Asia Centre for Social Entrepreneurship & Philanthropy
NUS Business School

raiSE SINGAPORE
Centre for Social Enterprise

Public Perception Study on Social Enterprises in Singapore

Full Report

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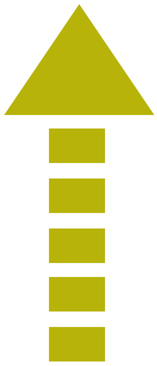
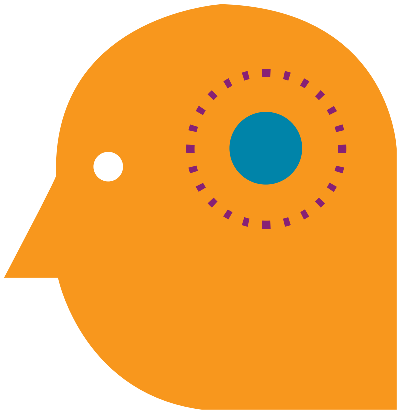


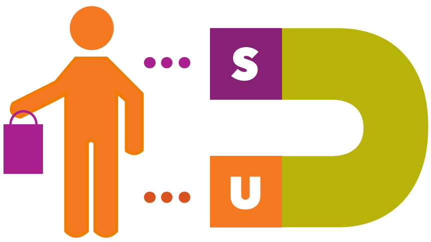
Fivefold jump in awareness



31 - 35 years old have highest awareness

Increase in buyers from 22% to 35%

Positive correlation of purchase of SEs' goods / services



social mission + product uniqueness

= Buyers & ready buyers motivated to buy

Non-buyers looking for quality and price competitiveness

Executive Summary

In 2016, the Singapore Centre for Social Enterprise (raiSE) commissioned the Asia Centre for Social Entrepreneurship and Philanthropy (ACSEP) at NUS Business School to conduct a second public perception survey on social enterprises in Singapore. The purpose of the survey is to obtain insights into how public awareness and understanding of social enterprises and buying from these entities have changed since 2010 when the Social Enterprise Association (SEA) conducted the first public perception survey. Hence, whenever possible in this report, we will compare the results from the 2016 survey to those from the 2010 survey. The 2016 survey recorded a total of 1,888 valid responses which makes the sample similar in size to that of the 2010 survey which recorded a total of 2,000 responses.

FINDINGS FROM THE 2016 PUBLIC PERCEPTION SURVEY

The four main findings from the 2016 survey are presented below.

1. Public awareness of social enterprises is at a significant high in 2016 with the level of awareness highest among those between 31 and 35 years old.

2. Understanding of social enterprises has also grown; seven out of 10 respondents in 2016 could correctly categorise at least one of three social enterprises in the survey questionnaire.

3. The percentage of respondents who made purchases from social enterprises (those people we called buyers) has increased in 2016. However, this increase appears to be the result of converting ready buyers to buyers. There does not appear to be a breakthrough in converting more non-buyers (people who have not bought and are not interested in buying from social enterprises) to buyers.

4. Over the last six years, there has been an apparent shift in the motivations behind buying decisions to emphasise the quality and uniqueness of the products or services offered, and the social cause they represent.

We also derived three new additional insights from the 2016 survey. First, public perception of the top three social goals in Singapore relate to people with disabilities; people/families with low Income; and people with health conditions. This perception, rightly or wrongly, could keep decision makers focused on the most needy groups in the community.

The second relates to how the public differentiates social enterprises from traditional businesses. While the majority of survey respondents differentiate the two entities based on "the fact that social enterprise is doing good while making a profit," a significant number of respondents also differentiate based on "what the social enterprise says (self-identification)" or "what I hear from the media." Hence, it is important to train social entrepreneurs in branding and marketing their enterprises to the public.

Third, public awareness of raiSE is considerably high despite it being barely one year old since its establishment in 2015. The majority of respondents saw raiSE as responsible for raising public awareness of social enterprises, helping with funding, and providing advisory/training.

KEY CHALLENGES FOR THE SECTOR

1. Buyers and ready buyers have become more discerning when making buying decisions and appear to be moving away from philanthropic motivations to a more critical evaluation of the credibility a nd validity of the social cause and mission of social enterprises.
2. More people now use the same measures to guide their decision when buying – be it from a social enterprise or a traditional business.
3. The resilience of non-buyers is a major hurdle to growing the customer base and sustaining the social enterprise sector.

RECOMMENDED ACTION PLANS

We have proposed a slew of actions by different stakeholders to drive continuous improvement and further growth in the sector.

Social Enterprises

- Increase their competitiveness through innovations to improve the quality of existing products and create new and unique products.
- Ensure they champion social causes that resonate with the public perception of greatest social needs.
- Differentiate themselves from traditional businesses.

raiSE

- Step up public communication efforts to increase awareness of raiSE and enhance understanding of social enterprises and their twin goals of doing good while making a profit. Adopt a multipronged approach, taking into consideration the changed media environment where communication has become increasingly conversational (two-way) and centred around credible influencers and passionate advocates.
- Provide consulting/training to help build the capabilities of social enterprises.
- Collaborate with media to highlight the efforts of social enterprises and the challenges they face while working to address social needs in the community.

1 Introduction

Six years have passed since SEA conducted the first public perception survey in 2010 to gauge awareness of the nascent social enterprise sector in Singapore and glean insights on the public's buying behaviour and motivations for supporting social enterprises.

Since then, there have been several changes in the social enterprise landscape. The Singapore Centre for Social Enterprise (raiSE) was launched in 2015 to consolidate the efforts of key players including the National Council of Social Service (NCSS), the Ministry of Social and Family Development (MSF), Singapore Totalisator Board (Tote Board), and SEA. raiSE secured up to $30 million in funds from MSF and Tote Board to grow social entrepreneurship over the next 5 years through grants and investments.

During this time, the number of social enterprises in Singapore grew more than threefold to 314 registered members of raiSE as at September 30, 2016.

To gain insight into how public perception of the social enterprise sector and buying behaviour might have changed since the 2010 survey, raiSE commissioned ACSEP at NUS Business School to conduct a second perception survey in 2016.

This report covers our findings which are organised as follows. Chapter 2 describes the research design and methodology for the 2016 survey. Chapter 3 compares the differences between the results from the 2010 and 2016 surveys. In Chapter 4, we report additional insights from the 2016 survey. Our conclusions are in Chapter 5; here we discuss the improvements over the last six years and the key challenges facing the social enterprise sector today. In Chapter 6, we propose action plans for various stakeholders – social enterprises, raiSE, corporations, government agencies and the media – to further develop and grow the social enterprise sector.

2
Research Design and Methodology

Questionnaire Design

Researchers from ACSEP and raiSE worked together to develop the questionnaire for the 2016 survey. We modified the questions in the 2010 survey and added new ones to ensure we ask relevant questions, given that the social enterprise landscape had changed and based on literature reviews.

Before finalising the questionnaire, we ran tests to ensure the questions are readable and meaningful. The final questionnaire for the 2016 survey comprises 21 questions asking about awareness and understanding of social enterprises, buying behaviour, motivations for supporting social enterprises, public perception of the relative urgency of various social causes, the defining characteristics of social enterprises, and the perceived role of raiSE.

Data collection

In preparation for the survey, ACSEP and raiSE researchers conducted a training session to brief interviewers on the questionnaire and share best practices in conducting surveys. A manual on the Standard Operating Procedures (SOP) was compiled for their reference and a trial run was carried out.

Students from Republic Polytechnic conducted the survey between May 3 and June 14 during the daytime from Mondays through Sundays. They conducted face to face interviews with members of the public – for a maximum of 15 minutes per interview – at shopping malls, public libraries and the Central Business District. Specifically, the interviews were conducted at Raffles Place; Northpoint Shopping Centre in Yishun; Woodlands Civic Centre and Causeway Point in Woodlands; Sun Plaza and Sembawang Shopping Centre in Sembawang; Hougang Mall in Hougang; Ang Mo Kio Hub in Ang Mo Kio; Junction 8 in Bishan; public libraries near Bugis and Woodlands; Greenwich V in Yio Chu Kang; Lot One in Choa Chu Kang; and West Mall in Bukit Batok.

To ensure consistency in carrying out the interviews and the quality of the data collected, lecturers from Republic Polytechnic and raiSE researchers made random visits to designated survey locations to observe the fieldwork and step in when necessary.

Working towards the targeted sample size of 2,000 respondents, the students interviewed a total of 2,030 members of the public. However, after removing 142 invalid responses due to reasons such as severe omission of questions,[1] we counted 1,888 valid responses in the sample for the 2016 public survey. Valid responses are defined as those containing answers to five questions or more.

[1] For a response to be considered valid, the respondent needs to answer at least five questions in the questionnaire out of a total of 21 questions. Out of the valid 1,888 responses, nine people answered exactly five questions; one person answered seven questions; one person answered eight questions; two persons answered nine questions; and the rest answered more than 10 questions.

Respondent Profile

Nationality

Most of the respondents (92.5 percent) are Singaporeans or permanent residents. The rest (7.5 percent) were foreigners. Hence, we consider our sample as representing a local view of social enterprises.

Gender

The gender breakdown of the sample from the 2016 survey approximates that of the 2010 survey and the 2015 National Census. The 2016 sample[2] comprises 56 percent female and 44 percent male (see Table 1).

Age

As shown in Table 2, the age distribution of respondents in the actual sample is close to what we targeted when designing the survey. The percentages of male and female respondents by age group in the actual sample are shown in columns 4 and 5 respectively. The actual sample includes 30 percent male and 39 percent female at and below the age of 30. These numbers are slightly higher than the targeted percentage of 25 percent for both genders. The percentage of respondents 51 years and above in the actual sample at three percent for both male and female is slightly below the five percent targeted for both genders.

Table 1: Gender Breakdown

A Comparison of Samples from the 2016 and 2010 Surveys and the 2015 National Census

	2015 National Census*	2010 Survey	2016 Survey
Male	49%	49%	44%
Female	51%	51%	56%

** Gender breakdown of Singapore residents obtained from Singstats at: http://www.singstat.gov.sg/publications/publications-and-papers/population-and-population-structure/population-trends*

[2] Data from the 2016 survey can serve as the baseline for future longitudinal studies by using specialised statistical weighting method to adjust the sample to represent the underlying population segments over time.

Table 2

Distribution by Age Group in Targeted and Actual Samples for the 2016 Survey

	Targeted Sample Number of Respondents %		Actual Sample Number of Respondents %	
Age group	**Male**	**Female**	**Male**	**Female**
18 – 30 yrs old	360 – 500 18% – 25%	360 – 500 18% – 25%	555 30%	719 39%
31 – 50 yrs old	360 – 500 18% – 25%	360 – 500 18% – 25%	212 11%	266 14%
51 and above	100 – 200 5% – 10%	100 – 200 5% – 10%	47 3%	62 3%
Total	820 – 1200 41% – 60%	820 – 1200 41% – 60%	814 44%	1047 56%

We observed a skew towards the youngest age group in the earlier stages of the survey. Deliberate efforts thereafter to target the older groups only improved the spread slightly as those below 31 years of age were generally more responsive when approached by our interviewers.

That said, a sample that focuses on the youngest segment of the population offers a more representative view of Singapore youths' awareness of social enterprises. Ang, Lam and Zhang (2016) identified a total of 284 social enterprises in Singapore; among these, about one-third or 96 were started by youths at or below the age of 35, pointing to the important role being played by youths in the social enterprise space.

