



Market Report

A Snapshot of your Market Sector

Jewellery Design and Retail

This pack has been designed to provide information on setting up a business in the **Jewellery Design and Retail** 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 **October 2020**. 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 Jewellery Design and Retail 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:

- ◆ Demand for jewellery and watches in the UK has increased; sales were **up 2.9%** in 2018 and growth is expected to be even stronger in 2019. Mintel estimates that the market will increase by **3.5% in 2019**, bringing its value to **£5.9 billion**, from £5.7 billion in 2018, driven by growth in the luxury end of the market. The watch market is heavily reliant on the high-end brands, while mid-priced options are continuing to decrease in popularity. Despite the fact that very few people feel that a watch is a necessity, the category is enduring due to people purchasing expensive watches as statement pieces. (Mintel, *Jewellery and Watches Retailing - UK*, September 2019).
- ◆ Over the past five years, demand has remained robust, influenced by falling unemployment and rising real household disposable income levels. Despite this, political events have negatively affected consumer confidence, dampening demand for discretionary products including jewellery. This has been exacerbated by the spread of COVID-19 (coronavirus). Precious metal prices also had a major influence on industry performance. The strong decline in the prices of platinum and diamonds during the period are expected to have been outweighed by price fluctuations in gold and silver, increasing purchase costs slightly. (IBISWorld, *Jewellery Manufacturing in the UK*, July 2020).
- ◆ Industry revenue is expected to rise at a compound annual rate of **2.5%** over the five years through **2024-25, reaching £7.1 billion**. Uncertainty surrounding the terms of the UK's exit from the European Union is expected to continue to constrain demand for mid-range products in the medium term. However, this is expected to continue to be offset by resilient demand for higher-value products, both from domestic consumers and from tourists as the pound continues to depreciate. (IBISWorld, *Jewellery & Watch Stores in the UK*, March 2020).
- ◆ The national organisations for this industry are the [National Association of Jewellers](#) and the [Association for Contemporary Jewellery](#). Other industry bodies include [Contemporary British Silversmiths](#), [Craft Scotland](#), [Crafts Council](#) and [The British Watch & Clockmakers Guild](#).

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** – *Jewellery and Watches Retailing, UK* (September 2019). Overall people prefer to make high-value purchases offline, but three in five consumers now buy jewellery and watches online. Two in five (43%) jewellery or watch shoppers have bought for a birthday, whilst a third (32%) shop at Christmas time. For a jewellery or watch retailer to stand out good customer service is a must, particularly as there is a threat from online marketplaces such as Amazon and the grey market online for luxury items. Over half of all jewellery and watch shoppers said that it is important for jewellery or watches to be made ethically, with this being particularly true of younger consumers. By buying second-hand jewellery buyers can be sure that they are not contributing to further environmental destruction or human rights abuses caused by some mining practices. This buying trend is on the rise.
- ◆ **Euromonitor** – *Luxury Jewellery in the United Kingdom* (January 2020). The UK saw a trend-driven resurgence in demand for yellow gold throughout 2019, and the popularity of the metal shows no signs of waning in the coming year. Luxury jewellery increases by 5% in current value terms in 2019, to reach £1.4 billion, and Tiffany & Co maintains its position as the leader in luxury jewellery in 2018, with a 12% value share. Luxury jewellery is expected to see a current value CAGR of 4% over the forecast period, reaching over £1.6 billion in 2024.
- ◆ **IBISWorld** – *Jewellery Manufacturing in the UK* (July 2020). Over the current year, domestic demand conditions are anticipated to decline, limiting industry revenue growth. This decline is being induced by the spread of the coronavirus in the United Kingdom since February 2020. In 2020-21 it is projected that real household disposable income will fall, unemployment will rise, and consumer confidence is expected to plummet. Despite this in the current year, revenue is anticipated to grow by 2.8% to £919 million, as jewellery is considered a luxury good bought by the wealthy that are often less affected by short term economic volatility.

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

- ◆ **Retail Jeweller** published an article in April 2020 which examines the impact of COVID-19 on online jewellery purchases. (tinyurl.com/yanx3zse).
- ◆ **Craft Scotland, Craft Directory** (www.craftscotland.org/craft-directory). Using this link may help you assess competitors in the market by reviewing other jewellery manufacturers and designers.
- ◆ **National Association of Jewellers, Industry News** (www.naj.co.uk/jewellery-news). Keep up to date with the latest developments in the jewellery industry such as new product launches, events, advice for businesses and other articles of interest.

Disclaimer: This report has been updated in October 2020 - we have included Post COVID-19 market material where available. 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.

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 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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