



Market Report

A Snapshot of your Market Sector

Clothing Retailer

This pack has been designed to provide information on setting up a business in the Clothing Retailer 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 January 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 Clothing Retailer 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:

- ◆ Mintel estimates that consumer spending on clothing will grow by **3.1% in 2017 to reach £57.7 billion** as people continue to buy clothes despite an uncertain economic backdrop (Mintel, *Clothing Retailing UK Report*, October 2017).
- ◆ Although revenue has grown consistently, the industry's performance has been constrained by uncertain economic conditions. At the start of the five-year period through 2016-17, low consumer confidence and spending levels limited the industry's expansion. **Revenue is expected to grow by 0.7% in 2016-17** (IBISWorld, *Clothing Retailing in the UK*, March 2017).
- ◆ The online women's clothing retailing Industry revenue growth is expected to somewhat slow, though it will remain at an impressive **8% in 2017-18, reaching £5.9 billion** (IBISWorld, *Online Women's Clothing Retailing in the UK*, September 2017).
- ◆ Mintel estimates that the men's clothing market has grown by **2.8% in 2016 to reach £14.5 billion** as sales of menswear rise at a faster rate than womenswear (Mintel, *Menswear UK*, March 2017).
- ◆ Infantswear (for 0-3-year-olds), which accounts for 33% of the total childrenswear market, has grown by **22% between 2011 and 2016 as a result of a 7% increase** in 0-4-year-olds and a strong gifting market, although a falling birth rate has seen sales growth slow in 2016 (Mintel, *Childrenswear UK*, November 2016).
- ◆ The internet is fast becoming the destination of choice for shoppers, heaping pressure on traditional bricks and mortar retailers who are struggling to keep up with their online-only rivals, analysts have warned ahead of a week in which a string of some of the UK's most prominent shops will report crucial Christmas trading figures (The Telegraph, *Online retail booms as high street struggles*, January 2017) (tinyurl.com/j9umc38).
- ◆ The UK trade associations for these industries are the [British Fashion Council](#) and the [UK Fashion and Textile Association](#). You may also be interested in the [British Retail Consortium](#), [National Childrenswear Association](#), [Association of Suppliers to the British Clothing Industry](#) and the [British Independent Retailers Association](#).



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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 – Clothing Retailing UK Report (October 2017).** Specialist clothing retailers have seen their share of the total clothing market continue to decline, with only 52.6% of all consumer spending on clothing and accessories going through the specialists in 2017. The sector has continued to struggle, with two of the major players in the market, M&S and Next, reporting declining sales.
- ◆ **IBISWorld – Clothing Retailing in the UK (March 2017).** Over the next five years, the revenue of the Clothing Retailing industry is forecast to increase at a compound annual rate of 0.7% to reach £41.7 billion in 2021-22. Online operations are expected to be the main driver of growth as retailers adapt their operating models to give online portals a more central role in their business. Competition from department stores and supermarkets is expected to remain strong over the coming five years, which is anticipated to encourage industry operators to redouble their efforts to connect with their customers using social media and offer a personalised shopping experience.
- ◆ **IBISWorld – Online Women’s Clothing Retailing in the UK (September 2017).** Over the five years through 2017-18, The online women’s clothing retailing industry has thrived. Industry revenue is anticipated to increase at a compound annual rate of 15.6%. Strong growth has been encouraged by the proliferation of the internet and mobile devices. Secure payment methods and focus on value-added services have changed consumer attitudes towards online purchases

We also have access to the following reports:

- ◆ Mintel – Menswear – March 2017 Mintel –
- ◆ Womenswear – May 2017 Mintel –
- ◆ Clothing Retailing – Oct 2017

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

- ◆ **Fashion United** (tinyurl.com/yc7xv6mp) publishes facts and figures about the Fashion Industry in the UK and Europe. This includes statistics on consumption expenditure and employment in retail and manufacturing of clothing, textiles footwear and leather goods.
- ◆ **Scotland.org Fashion and Textiles** (tinyurl.com/y7q3ph5k) provides a short overview of the fashion industry in Scotland, including information on leading designers.
- ◆ **The Guardian** (tinyurl.com/ydftphpi) Growth in retail sales volumes rose by 1% in August after the Office for National Statistics revised the figure for July up to 0.6%, beating analysts’ expectations for an increase of 0.2%. The pound leapt against the dollar on the figures, which add weight to a potential rate hike by the Bank of England for the first time in a decade.

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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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Updated by: Caroline Cambell

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