

Transport for London

Oyster brand research

11061

October 2011

MAYOR OF LONDON

Transport for London



Confidentiality

- Please note that the copyright in the attached report is owned by TfL and the provision of information under Freedom of Information Act does not give the recipient a right to re-use the information in a way that would infringe copyright (for example, by publishing and issuing copies to the public).
- Brief extracts of the material may be reproduced under the fair dealing provisions of the Copyright, Designs and Patents Act 1988 for the purposes of research for non-commercial purposes, private study, criticism, review and news reporting.
- Details of the arrangements for reusing the material owned by TfL for any other purpose can be obtained by contacting us at enquire@tfl.gov.uk.
- Research conducted by 2CV

Contents



Background, objectives and methodology

Headlines from the research

Current Oyster context: attitudes

Current Oyster context: behaviours

Initial response to future ticketing

Managing the transition to future ticketing

Background



- Since its launch in 2003, the Oyster brand has become ubiquitous with London travel. TfL acquired the rights to the brand in 2010
- TfL is currently exploring opportunities to introduce future ticketing products and services, and are interested in the potential role that Oyster could play in delivering these
- Qualitative research was undertaken to evaluate the brand architecture from the customer perspective, in order to inform future business strategy for the Oyster brand within the context of future ticketing

Research objectives

- **Explore the Oyster brand from the customer perspective in terms of:**
 - *Core brand essence, personality, values, benefits and attributes*
- **Understand the drivers of brand perceptions, for example:**
 - *Touch points, experiences, interactions, media / cultural discourses*
- **Explore the potential for brand stretch from the customer perspective, with particular focus on Oyster being the supporting vehicle for new travel products and services:**
 - *What types of brand evolutions (system versus card, London versus other UK Cities) feel more / less intuitive?*
 - *What effect does using the Oyster brand have on attitudes towards future ticketing?*

Group discussion flow

- In the focus groups, the following areas of discussion were covered to meet the project objectives:
 - **Exploring the Oyster brand** – *to understand where Oyster currently sits in the customer minds and what drives perceptions*
 - **Oyster brand stretch and future** – *to explore expectations, aspirations and scope to evolve the brand from the customer perspective*
 - **Introducing future ticketing** – *gauging reactions to future ticketing concept to provide context for exploring future roles of the Oyster brand within this*
 - **Role and opportunities for the Oyster brand within future ticketing** – *to explore proposed role of the Oyster brand within the future ticketing strategy*

Stimulus

Future Ticketing Video



Future system elements cards



Oyster branding in-situ scenarios



Methodology and sample

- 5 x 1.5 hour group discussions with customers

| Group | Life stage | SEG | Location |
|-------|-------------|------|-------------|
| 1 | Pre-family | BC1 | Inner |
| 2 | Family | BC1 | Outer |
| 3 | Post-family | BC1 | Inner/Outer |
| 4 | Pre-family | C2DE | Outer |
| 5 | Family | C2DE | Inner |

- Additional sample criteria:
 - 18-64 years (to be correlated with life stage)
 - Mixed gender groups
 - Mix of modes, ticket types, travel frequency, journey purpose and length
 - National Rail users represented
- Research conducted by 2CV on 19th and 20th October 2011

