THE SMALL BUSINESS AS A COMMUNITY COMMUNICATION CENTER

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ABSTRACT

This paper explores the community communications function of small businesses, a role which has not been previously explored. A case study details the impact which a small business can have in its community, and points to a model for future study.

INTRODUCTION

The discussion of the management of small business organizations, and the process of entrepreneurship, often focuses upon the differences between large and small businesses, and the accommodations which the managers of such businesses must make for the size factor. However, within the parameters of the definition of small business, which usually contains some statement of the relative size of the business (e.g., see Steinhoff (1982, 7-9) for a standard definition), there are the smallest of small businesses. According to the U.S. Small Business Administration, enterprises with 1-19 employees historically have comprised approximately 89% of all firms classified as small businesses, as shown in The State of Small Business: A Report of the President (1984, 65). These smallest of small businesses are as different from the larger small businesses as large businesses are from the general class of small business. In the literature on small businesses, the differences between various sizes of small businesses, which involve operating style, financing, planning, marketing, pricing policies, credit programs, accounting, etc., have received little attention. The purpose of this paper is to focus on one such difference, the communication role in its community, which exists between relative sizes of small businesses in a specific geographical setting.

SMALL BUSINESS AND ITS COMMUNITY RELATIONS

This paper seeks to look at an aspect and functional activity of small business which has not been very well explored. Small businesses operate in a way that on occasion bears a direct linkage to their geography and environment. The main thesis of this paper is that in certain locations (geography), the smallest of small businesses serve as social and community communications centers. It is this small business role as community communication centers (CCC) that the authors seek to examine and address.

The literature on the relationship between the small business and its environment has focused on issues such as social responsibilities (Kao, 1984, 68-69; Gomolka, 1978; Tate, Trueblood, 1982, 21) and community relations (Kao, 1984, 68-69; Megginson, Scott, and Petrof, Carusone, and McDavid, 1982, 356- 357). With regards to social responsibility, the small businessman is generally advised that social responsibility makes good business sense. Community relations, matters relating to community and charitable activities, are likewise pictured as an investment which can pay its costs back. Cutlip
and Center (1958) cite activities such as making retail store window displays available for charity campaign posters and displays, being available for community committee work, making office space available for community meetings, maintaining memberships in associations, maintaining property appearance, and purchasing supplies locally as examples of such community relations activities.

Generally, the communication role of the small business in its community is mentioned only in passing. Petrof, et al (1982, 359) state that "Laundromats and other small shops can use bulletin boards effectively to give their customers a medium for exchanging information, such as classified and personal notices." Most other mention of communication in the small business context is in the framework of employee communication (Petrof, et al, 360; Tate, et al, 1982, 205; Van Voorhis, 1980, 304-306) regarding the issues of orders, ideas, and instructions.

The principal focus for small business as a CCC has a geographic basis. In urban areas, certain small businesses (neighborhood stores, etc.) fulfill some of the community communication needs and functions.

In addition, in rural and semirural areas, some small businesses play an even more vital role as perhaps the only communications center in the locality. As the CCC these small businesses provide information reception, some analysis, and information retransmittal or initial transmittal in addition to their main-line business function. Most of us are familiar with Whyte’s (1943) street corner society type of informal social group interaction and activity. However, it appears that some small businesses do not provide just informal "gossip-ground", but have a fairly regular and well-defined community communications role, and fairly well-defined communications patterns. Using the participant-observer research method, the authors have observed a semirural business perform the CCC role for approximately five years. As a result of this participation and observation the authors have been able to acquire and to access some data relative to the communications role activities of this particular small business. The summarization of this data and authors’ observations are presented in the following small business case study.

THE LAMPERSVILLE BP

The Lampersville BP (LBP) is a gasoline service station located on the main highway in Lampersville, Virginia, the disguised name for a small town (population 613) in N.E. Virginia.

The town is located west of the Washington, D.C. metropolitan area. The LBP is located north of the town center, and the area’s only other service station (an Exxon) is located south of the town across from the firehouse. LBP is a family-run small business, with a father and his two sons sharing in the work and the ownership.

