

CUSTOMER AND STAKEHOLDER ENGAGEMENT STRATEGY

October 2020

CrossCountry routes

Where can we take you?



CrossCountry routes — Summer weekend services —
Please note: not all stations are shown

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1. Summary

The CrossCountry franchise is the most extensive rail network in Great Britain, operating rail passenger train services to 119 stations in England, Scotland and Wales, and covering approximately 21 million miles per annum. The 298 weekday services operate on radial routes from Birmingham New Street station. The Aberdeen to Penzance service is currently the longest journey covered by a single train anywhere in Great Britain, covering 773 miles taking 13 hours from start to finish.

Throughout the franchise, CrossCountry has continued to develop its products and services to deliver significant improvements for customers. We have placed great focus on finding new, innovative ways to communicate with our customers and stakeholders, ensuring that we understand their needs and expectations. This not only has included the creation of dedicated teams within the business to improve levels of engagement, but also embracing the fast-paced world of consumer technology and social media.

The purpose of the strategy is to set out how we will engage, communicate and involve customers and stakeholders in the development of CrossCountry's services and how we will work to improve customer satisfaction. The actions and approaches we will take are laid out in this document, along with the values and principles that underpin them.

This version of CrossCountry's Customer and Stakeholder Engagement Strategy is dated October 2020 and replaces all previous versions.

2. Business Approach

Our Vision, Mission, Strategy, Values and Behaviours

In driving our business forward for the benefit of all our customers and stakeholders, we recognise the need to think clearly about what drives us:

- ✓ **VISION:** 'where we would like to be'
- ✓ **MISSION:** 'the principal business tenets we hold while striving to deliver our Vision'
- ✓ **STRATEGY:** 'the path we will follow to get there'
- ✓ **VALUES:** 'the principles that will guide us'
- ✓ **BEHAVIOURS:** 'the way we will go about our business'

At CrossCountry our Vision is "to be an industry-leading, customer-focused, dynamic and innovative long-distance train operator that customers trust to meet their needs"

Our Mission is reflected in the high-level objectives we set ourselves:

- ✓ To delight our customers every time they travel
- ✓ To be recognised as a top employer, supporting a skilled and enthusiastic workforce
- ✓ To ensure our processes are robust, underpinning our operation and managing safety and our environmental impacts
- ✓ To ensure business sustainability

Customer Excellence	Business Excellence		People Excellence
We will create a relationship with our customers so that we can anticipate all their requirements and take pride in delivering an excellent product that our customers trust, empowering those closest to the customer.	We will generate engagement and support from all stakeholders through proactive communications and we will work to deliver positive contributions to the societies and communities we serve.	We commit to a path of continuous improvements, building on the existing bases, improving our culture and processes while delivering value to shareholders.	Clear plans to develop, care for and challenge our people, retaining and attracting talent. Structures and processes that allows talent to thrive and succeed.

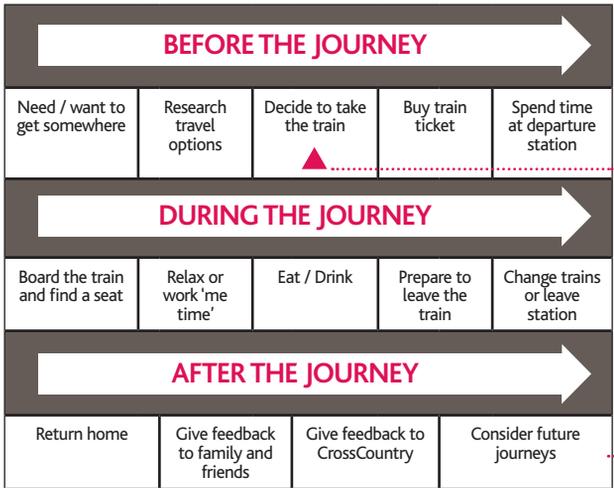
There are several dimensions to our overall strategy, and this document sets out our approach to managing customer and stakeholder needs.

