Executive summary

Location study HH/SH: The motion picture industry in Hamburg and Schleswig-Holstein 2017

Version: 19. April 2017

From:
Goldmedia GmbH Strategy Consulting
Prof. Dr. Klaus Goldhammer | Christine Link | Mathias Birkel
Oranienburger Str. 27 | 10117 Berlin-Mitte
Tel. +4930-246266-0 | Fax +4930-246266-66
Klaus.Goldhammer@Goldmedia.de | Christine.Link@Goldmedia.de
Mathias.Birkel@Goldmedia.de
www.Goldmedia.com

Goldmedia is a member of the Federal Association of German Business Consultants BDU e.V.
This document is protected by copyright. Any form of reproduction, including the creation of photocopies, is prohibited without the written permission of the publisher and is legally prosecuted.

All contents of the document have been researched and compiled to the best of our knowledge. However, the publisher can not accept any responsibility or liability for errors or printing mistakes.

The publisher assumes no responsibility or liability for acts, activities or omissions which are undertaken based on the content and recommendations of this study.

Gender reference: For reasons of better legibility, the text does not include simultaneous use of male and female language forms. All personal references are equally valid for both sexes. This does not imply any discrimination against the female sex, but should be understood in terms of linguistic simplification as gender neutral.

The reproduction of common names, brand names, descriptions of products, etc. in this study does not justify the assumption, even without special labelling, that such names are to be regarded as free in the sense of brand name and trademark protection legislation and therefore may be used by anyone.

All named and possibly protected by third parties trademarks and brand names are subject to the provisions of the applicable trademark law and the ownership rights of the registered owner.

Editorial deadline: 19.04.2017
Executive summary

Overview and economic figures of the motion picture industry in Hamburg and Schleswig-Holstein

The motion picture industry in Hamburg and Schleswig-Holstein comprises around 1,250 companies. With a total of 558 companies, the classic film producers from the areas of TV (240), cinema (240) and animation (78) make up around 45 percent of the film industry of the two federal states. In addition, there are 200 advertising film producers, 190 games companies, 121 film service providers as well as companies from the fields of online video (60), VR/AR (50), distribution/rental (21), TV events (14) and others (39).

The motion picture industry in Hamburg and Schleswig-Holstein generated sales of around EUR 3.16 billion in 2016 and employed around 14,500 people.

The film production sector in Hamburg and Schleswig-Holstein accounts for about 12 percent of the total German producer market (around 4,600 production companies in Germany).

The majority of producers work in different areas of business. Regarding the question of their main activity, 43% of resident companies named TV or cinema film production as well as 14 percent the area of animation/cartoon film production.

Economic situation of motion picture companies

37 per cent of the Hamburg film industry estimate the current economic situation of their own company as good or very good. Two thirds of filmmakers also assume that their own sales will grow until 2020. Only 26% of their colleagues in Schleswig-Holstein estimate their own current economic situation as good or very good. Here, however, 71 per cent of them expect an increase in sales over the next three years.

The motion picture industry in Hamburg and Schleswig-Holstein will develop positively or in a stable way until 2020. 34% and 37% of the surveyed motion picture companies expect this. The development of the employment situation also suggests this: 37 per cent of the actors asked believe that the number of employees in their own company will grow, while 56 per cent expect it to remain the same.

Business areas until 2020

By 2020, about one third of the motion picture companies want to become active in the television business segment, provided that they are not already active there. 26 percent see additional potential in cinema production and a quarter is counting on future online exploitation and on-demand usage.

In particular, classic TV and cinema producers expect new web formats, such as high quality series, to become more important for the success of their companies, and expect a decline in conventional commissioned productions for the future.

1 Including public service broadcasting
The sector’s hope is also set on the growing demand from pay-VoD platforms such as Netflix, Amazon and Maxdome. In principle, the rapid increase in online usage shows that offers for a time-independent use of film content via TV, laptop or smartphone are increasingly questioning the validity of established usage patterns. For the entire film industry therefore, there is the challenge to use the online reach of advertising supported platforms such as YouTube, Facebook and Co. and to develop business models on this basis.

In the opinion of the industry, the film market will also open itself further in format options: in addition to the traditional 90 minutes, shorter film formats will increasingly become established.

Crossmedia is currently working in the film scene in Hamburg and Schleswig-Holstein, primarily in a project-related way, if the material is appropriate. Even in the near future, producers do not expect material according to this criterion to be sought or selected. On the other hand on the subject of Internationality: Here, TV and cinema producers want to cooperate even more strongly within Europe and beyond in order to be able to make use of the funding offers from other countries and to better evaluate their films internationally.

In the case of more recent motion picture sectors such as Virtual Reality/Augmented Reality (VR/AR) or 360-degree video, twelve or eleven percent of the film sector in Hamburg /Schleswig-Holstein see future potential for their company. Drone technology is already part of the sets as a matter of course.

Hamburg’s film industry, with its innovative technologies and applications, is here also heavily involved in the development. For example, the Hamburg start-up SpiceVR combines 3D data and 360-degree film recordings made by drone and has already won numerous well-known clients.

**Location factors in Hamburg and Schleswig-Holstein**

When evaluating the film sector in Hamburg, the general infrastructure of the city as well as access to necessary equipment/hardware are at the forefront. These location factors were assessed on a scale from one (very bad) to four (very good) with an average score of 3.3. The availability of mobile or broadband internet as well as customer proximity and connection to clients are also evaluated as better than good (2.9 each). The sector is dissatisfied with the city’s rental prices (1.8), access to private investors (venture capital) and the general cost of living there (2.0 each).

The assessment of the locational factors in Schleswig-Holstein by the companies located there is predominantly a little worse. Here the access to necessary equipment/hardware (3.0), availability of suitable premises (2.9), general infrastructure (2.8), cost of living (2.8) and rental prices (2.7) were above all other factors. The worst assessment was the access to capital: private investors (1.9), equity providers/banks (2.1) and the possibility of industrial cooperation (2.3) are harder to find in Schleswig-Holstein according to the assessment of the sector.

All in all, the cooperation with the Hamburg-Schleswig-Holstein Film Promotion Agency was very positively emphasized by the entire motion picture industry in Hamburg/Schleswig-Holstein and the trust in their advice, lobbying and network
initiatives was emphasized again and again. In addition, the Kiel Film Workshop is regarded as particularly beneficial for the support of the creative new generation and the project development phases.

On the other hand, the total amount of subsidies compared to other federal states is estimated as too low. For this reason, in addition to the structures many film companies are looking for additional funding at other locations for example in the area of innovation or technology. In addition, the market participants demand a higher cultural budget in which the film can participate more, or a tax credit system with tax reductions for film producers. In addition to the financial incentives, the industry wants political bodies as committed partners and an even stronger lobby in order to further expand the awareness of film as a cultural asset as well as an economic factor.

**Networking**

The motion picture industry in Hamburg and Schleswig-Holstein is already very well networked as a whole. Nevertheless, in the classic film areas improved contact possibilities are sought: 39 percent of the companies want this in the field of TV production and 36 percent in the area of cinema production.

