



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), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **August 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 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:

- ◆ The steady improvement in consumer confidence seen in the second half of 2023 has stalled in 2024. As of May 2024, **31% of consumers said their financial situation had improved year-on-year, but 30% said it had worsened**, with the majority saying it was about the same. However there is significant polarisation between higher and lower-income households in the level of improvement. (Mintel, *UK Retail Trends – Summer – UK - 2024*)
- ◆ **Online sales grew by 5.3% in 2023 and are forecast to grow by 3.5% in 2024**. Although inflation has eased, many shoppers remain strapped for cash. The value credentials of the online channel will keep the channel relevant, but the challenge is to retain shoppers whose confidence is improving, by finding new ways to offer value. AI has the potential to transform online retailing in the next few years and, indeed, is already doing so. While there is some wariness among the general population about sharing personal data with AI tools, **nearly a quarter (24%) of online shoppers have used an AI tool to find product inspiration, rising to 50% of Younger Millennials**. (Mintel, *State of Retail: Online Retailing - UK - 2024*).
- ◆ **80% of consumers are members of a customer loyalty/reward scheme, and 87% of members believe that loyalty/reward schemes save them money**. Usage and membership of schemes have naturally grown during the cost of living crisis, and the value they offer shoppers has been reinforced by most leading schemes now adopting some form of membership pricing, tapping into the demand for more instant gratification in rewards from such schemes. (Mintel, *Customer Loyalty in Retailing – UK – 2024*).
- ◆ **In 2023-24 (102.6 points), the retail sales index is forecast to rise by a 2.3%**. Reflecting a projected economic recovery and a slight easing of the aforementioned macroeconomic headwinds – including surging inflation partially caused by the Ukraine-Russia fuelled energy and supply chain crisis which exceeded wage growth, demand across the UK retail sector is expected to recover. However, retail is not without its problems over the current year, as the BoE has consistently hiked rates to combat stubborn inflation (IBISWorld UK, *Retail Sales Index*, July 2023).

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.

- ◆ **Mintel – UK Retail Rankings – UK (May 2024)** The UK retail rankings put the leading UK retailers in perspective. Within the Report we give an overview of key players performance and trends within this Report.
- ◆ **Statista - Retail trade in the United Kingdom (UK)** This report presents a range of statistics and facts about the retail industry and retail sales in the United Kingdom. The chapters give an overview of the UK retail trade, including retail sales data, breakdowns by sector and retailer rankings.
- ◆ **Statista - High street retail in the United Kingdom (UK)** This report includes information on high street footfall and sales and store openings and closures. The final two chapters look at consumers' views on the high street, first in general, then in comparison to other retail locations.
- ◆ **IBISWorld** have a number of up-to-date retail industry reports including the following:
 - **Clothing Retailing in the UK**
 - **Furniture, Lighting & Homeware Retailers in the UK**
 - **Sporting and Outdoor Equipment Retailers in the UK**
 - **Cosmetics & Toiletries Retailers in the UK**
 - **Online Alcohol Retailing in the UK**
 - **Toy Retailing in the UK**
 - **Online Grocery Retailers in the UK**
 - **Luxury Product Retailers in the UK**

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

- ◆ **The British Retail Consortium** (brc.org.uk) publishes a Scottish Retail Sales Monitor. The latest report is from July 2022, Scottish Retail Sales, but shoppers remain cautious.
- ◆ **The Scottish Retail Consortium** (brc.org.uk/src/) (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.
- ◆ **Scottish Government, Monthly Economic Brief, July 2024** ([Scottish Economic Bulletin July 2024](#)) a summary of latest key economic statistics, forecasts and analysis on the Scottish economy.
- ◆ **Retail Sector** (retailsector.co.uk/) 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** (slrmag.co.uk/) which is a smaller news outlet focusing solely on the Scottish market and issues that impact on smaller, independent retailers.

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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.

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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