SECTORAL ANALYSIS OF THE IRISH CRAFT INDUSTRY 2004

Prepared for

The Crafts Council of Ireland

Crafts Council *of* Ireland

by

Platinum Consulting Group

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Executive Summary

- In 2004, the Craft industry experienced a growth in turnover which is roughly in line with the rate of growth of the domestic economy 4%. Projections for 2005 show a slightly higher growth at 4.7%. Most of the growth experienced in both 2004 and 2005 is expected to derive from Republic Of Ireland based craftworkers with a smaller rate of growth coming from Northern Irish based craftworkers.

- The overall industry perceptions for 2005 are positive. Estimated total forecasted sales for 2005 amount to **€132 Million (€126 Million in 2004).** Almost all of this projected gain in sales is derived from sales by ROI based craftworkers.

- In terms of total Exports by NI based craftworkers, it is estimated that these craftworkers exported just over €1 million (9% of their total sales) whereas ROI craftworkers exported just under €15 million worth of products (13% of their total sales) giving a total of €16 million in exports from craft businesses in Ireland. These export figures are true exports as they relate to sales outside the Island Of Ireland.

- In addition to the exports outside the island of Ireland, inter-jurisdictional exports between the North Of Ireland and the Republic of Ireland should be considered. 35% of NI based craftworkers sales were exported to the Republic and 2% of total ROI based craftworkers sales were exported to Northern Ireland. This additional trade amounted to approximately €6.25 Million which was sold cross border.

- The total average Sales figures for craft businesses in 2004 and 2005 are estimated to be €60,152 and €62,981 respectively. This represents a 4.7% increase year-on-year.

- In 2004, the Furniture sector accounted for 17.4% of total industry turnover at almost €20 Million. This being said, there were a number of very large companies which returned their financial results within this business sector. In total, 33% of all responses in the Furniture sector had turnovers in excess of €100,000.

- The outlook for the future is more subdued than that of 2003. Last year a large proportion of craftworkers had the perception that the Craft Industry would grow significantly and that employment would rise. In 2004, while craftworkers still predict future growth, that perceived growth is considerable lower than the perceived growth in 2003.

1. SURVEY METHODOLOGY

1.1 Introduction

The Crafts Council Of Ireland have commissioned independent market research consultants over each of the past four years to undertake detailed market research and analysis of the Craft Industry in Ireland. The purpose of this market research is to identify and track changes in the Industry, to identify issues being raised from grass roots and to identify areas that may require support from the Crafts Council of Ireland.

The collection and use of information is vital to the ongoing strategic development and service provision of The Crafts Council Of Ireland. Platinum Consulting Group recognise the value and the necessity of this information and we have delivered the analysed data in a useful and meaningful manner.

In addition to gathering accurate quantitative market research relating to the industry as a whole, this survey allows The Crafts Council Of Ireland to delve into the qualitative research within the industry. The qualitative research will inform The Crafts Council Of Ireland about the attitudes, opinions and requirements the industry maintains and as such, will allow The Crafts Council Of Ireland to formulate policies and supports which are grass roots driven.

Using the outputs of this research and analysis, The Crafts Council Of Ireland will be in a position to identify critical areas of interest, set out a centrally organised marketing and development strategy for the Craft Sector over the coming years and review existing policies in accordance with craftworkers requirements.

The main focus of the survey is concerned with identifying key strategic issues affecting the industry so that The Crafts Council Of Ireland will be empowered to further develop their strategic development plan for the industry. Other aims and objectives for this survey include the following :~

- Comparison with the last strategic sectoral study undertaken in 2004 allowing trend analysis.
- An updated assessment of the Craft Industry base including elements such as turnover, company size, employee numbers, craft discipline, sales channels used and training needs assessments.
- A review of current market trends within the Craft Industry and external trends that affect the industry.
- An analysis of the Craft Industry's competitive position, its potential for growth and the obstacles to growth.
- Identification of priority markets over the next three years, and a review of growth trends within those markets.

1.2 Objectives

The primary objective for this years survey was as follows: "To provide a clear, up to date analysis of the Irish Craft sector for the period January to December 2004 using a methodology which will facilitate meaningful comparisons with previous and subsequent studies for 2005 and 2006."

The overall role of the research in the context of the Crafts Council's work is described as follows:

- To analyse and outline sectoral trends particularly in relation to each sector's size, issues impacting the sector and recent trends.
- To contribute to the Crafts Council's communications activities with the industry.
- To inform the Crafts Council's internal policy decisions, and priorities for resource allocation, based on a detailed understanding of the up-to-date needs of craftspeople.
- To provide an informative basis for the on-going development of the Crafts Council's strategy.

1.3 Methodology

As with previous years, the study incorporated both quantitative and qualitative research. This survey was undertaken in the final quarter of the financial year to ensure that we obtained accurate financial returns based on revenue tax returns. The specific research strands are outlined below:

Postal Survey: A postal survey was circulated to all registered craftspeople in Ireland, Northern Ireland and the UK. The questionnaire was once again slightly altered to that administered in 2003. These alterations were undertaken in agreement with the Crafts Council, but once again generally focused on the performance of the business in financial terms in 2004, the marketing and distribution methods used, the geographical markets targeted, and the business needs identified.

The revised questionnaire included for the first time, a further series of questions asking craftspeople about their levels of satisfaction with specific Crafts Council programmes. Unlike other years, craftspeople were also asked to indicate financial information as 'exact' amounts, rather than within broad categories. In the event, most craftspeople were amenable to providing this level of detail. A copy of the questionnaire is contained in the Appendix.

In 2004, as with 2003, Platinum Consulting Group undertook a postal, email, on-line and telephone survey. The postal questionnaire was circulated to all registered craftspeople.

Telephone Survey: Furthermore, a telephone survey was utilised to fulfil the prescribed stratified survey sample as outlined by The Crafts Council Of Ireland. The purpose of introducing the stratified sample was to increase the accuracy of the information gathered through the survey.

In 2002 for the first time, three criteria were used to stratify a sample for this survey – these criteria included, craft discipline, business location and business size. The Crafts Council Register was updated, and the categories of information expanded, at the beginning of 2003 in order to facilitate the development of this detailed sample framework. In 2004, this stratification was again used, as it had proven accurate and efficient in 2003.

It should be noted that there was an overall general reluctance to complete the quantitative survey over the telephone. Furthermore, the participation rate for the qualitative survey was not particularly enthusiastic.

In 2004, the questionnaires were coded to allow for the responding sample to be accurately checked against the original. In addition, craftworkers realised that by returning their survey anonymously, their information would be secure. As a direct result of this methodology, the proportion of respondents supplying financial data increased significantly. In 2004, we achieved an overall response rate of **27%** and a financial response rate of **91%** of all returns. The profile of the original sample and our response rate are detailed below:

Table 1 - Proportions of the Sample for the Postal Survey

Business Size Category (full time equivalents)	CCoI Register 2003	CCoI Register 2004	2003 Responses	2004 Responses
0 – 1.5 staff	841	**1,108**	306	**300**
2 – 2.5 staff	269	**297**	45	**67**
3 – 5.5 staff	146	**103**	27	**43**
6 – 10 staff	42	**31**	5	**5**
Over 10 staff	26	**14**	2	**6**
Total	1,323	**1,553**	385	**421**

Note: One full time equivalent equals 1 full-time, 2 part-time or 3 seasonal employees.

The programme of this survey was as follows:

- Postal questionnaire was sent to all of the 1,553 registered craftspeople throughout the country.

- Five email requests for survey completion were sent during the period of the survey.
- Telephone follow up to all craftspeople. In total, Platinum Consulting Group made 1,955 telephone calls to the craftspeople on the Crafts Council Of Ireland register.

In 2003, The Crafts Council Of Ireland register contained 1,323 registered craftspeople. This reflected an increase of 17% in registered craftspeople when compared with that of 2002. In 2002, the survey undertaken included responses from some 316 craftspeople. This response rate was improved in 2003 – 403 craftworkers responded last year.

This year, Platinum Consulting Group achieved a higher response rate again with 421 craftspeople returning their questionnaires. A usable sample of 417 surveys were collected during the course of this project and the results of this analysis is included in this report.

Detailed Qualitative Interviews with Craftspeople: In addition to the postal survey, a total of 35 detailed qualitative telephone interviews were conducted with craftspeople. The qualitative interviews were sampled on the same stratified basis as the quantitative survey. This sample was selected randomly based on the stratified sample.

Reporting: Platinum Consulting Group have continued this year with the new format which was adopted in 2003. We have adopted this format of reporting in order to facilitate the easy comparison of data among selected sectors of the industry. The primary sectors for comparison were selected through discussion with The Crafts Council Of Ireland and were stipulated in the TOR for this project. These primary comparative indicators include; geographic location, gender comparisons, location of business, discipline and level of income generated from crafts.

2. SECTORAL TURNOVER 2004

2.1 Total Sales 2001 to 2004

The National Survey of craftworkers in Ireland was undertaken by Platinum Consulting Group during the fourth quarter of the financial year 2005. The timing of the survey was chosen in order to achieve a high level of accuracy with regard to financial returns. A significant proportion of craftworkers are self employed and as such, prepare their revenue returns in October each year. By undertaking this survey in the final quarter we are assured of accurate financial returns.

This year we received responses from 421 craftworkers in the industry – this represents a significant proportion of all craftworkers (27%). Included in these returns were returns from four of the largest craft businesses in the country which were not previously returned. These companies individually have significant turnovers and as such, have an affect on the overall out-turn of the industry turnover. In order to ensure that the turnover of the industry is comparable year on year, we have revised the 2003 estimate to include these companies.

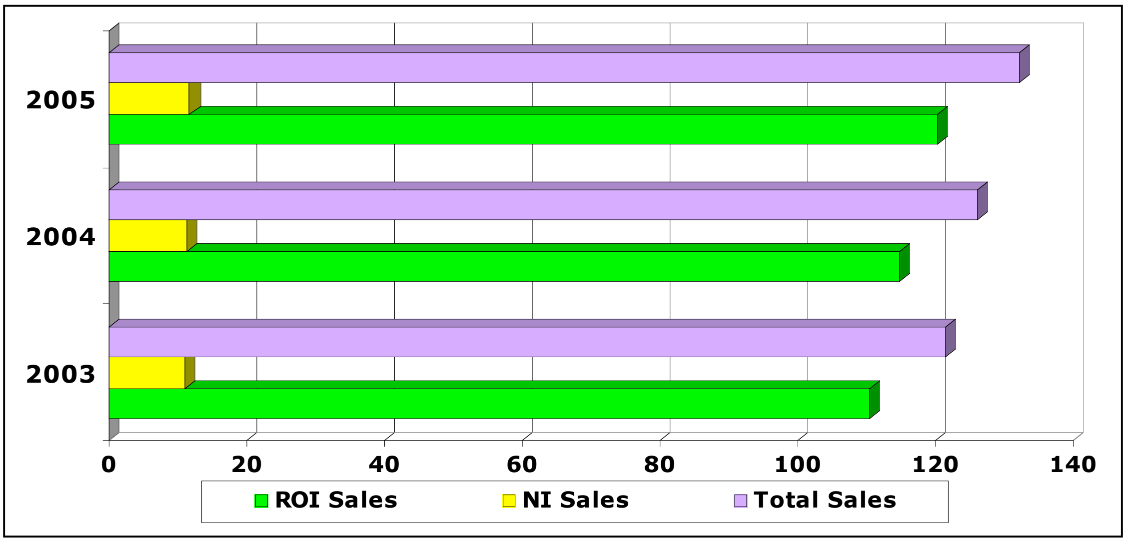
While total sales increased by 3.95% in 2004, the majority of this increase was accounted for by Republic of Ireland based craftworkers. Total sales by ROI craftworkers increased by marginally over 4% whereas NI based craftworkers sales increased by 2.7% in 2004.

Table 2 .1 - Sectoral Turnover - 2003 to 2005 - (€ Millions)

Millions (€)	2005 *	2004	2003 **
ROI Sales	€120.2	€114.8	€110.3
NI Sales	€11.8	€11.3	€11.0
Total Sales	**€132.0**	**€126.1**	**€121.3**

** Projected Sales - taken during 4th quarter of financial year 2005. ** Adjusted Turnover*

Total Sales By Geographic Location (€ Millions)



Following on from last year, we asked craftworkers to estimate total sales for the current year - 2005. As this survey was undertaken during the final quarter of 2005, at a time when most craftworkers would be returning their taxes, it is likely that the financial information supplied is very accurate. Estimates for 2005 are based on craftworkers knowledge of their business and these estimates are supported by anecdotal evidence from the qualitative research undertaken by Platinum Consulting Group.

The overall industry perceptions for 2005 have remained very positive for 2005. Total estimated industry sales for 2005 amount to **€132** million. Almost all of this projected gain in sales is derived from sales by ROI craftworkers. Sales by ROI craftworkers for 2005 are projected to increase by 4.7%, rising to €120.2 million. Sales for 2005 by NI craftworkers are expected rise by 4%. (€11.8 million). The projected increases in overall sales by the Craft Industry over the current year (2005) is very much in line with overall growth in the economy.

The figures for total sales in Northern Ireland and in the Republic Of Ireland were gathered through our direct survey. These total sales figures were extrapolated to account for all craftworkers on the CCoI Register of craftworkers held by The Crafts Council Of Ireland. This figure was then extrapolated to account for those craftworkers who are not included (voluntarily) in the CCoI Register. The multiplier effect utilised in the case of Northern Irish craftworkers was 1.544 and that for the Republic Of Ireland was 1.354. These multiplier figures were calculated in 2003 and were based on the comparison between and an extrapolation of (i) a sample of regional development agencies craft client numbers by county and (ii) the number of CCoI clients registered in those counties.

2.2 Estimated Domestic Consumer Spend On Crafts

As a new inclusion in this years report we have examined an extrapolated value of total domestic consumer spend on Irish made crafts within the Republic Of Ireland. The table below outlines our findings and our assumptions and the variables used are explained below.

Table 2.2 - Extrapolated Value of Total Domestic Consumer Spending on Crafts

Domestic Craft Expenditure	2003	2004	2005
Extrapolated Sales - € Million	**121.3**	**126.1**	**132.0**
Domestic (ROI Based Craftworkers) Sales	86.5	114.8	120.2
Exports - %	13%	13%	13%
Domestic Sales - € Million	75.3	99.8	104.6
Direct Sales - € Million	51.9	72.9	77.4
Craftworker Indirect Sales - € Million	23.3	27.0	27.2
Value of Indirect Sales - € Million	46.7	53.9	54.4
Value Of Domestic Direct & Indirect Sales - € Million	**98.6**	**126.8**	**131.7**
Total Domestic Consumer Spending - € Million	65,227	68,540	71,282
Spending on Craft as a % of Consumer Spending	0.15%	0.19%	0.18%

In order to establish the total value of consumer spending on Crafts in Ireland we have extrapolated the figures from a selection of available data. Beginning with the total extrapolated sales by craftworkers throughout the country we excluded the value of export sales as these are not domestically consumed.

Following on from this we identified the proportion of sales sold via indirect means to the consumer. We applied an estimated mark-up to these sales and added the total to direct sales sold by craftworkers. In 2005, the total value of domestic consumer spend on Irish Made Craft goods amounted to **€131.7 Million** which represents an increase of 3.9% when compared with 2004.

When compared with the estimated Total Domestic Consumer Expenditure of the country, this figure represents a tiny amount of total spending - just 0.18%. In order to estimate this total expenditure figure we applied an estimated National Growth figure of 4% which is being widely quoted for GDP in 2005.

2.3 Exports

When examining overall sales, it is important to identify the level of exports (outside the island of Ireland) achieved by craftworkers both in the Republic and in Northern Ireland. In the 2004 survey, we asked craftworkers to specify the percentage of sales made in the Republic of Ireland, in NI and sales outside the island of Ireland.

Based on the responses collected, it is evident that ROI craftworkers are more likely to export their product (export 30% of average sales) of a significantly higher total sales figure. Whereas last year the Republic Of Ireland market may have been considered by NI craftworkers to be an export market, in 2004, we specified the ROI market, the NI market and International Sales separately. As such, there should be no confusion relating to export sales – being sales outside the island of Ireland.

Table 2.3 - Sectoral Turnover – Average Exports Ex-Island Of Ireland - 2004

	ROI	NI	Total
Average Sales	€63,018	€34,537	€60,152
Average Exports	€19,120	€6,823	€18,114
Exports As a % Of Average Sales	30%	19%	30%

In terms of total Exports by NI craftworkers, it is estimated that these craftworkers exported just over €1 million (9% of overall NI sales) whereas ROI craftworkers exported just under €15 million worth of products (13% of overall ROI sales) giving a total of €16 million in exports from craft businesses in Ireland. Additional cross border trade amounted to approximately €6.25 Million in both directions.

Table 2.4 – Proportional VALUE Of Domestic & Export Sales

Origin - Respondents	ROI Sales	NI Sales	International Sales *
ROI Respondents	85%	2%	13%
NI Respondents	35%	57%	9%
Overall Respondents	83%	5%	12%

** Outside the Island of Ireland*

While 85% of sales (in value terms) were sold by ROI Craft companies to the domestic market, 99% of all ROI based respondents stated that they sold some product to the Irish market. In addition, 20% of ROI companies stated that they sold to the NI market and yet these sales only accounted for 2% (value) of ROI sales.

The value of individual sales from NI to ROI is higher than the converse as 60% of NI based respondents stated that they sold some product to ROI and these sales amounted to 35% of all NI sales in value terms. While 43% of all NI respondents stated that they export their product, these sales only amounted to 9% of overall NI sales in value terms.

2.4 Craft Disciplines

In order to ensure that the statistics presented in this report are comparable with those presented last year and, that the 2004 statistics are directly comparable with the Craft Council's Register of craftworkers, we have examined the proportion of responses by Craft Discipline. As is evident from the table below, the overall proportions of respondents within each discipline are directly comparable with those reported in 2003.

Table 2.5 - Craft Discipline - % of respondents

Discipline	2003	2004	Male	Female	>50%	<50%	ROI	NI
Ceramics	20	25	23	25	31	21	23	19
Furniture	8	8	14	3	7	5	8	7
Glass	6	7	5	8	6	8	6	8
Jewellery	13	13	11	14	13	12	12	13
Metal	4	4	4	3	4	1	4	5
Mixed Media	2	2	2	2	1	2	2	3
Paper	4	3	1	6	2	8	3	4
Stone	2	2	4	0	1	1	2	2
Textiles	19	20	3	33	19	24	21	22
Wood	14	10	21	1	7	15	11	11
Other	8	6	12	5	9	3	8	6
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Some observations from the above table …….

- Only 3% of all Male craftworkers are in the Textile discipline whereas 33% of Female craftworkers are in this discipline.

- 14% of Male craftworkers work in the Furniture sector whereas only 3% of Females work in that discipline.
- 24% of all Male craftworkers are associated with the Woodworking discipline.
- Of those earning more that 50% of their income from crafts, 31% make their living from Ceramics.
- 19% of all Northern Irish based craftworkers work in Ceramics and 22% work in the Textile sector.

2.5 Average Sales By Discipline

The table below outlines the average total sales by craft discipline. These average sales have not been extrapolated to include the entire industry but are based on the actual number of craftworkers in each of the selected disciplines. As such, the Average Sales figures for 2004 and 2005 are actual reported sales by discipline calculated on a straight line average.

Table 2.6 - Craft Discipline - Average & Forecast Future Sales For The Craft Industry

Discipline	Average Sales		No. Of Craftworkers On CCOI Register	Total Estimated & Forecast Sales	
	2004	Forecast 2005	2004	Estimated 2004 €	Forecast 2005 €
Ceramics	€54,441	€58,247	294	16,005,654	17,124,618
Jewellery	€68,187	€72,404	201	13,705,587	14,553,204
Furniture	€187,899	€239,274	105	19,729,395	25,123,770
Textiles	€31,813	€36,109	329	10,466,477	11,879,861
Woodwork	€18,234	€20,936	161	2,935,674	3,370,696
Total	**€60,152**	**€62,981**	**1,553**	**€93,656,664**	**€98,061,417**

Note: The No. of craftworkers on the CCoI Register in 2004 is used to calculate the forecast 2005 estimated sales for the industry. This forecast should be considered as indicative.

