

An introduction to Deloitte's 2024 Digital Media Trends

As streaming, social, and gaming converge, companies should consider comprehensive strategies to define media and entertainment's future—or they could risk living in someone else's vision.

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This year's [Digital Media Trends](#) report points to continued disruption for media and entertainment—not just from streaming, social, and gaming, but also from the ways these media and their technologies are weaving together and enabling new combinations. From so much change and disruption, however, the new landscape is becoming clear—and it may demand that providers move beyond their core businesses. To drive discovery, engagement, and monetization of their intellectual property and services, media, and entertainment (M&E) companies may need holistic strategies that operate across TV and film, social media and user-generated content, and interactive and immersive gaming.

In 2024, our study shows that the map of M&E appears exponentially larger than it did just a decade ago, and the lands are no longer divided by clear borders. Consumer expectations of media and entertainment may now be shaped more by social media, content creators, and video games than by TV and films. How people weigh the value of entertainment options appears to be changing shape as well.

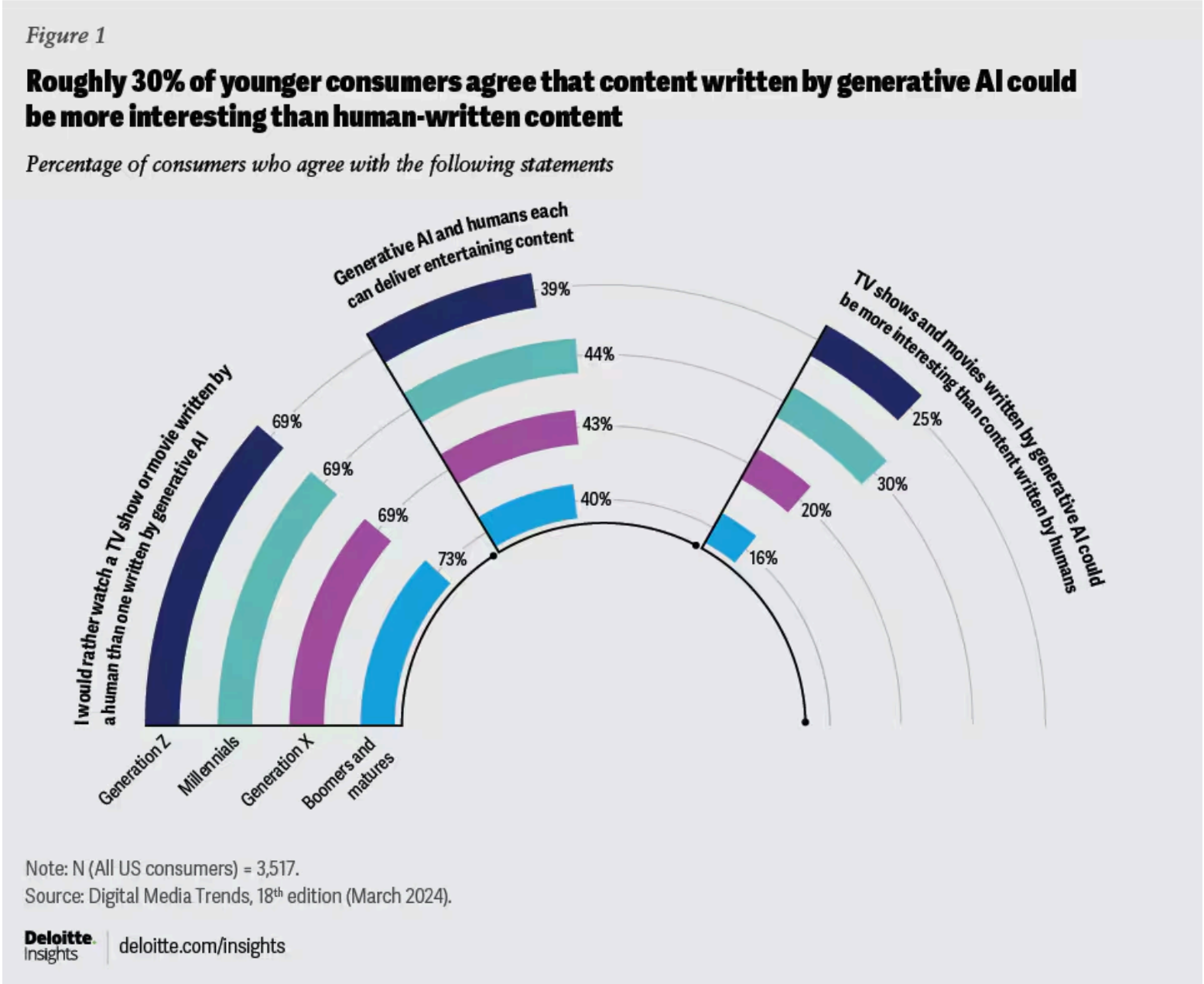
Our survey data shows that US consumers are questioning the value of streaming media while also declaring their unwillingness to ever pay for social media. Just as streaming video providers are rebuilding the ad models that buoyed pay TV, fewer people surveyed are moved by commercial advertising and, instead, seek recommendations from trusted creators and influencers to help them navigate and find value. More are turning to online multiplayer video games for virtual friendship, content discovery, and brand and franchise interactions.

