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THE SCOTTISH ARTS COUNCIL

Scottish Enterprise

Scottish Enterprise Glasgow

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Crafts Businesses in Scotland | A Study

THE SCOTTISH ARTS COUNCIL

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Cover pictures (left to right): concept of touching a computer-generated model by Karin Paynter; brooch by Eileen Gatt (photo: Eileen Gatt); Ola Gorie necklace; wool and lace throatwarmer by Tait and Style (photo: Gunnie Moberg) and Music Stand by John Creed (photo: John Creed).

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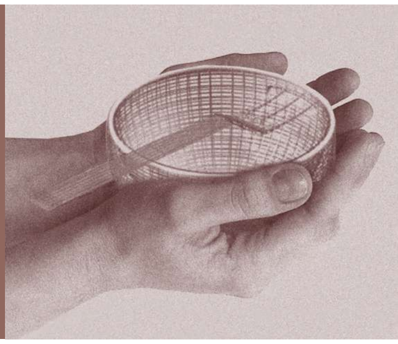

Concept of touching a computer-generated model by Karin Paynter.

Crafts Businesses in Scotland

A study for the Scottish Arts Council, Scottish Enterprise and Scottish Enterprise Glasgow

Dr Andrew McAuley, Dr Ian Fillis
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foreword

'Tam O'Chantilly' hand-felted wool and lace throatwarmer by Tait & Style, Orkney. (photo: Gunnie Moberg)

This study was commissioned in partnership by the Scottish Arts Council, Scottish Enterprise and Scottish Enterprise Glasgow, and was undertaken during 2001 by Dr Andrew McAuley and Dr Ian Fillis of the Department of Marketing at the University of Stirling.

The Scottish Arts Council is the main arts development agency in Scotland and, through its Crafts Department, supports and promotes the development of contemporary crafts. Scottish Enterprise includes crafts as an important but previously less well-defined sector of Scotland's Creative Industries.

The aim of the survey was to provide accurate and current data on crafts activity in Scotland, with particular emphasis on economic and business aspects. This includes information on the scale and type of work being done, existing markets for Scottish crafts, and the usage of support from various sources for the development of crafts in Scotland. The research provides a clearer insight into the size and growth potential of the industry. It will help the commissioning agencies ensure that Scottish crafts businesses derive full benefit from the range of developmental services and resources available to them. It is hoped that the availability of authoritative data on the scope and scale of crafts businesses in Scotland will give due recognition to this sector as an important contributor to Scotland's economic performance and competitiveness in global markets.

In addition to the research team, we wish to thank the following for offering their time and knowledge: the members of the Steering Group,* the representatives of the crafts community who advised on the development of the questionnaire, the individuals and organisations who participated in the interviews and case studies, and the many crafts practitioners who responded to the survey.

Stuart MacDonald
Head of Arts Development
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January 2002

From the 'Eve' Jewellery collection by Ola Gorie

* Robert Livingston, HI Arts; Diane Macdonald, Highlands and Islands Enterprise; Kathleen Hardie, Made in Scotland Ltd; Dr Helen Bennett, Scottish Arts Council; Tanya Hutchinson, Scottish Arts Council; Mike Tibbetts, Scottish Enterprise; Iwan Williams, Scottish Enterprise; Francis Verling, Scottish Enterprise Glasgow.

introduction

'Ice Crackle Inversion', porcelain bowl by Sarah-Jane Selwood. (photo: Shannon Tofts)

The aim of this study is to evaluate Scottish crafts enterprises as a business sector in 2001.

The report is sponsored by the Scottish Arts Council, Scottish Enterprise and Scottish Enterprise Glasgow. The research investigated the size and nature of the sector, the sources of finance and business support available and best practice in existing initiatives to support the sector. The report makes recommendations based on these findings, particularly as to what further business support might be needed: in terms of training, marketing and promotion, and communications.

Previous study of the crafts industry in Scotland has been fragmented. There is no comprehensive overview of the sector available for reference. Apart from previous work by the consultants of this report, the most extensive study to include Scotland was produced in 1994 by the Crafts Council in London (see Table 20).

In the UK there are approximately 3.7 million businesses of which 99% employ fewer than 250 people. Small and Medium Sized Enterprises (SMEs), defined as companies with up to 50 employees, are the main creators of new jobs but very few grow to be substantial employers (businesses with 250 employees and more).

The crafts sector is mainly made up of smaller SMEs, and many of them are micro-enterprises employing either one or two persons. However, within this sector there is the same possibility for business formation, growth, development, decline and closure as is seen in the SME sector as a whole. They face many of the same problems and opportunities as other SMEs but until now have not been recognised as a group, although many of them will have been dealt with as individuals within the enterprise networks.

The crafts sector is often perceived as a low-key economic contributor within the enterprise landscape, but previous work has shown that crafts enterprises can be very dynamic and aggressive in their exploration of difficult markets, and even enter the international stage as 'instant internationals' (exporting within one year of founding), something normally associated with leading edge high-technology companies. It is also important to see these enterprises in the context of where they make their contribution. Many are based in rural and remote areas where they are contributors to tourism, the local economy and the fabric of the community in general. In addition they make a contribution to artistic and technical innovation and provide further impetus for entrepreneurial activity and indigenous small-firm growth.

