



Market Report

A Snapshot of your Market Sector

Arts and Crafts

This pack has been designed to provide information on setting up a business in the Arts and Crafts industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in September 2018. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Arts and Crafts market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ There are 7,300 small creative businesses in Scotland, employing 10,500 people and **contributing £200 million to the economy**. (Oxford Economics, How small creative businesses are changing world of work, May 2017) (tinyurl.com/yc4nfmvk)
- ◆ **41% of small creative businesses in Scotland are owned by women**, punching well above the UK average of 27%. (Oxford Economics, How small creative businesses are changing world of work, May 2017) (tinyurl.com/yc4nfmvk)
- ◆ **Jewellery remains the most common field of practice, with textiles and ceramics also popular areas.** Despite low turnover and minimal profits, there is a generally positive feeling to sustaining business over the next twelve months. Of 99 respondents, the majority reported a turnover of less than £30,000 (83.9%). A significant percentage of 41.4% reported turnovers of under £10,000. The majority of respondents (62.6%) also reported having non-craft related income, unsurprising given the figures for turnover. (Craft Scotland, State of the Sector Report, March 2017) (tinyurl.com/ybyaruyv)
- ◆ With the technical textiles market rapidly growing, it is vital that technology shifts are recognised. We must understand new product developments and emerging market segments to ensure that products developed by Scottish companies meet these needs. (Scottish Textiles, Scottish Textile Industry Strategy, February 2016) (tinyurl.com/yboa6uh9)
- ◆ **The creative industries had the highest growth rate between 2015 and 2016 of all sectors, increasing in GVA by 7.6%.** This means it grew at twice the rate of the UK economy as a whole, which grew in GVA by 3.5%. (Design Week, *Creative sectors worth £92bn to UK economy, Government research reveals*, November 2017) (tinyurl.com/ychlqknu)
- ◆ The national organisation for this industry is [Craft Scotland](#). Other industry bodies include the [Crafts Council](#), [Creative Scotland](#), [Textiles Scotland](#), the [Cultural Enterprise Office](#) and [Arts and Business Scotland](#).



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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Mintel – Hobbies and Interests - UK (February 2018)** Some 30% of UK adults, peaking at 43% amongst 16-24s, have taken part in arts and crafts during their leisure time in the last 12 months. At 38%, women are almost twice as likely as men, at 21%, to have taken part in arts and crafts as a hobby in the last year. Typical monthly spend on hobbies such as arts and crafts, knitting, reading and baking is less than £10. However, a small proportion of consumers are spending a fair amount each month on the former two. 10% of knitters and 9% of those who do arts and crafts spend £26-£50 on a typical month.
- ◆ **IBISWorld – Textile Weaving and Finishing in the UK (May 2018)** This industry includes preparatory operations on textile fibres and the spinning of textile fibres, in addition to the weaving of textiles. The performance of the industry is greatly determined by demand from downstream manufacturing markets, particularly clothing and soft furnishings manufacturing, as well as the price of inputs including wool and cotton. Over the five years through 2018-19, IBISWorld expects industry revenue to contract at a compound annual rate of 0.4% to reach £1.6 billion. This can be attributed to the fall in the price of wool, which meant that industry operators, sold goods at a lower price. Additionally, the value of imports has fallen over the period, owing to increasing domestic demand for British goods as consumers have become more quality conscious.
- ◆ **IBISWorld – Household Textiles and Soft Furnishing Manufacturing in the UK (June 2018)** Firms in the Household Textile and Soft Furnishing Manufacturing industry manufacture a wide range of household textiles, soft furnishings and canvas goods. The challenging economic environment, coupled with competitive pressure from imports, placed the industry on a low starting base at the beginning of the five-year period through 2018-19. At the start of the period, the improving UK economy supported rising consumer confidence, in addition to a significant decrease in unemployment, which boosted revenue in 2014-15 and 2015-16. Overall, industry revenue is expected to increase at a compound annual rate of 3.6% over the five years through 2018-19.

There are also a number of online resources you may find helpful:

- ◆ **Craft Scotland - State of the Sector Report (March 2017)** (<https://tinyurl.com/ybyaruuv>). This report presents the results of a survey of makers and craft professionals in Scotland, looking at business turnover, net profit and how work is sold.
- ◆ **Cultural Enterprise Office** (www.culturalenterpriseoffice.co.uk/resources) has a wide selection of resources to help you and your business, with guides on topics including planning, marketing and PR, networking and sales and distribution.
- ◆ **KPMG - Innovation through craft: Opportunities for growth (July 2016)** (<https://tinyurl.com/yceh2tun>). This report, commissioned by the Crafts Council, examines the processes and impact of innovation through craft, to determine what, if anything, stands in the way of realising its full potential and tries to identify potential policy actions.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as Yell, Thomson Local or Google Maps
- ◆ Trade specialists like EuroPages (European directory), The Wholesaler or Free Index
- ◆ Business to business (B2B) specialists such as Kompass

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the Companies House website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Retaining and Grow Your Customer Base](https://tinyurl.com/c2fw4o4) (tinyurl.com/c2fw4o4) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the National Records of Scotland (NRS). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the Census Area Profiles. Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ Understanding Scottish Places has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ Scottish Government Statistics provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ The Scottish Household Survey provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ Office for National Statistics (ONS) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Account](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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