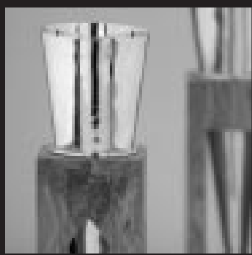
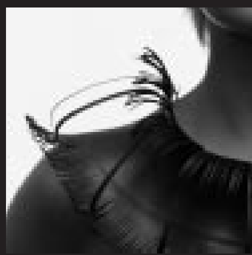
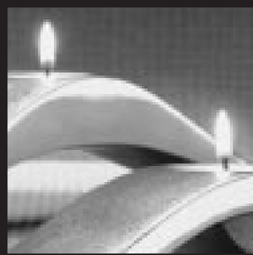
THE IRISH CRAFT INDUSTRY 2001







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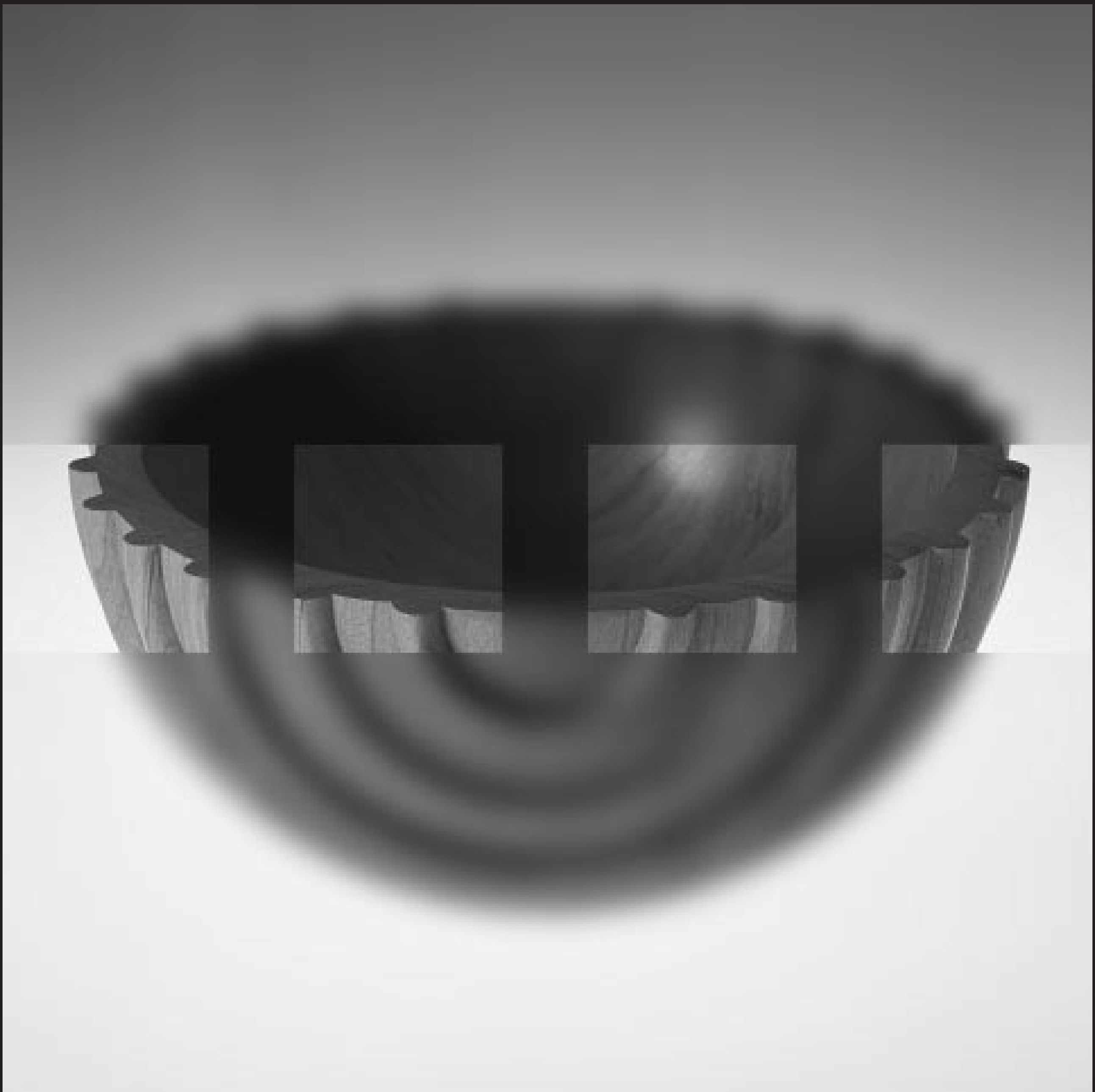
Crafts Council *of* Ireland



INTRODUCTION

The Crafts Council of Ireland (CCoI) commissioned Sia Consulting to undertake a sectoral analysis of the craft industry in the latter half of 2000. This report was submitted to CCoI in November 2000 and was subsequently published in May 2001. CCoI commissioned Sia to undertake a second benchmark of the Irish craft sector in September 2001.

The purpose of the 2001 benchmark is to track changes in the craft sector, to identify current issues and opinions and to highlight areas that require CCoI intervention. This research involved both quantitative and qualitative research. The quantitative research resulted in the development of statistically valid information on the Irish craft sector while the attitudes, opinions and expectations of the Irish craft sector were ascertained through extensive qualitative research.

This report presents the findings of the sectoral research undertaken by Sia Consulting on behalf of the Crafts Council of Ireland.

OBJECTIVE

The key objective of the assignment was as follows:

'To provide the Crafts Council of Ireland with up to date, pertinent information on the Irish craft sector which will feed into the Craft Council of Ireland's future actions.'

The research aimed:

- to update the previously reported information on company size, location, staff numbers, skill shortages, etc.
- to update the current reported figures in relation to annual turnover, wage levels, etc.
- to identify the primary obstacles to growth experienced by the craft sector
- to identify areas of potential market growth through qualitative interviews with a sample of enterprises registered with the Crafts Council
- to assess the extent to which Irish craft meets the needs of customers

METHODOLOGY

The initial sectoral study undertaken in 2000 provided both qualitative and quantitative feedback on the Irish craft sector. It was agreed that the research methodology, incorporating a number of subtle changes, would be repeated in 2001. CCoI required quantitative data in order to develop a detailed profile of the craft sector in 2001. The qualitative aspect is designed to provide understanding as to why the picture is as it is. The quantitative data collected augments and updates the information which currently exists on the Irish craft sector.

For the purpose of the 2001 benchmark a postal survey to the entire CCoI database was identified as the optimum approach to obtaining reliable quantitative feedback from craftspeople. A number of additions were made to the structured questionnaire developed in 2000 and this was then distributed via postal survey to the full population of 1,308 craftspeople on the CCoI database, or Register of Craft Enterprise. A total of 456 questionnaires were received before the cut off date of 15th October 2001, which resulted in a response rate of 35% of the CCoI database. This compares very favourably with the percentage achieved (33%) in the 2000 study. The response rate is a reflection of the follow up reminders and the importance that the CCoI membership places on this research.

Structured questionnaire

The structured questionnaire included both open and closed questions. The closed questions canvassed craftspeople using 'tick the box' style questions, while the open questions asked the respondents to elaborate in areas of particular interest.

Qualitative research

In-depth telephone interviews were conducted by Sia consultants with 80 craftspeople from the CCoI database. The topic guide used was agreed with CCoI in advance. These qualitative interviews probed to understand the perceptions held by craftspeople on the sector's development, the quality and variety of craft product, key barriers to growth and predictions for the future. The following table provides an outline of the breakdown of interviews carried out within each craft discipline:

CRAFT DISCIPLINE	DATABASE TOTAL	INTERVIEW QUOTA
Basketry	21	1
Bookbinding/Bookmaking	6	0
Candlemaking	17	1
Ceramics	265	16
Embroidery	19	0
Fly Tying	4	0
Fresco Painting	2	0
Furnituremaking	110	6
Glassmaking	91	5
Horology	3	0
Jewellerymaking	153	9
Leatherworking	17	1
Lettering	9	0
Metalworking	89	5
Mixed Media Construction	38	2
Musical Instrumentmaking	13	1
Paperworking	34	2
Printing	23	0
Silversmithing	18	0
Stoneworking	35	2
Textilemaking	280	17
Thatching	4	0
Toymaking	9	0
Woodworking	195	12
Other	13	0
Total	1,468	80

Craftspeople were contacted on the basis of every nth entry within each discipline to ensure a random sample was achieved. The quota of interviews undertaken within each discipline is representative of the CCoI's database and all of the interview quotas were completed successfully.

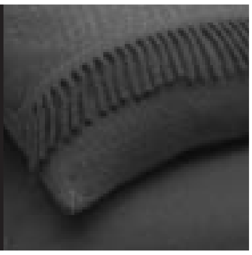
KEY QUALITATIVE FINDINGS

Overall findings from craftspeople

All interviewees across the range of craft disciplines gave freely of their time, views and opinions. The results of the interviews were analysed qualitatively and themes developed in terms of craftspeople's views on the Irish craft sector as a general market, perceptions towards the quality and variety of craft products, competition, key barriers to growth and future trends.

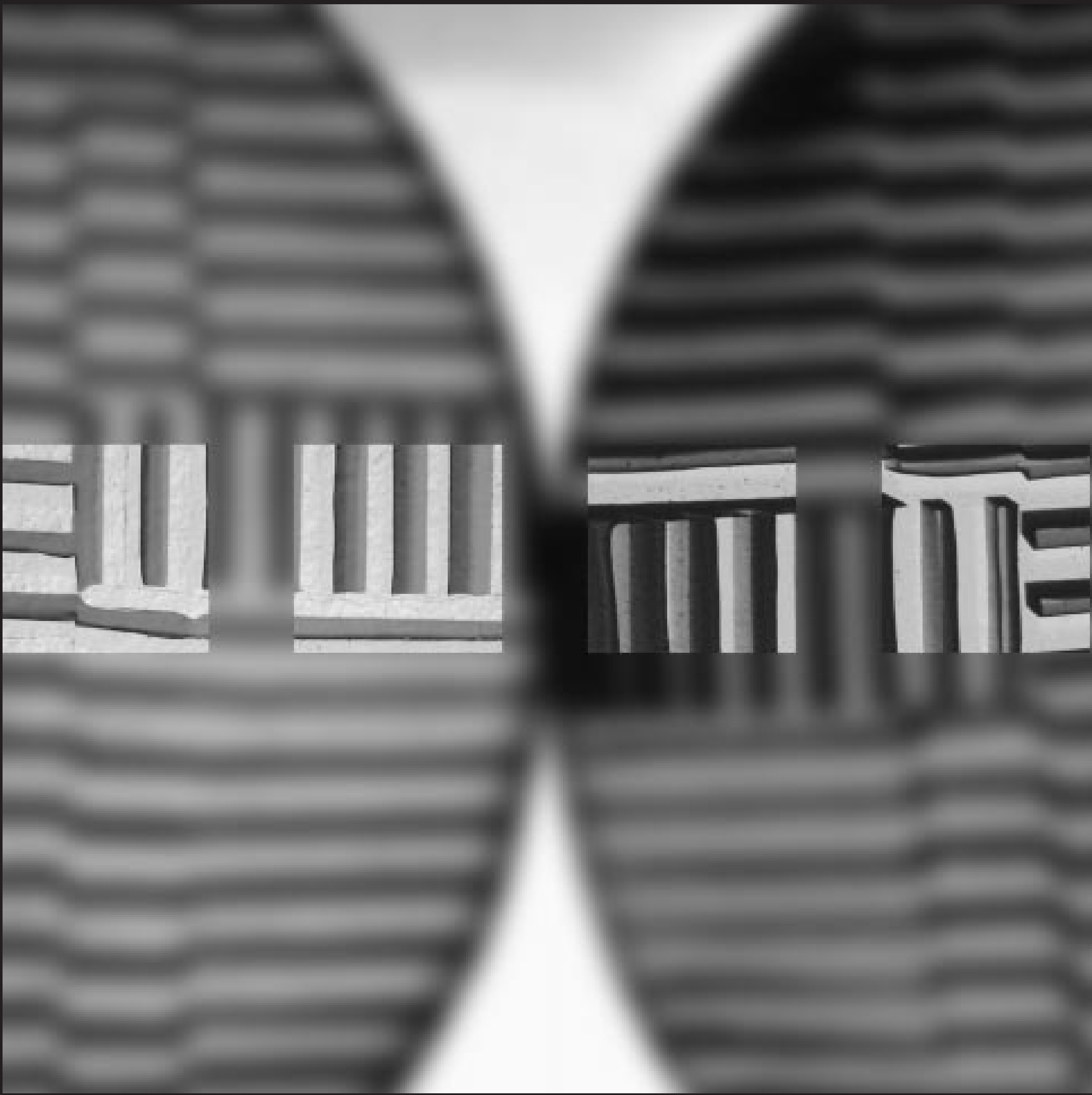
The following contains views, attitudes and concerns which were commonly held by the majority of craftspeople across all the various craft disciplines. Section 4.2 provides additional information which is specific to each craft discipline.

General market



Craftspeople were invited to outline their opinions on the status of the Irish craft sector and the causes of any growth, decline or stagnation in the sector. The majority of interviewees suggested that the craft sector has experienced significant growth in the last five to six years. Estimations of between 10% and 25% sector growth per annum for the mid to late 1990's were put forward. Several interviewees described this period as being the most successful the craft sector has ever experienced. The favourable economic climate and greater affluence combined with significant advances made in terms of craft skills and professional business approach were identified as the primary factors contributing to this sector growth. Other factors which interviewees identified as contributing to growth in the craft sector included:

- greater awareness of and appreciation for Irish craft and hand made pieces among consumers. Irish craft is increasingly viewed as an 'art form.' Top quality Irish craft products are now viewed by many consumers as an alternative to traditional 'fine art' pieces
- greater understanding, among the consumer base, of the skills and effort involved in producing the various craft pieces
- significant improvement in the craft sector skill base and resultant enhancements in terms of quality and variety produced. CCoI skills training received recognition for these improvements. Design and presentation skills, while still requiring further development, have also improved
- emergence of an increasingly discerning customer with a higher degree of visual orientation and appreciation for design and creativity. Consumers are increasingly interested in the purchase of unique/individual pieces which the Irish craft sector is able to supply
- greater recognition in international markets for Irish craft
- greater access to the craft customer through increase in the number of retail outlets, craft fairs and exhibition centres
- greater levels of disposable income and a less price sensitive customer
- increasing interest and investment in both home and garden improvement/decoration
- increases in tourism in the mid to late 1990's



- A significant majority of interviewees, however, expressed concern over the performance of the craft sector in the last six to twelve months. It was strongly indicated that the same level of growth was not experienced in this period. A general perception was held that the market has slowed down considerably in 2001. There was a strong consensus that the general slowdown in both the domestic and global economy, the fall off in tourism and the effects of the foot and mouth outbreak have had a very negative impact on sector growth. Craftspeople interviewed in 2001 stated that they had experienced an estimated growth of between approximately 2% and 8%. Several interviewees however did not experience any growth, while a small number experienced negative growth.

  Other factors cited as contributing to this slowdown or fall off in sector growth include:

- conservatism on the part of buyers due to the global economic outlook. Both retailers and agents, and to a lesser extent end consumers, were perceived to be buying lower volumes in the last six months
- cancellation of several trade fairs due to the foot and mouth crisis. Sales through this very important channel have been affected as a result. Orders from retail outlets have been cancelled.Craftspeople have also noted that casual or 'passing' trade has suffered due to the restrictions on movement of people in the regions during the foot and mouth crisis. Interviewees also expressed concern that the crisis may affect sales in 2002 as retailers will be reluctant to place large orders with craftspeople due to the stock of craft pieces already held
- reduction in tourist numbers due to the combined effects of foot and mouth, the slowdown in global markets and concerns over the Northern Ireland peace process
- absence of investment in innovation and research and development by the craft sector at large. As the craft sector experienced rapid growth in the mid to late 1990's craftspeople were forced to place an emphasis on keeping pace with current demand rather than investing in design or product development. As a result a limited amount of new ranges and designs are released by the Irish craft sector each year. The Irish craft sector has thus become increasingly vulnerable to well designed international craft
- saturation of a limited market due to the high number of new entrants to the craft sector in very recent years. Anecdotal evidence was given by several interviewees of recently established small craft enterprises which have been forced to cease trading. It was suggested that craft enterprises who restricted their sales to the domestic market were particularly vulnerable due to its limited size
- increase in the cost of materials, wage costs and other overheads throughout 2001. Several craftspeople expressed concern that their profitability had been affected as a result
- inability of the market to sustain the pace of growth experienced over the last 12 months (ie, from 11/2000 to 11/2001)
- increasingly demanding terms and conditions imposed by intermediaries such as credit terms, mark up on goods bought in, trade fair admission fees, etc

Perceptions of quality and variety

Interviewee's opinions were sought on the performance of the Irish craft sector in meeting customer needs. Craftspeople were also asked to identify whether there are any gaps remaining in the market which could be more effectively exploited through an improvement in craft skills.

There was a strong consensus that the quality of Irish craft is excellent and would compare favourably in this respect with any international craft. The positive impact of CCoI training and an improvement in professional standards and craft skills were perceived to be the main contributory factors to achieving this high standard of quality.

The majority of interviewees, however, were concerned that Irish craft is not meeting the customer's needs in terms of either design or variety. The challenge in keeping pace with rapid sector growth and customer demand between 1995 and 2000 was suggested as the key reason for a lack of investment in design and product development during this period.

- Some improvements are perceived to have been made in terms of quality, design and finish in recent years. CCoI training received praise for being largely responsible for these improvements. There was now, however, strong consensus that further development in terms of these criteria is critical for further growth to take place.
- Concern was raised over the scope of work produced in terms of quality. At the higher end of the market the quality of craft produced was viewed very positively. This work compares very favourably with any work produced internationally. There was, however, a growing perception that the lower or 'cheap and cheerful' end of the market is gaining an increasing share. Those craftspeople who considered themselves to be operating at the higher end of the market expressed concern that such low quality products would generate a poor image for the craft sector at large.
- Several craftspeople were also disappointed at the increasing presence of craft pieces which are promoted as both 'Irish' and 'hand made' when this is not entirely true. According to these interviewees the use of production techniques such as the 'jigger jolly' and the purchase of component pieces from international mass manufacturers should not allow the finished product to be promoted as either 'Irish' or 'hand made.'These craftspeople believed that the Irish consumer is being misled in terms of what is and what is not hand made.'
- There is a considerable degree of opinion that gaps still exist in the Irish craft sector. Improvements in terms of design skills were suggested as offering potential for developing new sales. Weak design skills and the lack of time to invest in product development were seen to be key challenges facing Irish craftspeople. The lack of innovation and creativity in terms of design is seen to offer potential to those craftspeople who have strengths in this area. It is expected that a significant growth in the level of work commissioned by interested buyers such as corporations, local authorities and private investors would be possible if there were further investment in design and training in design. Other gaps in the market which were identified by craftspeople included:
  - prizes/awards, etc., for example, golf, corporate awards, etc.
  - garden design, sculpture and decoration
  - craft pieces as a display or art form to be sold through the exhibition market

- Consumer tastes and trends are perceived to be changing frequently. Craftspeople believe it to be very challenging but important to keep pace with those changing trends and fashions. Colours appear to be becoming more fashion oriented and change frequently from season to season. Consumers are perceived to be growing slowly in terms of sophistication and appear to be increasingly interested in simple, low-key designs.

