

Crossrail

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London is one of the largest cities in Europe and continues to grow in population and development everyday. With a current population of almost 9 million people, continued population growth suggests that by 2030 London will be officially declared as a mega city, and contain upwards of 10 million people (Newsome 2017). The city of London also attracts 30 million visitors annually (Newsome 2017), as it is a major attraction for tourist from all around the world. Easy, advanced and reliable transportation is one of the most essential components when it comes to the success of a busy city.

London's current underground tube is becoming more crowded everyday, making people's journeys across London for work or leisure long and uncomfortable, especially during rush hours. As of May 2009, Europe's largest construction project began in order to ease transportation across London. With a cost of £14.8 billion, Crossrail is a new urban rail system that is expected to ease London's congestion. The rail line will run from the east to west of London, benefiting the major congested areas of London: Heathrow Airport, Paddington, Bond Street, Canary Wharf, Abbey Wood and more. Beginning as far west as Reading, Crossrail will run over 100 km (Crossrail 2016) hitting 40 stations, with 10 new ones at Paddington, Bond Street, Tottenham Court Road, Farringdon, Liverpool Street, Whitechapel, Canary Wharf, Custom House, Woolwich and Abbey Wood (Crossrail 2016).

Within 45 minutes Crossrail will bring over 1.5 million people to central London (Crossrail 2016), making it much faster and easier for people to travel around London to

the major business and leisure districts. Crossrail's first running trains are expected to open in 2018 with 200 million passengers annually and a contribution of about £42 billion to the economy of the UK (Crossrail 2016). For this paper I have chosen to use the VRIO Framework and The Five Forces Model to critically analyse Crossrails strengths and potential. I will focus on London's Olympic Stadium as a major tourist destination in London, and the influences that the new Elizabeth Line will have on accessibility to and from the stadium.

VRIO Framework

I have chosen to use the VRIO Framework to critically asses Crossrails impact when operating on travel and tourism for London. The VRIO Framework is a critical analysis of a company and its strengths in terms of the value, rarity, inimitability and the organisation it offers with its service. With reference to VIRO, there is a vast amount of value , rarity, and inimitability that the Elizabeth Line has to offer with the proper organization to accomplish each strength efficiently when operating.

Crossrail is a very hefty project that requires a lot of time, work and money; however, it will bring a multitude of benefits that will affect many areas of London. Crossrail will satisfy all aspects of the VRIO Framework through its relief of congestion. As London is an extremely busy city for business, tourism and leisure, congestion is growing to be a serious problem. Crossrail will supply trains with a larger capacity, while transporting people much faster and with more efficient links to areas across London. Upon completion, it is expected that Crossrail will ease 10% of London's congestion (Crossrail 2016). The stations are also built to be able to hold even longer trains in the future, as there is no doubt that the population will continue to rise.

Furthermore, the easier and faster links from the west to east through central London contribute to the value and rarity aspects of the VRIO Framework. These aspects of VRIO are satisfied as there are millions of people living and travelling within London everyday, but the current transportation system takes considerably longer. For the business people in Canary Wharf, to the travellers from Heathrow airport, and to the many employees and students in the suburban areas, Crossrail will provide much faster travelling times and more efficient links. Faster transit times are valuable, rare and inimitable for the city of London, and Crossrail delivers all aspects. The current traveling time from Heathrow Airport to Canary wharf is 51 minutes, but with London's new Elizabeth Line the travelling time will be reduced to 40 minutes (Griffin 2017). For those travelling from as far west as Reading, it currently takes over an hour to travel to Canary Wharf. Crossrail will decrease this travelling time to 46 minutes (Griffin 2017). There are also many more reduced travel times to and from major areas of London, such as Slough to Tottenham Court Road, Ilford to Bond Street and Abbey Wood to Liverpool Street. Some of the time decreases in these areas range from 20 minutes (Griffin 2017). Transportation across London will be much easier for the abundance of people using the transportation systems everyday.

Moreover, sustainability is another contribution to the value that Crossrail brings, as London is so heavily populated that sustainable transportation is key to maintaining London as a major city. With an increase in easy, fast and efficient transportation on trains throughout London, sustainability is another huge benefit that Crossrail brings. With a reliable transportation system more people will begin to use the transportation systems available throughout the city rather than driving there car everyday. Crossrail will cut down on the CO₂ emissions which is extremely important as the United Kingdom is highly populated, and the protection of the ozone layer and the economic footprint left behind is

a high priority both now and for years to come. Moreover, the construction of Crossrail itself may address some concerns, as such a huge project could cause a large amount of pollution itself; however, 84% of the machinery used in the construction of Crossrail has pollutant reducing emission controls (Crossrail 2016). Equally as important, the vast amount of clay ejected from the ground to build the tunnels is being brought to Wallasea Island to develop a natural bird sanctuary.

