



# Market Report

A Snapshot of your Market Sector

## Electrician

This pack has been designed to provide information on setting up a business in the Electrician 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 November 2017. 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 Electrician 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:

- ◆ Over the five years through 2016-17, industry revenue is estimated to rise at a compound annual rate of 1.2% to reach £24.8 billion. The industry is expected to face several challenges in the coming years. Demand from the residential construction market has the potential to slow in the short term, while restrictions to the free movement of labour following the UK's exit from the European Union could halt long-term growth. (IBISWorld, *Electricians in the UK*, March 2017)
- ◆ Industry revenue is forecast to increase at a compound annual rate of 1.3% over the five years through 2021-22, reaching £26.4 billion (IBISWorld, *Electricians in the UK*, March 2017)
- ◆ There has also been a profound long-term development from the 'digital revolution', not least the highly complex and very strong development of data centres, which tend to have high levels of electrical contracting requirements. The digital 'revolution' has, however, not been limited to data centres, also increasing the contracting requirements for public sector, industry and commerce, and domestic properties (Intel, *Mechanical and Electrical Engineering*, UK September 2017)
- ◆ It can be expected that demand for electricians will exceed supply and it will be harder for unskilled electricians to operate. In response to the skills shortage the government will encourage apprenticeships, with new forms of funding. The electrical contracting industry has the opportunity to build a reputation for expertise and provision of impartial advice, becoming more influential. Electrical contractors can work as advisors in a problem solving role, assessing buildings to determine work required, then fitting new systems and components (NICEIC, *2021 Vision: The Future of the Electrical Contracting Industry*, ([tinyurl.com/y8w88xmp](http://tinyurl.com/y8w88xmp)))
- ◆ The national organisation for this industry is [Select](#), Scotland's Electrical Trade Association. Other associations include the [Electrical Contractors' Association](#) (ECA) and the [National Inspection Council for Electrical Installation Contracting](#) (NICEIC).

## 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).

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- ◆ **IBISWorld – Electricians in the UK – March 2017:** The maintenance and repair work electricians undertake is expected to account for 39.9% of industry revenue in 2016-17 and is the most common work for electricians. The work can be carried out under contract with property managers or appliance suppliers, or from demand directly from a household or business. Work of this kind typically cushions industry revenue in periods of tight economic conditions. The emerging trend of clients outsourcing maintenance and facilities management on long-term contracts provides the industry with an avenue to reduce revenue volatility, while also allowing it to broaden into new multiskilled markets
- ◆ **Mintel – Mechanical and Electrical Engineering – UK – September 2017** - Electrical contracting output in Great Britain continued to suffer from the effects of the recession well after it ended. This largely reflected price pressure and the specific recovery of the new construction sector. Since then, there has been a buoyant market suppressed by continued price pressures. Demand for electrical contracting services accounts for the largest and growing proportion of the total M&E contracting market, largely because electrical contracting services are more in demand in all industries, including the domestic, commercial, industrial and public non- residential sectors. The digital and automation trend has also tended to influence growth in the sector at a faster rate than the mechanical element of the market.

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

- ◆ **ECA and NICEIC, 2021 Vision – the 2016-17 Review, November 2016** ([tinyurl.com/harp4w4](http://tinyurl.com/harp4w4)). A review of some of the key issues affecting the future of electrical contracting, which highlights developments such as Brexit, the digitisation of industry processes and the increasing role of the 'Internet of Things'.
- ◆ Online trade magazines such as **Electrical Times** ([www.electricaltimes.co.uk](http://www.electricaltimes.co.uk)) and **Electrical Contracting News** ([electricalcontractingnews.co.uk](http://electricalcontractingnews.co.uk)) can be useful to stay up to date with the latest news for your 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](#).

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**Updated by:** Emma

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