



Market Report

A Snapshot of your Marketing Sector

Clothing Retailer

This pack has been designed to provide information on setting up a business in the **Clothing 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 **December 2024**.

What do I need to know about the Clothing 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:

- ◆ Online sales of clothing have continued to grow, **reaching £29.3 billion in 2023**, but they have fallen back from the peak seen in 2021 as part of a rebalancing of the online market after the heightened demand seen during the pandemic (Mintel, *Clothing Retailing*, November 2023).
- ◆ Clothing retailing revenue is **forecast to fall at a compound annual rate of 0.8% over the five years through 2024-25 to £47.2 billion**. The industry has mainly boomed thanks to the dramatic increase in photos and videos posted online, fast, affordable fashion and the introduction of credit and financing services like buy-now-pay-later platforms that have allowed consumers to manage household budgets better (IBISWorld, *Clothing Retailing in the UK*, September 2024).
- ◆ **The revenue in the apparel market in the United Kingdom was forecast to continuously increase between 2024 and 2029 in total by 12.3 billion GBP (£) (+18.22 percent)**. After the seventh consecutive increasing year, the revenue is estimated to reach 79.84 billion GBP (£) and therefore a new peak in 2029 (Statista, *Revenue of the apparel industry in the UK 2018-2029*, October 2024).
- ◆ Women will return to more normalised spending habits as pressure on household finances begins to lift. Sustainability will become a growing focus as retailers become more accountable for the environmental impact of their supply chains and the lifecycle of their products (Mintel, *Womenswear*, May 2024).
- ◆ **Clothing inflation remains high at 5.7% in February 2024**. Retailers have passed cost rises onto customers due to ongoing pressures on their businesses due to slowing consumer demand and supply chain volatility. Unlike for women, inflation in men's clothing has steadily fallen since July 2023 to 3.3% in February 2024. Some of the larger players in the market have managed price rises more effectively only increasing them on select products (Mintel, *Menswear*, April 2024).
- ◆ 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](#), [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.

- ◆ **IBISWorld - Online Women's Clothing Retailing in the UK (November 2024)**. Clothing purchases are largely influenced by generational demographics. Gen Z consumers have low disposable income and therefore opt for cheaper clothing. Younger millennials are becoming more fashion conscious and are interested in building a capsule wardrobe. The age demographic of 35-44 years old prefer to purchase luxury clothing and prefer to shop in person rather than online. Those aged between 45-64 purchase long-lasting pieces over trends, and individuals aged 65 and over prefer comfort over fashion.
- ◆ **IBISWorld - Fast Fashion in the UK (August 2024)**. Women increasingly want to buy vintage, high-quality, craft items from craft and second-hand websites. These items are rapidly growing in popularity and eating into this segment's revenue. Clothing rental and hiring are popular options as shoppers grow more cautious about their environmental footprint and finances...Fashion trends shift, and retailers need to offer goods currently in fashion or appeal to a wide range of consumers to avoid excess inventory and periods of heavy discounting to protect profit.
- ◆ **Euromonitor – Childrenswear in the United Kingdom (December 2024)**. Growth prospects should be placed on expanding and focusing further on apparel for teenagers. Children within this demographic are starting to become more fashion-conscious at a younger age. Therefore, product mixes should be designed to align with this, and selling strategies to this demographic should also adapt. This is also relevant when observing the changes to shopping habits in that consumers of boys' and girls' apparel are no longer exclusively parents shopping for their children, but a combination of independent and dependent purchases, as parents adapt and expand the autonomy they give their children from a younger age regarding clothing.

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

- ◆ [McKinsey & Co publish an annual report](#) on the State of Fashion that looks at key trends and challenges for the year ahead (last published November 2024).
- ◆ [Textiles Scotland and Let's Make It Here](#) both part of [UK Fashion and Textiles \(UKFT\)](#), have directories of clothing and textile manufacturers.
- ◆ [The Waste and Resources Action Programme \(WRAP\)](#) has an initiative called [Textiles 2030](#) which aims to engage UK fashion and textiles organisations in collaborative climate action towards a circular economy.
- ◆ [TheIndustry.fashion](#) provide insight into the future course of fashion retail in their article '*The big trends set to transform retail in 2025 and beyond*' (December 2024).

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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 websites, 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 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.

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