

## TRADE PROFILE



### Overview

Founded by entrepreneur Chris Dawson, The Range is a general merchandise retail chain of over 120 stores nationwide, as of October 2016, employing thousands of staff in both their stores and their head office in Plymouth. Whilst the general merchandise offering is vast, the main focus is on goods for the home and garden.

The Range is actually a trading name of CDS (Superstores International) Ltd, although Companies House also shows a non-trading subsidiary named The Range Home and Leisure Ltd.

Originally from Plymouth, Chris Dawson is a self-made billionaire who left school with no qualifications and began working life as a market trader selling watches. According to the 2015 Sunday Times Rich List, Chris Dawson is now the 57th wealthiest individual in Britain. Following the opening of The Range's 100th store in Plymouth back in February 2015, Chris Dawson was estimated to be worth £1.65 billion



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### Key Personnel:

The Range is a private limited company, owned by its management team:

Chris Dawson  
Founder/Chairman  
Sarah Dawson  
Director/Secretary

## Overview continued...

This meteoric rise started back in 1989 with the opening of Chris Dawson's first store in Plymouth under the CDS banner. From these humble origins The Range has enjoyed rapid expansion, reporting £674m of revenues and pre-tax profits of £57m for the year to the end of January 2016.

Today The Range stocks around 65,000 SKUs across 16 different categories with the retailer's transactional website typically listing goods under the following categories: Furniture, Décor, Bedding, Curtains, Blinds, DIY, Kitchen, Utility, Bathroom, Lighting, Rugs, Arts & Crafts, Garden, Leisure, Clothing, Pets, Christmas/Seasonal.

Part of The Range's success is attributed to the unique variety of products stocked, as well as for its affordable, but quality offer. Chris Dawson's concept for The Range is to offer 'mid-price' home, leisure and garden products, drawing together everything that could be needed for the stylish home at affordable prices.

In terms of future growth, the company aims to continue developing its national retail chain of shops in order to provide customers with its value for money shopping. This plan is well on track with a further 19 new stores having opened in the last 12 months and, with Chris Dawson's ambitious plans to eventually have 1000 stores across Europe, The Range has a long-term future mapped out.

Beyond the general merchandise retail business The Range has diversified into several other sectors including property, manufacturing, waste management, shop-fitting, hearing aids and dry cleaning.

The Range also operated a financial business with its own website: [www.themoneyrange.co.uk](http://www.themoneyrange.co.uk). Launched in 2011, The Money Range offer covered insurance, utilities, investment and savings, pre-paid credit cards, mortgages and travel money but dissolved in May 2014.



## Trading Strategy

As far as a trading strategy is concerned, it is clear, as mentioned before, that the Range's main aim is to present mid-price home, leisure and garden products, drawing together everything that could be needed for a stylish home, all at affordable prices.



One of the top 200 retailers in the UK, The Range has now expanded to become a business worth over £674 million in the period ending 31 January 2016. While many of its competitors in general merchandise have failed, The Range has successfully managed to expand beyond the south west, across the UK and more recently into Ireland.

There can be no doubt that the company's founder and Director, Chris Dawson, and his relentless attention to detail, is a contributing factor to the success of The Range. The business operates a multi-million pound computer system which tracks every transaction in every store, while the accounts department scrutinises every invoice in triplicate for accuracy.

"If we're overcharged 30p, I'll have it," Dawson says. "We make sure we always claim back what is ours, you would be amazed at how much money the big companies let slip through their fingers because of bad accounting."

Chris Dawson has received numerous accolades from business and government over the years and once, when asked about what makes The Range so successful, responded with:

"I'd never tell anyone the secret to The Range's success. Why would I want my competitors knowing how I'm succeeding when so many others aren't?"

Despite Dawson's unwillingness to discuss his strategy, it is clear that he is prepared take opportunities that other retailers might be less inclined to consider. In short, The Range is all about moving fast and doing deals at the right price.

A perfect example of this strategy in action was seen in December 2008, when Dawson established a subsidiary company – Trading Bargains Ltd – to acquire stock to the value of £68 million from collapsed DIY retailer MFI. Shortly afterwards, Trading Bargains picked up a further £29 million worth of white goods and home electricals from bankrupt retailer Empire Direct. The stock was transferred to warehouses in the north east where it lay 12 pallets high, 4 pallets deep and stretched for nearly a mile down the road. The stock was sold through 40 former MFI stores, which were leased on a short term basis until the stock was sold. All stores were closed by 2010, having served their short-term purpose.

Chris Dawson describes his company, "We're not the bottom. We're not Poundstretcher. We're not Wilkinson, not B&M," he says referring to three of his fiercest rivals. "We're a poor man's John Lewis."

Using this comparison with John Lewis to its advantage, The Range has refocused its consumer communication - showing a more inspirational side to the products it offers - evident in its first ever nationwide TV campaign.

