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Tools for Marketing the City: A Survey of the Information Needs of Oakland Businessess

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THE
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SERIES

The University-Oakland Metropolitan Forum is a partnership of the University of California at Berkeley; California State University, Hayward; Mills College; Holy Names College; the Peralta Community College District; and the Oakland community.

University of California at Berkeley
Institute of Urban and Regional Development

Introduction

Investors, corporate executives, employers, job seekers, and home buyers use a wide variety of sources to evaluate a city as a place to live, work or conduct business. A mixture of facts and images. personal contacts and impersonal statistics. first hand experiences and indirect references combine to create an individual's overall impression of a community. These impressions influence many major investment and relocation decisions and are thus very significant in local economic development.

In Oakland, a growing number of persons in the private and public sectors are concerned with the information and the images that have been used to portray the city and its surrounding region. There are at least three basic types of concerns that local people commonly express. We can dub them the negative image problem, the invisible city problem, and the lack of data problem. First, waves of negative or unfavorable publicity about Oakland, often associated with crime problems, periodically wash over the local, regional, and national media. The nature of these reports and the relative exclusion of more positive news in the same media outlets can make it difficult to develop a more balanced, if not more favorable picture of the city and its future prospects.

The second problem is something of the converse of the first: rather than too much attention of the "wrong" kind, the city is rendered largely invisible in discussions of the East Bay or the Bay Area. Major institutions downplay their location in Oakland, preferring to address themselves to and identify with the broader marketing, residential or cultural regions of Alameda County, the East Bay, the Bay Area, or Northern California. (Examples include the titles of some past and present Oakland-based sports teams: Golden State Warriors, California Golden Seals.) Even if Oakland's assets are a key element of what is being described, its distinctiveness and role as the central city are largely submerged.

The third type of information problem concerns the lack of sufficient detailed, updated, effectively presented, and readily available factual data about the local economy, government, population, housing, cultural activities and other dimensions of personal and business life. People involved in efforts to attract new employers or investors report that the lack of such information has hindered their recruitment efforts. The lack of usable data is also a drawback to many community strategic planning efforts.

This paper is primarily an account of an effort to measure the extent of this third type of Oakland information problem. It presents the results of two surveys of local businesses concerning their present use of information for attracting investors, employees, commercial tenants or contracts from organizations outside the area. The survey also tests, in a preliminary way, receptiveness to a proposed new source of information. The results speak not only to the substantial need for new data sources and modes of presentation, but also to the issues raised by the first two problems: negative images of Oakland and the invisibility of the city in consideration of the larger region.

The surveys were undertaken by the Institute of Urban and Regional Development with the cooperation of the Oakland Chamber of Commerce. The research represents one of the first activities of the University-Oakland Metropolitan Forum, a new partnership between the University of California, Berkeley and the greater Oakland community. Our intent is that the findings be useful to the Chamber as it plans new data collection and dissemination projects, to all members of the Forum as they assess Oakland's image and its economic development problems and opportunities, and to planners and researchers involved in local economic development.

Research Objectives and Methods

The central task of the research was to empirically measure the adequacy of existing information sources and estimate the potential demand for a new source of data about Oakland and the East Bay. The Economic Development and Marketing Committee of the Oakland Chamber of Commerce was considering development of a "resource book" which would include numerous separate, computer-generated data sheets on the various aspects of the local economy, population, labor force, governmental and business services, transportation, housing, and cultural and recreational amenities. This project was being considered because committee members and other involved in "marketing Oakland" perceived that the lack of high quality, up-to-date, well-produced information was hurting their efforts. Furthermore, the development of small-scale computer systems and desk-top publishing technology suggested that rather than a single, glossy bound volume, a more flexible collection of documents tied together with a common format could be feasibly assembled. Still, the development costs of such an enterprise would be substantial, and the demand for it relatively hard to predict.

Two closely related surveys were developed to measure different aspects of the business community's use of information. One approach was a set of structured in-person interviews with 18 executives known to be active promoters of Oakland's commerce and commercial property. These individuals were purposively selected by the research team and Chamber members to assure a cross-section of economic sectors. Over 85 percent of the individuals contacted agreed to participate in the interview.

