Business information: five key findings of a survey

Sylvia Lauretta Edwards & Barbara Ewers

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Reports five key findings from a survey comparing the use of
internal and external information services by business persons in
the City of Brisbane. The *Business information: an investigation
of its sources and use* survey was undertaken on behalf of
Queensland University of Technology (QUT) Library's *Expert
Information Service*. The survey aimed to determine where and
how business information is currently sourced; how often and
why information is sought from any particular source; and any
problems people have in finding business information.

The main findings of this survey are:

- medium small businesses are highly interested in commercial information services;

- internal information services [that is, some separate section in the organisation that provides information; whether or not it is called a library was not important] are heavily used to source business information needs and they rate higher than external information services for computer training, competitor analysis and consultancy services;

- external information service units rate much higher than internal information services for their ability to provide information searching and patents and standards access;

- the majority of respondents have never used a library Fee-Based Information Service [FBIS];

- the Internet is currently the most relied upon electronic form of information resource; and

'...the majority of respondents have never used a library fee-based information service [FBIS]...'

• FBIS units should operate within commercial parameters, providing accurate, timely and up-to-date information for their clients in the most convenient and specific manner possible.

The survey was conducted as part of a research program for Queensland University of Technology (QUT) Library's commercial information arm, *Expert Information Service.* It aimed to determine where and how business information is currently sourced; how often and why information is sought from any particular source; and any problems people have in sourcing business information.

Previous surveys have produced varying results that detail business use of information services or libraries. One finding that seems to be consistent is a general lack of business interest in libraries. Johnson and Kuehn (1987) found that small business owners primarily use verbal sources of business information. Harper (1986) surveyed business persons and farmers in the Illinois region and found that most relied on their own personal libraries or asked their peers for verbal information while using few other resources. In general libraries ranked well below other possible sources of business information. Harper believed that in the majority of cases there was a general lack of awareness of the types of information resources available in libraries. Major (1990) found that directors of Small Business Development Centers in Mississippi tended to develop resources independent of libraries. The directors did use libraries but they did not consider them to be a primary information resource.

Two Australian and New Zealand studies, Chalmers (1995) and Maguire and Kench (1974) report similar findings. Maguire and Kench's study of over 900 small manufacturers found that verbal sources were the most common means of sourcing business information needs. Chalmers' more recent study which details research undertaken at the National Library of New Zealand found that in the majority of cases managers did not *systematically* seek information. Managers tended to use personal sources of information and in general have a limited perception of dimensions of their own information needs and how these might be met through the use of information services.

Maguire and Kench also found that small business manufacturers appeared to be relatively unaware of their dependence on information from the external environment. As businesses increased in size it was found that they received [via the mail] increasing quantities of printed information from external sources. This in turn appeared to lead to a greater use of printed sources of information by the larger manufacturers.

Stewart (1994) asserts that 'Queensland is the small business capital of Australia'. Queensland enjoyed a 44 per cent increase in the rate of employment in the small business sector between 1983 and 1993. Small business is defined in this sense as non-manufacturing companies employing less than 20 employees or manufacturing companies employing less than 100 employees.

Background to the study: the Expert Information Service
Historically the Queensland University of Technology (QUT) Library has had a strong commitment to community services, in particular to the business sector, developing programs to accommodate needs and expectations of non-QUT users. In addition to its range of non-commercial activities such as library tours and instruction for community groups, reciprocal memberships, interlibrary lending and professional contribution, the Library offers individual and corporate associate memberships, Australian Biblio-

graphic Network training and database production. A document delivery/reference facility, *Expert Information,* is provided on a commercial basis.

Expert Information was established as a result of Rickards, Best and Linn's (1989) survey of engineering companies. It operated as a part of QUT Library's Gardens Point Reference Services, co-ordinated by a reference librarian who assigned searches to relevant librarians as needed. After an initial launch campaign and mailout, the service wasn't actively marketed. However, it was recommended by staff in appropriate situations and its reputation did spread through word of mouth. It is currently operated in a similar 'on demand' fashion, with a community services librarian co-ordinating client contact and searching. In recent years, two factors have influenced the library to use existing resources and staff skills for the strategic advantage of income generation:

- Universities in the last few years have been affected by reduced public sector spending. Most have accepted that the funding stagnation and cuts are not the results of temporary movements in the economy but, in fact, signal a permanent shift in the priority of government expenditure. Concurrently, the cost of technological infrastructure continues to increase even as it underpins future developments in teaching and learning. This dilemma is faced by each university as a whole. No unit or division can avoid the impact of these funding shortfalls.

