

- ☼ **Name of the study:** Customers' Perceptions Towards Different Types of Value Provided to People with Intellectual Disability
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- ☼ **Authors:** Professor Oded Lowengart
- ☼ **Research Authority:** Ben Gurion University

## Abstract

Social enterprises offer a sustainable model for integrating people with intellectual disabilities, enabling long-term employment in a productive setting, promoting social integration, and encouraging long-term economic independence.

To achieve their social mission and survive over time, social enterprises must analyze their immediate and distant business environment and create a customized business plan to help them understand and manage interactions with various stakeholders that may influence the organization. One of the critical factors in this context is the customers of the organizations, so understanding their perceptions regarding the social value provided by these organizations, distinguishing between different segments, and identifying the segments most sensitive to value for people with intellectual disability, can help social enterprises maximize the value offered. People with Moshe and both for the clientele. Therefore, this study provides a practical contribution that includes mapping the considerations involved in purchasing decisions from organizations that promote different types of social value and identifying groups in the consumer market (clusters) that assign the highest value for services or products involving people with intellectual disability. Identifying these considerations will make it possible to formulate milestones and focus marketing efforts on highlighting desired benefits when addressing market segments.

Exploring the mechanism by which social enterprises can nurture their relationships with customers while emphasizing the considerations involved in customers' decision-making process will help create practical tools to improve performance and profit and enable the realization of the social goal at the organization base.

The research was conducted in two stages: (1) exploratory research to identify perceptions and (2) market survey to examine the decision-making processes of potential customers.

As part of the exploratory study, we found that in respondents' perception, organizations that provide social value for people with intellectual disabilities are perceived to be creating value for additional stakeholders beyond the beneficiaries. As evidence of this, the price the respondents were willing to pay for coffee in cafés that provide social value was also higher than the price

they were willing to pay for coffee in a cafe that did not offer social value. The price the respondents were willing to pay for coffee in the cafe that provided value for people with intellectual disabilities was higher than for cafes that promote a different kind of social value. It also seems that employing people with intellectual disabilities was perceived as producing more value than donating products or money for this purpose. These preliminary findings demonstrate the customers' sympathetic perception towards organizations that provide social value for people with intellectual disabilities and towards WISEs in particular.

After the exploratory study helped us examine the boundaries of the phenomenon, we reduced the number of cafés to four to reflect three distinct types of social value: contribution to people with intellectual disabilities, work integration of people with intellectual disabilities, and value to people from developing countries. As part of the market survey, we sought to deepen our understanding of social value from customers' perspectives.

The American respondents' perceptions of the cafés on the dimensions of social, business, and price indicated that the cafes were perceived as distinct from one another mainly based on the social and business dimensions. On the social dimension, WISE café was perceived as having the highest value and Nationwide café (with no social value) the lowest. In contrast, on the business dimension, coffee WISE was perceived as providing the lowest value and coffee Nationwide as the highest. At the same time, it seemed that customers did not create a perceptual distinction between the various cafés based on the price of coffee and breakfast.

An examination of the decision-making processes provided an interesting insight. While formulating the preference, the respondents relied on three considerations: social, business, and price; the choice process was based only on business and social considerations. These discrepancies between the considerations involved in formulating preference and the considerations involved in selection have been found in the literature in the past. They indicate that these are two processes that are distinct from each other. Moreover, the fact that WISEs were high on the social factor and low on the business factor simultaneously illustrates the difficulty these organizations face because of customer ambivalence. It is therefore important to note the factors in which the WISE cafe leads and the factors in which it is perceived as inferior. In this case, the importance of the business dimension indicates the critical value of the product's quality as a predictor of customer value. Businesses that incorporate social value should be aware of the business dimension (quality) and position themselves as high on this dimension in customers' perceptions. The Israeli sample had the same perceptions of the cafés' attributes as the American sample. However, when respondents were asked about the value provided by cafés, Fair Trade café, which was highly chosen in the American sample, was perceived as much lower in the Israeli sample.

Since respondents did not appear to distinguish between cafés based on the price of coffee and breakfast and relied mainly on business and social dimensions, we delved deeper into the price component. We conducted cluster analysis, identifying customers' groups according to their willingness to pay for coffee and breakfast. Clusters analysis revealed that in the case of coffee (the cheaper product of the two), respondents were willing to pay more for coffee offered in cafés that provide social value. However, in the case of breakfast (the most expensive product of the two), another group of respondents was identified who expected to pay a relatively lower price in the cafés that provided social value. This group included a third of the respondents. The factors that led these customers to offer a lower price for social value should be further investigated.

In conclusion, it can be said that social value for people with intellectual disabilities is indeed important for customers and serves as a significant factor according to which customers perceive and distinguish between different offerings. Israeli customers preferred and chose a social value for people with intellectual disabilities over other types of social value and preferred and chose organizations that employ people with intellectual disabilities over organizations that donate to the same cause.

The analysis of the perceptual maps and the decision-making processes - preference and choice- indicate that social and business considerations are perceived as central and are used both to distinguish between the various offerings and to formulate preference and choice. We found that at low price levels (coffee purchase), customers do not use the price to distinguish between the various value propositions. This finding allows managers to debate how to act about social overhead and the need to invest an additional budget for social value. The business dimension was found to be meaningful in predicting preference and choice. Therefore, these businesses must be positioned as high on the business dimension. Therefore, if there is a possibility of raising the price slightly to improve product quality, it would be advisable.

The study's results create an initial basis for organizations interested in employing people with intellectual disabilities by understanding the needs of potential customers. The study's findings can develop public and social policies to encourage the integration of social enterprises employing people with intellectual disabilities.

## Keywords

Keywords: Work integration, social enterprises, customers behavior, decision making, perceptions, preference, choice, people with intellectual disability

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