



Extra Costs Commission: Business survey

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June 2015

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Acknowledgements

We are extremely grateful to all of the people who took part in this research. Thank you to Karen Hancock, Jane Walsh and Farooq Sabri from Long-Run Economics Ltd. for all their hard work. Finally, thank you to George Selvanera at the Business Disability Forum and everyone at Scope who utilised their business networks.

Summary

The Extra Costs Commission conducted a survey of businesses in April 2015, to understand how aware they are of the potential spending power of disabled people (known as the “purple pound”) and what prevents them from reaching this market.

- The businesses surveyed could see that there was potential in the ‘purple pound’; for example, over half agreed that there were valuable non-financial benefits to meeting demand from disabled people.
- To make the most of this potential, though, businesses wanted to hear more from disabled people themselves, with seven in ten saying they would value more feedback from disabled people and their families.
- However, businesses also need and want to know more about disabled people. For example, six in ten said they wanted to have more detailed data relating to disabled people as consumers.
- On barriers to meeting demand from disabled people:
 - A third of businesses felt that demand was not large enough from disabled people;
 - Another third felt that it was challenging to deal with the diversity of disabled people.
- Over half of businesses recognise the value of partnership with others who know about disability issues, such as disability organisations and disabled people themselves.

“We need more access to the thoughts and opinions of disabled people”

Introduction

Disabled people and their families form a sizeable consumer market - recent figures put the “purple pound” at £212 billion a year¹. However, it is not clear whether businesses are making the most of this market. The Extra Costs Commission’s previous research² showed that disabled people are not always getting the best deal, with 75 per cent saying that they left a shop or business because of poor disability awareness or understanding. This could equate to a share of £420 million of lost business a week, with disabled people likely to take their business elsewhere. There is a need for businesses to realise the potential in this market, however, more research is needed to understand the barriers to meeting demand from disabled people.

The research detailed in this report attempts to examine these issues. The Commission conducted a survey of businesses, to understand businesses’ understanding and awareness of the “purple pound”. This survey sought to understand the extent to which businesses are interested in the disabled consumer base, and what information, support and guidance would help them to reach these consumers.

The “**purple pound**” is the estimated spending power of households with a disabled person.

Set up in July 2014, the **Extra Costs Commission** is a year-long independent inquiry to explore the extra costs faced by disabled people and families with disabled children in England and Wales.

The Commission aims to understand the drivers of extra costs and develop recommendations for business, government, the voluntary sector and disabled people on how to drive down these costs.

¹ DWP press release on “purple pound” figures, 27 August 2014: <https://www.gov.uk/government/news/high-street-could-be-boosted-by-212-billion-purple-pound-by-attracting-disabled-people-and-their-families>

² Cage, E: *Extra Costs Commission interim technical report*, March 2015: <http://bit.ly/19F4pRn>

Results

A diverse group of 85 people took the survey, answering on behalf of their organisation³. They had a wide range of positions within their organisations, including managing directors, IT consultants, market analysts and equalities consultants. Respondents were asked which sector they worked in (Figure 1), and most often they worked in retail (21%), finance and insurance (19%) or information and communication (15%).

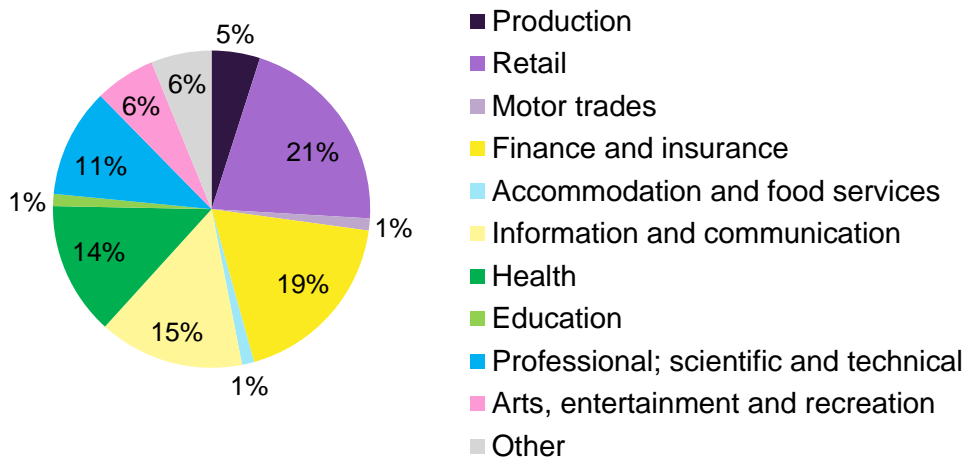


Figure 1. Range of business sectors reported

Most respondents (Figure 2) worked for a very large business (41%) with around a quarter working for a micro-sized business (23%).

