

# When competition hits the rails: How Europe's rail market will evolve by 2030

Madrid Rail Live 2025

**SIMON**   
**KUCHER**  
Unlocking better growth



# 40 Years

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## Unlocking Better Growth.

**Simon-Kucher is the leading growth consultant and #1 pricing expert across the globe**

With nearly 40 years of experience in monetization topics, we are regarded as leading **growth advisor and #1 pricing expert**.

Based on **deep insights into what customers want and value**, we deliver revenue increase and long-term sustainable profit.

Our sole focus is **unlocking better growth** that drives measurable revenue and profit for our clients, both large and small.



**Every story has a  
beginning**

**... ours was born  
from science**

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With a vision to use scientific methods to address real-life business challenges and help companies grow.

We are proud of our heritage; it shaped who we are today.

**Forschung für die Praxis**



**Our mobility center of excellence: we have a specialized team with extensive experience driving growth across rail and road mobility operators as well as distribution clients**

**SIMON KUCHER**

Dedicated experts in **our Mobility Center of Excellence**:



Carles Munich  
Partner



Rosalind Hunter  
Partner



Sebastien Vincent  
Partner



Alexander Dyskin  
Senior Director



Nout van Zon  
Director



Charles Pinard  
Senior Director

#### Rail mobility clients



#### Road mobility



#### Distribution



#### Other transportation



## 01 Product

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When competition hits the rails:  
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Remember  
travel before  
**US deregulation?**

# You won't believe you're on an airplane.



## American Airlines

See it with your own eyes.

It's bigger than most living rooms, has soft cushiony seats all around, in the middle is a stand-up bar... and not only is it on an airplane, but it's in coach.

The American Airlines Coach Lounge.

Take a walk to it, through it, around it. Stretch your legs. Relax.

friends, have a snack, have some fun. Whatever.

You can even give yourself a going-away party while you're going away. By far, it's the most wonderful thing ever to happen to a coach passenger. But this new standard of comfort doesn't stop with our lounge. You'll notice it everywhere, from nose to tail. On our new 747 LuxuryLiner.

## New Coach Lounge.

seats and rearranged the layout so each passenger gets extra legroom.

In first class, you can reserve a table for four. Dine with friends as you would in a restaurant on the ground. Play cards. Hold a business meeting. And upstairs is our redecorated first class lounge. A plush intimate spot where you can pour your own champagne and

And on transcontinental flights, our new Flagship Service features delicious Polynesian food served by our stewardesses in their pretty new outfits.

If this sounds like a plane of the future, it isn't. Our 747s have all these comforts right now, including the Coach Lounge.

Every one is a LuxuryLiner.



# United Airlines

United coach today  
(or any other airline)

# When competition arrives,

what happens to the product?



Prices fall...



Demand rises...



But service?  
Comfort?  
Experience?



**We expect competition to lead to product polarization**



## What we learned from Aviation: Competition reshapes the product itself



**Seat density**  
(travel classes)



**On-board service**  
(staff ratios)



**Ground experience**  
(express lanes, lounges)

↗↗ Premium cabins get ever more premium  
↘↘ While Economy pitch decreases across  
all carriers



## Illustration - Italy & Spain: When competition drives innovation



### **Italy:**

Italo vs Trenitalia →  
new standards for comfort & service



### **Spain:**

Ouigo, AVLO, Iryo →  
segmentation & new experiences



### **Lesson:**

product diversity can grow the market

# The Levers:

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Data & Design  
How to grow value,  
not just fill seats



Smart **LOPA optimization**  
(layout of passenger accommodation)



