



# The San Diego Business Journal

**Fall 2020 San Diego Business Confidence Index:**

*General Business, Craft Brewing, and Hospitality & Tourism Analysis*

Fall 2020

Created by Undergraduate Students from California State University San Marcos

College of Business Administration

Senior Experience Program

**Prepared For:**

Jim Hamerly

*Dean of the College of Business Administration/Sponsor*

**Faculty Advisor:**

Dick Lansing

**Prepared By:**

Kamaile Aluli, Kevin Benitez, Alora Jones, Alex Noble, Kenny Tran

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- Thank you to the SDBJ whose continued collaboration with CoBA has allowed us and past teams the opportunity to research San Diego's most prominent industries. San Diego business owners rely on the results from the Business Confidence Index to interpret their standing as well as the overall profitability of their industry. Our team was proud to have collected and interpreted the data necessary for this semester's Index.
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## **Executive Summary**

The Fall 2020 SDBJ/CSUSM Confidence Indices report is an analysis of our research and survey responses from the following three industries: General Business, Craft Brewing, and Hospitality & Tourism. The business confidence typically includes the Aerospace and Defense industry, however, this semester we regrettably were unable to establish strong enough connections to gather data on this industry and it had to be excluded. The information provided in the following Confidence Indices is used to determine the financial standing and overall health of the industries examined within the San Diego region over the next six months.

Each semester the teams have made an effort to improve upon the number of industries being studied and the information that is gathered. Due to the changing dynamics throughout the years, the survey questions have adapted to best address what the team is attempting to analyze. This year, given the nature of how the pandemic has affected the economy we updated the survey questions to gain a clearer understanding of how businesses are doing. Past teams have struggled to attain the number of survey responses they initially aimed for. We decided to analyze the previous survey questions along with the methods used for data collection and adjust them to achieve our intended survey responses. First, we decided to eliminate over half of the questions asked by previous teams and strip the survey down to what we deemed essential information. What we ended up with were 5 questions, 2 of which were optional to answer. Our team hypothesized that by shortening the time frame in our survey from 12 months to 6 months, the recipients would have an easier time estimating their company's projections in terms of revenue, numbers of employees, and profit. Even without the uncertainty that coronavirus has imposed on businesses, we assumed that in general companies can more accurately access how their profitability will shift on a semiannual basis. Our two optional questions gave businesses the opportunity to share if they had received support from state or federal funds during the pandemic and provided a list of programs they could select from if they had. The following programs that were included in our survey were the Coronavirus Aid, Relief

and Economic Act (CARES Act), Small Business Relief Fund (SBRF), and OnwardCA. The funds provide stimulus packages for various businesses to keep them afloat as the pandemic continues to take a toll on the economy.

Previously, teams chose to alter their surveys based on the industry they collected data in. They posed comprehensive questions in an effort to gain insight into the big picture view of how the industry operates in terms of finances, sustainability, ethics, and more. This resulted in surveys being very long. This semester our goal was to increase the number of respondents by making the survey simple and easily digestible for every industry. To do this, we wanted to focus on the most relevant questions for a Business Confidence Index survey that would allow us to accurately analyze the different industries. With guidance from our sponsor and advisors, we determined we would focus on the expected status of the industry's sales, revenue, and employee rates. During the uncertain times of the COVID-19 pandemic, many companies are having to shut their doors, creating a strong reliance on Federal funding-- specifically grants, and loans. As previously listed, we included several funding options in our survey questions to determine if local San Diego businesses were benefiting from them. Disclosing information about receiving aid from grants and loans can be a sensitive topic, therefore answering these questions was left optional to assuage any potential apprehension the companies may have to them. It was important for us to consider the uncertainties that the pandemic has placed on their ability to be able to accurately predict where their employment, revenue, and profit will be in the future. Focusing on the shorter 6-month time frame was pertinent to producing an accurate confidence index that represents the current status of San Diego County businesses. See Appendix A for the distributed survey questions.

Although the Business Confidence Indices took a hit this term, the outlook for General Business and Craft Brewing has remained positive. Tourism & Hospitality, however, produced a neutral confidence index for the first time. The General Business Confidence Index calculated in Fall 2020 is 64.91, which is a 5.13 point increase from the Spring 2020 index of 59.78. The Craft

Brewing Business Confidence Index in Fall 2020 is 63.05, which unfortunately cannot be compared to Spring 2020. However, we can see a significant decrease of 24.81 points in comparison to the Fall 2019 index of 87.86. The Tourism and Hospitality Business Confidence Index calculated in Fall 2020 is an even 50, which is a significant 20.24 points higher than the Spring 2020 index of 29.76.

## **Background and Introduction**

The senior experience project was founded 28 years ago at Cal State University San Marcos as an effort to prepare its senior students with a real-world business opportunity. The program allows students to use what they have learned in their college careers to do consultation work for organizations in the San Diego area. At the onset of the project, teams of 5 are paired with a CSUSM faculty advisor as well as an organization to work with. These organizations can range from a one-person startup to a Fortune 100 company. At the conclusion of the project, students will be able to compile the extensive research they have conducted and present it in a way that will shed light on a specific part of an industry and potentially propose a solution to an organization's issue.

The process of pairing a team to a sponsor is generated electronically through a system that picks from the team's top five choices. However, it never hurts to get in contact with the faculty advisor to declare your team's interest in a particular project which is exactly what we did. Our team was eager to be selected for this project because of its unique nature. The following is a collaboration between the San Diego Business Journal and the College of Business Administration here at CSUSM. The purpose of this project is to collect data from various industries in the San Diego region and quantify the results using Qualtrics. We examined the following industries: General Business, Craft Brewing, and Hospitality & Tourism.

Unfortunately, despite our efforts to include aerospace and defense in our report, we were unable to establish the necessary contacts needed to distribute our survey. The aerospace industry is a multibillion-dollar sector that focuses on engineering, designing, researching, manufacturing, and operating aircraft and spacecraft for commercial and government purposes. It is one of the strongest and most powerful industries within the United States. The industry in large works to aid defense branches, particularly the military, in establishing greater security and fostering innovation. With this being said, the aerospace industry is extremely secretive

because of the ever-evolving technology they're working to create. Considering that the majority of the industry receives federal funding, it makes gathering information, even if general, very difficult to accomplish.

Through the use of Qualtrics, we were able to update the Business Confidence Indices results. The updated results can be used as a tool to not only compare to past semesters but future teams Indices as well. This project has allowed us the opportunity to examine San Diego's most prominent industries and share our findings with the business community.

## **COVID-19 Pandemic**

Due to the COVID-19 pandemic, the Fall of 2020 has been the first fully virtual semester of Senior Experience. In March of this year, the coronavirus pandemic caused CSUSM to halt all in-person meetings and switch to a virtual platform mid-semester. Students, faculty, and sponsors had to quickly adapt to the strictly online platform and changes were made to the program. Spring semester was the first time the tradeshow was not held in person. Thankfully for teams working in the Fall, the faculty and advisors had the chance to work out most of the kinks of virtual collaboration before going into this semester. For the health and safety of the students as well as the sponsors all meetings were required to be held virtually. The forms of communication included emails, phone calls, and of course Zoom.

Not only did COVID-19 impact the logistics of our communication, but it also had a major impact on the industries that we were researching. Hospitality and tourism have been greatly affected by the pandemic given that people are avoiding traveling during this time. Another industry that has been hit hard by the effects of COVID-19 is the craft brewing industry. In the past, the San Diego Brewers Guild has worked with CSUSM to distribute the team's survey to their list of over 500 brewery contacts. This semester they declined to work with the university because of the apparent struggle the industry is facing.

At the onset of our project, San Diego was operating in the Red Tier for COVID-19 prevention and businesses were beginning to operate at a fuller capacity. Additionally, regulations for social distancing were not as severe compared to the start of the pandemic. Industries like hospitality and craft brewing were benefiting from increased numbers of people lowering their standards of isolation. However, as we neared the end of our research and data collection, San Diego entered into the Purple Tier COVID-19 restrictions, which proposed a curfew from 10:00 pm to 5:00 am and heavily encouraged people to only leave their homes to perform essential tasks. This tier of the pandemic may force all nonessential businesses to close their doors for the time being. Businesses like restaurants and gyms are required to stop

all indoor activity. Going into this dreaded tier will heavily affect the profitability of the craft brewing industry whose majority of revenue comes from sales made in their tasting rooms. We believe that the increased regulations and heightened uncertainty could have played a role in the reluctance of more businesses to complete our survey.

## Limitations

- Contrary to our team's efforts in examining the other industries, general business required much less participation from our end. Given that the contact list was already established and was distributed by Paige Vahle this industry was somewhat out of our hands. This allowed us to dedicate our time to establishing contacts in other industries but it denied us the opportunity to build relationships with business owners like we were able to do with the craft brewing and hospitality and tourism industries. A slight issue that we faced was writing our email in a tone that sounded both personal and professional. Through guidance and feedback from Dean Hammerly, we were able to settle on an email that showcased us as students while highlighting the work we were doing for the SDBJ.
- The biggest obstacle our team faced when creating the craft brewing confidence index was our lack of assistance from the San Diego Brewers Guild. The SDBG has been an important asset to past teams considering that they distribute the team's survey to their 500 contacts within the industry. Without their assistance, our team had to not only build a contact list from scratch but also cold call and email breweries. Given that tasting rooms/restaurants only answer their phones during hours of operation, they tend to be busy running the shift and assisting customers. Many times the person answering the phone was not fit to answer the survey questions and the most they could do was relay the message to their boss at a later time. We found that by using email as our main form of distribution, our survey would go straight into the hands of the person fit to fill it out. However, administering this process without the SDBG made it difficult for us to achieve the same success of survey responses that previous teams have been able to attain.
- When creating the Business Confidence Index, some challenges arose that were unique to the Hospitality and Tourism industry. The first was the lack of established contacts with any organizations and associations within the industry. Ideally, if we were to create

a relationship with such associations, our survey could reach a larger audience for the current and future groups to come.

## Recommendations

- Through the course of this project, our team has gained valuable insight into how future teams can improve the quality and increase the number of responses in each industry. Our first recommendation is to remove aerospace and defense from the list of industries. The information in this industry is incredibly confidential and will most likely not be shared with students. Future teams might consider introducing the medical and healthcare industry to the project considering this industry does not safeguard their information as heavily as aerospace.
- As a general suggestion, we recommend that teams begin reaching out to contacts in the hospitality and craft brewing industry as a team rather than individually. Our team went with a divide and conquer strategy to not only establish our contact lists but also in the process of making calls to businesses. Looking back, we predict that we would have had more success if we would have dedicated all of our efforts to one industry at a time rather than working individually. We also want future teams to understand that in order to gain the desired number of survey responses in the hospitality and craft brewing industries diligent calling must take place. Reaching out early to establish relationships with the businesses and continuing to maintain contact throughout the process is key. Simply distributing an email to your contact list will not be adequate if you hope to increase the number of responses.
- While working on four industries was our goal initially, we discovered we had significantly better results when we narrowed our focus. For future teams, we'd recommend choosing two industries in which they feel confident that they can call, build connections, and work together to acquire responses. By narrowing the number of industries, we predict it will produce more substantial data for the team to report on to the SDBJ.

