



# Market Report

A Snapshot of your Market Sector

## Retail

This pack has been designed to provide information on setting up a business in the **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](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **September 2021**. 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 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:

- ◆ 54% of online shoppers have done more shopping online, helping online sales soar 44.9% to reach £111.1 billion in 2020, with online sales taking a record 27.6% of all retail sales. While some growth came from new customers in the market as 1% of current online shoppers had not shopped online prior to the pandemic, the real driver of growth was an increased frequency and dependency on the channel, with 45% of online shoppers now shopping at least once a week online compared to 36% prepandemic. (Mintel, *Online Retailing UK, 2021*)
- ◆ Over the five-year period through 2021-22, the retail sales index - volume, seasonally adjusted - is forecast to increase at a compound annual rate of 2.4% to reach 108.4 points. Since 2013-14, when the retail sales index recorded 2.0% year-on-year growth - this was the first time the index had recorded annual growth of 2.0% or more since 2007-08 (2.5%) - retail sales volumes had grown at a relatively steady pace thereafter, underpinned by rising consumer confidence. (IBISWorld, *Retail Sales Index, July 2021*).
- ◆ Google mobility data for Scotland show visits to retail picked up sharply in April and May as restrictions eased having been over 60% below the pre-pandemic level at the start of the year. The pace of recovery has been more moderate over June and July and on average has remained around 6% below pre-pandemic levels. (Scottish Government, *Monthly Economic Brief: July 2021*).
- ◆ Retail sales volumes fell by 2.5% between June and July 2021; looking more broadly, however, they were up by 5.2% in the three months to July compared with the previous three months and are 5.8% higher than their pre-coronavirus (COVID-19) pandemic February 2020 levels. (The Office for National Statistics, *Retail sales, Great Britain: July 2021*).

The national organisation for this industry is [The British Retail Consortium](#) and [The Scottish Retail Consortium](#). Other industry bodies include the [British Independent Retailers Association](#), [Association of Convenience Stores](#) and [IMRG](#) (Interactive Media in Retail Group).



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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 – UK Retail Briefing (August 2021)**. July brought another step back to a more ‘normal’ pattern of trade within UK retail with all retail sales grew 3.7%. The better weather in July combined with England’s EURO 2020 final appearance in the early part of the month boosted retail sales-especially amongst alcohol specialists and the grocery sector.
- ◆ **IBISWorld – Department Stores in the UK (May 2021)**. The Office for National Statistics (ONS) reported department stores volume sales declining by 5.2% over 2020. A greater contraction was avoided as operators turned to online channels to continue reaching consumers. The ONS reported that the value of department store sales made over the internet grew by 65.9% over the same year. For more detail, please see the Current Performance chapter.

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

- ◆ **The British Retail Consortium** publishes a Scottish Retail Sales Monitor. The latest report from August 2021 states that “July saw retail sales improve on 2020’s rather desperate performance which came in the immediate aftermath of the first lockdown, but remain below pre-pandemic trading. Indeed, the 4.4 percent fall compared to 2019 was disappointing after two months when there seemed to be a path back to growth. It seems Scottish retailers have a longer wait in store.”
- ◆ **The Scottish Retail Consortium** (part of the British Retail Consortium) is an excellent source of information, with regularly posted articles and press releases along with research and analysis insights available to retail members of the Consortium.
- ◆ **Retail Sector** is an online news publication which covers the UK retail industry and publishes stories on a range of industry-related topics. Their site also has a dedicated section for Scotland looking specifically at Scottish news stories, trends and other topics.
- ◆ There’s also **Scottish Local Retailers**, which is a smaller news outlet focusing solely on the Scottish market and issues that impact on smaller, independent retailers.

**Disclaimer:** This report has been updated in August 2021 - 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](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 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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