

# CreaTech Industry in the UK Landscape Overview 2021 Q3

Teaser

September 2021



DEEP  
KNOWLEDGE  
ANALYTICS

# CreaTech Industry in the UK Landscape Overview 2021 Q3

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## Introduction

Developed by Deep Knowledge Analytics, **CreaTech Industry in the UK Landscape Overview 2021 Q3** report contains a comprehensive overview of the UK CreaTech Industry in general and by subsectors. The report focuses on participants of the Industries, main trends and obstacles as well as the impact of COVID-19 on the Creative Industries.

### **The UK is one of the global leaders in the Creative Industries.**

Creative businesses can thrive in the UK due to a talented workforce, technology partnerships and large scale growth opportunities. The UK's Creative Industries are growing at nearly twice the rate of the rest of the economy.

**Advanced digital technologies** (Internet of Things, 5G, blockchain, AI and machine learning) **help to drive the emergence of tech in the sector** and open up new markets and business opportunities.

The report has been compiled to provide a detailed, systematic description of the **UK's leading companies, universities, studios, galleries, charities and other organizations** associated with the CreaTech Industry.

# Methodology

The report analyzes 300 Companies, categorized into fourteen specific industry subsectors, as well as 26 Investors, 14 Charities, and nearly 130 Specialised Universities, Galleries & Studios.

The entities have been selected by using public domain databases, open-source search engines, public and private sector reports, and media reports.

The data on the main trends in the CreaTech Industry in the UK Landscape Overview 2021 Q3 featured in this report has been aggregated from a wide variety of reputable and public data sources, including general and industry-specific databases, media and news reports, and conferences and governmental websites. While the information presented herein is believed to be reliable, the report's authors make no representation as to the accuracy or completeness of its constituent materials, information and data.

## CreaTech Industry in the UK Landscape Overview 2021 Q3: Main Parameters



# Creative Industries' Factsheet

**~1 in 8**

UK businesses are creative businesses

**95%**

of creative businesses employ fewer than 10 people

**>2 million people** are employed in creative industries in the UK

**12%**

of all UK service exports belong to the Creative Industries

**£422**

Median weekly earnings by employees\*

**£116B**

Contributed by CreaTech to the annual GVA

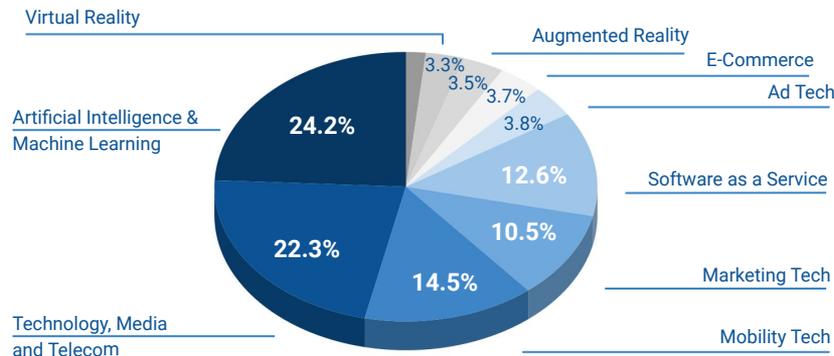
**£981.8M**

Raised by CreaTech companies in 2020

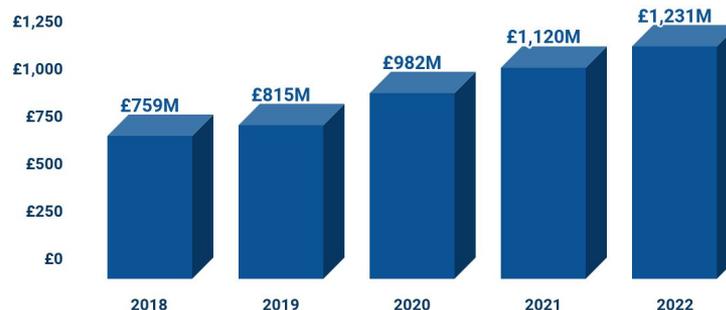
**64%**

Of investment came from UK investors between 2017-2020

## Creative Technology Companies by Area of Activity



## Investments in CreaTech Industry in 2018-2022



# CreaTech Industry Landscape Framework

## By Category

Advertising

Architecture

Arts & Culture

Crafts

Design and Fashion

Museums and Heritage

IT and Games

Music

Publishing

TV & Film

## By Technology

Blockchain

Artificial Intelligence

3D visualisations

Non-Fungible Tokens

Augmented Reality

Virtual Reality

Machine Learning

Software as a Service

## By Shareholders

Commercial

Public

Non-profit

Informal

## By Sales Channels

Shops (offline and online)

