

# **APPLYING NICHE MARKETING STRATEGIES TO IMPROVE PUBLIC TRANSPORT SERVICE**

**Andrew Nash, Vienna Transport Strategies**

**Prof. Dr. Ulrich Weidmann, ETH Zürich**

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# Presentation Outline

- 1. Niches and niche markets**
- 2. Defining niche markets in transport**
- 3. Public transport niche market examples**
- 4. Conclusions: Commonalities and potential applications to improve public transport**

# 1. Niches and niche markets

- ***Niche:***

- a position or activity that particularly suits somebody's talents and personality or that somebody can make his or her own;
- an area of the market specializing in a particular type of product; (Encarta)

- ***Niche Market:***

- a focused, target-able portion (subset) of a market sector. (Wikipedia)

# Key qualities of niche markets

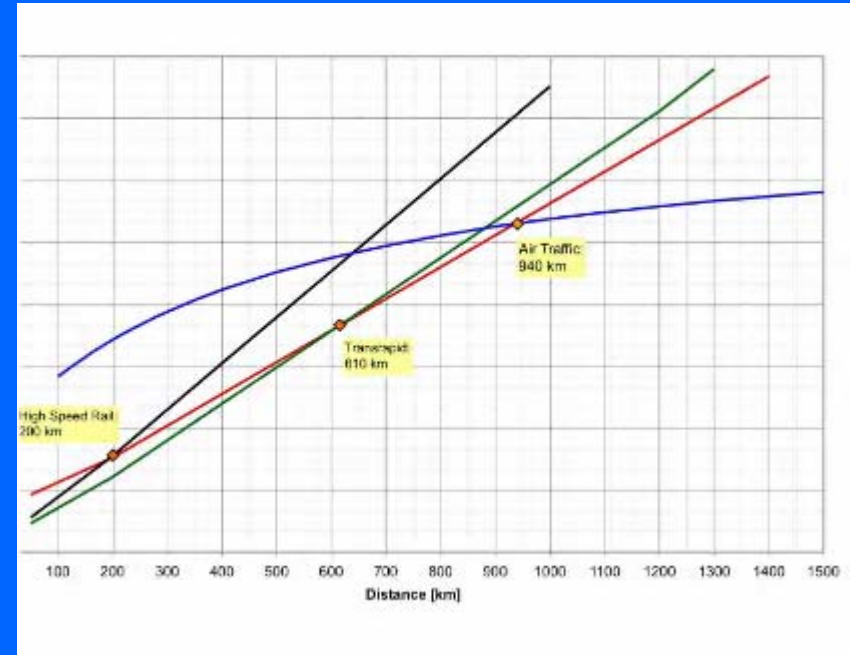
- Niche markets are subsets of the total market;
- Niche markets are served by specialized products/services; and,
- Successful niche market companies often have particular talents or strengths enabling them to provide the specialized products and services demanded by these markets.

## 2. Defining transport niche markets

- Transport niche markets are not straightforward to define ... what is the niche?
- Some types of transport niches:
  - Travel time niche;
  - Premium services niche;
  - Alternative activity niche;
  - Pricing niche; and,
  - Others?

# Travel time niche

- Most easily understood
- Mode choice based on travel time
- But, customers choose mode based on multiple criteria (e.g. time and price)
- Niche markets are defined based on how the companies combine these multiple criteria into specific products



# 3. Public transport niche markets

✓	<b>Travel Time</b>	<b>Fastest mode of transport.</b>
✓	<b>Premium Services</b>	<b>Provides amenities or other comforts</b>
✓	<b>Alternative Activity</b>	<b>Enables passengers to multi-task</b>
✓	<b>Pricing</b>	<b>Low price or value</b>

# San Francisco cable cars

- Niche Change:  
Travel Time to Alternative Activity (tourism);
- Remain in service because streetcars could not climb hills;
- Niche Issues:
  - Local service or tourist-oriented service? ... Price!
  - Do not serve tourists as well as they could. Should they be subcontracted to Disney?





# Historic streetcar lines



- Niche change: travel time to alternative activity (tourism);
- Similar local/tourist issues as SF Cable Cars;
- Increasingly popular.

# Funicular railways

- Niche: Travel Time;
- Also, Alternative Activity (tourism);
- Both niches based on geography – fast transit mode for this geography and views for tourists;
- Can also be historic.



# Cable railways



- Niche: Travel Time;
- Also: Alternative Activity (tourism);
- Both niches based on geography;
- Production efficiency (compared to alternatives).

# Ferry boats



- Niche: Travel Time;
- Also: Alternative Activity (Tourism);
- Geography-based;
- Premium services?
- Differentiated pricing.

# Hong Kong escalator



- Niche: Travel Time
- Also: Alternative Activity (shopping)
- Geography based;
- Pricing (free!)

# Shuttle services



- Niche: Travel Time
- Also: Production Efficiency (contractors; high demand/high frequency rail service);

# Airport service



- Niches: Travel Time and Premium Service;
- Pricing difference;

# 4. Conclusions

- **Common Factors:**
  - Travel time savings;
  - Local geography;
  - Historic and tourism (fun);
- **Possible Implementation Opportunities:**
  - **Travel Time:** Network organization, mode speed;
  - **Premium services:** business, relaxation, pick-up/drop-off;
  - **Pricing:** Ryanair: free tickets, sell amenities; Differ between customers;
  - **Alternative activities:** convenience shopping, eating/drinking, classes, concierge services; and ..... **FUN!**