Executive summary: headlines from the research

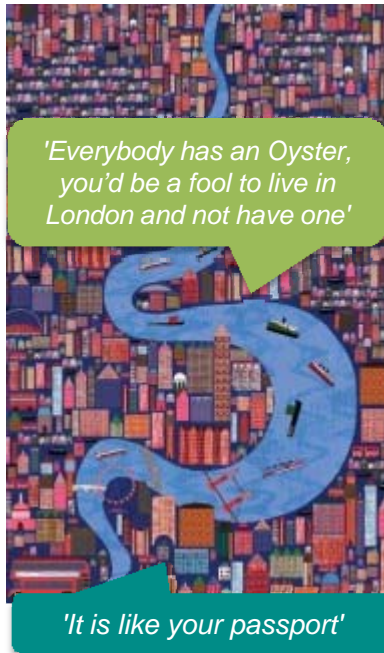
Headlines from the research

- There are a number of positive attributes of the Oyster brand currently:
 - *It is a trusted functional brand that offers a number of customer benefits*
 - *Associations extend to both the card and the system*
- Customers have developed personal strategies for managing the system, their money and issues with Oyster, and feel comfortable with how these work for them
 - *As such, any change for Oyster also means a significant habit change for customers*
- There is an expectation that Oyster will develop and innovate – customers believe that payments and systems will develop in the future, and expect Oyster to update and expand its offer too
- Oyster can be the vehicle and continuity needed for easing transition to future ticketing
 - *Allowing customers to opt in and leveraging the benefits will mitigate against negativity*
 - *Oyster in other UK cities will help to motivate uptake*
- However, concerns around the merging of banking and travel are not fully addressed by retaining the Oyster brand
 - *An opportunity for Oyster/TfL and banks to work together to help customers stay in control*

Current Oyster context: attitudes

Oyster has a number of positive connotations

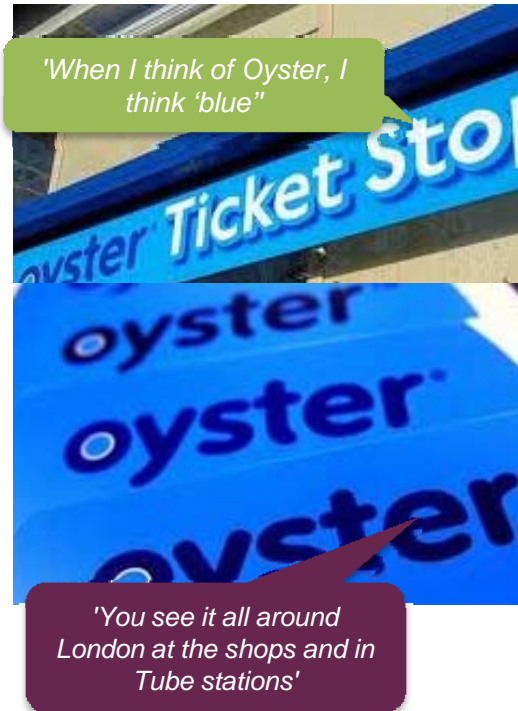
Smarter travel in London



Modern and hi-tech



Brand visual identity embedded in London life



Part of the customer vernacular



High affinity with the Oyster brand through everyday interactions and experiences

Oyster is seen as a 'functional' brand

Oyster cards: the main customer touch point and most top of mind

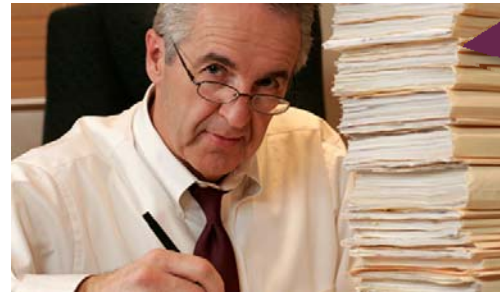


Oyster system: 'touch in, touch out' owned by Oyster; now linking up the whole network



'I just think of swiping and the beep sound'

'My Oyster card is the first thing that comes to mind, it lets me use transport'



'In some ways you don't want Oyster to care too much, you just want it to get the fare right'

Oyster brand personality:

- An accountant
- Male
- Middle-aged
- Loves efficiency
- Travel geek
- Safe

'I think Oyster has really solid qualities but no social elements. It is a machine, not a person'

In customer minds, Oyster is both the card and the system

Oyster personality is distinct from TfL and banks / credit card companies



'I think they would be really wacky like all the transport'

TfL brand personality

- Less pinned down personality, often dependent on mode
- Different interpretations:
 - More wacky, colourful and younger than Oyster
 - Workman: behind the scenes, construction



'All bankers are the fat cats, stitch up merchants'

Bank brands personality

- 'Fat Cats' and greedy
- Are out for profit
- Does not think about customer needs
- Less functional, more human:
 - Immoral, lacking empathy

Overall, a more shared positive brand personality for Oyster

Oyster delivers a number of tangible customer benefits

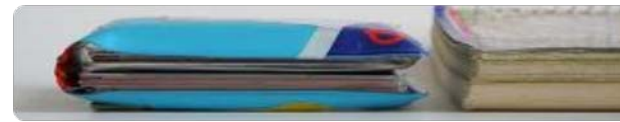


Connecting London

- One system
- Multi-modal

'It is like having one ticket for everything.'

