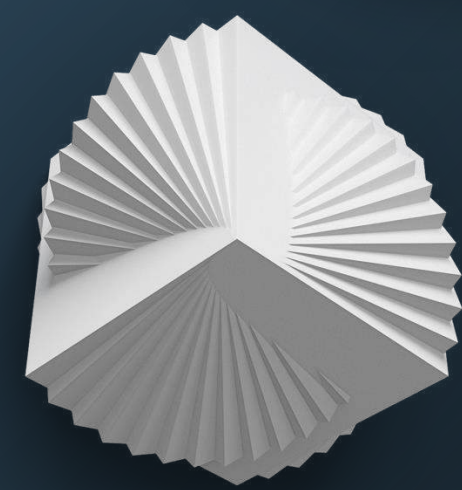
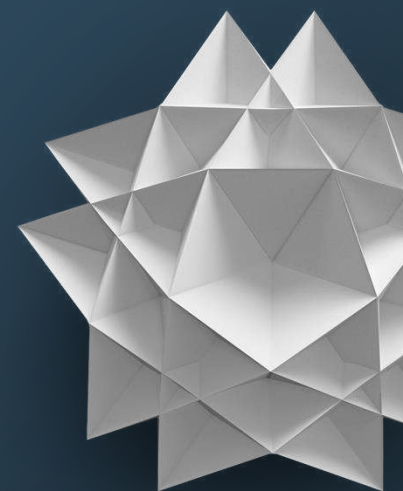


# Incrementality through mobility platforms in Spain – Survey results

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# Background, objective and research question

The Spanish railway sector has undergone **significant changes** in recent years.

- **Six routes** have been entered by new competitors.
- **Prices decreased dramatically.** On average across competition routes, prices decreased by over 40% according to CNMC data. The number of long-distance journeys increased by 23% from 2023q1 to 2024q1.
- In total, **rail travel increased** by 34% from 2019 to 2024.



These changes bring significant **direct benefits for consumers**, in terms of lower prices and more travelling, as well as to society at large, in terms of reduced carbon footprint.

*We have been asked by Trainline to explore the role of mobility platforms like Trainline in supporting entry and expansion of new rail operators and the expansion of rail travelling more broadly.*

We have collected feedback from a large random sample of 1711 Trainline users during Q2 2024.

# Notes on methodology – overview

One of the main objectives is **identifying the share of Spanish rail travelling that is incremental due to Trainline or other mobility platforms.**

*Incremental journeys are those that would not have occurred by rail absent TL's offer.*

TL invited all **Spanish customers** that bought a ticket in Spain in the previous 12 months to participate in an online survey:

- TL sent an email including a **link to an online survey**;
- The survey was in Spanish and took **3-5 minutes** to complete;
- Participation was **incentivized** through a 5-euro Amazon gift card.

The survey ran for two weeks from Wed May 22, 2024 to June 5, 2024, collecting 1711 valid responses with a response rate of 1.8%.



