Market Report

A Snapshot of your Marketing Sector

App Developer

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

What do I need to know about the app developer 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:

♦ App development industry revenue in the UK is projected to swell at a compound annual rate of 12.9% over the five years **through 2024-25 to reach £28.3 billion**. Over the next five years, industry revenue is forecast to grow at a compound annual rate of 13.3% to **£53 billion in 2029-30**. As smartphone penetration begins to reach saturation, the industry will no longer be able to expand at the rate recorded over the past decade. However, advances in smartphones and technology, including augmented reality and connectable gadgets, are expected to provide developers with new opportunities for growth in the coming years (IBISWorld, *App development in the UK*, October 2024).

♦ In 2025, **games apps accounted for 22.2% (£6.3 billion)** of total industry revenue, while business apps made up 10% (£2.8 billion), education apps 9.1% (£2.6 billion), lifestyle apps 8.6% (£2.4 billion), entertainment apps 6.3% (£1.8 billion), travel apps 4.1% (£1.2 billion), health and fitness apps 3.3% (£935.1 million) and other categories of apps made up 36.4% (£10.3 billion) (IBISWorld, *App development in the UK*, October 2024).

♦ The most commonly used app types are retail (by 56% of respondents), video streaming (46%), news (38%), health and fitness (36%), and audio streaming (35%). Transport, grocery delivery, and takeaway food delivery apps are also widely used, with each being used by about one-third of smartphone owners (Mintel, *Smartphones – UK – 2025*, May 2025).

♦ The global mobile application market was valued at **$913.2 billion in 2024** and is estimated to grow to **$3,543.2 billion in 2029.** This will create an incremental growth opportunity worth $2,630.0 billion between 2024 and 2029, which translates to around 288% of the market size in 2024 (Technavio, *Global Mobile Application Market 2025-2029*).

♦ The number of downloads is forecast to experience significant growth in all segments in 2029. The trend observed from 2019 to 2027 remains consistent throughout the entire forecast period. There is a continuous increase in the indicator across all segments. Notably, the games segment achieves the highest value of 204 billion downloads in 2029 (Statista, *Mobile app usage*, 2025).

♦ The national organisation for this industry is The App Association (UK branch). Other industry related organisations include the Business Application Software Developers Association (BASDA), ScotlandIS and the Developers 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.

IBISWorld - App development in the UK (October 2024). Investing in R&D is crucial for app development businesses to stay competitive and innovative. It enables the creation of cutting-edge software solutions, ensuring apps meet evolving user demands and surpassing industry standards. Effective project management is essential in app development to ensure timely delivery and high-quality output. Skilled project managers coordinate multidisciplinary teams, streamline workflows and manage resources efficiently, leading to successful and profitable app launches. With advancements in artificial intelligence and machine learning, app developers will have the tools to create smarter apps that can anticipate user needs, enhance personalisation and improve operational efficiency. These technological advancements are essential factors driving app developers forward as they determine the capacity to address evolving consumer demands and technological opportunities effectively.

♦ **Technavio - Global Mobile Application Market 2025-2029**. Companies can continue to grow by leveraging the inherent growth opportunities available within the market while avoiding direct competition. The market is highly innovative and is growing at a high rate. The new entrants can come up with new ideas to launch new on-demand apps. The availability of several platforms for launching new apps, as well as the presence of several revenue models, increases the prospects for new vendors to enter the market.

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

♦ **ScotlandIS** reports on the outlook for the Scottish tech sector **Technology Industry Survey 2025**, highlighting that AI and machine learning are seen as critical growth opportunities for 69% of its members in 2025, up from 43% in 2023.

♦ **Techscaler** is a Scottish Government programme for creating, developing and scaling tech startups, delivered by CodeBase Ltd.

♦ **DataRePortal's Digital 2026 Global Overview Report** (October 2025) – at over 700 pages – includes a detailed analysis of the dominant e-commerce, social media and entertainment platforms used, as well as AI integration and digital advertising (e.g. the estimated $390 billion global spend on in-app advertising).

♦ **AppsFlyer's App retention benchmarks report: 2025 edition** examines global app retention performance – covering metrics such as Day 1, Day 3, Day 14, and Day 30 retention across 11,000 apps and 10.6 billion installs, segmented by platform, region, and category.

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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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