

2011 Irvine Chamber of Commerce Business Survey

Final Results

**This copy has been prepared for
The Irvine Chamber of Commerce**

**By
MacKenzie Corporation
December 9, 2011**



Purpose and Scope

Background

For the second year The Irvine Chamber of Commerce Economic Vitality Committee sponsored a local Business Survey. The main objectives of the Business Survey are:

- Gaining a better understanding of the businesses operating within the Irvine area and their economic impact;
- Gaining insights into the overall business climate in Irvine: why businesses chose to locate in Irvine; are they satisfied with their choice; what issues they are facing; and what can the Irvine Chamber of Commerce do to assist them.

MacKenzie Corporation and The OC Register have been hired to conduct the business survey. In combination with the Economic Vitality Committee, MacKenzie Corporation designed the questionnaire and performed the analysis of the results of the survey. The OC Register was responsible for the distribution of the survey and the data capture of the responses.

The results of this survey will be published in a report that will be mailed to all businesses in Irvine. In addition, the results will be presented to Irvine officials and will be used to focus future marketing campaigns.

Business Survey Project Scope

To provide the Irvine Chamber of Commerce with a clear understanding of the types of businesses in Irvine, what conditions and challenges they currently face, how do they feel about doing business in Irvine, and their thoughts concerning the Irvine Chamber of Commerce.

Team

MacKenzie Corporation – MacKenzie Corporation has been assisting clients effectively understand and communicate with customers for over 20 years. Through their full scope of services, they deliver results with clear strategic implications – not just numbers and charts, but action plans to increase overall marketing ROI. Services include: Customer and market analysis, market research, satisfaction surveys, customer follow up and direct marketing.

OC Register – Orange County Register Communications, Inc. is a leading news and information company that publishes a diverse portfolio of newspaper, magazine and internet products. Based in Santa Ana, Calif., Orange County Register Communications publishes The Orange County Register, a three-time Pulitzer Prize-winning newspaper and the area's most trusted source of news and information since 1905. The company also publishes 24 community newspapers, including Spanish-language Excelsior.

Irvine Chamber Economic Vitality Committee – The Irvine Chamber of Commerce is a non-profit business organization (501C6) which represents the business community of Irvine and provides benefits and services to the membership. Chris Lynch heads the Irvine Chamber's Economic Vitality Committee which works on the implementation of the economic development programs on behalf of the City of Irvine.

Survey Design

Mackenzie Corporation worked closely with the Irvine Chamber Economic Vitality Committee to first determine the goals of the project and then design survey questions which specifically addressed their goals. The length of the survey was closely monitored to ensure that only questions that were relevant to the goals were included and to keep the total survey response time under 10 minutes.

The team met several times to finalize the survey questions. Once they were given the final approval by all parties the survey questions were handed off to the OC Register.

Survey Deployment

The OC Register deployed the Irvine Chamber of Commerce Business Survey in a variety of methods:

Paper copies:

- Mailed out to 12,752 businesses on Tuesday, September 13th.
 - Mailing included a personalized letter from the president of the Irvine Chamber, Talia Hart, 2-page double sided survey, and a pre-paid return envelope.
- Respondents were given until October 24th to respond to the survey.
- Responses were mailed back to the Irvine Chamber office and then they were entered into the online system by OC Register staff.

Online Version (conducted using Zoomerang):

- First e-mail blast went out on October 6th;
- Second e-mail blast went out on October 12th;
- Third e-mail blast went out on October 18th;
- One half page vertical ad for Irvine World News posted on September 15th
- Big Box 300x250 online ad on www.ocreger.com on Irvine pages only – posted on September 15th
- Mobile Online Banners

Responses

There were 391 responses to the Irvine Chamber of Commerce Business Survey. This represents a 3.07% response rate. There were roughly 18% of all respondents that were repeats from the previous year. Overall there were 75 less responses in 2011 versus 2010, equaling a 16% decrease in responses. There were 160 paper responses and 231 online responses. Roughly 14% of respondents were Chamber members – this is a 50% increase from the 2010 survey.

Incentive

As an encouragement to fill out the survey, five Vizio Tablets were used as an incentive. In order to enter the drawing businesses had to complete and return the survey. The OC Register administered the drawing and selected five Irvine businesses randomly.

Survey Analysis

Mackenzie Corporation was given survey results on November 17th. This data was then summarized and key findings were presented to Economic Vitality Committee on December 9th.

Executive Summary

Overall Findings

The 2011 survey results show an increase in the overall satisfaction level from the previous year. In 2010 69% of respondents were Completely Satisfied or Very Satisfied, while in 2011 that number jumped up to 80.5% (a 16% increase). Interesting to note that 83.3% of Chamber members were Completely Satisfied or Very Satisfied.

Over the next 6 months, a majority of businesses believe that they will maintain their current business operations. Compared to the 2010 results there was an increase in the number of businesses looking to expand, while there was a decrease in the number of business who said that they were planning on downsizing or relocating.

When asked about current business challenges the top challenge selected by businesses today is the “Economy” (this was a new option from last years survey so we can not see if this increased or decreased). This was followed by “Decrease in Sales” and “Increased Government Regulations” – both of which decreased from last year.

This year there was a drastic increase in businesses that were aware of the services provided by the City of Irvine as well as businesses that are actually using the services. In addition more businesses (Chamber members and non-Chamber members) agree with positive statements about the Irvine Chamber, such as it being a “Valuable Resource in the Community” and “Providing Opportunities to Network). This would seem to be a direct correlation with the efforts put forth by the Chamber in the previous year.

Define Your Business

In the 2011 survey results “Professional Services” ranked as the top business type among survey respondents with 37% of the responses. The second most popular response was “Business Services” with 13.3% of the responses. This year there was a drastic decrease in the number of “Other” responses – this can be partially contributed to the additional explanation of the categories on the survey.

