

## THE “REGIONALE” BY TRENITALIA CASE

### The case in 20 lines

Regional rail transport is transforming significantly to enhance sustainability and technology, resulting in a higher-quality service. In recent years, Trenitalia has replaced its regional train fleet with low-emission, technologically advanced, and more comfortable vehicles. The sector’s liberalization has also introduced new operators into the essential public service of regional transport.

In this evolving landscape, Trenitalia is revitalizing the corporate marketing strategy by enhancing its offerings and launching a new brand, “Regionale,” which embodies innovative values. Most importantly, Trenitalia is initiating a challenge it seeks to meet with your help!

As you may know, trains are a collective mode of transport that is inherently more environmentally friendly than private vehicles. What you might need to realize is that Regionale trains are also cost-effective. Their fares, regulated by regional contracts, are currently among the lowest in Europe and difficult to change. Furthermore, these trains provide freedom of movement thanks to their extensive network, and they even offer unique travel experiences long before reaching your destination, fostering encounters along the way.

So, is it “ugly, dirty, and bad”? No, thanks! Regionale trains are sustainable, accessible, and affordable.

### 1. The regional rail transport: Overview

Considering the increasing demand for mobility and the worsening issues related to traffic and pollution, **enhancing short- and medium-distance rail transport can play a crucial role in the sustainable development of a country.** This opportunity is especially relevant for Italy, which is characterized by a **strong preference for private transport**, as evidenced by its (undesirable) leading position in having the highest motorization rate in Europe.<sup>1</sup>

Improving public rail services—considered one of the alternatives to private transport according to a modular perspective—has been underway for several years and aims to address this structural issue by focusing on different aspects: a) replacing older vehicles with a fleet of technologically advanced and eco-friendly trains, in line with the global commitment of railway companies to reduce emissions; and b) expanding and improving the rail infrastructure, with particular attention to network electrification.

In 2016, Italian regional transport underwent the European liberalization process by adopting the so-called Fourth Railway Package. On the one hand, this package introduced measures aimed at achieving technical harmonization in the European railway sector, facilitating access for railway companies across all EU member states. On the other hand, it extended the requirement for service contracts through competitive bidding to local and regional services.

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<sup>1</sup> Eurostat (2024), Key figures on Europe 2024 Edition, <https://ec.europa.eu/eurostat/>

Today, in Italy, more than 20 public and private operators are actively involved in regional rail transport, but Trenitalia Spa is the only one operating in all country regions.



## Regional rail service operators

The number of regional trains in Italy has grown significantly in recent years, with the fleet gradually being renewed. By the end of 2024, the average age of regional trains will be 14.4 years, down from 18.6 years in 2016. However, notable differences remain between regions, especially between the north and the south. In the south, the average train age is still much higher (18.5 years compared to 11.9 years in the north), which has a clear impact on the quality of passenger service.

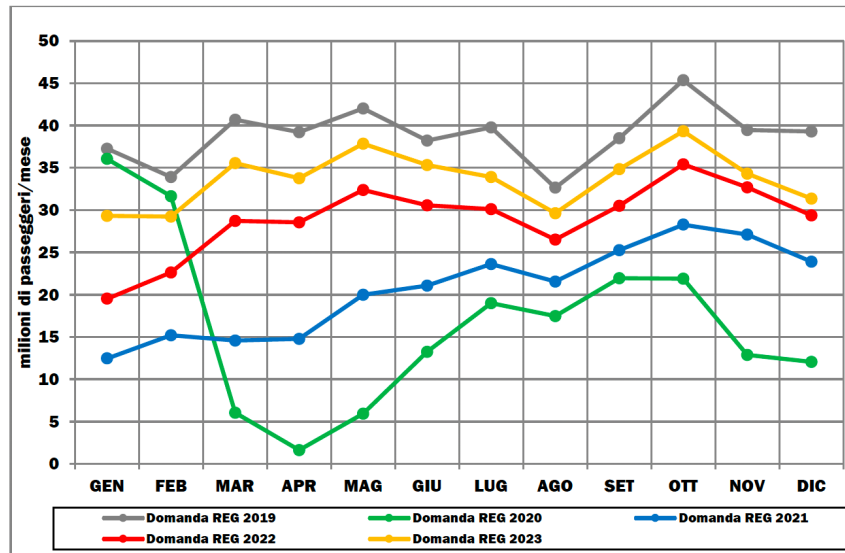
While Italy's regional rail system has made progress, there are still areas in need of improvement. Key factors such as trip frequency, punctuality, seating availability, cleanliness, ticket prices, service information, and transport connections all influence the overall service quality. The challenge for the regional rail system is to focus on enhancing these aspects, as doing so will not only improve customer satisfaction but also encourage more people to choose rail over private transport.

