

Public transport and MaaS

Key note speech



Hamburg, March 14, 2018















UBER
STATION



Public Transport is about to experience significant changes – PT companies need to find good answers to the right questions

Key questions for public transport of tomorrow

Questions

A

Will I have a right to exist in an autonomous world when getting from A to B can be offered almost for free ?

B

How can I keep the customer interface and avoid being pushed into the role of a mere carrier ?

C

How can I win the race against the car ?

D

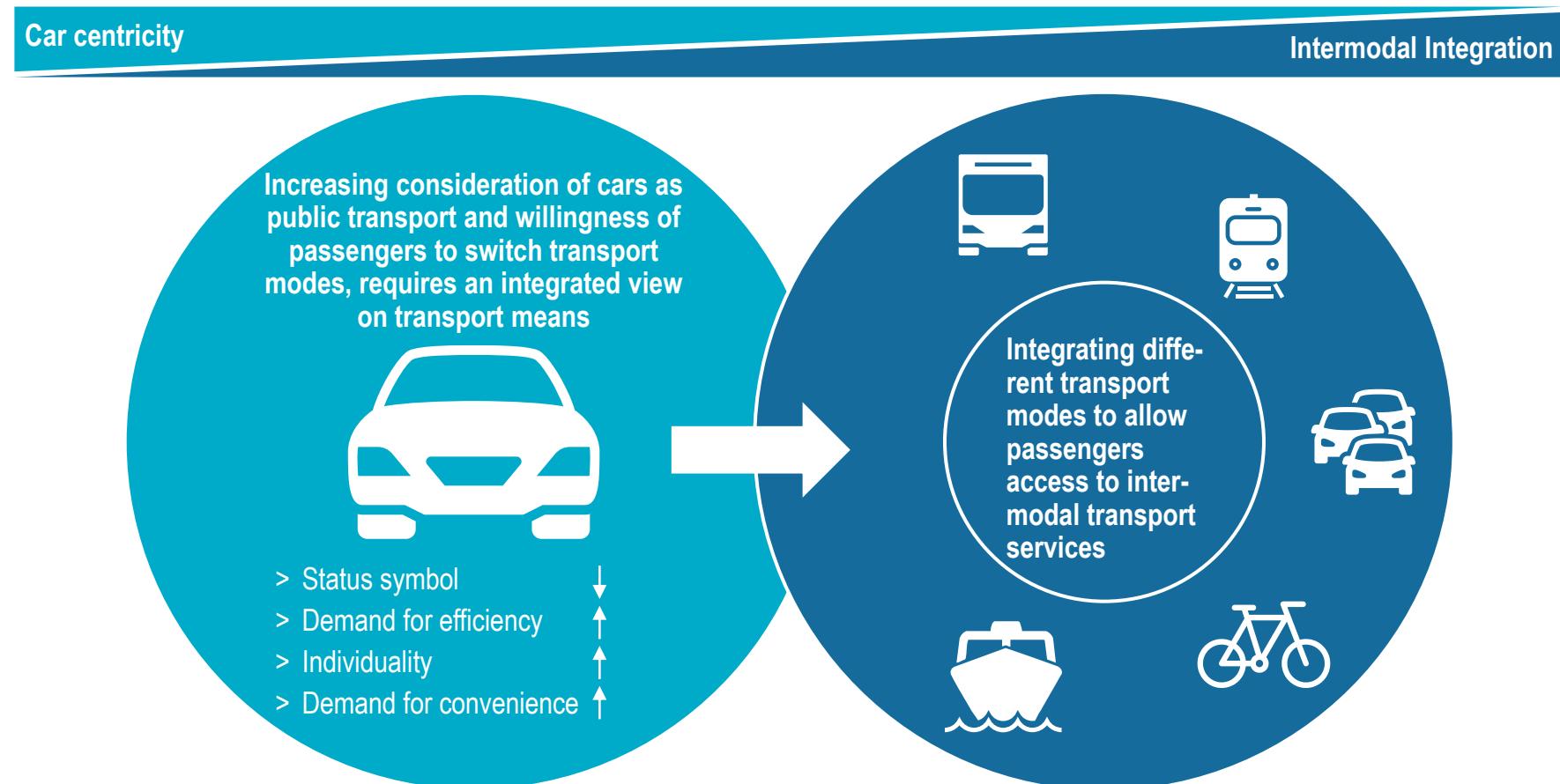
Have I done all my homework on conventional levers ?

E

How can I leverage my assets commercially to become (more) independent financially ?

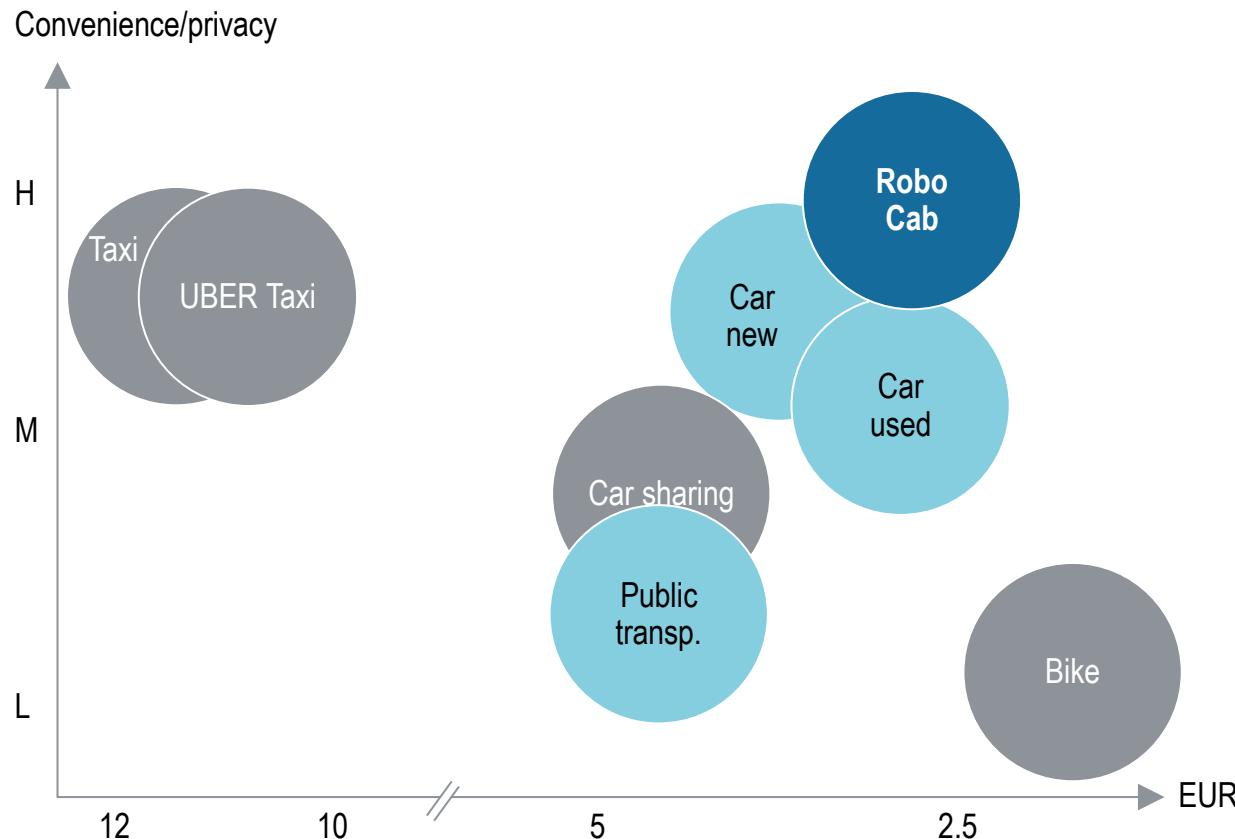
Cars are more and more losing their status and start to be considered as a public transport mean