  A small number of craftspeople indicated that they have made a conscious decision to develop at least two to three new lines each year. These craftspeople suggested that this initiative requires a 'trade off' between achieving efficiencies in production in the short term and securing a long term viable market. The majority of craftspeople however have found it difficult to devote the necessary amount of time and resources to design and product development in order to keep pace with consumer trends. Many of this group believed that the craft sector was falling in to the trap of producing the same lines from year to year.
- There was common agreement that a focus on quality in terms of production is crucial for long term business success. The finished product will not appeal to intermediaries or end consumers if the quality is not of the expected standard.

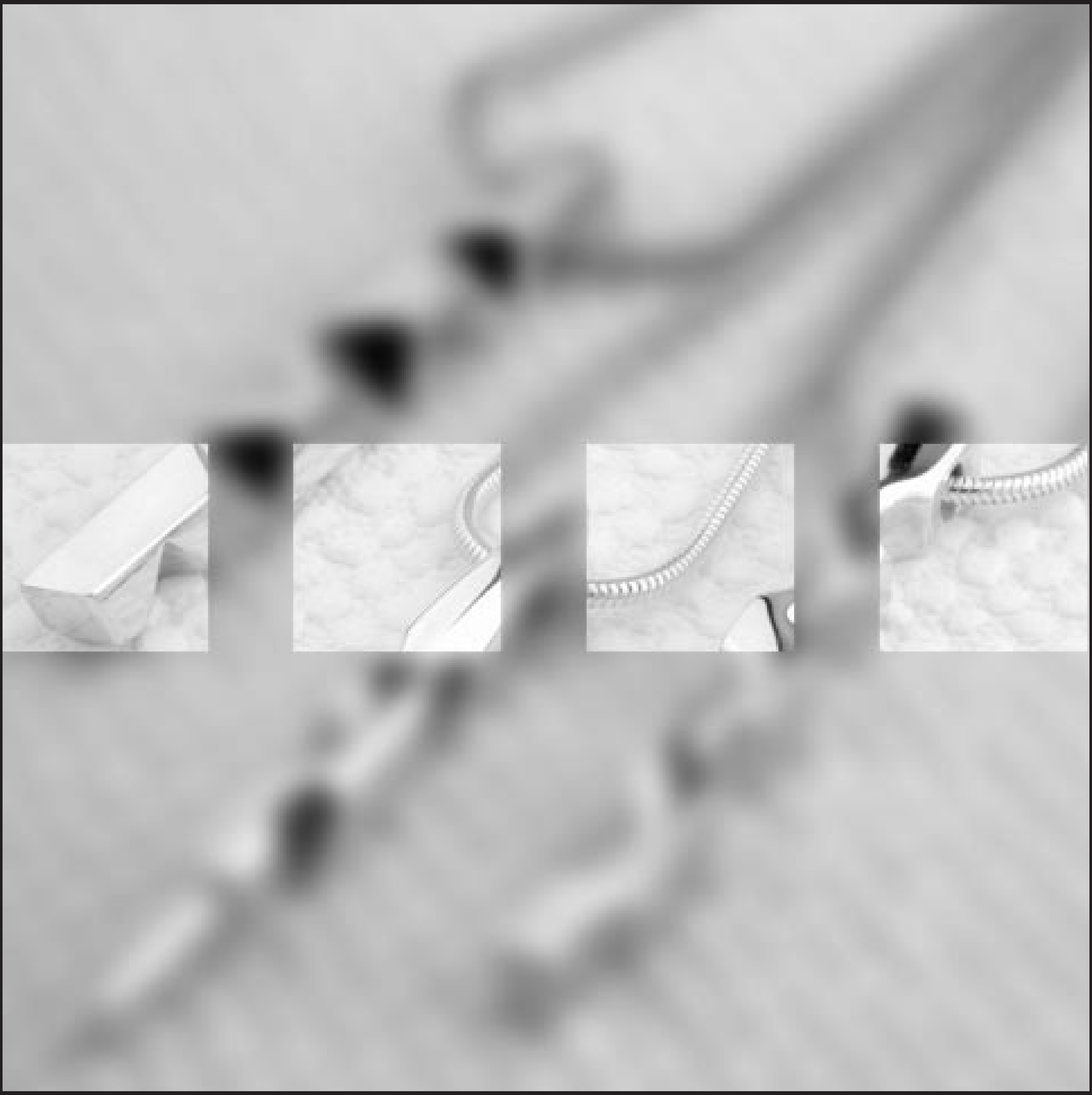
Competition

There was a strong consensus among those being interviewed that the Irish craft sector is becoming increasingly competitive. Many craftspeople indicated that while they produce unique and individual pieces there is an acceptance that they are in fact competing directly or indirectly with other craft pieces in the same product group or price range. Several craftspeople were disappointed that they should be competing alongside low quality craft products. There is a realisation, however, that this is in fact unavoidable due to the lack of appreciation for high quality product among the customer base.

The following sources of competition were identified by craftspeople representing the majority of craft disciplines interviewed:

- all craftwork produced by Irish craftspeople, be it from any discipline, which sells within the same price range. A large majority of craftspeople indicated that their product must stand out against anything else that might be on offer in the craft shop or at the trade fair
- several craftspeople from a number of disciplines identified international craft as an increasingly competitive threat. The lack of innovation and creativity in terms of design in Irish craft was believed to be presenting design led international craft enterprises with a very attractive opportunity. There was also a commonly held opinion that import of very competitively priced craft from eastern Europe and the Far Eastern countries are gaining an increasing share of Irish domestic sales
- mass produced domestic and international products which are promoted as Irish hand made craft are believed to be a key challenge to genuine Irish craft enterprises which concentrate on handmade craft

In terms of competitive criteria, quality was perceived to be the most important and valued criterion by Irish craft buyers. There was general consensus that Irish craft measured up very well in terms of quality. Price was also highlighted as a key criterion. Craftspeople believed that the Irish craft buyer was significantly more price sensitive in 2001 than in previous years. The slowdown in the economy and general tightening of both trade and domestic budgets was blamed for this increasing emphasis on price. There was also strongly held opinion that design and presentation would become increasingly important in



the future. Improvements in terms of design and finish were perceived to offer potential for development of a more competitive and appealing product offering. Similarly effective presentation was viewed as a very practical means for improving the appeal of the product.

Branding and the importance of a recognisable or reputable name were considered by several craftspeople to be of growing importance. A small number of interviewees suggested that a well-developed brand offers significant potential for differentiating the product offering. A small number of craftspeople, however, were adamant that they are not in competition at all due to the very unique nature of their product.

Key barriers to growth

Craftspeople interviewed were encouraged to identify the primary barriers to development facing the Irish craft sector. A wide range of issues were raised in response to questions on this area. Some of these issues are quite specific to certain disciplines and are thus reflected in the next section which provides detail specific to each discipline. Isues which were raised consistently across all, or the majority of disciplines, are reflected below:

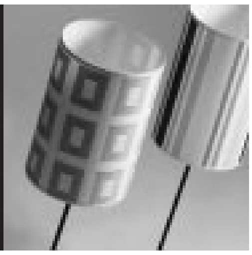
- the slowdown in both the domestic and global economy and the terrorist attacks on the United States were identified as key areas of concern by the vast majority of craft people interviewed. There was general consensus that a slowdown in growth levels had already been experienced by the craft sector in 2001. Large-scale opinion was held that this slowdown would continue for the remainder of 2001 and would quite probably carry through to early 2002. The foot and mouth crisis and the drop off in tourism were also identified as key barriers experienced by the craft sector in terms of business development in 2001. A number of interviewees suggested that the craft sector will not be able to sustain craft enterprises who have not adopted a very professional approach to conducting business
- time, or the lack of, appears to be a critical barrier to growth for many craft enterprises. Craftspeople are limited in their ability to take on certain orders due to their limited production capacity. The lack of available time also reduces their ability to invest in design and product development. Several craftspeople admitted that they would benefit from an improvement in their approach to time management and their prioritisation of tactical activities over strategic or long-term business development issues. Other internal barriers to business growth cited by craftspeople included the following:
  - rising cost of staff: recruitment, training and salaries
  - spiraling cost of overheads such as materials, light, heat, etc. These increasing costs are perceived to be limiting the potential for craft businesses in their efforts to expand
  - the majority of craftspeople believed that an increasing emphasis on training in design, innovation and product development is required. Irish craft needs to prove itself internationally and measure up against international competition in these respects. There was a strongly held opinion that Irish craft is currently suffering from a lack of creativity and innovation which has resulted in a limited variety of craft pieces on the Irish market
  - absence of basic business skills among so many craft enterprises. Marketing and financial management were considered to be most important. Anecdotal evidence was given describing viable businesses failing due to a lack of sound business planning and an absence of finance and marketing skills. The difficulties in managing cashflow was an issue frequently raised by the majority of craftspeople

- in terms of competition many craftspeople believed that the market has now become saturated with an increasing number of small-scale craft enterprises. Competition is now considered to be very intense in many of the craft disciplines. In addition to the large number of domestic craft businesses there is significant competition from the eastern European and Far Eastern countries. Their products are perceived to be reasonably well designed and very appealing to the consumer from a price perspective
- the powerful position of the intermediary is seen by many craftspeople as the most significant barrier facing craftspeople. Retailers, trade-show hosts and gallery owners have imposed very onerous terms and conditions on craftspeople which has made it increasingly difficult to gain access to the end consumer. The margin or mark up imposed by retailers and the entry fee charged by trade show hosts has forced many craftspeople to develop alternative sales channels. In addition to these harsh terms the still limited number of channels increases the difficulty in accessing the end consumer
- research and development in the Irish craft sector has being very neglected in recent years due to the demands of the day to day business operation. The lack of innovation may place Irish craft enterprises in danger of losing market share to international competition
- concern was raised over the lack of clear differentiation in terms of accompanying communications between high quality and low-grade craft products. Low quality and mass manufactured craft products were seen to be 'masquerading' as high quality, hand made craft. A perception was commonly held by a significant number of craftspeople interviewed that customers still require further education in terms of the difference in quality of similar product types
- representatives of smaller craft businesses expressed concern over the growing power of the larger craft enterprise. According to these sources it is becoming increasingly difficult to compete alongside the well-established brands and economies of scale enjoyed by larger scale companies
- developing international markets is perceived to be extremely challenging and in many cases fraught with difficulties. Accessing market information, identifying suitable contacts and gaining access to appropriate trade fairs were put forward as the primary difficulties faced. The costs involved in developing these markets were seen to be a key barrier to the development of many craft businesses
- craftspeople have only recently developed a sense of self-confidence and self esteem. This lack of confidence and self-belief has held back the sector's development in recent years. Similarly sourcing skilled workers also proved to be a major challenge for many craft enterprises. This problem has being largely addressed by the steady provision of graduates from the CCoI Skills Training programmes. While these challenges may not be as significant as was previously experienced craftspeople believed it important to raise them in order to justify the current stage of sectoral development

Future trends

There is significant concern among craft representatives that sector growth will be limited in the next six to twelve months and possibly even beyond. The performance of the craft sector is very closely linked to the performance of the economy. The slowdown in the economy and the uncertainty in global markets caused by the recent terrorist attacks in the United States were put forward as the key reasons for this predicted slowdown. Craftspeople interviewed have already experienced declines in terms of growth levels achieved in 2001. This decline has been largely attributed to the combined effects of the restrictions caused by the foot and mouth crisis and the emergence of a more cautious and price sensitive craft buyer.

When discussing the implications of the foot and mouth crisis craftspeople were of the opinion that the effects would not be limited solely to the short term. Craftspeople commented on the high stock levels currently held by retailers due to the fall off in sales during the foot and mouth outbreak. As a result the retail sector is expected to place smaller orders with craft enterprises in the remainder of 2001 and early 2002.



The following market forecasts were generated when interviewees were asked to indicate whether the sale of Irish craft would increase or decrease. It should be noted that due to the timing of the interviews, craftspeople frequently conditioned their response by referring to the recent attacks in the United States and the threat of global conflict:

- uncertainty, and in many cases pessimism, exists as to whether growth in craft sector turnover will be achieved in the next six months. Craftspeople however spoke very positively about anticipated craft sector growth subsequent to this period. The majority of craftspeople interviewed held the opinion that the sector was well enough developed to sustain this slowdown which is expected to be reasonably short lived. There was general consensus that the sector would return to positive growth at some point in 2002. A small number of craftspeople were very optimistic about both the immediate and long term future for their businesses and the craft sector at large
- there was a strongly held opinion that a significant number of craft enterprises may be forced to cease trading due to a slowdown in sector growth and the advent of a more competitive market. Several craftspeople suggested that this slowdown may actually present an opportunity to craft enterprises who have adopted a very professional approach to managing their business. These craft enterprises would be in a position to secure a lot more business in a craft sector made up of a smaller number of players
- several craftspeople also predicted that the craft sector would experience some degree of consolidation in that some of the larger businesses would 'absorb' or takeover some of the smaller craft enterprises. It was suggested that there would be a growing need to reduce overheads which would prompt craftspeople to combine resources

When asked to comment more generally on emerging market trends the craftspeople interviewed were generally quite positive. The following key issues were raised:

- the development of international, and in particular, European markets are identified as providing craft enterprises with their biggest opportunity. The French, German and Dutch markets were identified as key targets by several craftspeople interviewed
- although some doubt was raised over the Irish consumers' level of sophistication it was generally held that this consumer is slowly evolving into a more demanding and discerning buyer. It is expected that the consumer will have a considerably greater involvement in terms of design and product development in the future. The sector also anticipates an increasing emphasis on aesthetic appeal over the functional capability of

craft pieces. The need to develop a closer relationship with the consumer and a more intimate understanding of their needs was put forward as being critical by a number of craftspeople

- improvements are expected to be made in terms of design, finish and display. This will be largely driven by market demand and the increased level of competition from abroad
- a growth in the level of craftwork commissioned by public authorities, commercial organisations and private investors is anticipated
- several craftspeople anticipated that there would be a fall off in the level of investment and interest by craft enterprises in developing an internet presence. Anecdotal evidence arose of disappointment in initial attempts at exploiting this medium. A small number of craftspeople suggested that the craft sector had become disillusioned with the internet and questioned its suitability for displaying and selling craft goods
- several craftspeople also indicated that development of a reputable brand would become increasingly important. Consumers are perceived to be becoming increasingly brand conscious

Craft discipline – specific findings

The previous section reflected issues which were commonly held by the representatives of the majority of craft disciplines interviewed. A number of issues were raised by craftspeople which are specific to each craft discipline and these are categorised here.

Basketmaking

General market

- a marginal fall off in growth was experienced in 2001 by craftspeople interviewed from the basketry discipline. The economic slowdown and the effects of foot and mouth were largely to blame for this slowdown. Basketmakers experienced consistent growth of between 5% and 10% throughout the latter-half of the nineties
- basketmakers feel that there is a greater appreciation among consumers for craft and the value of hand made work
- more innovative, design led work in the basketmaking discipline is now being produced. An emerging segment of customers are those who seek to purchase an innovative, creative product

Perceptions of quality and variety

- the Irish craft sector is most definitely meeting the needs of the customer. The improvement in the quality, design and use of materials is very notable
- the basketmaking discipline is becoming increasingly competitive. The Irish consumer has a lot of choice available
- basketmakers believe that design skills are lacking among all craftspeople and that there is a need for continued investment in design and training in design

Competition

- other indigenous basketmakers are considered to be the only significant form of competition by members of this discipline. They are competing on the same level in terms of price and high quality. The quality of imports from the Far East is inferior. Established customers are becoming increasingly aware of this difference in quality

Key barriers to growth

- basketmakers are finding it increasingly difficult to devote time to design and experimentation. There is a fear among members of this discipline that craftspeople are falling into the trap of producing the 'same old pieces' year in year out
- business skills are viewed as becoming increasingly important by members of this discipline
- the growing power of the retailer is now becoming an issue for many basketmakers. Basketmakers are forced to be incredibly competitive in terms of price as a result

Future trends

- customers are becoming increasingly sophisticated and discerning. Unique pieces are becoming increasingly appealing
- new markets will have to be developed due to the limited size of the domestic market
- an increasing emphasis will be required on design, creativity and innovation
- basketmakers were generally optimistic about the future of Irish craft. Predictions were that the sale of Irish craft will continue to grow but will probably not experience the same pace of growth as in the last 5 years

Candlemaking

General market

- the candlemaking discipline experienced very rapid growth in the late 1990's. Sales in 2001 have not been as strong as in recent years. The combined effects of the foot and mouth crisis and the general slowdown in the economy are the primary factors causing this
- there is a lot more variety available to the Irish consumer in recent years. Investments in innovation by Irish candlemakers are increasingly evident
- the market for Irish candles is becoming increasingly less seasonal. Both frequency and volume of purchase of Irish candles is believed to have been increasing in recent years
- consumers are more interested in purchasing Irish made candles than imported candles

Perceptions of quality and variety

- Irish candles compare very favourably with international produce. The buyer is offered a very extensive range of colours, sizes and shapes
- candlemakers must continually invest in the development of new designs in order to secure a viable business from year to year. Candlemakers need to make a conscious business decision to introduce a number of new ranges each year

