

**GLASGOW
WOOD
RECYCLING**



Find a Solution Report
Wood Waste Collection Service

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September 2009

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Executive Summary

As demand for GWR's products has increased a steady supply of quality wood waste has become essential to the sustainability of the business. Because of this David Hammond and Jennifer Milne were invited to carry out a market research project into the wood waste collection element of GWR's business.

Jennifer worked on the project from the week beginning 11th May until the week beginning 29th June. David worked on the project from the week beginning 1st June until 20th July. The substantive research element of the project was completed by both David and Jennifer working together during June.

The marketing research project was intended to provide a quality analysis of the wood waste collection market in Glasgow which GWR could use to expand their wood waste collection service. In particular there were several questions which GWR wanted answers to:

- 1. How many people have heard of GWR?*
- 2. How many people have used GWR before?*
- 3. How much and what type of wood waste do they generate?*
- 4. How is their wood waste disposed of?*
- 5. Who is involved in the decision to dispose of wood waste?*
- 6. What factors effect the decision to dispose of wood waste?*
- 7. What would encourage customers to use GWR again in the future?*

The research process and the findings of the research were then intended to be used to obtain new customers for the wood waste collection service and also to create new marketing resources and develop a customer aftercare system for GWR's wood waste collection clients.

The researchers broke the project down into four main stages – Groundwork, Research, Analysis and Reporting and set outcomes to be achieved at each stage. Firstly, at the groundwork stage, a new wood waste collection customer survey was to be created and a list of previous and potential customers to send it to was to be compiled. Secondly, at the research stage, a postal survey was sent out to the entire list of companies to be surveyed and responses were to be received. Thirdly, at the analysis stage, the responses were to be processed to answer some of the questions set out in the terms of reference. Recommendations were also to be made at this stage based on the findings of the research. Finally the reporting stage involved preparing the findings and recommendations for presentation.

The research findings were based on the 34 survey responses that were received. The findings are detailed at Section 5 and help to provide answers to the questions set out in the terms of reference for the project. The researchers found that most respondents hadn't heard of GWR before and hadn't previously been customers. In addition to this most respondents were also guilty of skipping their wood waste, and very few chose to recycle. Despite this the vast majority of respondents thought that the opportunity to divert wood waste from landfill was a very important factor in choosing a disposal method. Far fewer respondents considered cost to be a very important factor.

These findings informed the recommendations of this report. The researchers recommend:

1. The *formulation of a clear USP for the wood waste collection service*

GWR can compete with rival means of wood waste disposal on price. While in some circumstances this is a worthwhile thing to do the research survey has shown that the vast majority of respondents consider the diverting of wood waste from landfill to be a more important factor than cost. GWR should capitalise on this by making the environmental benefits of using the Wood Waste Collection Service the USP of the service. GWR is in a very good

position to provide potential clients with an eco-friendly reputation. It makes sense to clearly articulate this benefit as the unique selling point of the wood waste collection service.

2. The creation of marketing materials for Collection Customers

The researchers have developed marketing materials which can be sent to potential wood waste collection customers to promote the service.

3. Use of a Customer Relationship Management System

GWR should have a database system which allows them to record the details of every company, person and collection they deal with in a way that doesn't unnecessarily duplicate data and makes it easy to collate that data into reports. Unfortunately the eight weeks of the project didn't provide enough time to create such a system but the researchers are keen to continue to work with GWR to create a CRM system.

Background Information

Glasgow Wood Recycling (henceforth 'GWR') are a successful social enterprise operating in Glasgow. Their business is diverting wood waste from landfill and they are very successful at it. GWR diverted 760 tonnes of wood waste from landfill in their first two years of operation by collecting wood waste from commercial and residential customers and recycling it into wooden garden products.

As demand for GWR's products has increased a steady supply of quality wood waste has become essential to the sustainability of the business. Because of this David Hammond and Jennifer Milne (henceforth 'the researchers') were invited to carry out a market research project into the wood waste collection element of GWR's business. The researchers worked with Peter Lavelle at GWR on a day to day basis to ensure their work was relevant, useful and well coordinated with GWR's other activities.

Jennifer worked on the project from the week beginning 11th May until the week beginning 29th June. David worked on the project from the week beginning 1st June until 20th July. The substantive research element of the project was completed by both David and Jennifer working together during June.

Terms of Reference

Seven Questions

The Waste and Resources Action Programme (WRAP) identifies that 8 million tonnes of wood waste is generated annually and that only 10-14% of this is recycled.

