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Market Insights Update: IT Sector



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Welcome to our Monthly Market Insights update for the Digital/Marketing/Tech sector. We would like to thank all those who participated to produce the monthly reports. We hope you find this report useful.

If you have any questions please get in touch!

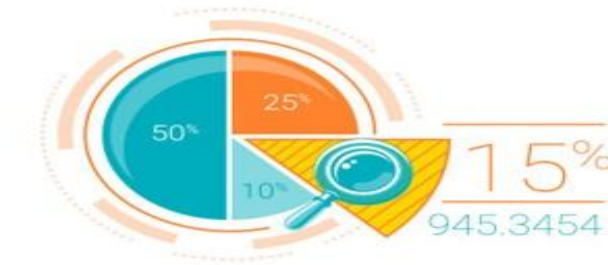
Best wishes,

Toby Day – Head of Digital
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Who We Are

The Digital Recruitment Company was founded in London in 2010 with the sole vision of becoming the leading specialist provider of global recruitment solutions to the Digital & Marketing sectors. With an initial focus on Marketing, Innovation, and Social Media, the company quickly expanded in line with the wider Digital Sector. As technology continues to transform the sector our business has similarly adapted to include Creative, Strategy and Tech.



What We Do

We work across the Digital Sector in both the UK & Internationally. We aim to create long-lasting partnerships with our clients.

We work across the following specialisms:

Client Services, Creative, Data & Analytics, Executive Appointments, Innovation & Service Design, Insight & Research, Sales, Strategy, Tech & UX. Marketing, Media Planning & Buying, Performance Media, Project Management / Product Management.

We also supply permanent hires, executive search, freelance & fixed term contracts and payroll management services.



Our Service

With our clients we work alongside them not to only recruit but to consult on the current market, how best to structure, hire and retain new Marketing, Creative, Technology, Digital & Data & Insights divisions.

Our service is split into two distinct services:

Our Purpose is to strengthen the target market so that the business will increase

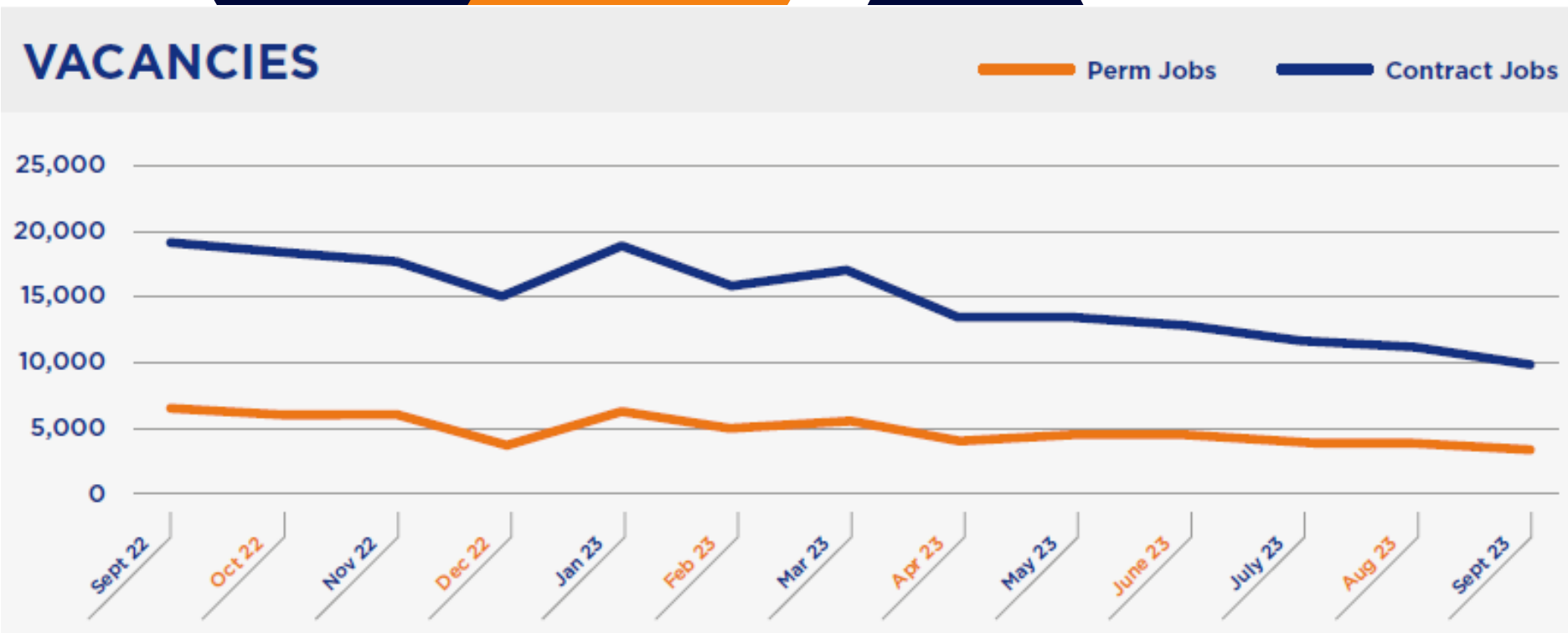
- **Initial consulting** - a scoping of your requirements and a follow up document putting forward our recommendations on market insights, department structure, salaries, packages etc - this is completely free of charge and does not come with any obligation to use us for the hiring.
- **Recruitment & Retention** – delivery of a recruitment strategy and hiring plan to identify, attract and retain the ideal talent for your organisational culture and goals. Our fee structure is based upon the scale of any project.