Competition

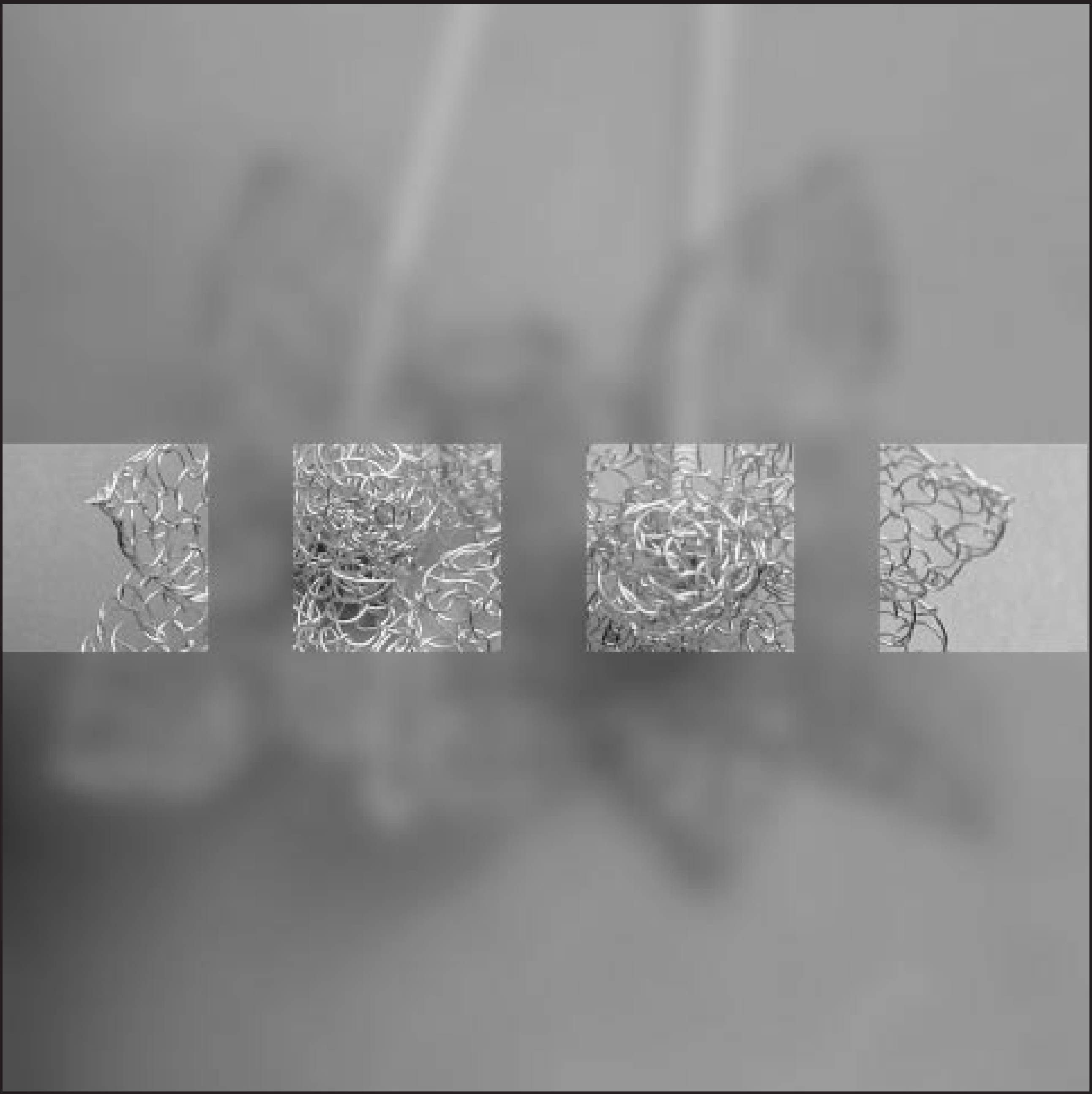
- candlemaking in Ireland is becoming increasingly competitive. There are a large quantity of excellently produced candle ranges available to the Irish consumer
- finish and presentation are particularly important competitive criteria in the candle market. Candlemakers also have to be very cost efficient as the consumer is particularly price sensitive

Key barriers to growth

- the reluctance or inability among Irish craftspeople to develop international markets is seen as a key barrier to growth by candlemakers interviewed in 2001. The limited size of the domestic market will determine that candlemakers and other craft disciplines look to export their product
- the cost involved in exhibiting and taking a stand at a trade fair is too high for many candlemakers who are forced to develop alternative channels as a result
- the retailer is powerful and the terms that they impose limit access to customers

Future trends

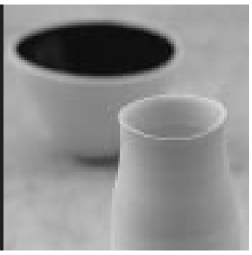
- the pace of growth experienced in the craft will probably begin to stabilise in 2001 and ensuing years. The limited size of the domestic market and the requirement for considerable investment in order to develop international markets were put forward as key reasons for this market projection
- craft businesses will need to constantly evolve and change their approach to business and design in particular in order to keep pace with changing customer needs



Ceramics

General market

- growth in the ceramics sector between 1995 and 2000 was very significant. This growth has stabilised or in some cases reversed to negative growth in the last twelve months. This is primarily due to a general slowdown in the economy and the cancellation of so many trade fairs as a result of the foot and mouth outbreak
- anecdotal evidence was given of a number of small scale and one-person ceramics enterprises closing in the last twelve months. There was opinion that the overheads involved in such an enterprise are very difficult to sustain
- there is a significant improvement in recent years in the quality of ceramic product produced by the Irish craft sector
- the ceramics customer is perceived to be becoming increasingly discerning in terms of design and finish
- the craft retailer is becoming increasingly demanding in the terms they impose on ceramists. Credit periods are being lengthened significantly
- sourcing skilled ceramists is no longer the challenge that it once was. The graduates of the CCoI Skills Training course at Thomastown are very well respected



Attitudes and opinions to quality and variety

- ceramists were very positive in describing the craft sector's ability for meeting the customer's needs. The quality and variety of ceramic work produced is considered to be excellent. It was suggested by a small number of interviewees that there was little difficulty in meeting current customer need as these needs are neither 'demanding nor stretching.' The Irish ceramics customer was described as being very insular and only affected to a slight extent by international influences
- batch and volume production techniques are being increasingly used in order to keep pace with the volume of demand and the need for improved efficiencies
- a perception is held that there is currently a surplus of craft enterprises specialising in ceramics. Competition is considered to be very intense. Several ceramists suggested that the dominant interest in any one craft discipline is only fleeting
- ceramists believed there to be significant differences in the quality of ceramic work available on the Irish market. While the majority is considered to be excellent there is still a steady supply of low quality ceramic work
- consumers' tastes change from season to season. A significant number of ceramists believe that there are gaps available to those who identify those changing trends at an early stage
- ceramists believe there are significant opportunities for larger scale companies to exploit international markets. Mainland Europe was perceived to offer a lot of potential for ceramics organisations
- it was highlighted that there is a significant degree of scope for more outdoor sculpture and garden features

Competition

- the indigenous and international retailers are increasingly viewed as a competitor due to their growing interest in stocking international ceramic lines
- the Irish ceramics market is becoming increasingly competitive. Several ceramists believed that the sector is in fact reaching saturation point due to the large number of new business start-ups in recent years
- the domestic ceramics market is faced by increased competition from international mass manufacturers offering reasonably 'good-looking' pieces for very competitive prices
- ceramists perceive branding to be of particular importance. Many suggested that a well established brand name allows for a price premium to be charged on the product

Key barriers to growth facing the Irish craft sector

- research and development is very neglected in the Irish ceramics sector. Ceramists believe this will leave them vulnerable to foreign competition in the near future
- strong opinion exists among practicing ceramists that a clear distinction should be made between the work produced by professional craftspeople and that produced by amateur workers. Several craftspeople suggested that a quality mark be made available to CCoI registered ceramists
- continued emphasis is required on training in design, innovation and product development
- the lack of easy access to market is perceived to be a key barrier to further growth. Retailers are believed to be gaining in power and becoming increasingly demanding in their application of terms of trade. Trade fairs and exhibition centres are very limited in number and prove to be too costly for many ceramists
- ceramists believe that the lack of basic business skills and marketing expertise in particular among Irish ceramists is becoming increasingly concerning

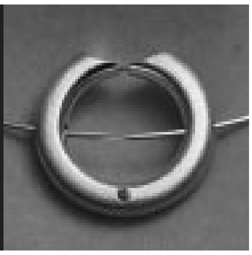
Future trends

- the immediate future of Irish ceramics is very uncertain due to the current economic slowdown, the fall off in tourism and the cancellation of so many trade fairs due to the foot and mouth outbreak
- ceramics is not expected to maintain its position as the 'in vogue' craft discipline indefnitely. Several ceramists suggested that a number of potteries will actually be forced to close down or merge with larger enterprises in the near future. Many viewed this possibility as being a positive development for the sector. The market is considered to be too small for the numbers currently involved
- future growth in domestic market is seen to be dependent on a greater awareness of Irish ceramics being built among the general public
- ceramists were of the opinion that there is an increasing need to give equal focus to the artistic end of the craft as well as the gift end. The development of appropriate exhibition space is critical to this
- the ceramics buyer is becoming more sophisticated, increasingly discerning and seeking a greater degree of involvement in design. It is expected that there will be a greater emphasis on developing a close relationship with the customer in the future and a pressing need to identify their needs

Furnituremaking

General market

- growth in the Irish hand crafted furniture market has stabilised in 2001. This is largely attributed to the general slowdown in the economy and the cancellation of so many trade fairs as a result of the foot and mouth outbreak. Retailers are judged to have purchased less and in some cases postponed or cancelled orders
- the rapid growth experienced in the years prior to 2001 was attributed to an increasing awareness and appreciation for Irish craft. Furnituremakers also held the opinion that consumers placed a greater value on the craft and exhibited a far better understanding of the production skills involved
- there was consensus that there are more skilled furnituremakers in the Irish market in recent years. The furniture college in Letterfrack received considerable praise for its very positive impact on improving skills in the craft sector
- customer expectation has become increasingly demanding in the furniture market. This is viewed positively by the furnituremakers interviewed who suggested that the higher expectation levels had the combined effect of improving quality dramatically and eliminating unskilled craftspeople from the marketplace



Perceptions of quality and variety

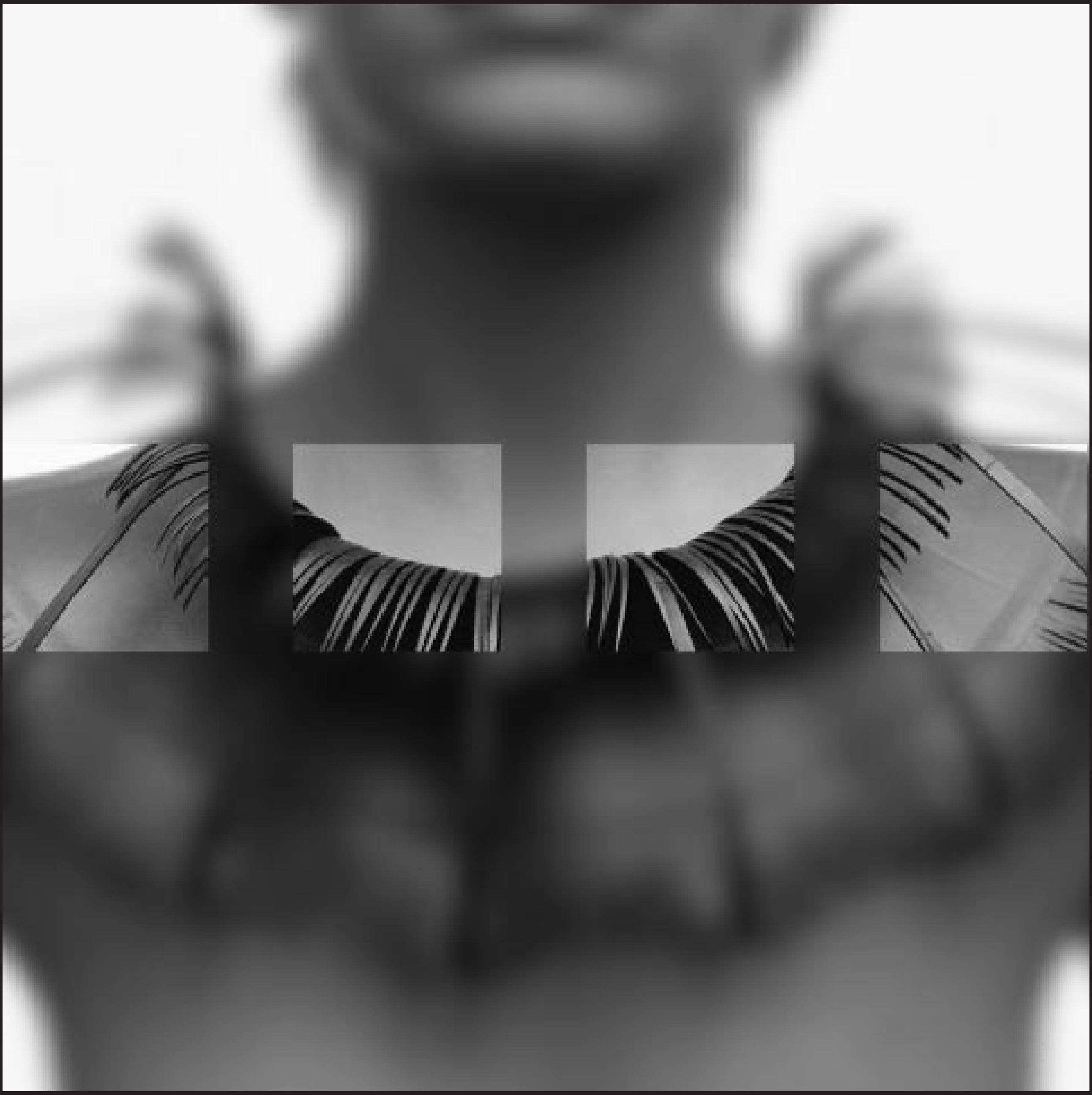
- the quality of the furniture available in the Irish market compares very favourably with that produced by international craft enterprises
- there is a concern among Irish furnituremakers that the current lack of emphasis on innovation will leave this sector of Irish craft very vulnerable to international competition
- gaps are always available to furnituremakers who identify changing trends at an early stage. The furniture buyer tends to look for specific styles from year to year
- furnituremakers held the opinion that there is a pressing need to improve presentation and display skills as these are very lacking in the Irish sector
- an ongoing focus on the production of high quality well-finished pieces is particularly important in the furniture market. Repeat business and referrals are vital and thus quality control assumes a high degree of importance

Competition

- competition from international retailers is becoming increasingly intense. There is a perception among furnituremakers that retailers such as IKEA and Habitat are gaining an increasing share of the Irish market. The furniture stocked by these parties, while mass produced, is reasonably well designed. The Irish consumer, however, is under the impression that this stock is in some way hand made. It is also very appealing to consumers from a price perspective

Key barriers to growth

- furnituremakers cited an inability to devote the necessary time to innovation and design as being a key barrier to business development. The time spent on crafting the pieces allows very little capacity for investment in design and creativity
- the limited number of retail outlets which have the necessary physical space to store furniture has promoted craftspeople in this discipline to develop alternative routes to market. Taking exhibition space has become an increasingly common method of developing new customers



- the absence of a top class gallery with suitable space to adequately exhibit furniture is perceived by many craftspeople to be a key barrier to further development of this discipline. The retail and trade fair channels are not seen as appropriate to the needs of this discipline due to the large display space required for furniture. The current costs involved in exhibiting are also seen to be prohibitive for many furnituremakers

Future trends

- furnituremakers hold the opinion that consumers are becoming increasingly brand conscious. Irish furnituremakers will be required to invest in building a brand image to compete with the larger domestic and international players
- an increase is expected in the level of work commissioned in the furniture discipline

Glassmaking

General market

- the majority of craftspeople within this discipline experienced little growth in 2001. A small number suggested that they had actually experienced negative growth in the last twelve months. The fall off was largely attributed to the restrictions caused by the foot and mouth outbreak. The lack of investment in product development and innovation was also identified as a cause of the slowdown in market growth
- the late 1990's had proved to be very successful for Irish glassmakers. The growing affluence of the Irish consumer was said to have contributed to the significant growth in this period. Other factors identified were as follows:
  - a greater interest among Irish consumers in home decoration
  - growing respect in both international and domestic markets for Irish craft and the quality of product produced
  - a very significant improvement in the standard of craftwork produced by the entire sector through out the 1990's. The CCoI training programmes were seen to be largely instrumental in raising craft skill levels in this period

Perceptions of quality and variety

- the increasingly professional approach and emphasis on quality and finish adopted by Irish craftspeople is believed to have contributed strongly to the improving performance of the glassmaking discipline in recent years
- the quality, design and finish of Irish glass is recognised as being excellent. Customers continue however to be misled by mass manufacturers who promote their product as 'hand made Irish craft'
- glassmakers believe that consumers are becoming more sophisticated and knowledgeable. Consumers are very confident and knowledgeable about what they are looking for from the glassmaking discipline. There is a growing interest in the minimalist look. Simple low key designs are now very much in fashion

Competition

- the challenge in identifying changing consumer trends is not believed to be too demanding. The difficulty however lies in changing production processes and investing time in product development

Key barriers to growth

- the small size of the domestic market and the current lack of international market development is believed to be a key barrier to further glassmaking sector growth
- the increasing cost of staff and other overheads has placed significant pressure on the profitability of many glassmaking businesses
- glassmakers identified the current absence of basic business skills in many craft enterprises as a key barrier to further development. Marketing and financial management skills were highlighted as being particularly important
- the growing power of the intermediary has placed pressure on craftspeople to develop alternative channels to the customer. Several glassmakers spoke of the growing need for craftspeople to develop a retail presence

Future trends

- buyers of Irish glass are expected to become increasingly sophisticated, discerning and more demanding. The craft industry will have to respond with an improvement in terms of design and an increased emphasis on quality and finish
- glassmakers were reasonably optimistic about the future for craft enterprises who concentrate on developing international markets and who place an increasing emphasis on their approach to business management

Jewellerymaking

General market

- the majority of craftspeople from this discipline suggested that little growth was achieved in 2001. The foot and mouth outbreak and general economic slowdown were suggested as causes for this lack of growth
- there was consensus that there are more skilled jewellers in the Irish market in recent years. The CCoI Skills Training course received a lot of praise for its contribution to skills improvement in recent years

Perceptions of quality and variety

- jewellerymakers spoke of the lack of variety in the Irish market. The German and Dutch markets were identified as being very progressive in terms of design and variety
- a perception is held among jewellerymakers that the Irish consumer is tiring of the designs produced in Ireland. There is little evidence of creativity at the various trade fairs and jewellers expressed concern that future sales would be affected as a result
- international markets and in particular European markets are believed to offer significant potential for Irish jewellers. Jewellery is seen to be very suitable for export due to the lack of heavy investment required in packaging and transportation
- several jewellers spoke of the need to make a conscious effort to introduce new ranges each year. A greater emphasis will be required on design and innovation in the coming years

Key barriers to growth

- the lack of current international market development is seen as a key challenge to the future development of Irish jewellery
- the fall in tourist numbers will force jewellers to develop new customers and markets. Similarly the margins charged by retail outlets will mean that new channels to market are developed by Irish craftspeople

Future trends

- the Irish craft sector is heavily dependent on both the domestic and global economy according to jewellers interviewed in 2001. A slowdown in growth is anticipated by the majority of jewellers spoken to during the course of this research. This slowdown, however, is expected to be limited to the next six or twelve months
- jewellers believe they are particularly dependent on the tourist market and thus expect to develop additional markets in future months

Leatherworking

General market

- indications from this craft discipline are that growth in the craft sector stabilised in 2001. The foot and mouth crisis was believed to have had a major impact on the sale of Irish craft in the first six months of the year

Perceptions of quality and variety

- customers are increasingly interested in quality and finish

Competition

- the competition from mass produced leather manufacturers has become particularly intense in recent years
- consumers are becoming increasingly brand conscious. Manufacturers with a well developed brand name are believed to present the most intense form of competition

Key barriers to growth

- the VAT imposed on craftspeople who earn over € 50,790 per annum is a key barrier to growth. Craftspeople are forced to immediately place an additional 20% on to their selling price to compensate for this. The craftsperson's competitive edge and incentive to grow is removed as a result
- the lack of available skills training in leather manufacturing is believed to be a key barrier to future development of this discipline
- difficulties in managing cashflow due to the lengthy credit terms imposed by retailers has removed the incentive for many craftspeople to establish their own business

