



# Market Report

A Snapshot of your Market Sector

## Car Garage and Valet

### Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

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 in **May 2023**. 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:

- ◆ Independent garages are the largest channel for car aftermarket parts, which are typically fitted as part of maintenance and servicing as well as pre- and post-MOT work. The channel shows a high degree of resilience, no doubt assisted by the steady expansion in the UK car parc in recent years. Mintel **estimates the number of garages at 14,500 in 2022**. This is equivalent to **40.9%** of all outlets (Mintel, *Car Aftermarket*, UK 2022).
- ◆ Poor new car sales in recent years have boosted the profile of the used sector. Despite a lack of supply of new vehicles boosting prices within the used market, many purchasers have moved into this market when purchasing. The result is a boost to the used car share of the market from **75.6% in 2017 to 80.6% in 2022**. New cars, while always the much smaller market, have conversely seen their share of the market dwindle to only **19.4%** of sales in 2022. (Mintel, *Car Review*, UK 2023).
- ◆ Over the next five years, the Motor Vehicle Maintenance and Repair industry is expected to grow. Industry revenue is forecast to expand at a compound annual rate of **2.3% over the five years through 2027-28 to reach £31.6 billion**. An anticipated rise in car usage and a large proportion of customers delaying new car purchases are expected to support demand for industry services. The projected increase in the number of used vehicles in use is projected to boost industry demand over the period. . . An anticipated increase in household disposable income is expected to support demand for discretionary services over the next five years. (IBISWorld, *Motor Vehicle Maintenance & Repair in the UK*, June 2022)
- ◆ Over the past five years, the Car Wash and Motor Vehicle Detailing industry has registered an overall decline, with revenue forecast to **decrease at a compound annual rate of 2.3% over the five years through 2022-23 to £1.7 billion**. However, this decline is primarily due to a significant **decrease in revenue during 2020-21, of 19.8%**, owing to the significant disruption caused by the COVID-19 (coronavirus) pandemic. (IBISWorld, *Car Wash & Motor Vehicle Detailing in the UK*, September 2022).
- ◆ The total number of vehicles licensed was **3.06 million in 2021**, slightly higher than 2020 and **14% higher than in 2011**. The number of private and light goods vehicles in 2021 was 2.7 million, slightly more than 2020 and 14% higher than 2011. Glasgow had the largest number of vehicles licensed as at the end of 2021 (239,008), followed by Fife (214,965) and Edinburgh (204,163) - based on the postcode of the registered keeper. (*Transport Scotland Statistics 2022*) ([tinyurl.com/3552mnmc](https://tinyurl.com/3552mnmc))

The National associations for this industry are the [Retail Motor Industry Federation](#), [Garage Equipment Association](#), [Professional Valeters and Detailers](#) 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](mailto:info@bgateway.com).

- ◆ **Mintel - Car Review – UK (2023).** The growing popularity of electric and hybrid cars has resulted in a major challenge to a market dominated by the IC engine and fuels such as petrol and diesel. Based on data from the Department of Transport, new electric and hybrid sales were significantly higher than those of diesel cars in 2021 (~568,000 v ~195,000 units). Performance for the electric and hybrid sector also has been favourable when compared with petrol cars whose sales have fallen back to around 912,000 units in 2022
- ◆ **IBISWorld – Motor Vehicle Parts Retailers in the UK (January 2023).** The owners of vehicles nine years and over are the largest market for retailers. The average age of a UK car is 8.4 years, with the average lifespan being 14 years, according to SMMT. Owners of older vehicles tend to spend less on maintenance and accessories, but they buy more parts and change old tyres. The average age of UK cars is falling in 2022, limiting demand for replacement parts. Trading of these vehicles is low because they are more prone to repairs, so owners hold on and spend more on repairs.
- ◆ **IBISWorld – Motor Vehicle Maintenance & Repair in the UK (June 2022).** Car maintenance is fairly expensive, with UK customers spending approximately £695 on car maintenance and repair every year, according to Society of Motor Manufacturers and Traders in 2018. As a result, more discretionary services, like car washing and body shop services, tend to be cut when times are tough. A greater number of drivers have had their cars professionally washed less often, or have washed them at home, over the past five years. Many drivers have been cost-conscious and eager to look for the best deals. Consumer confidence has remained constrained due to economic uncertainty.

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

- ◆ **Independent Garage Association, COVID-19 Coronavirus Guidance for Independent Garages.** (<https://tinyurl.com/yvhxgfv4>) The IGA page includes COVID guidance, resources and useful links
- ◆ **Professional Valeters and Detailers, Trade Association page** (<https://pro-valets.co.uk/>) offers a directory, training, a magazine, a product hub, and service guides to cover Valeting, Detailing and Ancillary Services.

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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 [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 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 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.

**Last updated: May 2023**

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