

## Media: industry overview

by **Lisbeth Savill, Rachael Astin and Katie Henshall, Latham & Watkins, LLP**

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### Scope of this note

This note provides an overview of the sub-sectors within the UK media industry. Although the note is broken down by sub-sector, in practice, many of these areas overlap in the converged media landscape.

For more detailed notes on media industry sub-sectors, see:

- [Sector note, Recorded music industry overview.](#)
- [Sector note, TV and film industry overview.](#)
- [Practice note, Video games industry overview.](#)

In addition to technological and commercial advances and developments, the COVID-19 pandemic and subsequent lockdowns have affected the behaviour of consumers and industry participants within the media sector, from audience viewing habits to impacts on the production and distribution of new content. These changes are to some extent reflected in the statistics cited in this note, although the statistics available for the sector sometimes relate to circumstances pre-pandemic. Furthermore, the industry continues to respond and develop as a result of the pandemic (and the related restrictions). For an overview of how the COVID-19 pandemic has impacted the media industries, see [Article, COVID-19 and the media industries.](#)

### Film and television

#### COVID-19

In March 2020, most of the UK's film and television production activity was shut down as a result of the public health crisis triggered by COVID-19. Physical production was cancelled or postponed throughout Q2 2020 (except for a very small number of micro-budget film productions and certain post-production work).

In response, the government and industry partners developed a range of recovery measures to support the UK production sector and manage the risks presented

by resuming production during the pandemic. Guidance and advice were published, and the government's £500 million Film & TV Production Restart Scheme was launched in October 2020 and came to an end after 30 April 2022 (see [DCMS: Guidance: Film & TV Production Restart Scheme](#)).

According to the British Film Institute (BFI), production bounced back robustly in Q3 2020, with the combined UK spend generated by film and high-end TV productions for the period exceeding that recorded in Q1. Such recovery was amplified during Q4, which recorded the second highest quarterly combined total UK spend for film and high-end TV on record (see [BFI Yearbook 2020: Screen Sector Production Full Report](#)).

### Film

#### Production

Film production activity in the UK is driven by multiple factors, including infrastructure, facilities, availability of skills and creative talent and the incentive of film tax relief (see [Practice note, Film tax relief](#)).

Aggregate UK spend on feature films in 2020 was £1.37 billion, of which £412.3 million (30%) was generated in Q4 (see [BFI Statistical Yearbook 2020](#)). This figure is 37% lower than the level of UK spend activity recorded during the previous year, a change considered to be driven largely by the disruption from the COVID-19 pandemic.

UK-produced films can broadly be sub-divided into independent films, UK studio-backed films and non-UK films made in the UK. In 2020, the number of UK studio-backed films (a UK film wholly or partly financed and controlled by a US studio but featuring UK cast, crew, locations, facilities, post-production and, often, UK source material) was eight, and the number of UK independent films (films produced without creative or financial input from the major US studios) was 126. UK studio-backed films account for 78% (£1.06 billion) of

overall UK production spend in 2020, an increase of 66% on the 2019 share (see [BFI Yearbook 2021: Screen Sector Production Full Report](#)). In 2020, the UK spend associated with inward investment feature films (films substantially financed and controlled from outside the UK) was £1.21 billion, which accounted for 70% of total production budget in the UK. Ten films with budgets of at least £30 million accounted for 82.7% of UK production spend, demonstrating the importance of big-budget productions to the film ecosystem in the UK. All of these big-budget films were inward investment projects (see [BFI: Yearbook 2021: Screen Sector Production Full Report](#)).

The median budget for inward investment films in the UK dropped from £7 million in 2019 to £5 million in 2020, but the median budget for all domestic UK productions grew to a record £540,000 in 2020. This increase was driven in part by a large increase (437%) in the median for films with budgets of less than £500,000, which offset a decline of 12% in the median for larger domestic films.

The BFI has committed to create a special commission (as part of its BFI2022 strategy, see [BFI: BFI2022](#)) to look more deeply into the health of independent film in the UK. The BFI proposals include examining ways to maximise the value of rights from the licensing arrangements of, and markets for, UK independent film, promoting projects to engage and grow younger audiences within the sector, looking to attract more private investment into UK independent film companies via Enterprise Investment Scheme-backed funding and commercial development funding in order to help UK independent producers develop projects with high-value intellectual property.

