



# National Small Business Poll

NFIB National

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2012

## Small Business Poll

*Strategy*

# NFIB National Small Business Poll

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The **National Small Business Poll** is a series of regularly published survey reports based on data collected from national samples of small business employers. The initial volume was published in 2001. The **Poll** is designed to address small business-oriented topics about which little is known but interest is high. Each survey report treats different subject matter.

The survey reports in this series generally contain three sections. The first section is a brief Executive Summary outlining a small number of themes or salient points from the survey. The second is a longer, generally descriptive, exposition of results. This section is not intended to be a thorough analysis of the data collected nor to explore a group of formal hypotheses. Rather, it is intended to textually describe that which appears subsequently in tabular form. The third section consists of a single series of tables. The tables display each question posed in the survey broken-out by employee size of firm.

Current individual reports are publicly accessible on the NFIB Web site ([www.nfib.com/research](http://www.nfib.com/research)) without charge. They are also available at [www.411smallbusinessfacts.com](http://www.411smallbusinessfacts.com). The 411 site also allows the user to search the entire data base. It searches all of the questions in all of the individual Polls with a user-friendly Google-type, key word, topic, or Poll sort facility.

Published (printed) reports can be obtained at \$15 per copy or by subscription (\$100 annually) by writing the **National Small Business Poll**, NFIB Research Foundation, 1201 "F" Street, NW, Suite 200, Washington, DC 20004. The micro-data and supporting documentation are also available for those wishing to conduct further analysis. Academic researchers using these data for public informational purposes, e.g., published articles or public presentations, and NFIB members can obtain them for \$20 per set. The charge for others is \$1,000 per set.

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Small Business  
Poll



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## *Strategy*

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# Executive Summary

- The primary market of most small businesses is the public, 57 percent the general public and 14 percent a limited number of customers and/or clients from the public. Another 19 percent sell primarily to businesses and 4 percent primarily to governments and/or non-profits. The remainder have customer-bases too mixed to designate a single primary market.
- Small businesses typically sell locally. Seventy-five (75) percent of small businesses have 90 percent of their customers located within a 100 mile radius.
- Three of four small-business owners perceive themselves to be competing in competitive to highly competitive markets. Part of this perception may be the accompanying perception held by 29 percent of small employers that they are competing primarily in declining markets, not associated with population changes.
- Thirty-six (36) percent intend to move into new geographic markets in the next five years, 46 percent into new product/service markets, and 25 percent into both.
- Social media is playing a growing role in small business marketing. Thirty-two (32) percent claim to use FaceBook to promote their businesses, while 11 percent claim to use Twitter and 7 percent Groupon, Living Social, etc.
- Overwhelmingly the most common generic business strategies employed by small-business owners are “highest possible quality” and “better service”.
- Less common generic strategies include in order of use: lower overhead, more choices and selection, a superior location, missed or poorly served customers, unique marketing, lower prices, creation of new products/services/processes to sell or lease, new or previously unavailable goods/services, and alliances, cooperation with another firm/firms.
- The owners of younger and smaller businesses typically have the least well-defined strategies.
- Small-business owners typically blend generic strategies to produce a unique strategy to fit their own circumstances. There are four blends: innovation, consisting of creation of new products/services/process for lease or sale, new or previously unavailable goods/services, and more choices and selection; a “soft” blend, consisting of service and quality; cost, consisting of low prices and low overhead; and alliances.
- The innovation blend is associated with growth, both experienced and desired. The soft blend is associated with neither experienced nor desired growth. The other two blends have mixed ties to growth.
- Small-business owners frequently change strategies. All but about one in four who were in the business three years ago have changed their strategies since the onset of the Great Recession. Seventeen (17) percent assert they changed theirs significantly in that time frame while another 11 percent changed theirs noticeably. While most of those changes could be attributed to the negative impact of the economic down-swing, 21 percent who changed theirs did so because they saw an opportunity.
- Changing strategies substantially is not uncommon. Forty-one (41) percent have changed the strategy of the business they are now operating significantly or noticeably since they began.





# Strategy

When shaping their new ventures, aspiring business owners should ask themselves why potential customers would purchase *my* product/service rather than something else or, more commonly, why would potential customers purchase those products/services from me rather than my competitors. ‘What am I going to do differently or better than my competitors?’ is the question. If that question has no good answer, the aspiring owner would be well advised to find one or postpone plans until he does. Without an edge or competitive advantage, starting a business becomes an uninformed crap shoot. Experienced business owners too must understand the competitive advantage they hold or only blind luck will allow them success.

Defining and pursuing an edge or (potential) competitive advantage is a business strategy. While the strategies most small-business owners implement may lack the scope and specificity of the ones pursued by managers of the largest and most complex enterprises, successful business owners of all sized firms have a strategy that answers the critical question, why should a customer patronize me? This issue of the *National Small Business Poll* examines the way small-business owners attempt to compete, that is, their business strategies.

Before the strategies employed by small businesses are examined, a brief detour intrudes in order to scan the customers that small businesses typically serve, the competitive environment in which they operate, and some of the tools they use and the plans they have to implement their strategies.

## Customers

Employing small businesses typically sell most of their goods and services to the general public. Fifty-seven (57) percent report that the general public represents their principal customer-base (Q#1). Retail, construction, and many services, such as dry cleaners or hair salons, are examples. Fourteen (14) percent see their customer base as a small number of clients. The professional services, such as medical and legal firms, often fit this description. Another 15 percent have business in general as their principal customer. Manufacturers and wholesalers are cases in point. But

another 4 percent sell to only one or two other businesses. These also are likely to be manufacturers or wholesalers, though they could also be business service firms, such as janitorial firms or delivery services. The remainder (4%) list government and/or non-profits as their principal customer base. Those firms are divided into ventures that have many such customers (3%) and ventures whose sales are confined to just one or two governments and/or non-profits. Finally, 7 percent claim their customer base is so varied that it does not fit in any of the preceding categories.

Assessing the principal customer base in a different way, 71 percent deal principally with the public, 19 percent with business, and 4 percent with government and non-profits. Assessing it yet another way, 75 percent have a relatively broad customer base, that is, many different customers, while 19 percent have a relatively narrow one. Some strategies fit one class of customer better than others, but it is

not clear whether the small employer adjusts his/her strategy to fit the customer base or whether the small employer finds a customer base to fit the strategy. Later it will be shown that young firms have a much less well-defined strategy, suggesting that at least initially, considerable iterating between the two may occur.

