



Market Report

A Snapshot of your Market Sector

Web Designer

This pack has been designed to provide information on setting up a business in the **Web Designer** 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 **November 2020**. 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 Web Designer 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:

- ◆ The pandemic is expected to have an overall negative effect on the industry. Due to the challenging economic conditions created by the virus, business confidence is expected to plunge over 2020-21, causing business budgets to tighten. As a result, spending on web design services is expected to fall, contributing to revenue decline in the current year. (IBISWorld, *Web Design Services in the UK*, November 2020).
- ◆ According to ONS data, only **48.4%** of companies have a website (up from 46.1% in 2017), but this is again reduced by the low incidence of websites among micro companies. If only companies with more than 10 employees are considered, penetration rises to **83.9%** (up from 81.9% in 2017), with near universal usage among larger companies (Mintel, *Computer Security - UK* - January 2020).
- ◆ The scale, extent and affect of the coronavirus outbreak remains highly uncertain. However, early evidence of disruption to supply chains, currency markets, stock markets, commodity markets, consumer demand and business activity all point towards a period of lacklustre economic prospects. Consequently, industry growth is expected to be stunted during 2020-21, with revenue projected to expand by a mere 0.6%. (IBISWorld, *Computer Consultants in the UK*, July 2020).
- ◆ Global internet usage continues to develop rapidly, with **1,157% growth between 2000 and 2019**. This has created opportunities for world trade to even small companies previously confined to trading in a local region for cost or logistical reasons. Not only has the use of the internet grown exponentially in the last few years, but penetration in industrialised regions is now very high, reaching some 90% in North America, almost 69% in Oceania/Australia and almost 88% in Europe. (Mintel, *IT Services - UK*, February 2020).
- ◆ Prolonged uncertainty generated by the UK's transition out of the European Union and COVID-19 (coronavirus) could constrain industry demand as businesses delay costly software investments. Additionally, operators could become isolated from EU funding and research collaboration following the UK's exit from the EU bloc. (IBISWorld, *Software Development in the UK*, September 2020).
- ◆ The national organisations for this industry are [ScotlandIS](#) and [Web Professionals](#).



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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.

- ◆ **IBISWorld – *Computer Consultants in the UK (July 2020)***. With the exception of a plateau in the current year caused by the global economic slowdown generated from the outbreak of COVID-19 (coronavirus), the industry performed well over the past five-year period. Over the five years through 2020-21, revenue is forecast to grow at a compound annual rate of 3.7%, including a negligible growth of 0.6% in the current year, to reach **£56.2 billion**.
- ◆ **IBISWorld – *Web Design Services in the UK (November 2020)***. Industry revenue is expected to increase at a compound annual rate of 3.3% over the five years through 2025-26 to reach £646.9 million. A potential short-term recovery from the economic slump induced by the COVID-19 (coronavirus) pandemic would boost business confidence and downstream markets would be more willing to invest in industry services, supporting demand for the industry's services.
- ◆ **Mintel - *IT Services - UK (February 2020)***. The cloud computing market is continuing to grow strongly, with increases in both the number of companies adopting the cloud and number of applications used by each company. Revenues were expected to reach **£21.9 billion in 2019**, equivalent to growth of 133% since 2015.
- ◆ **IBISWorld – *Software Development in the UK (September 2020)***. The industry has made considerable progress over the past 10 years, as businesses and individuals have become reliant on electronic devices in many aspects of everyday lives. Online access to news, social media, video and other websites, in addition to automated client-relationship software and advertising software applications, are now integral components of modern culture. Industry revenue is expected to rise at a compound annual rate of **5.3%** over the five years through 2020-21, reaching **£34.4 billion**.

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

- ◆ **Tech Jury - *Website Design Industry Statistics: All You Need To Know In 2020*** (April 2019) (tinyurl.com/wb224lm).
- ◆ **PayScale - *Average Web Developer Salary in United Kingdom*** (tinyurl.com/tvs5sw5). The website contains information on the Web Developer job profile, skills and salary. “The average salary for a Web Developer in United Kingdom is £25,424”.

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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 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.

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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