

‘Breaking Down the Barriers: Using Focus Groups to Research Small
and Medium Sized Enterprises’

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EXECUTIVE SUMMARY

ABSTRACT

In recognition of the limitations of more traditional methods such as surveys and quantitative techniques, small business researchers are making increasing use of qualitative methods. This paper reports on a relatively novel qualitative method in small business research - the use of longitudinal focus groups, conducted twice a year in 5 locations around England, as a means of tracking the experiences and views of owner-managers. The paper reports some findings and discusses the methodological issues which have arisen.

INTRODUCTION

Despite the recent proliferation of research on entrepreneurship and small businesses, it is arguable that our level of understanding of the motivations, rationales and experiences of entrepreneurs and small business owners remain weak. Much research takes the form of surveys using one-off, quantitative postal, or telephone questionnaires. Whilst not wanting to undermine the efforts and breakthroughs of our colleagues in the small business research 'community', it is argued in this paper that there is a need for more eclecticism in the research methods used to understand the world of entrepreneurs. In particular, there is a need to undertake more qualitative and longitudinal research, moving away from the 'snapshot' and fragmented profiles of small firms and their owner-managers.

In this paper we aim to present the rationale for such a study in the form of a series of focus groups conducted with small business owners. An emphasis is placed on detailing the method in order to inform other researchers of the suitability of the approach for investigations involving the owner-managers of smaller businesses and its potential for generating additional and alternative data to our existing knowledge base.

FOCUS GROUPS AS A RESEARCH METHOD

Origins

There are many different types and uses of focus groups. Although the origins of the research technique known as focus group interviews or discussions lay in sociology, market researchers have been largely responsible for its development and recent extensive use. Merton and colleagues are generally accredited with the earliest publications which described focus groups as a method of data collection for their studies on the effectiveness of World

War II training and propaganda films (e.g. Merton and Kendall 1946; Merton *et al.*, 1956). Originally termed the 'focused interview', the method was quickly adopted in marketing research and has become the predominant qualitative method in this field (Berg, 1998). Morgan (1998, p.40) suggests that the subsequent developments made by marketing researchers in focus group methods were not as influential on the social sciences as they could have been, primarily because of their commercial application. Not until the 1980s when marketing and medical research textbooks provided expositions of the methods was there a renewed interest in focus groups. In the 1990s, Berg (1998, p.103) suggests that we may be witnessing "a reversal in the elitist attitude that focus group interviewing belongs to the somehow vulgar realm of marketing research."

Definitions

There are many definitions of what constitutes a focus group (Morgan, 1988, pp.9-10; Morgan, 1998, pp.1-2; Powell *et al.*, 1996; Stewart and Shamdasani, 1990). Essentially, a focus group is "an interview style designed for small groups" (Berg, 1998, p.100) It typically involves from six to ten people¹ discussing and commenting on particular topics or concepts under the guidance of a moderator. A key distinguishing features of the focus group approach is the ability of individuals from a similar community to interact:

"The hallmark of focus groups is the explicit use of the group interaction to produce data and insights that would be less accessible without the interaction found in a group (Morgan, 1988, p.12).

¹ There appears some difference of opinion in the ideal number of participants. Morgan (1998, p.10) for example suggests 6 to 8, while Stewart and Shamdasani (1990, p.10) 8 to 12.

Research Applications

Focus groups can be relatively structured, with specific questions asked of each group member, or very unstructured, depending on the research purpose (Fontana and Frey, 1994). They can be used as a stand alone technique, or an integral part of a more complicated design in which they supplement or triangulate results from other methods (Denzin, 1989). For example, focus groups are useful vehicles for generating research hypotheses, testing research methods, or interpreting previously obtained survey results. However we should be wary, of assuming that groups are limited to a support role; Morgan (1998, p.51) argues convincingly that it is a myth that focus groups must be backed up by other methods or merely prepare the way for 'real research'. They are commonly used in market research contexts to stimulate new ideas and product concepts or to diagnose problems with products, services or institutions. Focus groups are particularly useful for learning about participants' conceptualisations of particular phenomena and the language they use to describe them (Stewart and Shamdasani, 1990, p.15).