For information on copyright issues in the context of film, see [Practice notes, Film copyright: a quick guide](#) and [Legal issues arising from use of music in film](#).

### Financing and distribution

#### UK

UK independent films tend to be single projects developed and produced by a production company. The production company will ordinarily appoint a sales agent to attend film markets and sell the international rights to the film to national distributors. Those national distributors then generally handle theatrical release and secondary sales in their markets. Independent films may be financed through a variety of means, including:

- Equity from high-net-worth individuals.
- Specialist investors.
- Private and government-backed film funds.

- Bank and alternative lender debt.
- Pre-sales to distributors and studios, whether in the UK or abroad.
- Incentives such as tax credits.

For further information on film finance, see [Practice note, Film finance: overview](#).

#### Hollywood

The Hollywood studio system comprises the major studio members of the Motion Picture Association (MPA) and other studios that are sometimes referred to as the “mini-majors”, such as MGM and Lionsgate. MPA membership has changed in recent years; its members are currently Disney, Universal, Warner Bros., Sony, Paramount and (as a sign of the changing landscape) Netflix (see [MPA: Who we are](#)) (Disney acquired 20th Century Fox film and television studios via its 2019 acquisition of 21<sup>st</sup> Century Fox). The majors have fully integrated development, production and (largely) worldwide distribution for their multiple pictures, whereas the mini-majors have US and some international distribution, but often tend to partner with international distributors. The majors also tend to have a number of branded divisions responsible for producing and distributing content distinctive to that division, such as Focus Features (Universal), Sony Pictures Classics (Sony) and Searchlight Pictures (a division of 20<sup>th</sup> Century Studios, Disney). The majors and mini-majors tend to have first-look or other contractual arrangements with production companies to bolster their access to talent and content and so maintain their market position.

Other key players in the industry include independent production companies and distributors, talent agents and managers, and the unions (UK) and guilds (US) for actors, writers and directors. The BFI and UK broadcasters play a fundamental role in British film.

There has been a recent industry trend of consolidation in the media and entertainment sectors, such as Disney’s acquisition of 21st Century Fox in 2019, Amazon’s purchase of MGM in 2022 and Discovery’s merger with Warner Media, also in 2022. These consolidations are linked to a power shift in the industry as streaming and digital entertainment grows and traditional revenue streams evolve. The sector has also received considerable investment, with recent examples including Candle Media (backed by Blackstone) acquiring stakes in Hello Sunshine (Reese Witherspoon’s production company), Moonbug Entertainment (children’s content) and Westbrook Media (Will Smith and Jada Pinkett-Smith’s production company), LeBron James’ SpringHill selling a stake to RedBird Capital and Apollo Funds acquiring a significant minority stake in

Legendary Entertainment. Moreover, majority stakes in Endeavor Content (Endeavor's studio subsidiary) and wiip (CAA's studio subsidiary) (driven by the agreement to divest reached by their parent entities with the Writers Guild of America) have been sold to South Korean media companies CJ ENM and JTBC Studios, respectively.

## Television

### Production

In terms of the categorisation of long-form television content, programming can generally be sub-divided by genre (comedy, children, soaps, drama, sports, news, documentaries, etc.) and by scripted vs. non-scripted (i.e. reality) shows.

Broadly, for scripted content in the UK, the original commissioner will pay for the cost of production. However, in the case of a production budget deficit (which increasingly occurs as budgets for drama grow), the original commissioner may seek to pre-sell the distribution rights for the finished programme to exhibitors (for example, broadcasters or digital platforms) in other jurisdictions. Later, the programme will be monetised in the secondary TV market. The leading commissioners in the UK include the BBC, Channel 4, Sky and ITV.

Non-scripted programming (sometimes subject to protection as a "format") will tend to be paid for by the original commissioner, which will then recoup its investment by selling the relevant programme format to exhibitors in different territories or licensed languages, in order for those exhibitors to produce a local version of the show (such as *Who Wants to Be a Millionaire?*). For further reading on format rights, see [Practice note, TV format rights](#).

