Market Report

A Snapshot of your Market Sector

Florist
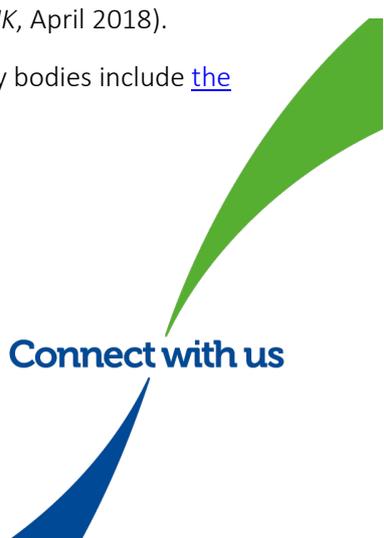
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This pack has been designed to provide information on setting up a business in the **Florist** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business 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 **January 2019**. 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:

♦ The Florists industry is made up of all enterprises that specialise in the retailing of flower products and the provision of floristry services, whether products and services are purchased in store or online. The industry excludes non-specialist online retailers, supermarkets and department stores. Competition from these large external players has been a significant challenge for industry operators over the past five years, pushing traditional florists to the fringes of the market. Supermarkets are increasingly viewed as cheap, convenient and quality places to purchase flowers, at the cost of specialist retailers. (IBISWorld, *Florists in the UK*, April 2018).

♦ The Florists industry has performed poorly over recent years. Like many specialist retail industries, external competition and a rapidly changing market that has devalued the specialist skill of floristry have significantly affected the industry. (IBISWorld, *Florists in the UK*, April 2018).

♦ The industry has been subject to competition from substitutes. Demand for flowers and plants is highly seasonal, with flowers often considered traditional gifts for special occasions such as Valentine's or Mother's Day. However, traditional bouquets and house plants are increasingly being replaced by other novelty gifts such as chocolates, balloons or household ornaments. (IBISWorld, *Flower - Plant Wholesaling in the UK industry*, March 2018).

♦ IBISWorld expects industry performance to improve over the next five years thanks to increased demand as consumer confidence stabilises. Budgets for special events, such as weddings and funerals, are likely to grow, boosting demand for added-value floristry services. While competition is forecast to grow in the traditional retail market, competition is likely to be focused on online retail over the next five years as total online expenditure increases. In this environment, florists are likely to be increasingly reliant on relay organisations to generate significant online orders. Revenue is forecast to grow at a compound annual rate of 1.9% over the five years through 2023-24 to reach £1.2 billion. Profit margins are expected to remain under pressure from the demands of relay organisations. (IBISWorld, *Florists in the UK*, April 2018).

♦ The national organisation for this industry is [British Florist Association](). Other industry bodies include [the Flowers & Plants Association](), [The Florist]() and [Florist News]().

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 - Seasonal Shopping in the UK (October 2018)**. Mintel thinks that as with previous years, research also showed a high percentage of consumers buying flowers as a Mother's Day or Valentine's gift. However, the research also suggests there may have been an uplift in the popularity of flowers as a gift for Easter in 2018.

- ◆ **IBISWorld - Florists in the UK (April 2018)**. Online shoppers are expected to increasingly favour click-and-collect services over the next five years. The trend is encouraging for florists because it is a relatively simple way in which small online businesses can compete effectively on the web and reduces the need to rely on delivery services. However, the rise of click-and-collect services is linked to the growth of m-commerce, creating greater demands on business websites to be mobile compatible. Successful businesses in the industry will require an online presence to compete with the largest players while also maintaining a niche added-value approach to their products.

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

- ◆ **British Florist Association** article "*Securing the best future for the UK Floristry Industry post Brexit*" (tinyurl.com/ycvcvknx). The article covers important aspects of prospective future policy and trading relationships after Brexit.

- ◆ **Florist Industry 2020 Vision Conference Report** (tinyurl.com/y89hcdhl) 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/ybuzturg) with news and trends from the UK Florist market.

- ◆ **Innovate UK** article "*How the cut flower industry could use artificial intelligence to help businesses grow*", July 2018 (tinyurl.com/ycojhcol). The article focuses on how the UK flower industry could be better supported by the AI other technology areas.

- ◆ **Startups.co.uk** guide *"How to start a florist business",* November 2018 (tinyurl.com/y88ljoqn). It contains information on the florist market and launching and running a flower shop

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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 *Retaining and Grow Your Customer Base* will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

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.

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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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