

Overland Heaven

The possibilities for overland travel to Europe
Results of the scoping phase:
Executive Summary



executive summary



the world is changing

In mid-2008, the airline industry should have been celebrating a global boom in air travel. Instead many companies were drawing up plans for capacity cuts, while others went bust. Global demand for oil had outstripped supply, forcing prices to levels where airline profit was annihilated. Of all things it took a global downturn to pull oil prices down to more sustainable, and financially viable levels. The industry still faces all the challenges of recession. But when the economy recovers flight-based tourism will face exactly the same problem again. The era of easy oil is over¹, and we cannot expect the era of easy flying to outlast it for long.

At the same time flying is the fastest growing source of greenhouse gas emissions. Any return to the rampant growth of the recent past could see aviation alone negating every other global effort to control climate change. This has become highly visible, and the EU has responded by legislating to bring aviation into the EU Emissions Trading Scheme from 2012, while the storm raised over the potential expansion of London's Heathrow airport opens another front against the continuing growth of mass flight.

Tourism therefore faces fundamental challenges, with mass flying as the engine of growth under threat – economically as well as environmentally unsustainable. But why does tourism have to gamble its future on the sustainability of aviation? In 2006, 64%² of visits abroad by UK residents were to the “near abroad” of Western Europe, within practical travelling distance by high speed trains which laugh at the price of oil. Climate-friendly flight is science fiction, but climate – and people – friendly travel is a reality now. Europe is crisscrossed with high-speed, low-carbon rail and coach links which offer a practical and exciting alternative to flying, while European rail liberalisation will signal major changes and opportunities from 2010.

the challenge

So why are 77% of UK trips to Europe still taken by air, swelling the queues at immigration, taking valuable take-off slots and pumping up to 20 times as much carbon into our skies? While airlines were hedging their fuel costs, why weren't tourism operators spreading their risk by expanding into a new market where fuel surcharges, two-hour check-ins and confiscation of your toiletries are unknown? Why is it the norm to take the train to Edinburgh, but not to Frankfurt?

Forum For The Future, the sustainable development charity, set out to look at these questions for the industry: to find out whether the overland alternative really is a low-carbon, low-stress, practical alternative. But it's not just about the status quo now – what about also the potential of overland travel? If, as we suspected, the expensive high speed infrastructure can deliver but is just not on the international market, what can be done to overcome the barriers and bring overland travel into the mainstream? We envisaged a three phase project:

1. A scoping study (this document), assessing how overland travel performs on carbon, cost, time and hassle, and looking at the barriers to and opportunities in overland travel in Europe;
2. If Phase 1 findings were promising, creation of an Overland Partnership of interested organisations to identify ways of overcoming the barriers and maximising the opportunities in overland travel;
3. Implementation of solutions, and engagement with stakeholders and the consumer to deliver Overland Heaven.

This report contains the findings of the Overland Heaven **Scoping Study** conducted in 2008, which was supported by the Co-Operative Travel.

¹ <http://royaldutchshellplc.com/2008/05/27/shell-sees-end-of-easy-oil-era/>

² Travel Trends 2006, Office of National Statistics: http://www.statistics.gov.uk/downloads/theme_transport/TravelTrends2006.pdf

findings

Overland appeal: The current appeal of overland travel was assessed using snapshot studies of five representative journeys from the UK to European destinations. We found that:

- **Carbon:** Overland travel delivers massive cuts in climate impact per person compared with flights – up to 95% less.
- **Time:** For closer destinations like Amsterdam and Geneva, train travel is almost as quick as flying. Travelling further afield overland does take longer, but this may not matter if the journey is seen as part of the experience, or if the time can be used effectively, for example by getting a night's sleep.
- **Cost:** Train travel currently tends to be more expensive than flying, although sometimes the need for extra accommodation after a flight may cancel this out. Bus travel is generally the cheapest of all.
- **Hassle:** While the comfort of both air and rail journeys is generally reasonable, flyers face the stresses of airports and transfers, while rail travellers may need to change trains or stations. Overland travellers face an additional barrier because booking is normally rather more complicated than with flights.

