



Market Report

A Snapshot of your Marketing 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 **May 2025**.

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:

- ◆ Revenue from digital advertising is forecast to grow at a compound annual rate of **8.1% over the five years through 2029-30 to £30.1 billion**. Increased AI adoption is going to be a large focus for the industry, with some advertising companies committing large sums of money to developing and implementing AI projects (IBISWorld, Digital Advertising Agencies in the UK, Dec 2024)
- ◆ In 2023, UK spending on digital advertising was **EUR 35,005 million**, making it the largest market in Europe. The next largest market, Germany had spending of **EUR 13,422 million**, less than half of UK spending. In the UK in 2024, the largest categories for online ad spending were **“search” and “online display”, with £16,913 million and £16,670 million respectively**. These were a long way ahead of the next largest category, **“video-on-demand”, with spending of £1,333 million**. However, the fastest-growing category was “video-on-demand”, which **increased by 25.7% in 2024** (Statista, Digital advertising in the UK, Aug 24).
- ◆ In an increasingly competitive online marketplace, firms are expected to seek expert help to outcompete rivals, with key areas of focus being AI adoption and video content creation. As a result, SEO and internet marketing consulting revenue is forecast to grow at a **compound annual rate of 8.5% over the five years through 2029-30 to £33.6 billion**. At the same time, there is a risk that competition within the industry may result in some businesses losing revenue and subsequently taking marketing operations in house to save costs (IBISWorld, SEO & Internet Marketing Consultants in the UK, Nov 2024).
- ◆ The UK contributed **7.5% to the global digital marketing spending market in 2024**, and its contribution will increase to 7.9% in 2029 (Technavio, Global Digital Marketing Spending Market 2025-2029, Jan 2025)
- ◆ **The Data Protection Act 2018** (<https://www.gov.uk/data-protection>) is the UK 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.

- ◆ As companies increase innovation spending to develop advanced digital and AI products, demand for advertising agencies may grow, as businesses typically promote new products and services through ads. However, advertising agencies may face growing competition from companies dealing directly with online providers. Smaller companies may also find it difficult to compete with larger companies, who have invested heavily in AI technology in recent years and may find it better to find niche markets to cater to (IBISWorld, Advertising Agencies in the UK, Apr 2025).
- ◆ According to Nielsen Ad Intel, the finance industry is the third-largest spender on advertising in the UK, reflecting its efforts to maintain visibility. **79% of Brits** recall seeing adverts for financial products and services in the last year, highlighting the extensive reach of these campaigns. Despite this, over half of consumers remain sceptical of brands that heavily rely on advertising. (Mintel, UK consumer attitudes towards advertising in Financial Services, Feb 2025).
- ◆ According to a 2024 survey, the main reason for outsourcing marketing activities in the UK was a lack of skills in-house (**with 48.7% of respondents citing this reason**). Other reasons given were that there is no need to employ someone full-time for the task (**28.9%**) or that team sizes have shrunk (**28.7%**) (Statista – Marketing in the UK, Jul 2024).
- ◆ Revenue from promotional product distribution is expected to rise at a **compound annual rate of 2.5% over the five years through 2030-31** as businesses continue to pursue niche product segments. Sustainability is becoming a key focus, with distributors increasingly offering eco-friendly and UK-manufactured products to meet market demand. These products can command higher fees, boosting profit growth (IBISWorld – Promotional product distribution in the UK, April 2025).

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

- ◆ **Advertising Association - UK Advertising Reports £42.6bn Spend in 2024 (April 2025)**. The latest Advertising Association/WARC Expenditure Report shows that the UK's ad market recorded a 10.4% increase in spending to a total of £42.6 bn in 2024. Online formats, when combined, grew 13.2% last year with £4 in every £5 of ad budgets now spent online.
- ◆ **IAB UK – Digital Adspend 2024 (April 2025)**. The latest IAB UK Digital Adspend report looks at digital advertising spend for 2024. The study shows that the digital advertising market grew by **13% in 2024** to a total of **£35.5 billion**, with spending forecast to rise **by 7% to reach £38bn in 2025**. Investment in video display was **up by 20%**, outpacing total market growth. **64%** of all online display spend is now invested in video, compared to **51% five years ago**.

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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](#)
- ◆ Advertising and marketing trade or professional associations such as the Data & Marketing Association provide a [searchable members directory](#).

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.



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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.

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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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