DIGITAL RECRUITMENT COMPANY

Market Insights Update: London Regional Market & Insights Trend

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Welcome to our Monthly Market Insights update for the Digital/Marketing/Sales/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.
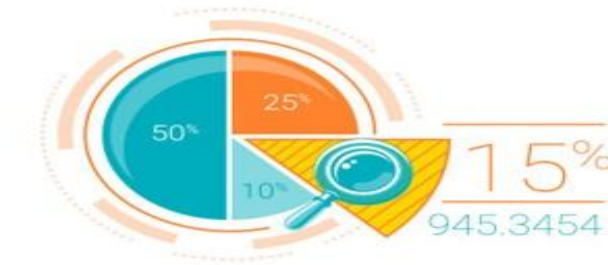
What We Do

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:

- **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.

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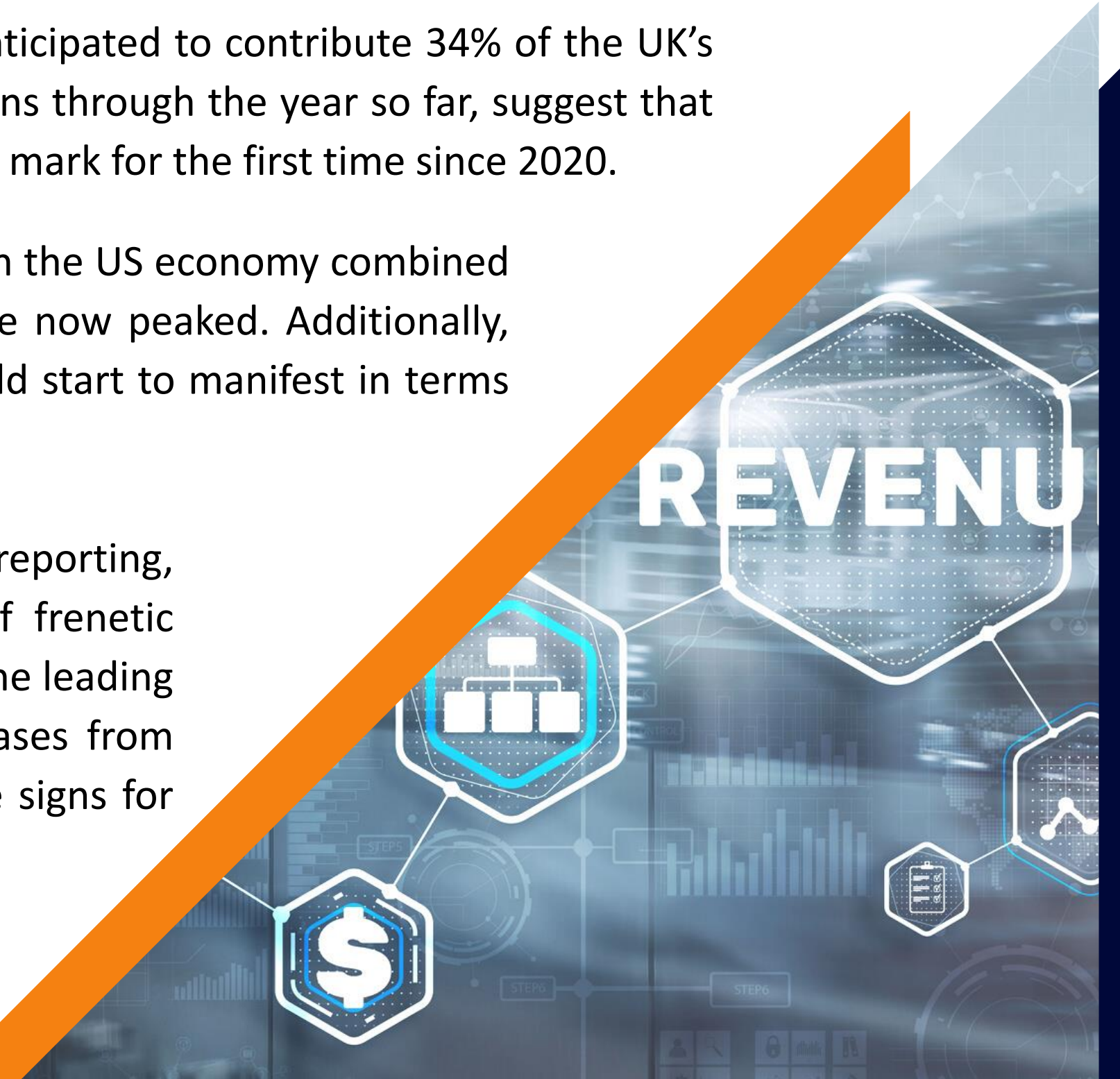
Introduction