The other approach was a briefer telephone interview conducted with a stratified, randomly selected sample of Oakland-based firms in the Alameda

County Commerce and Business Directory. The sample was designed to represent firms with 100 or more employees in relatively greater proportion than in the population at large, and to also sample more heavily in those sectors deemed to be Oakland's likely growth areas in the immediate future--finance, insurance and real estate, services, research and technology, and certain higher-technology manufacturing. The size of firms and their economic sector (e.g., services, manufacturing, FIRE, retail) were determined to be characteristics that could help us to interpret many trends in the results, and are the independent variables most frequently cited in the following report.

The in-person interviews were intended to elicit opinions, anecdotes, recollections, and more comprehensive answers than would be possible via a telephone interview. Also, the in-person interview permitted the respondent to evaluate an illustrated mock-up of the proposed information packet. The randomly chosen telephone interviews served to provide a statistically valid counterpoint to the in-person "insiders'" perspectives on the current use of information and the demand for more.

Fieldwork was carried out over a four week period in November and December, 1986, utilizing seven interviewers. Telephone respondents received a letter from the director of the Chamber of Commerce soliciting their participation while inperson respondents, as noted, were called upon for permission by a member of the Chamber. The 119 completed surveys were coded for use on Lotus 123 and NumberCruncher statistical programs.

Response Rates

The overall response rate for the telephone interviews was 58 percent. 101 firms out of the 191 in the inital sample agreed to participate inthe survey. (Table 1.) About one fifth of the 90 nonrespondents were ineligible (i.e., closed or moved out of Oakland since publication of the business directory used for sampling). The remaining 74 firms that declined to participate were mainly small firms in the wholesale and retail trade category.

TABLE 1

SUMMARY OF TELEPHONE SURVEY FIELD RESULTS

	Telephone survey	In-person survey
Firms contacted	191	21
Ineligible:	16	
(Moved out of Oakland)	(7)	
(Closed)	(9)	
Eligible:	174	21
Responded	101	18
Did Not Respond	74	3

The highest response rates were among large firms with 500 or more employees (85 percent) and among firms in the finance, insurance and real estate (69 percent) and services (67 percent) sectors. (Table 2.) The response rate among branch firms was also somewhat higher than among local firms -- 56 and 51 percent, respectively.

Structure of Firms in the Sample

The distribution of respondent firms by size and economic sector proved to be very useful in interpreting the findings. There was a strong relationship between these two characteristics of the firms. As shown in Table 3, most trade firms on the telephone survey were small businesses -- nearly half of them had ten or fewer employees. Two thirds of the finance, insurance and real estate firms were medium-sized companies with 25 to 100

TABLE 2

TELEPHONE SURVEY RESPONSE RATE BY STRUCTURE OF FIRM:

SIZE OF OAKLAND-BASED OPERATIONS AND SIC CATEGORY

	NUMBER OF FIRMS		
A. SIZE # of Oakland Employees	Initial Sample	Respondents	Response Rate
LESS THAN 10	64	31	49 %
11 TO 25	41	21	51 %
26 - 100	40	21	53 %
101 - 500	34	17	50 %
501 OR MORE	12	11	85 %
B. S.I.C. CATEGORY			
Services, administration	33	22	67 %
Finance, Insurance, Real Estate	29	20	69 %
Wholesale & Retail Trade	70	28	40 %
Manufacturing	59	31	53 %
C. HOME OFFICE LOCATION			
Oakland-based Firms	121	62	51 %
Branch offices	70	39	56 %
TOTAL FIRMS CONTACTED	191	101	53 %
ELIGIBLE FOR INTERVIEW	174	101	58 %

employees. While more than half of the firms in the services category were also small companies with 25 or fewer employees, about a fifth were very large firms with more than 500 employees. In contrast, more than half of the manufacturing firms were large establishments with more than 100 employees. Still, 29 percent of the maufacturing firms were very small businesses with 10 or fewer employees.

Thus each size category was dominated by different sectors: about 80 percent of the smallest firms in our sample were in the trade and manufacturing sectors; most of the medium-sized firms were in the F.I.R.E. and services categories; and two-thirds of the largest firms were manufacturers.