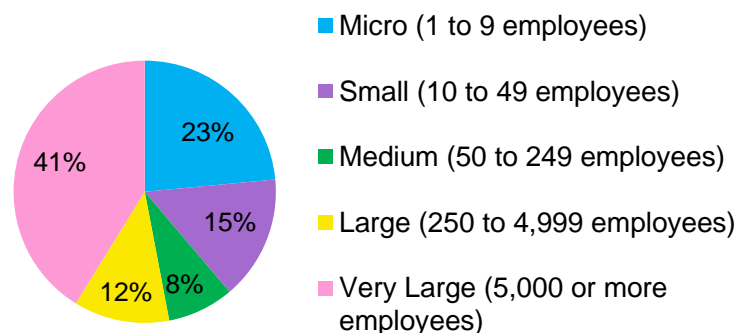


Figure 2. Business sizes of survey respondents

³ We acknowledge that this sample is not representative of the wider population and the findings may not apply to other businesses, but they can tell us about what this set of organisations think and feel.

What proportion of products or services were bought by or sold only to disabled people?

Respondents were asked to what extent their products and services were bought by or sold only to disabled people and their families (Figure 3). The most common response was that none of their products or services were used by disabled people (27%) or that they did not know (27%). 11 per cent said all of their products or services were used only by disabled people.

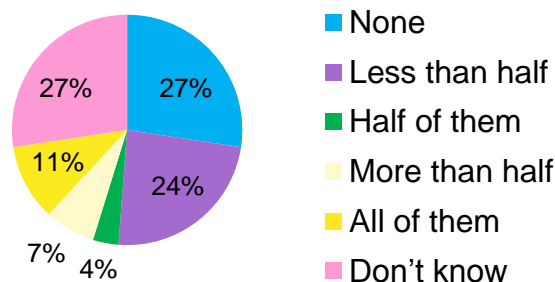


Figure 3. Estimates of the proportion of products or services bought by or sold only to disabled people and their families.

Can disabled people use their products or services?

When asked whether or not their products or services could be used by disabled people, 45 per cent said that all of their products or services could be easily used by most disabled people and 35 per cent said most could be used (Figure 4). Only 4 per cent said that their products or services would not be easy to use. The sample responding was therefore mainly businesses with products and services suitable for disabled customers, either because they could be adapted or because no adaptation was needed.