GWR identified that as demand for their recycled wooden garden products increased it was essential to collect more good quality wood waste. Since only 10-14% of wood waste is recycled it was apparent that there was wood waste out there to be collected. GWR needed a clearer picture of who was generating that waste, how they were disposing of it and what would convince them to work with GWR to recycle their wood waste. A clear analysis of the wood waste collection market in Glasgow would allow GWR to expand their wood waste collection service and therefore continue to grow.

In particular there were several questions which GWR wanted answers to:

- 8. How many people have heard of GWR?*
- 9. How many people have used GWR before?*
- 10. How much and what type of wood waste do they generate?*
- 11. How is their wood waste disposed of?*
- 12. Who is involved in the decision to dispose of wood waste?*
- 13. What factors effect the decision to dispose of wood waste?*
- 14. What would encourage customers to use GWR again in the future?*

Purpose of the Research

Beyond these seven questions which broadly outline the terms of reference for the research and the evaluative report GWR highlighted three goals which the research would be used to achieve. These targets were of ancillary aims of the project which the researchers hoped to achieve in addition to their research work.

- 1. To obtain new customers for the wood waste collection service.*
- 2. To create marketing resources to promote GWR's wood waste collection service.*
- 3. To develop a customer aftercare system for GWR's wood waste collection clients.*

Categories of Business to be surveyed

The terms of reference clearly set out the types of business those were to be contacted. These businesses included:

- Builders
- Carpenters/Joiners
- Timber Merchants
- Builder Merchants
- Schools/ Colleges/ Universities
- Museums
- Art Galleries
- Theatres
- Large Retailers
- Shopping Centres
- Churches
- Other relevant SME's

As the researchers worked on the project the categories of business that we were to survey was refined and a balance between these different types of business was decided and approved by Peter.

Methodology

At the beginning of the project a timescale was agreed between the researchers and Peter. This involved the project being broken down into four main stages as follows.

Stage One – Groundwork

The researchers gathered together the resources required to complete the project. In particular they designed a new questionnaire for wood waste collection customers and finalised a list of businesses to survey. This list included both previous and potential clients and covered most of the areas of business that we were advised to cover in the terms of reference. The final list of businesses to be contacted included 397 businesses and was reviewed and approved by Peter.

In finalising the survey contact list it was important to identify potential new markets for GWR's wood waste collection service. The process of doing this was facilitated by the researchers shadowing the GWR wood waste collection service on a day of collections. This provided a much better understanding of how the wood waste collection service operated on a day to day basis and what types of wood the business needed most. In particular the researchers learnt from this experience that GWR needed a steady supply of used whiskey barrels in order to make planters and so we added several distilleries and a cooperage onto our list of businesses to survey as a means of trying to achieve this.

A final element of the groundwork stage was standardising our reporting process. We decided to write a joint summary of our work every two weeks and send it to the SRC and GWR to ensure that everybody involved was kept 'in the loop.'

Outcomes of Stage One:

- *New Wood Waste Collection Customer Questionnaire*
- *Identification of potential new customers*
- *Complete list of 397 businesses to be surveyed compiled*
- *Reporting process formalised*

Stage Two – Research

The main method of research used was a postal survey sent out to the entire list of 397 businesses to be surveyed. From initial study of market research literature, a number of techniques were implemented to encourage the best possible response such as:

- keeping the survey down to one page,
- featuring a variety of question styles,
- printing in high quality colour ink,
- including a return SAE,
- including an explanatory cover letter signed by Peter Lavelle,
- addressing all envelopes by hand,
- addressing surveys to specifically targeted individuals within the business,
- stating a closing date for returned surveys,
- and offering an incentive for returning the survey.

From market research literature, the researchers anticipated that the response rate from this survey would be roughly 2%-3% (i.e. 8-12 businesses). In total the response rate turned out to be 6% (24 businesses).

Following the completion of the postal survey the researchers contacted ten of the businesses that didn't respond by telephone and completed the survey

with them that way. This increased the total number of responses to 9% (34 businesses).

Initially the researchers planned to conduct face to face interviews to obtain more qualitative information about the wood waste collection service. Ultimately this wasn't achieved because of time pressure on the part of the potential interviewees. Ultimately the questionnaire that we used seemed to be a good way of achieving qualitative feedback anyway due to the use of open ended questions.