With such a vast project that has been going on since May 2009, Crossrail brings in a huge amount of employment both during and after the project which is definitely a valuable aspect in the analysis of Crossrail. In providing over 100 million working hours, Crossrail has currently employed over 14,000 people and more than 600 apprenticeships (Crossrail 2016). Of these people, 4,544 had previously been unemployed (Crossrail 2016), and over 15,000 students have been able to receive training from the project (Crossrail 2016). Moreover, after Crossrail is completed there will be a vast opportunity for new businesses, tourism and development. New and existing stations for Crossrail will grow immensely with food and beverage services and accommodation supporting new employment and economic benefits.

Additionally, with Crossrail being a much faster and efficient rail system throughout London, the property value for many areas being affected by it will rise immensely, which will contribute to the economic growth of London. When analysing Crossrail through the VRIO Framework, the increase in property value in both commercial and residential sectors is a huge strength in terms of value and inimitability.

When analysing Crossrail in terms of the VRIO Framework, this new transit system offers a significant amount of valuable, rare and inimitable strengths to London's tourism industry, which in turn contributes greatly to the United Kingdom's economy. Tourism in

London will benefit immensely, as London receives millions of international travellers annually. Many of these travellers arrive in Heathrow airport, which has about 1,300 plane landings each day (yourHeathrow 2016). Transportation is the backbone to tourism, as it allows for tourists to more easily access sightseeing destinations, different food and beverage locations, and accommodations around London, thus leaving a more positive image of London for people from around the world.

The Olympic Stadium

One of London's major tourist destinations is The Olympic Stadium, home of the West Ham football matches, and a popular place to house a variety of concerts. With a 57,000 seat capacity (London Stadium 2017) on match days, and an 80,000 capacity (London Stadium 2017) for concerts, the stadium is busy year round and requires reliable transportation for the thousands of people that need to travel to and from the stadium during major events. The new Elizabeth Line will run through Stratford Station, which is in a close proximity of The Olympic Stadium. With a faster travel time, and more efficient links across London, the Olympic Stadium will benefit immensely from Crossrail. Many people are much more likely to become fully engaged in an event if the transportation to get to and from the venue is reliable. Thousands of football or music fans will be able to transport themselves with considerably more ease to and from the stadium, far surpassing the accessibility that existing conditions allow.

As a high-volume destination, the Olympic Stadium is an important destination in terms of economic gain. When it comes to the organization factor of the VRIO Framework, Crossrail's new and innovated suburban rail line will help sustain the tourist destinations of London, such as the Olympic Stadium, and allow for it to remain the most important city in

the United Kingdom. London brings in huge economic benefits annually amongst many different sectors and businesses that rely greatly on efficient transportation as the population continues to grow everyday. It is without a doubt that Crossrail has the organization to achieve its goal in providing a more efficient transportation service through London, easing congestion and giving high value to customers that are travelling through the United Kingdom's vast and busy city, both everyday and for specific events. There has been years of hard work, design and testing and Crossrail is dedicated to providing comfortable, safe, fast and efficient transportation service throughout London that overall leaves its consumers with a valuable, rare, inimitable and organized transportation service.

Porter's Five Forces

Using Porter's Five Forces model to strategically analyze Crossrails competitive forces, I have determined the overall attractiveness of the industry. Overall, the Five Forces model helps one to critically analyse a new company and the success it will have in the industry in terms of the threat of new entrants, bargaining power of buyers, bargaining power of suppliers, substitutes of products and services and rivalry amongst existing competitors (Ortega & Jalon & Menendez 2012).

First off, the threat of new entrants is extremely low when analysing Crossrail, as it is a very high scale project. The investment of billions of pounds, years of hard work and major construction beneath London makes it a very difficult opportunity for new entrants. The investment of Crossrail comes from many different sources, such as the mayor of London, Transportation For London, Government grants, Londoners and London businesses such as Heathrow Airport, who invested £70 million (Crossrail 2016) and Canary Wharf who invested £150 million (Crossrail 2016). Crossrail has an advantage in the market

scale in terms of access to materials, investments and government involvement, making it next to impossible for a threat of new entrants.

