Buyers Briefing

CCoI Consumer Research Stage 1

The Crafts Council of Ireland commissioned a consumer research study in the latter part of 2005 to establish consumers views on the craft offering – what their perception of craft is, what their buying habits are, where they make their purchases etc.

Many of the findings echo anecdotal views common in the craft sector. Some findings are more challenging. All highlight a raft of opportunities which exist in the current marketplace and which, with planning and focus, can be addressed. The Crafts Council's role is to develop information, supports and initiatives to facilitate this progress – and this process is currently underway.

The key is offering the right product to the right consumer in the right retail environment. This can only be achieved by understanding the consumers needs and knowing where and how they shop and what makes them decide to purchase. And it requires an understanding of retailers - their needs, their decision making processes, their target audiences.

A fundamental issue to appreciate is that consumers are needs led. They decide they need a gift, an item for the home or an item for themsleves – in other words they are connecting with words like giftware, homeware, accessories etc. The good news for the craft sector is that craft fits into each of these categories or market segments.

Another key issue for craftspeople to understand is that retailers are margin driven by necessity – in order to remain competitive in an overhead-heavy environment. And that different retailers reach different audiences and convey different images of craft.

Overview of the consumer and the marketplace:

Irish consumers have never been more sophisticated or self aware. While the 80s and early 90s were dominated by indiginous retailers - often with a substantial amount of mainstream Irish craft as part of their sales offering - the late 90s and current 'noughties' saw an explosion of retail options (national and international retail chains/ high street stores, internet shopping, mail order shopping, international shopping trips etc.) to attract consumer spending. In tandem with these changes there has been a trend in the craft sector to move to direct selling i.e. selling from the studio, at retail craft fairs and in their own craft outlets.

Traditional purchasing patterns have also changed for 'cash rich' consumers who are 'time poor', therefore access to the consumer's limited time is key. In addition, 'brands' – both product and retail – have become more influential.

Negative issues being faced by producers and retailers alike include the perception that Ireland is a rip off culture, and the feeling that buying Irish is expensive.

Key Findings

Influencing Factors:

Irish consumers are influenced by a broad variety of internal and external factors. The three key influencing factors are:

- Lifestage
- Affluence – available disposable income
- Purchase occassions - which can be event driven i.e. wedding gift or product driven i.e. buying a bed. These purchase occassions drive consumers need states (that is to say they influence the consumers needs)

Purchase occassions can be split further into:

- Buying for others
- Buying for self
- Home focus
- Non-home focus

And gift needs can be broken down into:

- Big occasions – such as weddings, anniversaries, new house, purposeful shopping
- Smaller occasions – such as birthdays, thank you gifts, Christmas, purposeful and impulse purchasing

For the big occassions recognised brand names – including some of the larger craft brands – are key, whereas for the smaller occasions craft may be one of many options – if it is visible to the consumer in the outlets they frequent.

The research shows us that the 25 to 35 age group are not shopping in locations where craft tends to be available – and therefore a huge opportunity exists to harness this market by placing craft in their eyeline in department stores, high street stores, specialist stores and shopping centres.

For self gifts, craft (in particular jewellery) proved popular and craft was also an option for holiday day trip purchases – where the focus tended to be in craft shops, high street shops and garden centres.

Looking at key influences by category:

Purchase Occasion	**Most influential factor**	**Least influential factor**
Big special occassion	Brand name/status	Price & whether its Irish
Smaller occassions	Functionality and style	Packaging
Holiday day trips (self gift)	Functionality and style	Emotional reward
Specific furniture items	Functionality	Retailer
Furnishings	Style and design	Brand
Homewares	Functionality, style and design	Brand, quality and price
Costume Jewellery	Fashion and colour	Brand
Precious Jewellery	Design, stones	Brand and price
Clothing and accessories	Style and fashion	Brand and price

Examining the influencing factors we can see that there are many opportunites for craft to make a greater impact in these segments. Understanding the purchase occasion and the most influential factor within it is critical.

Perceptions of Craft:

Perceptions of craft differ depending on the consumers life stage – with the affluent over 35's being most predisposed to buy and appreciate craft. The older less affluent groups tended to see craft as a tourist product and the younger groups tended to place least importance on the skill element involved in producing craft – but did connect with craft products when they were perceived as being contemporary and thus relevant to their lifestyle.

