



INDUSTRY INSIGHTS

in Other Service
Activities





INDUSTRY INSIGHTS

in OTHER SERVICE ACTIVITIES

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1 MARKET DEFINITION

Scope of the Market

The Other Service Activities Industry includes all service activities not mentioned elsewhere in the classification.

(SIC Codes Support UK)

Activities of membership organisations

This division includes activities of organisations representing the interests of special groups or promoting ideas to the general public. These organisations usually have a constituency of members, but their activities may involve and benefit non-members as well.

The purpose determines the primary breakdown of this division that these organisations serve, namely interests of employers, self-employed individuals and the scientific community interests of employees or promotion of religious, political, cultural, educational or recreational ideas and activities.

(Office for National Statistics UK, 2009)

Activities of business, employers and professional membership organisations

This group includes the activities of units that promote the interests of the members of business and employer organisations.

In the case of professional membership organisations, it also includes the activities of promoting the professional interests of members of the profession.

Activities of business and employer membership organisations

- Activities of organisations whose members' interests centre on the development and prosperity of enterprises in a particular line of business or trade, including farming, or the economic growth and climate of a particular geographical area or political subdivision without regard for the line of business
- Activities of federations and activities of chambers of commerce, guilds and similar organisations dissemination of information, representation before government agencies, public relations and labour negotiations of business and employer organisations

This class excludes:

Activities of trade unions

(Office for National Statistics UK, 2009)

Activities of professional membership organisations

- Activities of organisations whose members' interests centre chiefly on a particular scholarly discipline or professional practice or technical field, such as medical associations, legal associations, accounting associations, engineering associations, architect associations etc.
- Activities of associations of specialists engaged in scientific, academic or cultural activities, such as associations of writers, painters, performers of various kinds, journalists etc.
- Dissemination of information, the establishment and supervision of standards of practice, representation before government agencies and public relations of professional organisations
- Activities of learned societies

This class excludes:

Education provided by these organisations

(Office for National Statistics UK, 2009)

Activities of other membership organisations

This group includes the activities of units (except business and employers organisations, professional organisations, trade unions) that promote their members' interests.

This class excludes:

- Charitable activities like fund-raising aimed at social work
- Activities of professional artistic groups or organisations
- Activities of sports clubs
- Activities of professional associations

(Office for National Statistics UK, 2009)

Repair of computers and communication equipment

This group includes the repair and maintenance of computers and peripheral equipment and communications equipment:

- Cordless telephones
- Cellular phones
- Carrier equipment modems
- Fax machines
- Communications transmission equipment (e.g. Routers, bridges, modems)
- Two-way radios
- Commercial tv and video cameras

Repair of computers and peripheral equipment

This class includes the repair of electronic equipment, such as computers and computing machinery and peripheral equipment:

- Desktop computers
- Laptop computers
- Magnetic disk drives, flash drives and other storage devices
- Optical disk drives
- Printers
- Monitors
- Keyboards
- Mice, joysticks, and trackball accessories internal and external computer modems
- Dedicated computer terminals
- Computer servers
- Scanners, including bar code scanners
- Smart card readers
- Virtual reality helmets
- Computer projectors

This class also includes the repair and maintenance of:

- Computer terminals like automatic teller machines (ATM's); point-of-sale (POS) terminals, not mechanically operated
- Handheld computers (PDA's)

This class excludes:

The repair and maintenance of carrier equipment modems

(Office for National Statistics UK, 2009)

Repair of personal and household goods

This group includes the repair and servicing of personal and household goods.

(Office for National Statistics UK, 2009)

Repair of consumer electronics

This class includes repair and maintenance of consumer electronics:

- Repair of consumer electronics: television, radio receivers video cassette recorders (VCR)CD players household-type video cameras

(Office for National Statistics UK, 2009)

Repair of household appliances and home and garden equipment

- Repair and servicing of household appliances: refrigerators, stoves, washing machines, clothes dryers, room air conditioners, etc.
- Repair and servicing of home and garden equipment: lawnmowers, edgers and trimmers, etc.

This class excludes:

- Repair of handheld power tools
- Repair of central air conditioning systems

(Office for National Statistics UK, 2009)

Repair of footwear and leather goods

This class includes repair and maintenance of footwear and leather goods:

- Repair of boots, shoes, luggage and the like
- Fitting of heels

(Office for National Statistics UK, 2009)

Repair of furniture and home furnishings

Reupholstering, refinishing, repairing and restoring of furniture and home furnishings including, office furniture.

(Office for National Statistics UK, 2009)

Repair of watches, clocks and jewellery

- Repair of watches, clocks and their parts such as watch cases and housings of all materials; movements, chronometers, etc.
- Repair of jewellery

This class excludes:

Industrial engraving of metals repair of time clocks, time/date stamps, time locks and similar time recording devices.