The father carries out the general business management role, and the two sons are trained mechanics who do the major repair work. The business grosses more than one-half million dollars a year, and is the principal livelihood of the owners. The authors of this paper became familiar with various personnel in this business and other town businesses during the course of conducting research related to this paper.

The town of Lampersville has the following frontage small businesses located in it (in addition to the two gasoline service stations): Two small convenience stores, two used car dealerships, a blacksmith and iron shop, a small grocery and general store, a dentist’s office (satellite clinic), a lumberyard, an accountant’s office, a restaurant, a bank, and a funeral home. In addition, there is a U.S. Post Office, a county fire station (volunteer), a telephone company office, a library and
museum, a game club and grounds, and an elementary school. The principal activity is agriculture, and a large portion of the local populace does long-range commuting to jobs in the Washington, D.C. area.

The service stations have evolved into the CCC role for various reasons. A strong reason seems to hinge on gasoline, which all the residents need on a fairly frequent basis. However, while a number of other small business or public locations serve the residents on a frequent basis, they seem not to have developed much of the communications role and activity for a variety of reasons. The telephone company and the dentist are part-timers. The funeral home, library and museum, the fire house, the bank, and the game club have constrained hours, and as a result do not provide the opportunity for consistent communications. The U.S. Post Office does not encourage the CCC role, and numerous federal regulations impede communications activity. The convenience stores and general store are "occasion" businesses for the residents, who prefer to do their major shopping in a larger town (18 miles north) or another larger town (17 miles southeast). One might also ask why one would go to an accountant's office for community information. In addition, the elementary school does not seek the CCC role in order not to interfere with educational activity.

As a result of all these constraints, the two remaining businesses (the LBP and the other service station) have become the area's CCC's. They are both open 12 hours a day (8 a.m. to 8 p.m.), and the two stations combined account for more than 75% of where the residents seek auto maintenance and fuel. The authors have observed one of the small businesses (the Lampersville BP) in relation to the rest of the community, and the following discussion of the small business communications process, role, and activity focuses on that small business.

THE CCC ROLE

LBP was started 15 years ago by an individual other than the present owners. After 4 years it was sold to a second party. About 3 years later the business failed and was closed. The present owners assumed ownership of the station, and reopened it 8 years ago, building it into a thriving business.

The LBP is in direct competition with the other service station in the town. However, the gross business for the LBP is about 60% higher than that of its competitor, even though the competitor sells diesel fuel, while the LBP does not. The lack of diesel fuel at the LBP is due to the policies of the supplying company.

Both service stations do mechanical repairs and routine maintenance. The LBP sells various grades of gasoline at relatively minor lower rates (a few cents difference) than its competitor. A major difference in the service at the two stations is the friendly, very social attitude which exists at the LBP. Courteous, careful, friendly, and social are four adjectives which describe the owners of the LBP. The owners of the competing station do not score as high on these qualities.

In general, there appear to be two main processes or channels for a small business such as the LBP to use in the CCC role. For lack of better terminology, we will call them informal and formal. The informal CCC role sort of resembles Whyte's (1943) street corner society model, where information is received, sorted, and retransmitted verbally. An example of this might be any number of items, such as the following: (a) Word of mouth (verbalization) information to be transmitted as general information, e.g., road conditions/hazards, etc. (b) Special message transmissions to "X" from "Y" about a matter of interest to both parties (when you see"X", tell him I said such and such) (c) An informal note (written
communication) to be passed on to another party.

Formal organizations, both public and private, have realized the functional value of using small businesses in the CCC formal communication role, where information is usually transmitted directly in the form of written notification. Some examples of this formal CCC role would be the following: (a) The County Sheriff's Department and the State Highway Patrol formally solicit help in informing area residents of law enforcement activities. For example, residents were informed by a notice displayed at the LBP of impending police and national guard helicopter training operations (actually a search and destroy activity for possible marijuana fields); (b) The telephone and electric companies post formal notices at the LBP discussing the date and time of service interruptions for regular construction or maintenance activities; (c) Local county governments solicit the LBP's permission to display various notifications to residents. Rabies shot clinic notices, property tax due dates, possible zoning changes, and other such notices are among those found in the formal CCC role; (d) The state highway department always asks to display material on snow removal, road maintenance activity, and the like; (e) Formal business advertising is rarely, if ever, displayed as a part of the CCC role. However, specialized business information of interest to residents is always found at the LBP. Such notices as farm sales and auctions, Christmas tree sales, and other such activities are posted at the LBP as a part of the small business CCC role.

