# Trends, Opportunities, Challenges, and Drivers of Change

On behalf of the Department of Enterprise,

Trade and Employment

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## FUTURE OF THE IRISH RETAIL SECTOR

KPMG | Future Analytics

## LIST OF ABBREVIATIONS

| | |
|---|---|
| AI | Artificial Intelligence |
| AR | Augmented Reality |
| CAP | Climate Action Plan |
| CRO | Company Registrations Office |
| CSO | Central Statistics Office |
| DETE | Department of Enterprise, Trade and Employment |
| EGFSN | Expert Group on Future Skills Needs |
| EU | European Union |
| EWSS | Employment Wage Subsidy Scheme |
| GDPR | General Data Protection Regulation |
| ICT | Information and Communication Technologies |
| IT | Information Technology |
| LEO | Local Enterprise Office |
| NACE | Nomenclature of Economic Activities |
| NDP | National Development Plan |
| NGO | Non Governmental Organisation |
| NPF | National Planning Framework |
| NSS | The National Skills Strategy |
| NTE | Night time Economy |
| ORS | Online Retail Scheme |
| RRDF | Rural Regeneration and Development Fund |
| RSI | Retail Sales Index |
| SCOT | Strength Challenge Opportunity Threat |
| SDGs | Sustainable Development Goals |
| SEAI | Sustainable Energy Authority of Ireland |
| SME | Small to Medium Sized Enterprise |
| TCF | Town Centre First |
| TOV | Trading Online Voucher Scheme |
| UK | United Kingdom |
| UN | United Nations |
| URDF | Urban Regeneration and Development Fund |
| UX | User Experience |
| VAT | Value Added Tax |
| VR | Virtual Reality |

## CONTENT

# Executive Summary

The global retail sector was undergoing an evolution prior to the Covid-19 pandemic with increased consumer expectation driving new buying habits and operating models. In particular, experience, choice, and convenience have pushed many customer-facing businesses to offer products and services online. Additionally, consumer expectation from an ethical and sustainable perspective has transformed established business practices. These global trends are being replicated in Ireland with both indigenous and multinational outlets embracing digital transformation and the transition to experiential and omnichannel shopping.

Geopolitical instability has altered the trajectory of these trends and has produced significant challenges for retailers. On one hand, Brexit, Covid-19 and the invasion of Ukraine has increased inflation, energy costs and strained supply chain operations. On the other hand, technological developments and the sustainability agenda has altered consumer preference and expectation.

Although these factors create a challenging environment, they also present unique opportunities to achieve a competitive advantage. The Irish Government has recognised the importance of supporting the sector in this evolving landscape through the provision of targeted supports and resources.

The retail sector is an essential component of Ireland's domestic economy, providing a vital channel to market for Irish manufacturers and service providers with considerable multiplier impacts. The relevant information and analysis clearly show that the pre-pandemic retail sector has been one of Ireland's largest employers, and these levels of employment are strongly returning post-pandemic. Notably, the majority of Irish retail businesses employ less than 10 personnel which provides a distinct composition that can potentially impact on their ability to keep pace with evolving operating models and approaches.

In light of the evolving landscape, retailers will need to re-evaluate their business and operating models while being cognizant of the digital transformation, sustainability agenda and the geopolitical landscape. These factors and associated trends present opportunities for improved efficiencies for retailers that can effectively respond to this volatile operating landscape. The role of Government will be central to the evolution of this landscape. Hence, effective policy alignment is of critical importance.

This report identifies six thematic areas which have impacted the retail sector in recent years with these expected to continue over the next five years. These themes *are digital transformation, sustainability, labour and skills, location and operations, engagement, and data availability.*

This report explores the scale, scope, and recent dynamics of the retail landscape both internationally and in Ireland. In doing so, it identifies the future anticipated challenges and issues facing the sector together with the opportunities and drivers of change.

## Resulting Recommendations

To address the ongoing challenges facing the retail sector in Ireland and also to maximise the emerging and fast-developing opportunities, a targeted set of recommendations has been set out. The following recommendations for the retail sector are focused on the near and mid-term to ensure its continued development, grouped around the recurring themes of digital transformation, sustainability, labour and skills, location and operations, engagement, and data availability.

## Digital Transformation

1. Relevant training across e-commerce is needed for independent and standalone retailers, who have limited resources, to keep up to date with evolving EU legislation.

2. A follow-on scheme that utilises lessons learned from the Online Retail Scheme to enhance and support the online presence of micro-enterprises.

## Sustainability

3. Develop a specific and targeted toolkit for retailers that would inform, signpost and map out actions and targets to achieve sustainable goals.

4. An initiative designed for the large and multinational retailers driving the sustainability agenda to mentor smaller and independent counterparts.

5. Investigate the viability of a promotional campaign that is similar to the '#lookforlocal' campaign. This campaign would be administrated at a national level and is envisaged to promote local retailers, suppliers and producers through an increased awareness of the multiplier effect of shopping local.

# Executive Summary

**Themes**

## Labour and Skills

6. A suite of initiatives is required in the training and skills area to increase the participation and attractiveness of the retail sector as a long-term, financially viable career option.

## Location and Operations

7. A strategy to ensure engagement between the Retail Forum and retail sector representative bodies with relevant departments to ensure the retail sector is represented in the implementation of the Town Centre First policies.

8. We recommend a commissioned webinar series to inform retailers on winning business models of the future.

## Engagement

9. The continuation of a dedicated minister of state with responsibility for business, employment, and retail.

10. The continuation of the Retail Forum.

11. The creation of a retail-specific portal that would collate relevant links, sources and documents that relate to retail policy and supports.

12. Investigate the impact of targeted rate reductions for small and independent businesses on the development of innovative retail offerings (such as hybrid business models, optimisation of floor plans, and/or the development of unused space for other commercial or residential purposes).

13. Explore mechanisms through which intergenerational business transfers can be supported.

## Data Availability

14. An initiative to collect and produce retail-specific data and visualisations that could be used to inform decision-making.

The retail sector is an essential component of Ireland's domestic economy

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# Chapter One: Introduction

Retailers have become increasingly aware of the difficulties associated with customer retention

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# 1.0 Introduction

Retail, both globally and in Ireland, constantly evolves in response to rapidly developing market conditions and demands. Retailers have become increasingly aware of the difficulties associated with customer retention as a result of exponential growth in online shopping. In response, retail businesses have periodically invested resources into digital transformation and purpose-led business practices (such as ethical sourcing or reducing waste)[1] to meet increasing consumer expectations. However, recent impacts from the Covid-19 pandemic, Brexit, and the sustainability agenda have reshaped the retail sector landscape. While this new business environment will continue to be exceptionally challenging for management teams, it also provides opportunities for the long-term development of Irish retailing and the Irish economy, to which it makes a significant contribution.

Prior to the pandemic, Irish retailers generated sales in excess of €30bn annually, accounting for around 12% of Ireland's GDP and delivering around €7bn in tax revenue to the State. As far as employment is concerned, the Retail sector employs an estimated 300,000 people, 70% of whom were based outside of the Dublin Metropolitan Region (the geographic area which incorporates the four Dublin local authority areas).[2]

## Retail contributes €30 Billion in sales

In the short-term, retail has generally been well supported by the Government during the various periods of economic restrictions through the various schemes, including the Employment Wage Subsidy Scheme and the Pandemic Stabilisation and Recovery Fund.[3] In this report, an assessment of the Irish retailing sector has been conducted which:

- Provides an overview of the retail landscape both globally and in Ireland, including an analysis of Irish retail data;
- Provides a review of existing policies relevant to the retail sector;
- Outlines the findings of stakeholder engagements, including an online survey, interviews, workshop, roundtable meeting and case studies; and
- Sets out 14 recommendations.

The report highlights six themes that are intrinsically linked to the Irish retail sector, namely, digital transformation, sustainability, labour and skills, location and operations, engagement, and data availability.

The first direct theme of digital transformation is one of the most important topics facing retail today as it impacts upon every phase of the supply chain from sourcing and product development to distribution and marketing.[4]

To a similar extent, the second direct theme, sustainability, disrupts retail operating models as they try to accommodate sustainable business practices and products.

The final direct theme broadly encapsulates a plethora of labour and skill-related barriers that constrain the retail sector and its perception as a long-term career path. Changing consumer demands and expectations in the aforementioned areas continue to put increasing pressure on the retail sector. Accordingly, these themes will be comprehensively examined throughout this report.

1 What's in store for consumer and retail in 2022? | KPMG
2 Ireland's retail sector | ThinkBusiness
3 Supports for covid-19 impacted businesses | Government of Ireland
4 Consumer business | Deloitte

The following overview of the six themes within the Irish retail sector provides context for this report.

# 1.1 Digital Transformation

On the theme of digital transformation, probably the biggest threat and opportunity on the horizon, the Covid-19 pandemic, has accelerated the growth of online shopping and naturally the need for many retailers to adopt multi- or omnichannel approaches to serving their customers. Ultimately, adopting a superior consumer-focused omnichannel approach can require significant investment, but provides access to new markets and can enable businesses to operate efficiently and increase their competitiveness.

While the supports offered during the pandemic, from loans and grants through to wage subsidies, enabled businesses to get online and build a web presence, it is important to move beyond this stage. A rush to "get online" as a reaction to the Covid-19 lockdowns and businesses temporarily closing underestimates the complexity of retailing and the requirements of different businesses, depending on what, where and to whom they should sell. The use of social media, user experience, and the logistics and supply chain requirements of running an online channel need to be considered in addition to the related training requirements.

# 1.2 Sustainability

The theme of sustainability reflects a global theme of 'profit with purpose', consumers are showing a desire to align their buying habits with their values. From an Irish context, this is considered as supporting the environment and the local community. Nowadays, consumers expect businesses to operate in a sustainable manner – but there are clear differences in the ability and requirements for businesses depending on their knowledge, scale, and resources. The Climate Action Plan (CAP) 2021 reflects the Government's ambition to meet a 51% reduction in greenhouse gas emissions by 2030 and to achieve net-zero emissions no later than 2050. The retail sector will have an important role to play in helping to achieve these environmental targets.

# 1.3 Labour and skills

Regardless of scale, retailers have been affected by constraints in the labour market across all levels of their businesses. Customer-facing and general operative roles within the sector are proving difficult to fill post-pandemic, a problem exacerbated by the high cost of living in urban areas compared to other European regions.[5] Accordingly, increased awareness of specific retail training, digital upskilling and reskilling of workers from other industries will be required to improve the perception of retail as a long-term career choice.

# 1.4 Location and Operations

Many retailers benefitted, and indeed others suffered, from the requirement to "work from home" during the pandemic. Suburban and rural retailers experienced increases in trade due to commuters shopping locally whereas retailers based in urban locations saw their trade decline. Given the stated desire of the Government to support continued flexibility in remote working, there will be a need to respond to the opportunities and threats posed by new ways of working. Developments in this area will require continuing cross-departmental cooperation to implement initiatives such as the Town Centre First approach including the Town Teams Model, the Town Audits and Health Checks, remote working hubs, and support for local decision-makers to promote business in their towns.

5 Eurostat Overall price levels

# Six themes that are intrinsically linked to the Irish retail sector

- Digital transformation
- Sustainability
- Labour and skills
- Location and operations
- Engagement
- Data availability

## 1.5 Engagement

Engagement between the Government and retailers increased because of Covid-19 and Brexit. The direct communication, advice and support received from the Government and DETE were appreciated by retailers. There is an opportunity to foster this relationship through the continuation of the Retail Forum and ensuring the ongoing cooperation between cross-departmental and retail representative bodies.

## 1.6 Data Availability

The final theme and associated recommendations relate to the data collection strategy – specific to the sector – to better inform policymakers. The current availability of data is a challenge for policymakers. It is recommended that a gap analysis is conducted to identify data that is currently available, and the data required for sectoral analysis and reporting.

Good retailers point to the importance of "knowing your customer" and anticipating their needs. The future of retail and the success of individual retailers will depend on their ability to effectively adapt their strategies to meet changing needs. The recommendations in this report are intended to inform policy that will support them in doing so.

## 1.7 Summary

These six thematic areas have started to impact the retail sector in recent years and evidence suggests that they will continue to do so over the next five years. Accordingly, this report provides an evidence-based approach to support policymakers with a view to increasing productivity and innovation within the sector. The following sections will consider the aforementioned areas which will be crucial in gaining a deeper insight into the emerging trends, opportunities, and challenges facing the sector in the future.

# Chapter Two: Global Retail

# 2.0 Global Retail

Globally, the retail sector has faced unprecedented uncertainty and complexity in recent years, accelerating the impact of the direct themes outlined in this report - digital transformation, sustainability, and pressures on the labour market. In this section, we set out some of KPMG's global thought leadership on what this uncertainty means for the future of retail.

# 2.1 Context

A recent survey conducted by KPMG (with 250 world leading retailers) provides a useful insight into the size of the global retail market.[6] The survey findings indicate that the global retail market is expected to reach €21.6 trillion by 2024, and revenue generated by retailers based in North America and Europe represent the majority (80%) of the world's leading 250 retailers. Most notably, grocery retailer revenue was estimated at €6.67 trillion in 2020, while e-commerce revenue was estimated at €3.22 trillion.[7]

While the retail sector has had its share of challenges in the past two years due to the pandemic, it is forecast to recover and grow in the years to come. Many geographies have experienced a strong rebound as lockdowns eased and consumer confidence bounced back.[8]

Investment in the sector supports this, with total global mergers and acquisition volume registering record highs, and deal volume in consumer and retail markets recording a 20-year high. Investment has been particularly strong in internet & catalogue retail segments, where innovative technologies are driving acquisitions of e-commerce targets with direct-to-consumer channels. The report highlights that companies that have successfully navigated through the disruption caused by Covid-19 are well placed to succeed and investors (including Private Equity) remain confident about the sector's prospects.

# Global retail is expected to reach €21.6 trillion by 2024

# 2.2 Non-Grocery Retail

Within the non-grocery retail sectors, the digital transformation has had a considerable impact with increasingly more businesses moving online. Within this domain, non-grocery retails have been developing a more digital first approach, both in terms of digital-by-design and in terms of being more conscious about the customer experience (see further in Section 2.6).[9]

Correspondingly, the pandemic has rapidly accelerated social commerce, resulting in increasingly integrated shopping experiences through the use of social media platforms. Retailers and consumers alike have recognised the benefit, efficiency, and low cost of selling directly from a social media application or website.[10] However, many retailers are reluctant to embrace the digital transformation and are responding to online-only retail competition by providing unique-instore experiences (see Section 5.4).

# 2.3 Grocery Retail

In line with the non-grocery sector, the grocery sector continues to evolve with the acceleration of grocery e-commerce. The financial cost of the move to the lower margin channel of online was offset by the increase in volume resulting from the closure of the hospitality sector during the pandemic. As the hospitality sector reopened, online and delivery services reduced but initial indicators suggest that they remain higher than before the pandemic.[11]

Despite this positive outlook, significant threats to future grocery margins have been highlighted. In particular, increasing supply chain and sourcing costs, and the continued market share growth of grocery discounters have been noted.[12]

Globally, grocery retailers are redefining the shopping experience and are exploring unique and innovative ways to attract consumers to their physical stores. Examples of industry leaders are further outlined in Section 2.8.