London remains a crucial hub for professional opportunities and is anticipated to contribute 34% of the UK's professional vacancies in 2023. However, London's recruitment patterns through the year so far, suggest that vacancies are set to be 39% down on 2022, dipping below the 200,000 mark for the first time since 2020.

Despite this, green shoots are emerging for next year, with a pick up in the US economy combined with the guidance from the Bank of England that interest rates have now peaked. Additionally, Government investment in AI, Technology and Hi-Tech Industry should start to manifest in terms of job creation, specifically in skilled positions.

Analysed by organisation, for the first time since we started this reporting, none of the big four are featured. Amazon after several years of frenetic recruitment has had an 86% dip, resulting in it dropping from being the leading recruiter, to just about being in the top ten. The impressive increases from firms in real estate, construction, tech and transport are all positive signs for these sectors in 2024.

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Overview

Monthly Totals
All Sectors, Professional Vacancies, 2021-2023 (Jan/Nov), London UK
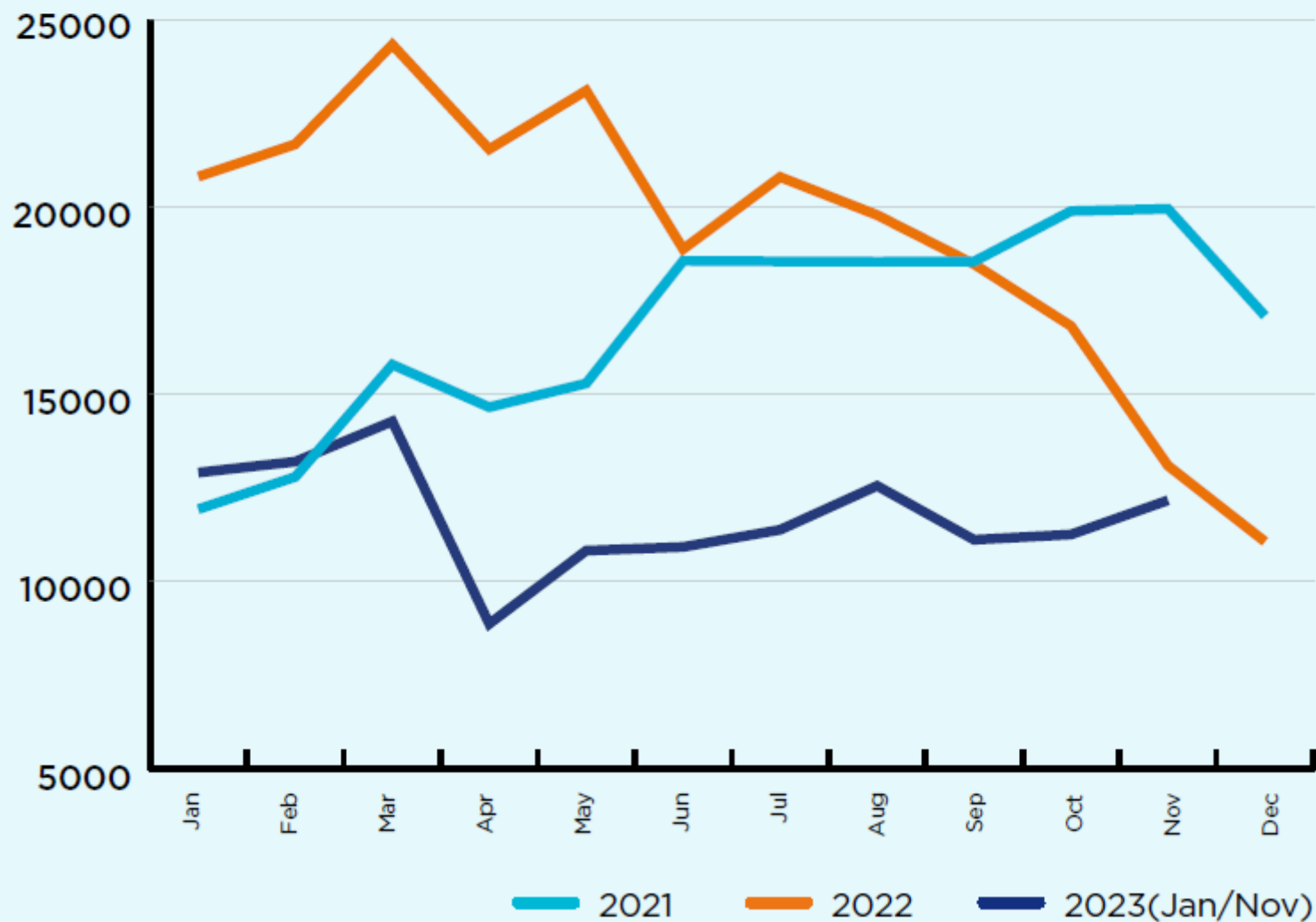
The impact of quantitative tightening is clear when we look at recruitment patterns in London this year, with vacancies set to be 39% down on last year, dipping below the 200,000 mark for the first time since 2020. Nonetheless, London remains a pivotal hub for professional opportunities and is anticipated to contribute 34% of the UK's professional vacancies. This signifies the city's crucial role in the national job market.

