



Market Report

A Snapshot of your Market Sector

Furniture Retailing

This pack has been designed to provide information on setting up a business in the Furniture Retailing 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 June 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 Furniture Retailing 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:

- ◆ Growth in consumer spending on furniture has slowed since hitting its peak of 12.2% in 2014. However, spending in 2015 and 2016 continued to hold up well, with growth of 9.3% and 5.7% respectively. (Mintel, *Furniture Retailing*, July 2017).
- ◆ The Furniture, Lighting & Homeware Retailers industry sells various products ranging from upholstered furniture such as sofas and armchairs, to home office items such as desks and workplace storage. The industry's major markets include new homeowners accounting for 61.6% of revenue, replacement buyers (31.1%) and office furniture consumers (7.3%). (IBISWorld, *Furniture, Lighting & Homeware Retailers*, April 2018).
- ◆ Mintel estimates that value growth will slow to 2.4% in 2017 equating to a fall in real terms of around 1.4%. Volume growth is estimated to return in subsequent years with higher inflation driving up value growth to reach £9.2 billion by 2022. (Mintel, *Living and Dining Room Furniture*, September 2017).
- ◆ The Furniture, Carpet and Lighting Wholesaling industry has recorded strong growth over the past five years, particularly at the beginning of the period. Over the five years through 2017-18, industry revenue is anticipated to increase at a compound annual rate of 5.6%. Although the industry began the period on a relatively low base as a result of the lingering effects of the recession, which led to a weak housing market, high unemployment and poor consumer confidence, the industry quickly bounced back. (IBISWorld, *Furniture, Carpet & Lighting Wholesaling*, August 2017).
- ◆ The national organisation for this industry is [The British Furniture Confederation](#). Other industry bodies include [The British Contract Furnishing Association](#), the [Furniture Industry Research Association](#), [British Furniture Manufacturers](#) and [The British Antique Furniture Restorers' Association](#).

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 – Living and Dining Room Furniture (September 2017).** 25-34-year-olds are the biggest spenders on living and dining room furniture, with 21% of those who bought something spending between £500 and £999 while a further 15% spent over £1,000. Purchasing peaks in the first year after moving house while those living in detached houses are the biggest spenders, with 37% of those who bought furniture in the past year spending over £1,000 compared to just 12% of those who live in a flat.
- ◆ **Mintel – Bedrooms and Bedroom Furniture (October 2016).** Households with a mortgage are the highest spenders on beds, mattresses and bedroom furniture. Their spending is spread over several years following a house move, indicating an opportunity for retailers to develop a relationship with these customers and sell for their range of needs. These include main bedrooms, children's rooms and furniture that caters for growing alternative uses for bedrooms from home offices to spare beds.
- ◆ **Mintel – Furniture Retailing (July 2017).** For smaller purchases, up to £500, there is a preference to order online for home delivery. But as the level of expenditure increases, the risk of ordering the wrong item intensifies and consumers prefer to visit and order in-store. For those spending over £1,000, there is a clear preference for ordering in-store. This highlights the importance of providing physical stores for consumers to visit and explains why so many of the online-only retailers have now shifted their strategy to open physical showrooms.

We also have access to the following reports which could be of interest to you:

- ◆ Mintel – Bathrooms and Bathroom Accessories (August 2017)
- ◆ Mintel – Kitchens and Kitchen Furniture (October 2017)
- ◆ IBISWorld – Kitchen Furniture Manufacturing in the UK (February 2018)
- ◆ IBISWorld – Office & Shop Furniture Manufacturing in the UK (March 2018)
- ◆ IBISWorld – Furniture & Home Furnishings Repair in the UK (March 2018)

There are also some online resources you may find helpful:

- ◆ **Furniture News** (tinyurl.com/yc5oovul). This website is an online guide to the UK domestic furniture trade featuring news, events, articles, directory and jobs in the industry.
- ◆ **Furniture News, A guide to the UK furniture exhibitions of 2018, November 2017** (tinyurl.com/yakylsbo). This article shows some of the key trade shows this year throughout the UK which could be useful for someone wishing to enter the furniture retailing industry.

Disclaimer: please note that this research may contain copyrighted material. Copyright belongs to the holders credited above and, as such, recipients of this research reproduce and repurpose this information at their own risk.

Connect with us



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**



Connect with us

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](#).

Last updated: June 2018

Updated by: Rebecca

Connect with us