Claimed Advantages

Thus, focus groups are an extremely flexible research method, with '...very elastic boundaries' (Morgan, 1998, p.35). A particular benefit of the method is the opportunity of '...gaining insights into people's shared understanding of everyday life ...' (Gibbs, 1997). This widely-claimed advantage has been described as the "synergistic group effect" in which the snowballing and stimulation of ideas are aided by participants' feelings of security and spontaneity generated by their interactions with other group members (Stewart and Shamdasani, 1990, p.19). The psychological security derived from group membership may be particularly relevant to small business research since it refers to the likelihood that individuals

will be more open about their views, feelings and experiences in a group of peers rather than on a one to one basis with an interviewer:

‘Participants are more likely to be candid because the focus is on the group rather than the individual; the respondent soon realizes that the things he or she says are not necessarily being identified with him or her’ (Hess, 1990, p.19).

Other claimed advantages include timing and costs. Some research requires instantaneous response to particular events as they occur, which may not be practical through individual interviews. This was relevant to the research described here as the use of groups facilitated the collection of business owners' immediate reactions to government statements, or the launch of new initiatives. The use of longitudinal focus groups also meant that these first reactions could be compared later to more considered views. The belief that focus groups are less expensive to conduct than individual interviews is less clear as much depends on the research design (Berg, 1998).

Possible Disadvantages

Group dynamics do present some particular problems as well as advantages. It may be argued that the researcher sacrifices detailed accounts by participants for the benefit of a collective view, influenced by the ‘group effect’ (Catterall and Maclaren, 1997). Merton *et al.* (1956) identified early on that the moderator required particular skills to counteract three potential problems with groups: first the possible domination of the group by one person or a small coalition of participants; secondly the reluctance of some individuals to speak at all; and

thirdly, the need to ensure that the entire group has an opportunity to air their views without overly restricting the discussion to a preconceived agenda.

Do such issues make focus groups inherently unreliable as a research method, or can they be mitigated successfully by the skills of the moderator? Detractors tend to make judgements based on positivist, rather than qualitative perspectives, citing the difficulties in making generalisations from the deliberately unrepresentative samples typical of focus group research, - criticisms which could equally be made of individual interview research (e.g. Furnham, 1998). Undoubtedly, focus groups do have particular strengths as well as weaknesses and a substantial literature on the approach² has emerged as it has gained popularity in the 1990s. The emphasis of this paper is to report on the suitability and practicality of its application to the study of entrepreneurs and small business owner-managers in the light of these characteristics.

FOCUS GROUPS IN SMALL BUSINESS RESEARCH

Despite the potential merits of focus groups for specific issues within academic research, and their prolific use by market researchers, opinion pollsters and consultants, there has been a relatively low published use by small business researchers. Some examples of contemporary research are examined below before the longitudinal study which is the particular subject of this paper is described and discussed.

In a study of how government could establish and improve direct consultation with small businesses about legislative or regulatory changes, MacMillan *et al.* (1988) used panel

discussions after individual interviews with 50 business owners. Their aim was to clarify and explore further the ‘... preferences for, and strengths and weaknesses of, 5 new methods of consultation’ (MacMillan *et al.*, 1988, p.30). Thus, these discussions provided some validation and triangulation of the results and proposals deriving from face-to-face interviews. Although the authors did not use the term focus group, their approach and use of panels fits within the criteria of a focus group discussed above.

Curran and Blackburn (1994) reported using focus group discussions in Nottingham and Islington to explore the reasons behind an overall low level of local networking. They were concerned particularly to examine the variations by location amongst business owners found in their individual interviews with 350 small business owners. The research method adopted was similar to that of MacMillan *et al.* (1988) in that it used the same respondents in the discussion groups to help explain earlier findings. They differ in that Curran and Blackburn (1994) sought to understand how business owners relate to their local environment whilst MacMillan *et al.*, (1988) aimed to influence the communication channels of public policy.

