

Airport Express Train

Flytoget



# Oslo Airport Express Train

**Swipe and go**

**A case study**

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# Business strategies for distribution





  
Gardermoen

Lillestrøm

Nationaltheatret

Skøyen

Oslo S

Lysaker

Sandvika

Asker

 Airport Express Train

**Flytoget**



Airport Express Train



Every 10 min airport to and from  
down-town Oslo. Travelling time  
19 min.

Every 20. min. Oslo  
west suburbs via down-town



## AET operation and performance

- ▶ 16 EMU 4 car-trains operated in 210 kmh
- ▶ A total of 255 seats per train, 510 when multiple 8-car trains in peak hours.
- ▶ Market share 36%; business 45 %; leisure 26
- ▶ App. 5,7 mill pax in 2008
- ▶ Gross revenue MNOK 720. (Euro 90 mill)
- ▶ Profit (before tax, alloc.) MNOK 187 (Euro 23 mill)
- ▶ Operating profit margin 26 %
- ▶ CSI customer satisfaction indicator: 95

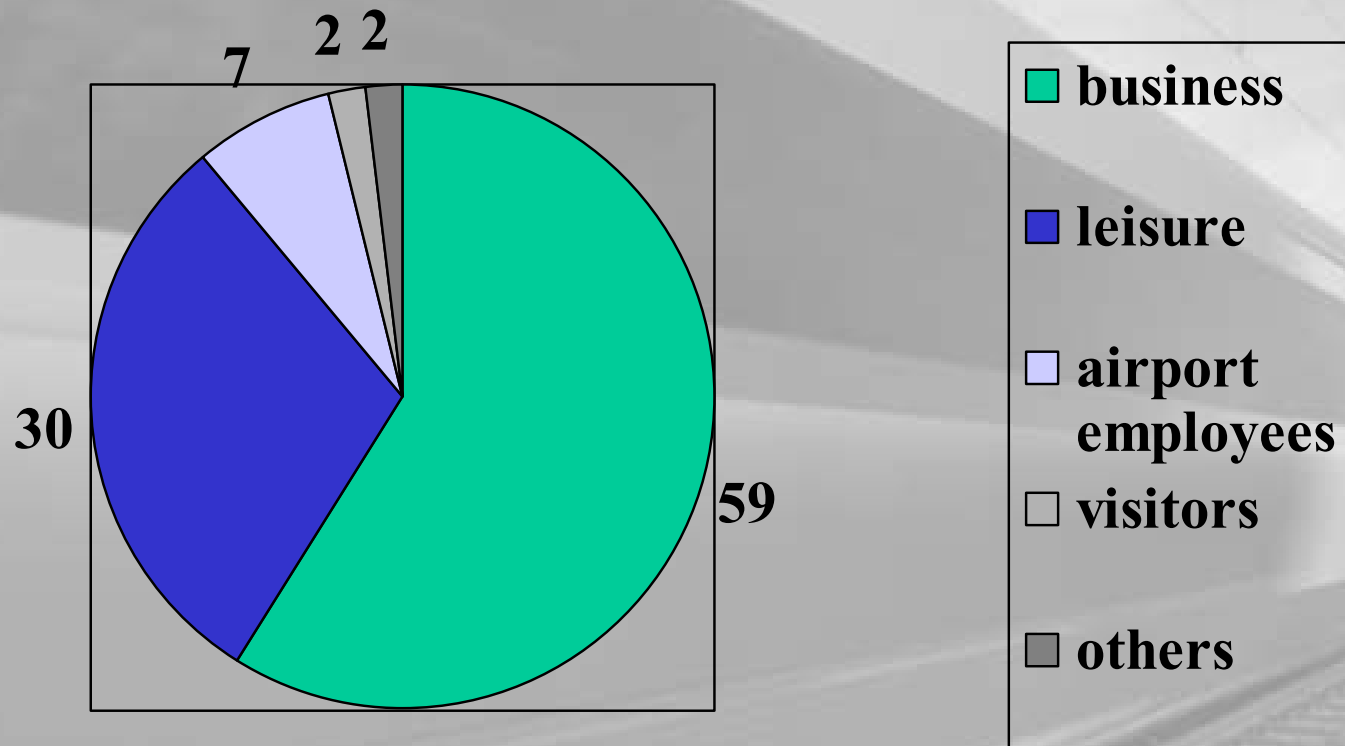


## Business strategy behind a profitable service and 36 % market share

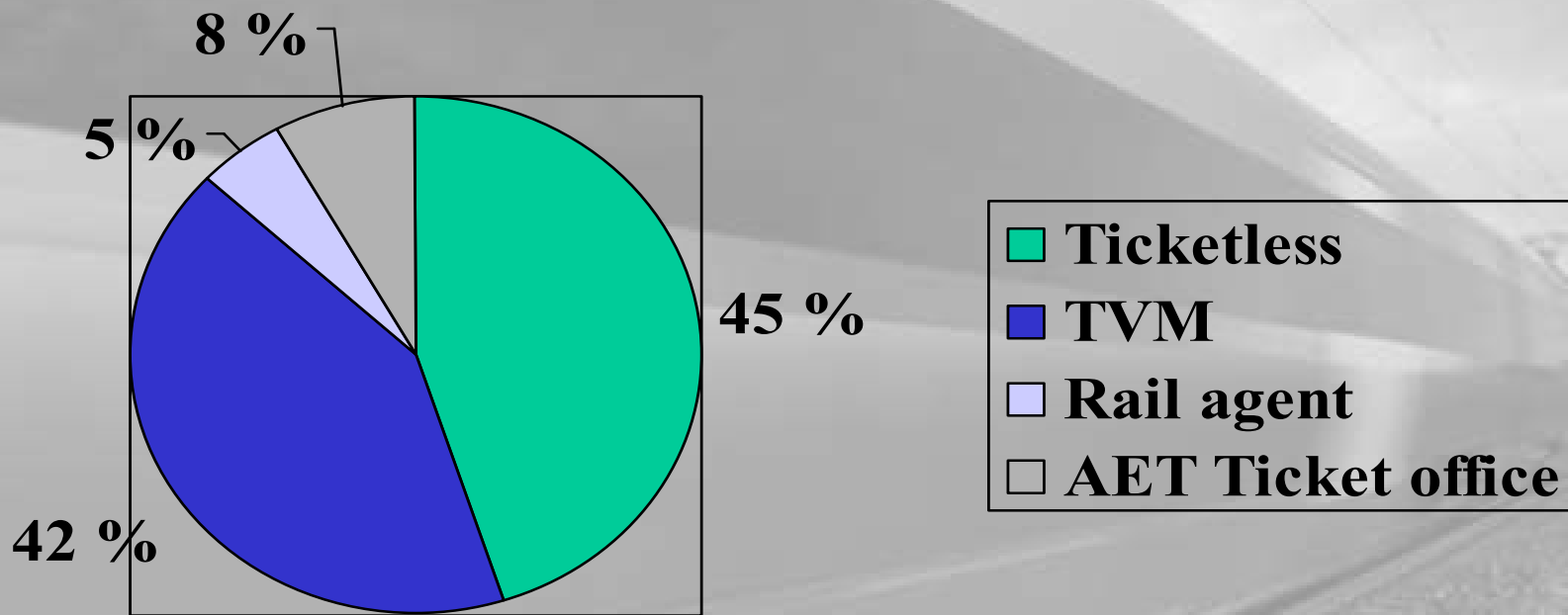
- ▶ High speed and frequency gives short travelling time
- ▶ Punctuality and reliability gives a predictable service
- ▶ Maintenance and cleaning gives a new train every day
- ▶ Modern design and visibility gives a "state of art" experience
- ▶ "Swipe and go" (ticketless) gives simpleness and convenience



