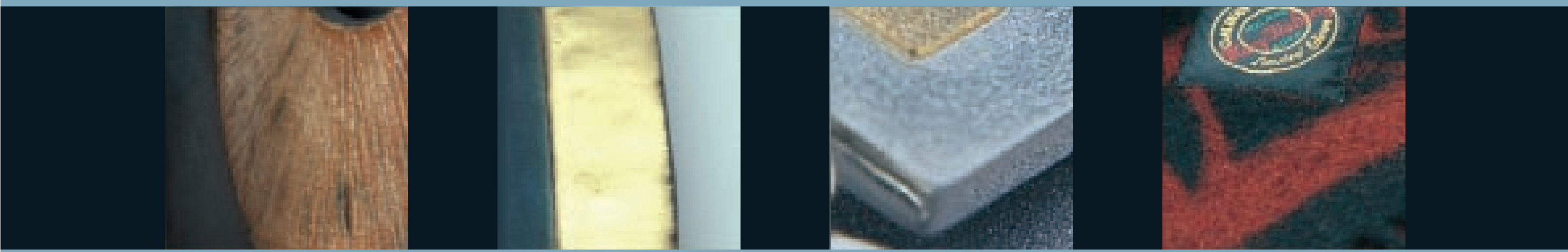
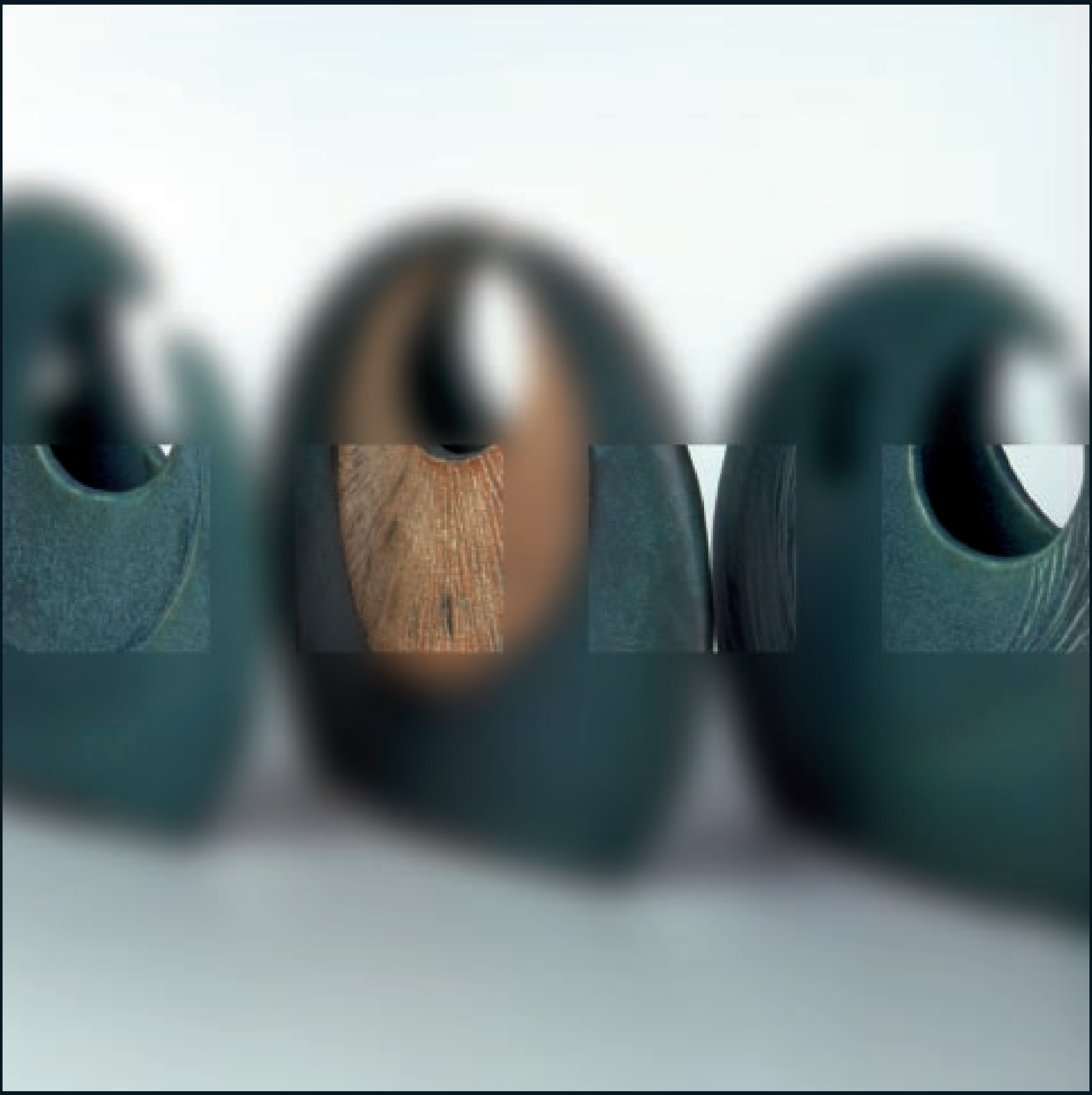
THE IRISH CRAFTS INDUSTRY 2000



Contents

Crafts Council of Ireland



INTRODUCTION TO SIA STUDY

Up to now reliable data on the crafts industry has been, at best, sparse and uneven, making it difficult to accurately measure successes and to identify problems that have hindered growth. Therefore, when the Crafts Council of Ireland shaped its Strategic Plan 2000-2003 for development of the sector, one of its aims was to build up an economic profile of the craft industry that would quantify its scale and value to the Irish economy in addition to highlighting its specific needs. Information was also needed on commercial factors in the marketplace which affect the sales of craft products both at home and abroad.

This study provides the most significant sectoral analysis of the craft industry ever conducted. It is part of an ongoing body of research being commissioned by the Crafts Council in order to construct a reliable picture of the industry and its unique characteristics. The empirical and qualitative information that emerges will greatly assist the Council in making informed decisions about the ways in which it can best facilitate the craft industry to meet the challenges of a very competitive market.

Research is vital for future planning, for assisting the Crafts Council in designing services and for determining priorities in programming and funding. It also provides a much-needed yardstick so that the Council can quantify the effectiveness of its initiatives and set concrete, measurable and achievable targets for future success.

Frances Ruane
Chairperson
15 May 2001

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SIA Consulting

Sia Consulting Ltd. undertook this sectoral study through direct research with all stakeholders in the All Ireland Craft Sector. Over the last 13 years, Sia Consulting has completed significant sectoral, market and strategic studies for public and private organisations in Ireland and internationally.

THE SIA GROUP

INTRODUCTION

The Crafts Council of Ireland (CCoI) commissioned a study of the craft industry in Ireland in 2000, the objective of which was to prepare a snapshot of the Irish craft sector as a benchmark against which the effectiveness of Council programmes could be measured.

The information in this document summarises the results of that research and provides an overview of the craft industry in Ireland in the year 2000. The result will be of interest to funders, craftspeople and students and anyone interested in understanding the scope of the craft sector in the island of Ireland.

Those interested in more detailed information should consult the full report Report to Crafts Council of Ireland Re: Sectoral Analysis of the Irish Crafts Sector.

This summary report:

- provides general information on the Irish craft sector in terms of company size, staff numbers, skill shortages, location, annual turnover, wage levels and so on
- provides general market information
- identifies areas of potential market growth
- identifies the primary obstacles to growth of the craft sector as perceived by both craft retailers and craftspeople
- assesses whether Irish craft products meet the needs of customers in terms of quality and variety and perceptions of current competition, as perceived by both retailers and craftspeople

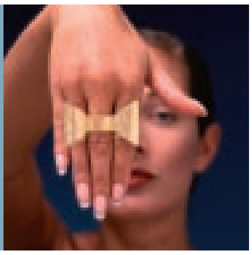
The information in this document summarises both the quantitative (from structured questionnaires with closed questions) and qualitative (telephone interviews) results of the survey conducted on 786 of the 1,136 craftspeople on the CCoI database. From this sample size, there was a total of 376 respondents. Statements made in this summary report not clearly backed up by precise figures are taken from the qualitative part of the research. Because there was a high degree of correlation between the responding sample and the total population on the CCoI register, percentages are used here to refer to the craft sector in general, instead of constantly clarifying that the percentages really refer to the respondents only. Those seeking exact figures and the methodology used should refer to the original report.

FINANCIAL PROFILE

Sales

The majority (58 per cent) of craftspeople estimated that their total sales would be between £10,000 and £74,999 by the end of the year 2000. However, a further 21 per cent would turn over less than £10,000 by year-end. An additional 12 per cent of craftspeople estimated that their total sales would be between £75,000 and £149,999, a further 5 per cent believe it will be higher, up to £249,999, while the remaining 5 per cent estimated their annual sales to be over £250,000 (see Tables A13 and A14).

A significant number of craft enterprises generate sales of up to £74,999 while the remainder generate sales between £75,000 and over £250,000.



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Estimated total sales turnover for 2000

