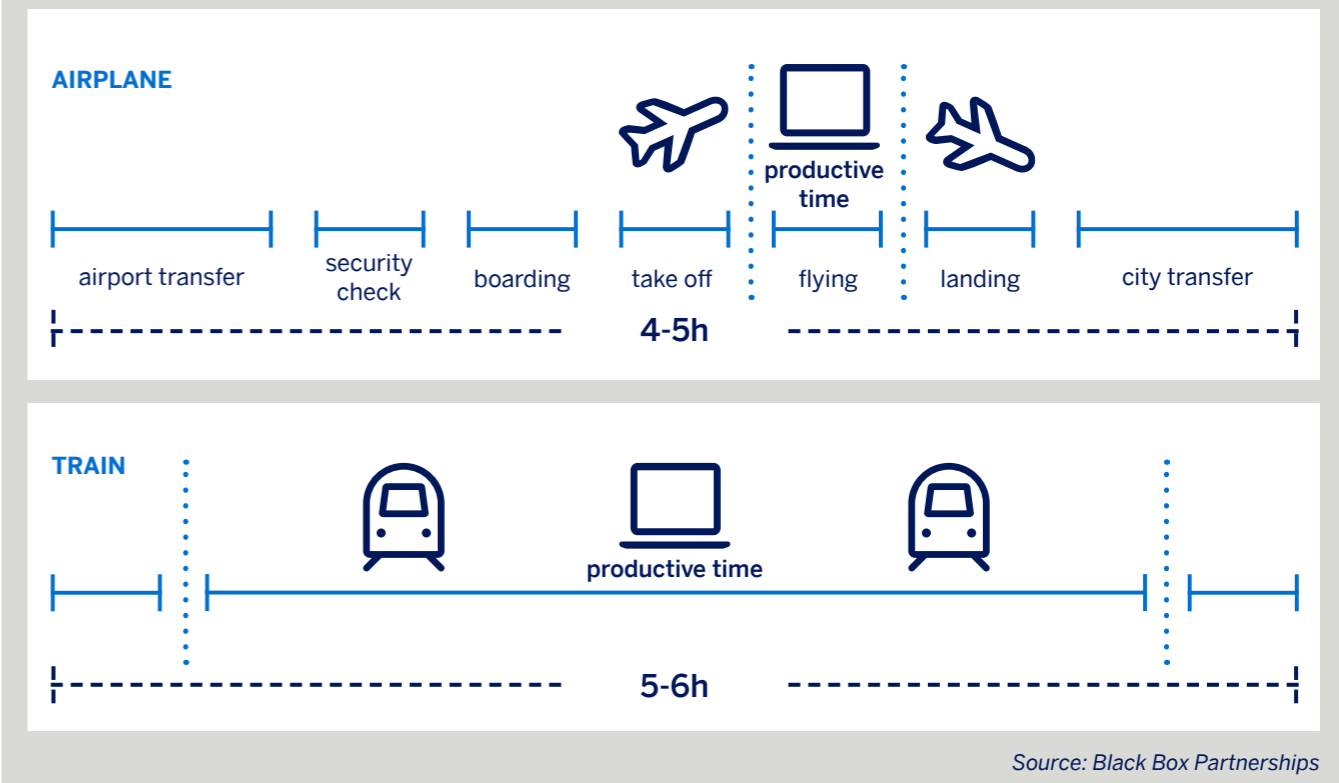
Evidence shows that trains are a safe way to travel: the Rail Safety and Standards Board (RSSB) estimates the risk of contracting coronavirus on a train as less than 0.01% - or 1 in 11,000 journeys. This level of risk halves if passengers practice social distancing and wear face masks.<sup>8</sup>

All the TOCs who contributed to this paper detailed the extensive measures they have put in place for traveller safety. This comment from LNER's David Horne exemplifies the approach taken by

the industry, and the focus on restoring traveller confidence: "We have significantly enhanced our cleaning regimes and use sustainable, superior viricidal products onboard our trains and in our stations. Our reservation-only approach automatically assigns customers socially distanced seats. These measures are helping us welcome customers, travelling for leisure and business, back to rail and offers reassurance that safety always comes first."