The overwhelming share of small enterprises has a regional, if not localized, customer base. Thirty-four (34) percent of small employers estimate that 90 percent of their customers lie within 10 miles of their primary location (Q#12). A somewhat larger percentage (40%) broadens that diameter to 100 miles. Another 6 percent stretch the distance to 1,000 miles and 13 percent maintain that at least 90 percent of their customers lie within the United States. Six percent claim their customers are dispersed all over the world. The latter point is not to be confused with the number of small firms that export or even the location of the overwhelming majority of their customers.

## The Market

The Great Recession lingers and small-business sales remain weak. While 43 percent say that the market they sell in (not their market share) is stable, another 36 percent report it is declining, 8 percent that it is rapidly declining (Q#2). In contrast, 20 percent indicate that their market is growing; 4 percent say that it is rapidly growing.

A change (growth or decline) in market size is typically not a function of population change. Just 19 percent assert that the market change they are experiencing is principally related to population growth/decline; 80 percent say that it is not (Q#2a). Hence, 29 percent of small-business owners see themselves in declining markets, not associated with population change.

The markets in which small employers compete are also perceived to be quite competitive. Forty-four (44) percent describe their market as “highly competitive” and another 33 percent term it “competitive” (Q#3). Twenty (20) percent think their market is just “somewhat competitive” and just 3 percent claim that it is not competitive. Owners of larger, small firms are more often inclined to characterize their principal market as “highly competitive” than are owners of smaller, small firms.

The competitive balance could easily be affected by the existence of a dominant competitor in the market. Indeed, 40

percent report a dominant competitor in their market and another 4 percent are not certain; 56 percent think that there is none (Q#4). But in a twist, 36 percent (14% of the entire population) claim that theirs is the dominant firm (Q#4a). They think they are the most powerful competitor in their market.

A majority intend to move into new markets in the next five years. Thirty-six (36) percent plan to move into new geographic markets (Q#5). Forty-six (46) percent expect to move into new product/service markets (Q#6) and 25 percent plan to do both. Owners of larger, small firms want to extend their markets more frequently than owners of smaller, small firms. Yet, the differences are relatively modest. Forty (40) percent plan to move into neither. No information was gathered on plans to change strategies in light of such expansion.

## The Tools

The tools small employers use to compete are often a function of the strategy and offerings the business has. Franchising is an example. A franchise reduces the small-business owners' range of strategy options. Franchising in and of itself could be considered a strategy. And, while familiar franchise names seem ubiquitous, just 7 percent of small ventures are 100 percent franchised operations (Q#7). Franchised goods/services in the remainder constitute just a portion of business sales, often a small portion. U-Haul franchises, for example, frequently are associated with rent-all businesses, storage firms, and/or gas stations. About 26 percent of all employing small businesses have at least some of their sales in franchised goods/services; 71 percent have none.

The Internet is another tool. Most small businesses sell a relatively modest portion of their goods and services via the Internet. Seventy-one (71) percent sell nothing on it and another 16 percent sell approximately 10 percent of their annual gross receipts (Q#8). The remainder sell more, though the average among those firms gravitates toward the lower end. Direct sales is, of course, not the only reason for a small business to have an Internet presence. Given the extent of direct Internet sales, these other reasons for an Internet presence currently appear the more important.

The electronic age has brought even more targeted means to market a small firm than the Internet and direct Internet sales. Three social networking methods in particular have become

prominent – Facebook, Twitter, and discount sites such as Groupon or Living Social. Thirty-two (32) percent claim to now use Facebook to promote their firms (Q#9). Eleven (11) percent claim the same with Twitter (Q#10). And, 7 percent say they use organizations like Groupon or Social Living (Q#11). There is overlap in use of these sites. While 65 percent do not use any of them, 22 percent use one, 10 percent two and 2 percent all three.

The use of Facebook is highly related to age with younger people using it much more frequently than older ones. The same is not necessarily true of Twitter or Groupon. However, the number of cases grows thin with the latter two.

## Strategies

The author compiled a list of potential strategies that a small-business owner might employ. The entries are not necessarily mutually exclusive. Frequent overlap appears as will subsequently be discussed. Survey respondents were presented a list of 13 possible strategies and asked to rank each strategy on a scale of 1 - 7 where 1 meant it played no part in their competitive strategy and 7 meant that it was their competitive strategy. The list appears in the headings below:

### Lower Prices

Lower prices is an obvious strategy that while popular with consumers is very difficult for small businesses to pursue. This strategy is tied to the idea of scale economies, which is an advantage large size typically confers. As a result, small employers assess lower prices as the ninth ranked strategy out of 13. This strategy is near the bottom, among the least important, with a 3.73 average (Q#13A). Thirteen (13) percent of small-business owners term lower prices their strategy and 24 percent claim it represents no part of theirs.

### More Choices and Selection

More choices and selection also implies scale economies. Having more from which the customer can choose implies broader inventories, whether in products and services, and hence somewhat larger size. However, small employers consider it one of the more important parts of their business strategy. That may reveal as much about their competition as themselves. They rank it fifth out of 13 with a 4.17 average (Q#13B). Eighteen (18) percent

claim that it is their business strategy while 20 percent claim it plays no part.

## Maximum Use of Technology

The maximum use of technology may not be so much a strategy as a tactic, somewhat akin to a method for achieving maximum productivity. Still, it became part of the strategy list because technology, electronic technology in particular, has become such a large, typically in-house part of marketing and sales for many small ventures. Regardless of whether it is a formal strategy or not, small-business owners as a group contend technology plays an important strategic role for them. It represents an important way small firms can compete against larger ones. Twenty-five (25) percent declare that maximum use of technology is their strategy while 13 percent declare it is none of theirs (Q#13C). The strategy ranks fourth and averages 4.60.

## Better Service

Better service is one of the two most common and important strategies small employers are likely to employ. In fact, 60 percent claim that better service is their strategy while 5 percent say that it plays no part (Q#13D). The strategy's average rank is 6.0 out of a possible 7.0. A reason that better service is a popular small-business strategy is that it appears costless, and to some extent that is true. The owner can train/demand that employees pay close attention to customer concerns and the owner can do the same. Yet, the strategy is not likely to be costless. Better service can mean higher quality employees which can mean higher wages/benefits. It could also mean more liberal (costly) return policies, more time devoted to individual treatment (cost), etc., business policies that are far from costless.