## Encuesta sobre su compra reciente en Trainline

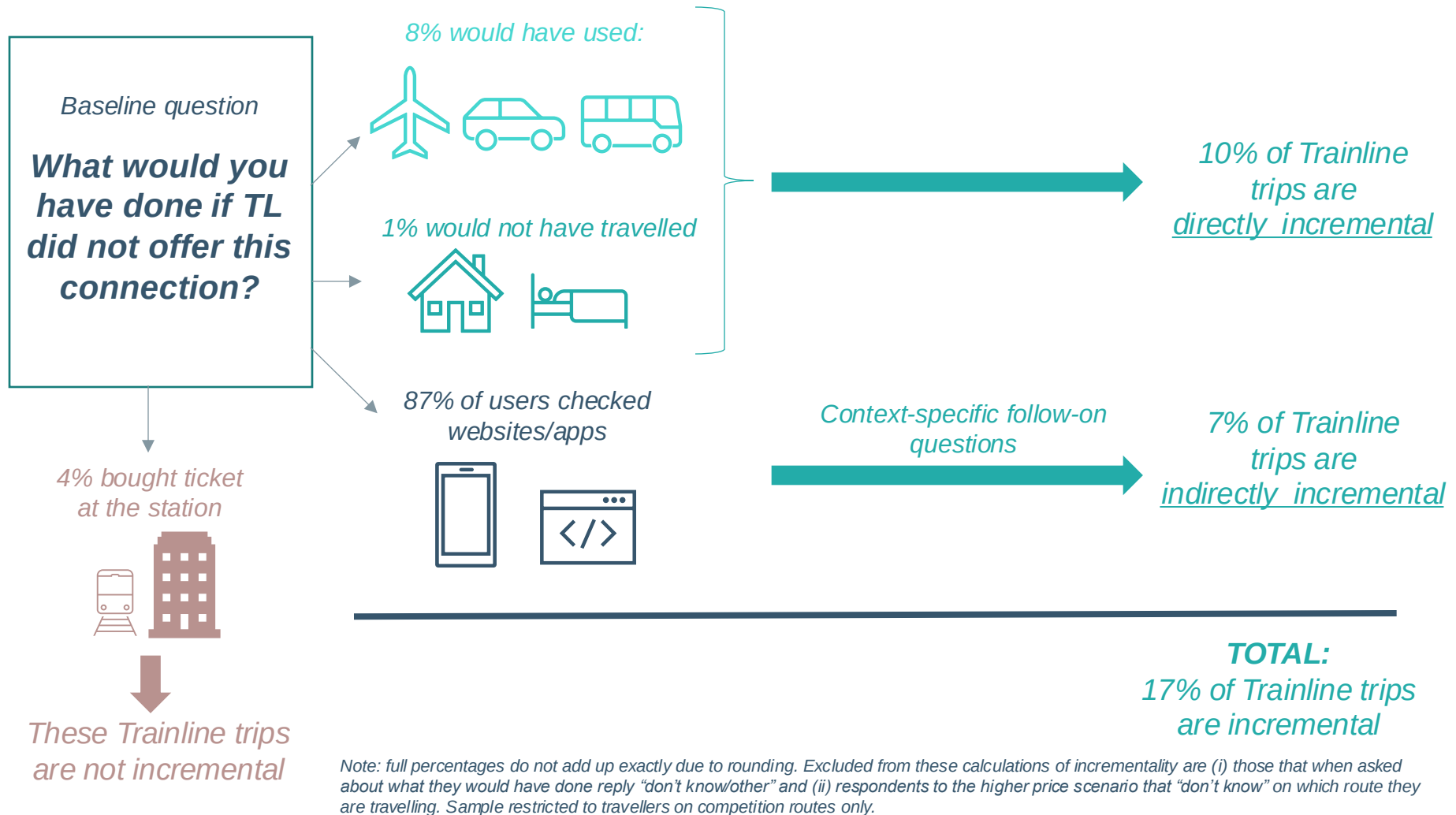
Bienvenido!

