

CHAIRE de coopération
Guy-Bernier

ESG UQÀM

*Popular Conception and Reputation of The
Co-operative Nature*

An International Survey



Preliminary Report

Fall 2014

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Message From the Chairholders

Guy-Bernier Chair on Cooperation



During its centennial year in 1995, the International Co-operative Alliance (ICA) updated its Statement on the Cooperative Identity (SCI). This revision to the statement, the third one since 1895, resulted from an extensive consultation with cooperators of the whole world conducted under the presidency of Canadian Professor Ian MacPherson¹. The objective of this consultation was mainly to specify the nature of a cooperative enterprise. The necessity to agree on this nature namely came from an increase of the economic sectors that were affected by this movement.

What emerged from this effort was a statement of values structured around seven principles. In this view, a company that wants to be regarded as a co-operative must comply with these values by implementing the seven principles defined in the SIC². Although this specification has helped to clarify what is a co-operative, it remains that several companies who claim this status are routinely the subject of criticism on this aspect. This is particularly the case of large co-operatives, although their leaders feel that their practices are consistent with the SIC.

One question arises then: What are the manifestations (management practices, community relations, mode of governance, etc.) that a company must put forward in order to demonstrate to the community that it is a co-operative? The present research, in line with the this issue, aims chiefly to identify these manifestations. It also questions the impact of these manifestations on certain attitudes that the population may have toward co-operatives. In other words, outcomes of this study bring new insight to co-operative administrators and managers pondering about what actions to implement to ensure that their organization is regarded by the population as "true" co-operatives and foster positive attitudes toward it.

It should be emphasized that the approach adopted in this study is more empirical than it is normative. In this sense, the aim is not to argue whether a manifestation is consistent with the SIC, but rather verifying the population's opinion—to gain a better understanding of individuals' *co-operative judgment*, that is, their conception of the cooperative nature.

This study surveyed 4,000 individuals (members and non-members) distributed in ten countries on all five continents. In response to a wish of the organizing committee of the International Summit of Cooperatives, it was conducted by the Guy-Bernier Chair on Cooperation of the University of Quebec at Montreal (www.chaire-ccgb.uqam.ca), in collaboration with the Chaire de recherche Lyon 3 Coopération (France).

Finally, it should be stressed that this report presents only a summary analysis of the results with the 4,000 respondents. Data collection took place fairly recently, at the end of spring 2014. Therefore, more time will be required to draw a more nuanced analysis.

Michel Séguin

¹ For more information on this process: MacPherson, Ian. 1995. *Cooperative Principles for the 21st Century*. Geneva: International Co-operative Alliance.

² The Statement on the Cooperative Identity can be found on the international cooperative Alliance website (<http://ica.coop>).

Chaire de recherche Lyon 3 Coopération



Since the launch of the "Coop Identity" campaign by the International Alliance of Co-operatives in 2012, a communications kit is now available enabling all of its members to claim their mode of governance with their stakeholders. How many co-operatives actually resort to it today? Is it still appropriate to display a company's co-operative nature? A number of research projects have examined the evolution of the co-operative governance model and analyzed its tensions while it must at once reconcile the market logic and achieve the values set forth in the Statement on the Cooperative Identity (SCI). Paradoxically, few academic studies have chosen to examine the general public's viewpoint. This is precisely the

orientation of this international study, conducted under the auspices of the Guy Bernier Chair on Cooperation, and a major stream of the Chaire de recherche Lyon 3 Coopération since its inception (www.chairel3c.univ-lyon3.fr).

This study questions the general public's perception of co-operative organizations. More importantly, it aims to establish the extent to which SCI principles are valued by the population and contribute, among other things, to differentiate cooperative organizations from their competitors. In other words, do all values of cooperatives create value in the eye of the general public? Which values deserve to be promoted in the market? The Chaire Lyon 3 Coopération research team is proud to stand by the Guy-Bernier Chair on Cooperation in conducting this first global study to provide elements of response to these questions.

Sonia Capelli

William Sabadie

Executive Summary

On The Reputation of the Co-operative Model

- ✓ A strong majority of respondents (78.2 %) are unable to identify a type of co-operative business.
- ✓ Respondents have a mixed picture of co-operatives. This image is particularly positive on the aspects of social responsibility and prioritization of long-term rather than short-term gain. It is less positive about the ability to innovate and the competitive advantage of offerings.

On The Co-operative Judgment of Members'

- ✓ Respondents moderately agree that co-operatives comply with their co-operative nature.
- ✓ The types of manifestations that are most influential on the co-operative judgment of respondents are, in order of importance, those related to openness to all, commitment in the community, and democratic practices.
- ✓ Among manifestations that are associated with the core mission of co-operatives, those related to taking consumers' interest into consideration have the most impact on co-operative judgment, regardless of the sector.
- ✓ Apart from labor co-operatives, respondents feel that taking workers' interest into consideration goes against the nature of cooperatives.
- ✓ Again according to respondents, taking producers' interest into consideration also goes against cooperative nature, even with production cooperatives.

On Respondents' Attitudes toward Co-operatives

- ✓ The majority of respondents don't have a clear opinion toward or weakly agree with co-operatives being enterprises of a different nature. The quality of their customer service does not enable co-operatives to stand out from other types of businesses. The same holds for their openness to all.
- ✓ Respondents display moderate confidence in co-operatives. Manifestations related to taking consumers' interest into consideration have the greatest impact on the confidence granted to co-operatives by the respondents.
- ✓ They are rather lukewarm about being involved in effective functioning of a co-operative.
- ✓ Respondents weakly subscribe to the values of co-operatives
- ✓ They are moderately prepared to proselytize in support of a cooperative. This low level of propensity could be improved through commitment in the community and taking consumers' interest into consideration.
- ✓ Respondents' attraction to the COOP brand is moderate. Co-operatives would gain from leveraging commitment in the community and quality of customer service to increase brand attractiveness.
- ✓ Respondents are not very willing to pay more to do business with a co-operative. Distribution of surplus among the members and taking producers' interest into consideration are the two factors that mostly foster this attitude.
- ✓ Respondents feel weakly attracted to cooperatives as potential employers. This feeling is very sensitive to cooperatives demonstrating that they take workers' interest into consideration.

Issues Arising From This Preliminary Analysis of Results

- ✓ Improving the reputation of co-operatives
- ✓ Promoting and awareness of manifestations that are consistent with co-operative principles, especially when they help to differentiate these organizations from their competitors.
- ✓ Giving priority to cooperatives' core mission: meeting the needs of their members.

Analysis Framework and Methodology

Analysis Framework

This study falls into line with a process launched in 2011³. At the time, the Mouvement Desjardins⁴ was questioning the actions it ought to take to meet the "co-operative expectations" of its members. The Guy-Bernier Chair on Cooperation (CCGB) was mandated in this context to conduct a survey in view of gaining a better understanding of these expectations. To do this, the CCGB was inspired by an analysis framework used in research on ethical judgment: *Multidimensional Ethics Scale*⁵. Simply, it consists in identifying a series of manifestations in relation to the cooperative principles and mission of Caisses Desjardins. For example, regarding democracy, do Caisses Desjardins consult with their members on important issues or, regarding the cooperative's mission, do they offer quality service? Once these manifestations have been identified, members are surveyed about whether they observe these within their branch. They are then asked if, according to them, their branch complies with its cooperative nature. Based on the members' replies, the impact of these manifestations on members' cooperative judgment can subsequently be analyzed statistically, to understand their feeling about the co-operative nature of their branch. In other words, this statistical analysis allows us to know, for example, whether implementing democratic practices or compelling service offerings influences members' perception of their branch's compliance with co-operative principles.

We were able to draw two main findings from this research. Firstly, the statistical tests allowed us to classify the manifestations into two groups: those related to the service offer and those related to the cooperative principles. We named these groups respectively *Individual Expectations* and *Collective Expectations*. Our second finding relates to the influence of both groups on members' cooperative judgment. Manifestations associated with the quality of service offerings give Caisse Desjardins members the impression that it achieves its cooperative nature. This does not mean that manifestations related to cooperative principles are unimportant. Rather, they have little or no effect if the branch hasn't offered quality service. A similar research was conducted by the Chaire de recherche Lyon 3 Coopération involving the Crédit Agricole which delivered similar outcomes.

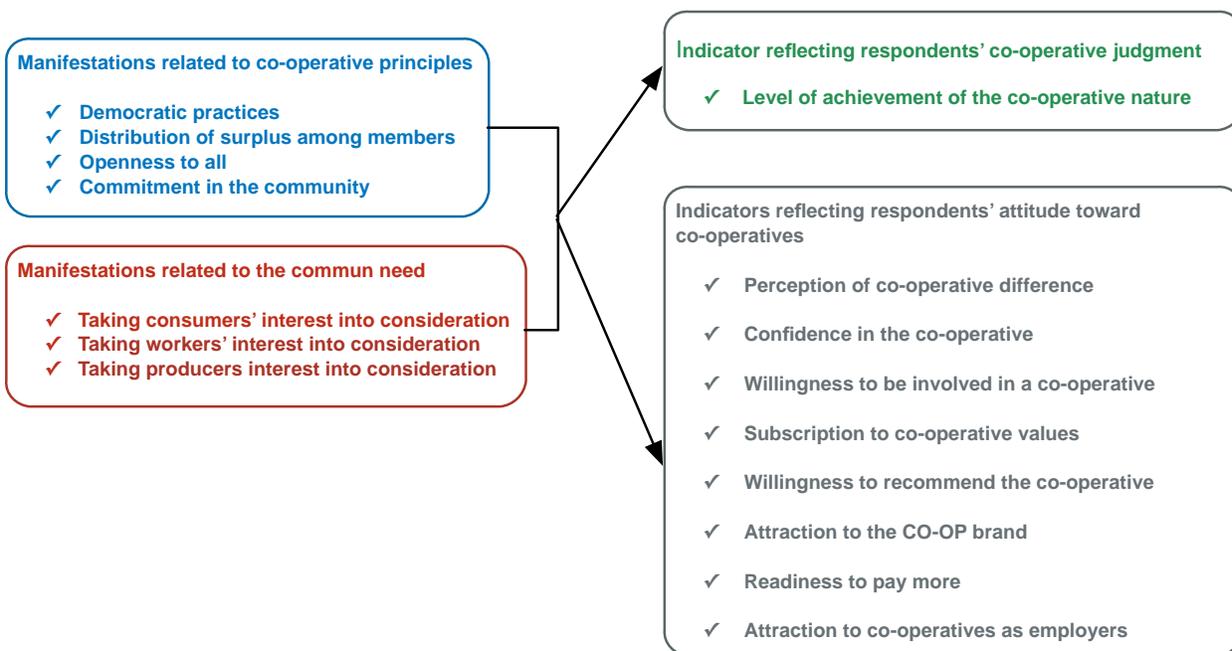
Leveraging these findings, we sought to pursue this inquiry further. This research therefore extends beyond Caisses Desjardins members, including the population at large. In addition, it focuses not only on financial co-operatives, but on other forms as well, including consumer, worker, and producer cooperatives. Conducted within ten countries on all five continents, the scope is global.

We classified the manifestations into two categories (presented on the following page). The first category presents a series of manifestations pertaining to the co-operative principles. We selected four manifestations in relation to democracy, distribution of surplus, openness to all, and commitment in the community. The second category of manifestations focuses on the common need, which is shared by the association of individuals. It includes manifestations related to taking consumers' interest into consideration (for financial and consumer cooperatives), workers' interest (labor cooperatives), and producers' interest (producer cooperatives).

³ For more details on this research, please view the video on the Guy-Bernier Chair on Cooperation website (<https://chaire-ccgb.uqam.ca/la-recherche/capsules-videos.html#nature-coopérative-telle-que-perçue-par-les-membres-des-caisses-desjardins>)

⁴ A financial co-operative operating chiefly in the province of Quebec, Canada (www.desjardins.com).