Also the newer motion picture sectors are in demand: 23 percent are looking for contacts to the online video scene, 22 percent to the VR/AR sector and 14 percent to companies from the areas of games and 360-degree video. 21, 20 and 11 percent of the motion picture industry are looking for improved contacts with non-film industries such as education, tourism and health.

In addition, there is a high demand for networking with investors, venture capitalists and other financially strong sectors in order to attract funds for new projects.

International market players are already strongly networked: About two thirds of all companies maintain international relations with project partners outside Germany. Central and Western Europe are at the forefront: 34 percent of the sector currently have partnerships. 30 per cent have relationships with teams and companies in the USA and the UK as well as 27 per cent with Scandinavia.

**Study objectives and methodology**

Within the framework of the EU project CROSS MOTION, a location study on the motion picture sector in Hamburg and Schleswig-Holstein was conducted on behalf of the Filmförderung Hamburg Schleswig-Holstein GmbH (FFSH) by the Goldmedia research and consulting group.

The main focus of the study was the recording of companies and their economic figures, areas of business, business models and financing structures, as well as the identification of the status quo as well as the need for networking activities and further training opportunities in the sector.

The study is based on a comprehensive primary data collection via online survey of 1,354 motion picture companies in Hamburg and Schleswig-Holstein from the areas of Film, VR/AR, Animation and Games. The sectors surveyed include the following WZ classes or NACE codes: 5911*, 5912*, 5913*, 5821*, 6020*, 7311*. 
These include all companies from the fields of TV and cinema production, animation, cartoons, production services/VFX/post production, documentary and advertising film production, online video, 360° video, VR, AR, games, film distribution/rental as well as TV events and TV stations.

The data were supplemented by the results of eleven expert discussions with industry representatives as well as market estimates (calculation by Goldmedia for normal distribution based on company data).
Location study: Motion picture sector in Hamburg and Schleswig-Holstein 2017
Location data to the film, VR/AR, animation and games sectors

Results report
Executive summary: Key results of the location study
1,253 companies in the motion picture industry HH/SH, classical production comprises 560 companies; games with 190 companies are also relevant

Composition of the motion picture industry Hamburg and Schleswig-Holstein in 2016, number of companies according to main field of business

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017
**Location advantages: primarily, the cooperation with the FFHSH and its great commitment is perceived as a definite advantage by film producers**

### Key facts to the main location advantages from the point of view of the TV and film producers in HH/SH, 01/2017

<table>
<thead>
<tr>
<th>The work of the film promotion (FFHSH)</th>
<th>Networking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamburg and Schleswig-Holstein have closed ranks</td>
<td>In the past, film producers were able to develop good creative/personnel/contacts networks</td>
</tr>
<tr>
<td>Very sustainable, continuous promotion</td>
<td>The FFSH network events were/are very conducive for this purpose to this purpose, this is where the industry meets</td>
</tr>
<tr>
<td>Great confidence in the FFHSH consulting, lobbying and network initiatives</td>
<td></td>
</tr>
<tr>
<td>Uncomplicated and swift filming permission</td>
<td></td>
</tr>
</tbody>
</table>

### Film Studio Kiel

<table>
<thead>
<tr>
<th>Film-Setting/Talent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young film-setting</td>
</tr>
<tr>
<td>Excellent training at the Hamburg Media School with obvious success (numerous awards for the HMS-graduation films)</td>
</tr>
</tbody>
</table>

### Games sector

<table>
<thead>
<tr>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>The attractive city of Hamburg and the landscape of Schleswig-Holstein is considered a great advantage for the film location as a whole (inspiration, locations, etc.)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Location advantages in HH/SH</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017
Location disadvantages: subsidies are too low on a national level, the film industry should be more evident as a cultural and capital asset

Key-facts to the main location disadvantages from the point of view of the TV and film producers in HH/SH, 01/2017

**Funding**
- HH/SH with relatively low subsidies on a federal level → limited financial resources
- Subsidies from other sectors would be desirable, for example, innovation- and technology subsidies
- Private investment in films as a cultural asset

**Films as a cultural asset**
- Low-margin cultural asset film requires additional support and financing from the city
- Politics in HH/SH should become a better film partner, the cultural budget should also support the film industry
- Location marketing is expandable

**Networking with other industries**
- Networking with investors and money-donating industries appears expandable
- Awareness of the film industry as an economic factor is not yet adequately raised

**Training/Talent**
- Lack of training programs for the industry, HMS is good, however, structure is lacking for young talent (basic training)
- There are no incentives for young talent, such as cheap rent, offices, etc.

**Others**
- Lack of a tax-system with tax reductions, to make the location more attractive for film-producers
- SH: Lack of structure of film-producing personnel

**Public-Service Broadcasting**
- Structural problem: public-service broadcasting dominates the market (TV and cinema)
- Many independent providers are no longer available, → no fair price structure/competitive pressure

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017
Film producers’ requests to the FFHSH: more funding, more networking, better management and project development

Key-Facts to the most important requirements from the point of view of the TV and film producers in HH/SH, 01/2017

Subsidies
- Many producers demand a distinct focus on funding of local film producers, higher entry barriers for international productions
- Rethink the entry requirements Broadcaster or distributors no longer mandatorily on board?

Networking
- More networking with investment and industry, raise awareness for the film industry as an economic factor
- Stronger links to the tourism industry

Support product quality
- Stronger support for the development process
- Eventually, funds could be relocated to the development phase from the production budgets, to implement higher quality projects

Film as a cultural asset
- Lobbying for the film industry: the film industry must be increasingly perceived as a cultural asset, on a cross-industry basis and as an investment object
- Lobbying should be directed towards industry, as well as private investors – in particular, in Hamburg

Possible fields of action for the FFHSH

Funding

Quality

Networking

Location marketing
- The film industry is a great advertisement for the city, this should be taken advantage of
- Some producers request a stronger presence of international projects in HH/SH

Others
- Engagement in the training sector/boost young talent (training programmes)
- Engagement for summit meeting of the film industry with politics, banks, companies, HMS, art academies, NDR, etc.

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017
Summary: Motion Picture Industry in Hamburg and Schleswig-Holstein
1,253 companies in the motion picture industry of Hamburg and Schleswig-Holstein, of which 558 are engaged in the classical film production

Composition of the motion picture industry in Hamburg and Schleswig-Holstein 2016
the number and overall share of companies, classified by main business sector

Total: 1,253 companies

Classical film production: 558
44% share in all companies

TV-Operators
14
1%

Film distribution/-rental
21

Film service provider/VFX
121
10%

VR/AR/360
50
4%

Online-video
60
5%

Commercials production
200
16%

Games
190
15%

Other
39
3%

TV-Production
240
19%

Film-Production
240
19%

Animation/ Cartoons
78
6%

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017
Motion picture industry in Hamburg and Schleswig-Holstein: approx. 1,250 players with a total revenue of approx. 3,2 bill. euro and 14,451 jobs

Economic data for the motion picture industry in Hamburg and Schleswig-Holstein, 2017