Production value associated with high-end television programmes qualifying for UK tax relief was £1.49 billion in 2020, down 28% from the £2.08 billion reported in 2019 (see [BFI Yearbook 2021: Screen Sector Production Full Report](#)). This reduction is unsurprising given the effect of the COVID-19 pandemic and the production value of high-end television programmes is expected to recover once normal service resumes.

### Linear and catch-up television

Traditional linear television (that is, scheduled one-to-many broadcasting) in the UK can broadly be divided into free-to-air (FTA) television and paid-for television. FTA television offerings include the digital terrestrial television (DTT) service, Freeview, and satellite services (such as Freesat). Subscription linear television offerings include Sky TV (satellite), Virgin TV (cable) and BT TV

(Internet Protocol TV (IPTV)). Each of these pay-television platforms offers basic and premium channel packages. Freeview and Freesat offer certain catch-up services, while the YouView platform combines access to the DTT channels, a broader list of catch-up services and other on-demand offerings, depending on a consumer's package.

Public service broadcasting (PSB) remains key to the television market in the UK. Over 50% of all broadcast viewing involves the five main PSB channels: BBC One, BBC Two, ITV, Channel 4 and Channel 5 (see [Ofcom, Media Nations: UK 2021](#)). The BBC is funded by the licence fee charged to all UK households (and in some cases, individuals) who watch or record live TV programmes on any channel, or download or watch any BBC programmes on iPlayer, the BBC's video on-demand (VOD) service. For more on the regulation of PSB, see [Practice note, Public service broadcasting](#).

Each of the PSBs has a number of portfolio channels. The BBC's channels comprise BBC One, BBC Two, BBC 4, BBC News, BBC Parliament and a number of other channels in the nations and regions of the UK. The commercial PSB channels comprise ITV, ITV Breakfast, STV, UTV, Channel 4 and Channel 5 (and the +1 variants, such as ITV +1). Commercial PSB portfolio channels include ITV2, ITV3, ITV4, ITVBe, CITV, ITV Encore, E4, Film4, 5USA and 5STAR.

Catch-up television generally refers to the means of accessing programming on a VOD basis within a specified period of time from the original transmission of the relevant programme (for instance, seven days, 30 days, or a year, depending on the service). Catch-up television is now considered a key offering, alongside linear television. In the UK, each of the PSBs has a main free catch-up offering: BBC iPlayer, ITV Hub (and STV Player), All 4 and My5. Other commercial channel groups also offer catch-up services.

Ofcom reports that COVID-19 has undoubtedly caused an acceleration in existing viewing trends, as much of 2020 was spent in periods of national lockdown. More people spent more time watching on-demand services and television generally. Across all devices, total viewing of audiovisual content in 2020 was five hours and 40 minutes per day, with broadcast television viewing comprising 61% of this total. The average time spent viewing broadcast TV in 2020 was three hours and 12 minutes per person per day. However, the net effect in 2020 was a fall in broadcast TV's share of total viewing (from 67% in 2019), reflecting a declining trend seen over the last decade. Ofcom reports that the average monthly time spent viewing broadcast TV peaked during the first lockdown in April 2020; however, as pandemic restrictions loosened, viewing returned to figures more reflective of the general (declining) trend (see [Ofcom Media Nations Report: UK 2021](#)).

### Video on-demand

Video on-demand (VOD) generally refers to the means by which a viewer accesses programming on an on-demand basis via the internet or mobile technology, at a time the viewer chooses and without reference to a programme schedule. Monetisation models under the broad umbrella of VOD include:

- Subscription VOD (SVOD), for which the viewer pays a periodic subscription fee to access the service (for example, Netflix, Amazon Prime Video and NOW TV).
- Transactional VOD (TVOD), for which the viewer pays a one-time fee to watch a programme within a specified period of time (for example, via Apple's TV app or Google Play).
- Advertiser-funded VOD (AVOD), for which an on-demand service is free to access but carries advertising in and around programming (for example, the catch-up services of the commercial PSBs and YouTube).
- "Download-to-own" and "electronic sell-through" refer to the model in which a consumer pays a one-time fee to permanently download, retain and/or have access to a programme.

In practice, certain services utilise multiple business models (for example, Amazon Prime Video).

