



LatentView

Actionable Insights • Accurate Decisions

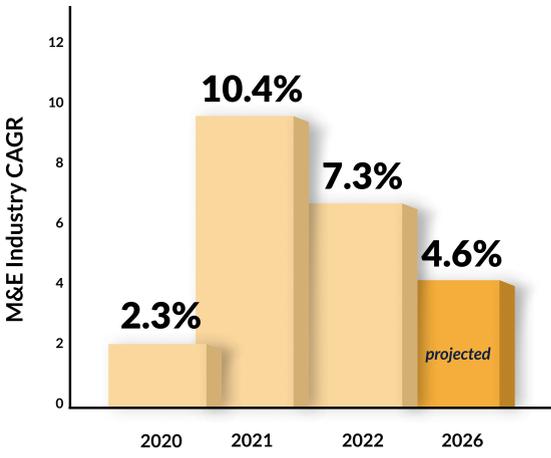
Fast Forward & Play

Where is the Media and Entertainment Industry Heading?



UNCERTAINTY TO STABILITY

Media and Entertainment (M&E) is set to be a **\$2.9 trillion market in 2026**.



M&E to become more digital, more portable, more evenly distributed worldwide - aimed at media that bring in the young audience, and more dependent on advertising.

The pace of OTT revenue growth, which was at its peak in 2020-2021, will stabilize - expected to grow at **7.6% CAGR through 2026** compared to **22.8% in 2021**.

Video gaming industry revenue which went up **32% in 2019-2021**, is expected to grow at **8.4% CAGR** and generate **\$321 billion in 2026**.

01

Socioeconomic dynamics have changed - The pandemic has accelerated digital transformation, and people prefer spending their time and money on home entertainment, especially immersive M&E experiences.

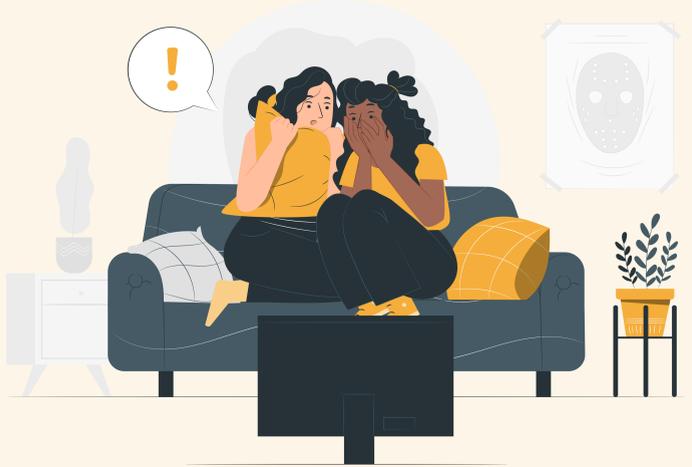
02

Global audiences are using social media to discover music, videos, news, products, especially those recommended by content creators and influencers.

03

More consumers are choosing to spend time on online platforms where there's no tracking.

THE DIGITAL EFFECT



04

Innovation is critical - New and updated technology, tools, and formats, including subscription services and personalization using cutting-edge data and analytics, are necessary for a sustainable revenue model.

STREAM IT OR SKIP IT? THE SVOD DILEMMA

Audiences, especially GenZ, subscribe to SVOD platforms for content but leave because of the cost. But they return when the content they want to watch is available or if there is a discounted pricing.

Average Churn Rate



US



UK, Germany, Brazil & Japan

Average Churn & Return Rate



US



UK, Germany, Brazil & Japan

Despite the churn and return numbers, SVOD providers still face pressure to produce hit content, keep subscription prices low and minimize operating and marketing costs

The real challenge is finding a sustainable revenue model and profitability despite all the costs

ADVERTISING: WILL THIS SUPER HERO SAVE THE DAY?



Ad-supported video content and gaming is becoming a popular choice of revenue model.

Advertising grew at **22.6% in 2021** and contributed **32.2%** of total E&M industry revenues. It is projected to grow at a **6.6% CAGR through 2026** to become a **\$1 trillion market**.

Online advertising revenue worldwide will increase at **9.1% CAGR** to reach **US\$723.6bn in 2026**; **74%** of this income will be from portables.

Shoppable media and interactive ad formats could be integrated into advertising models to increase engagement and sales.

Data analytics and reporting tools can help your M&E company make sense of consumer data. [Watch this space](#) to understand more about the rise of AVOD and how streaming platforms can differentiate themselves while offering ad-supported services.

At LatentView Analytics, our data science experts seize the opportunity to make sense of big data and turn it into insights for our clients to make data-driven business decisions. Get in touch with us at

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