

The **future** of rail distribution



*The Voice
of European
Railways*

FOREWORD

Serving our customers through better ticketing and information services

Rail ticketing has come a long way in the last decade, from paper tickets typically sold at station counters, to more and more virtual tickets available on smart cards and mobile phones. These changes are the outcome of substantial investment in innovative products by railway undertakings, as a result of changing consumer trends and technological developments.

Customers are increasingly technology-savvy, and expect to get all relevant information at their fingertips in a few clicks, through a wide variety of data channels providing real time and personalised information. The emergence of smartphones and new IT technologies is driving this technological and behavioural revolution in the transport world.

The rail sector is keen to embrace technological and societal changes in order to meet the needs and expectations of modern customers.

This brochure gives a snapshot of the breadth of innovation in the field of rail ticket distribution. It showcases the collaborative spirit of railway undertakings, who are regularly working together, as well as with other transport modes and third party providers. Above all, this brochure outlines the trends and developments defining the future of rail distribution.

We hope it will provide some useful insights and perspectives into the changes underway in this rapidly evolving field.



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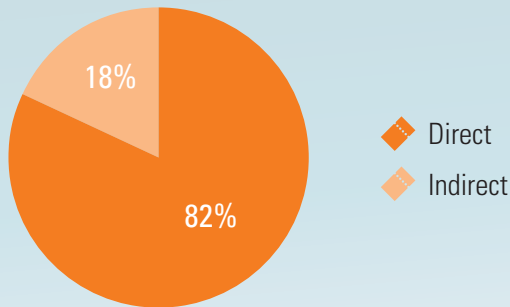
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RAIL DISTRIBUTION IN FIGURES

The world of rail distribution is rapidly changing.

Railway operators make more and more use of third party providers (i.e. indirect sales), not only for the display of timetable information, but also for the sale of train tickets.

Share of tickets sold through direct and indirect sales channels in 2012

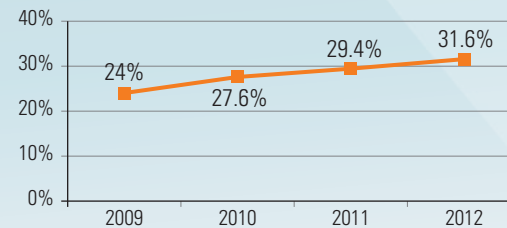


Source: CER, 2013

Rail tickets are now sold on a variety of sales channels,

going beyond traditional ones such as vending machines, 'high street' travel agencies and station counters. In Europe, from 2009 to 2012, the percentage of tickets sold through innovative sales channels, such as online channels and mobile applications, has gone from 24% to almost 32%, according to CER estimates.

Percentage of rail tickets sold through innovative sales channels



Source: CER, 2013



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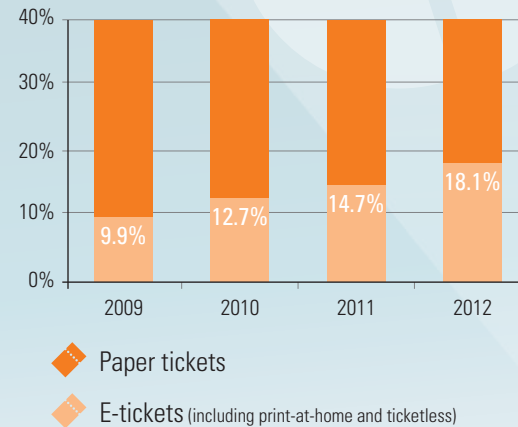
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Railway operators have invested considerably in modern distribution systems during the last five years, and in particular, in their own websites. As a result, the number of tickets sold via operators' own websites has increased from 9.3% of tickets in 2009, to 14.5% of tickets in 2012.

Meanwhile, onboard sales have remained stable during the same period, which indicates that the importance of innovative sales channels has increased at the expense of sales at vending machines, station counters and, 'high street' travel agencies.

According to CER estimates, **the proportion of e-tickets** (category including print-at-home and ticketless) **has increased substantially in Europe between 2009 and 2012**, from less than 10% of tickets sold in 2009 to almost 20% in 2012. This is set to increase further in the coming years.