IT Vacancy Breakdown

Key Trends

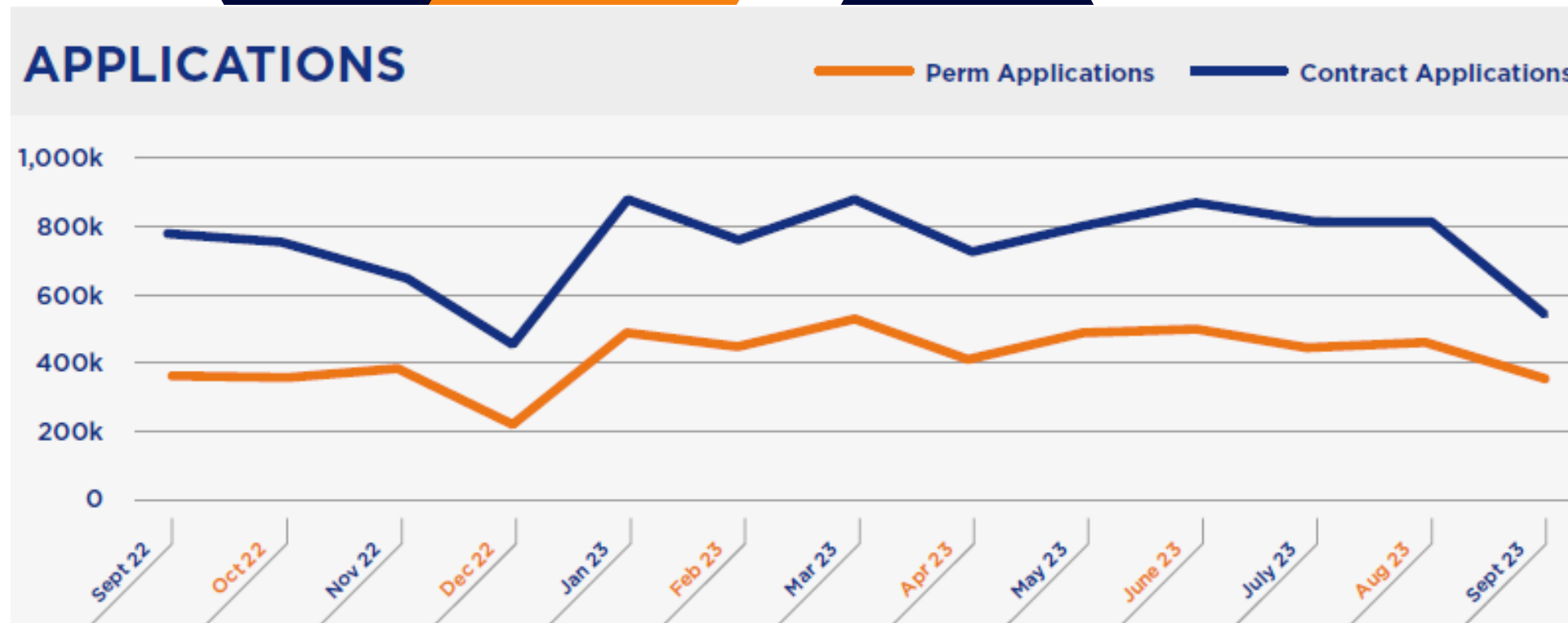
- Permanent IT vacancies fell to their lowest level in September 2023 (down 11% month on month), with numbers below the 10,000 threshold for the first time in the past 12 months. There has been a steady decline in jobs since April 2023, which recorded the biggest month-on-month fall (20%) of the period (January posted the largest monthly gain of 24%, those this is indicative of seasonal trends).
- The year-on-year comparison reveals that vacancies were almost half (48% down) what they were back in September 2022, when numbers approached the 20,000 mark. This a clear indicator of a hiring slowdown as we return to more normal levels of activity.
- A similar trend can be observed for IT contract vacancies with September 2023 also recording the smallest volume (down 10% month-on-month). Unsurprisingly, January was the best month-on-month performer (up 66%), rebounding from the biggest monthly drop in December (37%). May 2023 was the last month to record a positive monthly increase in contract vacancies (13%).
- Year on year, we see a 45% decrease in the number of contract vacancies in September 2023 compared to the same month in 2022. This would suggest that organisations are feeling the pinch given higher borrowing costs, increasing wage growth and weaker consumer demand.