## 2. The demand for regional rail mobility: Trends and prospects

From an environmental perspective, mobility data in Italy shows a country that falls short of the EU's desired mobility model. According to the latest "*Pendolaria*" report by Legambiente, there are over 38.8 million private cars and 7.1 million motorcycles and scooters in the country, and every day, more than 12 million people travel by car. Among the alternatives to individual road transport, **trains are experiencing a revival** after being considered slow and outdated for a long time. Notably, **an improvement is also evident in regional rail transport**, with Trenitalia reporting a 40% overall increase in passengers in 2022 compared to 2021, following over two years of decline due to pandemic-related restrictions. This positive trend continued in 2023, as

highlighted by regional rail transport demand data released by the Ministry of Infrastructure and Transport.<sup>2</sup>

## Monthly passenger demand for regional rail service (January 2019 – December 2023)



Source: Elaboration by the Ministry of Infrastructure and Transport on Trenitalia Spa data (2019 – 2023)

However, general data contrasts with the situation on the so-called "worst" regional lines. According to Legambiente (2023), the number of people choosing to leave their cars at home and take the train on these lines has stagnated or even declined. Regions such as Campania, Basilicata, and Calabria are particularly affected, struggling with issues like slow and infrequent connections that need to be improved to meet consumer needs, especially for commuters.

The picture changes when looking at the tourism industry. **Increased environmental awareness and a renewed interest in travel as an experience** have led to positive results for rail mobility. A 2023 study by Trainline shows that 1 in 4 Italians (23%) frequently use the train for leisure trips and vacations, with trains being the preferred mode of public transport for short vacations (41%) and weekend getaways (36%). In the summer of 2023, over 100 million travelers used Trenitalia trains for vacations, with particularly strong results for High-Speed services and regional trains, the latter being especially popular for short and medium-distance journeys.

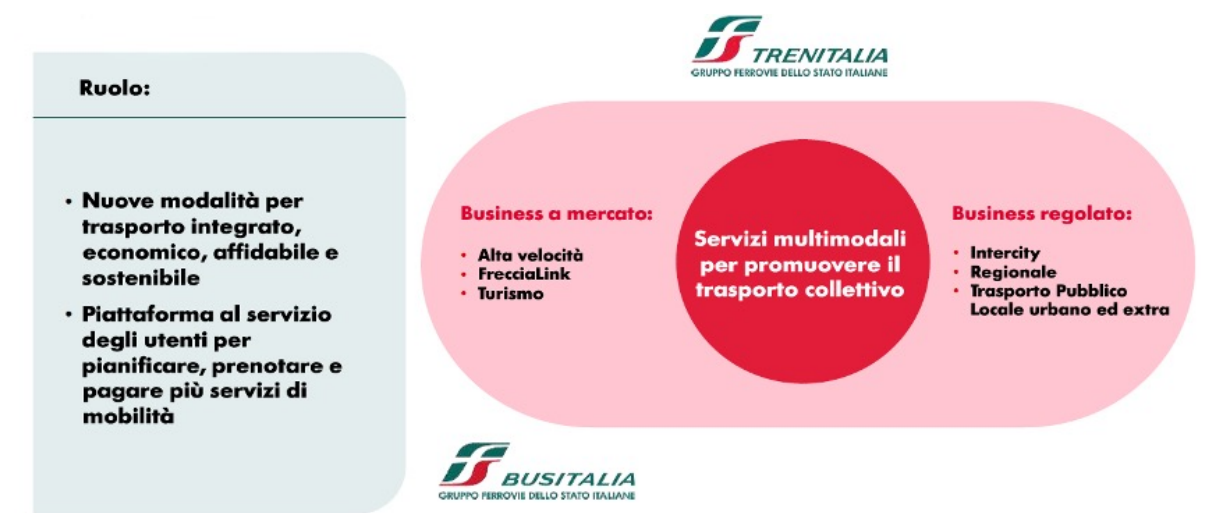
<sup>2</sup> Italian Ministry of Infrastructure and Transport (2023), *Osservatorio sulle tendenze della mobilità di passeggeri e merci* (IV quarter)

