

## Portakabin – promoting the brand

### Introduction

Entrepreneurship happens when someone sees a market need and has an idea that will satisfy that need. The entrepreneur follows up, explores and develops the idea into a real product or service. In post-war Britain, in the late 1940s and 1950s, Donald Shepherd saw that there was a need for simple, easily made, portable buildings. These had the potential to provide all sorts of accommodation. Donald worked on his concept and began production of the first *Portakabin* buildings in 1961, registering the *Portakabin* **trademark** in 1963. Today, *Portakabin* provides modular and portable buildings for many uses. These include offices, nurseries, classrooms, doctors' surgeries and airport buildings.

*Portakabin* is the UK **market leader** in modular construction. Its products meet the accommodation needs of many different customers. It delivers products and services tailored to individual **customer** requirements. *Portakabin* is a well-known **brand** and most potential customers already know the company's name. *Portakabin* promotes its business in ways that clearly distinguish its products and services from those of its competitors.

This case study explores how *Portakabin* promotes its brand. The starting point is a market analysis to identify the key reasons why customers buy its products.

### Market analysis

A market is where buyers and sellers come together to exchange products for money. Physical markets take place every week all over the country. In business, the concept of a 'market' applies to any product or service for which there are buyers and sellers.

There are two main types of market that reflect the type of customers the market serves. There are markets where the customers are individual **consumers**. These are known as B2C (business-to-consumer) markets. There are also markets where the customers are businesses. These are called B2B (business-to-business) markets.

*Portakabin* deals exclusively in B2B markets. It sells to organisations such as schools and hospitals. B2B markets have different characteristics to B2C markets. For example, business customers often buy in bulk to get good deals on price. Most businesses have a specialist centralised buying function which allows them to negotiate the price. Specialist buyers carefully assess the options and never make 'impulse' buys. Understanding how B2B markets work helps *Portakabin* organise its promotions in the right way.

An important indicator of the value customers give to a range of products is **market share**. *Portakabin* is the leading supplier in its market sector. This means that *Portakabin* has a greater share of sales than any other brand supplying this market. The *Portakabin* market share is currently 15%. (As a comparison, Sainsbury has around 16% of the UK supermarket market.) The market share is arrived at by this calculation:

The sales of *Portakabin* products

The total sales in the market

$$\times 100 = 15\%$$

#### CURRICULUM TOPICS

- Market analysis
- Planning promotion
- Above-the-line promotion
- Below-the-line promotion



#### GLOSSARY

**Trademark:** logo and symbol displayed on a company's products.

**Market leader:** the firm that has the largest share of the market measured by sales (value or volume).

**Customer:** people who buy a product.

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

**Consumers:** purchasers and users of products.

**Market share:** the percentage of sales within a market that is held by one brand or company.



## GLOSSARY

**Tactics:** activities carried out with a short-term objective in mind.

**Promotion:** making products and services better known through a range of activities.

**Marketing mix:** a series of variable factors – product, price, place, promotion – used by an organisation to meet its customers' needs.

**Objectives:** the end purposes that an organisation or individual seeks to achieve.

**Repeat purchases:** consumers who make further, subsequent purchases.

**Target audience:** group/s that communications and messages are aimed at.

**Above-the-line promotion:** direct expenditure on advertising, such as for a television commercial.

**Media:** newspapers, magazines, radio, television and the Internet.

**Trade journals:** magazines directly targeted to businesses in a particular sector.

To understand why it is the leading supplier, and to maintain its position, *Portakabin* undertakes market research. There are various ways of undertaking market research – by questionnaire, by telephone survey, by focus groups.

- Its research shows that customers return to *Portakabin* because of the quality and reliability of its products. The key *Portakabin* message is: *Quality – this time – next time – every time*. This message always accompanies the *Portakabin* brand name.
- *Portakabin* also states that it will be 'on time, on budget – our promise'. These are explicit statements about reliability and quality. They provide a focus for staff and reassurance for customers.
- Customer satisfaction is crucial. *Portakabin* has a customer satisfaction index. This currently scores 9/10, which means that customers have had positive experiences in their whole dealings with *Portakabin*.

Delivering on quality and providing customer satisfaction is vital in retaining customers. These are important considerations when *Portakabin* plans promotional activity.

