

Our Retail Strategy

In November 2015 we launched our new Moving Up a Gear strategy

For Retail this strategy is an evolution from the previous Getting Into Gear strategy and comprises five pillars

868.5

RETAIL REVENUE (£m)

15%

SALES MATCHED TO CUSTOMERS

72%

COLLEAGUES GEAR 2 QUALIFIED

8.5%

GROWTH IN SERVICE RELATED SALES

See more on [Retail market trends](#) on pages 8 to 9



Putting Customers in the Driving Seat

Description

Investing in our customer data and insight capabilities to maximise the lifetime customer value.

Objectives

- Improve our understanding of our customers.
- Combine our pools of customer data into a single view.
- Leverage customer data to gain insights and tailor offers.
- Refresh brand positioning to create a more emotional connection.
- Offer value for money across our range.

Progress to date

- % of Retail sales matched to customers is now 15%.
- Starting to use customer data – tailored email campaigns.
- Developing a single view of customer.
- New brand positioning launching in June.

Read more about [Putting Customers in the Driving Seat](#) on page 16



Service in Our DNA

Description

Halfords has been through a service revolution and now we need to embed it in how we do business. Our ability to offer great service is one of our key differentiators.

Objectives

- Maintain 3-Gears training programme and increase emphasis on service and selling skills.
- Develop talent throughout the Group, including through our Aspire and Apprenticeship programmes.
- Reward skills through enhanced pay.
- Grow service-related sales.

Progress to date

- Over 70% of colleagues qualified for Gear 2 and over 600 colleagues at Gear 3.
- Continued improvement in key customer service metrics.
- 500 basis points improvement in colleague turnover.
- Recognised as 18th in the Sunday Times Best Companies To Work For awards
- Received the "Discovering Potential Award" for our work at the Halford Academy at Onley prison.

Read more about [Service in our DNA](#) on page 17



Building on Our Uniqueness

Description


Exclusive products, relevant innovation and unique partnerships and collaborations.

Objectives

- Maintain and develop a pipeline of relevant innovation.
- Nurture and complement our partnerships and collaborations.
- Develop exclusive products.
- Grow our share of trade customers.

Progress to date

- Wiggins range developed and launching online and in store in July 2016.
- Orla Kiely range of leisure products now available in stores and online.
- Exclusive in-car technology launched in stores.
- Extended motorbike range.
- 130% brighter bulbs and lifetime guarantee on batteries launched.
- A new collaboration agreed with Olympic cyclist Laura Trott.

 Read more about [Building on our Uniqueness](#) on page 18



Better Shopping Experience

Description


A seamless customer experience, online as well as in store.

Objectives

- Continue to refresh our store design.
- Continual improvement of our online and fulfilment propositions.
- Launch a transactional website for Cycle Republic.
- Continue to target growth in areas where we have relatively low market share.

Progress to date

- 25 store refreshes in FY16.
- Store of the Future concept progressing through the design phase.
- Halfords website and fulfilment upgrades during H2 FY16.
- Cycle Republic transactional website developed and on track to be launched in summer 2016.
- Acquisition of Tredz and Wheelies.

 Read more about [Better Shopping Experience](#) on page 18



Fit for Future Infrastructure

Description


Moving from fixing the basics to improving efficiency and fulfillment.

Objectives

- Maintain short-term stability of our supply chain operations through peak periods and at the same time review and identify the long-term requirements.
- Turn our IT investment focus from fixing the basics to developing value-adding colleague and customer-facing IT applications.
- Continue our strategy of right-sizing, relocating and renegotiating leases upon expiry.

Progress to date

- Current 3-day-a-week delivery to stores model is embedded and stable.
- Long-term supply chain requirements review completed.
- Good progress on IT application development.
- 25 lease renegotiations, 2 relocations and 1 right-size of stores in FY16.

 Read more about [Fit for Future Infrastructure](#) on page 19