



Market Report

A Snapshot of your Market Sector

Digital Media

This pack has been designed to provide information on setting up a business in the **Digital Media** 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 **January 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 digital media 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 forecast to grow at a **compound annual rate of 9% over the five years through 2028-29 to £27.6 billion**. Increasing internet usage and rising online retail sales will fuel industry growth. The introduction of new hardware through which to transmit advertising, like smartwatches, and demand for mobile advertising will also aid growth, with consumers relying more and more on mobile devices to access the internet. Downstream businesses will likely increasingly deal directly with online providers or external firms, curtailing future growth. (IBISWorld, *Digital Advertising Agencies in the UK*, Sept 2023).
- ◆ Free podcast listenership continues to slowly grow as more people embrace the format. The volume of free podcasts available is also likely to be particularly appreciated during a difficult economic period for many. While podcast listenership typically skews male, there has been significant growth among young women over the last year, with listenership of free podcasts rising from 30% among women aged 16-24 in the three months to June 2022, to 46% in the three months to July 2023. All brands should be giving increasing attention to podcast advertising, but especially those targeting young women. (Mintel, *Digital Media Trends Autumn UK*, 2023).
- ◆ Prior to the current five-year period, e-book sales surged with the introduction of new mobile devices. However, industry revenue is expected to fall at a compound annual rate of 2.9% over the five years through 2023-24 to £372.7 million. A declining trend for e-book publishing over the past five years has been fuelled by the maturation of e-book sales as a product category. (IBISWorld, *E-Book Publishing, UK*, Aug 2023).
- ◆ Social media platforms are an integral part of people lives, offering ways to communicate, create and view content and share information. **Over the five years through 2023-24, revenue is forecast to grow at a compound annual rate of 22.7% to reach £5 billion**. Revenue is expected to grow by 7.8% in 2023-24, constrained by a substantial decline in advertising revenue attributed to Twitter. (IBISWorld, *Social Media Platforms, UK*, Aug 2023).
- ◆ The national organisation for this industry is [The British Interactive Media Association](#). Other industry bodies include the [Digital Media Association](#), the [Advertising Association](#), the [Creative Industries Council](#), the [British Film Institute](#), [The Software Alliance](#), [Ofcom](#) and [Creative Scotland](#).



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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.

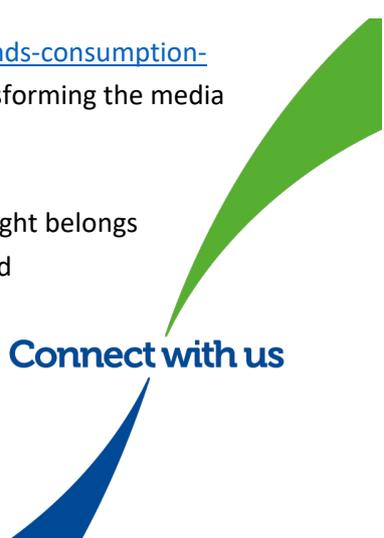
- ◆ **Digital Advertising Agencies – UK – IBISWorld** - Online advertising is booming compared with traditional forms of advertising, like TV and print, boosting demand for digital advertising agencies. Mobile and video advertising demand is swelling rapidly, accounting for a rising share of industry revenue. Many companies are splashing the cash on digital channels instead of traditional ones for advertising, particularly on social media. However, rising competition from external companies and the growing trend of businesses dealing directly with internet giants have restricted growth. Industry revenue is expected to balloon at a compound annual rate of 7.7% over the five years through 2023-24 to £17.9 billion, including a 3.7% rise in 2023-24.
- ◆ **Social Media Platforms – UK – Aug 2023 – IBISWorld** - The usually recession-proof social media platforms are beginning to feel the crunch of weak economic conditions, high inflation, and low business confidence. Tough financial conditions are hitting consumer spending, constraining ad-driven sales and leading to advertisers pulling ads. Social media platforms' revenue and profitability are falling as a result.
- ◆ **Media Trends – UK – Autumn 2023 – Mintel** - The decline in the number of people buying print magazines continues but there remain opportunities for the format. Parents of young children are particularly inclined to buy print magazines, reflecting their desire to buy for their children (shown by the comparatively strong performance of the children's magazine sector), as well as a desire for escapist leisure activities in the midst of the demands of parenthood.
- ◆ **Software Development – UK – Nov 2023 – IBISWorld** - The Software Development industry has made considerable progress over the past decade, as businesses and individuals have become reliant on electronic devices in many aspects of everyday lives. Online access to news, social media, video and other websites, and automated client-relationship and advertising software are now integral components of modern culture. Software developers' revenue is expected to grow at a compound annual rate of 4.2% over the five years through 2023-24 to £44.1 billion.

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

- ◆ **PwC - UK edition: Entertainment & Media Outlook 2022-2026** (<https://www.pwc.co.uk/industries/technology-media-and-telecommunications/insights/entertainment-media-outlook.html>). This resource provides five-year projections of consumer and advertising spending data across 14 segments and 53 territories.
- ◆ **Deloitte Insights – 2023 Digital Media Trends** (<https://www2.deloitte.com/uk/en/insights/industry/technology/digital-media-trends-consumption-habits-survey.html#explore>). The report reveals how younger generations are transforming the media and entertainment (M&E) landscape.

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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 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.

Last updated: January 2024

Updated by: Lynda

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