Fare families & service bundles



Customer insight →  
design products that resonate

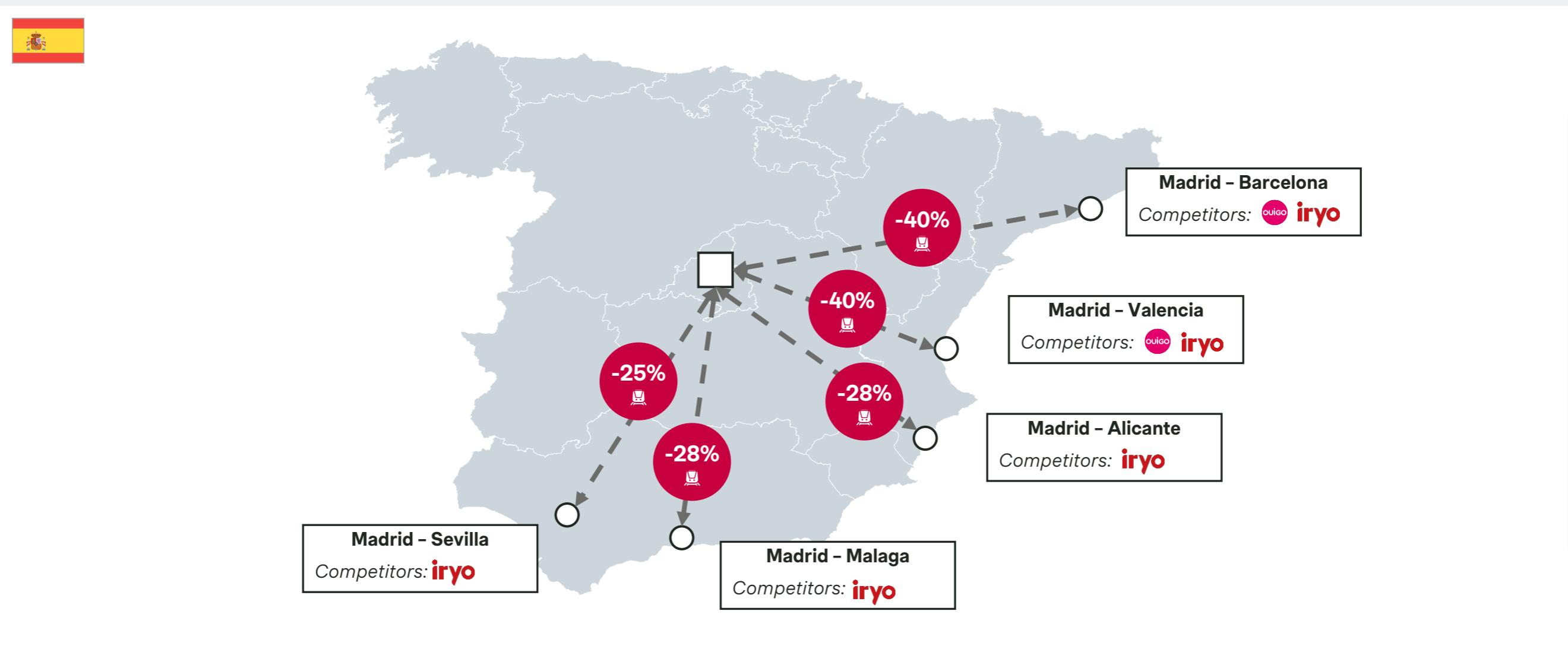
## 02 Pricing

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# Case study - Spain: Opening Madrid's high-speed lines to competition triggered a sharp price drop across routes

