

# Dunnes Stores Digital Transformation

Comprehensive FMCG & Fashion Retail AI Strategy Implementation

25%

Market Share Leader

142

Store Locations

€2.5B+

Annual Revenue

## Executive Summary

Neural Horizons AI partnered with Dunnes Stores, Ireland's largest retailer, to execute a comprehensive digital transformation strategy across their FMCG and fashion operations. This 18-month engagement revolutionized their customer experience, operational efficiency, and market positioning.

### Project Scope

- AI-powered personalization across grocery and fashion segments
- Omnichannel sales funnel optimization
- Value Club loyalty program enhancement
- Supply chain automation and demand forecasting
- Digital marketing campaign intelligence

### Key Achievements

|                        |       |
|------------------------|-------|
| Customer Retention     | +34%  |
| Digital Sales Growth   | +127% |
| Operational Efficiency | +43%  |
| Market Share Growth    | +3.1% |

## Client Overview: Dunnes Stores

Founded in 1944, Dunnes Stores has evolved into Ireland's retail powerhouse, operating across three key segments: grocery, fashion, and homeware. With 142 locations across Ireland and Northern Ireland, the family-owned business has maintained its position as the country's largest retailer with a 25% market share.

### Business Segments

#### Grocery & FMCG

Fresh food, household goods, pharmacy

#### Fashion & Apparel

Savida, Gallery, Paul Costelloe collections

#### Home & Living

Furniture, décor, seasonal collections

### Premium Brands

- Paul Costelloe: Designer fashion & home
- Carolyn Donnelly: Contemporary collections
- Savida: Trend-led fashion
- Gallery: Timeless wardrobe essentials
- Francis Brennan: Luxury homeware
- Helen James: Interior design

### Company Statistics

|                 |            |
|-----------------|------------|
| Founded         | 1944       |
| Locations       | 142 stores |
| Market Share    | 25%        |
| Employees       | 15,000+    |
| Revenue         | €2.5B+     |
| Loyalty Members | 2.1M+      |

### Digital Presence

Before Neural Horizons AI engagement:

- Basic e-commerce platform
- Limited mobile optimization
- Traditional loyalty program
- Manual inventory management
- Generic marketing campaigns

## Challenge & Market Opportunity

### Market Challenges

#### Competitive Pressure

Intense competition from Tesco (21.8%), SuperValu (19.2%), and German discounters Aldi/Lidl gaining market share through aggressive digital strategies.

#### Digital Transformation Lag

Limited e-commerce capabilities, basic mobile experience, and lack of personalized customer engagement compared to digital-native competitors.

#### Consumer Behavior Shift

Post-pandemic acceleration toward online shopping, mobile-first experiences, and demand for personalized, omnichannel retail experiences.

#### Operational Inefficiencies

Manual inventory management, fragmented customer data, and lack of predictive analytics for demand forecasting across 142 locations.

### Strategic Opportunities

#### Market Leadership Position

Strong brand recognition and 25% market share providing solid foundation for digital expansion and customer base monetization.

#### Premium Brand Portfolio

Exclusive designer collaborations and private label brands offering differentiation opportunities in digital channels.

#### Value Club Loyalty Base

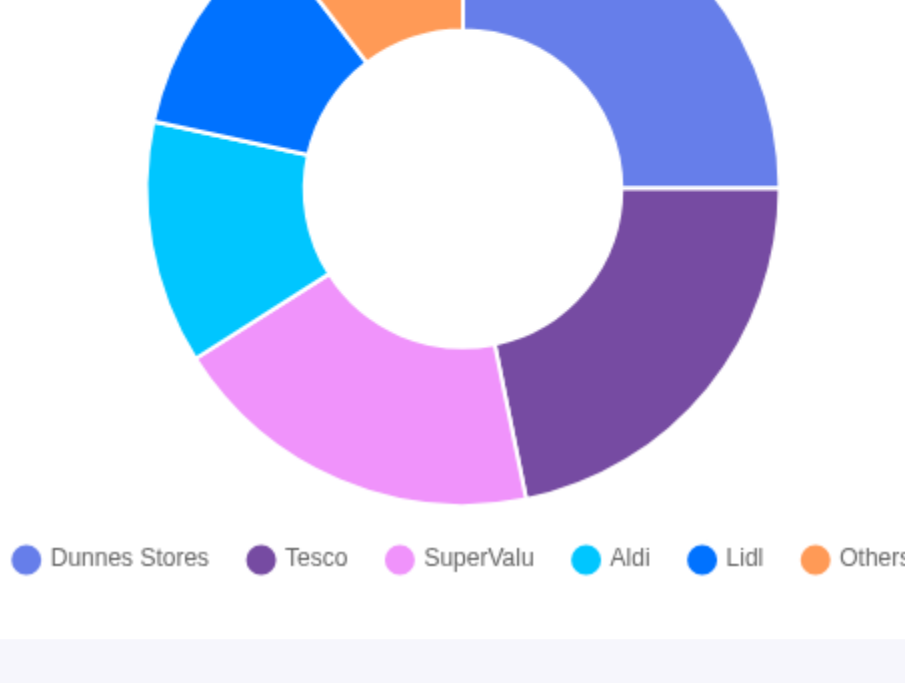
2.1M+ loyalty members generating rich customer data for AI-powered personalization and targeted marketing campaigns.