Alison Kinnaird 'Barcoded', an engraved crystal panel. (photo: Ken Smith)

terms of reference

The formal terms of reference for this study are summarised as four key questions.

1. What definition of the crafts sector should the sponsors of this report adopt as a basis for strategic development?
2. What is the current scale and nature of the sector in Scotland?
3. What sources of finance and business support are being used by the sector and are there any identifiable gaps?
4. Are there initiatives specific to crafts enterprises which can be regarded as exemplifying best practice?

The methodology used in the study is outlined in Appendix 1.

The statistical tables are contained in Appendix 2.

'Aikerness' throw (detail) by Hume Sweet Hume, Orkney. (photo: Gunnie Moberg)

research findings

The research findings are presented in relation to the four key questions.

1

What definition of the crafts sector should the sponsors adopt as a basis for strategic development?

Out of the range of possible definitions and viewpoints, the following are recommended for this purpose.

'**Craft**' is taken to mean an object which must have a high degree of hand-made input, but not necessarily made or designed using traditional materials, which is produced as a one-off or as part of a small batch, the design of which may or may not be culturally embedded in the country of production, and which is sold for profit.

'**Crafts enterprises**' are those involved in the production of crafts on a part-time or full-time basis.

Being involved in crafts production does not automatically make the enterprise a focus for economic development. Many other factors will influence the potential for growth and development within the enterprise and it is in this area that the craft enterprise should be measured alongside its larger cousins in the SME sector as a whole.

2

What is the current scale and nature of the sector in Scotland?

The characteristics outlined below are based on the 700 responses to the questionnaire survey.

- The dominant disciplines are ceramics (22.4%), textiles (21.2%), wood (11.9%) and jewellery (10.4%) (Table 3).
- The majority of the enterprises were founded in the 1990s (50.4%) and 1980s (23.1%); 78 (11.5%) were founded since January 2000 (see also Table 2).
- Most (77.5%) operate as sole traders (Table 4).
- Most (68.7%) are trading from a workshop at their home (Table 5).
- Most (83.2%) are micro-enterprises with 1-2 full-time employees (Table 6).
- Employment is concentrated in the dominant disciplines.
- More women (60.9%) than men are involved in the sector.
- There is a spread of ages in the sector but the 45- to 54-year-old group (34.9%) is the largest (Table 8).

Dining chairs in limed oak by Borders-based Christopher Butler. (photo: Shannon Tofts)

- In terms of formal training the dominant qualification is a full-time art or design degree (34.7%); however, the self-taught (50.7%) were the most numerous (Table 10).
- There is evidence of entry to the sector by older people, and there is supplementary evidence for training and career profile of these late entrants.
- 47% have a turnover of less than £10,000 per annum but 48% of the sample report turnover is growing (Table 7).
- Market channels are dominated by commissions (64.9%), selling from their workshop (51.3%), directly to retailers (44.4%), or via craft fairs (43.7%) (Table 11).
- Marketing is dominated by printed material (65.6%), personal selling (57.7%), and being included in registers and directories (44.6%) (Table 12).
- Scotland and the rest of the UK are the key markets with 76.2% of the enterprises deriving 90-100% of their sales from these markets (Table 14).
- 28% reported that their key markets were growing and, as might be expected, the younger enterprises with smaller turnover figures dominated this group, with the enterprises likely to be involved in jewellery and textiles.
- 44% have exported at some point and 29% are current exporters including some of the newest enterprises.
- Reasons for stopping or not starting to export reflect reasons typical of small- and medium-sized enterprises, such as lack of knowledge of the process, the perception that it is too risky, uncertainty about such things as exchange rates and legalities, and anxiety about costs (Tables 15 and 16).
- Most (73.8%) enterprises looked for further growth in their business and there was a willingness amongst some to collaborate in order to achieve growth (Table 17).

The firms in the sample represent a gross turnover of £28.7 million if mid-points* are used. If it is assumed that there are some 3,000 enterprises in Scotland which come under the crafts umbrella, and if these had turnovers in proportion to the enterprises in this sample, then turnover for the sector in Scotland is projected to be not less than £95 million and not more than £151 million.

* Turnover was categorised into seven bands within the questionnaire. The mid-point is simply the numeric mid-point between the upper and lower figures of a band. For the 'more than £500,000' category £500,000 was used in the calculation.

3

What sources of finance and business support are being used by the sector and are there any identifiable gaps?

In the public sector, local authorities and enterprise agencies provided the most funding and information to crafts enterprises in the last calendar year (Table 18).

- Local authorities were used by 31.5% of the respondents.
- Scottish Enterprise (national or local) was used by 31.2%.
- Scottish Arts Council was used by 15.8%.

In the private sector, crafts enterprises used over 20 local and national craft associations within and outside Scotland. However by far the dominant organisation mentioned is Made in Scotland with 53% of all mentions.