According to a report in The Times as recently as Q1 2016, The Range entered into discussion with investors about a potential floatation which could value the business at over £1bn. However, this news has come as a surprise to many, as founder/Director Chris Dawson has previously voiced opposition to this idea.



## Trading Strategy continued...

Instead, Dawson has more recently said that he is keen to expand into Europe. However, following the EU referendum and further global political and economic challenges in 2016 it is unclear whether his expansion plans remain.

### Technology/Online Presence:

Although The Range has had an online presence for several years, the retailer's website only became transactional in 2007. Created by ecommerce giant Venda, the website initially offered 5,000 products from the arts and crafts category, but gradually expanded to cover all categories. A mobile website was launched in March 2012.

The value of the online business has not been openly discussed, but it is estimated that, similarly to many other retailers, web sales are growing significantly as the online product range increases and the company becomes more and more established across the UK.

Historically The Range has been fairly quick to deploy new technologies, right back to the early days of the business when it installed Electronic Point of Sale (EPOS) and computerised stock checking systems before many of its peers.

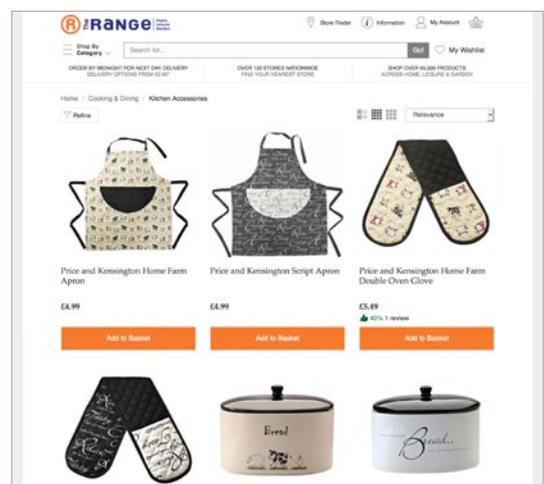
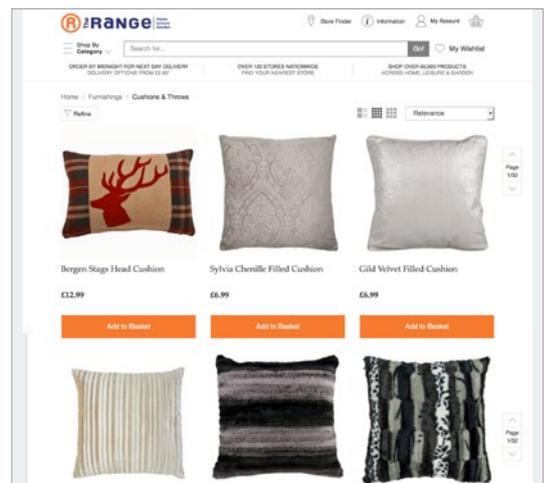
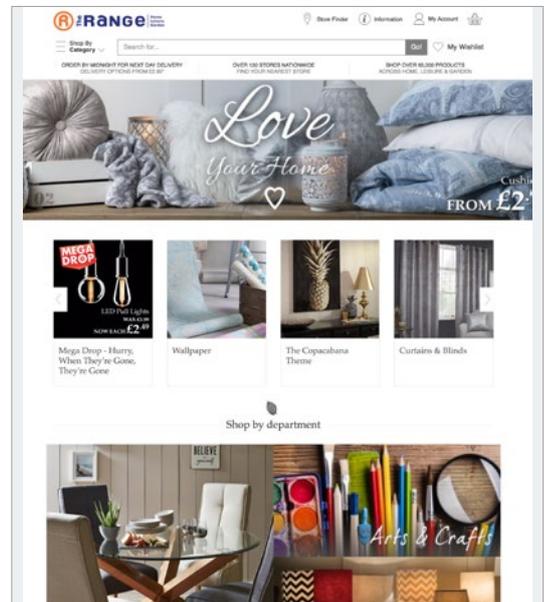
In October 2011, The Range revamped its website to simplify the buying process. Chris Dawson said that the aim was to provide customers with a way to shop online that offered the "same ease and convenience they would find in store", coupled with a "more sophisticated customer facing functionality with a modern look".

Today, as well as improved navigation, the website lists all the products that are available in store as well as online exclusives including hot tubs and an extensive collection of arts and craft, painting supplies and haberdashery. The website also includes deals and offers that may not be available in store, it offers an improved store finder, wish list option, item suggestions, various buying guides, choice of home delivery options as well as customer product reviews.

### Marketing:

The company has a small but growing presence on social media, using these sites to engage with consumers from both a customer service as well as promotional perspective.

The Range has its own official blog where consumers can access how-to tutorials as well as other tips. With over 174,000 facebook likes, consumers can see a variety of posts, pictures and videos that relate to their product range. Sale and price announcements are also made via this channel.



## Trading Strategy continued...

In addition to Instagram and Pinterest, The Range also has presence on Twitter, having over 11,500 followers, and has received over 475,000 views on the company's youtube channel which houses approximately 40 demonstration videos from Christmas lights to Nutribullets and from snow machines to JML innovations.

