Ancestral Tourism
This pack has been designed to provide information on setting up a business in the Ancestral Tourism 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 2020, during the Covid-19 Global Pandemic, therefore some information may refer to the state of the industry prior to the global lockdown. 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 Ancestral Tourism 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:

♦ VisitBritain’s central scenario for inbound tourism to the UK in 2020, as of mid-April, is for a decline of 54% in visits to 17.8m and 55% in spend to £11.6bn. This would represent a loss vs the pre-COVID forecast of 21.9m visits and £15.1bn spend. They have also forecast a central scenario of £69.5bn in domestic tourism spend in Britain in 2020, down 24% on 2019 when spending by domestic tourists in Britain was £91.6bn. This comprises £16.7bn from overnight tourism (down 32% on the £24.7bn seen in 2019) and £52.8bn from day trips (down 21% compared to £67.0bn) (VisitBritain, 2020 Tourism Forecast, April 2020).

♦ 60% of businesses surveyed in March reported that they had experienced an increase in cancellations with the biggest impacts being recorded amongst the Hotel, B&Bs and Guesthouses with 72% reporting negatively. (VisitScotland, Market Intelligence Update, April 2020)

♦ In the current year, revenue is expected to decline by 5.8% to £10.8 billion as consumers hold off on committing to travel following the outbreak of COVID-19 (coronavirus) at the end of 2019. Over the next five years, operators are expected to face the challenge of adjusting services and capacity to suit changing preferences (IBISWorld, Tour Operators in the UK, March 2020).

♦ The domestic holiday market is expected to perform well in 2019. The volume of domestic holidays taken by British residents is expected to grow by 2.5%. Demand for staycations will grow at a modest pace in the period 2020-2024 with volume growing by 0-2% and value growing by 1-2% per annum. (Mintel, Domestic Tourism – UK, October 2019)

♦ The total number of visits to UK attractions is estimated to reach 340 million in 2019, an increase of 3.7% on the previous year. Britons’ interests in history is highlighted by the repeated position of museums (39%), gardens (38%) and historic buildings (37%) as the most visited attractions, with all three showing a four percentage point increase in attendance in 2019 compared to the previous year. (Mintel, Visitor Attractions – UK, October 2019).

♦ The national organisation for this industry is Visit Scotland. Other industry bodies include Association of Genealogists and Researchers in Archives, Association of Independent Tour Operators, Scottish Tourism Alliance and Scottish Centre for Diaspora Studies.
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 – Domestic Tourism, UK – October 2019.** The number of Brits taking a holiday in the UK increased in the period mid-2016 to mid-2019 and this trend is forecast to continue amid Brexit uncertainties and the relatively low value of the pound.

♦ **Mintel – Visitor Attractions, UK – October 2019.** The market is fuelled by continuing ‘staycation’ habits, the draw of creative attractions and sector-wide investment in technology. Three in five (60%) visitors attended an attraction as part of a staycation in the past 12 months, indicating the immense importance of domestic holidays to the attractions sector. Consumers are cost-conscious, with the price of admission among the top three decision-making factors for 57% of visitors. 42% of visitors are motivated by learning about an attraction’s history – 72% of UK adults think that British history and culture makes visiting UK destinations more appealing.

♦ **IBISWorld – Tour Operators in the UK – March 2020.** In the current year, demand for overseas trips, especially to Europe, China, and other areas that are likely to have been heavily affected by the coronavirus, is expected to be much lower as people try to limit their risk of catching the virus by either travelling to unaffected areas or choosing to holiday domestically. Customers aged 34 and under make up a disproportionately large share of total customer numbers in the industry, though on average they tend to spend less on tours than older members of society do, resulting in this segment accounting for 30.1% of industry revenue.

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

♦ **VisitScotland** - has an ancestral tourism toolkit with useful links for marketing and business planning, and a list of support services across Scotland (tinyurl.com/yxyvgo4b). Visit Scotland also has COVID-19 support and information guidance and advice for the tourism industry (tinyurl.com/y88zaxos).

♦ **VisitBritain** – the initial forecast for 2020, released in December 2019, was for the UK to grow by 2.9% to 39.7 million and for spending by inbound visitors to grow by 6.6% to £26.6 billion. This forecast was updated in April 2020 to reflect the impact of the COVID-19 pandemic on the tourism sector in Britain (tinyurl.com/y66k3a3h).

♦ **The Scottish Government** report ‘Tourism in Scotland: The Economic Contribution of the Sector’ (April 2018) contains infographics and collated statistics from a number of authoritative sources such as the Office for National Statistics (ONS) and Visit Scotland to present an overview of the tourism industry and the demographics of tourists visiting Scotland (tinyurl.com/y4wbjrz).

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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
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 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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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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