

How market research helps Portakabin to remain at the cutting edge

Introduction

For over 45 years, *Portakabin* has been producing modular buildings that can be constructed quickly and simply. The business was founded in 1961 by Donald Shepherd. He believed in innovation and development to meet the varying needs of a wide range of different customers. It is this flexibility and attention to the customer that ensures *Portakabin* is a leader in the field with 17% of the UK market for modular buildings.

Portakabin has a wide range of products. These are designed to meet the needs of a wide range of different customers. The business designs and creates accommodation solutions for anything from one to up to 1,000 people. The *Portakabin* **brand** is synonymous with the concept of modular and portable buildings and has become a household name. The company employs 1,300 people throughout the UK and Europe. The business is set up to ensure a rapid response and a comprehensive support service for all its customers.

Understanding the Portakabin market

Portakabin has a broad customer base with complex and diverse needs. Examples of its typical customers include:

- growing businesses that do not want to relocate choose to add a *Portakabin* modular office to existing space
- doctors' surgeries or childcare centres which need specialised features, such as easy-clean surfaces or child-level windows
- schools that have a temporary growth in numbers or are in the process of having new buildings constructed. They need modular buildings to house students whilst such changes are taking place.

Whatever the reason, the accommodation *Portakabin* provides must be safe, comfortable and pleasant for people to use. Its products are flexible, attractive and provide solutions for all of its customers' needs. Businesses seeking to purchase or hire state-of-the-art modular buildings have several key requirements. The buildings must be:

- quality products that will provide both employees and customers with a healthy and pleasing work environment
- completed on time
- within the designated budget.

Portakabin operates in a very competitive market. In order to maintain its leading edge it must:

- a) deliver exactly what existing customers want
- b) ensure that when their needs change it will be able to provide them with a new solution
- c) continue to attract new customers.

Portakabin adds value to the service it offers its customers by providing a 'one stop shop' service. This means it helps the customer to obtain planning permission and design the layout of the building. *Portakabin* advises customers on hiring the right furniture for the buildings. This furniture has to be suitable for the clients' needs and the building. *Portakabin* also includes as part of this package extra business solutions. These include features such as climate control, fire and security systems. This extra support ensures that companies have complete peace of mind when hiring or buying a *Portakabin* building, with all these features and benefits available from the *Portakabin* network.

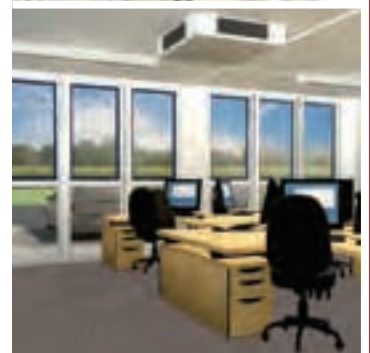
CURRICULUM TOPICS

- Primary market research
- Secondary market research
- Market research and development
- Customers and their expectations



GLOSSARY

Brand: a name, symbol or design used to identify a specific product and to differentiate it from its competitors.



Portakabin is aware that customers' needs will change as technology develops or their businesses grow or change direction. It is essential that *Portakabin* carries out extensive market research continually. This ensures that it stays ahead of its competitors in developing new and innovative ideas.

Primary and secondary market research

Customers' needs for accommodation change because of many factors. The main factors are changes in new technology, demands of health and safety, stricter legislation and the need to respond to different working patterns. Businesses have to find solutions quickly to keep up to date. They also need to allow for further changes in the future. *Portakabin* has to be able to understand and respond to these changing needs to remain competitive.

In order to do this, *Portakabin* is committed to ongoing and in-depth **market research**. This provides two main benefits:

- *Portakabin* understands what existing and future customers want
- *Portakabin* can put in place new product development and added-value services to meet customers' needs.

There are two main types of market research. Both involve the collection of data that is used to find out about customers' needs and buying habits. **Primary research** is data collected in the field, directly from the customer. **Secondary research** is data that already exists or may have been collected for another purpose. This can be used to back up primary research.

The data collected may be **qualitative**. This means that facts, feelings and opinions are collected. This type of information helps to develop new products that customers want. It also ensures that customers are satisfied with the service they have received. Other data may be **quantitative**. This focuses on statistics and figures. These provide a business with information that can be represented in a table, graph or a chart.

