

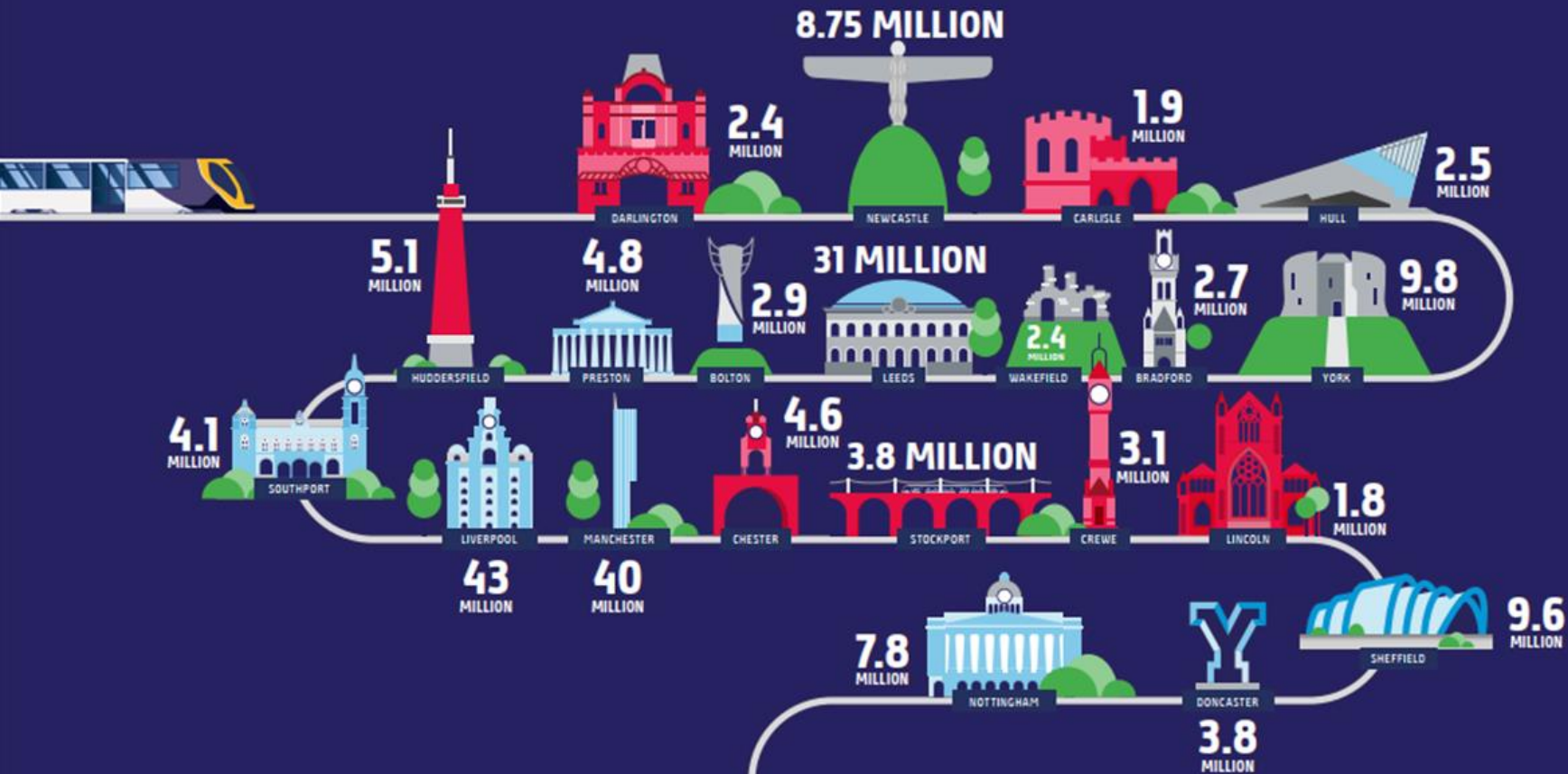


NORTHERN

Revenue Management in the Regional Rail Sector



Who are Northern?



