Canadian Heritage Patrimoine canadien

The U.K. Interior Design Market

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Canada

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Introduction

The interior design market in the UK is divided into a designers', architects' and buyers' market, and a manufacturers' market. Both the designers'/buyer's market and the various manufacturers' markets are segmented and highly specialised, with little overlap or impact on other areas within the sector. Note that this report does not cover so-called designer makers, a crafts-based industry that includes specialists in studio glass and ceramics, metalwork, textiles, fashion accessories, jewellery.[1]

Terms of reference

The main objective of this report is to provide current and practical market information to Canadian designers and companies interested in exporting their products and services to the United Kingdom. It describes the characteristics of the UK interior design sector and includes an **overview of the market** (revenues for the interior design sector, the value of exports and imports, customer profiles, employment figures and growth rates, together with a breakdown and description of the main interior design sub-sectors). It also includes the **competitive environment**, together with an appreciation of some of the opportunities that exist in each area; as well as key market contacts, key trade publications, the main UK regional and national design professional associations, and relevant UK government organizations.

[1] Designer makers are best approached through organisations such as the Crafts Council, the national organisation for the promotion of contemporary crafts and the applied arts (http://www.craftscouncil.org.uk/).

Section I - The Design Market in Britain

Background to Design in Britain

Architects and designers are on television regularly in Britain, reflecting a greater public acceptance of design than ever before. It may be over 50 years since The Design Council was set up in Britain as a sort of "Ministry of Good Taste", yet there is arguably a greater public awareness of contemporary design—architectural, interior, graphic or even product—than at any stage since the days of Prince Albert and the Great Exhibition of 1851.

Television and the Mass Market for Design
Design Technology is today one of the most popular subjects in school, and the art schools and design colleges/universities send out over 60,000 graduates a year. Organisations like Creative Partnerships and NESTA (the National Endowment for Science, Technology and the Arts) support a diverse range of activities in the design field, and have made real strides in elevating standards.

In some respects, television (and, some would say, publishing) has done the design industry in the UK a disservice. While there is now mass acceptance of the concept of design, design has become confused with style and taste: instantaneous TV makeover programmes are a long way from the reality of professional interior designers working in the UK.

Growing Recognition of the Value of Design
Nonetheless, all this publicity has meant that in recent years the value put on design and innovation by business thinkers, coupled with a new spirit of manufacturing enterprise in Britain, have raised the status of design. In a society hungry for desirable consumer items, product design has even become "sexy" in Britain and British designers are increasingly high profile and versatile. Many product or industrial designers now compete in the interior design market, where their specialist skills can add significantly to the value they offer to their clients. Thus Priestman Goode designed the interiors of the new West Coast Virgin trains, Tangerine and Factory have both worked on the interior design of some British Airways planes, and IDEO's London office was part of the international team (alongside Rem Koolhaas and his OMA) assembled to create the Prada store in New York.

In short, design is gaining importance in Britain's economy. Good design has been shown to be good business, Britain has developed a reputation for radical design instincts and its designers are seen as anticipating rather than following the consumer.

Design in Britain—an Overview

The design industry in Britain has had a rough three years, and prospects of the market returning to the levels of even five years ago are poor. Clients are cutting costs, staff and the number of projects; more design groups are competing for fewer projects, fees are coming down, redundancies are going up and investment is at a low ebb.

It is the major players that have suffered most. The largest decline in fee income (in some cases over 35%) and staff numbers have been among the big design groups. As a result, they have reduced their pitch fees for major projects and have attempted to win smaller pieces of business that traditionally would not have interested them. The independent design groups, however, have continued to prosper, maintaining their staffing levels.

The entrance of advertising companies has also affected the field. As consumers continue to be obsessed by brands, businesses are valuing brands more than ever, and designers are significant team players in inventing, developing and growing them. Some ad agencies and corporate identity specialists have seen this as an opportunity to generate revenues outside their core business (e.g., in branded interiors).

The Market Numbers

Each year there are a number of surveys of the design industry in Britain, few of which are reliable. The Design Council, for example, attempts to measure the "overall role" of design in business, and the weekly newspaper *Design Week* publishes an annual list of the top 100 companies in the industry, but both of these can be flawed by exaggerated claims and distortions caused by self-reporting. See lists of top design firms in Appendix 3.

The generally accepted resource for figures on the size and scale of the industry is the Design Industry Valuation Survey, undertaken on behalf of UK Trade & Investment and sponsored by the Design Council and the British Design Initiative.[2]

Market Size

The 2004 Design Industry Valuation survey results estimated the size of the design consultancy market to be 4,000 businesses, a decrease of 500 businesses from 2003. Several leading high profile firms in particular ceased to exist, but closures and redundancies led directly to hundreds of new start-ups during the year. That is the nature of designers: someone who loses their job could start their own business.

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[2] The British Design Industry Valuation Survey 2003-2004 is available from http://www.britishdesign.co.uk/survey2004.pdf

The following charts illustrate both the number and the percentage of design companies in each of the revenue brackets.

Percent of companies in revenue bracket			
Company revenues, £ and $ CDN [3]		*2002/2003*	***2003/2004***
Up to £50K	Up to $ 115 K	15%	7%
£50K to £100K	$ 115 K to $ 230 K	17%	6%
£100K to £250K	$ 230 K to $ 575 K	15%	20%
£250K to £500K	$ 575 K to $ 1.15 m	16%	26%
£500K to £ 1 m	$ 1.15 m to $ 2.3 m	10%	18%
£1 million +	$ 2.3 million +	28%	24%

Source: Adapted from British Design Industry Valuation Survey 2003-2004, available from http://www.britishdesign.co.uk/survey2004.pdf

Number of companies in revenue bracket				
Company revenues, £ and $ CDN		*2002/2003*	***2003/2004***	***% Change***
Up to £50K	Up to $ 115 K	694	272	-61
£50K to £100K	$ 115 K to $ 230 K	787	252	-68
£100K to £250K	$ 230 K to $ 575 K	656	796	21
£250K to £500K	$ 575 K to $ 1.15 m	698	1034	48
£500K to £ 1 m	$ 1.15 m to $ 2.3 m	432	702	63
£1 million +	$ 2.3 million +	1233	945	-23
Total number of companies		**4500**	**4000**	**-11**

Source: Adapted from British Design Industry Valuation Survey 2003-2004, available from http://www.britishdesign.co.uk/survey2004.pdf

Turnover for UK design businesses in 2004 stood at £3.9 billion ($9 billion), a decrease of 26% from the £5.3 billion ($12 billion) in 2002/2003, and down from £6.7 billion ($15.4 billion) in 2000/2001. Overseas income generated £548 million ($1.3 billion) in 2003/2004, having fallen from a high of £1.2 billion ($2.8 billion) in 2001/2002 and £628 million ($1.44 billion) in 2002/2003.

