

MARKETVIEWS

# UK Software & IT Services Market Trends & Forecasts 2024

**Authors:** Duncan Aitchison, Simon Baxter, Jon C Davies, Angela Eager, Kate Hanaghan, Marc Hardwick, Georgina O'Toole, Dale Peters, Katy Ring, Craig Wentworth

**JULY 2024**



# Foreword

Welcome to the 2024 TechMarketView Market Trends & Forecasts report!

This research is eagerly awaited each year and we know just how extensively it is used by the industry and buyers to get the most realistic and honest view of the UK Software and IT Services market. The market data and analysis in this report forms the foundations of strategic decision making by our clients as well as our own additional work to support them.

With insight from across TechMarketView's analyst team, the report is a first port of call for anyone wanting to understand the overall size and shape of the UK Software & IT Services market, the key drivers and trends, and our view of what the future holds. Use its data to support your business planning and forecasting, benchmark your performance against the market, or identify areas of opportunity and threat.

TechMarketView's research theme for 2024 is Enabling Acceleration, which describes a market where customers want to transform at pace but are being held back from doing so for a variety of reasons. And this is where the supplier community has an essential role to play in disentangling the challenges and setting end user organisations up for future success.

We recommend reading this Foundation Service report alongside the forthcoming subsector Market Trends & Forecasts reports within our other research streams – TechSectorViews, PublicSectorViews, and FinancialServicesViews – for the full in-depth picture of the UK tech market.

Our analysts are always keen to hear from you and we encourage you to contact them directly (see our website for contact information) if you'd like to learn more about how they can help your organisation.

We look forward to discussing the research with many of you over the coming months and look forward to catching up at our TechMarketView Evening event on 26th September.



**Kate Hanaghan**

Chief Research Officer and Partner



# Contents

About This Report	4	The UK Manufacturing Market	52
View from the Chief Analyst: Enabling Acceleration	5	The UK Retail & Wholesale Market	56
Executive Summary	6	The UK Travel & Transportation Market	60
UK Software & IT Services Market	9	The UK Energy & Utilities Market	65
The UK Enterprise Software Market	20	The UK Telecommunications, Technology & Media Market	69
The UK Consulting Market	25	Appendix 1: Market Forecasts	73
The UK Solutions Market	30	Appendix 2: Market Models Description	74
The UK Operations Market	35	Engage With Us	85
The UK Cybersecurity Market	39	Terms & Conditions	86
The UK Public Sector Market	43		
The UK Financial Services Market	47		

## Figures

<b>Figure 1:</b> UK SITS Growth 2022 & 2023: Real Terms vs. Actual	9	<b>Figure 10:</b> The UK Enterprise Software Market	21
<b>Figure 2:</b> The UK SITS market by segment (2023)	9	<b>Figure 11:</b> The UK Consulting Market	26
<b>Figure 3:</b> The UK SITS market by segment (2023)	10	<b>Figure 12:</b> The UK Solutions Market	31
<b>Figure 4:</b> The UK SITS market by industry sectors (2023)	11	<b>Figure 13:</b> The UK Operations Market	36
<b>Figure 5:</b> The UK SITS market growth by industry sectors (2023)	11	<b>Figure 14:</b> The UK Cybersecurity Market	40
<b>Figure 6:</b> UK SITS Market: Impact of inflation on growth	12	<b>Figure 15:</b> The UK Public Sector Market	44
<b>Figure 7:</b> UK SITS market growth by type (2022-2027)	16	<b>Figure 16:</b> The UK Financial Services Market	48
<b>Figure 8:</b> UK SITS market growth by sector (2022-2027)	18	<b>Figure 17:</b> The UK Manufacturing Market	53
<b>Figure 9:</b> UK SITS Market: New vs. Heritage (2022-2027)	19	<b>Figure 18:</b> The UK Retail & Wholesale Market	57
		<b>Figure 19:</b> The UK Travel & Transportation Market	61
		<b>Figure 20:</b> The UK Energy & Utilities Market	66
		<b>Figure 21:</b> The UK Technology, Media & Telecommunications,	70

## Tables

<b>Table 1:</b> TechMarketView Digital Evolution Model (DEM) UK Software and IT/BP Services Market Size (£m)	13
<b>Table 2:</b> TechMarketView Digital Evolution Model (DEM) UK Software and IT/BP Services Market Growth (%)	13

# About this report

Market Trends and Forecasts 2024 consolidates TechMarketView's latest forecasts and trends analysis for the UK Software and IT Services (SITS) market.

The report draws on a large range of data points and research interviews, with analysts applying our unique and carefully developed research methodology. We pride ourselves on our rigour and market knowledge, along with our ability to decipher complex trends and provide clear advice to our clients.

As well as receiving a comprehensive view of the current market scene, our analysis will help you understand how we expect to see the markets evolve in coming years. TechMarketView's market data is based on our proprietary Digital Evolution Model (DEM). The model segments the market in terms of the categories of offerings that SITS buyers consume and is an analytical framework that provides a more detailed view of how rotation from Heritage to Digital, Platform, and Cybersecurity services is impacting market activity. The DEM also reflects the increasing breakdown of boundaries between traditional asset demarcations by focusing primarily on the nature of what is being delivered, namely:

- **Consulting:** Project-based services centred on the provision of expert advice to help improve organisational and business performance through the best use of information technology.
- **Solutions:** Discrete services centred on the creation and/or supply and deployment within a customer of new business and/or technological capabilities.
- **Operations:** The assumption of day-to-day delivery responsibility for the continuous provision of one or more elements of a client's business process and information technology service portfolio (including Infrastructure, Applications, and Business Processes).
- **Enterprise Software:** Refers to SaaS (the supply of applications as a service by a software publisher), Infrastructure & Information management software, and Productivity & Business applications software products.

As with previous years, we provide discrete estimates and forecasts for the UK Cybersecurity market.

We also overlay the core market model with a view by industry sector with detailed analysis on the following:

- |                                |                           |
|--------------------------------|---------------------------|
| • Financial Services           | • Retail & Wholesale      |
| • Public Sector                | • Energy & Utilities      |
| • Manufacturing                | • Travel & Transportation |
| • Telecoms, Technology & Media |                           |

Market Trends and Forecasts 2024 is the companion to TechMarketView's UK SITS Ranking 2024 in which readers will find our unique annual ranking tables for the leading suppliers of Software and IT Services to the UK market.

An Excel spreadsheet with our market estimates and forecasts in this report is available to clients for download here: [UK SITS Market Forecasts 2024 \(Excel\)](#).