When presented with a list of possible support mechanisms for the sector four emerged as the front-runners amongst the respondents (Table 19):

- a Scottish craft information centre (60.4%)
- a Scottish publication for crafts (60.1%)
- financial support for capital equipment (59.3%)
- a Scottish database and website (59%).

Respondents were asked to consider the influence of a group of factors on the growth of their business so far; opinion was generally divided as to which were most important.

- Grants to individuals in the start-up process are important to some extent for 67.3% of the respondents.
- The development of specialist retail outlets has had some influence on the development of 69.7% of the respondents' businesses.
- The promotion of crafts through specialist publications, maps etc has had an influence on the development of 68.9% of the respondents' businesses.

Photo-etched, fabricated and carved brooch by Eileen Gatt in silver, tagua nut and 18ct gold. (photo: Eileen Gatt)

- The creation and touring of craft exhibitions has had some influence on the development of 61.9% of the respondents' businesses.
- Opinion is almost equally divided on the importance commissions for private buildings and sites has had on the development of their business with 48.1% stating they were of some importance. For 40.4% of the respondents commissions for public buildings and sites had been of some importance in the development of their business.
- The development of advanced skills has had some importance in the development of 53.8% of the respondents' businesses.
- Opinion is almost equally divided on the importance of international contacts and exchanges on the development of their business with 51.1% stating it was of some importance.
- Marginally more people agree that the development of specialist business skills had a role to play in the development of their business with 56.4% stating it was of some importance.

This information provides some insight to the kinds of initiatives which may be beneficial in supporting the sector in the future.

4

Are there initiatives specific to crafts which can be regarded as exemplifying best practice?

Overall, the three case studies identify areas of good practice and provide a source of ideas which could contribute to future strategic thinking within the sector. A summary of the conclusions from each case is presented over the next few pages.

Orkney

The crafts in Orkney have benefited from being a unique island community where agencies (Orkney Islands Council, Orkney Enterprise, the Craft Industries Association and Orkney Tourist Board) are working together to support the sector. In understanding Orkney it is important not to underestimate the importance of good design and a reputation for quality which is now associated with products from Orkney. For some this design is based on traditional roots drawn from the history of the island while for others it is a process of evolving and re-interpreting historical influences in a contemporary way. In-migration has also enriched and diversified the local economy.

In terms of identifying initiatives* which exemplify best practice the following can be highlighted.

The Orkney Marketing Scheme (funded by Orkney Enterprise, Orkney Island Council and the European Regional Development Fund) has provided resources to produce promotional materials such as leaflets while also assisting with product development.

Financial assistance is available under the Food Processing, Craft Industries and other Small Businesses Scheme.

Discipline specific groups have been formed, for example, the jewellery group which allows members to speak with a stronger and more co-ordinated voice on issues affecting jewellery making.

The existence of the Craft Industries Association provides a focus for the 'serious' craft worker. The Association has worked with the agencies to create the Craft Trail and a summer exhibition in Kirkwall.

The Craft Trail provides a focus for tourists and creates an opportunity to see work in progress and to purchase from craftspeople. The emphasis is very much on the high quality of the work on display both in members' workshops and in the Kirkwall exhibition.

The support of small groups of craftspeople who come together to promote themselves and their work is also important, for example the Westray and Papa Westray Craft Association has produced its own craft and heritage trail. This is supported by the Orkney Tourist Board and the Orkney Marketing Scheme.

In addition to specific initiatives it is also the structural aspects to the sector within Orkney which contribute to its strength. This provides a template which may have relevance to the sector in Scotland generally as it illustrates the potential benefits from the interplay of public and private initiatives. The template is illustrated in Figure 1 (see page 21) and discussed below.

At the base of the craft sector are the kinds of enterprises typified by the Craftsmens Guild. These are the basic entry-level enterprises which will mostly be part-time or even hobby ventures. The general quality of the work will be very variable. Within the sector there will exist some enterprises which are capable of progressing to the next stage of development. In order to facilitate this transition these individuals need basic business skills training, for example, simple bookkeeping, and the opportunity to participate in local events in order to build confidence and experience.

* In all case study areas these have evolved over time partly through organic growth and partly through strategic planned programmes of development.

From the 'North Star' Jewellery collection by Ola Gorie.

At the next level is the Crafts Industries Association which currently has 24 members. In this group the quality and design component of the work is much more consistent. Membership is self-regulated and based on quality. The Craft Trail allows the group to showcase the best producers and to enhance the general reputation of Orkney as a centre for the crafts. Within this group some are still part-timers, while some, Sheila Fleet and Aurora for example, have developed to full-time work. Between these two groups is a third group, currently estimated to be six of the 24 members, who are in a 'Zone of Transition' between part-time and a full-time enterprise. For that zone to be crossed more sophisticated input is needed: business skills including marketing, training and employing staff.

