



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 February 2019. 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:

- ◆ The Jewellery and Watch Stores industry has grown relatively steadily over the past five years. An improving economy over the beginning of the period boosted demand for mid-range jewellery, with increasing disposable incomes resulting in consumers upgrading their lifestyles at the expense of low-end, cheaper costume jewellery (IBISWorld, *Jewellery & Watch Stores in the UK*, February 2019).
- ◆ Industry revenue is forecast to increase at a compound annual rate of 0.9% over the next five-year period, **reaching £978.3 million in 2023-24** (IBISWorld, *Jewellery Manufacturing in the UK*, November 2018).
- ◆ In 2018-19, industry revenue is anticipated to rise by **1.9% to £2.3 billion**. This slow rate of growth is expected to be caused by a number of conflicting factors, as downstream demand from jewellery and watch stores is forecast to increase and real disposable incomes are expected to rise, while consumer confidence is forecast to decline (IBISWorld, *Watch & Jewellery Wholesaling in the UK*, October 2018).
- ◆ **Almost one in three consumers (29%) bought a watch for themselves** in the past five years. This figure rises to over two fifths (42%) in young males aged 16-34. Meanwhile, costume jewellery proves to be the most popular gift bought for someone else, particularly by young males aged 16-24 (Intel, *Jewellery and Watches Retailing*, September 2018).
- ◆ More women are buying jewellery for themselves in recognition of their achievements or simply because they want to, changing the paradigm of how jewellery is purchased. And all categories of fine jewellery are thriving, albeit at different pace. **Necklaces grew the most (10%) over the 2014-2018 period**, while watches showed the slowest growth with 2% retail value increase in 2017, according to Euromonitor (Fashion Network, *UK fine jewellery market to reach £3.3bn as women take control*, August 2018) (tinyurl.com/y6xf42mg).
- ◆ 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 [Jewellery Distributors' Association](#).

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 - Jewellery Manufacturing in the UK (November 2018)**. Over the past five years domestic demand has fluctuated, influenced by economic conditions such as unemployment rates and real household disposable income levels. Political events have negatively affected consumer confidence, reducing demand. Precious metal prices also had a major influence on industry performance, with declines in the prices of platinum and gold causing industry purchase costs to fall overall, despite some year-on-year volatility, which lowered average selling prices and contributed to rising margins. International trade has both positively and negatively affected the industry during the past five years, although it is important to note that both import and export figures are highly distorted due to re-export activity.
- ◆ **Mintel – Jewellery and Watches Retailing (September 2018)**. We asked consumers how they prefer to buy precious metal jewellery and watches, with shoppers having a slight preference for purchasing in-store. The shopping experience of being able to touch, feel and try on products before purchasing mixed with the typical high price points means that shopping in-store is likely to continue to be an important part of the jewellery and watches shopping process. However, online is not far behind – with over half (53%) of consumers having purchased watches or jewellery online in the past year. Although people may be reluctant to purchase high-end pieces online, pureplay retailers such as Amazon are now a very popular choice for fashion jewellery or watch items
- ◆ **IBISWorld – Watch & Jewellery Wholesaling in the UK (October 2018)**. Gold jewellery accounts for the second-largest percentage of industry revenue, at an estimated 32.5% in 2018-19. Gold jewellery can be further segmented in terms of carats, which describes the gold content of a gold alloy. Fine platinum jewellery is expected to account for approximately 9.2% of industry revenue. As with other precious metals, platinum must be alloyed with other metals to achieve an acceptable level of strength. Fine silver jewellery includes products manufactured from alloys of silver and is expected to account for 8.7% of industry revenue. The most common alloys are sterling silver and Britannia silver.

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

- ◆ **Craft Scotland, Explore the Directory** (tinyurl.com/y6y5p7jb). Using this link may help you assess competitors in the market by reviewing other jewellery manufacturers based in the UK.
- ◆ **National Association of Jewellers, Industry News** (tinyurl.com/y5pmlum4). Keep up to track with the latest developments in the jewellery industry such as new product launches, events, advice for businesses and other articles of interest.

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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**

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 [Retaining and Grow Your Customer Base](#) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

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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