Employment Status

As with the 2010 survey, we asked 2016 respondents for their employment status to ensure they are representative of the underlying population. The breakdown of their employment status is shown below:

- Employed – 41.6 percent
- Students – 41.5 percent
- Self-employed – 7.7 percent
- Homemakers – 2.3 percent
- Out of work – 2.2 percent
- National Service – 2 percent
- Retired – 1.5 percent

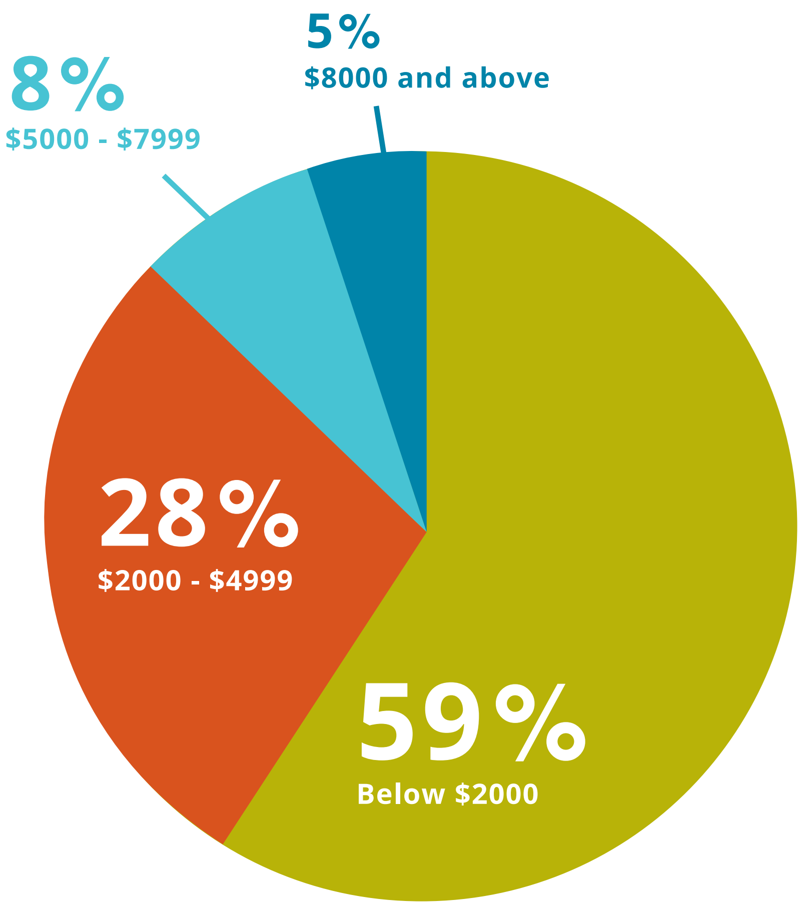
Income

As the survey seeks to assess willingness to buy from social enterprises, we asked respondents for their income levels to ascertain their purchasing power. Figure 1 shows 59 percent earn a monthly income of less than S$2,000 while five percent earn more than S$8,000 monthly. This finding reflects the sampling bias towards the youngest segment of the population who may not have started a career.

While the majority in our sample take home less than S$2,000 per month, responses to subsequent questions suggest that income levels do not seem to have a bearing on past purchasing behaviour and future purchasing intention.

Figure 1

2016 Respondents' Monthly Income Levels



3
Findings

In this section, we consider how the four dimensions listed below have changed in the last six years using data from the 2010 and 2016 surveys.[3]

1) the level of awareness of social enterprises;
2) the level of understanding of social enterprises;
3) the willingness to purchase from social enterprises; and
4) the reasons for purchasing from social enterprises.

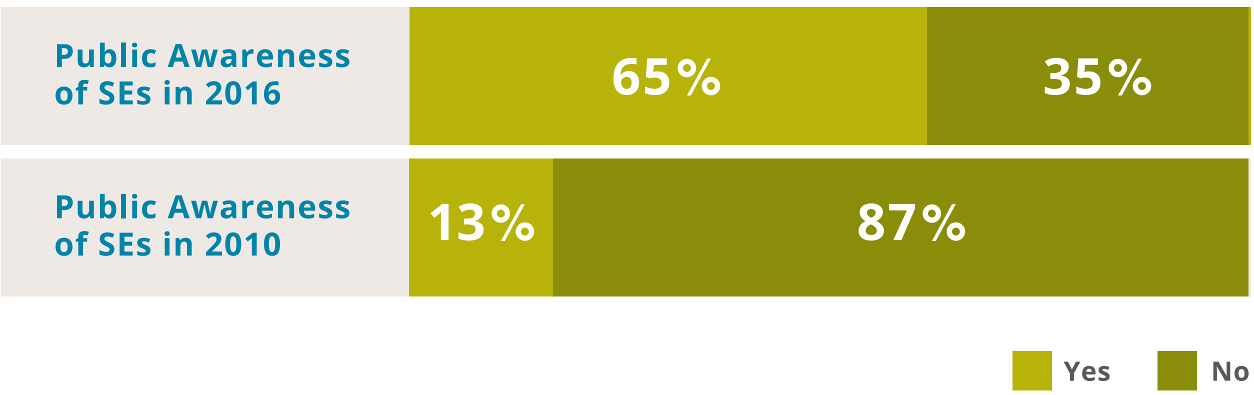
Increased Awareness of Social Enterprises

Data shows public awareness of social enterprises is at a significant high in 2016. Figure 2 shows 65 percent of the respondents in the 2016 survey are aware of the term "social enterprise" whereas only 13 percent of respondents in the 2010 survey were aware of social enterprises.

This finding is very encouraging and suggests that deliberate efforts by various stakeholders – SEA (the predecessor of raiSE), the media, research centres, and raiSE – in the last six years have helped to raise the level of public awareness of social enterprises. For instance, following the 2010 survey, SEA implemented an action plan to raise awareness of social enterprises. ACSEP was re-envisioned in 2011 to conduct research, education, and training and development programmes in social entrepreneurship. Media coverage of social enterprises has also increased substantially in recent years (Prakash and Tan, 2014).

Figure 2

Increased Awareness of SEs



[3] *We do not expect these two sets of data to be completely comparable as the questions asked in the two surveys are different. This section will cover the differences in greater detail.*

Next, survey respondents were asked how they heard about social enterprises. Table 3 shows that the Internet has supplanted broadcast media in 2016 as the leading channel through which the public (65 percent) became aware of social enterprises.

In 2016, print media and word-of-mouth remain among the top three ways respondents learnt about social enterprises, but word-of-mouth has overtaken print media to become the medium through which almost half of respondents (49 percent) learnt about social enterprises. This is a twofold increase in six years; in 2010 only a quarter of respondents said they learnt about social enterprises through word-of-mouth. The percentage of respondents who learnt about social enterprises through print media dropped from 34 percent in 2010 to 30 percent in 2016.

These numbers point to the growing dependence on the Internet for information among the youngest segment of the population. The shift away from traditional media – broadcast and print – to word-of-mouth suggests that members of the public are now more partial to the voices of vocal netizens/citizens and more inclined to view them as credible sources of information. The rising popularity of online consumer polls and customer reviews corroborates this trend with businesses increasingly using consumer-sourced content as online marketing tools to influence buying behaviour.

This finding has a bearing on future public communication and brand building, lending support to engaging influencers and advocates in the efforts.

Even though our sample skews towards the younger segments of the population, Figure 3 shows an awareness level at or above 57 percent for all age groups with the exception of the group aged 60 and above which registered an awareness level of only 41 percent. Those in the 31-35 age group registered the highest level of awareness with seven out of 10 respondents saying they are aware of social enterprises.

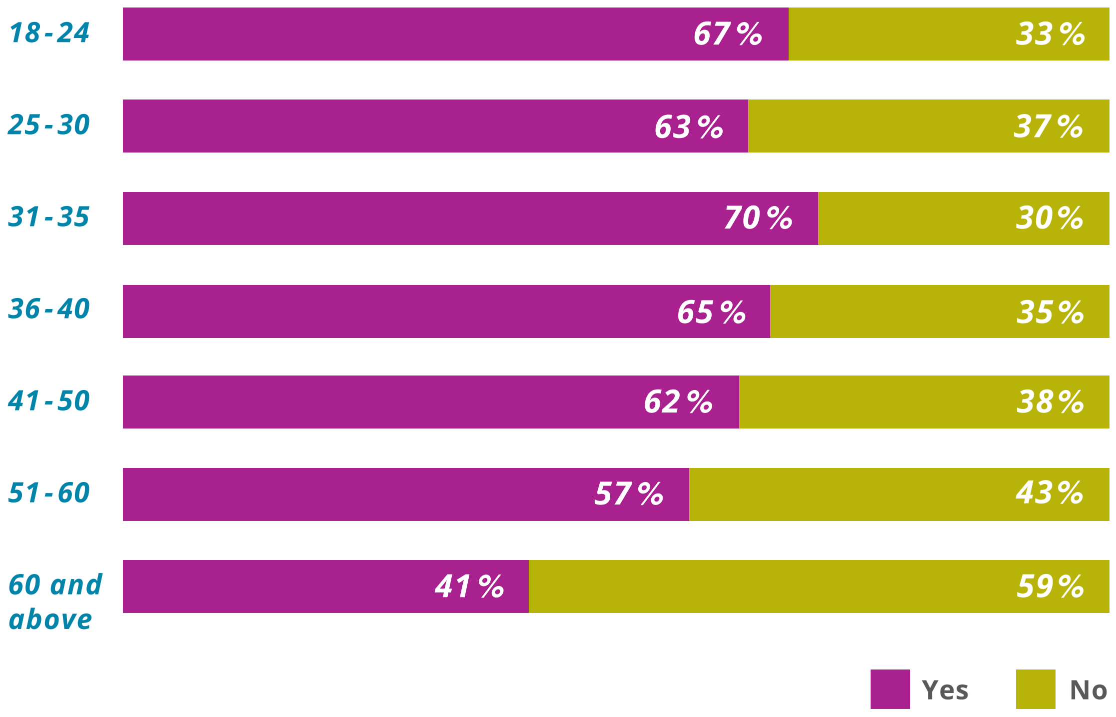
Table 3

Top Three Media Contributing to Public Awareness of SEs

2016 survey	2010 survey
Internet 64%	Broadcast Media 42%
Word-of-mouth 49%	Print Media 34%
Print Media 30%	Word-of-Mouth 25%

Figure 3

Awareness of SEs by Age Group



Increased Understanding of Social Enterprises

According to data from the 2016 survey, the public's understanding of social enterprises has grown in the last six years.

The 2010 survey asked respondents who were aware of social enterprises to recall the name of one such entity. Only two out of 100 respondents were able to correctly name a social enterprise.

In 2016, we assessed public understanding of social enterprises by asking survey respondents to categorise seven organisations into three groups – business, charity or social enterprise. The seven included three social enterprises namely 18 Chefs, Soon Huat Bak Kut Teh, and Silver Caregivers Cooperative Limited. The other four organisations were Singapore Airlines (business), McDonald's (business), National Kidney Foundation (charity), and Renci Hospital (charity).

It is important to note that for those who are unaware of social enterprises, a cue card is shown to them to provide vivid illustrations of what a social enterprise is.[4] Subsequently, the public is asked to categorise the above mentioned three specific social enterprises.