Moreover, the majority of businesses in trade (75 percent), services (68 percent) and manufacturing (65 percent) were local firms. Thus, local firms made up over 70 percent of the smallest and largest size categories in the sample, while 70 percent of the F.I.R.E. sector firms were branches of corporations headquartered elsewhere.

TABLE 3

SIZE DISTRIBUTION OF FIRMS BY ECONOMIC SECTOR: TELEPHONE INTERVIEW SAMPLE

[N=101]

Size of Firm: (No. of employees)	Standard Industrial Classification Categories			
	Services	F.I.R.E.	Trade	Manufacturing
10 or fewer	27%	15%	46%	29%
11 - 25	27	35	11	16
26 - 100	14	40	25	10
101 - 500	14	10	14	23
501 or more	18	0	4	23
	100%	100%	100%	100%

For the in-person survey, half of the executives interviewed were from medium-sized firms in the finance, insurance and real estate sector. A third were in services, and the remaining three were large manufacturing companies with more than 500 employees. This distribution reflects the pattern of firms with the most active prior involvement in marketing and promotional activities on behalf of Oakland.

Findings

Data from the survey can be roughly divided into three groups:

1. Information needs of local businesses concerning Oakland and the East Bay region
2. Use and effectiveness of the existing sources of data which individuals employ in their efforts to market and promote Oakland
3. Receptiveness to the proposed Chamber of Commerce Oakland marketing information resource.

The results are reported on several different samples: on the telephone survey alone, on the in-person interviews alone, and on the two combined. The combined results refer only to those questions which were asked in similar form in both instruments. Except where noted, comments are from in-person interviewees.

This report is primarily concerned with statistical analysis of the closed-ended questions from the two surveys. An earlier report (January, 1987) provided a complete compilation of the open-ended responses to each question, with each resopndent's firms size and economic sector identified.

1. Information needs of local businesses.

Seventy-three percent of the individuals interviewed by telephone (74 out of 101) were engaged in at least one of the activities for which extensive economic and social information on Oakland and the East Bay would be necessary. Each of these functions might require different types of information, even if many of the same subjects are covered.

Generally, larger the firm, were more likely to have been engaged in one of the information-related activities. In fact, 63 percent of the 27 firms that indicated that they were not involved in any of these activities were small organizations with 25 or fewer employees. Table 4 shows the percentage of firms involved in each activity.

TABLE 4

FIRMS INVOLVED IN ACTIVITIES THAT UTILIZE LOCAL MARKETING INFORMATION

Activity	Percent of all firms [n=101]		
	Very Frequently	Occasionally	Hardly Ever/Never
Recruiting new Employees	10	18	72
Attracting new investors	12	9	79
Seeking out-of-town contracts	32	23	45
Attracting commercial tenants	9	5	86

Twenty-five of the 101 respondents answered negatively to all items in these screening questions designed to determine whether they were engaged in any of the activities likely to utilize economic and social information about Oakland. Their interviews were terminated at that point. The remaining respondents, who stated that they were engaged in at least one of the related activities, were asked the full complement of interview questions.

The types of promotional activities varied for the different types of firms. Manufacturing, trade, and services firms were mainly involved in seeking out-of-town contracts. Nearly three quarters of the forms seeking out-of-town contracts were based in Oakland. Manufacturing and trade firms also made up a majority of the companies that reported that they recruited employees from outside the area. Firms involved in marketing Oakland to attract investors, and to a lesser extent, to attract commercial tenants, were, understandably, in the finance, insurance and real estate category, a sector with a relatively high proportion of branch offices rather than locally owned firms.

Respondents were asked for the geographical range of their contacts for these types of activities. As Table 5 shows, there was a direct relationship between proximity to Oakland and the proportion of firms involved with clients, investors, contractors or potential employees.

TABLE 5

GEOGRAPHIC RANGE OF FIRMS' PRESENTATIONS

Region	Percent regularly making presentations there
Bay Area	74
Elsewhere in California	43
Western US outside California	32
Remainder of US	25
Other Countries	16

Although East Bay locales predominated, a substantial percentage of respondents reported making presentations to a Bay Area-wide market. Internationally, most responses involved Pacific Rim nations, with a smaller number mentioning Europe or other regions. A large proportion of the manufacturing and services firms, and firms with more than 100 employees, reported having contacts outside the Bay Area.

