



Market Report

A Snapshot of your Market Sector

Plumbing

This pack has been designed to provide information on setting up a business in the **Plumbing** 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 **March 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 Plumbing 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:

- ◆ Revenue is forecast to have climbed at a compound annual rate of **2.9% over the five years through 2023-24 to £22 billion**, while the industry's average profit margin is set to be 13.2%. Supportive government policies aimed at bolstering the UK's housing stock have driven revenue growth in line with expanding residential construction activity. However, revenue prospects in the commercial sector have suffered from economic uncertainty, which has weighed on spending and revenue (IBIS World, *Plumbing, Heating & Air Conditioning Installation in the UK*, October 2023).
- ◆ Hardware, plumbing and heating equipment wholesalers' revenue is sensitive to the construction sector's cyclical nature and movements in household disposable income. Profitability is influenced mostly by the cost of purchases, which depends on factors like the exchange rate, supply chain disruptions and trade frictions. Over the five years through 2023-24, revenue is expected to swell at a compound annual rate of **3.8% to reach £18.7 billion**. (IBISWorld, *Hardware, Plumbing & Heating Equipment Wholesaling in the UK*, December 2023).
- ◆ The plumbing products markets are largely mature, but new build will promote some growth. House moving activity will remain strong promoting an element of demand, while the heating sector will be an increased focus of attention with fuel prices expected to remain high. The market forecast for plumbing products is expected to reach **£5,387.9M in 2026**. (Intel, *Plumbing UK*, August 2022).
- ◆ Some 79% of consumers would be interested in **innovative products** in the bathroom market. This sentiment peaks among younger consumers aged 16-34 as 60% of this group is interested in bathroom innovations. Many are looking for ways to save money amidst the cost of living crisis and we find that **40% of consumers are interested in adding fixtures that save energy/water**. 55% of consumers are reducing their energy use at home due to price rises. 47% of consumers are very concerned about the cost of living crisis. (Intel, *Bathroom and Bathroom Accessories UK*, August 2023)
- ◆ The national organisation for this industry is [Scottish and Northern Ireland Plumbing Employers Federation](#) (SNIPEF).
- ◆ Other industry bodies include [Chartered Institute of Plumbing and Heating Engineering](#) (CIPHE), [Association of Plumbing and Heating Contractors Limited](#) (APHC) and the [National Association of Professional Inspectors and Testers](#) (NAPIT).



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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.

- ◆ **Technavio** - *Global Plumbing Fixtures and Fittings Market 2023-2027*. The global plumbing fixtures and fittings market was valued at **\$101.73 billion in 2022** and is estimated to grow to **\$142.7 billion in 2027**. This will create an incremental growth opportunity worth \$40.97 billion between 2022 and 2027, which translates to around 41% of the market size in 2022. In this low growth environment, vendors must be both aggressive and defensive while leveraging the growth opportunities available. With limited growth opportunities, gaining market share from competition will be an important lever to drive growth for market participants. The overall growth of the global plumbing fixtures and fittings market is built on consistent growth across all the years of the forecast period between 2022 and 2027. The year-on-year growth will vary between a narrow range of 6.65% and 7.28%. **UK** contributed 10.55% to the global plumbing fixtures and fittings market in 2022, and its contribution will increase to 11.02% in 2027.
- ◆ **Statista** – *Construction Costs in the UK*. Due to inflation, construction costs in the United Kingdom increased significantly in the past years.

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

- ◆ [My World of Work](#) states that there are 13,500 plumbers currently employed in Scotland, although due to COVID-19 there has been a constant fluctuation in numbers working in the industry. This website also offers guidance on training, qualifications and related industry opportunities.
- ◆ [WaterSafe.org.uk](#) offers a guide on How to Become a Plumber with downloadable fact sheets and links to training providers.

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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 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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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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