6 Retail Sector Survey | KPMG
7 Retail Sector Survey | KPMG
8 Global consumer and retail M&A outlook 2022 | KPMG
9 Non-grocery retail | KPMG
10 Non-grocery retail | KPMG
11 Grocery retail | KPMG
12 Grocery retail | KPMG

# 2.4 Trends

In KPMG's recent future of retail report, it is outlined that retailers want to move on from the disruption caused by the pandemic but acknowledge that the future is uncertain.[13] Although it appears that much has changed over the past year, the reality is that many of the changes brought by the COVID-19 pandemic such as buying behaviours, workforce models, channel mixes and business models were underway long before the pandemic.[14]

Store-based retailing had passed its zenith with margin and growth needed from online channels. The need to adapt to change has become far more urgent and retailers will need to adapt at pace. The report highlights how:

- "Platform businesses models" (see further in Section 2.3) already dominated many consumer-focused industries;

- the 10 biggest companies in the world (by market capitalization) are all platform players - citing Alibaba, Baidu and Paytm; and

- investors (pre-COVID) had already indicated broader platform business models were the way forward:

    - these businesses enjoyed average revenue multiples of almost 9, compared to traditional business models with multiples of between 2 to 4.[15]

    - Market capitalization for the top seven platform businesses grew by more than 1,000 percent over the past decade.[16]

Retailers need to move from thinking about the traditional retail model to a broader "consumer commerce" with large multinational retailers developing their own platform ecosystems to win market share.

# 2.5 Winning Business Models

In the Future of Retail Report,[17] seven "winning" business models are identified for retailers as they look to the future. Given the range of potential business models that could be adopted, retailers will need to establish a clear vision for the future to ensure the sustainability of their business. To inform this decision, three strategic objectives should be considered:

1   What you want to achieve (financially and for your customers);

2   Where you want to operate (what markets, brands and channels); and

3   How you want to execute (which influences your core business processes, technology, structure, culture and KPIs).

Reflecting upon the strategic objectives will inform the decision-making process. However, there is space between the business models for innovative retailers to establish niches in their market. Hence, a hybrid approach may be appropriate.

The seven business models are presented below. Relevant examples within the Irish market are highlighted. The quality and innovative ethos of Irish retailers is demonstrated by the fact that the many retailers have responded to the opportunities that these winning business models yield.



13 The Future of Retail | KPMG
14 The Future of Retail | KPMG
15 The Future of Retail | KPMG
16 The Future of Retail | KPMG
17 The Future of Retail | KPMG

6

**1** Platform-based businesses – these are business models which facilitate interactions and transactions between participants. They can be aggregators like eBay, Amazon or Etsy or can be utilized through social platforms such as Facebook, Twitter and Instagram. Platforms are evolving to be retail ecosystems across physical products and services.

DoneDeal

**2** Multinational retailers – these are large international retail groups which have expanded and entered new markets. Many are switching their focus to invest in digital direct to consumer and service focused businesses.

Smyths Toys

**3** National heroes – well established retailers whose strengths include a loyal customer base and a strong local brand. These are expected to come under increasing pressure from discounters and direct to consumer offerings and will therefore need to invest in partnerships to achieve synergies and scale.

Avoca

**4** Value-based retailers – essentially discounters, have been amongst the fastest growing physical retailers. Their strategy is to undercut the market through efficiency and scale. Retailers adopting this type of business model will need to invest in online offerings to maintain profits.

Choice Stores

**5** Direct-to-consumer – manufacturers selling directly to the consumer online or through "flagship" stores focused on experience. This is an increasingly important business model for manufacturers as it provides them with control of their brands and service levels, typified by leisurewear companies such as Adidas and Nike who build their own capabilities to deliver this proposition and leverage platform businesses in order to bypass traditional retailers and gain additional margins.

O'Neills

**6** Category specialists - niche players offering unique, focused products targeted towards a specific retail category or customer. Category specialists can either provide a platform for brands that fit their business model (e.g., electronics retailers like Harvey Norman) or may deliver their own product directly to consumers (e.g., Apple).

Tubs & Tiles

**7** Independents and Mutuals – these are retailer or consumer- owned businesses. Their focus is on the needs of their members – not just profit. They have the unique ability to directly respond to community needs, showcasing their values to the communities they serve. Alongside the mutual we have witnessed independent local retailers re-emerge as viable players, often utilizing online as either their core or an additional channel to market.

Dairygold Co-Op Superstores

Given that these business models will become increasingly popular in the future, it would be advisable to inform retailers of the intricacies and nuances of these models through various mediums.

Customer Experience

# 2.6 The Future of Customer Experience

As previously noted, retailers are under increasing pressure to enhance the consumer experience. In this section, we present the Six Pillars of experience that have been shown to support outstanding customer relationship experiences. Findings from this section are derived from KPMG's regular Global Customer Experience Report,[18] which assesses emerging customer experience leading practice across 26 countries, regions, and jurisdictions.

## Integrity

Brand and value are becoming increasingly aligned with corporate behaviour. Within this domain, environmental, social, and corporate governance (ESG) has become increasingly important as firms seek to address demand from consumers to know the provenance of the products they buy, the way the supply chain is managed and how employees are treated. Correspondingly, firms are having to reevaluate their position on data security and privacy as they shift to online and navigate international GDPR legislation.

## Resolution

As consumer experiences are enhancing, so too are expectations for replicated standards of experience. This expectation is particularly prominent in the expectation of technological experience. Accordingly, firms are having to increase the pace of innovation and development to drive improvements across all aspects of the customer experience. As will be outlined in Section 5.4, new technologies are being adopted to push the boundaries of customer expectations with augmented reality experiences and artificial intelligence applications to customer data.

## Time and Effort

Effort and loyalty are inextricably connected, the easier an experience is, the more likely a customer is to continue purchasing. This explains the significant rise in the usage and popularity of delivery services as ecommerce has become a way of life and next day or even same day delivery a fact of life. However, fastest isn't always best, it is how time and effort are expended that is important. The increasing fusion of online and offline experiences are taking account of the fact that sometimes consumers what to browse, evaluate and be inspired.

## Personalisation

Advances in technology, data, and analytics are enabling companies to create much more personal and "human" experiences. Personalisation is how the customer is left feeling about themselves after an interaction, do they feel better equipped to tackle whatever comes next, be in more in control and be more able to be successful.

Some businesses define their business as contributing to the success of their customers, not just selling products or even solutions, but improving the quality of their customer's lives. This requires a deep understanding of the customer, being able to track patterns and being to infer when an intervention will make the most positive difference.

## Empathy

Empathy is becoming a core competence when it comes to user experience design and improvement. Organisations are increasingly considering experience from the consumer perspective in order to show that they understand and care about their experience. Within this context, it is important to note that consumers do not always seek rapid transactions, many appreciate and expect the psychological satisfaction of human connection. Accordingly, knowing how and when to provide human to human interaction in the consumer experience is of paramount importance.

## Expectation

The trend of customer expectation has become more evident as customers embrace a raft of new technologies. In response, firms are having to rapidly increase the pace of innovation and development to remain competitive. Emerging technologies such as artificial intelligence, augmented reality and machine-learning are pushing the boundaries of the competitive landscape, which in turn is leading to an escalation in customer expectations.

The first stage in meeting or exceeding customer expectations is to know what they are and monitor how they are changing over time. Hence, customer feedback and data have become an essential component of informed decision making within the domain of customer experience. More than ever consumers expect connected journeys, seamless transitions across channels and end-to-end experiences that are tailored to their circumstances.

18  Orchestrating experiences | KPMG

# 2.7 Drivers of Choice

As previously outlined, the pandemic has led to significant changes in the decision criteria consumers use to choose a supplier. Within this domain, there are three clear drivers of choice that have been accelerated over the last 18 months.

**1**

**The health of the consumer:** as consumers are becoming more health conscious, they are showing a strong preference for companies that can demonstrate how their offerings enable healthy lifestyle choices. This is fueling companies who are focused on fitness and healthy living rather than just selling sportswear.[19]

**2**

**The health of the planet:** consumers are becoming increasingly more aware of the environmental impact of their decisions. Accordingly, disposable plastics, $CO_2$ emissions and other areas of sustainability are at an elevated level. Hence, retailers are looking outward to ensure Net Zero emissions are achieved. Research indicates that two thirds of customers say they are willing to pay more for goods that demonstrate they are planet friendly.[20] However, exploring sustainable business practices can be costly and requires time. Hence, further support from Government and Industry to raise awareness and reduce costs in this area will be required to achieve international climate action targets.[21]

Within the context of rising energy costs, increasing awareness of the benefit of sustainability business practices to offset rising energy costs will be particularly important in the immediate and midterm.

**3**

**The quality of the digital experience:** as a result of the digital transformation, customers of all ages have become proficient at using digital channels to consume. However, a challenge will remain for retailers to ensure that the boundaries of the digital customer experience is continuously pushed.[22]

As outlined throughout this report, the digital transformation, sustainability agenda and the effective utilisation of data analytics are expected to become increasingly more determinant of success. However, the challenge for retailers will be in understanding how to align and address increasing expectations within these domains.

19 Non-grocery retail | KPMG
20 Non-grocery retail | KPMG
21 Non-grocery retail | KPMG
22 Non-grocery retail | KPMG

# 2.8 Industry Leaders

The following section presents four industry leading companies that KPMG have recognised as industry leaders in customer experience.

| Keurslager | • Keurslager is a traditional butcher's chain that provides top quality meat across the Netherlands.<br>• The company has been recognised for its ability to balance a friendly and personal shopping experience while maintaining integrity. In addition, the company has embraced the digital transformation and has increased its social awareness and impact by donating to charitable organisations. |
|---|---|
| SnR Supermarkets | • SnR Supermarkets is a chain of membership-only shopping club modelled after the warehouse membership shopping chains in the US.<br>• **The company's core strategy is to deliver significant value to membership-customers through an effective and efficient system that utilises bulk buying and low-cost distribution.**<br>• The company offers a broad selection of imported and local produce in value-packed sizes and can cater for both personal and business needs. |
| Farmacia Tei | • Farmacia Tei is a pharmacy that offers over 20,000 brands – ranging from medicine to cosmetics and organic supplements).<br>• The company utilises a distinct pricing strategy that is based on volume and small margins.<br>• In line with the digital transformation, the company has established a strong presence in the online pharmacy space and has been commended for its accessibility, customised product offers and product discounts. |
| La Formaggeria Gran Moravia | • La Formaggeria Gran Moravia is a Czech retailer that specialises in Italian produce.<br>• The company offers high quality products at reasonable prices and offers customers exceptional service and advice through knowledgeable staff who are well trained.<br>• The company describes themselves as an eco-sustainable group and was one of **the first producers globally to achieve carbon neutrality.** |

# 2.9 Summary

This section has highlighted the size and complexity of the global retail market. The impact of the digital transformation, sustainability agenda, and pressures on the labour market were identified on both the non-grocery and grocery sectors. Despite the challenges of the Covid-19 pandemic, many retailers have responded by embracing innovative technologies, strategies and business models. Within this domain, seven "winning" business models were identified that retailers should align with as the look to the future. Correspondingly, six pillars of experience were explored that are essential to achieving outstanding customer relationship experiences. Finally, four companies highlighted to provide real-world examples of industry leaders in customer experience.

# Chapter Three:
# Irish Retail

# Pre-pandemic retail made a €7 billion contribution to the Irish exchequer

# 3.0 Irish Retail

Pre-pandemic retail was Ireland's largest employer, making a significant contribution, estimated at €7 billion, to the Irish exchequer.[23] It is often seen as a barometer for the national economy, an indicator of not just consumer confidence, but also of international business as it continues to attract flagship global stores to high streets.

Traditionally, Ireland has had a strong tradition of producing successful Retailer Groups - particularly in the Grocery and Fashion segments, and while international competition grew with new entrants in the late 1990s, many continued to innovate and thrive. In recent years, accelerated by the pandemic, the competition has again intensified this time driven by online retailers, particularly in fashion and giftware.

To analyse the current and future state of Irish retail, it is necessary to broaden the focus beyond the highly successful grocery and fashion groups and indeed the global brands of the high street, Irish retail is far broader than that. This would ignore two significant features of the market - the recent penetration of global e-commerce platforms, where many Irish consumers are now shopping and as set out below, the fact that over 85% of retail businesses in Ireland are small, having under ten employees.[24]

To ensure a comprehensive analysis of the sector was carried out, it was necessary to combine and analyse a variety of quantitative data sources and supplement these with qualitative research. A number of limitations and caveats apply to the findings presented in this following subsection, particularly in relation to data granularity. Similarly, limitations emerged within the context of the up-to-date data. Hence, the collection of enhanced retail-specific data to inform decision-making within the retail sector would be welcomed in the future.

# 3.1 Data Classification and Limitations

The broad definition of "Retail" generally encompasses a wide variety of stores (e.g., department stores, supermarkets, and specialist outlets). In CSO data, all these stores are grouped in the Nomenclature of Economic Activities (NACE) business classification.[25] Hence, this research utilises the NACE category "Retail (G)", as a baseline for data, unless more detailed data is available. The Retail[26] (G) group is further disaggregated into the subgroups of Motor Trade (45), Wholesale Trade (46) and Retail Trade (47), with even more granular breakdowns available through NACE numbering levels (e.g., "47.1 Retail sale in non-specialised stores").

While the analysis utilised the latest data on a variety of topics that are of keen interest to those involved in the retail sector, the resulting insights and findings are stymied by data limitations. Most of the available data is limited on a temporal scale, where the latest data is for 2019 or 2020, thus limiting its applicability to current studies.[27]

There is a wide variety of data available through the CSO on topics related to the Irish retail sector, such as employment levels, wages (average weekly and hourly by sector), ICT usage, and business demography. Many of these datasets have limited applicability due to:
- Spatial scale – data is only available at high spatial/geographical levels (i.e., State);
- Temporal scale – the latest data release is from 2019/2020 and has limited use due to fundamental changes due to the pandemic; and
- Aggregation/granularity - datasets lack information on NACE categories or use aggregations that limit details on specific sectors.

There are also instances where all three of these factors impact promising data sets, and therefore limit further detailed analysis .

23 Shaping the future of Irish retail | Retail Ireland
24 Shaping the future of Irish retail | Retail Ireland
25 NACE Rev.2 classification | Eurostat
26 Full category name: "Wholesale and retail trade, repair of motor vehicles and motorcycles (G)"
27  A full list of data sources is presented in Appendix 1.

# 3.2 Landscape

In Ireland, the retail sector has historically been documented as one of the largest sectors of employment. As indicated by quarterly data from the CSO, approximately 12% of the workforce is employed in this critical sector[28] (Quarter 1 2019 – Quarter 2 2022). This figure has remained relatively stable in recent years despite fluctuations in overall levels of employment. As Figure 1 indicates, from the beginning of 2019 to the end of Quarter 2 2022, a quarterly average of approximately 304,000 persons were employed in the retail sector. The lowest level of employment in the sector was recorded in Quarter 2 2020, which registered a 12% decrease (37,000 persons) to the previous quarter.

