



Market Report

A Snapshot of your Market Sector

Clothing Retailer

This pack has been designed to provide information on setting up a business in the **Clothing Retailer** 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 **November 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 Clothing Retailer 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 2020-21, industry revenue plummeted due to travel restrictions, store closures and social distancing measures following the outbreak of the COVID-19 (coronavirus) pandemic. In addition to the pandemic, operators also continued to navigate a complex landscape over the three months through March 2021 with the end of the UK-EU transition period and logistical obstacles. Nonetheless, the outlook for the current year remains brighter. Over **2021-22, revenue is expected to rise 16.5% to £34.7 billion** driven by revenge spending and the reopening of hospitality. (IBISWorld, *Clothing Retailing in the UK*, August 2021).
- ◆ Department store usage has **declined** significantly in the last 12 months, with **57% of consumers** shopping at a department store either in-store or online in the year to May 2021, **down from 66%** shown in Mintel's Department Stores – UK, 2020 Report. This was driven by declines from leading retailers such as M&S (**-8 percentage points**) and Debenhams (**-11 percentage points**), as well as John Lewis (**-7 percentage points**). House of Fraser saw usage almost halve in the last year. (Mintel, *Department Stores, UK*, 2021).
- ◆ The COVID-19 pandemic has led to a significant drop in appetite for fashion, but children's clothing has been much more resilient, dropping by 16% in 2020 to £6 billion from £7.1 billion compared with a 28% decline for the total clothing market. A lot of childrenswear purchasing is driven by replacement as products have shorter lifespans than adult clothing. The sector has also benefited from parents prioritising spend on their children over themselves. (Mintel, *Childrenswear, UK*, February 2021).
- ◆ This statistic shows the average weekly expenditure per household on clothing in the United Kingdom (UK) in 2020, split by men's, women's and children's underwear and outerwear. As of 2020, households spent an average of 4.6 British pounds a week on men's outer garments and 8.00 British pounds a week on women's outer garments. There was an average of 0.83 British pounds spent on girl's (5-15 years), boys and infants outer garments. (Statista, Sourced from the Office of National Statistics (UK) *Family Spending 2020 Edition*).
- ◆ 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](#), [National Childrenswear Association](#), [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.

- ◆ **Mintel – Fashion & Sustainability: Inc Impact of COVID-19, UK (2021)**. Second-hand fashion is closely associated with being sustainable, particularly among women, with 35% agreeing. Women aged 45+ are significantly more likely than average to describe second-hand fashion as sustainable. . . Women are also significantly more likely than men to see the benefits of creating fashion from recycled waste, peaking among women aged 45+. There is scope to drive interest among women aged 45+ in buying more sustainable fashion by promoting pieces made from recycled items.
- ◆ **IBISWorld – Clothing Retailing in the UK (August 2021)**. The largest distribution of establishments in Scotland is concentrated in Glasgow City. This location accounts for 17.4% of the establishments in the region. Scotland has a relatively large number of districts when compared with other regions. Throughout the region, there is significant variation in business location densities. This suggests that the district segmentation and business dynamics of the region can drive localized business differentiation.
- ◆ **IBISWorld – Online Women’s Clothing Retailing in the UK (March 2021)**. Convenience is a key determinant of demand. The ability to purchase goods without the restrictions of traditional stores, such opening hours, limited product ranges and queues, have encouraged consumers to shop online from the comfort of their home or the office. Demand has also been positively influenced by still rising internet adoption, and mobile device have been particularly imported recently as revenue derived through m-commerce continues to increase. Online marketing efforts and innovative and secure payment schemes such as PayPal can also drive demand.

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

- ◆ **SCAP (Sustainable Clothing Action Plan)**. (<https://tinyurl.com/jjmwzpx>) is a collaborative framework and voluntary commitment to deliver industry-led targets for reducing the use of resources in the clothing industry.
- ◆ **ukft – UK Fashion and Textile Association – Industry Reports and Statistics Page** – has a number of facts and figures, free downloads and other information that may be useful to your business. (tinyurl.com/4rsz294h).
- ◆ **The Most Popular Fashion & Clothing Brands (Q3 2021)** from YouGov. (tinyurl.com/6apbcskt). YouGov Ratings measures the popularity and fame of anything and everything, based on millions of responses from the British public. It is the biggest and boldest attempt ever made to quantify what Britain thinks.
- ◆ **BDO, Retail Forecasts Report 2021** (tinyurl.com/y8k7ffww). The *Retail Forecasts Report* looks at the market factors that challenge retailers and looks ahead at the threats and opportunities to the high street.

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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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Last updated: November 2021

Updated by: Jessica

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