



Factors hampering intermodal alliances

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Contents

- ▷ Intermodality
- ▷ Supply-side factors
- ▷ Demand-side factors
- ▷ Outlook

Intermodal alliance:

Strategic co-operation of partners serving different modes
(win-win situation)



“Modality” is not an objective characteristic

- ▷ Intermodality refers to a viewer’s perception in passenger transport
 - ▷ Modal characteristics (wings, rail track)
 - ▷ Level of standardisation/customisation
 - ▷ Level of service (no frill, premium)
 - ▷ Distances (feeder, trunk route)
 - ▷ Brand (provider’s identity)
- ▷ Examples
 - ▷ AIRail - LH Airport Bus
 - ▷ AirFrance/KLM - Thalys
 - ▷ Rail&Fly
 - ▷ Airport station in FRA, DUS, LHR
 - ▷ LH - LH Regional
 - ▷ High-speed rail (HSR) - local public transport



Co-operation and competition in the transport sector

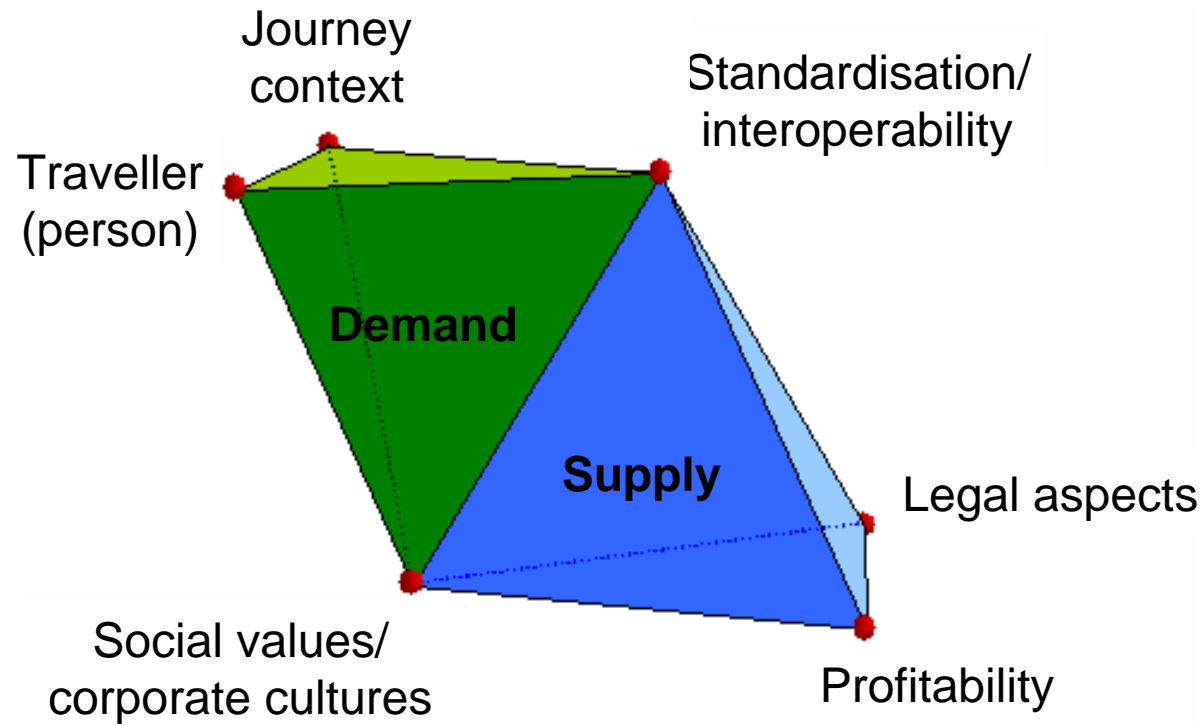
Aims of intermodal co-operations

- ▷ Cost reductions (“one kitchen, two restaurants”)
 - ▷ Sales (and purchase)
 - ▷ Operations (and maintenance)
- ▷ Extended spatial coverage