<table>
<thead>
<tr>
<th>Industry</th>
<th>Company</th>
<th>Branch turnover</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Film producers (TV/cinema/animation)</strong></td>
<td>558</td>
<td>870 mill. euros</td>
<td>3,500 employees</td>
</tr>
<tr>
<td><strong>Advertising agencies (motion pic. ind.)</strong></td>
<td>200</td>
<td>300 mill. euros</td>
<td>2,000 employees</td>
</tr>
<tr>
<td><strong>Games-studios</strong></td>
<td>190</td>
<td>400 mill. euros</td>
<td>4,300 employees</td>
</tr>
<tr>
<td><strong>Film service-providers</strong></td>
<td>121</td>
<td>54 mill. euros</td>
<td>850 employees</td>
</tr>
<tr>
<td><strong>Online-video producers</strong></td>
<td>60</td>
<td>15 mill. euros</td>
<td>180 employees</td>
</tr>
<tr>
<td><strong>VR/AR/360-degree-video-company</strong></td>
<td>50</td>
<td>12 mill. euros</td>
<td>150 employees</td>
</tr>
<tr>
<td><strong>Sales/Rentals</strong></td>
<td>21</td>
<td>240 mill. euros</td>
<td>220 employees</td>
</tr>
<tr>
<td><strong>Private TV-Operators</strong></td>
<td>12</td>
<td>61 mill. euros</td>
<td>506 Employees</td>
</tr>
<tr>
<td><strong>Public service TV-Operators (NDR/ZDF)</strong></td>
<td>2</td>
<td>1.184 mill. euros</td>
<td>2,625 employees</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>39</td>
<td>20 mill. euros</td>
<td>120 employees</td>
</tr>
<tr>
<td><strong>Summary HH/SH motion picture industry</strong></td>
<td>1,253</td>
<td>3,156 bill. euros</td>
<td>14,451 employees</td>
</tr>
</tbody>
</table>

* Figures for NDR/ZDF and private TV-Operators for 2014  ** Goldmedia estimate

The motion picture industry in Hamburg and Schleswig-Holstein comprises approx. 1,250 players from the sectors film, TV, online-video and games.

Composition of the motion picture industry in Hamburg and Schleswig-Holstein 2016

- **558** classical film production: approx. 200 with focus on TV and cinema, 78 with focus on animation
- **appro. 200** commercials producers/agencies in the motion picture industry
- **121** film service-provider
- **21** sales/rentals
- **39** other
- **12** private TV-providers and main seat of the NDR
- **appro. 190** games-studios
- **appro. 60** online-video producers
- **appro. 50** companies in the 360-degree/VR/AR sector
- **appro. 190** games-studios

Sources:
- Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, BMW1 (2017): Economic significance of the film industry,
The classical production comprises approx. 560 companies. Additionally, there are 200 commercials producers and 110 online/360/VR/AR-specialists.

Facts regarding the film production in Hamburg and Schleswig-Holstein 2017

- 558 film producers
  - of which, approx. 200 with focus on TV and 200 with focus on cinema production, as well as 78 in the sector animation and cartoons
  - approx. 3,500 employees
  - approx. 870 mill. euro industry turnover
  - additionally, there are
  - approx. 200 advertising agencies, which (also) produce commercials (conservative estimate)
  - approx. 2,000 employees
  - approx. 300 mill. euro turnover
  - plus
  - approx. 60 companies in the online-video sector
  - and 50 in the VR/AR/360-degree-video sector

In comparison: Film production in Germany 2014/2012

- 4,567 production companies, of which approx. 2,000 are classical producers, of these, 1,220 present a revenue of >100,000 euro
  - Of the approx. 1,220 classical producers, a third primarily service the cinema film sector and two thirds, primarily the TV sector → in HH/SH, the cinema sector is comparatively strong
  - Production revenue (2014): approx. 4,66 bill. euro

- 4,66 bill. euros
  - Note: The figures are subject to different databases and are based on different periods, therefore, a direct comparison is not possible.
  - Based on classic producers, the proportion of companies would be approx. 28% according to these figures, or based on all producers, at 17%
  - In terms of revenue, the proportion would be approx. 25%

>1,000 employees and approx. 300 mill. euro revenue in the film service-provision sector and sales/rentals. The TV-sector is defined by the NDR

Facts regarding film service-providers, distribution/rental and TV operators in Hamburg/Schleswig-Holstein 2016/2014

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
<th>Employees</th>
<th>Industry Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Film service-providers</td>
<td>121</td>
<td>approx. 850</td>
<td>approx. 54 mill.</td>
</tr>
<tr>
<td>Distribution/rental sector</td>
<td>21</td>
<td>approx. 220</td>
<td>approx. 240 mill.</td>
</tr>
<tr>
<td>Private TV-operators</td>
<td>12</td>
<td>61</td>
<td>1,18 bills.</td>
</tr>
</tbody>
</table>

In comparison: Film service-providers, sales/rentals and TV operators in Germany 2014

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
<th>Employees</th>
<th>Industry Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Film service-providers</td>
<td>approx. 1,000</td>
<td>approx. 13,500</td>
<td>approx. 850 mill.</td>
</tr>
<tr>
<td>Distribution/rental sector</td>
<td>576</td>
<td>approx. 2,300</td>
<td>approx. 1,57 mill.</td>
</tr>
<tr>
<td>Private TV-operators</td>
<td>305</td>
<td>8,8</td>
<td>9,2 bills.</td>
</tr>
</tbody>
</table>

Main seat of the NDR

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>NDR</td>
<td>1,18</td>
<td>bill. revenue by the NDR</td>
</tr>
</tbody>
</table>

Hamburg is the German games stronghold: the three major browser-game producers are active here, also, international publishers are based here

Facts regarding the game market
Hamburg/Schleswig-Holstein 2017

approx. 190 games-studios
- 9 of the major 30 companies, including **the 3 major** companies in Germany:
  - Goodgame Studios (approx. 700 employees)
  - Bigpoint (approx. 490 employees)
  - Innogames (approx. 410 employees)

- Focus on the free-to-play-/mobile-/browsergames sector

- Also, German-/European headquarters of international publishers, e.g., Square Enix, Capcom, Warner Bros

- Additionally, various traditional developers and Indie studios

Economic Situation of the motion picture industry in Hamburg and Schleswig-Holstein
The main business sectors of the responding companies are located equally in the sectors TV- and cinema-production (total 38%), VFX with 16%.

Current main business sectors of the motion picture industry in Hamburg and Schleswig-Holstein, 01/2017

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=306
## Development of the current business areas until 2020: In particular, online video producers expect their industry to acquire increased significance

**Assessment of the development of the current business areas until 2020 of the companies of the motion picture industry in Hamburg and Schleswig-Holstein, 01/2017**

<table>
<thead>
<tr>
<th>Business Area</th>
<th>Becoming More Important</th>
<th>Will Remain Constant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online video production</td>
<td>80%</td>
<td>16%</td>
</tr>
<tr>
<td>Games</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>360-degree-video</td>
<td>53%</td>
<td>24%</td>
</tr>
<tr>
<td>Production of animations/cartoons</td>
<td>43%</td>
<td>45%</td>
</tr>
<tr>
<td>Film-Production</td>
<td>37%</td>
<td>45%</td>
</tr>
<tr>
<td>Production service provider</td>
<td>33%</td>
<td>55%</td>
</tr>
<tr>
<td>Film distribution/-rental</td>
<td>33%</td>
<td>50%</td>
</tr>
<tr>
<td>TV-Production</td>
<td>33%</td>
<td>43%</td>
</tr>
<tr>
<td>Production of commercials</td>
<td>31%</td>
<td>56%</td>
</tr>
</tbody>
</table>

**Question:** “According to your assessment, how will the importance of your current business areas develop until 2020?”

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=306
Prospects 2020: Film producers primarily see potential in the classic sectors of cinema and TV, additional potentials in online video and VR/AR

Business fields in which TV and film producers in Hamburg and Schleswig-Holstein will probably additionally engage until 2020, 01/2017

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=139; multiple response is possible

Question: “In which of the following business areas is your organisation expected to engage until 2020 (additionally to your current business fields)?”

