Staff shortages

Eighteen per cent of craft enterprises are currently experiencing staff shortages.

Skill shortages

A high number of craftspeople (34%) stated that they are currently experiencing skill shortages.

Methods to market

Selling direct to the customer via a studio or workshop is the most popular method that craftspeople use to get their product to market. Selling direct to a retailer was the next most frequent choice, followed by retail craft fairs as the third highest ranked marketing channel.

The Internet is considered to be the market channel of least importance to craftspeople when choosing their primary method of getting their product to market. The majority (68%) of craftspeople selling online generate less than £1,000 in sales via the Internet.

Projected growth

The majority (73%) of craftspeople expect their business to grow over the next three years, an additional 16% believe that their business will stay the same while a minority (2%) believe it will contract. An additional 9% of craftspeople could not predict what would happen within their business over the next three years.

The majority (58%) of craft enterprises intend to use the Internet over the next twelve months as a method of generating sales. A further 14 % intend to utilise this marketing tool over the next 13 to 24 months. A high percentage (17 %) of craftspeople did not know if they would utilise this marketing channel.

70% of craftspeople intend using their own website to generate sales, while a further 30% will use a hosted website.

MARKETS

Top three markets ranked in order of highest revenue

The Republic of Ireland is the market that generates the highest revenue for the majority (81%) of craftspeople. It is followed closely by Northern Ireland (10%), USA/Canada (5%) and the United Kingdom (3%).

Top three markets ranked on order of percentage revenue generated

The Republic of Ireland, Northern Ireland and United Kingdom are the three countries from which the majority of craftspeople generate between 90% and 100% of their revenue.

Top three markets for development ranked in order of frequency

The most popular market for development by craftspeople is the Republic of Ireland, followed closely by the USA/Canada and then by the United Kingdom. In relation to the "rest of the world" category, countries such as Japan, China and Australia were specified for potential development.

The full SIA Report on the Irish Craft Industry 2000 is available from the Crafts Council of Ireland offices priced IR£36 (€45.71) incl VAT.

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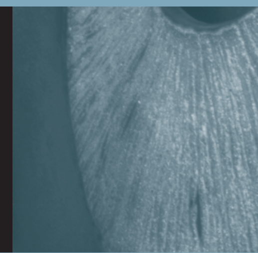
THE SIA GROUP

The Crafts Council of Ireland commissioned a study of the craft industry in Ireland in 2000. The objective of this research was to prepare a snapshot of the Irish craft sector as a benchmark against which the effectiveness of Crafts Council programmes could be measured. This brochure summarises the results of that research and provides an overview of the craft industry in 2000.

The information in this document summarises both the quantitative (from structured questionnaires with closed questions) and qualitative (telephone interviews) results of the survey conducted on 786 of the 1,136 craftspeople on the CCoI database. From this sample size, there was a total of 376 respondents.



THE IRISH CRAFT INDUSTRY 2000 – A SUMMARY

A sectoral analysis commissioned and published by the Crafts Council of Ireland

All agree – the Irish craft sector is experiencing growth

The Irish Craft Sector is currently experiencing significant growth. Craftspeople estimate the growth to be between 10% and 30%, and retailers estimate it to be between 5% and 15%. The primary reasons identified for this growth are:

- general growth in the Irish economy; people have more disposable income
- knock-on effect of growth in the tourism and gift market
- improvements in quality
- promotional work is paying off
- craft sector is meeting needs of customers
- success of Showcase

Retailers identify key triggers for future growth

Retailers had the following comments to make on continuing and future growth of the Irish Craft Sector:

- there is a need to focus on variety and design
- a higher degree of professionalism is required from craft enterprises, particularly in terms of ability to meet orders
- the sourcing of craft should be made easier
- alternatives to Showcase are required and should be provided - the focus should be on young, up and coming craftspeople with innovative ideas and design-led enterprises
- the quality orientation has to be maintained and spread across all craft enterprises
- innovation and creativity amongst craftspeople must be encouraged (e.g. silversmiths working with diamonds, gold etc.)
- currency fluctuations are working to Ireland's advantage in terms of increased tourist markets
- consumers in general are becoming more aware of craft, are looking for individualistic style for their interiors and are willing to spend more for that style

Crafts Council of Ireland

FINANCIAL PROFILE

The following are financial synopses for the year 2000:

		MEDIAN	HIGH
All Ireland	Gross Industry Turnover	£87,540,149	£111,748,121
Republic of Ireland	Gross Industry Turnover	£77,744,742	£98,208,980
	Domestic Sales Turnover	£58,156,086	£73,460,186
	International Sales Turnover	£19,588,656	£24,748,794
Northern Ireland	Gross Industry Turnover	£9,795,407	£13,539,141
	Domestic Sales Turnover	£4,675,407	£7,129,907
	International Sales Turnover	£5,120,000	£6,409,234

SIZE OF ENTERPRISES

The majority, (73%), of the CCoI's registered companies are small enterprises employing between one and two people. A further 21% employ up to five people, 3% employ between six and nine employees and the remaining 4 % employ over ten employees.

