



Market Report

A Snapshot of your Market Sector

Travel Agent

This pack has been designed to provide information on setting up a business in the **Travel Agent** 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 **July 2020**. 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 Travel Agent 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:

- ◆ The total value of overseas holidays taken by UK residents is expected to decline by 78% in 2020. The value of overseas package holidays is predicted to **decline by 81%**, whilst the value of overseas independently booked holidays is expected to **drop by 76%**. (Mintel, *Package vs Independent Holidays UK*, May 2020).
- ◆ The volume of domestic holidays taken by British residents is expected to have grown by 2.9% in 2019. The relatively low value of the Pound and the risk of a no-deal Brexit encouraged more consumers to substitute an overseas holiday for a staycation. However, growth in expenditure on domestic holidays stayed well behind (+0.2%) volume growth. (Mintel, *Holiday Review UK*, January 2020).
- ◆ The industry performed well over the first half of the past five-year period as people continued to prioritise holidays, despite consumer confidence dipping and the pound falling in value following the EU referendum in June 2016. However, the COVID-19 (coronavirus) outbreak and subsequent travel bans are expected to lead to falling revenue over the final two years of the period. Despite this, revenue is expected to rise at a compound annual rate of 0.9% over the five years through **2020-21** to reach **£33.1 billion**, with current-year revenue anticipated to fall by 4.1%. (IBISWorld, *Travel Agencies in the UK*, May 2020).
- ◆ Over the five years through 2024-25, IBISWorld expect industry revenue to increase at a compound annual rate of **5.8%** to reach **£2.5 billion**. The coronavirus outbreak is expected to continue to take its toll on industry operators in the short run as flight bans remain in place until late spring 2020 and consumers postpone making travel arrangements and booking holidays ahead of Easter and Summer 2020. Competition from traditional travel agents is expected to remain strong. However, this is anticipated to encourage industry operators to continue to adapt operating models and redouble marketing efforts to connect with customers. (IBISWorld, *Online Travel Agencies in the UK*, March 2020)
- ◆ The national organisation for this industry is the [Association of British Travel Agents](#). Other industry bodies include the [Scottish Passenger Agents Association](#), [Visit Scotland](#) and [Visit Britain](#).



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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.

Some other reports we can access that relate to the Travel Agent industry are:

- ◆ **Mintel – Special Interest Holidays UK – May 2020**
- ◆ **Mintel - Long-Haul vs Short-haul Holidays – September 2019**
- ◆ **Mintel – Short and City Breaks UK – July 2019**
- ◆ **Mintel – Domestic Tourism UK – October 2019**
- ◆ **Mintel – Group Holidays and Escorted Tours UK – May 2019**
- ◆ **IBISWorld – Global Travel Agency Services – March 2020**
- ◆ **IBISWorld – Corporate Travel Services in the UK – February 2020**
- ◆ **IBISWorld – Tour Operators in the UK – March 2020**

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

- ◆ **ABTA, Reports and Publications** (tinyurl.com). This is a collection of the latest reports and publications on travel and holiday trends from ABTA, the UK's largest travel association.
- ◆ **Travel Weekly** (tinyurl.com) is an online resource providing the latest news and developments in the travel industry. There is information available on a number of areas such as air travel, accommodation and finance.
- ◆ The Corporate section on the **Visit Scotland** (tinyurl.com) website has resources for supporting your business. They also have a range of research and insights which cover trends, regions, visitor figures, visitor interests and activities. The Travel Trade section provides information on suppliers, there is a tool kit and also the SCOTSagent online learning programme which is designed specifically for the travel trade.

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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 [Retaining and Grow Your Customer Base](#) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

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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