We know that our people are driven by being *passionate, professional and people* focused in all that they do which is reflected in the values which guide us, and those engaged in every Arriva Group company:

- ✓ **One Arriva:** We work as one team
- ✓ **Great Customer Experience:** We keep our customers happy every day
- ✓ **Doing the Right Thing:** We look after our customers, colleagues and the environment, and always put safety first
- ✓ **Think Beyond:** We are curious and inspired to think beyond today, for an even bigger, better tomorrow

3. Customer Expectations

To ensure we understand and fulfil our customers' needs at all stages of their journey we use the following model to guide the development of our customer offer, striving for excellence at every stage.



It's important to base our business decision making on a good understanding of each element of the customer experience – from thinking about a need to travel right through to the appraisal process at the end of the journey – to ensure we fully appreciate what's required to improve the customer experience. We use our 'Customer Excellence Board' to bring together key decision makers in the business to share and discuss this insight to inform future plans.

The red dotted line shows how this journey planning experience can be a virtuous cycle for our customers, which is important to our understanding of customer researching, buying and travelling behaviours. However, we do also look at each phase of the model in isolation to identify specific customer needs relevant to these different customer mindsets.

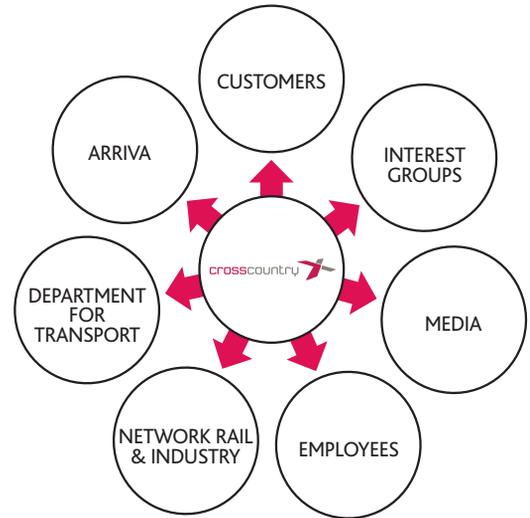
All of this insight is used to determine our approach to engagement with customers and stakeholders alike.

4. Our Engagement Strategy

CrossCountry covers more of Great Britain than any other train company and our customers and stakeholders therefore are diverse – geographically, in terms of journey purpose, and also in their relationship with the business. We employ a number of strategies to overcome these challenges, such as.

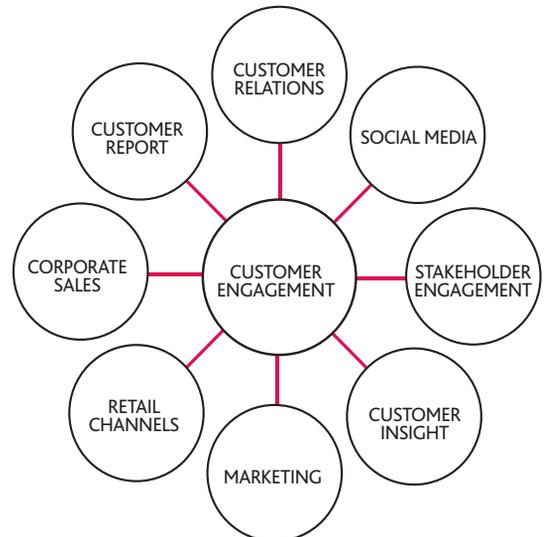
- ✓ Using digital communications channels to reach out to customers where we don't have a station presence
- ✓ Partnering with key national and regional organisations to extend the reach of our communications and to create new feedback channels
- ✓ Maximising our research channels and collaborating with other Arriva UK Trains businesses to share customer insight and opportunities for communication

We have seven key groups of stakeholders who we actively consider and engage with as part of our day-to-day operations and in making improvement to services. These groups are shown below:



We have key representatives within the business who take responsibility for key stakeholders, so we have accountability, governance and escalation processes in place. Much of that engagement work is conducted via face to face meetings, calls and written reports. More details about these activities and the types of stakeholders this refers to can be found in section 5c.