⁵ Reidenbach, R. E., & Robin, D. P. 1988. Some initial steps toward improving the measurement of ethical evaluations of marketing activities. *Journal of Business Ethics*, 7(11): 871.



On the first hand, this research framework is designed to verify the influence that the above types of manifestation may exert on the cooperative judgment of respondents. Does noting these various manifestations in a co-operative business influence a person's opinion about whether it complies with its cooperative nature? On the second hand, we sought to examine the influence of these manifestations on other performance indicators focusing on diverse attitudes of people toward the co-operative. For example, when individuals note manifestations demonstrating that a co-operative takes consumers' interest into account, does this foster their trust in those co-operatives or their subscription to cooperative values?

Methodology

In order to examine the assumptions of this model, we surveyed 4,000 people located in 10 countries (Canada, United States, Brazil, Argentina, England, France, Germany, South Korea, Japan and South Africa), with a distribution of 400 respondents per country. This task was carried out by the polling firm CROP. From the outset, respondents were asked whether they were able to identify businesses of different categories:

- ✓ Private;
- ✓ Public;
- ✓ Not-for-profit
- ✓ Non-governmental organizations
- ✓ Worker co-operatives (SCOP)
- ✓ Producer co-operatives (eg.: Agricultural)
- ✓ Financial co-operatives
- ✓ Consumer co-operatives

The last four types of businesses relate to the four co-operative sectors under study. Respondents who stated that they knew at least one out of these four types of cooperative companies were inquired to name one in particular. Only if they were able to name at least one specific co-operative, regardless of the sector, were they asked to complete the rest of the questionnaire. Respondents who were unable to

identify at least one specific cooperative were thanked and simply halted from completing the questionnaire. This requirement was necessary, as respondents were later prompted to indicate if they were aware whether that business displays some of the framework's manifestations. It was therefore important that they know the company. Whenever possible, we made sure to achieve an adequate distribution of respondents for each type of cooperative. The table below shows the distribution of respondents by country and cooperative sector.

Distribution of Respondents

											Total
Financial	208	90	72	101	136	62	155	100	86	153	1,163
Consumer	65	84	53	85	57	138	85	100	95	70	832
Worker	52	105	199	135	130	93	72	54	95	44	979
Producer	75	121	76	79	77	107	88	146	124	133	1,026
Total	400	400	400	4,000							

Respondents who qualified were then inquired about their level of agreement, on a scale of 1 to 7, with regards to the existence of a series of manifestations within the co-operative identified, in relation to those in the analysis framework (1 being "Strongly disagree" and 7 "Totally agree"). It should be underscored that the questionnaires adapted to the type of co-operative identified by the respondent. In addition, when results involve democratic manifestations or taking consumers' interest into consideration, they refer in fact to the average for all of the statements related to this principle or purpose. This also applies to the measuring of co-operative judgment and the various attitudes.

Once respondents indicated whether they identified whether some manifestations were found or not, they were prompted to state the extent to which, according to them, the co-operative they named achieves its cooperative nature. Finally, we measured some of their attitudes toward that same cooperative.

Results and Analysis

Notes on the interpretation of the results

Before we go on to presenting our findings, some explanatory notes about the interpretation of results are worth mentioning.

Results Include All Cooperatives

In this section, we present and comment on the results for the entire list of cooperatives included in this research. The results, which are broken down by co-operative sector, are mentioned when required in the commentaries and presented in the annexes at the end of this report.

Average

Averages apply to all of the statements related to the type of manifestations, co-operative judgment (does the co-op achieve its cooperative nature?) or statements relating to the various attitudes of respondents toward the co-operative (see the tables in the *Methodology* section). The measurement scale used is always from 1 to 7. Averages therefore represent a score on 7, and the scale excludes level 0. This implies that a neutral result is equivalent to 4 on 7 rather than 3.5 on 7, as in the following interpretation scale:

1. Totally disagree
2. Disagree
3. Rather in disagreement
4. Indifferent
5. Rather in agreement
6. In agreement
7. Quite in agreement

It must be emphasized that the reliability of an average depends on the number of respondents. When broken down by cooperative sector and country, manifestation averages related to the various attitudes must therefore be considered with caution, as breaking down reduces the number of respondents. We still present these averages in Annex for illustrative purposes; they are identified in red.

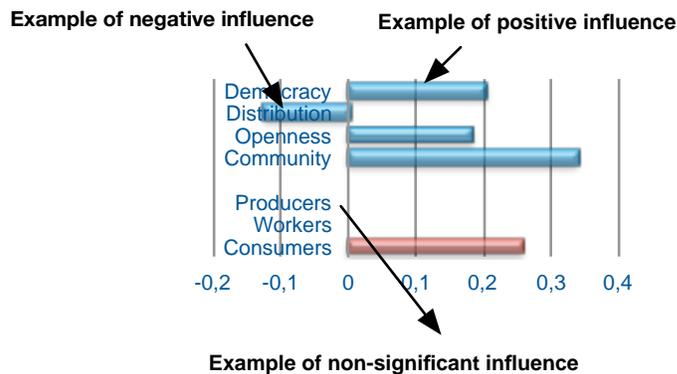
Explanatory Power of the Model with Different Indicators

We resorted to linear regression in order to determine the impact of co-operative manifestations on co-operative judgment and different attitudes. The coefficient of determination (R^2) shows the explanatory power of our model, i.e., the percentage of indicator variation that is explained by the model. As mentioned above, we proposed a series of assumptions relating to manifestations that could influence the judgment of respondents with regards to the co-operative nature of the company they had identified. Using the same manifestations, we also analyzed their impact on respondents' attitudes toward the co-operative (differentiation, confidence, etc.). Because our model is limited, since in practice it is virtually impossible to identify all manifestations that might influence the opinion of respondents, these statistics enable us to validate the model's explanatory power. Taking co-operative judgment for example, if this statistical datum leaned toward 0 (which is not the case), this would imply that our model does not allow to explain respondents' opinion on this question. If such were the case, had we been able to observe significant relationships with certain manifestations of the model given that it does not provide for a large explanatory capacity, it would be pointless to consider these manifestations. Conversely, the closer this statistic leans toward 1, the more successful was our model. In such an event, we had better pay attention to the model's manifestations showing a significant relationship with co-operative judgment if our wish is to influence the indicator. Similar logic applies to respondents' attitudes toward the co-op. It is therefore important to verify our model's explanatory power before looking at the impact of its manifestations.

Impact of Manifestations on Co-operative Judgment or Respondents' Attitudes

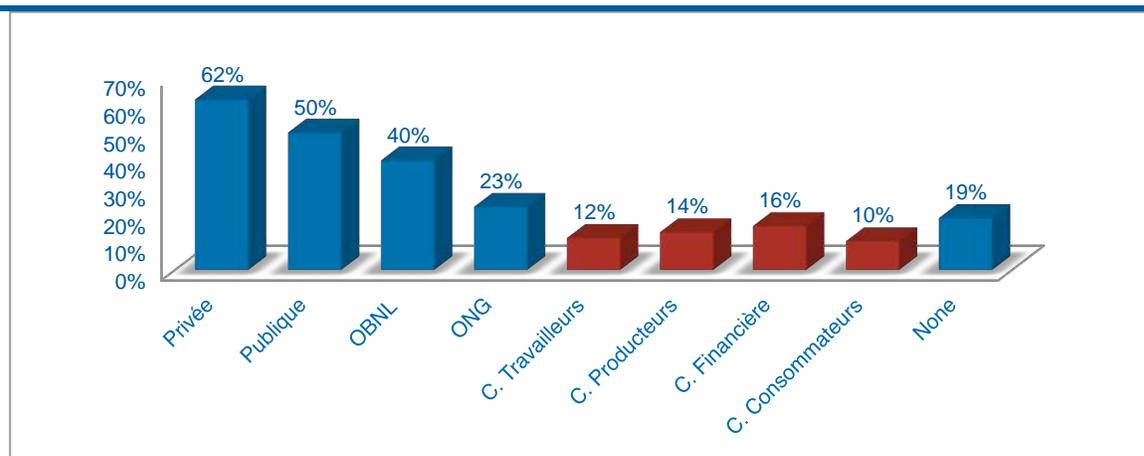
These statistics suggest the level of influence of one type of manifestation with one performance indicator (co-operative judgment or attitude). Influence can be significantly positive (a positive variation of this manifestation type results in a significantly positive variation of the indicator) or significantly negative (a positive variation of this manifestation type results in a significantly negative variation of the indicator). It can also be non-significant.

To compare the impact of various manifestations on an indicator, these statistics are presented in graphics. In the example below, the manifestations pertaining to the type "Openness to all" influence the indicator positively. Hence, the more respondents note manifestations in a cooperative demonstrating openness to all individuals regardless of their cultural community or financial situation, the more they assess that indicator positively. Conversely, manifestations of "distribution of surplus" illustrated in the example have a negative influence. When respondents observe manifestations related to distribution of surplus among members, their assessment of the indicator drops. The manifestation type concerning "taking producers' interest into consideration" displays non-significant influence. Whether or not respondents note manifestations of "taking producers' interest into consideration" has no significant impact on the indicator. In this example, manifestations of "commitment in the community" have the most positive influence on the indicator.



Reputation of the Co-operative Model

Percentage of respondents able to identify companies of different types



It should be stressed that, in order to complete the survey, solicited individuals had to be able to identify businesses of different types. The table above shows the results of this requirement. Among the different types of businesses, co-operative companies earn the lowest scores. To be more specific, 78.2% of the people contacted were unable to identify a cooperative business regardless of the sectors. Could these results be attributed to the fact that some co-operatives do not market their product and service offers using the *COOP* brand? This possibility deserves to be investigated in the future.

A strong majority of respondents (78.2 %) are unable to identify a business co-operative type.

Global

Averages										
4.76	4.75	5.26	5.01	5.04	4.51	4.94	4.69	4.44	4.17	4.78

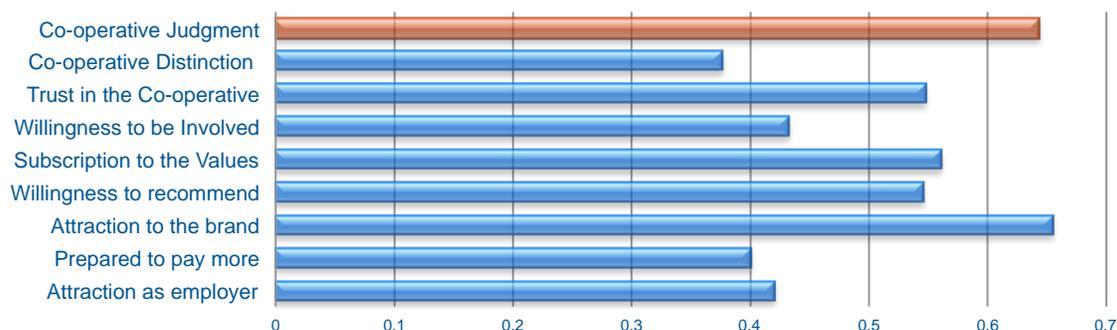
How about the image of co-operatives? Qualified respondents were asked to assess the quality of the *COOP* image in general (i.e., not limited to the company they had identified). We used a scale comprising a variety of questions in relation to the quality of the co-operative image. In light of the results (an average of 4.76), we can say the quality of this reputation is mixed. Among the respondents, 8.3% expressed indifference while 21.8% have a negative image of co-operatives. Conversely, the image of co-operatives ranges from slightly to very positive with 69.9%, while 17.9% give a score of 6 or higher. This image is particularly positive on the aspects of social responsibility and prioritization of long-term rather than short-term gain. It is less positive about the ability to innovate and the competitive advantage of offers.

Respondents have a mixed picture of co-operatives. This image is particularly positive on the aspects of social responsibility and prioritization of long-term rather than short-term gain. It is less positive about the ability to innovate and the competitive advantage of offers.