The majority of craftspeople work in a full-time capacity as a craftsperson, regardless of their craft discipline and the majority (51%) of craft enterprises are located in a rural area. However, there is an even spread of craft enterprises in semi-urban and city areas at 24% and 25% respectively.

SALES

Total annual sales

The majority (58%) of craftspeople estimated that their total sales would be between £10,000 and £74,999 by the end of the year 2000.

TOTAL SALES (ANNUAL)	% (BASE: 355)
Under £10,000	21%
£10,000 to £24,999	29%
£25,000 to £74,999	29%
£75,000 to £149,999	12%
£150,000 to £249,999	5%
£250,000+	5%
Total	101%

*Note: Percentages rounded off

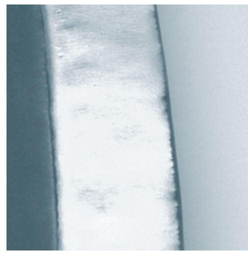
Domestic sales as a percentage of annual turnover

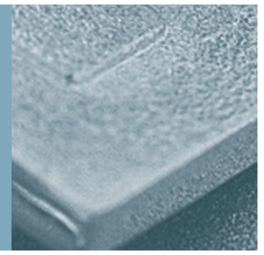
Over 26% of craft enterprises source 100% of their sales from the domestic market. The majority of craft enterprises source between 90% and 100% of their total sales from their domestic market.

The craft disciplines which have the highest concentration of companies generating sales in the domestic market are furniture and paperworking. Over a third of ceramic and metal working craft enterprises generate 100% of their sales from the domestic market.

DOMESTIC SALES AS % OF SALES TURNOVER	% (BASE: 352)
0% to 49% sales	14%
50% to 89% sales	30%
90% to 100% sales	57%
Total	101%*

*Note: Percentages rounded off





INTERNATIONAL SALES AS A PERCENTAGE OF ANNUAL TURNOVER

The majority (70%) of craftspeople source between zero and 49% of their sales from international markets. A further 24% of companies source international markets for 50% to 89% of their sales and the remaining 6% of companies seek between 90% and 100% of their business from overseas.

The jewellery discipline is the most likely to generate sales from the international market.

INTERNATIONAL SALES AS % OF SALES TURNOVER	%(BASE: 258)
0% to 49% sales	70%
50% to 89% sales	24%
90% to 100% sales	6%
Total	101%

*Note: Percentages rounded off

Wages breakdown

The average wage per person in full-time employment in craft is a median of £13,435 and a high of £16,435. Over one third (38%) of craftspeople spend less than £10,000 on total wages per annum. A further 21% pay between £10,000 and £14,999.

Over 17% of craftspeople have an annual total wages outlay of between £15,000 and £24,999 while a further 14% pay out between £25,000 and £49,999. Only 7% pay between £50,000 and £99,999 in wages while 2% of craftspeople pay between £100,000 and £199,999 in wages per annum. The remaining 1%, or three craft enterprises, pay out over £200,000 in their annual wage bills.

Annual total wages = total cost of wages, including PRSI, cash payments and owner/manager wages, per annum

GENERAL INFORMATION ON CRAFT ENTERPRISES

Number of employees

The majority of craft enterprises employ between one and nine employees, regardless of their craft discipline. Craft enterprises rely on part-time and seasonal employees. Eighty-two per cent of craft enterprises employ between one and two individuals on a part-time basis. A further 14 % of craft enterprises employ between three and five part-time employees.

The majority (51%) of craftspeople expect the level of employment within their own company to increase over the next three years. However, this was followed closely by 46% of craftspeople who expect the current level of employment to remain the same, and the remaining 3% actually believe that they will experience a decrease in the level of employment in their company.

Phase of development of craft enterprises

Fifteen per cent of craftspeople believe their business is still in the start-up phase of development. Over a third (34%) state that their enterprise is growing steadily, 28% are mature and stable craft enterprises and another 15% are currently diversifying.

6% of craft enterprises believe that their business is a leading enterprise in the craft sector, while the remaining 2% of businesses are in decline. Textile making, furniture making, woodworking, musical instrument making and jewellery were the craft disciplines that currently have declining enterprises.