- Secondly, as students bear more of the cost of their own education and, in a buyers' market have more choice in where they will study, to establish a unique institutional profile becomes increasingly important. QUT is a new university in a competitive environment and library management recognises the need to develop a unique profile in the tertiary education sector. The library can contribute significantly to the overall impression the community has of the university. A pro-active and visible library within it and in the external professional and business community enhances image and profile.

QUT Library decided to reassess the *Expert Information Services* (EIS) in the light of these factors, and its potential to generate income. Before relaunching and marketing a reference service in the current information climate, the library needed to update its knowledge of local target markets and niche products. QUT Library sponsored the *Business information* survey project in order to gather information as a foundation for its commercial and community activities. Given the spread of Internet technology, the Library was particularly interested in determining how far small businesses had integrated it into their business environment.

Method
The survey instrument, *Business Information: an investigation of its sources and use* had four aims: to identify

1. the service areas of fee-based information service units that should be targeted for marketing strategies;

2. the sources of information currently accessed to make business decisions;

3. what awareness business people had of commercial information services such as FBIS, independent information brokers, consultants);

4. to establish if business people are currently using commercial information services.

Dillman's (1978) Total Design Method (TDM) was used to construct a questionnaire survey. Dillman states:

> Essentially, getting a good response rate [to a mailed survey] boils down to making respondents feel as though they are doing something worthwhile that also happens to be enjoyable, and making sure respondents know that you appreciate the effort they made.

Dillman is widely accepted as providing a comprehensive set of practices to increase response rates in mailed surveys. Dillman suggests the survey instrument should be printed in booklet form, be approximately the size of an examination booklet, and that it should contain no more than ten interior pages. Further, the front cover should capture the respondents' attention, include sponsor details to convey legitimacy, and some general instructions with one or more graphic illustrations to make it attractive. Dillman believes that the *structure* of the questions will affect the response rate significantly. Response rates hinge on ensuring that the first few questions are easy to complete, are not open questions, and that they are neutral and applicable to all members of the target group. The remainder of the questions should then be arranged with items of similar content grouped together, providing transitions from one section to another, and any sensitive items arranged towards the end of the section.

Instrument
Prior to the final survey a pre-pilot test and a pilot survey were conducted; the final survey instrument, which was designed following Dillman's TDM, had 28 questions. Qualitative questions employed the use of scales varying from three to seven rankings. Most commonly used was a five-point scale where the smaller numbers of the scale held a positive meaning and the larger numbers a negative meaning. Included were broad sections aiming to determine where business information is found, how it is found, how often from any particular source, why that source is used and any problems business people have in finding business information. Summary findings only will be reported here. For detailed findings of this research see Edwards, *in progress*.

Expected response rates
Response rates for mailed surveys vary: Dooley (1995) and Nederhof (1985) report rates around the 20 to 30 per cent mark; Alreck & Settle (1995) state that 5 to 10 per cent is considered satisfactory and over 30 per cent fairly rare. It was expected that this survey would have a response rate of around the 25 per cent mark: the actual response was 28%.

Participants
In the light of Queensland being the 'small business capital of Australia' it was decided that the target group would include managers of small businesses, legal professionals, architects and engineers. The selection of small business, law, built environment (architecture), and engineering also correlated with the main subject strengths of the QUT Library. It was decided also to limit the mailout to addressees within 10 kilometres of the central business district of the City of Brisbane where these libraries are located.

A mailing list of approximately 1200 companies, supplied by *Direct Marketing*, formed a primary database from which a random sample [310] of small business managers, lawyers, architects and engineers, was selected. It included 70 architectural firms, 70 law practices; 70 Engineers and 100 small businesses (with one to 20 employees only). It was also decided to break down the 100 small business firms into three separate categories to identify if any differences occurred between small business with varying

employee numbers: Small Small Business (SSB) with one to six employees; Medium Small Business (MSB) with seven to eleven employees and finally Large Small Business (LSB) with 12 to 20 employees.

