



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

This market report was updated by Business Gateway in February 2019. 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 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:

- ◆ Operators in the industry provide cleaning services including decontamination, window cleaning and specialist cleaning services. Industry revenue is expected to increase at a compound annual rate of 1.6% over the five years through 2017-18 **to reach £847.2 million** (IBISWorld, *Industrial Cleaning Activities in the UK*, February 2018).
- ◆ Commercial offices are the largest market for the industry and are estimated to be the source of approximately **42% of revenue in 2018-19**. This segment includes both private and public-sector offices. Industry operators provide a variety of cleaning services to this market segment, including carpet cleaning, toilet cleaning, and desk and chair cleaning services (IBISWorld, *General Building Cleaning in the UK*, May 2018).
- ◆ This article suggests that despite growth between 2014 and 2016, there are likely to be challenges and uncertainty ahead (Facilities Management Journal (FMJ), *Challenges ahead for UK Contract Cleaning Market*, November 2017) (tinyurl.com/y9b35dpv).
- ◆ In terms of growth there have been some significant differences across the nations and regions. In England business numbers increased by 34%, **26% in Scotland**, 11% in Wales, while in Northern Ireland the number decreased by 17%. London saw an increase of 67%, with numbers rising from 3,010 to 5,035 between 2011 and 2016 (British Cleaning Council, *The Cleaning and Support Services Industry Research Report 2017*) (tinyurl.com/ycpxbkdg).
- ◆ The national organisation for this industry is [British Cleaning Council](#). Other industry bodies include the [British Cleaners Association](#), the [Cleaning and Support Services Association](#), the [Cleaning and Hygiene Suppliers Association](#) and [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.

- ◆ **IBISWorld - Industrial Cleaning Activities in the UK (February 2018)**. The industry expanded over the past five years, aided by cleaning services being outsourced by the health-care sector. This was primarily due to public-sector spending pressures resulting in major hospitals attempting to reduce costs and improve efficiencies. Demand from this market segment also expanded as the ageing population increased demand for health-care services. Rising public concern about health-care associated infections also increased demand for cleaning services.
- ◆ **IBISWorld – General Building Cleaning in the UK (May 2018)**. The industry is expected to grow at a compound annual rate of 1.3% over the five years through 2023-24 to £6.3 billion. Residential and commercial construction activity is set to continue rising, albeit at a slower pace than forecast prior to the referendum vote, and raise demand because more buildings will need to be cleaned. The number of businesses operating in the United Kingdom is also projected to trend upwards and contribute positively. In addition, business confidence is anticipated to improve gradually and increase demand for value-added services. Demand from households is also expected to rise slowly over the coming period as household finances improve and unemployment remains low.

Other reports available to the information service include:

- ◆ **Mintel – Facilities Management (October 2018)**
- ◆ **IBISWorld – Combined Facilities Support Activities in the UK (September 2018)**

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

- ◆ **Health and Safety Executive, Cleaning industry health and safety ([tinyurl.com/5dsfkf](https://www.tinyurl.com/5dsfkf))**. Here you can find a range of relevant health and safety topics for the cleaning industry, along with case studies, resources, risk assessments and an online forum.
- ◆ **Equality and Human Rights Commission, Cleaners' Rights, February 2019 ([tinyurl.com/yxly3mrn](https://www.tinyurl.com/yxly3mrn))**. This site provides pocket guides on knowing your rights and working in the UK, along with information on a UK cleaning taskforce detailing their commitment, members and supporters and a review of their activities.
- ◆ **BBC News, Cleaning product sales set to continue to rise in 2019, January 2019 ([tinyurl.com/y764c7fe](https://www.tinyurl.com/y764c7fe))**. This article discusses the growth in popularity of cleaning products and could signify a potential increase in appetite for the general cleaning 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 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 [Retaining and Grow Your Customer Base](#) 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 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: February 2019

Updated by: Rebecca Trail

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