Analyzed by quarter, we see Q1 as the busiest, amassing 40,379 professional vacancies. However, this achievement is contrasted with a stark reality—a -39.5% decrease compared to Q1 2022. Similarly, Q4 is still significantly quieter than Q1 of this year and with GDP in October now being reported as being negative, there will be concerns about the country now slipping into a recession.

Overview

However, despite the negative GDP figures for October, the fall in inflation, strong wage growth and government transfers to low-income households combined with the holiday season should lead to a boost in consumer spending which should be enough to avoid that.

Similarly, some green shoots are emerging for next year. The pick up in the US economy combined with the guidance from the Bank of England that interest rates have now peaked should restore confidence for businesses looking to invest, either into themselves or into others. Hence whilst 2023 has been a quiet year for Corporate Finance, 2024 is expected to be significantly better.

Meanwhile, Government investment in AI, Technology and Hi-Tech Industry should start to manifest in terms of job creation, specifically in skilled positions. The challenge will be whether the UK can resource these skills from people already living in the country or will need to look to a new wage of immigration to do so. Against that backdrop, the next election will be fought.
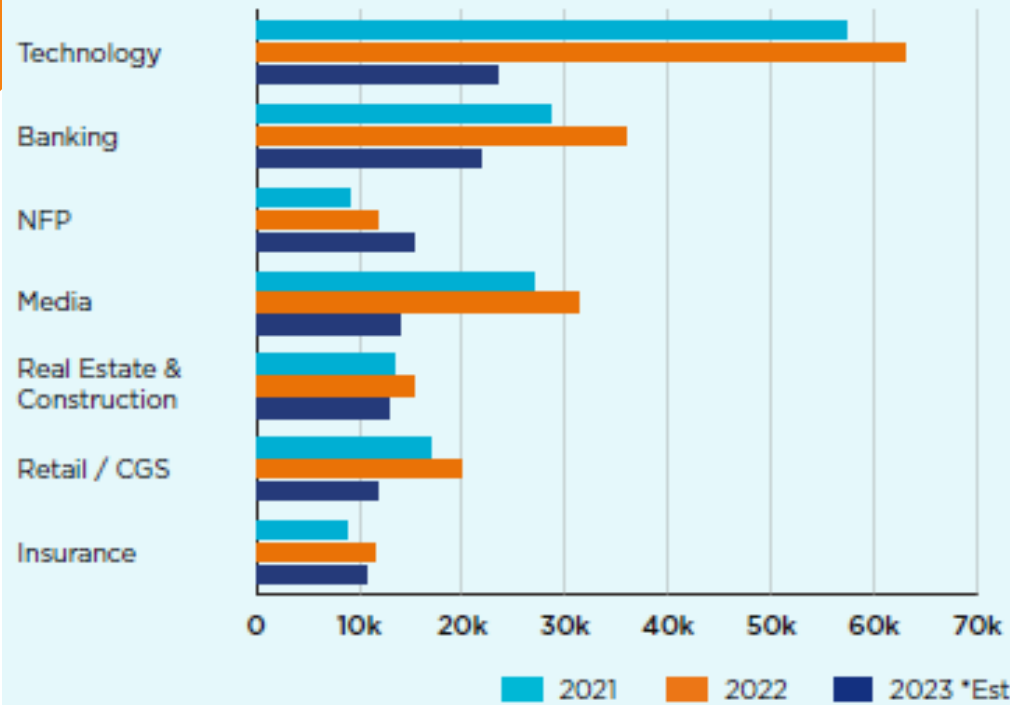

