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Community Business Market Report 2024

Technical appendix

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Introduction

The Community Business Market Report for 2024 uses primary data to measure market sentiment. This technical appendix provides detail on the methodology used and accompanies the main report, available [here](#).

We collected primary data directly from representatives of community businesses through a survey and follow-up in-depth interviews. This data was analysed and compared with results from previous years to assess how views change over time. We also created vignettes and short case studies from information provided during interviews.

The purpose of this appendix is to explain how data is collected and used to derive the findings. It includes information about:

- the survey method to learn more about the design, sampling, implementation and analysis of survey data.
- the qualitative method outlining the approach to interview fieldwork, coding and analysis.

Community Business Market 2024 survey

Fieldwork

We continued to use the Community Business Market survey first employed in 2016. The key changes we made were to insert additional questions for new topics of interest, namely the legal status of community businesses, asset ownership, influence in local community decision making, and views on the high street. The trend questions closely matched those used in prior surveys. Where comparable questions were asked in previous surveys the results are referenced in the report.

We disseminated the survey online late in May 2024 and it remained open until early July 2024. In total, we received 424 complete and valid survey responses. This was approximately half the number of responses received in 2022 (1,015) but in line with the number received in previous years (for example, 548 in 2021). The more recent reduction in survey responses could be linked to Power to Change's move away from being a grant funding organisation.

As in 2022, we issued the survey to community businesses who had received funding from Power to Change as well as those which had applied for, but did not receive, funding from Power to Change. Seventeen per cent of the contact sample and 45% of the survey respondents had previously received grant funding.

The survey featured a question giving participants the option to enter a prize draw, with the chance to win one of five £200 prizes. Participants only needed to complete this question to enter the draw and were not required to complete the whole survey. Winners were chosen randomly by CFE Research in August 2024 and prizes awarded shortly afterwards. The research team assigned a random number to each eligible contact. A random number generator was then used to determine the winners of the draw, who were then contacted via email.

As the composition of the community business survey responses differs year on year, we cannot say with certainty whether any changes recorded in longitudinal questions are evidence of changing views or experiences, or reflect differences in the participant profile.

For insight, we present comparisons between the survey findings from different years of the study where they indicate a noteworthy change in the structure or behaviour of community businesses. Tests for statistical significance are used to compare data. However, readers should note differences are illustrative because of the difference in the profile of businesses between this wave of the survey and the last in 2022.

Statistical analysis techniques

We used two methods of analysis on the survey data. Firstly, a basic frequency analysis was used to show what all respondents thought. This includes deriving statistics on the proportion of respondents answering items in questions and the mean or median results for measures like community business income, staffing and volunteer numbers. We also include some bivariate or cross break analysis comparing answers from one question by a feature of the community business such as its size, asset ownership or level of confidence.

Secondly, logistic regression analysis was also used because we wanted to interrogate the data to answer some specific outcome questions like:

- what factors influence a community business's confidence in the future?

Logistic regression

Logistic regression (logit) is a predictive method of analysis. It compares a binary dependent variable (yes/no; more confident/less confident, etc.) against other independent variables that can be continuous or categorical. Some survey questions of interest which were not originally binary, for instance a categorical variable to measure confidence in the financial outlook of a community business, were recoded to binary (more confident vs less confident) for inclusion in a logistic regression model. The one applicable outcome-related question in the Community Business Market 2024 survey with a sufficient spread of responses to explore using logit analysis is:

- Respondents that said they are more confident in the financial outlook of their community business compared to all other respondents (Table 1)

Only 128 of the 424 survey respondents are included in our analysis as they had responded to each of the independent variables under consideration. The variables are listed in Table 1.

Dummy coding (or indicator coding) assigns categorical predictor values as a 1 or 0, and ordinarily uses the highest coded group as the comparison group (reference group). The key output of a logistic regression model is a likelihood ratio (a chi-squared test) which predicts how the target group of respondents answers a question compared with the non-target group. The output is an odds ratio which shows whether the target group is more or less likely than others to think in a certain way or perform an action. This statistic is the Exp(B) ratio as shown in Table 1. Ratios greater than one show the target group is more likely to do something or act a certain way. For example, community businesses that are more confident in their financial outlook are 8 times more likely to select that customer demand for their business's services influences their confidence (Exp(B) of 8.147) as other businesses. Ratios lower than one mean the target group is less likely than others on that measure. For example, community businesses that are more confident in their financial outlook are 19 times less likely to select that increased cost of living affects their financial prospects (Exp(B) of 0.051) as other businesses.