The growth of the past five years has largely been wiped out, and the number of employees in design businesses has fallen to about 70,000 in 2003/2004 from a high of 76,000 in 2000. In addition, the larger firms have become smaller; smaller firms now account for over half the employees in the industry; and medium-sized firms with a turnover of £500,000 to £1 million ($1.15 billion to $2.30 billion) have been squeezed very hard.[4]

[3] Amounts are expressed in Canadian dollars converted from British pounds at the exchange rate of: 1£GBP=2.30 $CDN or 1$CDN = 0.43478£GBP

[4] All 2003/2004 figures from the British Design Industry Valuation Survey 2003-2004, available from http://www.britishdesign.co.uk/survey2004.pdf. Figures for other years are available from http://www.britishdesign.co.uk/newlook/d10.html

Market Specialization

The larger firms now concentrate on strategy and branding in the widest meaning of the term, whereas the smaller studios have become significantly more specialised. These studio-style agencies now account for probably 60% of the industry in Britain. This trend is likely to become even more exaggerated over the next few years. This is despite the fact that at the moment, more agencies are working in more sectors as it becomes increasingly difficult to specialise in a shrinking market.

The following are summaries of the participation by UK design agencies in design sectors and disciplines during the period 2003/2004.

Agency participation by sector		
Sector	***%***	***Number***
Services	56	2221
Consumer goods	55	2192
Entertainment / leisure	55	2211
Retail	54	2156
Public sector / non-profit	47	1870
Food & drink	45	1817
Fashion / luxury goods	38	1533
Telecommunications	37	1461
Finance	36	1452
Electronics	34	1364
Pharmaceuticals / healthcare	33	1301
Medical	31	1244
Business to business	31	1259
Construction	31	1230
Child / youth	30	1216
Transportation	30	1201
Manufacturing	27	1084
Personal care	24	942
Automotive	24	979
Utilities	20	788
Agriculture	13	509
Capital goods	8	303
Packaging	6	258
Publishing	6	234
TV, film, video, DVD	4	172
Aerospace	3	119
Textiles	2	81
Biotechnology	2	91
Other	3	103

Agency participation in design disciplines		
Discipline	***%***	***Number***
Branding & graphics	65	2611
Packaging	55	2207
Exhibitions & events	48	1901
Multi-media/new media	59	2357
Architecture/landscape	20	817
Design management	23	918
Interior design	23	900
Product/industrial design	23	923
Designer/maker	10	404
TV, film & video	19	774
Engineering design	10	413
Design & manufacture	9	366
Fashion and textile design	5	218

Source: Charts adapted from British Design Industry Valuation Survey 2003-2004, available from http://www.britishdesign.co.uk/survey2004.pdf

A Mature Industry

The UK design industry is clearly a well-developed sector, with a broad mixture of large, global firms and smaller boutiques. Clients need both global research and local delivery, and are thus still impressed by staff numbers, turnover and fee income while demanding small, dedicated teams to closely manage their projects.

The UK is still potentially one of the best places in the world for a design business to be based. The country has enjoyed its longest period of sustained growth in 50 years and its lowest inflation for 30 years, and its economy grew by about 3.2% in 2004. It needs to improve its vocational training and education, but it is improving its productivity, and boasts one of the most flexible labour markets in Europe.

Below are charts listing the number and percentage of agencies by the number of their employees.

Size of agencies and number of employees		
Number of employees	*2002/2003*	***2003/2004***
0 to 5	54%	58%
6 to 10	16%	12%
11 to 20	12%	9%
21 to 50	9%	7%
50 + employees	9%	14%

Source: Adapted from British Design Industry Valuation Survey 2003-2004, available from http://www.britishdesign.co.uk/survey2004.pdf

Quantity of agencies and number of employees			
Number of employees	*2002/2003*	***2003/2004***	***% Change***
0 to 5	2417	2323	-4
6 to 10	742	465	-37
11 to 20	538	353	-34
21 to 50	396	279	-30
50 + employees	407	580	43
Total	**4500**	**4000**	**-11**

Source: Adapted from British Design Industry Valuation Survey 2003-2004, available from http://www.britishdesign.co.uk/survey2004.pdf

Contract Furniture and Furnishings

According to the Ministry for Consumer Goods, the UK furniture industry employs 139,000 people in 7,500 businesses, with a combined turnover of £10 billion ($23 billion) annually. These numbers make the UK furniture industry appear deceptively large: 75% of these manufacturers are small companies operating with fewer than nine people, and only 300 companies account for about 45% of the employment in the industry.

While many British furniture businesses are quite capable of exporting, few export successfully. The country imports twice as much furniture as it exports, with imports of over £1.8 billion ($4.14 billion) in 1999.

The contract sector is made up of offices, conference facilities, educational establishments, hospitals and healthcare facilities, airports, hotels and leisure facilities.

The UK contract furnishing market was recently estimated to be worth around 2 billion ($4.6 billion), and comprises the following major segments.