- We found we had success with our phone calls by creating a general script outline and keeping our introductions short and concise. We went into each call with the intent to retrieve an email, phone number, and point of contact for the company. After speaking to each business via. telephone it is important to let them know what subject line to look for in their respective inboxes so it's easy for them to identify the survey once they receive the email.
- Be strategic to not overwhelm the businesses with questions that are too personal or simply irrelevant to them. We suggest making one general survey as a skeleton that can be used for both industries chosen, and then make changes depending on each individual industry.

## **General Business**

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### **Overview**

Since the Fall of 2015, the San Diego Business Journal has formed a positive partnership with the College of Business Administration at California State University San Marcos. Through the years of working on this project with Senior Experience, past teams have been able to collect a robust list of businesses in the San Diego general business sector in order for our team to build our Business Confidence Index. This year, we were able to create an established contact list of Chamber CEOs from the North County San Diego Region. We were able to distribute the survey to businesses through Qualtrics to collect data on the health and performance of participating businesses for the next six months.

Historically, the general business has maintained a positive confidence index. The teams have measured the Business Confidence Index as follows: 75.80 in Fall 2015, 74.40 in Spring and 72.16 in Fall 2016, 75.58 in Spring and 73.55 in Fall 2017, peaked at 79.08 in Spring and 77.59 in Fall 2018, 77.13 in Spring and 74.24 in Fall 2019, hit its lowest at 59.78 in Spring of 2020, and finally rose again to 64.91 this Fall of 2020. View the trend line in Appendix F for the General Business Confidence Index.

### **Key Objectives**

The key objective for the General Business Confidence Index was to accumulate a semi-annual compilation of data measuring the projected economic standings for the general San Diego business population. Surveys were distributed to acquire a data selection to track progress in the sector through analysis of trends and shifts in the overall economic health of San Diego County by comparing results to previous semesters.

## **Research**

Our research began by first meeting with our faculty advisor, Dick Lansing, as well as our sponsor, Dean Jim Hammerly, to gain a full understanding of this project and its objective. Our team reviewed the Spring 2020 and Fall 2019 projects, following their process and taking into account their recommendations. Additionally, our team reviewed the most recently published San Diego Business Journal Business Confidence Index to establish the necessary attributes required for us to be published. After assessing previous survey questions and email templates, appropriate changes were made to better suit the needs of this semester's project. This included lowering the projection length from twelve months to six months, minimizing the number of survey questions asked, and gearing the project more towards CSUSM.

To add to the lengthy general business contact list which the College of Business Administration presides after, we sought after local Chamber of Commerce members. Christine Lee, Community Outreach and Communications Liaison for CSUSM's Office of the President, was able to provide us with a list of Chamber Champion ambassadors. These are CSUSM colleagues who are active at specific Chambers at which the University holds membership. Once the email and survey had been completed, it was passed along to CoBA's Marketing and Event Specialist, Paige Vahle. The email and survey were then distributed to CoBA's established contact list, as well as the additional Chamber of Commerce contacts that we were able to provide.

## **Methods of Distribution**

The survey was originally sent via the Qualtrics email system to the College of Business Administration's list of 2,000 contacts on October 28th at 7 a.m. PST, using the email shown in Appendix B. Of these emails, 30 bounced back and 47 were completed. To encourage participation, there were two additional reminder emails sent to unfinished respondents on both

November 6th and November 16th. During these distributions, we gained an additional 48 responses, for a total of 95.

### **Data Collection**

All of our data was collected and compiled using the Qualtrics system provided by CSUSM. We made sure to consistently monitor responses but fully started to analyze the data after the closing date, November 17th. Our team detailed all of the response rates, as well as created individual graphs and charts for each question, which can be seen in Appendix C. We then calculated the overall Business Confidence Index and compared it to past data, which is detailed in Appendix E. We calculated a General Business Confidence Index of 64.91. We then graphed this against previous Confidence Indexes, which resulted in the trend line shown in Appendix F.

### **Survey Respondents**

Of the 2,017 emails that were distributed out, we received 95 responses. This gives us a 4.7% response rate. This is a 1.53% decrease from the previous term's response rate of 6.23%. For a detailed list of responses, refer to Appendix C.

### **Analysis of Results**

The list of questions we asked our respondents can be seen in Appendix A. Of these questions, the first three were used to formulate the General Business Confidence Index. Our team calculated an overall General Business Confidence Index of 64.91, which involved looking at expected employment levels, revenue, and profits within the next six months. This reflects a slight increase in confidence of 5.13 points since Spring 2020, which had an overall General Business Confidence Index of 59.78. You can see the detailed response rates and counts listed in Appendix C. Over the last ten terms, the mean General Business Confidence Index has been

calculated at 73.93. The current index is 9.02 points lower than the historical average, bringing the mean down to 73.11, a decrease of only .82 of a point.

## **Employment**

Of the 95 responses we received, the majority, 49.47%, said that over the next six months their total number of employees is likely to stay the same. Subsequently, 40% said that their employment levels would increase, and the remaining 10.53% believe it will stay the same. This resulted in a Confidence Index of 64.74, reflecting a positive outlook, shown in Appendix E. This is 5.65 points lower than last semester's index of 59.09.

## **Revenues**

When asked about sales revenue in the next six months, 51.58% of respondents expect increases, 31.58% expect sales revenue to remain the same, and 16.84% expect a decrease. This produces a positive Confidence index of 67.37. This is 10.73 points higher than last semester's index of 56.64, which can be seen in Appendix E.

## **Profits**

Expected profit levels over the next six months show the same trend as employment levels and sales revenue within the general business industry. 45.26% of respondents believe that profit levels will increase, 34.74% think they will stay the same, and 20% expect them to decrease. This creates a Confidence Index of 62.63, demonstrating a positive outlook. Our index was also 9.09 points higher than what was found in Fall of 2020, which was 53.54. These results are shown in Appendix E.

## **Craft Brewing**

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### **Overview**

The craft brewing industry plays a substantial role in San Diego's economy. For that reason, breweries have been examined as a part of this project since the Spring of 2017. As previously mentioned the San Diego Brewers Guild (SDBG) has worked closely with CSUSM to distribute the team's survey to their contacts on behalf of CoBA's students. Last semester, in the Spring of 2020, they declined to participate in the project due to the effects that COVID-19 had on their industry. For this reason, the previous team had no way to distribute their survey to collect and analyze data. Historically, the Craft Brewing Business Confidence Index has been calculated as follows: 94.42 in Spring and 92.16 in Fall of 2017, a peak of 94.57 in Spring and 91.28 in Fall of 2018, 90.54 in Spring and 87.86 in Fall of 2019, and finally this term, Fall 2020, it hit an all-time low of 63.05. A comparison of these indexes, shown in the form of a trend line, can be seen in Appendix J.

### **Key Objectives**

One of our main goals was to increase the response rate in comparison to past semesters. Last term's team was not able to complete the craft brewing portion of their project because they did not have adequate time or resources to establish a list of contacts after the San Diego Brewers Guild declined to work with them. Data on breweries was not collected in the Spring of 2020, so our baseline goal was to build a contact list of our own and get enough responses to have statistically relevant information. With that being said, our team has been committed to setting our sights high. We hoped to not only get a measurable response rate but also increase the data collected in comparison to previous teams' work.

Another objective of our team was to build lasting business relationships with members of the craft brewing industry. Because we knew that we would not be able to make a connection

with the SDBG from the beginning of the project, we felt that it was an opportunity for us to reach out to prominent members of the industry to ask for their assistance.

## **Research**

As we began our work to develop a contact list of craft breweries Dean Hamerly suggested that we get in contact with Steve Wagner, one of the co-founders of Stone Brewery, as he has worked with CoBA as well as Senior Experience teams in the past. Stone is a large and reputable brewery in the San Diego area and we hoped that Steve would have a list of contacts on a similar scale to what the SDBG would have provided us with. Steve was willing to share with us the contact list of Stone's San Diego Supplier's but unfortunately, despite his efforts, was not able to locate a comprehensive contact list of all of San Diego's craft breweries.

To obtain the remainder of our contacts, we used the San Diego Brewers Guild website along with a complete list of all the breweries in the county found on San Diego's main tourism website. SDBG and San Diego's tourism websites had over 140 craft breweries listed, the majority of which overlapped. Out of all of the breweries listed, 7 of them had recently closed due to the effects of COVID-19. We visited every brewery's website that was listed to obtain either an email address or a phone number. Some websites did not have an email available on their site, however, they did have a portal where you could send them a message to be delivered to their email inbox. Out of all of the websites visited, 34 messages were sent to brewers to obtain their email addresses. In total, we were able to obtain 78 contacts in the form of email addresses from each brewery's website. With the addition of Steve Wagner's 10 contacts, we gathered a total of 88 email addresses for our contact list.

The brewing industry makes the majority of its sales revenue from customers frequenting their tasting rooms. Craft brewing in San Diego has a very strong presence and the culture tied to the industry is very social. Breweries don't simply brew beers and ship them to

local bodegas and grocery stores. Understanding where most of their revenue comes from was an important part of making sure that the survey questions could be appropriately answered.

### **Methods of Distribution**

The survey was originally sent via the Qualtrics email system and distributed to 88 brewery contacts. The email, shown in Appendix G, was distributed on the 29th of October at 5 p.m. PST. From this distribution, we received 12 responses. A follow-up email was sent on November 5th, as well as on November 12th to contacts that had not yet participated in the survey. From these email distributions, we gained an additional three responses.

Aside from the email distribution we also called breweries, eight of which agreed to answer the survey over the phone while we manually imputed answers into Qualtrics. This gave us a total of 23 responses. Our team utilized the phone script shown in Appendix O.

### **Data Collection**

We collected all of our data using Qualtrics. Though responses were continuously monitored, we did not start to analyze the data until after the closing date, November 17th. We then formulated graphs and charts for each question, while also recording response rates. This can be seen in Appendix H. We then calculated the overall Craft Brewing Business Confidence Index and compared it to past data, which is itemized in Appendix I. We calculated a Craft Brewing Business Confidence Index of 63.05. Finally, we graphed this against previous Confidence Indexes, which can be seen in the trend line in Appendix J.

### **Survey Respondents**

Of the 88 emails that were sent out, we received 23 responses. This gives us a response rate of 26.14%. Though we cannot compare this to Spring 2020, we can measure this against the Fall 2019 response rate of 6.93%. From this perspective, although we did not

receive any assistance from the San Diego Brewers Guild, our team made huge strides in increasing the craft brewery response rate. For a detailed list of response rates, refer to Appendix H.

## **Analysis of Results**

The following results are based on the 23 responses we received from local craft breweries in regards to our survey questions, detailed in Appendix A. The first three questions were required and used to calculate the overall Craft Brewing Business Confidence Index. These three questions helped us to gather information in regards to expected employment, sales revenue, and profit levels over the next six months. This is Itemized in Appendix H. This term, our team calculated the index to be 63.05. Unfortunately, we cannot compare this number to Spring 2020, as they did not produce a Confidence Index for craft brewing. As expected, when we compare this number to the most recent data we do have, 87.86 in Fall 2019, we see a substantial decrease in confidence of 24.81 points. When taking into account the previous six semesters, the mean Craft Brewing Business Confidence is 91.81. The current index is 28.76 points lower than the historical average, which brings the mean down to 87.70, a decrease of 4.11 points.

## **Employment**

According to the responses from the San Diego breweries we surveyed, the majority, 47.83% expect their number of employees to stay the same over the next six months. 43.48% predict an increase, and 8.70% foresee a decrease in employment levels. This results in a positive Confidence Index of 67.4, which can be seen in Appendix I.