Average price decrease on Spanish routes opened to competition since 2020

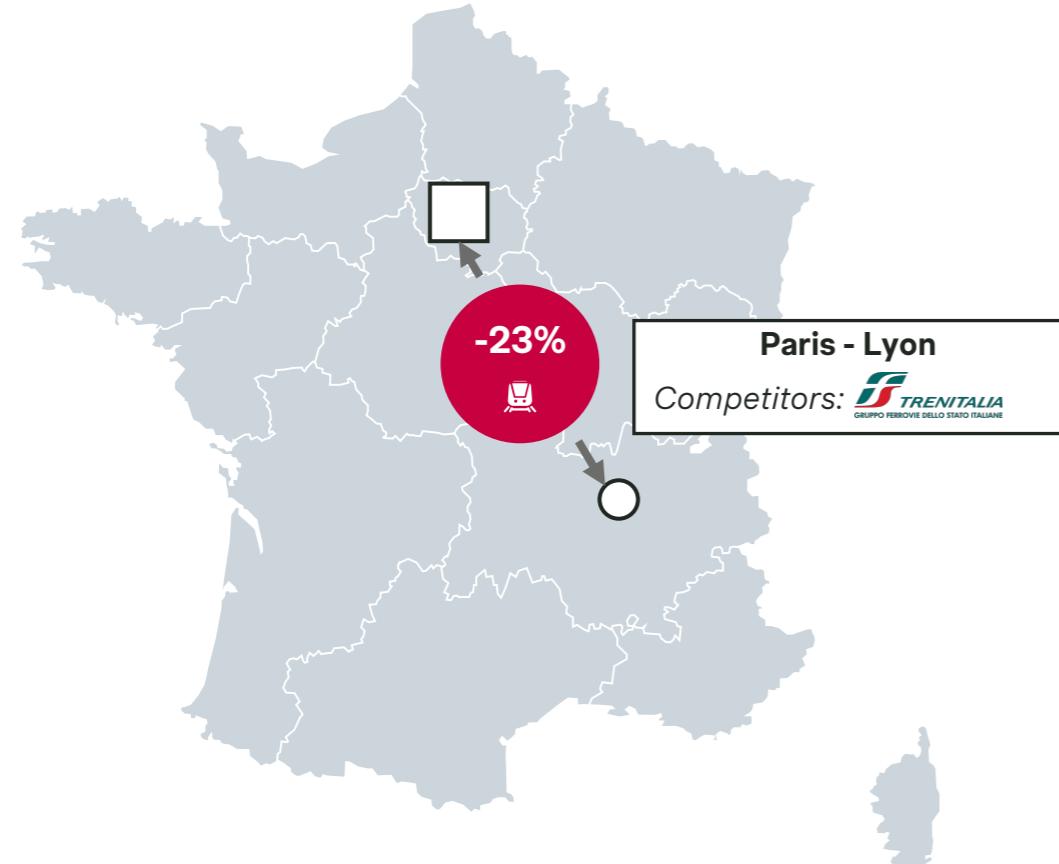


# France and Italy show parallel trends: Sharp initial price decline after market opening

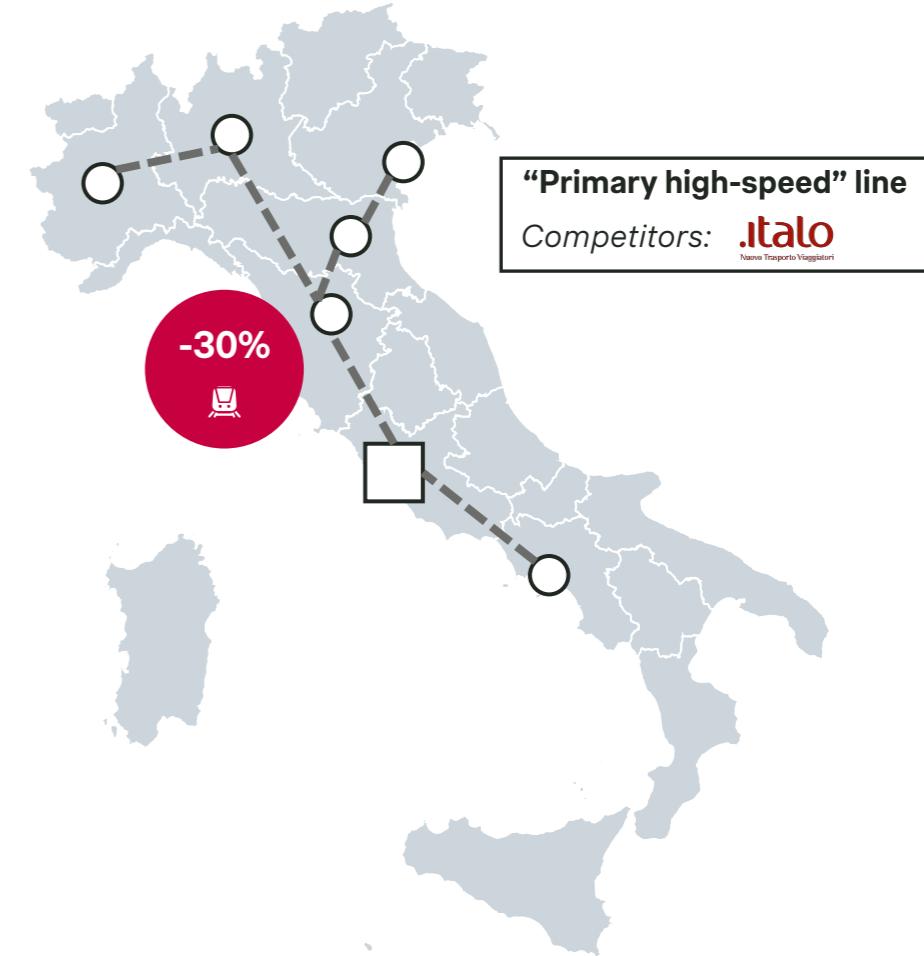
Average price decrease on European train routes opened to competition