In 2018, subscriptions to Netflix, Amazon and NOW TV in the UK overtook subscriptions to "traditional" pay-television services (at 15.1 million) for the first time, although these figures count individual subscriptions to SVOD platforms, rather than households (see Broadcasters' Audience Research Board (BARB) data in [Ofcom: Media Nations 2018](#)). SVOD services continued to increase their share of total viewing during 2020, registering the highest growth across the VOD sector. Viewing on SVOD platforms almost doubled in 2020 to an estimated one hour and five minutes per person per day, with 60% of all UK households using SVOD services by Q3 2020 (up from 49% a year earlier). More than half of all UK households subscribed to Netflix in 2020 (see [Ofcom Media Nations: UK 2021](#)).

The key factors contributing to the growth of the SVOD market include the high level of content investment from the major SVOD platforms, the increased levels and quality of connectivity, the convenience of access via multiple devices (including personal hand-held devices and smart TVs, also known as connected TVs and concurrent streams), the ability to binge-watch programmes and the impact of the COVID-19 lockdowns.

Ofcom notes that PSBs may face additional competition from emerging AVOD services, which have become an area of investment for some major media and technology companies as an alternative revenue stream to SVOD.

Importantly, individuals in the UK have continued to diversify their viewing habits, with the popularity of AVOD services growing rapidly and viewers spending an estimated 41 minutes per day watching YouTube videos in 2020 (see [Ofcom Media Nations: UK 2021](#)).

Recently, viewers have moved towards over-the-top (OTT) platforms that now also offer sports content, with 38% of UK households using an OTT service to watch sports during Q1 2021 (see [Ofcom Media Nations: UK 2021](#)). Amazon Prime Video, DAZN and YouTube are considered the most popular OTT services for streaming sports events in the UK.

For further reading on connected TV, see [Practice note, Broadcast and internet TV: copyright](#).

For regulatory issues in the context of television and on-demand services, see Practice notes:

- [Broadcast and on-demand TV regulation: a quick guide](#).
- [Broadcast and internet TV toolkit](#).
- [On-demand TV regulation](#).
- [Product placement](#) in broadcast and on-demand TV.

### Publishing and the press

The print publishing industry encompasses newspapers, periodicals (including magazines), books, directories and databases, journals, business media and academic publishing. The industry, which has traditionally been considered as limited to printed material for public view, is generally understood in the digital age to include online and digital publications.

#### Publishing

The UK is the largest exporter of books in the world ([Publishers Association: About publishing](#)). The UK publishing industry revenue was £6.4 billion in 2020, of which digital formats (including e-books, audiobook downloads, online subscriptions and e-journals) accounted for £3 billion, or approximately 47% of the total invoiced value of UK publisher book, journal and rights sales in 2020 (see [Publishers Association: News, Publishing in 2020: resilient in the face of COVID](#)). (Audiobooks are discussed in [Podcasts and digital audiobooks](#). For information on collecting societies, which provide licences to copy pages from the print or digital version of a book or newspaper and collect royalties for the use of the copyright in that material, see [Practice note, Collecting societies in the publishing sector](#).)

#### Press

With regard to the press, the traditional revenue model of UK newspaper publishers is shifting as the rise of

digital media has seen a decline in the demand for print. Newspapers traditionally benefitted from two main revenue channels, advertising and newspaper sales. However, circulation of UK national newspapers decreased from approximately 22 million in 2010 to 9.3 million in 2019 (see [Jigsaw Research for Ofcom: News Consumption in the UK: 2020](#) (Ofcom News Consumption Report 2020)).

The decline of newspapers is compounded by decreasing advertising spend in physical print media and the dramatic rise of online advertising. Newspapers are therefore exploring other business models, including digital editions, subscription paywalls and reader contributions. Within the broader news ecosystem, TV is the most-used platform for news (75%), followed by the internet (65%), although the internet is the most-used platform for those aged 16 to 24. Radio (42%) and newspapers (35%) are the next most used. Social media is the most popular method of receiving online news, although in 2020 fewer adults claim to use social media for news compared to 2019 figures. About 9% of adults say they consume news via magazines (see Ofcom News Consumption Report 2020.)

