



Market Report

A Snapshot of your Market Sector

Holiday Homes

This pack has been designed to provide information on setting up a business in the advertising and marketing 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 2018. 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 Holiday Homes 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 number of domestic holidays taken in rental property increased by an estimated **3% to reach 7 million trips during 2016**, ahead of the overall domestic tourism market. Expenditure is estimated to have increased slightly faster by **4.5%**, taking the value of domestic rental holidays to almost **£3 billion**. Mintel expects a further slight **increase of around 2%** in the number of domestic holiday property rentals during 2017. (Mintel, *Holiday Rental Property*, June 2017).
- ◆ Domestic overnight tourism **fell by 2.1%** in 2016. This took the number of trips from **57.1 million in 2015 to 55.9 million in 2016**. Meanwhile, expenditure fell by 4%, from £13.9 billion in 2015 to £13.3 billion in 2016. This contraction was down to a reduction in trips to Wales and Scotland. **In Scotland, domestic overnight stays fell by 9% in 2016, from 6.5 million to 5.9 million. Expenditure fell by 15.4%, from £2 billion to £1.7 billion** in the same period. (Mintel, *Domestic Tourism*, October 2017)
- ◆ Online travel agents are likely to continue strengthening their grip on the industry. However, competition from the sharing economy, facilitated by such sites as Airbnb, could face a regulatory backlash in the future as a result of concerns over the availability of affordable housing. Over the **five years through 2022-23**, industry revenue is expected to expand at a compound **annual rate of 1.9% to reach £2.7 billion**. (IBISWorld, *Holiday Accommodation in the UK*, November 2017)
- ◆ The total UK tourism spend on accommodation services for visitors is £8.4 billion. Overall **trips taken in Scotland was down 4%** in 2014 - 2015, however **expenditure was up 14.21%** for the same period. Total value of tourism in Scotland in 2014 was £8.9m (The Tourism Alliance, *UK Tourism Statistics*, 2017) (tinyurl.com/y85hwt62)
- ◆ **Visit Scotland, Scottish Accommodation Occupancy Survey: Annual Report 2016** (tinyurl.com/y8p38zod). This survey is the most up to date and detailed source of monitoring the performance of the tourist industry in Scotland, and provides key themes and data on the five main accommodation sectors, namely hostels, guest houses and B&Bs, caravan and camping parks, self-catering accommodation and hostels.
- ◆ The national organisation for this industry is the [Association of Scotland's Self-Caterers](#). Other associations include the [British Holiday & Home Parks Association](#)



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Where can I find more information on my market?

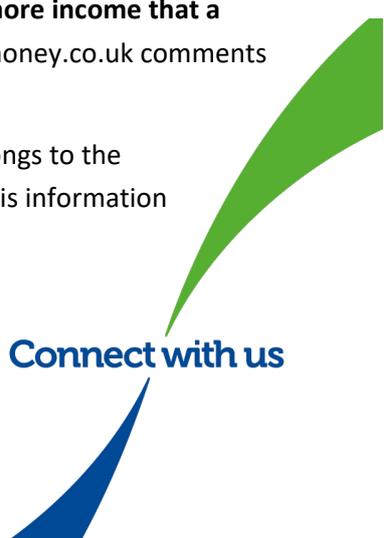
The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Mintel - *Holiday Rental Property (June 2017)***. The most important consumer influence on choice of holiday rental property is being able to view photos/videos of the property before booking. Travel brands should make full use of the evolving technology now being used by estate agents, including 360-degree video, drone cameras and virtual reality (VR) to enable travellers to take online tours of properties.
- ◆ **IBISWorld – *Holiday Accommodation in the UK (November 2017)***. At present, the United Kingdom is expected to formally leave the European Union in early 2019. From this date it is possible that the UK would lose the advantage of freedom of movement with EU countries, which would limit the flow of European tourists to the UK. According to figures published by Visit Britain, visitors from the EU accounted for 66% of tourism in 2016- 17. If border controls are tightened, this could seriously impact the number of European tourists travelling to the United Kingdom. Yet equally, many British tourists may also be discouraged from holidaying in Europe and instead travel domestically, which may make up for the loss of European visitors.
- ◆ **Mintel – *Domestic Tourism (October 2017)***. Mintel’s research finds that 51% of the UK population have been on a holiday in the 12 months ending August 2017. Short and long holidays are split almost evenly in the domestic market. 48% of domestic holidaymakers’ last holiday was one to three nights in length, while 45% took a break of four to seven nights. A further 6% took a break of eight or more nights.

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

- ◆ **Visit Britain, Statistics & Insights** (tinyurl.com/zew4zs3) Explore the latest quarterly data for the UK overall and by area as well as trends in inbound visitors using interactive graphs and charts. Discover more about specific sectors as well as the current conditions impacting on tourism and Britain's competitive position
- ◆ **UK Tourism Statistics 2017** (tinyurl.com/y85hwt62). This report is published by the Tourism Alliance and includes volume and value of the UK tourism industry, average spend and length of stay, using statistics from the Office of National Statistics.
- ◆ **Visit Scotland, Research and Statistics** (<https://tinyurl.com/cvj9n5n>) provides information and analysis on Scotland's visitors, markets and tourism industry, drawn from VisitScotland's extensive research activities.
- ◆ **Wish you were here? How the perfect holiday home could earn you three times more income than a buy-to-let, November 2015** (tinyurl.com/zqpgznn). This article published by Thisismoney.co.uk comments on the top performing holiday home features

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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](#) (tinyurl.com/c2fw4o4) 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 Account](#)" 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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Updated by: Fiona Elliot

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