Percentage of paper tickets and e-tickets sold from 2009 to 2012



Source: CER, 2013



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RAILWAYS: THE 'BACKBONE' OF MULTI-MODAL JOURNEY PLANNING

The first step in reaching out to potential rail customers is to provide them with accurate and user-friendly journey planners. **The railways have a strong expertise in this field, developing increasingly innovative and reliable information tools.** Most of these tools, either developed by railway operators themselves, or in partnership with third party providers such as GDSs (Global Distribution Systems) and search engines, are now multi-carrier, and increasingly multi-modal.

Year after year, the journey planners developed by railway operators become more sophisticated. They are now progressively providing **door-to-door information** to customers.



Focus on: Mytripset

With the development of the innovative planner and comparator tool Mytripset, SNCF has shown that the railways can be frontrunners in the field of multimodal journey planning and on-line distribution. It is now possible for passengers to plan their entire trip, door-to-door, using a combination of various modes, including flights, train journeys, car rides and local public transports. Mytripset allows passengers to compare all itineraries, using a wide number of criteria such as duration of the trip, number of connections, price, or CO₂ emissions.

Once passengers have selected their preferred itinerary, the detailed itinerary is displayed on a map and offers additional information relative to the trip, and passengers have the possibility to buy train or flight segments on the voyages-sncf.com website. Redirection is automatic and passengers can simply proceed to payment. Tickets are either immediately available in electronic format or available in paper format, and can be sent by post to a large number of destinations around the world.

For more information: <http://mytripset.voyages-sncf.com>



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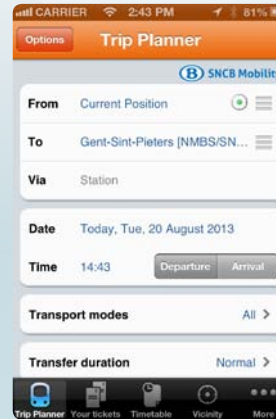
Focus on: NMBS/SNCB Mobility application

SNCB Mobility offers a free application for the most popular smartphones (iPhones, Android, Blackberry and Nokia). The application covers the entire SNCB Mobility network (domestic trains in Belgium).

Besides real-time information about trains, the application offers a wide variety of additional features:

- Travel advice on the basis of your current position (via GPS localisation);
- Door-to-door itineraries (including metro, tram, bus and walking routes);
- Real-time departure and arrival times for each station;
- Information about disruptions on the rail network;
- Ticket purchase (currently possible in iOS app and on the mobile website - other smartphone platforms will follow in the near future).

For more information: <http://www.sncb.be>



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FROM PRINT-AT-HOME TO TICKETLESS

Dematerialisation of tickets is one of the biggest trends in the field of transport distribution. This is also the case for rail, as shown in the section on rail distribution in figures.

Over the last five years, railway operators have progressively introduced more innovative types of tickets, with the development and spread of print-at-home e-tickets and smart cards – the latter particularly for local and regional transport. Dematerialisation has gone even further in the last years, with a move towards ticketless mobile ‘apps’.



Focus on: Thalys TheCard

Thalys TheCard is a card giving access to the Thalys loyalty programme. One of the key benefits of the card is to allow passengers to travel without traditional or home-printed tickets, as the card enables the train manager to verify both the identity of the holder and his reservation.

Thanks to this card, it is now possible to book ticketless journeys online, by phone or via a travel agent. There is no need for printing or going to a ticket office or an agency to collect the ticket. Passengers receive confirmation of their booking by e-mail and their seat and carriage number by text message before their journey.

The card is free of charge. The loyalty programme Thalys TheCard also offers a number of additional benefits, such as text messages in the event of any disruption of rail traffic, access to selected Traveler and Business Lounges inside and outside stations, discounts on hotel bookings, car rental, taxi bookings and cultural offers, and miles that can be spent on reward tickets from Thalys, Eurostar and soon also from TGV, for instance.

For more information: <http://www.thalysthecard.com>



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Focus on: DB Touch&Travel

As smartphones increasingly become universal service devices, Deutsche Bahn has proven that the railways can be at the forefront of innovative ticketing for public transport by developing the Touch&Travel eTicketing solution.

It enables multi-modal travel without the need for advance ticket purchasing or for choosing a suitable ticket as the system calculates the right fare according to the route travelled. Passengers only need to activate a check-in button on their phone. Their location is thus identified shortly before starting the journey. Passengers then check-out with another touch on their phone as soon as they have reached their destination. By checking-out, the system automatically calculates the route and fare and customers conveniently pay by direct debit on a monthly basis. Touch&Travel eliminates one of the major hurdles to public transport – the need to arrange for upfront ticketing and payment.

