

*Emer McCarthy, Group Strategy and E-Commerce Director at Kilkenney Design spoke with us about how an Innovation Voucher partnership with IVI through the ReThink/ReDesign programme helped Kilkenney Design during a particularly difficult time for the retail sector.*



### The organisation

For anyone not familiar with Kilkenney Design, we are the largest Irish design retailer in Ireland, with over 21 stores, 250 Irish designers, and a significant online presence internationally via our e-commerce website. 74% of our products are Irish designed and we're also the founders of the Champion Green Movement, which is a nationwide movement to support local.

### The challenge

Retail has had its challenges, it's fair to say, over the last number of years – particularly post-COVID, but also with the transformation of within the digital space which really has accelerated. I will mention a couple of areas where we identified some great opportunities, but also challenges, and how an Innovation Voucher created value for us and helped us to create a roadmap for the future.

The first area is the evolution of channels. Consumers nowadays expect to access your product through so many different channels. It's not just bricks and mortar and online: it's through live selling, it's through social media platforms, and more. The complexity within that appears when you're developing a strategy around your inventory management across each of these different areas. Also, complexity becomes obvious when you're looking at your marketing strategies to provide a seamless experience, and when creating customer service across each [channel] that's seamless and best presents your brand to the customer.

One of the other key areas is big data. Again, this impacts a lot of different industries and can provide great opportunity. But I'm sure anyone who works with data is very aware that it's the *mining* of data is the opportunity. It's important to understand what it's telling you and how to utilize [data] to drive better decision making. That's the real opportunity, but also a challenge in its own right, given the vast quantities of data that are coming at us in a daily basis.

The next area is consumer experience. Customers expect to be able to access your product in lots of new and different, novel ways and it's [important to] keep abreast of all the changes there. A great example is [augmented reality] try-on mirrors – is it something we should look at in retail, is it not? When you look at different types of new technologies, some are relevant, some are not – how do you decide which to look at and which are relevant for your industry?

Next is competitors from the online world. There are some significant giants out there that are paving the way, with a delivery from a drone within an hour or two. If you're working the SME sector where that's not something you can turn on so quickly, how do you compete with that? How do you create a seamless experience and keep loyalty with your customers, while also being able to implement a level of the key expectations that are driven by large organizations like Amazon for example?

The next challenge are is digital technologies in general. There's lots of technologies, it's a very fast moving sector, particularly with an accelerated pace since COVID. There's augmented reality, there's virtual reality – and again, what's right for you within the sector? That was something we had to really look at [at Kilkenny Design]. Time is a big a big factor in this as well. Sometimes the industry or the consumer isn't ready for some of these technologies at a certain point, but [then] they evolve, and later they may be willing to adapt to some.

## The solution

We embarked on an Innovation [Voucher] partnership with IVI and Maynooth University to look at these challenges and to create a roadmap, to identify the key areas we could focus on to take advantage of these changes for our business. The first one I'll mention is the Kilkenny Virtual Reality Stores. We launched this in conjunction with IVI in July 2021. It allows you to shop our [Dublin] Nassau Street store from the comfort of your own home.

The timing here was actually perfect. Was the customer ready? Not really, in terms of virtual reality, particularly for our average customer age profile. But because they were in a world where COVID didn't facilitate them going into store, and where they were nervous to go into a store because of all the changes in the environment, they adapted to a virtual reality store. From our perspective it also worked very well for our international customers, who at the time were not travelling back to Ireland. It provided them with a great experience by being able to shop at Nassau Street, our flagship, and to learn about each of the products – to pick them up, to add them to cart.

So what did that do for Kilkenny? We were the leaders in VR adoption from a retail perspective, as we had 'add to cart' functionality. It won an award at the time [Digital Campaign of the Year at the Retail Ireland Excellence Awards]. It provided us with great insight into consumer preferences. Because they were shopping from their homes but engaging with the products, we could understand their navigation and how they moved around the store. We saw some very strong metrics from this.

It was a great time to adopt virtual reality and this would not have been possible without an Innovation [Voucher] partnership, because of the risk and investment needed for this type of project – we wouldn't have had the resources within our group, as part of SME sector.

One of the other key areas we focused on is the data. We are all aware that data is gold, but it has to be used in the right way to drive a better experience for the customer. You also need to use data to put the company in a position where you're developing products and services that are what the customer's going to want and will need into the future. So, how did IVI help us with this? We embarked on a project identifying all the data sources. There's a lot of data sources within any company – lots of different sources of information on our customers. We looked at the best means through which to store that data, how to put it all together into a [data] lake. Then, we examined how to pave a roadmap for developing it into an analytics platform that could continue to evolve with all the key changes happening within the sector, including the changes for consumer preferences. A lot of novel techniques were deployed at the time, with the aim of providing a 360 view of the customer. It is still a work in progress, we continue to evolve and develop it, but it certainly gave us a fantastic foundation from which to drive forward with data analytics. That is a space that will continue to add value to any company as well as any customer journey.

## The result

In summary, from our perspective the partnership produced some fantastic results. It allowed us to embark on digital transformation much more quickly than what would have been possible without it. It increased our innovation capacity and culture, providing us with resources and capabilities. The partnership accelerated our time to market with the virtual reality store, which is not something that we would have been able to do without it. It mitigated our financial risk because of the sharing of resources and financials, and it provided us with access to new customers.

So for any organisation that's looking at new opportunities, new services, new products, or just something they want to explore, I think the Innovation Voucher partnership is a fantastic opportunity to collaborate, to share and pool resources and share risk. It will help you develop the right result for your company, and it's giving you access to [resources] that you wouldn't have access to otherwise.