

# The importance of excellent customer service



## 01\_Introduction

With a proven track record in supplying the highest quality accommodation, Portakabin hires and sells permanent and relocatable buildings. Clients include hospitals and schools, government ministries, universities and major business players such as Sony, Vodafone and Tesco. Its **mission statement**, as stated on its website, is: 'To provide peace of mind for our customers across Europe through quality buildings and services'. It is the leading brand in this market with 16% of the UK market.

The field in which Portakabin operates is highly competitive with strong players. Portakabin therefore has to work hard to stay **market leader**, and maintains its position by making sure it has quality products and customer service. It has built a premium brand, based on a good reputation of providing high quality products and excellent service levels. If a company wants to be a leader in its sector it must exceed the minimal requirements, to differentiate itself from its competitors. It has the expertise and resources to deliver modern, attractive buildings quickly, efficiently and exactly to the needs of the client.

This Case Study focuses on how Portakabin keeps its **competitive edge** by making sure it provides not just good, but excellent, customer service. The company's motto is '*Quality – this time, next time, every time*' and this is applied as much to its customer service levels as it is to the products it provides.

## 02\_What is customer service?

A business cannot exist unless it has customers to buy the products it wants to sell. Customer service is the term used to describe what happens at the points at which the customer comes into contact with the business. Usually it is split into four parts:

Information	Advice
This could be given by staff or be provided in other formats (such as leaflets) with the product.	This could be about the best or safest way to use a product, or specialist advice that might be needed. For Portakabin this could be the ability to provide all the services that make a quality working environment and full technical support.
Convenience	After-sales
This means providing handy and secure ways for the customer to pay, a local service and ease of contact.	In the case of Portakabin, this includes delivery of modules, levelling, the installation of fixtures and fittings, subsequent advice on future building requirements.

At Portakabin, customer service is key during the process of buying or hiring a building, from a single office building to a complete school or medical centre. The importance of good customer service can be seen at all stages, beginning with the initial customer's enquiry, followed by a quotation and the drawing up of contracts.

It continues with the delivery of the product and the after-sales service. Portakabin has unique Customer Charters for its sales and hire customers. These set out, in detail, the high levels of service that customers can expect. These include:

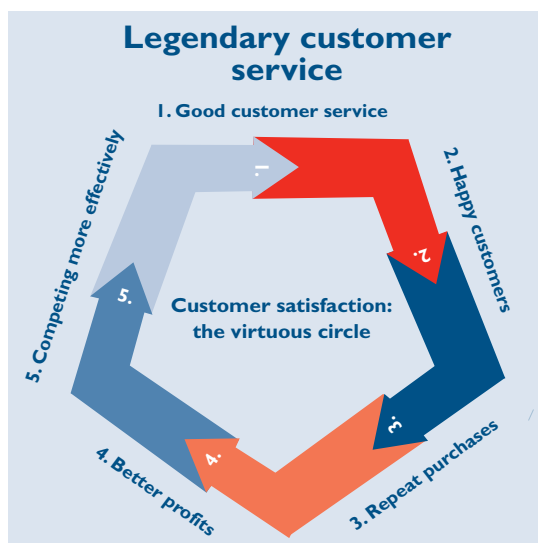
- completion of every project on time and to the agreed contract sum
- a service response within 24 hours from the customer services team
- picking up the phone within four ‘rings’ – and by a person, not an automated system
- a response or visit within 24 hours of a request
- to be included in the customer care programme.

### 03\_ Why is customer service so important?

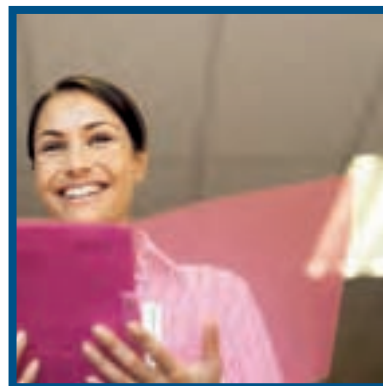
Customers of a business can be new ones, or current ones returning to buy more. The significance of good customer service can be shown in financial terms, as it costs at least five times as much to win a new customer as it does to keep a current one. Much of the profits of most businesses rely on repeat custom.

**It costs as much to gain ONE new client as to keep FIVE existing ones**

Portakabin may be the market leader, but if it had poor customer service, clients could switch to one of its rivals. The bulk of the company’s profits come from repeat sales, so it is vital to keep clients content. This helps the business to compete. Due to the commitment Portakabin has shown in providing a first-class level of service, its service levels have become, in its own words, ‘legendary’.



Customers can be either internal or external. Internal customers are people within the business who depend on other parts of it. For example, continued good sales (in the sales department) may depend on the quality of the product (in the production department). External customers are those who come to buy products.



Portakabin knows that if its internal customers deliver excellent service, external customer service excellence will follow – each member of the business is able to contribute to better service. To this end, each department has been encouraged to create its own internal **customer charter**, and a first-class service is the target of all internal departments.



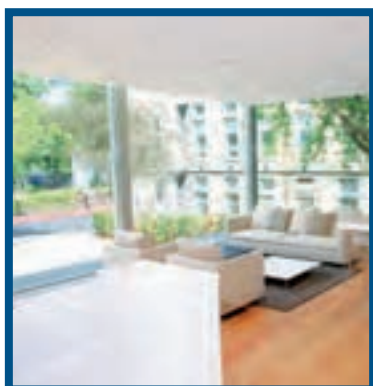
The Portakabin reputation is the direct result of a continued team effort to provide a level of service that is second to none.



