



# Market Report

A Snapshot of your Market Sector

## Car Garage and Valet

This pack has been designed to provide information on setting up a business in the Car Garage and Valet 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](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway September 2018. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

## What do I need to know about the Car Garage and Valet 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:

- ◆ Replacement parts can be sourced from a large number of channels although by far the most important of these in terms of their number are independent garages. Mintel estimates there to be **14,700 outlets** in 2017 which is around **40.2%** of the **36,550 total outlets** in the market. Other channels of note include petrol forecourts, whose outlets are put **at 8,450** in 2017, franchised dealers (**5,100 outlets**) and fastfit sites (**4,250 outlets**). (Mintel, *Car Aftermarket - UK*, November 2017)
- ◆ Motor vehicle parts retailers have benefited from an overall increase in disposable income which has supported the rising number of vehicles on UK roads **over the past five years**. Falling fuel prices **between 2013-14 and 2015-16** encouraged car usage, which leads to more wear and tear and drives demand for replacement parts. However, industry revenue growth is expected to slow in the second half of the period due to constrained disposable income and rising fuel prices discouraging car usage. (IBISWorld, *Motor Vehicle Parts Retailers in the UK*, May 2018)
- ◆ The industry has grown over the **five years through 2018-19** supported by an increase in the number of registered motor vehicles in the United Kingdom. Falling fuel prices **between 2013- 14 and 2015-16** encouraged people to drive more, a trend supported by high public transport costs, which boosted demand for maintenance and repair services. Since the EU referendum, many customers have been encouraged to delay new car purchases as economic conditions have remained fragile, choosing to have their existing vehicles repaired instead. (IBISWorld, *Motor Vehicle Maintenance and Repair*, April 2018)
- ◆ Scotland's motor trade suffered a steep decline in sales of new cars in March 2018 – the month when dealers need to make a lot of their revenue through selling cars with the new number plates for that year. New registrations were **21%** lower than March 2017 and new diesel- powered cars were **44%** lower. (BBC, *Governments blamed for car sales slump*, April 2018) ([tinyurl.com/y7fvxkyy](http://tinyurl.com/y7fvxkyy))
- ◆ National associations for this industry [Retail Motor Industry Federation](#), the [Car Wash Advisory Service](#), the [Garage Equipment Association](#) and the [Independent Garage 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](mailto:info@bgateway.com).

- ◆ **Mintel – *Lack of trust many car owners have with their garages (September 2018)***. A survey of 2,020 UK-based car owners aged 18 or over, carried out by the independent online garage network Fixter, revealed four-fifths of motorists have felt garages 'held their cars hostage' following a service or MOT. Matt Lewis, of Fixter, said: "*It's important for all garages to establish trust with their customers so it's very disappointing that so many Britons feel as if their car has been held to ransom so that they shell out more money.*" Among the four-fifths who felt their cars were held hostage there was common extra work that garages were insisting on to deem the car road-worthy, with the majority being stated as new tyres (37%), followed by fixing the brakes (25%).
- ◆ **Mintel – *Bespoke car service plan (August 2018)***. The downside of having repairs and maintenance carried out by manufacturer dealers is it tends to be more expensive than independent local garages, largely because non-franchised garages labour costs are less expensive and non-approved cheaper parts might be used. Increased costs of servicing and maintenance are a growing concern for car owners. When asked about potential price increases in servicing and repair if the UK fails to secure a Brexit trade deal with the EU, 51% of car owners with responsibility for maintenance and servicing said they were concerned.
- ◆ **IBISWorld – *Motor Vehicle Maintenance and Repair - UK (April 2018)***. Demand for discretionary services, such as bodywork services or car washes, has boosted growth for most of the past five-year period, but falling consumer confidence towards the end of the period is expected to limit demand. Industry revenue is forecast to grow by 3.1% in 2018-19 as new car sales continue to fall.

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

- ◆ **Transport Scotland, *Scottish Transport Statistics, No. 36, February 2018*** ([tinyurl.com/ybuc9c54](https://tinyurl.com/ybuc9c54)). This publication includes information on the number of road transport vehicles, including new registrations, numbers licensed by taxation group and council area, as well as most popular cars, driving tests and driving licence holders.
- ◆ **Institute of the Motor Industry, *Trade Bodies and Other Organisations, 2018*** ([tinyurl.com/y9t9sut5](https://tinyurl.com/y9t9sut5)). The institute provides an extensive list of trade bodies and other organisations in the motor industry.
- ◆ **The Society of Motor Manufacturers and Traders (SMMT), *SMMT Reports, 2018*** ([tinyurl.com/y859g8dg](https://tinyurl.com/y859g8dg)). The society has published numerous reports related to key industry topics affecting the UK automotive industry.

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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](mailto: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](mailto: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 [Retaining and Grow Your Customer Base](https://tinyurl.com/c2fw4o4) (tinyurl.com/c2fw4o4) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

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 website, 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.

## 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 Account](#)" 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.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

**Last updated:** Sept 2018

**Updated by:** Catriona MacTaggart

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