Although there is forecast to be a substantial increase in turnover in the Craft industry, the increase in the number of registered craftworkers on The Crafts Council Of Ireland Register has not been included in the Total Forecasted Sales for 2005. Furthermore, a large proportion of the increased forecast sales is derived from the increased forecast sales in the Furniture Sector. As is evident from the table below, the CCoI Register of craftworkers has experienced a significant growth (18%) in the number of those registered in 2004.

Table 2.7 - Craft Discipline - Average Sales & Growth In CCoI Registered Craftworkers

		No. Of	% With	Growth In

Discipline	Average Sales		Craftworkers On CCOI Register		Sales in Excess Of €100K	Registered Craftworkers 2003 / 2004
	2003	**2004**	**2003**	**2004**	**2004**	**2004**
Ceramics	€54,441	€58,247	278	294	7%	6%
Jewellery	€68,187	€72,404	159	201	15%	26%
Furniture	€187,899	€239,274	93	105	**33%**	13%
Textiles	€31,813	€36,109	267	329	5%	23%
Woodwork	€18,234	€20,936	143	161	2%	13%
Total Industry	**€60,152**	**€62,981**	**1,323**	**1,553**	**10%**	**18%**

As outlined earlier, although the average sales figures for the furniture sector appears anomalous, these figure are based on facts supplied by the sector. We have included a column in the table above to indicate the proportion of survey returns by those with sales in excess of €100,000 in 2004.

As is evident from these statistics, the Furniture and Jewellery sectors had relatively high proportions of Craft companies with sales in excess of €100,000 in 2004. In total, there were 10% of all returns this year by craftworkers with sales in excess of €100,000.

3. Analysis Of The Craft Industry 2004 - Overall Responses

3.1 Gender Analysis

While there is a slightly higher percentage of women than men on the CCoI Register over the past two years, the ratio of males to females responding to the national survey is more balanced. The gender balance is shifting towards a higher proportion of Female craftworkers in the industry. In 2002 the CCoI Register showed that 54% of all craftworkers were Female, in 2003 this proportion had risen to 55% and in 2004 this proportion had risen again to 57%.

Table 3.1 - Male To Female Ratio

	Survey 2004	Register 2004	Register 2003
Male	45%	43%	45%
Female	55%	57%	55%

3.2 Geographic Location

The geographic location of those responding to the survey is similar to the proportions on the CCoI Register.

Table 3.2 - Geographic Location Of All Respondents – CCoI Register Of Craftworkers

	Register 2004	Register 2003	Register 2002
Registered ROI Craftworkers	**87%**	86%	87%
Registered NI Craftworkers	**13%**	14%	13%

Table 3.3 - Geographic Location Of All Respondents – Survey Respondents

	Survey 2004	Survey 2003
ROI Survey Respondents	**91%**	87%
NI Survey Respondents	**9%**	13%

As can bee seen from the two tables above, the proportion of NI based registered craftworkers has declined slightly since 2003. However the proportion of Respondents based in Northern Ireland has decreased significantly. This decline in the proportion of NI based craftworkers will have a small impact on the statistics presented here and as such, some of these statistics may not be directly comparable with 2003 statistics.

During the course of our research, we identified the lack of returns from NI based craftworkers as a potential issue and we sought to rectify this imbalance by concentrating on the NI based craftworkers with tele-surveys, additional emails and direct contacts. However, as this is a voluntary survey, all of these efforts did not fully offset the imbalance.

3.3 Time Spent Working In The Craft Sector

In terms of the proportion of time spent working in the craft industry, a higher proportion of craftworkers were working less than 50% of their time on crafts than when compared with 2003. Interestingly, the proportion of craftworkers working full-time in the Craft Industry has continued on a downward trend. From a position of over ¾ of respondents in 2001 working full time in the industry, to just over half purporting to work full time in the industry in 2004, there is evidence of a significant shift in work practices within the craft industry.

Table 3.4 - Proportion Of Time Spent Working In The Craft Industry

	Survey 2004	Survey 2003	Survey 2002	Survey 2001
< 50% Time	18%	14%	8%	11%
50 – 99% Time	27%	21%	26%	13%
100% Time	55%	64%	65%	76%

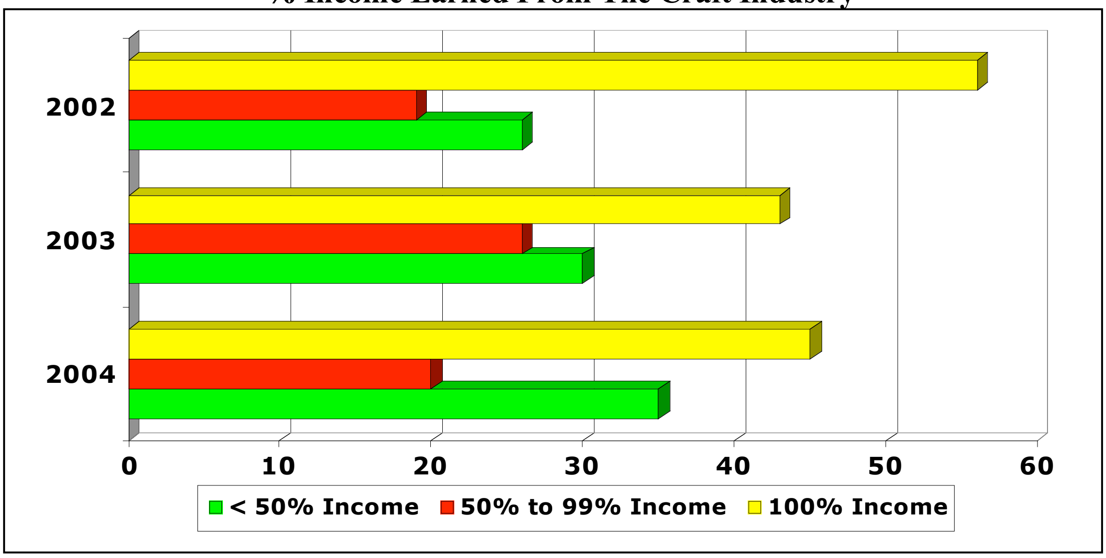
3.4 Proportion Of Income Earned In The Crafts Industry

There is a decreasing trend in the number of craftworkers working full time. Furthermore, the proportion of craftworkers earning all of their income from crafts has also decreased over the last two years. Those earning less than 50% of their income from the industry are increasing year on year.

Table 3.5 - Proportion Of Income Earned From The Craft Industry

	2004	2003	2002
< 50% Income	35%	30%	26%
50 – 99% Income	20%	26%	19%
100% Income	45%	43%	56%

% Income Earned From The Craft Industry



There was a slight decrease in the proportion of those working full time in the crafts industry and this decrease can be directly attributable to at least a proportion of the decrease in those earning all of their income from crafts.

3.5 Employment

34% of all respondents had any employees (in addition to themselves) in 2004. When compared with those employing any staff in 2003, there has been a rise in the proportion of craftworkers employing any staff other than themselves in 2004.

Table 3.6 - Staff Employment 2003 - 2004 (North & South)

	NI		ROI		Overall	
	2004	2003	2004	2003	2004	2003
Employ Staff	**31%**	29%	**34%**	31%	**34%**	31%
No Staff	**69%**	71%	**66%**	69%	**66%**	69%

It is significant to note that while the proportion of those stating they earn all of their income from crafts has dropped and the proportion of those stating they work full time in the craft industry has also fallen, the number of craftworkers who employ other workers has increased.

As an employment comparison, we analysed the proportion of craftworkers earning all of their income from the industry with those earning less than 100% of their income from Crafts. Not surprisingly, the proportion of craftworkers earning all of their income from crafts have a significantly higher propensity to employ others than their counterparts earning less than 100% of their income from the industry.

Table 3.7 - Staff Employment 2004 By Income Category

	100% Income	<50% Income	>50% Income	Overall 2004
Employ Staff	**49%**	19%	26%	**34%**
No Staff	51%	81%	74%	**66%**

A large proportion (23%) of respondents believe that employment will increase over the coming year. More importantly, slightly less than 7% of respondents believed that employment will actually decrease next year.

A very large proportion 71% of survey respondents had less than 2 full time equivalent employees. The vast amount of all respondents (81%) had only one employee in their craft business (including themselves).

Table 3.8 - Proportion Of Craft Businesses - Employment Level

	Survey 2004	Register 2004	Survey 2003	Register 2003
1 to 1.5 employees	71%	60%	79%	64%
2 to 2.5 employees	17%	19%	12%	20%
3 to 5.5 employees	10%	15%	7%	11%
6 to 10 employees	1%	5%	1%	3%
> 10 employees	1%	1%	1%	2%
	100%	**100%**	**100%**	**100%**

3.6 Total Employment Levels

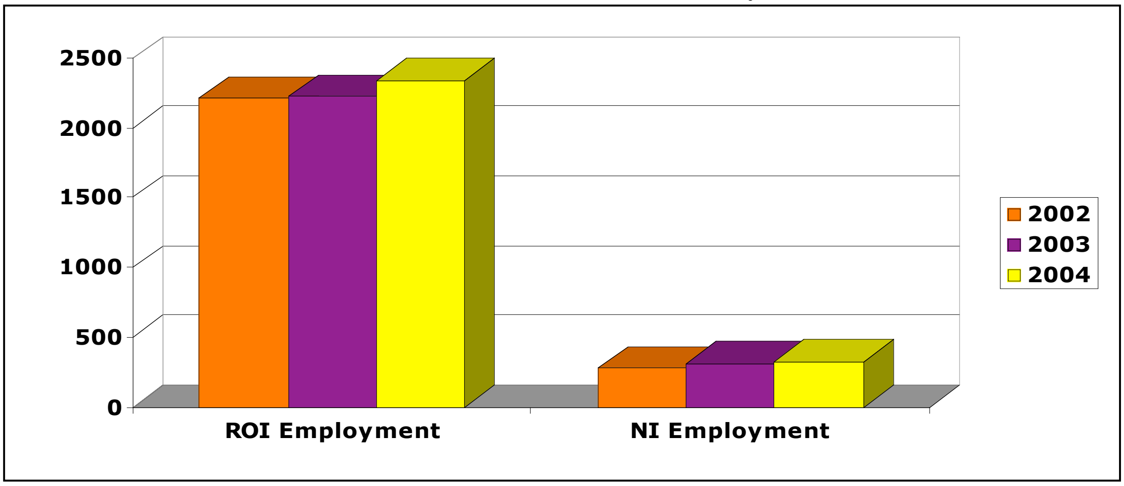
The table below shows the actual level of employment in the Crafts Industry both North and South of the border for 2002 through 2004. 2004 saw an increase in total employment in the region of 2% when compared with that of 2002. This increase in employment was spread over the NI and ROI craft industries.

Table 3.9 – CCoI Registered Craftworkers Full Time Employment 2002 – 2004 *

	2004	2003	2002
ROI	2,338	2,225	2,210
NI	326	310	275
Total Employment	**2,664**	**2,535**	**2,485**

* Not including FT Equivalent Jobs (Source – CCoI Register 2004)

Total Full-time Jobs In the Crafts Industry 2002 - 2004



3.7 Business Needs Analysis

This year our survey asked craftspeople about their Business. Over 90% of respondents stated that they had some form of Business Needs support.

Table 3.10 - Business Needs - Overall Respondents

	Very Important	Important	Neither	Not Important	Very Unimportant
Marketing Support	**42%**	29%	11%	6%	3%
Home Market Support	**38%**	35%	8%	6%	2%
Web Site Design	36%	26%	15%	7%	4%
Design Product Ranges	30%	30%	13%	9%	4%
Export Market Support	27%	23%	15%	**15%**	**7%**
Financial Management	20%	31%	21%	8%	4%
Production Technology	20%	24%	20%	**14%**	6%
Production Quality	15%	28%	20%	**13%**	6%

A large proportion of respondents rated almost all Business Needs programmes as either "Very Important" or "Important". Interestingly, almost 1/3 of respondents believed that the **Export Market Support** programme was either "Not Important" or "Neither Important Nor Unimportant". A very high proportion of respondents (73%) believe that the **Home Market Support** programme was either "Very Important" or "Important". 71% believe the same about the **Marketing Support** programme.

3.8 Sales Channels Used

This year, rather than ask survey respondents to rate different direct or indirect sales channels on a scale of importance, we asked them to estimate the total proportion of sales sold through Direct & Indirect Channels. In order to eliminate any confusion, Platinum Consulting Group specified that Direct Sales were to *"include sales via your own studio, workshop or retail outlet, via consumer fairs, commissioning or via your own site on the internet"*.

Table 3.11 - Proportions Of Sales - Sales Channels Used

	2004	2005
Direct Sales	73%	74%
Indirect Sales	26%	25%

Rounded Averages May Not Add to 100%.

When examining the sales channels used by craftworkers our survey asked craftworkers to indicate the percentage of total craft sales which were sold via direct and indirect sales channels in 2004 and 2005. While the vast majority (73%) of all sales were via direct channels, almost one quarter of all crafts were sold through indirect sales. When comparing 2004 with 2005, there was only a very slight shift towards using direct sales channels over the year.

3.9 Internet Usage & Sales

In 2003, a very large proportion (47%) of craftworkers used the internet as a sales channel. More importantly 70% of all respondents either used the internet or intended to use the internet in the future. In 2004 Platinum Consulting Group asked craftworkers if they used the internet as a sales channel. This year only 31% of respondents stated that they used the internet. So rather than see an increase in the proportion of internet usage, the industry actually experienced a decrease in usage.

Craftworkers were asked to include only transaction which actually took place via the net. In 2003, 19% of all respondents actually made sales via the net. This proportion rose to 20% in 2004. The average internet sales by these respondents amounted to €4,344 in 2003. However, the average value of sales dropped in 2004 to €3,120.

3.10 Craft Council of Ireland Ratings

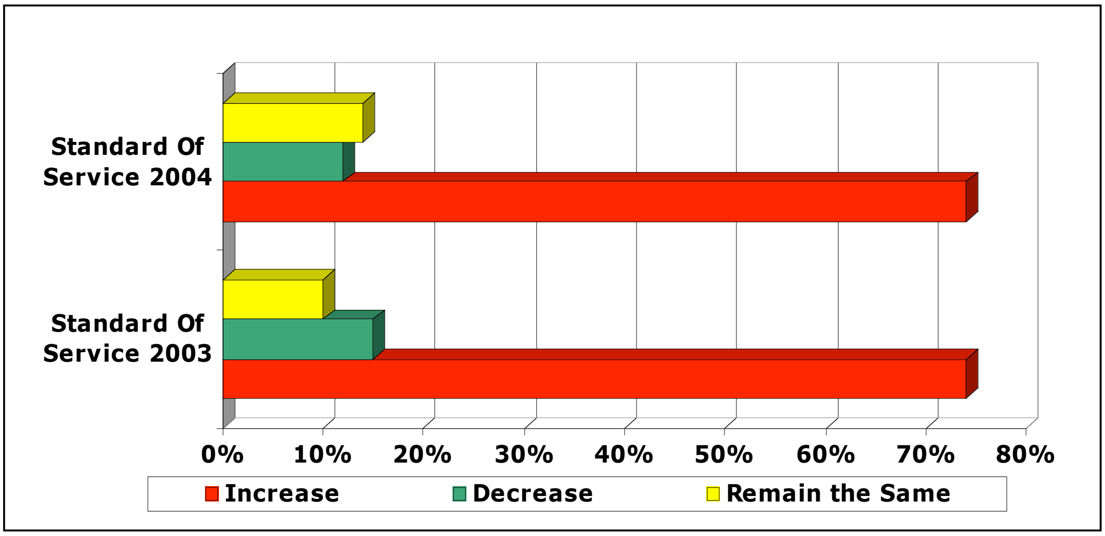
Craftspeople were asked about their view on the overall services provided by the Craft Council of Ireland. The Craft Council of Ireland was exceptionally well rated with **68%** of all respondents stating that these services were either "Very Good" or "Good". Only 6% of respondents felt the services provided by Craft Council of Ireland were either "Bad" (5%) or "Very Bad" (1%).

Table 3.12 - Crafts Council Of Ireland - Overall Ratings

	Standard of Service 2004	Standard of Service 2003
Increase	74%	74%
Decrease	12%	15%
Remained the same	14%	10%

Almost three quarters of all respondents stated that the standard of services had increased in 2003 and this level of satisfaction continued in 2004. Equally importantly, only 15% of all respondents stated that they felt that the standard of services had decreased during 2003. Fewer respondents felt that the Standard Of Service had decreased in 2004.

Craft Council Ratings



3.11 The Crafts Council Of Ireland Services

When examining service issues within the Craft Industry, it is interesting to note that a high proportion of craftworkers either "Didn't Use" or "Didn't Have An Opinion" about the services supplied by The Crafts Council Of Ireland.

In order to identify meaningful results from this analysis, we have excluded those who have no opinion or did not use the services. It is evident from this analysis that, of those who have used the services of The Crafts Council Of Ireland, a very high proportion of craftworkers were either *Very Satisfied* or *Satisfied*. In addition, many services received a higher rating in 2004 when compared with 2003.

Table 3.13 - Overall Respondents - The Crafts Council Of Ireland Service Ratings

	Very Satisfied / Satisfied 2004	Not Satisfied Not At All Satisfied 2004	Very Satisfied / Satisfied 2003	Not Satisfied / Not At All Satisfied 2003
Stopress	**88%**	4%	**83%**	4%
Insurance Scheme	**76%**	8%	**70%**	8%
Exhibition Programme	62%	**13%**	47%	**20%**
Seminar Programme	60%	11%	N/A	N/A
Web Site	56%	20%	32%	11%
Photography Scheme	53%	**16%**	47%	**20%**
Research Mission Support	53%	11%	N/A	N/A
Networking & Mentoring Clinics	52%	12%	49%	12%
Showcase International Trade Fair	47%	**24%**	47%	**22%**
Product Development Projects	46%	14%	39%	20%
Network Project Support	42%	**12%**	48%	**22%**

Stopress and the Insurance Scheme were both very highly rated with **88%** and **76%** of craftworkers respectively being Very Satisfied or Satisfied. The converse of this is also true with a very small proportion of craftworkers being either "Not Satisfied" or "Not At All Satisfied".

