

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

**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.

1985
FOUNDED

45
OFFICES

30
COUNTRIES

2,000+
EMPLOYEES

16%
CAGR

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

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



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



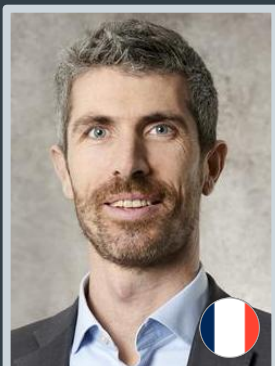
Dedicated experts in our **Mobility Center of Excellence:**



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

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 New Coach Lounge.

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.

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?

SIMON KUCHER



Prices fall...



Demand rises...



But service?
Comfort?
Experience?



We expect competition to lead to product polarization

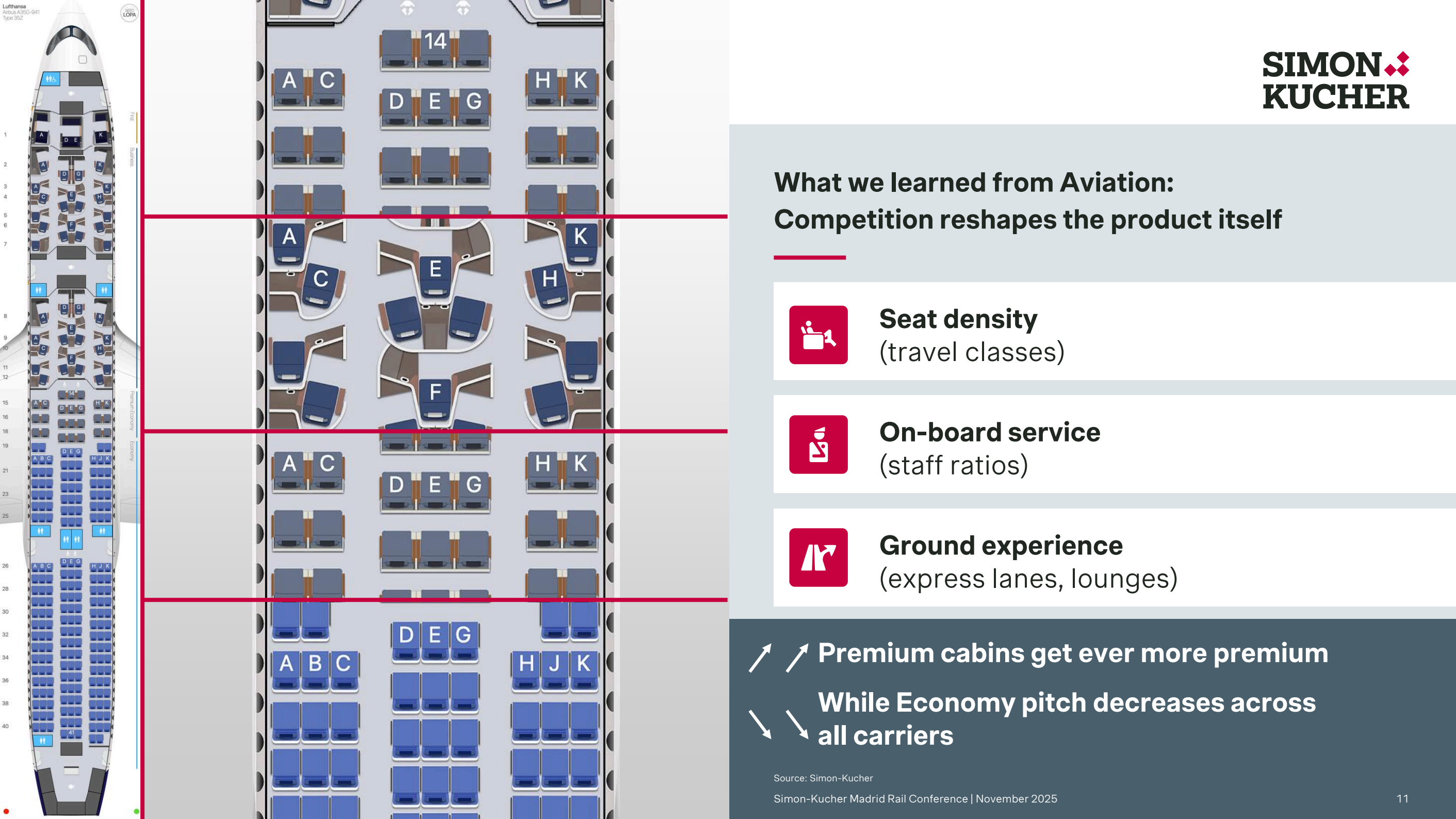


Illustration - Italy & Spain: When competition drives innovation



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:

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



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



Fare families & service bundles



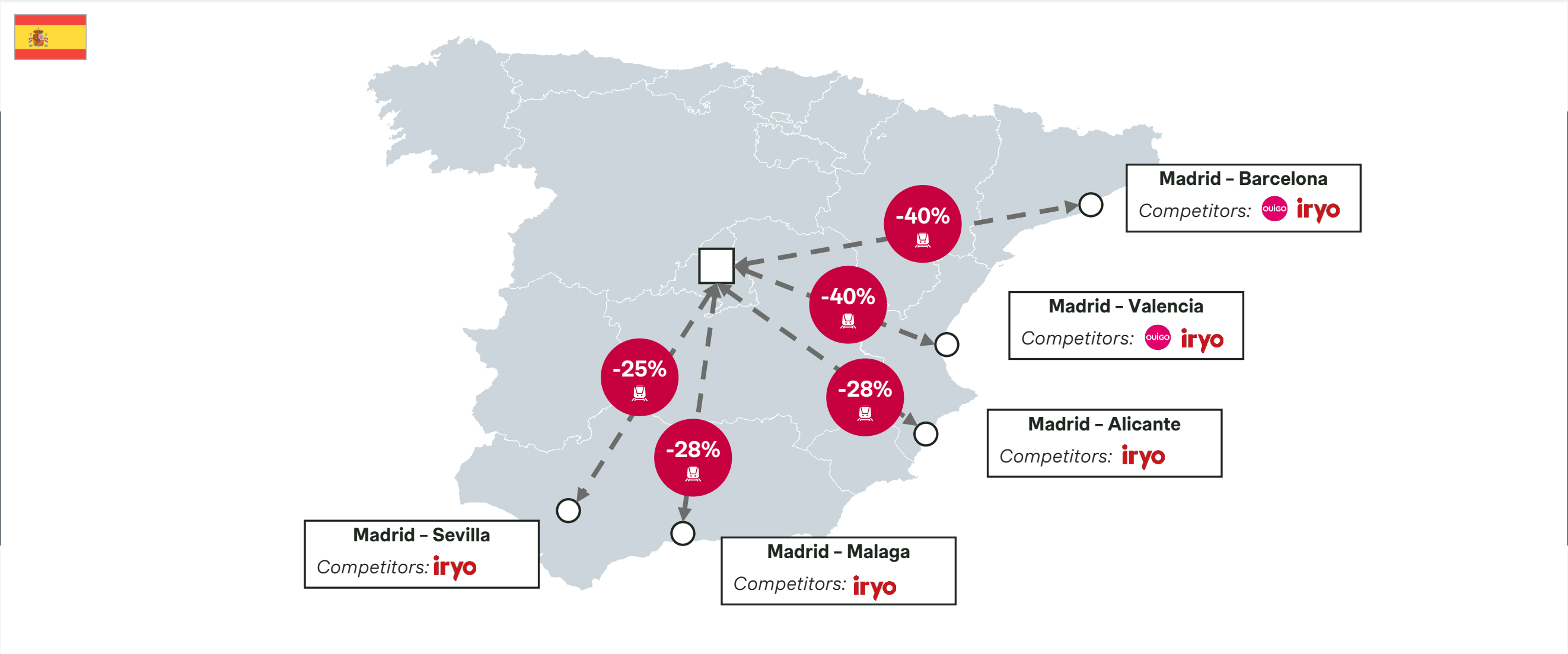
Customer insight →
design products that resonate