We travel through over **500 stations**

Our network of **37 routes**

Every day we carry **1 MILLION passengers**

With over **7,000 employees**



Current Ticket Types



Anytime

Off-Peak

Advanced Purchase



Revenue Management in Rail

Advance
Purchase tickets



Spread demand
& optimise
capacity



Grow ridership
in new markets



Increase customer
satisfaction 😊



Data and insights led

Ticket
Purchase

Ticket
Received

Travel on
Train

Ticket
Scanned

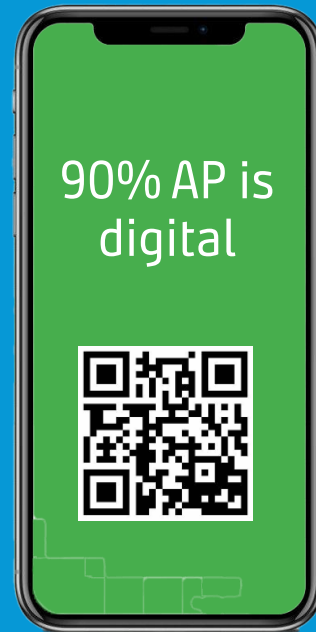
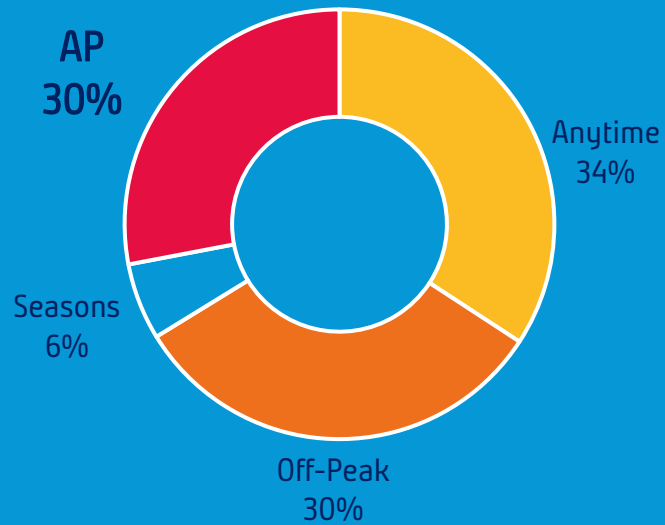
Exit at
Barrier

