



# ***Entertainment, media and sport in 2025: key trends and challenges***

THE SESSION WILL START SHORTLY



# ***Katie Butcher***

SENIOR MANAGER, STRATEGY&



# Global Entertainment & Media Outlook 2024

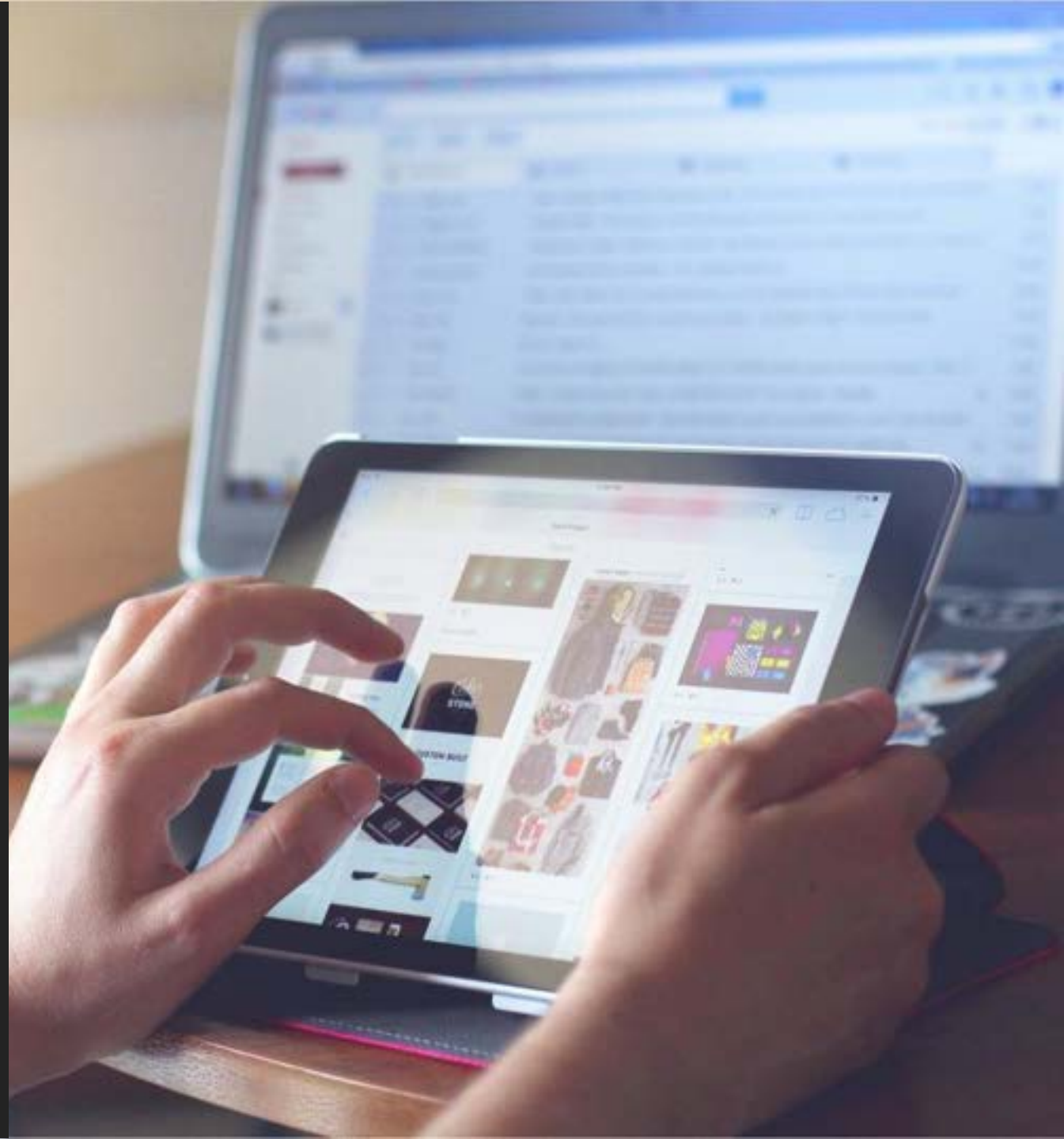
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At its core, Media is a highly creative industry, which is now turbo-charged with the latest technology. It is at the centre of consumers' day to day lives, and businesses depend on its reach and engagement. Media can inspire, charm, entertain, excite, reassure, educate, amplify, advocate and much more. It has become a highly diverse ecosystem with innovative companies pushing the boundaries. Our report covers the outlook for the next 5 years... we will almost certainly be wrong...

# Contents

- 1 Introduction and context
- 2 Overall outlook and key themes
- 3 Latest macroeconomic perspectives
- 4 Performance by media sub-sector



# 1

## Introduction and context

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# Introductions

With you today:



**Katie Butcher** Media & Entertainment Specialist, Strategy&

We work extensively across the Media sector

## Marketing services



## AdTech and MarTech



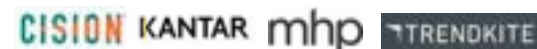
## Online marketplaces



## Ecommerce solutions



## PR, Comms & Research



## Industry research & awards



## Film/ TV/ OTT



## VFX



## Video Games



## OOH



## Music



## Consumer publishing



# PwC's Global Entertainment & Media Outlook covers 12 industry segments, across 54 territories



**Business-to-Business**



**Cinema**



**Internet advertising**



**VR and AR**



**Music, radio and podcasts**



**Newspaper, consumer magazines & books**



**Internet access (service revenue)**



**OTT video**



**Out-of-home**



**Traditional TV**



**Video games and esports**



**Marketing services**

Territories included											
Argentina	Brazil	Canada	Denm	Greece	Ireland	Mainland China	Nigeria	Poland	Singapore	Switzerland	UK
Australia	Chile	Colom bia	ark	Hong Kong	Israel	Malaysia	Norway	Portugal Rest	South Africa	Taiwan	Ukraine
Austria	Czech Republic	Egypt		Hungary	Italy	Mexico	Pakistan	of MENA1	South Korea	Thailand	US
Azerbaijan			Finland	India	Japan	Netherlands	Peru	Rom ania	Spain	Turkey	Uzbekistan
Belgium			France	Indonesia	Kenya	New Zealand	Philippines	Saudi Arabia	Sweden	UAE	

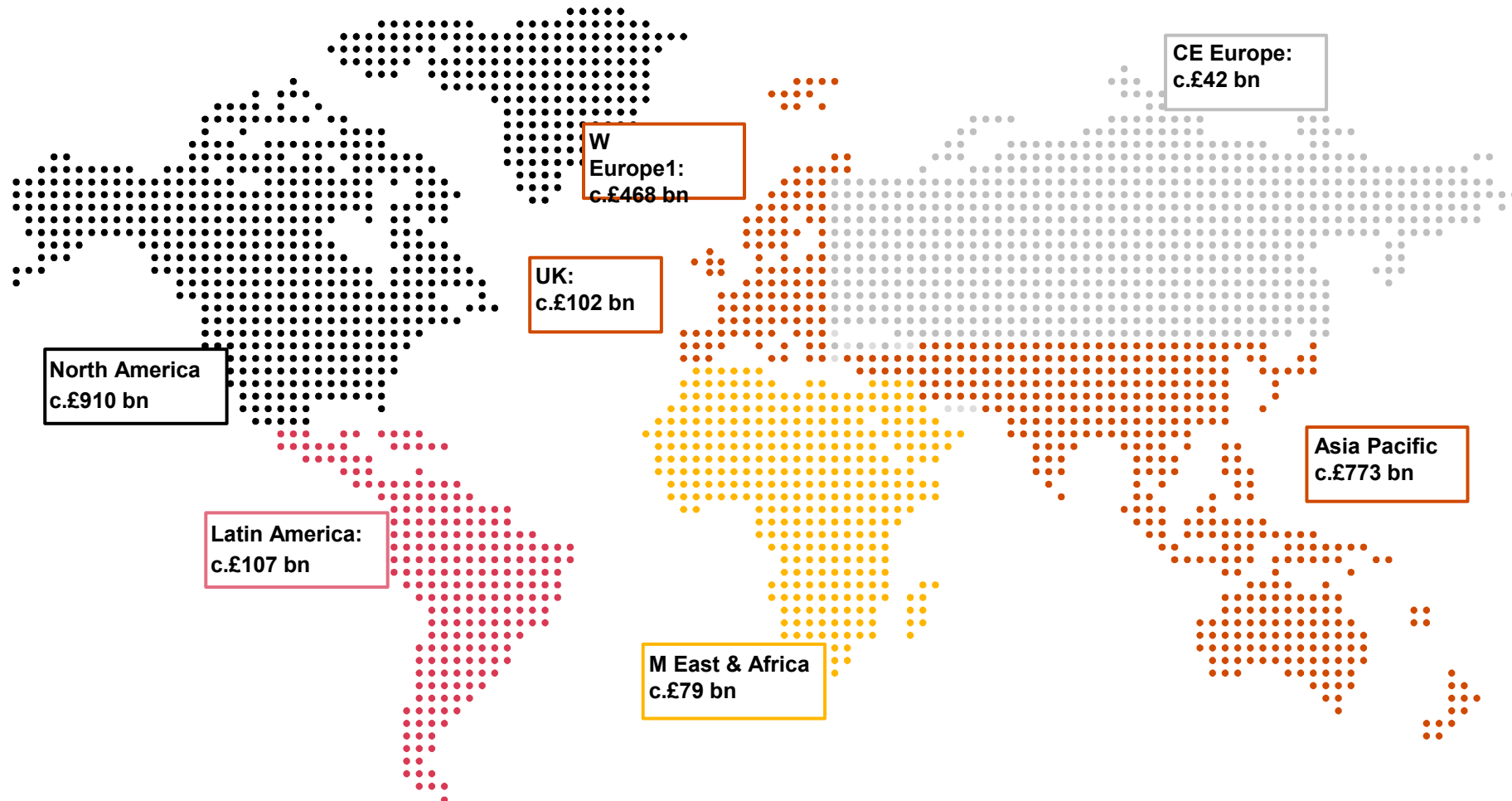
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# Global E&M spend currently sits at c.£2.4tn globally

## Global spend on entertainment and media<sup>1</sup>

£bn, 2024

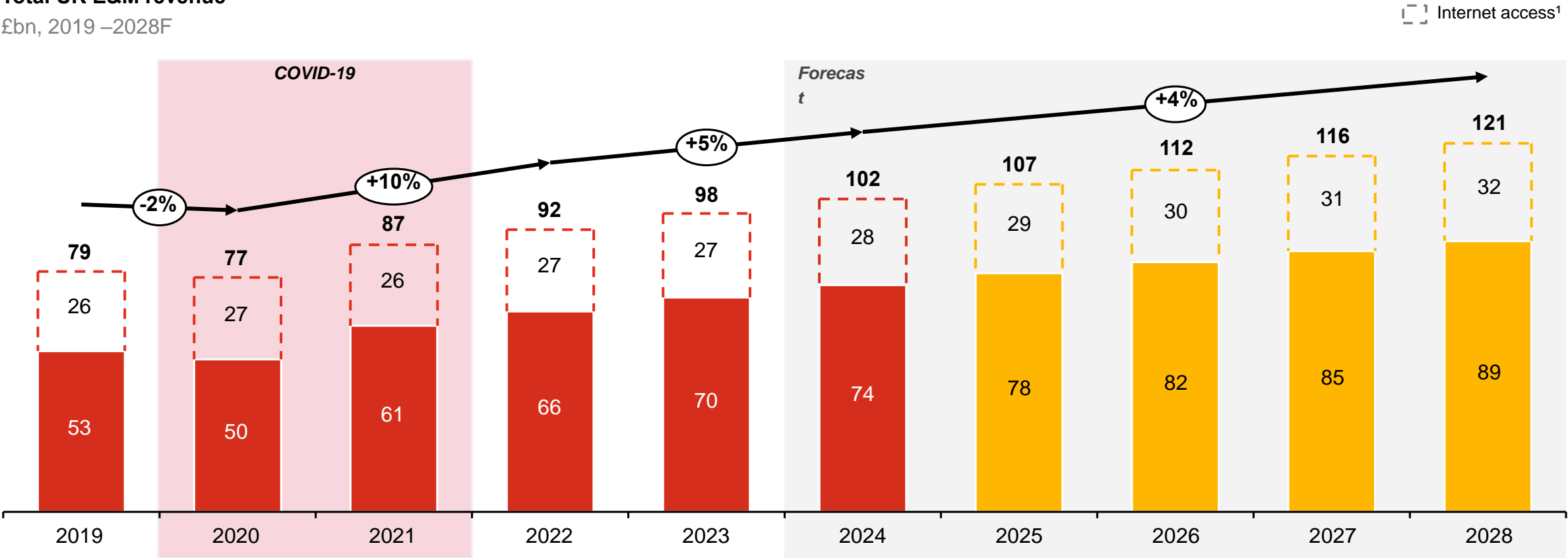


Notes: 1) Includes UK

Source: PwC Global Entertainment & Media Outlook 2024-2028

# We forecast the UK E&M market to grow at c.4% p.a. to 2028

Total UK E&M revenue  
£bn, 2019 –2028F



**Important  
note:**

The GEMO report was compiled during Spring 2024, before being published in July 2024. As such, it does not factor in all of the latest market and economic data. We continue to build local, up-to-date perspectives on key market forecasts, which we can discuss with you

# 2

## Key themes shaping the E&M industry

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# There's a lot happening in the wider market

The Drum | May, 2024

Meta introduces new AI-generated image and text features for advertisers

CNN | April, 2024

Netflix has cracked down on password sharing. The result? Millions of new subscribers

BBC | May, 2024

Taylor Swift Eras Tour worth £1bn to UK economy, says Barclays

Forbes | July, 2024

Warner Bros. Discovery Sues NBA Over Amazon deal

The New York Times | July, 2024

Justice Dept. Defends TikTok Law That Forces App's Sale or Ban

BBC | June, 2024

Apple in breach of law on App Store, says EU

BBC | August, 2024

Google's online search monopoly is illegal, US judge rules

CNBC | July, 2024

Google cancels plans to kill off cookies for advertisers



# The pace of change is unprecedented, with media companies facing a number of new challenges...

The media industry is exposed to fast-paced megatrends shaping our economic and social environment...



