



Market Report

A Snapshot of your Market Sector

Electric Vehicles & EV Charging

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 **Electric Vehicles & EV Charging** 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 **August 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 Electric Vehicles & EV Charging 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:

- ◆ Both hybrid and electric sectors within this market are set to experience significant growth. Boosted by a combination of factors, most notably a broadening range of new models and greater consumer confidence, Mintel expects new car sales to leap **from 654,200 units in 2021 to 1.53 million units in 2026** (Mintel, *Electric and Hybrid Cars: Inc Impact of COVID-19 - UK*, December 2021).
- ◆ Mintel has already noted the increasing demand amongst potential car buyers towards purchasing electric with just under half (**49%**) saying they would consider a B-EV. However, with **31%** of buyers saying they would be unlikely to purchase a B-EV compared with only **14%** for an H-EV, there remain issues for a significant minority. When asking those who would consider the purchase of an electric car it is price and usability that dominate. Over half (**57%**) mention purchase price, **44%** maintenance costs and **42%** charging costs. Non-price concerns are focused on two areas: distance that can be travelled (**46%**) and the availability of public charging points (**44%**). (Mintel, *Car Purchasing Process - UK*, 2022).
- ◆ The demand for fast or quick charging stations has grown at a significant pace. In 2021, the UK had more than **42,000 charge point** connectors in over **15,500 locations**. The government of the country announced EV charging stations would be required for all new homes and businesses starting from 2022. The EV charging network in the region is continuously expanding, driven by government support and high demand for BEVs. Countries in the region have different charging standards, such as the CCS, ChaDeMo, Type 2AC, and Superchargers by Tesla. (Technavio, *Global Electric Vehicle (EV) Charging Station Market, 2022-2026*).
- ◆ The Alternatively Fuelled Vehicle (AFV) Manufacturing industry is in the growth stage of its life cycle. Industry value added, which measures the industry's contribution to the overall economy, is forecast to expand at a compound annual rate of **8.5% over the 10 years through 2026-27**. Over the same period, UK GDP is expected to expand at a compound annual rate of **1.1%**. This indicates that the industry is performing better than the economy, which is a key characteristic of a growing industry. UK production of AFVs is yet to reach capacity, which presents significant potential for growth. As a result, the number of industry participants is expected to increase over the next five years. (IBISWorld, *Alternately Fuelled Vehicle Manufacturing in the UK*, March 2022).
- ◆ The national organisation for this industry is the Society of Motor Manufacturers and Traders (smmmt.co.uk/). Other industry bodies include UK Electric Vehicle Supply Equipment Association (ukevse.org.uk), Renewable Energy Association (r-e-a.net) and ChargePlaceScotland (chargeplacescotland.org).



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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 - *Electric & Hybrid Cars: Inc Impact of COVID-19 - UK (December 2021)***. Although the electric and hybrid car market is increasingly looking to broaden the range of models so as to appeal to mid-market purchasers, the high costs associated with battery technology will continue to ensure the appeal of this sector to wealthier adults. Latest data suggests that 72% of households with an income of £50,000 or more plan to purchase in this sector with this little changed on the 69% recorded in Mintel's last Report.
- ◆ **IBISWorld – *Alternatively Fuelled Vehicle Manufacturing in the UK (March 2022)***. A range of incentives are available to customers to encourage the switch to electric and hybrid electric vehicles. A tax exemption for company cars that are AFVs is expected to encourage commercial customers to choose these vehicles. The interest-free Electric Vehicle Loan and funding for domestic charging points provided by Transport Scotland is also expected to support AFV purchases.
- ◆ **Technavio - *EV Charging Station Market in Europe (2021-2025)***. In the UK, the government is working on developing charging infrastructure for EVs to drive their adoption. The Road to Zero strategy is an initiative taken by the government to end the sales of fossil-powered vehicles by 2040 and make the country completely EV-driven. The government also provides grants of up to \$5,760 to the buyers of plug-in vehicles. . . The presence of such favourable regulations and the growing focus of governments to reduce environmental pollution and the emissions from vehicles are expected to drive the demand for EVs in Europe during the forecast period. This will increase the installation of EV charging stations in the region.
- ◆ **Statista – *European Transportation: The Road to Net-Zero (2021)***. The shift towards electrifying the entire automobile fleet has spurred research and development activities in the field of electrolysis. Batteries are currently the most efficient alternative propulsion technology, with one of the few caveats being that the materials used in lithium-ion electric vehicle batteries make them very heavy. This is one of the reasons why material scientists are working on increasing the energy density of batteries while at the same time eliminating certain heavy metals, such as cobalt. This could improve the range of EV batteries and make them lighter overall.
- ◆ **ChargePlace Scotland** is Scotland's national Electric Vehicle (EV) charging network. They are owned and have been developed by the Scottish Government and funded in partnership through a public grant from Local Authorities and other organisations. On their page you can find information on their network (from 55 public charge points in 2013 to over 2,286 in 2022) and other projects (tinyurl.com/8px748y2).
- ◆ **The Energy Saving Trust** offers information about electric vehicles and links to maps of charge points in UK and Scotland, including a summary of the difference between types of EV. (tinyurl.com/yxrghmyh).

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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 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.

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