## Minimal Overhead

Minimal overhead means maintaining a tight lid on expenses. A retail operation, for example, might sport a warehouse look; a professional service firm could be located in the garage; a distributor may limit inventory, carrying only the most popular items. Minimal overhead proves to be the third most common strategy, at least in term of its share of the cumulative strategy of all small businesses. Twenty-eight (28) percent term it their entire strategy while 13 percent consider it none of theirs (Q#13E). Its average is 4.66.

## **Alliances, Cooperation with Another Firm/Firms**

Alliances are typically considered a strategy exclusively for large firms. Nothing could be farther from the truth. Many small firms engage in alliances, for purposes of production, marketing, R&D, etc. They can ally with a large firm or another small one. Competition is so deeply ingrained that it is possible to forget that cooperation in some aspects of the business is not only possible (and legal), but highly advantageous. Still, alliances prove the least common strategy of the 13 assessed. Its average is 3.21 with 13 percent claiming it their entire strategy and 37 percent claiming that it is none (Q#13F).

## **Target Missed or Poorly Served Customers**

Targeting missed or poorly served customers is normally not a strategy that would immediately come to mind, at least in those terms. However, if one thinks of the strategy in terms of a new Mexican restaurant in a small community with a large Hispanic population that now has none, or a trucking firm that transports materials on a scheduled rather than ad hoc basis, the strategy's applicability becomes readily apparent. The strategy earns a 3.79 average with 17 percent saying it represents their entire strategy and 26 percent saying it represents none of it (Q#13G).

## **Highest Possible Quality**

Quality is the single most commonly pursued small-business strategy. It, along with better service, is of vastly greater importance to a vastly greater number of small-business owners than are any others. Sixty-four (64) percent identify it as their strategy compared to 4 percent who claim it represents no part of theirs (Q#13H). The average rank is 6.22 out of a possible seven, 0.22 points above better service and 1.34 points above the third highest ranked strategy, minimal overhead.

## **New or Previously Unavailable Goods/Services**

New or previously unavailable goods/services can involve the sale of a new technology or a very old technology in a new form. It can consist of well-established goods/services sold to a group of customers or a locality not familiar with them. Thus, they only have to be new to a relevant market. Such a strategy is one of

the least popular, ranking twelfth out of the 13 listed. Just 11 percent claim new or previously unavailable goods/services is their entire strategy while 31 percent claim it is not part of theirs (Q#13I). The average is 3.35, just 0.14 points higher than the lowest ranked strategy.

## **A Superior Location**

A superior location is very important to those dependent on foot traffic, somewhat less so for many others dealing with the general public. However, it is much less so for business owners that typically come to the customer, such as contractors, or who distribute relatively large and costly orders to locations removed from the firm's premises. The result is that a superior location should be an important part of the strategy for a large segment of the small-business population and no part of it for another large segment. The data show that to be the case. Twenty-two (22) percent say a superior location is their strategy contrasted to 25 percent who say it represents no part of theirs (Q#13J). The average is 3.97, making it the sixth most commonly employed strategy.

## **Unique Marketing**

The thrust of the unique marketing strategy is self-evident. That does not mean it is any less viable or difficult to construct or implement. In fact, it can be more difficult because it requires something creative and probably clever. Fourteen (14) percent sell their business and its offerings entirely in this manner while 22 percent have no part of it (Q#13K). Unique marketing averaged 3.77 out of a possible seven.

## **Expansion or Growth**

Growth is another example of a listed strategy that is perhaps not so much a strategy as an outcome. Still, attempted growth may attract (or repel) customers because it exhibits a type of aggressiveness or dynamism, perhaps even a freshness that can become self-fulfilling. Most small businesses do not grow after an initial spurt. That reflects small employer appraisal of growth as their business strategy. Just 13 percent consider growth or expansion is their strategy; 25 percent take the polar opposite view (Q#13L). The average 3.48 ranking is one of lowest of the strategies evaluated.

## **Creation of New Products/Services/ Processes to Sell or Lease**

Creation is the innovation strategy. It is about

producing new and different things to sell, lease, or license. Those things are not necessarily technology-oriented, though a large number likely are. This is another strategy that tends to be less frequently employed, in part because the business/owner is doing essentially what has never been done, at least to the owner's knowledge. Fifteen (15) percent claim innovation as their strategy while 31 percent claim innovation plays no part in theirs. The average rating is 3.57, almost identical to the expansion or growth strategy.

## Types of Strategies Employed

Small-business owners commonly have many parts to their business strategies. They tend to be a bit of this, a bit of that, and a dabble of still something else. Rarely does a strategy consist of one "pure" type. That is not to imply that they have no emphasis or direction.

Four broad blends of strategies statistically tend to appear. The first might be termed the "Innovation" blend. It includes the new or previously unavailable goods/services, creation of new products/services/processes to sell or lease, and more choices and selection strategies. In other words, think of the three creating a hybrid which cluster around the idea of new and innovative. A second is the "Soft" blend. It includes better service and the highest possible quality. The term Soft is meant to convey the notion that these strategies can be highly subjective. The third is the "Price" blend. The lower prices and minimal overhead strategies lie at its core, though superior location can also appear. Finally, "Alliances" form the last blend and includes only the alliances, cooperation with another firm/firms strategy. It is effectively not a blend therefore, but a pure strategy.

The components are more evident as employment increases. It also is more evident among the firms that are more than five years old. That means owners of new, very small firms are least likely to have a well-defined business strategy. The lack of a well-defined strategy might be expected given that many new, very small firms are continuously adjusting and frequently morphing. The positive view terms such activity flexibility, rapid adaptation, and dynamism; the negative view terms it a lack of focus or an unclear vision.

## Strategies and Growth

The Innovation blend is related to growth, both in terms of growth over the last three years and

desired growth over the next five. A strong relationship is present in both when controlling for firm size and firm age. That suggests that some type of innovation strategy is typically tied to growth, both experienced and desired. The strategy does not have to be high tech nor the invention of new products/services/processes, but it brings something new to a market.

