



Market Report

A Snapshot of your Market Sector

Travel Agent

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 June 2018. 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:

- ◆ Industry revenue is estimated to grow at a compound annual rate of 1.8% over the five years through 2018-19 to **£32.6 billion**. Over the five years through 2023-24, IBISWorld expects industry revenue to expand at a compound annual rate of 4% to reach **£39.8 billion**. In 2018-19, online travel agents are estimated to account for just over half of total industry revenue. (IBISWorld, *Travel Agencies*, May 2018).
- ◆ Domestic and overseas holiday bookings both reached record levels in 2017. The volume of domestic holidays increased 6% to reach 59.1 million trips, surpassing the 'staycation' year of 2009. The number of overseas holidays grew 3% to reach 46.4 million trips. (Mintel, *Holiday Planning and Booking Process - UK*, May 2018).
- ◆ In 2012, travel agents were used by consumers to book an estimated 20% of all holidays, but by 2017 this is estimated to have fallen to 17%. The reasons for this decline are a slow reduction in retail outlets, and a continuing shift towards online booking via tour operators, direct suppliers and OTAs (online travel agents). (Mintel, *Travel Agents - UK*, December 2017).
- ◆ Some **84% of holiday bookings are now made via online channels**. Online travel agent or aggregator sites are the leading digital booking channel for holidays. **37%** of those who booked their last holiday online used one. (Mintel, *Holiday Planning and Booking Process - UK*, May 2018).
- ◆ Thomas Cook is the most used retail brand, used by 50% of all those who have visited a travel shop for research and 45% of those who have booked in a shop over the past two years, followed by TUI (35% and 30% respectively). (Mintel, *Travel Agents - UK*, December 2017).
- ◆ Amongst online travel aggregators (including all types of bookings such as packages, flight-only, hotel-only etc), Booking.com is the market leader, used by 55% of consumers who book via these channels, followed by Expedia used by 34%. Behind these come TripAdvisor (27%), Trivago (26%), Hotels.com (21%), Lastminute.com (17%) and Skyscanner (17%). The leading OTAs/aggregators are evolving into one-stop shops, aiming to capture the full traveller journey (Mintel, *Holiday Planning and Booking Process - UK*, May 2018).
- ◆ The national organisation for this industry is the [Association of British Travel Agents](#) (ABTA). Other industry bodies include the [Scottish Passenger Agents Association](#), [Visit Scotland](#) and [Visit Britain](#).

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 - *Travel Agents - UK (December 2017)***. Consumer attitudes towards travel agent shops are very mixed. There is a widespread perception of increasing obsolescence: almost half (49%) of adults think that 'Travel agent shops are becoming a thing of the past'. But there is still recognition that travel shops retain some advantages. The two most powerful consumer messages are likely to be human expertise/specialised knowledge (especially when it comes to booking the unfamiliar), and time-saving/simplification (compared to the ever-increasing complexity and labour-intensiveness of online travel booking).
- ◆ **Euromonitor - *Online Travel Sales To Residents in the UK (September 2017)***. When buying travel online, consumers are increasingly demanding and discerning, due to growing competition from players within online travel sales as they seek to offer an optimum booking experience. There is strong demand for personalisation, both in terms of booking and offers. It is thus important for players to have effective data analytics. With a growing number using multiple devices for booking, particularly those aged 18-35-years-old, offering a seamless multi-device booking process is increasingly important. Value and ease however remain core demands among those booking online. Online travel guides continue to be used in the UK, with Lonely Planet notably remaining popular. Travel review sites also remain popular, with TripAdvisor dominating this area and enjoying considerable consumer trust.
- ◆ **Mintel - *Holiday Planning and Booking Process - UK (May 2018)***. The most popular booking period is 1-2 months prior to departure: 32% of travel bookings and 33% of accommodation bookings are made in this period. This is followed by the 3-4 month window which accounts for a further 24% and 26% of bookings respectively. At the two ends of the booking spectrum, a smaller percentage of holidaymakers are either 'last minute bookers' or 'planners'. Some 19% of holidaymakers book travel and 15% book accommodation less than a month before departure. A further 20% book their travel and 19% their accommodation five months or more before the holiday. Under-35s are prime last minute bookers while over-45s are most likely to be planners.

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

- ◆ **ABTA, Reports and trends** (tinyurl.com/y8qpgyu9). This collection of latest reports on travel trends and holiday habits from ABTA, the UK's largest travel association.
- ◆ **Travel Weekly Insight Report 2017/18** (tinyurl.com/y8es3ym7). This report provides perspectives and views of the UK travel market within the context of the global economic and political landscape.
- ◆ **Travel Weekly** is an online resource providing the latest news and developments in the travel industry. There is information available on a number of areas such as air travel, accommodation and finance. (tinyurl.com/htkc4ed)

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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](#) (tinyurl.com/c2fw4o4) 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 Account](#)" 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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