

Perspectives from the Global Entertainment
& Media Outlook 2023–2027

Resetting expectations, refocusing inward and recharging growth



About this report

In many ways, 2022 was a challenging year for the entertainment and media (E&M) industry. As the global economy struggled to return to normality, the E&M ecosystem faced a series of resets—some of them quite hard. Falling stock markets, rising interest rates and the tapering of pandemic-era growth trends led to slower rates of expansion than in 2021. Still, overall revenue rose by 5.4% in 2022. In the midst of continued change and disruption, the industry reassessed its strategies, refocused on core operations and revised some key assumptions.

To put together the Global Entertainment & Media Outlook, we tap into an extraordinarily wide range of intelligence. Our proprietary forecasts for the growth of 13 different segments in 53 territories are the product of deep research and careful modelling. Our subject matter experts weigh in, leaning on insights gleaned from decades of experience working with global leaders in E&M industries. The result, year after year, is a set of actionable foresights and data that help inform strategy.

Looking ahead, the 2023 Outlook forecasts five years of continued growth, through 2027, at which point the industry will approach US\$2.8 trillion in revenue—with advertising alone accounting for US\$952 billion. But amid these overall gains, the *rate* of growth is expected to decline each year.

That means it's more important than ever to identify the many pools of growth that can be found in different industries and geographies. There's a second key takeaway in this year's findings: entertainment and media is the ultimate human-led, tech-powered industry. For years, the overarching story in E&M has been a technology-inspired shift to digital and mobile. But this year, very quickly, a new force has come to occupy a central role: artificial intelligence. Going forward, leaders must embrace the potential power of AI as an enabler for productivity and creativity.

Subscribers find PwC’s Global Entertainment & Media Outlook valuable because it illuminates the vast opportunities that lie ahead—and helps chart a route to success. This report emphasises the scope and depth of PwC’s cross-team collaboration, and the way we come together to solve the big problems our clients face. If you’d like to go deeper into this year’s findings and discover how our perspective and capabilities can help your business evolve and thrive in these dynamic industries, reach out to your local PwC team (see page 25) or contact one of us.



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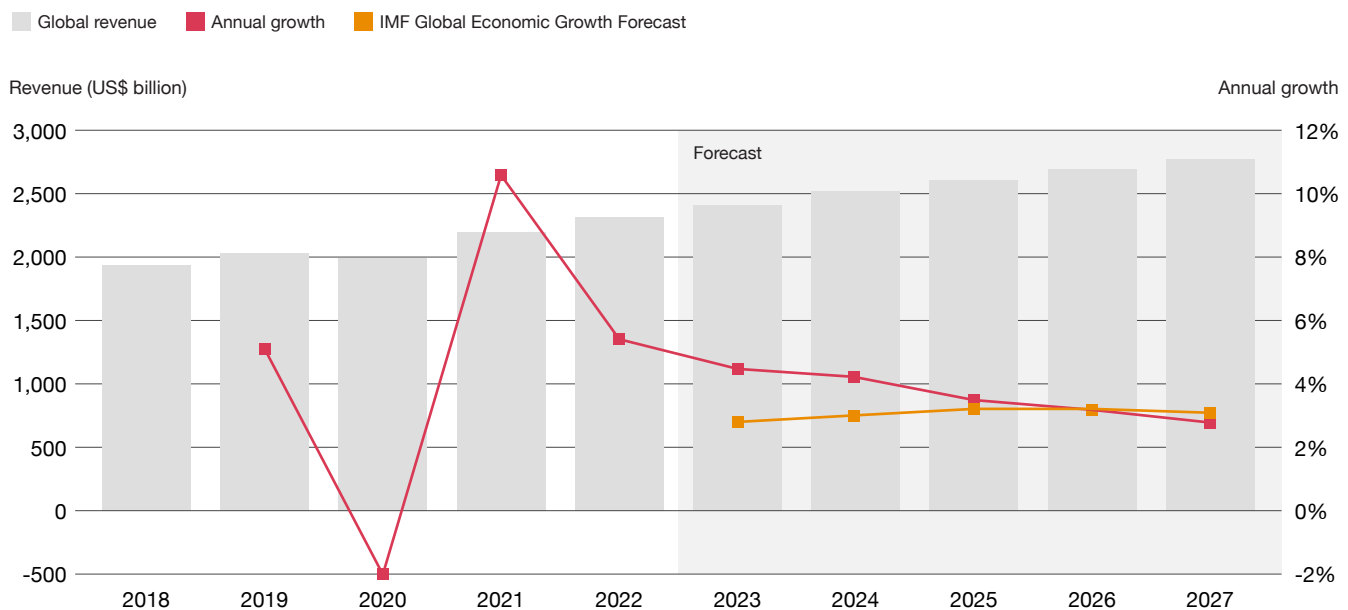
For the entertainment and media industries, 2022 marked an important inflection point.

Total global entertainment and media (E&M) revenue rose 5.4% in 2022, to US\$2.32 trillion. That represents a sharp deceleration from the 10.6% growth rate in 2021, when economies and industries globally were starting to rebound from the upheaval caused by the covid-19 pandemic. And in each of the next five years, the rate of growth will decline sequentially, so that by 2027 revenue will grow just 2.8% from 2026. That's slower than the 3.1% rate of overall economic growth that the International Monetary Fund (IMF) projects for that year.

The slowdown, caused in large measure by sluggish consumer spending, is pushing companies to reset expectations, refocus inward and seek ways to recharge growth. They're doing so by tapping into the many geographical and sectoral hotspots that offer opportunities and by harnessing emerging technology—in particular, by exploring the power of generative AI as an engine of productivity for the creative process.

Growth slowdown

The pace of E&M expansion is set to decline in each of the next five years.



Note: 2022 is the latest available data. 2023–2027 values are forecasts.
Source: PwC's Global Entertainment & Media Outlook 2023–2027, Omdia, IMF

The causes of the slowdown are many. For some key sectors, the surge in revenue and attention that they experienced early in the pandemic ran out of steam. The creation of podcasts, which was among the industry’s major success stories during the pandemic, fell by an estimated 80% between 2020 and 2022.