Politics

*Elections, regulations, policies*



Technology

*AI explosion, power of data*



Audiences

*Generations, geos, attitudes*



Talent

*Changing workforce, new skills*

...The pace of change is unprecedented, driving a bifurcation in performance across the media industry



Financial

*Range of performance... High growth vs. declines  
Varying profitability  
Share price volatility*



Market shares

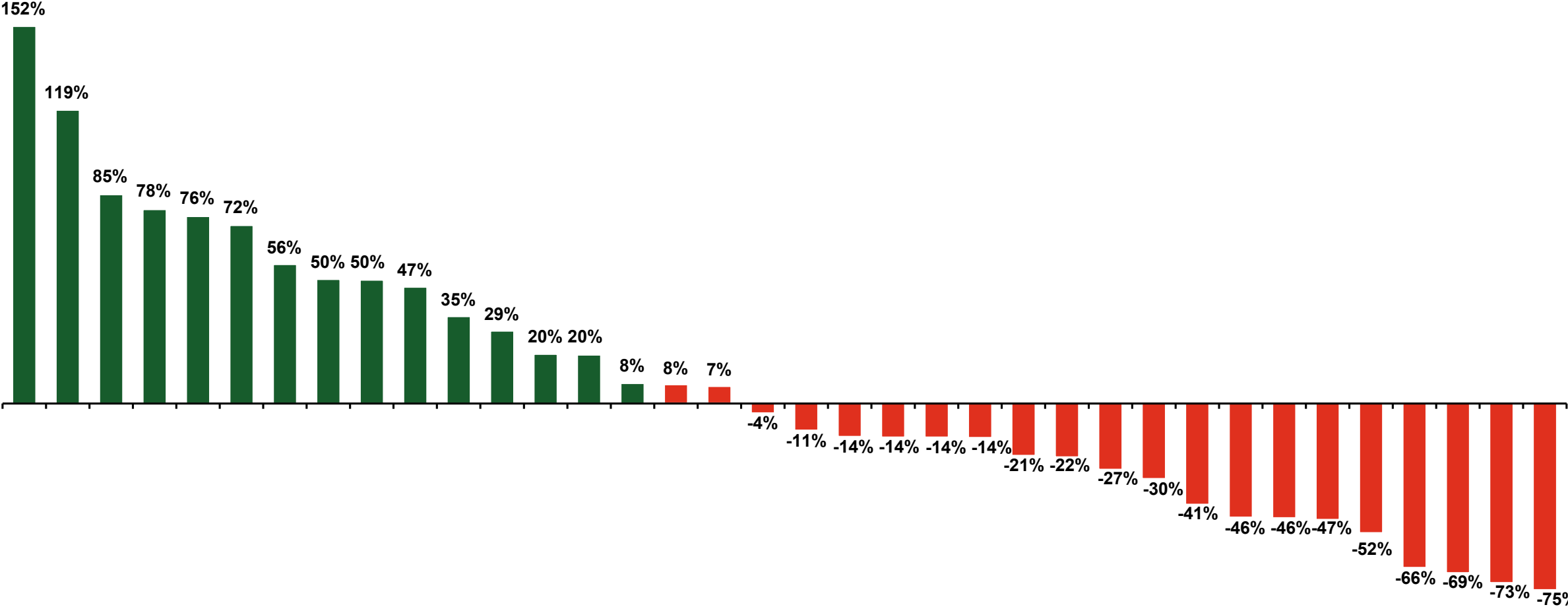
*Battle for leading positions...  
Winner takes all vs. multi winners  
Innovations and pivots  
Partnering to survive/win*



...while many have been able to ride these tailwinds or adapted successfully, others have faced more difficulty








Percentage change in market cap of largest publicly traded entertainment media companies

%, 31/12/2020 –27/11/2024



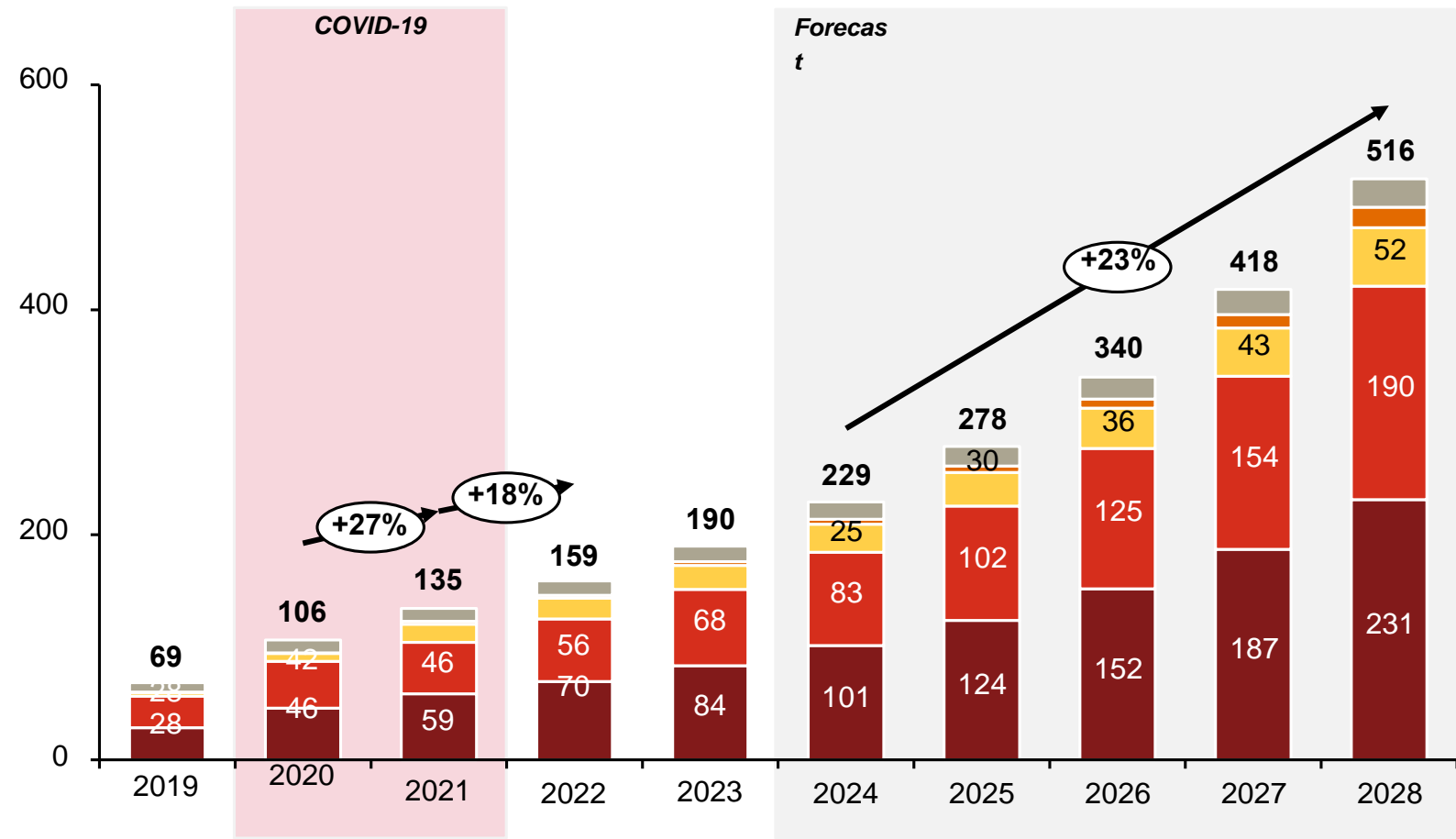
# Business model reinventions are underway, with media companies needing to act fast to capture new opportunities

Business Model Reinvention will be a critical ingredient for the next 5 years

 <p>Short-form video content</p>	 <p>Production value chain</p>	 <p>Monetising through ads</p>	 <p>New audiences to target</p>	 <p>First party data strategy</p>	 <p>Hybrid engagement</p>	 <p>Move at pace via M&amp;A</p>
<p>Engaging short-form video Immersive gaming experiences</p>	<p>Using AI to accelerate Reinvent processes</p>	<p>IP monetisation and Expanded monetisation models</p>	<p>Emerging geos (India, ME, Indo) GenZ/A and new preferences</p>	<p>Pivoting away from 3PC Single view of your customers</p>	<p>Meet consumers where they are Re-engaging in real world</p>	<p>Opportunity at M&amp;A returns Buy vs. build strategies</p>

# Video consumption (esp. short form) continues to outpace other forms of media and entertainment

Total UK data consumption, split by category  
EB, 2019 –2028F

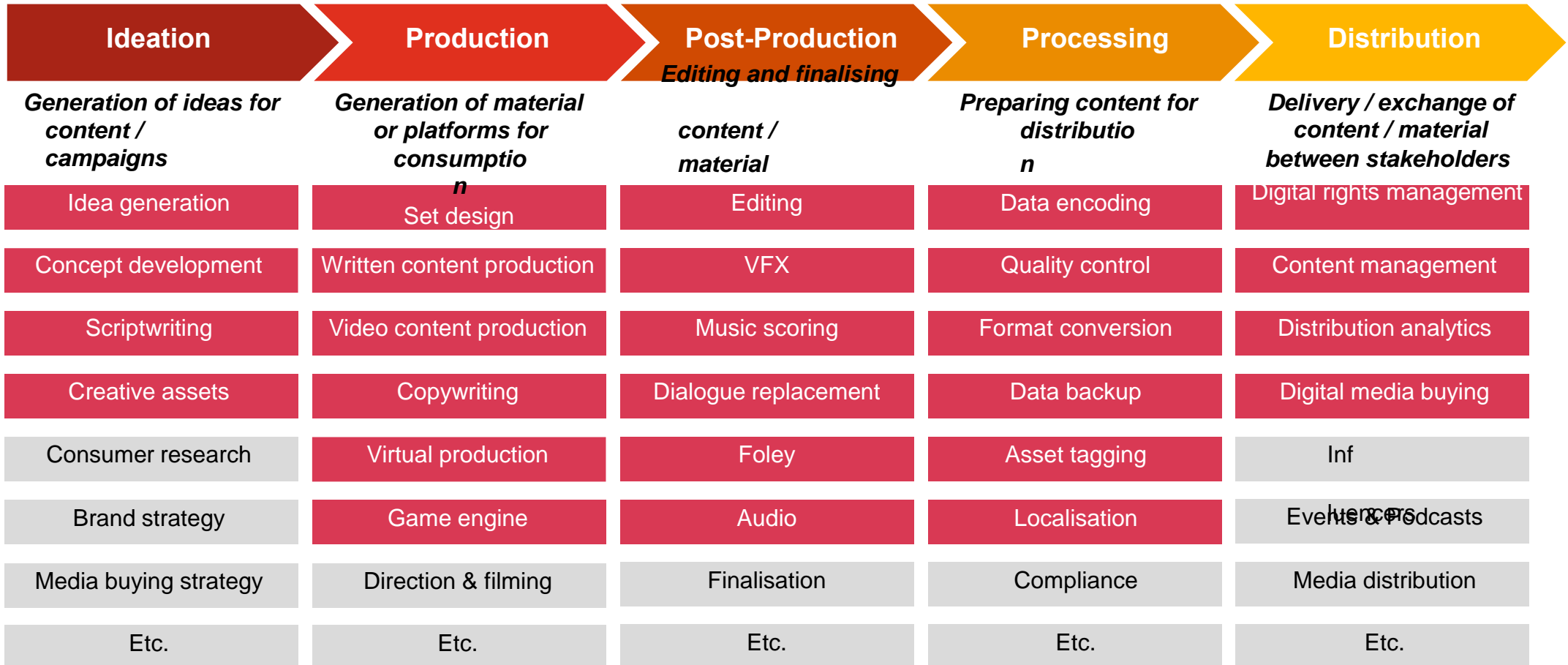


	CAGR 24-28
Total	23%
Other	13%
Virtual reality	44%
Gaming	20%
Social video	23%
Streaming	23%

