

Plan it with

PURPOSE

HOMESWARE & GIFTS

SECTOR GUIDE



Enterprise
Nation

Sector-specific guide: Homeware and gifts

The future is in flux. Social injustice and the climate crisis are increasingly important concerns for consumers, and lead to them changing their behaviour. Customers want to buy from businesses that have a clear purpose and positive impact on society and the planet.

With this in mind, Enterprise Nation has launched the Plan it with Purpose campaign. There are six million small businesses across the UK. Together, they represent a powerful collective that can make a significant dent in the challenges facing our world. If each business made a small, conscious change to the way it operates, the effect would be game-changing, nationally and globally. This kind of impact could be a crucial weapon in tackling climate change and changing society so people can live fairer, better lives. Excitingly, all of this doesn't have to be at the expense of profit.

Over the course of the campaign, we'll be launching a number of sector-specific guides to help you understand how you can increase the social and environmental impact you are having tailored to your specific industry.

This guide looks at the homeware and gifts industries.

Homeware and gifts consists predominantly of physical products — items that are created and designed to fill our homes and provide joy. Ultimately, they are built to last and remain of use for as long as possible.

The lockdown and move to remote working has seen a sharp rise in people giving more attention to, and spending more money on, their homes. Although a few household names dominate the homeware market, there's a growing trend towards people wanting to buy more unique pieces with a handmade feel and aesthetic. A similar trend is evident in the gifts segment: Etsy's annual income last year amounted to almost \$2.3 billion, with approximately 95 million people in 2021 either buying or selling on its platform.

In the homeware and gifts industries, physical products are the norm. Consequently, considering the design process within the value chain is crucial. Each year in the UK, over 22 million items of furniture are disposed of, so it's important to realise that a product can have both positive and negative impacts across its lifecycle. Aspiring to be more circular, IKEA recently launched a 'buy back and resell' programme that allows customers to return their items for store credit. IKEA then resells the items on Gumtree, prolonging their life.

The homeware and gifts industries are very significantly affected by changes in consumers' interests and priorities. As money tightens for people across the country, and concern grows over the environment, we can be fairly sure that the trend of moving towards 'quality vs. quantity' and away from the 'throw-away culture' will continue. Offering well-made products that focus on meeting customers' needs will remain both a good impact strategy and a good business plan too.

In this guide we will cover:

The business case:

Why investing in impact is good for homeware and gifts businesses

Industry trends:

What the key players are doing and what best practice is emerging

Opportunities for impact:

Where and how you can start thinking about impact across your business

Case studies:

Real businesses in the homeware and gifts sectors that are innovating and leading the way in how they manage and increase their positive impact

Actions you can take:

Measures you can put in place now to make your own social and environmental impact

FIND YOUR COMPETITIVE EDGE

Standing out from the competition is vital in today's rapidly changing markets. Stories about environmental and social responsibility are the **most significant type of news** in terms of affecting people's decision to buy. Consumers are one-third more likely to try a product or service from a purpose-driven organisation, and **50% more likely** to switch to a purpose-driven company. To grow your current customer base and reach new markets, it's crucial that customers recognise their values in your company.

The Centre for Ageing Better found through its research that a large proportion of over-50s plan to make changes to their homes in the next five to 10 years in response to their changing needs. This accounts for a significant share of the home renovation market, and by 2040 is expected to reach £550 billion a year. There is clearly a business opportunity in serving an otherwise specialist segment while meeting the needs of the UK's ageing population.

FUTURE-PROOF YOUR BUSINESS

Social justice and environmental sustainability are business challenges. What affects people and the planet will affect your business too.

According to estimates, the impact that these challenges can have on your reputation, your ability to comply with regulations, and the efficiency of your supply chain could reduce your business's earnings before tax by **25% to 70%**. Managing and mitigating these risks, and proactively looking for opportunities to bring what you do into line with the needs of people and the planet, will make your business more resilient and ready to thrive in the future.

INNOVATE

Making commitments that not only benefit the people who hold an interest in your business, but have a net-positive impact on the environment too, will encourage new ideas and innovation. Organisations have used their sustainability goals to develop new and innovative products, disrupt traditional business models and access new markets. They are choosing to be proactive in the face of new social and environmental challenges.

Innovation in homeware is seeing a rise. Upcycled and natural material components are becoming more common, and companies are developing their product lines with accessibility and inclusivity in mind. Identifying how your products can support people and the planet can bring about new concepts and innovations that grow your customer base immensely and demonstrate your commitment to the world.



THE BUSINESS CASE



‘Sustainable’ and ‘ethical’ gifting and homewares are turning from a niche market segment to the driving force within the industry. The key question that many leaders working in homewares and gifts ask is not ‘Should we consider our impact?’ but ‘How do we show the good work we’ve already done?’ In that regard, there are two key trends visible in the industry.

CERTIFICATION

One way to show your commitment to being a positive force for change is through seeking certification. There is a range of certifications available to you, though which ones are suitable will depend on the type of products you create.

