

## Business Proposal: Travel Agency in Nigeria

### Executive Summary

- **Opportunity:** Nigeria's travel industry is poised for significant growth, fueled by a large population (over 230 million people) and a rising middle class with growing travel aspirations (World Population Review., 2025). In fact, surveys indicate that about 66% of Nigerians plan to travel abroad in the next year (TGM Research, 2023), highlighting robust demand. This presents an opportunity to provide comprehensive travel services that cater to both leisure travelers and business clients in Nigeria's underserved market.
- **Problem:** Travelers in Nigeria face a fragmented and sometimes frustrating travel planning experience. Currently, customers often juggle multiple service providers for flights, hotels, tours, and visa assistance. There is a lack of one-stop solutions, and trust is a major issue – many existing online platforms offer convenience but little personalized support, while traditional agencies can be limited in scope or outdated in technology. Corporate organizations struggle with managing travel efficiently, and inbound tourists or local tour enthusiasts have limited reliable options for safe, organized tours within Nigeria. These gaps result in inconvenience, higher costs, and suboptimal travel experiences for customers.
- **Solution:** [Agency Name] (a proposed hybrid travel agency based in Lagos) will solve these problems by offering a **full-service, one-stop travel solution**. We will combine an easy-to-use online platform with a physical office presence, providing customers the convenience of digital bookings alongside the assurance of in-person customer service. Our services will cover **end-to-end travel needs** – including domestic tour packages, international flight and hotel bookings, visa processing assistance, travel insurance, and corporate travel management. By integrating all these services, we deliver a seamless experience: clients can plan and book every aspect of their journey in one place with guidance from our expert staff.
- **Market:** The Nigerian travel and tourism market is large and growing. The industry's total value was about **\$13 billion in 2022** (Market Research.com, 2024), and it is rebounding strongly post-pandemic with an expected annual growth rate around 10%. Lagos, our launch city, is the country's commercial capital and main travel hub – Murtala Muhammed International Airport in Lagos handles nearly half of Nigeria's air passengers. This vibrant market includes a mix of outbound leisure travelers, domestic tourists exploring Nigerian attractions, and inbound visitors (primarily business travelers and diaspora). With Africa's largest city as our base, we can tap into substantial demand both locally and nationwide.
- **Competition:** The competitive landscape features both online travel agencies and traditional travel firms, but none fully address the hybrid model we propose. Major players like **Wakanow**, one of Nigeria's largest online travel companies, and **Travelstart** focus on online bookings (flights and hotels) with limited personalized support. Established agencies such as **Zenith Travels** cater to corporate clients, while others specialize in niches like group tours or religious pilgrimages. These competitors indicate a healthy market, yet the fragmentation means customers must choose between online convenience and personalized service (diamonds & pearls, 2025). **[Agency Name]** will differentiate itself by blending both: we offer the **technology**

**and 24/7 accessibility of an online platform** alongside **high-touch, customized service** via our Lagos office and tour staff. This unique positioning fills the gap in the market.

- **Why Us?:** Our competitive advantage lies in our **hybrid service delivery** and comprehensive offerings. We provide **personalized, locally-informed travel consulting** (something purely online players lack) while still enabling clients to self-service bookings on our platform if they prefer. Our team's **local expertise** in Nigerian destinations and culture will help create unique tour experiences that international competitors cannot easily replicate. We have **strong customer service standards** (including 24/7 support and post-booking assistance) to build trust in a market where reliability is crucial. Additionally, we plan to build partnerships with airlines, hotels, and embassies for visa facilitation, which can translate into better deals and faster solutions for our clients. In short, customers will choose us for convenience, trust, and the breadth of services we offer under one roof.
- **Expectations:** We expect a **strong uptake** of our services upon launch, driven by pent-up travel demand and positive word-of-mouth from early customers. In the first 12 months, our goal is to establish a recognizable brand in Lagos known for reliability and excellent service. We anticipate handling hundreds of bookings per month after the initial ramp-up, yielding enough volume to break even operationally within the first year. By providing memorable travel experiences and responsive support, we aim to achieve high customer satisfaction and repeat business. Within three years, we plan to expand our reach nationally (through additional branch offices or increased online marketing across Nigeria) and prepare for international growth (serving regional markets or Nigerian diaspora abroad). Key milestones include securing a few corporate contracts in year one, launching a mobile app in year two, and expanding to another major Nigerian city (such as Abuja) by year three.
- **Forecast:** **[Agency Name]** is projected to grow rapidly with prudent financial management. We require an initial startup capital of approximately **₦22 million** (detailed in the Financial Plan) to cover setup and early operations. Based on our market analysis and service pricing, we forecast **first-year revenues around ₦25 million**, growing to over **₦60 million by year three**, driven by the increase in client base and expansion of services. Net profit is expected to be modest in Year 1 (essentially at break-even), turning into a healthy profit margin by Year 3 as operational efficiencies improve. By the end of Year 3, the business should be profitable and well-positioned for further expansion, delivering value to investors and setting the stage for scaling up nationally and internationally.