Contract Furnishing Segments 2004		
Segment	***Value £ millions***	***Value $ CDN millions***
Airports	23	53
Conference Facilities	2	5
Education	136	313
Hospitals and Healthcare	75	173
Hotels	780	1,794
Leisure	190	437
Offices	798	1,835

Chart is adapted from the UK Contract Furnishing Market Report, from the British Contract Furnishing Association at http://www.thebcfa.com/indexx.asp?page_id=71

There are two recent developments that offer significant opportunities for suppliers in the near future. First, Liverpool has been designated the European Capital of Culture in 2008, a development that has brought a boost to the local economy and will attract some 3 million visitors to the city in 2008. Secondly, London has won the right to host the Olympics in 2012. Under the city's Olympic Masterplan, even if the bid had been unsuccessful, it would have built 30,000 new homes in East London.

Section II - The Market by Sector

Overview

Organization
Interior design in the UK is divided into a number of specialized areas. Few designers work in more than two of the areas. The main sectors are:

- Offices
- Exhibitions
- Retail (including at one end retail planning for shopping centres and the commercial development of airports, and at the other, the design of individual shop units)
- Restaurants, pubs and clubs
- Hotels
- Cinemas, theatres and conference facilities
- Other leisure facilities, including sports and health and fitness centres
- Education facilities, such as schools and universities (frequently designed by the architects or local authority responsible for their construction, rather than designers)
- Healthcare facilities, such as residential nursing facilities, public and private clinics and hospitals, nursing homes, etc. (These are more usually designed by the architects responsible for the overall new build or refurbishment of the facility.)

Almost half of Britain's 100 largest design groups offer services in interior or exhibition design. Demand for their services is high. Environmental and interior design accounts for the largest proportion—nearly 40%—of Europe's annual expenditure on design services. This is because the discipline encompasses many activities—from retail and leisure facilities to exhibition design, interior architecture, office planning and lighting consultancy—and is closely related to other design areas, such as product development and graphic communication. Technology is playing a growing role in the work of designers, especially in such areas as "virtual walk-through" environments to assist project pre-sales and presentations, trade shows and lighting consultancy.

Domestic Design

Due to the high number of small and medium-sized firms, the British furniture industry has often missed out on the opportunity to maximize its position both nationally and internationally. Designs have remained relatively conservative and domestic manufacturers have only tentatively promoted their furniture as lifestyle products.

Production of upholstered furniture amounted to almost £1.9 billion ($4.37 billion) in 2001 and clearly is the most valuable segment of the market. Bedroom furniture, beds and bedding form the second biggest segment of the furniture industry, with a total value of almost £1.5 billion ($3.45 billion) in 2001. Upholstered furniture consumption in the United Kingdom amounted to £ 1.8 billion ($ 4.2 billion) in 2003.[5] Kitchen furniture has also seen dramatic growth in recent years, in 2003 accounting for 24% of the UK furniture market. Much of this growth has been fuelled by the development of stores such as MFI that sell do-it-yourself or self-assembly kitchen units at very low prices—one in four kitchens in the UK are now bought from MFI.

Retail Sales

The latest market research shows that retail sales of furniture are set to increase for the foreseeable future. The retail market will reach an estimated value of £18.75 billion ($43.12 billion) in 2009, compared with an average of around £13 billion ($30 billion) for the years 2002, 2003, and 2004. This bullish growth is in part the result of an increase in house buying as well as renewed interest in furniture.

Import Market

In 1999, the UK imported around £1.9 billion ($4.37 billion) worth of furniture. This accounted for 32% of retail sales. Of this, 60% (£1.14 billion, or $2.62 billion) came from other European Community countries. This makes the UK the fourth largest importer of furniture in the world, and it is a growing market. Between 1995 and 2000 the value of UK imports almost doubled. This extraordinary growth highlights the possibilities open to a manufacturer considering entering the UK market. Getting their products seen by the right people could bring huge success to manufacturers trying to gain a foothold in the UK.

Entering the UK market

With consumer confidence still high, the UK is an attractive market for overseas companies. Key to any successful launch into a new market is the ability to attract the attention of the right people. In the UK this means raising your profile among national chains such as John Lewis. However, it is equally important to establish your product range with a number of key independent retailers, who often still dominate regional sales. For instance, Liberty in London, a *grande dame* of department stores, has a lot of influence, more so now that a much-needed makeover has been completed.

For a manufacturer to raise its profile, a carefully targeted marketing campaign is needed to make sure the right people are being influenced. Advertising in magazines and exhibiting at Europe's major furniture fairs offers the best route to market.

[5] From UK-Large Distribution of Upholstered Furniture, at http://www.asiafurnitek.com/news.asp?newsid=1266

Office and Business Design

Offices and Conference Facilities
There are about 223,000 office premises in the UK employing around 3.8 million people, with slightly over half the space located in London and the South East. In recent years construction has declined, with many prestige developments like Canary Wharf and the Swiss Re building experiencing high vacancies. As a result, purchase of office furniture has also suffered. Sales of office furniture peaked at £959 million ($2.21 billion) in 2000 and declined to £798 million ($2.25 billion) by the end of 2002. Of that £798 million, desks and tables accounted for just over half of overall sales, seating a quarter and storage approximately one fifth.

The total capacity for conferencing in purpose-built conference centres and hotels, but excluding universities, is around 300,000 places. In 2002 there were approximately 1.46 million conferences and meetings at venues in the UK with an estimated value of £7.3 billion ($16.79 billion)[6].

More Teleworkers
To work in office design in Britain today, designers need to be fully abreast of new technologies, business processes and changing social attitudes. This is especially the case in light of the greater flexibility in people's work arrangements, as the UK has the largest proportion of teleworkers of Europe's five major economies.

Broadening the Scope of Services
Many architects and designers working on office environments have moved beyond offering only design and into such areas as real estate consultancy, space planning and workplace change management. Areas where they might therefore potentially seek to help clients are:

- Space planning and property related design
- Rationalization of suppliers and subsequent procurement
- Storage and asset management
- Leasing and refurbishment
- Churn management
- On-site move co-ordination and overall move management
- Pre- and post-move facilities management (FM) support
- Staff briefing and communication at all levels
- Furniture and filing logistics
- Production and management of design manuals setting cost, quality and specification standards
- Consultancy on flexible working practices

[6] From the UK Local Government Association handbook 'Local Government Matters: Facts and Figures About Local Councils 2004-2005' at http://www.lga.gov.uk/documents/publication/localgovmatters04final.pdf , page 30

- Interior and exterior landscaping design and procurement
- Artwork consultancy and procurement
- Helpdesk for a client's employees
- Employee communications about changes to the working environment

Retail and Leisure Design

The five most profitable retail interior design firms in the UK are Building Design Partnership, Din Associates, Four IV, Styles & Wood Store Planning and JHP (formerly John Herbert). Lists of major players in any field do not, however, reveal all potential areas of business for Canadians entering the UK—such as the **major in-house design groups** that buy external creative talent.

