



# Market Report

A Snapshot of your Market Sector

## Craft Beer

This pack has been designed to provide information on setting up a business in the **Craft Beer** 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 **July 2024**. 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 Craft Beer 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:

- ◆ Craft beers were chosen by a third of beer drinkers in the three months to August 2023, unchanged from the same period in 2022. Ale drinkers are especially likely to have drunk craft, at 53%. This reflects the beer types that craft producers tend to specialise in. Under-35s are less than likely than older people to have drunk craft beer in the three months to August 2023. This contrasts with previous years, where people in this age group were the leading drinkers of craft. It would appear that 18-34s, who tend to have less disposable income, have been especially likely to trade down to standard variants amid the cost-of-living crisis. (Mintel, *Beer UK 2023*, January 2024)
- ◆ UK craft brewers are faring well in the face of the economic instability created by high inflationary pressure and low consumer confidence. The rising number of beer drinkers looking for more complex IPA and pale ale flavours is boosting the number of craft breweries entering the market. Revenue is slated to grow at a compound annual rate of 0.8% over the five years through 2024-25 to £1.8 billion, including an expected hike of 2.2% in 2024-25. (IBISWorld, *Craft Beer Production in the UK*, May 2024)
- ◆ Demand strong Demand for local, independently brewed beer in the UK is strong, with SIBA members reporting production volumes up +14%, meaning they have finally overtaken 2019 volumes again as drinkers' desire to support our sector continues. Rumours of the demise of cask beer seem greatly exaggerated with small brewer cask volumes showing +10% year-on-year growth. (SIBA, *The SIBA Independent Craft Beer Report 2024*, May 2024)
- ◆ The national organisation for this industry is the [Craft Brewing Association](#). Other industry bodies include [Society of Independent Brewers](#) (SIBA), [The Brewers Association of Scotland](#), [Scottish Craft Brewers](#), [The Brewers Association UK](#) and [The British Beer and Pub 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](mailto:info@bgateway.com).

- ◆ **Mintel, *Beer UK 2023, January 2024*** - There's strong potential for craft beers to rebuild usage among 18-34s once household incomes improve, as 94% of people in this age group would opt for a craft/premium beer for at least one of the listed occasions. Celebrations in pubs/bars/restaurants and at home are neck-and-neck as occasions for which people would choose a craft/premium beer, at 28% and 27%. This reflects people tending to be more willing to splash out for special occasions.
- ◆ **IBISWorld, *Craft Beer Production in the UK, May 2024*** - Over the five years through 2029-30, revenue is projected to rise at a compound annual rate of 2.5%, reaching £2 billion. Growth is anticipated to be, at least in part, fuelled by traditional brands acquiring craft breweries and increasing their market presence. At the same time, improving economic conditions will give consumer spending power a boost, driving up sales of craft beer. However, health consciousness will continue to climb, encouraging people to cut their alcohol consumption, dampening revenue expansion. In response, some craft beer producers are expanding their low- and no-alcohol offerings, catering to a consumer base keen to abstain from alcohol but still explore the craft beer market

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

- ◆ **The Society of Independent Brewers** ([www.siba.co.uk](http://www.siba.co.uk)) are a trade organisation that represents the British independent brewing industry. They publish an annual report on the state of the industry, as well as hosting news articles relevant to the industry.
- ◆ **Visit Scotland** has a [map of Scottish craft beer](#) on their website which lists beers and the location their brewery is based in across the country. The resource is aimed more at tourists rather than industry users, but could be used to get an idea of what kind of products are currently on the market and being produced in Scotland, and where those businesses are located.
- ◆ **The British Beer and Pub Association (BBPA)** [publishes a range of data and statistics](#) profiling our industry. From pubs in communities across the UK to historic data on beer prices.

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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 [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.

## 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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**Updated by: Patrick**

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