Development of car positioning



Until recently, public transport differentiated clearly from car – Position is threatened by shared mobility and will even deteriorate

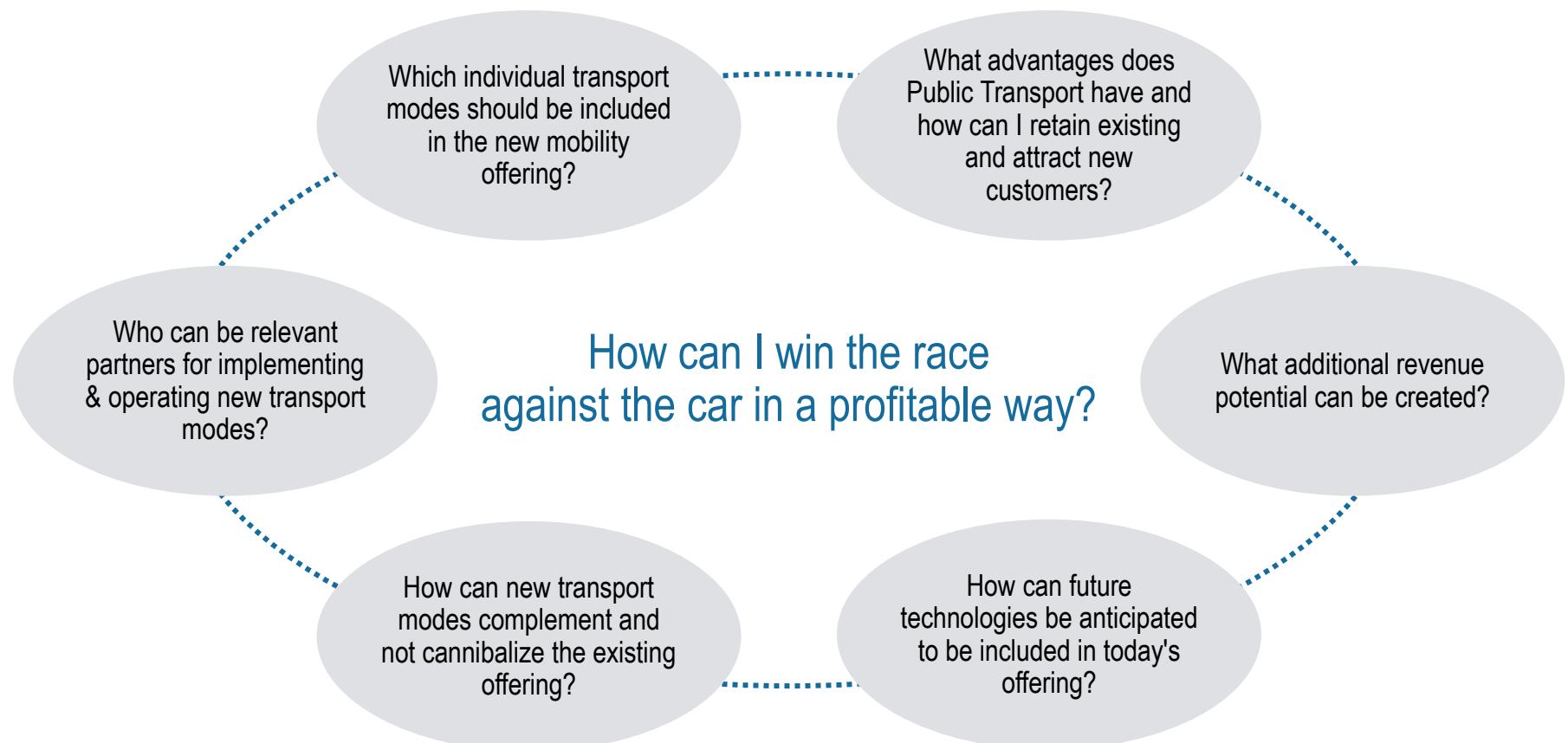
Convenience and costs for 5 km travel in developed countries



| | |
|-------------------|--|
| Taxi costs: | Example Munich, incl. base fee + per km; 14 min driving time (finanztip.de) |
| Car Sharing: | Example Munich – Car2Go; 14 min driving time |
| Car new: | Private car, new, 4 years usage, 60,000 km total, Smart fortwo Coupe 1.0 (ADAC 5/2015) |
| Car used: | Estimated 60% of new |
| SDV-Taxi: | Only 2 instead of 4 cars used per km ² , 80% higher mileage over usage period |
| Public transport: | MVV, Preisrechner |

