



Marketing mix, the product life cycle and new product development – *Portakabin*

Marketing involves getting the right product at the right price, promoted using the right messages/media and sold in the right place (the 4 Ps). At the core of effective marketing is the requirement to satisfy customers' needs precisely. The closer the marketing mix of product, price, place and promotion are to customer requirements, the more likely it is that a business will be successful. Whilst *Portakabin* prides itself on the quality of its buildings and spends time developing the products, it does not take a solely product-orientated approach to its marketing. Product-orientated businesses tend to develop new products to the highest standard and then promote and sell those products to as many customers as it can find. A market-orientated business, however, uses market research to find out what customers want and need now and in the future. It then designs and produces products to meet these needs.

The latest product that *Portakabin* has designed is its Yorkon Building System (YBS). The YBS is an example of new product development (NPD) which is the process of researching, designing and marketing a new product. Research and development are distinctive elements of NPD. Research and development is the process of conceiving, developing and testing possible new products until they meet the requirements stipulated by the market. The YBS required the development of new production processes and materials.

To succeed, most businesses need to create a unique selling point (USP) that makes it stand out from its competitors. This is especially important in competitive markets like the building industry. The customer promise at *Portakabin* is its USP. The promise ensures builds are delivered on time and on budget.

Portakabin operates in a market that is extremely sensitive to changes in the external environment. In particular, changes relating to both limiting carbon emissions and increasing energy efficiency. These all come through the design stage into new product development. Being a sustainable business is part of the culture of *Portakabin*. Sustainability and environmental implications are high on the agenda for many organisations, however, for *Portakabin* they are considered at every aspect of product design through to delivery. This includes:

- the energy efficient insulation materials used to lower running costs of its buildings (YBS is in the top 5% of UK buildings for air-tightness)
- its ISO 14001 certified factory with a zero waste to landfill policy
- the fact that *Portakabin* buildings require an estimated 90% fewer vehicle movements to site than traditional build techniques, reducing the buildings carbon footprint.

When considering investing in research, development and design, a business should always be aware of the product life cycle (PLC) associated with the products in its portfolio. The time period associated with the product life cycle will vary according to the product and other influences. The life of a product is the stages that relate to the pattern of sales as shown in the table.

Development	Where new ideas and processes are tested, prototypes made and trialled
Introduction	Strong advertising and promotion campaigns, low sales initially
Growth	Increased awareness, increased sales, competitors start to challenge
Maturity	Sales reach peak, the cost of supporting the product declines, market share may be high and competition likely to be greater
Saturation	Sales growth stops and start to dip and profits start to fall
Decline	Product outlives/outgrows its usefulness, for example, technology/fashions change and sales decline



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Questions

1. What is a USP?

2. Describe the difference between a product-orientated and a marketing-orientated business.

3. Explain why NPD is important for *Portakabin*.

4. Analyse the reasons why a business might monitor what stage of the product life cycle its products are in.

Task

Working in teams, pick 5 products from any organisation and decide which stage of the product life cycle you think each product is in. Compare your answers with another group and see if you all agree with what stage each product is in.

What have you learned?

60 second challenge. Work with a partner and decide who is going to go first. This person then has to speak for 60 seconds, without pausing, about what they have learned about new product development and the product life cycle. Then, the second person has to talk for 30 seconds about what they have learned, without repeating anything the first person has said.