

Crafts Council

The Market for Craft

Commissioned by the
Crafts Council and Partners

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Cyngor Celfyddydau Cymru
Arts Council of Wales



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Visual Arts Network**



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Crafts Council: The Market for Craft

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Foreword

This report launches in a turbulent market as craft businesses, alongside much of the rest of the economy, face enormous economic challenges caused by the Covid-19 virus. As makers look to secure their futures and to rebuild and strengthen their practice, the findings are a rich resource to help us interrogate and advance the vital roles of makers and consumers, as well as the galleries, fairs, markets and businesses that unite them.

The third in our historical analyses of the market for craft, we commissioned this report in response to increasing intelligence that the market was expanding and diversifying. The evidence provides direction for makers to develop their businesses, understanding in much greater depth who their consumers are and what drives their appreciation of craft. It confirms how our passion for craft has increased craft sales from £883m in 2006 to over £3bn in 2019.

The findings reveal that there is a growing new generation of younger craft consumers. Savvy buyers, they like collecting and know what they want. They represent a significant shift in patterns of consumption, as craft becomes more mainstream.

We now need a different approach to economic development to rebuild the market for craft, growing our own resourcefulness and showcasing how craft can help to generate sustainable, domestic economies at the same time as reaching broader international markets. The Crafts Council

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will be working closely with partners, businesses and governments, using the findings to inform our actions to strengthen our sector.

I am very grateful to our UK partners for their commitment and expertise in driving this research forward with us, as well as to Crafts Council staff:

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Rosy Greenlees,

Executive Director, Crafts Council

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Executive Summary

This study is the third in a series of research projects which analyse the state of the craft market, looking at how it has evolved and how infrastructure and needs have changed since the two previous studies, also conducted by Morris Hargreaves McIntyre. The first in the series *Making it to Market* (Morris Hargreaves McIntyre for Arts Council England) was conducted in 2006, with the second study, *Consuming Craft* (Morris Hargreaves McIntyre for Crafts Council) undertaken four years later in 2010.

Craft is now essential to our lives

How recent trends are shaping consumer behaviour

Craft is no longer a peripheral or isolated area of specialist interest: it is now firmly established in the mainstream. Social trends, that were discerned as impacting on the crafts sector in 2010, continue to wield their influence on public values and behaviour in 2020. The growth in the public's desire for authenticity, for experiences, for ethical and sustainable consumption have helped fuel an interest in making and in handmade objects. Further impetus comes from a concern for wellness and mindfulness, as well as the growing need to switch-off from electronic devices.

These trends have driven the success of such popular television programmes as *The Great British Sewing Bee* and *The Great Pottery Throw Down*, attracting viewing figures of ~3m on BBC2 and Channel 4.

Craft has also been strongly impacted by the rise of new routes to market and digital selling platforms in the early to mid 2000s, creating more routes to market for makers and ease of search and purchase for buyers. Online craft purchases have grown from 5% of buyers (332k