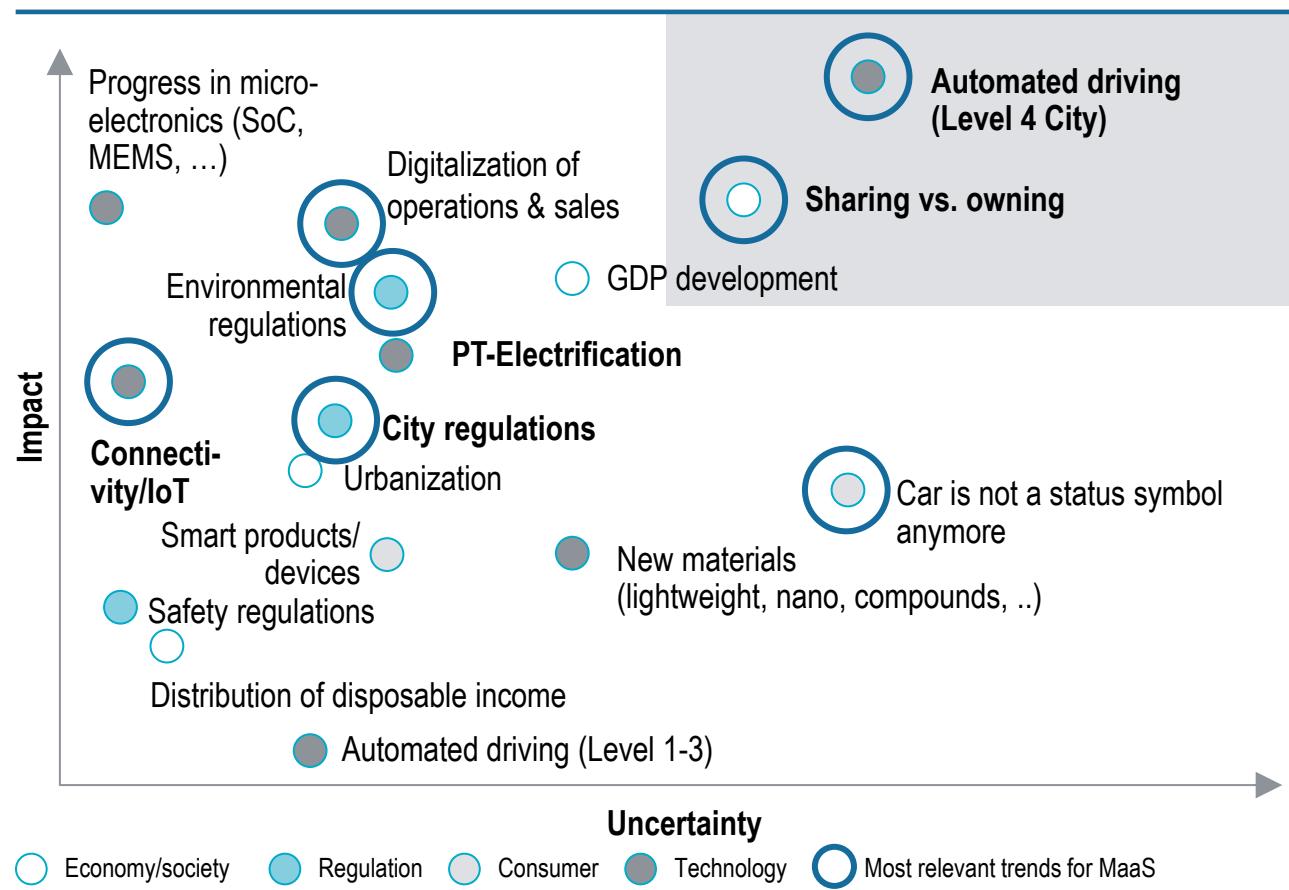
For Public Transport companies, MaaS can help answer the most relevant questions going forward

Relevant questions for Public Transport



How mobility will develop is primarily dependent on the technological progress as well as the customer acceptance

Key influencing factors and trends impacting the advancement in mobility in next 15 yrs.

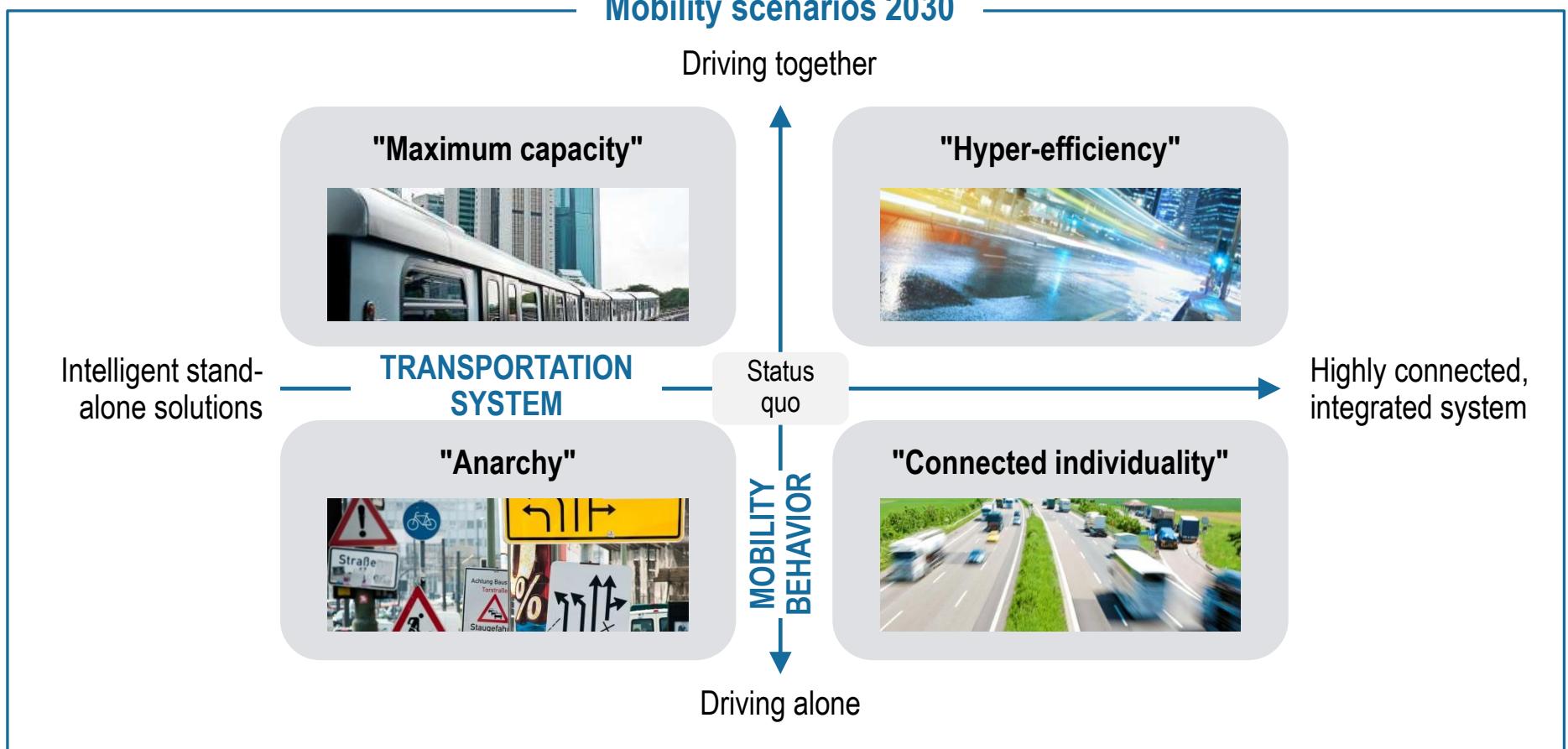


Technological progress concerning automated driving (cars, busses, trains) and **consumer attitude** towards the car as primary means of individual transport are the key parameters for the future development of mobility