Art galleries (incl. virtual) and Studios

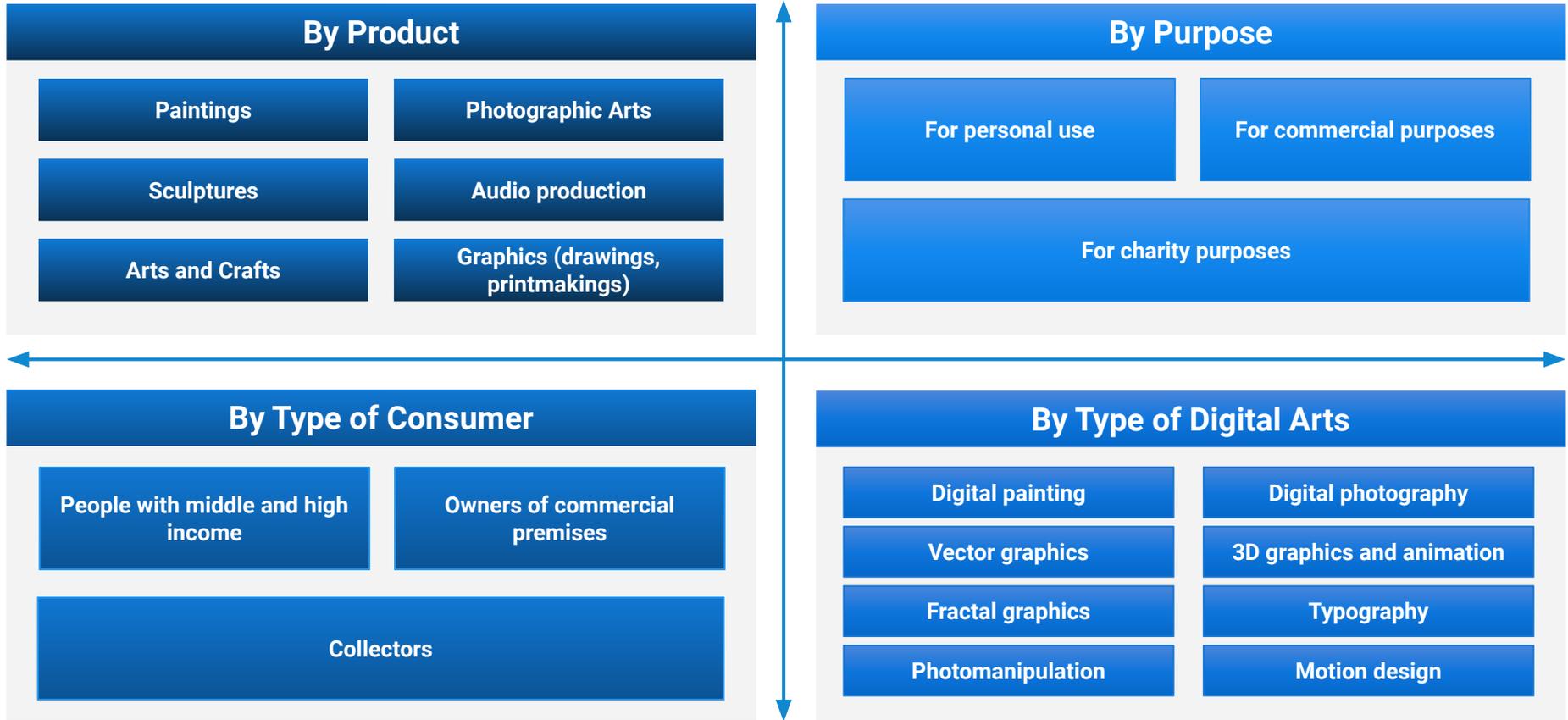
Social media channels

Specialized platforms and E-Commerce

Auctions

Vernissages

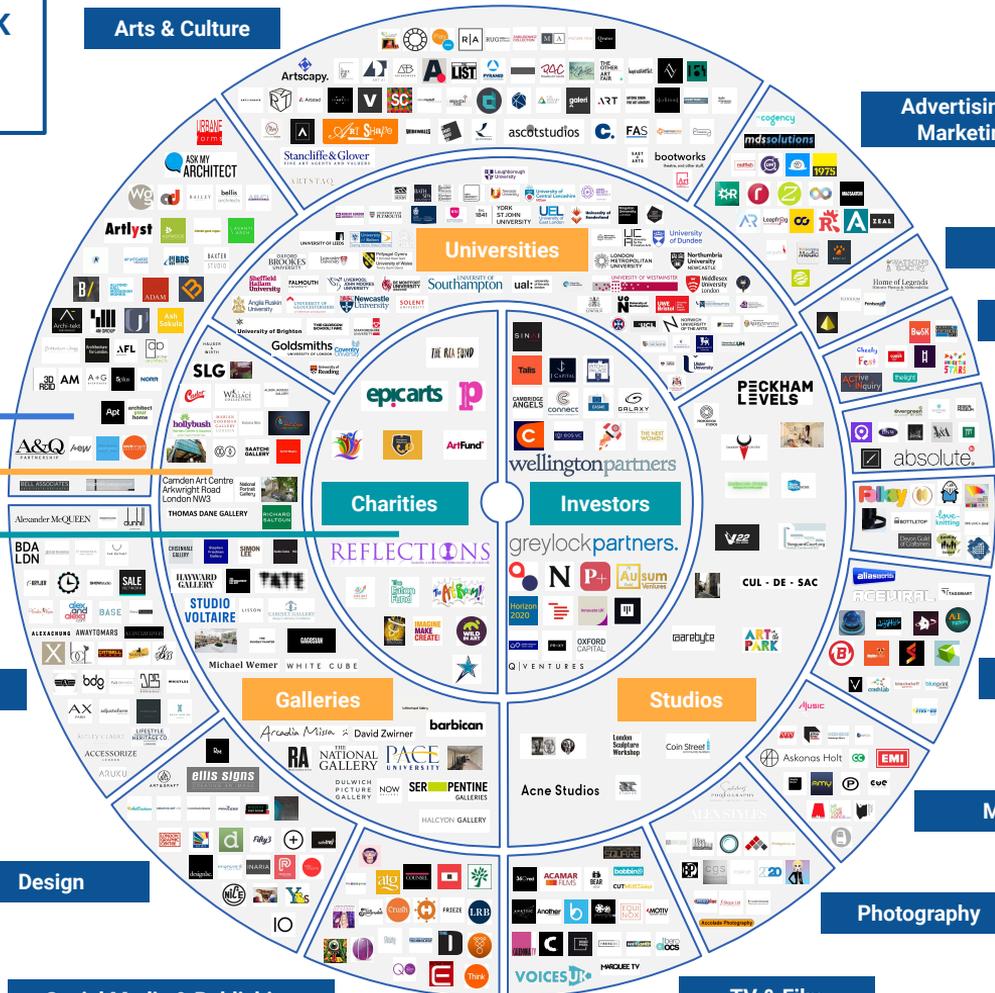
# Creative Projects Landscape Framework



# CreaTech Industry in the UK Landscape Overview 2021 Q3

Companies - 300  
Investors - 20+  
Charities - 10+  
Galleries - 40+  
Studios - 10+  
Universities - 60+

Companies  
Universities, Galleries,  
Studios  
Charities & Investors



Fashion

Design

Social Media & Publishing

Photography

TV & Film



# The UK as an Attractive Destination for Creative Industries

The UK has a track record of introducing new advances in technology. These include many of the advances in the early days of computer science, as well as the first MP3 player, the first laptop computer, the first portable television, and the first 3D computer game. In the mobile content market, the UK is one of the leading app development hubs in Europe, as well as a recognised leader in visual effects, post-production and in other sectors where technology and creativity intersect.