For example, B Corp certification assesses your whole company, from your supply chain to your employment practices. Organic and Fairtrade certifications allow for independent third-party verification assessments that let customers know they’re buying from an ethical company.

IMPACT-FOCUSED ONLINE MARKETPLACES

Online shopping is now the norm. But with so many different online marketplaces, how do you make it easy for ethical shoppers to easily find you? Some of the better examples include the following:

- [Social Supermarket](#) – which has a curated list of products that have all passed due diligence assessment to make sure they only promote businesses that are a force for good
- [Goodfind.io](#) – which has established itself as providing an ethical alternative to everything

INDUSTRY TRENDS

OPPORTUNITIES FOR IMPACT



1. INCLUSIVE DESIGN

Although good products are designed with a focus on the end user, it's often a 'generic human' that the designer has in mind. This is understandable as it means the product is effective for the largest number of people. However, it does lead to a significant range of products and services that people who don't fit the 'average' can't access. For example, around 10% of the world's population is left-handed and simple things like scissors, can-openers and trouser zips aren't designed with them in mind.

As well as being overlooked in a product's initial design, people who have disabilities face a 'disability price tag', meaning regular products that they can use cost much more than the standard item. An average mug costs around £3 to £6, while an [adapted mug can run up to £60](#). All the additional costs for adapted products and general living expenses can amount to an [average of £583 extra each month](#).

Designing products that work for people of all abilities is often called 'inclusive design'. The [Harvard Business Review](#) explains that inclusive design "emphasises the contribution that understanding user diversity makes to informing these decisions, and thus to including as many people as possible. User diversity covers variation in capabilities, needs and aspirations".

[ThisAbles](#) was a campaign IKEA launched to "create a better everyday life for as many people as possible". The retailer developed a whole line of products specifically for people with disabilities. IKEA was the inspiration for a different spin on inclusive design when designers from Lekker Architects and Lanzavecchia + Wai created [Hack Care](#), a manual on how to 'hack' IKEA furniture at home to better serve people who live with dementia.

2. INNOVATIVE MATERIALS

A large part of designing physical products is considering the actual materials used. Many innovative companies in the homeware and gifts industries are already considering how to modify the materials they use to make their products, whether that's through new types of materials, recycled materials, or materials that are chosen to be long-lasting or biodegradable.

[Deckle & Chop](#) started manufacturing standard cardboard boxes for business and commercial use over 20 years ago. Quickly realising the potential that cardboard had as a material, the company has since designed and manufactured eco-friendly products such as toys, pet products and home furnishing.

Interiors brand [Weaver Green](#) creates textiles and home accessories that look and feel like materials such as cotton and wool, but are made from fully recyclable materials. The company is responsible for recycling over 80 million plastic bottles and turning them into beautiful, contemporary home textiles.

[Zuperzocial's](#) environmentally friendly tableware collection includes durable plates made from corn starch and bamboo fibres. Each product is biodegradable (decomposing within 24 months), meaning that if they do end up in landfill, they won't be there for long.



3. EMPLOYMENT

At all stages of a product's lifecycle, there's a responsibility to consider who's working on your products and the conditions in which they are doing so. Having strong relationships with suppliers and collaborators throughout your supply chain means you're better able to influence practices. As well as influencing suppliers, as a products-based company, you have significant opportunity to actively be more inclusive through your hiring practices.

Aerende is a UK-based homeware company whose products are all made by people who are traditionally excluded from the labour market. It works with social enterprises and charities that already have systems in place to access and support these community groups. The company's candles are made by people who have learning disabilities, its ceramics by people recovering from mental health illness, and its textiles by a social enterprise that supports isolated women who are looking to work and learn new skills. Those are just a few initiatives that Aerende collaborates with to fulfil its commitment to helping people who would otherwise struggle to find gainful employment.

Even if you're a solo crafter, you can still consider your social impact in terms of how you mail and ship your products. **MailOut** is a social enterprise that provides a mailing and fulfilment service, employing and training adults with learning disabilities and autism.

4. CIRCULAR ECONOMY

According to the [Ellen Macarthur Foundation](#), a circular economy “is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems”.

Whether intentionally working towards being part of the circular economy, the pre-loved market – from clothing to furniture – is huge, and can often carry a heavier price tag than goods that are brand-new. The resale market is [growing 11 times faster than traditional retail](#), due to a combination of factors ranging from customer demand for more sustainable and affordable ways of shopping to advancements in technology that make reselling much easier.

Increasingly popular is upcycling. More and more brands are, for example, making new products from melted plastic or fixing old items to look new, but giving them that preloved vintage aesthetic that ensures each product appears unique. From [Muck N Brass](#) to [Relish](#), these companies operate based on the idea that one person’s trash is another’s treasure, restoring, reviving and reselling homeware such as furniture and accessories.

Upcycling is one way to engage in a circular economy. Another consideration is what to do when a product you’ve created has reached its true end and can no longer be used. Candle company [Siblings](#) has thought long and hard about its products’ full lifecycle. As a result, it’s made its candle containers reusable and refillable as candles, selling refill pouches of wax with microwaveable wicks. Added to that, the product packaging is compostable, leaving you with as little waste as possible.