## **Revenues**

Over the next six months, an increase in sales revenue is expected by 52.17% of these breweries, 26.09% foreshadow a decrease, and 21.74% made the assumption that revenue will remain the same. This produces a Confidence Index of 63.04, which reflects a positive outlook. This is shown in Appendix I.

### **Profits**

From the results gathered regarding the profitability of breweries, we saw that 47.83% of companies predict an increase, 30.43% expect profits to decrease, and 21.74% hypothesize profitability to stay the same. This establishes a positive Confidence Index of 58.70, as seen in Appendix I.

## Hospitality & Tourism

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### Overview

The Hospitality and Tourism industry plays an important role in the San Diego region. Known for the year-round sunny climate and coastal beauty, the city gets visitors from all around the world. According to the Employment Development Department, this industry sees \$11.9 billion a year and as of December 2019, 199,800 people were employed in fields directly related to this industry. In previous semesters, there have been multiple unsuccessful attempts to establish relationships with organizations such as the San Diego Hotel Motel Association (SDHMA) and the California Restaurant Association (CRA). Taking into consideration the challenges these companies have faced as a result of COVID-19, we had a different approach when gathering data.

Throughout this collaborative project with CSUSM CoBA and the San Diego Business Journal, the Hospitality and Tourism Business Confidence Indexes have been calculated as follows: 78.55 in the Fall of 2017, a peak of 80.45 in Spring and 74.14 in Fall 2018, 69.91 in Spring and 50.28 in Fall of 2019, and hit its lowest point of 29.76 in the Spring of 2020 due to the negative impacts COVID-19 had on the industry. This term, Fall 2020, we calculated a Hospitality and Tourism Business confidence Index of an even 50, which suggests Hospitality and Tourism businesses expect virtually no change between now and the next six months. In Appendix N you can see these indexes graphed against each other in a trend line.

### Key Objectives

The critical objectives of this project were to increase the response rate and create a relevant confidence index in the hopes of local San Diego businesses benefiting from our report. Increasing the response rate includes obtaining enough data to be statistically significant, as well as a substantial amount of data to create accurate data analytics. Another objective was to

establish long-lasting relationships with local businesses and organizations, in the hopes of creating a better foundation for future CSUSM CoBA Senior Experience groups. Providing a substantial contact list to future teams will hopefully give them the head start they need, while also enhancing the project's end product.

## **Research**

As discussed previously, one of the main goals of this project was to collect a higher survey response rate for our data to be statistically significant. With this in mind, as well as previous groups' low email response rate, we focused on calling directly as a more assertive way of collecting responses. Our methodology started by searching the internet for contact information for various hospitality and tourism companies in San Diego county. From there, a contact list was compiled and we began to individually call each company to request their participation in our survey. We recognized almost immediately that we would be able to get a much higher response rate through calling versus email. Given that people employed in the hospitality and tourism industry are accustomed to assisting people, we found that many employees were willing to take the time to find the General Manager, Sales Manager, or other upper management staff member best suited to participate.

Through these phone calls, we had the opportunity to speak with managers who were well equipped to provide us with background information about their views on the industry, as well as justifications behind their assumptions. Not only were people more likely to answer and respond via telephone, but these personal calls help to build a valuable relationship between CSUSM and these companies. We hope future CoBA students participating in this Senior Experience project will be able to benefit from the relationships built and contact lists established.

## **Methods of Distribution**

The survey was emailed via Qualtrics to our list of 44 hospitality and tourism contacts on November 2nd at 6 a.m. PST, using the email shown in Appendix K. Of these emails, four bounced back and two were completed. To encourage participation, there were two additional reminder emails sent to unfinished respondents on November 5th and 12th. Through these distributions, we gained an additional two responses.

Within the hospitality and tourism industry specifically, we were able to make incredible progress by calling companies over the phone. Via telephone, our team managed to call 68 tourism-related companies between October 28th and November 13th using the phone script detailed in Appendix O. From these calls we were able to accumulate an additional 34 responses, for a total of 38.

## **Data Collection**

We collected and analyzed all of our data using Qualtrics. We closed off the survey and started to fully analyze our data on November 17th. We then created a graph and chart for each question we asked, while simultaneously recording response rates. This is viewable in Appendix L. We were then able to calculate the comprehensive Hospitality and Tourism Business Confidence Index and compared it to past data, which is shown in Appendix M. The Fall 2020 Hospitality and Tourism Business Confidence Index was calculated to be an even 50. We then graphed this along with previous Confidence Indices, which produced the trend line shown in Appendix N.

## **Survey Respondents**

Of the 44 emails that were originally sent out, we received 4 responses. Additionally, we called 68 hospitality and tourism businesses and got 34 responses. This gives us an email response rate of 9% and a significantly higher rate via telephone at 50%, for an overall

response rate of 33.93%. This is a huge improvement when we compare it to last term's response rate of 7.69%.

### **Analysis of Results**

Of the questions asked in Appendix A, the first three were used to generate the Hospitality and Tourism Business Confidence Index. This required looking at expected employment, revenue, and profit levels over the next six months. Our team calculated an even Hospitality and Tourism Business Confidence Index of 50, which suggests that these businesses expect no change over the next six months. However, this is a huge increase of 20.24 points when compared to the negative Spring 2020 Confidence Index of 29.76. These final response rates are itemized in Appendix L. When we look at the previous six terms, we see an average Hospitality and Tourism Business Confidence Index of 63.85. The current index is 13.85 points lower than the historical average, and brings the overall mean down to 61.87, a decrease of 1.98 points.

### **Employment**

From the 38 questionnaire respondents, 55.26% of companies expect employee rates to stay the same, 23.68% expect a decrease in employees and 21.05% expect an increase. This creates our first negative Confidence Index of 48.68. However, this can be seen as a positive increase when we compare it to last term's Confidence Index of just 25. This is itemized in Appendix M.

### **Revenues**

Predicted revenue differed from employment expectations with 39.47% of businesses expecting an increase in revenue, 34.21% predicting a decrease and a remaining 26.32%

responded as staying the same. The Confidence Index was then calculated to be 52.63, showing a positive outlook. Refer to Appendix M for details.

## **Profits**

We saw similarities in results between revenue and profits with 39.47% of responses predicting a decrease, 36.84% estimating an increase, and 23.68% expecting to stay the same. The similarity in responses with revenues and profits are to be expected since they have a direct relationship. However, these results establish a negative index of 48.68. Nonetheless, we see a huge increase in confidence when comparing it to the Spring 2020 Confidence Index of 28.58. This is apparent in Appendix M.

## References

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Breweries. (n.d.). Retrieved October 10, 2020, from <https://www.sdbeer.com/breweries>

Industry Research. (n.d.). Retrieved October 12, 2020, from  
[www.sandiego.org/about/industry-research.aspx](http://www.sandiego.org/about/industry-research.aspx)

The Complete List of Breweries in San Diego County. (n.d.). Retrieved October 15, 2020, from  
<https://www.sandiego.org/articles/breweries/san-diego-breweries.aspx>

## Appendix A

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### Final Survey Administered

Q1. Over the next 6 months, your firm's total number of employees is likely to:

- Increase
- Decrease
- Stay the same

Q2. Over the next 6 months, your firm's sales revenue is expected to:

- Increase
- Decrease
- Stay the same

Q3. Over the next 6 months, your firm's profits are expected to:

- Increased
- Decreased
- Stay the same

Q4. Has your business received any Federal/State support in the form of loans or grants?

- Yes
- No
- Prefer not to answer

Q5. If yes, what program(s)?

- CARES Act
- Small Business Relief Fund (SBRF)
- OnwardCA
- Other: \_\_\_\_\_

## Appendix B

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### Introductory Email: General Business

**Subject Line:** CSUSM Business Confidence Index

Dear Business Community Member,

Our students at California State University San Marcos, College of Business Administration have been working hard to create a Business Confidence Index to be published in the *San Diego Business Journal*.

The goal of this index is to provide valuable information to you as well as the San Diego Business Community about the state of our regional economy. You can view the most recent *San Diego Business Journal* article that was published in 2018 [here](#).

Additionally, we will be distributing our findings to respondents via email once the report is completed. By participating, you will be helping out the San Diego business community while also getting a sense of where your business stands amongst local competitors.

**The five question survey should take less than two minutes to complete, and your answers will be recorded and published completely anonymously.**

**Please click on the link below to begin:**

[Business Confidence Index Survey](#)

**Or copy and paste the URL below into your browser:**

[https://csusm.co1.qualtrics.com/jfe/form/SV\\_bEPGrAv1ZzGS42p](https://csusm.co1.qualtrics.com/jfe/form/SV_bEPGrAv1ZzGS42p)

Thank you for taking the time to participate in the Business Confidence Index survey!

Sincerely,

Jim Hamerly, Ph.D.  
Dean, College of Business Administration  
California State University San Marcos

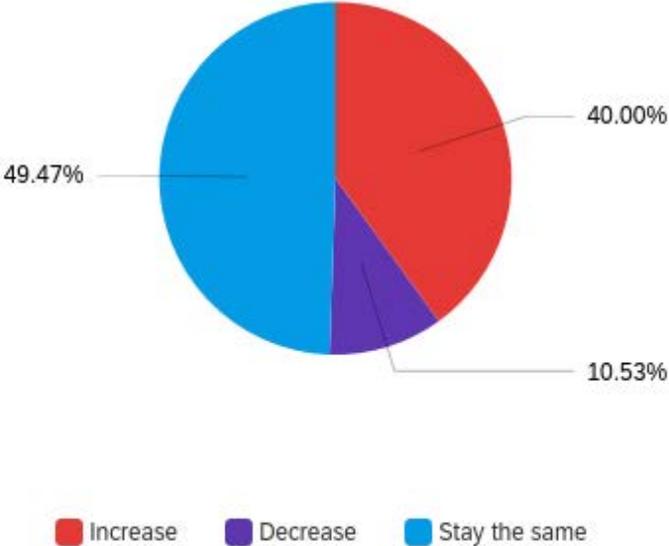
Barbara Chodos  
President and Publisher, San Diego Business Journal

**Appendix C**

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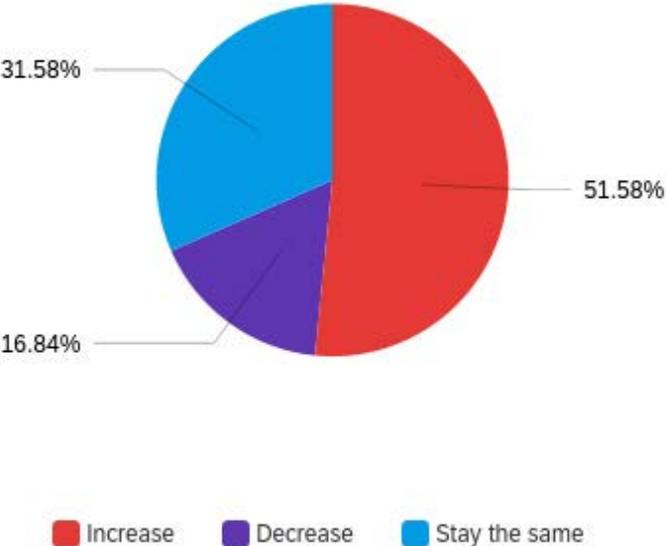
**Final Survey Results: General Business**