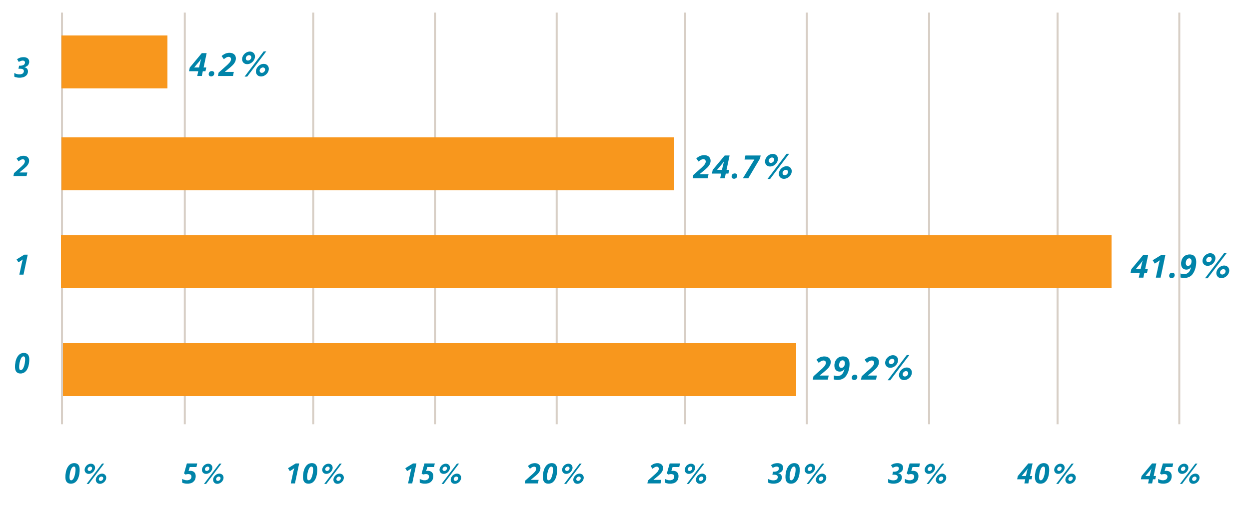
Each respondent was given one point for every correctly categorised social enterprise, i.e., one point for identifying one social enterprise, two points for identifying two social enterprises, and the maximum three points for identifying all three social enterprises on the list in the survey questionnaire.

Figure 4 shows four out of 100 respondents in the 2016 survey could correctly identify all three social enterprises. More encouragingly, an overwhelming seven out of 10 respondents could correctly categorise at least one of the three social enterprises on the list. In other words, fewer than three out of 10 respondents still have no idea at all about social enterprises.

Using the percentages shown in Figure 4, we computed an average score as a measure of the average level of understanding of social enterprises among the respondents in our sample. Out of a maximum attainable score of 3 (for correctly identifying all three social enterprises), 2016 respondents scored an average of 1.04 which translates to an ability to correctly identify 35 out of 100 social enterprises.

Figure 4

Respondents' Performance in Identifying SEs



[4] The cue card contains the following information: "A social enterprise is a business with a social objective. It uses business practices to achieve a social mission in a financially sustainable manner. One example is a courier service company that hires marginalized youth and older worked. The aim is to provide employment for them through specialized training while rebuilding their character. Another example is a company that hires and trains underprivileged women with the skills to brew coffee in specialty cafes. The aim is to provide them with specialized skills in coffee-brewing to improve their employability and income. A third example is a company that sells special jackets which provide a deep pressure on the body and leads to a calming effect for children or adults who have sensory disorders. The aim is to improve their quality of life."

Given the increase in the level of understanding of social enterprises from 2010 to 2016, we explored if it is related to a higher level of awareness. The answer to this question has significant implications for advocates of social enterprises and policy makers.

Our study points to a positive correlation between awareness and understanding. A respondent who has heard about social enterprises would be able to correctly identify an average of 1.16 out of three social enterprises. On the other hand, a respondent who has not heard about social enterprises would be able to correctly identify an average of 0.8 out of three social enterprises. Hence, having heard of social enterprises does improve understanding by 45 per-cent (from a score of 0.8 to 1.16). This translates to an ability to correctly identify an additional 12 social enterprises out of a total of 100.

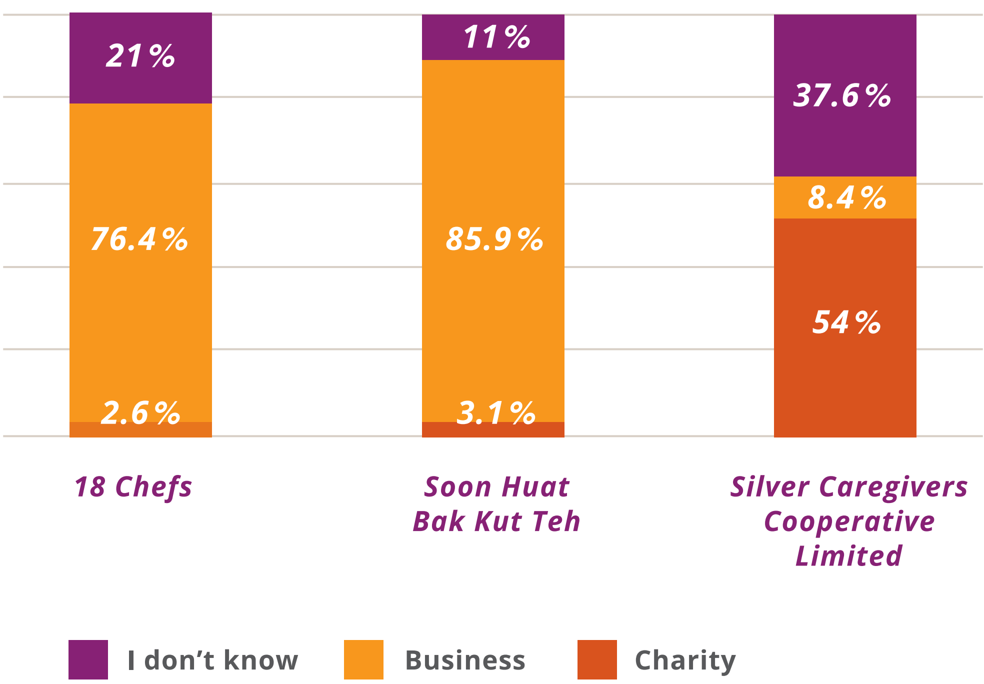
Taken together, we can conclude that awareness can significantly enhance the correct identification of social enterprises. This finding lends support to a comprehensive programme to increase both the awareness and understanding of social enterprises.

It is equally important for us to understand respondents' confusion when asked to differentiate among the three categories of organisations – business, charity and social enterprise. This understanding can help with the design of more effective programmes to eliminate the confusion.

Figure 5 is a breakdown of the incorrect answers given by respondents when asked to categorise the three social enterprises listed in the survey questionnaire. We have included the response of "I don't know." The chart shows a vast majority of

Figure 5

Breakdown of Incorrect Categorisation of SEs



respondents – 76 percent and 86 percent respectively – incorrectly identified 18 Chefs and Soon Huat Bak Kut Teh as businesses. Fifty-four percent of respondents thought Silver Caregivers Cooperative Limited was a charity. Hence, we conjecture that the name of social enterprises plays a non-negligible role in affecting the public's misperception of social enterprises.

Increased Buying from SEs

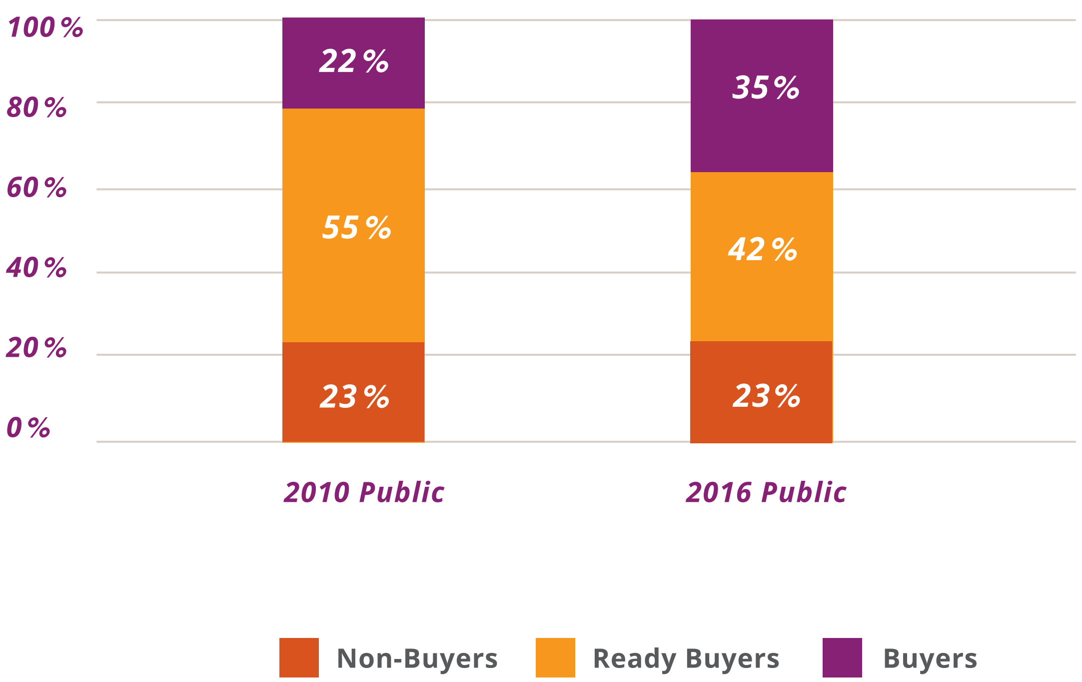
In this section, we evaluate the buying behaviour of respondents and their willingness to purchase services and products produced by social enterprises. As in the 2010 survey, we define buyers as the people who have previously purchased from social enterprises; ready buyers as those who have not previously bought from social enterprises but intend to do so in the following six months; and non-buyers as those who have never purchased from social enterprises and do not intend to do so in the following six months. Figure 6 shows the buying behaviour and intent of respondents in the 2010 and 2016 surveys to purchase goods and services from social enterprises.

Overall, there does not appear to be a breakthrough in converting non-buyers and increasing the sustainability of social enterprises. About 23 out of 100 respondents are non-buyers in 2010 and 2016. In other words, both buyers and ready buyers taken together have not grown beyond 77 percent of respondents from 2010 to 2016.

A closer look at the survey data shows an increase in the percentage of buyers in 2016. Specifically, the number of buyers has grown from 22 percent in 2010 to 35 percent in 2016.

Figure 6

Buying Behaviour and Intent to Purchase from SEs



This increase appears to be the result of converting ready buyers to buyers as data shows a corresponding decline in the percentage of ready buyers from 55 percent in 2010 to 42 percent in 2016. That being so, the challenge for social enterprises lies in converting non-buyers to ready buyers or buyers in order to build financial sustainability and scale social impact.

Next, we examined how gender affects the buying behaviour of 2016 respondents and their intent to buy from social enterprises. We did not find any significant differences between male and female respondents. The percentages of female non-buyers, ready buyers and buyers approximate those of male non-buyers, ready buyers and buyers as shown in Figure 7.

