

WORKSPACE GROUP CUSTOMER SURVEY 2006

SUMMARY REPORT



April 2006

▶ **CONTENTS**

	Page No.
Background	3
Key Findings	4
Data Tables	6

▶ BACKGROUND

AIMS/OBJECTIVES

This research was undertaken in order to gain the views and thoughts of tenants with regard to a number of areas key to the business. More specifically the aims were:

- To gain information regarding demographic characteristics of the customer base;
- To understand tenants views in relation to their unit;
- To gain an insight into levels of satisfaction amongst tenants in relation to communication they have with the Group, both at local and Head Office levels;
- To assess satisfaction with current services offered and the potential for additional services;
- To assess awareness across the customer base of key business messages;
- To invite tenants to make comments regarding any area of their relationship with Workspace Group.

The over-arching aim is to assess overall business performance in relation to its customers, and the questionnaire was designed to address these aims.

This year, for the first time, an online questionnaire was made available as well as a paper version. Requisite information for access to the online questionnaire was made available to all customers through the covering letter that accompanied the paper questionnaire.

Questionnaires were dispatched using two means. For centres without a dedicated on-site member of staff, questionnaires were dispatched via post. At those sites where there is an on-site representative, questionnaires were distributed to Centre Managers who were then charged with distribution.

In total, **3,077** questionnaires were dispatched. This number reflects the fact that businesses were sent only one questionnaire to their main mailing address and storage units, etc. were excluded.

The questionnaires were distributed during the week commencing Monday, 20th February and the covering letter included a closing date of Friday, March 10th. To boost the response rate, returned questionnaires received by March 17th were accepted. In total, 677 questionnaires were returned, representing a response rate of 22.0% (523 paper questionnaires were returned and a further 154 were submitted online).

▶ KEY FINDINGS

1

Consistent with entry research over the last 12 months, **the primary considerations in taking space are cost and location**, though secondary factors of flexibility and the character of the property play a part. In terms of priorities, it is evident that more than 60% of the decision to take space is based on cost and location factors, and these score consistently as first and second priorities. This is broadly consistent across portfolio and business sector.

2

Across the portfolio, **the overwhelming majority of customers are 'happy' or 'content' with the contact they have with the local management team**. As the key relationship between the business and the customer lies with the local management team, this represents a pleasing result and helps to reinforce key brand values.

3

The results suggest that **both FYI and local newsletters have a significant role to play**. Whilst there have been increases in the frequency with which customers receive communications and in the quality of these communications, there is room for improvement. Consistency is the key here; consistently frequent and consistently relevant.

4

There is **good evidence to suggest that awareness of TradeLink is high**, reflecting a good initial launch and promotional campaign across the centres. On the contrary, only about a third of those aware of TradeLink are actually registered citing it as 'not relevant' or time constraints as reasons. The evidence then points to a concerted drive to increase perceived benefits and in so doing conveying the key message that TradeLink is a resource for both business and personal services.

5

A core value of the business is to be 'A good landlord', a mission that is broad and multi-faceted, representing issues such as value for money, efficiency, commitment and reliability. **There were high levels of agreement across the portfolio for the statements presented**. Assuming a link between the people in the business and brand (see commentary, p16) and, furthermore, on satisfaction levels and recommending behaviour, these results represent a pleasing result for the Group.

6

Customer performance over the last 12 months has been very good. Making a direct comparison between data presented by Natwest/SERT, Workspace customers have experienced better performance in the areas of turnover, employment, investment and selling prices. This is fairly consistent across the portfolio and business sector. In addition, expectations of future performance are good.

7

More than 40% of respondents expect to consider expanding in the near future, a further indication of confidence in future performance, but also an opportunity to relocate existing customers. There are differences by portfolio, but even so at least about a third will consider an expansion in the near future. In addition, only about 5% expect to consider contracting.

8

Linked to the point raised above, **only about a third of respondents correctly identified that Workspace has more than 100 properties across London**. Given the importance of location in taking space, the geographic diversity and spread of the portfolio is a major selling point for the Group. And in terms of the business, the size, spread and diversity of the physical portfolio adds credence to the brand and its employees and reinforces Workspace as experts, specialists within the field.

