



Market Report

A Snapshot of your Market Sector

Car Garage and Valet

This pack has been designed to provide information on setting up a business in the **Car Garage and Valet** 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 **April 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 Car Garage and Valet 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:

- ◆ Building on the recovery that was seen during 2023, growth is set to remain strong into 2024/25 before moderating from 2026 onwards as growth rates slow. While the used car market will continue to expand, assisted by an expanding car parc and stronger new car sales, it is set to see slower growth towards the end of the forecast period. With a greater slowdown in volumes, share of sales for the used sector are forecast to fall to 77.8% in 2028. (Mintel, *Car Review UK*, February 2024).
- ◆ Industry revenue is expected 5.9% fall in revenue during 2023-24. Industry revenue rebounded during 2021-22 in line with the reopening of the UK economy. However, the recovery is halted as significant inflationary pressures and further disruptions to supply chains owing to the ongoing cost-of-living crisis in the UK, which suppresses disposable incomes and discourages households from washing their car. (IBISWorld, *Car Wash & Motor Vehicle Detailing in the UK*, September 2023).
- ◆ As the market for electric and hybrid cars develops so demands for affordability are emerging. For those who have yet to purchase, upfront costs are currently a major barrier with around half (49%) raising this as a worry. Even for those that are already involved in this market, affordability is impacting on decision making with double (16% v 8%) those with incomes of >£75,000 pa likely to own a hybrid car compared with households with incomes of <£5,500 pa. (Mintel, *Electric and Hybrid Cars UK*, December 2023).
- ◆ Revenue for the Motor Vehicle Maintenance and Repair industry is forecast to drop at a compound annual rate of 1.3% over the five years through 2023-24 to £30.1 billion, including a forecast expansion of 1.1% in 2023-24. Garages provide private and commercial customers with essential and non-essential repair and maintenance services. The number of registered cars on UK roads is rising, enhancing the need for repairs. However, the car repair market has registered a mixed performance recently. (IBISWorld, *Motor Vehicle Maintenance & Repair in the UK*, December 2023).
- ◆ The market share of AFVs will likely expand because of government and consumer incentives such as the Plug-In Car Grant and the Electric Vehicle Homecare Scheme. An online presence will be an essential driving force for future sales. Dealers will continue to offer popular personal contract plans and click-and-collect services to stimulate car sales. (IBISWorld, *Used Car & Light Motor Vehicle Dealers in the UK*, October 2023).
- ◆ The national organisations for this industry are the [Retail Motor Industry Federation](#), [Garage Equipment Association](#), [Professional Valeters & Detailers Association](#) and the [Independent Garage 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 – Car Purchasing UK (March 2024).** Following on from the improvements in sales that were seen in the new car market during 2023, short- and medium-term prospects from 2024 onwards are set to see further growth for this sector. Despite the higher average price paid for a new car, a combination of stronger consumer confidence, improvements within the UK economy and moderation in inflationary pressures are all expected to encourage more buyers to return to this sector. Manufacturer interest in innovation will add an additional stimuli be it the shift towards B-EV or the growing presence of in-car innovations.
- ◆ **IBISWorld – Motor Vehicle Maintenance & Repair in the UK (December 2023).** Surging sales of used vehicles are raising the average age of UK cars, boosting the need for repairs. Fuel prices are anticipated to remain high, meaning fewer miles will be driven in the coming years as motorists try to cut running costs. Higher fuel prices and government policies to boost the uptake of electric cars will mean mechanics need to update their knowledge to make sure they know how to carry out repairs properly. Work on electric vehicles brings with it higher repair prices, enhancing profitability.
- ◆ **IBISWorld – Car Wash & Motor Vehicle Detailing in the UK (September 2023).** The continued increases in the number of registered vehicles and an ongoing fall in the average age of motor vehicles also support industry demand. However, as the shifting consumer preferences towards electric vehicles is happening, this may threaten hand car washes in growing environmental awareness of car owners.

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

- ◆ **Transport Scotland - [Scottish Transport Statistics 2023](#).** In 2022/23, about 31% of cars tested in the road vehicle testing scheme (MOT) were unsatisfactory, as were 12% of motor cycles. About 12% of cars tested had unsatisfactory suspension, 10% had unsatisfactory brakes and 10% had unsatisfactory lamps, reflectors and electrical equipment (a vehicle with more than one type of fault is counted against each of them). Six per cent of motorcycles tested had unsatisfactory lamps and reflectors, 3% had unsatisfactory brakes and 2.2% had unsatisfactory structure and attachments.

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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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