'It's been great being able to use it on Overground trains now as well.'



Convenient and user friendly

- Easy and time-saving
- Allows customers to feel more in control

'It is so quick to just tap your Oyster and go through.'

'I always get one for my friends when they come to London.'



Money savings

- Less expensive than paper tickets
- Price capping

'It would be stupid not to use it, paper tickets are so expensive now.'

'It caps the price so you never pay more than a daily ticket.'



Low risk and reassuring

- Flexibility (eg topping up small amounts)
- Replaceable

'I've lost my card before – you can call up and get it replaced.'

'Some weeks I get pay as you go, others I get a weekly. It's good because I can change depending on how much money I have.'

An essential tool for Londoners

Linked up system can feel like a monopoly at times



'I've never really thought of it as a brand as it's not something I really chose to use.'

- Customers do not see using Oyster as a real choice: they are penalised if they don't



'you can't even use cash on the bus anymore, the driver won't let you on!'

- Some resentment at feeling 'forced' into using Oyster, eg buses not accepting cash

And some aspects of the Oyster system don't always work for customers

System reliability



- System does not feel joined up when things go wrong
- Technology fails sometimes (eg readers not working)
- Infrastructure lacking: can't top-up at bus stops

'It's not fair that when a station is closed on the weekend that there is nowhere to top-up.'

'It charged me more even though I know I tapped out!'

'Sometimes you have a barrier, but sometimes you have to find this little random card reader somewhere.'

'Sometimes the barriers are broken and you can't touch out!'

'We don't really have a choice, we have to use Oyster but there is little benefit compared to when it first came out.'

'Travel is still so expensive, even with Oyster.'

'I laugh when I see people take their Oyster card out of their wallets! They don't have to do that.'



System understanding

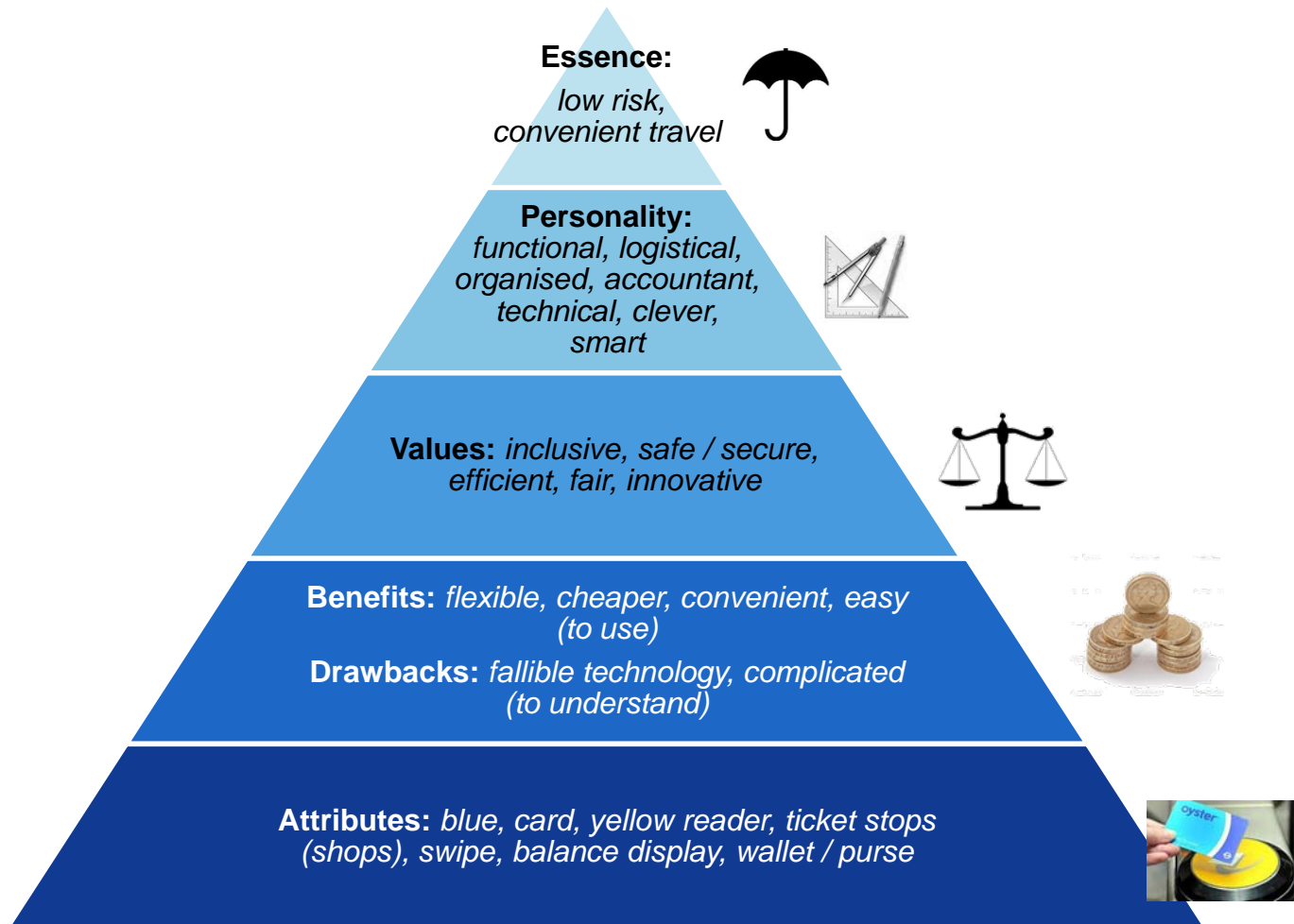
- Fares: zones and capping not well understood
- Boundaries: where can I use Oyster?
- Registration: how and why?
- Relationship with TfL: who manages? Is it a separate company?

