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ICELAND TRIALS NEW ONLINE SHOPPING SERVICE

Iceland Foods has begun trials of its new online shopping service that allows customers to place orders up to 10pm for free delivery the next day, subject to a minimum order value of £25. The trial is currently taking place at a small number of selected Iceland stores in the North West, North East, London and the South West, with very encouraging initial results. The service will be extended further to selected Iceland stores throughout the UK in the coming months.

The online offering builds on Iceland's long-established and very successful free home delivery service for customer purchases in store of £25 and over, which is already making over 180,000 deliveries each week.

Customers registering on the Iceland online shopping website at <http://groceries.iceland.co.uk> are able to choose from the full range available at their local Iceland store if it is already participating in the trial, or to register their interest when the service is extended to their area. Orders are picked in the early morning so as not to impact on customer service in store during the day, and held at the appropriate temperature for delivery in the customer's chosen time slot.

Iceland is the first UK food retailer to offer the option of payment for online orders through PayPal as well as by credit and debit card.

The launch of the online service has been supported by a £250,000 investment to create a new Centre of Excellence at Iceland's head office in Deeside, where training will be provided to home delivery drivers, in-store pickers and store managers. Iceland has also signed a five-year deal with Mercedes-Benz Road Range Ltd to replace its entire current home delivery fleet of 1,300 vehicles with state-of-the-art Mercedes-Benz Sprinter vans, with over 300 new vans being delivered this year.

Iceland Director of Delivered Sales John Mackie said: "We are delighted with the positive initial response to the local trials of our online service. This is exceeding our expectations for the number and size of orders we have received, and for the proportion of new customers to Iceland that the service is attracting. It is absolutely critical to us that the launch of online shopping should have no adverse impact on availability or service for our existing customers in store, and I am pleased that all our targets are being met. The launch of our new Iceland Driver Academy Programme at our Centre of Excellence in Deeside will help to ensure that all our home delivery drivers are ambassadors for the service on our customers' doorsteps."

Iceland Chairman & Chief Executive Malcolm Walker said: “Iceland was the first UK food retailer to launch a nationwide online shopping service as long ago as 1999, but maintaining it was not a priority when I was faced with the challenge of turning around a near bankrupt company on my return to the business in 2005. Now the time is right to re-launch the service, building on our well-established and smoothly running home delivery infrastructure with an easy-to-use website that sets new standards for customer friendliness. I am grateful to John Mackie and his team, and to our e-commerce partners at Portaltech Reply, for getting our new service up and running so efficiently in just seven months, and look forward to its roll-out across the UK in the months ahead.”

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