Beyond this group are the established 'big players'. Orkney is dominated by two jewellery companies, namely, Ortak and Ola Gorie. These enterprises operate in international markets and are well-established in their markets as representatives of Orkney and Scotland. In part, they base their success on designs influenced by the Scottish environment but they are evolving into companies whose reputation is based more on the strength of their contemporary design skills. This is where these particular companies may develop in the future: they will have Scottish roots but will achieve the greater part of their future success on the basis that they are British and modern, embracing all that is good in contemporary European and international design.

In this model of the Orkney sector it is easy to see stages of development and the need for the input of different types of support. The agencies which already exist can help to provide this input either on a face-to-face basis or via material to support self-learning through traditional hard-copy distance learning or CD-ROM or web-based material. This is certainly true of the generic help which some enterprises need at the level of the Craftsmens Guild. At the second level the Craft Industries Association could help to identify the enterprises at the three different sub-stages within this level whose needs could then be addressed by the Small Business Gateway Scheme. At this level more face-to-face contact is perhaps appropriate for delivering more specific support to these growing enterprises. At the top end of the sector the larger businesses are possibly a source of information and guidance to younger firms, while more specific advice on exporting, for example, can be provided by Scottish Development International.

In conclusion there are initiatives and structures here which work and could provide a template for the support of the sector elsewhere in Scotland. The situation in Orkney helps to show what can be achieved when public, private and independent agencies work together. The structure in Figure 1 is the result of evolution over time but the principles behind the structure could be applied elsewhere in Scotland.

Republic of Ireland

According to the Crafts Council of Ireland (2000) the craft sector in Ireland as a whole is vibrant and, as a result of longer term strategic thinking, industry bodies and other support organisations now share a common craft business philosophy.

The division of responsibility for micro-enterprises (less than 10 employees) and small firms (more than 10 employees) in the Republic of Ireland is shown to work, with the County Enterprise Boards focusing on the former and Enterprise Ireland attending to the latter. It is apparent that the support organisations with an interest in the craft sector work together to form a common agenda based on principles of fostering and promoting joint creative and business competencies within the sector. The Crafts Council of Ireland is keen to promote 'leading edge' crafts which reflect the uniqueness of Irish identity and creativity.

Communication between the agencies is seen as being important with board members from the County Enterprise Boards, Enterprise Ireland, the Crafts Council of Ireland and the Irish Tourist Board sitting on respective partners' boards.

Within Dublin the Dublin City Enterprise Board looks after micro-enterprises. No project is regarded as too small to be considered for assistance. This open attitude is important in the development of the craft sector.

There is a strong realisation of the importance of the link with tourism within a small economy. By working together for a common cause, tourist boards and industry support bodies can be highly effective.

Development and implementation of craft-specific, market-led courses have been shown to work. These have involved the development of craft skills as well as providing business skills to graduates from art and design colleges.

There is a greater export orientation among craft businesses in the Republic of Ireland with 30% obtaining half or more of their sales from international markets compared to 12.2% in the Scottish sample. There has also been co-operation between Northern Ireland and the Republic to tackle common export markets, for example, North America.

The Crafts Council of Ireland acts as a facilitator in setting up craft associations and networks relating to marketing and event organisation. The website (www.ccoi.ie) is used as a promotional and communications tool by registered craftspeople who can place images of their work, as well as text and contact details relating to their business. The database contains 1,300 craft businesses. The Crafts Council runs business development programmes for the County Enterprise Boards.

Showcase Ireland provides the main international exposure for the sector but recently branding has been used to promote Irish crafts to North American buyers, for example, the Pottery from Ireland brand. Initiatives like this, launched at the New York International Gift Fair, provide significant exposure to international markets.

One of the key lessons from the investigation of the Irish craft sector is the realisation of the importance of the consumer and the demand for craft products with high levels of utility. Research suggests (Fillis, 2000) that this demand is set to continue to increase.

Scottish Borders

Although the Scottish Borders may at times appear isolated, both geographically and economically, research (Economic Impact Appraisal, 2000) has shown that arts and craft are flourishing despite the closure of large traditional manufacturers. Several organisations have a key role to play in encouraging economic growth in the region, including Scottish Enterprise Borders, VisitScotland and Made in Scotland. The Scottish Borders Crafts Association, with membership consisting of sole traders and hobbyists, is also active in the sector. Scottish Borders Council has a particular remit for economic development, with crafts receiving much needed programmes of assistance.
The following are examples of initiatives which contribute to best practice especially in relation to the importance of fostering joint craft initiatives, networks and co-operatives.

A number of craft co-operatives has been successfully launched in the region, with the Melrose-based Crafters providing an excellent example of how starter funding from Scottish Enterprise can stimulate craft economic development in rural areas.
All members of this co-operative are motivated by profit and the retail outlet is located in an area of relative affluence, where tourism levels appear to be recovering after the problems with foot-and-mouth disease in the region.

The Woodschool in Jedburgh was formed as a ‘loose’ co-operative with the assistance of the Millennium Commission and the Scottish Arts Council. Co-operative members spend part of the working week manufacturing their own products, and devote the remainder of their time to producing Woodschool-branded products.