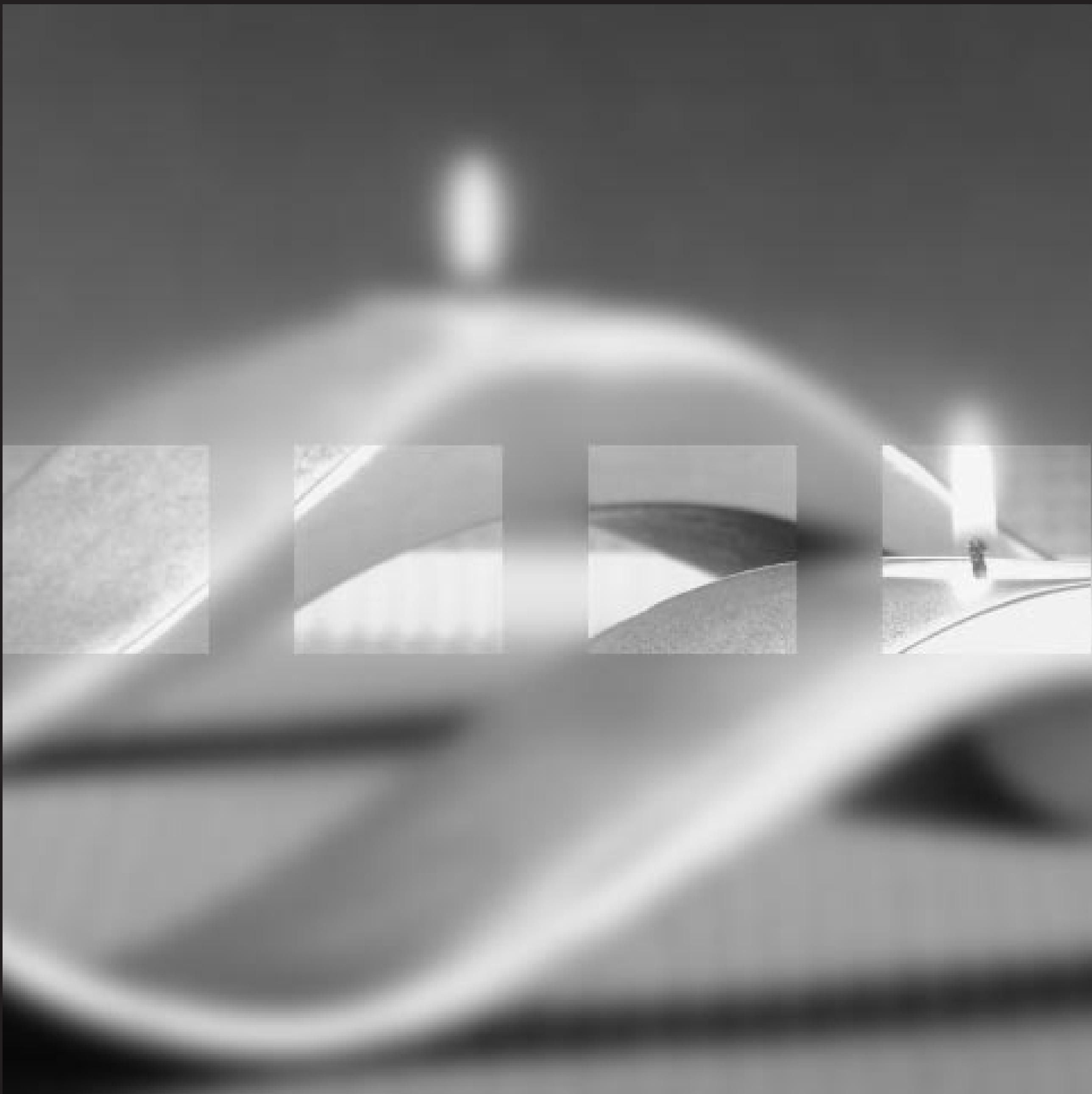
Metalworking

General market

- metalworkers suggested that there was modest growth within the Irish craft sector in 2001. The trading years in both1999 and 2000 were however very good. The cause for market growth in those years was put down to the increasing interest in home improvement and decoration and the growing affluence of Irish consumers. The slowdown in 2001 was attributed largely to the effects of the foot and mouth outbreak

Perceptions of quality and variety

- customers are seen to be becoming more demanding and discerning. This is a very positive trend for the quality focussed craftsperson
- wrought iron is particularly popular at the moment but this is expected to be reasonably short lived. Interior fashions change frequently and a new in vogue medium is expected to replace wrought iron in the coming years



Competition

- Irish blacksmiths produce a very varied and distinctive range of products. However metalworkers interviewed accepted that they are in fact competing alongside mass manufacturers who rely heavily on imported component pieces and those who use engineering and welding principles extensively
- it is becoming increasingly challenging for metalworkers to compete with imports which are not as good quality but are priced very competitively

Key barriers to growth

- the demand for wrought iron product has been very high in recent years. Blacksmiths are, however, faced with a capacity issue and an inability to complete large-scale orders due to the small staff size of their craft enterprises. The shortage of skilled staff in the Irish market was also raised in this context
- the slowdown in the economy and housing market in particular was viewed as a particularly important challenge facing metalworkers in 2001
- the pressure in meeting current demand has led to a lack of investment in design and innovation in metalworking

Mixed media construction

General market

- indications from this discipline are that growth in the craft sector has been reasonably stable in the last two years. The limited number and size of retail outlets places constraints on potential market growth. International markets will have to be further developed in order to secure any additional sector growth
- the foot and mouth outbreak has affected craft sales in 2001. The cancellation of so many trade fairs was a very significant loss to incur
- the County Enterprise Boards and Area Partnerships have played a key role in the sectors development in recent years. The sector has benefited from their support in terms of training and general business advice

Competition

- the craft sector is becoming increasingly competitive. Imported craft presents a very significant challenge for many of the craft disciplines. Competition within the domestic market is also intense with an increase in both available quantity and quality very noticeable in recent years

Key barriers to growth

- the terms and conditions imposed by retailers have limited the potential for growth significantly
- the lack of presence in international markets is a cause of concern for Irish craftspeople. Craftspeople will need greater marketing assistance from the development agencies in order to develop more international business

Paperworking

General market

- craft sales were down considerably between May and July of 2001. This fall off in sales was largely attributed to the cancellation of trade shows at Balmoral and Castlewellan where craftspeople would traditionally have taken a stand. Craftspeople have had to take more expensive stands at the Ideal Homes Exhibition in Kings Hall to compensate for these cancellations
- craftspeople in Northern Ireland appeared to be disappointed with the lack of assistance provided by the Arts Council of Northern Ireland

Perceptions of quality and variety

- consumer tastes are changing rapidly from year to year. Craftspeople must keep pace with this change
- craftspeople have found it very difficult to invest time in design and product development due to the pace of demand in the late 1990's

Competition

- international competition is becoming increasingly intense

Key barriers to growth

- the lack of variety and investment in innovation is a cause of concern among paperworkers. Irish craft is expected to become increasingly vulnerable to international competition as a result

Stoneworking

General market

- members of this discipline were reasonably positive about the performance of the craft sector in recent years. The majority would have held the opinion that the craft sector has grown steadily between 10% and 20% per annum. The economic climate and increase in tourist numbers were suggested as key causes for this growth
- a slowdown was experienced this year by stoneworkers due to the foot and mouth outbreak and the cancellation of a number of trade fairs

Competition

- customer loyalty is becoming increasingly difficult to secure in today's market
- the quality of some international craft is very good. It is most appealing to the customer from a price perspective

Key barriers to growth

- the lack of business skill among craft enterprises was raised as a point of concern by members of this discipline
- the lack of exposure that Irish craft receives in the national media

Future trends

- members of this discipline suggested that there may be less investment in internet development due to the lack of success enjoyed by craftspeople who have employed this medium

Textilemaking

General market

- consumers are increasingly interested in handmade pieces. Textilemakers were of the opinion that there is a higher regard for craftwork among the general public. Consumers are increasingly interested in unique designs due to the large volume of mass produced items available on the Irish market
- the period between 1995 and 2000 was particularly good for textilemakers. Business in the last 6 months of 2001 has slowed down considerably. Textilemakers blamed the slowdown in the economy and the effects of foot and mouth
- the market in Northern Ireland has been particularly poor in 2001. There is a lack of interest or cautiousness among buyers due to the uncertainty in the Northern Ireland peace process
- several textilemakers held the opinion that the economy has been grinding to a halt for a lot longer than most people realised. The sales generated in the most recent Showcase were down significantly on previous years according to these textilemakers

Perceptions of quality and variety

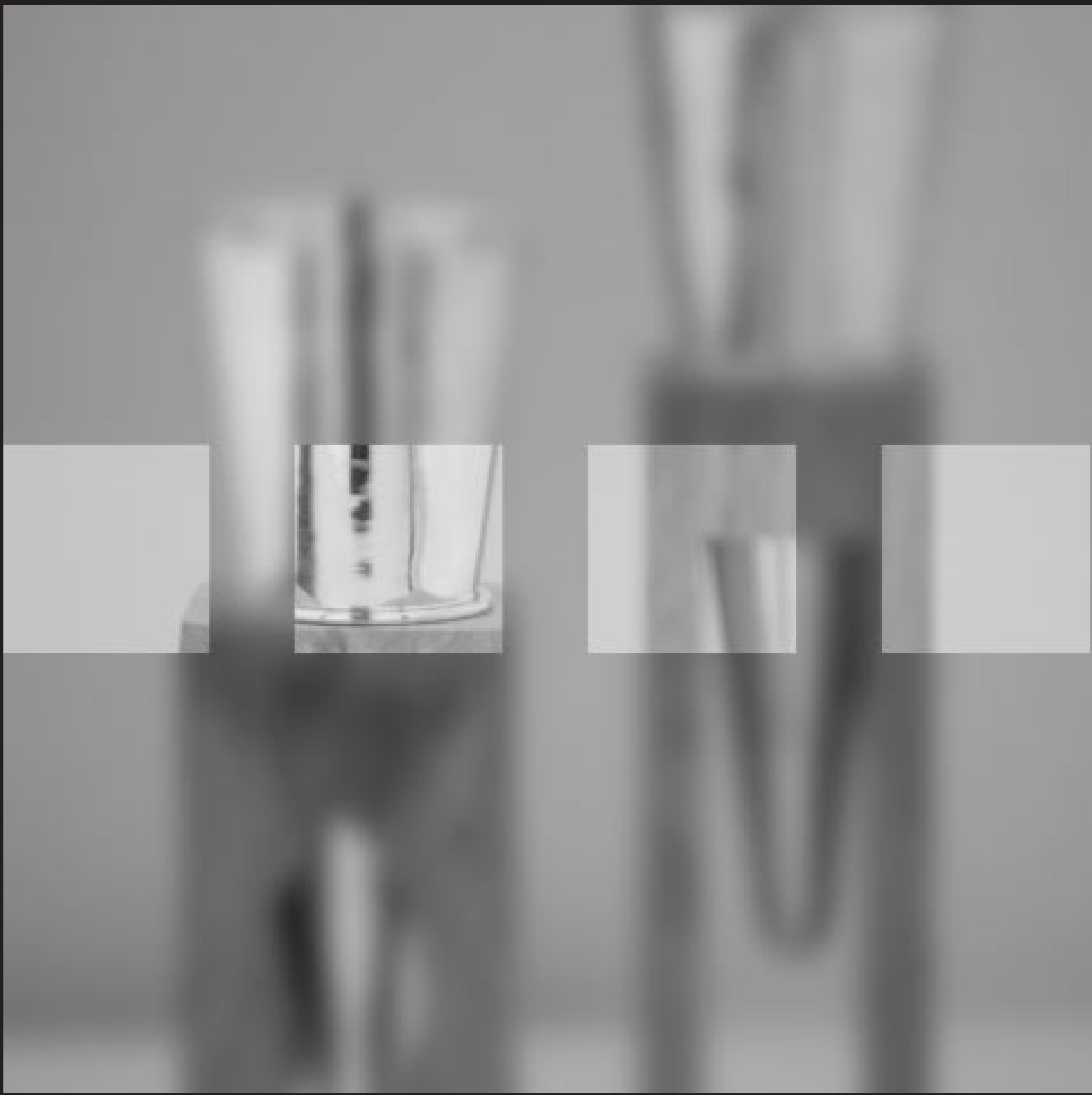
- the quality produced by the textile sector is viewed as being superior to that produced in other countries
- the lack of innovation and the homogeneity of the current range in Irish textiles was raised as a very significant concern by a large majority of textilemakers. There is a fear that the Irish market is becoming increasingly vulnerable to foreign competition due to this lack of emphasis on creativity
- opportunities still exist in the domestic market. There is an increasing need to concentrate on design, quality and finish. Selecting the right colours is a key step in developing a new range
- the fashion boutiques are becoming increasingly important to the textile industry in Ireland. The ability to charge the necessary price premium is not available in the majority of domestic craft shops
- Irish customers are becoming increasingly brand conscious. This applies to the presence of a brand on the retail outlet and the craft piece itself

Competition

- the textiles sector is becoming increasingly competitive. Irish textilemakers are competing with designer wear available in the high street boutiques, domestically produced craft pieces and mass produced goods from abroad
- textiles from China and the Far East are very price competitive. Irish textilemakers are not in a position to compete on price alone due to the labour intensive nature of the craft

Key barriers to growth

- Irish textilemakers have been forced in recent years to develop new routes to the market. The traditional craft shops no longer allow the craftsperson to charge an appropriate price. As a result textilemakers have sought to develop a closer working relationship with the high street boutique owners
- managing cashflow was identified as a particularly challenging task by the majority of craftspeople interviewed. International agents expect very generous credit terms which places a very significant degree of pressure on domestic textilemakers. To a lesser

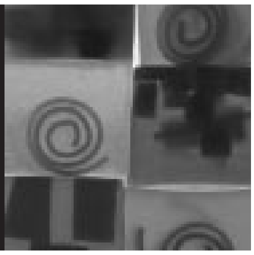


extent the terms imposed by Irish retailers appear to be becoming increasingly demanding

- the high mark up percentile or margin imposed by craft retailers is particularly challenging for makers of expensive goods such as tapestries and rugs. Textilemakers are finding it very difficult to justify the final price charged to the end consumer

Future trends

- buyers of Irish textiles are becoming increasingly demanding in terms of quality. A premium is now placed on quality control and ensuring that each piece produced is in perfect condition
- uncertainty exists over the immediate future of the textiles market due to the recent slowdown in the global economy and the fall off in tourist visitors to Ireland. The majority of textilemakers predicted that the long-term outlook would be positive and that any slowdown would be confined to the next six or twelve months
- Irish designs will become increasingly influenced by our growing multi cultural society. The challenges involved in keeping pace with new trends and fashions as a result of this will be significant for members of the textile market



Woodworking

General market

- woodworkers suggested that the Irish craft sector may have slowed down in 2001. Significant growth levels were experienced by a large majority of Northern Ireland based woodworkers after the ceasefire in the mid 1990's. The standard of work produced by the Irish craft sector also improved dramatically in this period. The increased emphasis on quality and design was identified as being a key factor in achieving sector growth
- the foot and mouth outbreak and the general slowdown in the economy were identified as the main causes for this slowdown in 2001. The cancellation of a number of trade fairs had a very negative effect on woodworkers in 2001. The retailers also appeared to be more cautious than in previous years

Perceptions of quality and variety

- the work produced by Irish woodworkers is of an excellent standard. The quality and finish of craft pieces is very impressive when compared with international work
- the lack of innovation and emphasis on design is a cause of concern for many woodworkers. There was opinion that the Irish craft sector will become increasingly vulnerable to design led international competition if the current lack of emphasis on innovation continues
- woodworkers held the opinion that the market has seen a shift from the rustic look to a more contemporary minimalist look

Competition

- woodworkers are increasingly competing with high quality imports from the third world countries. Some of the work produced in these markets is of a reasonable quality and is priced very competitively
- the quality of Irish hand crafted pieces is far superior to that produced internationally

Key barriers to growth

- the smaller craft enterprises are finding it increasingly difficult to compete with the larger companies and the economies of scale enjoyed by these companies
- managing cashflow is becoming increasingly difficult for craftspeople due to the length of time it takes retailers to pay invoices
- the intermediary appears to be assuming greater power in the Irish craft sector. Several woodworkers spoke of the need to develop alternative channels to market due to the mark up imposed by retailers and the entry fee charged by trade show hosts
- the lack of appropriate exhibition space outside Kilkenny was also raised as a point of concern by several woodworkers

KEY QUANTITATIVE FINDINGS

Introduction

A total of 1,308 questionnaires were circulated by post, representing the entire Crafts Council database. 456 questionnaires were returned, representing a 35% proportion of the entire Crafts Council database, an increase on last year of 2 percentage points from 33%. In absolute terms, the number of total responses has increased by 80 (21%) from the figure of 376 in 2000. This will lend extra credence to the findings. In addition, the high level of internal correlation between the 2000 and 2001 findings in most categories also validates the sample.

The sample shows a highly representative spread of respondent businesses across the various craft disciplines, a fact which is important in ensuring the confidence with which the results can be treated. Finally, it is worth noting that in general in the 2001 survey an increased proportion of craftspeople chose to answer the various questions, with a consequent rise in response rate per question.

Profile of respondents

As with the year 2000 survey, respondents were asked a number of questions in order to provide a profile of the respondents. These questions related to the age and gender of respondents, and the length of time that they had been registered with the Crafts Council. Craftspeople were more open this year in responding to these questions, and there was no significant fall in response despite the somewhat personal nature of the questions.

Age profile

- In 2001 respondents were most likely to be between 35 and 44 years of age, as in the year 2000 survey
- As in 2000, very few respondents (2% in 2001) were under 25 years old. The other less common age category was that at the other end of the scale of over 55 years, a result which was also reflected in the 2000 survey
- The distribution of ages for respondents in both the 2001 and 2000 surveys was approximately the same, but respondents to the 2001 survey were slightly less likely to be in the 45-54 age range than in 2000 and slightly more likely to be 25-34 years old.

Table 1: Number of respondents by age

AGE CATEGORIES	2001 SURVEY CRAFT ENTERPRISES (BASE = 441)		2000 SURVEY CRAFT ENTERPRISES (BASE = 350)	
Under 25 years	10	2%	5	1%
25 – 34 years	113	26%	84	24%
35 – 44 years	149	34%	116	33%
45 – 54 years	112	25%	108	31%
55+ years	57	13%	37	11%
Total	441	100%	350	100%

Gender of respondents

- In 2001, as in the 2000 survey, respondents were slightly more likely to be female than male.

