

Understanding Web Completion in a Survey of New Businesses

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Response issues in new business surveys

- Declining response rates, especially on CATI-only surveys
- High refusal rates
- Higher survey costs
- Increasing use of mixed mode data collection (including web)

Maximizing web response

- **Understanding the characteristics of new businesses most and least likely to respond**
- **Designing advance materials, messages, and incentives**
- **The use of CATI attempts to prompt web completion**

Kauffman Firm Survey (KFS)

- **Sponsored by the Ewing Marion Kauffman Foundation (www.kauffman.org)**
- **Longitudinal survey of businesses who began operations in 2004**
- **Baseline Survey completed in 2006, annual follow-up surveys planned for three years**

Sampling

- **Sample selected from Dun & Bradstreet**
- **Oversampling on technology status based on BLS definitions (Hadlock, Hecker and Gannon [1991])**
- **Three technology strata: High tech, medium tech, and non tech businesses**
- **All high tech businesses in frame selected**

Survey Design

- **Web/CATI data collection**
- **Principals of sampled businesses sent advance letter and reminder postcard**
- **“Forced” web approach**
- **Web non-responders called one week after reminder postcards sent**
- **\$50 post-pay incentive**

Baseline Survey Results

- 12-month data collection period ending in July 2006
- Total sample size = 32,469
- A low eligibility rate (35%) due to tight screening on 2004 business start
- 4,930 interviews completed mainly by CATI (77%), 23% completed by web
- 43% weighted response rate
- ~375,000 calls made to complete 3,783 CATI interviews

Research Questions

- **Are web responders different from those completing by CATI?**
- **Within web responders, are those who received prompts different from those not receiving any?**
- **Measures include productivity, technology status, business complexity, and demographics of business principals**

Web vs. CATI: Productivity

	Web (N = 1,147)	CATI (N = 3,783)
Total Assets		
<\$15,000	45%	45%
\$15,000 - \$90,000	34%	32%
\$90,000+	21%	23%
Total Revenue		
\$0	34%	36%
\$1 - \$40,000	36%	31%
\$40,000+	29%	29%

Web vs. CATI: Productivity (Continued)

	Web (N = 1,147)	CATI (N = 3,783)
Number of employees		
0	36%	64%*
1-2	32%	20%
3+	22%	16%

* p-value < .05

Web vs. CATI: Technology Status

	Web (N = 1,147)	CATI (N = 3,783)
High Tech	2%	2%
Medium Tech	16%*	12%
Non Tech	82%	86%

* p-value < .05

Web vs. CATI: Business Complexity

	Web (N = 1,147)	CATI (N = 3,783)
Intellectual Property	17%	18%
Legal Status of business		
Sole Proprietorship	32%	37%
LLC & S-Corp	55%*	49%
Corporation	8%	8%
Location of business		
Home	49%	49%
Rented or Leased	41%	40%
Purchased	4%	5%

* p-value < .05

Web vs. CATI: Demographics of Business Principal

	Web (N = 1,147)	CATI (N = 3,783)
Age	45	44
Gender		
Female	30%	32%
Male	69%	68%
Education		
Bachelor's or higher	57%*	45%
Associate's or lower	42%	55%

* p-value < .05

Web Completes: Productivity

Web No
Prompt
(N = 834)

Web
Prompt
(N = 313)

Total Assets

<\$15,000	46%	43%
\$15,000 - \$90,000	34%	34%
\$90,000+	20%	22%

Total Revenue

\$0	37%	37%
\$1 - \$40,000	31%	31%
\$40,000+	29%	30%

Web Completes: Productivity (Continued)

	Web No Prompt (N = 834)	Web Prompt (N = 313)
Number of employees		
0	37%	36%
1-2	33%	30%
3+	22%	22%

Web completes: Technology Status

	Web No Prompt (N = 834)	Web Prompt (N = 313)
High Tech	2%	2%
Medium Tech	14%	20%*
Non Tech	84%	78%

* p-value < .05

Web completes: Business Complexity

	Web No Prompt (N = 834)	Web Prompt (N = 313)
Intellectual Property	18%	17%
Legal Status		
Sole Proprietorship	33%	30%
LLC & S-Corp	54%	58%
Corporation	8%	9%
Location		
Home	52%*	41%
Rented or Leased	40%	44%
Purchased	3%	8%

* p-value < .05

Web Completes: Demographics of Business Principal

	Web No Prompt (N = 834)	Web Prompt (N = 313)
Age	45	43
Gender		
Female	29%	33%
Male	70%	66%
Education		
Bachelor's or higher	58%	56%
Associate's or lower	42%	44%

Summary of findings: Web vs. CATI

- **Web responding businesses were more likely to be employers**
- **Web responders were more likely to operate in medium tech industries and be organized as an LLC or S-Corp**
- **Web respondents tended to be better educated**

Summary of findings: Web Completes (Prompt vs. No Prompt)

- No differences in productivity measures
- Web respondents prompted by CATI attempts more likely to operate medium tech industries
- “No prompt” businesses more likely to be home-based
- No differences in demographic measures of business principals

Implications

- **Advance materials should be developed with better organized businesses in mind**
- **CATI prompting leading to Web completion does not tap into significantly different parts of the new business population**
- **CATI follow-up captures more non-employer businesses**
- **More research needed to classify business technology status by industry**

Final note: First Follow-Up results

- **Of 4,930 businesses completing interview in Baseline, 4,000 completed First Follow-Up**
- **Email addresses collected during Baseline interview**
- **58% web completion, 42% CATI**

Thanks!

- **Questions and paper requests:
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