White paper

Train and bus operators lowering their distribution costs

Alike changes in the airline industry in the early nineties and the rise of low cost airlines, the Rail and Bus industry is also changing rapidly.

These changes are the result of increased price and product transparency, commoditization of air/rail/bus transport services, distribution shift towards buyers market, market liberalization and new entrants operating under revised business models & lower costs.

To deal with competitive changes, operators are increasingly focussing on 3 areas of interest:

LOWERING THEIR (DISTRIBUTION) COSTS

Railway companies have traditionally turned to airline (alike) reservation systems to power their booking engines, in absence of true railway developed and focussed systems. Apart from the lack of full support of railway business logic and their specific needs, the applied technology has become outdated, expensive to maintain and worse, new functionality is costly - if possible at all. Bus operators are experiencing more of a greenfield situation as they are expanding their network offering long distance services. For these services they will require seat reservation functionality, covering bus, rail and bus-rail combinations, which was not needed in the past.

Moving forward, operators are looking at off the shelf (SAAS) products specifically developed for the rail and bus industry and (IT) suppliers having extensive/hands on rail and bus expertise and a product development roadmap meeting bus and rail operator's future needs, not those of airline users!

The innovative rail and bus specific sales and distribution platforms (S3 Passenger developed by Sqills) uses state of the art (web-based) technology and the product (innovation) costs are leveraged across a greater volume of transactions, enabling Sqills to offer their services at significant lower costs then the industry is used to.

INCREASING CUSTOMER PREFERENCE

As a result of commoditization, liberalization and increased market transparency, the public transport industry is moving towards a buyer's market. The fight for customer preference is on and operators apply different strategies to become the preferred operator of choice. The balancing act will be managing customer preference and operating margin. Inevitably, operators need to provide travellers/customers all information and services to support their decision making, booking and travel experience. Planning functionality, a transparent pricing and booking process, ticketing and payment options and after sales services such as reprinting tickets, rebooking and even cancellations should be facilitated at most customer contact points but especially on all mobile devices and PC's. Failure to offer the required functionality will open the door for competitors who are willing to compete for market share and customer preference in your market.

In view of the above, operators need to offer their customers a wide range of self services to facilitate the customer decision making process and the 'ease of doing business with' perceptions. These services are part of the S3 Passenger sales and distribution platform thus no incremental implementations are needed while offering a seamless customer experience, secure flawless data processing, prevent security issues and minimize incremental operating and maintenance costs.

IMPROVING THEIR TIME TO MARKET

With increased competition within and across different modalities of transport, responding to changing market needs, competitive offerings and prices is crucial. The commercial team should have the tools to manage the complete Product-price offering by themselves and real time. The days of filling in forms for IT departments to be handled one or two weeks later in a next release are no longer acceptable. We are entering a 'now or never' market where customers are becoming ever more demanding. Providing outdated, non-competitive information is an absolute dissatisfier and should be avoided.

Having a hierarchal user scheme in place secures operator's control on who and what can and can not be published/communicated using one dashboard to control the entire Product –market offering (network/capacity/rolling stock/prices/promotions/availability etc.).

The commercial team operating in such a dynamic market environment will have all the tooling readily available to adapt real time to changing market circumstances. Each team member handling the settings and changes within their line of expertise/responsibilities will have the tooling to do so. The S3 Passenger sales and distribution platform offers these functionalities out of the box.

S3 PASSENGER – YOUR FUTURE PROOF SOLUTION

S3 Passenger – the dedicated sales and distribution platform for Rail and Bus operators
Since 2008 Sqills has been developing S3 Passenger in anticipation of a changing Rail and Bus market environment, realising that many Railway companies were using airline reservation systems or outdated in house legacy systems.

Focussing on the industry drivers of lowering distribution costs, increasing customer preference and improving time to market, Sqills has launched S3 Passenger in 2010. The product roadmap (new functionalities), is 100% based on the needs of Bus and Rail operators, meeting their business logic, practises and market needs. The modules 'Navigator', 'Fare', 'Inventory', 'Ticket', 'CRM' and 'Revenue Management' are role based accessible via one dashboard by means of a browser on any device.

Customers like Irish Rail have made a conscious choice to modernise their outdated legacy systems by implementing the S3 Passenger sales and distribution suite. Gerry Culligan, Iarnród Éireann Irish Rail Commercial Director, said: *"Our existing ticketing systems had several dated legacy components which affect the customer experience. We were determined to bring these aspects of the business, such as ticketing and CRM tools, up to modern standards."*

NEXT STEPS

If you are interested in the Sqills software solutions, please get in touch with us and we will organise a meeting / conference call / webinar / S3 Passenger demo meeting to engage, understand your business needs and propose solutions.

For more information:

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