



Market Report

A Snapshot of your Market Sector

Film Production

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 July 2019. 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 2018-19, industry revenue is expected to expand at a compound annual rate of **6.2% to £3.1 billion, despite declining by a forecast 0.5%** in the current year, brought on by weak demand from film, video and TV programme distribution. Over the past five years, an increasing number of high-budget films have been produced in the United Kingdom. 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. The UK Film Tax Relief programme has attracted film producers and contributed to the expansion of UK studio capacity. (IBISWorld, *Motion Picture Production in the UK*, January 2019)
- ◆ The performance of the Film, Video and TV Programme Post-Production industry is influenced by demand from key markets, technological developments and the competitive position afforded to the industry by tax incentives. IBISWorld expects industry revenue to grow at a compound annual rate of 4.6% over the five years through 2019-20. Large shifts in demand from film producers have shaped the way the industry has developed. Revenue is forecast to grow by 3.5% in the current year to £2.1 billion. Over the five years through 2024-25, industry revenue is expected to grow at a compound annual rate of 0.7% to reach £2.1 billion. Funding from Creative Europe is expected to continue through 2020, to the benefit of the film industries and, consequently, industry demand. (IBISWorld, *Film, Video & TV Programme Post-Production in the UK*, June 2019)
- ◆ 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 [UK Screen Alliance](#), [Cultural Enterprise Office](#), the [British Film Commission](#) and the [Producers Alliance for Cinema and Television \(Pact\)](#).

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.

- ◆ **IBISWorld – Motion Picture Production in the UK (January 2019)** - The UK film industry has grown quickly in recent decades. The number of new feature films beginning

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production in the United Kingdom has been significantly higher in recent years than in the early part of the past decade. According to the BFI, the total number of UK feature films produced each year grew from an average of 43 in the 1980s to 83 in the 1990s to more than 200 in the past five years. According to figures published in January 2016 by the Department for Digital, Culture, Media and Sport, UK creative industries, of which the Motion Picture Production industry is a large part, are worth approximately £84.1 billion per year to the UK economy. This equates to these industries generating approximately £9.6 million per hour. In October 2016, UK television and film production industries were acknowledged by the government as one of the top performing sectors of the economy.

- ◆ **IBISWorld – Film, Video & TV Programme Post-Production in the UK (June 2019)** - The Film, Video and TV Programme Post-Production industry is expected to grow notably over the five years through 2019-20. The industry's performance is highly dependent on demand from key markets within the UK's creative media sector. While government incentives and funding can change overall trends through altering the competitive position of the industry relative to similar industries across the globe, the majority of annual shifts result from the projects that are popular in the creative industries during that time. The industry is characterised by fluctuating revenue caused by the volatile nature of the industry's key markets. In the current year, approximately 32.8% of revenue is expected to be generated by film producers, largely through a small number of big-budget films

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

- ◆ The British Film Institute Statistical Yearbook 2018 (tinyurl.com/y2tqvst8). 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/y43vdtsd). 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/yxahu4r). 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). 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 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 [Retaining and Grow Your Customer Base](#) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

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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