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# **Evolution of the Role of the Railway Station in the Organization of the Railway Service Company**

# The Railway Station in the History of Railways

The point of view of the Engineer : the Station for the Train

the « Passenger Flows Management » Station

The point of view of the Architect : the station is a Cathedral

...

The *Renaissance of the Station* : The City in the Station

# The Railway Station in the History of Railways

*A belief* : The Renaissance of Stations is part of the Renaissance of Railways

*An issue* : What is the best Business Model in order to promote the Renaissance of Stations ?

# The Contents

## I) The European Experience -*A questionnaire of the UIC*

Results and common features of the different Business Models

A few interesting and innovative cases

How to classify the different Business Models ?

## II) The Japanese Experience -*An Academic Study*

A brief history of Japanese Railways -*The diversification Strategy*

Qualitative and financial particularities of the Japanese experience

Some economic consequences of the Japanese Business Model

Why is the Japanese B. Model different ? Is it appropriate to the rest of the World ?

# The European Experience

## *Presentation of the UIC questionnaire*

A questionnaire realized in 2004 by the UIC, Passenger and High Speed Dept and sent to the main Railway Companies in Europe

The questions were about :

- 1) The Ownership of the Stations
- 2) The Management and Description of the Commercial Service in the Stations
- 3) The Relationships with the State/ Local Authorities
- 4) The Turn-over of the Commercial part of the Stations

# The European Experience

## *The Results of the UIC questionnaire (I)*

A few common features...

Mostly, The ownership of the Station is divided between the Real Estate Department of the Company and the Infrastructure Manager (platforms and tracks)

Mostly, the Commercial services are directly managed by tenants who pay a rent to a subsidiary of the Company in charge of the Organization of the global Commercial Activity in the Station.

# The European Experience

## *The Results of the UIC questionnaire (II)*

In larger stations, the main services are : Transport, Restaurants, Public-Relevant services, Health-Care services, Shops, Cultural Services

In some countries (Germany), State Authorities contribute to modernize old Stations

The Turn-over of the Commercial part of the Stations, especially due to renting, is always significant, in some cases, it is higher than the revenues from the sale of the tickets

....But still a great variety of B. Models.

# The European Experience

## *The Results of the UIC questionnaire (III)*

A few interesting and innovative cases :

The « MultiBuro » approach of the SNCF : the office in the station

The « Avec » Concept of the CFF, or how to develop the local Station as the heart of the small towns

The « Grandi Stazioni » and « Cento Stazioni » Companies in Italy : 40% owned by private companies (Pirelli, Benetton, SNCF-Participations...)



# The European Experience

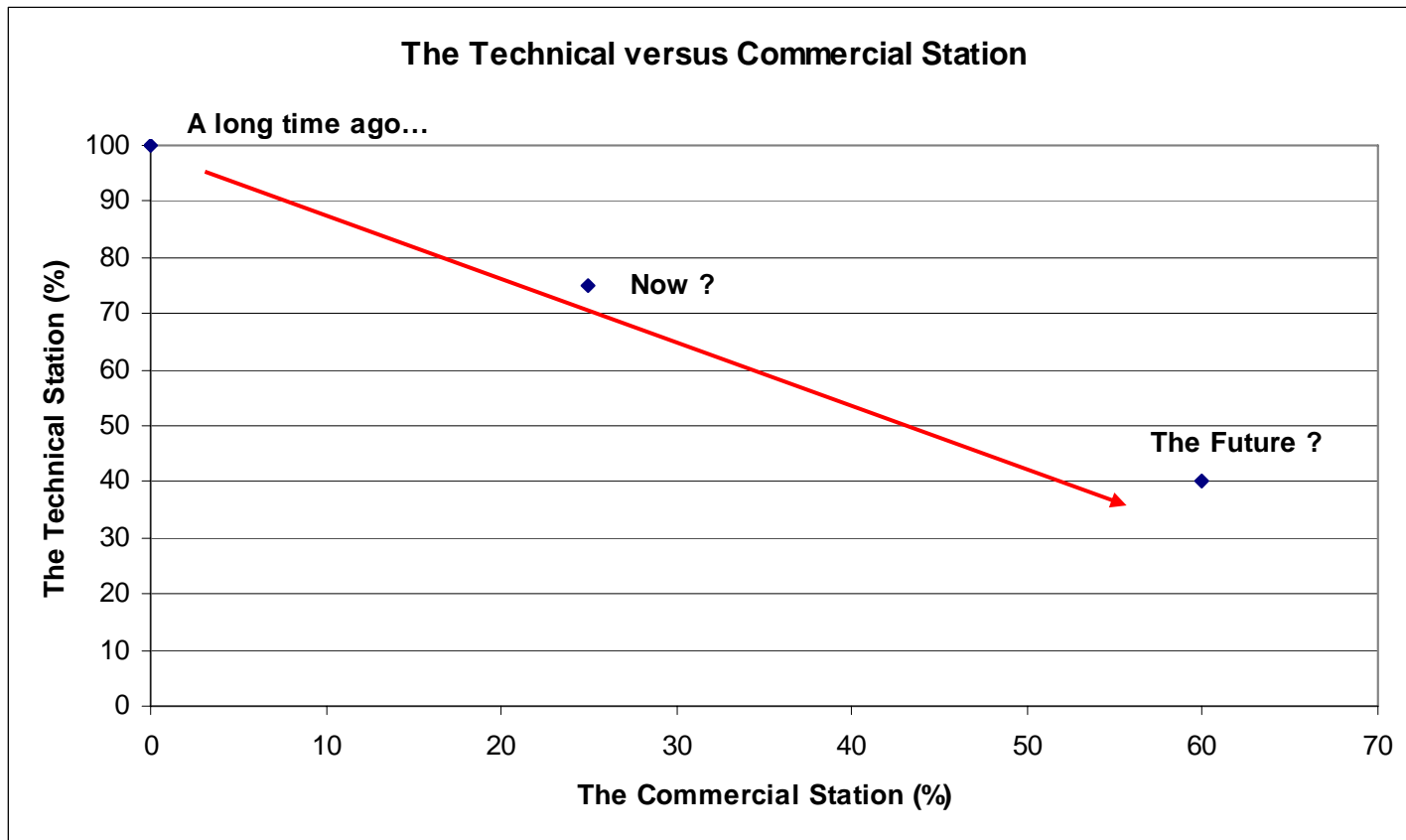
*How to classify the different Business Models ?*

