



Market Report

A Snapshot of your Marketing Sector

Clothing Retail

This pack has been designed to provide information on setting up a business in the **Clothing Retail** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **December 2025**.

What do I need to know about the Clothing Retail market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ The UK clothing market staged a comeback in 2025, climbing to an estimated **£67.8bn** after a muted 2024. A surprising statistic underlines the shift in shopping habits: online now accounts for **48%** of all clothing spend, cementing a hybrid model in which digital convenience and physical experience are inseparable. (Intel, *Clothing Retailing UK*, 2025)
- ◆ Clothing retailing revenue is forecast to rise at a compound annual rate of **5.2%**. Clothing retailers have faced a challenging period. Online shopping continues to fuel high return rates, averaging **30%**, straining logistics and denting retailers' returns. Rising wage costs are also squeezing margins profit, with April 2025's National Living Wage hike adding **£7 billion** in extra costs across the UK retail sector, according to the British Retail Consortium. (IBISWorld, *Clothing Retailing in the UK*, November 2025)
- ◆ The womenswear market is experiencing weaker growth following a post-pandemic boost. Ongoing cost pressures have led to thriftier behaviours denting volume sales. Spending on women's fashion will continue to be impacted as consumer confidence remains lower among women. An uncertain economic outlook will dent growth rates. (Intel, *Womenswear UK*, April 2025)
- ◆ Emerging from recent years of economic uncertainty, men are more likely to purchase clothing as a treat. However, they are expected to return to more normalised spending habits as pressure on household finances begins to ease. As spending continues to normalise, retailers must invest in creating engaging in-store and online experiences, as more consumers look for a personalised and convenient shopping journey when buying menswear. (Intel, *Menswear UK*, March 2025)
- ◆ According to Statista's Consumer Market Insights, in 2025 the total revenue of the apparel market in the UK stood at **£66.64bn**, forecast to rise to **£76.13** by 2029. Womens apparel dominated with **£36.55bn** of revenue, followed by menswear at **£19.91bn** and children's at **£10.19bn** (Statista, *Statista Consumer Market Insights*, September 2025) *these figures were converted from USD using exchange rates as of December 2025*
- ◆ The UK trade associations for these industries are the [British Fashion Council](#) and the [UK Fashion and Textile Association](#). You may also be interested in the [British Retail Consortium](#), [Association of Suppliers to the British Clothing Industry](#) and the [British Independent Retailers Association](#).

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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ IBISWorld – Online Men’s Clothing Retailers in the UK (September 2025) “While being volatile, the industry’s performance has been propped up by rising social media engagement and the strategic use of influencers and brand communities. However, profitability has come under strain amid high return rates, escalating customer expectations and ongoing market consolidation.”
- ◆ IBISWorld – Online Women’s Clothing Retailers in the UK (November 2025) “The industry has expanded thanks to the dramatic upswing in photos and videos posted online and fast, affordable fashion. The surge of social media and influencer-driven marketing has fuelled engagement among younger demographics and underpinned much of the industry's revenue growth.”
- ◆ IBISWorld – Fast Fashion in the UK (December 2025) “The Fast Fashion industry faces mounting threats from substitutes. Competition from upcycling and thrifting has intensified, with consumers turning to these options due to their affordability, sustainability and individuality. However, as consumers continue to prioritise price in the majority of their purchases, especially when budgets are tight, sustainability consciousness has become less of a threat to cheap fast fashion brands, spurring sales.2

There are also a number of online resources you may find helpful:

- ◆ Industry news organisation Fashion United has published a [range of reports](#) on the outlook for the fashion market in 2026, covering topics like the economic outlook in 2026; technology trends; consumer behaviour; regulatory changes; and supply chain issues.
- ◆ [McKinsey & Co publish an annual report](#) on the global Fashion market that looks at key trends and challenges for the year ahead. The most recent report was published in November 2025 and looks at forecasts and predictions for the fashion market in 2026.
- ◆ [Textiles Scotland and Let’s Make It Here](#) both part of [UK Fashion and Textiles \(UKFT\)](#), have directories of clothing and textile manufacturers.
- ◆ [The Waste and Resources Action Programme \(WRAP\) has an initiative called Textiles 2030](#) which aims to engage UK fashion and textiles organisations in collaborative climate action towards a circular economy.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these websites, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.



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How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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