

PRESS RELEASE

Friday 2nd March, 2012

The Web is the “Talkies moment” for the Retail Industry, says Halfords CEO

Speaking at a Javelin Conference on ‘The Future of Retail’ today, Halfords Group CEO, David Wild, said that “the UK retail sector is experiencing a transformation as far reaching as the move from silent film to sound.”

Drawing on parallels with the new Oscar winning movie, *The Artist*, Mr Wild said that, “retailers must learn to adapt to a permanent new reality” and draw on their full sweep of talents if they are to avoid falling behind in the race to keep up with rapidly changing technology, consumer shopping behaviour and value expectations.

Web enabled shopping is now the reality, with customers selecting and purchasing goods outside stores, or making informed decisions about what stores to visit based on their research. When in store they also use the internet to compare prices and get further product information. Many also use social media to make comments or seek recommendations on what they are purchasing.

The advent of these tools in a time of economic recession has helped fuel a heightened quest for value.

Speaking at the event, Mr Wild added: “Retailers need to respond to the changes in technology and customer behaviour. We are living through the biggest transformation the retail sector has ever seen. The good news is that there is potential to turn this challenge into an opportunity.”

According to Mr Wild, exploring how customers interact with stores is a major part of the puzzle. Customers need good reasons to visit stores, and the key in Halfords’ view is a seamless multichannel experience where online and stores work together to compliment and improve the customer experience.

He said that added value service is essential to differentiate winning retailers. 87% of Halfords online orders are collected in store, where the retailer offers further advice and fitting services for customers. This added in store service, Mr Wild suggested, gave clicks and mortar retailers a competitive advantage over pure play online retailers who do not have stores to facilitate interaction with the customer.

Halfords has also moved into the auto servicing sector through a chain of Autocentres, offering MOTs, car servicing and repairs, as a further route to differentiating its business.

“Product pricing is also very important,” added Mr Wild, “The web means there is complete transparency and customers can easily find the best offer. We are creating extra value through the design and direct sourcing of our own or exclusive brands.”

“Retailing has always been about understanding the customer so we need to adapt fast to the way they are now shopping. Retailing is not going to return to how it used to be, this is a new reality.”

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Notes to Editors:

www.halfords.co.uk

www.halfordscompany.co.uk

www.halfordsautocentres.co.uk

Halfords Group plc

The Group is the UK's leading retailer of automotive, leisure and cycling products and through Halfords Autocentres also the UK's leading independent car servicing and repair operator.

Halfords customers shop at 466 stores in the UK and Republic of Ireland and at halfords.com for pick-up at their local store or direct home delivery. Halfords Autocentres now operates from 250 sites nationally and offers motorists dealership quality MOTs, repairs and car servicing at affordable prices.

Halfords employs approximately 11,000 staff and sells over 14,000 different product lines with significant ranges in car parts, cycles, in-car technology, child seats, roof boxes, outdoor leisure and camping equipment. Halfords own brands include the in-store Bikehut department, for cycles and cycling accessories, Apollo and Carrera cycles and exclusive UK distribution rights of the premium ranged Boardman cycles and accessories. In outdoor leisure, we sell a premium range of camping equipment, branded URBAN Escape. Halfords offers customers expert advice and a fitting service called "wefit" for car parts, child seats, satellite navigation and in-car entertainment systems, and a "werepair" service for cycles.