A difficult task : diversity of available data, of the approach of the Company to the stations, of the « natural » situations (geography, history..)...and so on..

...But still, an attempt : *the Commercial versus Technical Station Diagram*

# The European Experience

## *The Diagram*



# The Japanese Experience

## *An Introduction*

A common belief about the contribution of Japan to the History of Railways

The History of Railways in Japan and *the Diversification Strategy of the Railway Companies*

3 important dates : 1872 (birth), 1906 (nationalization) and 1987 (privatization)

The present situation of the Japanese Railway Market : more than 100 Companies, most of them private, among which 6 passenger JR Companies

# The Japanese Experience

*The Railway Station and the Diversification Strategy A few particularities*

The Station *in* the Diversification Strategy of the Railway Companies

The City in the Station *versus* the Station « on the way » to the City : the different kinds of Commercial activities

# The Japanese Experience

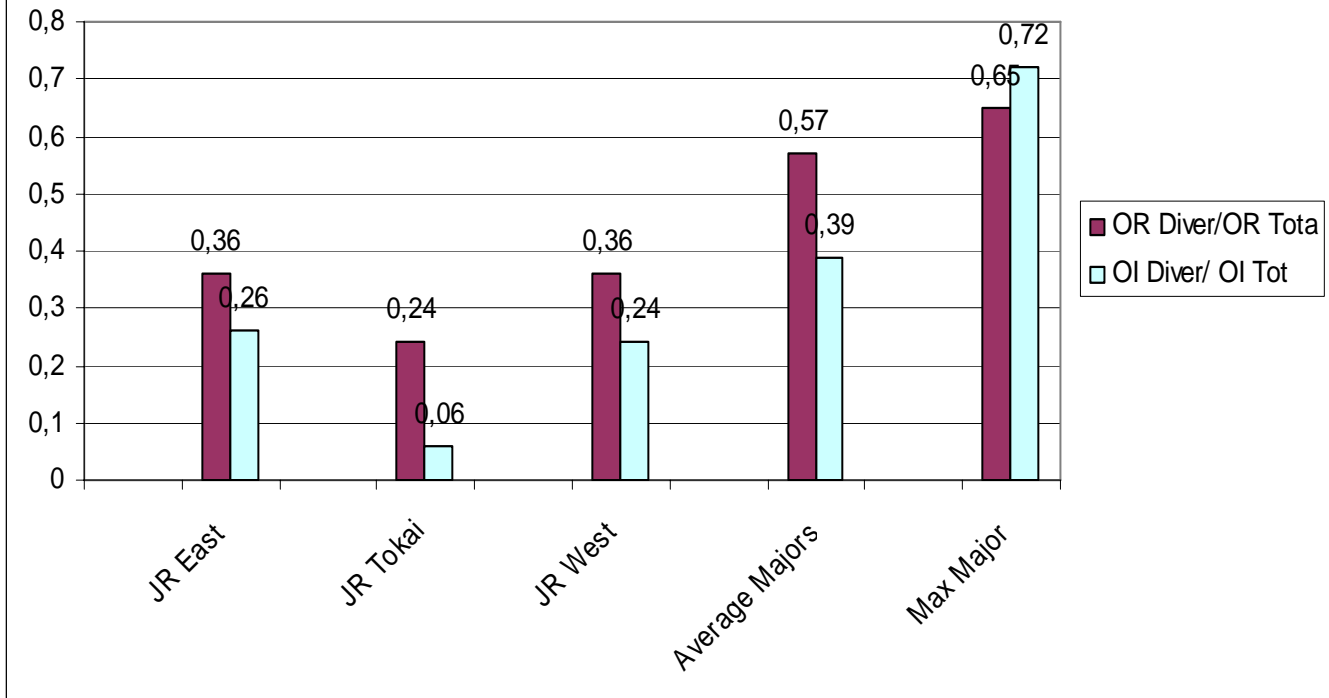
*Financial particularities of the commercial activities in the Station and of the Diversification Strategy*