Regardless of the purpose of travel, several macro-trends that emerged after the pandemic are likely to shape future mobility and offer new opportunities for regional rail operators. One trend stems from **renewed personal and social priorities**, such as the desire to travel with a lower ecological impact and the flexibility to work from anywhere, linked to the phenomenon of urban sprawl—the rapid and unplanned expansion of cities into suburban areas, which is driving an increase in medium-distance commuting. Another emerging trend is the growth of the subscription economy, with rising demand among young people for subscription-based mobility services. Together, these trends point toward a shift to **smarter and more sustainable mobility solutions**.

### 3. Trenitalia: the multimodal business offer of the Passenger Pole

In recent years, the Ferrovie dello Stato Italiane Group (FS) has centered its strategy on offering **integrated, sustainable mobility solutions**. This focus led to the creation of the **Passenger Pole**, a business unit dedicated to developing a multimodal transport system that is economical, reliable, and sustainable. Trenitalia is the leading company in this sector, but **Busitalia**, a public transport company fully owned by FS, also plays a key role. Busitalia provides bus connections for both local and intercity public transport across Italy.

#### Role and organization of the Passenger Pole



Within the **Passenger Pole**, there are two main business areas:

- The *market business*, where the company operates without public funding and competes with other operators (such as Italo in the high-speed rail sector), giving it full autonomy in commercial and marketing decisions.
- The *regulated business*, which includes regional transport. In this area, many aspects of service delivery, such as ticket pricing, are subject to agreements between Trenitalia and individual regions, limiting flexibility.

The Passenger Pole plans to invest approximately 15 billion euros by 2031, with a focus on meeting passenger needs. It plays a key role in supporting the country's tourism industry by offering frequent and extensive connections for those choosing eco-friendly transport for leisure travel. This includes numerous packages designed for tourists, increasing integration between different modes of transport, and a rise in "slow tourism" on historic trains operating on current or decommissioned rail lines.

At the core of the Passenger Pole's strategy is **intermodality**, which promotes seamless integration between the various modes of transport within the FS network. The goal is to establish an intermodal rail/road offering as a standard service, allowing passengers to easily combine different modes of transport. This is supported by integrated fare systems (a unified "one ticket"), digital communication, and tailored loyalty programs.

## 4. Regionale

### 4.1 Organization and management

In recent years, to strengthen its leadership in Italy's rail transport sector, Trenitalia has made significant investments in enhancing its regional services. The core mission of Trenitalia Regionale is built on three pillars: coverage, affordability, and frequency. The goal is to connect major cities with smaller regional centers and metropolitan areas.

Under Legislative Decree 422/97 on railway liberalization, Trenitalia's Regional Business Division delivers local public rail transport through service contracts signed with 15 regions and the autonomous provinces of Trento and Bolzano. The Ministry of Infrastructure and Transport is involved in service agreements for Valle d'Aosta, Sicily, and Sardinia, while joint ventures manage services in Lombardy and Emilia-Romagna.

These service contracts allow the client (the region) to define the service capacity and detailed quality standards, including punctuality, regularity, fares (for tickets and subscriptions), schedules, frequency, train types, number of carriages, stations served, number of stops, and ticket office availability. In return, Trenitalia, as the service provider, receives payment for fulfilling these agreements.

## 4.2 Marketing objectives and the new brand

From a marketing standpoint, Trenitalia's regional transport has experienced a **significant strategic transformation**, marked by the introduction of a **new brand**. For the first time, Trenitalia's regional services are presented with a **unique brand identity, separate from the parent company**, Trenitalia.

The new brand: extended and reduced version



Regionale



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The **new brand identity** is reinforced by a complete overhaul of the train liveries, moving away from outdated color schemes and the previously used "musical themes" that distinguished different train types. Now, the entire fleet operates under a unified identity: **Regionale**.