**Gracias por participar en nuestra encuesta.**

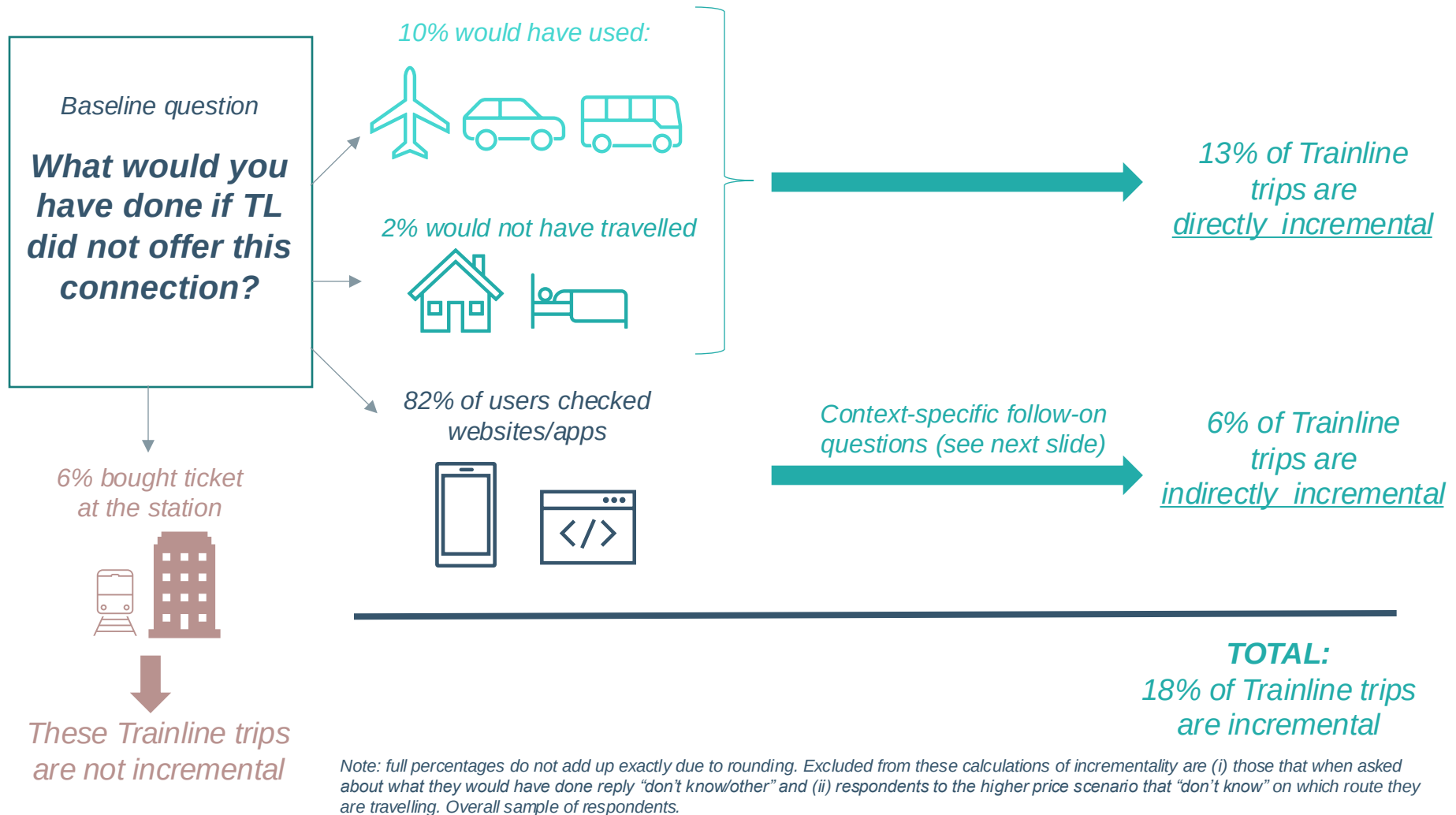


\*Note that we include in the analysis those respondents that answered until the very last demographic question, regardless of whether they leave their email address for incentivization purposes; however, we exclude those with response times below 1 minutes (3 observations), and answers associated to duplicate emails (13 observations; in this case we drop the survey response submitted later).

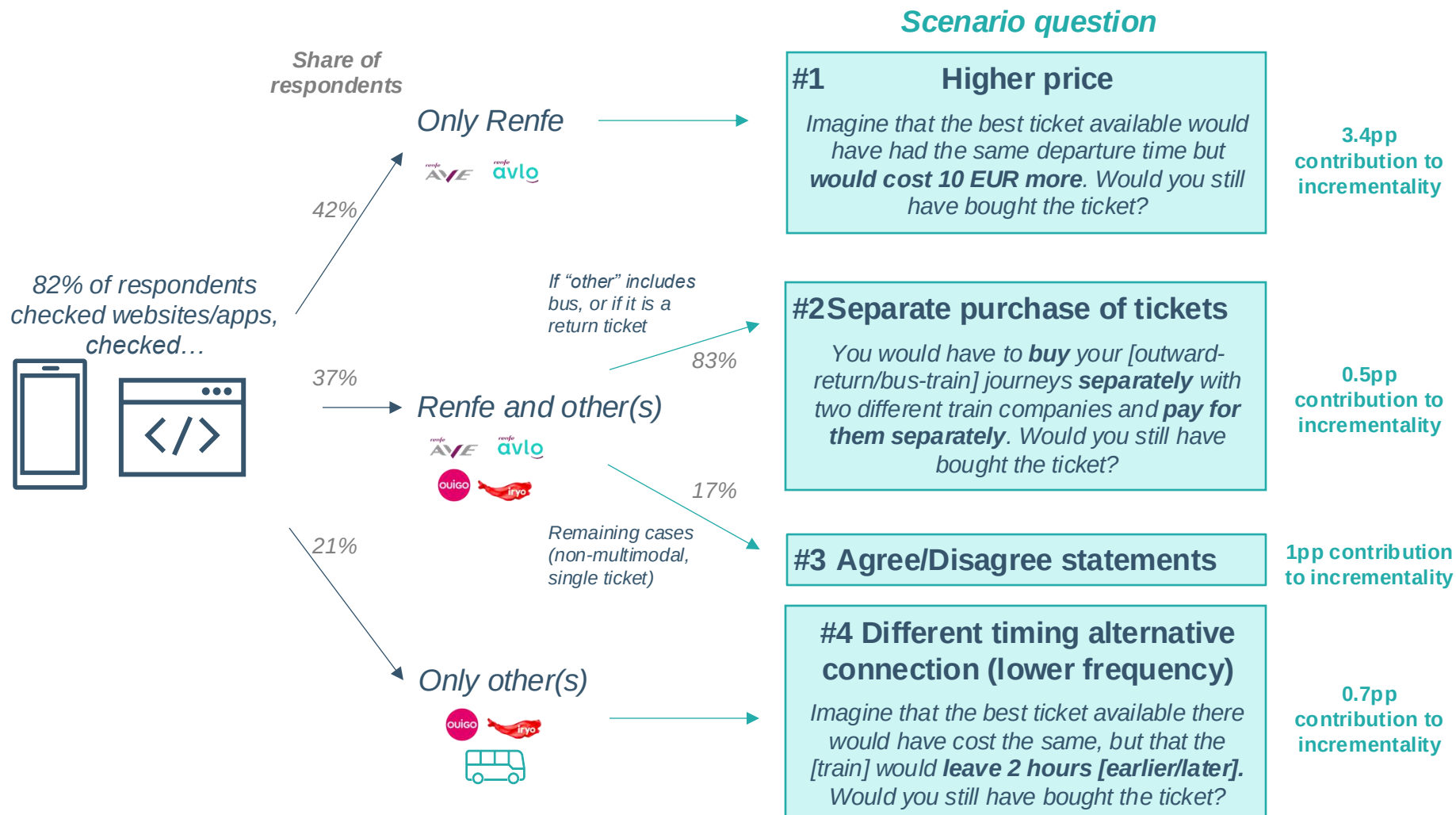
# Survey results (1): About 17% of trips on *competition routes* booked on TL are incremental