Summary of key findings in relation to each of the original aims.

Aim 1

- The potential clients of FBIS units that should be targeted in marketing strategies are medium small businesses.

- Medium small businesses are more interested in the topic overall and are therefore more likely to be interested in commercial information services than the other groups.

Aim 2

- The sources of information currently accessed to make business decisions are internal information services and professional associations.

- Internal information services are heavily used to source business information needs.

- Professional associations are more heavily used than any other external information service.

Aims 3 & 4

- Business peoples' awareness and use of commercial information services such as FBIS, independent information brokers and consultants falls into a few sub-categories:

  - External information service units rate much higher than internal information services for their ability to provide information searching and patents and standards access.

  - Internal information service units rate higher than external information services for computer training, competitor analysis and consultancy services.

  - FBIS units should aim to understand the commercial paradigm, providing accurate, timely and up-to-date information for their clients in the most convenient and specific manner possible.

  - Ninety per cent of respondents have never used a library-based FBIS.

One further finding of interest was that the Internet is currently the most relied upon electronic form of information resource but its use is not expected to increase. Online database services and CD-ROMs are both expected to have increased usage in the future.

Response rates differed significantly between participant groups

One of the major findings of this survey has been the difference in response rates between sub-groups of the overall sample (see table below). While the overall response rate was 28 per cent, the individual response rates in the sub-group categories vary from 19 per cent for engineers to 63 per cent for medium small businesses. Gillpatrick, Harmon and Tseng (1994) have already suggested that engineers in general have extremely low response rates which can only be increased by a nominal monetary gift[!] or other reward system. As no reward system was included in the survey the final response rate for engineers in this survey was not unexpected. Given an expected 25 per cent response rate overall, two of the sub-groups response rates are notable. In particular, small businesses with between seven and eleven employees would appear to be highly interested in the topic of the survey judging from their response rates. MSBs and LSBs each gave above average rates. Table one shows the return rates for all sub-

groups. This suggests that MSB's are highly interested and are therefore a primary potential market for FBIS. LSB's are also a potential market.

Group	N° mailed	N° required	Final n° in sample group	N° returned	N° useable	Return rate
Architects	70	3	67	18	16	27%
Engineers	70	5	65	12	12	19%
Lawyers	70	3	67	15	15	22%
Small Small Business (SSB) 1–6 employees	47	8	39	9	9	23%
Medium Small Business (MSB) 7–11 employees	31	4	27	17	17	63%
Large Small Business (LSB) 12–20 employees	22	nil	22	8	8	36%
TOTAL	310	23	287	79	77	28%

Table 1. *Response rates for business information survey November 1996*

Use of internal information services

Internal information services are heavily used to source business information needs with 70 per cent of respondents stating that they use their internal information service at least weekly. 65 per cent of respondents had a library or some form of internal information service, a result similar to that of Rickards, Linn and Best (1989, p65). However, while they sought to determine the size and management of these libraries, we concentrated on the current usage patterns of any form of internal information service.

Figure one shows the frequency of use for internal information service units. A surprising 70 per cent of respondents stated that they would use their internal information service at least once per week to source business information needs.
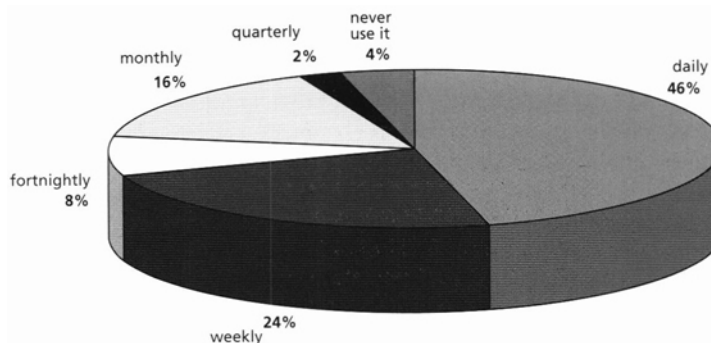
Internal information service usage

Figure 1: Use of internal information services by business persons November 1996

Use of external information services

Professional associations are more heavily used than any other external information service. FBIS units are rarely used to source business information needs.