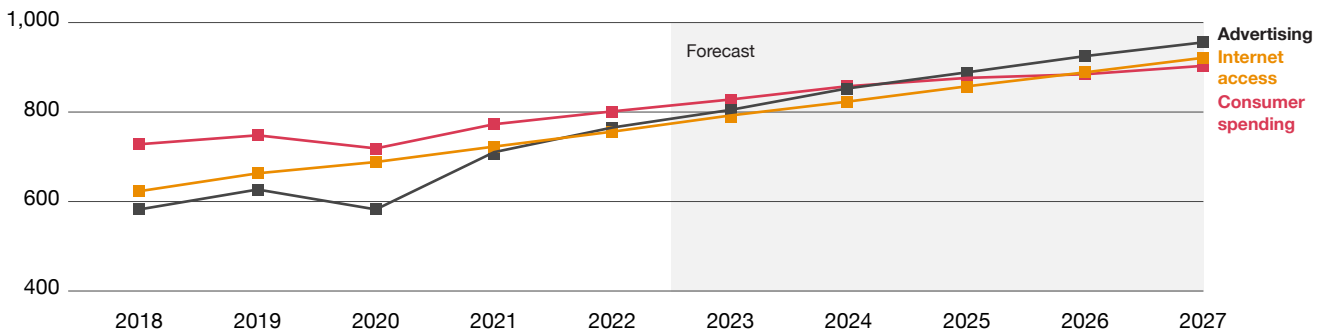
But the main challenge—in 2022 and in the future—is consumer spending. Taxed by inflation, weary from the lingering effects of the pandemic, and facing the uncertainties of war and geopolitical instability, consumers are pulling back. Consumer spending historically has been the largest of the three broad categories the Outlook tracks. But consumer spending on E&M will grow at just a 2.4% CAGR between 2022 and 2027, when it will total US\$903.2 billion.

As e-commerce and time spent on digital platforms grow, companies around the world will be spending significantly more in an effort to reach consumers at the point of purchase and at the point of decision. In 2025, advertising will surpass consumer spending as the largest category; internet ad spending, which grew 8.1% in 2022, is a powerful catalyst for growth. Between 2022 and 2027, global advertising revenue will rise from US\$763.7 billion to US\$952.6 billion, representing a 4.5% CAGR. This trajectory puts advertising on a path toward becoming the first of the three major E&M categories to reach US\$1 trillion in annual revenue. Internet access, the third major category, will surpass consumer spending in 2026.

Approaching a trillion-dollar market

Advertising will surpass consumer spending and internet access in 2025 to become the largest category.

Global E&M revenue (US\$ billion)



Note: 2022 is the latest available data. 2023–2027 values are forecasts.
Source: PwC’s Global Entertainment & Media Outlook 2023–2027, Omdia

As E&M products become more digital and less analogue, the costs of production and distribution are declining. Meanwhile, in a world where content already abounds, competition among providers of digital content and services is increasing. These two trends have brought us to another inflection point. People may be spending more time in digital entertainment and media environments, but it won't cost them more. As a result, consumer spending per capita on E&M will decrease as a share of overall spending, falling from 0.53% of average personal income in 2023 to 0.45% in 2027.

Resetting expectations leads to retrenchment

The declining influence of consumer spending on E&M products and services and the rising influence of advertising are among the key forces changing the imperatives for industry leaders and forcing a broad reassessment and reinvention. In PwC's 26th Annual Global CEO Survey, 40% of E&M CEOs said their current business model would not be viable in ten years. Our data suggests that a sense of urgency for incumbents is warranted.

In 2022, the double whammy of higher interest rates and a sharp decline in stock markets spurred investors—and the executives who respond to the pressure the markets exert—to ask tough questions about business models. Competition for consumers' attention, and the revenue that follows, is heightening, thanks in part to the steady stream of new entrants. In China, the dominant long-form video streaming platforms—iQIYI, Tencent Video and Youku—are facing a growing challenge from the massive popularity of short-form video content accessed on phones, which is pushing traffic to video providers such as Douyin (owned by TikTok owner ByteDance) and Kuaishou.

Around the world, although digital advertising dollars are growing, they're getting spread more thinly, as an ever-wider range of players—including e-commerce sites, video games and streaming platforms—take market share. The estimated share of total global digital advertising revenue claimed by the duopoly of Meta and Alphabet fell for the fifth consecutive year in 2022, dipping below 50% for the first time in recent memory.

In recent years, many leaders in digital companies that grew rapidly during the pandemic pursued aggressive growth strategies. Fuelled by cheap money, they focused on the potential inherent in total addressable markets, hired at will, and spent to acquire as much content and as many customers as possible. Now, amid a broad-based resetting of expectations and a refocus on profitability, margins and capital discipline, the bulls are pulling in their horns.

Meta termed 2023 ‘the year of efficiency.’ With virtually every major player shedding jobs, layoffs in the tech sector topped 168,000 in the first four months of 2023. Netflix has cracked down on password sharing by subscribers. After jumping by 45% between 2021 and 2022 to reach US\$23.2 billion, aggregate content spending by the global streamers—Netflix, Apple TV+, Amazon Prime, Paramount+, Disney+ and Max—is projected to rise to US\$26.5 billion in 2023, an increase of only 14%. Warner Bros. Discovery has cancelled films such as *Batgirl*, and it shut down CNN+ just a few weeks after its launch.

Recharging for growth

Even as they look inward for rationalisation, companies must scan the horizon for growth. In every year of the Outlook’s forecast period, revenues are expected to rise. As is always the case, the increase will be distributed unevenly, with some sectors stagnating while others skyrocket. The Outlook provides a road map to the many hotspots where growth opportunities are compelling. Several are explored in detail below.

Growth hotspot: Advertising

Advertising is in the ascendancy. As noted, advertising is on track to be the first category to approach US\$1 trillion. In the US, the largest traditional TV market, a key inflection point will be reached in 2023, with advertising spending surpassing revenue from cable and other subscriptions. In Australia and the UK, these two lines have already crossed.