Outcomes of Stage Two:

- *Postal Survey sent out to 397 businesses*
- *Responses received and collated from 34 businesses*

Stage Three – Analysis

The researchers compiled the survey responses into an excel spreadsheet so that the data gathered could be easily analysed. The information gathered was also recorded graphically and is reproduced below in the findings section. Further analysis of GWR's wood waste collection service was conducted by producing a SWOT analysis.

Based on the analysis the researchers made recommendations on how to improve and develop GWR's wood waste collection service. This stage also saw the development of new marketing and customer relations material informed by the research and analysis conducted.

Outcomes of Stage Three:

- *34 responses received analysed to produce graphical information*
- *SWOT analysis of GWR's wood waste collection service*
- *Recommendations made for development of service*
- *New marketing material/CRM material developed*

Stage Four – Report

At the final stage the researchers drew their conclusions into a report and prepared a short 15 minute presentation to summarise the achievements of the project.

Outcomes of Stage Four:

- *Report created*
- *Presentation given*

Research Findings and Analysis

The research findings were based on the 34 survey responses that were received. The findings are summarised below and were intended to answer the seven questions set out in the terms of reference for the project.

What Happens to Your Wood Waste

Respondee's did a variety of things with wood waste which could potentially be used by GWR. Six respondee's noted 'other' as a response to this question. These respondee's mainly indicated that they had little or no wood waste to recycle.

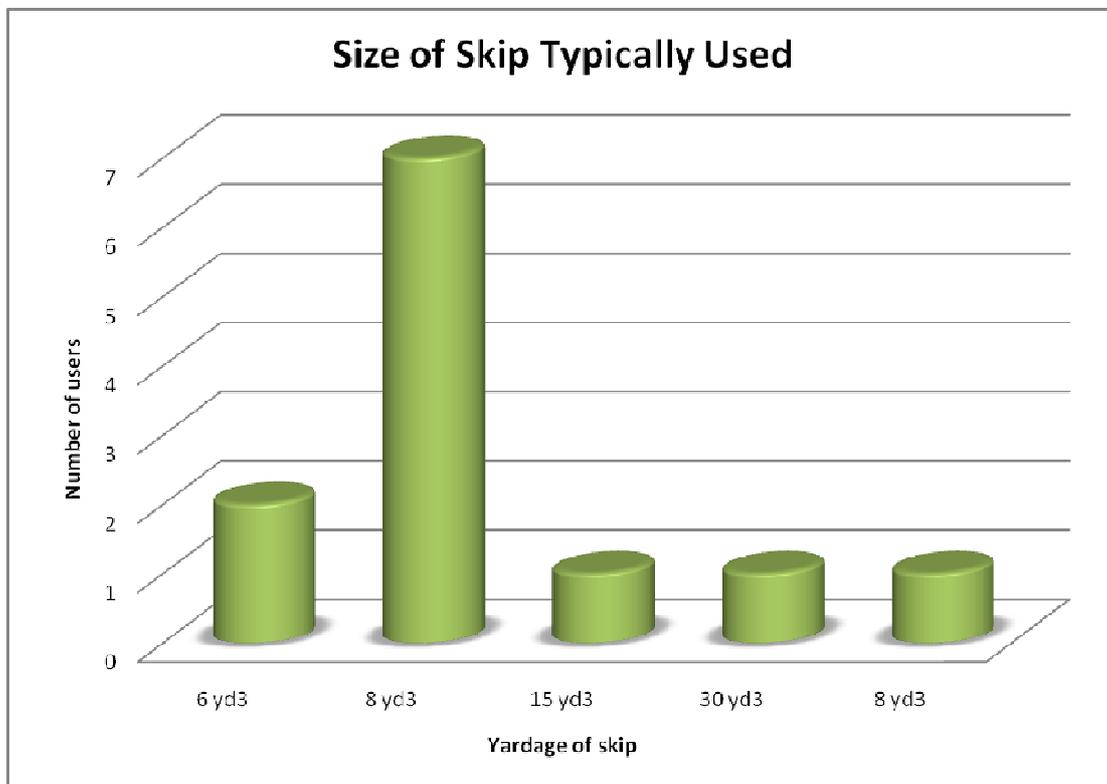
It is interesting to note that joiners and educational institutions were the types of organisations that re-used wood waste indicating that some of the other types of business surveyed such as builders and sawmills do little recycling themselves.

Seven respondee's indicated that they didn't manufacture wood waste. Our survey sample was very broad and so it was unsurprising that wood waste was not manufactured by some of the respondee's.

The most common method of wood waste disposal by far was the skip. Fourteen respondee's indicated that they skipped wood waste.



