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Kleerex
Retail Services Group

shelftalk

Issue 11
March 2011

www.kleerex.com

FEATURE ARTICLE:

Wedding bells are ringing, and so are cash registers

With retailers and brands set to make a princely sum, William and Kate aren't the only lucky ones this spring

Kate

William

FEATURES:

Argos • Barclays
Dixons Retail • Sainsbury's
The Co-operative

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Kleerex

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Our UK business outperformed the market in 2010 with a sales growth of 15% - a strong performance.

Our fixtures and display business had a particularly good year, while our installation and supply chain services business also performed very well. Unfortunately, our shopfitting business had another challenging year. The performance was built on delivering a strong service to our customers.

We did a lot of re-organising within our business in 2010 to ensure that we were better aligned with our customers' requirements.

Many of our customers continue to invest strongly in additional floor space and refurbishments, reflecting the consumers' demands for improved retailing experiences. Non food categories such as entertainment and health and beauty have grown in importance, some examples of which are illustrated in this edition of Shelftalk.

More recently we've been focusing our investment on design & engineering, operations and customer support. Our supply chain continues to strengthen, supported by increased personnel and better communication links.

Greater integration of our Services and Solutions businesses is allowing customers to recognise our complete offer and this fits well with their goal of a more consolidated supply base.

Overall the outlook in 2011 looks challenging but positive.

Michael Ryan
Group Chief Executive

Kleerex
Retail Services Group

Development Manager joins us



Over the past 20 years Duncan Capehorn has worked for above and below-the-line agencies within retail design; creating interiors and POP displays. Before joining Kleerex Duncan was Design and Development Manager at Marmon Group for 11 years, developing new initiatives within food and non-food environments.

Duncan joins us as Development Manager and will be working with the design team and key accounts to ensure we maximise our design capabilities and deliver a best-in-class service.

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Kleerex unveils new showroom

We recently opened the doors to our new showroom in the Harlow office. Presenting some of our latest developments, the showroom has been a great success and we are proud to showcase our work to visitors. A variety of projects are on display including those for home, beauty, pharmacy and general grocery categories. If you would like to arrange a visit please get in touch.

Senior Services Manager on board



David O'Leary joined our Services division in January as Senior Services Manager in order to focus on the expansion of our services offering. David has worked in the industry for over ten years and brings a wealth of industry experience to Kleerex.

Asian expansion

We have strengthened our team in China to four people, including Chinese nationals and Western staff covering quality control, engineering support, administration and sourcing for our Chinese operations. Our office is located in Guangdong province in southern China, close to Hong Kong.



Dixons Retail launch upmarket Black store



We worked with electrical retailer Dixons Retail in the development of Black, a new 15,000 sq ft concept store in Birmingham. Dixons was targeting design-led consumers so we designed, manufactured and installed a range of

premium store equipment including play tables (pictured left), cash desks, service desks and counters for the retailer's new Knowhow advice service (pictured above); described by Retail Week as 'small pieces of art'.

Sainsbury's redevelopment stores a success



We recently created a range of displays for Sainsbury's new large format development stores. The sites in Crayford, Lincoln and Stanway opened their doors late last year.

Sainsbury's non-food offer is growing rapidly and our latest new developments in the store include illuminated health and beauty displays (pictured above right), premium furniture

for interactive digital media (pictured above left), small domestic appliances and homewares; taking full advantage of our category expertise.

Barclays Bank upgrade queue management

Barclays wanted to develop a queue management system to incorporate into their branches and asked us to design a system that would be visually striking. The result is a solution manufactured from solid surfaces which allows for a variety of outlet sizes, some of which incorporate a podium to assist disabled users. Different fixtures are also included to hold paying in slips, pens and envelopes. The system has been implemented into over 200 branches.



Kleerex lead the way with LED lighting in store fixtures



Kleerex are leading the way with the integration of LED lighting within retailers' display equipment. Customers are seeing the advantages of moving from conventional fluorescent technology over to LED based illumination. Benefits include reduced running and maintenance

costs and cooler operating temperatures. The slim nature of LED technology lends itself to integration within new and existing shelving systems, with the added benefit of being low voltage, making the shelving system intrinsically safe.

Argos refresh stores in line with rebrand

Alongside Argos' brand refresh, we have been involved in the development programme to uplift the store environment. The retailer updated its landmark early last year and is ensuring that the new image is delivered consistently throughout the store portfolio.



Wedding bells are ringing, and so are cash registers

As the heir to the throne prepares to marry his princess, retailers and brands are seizing the opportunity to generate a much-needed boost for the high street

With the Royal Wedding predicted to bolster the economy to the tune of £620m, there is ample opportunity for retailers and brands to exploit such an occasion. According to Verdict Research group, retailers alone are set to rake in a princely £360m.

