



# 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 **August 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 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:

- ◆ Industry revenue is expected to have fallen over 2020-21, as the economic slump caused by the pandemic impacted business budgets, reducing advertising spend. According to the Advertising Association (AA) and WARC Expenditure Report published in January 2021 total UK advertising spend is estimated to have fallen by 7.9% in 2020. In the current year, the easing of restrictions and the UK vaccine roll-out are expected to boost business activity and confidence, resulting in higher ad spending. The AA and WARC forecast UK ad spend to rise by 15.2% in 2021. Revenue from durable goods manufacturers and the fast-moving consumer goods sector has been adversely affected by the pandemic. Some firms in the technology sector, however, have increased ad spending due to higher downstream demand. **(IBISWorld, Advertising Agencies in the UK, May 2021 – with COVID-19 Impact Update)**.
- ◆ Over 2020-21 industry revenue is expected to have declined, due to tighter client budgets and lower expenditure on services provided by the industry as clients seek to preserve cash. Falling numbers of businesses, as some go out of business amid the challenging environment, have reduced the potential client pool for operators. Over the current year, the anticipated recovery in the economy and easing of COVID restrictions is expected to spur demand from downstream markets. However, any setbacks to the easing of restrictions may dampen business confidence and constrain revenue growth. Several downstream sectors, such as retail, healthcare, and technology, are expected to have needed industry services to help them understand the economic effects of the virus and plan their strategies going forward. Internet usage and online retail sales have surged during the pandemic. However, demand from hospitality and travel has fallen, as these sectors have been badly hit due to the strict measures introduced to tackle the outbreak. **(IBISWorld, Marketing Consultants in the UK, July 2021 -with COVID-19 Impact Update)**
- ◆ The **Data Protection Act 2018** ([www.gov.uk/data-protection](http://www.gov.uk/data-protection)) in the UK was the implementation of the EU General Data Protection Regulation. This law has significant implications for the use of personal data in marketing and advertising. Industry guidance can be found from the Information Commissioner's Office ([tinyurl.com/3tcxt8me](http://tinyurl.com/3tcxt8me)) or the Direct Marketing Association ([tinyurl.com/y6wre93s](http://tinyurl.com/y6wre93s)).
- ◆ The national organisation for this industry is the [Advertising Association](#). Other industry bodies include the [Internet Advertising Bureau](#), [Advertising Standards Authority \(ASA\)](#), [The CMA](#), [DMA](#), [ISBA](#) and [Marketing Agencies Action Group](#).

## Where can I find more information on my market?

The Information Service has access to several 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: Including impact of COVID-19 (September 2020).** UK digital ad spend is expected to decline by an estimated 10% in 2020. This is due to brands limiting advertising/ marketing spend as the outbreak severely limited people's economic activity during lockdown, while many brands also tightened their belts, as well as being cautious, at least initially, about how they should be advertising during the pandemic and even about the appropriateness of advertising at all. As a result of the COVID-19 outbreak more people spent time online and made more online purchases which increased opportunities for digital advertising, particularly direct response adverts. Major social networks have introduced more direct response and shoppable adverts since the start of the pandemic.
- ◆ **IBISWorld, Marketing Technology in the UK (November 2020)** Online activity is expected to dramatically rise as a growing amount of day-to-day life occurs online. This is likely to increase demand for marketing technology from businesses that wish to better understand online consumer behaviour.

There are also several online resources you may find helpful:

- ◆ **The Creative Industries Council** has published a list of five reasons to choose the UK for advertising and marketing, referencing high levels of skill and expertise in the UK advertising and marketing workforce, working practices and the adoption of new technologies ([tinyurl.com/ptad357b](https://tinyurl.com/ptad357b)). The page also features some statistics on the growth of the industry in recent years.
- ◆ **Pricewaterhouse Coopers** frequently publishes articles on a variety of UK and international markets and sectors, including the UK advertising and marketing industry. One article from April 2021 for example talks about where your online advertising spend really go? ([tinyurl.com/zrefwxaj](https://tinyurl.com/zrefwxaj))
- ◆ **Econsultancy** recently posted an article on the impact of the coronavirus pandemic on marketing, ecommerce and advertising, with a roundup of relevant statistics on things like consumer preferences and activity, social media, workplace impacts, entertainment and employment. ([tinyurl.com/zn4f5dyz](https://tinyurl.com/zn4f5dyz))

**Disclaimer:** This report has been updated on the 31<sup>st</sup> August 2021 and includes Post COVID-19 market material where available. 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.

## 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 [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](#).

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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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**Updated by: Roseleen Fearnley**

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