For more information: www.touchandtravel.de



Touch&Travel The flexible way to travel.



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IMPROVING THE TRAVEL EXPERIENCE OF PASSENGERS

Only a few years ago, all tickets were paper tickets, and could only be bought by phone, at travel agencies, at stations, using vending machines or directly on board trains. Timetables were only available in paper format, and displayed on big screens at stations, and it was difficult for passengers to get up-to-date information about traffic disruptions away from train stations or if already on board.

Things have evolved considerably during the last decade. **Making the most of modern technologies, railway operators have substantially improved their services to passengers.** New mobile applications now make it possible to book tickets, store proof of payment, amend bookings and receive up-to-date information about disruptions with a single application on your mobile phone.



Focus on: ViaggiaTreno

With ViaggiaTreno, Trenitalia has been providing its customers with real time traffic monitoring, giving information about last minute changes to departures and arrivals, as well as connections at main Italian stations since 2006.

Searches can be based on specific routes, on train numbers or on determined stations. Thanks to recent improvements, ViaggiaTreno now provides information about operational changes, such as total and partial train cancellations, additional and missed stops, disruptions and changes of train numbers. The number of the platform for a given train is provided for several stations.

ViaggiaTreno is available free of charge and in Italian, English, German and several other languages.

Real-time traffic monitoring is also possible on mobile phones via mobile.viaggiatreno.it and on smartphones via the app Pronto Treno.

For more information: <http://www.viaggiatreno.it>



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Many railways are now turning into 'travel facilitators', offering specific products adapted to each traveller's needs, be it business-related, or focused on leisure and tourism.

Special integrated offerings for tourist destinations are now available, with train tickets giving access to local transport, and in some cases, with special discounts on cultural offerings, hotels, car and bicycle rentals and parking space reservations.



Focus on: Integrated 'Trip tickets'

MÁV-START has launched integrated 'Trip tickets' perfect for travellers willing to spend a long week-end in Vienna or Prague.

Ausflugsticket Wien + Zone 100 is a special integrated offer for trips from Budapest to Vienna, valid for a period of four days. During the first two days of their stay in Vienna, passengers are allowed to use local public transportation in Vienna (Wiener Linien within central zone) at no extra cost. The train ticket can simply be presented during an inspection and is valid for city transportation. This ticket currently costs €34.

Ausflugsticket Praha + PID is a similar ticket for the Budapest-Prague route, also valid four days. The ticket, which currently costs €59, can be used on the local public transport network in Prague for the first three days of validity.

MÁV-START also offers special deals for touristic destinations on their domestic network, with intermodal tickets, discounts on cultural offers and organised tours for touristic attractions.

For more information:

<http://www.mav-start.hu/nemzetkozi/kirandulojegy.php> and http://www.mav-start.hu/utazas/belfoldi_index.php



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INCREASING THE DIVERSITY OF DISTRIBUTION CHANNELS TO PROVIDE MORE CHOICE TO CUSTOMERS

Over the years, railway operators have launched **more and more partnerships** with GDSs (Global Distribution Systems), search engines and travel agencies for the display of timetable information and the sales of tickets.

This **increasing diversity** allows railways to **reach new customers**, such as travellers from overseas or passengers who do not usually travel by train. It also provides **more choice to customers**, in terms of retail outlets and booking channels.

The partnerships between Trenitalia and Amadeus, or DB and Google, for instance, are some positive examples of such collaborations. **Voluntary commercial agreements allowing both parties to negotiate freely are best suited to this type of partnership.**

Focus on: Ticketing Information Sessions

CER, the Community of European Railway and Infrastructure Companies, has organised three information sessions on ticketing during the last years. Best practice examples of cooperation with a diversity of distribution actors were presented on these occasions.

For more information:

<http://www.cer.be/events/past-events/3rd-cer-information-session-on-ticketing-and-journey-planning/2012/12/18/>



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MULTIMODALITY: YES, WE CAN!

Air-Rail products: a growing market

Intermodality in the field of distribution and ticketing offers clear opportunities to both air and rail. Rail has a tremendous role to play as feeder for long distance flights, increasingly replacing short-haul connecting flights. Recognising this potential, a growing number of bi-lateral collaborations between rail operators and airlines are taking place, both at national and pan-European level.