Application Numbers

Key Trends

- Applications for permanent IT vacancies fell dramatically in September 2023, representing the biggest month-on-month fall (33%) as well as the second lowest volume of the last 12 months (only December 2022 fared worse). Applications peaked in March and interestingly five of the nine months in 2023 posted month-on-month increases. This would indicate robust candidate availability, likely influenced by the tech layoffs earlier in the year.
- If we compare September 2023 vs. September 2022, numbers are considerably down by 30% year-on-year, which will be a worry for organisations that need IT expertise in the final quarter of the year. Clearly, these businesses will need to ensure they have a strong EVP if they want to attract top talent.
- The 22% month-on-month fall for contract applications registered in September 2023 will also concern employers. This was the second highest monthly fall after December 2022 (down 43%). January 2023 posted by far the biggest monthly rise (91%) while March topped the monthly volume charts, the only month to record in excess of half a million applications.
- The yearly picture is far more positive with applications holding firm. Indeed, September 2023 figures were near identical to the same point in 2022 (a negligible 0.1% year-on-year fall). This would also indicate that there is a healthy talent pool of candidates looking for IT contract roles.

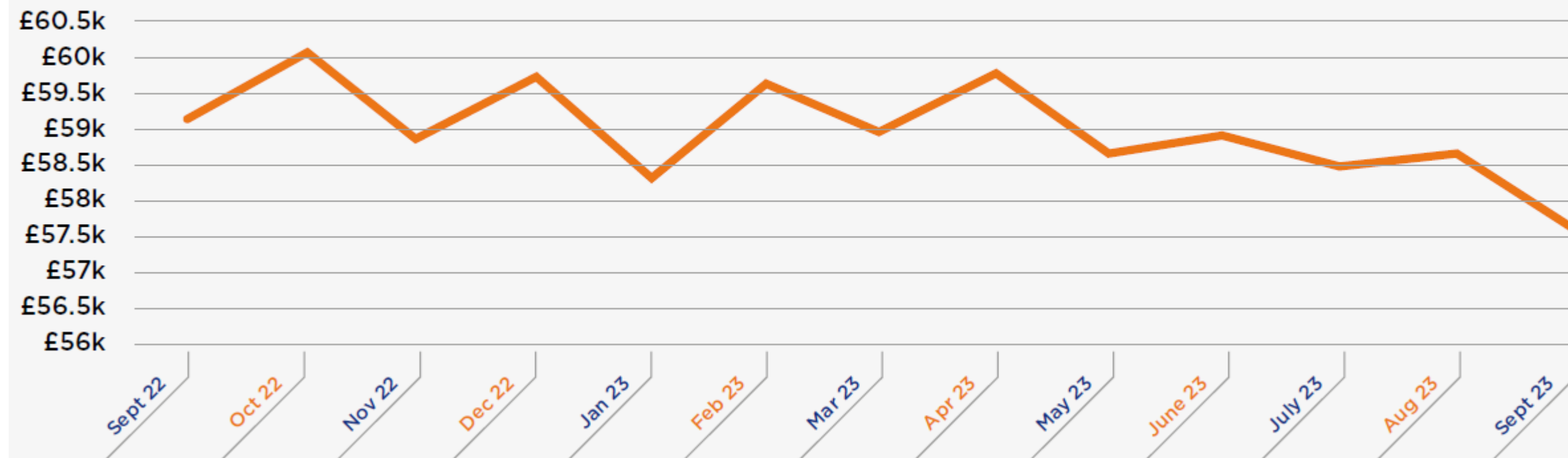


Salary

Key Trends

- Although permanent salaries remained steady in 2023, they did fall to their lowest levels in September 2023 – the first month to post a sub-£58k average. The 2.2% month-on-month rise in February 2023 was the highest recorded, following the biggest drop in January (down 2.3%).
- Looking at the year-on-year comparison, salaries are down by 2.5% in September 2023. This could be correlated to falling inflation. The Bank of England expects the downward trajectory to continue from the latest 6.7% estimate (August 2023) to around 5% by the end of 2023.
- Nevertheless, salary increases haven't kept up pace with the rate of inflation, so IT contractors will have felt the pinch and noticed a significant fall in their real pay over the course of 2023. Interestingly, you have to go back to October 2022 to see a monthly average of £60k.

AVERAGE SALARY





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Thank You



We hope you've enjoyed our Market Insight Survey. If you would like to discuss the survey or would like to work with us on your next hire or your next career move, then please get in touch.



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