



Customer preferences Göteborg-Malmö-Copenhagen



Green STRING corridor seminar

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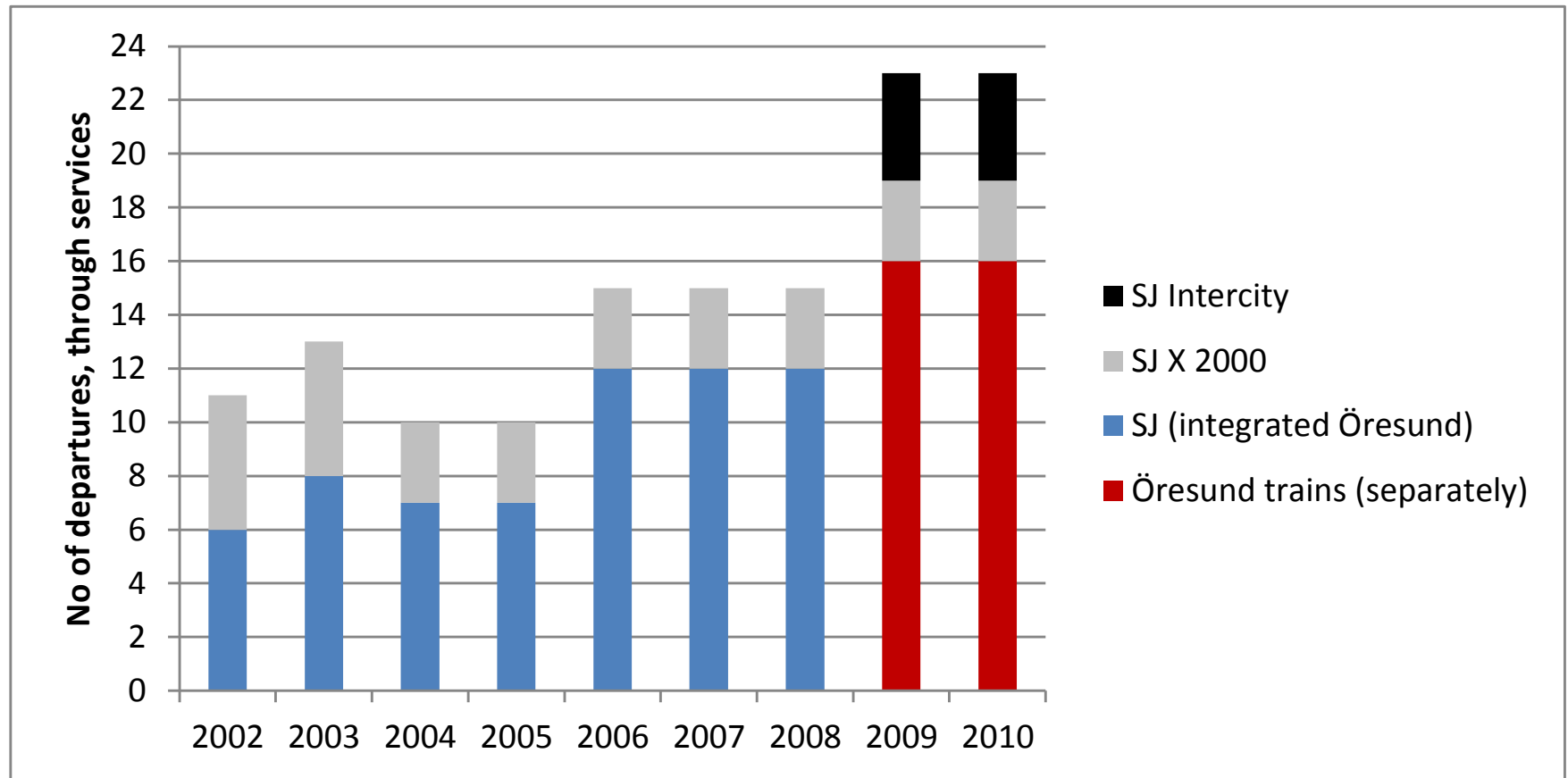
The West Coast Line, Sweden

- The Öresund train services is procured as a separate entity since January 2009
- Until April 2012 SJ did run their own interregional services in competition with Öresund trains
- “Competition trial” – preceding deregulation of interregional train services (October 2010)