John Lewis—A New Look
One of the largest of these is Peter Jeffree's 20-strong architecture and design group at **John Lewis Partnership** (JLP). Two of the best-known JLP department stores in the country, Peter Jones in London's Sloane Square and the flagship branch of John Lewis in Oxford Street have recently been refurbished, and the company maintains a steady stream of new projects. They also control **Waitrose** food shops, which recently departed from their traditional, stolid image with a radically new-looking building at the Canary Wharf shopping complex.

Their work falls into three areas: architecture, where the in-house team usually produces the initial outlines of a project and then contracts out the execution; retail design and store planning, which is generally handled in-house but sometimes requires external contractors; and design and development of fixtures, fittings and other display equipment.

The new branch of **Debenhams** – part of the Bull Ring development in Birmingham – was also designed by an in-house team which worked with outside firms, such as Conran Design Group, Creative Action Design, Carte Blanche and Styles & Wood. It is worth noting here that Birmingham has developed a large amount of retail space recently and is making plans for more developments. It is now second only to Glasgow (outside London) in Britain in terms of the number and quality of shops.

Selfridges—Shops to Look at
Selfridges is today the undisputed champion of the showcase business model. Selfridges has transformed itself into a glamorous shopping destination with heavy emphasis on brands. It stages "events" to encourage people to come in and "buy a souvenir." Yet while the showcase model clearly can work, it does have a limited scope. Selfridges is expanding to regional centres, though its chairman has begun to put the brakes on its expansion.

Retailing on the High Street (Main Street)

The big story in the British grocery industry today is the decline of Sainsbury's and the rise of Tesco's. The former dominated supermarket retailing for decades up until the 1990s. It is now, however, in a serious crisis, with market share having dropped to 12.6% and profits in steep decline. Tesco's, on the other hand, goes from strength to strength. With 27% of the market it is Britain's biggest and most profitable supermarket retailer, having transformed itself from a small domestic chain into a global and internet retailer in the 1990s. Overall there has been an increase in supermarkets in Britain in the past 30 years and a resulting decline in the number of independent grocers. There is also a trend of refurbishment of existing stores, as opposed to opening of new ones, and a move to stocking more and more non-food items.

The diversification of grocery chains into non-food merchandise and services has shaken up established retailers such as booksellers, clothiers and drugstores. In general, the environment for retailers is very competitive, with prices constantly under pressure and costs rising. Retail designers need to understand this when talking to their clients.

Leisure

Overall there are estimated to be 260,000 hotels, restaurants and catering outlets in the UK, employing somewhere in the region of 2.5 million people. Major projects in this sub-sector are the new stadium for Arsenal Football Club, the £21 million ($48.3 million) redevelopment of the Vauxhall End of the Oval by HOK and the redevelopment of the Dome site by Anschutz to create a 26,000-place entertainment and sports centre due to re-open after 2006.

The restaurant sector in the UK is very competitive, since tastes and fashions change very quickly, particularly in London. The capital sees a large turnover of restaurants, and a number of new openings in the West End and the Docklands. Many of these are small, highly individualistic enterprises, as opposed to the pub sector, which is increasingly being dominated by large chains, like the minimalist Slug and Lettuce brand.

There is steady growth in the hotel industry, and thus a large market for fittings and furnishings. The greatest growth has been in the budget sector. Other design opportunities come from the growth of sports clubs; conversion of cinemas to multiplexes; and theatres, which often undergo renewal and refitting.

Section III - Professional Associations

Interior designers have always played a significant part in the leadership of both professional societies and trade associations in the UK.   The professional designers' society in the UK, known as the ***Chartered Society of Designers*** (CSD), is one of the largest organisations of professional designers in the world. It runs a significant career-long learning programme, administers several design awards, and operates in such other areas as professional indemnity insurance, accreditation, copyright and legal issues. Today, many of its commercial, non-charitable activities are run through the ***Design Association***, established in 2001. Over the last 30 years half of the presidents have been either interior or furniture designers.

The Design Business Association is a trade association with over 200 members and represents the commercial interests of design consultancies. It organises workshops, surveys, exhibitions and, most significantly, the Design Effectiveness awards, acknowledged as an international mark of commercial success. Judged by business leaders, it is one of the most difficult of all creative awards to win.

The Royal Society for the Encouragement of Arts, Manufactures & Commerce, commonly referred to as the RSA, runs a programme of work based around five key areas—encouraging enterprise, moving towards a zero-waste society, fostering resilient communities, developing a capable population and advancing global citizenship.

In the area of design it administers arguably the most important student design awards in the UK and runs the ***Faculty of Royal Designers for Industry*** (known as RDI's), with the object of "furthering the excellence of design and its application to industrial purposes." The distinction "Royal Designer for Industry" was established to encourage a high standard of industrial design and enhance the status of designers. It is awarded every year at a special dinner to people who have achieved "sustained excellence in aesthetic and efficient design for industry."

The Prince Philip Designer Prize, awarded each year, recognises exceptional talent and special contributions to the design standards over the recipient's lifetime.

D&AD was founded by a group of designers, art directors and advertising creative directors in 1962 as *The Designers & Art Directors Association* "to stimulate, not congratulate" high creative standards in design and advertising. It played a key role in the emergence of the graphic design industry in this country in the 1960s. Its publications and awards continue to excite controversy and debate. It is now an educational charity working on behalf of the design and advertising community. It champions excellence through setting standards and running an important set of awards, educational projects and innovative business seminars.

