



Market Report

A Snapshot of your Market Sector

Unmanned Aerial Vehicles (UAV)

This pack has been designed to provide information on setting up a business in the **Unmanned Aerial Vehicles** 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 **March 2021**. 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 Unmanned Aerial Vehicle 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's Effect on the Commercial UAS Market: There will be many companies that simply cannot remain in business because there will be a decreasing demand for drones and services. The decrease will not be because the utility of drones is not recognized, but because business will not be able to afford such services. (Frost & Sullivan, *Global Commercial UAS Market Outlook*, 2020)
- ◆ A new set of rules for the EU were adopted in 2019 and go into effect formally on 1 June 2020. The new rules include technical as well as operational requirements for drones, and these will replace individual nation rules. Commercial drones over 250g will still need to be registered with national authorities. (Frost & Sullivan, *Global Commercial UAS Market Outlook*, 2020)
- ◆ Last mile drone delivery will not become the growth market hype would suggest. There simply will not be enough demand for vanity items to drive investment in the infrastructure required. Middle mile and delivery of medical supplies and medicines will drive drone delivery demand. A recent Hawthorn Group survey found that **49% of respondents** considered **home drone deliveries too dangerous**. (Frost & Sullivan, *Global Commercial UAS Market Outlook*, 2020)
- ◆ The commercial UAS platform market is growing at a steady rate and is predicted to level off as market hype wears off and the actual business of using drones to achieve a combination of cost efficiencies, time savings, and increases in safety takes hold. While the total market for drone platforms is forecast to level off, APAC will see more significant growth due to the lifting of commercial drone bans and an increasing demand for applications where drones can replace more expensive technologies. (Frost & Sullivan, *2019 Global Commercial UAS Market Outlook*, April 2019).
- ◆ **By 2030**, the increasing use of drones could result in a **£42bn increase in UK GDP**, £16bn in net cost savings to the UK economy, and **628,000 jobs in the drone economy**. The level of costs savings and GDP uplifts will vary across industries, with key beneficiaries being the construction and manufacturing industries; the technology, media and telecoms sector; financial services; transport and logistics; as well as public sector services (including defence, health and education). (PWC, *Skies Without Limits*, 2018).
- ◆ Industry bodies include the [Association of Remotely Piloted Aircraft Systems UK](http://www.arpas.co.uk) (ARPAS-UK) (www.arpas.co.uk), the [Royal Aeronautical Society](http://www.aerosociety.com) (www.aerosociety.com) and the [British Association of Remote Sensing Companies](http://www.basrc.org.uk) (BARSC) (www.basrc.org.uk).



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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.

- ◆ **Frost & Sullivan - *Drones in the Global Power and Utilities Industry, Forecast to 2030 (February 2020)*.** Many utilities have started developing in-house drone teams which certify pilots, technicians and data analysts rather than relying on DSPs. By doing so, they are able to increase their return on investment (ROI). In some cases, DSPs partner with utilities to build drones and associated platforms, train the utilities' personnel and finally transfer drone operations to the utilities' in-house team and act as external consultants (BET model). As the penetration of drones in the power & utilities industry increases, DSPs have started leveraging AI and Big Data to develop specialized platforms for analysing drone data.
- ◆ **Mintel - *Attitudes Towards Home Delivery and Takeaway, UK (March 2020)*.** 35% of takeaway diners would be happy to receive an order via drone, with Londoners (50%), Young Millennials (58%) and more affluent consumers most keen. 16-34 year old men are the core demographic for drone delivery, with 62% of them open to drone delivery compared to just 43% for women of the same age. However, older consumers are more hesitant to accept the technology, noting either the lack of difference it may add to the overall experience or the elimination of personal interaction with delivery drivers.

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

- ◆ **The World Economic Forum - *We're about to see the Golden Age of Drone deliver – here's why*. June 2020.** This article offers a contrasting conclusion to that expressed in the Frost and Sullivan market reports quoted above, as it sees the circumstances surrounding the Covid-19 pandemic as a significant drive towards drone delivery services. (tinyurl.com/y7pwyfji).
- ◆ **The Forecast (by Nutanix) - *How Covid-19 Created a Perfect Storm for the Future of Drones*. August 2020.** Offering another more optimistic vision for the industry, this article talks about the potential for increased interest in drone delivery options from large e-commerce and logistics businesses. There are still some challenges that must be overcome (such as the influence weather would have on such a service) which are also discussed. (tinyurl.com/abc9kthc)
- ◆ **GSMA - *How the emergence of connected drones is helping the fight against Covid-19*. July 2020.** This article talks about potential applications for drone technology in efforts to counteract the Covid-19 pandemic. (tinyurl.com/rju799bc).

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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](#) 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 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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