## Why the United Kingdom?



### A Culture of Innovation and Creativity.

The UK has an open competitive environment in which innovators can develop ideas and collaborate, find sponsors and partners.

**Growth through CreaTech.** The UK has excellence in productivity, storytelling, data, crafts and gaming, which often serve as the foundation for CreaTech's technology-related innovation.

**A Stable IP and Business System.** The UK has a well-established transparent system for protecting technological innovation, as well as a stable business and political environment.

**Advanced Consumer Markets.** The UK provides technology companies with a vast market of savvy digital consumers and tens of millions of broadband connections.

**Diverse Workforce.** The UK's multicultural population, social liberalism and quality of life make relocation and recruitment an attractive prospect for global tech companies.

**Attractive to Investors.** UK tech businesses have attracted significant investment from overseas companies and private and venture capital firms.

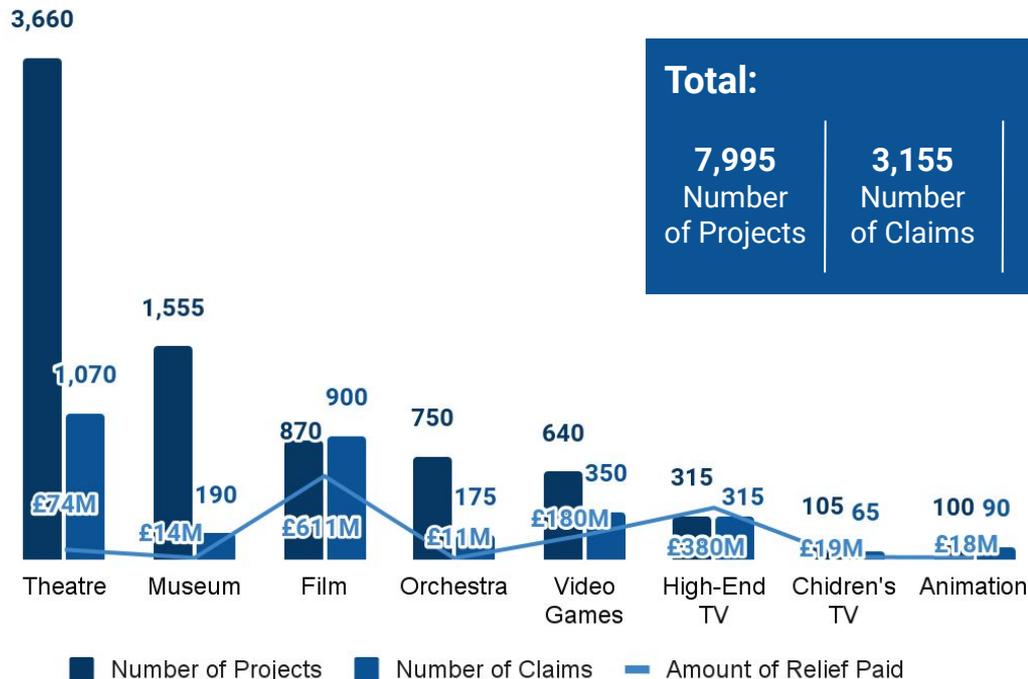
# Creative Industries Overview

The **cultural and creative industries account for over 5% of the total EU GDP**. The value of the global creative goods market has grown exponentially since 2002. These trends have coincided with the digitisation of the creative economy and the digitisation of artistic and creative works, including music, video production and publishing.

During the year ending March 2021, **£1.31B was paid in all tax credits for creative industries in the UK**. That is an 18% increase from the £1.11B per year paid in the year ending March 2020.

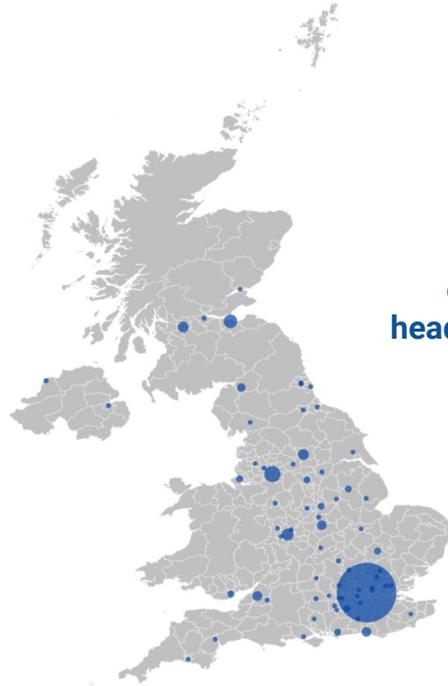
In 2021, tax breaks in film will account for nearly half of the total paid, and high-tech television (HETV) tax breaks will account for nearly a third of the total.

## Creative Industries in the UK: Statistics, 2020-2021



## Creative Industries in London

Creative Industries is one of London's fastest-growing sectors. London is a leading creative capital city, which attracts talent and enterprise from all over the world. The creative economy is estimated to provide one in six jobs in London.



**50%**  
of companies are  
headquartered in London



**£40B** are spent per year within their supply chain on London's creative industries that boost the capital's economy.



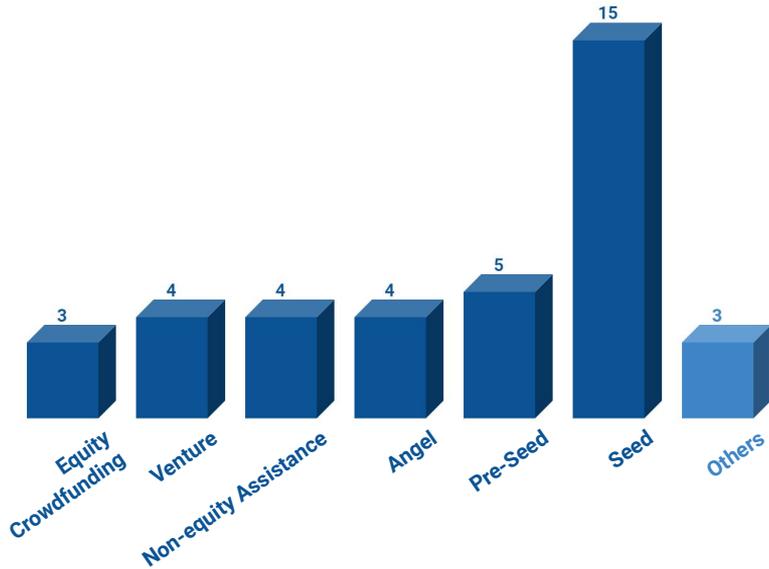
London's creative sector is also boosting business across the UK, much of London-based organisations showing that **40%** of their suppliers are located outside of London.