Table 2: Number of respondents by gender

AGE CATEGORIES	2001 SURVEY		2000 SURVEY	
	CRAFT ENTERPRISES (BASE = 442)		CRAFT ENTERPRISES (BASE = 342)	
Male	211	48%	161	47%
Female	231	52%	181	53%
Total	442	100%	350	100%

Length of time registered with the Crafts Council

- As in the 2000 survey, respondents in 2001 were marginally more likely to have been registered for over 10 years with the Crafts Council than for any shorter period of time
- In 2001, respondents were slightly more likely to have only registered with the Crafts Council within the last 12 months than in 2000. However, in both years most respondents had been registered for more than one year
- Respondents in 2001 were slightly less likely to be registered for between 3 and 5 years. The basic distribution of responses, however, is very similar for both surveys.

Table 3: Number of respondents by length of time registered with the Crafts Council

LENGTH OF TIME REGISTERED WITH THE CRAFTS COUNCIL	2001 SURVEY		2000 SURVEY	
	CRAFT ENTERPRISES (BASE = 437)		CRAFT ENTERPRISES (BASE = 350)	
Within last 12 months	39	9%	24	7%
1 – under 3 years	106	24%	81	23%
3 – under 5 years	80	18%	75	21%
5 – under 10 years	99	23%	80	23%
10+ years	113	26%	95	27%
Total	437	100%	350	100%

Craft discipline

As with last year's survey, eleven options were available for respondents to indicate their primary craft discipline. As the table below shows, the profile of the respondents was highly representative of the Crafts Council database, reflecting the validity of the sample. In line with the profile of the Crafts Council database, the most commonly represented disciplines in the sample are ceramics, jewellerymaking, textilemaking and woodworking.

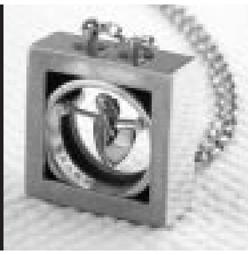


Table 4: Number of respondents in comparison with the Crafts Council's database (2001 Survey Only)

CRAFT DISCPLINE	CRAFTS COUNCIL DATABASE CRAFT ENTERPRISES (BASE = 1308)		2001 SURVEY CRAFT ENTERPRISES (BASE = 456)	
Ceramics	259	20%	103	23%
Furnituremaking	105	8%	28	6%
Glassmaking	87	7%	23	5%
Jewellerymaking	143	11%	55	12%
Metalworking	78	6%	22	5%
Mixed Media	36	3%	7	2%
Paperworking	37	3%	8	2%
Stoneworking	31	2%	8	2%
Textilemaking	268	20%	91	20%
Woodworking	136	10%	54	12%
Other	115	9%	51	11%
Not Stated	13	1%	6	1%
Total	1,308	100%	456	101%*

*Note that in this and all subsequent tables some very slight rounding errors may occur

Table 5: Number of respondents by primary craft discipline

CRAFT DISCPLINE	2001 SURVEY CRAFT ENTERPRISES (BASE = 450)		2000 SURVEY CRAFT ENTERPRISES (BASE = 350)	
Ceramics	103	23%	84	22%
Furnituremaking	28	6%	72	19%
Glassmaking	23	5%	64	17%
Jewellerymaking	55	12%	42	11%
Metalworking	22	5%	32	9%
Mixed Media	7	2%	32	9%
Paperworking	8	2%	21	6%
Stoneworking	8	2%	12	3%
Textilemaking	91	20%	7	2%
Woodworking	54	12%	7	2%
Other	51	11%	3	1%
Total	450	100%	350	100%

An increased proportion of respondents selected the "Other" category in 2001 in comparison with 2000. Among the disciplines listed in these responses were the following (in order of frequency):

- Candlemaking
- Leatherworking
- Basketmaking
- Musical instrument making
- Decorative painting
- Sculptor
- Silversmith
- Bellows making
- Thatching
- Clock making
- Metal spinning
- Street furniture
- Boat building
- Calligraphy
- Printmaking.

Proportion of time spent on craft business

- Most craftspeople (75%) work in their business on a full time basis. This has remained the case across both surveys in 2000 and 2001
- This year there has been an increase in the proportion of respondents likely to be working for less than 50% of their time on their craft business.

Table 6: Proportion of time spent on craft business

PROPORTION OF TIME SPENT ON CRAFT BUSINESS	2001 SURVEY		2000 SURVEY	
	CRAFT ENTERPRISES (BASE = 446)		CRAFT ENTERPRISES (BASE = 368)	
Full Time (100%)	333	75%	292	79%
Part Time (50 – 99%)	58	13%	48	13%
Part Time (less than 50%)	48	11%	20	5%
Other	7	2%	8	2%
Total	446	100%	368	100%

A breakdown of these figures by craft discipline shows that the 75% figure for all craftspeople conceals some significant differences between craft disciplines. Craftspeoples in the textiles discipline are the least likely to be working on a full time basis, at only 53% of all textile workers. Woodworkers are also less likely to be working full time, at only 67% of craftspeople in that discipline. Those in paperworking and furniture, at 88% and 86% respectively, are the most likely to be working on a full time basis.

Table 7: Breakdown of crafts disciplines by proportion of time spent on crafts business (2001 Survey Only)

PROPORTION OF TIME ON CRAFT BUSINESS/CRAFT DISCIPLINE (BASE FIGURES RELATE TO THE TOTAL RESPONSE PER CRAFT DISCIPLINE)	FULL TIME (100%)		PART TIME (50 – 99%)		PART TIME (LESS THAN 50%)		OTHER	
Ceramics (base – 103)	84	82%	8	8%	8	8%	2	2%
Furnituremaking (base – 28)	24	86%	–	–	3	11%	1	4%
Glassmaking (base – 23)	16	70%	4	17%	2	9%	1	4%
Jewellerymaking (base – 55)	45	82%	5	9%	4	7%	–	–
Metalworking (base – 22)	17	77%	3	14%	1	5%	–	–
Mixed Media Construction (base – 7)	6	86%	–	–	1	14%	–	–
Paperworking (base – 8)	7	88%	–	–	1	13%	–	–
Stoneworking (base – 8)	6	75%	1	13%	–	–	–	–
Textilemaking(base – 91)	48	53%	25	27%	14	15%	2	2%
Woodworking (base – 54)	36	67%	7	13%	10	19%	1	2%
Other (base – 51)	43	84%	5	10%	3	6%	–	–
Not Stated (base – 6)	1	17%	–	–	1	17%	–	–
Total	332		58		48		7	

Craftspeople who had selected "part time" or "other" elaborated on the issue of how they spent their work time. Some of the additional roles which were mentioned included:

- Designer
- Manufacturer/designer
- Single mother
- Teacher of art and design
- Student at Letterfrack – make pieces full time during the Summer

The nature of craftwork was illuminated by two respondents, one of whom stated that their craft work was "erratic," while another described themselves as an "anyworker."

For those respondents who did work part time or who chose the "other" category, the following table shows that while it is more common for them to intend to make their craft work full time, it is by no means a given, with 40% in 2001 stating that they do not intend to work at their craft on a full time basis.

Table 8: Number of respondents selecting 'part time' or 'other' by intention to become full time craftsperson

INTENTION TO BECOME FULL TIME CRAFTSPERSON?	2001 SURVEY CRAFT ENTERPRISES (BASE = 113)		2000 SURVEY CRAFT ENTERPRISES (BASE = 76)	
Yes	53	47%	34	45%
No	45	40%	32	42%
No Response	15	13%	10	13%
Total	113	100%	76	100%

Location

Respondents were asked to describe the location of their craft business in line with three parameters:

- Whether it is in an urban, semi urban or rural location
- Whether it is within the designated Border/Midlands/West region
- Whether it is in Northern Ireland or the Republic of Ireland

Location type (rural, urban, etc)

- Craft businesses are significantly more likely to be based in a rural area than in any other area, a fact which is born out in both 2001 and 2000 surveys. Craftspeople working in paper and stone are most likely to be based in a rural area
- Craft businesses not based in a rural area are more or less equally likely to be based in either a semi urban area or an urban area.
- Furniture and jewellery makers are most likely to be in semi urban areas, with a comparatively large proportion of jewellery makers also likely to be based in urban areas. The findings in relation to jewellery makers are matched by last year's survey.
- By far the most likely to be based in an urban area are mixed media construction workers. Textile and glass businesses are also more likely than most to be based in an urban area.

Table 9: Number of respondents by type of location

TYPE OF LOCATION	2001 SURVEY		2000 SURVEY	
	CRAFT ENTERPRISES (BASE = 439)		CRAFT ENTERPRISES (BASE = 373)	
Rural Area	232	53%	190	51%
Semi Urban/Small Town	95	22%	91	24%
Urban/City Area	112	26%	92	25%
Total	439	101%	373	100%

Table 10: Breakdown of craft disciplines by type of location (2001 survey only)

TYPE OF LOCATION/CRAFT DISCIPLINE (BASE FIGURES RELATE TO THE TOTAL RESPONSE PER CRAFT DISCIPLINE	RURAL AREA		SEMI URBAN/ SMALL TOWN		URBAN/CITY AREA	
Ceramics (base – 103)	51	50%	25	24%	23	22%
Furnituremaking (base – 28)	16	57%	8	29%	3	11%
Glassmaking (base – 23)	11	48%	4	17%	7	30%
Jewellerymaking (base – 55)	19	35%	16	29%	20	36%
Metalworking (base – 22)	13	59%	2	9%	6	27%
Mixed Media Construction (base – 7)	1	14%	1	14%	5	71%
Paperworking (base – 8)	6	75%	–	–	2	25%
Stoneworking (base – 8)	6	75%	1	13%	1	13%
Textilemaking (base – 91)	47	52%	16	18%	26	29%
Woodworking (base – 54)	33	61%	12	22%	8	15%
Other (base – 51)	28	55%	9	18%	11	22%
Not Stated (base – 6)	1	17%	1	17%	–	–
Total	232		95		112	

Border/Midlands/West

- Approximately one third of craft businesses are based in the BMW region, a fact that remains the case since the 2000 survey. Once again, however, it is important to note that there was some confusion among craftspeople as to whether or not they were based within the BMW region
- Stone and metal workers are the most likely to be based in the BMW region, with paper and mixed media workers least likely.

Table 11: Number of respondents based in the BMW region

BASED IN BMW REGION?	2001 SURVEY CRAFT ENTERPRISES (BASE = 421)		2000 SURVEY CRAFT ENTERPRISES (BASE = 345)	
Yes	129	31%	99	29%
No	292	69%	246	71%
Total	421	100%	345	100%

Table 12: Breakdown of craft disciplines by whether based in BMW region (2001 survey only)				
CRAFT DISCPLINE/BMW REGION (BASE FIGURES RELATE TO THE TOTAL RESPONSE PER CRAFT DISCIPLINE)		YES		NO
Ceramics (base –103)	29	28%	67	65%
Furnituremaking (base – 28)	6	21%	21	75%
Glassmaking (base – 23)	4	17%	18	78%
Jewellerymaking (base – 55)	18	33%	36	65%
Metalworking (base – 22)	11	50%	10	45%
Mixed Media Construction (base – 7)	1	14%	6	86%
Paperworking (base – 8)	1	13%	7	88%
Stoneworking (base – 8)	5	63%	3	38%
Textilemaking (base – 91)	23	25%	57	63%
Woodworking (base – 54)	15	28%	34	63%
Other (base – 51)	16	31%	31	61%
Not Stated (base – 6)	–	–	2	33%
Total	129		292	

Jurisdiction

- The vast majority of the sample are based in the Republic of Ireland, at over 80% in both the 2000 and 2001 surveys.

Table 13: Number of respondents by geographical location in Ireland				
GEOGRAPHICAL LOCATION IN IRELAND		2001 SURVEY		2000 SURVEY
		CRAFT ENTERPRISES (BASE = 441)		CRAFT ENTERPRISES (BASE = 365)
Republic of Ireland	384	87%	299	82%
Northern Ireland	57	13%	66	18%
Total	441		365	100%

Factors influencing choice of location

For the first time in the 2001 survey, respondents were asked to state the factors that had influenced their decision to locate their business. The following table shows that:

- Most commonly, it is set up costs which influence craftspeople in their decision relating to locating their business. Proximity to customers is also an important factor.

The "other" category was very commonly chosen by respondents. By far the most common response was that the location was dictated by where the craftsperson wanted to live. Most (70%) of all those selecting this category stated that this was the key factor. This is, however, closely linked to other factors such as cost and availability of premises which the respondents also most commonly highlighted (see table overleaf). Some other common responses were as follows:

- Proximity to suppliers and/or raw material
- Tourist area/likelihood of passing trade

- Proximity to other craftspeople and craft businesses
- Bought an existing business

Table 14: Number of respondents by factors influencing choice of location

FACTORS INFLUENCING DECISION TO LOCATE BUSINESS	2001 SURVEY CRAFT ENTERPRISES (BASE = 421)	
Set Up Costs	196	44%
Proximity to Customers	101	23%
Access to Employees	30	7%
Planning Permission	23	5%
Available Funding	53	12%
Knowledge of Marketplace	57	13%
Other – Please Specify	223	50%
Of which the most common were:		
Wanted to Work from Home	155	35%
Availability of Premises	26	6%
Affordability of Premises	12	3%

Length of time trading

- In each year, it was found that craft businesses had most commonly been trading for over 10 years. Only a very small percentage had been trading for less than 12 months
- In each year, 55% of all craft business had been trading for more than 5 years and 45% for less than 5 years.

Table 15: Number of respondents by length of time trading

LENGTH OF TIME TRADING	2001 SURVEY CRAFT ENTERPRISES (BASE = 446)		2000 SURVEY CRAFT ENTERPRISES (BASE = 367)	
Within last 12 months	27	6%	16	4%
1 – under 3 years	92	21%	76	21%
3 – under 5 years	80	18%	74	20%
5 – under 10 years	103	23%	78	21%
10+ years	144	32%	123	34%
Total	446	100%	367	100%

Number of employees

The table below shows, for the 2001 survey, the numbers of craft businesses stating that they had one or more of the categories of full time, part time or seasonal employees. It shows that a number of Irish craft businesses are using a combination of different types of employment contract to serve their needs.

Table 16: Number of respondents by types of employee (2001 survey only)

EMPLOYEES	2001 SURVEY CRAFT ENTERPRISES (BASE = 443)	
Full Time	344	79%
Part Time	191	44%
Seasonal	61	14%

Full time employees

As with the results from the 2000 survey, the following table shows the diversity of businesses which the Crafts Council supports, from businesses with no full time staff to those with 80 employees. However, also in line with last year's findings, the majority of businesses have between 1 and 2 full time employees only. This year there has been a significant increase in the numbers of businesses with only 1 or 2 employees, and a corresponding fall in the number of craft businesses with a larger number of employees.

Table 17: Number of respondents by number of full time employees

NUMBER OF FULL TIME EMPLOYEES	2001 SURVEY CRAFT ENTERPRISES (BASE = 334)		2000 SURVEY CRAFT ENTERPRISES (BASE = 307)	
1 – 2 employees	289	84%	225	73%
3 – 5 employees	41	12%	64	21%
6 – 9 employees	8	2%	8	3%
10 – 19 employees	4	1%	5	2%
20 – 100 employees	2	1%	5	2%
Total	344	100%	307	100%

The results in relation to craft discipline are detailed overleaf. They show that, as with last year, regardless of discipline most craft enterprises employ between 1 and 2 employees, and that the pattern across all disciplines is reflective of that in the overall sample, as shown in the previous table.

In relation to the differences between craft disciplines, it is notable that in the textiles, mixed media or woodwork disciplines it is more likely than in the other disciplines that there will not be even one full time employee.

Table 18: Breakdown of craft disciplines by number of full time employees (2001 survey only)

NO. FULL TIME EMPLOYEES/ CRAFT DISCIPLINE RESPONSE PER CRAFT DISCIPLINE (BASE FIGURES RELATE TO THE TOTAL RESPONSE PER CRAFT DISCIPLINE)	1 – 2 EMPLOYEES		3 – 5 EMPLOYEES		6 – 9 EMPLOYEES		10 – 19 EMPLOYEES		20 – 100 EMPLOYEES	
Ceramics (base – 103)	66	64%	10	10%	2	2%	1	1%	1	1%
Furnituremaking (base – 28)	21	75%	4	14%	–	–	–	–	–	–
Glassmaking (base – 23)	16	70%	2	9%	–	–	–	–	–	–
Jewellerymaking (base – 55)	38	69%	7	13%	1	2%	–	–	1	2%
Metalworking (base – 22)	16	73%	3	14%	1	5%	–	–	–	–
Mixed media construction (base – 7)	4	57%	–	–	–	–	1	14%	–	–
Paperworking (base – 8)	7	88%	1	13%	–	–	–	–	–	–
Stoneworking (base – 8)	6	75%	–	–	–	–	–	–	–	–
Textilemaking (base – 91)	45	49%	5	5%	2	2%	2	2%	–	–
Woodworking (base – 54)	31	57%	6	11%	–	–	–	–	–	–
Other (base – 51)	37	73%	3	6%	2	4%	–	–	–	–
Not stated (base – 6)	2	33%	–	–	–	–	–	–	–	–
	289		41		8		4		2	

Part time and seasonal employees

The tables overleaf show that:

- Of those businesses employing part time employees, the majority employ between one and two only. As with last year's survey, it is highly unusual for a business to employ more than 5 part time employees
- Of those businesses employing seasonal employees, the trend this year is away from using a large number towards the use of fewer, most frequently either 1 or 2.

Table 19: Number of respondents by number of part time employees

NUMBER OF PART TIME EMPLOYEES	2001 SURVEY CRAFT ENTERPRISES (BASE = 191)		2000 SURVEY CRAFT ENTERPRISES (BASE = 153)	
1 – 2 employees	163	85%	125	82%
3 – 5 employees	26	14%	22	14%
6 – 9 employees	1	1%	2	1%
10 – 19 employees	1	1%	1	1%
20 – 100 employees	–	–	3	2%
Total	191	101%	350	100%

Table 20: Number of respondents by number of seasonal employees				
NUMBER OF SEASONAL EMPLOYEES	2001 SURVEY		2000 SURVEY	
	CRAFT ENTERPRISES (BASE = 61)		CRAFT ENTERPRISES (BASE = 78)	
1 – 2 employees	51	84%	60	77%
3 – 5 employees	7	11%	14	18%
6 – 9 employees	3	5%	2	3%
10 – 19 employees	–	–	2	3%
20 – 100 employees	–	–	–	–
Total	61	100%	78	100%

Expected increase in level of employment

- Far fewer respondents than in last year's survey predict that there will be an increase in their staff numbers over the next three years. The majority of respondents this year (60%) predict that their level of employment will remain static.

Table 21: Number of respondents by expected change in level of employment (next 3 years)				
EXPECTED CHANGE IN LEVEL OF EMPLOYMENT	2001 SURVEY		2000 SURVEY	
	CRAFT ENTERPRISES (BASE = 442)		CRAFT ENTERPRISES (BASE = 367)	
Increase	163	37%	188	51%
No Change	265	60%	169	46%
Decrease	14	3%	10	3%
Total	442	100%	367	100%

The following tables show that of those responding to the 2001 survey who anticipated that their level of full time employees would increase, it is most likely that they will increase by only 1 to 2 full time employees. This is in line with last year's findings. In relation to part time employees, in both years most craft businesses have not anticipated that there will be an increase, preferring instead to focus on full time employees.