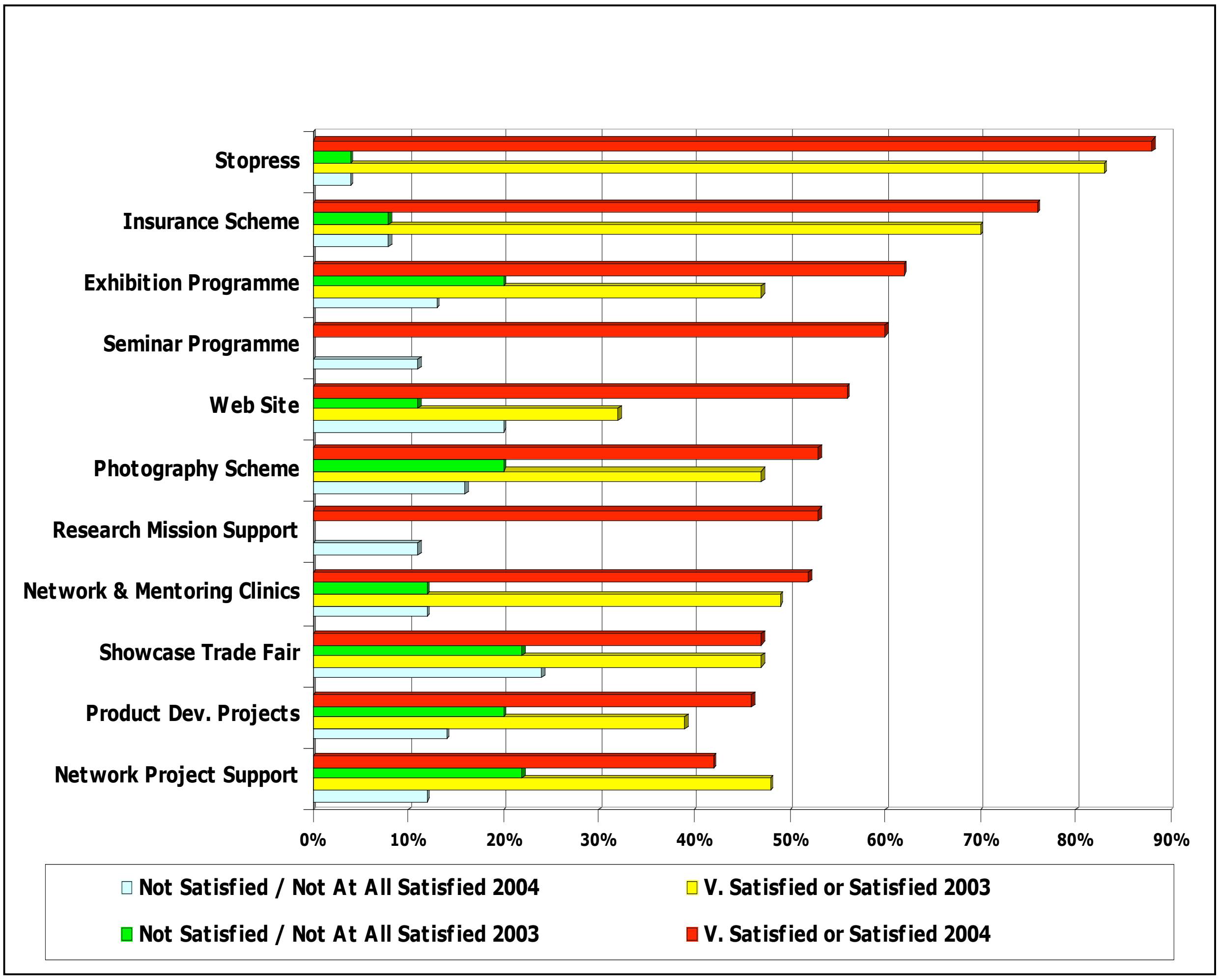
It is evident from this table that not only did most of the services supplied by CCoI receive higher satisfaction ratings in 2004 when compared with 2003 but that the proportion of dissatisfied responses also decreased during 2004.

Table 3.14 - Overall Respondents – Proportion of Respondents Actually Using CCoI Services 2004

	All Responses	ROI	NI	100% Income	>50% Income	<50% Income
Stopress	**90%**	88%	86%	89%	88%	86%
Web Site	58%	55%	56%	52%	59%	56%
Insurance	54%	54%	30%	52%	56%	48%
Showcase	42%	39%	**45%**	39%	45%	38%
Exhibition Programme	41%	39%	34%	38%	38%	39%
Photoscheme	41%	39%	28%	37%	38%	39%
Seminar Programme	39%	37%	26%	34%	38%	38%
Network Facilitation & Mentoring	39%	**37%**	32%	31%	41%	40%
Network Project Support	33%	31%	26%	26%	36%	32%
Research Mission Support	32%	30%	25%	26%	32%	31%
Product Development	30%	28%	20%	24%	29%	30%

The table above represents the total proportion of respondents actually using the services of the CCoI in 2004. As is evident, a very significant proportion utilise almost all of the services provided. These are not necessarily the same people but a significant proportion do use more than one service.

The Crafts Council Of Ireland Service Ratings



3.12 Costs Of Operations

In 2003, average wages among all craftworkers amounted to just under €14,000. This figure is estimated to represent 42% of all overheads which averaged €33,370 across the entire industry.

In 2004, average wages rose to €14,600. Average wages were calculated based on total full-time equivalent jobs in the industry. This figure is estimated to represent 31% of all overheads which averaged €47,800 across the entire industry. Interestingly, while average wages have risen, the average cost of operations has risen at a faster rate indicating that other costs such as raw materials, insurance, cost of sales, rent, rates, etc. have increased significantly during the year.

3.13 Estimated Sales

This year Platinum Consulting Group distributed the National Craft Survey to individuals and craft companies throughout the country. These survey forms were to be returned anonymously and as such, we attained a very high rate of response to our survey (27% of all CCoI Registered craftworkers). Furthermore, the proportion of craftworkers returning financial returns was at a record high of 91%. In addition to the above, we received returns from some of the largest producers in the country. All of these factors have led to a very high level of confidence interval with our aggregated statistics in the 2004 survey.

Specifically, the returns from the large producers has had a positive influence on the overall sales levels of the returns. Average sales were estimated to be €60,152 in 2004 and forecasted to rise to €62,982 in 2005.

There is a positive outlook among craftworkers for 2005. This is made more interesting when we consider fewer craftworkers are working full time in the craft industry and fewer are depending fully on crafts for their entire income when compared with 2002 and 2003.

3.14 Estimated Export Sales

In 2004 a total of 96% of all respondents had any sales in the Republic Of Ireland. In addition 42% have any sales in overseas markets (outside the Island Of Ireland) and 27% had sales in Northern Ireland.

In value terms, the domestic market (ROI) accounted for **83%** of all sales, the NI market accounted for a further **5%** and the international markets (outside the Island of Ireland) accounted for the balance of **12%** of sales.

4. INCOME COMPARISON OF THE CRAFTS INDUSTRY 2004

This year, this section of our report is based on comparison of elements of the Craft Industry based on income categories – A) Those earning **LESS** than 50% of their income from Crafts, B) Those earning **MORE** that 50% of their income from Crafts and, C) Those earning 100% of their income from the craft industry.

4.1 Gender

It is both important and interesting to note that the overall proportion of males in the Craft Industry has declined. The proportion of males on both the CCoI Register and the proportion of survey respondents has declined since 2003.

A higher proportion of male craftworkers earn a higher proportion of their income from the craft industry. As would be expected, the income comparisons are strongly tied to the proportion of time spent in the industry. As outlined in the gender comparison, male craftworkers spend more time working in the crafts industry and as such males tend to dominate the higher income category.

Table 4.1 - Income Comparison – By Gender

	< 50%	> 50%	100%	2004 Register	2003 Register	2004 Survey	2003 Survey
Male	37%	49%	48%	**43%**	50%	**45%**	49%
Female	63%	51%	52%	**57%**	50%	**55%**	51%

4.2 Geographic Location

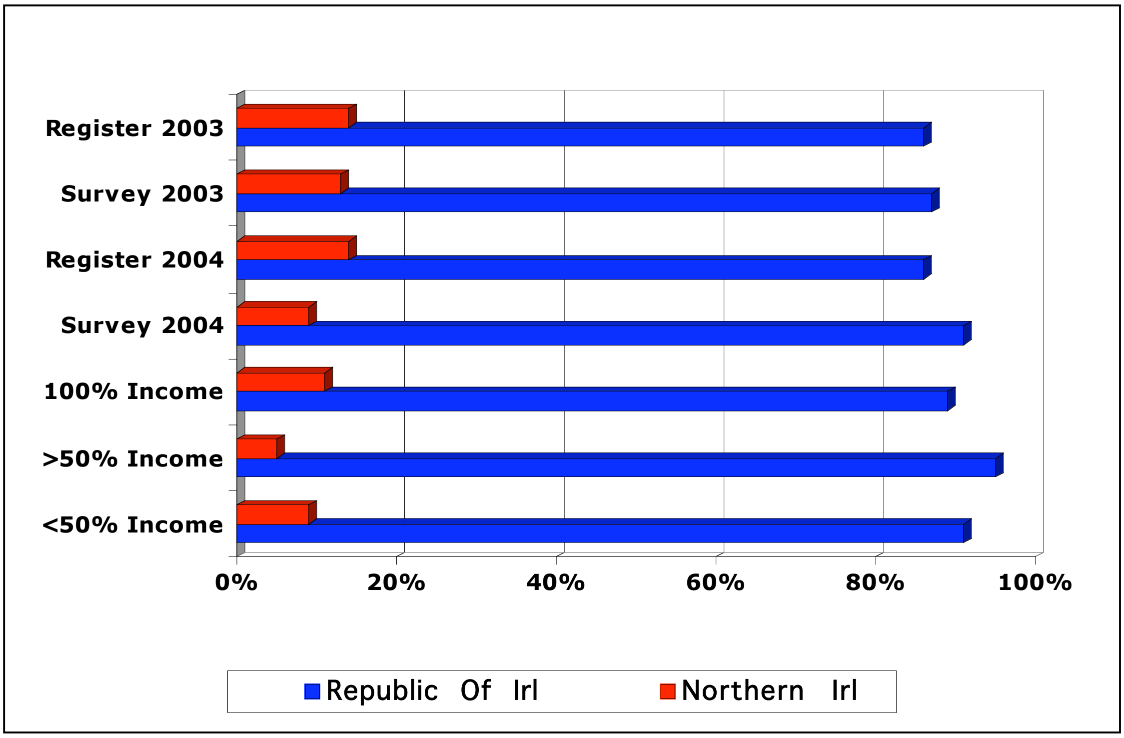
The geographic location of craftworkers based on income levels shows very little difference when compared with overall analysis of the industry.

Table 4.2 - Income Comparison - Geographic Location

	< 50%	> 50%	100%	2004 Survey	2004 Register	2003 Survey	2003 Register
ROI	91%	95%	89%	**91%**	**86%**	87%	86%
NI	9%	5%	11%	**9%**	**14%**	13%	14%

A slightly higher proportion of Northern Irish based craftworkers earn all of their income from crafts when compared with the overall survey results.

Income Comparison By Geographic Location



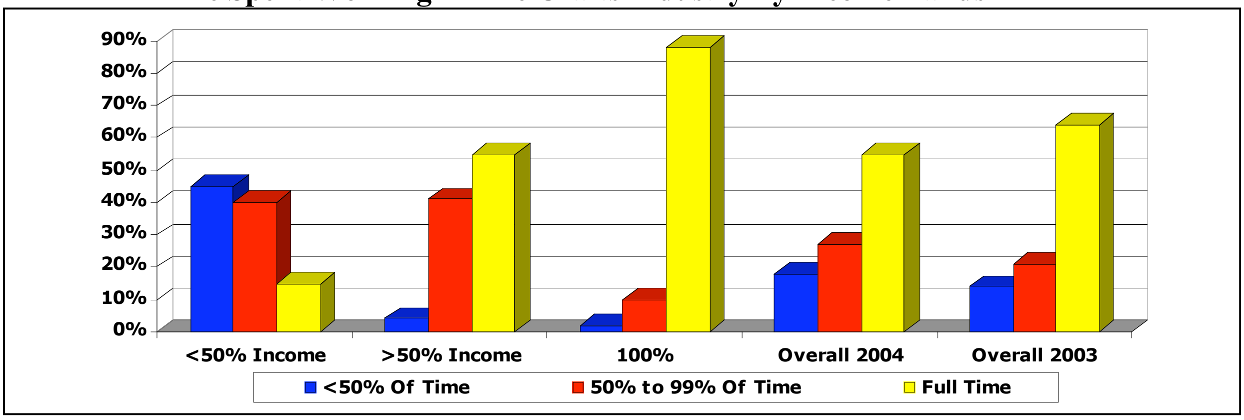
4.3 Time Spent Working In The craft Industry

As outlined above the time input by craftworkers is directly linked with other aspects including income and employment. As time input rises so to does earning potential.

Table 4.3 - Income Comparison - Time Spent Working In Craft Industry By Income Bands

	< 50%	> 50%	100%	2004 Survey	2003 Survey
< 50% of Time	45%	4%	2%	**18%**	14%
50% to 99% of Time	40%	41%	10%	**27%**	21%
Full-time	15%	55%	88%	**55%**	64%

Time Spent Working In The Crafts Industry By Income Bands



88% of those earning over **ALL** of their income from crafts work full time in their industry sector. The converse is also true, with only 15% of those earning less than 50% of their income from crafts having to work full time.

Table 4.4 - Income Comparison - Selected Comparisons

Income	Male	Female	< 50% of time	50% to 99% of Time	100% Time	2004 Survey	2003 survey
< 50% Income	37%	63%	45%	40%	15%	**35%**	30%
> 50% Income	49%	51%	4%	41%	55%	**20%**	26%
100% Income	48%	52%	2%	10%	88%	**45%**	43%

It is interesting to note that while the proportion of respondents earning less than 50% of their income from crafts has risen by 5%, the proportion of those earning ALL of their income has also risen (2%) during the year.

4.4 Employment

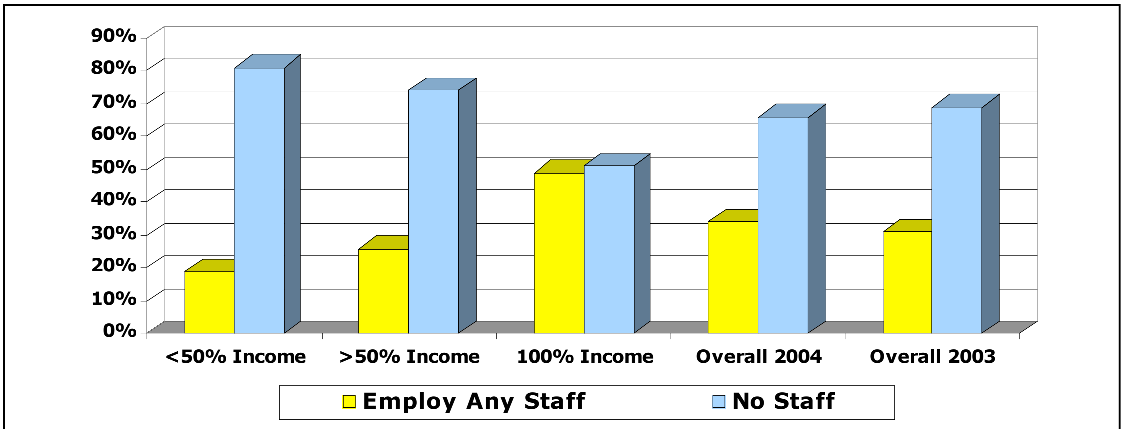
Table 4.5 - Income Comparison - Employment

	< 50% Income	50% Income	100% Income	2004 Survey	2003 survey
Employ Any Staff	19%	26%	49%	**34%**	31%
Do Not Employ Staff	81%	74%	51%	**66%**	69%

Almost half of those earning all of their income from the craft industry employ somebody other than themselves. Furthermore, half of these employees are in full-time employment. There is a significant level of employment among those earning over 50% of their income from crafts (26%).

As would be expected, a high proportion of those earning less than 50% of their income from crafts do not employ any staff and a high percentage of those staff which are employed, are employed on a part-time basis.

Employment By Income Category



Just over a fifth (22%) of those earning all of their income predict an increase in employment over the coming year. When compared, only 3% of those earning less than 50% of their income believe that employment will increase. The positive employment outlook which was evident in last years survey has dissipated significantly in 2004.

Table 4.6 - Income Comparison - Projected Future Employment *

Employment Prediction	< 50% Income	>50% Income	100% Income	2004 Survey	2003 Survey
Increase	3%	22%	22%	**12%**	23%
Decrease	1%	6%	6%	**3%**	7%
Remain The Same	96%	72%	72%	**85%**	70%

* *Based on projections of Full Time Employment Only.*

Those earning more than 50% of their income from crafts are also more negative about the future with 6% stating that employment will decrease over the coming year.

Table 4.7 - Income Comparison - Level Of Employment

	< 50% Income	> 50% Income	100% Income	2004 Survey	2003 Survey
1 to 1.5 employees	42%	24%	34%	**71%**	74%
2 to 2.5 employees	24%	13%	63%	**16%**	12%
3 to 5.5 employees	10%	12%	79%	**10%**	7%
6 to 10 employees	17%	17%	67%	**1%**	1%
> 10 employees	0%	0%	100%	**1%**	1%

The positive outlook reported in last years National Craft Survey has borne fruit. As indicated above, 26% of all respondents employed between 2 and 5.5 employees in 2004. When compared, the equivalent figure for 2003 was 19%. More craftworkers are employing workers other than themselves with 29% reporting that they employ more than 2 employees.

4.5 Business Needs Analysis

When asked if they had any business needs with regard to business supports supplied by the CCoI, a very large majority of respondents believed that many of the supports supplied were either "Very Important" or "Important". As is evident from the table below, those earning all of their income from the craft industry were more likely to believe that each of the specified business needs supplied were either "Very Important" or "Important".

Table 4.8 - Income Comparison – Business Needs Analysis

	<50% Income		>50% Income		100% Income	
	V. Important / Important	Not Important / V. Unimportant	V. Important / Important	Not Important V. Unimportant	V. Important / Important	Not Important V. Unimportant
Marketing Support	76%	10%	76%	15%	83%	7%
Export Market Support	51%	27%	56%	28%	63%	23%
Home Market Support	80%	8%	79%	16%	86%	7%
Financial Management	64%	12%	57%	19%	58%	16%
Production Quality	53%	18%	51%	30%	53%	22%
Design Product Ranges	64%	17%	72%	18%	73%	13%
Production Technology	49%	27%	52%	28%	55%	21%
Web Site	64%	17%	75%	9%	72%	12%

With the exception of production technology, all other business needs were rated by a large percentage of respondents as either very important or important.

4.6 Sales Channels Used

Direct sales channels – craftworkers were asked to indicate the proportion of sales which were sold through Direct & Indirect Sales Channels in 2004. They were also asked to indicate if they perceived any changes in the use of sales channels during 2005. As can be seen below, a large proportion (73%) of all sales were sold via Direct Sales routes in 2004. In 2005, there was a minute increase in the overall proportion of sales using direct routes (74%). Those deriving less than 50% of their income from crafts are more likely to utilise the direct sales channels available.

Table 4.9 - Income Comparison - Direct & Indirect Sales Channels Used

	<50% Income	>50% Income	100% Income	Overall 2004
Direct Sales	78%	77%	68%	**73%**
Indirect Sales	20%	23%	32%	**26%**

Last year our survey identified those earning less than 50% of their income from Crafts as being less reliant on sales from their own retail outlet. These craftworkers relied more heavily upon sales via their own studios (49%) and retail craft fairs (44%) as their primary direct sales channel. There was also a high degree of reliance on direct commissions for those earning less than 50% of their income from Crafts.

Indirect sales - In 2003, the single most important indirect sales channel was not surprisingly, via other retail outlets. As is evident from the table above, those earning all of their income from Crafts rely more heavily on Indirect Sales routes (32%) than those earning less.

4.7 Internet Usage & Sales

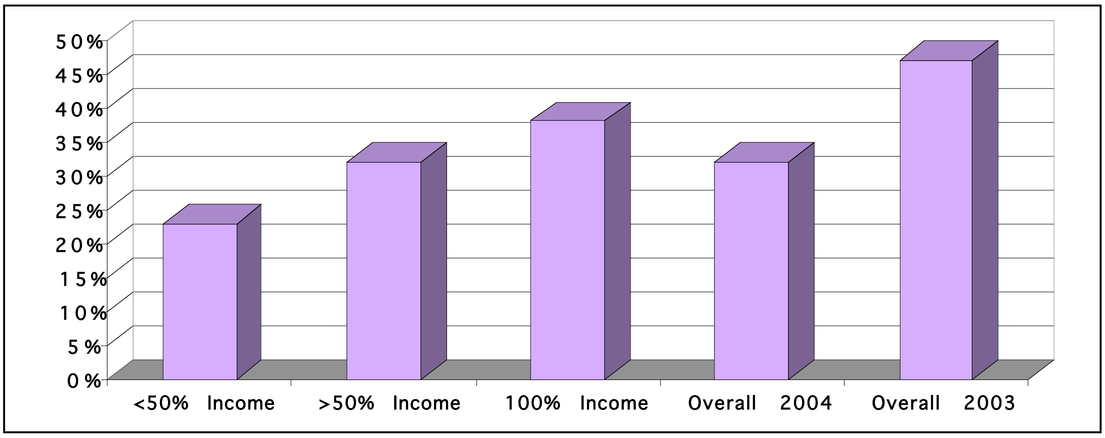
There has been a marked decrease in the proportion of craftworkers using the internet as a sales tool for their craft business since last year. Last year, 47% of respondents stated that they used the internet. This proportion decreased to 32% in 2004.

