

**Exploring Factors That Influence Business Retention & Expansion Efforts
Summary Report: Online Survey**

Prepared for:
The Retention & Expansion Task Force
Boise Valley Economic Partnership

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Executive Summary

An online survey was distributed to 4814 e-mail addresses using lists provided by the Boise Metro, Meridian, and Nampa Chambers of Commerce. E-mails inviting potential respondents to complete the survey went out November 5 to November 8, 2007. The survey remained open to potential respondents through November 20, 2007. A total of 671 responded to at least part of the questionnaire.

Those who responded tended to be business owners or senior managers. The following results describe respondents:

- 81 percent of respondents consider themselves to be a member of senior management, a business owner or a partner;
- 75 percent of respondents reported that their companies are headquartered in the Boise Valley;
- 64 percent of respondents reported that their company's local operations are in Boise (13 percent in Meridian, 11 percent in Nampa);
- 35 percent of respondents reported that their company's local facilities employ 1-10 people (28 percent employ 11-50 people, 17 percent employ 51-100 people);
- 27 percent of respondents reported that their company's total sales were in the range of \$1-4.9 million last year (20 percent reported sales in the range of \$5-24.9 million).

Respondents were optimistic about the Valley business environment. Some results that characterize attitudes/opinions about their company's current and future situation are:

- 68 percent of respondents reported that their company's local facilities employ more people now than they did five years ago;
- 84 percent of respondents reported that their company's sales have increased over the past five years;
- 41 percent of respondents reported that they expect that their company's local facilities will expand in square footage within the next five years;
- 44 percent of respondents said that the local business environment is more favorable now than it was five years ago (36 percent said that it is about the same);
- 81 percent of respondents said that their companies are likely or certain to stay in the Valley.

Respondents were asked to evaluate 53 factors that "might positively or negatively influence your company's retention and expansion plans." The following factors were identified by the largest number of respondents as factors that *positively* affect their companies' retention/expansion plans (listed in rank order by frequency of response):

1. Local economic growth over the last several years (identified by 87.6 percent of respondents as a factor positively affecting their company's retention and expansion plans)
2. Quality of life available to local residents (84.6 percent)
3. Expectations about the future of local economic growth (82.6 percent)
4. Local demand for the products/services that your company provides (80.0 percent)
5. Planning for future growth in the Valley (70.7 percent)
6. Leadership/vision for the Valley's future (67.2 percent)
7. Attitudes/dedication of the local workforce (66.7 percent)

8. Overall quality of local 4-year colleges & universities (63.7 percent)
9. Access to high-quality medical services (62.3 percent)
10. Occupancy costs for local businesses (e.g., land, construction, rent) (60.0 percent)

The following factors were identified by the largest number of respondents as factors that *negatively* affect their companies' retention/expansion plans:

1. Condition of the local road system (identified by 38.8 percent of respondents as a factor negatively affecting their company's retention and expansion plans)
2. Condition of the interstate highway system (38.2 percent)
3. Condition of the local public transportation system (37.4 percent)
4. Level of competition your company experiences locally (25.4 percent)
5. Skills/preparation of the local workforce (23.0 percent)
6. State tax policies (22.2 percent)
7. Local access to community college(s) at the present time (21.8 percent)
8. Zoning/land use policies (20.6 percent)
9. Local tax policies (20.5 percent)
10. Coordination among government entities (19.7 percent)

Most respondents evaluated most factors positively rather than negatively.

Differences in evaluations of factors by location of a company's local operations and by size of the employer are noted in the report. Responses for the following variables differ significantly depending on the size of the employer: plans to expand the company's facilities within the next five years, the reported likelihood that a company will remain in operation in the Valley, and evaluation of the condition of the interstate highway system as a factor affecting company retention or expansion. Evaluations of the following factors differ significantly depending on the location of the company's local operations: local economic growth, quality of life, access to high-quality medical services, the condition of the local public transportation system, and coordination among government entities.