We use the following channels to engage with our customers:



We aim to make doing business with CrossCountry as easy as possible, so we endeavour to engage with our customers and stakeholders in the most effective and relevant way for them whether that's in person or via our digital feedback channels

5. Our Tools of Engagement

A. CUSTOMER RELATIONS

Overview

We welcome feedback in relation to all aspects of the service we provide, whether positive, negative or neutral, as we believe it helps us to deliver the services customers expect. Every telephone call, email, letter and online form we receive is logged in our Customer Relations case management (CRM) system and assigned a unique reference number. The Team will categorise each case as a complaint, comment/suggestion, praise, claim or enquiry. As the case is being 'worked', the agent will record additional categories based on the reason for contact (e.g. 'complaint regarding unavailability of seats' or 'enquiry about a marketing promotion') and customers' journey details where applicable. This allows us to analyse the data later by service, route and so on.

Training and support

We ensure our Team has the support to provide excellent customer service. This includes:

- Intensive inductions and training programmes for new starters and ongoing coaching
- Regular performance reviews and feedback sessions to ensure any training needs or coaching requirements are identified and addressed quickly
- Monitoring our Customer Complaints Handling Procedure to ensure it is effective and complies with industry changes (e.g. guideline revisions).

Monitoring performance

We also monitor live cases as they progress. This includes:

- Monitoring telephone calls to ensure they are handled professionally
- Recording and monitoring average response times
- Automatically quarantining a minimum of 10% of all activities for approval before they can be progressed, and responses issued to customers
- Team Coaches and Directors reviewing a sample of our written responses
- Regular (at least quarterly) reviews of third-party providers (Telesales and web support) to ensure SLAs are being achieved
- Quarterly customer satisfaction surveys to determine how customers felt their enquiry was handled-this survey is carried out by the Office for Rail & Road (ORR)

The Customer Relations Team Manager(s) also monitor and review the information and responses communicated using our Social Media channels, ensuring consistency.

Communicating customer feedback

As well as maintaining our CRM database, we also keep hard and soft copies of all correspondence locally for a minimum of three months before they are sent for archiving. This allows us to use the data collected as sources of intelligence. Key steps beyond that include:

- The Head of Customer Experience reviews the results of the Quarterly customer satisfaction survey to identify areas of improvement and implement action plans
- Every month we provide data to the DfT and ORR regarding the number of comments and complaints we receive and our performance in handling them
- We send Managers and Directors comments and complaints relevant to their areas of responsibility at least every four weeks. They use the information to identify areas for improvement and make necessary changes
- The Team actively contributes to post-incident reviews and strategic event planning to ensure that the voice of the customer is communicated, and feedback actioned
- All allegations of damage, loss or injury are sent to our Safety Team for their action as soon as we are made aware (either by the customer, on-board teams or a third party such as station staff). In the event that the incident is reportable to ORR under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR), this is done so in accordance with the processes and timescales agreed
- The Customer Relations Team is key in facilitating the Customer Excellence Board (see page 15 for further details).

The Customer Relations Team have showcased their passion for Customer service and in 2018 were recognised at the UK Business Awards, UK Customer Experience Awards and the UK Complaints Handling Awards, winning over 10 awards in the Team, Transformation Project and the Complaints Handling Categories. The Team have also been identified as 'Industry Leading' and were highlighted in the ORR 2018 Measuring Up report in recognition of the consistently high standard of our complaints handling processes: "CrossCountry achieves a higher level of passenger satisfaction than other train operators across a number of customer service measures including the complaints handling process, and the outcome. We also note that CrossCountry consistently exceeds its requirement to provide a final response to 95% of complaints received within 20 working days". More recently the team have ranked second amongst all train companies in the ORR's annual complaints handling report.