Respondents were given a list of topics and asked how often they were asked for specific factual information about Oakland on each topic. Table 6 presents the list of topics ranked in order of the percentage who reported being asked about the subject "very often." Salaries and crime were the issues cited most frequently, followed by transportation and housing.

Among the in-person interviewees the overall frequency which they report being asked for information on these topics was higher than among telephone respondents. Transportation issues were cited most frequently--that topic comes up "very often" for 11 respondents and "somewhat often" for three others.

The in-person interviewees were also asked what the chose to talk about first when describing Oakland as a place to live, work or do business. Although each respondent had his or her own style and variations on a few themes, the transportation and locational advantages of the city were the predominant initial point most chose to make. The sense that Oakland is "at the center of it all" is one that many Oakland advocates try to convey. (An elaborate slide show produced by the developers of Oakland's City Center project takes the same approach, tracing the city's origins as a port and rail terminus up to its present role as a major transportation hub.)

TABLE 6

ISSUES RAISED BY PEOPLE MAKING INVESTMENT, LOCATION OR RECRUITMENT DECISIONS ABOUT OAKLAND

(Telephone survey)

Topic	How often is your firm asked about this? (Percentage of respondents)			
	Very Often	Somewhat Often	Not very Often	lmost Never
Crime	43%	18%	13%	26%
Wage and salary levels	40	18	17	25
Transportation/parking	37	20	18	25
Housing prices	31	14	13	42
Elem & secondary schools	27	11	16	48
Bay Area economy	21	16	23	40
Commercial rents	21	14	10	55
Taxes	19	12	16	53
Business goods/services	16	19	30	37
Cultural/entertainment	16	13	22	49
Universities/colleges	13	11	24	52
Demographic characteristics	12	16	23	49
Local government services	10	17	28	45
Climate/weather	9	19	14	58
Shopping	9	19	14	58
Utilities	8	6	23	62
Convention facil./services	4	9	22	63

2. Use of existing information sources.

People engaged in the promotion of Oakland as a place to live, work and conduct business have produced their own materials or made use of publications by a number of organizations. Survey respondents were asked whether or not they utilized materials to promote Oakland that have been published by six local organizations. Table 7 shows the telephone survey results ranked by frequency of use.

TABLE 7

USE OF MATERIALS PUBLISHED BY LOCAL ORGANIZATIONS

	PERCENT OF FIRMS USING MATERIALS
Oakland Chamber of Commerce	39%
Convention and Visitors Bureau	15
Tribune or other newspapers	14
Office of Economic Dev. & Employment	10
Port of Oakland	10
Oakland Public Library	4
Other sources	18

Again, usage among the in-person interviewees was somewhat higher, not surprising given their known interest in promoting Oakland. Also, while almost one third (29 percent) of the telephone interviewees' firms publish promotional materials of their own that describe Oakland, half of the in-person interviewees' firms produce their own materials. In most cases, information about the firm is (understandably) foremost, with information about the broader community ranging from a few paragraphs and photographs to much more extensive presentations. (Copies of materials produced by in-person respondents' organizations were collected by the interviewers.)

3. Receptiveness to the proposed Chamber of Commerce Oakland marketing information resource

In the last stage of the in-person interviews, respondents were shown a mock-up of the format for the Chamber of Commerce Oakland marketing book, and told briefly about its proposed contents. They were then asked if their organization would be likely to purchase folders such as these for any of the purposes discussed in the interview, or any other purposes.

Half of the respondents (9 out of 18) said Yes, six others said Maybe or Possibly, and three said No. Those responding Maybe all offered that it would depend on the particular subject matter to be covered and the style of the presentation.

Those who answered Yes or Maybe were queried as to whether their organization would pay 10 or 15 dollars per copy for these resource books. Six of 16 said Yes, three said Maybe or Possibly, and seven said No. Several people suggested that they would pay up to $1 and suggested that the price be set at this level. One respondent said, "It does not need to be glossy," and a few thought that at $1 or less firms could afford to distribute more copies.

