

FUTURE PUBLIC TRANSPORT IN NORWAY 2025

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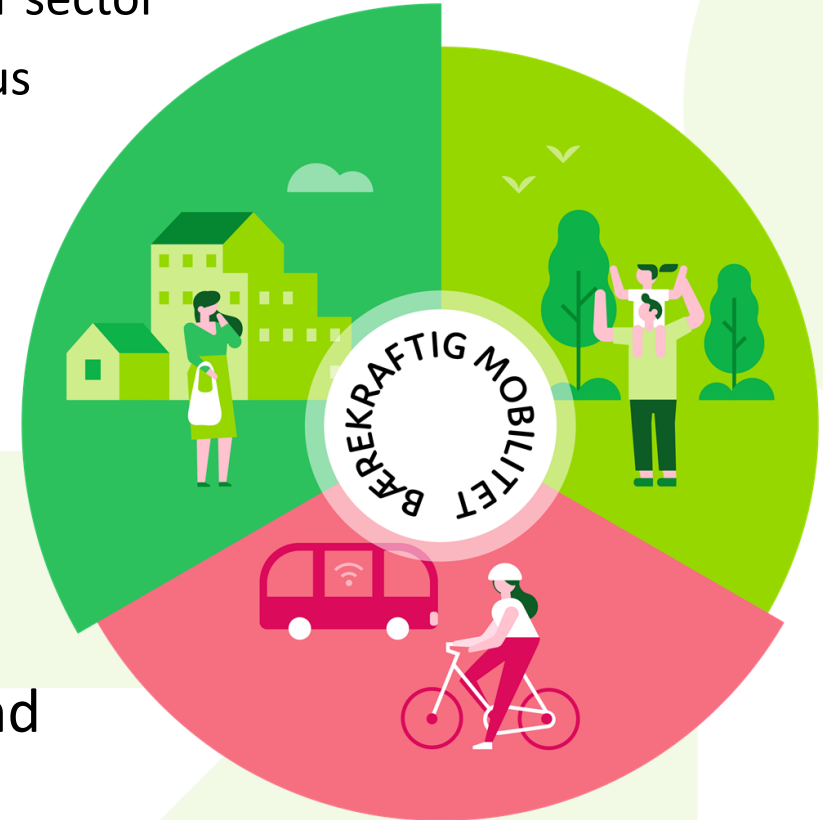
Background and objective

BACKGROUND

We realized the pandemic would have long term effects on our sector

We spent the pandemic preparing for those changes, making us better equipped to adapt to main drivers:

- ➔ SDG - Sustainable Development Goals
- ➔ 3 disruptive shifts
 - Customers
 - Technology
 - Economy
- ➔ Long term effects of covid on traveling habits and customer expectations.



OBJECTIVE OF THE SCENARIO WORK

- ➔ Shared frame of reference for an uncertain and constantly changing future
- ➔ Establish a shared language and perspective on various future outlooks we are facing
- ➔ Future scenarios tell stories about a more comprehensive future
- ➔ This work will strengthen our members' ability to make good, informed strategic decisions