Table 1: Logistic regression for community businesses more confident in their financial outlook over the next 12 months

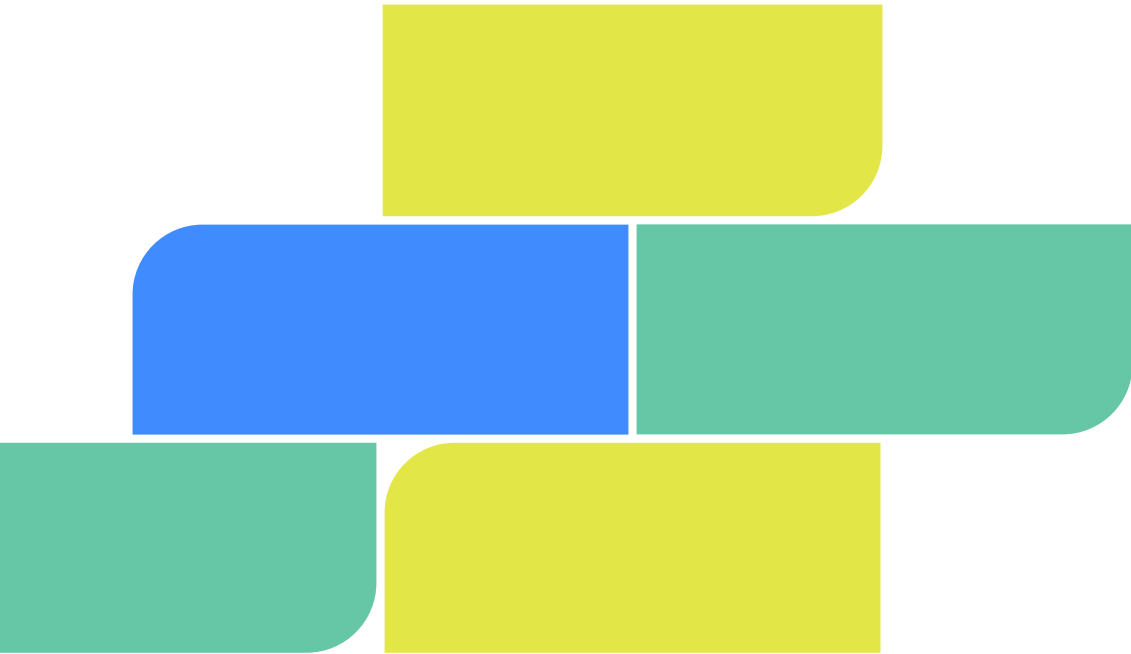
Tested question	Sig.	Exp(B)
Businesses where customer demand for our business's services influences confidence in financial outlook (q31)	0	8.147
Businesses where increase in the cost of living (i.e. energy bills, inflation) influences confidence in financial outlook (q31)	0	0.051
Businesses with a moderate asset value (£250,000 to £799,999) (q10)	0.359	1.77
Businesses where whether the business can access grants influences confidence in financial outlook (q31)	0.361	0.586
Businesses where the trading prospects of the business influences confidence in financial outlook (q31)	0.404	0.622
Businesses where partnership working opportunities with other community businesses influences confidence in financial outlook (q31)	0.439	1.544
Businesses where the financial sustainability of the business influences confidence in financial outlook (q31)	0.539	1.405
Businesses with a low asset value (less than £250,000) (q10)	0.632	0.752
Businesses with a moderate income (£80,000 to £299,999) (q25/26 derived)	0.762	1.193
Businesses located on or near a high street (q14)	0.908	0.941
Businesses with a low income (less than £80,000) (q25/26 derived)	0.918	1.07
<i>Constant</i>	<i>0.085</i>	<i>3.735</i>

In-depth interviews with community businesses

We conducted 15 in-depth follow-up interviews with community business leaders who had completed the 2024 Community Business Market survey. These interviews were based on a purposive sample to reflect the range of sectors within the community business market and key findings identified for further exploration from the survey responses.

Potential interviewees were identified via a consent to re-contact question in the survey. Power to Change offered interviewees a payment of £50 for participating in the interview. With interviewees' permission, the in-depth interviews were recorded to allow for full transcription. We then analysed these transcripts and coded them thematically.

All 15 interviewees consented to possible participation in a themed case study. From these, we selected three businesses to feature in vignettes. A draft of each organisation's vignette was shared with the corresponding interviewee who were given the opportunity to provide feedback.



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