## Planning promotion

Marketing specialists use a mix of **tactics** to attract and keep customers. These involve balancing the four Ps of the marketing mix.

- product, this includes introducing new products or enhancing existing products or packaging
- price, this might involve special offers or discounts
- place, a company might look to use different ways or channels to reach customers, for example, through the Internet or high street retailers
- **promotion** this includes many different ways of communicating sales messages to customers to buy products or services.

Promotion is an important part of the *Portakabin* **marketing mix**. The function of promotion is to send out consistent positive messages to existing and potential customers. For *Portakabin*, all promotional activity should reinforce its brand messages of quality and customer satisfaction.

Promotion is not just advertising – it is a planned series of activities. These must relate to the business's **objectives**. For example, a business might want to increase its market share, it might want to widen its customer base or increase the number of **repeat purchases**.

Before starting a promotional campaign, there will be:

- a set of clear objectives
- an intended **target audience**
- staff to work on the campaign
- a budget, based on costs for the work identified.

## Above-the-line promotion

**Above-the-line promotion** involves the use of advertising to reach a mass audience. It is mainly used to reach consumers but it can be used in B2B markets. Advertising creates general brand awareness. Various **media** can carry the advertising message. These have different strengths and weaknesses:

- Television and radio can reach a wide range of consumers. *Portakabin* does not use these media for promoting to businesses. It is difficult to measure responses. It is also expensive – a typical television advertising campaign might cost £500,000.
- The national press and consumer magazines are aimed mainly at consumers. As market leader, *Portakabin* has high brand awareness. It does not need to promote widely to this audience. It is also difficult to measure responses from newspaper and magazine advertising.
- **Trade journals** target a business audience. *Portakabin* places articles or advertorials in selected trade journals when it needs to highlight its products and services to other businesses. It also does this to differentiate its brand from competitors. This is known as 'brand defence'.



Looking for high-quality rapid accommodation solutions with a first-class service and arriving on time and on budget?



Specially designed by Portakabin for pre-school education, this spacious, well-equipped nursery and play area facility was delivered and fully fitted out in just 3 weeks!

## Below-the-line promotion

*Portakabin* only uses above-the-line methods in limited circumstances. Instead, it usually relies on **below-the-line promotion**. This involves a range of methods over which the business has more direct control and which can be targeted at specific groups of customers.

**Sales promotions** offer customers incentives to encourage them to buy goods and services. In B2C markets, typical sales promotions include:

- BOGOF (buy one, get one free) offers
- price discounts (10% off this week)
- giveaways
- competitions to win holidays or cash prizes.

In most B2B markets, however, these offers would not be relevant to the people who make the purchase decisions. *Portakabin* customers are making large investments. They require unique products to suit a one-off purpose. *Portakabin* offers solution and value-based benefits, like adding in air conditioning to a building.

**Direct mail** enables a business to target existing and potential customers with its sales messages. *Portakabin* uses this method of promotion extensively, sending out leaflets and brochures to maintain brand awareness. This means the company remains in its customers' minds the next time they need to make a purchase. Direct mailing is a productive way of promoting to existing customers for several reasons.

- *Portakabin* already has the names of contacts in existing customer businesses. In addition, it can easily access the names of people from other parts of these businesses who have expressed interest in *Portakabin* products, such as people who have signed up for its newsletter.
- The company can measure the response rate from a direct mail campaign and can follow up enquiries.

**Public relations** is used to enhance the image of a company. It involves communication with groups outside the company, such as customers, shareholders, government and the public. This can take different forms.

- Product launches – businesses invite the press to the launch of new products. This may lead to free, and hopefully favourable, publicity.
- Sponsorship – large companies provide finance for events such as Formula One or the Olympics in return for the right to promote their brand names during the event.
- Charitable donations – businesses may participate in fundraising events like Comic Relief or Children in Need. This provides an opportunity to put the company name in front of very large television audiences.
- Press releases – companies issue short news stories about their operations, which may then appear in television reports or newspaper articles. *Portakabin* has issued press releases announcing that it has helped create nursery accommodation at a hospital in Salford, provided a building for an incubator unit at the famous Papworth hospital in Cambridgeshire and supplied a new teaching block at York St John College in Yorkshire. These are commercial sales, but they are also good public relations stories that attract newspaper interest. The resulting articles name *Portakabin*, acting as free advertising and product endorsement.