'I went to the window to get help with my card and they told me they couldn't help, that I had to call Oyster directly, I thought they are the same company but they are actually completely different.'

'It's a bit of a maths equation trying to work out the prices, they should make it easier to see how much you're paying.'

These two factors can undermine the positive perceptions and benefits of Oyster

Summarising the Oyster brand



Current Oyster context: behaviours

Customers recognise that London transport is a large and complex system which they use Oyster to help manage

Ideal customer experience = Oyster managing the system for them



Personal travel habits

Peak and off peak

Fare structure

Zones



There is a degree of trust in Oyster as the system manager

All customers rely on Oyster to a degree to make the system simpler

- Oyster appropriated in a variety of ways to suit different travel habits, individual circumstances and attitudes
- People are happy to rely on the system to different degrees
- Habits and strategies are built up over time and are now quite entrenched

'I can't be bothered with all that checking to see how much money I've got left and remembering to top-up, so auto top-up works for me.'

'I'd worry about them overcharging me if I had auto top-up.'

'I prefer to top-up small amounts so I can keep track of my spending.'

'I just assume that whatever they charge me is correct.'

'I don't blame Oyster when I've run out of credit, I blame myself!'

'I have a weekly budget which includes my travel, so how much I put on my Oyster card depends on how I'm doing that week.'

'I just put money on a travel card and forget about it.'

Customers rely on Oyster in individual ways to create confidence in use

Customers like the separation between travel and other payments

- Oyster makes financial management easy by facilitating a range of strategies to separate and control money, eg:
 - Maintaining a bare minimum on card in case they need money for something other than ticketing
 - Regularly topping up large amounts so they know that travel costs have been taken care of and they are free to spend money on other things
 - Purchasing tickets in advance to get the large cost of travel out of the way
- People try to do this in other areas of money management – eg creating pots of money in different accounts; setting up direct debits so they know how much will be coming out of their account each month for utilities etc

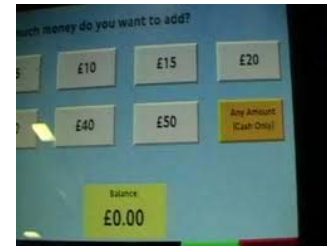
Money compartmentalisation gives confidence and control to all customers

Two key elements affect customer behaviour



Trust in system

- Different levels of concern around overcharging and data privacy/tracking affecting use, eg registering; ATU



Approach to money management

- Broader identity and personality factors affecting strategies for compartmentalising finances and budgeting, eg:
 - Applying self-imposed limits through not taking bank card (just Oyster and cash) on a night out
 - Preferring the 'friction' of payment PAYG provides, just as cash is preferred to bank cards for small purchases

Everyday habits are shaped by underlying attitudes to the system and money management

Initial response to future ticketing

Customers expect Oyster to develop in the future

Improvements to the current system

- Want and expect Oyster system to update and become more sophisticated as technology develops:
 - Resolving current issues, and unmet needs within the system

'I would like them to make it easier to know how fares are calculated.'

