



Market Report

A Snapshot of your Marketing Sector

Interior Design

This pack has been designed to provide information on setting up a business in the **Interior Design** 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 **December 2024**.

What do I need to know about the Interior Design 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:

- ◆ Interior Design Activities revenue is estimated to **drop at a compound annual rate of 1.1% over the five years through 2024-25, including growth of 2% in 2024-25**. People renovating and redecorating their homes just after they buy them and government support for the housing market are instrumental in pushing up interior design services. The desire for an aesthetically pleasing home and inspiration from the likes of Architectural Digest, Pinterest and social media, boosts interest from the residential market. Hybrid working is the new norm and Britons are **embracing 'multi-functional rooms'**, while employers reassess real estate spaces, all of which are boosting interior design demand. (IBISWorld, *Interior Design Activities in the UK*, September 2024).
- ◆ Over the five years through 2028-29, revenue is anticipated to **grow** at a compound annual rate of **4.1% to £5.3 billion**. Residential construction activity will continue to drive growth, benefiting from supportive government policies to bolster the UK's housing stock. Non-residential construction activity will benefit from recovering economic conditions, supporting revenue. Recovering consumer confidence and incomes will support a resurgence of demand from homeowners. (IBISWorld, *Floor and Wall Covering in the UK*, October 2024).
- ◆ Consumer confidence remained weak in the past year due to the cost-of-living crisis, but consumers are investing in the home as many have had a renewed appetite for making their spaces a reflection of their needs. Investment in smaller-ticketed home projects remain popular as many invest in decorating or other minor home alteration projects. Many have invested in making their space a place to host and entertain as they agree that it is important to having a space to entertain. (Intel, *Consumer Trends, Attitudes and Spending Habits for the Home*, February 2024).
- ◆ Kitchen refurbishment and maintenance activity is at its highest level for six years, with increased small scale, functional renovations (repairs and replacements) offsetting flat larger-scale, design-led refits. We expect consumer spending on kitchens and kitchen furniture will **reach £4.5 billion in 2024**, up 1.1% on 2023. (Intel, *Kitchens and Kitchen Furniture*, September 2024).
- ◆ The national organisation for this industry is the [British Institute of Interior Design](#). Other industry bodies include the [Society of British and International Design](#) and the [Chartered Society of Designers](#).

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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 – Bedroom Furniture (October 2024).** Sustainability has received a strong push, and will likely receive more attention from consumers as their finances recover. Local brands are well positioned to tap into this, as almost half agree that [UK-made bedroom furniture](#) is eco-friendlier than items that are made overseas. Alongside making their claims easily comprehensible through immersive visual aids, accessible both online and in-store—for example, by scanning QR codes—there are opportunities for knowledge sharing sessions. Not only does this provide consumers with the transparency they seek, but it also accentuates a sense of community, tapping into 66% of consumers thinking visiting stores is a good way to [socialise with friends/family](#).
- ◆ **IBISWorld – Specialist Design Activities in the UK (March 2024).** Manufacturing activity has trended upward, stimulating demand for industrial design services and graphic design services for leaflets, brochures, packaging and labels. In addition, government stimulus schemes, including Help to Buy, have encouraged housebuilding activity, benefitting sales for interior designers. However, economic uncertainty has hampered growth because clients have scaled back spending on advertising activities to preserve capital.
- ◆ **Mintel – Furniture Retailing (July 2024).** The less essential nature of living and dining furniture makes this category vulnerable to consumers' reduction in furniture spending. As a big-ticket category, kitchen furniture also suffer from reduced spending, with most engagement with the market limited to smaller-ticket repairs and upgrades. Meanwhile, bedroom and bathroom furniture items see the most gains, partly driven by their more essential nature, as well as the focus on health and wellbeing.

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

- ◆ The **British Institute of Interior Design (BIID)** has a searchable [supplier directory](#) and a separate member directory to find [interior designers](#).
- ◆ [Design Week](#) is an online design magazine that provides news on all aspects of the design industry including interior and furniture design.
- ◆ The **Society of British Interior Design (SIBD)** has an [articles page](#) on their website which has news industry professionals that explore the business behind the interior design profession, global interior practices and interior projects.

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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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