



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), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **February 2022**. 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:

- ◆ Assisted by the need to keep vehicles on the road during the COVID-19 pandemic, the car aftermarket **suffered only a minimal impact by the pandemic**. As the UK emerges from lockdown and cars return to the road, **revenues in the car aftermarket were expected to grow by 6.9% in 2021, taking the value of the market to £5.91 billion**. The car aftermarket is forecast to remain buoyant, with a **growth rate of 6.1% in 2022**. (*Mintel, Car Aftermarket: Inc Impact of COVID-19 - December 2021*)
- ◆ The COVID-19 pandemic led to a **decrease in new vehicle sales and new registrations, which fell by 29.4% during 2020-21**, according to the Society of Motor Manufacturers and Traders. However, as car users delay purchasing new cars, this will likely increase the demand for repair and maintenance services, with **industry revenue forecast to expand at a compound annual rate of 2.2% over the five years through 2026-27, to reach £31.5 billion**. (IBISWorld, *Motor Vehicle Maintenance & Repair in the UK*, December 2021)
- ◆ **Motor Vehicle Parts Retailers Revenue** is expected to rise at a compound annual rate of **2.1% over the five years through 2026-27 to reach £7.5 billion**. **Parts and accessories of bodies and bumpers** is expected to account for **29.5% of industry revenue in 2021-22**. **Gearboxes, axles and clutches** is expected to account for **17% of industry revenue in 2021-22**. **Brakes, road wheels and suspension systems** is expected to account for **11% of revenue in the current year**. (IBISWorld, *Motor Vehicle Parts Retailers in the UK*, July 2021).
- ◆ There were **3.04 million vehicles licensed for use on the roads in Scotland in 2019**, of which 83 per cent were cars. New registrations of cars in 2019 accounted for around 177,746 of these, around 10,000 (5% less than in 2018, and 8,000 (5%) less than 2009. Glasgow had the largest number of vehicles licensed as at the end of 2018 (237,961), followed by Fife (213,483) and Edinburgh (202,259) - based on the postcode of the registered keeper. (Transport Scotland, *Scottish Transport Statistics No. 39 2020 Edition* – <https://tinyurl.com/bdfmwncs>).
- ◆ The National associations for this industry are the [Retail Motor Industry Federation](#), [Garage Equipment Association](#), [Institute of the Motor Industry](#) and [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 Aftermarket: Inc Impact of COVID-19 - UK 2021.** The car aftercare market has been adversely affected by high rates of competition and a trend in consumer-facing sectors such as tyres towards lower prices. The COVID-19 pandemic only heightened these issues, resulting in a 5.8% fall in value in 2020, when compared with 2019, to £5.53 billion. With the aftermarket closely linked to the wider automotive sector and economy, Mintel sees the fortunes for replacement parts closely tied with a return to normality. Car sales are expected to begin to strengthen in 2022. Combined with a stronger economy, increased maintenance/servicing, travel and a willingness to move away from budget parts, revenues are forecast to reach £6.75 billion in 2026.
- ◆ **IBISWorld – Motor Vehicle Parts Retailers in the UK (July 2021).** Revenue is anticipated to expand at a compound annual rate of 2.1% over the five years through 2026-27 to reach £7.5 billion. Older cars tend to need more repair and maintenance work than newer vehicles as they are more likely to breakdown. When the average age of a motor rises, consumer demand for motor vehicle parts tends to increase. UK motorists spent an average of £695 in 2019, down from £707 in 2016, according to SMMT. Nonetheless, the increasing average age of UK vehicles supports demand for essential parts. New car sales have fallen throughout the past five year period, which has maintained demand for replacement parts, as the average age of the UK car fleet rose.
- ◆ **IBISWorld – Motor Vehicle Maintenance & Repair in the UK (October 2021).** As lockdown measures are eased, industry demand is expected to rise. Industry revenue is forecast to expand at a compound annual rate of 2.2% over the five years through 2026-27 to reach £31.5 billion. During the COVID-19 pandemic, new car sales fell. This would usually increase demand for repair work, however, lockdown meant more people were working from home, reducing car usage. As lockdown measures are eased, demand is expected to grow.

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

- ◆ **Transport Scotland, COVID-19 Transport Trend Data - 23 - 29 November 2020, December 2020** (<https://tinyurl.com/yvd6aavh>). Transport Scotland is monitoring transport trends during the COVID-19 outbreak. This information provides a snapshot of travel across main modes when compared to this time last year.
- ◆ **Independent Garage Association, COVID-19 Coronavirus Guidance for Independent Garages.** (<https://tinyurl.com/yvhxgfv4>) The IGA page includes COVID guidance, resources and useful links

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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), 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.

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.

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

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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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