



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 2023**. 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 Interior 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:

- ◆ While there are concerns that consumers will prioritise other discretionary spending areas over home and garden as the pinch eases, the newfound appreciation towards the home as a legacy of the pandemic as well as its necessity nature means the home will remain in the spotlight, especially with the continuing trend of flexible living meaning consumers will continue to spend a large chunk of their time at home. (Mintel, *British Lifestyles UK*, August 2023).
- ◆ Open-plan kitchens have also grown in popularity, with 34% having access to an open-plan kitchen, up from 30% in 2022. Kitchens have increasingly been connected to other communal spaces, serving multiple purposes from working to entertaining, while providing additional space for storage. The rise of flexible living, with consumers spending more time at home, coupled with the trend of urbanisation, will likely see the appetite for open-plan living continue, feeding into a demand for multipurpose and space-saving kitchen designs. (Mintel, *Kitchens and Kitchen Furniture UK*, September 2023).
- ◆ 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 through 2026-27 to reach **£1.8 billion**. The government is likely to provide an important source of demand, as interior designers are often employed to design interior spaces for institutional buildings like healthcare and educational facilities. (IBISWorld, *Interior Design Activities in the UK*, March 2023).
- ◆ Over the five years through 2027-28 revenue is anticipated to **grow** at a compound annual rate of 3.9% to **£4.6 billion**. Residential construction activity will continue to drive growth, benefiting from supportive government policies to bolster the UK's housing stock. Non-residential construction activity will benefit from recovering economic conditions, supporting revenue. Recovering consumer confidence and incomes will support a resurgence of demand from homeowners. (IBISWorld, *Floor & Wall Covering in the UK*, March 2023).
- ◆ 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](#).



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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 – Homewares Retailing UK (December 2023).** 33% bought homewares from specialists. Their appeal, however, concentrated on older shoppers, who tend to be more financially comfortable yet having lower engagement in the market. While this presents opportunities for premium homewares, specialists risk losing highly engaged younger shoppers to generalists. Alongside social media, specialists should also embrace the themes of self-indulgence and total wellbeing, which are among the key drivers for young consumers to buy homewares.
- ◆ **IBISWorld – Specialised Design Activities in the UK (March 2023).** Interior design includes services related to refurbishment, design and decorating. Services are provided to residential, commercial and public clients. The services rendered are essential for the hospitality sector, shopping centres, restaurants and public buildings. Demand is partly influenced by a growth in consumer appetites for aesthetically pleasing decors at home and in social environments.
- ◆ **Mintel – Furniture Retailing UK (July 2023).** The rise of eco-conscious consumerism also opens new windows to the market, potentially feeding into demand for eco-friendly furniture, and even more niche sectors such as vegan sofa. But with value still taking the front seat, circular models that can cater to the demand for both affordability and contributing to environmental sustainability, such as second-hand furniture and product exchange, will continue to be in demand.

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

- ◆ The **Society of British Interior Design (SIBD)** has an [articles page](#) on their website which has news industry professionals that explore the business behind the interior design profession, global interior practices and interior projects.
- ◆ The **British Institute of Interior Design (BIID)** has a searchable [supplier directory](#) and a separate member directory to find [interior designers](#).
- ◆ [Design Week](#) is an online design magazine that provides news on all aspects of the design industry including interior and furniture design.

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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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