The UK print news industry is divided by national, regional and local press. In its report on news consumption in the UK, Ofcom noted that less than a third of adults use print newspapers for news. The top 20 news sources include three newspaper titles (print or digital format). The *Daily Mail* and *Mail on Sunday* (national) is the most widely read title overall (on the basis of print and online combined), whereas *The Guardian*, *The Observer* and the *Daily Mail* and *Mail on Sunday* were the most-read digital news titles (see [Ofcom: News Consumption in the UK: Report 2021 Report](#) (2021 report and overview of 2021 findings)).

For an overview of press regulation in the UK, see [Practice note, Press regulation: overview](#).

### Podcasts and digital audiobooks

Audio media has increased in popularity in recent years. Figures indicate that, similar to other media sectors, the impact of COVID-19 restrictions led to a rise in interest in audiobooks whilst consumers looked for entertainment as they stayed home. Ofcom reports that about a third of adults surveyed during the COVID-19 lockdowns said they had listened to music streaming services, podcasts or audiobooks in the previous week (see [Ofcom Media Nations: UK 2021](#)).

Although digital audiobooks and podcasts are similar media (to the extent that they are both audio files that can be downloaded or streamed directly from the hosting site or application), their differences outweigh their similarities. Podcasts typically feature original episodic

content, released periodically. Audiobooks, on the other hand, are recordings of pre-existing text, released in one go. The pricing structures also differ. Podcasts are generally available for free, and the popular shows are funded through advertising. UK listeners access podcasts via platforms including BBC Sounds, Spotify, YouTube and Apple Podcasts. Digital audiobooks tend to be available on a download-to-own basis via payment of a one-time fee or via subscription services such as Audible.

### Audiobooks

The audiobook market has continued to develop in the UK in the years following Amazon's 2008 acquisition of Audible, the market leader for audiobooks. Audiobook sales income in the first six months of 2021 was up 71% compared to the same period in 2019 ([Publishers Association: News: Audiobook sales soar during pandemic](#)).

### Podcasts

Many audio platforms have been expanding their podcast offerings and 15% of UK adults listen to podcasts on a weekly basis. Whilst iTunes began carrying podcasts in June 2005, the year YouTube was created, Spotify and BBC Sounds are the most popular platforms for podcast listening in the UK (see [Ofcom Media Nations: UK 2021](#)). The international podcast market has also continued to grow in recent years, with increased investment in podcast production and talent.

Large audio platforms are continuing to develop their podcast businesses with a number of big-name podcast deals in recent years. Spotify announced its acquisition of podcast hosting and advertising platform Megaphone and launched its Spotify Audience Network (which allows advertisers to buy advertising spots across Spotify's own podcasts, third party podcasts on Megaphone and Anchor and music streams). Amazon also completed its acquisition of podcast network Wondery, with plans to integrate the service into Amazon Music. In June 2021, Sony Music acquired UK audio content producer Somethin' Else, as part of an effort to expand its podcast production business.

Finally, in June 2021, Apple launched its Apple Podcast Subscriptions service, which allows creators to use the podcast platform to make and manage paid-for access to podcasts, in a significant departure from Apple's historic approach to podcasts (Apple services provide a tool for discovery rather than monetisation) (see [Ofcom Media Nations: UK 2021](#)).

### Advertising

Advertising is carried via print media, outdoor advertising (for example, billboards and advertising at bus stops

and in train stations), direct mail, television, film, radio and digital media (including blogs, social media and websites). A huge number of companies are operating behind the scenes in the digital marketing space, beyond the more obvious players such as major brands or marketers, major agencies, social media platforms, blogs, search engines, advertising-supported content websites and online retailers.

Digital advertising takes many forms, including:

- Paid-for search (for example, sponsored search results).
- Display, which can be online video (such as pre-roll advertisements), banner adverts, overlay adverts, or interstitial adverts (for example, full-screen adverts that pop up between expected content).
- Native advertising, which is essentially advertising that resembles editorial content (such as recommendations widgets and influencer marketing).
- Classified advertising (that is, advertising in an online directory or marketplace).