Introduction

The Boise Valley Economic Partnership (BVEP) is the regional economic development organization for the Boise Valley, which includes Boise, Meridian, Nampa, Caldwell, Eagle, Star, Garden City, and Emmett, Idaho. BVEP was created as an independently funded division of the Boise Metro Chamber of Commerce and as a partnership between communities, institutions, chambers and businesses. Its goals are to promote the Valley nationally and globally, to attract good jobs and capital investment, and to keep established businesses from moving away from the Valley.

The Retention and Expansion Task Force was formed to help define BVEP's role in retaining and growing local businesses. Task Force members currently include: Mayor Tammy DeWeerd (chair), Linda Alden, Ron Bitner, Heidi Bogart, Ross Borden, Jean Claude Bruneau, Jason Crawforth, Don Dietrich, Robin Dodson, Paul Hiller, Matt Howarth, Bessie Katsilometes, Katey Levihn, Terry Little, Jack Myers, Dale Newberry, Jennifer Pirtle, Matt Stoll, and Nancy Vannorsdel. The Retention and Expansion Task Force launched a project to help them better understand factors affecting local businesses' retention and expansion efforts. As a partner in BVEP, Boise State University agreed to administer the project.

The project was conducted in two phases: 1) a series of six focus groups conducted with Boise Valley business executives and owners; and 2) an online survey of business executives and owners. The second phase, the online survey, is reported here. The first phase is presented in a separate report.

Project Objectives

The project objective is to explore factors affecting valley businesses' retention and expansion efforts.

Methodology for the Survey

The survey was designed and developed by Trina Segó, professor of marketing at Boise State University, in consultation with the BVEP Retention and Expansion Task Force. Questions were designed to learn about respondents' companies (e.g., sales and employment figures), and to ask respondents to assess factors in the local business environment that might affect company retention and expansion.

E-mail lists were provided by the Boise Metro, Meridian and Nampa Chambers of Commerce. These lists were merged and the following entries were removed from the mailing list:

- Entries that had no e-mail address
- Entries that represented government or nonprofit entities (however, major Valley health organizations remained on the list even though many operate as nonprofits)
- Entries that represented companies located outside of the Boise Valley (e.g., McCall, Twin Falls, Kuna, out of state) as defined by BVEP
- Entries that had duplicate e-mail addresses
- Entries that had duplicate names

An online survey software generated the invitation e-mail and sent it to potential respondents based on e-mail addresses uploaded to the site. The invitation e-mail contained a URL where the survey could be accessed.

E-mails inviting potential respondents to complete the survey went out in batches November 5 to November 8, 2007. A second e-mail was sent to those potential respondents who had not yet responded to the survey; the second e-mail went out in batches November 14 to November 15, 2007. The survey remained open to potential respondents through November 20, 2007.

Survey Response Rates

The e-mail inviting respondents to participate in the survey went out to 4814 e-mail addresses. A total of 655 e-mails were returned as undeliverable. This number includes 60 e-mails that generated automated replies indicating that the intended recipient was "out of the office." Thus, 4159 e-mails may have been delivered, and the known *failure rate* for delivery of the invitation e-mail was 13.6 percent. In addition, an unknown number of e-mails were blocked by spam filters. A total of 750 people opened the survey. Thus, the *click-through rate* based on the estimated number of delivered e-mails is 18.0 percent.

A total of 671 people answered at least one question. Thus, the *partial completion rate* is 16.1 percent. For web-based surveys, the partial completion rate is usually reported as the "response rate." Response rates for surveys vary widely from one project to the next, and are influenced by factors such as accuracy of the mailing lists, the relationship between respondents and the project sponsor, and mode of response (e.g., web. vs. mail). One comprehensive review (Manfreda and Vehova 2002) suggests that partial completion rates for web-based surveys can vary from less than 1 percent to nearly 80 percent. Another comprehensive review reported response rates for web-based surveys that ranged from 11.1 percent to 82.1 percent, with an overall average of 32.7 percent (Manfreda et al. 2008). The response rate of 16.1 percent reported for this project is respectable for a web-based survey on a broad topic sent to a large sample.