# Customer segmentation (%)



# Sales channels

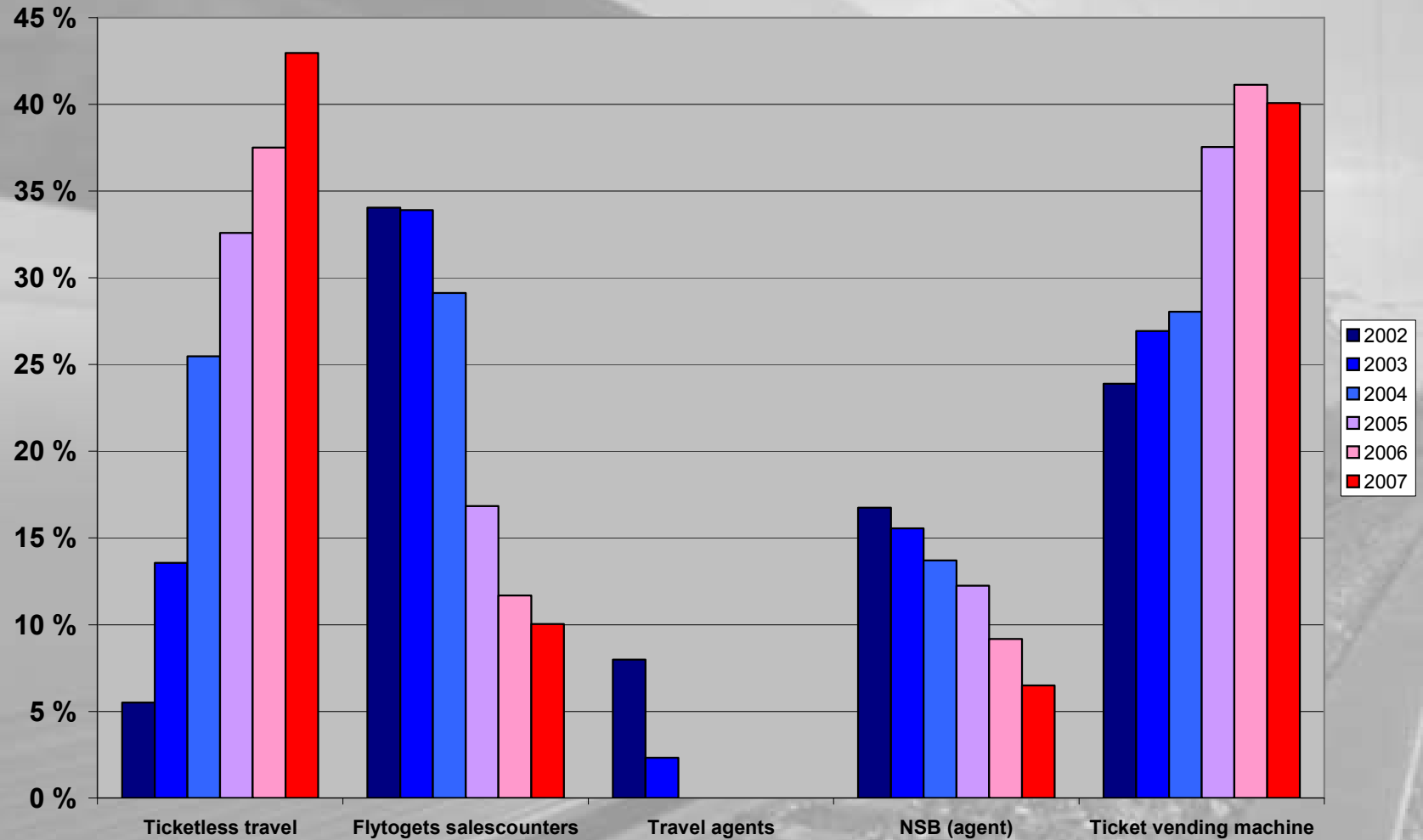


## DISTRIBUTION STRATEGY

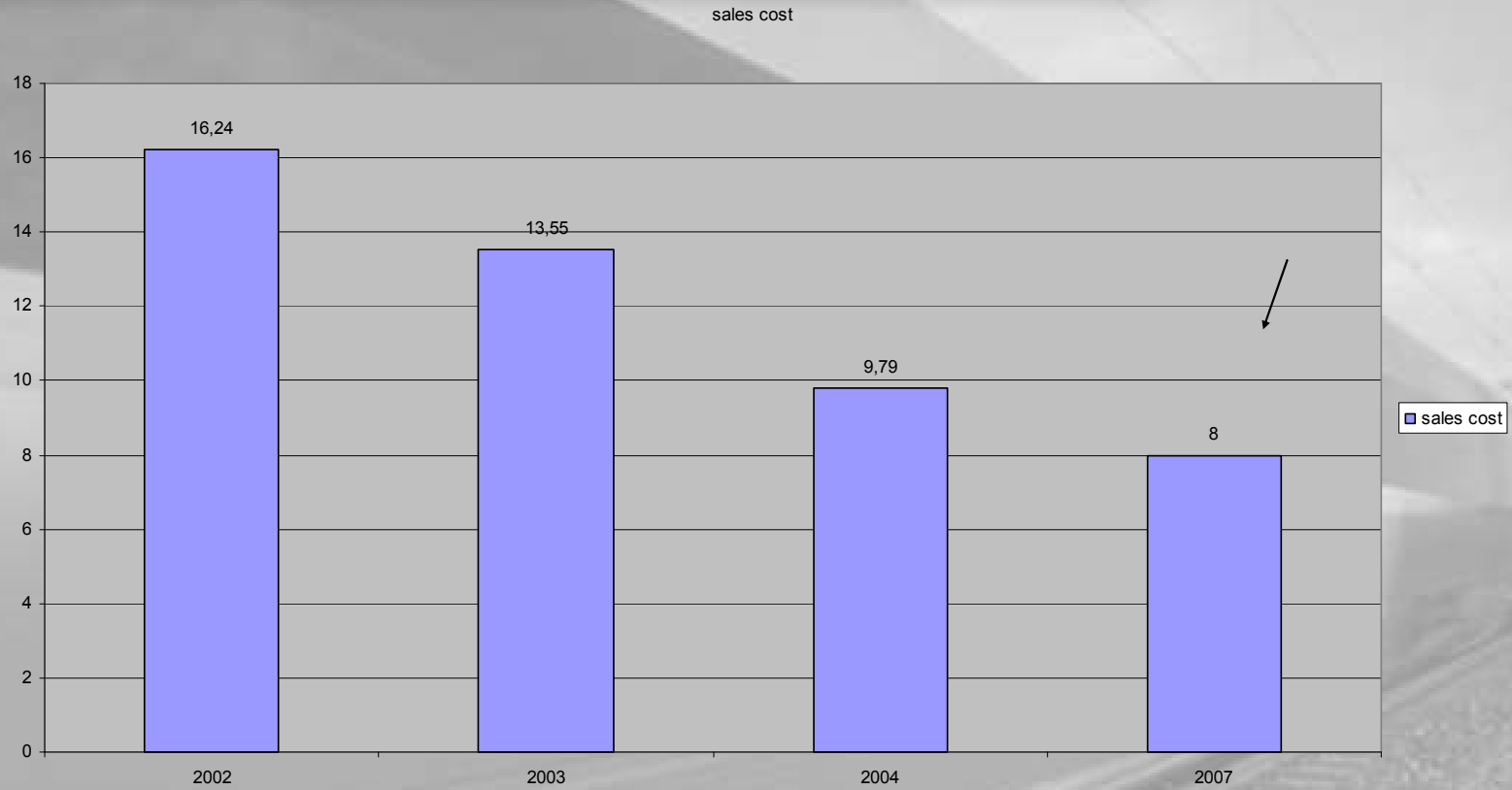
- ▶ **Originally:** Prior to trip when flight is booked and purchased at travel agencies (gds) and ticket office'
- ▶ **Customer id:** Paper tickets type OATB 2 and Smart-card for frequent travellers (Mayfair 1)
- ▶ **Validation:** Prior to boarding at the airport and on the platform when arriving at the airport
  