Respondents were asked whether or not they used any form of external information and to specify how frequently they use these services. They were given a choice of commercial services to choose from, including Australian Institute of Management, AUSTRADE, Small Business Development Corporation, other professional associations, consultancy services, State Library of Queensland's BRISQ (Business Research and Information Service Queensland), QUT's *Expert Information Service,* or 'other'. Figure 2 shows the forms of external information service units used to source business information needs. 70 per cent of respondents use professional associations, private consultancy services and other types of external information services such as SPECIDATA, law libraries, Cd-Roms, Internet).

It is also clear that FBIS units like BRISQ and *Expert Information Service* are not used extensively for business information needs. Approximately ten per cent of respondents claim to use FBIS units, conversely approximately 90 per cent would never use a library-based FBIS unit to source business information.

Current external information service used to source business information
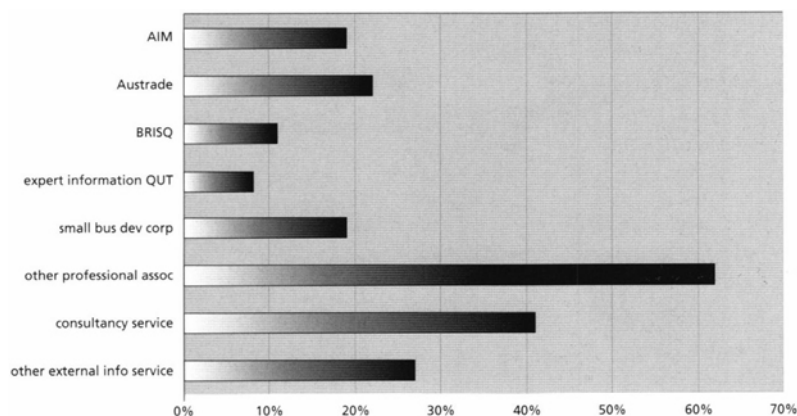

Figure 2: Current use of external information services by business persons November 1996

Comparison of information provided by internal and external information services

It is clear that external information service units rate much higher for their ability to provide information searching and patents and standards access than internal information service units; whereas the former rate higher for computer training, competitor analysis and consultancy services. It would appear that most respondents have a decided preference to use their own internal information services unit for computer training.

Having established what services are currently used to source business information needs, the survey then attempted to determine what individual items are sourced in each of the two types of services. That is, was there a difference in the type of information considered useful provided by internal information services and external information services? Respondents were asked to score the services that they used in either on

a scale of one to five; where one was very useful and five was useless. The services considered were delivery of journal articles, patents, standards or specifications, government statistics or regulations, market survey reports/sales data, competitor analysis, computer training courses, information searches such as databases, consultancy services, borrow materials (books) or 'other'.

Figure three shows the collated results from the comparisons of services used at each of the internal and external information service units. The top two lines show the combination of any information provided which scored from one 'very useful' to 'almost useless' [four] whereas the bottom two lines show only the services considered 'very useful [one to two]. It is clearly evident that external infomation services are considered far superior in information searching than internal information services. The other item usually preferred to be sourced externally would appear to be access to patents and standards.

It is also clearly evident that most business persons would prefer to use their own internal information services for computer training.

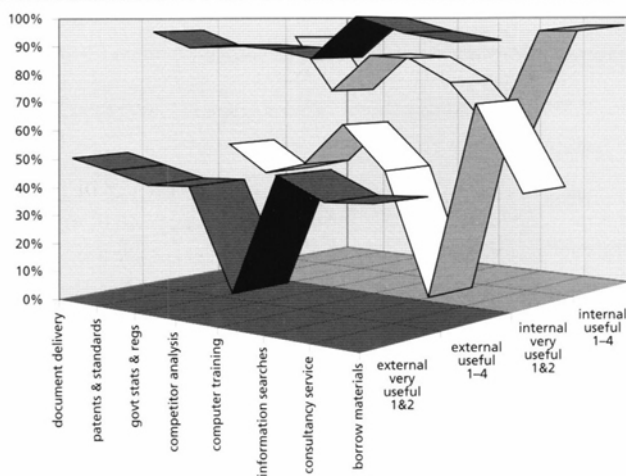**Comparison of services used in external versus internal information units**

Figure 3: Comparison of services used in internal or external information services

Strengths and weaknesses of EIS
Respondents fell broadly into similar lines in this area and are obviously commenting from personal experience of particular information services, in that what was considered a strength in a particular information service by one respondent was reported as a weakness in a service by another respondent. For example: one respondent stated that external service units have a great ability to keep abreast of new trends, and another asserted that they are not up-to-date and never current.

