

TRADE PROFILE



Overview

Victoria Plumb is the UK's leading online and mail order bathroom retailer. Founded in 1999, the family business designs, manufactures and supplies a wide range of innovative and quality bathroom products direct to the public and to the trade.

As an online-only retailer, the company does not have stores, showrooms or sales people. This enables Victoria Plumb to be more competitive on price due to their heavily reduced overheads. The business has been growing rapidly in recent years and is now becoming one of the UK's most recognised domestic bathroom brands.

The company markets their wide range of bathroom products through their transactional website. Ranges include basins, baths, vanity units, mirrors, shower enclosures, taps, heated towel rails and plumbing accessories.

Victoria Plumb is owned by the Walker family, who are best-known for buying the MFI brand after the collapse of the kitchens and bathrooms retailer several years ago. The Walker Group acquired the rights to the



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Overview continued...

MFI name in 2010 for a reported £250,000, and subsequently went on to buy the Focus DIY brand.

Founded in 1999 as part of the Walker Group, Victoria Plumb was launched by brothers Sean and Jason Walker in 2001. The brand began trading in the same year and has seen consistent growth in both sales and investment ever since.

In order to handle the increase in calls and sales, Victoria Plumb decided to outsource its telephone customer service in 2013 and the following year moved its headquarters from the Sutton Fields Industrial Estate in East Hull to a site in Hessle, East Yorkshire.

In 2013 it was announced that the company was seeking the advice of KPMG on a proposed sale estimated at £150 million. By April 2014, the private equity firm TPG Capital had invested £200 million in Victoria Plumb after buying a majority stake. TPG has had a long track record of investing in UK-based retailers, previously owning a stake in Debenhams, the department store group, and Republic, the fashion chain.

Victoria Plumb's growth has been rapid and the company has recently been named one of Yorkshire's Top 100 Small/Medium Enterprises. The business is now ranked No.6 in Yorkshire, an improvement on its 14th position in the prior year.

Ged Lees, (ex) Managing Director said "The Walker Group has an extremely ambitious and progressive mentality and constantly supports and invests in the business which has in turn resulted in double-digit growth over recent years.

On a commercial front we will continue to grow the brand, whether it is expanding our ranges, increasing our marketing channels or developing our service offering – we are prepared to try new approaches, so expect innovation.

We are also striving to achieve a higher profile for the business itself: we are a growing local employer with a positive culture and we have a good working atmosphere. Our improved ranking is great recognition for all the hard work our staff put into the business."

The most recent published accounts show that the Hull-based business recorded sales of £53.8m in the year to February 2014 and pre-tax profits of £12.1m.



Key Personnel:

Jason Walker - CEO/Founder

Malte Janzarik – Director

Scott Myers – Director

Ged Lees – Managing Director
(until end 2014)

Dominic Appleton – Chief Financial Officer

Ben Padley – Chief Marketing Officer

John Crowther –
Digital Transformation Officer

Jonathon Coates – Head of IT

Craig Hadley – Head of Buying

Peter Johnson – Head of Customer Services

Chris Johnson – Head of Design

Catherine Hamilton – Head of HR

Malcolm Pearce – Operations Director

Trading Strategy

Victoria Plumb claims its mission is to continually provide the best value bathroom products to not only its retail but also its trade customers. Inclusivity is the focal point of Victoria Plumb's trading strategy as the company focuses on the growth of both sections of its business.

Their growth strategy includes:

- Building and expanding a competitively priced product range
- Increasing marketing channels
- Developing a strong service offering
- Communicating effectively with customers and potential customers to maximise sales growth
- Achieving a higher profile for the business

Today, over 10,000 trade professionals choose Victoria Plumb. Trade benefits include: 10% off all orders on top of exclusive deals and special trade only promotions, next day delivery on all items, a dedicated account manager, a dedicated trade sales and customer service line, facility to check stock levels, price matching and a cash back referral scheme – an additional 10% back on first order for those recommending Victoria Plumb to other trade customers.

There are a number of benefits too for retail customers.

Victoria Plumb offers finance schemes as well as a price guarantee. As there are no middlemen or high street overheads, they are confident that their prices are the best in the market so, if an identical product is found for less elsewhere, they'll price match it.