# Content production value chains will need to embrace AI to accelerate timelines and reinvent processes

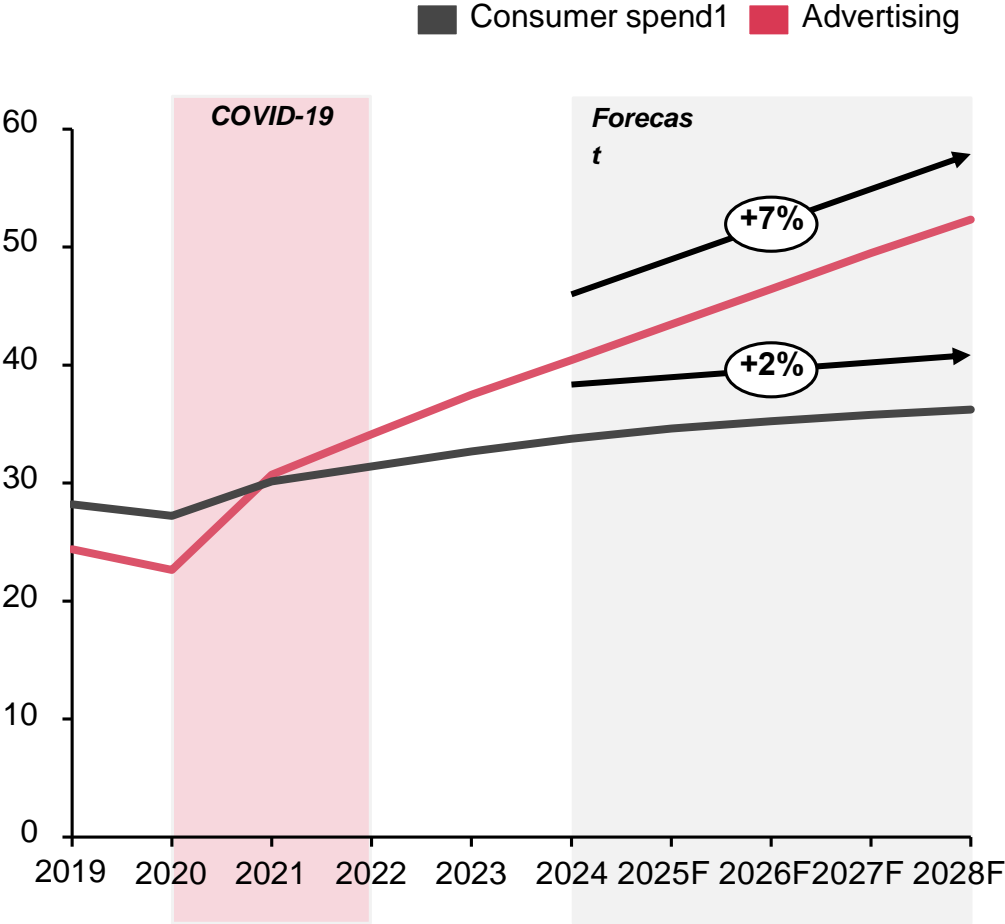


Potential  
use cases  
for AI

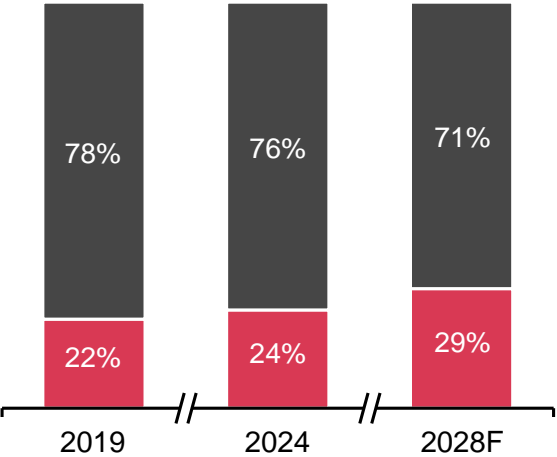


# Whilst consumers remain finance constrained, advertising funded models are rapidly gaining traction among IP owners

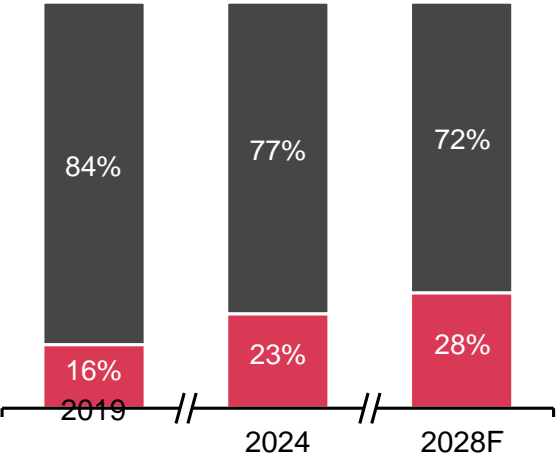
UK E&M revenues, advertising vs. non-advertising<sup>1</sup>  
£bn, 2019 –2028F



UK streaming revenues  
%, 2019 –2028F



UK video games revenues  
%, 2019 –2028F



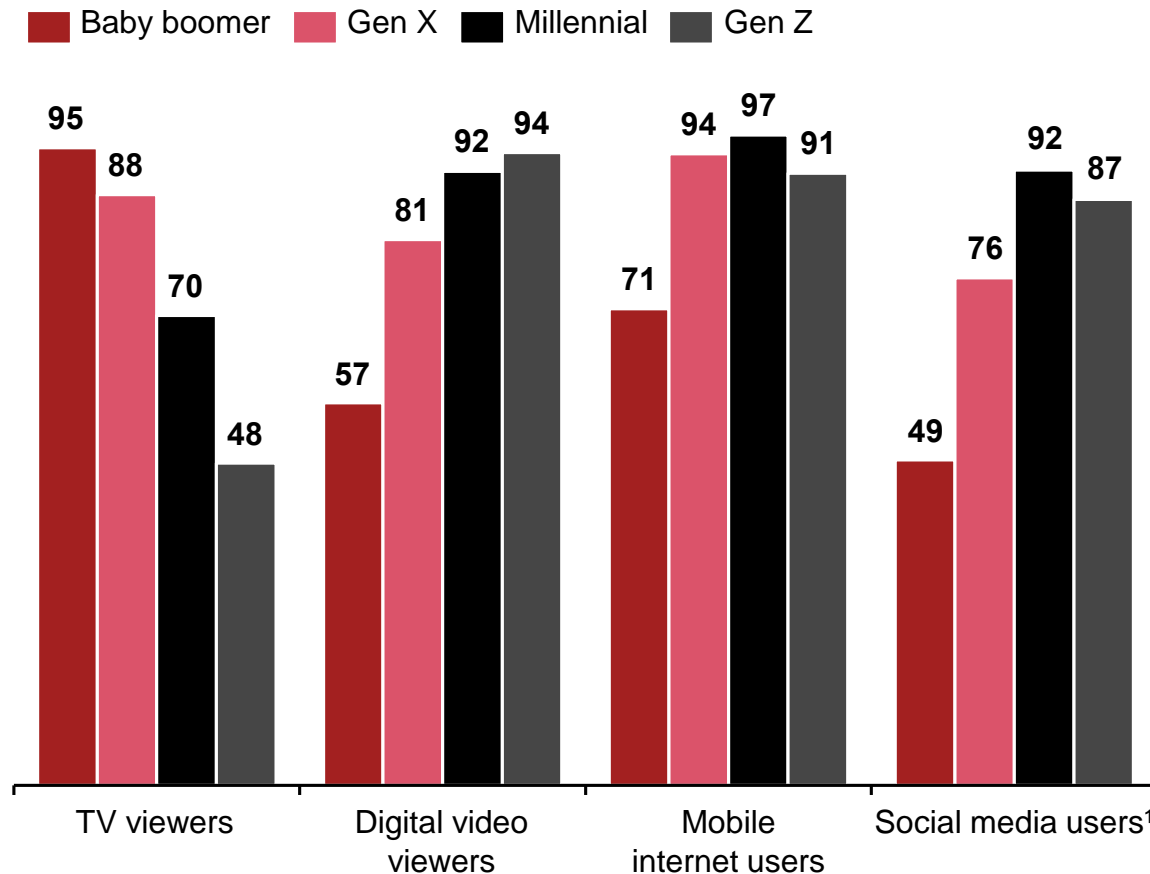
Plan Features	Basic with Ads	Basic	Standard	Premium
Monthly Price (USD)	\$5.99	\$9.99	\$15.49	\$19.99
Resolution	720p HD	720p HD	1080p HD	4K+HDR
Watch on Your Laptop, TV, Phone, and Tablet	✓	✓	✓	✓
Easy Change or Cancel	✓	✓	✓	✓
Downloads	✓	✓	✓	✓
Ads	✓			



# Media companies need to think how they engage with new audiences (Gen Z/A) and high growth regions (e.g. LATAM and S/SE Asia)

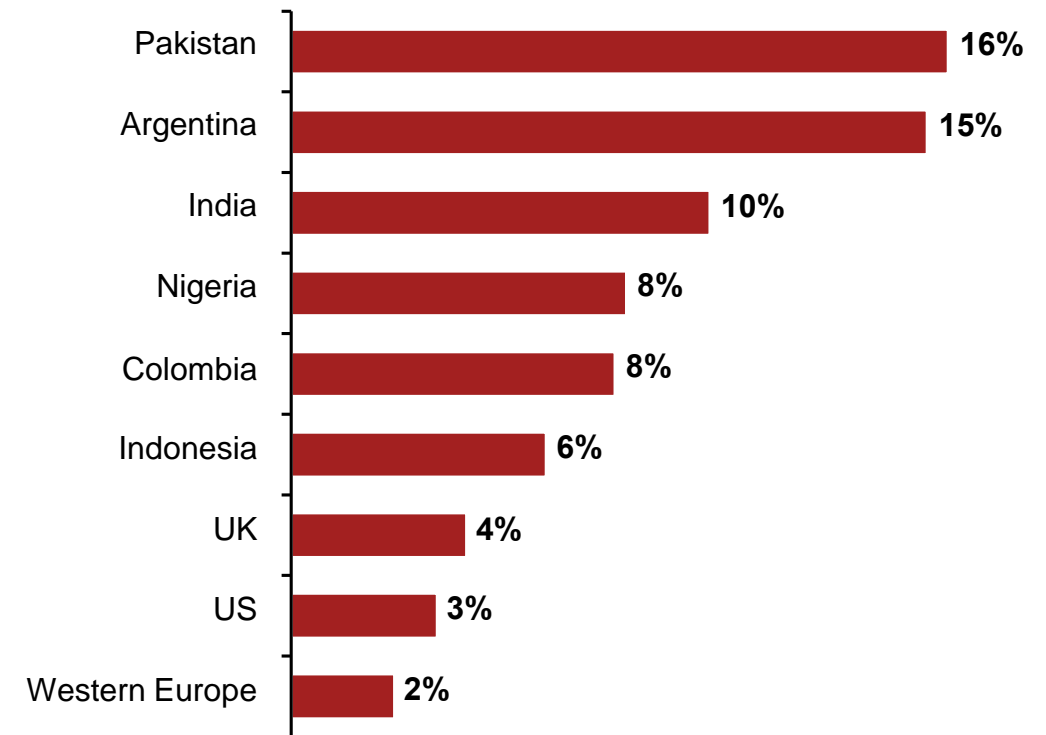
Share of UK population active on select media by generation

%, 2023



Total E&M revenue per annum growth forecast

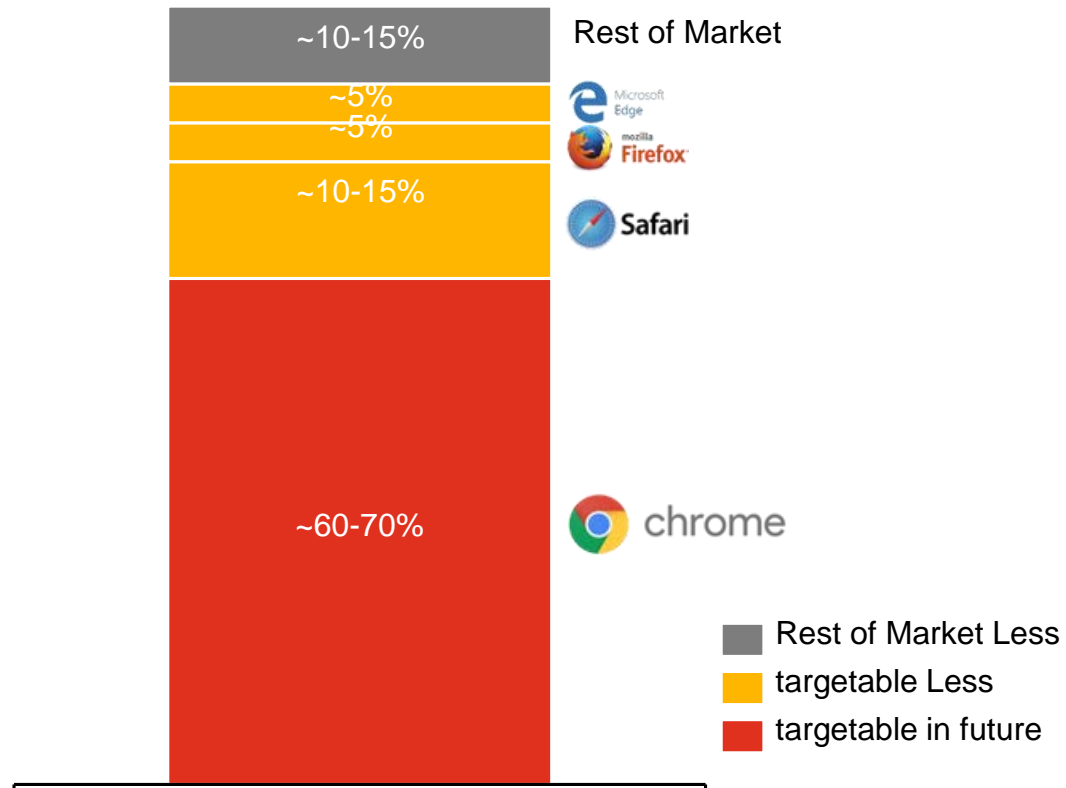
CAGR 2024 –2028F



# 1P Data continues to be the key ingredient for a single view of your customers to inform content and advertising strategies

