

Click with the Digital Future



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To support our 21st century ambitions of interacting with our customers in as many exciting ways as possible and thereby driving engagement and revenue growth, we need to embrace the digital future. Our young customers may not be embracing the automobile as their parents once did, but they are the i-generation seeking innovative ways of shopping and interacting with products.

Halfords is well placed to take advantage of this phenomenon with most of our products being well suited to online display and demonstration and we are able to offer 2.5 times more SKUs (stock-keeping units) online than in-store. The mobile version of our site enables our customers to research and purchase online while they are on the move. Mobile traffic and revenues have experienced significant growth and over 40% of all visits and almost a third of our online sales are now through these devices. The Halfords App and quick response ("QR") codes at the point of sale are other mobile innovations that we have introduced to enhance our customers' buying experience; they can scan barcodes and access rich content like videos and product information, or get help in finding the right part for their make and model of vehicle. We have experienced over 800,000 visits to our App last year and around 15,000 QR codes were scanned.

However, unfortunately, even with all this work the multichannel experience provided to our customers remains average at best. As mentioned earlier our logistics solution does not support our ambitions and we experience strong competition in certain categories from pure play retailers.

“ We must invest in our digital future to make Halfords a market leading integrated multichannel business centred around our three pillars. ”

We had mixed success in FY13 where we have seen a sustained increased online participation in Baby & Child products, Bikes, PACs and Car Parts, although online participation lags behind the wider market in other categories. However, we continue to see compelling revenue opportunities in PACs and Camping.

With our ambition to drive profitability revenue growth over the medium and long-term we must invest and improve our web-based offer. Over the next 12 months we plan to provide a much better website experience. It will be aligned around our three product pillars so if you are a cyclist, you will shop in a dedicated cycling site where we won't be trying to sell you engine oil – maybe just a few energy bars. This will then develop into a cycle shop we can be proud of by the end of 2014 with community features, live chat and integrated dynamic content.

This redesign will make our site easier to search and navigate, provide personalised merchandising and create passion in our products through online communities. It will attract more customers; inspire, inform and convince customers to buy our products; enable them to transact and checkout easily and securely; and with the right support will ensure that goods are delivered/collected on time. This will ensure a pleasing shopping experience that results in customers returning to the site.

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FY14 Operational Milestones

- Launch new Retail website.
- Mobile and Tablet optimised site launched.