**Q1. Over the next 6 months, your firm’s total number of employees is likely to:**



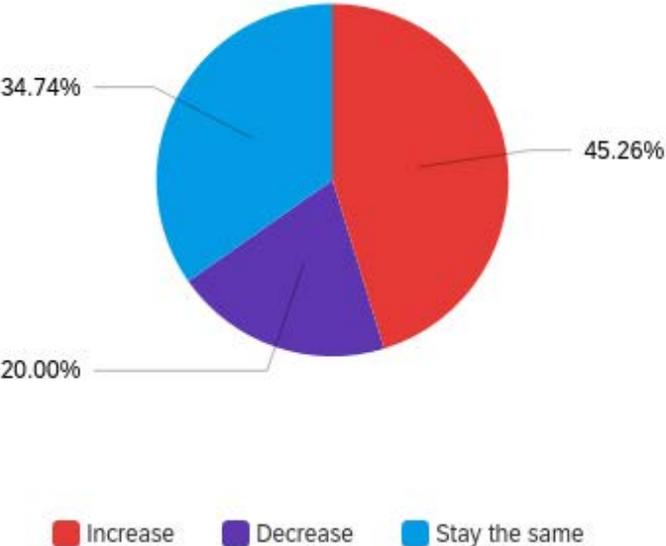
	<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
<b>1</b>	Increase	40.00%	38
<b>2</b>	Decrease	10.53%	10
<b>3</b>	Stay the same	49.47%	47
		<b>Total:</b>	<b>95</b>

**Q2. Over the next 6 months, your firm’s sales revenue is expected to:**



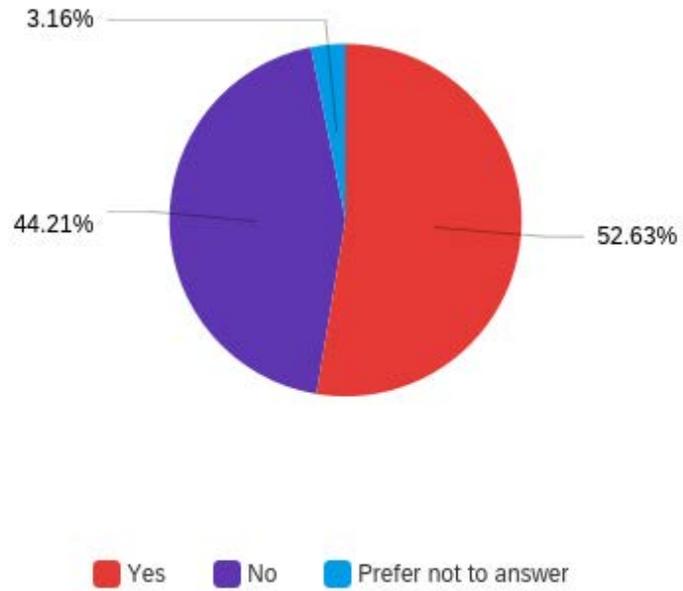
	<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
<b>1</b>	Increase	51.58%	49
<b>2</b>	Decrease	16.84%	16
<b>3</b>	Stay the same	31.58%	30
		<b>Total:</b>	95

**Q3. Over the next 6 months, your firm’s profits are expected to:**



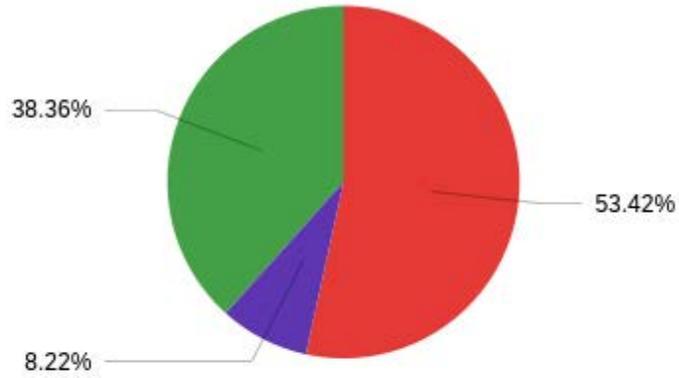
	<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
<b>1</b>	Increase	45.26%	43
<b>2</b>	Decrease	20.00%	19
<b>3</b>	Stay the same	34.74%	33
		<b>Total:</b>	95

**Q4. Has your business received any Federal/State support in the form of loans or grants?**



	<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
<b>1</b>	Yes	52.63%	50
<b>2</b>	No	44.21%	42
<b>3</b>	Prefer not to answer	3.16%	3
		<b>Total:</b>	95

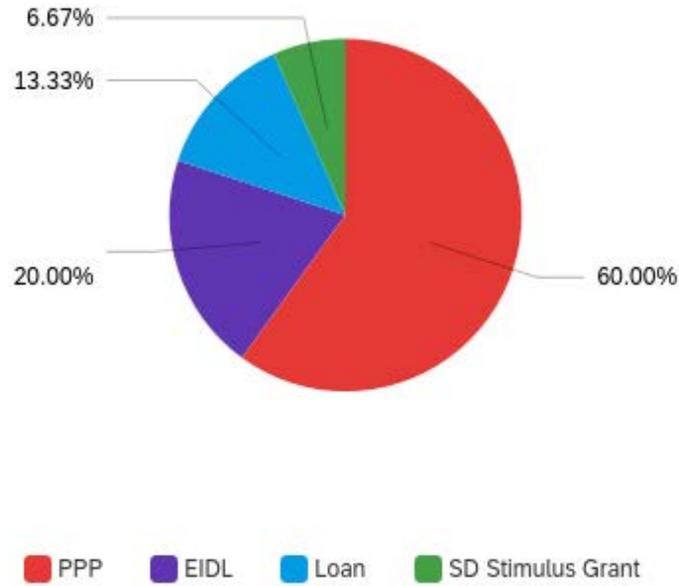
**Q5. If yes, what program(s)?**



■ CARES Act   
 ■ Small Business Relief Fund (SBRF)   
 ■ OnwardCA   
 ■ Other (please answer below):

	<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
<b>1</b>	CARES Act	53.42%	39
<b>2</b>	Small Business Relief Fund (SBRF)	8.22%	6
<b>3</b>	OnwardCA	0.00%	0
<b>4</b>	Other (please answer below):	38.36%	28
		<b>Total:</b>	<b>73</b>

**Q5. Other Answers:**



<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
Paycheck Protection Program (PPP)	60.00%	9
Economic Injury Disaster Loan (EIDL)	20.00%	3
Loan	13.33%	2
SD Small Business Stimulus Grant	6.67%	1
	<b>Total:</b>	<b>15</b>

## Appendix D

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### Calculation of Confidence Index

In order to calculate the Business Confidence Index for each industry, the following steps are taken:

#### Step 1: Calculate the overall percentage answered of the three available choices

This is done by adding up responses for each individual choice (increase, decrease, stay the same) and dividing them by the total number of respondents.

For example, if you had: increase = 7, decrease = 3, and stay the same = 1  
Increase:  $7/10 = 70\%$ , Decrease:  $3/10 = 30\%$ , and Stay the Same:  $1/10 = 10\%$

These results are provided through the Qualtrics survey results report.

#### Step 2: Use the Confidence Index formula to calculate the index

Let it be known that we are using a 100-point diffusion index for this project. Therefore, Increase = 1, Decrease = 0, and Stay the Same = 0.5

Confidence Index Formula:  $[\% \text{ increase} + (0.5) \times (\% \text{ neutral})] \times 100$

#### Step 3: Repeat steps 1 & 2 to find the index for each question

Calculate the overall Business Confidence Index for each respective industry by adding up all of the indices and dividing by the total sample.

#### Step 4: Interpret the results

A Confidence Index of 50 infers a net change of zero. This would mean that this respective industry is not expecting an increase or decrease.

A Confidence Index of above 50 infers a positive industry outlook.

A Confidence Index of below 50 infers a negative industry outlook.

## Appendix E

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### Business Confidence Index: General Business

Fall 2015 - General Business Confidence Index						
Question	Question Description	Increase	Stay the same	Decrease	Total	Index
4	Over the next 6 months, your firm's profits are likely to:	66%	24%	3%	94%	78
5	Over the next 6 months, your firm's sales revenue is likely to:	72%	22%	3%	98%	83
6	Over the next 6 months, your firm's total number of employees is likely to:	66%	23%	9%	99%	77.5
7	Your outlook for your industry over the next 6 months is generally:	48%	47%	3%	98%	71.5
8	Compared to your competition, how is your company performing?	44%	50%	5%	99%	69

**Fall 2015 General Business Confidence Index: 75.8**

<b>Spring 2016 - General Business Confidence Index</b>						
<b>Question</b>	<b>Question Description</b>	<b>Increase</b>	<b>Stay the same</b>	<b>Decrease</b>	<b>Total</b>	<b>Index</b>
4	Over the next 6 months, your firm's profits are likely to:	59%	24%	7%	100%	76
5	Over the next 6 months, your firm's sales revenue is likely to:	63%	31%	6%	100%	78.5
6	Over the next 6 months, your firm's total number of employees is likely to:	62%	31%	7%	100%	77.5
7	Your outlook for your industry over the next 6 months is generally:	38%	58%	5%	100%	67
8	Compared to your competition, how is your company performing?	51%	44%	5%	100%	73

**Spring 2016 General Business Confidence Index: 74.4**

<b>Fall 2016 - General Business Confidence Index</b>						
<b>Question</b>	<b>Question Description</b>	<b>Increase</b>	<b>Stay the same</b>	<b>Decrease</b>	<b>Total</b>	<b>Index</b>
4	Over the next 12 months, your firm's profits are likely to:	54.25%	35.5%	9.96%	100%	72.29
5	Over the next 12 months, your firm's sales revenue is likely to:	57.14%	32.03%	10.82%	100%	73.16
6	Over the next 12 months, your firm's total number of employees is likely to:	44.16%	49.35%	6.49%	100%	69.83
7	Your outlook for your industry over the next 12 months is generally:	58.44%	33.33%	8.23%	100%	75.11
8	Compared to your competition, how is your company performing?	48.48%	45.48%	5.63%	100%	71.43

**Fall 2016 General Business Confidence Index: 72.16**

<b>Spring 2017 - General Business Confidence Index</b>						
--------------------------------------------------------	--	--	--	--	--	--

Question	Question Description	Increase	Stay the same	Decrease	Total	Index
4	Over the next 6 months, your firm's profits are likely to:	60.45%	32.73%	6.82%	100%	76.82
5	Over the next 6 months, your firm's sales revenue is likely to:	65.44%	27.65%	6.91%	100%	79.27
6	Over the next 6 months, your firm's total number of employees is likely to:	40.45%	57.73%	1.82%	100%	69.32
7	Your outlook for your industry over the next 6 months is generally:	66.06%	29.41%	4.53%	100%	80.77
8	Compared to your competition, how is your company performing?	48.42%	46.61%	4.97%	100%	71.71

**Spring 2017 General Business Confidence Index: 75.58**

Fall 2017 - General Business Confidence Index						
Question	Question Description	Increase	Stay the same	Decrease	Total	Index
4	Over the next 12 months, your firm's profits are likely to:	59.21%	31.58%	9.21%	100%	75
5	Over the next 12 months, your firm's sales revenue is likely to:	61.84%	26.61%	8.55%	100%	76.65
6	Over the next 12 months, your firm's total number of employees is likely to:	42.11%	53.95%	3.94%	100%	69.09
7	Your outlook for your industry over the next 12 months is generally:	57.91%	34.21%	7.89%	100%	75.01
8	Compared to your competition, how is your company performing?	48.68%	46.71%	4.61%	100%	72.04

