



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), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **July 2024**. 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 UK market for courier and express delivery is expected to show **moderate annual growth in real terms over the next five years**, with annual growth levels forecast to fluctuate between 1% and 2% in real terms. In the near-term, the market is expected to continue to be negatively affected by economic headwinds and the high cost of living, exerting a downward pressure on online shopping and parcel volumes. (Mintel, *Courier & Express Delivery UK*, November 2023).
- ◆ A third of consumers are interested in receiving their online parcels through autonomous delivery. However interest peaks among those living in cities (43%), an area where drone delivery is currently most prohibited, and falls among those living in village/rural locations (27%). For an autonomous delivery future to take-off, work will need to be done to highlight the benefits of services to those who will most quickly gain access to such services as without customer buy-in the potential cost and environmental savings from moving towards automated delivery in such areas cannot be realised. (Mintel, *Online Retailing: Delivery, Collection and Returns UK*, November 2023).
- ◆ Industry revenue is forecast to grow at a compound annual rate of 3.5% over the five years through 2029-30 to £33.8 billion. The domestic parcel delivery segment will solidify its position as the main revenue stream for the industry, supported by a sustained high number of consumers making online purchases. The industry will consolidate around profitable postal and courier markets and products as it expands its parcel services, including same-day deliveries. The industry will continue investing in technological advancements to increase automation and AI-driven solutions to reduce operating costs, boosting profitability. (IBISWorld, *Postal & Courier Activities*, June 2024).
- ◆ Measured domestic parcel volumes fell by 5.4% year-on-year to 3.2 billion (following a 1.0% fall in 2021-22). Next day delivery items made up most of the total (66%, up from 65% in 2021-22). International inbound volumes increased by 4.6% to 0.3 billion (following a 31.8% fall in 2021-22), while international outbound declined by 8.7% to 0.1 billion (compared to a drop of 36.4% in 2021-22). (Ofcom, [Post Monitoring Report](#), December 2023).
- ◆ 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](#).



Connect with us

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 – Courier & Express Delivery UK (November 2023).** Despite the more challenging economic climate, 2023 saw a small uptick in the usage of courier and express delivery services, reflecting the relative strength of the online retail market. While online shopping has not been immune from the impact of high inflation on consumer spending, the channel's strong values credentials, plus features like price comparison and alternative payment options, has provided some insulation around value-led demand.
- ◆ **IBISWorld – Courier Activities in the UK (September 2023).** Over the five years through 2023-24, couriers' revenue is projected to mount at a compound annual rate of 5.9% to £15.8 billion. A key trend has been the decline in traditional letter and document delivery as the economy becomes ever-more digitalised amid the growing availability of electronic substitutes. In response to this changing landscape, couriers have promoted premium offerings, including express delivery options, tracking and proof-of-delivery facilities and click-and-collect points.
- ◆ **IBISWorld – E-Commerce & Online Auctions in the UK (May 2024).** Over the five years through 2029-30, e-commerce revenue is expected to climb at a compound annual rate of 11.8% to reach £106 billion. Since the pandemic, many consumers have stuck to online purchasing habits acquired over lockdowns, especially among the older demographics. Expanding and adding innovative value-added and online tools like AdWords, Big Data, cookies, and customer service robots will stave off external competition from in-store retailers.

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

- ◆ **Delivery Law UK** - information for consumers, businesses and practitioners on their rights and obligations in relation to parcel delivery. (www.deliverylaw.uk)
- ◆ **Courier News** – (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. (www.postandparcel.info)

Disclaimer: 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.



Connect with us

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**



Connect with us

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 websites, 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](#).

Although every effort has been made to ensure the accuracy of the information provided, Business Gateway will not be held liable for any inaccuracies or omissions in the data supplied, or for the content of any website that the document above may contain links to. By using this information, you accept this disclaimer in full. Also, please note that Business Gateway does not endorse any business or individual that may be referred to above.

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 2024

Updated by: Liesel

Connect with us