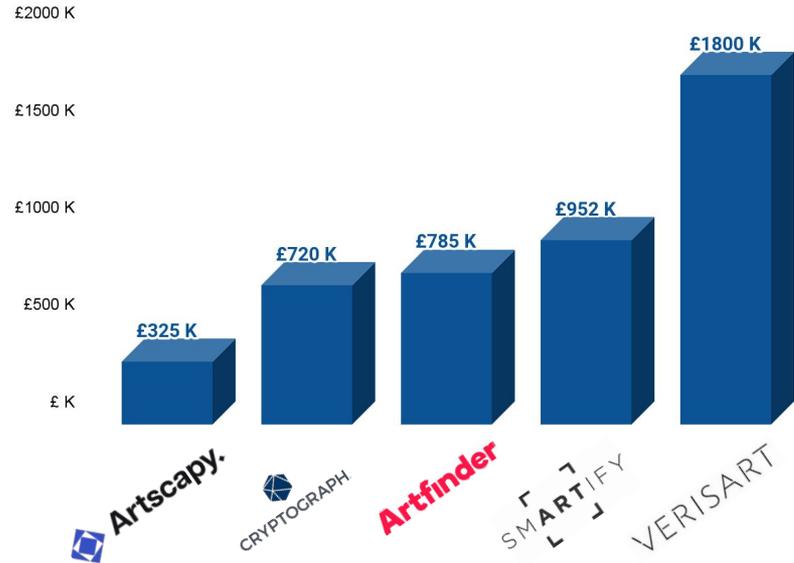
Every job in London's creative industries supports an additional **0.75** of a job in the wider economy.

# CreaTech Industry Companies by Funding

## Number of Funding Deals Summarised, 2015-2020

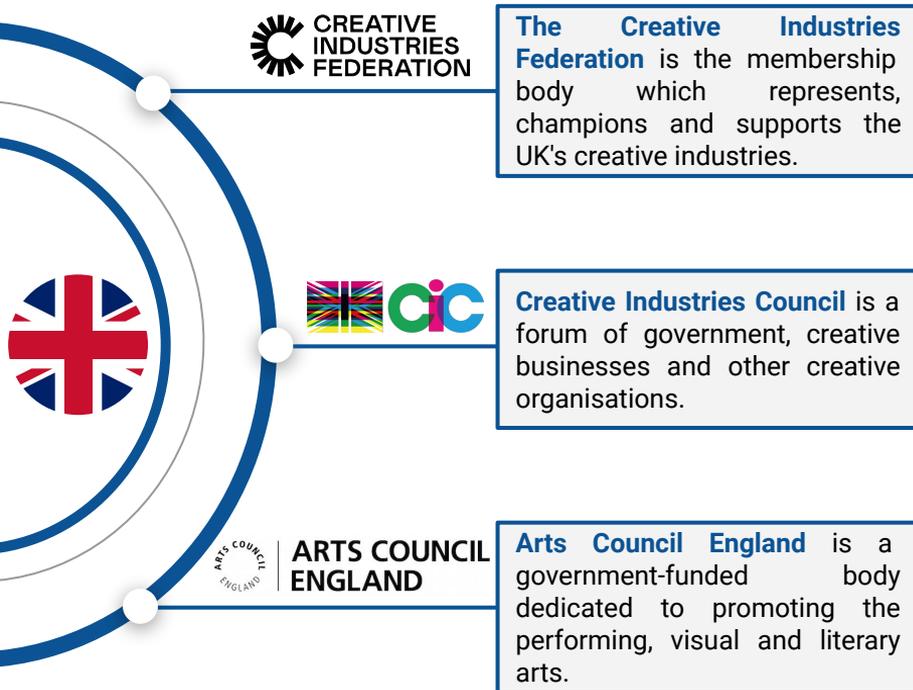


## Top-5 Deals in 2019-2021 by Investments



A major part of deals in the UK's creative industries was made during Seed and Pre Seed Round. The biggest investment deal was done in 2019: Verisart, a platform that certify and verify artworks and collectibles using the bitcoin blockchain, has closed a £1.8M Seed funding round.

## Governmental Creative Industries Supporters



## Governmental Creative Industries Initiatives



### The Sector Deal

Investing more than £150M across the lifecycle of creative businesses, including:

- Places of the future - by funding leading creative clusters to compete globally
- Technologies and content of the future - via research into augmented reality and virtual reality
- Creative skills of the future - via a careers programme that will open up creative jobs to people of every background



### Creative Kickstart

Kickstart is a job creation scheme by The Department for Work and Pensions (DWP) that provides funding to employers to create six-month job placements for 16-24 year olds currently receiving Universal Credit. Funding covers 100% of the costs of a six-month placement, up to 25 hours a week, which can start anytime between now and 31 Dec 2021.

# All-Party Parliamentary Group for Crafts and Arts

## Arts, Health & Wellbeing

To enable backbench every member of a parliament, of all parties and from both Houses, to be informed about significant practice in the field of arts, health and wellbeing

## Children's Media and the Arts

To raise awareness of the issues around children's media and arts within a wide cultural, social and educational context, and support the provision of both as specified in Articles 17 and 31 of the UN Convention on the Rights of the Child.

## Music Education

To support parliamentarians engaging in discussions relating to music education through early years, primary, secondary, SEND, further and higher education, and lifelong learning.

## Creative Diversity

To identify and tackle obstacles to diversity and inclusion in the creative sector, establish effective practices in recruiting, retaining and developing diverse talent and provide recommendations for industry and government.