1) Lower impact for suppliers

Four scenarios can be derived to describe the mobility of the future, not all of them with a strong PT share – "Anarchy" must be avoided

Mobility scenarios in Germany, 2030

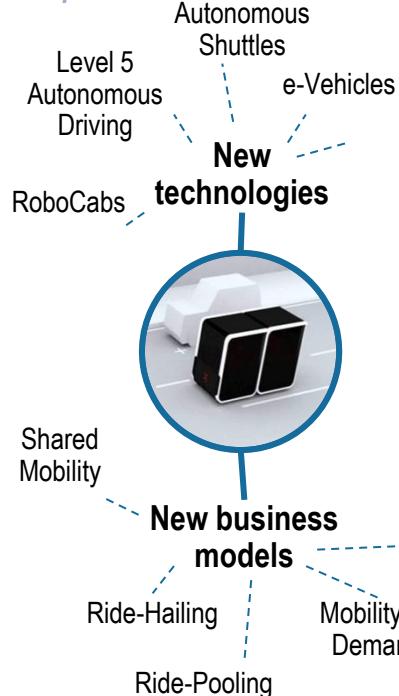


New technologies and new business models disrupt the mobility – Other transportation segments have experienced similar situations

Key elements of mobility disruption

Mobility disruption

Examples



Key dimensions

1 Standardization of service offering

2 Online focused operation models

3 Digital platforms and partnerships

Similar examples



The global trade and intermodal logistics skyrocketed after introduction of a standard intermodal shipping container

Example – Standardization

INTRODUCTION OF INTERMODAL SHIPPING CONTAINER



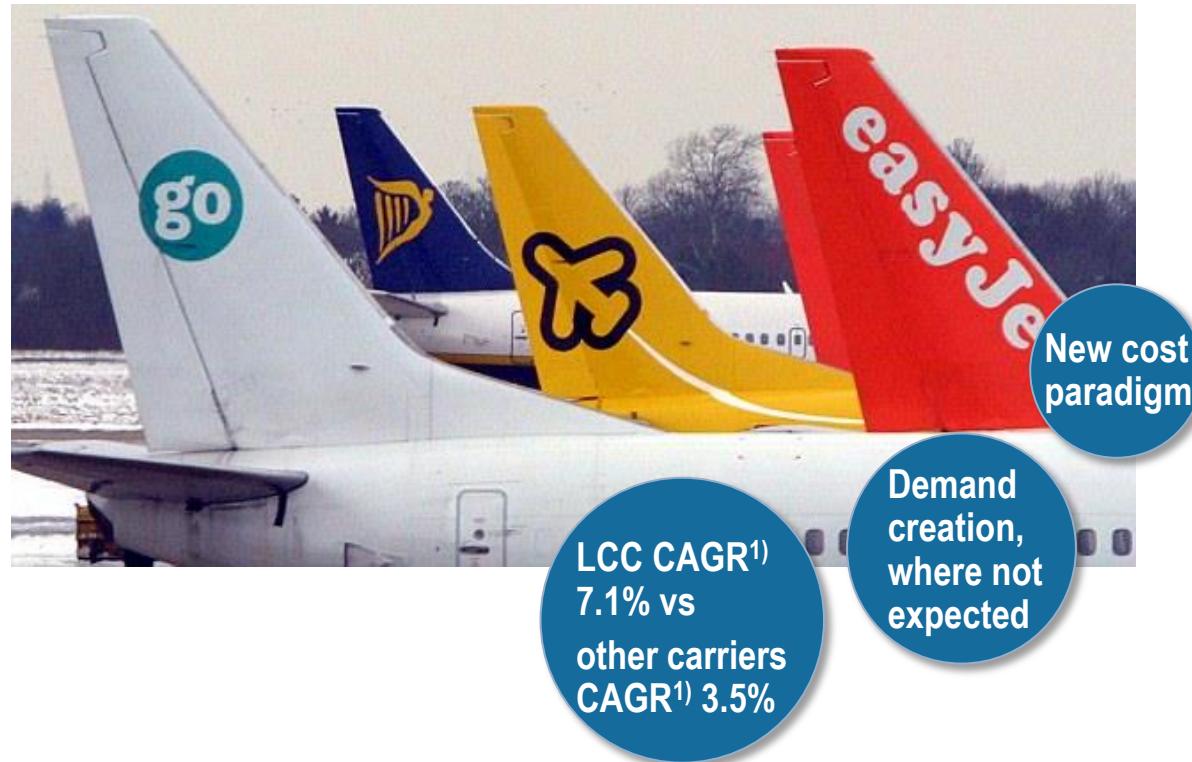
KEY LEARNINGS FOR PUBLIC TRANSPORT AND MaaS

- > Addressed need for scalable and simple global logistics
- > All players along the whole value chain profited from it
- > Central agency responsible for the elaboration and implementation of the standards

The low cost carriers have unlocked new market potential and are growing much faster and more profitable than traditional competitors