TV-Production 32%
Film-Production 26%
Online-video 25%
Virtual Reality/Augmented Reality 12%
Commercials production 12%
Film distribution/-rental 12%
360-degree-video 11%
Production service provision/VFX/post-production 9%
Games 5%
Miscellaneous 3%
TV-programme event 3%
Production of animations/cartoons 3%
The film industry pursues alternative forms of financing, primarily international funding offers, however, also private investors are being targeted.

Key facts regarding the most important future business activities of TV and film producers in HH/SH, 01/2017

**Formats**
- Less classical commissioned productions, new (online) formats become more important, e.g. high-quality series, view on the VoD portals; disagreement regarding the most successful future format: market potential is perceived for all
- In the future, more format options: not necessarily 90 min., possibly shorter formats, respective support is very important

**Cross-Media**
- Cross-media activities are already being implemented on a project-related basis
- However, only subject to availability of topics; Topics are not respectively selected/procured
- Many all still uncertain regarding the economic significance of VoD platforms

**Animation films**
- Extension of the post-marketing in the form of books, merchandising, games and TV series...
- Target group expansion: many companies perceive capacities in the family segment and in content for the up to 14 year-olds

**Internationality**
- TV and film producers want to cooperate more and beyond Europe
- Materials are selected according to whether they can also be evaluated internationally, primarily to also obtain support in other countries

**Funding**
- Many players would like to move away from classic film funding and search for venture capital and possibly also private investment from other industrial sectors/industries – more lobbying for film as art and culture is desired

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017
Revenue distribution: The top 4% of the companies in the film industry consolidate 83% of sales, whereas the smallest 62% account for only 3% of sales.

Distribution of the companies of the motion picture industry in HH/SH accord. to revenue in %, 01/2017

Distribution of the revenue of the companies of the motion picture industry in HH/SH in %, 01/2017

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=306; estimate: Gold Media (average values) on the basis of the information provided by the respondents.
The structure of the film producer company size categories in Hamburg/Schleswig-Holstein corresponds to the typical triangular structure.

Distribution of TV and film producers in HH/SH according to revenue size categories, 01/2017:
- More than 25 million euros: 3%
- 5-25 million euros: 16%
- 1-5 million euros: 3%
- Less than 1 million euros: 78%

Estimate of the distribution of the sales of the TV and film producers in HH/SH, 01/2017:
- More than 25 million euros: 70%
- 5-25 million euros: 8%
- 1-5 million euros: 16%
- Less than 1 million euros: 6%

Distribution of TV and film producers in Germany, according to revenue size categories, 2010:
- More than 25 million euros: 1%
- 5-25 million euros: 4%
- 1-5 million euros: 12%
- Less than 1 million euros: 83%

Estimate of the distribution of the sales of the TV and film producers in Germany, 2010:
- More than 25 million euros: 49%
- 5-25 million euros: 28%
- 1-5 million euros: 15%
- Less than 1 million euros: 8%

Source: above location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, presentation of the sample n=104; Goldmedia estimate (average values) based on the details provided by the responding companies; below producer study 2012: Data for the film and television industry in Germany 2011/2012, base: Distribution according to sales tax statistics 2010.
Total funding: 35%

Regional funding: 17%
National funding: 12%
International funding: 6%
Venture Capital/Private Equity: 7%
Equity capital: 37%
Credit-funding: 9%
Others: 12%

Question: "Which types of project funding do you apply and how much is the usual share of the total funding of the project?"

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=306
In terms of the TV-producers, the funding share amounts to an average of 34%, film producers on average, fund the 45% with funding resources.

The average project funding for the TV-producers in HH/SH, 01/2017

- Regional funding: 34%
- National funding: 10%
- International funding: 8%
- Venture Capital/Private Equity: 3%
- Credit-Funding: 11%
- Equity capital: 26%
- Other: 16%

The average project funding for the film-producers in HH/SH, 01/2017

- Regional funding: 22%
- National funding: 14%
- International funding: 9%
- Venture Capital/Private Equity: 10%
- Equity capital: 19%
- Credit-Funding: 4%
- Other: 20%

Question: "Which types of project funding do you apply and how much is the usual share of the total funding of the project?"

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=139
The current economic situation is assessed as good or very good by 37% of the companies in Hamburg – and only by 26% in Schleswig-Holstein

The assessment of the economic situation of the own company, motion picture industry in HH, 01/2017

"Our current economic situation is..."

- very good: 37%
- good: 32%
- partially/partially: 47%
- bad: 14%
- very bad: 2%

The assessment of the economic situation of the own company, motion picture industry in SH, 01/2017

"Our current economic situation is..."

- very good: 26%
- good: 19%
- partially/partially: 66%
- bad: 4%
- very bad: 4%

Question: “How would you assess the economic situation of your company?”

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=306
Current status: 27% of the TV-producers in HH/SH assess their economic situation as good, against only 17% of the film producers.

The assessment of the economic situation of the own company, TV-producers in HH/SH, 01/2017

“Our current economic situation is…”

- Very good: 2%
- Good: 25%
- Partially/partially: 60%
- Bad: 13%

The assessment of the economic situation of the own company, film-producers in HH, 01/2017

“Our current economic situation is…”

- Very bad: 2%
- Very good: 17%
- Good: 15%
- Partially/partially: 62%
- Bad: 6%

Question: “How would you assess the economic situation of your company?”

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=139
Employee development: More than a third of the companies plan to employ more personnel in 2017, only 7% expect redundancies

Forecast for the employee development in 2017 for the motion picture companies in HH/SH, 01/2017

"The number of our employees at the location Hamburg/Schleswig-Holstein during 2017 is expected to...

Distribution of the employees in the companies of the motion picture industry in Hamburg, 01/2017

Distribution of the employees in the companies of the motion picture industry in Schleswig-Holstein, 01/17

Question: "How will the number of employees in your company in Hamburg/Schleswig-Holstein 2017 develop in comparison to the previous year?"

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=306
Positive revenue prognosis: Approx. two thirds of the companies in Hamburg and Schleswig-Holstein expect increasing revenues until 2020

Economic expectations until 2020, motion picture industry in Hamburg, 01/2017

"Until 2020, we expect our revenue to probably..."

- Significantly increasing: 26%
- Moderately increasing: 39%
- Will remain constant: 24%
- Moderately decreasing: 9%
- Significantly decreasing: 2%

Question: "What are your economic expectations until 2020?"

