

Tourism, Craft Beer Confident in Having Customers' Support

ECONOMY: Surveys Show Optimism Nearly Unchanged from 2017

By VIK JOLLY

San Diego craft brewers are still confident about the future of locally-made beer even as they worry about competition and market saturation.

While ducking into a local tavern might or might not be on the itinerary of travelers to sunny San Diego, tourism-oriented

businesses, such as hotels and restaurants, expect the visits to the region to continue unabated.

Those are among the findings in the latest San Diego craft brewers and the tourism industry confidence indices respectively. The Business Confidence Index has been developed over the past few years by the **Cal State University San Marcos** College of Business Administration and the **San Diego Business Journal**.

The initiative has used the business school's Senior Experience Program, which matches teams of students with

projects submitted by local businesses and organizations. The index is calculated from specific survey responses and uses 50 as a baseline score.

A number above 50 indicates overall optimism in the local economy; anything below 50 indicates a lack of confidence. The recent survey was conducted in late March and early April and had 44 respondents in the craft beer industry and 49 in the tourism industry.

The spring 2018 results indicate a business confidence index (BCI) of 93 among craft brewers — almost unchanged

from last year. The BCI for the tourism industry stood at nearly 78 points, also unchanged from last year. BCI is based on a company's assessment of its current position and expectations for the immediate future.

Both visitor numbers and spending in San Diego has been rising the past five years, the **San Diego Tourism Authority** data show. In 2013, 33.1 million visitors spent \$8.4 billion in the area. In 2017, those numbers climbed to 35 million spending \$10.8 billion.

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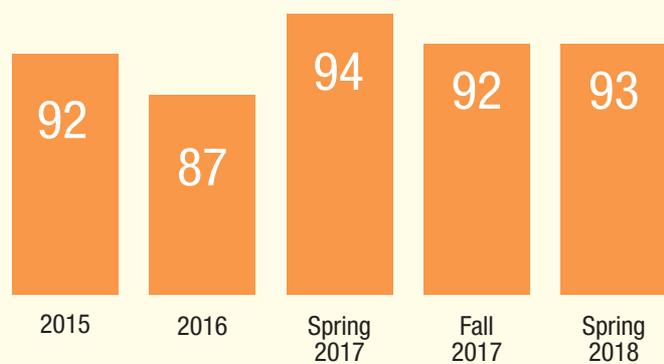


Cal State University San Marcos - San Diego Business Journal

Confidence Index



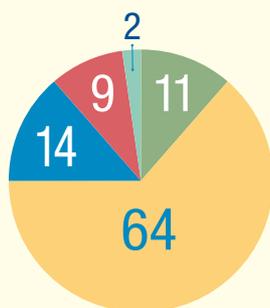
Craft Brewers



(above 50 indicates optimism; below 50 indicates lack of confidence)

EMPLOYMENT

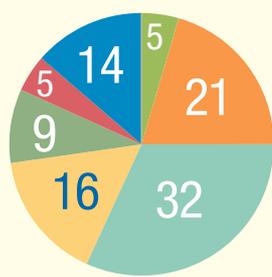
In the next 12 months, how do you expect your overall employment to change?



- Remain the Same
- Increase by 1 to 5 employees
- Increase by 6 to 10 employees
- Increase by 11 or more employees
- Decrease

PRODUCTION

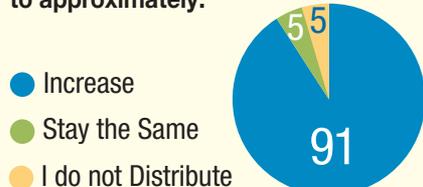
In the next 12 months, what percentage of increase do you expect your total barrel production to increase by:



- 1% to 5%
- 6% to 10%
- 11% to 20%
- 21% to 30%
- 31% to 40%
- 41% to 50%
- Greater than 50%

DISTRIBUTION

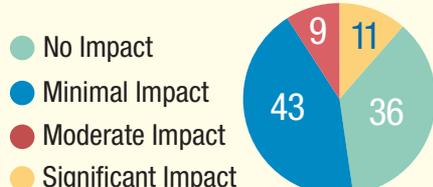
Over the next 12 months, your brewery expects distribution to approximately:



- Increase
- Stay the Same
- I do not Distribute

SALES

Over the next 12 months, how do you anticipate the increase in saturation of breweries within San Diego County impacting yours?

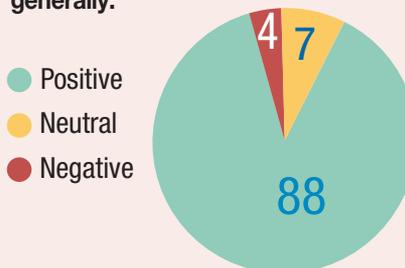


- No Impact
- Minimal Impact
- Moderate Impact
- Significant Impact

Tourism

OUTLOOK

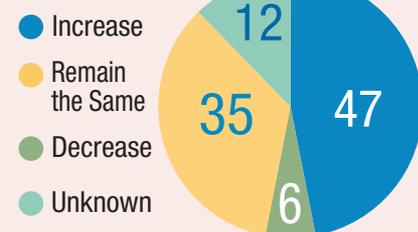
Your outlook for the San Diego County tourism industry is generally:



- Positive
- Neutral
- Negative

ATTENDANCE

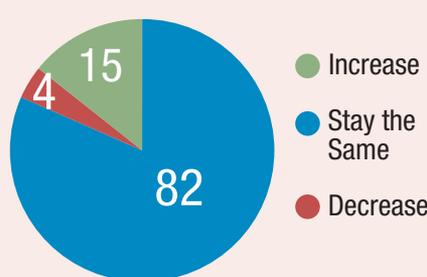
In the next 12 months, do you anticipate event attendance/visitor numbers in San Diego County to:



- Increase
- Remain the Same
- Decrease
- Unknown

PROFITS

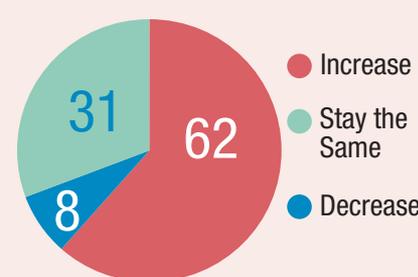
In the next 12 months, your firm's profits are expected to:



- Increase
- Stay the Same
- Decrease

ROOMS BOOKED

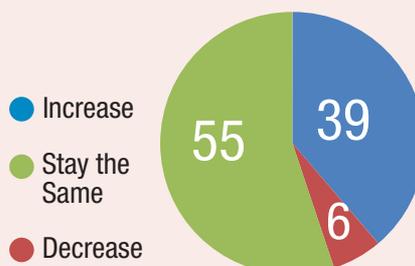
In the next 12 months, do you anticipate the number of rooms booked in San Diego County to:



- Increase
- Stay the Same
- Decrease

STAFFING

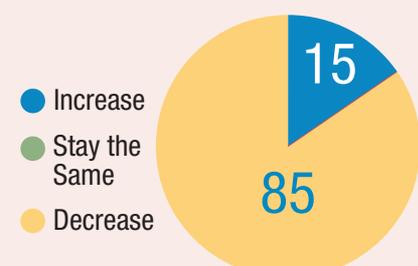
In the next 12 months, how do you expect your employment levels to change:



- Increase
- Stay the Same
- Decrease

VISITOR LEVELS

In the next 12 months, do you anticipate the duration of consumers' stay in San Diego County to:



- Increase
- Stay the Same
- Decrease

Source: Cal State San Marcos COBA survey (222 responses)

Additional data available at www.csusm.edu/coba/dashboard