More recently, Vyakarnam *et al.* (1997) reported on a study of ethical behaviour in small firms using focus groups. Although they recognised the advantages of the approach and go so far as to suggest some theorisation, they qualify their results by describing them as ‘exploratory’, requiring a larger research programme before generalisability can be attained. In this case focus groups were used as a prelude to further research. In the USA, focus groups have also been used in small business or entrepreneurship research but again their use is not

² The most comprehensive recent publication is a 6 volume Focus Group Kit (see for example Morgan, 1998).

widespread and usually as an adjunct or supplement to further research (e.g. Sullivan *et al.*, 1997).

No doubt the lack of published research using the focus group approach amongst small businesses belies a widespread use by practitioners in policy generation and evaluation, paralleling the earlier use in marketing which was also typified by an absence of public reporting. However this low use of focus groups as a research tool by academics studying entrepreneurs and small businesses is perhaps surprising. Given the need for more qualitative research in the field of entrepreneurship, we would argue that as a method it is under-appreciated and under-utilised. Both academics and practitioners have articulated a desire to understand more fully the world of the small business owner, and in particular their attitudes, motivations and experiences. Yet, to date focus groups have been used rarely and in some cases with limited confidence. A number of factors could contribute to this relative low use: a lack of understanding of what rigorously conducted focus groups can achieve, a view that they are the domain of marketing (despite origins in sociology), their relative expense, or a perception that recruitment of entrepreneurs to attend groups away from their business premises is more difficult than interviewing them *in situ*.

A NEW FOCUS GROUP STUDY OF SMALL BUSINESS OWNERS

Aims of Research

The aim of the study described here is to understand more fully the world of entrepreneurs and small business owners by opening up a long-term dialogue with them concerning a range of topical and business issues. Although the origins of the research aims and choice of methodology derive from discussions with a sponsor, accountants Horwath Clark Whitehill,

these focus groups were not being run to test the sponsor's services on participants. The researchers were given complete autonomy over the details of the research agenda and how the research was to be conducted.

Each focus group had three broad objectives:

- i) to generate data on owner managers' experiences of and rationales for running a business, including their views on current challenges in the business environment.
- ii) to ascertain their views on changes to their external business environment including government policy (e.g. the launch of a single European currency; legislation to curb late payment of invoices to small business)
- iii) to explore the norms, perspectives and practices of their world as entrepreneurial business managers, including their approaches to specific issues (e.g. succession planning, and finding new customers).

A particular aim of the study was to develop longer term perspectives through the longitudinal use of the groups which were held twice a year in different locations, involving a core of the same people. Whilst we aimed to let the results and analysis stand alone as a data generation method, they may also be used to explain results found using other techniques in other studies.

The literature suggests that the main stages of organising focus groups involve planning, recruiting, moderating, analysing and reporting (Berg, 1998). In this research, fine-tuning was needed in each of these stages to meet the specific needs of the research objectives and to take

into consideration the particular idiosyncrasies of researching small businesses and their owners. (Figure 1).