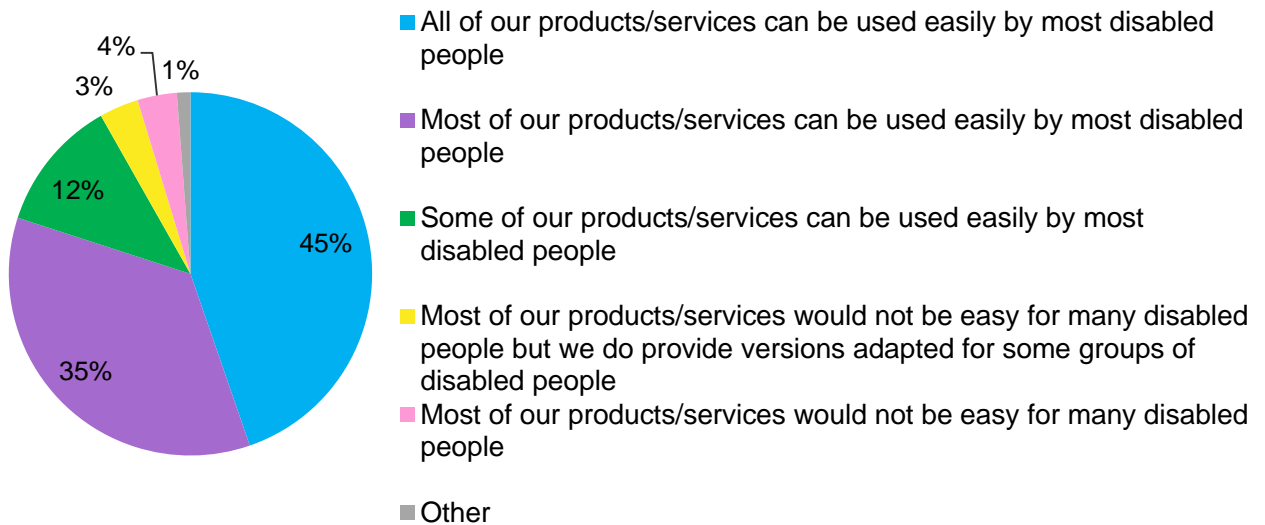


Figure 4. Responses to the question “which of these statements best describes your business”.

Businesses’ attitudes

Respondents were asked about the attitudes of their business toward disabled people (Figure 5). A majority saw the value in meeting demand from disabled people: 59 per cent positively acknowledged a duty to help disabled people to participate equally in society, with only 11 per cent actively disagreeing with this statement. Respondents acknowledged that there is scope to go further: only 11 per cent expressed strong satisfaction with how well they met demand from disabled customers. Interestingly, few said that their business used performance indicators to give a picture of how well they met demand from disabled people (27%). There were

also a significant number of neutral responses.