The antithesis of the Innovation blend is the Soft blend, which is not related to either growth measure. Its pursuit therefore may result in growth, but not consistently. In fact, it is just as likely to run in the opposite direction. The other two blends are not consistent. The Price blend is negatively associated with experienced growth, meaning that it is associated with firms that lost size during the Great Recession and its aftermath. However, that blend is not associated with desired growth (though it has a negative sign). The Alliance strategy is strongly tied to desired growth, but has no relationship to experienced growth (though it has a positive sign).

## Change in Strategy

The last three years have been very difficult economically for many small enterprises. Thirty (30) percent of the sample who have been in business for the last three years lost employees over the period; those data include only surviving ventures. One likely result of those difficult times is that a hefty majority of small employers decided to change their basic competitive strategies (Q#14). Seventeen (17) percent report that they changed theirs "significantly" within the last three years and another 10 percent changed theirs "noticeably". Twenty-six (26) percent altered theirs "somewhat" and 18 percent more altered theirs "modestly". That leaves only 28 percent who did not change their strategy. They are competing the same way today that they competed at the beginning of the Great Recession.

Small employers cite a number of reasons for changing their strategies. The most frequently offered is that the market changed. Forty (40) percent who adjusted their strategies name a changed market, likely the result of the economic slowdown accompanying the Great Recession (Q#14a). Another 21 percent altered theirs for an apparently positive reason: they saw new opportunities. These data underscore the point that even in severe economic downturns opportunities arise that some business owners discover and exploit. Fifteen (15)

percent claim the old strategy simply was not working; 11 percent identify the changing financial and human resources available to them; and, 9 percent mention a new competitor or competitors entering the market.

Most small employers who changed strategies within the last three years report that they are satisfied with the changes made. Twenty-two (22) percent claim to be “very satisfied” and another 38 percent say that they are “somewhat satisfied” (Q#14b). The remainder are less happy in varying degrees with 17 percent thinking that it is too soon to make an evaluation. The tie between satisfaction with a changed strategy and satisfaction with profits in the last year is strong, suggesting happiness with the change is tied to favorable financial results. On the other hand, some patience may also be exhibited as satisfaction with changed strategies is greater than satisfaction with last year’s profits.

The Great Recession obviously played a significant role in the strategy changes made and are likely responsible for the sheer number of them. However, the lengthy economic slowdown is not the only stimulus for change. Normal market transformations also prove to be a large influence, though the precise mix between recession-induced factors and others is difficult to separate. However, a substantial number changed their strategies prior to the onset of the recent economic slowdown, the exact number of which cannot be determined from the available data. Twenty-six (26) percent report significant changes in their competitive strategies over the lifetime of their businesses (Q#15). That is nine percentage points greater than significantly changed strategies in the last three years. Another 15 percent changed strategies noticeably over their business lifetimes compared to 11 percent who changed noticeably over the last three years. Those numbers indicate a substantial number of strategy shifts prior to the Great Recession. What is not known is the number who changed *both* prior to and during the recent downturn. In other words, how many have changed strategies more than once. This comparison also minimizes the number of small employers who change strategies since 11 percent of respondents were not in business more than three years ago.

## Final Comments

Relatively few small businesses grow substantially after their initial growth spurt. The most

popular competitive strategies, that is, better service and highest possible quality, therefore are not likely to be associated with growth and they prove not to be. That does not mean service and quality are not important components of growth for those who do grow, or at least, want to grow. But it suggests that those strategies, either independently or as the blend in which they typically occur, are likely insufficient to achieve growth should that be the small-business owner’s objective. More is likely required. That seems to be where innovation-type strategies emerge. The data presented here exhibits a clear association between the innovation blend and growth. A similar association does not appear for any other strategy or blend, the exception being alliances tied to desired (not experienced) growth.

The strategies small-business owners employ frequently change. Obviously a powerful stimulant, such as the Great Recession, motivates owners to do so. But reassessments do not always occur during times of great stress. They occur at other points as well and may be a reaction to opportunity as well as shock. The fact that strategies can and do change demonstrates flexibility in small ventures. It also suggests that more established firms can move in a growth-oriented mode should the owner be so inclined.

# Strategy

(Please review notes at the table's end.)

## Employee Size of Firm

	1-9 emp	10-19 emp	20+ emp	All Firms
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### I. Would you describe your current PRINCIPAL customer base as?:

	1-9 emp	10-19 emp	20+ emp	All Firms
1. The general public	57.8%	54.3%	52.6%	56.9%
2. A small number of clients	14.1	12.3	13.2	13.8
3. Business in general	14.1	14.8	19.7	14.8
4. One or two businesses	3.4	6.2	2.6	3.6
5. Governments and/or non-profit organizations in general	2.7	4.9	3.9	3.1
6. One or two governments and/or non-profit organizations	0.7	1.2	2.6	0.9
7. Mixture	7.2	6.2	3.9	6.8
8. (DK/Refuse)	—	—	1.3	0.1
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

### 2. Regardless of your current market-share, is the market for the goods and/or services you now sell growing rapidly, growing, stable, declining or declining rapidly?

	1-9 emp	10-19 emp	20+ emp	All Firms
1. Rapidly growing	2.9%	6.2%	6.5%	3.6%
2. Growing	13.3	29.6	26.0	16.3
3. Stable	43.6	40.7	40.3	43.0
4. Declining	29.7	18.5	22.1	27.7
5. Rapidly declining	9.4	3.7	5.2	8.4
6. (DK/Refuse)	1.2	1.2	—	1.1
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

### 2a. Is growth or decline in the area's population a major reason for that change in market size?

	1-9 emp	10-19 emp	20+ emp	All Firms
1. Yes	17.6%	21.7%	21.7%	18.5%
2. No	81.2	76.1	76.1	80.0
3. (DK/Refuse)	1.2	2.2	2.2	1.4
Total	100.0%	100.0%	100.0%	100.0%
N	193	116	118	427

**Employee Size of Firm**  
**1-9 emp    10-19 emp    20+ emp    All Firms**

**3. Would you characterize the market in which you primarily operate as:?**

1. Highly competitive	41.8%	49.4%	53.9%	43.8%
2. Competitive	33.6	30.9	30.3	32.9
3. Somewhat competitive	20.6	17.3	14.5	19.7
4. Not competitive	3.4	2.5	1.3	3.1
5. (DK/Refuse)	0.7	—	—	0.5
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**4. Is there a dominant firm in your market?**

