

Market Report

A Snapshot of your Marketing Sector

Computer Software

This pack has been designed to provide information on setting up a business in the **Computer Software** 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 2025**.

What do I need to know about the Computer Software 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 Software Development industry has made considerable progress over the past decade, 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, as well as automated client relationships and advertising software, is now integral to modern culture. Software developers' revenue is expected to climb at a compound annual rate of **2.5%** over the five years through 2025-26 to **£49.3 billion**. The adoption of cloud computing and software as a service (SaaS) models has spurred consistent revenue growth, with the number of dedicated SaaS businesses surging. (IBISWorld, *Software Development in the UK*, September 2025)
- ◆ A shift to remote working for many has cemented the necessity for sophisticated software features that support a dispersed workforce, like cloud-based software, contributing to a steady demand for software subscriptions and services. Revenue is projected to climb by 1.4% over 2025-26 as businesses and households continue to understand the benefits of using software. Industry profit has trended upward amid growing demand for software, cloud computing technology and publishers offering a more profitable Software as a Service (SaaS). (IBISWorld, *Software Publishing in the UK*, September 2025)
- ◆ As digital interconnectivity has expanded across sectors, the protection of sensitive business and personal data has become paramount, prompting a surge in sales of robust, innovative security solutions. The industry's expansion has been supported by significant hikes in cyber-attack incidents and the corresponding response by British enterprises (IBISWorld, *Cyber Security Software Development in the UK*, September 2025)
- ◆ In 2025 the UK Software market had a combined total revenue of **£29.5bn**, split across four main segments; Enterprise (**£12.68bn**); Productivity (**£3.24bn**); Application development (**£7.98bn**); and System infrastructure (**£5.6bn**). Statista forecast industry revenues to reach **£35.88bn by 2030**. (Statista, *Statista Market Insights*, November 2025)
- ◆ The national organisation for this industry is [The British Software Alliance](#). Other industry bodies include the [Business Application Software Developers Association](#) and the [Chartered Institute For IT](#). You can find many more interactive media associations and bodies via the [British Interactive Media Association](#). JKL

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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 – Software Testing Services in the UK (August 2025). “Strong expansion has been facilitated by rising levels of business software investment, government initiatives to facilitate software growth (e.g. support for cyber security businesses), the adoption of cloud-based testing and the expansion of automated functional testing. Revenue is forecast to swell by 3.5% in 2025-26 as demand for software testing services holds strong.”
- ◆ IBISWorld – Business Software Investment (June 2025). “Over the five-year period through 2030-31, IBISWorld forecasts that total investment expenditure on software in the United Kingdom will increase at a compound annual rate of 1.6%, to reach £57.5 billion. During the coming years the United Kingdom faces a challenging period, characterised by presumed economic recovery, with economic pressures related to the cost-of-living crisis continuing to ease over the period, and compounded by adjustment to a post-pandemic operating environment. When these projected conditions come to fruition and the wider economy stabilises, business will continue to become more inclined to accelerate software investments, thus committing to a fresh capital investment cycle.”

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

- ◆ [ScotlandIS](#) is a membership organisation for Scotland’s digital technology industry, with members from the software industry as well as telecommunications, gaming, IT and other sectors within the digital technology ecosystem. There are resources and events for members, as well as news articles on the Scottish digital technology market. They publish an [annual tech industry survey](#), pulling together opinions from industry experts and member organisations.
- ◆ [Information Age](#) is an online resource for the IT industry including trends within the UK software market
- ◆ [Computing](#), an online magazine, offers numerous industry insights, research articles, and industry webinars on current issues and trends.
- ◆ Software review aggregator [Capterra](#) published an [article in October 2025](#) looking at UK business spending habits on tech and software

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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@bgateaway.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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Updated by: Patrick MacDonald

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