



Market Report

A Snapshot of your Market Sector

Electric Vehicles & EV Charging

This pack has been designed to provide information on setting up a business in the Electric Vehicles and 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 March 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 Electric Vehicles and 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:

- ◆ “Sales of electric and hybrid cars expanded by **271%** between 2013 and 2017 from **32,225 units to 119,441 units** per annum. Annual growth rates have been especially strong, standing at **19.2% in 2013 and rising to 57.3% in 2014 and 42.9% in 2015**” (Mintel. *Electric & Hybrid Cars – UK*, December 2018).
- ◆ “In the motor vehicle manufacturing industry, revenue is forecast to expand at a compound annual rate of **0.7% to reach £53 billion** over the five years through 2018-19. **Revenue is expected to fall by 2.7%** in 2018-19 as manufacturers respond to falling new car registrations by scaling back production” (IBISWorld, *Motor Vehicle Manufacturing in the UK*, July 2018).
- ◆ “While many UK consumer would consider buying a hybrid or electric car, the main issue is the ability to recharge and how far it can go on one charge. According to an Office for National Statistics study, **5% of UK respondents were considering buying an electric car while 16% had previously considered it but decided not to at this stage. 83% stated that cost and reliability were the major reasons** to consider when buying a car and due to little immediate infrastructure being in place, this could be off putting for many customers” (Marketline, *Hybrid & Electric Cars in the United Kingdom*, May 2018).
- ◆ “Men and young adults are an important potential market for cars using alternative fuels. **Over half (55%) of men show an interest in alternative fuels compared to 39% of women** with this especially true for pure electric (26% versus 13%) and plug-in hybrid (25% versus 14%). When it comes to adults aged 25-34, pure electric cars have an especially high level of interest (29%)” (Mintel, *Car Purchasing Process - UK*, March 2018).
- ◆ The Financial Times reported in February 2019 that “Only three-quarters of new cars sold in 2040 in the UK will be electrically powered, falling short of government targets, unless ministers increase incentives for consumers to buy battery vehicles, analysis by online marketplace Auto Trader suggests” (Financial Times, *UK to miss electric car sales target, Auto Trader warns*) (tinyurl.com/y693xd99).
- ◆ The national organisation for this industry is the [Society of Motor Manufacturers and Traders](#). Other industry bodies include [UK Electric Vehicle Supply Equipment Association](#), [Renewable Energy Association](#) and [ChargePlace Scotland](#).

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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, UK – December 2018.** Manufacturers are increasingly offering cars in either hybrid or electric versions with plans for many to switch away from petrol and diesel-powered models over the coming decade. The last two years have seen considerable growth in the number of individual models offered with this likely to have played a major factor in boosting confidence amongst buyers as well as sales.
- ◆ **Mintel – Car Purchasing Process, UK – March 2018.** Affluent households are a key target market for those car manufacturers and dealers that are looking at alternatives to petrol and diesel. Overall interest in alternative fuels to petrol and diesel stands at 56% for those with incomes of £50,000 or more compared with just 37% for those incomes of less than £15,500. When it comes to particular fuels there is an especially large disparity for plug-in hybrid (26% v 10%) as well as pure electric (26% v 13%) cars.
- ◆ **IBISWorld – Motor Vehicle Manufacturing in the UK – July 2018.** The uptake of electric cars is expected to accelerate, driven by vehicle excise duty (VED) exemptions for zero-emission vehicles, which commenced in April 2017 [...] However, demand for low emission vehicles could be threatened by the new VED regulations, with the SMMT claiming the new three-tiered system for VED exemptions could discourage demand for and investment in hybrid cars.
- ◆ **Marketline - Hybrid & Electric Cars in the United Kingdom - May 2018.** In the UK, 88.7% of total volume sales in 2017 came from hybrid cars, while the rest of them were fully electric cars (BEVs). Markedly, the penetration of plug-in hybrid and electric cars (PEVs) is significant but still there is further room for expansion.

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

- ◆ **Greener Scotland** has a wealth of information on electric vehicles, including an interactive map of free charging points (tinyurl.com/y3n7tpk6) and information on grants and funding opportunities for consumers (tinyurl.com/yxc8acdq).
- ◆ **The RAC Foundation** report on the UK Public Chargepoint Network contains key statistics and information on the types of EV and EV charging being used, infrastructure requirements and current legislation in this industry (*Development of the UK Public Chargepoint Network*, December 2018) (tinyurl.com/y9qd5ypc).
- ◆ **The UK Government** have published a guide on “Low-emission vehicles eligible for a plug-in grant” which details all the updated guidance on available discounts for brand-new low-emission vehicles (tinyurl.com/y99bmpfc).

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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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