A total of 507 people went all the way through the questionnaire (even though they may not have answered every question). Thus, the *full completion rate* is 12.2 percent. A total of 164 people began the questionnaire but did not fully complete it. Thus, the *drop-out rate* is 24.4 percent.

Characteristics of Respondents

Respondents to the survey are business leaders in our community. Eighty-one percent of respondents identified themselves as a member of senior management, a business owner or a partner in their company.

The respondents tend to work for local companies; 75 percent of respondents reported that their companies are *headquartered* in the Boise Valley. Their company's local operations are spread throughout the Valley, with 64 percent of respondents reporting that their company's local operations are in Boise, 13 percent in Meridian, 11 percent in Nampa, 3 percent in Eagle, and 3 percent in Garden City. Five percent of respondents identified the location of their company's local operations as "other"; many of those wrote in responses such as "multiple locations" or "throughout the Valley." Only 6 respondents indicated that their local operations are in Caldwell, only 2 were located in Emmett, and only one was located in Star; because so few respondents are

located in Caldwell, Emmett and Star, they cannot reliably represent those communities; thus, results for those communities (Caldwell, Emmett, Star) are not reported in isolation in this report (however, they are always included in general findings).

Companies represented differ in size. Thirty-five percent of respondents reported that their company's local facilities employ 1-10 people (28 percent employ 11-50 people, 17 percent employ 51-100 people). Twenty-seven percent of respondents reported that their company's total sales were in the range of \$1-4.9 million last year (20 percent reported sales in the range of \$5-24.9 million).

Respondents tend to work for companies that have an established presence in the Valley. On average, the companies that respondents work for have operated in the Valley for 28 years. The longest tenure of operation in the Valley reported was 143 years.

General Results

By nearly most measures, respondents expressed positive attitudes about the Valley business environment. Most reported that business has been good, and that they anticipate continued growth.

Sixty-eight percent of respondents reported that their company's local facilities employ more people now than they did five years ago. Eighty-four percent of respondents reported that their company's sales have increased over the past five years.

Forty-one percent of respondents reported that they expect that their company's local facilities will expand in square footage within the next five years. This finding did not differ significantly according to the location of the company's local operations; that is, respondents who indicated that their companies were likely to expand their facilities are no more likely to operate in one Valley community than in another. However, the number of people employed is significantly related to the company's plans to expand its facilities ($\chi^2=10.6$, $df=4$, $p=.03$)¹. Just over 52 percent of respondents whose companies employ more than 100 people reported that their companies would expand their facilities, while just over 35 percent of respondents whose companies employ 10 or fewer people reported that their companies would expand their facilities. Thus, the larger the employer, the more likely the respondent is to report that the company plans to expand its facilities within the next five years.

Forty-four percent of respondents said that the local business environment is more favorable now than it was five years ago (36 percent said that it is about the same). This finding did not differ

¹ The chi-square (χ^2) tests normality of the distribution within a table formed by cross-tabulating two variables. For example, categories of employer size (small, medium, large employers) might form the rows of the table while categories of response to the intention to expand facilities question (yes, no, don't know) might form the columns in the same table. The chi-square test examines the distribution of respondents within the cells of the table. A large chi-square statistic suggests that the distribution differs from the expected given the percentages of responses to each of the two variables. The probability, or p-value, indicates the probability of the result being a random or chance occurrence. By convention, a p-value below .05 is said to be "statistically significant." If a p-value is larger than .05, the result is not reported or is reported as "not significant." The symbol "df" refers to degrees of freedom, which in the case of a chi-square is related to the number of different response categories that are considered in the cross-tabulation; the degrees of freedom are used to estimate the p-value.

significantly according to the location of the company's local operations nor according to the number of people that the company employs.

Nearly 88 percent of respondents said that their companies are likely or certain to stay in the Valley. This finding did not differ significantly according to the location of the company's local operations; that is, respondents who indicated that their companies were likely or certain to close or relocate are no more likely to operate in one Valley community than in another. However, the reported likelihood or certainty of a company remaining in the Valley is significantly related to the number of people that the company employs ($\chi^2=30.6$, $df=12$, $p=.002$). Nearly 95 percent of respondents whose companies employ more than 100 people reported that their companies are likely or certain to stay in the Valley, while just nearly 82 percent of respondents whose companies employ 10 or fewer people reported that their companies are likely or certain to stay in the Valley. Thus, the larger the employer, the more likely the respondent is to report that the company is likely or certain to remain in operation in the Valley.