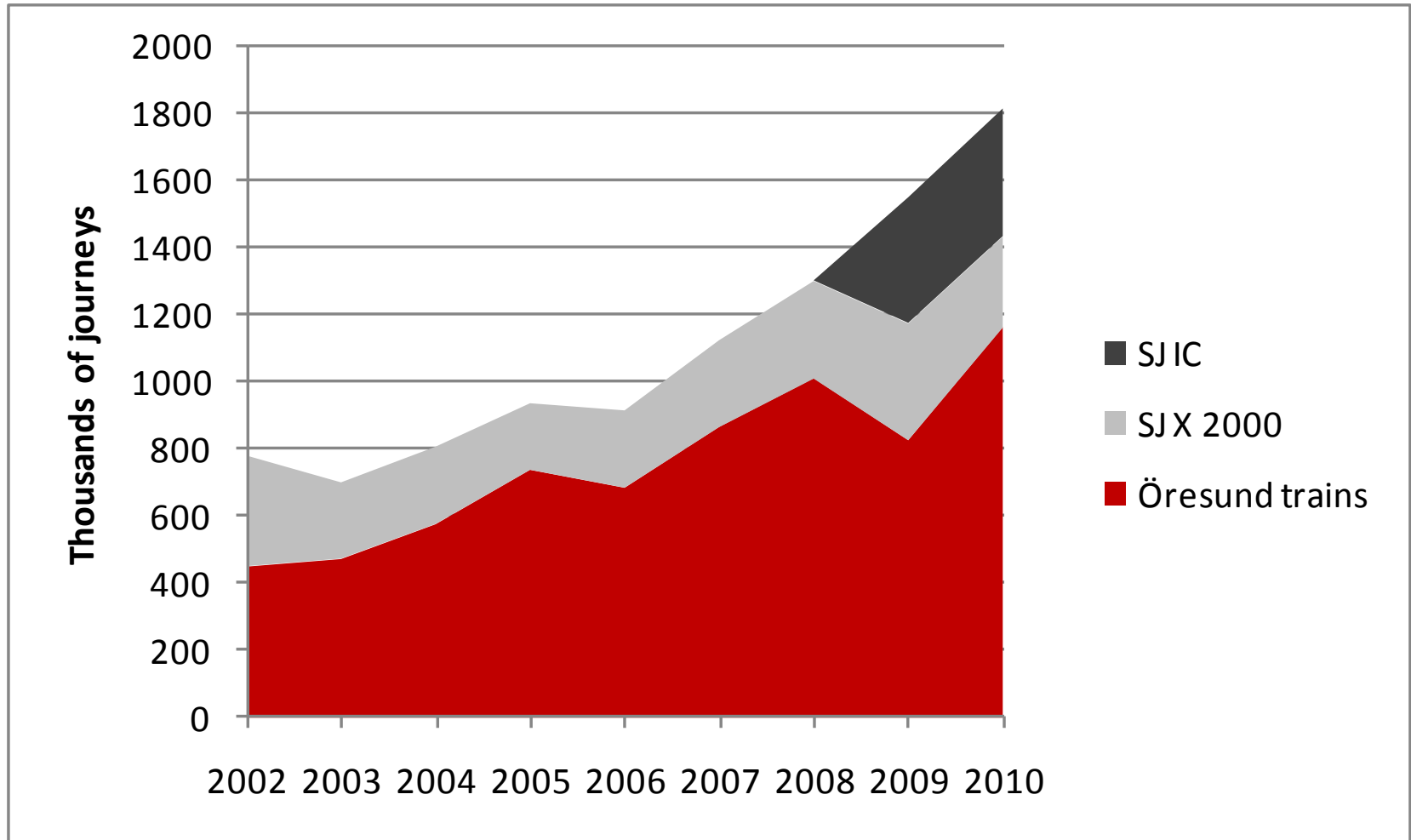
No. of departures, Mon-Fri

Through services Malmö–Göteborg (each direction)



Passenger volumes

Section south of Halmstad



Market shares

interregional journeys (>100 km)

Section south of Halmstad

	2005	2008	2010
Train (total)	16%	21%	28%
<i>Of which:</i>			
SJ (Intercity+X 2000)			10%
Öresund trains			18%
Bus (Coach)	6%	4%	4%
Air	8%	7%	5%
Car	70%	68%	63%