### Train vs. plane

On a simple time-elapsed basis, the plane beats the train. But when the total trip is considered, rail offers a less interrupted and more productive traveller experience than flying.



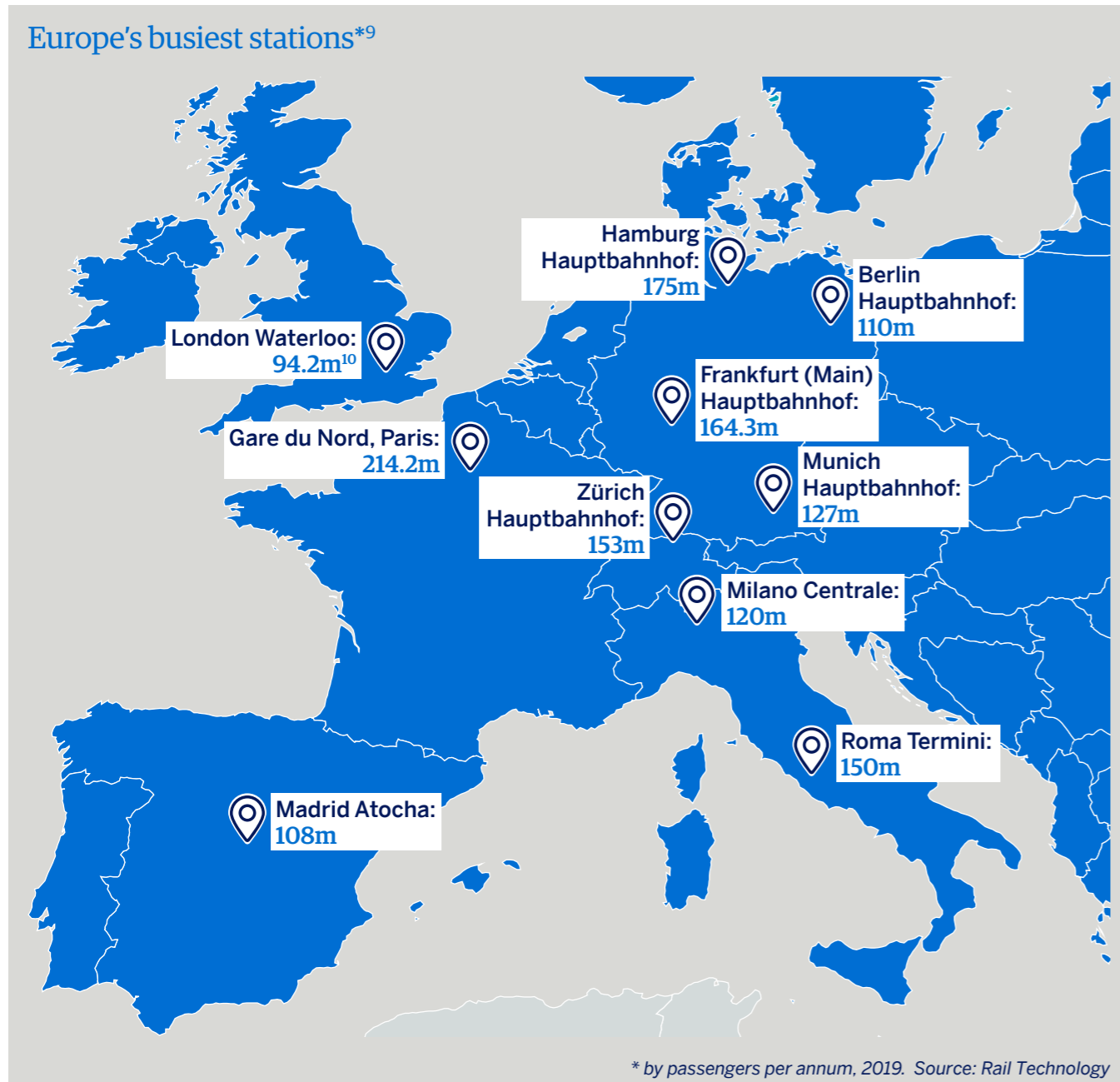
## Rail for business travel

Rail has significant advantages over other modes of transport for distances below 400 kilometres – and these advantages are even more apparent as issues like traveller wellbeing and sustainability top the business travel agenda.