The formation and exploitation of networks has been shown to offer low cost solutions to a range of business problems. The Scottish Borders Council stresses the importance of being able to network, given the sometimes isolated nature of working in the crafts industry. Group stands at exhibitions offer such an opportunity, where problems can be discussed and opportunities shared. There is a close working relationship with Scottish Enterprise Borders, and care is taken not to duplicate what that organisation does, in the provision of training programmes, for example. Craft specific assistance includes working with group stands at exhibitions, and the publication of brochures and other promotional literature.

Practical help has been provided to craft businesses by Scottish Borders Council through utilising European Union funding and other sources to support trade exhibitions, free brochure photography, design and printing of brochures which are then distributed to trade buyers and galleries. A website with member services is currently being developed for craft firms where both trade buyers and individual consumers can access relevant information.

Branding is also being explored by the Scottish Borders and Dumfries and Galloway Councils to promote Southern Scotland as a brand, partly in an attempt to stimulate exports. In addition specific marketing initiatives have been identified, including a joint export marketing venture with Scottish Enterprise Borders and creative-arts related tourism with Scottish Borders Tourist Board in the promotion of the Land of Creativity brand.

A feasibility study has been conducted into establishing a Cultural Business Network (Scottish Borders Council, 2000) for those working in the creative arts and crafts. Benefits of forming such a network include the ability to share experiences about doing business (both good and bad), access to skills such as marketing, and finance via a credit union. The model works on the principle of co-operative effort among all parties concerned in order to secure both social and economic benefits, as well as increased promotion of the craft sector in the Borders.

Establishing the network is expected to result in improvement of four main activities: the development of enhanced networking opportunities; support for market research and development; provision of business and marketing skills development; creation of new venues for exhibitions and new workspaces. There is evidence* that the Scottish Borders has a much higher than UK average attendance rate of arts activities and provision of this cultural network will serve to improve upon these figures.

Milk glass and spirit bottle from Lindean Mill Glass, Galashiels. (photo: Alisdair McFarlane)

* The study (Scottish Borders Council, 2000) estimates that levels of arts attendance (excluding cinema and rock/pop music) by adults may be higher by as much as 40% or more than the UK average.

recommendations

The research and the overview gained from it indicate a need for the following:

- the development of craft skills to ensure the future of the sector through the provision of training (apprenticeships), placements, international exchanges, regional and sector-specific seminars

- the development of business skills through education courses during the start-up period and beyond

- the development of the domestic market in Scotland and the rest of the UK by marketing aimed at the individual consumer and the corporate buyer

- the development of the international market for traditional Scottish and contemporary Scottish crafts by building on Scotland's image and growing reputation for quality in this sector

- the development of a communications strategy to promote the sector internally to craftspeople themselves

- the enhancement of quality exhibition/trade fair activities to promote the sector to the business market

- a programme of future research and review.

The crafts sector in Scotland is supported by a number of public and private bodies and there is no requirement for a new one. These support bodies should improve communication with each other and the craftspeople they serve, in order to develop ways of working together strategically for the good of all.

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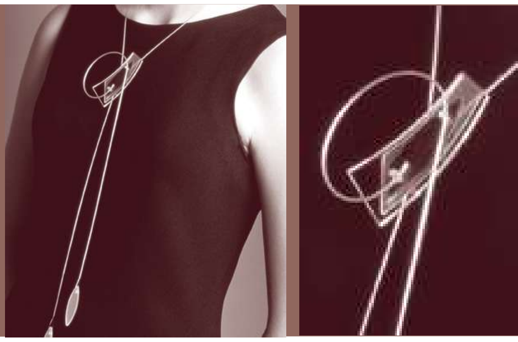

Neckpiece in acrylic, stainless steel and nylon by Anne Finlay. (photo: Shannon Tofts)