Annual Totals
All Sectors, Professional Vacancies, 2021-2023, Est*, London UK
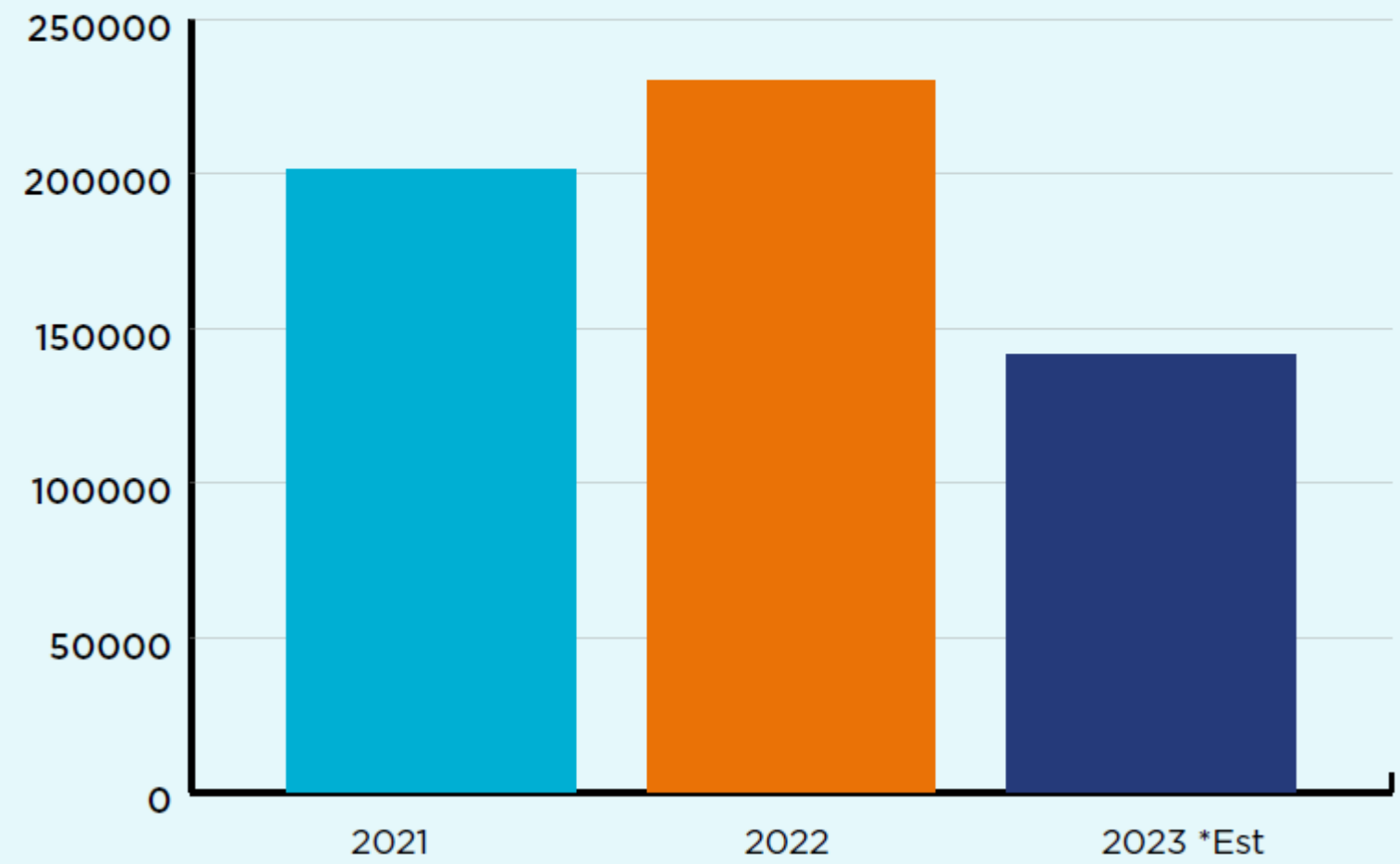