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

Wages

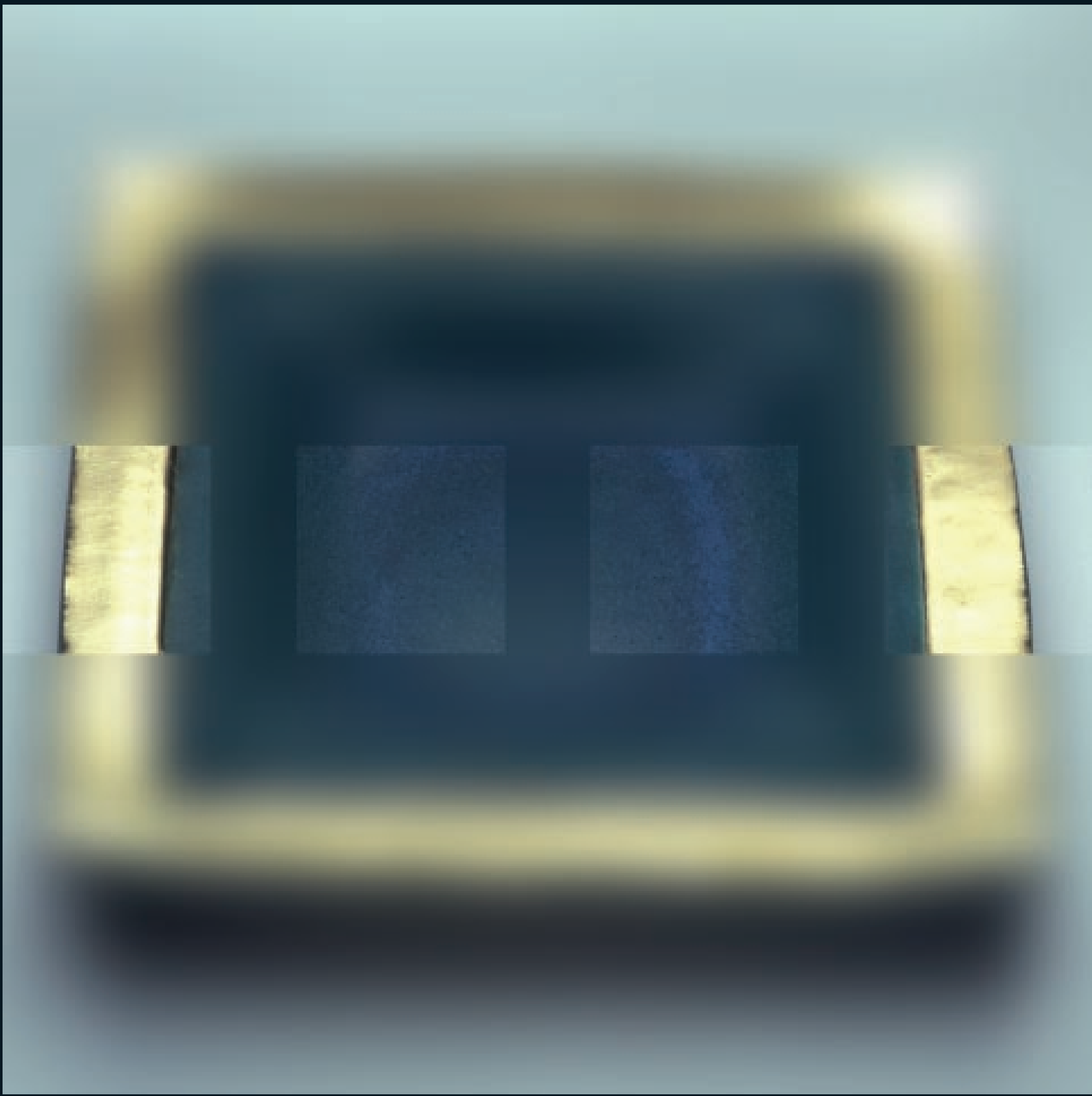
Over a third (38 per cent) of craftspeople spend less than £10,000 on wages per annum. A further 21 per cent pay between £10,000 and £14,999. Over 17 per cent of craftspeople have an annual wages outlay of between £15,000 and £24,999 while a further 14 per cent pay out between £25,000 and £49,999. Only 7 per cent pay between £50,000 and £99,999 in wages while 2 per cent of craftspeople pay between £100,000 and £199,999 in wages per annum. The remaining 1 per cent, or three craft enterprises, pay out over £200,000 in their annual wage bills (see Table A12).

Estimated wages

	NORTHERN IRELAND	REPUBLIC OF IRELAND
Median wage per person in full-time employment	£11, 917	£13, 540

Estimated annual total wages
(TOTAL COST OF WAGES, INCLUDING PRSI, CASH PAYMENTS AND OWNER/MANAGER WAGES, PER ANNUM)

TYPE OF CRAFT ENTERPRISE	
Sole traders	£15,800
Enterprises with between 2 and 9 employees	£54,145
Enterprises with between 10 and100 employees	£183,333

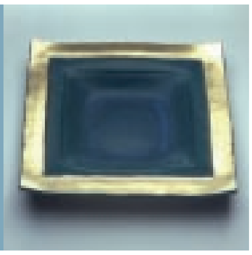


CRAFT ENTERPRISE PROFILE

The Crafts Council of Ireland deals with a diverse range of craft enterprises, which is evidenced by company size. The majority, (73 per cent), of the CCoI's registered companies are small enterprises employing between one and two people. A further 21 per cent employ up to five people, 3 per cent employ between six and nine employees and the remaining 4 per cent employ over ten employees (see Tables A5 and A6).

The majority of craftspeople work in a full-time capacity as a craftsperson, regardless of their craft discipline (see Table A1) and the majority of craft enterprises are located in rural areas. However, there is an even spread of craft enterprises in semi-urban and city areas at 24 and 25 per cent respectively (see Table A2).

Employment



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 per cent of craft enterprises employ between three and five part-time employees (see Table A7).

The majority (51 per cent) 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 per cent of craftspeople who expect the current level of employment to remain the same and the remaining 3 per cent actually believe that they will experience a decrease in the level of employment in their company (see Table A8).

Staffing

Eighteen per cent of craft enterprises are currently experiencing staff shortages. The remaining 82 per cent of companies do not appear to be experiencing any such difficulty (see Table A9).

Staff shortages are being experienced across all levels of craft enterprise resulting in a need for unskilled, semi-skilled and skilled workers. A number of reasons were offered as to why companies are currently experiencing staff shortages and are outlined below:

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- skilled employees leaving to set up their own business
- lack of training and/or handing down of some skill sets has resulted in the availability of only a limited number of skilled people, for example, crochet workers
- high salary expectations
- fewer "homemakers" available
- lack of unskilled employees to undertake basic tasks for physical work, for repetitive work and so on
- location is not attractive both in terms of the rural areas and in Dublin due to a lack of available accommodation
- overall difficulty in finding "suitable" employees that are motivated, good timekeepers, committed to the company and have a good attitude
- other industry sectors are more attractive in the current economic market

There are currently staff shortages for the following positions:

- throwers (particularly in Northern Ireland)
- qualified seamstresses/cutters
- goldsmith setters
- hand weavers
- mature jewellers
- polishers
- jewellery bench workers
- crochet workers
- print moulding workers

In addition, craftspeople are experiencing a shortage of the following:

- apprentices/training courses – particularly for the woodworking, furniture, jewellery and glass making disciplines
- seasonal workers – particularly for the woodworking and jewellery disciplines

Skills

A high number of craftspeople (34 per cent) stated that they are currently experiencing skill shortages. However, the majority (66 per cent) of craftspeople are currently not experiencing any difficulties in relation to skills (see Table A10).

Skill sets that have been identified as being in demand are detailed below:

- thrower
- cabinet makers
- hand knitters
- press moulding
- pottery skills, in particular hand building
- glaze technicians – with experience of kiln work and detailed hand work
- seamstresses, cutters, dressmakers and tailors
- skilled carpenters – with experience of manufacturing individual pieces
- hand rolling silk
- metal workers
- woodworkers
- costume jewellers
- goldsmiths
- leather work
- stone setting and enamelling
- bookbinding – conservation
- glass workers
- crochet workers
- upholsterers

- machinists
- rug making – skill at using a hand-tufting machine

Demand for the above skill sets has had a knock-on effect and created a shortage of staff with particular skill sets, as can be seen in the previous section. Other skill shortages identified by craftspeople include the following:

- **General**
  - general business skills – how to run a business
  - dealing with self-employed issues, tax returns, etc.
- **Computers**
  - information technology – basic skills up to advanced e-commerce skills
  - Internet – access and uses
  - website development, design, maintenance, etc
- **Marketing**
  - marketing skills – basic, intermediate and advanced
  - market research skills
  - public relation skills
  - photographic skills for promotional work
  - sales – selling skills for the individual craftsperson
  - sales – obtaining the skills of a salesperson
- **Product attributes**
  - pricing skills
  - packaging and presentation of products
  - on-the-job training and teaching skills, in particular in the following disciplines: ceramics, jewellery, textiles, wood, paper making and glass making
  - product design

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The reasons why they were experiencing such shortages are outlined below:

- lack of specific training – short, intense courses
- lack of apprenticeship schemes
- lack of time to train people up
- lack of training in design elements
- shortage of machinery in one discipline (furniture) makes training hard to undertake
- highly-skilled, well-trained people leaving for better paid jobs, in particular in the construction industry
- unskilled and semi-skilled workers leaving for better wages (for example McDonalds offer £5.50 per hour while the minimum wage is £4.40 per hour)

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 per cent) state that their enterprise is growing steadily, 28 per cent are mature and stable craft enterprises and another 15 per cent are currently diversifying.

A further 6 per cent of craft enterprises believe that their business is a leading enterprise in the craft sector, while the remaining 2 per cent of businesses are in decline. Textile making, furniture making, woodworking, musical instrument making and jewellery making were the craft disciplines that currently have declining enterprises (see Table A11).

Craft discipline by "mature and stable" enterprise

TYPE OF CRAFT DISCIPLINE	NO. OF CRAFT ENTERPRISES	NO. STATING "MATURE AND STABLE"	%
Ceramics	84	30	36%
Furniture making	32	10	32%
Glass making	21	5	24%
Jewellery making	42	12	29%
Metal working	12	5	42%
Mixed media constructing	7	1	14%
Paper working	3	0	–
Stone working	7	1	14%
Textile making	72	16	22%
Woodworking	32	9	28%
Other	64	16	23%
N/A	1	1	–
Total	376	105	28%

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Craft retailers profile

The majority of retail outlets interviewed were between 75 and 100 per cent dependent on the sale of craft. Between 30 and 95 per cent of their craft sales are of Irish-made products. Their consumer base is a mix of domestic customers and the tourist trade. Tourists generally have a higher spend than domestic consumers, in particular, US tourists.

Retailers carry a wide range of products from a large number of disciplines including ceramics, jewellery, metalwork, candle making, mixed media, woodwork, leather, basketry, textiles, knitwear, toymaking and so on. However, the majority are open to stocking craft from any discipline once it is "eye catching", well designed and of a high standard of quality.

MARKET PROFILE

General market

The Irish craft sector, in its entirety, is currently experiencing significant growth. Craftspeople estimate growth to be between 10% to 30%, and retailers estimate the growth to be between 5% and 15%. Retailers also forecast that the sector will continue to grow. Some of the qualitative observations made on the Irish craft market from both retailers and craftspeople are listed here:

Celtic Tiger

Growth within the Irish economy at large due primarily to the "Celtic Tiger." Customers have more disposable income and are therefore in a better position to buy craft products. Craft products are seen as luxury goods by consumers at large.

Consumers less price-sensitive

There is a growing proportion of the market that is less price sensitive. Customers are becoming more discerning and have a greater awareness of quality and creativity. An emerging trend is that of more discerning customers, but as yet this segment is a small volume of people.

Retailers identified a number of disciplines within the Irish craft sector which are experiencing significant success and these include ceramics, leather and jewellery.

Growth in tourism

Growth in the tourism market has also had a positive impact on the Irish craft sector.

Growth in gift market

Growth of the gift market at large.

