Open-access success

In July 2012, Hamburg-Köln-Express – the first private long-distance rail service in Germany – began operations. Since then, this young company has successfully found its market, with a growing number of passengers regularly using the new service.

When Hamburg-Köln-Express (HKX) commenced its rail services between Hamburg and Cologne on 23 July 2012, it was the first open-access operator to break into the German long-distance rail market. At the time of providing this article and looking back over the first seven months of operations, HKX trains had safely travelled more than 360,000km, or a total of more than 800 trips. Train punctuality also scored highly and in-line with the general market at an average of between 80 and 90%.

HKX trains have been operating with a medium to high load factor; especially at weekends when vehicles have been almost full. An average of 25,000 passengers per month have chosen to travel with HKX, which means within the first seven months of operations, a total of approximately 175,000 passengers used the new service, making it a success.

This success was possible because HKX focused on a number of features that customers find very important when choosing a mode of transport, including: Easy booking and access to tickets, a competitive price, and a good service offering. We believe passengers want a good value service at an adequate price.

**Easy booking**

The main channel that we focused on for customers to book HKX tickets was the internet. And to make the booking process simple, the software was designed with a clear focus on customers' needs. The goal was to keep the booking process as simple as possible with as few steps (or 'clicks') as possible. In addition to purchasing tickets online, they can also be bought via a service hotline, and spontaneous travellers can also buy their ticket directly on the train, at a somewhat higher but still competitive price.

Furthermore, we have started to co-operate with public transport companies in the cities along the HKX route. They will sell tickets at counters at their local information and ticket stores.

**Competitive price**

All HKX ticket prices include a free-of-charge seat reservation and start at a moderate level and get more expensive depending on the expected load factor and the individual booking status of each train. In most cases, this means that customers who book in advance get the best offer. But in cases where trains sell less than expected, prices may plummet again shortly before service starts. We also run special offers from time-to-time and advertise them via the internet, social media sites and directly on our own website. These special offers are either planned to test the market or to fill-up trains with low load factors. On the other hand, ticket prices can be more expensive when demand is high, like during vacations or before and after national holidays.

This price policy makes HKX particularly attractive for people who are price sensitive and can choose their time of travel autonomously.

**Good service**

We offer an efficient on-board service with trained staff that are friendly and attentive and are always available to help customers during their journey with travel information, etc. Snacks and beverages are also sold on-board HKX trains to make the journey as comfortable as possible for passengers.

Customers have expressed that they are

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impressed with how HKX handles challenges like delays or technical problems. On these occasions, we will inform customers and help them to continue their journey. If the problem is known in advance then customers are informed via e-mail or telephone ahead of travel so they can choose to switch to another departure time or day, or cancel the ticket altogether. If the problem occurs just hours before travel then we make sure that customers can use a train service from another rail company for the missing leg of their journey.

During the first seven months of service,

"Within the first seven months of operations, a total of approximately 175,000 passengers used the new service, making it a success."

there were a few disruptions due to bad weather or for technical reasons. In each case, HKX staff took care of passengers and made sure they reached their final destinations safely.

Our customers value such an attentive service, especially as delays and cancellations are normally extremely stressful situations. We have been given some great feedback about our customer-orientated behaviour which is seen by customers as a positive reason to choose HKX over other modes of transportation. This is also great word-of-mouth publicity in helping us secure more new customers to use the HKX service.

Generating new customers for the passenger rail sector

Easy booking, competitive prices and a good service offering – these three aspects characterise HKX and can influence whether customers choose our rail service over other modes of transportation.

In January 2013, we conducted a customer survey and found that after only seven months in operation HKX has accumulated a generous number of regular customers, and that many of them have not travelled by train before. The survey also revealed that the ‘typical’ HKX passenger is between 18 and 29 years old, or in their 50s or 60s. We have also found that approximately 50% of our passengers are female, which is higher than average for long-distance travel by rail. Many passengers use our service to visit their friends and family, or to go on city trips and to visit cultural events.

These results indicate that HKX has opened a new market for rail travel. This is especially true for young, price sensitive people, who are showing new travel behaviours compared to
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