Sectorial Breakdown
Top Sectors, Professional Vacancies, 2021-2023,Est*, London UK
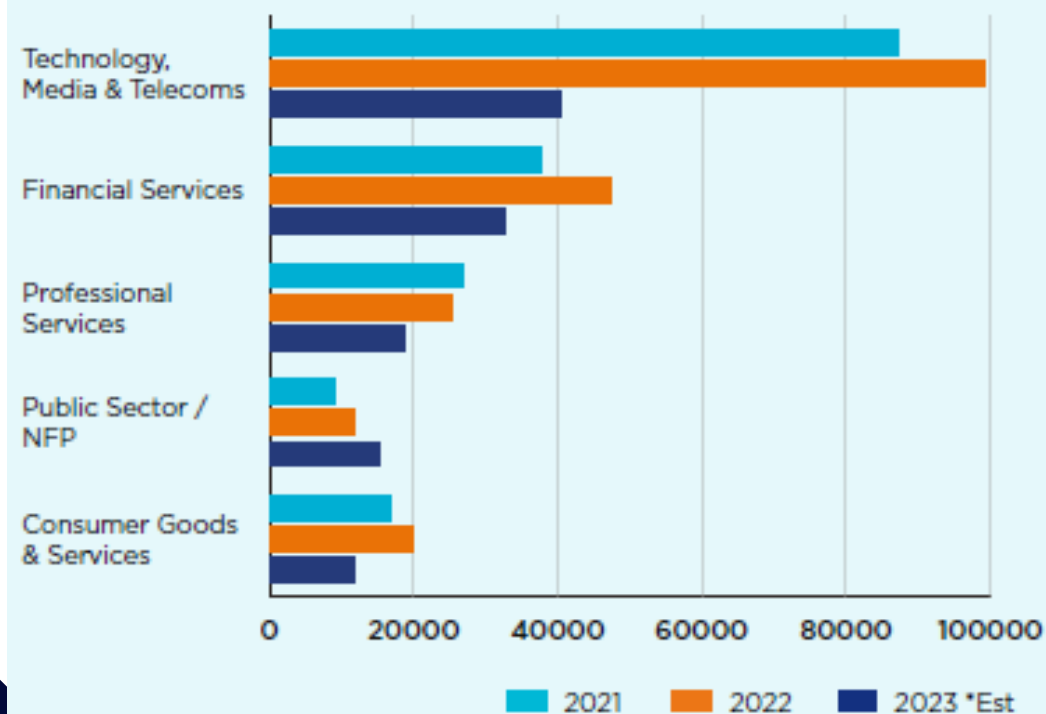