'It could be a bit more intelligent.'

'It would be good if you didn't even need to get your card out, like when you are skiing.'

Extending the benefits of Oyster

- Would like to be able to use Oyster in a range of other areas:
 - Other cities
 - Modes of transport (taxis, Cycle Hire)
 - Small purchases on the go (eg coffee)
 - Loyalty rewards

'Sometimes when I travel to Manchester I wish I could use my Oyster card.'

'The Games are coming up and it would be great for them to explore something novel.'

'Oyster was innovative in its time, it could be again.'

There is an openness to the idea of developments and an expectation that Oyster will innovate

Many customers are already aware of future payment developments in other arenas

- Customers are already familiar with some early developments:
 - Have seen contactless in retailers (Pret, Eat, McDonalds) / noticed symbol on their bank card
 - Have seen / heard of / own Barclay's OnePlus
- The key benefit for these products is **convenience**
- However, major concerns around **loss of control**:
 - Contactless payment transactions *aren't* easy for people to transition to:
 - A new behaviour
 - Feels high risk
 - Exposes their finances



'It looks really easy!'

'Do many people actually use it?'

'This is the way things are going to go.'

'Yeah, too easy. Anybody could pay for stuff with your card...'

'Oh, I have this on my card but I haven't used it yet.'

Concerns over this type of transaction

When presented with the 'concept' of future ticketing for London travel, there are many spontaneous questions and anxieties

Future Ticketing Video



'What happens if I'm overdrawn?'

'Does that mean Oyster will be phased out?'

'Do I go to my bank if I've been overcharged?'

'Will my bank balance show up every time I touch in?'

'What will happen to my season ticket?'

'Will the bank see everywhere I go?'

For customers, future ticketing feels like a revolution rather than an evolution

Media response suggests complete overhaul in ticketing

6

News

Bank cards would take over from Oyster in new system

WHAT THE COMMUTERS SAY



Clare Connell, 30, consultant
"Driverless trains are a fantastic idea. I think Tube drivers are the most overpaid people in London."



Quinton Hill-Lines, 40, property consultant
"Anything that makes things better and more efficient is welcome."



Danielle Pacella, 31, architect
"I don't like the sound of these changes. I like the personal touch - that you can see the driver."



Ori Bogaire, 46, management consultant
"I think this is an excellent idea, efficiency and effectiveness are necessary. We can put savings to good use."

Continued from Page 1

not be required to drive trains in the traditional manner..." The new generation of trains will "prepare themselves for service - even to the extent of arriving from depots unaided, perhaps eventually operating in certain areas without staff on board".

The Central, Victoria and Jubilee lines already run in semi-automatic mode and little practical change is needed to operate without a driver.

The document suggests all but 30 of the 258 ticket offices would close. Only the larger inner-London offices would remain, and they would be turned into travel information centres. Tickets will

instead be purchased from machines or fares paid electronically via bank card - the Oyster card would disappear. The majority of passengers will be encouraged to use the "wave and pay" scheme currently undergoing trials where a bank card is used in place of Oyster.

Changes across the entire system will begin within the year with most taking place between 2013 and 2016.

"This plan shows how the LU operational model will evolve to meet the changes of the next decade," the report says. "This plan delivers taxpayer value through a significant reduction of the cost of operations." Mr Brown said: "The Tube is now carrying 1.1 billion passengers a year. Londoners want a modern, safe, economical and efficient Underground. This discussion paper contains some suggestions as to how that might be achieved."

Caroline Pidgeon, leader of the London Assembly Lib-Dem group and the transport committee said: "These plans will worry passengers if they involve the closure of ticket offices.

