

Eurailspeed

Parallel Session A.2

Frank Bernard
Director Business Unit TGV, SNCF



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MANAGING THE SUPPLY OF HIGH SPEED RAIL SERVICES

Eurailspeed 2005 – Session A 2

Frank BERNARD

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Managing the Supply of high speed rail services (1)

- The growing infrastructure costs weaken high frequency or shuttle service policies and promote **higher capacity train sets** on existing or even **reduced schedules**

ex : the Paris Arras service has been downsized this year from 16 to 12 return trips

- The growing competition with airline c^{ies} and especially low cost carriers leads to **optimise the overall travel time** with fewer stops and to offer **more direct trains** on relevant time schedules

ex : 5 years after the launch of the Mediterranean TGV, there will be significant changes next year on these routes, including additional or more relevant direct trains between Paris and Marseille / Toulon



Managing the Supply of high speed rail services (2)

- Enlarging the **width of the Tariff range** and the strength of the yield policy is the best way to optimize both the number of customers on board and the individual contribution of each of them

ex : a Paris Nice TGV ticket now starts at 25 € (with strong anticipation, no exchange nor refund) up to 142 € in 1st class full price

- The more flexible and structured the Tariff range has been built, the more powerful is the yield

This enables to catch the most contributive customers on the highly demanded periods, helps to move the most price sensitive ones to off peak hours, and brings reliable control on fair 1st class upgrade proposals



Managing the Supply of high speed rail services (3)

- Internet has been a very powerful new means as it reduces the distribution costs and therefore allows **more aggressive offers** for certain customer markets, inside enlarged prices ranges

ex : the new iDTGV product is a relevant example of such a strategy

- Beyond these first benefits, Internet brings a new direct relationship between the customer and the Brand, speaking about prices but also information and the global **customer relationship management** itself

ex : the new TGV Frequent Travellers Program is heavily betting on these new evolutions and levers of the Internet world



Managing the Supply of high speed rail services (4)

- As regards service, TGV first objective is to offer **fluidity at every step** of the service, from information before booking up to back office services, when needed
- Moreover, offering a real global fluidity for **the whole journey** is a key point, from easy car park solutions to multimodal mobility proposals
- The **service delivered in the stations** has a strong value for the customer, regarding information, security, welcome on the platforms ...



Managing the Supply of high speed rail services (5)

- The **on-board services** are probably the biggest challenge,
 - ✓ from **new interiors** (half of the TGV fleet is under renovation with Christian Lacroix expertise)
 - ✓ to new products or **additional offers** at the bar (catering but also DVD, electronic games ...)
 - ✓ including a more **customer focused staff** on board
 - ✓ And taking full advantage of **new technologies** such as a broad band Internet service available at 320 km per hour