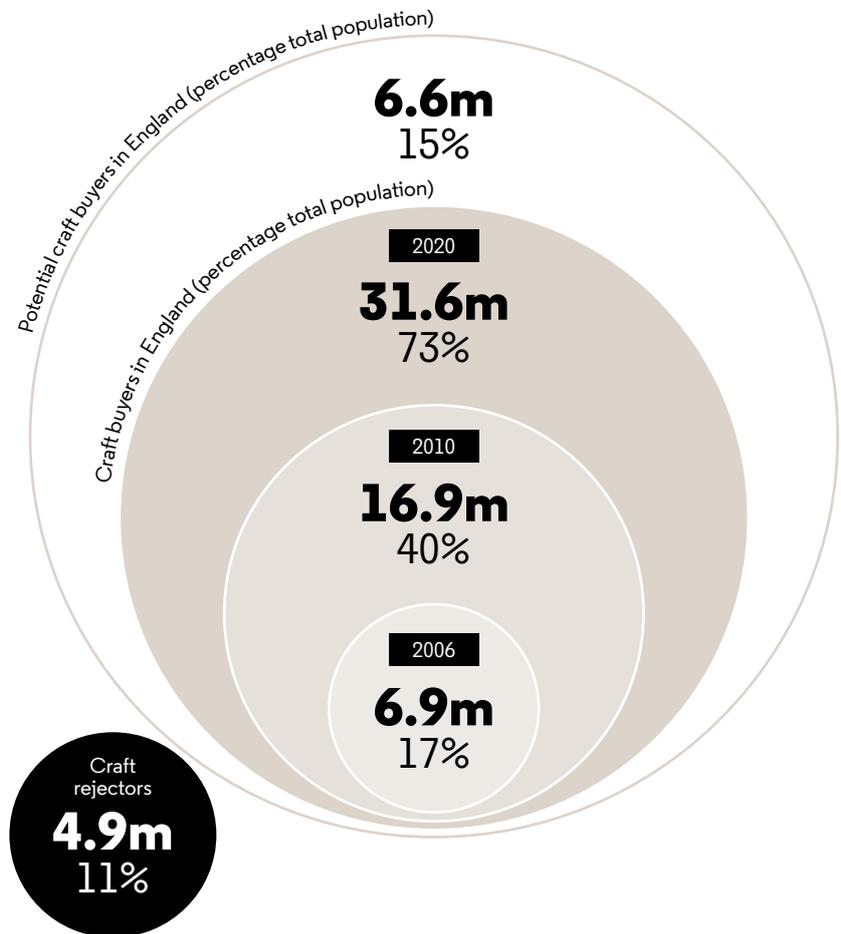
people) in 2006 to 19% of buyers (3.2m people) in 2010 to 33% of buyers (10.3m people) in 2020.

Whilst the emergence of these digital platforms has facilitated the buying and selling of craft, platforms like Amazon have also created expectations amongst buyers on the ease of the buying process – speed; often free postage; item tracking and easy payment options – ‘ease is the new loyalty’. Expectations which makers selling online may sometimes find challenging to compete with.

These developments, in the context of the recession in 2008, and a growing concern for work-life balance, have helped drive the increase in portfolio careers, characteristic of many craft businesses.

These factors have had a clear impact on the size, profile and characteristics of the market for craft both in terms of buyers and makers.

The size and shape of the market in 2020



There has been a dramatic growth in the number of people buying craft between 2006 and 2020 – with 73% of the population buying craft in 2020, the sector has now entered the mainstream market.

Between 2006 and 2020 the number of people buying craft in England increased from 6.9m to 31.6m people. Across the UK, the number of people buying craft is now 37.7m. There has been a four-fold increase in the volume of craft objects bought annually between 2006 and 2020 – from 5.6m to 24.7m objects. The total value of craft sales has increased from

£883m in 2006 to over £3b in 2019. Over the same period, the average price per object has decreased from £157 in 2006 to £124 in 2020.

More egalitarian market conditions and fewer barriers to entry for makers mean that whilst more people are now buying craft, they are buying craft at a lower value. This means that the challenges faced by Master Craftspeople and Established Makers at the higher end of the sector remain similar to those identified in 2006 – they still need to differentiate their skill to justify their higher prices.

Craft consumers in 2020

As craft has entered the mainstream, the majority of the market is dominated by more cautious, cost-conscious buyers. This needs to be recognised in the strategies adopted to promote craft and in the marketing approaches of makers.

Demographically, compared to 2006, the craft market consumers in 2020 are younger, more ethnically diverse, less dominated by graduates and with lower specialist knowledge. Between 2006 and 2020 there has been an increase in the younger age groups, from 17% (1.1m) under 35 in 2006 to 32% buyers (9.1m) in 2020.

Since 2006, 21.5m people have entered the market for buying craft from a living maker. From the demographic changes in the profile of buyers it is evident that younger people make up a significant number of these new entrants.