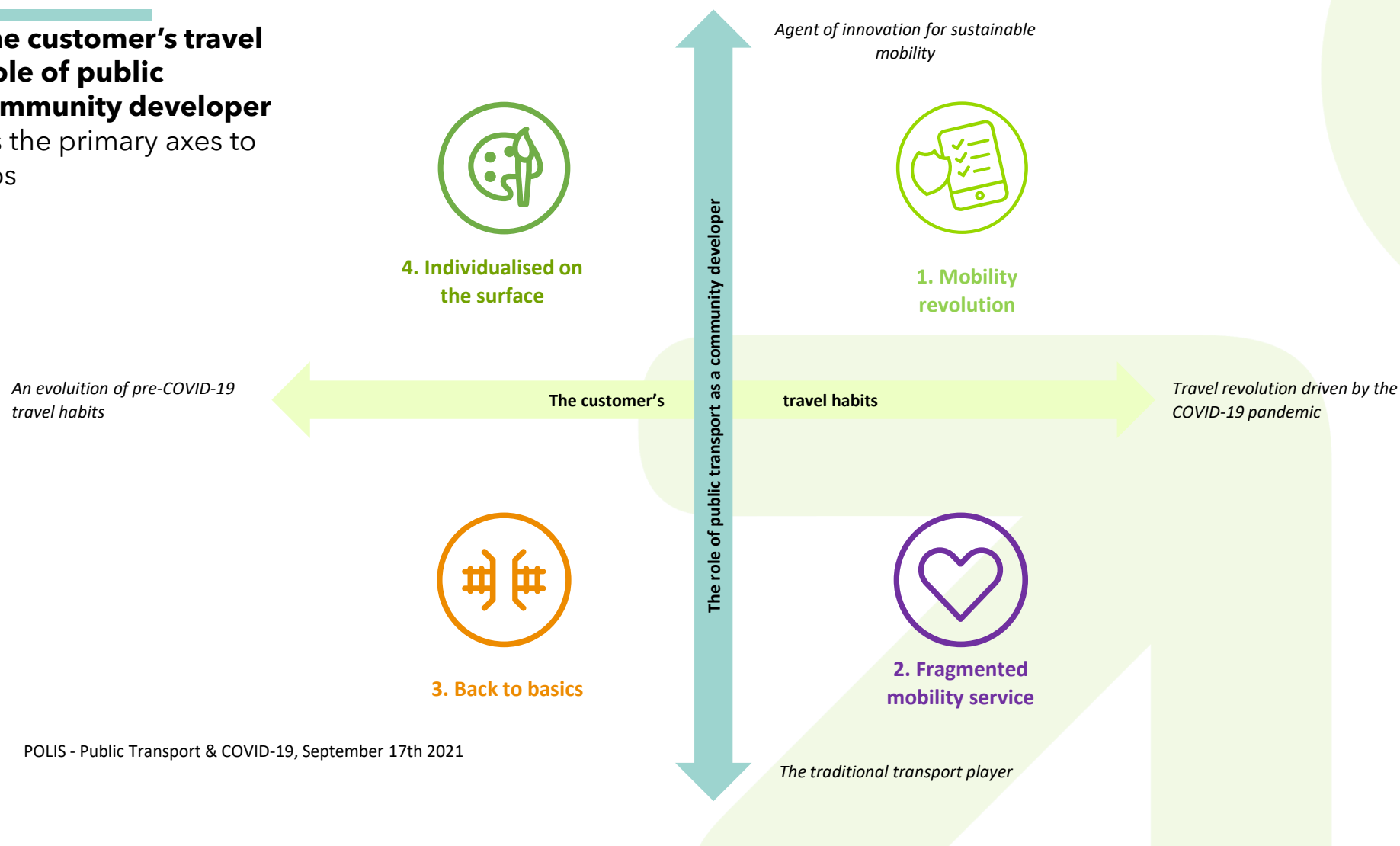


Scenarios

SUMMARY

Two key topics were chosen as axes to extend the scenarios for future public transport in Norway 2025

In our process, **The customer's travel habits** and **The role of public transport as a community developer** were identified as the primary axes to drive the scenarios