Primary research at Portakabin

Research into aspects of the work environment is important for *Portakabin*. It needs to ensure that its products and services meet the diverse and changing needs of customers. *Portakabin* is aware that the customers who buy or hire its buildings have employees and customers of their own. It must ensure that the people who use or work in the buildings have a high level of satisfaction. Recent research has shown that if the work environment is good, employees are more likely to be productive. This is very important for the companies who buy *Portakabin* products.

To be successful in its research *Portakabin* has to find effective ways of extracting accurate information. This particularly applies to the sales process. There are several ways for *Portakabin* to obtain primary research from its customers or their staff. The sales team regularly collects information through discussions with existing and potential customers. *Portakabin* uses **focus groups** to find out how the working environment affects workers' performance and productivity. These results have been used to assess user views and develop new products and services.

Portakabin regularly use **surveys** to extract quantitative data. This has helped to discover why customers chose *Portakabin* over its competitors. The results of these surveys showed that the majority of customers welcomed the unique *Portakabin* offers of both high-quality buildings and extensive service support to provide them with peace of mind when ordering a building.

Secondary research at Portakabin

Secondary research has helped *Portakabin* to create new products that ensure a productive and engaged workforce. This gives them a competitive edge. The company used the results of a recent Gallup Management Journal survey of U.S. employees to help them to design and produce two new buildings called the *Ultima Vision* building and the *Portakabin Solus* building.

The survey looked at which aspects of the work environment had most impact on improving employee performance. It produced data on how employees reacted to their working environment and found three types of employee. The table shows the breakdown of the results:

GLOSSARY

Market research: the collection of data from both primary and secondary sources in order to plan a marketing strategy or campaign.

Primary research: information obtained directly from customers in the field.

Secondary research: information or data that is collected from books, government or other official sources, the Internet or other similar sources. This kind of research is known as desk research.

Qualitative research: subjective research where the researcher will ask a customer for their opinion or thoughts.

Quantitative research: research that uses a large sample of people to gather statistical information.

Focus groups: people who have been brought together to discuss a particular subject in order to solve a problem or suggest ideas.

Surveys: examination of opinions, behaviour, etc by asking questions of a representative number of people.



1	Engaged employees work with passion and feel a profound connection to their company. They drive innovation and move the organisation forward.	31%
2	Not-engaged employees are essentially 'checked out'. They sleepwalk through their workday putting time, but not energy or passion, into their work.	52%
3	Actively disengaged employees aren't just unhappy at work – they're busy acting out their unhappiness. Every day these workers undermine what their engaged co-workers accomplish.	17%

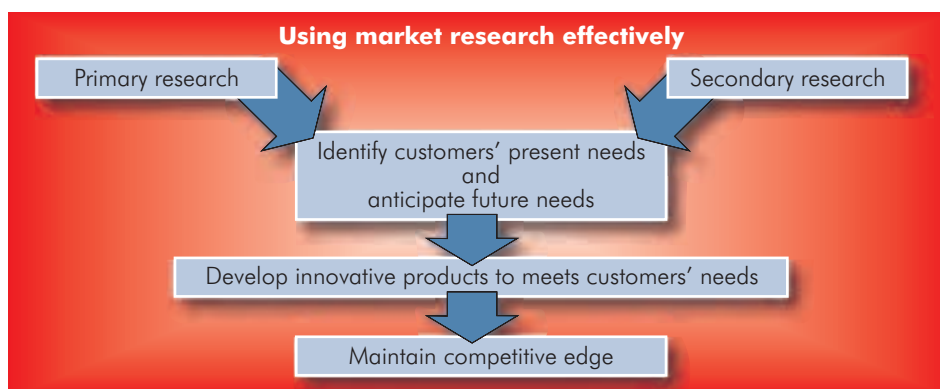
The Gallup survey also reported that:

- 28% of people were unable to see outdoors from their work space - these employees are 86% more likely to be unhappy and disengaged at work
- 23% felt that the work area temperature was uncomfortable – these employees are only half as likely to be 'engaged'
- 33% said that noise disturbed their work – these employees are four times more likely to be disengaged.

Other secondary research has reported that 66% of British workers feel the quality of the working environment is important. Employees stated that this is one of the most important factors in providing job satisfaction and career contentment. It suggests that natural lighting influences human performance in the work environment. The study further suggests that it is more satisfying to work in a modular or portable building that has the appearance of being permanent. This is very important for Portakabin to know and respond to.

