Market Report

A Snapshot of your Market Sector

Gift Shop

This pack has been designed to provide information on setting up a business in the Gift Shop 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 Gift Shop 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:

- The vast majority of people still shop in-store for the major spring/ summer events, with **four out of five consumers (82%) stating that they did in 2017**. Meanwhile, just under a **third (28%) shopped online**. Sales of gifts continue to see strong growth as people continue to spend more on average each year. This suggests the market is relatively robust, likely driven in part by high levels of social pressure to purchase gifts for these occasions. (Mintel, *Seasonal Shopping (Spring Summer,* October 2017)

- Research shows that the vast majority of consumers continue to purchase greetings cards in-store. **Some 83% of consumers** have bought greetings cards in-store in the last year, compared to just **25% who shopped online** for greetings cards. In addition, the research found that people still shop predominantly at specialist retailers, both in-store and online – largely due to the dominance of value retailer Card Factory. (Mintel, *Greetings Cards & Personal Stationery Retailing*, UK, July 2017)

- **83% of consumers purchased Christmas gifts in-store in 2017** while **81% bought online**. The proportion buying in-store or online has remained fairly stable compared to previous years, however, the proportion buying through both *channels* has **increased from 61% to 64%** showing how multichannel shopping is increasingly becoming the norm, especially among the older age groups. (Mintel, *Christmas Shopping Habits*, UK, February 2018)

- Consumers are showing retailers the love this Valentine's Day, with the average expenditure expected to be **£54.28**, **an increase from last year's £51.45.** Despite the effects of prevailing uncertainty on consumer confidence and disposable income, industry research firm IBISWorld forecasts total revenue for the holiday to grow **5.5 percent from 2017** figures (IBISWorld, *Valentine's Day Sales Up 5.5 Percent in 2018*, January 2018) (tinyurl.com/y7vos9fy**)**

- The national organisation for this industry is The Giftware Association. Other industry bodies include the British Allied Trades Federation.

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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 – Christmas Shopping Habits – UK – February 2018** - While 12% of gift buyers make a purchase before September, December continues to be the month when most gifts are bought and when most money is spent on gifts. But November is catching up because of the growing importance of Black Friday. 32% spent the most for Christmas in November compared to 47% in December. Women are more likely to shop earlier than men while average spend is highest among those who shop in September partly because those with higher incomes tend to shop earlier while those who are less certain about their finances are more likely to leave it to the last minute.

- ◆ **Mintel – Greeting Cards & Personal Stationery Retailing – UK – July** 2017 - Some 85% of the people who have bought greetings cards in the last year did so to celebrate a birthday. This is significantly higher than any other event, further confirming that sales of everyday cards drive the UK greetings card market. The second most purchased-for occasion is Christmas, with almost two thirds (62%) of consumers stating that they purchased a Christmas card in the last year – though this is 23 percentage points behind the amount of people buying for birthdays. Mother's Day is the third-biggest event for the greetings card market, with 47% of consumers purchasing a card to mark the occasion in 2016.

- ◆ **Mintel – Seasonal Shopping (Spring Summer) – UK – October 2017** - Mintel's consumer research found that 62% of UK consumers bought either products or services as a gift for Mother's Day in 2017, making it the most purchased-for event in the spring/summer retail calendar. This compares to 60% of consumers spending money on Easter, 50% shopping for Valentine's Day and 49% purchasing gifts for Father's Day. Overall, there was a marginal decline in the percentage of people shopping for the spring/summer events in 2017.

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

- ◆ **Greeting Card Association,** *Facts and Figures*, **2017** (http://tinyurl.com/nrgq4l7). The total retail value of single cards sales in the UK stood at over £1.526bn in 2016. Everyday cards are now worth £1.178bn an increase of £28.7m from 2015, with sales of ages, occasions and relations showing the greatest growth to £680.6m.

- ◆ **Gift Focus Magazine** (http://tinyurl.com/nfbzjyv). This giftware trade magazine offers a number of useful resources, including, newsletters and articles on the giftware industry, issues of the monthly Gift Focus magazine and a trade supplier's directory.

- ◆ **The Greats Gift Retailer Awards 2018** (http://tinyurl.com/oxn253t). The Greats Gift Retailer Awards are the only awards that celebrate gift retailing in the UK. Information on finalists and the categories they are nominated in are also listed.

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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* (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.

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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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