During 2020, the UK advertising sector contracted for the first time since 2012, with severe contraction in cinema, out-of-home and print advertising. Online advertising was the only advertising medium that grew in revenue in 2020 (see [Ofcom Media Nations: UK 2021](#)). Digital audio advertising in the UK grew year-on-year in 2021, but in absolute terms, total expenditure on digital audio advertising is still relatively small (£104 million), accounting for less than 1% of total digital advertising expenditure in the UK.

For more information about digital advertising, including information on the UK's digital advertising market, the legal compliance issues to consider when creating and publishing digital advertising and key legislation and official guidance in this area, see [Practice note, Digital marketing: an overview](#). For information on programmatic advertising (the automated buying and selling of online advertising space), see [Practice note, Programmatic advertising \(ad-tech\)](#).

Advertising is independently regulated in the UK by the Advertising Standards Authority (ASA), which enforces the advertising codes (broadcast and non-broadcast) written by the Committee of Advertising Practice. For an introduction to advertising regulation, see [Practice note, Advertising law: a quick guide](#).

## Recorded music

The consumer experience has evolved from buying music in physical formats such as cassettes, CDs and vinyl to buying and renting music in digital form. Artists are now also able to reach consumers more easily on a

direct-to-consumer (D2C) basis via the internet, which has impacted the business model.

Key industry participants include:

- Artists and composers.
- Labels (including the majors: Universal Music Group, Sony Music Entertainment and Warner Music Group; and independents).
- Publishers (including Universal Music Publishing Group, Sony/ATV Music Publishing and Warner/Chappell).
- Collecting societies (in particular in the UK, the Performing Rights Society (PRS), the Mechanical-Copyright Protection Society (MCPS) and Phonographic Performance Ltd (PPL)). For more information, see [Practice note, Collecting societies in the music and film sector](#).
- Retailers.
- Distributors and administrators.
- Digital service providers.
- Industry bodies.

The music industry has drastically changed in the past decade with the advent of streaming technology. Initially, the profitability of the industry was jeopardised by internet-based peer-to-peer file-sharing services, which enabled users to download MP3 files rapidly at no cost. The industry experienced a period of decline until players such as the iTunes store and, later, streaming services such as Spotify, YouTube, Amazon Music and Google Play Music offered convenient, viable and affordable alternatives, which offset any decline in physical sales.

In 2020 the global recorded music market grew by 7.4%, marking the sixth consecutive year of increasing revenues. In the same year, 62.1% of the record industry's global recorded music revenues came from streaming, with 443 million users of paid subscription streaming accounts globally (see [International Federation of the Phonographic Industry \(IFPI\): IFPI issues Global Music Report 2021](#)).

In the UK, the Department for Digital, Culture, Media and Sport Committee launched an inquiry in October 2020 into the economics of music streaming, consisting of a cross-party group of 11 MPs who considered the impact of music streaming on the music industry in the UK. The inquiry looked at reasons the current music streaming model is failing artists in the UK and identified that an unfair share of the UK recording market is currently held by three major players (UMG, Sony Music and Warner Music Group) and their respective music publishing subsidiaries.

The inquiry also identified a value gap in the music industry, as revenues for music from ad-funded services are significantly less than those from paid-for services due to the role of so-called safe harbour defences in hosting and monetising user-generated content in the UK. The inquiry recommends a broad range of legislative and regulatory reforms to deal with these issues and, in response, the government has referred the major music groups to the Competition and Markets Authority (CMA) to evaluate their dominance in the industry. The CMA investigation is currently ongoing.

Streaming has amplified the value of recorded music as an asset class and this value is reflected through major investment into the sector from private-equity backed investors and specialised funds. Funds such as Primary Wave and Hipgnosis Songs Fund have demonstrated the potential returns and revenues available via investment into music and PE firms like KKR are demonstrating the potential of music catalogues in establishing lower-risk investments with regular cash flows.

For further information about the recorded music industry, including detailed information on industry participants and typical contracts involved, see [Sector note, Recorded music industry overview](#).

For information on copyright issues in the context of music, see [Practice note, Music copyright: a quick guide](#).

### Video games

The video game industry, encompassing computer games and interactive media, has grown to become one of the biggest entertainment industries in the world. The industry can broadly be broken into sub-sectors including game development, publishing, digital retail and physical retail.

