



# Channels



**Channels**

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## Stores



**462**  
stores

**23**  
ROI Stores

located  
**20 min**  
from 90% of the  
UK population

**Our retail stores remain the backbone of our product and service offer, with national coverage and optimised formats. We are within 20 minutes' drive of 90% of the UK population.**

### Location, Location, Location

Halfords operates 462 stores which include 403 superstores, 26 compact stores and 33 metro stores.

Central to our retail offer, the physical stores not only allow us to present goods in prime locations but serve as the consolidation point drawing in web customers with the *Reserve and Collect* and *Order and Collect* services. They also facilitate our range of retail services for checking, building and fitting products.

Our stores are within 20 minutes' travelling time of 90% of the UK population. We have consolidated store operations in the UK and ROI.

### Superstores



Our superstores are typically 7,500–10,000 sq.ft. of retail space located on out of town retail shopping parks. Of the 403 superstores, 240 have a mezzanine floor. On average superstores employ 20

colleagues with speciality training across most areas of service. A superstore has a typical range of 10,000 products.

### Compact stores



Our 26 compact stores (formerly neighbourhood) are designed to service smaller catchment areas where a superstore would not be viable. With typically 4,000 sq.ft. of retail space

the compact stores carry around 6,000 product lines and employ 20 colleagues and cover all of our key service areas.

### Metro stores



Our 33 Metro stores are the smallest format and are created only where there is edge of town alternative. Typically carrying 4,200 product lines our metro stores provide both a local footprint

and a local ability to leverage our *Reserve and Collect* and *Order and Collect* web offer.



**3.8m**  
sq.ft. of retail space

**c.9,300**  
in-store colleagues

**240**  
stores with mezzanine

Introduction

About Halfords

## Store Locations

**462**  
**Stores**



<b>1</b>	<b>9</b> *	<b>18</b>
17 Superstores	14 Superstores	22 Superstores
1 Compact Store	4 Compact Stores	1 Metro Store
<b>2</b>	<b>10</b>	<b>21</b>
16 Superstores	18 Superstores	18 Superstores
2 Compact Store	1 Compact Stores	3 Metro Stores
<b>3</b>	<b>11</b>	<b>22</b>
22 Superstores	18 Superstores	17 Superstores
4	2 Compact Stores	4 Metro Stores
<b>21</b>	<b>13</b>	<b>23</b>
1 Superstores	19 Superstores	14 Superstores
1 Compact Store	2 Compact Stores	5 Metro Stores
1 Metro Store	<b>14</b>	<b>24</b>
<b>5</b>	<b>16</b>	<b>13</b>
20 Superstores	16 Superstores	13 Superstores
1 Compact Store	1 Compact Store	6 Metro Stores
<b>6</b>	<b>15</b>	<b>25</b>
20 Superstores	16 Superstores	15 Superstores
1 Compact Store	4 Compact Stores	3 Metro Stores
<b>7</b>	<b>16</b>	<b>26</b>
18 Superstores	12 Superstores	20 Superstores
2 Compact Stores	4 Compact Stores	1 Metro Store
<b>8</b>	4 Metro Stores	
19 Superstores	<b>17</b>	
1 Compact Store	18 Superstores	
2 Metro Stores	2 Metro Stores	

\* Includes 3 superstores and 1 compact store situated in ROI.

Business Review

Responsibilities

Financials

***“When a ‘Reserve & Collect’ order arrives our store colleagues respond as if the client was in-store, calling to check suitability and ancillary requirements”***



Andy Torrance  
Director — Store Ops and Logistics

## Autocentres



**Pictured:**  
Unit 1, Saxondale Park, London Road, Derby.

**Pictured:**  
Unit 7, Wyvern Way, Wyvern Retail Park, Derby.





**Largest**  
independent  
garage network  
in UK

**224**

Autocentres

**667,000**  
appointments  
in FY10

**With only 1% market share of an estimated £9bn industry, our brand and financial strength will allow us to expand rapidly, meeting consumer needs for a trusted garage providing great service and value, located within easy reach.**

#### Market

As our cars become more technologically complex, the owners' ability to service and maintain them at more than a superficial level diminishes. Whilst modern cars have become more reliable and service intervals extended, the cost of those services has increased.