Figure 7

Purchase Behaviour and Intent of Male and Female Respondents

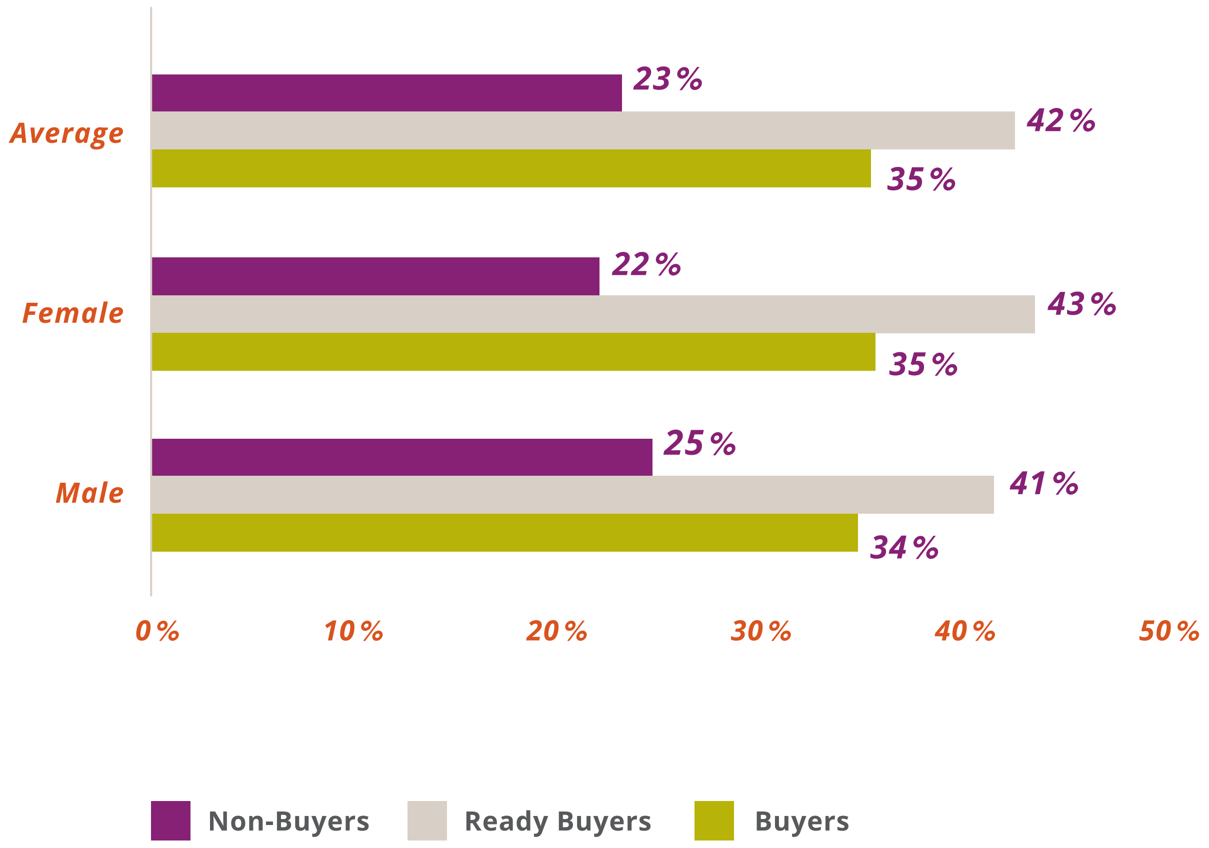


Figure 8 takes a closer look at buying behaviour and intent to buy by age group. The groups making the most purchases from social enterprises are those aged between 36-40 and those aged 61 and above. The buyers among these two groups number 46 percent each, according to 2016 data.

Figure 8

Buying Behaviour and Intent by Age Group

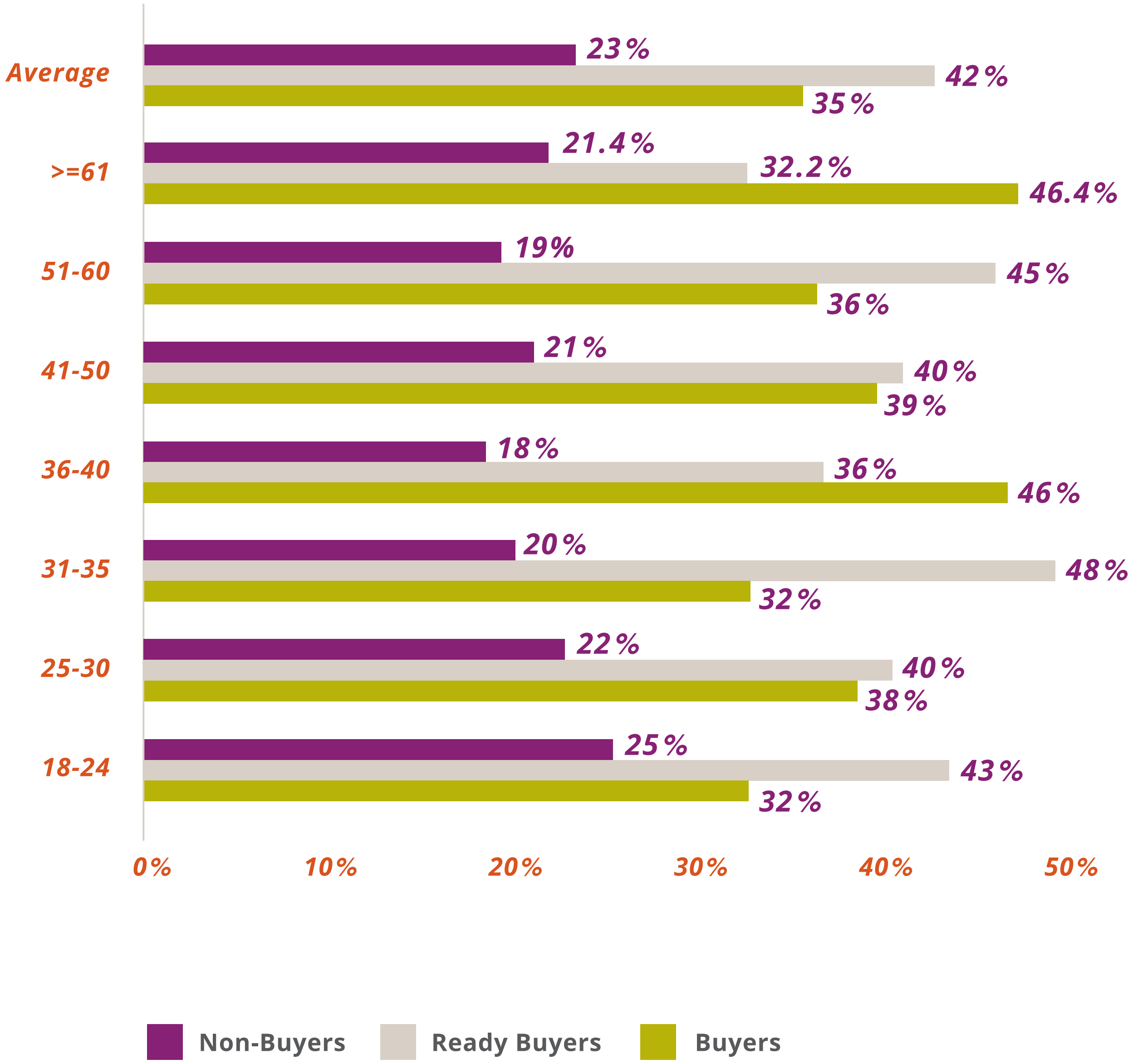
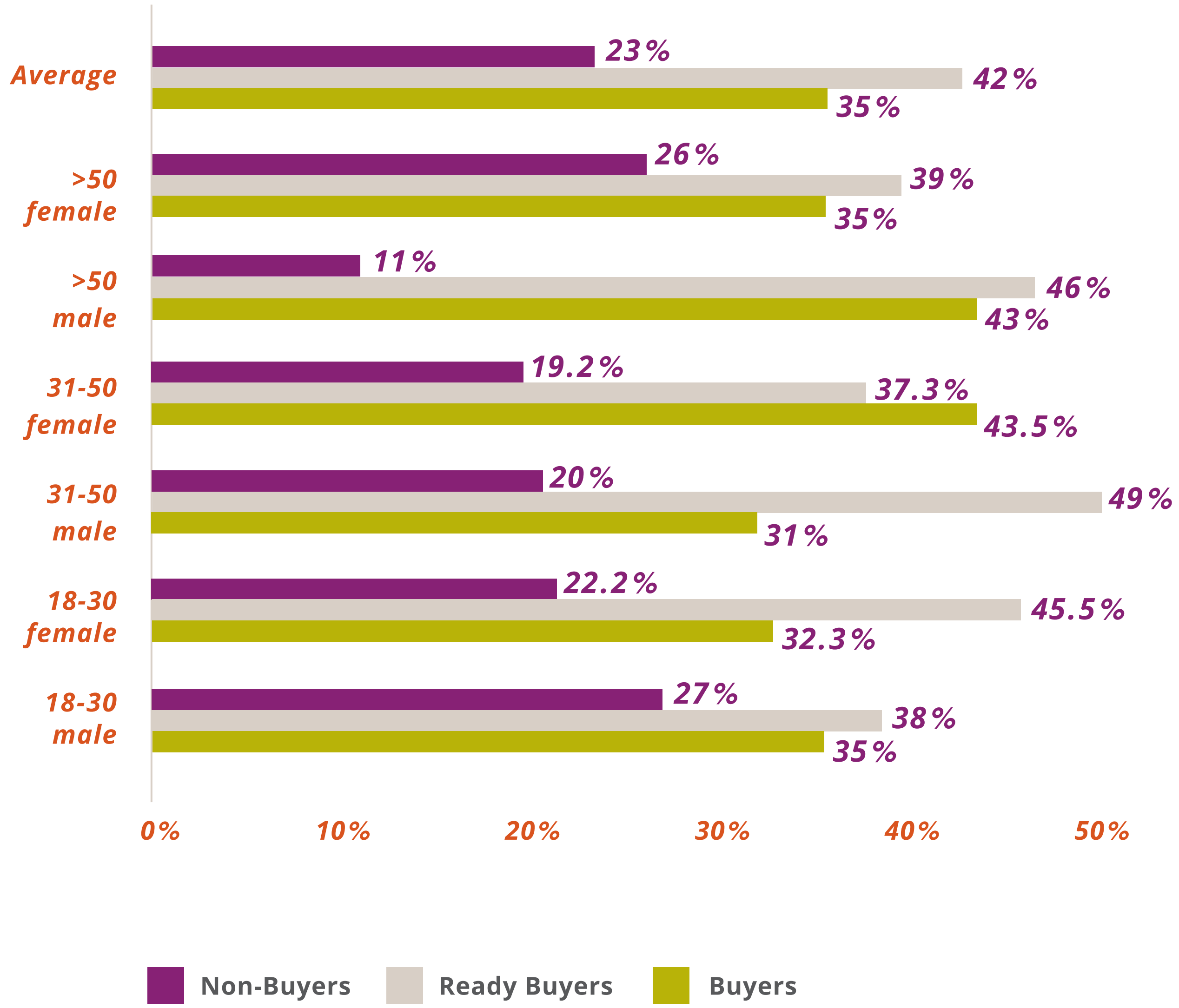


Figure 9 organised the data by age and gender. Here we find that male and female in older age groups are equally likely to purchase from social enterprises. For example, the group of female between 31 and 50 years of age and the male group that is above 51 years old form the biggest group of buyers at 43 percent. The biggest group of ready buyers (49 percent) is the male group aged between 31 and 50 years. This is the group that social enterprises will want to target to potentially increase their sales and profits.

Figure 9

Buying Behaviour and Intent by Age Group and Gender



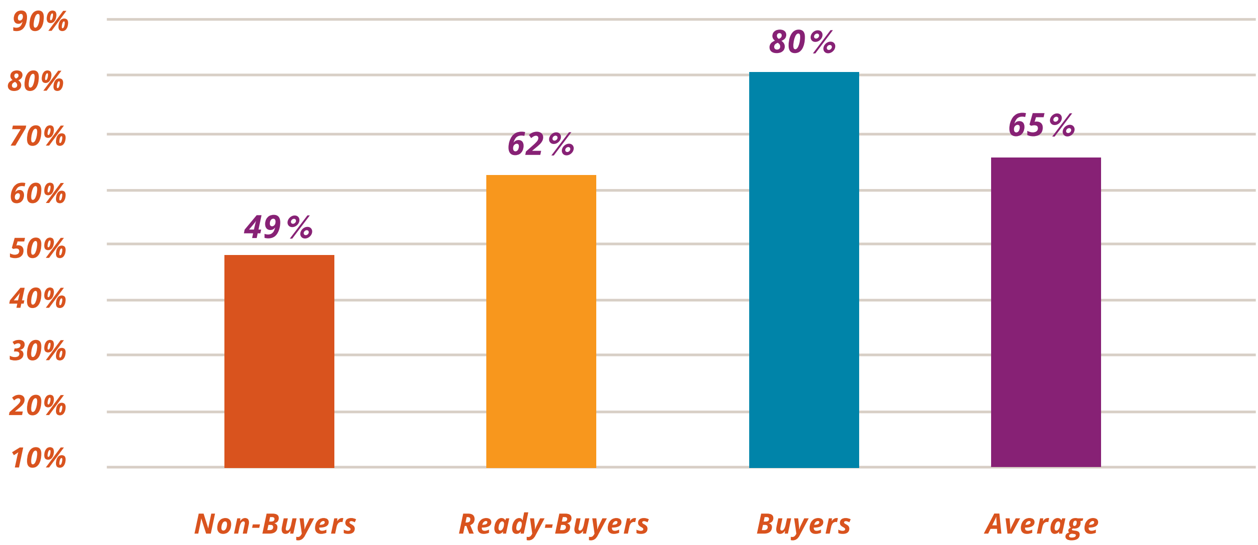
If social enterprises are interested in converting non-buyers, they can probably consider developing products and services to meet the needs of the two following age and gender groups: male group aged 18-30 and female group aged above 50.