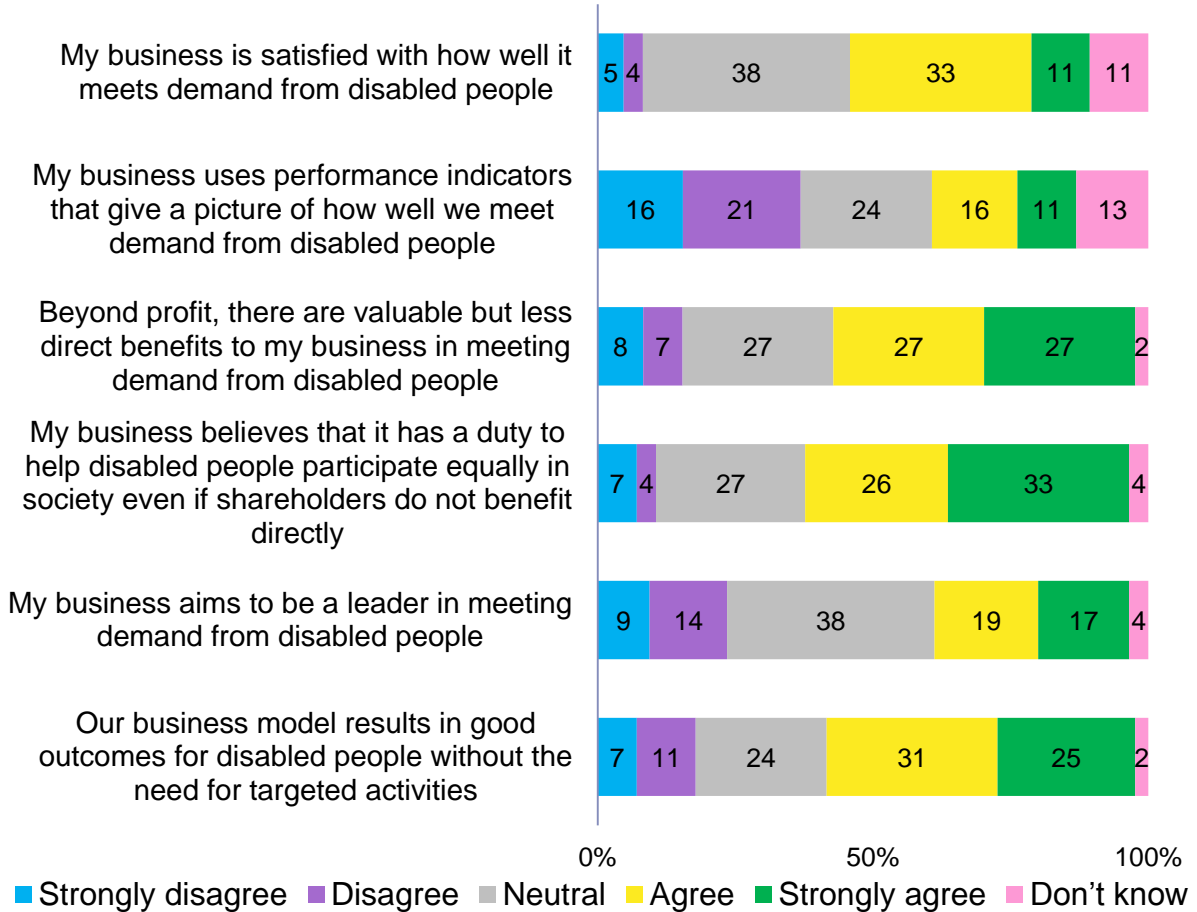


Figure 5. Business attitudes toward disabled people.

Barriers to satisfying demand from disabled people

The Commission wanted to know what was stopping businesses from taking full advantage of the “purple pound”. Respondents were asked which barriers (identified in early work of the Commission) they felt that they faced in satisfying demand from disabled people (Figure 6). The statement that most agreed with was that demand was not large enough to justify targeting disabled people (31%). Similar numbers agreed or strongly agreed that the other barriers stopped them meeting demand. Again, many respondents were neutral towards the barriers, possibly reflecting uncertainty.

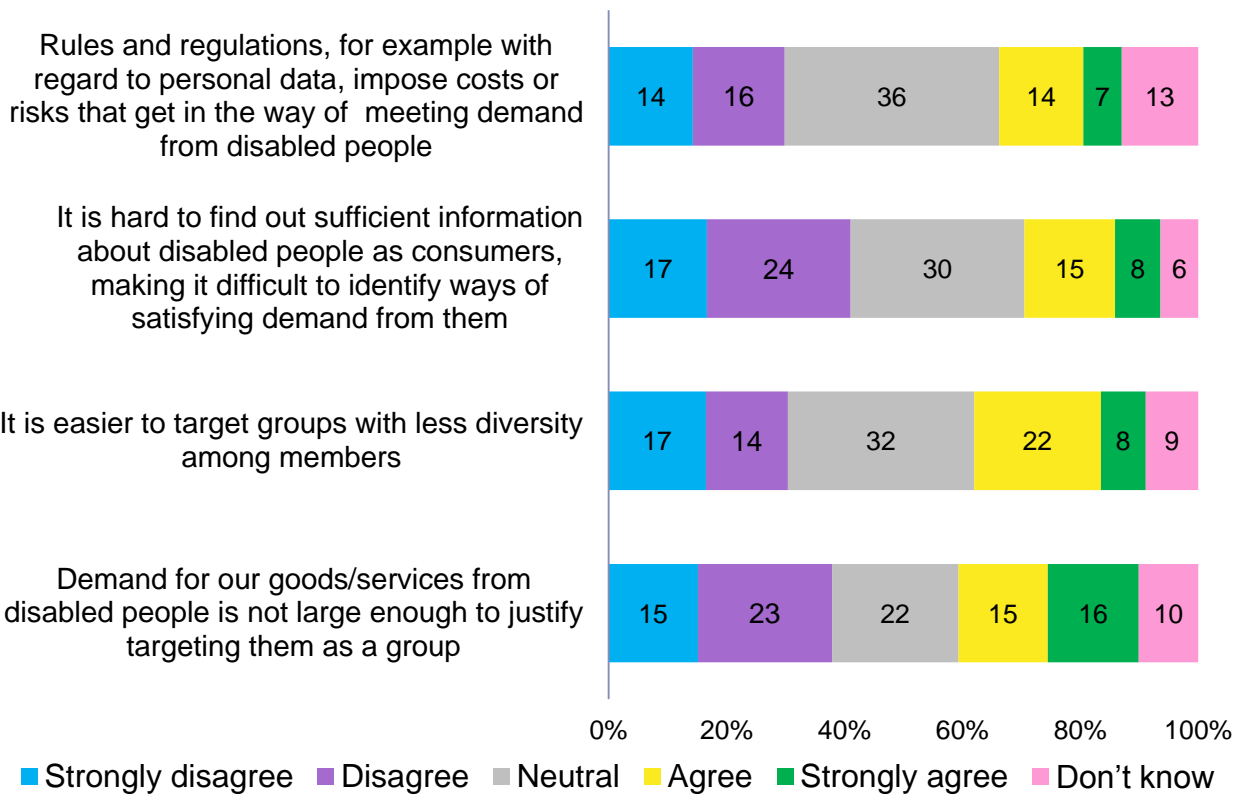


Figure 6. Factors that get in the way of businesses satisfying demand from disabled people.

