



From a greenfield site, Vale has become the ideal home for some major brands

THE NAME GAME

VALE FURNISHERS IS ONE "CORNER SHOP" THAT ISN'T GOING TO GIVE IN TO THE THREAT OF THE MULTIPLES. BRANDS ARE ITS LIFEblood. JONATHAN ROBERTS REPORTS

To what extent does your shop reflect your personality? Let's face it, it's bound to say something about you isn't it? If you're loud with jackets to match, then you've probably got a bright shop with colourful signs clashing with the furniture, just like your tie does with your shirt.

On the other hand, if you're the shy retiring type, you probably keep display restrained, and are not very daring with product selection.

What, therefore, can one say about Alan Chandler? Product selection in his shop, Vale Furnishers, does not suggest anything dare devil or carefree. **G Plan** upholstery and **Nathan** cabinet, for instance, represent solid middle England values. It's not the sort of furniture chosen on a whim.

Yet Mr Chandler usually has a sun tan, because he spends as much of the winter as he can on the ski slopes. Sounds more like the lifestyle of a playboy rather than an incredibly successful furniture retailer.

But the truth is that Mr Chandler is rather shrewd. He is only able to spend so much time on the ski slopes because he has put in place such a successful business

formula. And any impression that the skiing is pure indulgence should be dispelled. He is chairman of the Ski Club of Great Britain.

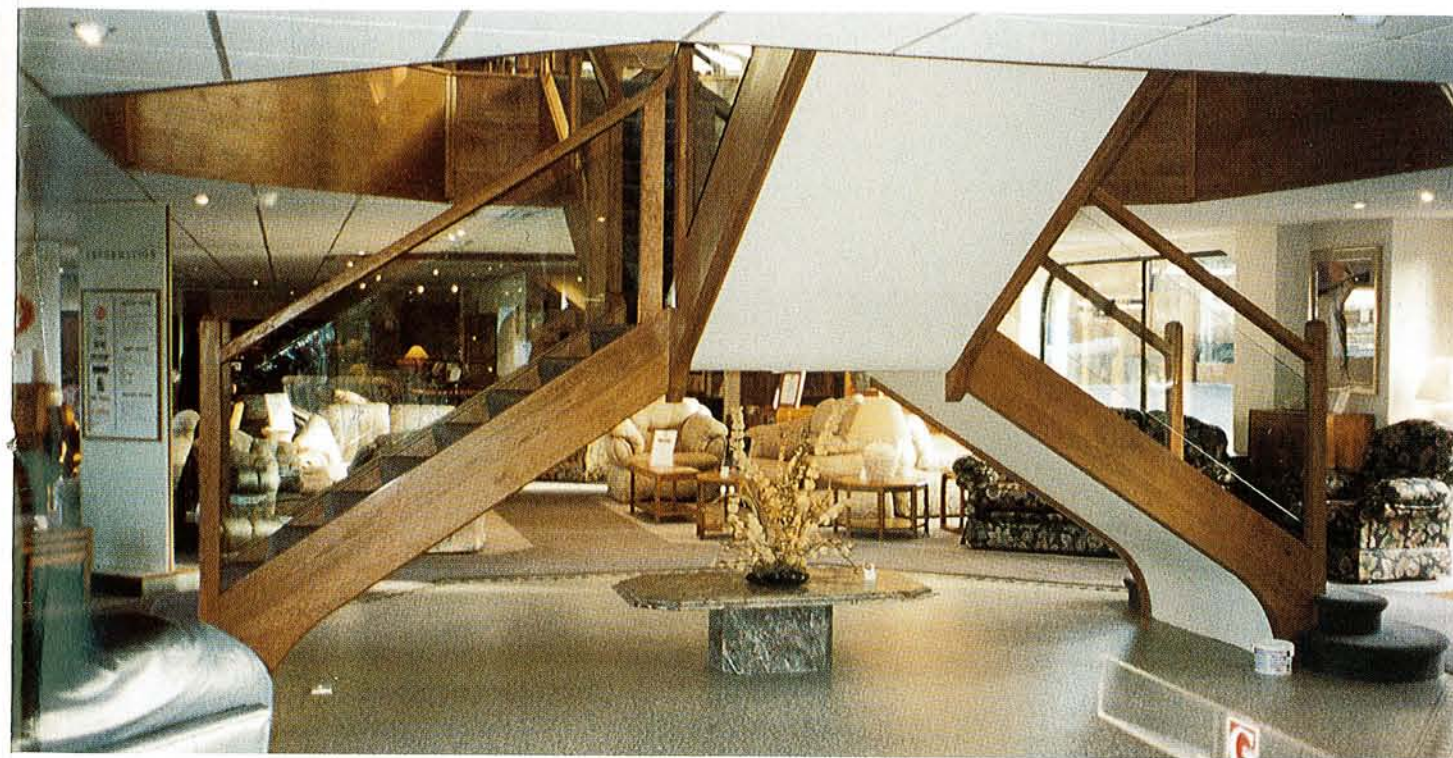
A picture starts to build up of someone who doesn't do things by halves. In fact he does things by multiples. Most skiers make do with a week on the slopes, Mr Chandler has several, and most retailers would be happy to be in the position to extend their premises by half as much again: Mr Chandler extended his display area 10 fold when he moved in to his purpose built shop at the beginning of 1994. His shop in Ash Vale has 20,000sq ft of display space.