"Ticket offices don't just sell tickets, they are a very visible source of help and advice and help make passengers feel safer. The Tube needs to modernise, but it can't be at the expense of passenger safety."

Have your say: standard.co.uk/tube

Editorial Comment Page 14

A minority of customers can see the benefits of merging banking and travel card functions

- Less cards to carry around/remember/lose
- More time efficient: no more topping-up
- Can provide the 'back up' customers are looking for
- Could help ease transport use when in other cities

'It would just be even easier.'

'It would be great to not have to remember to renew my weekly pass and it just did it for me.'

'You'd still just touch in and touch out...'

'It's just what I was talking about; I said I wish I could use my bank card.'

'It would be much simpler.'

'No more rummaging around in my handbag trying to find my Oyster.'

'When I've run out of money on my Oyster card it would be good not to have to find somewhere to top-up.'

Benefits tap into customer wants and needs around greater convenience

Six core areas of concern emerge



Loss of financial control

- Merging of travel and bank card payments disrupts money management approaches



Fear of change

- No longer feeling in control
- Having to change habits dramatically and learn new behaviours, eg checking spend retrospectively
- Loss of trusted Oyster card



Feeling more exposed

- Socially more exposure: other people seeing you balance
- Personal safety: having to get bank card out in public



Less flexibility

- Fewer options for selecting ticket type to meet their needs
- Feel 'forced' to take bank card with them at all times (some prefer to leave at home sometimes, eg on night out)



Higher risk

- More serious consequences from system failures (overcharging)
- Increased risk of theft



Data privacy

- Worried about being 'tracked' (many were not registered)
- Don't want the bank to see everywhere they go

Customers fear loss of control on a number of levels as they struggle to place their current behaviours within the future ticketing concept

Customers are quick to imagine a number of negative scenarios



Loss of financial control

'I worry that this means I would be more likely to overspend.'



Fear of change

'You wouldn't notice when they put the fares up.'



Feeling more exposed

'I don't want the bus driver to know I don't have any money left in my account!'



Less flexibility

'If you lost your bank card then you could be stranded somewhere.'

'I am not going to give my son my bank card to go out with – he will lose it.'



Higher risk

'Thieves will like it with everyone getting their bank card out of their wallets the whole time.'

'What if it overcharged me then I went into overdraft?'



Data privacy

'I don't want the bank knowing everywhere I've been.'

'I am really careful about my data now, you never know who is using it.'

Customers are unsure who would support them in this new system

- Customers manage payment issues currently by 'compartmentalising' banking and travel card payments
- Customers believe that errors in payment occur because of the system so would expect to talk to Oyster/TfL in this instance
- There is specific resistance to speaking to their bank about travel issues:
 - They don't trust their bank – worry the bank won't have the full picture
 - They don't want the bank to know all about their travel

'When something happens, you call the company that charged you, not the bank!'

'Surely I don't have to call my bank every time I have a problem on the Tube...'

'The less I have to communicate with the bank the better.'

'The banks not going to know that the bus stopped or that I didn't touch out.'

Customers require clarity around how the new payment system will affect them

And customers want to know what this means for Oyster

- Customers have gotten used to Oyster and want it to have a role in the future:

'Are they selling the technology to the banks?'

'Will Oyster still be running it behind the scenes?'

'Even though we said it isn't emotional, I feel sad thinking about it not being around.'

'Can't we still use Oyster cards as well?'

oyster[®]

'Will this mean Oyster becomes invisible?'

'Why have they just done themselves out of a job?'

'It's a shame if they're getting rid of it... We all know and feel comfortable with Oyster.'

Loyalty and trust is placed in the brand – customers worry about losing it

However, in spite of this resistance, customers can imagine a number of scenarios which could ‘trigger’ adoption of future ticketing

- If there were pricing benefits
 - (as there were with Oyster)
- If others start using it first
- When you’ve used contactless on other things first
- When caught out without their Oyster card / need cheaper travel
 - At bus stop, no money and only a bank card

'With Oyster you started using it because it was so much cheaper.'

'If you see other people using it and it works for them, then it could work for you too.'

'If you are already using a card like this to pay for other things then it would not be a big deal.'