## Target Market

### Market Size and Segmentation

Nigeria offers a vast and diverse market for travel services. As Africa's most populous country (with an estimated **237 million people in 2025** (World Population Review., 2025), the potential client base spans various demographics and travel needs. The travel market can be segmented as follows:

- **Individual Leisure Travelers:** This segment includes vacationers, families, young professionals, and students. Many Nigerians in the middle and upper classes are increasingly traveling for holidays, both **domestically and internationally**. Outbound tourism has been on the rise – even

before the pandemic, outbound holiday travel by Nigerians was growing at over 6% annually. Popular destinations for international vacations include Dubai, London, North America and neighboring African countries. Domestically, there is growing interest in exploring Nigeria's attractions – from the beaches and nightlife of Lagos to cultural festivals upcountry. Nigeria boasts rich cultural heritage and events (such as the Durbar Festival in the north, Calabar Carnival in the south) as well as natural attractions like wildlife parks and historical sites. Our agency will cater to these leisure travelers by providing curated holiday packages, guided tours within Nigeria, and hassle-free international booking and visa assistance. This segment is price-sensitive but also values convenience and memorable experiences.

- **Diaspora and Inbound Visitors:** Nigeria sees a significant number of **diaspora visitors** (Nigerians living abroad who return for visits) and **foreign business travelers**. In 2019 (pre-COVID), international arrivals to Nigeria numbered around 5 million, largely for business and family visits (leisure tourism by foreigners is relatively low due to past security concerns). For these travelers, our agency will offer services like airport pickups, local tour arrangements, and bilingual tour guides. Diaspora visitors often bring family and may be interested in reconnecting with their culture through tours, which we can facilitate. While this is a smaller segment than local outbound travelers, it is important for **premium services** and can generate word-of-mouth internationally.
- **Corporate and Business Travelers:** Lagos is a major business hub in Africa, and many companies (banks, oil & gas firms, tech startups, multinationals) require frequent travel for their employees. The corporate travel segment includes business trips, conferences, training travel, and executive visits. Companies in Nigeria often struggle with coordinating these trips cost-effectively. Our target here is to sign corporate clients who will outsource their travel planning to us. We will manage their flight bookings (for domestic trips between Nigerian cities as well as international flights), hotel arrangements, car rentals, and even event logistics for conferences. Corporate clients value **reliability, cost savings, and streamlined processes**, so we will tailor solutions like monthly billing, travel policy compliance, and dedicated account managers. This segment can provide steady, high-volume business and repeat revenue.
- **Groups and Special Interest Tours:** Additionally, there are niche sub-segments such as educational tours (schools organizing student excursions), religious travel (e.g. Christian pilgrimages to Israel or Muslim Hajj/Umrah trips to Mecca), and adventure travelers. For example, agencies like Dip Tour specialize in faith-based travel (diamonds & pearls, 2025), reflecting demand in that niche. While these are not our primary focus initially, our broad service range allows us to capture some of this business. We can offer group packages for church groups, destination wedding coordination, or youth service corps travel, etc., leveraging our one-stop capability. These group segments often plan travel in advance and appreciate a full-service handler.

**Market Size:** In quantitative terms, Nigeria's travel market is large. The total spending on travel and tourism (including flights, hotels, etc.) was about **\$13 billion in 2022** (Market Research.com, 2024). Of this, a significant portion is mediated by travel agencies or online platforms (the "travel intermediaries" segment was roughly \$5.9 billion in 2022). The market is rebounding from the pandemic slump – domestic travel in particular has grown as Nigerians explore local destinations, and outbound travel is

picking up as international borders reopen. By 2025, industry forecasts expect the travel sector to grow at ~10% annually, reflecting renewed consumer confidence in travel. Lagos, with its population of ~20 million in the metro area, will be our initial launch market and constitutes a large share of travel demand (Lagos' airport accounts for ~50% of Nigeria's air passengers). As we establish in Lagos, we anticipate expanding to other high-demand regions like Abuja (the capital, with heavy government and business travel) and Port Harcourt/Kano (regional hubs).