Breakdown of Skip Use



Of the respondees that used skips it was mainly the smaller skips (6yds and 8yds) that were used. Two respondees used larger skips but these were both larger organisations.

Typical prices for skip hire carried with the typical price for a 6yd3 skip being around £100-£120 and for an 8yd3 skip being around £155-175. Other respondees indicated that they paid around £110 a load,

One respondee - Carrion Sawmills - noted that another company paid them for the right to collect wood waste, but no other company was paid for its wood waste.

Typical price for a 6yd skip: £100-£120

And for an 8yd skip: £155-£175

Breakdown of Respondee Recycling



Most respondees didn't recycle their wood waste themselves. The only types of usage of wood waste from graph one that indicated recycling was re-use of the wood or sending it to a recycling company. Combining the figures for these two uses together gives only ten instances in which the respondees' wood waste could be recycled.

Respondees usual methods of disposal did not involve recycling. In total respondees indicated 45 times that they would typically use a method of disposal that could not be counted as recycling.

Factors in Selecting a Collection Service

Respondees considered a number of factors when selecting a wood waste collection service. In order to gather information on these factors we asked respondees to rate the importance of six different factors on a scale of one to five.

The complete results are summarised in table one below:

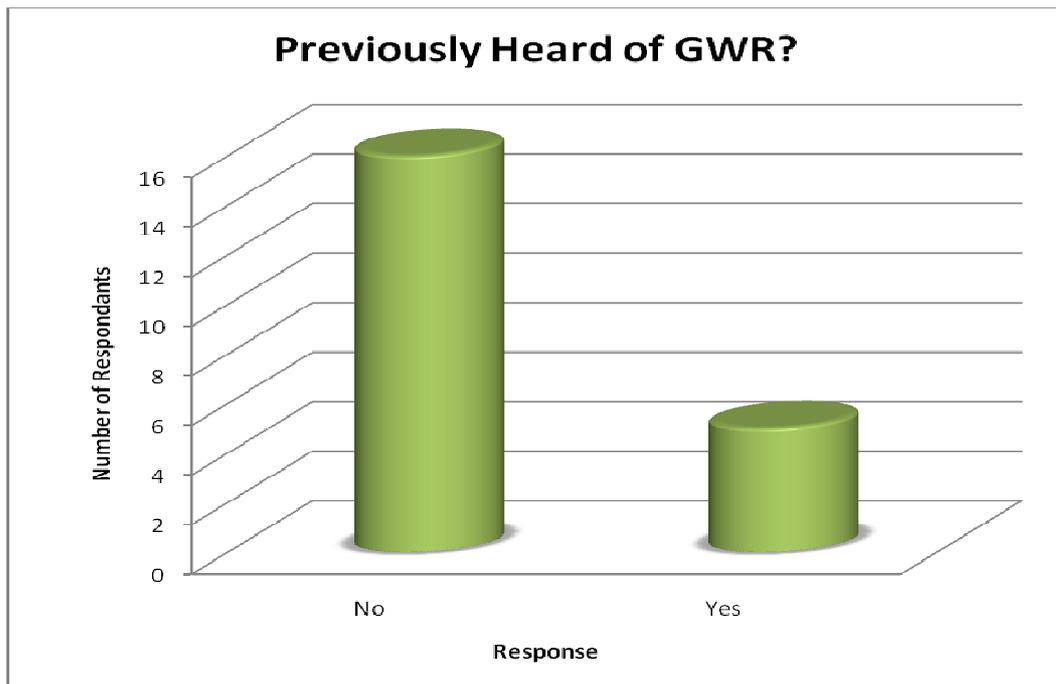
Factors in choosing collection service	Importance from 1 (v. low) to 5 (v. high)				
	1	2	3	4	5
costing less than current service	1	1	5	7	5
ability to collect small or part loads	3	2	4	3	8
ability to collect at short notice	2	3	6	5	4
storage prior to collection	4	2	4	6	3
supporting local community	2	0	6	5	6
diverting wood waste from landfill	0	0	2	6	13

It was clear that diverting wood waste from landfill was a major factor for most respondees. Thirteen of them rated it as a five out of five factor. The ability to collect small or part loads was also important for eight respondees but very unimportant for three indicating that the importance of this factor may depend on the customer. Such contrasting opinions led to the total scores being very

similar. This demonstrates the diversity in GWR's target market and the need to both understand, and flexibly accommodate a wide range of customer needs. It is also interesting to note that costing less than current service scored 19, the same score as supporting the local community. This is contradictory to early discussions with GWR, where it was made apparent that clients tended to be far more concerned about cost than the social enterprise side of the business.