Amongst these new cautious groups, there are clear life-stage differences in their behaviours; demographics; sources for buying craft and propensity to buy online; media consumption and engagement with social media.

There is significant potential for encouraging these new emerging market cohorts, who are already buying from living makers, to purchase more often, develop discernment, take bigger risks and spend more.

With craft now in the mainstream, we have sub-divided the market in order to better understand the demographics of buyers, what they're buying and where they're buying. The market can be subdivided into nine groups, with two of these groups representing the highest spending, most risk-taking sub groups, with a further four groups representing the greatest potential for developing the market for craft.

Whilst these market sub-groups can be understood in terms of shared demographics and behaviours, in order to target and communicate with potential future buyers it is vital to understand their deep-seated attitudes and values. To this end, we have overlaid the market sub-groups with Morris Hargreaves McIntyre's sector-specific segmentation system – Culture Segments.

The size and shape of the sector in 2020

Since 2006 and 2010 there have been many new entrants into the crafts sector facilitated by the development of e-commerce and increase in the number of selling opportunities.

The sector is more democratic: makers no longer need to rely on a third party, studio or physical presence to be able to sell in the UK and abroad.

In 2006, there were an estimated 32,000 professional makers in England and Wales, generating a turnover of £826m. In 2020, it is likely that number of makers far exceeds

32,000, with the total volume and value of craft sales having increased three to four-fold over the same period. Online platforms have fuelled much of this growth: in December 2018, Etsy reported that there were 220,000 active sellers in the UK with a further 9,000 makers on Folksy.

The sector is becoming more inclusive in terms of makers' demographic profile – the proportion of disabled makers has more than doubled since the 2006 study, with around a quarter of makers in 2020 having a disability. Craft is

succeeding in offering an income stream and creative fulfilment for makers with disabilities, but the sector has to go further to ensure craft is an inclusive space for all ethnicities and genders, with the proportion of BAME makers remaining unchanged compared to 2006 at 2–4% and three quarters of makers identifying as female.

Portfolio careers are commonplace for makers in 2020 with less than half of makers earning a living solely through selling their work. The activities undertaken to supplement income vary according to the level of maker, with established makers teaching either in formal education or at workshops. Less established makers are reliant on non-craft related employment to supplement their income.

Makers were more likely to be self-taught in 2020 than in 2006, so whilst second career makers are common this was not an uncommon phenomenon in 2006 either – less than half (46%) of makers in 2006 were first career makers.

Income levels for makers remain low compared to the median annual salary in the UK in 2019 which was £30,350 across all employment sectors. Across all maker groups, the majority reported a profit of less than £30,000 from selling their work in the latest financial year. Even amongst Master Craftspeople, only 16% reported profits from selling in excess of £30,000.

The emergence of online platforms since the original makers' study in 2006 has also facilitated international sales of UK craft. Whereas in 2006, 18% of professional makers had ever sold internationally, in 2020 around half (49–53%) of makers had sold work overseas in the previous 12 months. In the makers survey, the US was the largest single market where makers had sold their work overseas.

Makers are harnessing technology to promote their work but need support in optimising their approach. In 2006, 42% of professional makers had their own website. By 2020, 68% of all makers had a website, with Master Craftspeople (84%) and Established



Craft Scotland showcase at the American Craft Council Baltimore, 2017
© Maximilian Franz

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Professional Makers (77%) the most likely to promote and sell their work through this channel. Whilst the use of technology is common across all makers surveyed, advice and support in optimising the use of technology were the training needs identified by the highest proportions of makers, specifically advice or training on social media and promotion (44%) and how to use online platform to sell work (46%). Makers of all levels and experience tend to share similar training needs – Emerging and Early Career Makers have the greatest expressed training needs.

Makers are concerned about the negative impact of Brexit on their work – a quarter (26%) of makers surveyed for this research said that Brexit had already had an adverse impact on their business; a further 22% said they expected it to in the future. The majority of issues makers faced related to rising costs – of

materials, of shipping – and a loss of commissions, particularly from international and private clients.