Companies are increasingly aware of rail's advantages, as noted by Andrew Cantrell, Managing Director of rail booking and fulfilment company Evolvi Rail Systems: "Business travel via rail has the

potential to grow faster than other sectors of the market as travellers and employers look to adopt safer more convenient and sustainable options for their travel".

As businesses learn to live with Covid, companies and travellers will look to rail as a safe travel option. However, as the next section shows, rail has further to go to satisfy the requirements of business travel.



# Areas for improvement

## *In key respects, the rail customer experience falls short of the business traveller's expectations.*

This should be rail's moment, when its advantages over other modes of transport see the train become a fully integrated component of the managed travel mix. However, rail falls short of the business traveller's expectations in a number of areas.

There are fundamental concerns about punctuality and reliability: according to the government's Office of Rail and Road, a quarter of all passenger complaints relate to late, delayed or non-appearing trains.<sup>11</sup>

Some of the barriers to business rail travel – including retailing, pricing, ticketing and information systems - have their roots in the fragmented nature of the UK's rail system. Others result from an industry culture which – rightly – is focused on engineering and safety, but traditionally has been less concerned about the customer experience.

Confidence in rail's cleaning and sanitation protocols, and reassurance about crowding prevention, are also likely to be critical factors for business travellers.

TMCs could play a critical role in making rail into a core component of the managed travel proposition but the complexity of the rail industry, allied with questions about reliability, has made them wary. The BTA's Clive Wratten explains: "TMCs understand rail is a huge opportunity – but poor integration of systems and the pricing framework remain real barriers to them getting into rail. Many of them will use a separate rail desk." Aaron Gowell, Chief Executive and Founder of rail technology provider Silverrail Technologies elaborates: "Rail is the can that TMCs kick down the road: they know they want to sell it, but how do you sell it profitably?"

## Challenges to the customer experience

### Complex, inflexible fares and ticketing

While booking and paying for a seat on an airplane is globally standardised, with most flights available on the Global Distribution Systems (GDSs), buying rail is much more fragmented. Each country's rail distribution and booking systems, have developed along national lines, and this legacy persists even as TOCs have been privatised. "Every rail company across Europe works in a different way. You don't see the same level of technical standardisation as in air, or other segments – even hotel," notes Annicka Lofstrand at GBT Neo.

Within the UK, the process of buying a train ticket can be even more frustrating, as Bernardo Tonini, Commercial Director at Trenitalia UK, operator of Avanti West Coast, explains: "Rail retailing has its own logic. When you want to buy a train ticket, you have to change your mindset because the industry has its own standards, which often differ greatly from with the rest of the travel sector." Continental TOCs – including Trenitalia, SNCF and Deutsche Bahn – have invested in ticketing retail systems because they recognise them as a competitive advantage. In the UK, it's not so simple because of industry's fragmented structure.

Travellers can be bewildered by the number and complexity of fares on UK railways: there can be dozens of different price options for a single route between two cities. This complexity has led to anomalies such as split ticketing: a savvy traveller can make significant savings by buying multiple tickets for different sections of a journey, rather than buying a single ticket. Start-ups such as traintickets.com have developed retail platforms that make it easy to take advantage of split ticketing.

Ticket fulfilment is another area of complexity. Since privatisation in 1997, the UK had a nationwide paper ticket, the credit card-sized "orange ticket". With the arrival of paperless ticketing, this unified picture began to fragment as the TOCs introduced m-tickets that worked only on their own apps. The industry is now converging on a more universal e-ticket, based on a scannable barcode. According to the Rail Delivery Group (RDG), 99% of stations in Great Britain are now equipped with tap-and-go technology, allowing passengers to use standardised e-tickets at platform barriers.<sup>12</sup>

### Lack of information frustrates travellers, inhibits innovation

Poor availability of real-time train data is another legacy of rail fragmentation, and this has several important dimensions that impact the rail customer experience.