Respondee Awareness of GWR



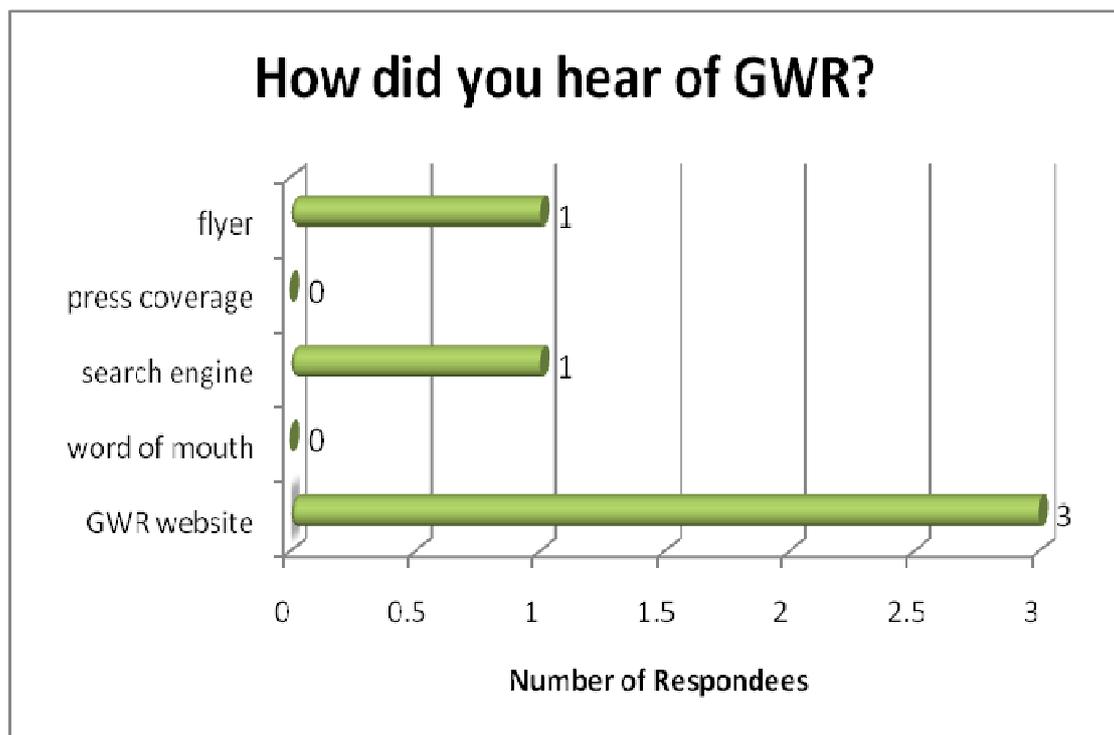
It was important to ascertain how many of the respondees had heard of GWR before. Most respondees hadn't heard of GWR.

This in part reflects the large survey sample. We surveyed a lot of churches, schools and small businesses that would be unlikely to have searched for GWR online.

The results however indicate that awareness of GWR within the wood waste collection market is lower than it should be.

The respondees that had heard of GWR had mainly done so through the GWR website, or through online searching. One respondee had heard of GWR through the use of flyers as a form of marketing.

The phone interviews primarily targeted previous customers. All customers indicated they had been very pleased with the service and would not hesitate to use GWR again. It is for this reason that it is important that this relationship be maintained; even when the time between collections is lengthy, or the person responsible for collections at that business changes.



SWOT Analysis

Based on the research findings the researchers performed a SWOT Analysis of GWR's Wood Waste Collection service.

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none">• Local Knowledge• Links with the Community• Flexibility	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none">• Size of Organisation• Lack of CRM System
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none">• Rapport with one-off customers• Large base of potential customers	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none">• Unreliable supply of wood waste

Summary of Research Findings

- Most respondees hadn't heard of GWR before and hadn't previously been customers.
- Most respondees skipped their wood waste and didn't recycle wood waste.
- Most respondees thought that the opportunity to divert wood waste from landfill was a very important factor in choosing a disposal method. Far fewer respondees considered cost to be a very important factor.

Recommendations

Following our research and analysis the researchers would like to submit three main recommendations to GWR.