Such notices are not posted on a bulletin board, but are taped to the inside of the station’s large front windows. Customers can’t buy gasoline without seeing these notices. Obviously, various public and private organizations and individuals have recognized the effective role which the LBP plays as a CCC, and seek to utilize its effectiveness. The competing service station does not display the same variety or number of formal notices as the LPB.

GENERALIZATIONS

The authors have observed the regular and functional communication patterns mentioned above develop over the period of 1980-85. While the substance of the information has varied, and the quantity and quality of information activity has fluctuated, the functional aspects (formal and informal) of communications have been relatively constant. In other words, the LBP has become a CCC with all of the features one associates with a communications methodology or medium. In effect, the community has institutionalized some of its communications patterns and activities in this service station small business. The LBP has responded in a pragmatic way by helping to meet and address community needs. In this particular semi-rural Northeastern Virginia area, this small business occupies a critical and vital communications position for which there is no substitute.

Although the authors have not yet systematically researched a general proposition, it would appear likely that in other rural and semi-rural areas, small businesses in all probability occupy a similar communications role in their communal surroundings. In addition, they probably function in a manner similar to that described in LBP case. Furthermore, the likelihood exists that in urban areas, the "neighborhood small business" performs many of the same communications roles and activities discussed above. This role is a positive factor for the small business since it contributes to customer traffic and increased trade.

Therefore, it appears to the authors that small businesses are capable of carrying out a necessary and vital community service by acting as a CCC in their environments. As a result of this sort of analysis of small business
functions and activities, we should begin to look at small business not just as a business or economic activity, but to look at small business in terms of their larger social, political, communal, and communications role and activities. In addition, we should begin to try to assess the various aspects that small businesses have in our society by carrying out these roles and activities that are primarily noneconomic in nature. As a generalization we can say that small businesses do perform important nonbusiness roles, such as the communications activities discussed, that provide for additional integration of the small business activity into its environment, and that these community service roles actually have the effect of enhancing economic and business activity for the small businesses which participate in the communication patterns and roles.

**TOWARD A MODEL OF THE CCC ROLE**

Based upon the observations described here, it is possible to take some steps toward defining a model for the community communication center role for a small business.

First, the communication role was found to be composed of both formal and informal messages as described above. Thus, as defined: Community Communication Center Role - Informal Communication + Formal Communication. Second, a number of variables found to be relevant were described in the case study of the Lampersville BP service station. There variables include: 1) the nature of the business - some types of businesses are more suited to the CCC role. Typically a CCC role will be played by a business which has high customer traffic, has frequent return visits by patrons, and no limiting regulations of a communications role imposed by a governing body. 2) location in the town, neighborhood, or community - the CCC role would be played by a business which has a central, convenient location, with either a drive-through nature of business, or with adequate parking space if it is necessary to drive to the business location. 3) personality of the owner/manager of the business - the personality of the owner/manager must be such that he or she presents a pleasant, social and gregarious nature. Part of the visit to the business, and the draw for return visits, is the interpersonal interchange which occurs during the business transaction. 4) individual knowledge of customers - the size of the clientele served, and the frequency of return visits must be such that the owner/manager and other company employees can identify customers by name and sight. 5) time the company has been in business - it takes some threshold amount of time for a business to establish its clientele, to be recognized by other formal organizations as a potential CCC, and to become recognized by customers and other individuals as a potential CCC. 6) size of business - there is a threshold of customer traffic count necessary to support the CCC role; but a size past which the businesses’ employees can no longer have individual knowledge of customers and thus lose the capability to play a role in the informal communications area. 7) size of the town, neighborhood, or community - past a certain size setting, the number of messages becomes too large to adequately receive, handle, post, and transfer. 8) presence or absence of local print media - when a town, neighborhood, or community has a newspaper or advertising circulars which also carries public service announcements, the need for a business to play a critical CCC role is diminished. 9) other businesses in the town, neighborhood or community - if there are enough competitors who can split or divert customer traffic to such an extent that there is no longer one dominant business, the probability of the presence of a CCC will be diminished. 10) geographic location of the town, neighborhood, or community - if there are sufficient alternative busi-
nesses in the neighboring town, neighborhood, or community to draw traffic from the present geographic location, it will affect the selection and role of the CCC business location. For example, in the Lampersville case discussed above, the presence of neighboring food shopping center stores restricted the traffic in local food stores, shifting the possibility of those businesses fulfilling the CCC role to the gasoline service station discussed. 11) prime industry of the town, neighborhood, or community—given the primary technology of the location, a tendency to favor some related type of local business as the CCC may occur. 12) space available for posting of notices - if a business is to play a formal CCC role, it must have space available for the posting of such notices in such a location that customers will encounter the notice in the normal transaction of their business.