The key to success in a competitive market is to provide a product or level of service that is unique – this is what differentiates one business from another. Portakabin stands out in the market because it provides unique Customer Charters that draw a clear line between its service and that of other firms. The key elements offered by Portakabin, and not by others, are embodied in a unique pledge which states:

- delivery or completion on time or, for hire customers, a week’s free hire for every day they are late, or, for sales customers, an extended 6 month product warranty
- a pledge to stick to the agreed contract sum
- a 5-year product and 20-year structural warranty package on every new building purchased
- full technical certification of the product

Portakabin states these unique elements clearly in its Customer Charters.



#### 04\_Market research: how to find out if customers are happy

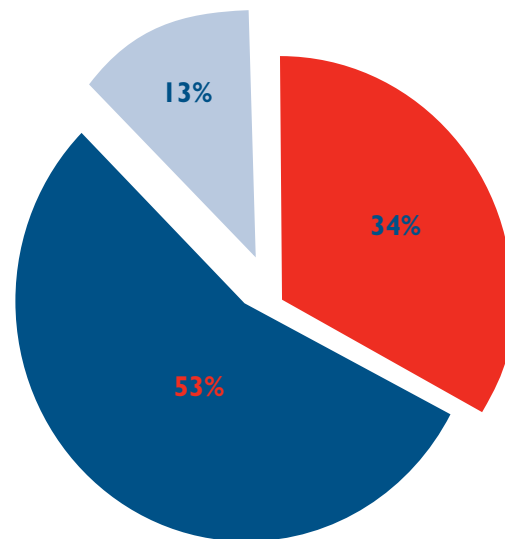
It is important for Portakabin to find out what inspires loyalty in its customers so it can encourage them to remain so. One way is to see how many are willing to come back for repeat purchases, but it is also vital to know why

they return. This is the reason Portakabin carries out thorough market research.

Market research is the collection of data that can be used to see how well a business is doing in its chosen market. This can be collected through **primary** research or **secondary** research and can be either qualitative or quantitative.

**Quantitative data** was supplied when Portakabin surveyed its loyal customers to find out what factors distinguished the company. Most clients (53%) said the top factor was the experience.

This related to how the customer felt they were treated during the process of hiring or buying a Portakabin building. Value was the most important aspect to 34% of clients, while just 13% thought that product was vital – this is because they had come to expect top quality buildings from Portakabin as a given. They were therefore most impressed by the level of **personal interaction** with staff and with the overall level of support they received.



Over the past four years, Portakabin has carried out a customer satisfaction interview with the vast majority of its clients. This asks questions on all aspects of customer service and records scores on a scale of 1-10 (where 1 is very poor and 10 is excellent). Questions are asked in four categories:

- Customer experience with sales and administration – the company's response to an enquiry, the level of service received, the speed of a response and how clearly information was presented.
- Delivery and installation – the service provided by the installation team and the haulier.
- The building itself – whether it was clean and fault-free on delivery and if not, what steps were taken to put things right.
- The client's overall impression of the service – the courtesy and technical knowledge of Portakabin staff, value for money and whether they received 'peace of mind'.

The scale of responses provides quantitative data, showing how well the company is doing in each area. Across all questions, it has improved in four years from an average score of 8.2 to 9. Portakabin uses the individual responses to spot extremely good service so staff can be appropriately praised. It also uses the results to quickly tackle problems should they arise.

#### 05\_Improving customer service

Because service excellence is linked with customer loyalty, Portakabin is keen to further improve it. Senior managers have given customer service a high profile and all departments make service excellence a priority for internal and external customers.



Internally, success is flagged up in the Legendary Service staff booklet and in the company's monthly briefing and customer magazine, Insider. These give examples of good service and share customer feedback with staff – this is an example of **qualitative data**. Comments include:

*“Thank you very much indeed for your speedy, efficient and thorough service recently. To have all three Portakabin buildings in place with roughly one week’s notice was truly remarkable!”*

*“Throughout our negotiations and dealings with Portakabin, we were delighted with the service we received. We would not hesitate to recommend Portakabin if this is the kind of service which can be expected of their company as standard.”*

External customers can see the commitment to service excellence through the re-launched Customer Charters. The new charters underline the levels of service that make Portakabin different from the competition. These charters are being promoted both internally and externally.

## 06 Conclusion

It is clear to Portakabin that good customer service is vital. It is aware that satisfied customers return to the business and ensure that healthy profits are



made. They also help to build a good reputation. Working hard to make certain that this gets even better, Portakabin uses market research and different types of data to ensure it gets a clear message about what customers do and don't like. It knows that if customers receive good service 'This time, next time, every time,' then they are more likely to return.



### GLOSSARY OF TERMS

**Competitive edge:** the qualities that keep a company ahead of its rivals.

**Customer charter:** a documented list of a business's commitments to the client.

**Market leader:** the business with the biggest share of a market.

**Mission statement:** a short phrase used to give the general aims or targets of a business.

**Personal interaction:** face-to-face dealings between customers and a company's staff.

**Primary (or field) research:** collected data that has not been collected before.

**Qualitative data:** is more in-depth and consists of comments, opinions and feelings.

**Quantitative data:** consists of numbers and figures that can be used to produce charts, graphs and statistics.

**Secondary (or desk) research:** uses data that has already been collected and often that has been published e.g. in newspapers, books or reports.

**For more information about Portakabin please browse:  
[www.portakabin.co.uk](http://www.portakabin.co.uk)**