The UK market for video games reached a record £7 billion in 2020 (an increase of almost 30% from 2019's figures), of which £4.55 billion derives from game software (see [UK Interactive Entertainment Association \(UKIE\): UK Games Industry Market Valuation 2020](#)). Game hardware also had a record year, with revenues up 60% year-on-year reaching £2.26 billion. In the valuation, UKIE concludes that homebound consumers turned to games during COVID-19 for both entertainment and as a way to virtually connect with family and friends.

The industry continues to develop rapidly, moving away from a reliance on the physical distribution of video games as a single product to digital distribution of video games. Monetisation models have evolved as well. Traditionally, physical video games were relatively expensive to buy, reflecting their high development costs. Today, most video games are distributed via

online platforms and generate revenue through in-game (including in-app) purchases of additional downloadable content such as characters, weapons or other items and access to different levels of gameplay.

Video games can be played on a variety of platforms, including home and handheld consoles, PCs and mobile devices such as smartphones and tablets. Hardcore gamers tend to prefer playing on PCs with large processing power, whereas more casual gamers are attracted to playing mobile games on their smart devices; such games are often simple to play and appeal to a wide demographic.

The video game industry is evolving in terms of the environment within which games are played. The virtual reality space has seen increased investment.

Esports gaming is one of the media industry's fastest growing sectors, at the cutting edge of audience engagement and technology. In addition to global growth, the esports sector in the UK has grown an average of 8.5% annually between 2016 and 2019 (see [UKIE: The value of esports in the UK](#), for UKIE by Olsberg•SPI with Nordicity). Esports involves organised, structured and competitive playing of video games, often in an online or physical space (with spectators). Many different video games are represented across the sector, including FIFA, Fortnite and League of Legends. In the UK, the esports ecosystem ranges from grassroots and amateur play to highly paid professionals playing in arenas with global viewership. Esports tournaments and associated media rights represent a new type of asset and are increasing in value.

For an overview of the video game industry, including its structure and organisation, and an outline of the key legal issues relating to the industry, see [Practice note, Video games industry overview](#). Video game tax relief is available in the UK; see [Practice note, Video games tax relief](#).

### Radio

Consumers across the UK continue to listen to radio on a wide range of devices. Almost two-thirds of adults in the UK listened to live radio on a radio set each week in Q1 2021 (see [Ofcom Media Nations: UK 2021](#)), but their proportion is steadily declining each year as more listeners turn to online sources (including online radio).

Radio is split between the BBC, commercial and community radio. The overall number of analogue commercial radio stations continues to decline each year, due to the closure of local AM services (continuing a longer-term trend)

BBC Radio offers a range of programme types across its channels, including:

- Contemporary music on Radio 1, Radio 1Xtra, Radio 2, 6 Music and Asian Network.
- Classical music and jazz on Radio 3.
- Speech, drama, analysis and the arts on Radio 4.
- Comedy, drama and children's programming on Radio 4 Extra.
- News and sports on Radio 5 Live and Radio 5 Live Sports Extra.
- Local programming from 40 stations in England.
- Six dedicated radio services in the nations (Radio Scotland, Radio nan Gàidheal, Radio Ulster, Radio Foyle, Radio Wales and Radio Cymru).

The BBC's radio services are broadcast in the UK on analogue (AM, FM and LW), DAB digital radio, digital television (DTV) and online.

Commercial radio is funded by advertising, with commercial licences awarded by Ofcom. Commercial radio can be national, regional or local depending on the station's reach. The majority of commercial radio's share of listening is attributed to stations owned by two media groups, Global and Bauer.

The number of community radio stations has grown to approximately 306 (see [Ofcom Media Nations: UK 2021](#)). Community radio stations are a particular type of UK analogue station that are required by the terms of their licence to be run on a non-profit distributing basis and to generate social gain from their activities. They typically cover a small geographical area.

Listening habits are changing. In 2020, more than half of all live radio listening involved a digital platform (DAB, online, or through a TV set) (see [Ofcom Media Nations: UK 2021](#)). Larger media groups are now offering online services in the form of customised apps in addition to their live broadcast content. BBC Sounds, for example, is an app that provides access to radio content including live shows and catch-up programmes as well as podcasts and playlists, based on user preferences. Similarly, Global Player offers access to live shows and catch-up programmes from commercial radio stations, as well as the option to subscribe to programme downloads.