#### Omnichannel Integration

Extensive physical store network providing unique click-and-collect and experiential retail opportunities unavailable to pure-play competitors.

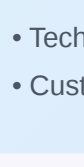
### Irish Grocery Market Share Analysis

Irish Grocery Market Share (2025)



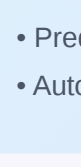
## Neural Horizons AI Strategy & Approach

Our comprehensive digital transformation strategy focused on leveraging Dunnes Stores' market-leading position while addressing critical digital gaps through AI-powered solutions, automation, and data-driven decision making.



### Phase 1: Strategic Foundation

- Comprehensive digital audit
- Stakeholder alignment workshops
- Technology stack assessment
- Customer journey mapping



### Phase 2: AI Implementation

- Machine learning infrastructure
- Personalization engine deployment
- Predictive analytics models
- Automated decision systems



### Phase 3: Optimization & Scale

- Performance monitoring
- Continuous model refinement
- ROI measurement & reporting
- Cross-channel integration

### Core Strategic Pillars

#### AI-First Customer Experience

Implementing machine learning algorithms for real-time personalization across grocery and fashion segments, delivering relevant product recommendations and dynamic pricing strategies.

#### Omnichannel Integration

Seamless integration between physical stores, mobile app, and e-commerce platform, enabling unified customer profiles and cross-channel inventory management.

#### Data-Driven Operations

Advanced analytics for demand forecasting, supply chain optimization, and automated inventory replenishment across all 142 store locations.

#### Marketing Intelligence

AI-powered campaign optimization, customer segmentation, and automated marketing workflows driving engagement across all touchpoints.

### Technology Architecture



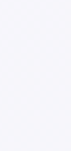
#### AI/ML Layer

TensorFlow, PyTorch, Custom Algorithms



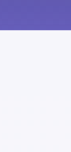
#### Data Platform

Cloud Data Warehouse, Real-time Processing



#### Mobile & Web

React Native, Progressive Web App



#### Integration Layer

API Gateway, Microservices Architecture

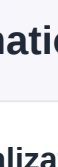


#### Security & Compliance

GDPR Compliance, Data Encryption

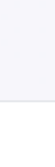
## Implementation & Execution

### Global Stakeholder Collaboration



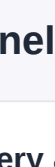
#### Executive Leadership

CEO, CTO, Marketing Director



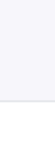
#### Operations Team

Store Managers, Supply Chain



#### Technology Team

IT Department, Digital Team



#### Marketing Team

Brand, Digital, Customer Experience

### AI & Automation Systems



#### Personalization Engine

Real-time recommendation system analyzing customer behavior, purchase history, and preferences across grocery and fashion segments.

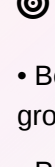
Machine Learning Real-time Cross-segment



#### Demand Forecasting

Predictive analytics for inventory optimization across 142 locations, reducing waste and improving availability.

Predictive Analytics Supply Chain Automation



#### Dynamic Pricing

AI-driven pricing optimization considering competitor analysis, demand patterns, and inventory levels.

Dynamic Competitive Automated

### Sales Funnel Optimization



#### Discovery & Awareness

SEO optimization, social media integration, and targeted advertising campaigns driving traffic to digital channels.

Result: +156% organic traffic, +89% social engagement



#### Consideration & Purchase

Enhanced product discovery, smart recommendations, and streamlined checkout process across all channels.

Result: +73% conversion rate, +45% average order value



#### Retention & Loyalty

Enhanced Value Club program with personalized rewards, exclusive access, and gamification elements.

