



Market Report

A Snapshot of your Market Sector

Advertising and Marketing

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

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

This market report was updated by Business Gateway in **August 2023**. 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:

- ◆ Marketing consultants' revenue is expected to contract at a compound annual rate of **0.5% over the five years through 2023-24 to £4.5 billion**, including an anticipated 2% growth in 2023-24, when the average industry margin is projected to be 8.6% (IBISWorld, Marketing Consultants in the UK, July 2023).
- ◆ Advertising agencies revenue is expected to expand at a compound annual rate of **2.1% to £32.4 billion over the five years through 2023-24**, including a forecast growth of 2.2% in 2023-24, when the average profit margin is estimated to be 13.1%. As the pandemic winds down, the advertising industry welcomed a significant return to business; however, inflationary pressures and the UK's unstable economic climate have halted this recovery (IBISWorld, Advertising Agencies in the UK, July 2023).
- ◆ The UK is one of the world's largest online advertising powerhouses, alongside the USA and China. According to the 2019 Advertising Pays report published by advertising thinktanks Credos and Enders Analysis, online advertising spending in the UK relative to the size of the economy was **the highest in the world, at 0.63% of GDP in 2018** (IBISWorld, Digital Advertising Agencies in the UK, February 2023).
- ◆ **The Data Protection Act 2018** (<https://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 (<https://tinyurl.com/5dtj8333>) or the Direct Marketing Association (<https://tinyurl.com/3uuuw7ny>).
- ◆ 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](#).



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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 - Marketing to Adults without Children UK (April 2023).** Brands can help younger adults fulfil their ambitions outside of parenthood such as buying their first home, progressing in their career and building up their finances. Brands need to also address and represent adults without children, who have long been ignored, in their marketing and product/service offerings. Indeed, 43% of adults without children feel that they are left out of marketing. While adults without children all have one thing in common, they are also very diverse, in terms of their age, financial situation, interests and desire to have children, and should be treated by brands as such.
- ◆ **Mintel – Marketing to Parents UK (March 2022).** The Office for Budget Responsibility (OBR) estimates that Britons built up £180 billion in additional savings as a result of the COVID-19 pandemic. With opportunities to spend on leisure, travel and luxuries extremely limited, consumers who were able to maintain all or most of their income found themselves with spare cash to put away at the end of each month. The global crisis has reinforced the idea of saving for a rainy day with 72% of parents saying COVID-19 has made them more aware of the need to save for their children.
- ◆ **IBISWorld - Marketing Technology in the UK (July 2023).** Marketing automation technology can relieve businesses of repetitive, time-consuming tasks, like applying marketing campaigns to multiple channels and communicating with a high volume of customers. Consumers communicate across a range of different technology. Companies have to keep up to date in how they approach their consumers. Marketing automation helps businesses find the best approach to attract the highest response rate when rolled out. Marketing automation technology can help with lead generation, nurturing and scoring. Tools like talking heads and bots can help reduce wage costs while providing round-the-clock customer services.

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

- ◆ **Creative Industries Council (CIC), UK Ad Spend Will Grow In 2023, But Eroded by Inflation, (February 2023)** (<https://tinyurl.com/ye76w7up>). The authoritative Advertising Association/WARC Expenditure Report predicts the UK advertising market will grow by 3.8 per cent in 2023 to reach £36.1bn. However, inflation means this figure would amount to a forecast decline of 3 per cent in real terms.
- ◆ **The Guardian, 'A hard business': UK's illustrious ad industry tainted by burnout and inequality (April 2023)** (<https://tinyurl.com/mup7krrw>). Last year the UK ad industry recorded the biggest annual rate of staff turnover in more than a decade, as problems including burnout, pay, gender and racial inequality led to advertising losing its edge in the battle to attract and retain creative talent.
- ◆ **Press Gazette, UK ad spend in news steady in 2022 but decline forecast for 2023-24, (April 2023)** (<https://tinyurl.com/3mnatded>). Advertising spend in the UK news industry fell slightly between 2021 and 2022, a new report shows.

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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 [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 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 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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