# Survey results (1): About 18% of all long-distance trips booked on TL are incremental



# Context-specific follow up: overview of scenarios



Note: Overall sample of respondents.

Split of respondents excludes those who say they would check websites but then "don't know" which ones (59 respondents).

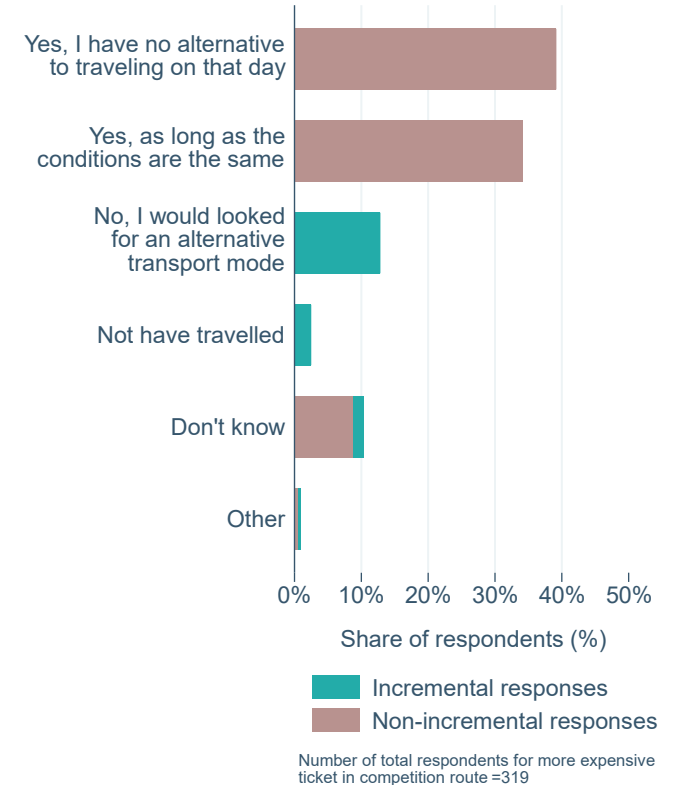
# Indirectly incremental trips #1: Higher price

- 82% of respondents indicated they would have checked **train operators' websites** in the absence of Trainline.
- 42% of them indicated they **would have checked only Renfe's website**. Given that lower prices are a key proposition of the entrants, these respondents were asked:

Imagine that the best ticket available would have had the same departure time but would cost 10 EUR more. *Would you still have bought the ticket?*

- On competition routes** (61% of scenario respondents) customers who indicated they would have only checked Renfe's website and that they would not have travelled by train if the best ticket available there was 10 EUR more expensive are considered incremental.
  - In 2023, across routes, the **weighted average price difference** between Renfe's high speed offer and the cheapest entrant was **16-20 EUR**.
  - Across routes and quarters**, the weighted average price difference was never below EUR 10 (see *table on Backup Slide*).
- Trips on non-competition routes** are not considered incremental based on this question.

**Figure:** Responses to scenario question 1, trips on competition routes only.



Source: CRA elaboration of survey data. Note: Overall sample of respondents. Note that for respondents who answer "don't know/other" we assume the same rate of incrementality we observe among the other scenario respondents (excluding "don't know/other").