For travellers, not knowing what is happening when a train fails to leave or arrive on time causes frustration and stress. In the Covid era, crowding is a concern and travellers will want to know about occupancy levels on trains. With reliable information about train movements and occupancy, it is possible for travellers – or their TMCs – to put in place alternative travel arrangements. Disruption can occur on any mode of transport: with good information, inconvenience and hassle can be significantly reduced.

The lack of real-time and consistent information also acts as a barrier on innovation: several of the start-ups who contributed to this paper find it difficult to access the real-time information about train movements they need to power their solutions. "We are working with rail providers to help educate them around corporate traveller behaviour and expectations. A business traveller behaves like a leisure traveller when they book through their corporate online tool, they expect to see the same fares and options available to them integrated to their online booking tool (OBT), as they can see on a provider's own site.

It is always a challenge to explain to a business traveller why there may be a difference between what is available in their OBT versus the supplier's website," says GBT Neo's Annicka Lofstrand.

### Inconsistent experiences, onboard and at stations

The onboard experience varies between different TOCs – but is a consistent cause of passenger unhappiness: more than one in ten passenger complaints concern onboard facilities.<sup>13</sup> Many operators reliably offer high-quality traveller accommodation in their first class coaches, with space to work and full menu catering. The customer experience in standard class may be less attractive to the business traveller – but company policy may mean this is where the business traveller ends up sitting.

While leading stations including St Pancras and Kings Cross in London, Sheffield and Birmingham New Street, have received significant investment with the addition of new public seating, traveller lounges and food options, many stations are less inviting. The BTA's Clive Wratten notes: "Most stations are not comfortable places to wait – but it wouldn't take much to transform them. You need parking and good connections with other public transport. Somewhere warm and comfortable, with good WIFI connectivity, to wait for your train. Lounges that are near the platforms. Good information about departures and arrivals so you don't go to the platform too early. Eurostar does this pretty well. It's not perfect but it feels business-like."

Accessibility, both on trains and in stations, is another issue for the traveller experience. If they are going to embrace rail, business travellers with disabilities need confidence that rail services can accommodate their needs with adequate access to well-maintained facilities.

## The underlying issues

### A complex, fragmented industry structure

There is significant agreement among contributors about rail's shortcomings, and how they impact customer experience. Over-complex pricing, difficulty accessing information and inconsistent experiences are identified as areas for improvement. Underlying all of these topics are questions about the structure of the UK rail system, and specifically the reliance on a franchising model created more than 25 years ago.

Franchising – viewed as a source of complexity and a brake on innovation – came to an end in September 2020, a casualty of the pandemic travel shutdown. The Department for Transport (DfT) introduced Emergency Recovery Measures Agreements (ERMAs) – a new contracting arrangement with the TOCs which replaces franchises and is described by the government as “the first step in bringing Britain's fragmented network back together.”<sup>14</sup>

ERMAs have effectively pre-empted the expected recommendations of Sir Keith Williams's strategic review of the rail industry (known as the Williams Review). At the time of the ERMA announcement, he commented: “These contracts kickstart a process of reform that will ensure our railways are entirely focused on the passenger, with a simpler, more effective system that works in their best interest.”

Contributors welcomed the opportunities for a new start for rail. Jac Starr at RDG said: “we now find ourselves in unique times and what's most important is the customer. The Rail Industry needs to hold the mirror up to itself and work collaboratively to develop and deliver strong national propositions and to provide value to the taxpayer.” For Bernardo Tonini at Trenitalia, the reform should spur innovation. “One of the challenges of the franchise system was

that most innovation happened at the beginning of the franchise, with TOCs slowing down delivery in the last couple of years of their franchise, because capex can hardly be recovered and good ideas can be saved up to put into the re-tendering process. We expect innovation, especially in ticketing, to be at the centre of the future model.”