Customer newsletters and magazines also provide strong communications channels. *Portakabin* can include information for customers about the market and the company. *Portakabin* shares information with its customers to show it is a knowledge-based business. This means that it appears open and trustworthy. These publications feature case studies highlighting products that serve particular uses. These demonstrate how *Portakabin* products can meet different customer requirements.

**New media** is increasingly used by *Portakabin* in its promotions. Email is an inexpensive way to send product updates and news alerts. The *Portakabin* product range grows rapidly and email can keep customers up-to-date. *Portakabin* tracks every enquiry and response, and follows up potential sales leads.

### GLOSSARY

**Below-the-line promotion:** promotional activity other than paid-for advertising.

**Sales promotions:** incentives to encourage the sales of products and services.

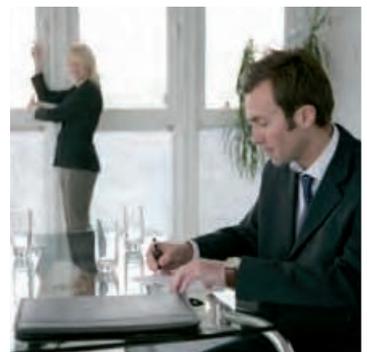
**Direct mail:** targeted leaflets and publicity.

**Public relations:** activities involved in communicating with different stakeholders such as customers, the government, the general public and the media.

**New media:** products and services that provide information or entertainment using computers or the Internet, and not by traditional methods such as television and newspapers.



A state-of-the-art operations building, 1,000sqm, two storeys, Central Courtyard. Delivered within 30 weeks. An impossible project? Not in *Portakabin's* terms!



## GLOSSARY

**Internet:** a worldwide system of computer networks.

**Promotional campaign:** a means of getting a message across about what a product is and what it stands for.

**Return on investment:** the return on the funds invested in the business.

The **Internet** is also important for *Portakabin*. Research shows that 72% of business buyers rate the web as their top source of information. *Portakabin* uses 'search engine optimisation' web tools to ensure that its website shows at the top of every relevant search results page. *Portakabin* also uses paid-for web advertising, such as pay-per-click on Google, to profile its business to prospective customers.

## Evaluating promotion

The overall aim of all *Portakabin* **promotional campaigns** is to generate enquiries and sales. *Portakabin* sets a target of how many enquiries it wants to achieve for each campaign. It can then measure responses to assess whether the campaign has been a good investment.

- *Portakabin* records the number of enquires during and after a campaign. This is known as the response rate. Each campaign has a code, so it is possible to identify which campaign generated each response.
- The number of enquires together with the number of orders they generate tells *Portakabin* whether the campaign has given a good **return on investment (ROI)**. This is calculated by:

$$\frac{\text{Sales value of orders}}{\text{Cost of promotion}} \times 100$$

For example, if *Portakabin* spends £15,000 on a promotional campaign that generates £45,000 worth of orders, the return on investment would be:

$$\frac{£45,000}{£15,000} \times 100 = 300\%$$

Before each new campaign, *Portakabin* looks back at the effectiveness of previous promotions to help it decide which type of campaigns give the best return on investment.

## Conclusion

Promotional campaigns use a range of channels to help businesses reach customers with their messages.

In business-to-business (B2B) markets, sales promotions techniques and above-the-line campaigns are not used extensively. *Portakabin* does not invest in television campaigns, radio adverts or big newspaper adverts. Its promotion works around the needs of large-scale professional buyers.

These customers need information about *Portakabin* products and the benefits these can offer their organisations. They need confidence that the company is reputable and can deliver on its promise. *Portakabin* focuses on providing customers with accurate and timely information through its own magazines and its website. It takes care to develop promotional campaigns that target customers through direct mail and email. *Portakabin* assesses its promotions carefully. It measures the volume of business generated by each promotional campaign to evaluate whether it has met its targets.

## Questions

1. What are the main aims of promotion for *Portakabin*?
2. Why does *Portakabin* not employ many above-the-line promotion methods?
3. Explain below-the-line promotion. Why is this used more often by *Portakabin*?
4. What are the main ways in which *Portakabin* evaluates its promotional effort? Why is this an important activity?



[www.portakabin.co.uk](http://www.portakabin.co.uk)

