



Market Report

A Snapshot of your Marketing Sector

CBD Oil

This pack has been designed to provide information on setting up a business in the **CBD Oil** 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 **December 2024**.

What do I need to know about the CBD Oil 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:

- ◆ **Only 10% of beauty supplement users or lapsed users are looking for CBD**, even though the ingredient is often associated with benefits such as pain relief and sleep*. Meanwhile, online searches for the ingredient are also falling, likely due to fatigue around the topic. As sought-after wellbeing claims can convince consumers to try new beauty VMS products, there are still opportunities to utilise CBD's multifaceted benefits, though regulation will make NPD challenging. (Mintel, *Attitudes Towards Inside-Out Beauty UK*, October 2024).
- ◆ Cannabidiol (CBD) users tend to be younger, **38% are part of Generation Z. 54% of cannabidiol (CBD) users are male**. Many cannabidiol (CBD) users have a low annual household income. Cannabidiol (CBD) users are more likely to live in cities and urban areas than the average consumer. (Statista, *Target Audience: Cannabidiol (CBD) Users in the UK*, June 2024).
- ◆ The US is currently the largest CBD market in value sales terms, and it is likely to remain as such until 2028. However, whilst the **US currently accounts for 46% of the global value sales of CBD**, in 2028 this percentage is likely to decrease to 35%. This will be mainly due to the growth of other markets, such as Poland, Brazil, the UK and France. These are markets in which future developments in the medical and adult-use spaces are unlikely to happen, which could end up benefiting the CBD space (Euromonitor, *World Market for Cannabis*, August 2024).
- ◆ Revenue in the CBD Products market in the United Kingdom is forecasted to reach US\$323.20m in 2024. The revenue is anticipated to demonstrate an annual growth rate (CAGR 2024-2029) of 0.37%, **leading to a market volume of US\$329.30m by 2029**. When compared globally, the United States is expected to generate the highest revenue (US\$2,575.00m in 2024). In terms of per capita figures, in 2024, each individual in the United Kingdom generates revenues of US\$18.39. The United Kingdom's CBD Products market is experiencing a surge in demand, driven by increasing awareness and acceptance of cannabis-based products. (Statista, CBD Products UK)
- ◆ The national organisations for this industry include the [Cannabis Trade Association](#) and the [Association for the Cannabinoid Industry](#). Other industry bodies include the [British Hemp Association](#), the [Centre for Medicinal Cannabis \(CMC\)](#) and the [British Hemp Alliance](#).



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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.

- ◆ **Mintel – Managing Stress and Wellbeing (November 2023)**. A lack of understanding around CBD limits the ingredient, whether this be ignorance around the ingredient's potential benefits or an enduring association between CBD and cannabis, held by 59% of UK adults. It's also difficult for brands to increase awareness of the potential benefits of CBD in advertising as the ASA has come down on brands suggesting CBD can take 'care of body and mind' and 'target areas of pain'.
- ◆ **Euromonitor – World Market for Cannabis (August 2024)**. CBD & other non-intoxicating cannabinoids is set to continue to experience growth, as more consumers show willingness to try and include these products in their daily routines. The diversity in available formats and a predominance of non-smokeable ones also play in favour of the category. Products such as tinctures, oils, sprays, topicals and edibles are the ones with the highest value share in the category and are likely to remain as such until the end of the forecast period.

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

- ◆ [Food Standards Scotland](#) - Food businesses must apply for authorisation of their CBD extracts, isolates and associated products to be placed on the GB market using the regulated product application service. This service is hosted on the **Food Standards Agency (FSA)** website and is operated jointly by **Food Standards Scotland (FSS)** and the FSA. In most cases the applicant will be the manufacturer, but others such as trade bodies and other suppliers may also apply.
- ◆ [Cannabis Industry Data](#) - The United Kingdom's emerging cannabidiol (CBD) industry is projected to top **\$5 billion in value by 2030** according to a new market analysis by Vantage Market Research. Hemp-derived CBD products have grown in popularity at an exponential rate in recent years, including in the United Kingdom. "The U.K. Cannabidiol Market was valued at USD 1355.6 Million in 2023, and it is expected to reach USD 5066.7 Million by 2030, growing at a CAGR of 24.58% during the forecast period (2023-2030)." An article published in June 2024.
- ◆ [The Latest UK CBD Statistics Explained](#) – this article published in August 2023 by Releaf UK provides some information on the usage of CBD in the UK. "Approximately 1.3 million people in the UK take CBD regularly, and over 6 million have tried a CBD product within the past year. Users represent a broad range of demographic populations in terms of age, gender, and background."

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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.



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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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