

# DEFINING QUALITIES

Interview with  
**JULIAN HASE**  
MANAGING DIRECTOR  
HAMPSHIRE TILE WAREHOUSE

**PMW** | Partridge Muir & Warren

CHARTERED FINANCIAL PLANNERS

In a series of interviews with Simon Lewis, chief executive of Partridge Muir & Warren, owner-managers consider their approach to business and the specific qualities which deliver sustainable success.

The interviews will be brought together as a report to be published by DECISION magazine and then as a digital book.

IN A SECTOR THAT is highly competitive and price driven, the first challenge is simply getting customers through the door, says Julian Hase. And that means trying to find a point of difference.

Not that the owner of Hampshire Tile Warehouse, which sells to the trade, retailers, and direct to consumers through their own outlets and e-commerce site, is suggesting he's in possession of the "one miracle answer."

"You just have to try to be slightly better than the competition at everything, whether that be search engine optimisation, product range, the quality of your showrooms or whatever," he suggests,

And good customer service? "Yes of course you have to endeavour to provide that, but of course everybody else claims they are as well, and customers assume that it's a given," Hase points out.

The challenge has only increased in line with competition. "When we started the business, tiles were in their infancy and people came to us because it was new, but now tiles are mainstream and customers probably have to drive past other tile shops to get to us, so we have to make our offer better."

And different. What Hase has done has been to create his own unique

brand, VALVERDI, to add perceived value and set the business apart from 'stack it high and sell it cheap' competitors. The fact that the brand allows the customer to co-ordinate indoor and outdoor porcelain tiles has helped to make HTW one of the biggest sellers of such products in the country.

"That offering makes us more interesting," suggests Hase. "And having a brand was a way to monetise our ability to provide that co-ordination as early adopters."

Crucially, owning the brand means the focus doesn't have to be on price – competing that way in a commodified market just leads to reduced margins and lost sales, since there is always a competitor that will be cheaper.

"If you concentrate only on price you will never be different," says Hase. "And doing loss leaders, for example, is pointless as with about 1400 items in stock, you're not going to have enough customers interested in the loss-leader items.

"Having the brand means we can encourage people towards a more fashionable, more expensive product where we have a point of difference. It should stop the customer from looking elsewhere to see if they can save a few pounds per square metre. We are aiming

for the big middle ground, the 70% or 80% of people who are not driven by price."

These are mainly customers doing renovation work and having extensions built, who are looking for something exciting, the sort of thing they see in the TV design programmes.

This focus means HTW don't have to rely too much on supplying mass market tiles for margin-tight customers like big housebuilders. "If you offered me the chance to supply tiles for a thousand new-build homes I wouldn't really be interested," says Hase. "I'm more interested in small, bespoke developments where we can put in something a bit different."

One way to increase sales of the branded products would be to have concessions in other tile companies' shops. HTW does a little of this but Hase doesn't want to become too dependent on others as the conduit to the customer.

He's open to all sorts of marketing activity to try and promote the branded product, not least running special events for trades people, like taking tilers out for an evening of ten-pin bowling. A device which has proved to be particularly useful is an airborne, branded blimp. It serves as a physical landmark showing

where the building is, as well as creating recognition of the company's logo.

Hase has a number of ideas he'd like to explore to maintain the point of difference that the brand brings. One is creating a speciality in extra-large tiles, which are expensive but considered very fashionable. The issue there is that they are harder to fit and expensive to replace if they get cut incorrectly or damaged during installation, so the market is limited.

And HTW will be spending more time and money on displaying the product at architectural, interior design and landscape gardening exhibitions. It's an appealing sector but Hase is reluctant to go as far as hiring sales people to go on the road because the outcome is so uncertain. "You could easily spend £300,000 on salespeople before you would know if it's even working," he says.

In an ideal world Hase would also like to offer a virtual room set tool to show customers what any given tile range would look like in situ. Paint manufacturers already have a similar app, and Hase thinks it would be a great idea if it could be applied to the tile market, though the time, cost and complexity involved probably makes it prohibitive at present.

One of the goals of the branding activity is to increase turnover from £8.3million to £11million by 2023 to maximise the value of the business, and in the meantime, Hase wants to bring in someone to do the day day-to-day management while he works on increasing the brand visibility.

And making sure HTW can manage increasing customer expectations created by the likes of Amazon and supermarkets. "Next-day, free delivery in a two-hour timeslot is simply not realistic for our type of product," says Hase, "because the industry is not geared up for it, and it costs a lot more to deliver heavy building materials than a new coat or groceries."

In some respects he wishes he'd been more aggressive about expansion earlier. But even though hindsight is a wonderful thing, he acknowledges he probably wouldn't have done anything that much differently. "I have always believed that in life you have to do more than simply life and breathe the business," he says.



With a heritage of nearly fifty years, the chartered financial planning and wealth management company Partridge Muir & Warren Ltd (PMW) see themselves as both guides and guardians to their clients. Their default position is one of conservatism, with the majority of their clients seeking a consistent, competitive return on their capital, which is why the average current client relationship lasts nineteen years.

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