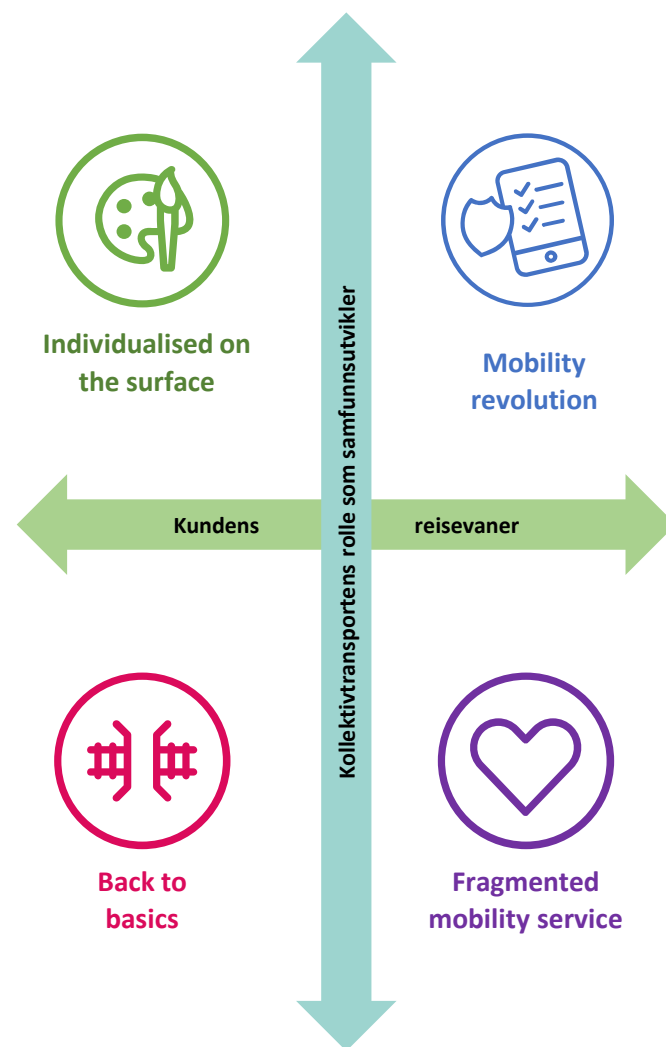
Summary| Scenario 1, 2, 3 og 4

4. Individualised on the surface

- The customer's travel habits are relatively unchanged from before COVID-19
- The public transport players utilise technology in a good way
- And the public transport players are the agents of innovation for sustainable mobility

3. Back to basics

- The customer's travel habits are developing in line with the pace observed prior to COVID-19.
- While a new regulatory framework has led to the public transport players losing the right to sell tickets to their customers
- And are therefore a less relevant instrument for achieving the sustainability agenda



1. Mobility revolution

- The customer's travel habits have drastically changed after COVID-19
- Public transport players are able to utilise technology
- And become the agent of innovation for sustainable mobility

2. Fragmented mobility service

- The customer's travel habits have changed drastically after COVID-19
- But the public transport players are not able to transition quickly enough to provide individualised means of travel
- And are therefore less relevant

Implications and criteria for success

How to use the scenarios – to help us succeed

Different roles for the public transport players

Depending on the scenario, the public transport players have different roles that are most relevant to focus on in 2025. All of these roles will be relevant in the various scenarios, but to a different extent. The emphasised roles are therefore the ones that are most relevant and the ones that should be focused on in the given scenario.



1. Community developer in sustainable mobility

- Maximising the civic benefit of mobility (public health, environment, social, value for money, etc.)
- Concerned with equalising social differences
- Secure an equitable and fair system for everyone, regardless of physical, mental and financial circumstances



3. MaaS platform-player / orchestrator

- Own the customer interface (digital and in the field)
- Aggregator and orchestrator of an ecosystem of mobility suppliers
- Agile, very little in-house



5. Mobility adviser for public authorities

- Focused on training and communicating important insight and knowledge about what different forms of mobility need to function optimally in relation to both private and public players
- Safeguarding the public interest in an otherwise private mobility industry (smart regulation, long-term mindset, requirements and terms for private players)
- Advocate for the customers, which translates customer needs into premises used as a basis with point of departure in securing a more fair and social service



2. Large-scale public transport company

- Standard-setter with everything in-house (resources, expertise, infrastructure)
- Primarily tender-driven cooperation with private players
- Developing the most important technological and digital solutions itself



4. Infrastructure supplier

- Little focus on the customer front, but rather focus on ensuring that the infrastructure is of the highest quality
- Ensures a long-term perspective and that the infrastructure covers the civic mission of the public mobility service
- Responsible for procuring the vehicle fleet

SCENARIO IMPLICATIONS | SCENARIO 1

RELEVANT ROLES

1. Community developer in sustainable mobility

2. Large-scale public transport company

3. MaaS platform-player / orchestrator

4. Infrastructure provider

5. Mobility adviser for public authorities

WINNING CAPABILITIES

1. Capture and utilize big data
2. Enormous professionalism in interface with private players
3. Professional partner for public authorities
4. More flexible contracts
5. More market-driven

THIS MEANS

- Vast opportunities for the public transport players to innovate and take a leading role.
- Considerable expectations from politicians and inhabitants to deliver.
- Equalise social differences.
- Seamlessness, connection and accessibility.
- The customers experience a much more individualised service



SCENARIO IMPLICATIONS | SCENARIO 4

THIS MEANS

- The customer interface that best utilises data and is user-friendly will be preferred by the users
- The customer experience will be fragmented as regards travel from A to B, but not when it comes to the customer interface.
- There will be greater differences in service between urban and rural areas.
- PT players will play an orchestrator role in relation to MaaS solutions.
- Always put the customer first
- PT is contributing to achieve Norway's sustainability agenda

RELEVANT ROLES

1. Community developer in sustainable mobility

2. Large-scale public transport company

3. MaaS platform-player / orchestrator

4. Infrastructure provider

5. Mobility adviser for public authorities

WINNING CAPABILITIES

1. Focus on value creation through service development based on customer insight
2. Implement innovation processes
3. Utilise data in the best possible manner for both customers and us
4. Follow rapid changes and identify new needs
5. Ability to think horizontal integration, for example home offices and home delivery of goods.



