

THE CRAFT MARKET

An overview by
Mark Austen
of Office Club.



One of the unique abilities of the better retailer is that of adapting and evolving with customer demand and competitive pressures.

Fifty years ago 'stationers and printers' working from retail premises were a common sight on every High Street. This changed with the advent of bigger machines giving specialist printers economies of scale not available to smaller retailers allied to the lowering prices of copier/duplicators and their consequent introduction into more and more offices meant that those businesses had to adapt or die, and many adapted by becoming both commercial (B2B) and retail (B2C) stationers.

Fifteen to twenty years ago we saw the emergence of stationery superstores, an excellent mail order invader, and the advent of foreign-owned contract stationers. This put pressure on the hybrid B2B/C stationer, and many looked for alternative product groups to replace declining commercial sales. At the same time, small specialist art shops usually owned and staffed by enthusiasts found themselves under pressure, and it was natural for stationers to move into the field of art. After all, selling pencils to offices or

coloured pencils to artists, notepads to secretaries or sketch pads to design students was hardly a quantum leap, and the combination of art and stationery gave the offices supplies retailer, typically a businessperson rather than an enthusiast, an edge – and many had been selling art materials alongside stationery for a long time.

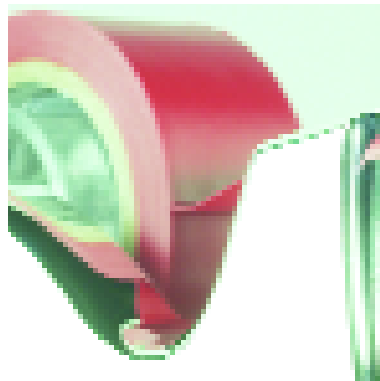
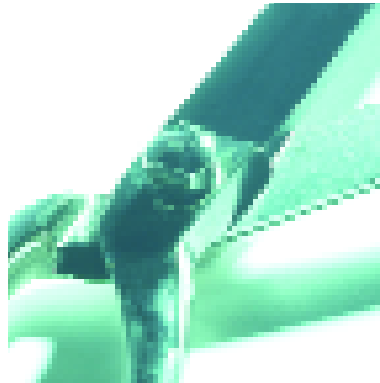
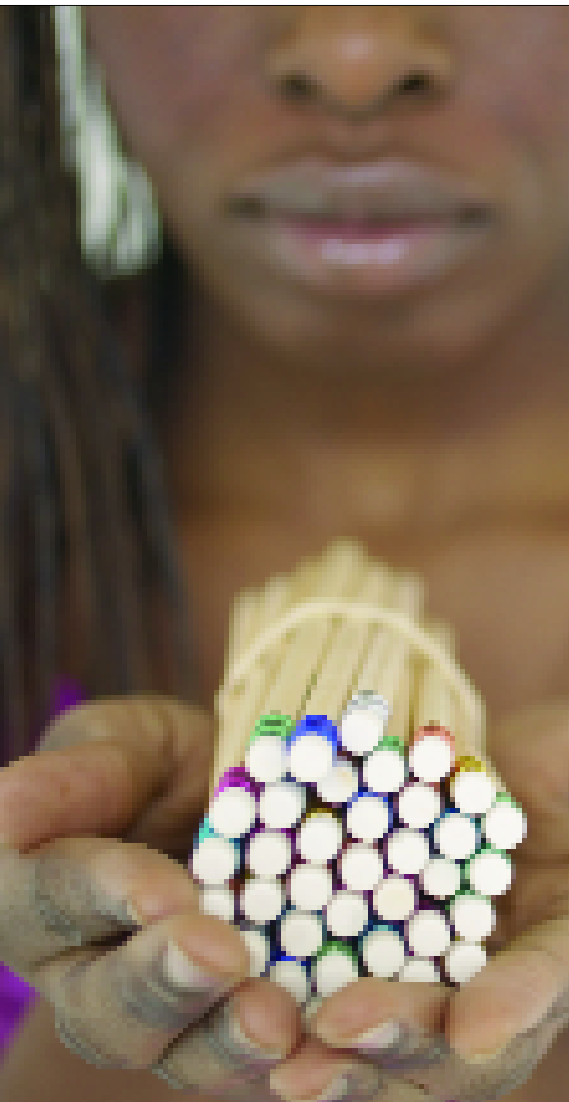
In the last decade, fuelled by a number of factors – an aging population with higher disposable incomes, the emergence of specialist satellite TV stations, influence from abroad (especially America), price deflation thanks to better quality products being brought in from the Far East, and crucially better participation between the previously fragmented suppliers and resellers – we have seen the craft markets (and make no mistake, it is more than one market, unlike stationery) emerge and deliver a timely boost to the stationery retailer.