Explanatory Power of the Model with Different Indicators

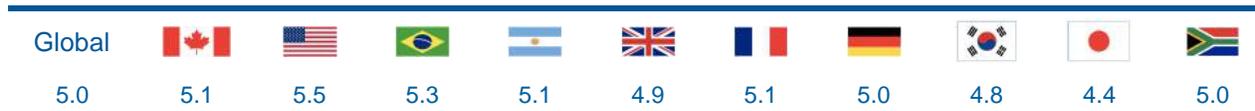
Can our model explain the variation of co-operative judgment and respondents' attitudes? In other words, are manifestations related to the co-operative principles (democracy, sharing of benefits, openness to all, and commitment in the community) and core company mission (taking consumers', workers' or producers' interest into consideration) likely to explain respondents' attitude toward the cooperative?

Statistical data presented in the following graphic⁶ point to a positive response. Indeed, as the red bar shows in this graph, when linked to the cooperative nature, our model explains more than 64% of the variance concerning members' co-operative judgment. In other words, 64% of the co-operative judgment variance is due to the different types of manifestations in the model. Therefore, only 36% of this variance is likely due to factors that are not taken into account in our model. Our model's explanatory power for the other indicators related to members' attitudes toward co-operatives is also important.



Results for the Co-operative Judgment

Averages for the Co-operative Judgment



Results show that respondents moderately agree with the fact that co-operatives comply with their co-operative nature: 17.4% of respondents don't have a clear opinion (score of 4) and 15% disagree (score below 4). With these same respondents, 67.6% weakly or totally agree with this fact. Finally, 34.1% give a score of 6 or more (agree or quite agree).

Respondents moderately agree with the fact that co-operatives comply with their co-operative nature.

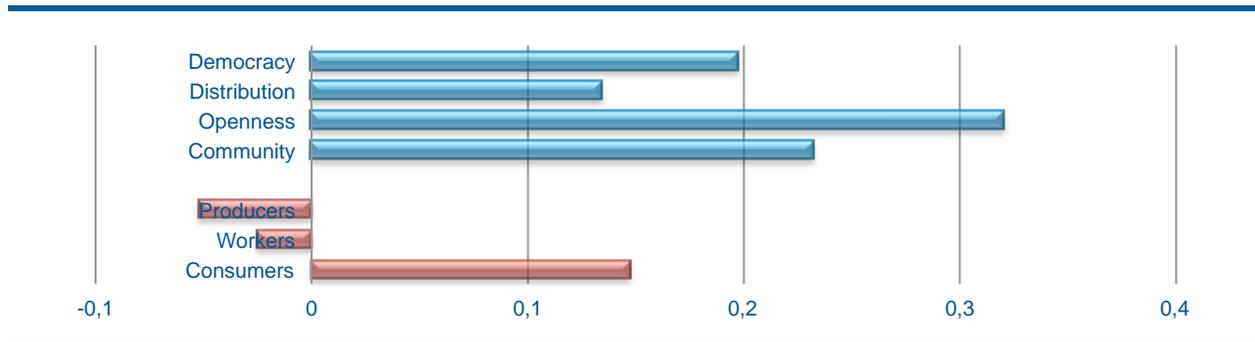
Our model turned out to perform the least with the perception that co-operative companies differ from other companies. In fact, a little less than 38% of the variation for this perception in respondents was prompted by our model's manifestations, which is far from negligible. Several other factors can therefore influence the opinion of respondents about cooperatives being businesses of a different kind.

In addition, our model was most effective with the issue of brand attraction. More than 65% of the brand attraction variation flows from our model's manifestations.

⁶ These statistics show R2 values found with linear regressions, in which the indicators presented in the table were dependent variable, and the manifestations in the model were independent variables.

Impact of the Model's Manifestations on Co-operative Judgment

Our model's explanatory power being explained, let us now focus on the impact of the various manifestations on co-operative judgment. To begin with, the graphic below illustrates that all manifestations of the model significantly influenced respondents' impression that the cooperative they identified achieves its cooperative nature. Considering the strength of this influence, *Openness to all* exerts the greatest impact (β : 0.320), followed by *Commitment in the community* (β : 0.232) and *Democracy* (β : 0.197).



The types of manifestations that are most influential on the co-operative judgment of respondents are, in order of importance, those linked to openness to all, commitment in the community, and democratic practices.

What about manifestations related to the co-operative mission, or how members make use of the co-operative? *Taking consumers' interest into consideration* has by far the strongest impact (β : 0.147) for all co-operative sectors (see annexes I to IV). This suggests that, even with worker and producer co-operatives, whose core mission is not to defend consumers' interest, taking such interest into consideration remains dominant all the same.

Among the manifestations that are associated with the primary mission of co-operatives, those related to taking consumers' interest into consideration have the most impact on co-operative judgment, regardless of the sector.

With manifestations related to taking workers' interest into consideration, influence is significantly negative (β : -0.025). This suggests that, according to respondents, taking workers' interest into consideration is contrary to how they view the cooperative nature. This significantly negative influence is similar for co-operatives in the financial, consumption, and production sectors. Only do labor co-operatives display a significantly positive relationship. It should be underscored, however, that consumer's interest does prevail in this sector.

Apart from labor co-operatives, respondents feel that taking workers' interest into consideration goes against cooperative nature.

Influence with manifestations related to taking producers' interest into consideration is significantly negative (β : -0.052). Influence by co-operative sector for this factor (see annexes 1 to 4) is non-significant for the financial and consumption sectors, and negative for the labor and production sectors. Therefore, although production co-operatives' core mission is to defend producers' interest, respondents feel that manifestations toward this goal are contrary to the cooperative nature of these businesses. One may wonder about the respondents' level of knowledge of the cooperative model. It is in fact possible that respondents are unaware of the purpose of a production co-operative.

Again according to respondents, taking producers' interest into consideration also goes against cooperative nature, even with production cooperatives

How can it be explained that these research outcomes lead to conclusions that are opposite to the results generated by both studies conducted within financial cooperatives? Bear in mind that in both studies,

manifestations related to taking consumers' interest into consideration represented the most influential factor on the co-operative judgment of respondents. An explanation may be found in the populations targeted by these different studies. In the first two, only customers of the financial co-operatives were solicited to participate, whereas the investigation conducted in the context of this study was open to the general population. Furthermore, both first studies were limited to the financial sector, while this one includes three additional sectors.

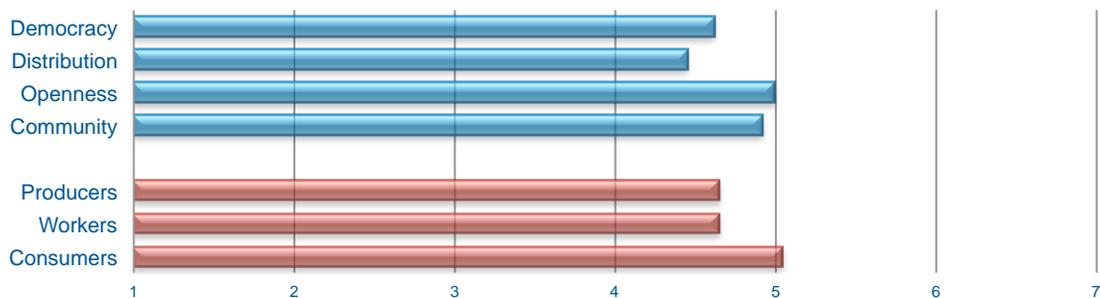
The vast majority of the 4,000 respondents are therefore not customers of the co-operative they identified (63.3 %). It is likely that in the financial sector, in particular in Canada and France where the first two studies were conducted, the cooperative nature is conceived of as more focused on taking consumers' interest into consideration, which promotes the desire to be a customer of financial co-operatives. It is very possible to conceive of the cooperative nature as prioritizing co-operative principles while also granting lesser importance to meeting common needs or even considering that meeting such needs is contrary to the cooperative nature (this is in fact the case with production co-operatives when it comes to taking producers' interest into consideration). That is exactly what the results analysis reveals. Yet, does this view of the cooperative nature make this type of business less attractive? As will be seen when analyzing the results on the different attitudes of respondents, this assumption is supported by the influence of manifestations related to taking consumers' interest into consideration on the confidence granted to co-operatives by respondents, their readiness to recommend these companies, and their brand recognition, all attitudes that foster a desire to do business with a company.

The findings from this study and both previous studies lead us to the assumption that a conception of the cooperative nature focused more on the importance of taking consumers' interest into consideration fosters a desire to be co-operative customers.

Average per Manifestation

We have seen that the model holds high explanatory power and we were able to identify the factors that are most likely to promote co-operative judgment in respondents (openness to all, commitment in the community and democratic practices for the manifestations related to co-operative principles, and taking consumers' interest into consideration as for the manifestations related to the co-operative mission). We can now turn to the averages obtained for each of these types of manifestation.

For all types of manifestations related to the cooperative nature, results show that respondents moderately agree with the statement that these manifestations exist within cooperatives (see the graphic below). A breakdown of the results by country can be found in a following section detailing impacts of the types of manifestations in the indicators. Manifestations related to taking consumers' interest into consideration achieve the highest score (5.03), closely followed by manifestations demonstrating openness to all (4.99). Manifestations related to distribution of surplus among members score the lowest (4.45). The results suggest that the uncommon practice of patronage returns found within co-operatives may be in part responsible for this low score.

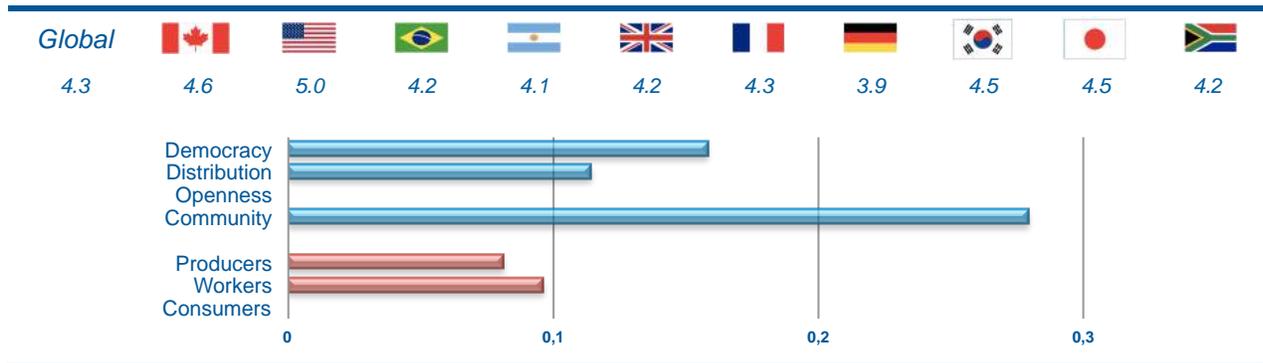


For the types of manifestations associated with the cooperative nature altogether, results point to a moderate level of agreement in respondents with the statement that these manifestations are found in cooperatives.

Results on Respondents' Attitudes Toward Co-operatives

In this section, we take a look at what the results say about the impact of each type of manifestation on different attitudes of respondents toward co-operatives. The tables on the following page each break down these impacts by attitude. They show the average score for each of these attitudes, both overall and by country.

