

# Utility Warehouse and the new Professional boom

## Will the Utility Warehouse succeed in the new 'Professional' boom of Network Marketing?

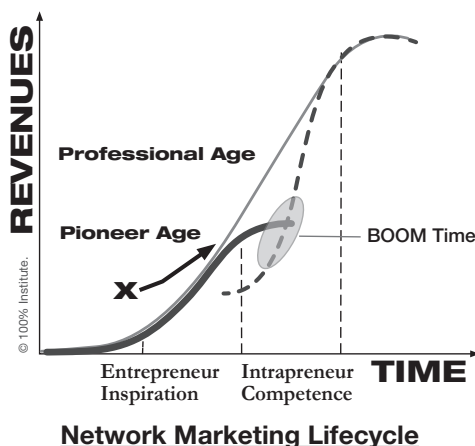
The 'Momentum' stage [the Boom] of any new growth cycle is when fortunes are made. Riding the boom of the 1st cycle in a new industry is difficult so very few people succeed. Riding the boom of the 2nd cycle is the ultimate business move as the growth is dramatically faster yet more secure as the growth is based on proven success yet the evolution creates like a 'ground-floor' opportunity even for the huge established companies.

A recent example is the Smartphone boom. Based on the mobile phone business which focused on making calls and sending texts/SMS, the Smartphone business is based on using data for internet, cameras and countless apps.

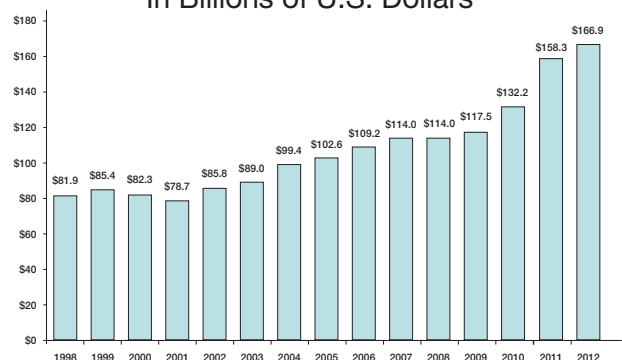
Few understand that Smartphones were pioneered in the 1990s and it was only until Apple launched its iPhone in 2007, did this new Growth cycle hit its Momentum Stage. The key points to understand are that the growth is explosive, few people understand it and all companies have to innovate with the new cycle. Global mobile company Samsung moved with the times and now makes billions from Smartphones, Nokia did not.

### Strong Foundations

The Pioneer Age has been hugely successful and for Network Marketing as the major part of the wider Direct Sales industry. 2012 global revenues jumped 6.8% to US\$166billion and there are over 100 companies with \$100million in sales from over 100million people. These strong companies are driving growth powered by four major trends and the convergence of four key technologies of broadband, mobile, social media and e-learning.



Global Direct Retail Sales  
1998-2012  
In Billions of U.S. Dollars



### New Professional Age

Whilst the current Network Marketing is impressive, the Big News is that the industry has hit an evolutionary stage similar to the Smartphone era.

The major drawback of pioneering any industry is the high attrition of business builders which holds back growth and causes credibility issues. The 'pyramid' concerns people make is based on their ignorance that high attrition is normal in pioneering industries.

With the industry 'established', Network companies are now evolving their businesses by introducing new customer and competence-based Professional Development programs. The 'professionalisation' of the industry is proven to empower the large percentage of people who always struggle in a Pioneering environment.

By tapping into the full potential of people and rocketing success rates, exponential growth is guaranteed. 2014 will be the Tipping Point for the boom which heralds three exciting results:

- **The biggest, fastest growth boom ever 2014-2020**
- **Ten times greater chance of success**
- **The Death of the Pyramid Sales Slur**

It is important to note that the franchising industry evolved in exactly the same way after their Pioneer Age and this created explosive growth from the 1980s. British franchising suddenly grew 500% in 6 years! Copying the McDonalds professional development training philosophy, the success rates in the industry rocketed which created confidence and credibility.

## Utility Warehouse

In 2005, we wrote our first report on Utility Warehouse [UW] where we predicted its 1st Momentum Stage and very optimistically predicted that they would achieve £500million within 10 years, they achieved this in just six years.

Simply put, Utility Warehouse is the most successful European Direct Sales company of the 21st Century and in 2012 it was ranked the 15th largest Direct Sales company in the world. Not bad for a relatively young company that only trades in the UK with a fraction of the distributor base of the global giants.

The 'buzz' of a new 'Professional Age' for Network Marketing is very positive for UW as they, in fact, have been a pioneer of many elements that define this new age since its founding in 1997. The company has championed the 'customer first' mentality winning endless 'Best Value' award from leading independent consumer 'Which?' magazine. And they have pioneered Professional Development with their customer focussed distributor training.

Given the massive demand for new income opportunities, we believe that UW will enter a new Momentum stage that will catapult them into the 'Big Boy' level of telecoms and utilities companies in the UK. We expect sales to achieve £2billion by 2018.

In fact, if the company can maintain its business model and accelerate its development of 'Professionals' then it could achieve £4billion by 2020.

The most important result of this dramatic growth period will be that Utility Warehouse will produce more exciting meaningful incomes for more people than any other UK company in Direct Sales history.

*Ludbrook Research International [LRI] is a Direct Sales strategic research company focused on the Direct Sales industry and hyper-growth industries. Ed Ludbrook books explaining the 'Pioneer Age' of Network Marketing has sold more than 1.4 million copies in 20 languages. His new book explaining the new Professional Age is published in 2014. A summary of this book is available free at [www.fantasticfutureofnetworkmarketing.com](http://www.fantasticfutureofnetworkmarketing.com)*

*LRI or Mr Ludbrook has no financial involvement in Telecom plus PLC or Utility Warehouse. The company or its representatives has not paid for or endorsed this independent report.*