**Google's (evolving) plans for third party cookies will likely result in a significant loss of data signals...**

*% share of page views on open internet browsers*



**...Driving a strategic imperative to build a first party data strategy**



**Increased insight and value from known, engaged audiences**



**Development of a more resilient, future-proofed business**



**Improved content management, and data compliance functions**

# Consumers engage with brands across multiple online channels, but the physical experience is of high value

Consumers expect a personalised and engaging experience across all touchpoints with brands –both online and offline



## Online

- Search engine optimisation (SEO)
- Paid search
- Email
- Social media platforms
- Influencer marketing
- Affiliate marketing
- Display advertising



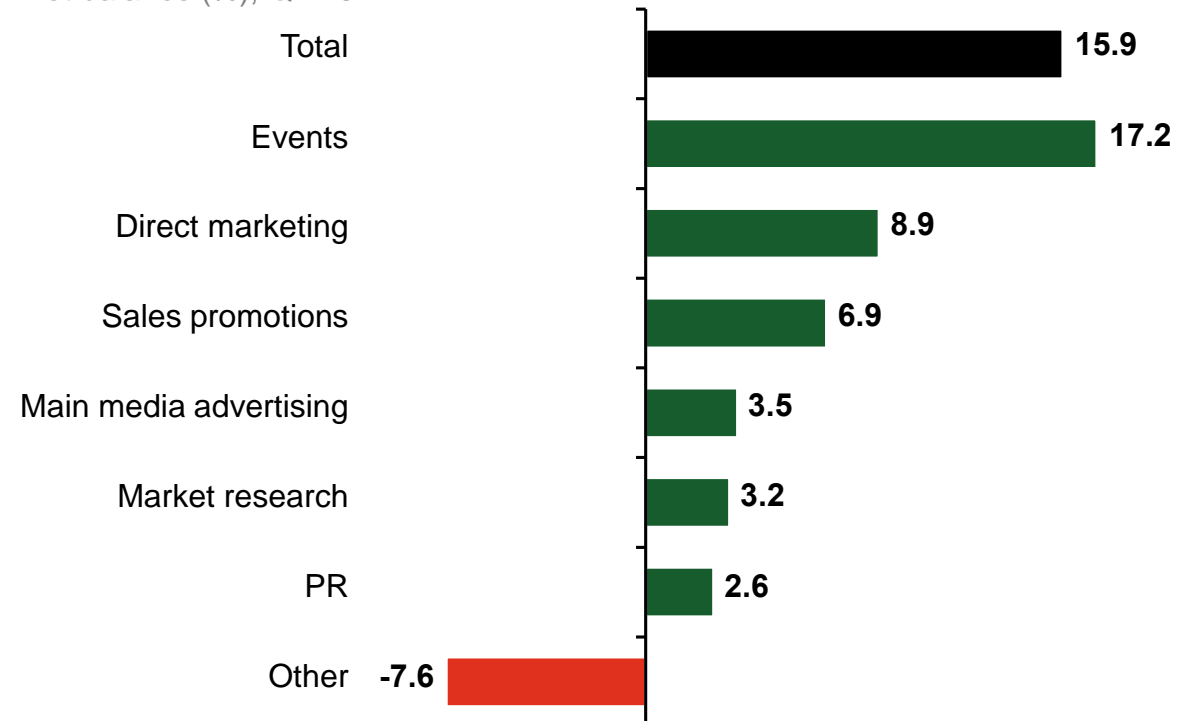
## Offline

- Live events
- Out-of-home advertising
- TV / Radio advertising
- Print media
- Sponsorships
- Telemarketing
- Trade shows

...with the need for “real life” engagement remaining critical to build customer engagement

## Revisions to marketing budgets

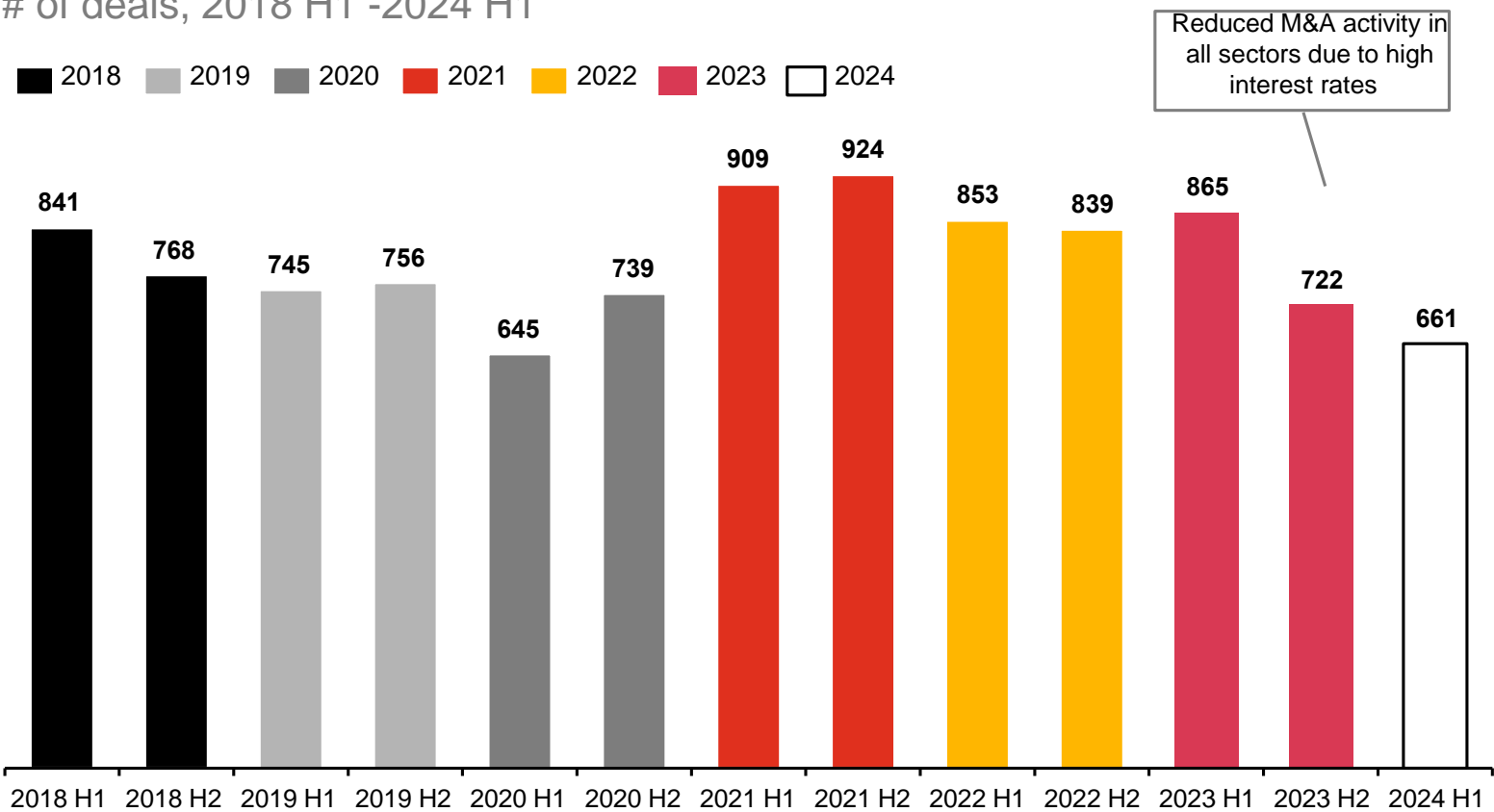
Net balance (%), Q2 2024



# Despite a slower M&A deals market in H2 2023 and H1 2024, the deals environment is expected to rebound over the next 12-18 months

## Global Entertainment & Media M&A volumes

# of deals, 2018 H1 -2024 H1



FT | June,2024

US drives rebound in global M&A deals  
*Uptick in big deals offsets dwindling number of acquisitions*

Law.com | July,2024

Linklaters Tops UK M&A Rankings  
Amid Deal Market Rebound

*Although the data shows that overall deal volume has declined by 19% since last year, a recent rush of deals has indicated a reviving deal market.*

S&P Global | June,2024

Rate Check: Greater visibility on policy path to aid M&A, IPO rebound in 2024

# 3

## Latest economic outlook and sector implications

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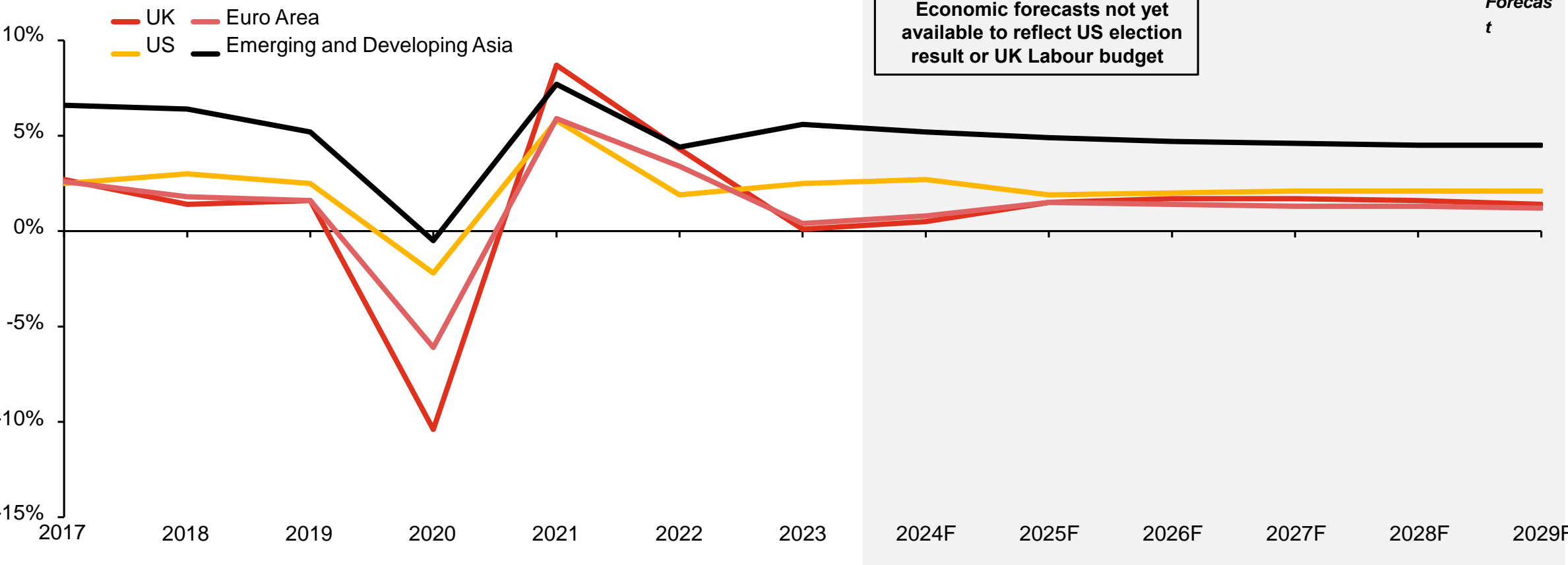