9

In addition, **only about a quarter estimated the size of the customer base to be more than 3,000 businesses**. It is, therefore, clear that the size, breadth and diversity of the customer base is not widely understood. The importance of this impacts on moving behaviour and recommendations. And, the success of TradeLink is, to an extent, contingent on the success of this message. With this message well understood, the customer base becomes a powerful and compelling proposition.

10

Analysis of the key factors impacting overall satisfaction and recommending behaviour identifies two groups of factors as important. The **first being the values attached to the brand** – those being the component parts of being a ‘good landlord’ – and **the second relating to frequency and relevance of contact and communications**. The statistics show that all have a positive impact on satisfaction and recommendations to varying degrees.

▶ DATA TABLES

1 | A LITTLE BIT ABOUT YOU

1.1 Name of Workspace Property: (Top 10 responses)

	N	%
Parkhall	51	7.5
Aberdeen Centre	46	6.8
Westbourne Studios	43	6.4
Riverside	36	5.3
The Leathermarket	34	5.0
Wandsworth BV	30	4.4
Barley Mow Centre	27	4.0
Canalot Studios	24	3.5
Faircharm	23	3.4
Tower Bridge	21	3.1
	335	

1.1 Nature of business

	N	%
Manufacturing	63	9.6
Transport, Travel & Storage	22	3.3
Wholesale & Retail	62	9.4
Construction	25	3.8
Creative Industries	225	34.1
Bus. & Professional Services	124	18.8
Other Services	46	7.0
Community, Health & Education	38	5.8
Charity, Voluntary, Professional Organisations	54	8.2
Total	659	

	DW	CF	SM	PP	CC	RM	MOST
Manufacturing	7.8	22.1	15.8	7.3	7.7	7.6	CF
Transport, Travel & Storage	9.4	2.6	10.5	2.9	1.8	2.3	SM
Wholesale & Retail	21.9	13.0	36.8	2.2	6.5	8.2	SM
Construction	10.9	2.6	0.0	2.9	3.0	4.1	DW
Creative Industries	12.5	39.0	5.3	30.7	37.9	42.1	RM
Bus. & Professional Services	18.8	10.4	21.1	23.4	14.2	22.2	PP
Other Services	14.1	5.2	10.5	5.8	7.1	5.3	DW
Community, Health & Education	3.1	3.9	0.0	8.8	7.7	4.7	PP
Charity, Voluntary, Professional Organisations	1.6	1.3	0.0	16.1	14.2	3.5	PP
Total	659						

*NB Because of the recent SLX recode to develop a system of consistent business classification, we cannot make wholly accurate, and therefore meaningful, comparisons.

1.1 Gender

	N	%	2005
Male	368	56.8	63.6
Female	280	43.2	36.4
Total	648	100.0	100.0

1.1 Year took current unit?

	N	%
Less than a year	27	4.8
Between 1 and 2 years	281	49.9
Between 3 and 5 years	117	20.8
Between 6 and 10 years	82	14.6
Longer than 10 years	56	9.9
Total	563	100.0

1.2 How many employees, including yourself, do you have working from units you have with Workspace?

	N	%	2005
1-4	396	58.5	60.7
5-9	158	23.3	26.2
10-19	64	9.5	9.1
20 plus	49	7.2	3.9
Total	667	100.0	100.0

1.3 How long has your company been trading?

	N	%	2005
Less than a year	42	6.3	8.2
Between 1 and 3	105	15.8	17.5
Between 3 and 5	115	17.3	14.6
Longer than 5	402	60.5	59.8
Total	664	100.0	100.0

2 | A BIT ABOUT YOUR PREMISES

2.1 Of those factors listed below, please indicate the relative importance of each to you and your business.

	1	2	3	4
Characteristics of the property itself	43.8	23.3	18.5	14.4
Cost	5.0	14.5	32.0	48.5
Flexibility of lease	31.9	33.3	22.0	12.8
Location	12.2	23.3	27.4	37.1
Total	100.0	100.0	100.0	100.0

2.2 Would you recommend your current business premises to a business associate or friend?

	N	%
Yes	520	77.5
No	37	5.5
Unsure	114	17.0
Total	671	100.0

3 | A BIT ABOUT CONTACT AND COMMUNICATIONS

3.1 We continue to work hard to improve the level of contact we have with our customers. Do you feel that we provide you with sufficient opportunities to talk to us about any issues or concerns you might have?

