



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), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **December 2023**. 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:

- ◆ Industry revenue is forecast to **climb** at a compound annual rate of **2.6%** over the five years through 2027-28, reaching **£4.4 billion**. Recently agreed co-production treaties are likely to support the industry in the near future. The UK-EU trade deal can also aid inward investment and export sales to the bloc. High and increasing industry assistance is anticipated to continue to maintain investment. (IBISWorld, *Motion Picture Production in the UK*, March 2023).
- ◆ The performance of the Film, Video and TV Programme Post-Production industry is influenced by demand from key markets, technological developments and competition, which stems from tax incentives. Over the five years through 2023-24, industry revenue has fallen downward at a projected compound annual rate of 1.6% to £1.4 billion. Demand for visual effects and the provision of tax credits by the government to the broader film sector has supported post-production studios' performance over the period 2023-24, but the impacts of the pandemic have dented growth. (IBISWorld, *Film Video & TV Programme Post-Production in the UK*, September 2023).
- ◆ As would be expected content plays the biggest role in determining how likely someone will continue to subscribe to a paid-for streaming service. When asked to choose up to three factors that would drive the decision to keep one provider over another, SVoD subscribers identified latest releases (53%) and a bigger library (45%), well ahead of other attributes that are predominately linked to the technological related aspects of a service. That said, younger generations are more likely to consider factors beyond content. 33% of Generation Z and Millennial subscribers' emphasis simultaneous access on multiple devices, while Generation Z subscribers are the most likely to emphasise user experience (34%) and the availability of high-resolution content (22%). (Mintel, *Video Streaming Services UK*, 2023).
- ◆ 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.

- ◆ **Mintel – Attitudes Towards Video and TV UK (2022).** Binge watching series has been a popular way for consumers to view content, especially during the pandemic when TV and video watching played a role in providing entertainment during lockdowns. Younger consumers, most notably younger males are keen on paying for early access release of material online, Brands could look to do 'first looks' premium tier access to new series for those who can't wait for their next fix or secure bragging rights of being their first to have seen the new must watch series.
- ◆ **IBISWorld – Film, Video & TV Programme Distribution in the UK (September 2023).** Industry revenue has fluctuated as a result of low cinema attendance and the varying popularity of cinema releases. Factors affecting the industry's performance include the rising number of screens owned per person and the growth of digital distribution. Over the five years through 2023-24, revenue is expected to rise at a compound annual rate of 0.1% to £4.8 billion. Revenue tanked in 2020-21 amid the pandemic. The industry relies heavily on demand from motion picture and TV production and cinema admissions, all of which were negatively affected by the pandemic due to nationwide lockdowns, social distancing measures and the forced closure of cinemas across the globe. Revenue is forecast to **grow** by **1.6%** in **2023-24**, on the back of successful movie releases fuelling downstream demand.
- ◆ **Mintel – Cinemas UK (2022).** Action films are by far the most popular genre to watch and such films dominate box office sales. The number of action films set to be released in 2023, including popular franchise films such as Guardians of the Galaxy: Volume 3, John Wick: Chapter 4 and Indiana Jones and the Dial of Destiny, should drive the ongoing recovery of cinemas in 2023. As long as these blockbuster action films continue to be released, there should be an ongoing desire to go the cinema, as the experience of viewing such films at a large screening is not easily replicable within people's homes.

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

- ◆ **Screen Scotland** - [funding and support](#). 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 Institute** [industry data and insights page](#) provide annual statistics and research reports as well as box office figures.

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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 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 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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