



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 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 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:

- ◆ 36% of consumers are still shopping more online since mid-September and 27% are limiting their time in stores (16-27 September 2021). While seasonal shopping is store-based, the pandemic has forced consumers to rely on the online channel throughout lockdowns and the data below shows they continue to do so. (Mintel, *Seasonal Shopping (Spring/Summer) UK 2021*).
- ◆ **Stationery saw a 0.5% decline** in consumer spending for 2020 and was valued at **£3,044m**. The market is forecasted to be stable over the next five years. Stationery retailers have a unique opportunity to cater to the new work-from-home environment by innovating in areas that consumers care about such as sustainability and wellbeing. (Mintel, *Greetings Cards & Personal Stationery UK*, February 2021).
- ◆ High-street retailers present attractive options for greetings card purchases, as they are typically convenient for last-minute purchases or impulse buys. However, investment in supply chains and faster delivery services following the pandemic is expected to support higher demand for online orders of physical cards over the coming years. (IBISWorld, *Online Greetings Card Retailers in the UK*, September 2021).
- ◆ The global photo printing and merchandise market was valued at **\$19,624.05 million in 2020** and is estimated to grow to **\$24,980.1 million in 2025**. This will create an incremental growth opportunity worth \$5,356.05 million between 2020 and 2025, which translates to around 28% of the market size in 2020. In this moderate growth environment, vendors must be both aggressive and defensive while leveraging the growth opportunities available. With limited growth opportunities, gaining market share from competition will be an important lever to drive growth for market participants. (Technavio, *Global Photo Printing and Merchandise Market, 2021-2025*).
- ◆ **Giftware** is expected to account for **23.9% of industry revenue in 2021-22**. This segment has expanded its share of the market as retailers have introduced various value-added products. Many florists have attempted to boost revenue through the supplementary sale of champagne, wine, balloons, toys, chocolate, cards and other gifts (IBISWorld, *Florists in the UK*, June 2021).
- ◆ 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 – Christmas Gift Buying UK (February 2021).** Earlier purchasing of Christmas gifts has been a trend for a number of years, and the conditions of the pandemic gave this trend further room to grow in 2020. Overall, 42% of consumers started their Christmas shopping before November in 2020, up from 39% in 2019, with a notable drop in the number of consumers leaving it late.
- ◆ **Technavio - Global Non-photo Personalized Gifts Market (2021-2025).** The global non-photo personalized gifts market was valued at \$15,788.57 million in 2020 and is estimated to grow to \$24,535.18 million in 2025. This will create an incremental **growth** opportunity **worth \$8,746.61 million** between **2020** and **2025**, which translates to around 56% of the market size in 2020. This represents significant growth opportunities for vendors. Vendors can continue to grow by leveraging the inherent growth opportunities available within the market while avoiding direct competition.
- ◆ **Mintel – Seasonal Shopping (Autumn/Winter) UK (April 2021).** 55% of Valentine’s Day shoppers made an extra effort to personalise gifts this year. Personalisation has been a key theme for seasonal events with consumers looking to customise gifts and products. Retailers that can offer such services at an affordable cost have typically stood out. Online retailers have positioned themselves well to capture such types of shoppers. In the past and pre-COVID-19, online retailers have had to compete with supermarkets and store-based retailers that capture the majority of purchases which has also been boosted by impulsive buying habits from shoppers during seasonal events.
- ◆ **Statista –** This is another of our subscription databases and it provides statistics on many topics within the gifting industry. For example – **Online search growth within the gift industry in the UK 2021, Planned time to start shopping for Christmas gifts in the UK 2021** and **Monthly online searches for leading gift brands in the UK 2021.**

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

- ◆ **Gift Focus Magazine** (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 – 2022 Gift Market Report** (tinyurl.com/4uacwnpy). A downloadable market report providing statistics on the online gift market and key opportunities for companies in the industry.

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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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