SCENARIO IMPLICATIONS | SCENARIO 2

THIS MEANS

- There is a low end-to-end-focus where the customer has to relate to multiple different players.
- PT is being standardised
- PT will be a fundamentally basic service in rural areas.
- PT will hardly be profitable for the public transport players

RELEVANT ROLES

1. Community developer in sustainable mobility

2. Large-scale public transport company

3. MaaS platform-player / orchestrator

4. Infrastructure provider

5. Mobility adviser for public authorities

WINNING CAPABILITIES

1. Utilise big data
2. Streamline and optimise operations
3. Communicate to the authorities – thinking in socioeconomic terms
4. Understand local areas and their needs



SCENARIO IMPLICATIONS | SCENARIO 3

RELEVANT ROLES

1. Community developer in sustainable mobility

2. Large-scale public transport company

3. MaaS platform-player / orchestrator

4. Infrastructure provider

5. Mobility adviser for public authorities

THIS MEANS

- The service will be controlled by global MaaS-players - increased user-friendliness across national borders.
- Highly competitive and more fragmented range of different players.
- Better service in densely populated areas
- Increased use of cars, since the players only take the profitable routes
- Wider class gap in society

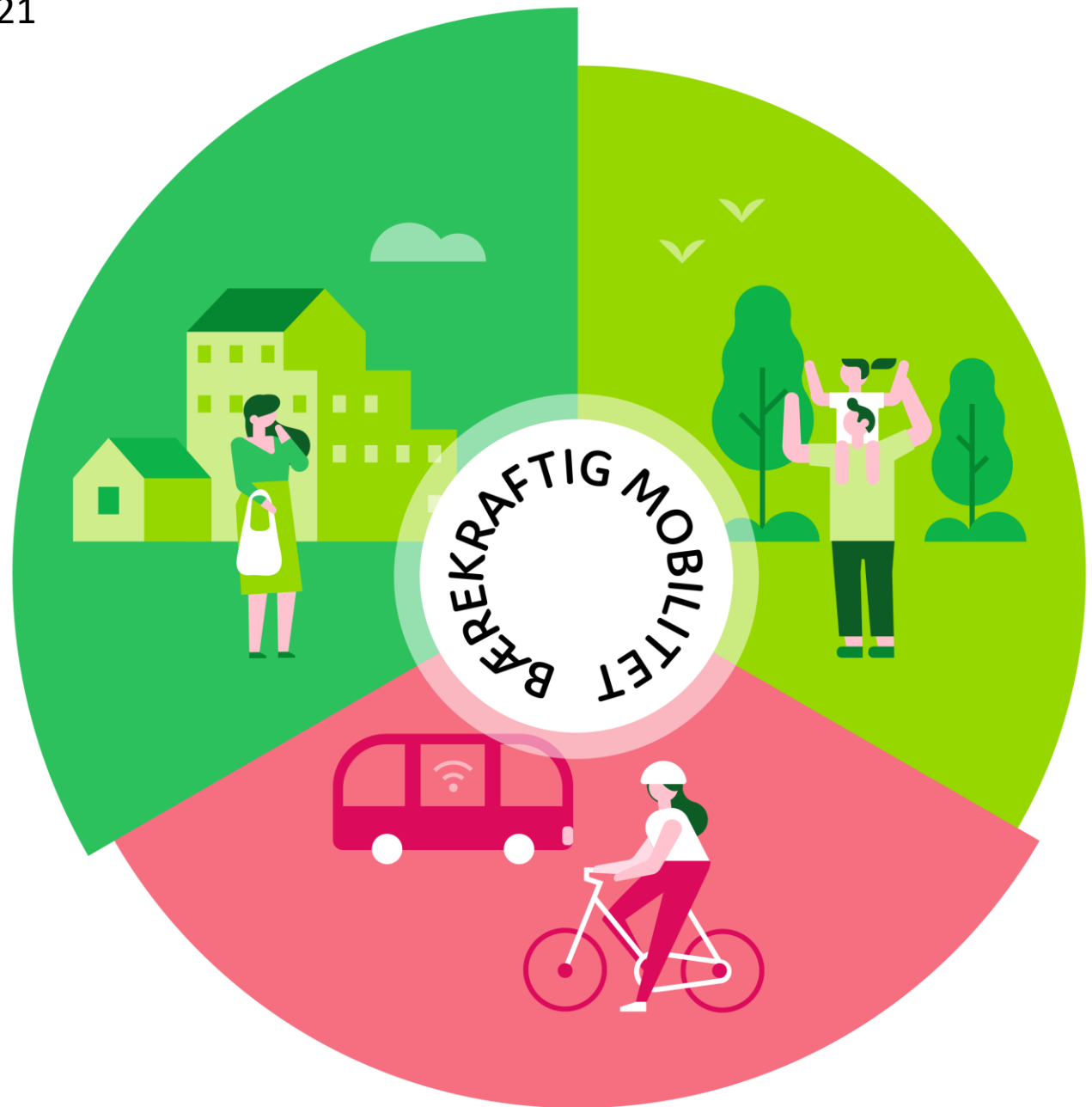
WINNING CAPABILITIES

1. Use our own data and data from others in order to understand the big picture
2. Create cooperation and synergies across sectors and areas.
3. Understand how policy works
4. Corresponding ability to help politicians understand the topics of mobility and adopt a long-term mindset



The future towards 2025

- Possible futures?
- What will it take to succeed in these futures?
- How can PT contribute to the sustainable goals?



Financing public transport

Project «Revenue potential»