A Longitudinal, Multi-Stage Method

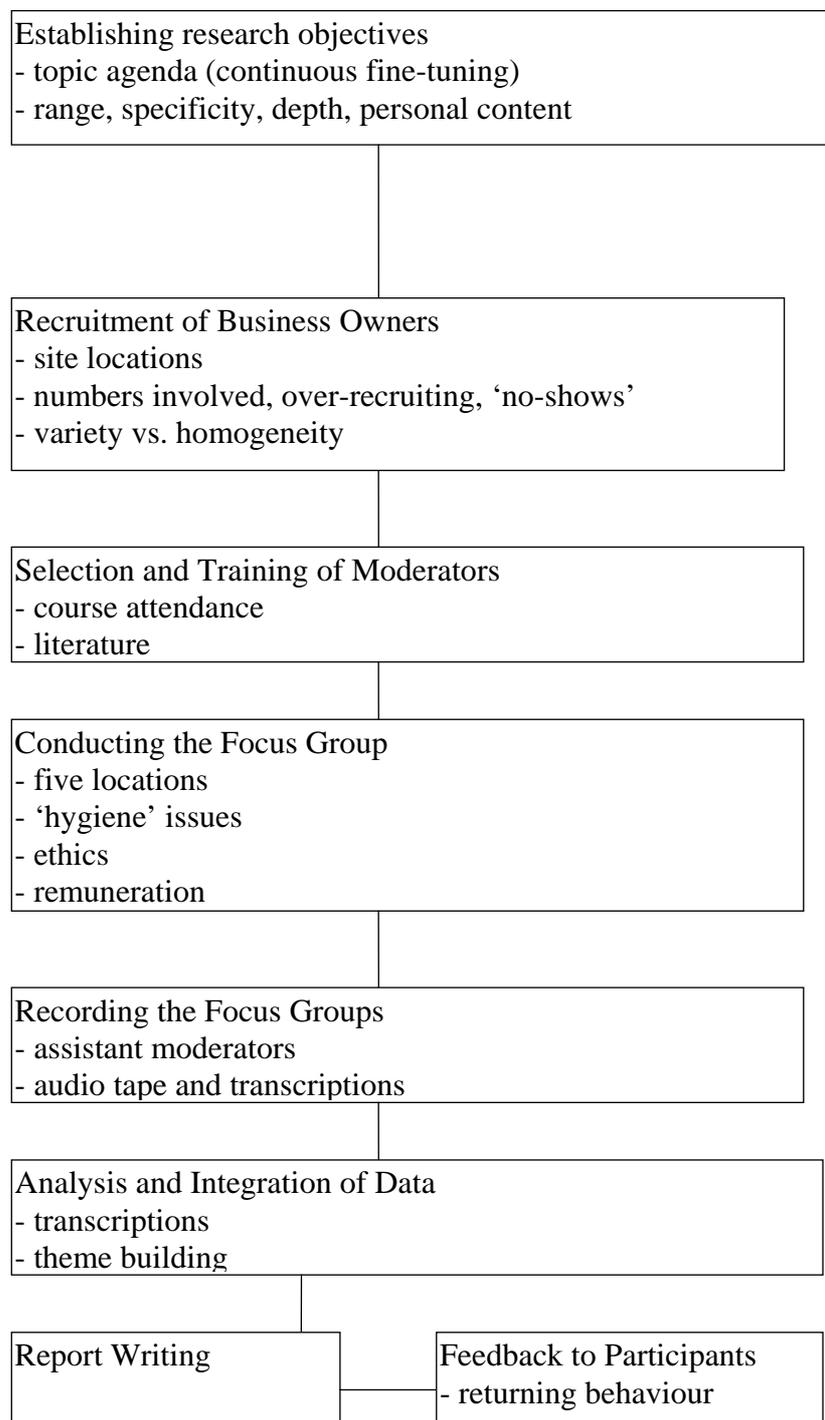
The research comprises five focus groups held every six months with the same, or at least some of the same, business owners. Since the aim is to have a dialogue with business owners and thus generate data on their experiences and views, the research design included repeat discussions with participants drawn from a pool of business owners.

An advantage of a longitudinal method is that participants can build up a rapport and trust with each other and the researcher. In advocating this method, Kaden (1977) suggests that the first ever group discussion is limited by the fact that participants are strangers. Ideally, in the second group meetings there is less need for an 'ice-breaker', and discussion flows more freely, with more control by the participants and less influence from the moderator. If the group does work well, trust develops and the groups may be more prepared to explore issues as a unit (Kitzinger, 1995). This allows the moderator to adopt a less directive role and concentrate on the participants' accounts. Participants are also more likely to ask questions of each other and present alternative views after a certain level of trust has been established. In terms of achieving the goals of this research, *a priori*, it appeared that repeat and multi-staged groups were appropriate.

A further advantage of the longitudinal aspect of this research was that it enabled a study of temporal variations in business owners' responses to particular topics. These included a rapid, ongoing evaluation of business confidence at different points in the economic cycle that

proved to be in line with the findings of more statistically based methods published later. It also facilitated 'before' and 'after' comments on certain events. For example, owners gave comments on their preparations for, and anticipated effects of, the single European currency before its launch in January 1999; they were also asked for their comments on the adequacy of their preparations and actual effects of the new currency several months after the launch.