Consumers focusing on home interiors

A current and growing trend that focuses consumers' attention on the home, interiors, decorating and the garden with emphasis on creative and individualistic style. Customers are no longer afraid to buy something "unusual." A product's uniqueness is seen to be a positive attribute.

Improvement in quality

A current and growing trend that focuses consumers' attention on the home, interiors, decorating and the garden with emphasis on creative and individualistic style. Customers are no longer afraid to buy something "unusual." A product's uniqueness is seen to be a positive attribute.

Promotional work paying off

Promotional work undertaken by the Crafts Council of Ireland is perceived by retailers to have benefited every sector of Irish craft.

Greater public awareness of craft

Retailers identified a greater awareness among the public at large in relation to crafts in general and Irish crafts in particular.

Meeting customers' needs

Retailers perceive the Irish craft sector to be meeting the needs of customers more effectively, as craftspeople are beginning to experiment, are creating innovative designs and using new materials in order to meet customer needs.

Increased visual literacy
Increased visual orientation amongst younger population.

Showcase success
Success of Showcase Ireland.

Greater international recognition
Greater recognition for Irish craft in international markets.

Increasing brand consciousness
Customers are becoming increasingly brand conscious and quality products are overlooked in favour of a recognised label or brand name.

Mass-produced craft
Craftspeople believe that retailers prefer mass produced "craft" at low prices rather than one-off pieces. There is a low demand from intermediaries for high quality and expensive products.

Intermediaries demanding professionalism
Intermediaries, such as retailers, agents, buyers, wholesalers and so on, within the Irish craft sector are demanding a certain degree of professionalism from their suppliers, i.e., craftspeople.

Lack of fairs
Opportunity for growth is stunted due to limited availability of fairs that cater for one-off craft producers rather than the mass market. Perception exists that there are a limited number of opportunities in terms of exhibitions, fairs and so on, where products can be marketed. In addition, those that do exist tend to be aimed at craftspeople that have mass production capabilities rather than craftspeople that concentrate on individual pieces.

Saturation
Degree of saturation within some craft sectors due primarily to increasing international competition and the actual number of craftspeople working within that specific sector, for example, in jewellery making, ceramics and so on.

Labour costs
Labour costs are climbing which has an impact on production capacity and ultimately the growth of any business.

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Influence of general economy
Craft is seen as a luxury product and therefore will experience growth in a buoyant economy and likewise will become a stagnant or a decreasing sector if there is a down turn in the economy.

Influence of retailers
Craftspeople are concerned at the strong influence retailers still hold over the Irish craft sector. The degree of mark up, and payment timeframes dictated by retailers has a huge impact on a craftsperson's cash flow situation, thereby limiting other activities, for example, marketing, promotion, design trips, up-skilling, etc.

Retailers acknowledged that the retail end of the Irish craft sector and the sale of craft products tends to be more profitable than the actual manufacture and sale of the same product via a workshop or studio.

Sales breakdown

Over 26 per cent of craft enterprises source 100 per cent of their sales from the domestic market. The majority of craft enterprises source between 90 and 100 per cent of their total sales from their domestic market (see Table A15).

The majority (70 per cent) of craftspeople source between zero and 49 per cent of their sales from international markets. A further 24 per cent of companies source international markets for 50 to 89 per cent of their sales and the remaining 6 per cent of companies seek between 90 and 100 per cent of their business from overseas (see Table A16).

The craft disciplines that have the highest concentration of companies generating sales in the domestic market are furniture and paper working. Over a third of ceramic and metal working craft enterprises generate 100 per cent of their sales from the domestic market. The jewellery discipline is the least likely to generate sales from the domestic market (see Table A17).

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Top ranking markets

The Republic of Ireland is the market that generates the highest revenue for the majority (81 per cent) of craftspeople (see Table A18).

The Republic of Ireland is followed by Northern Ireland (10 per cent), USA/Canada (5 per cent) and the United Kingdom (3 per cent) as the order of markets that generate the most revenue (see Table A19). These three markets are also popular second and third choices. Northern Ireland is the market that generates the next highest amount of revenue for 31 per cent of craft enterprises, while the United Kingdom is ranked as the third top revenue generating market by over a third (34 per cent) of craft enterprises.

France, Italy and Scandinavia were not ranked as markets that generate high revenues (1st choice) by any craftsperson. In addition, Scandinavia is the only market that was not ranked as a second choice market at all. Scandinavia does make an appearance in the third column as a market that generates high revenue but only for a small minority (3 or 2 per cent) of craft enterprises (see Tables A18 and A19).

As well as asking craftspeople to rank their top three markets, they were also asked to estimate the percentage of their revenue that is generated from each market.

The Republic of Ireland, Northern Ireland and United Kingdom are the three countries from which the majority of craftspeople generate between 90 and 100 per cent of their revenue (see Table A19).

Developmental markets

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. In addition, some craftspeople were more specific in defining the market they had identified for development, which resulted in the creation of additional categories for Dublin, Galway and Scotland (see Table A20). Forty five per cent of Northern Ireland craft enterprises identified the Republic of Ireland as one of the markets they would most like to develop in the next twelve months.

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 (see Table A21).

Over 5 per cent of craftspeople chose the category "other" as their top choice and specified that they rely on the following elements as a means of getting their product to the marketplace:

- gallery work and exhibitions
- word of mouth
- trade shows and fairs (non-retail)
- advertisements (i.e. Golden Pages, specialist magazines)
- commissions
- own retail outlet
- catalogue and mail order
- corporate market

Internet

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 per cent) of craftspeople generate less than £1,000 in sales via the Internet (see Table A22). The use of the Internet to generate sales is greater among craftspeople in Northern Ireland (45 per cent) than in the Republic of Ireland (37 per cent).

A further 19 per cent of craftspeople that used the Internet as a marketing tool generated sales between £1,000 and £4,999 and a further 7 per cent generated sales between £5,000 and £9,999. The remaining 6 per cent did not generate any sales or made no comment (see Table A23).

The majority of craft enterprises generated under £1,000 of sales via the Internet. Metal working (33 per cent), furniture making (25 per cent), ceramics (9 per cent), jewellery making (5 per cent), others (5 per cent) and textile making (4 per cent) are the craft disciplines which generated the highest amount of sales via the Internet (see Table A24).

There is nearly an even divide between craftspeople who generate sales from their own website and those that utilise a hosted website, with 49 per cent and 51 per cent respectively (see Table A25).

Of the craftspeople who use their own website to generate business, a total of 56 per cent achieved sales of under £1,000 compared to the 81 per cent of craftspeople who generated sales of under £1,000 by using a hosted website. It appears that the craftsperson's own website is more likely to generate sales over £1,000 compared to those craftspeople who used a hosted website, with 30 per cent and 10 per cent respectively (see Table A26).

The majority (58 per cent) of craft enterprises intend to use the Internet over the next twelve months as a method of generating sales. A further 14 per cent intend to utilise this marketing tool over the next 13 to 24 months. A high percentage (17 per cent) of craftspeople did not know if they would utilise this marketing channel (see Table A27).

Seventy per cent of craftspeople intend using their own website to generate sales, while a further 30 per cent will use a hosted website. Nineteen per cent of craftspeople stated that they intend to generate sales using both their own website and a hosted website (see Table A28).

Perceptions of quality & variety

Focus

Craftspeople

Retailers appear to focus on "cheap and cheerful" rather than premium priced, quality products. Quality, on the other hand, is seen by craftspeople as being the key to success.

Retailers

A number of retailers stated that craft pieces which have shown significant success are those which are both decorative and practical.

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Quality

Craftspeople

Quality is seen to be the key purchasing criterion in the upper end of the market and must be maintained in order that a premium price can be charged.

Retailers

The majority of the retailers agree that in general, the quality of Irish craft has improved considerably in recent years. A number of retailers stated that the quality of work shown at Showcase had improved year on year.

Branding

Craftspeople

There is recognition that a craftsperson's name or brand is closely associated with each produced piece and therefore each piece requires equivalent attention to ensure that a high standard of quality is maintained.

Retailers

A small number of retailers feel that there are sectors of the market that are currently experiencing a downturn, or will experience a downturn in the near future. These sectors include iron working, weaving and sub-standard wood-turned products.

Demand for unique, quality products

Craftspeople

The majority believe that customers are "looking for something different," to purchase a craft piece which is a "statement". A growing number of customers are willing to pay premium prices for "something unique" or for a one-off, limited or commissioned piece. A theme amongst some craftspeople is the belief that their success depends on their product having the ability "to stand out."

Retailers

In relation to the ceramics market, a small number of retailers stated that ceramic "shamroguery" was on the decline, even within the tourist industry.

Variety of products

Craftspeople

There is wide variety of products to choose from. However, an opportunity does exist within the middle tier of the market where products of high quality can be produced at a competitive price.

Retailers

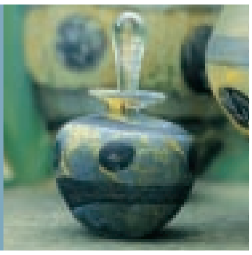
A number of retailers stated that Showcase was disappointing. Attendance has become a habit but the same content, styles, designs and participants are seen year on year. New blood and new craft designs are required for its survival. In addition, a small number of retailers stated that they had difficulty sourcing craft in the medium price range (i.e. £50 to £100)

In contrast to the above point, a number of retailers currently have no problem sourcing craft pieces and they stated that there is "plenty of choice" at the moment.

Meeting customers' needs

Craftspeople

Owner/operator (sole individual) craft enterprises stated that they find it relatively easy to stay in touch with customers' needs and to adjust to consumer trends and current fashions. These individuals sourced their design ideas from a number of areas including magazines, craft fairs, trips to international markets, nature, feedback from general public, and so on



Retailers

A number of retailers suggested that further improvements were required in terms of design, variety and the production of craft. In contrast, the majority of retailers stated that they were happy with the quality and variety of work available at the moment, but that the market is ever changing and retailers require the redevelopment of existing pieces and new designs on a constant basis and high quality products to meet consumer demands.

Design-led craft

Craftspeople

A number of craftspeople stated that customers will instinctively choose a handcrafted piece over a mass produced piece. However, price was seen as a key influencer in the purchase decision making and a high price does prohibit purchase.

Retailers

German craft fairs were mentioned as the most effective source for obtaining design-led craft pieces and Irish customers are becoming more and more discerning. A small number of retailers stated that design-led craft is popular with the Irish customer due to the growing trend for "unique" craft pieces which would be considered "different."

Craft-buyers more professional

Retailers

There is a perception amongst retailers that craft buyers have become more professional and their current buying criteria involves a search for well-designed, original pieces that are competitively priced.

