

case 2-982-867
October 20, 2020

Andrew Hoffman

Brightline: Targeting a Successful Future with High-Speed Rail

Jessica Peters,ⁱ executive vice president of rail infrastructure for Brightline Trains, stared at the bumper-to-bumper traffic in front of her along the I-95 route to her office in Orlando. Despite this being a regular sight on her daily drive from her home in Jupiter, Florida, it made the trip no less exhausting. She contemplated what it would be like to avoid this odious journey each day, and how such a reality may be feasible in the near future. Brightline's successful implementation of Phase I of development—high-speed passenger trains between Miami and West Palm Beach, with an intermediate stop at Fort Lauderdale—left Peters optimistic about the company's future, a future that could reduce such bumper-to-bumper traffic. Now with the construction of Phase II, the extension connecting West Palm Beach and Orlando over one-third of the way complete, Peters' focus shifted toward determining how Brightline could ensure the launch of this extension would be successful.

Despite the success of Phase I inspiring confidence for similar results in the future, Peters recognized the company was at a critical point. With a limited budget, she must determine how to market and position Brightline's expansion to capture the attention and interest of potential riders, ensuring strong adoption rates upon launching operations. With investors looking for returns, Phase II needed to have a successful launch. Which segment—business or leisure travel—was more impacted by the congested routes and had a higher likelihood to switch transportation modalities? To what extent should Brightline target both business and leisure travelers for the new route? What were the risks and benefits of prioritizing a particular target market? How should Brightline position itself to reach each target market? Was it possible to be sustainable with private funding only?

Overview of High-Speed Rail

High-speed rail (HSR) aims to be time-competitive with both airplanes and automobiles. The U.S. Department of Transportation's Federal Railroad Administration (FRA) defined HSR as a form of travel whose

ⁱ Jessica Peters is a pseudonym.

Published by WDI Publishing, a division of the William Davidson Institute (WDI) at the University of Michigan.

© 2020 Kunaal Kapadia, Nisha Patel, Emma Phillipson and Serena Wang. This case was written by University of Michigan students Kunaal Kapadia, Nisha Patel, Emma Phillipson and Serena Wang, under the supervision of Andrew Hoffman, Holcim (US) Professor of Sustainable Enterprise, a position that holds joint appointments at the University of Michigan's Ross School of Business and School for Environment and Sustainability. The case was prepared as the basis for class discussion rather than to illustrate either effective or ineffective handling of a situation. The case should not be considered criticism or endorsement and should not be used as a source of primary data.