## Competition

The competitive environment in Nigeria's travel industry includes a mix of modern online services and traditional agencies:

- **Online Travel Agencies (OTAs):** Companies like **Wakanow** and **Travelstart Nigeria** dominate the online booking space. Wakanow is one of Nigeria's largest travel platforms, enabling customers to book flights, hotels, and packages through a user-friendly website. Travelstart, originally from South Africa, operates in Nigeria focusing on budget-friendly deals and flight discounts. These OTAs have strong brand recognition and cater to the tech-savvy segment that prefers self-service booking. However, their model is primarily online; customers who need in-person consultation or complex trip planning have limited support. Also, OTAs typically do not offer customized local tours or deep visa assistance beyond basic guidance. This leaves an opportunity for a hybrid agency like ours to compete by providing **personal contact, customization, and after-sales support**, while still offering an online engine for straightforward bookings.
- **Traditional Travel Agencies:** Nigeria has many established travel agencies, especially in major cities. **Zenith Travels and Tours**, for example, has been a leading agency in Lagos since the 1990s, specializing in corporate travel management and luxury services. Others like **Quantum Travels** focus on business and luxury travel for VIP clients. There are agencies known for specific niches: **Dip Tour** (pilgrimages and religious tours), **Dees Travels** (family and group vacations), among others. These firms often have physical offices and a loyal client base, but many of them rely on traditional methods (phone and email bookings, face-to-face meetings) and may not have advanced online platforms. Additionally, smaller agencies might offer either domestic tours or flight bookings, but not both at scale. The competition is also fragmented geographically – a few strong players in Lagos/Abuja and numerous small operators nationwide.
- **Fragmentation and Gaps:** Despite the number of competitors, the market is far from saturated. **No single company currently offers the full suite of services in a hybrid model**. Customers often use a combination of providers: e.g., book flights on an OTA, get visa help from a visa consultancy, and find a local tour guide separately. This fragmentation means **high switching costs and inconvenience** for customers – a pain point we intend to exploit. Our agency can differentiate by combining the strengths of both worlds: the **efficiency of online booking (like Wakanow)** plus the **personal touch of a traditional agent (like Zenith)**. We will also emphasize trust and transparency – some travelers are wary of lesser-known agents due to past frauds or poor service. By registering with relevant authorities (IATA accreditation for ticketing, NTDC registration for tour operations) and showcasing customer testimonials, we will build credibility.

- **Competitive Advantage:** In summary, while competition exists, [Agency Name] will position itself uniquely:
  - We go head-to-head with OTAs on technology and pricing, but outperform them in customer support and local offerings.
  - We match traditional agencies in personalized service, but surpass them with an integrated online presence and a broader range of services (including our own curated tours and experiences).
  - We will leverage niches that competitors overlook – for instance, providing both outbound and inbound services. If a client books an international trip with us, we can also offer to host their visiting relatives on a tour locally, something pure outbound agencies don't do.

Our main competitors actually help validate the market demand. Their successes indicate Nigerians are willing to spend on travel and seek professional assistance. We will learn from their models while carving out our distinct all-in-one niche.

## **Marketing and Sales**

To capture our target market and compete effectively, [Agency Name] has a combined **Marketing and Sales strategy**. We will create awareness, attract customers through various channels, and then convert those leads into sales via excellent service and follow-up. Below we outline our marketing plan and sales plan:

### **Marketing Plan**

Our marketing plan will build the brand of [Agency Name] as the go-to travel agency in Lagos and across Nigeria, emphasizing our unique value propositions (hybrid service, comprehensive offerings, local expertise). Key marketing initiatives include:

- **Digital Marketing:** We will aggressively leverage digital channels since a large portion of our audience is online. This includes:
  - **Social Media Campaigns:** Establish a strong presence on Instagram, Facebook, Twitter, and LinkedIn. We will share engaging content such as travel tips, destination highlights, client testimonial videos, and promotional deals. Given Nigeria's youthful population, social media is critical for reach. We plan to partner with travel influencers or bloggers for broader visibility.
  - **Online Advertising:** Use targeted Facebook/Instagram ads and Google Ads to reach people searching for flights, hotels, or tours. For example, someone searching "Dubai trip from Lagos" would see our tailored package offer. We'll also use SEO (Search Engine Optimization) strategies by maintaining a travel blog on our website with keywords relevant to our services (e.g., "Lagos city tour", "visa assistance for UK from Nigeria") to improve organic search rankings.
  - **Email Marketing:** Build an email list via our website and inquiry forms. We will send out a monthly newsletter featuring new tour packages, travel news (e.g., COVID

requirement updates, visa policy changes), and special discounts. This keeps us in touch with potential and past clients, encouraging repeat business.

