

Commuters willing to pay more for shorter travel times when driving



On average, Austrians spend over an hour a day commuting. In her current research, WU transport economist Stefanie Peer investigates how commuters make mobility-related decisions, especially with regard to choice of transport mode and arrival time. Her results showed that Austrians are more willing to pay for reduced travel times when travelling by car than with public transportation.

Stefanie Peer, a researcher at WU's Institute for Multi-Level Governance and Development, investigated in several studies how travel times are valued based on different modes of transportation (private car, rail, local public transportation, bicycle, walking), time-related aspects (short- or long-term), and different groups of people. The main focus was on travel time. "Valuation shows what people are prepared to pay to reduce travel time, giving them more time for other activities. Current studies show that when travelling conditions are comfortable, people are less inclined to pay more for shorter travel times than when conditions are uncomfortable," says Peer.

Public transportation: More comfort, lower motivation to pay more

For her research, Peer utilized data that represents individual decision-making with regard to mobility, like surveys or cellular GPS records. She also gathered data from experiments using both hypothetical decisions and real-life situations in which subjects were offered incentives to change their mobility habits. Based on this data, Peer developed econometric models to explain the mobility behavior she observed. Unlike previous studies, Peer's research showed that Austrians are willing to pay more for shorter travelling times when driving, as compared to travelling by public transportation. "This leads to the conclusion that if travelling times are the same, people prefer to spend time in public transportation rather than a car. This observation applies to all segments of the population, regardless of age, gender, or income level," says Peer. These findings reflect the high quality of public transportation and the fact that using public transportation allows travelers more opportunities to use travelling time productively and comfortably by working on their laptops, smartphones, etc.

Peer's studies also show that travelling time is given more weight in long-term mobility decisions than in situational, on-the-spot decisions made at departure time. This is probably because the time freed up by regularly selecting modes with a shorter travelling time can be better planned and used than the extra time resulting from short-term decisions.

Important basis for transportation policy decisions

Valuations of travel time and travel comfort are deciding factors in determining whether investments in infrastructure projects and other transportation policy measures make economic sense. "In this type of cost-benefit analysis, valuations of travel time and comfort are consulted on the one hand to determine the monetary value of travel time and comfort, and on the other hand to make predictions about how changes in these factors will affect user numbers, or in other words, demand for services," explains Peer. "Our research results show that these valuations depend, among other factors, on the type of transportation mode and the time aspect, and need to be used in a context-specific manner in cost-benefit analyses." The transport economist criticizes the fact that this need for context is rarely addressed in practice, which can lead to a distortion in the results of cost-benefit analyses.

[A pooled RP/SP mode, route and destination choice modeling approach to capture the heterogeneity of mode and user type effects in Austria](#)

Stefanie Peer

Stefanie Peer has been at WU since 2013 as a senior assistant professor at the Institute for Multi-Level Governance and Development. A native of Upper Austria, Peer studied economics and international economic sciences at the University of Innsbruck before completing a master's degree in Port, Transport & Urban Economics at Erasmus University Rotterdam. She conducted her PhD research at the Department of Spatial Economics at VU Amsterdam, and defended her dissertation entitled "The economics of trip scheduling, travel time variability and traffic information" in 2013. Her research at WU also focuses mostly on topics related to transport economics. She has published in various highly ranked journals, including the International Economic Review, Transportation Research Part A: Policy and Practice, Transportation Research Part B: Methodological, or the Economics of Transportation. Peer is a member of the board of the International Transport Economics Association (ITEA) and the Network on European Communications and Transport Activity Research (NECTAR), and is active in multiple scientific associations.

In recent years she has been successful in acquiring funding for national and international projects on topics like the unreliability of travel times in Austria (RELAUT), the environmental and socioeconomic effects of self-driving electric cars in Vienna (SinSAEV), and innovative, sustainable urban transportation (IP-SUNTAN).

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