Telephone respondents were given a verbal description of the marketing book and asked comparable questions about its appeal to their organization. The results for the entire sample are shown in Table 8, and then stratified by the size of firm, by industrial classification and by whether or not it is a branch or a locally-based firm.

Apparently respondents from larger firms would be more interested in the proposed publication, and local firms more than branch firms. Firms in real estate and finance were far more likely than firms in other sectors to state that they would benefit from such a marketing book, but the services and manufacturing sectors also registered a significant proportion of respondents with potential use for the new materials. The least interest was shown by companies in manufacturing, transportation, construction and other related fields.

TABLE 8

A. "DO YOU THINK THAT THIS KIND OF PUBLICATION WOULD SERVE SOME OF YOUR MARKETING AND INFORMATIONAL NEEDS?"

	PERCENT
YES	43
NO	41
MAYBE/POSSIBLY	16

B. PERCENT SAYING 'YES' TO USFULNESS OF PROPOSED PUBLICATION BY SIZE OF FIRM (# OF EMPLOYEES)

# OF EMPLOYEES	% YES	[N]
LESS THAN 10	22%	18
10 - 25	44%	16
26 - 100	57%	13
101 - 500	50%	14
MORE THAN 500	50%	10

C. PERCENT SAYING 'YES' TO USEFULNESS OF PROPOSED PUBLICATION BY ECONOMIC SECTOR (SIC CODE)

SECTOR	% YES	[N]
Services, administration	47%	17
Finance, insurance, real estate	85%	13
Wholesale and retail trade	15%	20
Manufacturing, construction, transport, communications, etc	39%	23

D. PERCENT SAYING 'YES' TO USEFULNESS OF PROPOSED PUBLICATION BY LOCATION OF HEAD OFFICE

HEAD OFFICE LOCATION	% YES	[N]
Firm based in Oakland	50%	26
Headquarters elsewhere	38%	47

The generally favorable reception given the proposed new marketing book did not extend to paying between 10 and 15 dollars for it, at least for substantial proportions of respondents. Only 18 percent of the telephone respondents said that they would seriously consider purchasing the marketing book if it cost them between 10 and 15 dollars, with another 11 percent saying Maybe. One quarter said that a lower cost might make a difference in their decision.

The most direct way to assess the impact of the proposed price may be to contrast the proportions who say the project would meet their needs with the proportions who might buy copies, for different size and type of firms. Table 9 provides these comparisons for the siz of firms. In each case half or fewer of those interested say they would pay that price. Very similar relationships between those interested and those who would pay also held for the different SIC categories and for the branch/local headquarters dichotomy. Even in real estate, where more than 90% of respondents answered 'yes' or 'maybe' to the usefulness of the information, only half would say 'yes' or 'maybe' to purchasing.

TABLE 9

INTEREST IN PROPOSED INFORMATION SOURCE

COMPARED WITH WILLINGNESS TO PAY

SIZE OF FIRM	PERCENT WHO SAY IT WOULD SERVE NEEDS	PERCENT WHO SAY THEY WOULD PAY $10 - $15
LESS THAN 10	21%	5%
10 - 25	44%	19%
26 - 100	57%	29%
101 - 500	50%	21%
MORE THAN 500	50%	20%

Conclusion

Interest in new sources of information for marketing Oakland was generally high, and could be found most frequently among executives of firms that are attracting not only investors and employees but also prospective commercial tenants. The existing data sources produced by individual firms or by the various service agencies do not have the detail, timeliness, scope and quality of presentation that is apparently needed. However, producers of a new source would be wise to keep it affordable, and to make it as flexible as possible with regard to differnt types of information, to suit a varied audience.

Oakland Business Information Needs Survey

Responses to Open-ended Questions

Key

		SIC CODE	type of classification
Type of Business =	1 =	9000	public administration
		8000, 7000	services
	2 =	6000	finance, insurance and real estate
	3 =	5000	wholesale and retail trade
	4 =	4000	transportation, communications, electric, gas and sanitary services
		3000, 2000	manufacturing
		1000	mining, construction

Firm Size =	1 =	Firms with 1-10 employees
	2 =	Firms with 11-25 employees
	3 =	Firms with 26-100 employees
	4 =	Firms with 101-500 employees
	5 =	Firms with 501 or more employees