



# Market Report

A Snapshot of your Marketing Sector

## Digital Media

This pack has been designed to provide information on setting up a business in the **Digital Media** 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 **February 2025**.

## What do I need to know about the digital media 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 boosting demand for digital advertising agencies. **Industry revenue is forecast to increase at a compound annual rate of 7.2%** over the five years through **2024-25 to £20.4 billion**, including an **estimated 6.3% rise in 2024-25**. (IBISWorld, *Digital Advertising Agencies in the UK*, December 2024).
- ◆ **27% of people currently use a music subscription streaming service**, which rises to 45% of Gen Z (16-27). While **50% of people listen to music on their smartphone**, this falls to 15% of Baby Boomers, fewer than are listening to music on smart speakers (21%). **18% of people listen to audiobooks**, rising to 27% of Millennials. **Watching TV/films** is one of the most favoured ways parents like to spend time with their children. **55% of parents of children aged 18 and under** rank it within their top five ways of spending quality time with their kids. (Mintel, *Media Trends Autumn UK*, September 2024).
- ◆ **38% of people used a generative AI chatbot** in the three months to June 2024, yet only 16% believe these tools will positively impact their lives. This scepticism extends to social media, where few users anticipate using AI chatbots, despite significant investments by major platforms. **83% of social media users think social media platforms need to regulate misinformation** more strongly. (Mintel, *The Future of Social Media UK*, November 2024).
- ◆ Following the surge in revenue of 2020-21, e-books sales have since returned to a state of decline, with **revenue expected to fall at a compound annual rate of 4.1%** over the five years through **2024-25 to £348.1 million**, including a drop by 2.2% in 2024-25. **Adult trade e-books** dominate sales, generating **£166.4m (47.8%)** of industry revenue. (IBISWorld, *E-Book Publishing in the UK*, July 2024).
- ◆ According to Ofcom, approximately **89% of UK internet users in 2023 used social media apps or sites**. Teenagers and young adults are the biggest users, although there is rapid uptake among older age groups. **Revenue is expected to grow by 14.3% in 2024-25**, constrained by a slowdown in user growth for most major social media platforms. Operating costs will swell as platforms look to meet consumers' expectations, weighing on profit. Over the **five years through 2029-30**, social media platforms' revenue is **forecast to grow at an estimated 9.4% to reach £15.4 billion**. (IBISWorld, *Social Media Platforms in the UK*, August 2024).
- ◆ The national organisation for this industry is [The British Interactive Media Association](#). Other industry bodies include the [Digital Media Association](#), the [Advertising Association](#), the [Creative Industries Council](#), the [British Film Institute](#), [Ofcom](#) and [Creative Scotland](#).

Connect with us

## 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).

- ◆ **IBISWorld – *Digital Advertising in the UK (December 2024)***. AI investment is high on the agenda for ad agencies. Large investments into AI research with advancements like AI-powered production studios is transforming content creation for advertisers and marketers. Rising online retail sales are on track to boost digital advertising demand, with Retail Economics suggesting that the Internet will account for 53% of retail sales in 2028 (up from 20% in 2018). Classified advertising, email, and text message promotions are seeing a decline in spending as newer advertising methods gain traction.
- ◆ **IBISWorld – *E-Book Publishing in the UK (July 2024)***. Since 2021, printed books have been selling faster than their electronic equivalents, with a preference for the tangible experience. Meanwhile, the popularity of audiobooks isn't losing steam; according to the Publishers Association (PA), there was a 17% uptick in audiobook downloads between 2022 and 2023. This trend is carving out the future of the reading realm, where e-books are steadily nudged off the stage. Many publishers have begun to experiment with incorporating more mixed media into their e-books, including sound, video, and colour.
- ◆ **Mintel - *Media Trends Autumn UK (September 2024)***. Gen AI is changing the advertising landscape, lowering barriers to creativity for brands and presenting the opportunity for chatbot advertising. QR codes have become an important aspect of advertising, enabling brands to tie together physical campaigns and digital content, boosting the value of print and out-of-home advertising. 29% of people scanned a QR code from an advert in the three months to July 2024, rising to almost half of Gen Z and Millennials. 55% of people use a video subscription streaming service, and Netflix has maintained its dominance of the market despite intense competition and the cost-of-living crisis.
- ◆ **IBISWorld – *Social Media Platforms in the UK (August 2024)***. Growing ad-blocker use threatens traditional banners. As ad-free experiences and relevant content lure users into subscriptions, conventional banner and pop-up ads suffer, due to both ad-blockers and users learning to overlook them, thereby eroding the traditional ad revenue. Older demographics represent a rapidly expanding digital market. Despite slower adoption rates, individuals aged 55 and over are increasingly tapping into social media for connectivity, making them a fast-growing segment in the online communication sector.

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

- ◆ **PwC - *UK edition: Entertainment & Media Outlook 2024-2028***. This resource provides five-year projections of consumer and advertising spending data across 14 segments and 53 territories. ([www.pwc.co.uk/industries/technology-media-and-telecommunications](http://www.pwc.co.uk/industries/technology-media-and-telecommunications)).
- ◆ **Deloitte Insights – *2024 Digital Media Trends***: points to continued industry disruption—not just from streaming, social, and gaming, but also from how these media and technologies combine. ([www2.deloitte.com/uk/en/insights/industry/technology/digital-media-trends](http://www2.deloitte.com/uk/en/insights/industry/technology/digital-media-trends)).

**Disclaimer:** Please note that this research may contain copyrighted material. Copyright belongs to the holders credited and as such, recipients of this research must only use the information for their own internal business purposes, and must not publish, reproduce or repurpose the information, or make it available to any third party, without permission from the original copyright holders. “Repurpose” includes any uploading of the information to AI tools.

**Connect with us**

## 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**



Connect with us

## 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.



Connect with us

## 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.

Although every effort has been made to ensure the accuracy of the information provided, Business Gateway will not be held liable for any inaccuracies or omissions in the data supplied, or for the content of any website that the document above may contain links to. By using this information, you accept this disclaimer in full. Also, please note that Business Gateway does not endorse any business or individual that may be referred to above.

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.

**Last updated: February 2025**

**Updated by: Eleanor**

**Connect with us**