



# Market Report

A Snapshot of your Market Sector

## Green and Ethical Consumer

### 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 targeting **green & ethical consumers** 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 **May 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 green and ethical consumer 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:

- ◆ Over the five years through **2022-2023**, revenue will increase at a compound annual rate of **9.1%** Ethical consumerism is pushing sales with more consumers deterring purchases of products that are produced in a way that harms animals or the environment (IBISWorld Organic Food Retailing UK Jan 2023)
- ◆ **Around 46%** of people who buy sustainable foods say they would prefer a **more sustainable** synthetically produced product over a **less sustainable**, naturally produced one. While naturalness is typically highly valued by consumers in food and drink, a spotlight on their green credentials offers a powerful means to drive acceptance of synthetically made foods. (Mintel *Sustainability in Food UK* Feb 2023)
- ◆ **51% of adults** believe that **financial services have a significant role to play in preventing climate change**. However, **only 24% of consumers considered a financial provider's environmental approach** as an influential factor when choosing product (Mintel, *Green, ethical and socially responsible finance, UK*, Nov 21)
- ◆ **60% of new UK** product launches in the BPC category included ethical or environmental claims in 2021 compared to only 37% in 2017. (Mintel – *Sustainability in Beauty and Personal Care* Apr 22)
- ◆ The **UK accounted for 6.8%** of the global green packaging market in 2020 and has a forecast **CAGR of 7-9% from 2020-2025**. (Technavio – *Global Green Packaging Market 2021-2025* Sep 21).
- ◆ When shopping online in the UK, a large share of people valued retailers that keep the environment in mind by providing CO2 neutral shipping or delivering items in environmentally friendly packaging. (Statista – *Share of Sustainable Shopping Behaviours UK* 2022)
- ◆ **75% of British people want to minimise their environmental impact** when travelling **but 38% say price is the most important factor** when booking holidays, **while only 3% rank a good environmental policy** as the top consideration (Mintel, *Sustainability in Travel, UK*, Apr 22)
- ◆ **6.8% of UK** packaged food products claim they “can be recycled” while only 0.5% claim to be “environmentally friendly” and 0.2% claim to be “carbon neutral / reduced carbon”. (Euromonitor – Product Claim Database.)

Useful organisations within this sector include [Zero Waste Scotland](#), [SEPA](#), [Keep Scotland Beautiful](#) and [Energy Saving Trust](#)



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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](mailto:info@bgateway.com).

- ◆ **Mintel - Ethical Retailing, UK (June 2022)** - Consumers are increasingly valuing ethical practices when considering which retailers to shop at. Consumers want to make sure their money is spent with brands that share their values and look for companies that are ethical or environmentally responsible.
- ◆ Ethical and sustainable considerations are particularly important for younger consumers. According to a survey, **66% of UK consumers aged 18-24 are more likely** to buy from a retailer or brand that has **strong ethical and sustainable credentials, compared to 46% of those aged over 65** (Retail Week, *Data: [Data: Primark and Amazon rank among most sustainable retailers in new consumer poll](#)*, Mar 22)
- ◆ **Deloitte** How Consumers are Embracing Sustainability in the UK. Consumers are most likely to make sustainable or ethical choices in the categories they deem essential and buy frequently.
- ◆ **Glasgow** is home to the **most environmentally conscious online shoppers. 29.27% of shoppers from Glasgow** said they consider **carbon-friendly delivery options**, making it number 1 in the list of UK cities surveyed (Money.co.uk, *[The 2021 Dirty Delivery report](#)*, Nov 21)

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

- ◆ [Reshaping Retail: How ethics and sustainability are changing retail's ecosystem \(Barclays, Feb 22\)](#) Includes some interesting findings from a survey of businesses and consumers.
- ◆ [How to waste less \(Zero Waste Scotland\)](#) Provides a range of articles covering the environmental impact of different industries.
- ◆ [Scottish Environment Business Awards: VIBES 2022 finalists](#) List of Scottish firms competing to be recognised for their environmental innovation and best practice.

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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 [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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**Updated by: Sue**

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