02 Pricing

When competition hits the rails:
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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

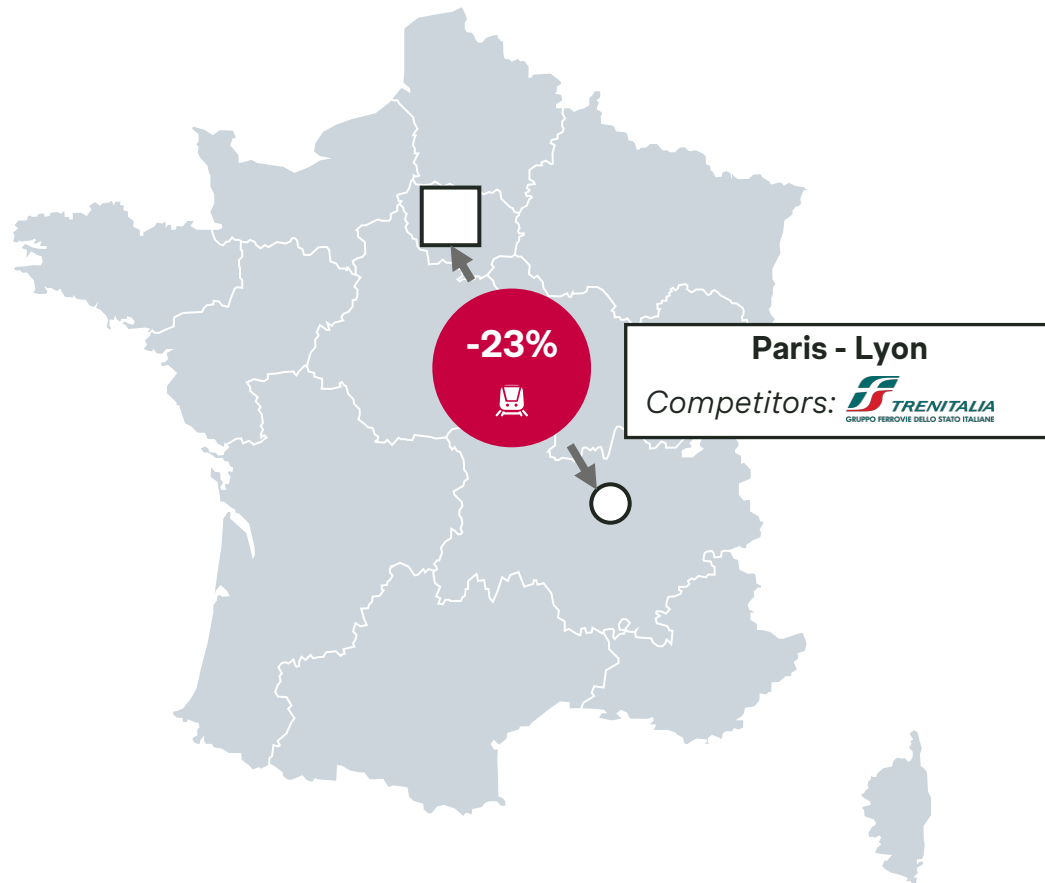


France and Italy show parallel trends: Sharp initial price decline after market opening