*Figure 1: Proportional Employment by NACE Sector – Quarter 1, 2019 to Quarter 2 2022 (CSO, 2022[29])*



Legend:
- Agriculture, forestry and fishing (A)
- Industry (B to E)
- Construction (F)
- Wholesale and retail trade, repair of motor vehicles and motorcycles (G)
- Transportation and storage (H)
- Accommodation and food service activities (I)
- Information and communication (J)
- Financial, insurance and real estate activities (K, L)
- Professional, scientific and technical activities (M)
- Administration and support service activities (N)
- Public administration and defence, compulsory social security (O)
- Education (P)
- Human health and social work activities (Q)
- Other NACE activities (R to U)

Additional insights into the nature and size of retail businesses in Ireland can be gained by examining the latest data on business demography from the CSO (available up to 2019). As illustrated in Table 1, approximately 47,000 active retail enterprises were operating across the country in 2019. Notably, the 'Retail trade' (NACE 47) subgroup was the most prevalent.

28 Px Stat Table QLF07
29 Px Stat Table QLF07

*Table 1: Business Demography (CSO, 2021)*

| Sector | 2019 |
|---|---|
| Wholesale and retail trade, repair of motor vehicles and motorcycles (G) | 46,786 |
| Subgroup breakdown | |
| Motor trades (45) | 9,386 |
| Wholesale trade (46) | 13,526 |
| Retail trade (47) | 23,874 |

Table 2 sets out these active industries in greater detail by including a breakdown of enterprises by the number of employees. As reported, the majority of retail businesses employ less than 10 employees, with less than 500 retail entities employing over 50 personnel.

*Table 2: Business Demography – Number of Active Enterprises by Sector subgroup and size (CSO, 2021[30])*

| Sector and Enterprise Size | 2019 |
|---|---|
| **Wholesale and retail trade, repair of motor vehicles and motorcycles (G)** | 46,786 |
| Total Active Enterprises | **46,786** |
| Under 10 | 40,772 |
| 10 – 19 | 2,915 |
| 20 – 49 | 2,165 |
| 50 – 249 | 827 |
| 250 and over | 107 |
| Motor trades (45) | |
| Total Active Enterprises | **9,386** |
| Under 10 | 8,712 |
| 10 – 19 | 340 |
| 20 – 49 | 248 |
| 50 – 249 | 82 |
| 250 and over | 4 |
| Wholesale trade (46) | |
| Total Active Enterprises | **13,526** |
| Under 10 | 11,639 |
| 10 – 19 | 795 |
| 20 – 49 | 744 |
| 50 – 249 | 314 |
| 250 and over | 34 |
| Retail trade (47) | |
| Total Active Enterprises | **23,874** |
| Under 10 | 20,421 |
| 10 – 19 | 1,780 |
| 20 – 49 | 1,173 |

**'321,200 persons employed in the sector as of Quarter 2 2022'**

30  Px Stat Table BRA20

# 3.3 Digitisation of the Retail Sector

Data published by the CSO indicates that, since 2019, there has been a considerable increase in the proportion of turnover generated by online sales, where, for 'all retail businesses', the proportion of turnover from online sales increased from 3.3%, in 2019, to 7.2% by 2021.

*Figure 2: Percentage of Turnover from Online Sales, 2019 2021 (CSO, 2022[31])*



Source: CSO, Px Stat Table RSM07

Figure 2 shows an increase in turnover from online sales across both general and all inclusive retail sector data. As illustrated, the 'department store' has experienced a dramatic increase in online turnover between 2019 and 2020, which held to this level in 2021. The proportion of retail sales transacted online in 2021 is likely to set the direction for the 'new normal'.
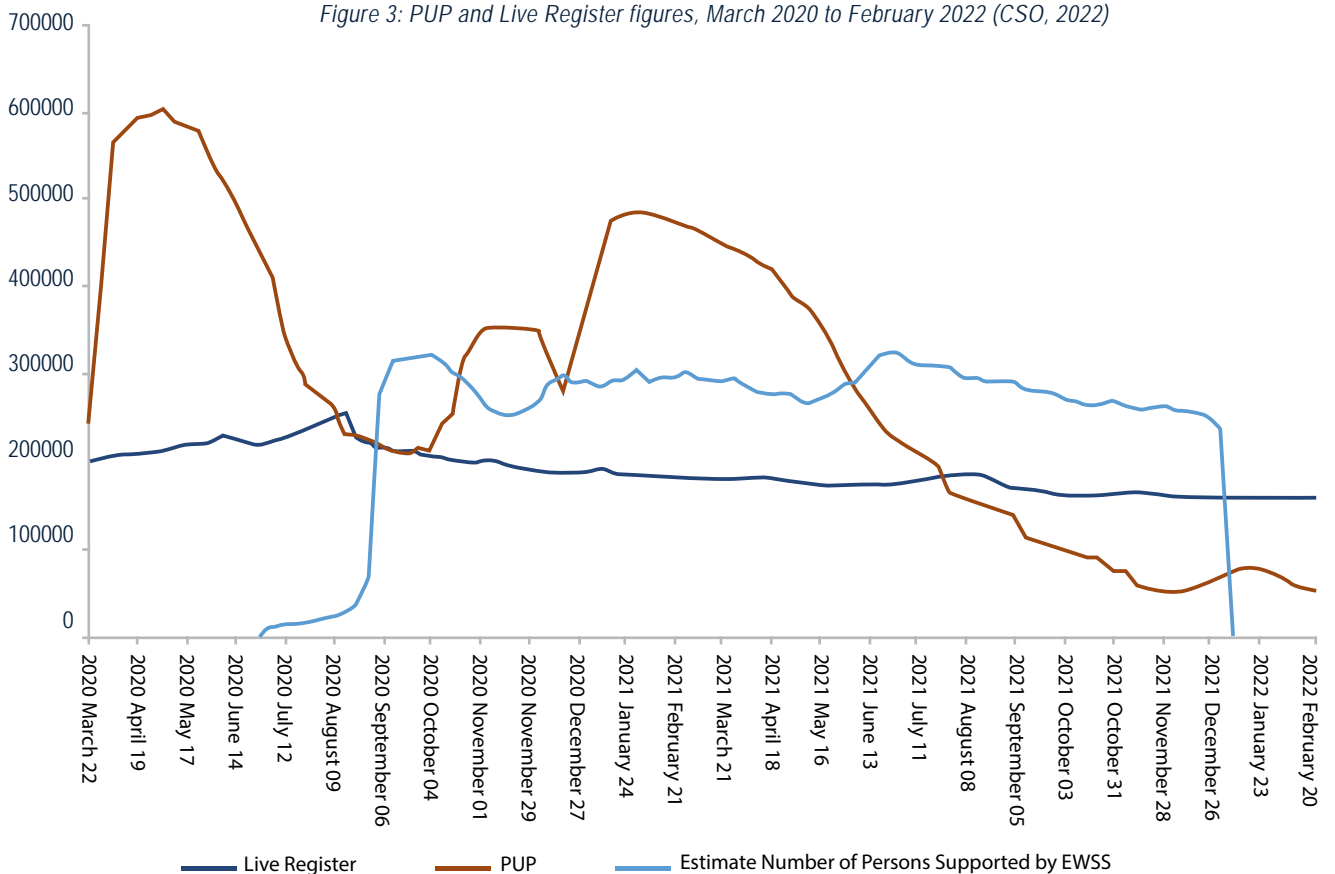
31 Px Stat Table RSM07

# 3.4 Impact of Covid-19 and Brexit

This section is a snapshot in time that in reflects the beginning of the post-lockdown environment and the return to a level of 'normality'. Given the proportion of the national workforce historically employed in the retail sector the fluctuations caused by Covid-19, and subsequent lockdowns, should be adequately documented.

The initial lockdown measures implemented in March 2020 had a substantial impact on employment levels across the country. The sectors most affected by these measures were construction, hospitality, and retail. Initial figures of the Pandemic Unemployment Payment (PUP) saw approximately 395,000 people in receipt of the payment by the end of March 2020. As of May 2020, the number of persons in receipt of PUP peaked at approximately 606,000, of which 77,000, or 13% were retail workers. The use of the scheme coincided with the introduction and easing of lockdowns on various industries such as accommodation, food services, and the retail sector evident with the two coinciding peaks of recipients experienced in November 2020 and January 2021.

As Figure 3 shows, in February 2021 there were 480,000 people in receipt of the PUP, with 12% of these being retail workers. The gradual reopening of those sectors has enabled a substantial reduction in claimants, with levels declining to 244,000 in June 2021 and falling below Live Register numbers in August 2021. The number of persons supported by the PUP has remained below the number of persons on the Live Register since this tipping point in August 2021. Based on the latest data (February 2022) there are 54,000 persons still in receipt of PUP, which is less than 10% of those on PUP at its peak.

*Figure 3: PUP and Live Register figures, March 2020 to February 2022 (CSO, 2022)*



With the recent easing of restrictions, it is expected that the sectors most heavily impacted by restrictions (namely hospitality, tourism, and retail) will seek to rebuild the employment base to pre-pandemic levels.
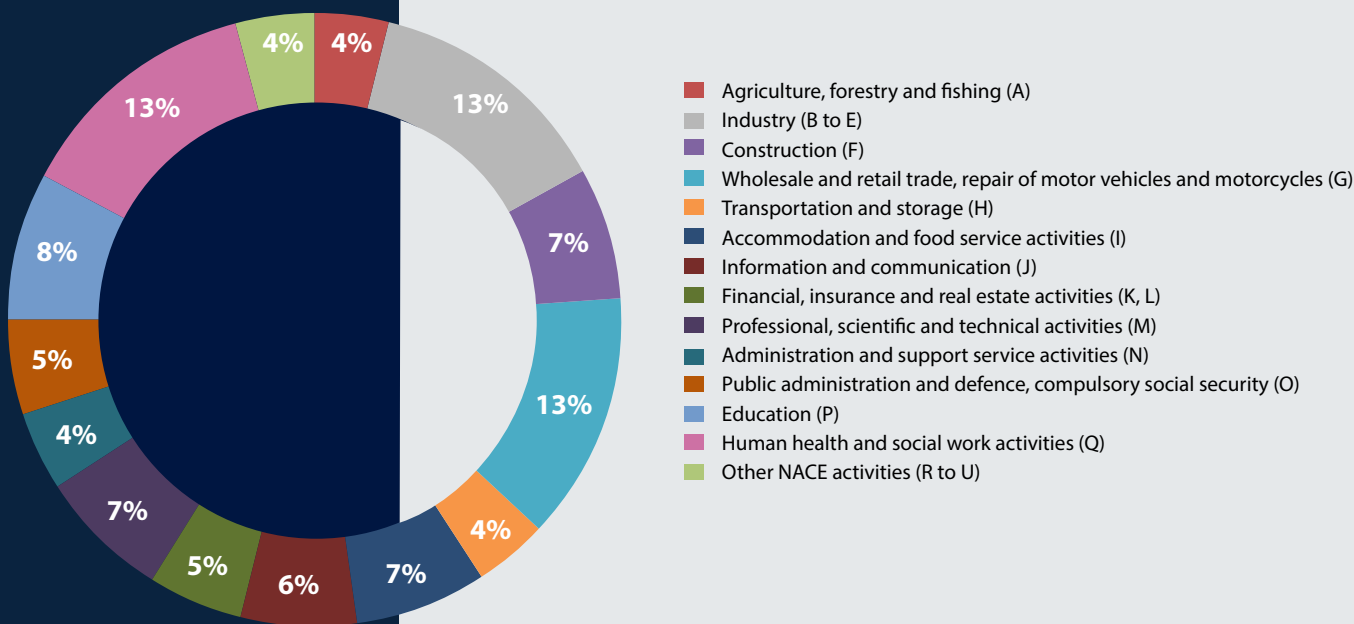
# 3.5 Post-Covid-19 Landscape
# 3.5.1 Employment and New Businesses

As of February 2022, there has been a further easing of Covid-19 restrictions and immediate projections of retail sector growth look promising. The latest figures from the CSO[32] (Quarter 2, 2022), indicate that the retail sector currently employs approximately 321,200 people in Ireland. This is approximately 25,400 more employees than the combined number of employees in the "Information and Communication (J)" and "Financial, insurance and real estate (K, L)" sectors for the same period, as illustrated in Figure 4.

NACE group 47.9 is described as "retail sale activities by mail order houses, over the Internet, through door-to-door sales, vending machines etc.[33] The large increases seen in the number of new business registrations within this subgroup are likely due to adapting to the public health restrictions implemented due to the Covid-19 pandemic and reaction to changes in consumer preference for online sales options.

*Figure 4: Proportional Employment by NACE Sector, Quarter 2 2022 (CSO, 2022)*



- Agriculture, forestry and fishing (A)
- Industry (B to E)
- Construction (F)
- Wholesale and retail trade, repair of motor vehicles and motorcycles (G)
- Transportation and storage (H)
- Accommodation and food service activities (I)
- Information and communication (J)
- Financial, insurance and real estate activities (K, L)
- Professional, scientific and technical activities (M)
- Administration and support service activities (N)
- Public administration and defence, compulsory social security (O)
- Education (P)
- Human health and social work activities (Q)
- Other NACE activities (R to U)

32  Px Stat Table QLF07

33 NACE Value - G.47.9 (Retail trade not in stores, stalls or markets) | Europa

# 3.5.2 Retail Sales Index

Similarly, the Retail Sales Index (RSI), as set out in Figure 5, shows evidence of notable growth. The RSI mirrors the impact the pandemic has had on employment levels in the retail sector, with drops aligning with periods of lockdown. As expected, there was a substantial drop in March 2020 with a gradual climb back to pre pandemic levels throughout 2020 and 2021.

From the initial lockdown in March 2020 through the remainder of 2020, the RSI recorded large fluctuations in index score, coinciding with the periods of lockdown and re opening. The lowest index score reported in the RSI was in April 2020, where the score was 50.4% lower (an index score of 61.9) than that of February 2020 (112.3 index score - pre lockdown). By October 2020, the RSI had recovered to pre lockdown levels, however, 2021 suggested a period of volatility as businesses navigated through new shopping regulations and restrictions. In addition, changing consumer demand and stronger spending power, due to restricted movements, also contributed to the fluctuations. Overall, by July 2022 there was a net growth of 10.4% from February 2020.

*Figure 5: Retail Sales Index[34] - January 2019 to July 2022, (CSO, 2022[35]).*

# 3.6 2022 Onwards

The retail sector has and will continue to be a vital component of the Irish economy. As one of the largest sectors of employment, it was severely impacted by public health restrictions implemented in response to the global pandemic, but evidence has shown that there has been net growth throughout the pandemic

The pandemic has been a driving force in terms of changing the consumer mindset when it comes to retail activity. The analysis has found that consumers are increasingly using online retail platforms, a trend supported by the increased turnover generated by online sales. Notably, the Trading Online Voucher Scheme (TOV) supported and facilitated many small businesses to develop or enhance their ability to trade online. Correspondingly, the Online Retail Scheme (ORS) assisted Irish-based retailers who already have an online presence to respond to domestic and international consumer demand for online shopping.