For cleaner cross-tabulation purposes, results were organized into 6 different larger business type groups:

- Professional Services (37.1%)
- Business Services (21.1%)
- Financial / Manufacturing / Life Sciences (19.9%)
- Retail / Tourism / Hospitality / Food & Beverage (9.0%)
- Wholesale / Distribution (7.9%) – *this option was new for 2011*
- Other (4.9%)

Over 69% of the responding businesses categorized themselves as having their headquarters in Irvine (up 8% from 2010). This change came from a 4% decrease in the Branch and 3% decrease in Home-based businesses.

46.5% of the businesses have 1-5 employees, “Professional Services” has the highest percentage (53.8%) of 1-5 employees. It is interesting to point out that both the “6 -15” and “16 - 30” categories jumped in their responses. It was impressive to note that 47% of survey respondents have been in business in Irvine for 10+ years.

Business Outlook

Respondents were asked what challenges they are currently facing.

- Based on the 2010 survey results two new options were added to the 2011 survey: Economy and Taxes – both which had a large % of respondents facing them.
- It is positive to note that most of the respondents that are experiencing these Current Challenges decreased.
- One notable increase is that the Retail / Food business type had an 11% increase in responses for “Decrease in Sales”

Current Challenges By Current Business Type							
	Prof. Services	Business Services	Financial / Manuf / Science	Retail / Food	Whole / Distrib.	2011 Total	Overall % Change from 2010
Economy	60%	51%	56%	74%	65%	58%	N/A
Decrease in sales	37%	46%	45%	74%	39%	43%	-22%
Increased Govt. regulations	26%	21%	32%	20%	23%	25%	-14%
Taxes	23%	21%	17%	40%	32%	23%	N/A
Employee Benefits	21%	21%	22%	11%	23%	20%	-5%
Cost of commercial space	18%	16%	30%	34%	10%	20%	-35%
Competition - larger companies	17%	23%	27%	26%	7%	20%	-27%
Lack of financing	11%	28%	19%	14%	23%	18%	-24%

In regards to what the next 6 months will bring, 69% responding businesses said that they were going to “Maintain Current Business Operations”. It is encouraging to see that in 2011 there is an increase in the percent of businesses looking to expand and a decrease in the percentage of companies downsizing.

Business Actions to be Taken in the Next 6 Months			
	2010	2011	% Change
Maintain Current Business Operations	72%	69%	-4%
Expand Business in Irvine	20%	23%	15%
Downsize Business in Irvine	8%	6%	-28%
Relocate outside Irvine	12%	3%	-75%

Doing Business in Irvine

The top three attributes of Irvine in regards to Satisfaction are:

1. Image of City (86.4% marked Extremely or Very Satisfied) – 12% ↑
2. Access to Transportation (77.7% marked Extremely or Very Satisfied) – 14% ↑
3. University / Colleges (74.7% marked Extremely or Very Satisfied) – 23% ↑

There are large increases in the % of respondents that were aware of (and using) the services available to businesses in Irvine. This can be partly attributed to the clear descriptions that were given this year on the survey versus last year as well as increased communication about the services from the city and the Chamber.

Awareness of Available Services (% of Yes Responses)			
	2010	2011	% Change
Small Business Consulting	28%	41%	48%
Manufacturing Assistance	14%	19%	39%
Import / Export Assistance	14%	30%	119%
Entrepreneur Assistance	21%	30%	48%
Business Organizations	40%	74%	86%
Employment Assistance	N/A	48%	
Networking Events	N/A	67%	
Community Leadership Opportunities	N/A	53%	

% Using Services		
2010	2011	% Change
4%	8%	93%
2%	4%	84%
2%	6%	200%
3%	5%	69%
11%	24%	125%
N/A	7%	
N/A	23%	
N/A	16%	

Irvine as a Business Location

Roughly 80.5% of respondents were either Completely Satisfied or Very Satisfied with the City of Irvine as a place to do business, which is a 16.5% increase over last year. Professional Services again seem to be the most satisfied with doing business in Irvine, while the largest percentage for Retail / Food was still in the Somewhat Satisfied category (28%).

When asked how likely they are to recommend others to relocate to Irvine, most of the respondents are passive “users” of the City meaning that they are satisfied with doing business in Irvine, but are not actively promoting the City to others.

- Promoters would be those that give a 9 or 10 when asked if they would recommend, these are the people that are actively promoting Irvine as a place to do business (33.7% of responders were promoters – a 33% increase from 2010).
- Passive users are those that answer 7 or 8, these people are satisfied, but are unenthusiastic customers who can be wooed by the competition (45.6% of responders were passive).
- Detractors are those who answer with a 1 – 6. They are not promoting Irvine and in many ways may be detracting from it (20.8% of responders were detractors – a 39% decrease from 2010).

It is very positive to see that for every statement about the Irvine Chamber the agreement percentage increased – for Chamber members as well as non-Chamber members.

Agreement with Statement About Irvine Chamber (% of Agree Responses)						
	Members			Non-Members		
	2010	2011	% Change	2010	2011	% Change
Valuable Business Resource in the Community	81%	96%	19%	44%	58%	31%
Provides Opportunity to Network	86%	98%	14%	42%	58%	38%
Provides Legislative and Business Advocacy	50%	83%	67%	34%	40%	17%
Valuable Resource for Small Business	75%	89%	19%	42%	51%	22%
Provides Educational Opportunities	56%	87%	56%	33%	42%	28%
Provides Marketing and Promotional Opportunities	61%	83%	36%	36%	43%	19%
Valuable Resource for Big Business	53%	69%	30%	33%	37%	14%
Good Value for Money	69%	87%	25%	30%	32%	7%