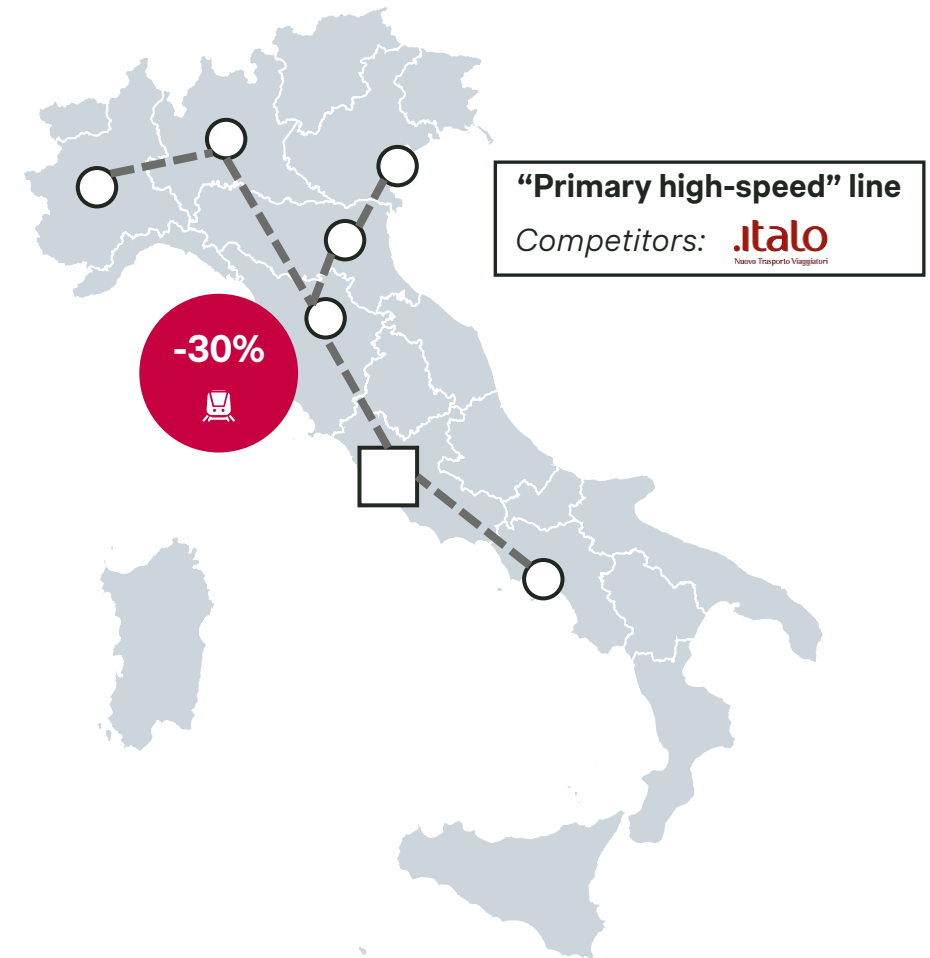
Average price decrease on European train routes opened to competition