[Waikiki](#), on the other hand, is a reusable bottle company that runs a take-back programme. When you’re finished with the bottle, you can send it back to the company and it will recycle the components at source, preventing the material from going to landfill.

Alternatively, home and lifestyle retailer [Made.com](#) has now started working towards being a “[truly circular business](#)” through its new service. This allows consumers to sell or donate used goods on [Geev](#), Made.com’s partnered platform. Alongside its desire to reduce its environmental impact and send less waste to landfill, the retailer hopes this initiative will also help connect people to their neighbours.

Incorporating inclusive design into your products can not only help society but the environment as well. Homeware company [Vaya](#) sells a large range of products that are designed with both the user and environment in mind. It recommends that people use its preserve jars everywhere – as leftovers containers in restaurants or to store dried goods bought from zero-waste shops, for example.



IN YOUR SUPPLY CHAIN

- + Map out your entire supply chain.
 - + Create a checklist of practices you want suppliers to keep to, and review them to make sure they're doing it.
 - + Give suppliers guidance and resources for meeting new labour and environmental standards and hold them accountable for shortfalls in performance.
- + For each component of your final product, do you know where it comes from and who has sourced them?
 - + Are they sourced in ethical and environmentally sustainable ways?
 - + How are these resources treated and tracked along the value chain? Can environmental sustainability and labour rights be guaranteed between transactions?
 - + The employment practices of suppliers you buy from should reflect your own. How do you make sure this is the case?

INSIDE YOUR BUSINESS

- + Consider what you do with any leftover waste products.
 - + If you can't make a product using the leftover materials, there are companies that specialise in this. Think about how you could work with them.
- + Educate your consumers on how to care for your products to extend their lifecycle, and on what happens when a product reaches the end of its life.
 - + Can the item go in the dishwasher or washing machine? Is there an ideal temperature that will help prolong its life? Should it be cleaned only with certain cleaning products, and are there ones to avoid?
 - + Offer suggestions on what to do with your product once it reaches the end of its lifecycle. Can certain components be upcycled or recycled?
- + Create a beyond net-zero energy strategy.
 - + Measure your greenhouse gas emissions. We recommend following the [GHG protocol standards](#).
 - + Create a time-based plan to reduce emissions to net zero – or, even better, beyond net zero.
 - + The key to doing this well for both the planet and your bank balance is to find ways to reduce emissions. You can do this by working more efficiently, switching to renewable energy providers, or changing the way your systems and processes work before looking at paying to offset.

OUTSIDE YOUR BUSINESS

- + A great way to increase your social impact is through good governance and building strong relationships with your customers and supply chain. The key to this is trust and transparency.
 - + Create a simple list of all the groups who are influenced or directly affected by the work you do.
 - + Share your social and environmental impact ambitions with everyone who has a stake in them. They may be able to provide valuable insights and help you along your journey. In turn, your sharing may encourage them to take positive steps to reduce their own impact.
- + Use your voice for good. Actively engaging in campaigns or local community actions that align with your industry is a great way to have a positive social impact.
 - + Of course, it's important to make sure you're actively engaging in the causes you're promoting. Using your influence is important but influencing without acting is counterproductive and can end with you being called out for 'purpose washing'.

ACTIONS YOU CAN TAKE

SUPPLEMENTARY RESOURCES

- **Habinteg** – Founded in 1970 with a main objective to provide homes for disabled people within mainstream housing schemes. Habinteg has been instrumental in developing accessible housing standards and the Lifetime Homes Standards.
- **Lifetime Homes** – Design standards for new housing which many local authorities have as a planning requirement.
- **Housing LIN (Housing Learning and Improvement Network)** – Brings together housing, health and social care professionals in England, Wales and Scotland to develop innovative housing solutions for an ageing population.
- **Wheelchair Accessible Housing** – A best-practice design guide produced by the Mayor of London’s office (2007).
- **Disability and the Build Environment Inquiry Report** – An inquiry by the government’s Women & Equality Committee.
- **The Passivhaus Trust** – The leading international low-energy design standard. Passivhaus methodology can also be seen as a way of providing high standards of comfort and health for residents.
- **GreenSpec** – A large database of green building products and advice on green building.
- **Inclusive Design Toolkit** – Created by the University of Cambridge, this has a set of guidelines and recommendations that help you think through product and service design.

ACKNOWLEDGEMENTS

About Enterprise Nation

Enterprise Nation is the UK’s leading small business network and business support provider delivering support to more than 50,000 small businesses every month. Its aim is to help people turn their good ideas into great businesses – through expert advice (including a comprehensive resources library), events, acceleration support and networking. In 2020 it launched two high profile business support initiatives: the Amazon Small Business Accelerator and the Recovery Advice for Business scheme which collectively aimed to support thousands of small firms impacted by the pandemic. Enterprise Nation’s small business active membership grew by 34 per cent in 2020. It now has more than 120,000 members and subscribers, ten per cent of which are professional advisers from a range of sectors offering strategic support to small firms. The adviser platform sees hundreds of connections every week with small firms reaching out for advice.