



Case Study

Kilkenny Design



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.



Kilkenny Design

The Kilkenny Group is an award winning, Irish, family-run company, which specialises in providing high-end retail offerings for both tourists and domestic Irish customers, but with a particular focus on promoting Irish craft and design.

Background

The origins of the company date back 60 years, back to when the Government established Kilkenny Design Workshops at Kilkenny Castle in 1963 to help develop Irish craft makers and to create sustainable design jobs in Ireland. At this time, craftspeople from around the world were invited to the workshops to share their skills and work collaboratively to help develop novice Irish craft makers into self-sufficient entrepreneurs, using indigenous materials (bog, oak, clay, marble), precious metals, ceramics, weaving and textiles, for example. Considered to be revolutionary for its era, the workshops put a spotlight on growing traditional Irish crafts as a sustainable, local economic activity, and these local crafts and gifts in turn proved hugely popular with visitors. As a result, the first Kilkenny Design store was opened in Kilkenny City in 1965, followed later by the opening of the flagship Kilkenny Design store at Nassau St, Dublin in 1976.

In 1999, Kilkenny Design was taken over by Marian O’Gorman and her family, bringing to the company nearly 30 years of leadership experience in retail with Blarney Woollen Mills, which was originally founded by her father, the late Christy Kelleher. Expansion over this time has led to the company now running 18 stores nationwide, however its purpose and mission remains tightly interwoven with supporting, promoting and elevating Irish craft makers and designers.

Current Activities and Scale

In terms of scale, the current Kilkenny Design business has stores in Dublin (Nassau St, Liffey Valley, Nutgrove, Stillorgan and Swords), Cork (Cork City, Douglas and Shanagarry), Kilkenny (Kilkenny City), Galway (Galway City), Kerry (Killarney), Clare (Ennis), Tipperary (Cashel), Meath (Trim) and Kildare (Newbridge). It also operates two other stores under its Christy's brand in Kerry (Killarney) and Cork (Cobh) as well as Sammy's in Kerry (Inch) and a Christmas store in Kildare (Kildare Village). In-store cafés are operated from Nassau St, Kilkenny, Cobh, Shanagarry and Inch, while online sales are a further part of the Kilkenny business.



Sales on an annual basis are currently at about €31 mn, with €25 mn-€26 mn of this being in-store sales and another €4 mn-€5 mn being online sales. Online sales have become a more significant part of the business in the last five years, having received more focus during the Covid-19 pandemic, and international online sales have doubled in the past 12 months. For in-store business, about 45% is also sourced from the tourist market, with the other 55% coming from the domestic market, while some stores have a larger tourist business than others, including Kilkenny (which is about 80% tourism-based), Killarney, Nassau St and Cobh (which attracts cruise liner passengers).

In this regard, the product and experience offering are in a lot of cases tailored to the location, reflecting the importance of tourist versus domestic demand, for example, or the craft providers or designers that are based in a particular local area or region, e.g. promotion of Castle Arch Pottery in Kilkenny. Also, as part of its innovation agenda, Kilkenny Design is entering a new chapter in developing its own brand ranges, which will be exclusive to Kilkenny Design (a recent example of this is the launch of the Lennon Courtney & Kilkenny lifestyle range, in October 2023). In addition, Kilkenny Design continues to invest in its omnichannel experiences, delivering a new virtual reality site during the Covid-19 pandemic, launching its new retail outlet in Liffey Valley in October 2023, and investing in a new AI-powered e-commerce site in September 2023.

Employment across Kilkenny Design amounts to about 250 people at the peak trading time at Christmas, with about 50-60 people being employed in the Nassau St store in Dublin. About 190 people are employed by Kilkenny

Design outside of peak times. Skills and a people culture are hugely important in the company, which tries to promote a learning environment, growing talent from the shop floor up to “key holder”, Deputy Manager, Manager or Area Manager. It also provides an online learning portal and tools for staff, it works closely with Ibec and Skillnets to develop skills, and it increasingly uses customer experience (CX) and data skills and training to improve customer experience and build customer loyalty, while also building skills in areas like finance, logistics or merchandising.