Craft products aimed at tourists are seen as irrelevant to Irish consumers. Even more negatively, as the Irish consumer has a low opinion of the quality of gifts aimed at tourists, the association of "craft" with "tourist gift" has devalued the word itself and made it a liability in marketing to the home buyer. This creates a real challenge for the craft sector as a whole – to differenciate craft from souvenir items in the minds of consumers.

'Craftsmanship' as a phrase tended to have more positive connotations for consumers – and they connected the phrase with words like bespoke, quality, premium and style.

There was also ambiguity as to what exactly was meant by the word craft. Consumers tend to think more in terms of product category (such as giftware, homeware, fashion etc.) rather than whether an item is craft and which discipline it falls into. This opens a clear opportunity for craftspeople to identify the product categories their work fits into and market their products accordingly i.e. functional pottery could fall into the categories of homeware, kitchenware and giftware while textiles could fit into homeware / interiors, giftware, fashion and accessories.

Likewise there was a mixed reaction to the phrase 'hand made' with older consumers rating it more desirable than others. Even where there was a positive reaction, it was not a strong influencing factor for most consumers. In some cases it was even considered a reason not to buy. However, hand made became valuable where the consumers were informed of the craftsmanship and 'story' behind the creation of the piece.

Not surprisingly, retailers are influential on the craft image – the image of retail outlets reflects directly on the image of craft as a product – and this has both positive and negative connotations. Retailers are central to the future of Irish crafts as they are the gateway to key markets which are currently under-developed by the craft sector (such as the 25-35 age group).

The current trend amongst craft businesses of selling direct (either through the studio, at craft fairs or through their own retail outlets) coupled with an increase in the amount of non-Irish product available in Irish retail outlets has resulted in less Irish craft being available on retail shelves.

There is an opportunity for the craft sector to increase the visibility of craft by (a) producing more targeted products, speciific to market segments and (b) by breaking into new types of retail outlets where craft is not traditionally visible. Increasing craft visibility requires a joint effort by

producers, retailers and support agencies alike – and there is an opportunity for joint initiatives which can benefit all in the future.

Further retailer research will be undertaken and the results distributed over the coming year.

Summary of Opportunities

Knowledge is key – and understanding the consumer allows us to plan the best ways to reach and influence them.

- Price is not always the key influencing factor – knowing the influencing factors for the different market segments /categories allows for correct targeting of product
- There are various consumer segments which are currently untapped by the craft sector
- Accesibility – having craft product on the shelves of the retail outlets that the consumer shops in - is vital.
- Relevance – having product to suit the market– is just as important as having product on the shelves. This requires an indepth knowledge of the market and the consumer trends. Presentations, such as the CCoI Consumer Trend Presentation by International trend experts ***triple dee,*** which will take place for exhibitors and buyers at Showcase (and a summary of which will be available on the web site shortly), are essential in order to keep fully informed.
- Competences - having the skills (both craft and business skills) to ensure craft businesses can produce the right product and match it to the right market – are also key.
- Image – so that the consumer can get an accurate perception of the variety, quality and suitability of craft that is available – underpins everything. Craftspeople, retailers and the Crafts Council of Ireland each have a role to play here to ensure a consistent and accurate image of Irish craft is projected to the consumer.

The overall opportunity identified by the research is to find ways in which to raise awareness of craft and to ensure that market-specific craft is available in more and more outlets. Over the coming months the Crafts Council will be announcing inititatives with this end in mind – and this includes finding ways in which the Crafts Council can work more closely with the retail sector .

The Crafts Council will also be taking the consumer research a stage further – drilling down to find out more information on the different key segments, how large they are, what makes consumers tick in these areas etc. – over the coming months. The results will be announced as they become available (towards the middle of the year).

This research is not only key to every craft business and retail outlet, it is also instrumental in the CCoI planning process. Information gathered enables us to tailor projects, services and activities which can facilitate craftspeople in better understanding their consumers and in planning ways of reaching them with suitable products.

If you are interested in exploring ways in which retailers can work with the Crafts Council of Ireland for the benefit of the craft sector as a whole please contact us and register your interest. Over the coming months we will be identifying areas of further research, possible initiatives and promotional activity. We would welcome the opportunity to include your views and where possible to work in partnership.

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