British Design Initiative, known usually as the BDI, owns an accurate database of UK design agencies, media, awards and international professional design bodies. It currently has direct access to an estimated 85% of the entire UK market. Established in 1993, it attempts to bring together design buyers, design-driven organisations, the media, government and influential individuals and bodies in the UK and overseas. Every year it publishes a handbook that is useful as a reference for design buyers, the media, corporate libraries, industry suppliers and design agencies.

The Design Museum opened in 1989 at Butler's Wharf. It has developed an international programme of exhibitions and seminars to augment its permanent collection of artefacts. Its aim is to "enable everyone to understand and appreciate the effect of design on the products, communications and environments we use" and it does some work in education. It also administers a Designer of the Year award.

The Design Council works "to help people and organisations in business, education, the public services and government understand design and use it effectively as part of their strategy." By working directly with businesses, the Design Council aims to demonstrate the methods and processes behind the design success, making them easier for other companies to adopt.

All of these organisations, together with *The British Council* and *The Crafts Council*, have a seat on *Design Partners UK*, a body set up by the British Government to promote the industry at home and abroad. There are various other societies and publications listed at the end of this report that also promote British design and designers.

Section IV - Design Shows and Exhibitions

100% Design
Location: London
Date: September annually
Website: www.100percentdesign.co.uk
This claims to be the biggest design show in the UK. It started in 1995 and had over 30,000 visitors in 2004. The 100% Guaranteed show is a sister event that helps and encourages the staging of fringe events, and last year these events were joined by 100% Detail, a new event focusing on building products and materials. 100% Design is a showcase rather than a trade show, a place to see the smaller designer/producers and the craft end of the industry alongside some of the larger figures in the industry, although increasingly the latter firms have opted out. It is loosely connected with London Fashion Week in September.

Designersblock
Location: London
Date: September annually
Website: www.designerblock.org.uk
This is a self-styled “alternative showcase.” It selects and shows the work of graduate designers and architects. It is bold and innovative, exhibits in interesting non-traditional spaces and likes to see itself as showcasing experimentation and marketing creative intelligence. It is also staged in September, as it originally piggybacked on 100% Design. Promising “international cutting edge designers” it’s very much for new kids on the block, displaying maybe 100 full-scale products that have not yet made it into production. Quirky but a fixture in the calendar, it now runs similar events as far afield as Tokyo, Seoul, Barcelona and Buenos Aires. It also markets Risk it™, a process for modelling and analysing the development of creative projects, reducing the risks as it sees them and providing a legal framework for the intellectual property contained in the idea.

Spectrum
Location: London
Dates: May annually
Spectrum is a rigorously selected, modest-sized exhibition of contract products. It aims to be a showcase of contemporary products, including furniture, lighting, textiles, floor coverings and accessories. It has had the privilege over the years of serving as the UK launch pad for a host of products such as Herman Miller’s Aeron chair, Vitra’s Ad Hoc system furniture and Artemide’s Tolomeo task light. It has also witnessed the rebirth of classic pieces of furniture by Eames, Verner Panton and others, which have become fashionable again. It attracts people for at least three reasons: firstly it always has an appealing logo, redesigned each year; secondly it is held in a light-filled environment, sympathetic to the exhibits; and thirdly, it is manageable, with only 100 or so exhibitors of high quality. Spectrum takes place in May.

Workplace
This is a biennial event displaying “total office solutions.” Office furniture is the core element of the show, similar to Spectrum, except that here anyone can take a stand. It tries to showcase some young designers and usually has as its centrepiece a space called The Hub, where the organisers bring together theorists, practitioners and commentators in an extensive seminar programme to discuss the issues of the day.

Design Museum
Location: London
Website: www.designmuseum.org
More specialized is the Design Museum in London that in 2004 showed the so-called first European Design Biennial, featuring what it chose as the best innovations of the previous two years in everything from fashion, furniture and film titles to video games, cars and websites. Established because of the unprecedented levels of public interest in design in Britain it ran for three months and encouraged participation by getting visitors to vote for the best and worst of the items on display.

Decorex International
Location: London
Date: September annually
Website: www.decorex.com
An annual event, Decorex is held in September at the Royal Hospital, Chelsea. It is a trade show of interior design products and services that has been going over 25 years and usually has over 250 exhibitors. Its sponsors include the magazine Homes & Gardens, the British Interior Design Association, the British Interior Textiles Association, the Network of Executive Women in Hospitality and Renault. It claims over 14,000 interior designers, home furnishings retailers, contract and hospitality buyers and architects make the annual visit to Decorex.

New Designers
Location: London
Dates: June & July annually
Website: www.newdesigners.com
This is a large show of graduate talent from across the country shown each year at the Business Design Centre, Islington in London. Up to 4,000 new designers display their work and it runs on two consecutive weeks in July. Part one is for applied arts, ceramics and glass, fashion, textiles and accessories, jewellery, metalworking and silversmiths. Part two is for illustration and animation, furniture design, graphic design and interactive media, model making, product design and what it calls spatial design—architecture, interior design and theatre design.

Section V - Conclusions and Recommendations

There are few, if any, barriers to entry to Canadian businesses selling their services and products in the UK. Many design companies and manufacturers from the USA, Asia and the rest of Europe are already successfully established here.

For the Contract furnishings market, Britain is the fourth largest importer of furniture in the world and is a growing market. There is clearly no barrier to foreign goods being bought and installed. One of the reasons for such a high level of imports is the low quality of so much that is produced in the UK. There is little point in attacking the bottom end of the UK market. While much of the home furnishings market has traditionally been home produced, even that is now under threat. On the other hand, foreign manufactured products have always dominated the contract market.

The growth sectors, where there are the best opportunities at present, are conferencing, healthcare and budget hotels. Segments in short-term decline are offices, except for the public sector, and private nursing homes. There are particular opportunities at present in higher education and in the longer term in secondary education. However, it should be emphasised that the nature of the sector is such that numerous opportunities exist at the local level and so national trends can only be a rough guide to where effort should be directed.

