



Market Report

A Snapshot of your Market Sector

Zero Waste and Refill Shops

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

This market report was updated by Business Gateway in **February 2021**. 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:

- ◆ Consumers clearly want to reduce the amount of food packaging they are buying, with **64%** of people reporting to have managed this in the last year. This is good news for the industry and suggests that investing in responsible packaging through packaging reductions will help products stay in people's baskets. **41%** of people have gone as far as to switch to brands with more sustainable food packaging, emphasising the potential return on investment for first movers of sustainable packaging. (Mintel, *Food Packaging Trends: Inc Impact of COVID-19*, April 2020).
- ◆ Amid pressure of environmentalist and ethical consumer groups, UK businesses have also taken measures to support their green credentials, with a higher proportion of corporations reporting emissions targets, waste management protocol, and so forth. Meanwhile, UK businesses of a certain size have a legal obligation to achieve certain environmental targets. For instance, the EU Packaging Directive stipulates that large-scale businesses which make or use packaging must ensure that a proportion of the packaging they place on the market is recovered or recycled. While also recognising the potential benefit of adopting robust corporate social responsibility practices, businesses have highlighted the importance of environmental preservation, raising further awareness among the British public in consequence. (IBISWorld, *Public concern over environmental issues, Environmental Profiles Report*, January 2021).
- ◆ Environmental concerns have led consumers to opt for more sustainable packaging options, increasing the appeal of refill products that can be poured into a used pack at home. However, refill options are still not that common, indicating that there is definitely an opportunity for brands to develop refill products further. Consumer usage of in-store refill stations is far lower than the usage of refill products to take home, due to the limited availability of in-store refill stations, and development of such stations will likely slow in the wake of COVID-19. Despite this, in-refill stations still have a future as they represent a long-term strategy to address environmental concerns (Mintel, *Household Care Packaging Trends, Inc. Impact of COVID-19*, July 2020).
- ◆ The national organisation for this industry is [Zero Waste Scotland](#). Other industry bodies include [Food Standards Agency](#), [Department for Environmental Food & Rural Affairs \(DEFRA\)](#), [The Ethical Consumer](#), and [FMI - The 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.

- ◆ **Mintel - Food Packaging Trends Inc. Impact of COVID-19 (April 2020).** Mintel's online focus group asked respondents how likely they would be to use re-usable containers when food and drink shopping if they could at their local supermarket. While many respondents were clearly interested in packaging-free aisles, many thought it would take a while to adjust, as seen after charges for carrier bags encouraged people to bring their own bags. There was also the feeling among some that discount incentives should be offered to encourage usage of re-usable containers.
- ◆ **Mintel - Toilet and Hard Surface Care (March 2020).** Interest towards zero-waste shops, where consumers can refill all kinds of food and non-food products and therefore avoid excess plastic packaging, is growing. Research tools that facilitate zero-waste shopping and locate the closest zero-waste store, such as Zero Waste Near Me, are also becoming popular in the UK. In parallel, household care brands and retailers are beginning to explore this alternative way of shopping. For instance, SC Johnson-owned brand Ecover launched the #REFILLUTION project, which invites its consumers to refill Ecover bottles of laundry detergent, dishwashing and household cleaner at refill stations located all across the UK.
- ◆ **IBISWorld - Supermarkets in the UK (February 2021).** Supermarkets are facing increasing external competition from specialist retailers that focus on supplying high-quality produce, made either organically or with a focus on sustainability. This trend is in line with the UK population's growing health and environmental awareness. Shoppers have been putting more value on trust, transparency and traceability when making their purchasing decisions.

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).
- ◆ **Zero Waste Scotland's** goal is 'to inform policy, and motivate individuals and businesses to embrace the environmental, economic, and social benefits of a circular economy.' They have a number of resources, projects and articles on the zero waste market in Scotland like *Independent Retailers Helping to Change the Way We Shop* (tinyurl.com/ya8oo3kr).
- ◆ **Ethical Consumerism in the Pandemic** (Co-op, 2020) provides information on average household spending on ethical products as well as the market size of various sectors. (tinyurl.com/yc76sgfw)
- ◆ There are several directories to find zero waste and refill shops such as **Refill** (refill.org.uk); the **Zero Waste Directory** (tinyurl.com/y7r4akvh); and **The Zero Waster** (tinyurl.com/y9osbub3).

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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 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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