A closer look reveals which components are growing most rapidly. Over the next five years, revenue from ad-supported video on demand is set to nearly double. Indeed, the streaming industry has switched from one that promised to liberate its paying subscribers from watching advertising to one that relies on advertising as a core revenue stream. And consumers are increasingly accepting of advertising within streaming products.

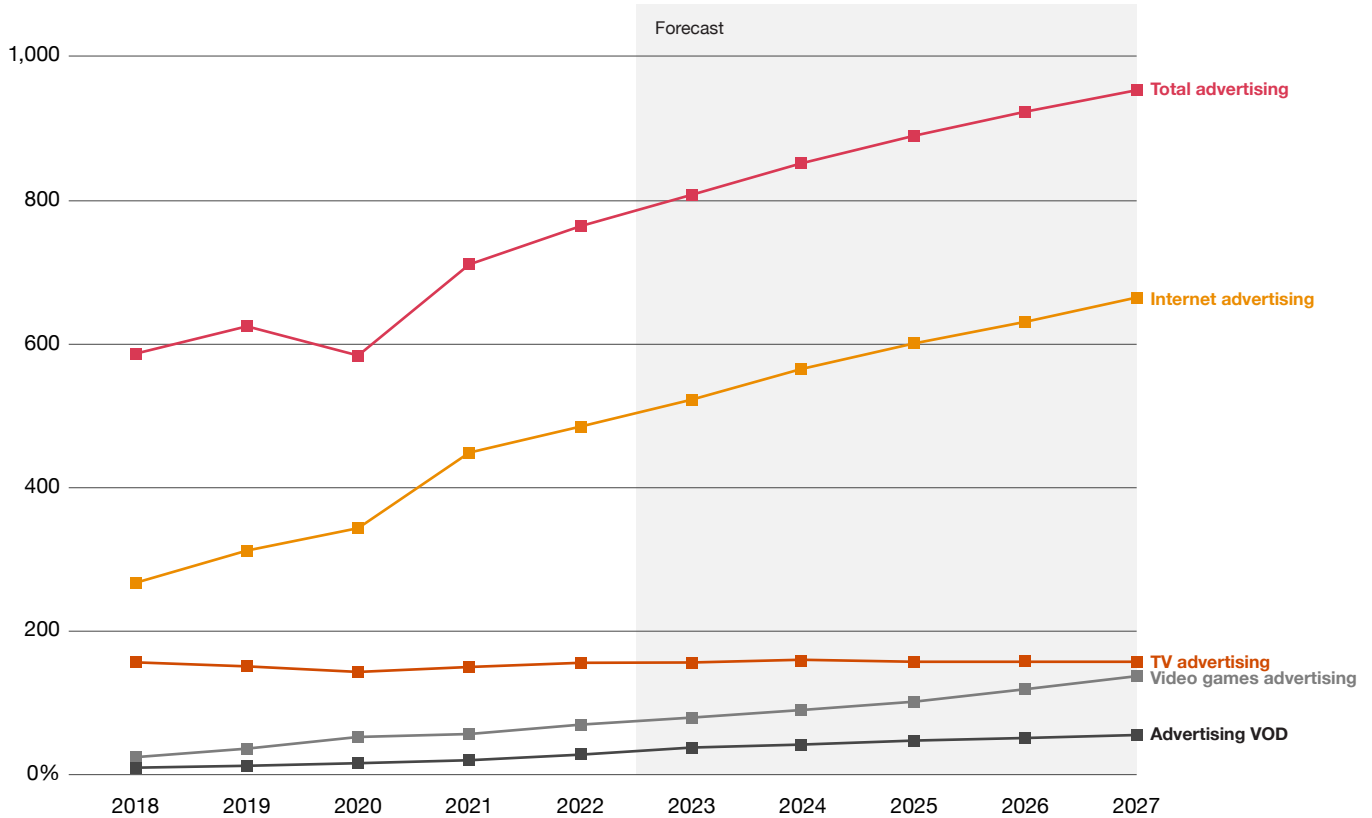
Free, ad-supported streaming TV (FAST) services are digital networks of curated channels that are fully addressable, and therefore perfectly suited to targeted advertising. Pluto TV, now owned by Paramount, was one of the early movers. Device manufacturers such as Roku, Samsung and LG are tapping into the growing market for connected televisions and exploiting streaming channels as a new revenue source alongside their core business. Japanese conglomerate Rakuten operates its own platforms and offers third-party channels. The FAST audience skews younger than those of other online and pay-TV services. According to Omdia, 45% of respondents in a 2022 survey who said they used FAST services in the US were under 35.

Netflix, which eschewed advertising for its first 25 years, in 2022 launched its ad-supported tier at a lower price in certain territories, even as it ratcheted up the price of the ad-free version. In May 2023, Netflix said its ad-tier service had nearly 5 million subscribers. In the UK, free-to-air commercial broadcaster ITV launched its new ITVX streaming service in December 2022, offering viewers a choice between free access to recent and archived shows plus US box sets with advertisements, and a subscription model in which the ad-free stream is supplemented with content from StudioCanal Presents and BritBox.

Digital dollars

As TV advertising stagnates, digital components drive the growth of the advertising market.

Global revenue (US\$ billion)



Note: 2022 is the latest available data. 2023–2027 values are forecasts. Chart does not include smaller advertising sub-sectors.
Source: PwC's Global Entertainment & Media Outlook 2023–2027, Omdia

Growth hotspot: Asia

OTT (over-the-top) streaming, a key driver of growth, is expanding most rapidly in emerging markets, where the combination of large, historically underserved rural populations, the spread of mobile broadband, and strong demand for local and sports content presents major opportunities. In 2022, when Indonesia switched off its analogue terrestrial broadcasting signal, it was estimated that the country had the highest consumption rate of OTT video in Southeast Asia, with nearly one in three Indonesians using streaming services and the number of hours watched growing at a 40% annual rate.

