



# Market Report

A Snapshot of your Market Sector

## Upholstery

This pack has been designed to provide information on setting up a business in the Upholstery 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 January 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 upholstery 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 living room is the focal point of most homes and as such, is the room most likely to be seen by guests and where furniture is most likely to become worn out, driving replacement purchases. Research for this report found that **44%** of all consumers have purchased some kind of living or dining room furniture in the past year. (Mintel, *Furniture Retailing* (Mintel, *Furniture Retailing*, July 2018).
- ◆ Government assistance for the housing sector is expected to boost domestic demand for industry products. As a result, revenue is forecast to grow at a compound annual rate of **0.7%** over the five years through **2023-24** to reach **£2.2 billion**. Meanwhile, the number of establishments is expected to increase at a compound annual rate of **2.1%** over the same period (IBISWorld, *Household Textile & Soft Furnishing Manufacturing UK*, November 2018).
- ◆ Household textile and soft furnishing manufacturers purchase fabric and threads from wholesalers to use in the production of home textiles and soft furnishings. Over the past five years, these operators have been increasingly bypassing industry wholesalers to purchase directly from fabric manufacturers at a lower cost. Demand from household textile and soft furnishing manufacturing is expected to decrease in 2018-19 (IBISWorld, *Textile Wholesaling in the UK*, October 2018).
- ◆ The UK furniture & floor coverings market has seen low growth overall in recent years, although it did register a decline in value in 2017. The market is forecast to rebound and see slow growth through to 2022 (MarketLine, *Furniture & Floor Coverings in the United Kingdom*, October 2018).
- ◆ At nearly £17 billion and rising, the UK furniture, bed and furnishings manufacturing is a substantial growth industry for the UK. Latest verified government figures from 2016 put total consumer expenditure on furniture and furnishings at **£16.7 billion**, supporting **327,000** jobs across **50,000** registered companies in the wider furniture and furnishings sector, including specialist retail but excluding general retail (British Furniture Confederation, *Manifesto 2018/19*, April 2018).
- ◆ The national organisation for this industry is the [Association of Master Upholsterers and Soft Furnishers](#). Other industry bodies include the [British Antique Furniture Restorers' Association](#), [National Bed Federation](#), [Crafts Council](#), [Craft Scotland](#), [British Furniture Manufacturers](#) and the [British Furniture Confederation](#).



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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 - Cakes and Baking (June 2012)**. Overall, 61% of consumers made some kind of furniture purchase in the past year with half of those spending less than £500. The proportion buying furniture has remained fairly consistent with 2017, although the amount spent has increased slightly perhaps indicating the effect of inflation during the period as well as a trend towards more premium products.
- ◆ **IBISWorld – Furniture, Lighting & Homeware Retailers (October 2018)**. IBISWorld estimates that the largest product segment in the industry is the upholstered goods segment, which is expected to generate **24.3%** of industry revenue. This segment includes sofas, armchairs and reclining furniture. Upholstered furniture is a mature product segment and competition is largely based on price. The success of any industry segment is affected by changing consumer tastes in colour, fabric patterns and textiles. Renewed interest in luxury items as economic conditions have strengthened has boosted this segment's share of revenue in recent years.
- ◆ **IBISWorld – Household Textiles & soft Furnishing Manufacturing in the UK (November 2018)**. The largest product segment in the industry is curtains and textile blinds, accounting for approximately 49.3% of industry revenue.

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

- ◆ **British Confederation Manifesto 2018/19** ([tinyurl.com](http://tinyurl.com)). Most respondents to the questionnaire reported that their current turnover is either exclusively generated by UK sales, or by a small portion through export sales. Only 16 companies export more than 10% of their current turnover. Positively, this figure rises to 20% looking at export plans for the next 12 months. Clearly, there is an opportunity for the Government to do more to encourage exports within the industry.
- ◆ **Furniture News – Casual Living Leads Upholstery in 2018** ([tinyurl.com](http://tinyurl.com)). Upholstery in the year ahead is set to embrace a new mood for more informal and relaxed living, according to British Furniture Manufacturers' (BFM) members, who were out in force at this year's January Furniture Show, with a record 49 members exhibiting.
- ◆ **The Furnishing Report** ([tinyurl.com](http://tinyurl.com)). This site covers news and analysis, data, research and markets within the furnishing industries.
- ◆ **Interiors Monthly** ([tinyurl.com](http://tinyurl.com)). You can use the Interiors Monthly site to subscribe to the magazine and view a directory of useful contacts and industry links.
- ◆ **Furniture Industry Research Association (FIRA)** ([tinyurl.com](http://tinyurl.com)). You can become a member of FIRA which entitles you to access research reports. This organisation also provides information on training and events as well as helpful standards and technical information.

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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](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 [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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**Updated by:** Liesel

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