Local Management Team

	N	%	2005
Happy with the contact I have	485	72.5	65.0
Contact is sufficient	138	20.6	25.5
Would welcome more	46	6.9	9.5
Total	669	100.0	100.0

Head Office

	N	%	2005
Happy with the contact I have	166	26.3	33.0
Contact is sufficient	355	56.3	51.0
Would welcome more	109	17.3	16.0
Total	630	100.0	100.0

3.2 Are there any other comments you would like to make regarding the contact you have with Workspace representatives?

Comments regarding contact and communications were, in the main, very complementary. Typical quotes are as follows. (Numbers in the brackets denote the portfolio of the tenant)

"Local contact is always helpful and friendly" (4)

"The staff at [centre] are lovely, efficient, friendly. No complaints." (6)

"[name] is a cheerful, hard working and well-organised buildings manager. Keep up the good work!"(5)

"Happy with management at local level. [name] is very supportive & helpful" (2)

"Everyone is very friendly and extremely helpful. They help to take the stress out of running a business!" (6)

"Our site manager is very friendly, very helpful and easy to contact as well as very informative about all goings on the estate, she is a bonus to your company."(5)

"Compared to previous landlord of these premises, the contact is absolutely excellent."(4)

3.3 Your manager regularly sends out FYI and a local newsletter. Do you receive:

Your local newsletter?

	N	%	2005
Regularly	411	62.6	51.6
Sometimes	152	23.1	28.2
Not at all	94	14.3	20.3
Total		100.0	100.0

Your copy of FYI?

	N	%	2005
Regularly	307	48.2	43.3
Sometimes	176	26.0	30.7
Not at all	154	22.7	26.0
Total			100.0

3.4. Both are aimed at delivering relevant news and information to Workspace customers. How relevant do you consider?

Your local newsletter?

	N	%	%
Very relevant	125	19.8	24.7
Relevant	355	56.3	55.0
Not relevant/Don't read it	150	23.8	20.3
Total			100.0

Your copy of FYI?

	N	%	%
Very relevant	46	7.6	12.8
Relevant	329	54.7	57.8
Not relevant/Don't read it	227	37.7	29.4
Total			100.0

3.5 Are there any other comments you would like to make regarding communications your receive from Workspace at any level?

96 people made comments – a selection of these are given below. There was a good deal of praise for FYi and specific centre newsletters. There were also a good number of comments that suggested that more, frequent, more professional and more detailed newsletters are sought by customers. Again, refer back to the importance of these communications.

“Previous page did not allow a true answer. I do not consider the magazine relevant but do read it just in case.” (3)

“There should be free advertising for tenants in these things!” (2)

"There are not enough get-togethers with tenants in our own site let alone those from other workspacegroup sites. There are many business opportunities going to waste." (2)

"Level of communication is very good. Distinctly improved over the past few months." (6)

*"FYI is very good, it makes me feel part of a bigger community.
The local letter is also useful." (6)*

"The most recent newsletter had a list of tenants and contacts on the reverse - very interesting and useful. Maybe more opportunity to meet other tenants would be good." (5)

"I would probably consider the local newsletter of more interest if it had a more professional look. Appears cheap and thrown together." (5)

"FYI issue on environment was excellent. Well done." (3)

4 | **A BIT ABOUT OUR SERVICES**

4.1 Are you aware of TradeLink?

	N	%
Yes	491	73.4
No	140	20.9
Unsure	38	5.7
Total		

4.2 Are you currently registered with TradeLink?

	N	%
Yes	184	27.7
No	406	61.1
Unsure	74	11.1
Total		

4.4 Comments regarding TradeLink?

185 people gave valid comments regarding TradeLink and the responses go a little something like this:

	N	%
No need/not relevant	75	40.5
No time	47	25.4
Don't understand/not aware	35	18.9
Have used	28	15.1
Total		

4.5 Workspace aims to offer a competitive package and deliver high standards of service to all our customers. To what extent do you agree or disagree with the following statements?