Perception of the co-operative difference

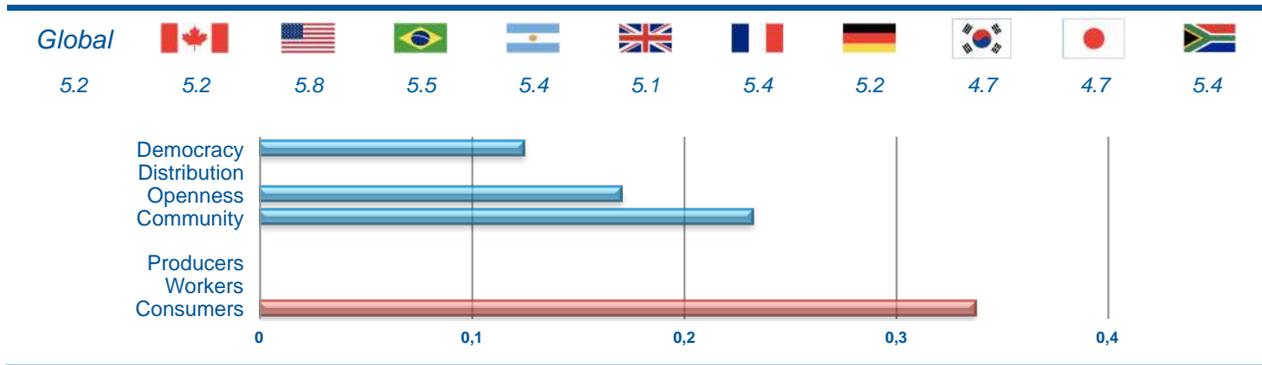


Do respondents perceive co-operatives as businesses of a different kind? According to the average (4.3) for this attitude, it can be assumed that they don't have a clear opinion on this subject, or maybe they weakly agree: 12.2% of respondents chose a neutral position on this aspect, 34.5% don't consider there is a difference, and 53.3% note that there is one. Among the latter, only 16.2% of those respondents say they agree or quite agree with co-operatives not being businesses like the others, while the majority only weakly agrees.

Then, what types of manifestations are more likely to influence members' perception of the distinctive nature of co-operatives as businesses? As the chart illustrates, manifestations related to commitment in the community (β : 0.279) are by far those that better foster this perception, followed by manifestations related to democratic practices (β : 0.158) and redistribution of surplus (β : 0.114). Interestingly, the impact of manifestations related to taking consumers' interest into consideration is not significant. Which means that quality of customer service does not enable co-operatives to stand out. Similarly for manifestations in co-operatives demonstrating openness to all. It is likely that, according to respondents, other types of company perform equally on these aspects.

The majority of respondents don't have a clear opinion toward or weakly agree in regards of co-operatives being enterprises of a different nature. The quality of their customer service does not enable co-operatives to stand out from other types of businesses. The same holds true for their openness to all.

Confidence in co-opératives

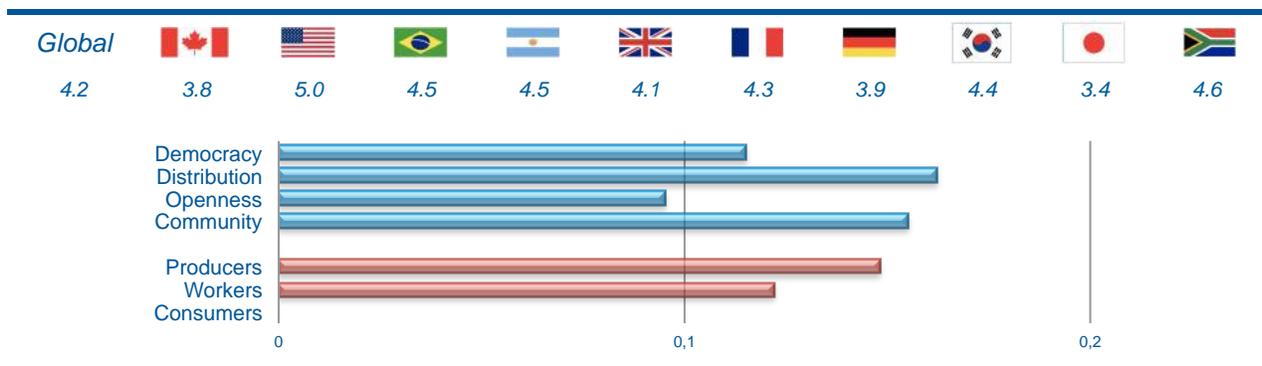


To what extent do respondents trust co-operatives? In general, respondents agree that cooperatives are trusted companies (5.2 average). Among respondents, 5.8% have a middle opinion about this question, 11.2% consider co-operatives are not trustful, while 83% consider they are. Among these, 32.5% granted a score of 6 or higher.

So how can respondents' confidence toward co-operatives be improved? Manifestations related to taking consumers' interest into consideration have the greatest influence on this attitude (β : 0.337). The same was noted in other co-operative sectors except Production. Manifestations related to commitment in the community (β : 0.232) and openness to all (β : 0.170) also display a significant impact. Those related to taking workers' and producers' interest into consideration have no significant effect, regardless of the sector.

Respondents display moderate confidence in co-operatives. Manifestations related to taking consumers' interest into consideration have the greatest impact on the confidence granted to co-operatives by the respondents.

Willingness to become involved in a co-operative



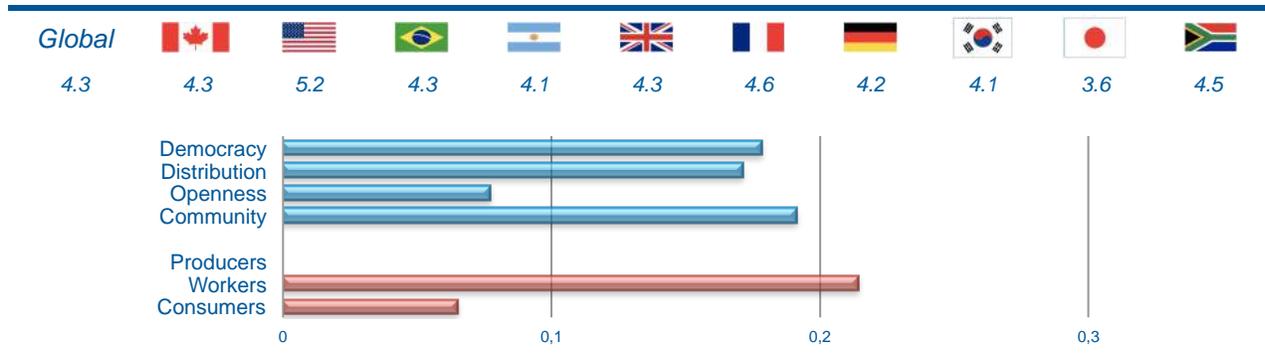
Are respondents prepared to take part in the effectiveness of a co-operative's operations? The average score for this attitude being 4.2, it can reasonably be assumed that this desire is rather lukewarm. In fact, 7.7% of this group expressed indifference, 39.2% are not prepared to contribute and 39.1% show little intention. This intention is more sustained in 14% of the latter, with a score of 6 and more.

An equitable distribution of surplus (β : 0.162) exerts the greatest influence, followed by commitment in the community (β : 0.155) and taking producers' interest into consideration (β : 0.148). Of particular importance regarding the results by cooperative sector (see annexes 1 to 4) for the financial, consumption and labor sectors, manifestations which are consistent with a co-operative's core mission—taking consumers' interest into consideration for the first two types of co-operatives and workers' interest for the third—do not

have significant impact on the desire to be involved. This result raises some questioning on the motivation of volunteer leaders in such organizations, in terms of whether this motivation is related or not with meeting members' common needs.

Respondents are rather mild about being involved in effective functioning of a co-operative. For the financial, consumption and labor sectors, manifestations which are consistent with these co-operatives' core missions have not had significant impact on respondents' desire to be involved.

Subscription to co-operative values

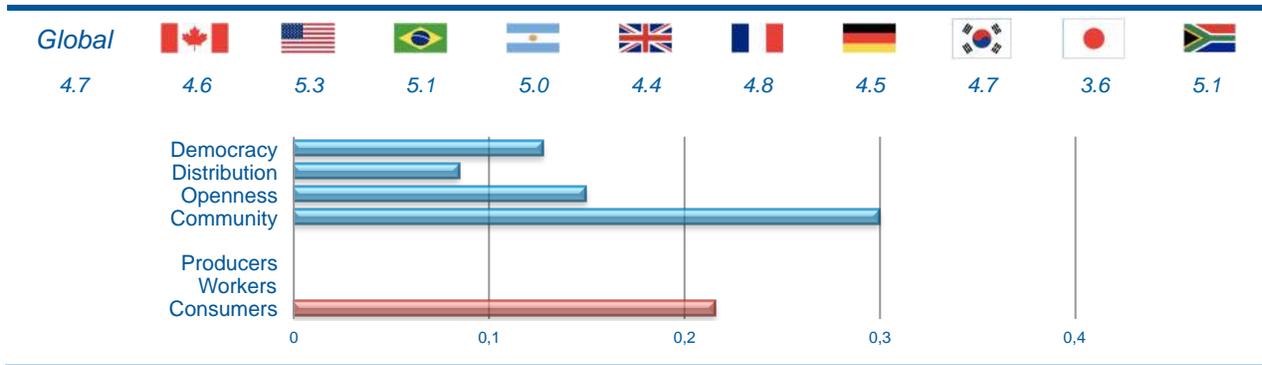


Do respondents subscribe to co-operative values? Once again, subscription is modest with a score of 4.3: 11.9% of respondents are indifferent to these values, 34.1% don't subscribe to them and 54% are in favor of them. Only 16.4% of respondents granted a score of 6 or more for this attitude.

What manifestations could improve this outcome? According to the graphic above, treatment of workers is the principal determining factor of subscription to co-operative values (β : 0.214) along with commitment of the co-operative in the community development (β : 0,191), and therefore such manifestations are expected to have the greatest effect on respondents' subscription to co-operative values. Keep in mind that manifestations demonstrating that workers' interest is taken into consideration have a negative impact on co-operative judgment. In other words, advocating for workers is contrary to the cooperative nature according to respondents' co-operative judgment. Their low subscription to co-operative values can therefore partially be explained by this conception of a co-operative's nature.

Respondents weakly subscribe to co-operative values This low score may in part be explained by respondents' conception of the co-operative nature where workers' interest is not taken into consideration, whereas they highly value this factor.

Willingness to recommend the co-operative

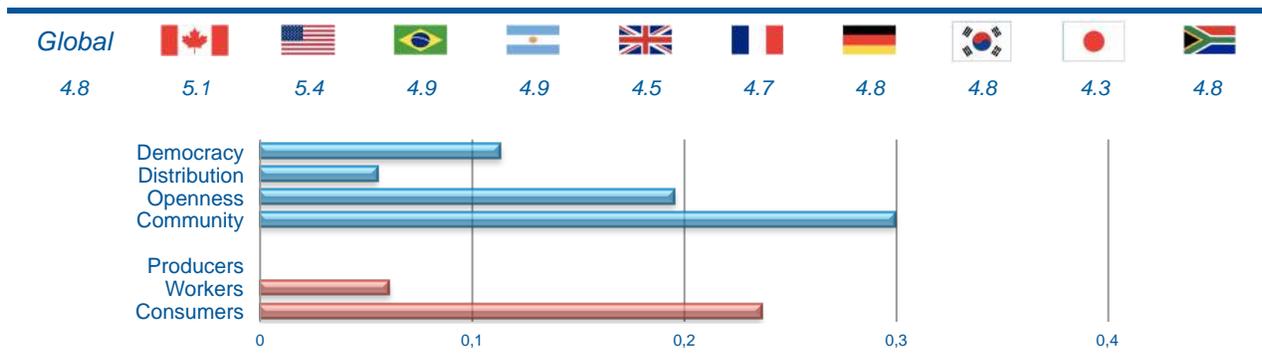


Are participants prepared to recommend cooperatives to people they know? The average for this factor is moderate (4.7), with 12% of respondents taking a middle position on this question, while 26,1% are not prepared to do so and 61.9% are prepared to varying degrees. Among these, 29.4% display a score of 6 or higher.

How can respondents be encouraged to recommend a cooperative to people they know? Based on the results outlined above, co-operatives should be actively present in the community development (β : 0.299) and take care of their consumers (β : 215).

Respondents are moderately willing to proselytize in support of a cooperative. This low level of propensity could be improved through commitment in the community and taking consumers' interest into consideration.