Despite answers to these question being coloured by respondents' experience of an existing service and therefore somewhat subjective, they are nevertheless also useful in establishing some patterns of the strengths an FBIS should aim to improve upon. The strengths and weakness of existing FBIS and other external information services can be inferred from the following responses.

Reported *strengths* of external information services are:

- ability to find data or keep abreast of trends. This is difficult. They help.
- accuracy.
- convenience.
- understanding of my business.

Reported *weaknesses* are:

- too general and therefore non-specific to my needs.
- have limited access to international materials (specifically law area)
- need more convenient locations.
- mostly bureaucratic and they do not have a sense of urgency nor understand the commercial paradigm.
- have no access to competitors' publications.
- are not up to date and are never current.
- lack accuracy.
- lack any in-depth analytical ability.

Given these strengths and weaknesses an FBIS unit should aim to provide accurate, timely and up-to-date information for clients in the most convenient and specific manner possible.

Current and future expected use of electronic sources of information

The Internet is currently the most relied upon electronic form of information resource used but its use is not expected to increase. Online database services and CD-ROMs as sources of information are both expected to have increased usage in the future. Respondents were asked to identify if they currently used any form of electronic sources of information. The choices they were given were between CD-ROMs, online database services such as Dialog), the Internet, an internal company network or any other form of electronic information. Respondents were asked to include their current usage patterns for these services as well as indicate any expected future usage for electronic sources of information. Figure four shows the collated results of these two questions.

- No expected change in current and future use of the Internet with 57 per cent or respondents currently using the Internet to source business information needs and a total of 58 per cent believing they would use it in the future.
- An expected slight increase in the use of CD-ROMs to source business information with 45 per cent currently using CD-ROMs and 51 per cent believing they would use them in the future.
- An expected increase in the use of online database services like Dialog with 34 per cent currently using online database services and 43 per cent believing they would use them in the future.
- An expected decrease in the use of the company internal network, with 44 per cent currently using their internal network and 36 per cent believing they will use it in the future.

**Comparison of current and expected future use of
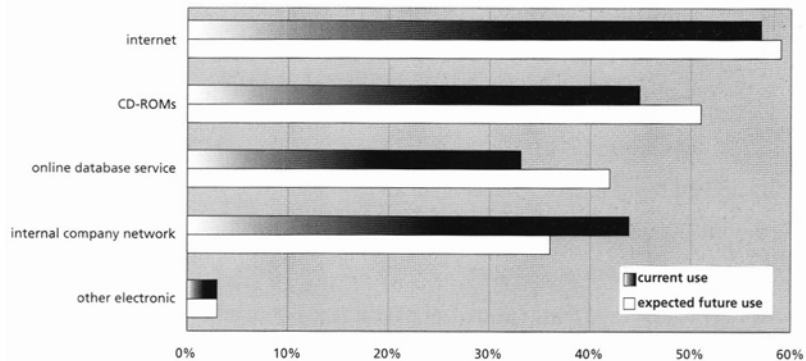electronic sources of information**

Figure 4: Comparison of current and expected future use of electronic sources of information.

Discussion

A number of possible marketing strategies for QUT Library and other FBIS units has emerged.

Recommendation 1: *FBIS units based in libraries in Queensland should be targeting the small business sector in their marketing strategies.*

FBIS units should actively target medium and larger sized small businesses, with between seven and 20 employees. These two sub-groups are highly interested in possible sources for business information needs and as indicated by Johnson and Kuehn, Major, Chalmers and Maguire and Kench, they are usually less likely to have a large support service within their own company.