Social media will without doubt continue to play an even more important role in engaging with consumers in the future.

In terms of advertising, The Range aired its first ever national TV campaign, *The Wonderful World of Shopping*, for Christmas 2014 that aimed to position the retailer as a 'working man's John Lewis'. The multi-million pound campaign was designed to show a more inspirational side to the products on offer in a departure from previous Christmas ads that have included elves, Ricky Tomlinson and Diversity.



The Range's head of marketing Alice Duxbury said: 'Following on from a real shift in the grocery sector we are aware that UK consumers are embracing value and quality in their purchases. Our customers are really passionate about what we can offer and we have made sure that the ads are a true reflection of this with a mixture of brand and product ads.'

Our marketing activity is aimed at driving consumers into store who have not previously shopped with us, along with reaffirming our key messages to our loyal customers. This is a very exciting time for The Range and we are poised to make a real statement in UK retailing. Although our TV adverts attempt to show a more aspirational side, the creative "upholds the humour and fun" that reflects the brand personality"

## Stores & Employees

According to the Sunday Times Top Track 250 companies, The Range is one of the UK's fastest growing retailers.

The retailer currently operates over 120 retail stores across the UK which vary in size between 20,000-75,000 sq ft, with most stores averaging between 35,000 and 50,000 sq ft. Chris Dawson has ambitious expansion plans for the company and believes that ultimately there is scope for a far wider network of stores across the UK quoting his target of up to 30 new store openings a year.



From a location perspective The Range has fairly strong representation on retail parks across England, Scotland and Wales and, more recently, has become far more prevalent in London and the South East from Thurrock to Chatham and Surrey Quays to Maidstone.

Year	Store Numbers	Employee Numbers
2011	52	3,447
2012	64	4,160
2013	75	5,110
2014	96	5,801
2015	107	6,670
2016	126	7,910

In terms of employees, there are now 7,910 staff across the business in full, part time and seasonal employment, of which, 7,468 are store staff and 442 are employed in management and head office roles.

As recently reported in Insight Retail Group's newsletter, The Range has recently gone on to open its first Irish store on a retail park in Limerick. The Mayor of the town, Councillor Kieran O'Hanlon, opened the branch

and praised the retailer for having recruited around 70 unemployed people, saying,

"I am delighted the company decided to come to Limerick to open their first store in Ireland. Limerick, I suppose, is the capital of the Mid West and not alone can they (The Range) attract business locally but also people will come from County Limerick, Clare and North Tipperary."

Ahead of the opening, founder Chris Dawson said that the company is constantly expanding and it had been hoping to open in Ireland for some time.

"As our closest neighbours, this is the ideal next step and we have just been waiting for the right time to make this move. We are confident that Ireland will play a huge part in the continued success of The Range brand and look forward to making the move."



Not long after this in October 2016, The Range went on to open its first store in Northern Ireland taking over the former B&Q unit in Braidwater Retail Park, Ballymena, complete with café and outdoor garden centre. Chris Dawson commented, "We are really excited to begin our Northern Irish expansion in Ballymena. It is a great step in helping the business to progress and grow. We feel that The Range is a unique shopping experience that has something for everyone, and we are sure that the new store will be a welcome addition to the area.

Expansion plans for the retailer don't stop with Ireland or Northern Ireland. For some time Chris Dawson has hinted at a move into Europe with his eyes firmly focussed on Germany and has talked about "taking the fight to the home of successful discount supermarket chains, Aldi and Lidl". Time will tell.

## Financials

Year	Turnover £000's	Operating Profit £000's	Pre-tax Profit £000's	Turnover Growth %	Notes
2010	211,681	20,611	20,253	21	Year ending 31-01-2010
2011	249,384	20,620	20,295	18	Year ending 30-01-2011
2012	296,650	26,225	25,984	19	Year ending 29-01-2012
2013	381,903	35,245	34,834	29	Year ending 27-02-2013
2014	470,282	45,393	45,238	23	Year ending 26-02-2014
2015	565,064	57,724	70,001	20	Year ending 30-01-2015
2016	674,203	66,045	57,032	19	Year ending 31-01-2016

Filings at Companies House show that for the year ended 25th January 2015, revenue increased by 20% to £565m, while pre-tax profits rose to £57.3m - £12m more than for 2014. Documents filed in November 2016 show that for the year ended 31st January 2016, The Range saw revenue increase by over £100m to £674m, while pre-tax profits rose to £70m.

Gross profit increased by 10%, (2015: 25%). In a difficult economic climate this was positive news in comparison to many failing competitors and was achieved through increasing turnover in existing stores as well as increasing the number of trading stores whilst managing to maintain the level of fixed costs.

The group's annual report states that it is optimistic about the future given the continued growth and associated economies as well as the strength of the concept.

The Range is due to file its next set of accounts by 31st October 2017.



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