Last year when asked if they intend to use the internet in the future, 70% of respondents stated that they did intend to use it. This prediction by craftworkers has not come to fruition. In actual fact, there has been a drop in the overall proportion of those using this medium as a sales channel. Anecdotal evidence would suggest that, this downturn in the usage of the internet as a medium may be due to insurance and postal / transportation issues associated with sales via the web. In addition, some craftworkers may have been deterred by the relatively high cost of procuring on-line banking or credit card transaction facilities.

Table 4.10 - Income Comparison - Use Of The Internet As A Sales Channel

	2004	2003	2002	100%	< 50%	> 50%
Use The Internet	**32%**	47%	42%	38%	23%	32%

Usage Of The Internet As A Sales Channel By Income Category



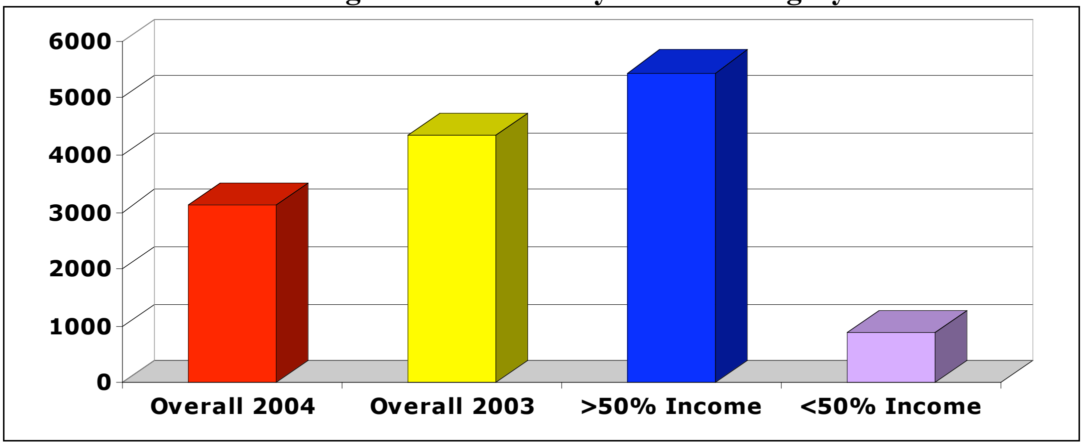
While a lower percentage of those earning less than 50% use the internet, their average sales via the internet are considerably lower than average sales of those earning more than 50% of their income from crafts.

Table 4.11 - Income Comparison - Internet Sales Levels

	< 50% Income	>50% Income	100% Income	Overall 2004	Overall 2003
Average Internet Sales	€895	€5,441	€3,256	**€3,120**	€4,344
Made Any Sales Via Net	13%	20%	26%	**20%**	19%

The above statistics strengthen the belief that smaller/part time craftworkers do not take any advantage of the medium of the internet. Only 13% of those earning less than 50% of their income from crafts made any sales via the internet (up from 11% in 2003). When compared 20% of those earning more than 50% of their income made any sales via the internet (down from 22% in 2003). Over one quarter of those earning all of their income from Crafts utilise the internet as a sales medium.

Average Internet Sales By Income Category



In value terms, those earning over 50% of their income from Crafts have the highest average value of sales via the net. Earning an average of €5,441 each, this has increased from €4,867 in 2003. In contrast, those earning less than 50% of their income from Crafts have experienced a sharp decline in average sales – €1,817 in 2003 – €895 in 2004.

4.8 Craft Council of Ireland Ratings

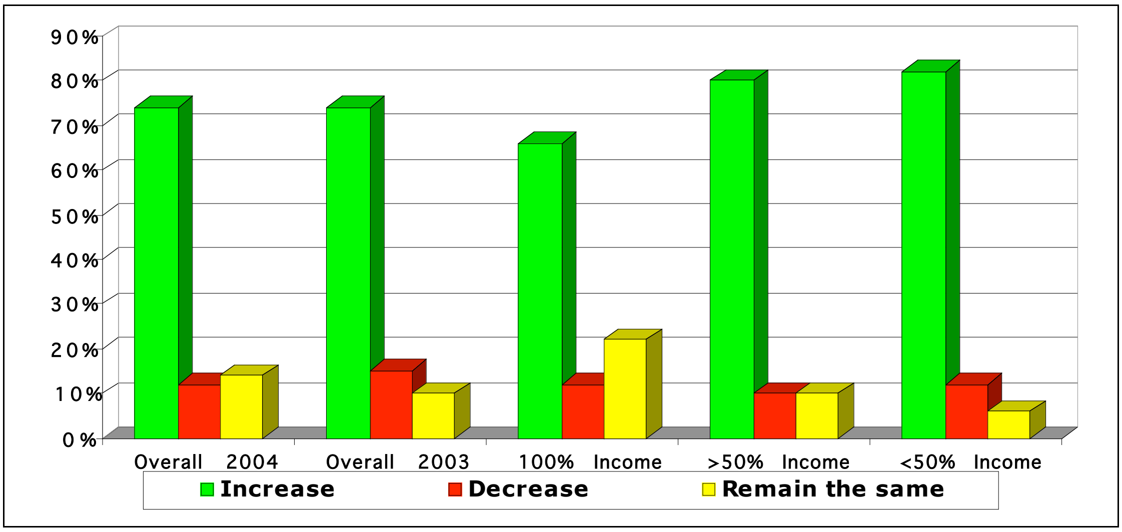
Those earning less than 50% of their income from crafts are generally very satisfied with the services supplied by Craft Council of Ireland. 80% of these craftworkers believed the overall Craft Council of Ireland service was either "Very Good" or "Good". When compared 66% of those earning more than 50% of their income from Crafts felt the same way.

A very small proportion (6%) of respondents felt that the services were either "Bad" or "Very Bad" and this represents an improvement in overall perception of the CCoI when compared with responses in 2003.

Table 4.12 - Income Comparison - Overall Rating Of The Crafts Council Of Ireland

	Overall 2003	Overall 2004	< 50% Income	> 50% Income	100% Income
Very Good/Good	69%	**69%**	80%	66%	61%
Bad / Very bad	9%	**6%**	4%	7%	7%

Standard of Services



¾ of all respondents believed that the standard of services provided by Craft Council of Ireland had increased during 2003. This view has continued in 2004 with 74% of respondents stating that the standard of service has increased. Furthermore, 82% of those earning less than 50% of their income from crafts felt the same way.

In 2003, a small but significant percentage (15%) of respondents believed that there was a decrease in the standards of CCoI services. This proportion of survey respondents has decreased to just 12%.

4.9 Cost of Operations

Wages - as would be expected, those earning less than 50% of their income from crafts have a significantly lower average wage than those earning all of their income from the industry. The difference however, is very significant as can be seen from the table below.

While those earning < 50% of their wages from Crafts earn average wages of only €4,190, those earning > 50% of their wages from Crafts earn an average of € 11,531.

Table 4.13 - Income Comparison – Comparison Of Wage Levels

	Survey 2004	Survey 2003	< 50% Income	> 50% Income	100% Income
Average Wages	**€14,679**	€13,966	€4,190	€11,531	€22,893
Wages As a % of Overhead	**31%**	42%	50%	46%	43%
Average Overheads	**€47,803**	€33,369	€8,404	€25,305	€53,738

4.10 Estimated Sales

In this year's survey, we asked craftworkers to indicate total sales for 2004 and to predict their sales for 2005. 91% of all respondents gave details of their total sales. In order to compare sales, we have taken a straight line average of sales provided by those responding.

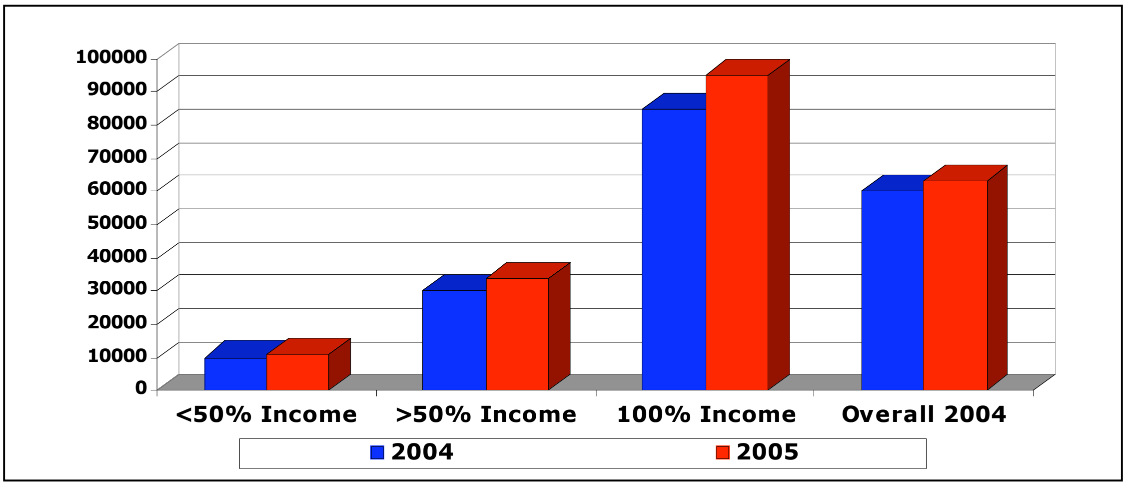
Those earning <50% of their income experienced an increase in average sales of approximately 11% in 2004 when compared with 2003. Those earning >50% of their income also experienced an increase in average sales in the order of 9%. However, according to estimated average sales, sales in 2003 were slightly lower than that of 2002.

Table 4.14 - Income Comparison - Average Sales

	< 50% Income	> 50% Income	100% Income	Survey 2004	Survey 2003
2002	€11,938	€61,257	NA	**NA**	€48,781
2003	€11,767	€60,888	NA	**NA**	€47,411
2004	€10,157	€30,429	€84,858	**€60,152**	€53,005 *
2005	€11,189	€33,875	€95,043	**€62,981**	NA

** Estimated*

Average Sales (€) By Income Category



4.11 Exports

In terms of domestic and international sales, 96% stated they had sales in the Republic Of Ireland. Furthermore 42% of these responding had sales in overseas (outside the Island Of Ireland) markets. In addition, 27% of all respondents had sales in Northern Ireland.

As would be expected, those earning less than 50% of their income from crafts were less likely to have any overseas sales (25%). 44% of those earning >50% have any overseas sales (outside the Island Of Ireland).

In terms of sales value the table below outlines the proportion of sales by value for each income category.

Table 4.15 - Income Comparison – Proportional Sales (Export - Ex-Island of Ireland)

	< 50% Income	> 50% Income	100% Income	Survey 2004
ROI Sales	85%	86%	83%	**83%**
NI Sales	9%	3%	4%	**5%**
Export Sales *	6%	12%	13%	**12%**

** Export sales are considered as sales outside the Island Of Ireland.*

5. Gender Comparison Of The Crafts Industry Survey 2004

5.1 Time Spent

While 60% (71% in 2003) of male craftworkers work full-time in craft businesses, only 51% (58% in 2003) of female respondents work full-time in their craft business.

5.2 Earning Levels

48% (52% in 2003) of male respondents earn <u>all</u> of their income from crafts compared with 42% (35% in 2003) of female craftworkers.

5.3 Employment

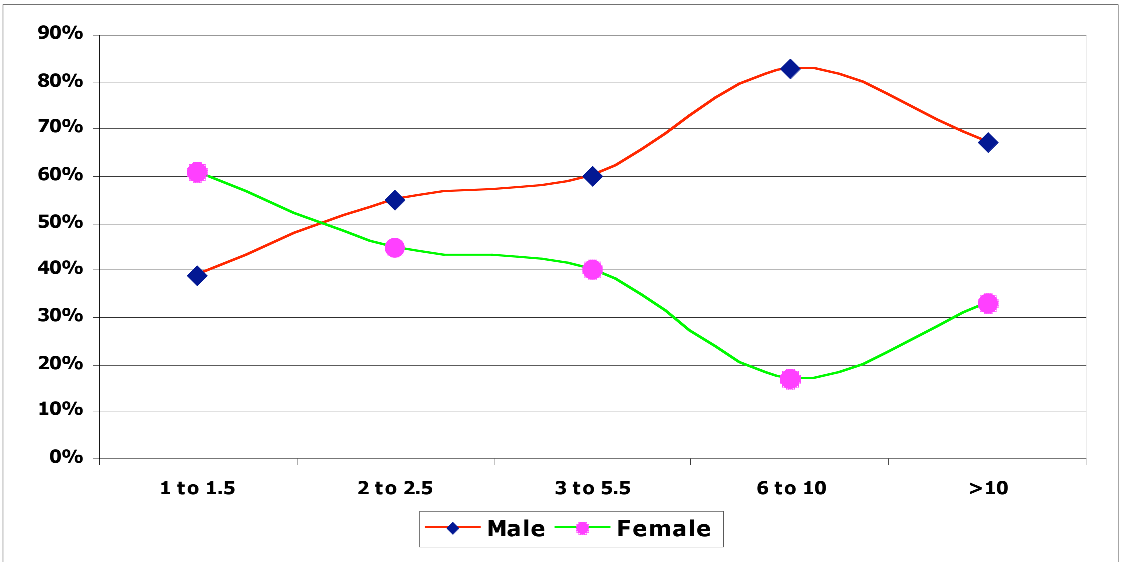
27% of female craftworkers have one or more employees, whereas 42% of male craftworkers have one or more employees.

A higher percentage of men (5%) see employment decreasing when compared with women (1%). Male craftworkers are more optimistic about the future with 7% expecting an increase in employment in the future compared to only 4% of females.

Table 5.1 - Gender Comparison – Proportion Of Respondents By Employment Ranges

	Male	Female
1 to 1.5 Employees	39%	61%
2 to 2.5 Employees	55%	45%
3 to 5.5 Employees	60%	40%
6 to 10 Employees	83%	17%
> 10 Employees	67%	33%

Gender Of Respondents By Employment Ranges



5.4 Business Needs Analysis

In terms of Business Skills Needs, there are differences across the board when comparing gender ratings. The following are the significant differences identified.

84% of females believe that Marketing Supports are either “Very Important” or “Important” in business whereas only 73% of men feel the same way.

When considering assistance in the development of Export Markets, 60% female craftworkers tend to rate the requirement for these business services as “Very Important” or “Important”, whereas only 54% of males tend to rate this discipline in the same way.

When comparing attitudes to assistance with Financial Management, the contrast between male and female craftworkers is significant. 68% female craftworkers tend to rate the requirement for these business services as “Very Important” or “Important”; only 50% of males rate this business service with the same level of importance.

Contrasts between men and women continue when we asked respondents to rate their requirements for Accessing New Technology. 47% of male and 56% of female craftworkers believe that this service was either “Very Important” or “Important”.

Slightly more men (75%) tended to opt for the Direct Sales routes when selling their Craft products. When compared only 71% of women opted for this route.

5.5 Internet Usage

A slightly higher proportion of male craftworkers (36%) currently use the internet than female craftworkers (28%). Most interesting however is the fact that the proportions of craftworkers (male & female) have dropped over the period.

In addition, of those who currently use the internet for sales transactions, the average sales by male craftworkers amounted to €4,403 (€5,797 in 2003), whereas the average for female craftworkers was €1,850 (€3,049 in 2003).

- 18% of Female craftworkers had <u>any</u> sales via the internet in 2004
- 22% of Male craftworkers had <u>any</u> sales via the internet in 2004

5.6 Craft Council of Ireland Services

When asked to rate the overall services of Craft Council of Ireland, 66% of male craftworkers and 72% of female craftworkers stated the services were either “Very Good” or “Good”. More importantly only 8% and 5% of male and female craftworkers respectively, stated the overall services either “Bad” or “Very Bad”. The overall view of the CCoI services based on a gender analysis has improved since last year.

We also asked respondents to state whether the standards or quality of these services had increased, decreased or remain the same when compared with the previous year. Almost 4/5 of female craftworkers stated the standard of service had increased (79%) and only 10% believed the standard had fallen. This reflects another improvement in the delivery and standards of the services provided by the CCoI.

Male craftworkers when asked the same question about the level of standards were slightly more critical with 68% stating that the quality of the services had improved and 14% stating that they had disimproved over the year.

5.7 Wages

Female craftworkers have a significantly lower average wage than Male craftworkers. The difference is very significant as can be seen from the table below.

Table 5.2 - Gender Comparison – Comparison Of Wage Levels

	Survey 2004	Survey 2003	Male	Female
Average Wages	**€14,679**	€13,966	€17,151	€10,166
Wages As a % of Overhead	**31%**	42%	22%	44%
Average Overheads	**€47,803**	€33,369	€76,946	€23,087

Overheads are directly correlated with the level of sales. As can be seen from the tables above and below, male craftworkers have significantly higher average sales and as a direct result, they have significantly higher overheads.

5.8 Sales

Table 5.3 - Gender Comparison - Average Sales

	Male	Female
2003	€68,159 (-4%)	€25,343 (7%)
2004	€97,565 (43%)	€30,334 (20%)
2005 *	€111,156 (14%)	€32,590 (7%)

** Projected Sales*

Average sales are calculated based on a simple average of the total level of sales provided by respondents.

As is evident, there continues to be a considerable difference between the level of average sales by male and female craftworkers. This fact is be determined by the amount of time input and the differing levels of employment when comparing genders.

5.9 Exports

Male craftworkers are more likely to sell their products within the ROI. 84% of the value of all sales by male craftworkers are sold within the Republic Of Ireland. When compared, 80% of the value of all sales by female craftworkers is sold here.

Table 5.4 - Gender Comparison - Export Sales (% of Sales By Value)

	ROI Sales	NI Sales	Export Sales *
Male	84%	4%	12%
Female	80%	6%	14%
Total	**83%**	**5%**	**12%**

** Export sales are considered as sales outside the Island Of Ireland.*

Other markets which are important to both male and female craftworkers are the NI market, the UK market and the North American market.

Craftworkers were asked to indicate what proportion of their sales were made in specific Export markets. The table below indicates the average proportion of these responses. These proportions should be treated as indicative.

Table 5.5 - Gender Comparison - Export Markets (% of Number of Sales)

Average % of Sales	Male	Female	Total
ROI	84%	86%	85%
NI	19%	29%	24%
UK	14%	14%	14%
Scandinavia	4%	4%	4%
Benelux	5%	6%	5%
France	3%	3%	3%
Germany	4%	9%	6%
Italy	5%	2%	4%
Other EU	5%	25%	15%
Eastern EU	30%	0%	30%
USA / Canada	17%	14%	73%
Other	10%	8%	9%

6. Geographic Location Comparison Of The Crafts Industry 2004

6.1 Geographic Location

In terms of geographical location, the survey responses were generally aligned with the CCoI Register of craftworkers held by Craft Council of Ireland. This year there was a slightly higher proportion of Republic Of Ireland responses to the survey.

Table 6.1 - Geographic Location - Overall Responses

	2004 Register	2004 Survey	2003 Survey	2002 Survey
Ireland	87%	**92%**	87%	87%
Northern Ireland	13%	**8%**	13%	13%

6.2 Gender Analysis

Table 6.2 - Geographic Location - Gender Analysis

	2004 Survey	2003 Survey	NI	ROI
Male	**45%**	49%	45%	39%
Female	**55%**	51%	55%	61%
Total	**100%**	**100%**	**100%**	**100%**

When comparing the Geographic analysis of the responses to this year's survey, a higher proportion of female craftworkers from the Republic Of Ireland (61%) responded to our survey.

6.3 Time Spent Working In The Craft Business

Irish craftworkers tend to spend more time working in the craft industry when compared with their NI counterparts. 57% of Irish craftworkers work full time in the crafts industry. When compared only 47% of NI craftworkers work full time in their business.

Table 6.3 - Geographic Location - Time Spent Working In The Crafts Industry

	Total 2004	NI 2004	NI 2003	ROI 2004	ROI 2003
< 50% of Their Time	**18%**	**12%**	14%	**18%**	14%
50% to 99% Of Time	**27%**	**41%**	31%	**25%**	20%
100% Of Time	**55%**	**47%**	55%	**57%**	66%

There are considerable differences between time spent on craft working between Northern Irish and Irish craftworkers. Furthermore, the proportion of craftworkers working full time in their business has declined over the year. In 2003, 66% of Irish craftworkers worked full time – by 2004, the proportion had dropped to 57% of craftworkers. In comparison, 57% of Northern Irish craftworkers worked in their businesses in 2003 – by 2004, this proportion had fallen to 47% of craftworkers.