- **Traditional Marketing:** While digital is primary, we won't ignore offline methods:
  - **Print Media and Fliers:** Distribute attractive brochures and fliers at airports, hotels, business centers, and events in Lagos. These materials will highlight our range of services and contact info. We'll also consider placing ads in popular local newspapers or lifestyle magazines during peak travel seasons (e.g., Christmas, summer).
  - **Billboards/Signage:** Use a well-placed billboard or banner in a high-traffic area (for instance, near the Murtala Muhammed Airport or on Victoria Island) to boost brand visibility. A catchy slogan like "Your Journey, Our Expertise – [Agency Name] Travel" alongside our logo could make an impression on daily commuters.
  - **Events and Partnerships:** Participate in travel fairs, tourism expos, and corporate networking events. We will have a booth or representation at such events (for example, the annual Lagos Travel Expo) to meet potential clients face-to-face. Partnerships are also key – we intend to partner with airlines (for joint promotions), hotels, and even schools/universities (to offer student trip packages). We'll explore cross-promotions, such as offering discounts to members of large organizations or affinity groups.
- **Branding and Reputation:** From day one, we will focus on building a trustworthy brand. This means maintaining a professional website and consistent branding (logo, tagline). We will encourage satisfied customers to leave reviews on platforms like Google or Facebook and share testimonials on our site. Positive word-of-mouth in Nigeria's tight-knit communities can significantly amplify our marketing. Additionally, obtaining certifications (IATA, Nigerian Tourism Development Corporation license) and showcasing those logos in our marketing material will add credibility.

Our marketing spend will be allocated roughly 70% on digital and 30% on traditional in the first year, reflecting the importance of online outreach while still establishing a physical presence. Success will be measured by metrics such as website traffic, social media engagement, inquiry volume, and conversion rates from campaigns.

## Sales Plan

Converting interested leads into paying customers is the focus of our sales plan. Given our hybrid model, sales will occur both online (customers booking directly on the platform) and offline (through our office or sales team interactions). Key elements of the sales strategy include:

- **User-Friendly Booking Platform:** Our website will serve as a 24/7 sales channel. It will allow clients to search and book flights, hotels, and standard tour packages instantly. A smooth user experience (fast searches, secure online payment, instant confirmation) will encourage self-service sales. We will integrate popular payment methods in Nigeria (credit/debit cards, bank transfer, perhaps mobile money) to facilitate transactions. For any complex requests, the site will prompt users to contact an agent, ensuring we capture those leads too (rather than losing them if the user is unsure).

- **In-Office Consultations:** We expect many clients, especially for higher-value trips (multicountry vacations, corporate contracts, etc.), will prefer to discuss with an agent. Our Lagos office will have a welcoming sales area where walk-in customers or appointments are handled by our **Sales & Marketing executive** (and the Managing Director when needed). During these consultations, we will use a **needs-based selling approach** – listening to the client's travel needs and budget, then proposing tailored solutions. We will prepare a set of pre-designed packages (e.g., "Dubai Shopping Festival Package", "Obudu Ranch Weekend Getaway") to upsell in-office, complete with visuals and itineraries, making it easier for customers to choose or customize. Every inquiry that comes to the office or via phone/email will be tracked in a simple CRM system so we can follow up diligently.
- **Corporate Sales Outreach:** For the corporate segment, direct sales efforts are crucial. Our plan includes identifying top 50 companies in Lagos that heavily use travel, and reaching out to their HR/admin or procurement departments. We will request meetings to pitch our travel management services, highlighting cost savings and convenience. We may offer a **trial period or introductory discount** for corporate clients – for example, manage their travel for a couple of months with no management fee to prove our value. We'll also leverage personal networks and references to get introductions to decision-makers. Once we win a corporate account, we will assign a dedicated account manager (likely the Sales & Marketing lead initially) to that client for personalized service. Corporate accounts will be a key driver of sales volume, and our goal is to sign at least 5 corporate clients in the first year.
- **Promotions and Incentives:** To boost sales, especially in the early stage, we'll implement promotional tactics:
  - **Introductory Offers:** For example, first 50 customers get a 5% discount on any international flight booking, or a free travel insurance package included. This can spur early adopters.
  - **Referral Program:** Encourage satisfied customers to refer friends and family by offering rewards (e.g., a ₦5,000 voucher for each successful referral booking). Given the community-oriented nature of Nigerian society, referrals can be powerful.
  - **Seasonal Packages:** Create special offers around peak seasons (Christmas/New Year holidays, summer vacations, Eid holidays) to drive sales. For instance, a discounted group tour to Obudu Mountain Resort during Easter, or a Valentine's Day getaway package. These limited-time offers create urgency to book.
  - **After-Sales Follow-up:** Our sales process doesn't end at booking. We will follow up with clients post-trip for feedback and encourage repeat bookings. For high-value clients, sending a thank-you gift or card after their trip can increase loyalty and lead to future sales.
- **Sales Targets and Conversion:** We will set monthly sales targets (in terms of number of bookings and revenue). The Sales & Marketing team member will primarily be responsible for achieving these, with oversight from management. We anticipate an initial conversion rate of