Just having a five minute snoop around Vale Furnishers would confirm in one's mind the justification for it winning the Retailer of the Year (one shop) category at the Furniture Industry Awards in January. It is the antithesis of the hotch potch which so often greets prospective buyers of furnishings. Everything is ordered and consistent - even the carpet and curtain display units are specially built for the shop in cherry so as not to spoil the effect. A staircase rises impressively from just in front of the car park and High Street entrances delivering, apparently, 92% of those who enter the shop to the first floor and 60% to the second. There are no pillars to block the view, and the room set dividers, which are wired up for lighting from ceiling points, are plain rather than wallpapered so as to allow changes of display without creating clashes. Contemporary oil paintings provide the decoration. The lift and loos would not shame a five star hotel.

There is not a "sale" or "special offer" sign to be seen anywhere, yet of the shop's £2.85m turnover, 36% is profit, and that's a margin which has been maintained while turnover has increased 140% to its present level over the past 12 months.

Philosophies can sound impressive and prove worthless, but the above record suggests that those of Mr Chandler should be taken seriously. First of all, he doesn't regard his competition as being other furniture retailers. Rather, it is holidays, cars, and all such gobblers of cash and credit. As for that growth, Mr Chandler: "I don't believe we've stolen it from other retailers. We've created it." He backs this up with the evidence that his nearest competitor, Furniture Village in Guildford, doesn't seem to have suffered as a result

Alan Chandler (centre) receives the Retailer of the Year award (one shop)



Above: The stairs are designed to promote plenty of flow up to the first and second floors

of Vale's success.

And the next pearl: "I believe that to be successful you have to be specialised." Now that five minute tour of the shop would have been sufficient to establish that Vale is neither exclusively a bed, upholstery, leather nor cabinet retailer. It supplies all these things, so what does Mr Chandler mean by "specialised?"

It is the target market which is specialised and dictates the choice of product. "The age group we deal with is unquestionably the over 50s. They have the disposable income." This doesn't mean there's a moratorium on younger buyers entering the shop. **Ducal**, for a start, would assert that a large proportion of its customers are 30 somethings, and it is one of Vale's major suppliers. But the typical customer profile is the fairly well off couple, free of dependent kids. Vale is never going to compete with MFI and IKEA, so it doesn't try.

All the brands with which Vale deals are roughly in the same price category and likely to appeal to a similar audience. Other than the brands mentioned, manufacturers represented include: **Ercol**, **Ekornes**, **Beaver & Tapley**, **Frayling**, **Pendragon**, **Stag**, **Parker Knoll**, **Wood Bros** and **Slumberland**. Carpets are unbranded and bought through AIS, as are the curtains, wallpaper and much of the furniture. While branding is clearly considered the key to success in furniture, Mr Chandler says: "We don't believe the carpet industry has sufficient brand loyalty from the public."

Some retailers clear the floor of brands for fear of price competition, but Mr Chandler sees the brands as his store's pull factor. By stocking a considerable variety of few brands, rather than cramming the shop with similar products from a host of suppliers, he has created a magnet for collectors.

If Wood Bros Old Charm lovers, for instance, get wind that there's a good selection on show, they'll travel to see it. And Ercol: it was taken on when the new shop opened and turned over very little in the first six months. But now the collectors have got to hear that it's available in Ash Vale and it's started to take off.

Of Ducal, Mr Chandler says: "The greatest thing about it is its collectability" and of Old Charm: "Once somebody starts buying it they become a regular." It's not just about catching a sale today, but in six months time, too. The advertising which Vale undertakes 52 weeks a year starts to look extremely good value when one calculates how much each customer who responds to it and visits the shop could be worth.

Radio is the favoured medium. "The advantage," says Mr Chandler, "of radio advertising over press advertising is that it's far more generic. It is better in the long term for building a customer base." Vale's radio ads feature a jingle which, like it or not, you will end up humming, and they don't bang on about price deals. If a customer asks Vale to match a discount, then it will match it if it's sensible, and it does the credit deals which are obligatory these days. Mr Chandler says, however: "If we are getting 100% of the business then we are too cheap, but if you make the buying experience pleasurable then people will want to do it again."

Above all, Vale is proof of the success brands can generate. Just an example: in January and February, Vale sold 50 **G Plan** Carrera suites.

With a low and consistent number of brands, neither the buying power nor the product knowledge is diluted. And talking of knowledge, how does Mr Chandler keep up with trade news? "The manufacturers' van drivers." Now that's how to put me in my place.



Left: Ranges such as Ercol are chosen for their collectability