The craft market remains hugely fragmented, with a huge tail of very small resellers and suppliers – just visit any one of the many craft fairs held around the country every weekend – but consolidation is beginning to happen. The market is dominated by Hobbycraft, with sales of £44m from 27 sites, but independents are also

seeing huge sales boosts, although there are still thousands of very small, usually home-based resellers using the web to reach customers.

Susie Miller, a director of the long-established art specialist Miller's Art, centred in Glasgow but offering a national service, says, "There is no doubt there has been a massive growth in handmade crafts in recent years. Both young and old alike are trying their hand at cardmaking and scrapbooking. There is now such a huge variety of good quality products being made available and the fact that they are innovative and constantly changing is helping to keep the market buoyant. A number of our customers are also avid viewers of craft programmes and like to stay ahead of the game. They are often trying the latest technique and it certainly 'keeps us on our toes!' I think providing the products do continue to change, the growth will continue for the foreseeable future."

In one succinct paragraph, Miller has hit on a number of truths in the craft market; it is fashion-driven, whether by the consumer or the supplier. Unlike office supplies, where stock will sell steadily (generally), this week's hot seller is next week's stock nightmare for the retailer, unless she keeps her finger firmly on her customer's pulse. One way >>



to do this is to employ some of those enthusiasts, who delight in sharing their expertise with both employer and customer.

How often in office supplies do we really demonstrate product to customers? Not often enough is the truth, but in the craft market a good in-store demonstration can easily at least treble a day's average takings, and proactive retailers are finding more and more ways of enticing free-spending art and craft enthusiasts into their premises.

Marion Super, retail director of Inkspot in Hamilton, used the changing needs of her company's printing business to convert an upstairs room above the shop into a thriving showroom, busy every day of the week with a comprehensive programme of classes, demonstrations, childrens' art parties and more, every single one of which creates significant extra sales for her expanding business.

Similarly, Joanna Patterson-Gordon, MD of Colemans, with twelve stores based primarily in the south-east Midlands says, "The key to selling more complex products lies in being able to demonstrate them. Once the crafter can see how a product is used, she will buy!"

Patterson-Gordon adds, "We see the craft market as being based very much around creating a social and leisure experience. Crafters and card-makers like to exchange ideas and try out new products. The key for us is to establish some volume business to enable us to turn our stock over more quickly, allowing us to regularly bring in new products to satisfy the seemingly insatiable demands of crafters for 'something new'."

So, the craft market is different to office supplies. It is fashion-driven, and to succeed the dealer needs to keep his/her finger firmly on the market's pulse. Also being in a dealer group such as Office Club, with a regular programme of dealer meetings, helps a business remain abreast of market developments.

One final point; all three dealers mentioned in this article are second-generation management who have taken their already-successful family businesses and used their unerring eye for fashion trends to drive their businesses into a new area – craft – with hugely successful results. All three combine the unique requirements of professionalism and creativity needed to succeed in any business – and there are many more like them in our industry. Cause for celebration, surely! ■

PERSPECTIVES

According to the Craft Hobby Association (CHA) from the USA, who has just published the results of the 2005 Attitude and Usage Study on the US Crafts Industry, craft is made up from four categories: Floral Crafts, Painting & Finishing Crafts, General Crafts and Needle & Sewing Crafts and is reported to be worth \$30.6bn, which is a \$3.2bn increase since the last research study carried out in 2002. The paper-based craft products, paper packs, cutting tools and accessories, are proving to be the most viable additions for Office Products dealers because they are relatively easy to bolt on and integrate well into current ranges.

NICK PARRY, director of marketing with **Tollit & Harvey**

According to a survey by *Creating Keepsakes*, America's leading scrapbook magazine, scrapbookers are most likely to be female and between the ages of 30 and 50. Craft is a big opportunity for the trade to benefit from a new market category, which is not hugely price sensitive like commodity office supplies. The consumables used also give dealers ongoing profitable sales opportunities after they have sold the tools.

PAUL ARNOLD, product manager with **Xyron**

Bostik has seen sales of its Bostik Art range soar, with an estimated market value increase of £1.37m in 2005, a 6.6% increase on the previous year. The arts and crafts market has been experiencing a period of growth in recent years as the popularity of craft projects increases. In the past, crafting was a niche hobby for enthusiasts with a real passion for creativity. Now the market has become more accessible and appealing to people who just want to 'have a go'.

MICHELLE HAYMAN, product manager at **Bostik**