(Office for National Statistics UK, 2009)

Repair of other personal and household goods

- Repair of bicycles
- Repair and alteration of clothing
- Repair of sporting goods (except sporting guns) and camping equipment
- Repair of books
- Repair of musical instruments (except organs and historical musical instruments)
- Repair of toys and similar articles
- Repair of other personal and household goods
- Piano-tuning

This class excludes:

- Industrial engraving of metals
- Repair of handheld power tools
- Repair of sporting and recreational guns

(Office for National Statistics UK, 2009)

Washing and cleaning or dry cleaning of textile and fur products

- Laundering and dry cleaning, pressing etc., of all kinds of clothing (including fur) and textiles, provided by mechanical equipment, by hand or by self-service coin-operated machines, whether for the general public or industrial or commercial clients
- Laundry collection and delivery
- Carpet and rug shampooing and drapery and curtain cleaning
- Provision of linens, work uniforms and related items by laundries
- Diaper supply services

This class excludes:

- Renting of clothing other than work uniforms, even if cleaning of these goods is an integral part of the activity
- Repair and alteration of clothing etc.

(Office for National Statistics UK, 2009)

Hairdressing and other beauty treatments

- Hair washing, trimming and cutting, setting, dyeing, tinting, waving, straightening and similar activities for men and women
- Shaving and beard trimming
- Facial massage, manicure and pedicure, make-up etc.

This class excludes:

Manufacture of wigs

(Office for National Statistics UK, 2009)

Funerals and related activities

Burial and incineration of human or animal corpses and related activities:

- Preparing the dead for burial or cremation and embalming and morticians' services providing burial or cremation services
- Renting of equipped space in funeral parlours
- Renting or sale of graves
- Maintenance of graves and mausoleums

This class excludes:

- Religious funeral service activities
- Cemetery gardening

(Office for National Statistics UK, 2009)

Physical well-being activities

Activities of Turkish baths, sauna and steam baths, solariums, slimming salons, and massage salons etc.

This class excludes:

- Medical massage and therapy
- Activities of health, fitness and body-building clubs and facilities

Other personal service activities n.e.c.

- Astrological and spiritualists' activities
- Social activities such as escort services, dating services, services of marriage bureaux
- Pet care services such as boarding, grooming, sitting and training pets
- Genealogical organisations
- Activities of tattooing and piercing studios
- Shoe shiners, porters, valet car parkers etc.
- Concession operation of coin-operated personal service machines (photo booths, weighing machines, machines for checking blood pressure, coin-operated lockers etc.)

This class excludes:

- Veterinary activities
- Coin-operated washing machines
- Coin-operated gambling machines

(Office for National Statistics UK, 2009)

Activities of extraterritorial organisations and bodies

- Activities of international organisations such as the United Nations and the specialised agencies of the United Nations system, regional bodies etc.
- Activities of diplomatic and consular missions when being determined by the country of their location rather than by the country they represent

Examples:

the International Monetary Fund, the World Bank, the World Customs Organisation, the Organisation for Economic Co-operation and Development, the Organisation of Petroleum Exporting Countries, the European Communities, the European Free Trade Association etc.

(Office for National Statistics UK, 2009)

2 MARKET INSIGHTS PER SUBSECTOR

2.1 Computer & Computer Equipment Repair

Industry Definition

Companies in this industry repair and maintain computers and computer equipment, but not communication-related devices. Operators repair computers, computer peripherals, tablets, gaming consoles, and public machines such as ATMs and cash registers. However, the repair of smartphones, fax machines and commercial-use cameras is excluded.

Key Facts:



Market Size:
£3bn



Number of Businesses:
4,842



Industry Employment:
22,568



Average industry growth 2015–2020:
3.0%

Biggest companies in the UK:

- Apple (UK) Ltd
- Dixons Carphone plc

This industry has no major players with a market share of greater than 5%.

Current Market Scenario

An improving economy in 2015-16 caused demand for the industry's services to decline, as high confidence and disposable incomes meant consumers were more willing to pay for replacement products. However, disposable incomes declined following the EU referendum in 2016-17. This encouraged consumers to have their products repaired rather than purchasing replacements, which increased the demand for the industry's services during this period.

The coronavirus outbreak has encouraged consumers to limit their outgoings to avoid getting infected, which is expected to weigh on industry demand. As industry operators use products that are produced in China, this has weighed on the ability of operators to offer replacement products to consumers. The spread of coronavirus is expected to have somewhat weighed on the import availability of electronic components, affecting operators' global supply chains.

(Ibis World, 2020)

2.2 Hairdressing & Beauty Treatment

Industry Definition

This industry provides hairdressing and beauty services through hair and beauty salons and self-employed hair professionals and beauticians. Hairdressing services include hair washing, trimming and cutting, setting, dyeing, tinting, blow-drying, straightening and similar activities. Beauty services include make-up, skincare, waxing, facial massages, eyebrow and eyelash tinting, manicures and pedicures.

