



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 2021**. 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:

- ◆ A growing craft revival has led to the rapid rise of both makers and consumers. The total value of UK craft sales is estimated to have increased from **£883 million in 2006** to over **£3 billion in 2019** (Mintel, *Hobbies and Interests – UK*, February 2021).
- ◆ Arts and crafts saw a seven-percentage point rise in 2020. Fine art (drawing and painting) and textiles (e.g., knitting and sewing) are by far the most popular art and craft hobbies, undertaken by **56%** and **47%** respectively of those who have engaged in arts and crafts activities during the past 12 months (Mintel, *Hobbies and Interests – UK*, February 2021).
- ◆ Across the UK, the number of people buying craft is now **37.7 million**. There has been a four-fold increase in the volume of craft objects bought annually between 2006 and 2020 – from 5.6m to 24.7m objects (Crafts Council, *The Market for Craft*, May 2020 – full report available at tinyurl.com/yvwp3kp8).
- ◆ The United Kingdom is one of the leading art markets worldwide. When considering total sales of art and antiques, the UK made up approximately **20 percent** of the global art market, the same share retained by China, and around half of the US market share (Statista, *Art Market in the United Kingdom*, June 2021).
- ◆ The Textile Weaving and Finishing industry is expected to grow over the next five years as the economy recovers from the impact of COVID-19. A forecast increase in demand for clothing, household textiles and furnishings is expected to halt the industry's long-term decline, and increased interest in British products is anticipated to rejuvenate the industry. Over the five years through 2025-26, industry revenue is forecast to grow at a compound annual rate of **0.4%** to reach just over **£1.5 billion** (IBISWorld, *Textile Weaving & Finishing in the UK*, September 2020).
- ◆ Consumer expenditure on home accessories grew by an estimated **3.9%** to reach **£9.86 billion** in 2019. The decorative accessories; cushions; throws and rugs; candles and holders; and pictures, prints and photo frame sectors are estimated to have grown significantly over the past decade. Although these sectors are largely dominated by small-ticket purchases, they have nonetheless collectively gained almost **5% in market share** between 2012 - 2019 (Mintel, *Accessorising the Home – UK*, March 2020).
- ◆ The national organisation for this industry is Craft Scotland (www.craftscotland.org). Other industry bodies include Creative Scotland (www.creativescotland.com), Textiles Scotland (www.textilesscotland.com), and the Crafts Council (www.craftscouncil.org.uk).

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.

- ◆ **IBISWorld – Textile Weaving & Finishing in the UK (September 2020):** The industry stands to further benefit from increasing interest in UK brands in foreign and domestic markets. Textile weavers in particular are expected to receive greater demand for fabrics in traditional British styles. Products made in Britain have become more appealing to foreign markets, in part thanks to the *Made in Britain* campaign, and this trend is projected to continue over the coming five years. The value of exports is expected to rise at a compound annual rate of 0.5% over the five years through 2025-26. However, since half of exports are currently destined for EU members, future export growth is expected to rely on the United Kingdom securing a favourable trade agreement with the European Union.
- ◆ **Mintel – Hobbies and Interests – UK (February 2021):** Arts and crafts activity was already rising before COVID-19. Hobbycraft, the largest specialist retailer operating in this space, reported revenues of £194 million in the year to February 2020, an increase of 9% on the previous year. [...] The first period of lockdown turbo-charged the group's online sales, which increased by 200% within the 12-week period from late March 2020 whilst its stores remained closed. Since then, Hobbycraft reports a continuation of strong demand for both online and in-store/click-and-collect sales.
- ◆ **IBISWorld – Ceramic Household & Ornamental Article Manufacturing (June 2021):** Sustainable demand for household ceramics is largely dictated by trends in fashion and affordability. Substitution of costly ceramics with alternative materials like plastic crockery and metal cookware has been common in recent years. Competition from cheap imports is also stunting industry growth, although niche markets, particularly for giftware and memorabilia, will continue to sustain domestic operators in the future.

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

- ◆ The **Crafts Council** is the development agency for contemporary craft in the UK. Their website has a number of useful resources including a directory of craftspeople, a section on business skills and learning, events listings and more (tinyurl.com/r5fezw3u).
- ◆ **Craft Scotland** has several resources for the maker community including a list of trade and retail events in the UK and worldwide, information on funding, and sector research (tinyurl.com/9eumwbdw).
- ◆ **Creative Scotland** also publishes research on the creative industries, including 'Selling Platforms for Art, Craft and Design in Scotland' (July 2021), and a 'Covid-19 Sector Survey' (February 2021) (tinyurl.com/7d824u25).

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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 [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

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 Accountant](#)" 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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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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