



# Market Report

A Snapshot of your Market Sector

## Electrician

This pack has been designed to provide information on setting up a business in the **Electrician** 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 **February 2021**. 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 Electrician 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:

- ◆ Following a period of strong growth, fuelled by buoyant new construction activity exceeding the wider GDP development, COVID-19 has resulted in a major reduction in demand across virtually all markets including the R&M sectors. The market was already showing sector specific issues with the economic uncertainty created by Brexit, but this has been strongly increased with the pandemic. (Mintel - *Mechanical and Electrical Engineering – UK*, November 2020).
- ◆ Over the five years through 2025-26, industry revenue is expected to **rise at a compound annual rate of 2.3%, reaching just shy of £23.5 billion**. Pre-pandemic, the ever-expanding Internet of Things and efforts to improve energy efficiency in households proved particularly beneficial for contractors that could facilitate next-generation connectivity and new installations. Post-pandemic, and over the forthcoming period, technological developments in the downstream (e.g. fibre-optic connectivity, 5G telecom) and the ongoing smart meter rollout are likely to continue supporting industry demand. (IBISWorld, *Electricians in the UK*, September 2020).
- ◆ In 2017-18 accidental fires caused by electrical supply and lighting totalled 413 (just under 9% of the total of 4,700). This compares with 3,466 accidental domestic fires caused by appliances in the home. There were around 23,400 Electricians in Scotland in 2017, and an approximate number of c22,000 electricians and electrical fitters in Scotland in 2018 (Scottish Government – Regulation of Electricians in Scotland: Research Rcccept, June 2019 – [tinyurl.com/y28swfwx](http://tinyurl.com/y28swfwx)).
- ◆ The national organisation for this industry is [The Electrical Contractors' Association of Scotland](#). Other associations include [Electrical Contractors' Association](#), [National Inspection Council for Electrical Installation Contracting](#), [UK Energy](#) and the [Health and Safety Executive](#).



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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 - Mechanical and Electrical Engineering - UK (November 2020):** Demand for electrical contracting from new construction has generally been buoyed by the strong performance of the construction market in recent years, though the uncertainties over Brexit were starting to make the trend sector specific, with office and factory demand being adversely impacted. 2020 has seen a downturn in demand across the market, but the magnitude of that decline has not been universal. Moreover, some of the demand decline is seen to be a very temporary situation, while other sectors are likely to see a long-term impact.
- ◆ **IBISWorld – Electricians in the UK (September 2020):** The residential market is estimated to account for 35.9% of industry revenue in 2020-21. Contractors operating in the residential market are susceptible to irregular demand patterns. This is mainly due to the rate at which homeowners adopt new technological developments or circuitry upgrades, coupled with a varied service spectrum commanded by consumers. These may range from simple household plug circuit repairs to complex integrated electrical appliance installations. Alongside the rapid advancement of technological developments, the rate at which households are adopting these new technologies (e.g. fibre optic connectivity) is also accelerating - homeowners' growing embrace of the Internet of Things (IoT) is exemplary of this. Next-generation communications technologies are becoming ubiquitous, benefiting electrical contracting firms employed to facilitate connections.

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

- ◆ Sparky Facts contains guidance and step-by-step information for becoming a sole trader electrician ([tinyurl.com/y4snmnhw](https://tinyurl.com/y4snmnhw))
- ◆ Electrical Review article, *Covid-19: How the electrical industry responded according to the ECA*, September 2020 ([tinyurl.com/14afztal](https://tinyurl.com/14afztal)) - *It is too early to tell the extent or how permanent any changes might be, but the pandemic has caused contractors to re-focus their minds on the guidance, policies and procedures they deploy for securing the safety of those for whom they are responsible. Equally, it has brought into sharp focus for many what contractual risks are not within their control and knowledge, such that they cannot accept the risk of these items.*
- ◆ Electrical Contractors' Association, *Coronavirus: information and guidance* ([tinyurl.com/yq64pkky](https://tinyurl.com/yq64pkky)) includes guidance and advice for returning to work, commercial issues, health & safety issues, technical issues and employment & skills issues.

**Disclaimer:** This report has been updated in February 2021 - we have included Post COVID-19 market material where available. Please note that this research may contain copyrighted material. Copyright belongs to the holders credited above and, as such, recipients of this research reproduce and repurpose this information at their own risk.



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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.

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**Updated by:** Fiona Elliot

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