Passenger survey

September 2010

Involved all train services

- SJ:s X 2000-trains
- SJ:s IC-trains
- Öresund trains

On board

Target group: all passengers travelling > 100 km (except children)

Response rate: 56% (1064 respondents)



Conjoint Analysis– Binary choices between combined alternatives

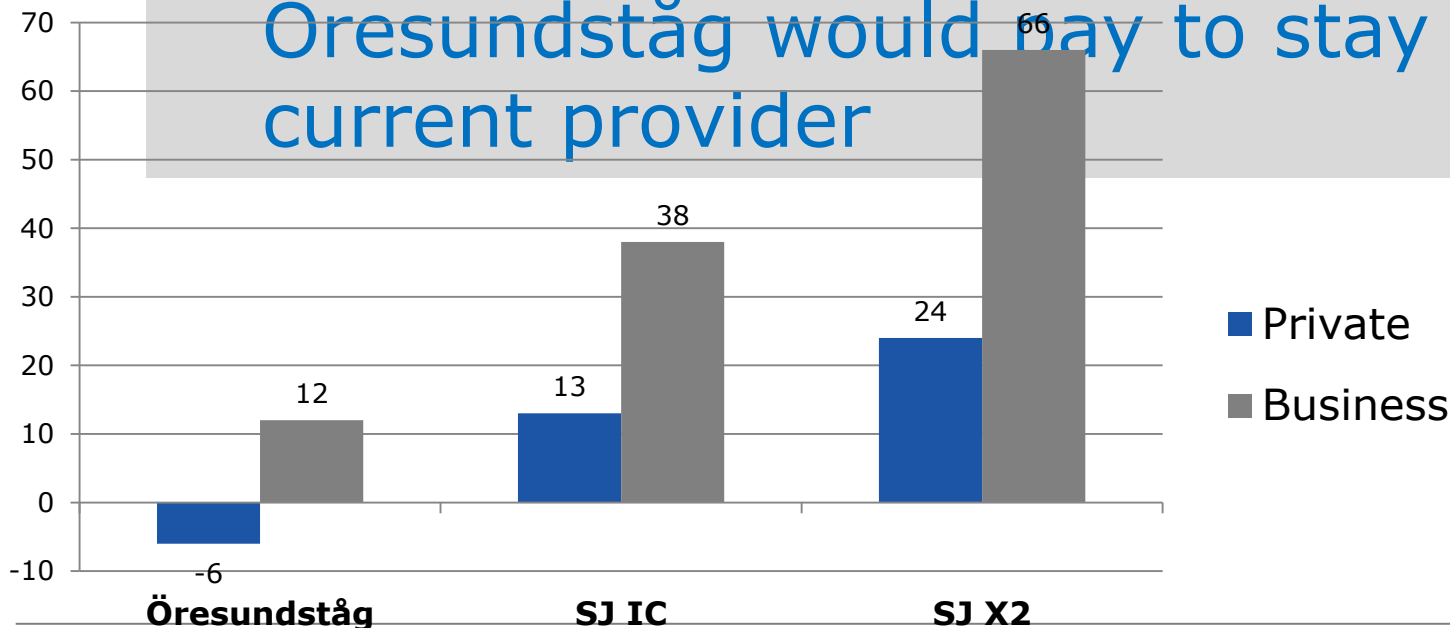
Vilket alternativ väljer du?

Tågoperatör:	SJ	Öresundståg
Biljettpris:	25 kr mindre än idag	50 kr mer än idag
Restid:	20 minuter längre än idag	5 minuter kortare än idag
Service ombord:	Bistroservering	Försäljning i automat
Tågtyp:		
Jag väljer:	1 <input type="checkbox"/>	2 <input type="checkbox"/>

