



Market Report

A Snapshot of your Market Sector

Interior Design

This pack has been designed to provide information on setting up a business in the Interior Design 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 May 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 Interior Design 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:

- ◆ Over the five years through 2017-18, industry revenue is anticipated to increase at a compound annual rate of 11.2%. Growth has been facilitated by the rapidly growing usage of the internet and mobile devices, as well as innovative advertising and payment methods, increasing the industry's consumer base. Rising property transactions supported by government initiatives have also helped boost industry demand. According to the Office for National Statistics, in 2017, 77% of adults in Great Britain purchased goods online within the past 12 months. Of products purchased, household goods such as furniture were the second most popular product category, purchased by 50% of survey respondents. IBISWorld anticipates industry revenue to increase at a slower rate in the current year, at approximately 9.7%, reaching £1.8 billion. (IBISWorld, *Online Home Furnishing Retailing in the UK*, March 2018).
- ◆ Younger households are likely to be in the market for new items and so replacement is less relevant for them, whereas older householders are far more inclined to want to replace items or décor to refresh their homes. Some 50% of purchasers aged 45-64 had spent on their homes to replace old or worn items. (Mintel, *Consumer trends, attitudes and spending habits for the home- UK*, March 2017).
- ◆ The industry is segmented into four distinct areas: graphic design, interior design, industrial design and fashion design. Revenue is estimated to rise at a compound annual rate of 3.8% over the five years through 2017-18 to £6.4 billion. Economic conditions improved during the first three years of the period and enhanced demand for services from commercial clients. For instance, rising capital expenditure and increased spending on research and development activity fuelled demand for interior and industrial design services. Meanwhile, strong growth in online expenditure and rising advertising spending increased demand for digital graphic design services. Improvements in the housing market also fuelled demand for interior design services. (IBISWorld, *Specialised Design Activities in the UK*, February 2018).
- ◆ The national organisation for this industry is the [British Institute of Interior Design](#). Other industry bodies include the [Society of British and International Design](#) and the [Chartered Society of Designers](#).

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 – Customer Journey for the Home – UK (March 2018)**. Over 2017-22 there will be growth, **with spending up by 11%**, although after stripping out the effects of inflation, sales expressed at 2017 prices will contract by 6%. This spells tough times ahead for retailers and we expect to see companies focus on careful cost controls and take a cautious view of expansion plans.
- ◆ **IBISWorld – Kitchen Furniture, Manufacturing in the UK (February 2018)**. Revenue is expected to grow at a compound annual rate of **2% over the five years through 2022-23** to reach £2 billion. The 3% increase in stamp duty payable on buy-to-let and second homes from April 2016 and cuts to mortgage tax relief available to buy-to-let investors from April 2017 are expected to contribute to the weak housing market. The projected fall in real disposable income is also expected to have an adverse influence on the number of households opting to replace their old kitchens. However, attractive mortgage offers are expected to entice some people to buy homes, and contribute positively.
- ◆ **Mintel – Bathrooms and Bathroom Accessories – UK (August 2017)**. In 2016, demand for bathrooms remained strong, up by 2.5% to £960 million. We forecast growth of 11.3% for bathroom fittings and furniture between 2017 and 2022.

We also have access to a number of other reports that you may find of use:

- ◆ **Mintel - Living and Dining room Furniture – UK (September 2017)**
- ◆ **Mintel – Garden Product Retailing – UK (May 2017)**
- ◆ **Ibisworld – Furniture, Carpet & Lighting Wholesaling in the UK (August 2017)**
- ◆ **Mintel – Kitchens and Kitchen Furniture (October 2017)**

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

- ◆ **British Institute of Interior Design** (tinyurl.com/yd7sdunh) The British Institute of Interior Design is the pre-eminent professional organisation for interior designers in the UK.
- ◆ **Creative & Cultural Skills – Apprenticeship and Training – British Institute of Interior design** (tinyurl.com/y83pltxd) The British Institute of Interior Design (BIID) is a professional organisation, supporting good design and professional competence for UK interior designers. Its membership of interior designers represents both the commercial and residential sectors, from heritage to cutting edge.
- ◆ **Interior Design Today** (tinyurl.com/y87xgdvo) this website provides news articles about the interior design industry.

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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 Campbell

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