Food services at Nassau St, Kilkenny, Cobh, Shanagarry and Inch, meanwhile, are outsourced in collaboration with specialist partners, which generates additional employment. Food is a massive part of the experience that the company provides in these locations, which is why the company uses expert providers to deliver a high quality offering and dining experience.

Importance to the Local or Regional Economy

As noted above, Kilkenny Design employs up to 300 people across nine different counties in Ireland, alongside other employment generated through its eateries, thereby contributing to economic activity in many local and regional economies.

Kilkenny Design also makes a significant contribution to the Irish economy, as well as to local and regional economies within the wider national economy, through its showcasing and promotion of the work of more than 250 Irish craft makers and design providers. About three-quarters of company sales, for



example, are attributed to Irish designers and craft providers. While many of these are now well-known names (including Aran Woollen Mills, Belleek Pottery, Butler’s Chocolates, Foxford Woollen Mills, Fragrances of Ireland, Galway Crystal, Killarney Crystal, Newbridge Silverware, Nicholas Mosse, Orla Kiely, Tipperary Crystal, Voya and Waterford Crystal), many others are quite small businesses, and Kilkenny can account for as much as 15%-20% of business for some of these smaller craft and design providers.

Furthermore, for many such businesses, Kilkenny Design is not just a channel through which they sell their craft, as the company can also play a leadership role in helping to develop such businesses. In this regard, the company identifies its purpose and mission as being tightly interwoven with supporting, promoting, and “elevating” Irish craft makers and designers. Given its origins as a centre for nurturing Irish craft and design, therefore, it is perhaps unsurprising that the company continues to be well known for the “hand holding”, mentoring

or other support (e.g. logistics) that it provides to Irish crafts people and designers, being in many ways an academy for developing and showcasing such businesses. Also, as noted above, in-store offerings and experiences in different locations can provide a showcase for local craft makers and design providers in those areas, while food offerings at all Kilkenny Design cafés place an emphasis on using locally sourced ingredients.

In addition, the company is very collaborative in improving the experience that it offers at local and regional levels, and in working with other Experience Economy businesses to provide more integrated experiences. Examples include “Meet the Maker” experiences that are organised in-store (which allow customers to engage directly with the crafts people and designers that Kilkenny Design promotes), co-location with makers at the Kilkenny Castle site, or recent collaborations with the Heritage Centre in Cobh and with walking tour operators in Kilkenny City. In addition, the company works with local Chambers of Commerce to build collaborative experiences, to encourage retail co-operation within local towns and cities. During the Covid-19 pandemic, the company was also pivotal to the foundation of “Champion Green”, the national movement supported by Government, industry and the public to encourage people to shop, support and do business locally.

Business Outlook

In terms of outlook, Kilkenny Design has continued to build the business after the Covid-19 pandemic, as revenues have recovered, and additional stores have been added (e.g. Liffey Valley). The outlook for the business is also considered to be “cautiously optimistic”. While the domestic retail business is currently challenging, the tourist business has thrived in 2023 and is expected to be a continued area of growth. More generally, however, there is a perception that the customer has changed, and the company finds that it needs to work harder to attract and retain customers.

Challenges at the moment mainly relate to labour costs. Sustainability is likewise also acknowledged as a challenge, but also as an opportunity (e.g. through creating the company’s own product line, in co-operation with craft providers and designers).

In terms of Government supports, the company notes that it has been well supported by Tourism Ireland and Fáilte Ireland in developing its experiences, e.g. through participation in the Meitheal trade shows, through support provided in designing experiences, or through the agencies’ development planning, while Enterprise Ireland supports to assist with increased digitalisation of the business have also been critical to recent successes. Further Government support to address the issue of labour costs for businesses like Kilkenny, however, would be welcomed.



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

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#MoreThanMeetsTheEye

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ibec-campaigns/experience-economy](http://www.ibec.ie/influencing-for-business/ibec-campaigns/experience-economy)**



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