



# Market Report

A Snapshot of your Market Sector

## Film Production

### Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

This pack has been designed to provide information on setting up a business in the **Film Production** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website ([www.bgateway.com/businessplan](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **December 2022**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

## What do I need to know about the Film Production market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Over the five years through 2022-23, **industry revenue is expected to expand** at a compound annual rate of **3.2% to £4.3 billion**. This is despite revenue declining over the two years through 2020-21 due to the disruptions caused by the COVID-19 (coronavirus) outbreak. The availability of government tax incentives has been a major driver of industry growth, particularly for domestically financed productions, but also for attracting inward investment. Industry revenue is forecast to rise at a compound annual rate of 2.6% over the **five years through 2027-28, reaching £4.9 billion**. (IBISWorld, *Motion Picture Production in the UK*, June 2022).
- ◆ The **post-production industry** relies heavily on demand from motion picture and TV production and cinema admissions, all of which were negatively affected by nationwide lockdowns, social distancing measures and the forced closure of cinemas across the globe. While the industry rebounded in 2021-22 as the economy reopened, industry revenue is projected to decline by 1.2% over the current year, owing to economic headwinds, including surging inflation, which is set to dampen real household disposable income. Over the five years through **2027-28, industry revenue is expected to grow at a compound annual rate of 1.2%** to reach **£2.3 billion**. (IBISWorld, *Film, Video & TV Programme Post-Production in the UK*, September 2022).
- ◆ **Rising prices** have a direct impact on people's bank balances, but they also risk creating a more defensive mindset among consumers. In particular, they may impact people's willingness to spend their lockdown savings. Although younger consumers are the main cinema-goers, it is slightly more mature audiences that go regularly. For instance, **25% of 35-44 year olds have been once a week** or more compared to 6% of 16-24s. Similarly, **18% of 25-34 year olds say they visited every 2/3 weeks** compared with 14% overall. For slightly older audiences, the ability to attend multiple times a week may also coincide with greater financial stability and capacity to enjoy more social occasions. Of those who go once a week or more, 25% would describe their financial situation as healthy. (Mintel, *Cinemas UK*, December 2021).
- ◆ The national organisation for this industry is [Creative Scotland](#). Other industry bodies include the [British Film Institute](#), the [British Academy of Film and Television Arts \(Scotland\)](#), the [Producers Alliance for Cinema and Television \(PACT\)](#), the [British Film Commission](#), and the [UK Screen Alliance](#).

## Where can I find more information on my market?

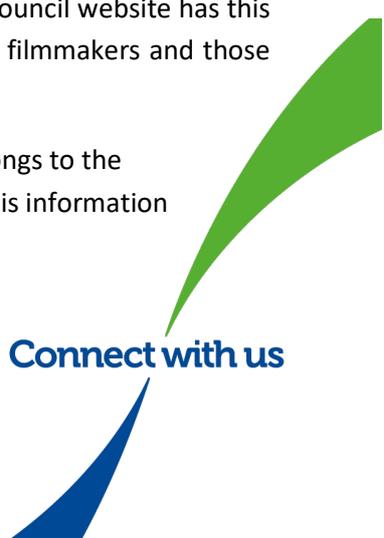
The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email [info@bgateway.com](mailto:info@bgateway.com).

- ◆ **Mintel – Attitudes towards Video and TV, UK (June 2022).** TV viewing decreased in 2021 across all platforms as consumers spent more time out of the home compared to during the pandemic. Time spent viewing live TV, TV playback and BVoD viewing reduced by 24 minutes, per person, per day in 2021 compared to 2020. The past couple of years have been a catalyst for uptake of paid-for services and have resulted in organic growth in these services. The cost of living crisis could, however, mean consumers look to cut back on additional paid-for streaming services. Ad-supported or “free” services such as iPlayer and ITV Hub can see more traction as consumers cut back on outgoings. Similarly, services such as YouTube and Twitch could also stand to benefit too as consumers seek out free alternatives.
- ◆ **IBISWorld – Motion Picture Production in the UK (June 2022).** A total of 81 domestic features were produced in 2020, a fall from 172 in 2019, according to BFI data. Although this figure is far higher than the number of inward investment features produced in the United Kingdom, 38 of these had budgets below £500,000. Additionally, the total spend on domestic features was just £119.5 million in 2020, a drop of 42.7% on 2019. IBISWorld estimates that domestic UK films will account for 12.3% of industry revenue in 2022-23, having remained fairly steady over the past five years.
- ◆ **IBISWorld – Film, Video & TV Programme Distribution in the UK (November 2022).** Digital distribution rights for movies and TV are now a vital component of posting TV and movies online, presenting distribution companies with another way to exploit existing libraries of content. Demand for content is expected to continue to rise in the coming years as people increasingly watch film and TV online.

There are also a number of online resources you may find helpful:

- ◆ The British Film Institute Statistical Yearbook 2021 ([tinyurl.com/37xjtj7w](https://tinyurl.com/37xjtj7w)). This report from the British Film Institute provides statistical information across all sectors of the British film industry.
- ◆ British Film Commission, Guide to UK Film Tax Relief ([tinyurl.com/y43vdtzd](https://tinyurl.com/y43vdtzd)). For all British qualifying films of any budget level, film production companies can now claim a payable cash rebate of up to 25% of UK qualifying expenditure.
- ◆ Screen Scotland, Funding and Support ([tinyurl.com/yyxahu4r](https://tinyurl.com/yyxahu4r)). Screen Scotland sits within Creative Scotland and offers funding and support for filmmakers and broadcasters. They have several funds open for applications including the Film Development and Production Fund, Cinema Equipment Fund, Professional Development Fund and more.
- ◆ The British Film Council, Resources page ([tinyurl.com/y2n5q9ea](https://tinyurl.com/y2n5q9ea)). The British Film Council website has this page devoted to nationwide and regional organisations that provide resources for filmmakers and those interested in film, as well as links to resources for specific disciplines and genres.

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## How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**



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## What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**.

## Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

## How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

### Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

### Funding

[Practical information](#) on finance and funding for starting and growing your business

### Insurance

[Business insurance guide](#)

### Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

### Pricing

Business Companion [Pricing & payment guide](#).

**Please note:** the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

### Promotion

[BG guides to Marketing](#)

### Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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