



Case Study

# Dromoland Castle



Ireland's Experience Economy

**More than meets the eye**

## What is the Experience Economy?

The Experience Economy consists of businesses and a workforce that operate across multiple sectors in Ireland as well as encompassing organisations in the arts, cultural, sporting and heritage sectors, it includes hospitality, retail, travel, food and drink, tourism, attractions and venues, entertainment, events and activity providers.

Ireland's Experience Economy contributes €4 billion annually to the Irish economy and employs over 300,000 people. Ibec is leading a campaign to educate all stakeholders about the reach and value of the Experience Economy.

Our campaign *More than meets the eye* seeks to highlight not only the “front of house” sector itself but also the vast array of services and industries that support hospitality, leisure, tourism and entertainment sectors in Ireland, and thereby make the case for better focus on the status of the Experience Economy and its wider ecosystem.

The Experience Economy and its supply chain, touches not only on more developed economic environments but also the “hard to reach” yet critical parts of the economy and society in Ireland, including regional/rural areas with limited economic opportunities, small businesses, and economically disadvantaged groups (e.g. young people).

This case study illustrates the ecosystem of the Experience Economy.



## Dromoland Castle

**The 97-bedroom Dromoland Castle is a 5\* luxury hotel situated in Newmarket-on-Fergus, Co. Clare.**

### Background

The property has a rich history extending back to the 5th Century, and it was the ancestral home of the O'Brien family, direct descendants of Brian Boru, one of the last High Kings of Ireland. The present building was constructed in the mid-19th Century, and the Castle remained in the hands of the O'Brien family until it was sold in 1962, when it was transformed into a luxury hotel.

As a hotel, the property combines a magnificent setting with excellent facilities, which in turn are integral to the Dromoland Castle “experience”. Located close to Shannon Airport, it is also easily accessible for international travellers, and is a convenient base for visitors exploring the Wild Atlantic Way, particularly the nearby Cliffs of Moher, the Burren, Bunratty Castle, Knappogue Castle, King John's Castle, Craggaunowen, the Hunt Museum and other attractions of the cities of Galway and Limerick. In addition, Dromoland Castle has a sister property – the 125-bedroom Dromoland Inn – and guests there can avail of both the Castle Spa and the Dromoland Golf Course.

### Current Activities and Scale

Since opening as a hotel in the 1960s, Dromoland Castle has been continuously renovated and refurbished, including the expansion of accommodation facilities and event facilities, the addition of an 18-hole championship golf course and the development of spa and wellness facilities. All accommodation at Dromoland offers a very high standard of luxury and comfort, commensurate with its 5\* rating, and it offers a variety of different accommodation types (e.g. classic rooms, deluxe rooms, staterooms and suites). Dining facilities include

the flagship Earl of Thomond and Gallery restaurants, plus the Cocktail Bar, while spa and wellness facilities offer a variety of therapies and treatments using premium spa products from a suite of six treatment rooms and other relaxation spaces. The championship golf course, meanwhile, is regarded as one of the finest parkland courses in Ireland, while its clubhouse also has its own dining and bar facilities alongside pool, gym, sauna and steam rooms. In total, the entire Dromoland Castle estate consists of about 500 acres, with its own private lake, gardens and woodlands, all of which is open to guests who may wish to explore the wide variety of outdoor activities available. These include falconry, archery, clay pigeon shooting, fishing, horse and carriage rides, horse riding, walking and cycling trails, paddle boarding and kayaking.



Reflecting the premium experience that it seeks to deliver, turnover at Dromoland Castle reached €29 mn in 2022. About 70% of visitors to Dromoland come from international markets, with the vast majority coming from the North American market, which brings valuable foreign exchange earnings and “export” business into a local, rural economy. Visits from international tourists are important throughout the year, but peak during April to September, while weddings and events are an important source of revenue for the hotel, both from Ireland and overseas.

The importance of premium service within the Dromoland experience, in turn, is also reflected in the large workforce that Dromoland supports, which includes an estimated 250 full-time jobs, an additional 50 part-time jobs, and an annual wages and salaries bill of more than €12 mn. Typically, staff numbers at Dromoland are equivalent to 1.5 staff for every guest. In addition, Dromoland Castle is certified as a “Great Place to Work”, where it has one of the highest ratings in Ireland for “customer focus” at 95%, while its employee training programmes place a very strong emphasis on the ambassadorial role that staff play for the hotel (and for Irish tourism more generally) in addition to skills development and career progression. While the majority of employees are locally based, the hotel also provides accommodation for staff.

## Importance to the Local or Regional Economy

As noted earlier, Dromoland Castle is a business of significant scale within its local and regional economy, with a turnover of €29 mn, a staff of 300 people, and a wages and salaries bill of over €12 mn. The majority of staff at Dromoland are also locally based, meaning that most of the wages and salaries that it provides filter further into the local economy.

Alongside its local employment impact, the business spent about €16 mn on purchases from over 600 suppliers of goods and services in 2022. Most of these purchases were from Irish suppliers, particularly for food and beverage products, with local suppliers in the Clare area including Burren Perfumery, Burren Smokehouse, Con Woods Herbs and Salads, Cratloe Hills Cheese, CS Fish, Garrihy Sea Foods, Gourmet Game, Inagh Farmhouse Cheese, Meere's Pork Products, Melody Farm Eggs, Newmarket-on-Fergus Family Butchers, St Tola Goats Cheese, Thalli Foods and Wild Irish Seaweed. Added to this, activities at Dromoland, like falconry, archery, clay pigeon shooting, fishing, horse and carriage rides, horse riding, walking and cycling trails, paddle boarding and kayaking, are generally provided by independent local enterprises.