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Competition

Direct competition

Some craftspeople claimed that they had no direct competitors and very few indirect competitors as their product was unique and that exact product could not be found anywhere else. However, a number of craftspeople held a bi-polar view that companies which currently supply the same market (e.g. giftware etc.) with hand-crafted goods could be considered direct competitors. Companies which concentrated on mass produced products, and that are aimed at the same customer base, were considered to be indirect competitors.

Retailers felt that the Irish craft sector was a very competitive market. Those interviewed suggested that margins were very tight and that small-scale craft enterprises find it very difficult to be competitive.

International markets

The strongest competition facing craftspeople is competition from international craft. It was acknowledged that the quality of international craft is very mixed but it still generates a lot of competition. International craft is competitive at the upper end of the market with quality, design led craft pieces from such countries as Germany, Finland, and so on. In addition, cheap imports from such areas as the Far East compete at the lower end of the market.

Overall, there is a perception that Irish craft compares favourably with craft products from international markets.

Developing Irish market

Opinion was divided among craftspeople in relation to the developing Irish market. A decline in demand was seen in the West of Ireland and in some sectors (e.g. woodworking, ceramics, iron working, etc.) the Irish market was seen to be in danger of saturation. Craftspeople are turning to less developed markets, in terms of Irish entrants, such as Northern Ireland, UK, US and mainland Europe and this is supported by the quantitative research (see Table A18). However, a large number of craftspeople still wish to concentrate 100 per cent on the domestic market.

Two-tier market

The majority of the craftspeople interviewed stated that a two-tier market currently exists for most craft products. This market consists of mass produced products which are of low quality and low price versus the limited production, high quality (both in design and production), premium priced craft products.

Product attributes

Retailers believe that the following attributes are required in different degrees by any craft product in order for a sale to be completed.

1. Design – leading to a unique piece
2. Quality
3. Branding
4. Price – will determine which market tier is being targeted

Overall, price is not the main focus but a combination of the above.

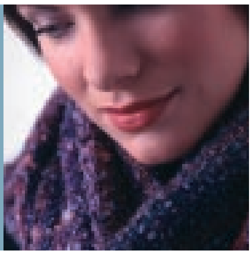
Branding

Retailers also stated that branding has become increasingly popular in recent years. However, there are dangers attached to this development as can currently be seen within the ceramics area. Branded pottery is currently doing very well, but is in danger of saturating the market and retailers felt that customers will become bored with this discipline.

Indirect competitors

Retailers had an extensive wide-ranging view of what could be considered a direct or indirect competitor in relation to craft. Outlets such as Habitat and Arnotts were identified by the craft retailers we interviewed, as being direct competitors to craft enterprises.

In relation to indirect competitors there was an over-riding viewpoint that each customer has a limit (i.e., budget) and that every outlet (e.g. retail, accommodation, food outlets, etc.) and craft product is competing for the same budget or disposable income.



Gap in the market

Similar to the craftspeople, retailers also identified a gap in the market – the middle tier. Retailers stated that craftspeople that can target the middle tier of the market by producing a variety of craft products, at a reasonable price, and of good quality, would be reasonably successful as there is currently a limited degree of competition in this area of the marketplace.

In addition, retailers stated that for some craft sectors, particularly the ceramics, textile making and jewellery sectors, the level of competition would become more intense. Retailers believe that this will be as a result of Irish craft companies establishing a manufacturing base in international markets. Areas such as the Far East, Asia and Eastern Europe are possible bases due to the lower overheads and low wages inherent in these markets. Lower overheads will mean lower prices for these Irish designed but "imported" craft products.

Craft Enterprise growth

The majority (73 per cent) of craftspeople expect their business to grow over the next three years, an additional 16 per cent believe that their business will stay the same, while a minority (2 per cent) believe it will contract. An additional 9 per cent of craftspeople could not predict what would happen within their business over the next three years (see Table A29).

caption

Comparing these figures with those in Table A8, it is clear that only 51 per cent of craftspeople expect their level of employment to increase during the same time, a further 46 per cent expect it to remain the same and the remaining craft enterprises (3 per cent) expect their level of employment to decrease.

Key barriers to growth

Concerns were raised in relation to a number of barriers to growth currently being experienced by craftspeople. The main barriers are as follows:

Lack of skilled staff

A large number of craftspeople felt that the lack of skilled staff inhibited the expansion of a craft enterprise. Craftspeople feel that they have a dual challenge, firstly in terms of the initial recruitment and sourcing of skilled employees and secondly in retaining those employees in the current market.

Mark-up percentile

There was concern raised in relation to the "mark up" on craft product imposed by retailers. In a high number of cases the mark up percentile made the product very difficult if not impossible to sell. This barrier has a knock on effect as craftspeople undervalue their work due to their reluctance to charge premium prices for quality products.

Packaging a barrier for some international markets

A number of interviewees indicated that expansion into international markets was not attractive for some craft enterprises (e.g. glass, ceramics etc.) due primarily to the time spent in packaging items and the necessity to redevelop some designs to accommodate transportation to overseas markets.

Customers lack of education

There is a perception that customers still require further education in terms of the difference in quality of similar product types. This is particularly true in relation to low grade, high volume products produced domestically and equivalent imports from European, Far East and Asian markets. Overall, there is a need for a greater awareness of high quality and well-designed products.

Lack of collaboration between craftspeople

Concern was raised over the lack of collaboration between craftspeople, across all craft disciplines. Craftspeople need to develop new international markets and this requires collaboration in order to broaden exposure, share costs and market Irish craft.

Currency fluctuations

The sourcing of materials is becoming a problem due to the recent currency fluctuations.

caption

In addition, a high number of craftspeople raised concerns in relation to the introduction of the Euro in 2001 and the resulting "fall-out."

A number of retailers identified the current currency fluctuations as being a barrier to growth and in particular the punt versus. sterling exchange rates.

The current exchange rate with Northern Ireland is also posing problems for both retailers and Northern Ireland craftspeople. A small number of Republic of Ireland retailers are finding it difficult to sell Northern Ireland craft products due to the increased retail price as a result of the currency rates.

A small number of retailers have had problems in relation to the price list provided at the larger trade shows and in particular the conversion rate involved between Irish punts into sterling.

Number of discerning customers is small
As highlighted in a previous point there is an emerging consumer segment in relation to the Irish crafts sector and their main attributes include that they are very discerning and less price sensitive. However, this segment is quite small, which is another barrier to the development of the Irish crafts sector.

Downturn in economy
Some concern was raised in relation to a down turn in the economy. It is expected that the bigger potteries will downsize but that a number of the smaller potters would not survive.

Peaks and troughs in demand
The issue concerning the ability to smooth out supply and demand and develop a regular business process was raised in relation to craftspeople's current high dependence on the tourist market and summer trade in general.

The above issue also has an impact on a craftsperson's time and production capacity. The production of craft was seen to be an intensive industry whereby each manufactured piece will require a considerable amount of time and direct input by the craftsperson.

Time management difficulties
Craft enterprises, specifically those run by a lone craftsperson, were concerned with time management. The primary difficulty involved prioritisation of the operational end of the business (e.g., filling orders) ahead of other business elements such as research, design and strategy.

At the start-up stage of a craft enterprise it was highlighted that attendance at craft fairs in the initial months was found to be very time consuming.

Lack of selling and marketing expertise
Lack of selling skills and marketing expertise on the part of craftspeople themselves were put forward as a key barrier. Craftspeople suggested that they need up-skilling in market research skills, courses in basic and intermediate and advanced marketing activities, public relation skills, selling skills and e-commerce and Internet skills.

Power of the retailers
One of the difficulties craftspeople face is the management of the relationship between themselves and retailers. Craftspeople feel that retailers hold the power within the relationship and generally dictate terms with no compromise, for example, when a retailer dictates terms of payment for goods is 90 days or more resulting in cashflow problems for craftspeople.

Funding problems
In relation to attaining financial or funding assistance there is a strong concern that the success rate for craftspeople is very low. Many feel that funding applications were not user friendly, involved a lot of red tape, did not deliver what the initiative/programme had promised and there was very little feedback received if applications were rejected. This resulted in the attitude of craftspeople being "better off going it alone."

Name recognition slow to achieve
In relation to the establishment of a "name," craftspeople stated that it takes time to develop such recognition but it is seen as a stepping stone to success.

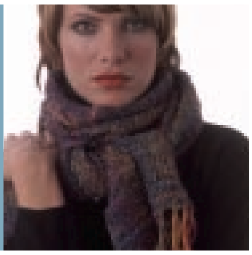
Well-established brands currently dominate the market. This is done at the expense of a high number of craftspeople due to a lack of successful branding by the majority of craft enterprises.

Lack of variety

Retailers stated that the current lack of variety within the Irish craft sector has stunted growth to some extent. A small number of retailers stated that Showcase shows the same work year on year – tried and tested products – and there is a limited amount of "new blood and fresh ideas." This has resulted in the majority of retailers attending international craft fairs – Germany, UK, Holland, France – in order to supplement their order books.

Lack of originality

Retailers indicated willingness to stock new Irish pieces but could not source such items. They believe that Irish craftspeople need to be encouraged to be more original and to experiment both within and outside of their core discipline.