Figure 1 Stages in the design of longitudinal focus groups with business owners



The Topic Agenda

Merton *et al.*, 1956 outlined four broad criteria for the effective focus group which relate directly to our approach to the content of the topic agenda:

- i) *Range* refers to the breadth of relevant observations that the participants produce. Thus, whilst it was important that we followed the topic agenda and covered factors that we considered to be significant, it was also critical that we allowed the discussion to offer new approaches or facts.
- ii) *Specificity* covers the need for detailed accounts of the participants' experiences. This was achieved through the narratives of business owners in relation to the topics.
- iii) *Depth* refers to the ability of participants to be involved in the topic under discussion. This is a particular problem when they are invited to discuss an issue on which they have no experience to draw on, or when external information, such as government proposals, form the basis for discussion. However, even when documentation was given to participants to read, such as a summary of government proposals on late payment legislation, depth was provided by the participants' detailed accounts of payment practices in their industry.
- iv) *Personal context* relates to the way in which the discussion on a particular topic reveals the world perspective of the participants. This may result in a common, generalised view or a diversity of perspectives reflecting personal or sectoral differences. This was important in our focus groups since one of the aims was to understand more fully the attitudes and norms of business owners in their particular context. Whilst individual interviews can uncover these perspectives, the dynamic of a focus group can provide a direct juxtaposition of views through peer group discussion.

The development of a topic agenda (Figure 2) for the discussions followed the aims of the research and set the boundaries for the degree of structure by the moderator. We aimed for a 'middle' approach: there were a number of set research topics to initiate discussion but the moderator allowed a free-flowing discussion within the broad topic areas. In the second round focus groups, where both moderator and participants were more likely to have an understanding of the conventions of the focus group, less control by the moderator was required.

Topics fell into one of several categories (Figure 2):

- i) *The current trading* climate was useful as a warm up, introductory discussion and gave participants the opportunity to explain their own business context. We could build up a longitudinal perspective on the state of the small business economy from their degrees of optimism and pessimism, although their views had very distinctive sectoral and personal variations.
- ii) Their views on *the main challenges* in the internal and external business environment allowed them to say what was most important to them before any prompting by specific items on the topic agenda. Despite the slow down in the national economy during the period between the first focus groups (October,1997) and more recent ones in 1999, the most commonly mentioned challenges related to the recruitment, motivation and retention of the 'right' staff in all groups.
- iii) The likely impact of *government policies* in relation to small firms usually lead to lively debates. Topics covered in this category included the impact of the new Labour government, late payment legislation, policies to reduce unemployment, particularly amongst young people (the 'New Deal'), the introduction of the single European

currency, initiatives to reduce the impact of the 'millenium bug' and annual government budget statements.

- iv) *Topical issues* concerned management or personal problems particularly relevant to entrepreneurs and business owners, including succession planning, finding customers and the use of information technology. Selection of the special issues was left until the week or so before the focus groups began to ensure topicality.

Recruiting Businesses

Focus groups were held in London, Manchester, Reading, Kidderminster and Glasgow for the first round of groups. Hartlepool was substituted for Glasgow in the second, and subsequent rounds when it was decided to conduct the research in England only. The choice of locations was based on the notion that there would be different experiences according to distinctive regional environments and that collectively, results from the five locations were more likely to provide a broader representation of the small business population. Whilst it is accepted that these focus groups can not aim to be truly *representative* of the small business population as a whole, it was important to ensure that the results could be *illustrative* of possible regional and sectoral variations.

Finding and recruiting business owners to join the pool of participants for the focus groups initially required considerable resources. It was important that group membership was not too heterogeneous but at the same time, there was a need to accommodate the diversity found in the small business population. Participants were selected according to business and personal criteria including gender. A wide range of business activities were chosen, covering manufacturing, construction and services. It was decided to concentrate on established small

and medium sized enterprises (SMEs), rather than micro businesses, for which crude turnover parameters of a minimum of £500,000 and a maximum of £3000,000 were adopted. Business owners were drawn from a number of sources including FAME, Lotus One Source and other business directories. These lists were supplemented by up to 2 clients of the sponsor in each of the locations.