The conclusion from this research is that improvements to the natural lighting and the interior and exterior appearance of the workspace can increase employee satisfaction and business productivity.

This type of quantitative data has provided an opportunity for *Portakabin* to design solutions to clients' needs. It has consequently provided buildings that contribute to a happier and more productive workforce.



Product development

Ongoing primary research examining customer satisfaction has provided *Portakabin* with a wealth of information. Developing effective services for its customers to meet their key needs means it remains market leader. Research into the effect of the environment on workforce productivity and satisfaction has enabled *Portakabin* to offer further **added-value** options in its product range.

Portakabin uses a number of processes to ensure that it can deliver high levels of service and high quality products. These include:

- research and development of new product ideas and added-value solutions
- effective strategies for marketing and sales aimed at specific market segments
- quality assurance and quality control procedures to ensure a high level of service and product quality
- assessing reliability of suppliers and levels of service to ensure that materials and supplies arrive on time and to a high level of quality.

GLOSSARY

Added-value: the process of adding value to a product or service (e.g. a supermarket adds value to dirty carrots by washing, peeling and bagging them).



GLOSSARY

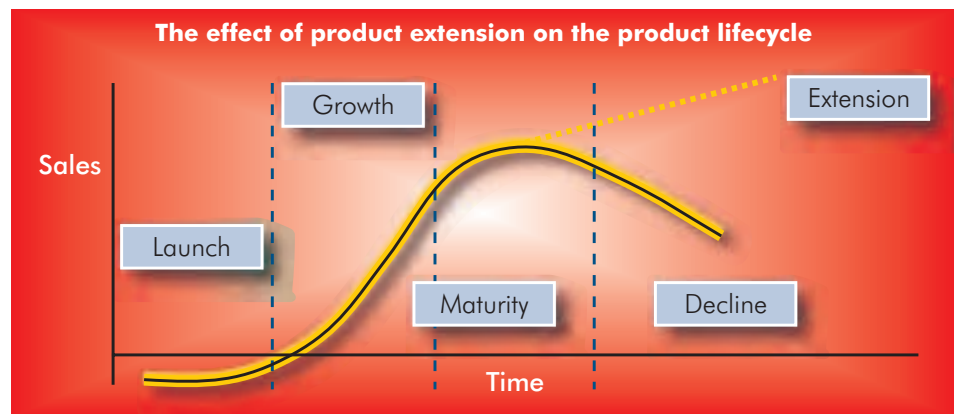
Product extensions:

changing an existing product in some way to prolong its life cycle.

Portakabin has used the data obtained from the market research to develop two new products to meet customers' needs. The buildings have features that take account of the research findings. These include temperature control facilities and more glazing, allowing more natural light into the building. The original concept of a modular building remains the same. The added features are **product extensions**. These add value at a cost that is acceptable to the customer and does not compromise the company's ability to make a profit.

For example, *Ultima Vision* has one wall that is fully glazed. This gives it a more contemporary appearance and provides a pleasant working environment with more natural light.

The other new product, *Portakabin Solus*, has large architecturally designed windows and doors to ensure maximum light. The building also complies with disability and health and safety regulations. The materials and design have taken into account many of the findings of the Gallup research. This provides pleasing working conditions. These contribute towards the creation of a happier and more productive workforce.



Conclusion

One aim of *Portakabin* is to maintain its position as the leading manufacturer of modular buildings in the UK. To achieve this *Portakabin* needs to deliver the right service and products to its customers. This requires that it is aware of the changing nature of its customers' needs and responds to them in a cost effective and innovative way.

Using market research into the needs and profiles of their customers has proved successful. *Portakabin* uses research to understand the needs of its direct customers who buy its products. It regularly investigates the requirements of the end users of those products, the people who use or work in the buildings. As a result, sales of the new *Portakabin Solus* and *Ultima Vision* ranges continue to grow.

Portakabin pays keen attention to creating new product ideas. This has helped it to meet its own high standards and to ensure that customers remain loyal. Its buildings and solutions meet the ever changing demands of business customers, their employees and their wider stakeholders. As a result it has maintained its position as market leader in the UK.

Questions

1. Explain the difference between primary and secondary market research.

2. How does market research help *Portakabin* understand its customers and market?

3. What does qualitative data tell *Portakabin* that quantitative does not?

4. How do the 'added-value' services *Portakabin* offers give it competitive advantage? What might be the drawbacks?

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