Given our postulate, we next evaluate whether a higher level of public awareness would lead to greater purchase behaviour and intention to purchase.

Our analysis shows that the willingness to purchase is indeed higher if there is greater public awareness. Figure 10 plots the level of awareness for three types of respondents grouped by their purchasing behaviour and intent. The level of awareness is the lowest for non-buyers at 49%, 62% for ready buyers, and the highest for buyers at 80%. Compared to the average level of the public awareness at 65%, the level of awareness for both non-buyers and ready buyers are

Figure 10

The Level of Awareness and Purchase Behaviour and Intent



below the average. This implies that there is significant room for improvement to increase the awareness among non-buyers and ready buyers.

Further tabulation shows that among those who are aware of social enterprises, 83 percent are either buyers or ready buyers. On the other hand, among those who are unaware of social enterprises, only 66 percent of those are buyers or ready buyers. This implies that there could be an additional 17 out of 100 respondents who would have purchased or intended to purchase if only they were aware of social enterprises.

Hence, our findings suggest that increasing awareness of social enterprises could change buying behaviour and intent to buy and help to deepen the markets for goods and services produced by social enterprises.

Moving beyond the link between awareness and the propensity to buy, we explore if a better understanding of social enterprises would translate to increased buying interests.

Table 4 shows that a better understanding of social enterprises tends to translate to a greater

Table 4

How Level of Understanding Affects Purchase Behaviour and Intention

	2016 Respondents	
	Correctly Identified	*Total SEs*
Non-Buyers	26	100
Ready Buyers	32	100
Buyers	44	100
Average	35	100

purchase behaviour and intent. Among the respondents in the public survey, buyers have the best understanding as they can correctly identify an average of 44 percent of social enterprises (with an average score of 1.33 out of 3). Ready buyers have relatively less understanding as they can correctly identify about 32 out of 100 social enterprises (with an average score of 0.95 out of 3). Non-buyers have the least understanding as they can correctly identify only 26 out of 100 social enterprises (with an average score of 0.78 out of 3). On average, survey respondents can correctly identify 35 out of 100 social enterprises (with an average score of 1.04 out of 3).

Reasons for Purchasing from Social Enterprises

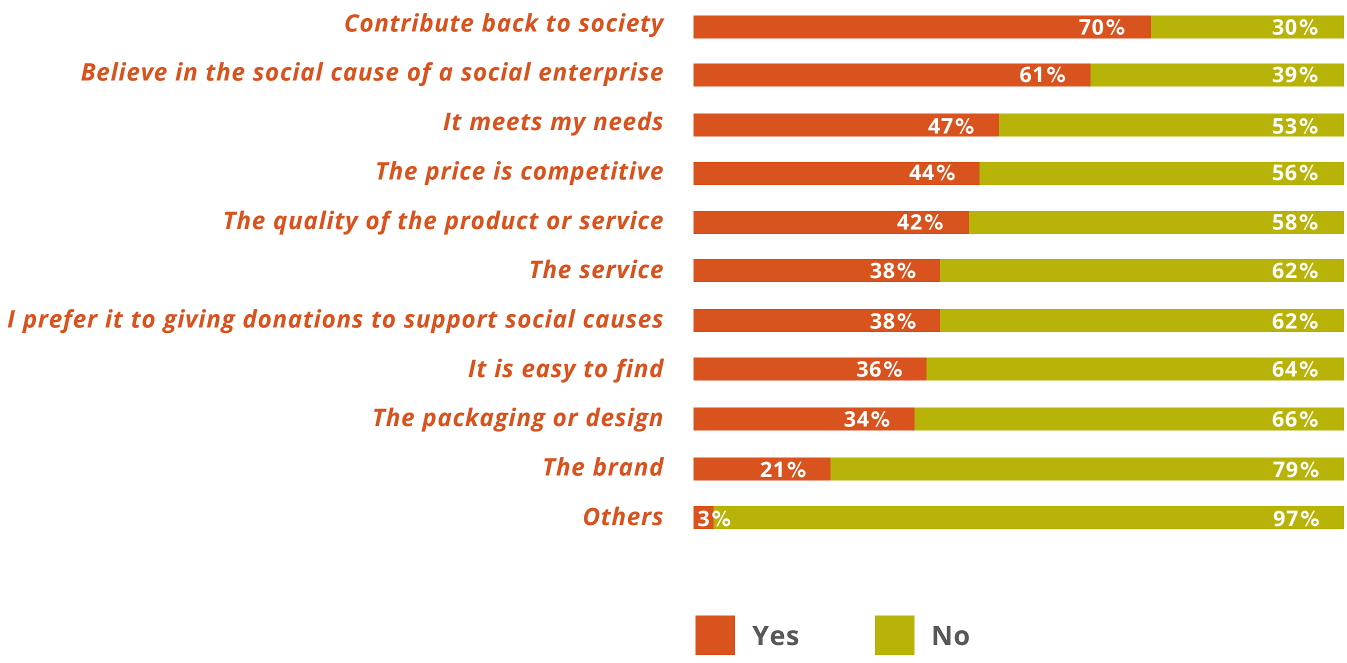
In this section, we explore the possible reasons behind buying behaviour and intent. It is important to know the answers if social enterprises were to be a value proposition and become sustainable.

We start with the results from the 2010 survey (see Figure 11). In 2010, the top three reasons for buying from social enterprises were

1) contribute back to society (70 percent);
2) believe in the social cause of a social enterprise (61 percent); and
3) it meets my needs (47 percent).

Figure 11

Reasons for Purchasing from SEs in 2010

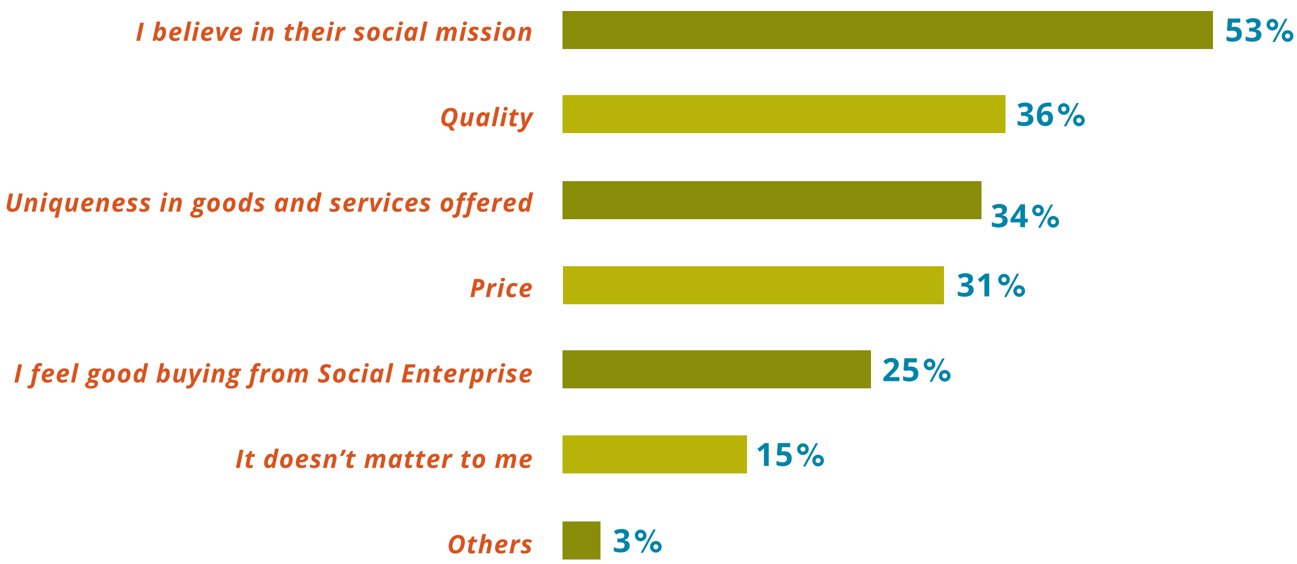


The price and quality of the products are the fourth and fifth reasons for buying from social enterprises (at 44 percent and 42 percent respectively).

In 2016, we changed the question in the 2010 SEA survey to "What would be the reasons for you to purchase goods and/or services from a social enterprise as compared to a traditional business?" Phrasing the question in this manner elicits more information on the comparative advantages that a social enterprise might have over traditional businesses when a consumer is facing the choice of buying from either type of entities. Figure 12 reports the motivations driving respondents in the public survey to buy from social enterprises.

Figure 12

Motivations for Buying from a SE vs a Traditional Business in 2016



In 2016, the top three reasons motivating public buying behaviour and intent are

1) I believe in their social mission (53 percent);
2) quality (36 percent); and
3) uniqueness in goods and/or services offered by social enterprises (34 percent).

Over the last six years, the intrinsic value of products and services has taken on added significance to rank among the top three reasons for buying from social enterprises. The leading motivation to buy from social enterprises is their social cause, but the public has raised their relative rating of the quality and uniqueness of the products and services offered by social enterprises.

In 2010, the top two reasons for buying from social enterprises were "giving back to society" and "social mission." But in 2016, "quality" and "uniqueness in goods and services offered" have taken second and third placings among the list of motivations. Hence, it is increasingly important for social enterprises to balance social mission with enhancing the competitiveness of their goods and services.

After finding what appears to be a general shift over the last six years in the motivation for purchasing from social enterprises, we evaluate if any differences exist in such motivation among buyers, ready buyers and non-buyers. If significant differences exist among the three groups, social enterprises may need to focus on different incentives when targeting these market segments. In other words, social enterprises need to strategise how to convert ready buyers and non-buyers into buyers.

Our prior analysis (in Figure 6) shows that while there was apparent conversion of ready buyers into buyers over the last six years, we cannot say the same of non-buyers. And, it is the real demand posed by buyers that impacts the profitability and sustainability of the social enterprise sector.

The numbers from the 2010 survey set out in Table 5 suggest that all three groups – buyers, ready buyers and non-buyers – cared about "giving back to society." This was also the biggest motivation for non-buyers to purchase from social enterprises. Put another way, non-buyers in 2010 considered buying from social enterprises as a channel to give back to society. Hence, an appeal of a philanthropic nature sufficed to convert non-buyers to buyers.

As in 2010, crafting a better social cause or adopting a better social mission may not work to convert non-buyers in 2016 as only 30 percent of this group seem to care about social mission.[5] Table 6 shows 42 percent of non-buyers base their decision to buy on quality. Thirty-five percent of non-buyers in 2016 say they base their buying decision on price.

[5] *These non-buyers appear to be untouched by, unaware of, or has little understanding of the social mission of social enterprises that engage in the sale of goods and services while delivering a social good. Further analysis may be needed to tease out the factors leading to the decision not to purchase from social enterprises.*

Table 5

Reasons to Purchase from SEs in 2010

%	Buyers	Ready Buyers	Non Buyers
Believe in social cause of social enterprise	78	68	30
Contribute back to society	69	71	66
I prefer it to giving donations to support social cause	34	42	31
It meets my needs	29	55	46
The price is competitive	28	55	35
The quality of the product or service	28	52	35
The packaging or design	26	39	31
The brand	15	23	24

Table 6

Reasons to Purchase from SEs in 2016

%	Buyers	Ready Buyers	Non Buyers
I believe in their social mission	64	56	30
Uniqueness in goods and services offered	37	35	29
Quality	35	34	42
Price	31	29	35
I feel good buying from social enterprises	32	27	12
It doesn't matter to me	14	10	27
Others (please specify)	1	1	2

What has changed in 2016 is more people now use the same measures to guide their decision when buying – be it from a social enterprise or a traditional business. More and more people are basing their buying decision on the intrinsic offerings – quality and uniqueness – of products and services.