Evaluation of Factors in the Local Business Environment

Respondents were asked to evaluate 53 different factors that "might positively or negatively influence your company's retention and expansion plans." Examples of such factors include "quality of life available to Valley residents" and "condition of the local road system." Respondents were asked to indicate whether each factor was a "strong positive influence," "a moderate positive influence," "not an influencing factor," a "moderate negative influence," or a "strong negative influence" on the company's retention and expansion plans.

The complete list of factors is presented in the Appendix. Also noted there is the *mode* of response; mode is a measure of central tendency referring to the most common response for each item.

In the following sections, the ten factors that were evaluated positively (either as a "moderate positive" or a "strong positive" influence) by the largest numbers of respondents and the ten factors that were evaluated negatively (either as a "moderate negative" or a "strong negative") by the largest numbers of respondents are reported and briefly discussed.

Whether each of the factors differed by size of employer or by location of the company's local operations (Boise, Meridian, etc.) was examined. BVEP's Retention and Expansion Task Force expressed interest in these two variables.

Factors Evaluated Most Positively

The following factors were identified by the largest number of respondents as factors that *positively* affect their companies' retention/expansion plans (listed in rank order by frequency of response):

1. *Local economic growth over the last several years* was identified by 87.6 percent of respondents as a factor positively affecting their company's retention and expansion plans. Thirty-two percent evaluated this factor as a "moderate positive" influence, while 55.6 percent evaluated it as a "strong positive" influence. Evaluation of this factor did not differ significantly according to size of the employer; that is, respondents tended to rate this factor equally favorably regardless of how many people their company employs locally. However, respondents'

evaluation of local economic growth over the past several years did differ significantly depending on the location of the company's local operations ($\chi^2=67.0$, $df=28$, $p=.001$). The percentages of positive evaluations (including both "moderate positive" and "strong positive") for this factor for each Valley community are: Boise 86.9 percent, Meridian 89.8, Nampa 90.8, Eagle 92.9, Garden City 86.7, Other 95.7. Thus, respondents who identified their company's location as "other" were most likely to evaluate this factor positively, while respondents who identified their company's location as Garden City were least likely to evaluate this factor positively.² Many of the respondents who reported their company's location as "other" wrote in responses such as "multiple locations" or "throughout the Valley."

2. *Quality of life available to local residents* was identified by 84.6 percent of respondents as a factor positively affecting their company's retention and expansion plans. Nearly 33 percent evaluated it as a "moderate positive" influence, while 51.8 percent evaluated it as a "strong positive" influence. Evaluation of this factor did not differ significantly according to size of the employer; that is, respondents tended to rate this factor equally favorably regardless of how many people their company employs locally. However, respondents' evaluation of the quality of life available to local residents did differ significantly depending on the location of the company's local operations ($\chi^2=47.0$, $df=28$, $p=.01$). The percentages of positive evaluations (including both "moderate positive" and "strong positive") for this factor for each Valley community are: Boise 85.7 percent, Meridian 91.3, Nampa 76.9, Eagle 78.6, Garden City 86.7, Other 73.9. Thus, respondents who identified their company's location as Meridian were most likely to evaluate this factor positively, while respondents who identified their company's location as "other" were least likely to evaluate this factor positively.

3. *Expectations about the future of local economic growth* was identified by 82.5 percent of respondents as a factor positively affecting their company's retention and expansion plans. Nearly 35 percent evaluated it as a "moderate positive" influence, while 47.9 percent evaluated it as a "strong positive" influence. Evaluation of this factor did not differ significantly according to the location of the company's local operations nor to the size of the employer; that is, respondents tend to rate this factor equally favorably regardless of where their company's operations are and regardless of how many people the company employs.