The Diversification activities and the commercial activities in the Stations of the Japanese Railway Companies : a few figures

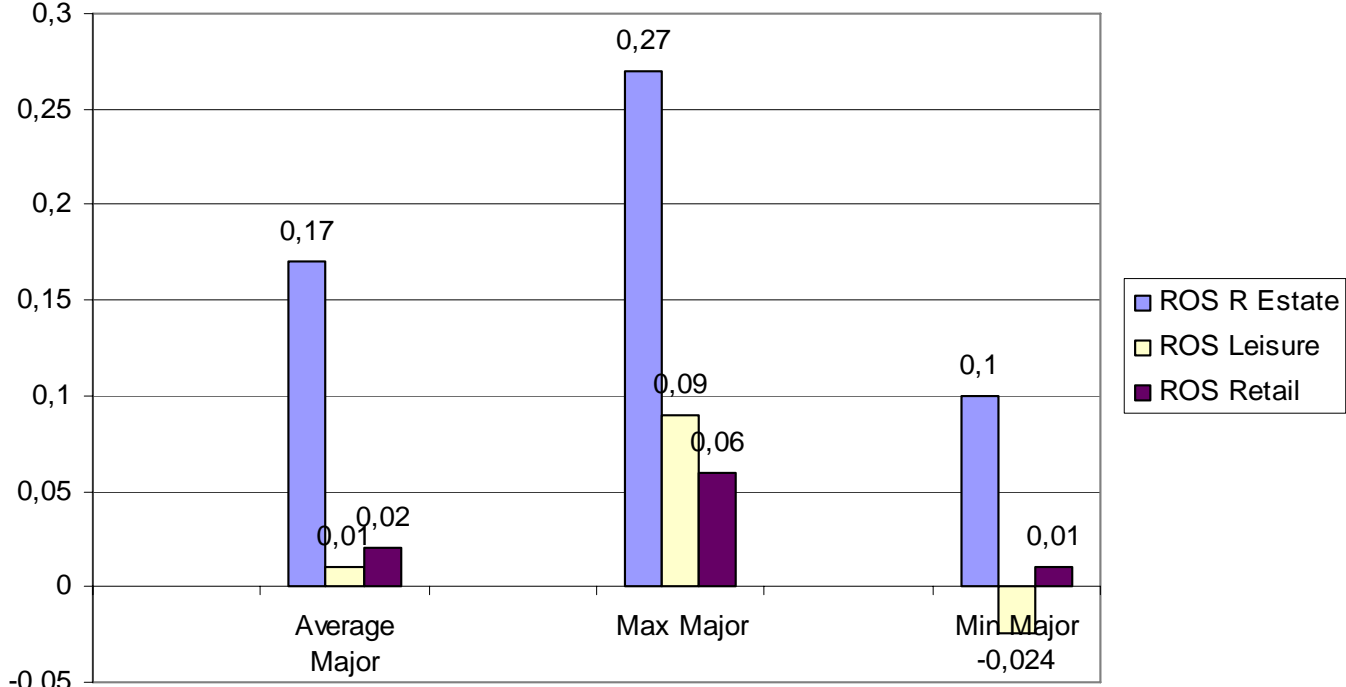
Financial characteristics of the different activities : Turn-Over, ROS (return on sales),...

The Idea of the *financial pillow* : a survey of the financial history of Japanese Railways

## Operating Revenues and Operating Income of the Diversification Activities



### Return on Sales of Different Diversification Activities



# The Japanese Experience

*A few Economic Consequences of the  
Diversification Strategy of the Japanese Railways*

Consequences on the internal organization of the  
Railway Companies : the concept of *developers*

Consequences on the distribution of the Land Rent  
generated by the Railway Transport Infrastructures



# The Japanese Experience

*Why is the Japanese Business Model Different ? Is it appropriate to the rest of the World ? (I)*

The density and the geography, the « natural advantages » ?

