



Market Report

A Snapshot of your Marketing 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), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **April 2025**.

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:

- ◆ Over the five years through 2024-25, the Car Wash and Motor Vehicle detailing industry has recorded and overall contraction, with **revenue forecast to contract at a compound annual rate of 5.1% to £1.6 billion**. This drop is largely a result of a significant sink in industry revenue during 2020-21, as the COVID-19 pandemic and the subsequent lockdown measures imposed to combat the virus resulted in a significant decline in motor vehicle usage, damaging demand for car wash services. (IBISWorld, Car Wash & Motor Vehicle Detailing in the UK, October 2024).
- ◆ Revenue for the Motor Vehicle Maintenance and Repair industry is **forecast to rise** at a compound annual rate of **0.3% over the five years through 2024-25 to £34.9 billion**, including a forecast expansion of 2.2% in 2024-25. (IBISWorld, Motor Vehicle Maintenance & Repair in the UK, March 2025).
- ◆ **Repairs are the largest segment** is the Motor Vehicle Maintenance and Repair industry accounting for **59% of industry revenue (£20.7bn)**. **Servicing and MOT tests (21.9%, £7.6bn) and body shop services (14%, £4.9bn)** were the 2nd and third largest segments respectively. **Car washes was the smallest segment accounting for 4.7% (£1.6bn)** of industry revenue. (IBISWorld, Motor Vehicle Maintenance & Repair in the UK, March 2025).
- ◆ The used car market is expanding as global supply chain disruptions and semiconductor shortages make new cars less available, driving up demand for second-hand vehicles. This has led to a sharp jump in **second-hand vehicle prices, increasing by an average of £2,678 over the last three years**, according to SMMT. (IBISWorld, Used Car & Light Motor Vehicle Dealers in the UK, April 2025).
- ◆ **The used car market in the UK saw a 5.5% jump in 2024**, with sales exceeding **7.64 million vehicles**, according to SMMT data. That's **up by 400,488 vehicles compared to the previous year**. This marks eight consecutive quarters of rising demand. Growth in the used car market can be attributed to car manufacturing levels in new models being delivered at full capacity again, leading more cars to become available through second-hand dealers. (IBISWorld, Used Car & Light Motor Vehicle Dealers in the UK, April 2025).
- ◆ The national organisations for this industry are the [Retail Motor Industry Federation](#), [Garage Equipment Association](#), [Professional Valeters & Detailers 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.

- ◆ **Mintel – Car Purchasing UK (March 2025).** Customer service quality and the variety of available models are crucial for dealership success. Indeed, almost 6 in 10 (58%) selects good customer service is the most important factor when choosing one physical car dealership over another. In addition, over half (54%) express a good variety of car models encourages them to purchase from one physical car dealership over another.
- ◆ **Mintel – Car Review (February 2025)** The UK car market is undergoing significant shifts, shaped by evolving consumer preferences and broader economic challenges. Inflation/supply chain disruptions have influenced buying behaviour, driving increased demand for small and medium-sized cars due to their affordability/lower maintenance costs. In 2024, these cars captured 53% of total sales. Used cars accounted for nearly 80% of all sales, as cost-conscious buyers prioritised savings and took advantage of greater availability.
- ◆ **Mintel – Electric and Hybrid Cars UK (January 2025).** Although 47% of potential buyers prefer new vehicles, a significant 36% are showing interest in second-hand or used options. To capitalise on this trend, retailers and manufacturers should focus on providing transparent information about the battery health of pre-owned EVs. This can help alleviate the concerns consumers may have about purchasing a used electric vehicle.

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

- ◆ **Transport Scotland - [Scottish Transport Statistics 2024](#).** In 2023/24, about 31% of cars tested in the road vehicle testing scheme (MOT) were unsatisfactory, as were 12% of motor cycles. About 12% of cars tested had unsatisfactory suspension, 10% had unsatisfactory brakes and 10% had unsatisfactory lamps, reflectors and electrical equipment (a vehicle with more than one type of fault is counted against each of them). Six per cent of motorcycles tested had unsatisfactory lamps and reflectors, 3% had unsatisfactory brakes and 2.1% had unsatisfactory structure and attachments.
- ◆ **COBRA Reports, Accessed from National Library of Scotland ([National Library of Scotland](#))** have produced Business Opportunity Profiles on the following topics **Car Valeting, Garage/MOT Test Station, Car Body Shop, Used Car Dealer and Motor Vehicle Sales, Maintenance and Repair**. These include key market issues and trends, trading, commercial and legal issues and legislation. Please register [here](#) for access.

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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 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 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 [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

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 websites, 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.



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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 Accountant](#)" 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.

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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