Attraction to the COOP brand

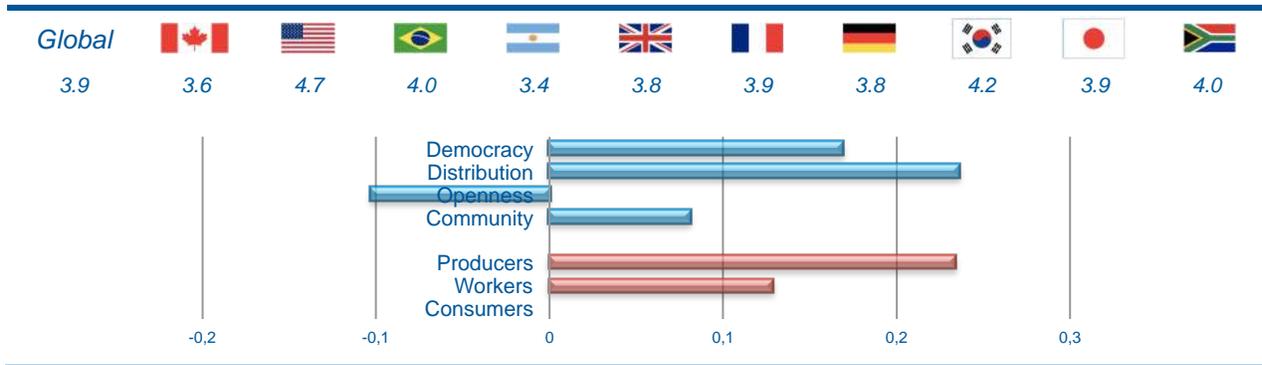


Is the COOP brand attractive to respondents? Not very much so. In fact, the average for this attitude (4.8) suggests that respondents moderately agree with the statement that the COOP brand is attractive: only 24.3% feel attracted to the brand with a score of 6 or more, while 20% are mildly or not at all attracted by this brand.

To generate this attractiveness, cooperatives should leverage commitment in the community (β : 0.299) and pay particular attention to the quality of their customer service (β : 0.236).

Respondents' attraction to the COOP brand is moderate. Co-operatives should leverage commitment in the community and quality of customer service to increase brand attractiveness.

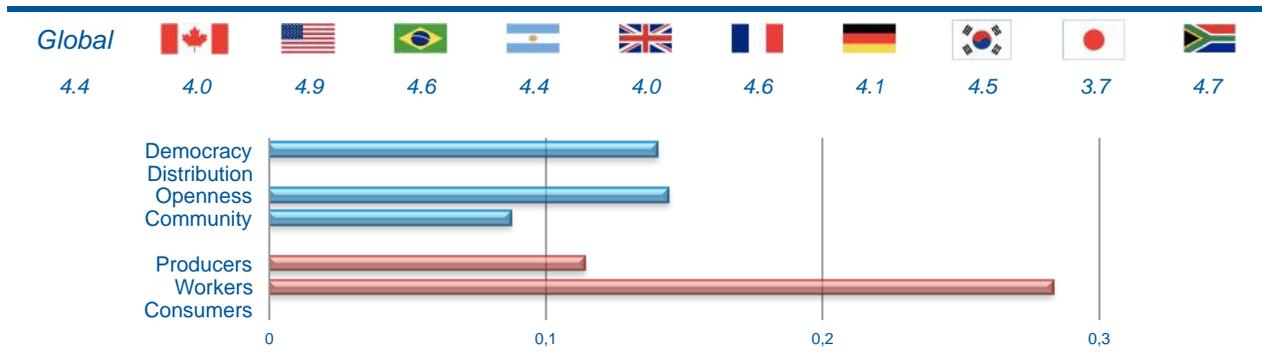
Readiness to pay more



Are people prepared to pay more to do business with a co-operative? In light of the results of this study, the answer to this question is negative. In fact, the average for this attitude is the lowest in the list (3.9). Only 12.3% of respondents stated they agree or quite agree (3.4%) with this possibility. Then, what would be the most conducive manifestations to convince them? Almost equally, a distribution of surplus among members (β : 0.236) and taking producers' interest into consideration (β : 0.234)

Respondents are not very willing to pay more to do business with a co-operative. Distributing surplus among the members and taking producers' interest into consideration are the two factors that would mostly foster this attitude.

Attraction to co-operatives as employers



Finally, we were interested in learning about co-operatives' attractivity within the labor market. In general, respondents feel weakly attracted by cooperatives as employers. This weak attraction to co-operatives as employers is notable with 17.5% of respondents, while 38.9% are rather indifferent and 9.3% don't have a clear opinion. Conversely, 34.3 per cent do not seem to view cooperatives as a potential employer.

It comes as no surprise, then, that taking workers' interest into consideration proves to have the most impact on this attitude (β : 0.283), although openness to all (β : 0.144) and democratic practices (β : 0.140) also exert relative influence.

Respondents feel weakly attracted to cooperatives as potential employers. This feeling is very sensitive to cooperatives demonstrating that they take workers' interest into consideration.

Impacts of Different Types of Manifestations on the Indicators

The following tables found in this section provide another way of viewing the results. Whereas up to now the results were presented as a function of co-operative judgment and attitudes toward co-operatives (referred to as *performance indicators* from here on), in these tables the results are sorted by type of manifestation. Organized this way, they give readers a quick overview of the impact on the entire range of performance indicators should one type of manifestation increase (democratic practices, for example). The data shown in the various tables therefore indicate the level of impact for each type of manifestations⁷ on the different performance indicators, including all the co-operatives as well as sorted by cooperative sector.

To facilitate interpretation of these numbers, a color code was assigned to the first three positions for the strength of the indicator. Numbers in green identifies the highest impact of the type of manifestation among the entire range of manifestations. For example, in the table describing the impact of democratic practices (see below), the number pertaining to respondents interest for involvement in the consumption sector is green (0.367). This indicates that this specific impact scored the highest among all other types of manifestations. Therefore, democratic practices have the greatest influence on respondents' desire to become involved in a consumers co-operative. Similarly, yellow numbers indicate the next closest scores, and red numbers indicate third position scores. At a glance, tables show the level of influence of any type of manifestation on the different performance indicators that were tested in this research.

We will not comment on these results here. Readers may find interpretation of results in the previous pages.

Democratic Practices

Global

Global										
4.6	4.7	5.2	4.9	4.6	4.7	4.9	4.5	4.3	4.0	4.3

Impact of democracy on performance indicators

Indicators	Global	Financial	Consumer	Worker	Producer
Co-operative Judgment	0.197	0.187	0.223	0.238	0.146
Co-operative Difference	0.158	0.128	0.254	N.S.	0.153
Confidence in the Co-operative	0.124	0.206	0.123	N.S.	0.203
Willingness to Be Involved	0.115	N.S.	0.367	N.S.	N.S.
Subscription to Co-op Values	0.178	0.205	0.238	0.203	0.209
Willingness to Recommend	0.127	0.113	0.211	0.232	N.S.
Attraction to the Brand	0.113	0.139	0.170	0.167	N.S.
Readiness to Pay More	0.169	0.212	0.214	N.S.	N.S.
Attraction to Co-op as Employer	0.140	0.182	0.345	N.S.	N.S.

⁷ Interested statisticians will find β obtained during the different linear regressions.

Distribution of Surplus

Averages

Global										
4.4	4.6	5.1	4.7	4.3	4.5	4.4	4.2	4.4	4.1	4.1

Impact of distribution of surplus on various indicators

Indicators	Global	Financial	Consumer	Worker	Producer
Co-operative Judgment	0.134	0.222	0.138	0.066	0.080
Co-operative Difference	0.114	0.200	N.S.	0.222	0.153
Confidence in the Co-operative	N.S.	0.095	(0.109)	N.S.	(0.123)
Willingness to Be Involved	0.162	0.269	N.S.	0.326	0.111
Subscription to Co-op Values	0.171	N.S.	0.310	0.336	0.150
Willingness to Recommend	0.084	0.154	N.S.	0.177	N.S.
Attraction to the Brand	0.055	N.S.	N.S.	N.S.	0.145
Readiness to Pay More	0.236	0.209	0.138	0.399	0.375
Attraction to Co-op as Employer	N.S.	(0.152)	N.S.	0.266	0.130

Openness to All

Averages

Global										
5.0	5.4	5.5	5.2	5.1	5.0	4.9	4.6	4.7	4.2	5.2

Impact of openness to all on various Indicators

Indicators	Global	Financial	Consumer	Worker	Producer
Co-operative Judgment	0.320	0.264	0.333	0.387	0.343
Co-operative Difference	N.S.	(0.123)	N.S.	N.S.	0.184
Confidence in the Co-operative	0.170	0.177	0.163	0.191	0.183
Willingness to Be Involved	0.095	N.S.	0.183	N.S.	0.326
Subscription to Co-op Values	0.077	N.S.	N.S.	N.S.	0.130
Willingness to Recommend	0.149	N.S.	0.224	N.S.	0.343
Attraction to the Brand	0.195	0.209	0.249	0.185	0.170
Readiness to Pay More	(0.103)	(0.206)	N.S.	N.S.	N.S.
Attraction to Co-op as Employer	0.144	0.141	N.S.	0.200	0.166

Commitment in the Community

Averages

Global										
5.0	5.1	5.6	5.0	4.9	4.9	5.2	4.6	4.6	4.3	5.2

Impact of commitment in the community on various indicators

Indicators	Global	Financial	Consumer	Worker	Producer
Co-operative Judgment	0.232	0.196	0.089	0.178	0.387
Co-operative Difference	0.279	0.257	N.S.	0.495	0.237
Confidence in the Co-operative	0.232	N.S.	0.263	0.318	0.337
Willingness to Be Involved	0.155	0.285	N.S.	N.S.	N.S.
Subscription to Co-op Values	0.191	0.098	0.316	0.293	0.233
Willingness to Recommend	0.299	0.416	0.321	0.207	0.238
Attraction to the Brand	0.299	0.339	N.S.	0.423	0.369
Readiness to Pay More	0.081	N.S.	N.S.	0.226	N.S.
Attraction to Co-op as Employer	0.087	N.S.	N.S.	N.S.	0.177

Taking Consumers' Interest into Consideration

Averages

Global										
5.0	5.1	5.6	5.1	5.1	4.9	5.2	4.8	4.6	4.4	5.5

Impact of taking consumers' interest into consideration on various indicators

Indicators	Global	Financial	Consumer	Worker	Producer
Co-operative Judgment	0.147	0.119	0.224	0.110	0.151
Co-operative Difference	N.S.	N.S.	0.312	N.S.	N.S.
Confidence in the Co-operative	0.337	0.424	0.357	0.330	0.256
Willingness to Be Involved	N.S.	N.S.	N.S.	0.251	N.S.
Subscription to Co-op Values	0.065	0.190	N.S.	N.S.	N.S.
Willingness to Recommend	0.215	0.146	0.245	0.210	0.291
Attraction to the Brand	0.236	0.146	0.361	0.171	0.265
Readiness to Pay More	N.S.	N.S.	N.S.	N.S.	N.S.
Attraction to Co-op as Employer	N.S.	N.S.	N.S.	N.S.	(0.131)

Taking Workers' Interest into Consideration

Averages

Global										
4.6	4.7	5.2	4.7	4.7	4.7	4.7	4.5	4.2	4.2	4.9

Impact of taking workers' interest into consideration on various indicators

Indicators	Global	Financial	Consumer	Worker	Producer
Co-operative Judgment	(0.025)	(0.051)	(0.056)	0.060	(0.077)
Co-operative Difference	0.096	0.288	0.126	N.S.	N.S.
Confidence in the Co-operative	N.S.	N.S.	N.S.	N.S.	N.S.
Willingness to Be Involved	0.122	0.205	N.S.	N.S.	0.121
Subscription to Co-op Values	0.214	0.265	N.S.	N.S.	0.356
Willingness to Recommend	N.S.	N.S.	(0.134)	N.S.	N.S.
Attraction to the Brand	0.061	0.134	N.S.	N.S.	N.S.
Readiness to Pay More	0.129	0.202	0.218	N.S.	0.170
Attraction to Co-op as Employer	0.283	0.383	N.S.	0.199	0.402

Taking Producers' Interest into Consideration

Averages

Global										
4.6	4.6	5.3	4.8	4.5	4.6	4.6	4.3	4.5	4.2	5.1

Impact of taking producers' interest into consideration on various indicators

Indicators	Global	Financial	Consumer	Worker	Producer
Co-operative Judgment	(0.052)	N.S.	N.S.	(0.079)	(0.075)
Co-operative Difference	0.081	N.S.	N.S.	N.S.	N.S.
Confidence in the Co-operative	N.S.	N.S.	N.S.	N.S.	N.S.
Willingness to Be Involved	0.148	N.S.	0.238	0.210	0.233
Subscription to Co-op Values	N.S.	0.150	N.S.	N.S.	(0.151)
Willingness to Recommend	N.S.	N.S.	N.S.	N.S.	N.S.
Attraction to the Brand	N.S.	N.S.	0.135	N.S.	N.S.
Readiness to Pay More	0.234	0.315	0.184	0.168	0.194
Attraction to Co-op as Employer	0.114	0.206	0.395	0.165	N.S.