**Fall 2017 General Business Confidence Index: 73.55**

Spring 2018 - General Business Confidence Index						
Question	Question Description	Increase	Stay the	Decrease	Total	Index

			<b>same</b>			
4	Over the next 6 months, your firm's profits are likely to:	68.48%	25.54%	5.98%	100%	81.25
5	Over the next 6 months, your firm's sales revenue is likely to:	71.74%	23.37%	4.89%	100%	83.43
6	Over the next 6 months, your firm's total number of employees is likely to:	51.63%	42.93%	5.43%	100%	73.10
7	Your outlook for your industry over the next 6 months is generally:	73.37%	21.20%	5.43%	100%	83.97
8	Compared to your competition, how is your company performing?	52.72%	41.85%	5.43%	100%	73.65

**Spring 2018 General Business Confidence Index: 79.08**

<b>Fall 2018 - General Business Confidence Index</b>						
<b>Question</b>	<b>Question Description</b>	<b>Increase</b>	<b>Stay the same</b>	<b>Decrease</b>	<b>Total</b>	<b>Index</b>
4	Over the next 12 months, your firm's profits are likely to:	64.66%	27.59%	7.76%	100%	78.45
5	Over the next 12 months, your firm's sales revenue is likely to:	70.69%	23.28%	6.03%	100%	82.33
6	Over the next 12 months, your firm's total number of employees is likely to:	48.28%	47.41%	4.31%	100%	71.98
7	Your outlook for your industry over the next 12 months is generally:	68.97%	25.89%	5.17%	100%	81.90
8	Compared to your competition, how is your company performing?	54.31%	37.93%	7.76%	100%	73.28

**Fall 2018 General Business Confidence Index: 77.59**

<b>Spring 2019 - General Business Confidence Index</b>						
<b>Question</b>	<b>Question Description</b>	<b>Increase</b>	<b>Stay the same</b>	<b>Decrease</b>	<b>Total</b>	<b>Index</b>

4	Over the next 6 months, your firm's profits are likely to:	62.98%	30.39%	6.63%	100%	78.18
3	Over the next 6 months, your firm's sales revenue is likely to:	70.10%	26.52%	3.31%	100%	83.43
5	Over the next 6 months, your firm's total number of employees is likely to:	42.54%	53.59%	3.87%	100%	69.34
6	Your outlook for your industry over the next 6 months is generally:	68.51%	26.52%	4.97%	100%	81.77
7	Compared to your competition, how is your company performing?	51.93%	41.99%	6.08%	100%	72.93

**Spring 2019 General Business Confidence Index: 77.13**

<b>Fall 2019 - General Business Confidence Index</b>						
<b>Question</b>	<b>Question Description</b>	<b>Increase</b>	<b>Stay the same</b>	<b>Decrease</b>	<b>Total</b>	<b>Index</b>
3	Over the next 12 months, your firm's profits are likely to:	61.62%	35.35%	3.03%	100%	79.3
4	Over the next 12 months, your firm's sales revenue is likely to:	55.56%	36.36%	8.08%	100%	73.74
5	Over the next 12 months, your firm's total number of employees is likely to:	49.49%	41.41%	9.09%	100%	70.20
6	Your outlook for your industry over the next 12 months is generally:	58.59%	34.34%	7.07%	100%	75.76
7	Compared to your competition, how is your company performing?	48.48%	47.47%	4.04%	100%	72.22

**Fall 2019 General Business Confidence Index: 74.24**

<b>Spring 2020 - General Business Confidence Index</b>						
<b>Question</b>	<b>Question Description</b>	<b>Increase</b>	<b>Stay the same</b>	<b>Decrease</b>	<b>Total</b>	<b>Index</b>
3	Over the next 6 months,	46.02%	21.24%	32.74%	100%	56.64

	your firm's profits are likely to:					
4	Over the next 6 months, your firm's sales revenue is likely to:	43.36%	20.35%	36.28%	100%	53.54
5	Over the next 6 months, your firm's total number of employees is likely to:	37.37%	43.43%	19.19%	100%	59.09
6	Your outlook for your industry over the next 6 months is generally:	40.71%	30.97%	28.32%	100%	56.20
7	Compared to your competition, how is your company performing?	49.56%	47.79%	2.65%	100%	73.46

**Spring 2020 General Business Confidence Index: 59.78**

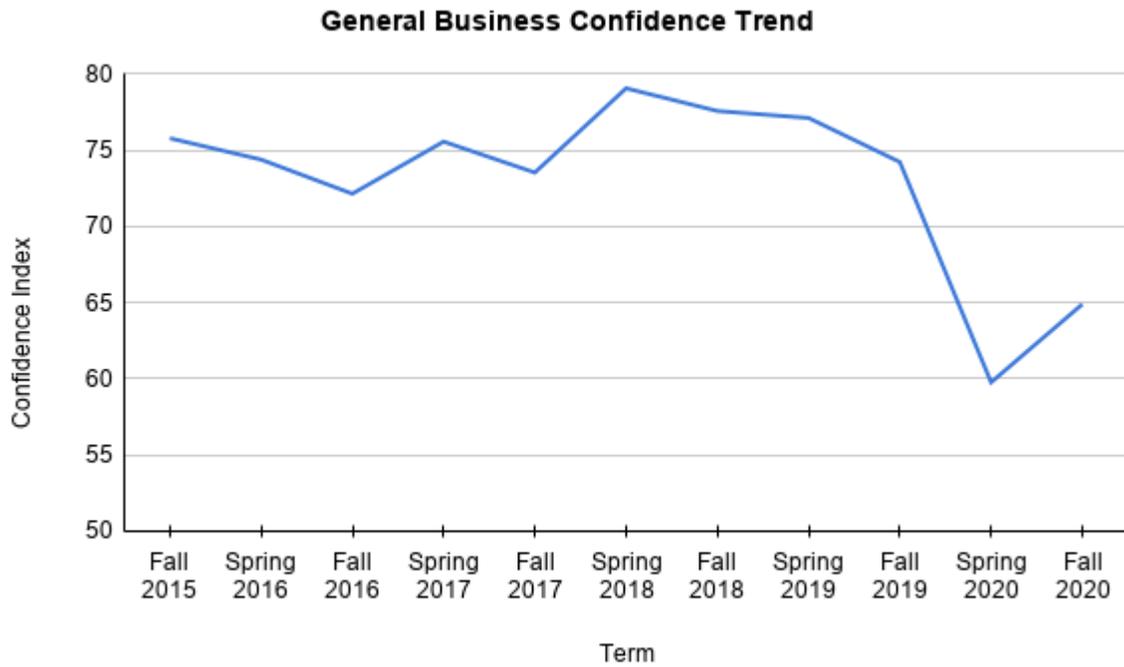
<b>Fall 2020 - General Business Confidence Index</b>						
<b>Question</b>	<b>Question Description</b>	<b>Increase</b>	<b>Stay the same</b>	<b>Decrease</b>	<b>Total</b>	<b>Index</b>
1	Over the next 6 months, your firm's total number of employees is likely to:	40.00%	49.47%	10.53%	100%	64.74
2	Over the next 6 months, your firm's sales revenue is expected to:	51.58%	31.58%	16.84%	100%	67.37
3	Over the next 6 months, your firm's profits are expected to:	45.26%	34.74%	20.00%	100%	62.63

**Fall 2020 General Business Confidence Index: 64.91**

## Appendix F

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### Business Confidence Index Trend: General Business



#### Historical Data:

Term:	Index:
Fall 2015	75.8
Spring 2016	74.4
Fall 2016	72.16
Spring 2017	75.58
Fall 2017	73.55
Spring 2018	79.08
Fall 2018	77.59
Spring 2019	77.13
Fall 2019	74.24
Spring 2020	59.78
Fall 2020	64.91

## Appendix G

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## Introductory Email: Craft Brewing

**Subject Line:** CSUSM Business Confidence Index

Dear Local Brewery Community Member,

Our students at California State University San Marcos, College of Business Administration have been working hard to create a local Craft Beer Business Confidence Index to be published in the *San Diego Business Journal*.

The goal of this index is to provide valuable information to you as well as the San Diego Business Community about the state of our regional economy. You can view the most recent *San Diego Business Journal* article that was published in 2018 [here](#).

Additionally, we will be distributing our findings to respondents via email once the report is completed. By participating, you will be helping out the San Diego business community while also getting a sense of where your business stands amongst local competitors.

**The five question survey should take less than two minutes to complete, and your answers will be recorded and published completely anonymously.**

**Please click on the link below to begin:**

[Craft Brewers Business Confidence Index Survey](#)

**Or copy and paste the URL below into your browser:**

[https://csusm.co1.qualtrics.com/jfe/form/SV\\_24qSgBlgmFJh457](https://csusm.co1.qualtrics.com/jfe/form/SV_24qSgBlgmFJh457)

Thank you for taking the time to participate in the Business Confidence Index survey!

Sincerely,

Jim Hamerly, Ph.D.  
Dean, College of Business Administration  
California State University San Marcos

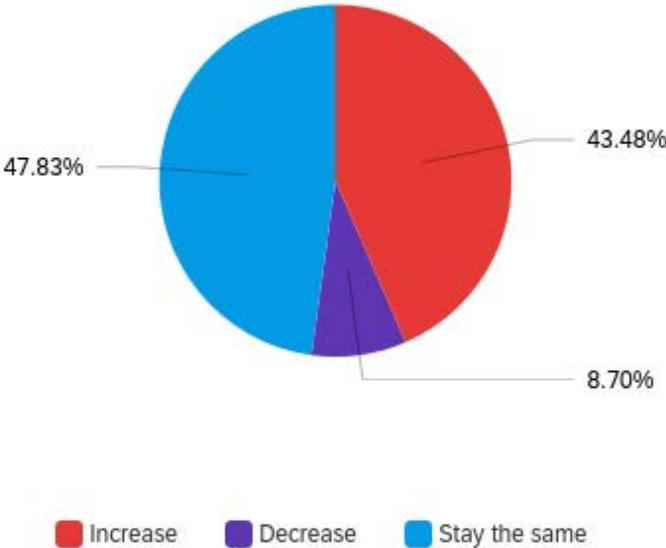
Barbara Chodos  
President and Publisher, San Diego Business Journal

**Appendix H**

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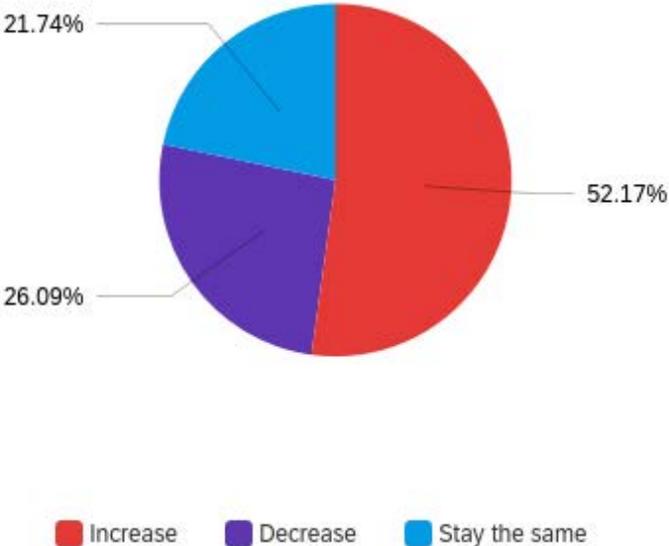
**Final Survey Results: Craft Brewing**

