

Research Findings Report*Industry: Web Design***2009***Geographic Region: Eastern United States*

Goldline Research recently completed its annual evaluation of web designers in the Eastern United States. Our research study was conducted from late April 2009 through late June 2009.

Current economic difficulties have dominated our analysis of the web design industry this year, and the Eastern United States is no exception. In fact, the web design industry in the region appears to have been more affected by the economic dislocation than other regions have been. During our evaluation process, we received numerous reports of firms in the region dramatically downsizing amidst waning client demand for both new website development and existing site maintenance. Given the dominance of the financial industry in the region (as compared to the Central and Western United States), this should not come as a huge surprise, since the financial industry has been among the hardest hit in the downturn, with job losses in the industry second only to the broadly defined “business services” category according to the U.S. Bureau of Labor Statistics.

During our research process, we identified more than 3,300 web design firms throughout the Eastern United States (which is a 16 state region plus the District of Columbia). This figure represents web design firms that have between \$500,000 and \$50 million in annual revenues. Of the 3,300 firms in the region, more than 90% of the firms in the region are \$5 million or less in annual revenues, which is consistent with what we have seen in other regions of the country. Our research indicates that the typical web design firm in the region has 14 years of industry experience, has 11 staff members and 4 designers and has serviced approximately 100 clients over its lifetime. The typical firm in the region designs nearly 40 websites each year, slightly more than the national median of approximately 35 websites per year. Equally important, the typical firm has a client:designer ratio of approximately 25:1 and a client:staff ratio of 13:1. Perhaps more revealing, though, each designer completes about 6 websites per year, or approximately 1 site every two months, which is near the national median of just under 7 websites per year per designer.

Despite the current economic malaise, the web design industry is well positioned for structural growth. Internet penetration and usage worldwide continues to increase, and, as a result, businesses large and small will continue to create new websites and update existing websites, driving demand for web design firms. Moreover, the rapid shift in advertising and marketing from offline media to online media will help drive new demand for many web design firms, especially as they augment their service offerings to include web marketing services.

For more information about Goldline Research or this research findings report, please visit our website at www.goldlineresearch.com.

Key Research Findings¹Median Years of Experience: **14.0 years**Median # of Designers: **4**Median # of Total Staff: **11**Median # of Clients: **100**Median # of Sites Built/Year: **38**Median Client/Designer Ratio: **25:1**Median Client/Staff Ratio: **13:1**Median Sites Built/Year/Designer: **6.0**¹Source: Goldline Research