Recommendation 2: FBIS *units should indicate their strengths in searching for business information, and their abilities to search online databases, CD-ROMs and the Internet.*

Despite an increased awareness of resources available for business information needs, library based FBIS units are not so far considered a valuable source of such information. FBIS units targeting small business in their marketing should indicate their strengths in searching for information, and their abilities to search relevant online databases, CD-ROMs and the Internet. Williams (1997) points out the threat to FBIS units by the increased awareness and use of electronic sources in particular the Internet, which is now available to business persons to search independent of any intermediary. Williams adds that despite this being a relatively 'free' and 'publicly available' resource we have the advantage of skill and experience in searching electronic databases. We should be emphasising this to our potential clients.

Recommendation 2a: *QUT Library and other FBIS units should highlight their skills in business information searches and in providing access to patents and standards in their marketing.*

It seems that no matter what the size of the company, businesses are presently finding that their own internal information services are almost useless at providing this service. If this holds true, then marketing directly to their current need — that is — someone to provide information searching skills, is an obvious strategy.

Recommendation 3: *FBIS units should emphasise their abilities to search faster than the business person and retrieve a more highly relevant result.*

It would seem likely that the trend in the Queensland small business community is towards relying more heavily on traditional and now electronic sources of information than has been observed in previous surveys. In particular the current and future expected usage of the Internet, CD-ROMs and online database services would indicate a growing awareness of such information sources. Given an expected increase in the use of online database services and CD-ROMs, a FBIS unit's ability to search these with a greater level of skill should be emphasised.

The Internet has a phenomenal growth rate. (Grant ICC quote that the World Wide Web grows an average of 25 per cent per month with 100 to 400 pages being added every week; company connections grow at ten per cent per month with an overall 150 per cent growth over the 1995 year; and it is expected that the 5 000 000 computers connected to the Internet as at 1 January 1995 should reach 100 000 000 by the year 2000.) The key to searching the ever increasing information resource lies in a searcher's ability to find information on the Internet quickly and efficiently. As librarians and information professionals we have increasingly moved into teaching others how to search for information on the Internet more effectively. Given that most business people are also increasingly under pressure to provide information quickly, our abilities to search faster than the business person and retrieve a more highly relevant result should be used in our marketing strategy. It matters not whether the resource we are accessing is an online database, CD-Roms, library catalogues, or the Internet; we have the required skills to search for information quickly and more efficiently than most small business people. Let's market those skills and target the small business for FBIS units.

Recommendation 4: *Australian FBIS units should work together to develop a formal network of Australian information brokers.*

Williams (1997) also points out that in Australia we have not yet developed a network, whether formally or informally, of information brokers. She suggests that we would benefit from this approach that has been operating in the overseas information brokering sector for some years. After all, the business community already actively works towards networking in an number of areas. Maybe less fear, and a more friendly approach to competition would benefit all FBIS units in Australia.

Recommendation 5: *FBIS units should develop an informal network with professional associations.*

The major competitors to FBIS units are not the other FBIS units in this country but the services provided by professional associations. In this case, some further research into the existing competitors' activities is probably necessary. If it can be identified what is missing in those services then this would be a useful area to develop further strengths in. Conversely, it may be more cost-effective to stop marketing services that are already richly provided by professional associations.

Recommendation 6: *FBIS units should work harder to improve their understanding of the commercial paradigm.*

Business wants its information yesterday: not next week! Clients are obviously wanting current, fast and accurate information. If we are to survive and thrive as a commercial service, and continue to generate increased income for the parent institution, then we

must improve our abilities to provide current and up-to-date information to our clients accurately, in time and in the most convenient and specific manner possible. That means we should be researching what methods of information access are more convenient and in what way we can make the information more specific to our clients' needs. We have to ask what they actually want more often!

Conclusion

FBISs in the Brisbane central business district region should be targeting the small business sector in any of their marketing strategies, especially small businesses with between seven and 20 employees. Information searching skills should also be highly evident in any marketing campaign. Business needs FBIS units' abilities at information searching in particular for online database services, CD-ROMs and the Internet. It is evident that business people are more aware of available sources of business information and are no longer dismissing the library or other forms of information service units for their business information needs, with over 70 per cent of respondents using their own internal information service at least weekly.

Further details of this research will be available in the final thesis report.

Acknowledgments

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