## Performers' Alliance

To work alongside the unions of the Performers' Alliance - Equity, the Musicians' Union and the Writers' Guild of Great Britain - to raise issues affecting performers and writers across the arts community and to provide a forum for issues relating to arts and culture policy.

## Performing Arts Education & Training

To support parliamentarians in discussions relating to: appropriate training, education, assessment and professional practices across the performing arts, particularly drama, dance and musical theatre; practitioners continuing professional development within the creative and cultural industries; wider benefits of engagement with the performing arts for students, practitioners and audiences.

## Arts & Heritage

To promote interest in the arts and heritage at Westminster.

## Art, Craft and Design in Education

The group believes that art, craft and design education is essential to the economy and to the cultural, spiritual, creative and social wellbeing of all

## Craft

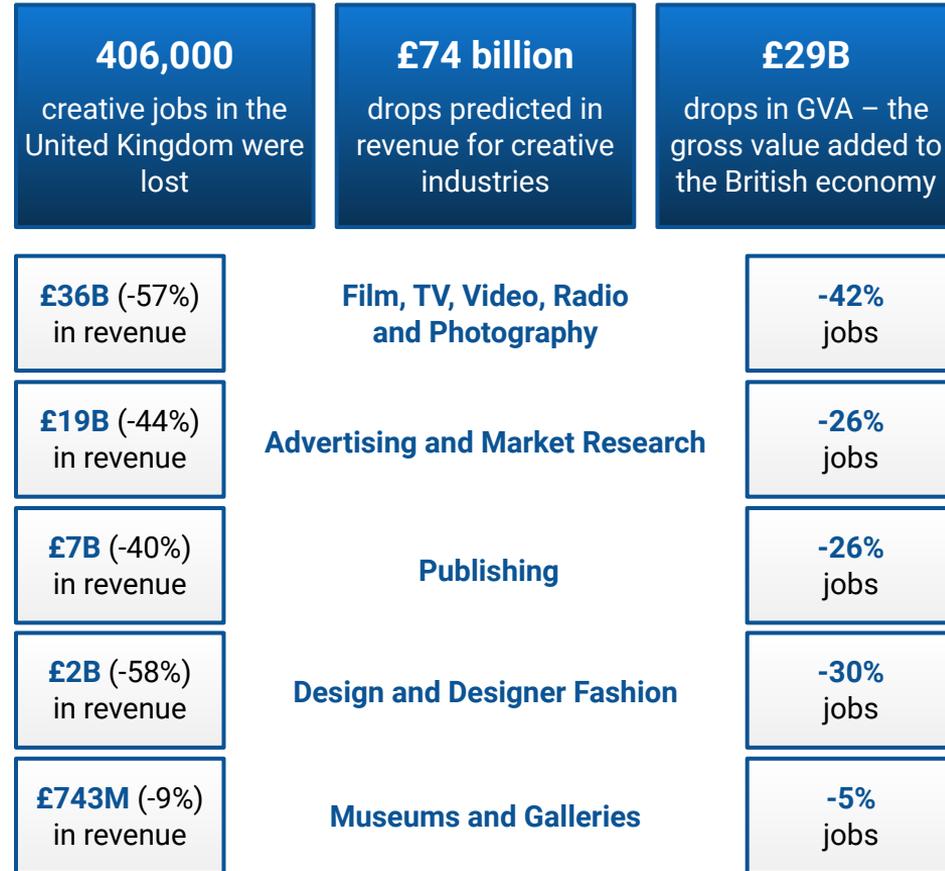
To enhance the understanding and promotion of craft in the UK, and to ensure that craft skills are supported and passed onto future generations.

# Impact of the Covid-19 Pandemic on Creative Industries in the UK

Creative Industries are one of the most affected by COVID-19. Creative workers have been seeing enormous impacts on their income, charitable contributions and sponsorships.

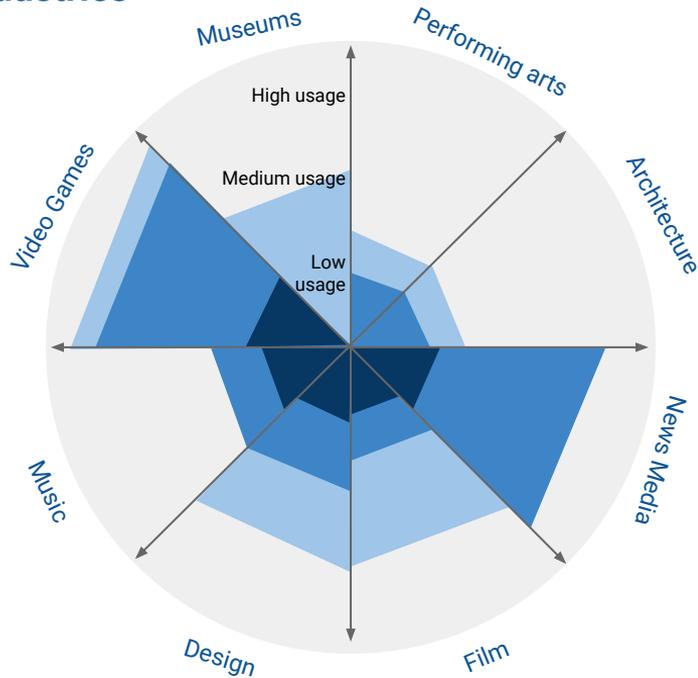
Many creative freelancers have 'portfolio careers', with multiple jobs. However, much of the support work, such as teaching, has also been suspended due to blockages. Moreover, people from the Creative Industries who recently worked independently or worked part-time with wages that accounted for about 50% of their total income were excluded from government support.

The cancellation of art festivals has deprived vital opportunities for participants of Creative Industries to show and develop new work, find collaborators and make the Industries connections who would commission them or fund future events and tours. And while much creative work has found an audience online during this period, many are worried that by giving this content away for free, they are setting a precedent that their work lacks value and risks devaluing their practice as a whole.



# Usage of Emerging Technologies in Creative Industries

## Adoption of Emerging Technologies in Creative Industries



## AR/VR as One of the Most Used Technologies

Virtual and augmented reality has infused the cinema, video games, media and design industries with new immersive experiences.