1. Yes	39.3%	35.8%	45.5%	39.5%
2. No	56.9	60.5	53.2	56.9
3. (DK/Refuse)	3.9	3.7	1.3	3.6
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**4a. Is your firm that dominant firm?**

1. Yes	30.5%	51.7%	58.8%	35.8%
2. No	69.5	48.3	41.2	64.2
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	139	72	90	301

**5. Do you intend to expand this business into new geographic markets or territories in the next five years?**

1. Yes	36.1%	30.9%	43.4%	36.3%
2. No	62.2	66.7	53.9	61.9
3. (DK/Refuse)	1.7	2.5	2.6	1.9
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**6. Do you intend to expand into new products or services in the next five years?**

1. Yes	47.2%	48.1%	53.9%	48.0%
2. No	51.1	49.4	44.7	50.3
3. (DK/Refuse)	1.7	2.5	1.3	1.7
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753



**Employee Size of Firm**  
**1-9 emp    10-19 emp    20+ emp    All Firms**

**7. Approximately what percent of your sales are in franchised goods or services? Is it closest to?:**

1. Nothing	70.8%	71.6%	72.7%	71.0%
2. 10 percent	7.4	4.9	3.9	6.8
3. 25 percent	6.6	3.7	3.9	6.0
4. 50 percent	4.4	4.9	3.9	4.4
5. 75 percent	1.8	1.2	3.9	2.0
6. 90 percent	1.0	—	—	0.8
7. 100 percent	6.1	8.6	7.8	6.5
8. (DK/Refuse)	2.0	4.9	3.9	2.5
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**8. Approximately what percent of your sales are made over the Internet? Is it closest to?:**

1. Nothing	70.0%	75.3%	76.6%	71.2%
2. 10 percent	17.4	11.1	13.0	16.3
3. 25 percent	5.0	6.2	5.2	5.2
4. 50 percent	1.8	3.7	2.6	2.1
5. 75 percent	2.5	2.5	1.3	2.4
6. 90 percent	1.2	1.2	—	1.1
7. 100 percent	1.3	—	—	1.1
8. (DK/Refuse)	0.7	—	1.3	0.7
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**9. Do you attempt to market your firm using Facebook?**

1. Yes	31.0%	30.9%	37.7%	31.7%
2. No	68.8	67.9	62.3	68.0
3. (DK/Refuse)	0.2	1.2	—	0.3
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**10. Do you attempt to market your firm using Twitter?**

1. Yes	10.4%	9.9%	16.7%	11.0%
2. No	89.1	90.1	82.1	88.5
3. (DK/Refuse)	0.5	—	1.3	0.5
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**Employee Size of Firm**  
**1-9 emp    10-19 emp    20+ emp    All Firms**

**11. Do you attempt to market your firm using organizations such as Groupon or Living Social?**

1. Yes	7.0%	6.2%	10.4%	7.3%
2. No	91.3	91.4	89.6	91.1
3. (DK/Refuse)	1.7	2.5	—	1.6
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>352</b>	<b>201</b>	<b>200</b>	<b>753</b>

**12. Do 90 percent of your customers lie within:?**

1. 10 miles of your primary location	34.5%	37.0%	29.9%	34.3%
2. 100 miles of your primary location	41.4	35.8	36.4	40.3
3. 1,000 miles of your primary location	5.5	7.4	9.1	6.1
4. Within the United States	13.1	11.1	13.0	12.8
5. All over the world	5.4	8.6	11.7	6.4
6. (DK/Refuse)	0.2	—	—	0.1
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>352</b>	<b>201</b>	<b>200</b>	<b>753</b>

**13. Business owners try to compete using different business strategies. On a scale of 1 to 7 with 1 meaning it plays no part in your competitive strategy and 7 meaning it is your entire competitive strategy, how are you trying to compete? Are you trying to compete using:?**

**A. Lower Prices**

1. No part in competitive strategy	23.5%	27.2%	22.1%	23.7%
2.	9.1	9.9	7.8	9.0
3.	11.2	16.0	18.2	12.5
4.	13.4	9.9	9.1	12.6
5.	18.1	14.8	20.8	18.0
6.	10.1	8.6	9.1	9.8
7. Entire competitive strategy	12.8	12.3	11.7	12.6
8. (DK/Refuse)	1.8	1.2	1.3	1.7
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>352</b>	<b>201</b>	<b>200</b>	<b>753</b>
<b>Average</b>	<b>3.76</b>	<b>3.49</b>	<b>3.7</b>	<b>3.73</b>

**Employee Size of Firm**  
**1-9 emp    10-19 emp    20+ emp    All Firms**

**B. More choice and selection**

1. No part in competitive strategy	19.7%	23.5%	14.7%	19.6%
2.	6.2	9.9	12.0	7.2
3.	7.9	7.4	9.3	8.0
4.	12.9	12.3	13.3	12.9
5.	19.0	14.8	22.7	18.9
6.	13.4	14.8	10.7	13.3
7. Entire competitive strategy	18.5	16.0	16.3	18.0
8. (DK/Refuse)	2.4	1.2	1.3	2.1

Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753
Average	4.21	3.96	4.14	4.17

**C. Maximum use of technology**

1. No part in competitive strategy	13.9%	17.3%	3.8%	13.2%
2.	7.2	2.5	5.1	6.5
3.	9.9	6.2	7.7	9.3
4.	11.6	13.6	10.3	11.7
5.	18.5	22.2	23.1	19.3
6.	13.4	16.0	19.2	14.3
7. Entire competitive strategy	24.7	21.0	29.5	24.8
8. (DK/Refuse)	0.8	1.2	1.3	0.9

Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753
Average	4.53	4.53	5.22	4.60

**D. Better service**

1. No part in competitive strategy	5.7%	5.0%	2.6%	5.3%
2.	1.2	—	—	0.9
3.	3.0	2.5	1.3	2.8
4.	2.7	5.0	3.9	3.1
5.	12.2	11.3	9.1	11.8
6.	15.3	13.8	8.2	15.4
7. Entire competitive strategy	58.6	62.5	63.6	59.5
8. (DK/Refuse)	1.3	—	1.3	1.2

Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753
Average	5.95	6.07	6.28	6.00

**Employee Size of Firm**  
**1-9 emp    10-19 emp    20+ emp    All Firms**

**E. Minimal overhead**

1. No part in competitive strategy	12.5%	18.5%	9.3%	12.8%
2.	6.4	3.7	5.3	6.0
3.	8.4	12.3	13.3	9.3
4.	12.3	13.6	14.7	12.7
5.	15.0	23.5	17.3	16.1
6.	13.1	9.9	14.7	12.9
7. Entire competitive strategy	30.3	17.3	24.0	28.3
8. (DK/Refuse)	2.0	1.2	1.3	1.9
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753
Average	4.72	4.19	4.62	4.66

**F. Alliances or cooperation with another firm or firms**

1. No part in competitive strategy	37.9%	43.8%	26.0%	37.3%
2.	10.4	7.5	7.8	9.8
3.	9.2	7.5	10.4	9.2
4.	11.9	6.3	9.1	11.0
5.	13.4	10.0	16.9	13.4
6.	3.7	11.3	10.4	5.2
7. Entire competitive strategy	12.2	12.5	16.9	12.7
8. (DK/Refuse)	1.3	1.3	2.6	1.4
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753
Average	3.13	3.17	3.82	3.21

**G. Target missed or poorly serviced customers**

1. No part in competitive strategy	27.5%	23.8%	13.9%	25.7%
2.	8.2	10.0	8.9	8.5
3.	8.9	11.3	10.1	9.3
4.	11.1	12.5	17.7	11.9
5.	13.6	18.8	22.8	15.1
6.	8.9	7.5	11.4	9.0
7. Entire competitive strategy	18.3	13.8	10.1	17.0
8. (DK/Refuse)	3.6	2.5	5.1	3.6
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753
Average	3.77	3.72	4.07	3.79

**Employee Size of Firm**  
**1-9 emp    10-19 emp    20+ emp    All Firms**

**H. Highest possible quality**

1. No part in competitive strategy	3.9%	2.5%	1.3%	3.5%
2.	0.5	1.2	1.3	0.7
3.	2.0	1.2	1.3	1.9
4.	2.5	2.5	1.3	2.4
5.	10.4	11.1	11.7	10.6
6.	16.0	14.8	16.9	15.9
7. Entire competitive strategy	64.0	66.7	64.9	64.4
8. (DK/Refuse)	0.7	—	1.3	0.7
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753
Average	6.20	6.29	6.34	6.22

**I. New or previously unavailable goods or services**

1. No part in competitive strategy	30.9%	32.1%	27.3%	30.6%
2.	9.2	12.3	11.7	9.8
3.	15.3	9.9	11.7	14.3
4.	7.7	8.6	7.8	7.8
5.	14.3	18.5	18.2	15.1
6.	7.6	4.9	6.5	7.2
7. Entire competitive strategy	10.9	9.9	13.0	11.0
8. (DK/Refuse)	4.2	3.7	3.9	4.1
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753
Average	3.34	3.30	3.54	3.35

**J. A superior location**

1. No part in competitive strategy	25.3%	28.4%	21.1%	25.2%
2.	7.7	6.2	5.3	7.3
3.	10.4	7.4	6.6	9.7
4.	11.2	7.4	14.5	11.2
5.	12.4	17.3	14.5	13.1
6.	10.1	9.9	11.8	10.2
7. Entire competitive strategy	21.1	22.2	23.7	21.5
8. (DK/Refuse)	1.7	1.2	2.6	1.7
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753
Average	3.93	3.99	4.27	3.97

**Employee Size of Firm**  
**1-9 emp    10-19 emp    20+ emp    All Firms**

**K. Unique Marketing**

1. No part in competitive strategy	22.8%	24.7%	14.3%	22.1%
2.	11.7	8.6	6.5	10.9
3.	12.1	13.6	10.4	12.1
4.	9.9	9.9	15.6	10.5
5.	18.1	16.0	22.1	18.3
6.	8.9	8.6	14.3	9.4
7. Entire competitive strategy	13.4	16.0	15.6	13.9
8. (DK/Refuse)	3.0	2.5	1.3	2.8
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>352</b>	<b>201</b>	<b>200</b>	<b>753</b>
<b>Average</b>	<b>3.70</b>	<b>3.72</b>	<b>4.34</b>	<b>3.77</b>

**L. Expansion or growth**

1. No part in competitive strategy	29.6%	25.0%	17.9%	27.9%
2.	10.4	13.8	11.5	10.9
3.	14.5	8.8	7.7	13.1
4.	13.3	10.0	14.1	13.0
5.	10.8	18.8	23.1	12.9
6.	6.1	11.3	9.0	6.9
7. Entire competitive strategy	13.6	11.3	14.1	13.4
8. (DK/Refuse)	1.8	1.3	2.6	1.8
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>352</b>	<b>201</b>	<b>200</b>	<b>753</b>
<b>Average</b>	<b>3.39</b>	<b>3.62</b>	<b>3.98</b>	<b>3.48</b>

**M. Creation of new products, services, or processes to sell or lease**

1. No part in competitive strategy	31.4%	32.9%	22.1%	30.6%
2.	10.4	11.4	7.8	10.3
3.	11.3	8.9	9.1	10.8
4.	7.6	8.9	9.1	7.9
5.	12.8	16.5	19.5	13.8
6.	7.9	6.3	10.4	8.0
7. Entire competitive strategy	15.3	12.7	19.5	15.4
8. (DK/Refuse)	3.4	2.5	2.6	3.2
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>352</b>	<b>201</b>	<b>200</b>	<b>753</b>
<b>Average</b>	<b>3.46</b>	<b>3.37</b>	<b>4.07</b>	<b>3.51</b>

**Employee Size of Firm**  
**1-9 emp    10-19 emp    20+ emp    All Firms**

**14. In the last three years, have you changed your basic competitive strategy:?**

1. Significantly	17.1%	12.5%	19.5%	16.8%
2. Noticeably	9.9	11.3	13.0	10.3
3. Somewhat	25.1	23.8	33.8	25.9
4. Modestly, or	17.8	17.5	16.9	17.6
5. Not at all	28.3	33.8	15.6	27.6
6. (DK/Refuse)	1.8	1.3	1.3	1.7
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>352</b>	<b>201</b>	<b>200</b>	<b>753</b>