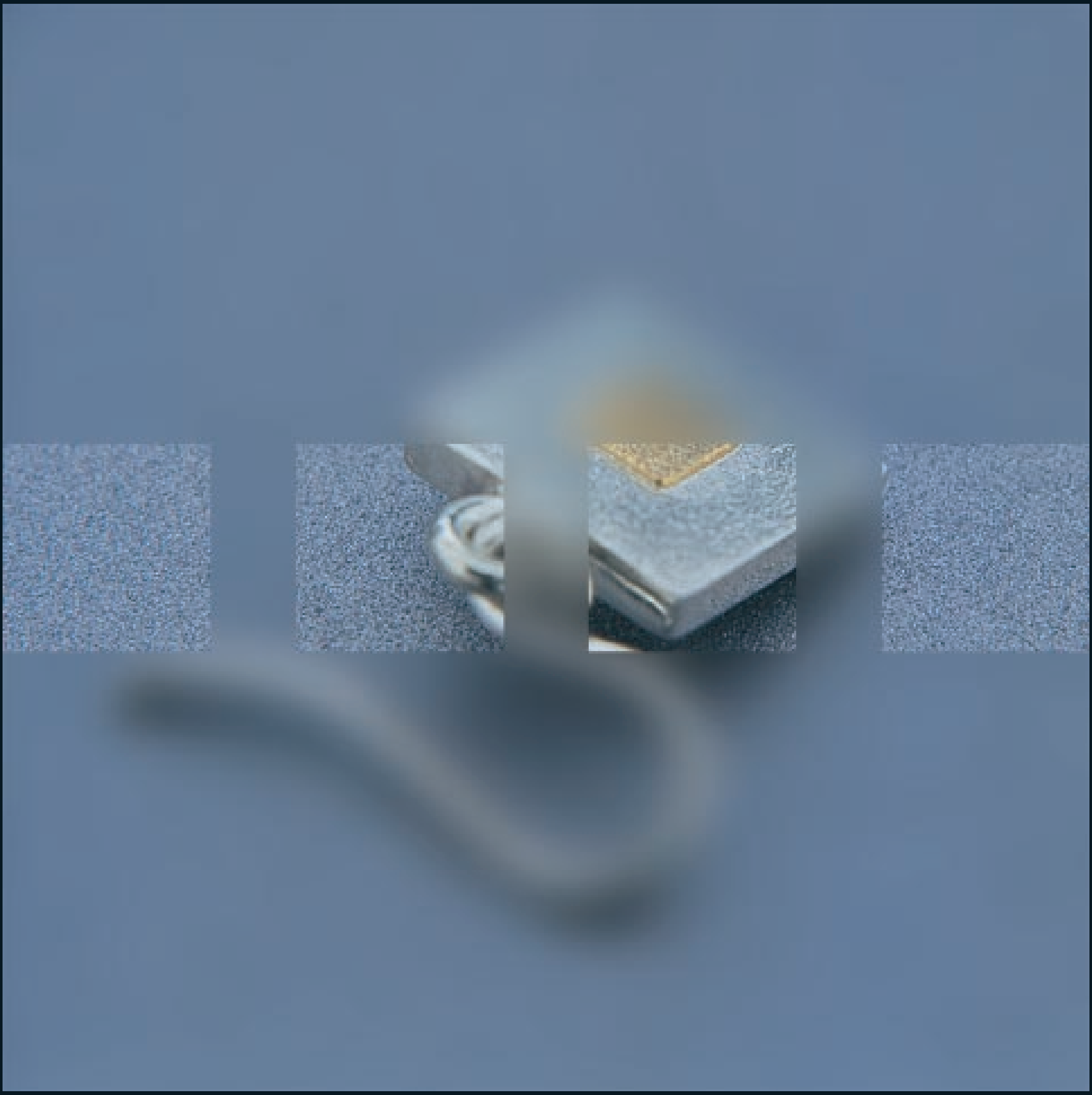
Lack of realistic perspective or marketplace

The majority of retailers feel that a number of craftspeople have become more commercially orientated but not all have a realistic perspective of the marketplace. Essentially the domestic market is limited with (approx.) 3 million potential customers at home and an additional 4 million (approx.) potential customers coming from the tourist market.

Problem of scale

Lack of scale is a problem. Suitable craft pieces cannot be supplied on a consistent basis, or meet order requirements, due to a lack of production capacity amongst a high number of craftspeople.

caption



Key triggers for growth (retailers)

Focus on design and variety

There is a need to focus on variety and design.

Increased professionalism

A higher degree of professionalism is required from craft enterprises, particularly in terms of ability to meet orders.

Easier sourcing for retailers

The sourcing of crafts 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.

Maintain quality

The quality orientation has to be maintained and spread across all craft enterprises.

Encourage innovation

Retailers identified the need to encourage innovation and creativity amongst craftspeople (e.g. silversmiths working with diamonds, gold etc.) and a number of retailers felt that the CCoI would have a role to play here.

Currency fluctuations

Currency fluctuations are working to Ireland's advantage in terms of increased tourist markets.

Focus on customer needs

Craft products that are produced with the customer in mind will be more successful. These products are more in line with customers lives and offer a greater convenience. Typical features could include machine washable textiles and microwaveable ceramics.

Support of bodies such as CCoI

Irish craft enterprises will need ongoing support from bodies such as the CCoI to survive. Their scale of operation is very small and thus they will have difficulties unless they can establish firm relationships with buyers.

Consumer education

Similar to craftspeople, the retailers we interviewed also believe that consumers in general are more aware of craft, are looking for individualistic style for their interiors and are willing to spend more for that style.

caption

Future trends in the Irish craft sector

Growth

Differing views were raised in relation to the sale of Irish craft increasing, decreasing or remaining static over the next three years.

A number of craftspeople feel that the economy will remain strong over the next three years.

The majority of interviewees believe that sales will stay reasonably consistent, if not increase marginally, over the next three years. It was noted that a number of these interviewees have an established and extensive customer base with a growing percentage of repeat custom.

Retailers believe that Irish craft sales have increased significantly in the last five to eight years. However, they do predict that further growth is expected but not to the same extent as in recent years. The retailers interviewed concluded that sales in the Irish craft sector would increase slightly over the next few (three) years and then level off.

Retailers have identified the area of Irish designed jewellery as a market with a huge degree of opportunity.

Mass-market saturation

However, a number of interviewees indicated that they were not overly optimistic about future increases in sales due primarily to the low quality, mass market product, both imported and domestic, forcing out quality craft products. In addition, this type of craft product was seen to be in danger of saturating the Irish market.

Concern was expressed for the future of the Irish craft sector as branded imports and cheap substitutes continue to erode existing market share.

Internet

A number of craftspeople felt that the Internet is an alternative method of approaching the international market. However, an additional number of craftspeople are sceptical about the value of the Internet, due to the lack of human interaction. Perceptions of value in craft products are seen to be reliant on "tactile" senses. In addition, some concerns were raised over security issues particularly in relation to a site that is interactive and allows online purchasing.

Similar to craftspeople, retailers believe that the Internet will play a greater role in the future. Retailers feel that the Internet will be used increasingly by craftspeople as a sales tool. They also feel that there will be less emphasis by retailers and buyers on attending craft fairs as buyers will increasingly look to the Internet to source their stock and in particular use Information Technology to source new 'innovative' products.

International markets

Craftspeople stated that the development of international markets would provide craft enterprises with their biggest opportunity. International markets which are seen to be most attractive include the USA/Canada, UK and other European Countries.

Development of middle range

Currently, the existing two-tier market is seen to be well served at both ends of the spectrum. However, there is an opportunity to develop the middle range in terms of quality, variety and price.

Glut of professionals in some disciplines
There was concern within some craft disciplines in relation to a glut in the market due to the high numbers of skilled professionals (e.g., potters, woodturners, etc.).

Mixing of craft mediums
There is a perception that craftspeople will move away from their primary discipline branching out into other craft mediums.

Increased focus on quality and creative design
Consumers were seen to be becoming increasingly discerning and craftspeople felt that this would increase the focus on quality and creative designs.

Increased professional relationship between craftspeople and retail outlets
A key trend identified by retailers, is the increasingly professional relationship currently developing between craft retail outlets, their buyers and the craftspeople themselves.

Recognition of Irish-made craft retail outlets
Greater recognition by the CCoI of the retail outlets that sell primarily Irish made crafts.

Two peaks for Northern Ireland
Northern Ireland retailers will experience two peak seasons per year, similar to those currently experienced in the Republic of Ireland, due to the increasing tourist market and the usual Christmas peak time.

caption

APPENDIX 1: RESULT TABLES

A1: Breakdown of craft disciplines by type of craftsperson

	FULL-TIME (100%)	PART-TIME (50% TO 99%)	PART-TIME (>50%)	OTHER
Ceramics	77%	15%	6%	2%
Furniture making	88%	6%	–	6%
Glass making	76%	10%	14%	–
Jewellery making	83%	5%	5%	5%
Metal working	92%	8%	–	–
Mixed media construction	100%	–	–	–
Paper working	67%	–	–	33%
Stone working	86%	–	14%	–
Textile making	71%	21%	6%	3%
Woodworking	69%	25%	6%	–
Other	82%	8%	5%	3%

A2: Number of respondents by type of location

TYPE OF LOCATION	NO. OF CRAFT ENTERPRISES	%(BASE: 373)
Rural	190	51%
Semi-urban/town	91	24%
Urban/city area	92	25%
Total	373	100%

A3: Percentage of craft disciplines located in rural, semi-urban or urban areas

	RURAL	SEMI-URBAN/TOWN	URBAN/CITY AREA
Ceramics	46%	26%	27%
Furniture making	50%	28%	22%
Glass making	67%	19%	14%
Jewellery making	26%	36%	38%
Metal working	50%	25%	25%
Mixed media construction.	71%	14%	14%
Paper working	—–	———	100%
Stone working	57%	29%	14%
Textile making	63%	18%	19%
Woodworking	50%	34%	16%
Other	57%	17%	27%

caption

A4: Number of respondents by length of time trading		
LENGTH OF TIME TRADING	NO. OF CRAFT ENTERPRISES	%(BASE: 367)
Within last 12 months	16	4%
1 to 3 years	76	21%
3 to 5 years	74	20%
5 to 10 years	78	21%
10 + years	123	34%
Total	367	100%

A5: Craft enterprises by number of full-time employees		
NO. OF FULL-TIME EMPLOYEES	NO. OF CRAFT ENTERPRISES	% (BASE: 307)
1 to 2 employees	225	73%
3 to 5 employees	64	21%
6 to 9 employees	8	3%
10 to 19 employees	5	2%
20 to 100 employees	5	2%
Total	307	101%*

A6: Breakdown of craft disciplines by number of full-time employees			
	1 TO 9	10 TO 19	20+
Ceramics	93%	6%	1%
Furniture making	97%	3%	–
Glass making	94%	6%	–
Jewellery making	100%	–	–
Metal working	100%	–	–
Mixed media construction	80%	–	20%
Paper working	100%	–	–
Stone working	100%	–	–
Textile making	100%	–	–
Woodworking	100%	–	–
Other	98%	–	2%

A7: Craft enterprises by number of part-time employees		
NO. OF PART-TIME EMPLOYEES	NO. OF CRAFT ENTERPRISES	% (BASE: 153)
1 to 2	125	82%
3 to 5	22	14%
6 to 9	2	1%
10 to 19	1	1%
20 to 100	3	2%
Total	153	100%

A8: Number of craft enterprises by expected level of employment (next 3 years)

LEVEL OF EMPLOYMENT	NO. OF CRAFT ENTERPRISES	% (BASE: 367)
Increase	188	51%
No change	169	46%
Decrease	10	3%
Total	367	100%

