



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

This market report was updated by Business Gateway in **January 2024**. 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:

- ◆ eBay is the most used pure marketplace/peer-to-peer site in the UK. However, it is Vinted which has seen the most significant growth in the past year, with the number shopping the platform **growing from 9% to 15%**. On an annual basis **online sales in 2023 are estimated to be 59.3% higher than 2019**, with much of the heightened demand of the peak pandemic years now baked into the sector and consumer habits. (Mintel, *Online Retailing: Marketplaces and Peer-to-Peer Selling – UK 2023*, November 2023).
- ◆ Revenue has since dropped in years through to 2023-24 as competition from physical stores bounced back along with the drop in disposable income levels. Revenue is expected to **swell at a compound annual rate of 13% over the five years through 2023-24 to reach £299.5 million**, along with an estimated contraction of 5.1% in 2023-24, with companies generating an average profit margin of 11.8%. Revenue is estimated to **climb at a compound annual rate of 5.5% over the five years through 2028-29 to reach £391.4 million**. (IBISWorld, *Online Greetings Card Retailers in the UK*, September 2023)
- ◆ The global gifts retailing market was **valued at \$84,444.46 million in 2022** and is estimated to grow to \$97,936.15 million in 2027. This will create an incremental growth opportunity worth \$13,491.69 million between 2022 and 2027, which translates to around 16% of the market size in 2022. The overall growth of the global gifts retailing market is built on consistent growth across all the years of the forecast period between 2022 and 2027. The **year-on-year growth will vary between a range of 2.31% and 3.71%** (Technavio, *Global Gifts Retailing Market 2023-2027*, November 2022).
- ◆ UK consumers were asked what kind of Christmas gift they would be happy about. During the survey, **39 percent of the respondents said that they would be happy to get vouchers or gift cards**, making it the most desired Christmas gift by UK consumers. (Statista, *Christmas gifts most desired by UK consumers in 2023*, November 2023)
- ◆ The value of total retail spending (online and in stores) is projected to see an increase in the UK in 2023, **reaching a combined value of 84.90 billion British pounds**. This holiday season (covering the six-week period from mid-November to the end of December), online sales is forecast to see growth compared to the previous two years. (Statista, *Christmas Shopping in the UK*, December 2023)
- ◆ The national organisation for this industry is [The Giftware Association](#). Other industry bodies include the [British Independent Retailers Association](#), the [British Allied Trades 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](mailto:info@bgateway.com).

- ◆ **Mintel - *Online Retailing: Marketplaces and Peer-to-Peer Selling – UK 2023 (November 2023)***: In September 2023, Etsy launched its own way for its sellers to be rewarded for promotion of their businesses, Etsy Share & Save. Sellers participating in the scheme receive 4% of the order total off their sellers fees if a buyer uses the traceable Share & Save link when posted on social media. In May 2023, Etsy launched Etsy Registry, a new wedding registry service which allows couples to register for gifts via the marketplace. The launch was driven by an uptick in search for personalised and handmade couples gifts across the site.
- ◆ **IBISWorld - *Online Greetings Card Retailers in the UK (September 2023)***: Personalisation shapes growth in the online greeting card retailing industry. Consumers, drawn to unique and sentimental values of personalised greeting cards, have pushed online retailers to diversify their offerings, igniting a spike in customer loyalty and driving industry growth.
- ◆ **Technavio - *Global Non-photo Personalized Gifts Market 2023-2027 (September 2023)***: The global non-photo personalized gifts market was valued at \$17,240.09 million in 2022 and is estimated to grow to \$26,367.77 million in 2027. This will create an incremental growth opportunity worth \$9,127.68 million between 2022 and 2027, which translates to around 53% of the market size in 2022. 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.

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

- ◆ The shortlists for the [Giftware Association Gift of the Year Awards 2024](#) have been published with products across twenty different giftware categories - *This annual event celebrates innovation, creativity, and excellence in the home and giftware sector, recognising outstanding products and ranges that have captured the hearts of our judges made up of retailers and buyers.*
- ◆ VoucherCodes in partnership with GlobalData have published a report looking at [Shopping for Christmas 2023](#) which is an annual report forecasting consumer shopping trends and spending habits in the lead up to Christmas - *44% of people plan to cut back on their Christmas gift giving this year and a further 46% plan to find cheaper alternatives or less expensive gifts for their family and friends. Not only that, but 90% of consumers say they will prioritise gifts for immediate family this year. Just under one-third will buy presents for extended family and friends (31%), and only 16% of consumers plan to buy for work colleagues.*

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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 websites, 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: Fiona Elliot**

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