This innovation is part of a broader transformation that has been underway for several months, focusing on renewing the entire fleet and rethinking the service with a fresh market positioning. The **new marketing strategy** developed by the Regional Business Division is based on market analysis, customer satisfaction drivers, and an in-depth study of the customer journey. **This is not just a cosmetic change but a strategic shift aimed at delivering greater value across various market segments by redefining the value proposition.** The primary goal is to elevate service quality for an increasingly demanding clientele, who seek not only punctuality and comfort but

also enhanced attention, information, safety, and experiences. Simultaneously, the strategy aims to shift the current, largely negative, perception of regional rail transport.

In essence, the renewed strategic offer seeks to **reposition regional trains** as a **mode of transport that meets today's demands**—not "old, slow, and inefficient," but a service that combines **ecological sustainability** (as a collective transport option), **freedom of movement** ("door-to-door" through intermodality), **affordability** (with some of the lowest fares in Europe), and the **travel experience itself** (encouraging interactions and allowing passengers to enjoy the journey before reaching the destination).

The aim is to make regional trains a **widespread, sustainable, and affordable means of transport, capable of driving significant changes in mobility habits**, whether for work, study, or leisure. "**Accompanying the customer on their journey by offering the best sustainable and accessible solution**" is the **brand purpose** guiding this repositioning, with the potential to benefit customers from two perspectives:

- **Functional:** "Comfortable, stress-free travel, reaching the destination quickly and sustainably."
- **Symbolic:** "The train is the preferred alternative to the car, which is no longer trendy," and "Traveling by train feels more modern and planet-friendly."

At the same time, the new marketing strategy seeks to **build quick awareness around the new Regionale brand, improving its image** and changing the negative perception often associated with regional transport.

To achieve these goals—as detailed further in the Marketing Mix section—the Regionale division is working on multiple fronts, both strategically and operationally. This includes heavy investment in fleet renewal and the green conversion of trains—modern, digital, and diesel-powered—to improve availability and reliability while reducing emissions, thereby enhancing service quality.

Additionally, Regionale is focusing on developing intermodality, positioning itself as a key player in "Mobility as a Service" (MaaS) by introducing new digital ticketing models with flexible usage. The division is also expanding its offerings in the tourism sector, increasing the number of

tourist destinations served, collaborating with tour operators, and introducing leisure-oriented fare packages.

## 5. The passenger profile of Regionale

Regular surveys conducted by Trenitalia among users of regional rail services reveal a clear profile of passengers based on socio-demographic characteristics, travel motivations, and frequency of use.

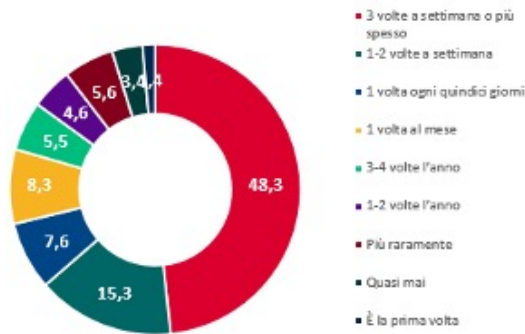
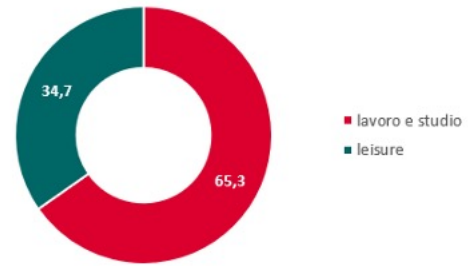
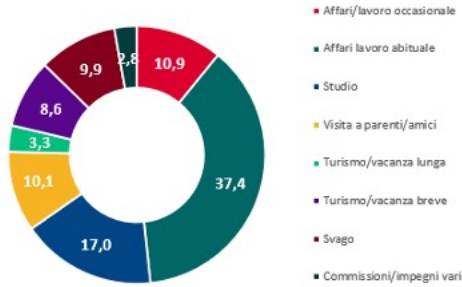
### The socio-demographic profile of the Regionale passenger



The typical Regionale passenger is predominantly employed (41.4%) or a student (24.6%), with most (65.3%) using regional trains as commuters, traveling more than three times a week (48.3%) to reach work or study destinations. The remaining 34.7% consists of leisure travelers, who opt for a sustainable and affordable mode of transport to enjoy their journey.