The company also offers a No quibble returns service – dissatisfied with a purchase for any reason, then unused and uninstalled items can be returned free of charge, up to 365 days from the date of receipt. These products will be collected free of charge too.

Similarly to many other bathroom retailers, Victoria Plumb offers Extended Guarantees. This cover is free of charge and relies on customers registering their product within 28 days of purchase. Ceramic basins, toilets, baths are all guaranteed for 25yrs, shower enclosures 15yrs, taps, showers heads and radiators 10 yrs, furniture and acrylic trays 5 yrs and tiles 1yr.

Offering excellent customer service is a key part of Victoria Plumb's strategy. As the business has grown, so too has its ability to service customer needs directly. The UK based customer call centre is available Mon-Thurs 8am-9pm, Fri 8am-8pm with reduced hours at weekends. A live chat service online is also available.



Trading Strategy continued...

A further key driver is the ability to offer the most comprehensive product range online. In June last year, the company announced its introduction of a range of bathroom tiles. 50 tile designs were added which included wall, floor and mosaic tiles, available in a selection of materials including polished marble, natural stone, glazed porcelain and metal. Since this launch tile accessories have also been added including trims, grouts, adhesives and tools

Ged Lees, (ex) Managing Director said: "Up until now, bathroom tiles were one of the very few bathroom products we didn't offer to our customers. However, our product team have worked tirelessly to create our own stunning range of quality bathroom tiles, with designs that represent all the latest trends in bathroom design. Our customers are finally able to buy absolutely everything they need, all in the one place. As always, we are proud to deliver quality products at the lowest prices."

Technology/Online presence

In September 2013, the company launched a revamped version of its website optimised for mobile browsing. The revised site intended to capitalise on the company's TV campaign by offering a shopping experience to second screeners, as well as providing the trade sector with a way to view and purchase bathroom products while working on a construction site. According to a recent survey carried out by Victoria Plumb, 74% of trade account holders thought the site useful for finding products for custom bathrooms and felt that the site would help them and their business.

"The new mobile experience is part of a joined-up approach to driving sales," said Victoria Plumb's (ex) Marketing Manager Sam Jenkinson. "All our visitors can enjoy quick and simple purchasing whether on desktop, tablet or smart phone. We know that online shopping is carried out across several devices, especially in a market where the purchase decision takes weeks, if not months. It makes sense to ensure every stage in buying a bathroom from Victoria Plumb is made as easy as possible."

Marketing/Advertising

One of the key investments in advertising for the company is the Victoria Plumb catalogue. The latest 192-page Spring 2015 catalogue is promoted online and free to all who request one. Customers can also sign up to an email newsletter in order to receive deals and promotions and be in with a chance to win £250 in return for their contact details.

Towards the end of 2012, the company launched its first ever television advertising campaign. In early 2013 the company reported a significant



Trading Strategy continued...

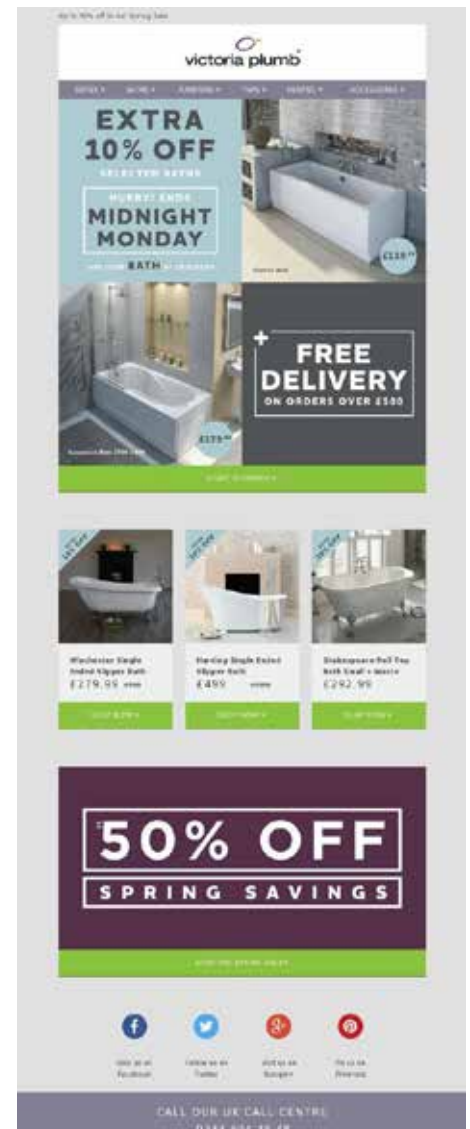
rise in sales, from £19.1 million to £26.2 million. Buoyed by the relative success of the first run of adverts, the company launched a second campaign later in 2013. The second advertising campaign proved more controversial, with some industry objection to the tagline “Quality bathrooms, not costly showrooms”. Nevertheless, this same advert won campaign of the week in trade magazine Retail Week.