In terms of the number of barriers that respondents said existed (Figure 7), over half agreed that at least one of the proposed barriers did exist, while 44 per cent did not agree with any of the suggested barriers.

Respondents were also given the opportunity to identify if there were any other barriers which got in the way of satisfying demand for disabled people. They said that issues with accessibility, lack of understanding, money and lack of support from government could contribute to the barriers:

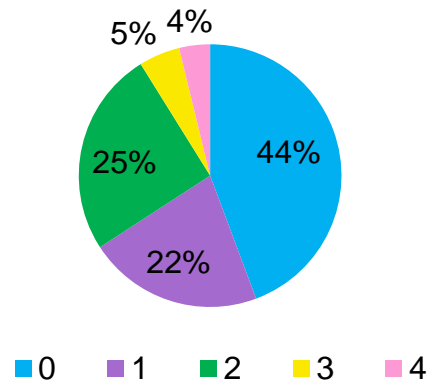


Figure 7. Number of barriers to satisfying demand from disabled people.

“Tenders are often outsourced to companies which do not seem to have an understanding of important factors in the disabled sector.”

Respondents were also asked what would help their businesses to overcome the barriers. They talked about needing to hear more from disabled people themselves; needing innovative and inspiring ideas; building relationships with others; the importance of corporate social responsibility (having a duty to society to be good corporate citizens); and needing education and training about disability. It is clear that some businesses want to overcome the barriers but they need the right support, knowledge and opportunities to do so:

“We need more access to the thoughts and opinions of disabled people. I would love to be able to design things that could help them.”

Useful information that would help meet demand

Respondents were presented with different types of information that could help them meet demand from disabled people, and were asked how useful this information would be to their business. These results show that businesses want to hear more from disabled people (Figure 8). There is also a market for others to be innovative and to develop ways of reducing the costs of supplying to disabled people. Businesses also want to know more facts and figures about the consumer spending power of disabled people and the size of this market.

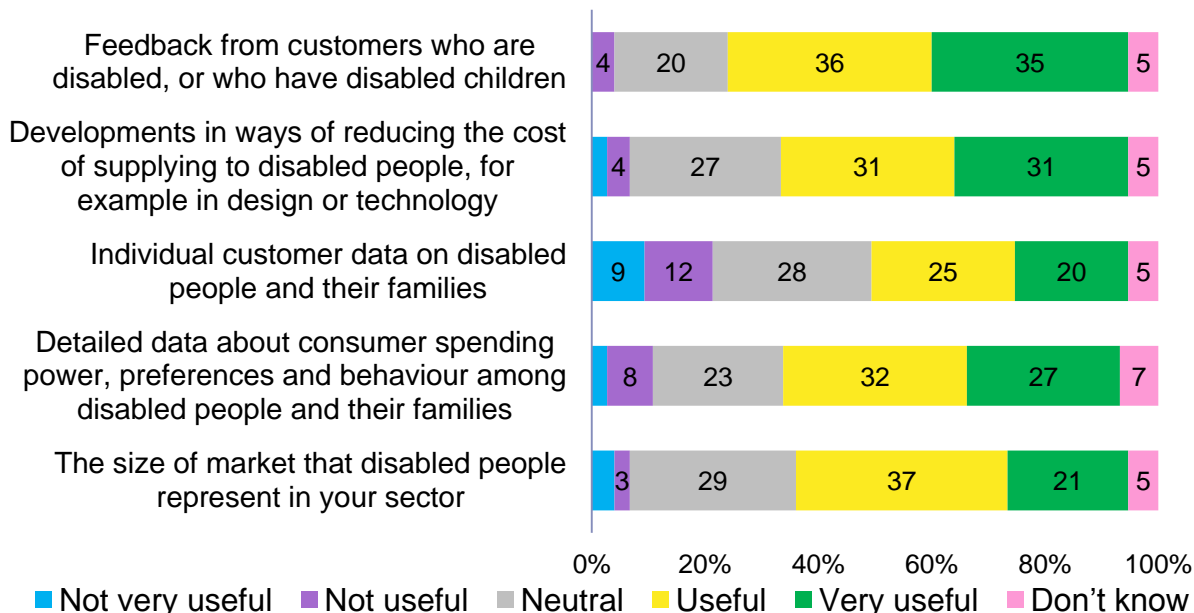


Figure 8. Useful information for businesses about disabled people.