Global giants such as Netflix, Amazon Prime, Disney+ Hotstar and HBO Go compete in the Indonesian streaming market with a thriving community of local and regional players such as WeTV, GoPlay, Mola TV and Vidio. Long-term growth prospects are being boosted by the construction of a subsea cable to make high-speed broadband available across the entire archipelago nation.

As the chart below shows, Indonesia is one of the three Asian countries, along with China and India, that offer the highly desirable combination of existing size and scale, and rapid expected growth in consumer spending and advertising. (The largest market throughout the forecast period will continue to be the US, where revenue will grow from US\$609 billion in 2022 to US\$692 billion in 2027. However, that growth represents a CAGR of only 2.6%.) In China, the second-largest E&M market, total revenue is expected to grow from US\$226 billion to US\$305 billion over the forecast period, an increase at a 6.1% CAGR—more than twice that of the US. China’s growth will be fuelled by a sizeable 9.1% CAGR for internet advertising revenue.

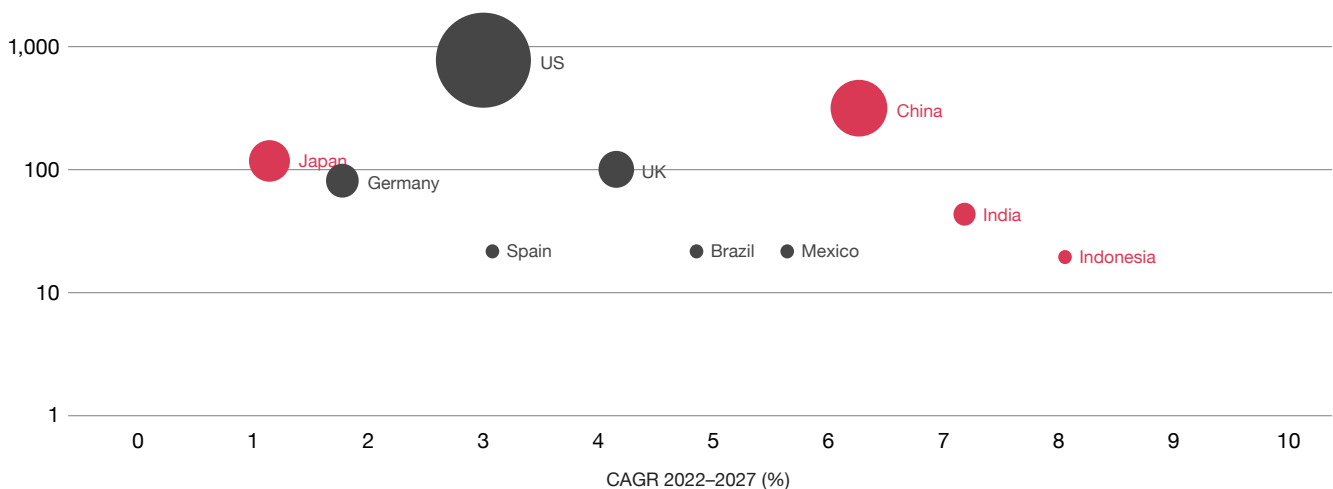
With US\$13 billion in revenue, Indonesia is now the 15th largest market, already rivalling Brazil, Mexico and Spain. Overall revenue is expected to grow at a 7.7% CAGR through 2027.

Global scale and scope

The markets with the best combination of current size and expected growth are in Asia.

Dot size represents revenue in US\$bn

Total E&M revenue 2027 (US\$ billion)



Note: Revenue includes consumer spending and advertising, but not internet access. 2022 is the latest available data. 2023–2027 values are forecasts.
Source: PwC’s Global Entertainment & Media Outlook 2023–2027, Omdia

Growth hotspot: Games

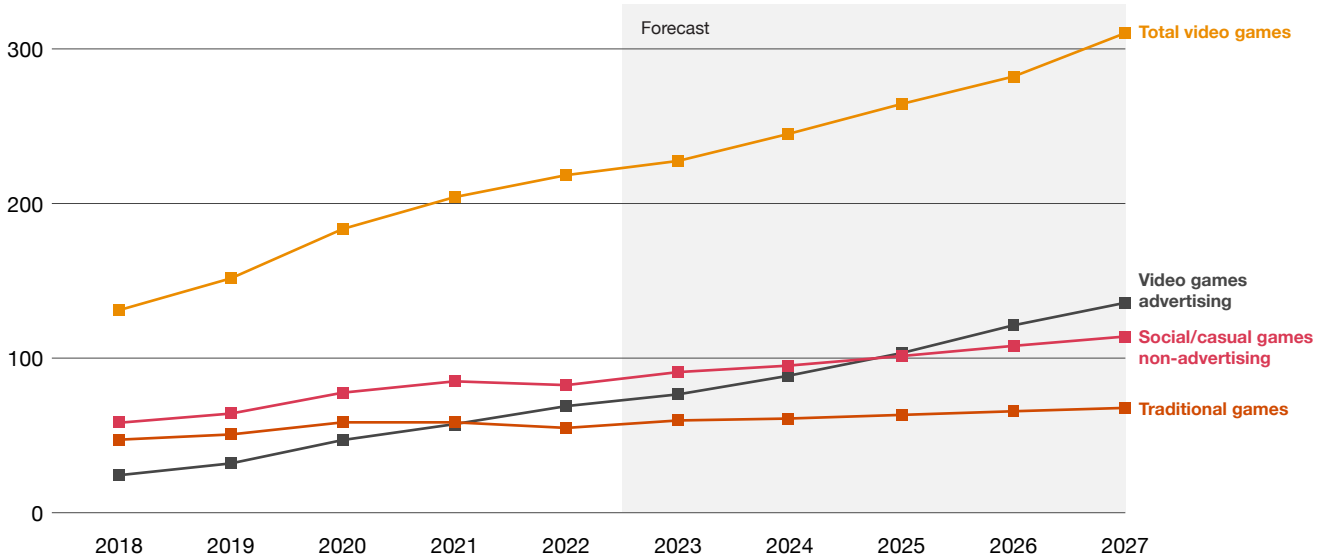
The gaming sector is one of the powerhouses of the global E&M industry. As the ever-expanding sector continues to capture the attention of people in all demographic groups—but especially youth—games are coming into their own as a medium for creativity, consumer spending and advertising.