### Culture and innovation

The rail industry has a risk-averse culture. In part this is due to the industry's focus on safety, but that need not be at the cost of customer-facing innovation. Tony Ballardie, Founder and Chief Executive of Capito Systems, a technology company that develops contextual voice assistants for integrating into applications, comments: “The rail industry is a follower, not a leader. If one player adopts an innovation successfully, there will be a snowball effect and then the others will adopt. The global pandemic has accelerated the need to innovate around touchless customer experiences. For example, station information kiosks and ticket machines could be augmented with voice assistance to limit or eliminate the need for customers to touch screens and buttons.”

Colin Kelly, TransPennine Express, believes “innovation in rail is improving but remains a work-in-progress.” Budget is an issue: “often innovation involves an element of risk and in challenging times with understandable pressures on costs, it is difficult to obtain the level of funding that is needed.”

At RDG, Jac Starr acknowledges that there is “a lot of innovation in the [UK] rail industry” but notes that it tends to be localised. “Major suppliers have the capability elsewhere in the globe to deliver system-wide improvement. But the structure of UK rail doesn't lend itself to this.”

## On track for transformation

*Moves are underway to improve key aspects of the rail customer experience – but more fundamental reforms are needed to transform the customer culture and deliver services that meet business travellers' expectations.*

The conversations carried out for this paper found widespread determination to improve the rail customer experience. Contributors from the TOCs, Ticket Issuing Systems, RDG and technology start-ups described what they are doing to make rail more personalised, more flexible, and more closely aligned with the needs of business travellers.

The first step is to fix the punctuality and reliability issues are the key driver of customer dissatisfaction. Jac Starr at RDG says: “We have to get the basics in place. Get investment

into the right areas and confirm investment against a defined roadmap with a clear plan for delivery.” This year, under the Rail Delivery Group's coordination, the industry is committed to spending an estimated £20 billion in running and upgrading the railway, including track and signalling investments designed to improve reliability, and the ongoing electrification of lines. The investment includes the introduction of more than 1,000 extra passenger services a week, increasing frequency of service.<sup>15</sup>

This section looks at how the industry is addressing key gaps in the customer experience identified by contributors. The paper then explores what needs to happen to address the deeper structural and cultural challenges that impede progress on customer experience.

## Gaps in the customer experience

### Fix pricing and ticketing

Inconsistent ticketing, and overly complex pricing, are baseline issues for business travel, as the BTA's Clive Wratten notes: “We need to get e-ticketing and a price structure that everyone understands. Getting these two things right will show the industry has modernised. Change those two things tomorrow and it will make a huge difference to the profile of rail.”

As noted, the industry has made progress on modernising ticketing. Jac Starr at RDG says: “We have now tipped the balance on digital ticketing [e-ticketing]. Paper tickets are now just 48% of all tickets.” And there have been significant moves towards network-wide e-ticketing, replacing the previous piece-meal approach. However, despite the good efforts of some TOCs to simplify

pricing, the system overall remains complicated: contributors agreed that progress will require key UK industry stakeholders to work together.

Another area of progress is Delay Repay, where innovative third parties have worked with TMCs to streamline a process that has often caused headaches for travellers. When a late running service means the traveller is due a refund of their fare, the new Delay Repay solutions inform travellers they are eligible and allow to claim back their money with just a couple of clicks on their mobile booking tool.

Looking internationally, booking multi-stage journeys involving rail and, for example, air segments remains a challenge. “Why can't you book a London to Paris flight, then a train to Nice, then a flight to Strasbourg and a return flight to London all on the same Passenger Name Record (PNR), as part of the same integrated experience?” asks Clive Wratten. Retailers and technology providers such as GBT's Neo platform offer solutions that enable international rail bookings.

But there is no single, central and recognised booking engine that supports truly integrated, multi-modal travel.