B. SOCIAL MEDIA

Social Media continues to be an increasingly popular method for customers and potential customers to contact us. Our dedicated, in-house Customer Communications Specialist Team manages our Twitter and Facebook profiles, helping to respond to comments, complaints, queries and suggestions. As part of our franchise award, we operate a 24/7 team, who can respond in real-time. This means that the former 'gaps' in availability (i.e. when there are trains running, but outside the hours of operation of the Social Media Team) have been eradicated.

Given that the vast majority of queries and contacts we receive via Social Media relate to train running and delays, the team of Customer Communications Specialists sit within the Control Department. This ensures that decisions made by the Control Team regarding train running, disruption advice and details of alternative travel are communicated as effectively and quickly as possible. Our followers can expect:

- A reply to their enquiry, comment or suggestion within 30 minutes, 7 days a week, 24 hours a day
- Live travel information including updates on incidents which will affect journeys on our network and live updates of any additional services we operate due to large events
- Promotional tweets for any offers, giveaways and competitions that CrossCountry are currently running. Updates advising of latest advance fare availability may also be made available
- We are also using this new team to proactively advise customers of their eligibility to Delay Repay compensation, where appropriate

Every tweet or post we receive is recorded on our database and the feedback we receive is used to produce both high-level weekly overview summaries and detailed monthly reports which are used right across the business, from Exec level through to Head of Departments, the managers responsible for specific areas as well as to our frontline colleagues and the wider organisation. This information allows us to take relevant action and to drive improvements where possible to enhance the customer experience. Since the inception of our 24/7 social media presence, we have enhanced the range of services the team are able to offer. This has included the ability for customers to make bicycle reservations on our services via Facebook and Twitter – an innovation which won the 'Best Customer Service' award at the 2017 Cycle-Rail Awards.

C. STAKEHOLDER ENGAGEMENT

We develop close and lasting relationships with our stakeholders to ensure that, through them, the regions our trains serve as well as the people that use them, can benefit. We attend key meetings in all the areas CrossCountry operates, working with local, regional and

national stakeholders to deliver the benefits of our franchise, build effective partnerships and to work with them in pursuit of their aspirations for improved transport connectivity and performance.

Key stakeholders include:

- UK Government and Department for Transport (DfT)
- Transport for Scotland
- Transport for Wales
- Metro mayors
- Network Rail
- Local Government
- Industry bodies including Network Rail, Rail Delivery Group, the ORR and Rail North
- Transport Focus
- Combined Authorities, Passenger Transport Executives and Integrated Transport Authorities
- Scottish Regional Transport Partnerships
- Chambers of Commerce, Business Councils and Local Enterprise Partnerships
- Trade Unions
- Lobby and Special Interest Groups
- Rail User Groups

Stakeholder liaison activity is managed by CrossCountry's Head of Corporate Affairs and supported by three Stakeholder Liaison Managers, responsible for day-to-day stakeholder activity across the network.

This dedicated team enables a proactive approach to engagement with the many stakeholders seeking to work with and build relationships with CrossCountry. They will work closely with the Regional Directors to strengthen our relationships in the regions. Alongside physically attending meetings, the team creates opportunities for CrossCountry to become more actively engaged in local transport initiatives, allowing for greater understanding and recognition by stakeholders of the potential for services to deliver their transport aspirations. This is helpful in ensuring stakeholders can take account of the ability, or not, for CrossCountry services to deliver local aspirations without jeopardising the core long distance elements of the franchise's business. Greater engagement with stakeholders facilitates the wider sharing of industry plans and practices to external audiences, helping them to better understand the likelihood of the rail industry being able to deliver their aspirations and the approximated costs and timescales for achieving these.

To ensure that the wider elements of the business are kept aware of stakeholder aspirations, feedback from meetings and consultations is provided to the internal 'Engineering and Timetable Access Group' (ETAG). This group incorporates members from the Commercial, Production and Customer Service functions, ensuring that any

proposed timetable modifications or service alterations can be fully evaluated for both operational deliverability and commercial viability. A matrix of known stakeholder aspirations is maintained for discussion at meetings, ensuring the impact of delivered infrastructure enhancements or timetable changes by other train operating companies (TOCs) can be evaluated for their impact on any desired aspiration.