The key difference between the figures for 2000 and 2001 lies in the decrease in the number of respondents who perceive that they will be increasing their employee numbers. This is evident across all categories, in both part and full time employment.

Table 22: Number of Respondents by Expected Increase in Number of Full -Time Employees

EXPECTED INCREASE IN NUMBER OF FULL TIME EMPLOYEES	2001 SURVEY		2000 SURVEY	
	CRAFT ENTERPRISES (BASE = 163)		CRAFT ENTERPRISES (BASE = 188)	
1 – 2 employees	94	58%	137	73%
3 – 5 employees	10	6%	27	14%
6 – 9 employees	–	–	1	1%
10 – 19 employees	–	–	5	3%
20 – 100 employees	–	–	1	1%
No Response	59	36%	17	9%
Total	163	100%	188	100%

Table 23: Number of respondents by expected increase in number of part-time employees

EXPECTED INCREASE IN NUMBER OF PART TIME EMPLOYEES	2001 SURVEY		2000 SURVEY	
	CRAFT ENTERPRISES (BASE = 163)		CRAFT ENTERPRISES (BASE = 188)	
1 – 2 employees	10	6%	12	6%
3 – 5 employees	1	1%	1	1%
6 – 9 employees	–	–	2	1%
10 – 19 employees	–	–	1	1%
20 – 100 employees	–	–	–	–
No Response	152	93%	172	92%
Total	163	100%	188	100%

Staff shortages

- Most craft businesses are not experiencing staff shortages. Only 10% said that they were experiencing shortages, a decrease of 8 percentage points on the findings in 2000
- Response rates to this question and to the subsequent question relating to skills shortages were significantly down on this year's survey in comparison to the 2000 survey.

Table 24: Number of respondents experiencing staff shortages

EXPERIENCING STAFF SHORTAGES?	2001 SURVEY		2000 SURVEY	
	CRAFT ENTERPRISES (BASE = 396)		CRAFT ENTERPRISES (BASE = 347)	
Yes	38	10%	64	18%
No	358	90%	283	82%
Total	396	100%	347	100%

In relation to staff shortages respondents highlighted the following difficulties:

- Challenges in encouraging staff to come to work in a rural area that is hard to get to
- Expense related to training staff who then go to work for larger factories
- Difficulty in paying competitive wages
- Difficulty in getting seasonal workers
- Difficulty in getting people to work full time
- People not interested in knitting – want to work with computers
- Challenges in securing a long term commitment from workers

Respondents are currently experiencing staff shortages for the following positions:

- Potters, throwers and decorators
- Goldsmiths
- Textile production
- Handweavers

One respondent said that they had recruited in Western and Eastern Europe in response to some of these difficulties. However, far fewer staff shortages were identified than in the 2000 survey, a fact which is reflected in the quantitative findings.

Skill shortages

- As with staff shortages, fewer respondents considered that they were experiencing skill shortages than in last year's survey. Only 25% of all respondents stated that they were experiencing skill shortages in relation to either themselves or their staff.

Table 25: Number of respondents experiencing skill shortages

EXPERIENCING SKILL SHORTAGES?	2001 SURVEY CRAFT ENTERPRISES (BASE = 386)		2000 SURVEY CRAFT ENTERPRISES (BASE = 351)	
Yes	97	25%	120	34%
No	289	75%	231	66%
Total	386	100%	351	100%

When asked to elaborate on the kinds of skills which were scarce or in need of development, responses ranged across personal management skills, craft skills and business skills. In relation to themselves or to their staff they highlighted the following:

- Time management
- Understanding of and commitment to quality
- Expertise in production
- Finishing
- Advertising
- Internet marketing

Also, while not strictly speaking a "skill" and more a personality attribute, a number of respondents emphasised the difficulties in generating commitment from their staff.

Training

Priority training needs

For the first time in 2001, respondents were asked to state whether they had training needs in a variety of stated areas. The table below shows that:

- On balance, fewer craftspeople are inclined to consider that they have training needs
- For those who feel that they do have training needs, the most pressing is in the area of introductory marketing skills. However, financial skills, design/product development training and mentoring are also commonly cited.

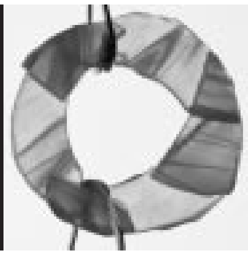


Table 26: Number of respondents by stated training needs (2001 survey only)

TRAINING NEEDS	YES (BASE = 410)		NO (BASE = 410)	
Introductory Marketing Skills	106	26%	196	48%
Advanced Marketing Skills	59	14%	153	37%
Basic Financial Skills for Small Enterprises	88	21%	199	49%
Sales/Debt Collection Training	65	16%	203	50%
Basic Production Skills Training	38	9%	212	52%
Advanced Production Skills Training	74	18%	179	44%
Design /Product Development Training	92	22%	184	45%
Design/Product Development Mentoring	100	24%	173	42%
Other	26	6%	19	5%

In relation to the "Other" category, craftspeople raised some of the following issues, which have been paraphrased here for simplicity:

- Training in relation to the craftsperson's particular discipline
- Assistance with the internet and web design
- Basic computer skills
- CAD
- Raising finance and other financial support
- General business mentoring and training

In relation to the highlighted training areas, the following detail was provided by craftspeople in relation to the type of training that they would like under each heading (shown in order of frequency):

Introductory marketing skills

- Production and design of brochures
- Packaging
- Display
- Photography
- Development of Corporate ID
- Identifying and presenting to new markets
- Branding.

Basic financial skills

Many of the responses under this heading were very general. However, the following specific areas also arose:

- Tax
- Cashflow control
- Computer based accounting
- Pricing and costing
- Loan and grant applications
- Budgeting

Production training and mentoring

- Design in general
- Developing a more modern approach to design
- Trend identification and impact on design
- Design for specific markets
- Sourcing materials and services
- Manufacturing as opposed to hand crafted techniques.

It is worth noting that on this point many of the craftspeople saw the training in these areas as an opportunity to be "forced" to take time out to consider these issues.

Preferred training format

The following table shows the preferred training formats of the respondents to the 2001 survey. The table clearly shows that half day courses are the preferred format of training for Irish craftspeople. Workshop/Classroom style training is also the preferred option.

It should be noted that respondents did not all confine themselves to one rank per option (ie some marked two formats as their number one choice etc) and consequently the numbers who have selected each rank are high in some cases.

Table 27: Top three preferred training methods by frequency of citation by respondents (2001 study only)

PREFERRED TRAINING FORMATS	RANKED FIRST (BASE = 310)		RANKED SECOND (BASE = 310)		RANKED THIRD (BASE = 310)	
Full Time	7	2%	3	1%	3	1%
Part Time – Evenings	91	29%	35	11%	34	11%
Part Time – Weekends	61	20%	49	16%	38	12%
Part Time – Half Day Courses	199	64%	53	17%	51	16%
Workshop/Classroom Style	95	31%	65	21%	25	8%
One to one mentoring	72	23%	48	15%	30	10%
Distance Learning	34	11%	22	7%	48	15%

Current stage of business development

- In relation to last year's survey, there was an increase of 5 percentage points in the number of respondents who stated that their business was a start up enterprise. There was also a rise of four percentage points in the number of respondents who stated that their business was in decline
- Across all the other categories the percentage response was correspondingly smaller than in 2000.

Table 28: Number of respondents by stage of business development

STAGE OF BUSINESS DEVELOPMENT	2001 SURVEY CRAFT ENTERPRISES (BASE = 441)		2000 SURVEY CRAFT ENTERPRISES (BASE = 370)	
Start-up craft enterprise	90	20%	55	15%
Enterprise growing steadily	146	33%	126	34%
Mature and stable craft enterprise	106	24%	105	28%
Enterprise diversifying	53	12%	55	15%
Leading enterprise in craft sector	19	4%	21	6%
Declining enterprise	27	6%	8	2%
Total	441	99%	370	100%

Turnover

Turnover figures for the 2001 survey were presented in more tightly specified categories than in the 2000 survey. Surprisingly, despite the greater detail the response rates for this question were high in comparison with last year (98% compared with 94% in the 2000 survey) and consequently an even greater level of confidence may be felt with the results. The table shows that:

- In this year's survey, it is most common for a craft enterprise to predict that by the end of 2001 it will have a turnover of less than €12,697. In comparison with the 2000 survey, 10% more businesses highlighted this category this year. In the 2000 survey, in contrast, it was most common for a craft business to predict that its turnover would fall within the €12,697 – €31,742 or €31,743 – €95,229 categories. While the decreases in the percentage of craft businesses selecting the upper turnover categories in 2001 as compared with 2000 are small, taken with the fall of 10% in the under €12,697 category they indicate a key trend towards smaller turnover for the Irish craft business in this year's survey

- In 2001 16% of business stated that they would have a turnover of less than €6,348
- An equal proportion of respondents (29%) in 2001 and 2000 stated that their turnover would be between €12,697 and €31,742. In 2000 a similar proportion also stated that they had a turnover of between €31,743 and €95,229, but in 2001 the proportion for this category fell from 29% to 24%.

These figures can usefully be taken together with the findings in relation to employee numbers, which showed a fall in the number of craft businesses selecting the higher categories of employee numbers. Together they suggest that craft businesses may be experiencing a decline in their business growth.

Table 29: Number of respondents by predicted turnover in year of survey – Republic of Ireland

PREDICTED ANNUAL TURNOVER	ROI – 2001 (BASE = 374)		ROI – 2000 (BASE = 281)	
Under €6,349	55	15%		
€6,349 – €12,696	54	14%		
Total	109	29%	60	21%
€12,697 – €19,045	40	11%		
€19,046 – €25,393	36	10%		
€25,395 – €31,742	32	9%		
Total	108	29%	81	29%
€31,743 – €38,091	26	7%		
€38,092 – €50,788	33	9%		
€50,790 – €63,486	14	4%		
€63,487 – €95,229	17	5%		
Total	90	24%	75	27%
€95,230 – €126,973	13	3%		
€126,974 – €158,716	13	3%		
€158,717 – €190,459	8	2%		
Total	34	9%	33	12%
€190,461 – €253,946	11	3%		
€253,948 – €317,433	4	1%		
Total	15	4%	15	5%
€317,435 – €380,920	9	2%		
€380,921 – €444,407	1	0%		
€444,408 plus	8	2%		
Total	18	5%	17	6%
Overall total	374	100%	281	100%

Table 30: Number of respondents by predicted turnover in year of survey – Northern Ireland

PREDICTED ANNUAL TURNOVER	NI – 2001 (BASE = 55)		NI – 2000 (BASE = 65)	
Under £5,000	15	27%		
£5,000 – £9,999	8	15%		
Total	23	42%	13	20%
£10,000 – £14,999	9	16%		
£15,000 – £19,999	6	11%		
£20,000 – £24,999	2	4%		
Total	17	31%	21	32%
£25,000 – £29,999	4	7%		
£30,000 – £39,999	3	5%		
£40,000 – £49,999	1	2%		
£50,000 – £74,999	4	7%		
Total	12	22%	21	32%
£75,000 – £99,999	1	2%		
£100,000 – £124,999	–	–		
£125,000 – £149,999	1	2%		
Total	2	4%	8	12%
£150,000 – £199,999	–	–		
£200,000 – £249,999	1	2%		
Total	1	2%	2	3%
£250,000 – £299,999	–	–		
£300,000 – £349,999	–	–		
£350,000 plus	–	–		
Total	0	0%	0	0%
Overall total	55	101%	65	99%

Turnover by craft discipline

- Textile and glass craft businesses are most likely to have turnovers of less than €12,697. At least 21% of all craft businesses in all disciplines in the 2001 survey have turnovers below the €12,697 mark. This reflects the position in Table 7 which shows that textiles has the lowest level of fulltime employment of all the craft sectors.
- At the other end of the scale, those working in mixed media, jewellery and glass are most likely to have turnovers above €317,435. All named craft disciplines, except paperwork and stone, have some representation, however small, in this category
- Businesses with a turnover of more than €95,230, which appears to be a watershed point in general, are most common within the mixed media and jewellery disciplines, validating the findings above.

Table 31: Breakdown of predicted turnover by craft discipline (2001 survey only)

CRAFT DISCIPLINE (BASE FIGURES RELATE TO THE TOTAL RESPONSE PER CRAFT DISCIPLINE)	UNDER €12,697		€12,697 – €31,742		€31,743 – €95,229		€95,230 – €190,459		€190,461 – €317,433		€317,435 +	
Ceramics (base – 103)	24	23%	32	31%	28	27%	7	7%	4	4%	3	3%
Furnituremaking (base – 28)	6	21%	7	25%	11	39%	1	4%	1	4%	2	7%
Glassmaking (base – 23)	10	43%	5	22%	3	13%	1	4%	–	–	2	9%
Jewellerymaking (base – 55)	11	20%	11	20%	12	22%	12	22%	1	2%	5	9%
Metalworking (base – 22)	5	23%	8	36%	4	18%	2	9%	2	9%	1	5%
Mixed media (base – 7)	2	29%	1	14%	1	14%	2	29%	–	–	1	14%
Paperworking (base – 8)	3	38%	3	38%	1	13%	1	13%	–	–	–	–
Stoneworking (base – 8)	3	38%	3	38%	1	13%	1	13%	–	–	–	–
Textilemaking (base – 91)	42	46%	19	21%	17	19%	1	1%	6	7%	3	4%
Woodworking (base – 54)	18	33%	21	39%	7	13%	5	9%	–	–	2	4%
Other (base – 51)	11	22%	16	31%	17	33%	3	6%	3	6%	–	–
Total	135		126		102		36		17		19	

Turnover of the all Ireland craft sector

The figures for turnover provided by each individual craft business responding to the survey were extrapolated in 2001, as in the 2000 survey, to develop a figure for the total turnover of the all Ireland craft sector. The tighter categories of turnover which respondents were presented with in 2001 enabled a single figure for sector wide turnover to be developed this year, as shown below.

The methodology was further enhanced by the introduction of a different multiplier figure to form the basis for the sector wide extrapolation. In 2000, the figure of 200 Northern Irish craft businesses and 1,200 craft enterprises in the Republic of Ireland was used. In 2001, these figures were further refined and totals of 1,316 for the Republic of Ireland and 230 for Northern Ireland were used.

The refined methodology in 2001 further presented the opportunity to reflect back on the two figures for sector wide turnover developed in 2000 (a median and a high figure), and thereby enable a single figure for 2000 to be chosen with increased confidence. Using this analysis, the median figure developed in 2000 was chosen as the most appropriate of the two figures put forward. The table below shows the median figure developed in the 2000 survey.

Table 32: Sector wide turnover – 2001 findings

TURNOVER	2001 SURVEY CRAFT ENTERPRISES (MULTIPLIER = 1,546)	2000 SURVEY CRAFT ENTERPRISES (MULTIPLIER = 1,400)
Gross Industry Turnover	€91,000,000	€99,000,000

Domestic and international sales for the all Ireland craft sector

Sector wide figures for both domestic and international sales were also developed in both the 2000 and 2001 surveys.

In the 2001 survey the two breakdowns for domestic and international sales were approached in a different manner than in 2000. In 2001, respondents were asked to estimate their domestic and international sales in terms of money amounts (see section 5.14.1 for further details). These money amounts were then extrapolated to generate two figures which would be meaningful across the entire sector. These are shown in the table below.

Table 33: Domestic and international sales – 2001 findings

TURNOVER	CRAFT ENTERPRISES (MULTIPLIER = 1,546)	
Domestic sales	€69,000,000	(76%)
International sales	€22,000,000	(24%)
Total turnover	€91,000,000	

In 2000, on the other hand, respondents were asked to estimate the proportion of sales that they had made to the domestic market and the proportion that they had made to the international market, in the form of percentages. These percentage figures were applied to the sector wide figure to generate figures in money amounts for both domestic and international sales.

Table 34: Domestic and international sales – 2000 findings

TURNOVER	CRAFT ENTERPRISES (MULTIPLIER = 1,400)	
Domestic Sales	€78,000,000	(72%)
International Sales	€21,000,000	(28%)
Total Turnover	€99,000,000	

Both methodologies are valid, and the close correlation between the percentage figures for 2000 and those for 2001 add extra validation to the findings.

The refined methodology in 2001 has the additional benefit of acting as a validator of the figure for sector wide turnover discussed earlier. Since the figures are developed independently of the turnover figure, they can be added together to test the accuracy of the turnover figure. In the 2001 figures they clearly reflect that the turnover figure is valid.

Annual wages cost

The figures relating to wages cost in the table overleaf relate to wages including PRSI, cash payments and owner/manager wages, per annum. As with last year's survey there was a decrease in the response rate for this question in comparison with the response rates for other questions in the survey in 2001. However, the response rate of 412 was improved in relation to the 343 responses in the 2000 survey.

Table 35: Number of respondents by annual wages cost

ANNUAL WAGES COST	ROI – 2001 (BASE = 358)		ANNUAL WAGES COST	NI – 2001 (BASE = 54)	
Under €12,697	155	43%	Under £10,000	38	70%
€12,697 – €19,045	70	20%	£10,000 – £14,999	7	13%
€19,046 – €31,742	60	17%	£15,000 – £24,999	4	7%
€31,743 – €63,486	35	10%	£25,000 – £49,999	4	7%
€63,487 – €126,973	26	7%	£50,000 – £99,999	1	2%
€126,974 – €253,946	8	2%	£100,000 – £199,999	0	0%
€253,948+	4	1%	£200,000 +	0	0%
Total	358	100%	Total	54	100%

It is in cross referencing this figure with the findings in relation to business size (turnover), gender and crafts discipline that the real insights in relation to wage costs can be gleaned. The tables show that:

- The majority of craft businesses have wage costs of less than €12,697. As expected, this is most likely to be the case if the business has a turnover of less than €12,697. It is also 14% more likely if the respondent is female rather than male. The table shows that there is a close correlation between the increase in wages cost and that of turnover
- Of all the craft disciplines, it is glass making that has the greater proportion of businesses with a wage cost of under €12,697. Textiles is also one of the disciplines most likely to have a wage cost of under €12,697. This correlates with the figures for turnover, which also show that these two disciplines are the most likely to have the lower turnover figures
- At the other end of the scale the figures are more unexpected. The three disciplines with the highest proportion of constituent businesses with a predicted turnover of more than €317,435 do not feature at all in the upper wage category. This may suggest that for those disciplines – mixed media, jewellery and glass – the significant margin between wages cost and overall turnover is spent more than in other disciplines on costs that are not related to wages. It may simply be that the margins in these disciplines are more generous. In contrast, there is a much closer correlation between the proportion of metal businesses that have a high turnover and those that have a high wage cost, which might suggest that margins in this discipline are low in contrast.