Example – Online focused operating model

THE RISE OF LOW COST AIRLINES



KEY LEARNINGS FOR PUBLIC TRANSPORT AND MaaS

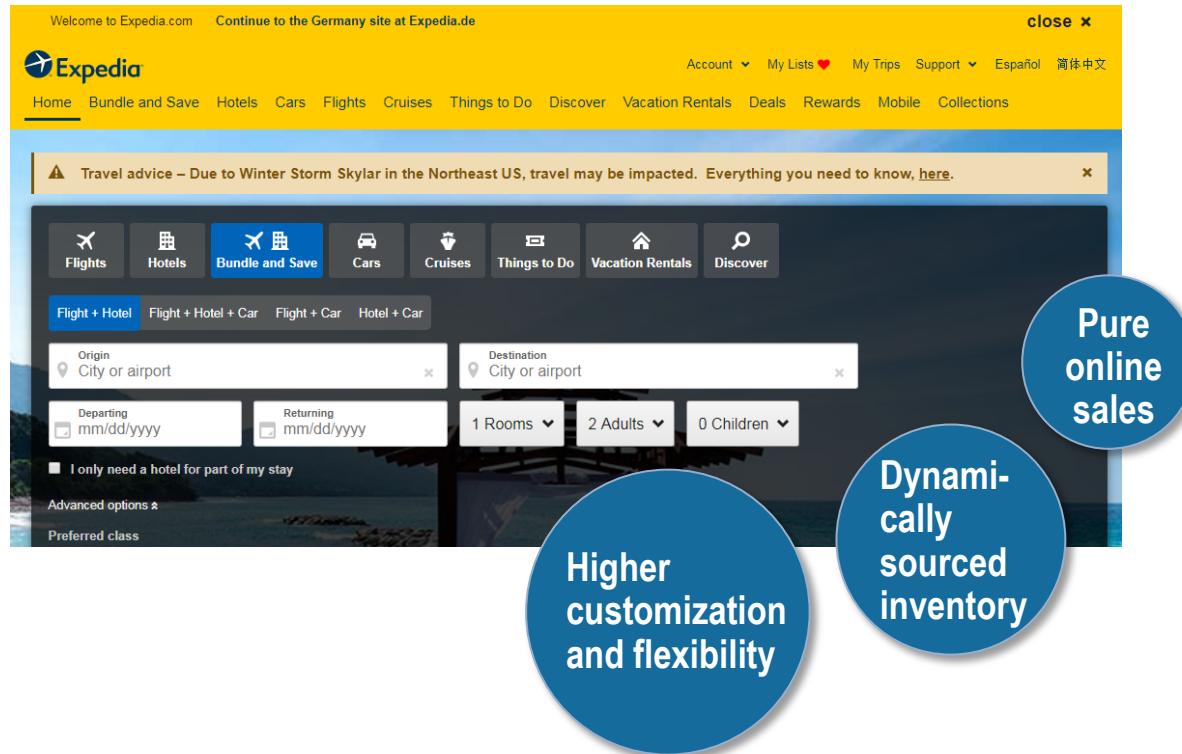
- > Think unconventionally on commercial and operational side
- > Don't underestimate new entrants with attractive offerings to protect own business
- > Account for incentivized demand and not only for modal share shift
- > Scrutinize the operational model to be more efficient

1) 2007-2016

Dynamic packaging has allowed to new tour operators and incumbents to create wider and more transparent offering at lower cost

Example – Digital platform and partnerships

GREATER CHOICE FOR CUSTOMERS THROUGH DYNAMIC PACKAGING



The screenshot shows the Expedia.com homepage. At the top, there are links for 'Welcome to Expedia.com' and 'Continue to the Germany site at Expedia.de'. The main navigation bar includes 'Account', 'My Lists', 'My Trips', 'Support', 'Español', and '简体中文'. Below the navigation, there are links for 'Home', 'Bundle and Save', 'Hotels', 'Cars', 'Flights', 'Cruises', 'Things to Do', 'Discover', 'Vacation Rentals', 'Deals', 'Rewards', 'Mobile', and 'Collections'. A yellow banner at the top of the main content area states: '⚠️ Travel advice – Due to Winter Storm Skylar in the Northeast US, travel may be impacted. Everything you need to know, [here](#). x'.

The main search interface features a 'Flight + Hotel' button, followed by 'Flight + Hotel + Car', 'Flight + Car', and 'Hotel + Car'. Below these are fields for 'Origin' (City or airport), 'Destination' (City or airport), 'Departing' (mm/dd/yyyy), 'Returning' (mm/dd/yyyy), '1 Room', '2 Adults', and '0 Children'. There is also a checkbox for 'I only need a hotel for part of my stay' and a 'Preferred class' dropdown. The background of the search interface shows a scenic view of a beach and ocean.

Three blue circles are overlaid on the search interface, each containing text:

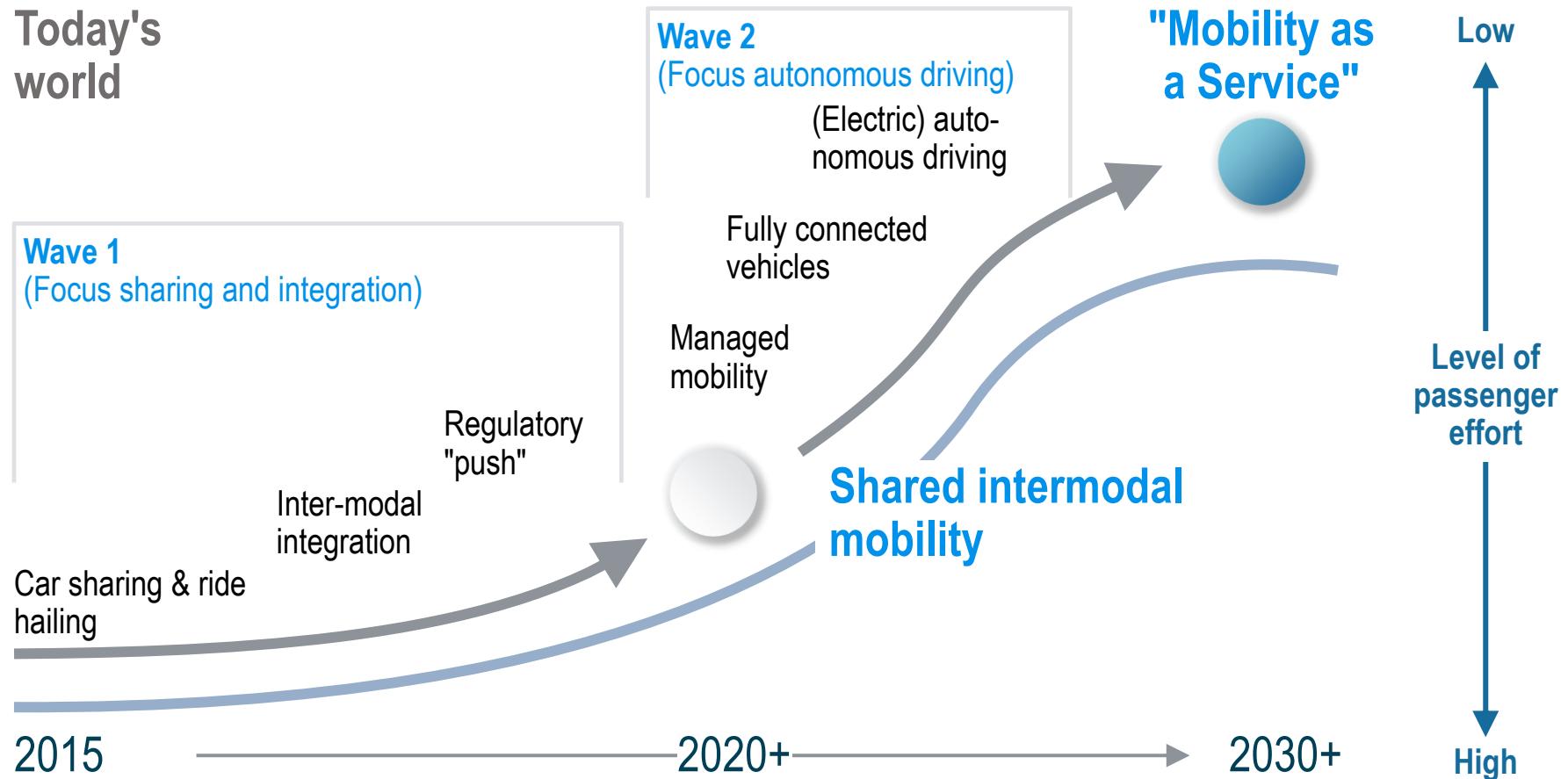
- A large blue circle on the left contains the text 'Higher customization and flexibility'.
- A medium blue circle in the center contains the text 'Dynamically sourced inventory'.
- A smaller blue circle on the right contains the text 'Pure online sales'.

