

# The impact of the internet and digitalization on creative industries in the UK



## Reduced production and distribution costs

Technological efficiencies, such as lower cost production equipment and enhanced digital editing capabilities, have had a hugely beneficial impact on the UK TV and film industry



Production cost efficiencies in the AV industry – including those enabled by technology – saved PSBs 2.6% (nominal) between 2007 and 2013

VFX company Double Negative is able to work on a global scale and collaborate with creators internationally thanks to the internet

Digital distribution has almost zero marginal cost and removes geographical barriers, making niche services economically viable

Services such as Curzon Home Cinema enable subscribers to stream the latest independent films



Despite strong performance in digital, several traditional formats have remained strong



The GVA from live music increased by 37 percent between 2012 and 2015



The UK has the second largest vinyl market in the world



Sales of pre-owned games have increased from £79m in 2013 to £125m in 2015

## Benefits to consumers

More content is available – both old and new and connected devices provide greater access to it

Multi-screen viewing enables consumers to engage with content in innovative ways – such as through the interactive apps designed by Monterosa to accompany TV broadcast and live sport



74 percent of SVOD subscribers are also pay-TV customers, suggesting that OTT services are a complement to traditional TV

A wider variety of services provide greater choice

In 2016 users accessed an average of 45 different games on the games distribution platform Steam



Competition has driven increased quality

Investment in high-end UK TV originations increased by 20 percent between 2014 and 2015



## Benefits to producers

Increased demand for content, supported by increased quality

Viewers spent 16 percent more time watching AV content in 2016 than in 2010



Digital creators can reach out to their fanbase across media

Vlogger Zoe Sugg (Zoella) broke the UK record for the highest first-week sales (78,109) for a first-time novelist with Girl Online



More creators can enter the market



Sales of self-published eBooks rose from 16 percent of the market by volume in 2014, to 22 percent in 2015