



Market Report

A Snapshot of your Market Sector

Arts and Crafts

This pack has been designed to provide information on setting up a business in the **Arts and Crafts** 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 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 Arts and Crafts 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 creative industries are the fastest growing part of the UK economy. They are defined by the UK government as “those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”. ([Creative Industries Federation](#))
- ◆ The creative economy accounts for **1 in 10 jobs** across the UK and employ **700,000** more people than the financial services. In **2018, over 3.2 million (3,202,000) people worked in the creative economy**. (Creative Industries Federation, Statistics 2018)
- ◆ There are more than **289,000 businesses** in the creative industries, Creative industries businesses account for 11.9% of all businesses in the UK. Almost **95% (94.8%) of creative industries businesses are micro businesses (less than 10 employees)**. ([Creative Industries Federation](#), Statistics 2018)
- ◆ 56.9% of creative industries businesses have a **turnover of less than £100,000**, which is higher than the 50.5% for UK businesses a whole. ([Creative Industries Federation](#), Statistics 2018)
- ◆ Creative industries are worth **£4.4 billion to the Scottish economy** with a workforce of **77,000 employees**. (Scottish Economic Statistics, tinyurl.com/y2wysylg) Scottish Enterprise, April 2019)
- ◆ **Mintel News Briefing – August 2019** - The arts-and-crafts retailer [Hobbycraft](#) saw an uplift in profits thanks to smaller-format stores and revenue from online. The retailer reported a 28% increase in adjusted EBITDA to £12.2 million in the year to February 17th which was driven by a 5.4% surge in total revenue to £177.7 million. The retailer’s e-commerce sales rose by 23% during the same period.
- ◆ **Mintel – Consumer Trends, Attitudes and Spending Habits for the Home - UK - January 2019** - Almost half of consumers enjoy DIY activities and home is also a place for other practical and creative activities including hobbies, cooking and gardening. Kitchen retailers, including Wren Kitchens and Wickes, are building on the idea that kitchens can be multifunctional spaces where people can work or do crafts, as well as being places for cooking and eating.

The national organisation for this industry is [Craft Scotland](#). Other industry bodies include the [Crafts Council](#), [Creative Scotland](#), [Textiles Scotland](#), the [Cultural Enterprise Office](#) and [Arts & Business Scotland](#).

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 – Hobbies and Interests - UK (February 2019)** - 90% of online adults have taken part in a hobby or pursued an interest during the past year. 48% of all online adults having three or more hobbies and 69% at least two. Increasing awareness of the health and wellbeing benefits of taking part in hobbies and interests is set to be the next big driver of market growth. Social media is now the joint most used source of information about hobbies and interests, used by 26% of participants in these activities, rising to 44% of under-35s. Photogenic hobbies such as baking/cooking, arts and crafts, photography and home improvements are particularly well placed to benefit from current trends in social media use towards the creation and sharing of images and video.
- ◆ **IBISWorld – Textile Weaving and Finishing in the UK (September 2019)** - Over the five years through 2024-25, industry revenue is forecast to grow at a compound annual rate of 0.9%, reaching £1.6 billion. Additionally, the value of imports is expected to decline over the period thanks to increasing domestic demand for British goods, as consumers have become more quality conscious. The industry stands to further benefit from increasing interest in UK brands in foreign and domestic markets. The value of exports is expected to rise at a compound annual rate of approximately 0.1% over the five years through 2024-25. However, since approximately 58% of exports are currently destined for EU members, future export growth is expected to rely on the United Kingdom securing a favourable trade agreement with the European Union.
- ◆ **IBISWorld – Household Textiles and Soft Furnishing Manufacturing in the UK (July 2019)**. - The UK's potential exit from the single market would affect the industry's trade. Export growth may slow towards the end of the period, however, as potential trade barriers and the UK's anticipated exit from the European single market limit exports to the European Union. 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 1.4% over the five years through 2024-25 to reach £2.2 billion.

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

- ◆ **Cultural Enterprise Office** (www.culturalenterpriseoffice.co.uk) has a wide selection of resources to help you and your business, with guides on topics including planning, marketing and PR, networking and sales and distribution
- ◆ **Crafts Council** website (www.craftscouncil.org.uk) contains a report on the Craft Economy – [Supporting makers to export: 2018](#)
- ◆ **Creative Industries Federation** (www.creativeindustriesfederation.com) contains a number of their own research reports and publications, plus other helpful information on events and industry news.
- ◆ **Visit Scotland** (www.visitscotland.com) has information on a variety of Scottish crafts under their [Arts & Culture](#) section.

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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 [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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