



# Market Report

A Snapshot of your Market Sector

## Mobile Commerce

This pack has been designed to provide information on setting up a business in the **Mobile Commerce** 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 **October 2020**. 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 Mobile Commerce 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:

- ◆ All online sales grew by **14.4% in 2018** to reach **£65.8 billion** and we forecast that, whilst this growth will slow through to 2024, it will remain strong and continue to see online gain share of the wider retail sector. This will then place continued strain on retailer logistics and on the UK's transport network as the volume of orders, and returns, continues to grow. (Mintel, *Online Retailing: Delivery, Collection and Returns - UK*, October 2019).
- ◆ As a channel, online significantly benefitted from COVID-19 during lockdown, as a result of concern around contracting the virus, minimised consumer movement and non-essential store closures. Whilst all stores are able to open once more, online demand has continued to be heightened, a trend we expect to bring record growth (+31.2%) and greater penetration of online in all retail sales (26.2%) in 2020. As long as infection rates continue to fall in the second half of 2020, we would expect more demand to slowly return to stores as consumers become more confident, but we expect that online channels will see inflated demand throughout 2020. (Mintel, *Online Retailing: Inc Impact of COVID-19 - UK*, August 2020).
- ◆ Mintel's consumer research has shown that ownership of smartphones has stayed at a consistent level in recent years. The latest findings are discussed in Mintel's Digital Trends – UK, April 2020 Report, with **86% of consumers owning a smartphone**. (Mintel, *Mobile Phones – UK*, April 2020).
- ◆ Over the past decade, faster broadband and a rising number of households with internet access have spurred industry growth. As consumers have become more computer literate, internet accessibility has increased and online retailers have been able to attract greater demand, particularly among time-poor consumers. According to estimates from the Office for National Statistics (ONS), **93% of households in Great Britain have internet access in 2019**, up from 84% in 2014. Likewise, according to the ONS Internet Access Survey, **82% of adults purchased goods or services online in 2019**, with 54% of adults aged 65 years and over purchasing goods online (IBISWorld, *E-Commerce & Online Auctions in the UK*, April 2020).
- ◆ The national organisation for this industry is the [Scottish Retail Consortium](#). Other industry bodies are [IMRG](#) and the [British Independent Retailers 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 – Online Retailing: Inc Impact of COVID-19 - UK– August 2020.** However, the impact of COVID-19 has been more significant with Mintel’s Financial Confidence Tracker hitting its lowest level since the past recession. Notably the recovery has been swift with confidence broadly returning to levels seen in 2019 by June. There is likely to be an element of a ‘relief’ factor within this, with infection and death rates dropping, and also demonstrates the effectiveness of the Government intervention put in place to support household finances since lockdown. However, with much of these to be removed in the second half, and with the OBR’s forecast for unemployment, the current confidence levels are likely to be a peak between two storms.
- ◆ **Mintel – Mobile Phones, UK – April 2020.** With the vast majority of stores closed due to the lockdown, people are being pushed to buying online, with Mintel’s consumer research for 16 April 2020 to 23 April 2020 finding that 36% of people are shopping online more as a result of COVID-19.
- ◆ **Mintel – Digital Trends Quarterly, UK – February 2020.** A third of Millennial buyers have used AR to visualise potential purchases. As it is a relatively new technology in the shopping process, 16% of buyers have used AR to visualise a potential purchase, although this is up to 33% for Millennials. There is also the potential for growth due to the value of AR in helping to visualise a potential purchase. ASOS, Amazon and Argos have all offered AR-based features within their mobile apps.
- ◆ **IBISWorld – E-commerce and Online Auctions in the UK – April 2020.** Rising mobile device penetration and the rollout of improved 4G coverage has supported the use of mobile platforms and development of retailing mobile apps. According to the Deloitte Global Mobile Consumer Survey, 88% of adults owned a smartphone over the 12 months through June 2019. This compares with just 70% of adults over the 12 months through June 2014, with smartphone penetration recording a notable rise among the older demographic, increasing from 50% in June 2014 to 80% in June 2019.

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

- ◆ **E-Commerce Europe** represents more than 75,000 companies selling goods and services to consumers in Europe, and has collated top-level statistics and a downloadable infographic on the e-commerce market in the United Kingdom ([tinyurl.com/y6ymg4wx](https://tinyurl.com/y6ymg4wx)).
- ◆ **The Office for National Statistics (ONS)** has published a report on “E-Commerce and ICT activity, UK: 2018” which contains statistics on sales, major industry sectors and business broadband speeds. The next release of this publication is due on the 27 November 2020 ([tinyurl.com/y3etwha8](https://tinyurl.com/y3etwha8)).

**Disclaimer:** This report has been updated in October 2020 - we have included 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.

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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**

## 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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