

Strategic Roadmap for Scotland's Digital Media Industry

Integrating Traditional Excellence with the Creator Economy and Vertical Storytelling

Executive Summary

This report provides a comprehensive industry development roadmap for Scotland's digital media landscape, encompassing the full spectrum of activity from High-End Television (HETV) and feature film to the burgeoning sectors of YouTube content creation, TikTok micro-narratives, and the rapid-growth "micro drama" vertical format.

The overarching strategic objective for the sector is to achieve a Gross Value Added (GVA) impact of £1 billion by the fiscal year 2030/31. This target serves as the economic "north star" guiding policy, investment, and infrastructure development. However, achieving this milestone requires a nuanced understanding of the shifting media ecosystem.

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Executive Summary and Strategic Vision

The Scottish screen sector stands at a pivotal juncture in its history, poised between the robust legacy of traditional film and television production and the explosive, disruptive potential of the digital creator economy.

This report provides a comprehensive industry development roadmap for Scotland's digital media landscape, encompassing the full spectrum of activity from High-End Television (HETV) and feature film to the burgeoning sectors of YouTube content creation, TikTok micro-narratives, and the rapid-growth "micro drama" vertical format.

The overarching strategic objective for the sector is to achieve a Gross Value Added (GVA) impact of £1 billion by the fiscal year 2030/31. This target serves as the economic "north star" guiding policy, investment, and infrastructure development. However, achieving this milestone requires a nuanced understanding of the shifting media ecosystem.

The traditional metrics of success—cinema admissions and broadcast ratings—are being supplemented, and in some cases superseded, by engagement metrics, subscriber growth, and direct monetization models inherent to the creator economy.

Current data indicates that the sector is on a positive trajectory. Between 2021 and 2023, the GVA of Scotland's screen sector increased by 15%, rising from £627.1 million to £718.0 million. Employment figures have mirrored this growth, with the workforce expanding by 12.1% to reach 12,260 full-time equivalents (FTEs) in 2023. These figures demonstrate remarkable resilience, particularly given the global headwinds faced by the industry, including the significant disruption caused by the US writers' and actors' strikes in 2023, which saw inward investment temporarily contract from £347 million to £173.5 million.

However, reliance on inward investment exposes the Scottish sector to international volatility. To build a truly sustainable ecosystem, Scotland must diversify its production base. This involves not only supporting indigenous film and TV IP but also formalizing and integrating the "digital-first" economy. The global vertical drama market alone is projected to grow from \$4.72 billion in 2025 to over \$8.42 billion by 2031. Capturing even a fraction of this market could provide a significant new revenue stream for Scottish producers, leveraging the nation's world-class locations and technical expertise.

This report outlines a three-phase roadmap to 2031 designed to harmonize these divergent strands. It advocates for a "convergence strategy" where the technical rigor of traditional production meets the agility of the digital creator. By leveraging cutting-edge infrastructure investments like the CoSTAR network and the pervasive roll-out of 5G technology, Scotland can position itself as a global leader in next-generation media production.

The Economic Baseline and Traditional Industry Health

To chart a course for the future, it is essential to first understand the current economic bedrock of the Scottish screen industries. The traditional sector—comprising film, television, animation, and facilities—remains the primary driver of economic value and employment.

Gross Value Added (GVA) and Employment Trends

The economic health of the sector is robust, characterized by steady long-term growth despite short-term fluctuations. The baseline for the industry's growth target was established in 2019, with the aim of doubling GVA to £1 billion by 2030/31.

As of the latest comprehensive data from 2023, the sector generated a total GVA impact of £718.0 million. Of this, £458.6 million was generated directly within the screen sector value chain, with the remainder coming from spillover effects in supply chains and induced spending.

Metric	2019 Baseline	2021 Performance	2023 Performance	Growth (2021-23)	2030/31 Target
Total GVA	~£567m	£627.1m	£718.0m	+15%	£1.0bn
Direct GVA	N/A	£413.6m	£458.6m	+10.9%	N/A

Employment (FTEs)	10,280	10,940	12,260	+12.1%	N/A
Inward Investment	£165.3m	£347.0m	£173.5m	-50%	N/A

The data reveals a critical insight: while inward investment is highly volatile—dropping significantly in 2023 due to the US industrial action—the domestic sector's employment and overall GVA continued to rise. This suggests that the indigenous industry is developing a degree of autonomy and resilience, reducing its absolute dependency on Hollywood service work.