**14a. What was the principal reason you changed your competitive strategy during that time?**

1. The old strategy wasn't working as well as I wanted	16.3%	13.5%	9.4%	15.2%
2. New opportunities arose	20.4	21.2	25.0	21.0
3. A new competitor or competitors entered the market	8.9	11.5	9.4	9.2
4. The market changed	39.3	40.4	42.2	39.8
5. The human or financial resources available changed	11.5	9.6	7.8	10.9
6. Other	2.4	3.8	3.1	2.6
7. (DK/Refuse)	1.2	—	3.1	1.4
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>250</b>	<b>131</b>	<b>162</b>	<b>543</b>

**14b. How satisfied are you with the change in competitive strategy: Would that be:?**

1. Very satisfied	18.0%	32.7%	35.5%	21.5%
2. Somewhat satisfied	37.3	36.5	40.3	37.5
3. Marginally satisfied	18.5	15.4	6.5	16.8
4. Not too satisfied	5.0	3.8	1.6	4.5
5. Not at all satisfied	2.4	1.9	1.6	2.3
6. Too soon to tell	18.5	9.6	14.5	17.2
7. (DK/Refuse)	0.2	—	—	0.2
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>250</b>	<b>131</b>	<b>162</b>	<b>543</b>

**Employee Size of Firm**  
**1-9 emp    10-19 emp    20+ emp    All Firms**

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**15. Since you began in this business, have you changed your basic competitive strategy:?**

1. Significantly	24.3%	31.3%	28.6%	25.5%
2. Noticeably	14.8	10.0	20.8	14.9
3. Somewhat	23.5	25.0	26.0	23.9
4. Modestly	14.1	12.5	10.4	13.5
5. Not at all	22.7	21.3	14.3	21.6
6. (DK/Refuse)	0.7	—	—	0.5
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753



**Employee Size of Firm**  
**1-9 emp    10-19 emp    20+ emp    All Firms**

## Demographics

### D1. Which best describes your position in this business? Are you the:?

1. Owner-manager	86.6%	75.3%	81.8%	84.9%
2. Owner, but not the manager	6.6	7.4	9.1	6.9
3. Manager, but not an owner	6.9	17.3	9.1	8.2
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

### D2. Is your primary business activity:?

1. Agriculture, forestry, fishing	5.7%	2.5%	2.6%	5.0%
2. Construction	10.6	7.4	10.3	10.2
3. Manufacturing and mining	8.9	8.6	9.0	8.9
4. Wholesale trade	4.0	6.2	5.1	4.4
5. Retail trade	15.1	13.6	14.1	14.9
6. Transportation and warehousing	2.7	2.5	2.6	2.7
7. Information	1.2	2.5	—	1.2
8. Finance and insurance	3.7	2.5	2.6	3.4
9. Real estate and rental/leasing	3.5	2.5	5.1	3.6
10. Professional, scientific, and technical services	12.3	11.1	12.8	12.2
11. Administrative and support, waste management, or remediation services	6.7	3.7	3.8	6.1
12. Education services	1.7	3.7	2.6	2.0
13. Health care and social assistance	2.5	6.2	6.4	3.3
14. Arts, entertainment, and recreation	3.0	1.2	3.8	2.9
15. Accommodations and food services	7.6	17.3	15.4	9.4
16. Repair and maintenance services or personal care services	10.4	7.4	2.6	8.3
17. Other	0.3	1.2	1.3	0.5
18. (DK/Refused)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**Employee Size of Firm**  
**1-9 emp    10-19 emp    20+ emp    All Firms**

**D3. Is this business operated primarily from the home, including any associated structures such as a garage or a barn?**

1. Yes	20.6%	4.9%	5.2%	17.4%
2. No	79.4	95.1	94.8	82.6
3. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**D4. Which of the following best describes the place the business is located?**

1. Highly urban city	13.3%	16.0%	15.6%	13.8%
2. Suburb of highly urban city	17.6	22.2	22.1	18.6
3. Mid-sized city of about 250,000 or surrounding area	16.1	11.1	20.8	16.1
4. Small city of about 50,000 or surrounding area	20.0	17.3	14.3	19.1
5. Town or rural area	32.4	33.3	27.3	32.0
6. (DK/Refuse)	0.5	—	—	0.4
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**D5. Not counting the owners, how many people did this business employ about this time of year three years ago, that is, 2008? (Only if in business at least three years.)**

1. Lost > 9 employees	6.5%	4.2%	14.3%	7.1%
2. Lost 5 – 9 employees	15.4	5.6	10.0	13.8
3. Lost 1 – 4 employees	34.9	12.7	2.9	28.9
4. No change	28.7	43.7	35.7	31.1
5. Added 1 – 4 employees	10.1	23.9	5.7	11.1
6. Added 5+ employees	0.2	8.5	30.0	4.3
7. (DK/Refuse)	4.2	1.4	1.4	3.6
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	309	178	180	667

**Employee Size of Firm**  
**1-9 emp    10-19 emp    20+ emp    All Firms**

**D6. About how many people in total would you like to employ three to five years from now? (Change from current levels.)**

1. Contract	2.7%	7.3%	10.4%	4.0%
2. No change	25.1	29.3	26.0	25.7
3. Add 1 – 4 employees	33.5	22.0	29.2	29.2
4. Add 5 – 9 employees	13.4	18.3	13.9	13.9
5. Add 10 – 19 employees	8.4	6.1	8.5	8.5
6. Add 20 – 49 employees	2.3	4.9	4.0	4.0
7. Add 50+ employees	4.0	4.9	5.2	5.2
8. (DK/Refuse)	10.6	7.3	9.7	9.7
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**D7. How long have you owned/operated this business?**

1. < Four years	15.2%	11.4%	9.1%	14.2%
2. 4 – 6 years	11.7	15.2	9.1	11.8
3. 7 – 9 years	9.4	6.3	7.8	8.9
4. 10 – 14 years	13.9	12.7	15.6	13.9
5. 15 – 19 years	12.7	13.9	13.0	12.9
6. 20 – 24 years	9.0	8.9	11.7	9.3
7. 25 – 29 years	10.7	10.1	9.1	10.5
8. 30 – 39 years	10.9	13.9	13.0	11.4
9. 40 years or more	7.5	8.9	11.7	8.1
10. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**D8. What is your highest level of formal education?**

