



# Market Report

A Snapshot of your Market Sector

## Advertising and Marketing

This pack has been designed to provide information on setting up a business in the advertising and marketing 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](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in April 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 Advertising and Marketing 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 digital advertising market is in good health, showing solid double-digit annual growth over the last five years and hitting the £10 billion mark in 2016 – a **14.5% year-on-year increase**. And the industry doesn't seem to have been affected by Brexit thus far. (Mintel, *Digital Advertising*, March 2017).
- ◆ Revenue is expected to increase at a compound annual rate of **3.1% over the five years through 2022-23 to reach £25 billion**. Business confidence is anticipated to improve slowly and allow firms to increase their advertising expenditure. Research and development expenditure is also projected to rise and propel demand, as firms generally raise awareness of new products and services through advertisements. (IBISWorld, *Advertising Agencies in the UK*, March 2018).
- ◆ The United Kingdom management & marketing consultancy market grew by **4.8% in 2017 to reach a value of \$13,752.2 million**. Operations management is the largest segment of the management & marketing consultancy market in the United Kingdom, accounting for 33.9% of the market's total value. The United Kingdom accounts for **3.9% of the global** management & marketing consultancy market value. (MarketLine, *United Kingdom - Management & Marketing Consultancy*, April 2018).
- ◆ 'The implementation of the European Union's General Data Protection Regulation (GDPR) in May 2018, with new definitions of 'personal data' and new compliance rules (and penalties), may make marketers more cautious' (WARC, *UK advertising industry continues to grow*, November 2017) ([tinyurl.com/y8p23s6r](http://tinyurl.com/y8p23s6r)).
- ◆ The national organisation for this industry is the [Advertising Association](#). Other industry bodies include the [Internet Advertising Bureau](#), [Advertising Standards Authority \(ASA\)](#), [Incorporated Society of British Advertisers \(ISBA\)](#), [Direct Marketing Association](#) and [Marketing Agencies Association](#).

## 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](mailto:info@bgateway.com).

- ◆ **Mintel – Digital Advertising (March 2017)**. Paid search continued to represent the majority share of expenditure on digital advertising in 2015, fundamentally unchanged at 51% of the total. However, video and social media ads are the fastest growing ad formats at present, especially given their higher suitability for mobile devices. Going forward, this could alter the market balance in favour of display ads, the category to which these ad formats belong. Mobile advertising is booming and is driving the industry, showing year-on-year growth of 60.3% in 2015 and a consistent 56.1% rise in the first half of 2016 according to the Internet Advertising Bureau (IAB). Mobile ad spend went from accounting for 1% of total digital advertising spend in 2010 to an estimated 38% in 2016.
- ◆ **IBISWorld – Advertising Agencies in the UK (March 2018)**. Online advertising is expected to generate 38.7% of industry revenue in 2017-18. The growth in digital media and the fragmentation of consumers' media habits have sharply increased the popularity of online advertising over the past five years. TV and radio advertising is the second largest product segment in the industry and is expected to account for 26.9% of industry revenue in 2017-18. TV and radio campaigns generally target mass audiences and are often referred to as above- the-line advertising campaigns. Print media advertising is anticipated to account for 14.8% of industry revenue in the current year. Both above-the-line and below-the-line advertising techniques are used to produce these types of campaigns, depending on the type of print media.

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

- ◆ **Marketing Tech, How the digital marketing industry is closing the skills gap, May 2017**. 'A growing trend across all industries is the emergence of employee skills coalitions, groups of staff members, who all possess key skills the others don't – through a mentorship-esque relationship each member is able to essentially learn via osmosis, taking on certain traits and aspects from others which can be taken away and utilised in their own work' ([tinyurl.com/ybfp286](http://tinyurl.com/ybfp286)).
- ◆ **Entrepreneur** is a website featuring interesting articles on a number of business areas including Advertising ([tinyurl.com/md78l53](http://tinyurl.com/md78l53)).
- ◆ **Campaign** is a business media brand that serves the marketing, advertising and media communities and provides regular news updates on these industries in the UK ([tinyurl.com/y9paxym](http://tinyurl.com/y9paxym)).

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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](mailto: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](mailto: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](https://tinyurl.com/c2fw4o4) (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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**Updated by:** Rebecca

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