The emergence of e-ticketing, of new forms of commercial partnerships, and new distribution models are facilitating the enhancement of existing collaborations and the emergence of new ones between transport operators in the two modes, for their mutual benefit.



Focus on: SJ/SAS partnership

SJ and SAS are working together to provide a seamless travel experience to passengers. It is now easy to combine train and plane on the same trip, with a combined season ticket for frequent travelers. The Sweden card allows unlimited travel in Sweden, while the Destination Plus card allows unlimited travel on SJ operated trains in Sweden as an add-on to SAS flights.

SJ and SAS also offer a travel guarantee for connections between trains and flights at Arlanda and Copenhagen. The Get-out-guarantee allows SAS and SJ to ensure the trip all the way from start to finish, such as Amsterdam-Avesta or Nässjö-London. Rescheduling onto the next train or flight will be provided as part of this guarantee. Travel Guarantee applies when traveling with any of the common annual cards or if passengers travel on separate tickets.

For more information:

<http://www.sj.se/sj/jsp/polapoly.jsp?d=13753&l=sv>



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Rail and local transport: ever-closer connections

The last decade has seen the emergence of a wide number of electronic smartcard schemes for public transport at local and regional level. Common paper tickets for bus, metro and rail have been replaced by chips stored on cards or other media, which can be reloaded at vending machines when their balance is too low.



Focus on: Rejsekort

Rejsekort is an electronic ticket system for public transport in Denmark. The system is a result of the collaborative work between DSB, The Copenhagen Metro, and regional bus companies, which started in 2003.

Check in and out points are available at stations and on buses. The balance still available is automatically displayed upon check out. Vending machines are available at all DSB stations, and passengers can use them to reload their card, view their travel history and card balance and change their settings and preferences.

The system works with three types of travelcards. They can be used on the metro, bus and rail network for local and regional as well as for long distance trips. The most advantageous card type is Rejsekort Personal. It offers the greatest discounts and possibilities for both auto reloading and internet uploading. The other card types are not individual and can be used by more than one person, but on less advantageous conditions.

For more information: <http://www.rejsekort.dk>



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Door-to-door travel: going beyond train stations

Railway operators increasingly provide combined services involving train and a journey by ferry or boat, car rental or bicycle rental, through bi-lateral or multi-lateral agreements with commercial partners. **These offers are designed to offer door-to-door travel, for the benefit of passengers.**



Focus on: SailRail

SailRail is an alliance of Iarnród Éireann (Irish Rail), UK Train Operating Companies and Ferry Companies operating on the Irish Sea. The group offers through fares from Ireland to the UK as an attractive alternative to budget airline travel.

SailRail offers passengers the following benefits:

- Guaranteed low cost fares and reduced end-to-end journey times;
- No need to pre-book;
- No hidden taxes and no baggage restrictions or charges;
- 50% reduction for children under 16 and under 5's travel free.

For more information:

<http://www.irishrail.ie/index.jsp?p=118&n=249#SailRail>



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LOOKING FORWARD: WHAT IS NEEDED TO FURTHER IMPROVE RAIL DISTRIBUTION

Rail ticket distribution is a rapidly evolving field.

Operators have already put in place numerous innovations to serve better their customer and further improvements will take place in the coming years in order to meet the needs and expectations of customers. **Providing more choice and information to passengers will be essential.**

The best way to achieve this will be through **open application programming interfaces (APIs)**, which shall support multiple data formats and protocols while guaranteeing necessary interoperability. The result will be an **easier and faster access to information** about rail services, on a much wider diversity of distribution channels while avoiding expensive and inefficient data format standardisation.

In order to continue innovating, railway operators aim to retain the **full control of their distribution strategies** and the ability to **enter freely in commercial partnerships** with other transport operators and third parties.

Focus on: FSM - the Full Service Model

In June 2013, the CEOs of European passenger railways agreed to launch a joint initiative called the Full Service Model, designed to enhance end-to-end journey information and make it easier to book train and intermodal journeys on a diversity of distribution channels. This initiative, run in partnership with ticket vendors, will facilitate cross-distribution and allow railways to provide more choice and information to passengers, by making the most out of modern information technology (IT) developments.



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INDUSTRY TRENDS: WHERE WILL RAIL DISTRIBUTION BE IN FIVE YEARS FROM NOW?