A9: Number of craft enterprises experiencing staff shortages

STAFF SHORTAGES	NO. OF CRAFT ENTERPRISES	% (BASE: 347)
Yes	64	18%
No	283	82%
Total	347	100%

A10: Number of craft enterprises experiencing skill shortages

SKILL SHORTAGES	NO. OF CRAFT ENTERPRISES	% (BASE: 351)
Yes	120	34%
No	231	66%
Total	351	100%

A11: Number of craft enterprises by company's stage of development

STAGE OF DEVELOPMENT	NO. OF CRAFT ENTERPRISES	% (BASE: 370)
Start-up craft enterprise	55	15%
Enterprise growing steadily	126	34%
Mature and stable craft enterprise	105	28%
Enterprise diversifying	55	15%
Leading enterprise in craft sector	21	6%
Declining enterprise	8	2%
Total	370	100%

caption

A12: Number of craft enterprises by total annual wages

TOTAL WAGES (ANNUAL)	NO. OF CRAFT ENTERPRISES	% (BASE: 343)
Under £10,000	129	38%
£10,000 to £14,999	71	21%
£15,000 to £24,999	59	17%
£25,000 to £49,999	48	14%
£50,000 to £99,999	25	7%
£100,000 to £199,999	8	2%
£200,000+	3	1%
Total	343	100%

A13: Number of craft enterprises by total annual sales

TOTAL SALES (ANNUAL)	NO. OF CRAFT ENTERPRISES	% (BASE: 355)
Under £10,000	74	21%
£10,000 to £24,999	103	29%
£25,000 to £74,999	102	29%
£75,000 to £149,999	42	12%
£150,000 to £249,999	17	5%
£250,000+	17	5%
Total	355	101%*

A14: Percentage of craft disciplines by total sales turnover

	UNDER £10,000	£10,000 – £24,999	£25,000 – £74,999	£75,000 – £149,999	£150,000 – £249,999	£250,000+	N/A
Ceramics	23%	26%	31%	6%	4%	7%	3%
Furniture making	9%	28%	25%	19%	13%	3%	3%
Glass making	24%	43%	24%	–	–	5%	4%
Jewellery making	10%	17%	36%	26%	2%	5%	4%
Metal working	25%	33%	25%	8%	–	–	8%
Mixed media construction	14%	57%	14%	–	–	14%	–
Paper working	33%	33%	–	–	–	33%	–
Stone working	14%	43%	43%	–	–	–	–
Textile making	21%	24%	31%	7%	4%	6%	7%
Woodworking	31%	34%	16%	13%	6%	–	–
Other	18%	27%	25%	17%	5%	2%	6%

A15: Number of craft enterprises by domestic sales as a % of annual turnover

DOMESTIC SALES AS % OF SALES TURNOVER	NO. OF CRAFT ENTERPRISES	% (BASE: 352)
0% – 49% sales	48	14%
50% to 89% sales	105	30%
90% to 100% sales	199	57%
Total	352	101%*

A16: Number of craft enterprises by international sales as a % of total sales turnover

INTERNATIONAL SALES AS % OF SALES TURNOVER	NO. OF CRAFT ENTERPRISES	%(BASE: 258)
0 to 49% Sales	180	70%
50% to 89% Sales	62	24%
90% to 100% Sales	16	6%
Total	258	101%*

A17: Craft disciplines by sales breakdown (international v domestic sales)

	0 – 49% INT. SALES	50 – 89% INT. SALES	90 – 100% INT. SALES	100% DOMESTIC SALES
Ceramics	51%	10%	3%	36%
Furniture making	31%	6%	–	63%
Glass making	48%	33%	5%	14%
Jewellery making	73%	11%	8%	8%
Metal working	50%	8%	8%	33%
Mixed media construction	71%	14%	–	14%
Paper working	33%	–	–	66%
Stone working	43%	29%	–	29%
Textile making	54%	20%	9%	17%
Woodworking	48%	19%	3%	29%
Other	47%	29%	3%	21%

A18: Top three markets ranked in order of frequency

1ST CHOICE	2ND CHOICE	3RD CHOICE
Republic of Ireland	Northern Ireland	United Kingdom
Northern Ireland	United Kingdom	USA/Canada
USA/Canada	USA/Canada	Northern Ireland
United Kingdom	Republic of Ireland	Republic of Ireland
Germany * (2)		
Rest of World *	Rest of world	Rest of World
Benelux * (1)		
Other European countries*	Germany	Germany
	France * (3)	France* (5)
	Italy	Other European countries
	Other European countries	Scandanavia
	Benelux	Benelux
		Italy

caption

*Denotes markets that received uniform scores

A19: Top three markets ranked in order of revenue generated

90% TO 100% OF REVENUE GENERATED	50% TO 89% OF REVENUE GENERATED	0% TO 49% OF REVENUE GENERATED
Republic of Ireland (148)	Republic of Ireland (107)	United Kingdom (112)
Northern Ireland (10)	Northern Ireland (17)	Northern Ireland (104)
United Kingdom (1)	USA/Canada (12)	USA/Canada (103)
	United Kingdom (6)	Republic of Ireland (59)
	Germany (2)	Rest of World (17)
	France (1)	Germany (10)
		Other European countries (8)
		France (5)
		Italy (4)
		Scandinavia (3)
		Benelux (2)

*Denotes markets that received uniform scores

A20: Markets for development ranked in order of frequency

MARKET FOR DEVELOPMENT	NO. OF CRAFT ENTERPRISES
Republic of Ireland	110*
USA/Canada	90**
United Kingdom	72
Other European countries	28
Northern Ireland	18
Rest of world	15
Germany	7
France	5
Italy	4
Scandinavia	4
Benelux	1
Others:	
Galway	1
Scotland	1
Dublin	4

* Denotes an inclusion of 27 references to "Ireland" within the preferred market of Republic of Ireland.

** Denotes the inclusion of 12 references to the "USA" only within the USA/Canada market.

A21 Methods to market ranked in order of importance (base 366)

1ST CHOICE	2ND CHOICE	3RD CHOICE	4TH CHOICE	5TH CHOICE	6TH CHOICE
Via studio/ workshop	Via retail craft fair	Internet	Internet wholesaler	Via agent/ Via agent /	Via agent/ wholesaler
Direct to retailer	Via studio/ workshop	Via studio/ workshop	Via retail craft fair	Internet	Internet
Via retail craft fair	Direct to retailer	Direct to retailer	Via studio/ workshop	Via studio/ workshop* (3)	–
Other	Internet	Via retail craft fair	Direct to retailer* (6)	Direct to retailer *	–
Via agent/ wholesaler	Via agent/ wholesaler	Via agent/ wholesaler	Via agent/ wholesaler*	Via retail craft fair*	–
Internet	Other	Other	Other	Other	–

*Denotes marketing channels that received uniform scores.

caption

A22: Number of respondents that used the Internet to generate sales in the past 12 months

USED INTERNET	NO. OF CRAFT ENTERPRISES	% (BASE: 365)
Yes	139	38%
No	226	62%
Total	365	100%

A23: Number of respondents by the total sales generated via the Internet in the past 12 months

TOTAL INTERNET SALES	NO. OF CRAFT ENTERPRISES	% (BASE: 139)
Under £1,000	95	68%
£1,000 to £4,999	27	19%
£5,000 to £9,999	9	7%
£10,000 to £19,999	–	–
£20,000 to £49,999	–	–
£50,000+	–	–
N/A	8	6%
Total	139	100%

A24: Percentage of craft disciplines by total sales generated via the Internet	UNDER £10,000	£10,000 – £24,999	£25,000 – £74,999	£75,000 – £149,999	£150,000 – £249,999	£250,000+	N/A
Ceramics	65%	21%	9%	–	–	–	6%
Furniture making	63%	13%	25%	–	–	–	–
Glass making	100%	–	–	–	–	–	–
Jewellery making	64%	27%	5%	–	–	–	5%
Metal working	67%	–	33%	–	–	–	–
Mixed media construction	100%	–	–	–	–	–	–
Paper working	100%	–	–	–	–	–	–
Stone working	100%	–	–	–	–	–	–
Textile making	62%	35%	4%	–	–	–	–
Woodworking	100%	–	–	–	–	–	–
Other	67%	14%	5%	–	–	–	14%

A25: Number of respondents by the type of web site used

TYPE OF WEB SITE USED	NO. OF CRAFT ENTERPRISES	% (BASE: 131)
Own web site	64	49%
Portal/hosted web site	67	51%
Total	131	100%

A26: Number of respondents by the total sales generated via the Internet in the past 12 months

TOTAL INTERNET SALES	OWN WEB SITE	HOSTED WEB SITE
Under £1,000	56%	81%
£1,000 to £4,999	30%	10%
£5,000 to £9,999	14%	2%
£10,000 to £19,999	–	–
£20,000 to £49,999	–	–
£50,000 +	–	–
Total	100%	101%*

*Note: Percentages rounded off.

A27: Number of respondents intending to use the Internet to generate sales in the future

LENGTH OF TIME	NO. OF CRAFT ENTERPRISES	% (BASE: 217)
0 to 12 months	125	58%
13 to 24 months	31	14%
25 to 36 months	7	3%
36 + months	1	–
Don't know	36	17%
N/A	17	8%
Total	217	100%

A28: Number of respondents by the type of web site they intend to use to generate sales

TYPE OF WEB SITE USED	NO. OF CRAFT ENTERPRISES	% (BASE: 202)
Own web site	141	70%
Portal /hosted web site	61	30%
Total	202	100%

A29: Number of craft enterprises by expected business development

EXPECTED BUSINESS DEVELOPMENT	NO. OF CRAFT ENTERPRISES	% (BASE: 359)
Expand	263	73%
No change	59	16%
Contract	6	2%
Don't know	31	9%
Total	359	100%

caption

APPENDIX 2 INDIVIDUAL CRAFT PROFILES

What ceramicists had to say

General market

- have experienced significant growth over the last five years and believe that it is set to continue.
- feel that Showcase is a successful promotional and selling tool.
- believe there is a greater recognition in international markets of Irish crafted ceramic products. However, potters believe that they undervalue and undercut their product to compete and keep pace with mass production organisation.
- believe that the younger population are more visually oriented resulting in ceramics being an appealing craft purchase.
- feel that an emerging segment of customers are those who are willing to take a "risk" and purchase an innovative, creative product. In addition, ceramacists indicated that the intermediaries within their sector had become more professional and demanding in their requirements, for example, with regard to credit terms, sale or return, high amounts of quantities ordered and timeframe given to complete the order.

Attitudes and opinions to quality/variety

- believe that retailers, in their particular sector, focus on "cheap and cheerful" products rather than quality premium priced craft
- are not overly optimistic about the future. The mass market ceramic products, both domestic and imports, are of poor quality and in danger of saturating the market and forcing out quality craft ceramics.
- recognise that the term 'quality' has a number of different facets. Its meanings can include beauty, practical function, glazed and lately whether the product is microwaveable.
- believe that expectations must be raised in relation to what price is acceptable on the open market, as currently potters are reluctant to charge a premium price.
- receive constant feedback from customers and feel that they are currently meeting consumer needs. In addition, colours in ceramic pieces are becoming more fashion oriented, changing from year to year to suit the incoming season's colour bands. However, there was an opposing view that there is "limited variety in the products available and potters are slow to change or try something new."
- A small number of ceramicists believe that their product is seen as an investment by customers and not just appreciated as a piece of craft or for its practical use. These customers are primarily seen to be repeat custom and one of their aims is to build or add to a collection.

