



Market Report

A Snapshot of your Marketing Sector

Record Label & Recording/Rehearsal Studio

This pack has been designed to provide information on setting up a business in the **Record Label & Recording/Rehearsal Studio** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **February 2025**.

What do I need to know about the Record Label & Recording/Rehearsal Studio market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Over the five years through 2024-25, revenue for the independent label music production industry is expected to edge up at a compound annual rate of 0.1%, to reach £393.9 million. Revenue is forecast to grow at a compound annual rate of 2.0% over the five years through 2029-30, to reach **£434.9 million** (IBISWorld, *Independent Label Music Production in the UK*, August 2024).
- ◆ Over the five years through 2024-25, major label music production industry revenue is expected to climb at a compound annual rate of 1%, including **revenue growth of 2.4% in 2024-25**, to reach £1.4 billion. Revenue is forecast to swell at a compound annual rate of 2.4% over the five years through 2029-30, to reach **£1.5 billion** (IBISWorld, *Major Label Music Production in the UK*, June 2024).
- ◆ Over the five years through 2024-25, sound recording & music publishing industry revenue is expected to hike at a compound annual rate of 1% to reach **£2.8 billion**. Revenue is forecast to extend at a compound annual rate of 1.9% over the five years through 2029-30 to reach **£3.1 billion**. In 2025, **recording studios are expected to account for 10.1% of industry revenue**, amounting to £281.3 million (IBISWorld, *Sound Recording & Music Publishing in the UK*, October 2024).
- ◆ Recording studios, although returning to capacity, are struggling to maintain healthy fees, while operating costs, especially business rates, are making life extremely tough. Coupled with a long-term decline in music education, all this hinders the music industry's ability to develop a talent pipeline for now and the future. Many recording studios are busy, but still struggling. Of those who responded to the UK Music's survey, **most studios were operating at least at 50% capacity**, although to be comfortable it is preferable to be at 85% capacity. However, most studios surveyed did not increase their revenues in 2023, despite continued market growth for the recorded music sector as a whole (UK Music, [This Is Music 2024](#)).
- ◆ The national organisation for this industry is [Scottish Music Industry Association](#). Other industry bodies include [UK Music](#), the [British Phonographic Industry \(BPI\)](#), the [Musicians' Union](#), the [Association of Independent Music](#), the [Music Producers Guild](#), the [Music Publishers Association](#) and [Creative Scotland](#).



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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **IBISWorld - Independent Label Music Production in the UK (August 2024).** Successfully managing relationships with artists and fans will be essential for independent record labels. With a smaller portfolio of artists and specific niche audiences, these labels can offer greater focus and community engagement compared to major labels. Utilizing social media and the internet for branding helps cut down marketing costs, allowing smaller labels to expand globally and connect closely with the local community. This intimate relationship between consumer and artist also makes recruitment, development, and promotional expenses more cost-effective, potentially attracting more entrants to the industry.
- ◆ **IBISWorld - Major Label Music Production in the UK (June 2024).** Sony Music Entertainment (SME), Warner Music Group (WMG) and Universal Music Group (UMG) are commonly called “the Big Three” and have a combined market share of nearly three-quarters. Moving forward, there is some indication that the music industry's altering nature may lead to a slight reduction in its future market share concentration. The increasing prevalence of digital technology is set to reduce the effectiveness of major labels' economies of scale. Smaller labels with obscure artists in their portfolios have benefited from consumers' growing access and exposure to a broader variety of music over the Internet. However, provided the music industry still relies on distribution channels and networks, the big three labels will maintain their dominance within the musical world and the industry.
- ◆ **IBISWorld - Sound Recording & Music Publishing in the UK (October 2024).** As the revenue from music publishing relies heavily on royalty payments, publishers have shown adaptability by securing licence agreements for music use in diverse media such as films, TV shows, and video games. Online music sites are driving the industry's boom. Surge in digital downloads and subscriptions to streaming services, catalysed by the pandemic, resulted in an exponential growth for online music sites.

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

- ◆ From the Music Publishers Association, answers to [FAQs](#) about music publishing, including forming a music production company.
- ◆ [PRS for Music](#) licences the use of its members' music - whether played in public, broadcast, downloaded, streamed, or performed live, both in the UK and around the world - and collects and pays royalties to its members, securing revenue streams for music creators.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these websites, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.



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How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) ["Find a Chartered Accountant"](#) tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk ["Licence Finder"](#) tool

Law Society of Scotland's ["Find a Solicitor"](#) tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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