**Q1. Over the next 6 months, your firm’s total number of employees is likely to:**



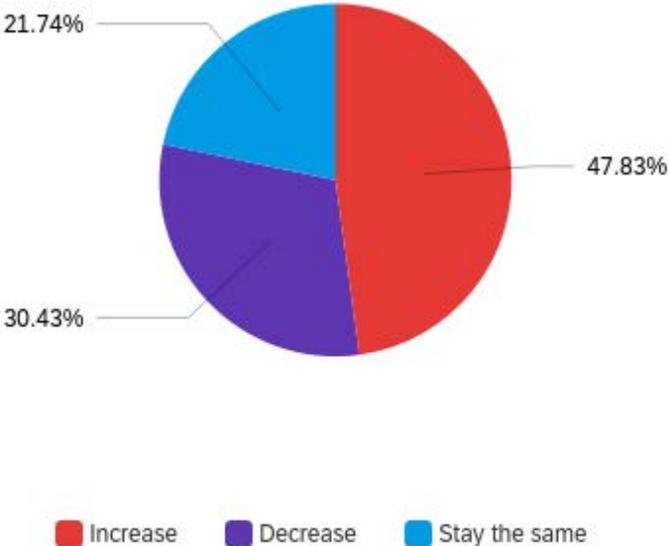
	<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
<b>1</b>	Increase	43.48%	10
<b>2</b>	Decrease	8.70%	2
<b>3</b>	Stay the same	47.83%	11
		<b>Total:</b>	23

**Q2. Over the next 6 months, your firm’s sales revenue is expected to:**



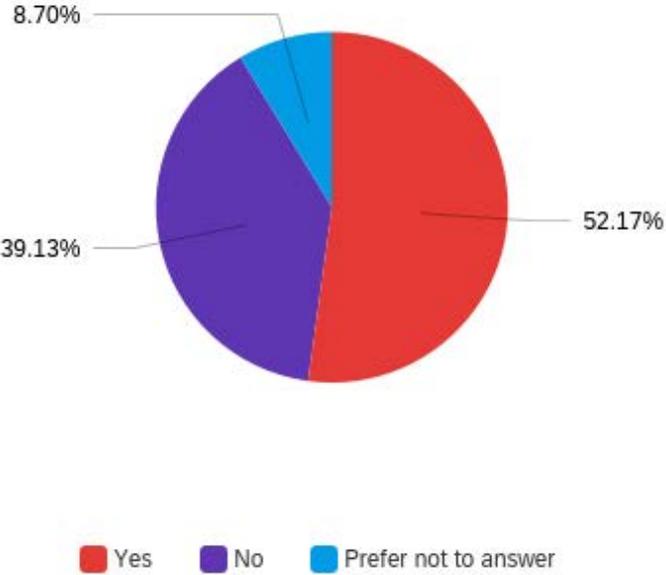
	<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
<b>1</b>	Increase	52.17%	12
<b>2</b>	Decrease	26.09%	6
<b>3</b>	Stay the same	21.74%	5
		<b>Total:</b>	23

**Q3. Over the next 6 months, your firm’s profits are expected to:**



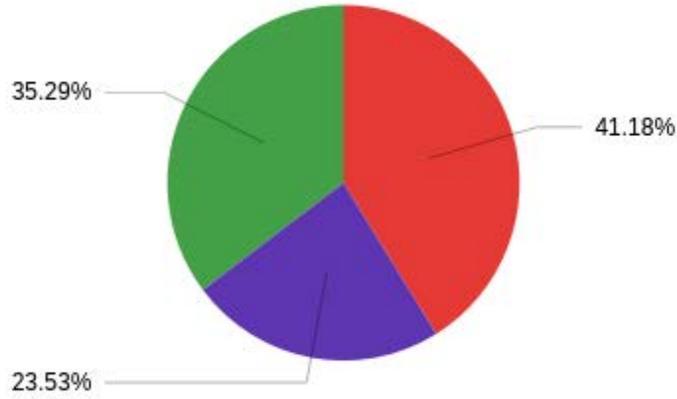
	<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
<b>1</b>	Increase	47.83%	11
<b>2</b>	Decrease	30.43%	7
<b>3</b>	Stay the same	21.74%	5
		<b>Total:</b>	23

**Q4. Has your business received any Federal/State support in the form of loans or grants?**



	<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
<b>1</b>	Yes	52.17%	12
<b>2</b>	No	39.13%	9
<b>3</b>	Prefer not to answer	8.70%	2
		<b>Total:</b>	23

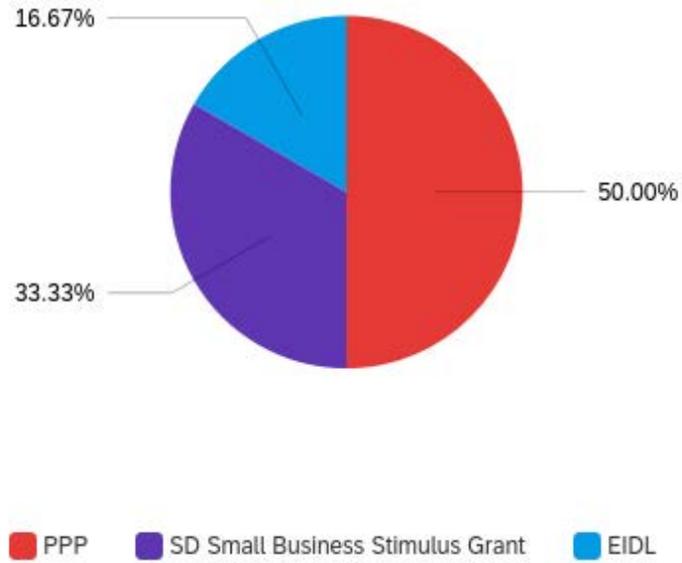
**Q5. If yes, what program(s)?**



■ CARES Act   
 ■ Small Business Relief Fund (SBRF)   
 ■ OnwardCA   
 ■ Other (please answer below):

	<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
<b>1</b>	CARES Act	41.18%	7
<b>2</b>	Small Business Relief Fund (SBRF)	23.53%	4
<b>3</b>	OnwardCA	0.00%	0
<b>4</b>	Other (please answer below):	35.29%	6
		<b>Total:</b>	17

**Q5. Other Answers:**



<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
Paycheck Protection Program (PPP)	50.00%	3
SD Small Business Stimulus Grant	33.33%	2
Economic Injury Disaster Loan (EIDL)	16.67%	1
	<b>Total:</b>	<b>6</b>

## Appendix I

### Business Confidence Index: Craft Brewing

Spring 2017 - Craft Brewing Confidence Index						
Question	Question Description	Increase	Stay the same	Decrease	Total	Index
1	In the next 12 months, how do you expect your staff levels to change?	94.65%	5.35%	0%	100%	97.33
5	In the next 12 months, what percentage of increase do you expect your total barrel production to increase by?	92.85%	7.14%	0%	100%	96.42
8	Over the next 12 months, does your brewery expects distribution to:	91.07%	8.93%	0%	100%	95.54
10	Over the next 12 months, do you expect your brewery's capital expenditures for brew production equipment to:	76.79%	23.32%	0%	100%	88.40

**Spring 2017 Craft Brewing Business Confidence Index: 94.42**

Fall 2017 - Craft Brewing Confidence Index						
Question	Question Description	Increase	Stay the same	Decrease	Total	Index
1	In the next 12 months, how do you expect your staff levels to change?	84.74%	13.56%	1.69%	100%	91.52
5	In the next 12 months, what percentage of increase do you expect your total barrel production to increase by?	94.90%	3.39%	1.69%	100%	96.595
8	Over the next 12 months, does your brewery expects distribution to:	81.36%	16.94%	1.69%	100%	89.83
10	Over the next 12 months, do you expect your brewery's capital expenditures for brew production equipment to:	81.36%	18.63%	0.00%	100%	90.675

**Fall 2017 Craft Brewing Business Confidence Index: 92.16**

<b>Spring 2018 - Craft Brewing Confidence Index</b>						
<b>Question</b>	<b>Question Description</b>	<b>Increase</b>	<b>Stay the same</b>	<b>Decrease</b>	<b>Total</b>	<b>Index</b>
1	In the next 12 months, how do you expect your staff levels to change?	86.36%	11.36%	2.27%	100%	92.04
5	In the next 12 months, what percentage of increase do you expect your total barrel production to increase by?	100%	0%	0%	100%	100
8	Over the next 12 months, does your brewery expects distribution to:	95.24%	4.76%	0%	100%	97.62
10	Over the next 12 months, do you expect your brewery's capital expenditures for brew production equipment to:	77.27%	22.73%	0%	100%	88.635

**Spring 2018 Craft Brewing Business Confidence Index: 94.57**

<b>Fall 2018 - Craft Brewing Confidence Index</b>						
<b>Question</b>	<b>Question Description</b>	<b>Increase</b>	<b>Stay the same</b>	<b>Decrease</b>	<b>Total</b>	<b>Index</b>
1	Over the next 12 months, by what percentage do you expect your total barrel production to increase by?	86.05%	13.95%	0%	100%	93.02
5	Over the next 12 months, you expect your overall employment to:	97.67%	2.33%	0%	100%	98.84
8	Over the next 12 months, your brewery expects distribution to:	74.42%	20.93%	4.65%	100%	84.88
10	Over the next 12 months, you expect your brewery's capital expenditures for brewing production equipment to:	81.40%	13.95%	4.65%	100%	88.37

**Fall 2018 Craft Brewing Business Confidence Index: 91.28**

<b>Spring 2019 - Craft Brewing Confidence Index</b>						
<b>Question</b>	<b>Question Description</b>	<b>Increase</b>	<b>Stay the same</b>	<b>Decrease</b>	<b>Total</b>	<b>Index</b>
2	Over the next 12 months, by what percentage do you expect your total barrel production to increase by?	90.91%	7.27%	1.82%	100%	94.55
3	Over the next 12 months, you expect your overall employment to:	76.36%	21.82%	1.82%	100%	87.27
7	Over the next 12 months, your brewery expects distribution to:	78.85%	21.15%	0%	100%	89.42
8	Over the next 12 months, you expect your brewery's capital expenditures for brewing production equipment to:	81.82%	18.18%	0%	100%	90.91

**Spring 2019 Craft Brewing Business Confidence Index: 90.54**

<b>Fall 2019 - Craft Brewing Confidence Index</b>						
<b>Question</b>	<b>Question Description</b>	<b>Increase</b>	<b>Stay the same</b>	<b>Decrease</b>	<b>Total</b>	<b>Index</b>
2	Over the next 12 months, by what percentage do you expect your total barrel production to increase by?	91.44%	8.57%	0%	100%	95.73
3	Over the next 12 months, you expect your overall employment to:	71.43%	25.71%	2.86%	100%	84.29
7	Over the next 12 months, your brewery expects distribution to:	71.43%	22.86%	2.86%	97.15%	82.86
8	Over the next 12 months, you expect your brewery's capital expenditures for brewing production equipment to:	82.87%	11.43%	5.71%	100%	88.59