Furthermore, the substitutes for Crossrail are quite moderate, even though transportation around London comes in a variety of forms. There is a vast array of transportation available in order to travel around London, and some of the major substitutes for Crossrail include buses, taxis, boats, cycling and driving one's own car. However, with London's heavily congested traffic, it is likely one may choose to take Crossrail over driving their own cars through traffic and having to pay London's growing congestion fees. Taking Crossrail is also cheaper and more convenient than taking a boat up the Thames River, or a taxi across the city. Crossrail has easy access with day, week and monthly passes and is even more convenient now with the introduction of the new Oyster card, which minimizes total costs spent on an individual's travels.

On the other hand, Uber is a newer form of transportation, and it has become an ongoing debate as to whether London will allow this new form of transportation to operate within the city. If Uber is approved, it could become a major substitute for any of the above forms of transportation. Uber is known for its convenience and lower prices, especially for those who are out late until the bars or clubs close. Moreover, Crossrail's initial goal is to ease the congestion of London. Because the majority of London's transportation is in the public sector and owned by Transportation for London, the overall threat for substitute is quite low. Oyster cards can be used for multiple transportation services around London, and the money is regenerated back into the economy and on improving London's transportation. Additionally, those travelling across London during the rush hour times will take advantage of London's new Elizabeth Line as a dominant form of transportation for its overall convenience and increased speed.

To expand more on Porter's third factor, buyers' bargaining power, ability to demand lower prices is weak. Crossrail is a unique form of transportation across London and Transportation For London sets its prices accordingly, giving very little power to buyers for the negotiation of prices. With the introduction of the new Oyster card, which minimize travel costs by a day or a week, it becomes much cheaper for people to use the rail system as a form of transportation over the high taxi fares, or paying for congestion fees when driving their own vehicles. Overall, there is little room for buyers' to barter Crossrail cost, as it is a form of public transportation that offers an advantage in transportation services over other means of transportation across London.

When it comes to Porter's fourth factor, the suppliers command of industry, the level of influence suppliers have is quite low. This low level of influence is due to fewer suppliers building and operating the train, which in turn results in them having a smaller say as the demand for building a brand new billion pound rail beneath the city of London is very low. There are not many companies that are able to take on such a massive project in London, and because of this limitation there is not a significant impact on the industry's profitability and the overall suppliers influence.

In terms of existing competitors, Crossrail has none. This is because Transportation For London manages all transportation services throughout London. Crossrail was not built for profit, but instead was built to help maintain movement throughout the heavily populated city. Whether people choose to take the Underground, Crossrail or other train lines, each of these methods of transportation work together to move millions of people across London every day. Crossrail has significantly faster and more convenient train links from the west to east of London, which will attract millions of users. The threat for existing competitors ranges from low to almost nothing, as the rail system within London is a

massive organization, and Transportation For London overall has a monopoly on all the transportation within London. Any profit made from rail transportation contributes to the entire economy, and regenerates itself into improving London and supporting the destination as one of the busiest cities in Europe.

After analyzing Crossrail in terms of each aspect of the Five Forces model, its strengths in the transportation industry demonstrate that Crossrail will be extremely successful. With low risk of new entrants, substitutes, buyers' bargaining power, suppliers' command of industry and existing competitors, Crossrail has very little to no threats within the industry. The profit made will be able to regenerate itself back into the economy of London, overall making it a strong and prosperous city globally. Business and tourism will continue to thrive with Crossrail's new and innovative transportation, which is extremely important as the city of London is the hotspot of the United Kingdom and is an incredibly valuable city.

To conclude, when strategically analysing Crossrail using both the VRIO Framework and The Five Forces Model, it becomes evident that the new Elizabeth Line holds a vast number of benefits for transportation in London, with focus on tourism. Crossrail is a new and innovative urban rail system that will attract millions of users, and will be able to support the busy city of London by delivering faster, more efficient and more reliable transportation from the west to the east of London. Crossrail has value, rarity, inimitability and organization, and is a market with extremely low to no competition, making it a strong company that will bring great economic benefits to both London and the United Kingdom. This billion pound operation that has taken years to construct will be known as one of Europe's largest transportation projects and is a major step in the right direction for

controlling London's fast growing population. The question however still arises: Will Crossrail be enough? As London's population continues to grow rapidly, Crossrail may be the first of many large scale projects London will have to take on in order to manage and transport millions of people across London. There has, in fact, already been talk about Crossrail 2, and as Transportation For London continues to manage the transportation everyday, it is critical that they stay innovative and do not succumb to London's growing population in the many years to come.

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