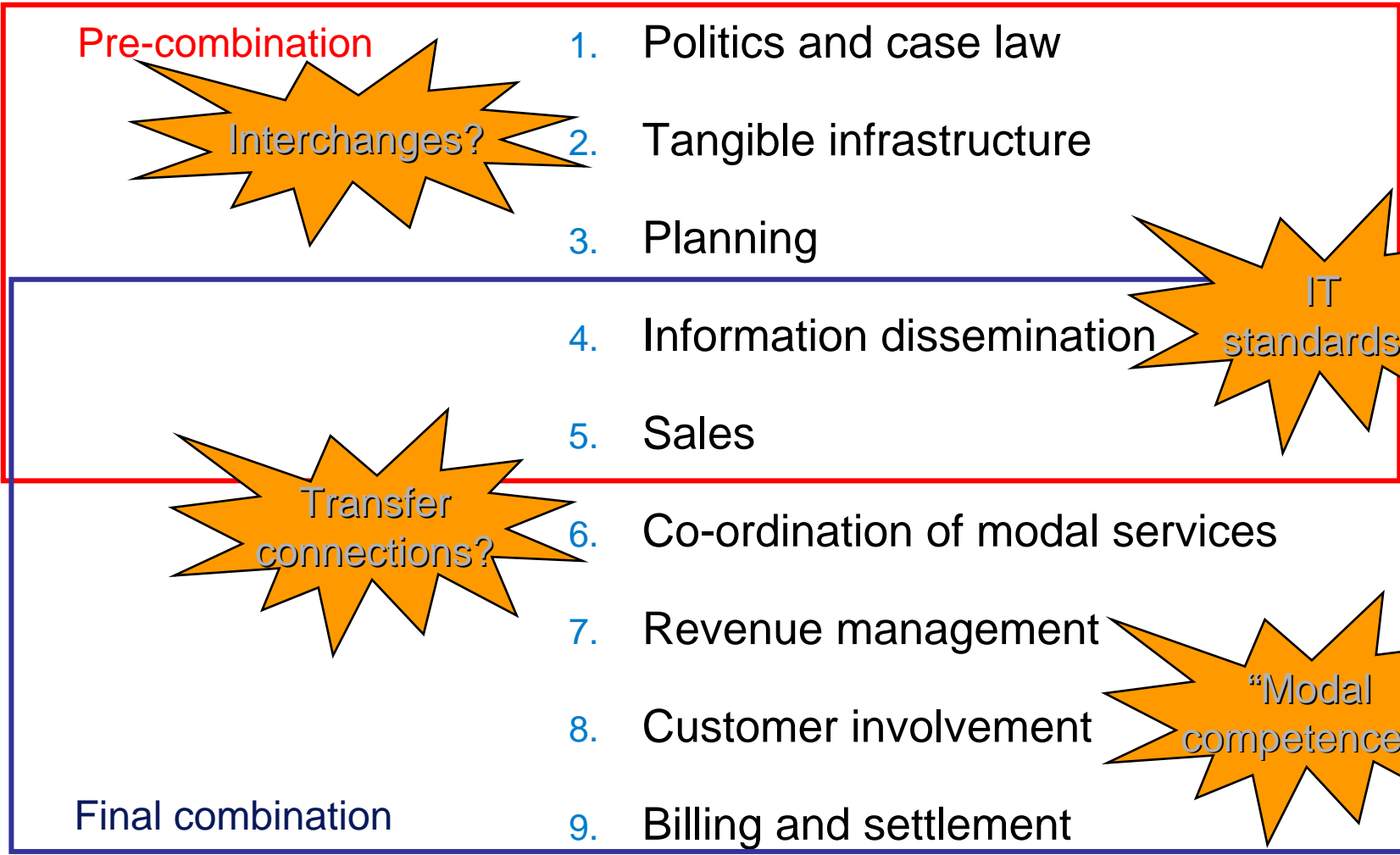
Reasons for intermodal competition

- ▷ Overlap in ranges (railways: 100-400km, aircrafts: 300+ km)
- ▷ New pricing models (low cost)