Table 36: Breakdown of annual wages cost by turnover – Northern Ireland (2001 survey only)

ANNUAL WAGES COST	TURNOVER UNDER £10,000 (BASE = 23)		TURNOVER- £10,000 – £24,999 (BASE = 17)		TURNOVER- £25,000 – £74,999 (BASE = 12)		TURNOVER- £75,000 – £149,999 (BASE = 2)		TURNOVER- £150,000 – £249,999 (BASE = 1)		TURNOVER £250,000 + (BASE = 0)	
Under £10,000	22	96%	12	71%	3	25%	0	–	0	–	0	–
£10,000 – £14,999	0	–	4	24%	3	25%	0	–	0	–	0	–
£15,000 – £24,999	0	–	1	6%	3	25%	0	–	0	–	0	–
£25,000 – £49,999	0	–	0	–	2	17%	2	100%	0	–	0	–
£50,000 – £99,999	0	–	0	–	0	–	0	–	1	100%	0	–
£100,000 – £199,999	0	–	0	–	0	–	0	–	0	–	0	–
£200,000 +	0	–	0	–	0	–	0	–	0	–	0	–
Unknown	1	4%	0	–	1	8%	0	–	0	–	0	–
Total	23	100%	17	101%	12	100%	2	100%	1	100%	0	0%

Table 37: Breakdown of annual wages cost by turnover – Republic of Ireland (2001 survey only)

ANNUAL WAGES COST	TURNOVER UNDER €12,697 (BASE = 109)		TURNOVER €12,697 – €31,742 (BASE = 108)		TURNOVER €31,743 – €95,229 (BASE = 91)		TURNOVER €95,230 – €190,459 (BASE = 34)		TURNOVER €190,461 – €317,433 (BASE = 15)		TURNOVER €317,435 + (BASE = 18)	
Under €12,697	95	87%	46	43%	14	15%	0	–	0	–	0	–
€12,697 – €19,045	0	–	37	34%	19	21%	3	9%	0	–	0	–
€19,046 – €31,742	0	–	13	12%	40	44%	6	18%	0	–	0	–
€31,743 – €63,486	0	–	0	–	16	18%	14	41%	3	20%	2	11%
€63,487 – €126,973	0	–	0	–	0	–	10	29%	10	67%	6	33%
€126,974 – €253,946	0	–	0	–	0	–	0	–	2	13%	6	33%
€253,948+	0	–	0	–	0	–	0	–	0	–	4	22%
Unknown	14	13%	12	11%	2	2%	1	3%	0	–	0	–
Total	109	100%	108	100%	91	100%	34	100%	15	100%	18	99%

Table 38: Breakdown of annual wages cost by respondent gender (2001 survey only)

ANNUAL WAGES COST ROI – 2001	MALE (BASE = 187)		FEMALE (BASE = 189)	
Under €12,697	52	28%	103	54%
€12,697 – €19,045	32	17%	27	14%
€19,046 – €31,742	39	21%	19	10%
€31,743 – €63,486	22	12%	12	6%
€63,487 – €126,973	18	10%	7	4%
€126,974 – €253,946	5	3%	3	2%
€253,948+	3	2%	1	1%
Unknown	16	9%	17	9%
Total	187	101%	189	100%

ANNUAL WAGES COST NI – 2001	MALE (BASE = 20)		FEMALE (BASE = 36)	
Under £10,000	13	65%	24	67%
£10,000 – £14,999	2	10%	5	14%
£15,000 – £24,999	1	5%	3	8%
£25,000 – £49,999	2	10%	2	6%
£50,000 – £99,999	0	0%	1	3%
£100,000 – £199,999	0	0%	0	0%
£200,000 +	0	0%	0	0%
Unknown	2	10%	1	3%
	20	100%	36	101%

Table 39: Breakdown of annual wages cost by craft discipline (2001 survey only)

CRAFT DISCIPLINE	UNDER €12,697		€12,697 – €19,045		€19,046 – €31,742		€31,743 – €63,486		€63,487 – €126,973		€126,974 – €253,946		€253,947 +	
Ceramics (base – 103)	42	41%	19	18%	12	12%	7	7%	9	9%	1	1%	2	2%
Furnituremaking (base – 28)	7	25%	7	25%	9	32%	3	11%	1	4%	1	4%	–	–
Glassmaking (base – 23)	14	61%	2	9%	2	9%	1	4%	1	4%	1	4%	–	–
Jewellerymaking (base – 55)	21	38%	6	11%	10	18%	9	16%	6	11%	1	2%	–	–
Metalworking (base – 22)	7	32%	4	18%	4	18%	3	14%	2	9%	–	–	1	5%
Mixed media (base – 7)	3	43%	1	14%	1	14%	–	–	–	–	1	14%	–	–
Paperworking (base – 8)	4	50%	3	38%	–	–	1	13%	–	–	–	–	–	–
Stoneworking (base – 8)	3	38%	–	–	4	50%	–	–	–	–	–	–	–	–
Textilemaking (base – 91)	51	56%	15	16%	7	8%	5	5%	5	5%	1	1%	2	2%
Woodworking (base – 54)	24	44%	11	20%	8	15%	3	6%	3	6%	–	–	–	–
Other (base – 51)	19	37%	8	16%	8	16%	8	16%	–	–	2	4%	–	–
Total	195		76		65		40		27		8		5	

Markets

Sales breakdown

- 3% of respondents have domestic sales of over €317,435, compared with 4% of respondents with a turnover of more than €317,435. This would suggest that the majority of these larger businesses have developed from a strong domestic base. From the comparative figures, the same could also be said of the majority of the crafts businesses whose turnover is predicted to be greater than €95,230 in 2001.

Table 40: Number of respondents by predicted domestic sales in year of survey – NI and ROI (2001 survey only)

DOMESTIC SALES	ROI (BASE = 360)		DOMESTIC SALES	NI (BASE = 55)	
Under €12,697	131	36%	Under £10,000	33	60%
€12,697 – €31,742	108	30%	£10,000 – £24,999	13	24%
€31,743 – €95,229	71	20%	£25,000 – £74,999	7	13%
€95,230 – €190,459	25	7%	£75,000 – £149,999	1	2%
€190,461 – €317,433	12	3%	£150,000 – £249,999	1	2%
€317,435 plus	13	4%	£250,000 plus	0	0%
Total	360	100%	Total	55	

Table 41: Number of respondents by predicted international sales in year of survey – NI and RoI (2001 survey only)					
INTERNATIONAL SALES ROI	ROI (BASE = 316)		INTERNATIONAL SALES NI	NI (BASE = 52)	
Under €12,697	266	84%	Under £10,000	44	85%
€12,697 – €31,742	29	9%	£10,000 – £24,999	5	10%
€31,743 – €95,229	13	4%	£25,000 – £74,999	3	6%
€95,230 – €190,459	4	1%	£75,000 – £149,999	0	0%
€190,461 – €317,433	1	0%	£150,000 – £249,999	0	0%
€317,435 plus	3	1%	£250,000 plus	0	0%
Total	316		Total	52	

Top ranking markets

- As in the 2000 survey, the Republic of Ireland is the most popular market for the sample of respondents. 87% rated it as their first choice
- Northern Ireland is the second market for Irish craft enterprises. 7% ranked it as the foremost market from which they generate revenue, 25% ranked it as their second, and 18% as their third
- The United Kingdom and the USA/Canada are the third most popular markets for the respondents, with the UK ranked second by 15% of the sample and third by 18% and the US marked second by 13% and third by 11% of the sample. From the findings in relation to market rank, it seems likely that, since it is more likely to be cited as a second and third choice, the UK is a slightly more common market for an Irish craft enterprise than the USA/Canada
- Securing revenue from international markets outside these four is uncommon. However, France and Germany are somewhat popular as second and third markets for Irish craft businesses.

Table 42: Top three country markets by frequency of citation by respondents (2001 study only)						
INTERNATIONAL SALES	RANKED FIRST (BASE = 417)		RANKED SECOND (BASE = 417)		RANKED THIRD (BASE = 417)	
Republic of Ireland	361	87%	32	8%	7	2%
Northern Ireland	28	7%	103	25%	26	6%
United Kingdom	10	2%	64	15%	76	18%
France	1	0%	5	1%	5	1%
Germany	1	0%	6	1%	6	1%
Italy	–	–	3	1%	2	0%
Benelux	–	–	2	0%	2	0%
Scandinavia	–	–	1	0%	1	0%
Other European Countries	–	–	2	0%	5	1%
USA/Canada	12	3%	54	13%	45	11%
Rest of World	1	0%	10	2%	4	1%
Total		99%		66%		41%

Percentage revenue generated

- The findings in the previous table are explained further in the table below. While the USA/Canada is a relatively popular market of second and third resort for a significant proportion of the sample, in terms of the percentage of revenue generated it makes a very small contribution in relation to the other three key markets which figured in the previous section
- Indeed, the other two key markets aside from the Republic of Ireland are also revealed in the table below to generate relatively little income for the Irish craft business while in contrast, the Republic of Ireland generates 90 – 100% of revenue for at least 55% of all Irish craft businesses.

  (Note that the percentage figure for those who would rank the Republic of Ireland as contributing between 90% and 100% of their turnover may indeed be higher than the 55% stated above. Many respondents who had ranked the Republic of Ireland as their most important market, and who did not rank any further markets, did not go on to state what percentage of sales were generated from the Irish market. This is likely to indicate that a large proportion if not all of their turnover comes from the Republic of Ireland although they did not explicitly state this.)
- The pattern which this suggests for the Irish craft sector is of most businesses generating the majority of their income from the Republic of Ireland, with a third of businesses looking to the UK and/or Northern Ireland to secure the remainder. All other markets are negligible in terms of their contribution to turnover.

Table 43: Top three country markets by percentage of revenue generated (2001 study only)

COUNTRY MARKET	GENERATE 90% – 100% OF REVENUE (BASE = 348)		GENERATE 50% – 89% OF REVENUE (BASE = 348)		GENERATE 0 – 49% OF REVENUE (BASE = 348)	
Republic of Ireland	193	55%	95	27%	51	15%
Northern Ireland	11	3%	12	3%	113	32%
United Kingdom	1	3%	6	2%	123	35%
France	–	–	1	0%	13	4%
Germany	–	–	1	0%	25	7%
Italy	–	–	–	–	11	3%
Benelux	–	–	–	–	3	1%
Scandinavia	–	–	–	–	2	1%
Other European Countries	–	–	–	–	2	1%
USA/Canada	–	–	6	2%	8	2%
Rest of World	–	–	–	–	6	2%
Total		99%		66%		41%

Developmental Markets

- When "Ireland" and "Republic of Ireland" categories are amalgamated, as for the 2000 survey, the Republic of Ireland is the most popular market for development. However, overall a smaller proportion of respondents (33% as opposed to 39%) chose this market as their choice of market for development in 2001
- Last year, the second most popular market for development was the North American market. Interestingly, however, this year there has been a fall of 6 percentage points from 31% to 25% of craft businesses interested in developing this market. This may be as a result of the events in New York which occurred on 11th September 2001. This year the second most popular market is the UK, with an increase of 3% from 25% to 28% of craft businesses interested in developing the market
- Overall in the 2001 survey the falls in the proportion of businesses looking to the Republic of Ireland and the USA/Canada correspond to an increase in craft businesses looking to the European market. The popularity of Germany, Italy, Scandinavia and other European markets have all increased
- In relation to the "Rest of the World" some of the countries which arose were Japan, China, Australia, Israel and the Far East.

Two interesting and opposing trends emerged in the results from this year as opposed to last year. On the one hand, some respondents were looking more closely at the Irish market and identifying particular areas and regions where they felt they would like to develop a market. This trend was also apparent for some respondents in relation to the UK market, and the European market. On the other hand, a number of respondents had some difficulty focusing on a particular market which they wanted to develop. Many stated that they wished to develop "the USA/Canada and Europe". Still others stated "global" or "international", suggesting that narrowing the potential opportunity was challenging.

Table 44: number of respondents by geographical market would most like to develop within 12 months

MARKETS MOST LIKE TO DEVELOP	2001 SURVEY		2000 SURVEY	
	CRAFT ENTERPRISES (BASE = 367)		CRAFT ENTERPRISES (BASE = 284)	
Island of Ireland	60	16%	27	10%
Republic of Ireland	62	17%	83	29%
Northern Ireland	27	7%	18	6%
United Kingdom	103	28%	72	25%
France	9	2%	5	2%
Germany	14	4%	7	2%
Italy	7	2%	4	1%
Benelux	1	0%	1	0%
Scandinavia	6	2%	4	1%
Other European Countries/Europe in General	48	13%	28	10%
USA Only	65	18%	12	4%
Canada only	1	0%	–	–
USA/Canada	24	7%	78	27%
Rest of World	11	3%	15	5%
Others:				
Within Ireland:				
Dublin	7	2%	4	1%
Galway	–	–	1	0%
Leinster	4	1%	–	–
Munster	4	1%	–	–
Connaught	5	1%	–	–
London	1	0%	–	–
Scotland	–	–	1	

Methods to market

Methods used

- In line with last year's results, selling direct to the customer via the studio or workshop is the most commonly used method to market by Irish craftspeople. It was ranked as a first choice by 46% of respondents and as a second choice by 22% of respondents
- Also in line with last year's results, selling direct to the retailer, and selling direct to customer via retail craft fair, were the other most popular choices, with 46% and 44% of craftspeople ranking them as their first or second choice. As with last year selling direct to the retailer was the most popular of these options
- In contrast to last year's results, the internet does not feature as a popular third choice for craft businesses. It would appear that this year respondents have focused slightly more on the traditional forms of getting their product to market and some have turned away from the internet as a channel.

Table 45: Top six methods to market by frequency of citation by respondents (2001 study only)

COUNTRY MARKET	RANKED FIRST (BASE = 432)		RANKED SECOND (BASE = 432)		RANKED THIRD (BASE = 432)		RANKED FOURTH (BASE = 432)		RANKED FIFTH (BASE = 432)		RANKED SIXTH (BASE = 432)	
Direct to customer via studio/workshop	197	46%	94	22%	57	13%	9	2%	1	0%	–	–
Direct to customer via retail craft fair	82	19%	107	25%	61	14%	8	2%	3	1%	–	–
Direct to retailer	117	27%	81	19%	56	13%	9	2%	2	0%	–	–
Direct via agent/wholesaler	17	4%	22	5%	18	4%	27	6%	13	2%	–	–
Internet	3	1%	17	4%	30	7%	34	8%	26	6%	1	0%
Other – please specify	19	4%	14	3%	5	1%	2	0%	0	0%	2	0%

Among the additional sales channels which respondents highlighted were the following, ranked in order of frequency:

- Galleries and Exhibitions
- Trade Shows and Fairs (Non Retail)
- Through intermediaries such as architects or interior designers
- Mail order.

It is worth noting that in relation to the "other" category, there was some confusion among craftspeople as to what constituted a sales channel and what might be construed as a marketing tool (eg advertising).

Breakdown of sales channel by sales generated

The table below bears out the finding that direct retail is the most popular channel for craftspeople in terms of the percentage revenue which it generates. For 37% of respondents, it generates between 90% and 100% of revenue. The table also shows that the internet is not yet generating significant sales for craftspeople. Indeed, of the 134 respondents who stated that the internet generated between 0% and 49% of revenue, 73 respondents, or 17% of the total respondents to the overall question, generated no sales at all from this source.

Table 46: Number of respondents by sales generated by wholesale, retail and internet channels

SALES CHANNEL	GENERATE 90% – 100% OF REVENUE (BASE = 418)		GENERATE 50% – 89% OF REVENUE (BASE = 418)		GENERATE 0 – 49% OF REVENUE (BASE = 418)	
Wholesale channel	81	19%	102	24%	118	28%
Direct retail	154	37%	88	21%	141	34%
Internet	0	0%	3	1%	134	32%

Numbers of methods used

An analysis of the data also yields some interesting statistics in relation to the number of methods typically used by a craft business in getting their product to market. The table below shows that:

- The largest proportion of craftspeople are using three methods of getting their product to market. Few are using more than three methods. As the table above shows, these three methods are likely to be a combination of selling direct to the customer via the studio or workshop, selling direct to the retailer, and selling direct to customer via retail craft fair
- At least a fifth of all Irish craftspeople are using only one method of getting their product to market.

Table 47: Number of respondents by numbers of market channels used (2001 survey only)

NUMBER OF MARKET CHANNELS	2001 SURVEY CRAFT ENTERPRISES (BASE = 432)	
One only	92	21%
Two only	106	24%
Three only	138	32%
Four only	44	10%
Total	380	87%*

*Note that craft businesses using more than 4 methods make up the remainder of this figure

Finally, further analysis reveals that of those craftspeople using only one method to market, 62% are going direct to the customer from their own studio or workshop, and 24% are going direct to the retailer. 8% are using craft fairs, and the remainder are using other methods. No craft enterprise is only using the internet.

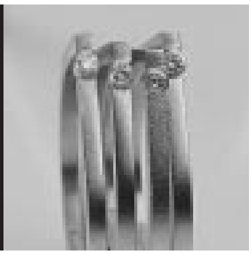
Internet use

Use of internet to generate sales

- The finding above that craftspeople have in some cases decreased their use of the internet in relation to last year is born out by the table below, which suggests a slight fall in the use of the internet to generate sales.

Table 48: Number of respondents by use of the internet to generate sales in the past 12 months

USE OF INTERNET TO GENERATE SALES	2001 SURVEY CRAFT ENTERPRISES (BASE = 426)		2000 SURVEY CRAFT ENTERPRISES (BASE = 365)	
Yes	151	35%	139	38%
No	275	65%	226	62%
Total	426	100%	365	100%



Level of sales generated

- Despite the slight fall in use of the internet since the 2000 survey, the table overleaf shows that the proportion of those using the internet to generate sales who are turning over less than €12,697 from this source has decreased by a significant 10%. The proportion of those generating between €6,348 and €12,696 has also fallen by a small percentage, with a corresponding rise in some of the categories relating to higher income from the internet. This would suggest that for those continuing to use the internet, there is a slow but noticeable growth in the numbers of businesses increasing their income being sourced from the channel
- The breakdown by craft discipline reveals that the businesses making the largest income from the internet are glass, mixed media, ceramics and jewellery. Jewellery and ceramics were also among the disciplines having most success last year, although both glass and mixed media have developed their internet use significantly in the past 12 months. Both furniture and metal working, also successful disciplines in this regard last year, are having continued positive results this year although they are not represented in the upper categories
- The relationship between internet success and turnover is an interesting one. The six disciplines mentioned above are among those who have a high turnover. However, this is not likely to be the only key determinant of success in relation to the internet, since textiles and woodworking, which are also strong in terms of turnover, are not trying to or succeeding in generating significant internet sales. This would suggest that other factors are coming in to play, such as the suitability of the internet as a marketing and sales channel for certain craft disciplines.