The Structure of the Traditional Sector

The traditional sector is segmented into several key activities, each contributing differently to the economic whole.

Production and Development

Production remains the heavyweight champion of the sector. In 2023, the production and development of screen content accounted for 52% of the sector's total direct GVA, contributing £225.0 million directly and £371.0 million in total impact. This sub-sector includes the physical making of film and television, from independent Scottish features to major international blockbusters filming on location.

The scale of this activity is significant. In the first half of 2024 alone, 17 films and TV series started principal photography in Scotland, generating an estimated £194 million in spend. High-profile projects such as Netflix's *Department Q* exemplify the type of inward investment that drives these figures. If this trajectory holds, the sector is on track to realize up to £400 million in production spend for the 2024 calendar year, surpassing the previous record set in 2021.

Exhibition and Screen Tourism

Often overlooked in purely industrial analyses, the exhibition sector and screen tourism are vital components of the ecosystem. Cinema attendance in Scotland recovered faster in 2023 than in the rest of the UK, indicating a strong local appetite for the

theatrical experience.

Furthermore, screen tourism—where visitors travel to Scotland specifically to visit film locations—is now a measurable economic contributor. In 2019, screen tourism contributed £55 million in GVA, and this figure has likely grown as "set-jetting" becomes a global travel trend. This intersection of media and tourism is a critical growth area, particularly when linked with the digital influencer economy, which thrives on showcasing iconic locations.

Strategic "North Stars" and Funding Mechanisms

The national body for the sector has articulated a clear strategy through to 2030/31 based on three interconnected "north stars":

1. **Economic Growth:** Building sustainable companies and jobs.
2. **Creative Origination:** Ensuring stories originate from Scotland, rather than the nation serving merely as a backdrop.
3. **Audience Development:** Expanding the reach of Scottish content domestically and globally.

To enforce these priorities, funding mechanisms like the Broadcast Content Fund (awards of £100k–£500k) require applicants to submit a "Scottish Impact Statement". This compels producers to articulate how their project contributes to the sector's long-term development, distinct from the immediate economic hit of production spend. The fund prioritizes projects with the potential to "generate lasting benefits to build companies of scale," reflecting a shift from project-based funding to company-building support.

However, a critical gap exists. Current guidelines for major funds explicitly state they do not normally support audiovisual works intended for self-distribution, such as a web series. This policy exclusion creates a structural barrier for the emerging digital creator economy, preventing high-potential digital-first companies from accessing the capital needed to scale.

The Digital Paradigm Shift – The Creator Economy

While traditional sectors stabilize and grow, a parallel economy has emerged that

operates on fundamentally different principles. The creator economy in Scotland is no longer a cottage industry of hobbyists but a professionalizing sector with significant economic weight and cultural influence.

Defining the Landscape: Creators vs. Influencers

The terminology in this sector is evolving. While often used interchangeably, industry analysts distinguish between content creators and influencers.

- **Content Creators:** Individuals who produce and monetize original content (video, art, writing) directly through platforms. Their value lies in the content itself.
- **Influencers:** Individuals who leverage their persona and audience trust to market products or lifestyles. Their value lies in their reach and persuasion.

In Scotland, this distinction is blurring as creators professionalize. Agencies such as The Aesthete Collective and Aquarius Creative have emerged to manage this talent. The Aesthete Collective, for instance, markets itself as Edinburgh's first agency focused on "micro-influencers," managing talent across Instagram, TikTok, and YouTube and facilitating User Generated Content (UGC) for brands. This formalization—moving from ad-hoc deals to agency representation—is a crucial step in the industry's maturity.