Total gaming revenue is expected to rise from US\$227 billion in 2023 to US\$312 billion in 2027, representing a 7.9% CAGR. With confidence in the gaming sector rising, advertising revenue is projected to nearly double between 2022 and 2027 and will reach US\$100 billion in 2025.

Serious money in playing games

Gaming has captured the attention of global consumers—and advertisers.

Global revenue (US\$ billion)



Note: 2022 is the latest available data. 2023–2027 values are forecasts. Numbers may not add up to the total shown due to rounding.
Source: PwC's Global Entertainment & Media Outlook 2023–2027, Omdia

In a sign of gaming’s growing centrality to E&M experiences, video games have become key source material for some of the most popular films. Movies based on gaming intellectual property (IP) had a record year at the box office in North America in 2022, thanks to the performance of Paramount’s *Sonic the Hedgehog 2* and Sony’s *Uncharted*. In 2023, *The Super Mario Bros. Movie* became the first film based on games IP to gross more than US\$1 billion at the worldwide box office—and has become one of the 20 highest-grossing films of all time. Netflix has at least five gaming IP movies in the planning or production stage. Meanwhile, *The Last of Us*, a prestigious, critically acclaimed HBO Max series based on the eponymous video game, has further cemented the power of games as assets.

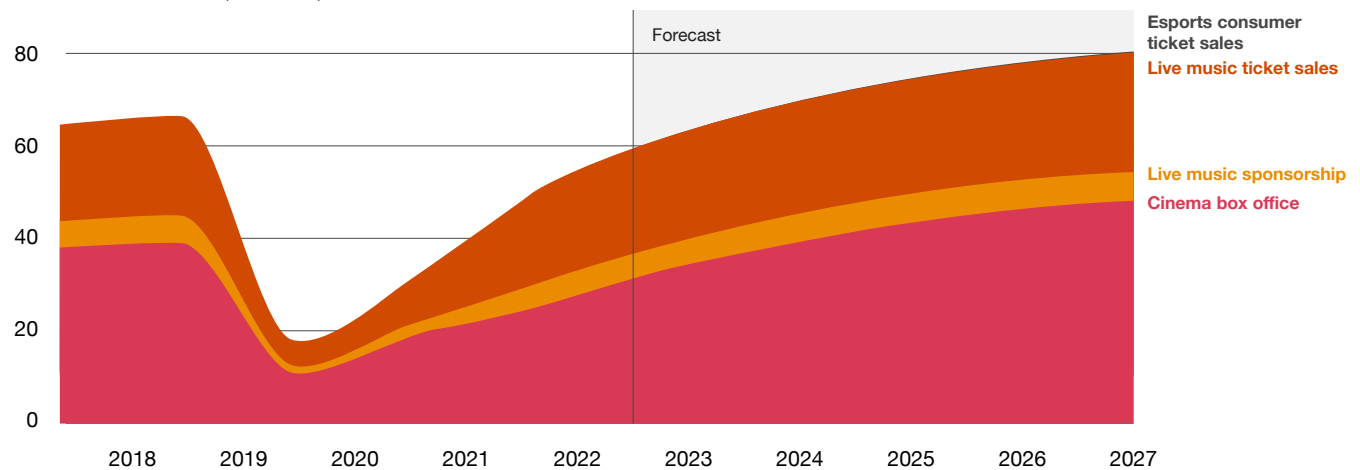
Growth hotspot: All things live

After a prolonged period when the ability to experience E&M in person was sharply curtailed, live sectors have returned to growth and are poised to outperform the E&M industry at large. Taking into account all live event sub-sectors in the consumer space, pre-pandemic levels will be reached in 2024, when revenue will total US\$68.7 billion, up from US\$66.6 billion in 2019. Through 2027, live experience revenue will grow at a 9.6% CAGR, four times the 2.4% CAGR predicted for overall consumer revenue.

Going out is in again

Consumers are eager to return to in-person events of all kinds.

Global live event revenue (US\$ billion)



Note: 2022 is the latest available data. 2023–2027 values are forecasts. Chart does not include smaller advertising subsectors. Source: PwC’s Global Entertainment & Media Outlook 2023–2027, Omdia

Cinema box office revenue will reach pre-pandemic levels by 2025, when it will hit US\$43.0 billion, up from US\$39.4 billion in 2019, as global admissions climb each year. In China, the lifting of pandemic restrictions triggered a huge leap in box office attendance around Chinese New Year in late January. The big winner was Zhang Yimou's historical blockbuster Full River Red, which quickly became the country's top-earning film of the season.

Global esports ticket sales revenue returned to pre-pandemic levels in 2022 after doubling in 2021 and growing by 147.8% in 2022. Dota 2's The International championship, held in October 2022 at two 10,000-plus-capacity venues in Singapore, sold out instantly. Esports consumer ticket sales revenue is among the ten fastest-growing sub-sectors in the E&M industry, with a projected five-year CAGR of 13.8%.

Live music and cultural events revenue will surpass the 2019 pre-pandemic peak this year. April 2023 alone saw events in Tokyo including concerts by Bob Dylan, Eric Clapton and leading local punk band the Starbems. In India, that same month saw the inauguration of the Nita Mukesh Ambani Cultural Centre in Mumbai, a groundbreaking multidisciplinary cultural space. The three-day launch event was attended by major Indian and international superstars, fashion leaders and renowned artists.

The ability of live events—especially sports—to garner huge viewing audiences is also a key source of growth. In the buoyant Indonesian OTT marketplace, local streaming provider Vidio competes with the global giants by offering premium sports content such as English Premier League soccer. In 2022, Vidio was the country's fastest-growing streaming service, with about 60 million active users per month. In Brazil, Globo's SporTV has become the country's most watched pay-TV channel, thanks to its diverse slate of live sports. In October 2022, SporTV regained the right to broadcast NBA games through a sub-licencing deal with Budweiser, holder of a package of Brazilian NBA media rights.