Among buyers, 37 percent consider the uniqueness and 35 percent consider the quality of the products or services when buying from social enterprises. There is also a corresponding drop in the percentage of buyers who base their purchasing decision on social mission from 78 percent in 2010 to 64 percent – a 14 percent drop. Therefore, social enterprises need to grow the competitiveness of their products and services to retain buyers and convert non-buyers and ready buyers to buyers.

Notwithstanding this, the top reason for buyers and ready buyers to purchase from social enterprises in 2016 remain the social mission. This finding has persisted since the 2010 public perception survey. Hence, social enterprises need to stay true to their social cause and mission, and avoid unintended mission drifts in order to keep current customers and convert ready buyers to buyers. The observed conversion of ready buyers to buyers in Figure 6 over the last six years speaks to the focus among social enterprises on identifying a contextually relevant social mission as well as continuously refining their social mission against dynamic market conditions.

In summary, the results from the 2016 survey point to three areas of improvement when compared to the results from the 2010 survey. Firstly, the percentage of respondents who are aware of social enterprises has increased five times from 13 percent in 2010 to 65 percent in 2016. Secondly, the level of understanding of social enterprises has increased by 110 percent from two percent in 2010 to 4.2 percent in 2016. Thirdly, the percentage of buyers in 2016 has increased by 63 percent from 22 percent in 2010 to 35.8 percent in 2016 through the conversion of ready buyers. Awareness and understanding appear to positively impact buying behaviour and intent, according to our findings.

The 2016 survey also highlighted some challenges in the social enterprise sector. Our findings point to a certain maturation of the sector with buyers and ready buyers becoming more discerning – through increased awareness and understanding – and moving away from philanthropic motivations to a more critical evaluation of the credibility and validity of the social cause and mission of social enterprises. Social enterprises will want to heed the 14 percent drop among buyers and 12 percent decline among ready buyers who base buying decisions on social mission.

Moreover, among buyers and non-buyers, the quality of the products and services offered by social enterprises appears to matter more in 2016 compared to 2010. Put simply, quality has become a more important consideration for the sales and profitability of social enterprises.

Social entrepreneurs will also want to pay attention to ensuring the uniqueness of their goods and services with 37 percent of buyers, 35 percent of ready buyers, and 29 percent of non-buyers citing it as a factor influencing buying decisions.

Notwithstanding the improvements in awareness and understanding of social enterprises – accompanied by increased buying, there appears to be little progress in the last six years in converting non-buyers to ready buyers and buyers. Social enterprises that have contextually relevant social missions, and continue to stay true to these social causes and missions are likely to maintain current customers and even convert ready buyers, but there is a need to grow the enterprise by appealing to non-buyers.

Given our understanding of the factors that now influence purchase behaviour and intent, social enterprises will want to direct their efforts to innovations to deliver unique products and services, and enhance quality to be better able to compete with traditional businesses.

Advocates will want to focus on raising public awareness of the defining characteristics of social enterprises – what they are/are not and what they do (i.e., their social causes and social missions) – to grow public support for the sector and increase its sustainability.

4
Additional Insights from 2016 Public Perception Survey

Public Perception of the Characteristics of Social Enterprises

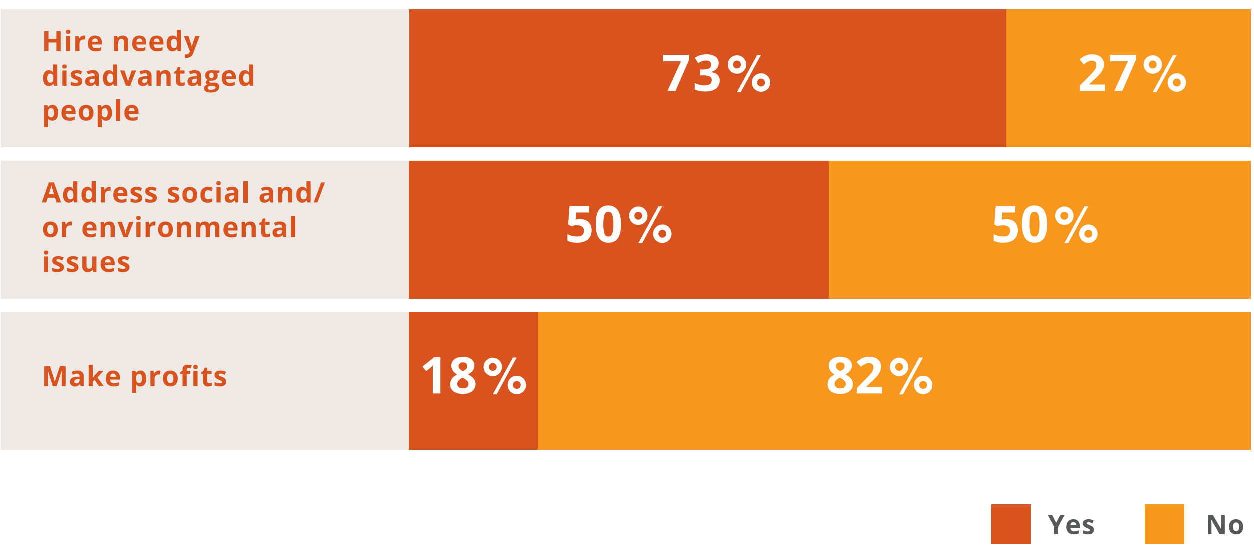
In both the 2010 and 2016 surveys, we delved into respondents' understanding of social enterprises by asking for their perception of the characteristics/social goals that define such entities.

In the 2010 survey, respondents were given a list – comprising three correct objectives of social enterprises and three incorrect objectives – to aid them in answering the question. Figure 13 shows public response to the list of correct objectives while Figure 14 shows how they responded to the incorrect objectives.

In 2010, public perception of the characteristics

Figure 13

2010 Public Response to Correct Objectives of SEs



of social enterprises was skewed towards their social and environmental goals (see Figure 13) with 73 percent associating them with the hiring of needy and disadvantaged people and 50 percent perceiving a role in addressing social and/or environmental issues. Only 18 out of 100 respondents identified making profits as an integral part of the objectives of social enterprises. These numbers tell us that in 2010, social enterprises were predominantly seen as entities supporting work integration.

Figure 14 points to an apparent confusion between social enterprises and charities with 45 percent of respondents in 2010 associating social enterprises with raising donations and 37 percent identifying community work as their objective. These numbers corroborate our earlier finding of a philanthropic tendency among the reasons for buying from social enterprises in 2010 (see Figure 11 and Table 5).

The 2010 findings led SEA to spearhead public awareness campaigns to increase understanding of social enterprises. What is the impact of these activities? How has public perception of social enterprises changed as a result? The 2016 public perception survey asked two questions to get at the answers.

The first question asked survey respondents for their perception of the most important social goals to aid policymaking and help direct scarce resources to those areas the public deems to be relatively more important. Specifically, we asked respondents to identify the people who they think need the most help.