Integration with Tourism and National Branding

One of the most successful integrations of the digital economy in Scotland is within the tourism sector. VisitScotland has pioneered a structured approach to working with digital talent through two distinct streams:

1. **Influencer Programmes:** Collaborations with individuals who share their own travel experiences. Selection criteria are rigorous, requiring an engaged audience and a demonstration of professionalism.
2. **Content Creator Network:** A more formal commissioning model where creators are hired to produce authentic, high-quality content specifically for national marketing channels.

This strategy acknowledges that digital storytellers can bring Scotland's landscapes, people, and experiences to life in ways that traditional advertising cannot. Campaigns like *Somewhere Wilder* utilize these creators to drive tourism to less-visited regions, demonstrating the economic utility of the creator economy beyond mere entertainment.

The Monetization Gap

Despite the cultural visibility of Scottish creators, the economic infrastructure supporting them is less developed than in the traditional sector. Monetization typically relies on a mix of platform revenue shares, brand sponsorships, and direct fan support.

Unlike traditional producers who can access tax reliefs and public production funds, digital creators operate largely outside the public support framework. There are small-scale initiatives, such as the Creative Scotland Open Fund for Individuals and the We Are Here Scotland Creators Fund for BPoC artists, but these are not designed to scale digital media businesses in the same way the major broadcast funds support TV production companies.

The lack of access to significant capital limits the ability of Scottish creators to invest in higher production values, hire teams, or retain their own IP. This stands in contrast to the traditional sector, where IP retention is a core strategic goal.

The Vertical Revolution – Micro Dramas and New Formats

A specific and rapidly growing subset of the digital economy is the "micro drama" or "vertical drama." This format represents a convergence of high-production values with the consumption habits of mobile-first audiences.

Market Dynamics and Global Growth

The vertical drama market is experiencing explosive growth. Defined as mobile-optimized video content designed for portrait-mode viewing, the global market is projected to grow to over \$8 billion by 2031. In the third quarter of 2025 alone, the format generated \$800 million in global revenue (excluding China), doubling year-over-year.

The market is dominated by apps like ReelShort, DramaBox, and ShortMax, which operate on a "freemium" or subscription model. Users pay small amounts to unlock episodes, or subscribe for unlimited access. The revenue potential is immense; hit series have amassed hundreds of millions of views, rivaling major streaming hits in terms of raw viewership.

Anatomy of a Micro Drama

Micro dramas differ fundamentally from traditional short films. They are not "scaled down" movies but a distinct medium with its own grammar and commercial logic.

- **Format:** Strictly 9:16 vertical aspect ratio.
- **Duration:** 45 to 90 seconds per episode, with series running for 60–100 episodes.
- **Narrative Structure:** Rapid pacing, high emotional stakes, and frequent cliffhangers to drive "unlocks" of the next episode.
- **Genres:** Highly specific tropes such as billionaire romance, fantasy, and revenge narratives dominate.

The Opportunity for Scotland

While the platforms are largely based internationally, the production is increasingly global. The UK is positioning itself as a hub for this content, with companies leading the way in vertical storytelling.

Scotland is uniquely positioned to capture a share of this production market for several reasons:

1. **Locations:** Micro dramas often rely on "aspirational" settings—stately homes, castles, and luxury hotels. Scotland's abundance of such locations offers high production value at a competitive cost.
2. **Agile Workforce:** The format requires lean teams and fast turnarounds. Scotland's freelance workforce, already adept at independent production, is well-suited to this rhythm.
3. **Visual Innovation:** Companies are using full-frame shooting to deliver cinematic quality in vertical format, a technique that Scottish cinematographers and rental houses can easily adapt to.

However, there is currently no specific funding strand or strategic support to encourage local producers to enter this market. The existing funds often explicitly exclude web-series, leaving this high-growth sector largely unsupported.

Infrastructure and Technological

Convergence

To support both the high-end demands of traditional film and the rapid agility of the digital sector, Scotland is investing in next-generation infrastructure. The convergence of 5G connectivity and Virtual Production (VP) is creating a new technological backbone for the industry.

The CoSTAR Realtime Lab and Virtual Production

The cornerstone of Scotland's R&D strategy is the CoSTAR Realtime Lab, a major initiative designed to revolutionize the screen and gaming industries. Led by Abertay University in partnership with the University of Edinburgh and others, this project provides world-class resources to creative companies.