Respondents were asked what change in the outside world would most help their business to meet demand from disabled people. They wanted more information, advice, feedback, training, and to hear more from disabled people themselves. These themes have been echoed in the previous qualitative responses – showing that the sentiment is there for many to advocate change:

“Greater employment opportunities for disabled people so they can influence from within”

Initiatives to influence businesses

The Commission wanted to know more about different initiatives or schemes which could be used to influence businesses to meet demand from disabled people. On behalf of the Commission, Long-Run Economics⁴ identified three schemes:

- **Recognition schemes:** schemes that create value to the business through recognition from an external source, for example, social labels, awards, prizes, or kite mark schemes.
- **Innovation schemes:** schemes that support innovation in meeting demand from disabled people, typically through financial incentives.
- **Partnership schemes:** schemes that promote collaboration, such as between businesses and disability organisations, with funding available only to organisations working in partnership.

Respondents were presented with these three schemes and asked how much potential they felt each had (Figure 9).

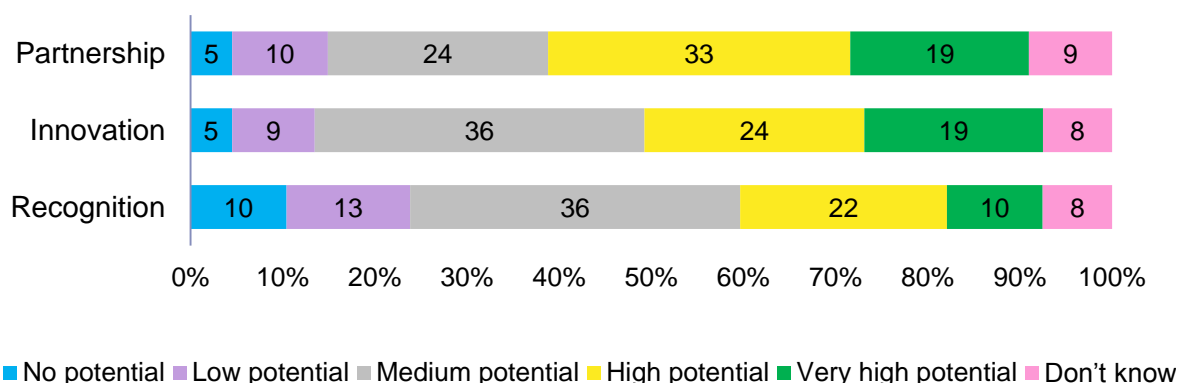


Figure 9. How much potential do you believe these schemes have in helping your business to do more to meet demand from disabled people?

⁴ See Sabri and Hancock (2015), *Incentives to businesses to help reduce the extra costs faced by disabled people* for further details.

Partnership was seen as the scheme with the most potential: businesses are keen to work together to make a difference. There is also a market for fresh new ideas to generate better and brighter ways of meeting demand. Respondents also had the option to say what would influence them to use the suggested schemes. They talked about economic benefits, feedback, support, demand and innovation:

“Personal, inspiring stories of how innovative use of our technology would help [influence my business]”

Conclusion

Results from our business survey indicated:

- The businesses surveyed wanted to hear more from disabled people and their families.
- They have an appetite to reach disabled people and their families. Businesses need more information, support and guidance to do this.
- Most recognised that there is a wider value in meeting demand from disabled people, both to their business and to society.
- Barriers to meeting demand from disabled people included the perception that disabled people form a market that is too small to target and that it is challenging to deal with this diverse group of people.
- Most would find a range of additional information useful in meeting demand from disabled people.
- Most felt there was good potential in partnership schemes as a way of encouraging businesses to meet demand from disabled people.

“We need for society to realise the potential of spending power of disabled people, and to value them”