Figure 14

2010 Public Response to Incorrect Objectives of SEs

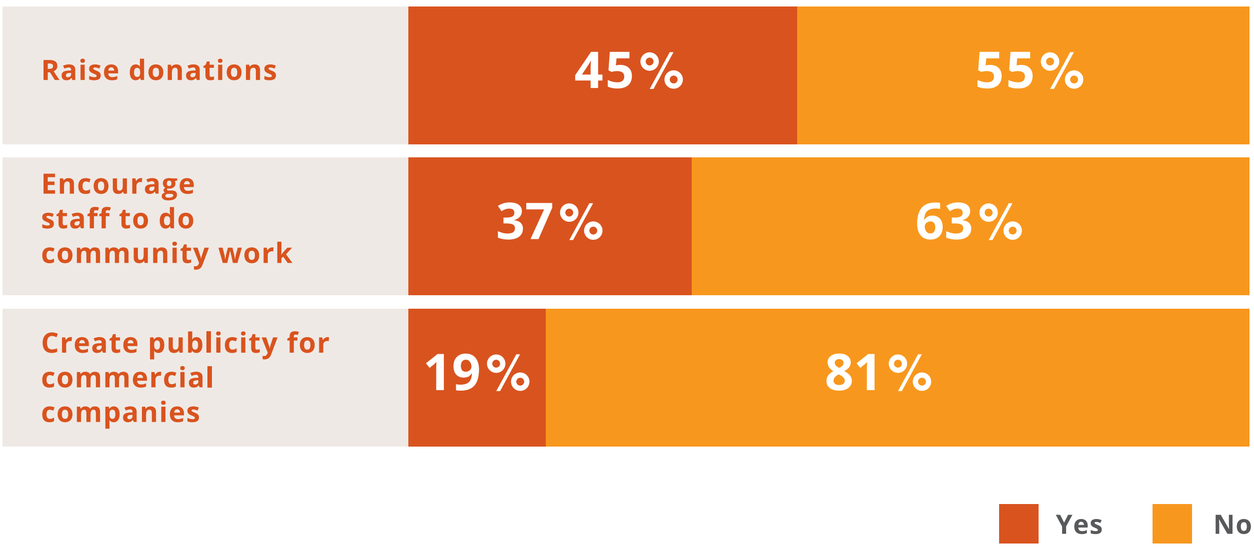


Figure 15

Relative Importance of Social Goals from the Perspective of 2016 Respondents

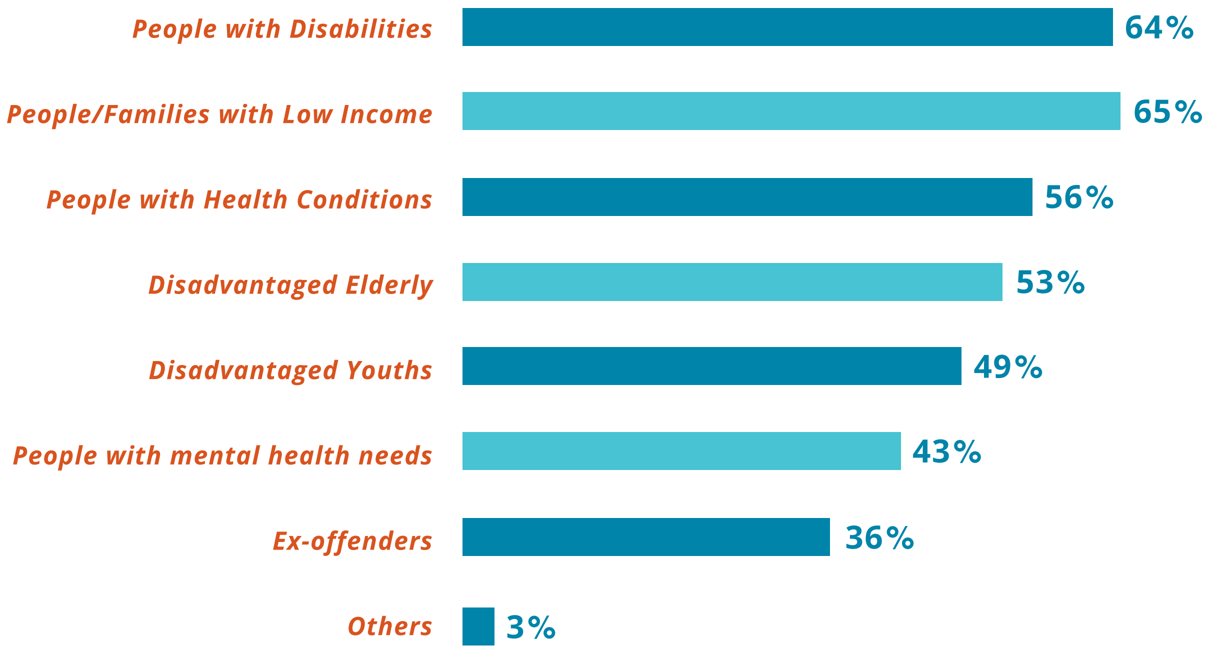


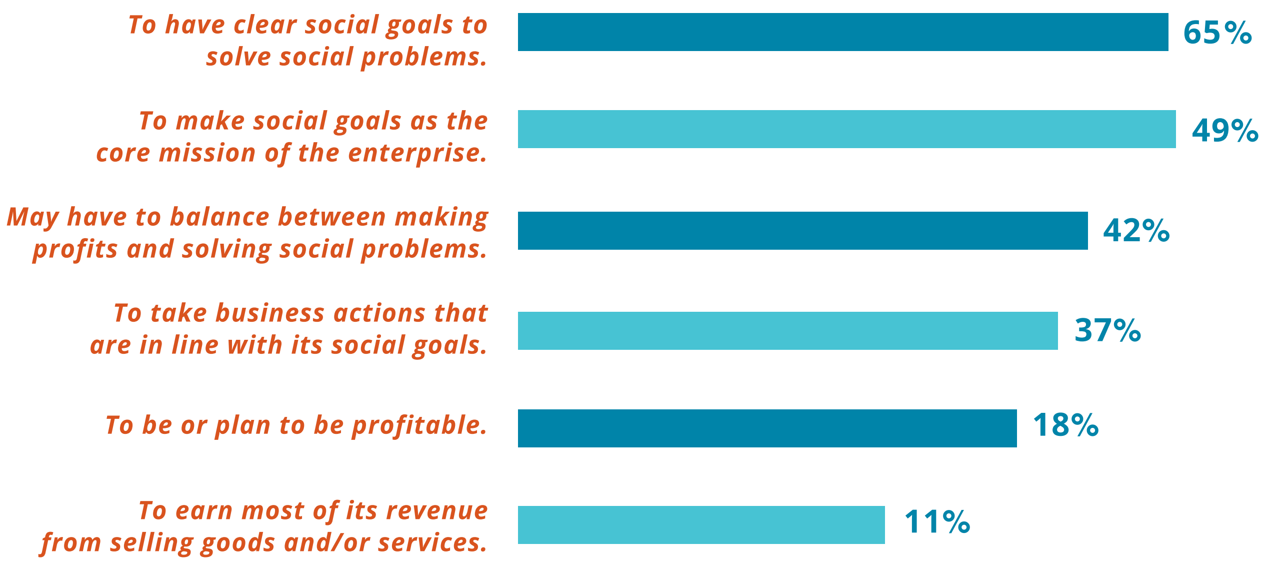
Figure 15 shows the relative importance of social goals from the perspective of 2016 respondents. The three groups the public identified as needing the most help are people with disabilities (according to 64 percent of respondents), people/families with low income (65 percent of respondents), and people with health conditions (56 percent of respondents).

The second question asked respondents to rank the relative importance of six characteristics of social enterprises, defined by a panel of experts in the field through the pioneering work by Lam, Prakash, & Tan (2014) and Lam, Seah, & Zhang (2015) to respond to debate in the people, public and private sectors on the fundamental characteristics of social enterprises. The 2016 survey provided the platform for a large-scale empirical assessment of the public understanding of these important characteristics.

Interestingly, 42 percent of 2016 respondents ranked "may need to balance between making profits and solving social problems" as the third most important characteristic of social enterprises (see Figure 16). Compare this with 2010 when only 18 percent of respondents correctly identified "making profits" as a characteristic of social enterprises.

Figure 16

Relative Importance of Six Defining Characteristics of SEs



This finding points to a growing recognition of the hybrid nature of social enterprises and suggests that public education efforts during the last six years have managed to correct to a certain degree public perception of the nature of social enterprises.

However, the public continues to emphasise the social aspect of social enterprises. Sixty-five percent of 2016 respondents said the most important characteristic of social enterprises is to "have clear social goals to solve social problems." Forty-nine percent identified "make social goals as the core mission of the enterprise" as the second most important characteristic. Only 18 percent consider it important for social enterprises "to be or plan to be profitable." These suggest that the distinctive feature of social enterprises remains their goal in solving social problems.

Yet, social enterprises differ from charitable organisations in that they operate like a traditional business but have double or triple bottom line, i.e., they measure social and/or environmental impact in addition to profit/loss. According to Prakash & Tan (2014), a social enterprise is an embodiment of the twin drivers of achieving social impact alongside financial return (see Figure 17).

To summarise, while there is growing recognition of the hybrid nature of social enterprises and their dual goals of social impact and financial return, more work remains to be done. Future public communication and education efforts will want to emphasise the business dimension of social enterprises. A more balanced and accurate view of social enterprises may help to secure buy-in from the public for their approach to meeting social needs in the community as well as win crucial support to ensure the viability of their business.

Figure 17

Spectrum of Social Purpose Organisations

Source: Reproduced from Prakash and Tan (2014)

Differentiating Social Enterprises from Traditional Businesses

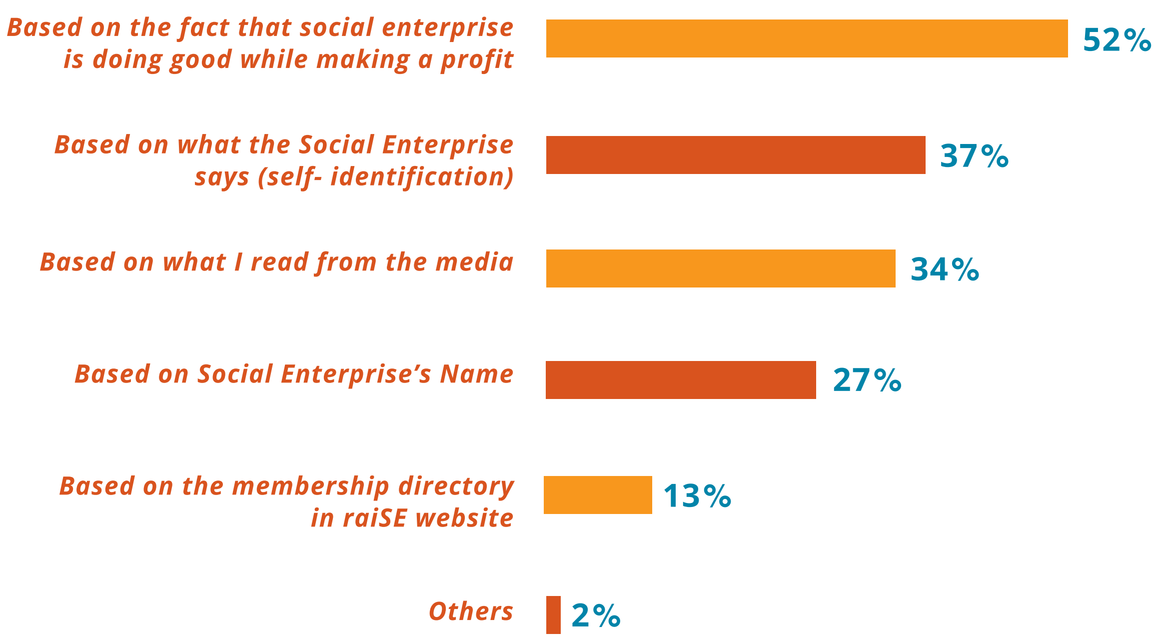
Earlier in this study, we identified the factors motivating 2016 respondents to buy from social enterprises versus traditional businesses (see Figure 12). A belief in the social mission could influence 53 percent of public respondents to buy from social enterprises while 25 percent said they "feel good buying from social enterprises."

What these findings tell us is social enterprises can potentially grow their customer base with a social mission that resonates with the public. Social enterprises can also increase their viability by helping the public to differentiate them from traditional businesses.

The 2016 survey asked respondents how they have differentiated social enterprises from traditional businesses. Figure 18 shows the hybridity of social enterprises or their twin goals – "doing good while making a profit" – is the most important differentiating factor for 52 percent of public respondents. Self-identification – "what the social enterprise says about itself" is the second most important differentiating factor for 37 percent of public respondents. Other strategies social enterprises can use to differentiate themselves from traditional businesses include media reports, enterprise name, and membership and listing in the raiSE directory.

Figure 18

Differentiating SEs from Traditional Businesses



Perception of raiSE

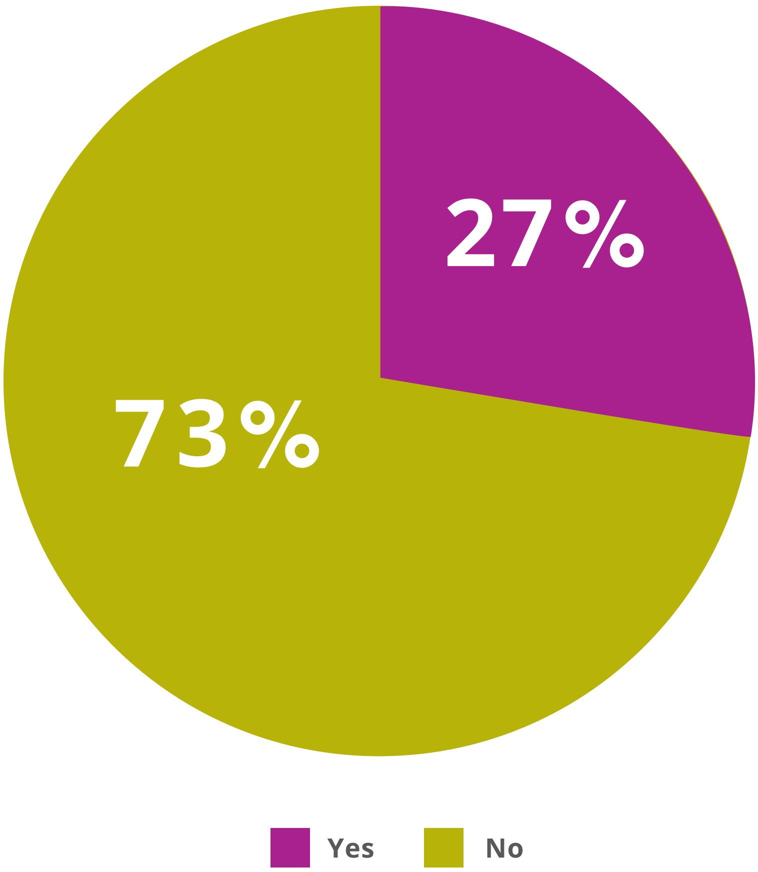
raiSE came into being in 2015, five years after the first public perception survey in 2010. It was launched to consolidate the efforts of key players in the social enterprise sector.

The 2016 Public Perception Survey asked respondents about their awareness of raiSE. It is very encouraging to see that 27 out of 100 respondents have heard about raiSE despite its young age (see Figure 19). Given that the public awareness of social enterprises is high at 65 percent and raiSE is one key capacity builder of the social enterprise sector, we would expect that the awareness of raiSE would continue to increase in the future.

Next, we asked respondents how they heard about raiSE. Their response presented in Figure 20 may be useful for raiSE to identify the most effective channels for future publicity and outreach efforts.

Figure 19

Awareness of raiSE Among 2016 Respondents



Fifty-nine percent of public respondents said they heard about raiSE from the internet. Thirty-six percent said they heard through word-of-mouth. Respondents heard about raiSE the same way they learnt about social enterprises.

Figure 20 paints the picture of a changed media environment where communication is increasingly conversational, i.e., two-way, and likely to centre around credible influencers and passionate advocates. Future public communication may be most effective with a multipronged approach that includes the strategy of engaging influencers and advocates in the real and virtual world.

The 2016 survey also asked respondents for their perception of the most important developmental roles raiSE can play to grow the social enterprise sector (which is its mandate). The findings are presented in Figure 21.

Seventy-three percent of public respondents identified “raise public awareness of social enterprise” as the top role for raiSE, followed by “provide funding for social enterprise” (44 percent) and “provide support and shared services such as consulting/training for social enterprise” (41 percent).