While Kate Middleton and Prince William are having last-minute adjustments made to their wedding outfits, businesses from supermarkets to specialist pottery makers are creating commemorative products to sell on the high street and online.

Meanwhile, many brands are encouraging Great Britain to have a jolly big street party by producing celebratory goods, from

“**The timing of the wedding will create a perfect commercial storm for retailers and brands across the country.**”

Matthew Rice

Co-owner, Emma Bridgewater

bunting to Regal-themed food and drink.

Following the announcement of the Royal engagement, some retailers were quick to capitalise. H. Samuel, the high street jewellery store, quickly launched a replica blue sapphire and diamond ring, modelled on Lady Diana's engagement ring. Asda speedily produced Royal mugs to put on its shelves. Tesco even managed to recreate a £16 version of Kate Middleton's designer midnight blue Issa dress, which she wore at the public announcement of the Royal engagement.

But as the wedding date approaches, more retailers and brands are giving serious thought to how they can make money from regal-themed memorabilia.

Supermarket Sainsbury's has recently launched a fun T-shirt (pictured) with the slogan “Kate and William sitting in a tree,

K.I.S.S.I.N.G.” The retailer will also be selling Royal Wedding mugs and party accessories.

Even Disney is finding a way to get involved in the party. It is launching a Disney Princess retail initiative themed around the Royal celebration, one month before the date of the nuptials, on April 29th.

The Royal celebration will see Disney offer retailers a variety of its Princess products across different categories. It is also re-releasing a limited edition of Cinderella on DVD for the first time in more than five years.

Mike Stagg, UK and Ireland vice president of sales for The Walt Disney Company, explains that its Princess products suit the spirit of the event. He says: “[It] is a once in a generation opportunity and the Disney Princess franchise fits perfectly with the occasion.”

“From Disney Princess party items to dress-up, music, video games and the special release of Cinderella on DVD, we're confident our offering will give retailers the right products to leverage the heightened consumer interest in all things Princess.” The business will be promoting the range through a press and television campaign.

Other brands are creating bespoke Royal Wedding memorabilia. Retailer Emma Bridgewater has designed and produced a commemorative china collection to celebrate the marriage of Kate and Wills. The Kitchenware brand, which has stores and stockists across the UK, will be selling the collection online and in its shops. In the run up to the wedding, the collection will be displayed in the window of its stores to build excitement around the products and the event.

Matthew Rice, co-owner of Emma Bridgewater, says there is a “real appetite for commemorative china” in England and that the timing of the wedding, which falls close to Easter and Mother's Day will create

a “perfect commercial storm” for retailers and brands across the country.

Others are concentrating on ensuring they get the nation in the right mood by providing regal-themed food and drink. Twinings tea brand will be looking at marketing opportunities to encourage consumers to have afternoon teas.

The company predicts that this most



Sainsbury's are one of many retailers offering affordable souvenirs to commemorate the wedding.

Royal occasion will benefit the food and drink sector the most. The business says that as a British brand with a 300-year heritage, it stands to profit from such an auspicious day.

And as bunting is hung up along streets across Great Britain, there is hope that Royal fever is going to grip the nation to create high spirits among the public and, of course, create a timely fillip for the retail sector.

Largest ever POS project rolled out for The Co-operative

In January 2011 we completed The Co-operative's largest ever point of sale rollout called 'Big Deals'. The project was a success for both Kleerex and The Co-operative alike, utilising our full turnkey service capabilities.

Within three weeks we implemented the rollout of end of gondola displays, side stacks, produce headers and signage arms, alongside the management and consolidation of printed signage and installation into 2,659 stores across the UK.

In order to maintain consistency and obtain the best value available, The Co-operative appointed Kleerex to deliver the entire rollout.

Forty members of our team worked out of twelve warehouse depots to kit and collate 47 articulated lorries of equipment, which was



Each night 60 teams installed an average of 156 stores



installed in just 17 nights using sixty teams of fitters. The teams also collected all packaging, old equipment and POS which was then recycled.

Sean Toal, Commercial Director for The Co-operative Food, commented: "In the current economic climate,

it was necessary for our point-of-sale and in-store communications to shout a stronger value message. We were exceptionally pleased with this project, and Kleerex delivered in every area to ensure a smooth and problem-free roll-out."

THE NUMBERS

- 2,659** STORES
- 100 %** RECYCLED
- 60** TEAMS
- 47** ARTICULATED LORRIES
- 17** NIGHTS
- 12** STORAGE DEPOTS



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