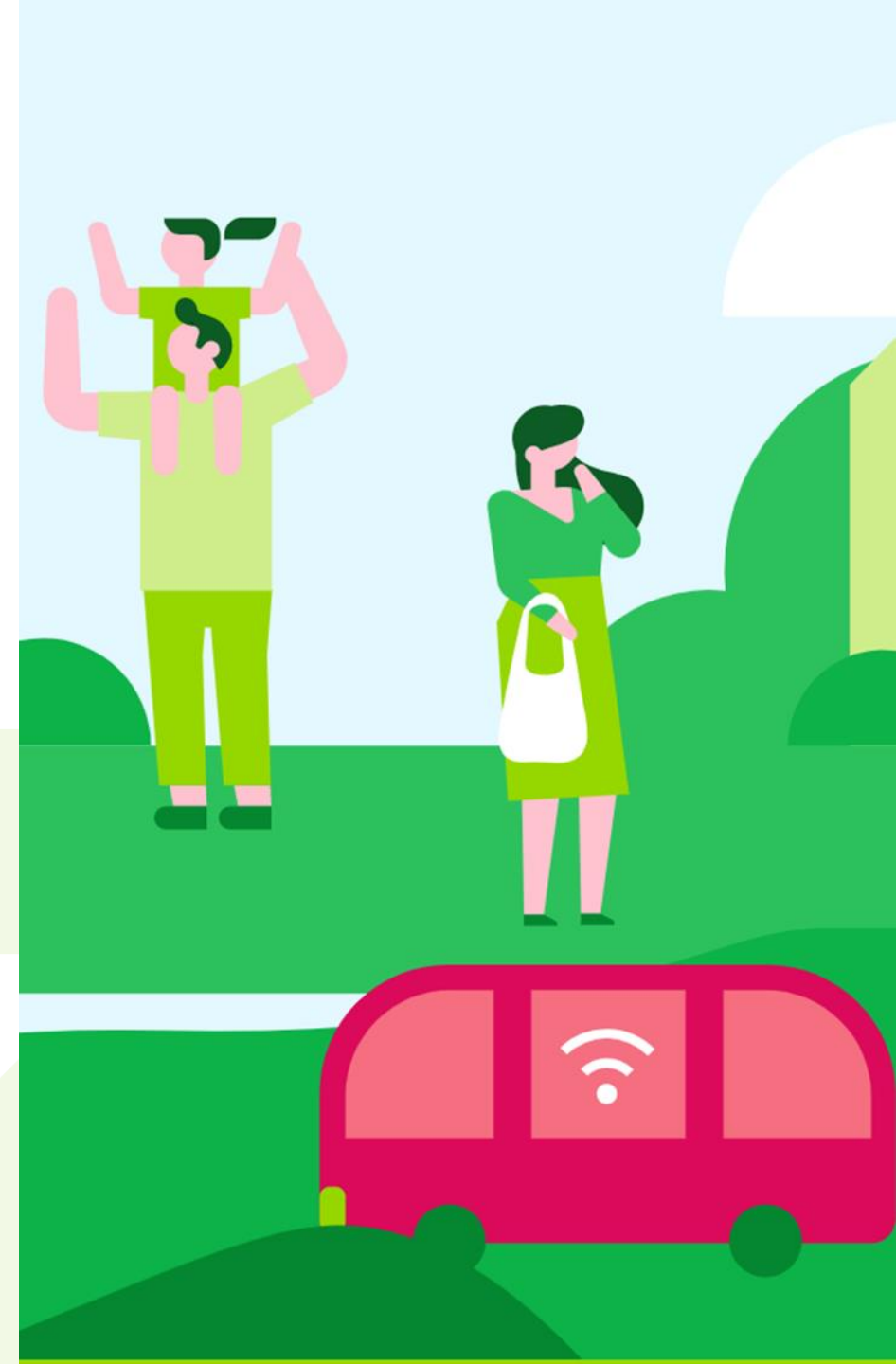
COMPENSATION THROUGH THE PANDEMIC

- ➔ Has been crucial to
 - Take care of public transport as a socially critical function
 - Maintain the infrastructure and expertise of the industry
- ➔ Compensation might last until October - November
- ➔ We have asked authorities about a “transition fund” - to be ready for the new normal
- ➔ We need time to learn what services the customers are asking for “in the new normal”