Number of Passengers per day in Shinjuku station :

more than 1 300 000

(Gare du Nord : 500 000 passengers per day)

The History of Transports in Japan ?

# The Japanese Experience

*Why is the Japanese Business Model Different ? Is it appropriate to the rest of the World ? (II)*

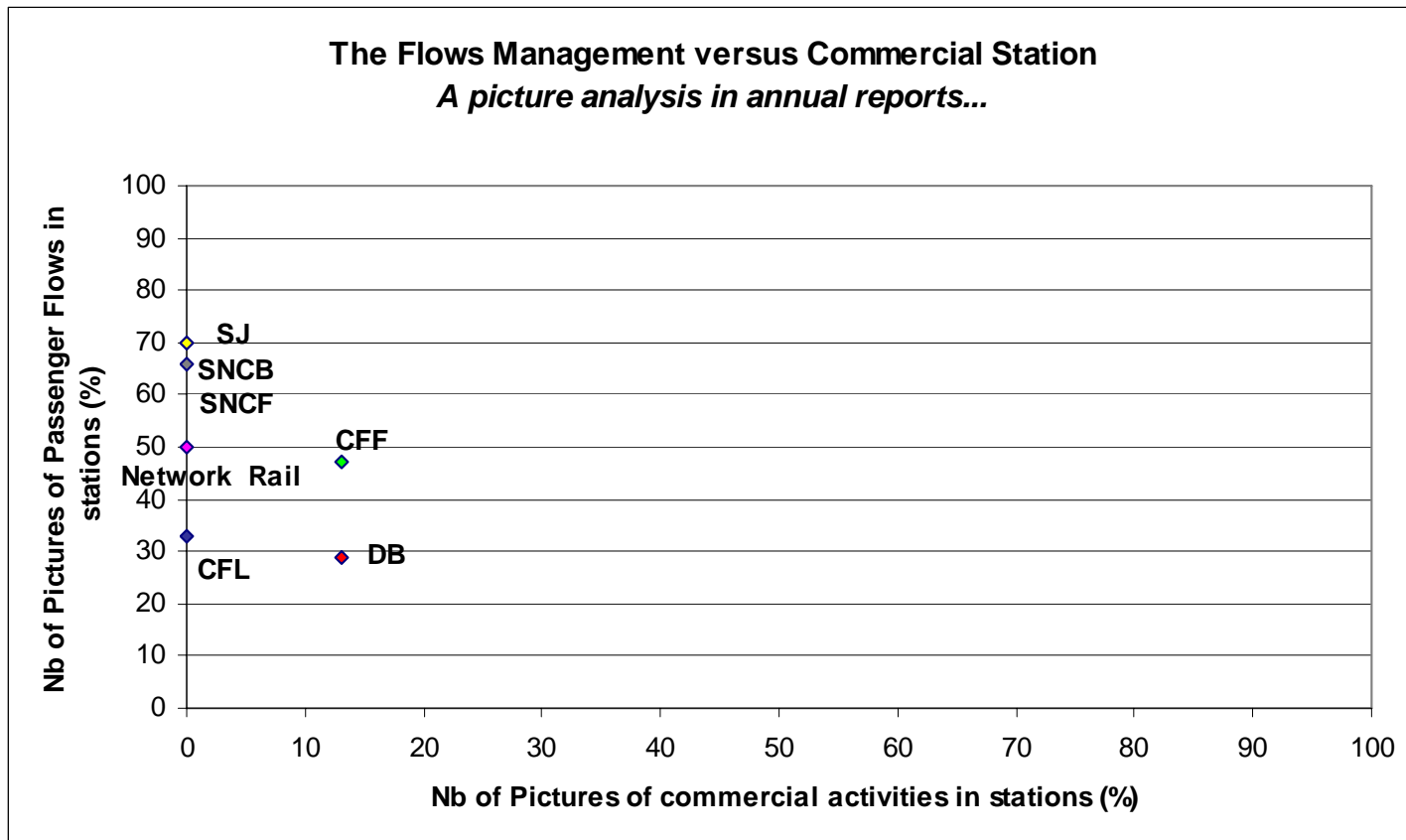
The « Cultural differences » ?

Do Europeans and European Cities really want the *City in the Station* ?

*To conclude* : Let us come back to the Station Diagram...in a Picture Analysis of the Annual Reports of the different Railway Companies

# The Japanese and European Experiences

*A Conclusion : Let us come back to the Diagram...*



# The Japanese and European Experiences

*A Conclusion : Let us come back to the Diagram...*