In the video, online and mobile gaming segment, augmented virtual reality technologies **offer an enhanced user experience** for gamers, creating a realistic, fully immersive experience. Immersive media **can change the perception of news reading by bringing the event closer to the viewer**. The use of AR / VR in museums and galleries has been on the increase for some time as many have created AR / VR apps to **attract more visitors**. Making movies in virtual reality provides a new way to experience video content when viewers are inserted into a story.

Despite exciting examples of use, **the proliferation of AR / VR in the creative industries raises a number of ethical and social issues**. For example, immersive media can be problematic as AR / VR in the news can create bias or convey unwanted emotions.

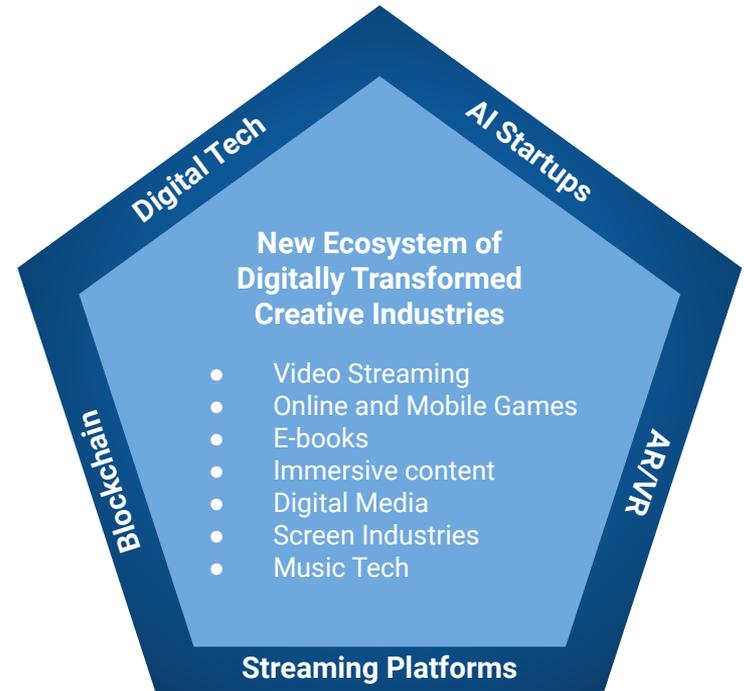
AR/VR

AI

Blockchain

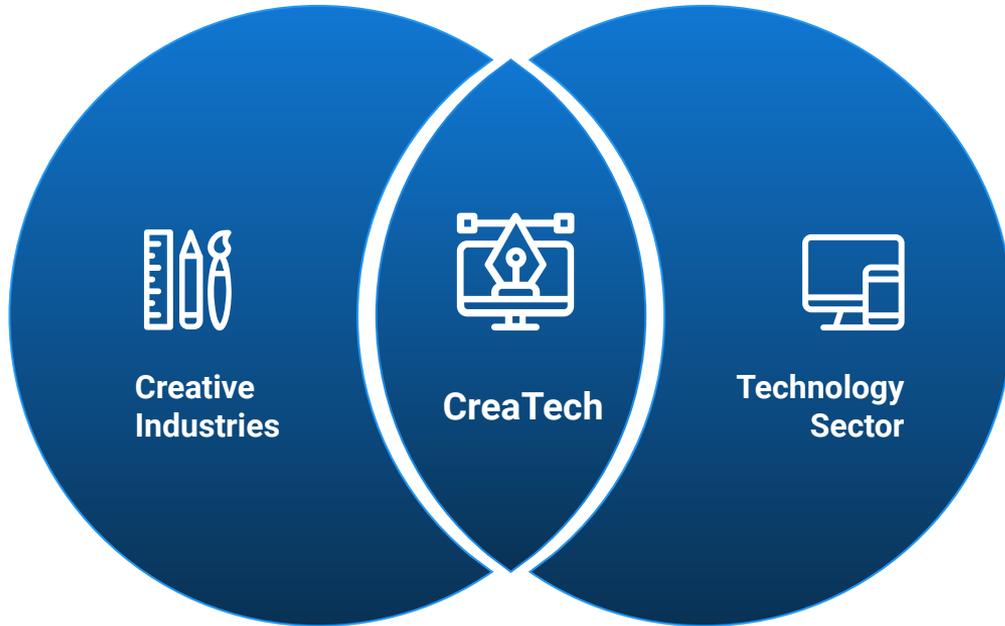
# Transformation of Creative Industries

The creative industries have been mainly influenced by the emergence of the following cutting edge technologies: augmented and virtual reality (AR / VR), artificial intelligence (AI), cloud technologies and blockchain technologies. Other non-digital technologies such as advanced materials, nanotechnology, micro and nanoelectronics have also influenced various creative segments such as fine arts or gaming equipment.



