Market Report
A Snapshot of your Market Sector

Painting and 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 **October 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 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:

- **Household expenditure on maintenance and repair is expected to increase in 2019, albeit at a slow pace.** Economic uncertainty has weighed on both consumer confidence in the housing market and disposable income which, in turn, has limited demand for specialist painting services. Homeowners have opted to carry out DIY work as a cost-saving alternative to support their equity. The average industry profit margin is expected to be 18.3% in 2018-19. Over the five-year period through 2023-24, industry revenue is forecast to increase at a compound annual rate of 4.3% to reach £4.5 billion. ([IBIS World, Painting in the UK, October 2018](#)).

- **Painting and decorating products are the most commonly purchased type of product with a little over half of all home improvement shoppers buying in the past year.** 44% of consumers have made some kind of DIY or home improvement purchase online, compared to 70% who have made a purchase in-store. Latest figures show that more than one in three homeowners (36%) are over the age of 65, while 55% of homeowners are aged 55+. These homeowners are more likely to pay someone to do work for them providing a boost to the trade-focused businesses. ([Mintel, DIY Retailing UK, May 2019](#)).

- **Repair, renovation and remodelling work on existing residential properties is estimated to account for 29.3% of industry revenue in 2019-20.** Typically, household spend on repairs and renovation correlates with perceived homeowner equity level. Non-essential home improvement works have accounted for a declining share of industry revenue since the EU referendum and consequent uncertainty in the housing market. The ONS reported that the value of repair and maintenance work in the private housing sector declined by 6.2% in the first quarter of 2019. ([IBISWorld, Residential Building Construction in the UK, July 2019](#)).

- **It seems more consumers are opting to hire in tradespeople, rather than attempt DIY tasks themselves, and small format stores, geared for tradesmen, are faring far better than the big chain retailers.** ([Mintel Insight, No longer the DIY nation we once were? August 2019](#)).

- **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.

♦ IBISWorld - Residential Building Construction in the UK (July 2019). Painting contractors derive a significant proportion of their revenue from work in the non-residential building market, including new work and renovations to existing retail stores, offices, hospitals and schools, and ongoing maintenance and repair services for property managers and real estate developers. The industry is therefore sensitive to investment trends in non-residential building markets.

♦ CITB (Construction Industry Training Board) - Local Construction Skills Needs for Scotland (June 2018) - this report identifies a number of occupations for which there is high demand and risk of a skills shortfall in the future, including Painting and Decorating in most regions of Scotland. (tinyurl.com/y2qpwjvu).

♦ Mintel - Consumer Trends, Attitudes and Spending Habits for the Home – UK (January 2019). The number of households in the UK has been growing steadily and is projected to continue to grow in the five years between 2018 and 2023. This helps to create additional demand for spending on the home. Two thirds of respondents spent money on their homes in the last year. Owner-occupiers, especially those with a mortgage, are most engaged with spending on the fabric of their homes, including decorating and refitting bathrooms and kitchens. Those with a mortgage are the most active spenders, but they don’t do everything at once, leaving it two to five years for some of the larger room makeovers or home extension activities.

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

♦ InsightDIY (www.insightdiy.co.uk) – offers daily news articles and insights on the DIY industry, including a section with economic data.

♦ Professional Painter and Decorator Magazine (www.paintinganddecoratingnews.co.uk) – this provides industry news, product reviews and industry event information.

♦ Painter and decorator job profile: My World of Work (tinyurl.com/y58wuo8q) – includes reference to Scottish statistic of 11 515 painter/decorators currently employed in Scotland (LMI For All data, 2019)

♦ British Coatings Federation (www.coatings.org.uk) – industry statistics (tinyurl.com/yb9xr28z) for example, painters and decorators make up 43% of the coatings industry supply chain, with industry sales value in 2018 of £2.5billion.

♦ Startups (www.startups.co.uk) – How to become a painter and decorator – useful advice on skills required, awareness of trade regulations, costs and potential earnings. (tinyurl.com/y28hphkc)

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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
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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**Last updated:** October 2019

**Updated by:** Eleanor