



Market Report

A Snapshot of your Market Sector

Electrician

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

This market report was updated by Business Gateway in **February 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 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:

- ◆ After growing over the two years through 2019-20, industry revenue is forecast to have **decreased by 11.6% during 2020-21** as a result of the coronavirus pandemic and subsequent lockdown restrictions imposed by the government. Industry revenue is forecast to **grow at a compound annual rate of 0.5% over the five years through 2022-23**. Nonetheless, the easing of lockdown restriction over 2021-22 aided the industry's recovery. This trend is forecast to continue during 2022-23, with revenue forecast to **increase by 3.3% to reach £26.4 billion**. (IBISWorld - *Electricians in the UK*, May 2022)
- ◆ Industry revenue is anticipated to **rise at a compound annual rate of 2.1% over the five years through 2027-28 to reach £778.5 million**. Demand is anticipated to be supported by growth in residential and commercial building construction activity. Industrial production activity is also likely to trend upwards and boost demand. However, growth is expected to be subdued in the short term, owing to recessionary pressures caused by the coronavirus pandemic which have been compounded by the Russia-Ukraine conflict. (IBISWorld – *Electrical Equipment Repair and Maintenance*, October 2022)
- ◆ Repair, Maintenance, and Improvement (RMI) demand for electrical contracting **fell by almost 14% in 2020**, clearly reflecting the inclusion of property improvement activity, as well as the temporary social distancing restrictions. Activity in 2021 improved strongly and **registered 17% growth**, partly reflecting the opening of the economy and partly pent-up demand from H1 2020. The magnitude of the fluctuations clearly also reflects the improvement element included within the sector. 2022 has also proved buoyant, with **full-year growth expected to be a further 14%**. (Mintel – *Mechanical and Electrical Engineering – UK 2022*, November 2022)
- ◆ The national organisation for this industry is [SELECT – The Electrical Contractors' Association of Scotland](#). Other industry bodies include the [Electrical Contractors' Association](#), the [National Inspection Council For Electrical Installation Contracting](#), the [National Association for Professional Inspectors and Testers](#), and the [Contractors Health & Safety Assessment Scheme](#).

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 – *Electricians in the UK (May 2022)***: The marketplace for contracted electrical services has been shaken up by the pandemic, with concerns regarding the sustainability of cashflow and underlying demand becoming more pressing. Considered more lucrative compared with repair and maintenance work, in terms of value per contract, installations in new buildings are estimated to account for 23% of industry revenue in 2022-23. Demand for maintenance and repair work remains fairly resilient in the face of cyclical fluctuations in the wider construction sector. Clients often opt to repair existing electrical systems as opposed to upgrading or installing new networks, which tend to command significant investment. The trend of clients outsourcing maintenance and facilities management services on long-term contracts provides the industry with an opportunity to reduce revenue volatility.
- ◆ **Mintel – *Mechanical and Electrical Engineering – UK 2022 (November 2022)***: 2022 has generally continued to see a strong level of demand as pandemic-related restrictions have lifted, headed by a return to the buoyancy of the housing sector. There are also some notable exceptions: the offices sector has seen increasing evidence of structural change, and entertainment, which has been financially challenged by the prolonged imposed restrictions from the pandemic and subdued demand from the education sector, notably with a reduced expenditure in the universities sector. The largest individual market in the new construction sector continues to be housing, which has seen long-term growth in recent years, though this was disrupted in 2020 by the pandemic. The prospects for the sector remain strong, with the continued demand/supply imbalance in housing.

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

- ◆ The **Nomis *Occupations by Trade Report***, which is part of their Annual Population Survey, found that Scotland has around 34,900 individuals employed within the Electrical and Electronic Trades, **19,600 of whom are Electricians and Electrical Fitters** (<https://tinyurl.com/3ptmvxky>).
- ◆ **Electrical Safety First** have a range of professional resources offering guidance to electrical professionals. These include Best Practice guides, information on wiring regulations, safe installations, and more (tinyurl.com/csrdjvdc).
- ◆ **My World of Work** has a job profile for an Electrician which looks at required skills and qualifications, what it's like on the job and typical working conditions. It also has a 'job opportunities' search tool (tinyurl.com/4wpx8w57)

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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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