For train-only journeys, moves by key international operators should begin to make life easier for business travellers. In February 2020, Eurostar announced a full direct London to Amsterdam service at the end of April in addition to its services to Brussels and Paris.<sup>16</sup> If approved by the European Commission, the proposed merger of Eurostar with continental cross-border operator Thalys should create more direct rail connections between key business cities. However, Clive Wratten's aspiration for seamless travel across multiple borders and modes of travel is not likely to happen in the near future.

## Improving the onboard and station experience

The UK rail industry is in the middle of a major programme of investment in trains and rolling stock. Recent major fleet renewals include the introduction of LNER's Azuma trains, TransPennine Express's Nova fleet and Greater Anglia's new intercity trains. On Avanti West Coast, First Trenitalia has announced a £350m deal with Hitachi Rail to supply new train sets that will come into service in 2022.<sup>17</sup>

The new trains arrive with fanfares of publicity: the TOCs want to show travellers that meaningful improvements are taking place. "We feel that we are finally walking the walk, with investment in new trains that customers can see," says Colin Kelly at TransPennine Express.

New trains offer business traveller-friendly features such as charging points for mobiles and laptops, and improved WIFI. According to Transport Focus's Rail Priorities for Improvement survey, these are decisive factors for travellers. "Free WIFI on trains is very important. It's particularly important for business users and younger passengers. People want this. And it could give rail a strong USP. WIFI means you can do something useful while you're travelling," says Ian Wright, Head of innovation and partnerships at Transport Focus.

Introducing new trains allows the TOCs to improve passenger comfort and amenities. LNER's new Azuma trains boast 'ergonomically designed' seats with added legroom. First Class passengers can enjoy freshly prepared meals, while a new café-bar has been introduced. In its marketing, the operator makes a feature of how all the ingredients used by its chefs are sourced from producers along the East Coast route.<sup>18</sup>

As for stations, refurbishments continue across the network to upgrade stations with more comfortable waiting facilities and improved passenger information systems. However, with more than 2,500 stations in Great Britain, enhancing the entire network is a long-term task. And there remains the challenge of last-mile travel from stations to the business traveller's final destination: how can onward bus, taxi or ride-hail journeys be integrated into a single journey?

## Industry issues

### Reforming industry governance

While management of the customer experience is a point of differentiation for many TOCs, there are many other industry-wide issues that could be improved with more collaboration. "The UK's rail network is complex and highly interdependent," says David Horne, Managing Director, LNER. "Each TOC has the ability to improve customer experience onboard and at any stations it manages. However, there are certainly some issues in addition to fares reform that benefit from us all working together. Improving accessibility, from booking through to the onboard experience and onward travel, is a good example."

Jac Starr at RDG agrees that a cross-industry approach is required: "There needs to be a body that can form long-term partnerships across the industry and provide structured roadmaps with more long-term clarity about what we want to do, and when, but which also leaves room for creativity." By delivering greater coordination across the system, this body could address the localised nature of innovation identified by Starr and other contributors.

Several contributors compared the proposed body's role to that played by the International Air Transport Association (IATA) in aviation, where IATA develops global standards around which airlines converge. An 80 / 20 approach, whereby the strategic body sets the core framework of standards but leaves room for TOCs to differentiate, was seen as a good way forward. However, contributors stressed that this body would need to consider the needs of the whole industry and not just the TOCs.

### Improving access to data

Digital is critical to improving the rail customer experience. By embracing a strategy for digitisation – one that allows data to flow seamlessly between TOCs, developers and TMCs – the industry can provide services that transform the customer experience and make it easy for business travellers to make rail part of their itineraries.

However, several contributors reported difficulties accessing rail industry data. This issue is related to the complex structure of the rail industry, where TOCs can be reluctant to release information they regard to be commercially sensitive.

The picture may be brightening for accessibility to timetable data across Europe: MERITS data is now more readily available to third parties, which should spur innovation.

### Encouraging innovation

As noted, innovation in the rail industry tends to be localised. To drive the system-wide innovation needed for consistent improvement in customer experience, many contributors believed there needs to be a system-wide strategy.

