



# Market Report

A Snapshot of your Market Sector

## Zero Waste and Refill Shops

### 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 **Zero Waste and Refill Shops** 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 **April 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 Zero Waste and Refill Shops 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 and above the decline in usage of plastic bags when shopping, consumers are also engaging in other plastic-free shopping behaviours. **74% of all adults are buying products that don't have plastic packaging/any packaging all or some of the time**, while **61% are buying refills** for existing refillable product packaging all or some of the time. (Mintel, *Everyday Sustainability in the UK*, 2022).
- ◆ **Two thirds (68%) of people would be interested in using food refill stations in supermarkets**. The spotlight on food packaging waste is a factor driving this, interest rising to **73% of those who are concerned about food packaging waste ending up in the environment**, from 55% among those not holding such concerns. While the reported interest is high, several factors stand to curb the usage of food refill systems, the limited uptake of the currently available options like loose fruit and veg pointing to a say-do gap here. (Mintel, *Attitudes toward Food Packaging UK*, 2023).
- ◆ Buying of ethical food/drink is widespread; **85% of adults have bought food/drink with some form of ethical certification** in the six months to April 2021. Free range is the most widely bought ethical label at 67%. Several labels, including Fairtrade, Rainforest Alliance, RSPCA Assured and Carbon Neutral, show an increase in reported usage since 2019. This has stemmed mainly from increased retail distribution. (Mintel, *The Ethical Food Consumer UK*, 2021).
- ◆ A 2021 survey commissioned by City to Sea in partnership with Friends of the Earth found that 81% of UK citizens want the government to prioritise making refillable products easier to buy as its main strategy for reducing plastic pollution, according to a poll. Almost **75% of people would like to see more refill options available** and more than **60% of people who use a refill service said they felt it made them feel positive** and like they were making a difference (Mintel, *Food and Drink Packaging UK*, 2022)
- ◆ While value is dominating the agenda, those underlying shifts within the grocery sector remain important to many consumers. Sustainability initiatives remain critical, for example **25% of those surveyed said sustainable packaging options (eg non-plastic/refills etc) have become more important** in the past year. (Mintel, *Supermarkets UK*, 2022).
- ◆ The national organisation for this industry is [Zero Waste Scotland](#). Other industry bodies include [Food Standards Scotland](#), [Department for Environment Food Rural Affairs](#), [Ethical Consumer](#) and [FMI - Food Industry Association](#).



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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](mailto:info@bgateway.com).

- ◆ **Mintel – Food & Drink Packaging UK (2022).** A 2021 survey commissioned by City to Sea in partnership with Friends of the Earth found that the items UK citizens would most like to see refill options in supermarkets for were dried foods (46%), washing detergent/softener (45%), cleaning products (40%), shampoo and conditioner (40%) and water (34%).
- ◆ **Mintel – Ethical Retailing UK (2022).** In June 2022, M&S trialled refillable homecare products in its Stevenage and Bluewater stores. The trial allowed customers to buy refillable packaging for eight pre-filled, own-branded homecare products including cleaning sprays, laundry detergents, fabric conditioner and washing-up liquids. Customers have to pay a £2 deposit for each refillable and reusable bottle ranging from 500ml to 1 litre. All returned bottles will be cleaned and refilled to be sold again in-store
- ◆ **IBISWorld - Organic Food Retailing in the UK (January 2023).** Gen Z will enter the workforce and become a significant source of spending power in the coming years. Those born after 1995 are among the most active regarding social and environmental issues and are more mindful of healthy eating choices and value brand authenticity. The new generation is more than willing to support brands they perceive as honest, with the majority preferring organic and plant-based foods. To meet the younger generation's expectations, retailers should offer information about their food's nutritional content and the ability to trace food sources.
- ◆ **Mintel - Attitudes toward Food Packaging UK (2023).** The Refill Coalition multi-retailer group are planning to launch its refill trial in 2023, while Asda recently expanded the range of refill options at its trial stores. It also announced a 'refill price promise', guaranteeing that each refill product will be cheaper than its packaged alternative. This should chime as 78% of people think food refills bought loose should be cheaper than packaged items, including 83% of those interested in using food refill stations.

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

- ◆ **WRAP** (The Waste and Resources Action Programme) has a robust site with resources, reports and actions to take across sectors and initiatives such as sustainability, plastic packaging and recycling ([wrap.org.uk](http://wrap.org.uk)).
- ◆ **Zero Waste Europe** have produced the first ever European study on the state of play and the potential growth for the packaging free shops market ([tinyurl.com/y37ucctd](http://tinyurl.com/y37ucctd)).
- ◆ There are several directories to find zero waste and refill shops such as **Refill** ([refill.org.uk](http://refill.org.uk)), the **Zero Waste Directory** ([zerowaste.directory](http://zerowaste.directory)) and **The Zero Waster** ([thezerowaster.com](http://thezerowaster.com)).

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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 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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**Updated by: Carla Bennett**

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