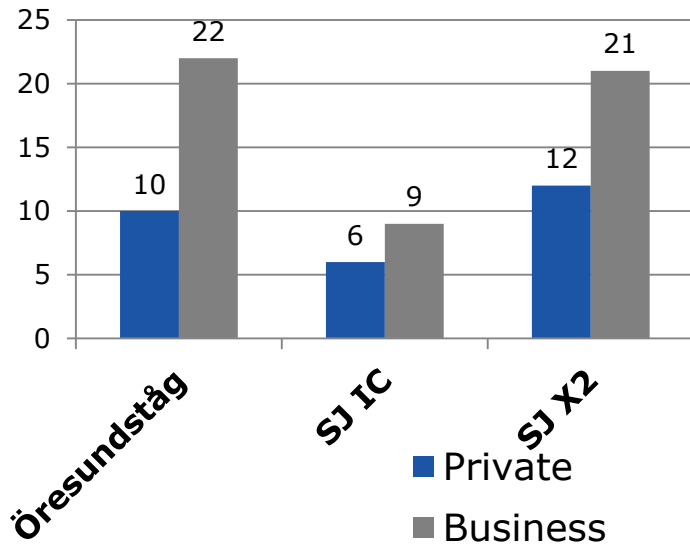
- Service provider SJ or Öresundståg
- Train type OTU / X2
- Fare
- Travel time
- Food/drink service None / Vending machine / Bistro

Operator SJ is "the high brand" Private Öresundståg passengers are loyal and/or "self-selected"

- Passengers would pay up to 66 SEK extra to go by SJ
- Business travellers more than private
- BUT... passengers on a private trip with Öresundståg would pay to stay with their current provider

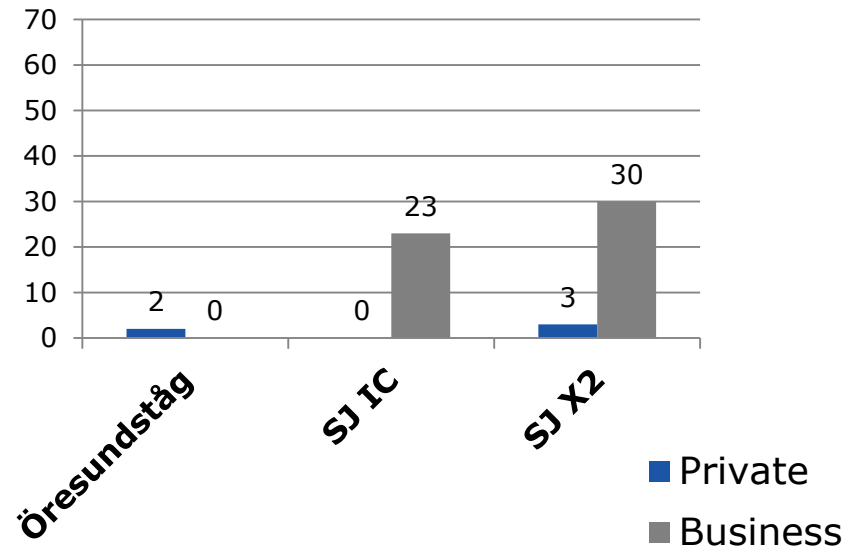
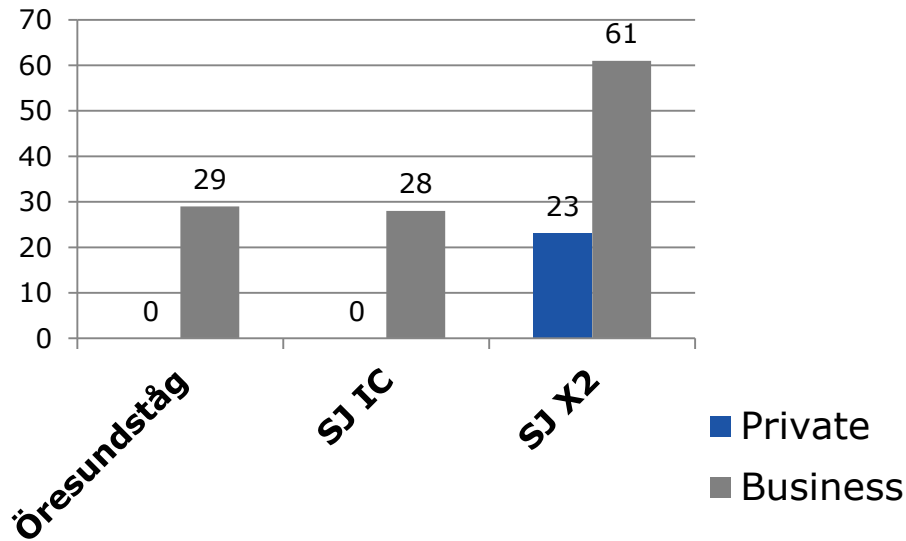


