

# THE ROYAL DOULTON COMPANY

## THE MARKET

Pottery and ceramics are a strong indicator of the art and lifestyle of a given age. Indeed, archaeologists rely on shards of pottery fragments to establish the level of sophistication of past civilizations. Today's consumers are more demanding and discerning than ever before.

The rise in home entertainment has been matched by the introduction of contemporary, functional tableware. At the other end of the spectrum, however, the decrease in traditional family meals and rise in solo eating, TV dinners, and convenience foods has seen companies extend their casual tableware ranges.

Withstanding market fragmentation, ceramic giftware has enjoyed considerable growth — gift-giving, home decoration, and investment being the main motivations. Despite the introduction of many alternative forms of gifts, the ceramic form is sought after as offering true qualities of heritage, craftsmanship, and real, long-lasting value for money.

The key markets worldwide for premium ceramic tableware and giftware are the United Kingdom and Continental Europe, North America, Asia Pacific, and Australasia. In total the global market is estimated to be worth over \$2.8 billion.



## ACHIEVEMENTS

The Royal Doulton Company is one of the world's largest manufacturers and distributors in the premium ceramic tableware and giftware market. Its illustrious brand names include Minton, Royal Albert, and the core Royal Doulton brand. With 200 years of heritage, The Royal Doulton Company is a thriving global organization, with around \$165 million annual turnover, employing approximately 2,500 people across its production sites and numerous distribution operations worldwide. Approximately half of all sales are generated outside the United Kingdom.

The Royal Doulton Company is a market leader within the ceramics and chinaware markets, with a large proportion of all English bone china being supplied by Royal Doulton, as well as almost half of the U.K.'s ceramic sculptures.

The company's Hotel and Airline division is also one of the world's largest suppliers of bone china to the international airlines industry. Indicative of its continuing favor, the division holds major contracts to supply chinaware to British Airways Club World and Club Europe.

In total, Royal Doulton produces 5,500 different items across a broad range of product groups. As well as the company having provided Royal Doulton devotees with their treasured collection pieces, its Royal Albert design "Old Country

Roses" has become the world's best-selling bone china tableware pattern, with over 150 million pieces having been sold since its introduction in 1962.

## HISTORY

The Royal Doulton Company has been creating ceramics and tableware for almost 200 years. As far back as 1815, the company founder, John Doulton, began producing practical and decorative stoneware from a small pottery in Lambeth, South London.

His son, Henry Doulton, built up the business, relocating it 60 years later to Stoke-on-Trent. By 1901 the quality of Doulton's tableware had caught the eye of King Edward VII, who permitted the company to prefix its name with "Royal," and the company was awarded the Royal Warrant. The Royal Doulton Company expanded its production facilities and by the 1930s was involved

in the manufacture of figurines and giftware.

The company was awarded the Queen's Award for Technical Achievement in 1966, for its contribution to china manufacturing — the first china manufacturer to be honored with this award. In 1972, Royal Doulton was bought by Pearson and merged with Allied English Potteries. In 1993, The Royal Doulton Company separated from Pearson and became a publicly quoted company listed on the London Stock Exchange. Today, Royal Doulton is part of the Waterford Wedgwood Group.



## THE PRODUCT

Each of the company's principal brands — Royal Doulton, Minton, and Royal Albert — enjoys a long association of royal patronage, and holds

at least one Royal warrant. They are also trademark registered. When drawing up new product design, the designers study the market, analyze consumer research, and often refer to their own museum and archives for inspiration.

The Royal Doulton Archives house a variety of material dating from 1815 to the present day. Contents include Royal Doulton Pattern Books containing over 10,000 hand-painted watercolors illustrating the talent of artists employed over the years.

Apart from providing an invaluable historical record of decorative ceramic styles — from the exquisitely gilded and delicately hand-painted cabinet and tableware of the Victorian and

Edwardian eras, to the bright and bold angular design of the 1930s Art Deco — this collection is an inspirational source for Royal Doulton's current Design Studio.

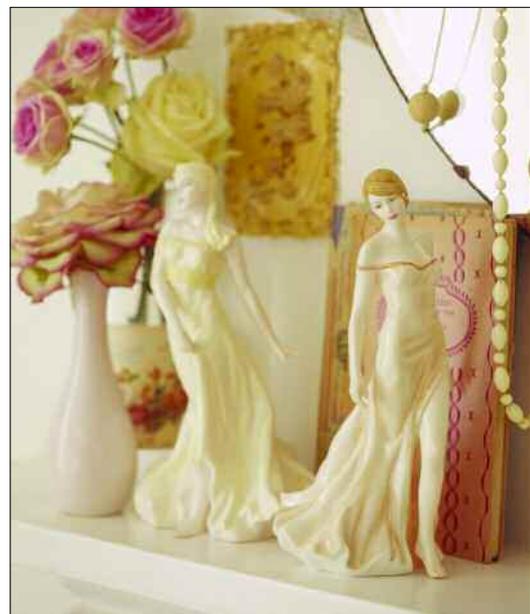
Today, Royal Doulton provides a wide selection of domestic tableware manufactured in bone china and fine china. The brand is also featured in a broad range of crystal stemware and giftware.

