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The Power of (Good) Marketing: San Francisco's Outreach to Its Diverse Small Businesses

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Background

Small businesses constitute a significant share—around 44 percent—of the U.S. economy.¹ The average annual sales per small business for White owners were about ten times that of African American-owned businesses and four times that of Latinx-owned firms.² Common offerings like grants/loans have limited success in closing this gap, as these have shown disparities based on racial identity.³ Outreach in these communities can provide additional support needed to take advantage of other local resources. It follows, then, to explore and evaluate the marketing practices that play a key role in ensuring that such small businesses know about and utilize these services. This study used a questionnaire to evaluate the effectiveness of select marketing materials used to conduct outreach to both minority and White small business owners based in San Francisco according to various components of a “good” advertisement.

Components

There are four main components of an “effective” advert: visuals, which examines the images and colors used, the overall design of the material, and its ability to grab and keep the attention of the viewer; usability, which determines if the material is easy to find/access, and if the advertised item can be further explored; language, which asks if the advert is readable to most,

¹ U.S. Chamber of Commerce, Small Business Data Center, <https://www.uschamber.com/small-business/small-business-data-center#:~:text=Small%20businesses%20employ%20nearly%20half,represent%2043.5%25%20of%20America's%20GDP.>

² Race and entrepreneurial success: Black-, Asian-, and White-owned businesses in the United States,, https://www.researchgate.net/profile/Alicia-Robb-2/publication/227458439_Race_and_Entrepreneurial_Success_Black-Asian-_and_White-Owned_Businesses_in_the_United_States/links/00463527833ccc0038000000/Race-and-Entrepreneurial-Success-Black-Asian-and-White-Owned-Businesses-in-the-United-States.pdf

³ Clicking for Credit: Experiences of Online Lender Applicants from the Small Business Credit Survey, <https://www.clevelandfed.org/publications/cd-reports/2022/sr-20220816-clicking-for-credit-experiences-of-online-lender-applicants-from-sbcs>

focusing mostly on inclusive language; and applicability, or how useful the resource is to its target audience.

San Francisco's Current Marketing Campaigns

San Francisco's Office of Small Business (SFOSB) aims to “to equitably support, preserve and protect small businesses in San Francisco. [They] provide high quality direct services and programs, drive practical policy solutions, and serve as a champion for San Francisco's diverse small business community.” SFOSB appears to be both the primary and sole point of contact for such services in the City.

In terms of social media, SFOSB operates an Instagram page and a Facebook page. The Office also sends out postcards, puts up bus advertisements, and produces YouTube videos.

The Survey

The survey consisted of two parts: the first of which asked questions about the small business' familiarity with government-backed resources, and the second of which focused on actual marketing materials produced and distributed by the City of San Francisco or its affiliates. The survey was completed online via Google Form or in person at the business location by a total of four restaurant owners or associates who answered with the owner's approval. Of these four, one identified as Caucasian, another as Mexican, and two as Asian (Vietnamese and Chinese).

Results

Landing Page for Grants

The City of San Francisco has a website that allows small business owners to find grants.⁴ As of July 2024, the available grants are grouped into two categories: “Storefront”, for individual businesses and properties; and “Communities”, for small businesses that fall under a certain category or neighborhood. The webpage is available in English, Spanish, Chinese, and Filipino, with the toggle for language in the upper righthand corner.

All four participants agreed that the site is easy to navigate and easily readable with concise and clear language. All found the available materials to be applicable to small business

⁴ <https://www.sf.gov/information/find-grant-your-small-business>

needs, while three out of the four respondents stated that the images highlighted on the sites represent them as a small business owner.

Instagram Posts

SFOSB also manages an Instagram account.⁵ At the time of writing, the account has roughly 1300 followers and posts about monthly newsletters, grants, events, and reminders. Two posts were pulled from this account at the time of the survey creation, and participants were asked questions about the images relative to the components described above.



Between both posts, five out of eight total responses stated not being interested in learning more about the advertised resource based on appearance. Perception of the design and whether the layout was visually appealing was mixed: for the legal advice flyer, all respondents affirmed its visual appeal, whereas answers were split for the branding webinar flyer. This may largely be attributed to the difference in the amount of text displayed and how it is displayed.

However, despite this, the majority of respondents (three to one for both posts) found the resource applicable to small businesses. The applicability of resources may very well be varied, of course. When asked if anything about the branding advert resonated with them, a Californian café, which is White-owned and thus considered a non-minority respondent, shared “We’ve been around for 14 year [sic], so I feel this is not applicable to us, we already have our brand.” At the same time, a minority respondent—a Mexican restaurant established 44 years ago—expressed that

⁵ <https://www.instagram.com/sfofficeofsmallbusiness/?hl=en>

“[the webinar] being a resource to bring our brand to more people” resonated with them. Interestingly, these same businesses both mentioned wishing to see some form of post-pandemic assistance on the grants landing page, and both provided positive feedback, mentioning the various kinds of grants described on the website.

