



Market Report

A Snapshot of your Market Sector

Interior Design

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

This pack has been designed to provide information on setting up a business in the **Interior Design** 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 **December 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 Industry Design 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:

- ◆ Consumer spending on furniture is forecast to have fallen by 1% as all retail faced huge uncertainty in 2022. Although apparent before, this has ramped up since the turn of the year with a near perfect storm of inflation, supply chain disruption and the ongoing conflict in Ukraine. Austerity was then compounded as, after two years of spending, most of the consumer base prioritised other areas of discretionary spending. (Mintel, *Furniture Retailing* – UK, July 2022).
- ◆ The UK home and garden market contracted by approximately **4.0%** in 2022. This drop follows a very eventful two years, where extended periods indoors meant that home retail was one of the best performing areas of non-essential spending since March 2020. (Mintel, *British Lifestyles* – October 2022).
- ◆ Supported by rising residential and commercial building construction activity, industry revenue is anticipated to increase at a compound annual rate of **3.8%** over the five years to 2026-27 to reach **£1.8billion**. Competition will continue to intensify, both internally and from rising numbers of freelance interior designers undercutting each other on price and externally from building firms. (IBISWorld, *Interior Design Activities in the UK*, February 2022).
- ◆ Over the years through 2027-28, industry revenue is forecast to increase at a compound annual rate of **3.1%** to **£9.8 billion**. Fears of a recession in the near term may sustain lower business confidence, which could subdue investment in construction, limiting industry demand. (IBISWorld, *Architectural Activities in the UK*, October 2022).
- ◆ The national organisation for this industry is the [British Institute of Interior Design](#). Other industry bodies include the [Society of British and International Design](#) and the [Chartered Society of Designers](#).



Connect with us

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 Interior Design Activities in the UK** (January 2022). The number of residential property transactions affects demand for interior design services because people often choose to renovate when moving into a new house. Residential interior design, although smaller than the commercial segment of the industry (29.0% of total revenue), provides a vital stream of revenue to the bulk of smaller firms in the industry. This product segment is often the first and easiest point of entry into the interior design industry for many operators.
- ◆ **IBISWorld, Specialised Design Activities in the UK** (February 2022). The interior design segment is expected to account for 18.2% of total industry revenue. This segment's share of revenue has declined during the past five years. In particular, demand for commercial interior design projects has gone down during 2016-17, due to falling commercial building activity. Businesses have been reluctant to commit to new development plans and office construction due to uncertainty about Britain's future relationship with the European Union. However, demand for interior design activities is forecast to recover in 2021-22, supported by greater levels of construction activity.
- ◆ **Mintel – Furniture Retailing - UK** (July 2022). Extended periods inside have seen an emphasis on communal areas, such as living, dining rooms and kitchens in the past year. Living spaces have been at the forefront of new flexible living demands, having served as spaces to work, exercise and entertaining.

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

- ◆ **The Society of British Interior Design (SIBD)** has a number of articles from esteemed industry professionals that explore the business behind the interior design profession, global interior practices and interior projects (tinyurl.com/y2ybk5ll).
- ◆ **The British Institute of Interior Design (BIID)** has a searchable Supplier Directory for contracts and specialists, industry partners and other services (tinyurl.com/y5ydtwyw).

Disclaimer: Please note that this research may contain copyrighted material. Copyright belongs to the holders credited above and, as such, recipients of this research reproduce and repurpose this information at their own risk.



Connect with us

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**



Connect with us

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](#).

Although every effort has been made to ensure the accuracy of the information provided, Business Gateway will not be held liable for any inaccuracies or omissions in the data supplied, or for the content of any website that the document above may contain links to. By using this information, you accept this disclaimer in full. Also, please note that Business Gateway does not endorse any business or individual that may be referred to above.

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: December 2022

Updated by: Sue

Connect with us