Conclusion

This study aimed at gaining a better understanding of the population's co-operative judgment. In other words, it sought to highlight the manifestations that respondents should perceive in a co-operative for them to consider that it meets its cooperative nature. Four co-operative sectors were investigated with 4,000 people surveyed in ten countries on five continents. Seven types of manifestations were tested. Four concern the cooperative principles (democratic practices, distribution of surplus among members, openness to all and commitment in community development) and three pertain to the co-operative mission of the different sectors (taking consumers', workers' and producers' interest into consideration). The study also analyzed the impact of these manifestations on a variety of respondent attitudes toward co-operatives. Outcomes enabled us to better understand respondents' co-operative judgment as well as their attitudes toward co-operative organizations

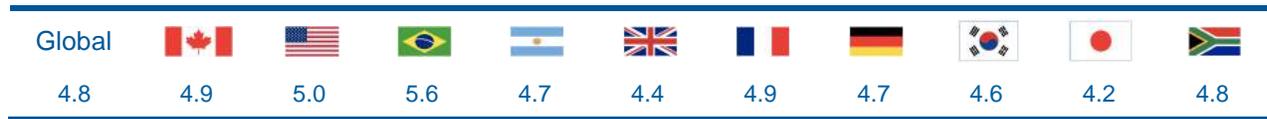
It is still too early to be able to draw all the conclusions that are in store for us in this gigantic database created during this exercise. Nevertheless, three issues seem to emerge from this preliminary analysis.

Firstly, cooperatives are not well known or they are misunderstood. Only a small minority of people are able to identify a cooperative company, regardless of the co-operative sector. Secondly, cooperatives would greatly gain to promote manifestations demonstrating their cooperative principles and core mission (centered on usage). In fact, statistical analysis has demonstrated that these factors have a strong, significant influence on different attitudes of people toward these organizations, attitudes which contribute to their success.

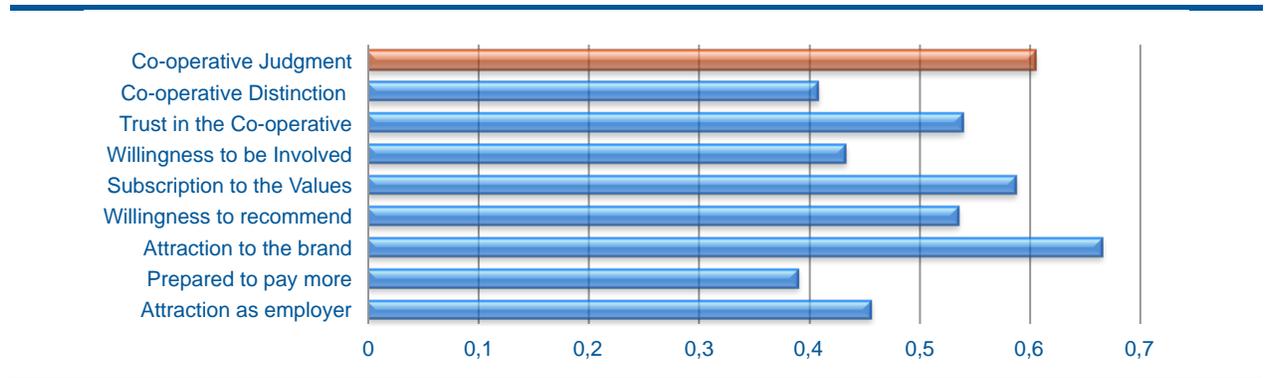
Thirdly, it is surprising that manifestations related to cooperatives' core mission, which is to meet members' common needs, do not have more impact or even negative impact on respondents' co-operative judgment. Relevance of co-operative principles lay in their ability to enable cooperatives to meet their members' needs. These results lead us to ponder whether in the late years the cooperative movement has been more concerned about meeting co-operative principles than achieving its core mission, which is to meet the needs of its members. This hypothesis alone deserves that a new research project be developed.

A I - Results for Financial Co-operatives

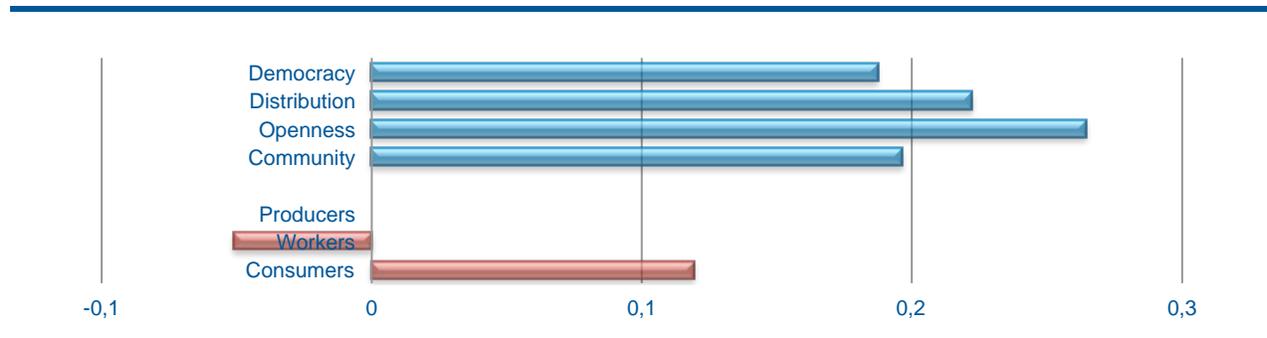
Averages for Cooperative Judgment



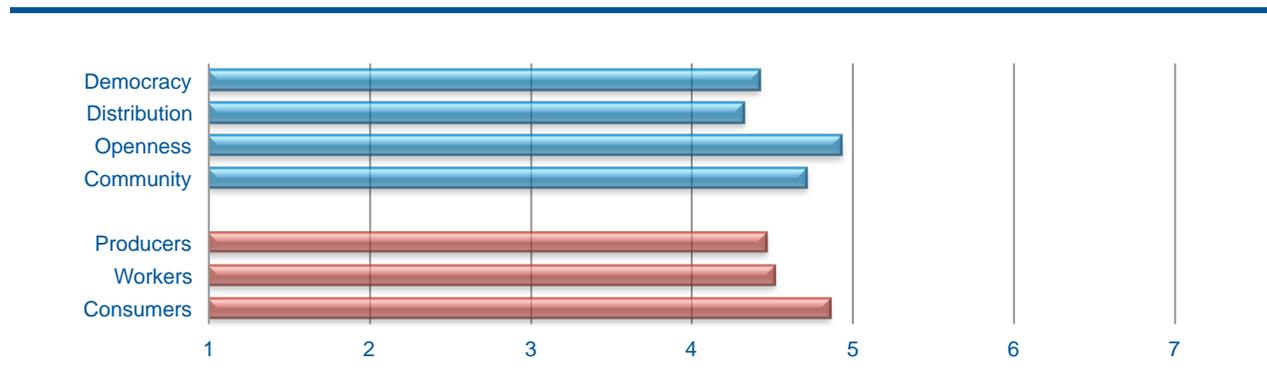
Explanatory Power of the Model with Different Indicators



Impact of Manifestations on Co-operative Judgment

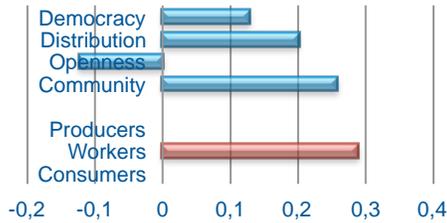
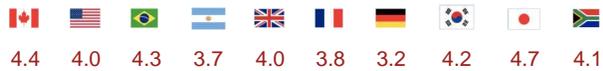


Average per Manifestation

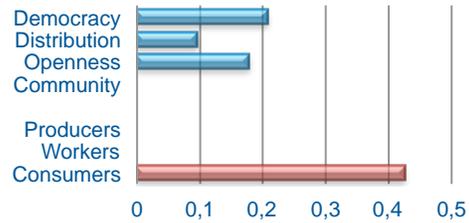


Impact of Manifestations on Respondents' Attitudes

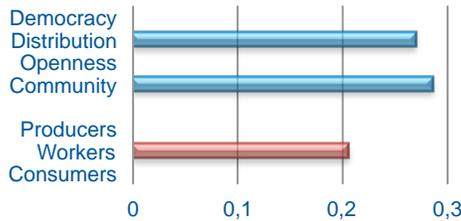
Difference (Global average: 4.0/7)



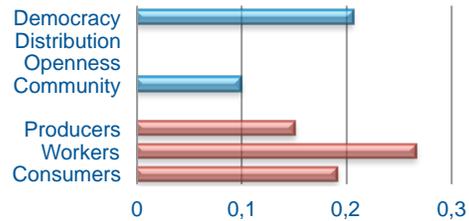
Confidence (Global average: 5.0/7)



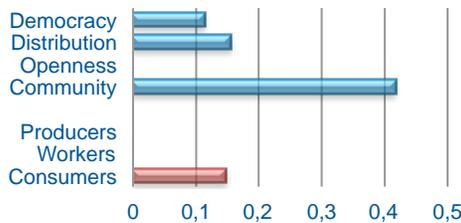
Willingness to Be Involved (Global average: 4.0/7)



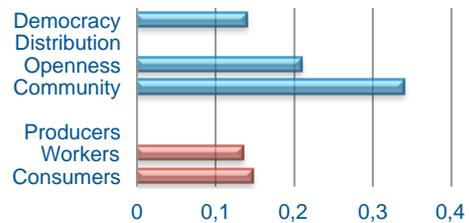
Subscription to Co-op Values (Global average: 4,3/7)



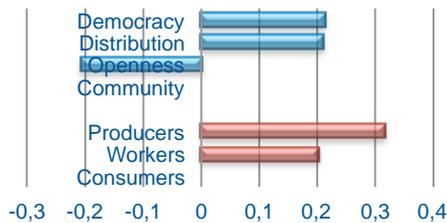
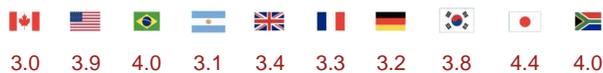
Willingness to Recommend (Global average: 4.3/7)



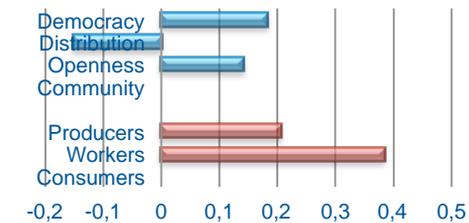
Attraction to the Brand (Global average: 4.6/7)



Readiness to Pay More (Global average: 3.5/7)