'If you are stuck at the bus stop and there is no money on your Oyster card then at least you would have a back up.'

Managing the transition to future ticketing

Future ticketing: Oyster can be the vehicle and continuity needed for easing transition

1. Oyster branding can help reassure customers in two ways:

- Is a constant during the changes to retain customer trust in the system
- Dual branding helps customers to feel they can 'opt in' to a new way of paying for Oyster travel
- *Position future ticketing initially as an alternative payment option for using the Oyster system - 'you can now use your bank card on the Oyster system'*

2. Normalising the behaviour will help customers get on board with the new ticketing approach, in a range of situations where they will encounter touchless payments

- *An opportunity to leverage external developments with touchless payments, and illustrate scenarios that show the benefits of being able to use bank cards on the Oyster system*

3. After customers have been 'primed', new benefits to Oyster can help to motivate uptake of future ticketing

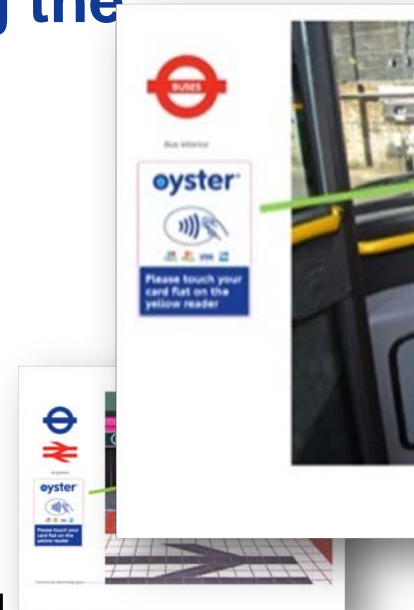
- *An opportunity for Oyster to help customers better manage their money and an opportunity to extend to other UK cities*

4. Customers require help to minimise risk and stay in control

- Concerns around the merging of banking and travel are not fully addressed by retaining the Oyster brand: customers seek additional reassurances around safety/security issues and accountability
- *An opportunity for Oyster/TfL and banks to work together to overcome customer concerns and uncertainty around future ticketing*

1. Oyster branding can signal a constant during the changes to keep customer trust in the system

- Oyster branding signals that the Oyster system they know has not changed:
 - Retaining Oyster branding and the yellow reader indicates only a change in payment methods, which helps to make behaviour change feel easy and intuitive (still 'touch in, touch out')
 - Seeing a familiar, specialist brand behind changes helps customers to place their trust in the technology
- Customers suggest putting the Oyster symbol on bank cards, highlighting how useful the brand can be in helping customers to transition



'If it wasn't called Oyster then they'd have to call it something else'

'Oyster says it's tried and tested... if you saw that you'd know that they were not starting from scratch'

'You'd still just touch in and touch out'

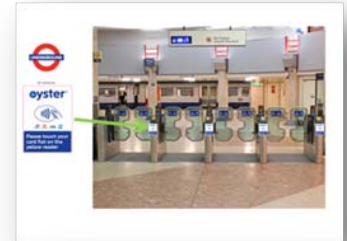
'Knowing that it's the same company will help ease people in to it'

'It's all Oyster I suppose – I thought Oyster were the company and the yellow pad was their product'

Oyster signals evolution not overhaul which helps ease the transition to the new system

1. Dual branding helps customers feel they can 'opt in' to a new way of paying for Oyster travel

- Customers also welcome dual branding of Oyster and contactless as it suggests they can still use their Oyster card, as well as a bank card on the Oyster system
- Customers feel more positive about future ticketing when it does not look like they will be 'forced' into changing their behaviour and can 'opt in':
 - More likely to admit it will be good for non-Londoners / in an emergency / when they visit other UK cities



'If it's optional then I'm much more comfortable with it'

'That's a lot less contentious cause it looks like you can still use your Oyster card'

'It's important Oyster doesn't go the same way as cash has done on the buses'

'Oyster should mean getting to the other side of that barrier, however you do it'

Customers are most positive about future ticketing when positioned as an alternative payment option on the current Oyster system

2. Normalising the behaviour will help customers get on board with the new ticketing approach

- Customers indicate a range of ways for how future ticketing may become normalised:
 - An increased desire to use contactless for other small purchases
 - Seeing others using contactless (for travel and elsewhere)
 - Using bank card as a back up / in an emergency

'I'd quite like to use my Oyster card to buy other things, like bread or milk.'