Post
Travel
Analysis



Background

AP has grown from 1 in 20 to 1 in 3 journeys

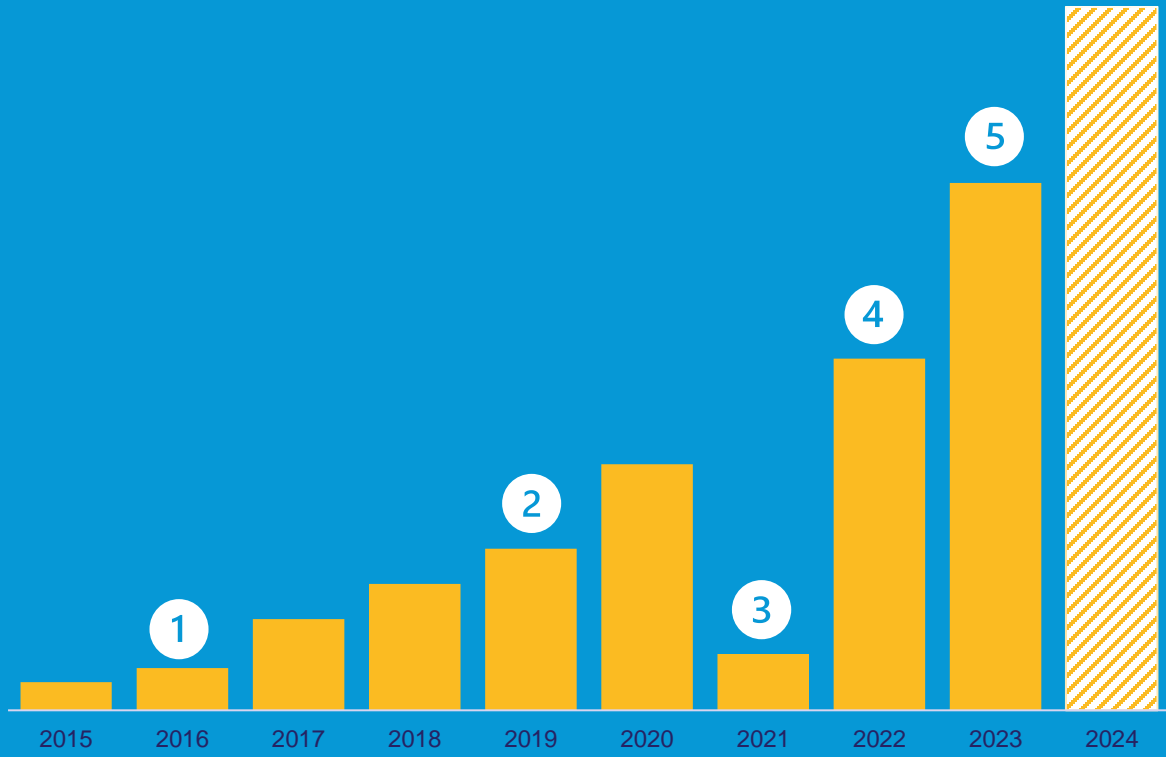


Over 1000 new AP tickets available at less than £5

AP encourages train travel, +128% industry growth in new areas



46% growth in '23

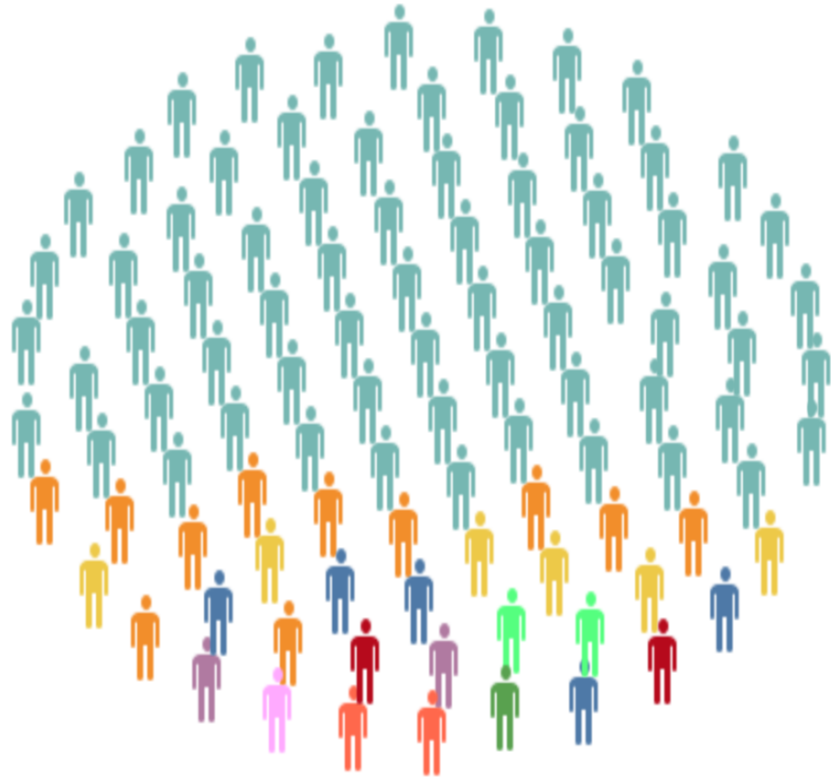


- 1 APOD
- 2 RMS
- 3 Covid-19
- 4 Project reservable
- 5 Expand AP



Who are our AP customers?