The importance of many of these factors varies depending on the objectives and time of travel, not to mention the personalities and relationships of the travellers! Future work should aim to draw out these subtleties as they have major implications for the optimising and marketing of overland travel.

Market realities: While Eurostar has cornered 70% of the Paris market, 77% of other journeys to Europe are still made by air. But there are signs of discontent, with more than a quarter of people considering altering their holiday plans to avoid the increasing stress of air travel or reduce their environmental impact (see section 4.1 for more details). This suggests an unmet demand for overland options.

While there is no shortage of general advice websites and niche overland tour organisers, the mainstream overland travel market is limited to core operators such as Eurostar and RailEurope (SNCF). Major portals like Expedia do not offer even the most obvious overland options as an alternative to flights. So travellers, and indeed operators, are most likely to follow the path of least resistance, with an array of easy to use, comprehensive flight information and booking systems available to both agents and consumers.

Barriers: the challenges that must be overcome include:

- **Image/perception:** Overland travel is low-profile as well as low-impact, and not yet aspirational or cool. Consumers expect it to be slow and expensive, which is often not the case
- **Booking:** There is significant room for improvement in a fragmented system which makes it much harder to book overland journeys than flights;
- **Experience:** While many overland trips will be a breeze, there are frequent pinch points such as connections where things can go badly wrong, which need to be dealt with or managed to ensure a reliable consumer experience.

Opportunities Our new YouGov poll (section 5.2) asked what 3 factors would most encourage people to choose an overland option to Europe: 54% sought a competitive cost; 43% would value a more comfortable journey; and 50% were prepared to consider it if it didn't take much longer.

conclusions & recommendations

- Overland travel is a **major opportunity**, offering the travel and tourism sector the chance to grow and spread its risk. By contrast the current approach makes the industry completely dependent on the continued viability of the mass flying business model.
- Many **overland journeys can compete with flying** on time, cost and hassle, but we do not yet make the most of the formidable infrastructure in place. Action is required to improve booking and reliability, and also to raise consumer awareness of overland possibilities.
- Addressing the barriers and making the most of the opportunities require **action at every level** in the industry – for example in marketing, information, booking and service delivery. Overland tourism will also need to learn from the successes of mass flight operators, but promises sustainable growth in return.
- This means that **no one organisation is likely to be able to overcome the barriers on its own**, and even a concerted approach by an individual overland sector may fail to make headway if it does not draw on the experience and contacts of the global data and marketing operators currently focussed on flying.
- There is therefore a major opportunity for the right grouping of organisations that can overcome the existing obstacles, reduce their oil and climate risks and take advantage of rising consumer interest in low carbon travel.
- Now is therefore the time to put together the **Overland Partnership**, with representatives from all sectors of the industry. The Overland Partners will have the combined skills to make overland travel mainstream, giving themselves a competitive advantage in a new and more sustainable market when current downturn ends.
- The Partnership needs to involve key stakeholders with the capability and business motivation to influence and overcome the barriers. We believe a **cross-industry grouping** will be most effective, allowing experience from the wider tourism industry to be applied to overland travel. We would therefore expect to involve leading travel agencies and tour operators, core transport providers and global distribution systems.

The Overland Partners stand to reap **clear business benefits**, including:

- Being part of a **new travel market opportunity** as the sector faces major change and challenges to its traditional model.
- Gaining **understanding and influence** in the overland sector;
- **Risk management**: diversifying into a market which sidesteps the increasing economic and environmental risks and costs faced by flight dominated tourism;
- **Reputation**: involvement in a high profile project that helps address the climate problem that looms large for the industry.

There are also **risks of inaction**: flying faces increasing costs and restrictions, and without a proactive approach the overland alternative could stagnate, contributing to overall travel sector contraction in difficult economic times.

Forum for the Future – the sustainable development charity – works in partnership with leading organisations in business and the public sector. Our vision is of business and communities thriving in a future that is environmentally sustainable and socially just. We believe that a sustainable future can be achieved, that it is the only way business and communities will prosper, but that we need bold action now to make it happen. We play our part by inspiring and challenging organisations with positive visions of a sustainable future; finding innovative, practical ways to help realise those visions; training leaders to bring about change; and sharing success through our communications. www.forumforthefuture.org.uk
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