around 15-20% of inquiries to bookings (as we establish credibility), improving to 30-40% as our brand becomes known and much of our business comes from repeats or referrals.

By integrating our marketing efforts with a strong sales follow-through, [Agency Name] aims to steadily grow our customer base. The hybrid model means **sales channels are diversified** – we are not solely reliant on walk-ins or online clicks, but can capture business through multiple avenues. This flexibility in sales strategy will be a strength as we adapt to customer preferences.

## Team

A successful travel agency depends on a capable and dedicated team. [Agency Name] will start with a lean team covering all critical roles required to operate our hybrid model. Each team member has clearly defined responsibilities as outlined below:

- **Accountant:** Responsible for all financial management. The accountant will maintain financial records, manage the bookkeeping and accounting software, and prepare monthly financial statements. They handle budgeting and cash flow management to ensure the company remains solvent and profitable. Compliance duties such as tax filings, remittances (VAT, PAYE taxes), and regulatory financial reports also fall under this role. In addition, the accountant will oversee payment processing for client bookings and vendor payments to airlines, hotels, etc., ensuring accuracy and preventing fraud. This role safeguards the financial health of the agency and provides critical analysis for decision-making (e.g. advising on cost control or pricing strategies based on financial data).
- **Tour Guide:** Our in-house tour guide will be the face of the company for local tours within Nigeria. This person's duties include planning and leading local excursions and city tours, primarily around Lagos initially (for example, guiding tourists through landmarks like Lagos Island markets, National Museum, Lekki Conservation Centre, etc.). The tour guide will research and develop engaging itineraries, narrate cultural and historical information to clients during tours, and ensure the safety and comfort of tour groups. They coordinate all logistics for tours – from arranging transportation, tickets for attractions, to handling any on-ground issues. As we grow, we may have multiple tour guides or freelance guides in different regions, but initially this key team member will help craft our tour experiences and maintain quality. They must be personable, knowledgeable about Nigerian history and culture, and trained in first aid and emergency procedures for traveler safety.
- **Sales and Marketing Lead:** This team member drives our customer acquisition and retention. On the **marketing** side, they manage social media accounts, run advertising campaigns, and organize promotions (as detailed in the Marketing Plan). They will create content (or coordinate with content creators) for our website and marketing materials. On the **sales** side, they respond to client inquiries (whether via email, phone, or walk-in), prepare travel quotes and itineraries, and follow up to close bookings. This role requires both creativity (to design compelling packages and ads) and people skills (to engage clients and persuade them to choose our services). The Sales & Marketing lead will also handle partnerships – liaising with airline sales reps, hotel sales managers, or corporate clients for potential deals. Essentially, this person is the engine of our revenue generation, ensuring our services reach the market and that interested customers are converted into happy travelers.