Suppliers from within Dromoland's wider regional economy, on the other hand, include Kelly's Galway Bay Oysters (Galway), Loughnane's (Galway), McGough's Charcuterie (Galway), Munster Microgreens (Tipperary), Pallas Foods (Limerick), Pat O'Connor Butchers (Limerick) and Strand Foods (Limerick). Furthermore, Dromoland Castle grows its own herbs and some vegetables.



In addition, Charlotte and Co, Dromoland's on-site boutique that celebrates past castle connections to the Irish textile industry, promotes premium Irish brands, curating a range of Irish designers including Cleo Prickett, Niamh Gillespie's Tidings, Colin Burke, Paula Rowan, Deborah Veale, Begeley and Bowie, Ferguson Irish Linen and Aoife Lifestyle.

## Business Outlook

Restrictions imposed due to the Covid-19 pandemic devastated the tourism and leisure sectors during 2020 and 2021, and Dromoland Castle, like many other businesses in the sector, incurred significant operating losses over this period. However, generous Government supports enabled Dromoland Castle (and many other Irish tourism enterprises) to survive the disruption caused by Covid-19, to the extent that business at Dromoland has recovered strongly over the past couple of years. Turnover has grown from a pandemic-affected €12 mn in 2021 back up to €29 mn in 2022, and turnover in 2022 was also notably higher than the pre-Covid annual turnover recorded in 2019 (€23 mn).

While revenues have grown strongly in the last two years, challenges to the business include the recent significant growth in the underlying cost base, notably for food, energy, labour costs and commercial rates, as well as the wider issue of accommodation for the labour pool. Also, constant reinvestment in the property, to keep standards high in a very competitive marketplace, resumed in 2022. During 2023, for example, an estimated €4.5 mn was reinvested, with a further €4.0 mn in investment planned for 2024 and 2025. As well as upgrading staff accommodation, this investment includes improvements to guest experience through new activities (e.g. gardening and farming experiences) and sustainability improvements through the installation of a 180 kW solar panel system at Dromoland Castle (and a 200 kW system at Dromoland Inn), and investigation of other renewable sources of power.

Sustainability is a challenge and opportunity that Dromoland has actively embraced in recent years. For example, following evaluation across 50 sustainability indicators, and in recognition of innovation in conservation and environmentally friendly practices, Dromoland Castle was admitted to “Beyond Green”, a global collection of sustainable hotels under the Preferred Hotels brand. Sustainability is central to ongoing investment at Dromoland, and the installation of combined heat and power (CHP) systems has supplemented investment in solar panels to promote greater energy efficiency and reduced carbon emissions. Other sustainability initiatives, inter alia, include:

- > elimination of all single use plastic bottles;
- > production of compost from food waste, shredded paper and coffee grounds;
- > rainwater harvesting for the gardens;
- > installation of the hotels’ own water reservoir, which has reduced water consumption by 40%;
- > upgrading of all windows to 12” “slim glaze”;
- > 95% conversion to LED lighting;



- > golf course certification from the GEO Foundation for Sustainable Golf, and use of electric golf buggies on-site;
- > tree planting days for staff; and
- > development of a biodiversity plan for the estate.

Dromoland also has Green Champions from across all departments and a Green Team, which meets monthly to review existing and initiate new procedures. A green organisational culture is stewarded throughout the resort, and all staff take part in training programmes on sustainability and conservation.

Asked how the Government could best assist the Experience Economy, the General Manager at Dromoland Castle, Mark Nolan, emphasised the importance of “people” in terms of delivering memorable experiences. From a hotel perspective he notes that the Government and Fáilte Ireland have launched campaigns to highlight the attractions of tourism as a career in recent years, but also that continued effort is required to overcome outdated perceptions of unsocial hours or limited scope for career advancement. Similarly, he stresses the need to emphasise the visibility of the Experience Economy at a Government level, which it is felt has been downgraded somewhat in recent decades, e.g. through the closure of the State training agency for tourism (CERT) or through regular changes in the status of the sector at Ministerial level.



## About Ibec

**Ibec is Ireland's largest lobby group and business representative. We campaign for real changes to the policies that matter most to business. Policy is shaped by our diverse membership, who are home grown, multinational, big and small and employ 70% of the private sector workforce in Ireland.**

**With 39 trade associations covering a range of industry sectors, 6 offices around Ireland as well as an office in Brussels. With over 300 employees, Ibec communicates the Irish business voice to key stakeholders at home and abroad. Ibec also provides a wide range of professional services and management training to members on all aspects of human resource management, occupational health and safety, employee relations and employment law.**



## Ibec Trade Associations

### Representing your industry

Representing your industry Ibec understands that every business is different. There are the general issues which face all businesses operating in Ireland and then there are the issues specific to individual sectors or categories of the economy. To reflect the distinct interests of all our members, there are 39 business associations within the Ibec group. Ibec's trade associations identify and champion issues of importance to their respective members and provide great knowledge sharing, networking, and training for all these industries.

Ibec's trade associations are strong brands in their own right and those that represent the Experience Economy include:

- Ibec Networks
- Retail Ireland
- Food Drink Ireland
- Drinks Ireland
- Irish Whiskey Association
- Dairy Industry Ireland
- Meat Industry Ireland
- Technology Ireland
- Telecommunications Industry Ireland
- Audiovisual Ireland
- Travel, Leisure & Hospitality Network
- Supply Chain Network
- Small Firms Association



**#YourExperienceEconomy**

**#MoreThanMeetsTheEye**

**[www.ibec.ie/influencing-for-business/  
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