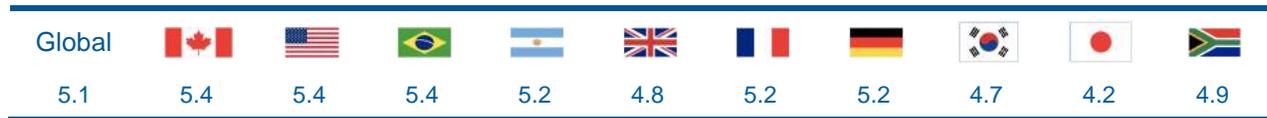


Attraction to Co-op Employers (Global average: 4.4/7)

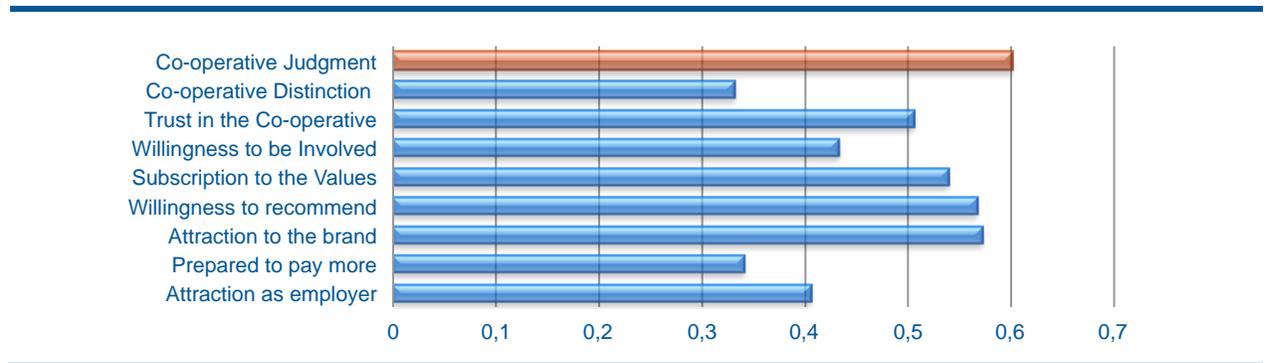


A. II – Results for Consumer Co-operatives

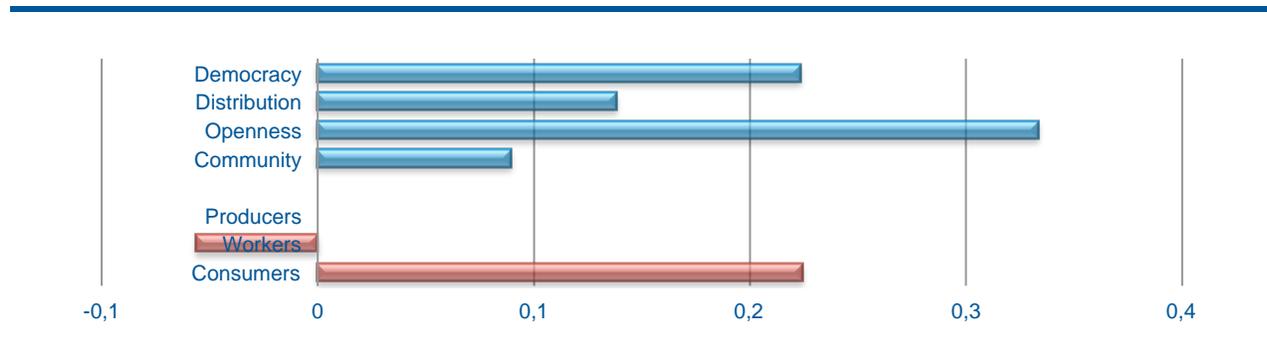
Averages Concerning Respondents' Co-operative Judgment



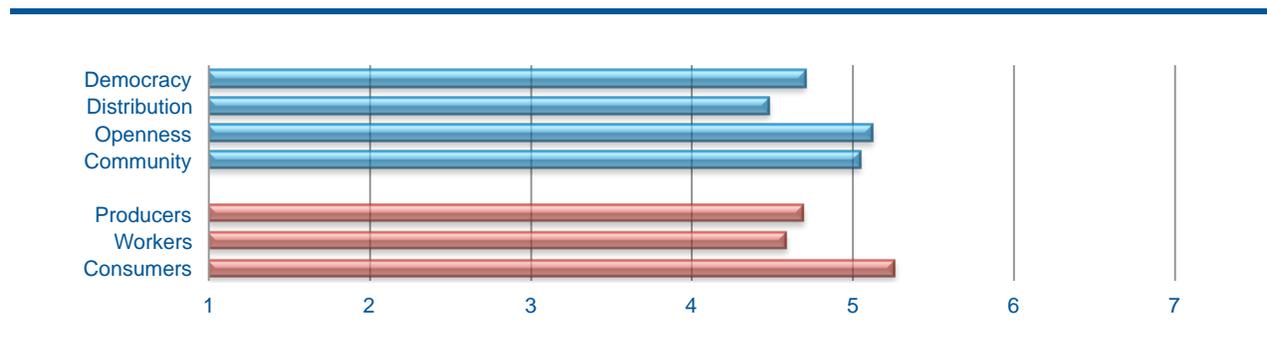
Explanatory Power of the Model with Different Indicators



Impact of Manifestations on Co-operative Judgment

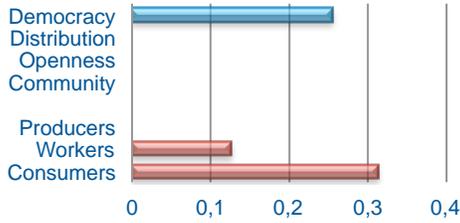


Average per Manifestation

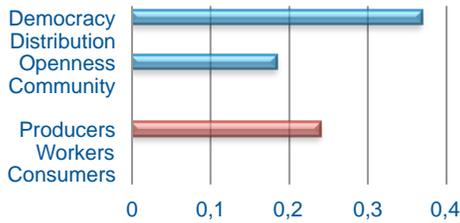


Impact of Manifestations on Respondents' Attitudes

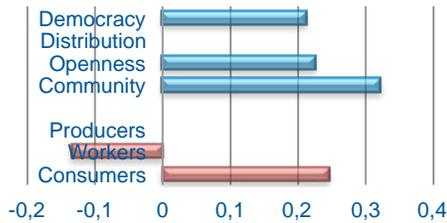
Co-operative Difference (Global average: 4.6/7)



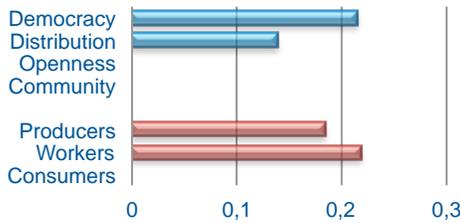
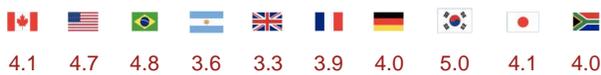
Willingness to Be Involved (Global average: 4.5/7)



Willingness to Recommend (Global average: 5.0/7)



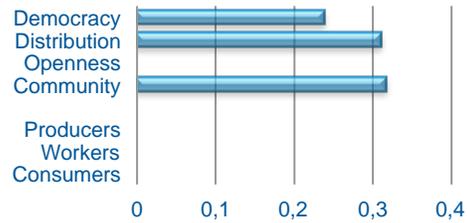
Readiness to Pay More (Global average: 4.1/7)



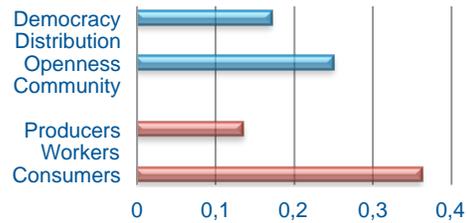
Confidence (Global average: 5.6/7)



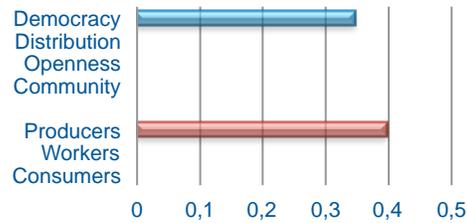
Subscription to Co-op Values (Global average: 4.5/7)



Attraction to the Brand (Global average: 5.0/7)

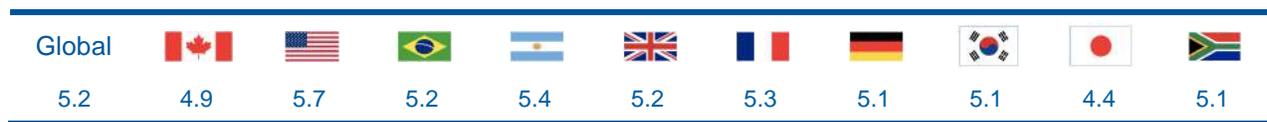


Attraction to Co-op Employers (Global average: 4.4/7)

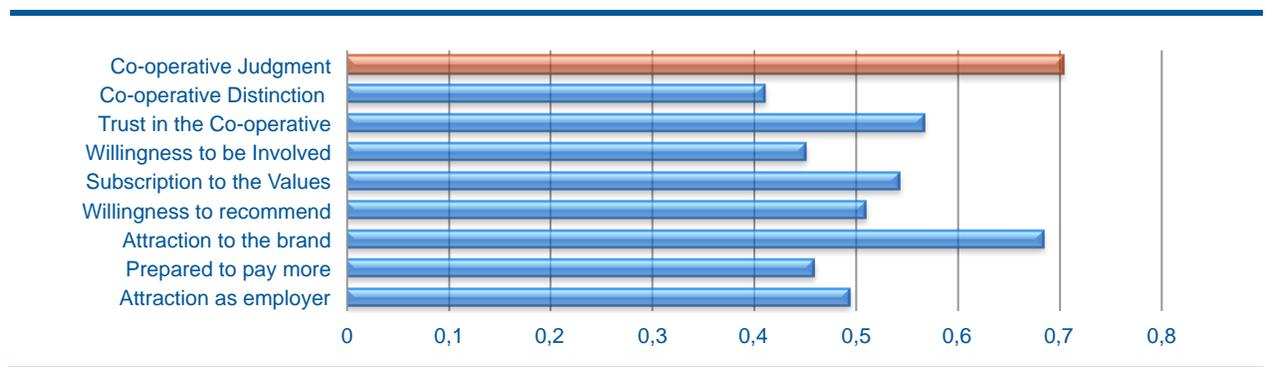


A III - Results for Worker Co-operatives

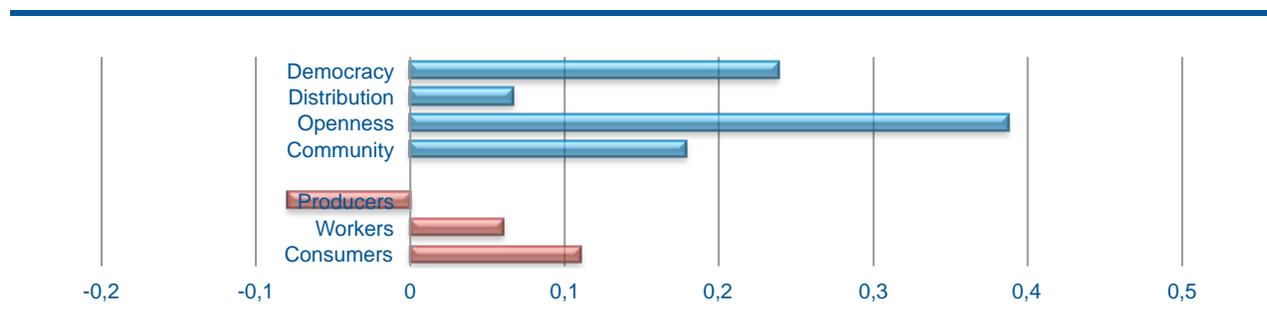
Averages for Co-operative Judgment



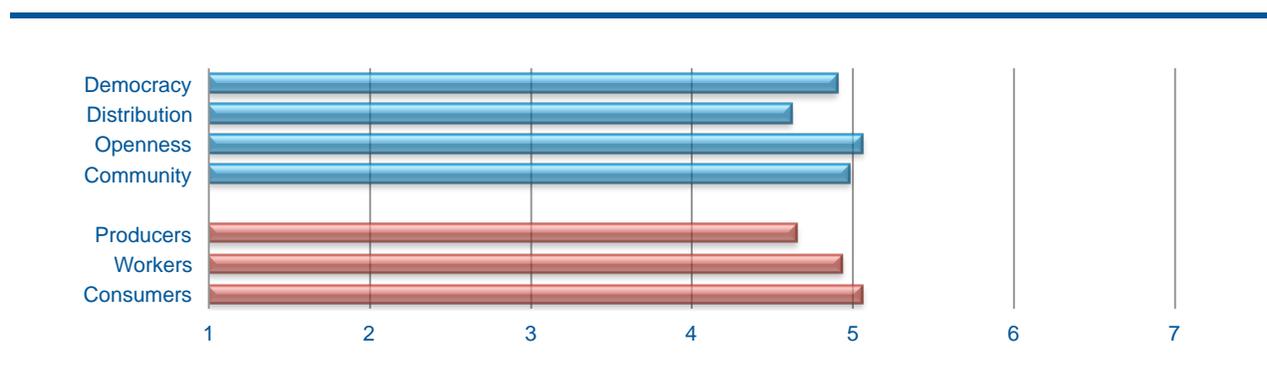
Explanatory Power of the Model with Different Indicators



