



# Market Report

A Snapshot of your Market Sector

## Courier

### Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

This pack has been designed to provide information on setting up a business in the **Courier** 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](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **July 2022**. 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 Courier 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:

- ◆ Mintel estimates the courier and express delivery market value to **rise to £15.3 billion during 2021/22**. The 9% rise will build on the significant 33% rise seen over 2020/21 that resulted from the business and consumer response to the COVID-19 pandemic. **Between 2022 and 2026**, Mintel forecasts the market to **rise by a cumulative 21% to £18.5 billion**. In 2020/21, **all product types recorded significant growth** in revenue but **domestic parcels** accounted for the majority of growth, with **revenue rising by 42% from £6.6 billion to £9.4 billion**. Meanwhile, international **inbound revenue rose by 25%**, and international **outbound revenue by 14%**. (Mintel, *Courier and Express Delivery - UK*, May 2022).
- ◆ Over the five years through 2021-22, postal and courier industry revenue is expected to increase at a compound annual rate of **3.8%**, **including revenue growth of 2.6% in the current year, to reach £27.7 billion**. **Parcel delivery** has become the industry's most popular single service over the past five years, with domestic parcel delivery forecast to account for **48.2% of industry revenue in 2021-22**. (IBISWorld, *Postal & Courier Activities in the UK*, February 2022).
- ◆ The revenue of the "Postal & Courier Services" industry is expected to **increase by 3.2% p.a. from 2020 to 2025**. The number of **enterprises** in this industry **increased by 13.48% annually from 2012 to 2021**. The number of enterprise deaths was smaller than the number of enterprise births in 2020. Number of employees decreased by 15.1% from 2013 to 2020. Working hours in the industry are above the private sector level in 2021. **In 2021 the United Kingdom had the 3rd highest growth rate in the Postal & Courier Services industry** (Statista, *Postal & Courier Services in the UK*, May 2022).
- ◆ People are generally happy with postal services in the UK. **Eighty-six per cent of UK adults** said that they are either **fairly satisfied** or very satisfied with the overall service and **75% with value for money**. But people are receiving fewer letters than they used to - 37% report having received fewer personal letters than they did two years ago, and 38% receiving fewer bills, invoices and statements. (Ofcom, *Communications Market Report*, July 2021) ([tinyurl.com/3kkjh4xa](https://tinyurl.com/3kkjh4xa)).
- ◆ The national organisation for this industry is [The National Courier & Despatch Association](#). Other industry bodies include the [Freight Transport Association](#), the [European Express Association](#) and the [British International Freight Association](#).

## Where can I find more information on my market?

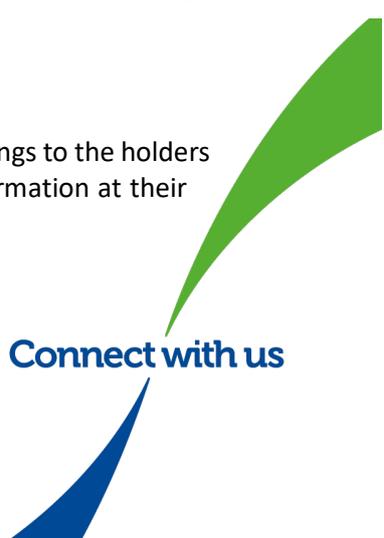
The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email [info@bgateway.com](mailto:info@bgateway.com).

- ◆ **Mintel - Courier and Express Delivery - UK** (May 2022). Consumers are around four times more likely to have received their last order via next-day delivery than to have got it on the same day, and around five times more likely to say their delivery took more than one day to arrive. Same-day services have yet to hit the mainstream, largely due to a lack of necessary infrastructure and the high cost of such services. However, use of same-day delivery rises to 19% of city-dwellers, 17% of Londoners specifically, and 25% of those with household incomes of £75,000 or more. Remote workers are also more likely to use rapid delivery services.
- ◆ **IBISWorld – Postal & Courier Activities in the UK** (February 2022). The largest distribution of establishments in Scotland is concentrated in North Lanarkshire. This location accounts for 10.5% of the establishments in the region. Scotland has a relatively a large number of districts when compared with other regions. Moreover, this large number of districts has fairly even distribution of businesses. Despite this, North Lanarkshire accounts for a significant enough share of the establishment distribution to maintain sway over industry trends in the region. While this location has influence over the region, the broad distribution across the region suggests that businesses can effectively establish themselves throughout Scotland.
- ◆ **Mintel - Online Retailing: Delivery, Collection and Returns - UK** (November 2021). Delivery remains the dominant way of receiving purchases made online, with 94% of online shoppers having products delivered to their homes in the last year. The most popular method of return is through the post or a courier; 24% used this method in 2021. In-store collections were carried out by 21%; we expect this number to continue to grow as shoppers return to the high streets.

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

- ◆ **Start Ups UK - How to start a courier company, February 2022** ([tinyurl.com/ycy9v2fy](https://tinyurl.com/ycy9v2fy)) – useful guidance and tips for starting a courier business or becoming a self-employed courier.
- ◆ **Courier News** – ([www.couriernews.co.uk](http://www.couriernews.co.uk)) online industry magazine with daily news updates and market trend features.
- ◆ **Post & Parcel** – an industry website containing comprehensive current surveys and research for purchase, as well as a free online magazine featuring post and parcel insights ([tinyurl.com/wx68xkar](https://tinyurl.com/wx68xkar))
- ◆ **Delivery Law UK** - information for consumers, businesses and practitioners on their rights and obligations in relation to parcel delivery. ([www.deliverylaw.uk](http://www.deliverylaw.uk))

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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](mailto: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](mailto: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 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.

**Last updated: July 2022**

**Updated by: Carla Bennett**

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