Rail ticketing has already come a long way in the last decade. Railway operators have taken up opportunities offered by modern technologies, e-business and the emergence of chip cards and smartphones. **The industry is changing to adapt itself to the needs and expectations of modern customers, and companies are more and more using their distribution systems as strong competition tools in an increasingly open market.**

Journey planners are set to evolve further in the next few years. **Multi-modal, door-to-door planners will become the norm rather than the exception.** Journey planners will gradually incorporate pedestrian, bicycle and car sharing segments in their planning, and indicate where to hire a bike, or park a bike or car, taking into account the availability of parking space in real time. More and more journey planners will offer comparisons based on the environmental impact of travel options.

Conditions for passengers with reduced mobility will also be improved further: future planners will take into account the

availability of ramps and lifts, not only in stations, but also on the way to/from stations. Some planners will even indicate the opening times of ramps and whether a lift is out of order.

The biggest trend with ticketing will be progressive dematerialisation of tickets, with the disappearance of tickets as we know them, in some cases, and a direct link to the operator's database, where all information will be stored. In practice, smart cards and mobile tickets will be offered on more and more destinations, allowing passengers to travel without paper tickets.

Partnerships between operators and with other modes will spread beyond best practice examples, making the most of open standards and new IT technologies. Alliances will be formed, as in the airline world, to offer access to wider networks and increase the number of travel possibilities for passengers. Rail transport will become a travel enabler, and travelling by rail, whether alone or in combination with other modes, will become easier than ever.



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TRAVEL EXPERIENCE OF A RAIL PASSENGER IN 2018

Anna, 36, lives in a village in Flanders and manages a small business consultancy in Brussels. As part of her work, she often travels to France.

It is 10th June 2018, and Anna needs to go to a business conference in Lyon a week later. She logs onto her phone and opens the travel application *TopTravel*, operated by railway X. She is automatically logged in and the application displays a list of saved journeys. She selects Brussels-Lyon amongst the list, inserts the date of her trip and the address of the conference venue. Upon selection, a door-to-door itinerary is displayed, integrating various possibilities for the journey from her village to Brussels, the train journey with company X, and the metro ride to the conference centre in Lyon. Thanks to the direct high-speed connection, Anna will need only four hours to reach her destination from her house.

A special business package is available with free high-speed internet and dinner on board. She chooses this option as it will allow her to work on-board, prior to the conference. Her preferences (continental breakfast and coffee, window seat, quiet compartment) are already saved. She then selects amongst available options for add-ons to her trip a return journey from the nearest train station in Flanders to Brussels, and a day pass on public transports in Lyon. Once this is done, the application automatically displays a selection of hotels in central Lyon, near to the conference venue and she selects her preferred one. After payment, she receives a summary of her entire trip which corresponds to all the elements in her shopping basket, from the rail package to the Lyon public transport travel card and the hotel room.



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On the day of the conference, Anna takes her car to reach the nearest train station in Flanders. Prior to departure, she checks her TopTravel application to see if there is any parking space available at this train station. She books a parking space there, and drives towards the train station. Once in Brussels Midi station, she goes to the international area to catch her train. Her breakfast is served by the carriage attendant, exactly as she ordered it. She can then concentrate on her work, and progress some files during the train journey.

In Lyon, she takes an escalator down to the metro, and uses her phone to gain access to it. Four stops later, she reaches the conference venue. She is perfectly relaxed and able to fully concentrate on the conference. Following the conference, she walks to her hotel located only 300 metres away. Everything was booked through her application, and she can concentrate on a business meeting with a potential client.



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GLOSSARY

Application programming Interfaces (APIs): Language and message format used by an application program to communicate with the operating system or some other control program (such as a database management system).

Dematerialisation: Within the context of this brochure, dematerialisation defines the shift away from paper-based tickets to electronic and virtual tickets.

Direct distribution channels: Synonymous of own distribution channels, in this context (as opposed to indirect distribution channels).

Distribution: In this brochure, includes all activities from scheduling of a journey to settlement, including booking and ticketing.

Innovative sales channels: In this brochure, used to define relatively new and emerging channels used to sell train tickets, such as websites – including online travel agencies – or mobile applications for smartphones.

Multi-modal: Transport by at least two different modes, such as rail and aviation, or rail and bus.



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