Competition

- believe that large potters are competing against each other resulting in some cannibalisation. In addition, their economies of scale and well-recognised brands are hard to compete against.
- identify international markets such as the UK, Northern Ireland, USA and Europe as being of high potential.
- identify the main retail stores (e.g. Brown Thomas, Clerys, Dunnes Stores, Arnotts, etc.) as being prime competitors as they sell ceramics which are designer lines. A number of potters stated that collaboration is required in order to develop new markets.
- feel that competition is strong from overseas ceramicists shipping to the Irish market.

Barriers to growth

- feel that without suitable staff it is impossible to expand.
- Potters stated that a lack of cash flow was one of the biggest barriers they experienced in the day to day operations of the pottery.
- find that the current price of materials is currently inhibiting growth, particularly those potters that source their materials in Northern Ireland or the UK.
- find that shipping of ceramics poses difficulty in developing business within international markets. Time, packaging costs, redesign of a good 'selling line' and breakages are issues in relation to packaging and shipping to overseas markets. In essence, craftspeople are forced to design what can be shipped rather than what can be sold.

- feel that Irish ceramics compare favourably with other ceramic products produced elsewhere in the world. Ultimately, Irish ceramics may be designed in Ireland but manufactured in Eastern Europe.

Future trends

- believe that the Irish market is in danger of becoming saturated due to the number of potters and therefore competition is very strong in the domestic market.
- are concerned for the future of the ceramics market because of what appears to be a surplus of potters in the Irish market.
- believe that the Internet and development of websites will be a tool used to develop brands and sales in international markets. Some craftspeople voiced concern over the lack of interaction with this medium, as up to this point ceramics have been sold in a tactile rather than just a visual environment.
- believe that the building of brand names and word-of-mouth are triggers for growth in the future for some craft enterprises within this specific craft discipline.
- believe that their sector will become more and more commercial and a commercial outlook will be vital to the success of a pottery.
- consider USA and Germany to be the most attractive markets for ceramic products. However, international markets are seen as difficult to develop due to packaging costs and the fragile nature of the product.
- propose (in a number of cases) working in a number of other mediums as a response to the future saturation of the ceramics market.

caption

What jewellers had to say

General market

- feel that no real growth had been experienced within this market over the last five years, however, there is a perception that this sector is beginning to experience growth again.
- believe that other craft sectors provide more attractive alternatives and are more heavily promoted than jewellery.

Attitudes and opinions to quality/variety

- have learnt (some) to apply a "bundle of jewellery techniques" to speed up production in order to compete with mass marketers, however, this has resulted in a compromise on time spent on individual pieces.
- believe that the growth in their sector will come from commissioned work, due to customers who are becoming more discerning and looking for "something different". These jewellers are currently receiving increasing requests for products produced using silver and/or gold, both 14 and 18 carat, in addition to mixing metals or recycling metals (i.e. silver and slate).
- believe there is a growing consumer segment, which is reasonably affluent, from whom the jewellery sector is currently receiving regular request for commissioned work. This segment also collects pieces by the same jeweller and likes information on the background or emotional ties for each piece.

Competition

- perceive that this craft discipline is in danger of saturation due to the large numbers of jewellers currently in the marketplace and the high degree of international competition.
- believe that high profile international manufacturers are dominating the marketplace and that competition is intense.
- think customers have become more brand conscious, resulting in high-quality jewellery products being overlooked or undervalued within the Irish market.

Barriers to growth

- know that in the past, Far East and Asian companies produced "Irish craft jewellery" which is mass-produced but primarily of low-grade quality and design. They feel that Irish jewellers must "step up and take on" these international jewellers.
- find that retailers and other intermediaries are seen to be price sensitive, which limits the jeweller's capacity to focus on premium-priced pieces.
- find it difficult to mass-produce high-quality pieces.

Future trends

- believe that international markets represent huge areas of opportunity, in particular for lightweight pieces of small jewellery which can be handled and shipped relatively easily.
- see quality as the most important factor in a customer's decision-making process, particularly at the upper end of the market.
- want short, intensive courses that will assist experienced jewellers to expand and develop their skills and in turn develop the jewellery sector.

What furniture makers had to say

General market

- have experienced an estimated growth of approximately 5% over the last five years.

Attitudes and opinions to quality/variety

- identify a concentrated focus on the home environment over the last few years, which has had a knock-on effect on this sector. It is estimated that this trend is set to continue over the next few years.
- find customers are aware of more "external influences" and are seen to have a more cosmopolitan and international outlook particularly when purchasing within this market.
- see increasing opportunities to use a wider variety of exotic timbers.
- perceive a drive to get more craftspeople involved in producing factory-made items rather than once-off pieces.
- identify a trend whereby craft businesses are moving into small enterprise units on the edge of towns and urban areas. Concern was raised in relation to this trend, as craftspeople believe there is also a need to focus on the individual craftspeople choosing to work in isolation.
- are experiencing substantial growth due to the majority of craft enterprises within glass making, being well established, having overcome initial start-up phase difficulties and built a good customer base.

caption

Competition

- believe Irish produced furniture compares favourably with the products currently found in international markets.
- find that their primary competition is from mass produced imported furniture. This product is normally priced at a reasonable level and is usually of a good standard of quality.
- find that competition is high due to the standard of product produced in the home market. Overall, these craftspeople agree that competition is based on quality, design and price.
- identify European markets as the most attractive and as those which will provide the most developmental opportunities

Barriers to growth

- believe it is impossible for a furniture craftsperson to expand their business without access to suitable staff The Letterfrack training is acknowledged as being excellent but the majority of Letterfrack's graduates appear to go abroad in the initial years of their work experience.
- find the sourcing of materials to be difficult and expensive, and that the delay in sourcing materials results in a delay in meeting customer orders.
- notice that a large number of their customers are not aware of the difference in quality of the current range of products in the marketplace. Educating and informing the customer is a key requirement for the growth of their businesses.
- observe that customers' current lack of awareness and appreciation of the timeframe involved in commission work, in some cases up to twelve months, is a barrier to undertaking this particular type of work.
- find that the profit margins available within the booming construction industry has resulted in a lack of skilled employees willing to work in the furniture sector.

Future trends

- identify the Internet as a necessary marketing tool to develop international markets.
- believe that the Irish Craft sector will increase over the next three years (5 % to 25%).

What craftspeople working in glass had to say

General market

- estimate that the Irish Crafts Sector has experienced significant growth of between 5% and 10% in recent years.
- believe that Irish craftspeople are using new materials and new designs to meet the needs of customers more effectively.
- perceive that there is a growing consumer segment that is "ecologically friendly". This has had a positive effect on the Irish Crafts Sector resulting in more purchases.

Attitudes and opinions to quality/variety

- believe that customer needs are currently being very well served by craftspeople.
- have seen substantial growth due to a demand for unique, personalised and individualistic pieces.
- perceive quality as the most important factor in the product bundle particularly for products aimed at the premium end of the market. Hand-crafted pieces in particular have to maintain a high standard of quality so that the necessary premium prices can be charged.

Competition

- believe that European markets, and in particular the UK, could be exploited to a greater extent.
- acknowledge that there is a high degree of competition in all areas of the market – low, medium and premium end – in terms of glass and crystal. However, they feel that quality and unique designs will be valued.
- identify some of the main retail stores, such as Clery's, Brown Thomas and Arnotts as their main competitors. They sell designer lines and promote special signing sessions, whereby the given designer comes in-house to sign the particular piece of glass that is being purchased. This is seen to encourage customers to buy designer lines and possibly even "fool" customers into thinking that they are buying a "unique" product.
- find that large manufacturers, such as Waterford Glass, have become more aggressive in their marketing activities in recent years. The marketing campaign is two-fold, firstly in terms of price and secondly in terms of selling under the guise of hand made. (e.g. Waterford Glass consider a piece to be "hand made" if there is 12% hand made input used to produce a piece, while the remainder is made up of bought-in components).

Barriers to growth

- find there is no funding available to this sector particularly in relation to taking on an apprentice
- find there is a lack of training and advice in relation to setting up a web site and its subsequent maintenance.
- perceive a need to educate customers so that they have an increased awareness and appreciation for a fully hand made piece, and the considerable amount of time and labour that goes into producing it.

Future trends

- perceive the Internet as the most effective marketing tool to use as a way to build relationships with international customers.
- suggest (small number) using direct mail as a way to build relationships with their customers.
- believe they will need to be more sophisticated in their marketing activities if they wish to tap into younger (20-30's) markets.
- perceive that customers are becoming more brand conscious in terms of the glassware end of the market and it will become important for craftspeople to place a mark on their pieces. This mark is seen as beneficial as it will help to build the brand name, build the customer relationship and will help to distinguish each piece.
- believe closer relationships will be built with other intermediaries and/or influencers such as architects, interior designers etc., and craftspeople should be represented at alternative style exhibitions such as Plan Expo etc.

What craftspeople working in metal had to say

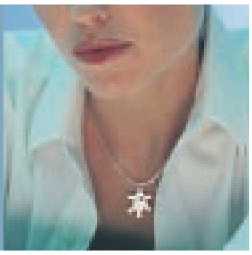
General market

- estimate that the Irish crafts sector is growing at between 15% to 20% per annum.
- find that customers currently have a high degree of disposable income available and the purchasing of luxury goods, such as crafts, foreign holidays, new cars etc., is on the increase.
- notice that customers are attaching a greater degree of emotional value to an individual piece of craft.

Attitudes and opinions to quality/variety

- believe that there is a high degree of quality and variety available to meet customers needs.
- notice that the majority of craftspeople do not keep up with trends or fashion. They feel that to follow a trend would be contradictory as it is the whole idea of a craft piece being unique which appeals to their customer base.
- find that customers are taking a greater interest in interior design and therefore are taking more of an interest in the quality and design of a craft piece.

Competition



- find that cheap imports from the Far East and China are currently copying established designs and styles and are being sold on at a fraction of the price that Irish crafts sells at.
- identify the two international markets with the highest potential as the USA followed by the UK. The concentration of Irish people (and/or their descendants) within these markets was a point which could be considered when undertaking marketing activities within both of these markets.