The network includes:

- **Dundee (Water's Edge):** A dedicated virtual production studio focusing on the intersection of gaming and screen.
- **Edinburgh (First Stage Studios):** A state-of-the-art facility for high-end film and TV R&D.
- **Edinburgh College of Art:** Planned expansion to support creative experimentation.

Virtual Production allows filmmakers to shoot against LED walls displaying real-time 3D environments. This reduces the need for location travel and post-production compositing. For Scotland, VP offers the ability to shoot "exterior" Scottish scenes in a controlled studio environment regardless of weather.

The 5G Revolution and Remote Production

Parallel to studio investments, the roll-out of 5G is enabling new workflows. Groundbreaking trials have successfully demonstrated "wireless virtual production" over 5G. This allows studios in different cities to connect in real-time, enabling actors in two different locations to perform together in a single shared virtual environment.

This has profound implications for Scotland's roadmap:

- **Remote Direction:** Directors can oversee shoots in the Highlands from studios in the Central Belt.
- **Mobile Studios:** The technology allows for mobile studios that can be set up on

any site with a 5G connection. This could democratize high-end production access for rural creators.

- **Infrastructure Ranking:** Major Scottish cities have been ranked among the fastest for 5G in the UK, providing a competitive edge for tech-heavy productions.

Tech Scaler and Innovation Ecosystems

Supporting the hardware is a business ecosystem. Techscaler, a government programme delivered by CodeBase, provides education, mentorship, and funding for tech startups. While primarily tech-focused, its eligibility criteria make it accessible to companies building tools for the media industry.

Additionally, initiatives in Edinburgh have successfully bridged the gap between data and creativity, funding projects that use data-driven technology to create new audience experiences. These initiatives provide the "soft infrastructure" of skills and business support that complements the physical studios.

Talent, Education, and Workforce Development

A roadmap is only as good as the people who execute it. Scotland faces a dual challenge: upskilling the existing workforce for digital workflows and ensuring the talent pipeline is diverse and inclusive.

Evolving Educational Models

Higher education institutions are adapting their curricula to break down the silos between different media disciplines.

- **West College Scotland** has moved to a holistic project-based delivery model, where students handle all phases of production rather than specializing too early. This mirrors the multi-hyphenate nature of the creator economy.
- **University of Stirling** offers degrees in Digital Media and Communications that combine storytelling with analytics, acknowledging that modern media professionals must be data-literate.
- **Robert Gordon University** offers courses specifically in Influencer Marketing,

validating this field as a subject of professional study.

Vocational Training and Diversity

Beyond degrees, vocational training is critical for rapid upskilling. The "rad" (Raise and Develop) program offers eight-month paid traineeships specifically for under-represented groups within Scottish independent production companies. The program has been highly successful, with trainees securing credits on major productions.

For the entertainment sector specifically, the "SuperSizing Entertainment Formats" initiative aims to train producers to develop large-scale entertainment shows, an area where Scotland has sought to grow its national footprint.

Addressing Skills Gaps

Despite these successes, gaps remain. There is a noted misunderstanding about the nature of work in tech-heavy creative roles, which can discourage diversity in the sector. Furthermore, while there is training for high-end TV, there is a lack of formal training for the specific workflows of vertical drama. The skills required to shoot for a smartphone screen are distinct and are currently learned largely through trial and error.

Policy and Funding – A Comparative Analysis

To create a world-leading digital media ecosystem, Scotland's policy framework must evolve. A comparison with international models highlights significant opportunities for innovation.

The Domestic Gap

Current Scottish funding is heavily weighted toward traditional outcomes.

- **Broadcast Content Fund:** Focuses on projects for broadcast or major streaming platforms, often excluding web series.
- **Production Growth Fund:** Targets large-scale inward investment.
- **Open Fund for Individuals:** Accessible but lacks a strategic industry-building

focus.

There is no dedicated "Digital Creator Fund" or "Vertical Drama Fund" in Scotland. This leaves the fastest-growing segments of the market to navigate growth without specific strategic support.