| | 2021 | 2022 | 2023 *Est |

Sectors & Industries

In 2023 the technology sector, whilst being the largest in terms of new vacancies posted, also saw the biggest fall, with there being a 62.8% drop compared to last year. As a result of this, its share of the total fell to 16.5% from 27% last year. Similarly, the media sector faces a considerable challenge, as vacancies fell 55.4%. Holding a 9.9% share, the media industry grapples with significant changes in hiring patterns. By industry, TMT therefore has had a considerable downturn, with a 59.3% drop.

The banking sector also had a significant year-on-year fall, with volumes down 39%, which meant it was holding a 15.5% share of vacancies. In contrast, the insurance sector was the least affected, with a more modest -7.4% year-on-year change. Hence the financial services industry, while experiencing a 31.3% decrease, has had a slight improvement in its share percentage, reaching 23%.

Consumer Goods and Services, encompassing Retail has also had a barren year, with vacancies down 41.3% but is still one of the top five industries for jobs in London. Otherwise, the non-profit (NFP) sector is noteworthy in that it has had a 31.5% increase. This upward trajectory is particularly striking, elevating its share of vacancies from 5.0% in 2022 to an estimated 10.8% in 2023.

Other sectors worth looking at include Real Estate & Construction. On the one hand, long-term changes in commercial property requirements, combined with the need for businesses invested to refinance debt, have the potential to cause issues for businesses in the sector. Residential Property though remains buoyant and property prices are even starting to pick up again as interest rates stabilise. That will give confidence for those in the sector that brighter days are ahead.

Industry Breakdown
Top Industries, Professional Vacancies, 2021-2023,Est*, London UK
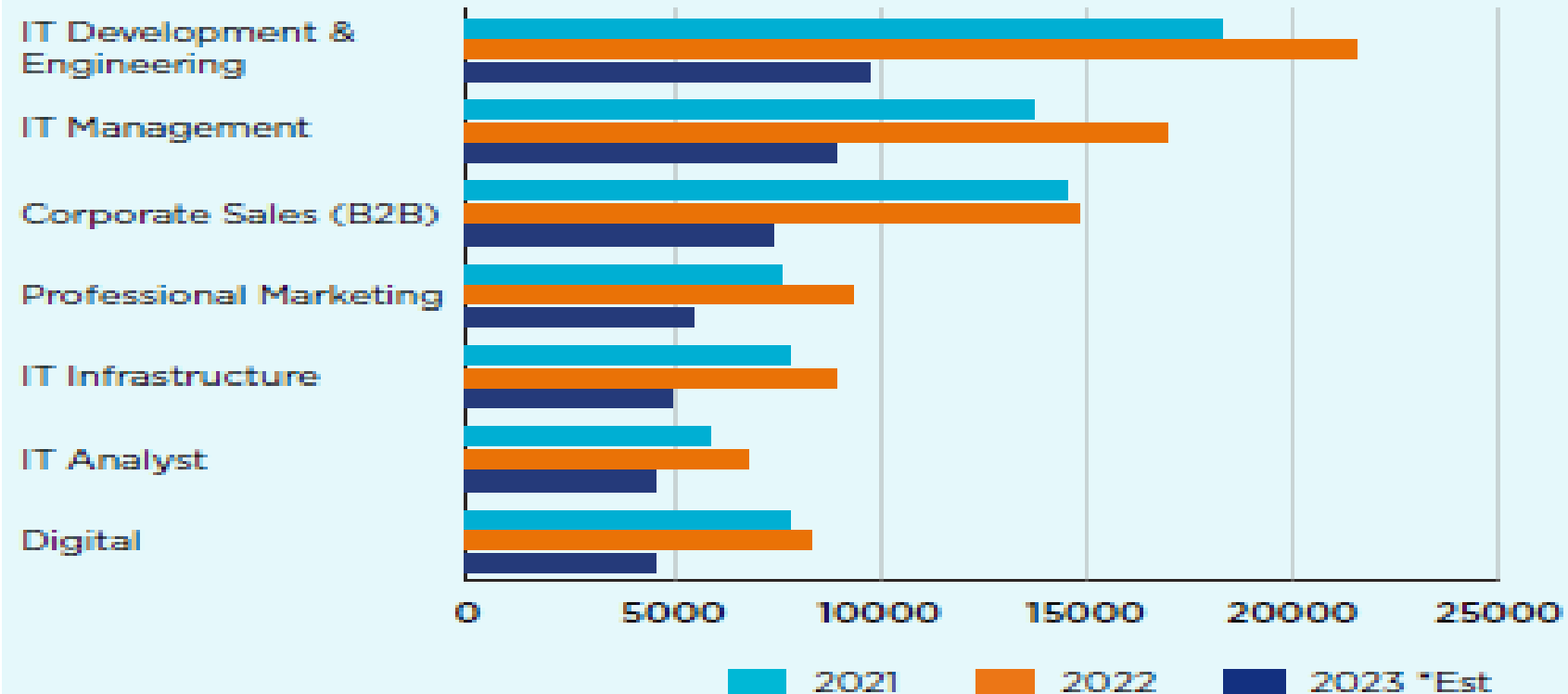

| | 2021 | 2022 | 2023 *Est |

Skills in Demand

IT continues to dominate, but we are seeing volumes face a significant 49.0% drop, as a result, the share of total has fallen from 31.5% (2022) to 26.2% (2023). This shift has been most noticeable with Development & Engineering. Despite its prominence within the function, the division faces a substantial decline of -55.0%, meaning it has dropped to a record low, of 26.2% share of IT Professional vacancies.