The significant amount of new building underway or about to commence will mean the office market will bounce back from around 2006 onwards. Growth in the North West and East Anglia is already happening, and with further dispersals of government staff out of London there will be significant projects to win.

If you are selling products for domestic use you will need to garner publicity by way of editorial coverage in home interiors magazines (House and Garden, Homes and Gardens, Country Living, Inspirations, World of Interiors, etc.) and approach the buyers in the large stores, some of which are mentioned in this report.

To avoid the difficulties involved in setting up one’s own business in the UK, Canadian designers may want to consider a partnership with one of the specialist dealers in their area, who could add Canadian products to their offering and take some of the responsibility for sales and marketing. In turn Canadian designers could also consider marketing their partners’ products in Canada.

With or without a partner, it is essential to win editorial coverage in trade magazines, attend design events and exhibitions and generally get to know the buyers market. Many of the largest furniture dealerships and manufacturers in the UK are unknown to the public. They market themselves almost exclusively to buyers and have established reputations with the design and architectural community, some of whom supply the products for the environments they create.

They are your target market. They may also be your customers. They are certainly the key to commercial success.

It would therefore be sensible to visit both some of the major design firms and some of the exhibitions referred to in this report in order to check how your product specifications match up with the competition, together with the general level of design. While renowned for their quality and durability, the design of many Canadian products is considered old fashioned in the UK. That will need to be addressed.

Design

The nomination of Liverpool as European City of Culture in 2008 has already prompted the announcement of new hotel openings. The loosely connected group known as Design Hotels, which always has a view as to what is coming next, has just opened the new Hope Street Hotel and London Carriage Works restaurant in the city, designed by Basia Chlebik. There will be considerable opportunities associated with this event that will have repercussions in all areas. **London's Olympic bid** will also produce opportunities.

Changes in the law governing **car showrooms** in Europe have led to a lot of activity by designers in the last few years. A number of new concepts have already been built, including the Jaguar outlets by Fitch. A lot more activity is likely.

Mobile phone companies will also need to reconsider their shops as new service offerings come on line.

The continued expansion of **health and fitness** centres and the market for conversions and refurbishment of **cinemas** will be of considerable significance for experienced specialists in these areas. Centralised purchasing by a few major players, however, mean that in both these areas there are not that many approaches to be made.

The **hotel** market is arguably the most specialised and therefore one of the hardest to break into. The continued expansion and refurbishment programmes that are in the pipeline mean that again, for those with experience, it is worth approaching the major players in the UK.

In the retail area, ranges of new concepts are always being tested on selected sites around the country. Along with Tesco, Somerfield and Morrison/Safeway there is a great deal of work to be carried out. The changes to the structure of some of the major players in the high street (main street) mean considerable opportunities exist in this sector of the market. Businesses such as Selfridges, John Lewis and Marks & Spencer have major refurbishment and new build plans. All of these **major retailers** maintain design rosters. They should all be approached.

They are all in the market for **branded environments**. A successfully branded environment impacts on everyone who comes into contact with the organisation. It excites customers, stimulates sales and motivates employees, which in turn can improve productivity. Branded environments give organisations the ability to bring their brand to life, providing a highly visible statement of their unique approach to business. That is what potential clients in all areas are looking for from their interior design consultants. The need for distinctive work of high quality to create and deliver branded environments is always there. Clients are always prepared to consider someone new, a business with a different approach and a different track record.

Opportunities in the educational and healthcare sectors are limited for new design entrants into the UK market.

Key Steps

Arrange presentations for the major in-house design groups. They are always on the lookout for new talent, and they will see you.

Arrange meetings with the major property developers in your sector of expertise. They will not see you without considerable effort, but pursue them, it's worth it.

Arrange interviews with the most relevant publications for your sector. They will interview you. They have space to fill and are always on the lookout for new names, projects, ideas and case studies.

Check the business press. As you would back home, monitor merger and acquisition activity. It drives a lot of design work in the UK, as it does elsewhere.

Follow the activities of advertising agencies, product designers and corporate identity businesses that are expanding their activities to include interior design. Include them in your trawl through possible partners with whom to establish yourself in the UK.

Look outside London. Visit Liverpool, Birmingham, Newcastle and possibly Glasgow and Manchester. The distances in the UK are incomparably smaller than in Canada, so you will be surprised how easy it is to make these visits. You will need to be able to talk about these places, to be aware of what is going on outside the capital and will want to see for yourself some of the potential regional partners that exist.

Whatever your area of expertise, decide just what your offer will be. It is common sense but do not over-promise and under-deliver. If you are only going to feel confident this far from home in delivering strategy and concepts then restrict yourselves to this. If you are confident in delivering a full service offering then **consider a creative partnership** with one of the many British firms in your sector whose offer you can perhaps bolster, at the same time as establishing yourselves in this country. Consider the extent of your offer, the range of services you will be able to deliver in this market and define precisely what it is you will be doing here.

Start small. Many of the major US firms now active in London began working here on very small projects that they managed to build a profile around. On the basis that you have to have a track record in a country to win a major piece of business, they nearly all began by taking on, for them, an extremely small office interior, or a modest counter area within a department in a large store—just to enable them to claim they were here. Presented together with their large-scale projects from back home, they started to really compete with some of the local players.

Join a network. According to your type and size of business, consider joining the Design Business Association and registering with the British Design Initiative. See if the CSD has established the Design Association as a trade body by the time you come, as that will be a way of accessing a very large professional network that can help with staffing and things such as intellectual property.   Once it starts, the competition that will ensue with the DBA for design businesses to join will be worth watching. Also, look in on the RSA and consider applying to become a fellow; and register with the Design Council design directory and its publications, including the regular Design News Wire.

Finally, the DCMS publishes Economic Estimates of the Creative Industries that can be obtained online at www.culture.gov.uk/global/research/statistics. Consider joining chambers of commerce. It is worth keeping in touch with the overall picture.