'If you started seeing everyone else using it then you might give it a try, as a one off.'

'If you were out late at night and there was nowhere to top-up, I would use it on the bus to just get home.'

'It would only take for you to use it once or twice the you'd be hooked'.

An opportunity to leverage external developments with touchless payments, and illustrate scenarios that show the benefits of being able to use bank cards on the Oyster system

3. Once primed, new benefits around best fare calculation and rewards can help to motivate uptake

- Customers welcome tangible money saving benefits,
 - Eg many weekly and monthly users recognise that their purchase decision is often hard to make at the beginning of the month
- Allowing customers to reap the benefits of a more intelligent system will help promote uptake of future ticketing:
 - Best fare calculation
 - Rewards and incentives

'They'd need to give you some sort of incentive, like buy 5 days, get the weekend for free.'

'They could tie it into rewards, like you get with the nectar cards.'

'If it was going to work out the cheapest fare for you then of course people would use it.'

'I work in events and my work's always changing so some months I don't always know whether I'm better off getting a monthly or PAYG. It all depends how much I end up needing to go into central London.'

Customers are interested in ways that Oyster can help them better manage their money

3. Once primed, Oyster in other UK cities can help to motivate uptake

- Customers are very positive about Oyster going to other UK cities:
 - Oyster is not too strongly tied to London and customers would like to see it expand to other areas
 - Customers want the benefits to extend so they and others can experience greater convenience and money saving outside London
 - Because it is a less regular behaviour, using future ticketing in other UK cities does not raise the same barriers for customers
- The expectation is that they would pay the local transport network but customers require clarity around who is accountable and what the fares would be

Using Oyster and / or contactless bank cards to pay for public transport services outside London



'It wouldn't be less obvious that you were a tourist as you'd know what to do'

'I probably wouldn't mind using my bank card as a one-off if I saw it and it said Oyster when I was visiting friends in Bristol'

An opportunity for Oyster to extend to other cities

4. Customers require help to minimise risk and stay in control

- Oyster can play a key role in easing the transition but does not fully address the core areas of concern emerging around future ticketing



Loss of financial control



Feeling more exposed



Higher risk



Fear of change



Less flexibility



Data privacy

Customers seek additional reassurances around safety/security issues and accountability

4. A number of ways for Oyster and TfL to overcome customer concerns around future ticketing

➤ *Retaining the option of a specific travel card to allow customers to keep a distinction between travel and other bank card payments*

- It will be important that this option is not kept too hidden from customers in order to mitigate against any negativity towards future ticketing

'That's a lot less contentious cause it looks like you can still use your Oyster card'

➤ *Providing money and travel tools to help customers easily interact with the system, eg*

- Different ways for customers to manage their travel expenditure
- Helping customers check for errors (in a way that does not feel high maintenance)
- Best fare calculator

'I don't want to have to visit some website the whole time to check I haven't been overcharged'

4. Oyster/TfL working with banks will help minimise risk and allow customers to stay in control

➤ *Working with banks to mitigate risks for customers, eg*

- Ensuring clarity between TfL and banks around issues of overcharging and supporting customers in these scenarios
- Initiatives that address concerns around thieves joyriding with stolen bank cards
- Reassuring that bank details will not be displayed and that the environments where the cards are used are safe and protected

'Thieves will like it with everyone getting their bank card out of their wallets the whole time'

➤ *Facilitating a range of payment options on the Oyster system, eg*

- paying in advance, direct debits etc

'I worry that this means I would be more likely to overspend'

Summary of opportunities for TfL/Oyster to ease the transition to future ticketing

- 1. Position future ticketing initially as an alternative payment option for using on the Oyster system*
- 2. Normalise behaviour through leveraging external developments with touchless payments, and illustrating scenarios that show the benefits of being able to use bank cards on the Oyster system*
- 3. Extend the benefits of Oyster: help customers better manage their money and extend Oyster to other UK cities*
- 4. Oyster/TfL and banks work together to overcome customer concerns and help customers stay in control*