



Market Report

A Snapshot of your Market Sector

Gift Shop

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

- ◆ Gift purchasing for seasonal events in 2020 was down notably compared to 2019 due to the negative impact of COVID-19. In 2020, the percentage of consumers purchasing any gift for Mother's Day was **down 7.5% (54%) compared to 2019 (58%)**, while gift purchasing for Father's Day and Easter **declined a respective 5.9% and 12.1%** as both events were celebrated in lockdown. Easter saw the biggest decline as nonessential stores were forced to close and the UK experienced its COVID-19 peak. (Mintel, *Seasonal Shopping (Spring/Summer): Inc Impact of COVID-19, UK*, October 2020).
- ◆ September brought the first signs the UK was heading towards a second wave and notably concern levels have once again risen, with the mid-October data showing the highest level of concern for three months. Levels of concern are significant as they are a good indicator of more 'lockdown-led' behaviours from shoppers. As concern levels have risen, we have seen the number of shoppers looking to limit time spent in stores rise once more, **up to 45% (8-19 October), the highest level seen since July**. The number shopping from local businesses **(26%) has also edged up to its highest point since July**. (Mintel, *Christmas 2020 UK: Prospects for Gifting*, November 2020).
- ◆ At the beginning of 2020-21, the industry observed strong online demand, as social distancing measures prevented non-essential stores from opening, resulting in gift card and voucher sales **falling by 5.4%** on a like-for-like basis, according to the Gift Card & Voucher Association (GCVA). However, demand for greetings cards persisted, despite these measures preventing people seeing their loved ones during the spring season, which includes important days for the industry such as Valentine's Day, Easter and Mother's Day. As a result, the market for online greeting cards has expanded substantially. Analysis by the GCVA and KPMG UK found digital and eVoucher **sales grew by 49.7%** in the first half of 2020 compared with the same period the year before. (IBISWorld, *Online Greetings Card Retailers- UK*, December 2020).
- ◆ The non-photo personalized gifts market in Europe was valued at \$5.73 billion in 2019 and is likely to reach \$8.94 billion by 2024, growing at a CAGR of 9.30% during the forecast period. Product launches and innovations are among the leading factors supporting the value sales in Europe. (Technavio, *Global Non-photo Personalized Gifts Market 2020-2024*).
- ◆ The national organisation for this industry is [The Giftware Association](#). Other industry bodies include [British Independent Retailers Association](#), [British Allied Trade Federation](#) and the [Crafts Council](#).



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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.

- ◆ **Mintel - *Seasonal Shopping (Autumn/Winter): Inc Impact of COVID-19 - UK (April 2020)***. The effects of COVID-19 on seasonal shopping are likely to materialise in the medium term with consumers holding back spend on celebrating seasonal events. Gifting of small-ticket items are likely to drive spend and consumers are likely to engage in more experience-led activities to celebrate. This includes dining in which has previously been popular but even more so post COVID-19 as people cut back on indulgences like eating out.
- ◆ **Technavio - *Global Gifts, Novelty, and Souvenirs Market (2019-2023)*** - Personalization of gifts is a major trend, which enhances sales and fuels the growth of the market. It also helps small gift and souvenir retailers develop long-term relationships with customers and encourage repeat business for the companies. It also adds value to standard gifts. Hence customers usually seek personalized gifts. Personalized gifts are also popular as gifts for retirements, promotion, birthdays, new year eves, and women's day. To address this growing demand for personalized gifts, vendors are introducing gift personalization services.
- ◆ **Mintel - *Gifting in Beauty & Personal Care_ Inc Impact of COVID-19, UK (April 2020)***. With sustainability being a hot topic in the BPC category in 2020, brands need to rethink the amount of packaging waste in gifting. . . In the gifting sector, brands could introduce packaging with additional functions such as bags or boxes that can be used for other purposes. In-store recycling initiatives could be a way to bring gift recipients into retailers, encouraging the purchase of other products.
- ◆ **IBISWorld – *Florists in the UK (December 2020)***. Many florists have attempted to boost revenue through the supplementary sale of champagne, wine, balloons, toys, chocolate, cards and other gifts. . .The revenue attributed to this segment is expected to have declined at a slower rate than arranged cut flowers during the COVID-19 (coronavirus) pandemic due to the growing popularity of giftware products amongst consumers.

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

- ◆ **Gift Focus Magazine** (www.giftfocus.com) This giftware trade magazine offers a number of useful resources, including, newsletters and articles on the giftware industry, issues of the monthly Gift Focus magazine and a trade supplier's directory.
- ◆ **Salience – 2020 Gift Market Report** (tinyurl.com). A downloadable market report providing statistics on the online gift market and key opportunities for companies in the industry.
- ◆ Visit Scotland **Coronavirus (COVID-19) advice** (tinyurl.com/). Shopping in Scotland page (tinyurl.com). talks about uniquely Scottish shops, fairs and markets and town centres.

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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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