4. *Local demand for the products/services that your company provides* was identified by 80.1 percent of respondents as a factor positively affecting their company's retention and expansion plans. Nearly 32 percent evaluated it as a "moderate positive" influence, while 48.2 percent evaluated it as a "strong positive" influence. Evaluation of this factor did not differ significantly according to the location of the company's local operations nor to the size of the employer.

5. *Planning for future growth in the Valley* was identified by 70.6 percent of respondents as a factor positively affecting their company's retention and expansion plans. Nearly 40 percent evaluated it as a "moderate positive" influence, while 31.0 percent evaluated it as a "strong positive" influence. Evaluation of this factor did not differ significantly according to the location of the company's local operations nor to the size of the employer.

² Caldwell, Star and Emmett had only 6, 1 and 2 respondents, respectively, so responses for those communities are not reliable and thus are not reported here. However, they are included in the general findings.

6. *Leadership/vision for the Valley's future* was identified by 67.1 percent of respondents as a factor positively affecting their company's retention and expansion plans. Forty percent evaluated it as a "moderate positive" influence, while 27.1 percent evaluated it as a "strong positive" influence. Evaluation of this factor did not differ significantly according to the location of the company's local operations nor to the size of the employer.

7. *Attitudes/dedication of the local workforce* was identified by 66.8 percent of respondents as a factor positively affecting their company's retention and expansion plans. Nearly forty-two percent evaluated it as a "moderate positive" influence, while 24.9 percent evaluated it as a "strong positive" influence. Evaluation of this factor did not differ significantly according to the location of the company's local operations nor to the size of the employer.

8. *Overall quality of local 4-year colleges & universities* was identified by 63.8 percent of respondents as a factor positively affecting their company's retention and expansion plans. A total of 42.4 percent evaluated it as a "moderate positive" influence, while 21.4 percent evaluated it as a "strong positive" influence. Evaluation of this factor did not differ significantly according to the location of the company's local operations nor to the size of the employer.

9. *Access to high-quality medical services* was identified by 62.1 percent of respondents as a factor positively affecting their company's retention and expansion plans. A total of 42.4 percent evaluated it as a "moderate positive" influence, while 19.7 percent evaluated it as a "strong positive" influence. Evaluation of this factor did not differ significantly according to the size of the employer. However, respondents' evaluation of access to high-quality medical services did differ significantly depending on the location of the company's local operations ($\chi^2=51.0$, $df=28$, $p=.005$). The percentages of positive evaluations (including both "moderate positive" and "strong positive") for this factor for each Valley community are: Boise 61.5 percent, Meridian 71.8, Nampa 52.4, Eagle 71.4, Garden City 80.0, Other 47.6. Thus, respondents who identified their company's location as Garden City were most likely to evaluate this factor positively, while respondents who identified their company's location as "other" were least likely to evaluate this factor positively. Many of the respondents who identified their company's location as "other" wrote in responses such as "multiple locations" or "throughout the Valley."

10. *Occupancy costs for local businesses (e.g., land, construction, rent)* was identified by 60.0 percent of respondents as a factor positively affecting their company's retention and expansion plans. Just over 36 percent evaluated it as a "moderate positive" influence, while 23.9 percent evaluated it as a "strong positive" influence. Evaluation of this factor did not differ significantly according to the location of the company's local operations nor to the size of the employer.

Factors Evaluated Most Negatively

Few factors were cited as a negative influence on retention or expansions efforts. However, in the interest of identifying potential areas of improvement, the factors that had the largest number of negative evaluations are reported here. The following factors were identified by the largest number of respondents as factors that *negatively* affect their companies' retention/expansion plans (listed in rank order by frequency of response):

1. *Condition of the local road system* was identified by 38.6 percent of respondents as a factor negatively affecting their company's retention and expansion plans. A total of 27.4 percent evaluated it as a "moderate negative" influence, while 11.2 percent evaluated it as a "strong

negative" influence. Evaluation of this factor did not differ significantly according to the location of the company's local operations nor to the size of the employer.