Between October 2019 and October 2022



Between October 2011 and October 2012

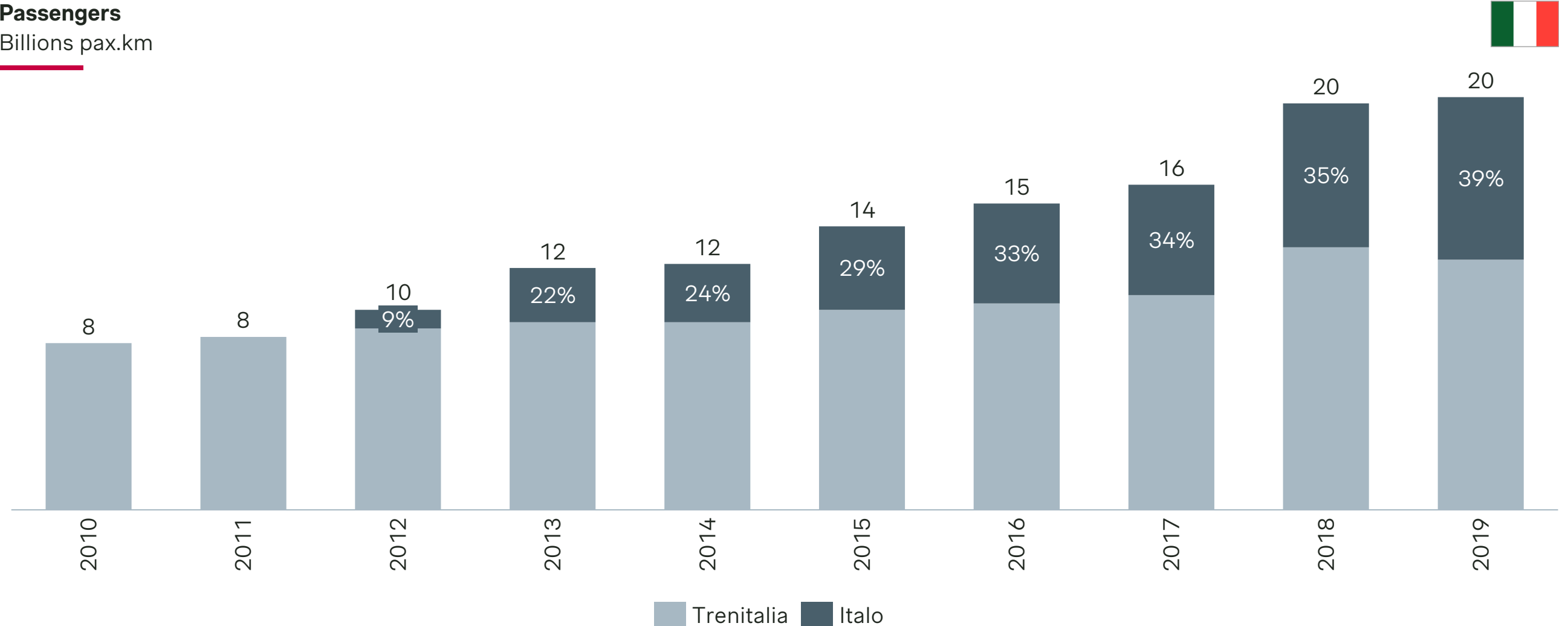


Case study – Italy:

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

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

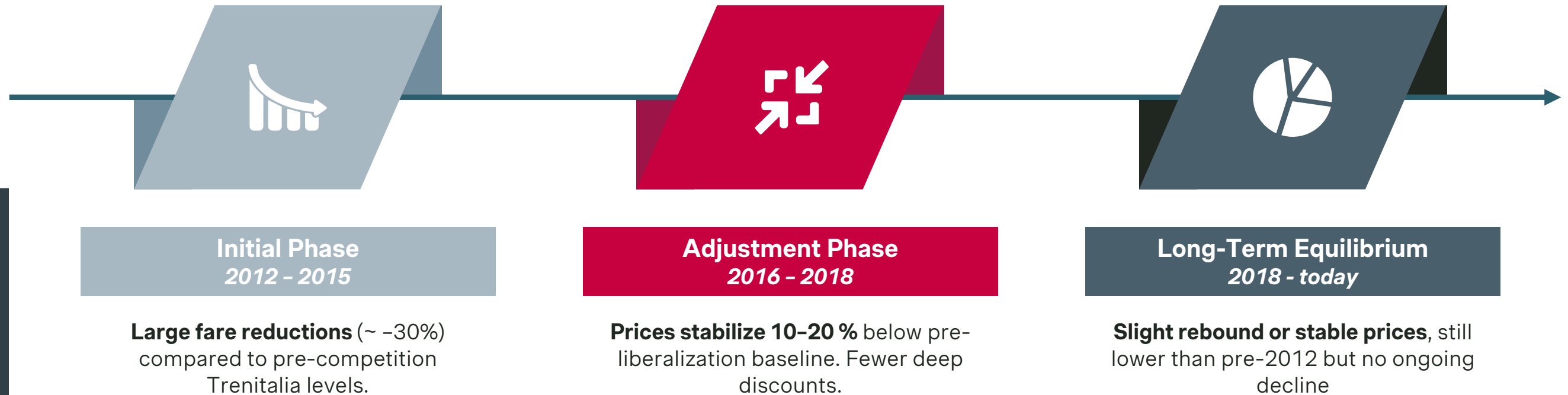
Passengers
Billions pax.km



What to expect in the long run?

