



# Market Report

A Snapshot of your Market Sector

## Painting & Decorating

This pack has been designed to provide information on setting up a business in the **Painting and Decorating** 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 2024**. 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 Painting and Decorating 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:

- ◆ Spending on the home is estimated to have **declined by -1.7% in 2022**. The strains of the economic downturn are starting to be felt among consumers, as less expensive sectors like **decorating are leading purchasing (45%)**. Decorating offers consumers a more economical means of personalising these living spaces. Many sought to do smaller projects around their home, consumers were partaking in painting/decorating projects (58%), minor interior alterations (33%) or putting up window treatments (30%). Completing these smaller home projects enables consumers to personalise their spaces while they can control their spending. (Mintel, *Consumer Trends, Attitudes and Spending Habits for the Home - UK - 2023, 2023*).
- ◆ Revenue is forecast to contract at a compound annual rate of 0.9% over the five years through 2023-24, including 2.8% growth in the current year, to **£4.1 billion**. Painters' revenue tends to fluctuate in line with economic and investment trends. Economic uncertainty initially reduced confidence levels in businesses and consumers, triggering reduced spending and causing consumers to accelerate their uptake in DIY. However, supportive government policies aimed at the UK's housing market allowed painting contractors to expand revenue, limiting decline. (IBISWorld, *Painting in the UK, August 2023*).
- ◆ Residential building contractors are contingent on the propensity of property developers to invest in new ventures; movements in property prices; government schemes intended to boost the housing supply; and underlying sentiment in the housing market. Revenue expanded prior to the pandemic, with the support of government programmes and new funding to induce land development and housebuilding activity mitigating the effects of market uncertainties stemming from the Brexit vote. Revenue is forecast to decline at a compound annual rate of 2.9% to **£80.6 billion over the five years through 2023-24**. Revenue is forecast to increase at a compound annual rate of 2.2% to **reach £89.8 billion over the five years through 2028-29**. (IBIS World, *Residential Building Construction in the UK, November 2023*).
- ◆ The national organisation for this industry is [Painting and Decorating Association](#). Other industry bodies include the [Scottish Decorators Federation](#), the [Federation of Master Decorators-Scotland](#), and the [British Coatings Federation](#).

## 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).

- ◆ **IBISWorld, Painting in the UK, August 2023.** Economic headwinds slash painting demand. COVID-19 lockdowns and the cost-of-living crisis have driven homeowners to opt for DIY projects, removing a lot of potential revenue opportunities for painters. Government initiatives drive industry demand. The UK government's goal to bolster the UK's housing stock presents significant tender opportunities for painters, driving revenue growth. Painters face a potential labour shortage. The UK's new immigration policy limits access to migrant workers, which the construction sector has heavily relied on in the past – this has the potential to create hiring difficulties in the future.
- ◆ **IBIS World, Specialised Design Activities in the UK, August 2023.** The Specialised Design Activities industry's revenue is expected to contract at a compound annual rate of 1.8% to £7.9 billion over the five years through 2022-23, including forecast growth of 18.2% in 2022-23. The shift to online shopping has driven demand for graphic design. In addition, government stimulus schemes such as Help to Buy have encouraged housebuilding activity, benefitting demand for interior designers. However, economic uncertainty has hampered growth because clients have scaled back spending on advertising activities to preserve capital. Revenue is forecast to grow at a compound annual rate of 3.7% through 2027-28 to £9.4 billion.
- ◆ **Mintel, DIY Retailing, 2023.** Rising prices brought on from inflation had many reevaluating their spending habits, many needing a greater value proposition to encourage spending. We see the larger-scale projects that are costlier and lengthier experiencing a slight dip as a majority of people face stricter budgets brought on from the cost of living crisis. Some people have fared well amidst the cost of living crisis, and we see these consumers who are in healthier financial situations more likely to take on these bigger-ticket projects like internal electrical work (eg installing a lighting fitting) at 18% or changed an internal layout at 10%. These consumers are more established owning their homes for at least 3-5 years, making over £50,000 per year.

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

- ◆ **Startups** ([startups.co.uk](http://startups.co.uk)) – How to become a painter and decorator – useful advice on skills required, awareness of trade regulations, costs and potential earnings.
- ◆ **Professional Painter and Decorator Magazine** ([paintinganddecoratingnews.co.uk](http://paintinganddecoratingnews.co.uk)) – this provides industry news, product reviews and industry event information.
- ◆ **InsightDIY** ([insightdiy.co.uk](http://insightdiy.co.uk)) – offers daily news articles and insights on the DIY industry, including a section with economic data which is accessible through the *knowledge centre* dropdown.

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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 websites, 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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**Updated by: Victoria**

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