The success of the Trading Online Voucher Scheme was acknowledged by Interreg Europe (a cooperation programme, co-funded by the European Union) for its positive impact in Ireland prior to the pandemic. Reflecting upon the success of the Trading Online Voucher Scheme, Interreg Europe notes the following positive results:

- 85% increase in enquiries including 40% increase in overseas enquiries
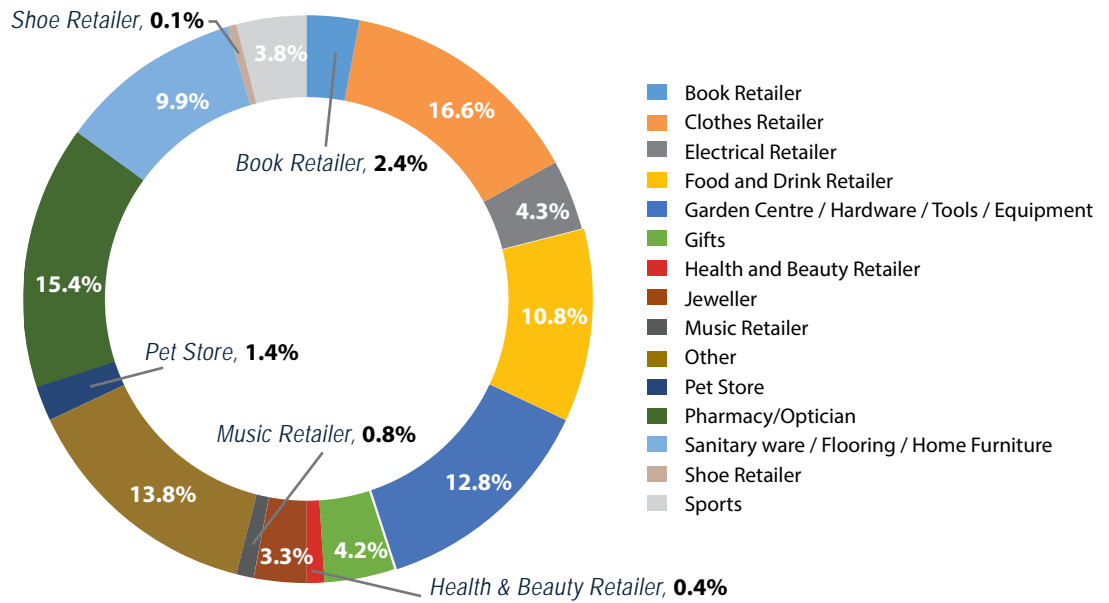- Sales growth averaging 21%

- Average 1.4 jobs created per enterprise.
  Correspondingly, the scheme had strong uptake in the following sectors:
- retail (24%)
- creative/manu. (17%)
- traded services (16%)
- professional (14%)
- food (6%).

However, it is worth noting that although the TOV Scheme was having success in Ireland prior to the pandemic, uptake significantly increased during and after the pandemic.[36] Learning from the Irish model, the Trading Online Voucher Scheme has already been adopted in Slovenia to address targeted enterprise needs there, involving Slovenian Ministry of the Economy, supported by the Development Centre at the Heart of Slovenia. To ensure Ireland remains at the forefront of this domain, further consideration should be given to the potential enhancement of the Trading Online Voucher Scheme.

The tables and charts overleaf illustrate aspects of the Online Retail Scheme by region, sector and funding call from 2018 to 2022.

*Table 3: Funding made available to retailers through the ORS scheme by year, 2018-2022 (DETE, 2022)*

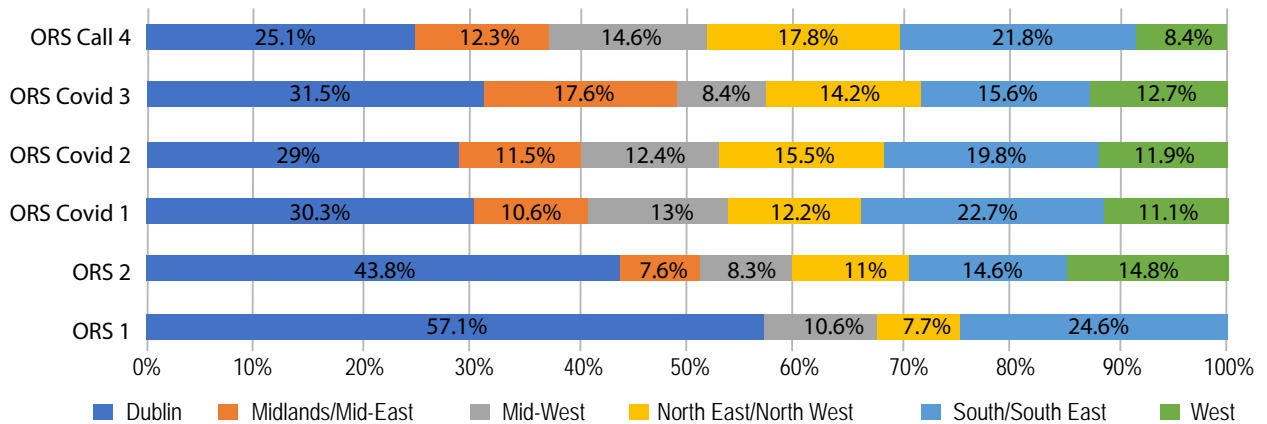| Year | Scheme | Total number of Successful Applicants | Total awarded per call | % Matched Funding |
|------|--------|---------------------------------------|------------------------|-------------------|
| 2018/ 2019 | ORS (Pilot 1 & 2) | 40 | 894,636 | 50% |
| 2020 | COVID-19 Call 1 | 185 | 6.6m | 80% |
| 2020 | COVID-19 Call 2 | 145 | 5.3m | 80% |
| 2021 | COVID-19 Call 3 | 172 | 6.3m | 80% |
| 2022 | ORS Call 4 | 216 | 9.29m | 80% first time/50% sec ond or more |
| Total | | 758 | €28.3m | |

## Distribution of Successful Applicants by Sector

*Figure 6: Distribution of Successful Applicants by Sector (Enterprise Ireland, 2022*)*



Shoe Retailer, **0.1%**
3.8%
9.9%
16.6%
4.3%
Book Retailer, **2.4%**
15.4%
10.8%
Pet Store, **1.4%**
Music Retailer, **0.8%**
12.8%
13.8%
3.3%
4.2%
Health & Beauty Retailer, **0.4%**

Legend:
- Book Retailer
- Clothes Retailer
- Electrical Retailer
- Food and Drink Retailer
- Garden Centre / Hardware / Tools / Equipment
- Gifts
- Health and Beauty Retailer
- Jeweller
- Music Retailer
- Other
- Pet Store
- Pharmacy/Optician
- Sanitary ware / Flooring / Home Furniture
- Shoe Retailer
- Sports

## Distribution of ORS Funding by Call and Region

*Figure 7: Proportion of ORS Funding that went to each region for each of the calls (Enterprise Ireland, 2022*)*



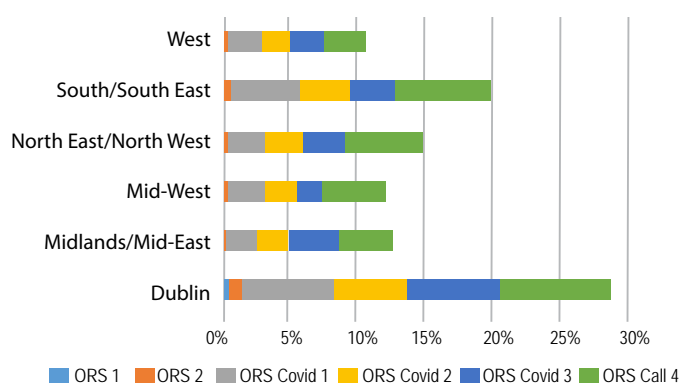| Call | Dublin | Midlands/Mid-East | Mid-West | North East/North West | South/South East | West |
|---|---|---|---|---|---|---|
| ORS Call 4 | 25.1% | 12.3% | 14.6% | 17.8% | 21.8% | 8.4% |
| ORS Covid 3 | 31.5% | 17.6% | 8.4% | 14.2% | 15.6% | 12.7% |
| ORS Covid 2 | 29% | 11.5% | 12.4% | 15.5% | 19.8% | 11.9% |
| ORS Covid 1 | 30.3% | 10.6% | 13% | 12.2% | 22.7% | 11.1% |
| ORS 2 | 43.8% | 7.6% | 8.3% | 11% | 14.6% | 14.8% |
| ORS 1 | 57.1% | | 10.6% | 7.7% | 24.6% | |

## Distribution of Total Funds by Call and Region

*Table 4: % of total funding that were allocated to each region across the calls. (Enterprise Ireland, 2022*)*
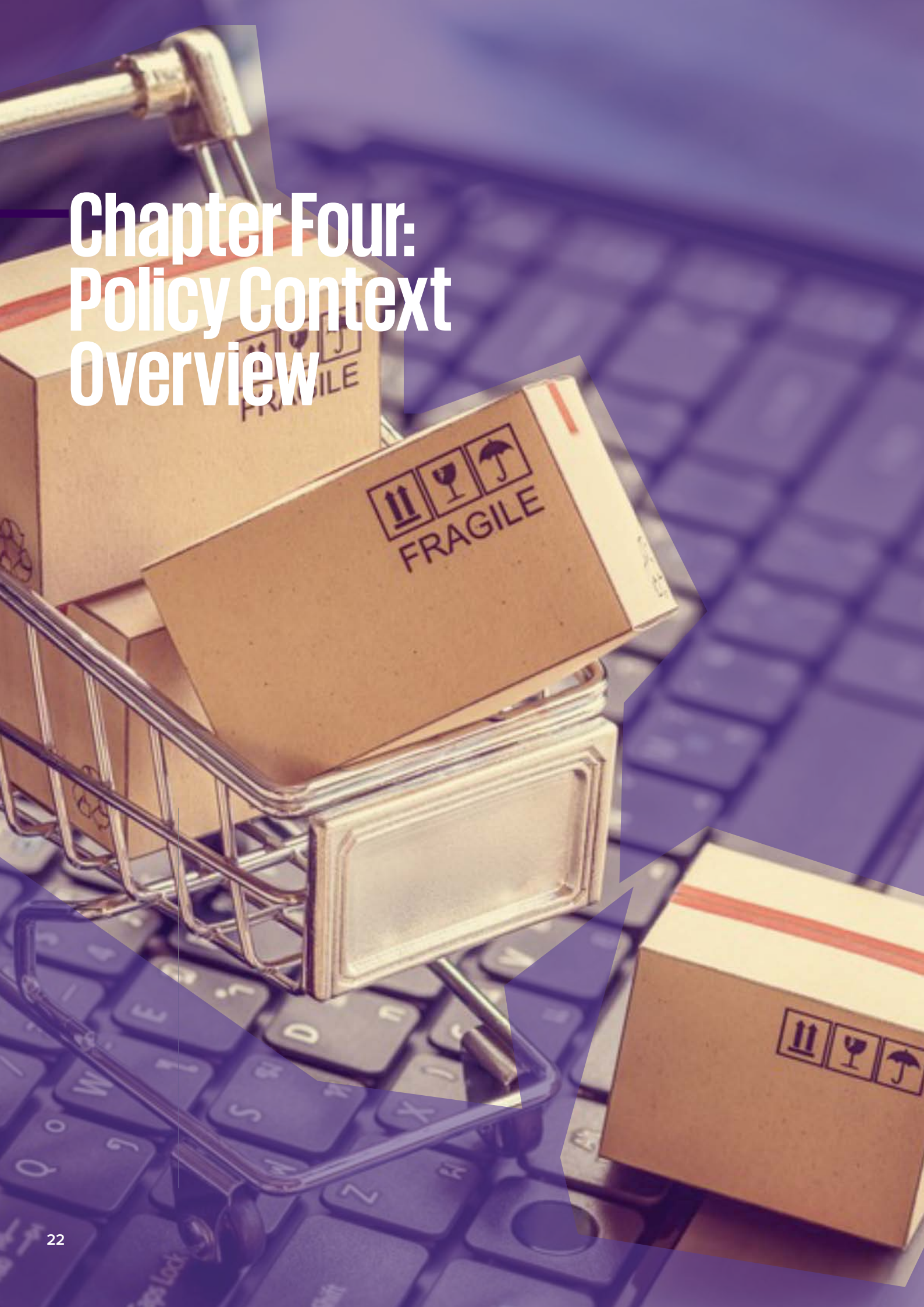*Figure 8: % of total funding that were allocated to each region across the calls. (Enterprise Ireland, 2022*)*

| | ORS 1 | ORS 2 | ORS Covid 1 | ORS Covid 2 | ORS Covid 3 | ORS Call 4 | Grand Total |
|---|---|---|---|---|---|---|---|
| Dublin | 0.5% | 1.0% | 7.0% | 5.4% | 7.0% | 8.2% | 29.2% |
| Midlands/ Mid-East | 0.0% | 0.2% | 2.5% | 2.1% | 3.9% | 4.0% | 12.7% |
| Mid-West | 0.1% | 0.2% | 3.0% | 2.3% | 1.9% | 4.8% | 12.2% |
| North East/ North West | 0.1% | 0.3% | 2.8% | 2.9% | 3.2% | 5.8% | 15.1% |
| South/South East | 0.2% | 0.3% | 5.3% | 3.7% | 3.5% | 7.1% | 20.1% |
| West | 0% | 0.3% | 2.6% | 2.2% | 2.8% | 2.7% | 10.7% |
| Grand Total | 0.8% | 2.3% | 23.2% | 18.7% | 22.3% | 32.6% | 100% |

# Chapter Four:
# Policy Context
# Overview

# 4.0 Policy Context Overview

A primary area affecting the retail sector, external to market forces, is the influence of government and government policies, both retail-specific and wider policies, programmes, initiatives and schemes that influence the sector. The following overview considers the extent to which current policy addresses the challenges and opportunities that are associated with the retail sector.

There have been several important legislative and policy developments that have had an impact on the retail sector over the last number of years. Perhaps the most significant of these is Project Ireland 2040: National Development Plan (2021-2030), which sets out the state's national and regional investment priorities and aims to provide the investment needed to meet the goals of the National Planning Framework (NPF). The National Development Plan (NDP) (2021-2030) is the largest NDP ever delivered in the history of the state. It places a particular focus on priority solutions to strengthen housing, climate ambitions, transport, healthcare, jobs growth in every region and economic renewal for the decade ahead.

The latest NDP is considerably aligned with the challenges that are facing the retail sector, namely, _digital transformation, sustainability, labour and skills, and locations and operations._ For example:

- In response to digital transformation, the newly established Digital Transition Fund is designed to incentivise businesses to progress along a digital transition ladder, from going online to the digital transformation of products and business processes, to facilitating exporting, and to use digital technologies to develop new markets and business models;

- In response to concerns arising from sustainability and the sustainability agenda, the NDP has established the Climate Action Fund and the Climate Carbon Reduction Fund, which aim to assist businesses in achieving carbon abatement, and thereby building their resilience, competitiveness, and environmental sustainability;

- In response to labour and skills, the NDP recognises the opportunity to deploy funding for upskilling and training to support the labour market to maximise capacity and productivity; and

- In response to operations and locations, the NDP has made a commitment to funding schemes that support town and village centres to deliver economic and social benefits to local communities.