Various dimensions affect intermodal travel services



Intermodal service processes are more complex



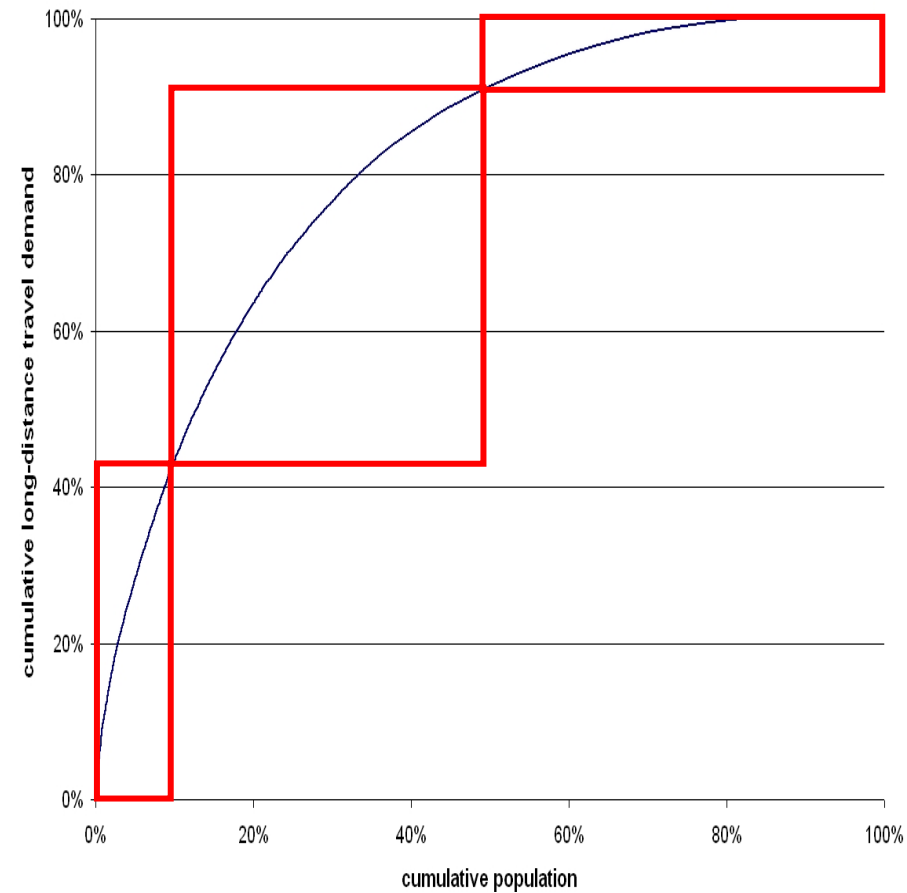


Extended spatial coverage

- ▶ AIRail enlarged FRA's catchment to the south (~1.5h to Stuttgart) and northwest (~1h to Cologne)
- ▶ LH Airport Busses connected Strasbourg, Heidelberg, Mannheim
- ▶ 180.000 AirFrance pax used Thalys code share for PAR-BRU (2002)
- ▶ KLM/Thalys code shared 50.000 pax on Antwerp-AMS (2002)
- ▶ Lufthansa close down all flights FRA-CGN at end of October 2007, substituting them with existing HSR connections