Train type X2 is preferred by all customer groups



- Passengers would pay up to 22 SEK extra to go by X2
- Business travellers more than private
- No loyalty or self-selection: Those currently on OTU have even stronger preferences for X2

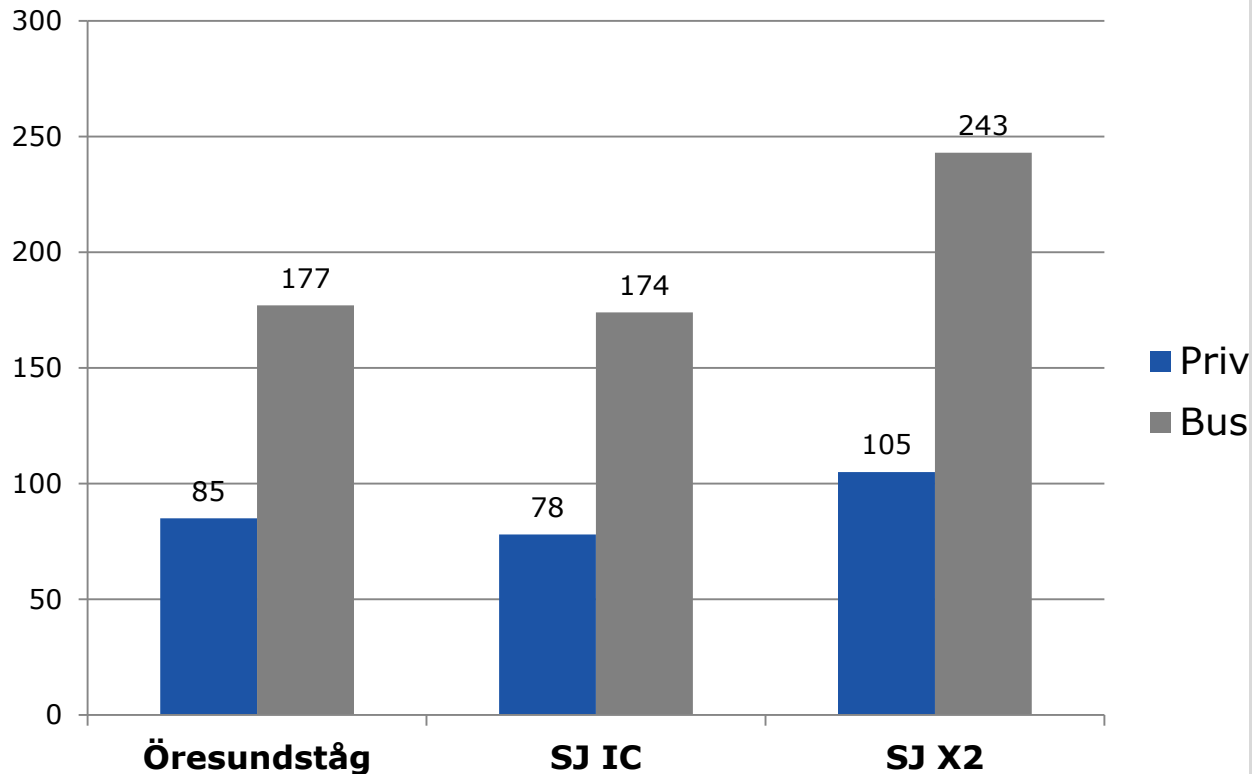
Bistro is appreciated by business travellers
But private passengers on OTU do not miss it



Vending machine would be "half the value"

Willingness to pay for reduced travel time

"Value-of-time"



- Private passengers, too, value shorter travel time (80-100 SEK/h)
- Business travellers even more (175-245 SEK/h)
- Self-selection: SJ X2000 have the most time-sensitive passengers in each segment

Conclusions

Market effects of competition in interregional rail services

Ex ante 2008, ex post 2010

- More frequent service (no. of departures +50%)
 - Increased no of passengers (+40%)
 - Increased train market share (21%→28%)
 - Decreased market share for car (8% ->5%)
-

Conclusions

Passenger valuations of competition in interregional rail services

- Strong preference for the supply factors low price, high frequency and short travel time
- Preference for the more well-known operator SJ over the new entrant Öresund trains, except for a price sensitive segment of travelers
- Intra-modal competition between different train products:

Time and comfort → SJ X 2000

Price and frequency → Öresund trains

Contact

A joint research project by KTH and WSP

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