KEY LEARNINGS FOR PUBLIC TRANSPORT AND MaaS

- > Use new digital capabilities to platforms that offer the customer the right product at the optimal price
- > Strive for simplicity and transparency to attract customers of tomorrow
- > Set the correct legal framework to protect the customers
- > Be creative in pricing

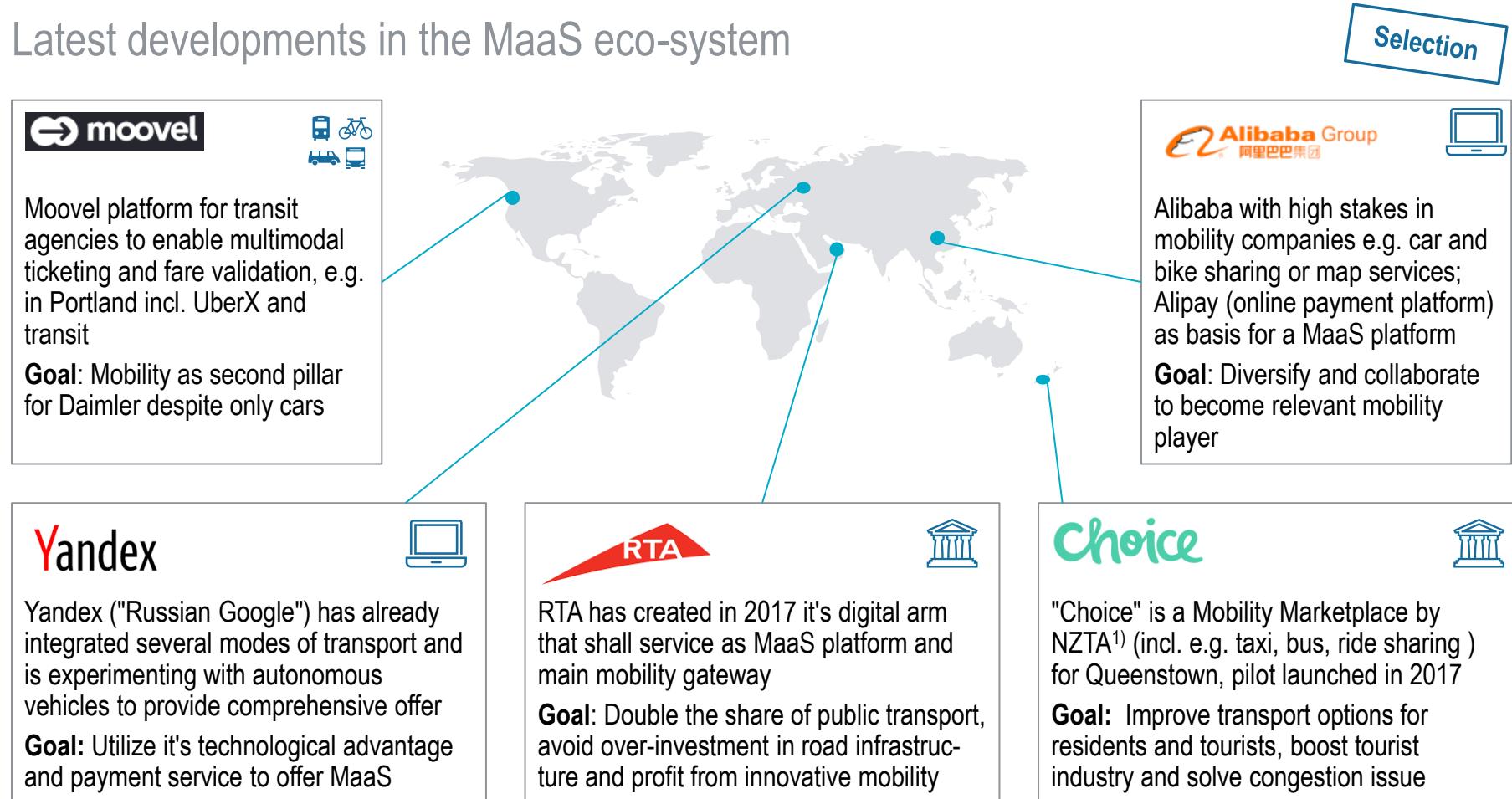
We see Mobility-as-a-Service concepts developing in two waves building on shared intermodal mobility

Development of mobility as a service concept



Players of different backgrounds are working on MaaS development worldwide but with different targets