Impact of Manifestations on Co-operative Judgment

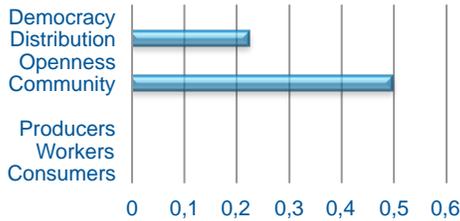


Average per Manifestation

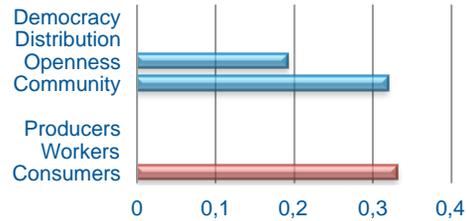
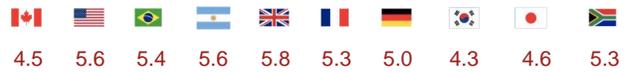


Impact of Manifestations on Respondents' Attitudes

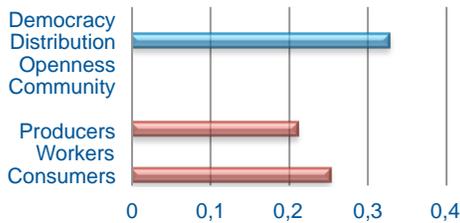
Co-operative Difference (Global average: 4.4/7)



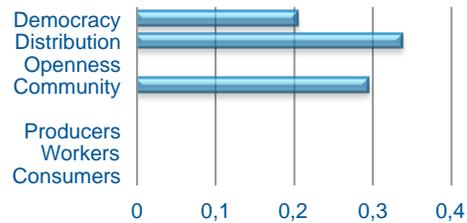
Confidence (Global average: 5.3/7)



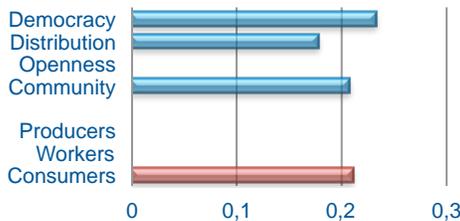
Willingness to Be Involved (Global average: 4.5/7)



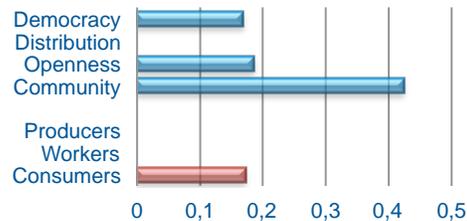
Subscription to Co-op Values (Global average: 4.4/7)



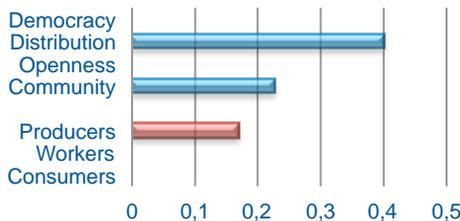
Willingness to Recommend (Global average: 5.0/7)



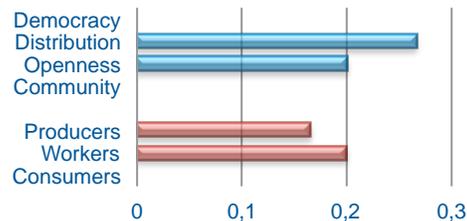
Attraction to the Brand (Global average: 4.9/7)



Readiness to Pay More (Global average: 4.1/7)

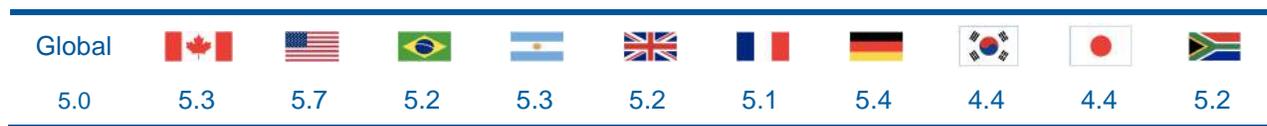


Attraction to Co-op Employers (Global average: 4.4/7)

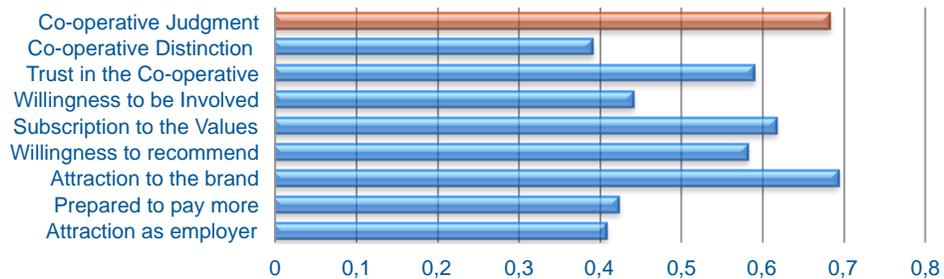


A. IV – Results for Producer Co-operatives

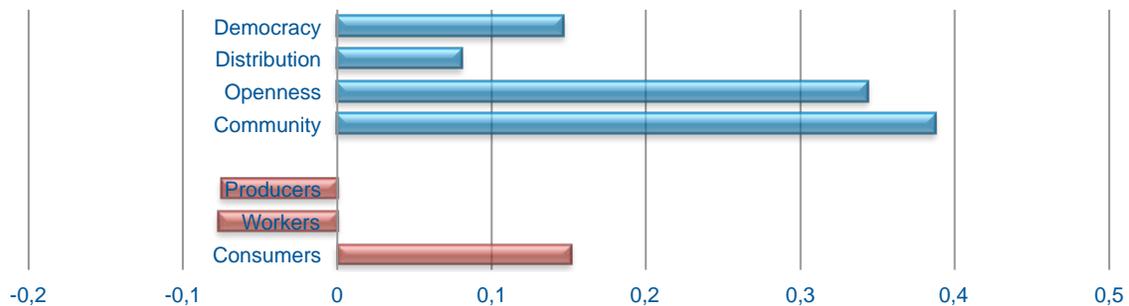
Averages for Co-operative Judgment



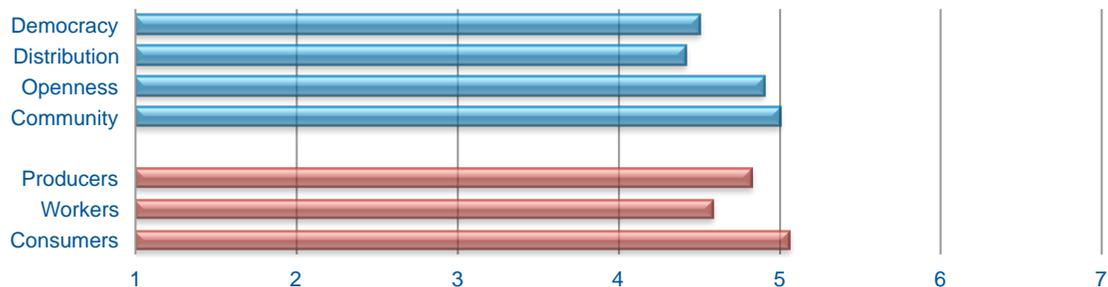
Explanatory Power of the Model with Different Indicators



Impact of Manifestations on Co-operative Judgment

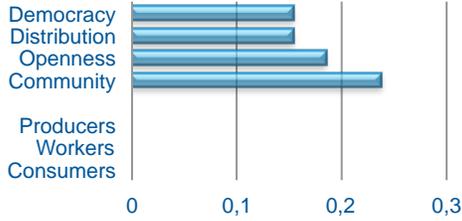


Average per Manifestation

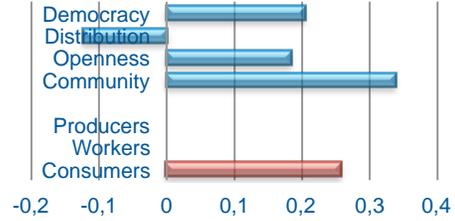


Impact of Manifestations on Respondents' Attitudes

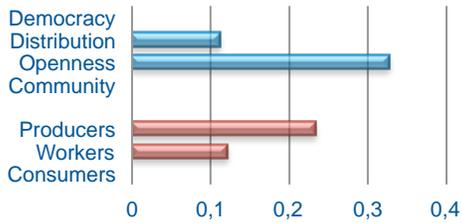
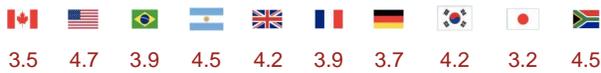
Co-operative Difference (Global average: 4.4/7)



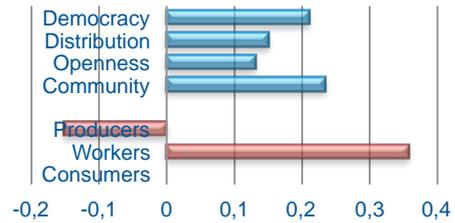
Confidence (Global average: 5.2/7)



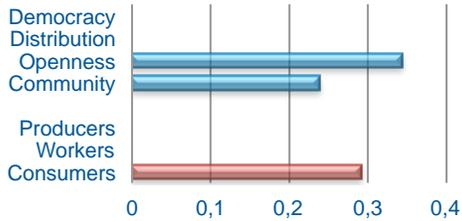
Willingness to Be Involved (Global average: 4.0/7)



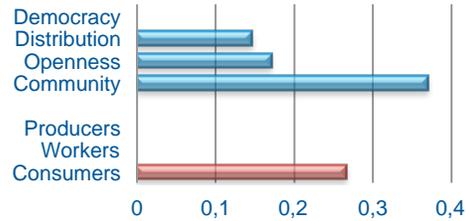
Subscription to Co-op Values (Global average: 4.1/7)



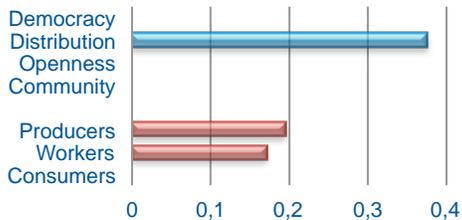
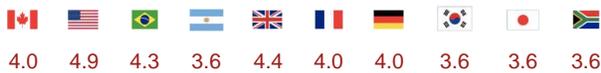
Willingness to Recommend (Global average: 4.7/7)



Attraction to the Brand (Global average: 4.8/7)



Readiness to Pay More (Global average: 4.0/7)



Attraction to Co-op Employers (Global average: 4.2/7)