Workspace provides good value for money

	N	%
Strongly agree	57	8.7
Agree	492	75.2
Disagree	97	14.8
Strongly disagree	8	1.2
Total	654	

Workspace is committed to high standards of service

	N	%
Strongly agree	57	8.9
Agree	469	73.1
Disagree	102	15.9
Strongly disagree	14	2.2
Total	642	

Workspace delivers all I expect from a landlord

	N	%
Strongly agree	57	8.9
Agree	441	68.6
Disagree	127	19.8
Strongly disagree	18	2.8
Total	643	

Workspace staff are committed and reliable

	N	%
Strongly agree	177	27.2
Agree	429	66.0
Disagree	39	6.0
Strongly disagree	5	0.8
Total	650	

I feel I am fairly treated by Workspace

	N	%
Strongly agree	102	15.8
Agree	474	73.6
Disagree	57	8.9
Strongly disagree	11	1.7
Total		

Overall, Workspace offers a competitive package

	N	%
Strongly agree	65	10.3
Agree	483	76.2
Disagree	74	11.7
Strongly disagree	12	1.9
Total		

5 | A BIT ABOUT YOUR BUSINESS

5.1 Reports in the press suggest that businesses in general have found trading conditions difficult this year. How would you say your business has performed over the last 12 months in relation to the areas below? And how do you expect to perform over the next 12 months?

Last 12 months

	Turnover		Average Employment		Investment		Selling Prices	
	N	%	N	%	N	%	N	%
Up	295	49.1	186	31.5	208	35.8	138	24.7
Same	190	31.6	344	58.2	284	48.9	359	64.3
Down	116	19.3	61	10.3	89	15.3	61	10.9
Total	601		591		581		558	

* SERT figures refer to London region and are the most up to date figures from q4 2005.

Performance over the last 12 months has been good, and looks like confidence is high going into the next 12 months. And this being year-end, its quite a good time to ask too.

Next 12 months

	Turnover		Average Employment		Investment		Selling Prices	
	N	%	N	%	N	%	N	%
Up	359	63.0	232	41.4	221	39.5	177	32.7
Same	180	31.6	312	55.6	287	51.3	335	61.8
Down	31	5.4	17	3.0	51	9.1	30	5.5
Total	570		561		559		542	

5.2 In the near future, are you considering?

Expanding?

	N	%	%
Yes	203	36.7	44.6
No	350	63.3	55.4
Total	553		100.0

Relocating?

	N	%	%
Yes	126	22.8	25.9
No	426	77.2	74.1
Total	552		100.0

Contracting?

	N	%	%
Yes	34	6.9	8.0
No	462	93.1	92.0
Total	496		100.0

Staying put?

	N	%	%
Yes	497	86.6	85.0
No	77	13.4	15.0
Total	574		100.0

5.3 If you are thinking of moving, would you like to be contacted to help with your search for business premises?

	N	%	2005
Yes	107	23.3	32.1
No	258	56.1	67.9
No	95	20.7	—
Total	460		100.0

6 | **AND FINALLY**

6.1 Workspace has a significant presence across London, but, to your knowledge, just how significant is that presence?

	N	%
WSG owns and manages only the property I am in	23	3.7
WSG owns and manages my property and a few others in the area	100	15.9
WSG owns and manages quite a few properties. About 50 I'd say?	232	36.8
WSG owns and manages about 100 properties across London and the SE	230	36.5
WSG owns and manages half of London as far as I can tell	45	7.1
	630	

6.2 To your understanding, how big is the Workspace customer community?

	N	%
Less than 1,000 similar sized, like-minded businesses	127	22.0
More than 1,000 but less than 2,000 similar-sized, like-minded businesses	153	26.5
More than 2,000 but less than 3,000 similar-sized, like-minded businesses	132	22.9
More than 3,000 but less than 4,000 similar-sized, like-minded businesses	91	15.8
More than 4,000 similar sized, like-minded businesses	74	12.8
	577	

6.3 Overall, would you recommend Workspace Group PLC to a business associate or friend?

	N	%	2005	2003
Yes	546	81.9	84.3	76.7
No	25	3.7	3.0	6.4
Unsure	96	14.4	12.6	16.8
Total	667		100.0	

6.4 Overall, are you satisfied with Workspace Group?

	N	%	2005
Yes	609	90.7	90.8
No	28	4.2	9.2
Unsure	34	5.1	—
Total	671	100.0	100.0