



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 (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **October 2022**. 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:

- ◆ Over 2020-21, industry revenue plummeted due to store closures, travel restrictions and social distancing measures introduced as a result of the coronavirus outbreak. Operators also continued to navigate a complex environment with the end of the EU-UK transition period, which led to further logistical obstacles. Nonetheless, the outlook for the current year remains positive. Over 2022-23, **industry revenue** is expected to decline by 1% to **£38.6 billion** as the positive effects of revenge spending and the reopening of the hospitality sector retract (IBISWorld, *Clothing Retailing in the UK*, March 2022).
- ◆ The **revenue** of the apparel industry is estimated to **increase to £65.6 billion** by 2026. Women's apparel is forecast to remain the biggest segment of the market (Statista, *Revenue of the apparel market in the UK from 2013 to 2026, by category*).
- ◆ Demand for womenswear showed a **steady increase** in the second half of 2021 with sales gradually recovering, up by **12.2%** to reach an estimated **£30.1 billion**. However, consumers are facing a prolonged squeeze on their incomes due to high energy costs, rising food prices, record high inflation, rising mortgage rates, and the unwinding of pandemic savings. Women are significantly more likely than men to feel concerned about their finances over the coming year and are therefore **likely to cut back** on discretionary categories such as womenswear (Mintel, *Womenswear in the UK*, May 2022).
- ◆ **Price** remains at the top of the list of priorities for menswear, with **38%** of male shoppers saying it has become more important in the last year. However, the main change has been the growing focus on **clothing quality**, with an increase in men citing this as more important. This highlights that as consumers are faced with a prolonged squeeze on their incomes, the focus will increasingly be on **value for money** when buying clothes (Mintel, *Menswear in the UK*, April 2022).
- ◆ In 2020, **e-commerce** accounted for **55%** of all apparel sales, almost **20% higher** than the previous year. While a slight decline was expected in 2021 as the nation adapted to the new normal, forecasts indicate that the **online segment has come to stay** and will continue to grow in the coming years (Statista, *E-commerce as a percentage of total apparel sales in the UK from 2018 to 2025*).
- ◆ 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.

◆ **IBISWorld – Clothing Retailing in the UK (March 2022)**

Ethical consumerism and sustainable fashion have become dominant themes over the past five years and in response, firms have sought to capitalise on prevailing consumer trends regarding social and environmental responsibility. Environmental awareness has also prompted individuals to make more sustainable purchasing decisions, opting for high-quality or second-hand items over on-trend fashion pieces, putting the brakes on the industry's growth.

◆ **Mintel – Fashion Online (June 2022)**

In 2022, while growth in the online fashion market has slowed, the channel continues to capture a significantly greater share (44%) of overall spending on clothing and footwear than pre-pandemic. The cost-of-living crisis constrain demand for online fashion in the short term as consumers cut back on spending on discretionary categories such as clothing, footwear, and accessories.

◆ **Euromonitor – Childrenswear in the United Kingdom (January 2022)**

During the lockdowns, casual clothing, and particularly character clothing, sold very well, as parents were able to buy more relaxed and flexible clothing for everyday wear rather than school uniforms. These stylistic trends continued to be impactful in 2021. Indeed, Marks & Spencer has moved away from a "Sunday best" children's offering to "everyday style".

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

- ◆ **Textiles Scotland** (tinyurl.com/4vxeba4f) and **Let's Make It Here** (tinyurl.com/4w6a3vvt) 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** (tinyurl.com/2p8mxk2m) that looks at key trends and challenges for the year ahead.
- ◆ **The Waste and Resources Action Programme (WRAP)** has an initiative called **Textiles 2030** (tinyurl.com/ymw47c28) 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 [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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