



Market Report

A Snapshot of your Marketing Sector

Handmade Cosmetics and Soap

This pack has been designed to provide information on setting up a business in the **Handmade Cosmetics and Soap** 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 **January 2026**.

What do I need to know about the Handmade Cosmetics and Soap 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 soap, bath and shower category has settled into steady growth since its COVID-19 spike, and subsequent decline. The category needs innovation to continue this trajectory. The value of the soap, bath and shower market in 2024 was **£776m in the UK, with 3.7% growth**. Forecast value sales growth for fragrances and body sprays between 2025 and 2030 is estimated at 10%. (Mintel, *Soap, Bath and Shower - UK*, May 2025).
- ◆ Cosmetics and toiletries retailing revenue is expected to **edge upwards at a compound annual rate of 21% over the five years through 2025-26**. In 2025-26, revenue is **forecast to climb by 1.1% to £8.5 billion**, while the average profit margin is expected to be 18.7%. Over the five years through **2030-31, revenue is expected to mount at a compound annual rate of 4.9% to £10.8 billion**. Shifting consumer attitudes towards social constructs and a growing emphasis on inclusivity have cast a wider sales net and opened retailers up to a bigger market. As people keep flocking to social media sites to share photos and videos online, sales to the younger generations are on the rise as they seek to keep up with what they see online. (IBISWorld, *Cosmetics and Toiletries Retailers in the UK*, November 2025).
- ◆ Sales of **organic beauty and wellbeing products grew by 11% in 2024**, reaching **£151m**. However, according to Mintel GNPD, innovation is slowing; only 2% of new BPC products launched in the last year were all-natural and 7% were organic. While **65% of UK adults use natural and organic BPC products**, younger consumers, especially men, as well as those in urban areas and big cities, show higher engagement. (Mintel, *Attitudes Towards Natural and Organic Toiletries in the UK*, November 2025).
- ◆ With sustainability now in the spotlight, green-centric brands are carving out their own space, helping the market chart new growth territories. **In 2024-25, revenue is forecast to climb by 5.1%**, and the average profit margin is expected to expand to 2.2%, supported by growing demand from Gen Z consumers. Over the **five years through 2029-30, revenue is projected to swell at a compound annual rate of 4.8% to £4.2 billion**. Exports will heighten, benefitting from more favourable economic conditions and a normalisation of trade with the EU. Emerging markets, including the Middle East, Latin America and Asia, will aid demand for UK manufacturers as consumers' incomes swell (IBISWorld, *Perfume & Cosmetics Manufacturing in the UK*, November 2025).
- ◆ The national organisation for this industry is the [Guild of Craft Soap & Toiletry Makers](#). Other industry bodies include the [Cosmetic Toiletry & Perfumery Association](#).

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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 – Sustainability in Beauty and Personal Care - UK (October 2024)**. Interest in refillable products is considerable, and NPD is responding to meet demand. Refills can also be better positioned as gifts, as subscriptions have grown in popularity, with bookshops offering monthly curated book subscriptions and cut flower companies offering subscriptions for three, six or 12 months of flower deliveries, for example. Brands and retailers that offer refills can appeal to the 38% of UK adults who agree that refillable BPC products make good gifts by offering similar gift subscriptions that vary each month.
- ◆ **Mintel – Hand, Body and Footcare – UK (July 2025)**. As an integral element in HBF, scent is closely linked to emotion (and therefore influences usage and can boost brand/product loyalty), and is coming to the forefront of the category. For example, in the 12 months to June 2025, HBF launches with aromatherapy/mood enhancement scents recorded a notable increase. Scented HBF can also play an important role in consumers' self-care routines, by creating a sensorial multi-step experience. To further integrate HBF into self-care routines, brands can capitalise on consumer interest in layering different scents and textures by launching alternative formats (ie non-lotion formats such as body sprays, serums and oils) that are easy to combine.

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

- ◆ **Beauty Magazine** is a monthly online journal that offers information on the latest market trends, market research, as well as training features. www.beauty-magazine.co.uk.
- ◆ **The Soil Association's Organic Beauty & Wellbeing Market Report 2024** shows that 'while challenging market conditions have had an impact on sales growth, some sectors of the certified organic beauty and wellbeing are blossoming, with a +65% growth in organic mother and baby care and a +6% growth in organic health and personal care. The overall organic beauty and wellbeing market is now worth £136 million in the UK'. www.soilassociation.org/certification/beauty-wellbeing/the-organic-beauty-wellbeing-market-report/
- ◆ **The Cosmetics & Perfumery Retailers Association (COPRA)** represents cosmetic and perfume retailers in the UK. www.copra.org

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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 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.



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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.

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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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