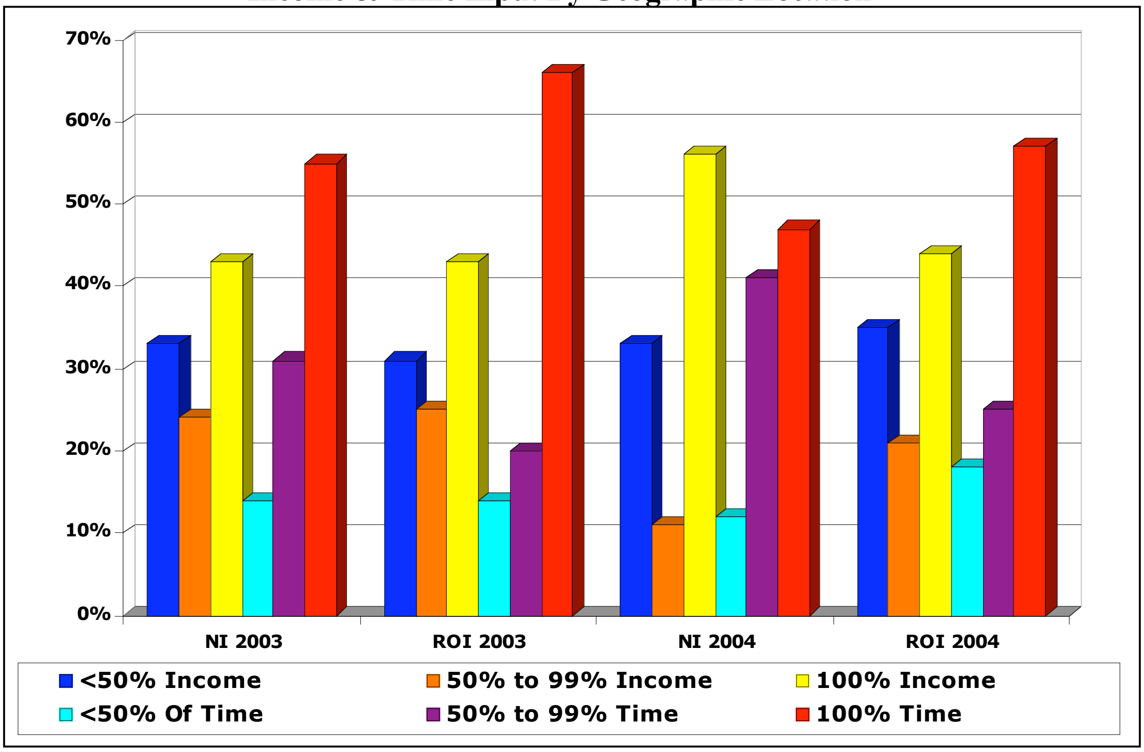
6.4 Proportion Of Income Earned From The Crafts Industry

Table 6.4 - Geographic Location – Proportion Of Income Earned In The crafts Industry

	Total 2004	NI 2004	NI 2003	ROI 2004	ROI 2003
< 50% of Income	**35%**	**33%**	33%	**35%**	31%
50% to 99% of Income	**20%**	**11%**	24%	**21%**	25%
100% Income	**45%**	**56%**	43%	**44%**	43%

Although the proportion of craftworkers spending all of their time in their business (NI & ROI) has decreased over the year, the proportion of craftworkers earning all of their income from Crafts has actually increased over the same period.

Income & Time Input By Geographic Location



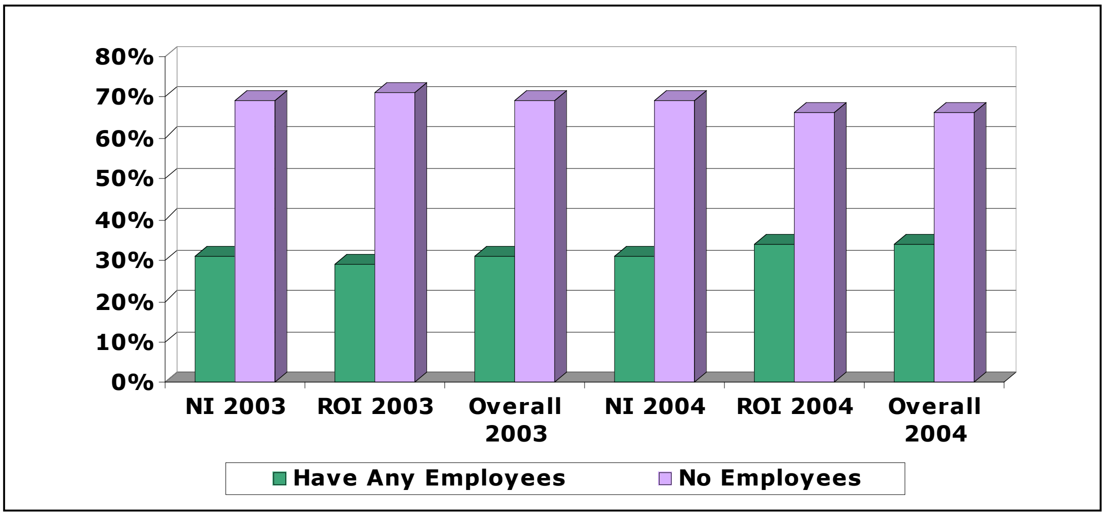
6.5 Employment

In 2004, the proportion of ROI craftworkers employing any staff increased from 29% to 34%. This fact is interesting when we consider that the proportion of ROI craftworkers earning all of their income from Crafts has increased only slightly and those working full-time has decreased significantly. Employment by NI based craftworkers remained constant over the same period.

Table 6.5 - Geographic Location - Employment

	Survey 2004	Survey 2003	ROI 2004	ROI 2003	NI 2004	NI 2003
Have Any Employees	**34%**	31%	**34%**	29%	**31%**	31%
No Employees	**66%**	69%	**66%**	71%	**69%**	69%

Employment By Geographic Location



In a reversal of attitude, fewer Irish craftworkers (5%) believe that employment will actually increase in the future when compared with 7% of Northern Irish craftworkers. 3% of both NI and ROI craftworkers believe that employment will decrease in the future.

Table 6.6 - Geographic Location - Level Of Employment

	2004 Survey	2003 Survey	NI 2004	NI 2003	ROI 2004	ROI 2003
1 to 1.5 employees	**71%**	79%	**78%**	88%	**71%**	78%
2 to 2.5 employees	**16%**	12%	**14%**	8%	**17%**	12%
3 to 5.5 employees	**10%**	7%	**3%**	4%	**10%**	7%
6 to 10 employees	**1%**	1%	**6%**	0%	**1%**	1%
> 10 employees	**1%**	1%	**0%**	0%	**2%**	1%

Republic Of Ireland based craft businesses appear to be driving the increases in the 2 to 2.5 employees sector and the 3 to 5.5 employee sector. Increases of 5% points and 3% points have fuelled the overall increases in these employment sectors respectively.

6.6 Business Needs Analysis

When asked to indicate their business needs, NI craftworkers were generally more positive about their needs. The table below outlines the proportion of craftworkers in NI and in the ROI who believe that these business services are either "Very Important" or Important".

Table 6.7 - Geographic Location – Business Needs Analysis (Very important or Important)

Type of Training	NI	ROI	2004 Survey
Marketing Support	97%	77%	**79%**
Export Market Support	84%	55%	**57%**
Home Market Support	97%	81%	**82%**
Financial Management	68%	60%	**60%**
Production Quality	62%	52%	**53%**
Design Product Ranges	81%	68%	**69%**
Production Technology	69%	51%	**52%**
Web Site	84%	68%	**70%**

6.7 Sales Channels Used

In terms of direct and indirect sales channels, craftworkers were asked to indicate the proportion of sales made via either Direct or Indirect channels in 2004. There is very little difference in terms of Channels Used by NI or ROI craftworkers.

Table 6.8 - Geographic Location - Sales Channels Used

	NI	ROI	Overall 2004
Direct Sales	72%	73%	**73%**
Indirect Sales	30%	26%	**26%**

** Totals do not necessarily add to 100% as these are rounded averages.*

6.8 Internet Usage & Sales

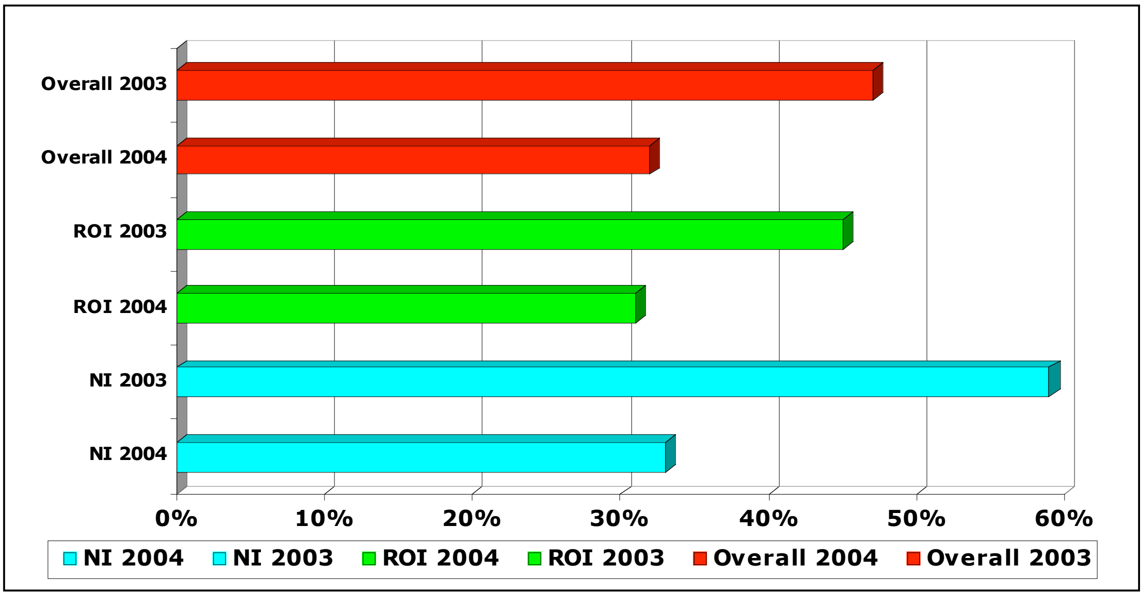
There has been a significant fall in the proportion of craftworkers using the internet as a sales channel during the year. As outlined earlier, this may have been caused by insurance issues, shipping costs and the overall cost of setting up and maintaining an e-commerce site.

Table 6.9 - Geographic Location - Usage And Average Sales Via The Internet

	NI 2004	ROI 2004	2004 Survey	NI 2003	ROI 2003	2003 Survey
Use Internet	33%	31%	**32%**	59%	45%	**47%**
Average Sales	€988	€3,385	**€3,157**	€3,450	€ 4,460	**€ 4,344**

Significantly, the proportion of NI based craftworkers using the internet has decreases considerably and as a direct result of this, their average sales via the internet have been slashed.

Internet Usage By Geographic Location



6.9 Craft Council of Ireland Ratings

When asked to review all of the individual services supplied by Craft Council of Ireland, a very large majority of both NI and Irish craftworkers rate Stopress as either "Very Satisfactory" or "Satisfactory". However, there are also a significant proportion of respondents who responded that they "Don't know/Didn't use" most of the other services supplied by Craft Council of Ireland.

Table 6.10 – All Respondents – Satisfaction Rating Of CCoI Services (% Of Respondents)

	Very Satisfied Or Satisfied	Not Or Not At All Satisfied	NA – Didn't Use
Stopress	$\boxed{79}$	3	10
Insurance	41	5	46
Web Site	33	$\boxed{11}$	42
Exhibition Programme	25	5	59
Seminar Programme	23	4	61
Photoscheme	22	6	59
Network Facilitation & Mentoring	20	4	61
Showcase	20	$\boxed{10}$	58
Research Mission Support	17	3	68
Network Project Support	14	4	$\boxed{67}$
Product Development Projects	13	4	$\boxed{70}$

While the overall rating of the Craft Council of Ireland services were very positive both Showcase and the Web Site came in for some criticism with 10% and 11% respectively of respondents stating they were either "Not Satisfied" or were "Not At All Satisfied".

Table 6.11 – ROI Respondents – Satisfaction Rating Of CCoI Services (% Of Respondents)

	Very Satisfied Or Satisfied	Not Or Not At All Satisfied	NA – Didn't Use
Stopress	**79%**	3%	10%
Insurance	42%	4%	44%
Web Site	32%	**12%**	42%
Exhibition Programme	25%	6%	58%
Seminar Programme	24%	4%	60%
Photoscheme	22%	6%	58%
Network Facilitation & Mentoring	20%	4%	61%
Showcase	19%	**10%**	58%
Research Mission Support	17%	4%	67%
Network Project Support	14%	4%	66%
Product Development Projects	13%	4%	**70%**

There is a direct positive and negative correlation between the proportion of respondents who stated that they did not use a service and the proportion of respondents stating that that service was very good. With a high proportion of respondents not using a service, it is not possible for that service to receive a high rating. Anecdotally and as a result of our qualitative surveys, a number of respondents did mention the location of the programmes as being a barrier to utilisation of those services.

Table 6.12 – NI Respondents – Satisfaction Rating Of CCoI Services (% Of Respondents)

	Very Satisfied Or Satisfied	Not Or Not At All Satisfied	NA – Didn't Use
Stopress	**80%**	0%	14%
Web Site	39%	3%	44%
Insurance	27%	3%	70%
Showcase	27%	6%	55%
Exhibition Programme	25%	3%	66%
Seminar Programme	22%	0%	**74%**
Network Facilitation & Mentoring	19%	6%	68%
Research Mission Support	15%	0%	75%
Product Development Projects	14%	3%	**80%**
Photoscheme	12%	**9%**	72%
Network Project Support	**9%**	3%	**74%**

Both the standard and range of services supplied by Craft Council of Ireland were rated highly by respondents. 75% of NI and 67% of ROI respondents stated that the standard of services was either "Very Good" or "Good". Furthermore, 60% of Irish craftworkers and 70% of Northern Irish craftworkers stated that these services had once again improved in 2004. This being said, 14% of NI respondents stated the standard of services had decreased with only 9% of ROI respondents feeling the same way. When compared with last year's ratings, both the negative and positive ratings experienced an improvement.

6.10 Cost Of Operations

Wages – while 56% of NI and 44% of ROI craftworkers obtain all of their income from crafts, there is a significant difference in the average wages earned in the two markets. In ROI, average wages amounted to €14,998 whereas average wages for NI craftworkers amounted to €9,979.

Our survey asked all respondents to report financial details in Euro - while all ROI responses were in Euro, a number of NI respondents supplied us with Pounds Sterling financial returns. We recalculated these sterling amounts at the same rate based on banking rates for 2004 to ensure comparability.

Table 6.13 - Geographic Location - Average Wages

	NI	ROI	2004 Survey
Average Wages	€9,979	€14,998	**€14,679**

Overheads – the cost of operations in both markets largely consisted of wages. In NI wages accounted for 52% of overheads whereas in ROI, this percentage was 30%. In terms of general overheads (excluding wages) ROI overheads were significantly higher than that of their counterparts in NI.

Table 6.14 - Geographic Location - Overheads

	NI	ROI	2004 Survey	2003 Survey
Average Overheads	€19,368	€50,120	**€47,803**	€33,369
Wages as % of Overheads	52%	30%	**31%**	42%
Average Overheads (excl. wages)	€9,389	€35,122	**€33,124**	€19,403

6.11 Estimated Sales

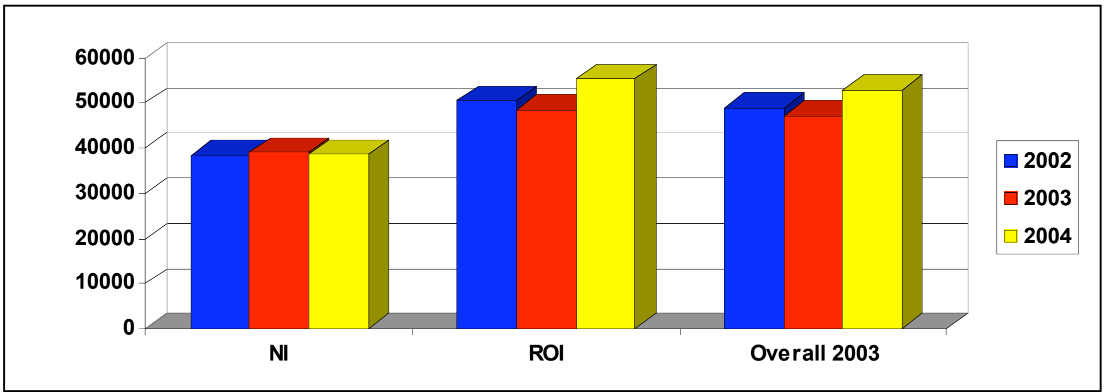
In 2003, Average sales in ROI were significantly higher than those in NI. Average sales in 2003 for ROI experienced a decline in sales of –4%. In comparison, NI craftworkers experienced an increase in sales of 2% during the same year. ROI craftworkers returns showed a substantial increase in for 2004 rising 14% in this market. NI craftworkers reported a decline (-1%) in sales during 2004.

Reported average sales among NI craftworkers tend to be more stable than that of their ROI counterparts. Very little fluctuation appears in estimated sales between 2002 and 2004 among NI craftworkers.

Table 6.15 - Geographic Location - Average Sales

	NI	ROI	Survey 2003
2002	€38,341	€50,513	**€48,781**
2003	€38,976 (2%)	€48,385 (-4%)	**€47,252 (-3%)**
2004	€38,578 (-1%)	€55,296 (14%)	**€53,005 (12%)**

Average Sales By Geographic Location



6.12 Exports

As would be expected, ROI craftworkers have a significantly higher propensity to sell their products within the ROI (78%) than their NI counterparts (53%).

NI craftworkers have a higher propensity to sell their products on international markets (47%) than their ROI counterparts (22%). The primary sales market for NI craftworkers is the UK market (25%).

6.13 Summary Profile Of ROI & NI Craftworkers

The table below gives a summary profile of craftworkers within each market.

Table 6.16 - Geographic Location – Summary Profile Comparison

	NI	ROI
% Spending 100% of their **Time** working in Craft Business	47%	57%
% Earning 100% of their **Income** from Crafts	56%	44%
% **Employing** Anybody Other than themselves	31%	34%
Average Number Of Staff	1.3	1.6
Average **Sales**	€34,537	€63,018
Average **Overheads**	€19,368	€50,120
% International Sales	9%	13%

7. Business Size Comparison Of The Crafts Industry 2004

This section of our report is based on comparison of elements of the Craft Industry based on their business size. In order to establish a comparable gauge of business size based on employment, Platinum Consulting Group identified ranges of employment. Also, in order to compare like with like, year on year, we used full-time equivalent employees. One full-time equivalent is equal to one full-time, two part-time or three seasonal employees. Although there is no specification as to how full-time equivalents were calculated in prior years, we have used the industry norms for employment equivalencies in this report.

7.1 Gender

As outlined in the gender comparison, male craftworkers spend more time working in the crafts industry and as such, male craftworkers continue to dominate the higher income categories. It is hardly surprising therefore, that Male craftworkers have a higher propensity to employ higher numbers of staff compared with their Female counterparts.

