



Market Report

A Snapshot of your Market Sector

Travel Agent

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 **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 **May 2023**. 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:

- ◆ COVID-19 decimated the industry, with travel bans slashing revenue in 2020-21. The easing of lockdown and travel restrictions in 2021-22 started the industry's recovery, with people keen to get out of the house and holiday again, and revenue is set to bounce back further in **2022-23**, by a forecast **68.6%** with the **market worth £28.5 billion**. Over the five years through **2027-28**, industry revenue is slated to grow at a compound annual rate of **4.1%** to reach **£34.9 billion**. (IBISWorld, *Travel Agencies in the UK*, March 2023).
- ◆ This year has seen a trend towards **trading-up**, for example staying in hotels with higher star ratings, indicating that travel spending has so far remained resilient, despite the much-publicised cost of living crisis. The final piece of the jigsaw for the UK bookings industry will be to develop travel products catering for UK consumers' **increased interest in sustainability** (Euromonitor, *Travel in the UK*, Oct 2022).
- ◆ **46%** of overseas travellers plan to take a **beach holiday** abroad in the year following October 2022, making it the leading holiday type based on holidaying intentions. Holiday types which faced more disruption during COVID now have relatively **high growth potential** and thus still have the opportunity to benefit from pent-up demand (Mintel, *Holiday Review UK*, March 2023).
- ◆ The UK is also expected to see polarisation in terms of **disposable income by age group**. Travellers aged **over 50** will have built up savings and investments and feel more confident spending money on premium travel. With a greater proportion of potential travel revenues being sourced from an older demographic, the travel industry will need to develop products tailored to tap into the "**Grey Pound**". (Euromonitor, *Travel in the UK*, Oct 2022).
- ◆ **66% of 18-24 year olds** are more likely to book with a travel professional now than before the pandemic, with 34% saying they have a **better holiday** when they book through them. More travel agencies are **catering to niche markets by offering specific products**, like religious pilgrimages, trips for over 60s and hen or stag dos. More scams are occurring to exploit travellers, which will support bookings through **reputable travel agencies** that take responsibility for disruption. (IBISWorld, *Travel Agencies in the UK*, March 2023).
- ◆ The national organisation for this industry is the [Association of British Travel Agents](#) (ABTA). Other industry bodies include the [Scottish Passenger Agents Association](#) (SPAA), and [Visit Scotland](#).



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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 – Sustainability in Travel, UK (April 2023)**
- ◆ **Mintel – Luxury Travel, UK (December 2022)**
- ◆ **Mintel – Touring and Adventure Holidays, UK (February 2023)**
- ◆ **Mintel – Holiday Planning and Booking Process, UK (September 2022)**
- ◆ **IBISWorld – Online Travel Agencies in the UK (January 2023)**
- ◆ **IBISWorld – Travel Agencies in the UK (March 2023)**
- ◆ **Euromonitor – Travel in the United Kingdom (October 2022)**

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

- ◆ **ABTA – Reports and Publications** (tinyurl.com/yckptd55). Latest research on travel and holiday trends from the Association of British Travel Agents, including *Travel in 2023* which outlines the trends expected to shape people's holiday habits over the year.
- ◆ **Office for National Statistics – Overseas Travel and Tourism Statistics** (tinyurl.com/bdhcc9p4). Statistics on visits to the UK by overseas residents, visits abroad by UK residents, and spending estimates. The latest figures show that UK residents' visits overseas fell from 4.4 million in November 2022 to 4.0 million in December 2022. Spending by overseas residents visiting the UK rose from £2.1 billion in November 2022 to £2.4 billion in December 2022, although the total number of visitors fell during this period.
- ◆ **Visit Scotland – Travel Trade** (tinyurl.com/msrya6tj). Visit Scotland has a range of resources to support Travel Trade industry representatives, including a supplier trade contacts database, multimedia toolkits and itineraries, and the SCOTSagent online learning programme. Their Research & Insights on visitor interests and activities, regions, and trends may also be of interest (tinyurl.com/4mmcz48r).

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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 [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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