Table 49: Number of respondents by the total sales generated via the internet in the past 12 months				
TOTAL INTERNET SALES	2001 SURVEY		2000 SURVEY	
	CRAFT ENTERPRISES (BASE = 151)		CRAFT ENTERPRISES (BASE = 139)	
Under €1,270	87	58%	95	68%
€1,270 – €6,347	29	19%	27	19%
€6,348 – €12,696	8	5%	9	7%
€12,697 – €25,394	1	1%	–	–
€25,395 – €63,486	1	1%	–	–
€63,487 +	2	1%	–	–
No response	23	15%	8	6%
Total	151	100%	139	100%

Table 50: Breakdown of crafts disciplines by total sales generated by the internet (2001 survey only)												
TOTAL INTERNET SALES	UNDER €1,270		€1,270 – €6,347		€6,348 – €12,696		€12,697 – €25,394		€25,395 – €63,486		€63,487 +	
Ceramics (base – 103)	21	20%	3	3%	2	2%	1	1%	–	–	–	–
Furnituremaking (base – 28)	5	18%	2	7%	1	4%	–	–	–	–	–	–
Glassmaking (base – 23)	3	13%	3	13%	1	4%	–	–	–	–	1	4%
Jewellerymaking (base – 55)	14	25%	5	10%	1	2%	–	–	1	2%	–	–
Metalworking (base – 22)	3	14%	3	14%	3	14%	–	–	–	–	–	–
Mixed media construction (base – 7)	1	14%	–	–	–	–	–	–	–	–	1	14%
Paperworking (base – 8)	3	38%	–	–	–	–	–	–	–	–	–	–
Stoneworking (base – 8)	1	13%	–	–	–	–	–	–	–	–	–	–
Textilemaking (base – 91)	15	16%	6	7%	–	–	–	–	–	–	–	–
Woodworking (base – 54)	6	11%	4	7%	–	–	–	–	–	–	–	–
Other (base – 51)	14	27%	3	6%	–	–	–	–	–	–	–	–
Not stated (base - 6)	1	17%	–	–	–	–	–	–	–	–	–	–
Total	87		29		8		1		1		2	

Total Sales generated across the sector via the internet

In 2001 the total sales generated by the internet were established for the first time in the survey. Figures for 2000 were calculated in retrospect to facilitate comparison. The figures show an increase in internet sales for the Irish craft sector as a percentage of total sector turnover.

Table 51: Total sales generated across the sector

TOTAL SALES GENERATED FOR THE SECTOR	2001 SURVEY CRAFT ENTERPRISES (MULTIPLIER – 1,546)	2000 SURVEY CRAFT ENTERPRISES (MULTIPLIER = 1,400)
Total Internet Sales	€6,346,588	€3,499,271
Total Sector Sales	€91,000,000	€99,000,000
Internet Sales as % of sector sales	7%	3.5%

Type of website used

- Slightly more respondents than last year are using their own website, and the corresponding fall in the figures relating to the use of portal/hosted websites suggests that there has been a migration from hosted websites to proprietary web sites for craftspeople
- A number of respondents this year are using both their own and portal websites
- As with last year, the findings show that portal sites are less effective than proprietary web sites at generating significant sales. This is born out by the fact that the most lucrative web sites are those which are personal to the craft business and that those using both types of website are more likely to be generating significant sales than those only using the portal site.

Table 52: Number of respondents by the type of website used

TYPE OF SITE USED TO GENERATE SALES	2001 SURVEY CRAFT ENTERPRISES (BASE = 151)		2000 SURVEY CRAFT ENTERPRISES (BASE = 139))	
Own Website (including those using both)	65 (77)	43% (51%)	64	46%
Portal/Hosted Website (including those using both)	54 (66)	36% (44%)	67	48%
Both	12	8%	0	0%
Not Stated	20	13%	8	6%
Total	151		139	100%

Table 53: Breakdown of total sales generated by the internet in the past twelve months, by type of website used										
TOTAL INTERNET SALES	2001 SURVEY						2000 SURVEY			
	OWN WEBSITE		PORTAL / HOSTED WEBSITE		BOTH		OWN WEBSITE		PORTAL / HOSTED WEBSITE	
	CRAFT ENTERPRISES (BASE = 65)		CRAFT ENTERPRISES (BASE = 54)		CRAFT ENTERPRISES (BASE = 12)		CRAFT ENTERPRISES (BASE = 64)		CRAFT ENTERPRISES (BASE = 67)	
Under €1,270	35	54%	39	72%	6	50%	36	56%	54	81%
€1,270 – €6,347	17	26%	5	9%	3	25%	19	30%	7	10%
€6,348 – €12,696	4	6%	1	2%	2	17%	9	14%	1	2%
€12,697 – €25,394	1	2%	–	–	–	–	–	–	–	–
€25,395 – €63,486	1	2%	–	–	–	–	–	–	–	–
€63,487 +	2	3%	–	–	–	–	–	–	–	–
Not stated	5	8%	9	17%	1	8%	–	–	–	–
Total	65	101%	54	100%	12	100%	64	100%	67	101%

Level of satisfaction with current internet site

In the 2001 survey respondents were asked for the first time to what extent they were satisfied with their current internet site and the contribution that it made to the enterprise's objectives. The table below shows that those with their own website are much more likely to be very or somewhat satisfied than those with a portal site (51% as opposed to 13%). Those with both sites are also more likely to be satisfied with them.

Table 54: Number of respondents by level of satisfaction with current website (2001 survey only)						
LEVEL OF SATISFACTION	OWN WEBSITE		PORTAL/HOSTED WEBSITE		BOTH	
	CRAFT ENTERPRISES (BASE = 65)		CRAFT ENTERPRISES (BASE = 54)		CRAFT ENTERPRISES (BASE = 12)	
Very satisfied	11	17%	2	4%	1	8%
Somewhat satisfied	22	34%	5	9%	4	33%
Neither satisfied nor dissatisfied	10	15%	17	31%	1	8%
Somewhat dissatisfied	13	20%	8	15%	3	25%
Very dissatisfied	8	12%	15	28%	2	17%
No response	1	2%	7	13%	1	8%
Total	65	100%	54	100%	12	99%

Factors influencing decision to use the internet

In the 2001 survey respondents were asked to state the factors that had influenced their decision whether or not to use the internet to generate sales. The following table shows:

- Most commonly, it is the type of product which craftspeople take into account when deciding whether or not to use the internet. Experience/skills required are also important factors of consideration
- Customer demand and the availability of funding feature quite heavily in the mind of the craftsperson in deciding whether to use the internet.

Factors included in the "other" category by craftspeople included:

- Lack of time (most common)
- The existence of sufficient sales already
- Fear in relation to the implications of growing internet sales on production capacity
- Cost of shipping.

Many craftspeople stated that they don't use the internet to generate sales but find it useful as a marketing and information tool.

Table 55: Number of respondents by factors influencing decision to use the internet

FACTORS INFLUENCING DECISION TO USE THE INTERNET	2001 SURVEY CRAFT ENTERPRISES (BASE = 372)	
Experience/skills required	128	34%
Type of product	155	42%
Location of business	63	17%
Customer demand	85	23%
Cost of equipment	59	16%
Cost of training	45	12%
Availability of training	33	9%
Available funding	77	21%
Availability of CEB Empower Grant Funding	20	5%
Other	77	21%

Some additional comments from respondents included:

- "If I had the time or knowledge to set up an internet site I could readily sell product from it as customers are constantly asking for a web address"
- "No desire to change the nature of my business until the concept has been proven to be of benefit"
- "Customers like to feel pottery – you can't do this with a computer"
- "Apathy – at present I have not made time for the internet"
- "Conflicting advice as to how to go about it"
- "Sales would not relate to the input of time and energy"
- "Do not like computers"
- "International experience with internet selling has been 95% negative"
- "Other forms of marketing are more important"

Intention to use internet to generate sales into the future

- The proportion of craftspeople intending to use the internet within the next 12 months has fallen considerably since the 2000 survey. Conversely, the number of people who consider it likely that they will use it in the longer term has increased
- The proportion of respondents who don't know whether they will use the internet in the future has risen considerably

These findings validate the earlier results which suggest that despite the growth in success for those using the internet to generate sales, there has been a fall in confidence in general in relation to its prospects for the craft sector.

Table 56: Number of respondents intending to use the internet to generate sales in the future

LENGTH OF TIME WITHIN WHICH INTEND TO USE INTERNET TO GENERATE SALES	2001 SURVEY CRAFT ENTERPRISES (BASE = 283)		2000 SURVEY CRAFT ENTERPRISES (BASE = 217)	
0 – 12 months	108	38%	125	58%
13 – 24 months	56	20%	31	14%
25 – 36 months	4	1%	7	3%
36 months +	9	3%	1	0%
Don't know	78	28%	36	17%
Not applicable	28	10%	17	8%
Total	283	100%	217	100%

For those who do express a preference in relation to the type of website that they might use in the future, the following table shows that:

- There has been a significant increase in the numbers of craftspeople proposing to develop their own website. There has been a much smaller increase of respondents intending to use a portal website
- This year, a significant proportion of respondents suggest that they are going to use both a portal and a proprietary website into the future.

Table 57: Number of respondents by the type of website they intend to use to generate sales

TYPE OF SITE INTEND TO USE TO GENERATE SALES	2001 SURVEY CRAFT ENTERPRISES (BASE = 266)		2000 SURVEY CRAFT ENTERPRISES (BASE =)	
Own website (including those using both)	165 (216)	62% (81%)	141	70%
Portal/hosted website (including those using both)	50 (101)	19% (38%)	61	30%
Both	51	19%	0	0
Total	266	100%	202	100%

Future trends in relation to overall business development

- A significantly decreased percentage of craftspeople believe that their business will expand over the next three years. A smaller additional percentage believe that their business will stay the same or will contract. This would correlate with the increase in respondents who stated that their business was in decline
- A higher element of uncertainty amongst craftspeople is evident in the increase in "Don't Know" responses which arose in the 2001 survey, again suggesting the impact of the traumatic events in the States during the time of the survey.

Table 58: Number of respondents by expected business development over next three years

EXPECTED BUSINESS DEVELOPMENT	2001 SURVEY CRAFT ENTERPRISES (BASE = 434)		2000 SURVEY CRAFT ENTERPRISES (BASE = 359)	
Expand	266	61%	263	73%
Stay the same	86	20%	59	16%
Contract	17	4%	6	2%
Don't know	65	15%	31	9%
Total	434	100%	359	100%

RECOMMENDATIONS FOR CONSIDERATION

Once again the interviews generated a rich variety of suggestions and comment in relation to actions which could be taken to support the development of the craft sector in Ireland. These findings are presented in two sections, the first relating to the Crafts Council and its potential role, and the second to actions which the craftspeople themselves can implement to improve the outlook for the sector.

Crafts Council of Ireland

The general opinion among craftspeople was that the Crafts Council had realised some significant achievements in recent times in relation to its support for the Irish craft sector. Craftspeople frequently expressed the view that the relevance and effectiveness of the Crafts Council's support for the sector had improved over the past two to three years.

A number of key roles were identified for the Crafts Council and craftspeople had a range of detailed suggestions as to how these roles could be deepened and made more effective. These roles are outlined below:

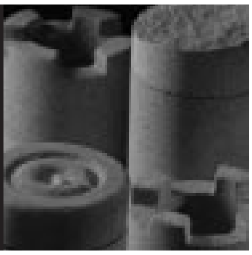
- **Promoter of Irish Craft at the International level:** common to the responses from craftspeople was the need for the Crafts Council to promote them and the sector outside of Ireland. International trade fairs were the most commonly cited means by which craftspeople felt this could be achieved. Through these fairs, the work of promotion for Irish craft, as well as the facilitation of access for Irish people to international buyers and customers, could be achieved. A number of other suggestions were put forward in relation to international market development. A number of craftspeople suggested that international exchange would assist the promotion of Irish craft abroad, while also contributing to the development of skills and in particular innovation within Ireland through outside influences.

  Showcase arose frequently in the context of these discussions. For some craftspeople, it seemed that it had gone a little stale, with the same buyers and same craftspeople in attendance each year. A number felt that they would like more focus in terms of the types of craft that would be admitted, while others felt that the criteria had been too strict or inappropriate in the past. Some suggested that, while it was appropriate to keep the criteria strict, support to "fast track" craftspeople with potential should be forthcoming so that the criteria can be met in subsequent years. On the whole craftspeople saw the benefits of the Showcase concept and what it had achieved in the past but wished to see the idea reworked and renewed.

- **Information provider:** many craftspeople saw a key role for the Crafts Council in providing information to the sector. Many found Stopress and other Crafts Council circulars to be informative. For a number of respondents, this contact was perceived to be the limit of their connection with the Crafts Council and as such they found it important. However, craftspeople would like more from the Crafts Council in terms of its information role. There was some consensus that the provision of information was critical in the area of market development, particularly in international markets. Information provision to the individual craftsperson was seen as a natural partner to the Crafts Council's work at the strategic level of promoting the sector abroad. The provision of market information, and lists of outlets and contacts, were seen as key tools for craftspeople, and the Crafts Council the best placed to provide these inputs. Many craftspeople went further, looking to the Crafts Council to provide introductions in new markets.

- **Training Facilitator:** throughout the interviews craftspeople in all disciplines recognised the impact that Crafts Council facilitated training was having in the development of the Irish craft sector. The outcome of the training in terms of the quality of Irish craftwork was clear to be seen. Training continued to be identified in the interviews as a matter of importance. Among the variety of training needs which were identified key themes emerged which related to product development and general business skills. In relation to the former, it was indicated that while the potential in the Irish craft sector for innovation was significant, this needed to be drawn out through training which would advise of approaches to product development specific to the context of the craft enterprise. Such training might include CAD and other approaches that would stitch product development into the day to day running of the craft business. The lack of investment in this area in the past was seen to be impacting significantly on the craft sector at present, and as such the improvement in design was seen as the next priority for the sector.

  Despite the overwhelming recognition in the qualitative research of the importance of training, the quantitative research also throws up a challenge for the Crafts Council. This research suggests that craftspeople are more likely on balance to consider that they do not have pressing training needs, thereby contradicting the qualitative research. The reality may be that craftspeople do perceive their own training needs, but in the context of other more urgent matters relating to the running of their business they do not see them as a priority. This implication was also reflected in the numbers of craftspeople stating that they would appreciate "hands on" support from the Crafts Council in relation to their business. This support would be in the form of "in house" experts within the Crafts Council, and would negate the need for attendance on training courses, being available on an "as and when" basis.



- **Facilitator of information exchange and support between craftspeople:** all interviewees saw the move towards craft co-operatives, or networks, to be an extremely positive one. Many reflected on the benefit of networks as an opportunity to meet other craftspeople. One craftsperson referred to the "rich seam" of support and information that could be gained in this way. The further development of craft co-operatives was seen as one way in which the Crafts Council could exploit these benefits. The development of centralised locations where craft businesses could locate was also identified, as was support for craft associations.
- **Educator:** many craftspeople referred to "customer education." They perceived that the customer had developed their understanding of craft to the benefit of the sector, but that with increased competition, particularly in the retail market, there was a considerable way to go in ensuring that the customer appreciated the work and effort that went into making a craft piece. Most craftspeople saw this education role as an objective for the Crafts Council rather than for their own marketing endeavours.

Aside from these overarching roles which were common to the feedback from many craftspeople, other recommendations were also made, and these are outlined below:

- Craftspeople in Northern Ireland felt particularly isolated from the Crafts Council, especially since its move to Kilkenny. They wanted to see the Crafts Council with a greater presence in Dublin, such that the benefits of the organisation could be enjoyed by a broader range of craft businesses.
- A number of craftspeople from both sides of the Border also suggested that more cross border trading be encouraged by the Crafts Council and reciprocal markets developed

- A number of craftspeople suggested that the Crafts Council had a role in weighing in behind and exploiting the trend towards a blurred line between arts and craft. Many saw this as a potential opportunity for the sector, and one which was in line with the changing needs of customers, who were moving towards an increasingly aesthetic as well as functional perception of Irish craft. One of the suggestions made was that the Crafts Council would channel money to help exhibition space owners. The example of the County Leitrim Enterprise Board and their gallery space was highlighted as a model for how this "blurred line" could be promoted
- Some saw the Crafts Council as the link in bridging the gap between the Irish craftsperson and the craft buyer. Many craftspeople felt that on both sides there was interest and a desire to engage, but that the structures and information were not in place to facilitate the connection, which would be beneficial for both parties
- Many craftspeople reflected that they had identified an opening of the dialogue between the Irish craftsperson and the Crafts Council. The study itself was seen by many as an indicator of this. "Keep up the good work" was the theme from many craftspeople who felt increasingly that their voices were being heard
- Training was not viewed by craftspeople as the only means of developing innovation. The Crafts Council was seen to have a role in promoting innovation through such schemes as the product innovation award, which was viewed positively by a number of respondents.

Central to a number of the themes and ideas outlined above is the concept of the Crafts Council as a development agency which must operate at a variety of levels. Craftspeople have high expectations in relation to the Crafts Council's ability to achieve this, although there is also an acknowledgement of the limited resources available to it. Craftspeople want to see the Crafts Council working at an international, cross border, national and local level. In relation to local level working, they would like to see more regional trade shows and craft fairs, local craft officers, and more local contact from key personnel. This is in tandem with the extensive role outlined for the Crafts Council earlier in relation to promoting the craft sector internationally. At the same time, craftspeople would like to see the Crafts Council acknowledging the diversity and inter-relatedness of the Irish craft sector, and developing approaches that will meet the varying needs of the sector. These are key challenges for the Crafts Council in moving forward.

Craftspeople

Craftspeople had some advice for their colleagues in terms of the contribution that they could make at the individual business level towards the development of the Irish craft sector. However, they were much more focused on the responses that external parties could make in terms of support. Some of the key recommendations were as follows:

- Maintain close contact with your customers and with the Irish craft customer in general. Don't ignore the changing patterns of their needs, but at the same time beware of leaving them behind. Recognise that this is a challenge and set clear objectives for product development. Many craftspeople advocated the introduction of at least one new range or product every year. Other suggestions included being disciplined in maintaining the core techniques in making the product, but ensuring flexibility around these to deal with change
- A number of craftspeople felt that the development of a name or brand would be critical in the future to be successful in the Irish craft sector.
- Craftspeople were divided as to whether the internet represented an opportunity for

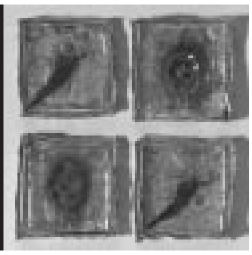
business development. Those that were positive were extremely strong in their view that in the short to medium term craftspeople should be exploiting this opportunity. Many, however, were cautious about its potential and wanted to see its establishment as a sales channel for craft before becoming involved

- Many craftspeople suggested that the coming 12 month period would be one of uncertainty for the Irish craft sector. They considered that a period of consolidation within particular disciplines was likely to be on the horizon. In the light of this, many advocated the development of business skills and professionalism as the additional leverage that craft businesses would need to see them through the short to medium term.

CONCLUSION

The update of the sectoral study in 2001 has generated a wide range of insights and findings in relation to the Irish craft sector. This year's study has had the benefit of last year's equivalent research, and therefore represents a deepening of the understanding of the Irish craft sector which was developed in 2000.

As with last year's study, a number of critical challenges for the Crafts Council of Ireland have been identified, along with a number of recommendations. Among these key challenges is one which stands out in particular – the declining growth in the sector, evident in both the qualitative and quantitative research findings, and the implications which recent economic and global events will have on the prospects for recovery.



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