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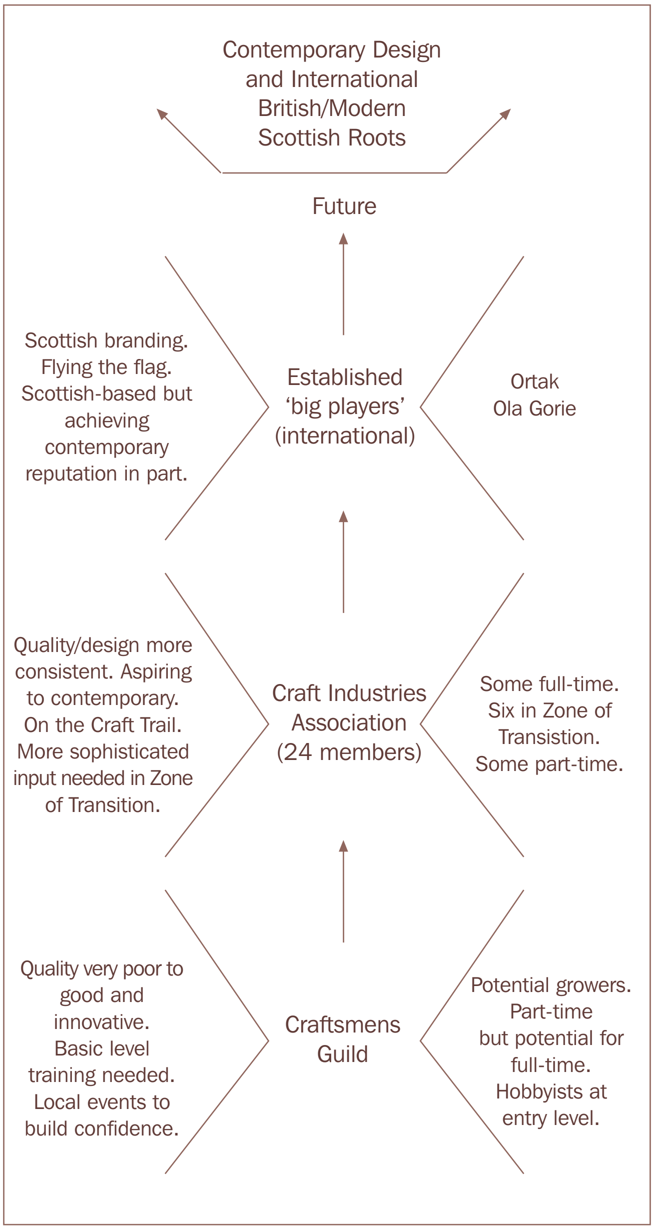
Figure 1 The Orkney Template



appendix 1

methodology

The project had four main parts:

Establishment of a database

A postal questionnaire survey

Follow-up interviews with a sample of craftspeople

Case studies of selected areas: Orkney, Republic of Ireland and the Borders

Database

As no comprehensive database existed, it was necessary to compile as large a listing as possible of the names and addresses of crafts enterprises. Enterprises involved in food or retail were not included: food enterprises come under other initiatives and retail lacks the element of production which is the focus of this study.

A number of different sources were used to compile the database including a pre-existing database from previous work conducted by the consultants, a list supplied by Made in Scotland, a list supplied by Applied Arts Scotland and smaller lists provided by some of the craft associations. Other organisations preferred not to provide a list directly to the project but agreed to send out questionnaires on the project's behalf; although this made it impossible to monitor this part of the sample closely, it was an opportunity to reach more people, and so was admitted. In the end 3,440 enterprises were contained in the database.

Questionnaire

The questionnaire had six main sections dealing with:

- details for the database
- basic characteristics about the enterprise
- training
- marketing
- future aspirations for the support of the sector
- attitudes and issues related to the sector.

A total of 3,440 questionnaires were sent out in April 2001. Advance publicity by the Scottish Arts Council and Scottish Enterprise in the press, in newsletters and on their websites helped to inform the sector and raise awareness of the project. Applied Arts Scotland also promoted the questionnaire in its newsletter. All respondents received a follow-up questionnaire.

Of the 1,224 (35.6%) questionnaires returned, 716 (24.4%) were usable responses, a response rate consistent with surveys of this kind. After omitting respondents whose business was retail or food, 700 (24%) were left in the final group. Statistical checks were performed for response bias, but no significant differences in characteristics were found. It can be stated with confidence that the respondents in the sample are representative of the wider population of enterprises in the crafts sector.

The information contained within the questionnaires was analysed using the Statistical Package for Social Scientists. In all, each questionnaire had 219 variables.

Adjustable music stand in forged steel with brass by John Creed. (photo: John Creed)

appendix 1

Follow-up interviews

The personal interviews and the case-studies adopted a qualitative rather than a quantitative approach. A total of 40 respondents to the questionnaire were selected to be approached to see if they would participate further in the project.

The selection was based on number of full-time employees, turnover, location, and an indicated willingness to participate further. In order to give coverage across Scotland the territory was divided into four areas: Southern area (Borders, Dumfries and Galloway); Central Belt (Lothian, Lanarkshire, Ayrshire, Renfrewshire, Dunbartonshire); North Eastern area (Grampian, Tayside, Fife); and the Highlands and Islands including 'old' Argyll.

The plan was to get 10 interviews per geographical area based on the other two variables, ie. turnover and number of full-time employees. To reflect the spread of employment across the sample, the categories of employment were collapsed into three, namely 1-2 employees, 3-10, and 11 and over. Likewise, turnover was divided into £20,000 and under, and over £20,000.

Of the 40 enterprises approached, 25 agreed to participate.

Case studies

The case study areas were selected because it was believed that they would offer examples of good practice which could inform the future development of the sector more generally in Scotland. Orkney had been identified in previous work by the consultants and from discussions with Made in Scotland as an area with a thriving craft industry, and therefore was deemed worthy of inclusion. The Republic of Ireland was perceived to be an economy where the craft sector was recognised as a major contributor to the cultural economy. The Borders, as an area in mainland Scotland, was seen as a suitable balance to the study of Orkney.