To help raise awareness and achieve a higher profile for the business, Victoria Plumb signed up to sponsor the remakes of popular shows *Celebrity Squares* and *Sunday Night at the Palladium* in September 2014.

The company also has a regular presence on social media sites. Victoria Plumb’s facebook page has over 65,000 likes running competitions in order to gather data. The company has over 19,000 followers on Twitter which is used for competitions, sharing photos of customer projects and sharing videos. It also has a Youtube channel and Pinterest account, demonstrating how the company is now using all forms of social media to communicate and engage with their customers.

A further opportunity to communicate and engage with customers has been the company’s Bathroom Design Ideas and Inspiration section on their website. This provides practical tips, buying and style guides, latest bathroom trends, regular blogs, an inspirational photo gallery, mood boards and makeovers, planning guides and product guides for all bathroom items from suites to showers and from toilets to taps.

Recognising the company’s success, against a strong shortlist, Victoria Plumb was presented in 2013 with the Home Business Award at the Vanda ECMOD Direct Commerce Award in London. These awards celebrate the achievements of businesses in the catalogue and multichannel retail sector.



Stores & Employees

Victoria Plumb is an online and mail order company only. With no High Street stores or showrooms, all Victoria Plumb employees work either in the Head Office in Hessle, call centres or the distribution centre in Kingston upon Hull.

According to filings at Companies House for the year ending February 2014 Victoria Plumb employs approximately 100 people. This figure is set to rise significantly following the investment in the company by private equity firm TPG.

Financials

Year	Turnover £000's	Operating Profit £000's	Pre-tax Profit £m	Turnover Growth %	Notes
2011	13,688	3,770	3,708	52	Year ended 28th February 2011
2012	19,145	4,904	4,836	40	Year ended 29th February 2012
2013	26,236	5,921	6,007	37	Year ended 28th February 2013
2014	53,785	12,027	12,109	105	Year ended 28th February 2014

*Note: All data taken from Companies House filings for Victoria Plum Ltd (trading name is Victoria Plumb)
Victoria Plum Ltd is due to file its next set of accounts by 30th November 2015.*

In the year ending February 28th 2014, Victoria Plumb reported turnover of £53.8million - an increase of 105% on the previous year's figure. Pre-tax profits reached £12.1million and post-tax profits reached £9.3million during the reporting period.

According to filings at Companies House, Victoria Plumb enjoyed an excellent trading year with strong growth across the year in all sectors. Further text from the accounts follows:

“Budgetary targets were exceeded and the business continued to invest in all strategic areas. Margins remained consistent despite the challenging economic conditions and reduced customer spending levels. Careful commercial management of retail pricing levels coupled with effective cost control procedures have been fundamental to the business during the year and have enabled the company to grow accordingly.

Victoria Plum Limited continues to enhance its already excellent reputation. The rapid growth and profitability in recent years has resulted in external interest in the company which has led to an investment in the company after the year end. The directors believe that the additional expertise in house, along with continued improvements will be a sound basis for the company to continue to grow in the future and increase market share.”

In April 2014 Victoria Plumb confirmed it had secured “significant” investment from private equity firm TPG. Terms of the transaction were not revealed but it is thought that the deal was worth around £200m.



Latest News

4th June 2014 -
Victoria Plumb launches bathroom tile range
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1st April 2014 -
Victoria Plumb bought by private equity giant, TPG
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5th March 2013 -
Victoria Plumb boosts e-commerce team with three new appointments
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