



Market Report

A Snapshot of your Market Sector

Green and Ethical Consumer

This pack has been designed to provide information on setting up a business in the **Green and Ethical Consumer** 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 **June 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 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:

- ◆ In 2024-25, revenue is expected to inch up by **10.9% to £1.6 billion**, with the average profit margin **reaching 5.8%**. 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* June 2024)
- ◆ **23% of UK shoppers list buying more sustainable products among the top three changes** they expect to make to food and drink shopping once the cost of living crisis eases. With **74%** of food and drink shoppers doubting the honesty of food and drink companies regarding their efforts to reduce their environmental impact, winning consumer trust will be crucial for brands to tap into the expected growing interest in sustainability. (Mintel *Sustainability in Food UK* 2024)
- ◆ **48% of adults agree being sustainable saves people money** in the long term, with younger consumers far more likely to agree. Across all consumers, only 7% of buyers buy exclusively eco-friendly products. This is driven largely by Millennials (27-42 years olds) with older Millennials (34-42 years old) being the most active purchasers of eco-friendly products. (Mintel, *Sustainability in Household Care, UK*, 2023)
- ◆ **82% of adults perceive their lifestyle to be environmentally friendly** to some extent; a sentiment that is consistent across genders, age groups and regions. Gen Z and Millennials are, however, more likely to say their lifestyle is very environmentally friendly compared to older generations, **at 22% and 23%, respectively**. (Mintel, *Everyday Sustainability, UK*, 2023)
- ◆ Women continue to be significantly more likely than men to view sustainability as important when buying fashion (**60% of women versus 47% of men**). While Gen Zs continue to place a high level of importance on sustainability when buying fashion, there has been a significant drop in Millennials prioritising this when purchasing new items. Three quarters of Gen Zers are relatively confident about their finances over the next year, which helps to explain the ongoing ability to spend on fashion. (Mintel – *Fashion & Sustainability - UK - 2023*).
- ◆ **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.

- ◆ **Statista – Sustainable Consumption in the UK (2023)** - The Statista study “Sustainable Consumption” provides an insight into the general mindset of British consumers towards sustainability. The study also includes attitudes towards sustainable food, fashion, and cosmetics as well as detailed sustainability ratings of brands in the same areas. In addition, the survey takes a look at the brand awareness and the purchases of sustainable brands.
- ◆ **Mintel – Sustainability in Travel – UK (2024)**
- ◆ **Mintel – Sustainability in Beauty and Personal Care – UK (2023)**
- ◆ **Mintel – Sustainability in Foodservice – UK (2023)**
- ◆ **Mintel – Sustainability in Technology – UK (2023)**

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

- ◆ [Deloitte - The Sustainable Consumer 2023](#) Consumers are most likely to make sustainable or ethical choices in the categories they deem essential and buy frequently.
- ◆ [The Co-Operative Bank - Ethical Markets Report 2023](#) Consumer spending on ethical products has increased from £17bn in 1999 to over £141bn in 2023
- ◆ [Zero Waste Scotland - How to Waste Less](#) Provides a range of articles covering the environmental impact of different industries.
- ◆ [The Good Shopping Guide - Fashion Retailers: Ethical Comparison](#) Compare thousands of the biggest brands in their Ethical Ratings Tables. They research environmental track records, animal welfare and human rights issues.
- ◆ [Institute of Customer Service - The state of customer satisfaction in the UK - UKCSI - January 2024](#) The UK Customer Satisfaction Index (UKCSI) is a national benchmark of customer satisfaction covering 13 sectors and based on 59,250 customer responses.
- ◆ [Money.co.uk - The 2021 Dirty Delivery report 2021](#) 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

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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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