Non-AP Customers



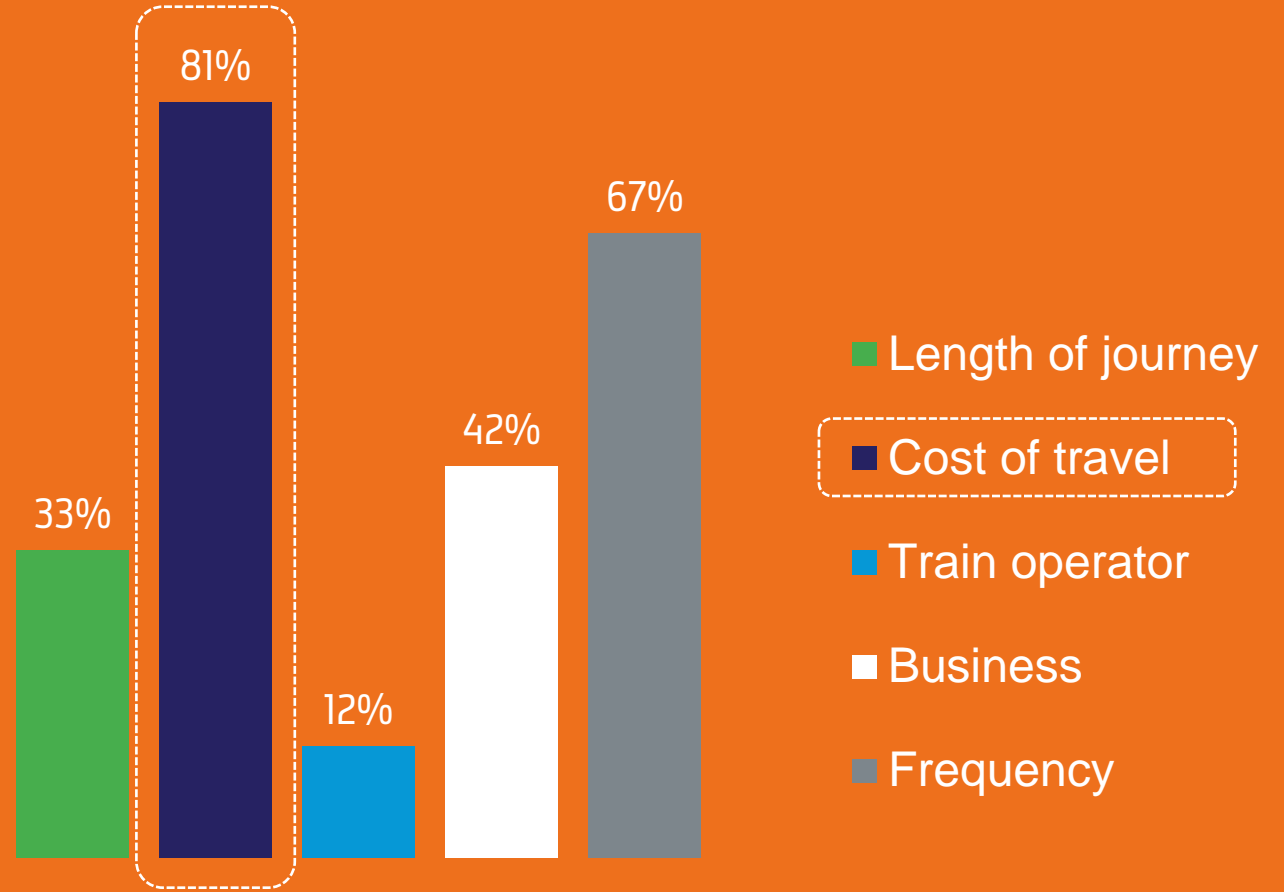
Passenger Type Description

- 26-30 Passengers
- Disabled Adult
- Educational Discount Child
- Family Adult
- Family Child
- Full Fare Adult
- Full Fare Child
- Local Railcard Adult
- Senior Citizens
- Two Together Adults
- Young People & Students