The new growth engine: Technology

Entertainment and media is the ultimate human-led, tech-powered industry. For years, the discussion on technology in the industry focused on the shift from analogue to digital, and from fixed to wireless. The metaverse, last year's hot topic, has passed through the hype cycle and is entering a new phase. Representing the unflattening of the internet, as PwC specialist Alexandra Rühl puts it, the metaverse is gaining strength not as a new social network but as a richer, more immersive digital platform for gaming, entertainment, work and commerce.

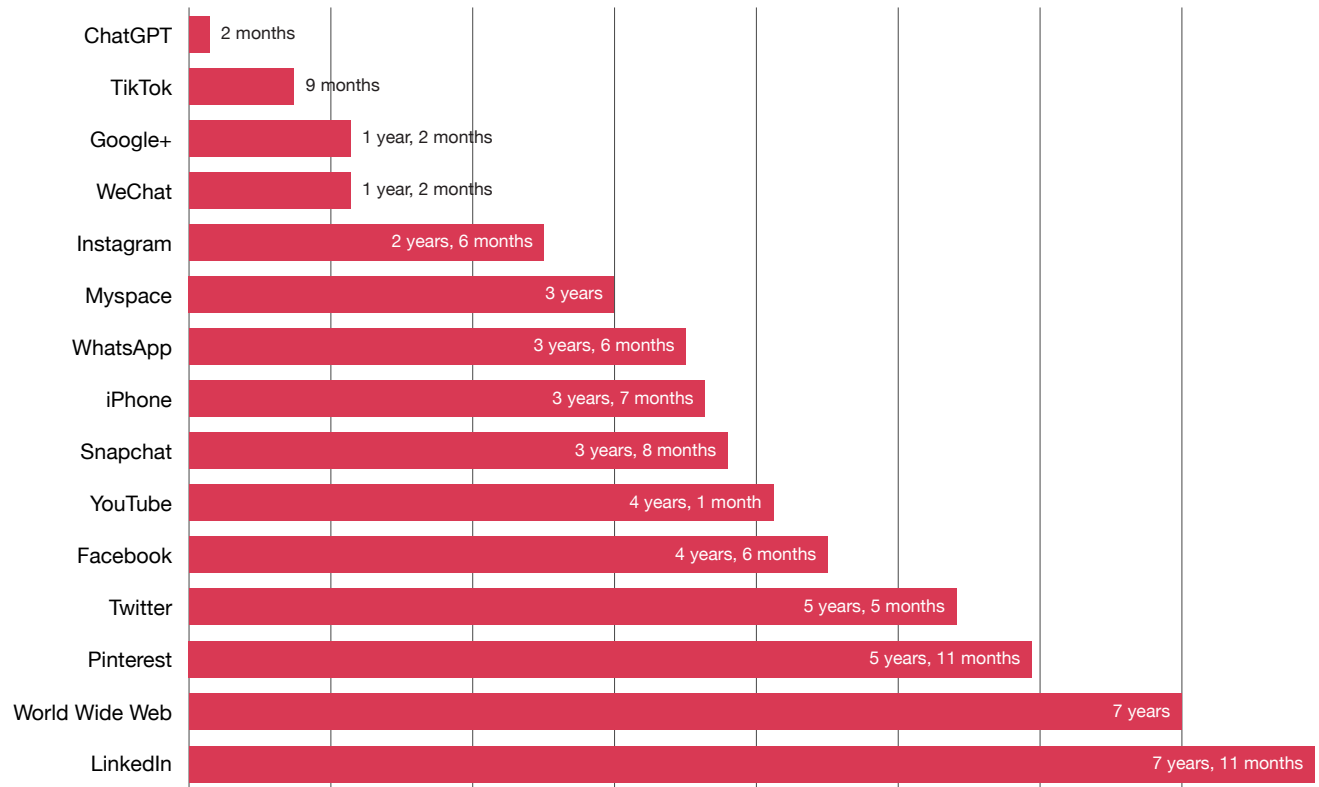
The story now, and the potential for growth, lies in the convergence of existing and emerging technologies—most notably AI, and specifically generative AI. We're all familiar with personalised recommendation algorithms on platforms such as Spotify and Netflix, and the use of AI in internet search and advertising delivery. But looking ahead, the future is arriving very quickly.

Generative AI refers to the use of neural networks, advanced deep-learning models and other AI technologies to produce, or generate, novel synthetic outputs—including limericks, screenplays and memos. The new wave of generative AI was driven by an upstart. OpenAI's ChatGPT, backed by Microsoft and launched in November 2022, brought generative AI to the masses and rocketed to 100 million users globally within two months. It was quickly joined in the market by Google's Bard. And big tech companies like Meta, Nvidia and Baidu are helping to drive growth in the AI sector.

Scaling faster than ever before

Consumers are adopting the AI tool ChatGPT at an unprecedented pace.

Time to reach 100 million customers



Source: PwC analysis

Generative AI is seemingly tailor-made for the increasingly digital E&M industry. It can boost productivity by automating tasks and workflows, particularly for more mundane or labour-intensive routines (such as editing), giving people more time to spend on higher-value activities. Use cases include automated generation of many types of content, virtual production with cloud support, and intelligent chatbots acting as frontline customer service representatives for consumer-facing businesses such as cable companies.

Generative AI is already enabling companies and individuals to think differently about how to create content. Experience shows that generative AI can dramatically increase the capability, speed and volume of content production—for example, by simultaneously creating scripts,

voiceover, translations and images to create a video, or entire gaming worlds, at a fraction of the cost and time taken in the past. The explosion in AI-powered songwriting—the sheer scale of which has prompted action from Spotify—or the rapid emergence of AI-generated artworks further highlight the potential.

Companies are increasingly looking to harness AI in digital advertising. Recent examples include Nike’s 50th anniversary ‘Never Done Evolving’ campaign, featuring Serena Williams playing against herself throughout her career. In India, AI is enabling brands to reach across the country’s many languages and regions with generic templates that can be adapted and customised to different geographies with local messaging.

