



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 **October 2020**. 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:

- ◆ The threat of price discounting and e-commerce to clothes retailing shows no sign of abating. Compounding this, industry operators have also contended with the impact of COVID-19 (coronavirus), which is expected to take its toll on the industry over the current year. In 2020-21, IBISWorld expects revenue to **decrease** by **27.5%**, reaching **£29.6 billion**. (IBISWorld, *Clothing Retailing in the UK*, October 2020).
- ◆ Over the current year, revenue is anticipated to grow at a slower **6.1%** reaching **£8.4 billion** largely due falling consumer confidence and lower disposable income stemming from the COVID-19 (coronavirus) pandemic. Industry operators continue to face a range of challenges posed by the coronavirus including reputational damage as consumer orders are severely delayed. The potential erection of trade barriers between Britain and the European Union could also present a problem for operators. (IBISWorld, *Online Women's Clothing Retailing in the UK*, September 2020).
- ◆ The menswear market was estimated to be worth **£15.4 billion** in **2019**, growing by **only 1.2%** since 2018. The sector is set to see a big fall in sales in 2020 as the coronavirus outbreak is likely to have a negative impact on clothing sales. (Mintel, *Menswear - UK*, March 2020).
- ◆ The childrenswear market grew by 4.5% in 2018, reaching a spend of **£6.9billion**, representing a slight slowdown from 2017. Future growth is set to have a 3.6% compound annual growth rate between 2018-23 to reach **£8.8billion**. Boyswear has continued to increase its share of the market (35.8%). For the childrenswear sector overall there has been a strengthening of the supermarket and clothing retailers and a move away from specialist retailers. (Mintel, *Childrenswear – UK*, November 2018).
- ◆ In July 2019, The Telegraph reported that “The UK online apparel market accounted for 24 per cent of all clothing sales in 2018, with £11.6 billion out of £48.1 billion retail sales coming directly from digital purchases.” (The Telegraph, *Fashion retail: market trends, digital strategies and top searches*, July 2019) (tinyurl.com/yybfb2sl).
- ◆ 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](#).

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 (September 2020)**. Across the fashion sector, many retailers have seen large declines in sales. Indeed, Mintel estimates that the fashion sector in the UK will decline by 23% in 2020. There has not been much demand for fashion purchasing during the pandemic due to a decrease in social events and special occasions. Even as this begins to open this behaviour is likely to continue with people worried about their finances. However, this could also signal the start of people making more considered fashion purchases and lower levels of purchasing could be a positive for the sustainable fashion movement.
- ◆ **IBISWorld – Clothing Retailing in the UK (October 2020)**. Most of the largest players in the industry now run online operations alongside their bricks-and-mortar stores. According to a 2019 survey by the Fashion Retail Academy, 51.4% of UK survey respondents are choosing long-lasting clothes over cheaper fashionable items, up 33.8% on a year ago, while the proportion of shoppers consciously opting for fast fashion has fallen by 46.2% over the same period and 71.3% of consumers choosing to recycle old clothing, a 11.6% increase from the previous year. One exception to the digital revolution is the value retailer, Primark, which has managed to achieve strong growth without offering products online.
- ◆ **IBISWorld – Online Women’s Clothing Retailing in the UK (September 2020)**. An increase in smartphone and tablet ownership is anticipated to benefit retailers by encouraging impulse shopping. According to a survey conducted by Visa Europe, half of all Visa Europe transactions will be made through mobile devices by 2020. Industry operators are also likely to face inventory supply chain disruptions in the current year due to COVID-19, pushing up purchasing costs and adversely affecting margins. The vast majority of goods bought for resale come from abroad and domestic quarantine measures have shut factories and slowed production. Even as factories reopen, many are working at reduced capacity and will likely start to impact inventory availability among online clothing retailing supply chains.

We also have access to the following reports:

- ◆ **Mintel – Womenswear: Inc Impact of COVID-19 – UK, May 2020**

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

- ◆ **The Business of Fashion and McKinsey & Company, *The State of Fashion 2020: Navigating Uncertainty*** (tinyurl.com/ygo52uck). A free downloadable report on the global fashion industry, providing an authoritative point of view on the state of fashion in the year to come.
- ◆ **BDO, *Retail Forecasts Report 2020*** (tinyurl.com/y8k7ffww). Another report that is free to download and covers growth forecasts, sales and market outlook.

Disclaimer: This report has been updated on 20th October 2020 - we have included Post COVID-19 market material where available. Please note that this research may contain copyrighted material. Copyright belongs to the holders credited above and, as such, recipients of this research reproduce and repurpose this information at their own risk.

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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.

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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