The incentives we offered were for the owner to meet like-minded people and exchange experiences of running a business. We also promised to give them a copy of the results of the group discussions and make public their collective views, for example, on government policies. In addition, we were able to cover their expenses. Once a business owner accepted an invitation to attend the focus group they were sent a confirmation letter together with the details of the venue and the broad format of the meeting.

Recruiting business owners, to attend a group discussion at a pre-set date and venue away from their business, proved to be a time consuming exercise. These constraints alone may be a reason why focus groups of this nature have escaped the methodological toolkit of small business researchers³. The acceptance rate to invitations was as low as 1 in 10 and the process as a whole involved well over 100 telephone calls per location, including for screening and repeat calls. Names of owners who were unable to attend but wanted to be involved were added to the pool of potential participants for subsequent focus groups in that location. For other business owners, attending a meeting, away from their business, at a pre-set time, with strangers to discuss their experiences in the pursuit of raising knowledge proved relatively unattractive compared with the need to run their business.

³ The researchers could find no reports of other investigators of smaller firms having to abandon attempts at running focus groups

Figure 2 Topic Agenda

1. Introduction (15 mins)
Introduce the research team and roles
Aim and format of the discussion
Conventions (confidentiality, speak one at a time, recordings, everybody's' views, open debate, report of proceedings)
Personal introduction of participants and their business.

2. Discussion Topics
 - i) *Current trading climate* (15 mins)
(e.g. comparative order levels)
 - ii) *Main challenges in the business environment* (20 mins)
(e.g. exchange rates, recruitment, raising money)
 - iii) *Government Policies and Small Firms* (20 mins)
(e.g. the minimum wage, entry into the euro)
 - iv) *Topical issues:* (20 mins)
(e.g. business succession and exit strategies)

3. Summing up
Thanks for participation, and explanation of other locations and report back
Invite comments on mornings proceedings
Invite back to next event in 6 months
Reimburse expenses

4. Lunch
Sandwiches and drinks
Close

Role of the Moderator

The literature on focus groups suggests that the success or otherwise of the method depends on the moderator (Krueger, 1997a; Stewart and Shamdasani, 1990). The moderator is the facilitator of the group, the one who makes introductions, outlines the topics to be addressed and acts to a greater or lesser extent to control the direction of the ensuing discussion. The moderator has to have empathy and a positive regard for participants whilst striving to remain distant and objective. Moderators also have to be self-disciplined in order to allow a free-flowing discussion but at the same time be prepared to interrupt, if the discussion becomes too unfocused, or probe or move on when needed. It is the key role which ensures that the group covers all of the items on the topic agenda and keeps to an agreed timetable. In the proceedings of the focus groups, the moderator's first question is critical in breaking the ice, since after each participant has said something it becomes easier to make further contributions. With the small business focus groups it was particularly important to avoid domination by any particular participant, making sure that everybody had their say and enabling some level of consistent data collection between focus groups. Obviously the role of the moderator is a complex one involving technical and social skills. Before we ran our focus groups, researchers from the Small Business Research Centre (SBRC) attended a course on moderating focus groups which, in retrospect, proved invaluable for the success of the research programme.

Running the Focus Groups

To date, the SBRC has run 20 focus groups held in the local offices of Horwath Clark Whitehill or their associates. Each moderator was accompanied by an assistant who was responsible for the final lay-out of the room, the audio recording of the event and note taking

during the discussion to capture non-verbal signals and nuances. We aimed to have 6 participants in each group. For the first round, up to 10 participants were invited to each group as attendance rates were unknown. Subsequently 8 participants were invited to each because the discussion of groups over 8 proved were less manageable. Table 1 indicates the numbers attending the first two rounds of groups including the percentage of those returning for the second time. This has remained high and therefore reduced the recruitment resources required for groups after the first round.

Table 1 Location and Attendees from the Five Focus Groups

Location	Numbers Attending		% of Group Composition Returners Second Time
	September '97	March '98	
Reading	10	5	80
London	8	3	100
Kidderminster	7	7	66
Manchester	5	5	40
Glasgow/Hartlepool	6	6	-
Total	36	26	72

Note: A decision to switch from Glasgow to Hartlepool was made following operational changes by the sponsors. The total percentage of returners excludes the Glasgow or Hartlepool data. In Reading in the second round of the focus groups all the same businesses were represented but there was a change in the attendee from one business.