# Createch as an Intersection between Creative Industries and Technologies

## Connection Between Creative Industries and Technologies

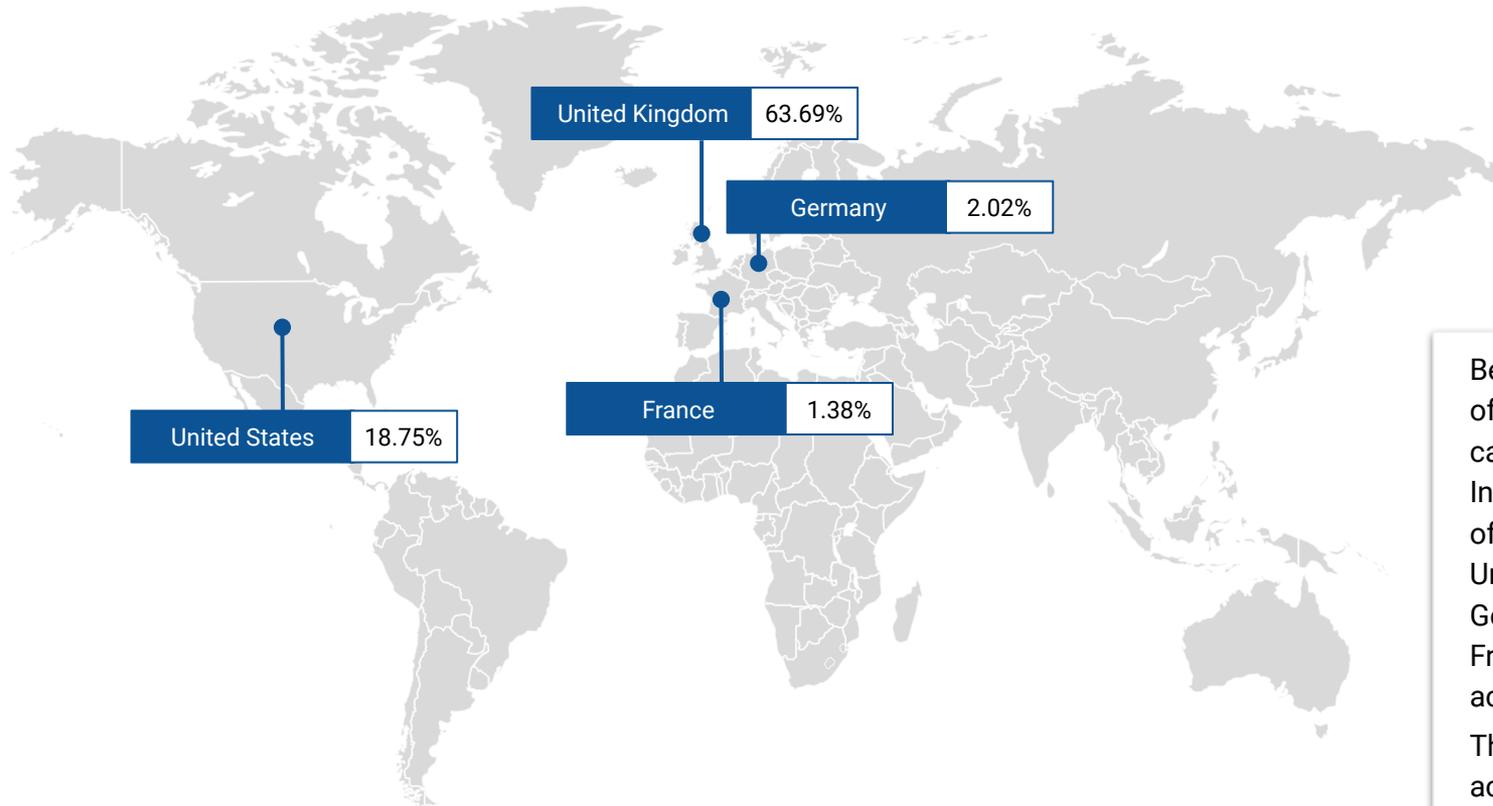


CreaTech, or Creative Technology, is used to describe new technologies aimed at improving and automating the delivery and use of creative services.

CreaTech is used to support companies, artists, investors, and consumers to better manage their operations and processes by applying specialised software and algorithms that are used on computers, smartphones, Internet of Things devices, etc.

The Creative Technology movement represents a pivotal movement for the UK, and its spread and development over the next decade will help lay the foundations for a prosperous, culturally rich and environmentally conscious age.

## Source Country of Investments in CreaTech in 2017-2020



Between 2017 and 2020, 64% of investment in CreaTech came from the UK investors. In the same time period, 19% of the deals came from the United States, 2% came from Germany and 1.4% came from France. Other countries accounted for 14%.

The UK and the US investors accounted for 82% of CreaTech investment in 2020.

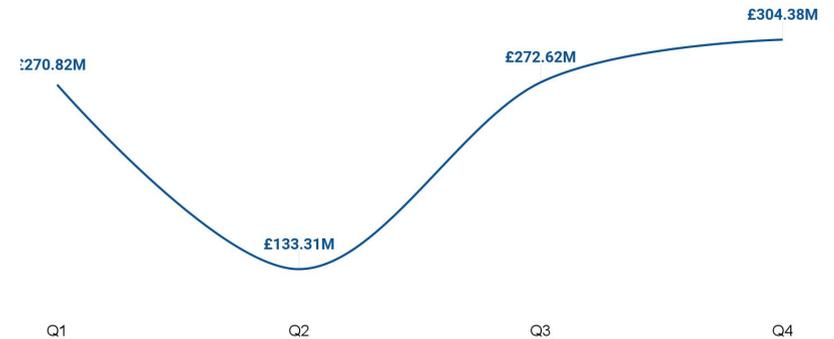
# UK Clusters of Investment in CreaTech Companies

## UK Clusters of Venture Capital Investment



- Companies in London received £486M in VC investment, an increase from £352M in 2019.
- The South East of England raised £24M from 11 deals.
- The East of England raised £13M from 5 deals.
- Scottish CreaTech companies raised £7.5M in investment, an increase from £4.6M in 2019.

