



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

This market report was updated by Business Gateway in January 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 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:

- ◆ Over the five years through 2023-24, industry revenue is forecast to increase at a compound annual rate of 2.3%, reaching £26.5 billion (IBISWorld, *Electricians in the UK*, June 2018).
- ◆ Demand for circuitry maintenance is somewhat countercyclical as consumers tend to repair existing electrical systems rather than investing in new ones during periods of economic downturn. Moreover, demand for repairs is deemed essential by homeowners and generally remains resilient regardless of consumer conditions. In the short term, electricians may shift their focus to maintenance work to support revenue as conditions remain uncertain (IBISWorld, *Electricians in the UK*, June 2018).
- ◆ In 2017, electrical contracting accounted for a reduced 52% of the total M&E (mechanical and electrical) market, with output estimated at £16.4 billion. The overall market declined in that year by 3%, continuing a trend of small annual declines in demand since 2014. However, trends in the separate sectors of new construction and R&M (repair and maintenance) have been inconsistent in the last few years, though both have generally matured (Intel, *Mechanical and Electrical Engineering*, September 2018).
- ◆ The fact that mobile apps are relatively easier to create than computer apps, as well as their considerable lower price has translated into a growing industry. Using an app to help with electrical work may have seemed unlikely a few years ago. However electrical professionals are now increasingly using Apps that deliver quick answers, manage and customise information consumption and hasten communication (Professional Electrician & Installer, *There's an app for that*, January 2019) (tinyurl.com/yabgluds).
- ◆ The national organisation for this industry is [Select](#), Scotland's Electrical Trade Association. Other industry bodies include [National Inspection Council for Electrical Installation Contracting \(NICEIC\)](#), [Electrical Contractors Association \(ECA\)](#).

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 (June 2018)***. The Electricians industry is heavily influenced by the performance of downstream construction markets, given that operators typically install electrical infrastructure or circuitry systems in buildings and facilities. In the early stages of the past five-year period, downstream construction industries returned to a degree of buoyancy following the prolonged downturn caused by post-financial crisis austerity. However, demand for electricians remained relatively flat until wider economic conditions became more robust.
- ◆ **Mintel – *Mechanical and Electrical Engineering (September 2018)***. Despite the relative buoyancy of overall construction in recent years, the electrical contracting sector has shown a level of maturity. There are price pressures on the sector as electrical installation tends to the latter stages of construction projects. The overall market is also influenced by the separate sectors of the new construction market served, and the wider construction trends in these sectors.

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

- ◆ **National Inspection Council for Electrical Installation Contracting (NICEIC) and Electrical Contractors' Association (ECA), 2021 Vision: *The Future of the Electrical Contracting Industry***, (tinyurl.com/y9u4mfha). The increasing use of SMART meters and systems, the energy management of appliances and the use of renewable energy will change the design of future buildings, and what is required from the electrical contractor. The need for the traditional electrician with the ability to install and maintain on site cabling and electrical equipment will never entirely go away. But the role will change. Upgrading of existing buildings will see the need for new skills relating to the installation of new technology such as solar panels, heat pumps and district heating systems. But there will also be the need to change existing systems to lower energy consumption and cost of operation.
- ◆ **Trade Skills 4 U, 2019 Trades Salary Survey: *Electrician Salary increases by 5%*, January 2019**, (tinyurl.com/yada9kkf). According to the Office of National Statistics the average salary for an electrician in the last year has risen by 5% to £32,315. This is the highest increase seen in the trades with plumbers following at 3.9%.
- ◆ Online trade magazines such as Electrical Times (tinyurl.com/y7e8yshm) and Electrical Contracting News (tinyurl.com/y79c4ee5) can be useful to stay up to date with the latest news in this industry.

Disclaimer: 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.



Connect with us

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**

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](#).

Last updated: January 2019

Updated by: Rebecca Trail

Connect with us