A big part of this can be linked to generative AI and how this is changing the way businesses look to do development. Now functions that may once have taken an hour, can be done in a minute, meaning that for businesses, the emphasis increasingly is on smaller teams, but better trained and skilled ones. Hence we are likely to see salaries in IT continue to surge even as volumes drop.

Skills in Demand
Top Divisions, All Sectors, Professional Vacancies, 2021-2023, Est*, London UK

Chart categories: IT Development & Engineering, IT Management, Corporate Sales (B2B), Professional Marketing, IT Infrastructure, IT Analyst, Digital

Axis: 0, 5000, 10000, 15000, 20000, 25000

Legend: 2021, 2022, 2023 *Est

Skills in Demand

Corporate Sales (B2B) experienced the second-largest decrease at -50.4%, signalling businesses ramping back on growth plans and concentrating on core areas. Similarly, HR vacancies are expected to decrease by 45.6%, reflecting the patterns seen elsewhere. Marketing has also seen a fall of 44%, whilst Accounting & Finance is down too, although by slightly less (32%) hence with that, all general business functions have all seen a significant drop.

Looking ahead, the question is has the bottom of the market hit? If we believe that to be the case, after all volumes this year are on a par with those in 2019, the last business year before the pandemic, what will be interesting is what particular roles outperform the rest in the coming months where the key area we believe will grow will be data specialists. As more and more businesses look to optimize BI systems, data teams who can manage and organize data sets to power their insights will become therefore ever more in demand.

Skills in Demand
Top Professions, All Sectors, Professional Vacancies, 2021-2023,Est*, London UK
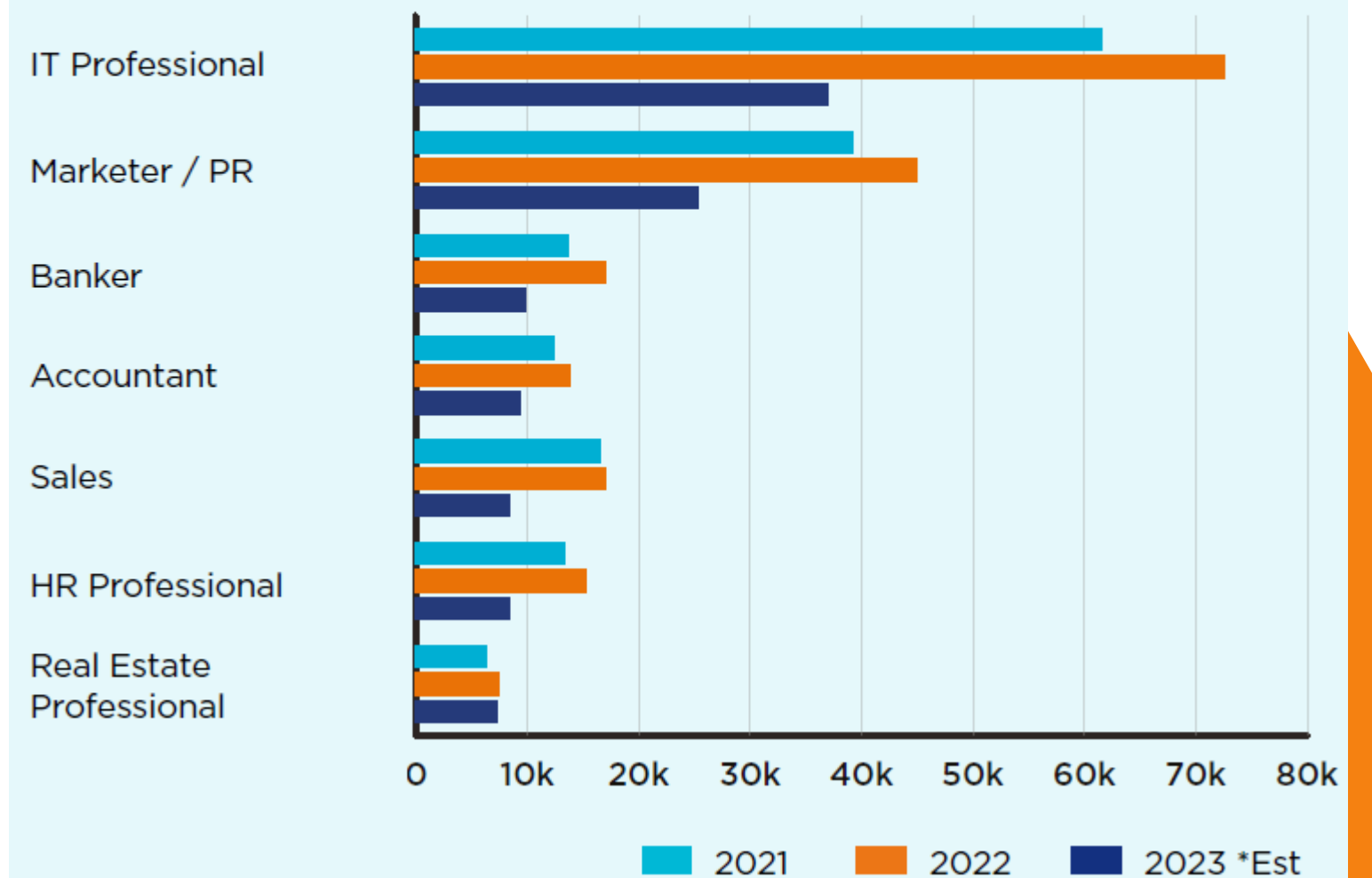
Top Companies