The patterns in the numbers attending show, to some extent, that the researchers were undergoing a learning process on how to organise focus groups and recruit business owners. In Reading, the first focus group held, there was heavy over-recruitment mainly because the research team did not know what the absence rate would be.⁴ Following this, the researchers adjusted downwards the target number of attendees accepting participation to 8. Overall, we estimate the attendance rate to be 74% with a maximum of over 90% and a minimum of 38% at specific groups. In other words, our 'no show' rate averages 26%. However, the low number of businesses attending the focus group in London in March 1998 also shows that there still remains an element of unpredictability in the 'no-show' rate. Eight business owners said they would attend the London group. Telephone calls to the 5 non-attendees revealed a variety of unforeseen business and personal reasons. Achieving a target number of participants is not merely a practical consideration of cost effectiveness. Substantively, there are likely to be different dynamics in different sized groups. In the small London group, greater demands were made on each participant and more personal and individual contributions were allowed. The fact that all participants had attended the first group helped minimise the possibility of exhausting the topic agenda since they were strongly committed to the group having already met each other.

Conducting and Observing the Focus Group

Business owners who were prepared to take part in the groups were invited to a 2 hour meeting, including lunch, ending at around 1.00pm. The moderator and assistants sought to

⁴ Morgan (1998, p.44) suggests that the common rule of thumb is to over-recruit by 20% but this depends on who these participants are and where the groups are located. We anticipated that the absence rate would be higher for business owners than consumers because of the demands of their business and general reluctance to be involved in research.

provide a friendly introductory environment which was established over tea and coffee. Here business owners and researchers mingled informally to encourage a relaxed atmosphere. Participants were then called around a table by the moderator. The moderator introduced themselves, their assistant and the representative from the sponsor. Thanks were extended to the business owners for attending and the purpose of the meeting was again explained. The conventions of the group discussions were outlined together with reassurances about guarantees of confidentiality. Any initial anxieties or questions about the proceedings were invited. Each participant was asked to introduce themselves and their business background before the topics on the agenda were addressed.

In practice the focus groups held went smoothly and generated a great deal of data. The groups were able to cover the topic agenda within the one and a half to two hours allocated. Moderator intervention was mainly restricted to prompts, probes and moving the discussion on when a particular issue had been exhausted. There was no domination of the groups by one or two individuals. The assistant moderator and representative from the sponsor did not contribute or intervene in the discussion and sat away from the main table to be as unobtrusive as possible whilst witnessing the discussion. Once the formal proceedings were brought to a close, participants continued discussions over lunch. They were presented with their expenses on leaving.

In the second round focus groups, for many business owners there was an already established rapport and this meant that the organisers could concentrate on inducting new group members. It was clear that there were also benefits to the participants who in many cases had

exchanged business cards at the end of their first meeting, six months earlier, and were now keen to hear how each other's businesses were developing.

Ethics and Managing the Sponsor

Focus group research raises a number of ethical issues. We were particularly concerned to ensure confidentiality in the discussions and that participants could not be identified in any publications. As a result, any published results are made anonymous and the tapes and transcripts of the interviews were retained by the researchers. A further issue was how to manage the relationship with the sponsor as it was important that participants were aware of the sponsor's role but without any commercial obligations or overtones.

Reimbursing the expenses of respondents for small business research has not received much attention in the literature. There is some discussion that paying respondents can increase response rates and does have advantages in ethnographic research particularly where there is an imbalance in the power relations between researcher and the researched (Thompson, 1996). In mail surveys the argument tends to imply that payments can introduce bias in results. In this study, however, it was considered that reimbursement of expenses at a flat rate was an indication to the participants that the researchers valued their time and energy. The reimbursement of expenses was not, however, a key element of the recruitment and reward strategy used, as it was felt that this would bias the results. Only after the discussions were completed did participants receive payment to cover their expenses.