Given these twelve variables, it is possible to formulate a model for each of the components of the CCC role, as well as for the total CCC role. Informal communication is hypothesized to be a function to varying degrees of the variables listed above, except for the presence or absence of local print media and space available for posting of notices. Formal communication is hypothesized to be a function of the variables listed above, except for the individual knowledge of customers variable. Thus, the total CCC role is formulated as the complex interaction of the twelve variables listed.

SUMMARY AND CONCLUSIONS

The present paper has attempted to extend the field of small business research by pointing toward an area not previously explored, the communication role of small business in its community. Following a survey of previous concepts in the literature, a participant/observer method was used to gather field information. The case study results from the Lampersville BP service station were detailed, and they provided a data base from which to build a descriptive model for the communication role of a small business. The model presented is the first to attempt to provide such a description, and is subject to refinement and reformulation as necessary, based upon continued observation and research. It is expected that this model will provide a fertile ground for research in this field.

For example, before starting a small business, the owner would want to determine whether or not being a CCC would be beneficial to the business. Likewise, the answer to the same question would be of interest to the owner of an ongoing business. In both cases, the successful operationalization of the CCC role would require knowledge of what characteristics are associated with being a successful CCC.

The presumption of this paper is that being a CCC is beneficial. This assumption needs to be explored further by future research. While it is clear that the CCC role is beneficial to the community in which the small business operates, it may not always be beneficial to the business itself, or a strong enough factor to ensure the success of the small business. A cause-and-effect directional analysis needs to be assessed by further study. For example, do people go to the CCC location specifically for information, or is information secondary to the utilization of the regular services of the small business? In the Lampersville case, the general food store (a potential CCC) could not overcome the advantages offered by the food stores in two larger towns to the north and southeast.

It is also of interest to investigate whether or not specialized types of stores might become specialized CCC's. Does the type of small business (and any characteristics of their owners) cause particular types of information to be processed and transmitted?

The variables associated with
building a model of the CCC role can be subject to factor or cluster analysis to determine whether there are significant groupings. It may be possible that there are prerequisites for the CCC role, and other dynamic factors. The importance and significance of these variables need to be explored for their degree of contribution to the performance of a successful CCC function. In the Lampersville case, both of the other gasoline stations in the town had the prerequisite variables. The major difference between the two stations was that the LBP had a more personable management.

The strategic aspects and implications of the CCC role need to be further explored in future studies. For example, is the CCC function part of a conscious strategy? Is the CCC function incorporated into advertising? Is the CCC function integrated with the major business activity? How does the business value the space dedicated to the CCC role? Is the space dedicated to the CCC role best used in this way, or is there some better, strategic use? In this, and many other aspects of the CCC role, it would be of interest to compare and to contrast the operation of a small business with that of the small outlet of a large business.

Further refinement of the CCC model is probable and possible. For example, dichotomies may be drawn for variables such as type of product or service offered by the business (general products for the general public versus specialized products), geographic nature of the community (integrated single community versus fragmented community), knowledge of customers (customers personally known versus customers not personally known), etc., to diagnose and evaluate what classes and types of business might be effective CCC's given the combination of a specific set of dichotomies. Once again, the CCC model provides a meaningful base for such further analysis.

REFERENCES