For more on the regulation of radio, see [Practice note, Radio regulation](#).

## Social media

Social media encapsulates websites and applications that enable users to create and share content and to network. Approximately 82% of adults who go online have a social media profile (see [Ofcom Media Nations: UK 2021](#)), with Facebook and Instagram continuing to

be the most popular platforms. Social media platforms are a way of sharing information over the internet to a group of 'followers' and include websites, applications and services, which fall into one or more fundamental categories including:

- Blogs.
- Social or business networking sites or applications.
- Digital media sharing sites (for uploading and sharing content such as videos or photographs and accompanying text).
- Crowdfunding sites.

For the categories of social media and popular social media sites and services, see [Practice note, Social media: a quick guide](#).

Social media has led to the creation of new forms of communication including emojis, memes and GIFs. An emoji is an image or icon used in lieu of words. A GIF (graphics interchange format) is an image format that is typically animated. A meme is an idea or item that gains popularity online, typically via an image, a GIF or a text (for example, a meme may take the form of a pop culture image plus a caption).

Social media has led to the establishment of "influencers", an evolving term for individuals who have amassed a following on social media for their reputation, knowledge or expertise on a particular topic. Influencers have become "social relationship assets" with which brands can collaborate to achieve their marketing objectives, which has prompted the marketing and advertising industries to adapt their campaigns for brands. Content creators (those who regularly post and upload their own content to social media platforms in order to generate revenue) are also utilised in the same way for brand promotion online. 'Influencer marketing' is now a well-established advertising technique; more than 400,000 influencers in the UK uploaded content to social video platforms in 2020. For information on advertising and promotion in social media, see [Practice notes, Advertising and Promotions in Social Media](#) and [Influencer marketing: what to look out for](#).

For details of Practical Law resources relating to use of social media, based on law applicable in the UK, see [Social media toolkit \(UK\)](#).

For details on compliance issues for social media, see [Practice notes, Social media compliance](#) and [Video-sharing platforms](#) For details of offences related to social media (including channels for complaints about online content), see [Practice note, Social media: offences and civil causes of action](#). Social media providers should also be aware of the government's forthcoming Online Safety Bill (see [Practice note, Online Safety Bill](#)).



### Social audio and other new audio formats

Social audio refers to audio-based digital social media sites and apps that allow users to interact with content and content creators via live conversations or in live audio chatrooms. Social audio apps combine elements of podcasts and conference calls. The social audio format has gained momentum in recent years, with a significant increase in the number of social audio products available in 2020, as several developers released social audio apps that aim to connect listeners via audio. Clubhouse, a social audio app that offers live audio-only conversations between its users, grew to at least 10 million users globally over the space of a year, receiving a valuation of \$4 billion in May 2021. Established social media companies like Twitter and Reddit have introduced their own audio-based features or social audio functions (Twitter's 'Spaces' and Reddit's 'Reddit Talk') while Spotify released its own social audio platform, 'Greenroom', in June 2021. As more platforms continue to develop audio-based social networking features, the general consensus is that new social audio apps could move towards broadcasting live events (live music in the form of virtual concerts) which can then be monetised to profit both the creator and the hosting platform through ticket sales, advertising and sponsorship.

### Media regulation in the UK

A number of statutory and regulatory regimes govern media regulation in the UK. Statutory media ownership rules govern who can own certain services, with the aim to protect public interest by promoting plurality and preventing undue influence by any one media owner. UK broadcasting legislation contains restrictions on broadcasting in the UK without a licence, while Ofcom, the UK media regulator, can refuse to issue a licence to (or withdraw a licence from) anyone it considers not "fit and proper" to hold a licence. For more information, see [Sector note, Media: regulatory overview](#).

### Media sector litigation

General commercial litigation, copyright claims, data breach and privacy cases are relevant to the media sector; see Practice notes:

- [Copyright: infringement and remedies](#).
- [Overview of image rights](#).
- [Overview of privacy law](#).

For information on defamation, see [Practice note, Overview of defamation](#).

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