MASSEY UNIVERSITY
COLLEGE OF BUSINESS
KAUPAPA WHAI PAKIHI

Regional airline-rail alliances as a competitive strategy for airports

Submitted in partial fulfilment of the requirements for

a Masters of Aviation degree at

Massey University, New Zealand

Brendan Zwanikken

12 November 2012

Abstract

There are currently 182 airport-rail links worldwide, with more being built every year (IARO, 2012). The focus of these links, and the current associated literature is generally on high-speed rail and CBD-centric services. The purpose of this study was to determine whether the relationship between airports with regional airline-rail alliances resulted in a relatively more successful competitive strategy than those airports without such relationships. Using a comparative case study method, four airports were analysed to address this question. Firstly, the study uses Porter's (1979) five forces model to analyse industry competition. Several common factors were discovered that drive the strategies in each of the four case studies. Secondly, the study found that the successful case studies have strategic options that are aligned with Porter's (1980) model of three generic competitive strategies. Finally, funding support from central government is essential to the building and sustainable operation of all four of the case studies. The study concludes, that regional airline-rail alliances are beneficial to airports as a competitive advantage, provided the political support for infrastructure investment is present.

Acknowledgements

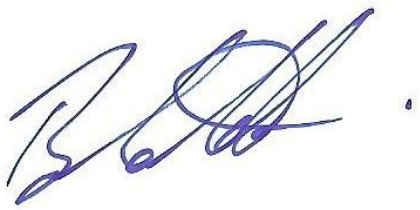
Brendan Zwanikken, the author of this thesis, would like to take this opportunity to sincerely thank those who have helped me through this journey. Thank you particularly to my wife Naticia Zwanikken for the love and support you have provided during these busy months as I prepared this thesis.

Thank you also to my supervisor, Dr Bill Kirkley, whose guidance was extremely valuable and in ensuring I had academic focus. Thank you also for your critical reviews of my work and for challenging my approach.

I would also like to acknowledge the cooperation provided by the many businesses interviewed for this research. In particular, for their the prompt responses and willingness to assist, Dr Martin Thust of Deutsche Bahn, and Stefan Weigel of Swiss Federal Railways. Thank you.

Statement of Academic Integrity

I declare that this research report is entirely my own work. When the ideas, quotations, data and diagrams of others have been used in the report, the work has been properly cited in the text.



12 November 2012

Signature Date

Table of Contents

List of Figures

List of Tables

Glossary

CBD – Central Business District
EC – European Commission
EU – European Union
HSR – High Speed Rail
IARO – International Airport Rail Organisation
IATA – International Airline Transport Association
LVC – Land Value Capture
mppa – Million Passengers Per Annum
PPP – Public Private Partnership
SBB – Swiss Federal Railways
VOT – Value of Time