Latest developments in the MaaS eco-system



 Transport provider

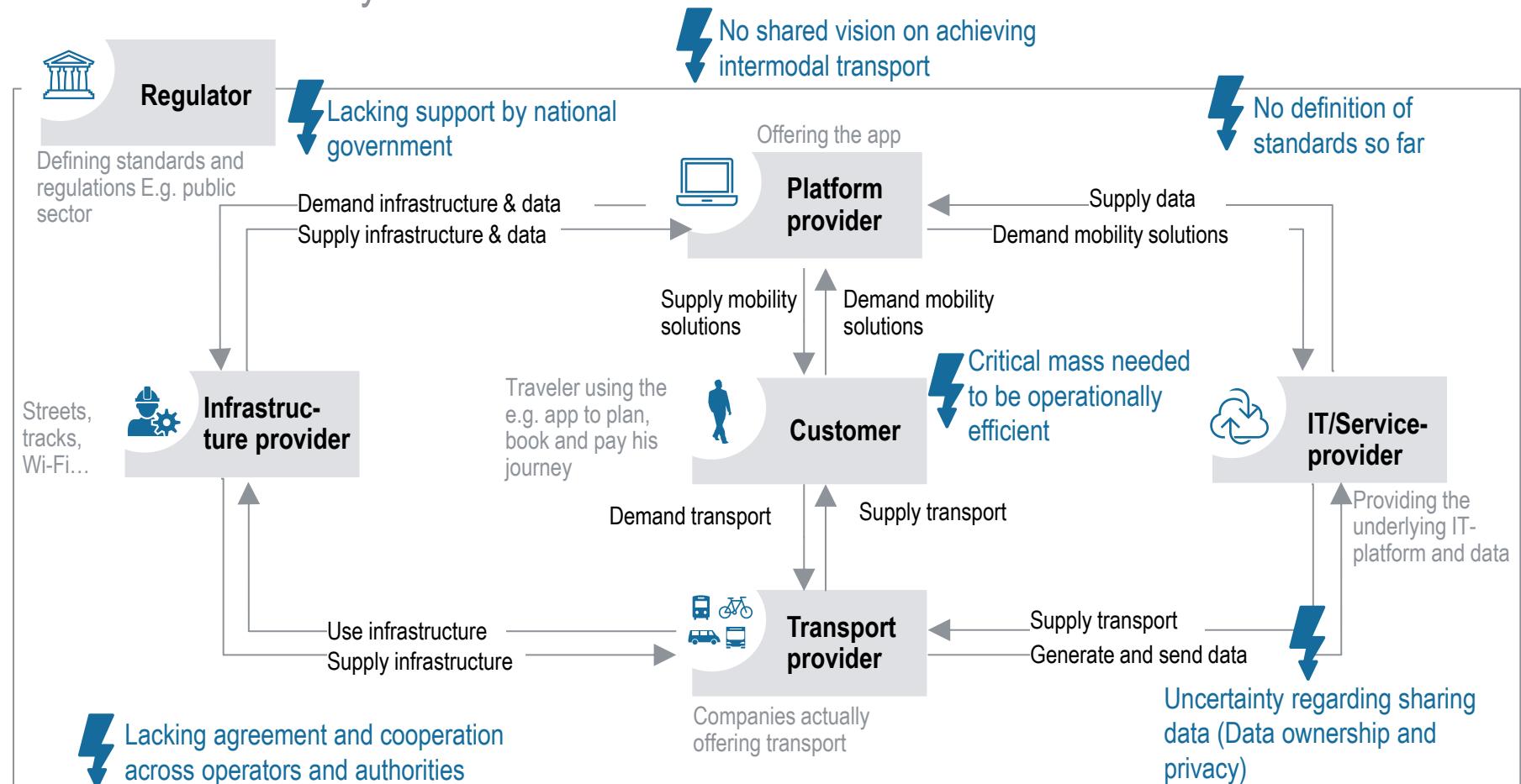
 Platform provider

 Regulator

1) Collaboration between the NZTA (New Zealand Transport Authority), Otago Regional Council, Queenstown Lakes District Council, Auckland Transport, supported by Destination Queenstown and Queenstown's local transport providers

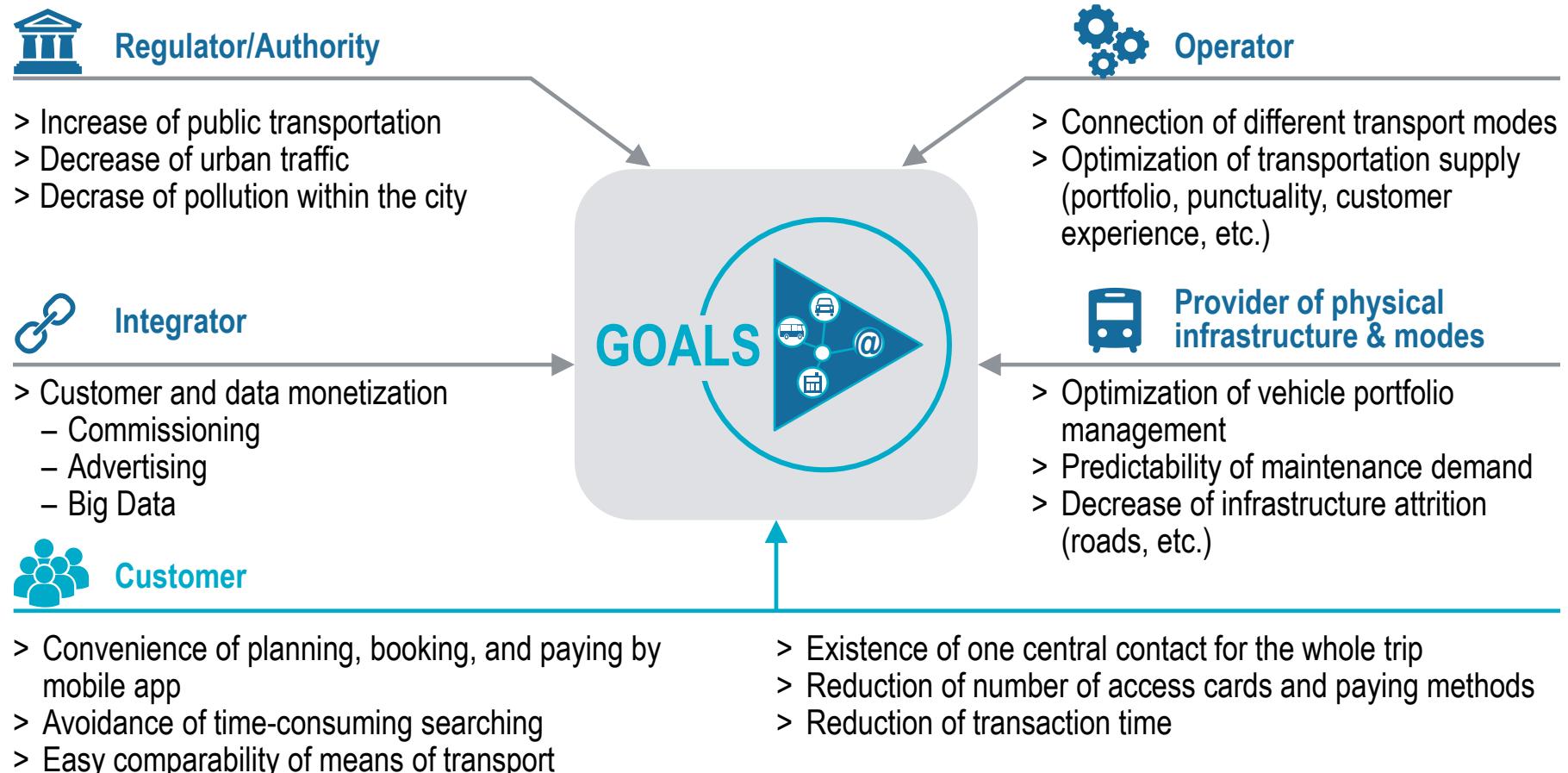
The MaaS-ecosystem has complex relationships between the different stakeholders – Various pain points still to be removed