1. Did not complete high school	3.0%	1.2%	1.3%	2.6%
2. High school diploma/GED	19.3	16.0	11.7	18.1
3. Some college or an associate's degree	32.0	21.0	15.6	29.1
4. Vocational or technical school degree	3.7	3.7	3.9	3.7
5. College diploma	22.3	34.6	37.7	25.2
6. Advanced or professional degree	17.8	22.2	28.6	19.3
7. (DK/Refused)	2.0	1.2	1.3	1.8
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**Employee Size of Firm**  
**1-9 emp    10-19 emp    20+ emp    All Firms**

**D9. Please tell me your age.**

1. < 25 years	0.7%	—%	1.3%	0.7%
2. 25 – 29 years	1.0	2.5	3.9	1.5
3. 30 – 34 years	4.9	5.1	1.3	4.5
4. 35 – 39 years	5.5	3.8	5.2	5.3
5. 40 – 44 years	9.0	7.6	9.1	8.9
6. 45 – 49 years	12.2	12.7	11.7	12.2
7. 50 – 54 years	11.7	20.3	18.2	13.3
8. 55 – 59 years	17.8	13.9	14.3	17.0
9. 60 – 64 years	14.2	15.2	13.0	14.2
10. 65 – 69 years	9.7	10.1	7.8	9.6
11. 70 – 74 years	3.5	3.8	3.9	3.6
12. 75+ years	3.0	2.5	7.8	3.5
12. (Refuse)	6.7	2.5	2.6	5.8
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**D10. Annual Sales.**

1. < \$250,000	21.8%	2.5%	1.3%	17.7%
2. \$250,000 – \$499,999	23.0	13.8	2.6	20.0
3. \$500,000 – \$999,999	30.9	17.5	11.8	27.6
4. \$1 mil – \$4.9 mil	16.3	51.3	36.8	22.1
5. \$5 mil – \$9.9 mil	2.5	6.3	22.4	4.9
6. \$10+ mil	0.2	2.5	18.4	2.3
7. (DK/Refuse)	5.2	6.3	6.6	5.5
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**D11. Compared to last year at this time, is this business currently much more profitable, somewhat more profitable, about as profitable, less profitable, or much less profitable?**

1. Much more profitable	28.5%	31.30%	26.0%	28.5%
2. Somewhat more profitable	10.9	11.3	10.4	10.9
3. About as profitable	20.4	15.0	18.2	19.6
4. Somewhat less profitable	14.6	18.8	15.6	15.2
5. Much less profitable	10.4	6.3	7.8	9.7
6. (DK/Refuse)	13.6	17.5	22.1	14.9
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**Employee Size of Firm**  
**1-9 emp    10-19 emp    20+ emp    All Firms**

**D12. Region**

1. Northeast	13.1%	17.5%	16.9%	13.9%
2. Southeast	25.2	23.8	20.8	24.6
3. Mid-west	25.3	27.5	27.3	24.7
4. Central	25.2	31.1	26.0	25.9
5. Pacific	11.2	10.0	9.1	10.9
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**D13. Sex (voice recognition)**

1. Male	60.9%	66.7%	79.2%	63.4%
2. Female	39.1	33.3	20.8	36.6
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	201	200	753

**Table Notes**

1. All percentages appearing are based on **weighted** data.
2. All “Ns” appearing are based on **unweighted** data.
3. Data are not presented where there are fewer than 50 unweighted cases.
4. ( )s around an answer indicate a volunteered response.

**WARNING** – When reviewing the table, care should be taken to distinguish between the percentage of the population and the percentage of those asked a particular question. Not every respondent was asked every question. All percentages appearing on the table use the number asked the question as the denominator.

# Data Collection Methods

The data for this survey report were collected for the NFIB Research Foundation by Left Right Research of Ronkonkoma, New York. The interviews for this edition of the *Poll* were conducted in March and April 2011 from a sample of small employers. “Small employer” was defined for purposes of this survey as a business owner employing no fewer than one individual in addition to the owner(s) and no more than 250.

The sampling frame used for the survey was drawn at the Foundation’s direction from the files of the Dun & Bradstreet Corporation, an imperfect file but the best currently available for public use. A random stratified sample design is typically employed to compensate for the highly skewed distribution of small busi-

ness owners by employee size of firm (Table A1). Almost 60 percent of employers in the United States employ just one to four people meaning that a random sample would yield comparatively few larger, small employers to interview. Since size within the small-business population is often an important differentiating variable, it is important that an adequate number of interviews be conducted among those employing more than 10 people. The interview quotas established to achieve these added interviews from larger, small-business owners are arbitrary but adequate to allow independent examination of the 10-19 and 20-250 employee size classes as well as the 1-9 employee size group.

**TABLE A1**  
SAMPLE COMPOSITION UNDER VARYING SCENARIOS

Employee Size of Firm	Expected from Random Sample*		Obtained from Stratified Random Sample			
	Interviews Expected	Percent Distribution	Interview Quotas	Percent Distribution	Completed Interviews	Percent Distribution
1-9	593	79	350	47	352	52
10-19	82	11	200	27	201	25
20+	75	10	200	27	200	23
All Firms	750	100	750	101	753	100

\* Sample universe developed from the Bureau of the Census (2007 data) and published by the Office of Advocacy at the Small Business Administration.

## The Sponsors

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The **NFIB Research Foundation** is a small-business-oriented research and information organization affiliated with the National Federation of Independent Business, the nation's largest small and independent business advocacy organization. Located in Washington, DC, the Foundation's primary purpose is to explore the policy-related problems small-business owners encounter. Its periodic reports include **Small Business Economic Trends**, **Small Business Problems and Priorities**, and now the **National Small Business Poll**. The Foundation also publishes ad hoc reports on issues of concern to small-business owners.

The study was conducted with support from the **Goldman Sachs Foundation's 10,000 Small Businesses**, a \$500 million initiative designed to help small businesses create jobs and economic growth by providing greater access to business education, financial capital and business support services. More information about **10,000 Small Businesses** can be found at, [gs.com/10000smallbusinesses](http://gs.com/10000smallbusinesses).



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