Table 7.1 - Business Size Comparison - Gender Comparison

Employees	1 to 1.5	2 to 2.5	3 to 5.5	6 to 10	>10	Total Survey
Male 2004	**39%**	**55%**	**60%**	**83%**	**67%**	**45%**
Male 2003	47%	49%	70%	80%	100%	**49%**
Female 2004	**61%**	**45%**	**40%**	**17%**	**33%**	**55%**
Female 2003	53%	51%	30%	20%	0%	**51%**

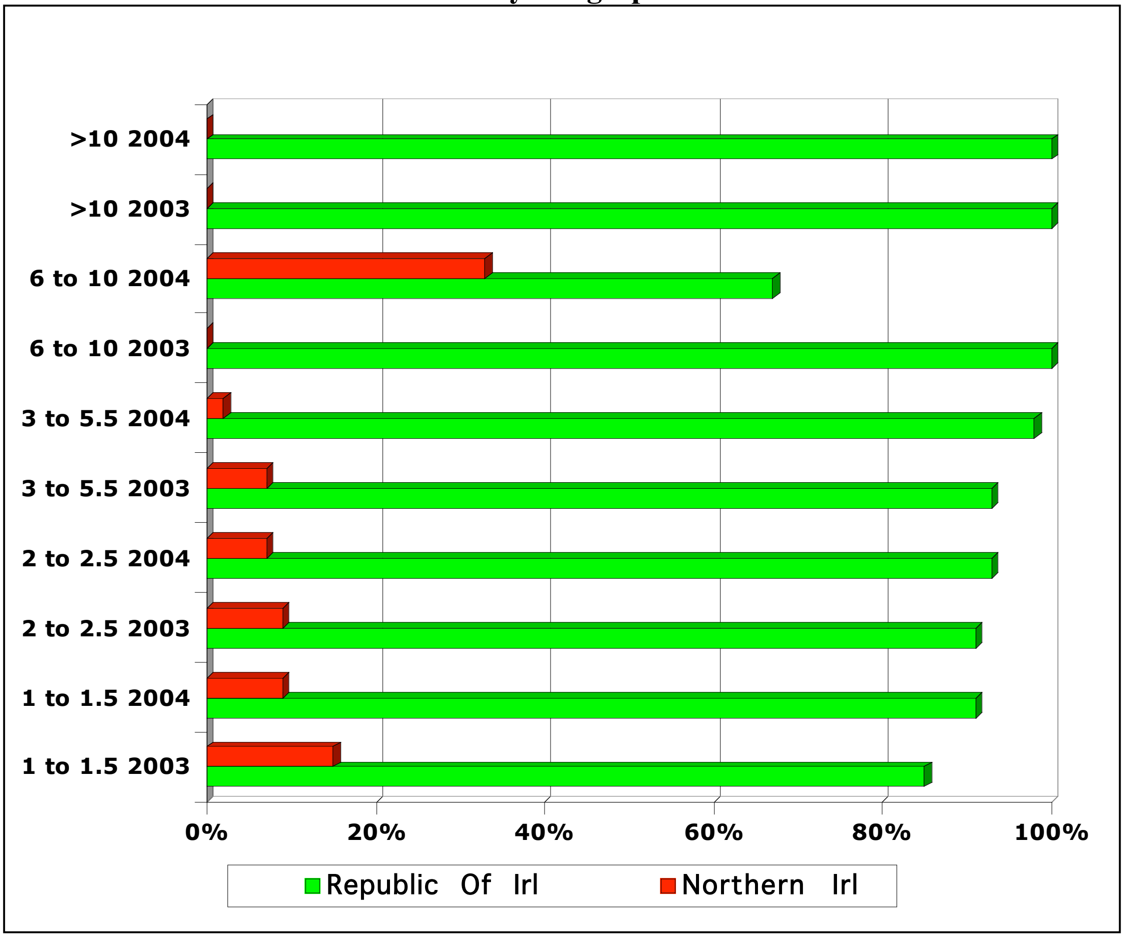
7.2 Geographic Location

The graphic location of craftworkers based on business size shows a very significant difference when compared with overall analysis of the industry. This year, there were a few of the large sized Northern Irish based craft businesses included in the survey. This being said, the total number of businesses falling within these size categories was limited.

Table 7.2 - Business Size Comparison - Business Location Comparison

No. Of Employees	1 to 1.5	2 to 2.5	3 to 5.5	6 to 10	>10	2004 Survey	2003 Survey
Republic Of Ireland	91%	93%	98%	67%	100%	**92%**	87%
Northern Ireland	9%	7%	2%	33%	0%	**8%**	13%

Business Size By Geographic Location



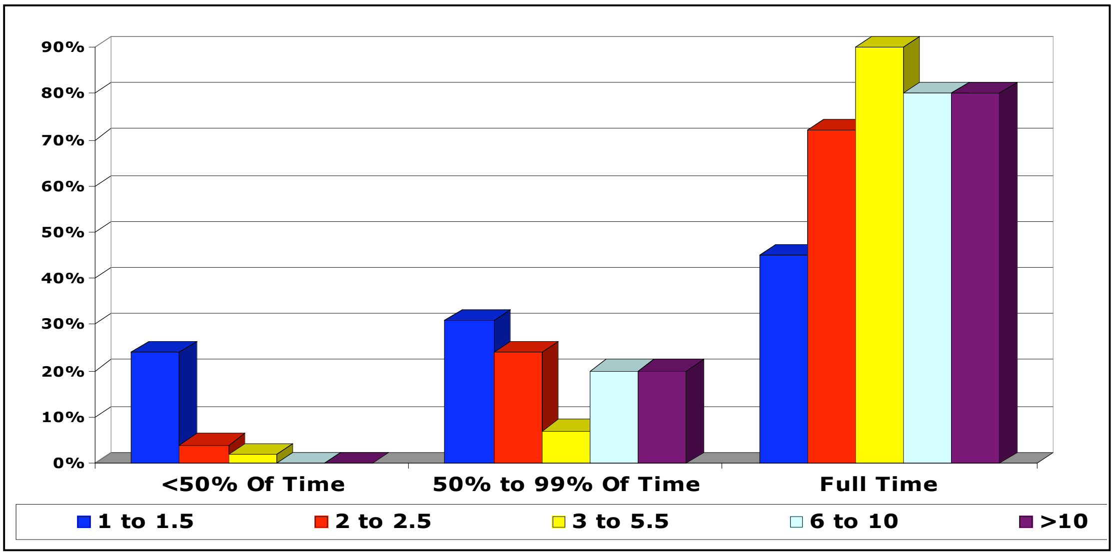
7.3 Time Spent Working In The craft Industry

Surprisingly, in 2004 a smaller proportion of craftworkers were working full time in their Craft business regardless of business size. As outlined earlier, the time input by craftworkers is directly linked with other aspects including income, location and staff employment. From the table below, it is very evident that as craftworkers employ greater numbers of staff, they appear to work longer hours.

Table 7.3 - Business Size Comparison - % Time Spent Working

No Of Employees	1 to 1.5	2 to 2.5	3 to 5.5	6 to 10	>10	2003 Survey
			2003			
< 50% Of Time	18%	0%	0%	0%	0%	**14%**
50% to 99%	26%	5%	0%	20%	0%	**21%**
100%	56%	95%	100%	80%	100%	**64%**
No Of Employees	**1 to 1.5**	**2 to 2.5**	**3 to 5.5**	**6 to 10**	**>10**	**2004 Survey**
			2004			
< 50% Of Time	24%	4%	2%	0%	0%	**18%**
50% to 99%	31%	24%	7%	20%	20%	**27%**
100%	**45%**	72%	**90%**	80%	80%	**55%**

Time Spent Working In The Crafts Industry By No Of Employees, 2004



There is a direct correlation between the proportion of time spent working in the industry and the number of full time equivalent employees employed. As can be seen from the chart above, those with 1 to1. 5 employees are least likely to work full time in the industry and none of the larger employers (employing over 6 FT Equivalent Employees) work less than 50% of their time in the industry.

7.4 Employment

Those employing more than ten full-time equivalent staff are the most diverse in their opinions. A high proportion (17%) of the larger craft firms predict an increase in employment over the coming year. Worryingly, half of these craftworkers believe that staffing levels will decrease while only one third believe current staffing will remain the same. These employers are some of the most significant employers in the country.

Those employing between 3 and 5.5 full-time equivalent staff appear to be split with 10% of respondents in this category stating that they predict an increase in staffing levels and another 10% stating that staffing levels will decline.

Those employing between six and ten employees are the most optimistic about future employment levels. Half of these craftworkers believe that employment will increase while the other half believe that employment will remain the same over the coming year.

Table 7.4 - Business Size Comparison - Projected Future Employment

Employees	1 to 1.5	2 to 2.5	3 to 5.5	6 to 10	>10	2004 Survey	2003 Survey
Increase	2%	**11%**	10%	**50%**	**17%**	**5%**	23%
Decrease	0%	8%	10%	0%	**50%**	**3%**	7%
Remain The Same	98%	80%	80%	**50%**	33%	**91%**	70%

7.5 Business Needs Analysis

Not surprisingly, the development of both the Export Markets and the Home Market are either “Very Important” or “Important” to the larger sized Craft businesses in Ireland. In general terms, all Business Needs supplied by CCoI were considered to be “Very Important” or “Important” by a large majority of craftworkers.

Table 7.5 - Business Size Comparison - Business Needs – (V. Important or Important)

No. Of Employees	1 to 1.5	2 to 2.5	3 to 5.5	6 to 10	>10	2004 Survey
Home Market Support	81%	84%	81%	**100%**	**100%**	**82%**
Marketing Support	77%	76%	**89%**	80%	**100%**	**79%**
Web Site Marketing	68%	63%	**86%**	**100%**	67%	**70%**
Design Product Ranges	68%	69%	80%	75%	**83%**	**69%**
Financial Management	61%	61%	56%	67%	67%	**60%**
Export Market Support	55%	57%	60%	**100%**	**100%**	**57%**
Production Quality	52%	48%	62%	**80%**	50%	**53%**
Production Technology	50%	54%	60%	50%	**67%**	**52%**

7.6 Sales Channels Used

Direct sales channels – In 2004, we asked craftworkers to specify the proportion of sales made via Direct and Indirect sales channels. This methodology was used in order to clarify the routes to market. We specified the direct sales channels most used in our questionnaire in order to ensure all craftworkers were clear on the options of routes to market.

As is evident from the statistics below, as the Craft Business grows larger, the routes to market change with a higher dependence on Indirect Sales. However, the overall industry average shows that there is a high degree of reliance on Direct Sales routes.

Table 7.6 - Business Size Comparison - Sales Channels Used (% of Sales)

No. Of Employees	1 to 1.5	2 to 2.5	3 to 5.5	6 to 10	>10	2004 Survey
Direct Sales	75%	73%	68%	47%	49%	**73%**
Indirect Sales	24%	27%	32%	53%	52%	**26%**

Note – Rounded Averages will not necessarily add to 100%.

Indirect sales - The single most important indirect sales channel was not surprisingly, via other retail outlets in 2003. The larger the crafts business, the more likely that it is to use a selection of routes to market. In 2003, most of the larger companies stated that they used a selection of direct and indirect sales channels for their product. As is evident from the table above, the situation has not changed in 2004. Approximately half of all sales in the larger craft businesses are sold through direct routes and the other half are sold via indirect sales channels.

7.7 Internet Usage & Sales

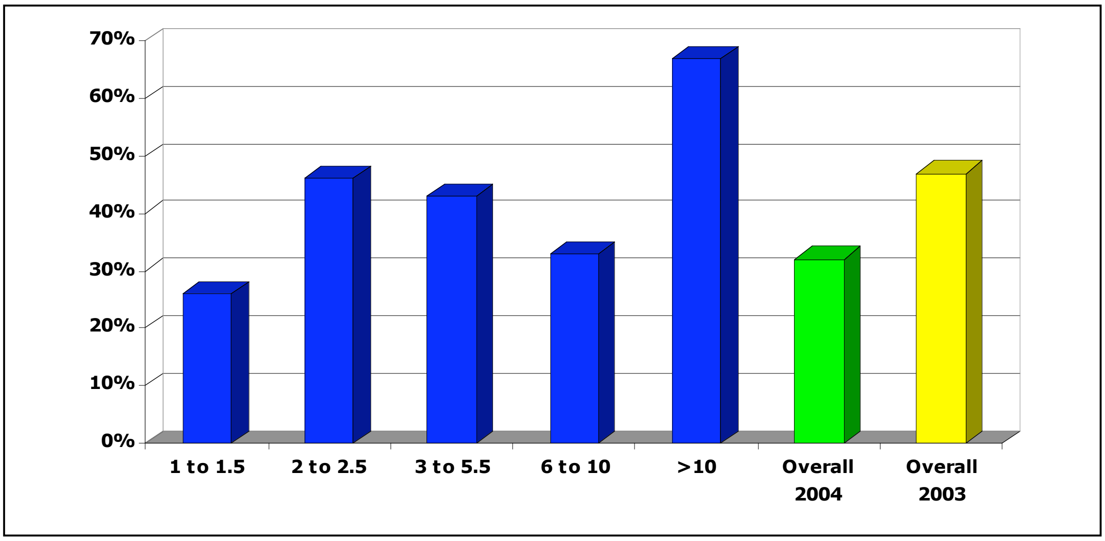
Overall, there was a significant decrease (15%) in the percentage of those using the internet as a sales channel in 2004 when compared with 2003. Last year when we asked craftworkers if they intended future use of the internet as a sales channel, a large proportion of respondents (70%) stated that they did intend to use this medium. As can be seen from the statistics below, these intentions did not come to fruition.

100% of companies employing over 10 people last year stated that they intended to use the internet in the future. While not all of these companies progressed their intentions, a large majority (67%) are currently using the internet as a route to market.

Table 7.7 - Business Size Comparison - Use Of The Internet As A Sales Channel

No. Of Employees	1 to 1.5	2 to 2.5	3 to 5.5	6 to 10	>10	2004 Survey	2003 Survey
Use The Net for Sales	**26%**	46%	43%	33%	**67%**	**32%**	47%

Usage Of The Internet As A Sales Channel 2004 - By Business Size



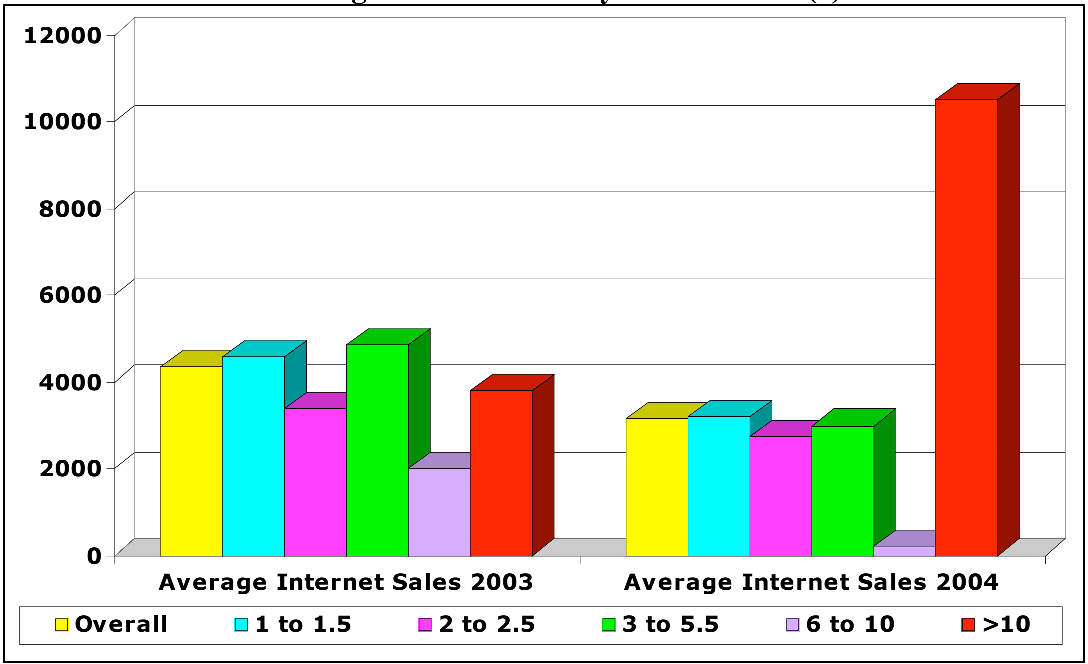
Although higher proportions of the larger craft firms made any sales via the net again in 2004, it was the smaller firms which made the higher volumes of sales in terms of value.

Table 7.8 - Business Size Comparison - Internet Sales Levels

No. Of Employees	1 to 1.5	2 to 2.5	3 to 5.5	6 to 10	>10	2004 Survey	2003 Survey
Average Internet Sales	€3,199	€2,750	€2,988	€200	€10,500	**€3,157**	€4,344
Made Any Sales Via Net	15%	30%	36%	33%	33%	**20%**	22%

Overall, a smaller proportion of all Craft businesses (20%) made any sales via the net in 2004 when compared with 2003 (22%). The average value of sales was buoyed by the larger craft firms and yet the overall average dropped significantly.

Average Internet Sales By Business Size (€)



Note – the responses based on total internet sales received from those with more than 10 employees is not based on a sound statistical proportion. Effectively, one large employer with significant internet sales is dominating this employment segment.

7.8 Craft Council of Ireland Ratings

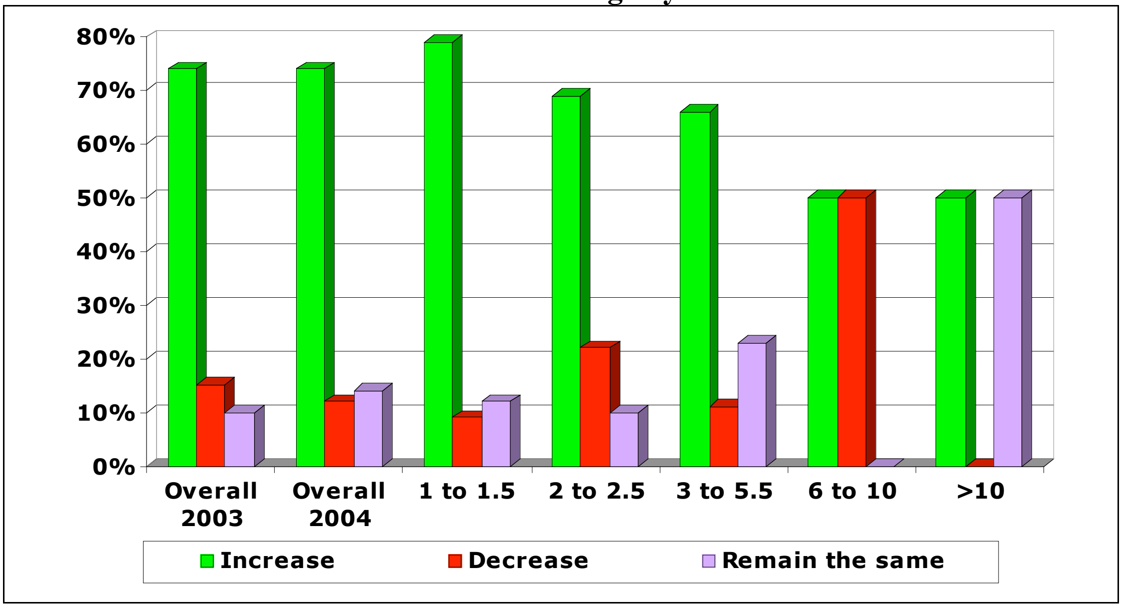
In general, the larger craft firms continue to be only slightly less satisfied with the overall services provided by The Crafts Council Of Ireland than their smaller counterparts. This being said, satisfaction ratings across all business sizes has improved considerably in 2004. All poor ratings have improved and all good ratings have either remained static or improved.

Table 7.9 - Business Size Comparison - Overall Rating Of The Crafts Council Of Ireland

No. Of Employees	1 to 1.5	2 to 2.5	3 to 5.5	6 to 10	>10	2004 Survey	2003 Survey
Very Good/Good	71%	58%	49%	66%	67%	**69%**	69%
Bad / Very bad	4%	8%	12%	17%	0%	**6%**	9%

The level of overall dissatisfaction expressed by the larger craft businesses (which was outlined in the table above) is carried through to their rating of the 'Standard Of Service' provided by the Crafts Council of Ireland. As is evident from the chart below, this level of dissatisfaction rises with the size of the individual business size.

Standard of Services Ratings By Business Size



7.9 Cost of Operations

Wages – as outlined earlier in this report, the number of respondents in the very large business size categories is small and as such, may skew the results somewhat. However, the average wages specified by respondents do follow a somewhat expected pattern – smaller businesses paying lower wages with the converse being also true.

