

warne's solutions

Published by Warne Marketing + Communications

Market Research — No.1

Gaining market leadership through research

CLIENT: NRB Inc. – Modular Building Systems

PRODUCT/SERVICE: Modular School Buildings

SITUATION:

At the height of the demand for portable school classrooms and modular school additions, there were five manufacturers competing for market share. NRB was the leader among these with 53% share.

Contracts were awarded based on bid requests from school districts throughout Ontario. These bid requests were issued in the spring, for delivery late in the summer of the same year.

Advance forecasting of demand was extremely difficult, as was procurement, production and installation scheduling. Each manufacturer had only 12 weeks to fulfill their contracts.

OBJECTIVE:

To increase NRB's market share by 10% and, in addition, smooth the production process.

STRATEGY:

Determine in advance of the bids the potential number of portables and modular school additions required by the different school districts each year.

TACTICS:

Market research was conducted via personal interviews with key Provincial officials to determine current and future funding.

A mail questionnaire followed up by telephone research with key personnel at the various school districts was used to determine their anticipated requirements.

RESULTS:

The research conducted was accurate to 99.5% in identifying the overall size of market and unit requirements of the school districts.

NRB **increased their market share by 30%** in the first year the research was conducted. This growth prompted two competitors to leave the market completely.

Utilizing the research, NRB constructed its bids based on fulfilling 80% of the market requirements. NRB was able to plan production in advance and use economies of scale in procurement and production to submit the lowest bids. The company bid most aggressively to the districts with the highest unit needs and greatest future potential.