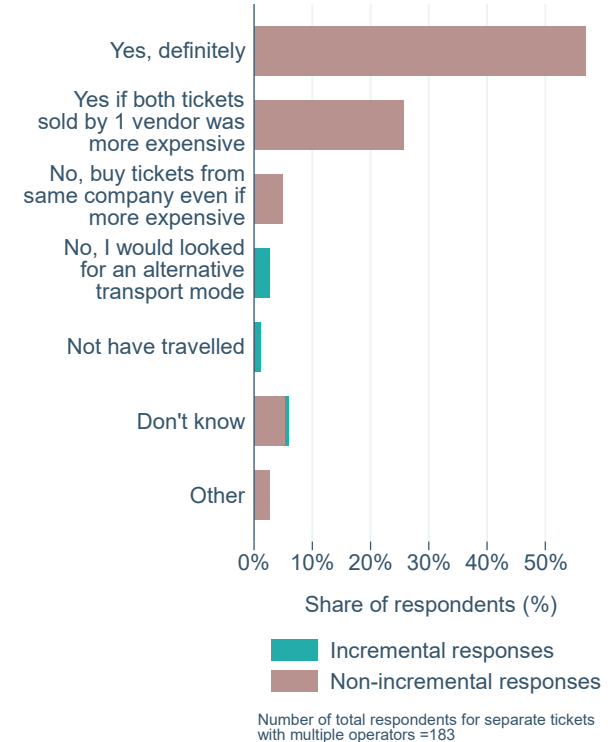
## Indirectly incremental trips #2: Separate purchase

- 37% of respondents indicated they would have **checked both entrants' and Renfe's website**. If these customers bought return tickets or single tickets with multiple operators, they were asked the following question:

Imagine that the best ticket available there would have cost the same, but that you would have to buy the outward and return journeys with different train companies and pay them separately. *Would you still have bought the tickets?*

- Of these customers, **50% bought tickets that involved travel with at least two operators**. We consider their trips as incremental if they indicated they would not have travelled by train.
- Trips involving only a single operator are not considered incremental based on this question.

**Figure:** Responses to scenario question 2, trips involving multiple operators only.

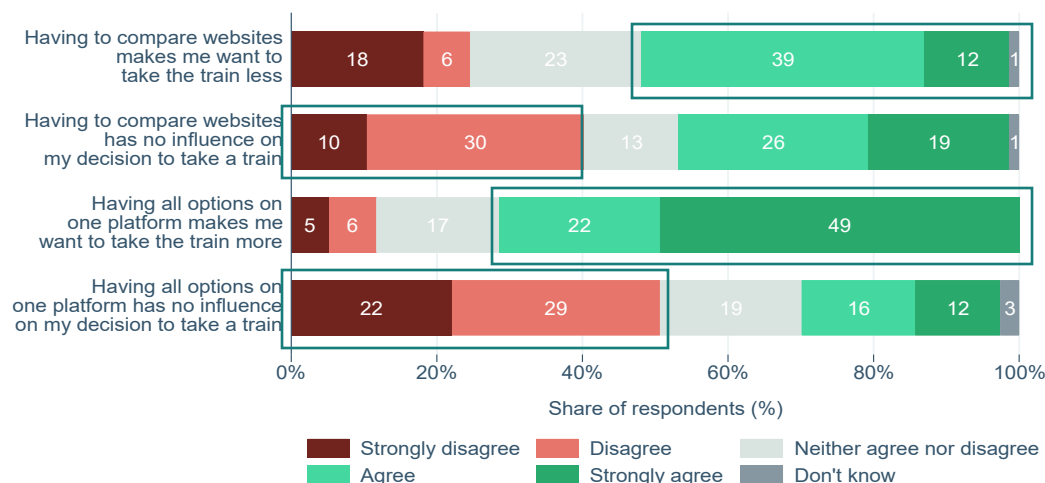


Source: CRA elaboration of survey data. Note: Overall sample of respondents. Note that for respondents who answer "don't know/other" we assume the same rate of incrementality we observe among the other scenario respondents (excluding "don't know/other").

## Indirectly incremental trips #3: Agree/Disagree

- For respondents who purchased a one-way train ticket on a competition route and indicated they would have checked multiple websites, the **reason for incrementality is left open**: instead of a specific scenario, these **respondents are presented with general statements about incrementality**.
- We consider their trips as incremental if they indicated “strongly agree” or “agree” with the two statements that indicate incrementality and also indicated “strongly disagree” or “disagree” to the statements going against incrementality. Therefore, **only trips of respondents selecting an “incremental” answer to all four questions are considered incremental** on the basis of this question.

**Figure:** To what extent do you agree with the following statements?



Number of respondents = 77

Source: CRA elaboration of survey data. Note: Overall sample of respondents.

Incremental answers highlighted with boxes.