- **Driver:** We will employ a dedicated driver who will primarily handle transportation needs for our tour operations and possibly corporate client transfers. The driver's responsibilities include driving our tour vehicle (such as a van or mini-bus) during city tours, airport pick-ups/drop-offs for VIP clients, and inter-city trips for tourism. They must maintain the vehicle in good condition (regular servicing, cleaning), keep logs of mileage and fuel, and ensure all necessary vehicle documents/insurance are up to date. The driver will be trained in defensive driving and safety, given Nigeria's road conditions. During tours, the driver also assists the tour guide in managing the group (for example, keeping to schedule, securing passengers' belongings in the vehicle). For corporate assignments, a professional, punctual demeanor is required as they may be the first point of contact for an arriving executive. Overall, this role supports our promise of comfort and reliability in travel logistics.
- **Personal Assistant (PA):** The Personal Assistant will support the agency's management (likely the Managing Director or owner) with administrative and coordination tasks. This role includes managing the daily schedule, setting appointments with clients or partners, and handling correspondence. The PA will also help in coordinating between departments – for example, if the Sales lead needs certain data from accounting or if the tour guide's itinerary needs management approval, the PA facilitates those interactions to keep operations smooth. Additional tasks include maintaining office supplies, preparing meeting notes, and ensuring inquiries are routed to the correct person. Essentially, the PA is the organizer who helps the entire team stay on track and frees up the management to focus on strategic tasks. Given the fast-paced nature of a travel agency (with many bookings and deadlines), this role is crucial for internal efficiency.
- **Cleaner:** To maintain a professional and welcoming environment at our physical office, a cleaner will be employed (could be part-time or full-time depending on need). The cleaner ensures the office (including the client reception area, meeting room, staff workspaces, and restrooms) is kept clean, tidy, and hygienic every day. Duties involve daily sweeping/mopping, waste disposal, dusting of furniture and equipment, and occasional deep cleaning. A neat office space enhances client confidence and provides a pleasant workplace for staff. Additionally, this role may involve running minor errands, such as picking up office supplies or refreshments for clients, as needed. In a small business, every team member contributes to overall image – a dedicated cleaner helps sustain the high standards we promise.
- **Night Watchman (Security Guard):** Security is important for our office premises, especially as we may hold valuable equipment (computers, possibly travel documents or client passports awaiting visa processing) and cash from clients. We will have a night watchman who guards the office during after-hours (overnight and on non-working days). The guard will monitor the property, prevent unauthorized access or burglary, and respond to any security alarms. They may patrol the immediate area around the office and ensure doors, windows, and gates are securely locked. This role provides peace of mind to the team and our clients that their documents and our facilities are safe. In Nigeria, it's common to have such security personnel; it can also be a requirement for insurance. The watchman will be trained on emergency protocols and will have contacts for local police or security companies in case of any incident. During working hours, this person might double as a doorkeeper or assist in general tasks if needed, but their primary duty is overnight security.

Each member of the team will be carefully selected for reliability, integrity, and customer-centric attitude. We will foster a culture of teamwork where, for instance, even the accountant and cleaner understand their role in delivering a good customer experience (financial accuracy and a clean environment, respectively). Initially, some team members may wear multiple hats (for example, the Managing Director might also act as an additional sales agent or the tour guide might assist marketing with tour content), but as the business grows, each role will become more defined. Training will be provided where necessary – e.g., customer service training for all front-line staff, travel industry courses for the sales lead, etc. A strong, dedicated team is a cornerstone of this business proposal, as it ensures we can deliver on the promises we make to our clients.

## Financial Plan

The financial plan covers the **startup capital requirements, projected revenue and expenses**, and the **key assumptions** underlying our forecasts. All figures are in Nigerian Naira (₦). We take a conservative approach to finances to ensure viability, with scalability built in as the business grows.

### Startup Capital Requirements

To launch **[Agency Name]**, we will require an estimated **₦22 million** in startup capital. This funding will cover initial setup costs and provide a cushion for early operations before the business becomes self-sustaining. Below is a breakdown of the startup capital utilization:

Expense Category	Estimated Cost (₦)
Office lease and setup (Lagos)	4,000,000
Website development & IT systems	1,500,000
Initial marketing campaign	1,000,000
Tour vehicle (van) purchase	8,000,000
Furniture & equipment (computers, etc.)	1,000,000
Licensing and registrations (IATA, tourism board, CAC fees)	500,000
Working capital (operational buffer for first 6 months)	6,000,000
<b>Total Startup Capital Needed</b>	<b>22,000,000</b>