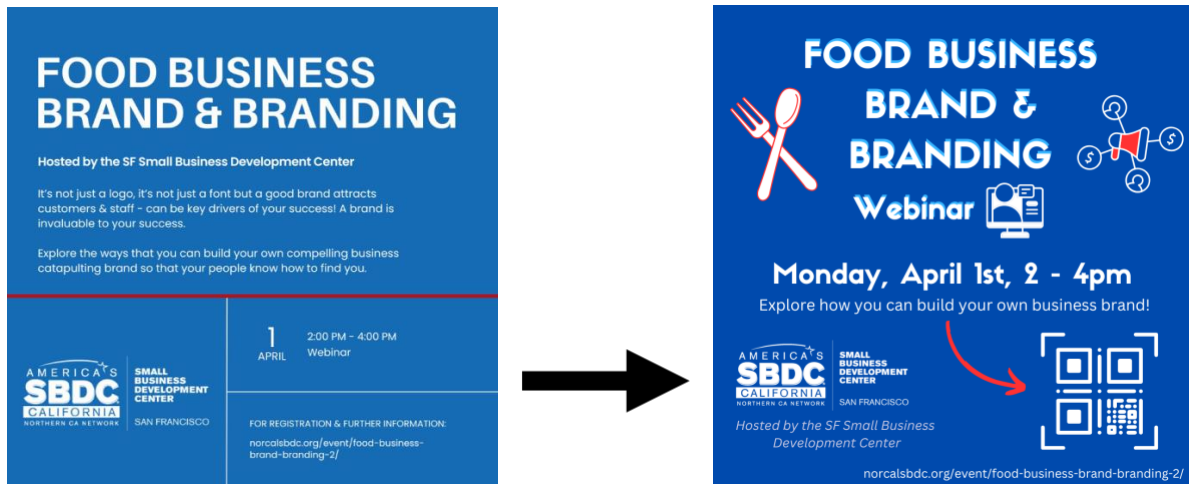
Overall, there appears to be little difference in the knowledge of San Francisco’s support of small businesses between minority and non-minority-owned businesses, but it is worth noting that this sample is very limited compared to the larger SF small business community. While none of the respondents were aware of City-backed resources or the website, and none received correspondence from the City about the events promoted in the Instagram posts, those who did not know about SFOSB are Asian-identifying. Incidentally, more perseverance was required to get responses from these Asian-owned businesses, with two who agreed to fill out the survey eventually not doing so. That being said, better outreach efforts about resources may be needed for these communities, but of course such efforts should be aligned with the fifth recommendation in particular (see below) to establish the degree of openness to outside support, and take that into account.

Recommendations for Future Marketing

1. **Increase awareness of City resources**, such as through visits to restaurants, whether by City staff or City residents. Not all small businesses have emails that are readily available to receive updates from the City. Phone calls require immediate attention, which many owners may not be able to provide during business hours.
2. **Grab and keep the attention** of viewers, as first impressions matter for continuing to read through an advertisement. If the image is hard to read, unreadable, or not eye-catching, the viewer may lose interest and thus not pursue learning more about the resource. For instance, regarding the branding webinar post, one participant noted they wish to see “a more appealing ad,” as “this ad doesn’t grab [their] attention.”
3. **Promote the resources** that small business owners may be interested in. For example, one respondent indicated that they are not interested in the branding webinar because they have been around for over a decade and already established their brand. Two out of four commented about post-pandemic aid. It may also be beneficial to collaborate with those who manage incoming grants in order to establish more accessible ones.

4. **Learn from current campaigns** to see to which resources and adverts entrepreneurs are receptive, i.e. are posts about strictly funding specific types of businesses popular? Do postcards about workshops increase attendance? Do in-person advertisements like bus ads or street flyers show more engagement than videos or other online content?
5. **Reach out to small businesses** about their preferences for assistance types and distribution methods. Knowing what they want to see and receive will best inform the marketing style of City resources, and entrepreneurs would be more likely to engage with the advertisement and the promoted resource itself.

Sample Revised Marketing Material: Food Business Branding Webinar



The post advertising the food business branding webinar received mixed responses regarding its visual appeal and readability. The legal advice clinic post, however, received all positive responses. A revision of the webinar post is shown above on the right.

The major changes concern the visuals component of an effective marketing material. Consider the large amount of text: the sentences in the beginning can be shortened and/or placed on the registration website or a larger advertisement. Given that this is a post likely to be seen while scrolling, it is important to grab and keep the attention of a viewer, per recommendation (2). Too much text deters any further engagement, hence only a single sentence made it onto the revised post. Additionally, key information was enlarged: the fact that a webinar was being promoted, and the time and date of it. This is supplemented by the graphics describing the event. The original post appeared to want to include the color red (part of the hosting organization's

branding), so the new image has it used as an accent color through the graphics, making the overall display and palette more cohesive.

Applicability cannot be changed in the revised advert since it must promote the same resource, but the usability and language aspects could be improved. A QR code was added and put ahead of the website link to make it easier and faster to register for the webinar and learn more about branding for a business. Having the scannable image also enhances the material's potential to be used as more than an Instagram post—perhaps a paper flyer or postcard. In terms of language, the post could be translated into multiple languages; this is especially important due to the diversity of small business owners in San Francisco, and, once again, allows for it to reach more entrepreneurs as a bus or street advertisement, or even a flyer to be handed out in person.