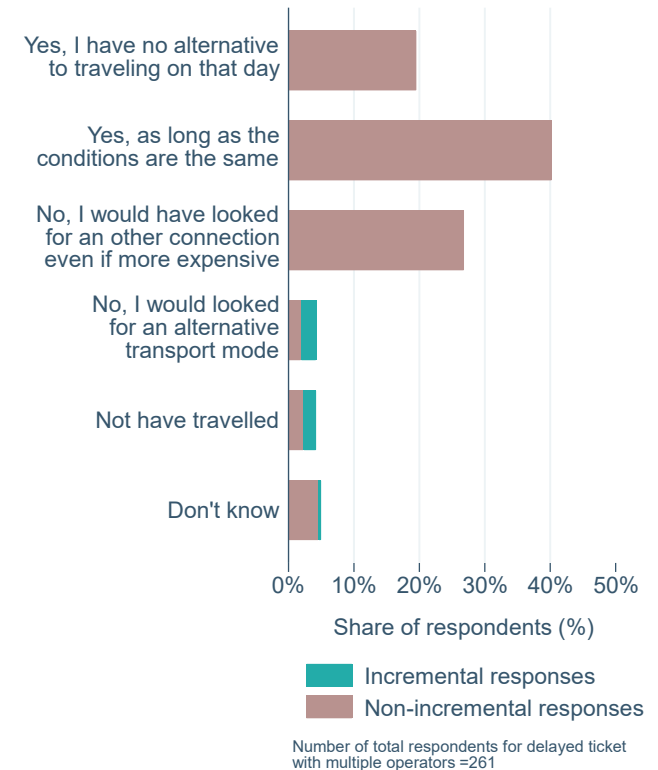
## Indirectly incremental trips #4: Different timing

- 21% of respondents that indicated checking train operators' websites would **only have checked entrants' websites**. These customers were asked:

Imagine that the best ticket available there would have cost the same, but that the [train] would leave 2 hours [earlier/late].  
*Would you still have bought the ticket?*

- The question is motivated by the observation that **entrants generally offer fewer connections** than Renfe.
  - On average across routes **Renfe operates 12 connections per day, while entrants operate 6 connections per day**. Therefore, many respondents may not have found a connection at their preferred time when only checking entrants' websites.
  - The pattern of entrants offering fewer daily connections is consistent across routes (see *backup slide*).
- As this may not apply to all customers, we assume that **50% of customers** who indicated they would not have travelled by train in this case are made an **incremental trip**.

**Figure:** Responses to scenario question 3



Source: CRA elaboration of survey data. Note: Overall sample of respondents. Note that for respondents who answer "don't know/other" we assume the same rate of incrementality we observe among the other scenario respondents (excluding "don't know/other").

# Incrementality summary: About 3% of trips booked on competition routes or 13% of growth are incremental due to mobility platforms

- Extrapolating the survey results to all trips booked on competition routes, the estimated incremental trips on mobility platforms determine **~3% of all trips being incremental**, for a total contribution of ~13% to market growth.
- Even on a wider long-distance market (where mobility platforms are assumed to have a somewhat lower market share), mobility platforms contribute significantly to market growth.

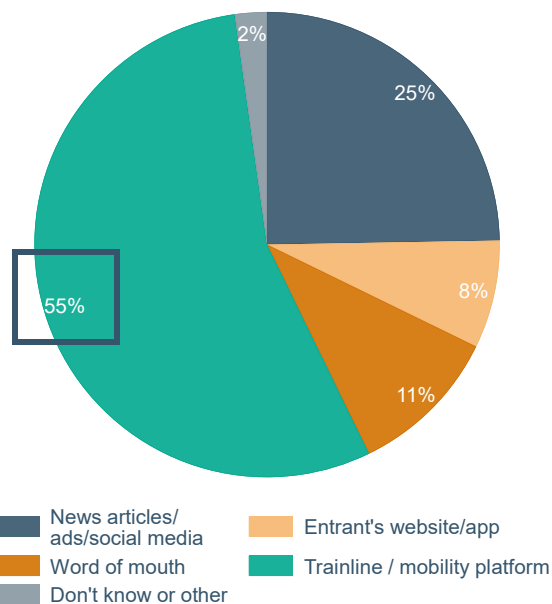
|                              | Mobility platforms' assumed market share* | Incrementality as share of overall market                                                                                 | Mobility platforms' contribution to market growth (Q1/2023-Q1/2024)                             | Implications for consumers and environment                                                                               |
|------------------------------|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| <b>Competition routes</b>    | 20%                                       | Estimated 17% incremental customers corresponds to <b>3% overall journeys being incremental due to mobility platforms</b> | Accounting for a 25% market increase, mobility platforms <b>contribute 13% of that increase</b> | Increased consumer welfare (people being happy travelling), less congestion and CO2 emissions, noise, traffic accidents. |
| <b>Overall long-distance</b> | 10%                                       | Estimated 18% incremental customers corresponds to <b>2% overall journeys being incremental due to mobility platforms</b> | Accounting for a 23% market increase, mobility platforms <b>contribute 8% of that increase</b>  | Increased consumer welfare (people being happy travelling), less congestion and CO2 emissions, noise, traffic accidents. |

\* Mobility platforms' market shares based on Trainline estimates.

## Survey results (2): About 55% of TL's customers learned about their trip with a new competitor through TL

- The **majority of Trainline customers traveling with an entrant** found out about the entrant through Trainline or other mobility platforms.
- This illustrates the **significant contribution of mobility platforms** to the development of upstream competition.

