



# Market Report

A Snapshot of your Market Sector

## Cleaning Services

This pack has been designed to provide information on setting up a business in the Cleaning Services 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 in March 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 Cleaning Services 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:

- ◆ In 2017-18 revenue is estimated **to increase by 0.7% to £847.2 million**, supported by a projected increase in manufacturing activity over the next five years. Industry revenue is expected to increase at a **compound annual rate of 1.6%** over the five years through 2017-18. The industry is forecast to grow at a compound annual rate of 1.7% over the five years through **2022-23 to £920.7 million**. Demand for cleaning services from the health-care sector is expected to increase, supported by Britain's ageing population increasing the need for health-care services. (IBISWorld, *Industrial Cleaning Activities in the UK*, February 2018).
- ◆ The commercial market is the largest market for the industry. The number of businesses operating in the UK therefore has a considerable influence on overall demand for cleaning services. Industry revenue is projected to expand at a **slower pace of 1.2% in 2017-18 to reach £6 billion**, as business confidence levels remain relatively weak. Industry revenue is projected to increase at a compound annual rate of **0.9% over the five years through 2022-23 to reach £6.3 billion**. (IBISWorld, *General Building Cleaning in the UK*, January 2018).
- ◆ Growth in the industry is expected to continue. It is expected that there will be employment growth across higher level occupations. The industry is expected to have **467,000 job openings between 2014 and 2024**: 84,000 industry growth and 383,000 replacement demand. (British Cleaning Council, *New Industry Trends Report*, March 2017 – [tinyurl.com/BritishCleaningCouncil](http://tinyurl.com/BritishCleaningCouncil))
- ◆ Several big names in this industry are **MITIE Cleaning & Support Services Ltd** (facilities management and cleaning), **O.C.S. Group UK Ltd** (facilities management and cleaning), **Johnson Cleaners** (dry cleaning) and **Molly Maid Ltd**. (home cleaning).
- ◆ The national organisation for this industry is the [British Cleaning Council](#). Other industry bodies include the [British Cleaners Association](#), the [Cleaning and Support Services Association](#), the [Cleaning and Hygiene Suppliers Association](#) and the [ISSA – The Worldwide Cleaning Association](#).

## 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).

- ◆ **IBISWorld – Industrial Cleaning Activities in the UK (February 2018).** Industry revenue is expected to increase at a compound annual rate of 1.6% over the five years through 2017-18. Growth in the number of businesses operating in the United Kingdom also eased sharply in 2016-17, and was partly responsible for the slowdown in revenue growth. The number of businesses operating in the United Kingdom is expected to fall in 2017-18, and hamper demand. However, stronger demand for health-care services and the essential nature of some cleaning services are expected to support the industry.
- ◆ **IBISWorld – General Building Cleaning in the UK (January 2018).** The industry provides cleaning services to residential and commercial clients and is highly fragmented, with many small operators. The number of enterprises operating in the industry is expected to rise at a compound annual rate of 2% over the five years through 2022-23, as low start-up costs encourage new operators to enter the industry. Commercial offices are the largest market for the industry and are estimated to be the source of approximately 42% of revenue in 2017-18. Scotland is fourth most concentrated region and is home to 9.4% of establishments.

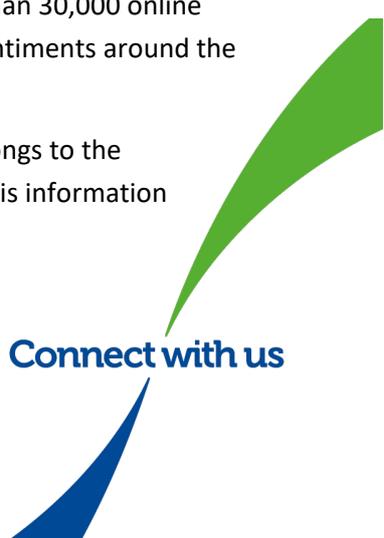
Some of the other reports available to the Information Service include:

- ◆ Mintel – Facilities Management – UK (October 2017)
- ◆ IBISWorld – Combined Facilities Support Activities in the UK (November 2017)

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

- ◆ **Facilities Management World – Challenges Ahead for UK Contract Cleaning Market (November 2017)** ([tinyurl.com/yctb6xg5](http://tinyurl.com/yctb6xg5)) - *Following three years of marginal growth, the UK contract cleaning market accelerated between 2014 and 2016 in line with the economy however, according to AMA Research's 'Contract Cleaning Market Report – UK 2017-2021 Analysis', this growth is unlikely to be sustained over the next few years due to uncertainty caused by factors such as Brexit and the National Minimum Wage.*
- ◆ **Facilities Management Journal – Contract Cleaning Sector to Grow by £100m in 2016** ([tinyurl.com/h6iebu6](http://tinyurl.com/h6iebu6)) - The contract cleaning market is set for £100 million growth in 2016, despite the new National Living Wage dampening market profitability, according to a new report from MTW Research.
- ◆ **Nielsen – The Dirt on Cleaning: Home Cleaning/Laundry Attitudes and Trends Around the World (April 2016)** ([tinyurl.com/lyoch6u](http://tinyurl.com/lyoch6u)) - The Nielsen Global Home-Care Survey polled more than 30,000 online respondents in 61 countries to understand cleaning and laundry behaviours and sentiments around the world.

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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](#) ([tinyurl.com/c2fw4o4](http://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:** March 2018

**Updated by:** Fiona Elliot

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