2. *Condition of the interstate highway system* was identified by 38.2 percent of respondents as a factor negatively affecting their company's retention and expansion plans. A total of 26.5 percent evaluated it as a "moderate negative" influence, while 11.7 percent evaluated it as a "strong negative" influence. Evaluation of this factor did not differ significantly according to the location of the company's local operations. However, evaluations of this factor did differ according to the size of the employer ($\chi^2=17.3$, $df=8$, $p=.03$). Nearly 44 percent of respondents whose companies employ more than 100 people evaluated this factor negatively, while just over 36 percent of respondents whose companies employ 10 or fewer people evaluated this factor negatively. Thus, respondents who work for companies that employ larger numbers of people were more likely to report that the condition of the interstate highway system is a factor that negatively impacts their business retention or expansion efforts.

3. *Condition of the local public transportation system* was identified by 37.5 percent of respondents as a factor negatively affecting their company's retention and expansion plans. Nearly 23 percent evaluated it as a "moderate negative" influence, while 14.6 percent evaluated it as a "strong negative" influence. Evaluation of this factor did not differ significantly according to the size of the employer. However, respondents' evaluation of the condition of the local public transportation system did differ significantly depending on the location of the company's local operations ($\chi^2=41.1$, $df=28$, $p=.05$). The percentages of negative evaluations (including both "moderate negative" and "strong negative") for this factor for each Valley community are: Boise 36.9 percent, Meridian 41.5, Nampa 29.0, Eagle 71.4, Garden City 46.7, Other 38.0. Thus, respondents who identified their company's location as Eagle were most likely to evaluate this factor negatively, while respondents who identified their company's location as Nampa were least likely to evaluate this factor negatively.

4. *Level of competition your company experiences locally* was identified by 25.3 percent of respondents as a factor negatively affecting their company's retention and expansion plans. Nearly 20 percent evaluated this factor as a "moderate negative" influence, while 5.5 percent evaluated it as a "strong negative" influence. Evaluation of this factor did not differ significantly according to the location of the company's local operations nor to the size of the employer.

5. *Skills/preparation of the local workforce* was identified by 23.0 percent of respondents as a factor negatively affecting their company's retention and expansion plans. Nearly 19 percent evaluated this factor as a "moderate negative" influence, while 4.1 percent evaluated it as a "strong negative" influence. Evaluation of this factor did not differ significantly according to the location of the company's local operations nor to the size of the employer.

6. *State tax policies* was identified by 22.2 percent of respondents as a factor negatively affecting their company's retention and expansion plans. A total of 19.5 percent evaluated this factor as a "moderate negative" influence, while 2.7 percent evaluated it as a "strong negative" influence. Evaluation of this factor did not differ significantly according to the location of the company's local operations nor to the size of the employer.

7. *Local access to community college(s) at the present time* was identified by 21.7 percent of respondents as a factor negatively affecting their company's retention and expansion plans.

Nearly 16 percent evaluated this factor as a "moderate negative" influence, while 5.8 percent evaluated it as a "strong negative" influence. Evaluation of this factor did not differ significantly according to the location of the company's local operations nor to the size of the employer.

8. *Zoning/land use policies* was identified by 20.7 percent of respondents as a factor negatively affecting their company's retention and expansion plans. Nearly 15 percent evaluated it as a "moderate negative" influence, while 5.8 percent evaluated it as a "strong negative" influence. Evaluation of this factor did not differ significantly according to the location of the company's local operations nor to the size of the employer.

9. *Local tax policies* was identified by 20.5 percent of respondents as a factor negatively affecting their company's retention and expansion plans. Seventeen percent evaluated it as a "moderate negative" influence, while 3.5 percent evaluated it as a "strong negative" influence. Evaluation of this factor did not differ significantly according to the location of the company's local operations nor to the size of the employer.