AP Customers



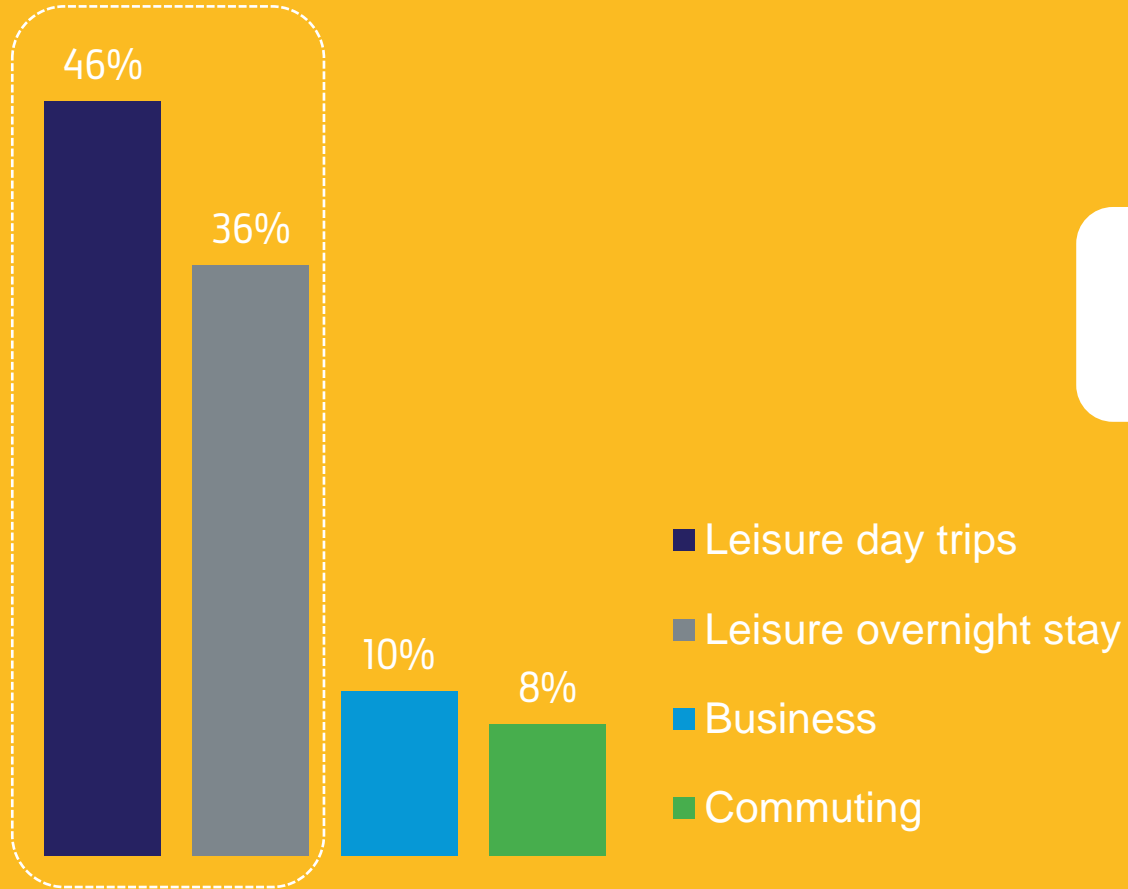
Why do people buy AP?



*Based on 2213 responses from Northerneers survey



Who purchases AP?