## Venture Capital Investment into UK CreaTech Companies by Quarter in 2020



# 10 Upcoming Conferences, Festivals and Events in 2021\*



**BFI London Film Festival**  
6 - 17 October  
*London, England*



**Cheltenham Literature Festival**  
8 - 17 October  
*Cheltenham, England*



**Belfast International Arts Festival**  
13 - 31 October  
*Belfast, Northern Ireland*



**London Jazz Festival**  
12 - 21 November  
*London, England*



**Bath Mozartfest**  
12 - 20 November  
*Bath, England*



**Kendal Mountain Festival**  
18 - 21 November  
*Cumbria, England*



**FilmBath Festival**  
dates to be confirmed  
*Bath, England*



**Leeds International Film Festival**  
dates to be confirmed  
*Yorkshire, England*



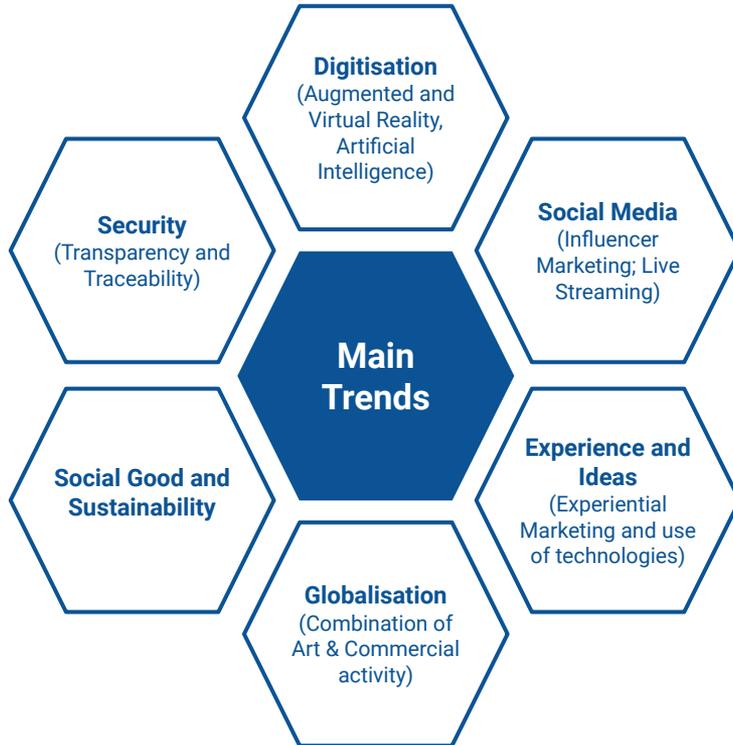
**Bath Children's Literature Festival**  
dates to be confirmed  
*Bath, England*



**HowTheLightGetsIn Festival**  
dates to be confirmed  
*multiple locations*

# Main Trends and Obstacles in the UK Creative Industries

## Main Trends



## Main Obstacles



### Lack of Investments

Although, in 2020, the UK's creative sector managed to receive £157B in support from the government to stay afloat, the UK Creative Industries remain highly under-capitalized.



### Skills Shortage

Even though the education system aims to integrate creativity into the school curriculum to make students pursue a career in the creative sector, long-term unpaid internships lead to unequal access to opportunities.



### Innovations

There are certain requirements to be followed by companies in order to be eligible to claim corporation tax benefits for qualifying expenditure.



### Weak Skill and Employment Policy

Creative industries vastly rely on freelancers, who are most of the time excluded from direct government support. As a result of the pandemic, a negative trend in the freelance employment creative sector was noticed.

# DKG CreaTech Industry Platform

This teaser is just the first step towards creating a feature-rich platform. From this teaser, **DKG plans to initiate a platform where various participants of the creative industries and emerging technologies will be gathered**. The platform will act as a place for discussions between representatives of the creative and DeepTech industries.



## Creative Industries Parties



## DKG CreaTech Platform



## DeepTech Community

Are the creative industries ready to embrace emerging technologies?

What impact do technologies have on the creative industries?

How and where can parties in the creative industries find out about potential interesting technologies?

Is there a need to introduce emerging technologies into the creative industries?

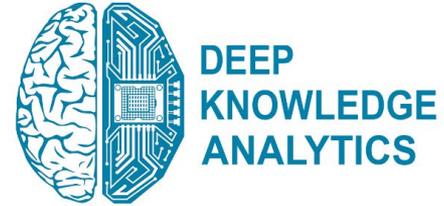
# DKG Digital UK Ecosystem Dashboard



[www.platform.dkv.global/dashboards/uk-dashboard](http://www.platform.dkv.global/dashboards/uk-dashboard)

# About Deep Knowledge Analytics

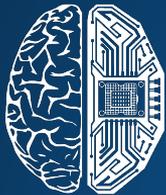
[Deep Knowledge Analytics](#) is a DeepTech focused agency producing advanced analytics on DeepTech and frontier-technology industries using sophisticated multi-dimensional frameworks and algorithmic methods that combine hundreds of specially-designed and specifically-weighted metrics and parameters to deliver sophisticated market intelligence, pragmatic forecasting and tangible industry benchmarking.



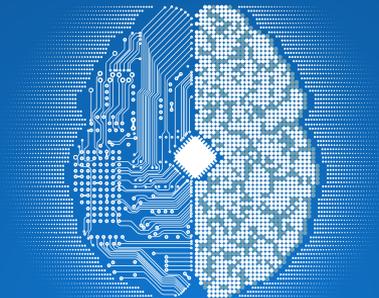
It is an analytical subsidiary of [Deep Knowledge Group](#), an international consortium of commercial and non-profit organizations focused on the synergetic convergence of DeepTech and Frontier Technologies (AI, Longevity, MedTech, FinTech, GovTech), applying progressive data-driven Invest-Tech solutions with a long-term strategic focus on AI in Healthcare, Longevity and Precision Health, and aiming to achieve positive impact through the support of progressive technologies for the benefit of humanity via scientific research, investment, entrepreneurship, analytics and philanthropy.

Deep Knowledge Analytics specializes in conducting special case studies and producing advanced industry analytical reports on the topics of Artificial Intelligence, GovTech, Blockchain, FinTech and Invest-Tech. It has produced a number of comprehensive analytical reports in coordination with the [UK All-Parties Parliamentary Groups on AI](#) and on [Blockchain](#), including its AI in UK Landscape Overview 2018 and Blockchain in UK Landscape Overview 2018, unprecedented in their scope and length, and collectively more than 3,000 pages. The company has also recently deployed advanced interactive online IT-platforms that feature dynamic mindmaps and filterable, customizable databases updated with new industry developments in real-time.

Deep Knowledge Analytics will continue to expand the scope, depth and topics covered by its analytical reports on frontier technology-driven industries, with the aim to develop the next iterations of their analytical frameworks with a wider breadth and depth of metrics and overall analytics, to apply efficient methods to cross-sector analysis between different industries, and to apply both existing and new analytical frameworks to the design of the new Invest-Tech solutions (novel investment technologies and strategies relevant for the third decade of the twenty-first century), which is the only relevant way to implement the long-term strategic vision of Deep Knowledge Ventures.



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**Link to the Report: [www.dka.global/createch-industry-landscape-overview](http://www.dka.global/createch-industry-landscape-overview)**

**E-mail: [info@dka.global](mailto:info@dka.global)**

**Website: [www.dka.global](http://www.dka.global)**

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