10. *Coordination among government entities* was identified by 19.7 percent of respondents as a factor negatively affecting their company's retention and expansion plans. A total of 14.6 percent evaluated it as a "moderate negative" influence, while 5.1 percent evaluated it as a "strong negative" influence. Evaluation of this factor did not differ significantly according to the size of the employer. However, respondents' evaluation of coordination among government entities did differ significantly depending on the location of the company's local operations ($\chi^2=42.6$, $df=28$, $p=.04$). The percentages of negative evaluations (including both "moderate negative" and "strong negative") for this factor for each Valley community are: Boise 17.8 percent, Meridian 27.9, Nampa 14.8, Eagle 28.5, Garden City 20.0, Other 25.0. Thus, respondents who identified their company's location as Eagle were most likely to evaluate this factor negatively, while respondents who identified their company's location as Nampa were least likely to evaluate this factor negatively.

Limitations

The mode of delivery (e-mail, mail, telephone) for a survey brings with it certain limitations. Administering a survey online introduces a response bias in favor of technologically proficient respondents; that is, compared to other potential respondents, those who are not technologically proficient or do not regularly access the web are much less likely to respond to a web-based survey. Furthermore, even though steps were taken with this project to minimize interference from spam filters, those filters likely prevented the delivery of surveys to some respondents.

The invitation to participate in the survey and the opening page of the survey itself referred to Boise State University and to the Boise Valley Economic Partnership as administrators of the project. Identifying the sponsoring organizations is important to the integrity of the researcher-respondent relationship; however, doing so may have biased responses, particularly responses to questions related to university education.

Summary and Conclusions

In response to questions about how the Valley business environment might affect their business retention and expansion efforts, most survey respondents gave favorable responses. They

evaluated many factors in the environment positively, such as local economic growth, quality of life, and expectations about future growth. Respondents indicated that many factors in the local environment (e.g., freight rail service, availability of supplies or raw materials) were "not an influencing factor"; respondents either regard those factors as inconsequential, or they perceive the local business environment as being on par with other markets in regards to those factors. The factor that was evaluated most negatively was the condition of the local road system.

Results were fairly consistent across employers and communities. Forty chi-square tests examined 1) relationships between (positive and negative) factors and size of the employer; and 2) relationships between factors and the Valley community in which the company operates. Six of these tests emerged as statistically significant (one attributed to the size of the employer, and five attributed to the Valley community in which the company operates). Based on probabilities, some of those significant results are likely due to Type 1 error. That is, some statistical analyses will emerge as significant due to chance alone. Such erroneous significant results are analogous to "false positive" results in medical testing and other contexts. There is no way to confirm which significant survey results are due to Type 1 error. However, one might speculate that significant results that are difficult to interpret (e.g., are inconsistent with Focus Group results) may be erroneous.

Both focus group participants and survey respondents expressed more consensus about positive factors in the Valley's business environment than about negative factors. Focus group respondents overwhelmingly agreed that quality of life and economic growth and opportunity were positive factors affecting their businesses. Focus group participants were less likely to agree about factors negatively affecting their businesses; for example, some participants said hiring is a challenge, while others said that they have no problem hiring (see the Focus Group report).

In response to the survey, the percentages of positive evaluations tended to be large, while the percentages of negative evaluations tended to be smaller. For example, 87.6 percent of respondents indicated that local economic growth over the last several years is a factor that has a positive influence on their company's retention and expansion plans. By comparison, only 38.6 percent of respondents indicated that the condition of the local road system has a negative influence.

During the focus group phase of this project, focus group participants expressed concerns about recruiting employees, the future of the local economy (including the status of major local employers), planning for growth, and the transportation infrastructure, among other issues (see the Focus Group Report for further discussion). Only the latter concern (regarding infrastructure) clearly emerged as a negatively evaluated factor among survey respondents (i.e., negatively evaluated by 38.6 percent of respondents, positively evaluated by 35.1 percent, considered "not an influencing factor" by 26.2 percent). Two survey questions related to workforce (i.e., attitudes/dedication of the local workforce and skills/preparation of the local workforce) generated more positive responses than negative ones. And two survey questions related to future planning (i.e., coordination among government entities and leadership/vision for the Valley's future) generated more positive responses than negative ones. Thus, one might conclude that, with the exception of evaluation of road conditions, survey respondents did not confirm the negative evaluations that focus group participants expressed.

