

Consumer Discretionary

US

Sector Overview

Executive Summary > Overview

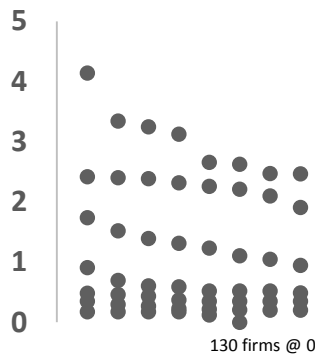
Top 3 Strengths

- 10% of firms acting on demand
- Proven models lead to wide adoption
- Consumer feedback strong/positive

Top 3 Weaknesses

- Lack of detailed consumer research
- Retailers not focused on experience
- Talent/recruiting efforts are poor

**TABLE A – Discretionary Sector Peer
RoD Results**



Executive Summary

There are 183 Consumer Discretionary firms that qualify for our United States universe of 1011 firms. 22 of these rank in the top 100 in the U.S.

The top firms have a laser-like focus on delighting customers, and leverage insights from People with Disabilities (PWD) to improve the customer experience for all customers. One firm has adapted its retail environments to ensure that the customer experience for PWD is equal to or better than their core customer thus improving the experience for the core customer. Firms in this sector have used models with disabilities in their mainstream messaging, not to merely include, but to provoke positive reactions to bond consumers to their brands and incent increased purchasing. It is clear from our research that these actions lead directly to loyalty. Media companies have begun to integrate characters into key properties (with interesting demand from some PWD wanting those parts played by PWD). Restaurants and hotels have generally struggled to get beyond a compliance conversation – missing an opportunity to bond customers to their brands in an industry that claims a premium on loyalty. Homebuilders appear as an actor in the Boomer market, building multigenerational ‘single family’ homes as an alternative to outsourced long-term care. Casinos also are adapting their offering to attract the spend of a customer that skews older.

Few of these firms have serious recruiting efforts aimed at PWD. Of the handful that do, the jobs tend to be focused in specific operations, representing a small percentage of the overall talent base. Only 4 firms are leveraging insights from PWD to materially increase productivity.

Overall, opportunity exists to build significant value in PWD markets by reaching out to customers and engaging in activities to grow market share.

Overall Result



Customer Result



Talent Result



Productivity Result



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The RoD Model > Capturing Shareholder Value

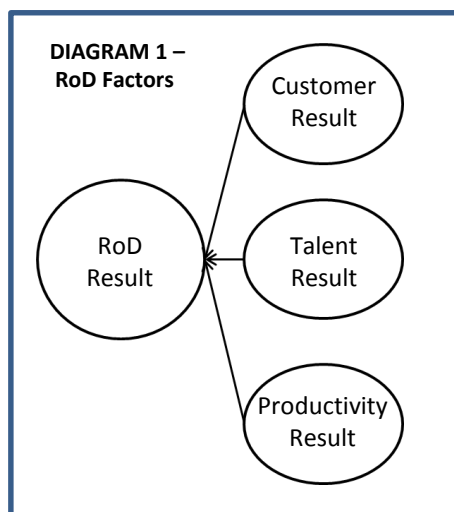
Cambridge Dictionaries defines shareholder value as “the total worth of a company to its shareholders”. Many things can increase shareholder value, such as new products and services, entering a new market, and streamlined operations. The basis of the Return on Disability model is to measure those activities relative to disability that add to shareholder value. Specifically, we identify actions that:

- 1) add to net revenue and/or
- 2) reduce ongoing operational costs

The 20 disability-related KPIs that RoD measures within organizations ultimately impact one of these two fundamental building blocks of value creation. We focus on value for one simple reason: to shift the disability paradigm from ‘added cost and effort’ to ‘added value’ by demonstrating the shareholder value of disability.

Customer – *Delighted Customers Lead to New and Enhanced Revenue Opportunities*

For most established brands, finding a new way to talk to a mature market is the Holy Grail. From a purely demographic point of view, 53% of the entire consumer marketplace is touched by disability. The value-add comes from the ‘halo effect’ of talking about inclusion, empowerment and innovation that comes from a focus on disability. Consumer-facing firms drive top-line growth by leveraging insights from PWD, refining messaging, and incorporating insights from disability to enhance the customer experience.



Talent – *Finding Great People and Keeping Them at Their Best*

The war for talent is real, and PWD represent a new pool to tap as part of the talent acquisition strategy. While the pool is real, it requires some effort to address. Understanding the space and connecting talent to core business goals are good first steps. Diversity recruiting has taught practitioners a few things: a) robust pipelines precede hiring; b) PWD must be attracted to the firm through brand appropriate messaging, and, c) done properly, the firm must be aligned internally on the rationale in hiring PWD. It is critical for companies to open their employee base to PWD in a robust way, which initially will be a high touch effort. Data and experience shows that this approach results in high productivity, higher quality and higher returns.

Productivity – *Leveraging Insights from Disability to Drive Efficiency*

Innovation is born from extreme environments, solving for a set of demands outside the norm. PWD do things in ways that “Joe Average” just does not think about. They are extreme users of technology and infrastructure. If one can solve for ‘extreme users’, one innovates applications for the average user. By empowering a line worker with one hand; who happens to have low vision, to reduce a 100 step process to 23 (simply because it is easier for her), it just became easier for all while removing complexity and cost from the operation. Firms acting in this area today are seeing efficiency gains in the area of 20%. This can also be applied to product development.