# UK economic growth prospects are slightly more positive from 2024

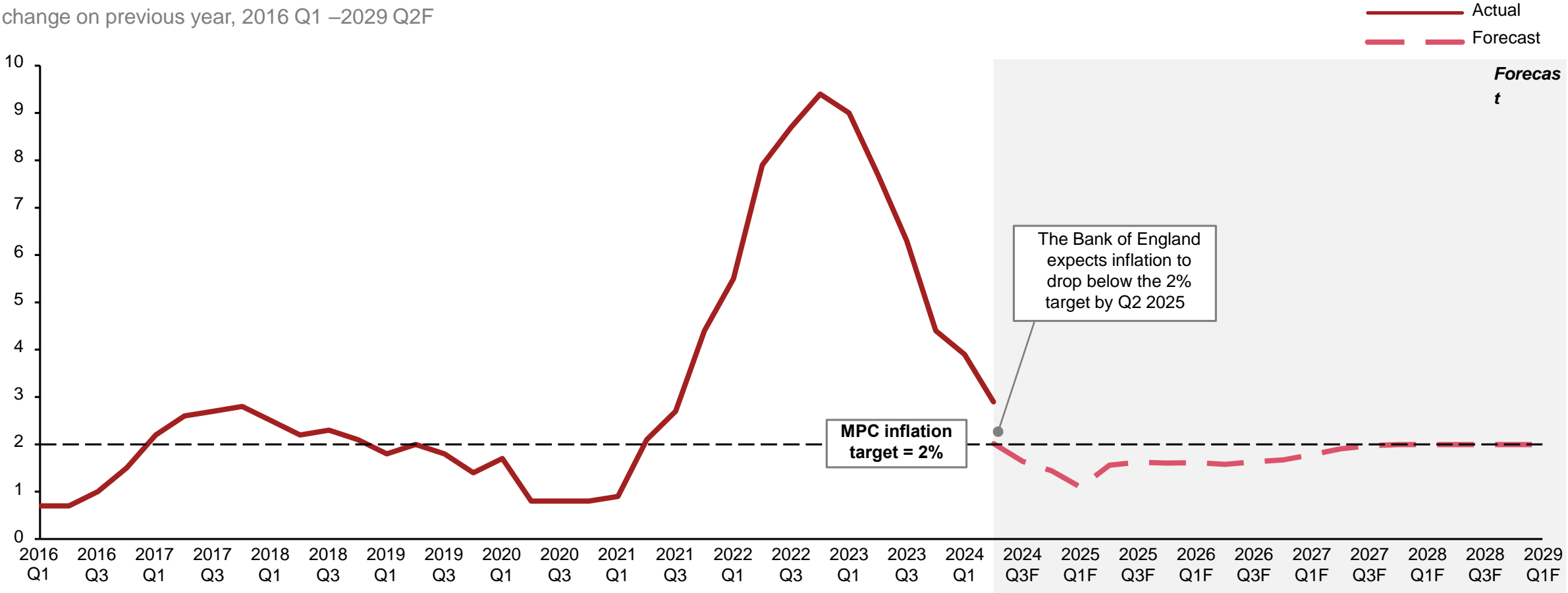
## Real GDP outlook, by region

YoY growth, 2017-2029F



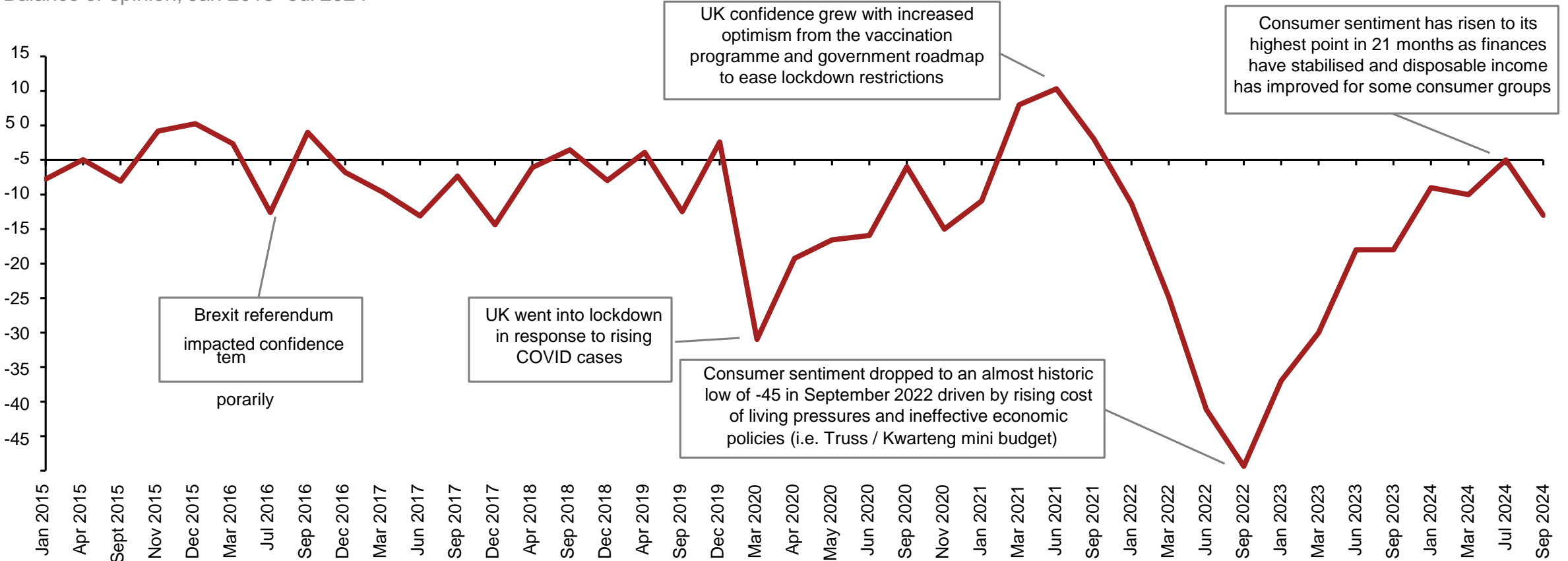
# The cost-of-living squeeze has had a significant impact in the last 12 months, but is abating

Consumer Price Index (CPI) in the UK %  
change on previous year, 2016 Q1 –2029 Q2F



# Consumer sentiment is gradually improving from recent low points

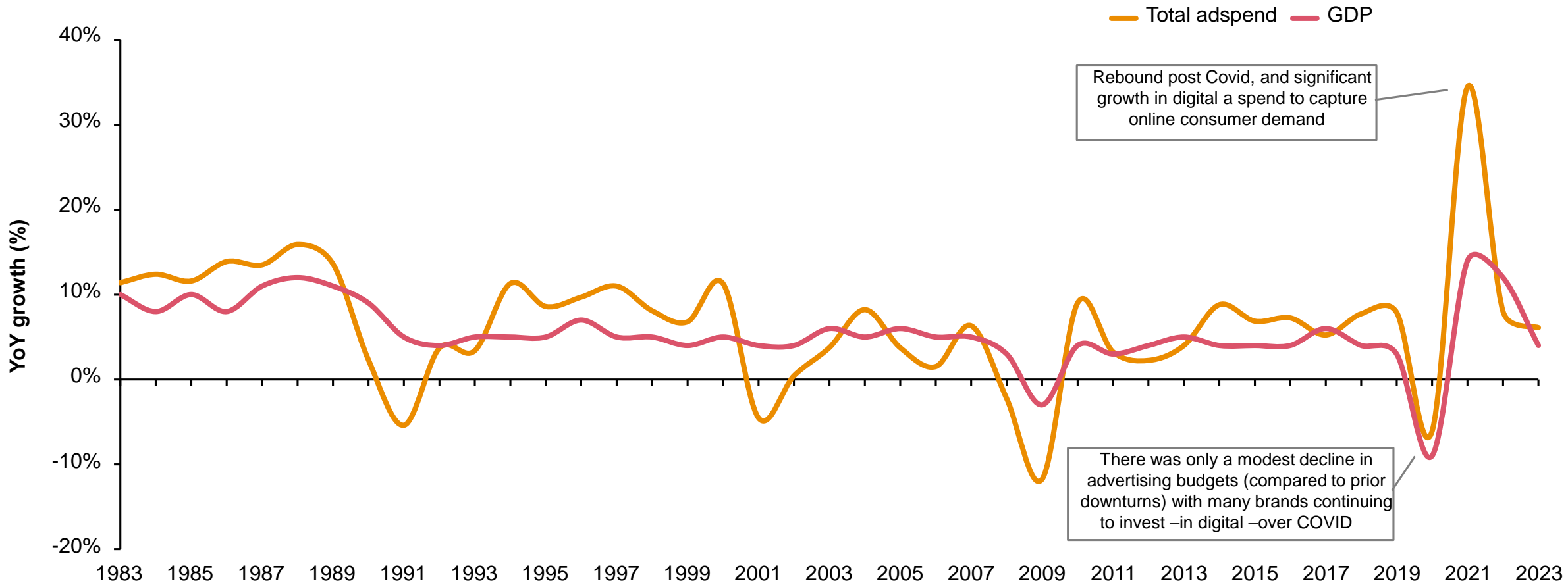
**UK consumer sentiment**  
Balance of opinion<sup>1</sup>, Jan 2015 -Jul 2024



Notes: 1) Calculated as difference between % of respondents who expect their financial position post bills to be better in the next 12 months and those who expect it to be worse | Source: PwC Consumer Sentiment Survey July 2024

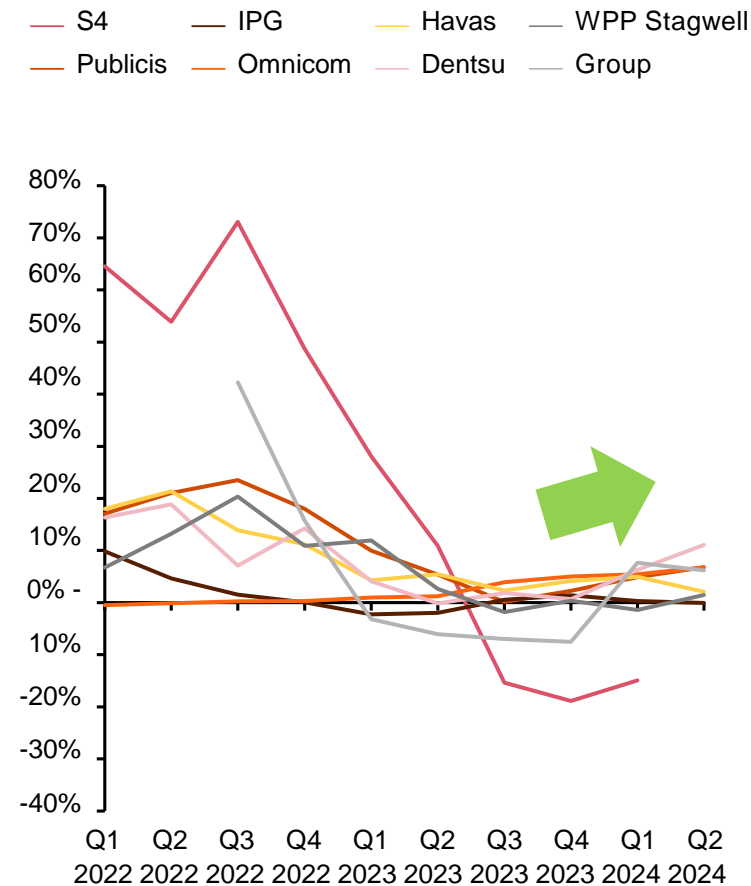
# Advertising spend has been somewhat resilient vs. recent economic softness

Relationship between nominalUK GDP, UK total ad spend YoY % change, 1983 –2025F

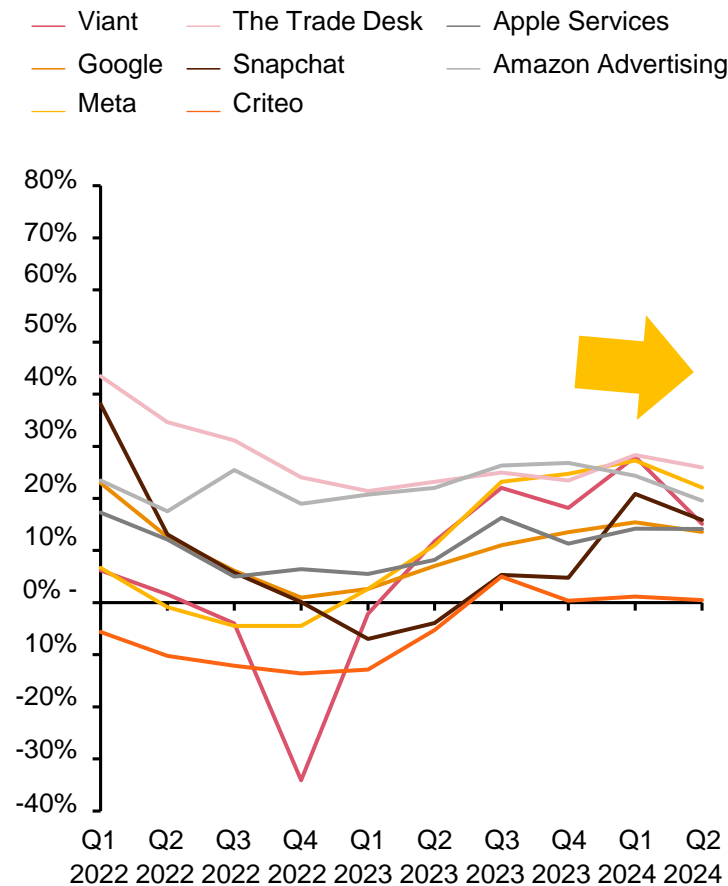


# Recent quarters have seen publicly listed media companies returning to more robust growth rates, albeit performance varies across the sector

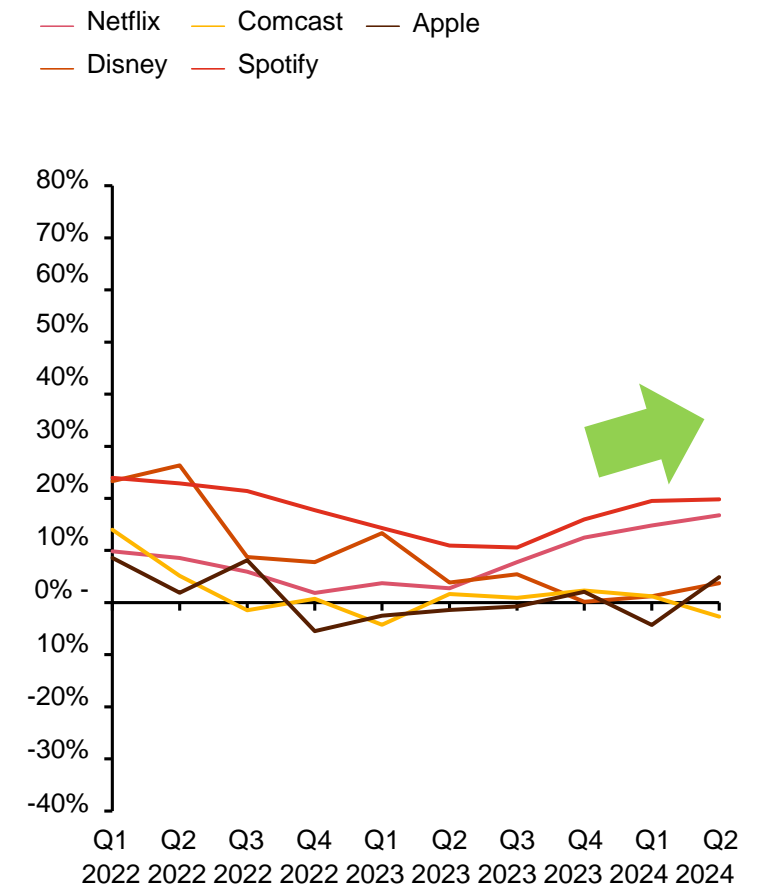
**Global revenue by ad agency group YoY growth in each quarter, Q1 2022 –Q2 2024**