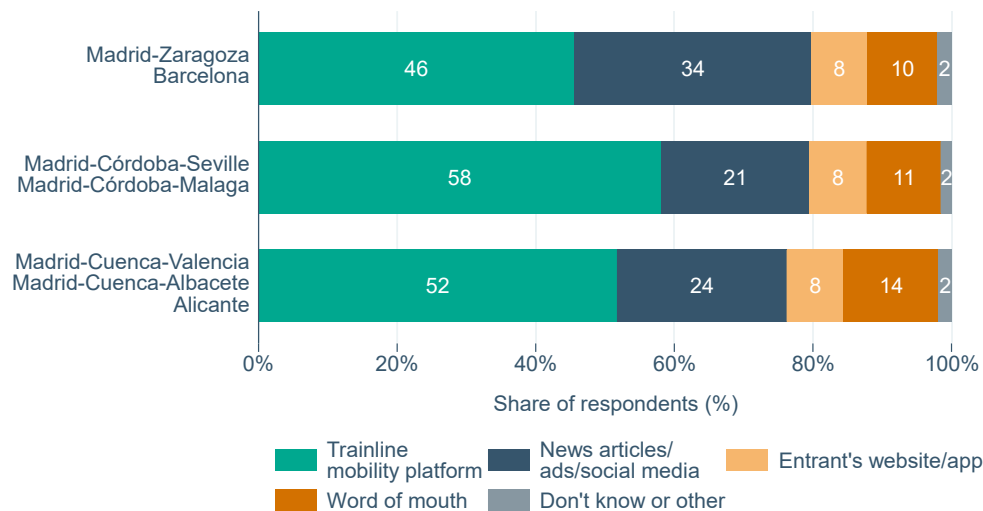
**Figure:** share of respondents travelling with Iryo/Ouigo by how they first found out about the entrant on the route they're travelling



Number of total respondents for Iryo= 684  
Number of total respondents for Ouigo= 387

Source : CRA elaboration of survey data.

**Figure:** breakdown by route



Number of respondents Barcelona = 1002  
Number of respondents Sevilla/Málaga = 253  
Number of respondents Valencia/Alicante = 584

Source : CRA elaboration of survey data.

## Survey results (3): Enhanced booking and rail experience

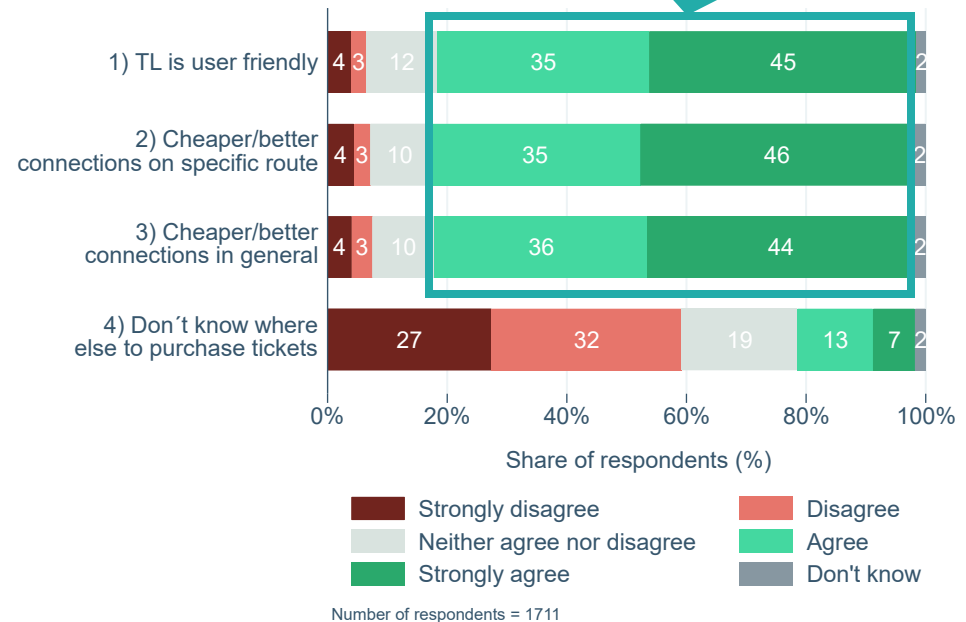
A large majority of respondents agrees or strongly agrees that they **use Trainline because it is user friendly and to find better connections.**

This reinforces the previous slide's findings on mobility platforms **facilitating upstream competition**

Only few respondents indicate they use Trainline because they do not know where else to purchase tickets.

This is consistent with the survey's focus on Spanish customers. For **international customers**, one would expect *additional incrementality* due to some of these passengers not knowing where else to purchase a ticket.

**Figure:** reasons for using Trainline



Source: CRA elaboration of survey data.