Roles in MaaS-ecosystem



The value proposition of the MaaS concept should take into account the goals of various market players but also customer's perspective

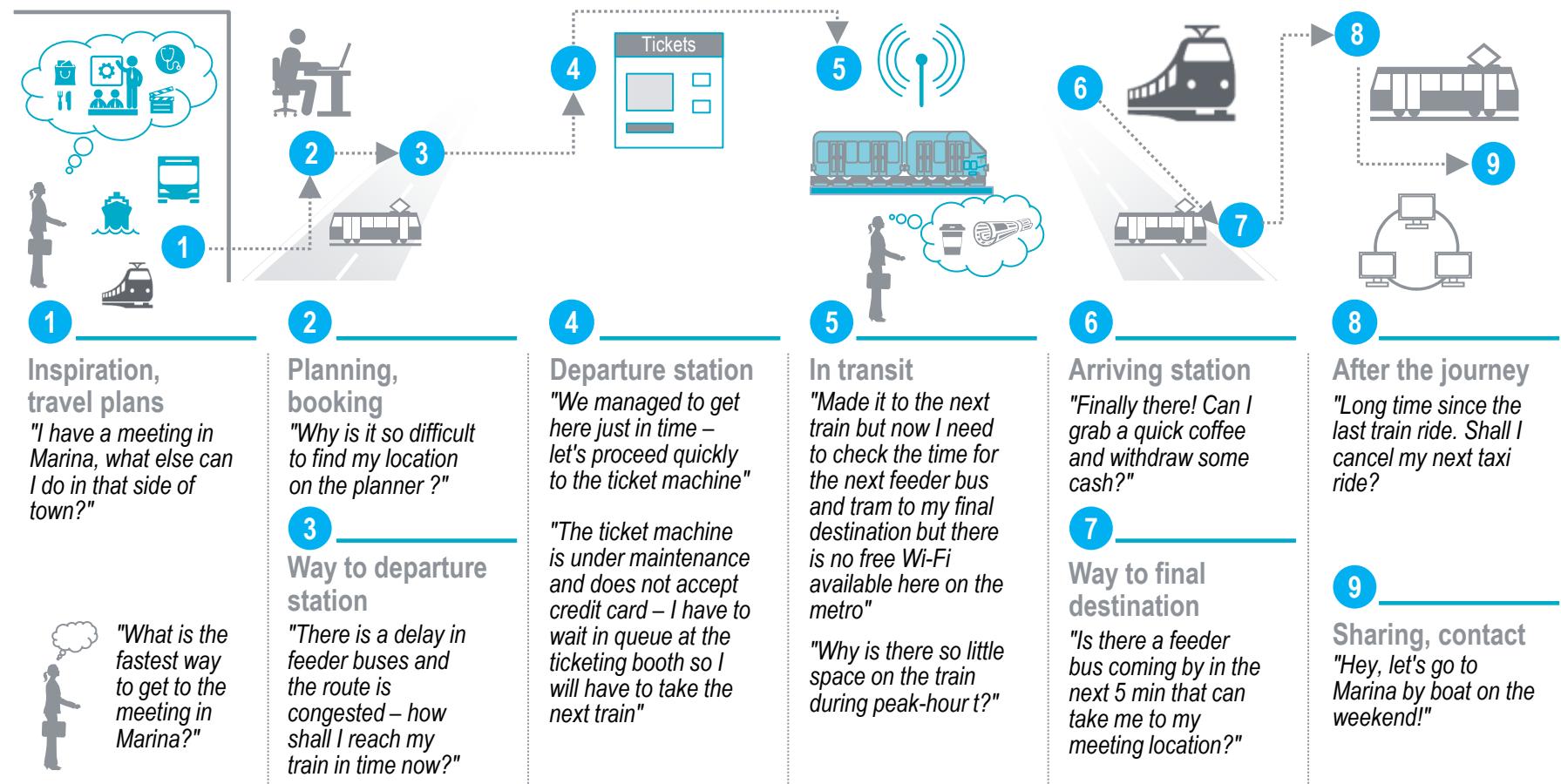
Goals concerning an intermodal mobility platform (selection)



To optimize the MaaS offering, passengers' 'pain points' throughout the journey would need to be tackled

Customer journey along the value chain

Illustrative



In order to realize the vision of Mobility-as-a-Service, it is important to think integrated and beyond the boundaries of your own company

Five key takeaways for the workshops

MaaS Alliance workshop

- > Principles of data sharing
- > Ownership of customer, branding
- > Sale channels & payment integration
- > Governance models and indicators

- 1 Don't think about what is possible today, but anticipate what mobility customers will really need in the future
- 2 Jointly create a long-term vision of the MaaS offering and then define clear steps and priorities on how to achieve it
- 3 Try to apply the greenfield approach first – And then evaluate how to close the gaps
- 4 Think about how you can benefit from ideas that can be brought in by newcomers to the public transport sector
- 5 Put simplicity and reduction of friction points in the first place when evaluating ideas and developing initiatives

Roland
Berger
THINK:ACT