**Global revenue by AdTech platform YoY growth in each quarter, Q1 2022 –Q2 2024**



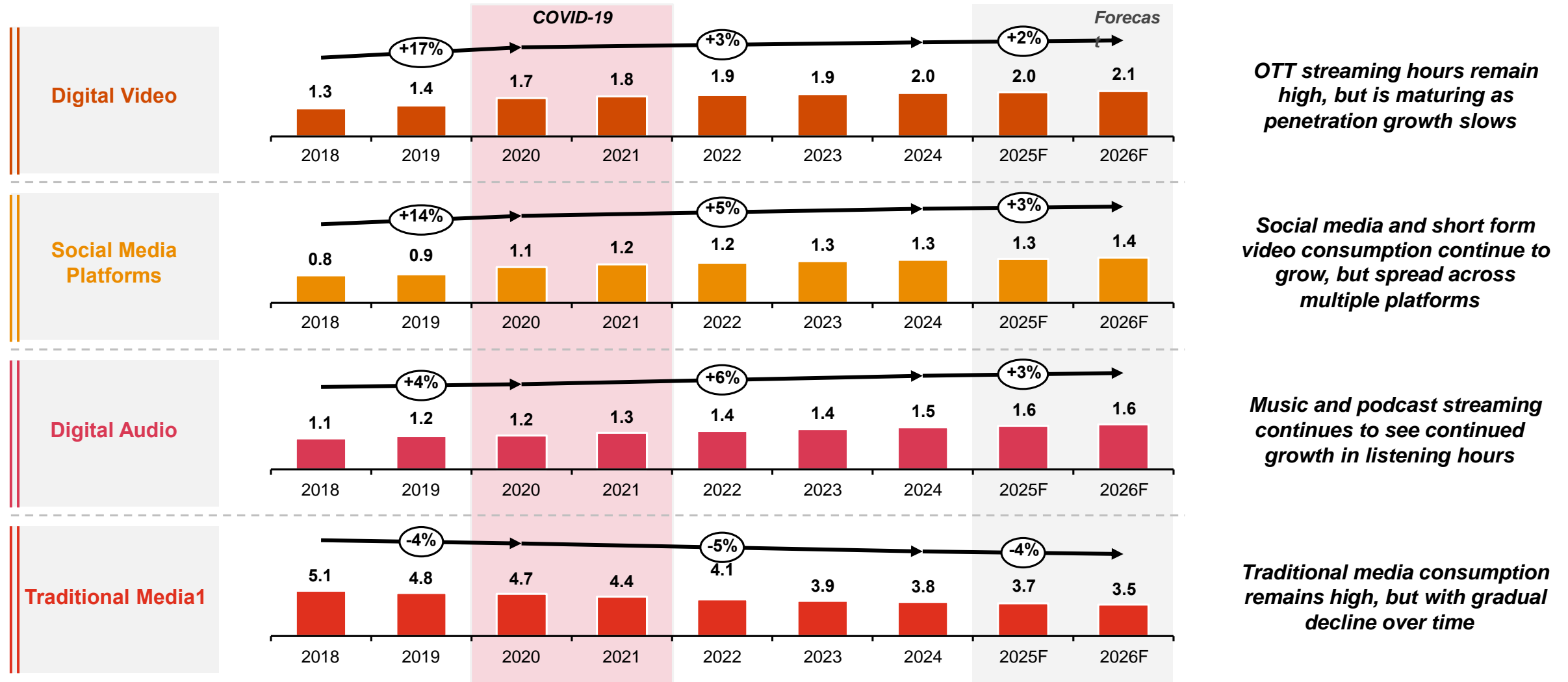
**Global revenue of large media content players1 YoY growth in each quarter, Q1 2022 –Q2 2024**





# But underlying fundamentals remain for the longer-term outlook

Average time spent per day with select media formats Hours, 2018-2026F



# 4

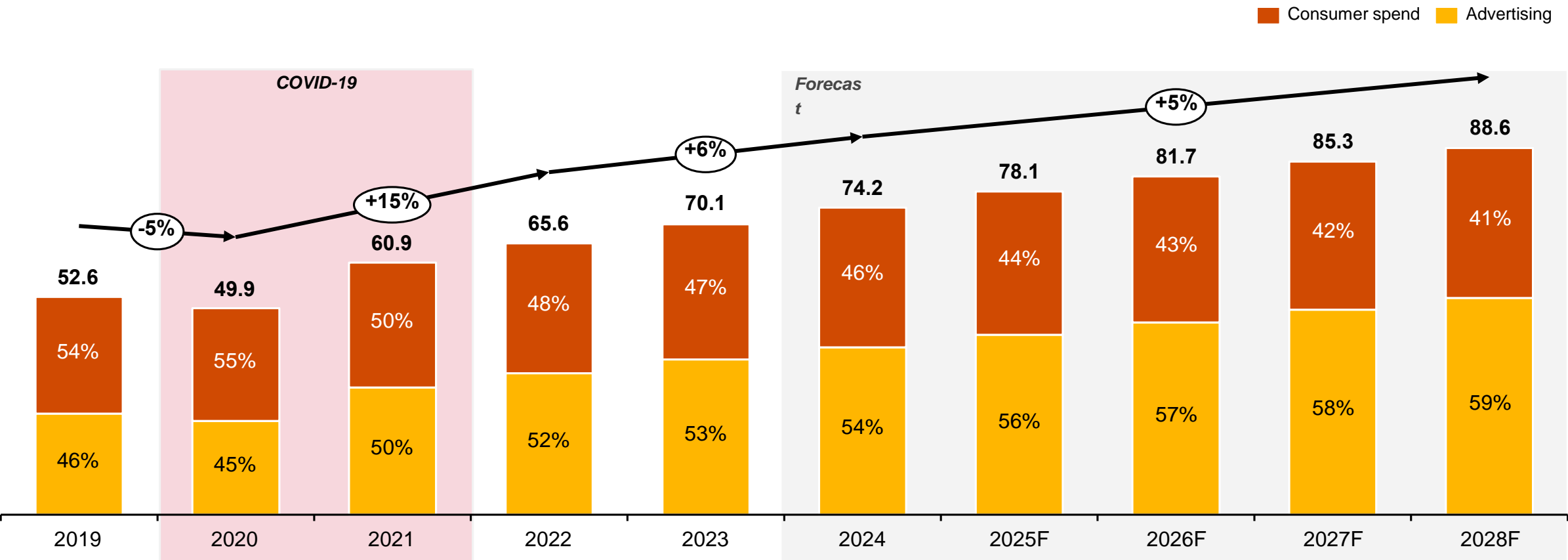
## Overall outlook for UK Entertainment & Media

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# We forecast the UK E&M market to grow at c.5% p.a. to 2028, with advertising spend continuing to take share from consumer spend

Total UK E&M revenue<sup>1</sup> £bn, 2019 –2028F

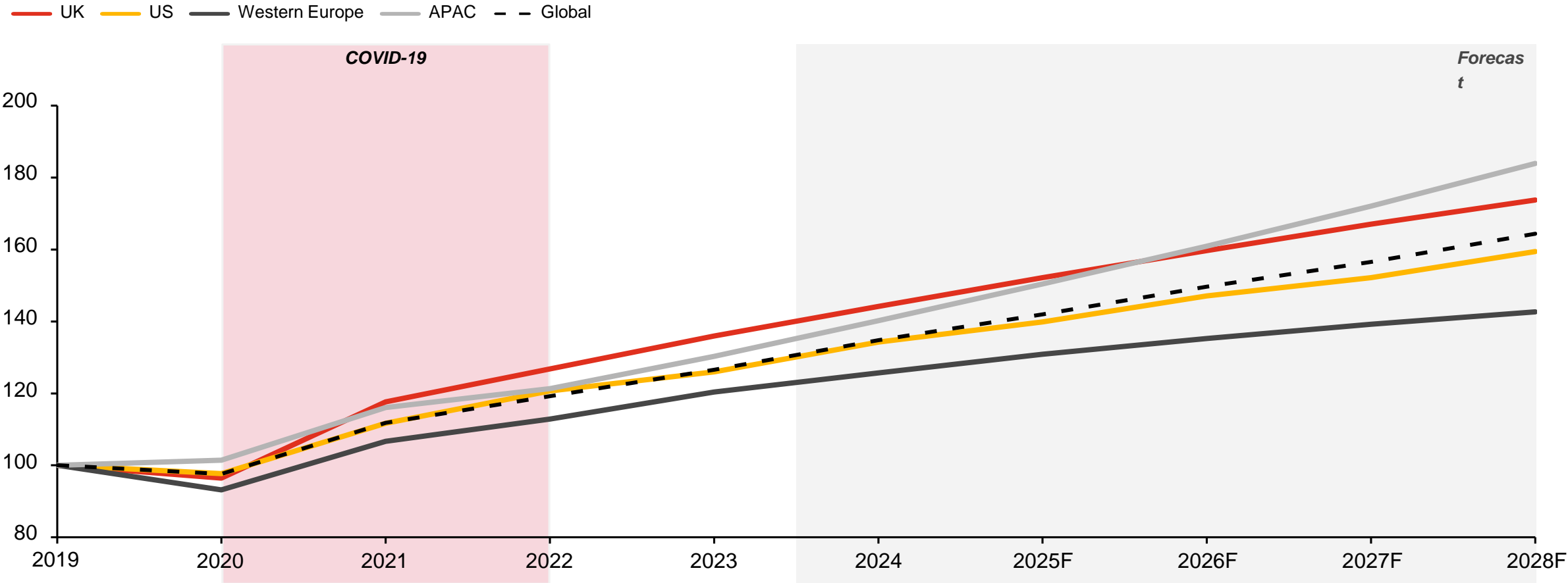


**Important note:**

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# The UK market is forecast to continue to perform ahead of global averages

Total E&M revenue change, by region<sup>1</sup> Revenue indexed to 2019 (2019=100), 2019 –2028F

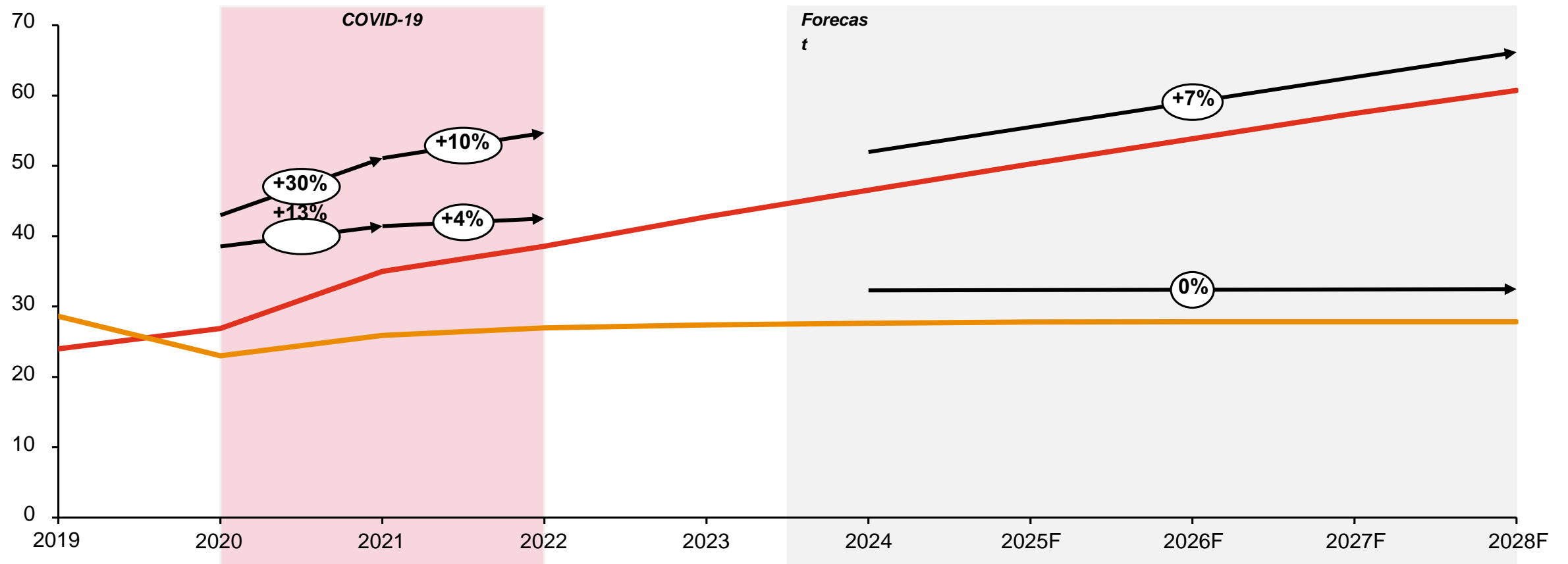


# Digital continues to drive growth...

## Total UK E&M revenues, digital vs non-digital<sup>1</sup>

£bn, 2019 – 2028F

— Non-digital — Digital

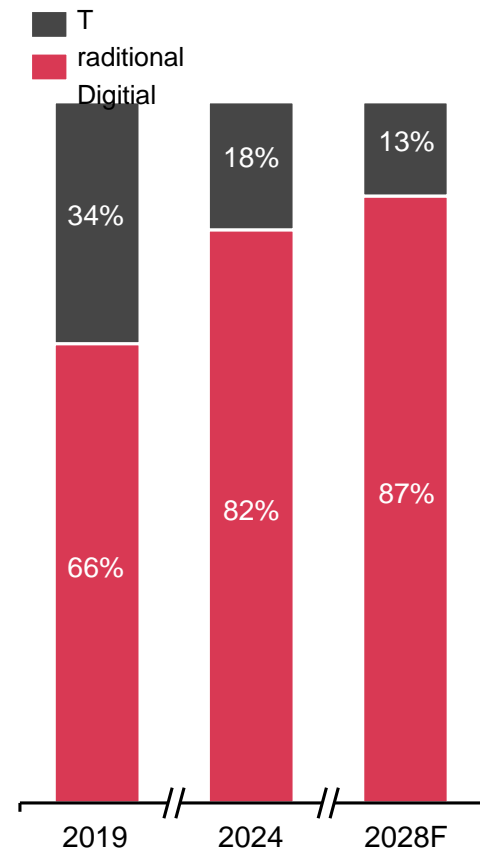


Notes: 1) Internet access not included  
Source: PwC Global Entertainment & Media Outlook 2024-2028