**Assumptions for Startup Costs:** We anticipate securing a small office in a business-friendly district of Lagos (renting space for approximately ₦3–4 million per year). Many landlords require 1-2 years rent upfront in Nigeria, which is accounted for in the above. Website development covers creating a robust online booking platform integrated with flight APIs and a content-rich site; this might be done via a local IT firm or an off-the-shelf solution customized for us. The tour vehicle (₦8 million) assumes purchasing a fairly new 14-seater van for city tours and airport transfers – we consider this a strategic asset to own, ensuring quality control for our tour services (alternatively, we could lease or hire vehicles to reduce upfront cost, but owning is preferred long-term). Furniture and equipment include desks, chairs, computers for each staff (e.g., 5-6 workstations), a printer, and office fixtures. Licensing includes

registering the business (CAC registration), obtaining an IATA agency code for ticketing (which may involve a financial guarantee or fee), and any necessary tourism licenses. Working capital of ₦6 million will cover operating expenses (salaries, utilities, etc.) for several months if revenue is slow initially – essentially a safety net.

We intend to fund this startup capital through a combination of owner's equity (the founders will invest personal funds) and potentially external funding (either a small business loan or angel investor). If seeking an investor, we will offer equity in the company and highlight that these funds are largely one-time investments in assets and brand-building that will enable the business to generate revenue quickly.

### **Revenue Forecast (First 3 Years)**

Our revenue model comes from multiple streams: commissions on flight/hotel bookings, service fees for visa processing, and margins on tour packages and corporate services. We project rapid growth in revenue as the business gains traction. Below is a summary of projected revenues, expenses, and net profit over the first three years of operation:

Year	Year 1	Year 2	Year 3
<b>Projected Revenue</b>	₦25,000,000	₦45,000,000	₦65,000,000
<b>Projected Operating Expenses</b>	₦23,000,000	₦35,000,000	₦50,000,000
<b>Projected Net Profit</b>	₦2,000,000	₦10,000,000	₦15,000,000

**Year 1:** We forecast approximately ₦25 million in revenue in the first year. This is based on capturing a modest share of the market in Lagos:

- ~1,000 flight bookings (averaging ₦150k each ticket price, with roughly 5-10% agency commission/fee on each, yielding about ₦10–15 million in commission revenue).
- ~500 hotel bookings (with 10% commission on an average ₦50k per booking, yielding ~₦2.5 million).
- Tour packages and visa services combined contributing another ₦5–8 million (through package markups and visa processing fees).
- Perhaps one or two corporate contracts in late Year 1 adding volume to flight/hotel bookings.

Operating expenses for Year 1 (₦23 million) include staff salaries (for 7 staff, roughly ₦700k monthly aggregate = ₦8.4m/year), rent and utilities (₦4m), marketing (₦2m beyond the initial campaign), and other overhead (vehicle fuel/maintenance, office supplies, insurance, etc.). We also amortize some startup costs like vehicle depreciation. The result is a **near break-even** year with a small net profit of ₦2m, which is acceptable for a first-year operation and indicates we can cover costs early on.

**Year 2:** With growing brand recognition and customer base, Year 2 revenue is projected at ₦45 million (an 80% increase over Year 1). This growth will come from:

- Doubling the number of flight and hotel bookings (as our online platform gains traction and referrals bring more clients).

- More high-value bookings (e.g., business class tickets, long-haul travel) as we tap into corporate accounts and affluent customers.
- Increase in tour package sales, including possibly expanding tour offerings to other parts of Nigeria or regional trips (e.g., a Ghana tour), which boosts our commission/margin.
- At least 3-5 corporate contracts providing steady monthly revenue.

Expenses in Year 2 will rise to about ₦35m. This includes scaling our marketing (we may spend more on advertising as we expand nationally), possibly hiring 1-2 additional staff (maybe another sales agent or a second tour guide) and costs of opening a small branch or representative in Abuja towards the end of Year 2 (if market conditions allow). Even with higher costs, the operating leverage of our model means profit grows disproportionately. **Net profit for Year 2 is projected around ₦10m**, marking a solid profit margin (~22%). This profit can be reinvested to fuel further growth.

**Year 3:** By Year 3, we anticipate revenue of roughly ₦65 million. This assumes continued growth in our core business lines and the benefit of a wider presence:

- We aim to capture a significant loyal client base in Lagos and Abuja, and start getting international clients (perhaps via online searches or partnerships) for Nigerian tours.
- The hybrid model's success in two cities would allow us to serve more customers; our online platform could cater to people anywhere in Nigeria (even without local offices, we can serve them remotely and via partnerships).
- We may introduce new services like organizing **group tours abroad** (escorted tours to destinations like Dubai, Kenya safari, etc.), adding new revenue streams.
- Possibly, by Year 3 we explore earning override commissions or GDS incentives due to volume, which can add to revenue.