### Reason, type, and frequency of travel for Regionale customers





Some data on the customer satisfaction of the Regionale

## 6. The product: The offering and the fleet

Trenitalia's regional service operates a fleet of 1,170 trains, providing approximately 6,000 daily journeys to over 1,700 destinations and transporting an average of 1,300,000 passengers each day. With more than 500 new-generation trains already in service, the Regionale division aims to modernize its fleet to address the evolving needs of users seeking **safer, faster, more comfortable, and sustainable mobility**. The objective is to gradually replace the entire regional fleet, revitalizing regional rail transport and **significantly enhancing the level of service** for the daily commuters who rely on trains.

In a groundbreaking decision for Italian rail transport, Regionale is equipping itself with cutting-edge trains, all manufactured in Italy by Hitachi and Alstom. The goal is to achieve an 80% fleet renewal by 2027, resulting in a fully modernized fleet by the start of the next decade. This new fleet will feature reduced energy consumption, extensive use of eco-friendly materials for

interiors, and a high proportion of recyclable materials. Additionally, by 2032, the Regionale division plans to add 4,000 bike spaces on board, reinforcing its commitment to promoting sustainable mobility.

To enhance passenger comfort, the new trains will include a variety of features such as air quality sensors for optimized climate control, electrical outlets and USB ports at every seat, increased seating capacity, improved seat comfort, additional bike spaces (with charging outlets), expanded luggage space, a new lighting system, and a nursery area equipped with a changing table and baby holders.

In terms of the tourism market, the Regionale offering leverages intermodality to provide increasingly integrated travel solutions to vacation destinations, connecting the country's "three access points": train stations, airports, and ports. Currently, there are connections to 23 airports and 17 ports. Overall, the Regionale division facilitates over 180 links, offering combined travel solutions that integrate train, bus, and ferry services to reach locations not directly accessible by train.



**"Link" services and connections to ports and airports**

## 7. Price

Pricing is strictly managed in accordance with existing business regulations. Regional rail fares are determined through service contracts with individual regions, which impose various constraints on price differentiation. These limitations include specific discount policies, the timing of ticket purchases, and travel times.

In this context, price adjustments are allowed only in a downward direction, aimed at reducing seasonal fluctuations in demand and optimizing operations. The intention is to gradually implement dynamic pricing that offers discounts during off-peak periods, as well as to introduce differentiated service models, such as express trains for high-capacity routes that alternate with trains making intermediate stops.

Through these pricing strategies, the objective is to maintain the **affordability of regional trains** while also focusing on promotional activities aimed at specific market segments. One notable

success is the “Italia in Tour” promotion, which offers unlimited travel for 3 or 5 days at prices of €29 and €49, respectively.

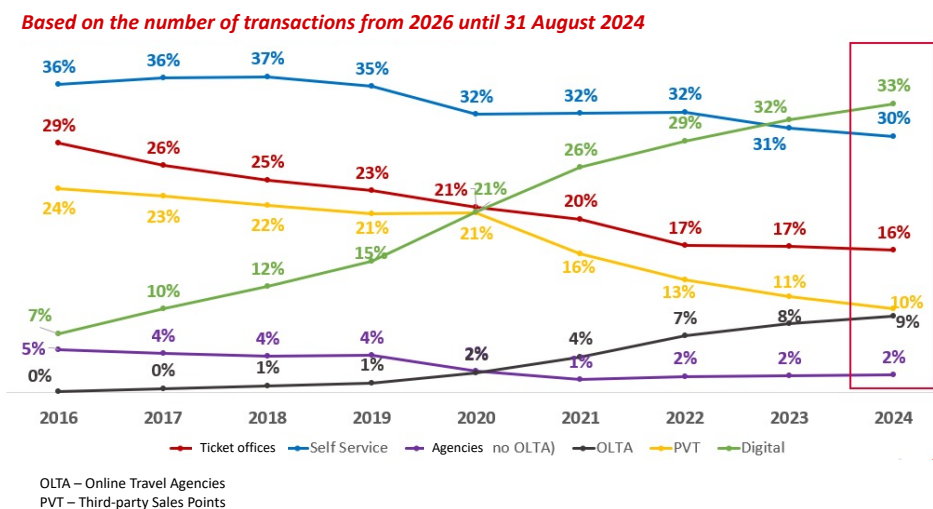


Some promotions implemented over the years by the Regionale

## 8. Distribution

In recent years, Trenitalia’s regional transport division has adopted an increasingly **multichannel distribution strategy** that seeks to integrate physical sales channels with digital ones. As one may expect, the **significance of digital channels has grown substantially**, while the role of traditional ticket offices has diminished.