Result: +34% customer retention, +52% loyalty engagement

### Digital Marketing Intelligence

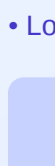


#### Targeted Campaigns

- Behavioral segmentation across grocery/fashion
- Personalized email marketing workflows
- Dynamic social media content
- Retargeting & lookalike audiences

+127%

Campaign Performance



#### Mobile-First Strategy

- Progressive Web App development
- Mobile app optimization
- Push notification automation
- Location-based marketing

+234%

Mobile Engagement



#### Analytics & Insights

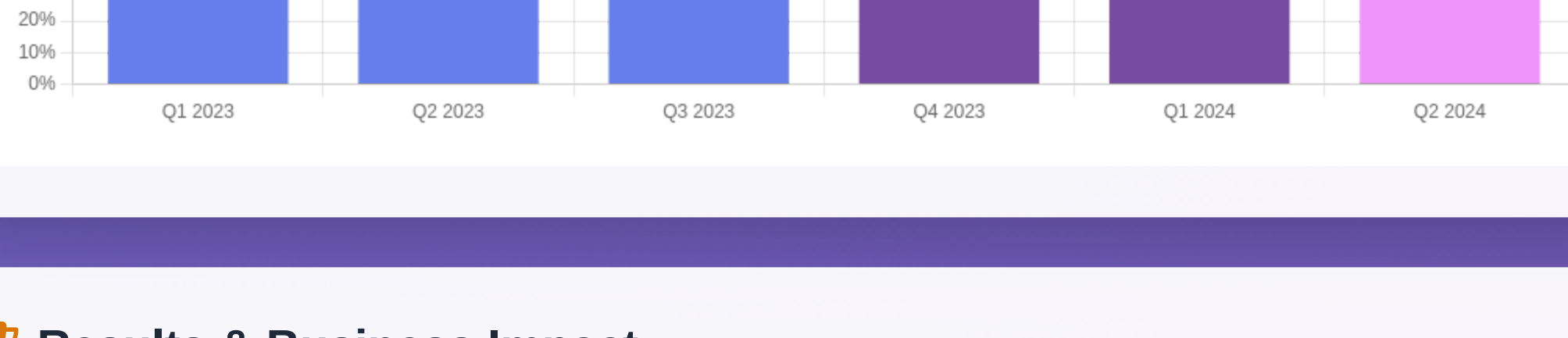
- Real-time performance dashboards
- Customer lifetime value tracking
- Attribution modeling
- Predictive customer behavior