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=306
Prospects: Approx. three-quarters of the film producers expect increasing revenue until 2020, as for the TV-producers, it is barely two-thirds

Economic expectations until 2020, TV-producers in Hamburg and Schleswig-Holstein 01/2017

“Until 2020, we expect our revenue to probably...”

- Significantly increasing: 63%
- Will remain constant: 28%
- Moderately decreasing: 9%

Economic expectations until 2020, film-producers in Hamburg and Schleswig-Holstein 01/2017

“Until 2020, we expect our revenue to probably...”

- Significantly increasing: 79%
- Will remain constant: 17%
- Moderately decreasing: 4%

Question: “What are your economic expectations until 2020?”

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=139
Development prospects: A balanced picture regarding the development of the motion picture industry in HH/SH until 2020

Economic development of the motion picture industry until 2020, all companies in HH/SH, 01/2017

"The motion picture industry at the location Hamburg/Schleswig-Holstein is expected to develop... by 2020..."

- Very positive: 34%
- Rather positive: 28%
- Stable: 37%
- Rather negative: 1%
- Very negative: 2%

Economic development of the motion picture industry until 2020, all TV-producers in HH/SH, 01/17

- Very positive: 16%
- Rather positive: 21%
- Stable: 43%
- Rather negative: 30%
- Very negative: 2%

Economic development of the motion picture industry until 2020, all film-producers in HH/SH, 01/17

- Very positive: 27%
- Rather positive: 21%
- Stable: 43%
- Rather negative: 30%
- Very negative: 1%

Question: “According to your opinion, how do you think the motion picture industry at the Hamburg/Schleswig-Holstein location will develop economically until 2020?"

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, left side: n=306, right side: n=139
Estimates for location factors
Hamburg and Schleswig-Holstein
General infrastructure and access to equipment are the most important location advantages, access to third-party capital most significant disadv.

The most significant location factors of the motion picture industry in Hamburg and Schleswig-Holstein according to the estimates by the companies of the motion picture industry, on a scale from very bad=1 to very good=4, 01/2017

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>General infrastructure, e.g., transport connections</td>
<td>3.3</td>
</tr>
<tr>
<td>Access to necessary equipment</td>
<td>3.1</td>
</tr>
<tr>
<td>Availability of mobile internet</td>
<td>2.9</td>
</tr>
<tr>
<td>Availability of broadband service</td>
<td>2.8</td>
</tr>
<tr>
<td>Networking with companies of your own industries</td>
<td>2.8</td>
</tr>
<tr>
<td>Availability of qualified personnel</td>
<td>2.7</td>
</tr>
<tr>
<td>Proximity to customers, good links to customers</td>
<td>2.7</td>
</tr>
<tr>
<td>Events (meetups, festivals, etc.)</td>
<td>2.6</td>
</tr>
<tr>
<td>Availability of appropriate premises</td>
<td>2.5</td>
</tr>
<tr>
<td>Training possibilities</td>
<td>2.5</td>
</tr>
<tr>
<td>Networking with the university scene</td>
<td>2.2</td>
</tr>
<tr>
<td>Cost of living</td>
<td>2.1</td>
</tr>
<tr>
<td>Networking with companies from other industries</td>
<td>2.1</td>
</tr>
<tr>
<td>Access to support</td>
<td>2.0</td>
</tr>
<tr>
<td>Access to private sponsors (Venture Capital)</td>
<td>1.9</td>
</tr>
<tr>
<td>Rental rates</td>
<td>1.8</td>
</tr>
<tr>
<td>Possibility of industrial cooperation</td>
<td>1.8</td>
</tr>
<tr>
<td>Support for access to third-party sponsors/banks</td>
<td>1.4</td>
</tr>
</tbody>
</table>

**Question:** “How do you assess the following characteristics of your region?”

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=306
**Schleswig-Holstein provides better availability of suitable premises, lower cost of living and rental prices in comparison to Hamburg**

On a scale from very bad (1) to very good (4)

**Assessment of the location factors by the motion picture industry in Hamburg, 01/17**

| General infrastructure, e.g., transport connections | Access to necessary equipment | Availability of mobile internet | Availability of broadband service | Proximity to customers, good links to customers | Availability of qualified personnel | Training possibilities | Events (meetups, festivals, etc.) | Networking with companies of your own industry | Simplified cooperation with official agencies | Networking with the university scene | Networking with companies from other industries | Access to support | Availability of appropriate premises | Possibility of industrial cooperation | Support for access to third-party sponsors/banks | Cost of living | Access to private sponsors (Venture Capital) | Rental rates |
|----------------------------------------------------|-------------------------------|-------------------------------|---------------------------------|-----------------------------------------------|-----------------------------------|------------------------|---------------------------|-----------------------------------------|---------------------------------|---------------------------------|--------------------------------------------|----------------|-----------------------------|----------------|--------------------------------|----------------|------------------|
| Very bad                                           |                               |                               | 1,9                             | 2,0                                           | 2,0                                               | 2,0                                             | 2,0                                             | 2,0                                           | 2,2                                           | 2,0                                           | 2,0                                                 | 2,0                                           | 2,0                                           | 2,0                                           | 2,0                                         | 2,0                                           | 2,0                                           |
| Very good                                          |                               |                               |                                 |                                               |                                                   |                                                  |                                                  |                                               |                                                |                                                |                                                  |                                                     |                                                |                                                |                                                |                                             |                                                |                                                |

**Assessment of the location factors by the motion picture industry in SH, 01/17**

<table>
<thead>
<tr>
<th>General framework conditions</th>
<th>Specific conditions</th>
<th>Access to capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very bad</td>
<td>2,0</td>
<td>3,0</td>
</tr>
<tr>
<td>Very good</td>
<td>3,3</td>
<td>2,8</td>
</tr>
</tbody>
</table>

**Question:** “How do you assess the following characteristics of your region?”

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=306
TV producers with more negative assessments, except in terms of opportunities for training and industrial coop. and to access to third-party capital

On a scale from very bad=1 to very good=4

Assessment of the location factors on behalf of the TV-producers, 01/2017

Assessment of the location factors on behalf of the film-producers, 01/2017

| General infrastructure, e.g., transport connections | 3.3 |
| Access to necessary equipment | 2.9 |
| Training possibilities | 2.9 |
| Availability of qualified personnel | 2.9 |
| Networking with companies of your own industry | 2.8 |
| Availability of mobile internet | 2.8 |
| Availability of broadband service | 2.7 |
| Proximity to customers, good links to customers | 2.7 |
| Simplified cooperation with official agencies | 2.7 |
| Events (meetups, festivals, etc.) | 2.7 |
| Availability of appropriate premises | 2.6 |
| Access to support | 2.6 |
| Networking with the university scene | 2.6 |
| Networking with companies from other industries | 2.4 |
| Possibility of industrial cooperation | 2.4 |
| Support for access to third-party sponsors/banks | 2.3 |
| Cost of living | 1.9 |
| Access to private sponsors (Venture Capital) | 1.8 |
| Rental rates | Very bad 2.0 | Very good 3.0 |

| Very bad | 3.0 | Very good |
| General framework conditions | 3.4 |
| Specific conditions motion picture industry | 2.8 |
| Access to capital | 2.8 |

Question: “How do you assess the following characteristics of your region?”