These recommendations are:

- *To formulate a clear unique selling point for the wood waste collection service*
- *To create marketing materials that support this and get them out there*
- *To use a CRM system to turn customers into clients*

A USP for the Collection Service

GWR can and sometimes does compete with rival means of wood waste disposal on price. While in some circumstances this is a worthwhile thing to do the research survey has shown that the vast majority of respondees consider the diverting of wood waste from landfill to be a more important factor than cost.

This result may seem to be a surprising result at a time when businesses are under increasing pressure to keep costs down, but the pecuniary advantages of being seen as a 'green' business are not to be underestimated. Being an eco-friendly business may give a builder or joinery firm the edge it needs to win a tender or retain an important customer. It can also for many organisations justify premium prices and complement a high quality service. GWR should ensure that its wood waste collection customers gain the benefit of being able to tell their customers and clients about the amount of wood waste they have diverted to landfill through GWR.

One way of doing this would be to list all of GWR's wood waste collection customers online along with details of the amount of wood waste they have diverted from landfill so far through GWR. This could be taken further by creating a league table of regular collection customers to chart the customers that are doing the most to divert wood waste. Doing this could encourage competition between customers to divert the most wood waste through GWR since the winner of the league would benefit from positive publicity.

It would also be possible for GWR to develop a logo or badge which customers could use to indicate the amount of wood waste they have diverted in the Glasgow area. This badge could work in a similar way to the Freedom Food badge which is used by the RSPCA. Companies can add the badge to their products as a mark to show that their food production process has treated animals well. The Freedom Food badge reassures customers that the food they are buying is ethically sound. Similarly a GWR badge would reassure the customers of builders and joiners that they were buying an environmentally friendly service.

There are many other methods which potential customers could use to appear environmentally friendly but GWR is in a very good position to provide them with a means of recycling and an eco-friendly reputation. It makes sense to clearly articulate this benefit as the unique selling point of the wood waste collection service.

The researchers however appreciate that while diverting wood waste from landfill is the factor that most respondents considered important when deciding on a wood waste disposal method there are certain markets where price, or the ability to collect small and part loads would be a great selling point. It is envisaged that with a CRM system GWR could easily ascertain whether a potential client fell into such a category and therefore target their marketing materials accordingly.

Create Marketing Materials

Most organisations that had already heard of GWR had found the company through its website, or through google searches. Searching online seems to be a first resort for finding out about alternative means of wood waste disposal with one respondee suggesting that would naturally be the first place to look when searching for our service (although she hadn't yet done so).

Only one respondee had heard of GWR through other methods and in that case the method used was flyering. Many of the businesses that GWR targets as potential wood waste collection customers may not be considering making a change to their wood waste disposal process and so flyering is an excellent way of actively targeting potential customers rather than waiting for them to search for GWR on their own initiative.

The researchers have developed some marketing materials which can be sent to potential wood waste collection customers to promote the service.

Introduce a CRM System

A problem the researchers encountered with conducting the survey informs the final recommendation of this report. When drawing up the final list of companies to survey it was attempted to achieve a balance between previous customers and potential future customers. This was made difficult because GWR didn't have a complete list.

The final recommendation of this report is therefore to create a Customer Relationship Management system that can be used to track the activity of each of GWR's customers. There are a number of ways of doing this, many of which can be achieved at a budget.

The simplest method is to simply create and maintain paper records or an excel spreadsheet, however this results in information being hard to search, find and process. A better method will be to create a CRM system using computer databases.

There are a number of online services that provide cost effective database systems. 'Zoho' for example provides a free online database system that is more straightforward and useable than MS Access, which is the most common desktop alternative.

A database CRM system will benefit GWR since because it will allow the company to keep track of every collection made and every person and company they've dealt with. The benefits of this include:

- That it will be easy to maintain relationships since GWR will know exactly what type of services they have provided the company in the past.
- If a contact leaves a company the relationship between GWR and that company won't be damaged as GWR will still have all the information necessary to maintain a relationship.
- Companies can be searched by market sector and appropriate marketing can be sent out to the relevant companies
- One off customers can be searched for and then contacted to gain feedback on service and repeat orders.
- Previous collections could be searched to determine which areas GWR was having the most success in so that these areas could be targeted in the future.
- Specific types of wood waste customer could be searched for if a certain type of wood waste was required. This would go some way to eliminate the threat of wood waste supply being unstable and outwith GWR's control.
- Reports could be generated on GWR customers to make invoicing quicker and more efficient.

In short, a CRM system will put GWR in control of their wood waste collection service by allowing for much better information management. It will make it much easier to maintain relationships and build relationships with new customers. The researchers are keen to continue to work with GWR to create a database CRM.