Barriers to growth

- believe that a large number of craftspeople are in a state of inertia resulting in the production of the same pieces year after year. There is a need for craftspeople across the Irish Crafts Sector to be aware of competitors and become more competitive.
- find there is little sophistication or savvy in terms of marketing activities.
- see the CCoI as acting like the Arts Council and being "too arty and pretentious" and interested in one-off pieces. It should be seen to represent all craftspeople.

Future trends

- acknowledgement that customers still view craft pieces as luxury good items and therefore will take a hit once there is a recession or even a downturn in the economy.
- believe more efficient production techniques will result in a higher degree and variety of crafts making their way into retail outlets.
- predict that there will be a steady increase in the sale of crafts rather than a high growth explosion.

caption

What craftspeople working in mixed media constructing had to say

General market

- estimate that the growth in the Irish Crafts Sector as a whole ranged between 10% and 25%.
- believe customers are becoming more appreciative of crafts.

Attitudes and opinions to quality/variety

- notice that more retail outlets have a bigger range of quality crafts. Non-traditional stores such as Arnotts, Brown Thomas, etc., currently stock a large selection of Irish crafts.
- find that the old two-tier market – cheap vs. premium – is expanding and the middle tier is becoming a greater focus for a higher number of craftspeople. However, the middle ground requires a wider range of products at affordable prices.
- find it difficult to keep apace with consumer trends and fashions. Craftspeoples' concentration is focussed on getting the current product to market rather than researching the latest trend.

Competition

- find that foreign imports provide the strongest competition. The "handmade" or "hand finished" stamp may be used on these items although up to 99% may have been made by a machine.
- notice that competition is now widening to include such retailers as Habitat, Foko, etc. These retailers produce modern, well made pieces, at reasonable prices.
- perceive the hobbyist end of the market as a threat. They generally have little commercial acumen and undercut their prices. This results in misleading the customer base.
- notice that customers are not purchasing on the basis of price alone but more importantly, design, quality and value for money.

Barriers to growth

- believe that craftspeople in general need to begin to move away from one-off pieces to a more commercial outlook. The one-off piece brings recognition from the "experts"but it is the mass production, commercial designs which pay the overheads.

Future trends

- believe that the Internet will be used to assist craftspeople, in particular small enterprises, to sell their products.

What craftspeople that work in paper had to say

General market

- find that here is a trend away from mass produced items.

Attitudes and opinions to quality/variety

- notice that it is difficult to keep up with fashion and trends. There is a belief amongst these craftspeople that trends have normally changed by the time a new design is ready.

Competition

- find that there is a market in Ireland for both the cheap imports and for the Irish handmade alternatives. This craft discipline believes that some customers want the cheap imports while others are looking for quality, innovative design and uniqueness.
- believe that countries excelling at making imported craft include Indonesia and South America.
- perceive that Irish handmade alternatives are positioned at the higher end of the market..
- notice that customers do not view price as being all important—there is now a greater focus on design, colour, quality etc.

Barriers to growth

- identify the improvement in the standard of quality in relation to cheap imports as a barrier to growth. This type of product is still being sold at a fraction of the price of Irish made crafts.
- identify the lack of retail outlets selling only Irish made crafts as another barrier to growth;. the majority of retailers currently sell a mixture of both Irish made and imported products.

Future trends

- believe that sales of Irish crafts will continue to increase. However, there are indications that the increase will be within the semi-mass produced crafts rather than one-off pieces.
- predict that the Internet will be used as both a marketing and sales channel. However, this medium will suit craft products that can be posted rather than more bulky items.
- a need was identified by this group of craftspeople for the CCoI to put more energy into the semi-mass produced craft enterprises rather than concentrating their efforts on one-off designer pieces.

caption

What craftspeople that work in stone had to say

General market

- find that there is an inconsistent growth due to seasonal peaks and troughs every year. In recent years there has been a slight growth but demand in still inconsistent.
- notice that the emergence of young house buyers, open to new mediums has resulted in a degree of growth for this particular discipline.

Attitudes and opinions to quality/variety

- find that stone is now an established medium and a "valid material". Previously it was not widely recognised.
- notice that Interest by customers in new shapes, styles, and new mediums has been beneficial for stone.
- believe that the success of Showcase has resulted not only in the development of new business but also in an increasing awareness amongst buyers and the customer.
- believe that stoneworkers are considered to be innovative and are up to date with new designs and/or market trends.

Competition

- consider Showcase to be a learning experience as craftspeople come into contact with international buyers and other craftspeople. Information is collected in terms of pricing, promotion and even tips on professionalism.
- find customers to be price conscious and more aware of increasing costs being passed along in the retail price. They feel that repeat customers are less price-sensitive.
- believe that the international markets, which show huge potential, include the UK, USA and Australia.
- identify a high level of competition within this market, mainly consisting of skilled workers producing high quality pieces.

Barriers to growth

Future trends

- believe there will be a trend to exploit the international markets to its full potential
- predict that quality and design will become key attributes and will help to secure the future of the Irish Crafts Sector.

What textile makers had to say

General market

- believe that the Irish Crafts Sector is experiencing growth but that very little growth, if any, has been achieved in the textiles sector.
- want the CCoI to help in encouraging and promoting greater awareness of the textile sector to the general public and to emphasise the importance of core skills within the educational system
- desire to remain small.

Attitudes and opinions to quality/variety

- believe that quality is the most important factor in the product bundle, particularly at the upper end of the market.
- feel that the quality of Irish made products is getting higher. However, the opposite is true of the import side of the market.
- believe that there is a lot of creativity within the textiles sector in terms of the variety of product lines, colours used, new materials, etc.

Competition

- find that competition is intense in the textile market. They feel that they have to stay within their own niche in order to survive. A number of craftspeople diversified into new areas (e.g. children's party dresses, Christmas decorations etc.) but have since returned to their core markets. Reasons included the difficulties in relation to working with new materials, new colours, new threads etc.
- feel that the textiles sector is under attack from international markets,. Cheap imports are flooding the Irish market and are viewed as being value for money by consumers.

Barriers to growth

- find that Showcase appears to be aimed at craftspeople with the ability to mass, or semi-mass produce.
- believe there is a lack of smaller scale craft events, similar to the RDS pre Christmas Show.
- notice that retailers still hold the power within the buyer/seller relationship. Payment can take up to 90 days or more, which has an impact on the business's cashflow.
- perceive that because there is no quality control of imports, cheap and cheerful type product is flooding the market.
- notice a lack of commercial outlook on the part of smaller craft enterprises involved in working with textiles—a more realistic view of the marketplace is required for businesses to succeed.
- identify the length of time it takes to train an employee in even the basis skills required for working within the textiles sector as a barrier to growth.
- notice the lack of training and development courses to help the sector stay abreast of new technologies, trends, designs etc.
- perceive a reliance on traditional formats rather than any experimentation with contemporary elements, be it colours, threads, pieces of clothing etc.
- believe that to produce craft pieces similar to the craft imports would require a lot of hand finishing which is labour intensive and expensive. Labour costs are high, limiting production capacity.

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Future trends

- are not optimistic about the impact of the Internet on sales due to the need to try on pieces, prior to purchase.

What wood workers had to say

General market

- believe there was modest growth within the Irish Crafts Sector over the last number of years.
- identify a growing proportion of the market as being less price-conscious.

Attitudes and opinions to quality/variety

- notice that consumers are becoming more demanding; they want pieces that are unique and thus design is crucial to success.
- believe there is huge potential in developing new, unique, "off the wall" more contemporary design-led pieces.

Competition

- believe that in addition to the tourism market, the corporate market represents a growing customer segment that provides opportunities to develop relationships and encourage repeat business.
- find there is a high level of competition from both foreign imports and semi-skilled craftspeople (or hobbyists) in the domestic market. The quality of their products may not be of a high standard but the price range is more affordable and therefore this segment of craftspeople is currently encroaching on the market, in general.

Barriers to growth

- are constantly trying to keep up with advances in technology and automation.
- find it difficult to source timber, both in terms of availability and price.
- notice that retailers hold the power in the buyer/seller relationship, particularly in terms of order quantities and the timeframe given to complete and deliver orders.

Future trends

- believe that sales will continue to increase for the foreseeable future.
- see a need to develop international markets, and to decrease the current reliance on the domestic market.
- perceive that the focus will be on developing closer relationships with customers and encouraging repeat business.
- believe that the future success in woodturning will be dependant on the specialism chosen by a craftsperson. Two specialisms exist: a factory based approach which allows economies of scale . and a quality-orientated approach led by excellence in design.

What other craftspeople had to say

General market

- estimate that there has bee n a growth of between 2%and 10% per annum within the Irish Crafts Sector per annum, over the last five years.
- believe that the support from such agencies as Enterprise Ireland, LEADER, etc. has helped generate and support craft enterprise.
- perceive that the increased development of the tourism market has been a rich source of revenue for Irish crafts.

Attitudes and opinions to quality/variety

- notice the emergence of a new, more "ecologically friendly" customer segment.
- believe there is a better "fit" between what the customer wants and what is available on the market. There is a perception that the bridging of this gap was due to improvements in design and quality.
- feel that they were leading the way in terms of new designs or approaches.
- notice that the Increasing proliferation of interior design magazines, interior design TV programmes, etc, has led to a growth in the sale of Irish crafts.
- believe (small number) that increasing volumes of imports may give the impression that the Irish Crafts Sector is growing in terms of price range and variety, but in reality these imports are seen to have a negative influence on the sector as a whole.

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Competition

- believe that they have direct and indirect competitors, both of which are perceived as being on the increase. However some craftspeople believe that they have no direct competition.
- find a large level of competition is now coming from the expensive but well-known brands available in most retail outlets.
- believe there are opportunities in the middle tier of the market where combinations of quality and price are required.

Barriers to growth

- find that as some craft items cannot be mass-produced, a labour intensive environment is unavoidable.
- believe that the size of the Irish market is a barrier to growth. The customer base is not large enough to support all of the existing enterprises.
- highlight the misrepresentation by manufacturers in the use of such labels as "hand made," "hand crafted" and "hand finished" as a barrier to growth. Customers are being mis-educated in terms of quality and the value for money they are receiving. In addition, a small number of craftspeople from these disciplines believe that this practice has resulted in a growth in the sale of "shamroguery" type products.

Future trends

- predict that the Internet could be exploited to develop international markets, particularly in relation to lightweight craft products (e.g. baskets, leather handbags etc.)
- estimate that sales will increase over the next three to five years and then level off in line with overall economic projections.
- notice that some parts of the domestic market appear to be in decline (e.g. West of Ireland) and identify the following international markets as having high potential: USA, Australia, Northern Ireland, UK and mainland Europe.

Notes