

interiors

RAILWAY INTERIORS INTERNATIONAL JUNE 2011

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Deutsche Bahn

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Increasing capacity on one of the world's busiest commuter lines



INSIDE TRACK

Richard Cushing of GuestLogix explains how operators can make money from onboard transactions

What ancillary revenue opportunities are available to rail operators?

Ticket sales will only take passenger rail operators so far in terms of revenue. With new technologies, rail operators have the opportunity to open new sales channels with relevant destination-based retail offerings, in addition to traditional and existing buy-on-board food and beverage items. By offering ground connections – such as taxi transfers from the station through to the final point of destination, or even theatre tickets – leisure and business travellers have the chance to purchase products and services that they want and need on board, conveniently and safely. This ensures a better overall experience for the passenger as they no longer have to wait in a queue – they can purchase tickets from the comfort of their seats. There are also shopping opportunities – where passengers can purchase products or services through their seatback or handheld entertainment systems and then have these products delivered directly to an address of their choice. These are all very real opportunities for rail operators to generate substantial and sustainable ancillary revenues.

How is the technology being used currently?

American airline passengers can buy Heathrow Express tickets using GuestLogix technology for journeys into central London (ground connections) prior to arrival. Passengers purchase tickets through GuestLogix' OnTouch solution. Purchases are made in real-time with a credit card, eliminating the need for cash (and creating cashless cabins), with reconciled data sent directly to the vendor. The types of products and services that can be sold range from taxi transfers to tickets to a show – the focus being on providing destination-relevant offerings.

What routes are the best fit?

Rail operators have been provided with a unique opportunity to use advancing technology and strategies borrowed from high-performing airlines to expand their onboard retail operations and profit by them. In terms of the regions that will have the best uptake, these are long-distance travel and tourist routes, as there is an opportunity to sell destination-based products to tourists travelling to major cities. Again, this is more feasible on long-distance routes as there is more downtime for passengers to browse and purchase.

What are the technological challenges of processing transactions on trains?

There are a few technological challenges in processing transactions on trains – for example 'live' connections can be lost as trains pass through tunnels. Signal interference can also play havoc with systems. Being able to provide a technology solution that is robust enough to withstand the movements inherent to rail travel is therefore critical. GuestLogix's OnTouch technology solution is combating these challenges by having a credit card processing system that stores and forwards information, and manages information in both online and offline environments. This means that once the train emerges from a tunnel, encrypted information is forwarded to vendors and processed. By having the capabilities to hold data for a short period of time, if a signal is lost or connectivity disrupted, purchases can still be processed.

How expensive is it to install?

The solution is relatively inexpensive for rail operators as the main cost involved is in the transmission of data, which is built into GuestLogix's commercial offering. With WiFi connectivity becoming the norm, the return is immediate; as most trains have WiFi boosters to get connectivity, they have already covered their primary cost and created added value to passengers in the process.

What opportunities lie ahead?

If rail operators were to maintain a common platform, they would have access to better data, including information about the types of products being sold on board, merchandising trends and inventory – all of which are critical to improve business practices and increase selling opportunities.

What is GuestLogix's solution?

OnTouch helps the passenger travel industry create and control a branded onboard store environment, through the sale of destination-based, travel-relevant products and services. OnTouch's infrastructure enables operators to be up and running very quickly to generate onboard sales. We are currently in discussion with several rail companies in the UK and Europe.



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