...although is starting to mature across key channels

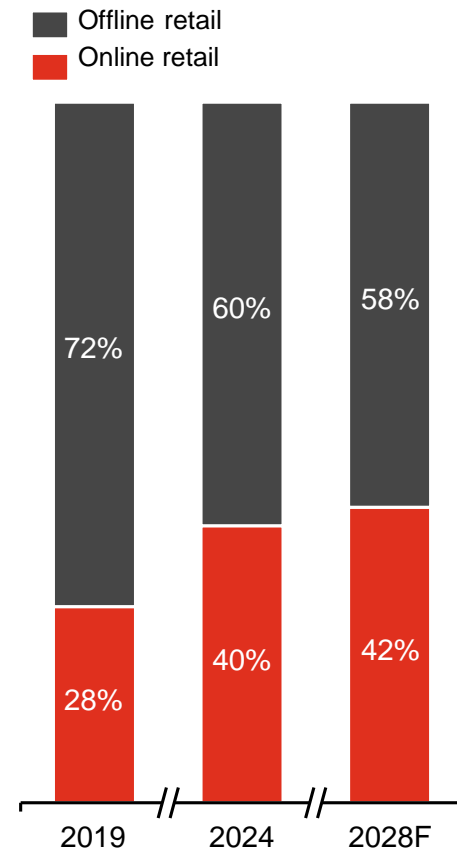
### UK advertising revenues

%, 2019 –2028F



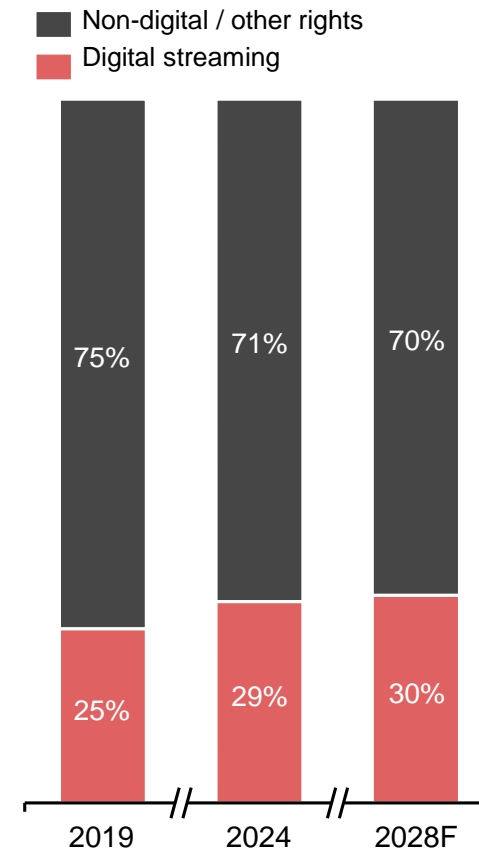
### UK consumer revenues

%, 2019 –2028F



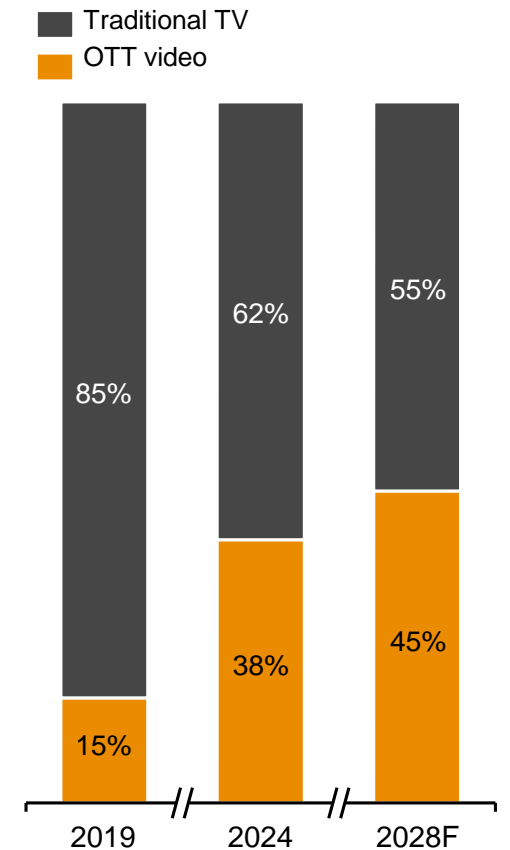
### UK music revenues

%, 2019 –2028F



### UK videorevenues

%, 2019 –2028F



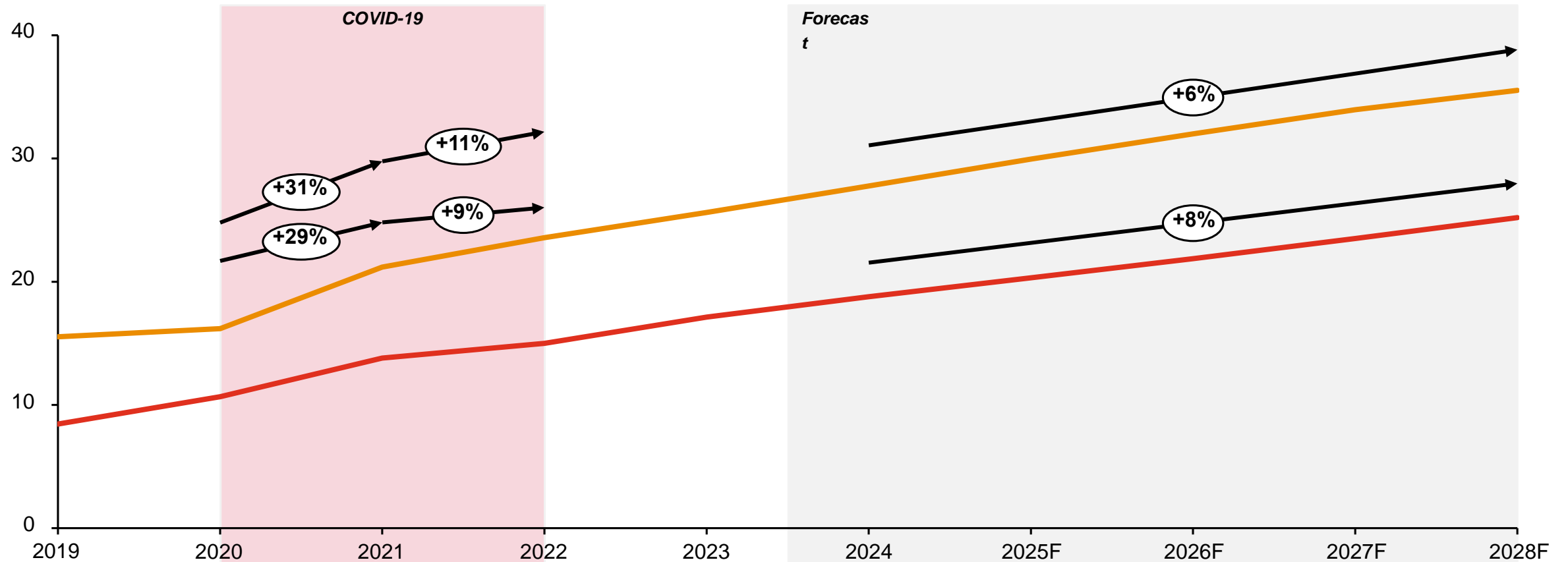


# Within digital, video formats are underpinning growth

## Total UK E&M revenues, digital video vs digital non-video<sup>1</sup>

£bn, 2019 –2028F

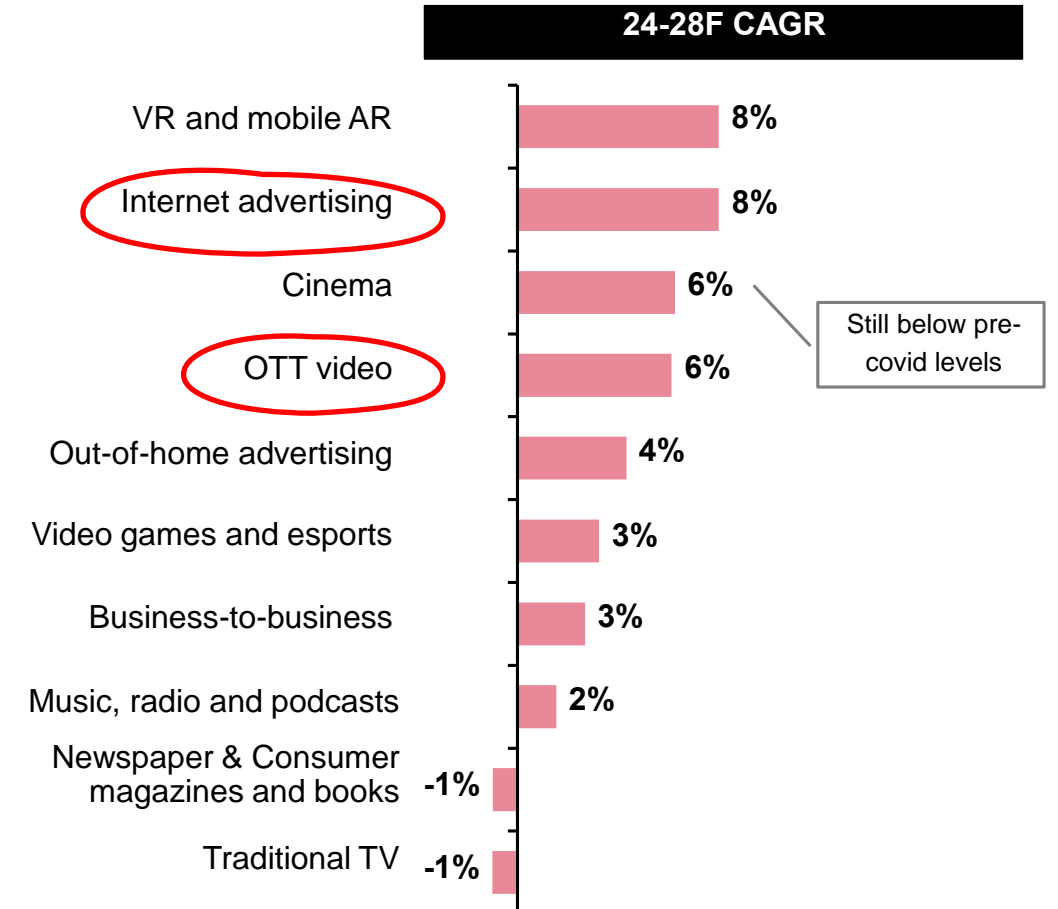
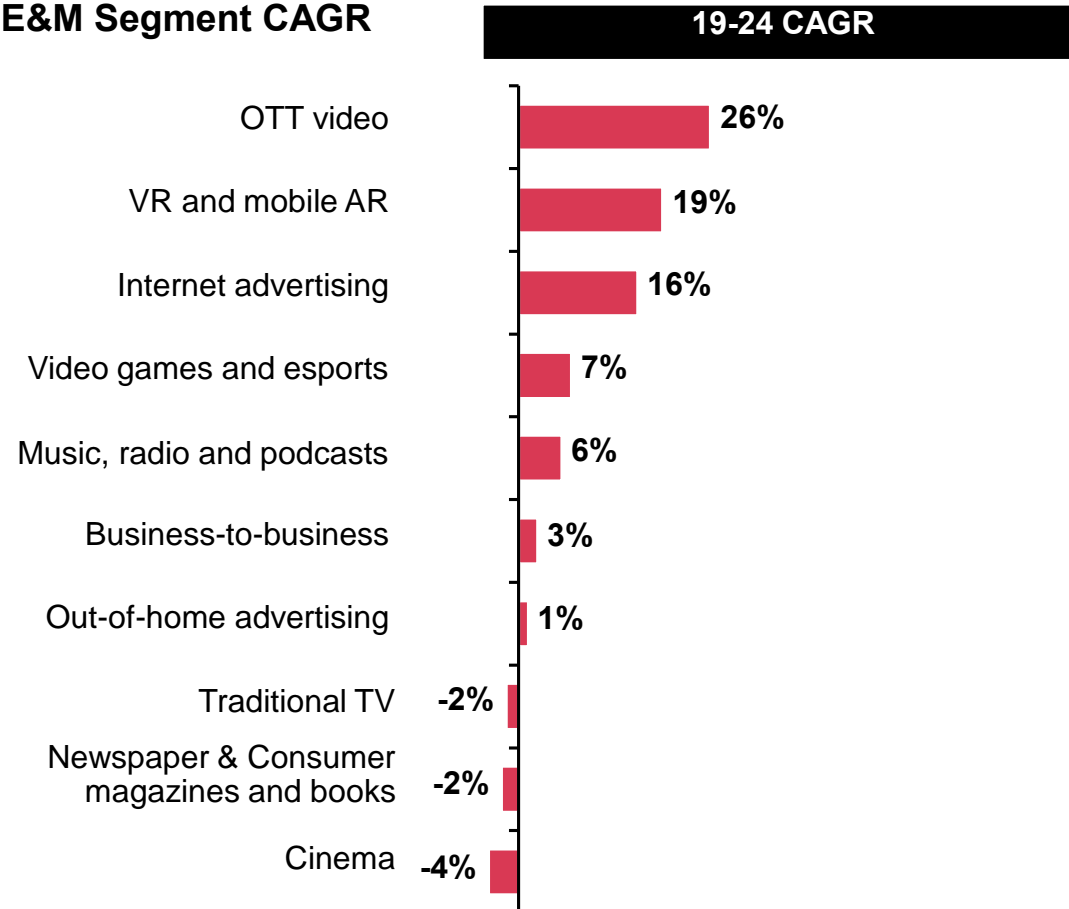
— Digital non-video — Digital video