**Fall 2019 Craft Brewing Business Confidence Index: 87.86**

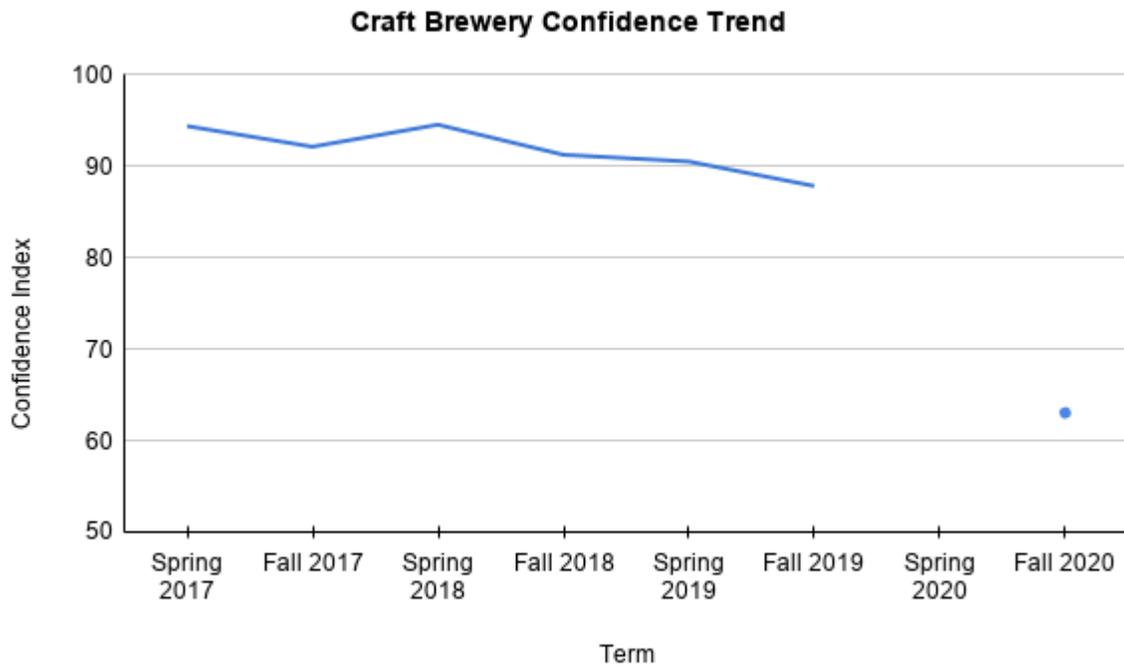
<b>Fall 2020 - Craft Brewing Confidence Index</b>						
<b>Question</b>	<b>Question Description</b>	<b>Increase</b>	<b>Stay the same</b>	<b>Decrease</b>	<b>Total</b>	<b>Index</b>
1	Over the next 6 months, your firm's total number of employees is likely to:	43.48%	47.83%	8.70%	100%	67.40
2	Over the next 6 months, your firm's sales revenue is expected to:	52.17%	21.74%	26.09%	100%	63.04
3	Over the next 6 months, your firm's profits are expected to:	47.83%	21.74%	30.43%	100%	58.70

**Fall 2020 Craft Brewing Business Confidence Index: 63.05**

## Appendix J

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### Business Confidence Index Trend: Craft Brewing



#### Historical Data:

Term:	Index:
Spring 2017	94.42
Fall 2017	92.16
Spring 2018	94.57
Fall 2018	91.28
Spring 2019	90.54
Fall 2019	87.86
Spring 2020	n/a
Fall 2020	63.05

## Appendix K

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## **Introductory Email: Tourism and Hospitality**

**Subject Line:** CSUSM Business Confidence Index

Dear Tourism and Hospitality Community Member,

Our students at California State University San Marcos, College of Business Administration have been working hard to create a Tourism and Hospitality Business Confidence Index to be published in the *San Diego Business Journal*.

The goal of this index is to provide valuable information to you as well as the San Diego Business Community about the state of our regional economy. You can view the most recent *San Diego Business Journal* article that was published in 2018 [here](#).

Additionally, we will be distributing our findings to respondents via email once the report is completed. By participating, you will be helping out the San Diego business community while also getting a sense of where your business stands amongst local competitors.

**The five question survey should take less than two minutes to complete, and your answers will be recorded and published completely anonymously.**

**Please click on the link below to begin:**

[Tourism and Hospitality Business Confidence Index Survey](#)

**Or copy and paste the URL below into your browser:**

[https://csusm.co1.qualtrics.com/jfe/form/SV\\_6nziglJlvobLeYZ](https://csusm.co1.qualtrics.com/jfe/form/SV_6nziglJlvobLeYZ)

Thank you for taking the time to participate in the Business Confidence Index survey!

Sincerely,

Jim Hamerly, Ph.D.  
Dean, College of Business Administration  
California State University San Marcos

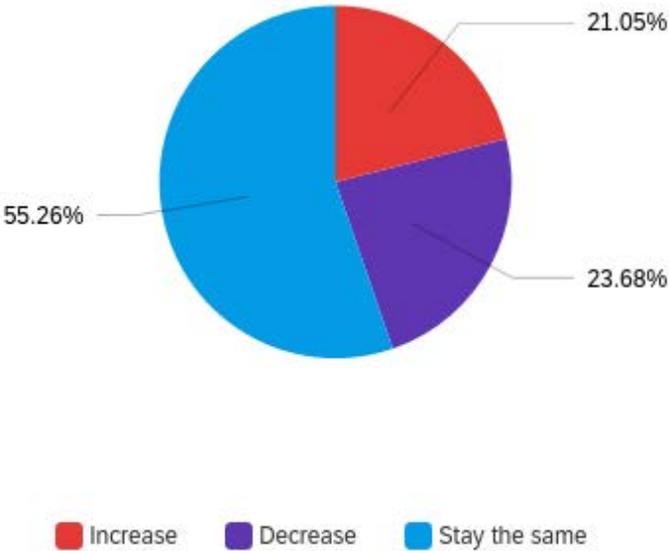
Barbara Chodos  
President and Publisher, San Diego Business Journal

**Appendix L**

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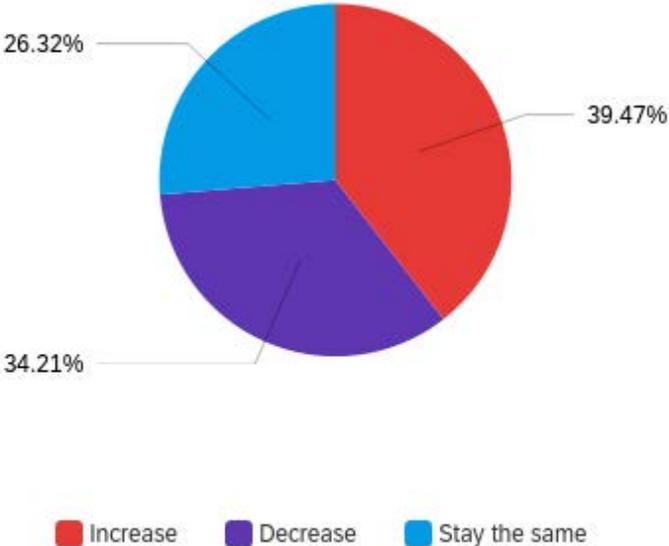
**Final Survey Results: Tourism and Hospitality**

**Q1. Over the next 6 months, your firm’s total number of employees is likely to:**



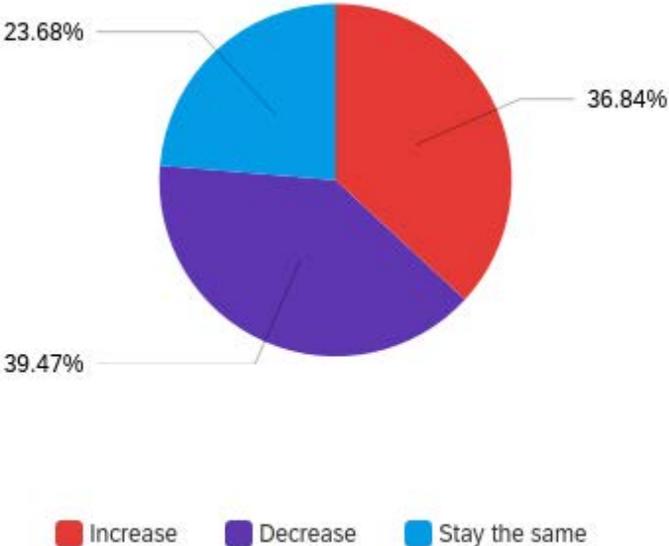
	<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
<b>1</b>	Increase	21.05%	8
<b>2</b>	Decrease	23.68%	9
<b>3</b>	Stay the same	55.26%	21
		<b>Total:</b>	<b>38</b>

**Q2. Over the next 6 months, your firm’s sales revenue is expected to:**



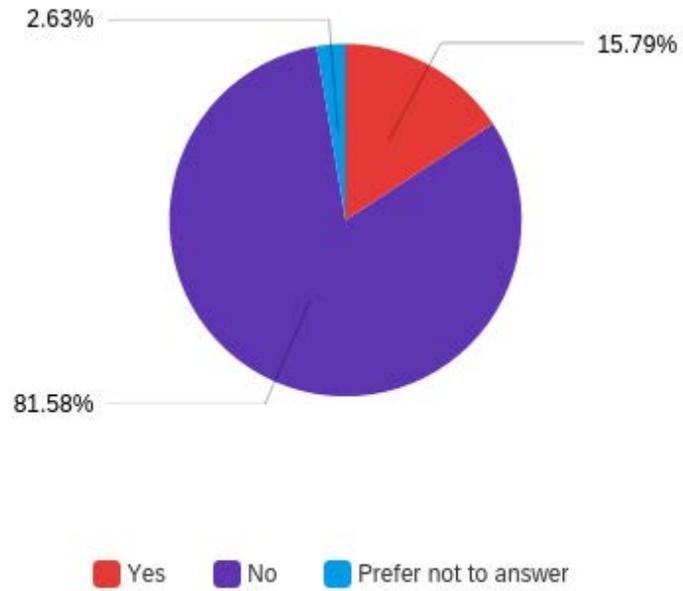
	<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
<b>1</b>	Increase	39.47%	15
<b>2</b>	Decrease	34.21%	13
<b>3</b>	Stay the same	26.32%	10
		<b>Total:</b>	38

**Q3. Over the next 6 months, your firm's profits are expected to:**



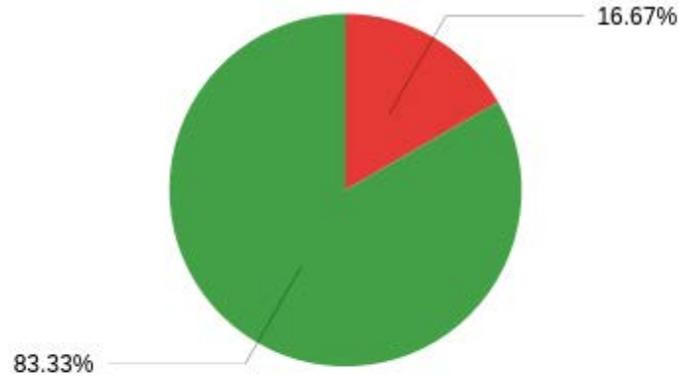
	<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
<b>1</b>	Increase	36.84%	14
<b>2</b>	Decrease	39.47%	15
<b>3</b>	Stay the same	23.68%	9
		<b>Total:</b>	38