Key Facts:



Market Size:
£4bn



Number of Businesses:
47,440



Industry Employment:
156,172



Average industry growth 2015–2020:
1.5%

Biggest companies in the UK:

- Regis UK Ltd
- Rush Hair Ltd
- Mascolo Ltd

This industry has no major players with a market share of greater than 5%.

Current Market Scenario

Consumers are becoming more informed and willing to compare prices online, which has created pressure for operators to set lower prices, negatively affecting profit.

The closure of non-essential stores on the 23rd of March 2020 in line with government measures taken to tackle the spread of the coronavirus, including hairdressers and beauty salons, is expected to weigh on industry revenue in 2020-21. However, hairdressers may be allowed to open from the 4th of July 2020 if they can meet social distancing measures, aiding the recovery of the industry. According to the National Hair and Beauty Federation in May 2020, 77% of members say they already feel prepared to reopen.

Nevertheless, when industry establishments reopen, they will most likely have to operate at limited capacity to abide by social distancing rules, despite facing an expected surge in demand, limiting the speed of recovery. According to the BBC in May 2020, social distancing rules meant salons needed to limit the number of customers they serve. London salon group Blue Tit estimates that its shops were working at 50% their usual capacity.

(Ibis World, 2020)

2.3 Dry-Cleaning & Other Cleaning Services

Industry Definition

Firms in this industry launder and dry-clean all types of clothing and textiles for the general public, as well as commercial and industrial clients. Industry services include carpet and rug cleaning, self-service coin-operated laundry machines, provision of linen and laundry collection and delivery services. Clothing repair and alteration services, and the renting of clothing other than work uniforms are not covered.

Key Facts:



Market Size:

£2bn



Number of Businesses:

5,170



Industry Employment:

42,714



Average industry growth 2015–2020:

0.9%

Biggest companies in the UK:

- Elis UK Ltd
- Timpson Group plc
- Fishers Services Ltd

Current Market Scenario

The industry has faced challenging operating conditions over the past five years (2010-2015). Although consumer spending on cleaning and hiring of clothing grew strongly in 2014-15 as the economy was recovering from the 2008 recession, a slowing economic recovery constrained revenue growth in 2015-16. The economic uncertainty since the EU referendum has led to consumer confidence falling from 2016-17 onwards.

Industry Outlook 2020-2025

In the short term, the industry's revenue expansion is expected to continue being constrained by economic uncertainty surrounding the UK's terms of exit from the European Union. However, as economic conditions become certain and inflationary pressures wear off, consumer confidence levels are expected to improve while disposable incomes are expected to grow. This is likely to increase demand from the household market and benefit the performance of smaller enterprises that deal directly with customers.

(Ibis World, 2020)

2.4 Footwear & Leather Goods Repair

Industry Definition

Businesses in this industry repair footwear and other leather or leather-like goods, such as handbags and briefcases.

Key Facts:



Market Size:

£35m



Number of Businesses:

565



Industry Employment:

1,949



Average industry growth 2015–2020:

13.0%

Biggest company:

- Timpson Ltd

Current Market Scenario

Over the majority of the past five-year period, industry growth has been constrained by challenging operating conditions. Low-cost imported shoes with thermoplastic soles have led to consumers opting for replacements over repairs. Reduced weekly expenditure on footwear from the highest income quintiles of the population has negatively affected revenue over the period. However, weak consumer confidence since the EU referendum has supported demand from the lowest income quintile of the population, as low-income consumers are looking to reduce discretionary expenditure by repairing their shoes.

Following on the government-imposed closure of non-essential shops in March 2020, industry operators have been unable to operate, significantly weighing on revenue growth in the current year. However, demand for online shoe repair services is expected to spike in the current year as consumers try to repair their shoes without coming into contact with repairers.

Industry Outlook 2020-2025

In the long-term, rising levels of consumer confidence and disposable income are likely to increase demand for high-value specialist services, as more consumers are likely to purchase expensive footwear. However, in the short-term, disposable income and consumer confidence levels are expected to remain constrained due to an anticipated slow economic recovery from the UK's exit from the European Union and then coronavirus pandemic.

(Ibis World, 2020)

2.5 Furniture & Home Furnishings Repair

Industry Definition

Businesses in this industry repair a range of furniture and home furnishings, including office furniture. This can include reupholstering, refinishing and restoring.

Key Facts:



Market Size:

£179m



Number of Businesses:

800



Industry Employment:

2,863



Average industry growth 2015–2020:

0.3%

Biggest companies:

- ServiceMaster Ltd
- Ecomaster Industries Ltd
- Homeserve Furniture Repairs Ltd

This industry has no major players with a market share of greater than 5%.