Appendices

Appendix 1 Publications

Note regarding long distance phone calls to the UK
The following phone numbers are for dialling within the UK only. When calling from Canada, the first zero "0" in the number should be replaced with 0 11 44. For example, Icon Magazine*'s phone number is 019 9257 0030. To phone the magazine from Canada, the following numbers should be dialed: 0 11 44 19 9257 0030. This applies to all other UK numbers listed.*

Icon magazine
Aidan Walker – executive editor
National House, High Street
Epping CM16 4BD
Tel 019 9257 0030
aidan@icon-magazine.co.uk
www.icon-magazine.co.uk

FX magazine
Antonia Ward - editor
Tel 012 4521 4022
www.fxmagazine.co.uk

Blueprint magazine
Henrietta Thomson - deputy editor
Grant Gibson - editor
ETP Limited
Rosebery House, 41 Springfield Road
Chelmsford, Essex CM2 6JJ
Tel 012 4549 1717
www.blueprintmagazine.co.uk

Corporate Speak - marketing consultancy aimed at facilities, interiors, property
Mark Eltringham - ex-editor FMX
The Coach House
4-5 Vicars Lane
Chester CH1 1QX
Tel 012 4434 0047
markeltringham@corporatespeak.co.uk
www.corporatespeak.co.uk

Wallpaper
Ms Leila Latchin - journalist
Brettenham House, Lanacaster Place
London WC2E 7TL
Tel 020 7322 1592 or 020 7322 1309
www.wallpaper.com

Mix Interiors
Mick Jordan – editor
Wenden Court
Wendens Ambo
Saffron Walden
Essex CB11 4LB
Tel 017 9954 1841

RED – retail design magazine
Johnny Tucker – editor
Tel 020 7502 0890

Design Week
Lynda Relph-Knight – editor
Centaur Communications
50 Poland Street
London W1F 7AX, UK
Tel 020 7970 4000
lyndark@centaur.co.uk
www.design-week.co.uk

FMX magazine
- gets to the facilities managers in the main, but also mailed to all the interior designers, specifiers and some architects
Sara Bean - editor
Tel 020 8274 9337
sarabean@blueyonder.co.uk

The Designer
- the magazine of the CSD, the Chartered Society of Designers, the UK's professional designers' association
5 Bermondsey Exchange
179-181 Bermondsey Street
London SE1 3UW
Tel 020 7357 8088
csd@csd.org.uk

RIBA Journal
Amanda Baillieu
7th Floor, Anchorage House
2 Clove Crescent
London E14 2BE
United Kingdom
Tel 020 7560 4120
Tel 020 7560 4000
Fax 020 7560 4026
amanda_baillieu@buildergroup.co.uk
www.ribajournal.com

Appendix 2 Useful Organisations

Arts Council
14 Great Peter Street
London SW1P 3NQ
Tel 020 7973 6517
www.artscouncil.org.uk

Association of Illustrators
81 Leonard Street
London EC2A 4QS
Tel 020 7613 4328
www.theaoi.com

Association of Photographers
81 Leonard Street
London EC2A 4QS
Tel 020 7739 6669
www.the-aop.org

AXIS: visual arts service
Leeds Metropolitan University
8 Queen's Square
Leeds LS2 8AJ
Tel 087 0443 0701
http://axisweb.org

British Council
Design Promotion
11 Portland Place
London W1N 4EJ
Tel 016 1957 7755
www.britishcouncil.org

D&AD (British Design & Art Direction)
9 Graphite Square
London SE11 5EE
Tel 020 7840 111
www.dandad.co.uk

The British Design Initiative Limited (BDI)
PO Box 34973
London SW6 6WB
Tel 020 7384 3435
www.britishdesign.co.uk

Chartered Society of Designers
5 Bermondsey Exchange
179-181 Bermondsey Street
London SE1 3UW
Tel 020 7357 8088
www.csd.org.uk

Copyright Tribunal
Tel 084 5950 0505
Fax 016 3381 3600
www.patent.gov.uk

OHIM – the European Union's Office for Harmonisation in the Internal Market
(Trade Marks and Designs)
Avenida de Europa, 4
Apartado de Correos 77
E-03080 ALICANTE, Spain
Tel +34 965 139 100
www.oami.eu.int

ACID (Anti Copying in Design)
150 Aldersgate Street
London EC1A 4EJ
Tel 015 3165 0476
www.acid.uk.com

Crafts Council
44a Pentonville Road
London N1 9BY
Tel 020 7806 2501
www.craftscouncil.org.uk

The Design Business Association (DBA)
35-39 Old Street
London EC1V 9HX
Tel 020 7251 9229
www.dba.org.uk

The Design Council
34 Bow Street
London WC2E 7DL
Tel 020 7420 5200
www.designcouncil.org.uk

The British Chamber of Commerce
Manning House, Carlisle Place
London SW1P 1JA
Tel 020 7565 2000
www.britishchambers.org.uk

The British Venture Capital Association
Essex House, 12-13 Essex Street
London WC2R 3AA
Tel 020 7240 3846
www.bvca.co.uk

Business Link/Small Business Services
England
Tel 084 5600 9006
www.businesslink.org

Scotland – Small Business Gateway
Tel 084 5609 6611
www.bgateway.com

Wales
Tel 084 5796 9798
www.businesseye.org.uk

Northern Ireland
Tel 028 9023 9090
www.investni.com

Companies House
City Business Library
Crown Way
Cardiff CF14 3UZ
Tel 029 2038 0517
www.companieshouse.gov.uk

Department of Trade & Industry
1 Victoria Street
London SW1H 0ET
Tel 020 7215 5000
www.dti.gov.uk

UK Trade & Investment
Kingsgate House
66-74 Victoria Street
London SW1E 6SW
Tel 020 7215 5000
www.uktradeinvest.gov.uk

Health & Safety Executive
Information Centre, HSE infoline
Caerphilly Business Park
Caerphilly CF83 3GG
Tel 087 0154 5500
www.hse.gov.uk

HM Customs & Excise VAT advice centre
Tel 084 5010 9000
www.hmce.gov.uk

Inland Revenue Information Centre
Tel 020 7667 4001
www.inlandrevenue.gov.uk

The Information Commissioner's Office
Tel 016 2554 5745
www.informationcommissioner.gov.uk

