



# Market Report

A Snapshot of your Market Sector

## Fine Arts

### 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 **Fine Arts** 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](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **March 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 Fine Arts 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:

- ◆ Museums and galleries' revenue is expected to substantially **increase in 2021-22**, following lows in the previous year as a result of lockdown measures owing to the coronavirus pandemic. Admission fees fell sharply, a source of revenue that many smaller museums heavily relied upon. Furthermore, travel restrictions limited the number of international tourists that could visit establishments. Major player Tate's **visitor numbers fell from 8.26 million in 2019-20 to 591,000 in 2020-21**. However, in the current year, with the coronavirus lockdown restrictions eased, this segment's contribution is likely to increase, predominantly due to the higher admissions revenue. (IBISWorld, *Libraries, Museums & Cultural Activities in the UK*, January 2022).
- ◆ The United Kingdom is one of the leading art markets worldwide. When considering total sales of art and antiques, the UK made up approximately **20 percent** of the global art market, the same share retained by China, and around half of the U.S. market share. These same three countries also reported the highest shares of public auction sales worldwide, with the UK accounting for **16 percent of total sales** in this sector. (Statista, *Art Market in the United Kingdom*, 2021)
- ◆ Mintel's data shows that **37%** of adults have participated in art and craft activities in the past 12 months. Amongst this group, over half have done painting or drawing, and **44%** have taken part in textile activities like sewing or knitting. More specialist creative activities, in order of popularity, include making jewellery, plant/flower craft, metal/woodwork, pottery and sculpture. (Mintel, *Hobbies and Interests*, February 2022)
- ◆ From **April 12, 2021 to February 15, 2022**, the total value of sales involving non-fungible tokens (NFTs) in the art segment fluctuated significantly. As of April 12, 2021, NFT sales recorded on the Ethereum blockchain during the previous 30 days generated an aggregated value of nearly 64 million U.S. dollars. As of February 15, 2022, the aggregated **sales value over 30 days amounted to roughly 87 million U.S. dollars**. (Statista, *Crypto Art – Statistics and Facts*, February 2022).
- ◆ According to the **Hiscox Online Art Trade Report 2021**, 'the online art market has stormed ahead in the last 18 months and could treble in size compared to online sales in 2019. It is likely to represent nearly 25% of the overall market by the end of 2021.' ([tinyurl.com/4xhn754r](https://tinyurl.com/4xhn754r))
- ◆ The national organisation for this industry [Creative Scotland](#). Other industry bodies include [Visual Arts Scotland](#), [Society of Scottish Artists](#), [Scottish Potters Association](#), [Craft Scotland](#), [Fine Art Trade Guild](#), [Museums Association](#) and [Association of Leading Visitor Attractions](#).

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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](mailto:info@bgateway.com).

- ◆ **Mintel – *Lifestyles of Generation Z, UK (2022)***. Despite the pandemic causing serious detriment to the arts and cultures industry, 14% of 16-24 year olds aspire to a career in this sector. This corresponds with the 36% of 16-24 year olds who perceive themselves as creative. Brands can garner favour from Gen Z by assisting them with their pursuit into the arts industry, which is traditionally difficult to enter without considerable financial support
- ◆ **Statista – *Impact of Brexit on the art market in the UK and EU – (DossierPlus July 2021)***. Before leaving the single market, the United Kingdom was acting as the main hub for importing artworks into the EU, helped by its VAT rate, which is the lowest in Europe. Now that red tape between the two areas has increased, it has been speculated whether London could be losing ground to Paris, the second-most relevant European market.
- ◆ **Statista – *Online Art Sales (2021)***. During the coronavirus (COVID-19) pandemic, some art fairs, exhibitions, and auctions took place online rather than in-person, as stay-at-home restrictions were implemented worldwide to reduce the rise in infections . . .43 percent of the survey sample believed that online sales and exhibition will be a business priority in the next one to two years.

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

- ◆ The **TEFAF Art Report: Art Patronage in the 21st century** is a ‘forward-looking report on philanthropic giving to the visual arts, focusing on recent innovations and trends in art patronage, with a particular focus on next generational issues. TEFAF’s annual Art Market Report provides an opportunity to shine a light onto an area of the market that is under-researched or in the process of change.’  
([tinyurl.com/mryv89a5](https://tinyurl.com/mryv89a5))
- ◆ **Deloitte** produces **Art & Finance Report 2021** – a publication that provides insights on art and wealth management trends and explores how technology, sustainability and regulation play a role in the industry. ([tinyurl.com/uv5wf68j](https://tinyurl.com/uv5wf68j))
- ◆ **Collecting Contemporary: Curating Art Collections in Scotland** is a site sponsored by University of Edinburgh and others that brings to light how and why contemporary art should be collected.  
([tinyurl.com/yckr48jx](https://tinyurl.com/yckr48jx)).
- ◆ **Visit Scotland** has a page dedicated to **Arts and Culture** where you can find museums, galleries, textiles, crafts and art tours highlighted. ([tinyurl.com/yhxm7d4w](https://tinyurl.com/yhxm7d4w))
- ◆ **Association of Leading Visitor Attractions** has a listing of visitor numbers to a variety of museums and other attractions. ([tinyurl.com/2mzp4s29](https://tinyurl.com/2mzp4s29))

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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](mailto: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](mailto: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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**Updated by: Jessica**

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