As outlined earlier in this report, the proportion of craftworkers spending all of their time in the industry has continued to decline over the last three years. This fact is reflected in the average wages earned by these craftworkers.

Table 7.10 - Business Size Comparison - Comparison Of Wage Levels

No. Of Employees	1 to 1.5	2 to 2.5	3 to 5.5	6 to 10	>10	2003 Survey
Average Wages 2003	€12,728	€13,551	€16,703	€16,494	€26,938	€13,966
Average Wages 2004	**€9,179**	**€11,899**	**€15,898**	**€15,447**	**€19,712**	**€14,679**
Average Overheads 2003	€18,048	€43,606	€92,040	€189,750	€836,000	€33,369
Average Overheads 2004	**€8,520**	**€23,600**	**€53,917**	**€58,250**	**€250,000**	**€47,803**

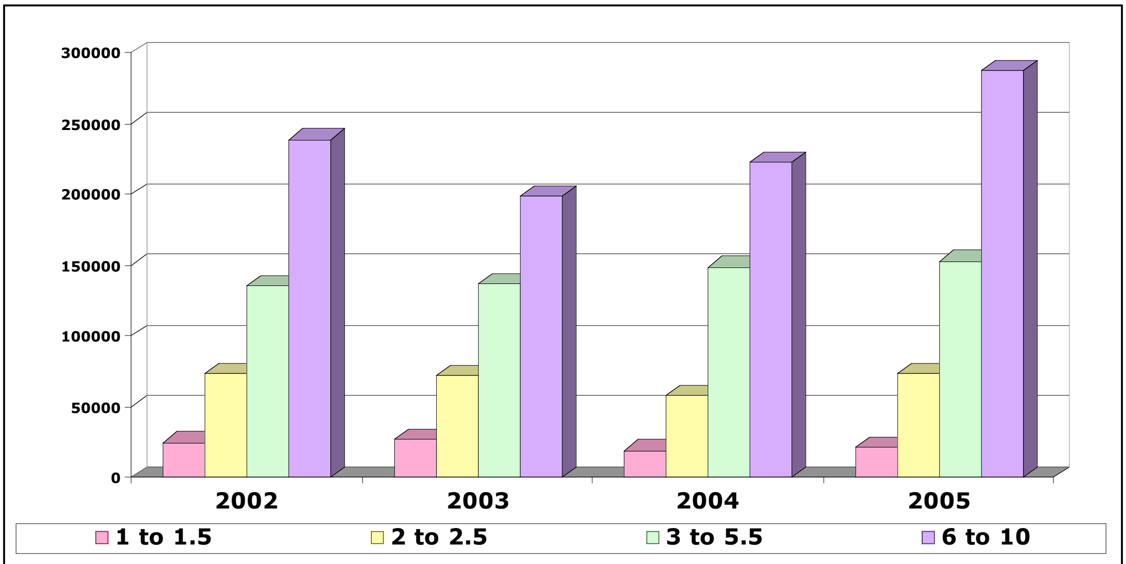
7.10 Estimated Sales

During our survey, we asked craftworkers to indicate total sales for 2004 & 2005. 91% of all respondents gave details of their total sales for these periods. In order to compare sales over these years, we have taken a straight line average of sales provided by those responding.

Table 7.11 - Business Size Comparison - Average Sales 2002 to 2005 (2005 - Projected)

No. Of Employees	1 to 1.5	2 to 2.5	3 to 5.5	6 to 10	>10	Overall Average
2002	€24,117	€72,700	€134,840	€239,000	€601,500	**€48,781**
2003	€26,124	€71,556	€136,769	€198,750	€596,500	**€47,411**
2004	€18,803	€57,275	€148,524	€223,000	€1,324,362	**€60,152**
2005 *	€20,784	€73,431	€153,103	€288,000	€1,337,500	**€62,981**
2004/05	11%	28%	3%	29%	1%	**5%**

Average Sales (€) By Business Size



Note – we have excluded the very largest sized companies (>10 employees) from this chart as the average sales by these companies is significantly larger than the averages of the smaller scale companies and as such, makes the chart illegible.

7.11 Exports

In terms of domestic and international sales, just over one quarter (**26%**) stated they had sales in any export market (outside the Island of Ireland) in 2003. When compared, over **42%** of all respondents in 2004 stated they had any export sales.

Table 7.12 - Business Size Comparison - Proportion of Responses & Value Of Exports As a % Of Sales 2004

No. Of Employees	1 to 1.5	2 to 2.5	3 to 5.5	6 to 10	>10	2004 Survey
Value Of Export Sales %	14%	14%	9%	2%	15%	**12%**
% of Companies with Any Export Sales	33%	52%	43%	67%	83%	**42%**

Exports – represent sales outside the Island Of Ireland

In value terms, the proportion of export sales to overall sales appears relatively constant across most business sizes (with the exception of 6 to 10 employees). A very large proportion (83%) of the largest companies (>10 employees) have export sales and these sales generally represent a significant proportion of the value of overall sales (15%).

8. Comparison Of Primary Disciplines In The Crafts Industry 2004

8.1 Introduction

This section of our report has been compiled in order to allow direct comparison between the primary five craft disciplines. These disciplines are Ceramics, Jewellery, Furniture, Textiles and Woodworking. We have also included the Overall survey results to allow direct comparisons with the entire industry.

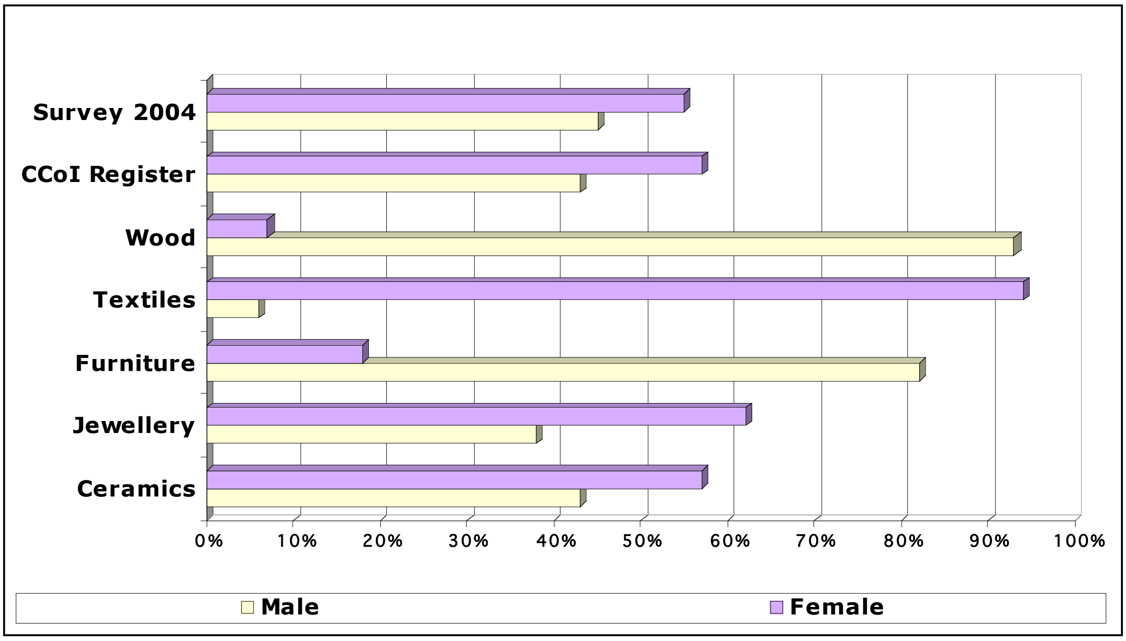
8.2 Gender Analysis

Table 8.1 - Primary Disciplines - Gender Comparison

	Male	Female
Ceramics	43%	57%
Jewellery	38%	62%
Furniture	82%	18%
Textiles	6%	94%
Wood	93%	7%
CCoI Register 2004	**43%**	**57%**
Overall Survey 2004	**45%**	**55%**

As is evident from the statistical review of the primary disciplines above, there continues to be an exceptionally high concentration of male craftworkers in the furniture and in the Woodworking sectors. Female craftworkers dominate the textile sector.

Gender Comparison By Primary Discipline



8.3 Geographic Location

Table 8.2 - Primary Disciplines - Geographic Location

	ROI	NI
Ceramics	87%	13%
Jewellery	89%	11%
Furniture	91%	9%
Textiles	96%	4%
Wood	95%	5%
Overall Survey 2003	87%	13%
Overall Survey 2004	**92%**	**8%**

In 2004, the vast majority of respondents (92%) were based in the ROI. While we reviewed this situation during our data collation, we were unable to persuade more craftworkers based in NI to respond. We concentrated our efforts and resources on NI craftworkers for a considerable time period during the survey but were unable to elicit further NI responses.

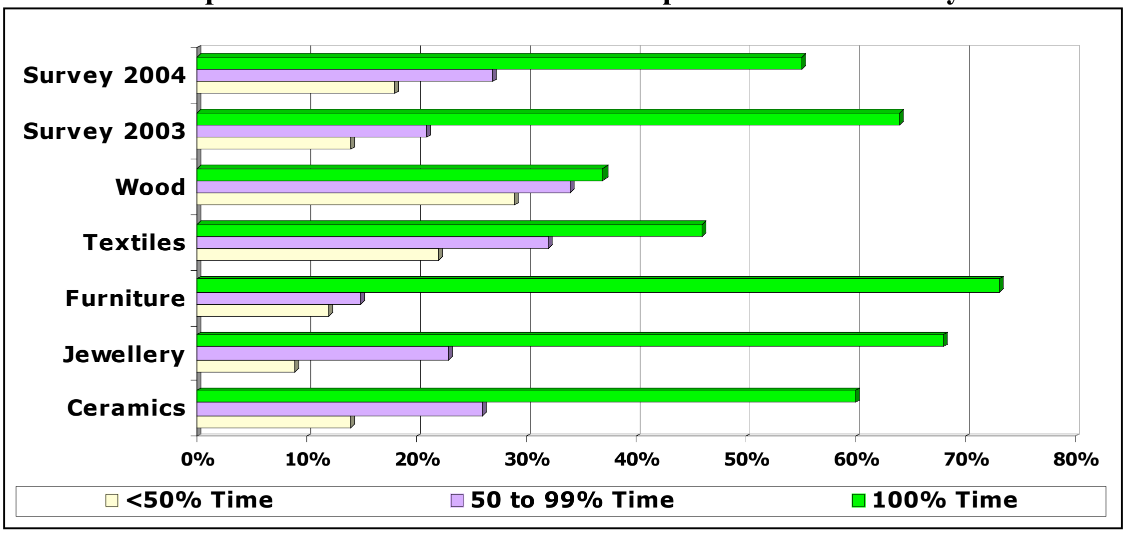
8.4 Time Spent Working In The Craft Sector

Table 8.3 - Primary Disciplines - Proportion of Craftworkers - Time Spent In Craft Industry

	<50% Of Time	50% to 99% Of Time	100% Of Time
Ceramics	14%	26%	60%
Jewellery	9%	23%	**68%**
Furniture	12%	15%	**73%**
Textiles	**22%**	32%	46%
Wood	**29%**	34%	37%
Overall Survey 2003	14%	21%	64%
Overall Survey 2004	**18%**	**27%**	**55%**

Interestingly, a very high proportion of Jewellery craftworkers (73%) spend all of their working time, working in the crafts industry.

Proportion Of Craftworkers - Time Spent In Craft Industry



8.5 Proportion Of Income Earned In The Craft Industry

Table 8.4 - Primary Disciplines - Proportion Of Craftworkers - Income Earned From Craft Industry

	<50% Of Income	50% to 99% Of Income	100% Of Income
Ceramics	28%	25%	47%
Jewellery	32%	21%	47%
Furniture	21%	18%	**61%**
Textiles	**42%**	20%	38%
Wood	**51%**	14%	35%
Overall Survey 2003	30%	26%	46%
Overall Survey 2004	**35%**	**20%**	**45%**

While a large proportion of Jewellery craftworkers (73%) dedicate all of their time to their craft business, only 47% stated that they earned all of their income for the industry during 2004. When examining the proportion of income earned from the crafts sector, those working in Wood (35%) are least likely to earn all of their income from their industry.

8.6 Employment

When asked to indicate the level of employment in their craft business, craftworkers were asked to specify the number and the type of employees they employed. In order to achieve a comparable employment gauge, Platinum Consulting Group calculated the number of full-time equivalent employees within each craft business. This indicator was compiled using industry norms by allocating two part-time employees and three seasonal employees as one full-time equivalent employee.

Table 8.5 - Primary Disciplines - Employ Any Staff

	Any Employees	No Employees
Ceramics	33%	67%
Jewellery	**45%**	55%
Furniture	**48%**	52%
Textiles	29%	**71%**
Wood	26%	**74%**
Overall Survey 2003	31%	69%
Overall Survey 2004	**34%**	**66%**

In general, the proportion of craftworkers employing any additional full-time equivalent staff has increased over the year. Over one third (34%) of all craftworkers employed any other staff in 2004. A high proportion (45%) of Jewellery craftworkers employ any staff in their business and yet this discipline has attained a high level of average sales and they pay relatively high levels of wages.

Unsurprisingly, almost half (48%) of furniture craftworkers employ others in their Craft business. The fact that Woodwork craftworkers tend to work alone (74% have no employees), supports our continuing view that many of these craftworkers treat their craftwork as a hobby.

Proportion Of Craftworkers By Discipline Employing Any Staff 2004

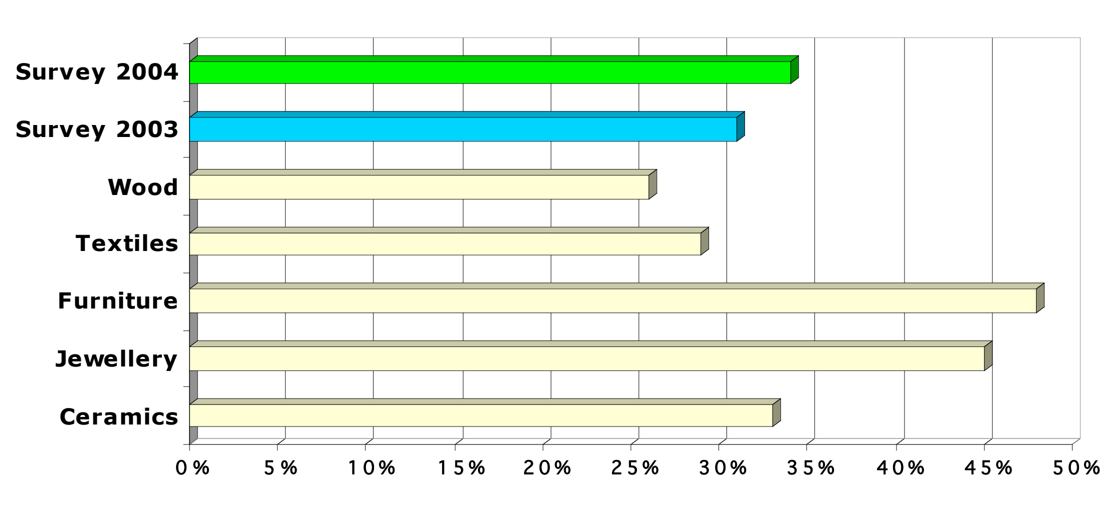


Table 8.6 - Primary Disciplines - Future Employment Projections

	Increase Employment	Decrease Employment	Employment Remain Same
Ceramics	4%	3%	93%
Jewellery	**13%**	2%	85%
Furniture	**16%**	0%	84%
Textiles	3%	1%	96%
Wood	3%	3%	94%
Overall Survey 2003	23%	7%	70%
Overall Survey 2004	**5%**	**3%**	**92%**

Overall the positive outlook envisaged by the Craft industry in 2003 has dissipated in 2004. Only 5% of all craftworkers believe that employment will increase. On a positive note, 92% of these craftworkers believe that employment will remain the same.

Once again this year, the Furniture and Jewellery craftworkers are the most positive with 16% and 13% of these craftworkers respectively stating that they envisage an increase in employment over the coming year. Last years overall bad year experienced by the Ceramics discipline was reflected in their outlook for employment in the future. At that time 15% of Ceramics craftworkers foresaw a decrease in employment over the coming year. In 2004, the outlook for this sector was more stable with 93% of all Ceramic craftworkers believing that employment would remain the same in the future.

8.7 Sales Channels Used

In order to identify the volume of sales by Direct & Indirect sales channels, we have calculated the average proportion of each sales channel and extrapolated theses proportions by total sales. As can be seen from the table below, the Furniture and Woodworking disciplines of the crafts industry rely heavily on direct sales channels available.

In overall terms, there has been a significant move away from indirect sales and towards direct sales channels in the industry during 2004.

Table 8.7 - Primary Disciplines - Direct Vs Indirect Sales 2004

Discipline	Direct	Indirect	Direct Sales	Indirect Sales
Ceramics	67%	33%	€5,281,866	€16,005,654
Jewellery	70%	30%	€4,111,676	€13,705,587
Furniture	**90%**	10%	€1,972,940	€19,729,395
Textiles	74%	26%	€2,721,284	€10,466,477
Wood	**78%**	22%	€645,848	€2,935,674
Overall Survey 2003	63%	37%	€39,516,594	€23,208,159
Overall Survey 2004	**74%**	**26%**	**€70,031,805**	**€24,605,769**

Note: total sales used in the table above are actual total sales and have not been extrapolated to account for the entire crafts industry.

8.8 Internet Usage & Sales

As outline earlier in this report, the proportion of those using the Internet as a route to market has fallen during 2004. It is interesting to note the level of internet usage among selected disciplines. A high proportion of both Jewellery and Furniture craftworkers continue to use the internet as a sales medium.

Table 8.8 - Primary Disciplines - Usage And Average Sales Via The Internet

	Use The Internet 2003	Use The Internet 2004	Average Sales 2003	Average Sales 2004
Ceramics	45%	25%	€3,080	€2,620
Jewellery	54%	35%	€7,215	**€6,685**
Furniture	52%	45%	€5,333	€3,483
Textiles	44%	26%	€1,389	€3,103
Wood	48%	37%	€2,620	€1,927
Overall Survey	**47%**	**32%**	**€4,344**	**€3,157**

In terms of sales, Jewellery and Furniture craftworkers achieved the highest level of sales via the internet in 2003 and this continued in 2004. This factor is most likely due to the high value attached to their product lines. In addition, these products have a high propensity for sales on the net i.e. people are more likely to purchase these product over the net. It should however be noted that in addition to the decline in the proportion of these craftworkers using the net as a sales medium, the average value of their sales has also fallen during the year.

8.9 Crafts Council Of Ireland Ratings

The overall positive rating for the CCoI by craftworkers in each of the primary craft sectors was very high both last year and again in 2004. Furthermore, the proportion of craftworkers giving a negative rating has continued to fall over the period.

The continued efforts by the CCoI to provide a useful and effective service to the Craft industry is reflected from grass roots upward and is evidenced by the significantly high proportion of craftworkers rating these services as either "Very Good" or "Good".

Table 8.9 - Primary Disciplines - Overall Rating Of Craft Councils Services, 2004

	V. Good / Good	Neither	V. Bad / Bad
Ceramics	62%	26%	**12%**
Jewellery	69%	27%	4%
Furniture	**79%**	18%	**3%**
Textiles	**81%**	16%	3%
Wood	63%	30%	7%
Overall Survey 2003	69%	22%	9%
Overall Survey 2004	**69%**	**25%**	**6%**

In 2004, the same proportion of respondents believed that the Standard of Services provided by the CCoI had increased year on year. In addition, fewer respondents believed that the standard of these services has decreased during the same period. All in all, this reflects positively on the standards of service and the continued efforts provided by the CCoI in 2004.

