



CBX terminal exterior

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## CASE STUDY: PUBLIC INFRASTRUCTURE

# Can Good Research Help Make You a Billion Dollars?

## CHALLENGE

The San Diego Regional Airport Authority wished to conduct a Cross-Border Terminal Market Demand Study to evaluate the viability of a cross-border airport bridge in Otay Mesa. This study would include an extensive field research component to capture market trends and user drivers to predict the actual demand for such a unique facility.

## RESPONSE

CERC developed and conducted a telephone survey to determine usage likelihood, potential usage, effects of various terminal elements on usage likelihood and drivers of usage likelihood among air travelers in San Diego and Imperial Counties. The research would need to measure certain demographic characteristics and attitudes of the respondents in an effort to explain the relationships of the variables.

## SOLUTION SET

For this project, CERC leveraged our decades deep experience in survey research and expert statistical analysis to yield key insights that would help determine the viability of the Crossborder Terminal.

## BACKGROUND

The Crossborder Terminal (CBX) is a unique landbridge at the U.S.-Mexican border. Travelers using Tijuana's airport (TIJ) are able to quickly and easily enter and exit the United States. For a reasonable fee, passengers avoid soul-crushing lines at the San Ysidro and Otay Mesa ports of entry. Crossing border to hop a plane takes less than 20 minutes.

In its first three years of operation, the CBX bridge saw 5 million crossings, with yearly crossings expected to increase 20% throughout 2019.

## COMPREHENSIVE SURVEY & ANALYSIS



We conducted 1007 telephone surveys, 905 in San Diego County and 102 in Imperial County.

Qualified respondents were limited to current and potential air travelers. We employed random sampling with an average interview length of 18 minutes. Statistical analysis included chi-square automatic interaction detection (CHAID), multiple regression analysis and other techniques.

## KEY FINDINGS

As self-reported by air travelers, convenience, lower cost and travel flexibility were the three dominant reasons for using such a terminal. The convenience factor – for example: it is easy to fly from; it would save time; there is a shorter wait time; or the process would be quicker – was tops for 30%. Convenience was less of an issue for air travelers flying once a year or more. They, especially non-Hispanics in this segment, tend to elevate travel flexibility over convenience.

### Core Users

As a key driver for business viability, we statistically determined that 8% of air travelers and likely air travelers qualified as “core users” who would definitely use the Terminal. The profile of the core user – the lowest hanging fruit – was profiled as a current TIJ user or a Hispanic who flies to Mexico or an air traveler residing within 20 miles of TIJ.



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Infrequent fliers, especially men, tended to focus on added convenience afforded by such a facility. Those closer to the TIJ tended to elevate their proximity to the facility’s location. Nearly 40% in San Diego County’s south suburbs and east suburbs put convenience at top of their list.

### Likelihood of Use

We found that the average air traveler reported a 38% likelihood of using the terminal. Although 31% reported a zero percent likelihood (meaning they would not use the terminal), 11% expressed 100% likelihood and would therefore definitely use the terminal.

### Departure Fee

Statistical analysis revealed clear public preference for crossing the bridge at \$15 per one-way trip. Our data showed that \$35 would severely stunt the terminal’s ability to attract users, and that \$25 would create considerable resistance. Today’s departure fee is \$16 one-way and \$30 round-trip.

## RESULTS

The San Diego Regional Airport Authority concluded the cross-border terminal was viable. An investment group moved forward on \$120 million private funding. Estimated 10-year revenue will top \$1 billion.