Market Report

A Snapshot of your Market Sector

Computer Maintenance

This pack has been designed to provide information on setting up a business in the Computer Maintenance 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 January 2018. 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 Computer Maintenance 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 the five years through **2021-22**, industry revenue will grow at a compound annual rate of **0.8% reaching £1.9 billion**. IBISWorld forecasts that industry revenue will increase by **3.6%** in the current year. Following the EU referendum result, increased uncertainty is anticipated to limit household disposable income growth and cause business capital expenditure to fall. Since the industry's performance is often countercyclical, this is expected to support an increase in demand for industry services, as more consumers and businesses opt for repairs over replacement. (IBISWorld, Computer & Computer Equipment Repair in the UK, February 2017).

◆ Systems and technical consulting services are expected to generate **15% of industry revenue** for Computer Consultants, which is currently worth **£47.3 billion** overall, and is forecast to grow at a steadier pace, expanding at a compound annual rate of **3%** and reaching **£54.9 billion** in **2022-23**. (IBISWorld, *Computer Consultants in the UK*., August 2017).

◆ Entry on a small scale is achievable in the IT consultancy market, smaller players have experienced increased growth as both government and commercial institutions increasingly turn to third parties to provide specialised IT support (MarketLine, *IT Services in the United Kingdom*, March 2017).

◆ Statista have produced statistics that present the number of computer and communication equipment repair businesses in the United Kingdom (UK) from 2010 to 2016. **As of 2016, there are 4,605 computer and communication repair businesses in the UK**. (Statista, *Number of computer and communication equipment repair businesses in the United Kingdom (UK) from 2010 to 2016* (tinyurl.com/ybb8vsug)

◆ Several big names in this industry are HP Enterprise Services, IBM Global Services, Atos and **Capgemini UK**

◆ The national organisation for this industry is the UK IT Association. Other industry bodies include ScotlandIS, Association of Independent Computer Specialists, The UK Computer Services Association and Association of Computer Repair Business Owners.

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 –** *Desktop, Laptop and Computers UK* **(July 2017).** The tablet market appears to have reached saturation, with ownership plateauing at just above 60%. In line with this the tablet segment's meteoric rise is well and truly over, with Mintel estimating 2017 will be the fourth successive year of decline for tablet sales in the UK. Meanwhile, the desktop market is expected to continue its decline across the next five years – though the rate of decline is slowing to a crawl. The laptop segment is forecast to remain the largest individual segment of the UK computer market for the foreseeable future despite being forecast to decline from an estimated value of £1.7 billion in 2017 to £1.1 billion in 2022.

- ◆ **IBISWorld –** *Computers & Computer Equipment Repair in the UK* **(February 2017).** The largest segment for industry operators is estimated to be the repairing of desktops and laptops, accounting for 41% of industry revenue in the current year. The specialised computer repair segment is estimated to account for 26%, the printer, scanner and server repair segment accounting for 14% and portable electronic device repair is estimated to account for 9% of industry revenue in the current year.

- ◆ **IBISWorld –** **Computer Consultants in the UK (August 2017).** The Computer and Computer Equipment Repair industry (IBISWorld report S95.110) provides an alternative for businesses and households to the services provided by computer consultants. Rather than investing in new IT systems and involving consultants, potential clients might choose to have old equipment and systems repaired. Computer consultants can face lower demand when demand for computer repairs is high. IBISWorld estimates that demand from computer and computer equipment repair will grow in 2017-18, which could threaten expenditure on consultants.

- ◆ **MarketLine –** *IT Services in the United Kingdom* **(March 2017).** The markets in which computer companies operate are subject to technological advances, developing industry standards and changing customer needs and preferences. The success of a company is highly dependent on the ability to anticipate and adapt to such changes.

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

- ◆ **ScotlandIS,** *Scottish Technology Survey 2015* (tinyurl.com/h7244e5)This report shows an increased level of confidence for businesses in the Scottish Technology Industry with **82%** of respondents expecting sales to increase over the **next 12 months** and only **6%** forecasting a decrease. Furthermore, there is an increase in the percentage of smaller businesses who do not currently **export**, but plan to do so in the future, **29% compared to last years 21%.**

- ◆ **National Careers Service,** *Job Profiles: Computer service and repair technician* (tinyurl.com/mt54zsq). 15% of computer service and repair technicians are self-employed, 80% are employed on a full time basis and 5% are part time.

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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 *Retaining and Grow Your Customer Base* (tinyurl.com/c2fw4o4) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

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 website, 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 Account" 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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