References

Manfreda, Katja L. and Vasja Vehovar (2002), "Survey design features influencing response rates in web surveys." Paper presented at the International Conference on Improving Surveys, University of Copenhagen, Denmark.

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Appendix

Factors Evaluated by Respondents As Affecting Company's Local Retention and Expansion Plans

The *mode* (most frequent response) is noted in parentheses following each factor.

Factors that the largest number of respondents indicated are a *strong positive influence* on their company's local retention and expansion plans:

- Local economic growth over the last several years (55.6 percent of respondents reported that this factor is a strong positive influence on their company's local retention and expansion plans.)
- Quality of life available to local residents (51.8 percent)
- Local demand for the products/services that your company provides (48.2 percent)
- Expectations about the future of local economic growth (47.9 percent)

Factors that the largest number of respondents indicated are a *moderate positive influence* on their company's local retention and expansion plans:

- Public attitudes toward business (44.3 percent of respondents reported that this factor is a moderate positive influence on their company's local retention and expansion plans.)
- Overall quality of local 4-year colleges & universities (42.4 percent)
- Access to high-quality medical services (42.4 percent)
- Quality of fire protection (42.3 percent)
- Attitudes/dedication of the local workforce (41.9 percent)
- Leadership/vision for the Valley's future (40.0 percent)
- Planning for future growth in the Valley (39.6 percent)
- Quality of police protection (39.7 percent)
- Reputation of the Valley in the national media (38.7 percent)
- Overall quality of K-12 public education (38.4 percent)
- Access to local decision-makers (government & business leaders) (38.3 percent)
- Skills/preparation of the local workforce (37.9 percent)
- Occupancy costs for local businesses (e.g., land, construction, rent) (36.1 percent)
- Quality of internet/broadband services (35.0 percent)
- The level of competition your company experiences locally (31.0 percent)

Factors that the largest number of respondents indicated are *not an influence* on their company's local retention and expansion plans:

- Quality of freight rail services available locally (74.3 percent of respondents reported that this is not a factor that influences their company's local retention and expansion plans.)
- Availability of high-quality supplies or raw materials needed to operate your business (70.6 percent)
- Availability of incentives such as subsidies or grants (64.3 percent)
- Local availability of social support services (e.g., services for the poor, drug treatment programs) (62.5 percent)
- Availability of venture capital investments (60.6 percent)
- Availability of financial planning services (60.2 percent)
- Services provided by the U.S. Postal Service (57.4 percent)
- Condition of the public sewer system (56.3 percent)
- Availability of business planning services (54.7 percent)
- Condition of the public water system (54.4 percent)
- Cost of gas utility services (45.9 percent)
- Quality of telephone services (45.3 percent)
- Condition of K-12 public school infrastructure (e.g., condition of buildings) (45.3 percent)
- Cost of electric utility services (45.0 percent)
- Coordination among government entities (43.3 percent)
- Availability of credit (42.7 percent)
- Availability of specific services needed to operate your business (42.2 percent)
- Local access to community college(s) at the present time (41.7 percent)
- Reputation of Idaho in the national media (41.4 percent)
- Quality of Boise airport services (40.4 percent)
- Availability of high-quality IT support services (40.2 percent)

Licensing or other local/state regulatory requirements specific to your industry (39.3 percent)
Availability of graduate/professional programs at local universities (39.0 percent)
Local availability of technical training (38.8 percent)
State government (38.1 percent)
Local tax policies (37.9 percent)
Condition of the downtown area in the city where your business operates (37.1 percent)
Local government (36.9 percent)
Condition of the local public transportation system (34.7 percent)
State tax policies (34.6 percent)
Zoning/land use policies (32.0 percent)
Housing costs (31.6 percent)
Condition of the interstate highway system (27.5 percent)

Factors that the largest number of respondents indicated are a *moderate negative influence* on their company's local retention and expansion plans:

Condition of the local road system (27.4 percent reported that this factor is a moderate negative influence on their company's local retention and expansion plans.)

Factors that the larger number of respondents indicated are a *strong negative influence* on their company's local retention and expansion plans:

"Strong negative influence" was not the most common evaluation of any of the factors examined in the survey.