

Computer Software - UK - November 2010

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What is this report about?

The reliance of consumers nowadays on all things digital means that new technology is increasingly more sophisticated. This evolution continues to create opportunities for software developers, from tools that enable users to edit photos to software that allows easy management of their digital lives and beyond.

However, growing demand for computer software has come at a time when there is a widening range of free, open-source alternatives to purchased software. This will continue to provide a challenge to stakeholders in the sector, and force them to innovate harder and faster to differentiate themselves from the free competition.

What have we found out?

- The majority of adults – nearly 80% in Great Britain – own a computer, up 3.9 percentage points compared to 2006. While ownership of computers has increased, so has the range of activities conducted on a computer - for example, 52% of adults edit and organise videos and photos, increasing potential demand for software to help consumers manage their digital lives.
- While computers and digital devices are increasingly central to consumer lifestyles, much of the software available comes with products in the first instance. In addition, there is also a wide variety of free open-source alternatives to paid software: research conducted for this report, for example, found that 60% of respondents look for a free version before paying for software.
- Brand is also an important consideration when deciding on which software to buy by half the respondents surveyed. Attitudes also vary in terms of operating system used: Apple Mac users are 21 percentage points more likely than Windows users to keep up to date with the latest software. Apple users are also 16 percentage points more likely to have bought software after a trial period.
- The sector was affected by a slowdown in new PC sales between 2008 and 2009, which lead to a 4% decline in market values (falling to £11,191 million). However, values are estimated to grow by 0.5% in 2010, with Mintel forecasting the software sector to reach £12,777 million by 2015. This will be driven by growth in new computer sales, as well as new operating systems (including Windows 8).
- The most popular types of software are orientated towards the web, with web browsers and antivirus software the most commonly installed and used, reflecting the importance of internet usage as a computing activity. By gender, males are the most likely to use the widest variety of software. For example, 17% of males have ten or more different types installed on their computer, compared to 10% of females.

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