Price decreases taper off as the market reaches equilibrium

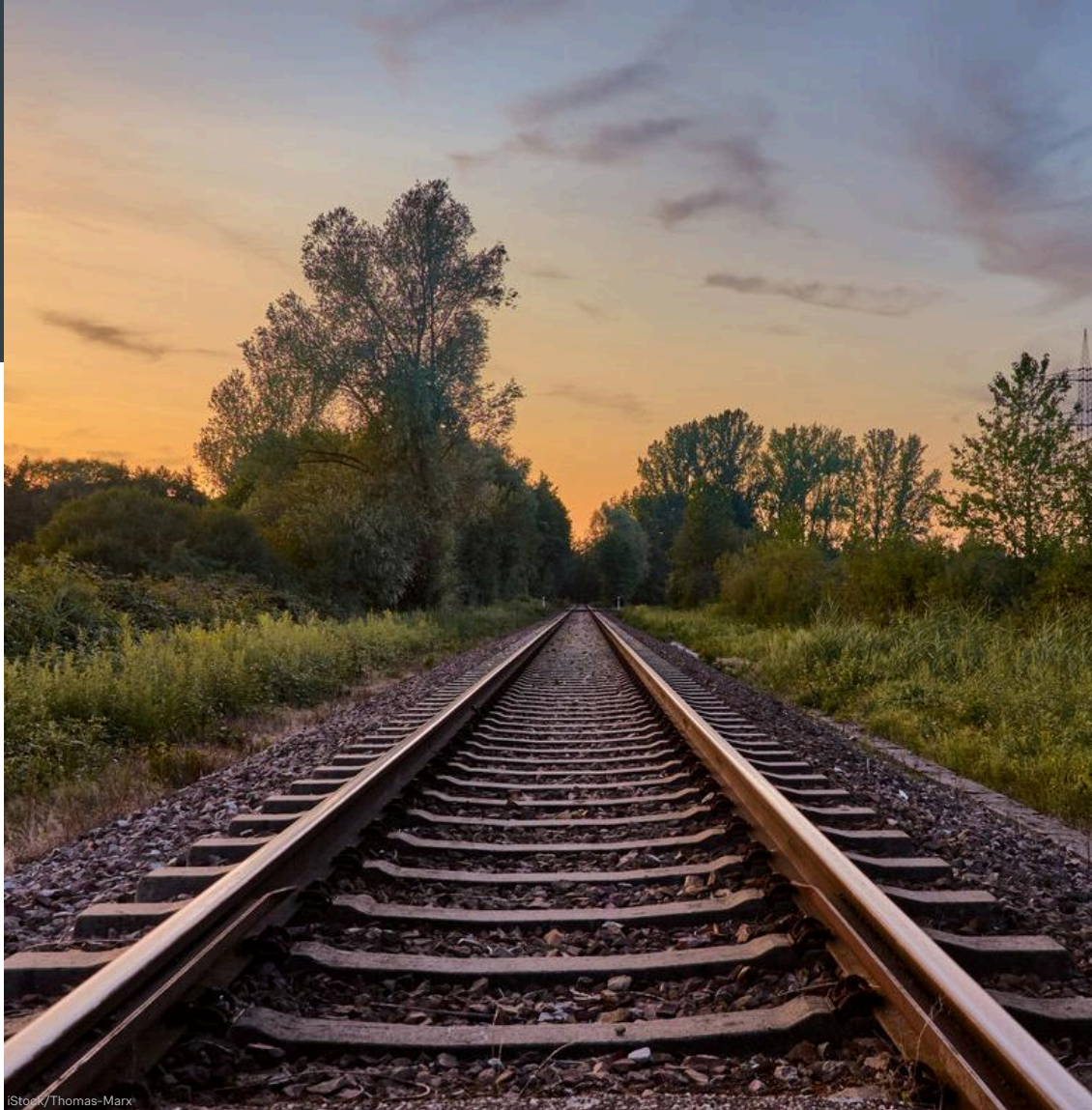
Case study – Italy | Price evolution, 2012 to today



03 Distribution

When competition hits the rails:
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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