E&M will be on the front line as the usage and sophistication of generative AI grow in the years ahead. Because of the speed at which it iterates and develops, generative AI poses fundamental challenges to business models but also raises issues surrounding privacy, intellectual property, security and data privacy, environmental harm, and ethics. The high-quality text and visual outputs produced by generative AI could undermine the role and livelihood of traditional artists and writers—concerns raised by Hollywood writers, who went out on strike in the spring of 2023—or tap into original content without acknowledging sources or copyright. Generative AI outputs can also be inconsistent or inaccurate, or compromise data privacy, which highlights the importance of having a Responsible AI framework.

Deals activity dips

The past year has been a relatively subdued period for deals in entertainment and media globally. In 2021 and 2022, several special-purpose acquisition companies, which raise cash via initial public offerings and use the money to acquire private companies, brought media players such as BuzzFeed and Anghami into the public markets. That bubble has burst, and venture capital activity has shrunk as deflated public markets tank private-market valuations. Higher interest rates have also reduced companies’ ability to complete leveraged transactions. One deal punctuates this dynamic: Vice, the high-flying, venture-backed

multimedia start-up that was once valued at US\$5.7 billion, filed for bankruptcy and was sold at a knockdown price of US\$225 million in May 2023.

Contrast that with one of the larger deals of 2023: Microsoft's follow-on investment in ChatGPT developer OpenAI in January. An extension of the partnership between the companies, the deal, reported to be worth US\$10 billion, underlines the importance of AI as a driver of future growth.

The need to build efficiency and scale continues to be a powerful motivator for deals. The US\$43 billion Warner Bros.–Discovery merger, completed in April 2022, has been followed by a series of efforts to restructure, reposition and refocus for growth. The combined company has rebranded its core streaming offering as Max. In May 2023, Warner Bros. Discovery announced that its streaming business will reach profitability a year ahead of schedule.

Deals continue to be a means of gaining scale. In February 2023, the Competition Commission of India conditionally approved the US\$10 billion merger between Zee Entertainment and Sony Pictures Entertainment, opening the way to the creation of one of India's largest conglomerates, spanning television channels, digital platforms and content production. In Japan, the biggest entertainment and media deal of the past year was the merger of video streaming company U-Next and Premium Platform Japan, operator of OTT platform Paravi. Announced in February 2023, the deal will create a combined business with more than 3.7 million paying subscribers, representing a stronger base to compete with the global OTT giants.

There's one megadeal still pending, which also highlights the vector of growth that gaming represents. Microsoft's proposed US\$68.7 billion acquisition of Activision Blizzard, announced in January 2022, would unite a software company and a gaming company and represent Microsoft's play to create a metaverse using Activision Blizzard's capabilities. At the time of writing, competition regulators in the EU have cleared the transaction, while their counterparts in the UK and the US are still blocking it; in the UK, the primary concern is the implications for the cloud gaming market, and in the US, the focus is on consoles.

Reconciling personalisation and privacy, regulation and geopolitics

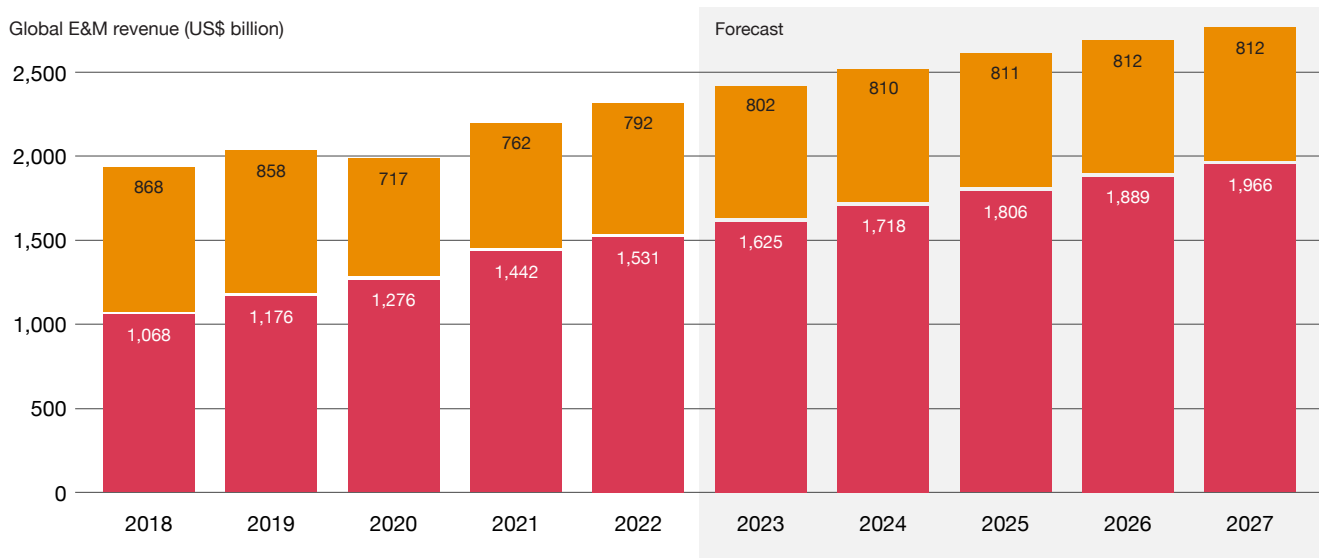
As governments worldwide grapple with the implications of new and powerful technologies whose impacts are uncertain and evolving, we've seen efforts to contain, constrain and even ban new products and services. The efforts to regulate—and self-regulate—digital businesses and algorithms take on a greater importance as the E&M industry grows ever more reliant on digital products and services.

The tracking changes introduced by Apple in 2021, which gave users the ability to opt out of data collection by apps, had an impact on the ad revenue of major players such as Facebook. But the much-anticipated death of the cookie has been delayed once again, with Google announcing in July 2022 that its Chrome browser would continue to support third-party cookies until 2024.