This section detailing additional insights from the 2016 Public Perception Survey – growing recognition of the hybrid nature of social enterprises, public perception of the most pressing social needs in Singapore, key ways to differentiate between social enterprises and traditional businesses, and perception of raiSE and the role it can play to develop the social enterprise sector – suggests improvement measures for the consideration of key stakeholders and puts forth ideas for future collaboration in the sector to drive towards its sustainability in the longer term.

Figure 20

How Did You Hear About raiSE?

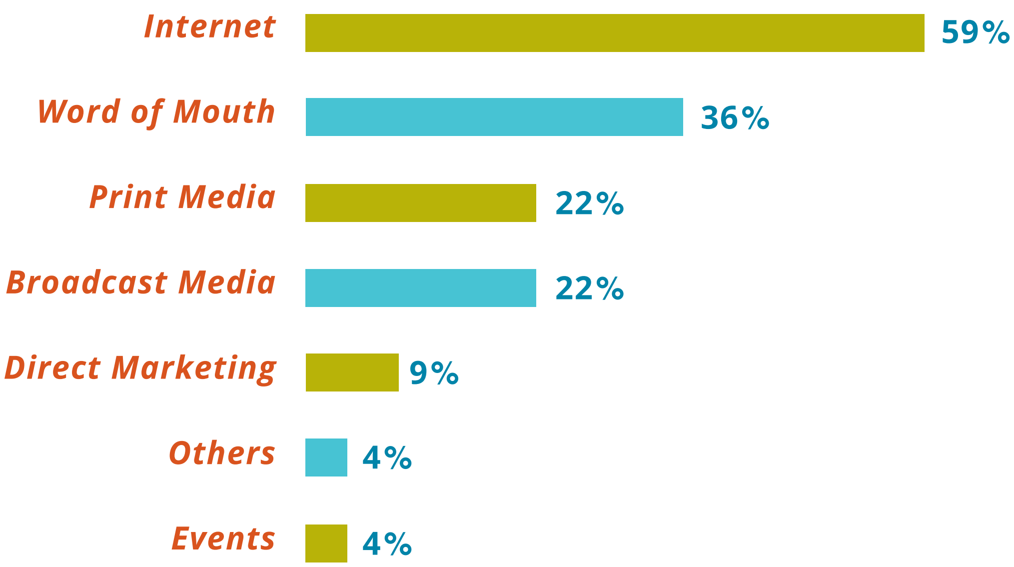
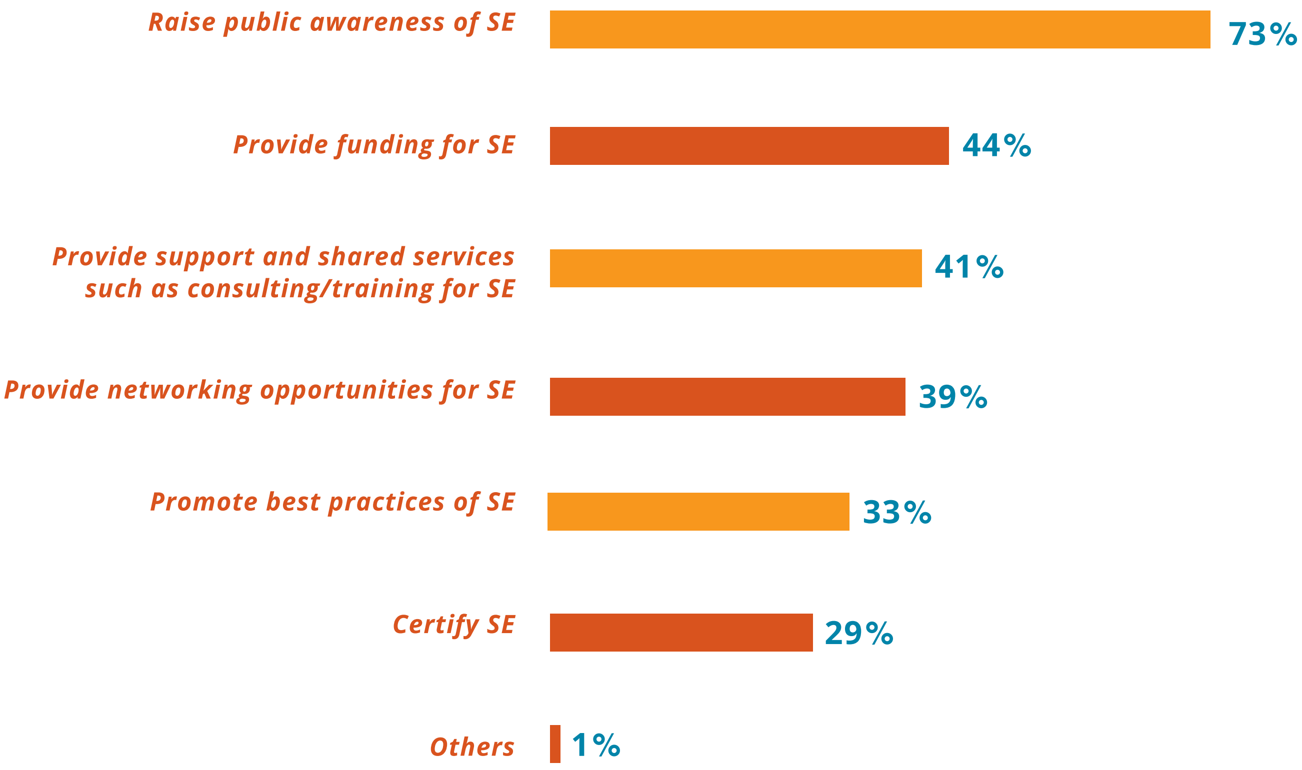


Figure 21

Roles raiSE can Play to Develop the SE Sector



5
Conclusions

Improvements

1. *Increased Awareness and Understanding of Social Enterprises*

The 2016 Public Perception Survey reports that deliberate efforts by SEA, the media, research centres, and raiSE in the last six years have helped to raise public awareness of social enterprises to a significant high. Data shows a fivefold increase in awareness from 13 percent of respondents in 2010 to 65 percent in 2016. All age groups with the exception of the group aged 60 and above registered an awareness level at or above 57 percent. Those in the 31-35 age group registered the highest level of awareness with seven out of 10 respondents saying they are aware of social enterprises.

The public's understanding of social enterprises has also grown in the last six years. An overwhelming seven out of 10 respondents could correctly categorise at least one of the three social enterprises named in the 2016 survey questionnaire. In other words, fewer than three out of 10 respondents still have no idea at all about social enterprises. Compare these to the result from the 2010 survey which showed only two out of 100 respondents were able to correctly name a social enterprise.

2. *Increased Buying from Social Enterprises*

There is increased buying from social enterprises in 2016. The number of buyers has grown 13 percent from 22 percent in 2010 to the present 35 percent. However, this increase appears to be the result of converting ready buyers to buyers as data shows a corresponding decline in the percentage of ready buyers from 55 percent in 2010 to 42 percent in 2016. In other words, both buyers and ready buyers taken together have not grown beyond 77 percent of respondents from 2010 to 2016.

3. *Increased Awareness and Understanding Leading to Increased Buying*

Awareness and understanding appear to positively impact buying behaviour and intent, according to 2016 survey findings. Buyers have the highest level of awareness at 80% while non-buyers have the lowest level of awareness at 42%. This suggests that the willingness to buy is higher if there is greater public awareness. Among those who are aware of social enterprises, 83 percent are either buyers or ready buyers. On the other hand, among those who are not aware of social enterprises only 66 percent are buyers or ready buyers. This implies that there could be an additional 17 out of 100 respondents who would have purchased or intended to purchase if only they were aware of social enterprises.

A better understanding of social enterprises also translates to greater purchase behaviour and intent. Among the respondents in the 2016 survey, buyers have the best understanding as they can correctly identify an average of 44 percent of social enterprises.

Ready buyers have relatively less understanding as they can correctly identify about 32 out of 100 social enterprises. Non-buyers have the least understanding as they can correctly identify only 26 out of 100 social enterprises.

Key Challenges for the Sector

1. More Discerning Buyers, Less Moved by Philanthropic Motivations

The 2016 survey points to a certain maturation of the social enterprise sector with buyers and ready buyers becoming more discerning when buying. They appear to be moving away from philanthropic motivations to a more critical evaluation of the credibility and validity of the social cause and mission of social enterprises. Social enterprises will want to heed the 14 percent drop among buyers and 12 percent decline among ready buyers who base buying decisions on social mission.

2. Quality and Uniqueness Matter

The 2016 survey shows that more people now use the same measures to guide their decision when buying – be it from a social enterprise or a traditional business. More and more people are basing their buying decision on the intrinsic offerings – quality and uniqueness – of products and services.

Among buyers, 35 percent consider the quality of the products or services when buying from social enterprises.

Uniqueness of the product or service also matters with 37 percent of buyers, 35 percent of ready buyers, and 29 percent of non-buyers citing it as a factor influencing buying decisions.

3. Non-Buyers a Resilient Group

In the last six years, the social enterprise sector has not been able to make any breakthrough in converting non-buyers to ready buyers or buyers.

Crafting a better social cause or adopting a better social mission may not work for social enterprises to convert non-buyers as only 30 percent of the 2016 group seem to care about their social mission. As many as 42 percent of non-buyers base their decision to buy on quality while 35 percent base their buying decision on price.

6 Recommended Action Plans

Social Enterprises

1. Increase Competitiveness through Focus on Quality and Uniqueness

While belief in social mission can influence 64 percent of buyers and 56 percent of ready buyers in 2016 to purchase from social enterprises, the reality is their numbers have dropped 14 percent and 12 percent respectively in the last six years. Social enterprises need to drive their focus to increasing the competitiveness of their products and services to retain buyers and convert ready buyers and non-buyers to buyers. Quality and uniqueness have become important considerations for buyers, ready buyers and non- buyers.

2. Ensure Mission Resonates with Public Perception of Social Needs

From the perspective of 2016 survey respondents, disadvantaged members of the community are at the heart of social needs in Singapore. They identified three groups as needing the most help: people with disabilities, people/families with low income, and people with health conditions.

Social enterprises with a mission that resonates with the public perception of greatest social needs are more likely to garner support for their operations.

3. Focus on Differentiation

Social enterprises can potentially grow their customer base and increase their viability by differentiating themselves from traditional businesses.

2016 respondents told us the most important differentiating factor is the hybridity of social enterprises or their twin goals – "doing good while making a profit." Self- identification – "what the social enterprise says about itself" – is next. Other tactics social enterprises can use to differentiate themselves from traditional businesses include securing media coverage, choosing a name that clearly identifies them as a social enterprise, and signing up as a raiSE member and getting a listing in the raiSE directory.

Social enterprises will want to leverage this knowledge and direct efforts to differentiating themselves, especially since 2016 survey data shows a sizeable 25 percent of 2016 respondents "feel good buying from social enterprises" (see Figure 12).

raiSE

1. Step Up Public Marketing Efforts

While public awareness of raiSE is low, 2016 survey respondents see a central role for the agency in raising public awareness of social enterprises. raiSE will enhance efforts to launch public campaigns to:

- market itself
- increase understanding of social enterprises – call attention to their twin goals of doing good while making a profit – to grow public support for the sector and increase its sustainability

Given the evolution of the media environment where communication has become increasingly conversational (two-way) and centred around credible influencers and passionate advocates, raiSE will want to take a multipronged approach to public communication. Leveraging on the Internet and engaging influencers and advocates in the real and virtual world may prove to be effective strategies.

2. Provide Consulting/Training for Social Enterprises

raiSE may want to build on existing efforts and broaden collaboration with training partners to develop and implement training programmes for social entrepreneurs that are focused on crafting relevant social mission statements, defining business models and establishing effective operations, designing innovative products and services, branding, and aligning performance measurements with social mission.

3. Profile Social Entrepreneurs and Social Enterprises

raiSE can collaborate with media to raise the profile of its members by running a series of stories highlighting the efforts and challenges of social entrepreneurs and social enterprises working to address social needs in the community.

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