Funding for innovation has been fragmented: a number of TOCs operate innovation funds, with money ringfenced for technology investments. However, the Department for Transport and Innovate UK's FOAK (First of a Kind) 2020 competition offers a more coordinated approach. This offers £9.4m to organisations who develop technology focused on improving rail journeys, with specific emphasis on green initiatives and the customer experience. Innovators from non-rail backgrounds are encouraged to apply for funding, on the condition they collaborate with a rail industry company. At time of writing, it is not clear that this initiative will include representatives from business travel.<sup>19</sup>

Encouraging innovators and start-ups from non-rail backgrounds to enter the industry could bring fresh ideas for improving customer experience. Mirja Sickel at Amadeus believes it is up to the industry to make new talent welcome: "Because of the existing structure of rail operators, new talent coming into rail will need to challenge boundaries to facilitate innovation. It's vital that companies cooperate and make space for innovation." Working with people from non-rail backgrounds will be key to enabling innovation like the development of integrated travel solutions that make it simple for business travellers to plan door-to-door journeys.



## THE RISE OF THE MODERN BUSINESS COMMUTER

Is commuting by rail business travel? Many contributors to this paper believe that it is, particularly now that more people than ever work at least part of the week from home: "We have to change our mindset. We need to recognise commuting as business travel. We are redefining the way we work. A commute is a business trip, and impacts well-being," says Clive Wratten of the Business Travel Association.

Long before the pandemic made remote working mandatory for millions of employees, it was apparent that traditional commuting was on the way out. There was growing awareness of

the time eaten up by commuting: the average business commuter spent almost two hours getting to and from work. Problems with punctuality and reliability added another 125 hours – or 15 working days – to the time spent on the train.

As flexible and remote working becomes more common, the traditional season ticket - designed for a Monday-Friday, 9-5 working week on a set route – looks less and less like good value. In May, responding to the massive growth in remote working during lockdown, the RDG announced a UK-wide consultation on fare options.<sup>20</sup>

## TMCS AND IMPROVING THE RAIL EXPERIENCE

What role can TMCs play in the development of an improved rail customer experience? The opportunity is huge: one contributor estimated that more than €5 billion of business rail spend goes unmanaged.

Digital is one area where TMCs can make a big difference. "TMCs can help shape a better integrated customer experience," says Jac Starr at RDG. Mirja Sickel of Amadeus adds: "The TMC can recognise the complexity of rail and simplify it to make rail an easy option for the traveller." In practical terms, this would see TMCs give rail options equal billing with air on their online booking tools.

Poor access to rail content is a barrier to innovation by TMCs. Annicka Lofstrand at GBT Neo notes that rail companies do not share all of their fares, which means OBTs cannot display all the traveller's options for a given journey. Additionally, TMCs cannot get hold of all the real-time information they could use to improve traveller care. With access to complete and accurate train data, TMCs could better support travellers: for example, proactively offering alternative routing when delays occur.

To truly deliver for the business traveller, information has to flow both ways. Paul Brindley at Eurostar, says: "We need to join up communications and share more customer data to give the traveller a seamless experience. This becomes particularly important in a situation where there's some kind of disruption, like when we need to introduce a different train configuration, and we want to be able to talk directly to the traveller to give them their new seat number. At the moment, this is too convoluted."

Raj Sachdave, Managing Partner at Black Box Partnerships, believes TMCs need to commit fully to rail and build a strategy to delight the business traveller. "A rail ticket will be more or less the same price from most travel agencies. The competitive advantage for a TMC will come from managing the rail experience, making it personal for the traveller and integrating it into the wider managed travel proposition." For TMCs to do this, he believes TMCs, and their trade associations, need to be more involved in rail industry decision-making.

# Putting rail at the heart of business travel: five areas for action

Rail should be an integral part of managed business travel: it offers compelling advantages versus other modes of transport. Potentially, rail can make business trips more productive and less stressful. At a time when employees, and companies, are increasingly concerned about the environmental impact of air travel, clean train technology is a viable alternative for many journeys. As the economy recovers following the pandemic, trains can provide a safe, socially distanced travel option.