In each of the case study areas key individuals involved in economic development in general and with the craft sector specifically were interviewed. The interviews consisted of open-ended discussions focused on the activities of the individual and their organisation in relation to the sector. In addition, craftspeople were interviewed to provide another perspective on the local situation.

appendix 2

Statistical tables

Table 1

Location of respondents by local enterprise company area

Enterprise Region	Frequency	% (Base 661)*
Highlands and Islands	199	30.1
Edinburgh and Lothian	101	15.3
Borders	63	9.5
Dumfries and Galloway	55	8.3
Glasgow	49	7.4
Fife	45	6.8
Tayside	44	6.7
Ayrshire	27	4.1
Forth Valley	25	3.9
Grampian	23	3.6
Lanarkshire	12	1.8
Renfrewshire	11	1.7
Dunbartonshire	3	0.5

*The base figure indicates those respondents answering particular questions.
Base figures can vary between tables especially in cross-tabulations.

Table 2

Respondents by length of time trading

Years trading	Frequency	% (Base 676)
1-5	245	36.2
6-10	147	21.7
11-15	98	14.5
16-20	68	10.1
>20	118	17.4

Table 3

Disciplines in which the respondents are active

Sector	Frequency	% (Base 953)
Automata	8	0.8
Basketry	33	3.5
Beadwork	7	0.7
Bookbinding	5	0.5
Ceramics: decorative	89	9.3
Ceramics: domestic	63	6.6
Ceramics: sculptural	62	6.5
Furniture	56	5.9
Glass: architectural	18	1.9
Glass: studio	26	2.7
Jewellery	99	10.4
Lettering: calligraphy	6	0.6
Lettering: letter cutting	9	0.9
Metal: architectural/blacksmithing	16	1.7
Metal: engraver	6	0.6
Metal: silver and fine metalwork	44	4.6
Mixed media	27	2.8
Mosaic	8	0.8
Musical instruments	7	0.7
Paper	32	3.4
Stone carving	16	1.7
Textiles: constructed	47	4.9
Textiles: knitted/crochet/stitched	98	10.3
Textiles: woven	35	3.7
Textiles: felted	22	2.3
Wood: carved	25	2.6
Wood: turned	28	2.9
Wood: working	61	6.4

Table 4

Legal status of business

Business form	Frequency	% (Base 690)
Sole trader	535	77.5
Partnership	108	15.7
Limited company	47	6.8

Table 5

Type of premises used by respondents

Type of premises	Frequency	% (Base 629)
Own workspace at home	432	68.7
Individual workspace: rented	115	18.3
Individual workspace: owned	47	7.5
Shared workspace: rented	23	3.7
Shared workspace: owned	3	0.5
Work on client's site	3	0.5
Other	6	1.0

Table 6

Categories of full-time employment

Full-time employment	Frequency	% (Base 387)
1-2	322	83.2
3-5	39	10.1
6-10	13	3.4
11-19	7	1.8
20-49	4	1.0
100-250	2	0.5

Table 7

Turnover of the business in the last year

Turnover	Frequency	% (Base 643)
Up to £10,000	302	47.0
£10,001-£20,000	124	19.3
£20,001-£30,000	73	11.4
£30,001-£54,000	51	7.9
£54,001-£250,000	65	10.1
£250,001-£500,000	19	3.0
More than £500,000	9	1.4

Table 8

Age profile of respondents

Age groups	Frequency	% (Base 691)
20-24	14	2.0
25-29	37	5.4
30-34	76	11.0
35-39	84	12.2
40-44	94	13.6
45-49	110	15.9
50-54	131	19.0
55-59	63	9.1
60-64	47	6.8
65-69	19	2.7
70+	16	2.3

Table 9

Years spent in previous employment

Years in previous employment	Frequency	% (Base 373)
1-5	81	21.7
6-10	91	24.4
11-15	62	16.6
16-20	58	15.5
More than 20	81	21.7

Table 10

Types of qualifications held by the respondents

Type of Qualification	Frequency	% (Base 700)
Mostly self-taught	355	50.7
Full-time art/design degree	243	34.7
Learning on the job	150	21.4
Foundation course at art college	114	16.3
Other craft training/qualification	88	12.6
City and Guilds	68	9.7
Formal apprenticeship	47	6.7
Other full-time degree	38	5.4
Government initiatives	22	3.1

Table 11

Use of marketing channels by respondents

Channel	Frequency	% (Base 700)
Commissions	454	64.9
Direct to the public from workshop	359	51.3
Direct to retailers	311	44.4
Through craft fairs/markets	306	43.7
Through exhibitions/galleries	295	42.1
Through trade fairs	166	23.7
Website owned by the business	102	14.6
Other	69	9.9
Website via a shared portal	17	2.4

appendix 2

Table 12

Use of methods of promotion by respondents

Method	Frequency	% (Base 700)
Postcards, leaflets, brochure	459	65.6
Personal selling	404	57.7
Registers and directories	312	44.6
Demonstrations	273	39.0
Personal networks	243	34.7
Website (owned or shared)	236	33.7
Workshop open to public	226	32.3
Workshop listed in tourist information	187	26.7
Adverts in newspaper/magazines	179	25.6
Editorial coverage	154	22.0
Other	64	9.1
Residencies	50	7.1