Royal Doulton lists among its products extensive giftware offerings, character jugs, china flowers, and an array of collectable figurines often known as the Royal Doulton "pretty ladies."

For the junior members of the household, Royal Doulton also produces nurseryware, many of which are of interest to adult collectors. Its most popular collection is "Bunnykins," while "Brambly Hedge" giftware and the Disney collections, such as "Winnie the Pooh," have also excited and sustained much interest.

Royal Albert, which traces its origins back to 1896, has become an internationally recognized brand, offering domestic tableware and gift items. Equally famous, with an illustrious heritage dating back to its inception in 1793, is the Minton range, best known for its most popular pattern Haddon Hall, which is particularly favored by the Japanese market. Minton is also renowned for its intricate gold patterns, where one plate can cost more than \$9,000. These, however, are unique works of art, many of which are purchased as heirlooms. The artists in the Minton Studio also undertake special commissions.

The Royal Doulton Company is noted for its high standard of working practices and technology, which are heralded as being among the most



professional and intensive in the entire international china industry.

As the corporate ambition is to generate 50 percent of its sales outside the United Kingdom, an extensive distribution chain is required to oversee global sales and marketing. The company currently operates in over 80 different markets and has distribution companies in the United States, Canada, Australia, and Japan.

#### RECENT DEVELOPMENTS

The Royal Doulton Company is undergoing an important period of change in its long history as it implements a three-brand master strategy as a first step in developing the company's brands.

New global merchandising systems, "etail" Internet site, product packaging, point of sale, and designer endorsement have all been identified as keys to the brand development.



Royal Doulton is a quintessentially British brand with a strong commitment to craftsmanship and artistic innovation. Spring 2006 saw the launch of a number of new figurines and gifts as well as additions to hugely popular current ranges.

A recent collaboration with Gordon Ramsay, the Michelin-starred celebrity chef, has resulted in the creation of a groundbreaking new tabletop collection. The design was created by Ramsay and Royal Doulton designers following in-depth research with the aim of helping customers re-create the fine dining experience enjoyed in Ramsay's restaurants. The range launched in May 2006.

The Licensing Division, created in the mid-1990s to propel the three brands into new product sectors, has achieved considerable success, not least with the launch of the Bunnykins Clothing, Silverware, and Children's Furniture product range. Other categories inspired by the company's rich heritage and design include an extensive collection of fine art prints, teas, textiles, jewelry, and ties in Japan.

In the United Kingdom, licensed products include home textiles, jewelry, candles, stationery, children/baby gifts, and accessories.

#### PROMOTION

Central to The Royal Doulton Company, promotional and marketing activities have been the development and rationalization of the brand and its communication. The introduction of everything from new logos to in-store promotional material and branded fixtures has demanded that the focus of activity be centered on the communication and effective introduction of the recent significant changes.

The Royal Doulton Company's immediate goal is to become more global, offering greater consumer relevance through a diversity of products and an extension of its offering through contemporary creations.

At the grassroots level, The Royal Doulton Company continues to employ a variety of traditional promotional techniques ranging from

in-store promotions and seasonal magazine advertising to selected press advertising, including supplements in bridal and lifestyle magazines. There is also a strong and effective public relations campaign in place, which is reviewed annually.

As an acknowledged leader in china tableware, The Royal Doulton Company is working to maintain its position at the cutting edge of product development. Through building on its investments in areas such as a company-owned factory in Indonesia, The Royal Doulton Company can maintain close control of its production and marketing throughout the world, making the most of its high brand awareness recognition.

#### BRAND VALUES

Around the globe, The Royal Doulton Company is valued for its sense of heritage and quality. As one of the oldest and best-recognized chinaware brands in the world, The Royal Doulton Company has earned itself a reputation for excellence, quality, and distinctiveness of design — values that it intends to build on in order to take the brand forward. Prized by collectors the world over, The Royal Doulton Company has an international reach extending way beyond its English roots and product. To sustain its position, The Royal Doulton Company emphasis for future brand



growth centers on its ability to focus on the consumer, to understand its buyers, and then to create products that suit individual tastes and needs.

The Royal Doulton Company identifies its core brand values as integrity, innovation, creativity, craftsmanship, and decorative skills.

#### THINGS YOU DIDN'T KNOW ABOUT ROYAL DOULTON

- Royal Doulton ceramics are included in a time capsule inside the base of Cleopatra's Needle on the Thames Embankment in London.
- The largest and most expensive figure made by Royal Doulton takes more than 160 hours to hand paint and costs over \$26,000.
- Royal Doulton was the first china to enter space. China plates were carried on the inaugural flight of the space shuttle Discovery in 1984.