In addition to ETAG, the Corporate Affairs team also maintains a database of stakeholder aspirations that can be used by Directors or Department 'Heads of' in the early formulation of future plans, ensuring business cases can reflect the needs of customers and stakeholders.

Stakeholder Newsletter

The team produces a newsletter summarising news and information regarding the CrossCountry franchise. This also summarises information on how we have performed against our targets for customer satisfaction, operational performance and reliability, and for other key metrics contained in our Franchise Agreement. This newsletter will be circulated to stakeholders via email and made available to all stakeholders and customers through our website.

Stakeholder Survey

Each year we undertake a survey of our stakeholders' perceptions regarding how we have performed, and this information is fed into the annual review of our Customer and Stakeholder Engagement Strategy (CSES). This feedback is benchmarked using an external company so that we can measure success objectively and identify further areas for improvement. We will continue to evolve this process throughout the franchise to include more regular insight.

D. CUSTOMER INSIGHT

CrossCountry commissions and uses a range of ad hoc and continuous customer research projects. These include:

- National Rail Passenger Survey (NRPS): a bi-annual survey, carried out with a representative sample of rail customers. The survey can be completed either on paper or online
- Customer Panel: we have an Online Customer Panel called 'XChange Views'. To date we have over 2,000 members and we have completed more than 4 online surveys with our Panel each year since April 2017. These surveys have covered topics including attitudes towards environmental issues, the experiences of customers with accessibility challenges and barriers to purchase
- Passenger Information During Disruption (PIDD): a continuous online survey with customers that have experienced a delay, carried out by the Rail Delivery Group (RDG)

Our Customer Insight Manager is responsible for managing customer research internally.

We also use operational data from a range of departments to continually monitor our performance. This includes:

- Revenue: data regarding bookings, seat reservations, passenger counts/capacity and sales & revenue
- Safety: data regarding defects and operational incidents
- Performance: data regarding Public Performance Measure (PPM), right time, significant lateness, delays, cancellations and incident records
- Fleet: data regarding defects and auditing, both internally and by depots
- Service quality audits: both on board and at station

Where possible all data and insight are combined to give us a 'single view of the customer'.

E. COMMUNICATING WITH CUSTOMERS

Marketing

Through the use of research, customer segmentation techniques and feedback channels, we have devised a tailored programme of communications for customers. This ensures relevance and personalisation to provide value to the customer rather than generic content applicable to all. This is a commitment to delivering information appropriate for the individual at a time most relevant to them through a channel of their choice and is the essence of our brand values.

Choice of retail channels

Based on customer feedback and consumer trends, both within the travel marketplace and in other industries, we continue to develop our communication channels to provide choice and convenience to customers. Our Train Tickets app, mobile site and website all provide information and purchasing facilities in an easy to use format enabling customers to engage with us in whatever way is most convenient for them.

Divisional approach to Corporate Sales

We recognise the unique requirements of our core business market whose relationship with CrossCountry is through third party Travel Management Companies. Arriva UK Trains has invested heavily to better engage with customers and stakeholders through these channels, establishing a divisional team and key account structure to provide the resources and tools necessary to create two-way communication. This approach has created the opportunity to seek, identify and introduce innovative solutions for the benefit of both Travel Management Companies and their corporate clients as well as establishing long-term sustainable partnerships.

Customer Report

We'll publish a Customer Report twice each year, in April and October, and this will give you an update on how we are performing and how we are progressing with our plans.

