



Market Report

A Snapshot of your Market Sector

Clothing Retailer

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

This pack has been designed to provide information on setting up a business in the **Clothes 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](#), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **November 2023**. 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 Clothes 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:

- ◆ Clothing retailers' revenue is growing but only slightly with customers cutting back due to rising living costs. **Revenue** is forecast to fall at a compound rate of **2.4%** over the five years through 2023-2024 to **£43 billion**. Online retailers like Boohoo Group and ASOS have grown in popularity and taken sales away from the British high street. The sustainability trend will continue. Waste conscious customers are upcycling and repairing products instead of buying new ones and this trend will accelerate. (IBISWorld, *Clothing Retailing in the UK*, August 2023).
- ◆ The **revenue** of the apparel industry is estimated to **increase to £80.24 billion** by 2027, the fifth consecutive increasing year and a new peak. Women's apparel is forecast to remain the biggest segment of the market (Statista, *Revenue of the apparel market in the UK from 2014 to 2027, by category*).
- ◆ Womenswear sales reached a market value of **£30.9 billion** in 2022 and Mintel predicts sales will reach £36.4 billion by 2027. Underlying demand for fashion continues to be strong with Mintel's British Household Confidence Tracker (March 2023) showing women are continuing to buy clothes in the last year and are cutting back instead on bigger items such as electrical equipment and spending on their home. Rising inflation presents a challenging environment for womenswear retailers as they try to convince consumers to continue shopping while facing increasing costs themselves. (Mintel, *Womenswear in the UK*, May 2023).
- ◆ The menswear market was worth **£15 billion** in 2022 and is forecast to rise to £16.5 billion by 2027. Data shows men were significantly less likely than women to have felt the impact of inflationary pressures such as increases in food and drink prices and gas and electricity prices in the last two months to February 2023. However, both men and women have been almost equally impacted by higher interest rates. The majority of men have made some changes to their clothes buying behaviour with 59% buying items less frequently and 56% cutting back on impulse purchasing. (Mintel, *Menswear in the UK*, March 2023).
- ◆ Eye-catching social media posts on Tik Tok and Instagram drive young people to update their wardrobes accelerating online sales and revenue growth. Online women's clothing retailing **revenue** is forecast to **grow** at a compound annual rate of **5%** over the five years through 2023-2024 to **£11.5 billion**. (IBISWorld, *Online Women's Clothing Retailing in the UK*, August 2023).

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](#).

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 (August 2023)**
Concerns around sustainability curbs fast fashion. Increasing environmental awareness is forcing retailers to move away from fast fashion. Consumers are looking for higher quality or second-hand items due to growing concerns about fast fashion’s carbon and water footprint and associated ethical issues.
- ◆ **Mintel – Fashion Technology and Innovation UK (August 2023)**
In 2023, as the cost-of-living crisis has impacted growth opportunities for the fashion sector, more brands and retailers are looking at ways to improve the latest online and in-store technology. Some fashion brands are offering payment plan options. The popularity of retail mobile apps continues to grow. Retailers are also investing in online sizing tools.
- ◆ **Euromonitor – Childrenswear in the United Kingdom (January 2023)**
Retail value sales grew by 11% in 2022 to £6.8 billion. Baby and toddler wear is the best performing category in 2022 with retail value sales growing 12% to £1.6 billion. Sales are forecast to grow to £8.3 billion by 2027. High inflation and the cost-of-living crisis in the UK in 2022 have been affecting sales of childrenswear. Parents are still looking for affordable options so many retailers saw this as an opportunity to grow their value shares in the category by limiting price increases on childrenswear items.

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

- ◆ [Textiles Scotland and Let’s Make It Here](#) both part of [UK Fashion and Textiles \(UKFT\)](#), have directories of textile and clothing manufacturers.
- ◆ [McKinsey & Co publish an annual report on the State of Fashion](#) that looks at key trends and challenges for the year ahead.
- ◆ [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.

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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 [Euro Pages](#) (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.

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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