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=139
Location advantages: primarily, the cooperation with the FFHSH and its great commitment is perceived as a definite advantage by film producers

<table>
<thead>
<tr>
<th>The work of the film promotion (FFHSH)</th>
<th>Networking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamburg and Schleswig-Holstein have closed ranks</td>
<td>In the past, film producers were able to develop good creative/personnel/contacts networks</td>
</tr>
<tr>
<td>Very sustainable, continuous promotion</td>
<td>The FFHSH network events were/are very conducive for this purpose, this is where the industry meet</td>
</tr>
<tr>
<td>Great confidence in the FFHSH consulting, lobbying and network initiatives</td>
<td></td>
</tr>
<tr>
<td>Uncomplicated and swift filming permission</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Film Studio Kiel</th>
<th>Film-Setting/Talent</th>
</tr>
</thead>
<tbody>
<tr>
<td>The existence of the Film Studio Kiel is perceived in a very positive light: this is where creative talent and in particular, project development is promoted</td>
<td>Young film-setting</td>
</tr>
<tr>
<td></td>
<td>Excellent training at the Hamburg Media School with obvious success (numerous awards for the HMS-graduation films)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Games sector</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>On a federal level, the city of Hamburg began to support the games sector at a very early stage and encouraged many companies of the games industry to settle</td>
<td>The attractive city of Hamburg and the landscape of Schleswig-Holstein is considered a great advantage for the film location as a whole (inspiration, locations, etc.)</td>
</tr>
<tr>
<td>Positive: Proximity of politics to the industry, networks and events</td>
<td></td>
</tr>
</tbody>
</table>

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017
Location disadvantages: subsidies are too low on a national level, the film industry should be more evident as a cultural and capital asset

Key-facts to the main location advantages from the point of view of the TV and film producers in HH/SH, 01/2017

### Funding
- HH/SH with relatively low subsidies on a federal level, → limited financial resources
- Subsidies from other sectors would be desirable, for example, innovation- and technology subsidies
- Private investment in films as a cultural asset

### Film as a cultural asset
- Low-margin cultural asset film requires additional support and financing from the city
- Politics in HH/SH to become a better film partner, cultural budget to also support the film industry
- Location marketing is expandable

### Networking with other industries
- Networking with investors and money-donating industries appears expandable
- Awareness of the film industry as an economic factor is not yet adequately raised

### Training/Talent
- Lack of training programs for the ind., HMS is good, however, structure is lacking for young talent (basic training)
- There are no incentives for young talent, such as cheap rent, offices, etc.

### Others
- Lack of a tax-system with tax reductions, to make the location more attractive for film-producers
- SH: Lack of structure of film-producing personnel

### Public-Service Broadcasting
- Structural probl.: public-service broadcasting dominates the market (TV and cinema)
- Many independent providers are no longer available, → no fair price structure/competitive pressure

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017
Labour market: 47% of the Hamburg motion picture industry players assess the labour market positively, against only 23% of the those from SH

Assessment of the situation on the labour market by the motion picture industry in Hamburg, 01/2017

“The labour market situation at the location Hamburg is...”

- Very positive: 5%
- Rather positive: 42%
- Neutral: 35%
- Rather negative: 16%
- Very negative: 2%

Assessment of the situation on the labour market by the motion picture industry in SH, 01/2017

“The labour market situation at the location Schleswig-Holstein is...”

- Rather positive: 23%
- Neutral: 46%
- Rather negative: 19%
- Very negative: 2%
- Neutral: 35%

Question: “How do you assess the situation on the labour market (availability of skilled workers and trainees) in your industry and your location?”

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=306
The labour market situation is assessed as positive by more than half of the TV-producers, against 41% of the film-producers.

Assessment of the situation on the labour market
TV-producers in HH/SH, 01/2017

"The situation on the labour market at the location Hamburg/Schleswig-Holstein is…"

- very positive... 52%
- rather positive 46%
- neutral 33%
- rather negative...
- very negative

Assessment of the situation on the labour market
film-producers in HH/SH, 01/2017

"The situation on the labour market at the location Hamburg/Schleswig-Holstein is…"

- very positive 41%
- rather positive 39%
- neutral 37%
- rather negative...
- very negative 2%

Question: "How do you assess the situation on the labour market (availability of skilled workers and trainees) in your industry and your location?"

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=139
Networking in the motion picture industry in Hamburg/Schleswig-Holstein
Cooperation: Majority of the int. project partners are based in central and western Europe, the USA and the UK. 8% cooperate with the Baltic states.

International cooperation locations of the companies of the motion picture industry in HH/SH, Share of the responding companies in %, 01/2017

Question: In which regions does your company maintain international cooperation partners?

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=306; multiple replies possible
Film-producers: 80% of the film- and 60% of all TV-producers in Hamburg and Schleswig-Holstein maintain international cooperation partners

Share of the respondent companies in %

<table>
<thead>
<tr>
<th>Region</th>
<th>European cooperation partners</th>
<th>Non-European cooperation partners</th>
<th>Eurasian cooperation partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central &amp; Western Europe</td>
<td>38%</td>
<td>30%</td>
<td>25%</td>
</tr>
<tr>
<td>Scandinavia</td>
<td>30%</td>
<td>25%</td>
<td>15%</td>
</tr>
<tr>
<td>Great Britain</td>
<td>25%</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>USA</td>
<td>15%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Remaining Southern Europe</td>
<td>13%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Middle East</td>
<td>9%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Canada</td>
<td>8%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Remaining Eastern Europe</td>
<td>8%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Australia/Oceania</td>
<td>6%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Far East/Remaining Asia</td>
<td>6%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Turkey</td>
<td>6%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Central &amp; South America</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Baltic states (Latvia, Lithuania, Estonia)</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Russia</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>No international cooperation partners</td>
<td>40%</td>
<td>38%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Question: In which regions does your company maintain international cooperation partners?

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=139; multiple response is possible
Motion picture industry as service provider: 29% of the respondent companies are engaged in education, 18% in tourism and 15% in health

Additional industries linked to the companies of the motion picture industry in HH/SH, 01/2017

- Education: 29%
- Tourism: 18%
- Health: 15%
- None of those mentioned: 59%

Additional industries linked to the TV- and film-producers in HH/SH, 01/2017

- Education: 29%
- Tourism: 9%
- Health: 6%
- None of those mentioned: 62%

Question: "For companies of which sectors are you (also) engaged as a service provider?*

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, left side: n=306, right side: n=139
There is a further need for networking primarily with the classic film industry – need for contact with newer and alien sectors is less pronounced.

Sectors, to which, according to the view of the enterprises of the motion picture industry of Hamburg and Schleswig-Holstein, an increased level of contact is desirable, 01/2017

Question: “To which sectors would you welcome an increased level of contact?”

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=306; multiple response is possible Goldmedia
Networking requirement: primarily in the field of the new moving image sectors, there is a desire for an increased level of contact

Sectors, to which, according to the view of the companies of the motion picture industry of Hamburg and Schleswig-Holstein, an increased level of contact is desirable, 01/2017

**Question:** "To which sectors would you welcome an increased level of contact?"

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=306; multiple response is possible Goldmedia
There is also a desire for an increased level of contact among the TV- and film-producers, primarily within the classic motion picture industry.