Notes: 1) Internet access not included  
Source: PwC Global Entertainment & Media Outlook 2024-2028

# There continues to be varied performance by media sub-segment

## UK E&M Segment CAGR





Thank You





# ***Dr Johan Rewilak***

ASSISTANT PROFESSOR, DEPARTMENT OF SPORT AND ENTERTAINMENT MANAGEMENT,  
UNIVERSITY OF SOUTH CAROLINA

## Entertainment, Media and Sport in 2025: Key Trends and Challenges

Dr Johan Rewilak <sup>1</sup>,  
<sup>2</sup>

<sup>1</sup>University of South Carolina, USA

<sup>2</sup>Gibson Alexander, UK

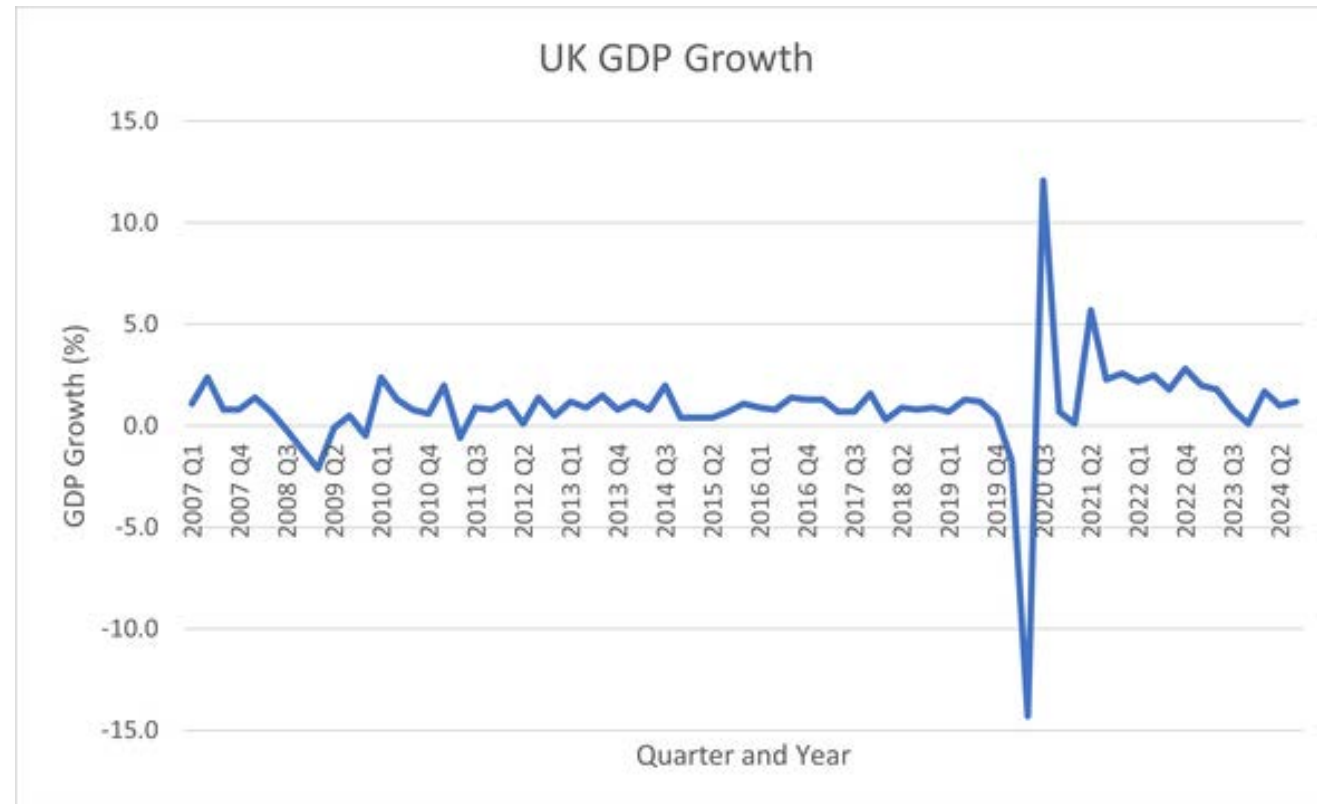
ICAEW Webinar: February 2025

# Economic and Political Trends

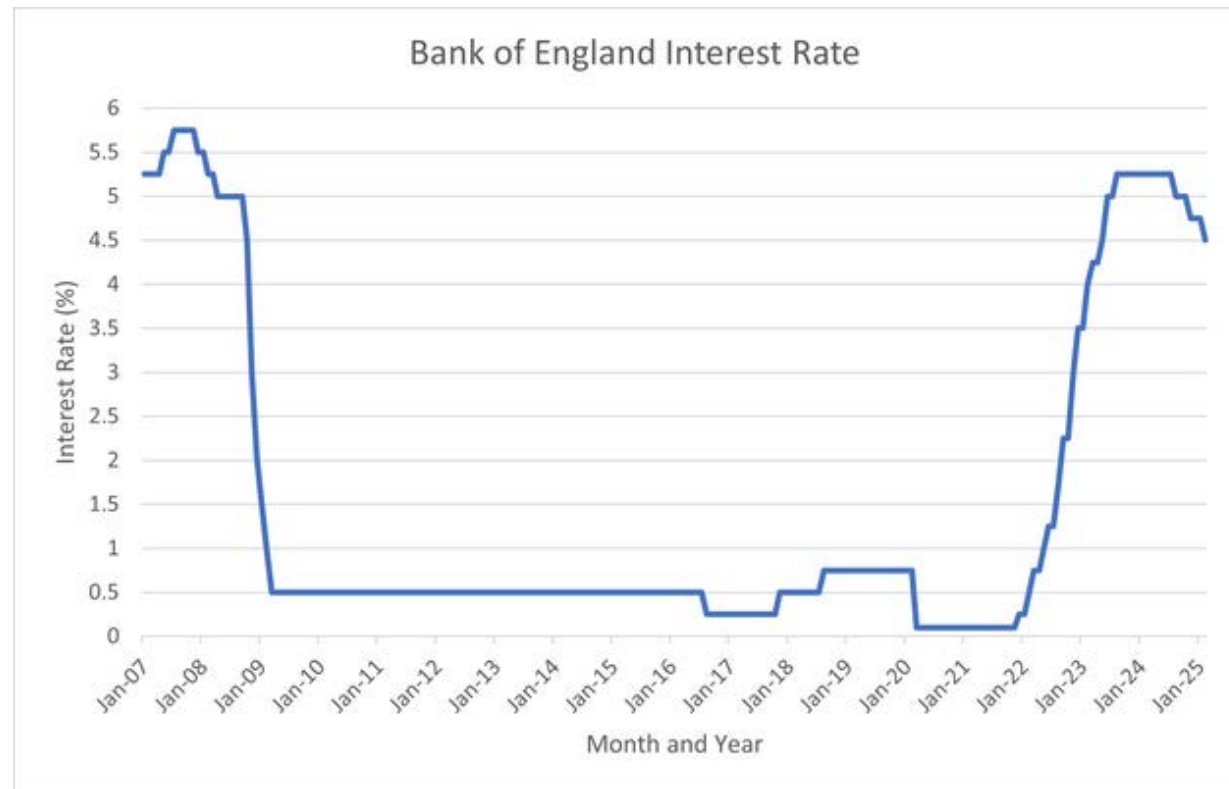
- Widely reported metrics
  - Economic growth
  - Unemployment rate Bank of
  - England interest rate Inflation
  - (CPI)
- Other things people care about
  - Rate of corporation tax Personal
  - tax National Insurance
  - contributions



## Some UK trends: GDP Growth



## Some UK trends continued: Interest Rates



# The environment



Figure: New Road (Credit:Toby Melville/Reuters)



Figure: Gamecock Park (Credit:The Daily Gamecock)

# The consumer



Figure: Promotions (Credit:Cincinnati Cyclones)



Figure: New Experiences (Credit:Juventus FC)

## Some select other factors



Figure: Government Policy (Credit:The Times)

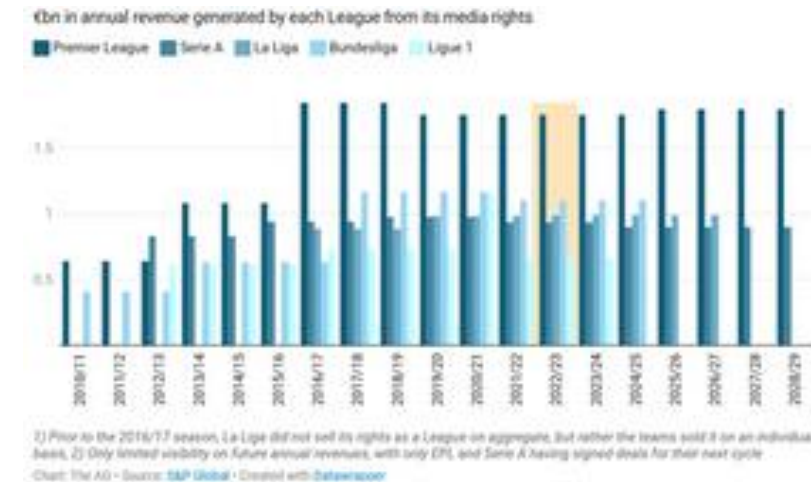


Figure: Broadcast revenues (Credit:Medium.com)

# Sporting Mega Events



Figure: Glasgow 2026 (Credit:Paralympic Committee)



Figure: Euro 2028 UK and Ireland (Credit:UEFA)

# Technological Change



Figure: AI Communication (Credit:Medium.com)



Figure: New Wearable Tech (Credit:Alain Tolhurst via X)



# Infrastructural Development



Figure: Manchester Regeneration (Credit: The Telegraph)



Figure: LA Live (Credit:AEG Worldwide)

# Wrapping Up

- Trends and challenges are heterogeneous
  - Sport is resilient Imperative to remain
  - agile Accept (maybe begrudgingly)
  - changes
- I'm interested and want to know more
  - Contact me: [johan.rewilak@gibsonalexander.com](mailto:johan.rewilak@gibsonalexander.com) Gibson
  - Alexander thought pieces ([www.gibsonalexander.com](http://www.gibsonalexander.com))



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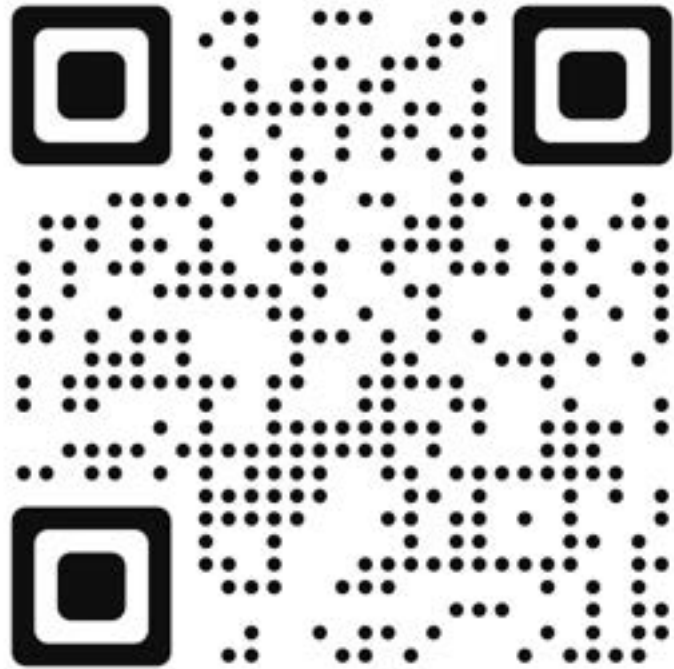
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