Nobody would choose to service their car were there no warranty, reliability and resale consequences. In short, it is needs driven. This provides service agents with a market estimated to be worth £9bn annually and customers select them based upon a range of convenience factors. These include level of disruption, cost and location.

The service market consists of three broad segments. At one extreme are the franchised dealers; slick, credible and trusted but very costly and prepared to operate only at their own pace. At the other extreme are the small private garages and mechanics, a generally less polished experience and frequently without the security of a large organisation's resources, but the costs are lower.

#### Our offer

Halfords Autocentres are the perfect balance. We are always more competitive than the franchised dealers. We have the brand and reputation to put customers at ease, and the diagnostic computer technology to maintain most cars and without affecting warranties. All packaged up with our high standards of customer service.

This balance of franchise quality service and competitive price is attractive to both retail customers and fleet operators alike and we deal very effectively with a number of very large fleets.

#### Sustainability

With a growing and ageing car parc and cars lasting longer than ever, the need for car service is assured in the medium to long term. We are experienced at consolidating the requirements in fragmented markets and with a long heritage of dealing with retail customers, we are uniquely aligned to take advantage.

***"In common with the Halfords retail offer Autocentres have been successful in providing a service which is good value with excellent customer service"***



Duncan Wilkes  
Autocentres – Chief Executive

## Online



30m  
visitors in  
FY10

Online sales up  
35%  
in FY10

Upto  
12,000  
products available  
online



Our broadest product offer is provided online, supported by detailed product specification, video enhancements and customer testimonials. Uniquely Halfords drives 80% of web customers to our stores.

Our multi-channel strategy has followed the broader move of many consumers to research and purchase goods online. We benchmark our online performance with British Retail Consortium figures for online performance and have consistently outperformed average sales growth rates.

### Market

The online market inevitably sets us against many competitors whose key strategy is low cost, high volume and who have very little overhead to support. We have a number of differentiating characteristics which enable our online channel to not only compete but to establish competitive advantage.

Depending on the level of support required and the set-up needs of the product, our other service offers like fitting, demo and assembly can prove persuasive reasons for buying from Halfords. In many other cases the consequence of using our *Reserve and Collect* service from one of 462 stores is also beneficial. On top of both of these service features is our brand value, customers like the trust and reliability which comes from using a well-known company for online transactions.

### Product range

The online offer also contributes to the store offer with our free *Order & Collect* service. By allowing customers to select from many thousands of products available on the website, way beyond what even the superstores can stock, we leverage all of our store formats. We can then rapidly supply the local store using our distribution network.

Getting customers into store is our preferred option, allowing us to improve attachment rates through upgrades and accessorisation. In addition, we provide our build and fit services to ensure safe and appropriate product usage. In cases where customers want delivery to home or work, we can also provide a prompt and efficient service.

### New technology and social media

To further leverage and convert browsers into customers we have a range of programmes to enhance the experience. From peer reviews, which has proved very compelling, to video on product pages. Our presence on Twitter and Facebook also seeks to keep the more social media savvy customers informed, engaged and listened to.





**80%**  
of web customers  
visit store

Text and Reserve  
service  
launched in  
**2009**

c. **33,000**  
product reviews  
online

Introduction

About Halfords

Urban Escape product video on halfords.com



Halfords YouTube Channel

Customer Review example



Halfords Twitter Account

Business Review

Responsibilities

Financials

***"We're seeing solid increase in conversion through customer reviews, we now have close to 33,000 reviews. Often users sort listings by average customer rating"***



Head of Multi-Channel