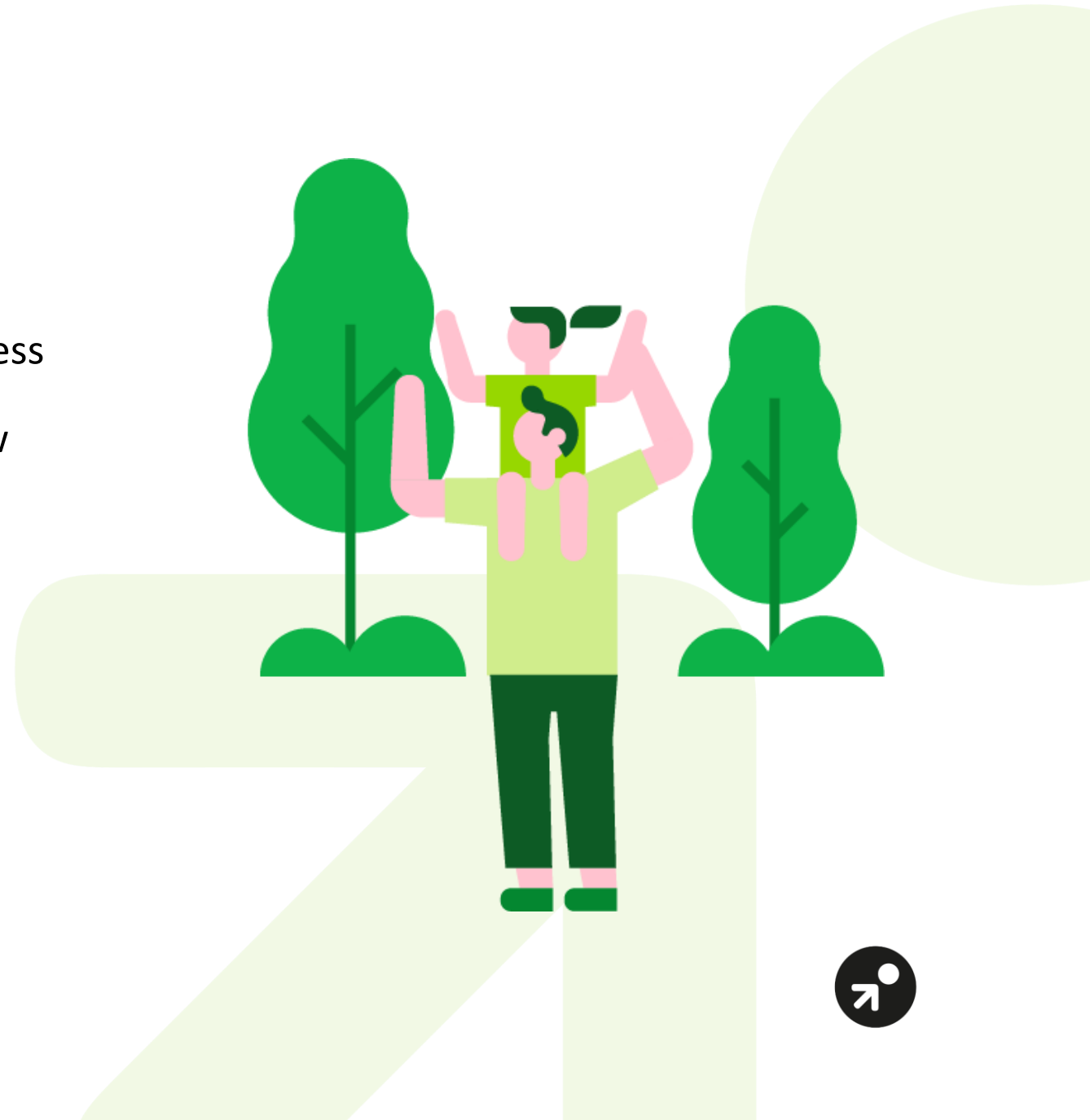
FINANCING PUBLIC TRANSPORT

- ➔ Two main questions:
- ➔ How to maintain and develop the competitiveness of public transport?
- ➔ How can current crisis compensation be replaced by longterm sustainable financing?



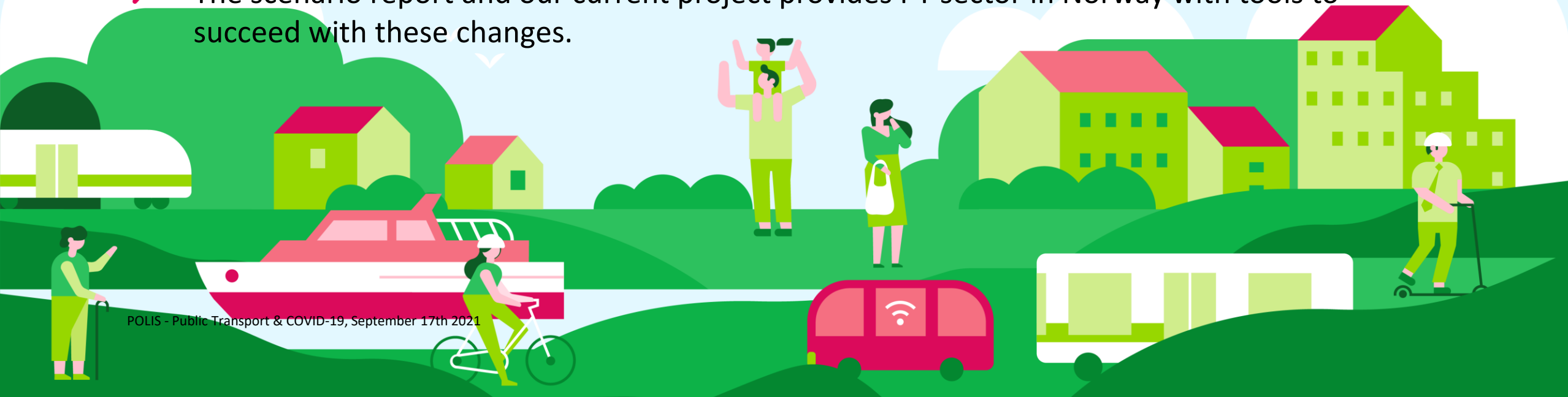
NEW PROJECT: REVENUE POTENTIAL

- ➔ We will explore the potential for
1. Increase revenue from today's core business
 2. Discover new sources of income from new business
 3. Secure long-term government funding



HOW TO SUCCEED WITH FUTURE MOBILITY?

- ➔ We believe in PT as the backbone of sustainable future mobility
- ➔ Adapting the mobility system to post pandemic changes, travel habits and customer expectations
- ➔ Adapting business models and secure long term sustainable financing of PT.
- ➔ The scenario report and our current project provides PT sector in Norway with tools to succeed with these changes.



FORENKLER FOLKS LIV.

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