The NPF and the funding outlined in the NDP 2021-2030 also laid the building blocks for the delivery of town centre revitalisation through the Town Centre First (TCF) policy. Shifting retail trends, particularly at the local level, will likely result in a decline in the traditional shopping premises and experience. Consequently, a more integrated shopping experience will become conventional with mixed-use models of retail, commercial, cultural, and residential becoming established.

The traditional and majority model of city, town and village centres are in an optimal position to leverage this shift to experiential retail as many of the non-retail 'experiences' exist in such locations in the form of parks, squares, cultural institutions, and built heritage. The TCF policy aims to enhance the existing urban development policy framework to support and guide stakeholders to develop and deliver a contemporary vision for urban renewal that is 'place' focused. In addition, the TCF approach promotes the alignment of future planning and investment decisions across the whole of government to drive the regeneration of towns and villages.

The following retail-specific policy review follows the four themes highlighted above to identify the extent to which current policies address the challenges and opportunities associated with the retail sector.

# 4.1 Digital Transformation

The Irish Government has published a new National Digital Plan (Harnessing Digital – The Digital Ireland Framework – February 2022) that aims to make "connectivity available to everyone" through the National Broadband Plan, remote working hubs, and broadband connection points.

The first phase of the National Digital Strategy was published in 2013. This strategy focused on digital engagement and how Ireland could reap the full rewards of a digitally enabled society. However, its focus was on short- and medium-term actions.

This new National Digital Strategy responds to technological advances in recent years and the range of opportunities and challenges they present to Irish society. The new digital strategy will be crucial to provide a coordinated, cross-government national approach to the digitisation of the economy and society to maintain competitiveness and maximise benefits. These aspects are particularly relevant to the retail sector, given the increasing pace of its digital transformation.

The Expert Group on Future Skills Needs (EGFSN)[37] advises the Irish Government on the current and future skills needs of the economy and on other labour market issues that impact Ireland's enterprise and employment growth. Specifically, they carry out research, analysis, and horizon scanning in relation to emerging skills requirements at thematic and sectoral levels. Notably, the EGFSN published the "Digital Transformation: Assessing the Impact of Digital Transformation on Ireland's Workforce"[38] study, which assesses the impact that the adoption of digital technologies will have on sectors, occupations, and regions in Ireland over the 2018 – 2023 period.

Regarding retail, this study highlights the risk this sector incurs from digital transformation. An aspect of digital transformation that is particularly concerning for retail is the rise of new, disruptive vendors in the market, such as Amazon and eBay. With these large-scale retailers having better access to technology and resources compared to smaller, independent retailers, it has accelerated their ability to capture more market share, putting increasing

pressure on independent and indigenous businesses. According to the EGFSN study, 76% of workers within the retail, transportation, and hospitality sectors have a medium to high probability of being impacted by increased digital transformation, with the occupations most at risk including sales and customer service roles due to increased online shopping, automation, and potential skills gaps within these occupations. In response, a suite of initiatives would be advisable to improve the training and skills of employees in the retail sector. Four major training needs have been identified within this context, namely, new hire training, operational training, product training, and software training.

While the uptake of digital technologies in the retail sector is considered slow relative to other sectors, the Covid-19 pandemic and subsequent public health restrictions have accelerated the uptake of digital technologies among retailers.[39] Consequently, this area presents a major opportunity for policy initiatives to support retailers to align with national digitalisation plans.

The National AI Strategy for Ireland[40] sets out how Ireland can be an international leader in using Artificial Intelligence (AI) to benefit our economy and society, through a people-centred, ethical approach to its development, adoption, and use. The strategy sets this precedent in motion by considering the impact that AI will have on our lives through building public trust in AI, leveraging AI for economic and societal benefits, and identifying the enablers for AI adoption and implementation.

The strategy also states the potential benefits of AI in retail and how businesses can use it to improve existing products, develop new products, and increase their understanding of customer needs. AI adoption is also seen as being able to deliver efficiencies, process improvements, and increased production quality for businesses and retailers.

With trade and commerce becoming increasingly digital, the strategy outlines several objectives and actions focused on supporting the awareness, understanding, and implementation of AI in business and enterprise across all company scales and sizes.

37 Expert Group on Future Skill Group - Skills | EGFSN
38 Assessing the Impact of Digitalisation on Ireland's Workforce | DETE
39 Harnessing Digital - The Digital Ireland Framework | Government of Ireland
40 National Artificial Intelligence Strategy for Ireland | DETE

The strategy highlights that the typical uses of AI by Irish businesses include optimising manufacturing practices, improving customer services, supply chain optimisation, and risk management. These practices are bound to become more present in Irish enterprises, including retailers, as the decade continues.

Considerable efforts are being made within the context of AI and enterprise in Ireland. However, an opportunity exists to undertake an analysis of best practices within the domain of Virtual Reality (VR) and Augmented Reality (AR) for the Irish retail sector. As illustrated by the Kilkenny case study further in this report, the relationship between the retail sector and VR and AR technologies are expected to become increasingly more connected. Hence, policy that supports the uptake of this emerging trend while utilising insights gained from the AI strategy will likely produce favourable outcomes for the retail sector.

# 4.2 Sustainability

Climate transition will have a crucial effect on the retail sector in the coming years and the new CAP sets ambitious targets across the entire economy. The challenge for retail will be its implementation, as the sector needs to embrace the process of decarbonisation, retrofitting, and the circular economy.

The CAP 2021 sets out a roadmap for taking decisive action to half Ireland's emissions by 2030 and reach net zero no later than 2050.[41] It contains a suite of goals, objectives, and actions spanning across all industries and sectors towards achieving these targets. In relation to retail and enterprise, the plan highlights how business models that are sustainable and focused on decarbonisation will be essential in achieving long-term targets. Equally, the plan highlights how companies and sectors that fail to decarbonise will become increasingly uncompetitive.

The plan presents several areas where retailers, businesses, and enterprises can both improve their competitiveness and resiliency, and contribute to achieving national emissions targets. These areas include retrofitting commercial buildings and increasing circular

economic activity among businesses. Other actions specific to business and of interest to the retail sector include supporting businesses to decarbonise through the provision of capital support programmes to enhance energy efficiency.

Developing an approach to retrofit commercial buildings and providing mechanisms to enable businesses and retailers of various scales to transition towards decarbonised business models can be achieved through continued support networks and funding opportunities. Within this context, an opportunity exists to create a retail-specific toolkit to inform, signpost and map out actions and targets to achieve sustainable goals. The Environmental Protection Agency has previously produced a similar retail-specific portal that focused on environmental sustainability, compliance issues and pollution prevention. The Web portal served as a clearinghouse for information to further advance the industry's efforts to apply sustainable practices.

Additionally, a new Circular Economy Strategy is being drafted by the Department of the Environment, Climate and Communications. Its goal is to provide a national policy framework for Ireland's transition to a circular economy and to promote public sector leadership in adopting circular economy policies and practices. It will also seek to support and promote increased investment in the circular economy in Ireland, raise awareness among businesses about the circular economy, and identify and address the economic, regulatory, and social barriers to a transition to a more circular economy. Significant elements raised in the pre-consultation stage where retailers are expected to play a primary role include the introduction of a Deposit Return Scheme for plastic bottles and aluminium cans, which is expected to be introduced in 2022. The retail sector will also be crucial to delivering increased rates of repair and re-use in the consumer economy, increased recycling rates and better waste management, and building solutions to reduce food waste.

# 4.3 Labour and Skills

Labour and skills policy will be crucial in addressing the current challenges facing the retail sector. The National Skills Strategy (NSS) outlines the goals of upskilling and adaptability that will be particularly relevant for the retail sector. Detailed implementation of this strategy will be particularly important to make the sector an attractive career option in the future. Flexibility, adaptability, and the acquisition of new skills are traits that the retail sector needs and should be translated into policy in the medium-term.

The new NSS 2025 aims to underpin Ireland's growth as an economy and as a society over the coming years. Through the vision, actions, and targets set out, the Strategy will support the development of a well-educated, well-skilled, and adaptable labour force, creating and sustaining a strong pool of talented people of all ages living in Ireland. The objectives of the strategy commit to improving engagement in education, training, and lifelong learning in tandem with support for increasing the supply, inclusiveness, and development of skills within the Irish economy.

Other objectives for the retail sector include addressing labour shortages within this employment-intensive sector through working with SMEs, NGOs, LEOs and government departments on upskilling for those currently in employment and those unemployed.

# 4.4 Location and Operations

The TCF policy aims to build upon and co-ordinate the existing urban development policy framework to support stakeholders at local, regional, and national levels to develop and deliver upon a vision for urban renewal that is 'place' focused. The TCF approach also promotes the alignment of future planning and investment decisions across the whole of government to drive the regeneration of towns and villages.

TCF contains 33 unique actions which will give towns the tools and resources they need to become more viable and attractive places in which to live, work, visit and run a business. The policy aims to tackle vacancy, combat dereliction, and breathe new life into town centres. Specific actions contained in TCF include increasing support for towns in producing their own TCF Plans. These will be produced by a local Town Team drawn from the local community and business representatives and will identify challenges, actions and integrated responses across areas including business, community, housing, the built environment, and heritage. The implementation of these prepared plans will be supported by a targeted interdepartmental investment programme, including through the Rural Regeneration and Development Fund (RRDF), Urban Regeneration and Development Fund (URDF) and dedicated funding streams to tackle vacancy and dereliction.

A network of Town Regeneration Officers will be created to bring a coordinated approach to TCF delivery across the country and support local Town Teams. The Town Teams will drive the implementation of TCF actions and coordinate stakeholder engagement at a national level and across the local government sector. The town Health Check Programme will be expanded nationally into an integrated and scaled-up programme for towns. Data measurement requirements will be agreed upon to quantify essential social and economic outcomes and ensure there is an evidence base for the ongoing evaluation of the TCF policy.

The Night-Time Economy (NTE) Taskforce is a multi-partner, cross-sectoral group focused on the growth of Ireland's NTE. The taskforce identifies the priorities and challenges facing Ireland's NTE since the beginning of the Covid-19 pandemic, such as late retail and food and beverage offerings, including developing more options for alcohol-free activities. Another example is the creation of a food activation plan to be integrated into the wider NTE with a focus on delivering an authentic local food experience, working with local producers, restaurants, food service providers, food markets, pop-up stands, street food and those operating food trails.

The taskforce will work with the Retail Forum to examine the types of intervention required for late retail opening. They will establish a Retail Forum working group to discuss this along with the TCF initiative and create pilot projects in six towns and cities. These pilots under which NTE Committees will be established, working alongside NTE advisors, leading to the development of action plans setting out a range of interventions to support the co-ordinated development of the area's NTE. [42]

These interventions may include supporting the continued development and use of on-street dining zones. This action could be achieved through a complementary programme of urban public realm improvements. Other actions which have wider impacts on the health of retail across Ireland include those relating to safety and security within retail and other commercial and cultural centres. A dedicated subgroup of the National Monitoring Committee for the Domestic, Sexual and Gender Based Violence Strategy will have a specific focus on the NTE, to ensure that appropriate actions and safeguards are put in place to protect women and other vulnerable people partaking in NTE activities.[43]



42 Night-Time Economy Taskforce | Government of Ireland
43 Night-Time Economy Taskforce | Government of Ireland

# 5.0 Stakeholder Engagement

The overarching aim of this report is to support policymakers in terms of the identification and adoption of retail sector policy options in Ireland. This end goal necessitates a detailed understanding of the views and experiences of stakeholders within the sector. Accordingly, a Stakeholder Engagement Plan was developed that comprised the following core elements:

- An online survey distributed by DETE to the Retail Forum members and retail representatives, which gathered 127 responses;
- 21 semi-structured interviews with stakeholders including international retailers, indigenous SMEs, independent retailers, and representative bodies;[44]
- An online workshop based on the six thematic strands, which were identified during the previous research phases, was conducted with 59 participants;
- Subsequently, a roundtable meeting was held with policymakers and relevant officials from a cross- section of government departments who formulate and implement policy with retail interdependencies[45] (Departments included: Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media, Department of Rural and Community Development, Department of Housing, Local Government and Heritage, Department of Further and Higher Education, Research, Innovation, and Science, Department of the Taoiseach and the Department of Social Protection); and
- Finally, several comprehensive case studies illustrating innovative responses of Irish retailers to emerging challenges and opportunities in the sector.

The findings of each element of the stakeholder engagements are presented in the following subsections.

# 5.1 Stakeholder Survey

The online survey questions were loosely grouped around the six themes that were identified throughout the global and Irish retail sector analysis, namely, *digital transformation, sustainability, labour and skills, location and operations, engagement, and data availability*. The following is a summary of the findings.

## Digital Transformation

With a greater online presence, digital infrastructure concerns such as high-speed broadband connectivity, data integrity and security must be addressed. Respondents noted the areas that are of particular concern were security, appropriate training, and general internet infrastructure in their area. Within this domain, retailers must be cognisant of the relevant European and Irish data privacy legislation and care should be taken to ensure that the provisions contained in the relevant legislation are followed when customers purchase products or services from the retailer's website. Survey respondents noted that greater awareness and training within the area of data protection for online retailing will be an important factor when adopting greater degrees of online service offerings.

Correspondingly, **74% of respondents noted that they have yet to implement advanced customer sale data into their business model.** Those that have done so, opted for Google Analytics service offerings. The perceived non-necessity of advanced technology due to business size was highlighted as a reason for the lack of adoption.

## Sustainability

Customer awareness and interest in sustainable products and their expectations of retailers to report on sustainability targets are increasing. Accordingly, insights from the environmental and sustainable awareness theme illustrated the industry's position on emerging retail trends linked to climate change and the circular economy.

Growing pressures for increased accountability in relation to the global climate crisis has not only affected nations but has also trickled down to multinational companies and independent retailers. 49% of the businesses surveyed have aligned their sustainability strategies with the United Nation's Sustainable Development Goals (SDGs).

44 Further details on the interviewees are presented in Appendix 2.
45 Further details on the workshop attendees are presented in Appendix 3.

Areas in which the respondents were most active in promoting sustainable business practices were packaging and operating resources, such as heating and water. Due to low implementation costs, sustainable practices within these areas have high adherence rates. On the other hand, logistics and transportation saw the lowest incidence of sustainable practices. Many companies do not have direct control over this area of their business, as they can only choose from a range of sub-contractors.

While only 49% of businesses are in line with the SDGs, **78% actively try to reduce their carbon emission.** Respondents who were not active in this area highlighted issues such as their business being too small to implement any initiative or the lack of resources.

## Labour and Skills

Working conditions for many workers have changed across the country resulting from the pandemic, with continued government guidance requesting work from home if possible. While these arrangements were feasible for larger companies, most businesses surveyed opted for the "in-office" model. Preferences for this model may be accounted for by the large number of independent retailers covered by this study, who would not be able to support any other work model. For the same reason, "not working" turned up as the second most common result as these are the only options available to small retailers.

