



Market Report

A Snapshot of your Market Sector

Florist

This pack has been designed to provide information on setting up a business in the **Florist** 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 **February 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 Florist 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:

- ◆ Industry The specialist nature of flower retailing is likely to ensure that florists continue to be a strong presence in the market due to the skills required for complex floral arrangements and for catering for weddings, funerals and other functions. Over the five years through 2025-26, IBISWorld expects industry revenue to grow at a compound annual rate of just 0.8% to just over £800 million. (IBISWorld, *Florists in the UK*, December 2020).
- ◆ With traditional distribution channels facing increasing pressure, wholesalers have been forced to look elsewhere to protect profit margins and have adopted a number of new strategies to evade external threats. This has involved expanding potential markets to include smaller, independent florists and garden centres. (IBISWorld, *Flower & Plant Wholesaling in the UK*, December 2020).
- ◆ Industry revenue expected to **rise** at a compound annual rate of **2.4%** over the five years through **2025-26 to reach £1.4 billion**. However, increasing import competition from countries such as the Netherlands and Kenya are expected to limit industry growth in the coming years. This is anticipated to be driven by emerging market growth and developments related to the UK's exit from the European Union. (IBISWorld, *Flower & Plant Growing in the UK*, September 2020).
- ◆ Our consumer research found that 55% of consumers bought flowers in the past 12 months while 36% purchased houseplants. Flowers and houseplants are enjoyed by consumers across all age groups and have become more affordable with the help of supermarkets and discounters offering own-value options. Houseplants have enjoyed a boom in popularity, largely driven by Millennials as a way to improve well-being. (Mintel, *Customer Attitudes Towards Cut Flowers and Houseplants*, May 2020).
- ◆ The national organisation for this industry is [British Florist Association](#). Other industry bodies include the [Flowers & Plants Association](#) and [The Florist](#).



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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 – Flower & Plant Wholesaling in the UK (December 2020).** Over the five years through 2020-21, industry revenue is anticipated to increase at a compound annual rate of 0.8% to reach £1.4 billion. Volatile market conditions, rising wholesale bypass and tough price competition stemming from the growing influence and buying power of leading supermarkets have negatively affected industry revenue over the period.
- ◆ **IBISWorld – Florists in the UK (December 2020).** The Florists industry has struggled over recent years, particularly during the COVID-19 (coronavirus) pandemic. Like many specialist retail industries, external competition and a rapidly changing market have devalued the specialist skill of floristry and significantly affected the industry. Over the five years through 2020-21, IBISWorld expects industry revenue to decrease at a compound annual rate of 8.4% to £769.1 million, including a 26.3% contraction in the current year.
- ◆ **IBISWorld – Flower & Plant Growing in the UK (September 2020).** Over the past five years, demand has also been supported by increased consumer appetite for locally sourced products. Interest in environmental and sustainability issues has contributed to strong demand for British flowers.
- ◆ **Mintel – Customer Attitudes Towards Cut Flowers and Houseplants (May 2020).** Some 22% of shoppers purchased flowers and/or houseplants about once every 2-3 months in the last year with 20% buying flowers and/or houseplants once a month. This buying habit aligns with the number of key occasions that consumers are likely to buy flowers for throughout the year such as Mother's Day, Valentine's Day and Father's Day

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

- ◆ **The British Florist Association** published this [article](#) on how **Brexit** will impact the industry. They also have an [FAQ page](#) providing guidance for businesses in the industry during the **Covid-19 pandemic**.
- ◆ **Florist Industry 2020 Vision Conference Report** (tinyurl.com/hn5s7vp9) with information on the first BFA conference. The report covers market, consumer and marketing information and explains the role of BFA and how they can help the businesses.
- ◆ **New Convent Garden Market** website (tinyurl.com/2arc28xb) with news and trends from the UK Florist market.

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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.

Last updated: February 2021

Updated by: Liesel

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