Current Market Scenario

Strong economic conditions encourage consumers towards replacements over repair, thereby reducing industry demand. However, demand for high-value repairs, such as antiques, tends to improve in line with a growing economy. Economic uncertainty deriving from the UK's decision to leave the European Union is supporting revenue growth, as it has resulted in consumers repairing high-end furniture rather than replacing it, as it is often more cost-effective to have expensive furniture repaired.

The government has introduced the Coronavirus Business Interruption Loan Scheme to provide financial support to smaller businesses affected by coronavirus, and the Bounce Back Loan Scheme to enable smaller businesses to access finance more quickly during the coronavirus outbreak. The introduction of these schemes is expected to prevent some industry operators, from going out of business.

(Ibis World, 2020)

Industry Outlook 2020-2025

Demand is anticipated to continue, supported by constrained business and consumer confidence, which are the result of economic uncertainty associated with the UK's exit from the European Union, as consumers are expected to continue to prefer repairing furniture over replacing it. However, lockdown measures imposed on the 23rd of March 2020 are expected to restrict the ability of customers to get their furniture repaired, which is anticipated to weigh on revenue growth over 2020-21. Reduced demand during the lockdown is expected to weigh on industry profit, particularly as operators are expected to face mounting operational costs such as rent, wages and insurance.

On top of that, weak consumer confidence is likely to limit demand in the antique market, shrinking the potential market for high-value repairs and hampering revenue and profit growth.

(Ibis World, 2020)

2.6 Household Appliance & Garden Equipment Repair

Industry Definition

This industry specialises in repairing household appliances such as refrigerators, cookers, washing machines and toasters, and gardening equipment such as lawnmowers, leaf blowers, mulchers and hedge trimmers. This industry does not include the repair of handheld power tools or central air-conditioning systems.

Key Facts:



Market Size:
£174m



Number of Businesses:
977



Industry Employment:
4,077



Average industry growth 2014–2019:
-0.2%

Biggest Companies:

- British Gas Services Ltd
- Whirlpool UK Appliances Ltd
- Dixons Carphone plc

Current Market Scenario (2014-2019)

At the start of the five-year period (2009-2014), improving economic conditions encouraged consumers to replace products instead of pay to have them repaired. In response to this, small independent repairers lowered prices in an attempt to combat the low prices of appliances. This was particularly prominent in the market for small appliances, where items became so cheap that repairs were often not economical for consumers. Specialist appliances have supported the market for the repair of high-quality, expensive appliances, as it is less cost-effective to replace such items.

Industry outlook (2019-2024)

Industry revenue is anticipated to grow marginally over the period 2019-2024. Operators are likely to benefit from weak consumer confidence and constrained business capital expenditure, resulting in a trend for frugality over expenditure. The weak pound is also expected to continue affecting the industry, inflating the price of imported appliances while also increasing the cost of the components needed for repairs. The industry is expected to benefit from increasingly complex appliances and smart gadgets, which require specialist knowledge to repair. However, many of these appliances are sold with warranty agreements, for which manufacturers carry out repairs.

(Ibis World, 2019)

2.7 Funeral Activities

Industry Definition

This industry consists of businesses that manage the burial or cremation of humans, including the sale and maintenance of graves and mausoleums and the renting of equipped space in funeral parlours. This industry excludes religious funeral service activities and cemetery gardening activities.

Key Facts:



Market Size:
£3bn



Number of Businesses:
4,480



Industry Employment:
27,219



Average industry
growth 2015–2020:
7.7%

Biggest Companies:

- Dignity Plc
- Funeral Services Ltd
- Funeral Partners Ltd

Current Market Scenario

Due to the essential nature of industry services, demand is considered to be price inelastic. A rise in the price of industry services leads to a less than proportionate drop in industry demand. Demand for the industry's services is directly influenced by the number of deaths in the United Kingdom and real household disposable income levels. Over the five years from 2015 to 2020-21, industry revenue is expected to increase at a compound annual rate of 8% to reach £3.1 billion. In the current year, revenue is anticipated to grow by 9.8%.

The spread of the virus is expected to increase demand for funeral services from February 2020 onwards, as an unseasonably high number of people are dying daily. High levels of demand have created backlogs at crematoria. As a result, emergency mortuaries have emerged across the United Kingdom. In response to the virus, the UK government has issued regulation restricting mourner attendance and have sped up registration and verification processes.

Industry Outlook 2020-2025

Rising prices for traditional burials and growing environmental awareness are expected to lead to an increase in demand for natural and alternative burials. Demand for direct cremations that are simple and costly is also likely to increase as some consumers try to minimise the financial burden of a loved one dying. This is expected to boost industry innovation and increase the number of enterprises operating in the industry. **Ibis World (June 2020)** anticipates an increase in the number of deaths over the next five years as the population continues to expand.

(Ibis World, 2020)

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