Makers were keen to see help for buyers to identify objects of recognised quality, collectability and originality, underpinned by a campaign to educate and inform them about craft. This support was stronger amongst Early Career and Emerging Makers.

Two-thirds of makers felt that an easily accessible, centralised, signposted searchable database would help with sales, with extended search functions including visual tags, to identify objects based on colour or pattern or style without needing to know a maker's name. Built-in algorithms replicating the 'Customers who viewed this item also viewed ...' approach of online retailers would expose potential buyers to a wider range of makers beyond those they are already familiar with and buying from.

Collect 2020 © Iona Wolff



Market models, intermediaries and the experience economy are shaping the market

The population survey showed that people still prefer buying direct from the maker at craft fairs and craft markets. Amongst younger, digitally native buyers, face-to-face buying is still preferred over online purchasing.

New intermediaries bringing buyers together with makers are deploying retail and merchandising principles to craft. The focus is not only on positioning craft as a high-quality competitor to art, design and fashion, but on building brands through supporting makers with concept development, market focus and making work more collectable at the right price.

New intermediaries are also helping bring trade buyers together with makers – interior designers, architects, commissioners and retail outlets – recognising that makers often lack the skills, confidence and technical scaffolding to do this themselves and that trade buyers can't easily find trusted, professional makers themselves.

New intermediaries such as Yodomo provide makers with an opportunity to build sustainable crafts businesses through diversification into craft experiences, tapping into the continuing, and thriving, experience economy. The population survey identified an ongoing appetite for paid for craft experiences, with 20% of the overall market for craft (7% definitely and 13% probably) indicating that they'd pay to attend a craft workshop in the future.

As well as offering 'active' craft experiences, some makers, where constrained by time and workshop space to offer courses, have diversified into offering behind-the-scenes tours to provide insight into the making process without being 'hands-on'. This interest in going 'behind the scenes' and understanding the creative process is a phenomenon we have observed elsewhere amongst museum visitors, who want to understand conservation processes or how curators and designers approach selecting and displaying objects in exhibitions.



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Export potential: the market for UK craft in New York and Los Angeles

An important element of the market for craft is the potential for UK makers to export craft goods to other countries. The report explores one example of the potential export market in two major US cities – New York City and Los Angeles.

The latest export data on craft from DCMS in 2016 showed that the US was the third largest market for UK craft, accounting for £517m of total exports. In the makers' survey, the US was the most commonly cited market for international sales.

A survey of existing and potential buyers in the New York and Los Angeles Metropolitan Statistical Areas (MSA), indicated that there is a potential market for UK craft of 10m people in these two cities.

The existing market for UK craft in New York and Los Angeles is young, gender balanced, ethnically diverse and highly educated. The existing and potential markets for UK craft are creative, and actively seeking to develop their creative skills through participation in craft courses.

Across New York and Los Angeles, farmers markets (38%) are the most commonly used face-to-face routes to buying. There are some differences in buying behaviours between New York and Los Angeles. In New York, craft and design stores are the most common face-to-face way of buying craft (43%); in Los Angeles existing buyers have most commonly bought at farmers markets (51%) and craft or design stores (50%).

Ethical consumerism is important to existing and potential buyers, with two thirds of existing buyers mindful that the craft objects they consider buying are sustainably produced. Assurance over provenance is also important to this market with the majority (57%) only buying craft if they were sure that the object was individually made.

Motivations for buying craft are more maker-focused than in the UK market overall. Existing buyers of UK craft are also altruistic in their focus, more likely to buy craft in order to support new talent and makers than as a financial investment.

A British look or aesthetic was the most commonly cited reason for buying UK craft. Many buyers in the existing market (particularly New York) have a personal connection to the UK. Existing buyers of UK craft are active and recent buyers, spending an average of \$260 (approx. £210) on their most recent purchase from a UK maker.



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