## Location and Operations

Most respondents were local independent retailers based in Dublin. Almost half of these businesses (47%) have been operating for more than 20 years. The largest participating groups were owners/partners within an organisation (65%) whereas the second largest participating group were directors (23%). The main NACE code selected was retail of goods in specialised stores (G.47.7) with 45 respondents. The second most common category was retail of food, beverages, and tobacco in specialised and non-specialised stores (G.47.1 and G.47.2), which was chosen by 25 respondents. A total of 111 respondents chose 'Other' for their primary offering, while 8 respondents selected "food", and another 2 selected "convenience, healthcare, and pharmacy".

Respondents generally indicated that their business expanded over the past five years, which is in line with the general economic growth of the country. The metric that saw the smallest expansion was the addition of new locations, which requires large amounts of capital expenditure. This finding is explained by the demographic of the survey being largely small independent retailers.

In addition to the obvious negative effect on revenue caused by the pandemic, **83% of respondents experienced negative fallouts from Brexit.** Increased costs from new tax obligations and changes of suppliers have hit businesses with strong ties with the UK the hardest. Consumers have also been affected as some businesses passed the increased costs onto the final customer.

In conclusion, the trends of digital transformation, sustainability, labour and skills, and location and operations featured predominately in the online survey responses. Evidence suggests that the retail respondents are becoming increasingly aware of the threats and opportunities that are arising in the retail sector and have expressed a keen interest in pursuing strategies that can leverage these themes to enhance their existing product and service offerings.

# 5.2 Stakeholder Interviews

For an in-depth consultation of stakeholder groups, 21 semi-structured interviews were conducted with stakeholders identified by DETE or proposed by sectoral groups when contacted by DETE. A list of those interviewed as part of this strand of stakeholder engagement is included in Appendix 3. The themes addressed in the interviews were informed by the results of the online survey. Additionally, the interviews were instrumental in further investigating the themes emerging from the retail sector landscaping and data analysis. The interview data was assessed using a SCOT (Strengths, Challenges, Opportunities, and Threats) analysis technique.

# 5.2.1 Stakeholder Interview Findings

High level findings of the SCOT analysis are set out in Figure 6. This is followed by an overview discussion of each of the themes arising from stakeholder interviews in Section 5.2.2 5.2.6.

Figure 6: Stakeholder Interviews - Key Findings

| SCOT Analysis | Finding | Theme |
|---|---|---|
| **Strengths** | • Government Support<br>• Government Engagement | • Engagement |
| **Challenges** | • Current Labour Market<br>• Supply Chain<br>• Covid Messaging<br>• Planning System | • Labour and Skills<br>• Engagement |
| **Opportunities** | • Online Retailing<br>• Affordable Sustainability<br>• Generational Shift<br>• Working from Home | • Digital Transformation<br>• Sustainability<br>• Location and Operations |
| **Threats** | • Covid Uncertainty<br>• **Inflation**<br>• Brexit | • Location and Operations<br>• Engagement |

# 5.2.2 Strengths

## Government Supports

The various supports provided to retailers (such as PUP, Employment Wage Subsidy Scheme (EWSS), Restart Grants, technology grants and rates waivers) were greatly appreciated. Many businesses acknowledged that they would not have remained in business through the pandemic without these supports. Accordingly, consideration should be given to the feasibility of further rate reductions to foster the development of innovative retail offerings (such as hybrid business models, optimisation of floor plans, and/ or the development of unused space for other commercial or residential purposes).

## Government Engagement

The messaging, communication, interaction, and preparation coming up to and post-Brexit was noted by most retailers as being exemplary. Additionally, the availability of department officials for discussions and guidance was also praised.

Despite the acknowledged strength in terms of Government supports and engagements, several retailers noted that improvements could be made within the domain of information sharing. Specifically, within the context of the accessibility of information relating to relevant policies and supports. Lessons could be learned from the 'Be Safe Online' campaign which developed a website to highlight ways to help individuals stay safe while online.[46] The website provides access to a wide range of resources that are of particular use to those working from home. Hence, a single website which presents relevant links, sources and supporting documents relating to retail policy and supports would be welcomed.

## 5.2.3 Challenges

### Current Labour Market

The current state of the labour market, especially in relation to attracting people back to work off the PUP and the lack of returning migrant workers, was a concern across the sectors and retail sizes.

### Supply Chain

The significant increase in container shipping rates, the pandemic-related slowing of shipping and production, and the increased Brexit-related administrative tasks attracted many negative comments from the respondents.

### Covid Messaging

Retailers were less complimentary about the messaging and communication during the pandemic. While they noted it was an ever-changing situation, the messaging and rationale about what was essential and non-essential was frustrating and challenging.

## Planning System

Recommendations relating to the 'Irish planning system' were cited as an inhibitor of growth.

## 5.2.4 Opportunities Online Retailing

Many businesses, spurred on by lockdown closures, brought forward plans to develop their e-commerce offering.

### Affordable Sustainability

Support was expressed for taxation and financial incentives to reward investment in environmentally sustainable initiatives. Separately, a practical toolkit advising retailers on sustainable best practices was also suggested.

### Generational Shift

Some multi-generational businesses saw younger generations return home due to the pandemic and become involved in the family business bringing with them new ideas and perspectives.

### Working from Home

Suburban and rural retailers benefited from people working from home and consequently shopping locally. Conversely, businesses located in the city centres experienced the negative consequences of workplace closures and consequently lower footfall.

46 Be Safe Online | Government of Ireland

# 5.2.5 Threats Covid Uncertainty

The threat of further lockdowns is a concern and is a deterrent to investment in the sector.

## Inflation

Inflation, increasing prices, and the costs of doing business were also a concern across the sector. Retailers have been absorbing increasing costs (supply chain, transport, Covid-related), but there will come a point where costs will have to be passed onto the customer with knock-on effects.

## Brexit

The continuing effects of Brexit, including supply chain delays, the cost of customs administration, and further uncertainty with regard to the Northern Ireland Protocol were of concern to retailers.

# 5.2.6 Summary

Three distinct areas for further study then emerged, namely digital transformation, sustainability, and labour and skills. These themes were further investigated during the subsequent workshop.

# 5.3 Stakeholder Workshop

The emerging themes refined during the interview stage of the stakeholder engagement were further examined during the workshop phase of the stakeholder engagements. In addition, broader topics of concern to retail stakeholders were considered with particular focus on the future opportunities and challenges that are facing the retail sector. A workshop was conducted with stakeholders identified by DETE Retail. Similar to the interview analysis approach, a SCOT analysis technique was applied.

## Stakeholder Workshop Findings

High-level findings of the SCOT analysis are set out in Figure 7. This is followed by an overview discussion of each of the themes arising from stakeholder interviews in Section 5.3.2-5.3.6.

# 5.3.1 Strengths

## Transition Online

Many businesses had to accelerate planned efforts at digitalisation and open new digital channels faster than expected due to the pandemic. Various platforms and social media channels were used to successfully boost sales and garner interest in their physical stores as well.

## Environmental Awareness

The UN SDGs are now widely considered by businesses as the basis for their sustainability strategies.

## Government Cooperation

The Covid-19 pandemic enhanced communication between the Government and the retail sector, which ensured an informed response.

## Government Collaboration

Central Government responded quickly and efficiently at the start of the pandemic, which saved many companies and reduced job losses.

Figure 7: Stakeholder Workshop - Key Findings

| SCOT Analysis | Finding | Theme |
|---|---|---|
| Strengths | • Transition Online<br>• Environmental Awareness<br>• Government Cooperation<br>• Government Collaboration<br>• **Unexpected Lockdown Benefits** | • Digital Transformation<br>• Sustainability<br>• Engagement<br>• Location and Operations |
| Challenges | • E-commerce Facilities and Skills<br>• Sustainability Costs<br>• Climate Change Costs<br>• Labour Market<br>• National Planning Policy | • Digital Transformation<br>• Labour and Skills<br>• Sustainability<br>• Location and Operations<br>• Engagement |
| Opportunities | • Digital Knowledge Sharing<br>• Affordable Sustainability<br>• Skills and Training<br>• Career Planning<br>• Gaps in the Labour Market<br>• Post-Brexit Opportunities | • Digital Transformation<br>• Digital Transformation<br>• Sustainability<br>• Labour and Skills<br>• Location and Operations |
| Threats | • Digital Reputational Damage<br>• Cyber Security<br>• Operating Costs<br>• Government Cooperation | • Digital Transformation<br>• Location and Operations<br>• Engagement |

## E-commerce Facilities and Skills

Some businesses do not have the necessary resources to operate and maintain an online store. Areas such as managing stock levels, logistics, and storage cause constraints in attempting to do so.

## Sustainability Costs

Sustainable strategy development and its practices are too expensive for certain businesses to implement.

## Climate Change Costs

Providing "green" products is more expensive and opens an opportunity for business competitors to undercut them.

## Labour Market

Covid-19 contributed to a shortage of staff as workers left their place of employment. Students were reluctant to re-enter employment in the retail sector with anecdotal evidence suggesting it was due to the terms of their PUP payments.

## Government Collaboration

While government engagement was considered positive at the start of the pandemic, a sense of a disconnect has emerged with a feeling that decisions are being made without proper consultation.

## National Planning Policy

Perceived increases in vacant buildings and risks of anti-social behaviour can reduce the appeal and footfall of an area. Incentives to promote occupancy and investment in these areas would be welcomed.

# 5.3.3 Opportunities

## Digital Knowledge Sharing

There is potential for cooperation between multiple SMEs to reduce the infrastructure costs related to an e-commerce business model and close the gap with larger retailers.

## Affordable Sustainability

Tax relief, and/or financial incentives together with clearly communicated information on best practices and effective implementation techniques will boost retailers' efforts to improve sustainability.

## Skills and Training

There is a need to continue training supports and to provide upskilling for business owners so that they can maintain their online presence and provide progression opportunities for their employees.

## Career Planning

Rebranding retail as a viable long-term career to reduce employee turnover and develop a skilled, well-trained workforce.

## Labour Gap

Interest was expressed in investigating the potential of employing asylum seekers, which current laws prohibit.

## Post-Brexit Opportunities

There are opportunities arising from Brexit for Irish retail. Supports are needed for Irish retailers, as increased costs from building websites, postage, and logistics can hinder potential growth and the ability to capitalise on new opportunities.

# 5.3.4 Threats

## Digital Reputational Damage

Some retailers who have established e-commerce channels at the onset of the pandemic have not maintained them due to a lack of skills and/or time, damaging their reputation.

## Cyber Security

General Data Protection Regulation (GDPR) training for business owners is necessary.

## Operating Costs

Rents and rates for stores are causing major issues, especially with a rise in inflation putting a further strain on business owners.

## Government Cooperation

Continued engagement between DETE and relevant retail sector bodies should be sustained to ensure policy implementation does not result in unintended constraints on retailers. Examples given included the exclusion from grants due to missed rates payments.

# 5.3.5 Summary

The views expressed by the stakeholders during the workshop confirmed the repeated themes that emerged through research, namely digital transformation, sustainability, and labour and skills. These three themes form the basis for the development of our recommendations.

# 5.4 Case studies

Despite significant challenges, Irish retailers have responded to major industry disruption and changing consumers trends by adopting innovative solutions that address the needs of their existence customer base while simultaneously attracting new segments of the markets. Given the distinct nature of the solutions that have been adopted, four case studies were conducted with Irish retailers of varying size and product/ service offering. It is envisaged that the insights presented in these case studies will stimulate consideration for innovative business practices that retailers can leverage to achieve a competitive advantage and enhance their customer experience.

The first case study focuses on the Kilkenny Group due to their successful implementation of omnichannel strategy which is underpinned by a comprehensive data plan. The second case study examines Eason & Son and illustrates the benefit of adapting a business model to align with digital-centric consumer expectations. Both studies highlight the growing importance of data analytics in the contemporary market.

The third case study explores the intersection between the Musgrave Group (a recipient of UN SDG Champions of Ireland in 2019)[47] and sustainability agenda. In particular, this case study demonstrates the competitive advantage that can be achieved through purpose-led business operations and the promotion of environmentally sustainable business practices.

Finally, the fourth case study highlights the competitive advantage that can be achieved through the adaptation of product and service offerings. In particular, this case study focuses on Little Green Growers, a family run organic plant nursery and eco-farm that has achieved significant success through its innovative

response to the challenges of Covid-19. The findings from this case study demonstrate a number of solutions that can serve as inspiration for retailers who employee less than 10 employees.

These four case studies aim to provide real-world examples of Irish retailers that have successfully embraced emerging opportunities within the sector and demonstrate innovative approaches that have been successfully implemented to ensure their long-term success within this dynamic sector.

Additionally, we have included two case studies from Enterprise Ireland to illustrate the impact of the Online Retail Scheme (ORS). Beneficiaries of the scheme enhanced their online capabilities and expanded their service offering. Anthony Ryans, a fashion retailer based in Galway used the ORS funding to upgrade their online presence into a sophisticated ecommerce website. This development enabled the fashion retailer to meet their customers needs throughout the pandemic. Organico, a West Cork family-run health food business used the ORS funding to source expert advice from ecommerce specialists to improve their online offering. The retailer acknowledged that this undertaking would not have been possible without the ORS.

# 5.4.1 Kilkenny Group

Kilkenny Group is an Irish design and crafts company, operating in markets ranging from jewellery, art, pottery, knitwear, and fashion. The group has over 20 stores across Ireland, which employ over 390 staff. Anticipating an increasing expectation for a premium quality digital and online experience, Kilkenny Group has invested heavily in technology to ensure its online offering matches its in store customer experience.

Kilkenny Group's technological capabilities have grown exponentially since 2019, precipitated by the Covid 19 pandemic, which forced retailers to adapt their businesses to operate increasingly online. Two exponents of Kilkenny Group's technological journey include its virtual store offering and focused its data strategy.

## Virtual Store

The virtual store offering by Kilkenny Group has had a significant positive impact on the company's ability to match its online services with the quality of its in store services. The virtual store has been a cornerstone of the company's efforts to combine in store and online services, helping to create a seamless shopping experience that caters for a range of consumer preferences. Primary functions of the virtual store include an 'add to cart' service and the ability to access the virtual store through its website on a range of devices, such as laptops, tablets, and smartphones. The virtual store also enables the company to gain critical insights into its customers through data analysis tools such as virtual store heat mapping. Kilkenny Group is currently developing an AR offering to support and further improve its virtual store and wider digital offerings.

## Data Strategy

Kilkenny Group has partnered with Munster Technological University and National University Ireland Maynooth to develop an advanced digital strategy to aid in 'future proofing' the company and its operations. Using various data analytics methods such as data lake development, the company has significantly improved its understanding of the behaviour and preferences of its customer base. In line with its overall aim of merging in store and online services, the company's data strategy has facilitated a seamless and personalised experience for its customers. With the company currently developing an in house data analytics platform and specialised technology branch, Kilkenny Group will continue to spearhead the growing capabilities of data analytics within Irish retailing.