A better integrated rail system, delivering improved and consistent customer experiences, is good for business travellers, and good for the economy. Greater connectivity can spur investment, particularly into areas of the country

that are not currently served by frequent, reliable services. Better rail connections will open up new employment opportunities and expand the pool of talent available to employers.

This report has spotlighted some of the areas where the rail industry, in the UK and internationally, is at work on the critical task of improving the rail customer experience. But, as our contributors agree, there is still much to do to make rail a truly compelling proposition for business travel.

Based on the conversations with our contributors, we conclude with five priority areas where the UK industry needs to work in concert to accelerate the delivery of customer experience improvements.

1

### 1. Bring business travel into the industry conversation on improving rail

We know that businesses, supported by TMCs, want to get more of their travellers onto trains. But for this to happen, the rail customer experience must improve and become more consistent. TMCs and their trade associations need to have a voice on key industry bodies to represent the specific needs of the business traveller and business commuter. As part of the conversation, TMCs can influence the adoption of a holistic digital strategy that connects travellers at every stage of their trip.

2

### 2. Set up a single strategic body to oversee the industry's development

Fragmentation has inhibited the development of an improved rail customer experience. A unitary national rail authority can provide a centralised direction on planning and innovation across the entire rail system, including a clear strategy to drive the adoption of digital. Styled as an "IATA for UK rail", this body could drive industry-wide standards while leaving room for individual TOCs to innovate and create differentiated products, prioritising ticketing (simpler, more consistent and flexible pricing – including for rail commuters) and innovation in traveller services.

3

### 3. Integrate to improve traveller interfaces

Digital is key to innovation and improved customer experiences. To spur digitisation, the new strategic rail body should set and monitor the terms for more open data sharing across the industry.

Online booking tools are central to modern managed travel: UK rail and business travel must work together to ensure rail options are displayed alongside other modes in these digital tools so travellers can easily compare their options. Working with their TMCs, businesses can ensure their sustainability and well-being policies are embedded in the online booking tools.

4

### 4. Invest to improve reliability, extend connectivity and boost regional growth

Infrastructure investment is key to improving reliability and connectivity, particularly outside the UK's main cities. This includes strategic investments such as HS2 and Northern Powerhouse Rail. By increasing capacity, these schemes will enable more choice and competition, including new services from open-access operators. Stations also need to see investment: while key hubs have been transformed over the last decade, many stations outside the big cities would benefit from improvement.

5

### 5. Give modern commuters a better deal

Even before the pandemic, changing work patterns were making the traditional commuter season ticket look out of date. With remote working now mainstream, modern commuters need more flexible, less complex, pricing models. The government should accelerate the rate of fares reform to allow the TOCs to offer more flexible season ticket options.



## Let's work together

TMCs have an important role to play in driving improvements in the customer experience. GBT, for example, is developing rail propositions for business travellers and business commuters, integrated into GBT's digital booking tools. These include seamless Delay Repay, season tickets that match the working patterns of business commuters, and the ability to book accommodation as part of a train booking. As part of their role in supporting Duty of Care, TMCs are key to reassuring travellers that rail is a safe travel option.

The major TMCs can make cross-border and multi-modal travel easier for the business travel. They have the international presence and technologies that can ease the complexities of a fragmented rail industry.

Working collectively, through their representative associations, the TMCs can push for reforms that improve the customer experience for business travellers at a global level. The Business Travel Association has been active in this area for some time; for example, leading research into business traveller behaviour.

GBT's Jason Geall is optimistic about what TMCs can achieve, working with the rail industry, and with each other. "Rail is getting so much right, and potentially offers business travellers and the recovering economy so much in terms its convenience, traveller productivity and comfort and sustainability. By working together, across TMCs and with the rail sector, in the UK and internationally, we can rapidly make rail a truly compelling proposition for the business traveller, in the covid era and beyond."



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