**Q4. Has your business received any Federal/State support in the form of loans or grants?**



	<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
<b>1</b>	Yes	15.79%	6
<b>2</b>	No	81.58%	31
<b>3</b>	Prefer not to answer	2.63%	1
		<b>Total:</b>	<b>38</b>

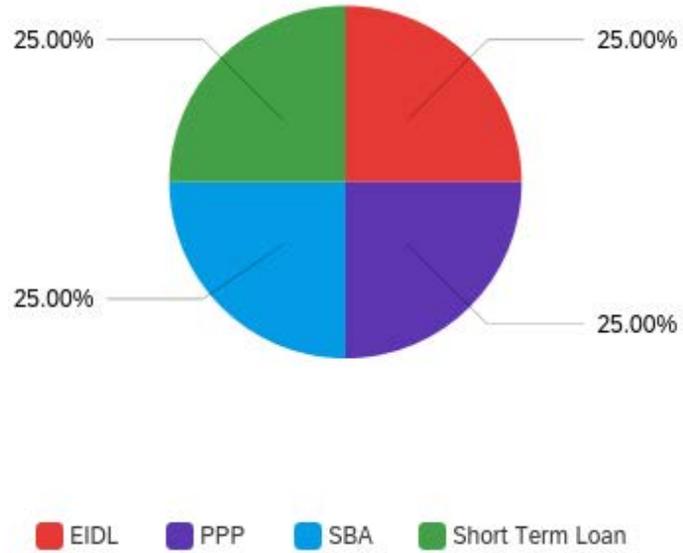
**Q5. If yes, what program(s)?**



■ CARES Act   
 ■ Small Business Relief Fund (SBRF)   
 ■ OnwardCA   
 ■ Other (please answer below):

	<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
<b>1</b>	CARES Act	16.67%	1
<b>2</b>	Small Business Relief Fund (SBRF)	0.00%	0
<b>3</b>	OnwardCA	0.00%	0
<b>4</b>	Other (please answer below):	83.33%	5
		<b>Total:</b>	<b>6</b>

**Q5. Other Answers:**



<b>Answer</b>	<b>Percentage</b>	<b>Count</b>
Economic Injury Disaster Loan (EIDL)	25.00%	1
Paycheck Protection Program (PPP)	25.00%	1
Small Business Association Loan (SBA)	25.00%	1
Short Term Loan	25.00%	1
	<b>Total:</b>	<b>4</b>

## Appendix M

### Business Confidence Index: Tourism and Hospitality

Fall 2017 - Tourism Confidence Index						
Question	Question Description	Increase	Stay the same	Decrease	Total	Index
1	Your outlook for the San Diego County tourism industry is generally:	86.67%	13.33%	0%	100%	93.34
3	In the next 12 months, your firm's profits are likely to:	70%	23.33%	6.67%	100%	81.67
5	In the next 12 months, you expect your employment levels to:	35%	56.67%	8.33%	100%	63.34
6	In the next 12 months, do you anticipate event attendance/visitor numbers in San Diego County to:	51.67%	48.33%	0%	100%	75.84

**Fall 2017 Tourism Confidence Index: 78.55**

Spring 2018 - Tourism Confidence Index						
Question	Question Description	Increase	Stay the same	Decrease	Total	Index
1	Your outlook for the San Diego County tourism industry is generally:	87.76%	8.16%	4.08%	100%	91.84
3	In the next 12 months, your firm's profits are likely to:	81.63%	14.29%	4.08%	100%	88.78
5	In the next 12 months, your expect your employment levels to:	40.82%	53.06%	6.12%	100%	67.35
6	In the next 12 months, do you anticipate event attendance/visitor numbers in San Diego County to:	54.76%	38.10%	7.14%	100%	73.81

**Spring 2018 Tourism Confidence Index: 80.45**

<b>Fall 2018 - Tourism Confidence Index</b>						
<b>Question</b>	<b>Question Description</b>	<b>Increase</b>	<b>Stay the same</b>	<b>Decrease</b>	<b>Total</b>	<b>Index</b>
1	Your outlook for the San Diego County tourism industry is generally:	95%	5%	0%	100%	97.50
3	In the next 12 months, your firm's profits are likely to:	40%	50%	10%	100%	65
5	In the next 12 months, your expect your employment levels to:	32.50%	62.50%	5%	100%	63.75
6	In the next 12 months, do you anticipate event attendance/visitor numbers in San Diego County to:	46.88%	46.88%	6.25%	100%	70.32

**Fall 2018 Tourism Confidence Index: 74.14**

<b>Spring 2019 - Tourism Confidence Index</b>						
<b>Question</b>	<b>Question Description</b>	<b>Increase</b>	<b>Stay the same</b>	<b>Decrease</b>	<b>Total</b>	<b>Index</b>
9	Your outlook for the San Diego County tourism industry is generally:	85.19%	14.81%	0%	100%	92.59
4	In the next 12 months, your firm's profits are likely to:	59.26%	25.93%	14.81%	100%	72.22
5	In the next 12 months, your expect your employment levels to:	18.52%	70.37%	11.11%	100%	53.70
6	In the next 12 months, do you anticipate event attendance/visitor numbers in San Diego County to:	44.44%	33.33%	22.22%	100%	61.11

**Spring 2019 Tourism Confidence Index: 69.91**

<b>Fall 2019 - Tourism Confidence Index</b>						
<b>Question</b>	<b>Question Description</b>	<b>Increase</b>	<b>Stay the same</b>	<b>Decrease</b>	<b>Total</b>	<b>Index</b>
9	Your outlook for the San Diego County tourism industry is generally:	20.00%	73.33%	6.67%	100%	56.67
4	In the next 12 months, your firm's profits are likely to:	27.78%	44.44%	27.78%	100%	50
5	In the next 12 months, you expect your employment levels to:	5.56%	61.11%	33.33%	100%	36.12
6	In the next 12 months, do you anticipate event attendance/visitor numbers in San Diego County to:	38.89%	38.89%	5.56%	100%	58.34

**Fall 2019 Tourism Confidence Index: 50.28**

<b>Spring 2020 - Tourism Confidence Index</b>						
<b>Question</b>	<b>Question Description</b>	<b>Increase</b>	<b>Stay the same</b>	<b>Decrease</b>	<b>Total</b>	<b>Index</b>
4	Over the next 12 months, your firm's profits are likely to:	14.29%	28.57%	57.14%	100%	28.58
5	Over the next 12 months, you expect your employment levels to:	0%	50.00%	50%	100%	25
6	In the next 12 months, do you anticipate event attendance/visitor numbers in San Diego County to:	0%	16.67%	83.33%	100%	8.34
10	Your outlook for the San Diego County tourism industry is generally:	42.86%	28.57%	28.57%	100%	57.15

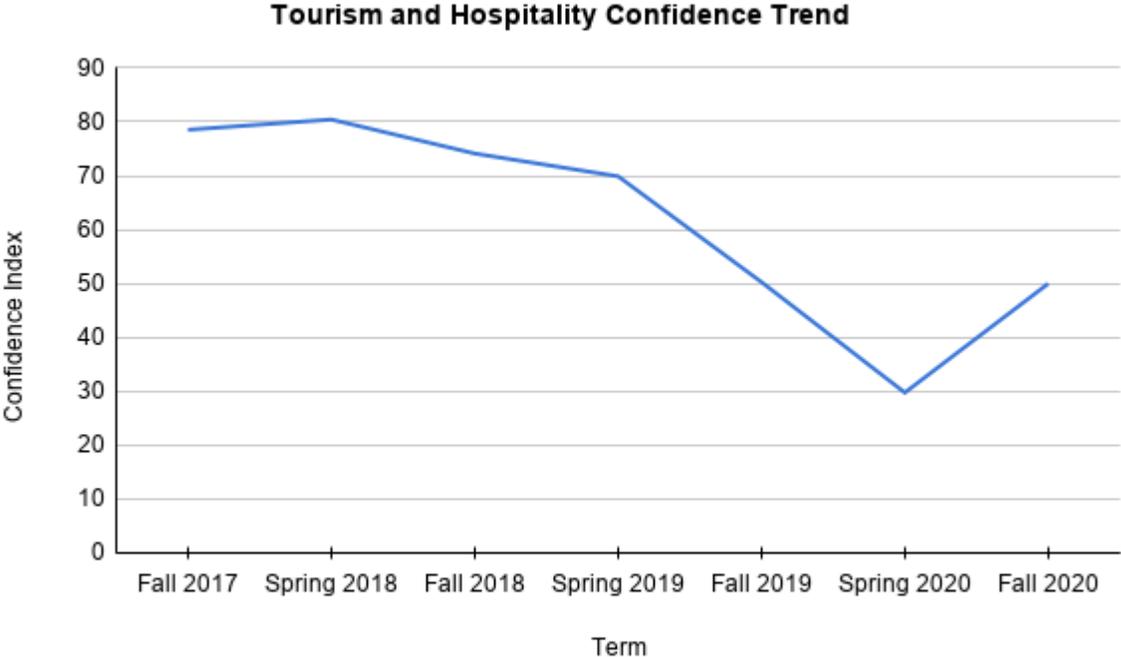
**Spring 2020 Tourism Confidence Index: 29.76**

<b>Fall 2020 - Tourism &amp; Hospitality Confidence Index</b>						
<b>Question</b>	<b>Question Description</b>	<b>Increase</b>	<b>Stay the same</b>	<b>Decrease</b>	<b>Total</b>	<b>Index</b>
1	Over the next 6 months, your firm's total number of employees is likely to:	21.05%	55.26%	23.68%	100%	48.68
2	Over the next 6 months, your firm's sales revenue is expected to:	39.47%	26.32%	34.21%	100%	52.63
3	Over the next 6 months, your firm's profits are expected to:	36.84%	23.68%	39.47%	100%	48.68

**Fall 2020 Tourism and Hospitality Business Confidence Index: 50**

Appendix N

Business Confidence Index Trend: Tourism and Hospitality



Historical Data:

Term:	Index:
Fall 2017	78.55
Spring 2018	80.45
Fall 2018	74.14
Spring 2019	69.91
Fall 2019	50.28
Spring 2020	29.76
Fall 2020	50

## Appendix O

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### Phone Script

#### Introduction:

- Introduce yourself as a student working on a senior project for SDBJ in collaboration with CSUSM.
- By participating in our data collection not only will you be helping local San Diego businesses, but we will also share that data with you to help you get a sense of where your business stands amongst other competitors.
- 
- Mention that data will be recorded and published completely anonymously.

#### Required Questions:

1. Over the next 6 months, your firm's total number of employees is likely to
  - Increase, decrease, no change
2. Over the next 6 months, your firm's sales revenue is expected to
  - Increase, decrease, no change
3. Over the next 6 months, your firm's profits is expected to
  - Increase, decrease, no change

#### Optional Questions:

4. Has your business received any Federal/State support in the form of loans or grants?
  - Yes, no
5. If yes, what program(s) (optional)
  - CARES Act, Small Business Relief Fund (SBRF), OnwardCA, Other

#### Closing:

- We will be sending the project results once finalized and ready for publication via email toward the end of December. Thank you for taking the time to answer these questions, we really appreciate it.
- Make sure you have received an email to follow-up.

## Appendix P

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**Google Drive link that includes helpful information for future teams:**

<https://drive.google.com/drive/u/1/folders/0AORDxkgqsWZ0Uk9PVA>