Kilkenny Group is seen today as one of Ireland's leading Irish design and crafts companies, promoting and championing locally produced design and crafts of the highest quality throughout Ireland. This has in large part been possible through its efforts to consistently improve its technological capabilities. Over 20% of the company's overall sales are online, while positively affecting its bounce rates, conversion rates, and total revenue in the process. With a commitment to invest consistently in its technological and digital services, Kilkenny Group has been able to remain successful in a competitive online retail market.

# 5.4.2 Eason

An iconic brand and retailer, Eason & Son (Eason) has been operating in the Irish market since 1886 and is a leader in the five markets in which it operates: books, stationery, cards, newspapers, and magazines. With an online presence since 2010, the success of its digital channel has been the result of several significant measures and actions taken by the company.

## Critical Insights

Eason relies on customer surveys data to produce detailed analyses of its current and potential consumers. Data on consumer preferences and brand awareness support the business as it continues to compete in its operating markets.

## Self-Assessment

Eason regularly self assesses to identify gaps within its services and products to benchmark against market competitors, such as Amazon and Book Depository. These assessments include reviews of prices, partnerships and sponsorship. Self assessments are aided by data gathered through its consumer surveys and have helped the company compete against its international competitors.

## Continuous Investment in User Experience and Digital Communications

Eason has allocated considerable resources to improve its web design, functionality, operating speed, mobile application, and online advertising (through Google Shopping and Google Ads) and has become increasingly cloud based.

## Points of Differentiation

Eason uses consumer data and survey insights to identify improvement opportunities. Practical examples in this regard include price adjustments to remain competitive, free delivery service offerings, and 'next day dispatch' offerings. Collectively, these offerings ensure the business remains competitive while simultaneously improving its long term UX strategy.

At present, the company is regarded as one of the most iconic Irish brands in retailing, with over 51 retail stores and 8 Dubray stores across Ireland, employing over 600 staff across all its stores. The company's efforts to adapt its business and operating models to both new consumer behaviours and preferences have resulted in the company recording an online growth of 250% within the last 5 years. Notably, online revenue represented 24% of Eason's total revenue in 2020 and 2021.

# 5.4.3 Musgrave Group

Musgrave Group is currently Ireland's largest grocery distributor, with operations in Ireland and Spain generating annual sales estimated at over €5.4 billion. The company supports over 41,000 jobs in more than 1,400 stores and offices. As the company operates within the food retail, wholesale, and food services markets, Musgrave Group has invested heavily in sustainability and has positioned itself as a champion in adopting and promoting environmentally sustainable operations. This has been achieved through initiatives within its own business and in supporting its retail partners.

## Climate Action

Musgrave Group works to reduce the carbon emissions of both its business operations and those of its retailers and partners. The Building Sustainable Communities initiative, championed by Musgrave Group MarketPlace, SuperValu and Centra in association with SEAI (Sustainable Energy Authority of Ireland), has been in operation since 2012 and aims to spearhead environmental change in the Irish retail sector. Ten stores across Ireland participated in this initiative in 2021, with a total investment of €265,000 by SEAI in community grant schemes. Acknowledging the importance of transparency, Musgrave Group has sought to use science-based targets and has committed to reduce its carbon footprint in Ireland by 70% by 2025 and to achieve net-zero emissions by 2050. International examples have demonstrated the benefit of championing the sustainability agenda and supporting smaller businesses with awareness campaigns to highlight the importance and efficiency gains of sustainable business practices. Although such initiatives require significant industry collaboration, they could result in a considerable outcome for society when implemented. Champions 12.3, for example, is a coalition of executives from government, business, international organisations, research institutions, farmer groups, and civil society dedicated to 'inspiring ambition and mobilising action'. One of their goals (Target 12.3) calls for cutting in half per capita global food waste at the retail and consumer level, and reducing food losses along production and supply chains, including post-harvest losses, by 2030. Such an initiative could be implemented at an Irish level and leverage best practice from existing experience.

## Circular Economy

By leveraging its partnerships with leading Irish retailers, Musgrave Group has taken a leadership position in removing non-recyclable plastics from its supply chain and encouraging its consumers to shop more sustainably in its own and its partners' stores. The company has pledged to ensure that 100% of its brand, in-store, and fresh produce packaging is reusable, recyclable or compostable by 2025. Its partner Frank and Honest was the first coffee brand to roll-out Musgrave Group's compostable cups and lids.

## Sourcing and Supporting Locally

Musgrave Group has been, and continues to be, committed to supporting locally sourced Irish produce, food, and drink. The company operates the largest small food producer enterprise programme in Ireland, 'Food Academy', which has supported more than 620 small producers to bring their products into Irish stores.

The Food Academy currently supports 290 Irish food and drink producers, often family-run businesses, to make their products available in their local SuperValu stores.[48] More broadly, Musgrave Group has recognised the importance of shopping locally and aligns with previous campaigns and initiatives by Government to raise awareness of the benefit of spending in your local area. Most notably, the 'Look for Local' campaign which ran during the Summer of 2021 and continued to the end of the year aimed to help spotlight local businesses across the country and encourage people to Look for Local.[49] Considering that this campaign has since ended, a future campaign should be considered.

Musgrave Group has expanded its local support for sustainability initiatives through working with Supervalu to increase its work with community development charities such as autism charity AsIAm and is helping to reignite the SuperValu Tidy Towns project with a new narrative for younger and future generations to become involved.

Musgrave Group was one of the first companies globally to embed the UN SDG in 2015. This focus permeates throughout the company purpose, 'Growing Good Business', and within its sustainability strategy 'Taking Care of Our World'. The company was also named as an SDG Champion by the Government of Ireland in 2019.

# 5.4.4 Little Green Growers

Little Green Growers is a family run organic plant nursery and eco-farm based in Connemara, Co. Galway. The business mission is to make it easy to grow organic food and flowers. To achieve this, the team of organic farmers have adopted a unique business strategy that leverages a range of online platforms to facilitate and promote engagement and empower its customer base. The business sources organic gardening supplies from Donegal, Galway, Wicklow, Meath and Cork and offers nationwide delivery in zero-waste packaging. Recently, the team was elected Board Members of the Organic Trust and are partners of the All-Ireland Pollinator Plan and the National Biodiversity Data Centre.

Little Green Growers was established in 2018 and initially sold organic produce to award-winning restaurants and businesses. However, as the impact of Covid on the retail industry worsened, the team were faced with greatly uncertainty. Ultimately, they reconsidered their existing business model and conducted a transformation to meet the increasing demand for organic seedlings during the pandemic. Consequently, the team extended their product range and enhanced their online presence (via website, Facebook, and Instagram). Diverging from their preceding business model, the team shifted their strategy to concentrate on direct ordering (via online and phone) to individuals throughout the country.

## Product Range Adaptation

As previously outlined, the team adapted their product range in response the challenges of the Covid induced lockdowns. The team focused their efforts on researching and developing new products that would improve the wellbeing and happiness of their customers. During this period, the team developed their most successful product, the 'Granny and Me' pack.

The 'Granny and Me' pack was developed in response to the isolation that prolonged lockdowns caused and to protect those who were vulnerable to the coronavirus. The concept behind this innovative product, is that seeds are

48 Food Academy | Musgrave Group
49 'Look for Local' campaign | Government of Ireland

sown and grown by separated grandchildren and grandparents over a given period of time. During this period of research and development, the team also developed a range of tailored organic plant packs that have proven to be hugely popular.

## Community Empowerment

In line with the adaptation of the existing product range, the team also transformed their online presence. Within this context, the team have placed a significant importance on the fostering of an online community of customers. Contrary to conventional use of online platforms for the sole purpose of generating sales, the online community of customers has established a respected space for knowledge sharing and advice.

The underpinning principle of community empowerment permeates throughout the business model and is aligned with the business mission. This aspect of community empowerment is achieved through the 'Little Green Growers Online Community' and the 'Grow Your Own Organic Food Ireland Facebook' group. In addition, the online community and customer base are supported through regular blog posts and grow guides. In essence, customers are supported and empowered at every step of the way through the website, Facebook and Instagram communities and with the free help from the expert team.

In further recognition of the importance of community, the team updated the website to offer an Irish version for native speaking/ fluent Irish speakers. This innovative approach is regarded as an additional mechanism to promote community engagement and empowerment.

As a result of the continued effort to maintain a high-quality online retail service offering, business has been recognised as a Top Online Retailer by the Irish Times. Moreover, the retailers pivot to success has garnered considerable attention from several print media publications and has resulted with the team featuring on RTE's flagship Late Late Show.

# 5.4.4 Summary

The challenges that are facing the global retail sector are a concern for Irish retailers. Fortunately, many stakeholders perceive these challenges as opportunities. Considering that the themes of digital transformation, sustainability, and labour and skills were identified through the course of the study, these themes should be the focus of policymakers.

# 5.5 Enterprise Ireland

## Case Studies

## 5.5.1 Anthony Ryans [50]
### Bringing online shopping to a whole new generation

When you're a fashion retailer with a young client base, switching to online shopping is no big deal your customers are probably already enjoying the convenience of online retail and going online will just increase your number of shoppers.

But older customers might be slower to adapt and therefore businesses with an older clientele might feel that investing in a sophisticated ecommerce website is not really a priority. However, that all changed in the last year, when Covid 19 essentially forced reluctant consumers online, changing their shopping habits potentially forever.

In business since 1909, family run Galway retailer Anthony Ryans is well placed to comment on the huge impact that Covid 19 has had on the evolution of online shopping over the past year. "Younger people are well used to shopping online but our customer base would be a little older, from late thirties up to people in their eighties and nineties," says company director Joseph Ryan, the great grandson of the shop founder. "A lot of our customer base would not have shopped online before the lockdown but they've since adapted. I think once they have trust in the company and they know that if they have a problem they can just pick up the phone and talk to someone, they're happy to shop online. And many have commented that they're happy to be able to continue supporting us during this time."

## Building upon a base

Anthony Ryans developed a website about ten years ago, but kept things small to begin with. "We saw the trend for shopping online and we set up a website over ten years ago. But it was really an add on to the business, and only accounted for a very small percentage of our business. We started with homewares as we thought these were easier. If someone buys a double duvet cover online, they know it will fit their double bed. But someone might buy a shirt in three sizes and return two of them."

About three years ago, the company made a decision to develop their website, and with the help of Enterprise Ireland's Online Retail Scheme, launched their brand new website at the end of 2020.

"We wanted to develop a site that was fully integrated with our stock control system, as we felt this would be suitable for branching into selling fashion online," says Joseph.

"We met a number of different developers and took about six months before deciding which one to go with. They were aware of Enterprise Ireland's scheme and we applied immediately."

Thankfully, the team had already done their research, and for the application, it was a question then of really looking at their online strategy and pinpointing exactly what they wanted to achieve. "The application process gives you a chance to sit down and really think about your strategy around the whole ecommerce side of the business," says Joseph. "You also need to be able to prove that you're worthy of getting the grant and that you'll put it to good use. Trying to get your strategy across in words to someone like Enterprise Ireland can be difficult and you really have to think carefully about how best to spend the money, but it's a good process to go through whether you're successful or not."

50 Enterprise Ireland - Anthony Ryans Case Study

# Improving your platform

The plan was to launch the new site in the spring of 2020, but this was delayed when Covid-19 arrived. "We planned to get it ready for March/April 2020, but when Covid-19 hit, our existing website really took off as people were buying a lot of homewares online," explains Joseph. "We didn't get to pick it up again until September, and we went live in December. Since then, it's been working really well. Obviously with a new website, there are always a few issues here and there, but it's been much busier than our old site.

"With Christmas and lockdown it's hard to gauge the effect the new site has had on our existing online business, but the increased functionality is really great – it's easier to operate, easier to use, our customers enjoy it more and we're getting more traction on it." says Joseph.
When it comes to fashion, Anthony Ryans isn't short of competitors, but Joseph says that the business has definitely benefited from the drive to shop Irish. "I think people realise it's very easy to shop on big hitters like Amazon, but by doing this, they're not supporting local jobs or businesses. During the first lockdown, we had a lot of customers ring up and say they didn't realise we had a website, and they were delighted to be able to shop with us still."

While Joseph doesn't envisage online taking over their bricks and mortar business anytime soon – the company has three fashion shops and one homewares shop in Galway – he does think that a strong online offering will boost their revenue and certainly provide insurance if the shops were ever shuttered again. "A lot of companies didn't have websites when the first lockdown happened and no strategy in place. At least we had something there, and our strategy allowed us to scale up to deal with the demand. The new site is now built to withstand the number of transactions and demands that occur during a lockdown, so if this was to happen again, we have the website in place to help us."

# 5.5.2 Organico [51]
## Turning online retail into a healthy business during Covid-19

Online trading has become a lifeline for retail businesses that have had to close during the recent Covid-19 lockdowns. Even when things eventually get back to normal, it's widely predicted that the gains in online business will continue as consumers become accustomed to this way of shopping. Enterprise Ireland's Online Retail Scheme is designed to help smaller Irish retailers develop their online offering – and those who availed of it pre- and during the pandemic have been reaping the rewards that a good ecommerce site can offer during difficult times.

One such business is Organico, a West Cork family-run healthfood business, which was founded in 1992 by Alan Dare and currently run by his daughters, Hannah and Rachel. The original bricks and mortar store was joined over time by a café and a bakery, and about a decade ago, by an online shop too.

"In West Cork there's always been a strong interest in health, as a lot of people would have relocated here because they wanted to escape the mainstream," explains Hannah. "As a result, we had a good customer base from the start. However, even though our customer base is spread out over all of West Cork and in the summer we would have benefited from the tourist trade, it's still a limited market. So going online was an obvious move for us to expand our business.
"We first went online about ten years ago, when we had to choose between another bricks and mortar store and a website.

"We started out with just niche products on a WordPress site; now we have around 3,000 live products, and possibly another 1,000 products that either come and go or are in the pipeline to be added." says Hannah.

## Expanding the business

For Organico, an online shop was a challenge as they offer such a wide range of products. Building this kind of ecommerce shop requires a lot of expertise, technology and funding, as a system needs to be put in place with such sophisticated functions as integrated stock levels to make order fulfilment as easy as possible for the company and for the business to be viable with less manual work. So before the company enhanced their online offering, Hannah and Rachel applied for funding from Enterprise Ireland's Online Retail Scheme.

"We've had two rounds of the Online Retail Scheme, and Enterprise Ireland has been incredibly helpful," says Hannah. "We received the first funding last year, and we applied because we wanted to upgrade the online shop software – which is a huge investment.

"For us, the funding was hugely helpful, as to get the expertise and the work of good ecommerce specialists would be out of our budget otherwise."

"We also work with a digital marketing company who specialise in helping smaller companies. When you're a small business it's all about word of mouth; online was a completely different experience for us and you're using a whole load of platforms you're not familiar with. The scheme helped us access the right support for marketing our online offerings.

"The scheme has allowed us to access support companies, and I believe that is the scheme's big benefit – to lift smaller retailers and allow them to compete with bigger companies."

