

# Media seeks stability in 2024 following labor woes

## Transcript

**NARRATOR:** Welcome to the Industry Podcast Series, where Grant Thornton shares information through an industry-specific lens about the most important business issues of the day.

**DEBORAH NEWMAN:** The media and entertainment industry is projected to have a significant amount of change in 2024—including greater consumer shift to free ad supported content and shorter-form videos, technological advances not only with AI but virtual and augmented reality models and continued industry consolidation as companies seek greater reach and diversity of entertainment options. I'm Deborah Newman, Grant Thornton's Media & Entertainment Industry Leader. I'm going to briefly discuss these topics in today's podcast that should be top of mind among leaders in the industry as we go into 2024. We will be discussing these topics in greater detail in a series of articles, webcasts and podcasts that we will publish throughout 2024.

Let's talk about content consumption. Given global instability, including economic pressures and wars, coupled with the significant number of entertainment services available to the consumer as well as their overall desire to consume many different types of content, consumers will increasingly turn to free ad-supported services such as FAST TV. These types of streaming platforms are a more affordable alternative to traditional cable and subscription-video-on-demand services. Already we've seen the major streaming services, including Netflix, develop ad-supported models to attract this type of consumer.

The two-screen phenomenon, also known as "second-screen viewing" or "multi-screening," is the widespread practice of using a second electronic device, typically a smartphone or tablet, while watching television. Given these types of viewing habits, short-form video platforms such as TikTok will continue to rise, influencing other platforms to prioritize this format and creators to adapt their content accordingly.

Let's talk about technological advances. We can't talk about media and entertainment without mentioning AI. Artificial intelligence will be increasingly used to create personalized content, generate realistic special effects, and automate tasks like editing and script-writing. While the strikes helped with unionized shops, there are plenty of content creation companies that don't abide by those same AI use restrictions. This technology promises to grow and continue to shape the future including personalizing content, predicting preferences, and creating realistic characters and environments, blurring the lines between reality and fiction.

Continued development of virtual reality, also known as VR, and augmented reality, known as AR, these technologies will create new worlds and enable consumers to interact with stories never imagined before. The metaverse, a virtual world accessed through VR and AR technology, will offer new opportunities for entertainment and interaction, potentially

disrupting existing media formats. Imagine attending a virtual concert or exploring a film location in real-time.

Industry consolidation and expansion—the media and entertainment industry is ripe for consolidation in 2024, as companies seek to scale their offerings and compete in a rapidly evolving market. We saw a number of interesting examples, such as the music segment with Snoop Dogg acquiring Death Row Records, the gaming segment with the Swedish gaming giant Embracer Group acquiring Gearbox Entertainment, and in TV and film streaming with Fox Corporation's acquisition of Tubi.

Advertisers want built-in audiences for a greater chance at ROI, so it's all about the franchise. We see major media companies continuing to seek partnerships with influencers across diverse platforms, including TikTok, Instagram, Twitch and many other platforms to extend the reach of their brands.

We will continue to see this kind of consolidation as competition between streaming services intensifies the need for enhanced technological capabilities on the creative front, as well as back-of-house increases, as consumers continue to demand interesting and compelling entertainment that extends beyond what individual media companies have available in their content libraries. We think it's entirely possible that we'll see some big deals involving well known media companies during the upcoming year.

If we take a step back on the overall market outlook, there many reasons to be excited about this industry and its growth potential. Technological advancements will drive new forms of content creation, distribution and engagement. Competition with multiple players competing for eyeballs and advertising dollars will create interesting consumer choice, including more personalized, interactive, and affordable content experiences.

These are just some of the key trends that are expected to shape the media and entertainment industry in 2024. It will be an exciting year of innovation, adaptation and competition. As I mentioned earlier, we will deep dive into these topics in upcoming articles, webcasts and podcasts over the coming year.

**NARRATOR:** Thanks for listening. Find out how Grant Thornton goes beyond expectations at [gt.com](https://www.gt.com).