Overall Rating (Very Good & Good) Of Craft Councils Services, 2004

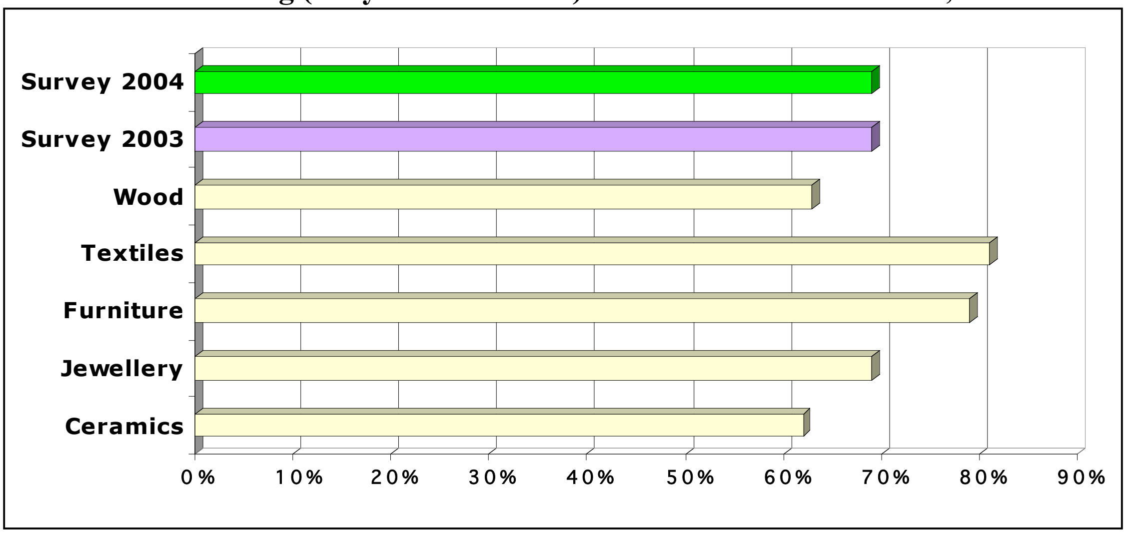


Table 8.10 - Primary Disciplines - Standard Of Service Provided By Craft Council, 2004

	Increased	Decreased	Remained Same
Ceramics	75%	**17%**	8%
Jewellery	84%	8%	8%
Furniture	71%	7%	21%
Textiles	78%	10%	12%
Wood	78%	13%	9%
Overall Survey 2003	74%	15%	10%
Overall Survey 2004	**74%**	**12%**	**14%**

8.10 Cost Of Operations

Table 8.11 - Primary Disciplines - Average Wages & Average Total Overheads 2004

	Average Wages	Average Overheads
Ceramics	€17,256	€53,510
Jewellery	€14,546	€54,712
Furniture	€39,485	€145,109
Textiles	€8,993	€26,378
Wood	€7,571	€12,519
Overall Survey 2004	**€14,679**	**€47,803**

Craftworkers in both the Ceramics and the Furniture disciplines earned, on average, significantly higher wages than the industry norm.

8.11 Estimated Sales

Table 8.12 - Primary Disciplines - Average Sales 2002 to 2004 (Actual) & 2005 (Projected)

Average Sales	2002	2003	2004	2005	% With '04 Sales in Excess of €100K	+/- 04/05
Ceramics	€49,041	€44,156	€54,441	€58,247	7%	7%
Jewellery	€86,138	€86,822	€68,187	€72,404	15%	6%
Furniture	€74,062	€67,342	€187,899	€239,274	**33%**	27%
Textiles	€33,961	€30,811	€31,813	€36,109	5%	14%
Wood	€28,274	€32,492	€18,234	€20,936	2%	15%
Overall Survey	**€48,781**	**€47,252**	**€60,152**	**€62,981**	**10%**	**5%**

Note – while the average sales figure for Furniture craftworkers in 2004 and 2005 appear to be anomalous, further investigation of the returns for 2004 and 2005 show that of the 33 furniture returns (which represents one third of all Furniture craftworkers on the CCoI Register), 11 (33%) earned over €110,000 in 2004. Most of these returns included sales well in excess of this figure.

The Ceramics discipline experienced a significant decline in average sales in 2003. 2004 saw a return to growth, sales in this discipline have surpassed their 2002 levels and projections for 2005 look promising.

The value of average sales in the Jewellery discipline experienced a slight reduction in 2004. According to our qualitative survey evidence, the sector was experiencing a radical change over the period and this change was reflected in total and therefore average sales. Having managed to navigate the industry changes, the sector appears to be back on a growth track for 2005.

Both the Jewellery and Furniture disciplines have significantly higher levels of average sales, which is no doubt due to their high value product ranges. This factor leads to a significantly higher level of average wages for these sectors.

8.12 Exports

Table 8.13 - Primary Disciplines - Exports As A % Of Sales

	Exports As A % Of Value Of Sales 2004	% Of Respondents With Any Export Sales
Ceramics	**4%**	37%
Jewellery	14%	38%
Furniture	11%	**36%**
Textiles	**24%**	**43%**
Wood	15%	**30%**
Overall Survey	**12%**	**42%**

In value terms, only 11% of furniture sales were reported to have been exported during 2004. However, due to the bulky nature of the product, unsurprisingly only 36% of furniture craftworkers reported any export sales during the year.

Ceramics, due to their fragile and somewhat bulky nature are also less likely to be exported - an estimated 4% of the value of Ceramics sales were destined for the export market in 2004.

Surprisingly, given its bulky nature and as such, cost of transport, the textile discipline once again experienced the highest ratio of exports to overall sales in 2004 at 24%. The single highest proportion of any sector reporting export sales was the Textile sector.

9. FACTORS INFLUENCING THE CRAFTS INDUSTRY

9.1 General Industry Characteristics

Reliance on small, one-person operations (70%), in rural settings (57%), on a full-time basis (55%) are the primary characteristics of the Craft industry in Ireland. These characteristics do not lend to, or encourage, economies of scale in the industry. As such, it is difficult for craftworkers to achieve high sales levels, income levels or production capabilities.

9.2 Costs

Increasing costs of production continue to have a negative impact on sales and margins for craftworkers. In general, the costs of inputs, insurance and staff costs are mentioned as having a negative impact on Craft businesses. Primarily, the cost of additional staff is generally seen as a barrier to expansion and the rising cost of employment is definitely reflected in the slow down of the industry.

9.3 Employment

The perceived lack of human resources coupled with a reluctance to "let go" of the quality issues by employing others, and the resulting limits on production capacity have had a negative impact on the industry as a whole in the past.

9.4 Importation Of Craft Products

Increased competition from imported product continues to be a factor / barrier in the craft industry. Cheap imports are reported to be having a negative impact on competitiveness of the Irish Craft industry. Imports are having an adverse effect throughout each and every sector of the Craft industry and many craftworkers see this as the fundamental obstacle to future business growth in Ireland.

9.5 Export Markets

Craftworkers exporting have displayed a reliance on the Northern Irish, UK and US markets. These markets are all vulnerable to currency market fluctuations and as such, can have a negative impact on the Craft Industry as a whole. 2003 saw the development of a strong pound and a weak dollar which have both led to a negative impact on the Irish crafts industry in terms of exports and their price competitiveness. This negative trend in currencies transactions has continued into and through 2004 and 2005.

9.6 National Economics

The current medium to long-term review of the Irish economy by the ESRI confirms that the Irish economy has experienced a slight slow down in economic growth over the last two years. While some of this restriction in growth is due to "inappropriate domestic policies", much of it can be attributed to international difficulties in world economies. Some of these external influences include the threat of terrorism, world interest rates, world oil prices and world political turmoil. The power of the Irish government to influence these external factors is very limited.

The outlook for the coming years is for a return to 4% or 5% growth in the Irish economy which are, according to the ESRI "warranted by its underlying potential". However, a number of issues relating to domestic policies will continue to have an impact on our competitiveness and perceived value for money by overseas visitors. Fiscal pressures over the period of the late 90's and between 2000 and 2002 have continued to aggravate inflationary pressures leading to wage inflation. Wages in many industries have reached a level which now appears to be unsustainable. Wage pressures and other inflationary factors are currently adversely affecting our competitiveness in the Crafts Industry.

9.7 Future Expenditure

A recent report on the impact of the maturity of the SSIA (Special Savings & Investment Accounts) in Ireland outlines an additional impetus for growth in the Irish economy next year. It is estimated that the maturity of the SSIAs will produce potential spend in the Irish economy in the region of €16bn. The resultant economic impact will drive national growth upwards by almost 2%.

A recent report by Goodbody Stockbrokers has analysed the effect of the SSIA release. The stockbrokers have estimated that the maturity and release of the SSIA would bump up Ireland's Gross National Product (GNP) growth rate from 4.8% to 6.7% in 2006 and from 4.7% to 6.2% in 2007. Growth could be even higher if consumers choose to spend their windfalls rather than invest them. In general terms, these windfalls are likely to be spent on luxury items – those being identified currently include holidays, cars and of particular importance to the Crafts Industry, homes. This expenditure is likely to include expansion, improvement and redecoration of homes.

Recent taxation reforms and predicted reforms in the personal income tax regime over the coming two years look likely to drive domestic growth forward. With these reforms will come an increase in personal disposable income and a further increase in the propensity to purchase luxury items.

9.8 External Impacts

The current world political situation does not auger well for international trade. The crisis in the oil markets, the continuing threat of terrorism, economic instability in world markets and the ever present conflicts in the Middle East and the soviet states are currently leading to significant instability. These instabilities will likely lead to a downturn in international trade over the short to medium term.

9.9 Increasing Competition / Opportunities

In May of 2004, the EU celebrated the accession of an additional ten member states to the Union. The accession of these ten new members has ensured that the EU has become the second largest trading block in the world. In addition to the external trading patterns, the internal markets within the expanded EU have grown enormously. The population of the expanded EU now amounts to 450 million people, all of who have access to all 25 states and all of who will use the same currency.

While the expansion of the EU is regarded as a positive step for the EU as a whole, many analysts remain wary of the positive spin being placed on this expansion. In terms of the impact on the Craft Industry, the expansion has a number of impacts which should be considered, namely: -

- Employment – Staffing Costs
- Value For Money – Costs Of Production
- Opportunity Of Export Markets

9.10 Fáilte Ireland Overseas & Domestic Tourism Marketing

A review of Failte Ireland's marketing budgets over the last number of years shows a significant increase in the total domestic and overseas marketing allocation. In 1998, Bord Failte's budget allocation for marketing amounted to 25 million pounds (€31.7 million). 2003 and 2004 saw increases in marketing expenditure and the current budget allocation for marketing stands at €70 million.

It is widely accepted that the volume of tourists arriving in Ireland is directly linked with the overall performance of the Crafts industry. Tourists have a generally high propensity to purchase "Irish Made" crafts. As such, the continued and ongoing marketing expenditure undertaken by Fáilte Ireland will have a positive impact on the Crafts Industry as a whole.

EU/US Open Aviation Area Agreement - The Open Skies agreement is the agreement being considered and discussed by the EU and US aviation industries. This agreement is projected to generate a 10% increase in the flow of US visitors to Ireland on an annual basis. The agreement will open access to and from Ireland to the US market and will allow access to a greater number of US destination cities.

The agreement will allow for direct access by low fare airlines to and from the US thereby increasing the potential for Crafts sales to the US.

The International Conference Centre, Dublin - The development of an International Conference Centre (ICC) in Dublin is by no means guaranteed but the likelihood of its development is very positive at this point in time. Platinum Consulting Group have undertaken a number of studies relating to the development of an International Conference Centre and our research indicates that the development of the ICC will lead to an increase in conference delegates to Dublin in the order of 44,000 per annum. Based on our estimated average length of stay at conferences, this number of delegates will equate to an additional 153,700 bednights in Dublin hotels each year. These high spend visitors will have an impact on the Crafts Industry.

Home Holiday Market - The home market has proven to be the backbone of the tourism industry over the past three years and this trend is expected to continue during 2004 and on into 2005. In response to these buoyant figures, Fáilte Ireland plan a record domestic marketing spend over the remainder of the year.

9.11 The Internet

From a usage point of view, an estimated 1.2 million adults in Ireland used the Internet from any location in the second quarter of 2004 representing approximately 41% of adults in the country. According to the results of the consumer survey undertaken by Amarách Consulting, Internet usage appears to have levelled off in Ireland, with the measured level of usage remaining below 45% for the past nine months.

According to the report, there are no significant differences in usage between genders, but that the main determinant of usage seems to be social class with ABC1s (60%) more than twice as likely to be online as C2DEs (29%). Significantly, the ABC1 social class is also the target market for luxury (Craft) items as this market segment is noted for their potential spending power and high levels of disposable income.

However, there are limits to the use of new technology, and much depends on who the participants are and how comfortable they are with technology. While technology does appeal to a large proportion of people, it should be noted that there still remains a large proportion of people who wish to communicate with a salesperson. In addition to the above, much web based technology is inflexible to the customers needs and many sales enquiries are followed up by or, are confirmed by phone.

APPENDICES

Postal Questionnaire

Your Details

Your Company Name ________________________________

1. **When did you establish your Craft Business?** ____________ **Year?**

2. **Approximately how many DAYS PER WEEK did you spend on your craft business in 2004?**
   ________________________ (Days Per WEEK?)

3. **Approximately what % of your *total annual income* did you derive from your craft business in 2004?**
   ______________________ (% of annual income)

4. **In 2004 did your craft business employ anybody *in addition to yourself*?**
   Yes ☐ No ☐

5. **In 2004, how many people did you, employ including yourself and how do you envisage employment in your business changing over the coming years?**

Employment in 2004		Expected Employment Changes 2006 - 2007		
Owner(s)	_______ people	Increase ☐	Decrease ☐	Remain The Same ☐
Full-time Staff	_______ people	Increase ☐	Decrease ☐	Remain The Same ☐
Part-time Staff	_______ people	Increase ☐	Decrease ☐	Remain The Same ☐
Seasonal Staff	_______ people	Increase ☐	Decrease ☐	Remain The Same ☐

6. **Please indicate any Business Needs you have.**

	Important	Important	Neither Nor Unimportant	Important	Unimportant
Marketing Support (eg assistance to develop corporate ID, packaging, brochures, display etc)	☐	☐	☐	☐	☐
Assistance in accessing/expanding export markets	☐	☐	☐	☐	☐
Assistance in expanding your home market	☐	☐	☐	☐	☐
Financial management for small enterprise	☐	☐	☐	☐	☐
Improvements in production quality	☐	☐	☐	☐	☐
Design of new products and ranges	☐	☐	☐	☐	☐
Access to new production technology	☐	☐	☐	☐	☐
Web Site Design, Marketing & Management	☐	☐	☐	☐	☐
Other – please specify ____________________	☐	☐	☐	☐	☐

Sales Channels Used in Your Craft Business

7. **What percentage of your total craft sales are sold via direct and indirect channels?**

	2004	2005 (Projected Sales)
Direct Sales	______%	______%
Indirect Sales	______%	______%
Totals should add to 100%	100%	100%

Direct Sales - include sales via your own studio, workshop or retail outlet, via consumer fairs, commissioning or via the internet.

Indirect Sales should be considered any other sales channels used.

8. **In 2004, did you use the internet as a sales channel for your products (either direct via your web site or indirectly via a third party web site)?** Yes ☐ No ☐ Estimated Value of these sales € _____________

9. **During 2004, have you experienced any change in Sales Channel Usage?** Yes ☐ No ☐
   If Yes – was the emphasis changed from Direct Sales to Indirect Sales channels Yes ☐
   OR From Indirect Sales To Direct Sales Channels Yes ☐

Your Views on the Crafts Council in 2004

10. Please indicate your level of satisfaction or dissatisfaction with each of the following aspects of the Crafts Council's work.

	NA Didn't Use	Very Satisfied	Satisfied	Neither Satisfied Nor Dissatisfied	Not Satisfied	Dis-Satisfied
- Stopress	☐	☐	☐	☐	☐	☐
- Photoscheme (i.e. Subsidised Photography)	☐	☐	☐	☐	☐	☐
- Insurance Scheme	☐	☐	☐	☐	☐	☐
- Network Facilitation and Mentoring	☐	☐	☐	☐	☐	☐
- Network Project Support	☐	☐	☐	☐	☐	☐
- Product Development Projects	☐	☐	☐	☐	☐	☐
- (i.e. Cardmarket, Tabletop, Ceramics, etc)						
- Seminar programme	☐	☐	☐	☐	☐	☐
- (i.e. Made for America, Design for Use, etc)						
- Exhibition programme	☐	☐	☐	☐	☐	☐
- Web Site	☐	☐	☐	☐	☐	☐
- Showcase International Trade Fair	☐	☐	☐	☐	☐	☐
- Research mission support	☐	☐	☐	☐	☐	☐

11. What are your views on the overall services provided by the Crafts Council of Ireland for the craft industry in 2004?

V. Good	Good	Neither Good nor Bad	Bad	V. Bad
☐	☐	☐	☐	☐

12. Did the standards / quality of these services, Increased ☐ **OR** Decreased ☐ during 2004?

Your Business Income and Costs in 2004

The following section of the questionnaire is particularly important in enabling us to communicate with government and other key decision makers about the size of the Irish craft sector. Your answers to the following questions, as with the rest of the questionnaire, will be treated in the strictest confidence. The information you give will be used only to aggregate total figures.

13. Approximately what were the *Total Wages Cost (including your own wages)* of your craft business in 2004?

_____________ Euro (to the nearest €1,000 Euro)

14. Approximately what were the Total Business Overheads of your craft business in 2004? (eg materials, rent etc. Please include all wages)

_____________ Euro (to the nearest €1,000 Euro)

15. **Approximately what was the amount of the Total Sales from your craft business in 2004?** € 2004

16. **Can you please estimate your Total Sales for 2005?** €__________ 2005

17. **What was the approximate amount of your Total Sales within the Republic of Ireland and Internationally for your craft business in 2004?**

Republic Of Ireland Sales ________________ Euro (to the nearest €1,000)

Sales In Northern Ireland ________________ Euro (to the nearest €1,000)

International Sales ________________ Euro (to the nearest €1,000 - Outside the Island of Ireland)

18. **From the list of geographical markets below, please indicate all markets which you supply goods to.** Please tick the appropriate boxes in the list. For each of these markets, please state approximately what percentage of your *total sales* is generated from that market.

	Sales (Please Tick)	***Approximate Percentage of total sales generated 2004***
Republic of Ireland	☐	_______ %
Northern Ireland	☐	_______ %
UK (excluding Northern Ireland)	☐	_______ %
Scandinavia (Denmark, Finland, Norway, Sweden)	☐	_______ %
Benelux (Belgium, Netherlands, Luxembourg)	☐	_______ %
France	☐	_______ %
Germany	☐	_______ %
Italy	☐	_______ %
Other EU (Austria, Spain, Greece, Portugal)	☐	_______ %
USA and / or Canada	☐	_______ %
Elsewhere in the world	☐	_______ %

Please take this opportunity to give us your views regarding the Craft Industry as we move into the future. What is your business outlook for the future? What factors affect your business? What are your business priorities? Are there any issues you would like to raise awareness about? Please use this space to give us your opinions and views.

MANY THANKS FOR TAKING THE TIME TO COMPLETE THIS IMPORTANT QUESTIONNAIRE.

YOU CAN FAX THE QUESTIONNAIRE TO (01) 235 2485

OR

ON-LINE COMPLETE THE QUESTIONNAIRE ON-LINE AND SUBMIT IT!

OR

FREE POST THE QUESTIONNAIRE TO

PLATINUM CONSULTING GROUP ULVERTON HOUSE, ULVERTON ROAD, DALKEY, FREEPOST F3400, CO. DUBLIN

QUALITATIVE QUESTIONNAIRE

YOUR PARTICULAR BUSINESS

Overall, how was 2004 compared with previous years?

Did your business grow, decline or remain static in 2004?

What factors influenced this growth, decline or stability? Staff, sales, opportunities, product development, distribution channels, marketing, customer needs, skills?

2005 – 2006

In 2005 and 2006, what challenges do you envisage / have you experienced?

Is there anything that the CCOI can do to help with these challenges?

Overall, how satisfied are you with the CCOI?

Why?

Can you suggest any additional services the CCOI could instigate to assist you in the future?

GENERAL OUTLOOK

General outlook for 2005 to 2006?

Changing needs 2005 to 2006?

What are the challenges that face your craft sector over the coming year?

How do you see these challenges being met?

What are the opportunities for your craft sector over the coming year?

How do you see the future unfolding – how will you meet the challenges, issues and opportunities?

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