

New Tech Confidence Index reveals optimism for 2025 but UK leaders concerned about government policy

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- Over half (56%) report business conditions as poor or neutral, but are optimistic about the next 12 months
- Majority of business leaders believe GenAI is overhyped, yet 71% plan to invest in it as key business driver
- Inaugural [Tech Confidence Index](#) score sets new benchmark for tech industry, with Autumn 2024 ranking at 6.5/10

[TechMarketView](#), the UK's leading tech analyst and advisory firm, today revealed that the majority (60%) of UK tech businesses are forecasting a better 2025, despite 56% currently reporting poor or neutral conditions.

In a survey of 250 business leaders, including CEOs, VPs, MDs and Sales and Finance heads, TechMarketView sought opinions on the current and future economic landscape in UK technology. The findings will form part of a Tech Confidence Index to be published bi-annually.

Concerns

When asked about the biggest issues for their UK operations, the factors most concerning to business leaders include government policy (54%), falling demand or sales (48%) and labour and skills shortages (43%).

Over half (54%) of those questioned believe the new government will have little – or even a negative impact – on the UK's tech industry, while 43% believe it will have a positive impact.

Business conditions and future prospects

When asked about the current business environment, over half (56%) believe business conditions to be neutral or poor, while 38% report current UK business conditions good and 5% thought it was very good.

Forty-three per cent feel conditions are unchanged in the last three months and 31% say that conditions have improved, while 25% stated they had declined. Respondents were more optimistic about the next 12 months, with 60% believing conditions will improve; only 13% predict they will decline.

When considering the current economic, political and technological outlook, most firms rated their business prospects over the next twelve months positively, with 57% of firms rating themselves 7/10 or higher (where 0 = poor and 10 = excellent).

This is also reflected in TechMarketView's new Tech Confidence Index score, which averages at 6.5/10 this Autumn and peaks at 7.4/10 for medium-sized businesses. The rating is based on businesses' confidence in their prospects over the next twelve months and will be published bi-annually as part of the Tech Confidence Index report.

Business investment areas

Key areas where UK tech companies plan to invest over the next twelve months include AI and GenAI (71%), sales and marketing (44%), and business/digital transformation (43%).

The top five technologies believed to be key drivers for business were ranked as follows: AI/GenAI (78%), data analytics (60%), automation (46%), cybersecurity (37%) and IT consultancy (36%).

GenAI impacts

Unsurprisingly perhaps, when asked about GenAI, leaders had somewhat contradictory opinions. Fifty-five per cent agreed they are investing in GenAI, with 46% admitting to using it regularly in the workplace. Despite 40% seeing customers demanding GenAI solutions, 65% of leaders believe the expectations from GenAI technology to have been over-hyped.

Georgina O'Toole, Chief Analyst at TechMarketView, commented: "One of the most telling results of the survey is that 71% of respondents are planning to invest in GenAI over the next 12 months, but only 43% say they will be investing in business or digital transformation. This also supports TechMarketView's wider research, which suggests that GenAI is not currently viewed as the tool that will most readily transform businesses. The technology is seen as offering human augmentation to allow for greater productivity or efficiency, but not as a lever for massive disruption or change."

Skills

When asked about skills shortages, 57% of those who had an opinion stated it isn't an issue for their business currently, versus 43% who considered IT and skills shortages to be restricting their ability to compete or meet demand. However, there was a strong split between the size of

companies, with 54% of large companies reporting a skills shortage compared to just 22% of those with fewer than 50 employees.

The survey also found that technical skills are in high demand, as mentioned by 69% of respondents. Within that, software development (19%), data and analytics (17%), and AI (13%) are the most frequently mentioned. Business and management skills were also in demand, being mentioned by 28% of respondents, with sales and marketing skills (15%) being the main driver in this area.

Download the report here: <https://www.techmarketview.com/tech-confidence-index/>

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About TechMarketView

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