**Table:** reasons for using Trainline – full statements

| To what extent do you agree or disagree with the following questions?                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1) I generally use Trainline because it is more user friendly than other options.                                                                               |
| 2) I used Trainline because I expect to find cheaper/better connections on the specific route I am traveling on that might not be available on Renfe's website. |
| 3) I generally use Trainline because I expect to find cheaper/better connections that might not be available on Renfe's website for some routes.                |
| 4) I generally use Trainline because I don't know where else I could purchase train/bus tickets online for the specific route I am traveling on.                |

# Conclusions

**Consumers in Spain have benefitted from competition** on six major routes connecting to Madrid.

- The value of additional choice and competition in terms of lower prices and additional rail travelling is widely acknowledged.
- Moreover, where rail travelling replaces other means of transport, society at large benefits from a lower carbon footprint.

What has been less well understood is **the role of mobility platforms** like Trainline in fostering these developments.

This study shows that about **half of all consumers booking a trip with an entrant via Trainline first learned about that alternative through Trainline.**

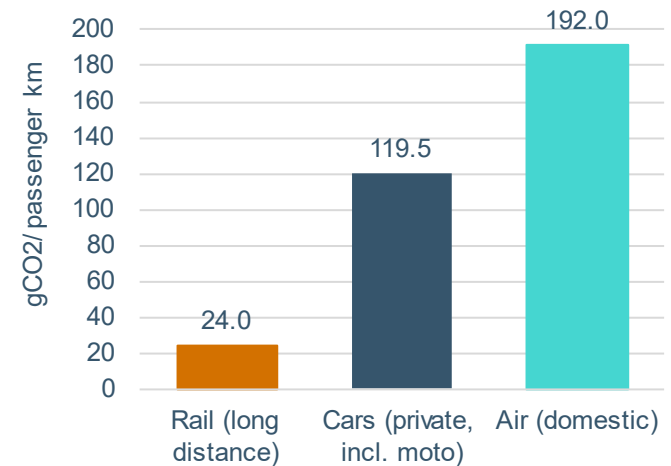
Whilst consumers are well aware of other websites/options for booking rail tickets, they confirm that Trainline significantly enhances the booking experience.

- Accordingly, about **17% of trips booked via Trainline on competition routes** are likely to be incremental to travel via rail.
- About **3% of all trips on competition routes**, or 13% of passenger growth, are **likely to be incremental** to travel via rail thanks to mobility platforms.
- This focuses on Spanish-IP customers. **For “inbound” customers booking Spanish tickets from abroad, even more incrementality is likely**, as these customers may struggle to book through other channels.

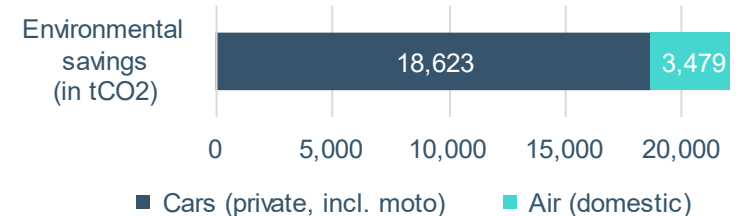
# Preview: Modal shift prompted by mobility platforms carries environmental benefits

- Going by train is one of the most environmentally friendly modes of transport. If the additional train journeys driven by mobility platforms replace car or plane journeys, this translates into CO2 savings.
- Out of the 18% incremental customers, over 80% (corresponding to 15% of all users or 1.5% of all long-distance journeys in Spain) indicate they would have travelled using a different mode of transport without mobility platforms.
- Assuming 86% of these would have gone by car, 5% by bus, and 9% by plane, the **modal shift would imply benefits of about 22,000 tons of CO2 annually.**
  - Based on a tree storing about 25kg of CO2/year, these savings correspond to the **annual CO2 absorption about 900,000 trees.**
  - CO2 emissions are costly for society (social costs) and companies (carbon permits). Based on typical CO2 valuations, the CO2 savings due to the modal shift amount to between **1.5 and 3.9 million euros.**

**Figure:** CO2 emissions by mode of transport



**Figure:** Environmental savings due to substitution from:



*Methodology note:* The assumption on how many users would have gone by car and by plane is informed by the modal splits in Spain. CO2 emissions per mode of transport based on the [IDAE study of 2019](#) and the [IDAE study of 2021](#). Number of long-distance rail passenger kilometers based on the [OTLE \(passenger per type of service\)](#). According to <https://www.fortomorrow.eu/en/blog/co2-tree>, one tree absorbs 24.5 kg of CO2 per year. Monetary CO2 valuation based on the average [EU Carbon Permits](#) of 2024H1 and Rennert, Kevin, et al. "Comprehensive evidence implies a higher social cost of CO2." *Nature* 610.7933 (2022): 687-692.

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