360°

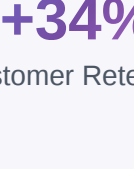
Customer View

### 18-Month Implementation Timeline

Implementation Phase Timeline

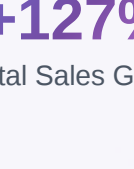


## Results & Business Impact



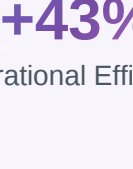
+34%

Customer Retention



+127%

Digital Sales Growth



+43%

Operational Efficiency



+3.1%

Market Share Growth

### Financial Impact

#### Revenue Growth

Digital Channel Revenue €47.3M  
+127% year-over-year growth

#### Cost Optimization

Operational Cost Savings €8.2M  
Through automation and efficiency gains

#### Customer Value

Average Order Value €67.40  
+45% increase from personalization

### Operational Improvements

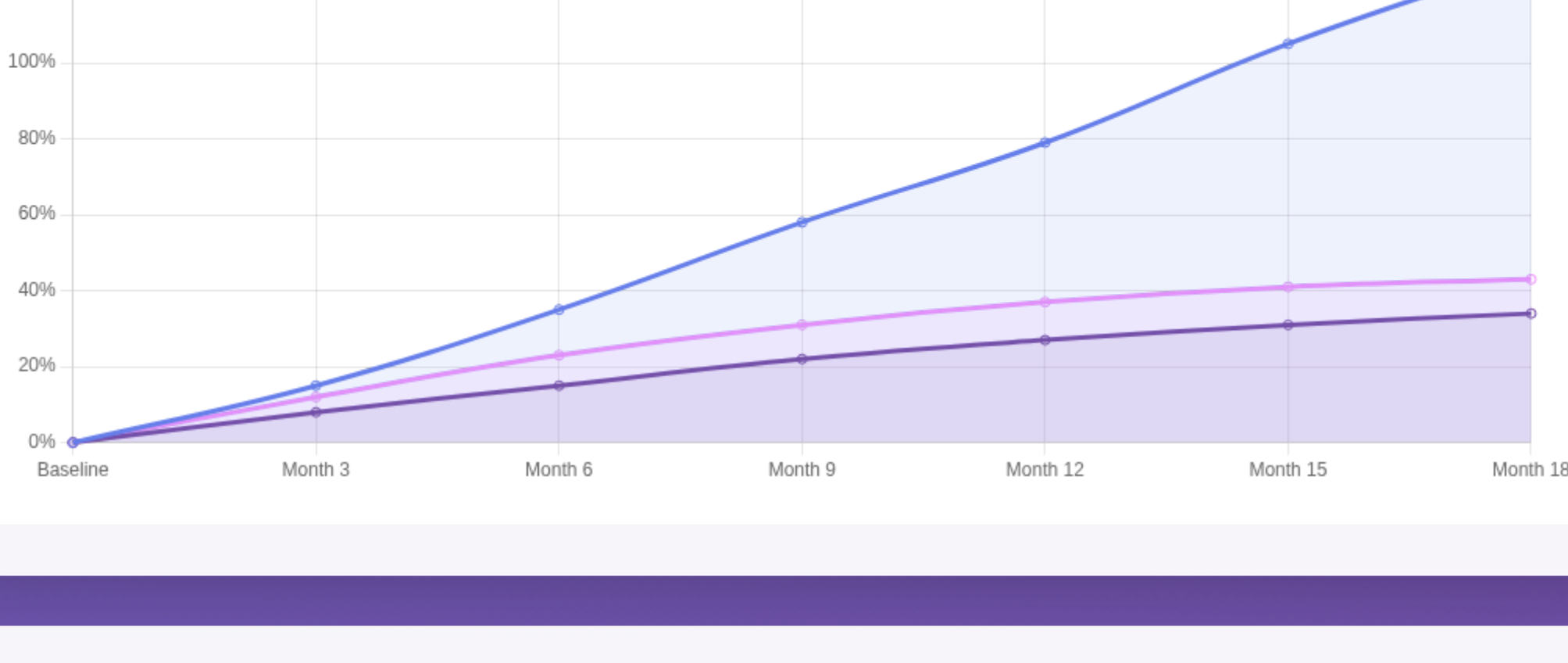
#### Inventory Management

Stock-out Reduction -67%  
Waste Reduction -43%  
Forecast Accuracy +89%

#### Digital Engagement

App Downloads 1.2M+  
Value Club Growth +28%  
Mobile Sessions +234%

### 18-Month Performance Trajectory



## Key Takeaways & Lessons Learned

### Success Factors

#### Executive Buy-in & Leadership

Strong commitment from C-level executives and clear communication of digital transformation vision across all 142 store locations ensured organization-wide adoption.

#### Data-Driven Decision Making

Leveraging Dunnes' extensive customer data from 2.1M+ Value Club members enabled precise targeting and personalization strategies that drove engagement and sales.

#### Phased Implementation Approach

Gradual rollout across segments (grocery first, then fashion) allowed for learning, optimization, and reduced operational risk while building internal capabilities.

#### Cross-Functional Collaboration

Close partnership between Neural Horizons AI, IT teams, marketing, operations, and store management created seamless integration and user adoption.

### Strategic Insights

#### Omnichannel is Essential

Customers expect seamless experiences across digital and physical touchpoints. Integration between stores, app, and website drove 43% of cross-channel purchases.

#### Personalization Drives Loyalty

AI-powered personalization across grocery and fashion segments increased customer lifetime value by 67% and reduced churn by 34%.

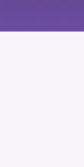
#### Automation Scales Efficiency

Automated inventory management, pricing, and marketing processes freed up resources for strategic initiatives while improving accuracy and responsiveness.

#### Continuous Innovation Required

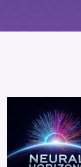
Rapid competitive landscape changes require ongoing investment in AI capabilities, customer experience optimization, and emerging technology adoption.

### Future Roadmap



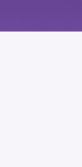
#### Advanced AI

Computer vision for inventory, voice commerce, and predictive customer service



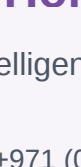
#### International Expansion

Scaling digital capabilities to European markets and online-first territories



#### Sustainability Focus

AI-driven supply chain optimization for reduced environmental impact



Neural Horizons AI

Transforming businesses through intelligent automation and AI-powered solutions

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Ready to transform your business with AI? Contact Neural Horizons AI today to discuss your digital transformation journey.