Sales channel shares (%)



Simplifying the purchasing process and enhancing the customer experience are key drivers behind the redefinition of the distribution policy. This initiative has transformed ticket offices from basic sales points into service centers that integrate sales and assistance, promoting both mobility and leisure.

As part of this service redesign, the new Regional Digital Ticket (RDT) has been introduced to improve the overall travel experience.

To further enhance travel through simple technological solutions, the TAP&TAP project has recently been launched on select routes. This direct sales system allows customers to pay based on the distance of their trip using a contactless payment card, smartphone, or smartwatch. With a quick “tap” at both the beginning and end of their journey, the system automatically calculates the distance traveled and charges the appropriate fare.

*The new contactless experience*

**THERE IS A NEW WAY TO TRAVEL WITH REGIONALE**



**TAP & TAP**

- 1 At departure tap your card
- 2 Board and travel
- 3 Upon arrival tap your card again

**CONVENIENCE**  
The passenger pays based on the distance traveled

**EASE**  
Direct purchase at the station

**SPEED**  
No lines

**WHAT YOU NEED**  
Contactless credit cards or virtual cards

**WHERE**  
Validating machines  
Under development on self service and turnstiles

**HOW**  
«Tap in» at the departure station and «Tap out» at the arrival

**Best Price guaranteed**

## 9. Communication

In line with ongoing digitization, Regionale communication strategy places significant emphasis on the web, primarily leveraging social networks and digital media. Through platforms like Instagram, Facebook, and YouTube, Regionale aims to **foster personalized, one-to-one communication that generates travel ideas centered around various destinations, incorporating user-generated content.**

The primary goals of the Regionale communication strategy include promoting intermodality and sustainable mobility, with a strong focus on engaging young people.

Additionally, there is increasing attention to the **tourism market**, as evidenced by several **collaborative initiatives** launched by Regionale to encourage train travel for exploring Italy. These initiatives include thematic travel books featuring over 200 travel ideas available for free on the Trenitalia website, pocket guides titled "I Regionali da vivere," created in partnership with Giunti (a publishing company), travel podcasts offered on the new Regionale podcast



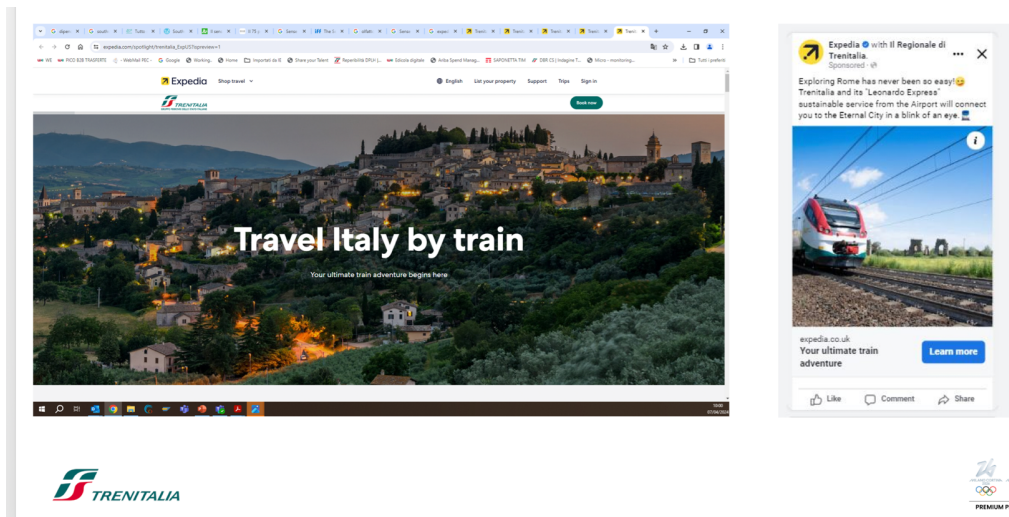
# Regionale

channel developed in collaboration with Loquis (the first platform dedicated to travel podcasting), and the "In Regionale con gusto" project, which highlights 37 food and wine itineraries across Italy in collaboration with "Il Gambero Rosso," presented through podcasts and videos.