Flexible travel
from £2.50 with
Train Swap

Leisure trips form
81% of AP journeys

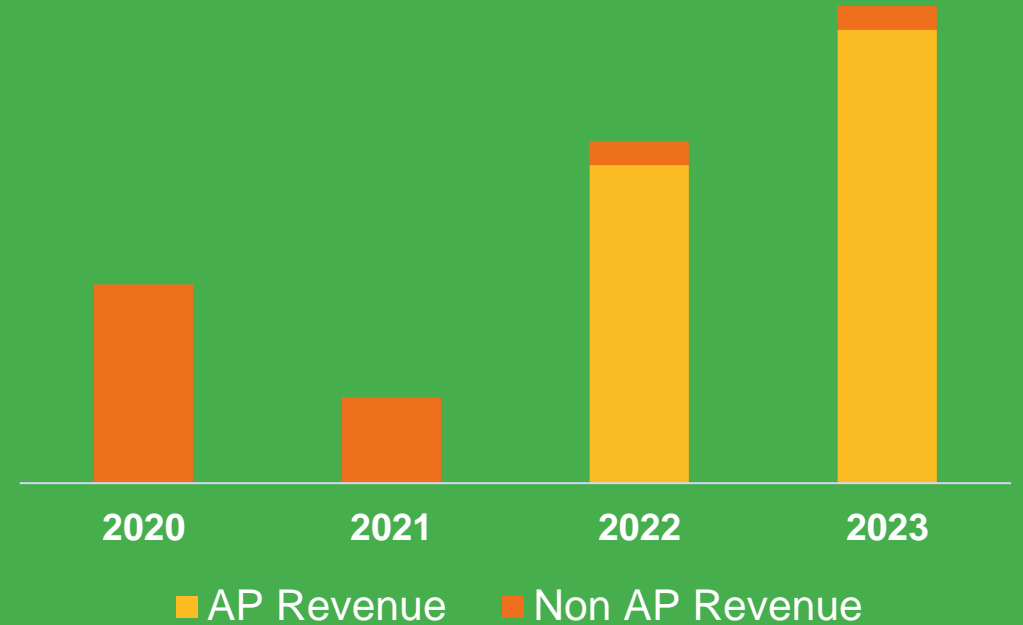
*Based on 2213 responses from Northerneers survey



Case Study

Generating Growth in New Markets

- AP attracted new customers to travel
- Revenue increased by 128%
- Encourages growth for Northern and the wider industry
- Sunday services from May 2023