*Between October 2019 and October 2022*



*Between October 2011 and October 2012*



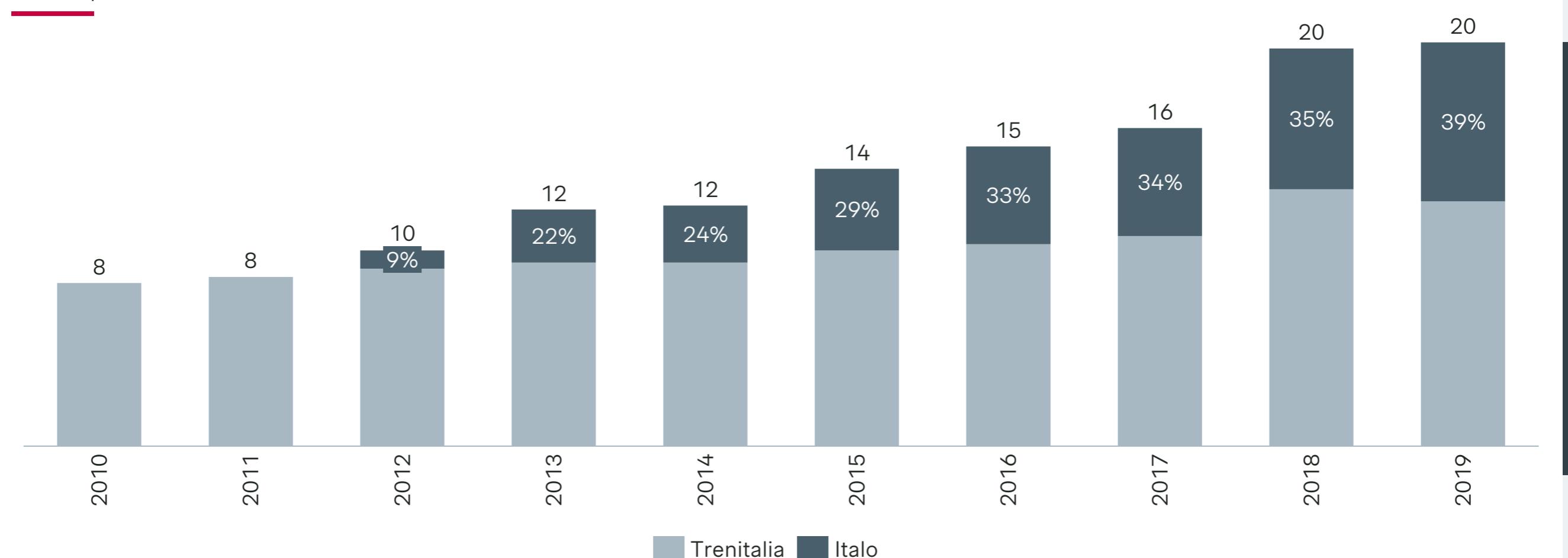
## Case study – Italy:

### The price decrease initiated by the incumbent generates a significant demand increase

Comparison of high-speed offer and market between 2010 and 2019

#### Passengers

Billions pax.km



# What to expect in the long run?

## Price decreases taper off as the market reaches equilibrium

Case study – Italy | Price evolution, 2012 to today

**SIMONKUCHER**

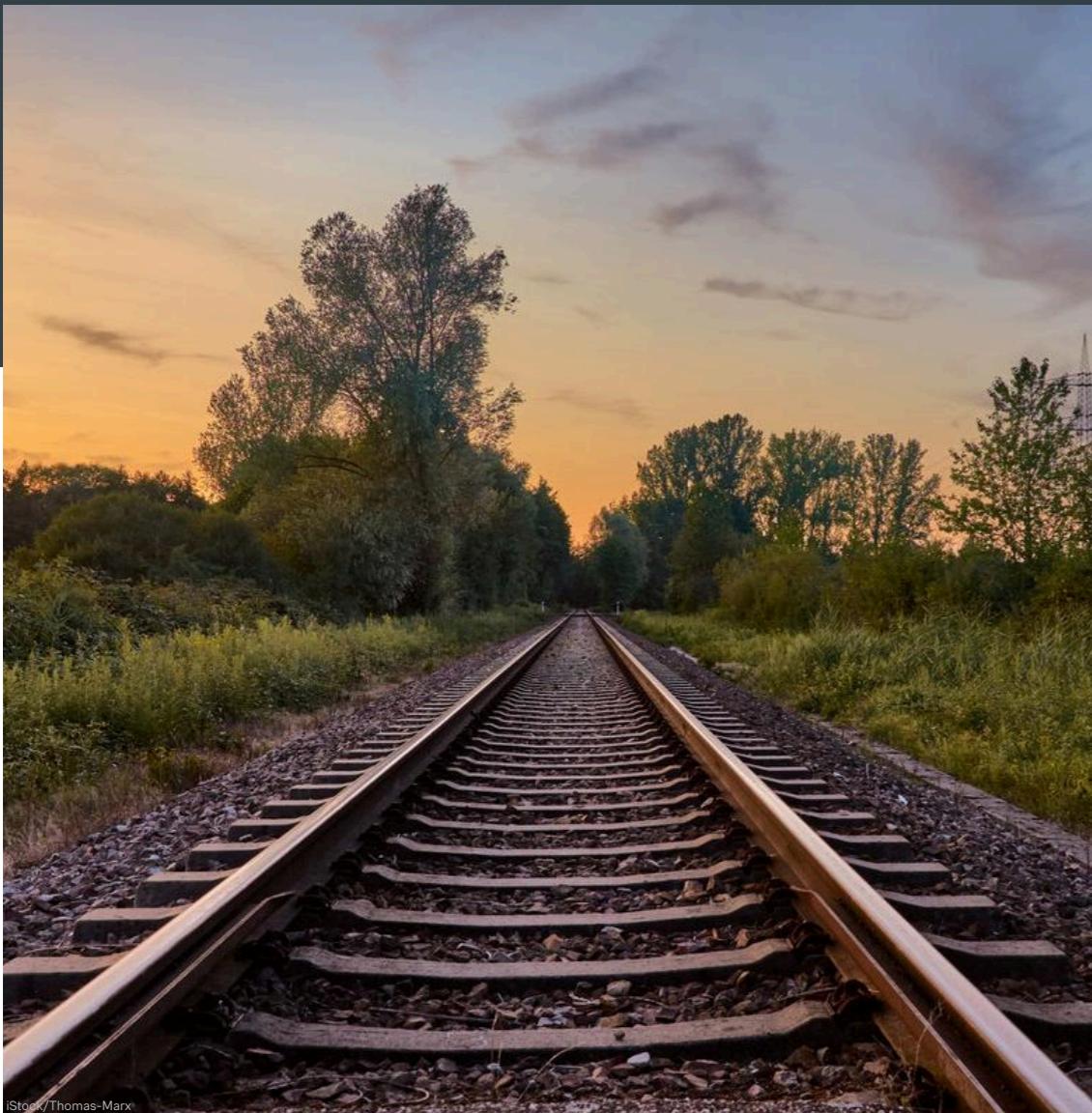


## 03 Distribution

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# More companies, more products, more prices, more complexity....



## The battle for the purchase vs. the battle for the customer



### **Third party distributors:**

Provide clarity as product and pricing gets complicated



### **Booking fees:**

Opportunity to monetize and opportunity to differentiate



### **Loyalty programs:**

Demonstrate to your customers their value by booking direct



### **Third party partnerships:**

If you can't sell direct, manage the third-party relationships



### **Gaming the system:**

Consider where repackaging can be offered

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## Product

Polarize the experience to address all willingness to pay and grow the market



## Pricing

Expect a drop of 25 to 40% on routes where a new player enters the market



## Distribution

Don't lose your customer, keep them at the heart of your commercial decisions



**Carles Munich**  
Partner



**Rosalind Hunter**  
Partner



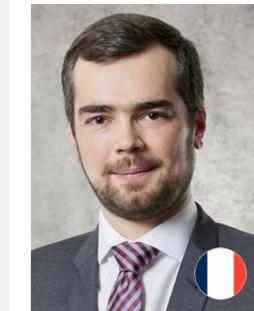
**Sebastien Vincent**  
Partner



**Alexander Dyskin**  
Senior Director



**Nout van Zon**  
Director



**Charles Pinard**  
Senior Director

**Find us at booth E152**



**Amsterdam office**

Infinity Building, 5th floor  
Amstelveenseweg 500  
1081 KL Amsterdam  
The Netherlands  
Tel: +31 20 75312 53

**Barcelona office**

Avda. Diagonal 468, 7A  
08006 Barcelona, Spain  
Tel. +34 93 11808 00

**Cologne office**

Im Zollhafen 24  
50678 Cologne, Germany  
Tel. +49 221 36794 0

**London office**

10 Fleet Place  
London EC4M 7RB, UK  
Tel. +44 20 7832 6700

**Paris office**

3 Square Edouard VII  
75009 Paris, France  
Tel. +33 1 566923 90