Operating expenses rise to an estimated ₦50m in Year 3. This accounts for a larger operation: more staff (adding branch staff or more tour personnel), higher tour operation costs (as we run more tours, we incur direct expenses, though those are factored into package pricing), and enhanced customer service infrastructure (e.g., implementing a better CRM software, maybe a mobile app maintenance). We also consider inflationary increases in costs.

Net profit is projected at ₦15m in Year 3, which is about a 23% net margin on revenue. This indicates the business has achieved **significant scalability** – fixed costs (like our platform, core team) are spread over more revenue, improving profitability. Cumulatively, by end of Year 3, the business would have generated enough profit (around ₦27m total over 3 years) to recoup the initial startup capital and provide returns.

Beyond Year 3, we expect growth to continue in double digits, especially as international expansion (perhaps setting up an office or partnerships in a neighboring country, or servicing regional travel requests) comes into play. By Year 5, our vision is to be one of the top travel agencies in Nigeria in terms of reputation and volume, with annual revenues crossing ₦100m.

## Key Financial Assumptions

The above projections are based on several key assumptions and factors:

- **Market Growth:** We assume the travel market grows healthily over the next few years. This is supported by industry trends (travel & tourism in Nigeria is expected to grow ~10% per year as it recovers) and the gradual improvement of economic conditions. Any severe economic downturn or new travel restrictions could impact our growth, but no such event is anticipated in our model.
- **Competitive Pricing and Commission:** We assume we can earn standard industry commissions: approximately 5-7% on flight tickets (or equivalent service fees), 10% on hotel bookings, and 15-20% margin on tour packages. Our pricing strategy is to be competitive with online prices (possibly matching or slightly undercutting major OTA prices by leveraging negotiated airline deals over time). We also assume airlines continue to allow agencies to sell tickets at competitive rates (if airlines cut commissions drastically, we would shift to a convenience fee model).
- **Client Acquisition:** The forecast assumes a steady increase in clients served. By Year 3, for instance, ₦65m revenue might equate to roughly 2,000+ bookings/tour sales annually (this could be, for example, 1,200 flight tickets, 600 hotel stays, and 200 tour packages in various combinations). We assume our marketing efforts will successfully drive this volume. Customer acquisition cost (CAC) through marketing is built into our expenses, and we assume that as word-of-mouth grows, our CAC will actually decrease over time (making marketing more efficient).
- **Operational Scaling:** We plan to keep fixed costs relatively controlled. The financials assume that we do not exponentially increase staff or rent costs at the same rate as revenue. For example, we can handle more bookings with the same core team by improving processes and using technology (online bookings require minimal staff intervention). We assume any new branch (e.g., Abuja) will start small (perhaps 2-3 staff) and not double our overhead. This assumption is key to maintaining healthy profit margins.
- **Currency and Inflation:** The projections are in nominal Naira. We assume relative stability in the Naira's value and inflation such that our costs and prices can be adjusted gradually. A high inflation environment could increase expenses (especially salaries and rent) more than anticipated; however, typically travel prices (airfares) would also rise with inflation, potentially increasing commission values. We have some buffer in the projections for cost increases, but significant currency devaluation is a risk not fully accounted for.
- **National and International Expansion:** By the end of Year 2 or early Year 3, we assume a strategic move to expand nationally (opening a presence in another Nigerian city). The financial effect assumed is increased revenue (new market access) and increased costs (new office and staff). We have incorporated this qualitatively into the Year 3 figures. International growth (like targeting customers outside Nigeria or opening an office abroad) is mentioned as a goal but not explicitly modeled in the three-year financials. If an international expansion opportunity arises (e.g., partnering with a UK-based Nigerian diaspora travel group to funnel bookings), that could boost revenues further beyond our current forecast.

- **Break-even and Cash flow:** We assume the business breaks even on a cash flow basis during Year 1 due to careful cost control and sufficient sales. The initial capital covers the startup investments and provides working cash. We do not foresee needing additional capital injections after the startup phase, as the business should generate enough cash to fund its growth (especially from Year 2 onward, where profits are significant). We also assume we maintain good credit terms with suppliers (for instance, airlines ticketing via BSP with periodic settlements, etc.) so that cash flow is smooth and we don't encounter liquidity issues.

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