Case Study – Influencing Customer Demand

Liverpool - Manchester



— Liverpool - Manchester via Earlestown — Liverpool - Manchester via Warrington

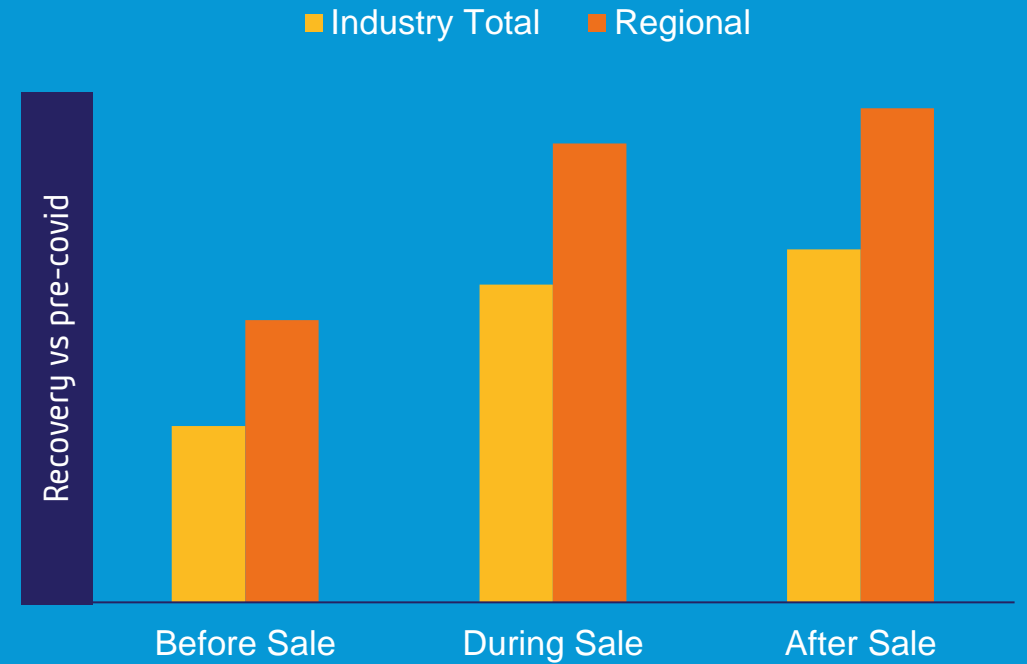
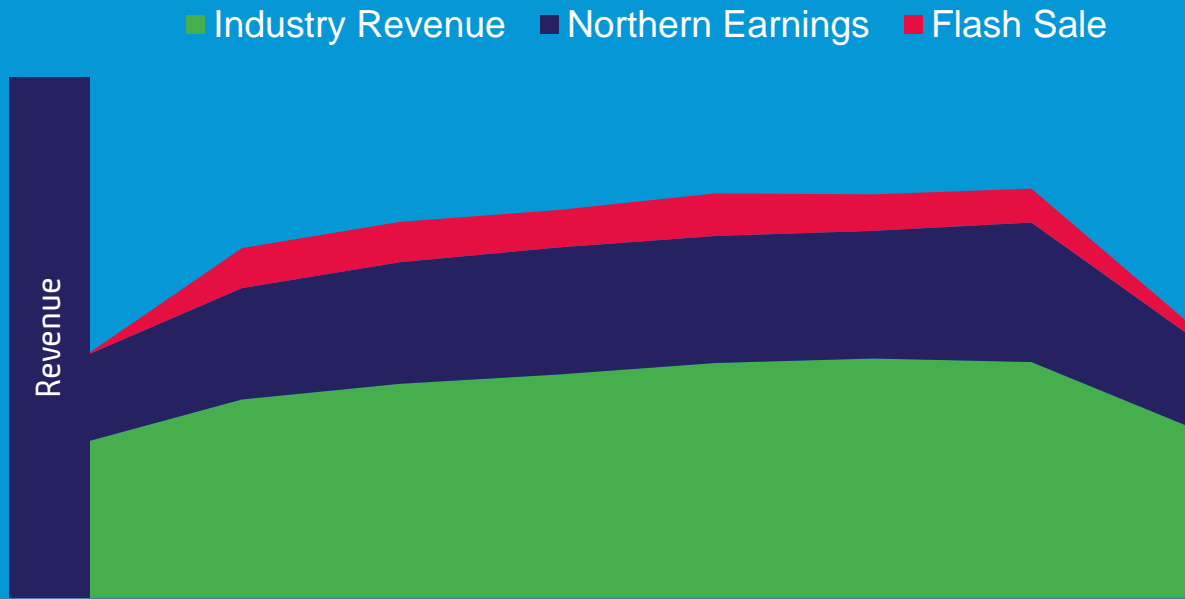


Flash Sale

- +7% vs August Flash Sale
-
- £1.9m+ value in media coverage
- Flash Sale customers NPS +29 points & csat +3.2%
- Average journey length +63% = net industry benefit



Industry Revenue



- Industry Revenue across the Northern Network increased during the sale by 4% vs Pre-Covid levels
- Regional AP recovery increased 5% vs Pre-Covid levels
- Increased overall industry demand and prolonged leisure travel



Summary & Next Steps

Summary

Revenue Managing Advance Purchase tickets...

- grows rail ridership
- spreads demand to optimise capacity
- make customers happy

... are really important for the regional sector!

Next Steps

Futureproof Advance Purchase tickets by...

- preparing for pay-as-you-go and collaborating with GBRTT
- continually improving insights driven from data
- learning from our customers





NORTHERN

Thank you!