MBAs help Gulf Coast passenger rail service get back on track

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Knox Ross, chairman of the Southern Rail Commission, speaks in Mobile, Alabama, at the Oct. 22, 2024, groundbreaking ceremony for the Gulf

Coast Rail Corridor Improvement Project, which will restore passenger rail service to the Gulf Coast. A team of Freeman School MBA students worked with the commission to identify groups of customers and estimate usage of the new service.

The Southern Rail Commission is getting closer to its goal of bringing daily passenger rail service back to the Gulf Coast for the first time in nearly 20 years, but questions remain about demand for the service and expected ridership.

To help answer those questions, the commission enlisted the help of a team of Freeman School MBA students to conduct market research.

“It was a pretty interesting project,” said Harrison Bond (MBA ’25), one of the five Freeman MBAs who worked on report. “There were some marketing aspects to it and some modeling aspects to it, but basically our project was to estimate what the usage rate of this new service is going to be.”

Created by Congress in 1982, the Southern Rail Commission engages and informs public and private rail interests to support and influence Southeast rail initiatives. One of the commission’s biggest recent projects has been supporting the re-start of passenger rail service between New Orleans and Mobile — with stops in Bay St. Louis, Gulfport, Biloxi and Pascagoula — in 2025. The service, which went on an indefinite hiatus in the wake of Hurricane Katrina in 2005, is expected to spur economic activity along the route and enhance connectivity between major cities and rural coastal towns, results that will require municipalities along the route to make improvements and investments. Amtrak had estimates of expected ridership, but the commission sought its own independent research to better inform cities along the route in their preparation process.

Working with Mark Ratchford, professor of practice in marketing, the MBA team, which also included Samantha Rubin (MBA '25), Shafi Munir (MBA '25), Kara Schiek (MBA '25) and Sarah Adofo (MBA '25), provided the SRC with a comprehensive report detailing passenger demographics and preferences. The report included customer profiles, a demand model and detailed recommendations based on their findings.

One of the students' key findings was that the service is more likely to be used for tourism and recreation than regular transportation.

"This is not a train that people are going to be riding daily," said Rubin. "We had one group of commuters that might be riding the train weekly, but most of our other demand was a lot harder to predict and a lot less frequent."

"We don't expect many people to ride the full length from New Orleans [to Mobile]," added Bond. "The service is going to make it easier for people to go to and from New Orleans — for people from Mobile, for instance, to head over to the casinos for a weekend. We think it'll be used more for short bursts."

Southern Rail Commission Chairman Knox Ross, who served as the students' point of contact, said he was pleased with the team's findings.

"It was an honor to work with the highly motivated students at the Tulane Freeman School," Ross said. "They came up with an excellent model and created a product that will be very useful to us as we implement and grow the service. They were able to identify specific groups of customers and their preferences that will help us implement a more successful service. We are very pleased with our partnership with Tulane and hope to do it again."

“The feedback we got from Knox Ross was so helpful," said Rubin. "We were able to deliver a better product because of how often we got to meet with him and share our ideas and information."

The project underscored the importance of transportation in fostering economic development and connectivity in the Gulf Coast region. On Oct. 22, 2024, U.S. Secretary of Transportation Pete Buttigieg joined local officials for a groundbreaking ceremony at the future site of the new Amtrak train platform in downtown Mobile. With construction now underway and an expected completion date in the second quarter of 2025, the students’ work will help shape the future of passenger rail service in the South.

“I think that was the most meaningful part of it,” said Rubin. “Knowing that the new rail service is going to have such a positive impact on New Orleans made it a really cool experience.”