Table 13

Enterprise activity by market region

Market	Frequency of activity	% (Base 977)
Scotland	299	30.6
Rest of UK	253	25.9
North America	148	15.1
Other European Community	100	10.2
Republic of Ireland	71	7.3
Australia/New Zealand	64	6.6
Asia	42	4.3

Table 14

% of domestic (UK) sales within turnover of respondents

% sales derived from domestic markets	Frequency	% (Base 546)
1-49	47	8.6
50-89	83	15.2
90-100	416	76.2

Table 15

Reasons for stopping export activity

Reason for stopping exporting	Frequency	(%) (Base 116)
No orders	33	28.4
Cost (exchange rates, logistics, packaging)	23	19.8
Too difficult (risk, money, time, paperwork, payment problems)	17	14.7
Personal reasons (illness, semi-retirement)	6	5.2
Not actively pursuing orders	6	5.2
Poor market conditions	5	4.3

Table 16

Reasons for not initiating export activity

Reason for not exporting	Frequency	(%) (Base 183)
Too difficult (risk, money, time, paperwork, payment problems)	38	20.8
Lack of knowledge (process, markets)	37	20.2
Cost (exchange rates, logistics, packaging)	30	16.4
Stage of business (new, small)	24	13.1
No orders	11	6.0
Product not suitable	8	4.4
Domestic market takes all production	7	3.8
Poor market conditions	7	3.8

Table 17

Aspirations towards growth

Aspiration	Frequency	% (Base 638)
Become smaller	17	2.7
Stay the same size	145	22.7
Grow moderately	362	56.7
Grow substantially	109	17.1
Sell the business	5	0.8

Table 18

Public organisations utilised in the last calendar year

Public provider	Frequency	% (Base 612)
Local authorities	193	31.5
Scottish Enterprise (national or local)	191	31.2
Scottish Arts Council	97	15.8
Highland and Islands Enterprise	81	13.2
Other public sector	50	8.2

Table 19

Popularity of support measures for the sector

Measure	Frequency	% (Base 700)
Scottish craft information centre	423	60.4
Scottish publication for crafts	421	60.1
Financial support for capital equipment	415	59.3
Scottish database and website	413	59.0
Low cost premises	344	49.1
Low cost start-up financing	319	45.6
The development of business skills	304	43.4
More craft teaching in schools	279	39.9
Export advice	259	37.0
Conference/networking events	213	30.4
Development of apprenticeship schemes	200	28.6

Table 20
Comparison with the Crafts Council study

(Scotland-only figures for the 1994 study are given where available)

	1994 Study England, Scotland and Wales) (Usable Base 1,653)	1994 Scotland (Usable Base 216)	2001 Study (Scotland) (Usable Base 700)
Main sectors	Textiles, Ceramics, Wood, Metal/Jewellery	Textiles, Ceramics, Metal/Jewellery, Wood	Ceramics, Textiles, Wood, Jewellery
Gender	Female 57%, male 43%	Female 60.1%, male 39.9%	Female 61%, male 39%
Full-time work	53.9%	60.8%	77.6%
Part-time work	28.6%	26.1%	21.4%
Average age	Female 46, male 47	All 42	Female 44, male 48
Business start-up	48.6% began in last 10 years	42.6% began in last 10 years	58% began in the last 10 years
Age of business: males/females	20% males and 10% females working for >20 years in their craft		24.8% males and 12.6% females working for >20 years in their craft
Age of business: longevity	50% in business for >10 years	57.4% in business >10 years	42% in business for >10 years
Previous occupation	66% had previous occupations		68.6% had previous occupations
Ethnicity	1.2% other than white		2.1% other than white
Disability	1.5% recorded disabilities		2% recorded disabilities
Methods of training (top 3)	Mostly self-taught 57% full-time art/design course 41.9% working with makers 27%		Mostly self-taught 50.7% full-time art/design 34.7% learning on the job 21.4%
Turnover	Full-time male £37,729 Full-time female £17,680 Part-time male £5,860 Part-time female £3,735		All £44,653

Table 20 continued

	1994 Study England, Scotland and Wales) (Usable Base 1,653)	1994 Scotland (Usable Base 216)	2001 Study (Scotland) (Usable Base 700)
Sector turnover	£400 million		£151 million
Size	90% 1-2 person businesses		83.2% 1-2 person businesses
Business form	76.2% sole traders		77.5% sole traders
Premises	Majority worked from home 61% (full-time), 81% (part-time)		Own workspace at home 68.7%
Growth	Ability to increase production if demand were greater 54.2% (full-time), 52.1% (part-time)		73.8% wish to grow
Market channels (top 3)	Commissions 70.3%, direct from workshop 49.6%, craft fairs/markets 41.6%		Commissions 64.9%, direct from workshop 51.3%, craft fairs/markets 43.7%
Promotion (top 3)	Literature 49%, registers/indexes 44%, demonstrations 36%		Leaflet/brochure 65.6%, personal selling 57.75%, registers/directories 44.6%

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