Digital dominance

Virtually all the growth in E&M revenue will come from digital products and services.

■ Digital ■ Non-digital



Note: 2022 is the latest available data. 2023–2027 values are forecasts.
Source: PwC's Global Entertainment & Media Outlook 2023–2027, Omdia

In a world where tracking is more difficult, the key will be to reach people at the point of decision rather than the point of purchase. And so the race is on to find ways to offer consumers personalised and targeted advertising, messaging and content while allowing them to remain anonymous. Much of the activity has focused on setting up clean rooms: secure data-storage and processing environments where users' personally identifiable information is effectively anonymised. The result is a cookie-free way of personalising advertising while still meeting the EU's General Data Protection Regulation (GDPR) requirement that consumers' data can't be shared without their consent.

A number of other techniques to anonymise users are also being employed, especially by direct-to-consumer businesses that have access to a deep pool of first-party data. These techniques include data masking, which involves hiding or altering some data elements so they can't be reverse-engineered; data generalisation, which takes a higher-level view of datasets; and data pseudonymisation, which replaces some elements—email addresses, say—with different identifiers.

Regulatory escalation

With GDPR continuing to influence data privacy regimes worldwide, the EU has updated its rules on digital services with the new Digital Services Act and Digital Markets Act. Both acts came into force in late 2022, aiming to foster the EU's digital sovereignty and ensure safe, fair and open digital services. Meanwhile, the US is continuing to move towards its own version of GDPR, the American Data Privacy and Protection Act. If enacted, it will be the first comprehensive federal privacy law in the US, granting consumers more control over their personal data and its commercial use. In Australia, the Government is proposing a modernisation of the country's Privacy Act, including giving people the right to opt out of targeted ads, sue for privacy breaches and have their personal data erased.

AI has quickly emerged as the next frontier for digital regulation. Italy's data protection authority imposed a temporary ban on ChatGPT in April 2023. And the EU Parliament is currently working on the AI Act, which represents the EU's first significant effort to place guard rails around the rapidly growing technology.

Geopolitics is also shaping regulatory interventions. Proposed clampdowns on TikTok have gained momentum in the US and some other Western territories, prompted by security fears over the Chinese Government having access to users' data. In May 2023, Montana became the first US state to announce an outright ban on TikTok use.

The relatively restrictive regulatory environment in China has generally been moving the other way in several respects over the past year. In March 2023, the Government appeared to soften the effective ban on Korean artists, including K-pop stars, performing in the country, saying it would once again start to accept applications for foreign commercial performances. The Government, having banned new game licences between July 2021 and April 2022, issued more than 200 licence approvals for game developers in December 2022 and January 2023, including some for market leader Tencent. Also in January 2023, the Government signalled the lifting of an effective four-year ban on Marvel movies, when it allowed *Black Panther: Wakanda Forever* to be launched at the box office in early February.

Conclusion: The creative imperative

As we look ahead, it's important to keep an eye on the big picture. In the coming years, there will be more inflection points beyond the continued rise of advertising and the growth of digital. A tipping point will be reached in 2025, when global 5G penetration will surpass that of 4G.

But in a period of muted top-line growth, companies have to continue to reassess and refocus if they're to avoid further retrenchment. While participants in these markets have always had to be nimble and resilient to changes, the stakes are rising. As we look ahead, evolving consumer behaviour, a shifting regulatory environment and disruptions posed by new technologies will create new tensions and open up new possibilities. Will data protection efforts put a brake on the efforts to use AI to personalise advertising? Will new virtual reality (VR) developments set the stage for rapid growth in that sector? Will highly wired smart stadiums provide a new platform for combining the potential of in-person events and digital services?

Whatever pathways open up, the imperative will be to lean into innovative thinking. The entertainment and media industry has always been, at root, a creative endeavour. But now, that creativity must be extended into multiple dimensions, and must be harnessed to a purpose. In the coming years, armed with powerful technology, leaders will have to be more creative about how they create, distribute and monetise products and services. They'll have to think hard about how to generate and measure returns on the substantial investments they are making. And they'll have to be creative about how they pursue and generate growth.

Methodology and definitions

Historical data collection

All the forecasts have been built by starting with the collection of historical data from a variety of sources. A baseline of accurate and comprehensive historic data is collected in the first instance from publicly available information including from trade associations and government agencies. When this data is used directly, these sources are cited accordingly. In addition to this, interviews with relevant associations, regulators and leading players have been conducted to gather insights and estimates not available in the public domain. When this information is collected, it is used as part of the calculations and the sources are proprietary.

Forecasting methods

All forecasts are prepared as part of a collaborative, integrated process involving both quantitative and qualitative analysis. The forecasts are the result of a rigorous process of scoping, market mapping, data collection, statistical modelling and validation. All data, charts and graphs, unless stated otherwise, in this publication are taken from the Global Entertainment & Media Outlook 2023–2027.

Definitions

The Global Entertainment & Media Outlook is a comprehensive source of global analyses and five-year forecast of consumer and advertising spending. It covers 13 sectors in 53 territories.

The sector categories for 2023 are as follows:

- Business-to-business
- Cinema
- Internet access and data consumption
- Internet advertising
- Metaverse
- Music, radio and podcasts
- Newspapers, consumer magazines and books
- NFTs
- Out-of-home advertising
- Over-the-top video
- Traditional TV
- Video games and esports
- Virtual reality and augmented reality

A total of 53 territories are represented within the Outlook spread across North America, Western Europe, Central Europe, Middle East & Africa, Latin America and Asia Pacific. The Rest of MENA grouping is treated as a country and comprises Algeria, Bahrain, Jordan, Kuwait, Lebanon, Morocco, Oman and Qatar. These territories account for around 80% of the global population and the sum of all territories generates the 'Global' estimate.

We are adding a new product this year, the Global Telecoms Outlook. This contains all of the existing Internet access and data consumption metrics, as well as new coverage areas such as telco capital expenditure, mobile annual revenue per user, and information on spectrum ownership for all 53 territories. These additional revenue components, however, are distinct from the other segments covered in the Outlook and are not included in global totals.

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