Sectors, to which, according to the view of the TV- and film producers of Hamburg and Schleswig-Holstein, an increased level of contact is desirable, 01/2017

<table>
<thead>
<tr>
<th>Sector</th>
<th>Classic motion picture industry</th>
<th>New motion picture industry</th>
<th>Other sectors beyond the motion picture industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV-Production</td>
<td>38%</td>
<td>36%</td>
<td>34%</td>
</tr>
<tr>
<td>Film distribution/-rental</td>
<td>35%</td>
<td>36%</td>
<td>36%</td>
</tr>
<tr>
<td>Film-Production</td>
<td>34%</td>
<td>34%</td>
<td>34%</td>
</tr>
<tr>
<td>TV-channel</td>
<td>22%</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td>Online-video</td>
<td>20%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>VR, AR</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Education</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Tourism</td>
<td>17%</td>
<td>15%</td>
<td>14%</td>
</tr>
<tr>
<td>Commercials production</td>
<td>15%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Games</td>
<td>14%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>360-degree-video</td>
<td>11%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Production service provision/VFX/post-production</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Production of animations/cartoons</td>
<td>10%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Health</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>of no industry</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>

*Question: To which sectors would you welcome an increased level of contact?*

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=139; multiple response is possible, assignment of the sectors: Goldmedia
In the case of film producers, there is a desire for an increased level of contact beyond the traditional sectors, primarily for online video and VR/AR.

Sectors, to which, according to the view of the TV- and film producers of Hamburg and Schleswig-Holstein, an increased level of contact is desirable, 01/2017

**Question:** "To which sectors would you welcome an increased level of contact?"

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=139; multiple response is possible, assignment of the sectors: Goldmedia
Networking events and workshops as preferred contact channels for the film industry in HH/SH. Trade fairs are less relevant for the film production.

Desired type of contact inter-mediation to other sectors of the motion picture industry in HH/SH, 01/2017

<table>
<thead>
<tr>
<th>Type of Contact</th>
<th>Prefered Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Networking events</td>
<td>68%</td>
</tr>
<tr>
<td>Workshop</td>
<td>60%</td>
</tr>
<tr>
<td>Trade fairs/Events</td>
<td>39%</td>
</tr>
<tr>
<td>Panel discussions</td>
<td>36%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
</tbody>
</table>

Desired type of contact inter-mediation to other sectors of the TV- and film production in HH/SH, 01/2017

<table>
<thead>
<tr>
<th>Type of Contact</th>
<th>Prefered Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Networking events</td>
<td>66%</td>
</tr>
<tr>
<td>Workshop</td>
<td>63%</td>
</tr>
<tr>
<td>Trade fairs/Events</td>
<td>26%</td>
</tr>
<tr>
<td>Panel discussions</td>
<td>36%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
</tbody>
</table>

Question: "Which type of contact inter-mediation to other sectors do you prefer?"

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, left side: n=306, right side: n=139; multiple replies possible.
Well-linked: Two-thirds of the companies maintain contact to the FFHSH, 56% to the Chamber of Commerce, 44% to the Hamburg Film Festival.

Share of the companies of the motion picture industry in Hamburg and Schleswig-Holstein, which already maintain contact with a regional institution, 01/2017

**Question:** “With which regional institutions do you already maintain contact?”

**Source:** Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=306; multiple replies possible
Of the TV- and film producers, 86% maintain contact with the FFHSH, 62% with the Hamburg Film Festival, 53% with the Creative Europe Desk

Share of the TV- and film producers in Hamburg and Schleswig-Holstein, which already maintain contact with a regional institution, 01/2017

**Question:** “With which regional institutions do you already maintain contact?”

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=139; multiple response is possible
87% of the Hamburg film producers maintain contact with the FFHSH, 70% with the Hamburg Film Festival, 57% with the Creative Europe Desk

Share of the TV- and film producers in Hamburg and Schleswig-Holstein, which already maintain contact with a regional institution, 01/2017

<table>
<thead>
<tr>
<th>Institution</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFHSH</td>
<td>87%</td>
</tr>
<tr>
<td>Hamburg Film Festival</td>
<td>70%</td>
</tr>
<tr>
<td>Creative Europe Desk Hamburg</td>
<td>57%</td>
</tr>
<tr>
<td>Hamburg Chamber of Commerce</td>
<td>54%</td>
</tr>
<tr>
<td>FFHSH Film Commission</td>
<td>47%</td>
</tr>
<tr>
<td>Hamburg Creative Company</td>
<td>38%</td>
</tr>
<tr>
<td>Film Studio Kiel of the FFHSH</td>
<td>36%</td>
</tr>
<tr>
<td>Cultural Film Funding Kiel</td>
<td>18%</td>
</tr>
<tr>
<td>nextMedia Hamburg</td>
<td>13%</td>
</tr>
<tr>
<td>MA HSH</td>
<td>2%</td>
</tr>
<tr>
<td>Investmentbank SH (IBSH)</td>
<td>2%</td>
</tr>
<tr>
<td>IHK Kiel</td>
<td>1%</td>
</tr>
<tr>
<td>IHK Lübeck</td>
<td>0%</td>
</tr>
<tr>
<td>IHK Flensburg</td>
<td>0%</td>
</tr>
<tr>
<td>DiwiSH</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
<tr>
<td>of no institution</td>
<td>3%</td>
</tr>
</tbody>
</table>

Question: “With which regional institutions do you already maintain contact?”

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=107; multiple response is possible
Motion picture industry: Funding resources are very important for two-thirds. Events and networking offers are also highly relevant.

The relevance of the work of the FFHSH and the Kiel film workshop Kiel for different sectors for the own company from the point of view of the motion picture industry in Hamburg and Schleswig-Holstein, 01/2017

<table>
<thead>
<tr>
<th>Service</th>
<th>Very important</th>
<th>Important</th>
<th>Less important</th>
<th>Not important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding</td>
<td>62%</td>
<td>14%</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td>Events</td>
<td>31%</td>
<td>52%</td>
<td>14%</td>
<td>3%</td>
</tr>
<tr>
<td>Networking offers</td>
<td>28%</td>
<td>50%</td>
<td>18%</td>
<td>4%</td>
</tr>
<tr>
<td>Film Commission</td>
<td>18%</td>
<td>44%</td>
<td>26%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Question: "How important is the work of the Film Funding Hamburg Schleswig-Holstein (FFHSH) and the Kiel Film Workshop for your company in the following sectors?"