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## Overcoming Covid-19 and Brexit issues

For Organico, the funding couldn't have come at a better time. "We were incredibly lucky because the funding came in before Covid 19 hit. We had a very busy Christmas with hampers in 2019, and we had to ramp up our production as a result. Then we had a little breather before the lockdown came in. But, by then, our new online shop was ready and we were able to take advantage of the opportunities afforded by lockdown to build our online business."

As Organico is considered an essential retailer, their shop is still trading – that said, online is currently playing a massive role in the company's operations. "Right now, it's nearly 50/50 between online and the main business because of lockdown. During the last lockdown we got so busy that we had to temporarily turn the website off; this lockdown, we've built that online business even further. This time we've also had local people buying online, which is new for us."

Any boost is welcome for businesses in these tricky times, especially for retail businesses like Organico, who also have Brexit to deal with. "We've had time to prepare for Brexit, to source products directly from Europe," says Hannah. "There has been a lot of improvements in labelling over the last few years, which has allowed us look for goods from places like Holland. That said, because of the nature of the deal, our preparations didn't translate into a smooth transition and we've had a couple of issues, such as organic certification and foods of animal origin, which affects even supplements containing fish oil."

Alongside dealing with these issues, Hannah is keep to set up the right structure to service their clients even better post lockdown. "Right now, we're hiring to strengthen our online team, and we're having to expand the physical space too, to cope with the online business. We've decided not to reopen the café as it's a big space and although we'd be busy in the summer, it's too big a space for most of the year. We're currently using it as a warehouse for online, but our long term plan is to expand the shop to make it safer for shoppers post lockdown, and to make it more efficient for picking up online orders. Good service for both online and in person customers is important for success in the future."

## 5.6 Summary

The challenges that are facing the global retail sector are a concern for Irish retailers. Fortunately, many stakeholders perceive these challenges as opportunities. Considering that the themes of digital transformation, sustainability, and labour and skills were identified through the course of the study, these themes should be the focus of policymakers.

# 6.0 Recommendations

Led by evidence, the following 14 recommendations have been put forward to guide the future direction of the Irish retail sector. The themes of *digital transformation, sustainability, labour and skills, location and operations, engagement, and data availability* have emerged from research into the trends, opportunities, challenges, and drivers of change currently facing the sector.

# 6.1 Digital Transformation

### Recommendation 1

Increasing demand for and the offering of online retail will require additional supports for GDPR and cyber security for independent and standalone retailers.
**We recommend commissioned training supports across e-commerce for Irish retailers.**

### Recommendation 2

The TOV Scheme has been recognised as a best practice scheme by Interreg Europe for micro enterprises. Subsequently, the ORS enhanced larger enterprises online presence in Ireland during the pandemic. Accordingly, knowledge sharing between the two schemes would be welcomed.
**We recommend a follow-on scheme from the TOV to enhance and support the online presence of micro-enterprises.**

# 6.2 Sustainability

### Recommendation 3

The sustainability agenda is regarded as one of the primary disruptors to the global and Irish retail sector. However, information to inform retailers of the available avenues and resources to align with the sustainability agenda is deficient.
**We recommend the development of a bespoke climate & sustainability toolkit to offer a direct supply of relevant information by DETE to retail owners.**

### Recommendation 4

Large retailers (both indigenous and multinational) have the scale and resources to invest in the domain of sustainability which is unavailable to small and independent retailers.
**We recommend DETE investigate a mechanism to enhance collaboration, share lessons learnt and reduce knowledge silos between large and smaller enterprises in the domain of sustainability.**

## Recommendation 5

The successful '#lookforlocal' promotional campaign promoted local retailers, suppliers and produce at a local and regional scale. A similar campaign would be welcomed to increase awareness of local produce at a local and regional scale.
**We recommend exploring the viability of a promotional campaign that is similar to the '#lookforlocal' campaign at a national level, highlighting the multiplier effect of every euro spent has in a locality.**

# 6.3 Labour and Skills

### Recommendation 6

The sector should continue to promote retail as a 'career of choice' to school-leavers and job-seekers. The provision of appropriate training and upskilling has the potential to increase the participation and attractiveness of the retail sector as a long-term, financially viable career option.
**We recommend the provision of training and skills to increase the participation and attractiveness of the retail sector as a long-term, financially viable career option.**

# 6.4 Location and Operations

### Recommendation 7

The implementation of the Town Centre First policies and initiatives could address the dearth of data on vacancy rates and aid in the identification of the needs and priorities of local communities. The retail sector could utilise the emerging data and insights to plan effectively.
**We recommend engagement and collaboration between retail sector bodies and Town Centre First policies and initiatives.**

## Recommendation 8

Many Irish retailers have adapted their business models to meet increasing consumer expectation. However, as new business models emerge, information to inform retailers of innovative business operational approaches will become increasing more significant.

**We recommend a commissioned webinar series to inform retailers on winning business models of the future.**

# 6.5 Engagement

## Recommendation 9

Stakeholders noted and appreciated the level of engagement they received from a dedicated minister of state supporting the retail sector as a key business sector and employer.

**We recommend the continuation of a dedicated minister of state with responsibility for business, employment and retail.**

## Recommendation 10

The Retail Forum ensures consultation between relevant representative bodies and stakeholders. The opportunity to interact directly with the Minister has allowed for issues to be addressed in a timely manner, while also facilitating collaborative thinking and decision-making.

**We recommend the continuation of the Retail Forum.**

## Recommendation 11

Independent and stand-alone retailers have a greater burden when it comes to administration. Accordingly, links, sources and supporting documents relating to retail policy and supports should be collated and presented on an accessible webpage.

**We recommend the Creation of a retail-specific portal to disseminate relevant information to retailers.**

## Recommendation 12

Retailers could be incentivised to adopt hybrid business models, optimise floor plans, and/or develop their premises to utilise unused space for other commercial or residential purposes. Such strategies could be used to promote regeneration in specific areas.

**We recommend an investigation into the impact of targeted rate reductions for small and independent businesses on the development of innovative retail offerings.**

## Recommendation 13

A strategy should be developed to ensure the longevity of traditional family-owned retail businesses. This strategy would support incumbents in learning their trade before having to commit to substantial statutory financial levies.

**We recommend DETE explores mechanisms through which intergenerational business transfers can be supported.**

# 6.6 Data Availability

## Recommendation 14

Analysis of CSO data revealed that an opportunity exists to collect and produce retail-specific data and visualisations that could be used to inform decision-making.

**We recommend the collection and production of retail-specific data and visualisations that could be used to inform decision-making.**

# Appendices

# Appendix 1: Data Catalogue

| PxStat Table Name | PxStat Table Code | URL | Reference Area | Coverage | Relevant Coverage | Frequency |
|---|---|---|---|---|---|---|
| Business Demography NACE Rev 2 | BRA11 | https://data.cso.ie/table/BRA11 | State, County | 2015-2019 | 2018-2019 | Annual |
| Consumer Price Index | CPM01 | https://data.cso.ie/table/CPM01 | State | 1975-2022 | 2018-2022 | Quarterly |
| Consumer Price Index Goods and Services | CPM17 | https://data.cso.ie/table/CPM17 | State | 2012-2022 | 2018-2022 | Monthly |
| Population Aged 15 Years and Over 2011 to 2016 | E9009 | https://data.cso.ie/table/E9009 | State | 2011 and 2016 | N/A | Census Years |
| Job Vacancies | EHQ16 | https://data.cso.ie/table/EHQ16 | State | 2008-2022 | 2018-2022 | Quarterly |
| Persons aged 15 years and over | QLF01 | https://data.cso.ie/table/QLF01 | State | 1998-2022 | 2018-2022 | Quarterly |
| ILO Participation and Unemployment Rates | QLF02 | https://data.cso.ie/table/QLF02 | State | 1998-2022 | 2018-2022 | Quarterly |
| Persons aged 15-89 years in Employment | QLF07 | https://data.cso.ie/table/QLF07 | Region | 2012-2022 | 2018-2022 | Quarterly |
| Employment rates aged 15+ by region | QLF08 | https://data.cso.ie/table/QLF08 | Region | 2012-2022 | 2018-2022 | Quarterly |
| Total Annual Earnings and Other Labour Costs | EHA04 | https://data.cso.ie/table/EHA04 | State | 2008-2021 | 2018-2021 | Annual |
| Average Earnings, Hours Worked, Employment and Labour Costs | EHQ03 | https://data.cso.ie/table/EHQ03 | State | 2008-2022 | 2018-2022 | Quarterly |
| ICT Usage | ICA64 | https://data.cso.ie/table/ICA64 | State | 2013-2021 | 2018-2021 | Annual |
| Retail Sales Index (NACE Rev 2) (Base 2015=100) (annual) | RSA05 | https://data.cso.ie/table/RSA05 | State | 2015-2021 | 2018-2021 | Annual |
| Retail Sales Index (NACE Rev 2) (Base 2015=100) (monthly) | RSM05 | https://data.cso.ie/table/RSM05 | State | 2015-2022 | 2018-2022 | Monthly |
| Turnover generated by Online Sales | RSM07 | https://data.cso.ie/table/RSM07 | State | 2018-2022 | 2018-2022 | Monthly |
| Average Weekly, Hourly Earnings and Weekly Paid Hour of All Employees | EHQ15 | https://data.cso.ie/table/EHQ15 | State | 2008-2022 | 2018-2022 | Quarterly |
| Minimum wage data by NACE | MWA07 | https://data.cso.ie/table/MWA07 | State | 2016-2020 | 2018-2020 | Quarterly |
| Minimum wage data by Region | MWA13 | https://data.cso.ie/table/MWA13 | Region | 2016-2020 | 2018-2020 | Quarterly |
| Distribution and Services Enterprises | ANA13 | https://data.cso.ie/table/ANA13 | State | 2008-2020 | 2018-2020 | Annual |
| Road Freight Activity | TFQ03 | https://data.cso.ie/table/TFQ03 | State | 2009-2022 | 2018-2022 | Quarterly |
| PUP and Temporary Wage Subsidy Scheme | LRW05 | https://data.cso.ie/table/LRW05 | State | 2020-2021 | 2020-2021 | Weekly |
| Cumulative Persons receiving PUP and TWSS | LRW06 | https://data.cso.ie/table/LRW06 | State | 2020-2021 | 2020-2021 | Weekly |
| New entrants to the PUP, TWSS or EWSS | LRW07 | https://data.cso.ie/table/LRW07 | State | 2020-2022 | 2020-2022 | Weekly |
| Business Energy Use in Tonne of Oil Equivalent (toe) | BEU01 | https://data.cso.ie/table/BEU01 | State | 2009-2019 | 2018-2019 | Annual |
| Business Energy Use in Thousand Euro | BEU02 | https://data.cso.ie/table/BEU02 | State | 2009-2019 | 2018-2019 | Annual |
| Greenhouse Gas Emissions | EAA15 | https://data.cso.ie/table/EAA15 | State | 2013-2019 | 2018-2019 | Annual |
| Emissions to Air | EAA16 | https://data.cso.ie/table/EAA16 | State | 2013-2019 | 2018-2019 | Annual |
| Environmental Subsidies and Similar Transfers | ESA02 | https://data.cso.ie/table/ESA02 | State | 2000-2020 | 2018-2020 | Annual |
| Purchases and Sales via E-commerce | ICA02 | https://data.cso.ie/table/ICA02 | State | 2009-2020 | N/A | Annual |

# Appendix 2: Interviewees

| Interviewees | |
|---|---|
| Alan McGrath | Healthstores.ie (ISME nomination) |
| David Baker | Decwells Hardware (Dublin Town nominee) |
| Edel Clancy | Musgraves |
| Emma Ormond | Pennys / Primark |
| Evelyn Moynihan | Kilkenny Group |
| Gerry Light | Irish Congress of Trade Unions (ICTU) |
| Grace Milton | Tesco Ireland |
| Ian Talbot | Chambers Ireland |
| Jim Curran | Irish Pharmacy Union |
| John Foy | Supervalu (Franchise Holder) |
| John McGrane | Family Business Network |
| Keith Rogers | Ecco Shoes |
| Ken Scully | Marks and Spencer |
| Liam Hanly | Eason |
| Linda Stewart | Mizu Hair and Beauty (LEO nomination) |
| Martin Markey | Hardware Association of Ireland |
| Padraig Barry | Aldi Ireland |
| Robert Ryan | Lidl Ireland |
| Shelia O'Reilly | European and International Booksellers Federation |
| Tara Buckley | RGDATA |
| Vincent Jennings | Convenience Stores & Newsagents Association |

# Appendix 3: Workshop Attendees

| Workshop Attendees | |
|---|---|
| Aidan Harte | Optimum Results |
| Aisling McEneany | DETE invitee |
| Alan McGrath | Health stores |
| Andrew MacCarthy | House and Home Ireland |
| April Anna Barker | Cavan and Monaghan Education and Training Board |
| Arnold Dillon | Ibec |
| Cathy Kearney | BWG |
| Darragh Morgan | Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media |
| Declan Power | Louth County Council |
| Derek Beatty | Brennans Bakeries |
| Donal O Sullivan | O'Sullivan Safety |
| Donal Ormsby | B & Q |
| Duncan Graham | Retail Excellence |
| Emily Pittman | Unilever |
| Eva-Marie McNamee | Chambers |
| Evelyn Moynihan | Kilkennygroup.com |
| Fergal O'Brien | IBEC |
| Finbarr Filan | Sligo Business Improvement District |
| Garrett Gunn | Tapit |
| Gerard Brennan | Louth County Council |
| Gerry Light | Mandate |
| Grace Milton | Tesco |
| Gwen Culligan | The County Boutique (ORS recipient) |
| Jackie Jolliffe | The Crafty Fox |
| Jason Taylor | Department of Housing, Local Government and Heritage |
| JJ Ryan | DETE invitee |
| Jocelyn McCloskey | Mc Closkeys Bakery |

# Appendix 3: Workshop Attendees

| Workshop Attendees | |
|---|---|
| JP Mulherin | Department of Rural and Community Development |
| Maeve McLaughlin | Tesco |
| Maurice Cunningham | B & Q |
| Michael Quinn | Waterford Council |
| Michaela Reilly | Chambers |
| Neil McDonnell | Isme.ie |
| Niall Gaffey | Eason |
| Niall Savage | KPMG Ireland |
| Noelle O'Kane | Life dev |
| Orla McDonnell | DETE invitee |
| Pamela Malone | Department of Taoiseach |
| Pat Farrell | lip.ie |
| Peter Hatton | Unilever |
| Richard Guiney | Dublintown |
| Robert Murray | Drogheda Chamber |
| Rodney Kingston | Meade Farm |
| Ronan Gilroy | DETE invitee |
| Sheelagh McNeill | DETE invitee |
| Sinead Copeland | Department of Culture, Heritage and the Gaeltacht |
| Sinead Hickey | Department of Further and Higher Education Research Innovation and Science |
| Stacey Cannon | Department of Further and Higher Education Research Innovation and Science |
| Tanya Ganly | Department of Taoiseach |
| Tara Buckley | RGdata |
| Thomas McEvoy | Louth County Council |
| Trevor Connolly | Love Drogheda |
| Vincent Jennings | CSNA |

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