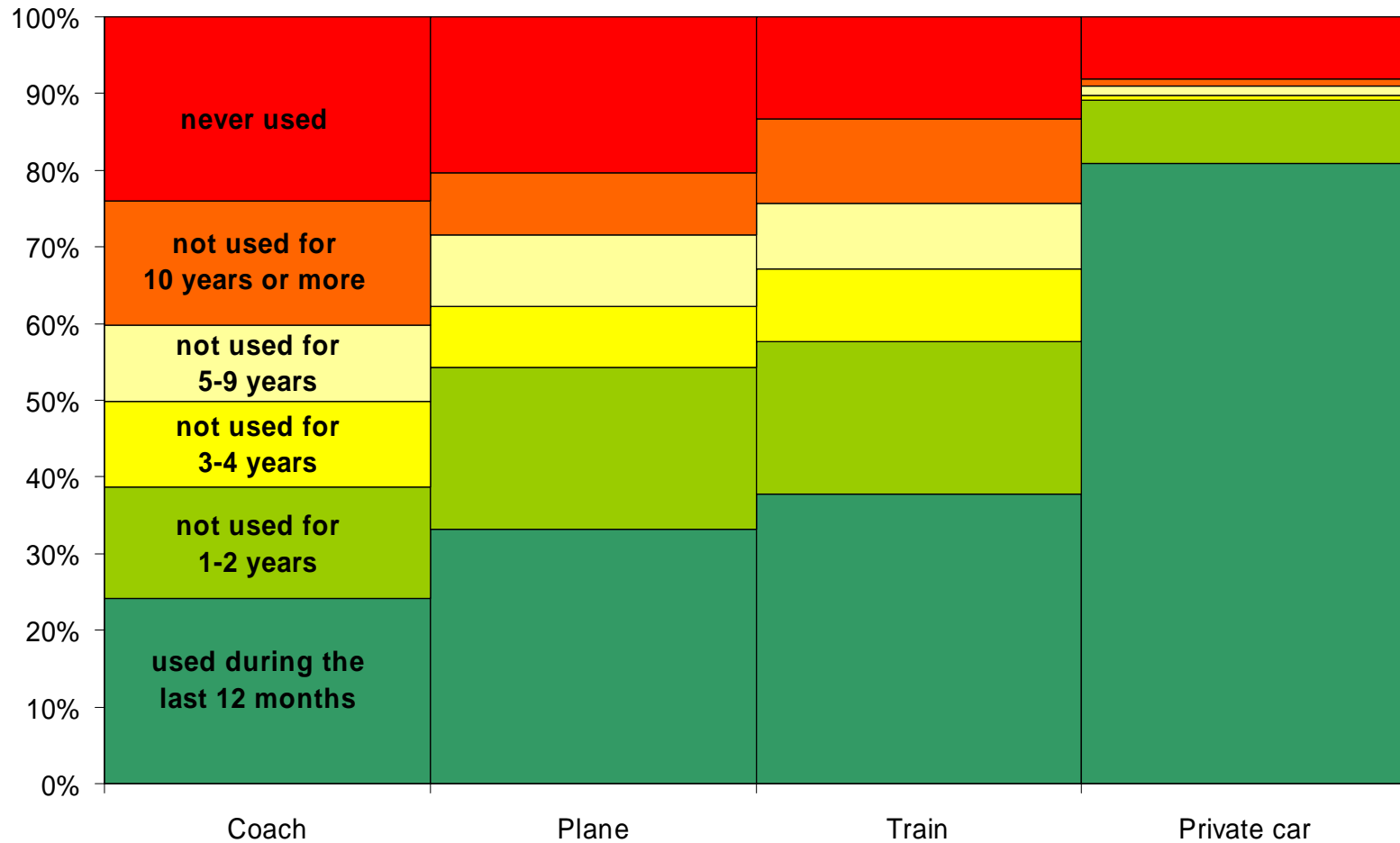
Travel experience is heterogeneously distributed

- ▶ One percent of the German population causes a tenth of all long-distance journeys
- ▶ A tenth of the population undertakes more than 40 percent of all journeys longer than 100 km
- ▶ 50 percent generate more than 90 percent of travel demand



Source: INVERMO

Modal competences are pre-requisites for autonomous intermodal travelling



Source: INVERMO



Intermodality has advantages in less profitable markets

- ▷ Direct (unimodal) services in strong markets
- ▷ Only complementary services considered (competition)
- ▷ Transfers required (costly infrastructure)
- ▷ Limited willingness-to-pay (heterogeneity in demand)
- ▷ Substitute for uneconomical alternatives
- ▷ Customer involvement were possible to reduce expenses

→ Niche market!



Questions?

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