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=306
TV- and film producers: For 82%, the funding of the FFHSH/Kiel Film Workshop plays a very important role, events are important for 92%

The relevance of the work of the FFHSH and the Kiel Film Workshop for different sectors for the own company From the point of view of the TV- and film producers in Hamburg and Schleswig-Holstein, 01/2017

<table>
<thead>
<tr>
<th></th>
<th>very important</th>
<th>important</th>
<th>less important</th>
<th>not important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding</td>
<td>82%</td>
<td></td>
<td>12%</td>
<td>6%</td>
</tr>
<tr>
<td>Events</td>
<td>36%</td>
<td></td>
<td>56%</td>
<td>8%</td>
</tr>
<tr>
<td>Networking offers</td>
<td>30%</td>
<td></td>
<td>54%</td>
<td>15%</td>
</tr>
<tr>
<td>Film Commission</td>
<td>22%</td>
<td></td>
<td>46%</td>
<td>25%</td>
</tr>
</tbody>
</table>

**Question:** "How important is the work of the Film Funding Hamburg Schleswig-Holstein (FFHSH) and the Kiel Film Workshop for your company in the following sectors?"
Film producers in Hamburg: For 80%, the funding of the FFHSH/Kiel Film Workshop plays a very important role, events are important for 92%

The relevance of the work of the FFHSH and the Kiel Film Workshop for different sectors for the own company
From the point of view of the TV- and film producers in Hamburg, 01/2017

<table>
<thead>
<tr>
<th></th>
<th>very important</th>
<th>important</th>
<th>less important</th>
<th>not important</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funding</strong></td>
<td>80%</td>
<td>13%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td><strong>Events</strong></td>
<td>36%</td>
<td>56%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td><strong>Networking offers</strong></td>
<td>30%</td>
<td>52%</td>
<td>16%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Film Commission</strong></td>
<td>24%</td>
<td>43%</td>
<td>26%</td>
<td>7%</td>
</tr>
</tbody>
</table>

**Question:** "How important is the work of the Film Funding Hamburg Schleswig-Holstein (FFHSH) and the Kiel Film Workshop for your company in the following sectors?"

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=107
Facebook is the most used and by far, the most important social media platform for more than half of the companies.

Social media channels used for comm. with customers, partners, etc., of the motion picture ind. in HH/SH, 01/2017

<table>
<thead>
<tr>
<th>Platform</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>73%</td>
</tr>
<tr>
<td>YouTube</td>
<td>55%</td>
</tr>
<tr>
<td>Xing</td>
<td>44%</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>43%</td>
</tr>
<tr>
<td>Whatsapp</td>
<td>42%</td>
</tr>
<tr>
<td>Twitter</td>
<td>22%</td>
</tr>
<tr>
<td>Instagram</td>
<td>20%</td>
</tr>
<tr>
<td>Snapchat</td>
<td>4%</td>
</tr>
</tbody>
</table>

Most important platforms for comm. with clients, etc., of the motion picture ind. in HH/SH, 01/2017

<table>
<thead>
<tr>
<th>Platform</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>52%</td>
</tr>
<tr>
<td>YouTube</td>
<td>8%</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>7%</td>
</tr>
<tr>
<td>Xing</td>
<td>7%</td>
</tr>
<tr>
<td>Whatsapp</td>
<td>7%</td>
</tr>
<tr>
<td>Instagram</td>
<td>2%</td>
</tr>
<tr>
<td>Twitter</td>
<td>1%</td>
</tr>
</tbody>
</table>

Question: “Which social media channels do you use for the communication with customers, partners, etc.? And which platform is the most important for you? ”

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017, n=306; multiple replies possible.
Conclusion and recommendations for action
Film producers’ requests to the FFHSH: more funding, more networking, better management and project development

Key-Facts to the main location advantages from the point of view of the TV and film producers in HH/SH, 01/2017

**Subsidies**
- Many producers demand a distinct focus on funding of local film producers, higher entry barriers for international productions
- Rethink the entry requirements Broadcaster or distributors no longer mandatorily on board?

**Networking**
- More networking with investment and industry, raise awareness for the film industry as an economic factor
- Stronger links to the tourism industry

**Support product quality**
- Stronger support for the development process
- Eventually, funds could be relocated to the development phase from the production budgets, to implement higher quality projects

**Film as a cultural asset**
- Lobbying for the film industry: the film industry must be increasingly perceived as a cultural asset, on a cross-industry basis and as an investment object
- Lobbying to be directed towards industry, as well as private investors, in particular in HH

**Location marketing**
- The film ind. is a great advertisement, this should be taken advantage of
- Some producers, however, request a stronger presence of international projects in HH/SH Projects in HH/SH

**Funding**

**Quality**

**Others**

**Possible fields of action for the FFHSH**

**Source:** Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017
Audit design, methodology and sample
Location analysis motion picture industry in Hamburg/Schleswig-Holstein 2017: Regarding market definition, study goals and methodology

Customer and definition of the market

Customer:
- Film-funding Hamburg Schleswig-Holstein (FFHSH) within the framework of the EU-project CROSS MOTION
- Period of analysis: September 2016 until March 2017

Market delimitation/market definition:
The location study includes all companies of the motion picture industry in Hamburg and Schleswig-Holstein:
- TV- and film production, animation, cartoons
- Production service provision/VFX/post-production
- Production of documentaries and commercials
- Online video and 360-degree video, VR, AR
- Games
- Film distribution/-rental
- TV-event/TV-channel

Assessment goals and methodology

Assessment goals:
- Presentation of the film/VR/AR/animation and games companies in Hamburg and Schleswig-Holstein
- Survey of the economic data, the business areas, business models and financing structures
- Determination of the status quo as well as the demand for further education and networking opportunities, etc.

Methodology:
- Primary data survey among 1,354 motion picture companies in Hamburg and Schleswig-Holstein in the film, VR/AR, animation and games industry, via an online survey
- Recorded WZ-categories/NACE-codes: 5911*, 5912*, 5913*, 5821*, 6020*, 7311*
- 11 expert discussions with representatives of the sector
- Market estimates: Projection by Goldmedia for normal distribution on the basis of corporate information

* Note: the four-digit WZ-codes contain the relevant five- and six-digit sub-categories
Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017
Basic summary, registered offers and response rate 2016/17

- **Basic Summary:**
  All companies of the motion picture industry (TV, cinema, online and advertising film production, animation/cartoons, film service providers, VFX, 360-degree, VR, AR and games), with a main or secondary seat in Hamburg and Schleswig-Holstein

- **Number of the registered companies 2016:**
  1,252 relevant companies in the motion picture industry in Hamburg and Schleswig-Holstein

- **Number of the providers, which were technically available and were contacted:** (with a valid phone number/e-mail address): 1,354 companies, of which 452 companies were retrieved from the FFHSH distribution list

- **Response rate:**
  306 providers participated (= 23% overall absorption); 142 companies, of which 452 companies were retrieved from the FFHSH distribution list (= 31% absorption)

- **Period of the survey:**
  December 6, 2016 – January 16, 2017

Information on the sample company survey 2016/2017

- Four per cent of the companies declared an annual turnover of more than 10 million euros, 18% between 1 and 10 million euros and 62 percent of less than 1 million euros; 16 percent did not provide any information

- Display of the results in the following clusters:
  - all motion picture companies in /SH (306)
  - all film- and TV-producers in HH/SH (139)

**Sample: Information on main and secondary seat in HH/SH**

*Basis: 306 companies*

- Hamburg 88%
- Schleswig-Holstein 10%
- Other federal state 2%

Source: Location study: Motion picture industry in Hamburg and Schleswig-Holstein 2017