International Benchmark: Canada Media Fund (CMF)

The Canada Media Fund offers a model for supporting the digital shift. Its Digital Creators Pilot Program is explicitly designed for mid-career creators on platforms like YouTube, TikTok, and Instagram.

Engagement over Broadcast Credits

Unlike domestic funds that often require a broadcast commission, the CMF determines eligibility based on digital engagement. Applicants must demonstrate a track record of posting and meeting minimum viewer thresholds.

Business Building

The funding recognizes that a creator is a small business that needs operational support to scale, allowing funds to be used for incorporation, legal fees, and hiring social media managers.

Flexible Eligibility

The CMF allows individuals to apply, requiring incorporation only after funding is awarded. This lowers the barrier to entry significantly.

International Benchmark: Nordic Film Institutes

The Norwegian and Danish Film Institutes have integrated video games and cross-media into their core legislative mandates.

- **Norway:** The government's strategy includes specific grant schemes for the development and launch of computer games, and even a scheme for public libraries to purchase game licenses.
- **Denmark:** The "New Danish Screen" scheme funds fiction, documentaries, series, and cross-media projects, explicitly encouraging artistic experimentation

beyond traditional formats.

Strategic Roadmap 2025–2031

Based on the analysis of Scotland's current capabilities and international best practices, this roadmap outlines a phased approach to achieving growth targets through digital convergence.

Stabilization & Digital Piloting (2025–2026)

Objective: Stabilize the core sector and launch pilot schemes to integrate the creator economy.

1. **Launch a Digital Storytellers Pilot Fund:**
 - Offer micro-grants to Scottish creators on YouTube and TikTok.
 - Criteria based on engagement metrics rather than broadcast commissions.
 - Goal to professionalize high-potential creators, enabling them to hire editors or upgrade equipment.
2. **Establish a Vertical Drama Accelerator:**
 - Partner with industry leaders and platforms to deliver intensive bootcamps.
 - Training in 9:16 cinematography, vertical scriptwriting, and platform monetization.
 - Output of pilot micro-series using Scottish locations.
3. **Operationalize CoSTAR & 5G Hubs:**
 - Ensure labs are accessible to SMEs, not just academic researchers.
 - Run remote production demonstrations to prove the viability of decentralized production.

Infrastructure Scaling & Market Integration (2027–2028)

Objective: Scale successful pilots and fully integrate digital workflows into national infrastructure.

1. **Mainstream Digital Funding:**
 - Transition pilot schemes into permanent funding strands.
 - Allow digital-first engagement metrics to count toward track record

requirements for larger funds.

2. Visual Showcase Platform:

- Develop a centralized digital portal to showcase Scottish short-form and micro-drama content to a global audience.

3. Virtual Production for All:

- Roll out a voucher scheme for independent producers to use Virtual Production facilities, lowering the cost barrier.

4. Gaming & Media Convergence:

- Create a specific funding strand for cross-media projects that blur the line between game, film, and interactive experience.

Consolidation & Global Leadership (2029–2031)

Objective: Achieve £1bn GVA with a diversified, resilient ecosystem where Scottish IP dominates.

1. Global IP Hub:

- Shift focus from service work to IP ownership. Target a significant percentage of GVA from Scottish-owned intellectual property.

2. National Center for Digital Culture:

- Establish a center dedicated to the ethics, preservation, and advancement of digital and gaming culture.

3. Achieving the Milestone:

- Realize the £1bn GVA target, with a resilient industry where non-traditional sub-sectors provide a buffer against downturns in traditional broadcast markets.

Conclusion

Scotland's screen sector is already a success story, but to rest on traditional HETV growth is to risk falling behind. The micro drama is a symptom of a fundamental shift in how narrative is consumed, and the creator economy represents the new SME sector of the media industry.

By adopting a roadmap that respects the core goals of economic growth and creative origination while embracing vertical storytelling, direct-to-consumer relationships, and virtual production, Scotland can do more than just reach its £1 billion target. It can

become the global blueprint for a modern, hybrid screen economy that values diverse expressions of creativity across all formats.