Office of Fair Trading
Tel 020 7211 8000
www.oft.gov.uk

Royal Institute of British Architects
66 Portland Place
London W1B 1AD
Tel 020 7580 5533
www.riba.org

Architects Registration Board (ARB)
8 Weymouth Street
London W1W 5BU
Tel 020 7580 5861
www.arb.org.uk

British Interior Design Association (BIDA)
1-4 Chelsea Harbour Design Centre
Chelsea Harbour
London SW10 0XE
Tel 020 7349 0800
www.bida.org

Royal Incorporation of Architects in Scotland (RIAS)
15 Rutland Square
Edinburgh EH1 2BE
Tel 013 1221 9959
www.rias.org.uk

Association for Project Safety (APS)
16 Rutland Square
Edinburgh EH1 2BB
Tel 013 1221 9959
www.aps.org.uk

British Contract Furnishing Association (BCFA)
Project House, 25 West Wycombe Road
High Wycombe
Buckinghamshire HP11 2LQ
Tel 087 0752 3672
www.thebcfa.com

Royal Society of Arts (RSA)
8 John Adam Street
London WC2N 6EZ
Tel 020 7930 5115
www.rsa.org.uk

British Institute of Architectural Technologists
397 City Road
London EC1V 1NH
Tel 020 7278 2206
www.biat.org.uk

Shop & Display Equipment Association
24 Croydon Road
Caterham
Surrey CR3 6YR
Tel 018 8334 8911
www.shopdisplay.org

British Institute of Facilities Management (BIFM)
67 High Street
Saffron Walden
Essex CB10 1AA
Tel 017 9950 8606
www.bifm.org.uk

Association of Interior Specialists
Olton Bridge
245 Warwick Road
Solihull
West Midlands B92 7AH
Tel 012 1707 0077
www.ais-interiors.org.uk

British Exhibition Contractors Association
BECA House
Upland Business Park
Blackhorse Lane
London E17 5QJ
Tel 020 8523 5262
www.beca.org.uk

National Association of Shopfitters
NAS House, 411 Limpsfield Road
Warlingham
Surrey CR6 9HA
Tel 018 8362 4961
www.shopfitters.org

Lighting Association
Stafford Park 7
Telford
Shropshire TF3 3BQ
Tel 019 5229 0906
www.lightingassociation.com

Professional Lighting and Sound Association
38 St Leonards Road
Eastbourne BN21 3UT
Tel 013 2341 0335
www.plasa.org

Office Furniture Advisory Service
Manhattan House, 140 High Street
Crowthorne
Berkshire RG45 7AY
Tel 013 4477 9438
www.ofas.org.uk

Kitchen Bathroom Bedroom Specialists Association
12 Top Barn Business Centre
Holt Heath
Worcester WR6 6NH
Tel 019 0562 1787
www.ksa.co.uk

Appendix 3 Leading Design Companies, by Sector

Interior Design
Among interior design groups, top of the charts last year were Checkland Kindleysides whose fees dropped from £5.07m to £4.51m (from $11.7 million to $10.4 million), and Astound, known for its work on behalf of Tesco. Blu Orbit International was third with fees of £3.4m ($7.8 million), an increase of 47%.

The top 20 groups are listed below. Most groups in the list are interiors specialists, apart from Corporate Edge, for whom interiors are only a part of their offer. For comparison, the Canadian firm Watt International (now Watt Gilchrist) claims £3.13m ($7.2 million) in fee income. The list also does not include architectural practices that are largely interiors businesses such as Harper Mackay or DEGW.

- Checkland Kindleysides
- Astound
- Blu Orbit International
- BDP Design
- 20/20
- Allen International
- Michael Sheridan & Co
- Tibbatts Associates
- Dalziel & Pow
- Zebra
- Corsie Naysmith-MPM
- Lumsden Design Partnership
- Design House
- Red Jacket
- Portland Design Group
- Marketplace Design
- Carter Design Group
- Brinkworth Design
- Rapier Design
- Corporate Edge
- Shelton Fleming Associates

Exhibition Design
In the related area of exhibition design (most of which are also significant interior design businesses, although firms such as Din do not feature in the above list) the 20 biggest firms are:

- Jack Morton Worldwide
- Haley Sharpe Design

- Photosound Communications
- Rapier Design
- The Northcross Group
- Din Associates
- GLS Design
- Shelton Fleming Associates
- Met Studio Design
- Z
- Adventis
- The Small Back Room
- FPP Design
- Blu Orbit International
- The Open Agency
- Creative Lynx Partnership
- DVA
- Tregartha Dinnie
- 4i
- Forepoint

Product Design
Product design groups who undertake a significant amount of interiors work and sometimes furniture design featuring in the largest design businesses in Britain include PDD, Seymour Powell, DCA International, Alloy Total Product Design, AME, Blue Marlin, Navyblue and Sheppard Day Associates.

Related Design Firms
Major corporate identity and branding businesses, again with interests in interior design and not otherwise listed above or mentioned earlier now include Interbrand, Design Bridge, Tayburn, The Team, Elmwood, Springetts, Siebert Head and Dragon.

Office Design
The top office interior design groups working in the UK are:

- MCM (Marshall Cummings Marsh)
- Pringle Brandon
- BDG McColl Workfutures
- DEGW
- Foggo Associates
- Gensler
- HOK (Hellmuth, Obata + Kassabaum, Inc.)
- RTKL
- Swanke Hayden Connell

- Skidmore Owings & Merrill
- Heery International
- TTSP (The Thomas Saunders Partnership)
- IDEA
- Tilney Shane

Retail Design
By turnover the top 20 retail interior design groups are:

- Building Design Partnership
- Coutts Retail
- Checkland Kindleysides
- 20/20
- Styles & Wood
- Four IV
- Marketplace
- Design House
- Dalziel+Pow
- Din Associates
- Hosker Moore Kent Melia
- Lumsden Design Partnership
- Brinkworth
- JHP
- Red Jacket
- Child Graddon Lewis
- Portland Design Associates
- F1rst
- Skakel & Skakel
- Carte Blanche