Analysed by organization, the first observation worth mentioning is that for the first time since we started this reporting, none of the big four are featured, which is note worthy and perhaps a sign of changes in the sector. Secondly, Amazon after several years of frenetic recruitment has had an 86% dip, resulting in it dropping from being the leading recruiter, to just about being in the top ten. Just as significantly, it was not even the most active technology company in recruitment terms this year.

The Banks make up the largest sector constituent, with three of the top five businesses being in Banking, and seven overall. Of those, Nationwide lead the way, whilst Citi in contrast has had the biggest year on year drop, down 77% falling to twenty on the table as a result.

Otherwise the following companies are worth spotlighting:
• Turner & Townsend, had an impressive 71.2% year-onyear increase, indicating robust growth.
• Joining them was the Real Estate Firm JLL who rebounded from a previous dip with a projected 67.7% surge.
• Version 1, a prominent player in the Tech sector, has had a substantial 66.5% increase.
• Transport for London anticipates a remarkable 79.0% surge in professional vacancies, mirroring growth and development within the transport industry.
• The UK Ministry of Justice also anticipates a significant 55.3% year-on-year change, indicative of evolving needs within the legal sphere.
• Wates, operating in Real Estate and construction, anticipates an impressive 119.0% upswing after a slower period in 2022, highlighting a resurgence in this sector.

Notably, only six out of the top 20 companies are poised to experience an upsurge in professional vacancies throughout 2023. This shows the decline in the capital this year compared to last.

Top Companies

Top 20 Organisations
All Sectors, Professional Vacancies, 2021-2023,Est*, London UK

Company	Sector	2021	2022	2023 *Est
Turner & Townsend	Industrials / Engineering	949	1969	3371
Publicis Groupe	Media	2617	2667	2163
Nationwide Building Society	Banking	1136	2528	1795
JPMorgan Chase & Co	Banking	2684	3036	1709
Barclays	Banking	949	2385	1424
JLL	Real Estate & Construction	696	603	1011
HSBC	Banking	927	1362	996
Version 1	Technology	513	597	994
Sky	Media	2751	1843	994
Amazon	Technology	3738	5756	791
Transport for London	NFP	324	432	773
Natwest Group	Banking	688	826	751
Capgemini	Accounting / Consulting	572	1195	748
Aecom	Real Estate & Construction	399	778	717
Lloyds Banking Group	Banking	517	878	708
WSP Global	Accounting / Consulting	733	817	706
UK Ministry of Justice	NFP	377	449	697
Bank of England	NFP	573	817	640
Wates	Real Estate & Construction	297	283	620
Citi	Banking	2716	2645	605

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Thank You

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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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