Some communication activities and initiatives of the Regionale

Themes related to the charm of train travel and the **overall travel experience** are central to digital communication efforts, aimed at **generating engagement** and inspiring people to explore new destinations.



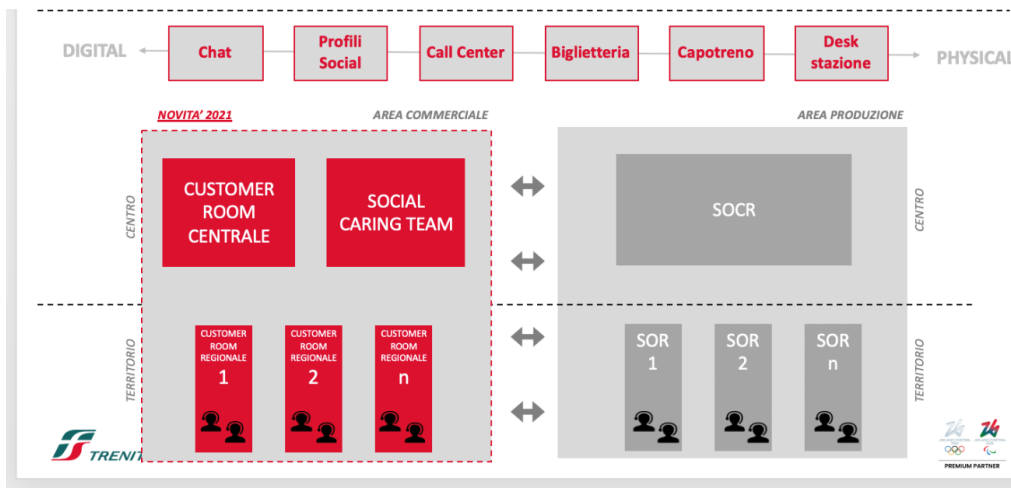
In addition to numerous collaborations with companies in various sectors—ranging from travel and food and wine to publishing— Regionale also engages in **major sporting events** tied to local communities across Italy. As the Official Green Carrier, Regionale supports events such as the Giro d'Italia and the Barcolana in Trieste.



## 10. The new model of service delivery

To enhance the travel experience, Regionale has significantly redesigned key customer touchpoints by refining its value proposition. At the heart of this initiative is the service blueprint, a well-established service design model that Regionale has adopted **to map the three essential Ps for improving the customer journey: People, Processes, and Physical Evidence**. This ongoing redesign process is grounded in a comprehensive 360° customer care system that **integrates the physical and digital dimensions**. Since 2021, this model has introduced regional care rooms in addition to the central customer room and social care team.

The service delivery model: Integration of physical and digital dimensions



\*SOR: Sala operativa Regionale (Regionale Operations Room)

\*SOCR: Sala operativa centrale Regionale (Regionale Central Operations Room)

The 57 customer care centers located throughout the country cater to customers at every stage of their journey, beginning with the planning phase. This is achieved through a relational marketing approach that places **People** at the center of every interaction.

The near-complete renewal of the fleet with innovative, modern trains, along with the significant transformation of ticket offices into fully renovated service centers—emphasizing digital signage—underscores the importance placed on **Physical Evidence**. Regionale acknowledges this element's crucial role in enhancing the overall customer experience.

## 11. THE 2025 CHALLENGE: ENHANCE THE POSITIONING AND THE *BRAND IMAGE* OF THE NEW “REGIONALE” BRAND

Based on the considerations discussed so far, the challenge of the 37th edition of the SIM Marketing Award is

**to define the positioning of regional transport and update the brand image by providing a value proposition built around the values of the new brand.**

Each team, acting as **Regionale’s Marketing Team**, will be tasked with **developing a comprehensive Marketing Plan for 2025–2027**. This plan will not only define the strategic aspects but also dig into the operational details, providing a value proposition focused on the values of the new brand able to contribute to the defined positioning and improve the perceived image of the brand in the market, considering:

- **Sustainability:** Compared to cars, trains are a more environmentally sustainable choice. As a “green” form of collective transportation, trains align with the expectations of younger generations and, more broadly, with consumer behavior that is more respectful of the planet.
- **Freedom of movement:** The regional network is extensive, reaching large and small towns nationwide. Thanks to intermodality, combined train + bus or train + boat solutions further expand accessible locations, offering frequent and widespread connections for commuters and tourists or leisure travelers.
- **Affordability:** While regional fares are challenging to modify (set by regional resolutions), they remain among the lowest in Europe. This affordability makes the train a cost-effective option for many. Additionally, the services offered to customers via the website and app enable discounts and ‘pay-per-use’ options, enhancing the cost-efficiency of the offer.
- **The experience:** Traveling by train can be an opportunity for social interactions, immersion in new social and cultural environments, and cross-cultural exchanges. Choosing a collective means of transportation offers more than a way to reach a

destination; for some market segments, simply traveling can represent an inherently valuable experience.

A coherent and compelling value proposition should be crafted around (some of) these values by configuring the product/service and communicating the new brand to one or more carefully selected market segments.

As is well known, a brand can be examined on two interconnected levels: cognitive and emotional-symbolic levels.

- At the cognitive level, **the notoriety of the new Regionale brand has yet to be established**, as this is the first time the company has launched a brand for regional transportation. Therefore, brand awareness needs to be quickly built through consistent choices in the Marketing Plan.
- At the emotional-symbolic level, **creating and promoting a new brand identity is paramount**. The market's current perception of the brand is unclear and somewhat negative, resulting from a historical context of a 'difficult relationship.' However, this perception must accurately reflect the current corporate strategies and investments in renewing the train fleet and customer services.

Through the Marketing Plan, you must propose **a new value proposition clearly, coherently, and recognizably positioned in customers' minds**. This proposition should be immediately associated with the newly established brand and its values, promoting a positive reputation, and establishing a stable relationship with the market.

Ultimately, the goal should be to develop a clear and coherent positioning of the new regional transportation brand, improving its brand image in the market. This transformation aims to shift perceptions **from "Brutti, sporchi e cattivi" (Ugly, dirty and bad)—borrowing the title from Scola's famous film—to a "cool" offering and brand that aligns with current consumer behaviors and meets specific demands that are, in some respects, "revolutionary" in understanding transportation.**

In the provided Marketing Plan, the team must:

1. **Analyze the competitive landscape of regional transportation from a broad competitive perspective, considering various travel and consumption behaviors.**
2. Select the primary **customer segment(s)** to target.
3. **Justify this choice** in terms of the attractiveness and potential of the target audience, ensuring alignment with the values of the new brand.



4. **Specify the chosen value proposition and brand positioning.**
5. Define **all strategic and operational aspects** necessary for implementation. Precisely, each plan should align with the selected strategic objectives:
  - **Product:** For example, propose innovations related to the configuration of the offering, enhance the customer experience, expand customer services (both on land and aboard), etc.
  - **Distribution:** This includes adjustments to online and offline placement, services in sales channels, channel mix, etc.
  - **Communication:** Define a communication mix that enhances the brand image and strengthens brand awareness through innovative tools or channels, focusing on:
    - o Advertising
    - o Media Relations
    - o Digital Communication
    - o Events
  - It is noteworthy that **the pricing lever will not be considered** due to the constraints mentioned in the case, and **no structural modifications** to routes, train fleets, or the configuration of the trains can be made.
  - Finally, each team will have access to a **standardized structured questionnaire that must be administered to at least 50 target individuals**, with the responses to record in a pre-set data entry sheet. The questionnaire and data entry sheet will be available for download from the award's web and social media channels, along with the "Guidelines." The data entry sheet containing the collected responses and the final report must be uploaded to the award's website.

For the Marketing Plan covering 2025 to 2027, each team will have **a total budget of 5 million euros**. This budget **covers only marketing costs**. Any costs of a different nature (e.g., IT interventions on digital platforms, expenses incurred by partners, costs for constructing physical structures, etc.) **must not be included in the budget**.

## AVAILABLE MATERIALS

In addition to the case text, additional documents and information will be made available on the Award's website and social media channels to support students in developing their plan.

⇒ **USE THE QR CODES TO ACCESS THE AVAILABLE MATERIALS**

⇒ **CHECK THE WEBSITE AND SOCIAL MEDIA CHANNELS FOR EXTRA MATERIAL AND STAY UP TO DATE!**

## Acknowledgements

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