



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

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

- ◆ Online advertising is booming compared with traditional forms of advertising, like TV and print, boosting demand for digital advertising agencies. **Revenue is forecast to grow** at a compound annual rate of 7.2% over the five years through 2024-25 to £20.4 billion, **including an expected 6.3% rise in 2024-25**. (IBISWorld, Digital Advertising Agencies in the UK, May 2024)
- ◆ Marketing consulting revenue is forecast to **expand at a compound rate of 1.9%** over the five years through 2029-30 to reach **£5.5 billion** as downstream sales swell alongside favourable economic conditions. Growth in the number of businesses operating in the UK, higher retail sales, improvements in manufacturing activity and more extensive advertising budgets due to increasing business confidence will support demand. (IBISWorld, Marketing Consultants in the UK, May 2024).
- ◆ **In 2024-25, revenue is expected to swell by 3.9%** off the back of strong online advertising sales with the 2024 Paris Olympic Games and Euros providing a marked jump. Companies' efforts to enhance research and development in advanced digital and AI products are expected to boost demand, as businesses typically promote new products and services through advertisements. This increased focus on innovation leads to a steady stream of new offerings that need visibility, driving higher advertising expenditures to capture consumer attention and market share. (IBISWorld, Advertising Agencies in the UK, May 2024).
- ◆ **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 on marketing for small businesses can be found from the [Information Commissioner's Office](#) and the [Direct Marketing Association](#).
- ◆ 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.

- ◆ **IBISWorld - Marketing Consultants in the UK (May 2024).** Retailers and wholesalers are increasingly turning to marketing consultants. Amid the e-commerce boom, they seek advice on how to stay informed about consumer trends, combat competition and enhance profitability through optimal sales strategies. The rapid pace of technological change will drive businesses to seek marketing consultants for advice and strategies to appeal to customers through digital channels. As such, advertising budgets will continue to shift towards digital marketing.
- ◆ **IBISWorld - Digital Advertising Agencies in the UK (May 2024).** Revenue is forecast to increase at a compound annual rate of **8.1% over the five years through 2029-30 to £30.1 billion**. Increasing internet usage and rising online retail sales will fuel further growth. New hardware through which to transmit advertising, like smartwatches, and strong demand for mobile advertising will also aid demand, with consumers relying more and more on mobile devices to access the internet. The innovation undertaken by digital ad agencies will be determined largely by how AI performs.
- ◆ **IBISWorld - Advertising Agencies in the UK (May 2024).** Improvements in home and mobile internet speeds and a drop in the cost of internet-enabled devices resulted in intensified internet usage, greater access to online media and reduced consumers' traditional media engagement. Online advertising can target specific niche markets in a way that is impossible with traditional advertising methods, contributing to its growth. Many traditional agencies have developed digital arms or acquired digital agencies to stay competitive. Demand for mobile advertising has boomed faster than online advertising, propelled by the mounting volume of internet traffic generated by mobile devices.

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

- ◆ **[Advertising Association - UK Advertising Reports £36.6BN Spend in 2023](#).** The latest Advertising Association/WARC Expenditure Report shows that the UK's ad market recorded a 6.1% increase in investment to a total of £36.6bn in 2023; the 13th annual expansion recorded in the last 14 years. The new survey data also shows that online formats now account for over three-quarters of all UK ad spend for the first time.
- ◆ **[IAB UK – Digital Adspend 2023](#).** The latest IAB UK and PwC full-year Digital Adspend report looks at digital advertising spend for 2023. The study shows that the digital advertising market grew by 11% last year to a total of £29.6 billion.

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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.

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