An unanticipated issue arose once the results of the discussions were published, regarding access to business owners. The SBRC was approached by the mass media seeking names and

telephone numbers of participants, in order to develop their own particular story using a case study. In these cases, researchers approached business owners directly, asking if they were able to help out. Only if permission was granted were their details passed on to the journalist.

Analysis of the groups

There are a variety of methods of analysing data from focus groups (see Catterall and Maclaren, 1997; Krueger, 1997b). The results published from this series of focus groups are presented through the identification of major themes in transcripts together with notes made by the moderators and observers. These methods are considered amongst the most rigorous and time-intensive (see Krueger, 1997b). The approach was guided by the topic agenda and initial analyses were made on a topic-by-topic basis (see Horwath Clark Whitehill/SBRC, 1998).

The discussions on a number of topics revealed the high level of detail which focus groups can engender as a result of the group interaction. For example, in the second discussion groups the topic of business succession was introduced. This led to a lively debate in which the business owners were very open about their own particular circumstances and experiences. In some cases, they were in the very process of disengaging from their business, providing data of specificity and depth. Any reservations we had that business owners would be reluctant to open-up in front of their peers on such a sensitive issue were not borne out. Although it might be expected that participants would be guarded concerning their motivations for running a business if these were less than positive, several participants revealed that they felt trapped, unable to let go of the enterprise they had created. They were therefore particularly interested in hearing the experiences of others. One participant did

retire between focus group rounds but he was asked to come back in order to tell them the final chapter of his story.

CONCLUSIONS

This paper has examined the use of focus groups as a method of researching the world of the small business owner. The results draw on a series of ongoing focus groups which will provide a longitudinal perspective. Although focus groups have been used rarely in small business research in the past, the results of the groups reported on here illustrate the potential contribution of this method as a vehicle to providing a picture of the motivations, rationales and experiences of small business owners.

A major advantage of this method over others derives from group interaction. Business owners were shown to empathise, explain, challenge, contradict and advise on, each other's accounts of their experiences in relation to particular topics. The reason for this level of openness may derive from a shift in the power relationship between researcher and researched. In focus groups the researcher is in a minority and participants are amongst their peer group. This seems to make them more willing to discuss topics openly in their own language, than in one-to-one research environments. This was exemplified in the responses to government proposals. Here the method was particularly useful as a means of allowing business owners to express their views and experiences unimpeded by the constraints inherent in one-to-one discussions with a researcher. Thus, focus groups are an effective way of ascertaining detailed views and experiences on government initiatives.

Although the groups were guided by a topic agenda, they were able to 'snowball' their views on issues, presenting a wider context for their own position. For example, views on motivations and exit routes often generated a wider discussion on pensions and the insecurity of business ownership. The advantage of this method over face-to-face interviews is that each speaker provides a platform for another to contribute, rather than responding only to a pre-determined list of questions. Here business owners were prepared to add to or qualify what had been said previously, providing a much more complete picture of their world.

It is often argued that one drawback of the focus group method is the trade-off between individual accounts and details for the sake of a 'group think' or view. This was not found in these group discussions. Participants provided long, detailed narratives about their experiences of running a business, which often revealed their values and motivations. Of course, choosing any research method involves certain trade-offs and the focus group approach is no exception. Running focus groups of small business owners proved to be relatively expensive, requiring considerable, detailed planning and follow-up with owner-managers compared with face-to-face interviews. Although the results were considered valid to the extent that the participants understood the issues under consideration, particularly through peer group probing, care must be taken about generalising results to the whole business population. Given the numbers of business owners attending in relation to the size and heterogeneity of the small business population, the results can be taken as illustrative of business owners' issues rather than representing any kind of 'average' response to the concerns raised.. However, the analysis of the data emerging from group interaction can provide a rich understanding of business owners and, on balance, we would argue that focus groups should be used more widely by those seeking to understand them . From our experience so far, the

method generates data of range, depth, specificity and personal context which can stand alone or compliment other research methods. Ultimately, using focus groups with small firms can help close the 'culture gap' between researchers and the subject they seek to understand.

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