- ▶ **Valid from 2003:** Being present when flight trip is done;
  - ▶ "Swipe and go" (Pay as you fly)
  - ▶ **Channel and FOP:** cards issued by airlines and credit cards to identify passengers for e-invoic and e-receipts in mailbox
  - ▶ **From travel agencies and paper tickets to tickettes cards more than halving total cost of sales.**



# SALES SHANNELS 2002-2007

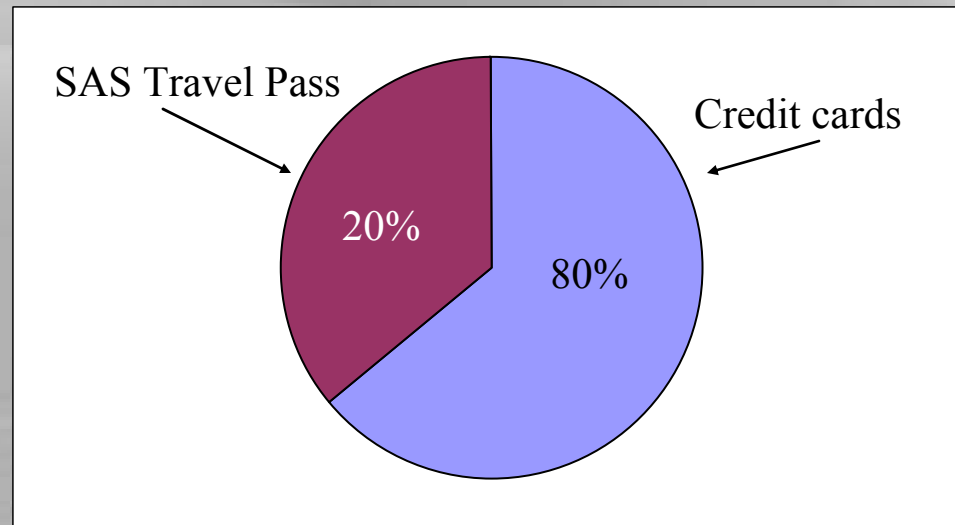


# DROP IN SALES COST PER RIDE



# Ticketless travel

- ▶ SAS Travel Pass Corporate (TPC)
- ▶ The most common credit cards
  - ▶ VISA
  - ▶ Diners
  - ▶ Mastercard
  - ▶ AMEX



# Ticketless travel – experience from 2003

## ▶ **Customerdriven process**

- ▶ a wish for easier travel...
- ▶ Cooperation with companies
- ▶ customers; company invoicing
  - ▶ Key Account Program – ticketless and up front discounts
  - ▶ e-receipts/confirmation to individuals or company travel office first day after trip, according to individual agreements

## ▶ **Costdriven process**

- ▶ From 20% to 5% sales cost in four years
- ▶ Return on investment (ROI) in three years
- ▶ From travelagents (gds) to ticketless travel
- ▶ Simple business: no seating – no booking – no tickets, learned from others: parking, former carrier Braathens, etc. (Porter)



## ...just swipe and go...("pay as you fly")

Register on internet-site and you will automatically receive an electronic receipt in your mailbox.

Or make a company agreement with Flytoget and SAS with TPC-card or your credit-card for ticketless flight and train ride; have an e-mail confirmation the next day after the train ride/flight in your mailbox and periodic invoice directly to company.



And then...just swipe your card...and relax onboard





Thank you for your attention!

Airport Express Train

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