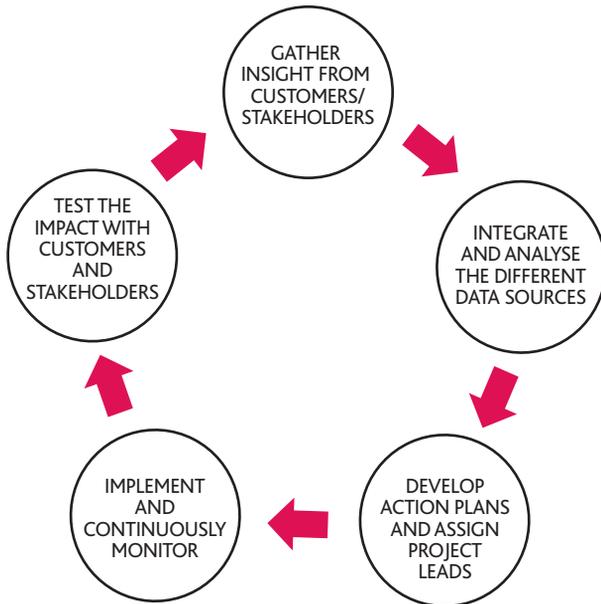
We will let you know when a new Customer Report is published, via:

- Posters at staffed stations, where you'll be able to pick up a copy of the latest Customer Report
- Our on-train WiFi, where you'll be able to view the latest edition from the CrossCountry WiFi landing page.
- crosscountrytrains.co.uk – you'll be able to view and download from a clear link on our homepage

For those who'd like to hear about our performance and progress in a more personalised way, sign up to receive e-mail communications from us and we'll send you a quarterly e-mail with updates related to the CrossCountry route closest to you. This will include operational performance information, progress with our improvements and latest news and offers.

F. IMPROVING CUSTOMER EXPERIENCE

Our approach is to continually evaluate our business and the customer experience. We do this by collating and taking action in response to customer and stakeholder feedback. This is a continuous improvement process as demonstrated in the diagram below.



The steps in the cyclical process include:

- Data and research are collected from the sources identified above, including Customer Relations feedback, social media, stakeholder engagement and customer insight
- The data is analysed and discussed. The key audience is the Customer Excellence Board, which meets every four weeks and is attended by Directors and key Heads of Department and managers across the business
- If the feedback suggests improvements are required, then action plans will be created and Project Lead(s) assigned. This may involve cross-departmental working groups
- Success is managed through a governance process, including regular meetings to review performance against agreed KPIs
- Arriva UK Trains supports larger scale business improvement changes through the divisional project management office
- The last stage of the process loop is to test changes with customers and stakeholders. This is done by analysing feedback through the same sources listed above (customer relations feedback, social media feedback, customer insight etc).

6. Future Improvements

We are pleased to have secured a Direct Award for the next 3 years in which we will deliver an ambitious programme of enhancements, intended to deliver over the core term tangible benefit to our customers, staff, stakeholders, the Department and taxpayers. It builds on our significant experience and knowledge in operating the franchise since 2007, during which we are proud to have delivered significant improvement in many areas. It will deliver:

- Introduction of extra rolling stock on routes between Birmingham, Nottingham, Cardiff, Cambridge and Stansted from May 2021
- A great range of improvements for customers including:
 - o More feedback opportunities – after your journey, after you contact our teams and if you book Passenger Assistance – to help us better understand your personal experience and make any necessary improvements
 - o A programme of improvements for customers with disabilities to remove barriers to train travel including sign language content and guide dog reservations
 - o Improved auditing on board our trains to quickly identify faults and ensure issues are fixed in near-real time
 - o More route-specific information, for customers who opt in, about how we're doing in your area and what plans we have in mind that affect your local service
- Expanded Station Liaison team to foster better customer experience for CrossCountry customers at stations across our network

- A dedicated Customer Experience team to ensure we are customer-centric in all that we do at CrossCountry
- A renewed focus on Sustainability within the franchise through:
 - o Support of three new Community Rail Partnerships, taking the number of CRPs we support to 23
 - o Expanded range of apprenticeships offered including new courses for on-board roles
 - o New partnership with the Prince's Trust to provide work experience opportunities to young people

These enhancements will be delivered throughout the franchise term using our established Project Management Office to provide the structure for success.

We will report on our progress through the twice-yearly Customer Report, the CrossCountry website, targeted emails for customers and stakeholders registered on our customer database and stakeholder newsletters.

For further information visit:
crosscountrytrains.co.uk
or call us on 0344 736 9123