

Prefabricated houses in Australian Markets

Many of the industries and households make use of prefabricated houses. These pre-fabricated houses are used in areas where temporary stay is required such as working on a drill-site for few months and then moving to other sites for another project. Households that cannot afford construction cost of the house rely on pre-fabricated houses for their stay (even though their stay in such houses is permanent).

These prefabricated houses are being manufactured by many retailers in US markets. The quick assembly of these houses is one of the biggest advantage along with its lower price, which is another incentive for such customers. The quality of these prefabricated houses can be enhanced by the assembly line production process employment.

However, these houses have disadvantages also. One of the major disadvantage is the product's/organization's brand image. It is also linked with the social image of the customers. Living in a prefabricated house is not preferred by customers due to their social image being distorted.

One of the Chinese firm, Exfam Prefab Housing, is manufacturing prefabricated houses. Chinese land and housing cost are touching sky high due to shortage of the land, high construction cost and tremendous Chinese population. Due to this reason, the prefabricated houses has become the necessity and one of the only less costly option available for Chinese customers. These prefabricated houses made by Exfam is 15% cheaper than that of their competitors and around 30 % cheaper than the conventional houses.

Exfam want to enter into global markets and have participated in one of the trade fair organized in Australia and have kept their prefabricated houses in display. Exfam generated huge interest for their prefabricated houses amongst Australian customers. The response was also overwhelming.

Questions:

1. Do you think that such prefabricated houses manufactured by Exfam will be accepted in Australia, considering the ample availability of land? Do you feel that social image of Australian customers could be a strong negative factor toward the success of such prefabricated houses? Justify.
2. What are the factors you feel that would not be any problem in China but may pose difficulties in Australia?
3. Propose the strategy to Exfam on entering into global markets such as Australia for their prefabricated houses?

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