



# Market Report

A Snapshot of your Market Sector

## Courier

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 **November 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 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:

- ◆ The courier and express delivery market grew by **9.6% in 2019** to £11 billion, driven by stable consumer confidence and spending, in addition to the first extension of the Brexit deadline from April 2019 to 31 October 2019, before it was undertaken in January 2020 which brought a period of reprieve for businesses. (Mintel, *Courier and Express Delivery: Inc Impact of COVID-19*, April 2020).
- ◆ Over the five years through 2024-25, industry revenue to increase at a compound annual rate of **6.2%** to **reach £15 billion**. An economic slowdown following the outbreak of COVID-19 (coronavirus) and the closure of all non-essential establishments is likely to limit demand from both the retail and professional services sectors at the start of the next five-year period. External competition from electronic communication, cloud computing and the establishment of in-house transport and logistic arms is also anticipated to weigh on revenue. (IBISWorld, *Courier Activities in the UK*, March 2020).
- ◆ The surge in online shopping will result in a sudden boost in demand for courier and express delivery services in 2020. As highlighted by Mintel's COVID-19 Consumer Tracker, 36% of respondents said they had done more online shopping since the start of the outbreak as of 23rd April 2020. The ONS also reported a **16.8%** jump in online sales from predominantly non-food stores in March 2020. As the market's key supply chain receives additional demand, couriers too will benefit. The value of the courier and express delivery sector is expected to record annual growth of **17.5%** in 2020, compared to a rise of **10.5%** forecast prior to the crisis. (Mintel, *Courier and Express Delivery: Inc Impact of COVID-19*, April 2020).
- ◆ Almost six in ten people (58%) strongly agree that they value the option to be able to use the postal service (Royal Mail). However, one-third of people say that they only use post to send greetings cards. Just over eight in ten people (84%) send letters or parcels through the post, although the proportion of younger people who send post is lower, at 70%. (Ofcom, *Communications Market Report*, September 2020) ([tinyurl.com/y2x76hen](https://tinyurl.com/y2x76hen))
- ◆ 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: Inc Impact of COVID-19** (April 2020). Next-day delivery remained the most popular speed of delivery, accounting for 59% of all measured parcels by volume and 65% of all revenues in 2018-19. The higher revenue reflects the higher prices charged for next-day delivery compared to later than next day which is increasingly included as standard, or after spending a specified minimum online.
- ◆ **IBISWorld - Courier Activities in the UK** (March 2020). The industry has increasingly shifted towards parcel delivery. In particular, strong growth in e-commerce has increased demand for courier services, helping to boost industry revenue. According to the Office for National Statistics' Retail Sales Index time series, internet sales have increased as a percentage of total retail sales, from 12.8% in January 2015 to 19.9% in January 2020. The boom in e-commerce activity and corresponding demand for packet and parcel services has been driven by rising household internet access, growing smartphone ownership and growth in the number of mobile apps. An increasing number of online retailers have entered the market, and a rising number of bricks-and-mortar retailers have increasingly used multichannel offerings such as click-and-collect services, which has enabled retailers to maximise retail potential and helped to buoy demand for business-to-business (B2B) services from industry operators.

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

- ◆ **Start Ups UK - How to start a courier company** ([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 ([postandparcel](http://postandparcel.com)).
- ◆ **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))

**Disclaimer:** This report has been updated in November 2020 - we have included Post COVID-19 market material where available. Please note that this research may contain copyrighted material. Copyright belongs to the holders credited above and, as such, recipients of this research reproduce and repurpose this information at their own risk.

## 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.

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**Updated by: Aleksandra**

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