Although technology has enabled much of the change we see, it's the needs, behaviors, and expectations of younger generations that are demanding the change. Millennials and Gen Zs (and the Alphas that follow them) show both how diverse America has become, and how people increasingly live and socialize beyond physical geography, tugging at an early metaverse. Together, those Americans 41 years and younger represent more than half the population of the United States.¹ They're the collective faces of a growing diversity in ethnicity, race, gender identity, sexual orientation, and neurodiversity. Our study shows how people expect media and entertainment to reflect this reality, and how some key demographics—like women gamers—remain underserved and underutilized by providers.

Despite so much change and disruption, M&E companies can leverage tools and talent to their advantage. Social media creators and influencers can be tour guides and tastemakers, facilitating discovery, hype, and trust. Fans and fan communities can offer stalwart companionship to artists, personalities, stories, and franchises, helping to make it easier for studios and providers to expand their intellectual property and cross into new media. Many people spend idle time in a handful of social media services that have aggregated billions of users. On social media, people discover new and old content, gather recommendations for what to watch and listen to and buy, and get caught in the updrafts of hype and virality. For all M&E providers, social media should be a primary destination to reach and engage audiences. It should be considered instrumental to customer acquisition and retention.

Technologies are there to help, ready to do more heavy lifting than ever. Data, algorithms, and artificial intelligence can help enable providers and creators to develop more compelling content and experiences and match them to the best audiences, fans, and tastemakers. Our study shows that US consumers want the kinds of personalization and customization of content experiences that they have come to expect from social media services. When they discover content and products, whether on streaming, social, or games, they want to be able to easily and immediately make purchases and add to libraries. And more want to follow their favorite stories across TV shows, movies, and video games.

Generative AI could drive additional change on all these fronts, while potentially unlocking entirely new tools and experiences. It's already empowering content creators and disrupting industry standards.² Although 70% of our respondents say they would rather watch a TV show or movie written by a human than one written by generative AI, 42% feel that generative AI and humans can each deliver entertaining content. And 22% feel that generative AI could even write TV shows and movies that are more interesting than humans. Gen Zs and millennials are leading the way in experimenting with these tools: Eighteen percent of these generations have used generative AI to create images, and 25% surveyed have used it to create text. Older generations are further behind on these counts.



Although the size of the metaverse is difficult to realize and the technology of blockchain has been difficult to scale, generative AI appears to be expanding quickly. Savvy creators and studios should consider experimenting with how these tools can augment human creativity and enable teams to be more productive. Generative AI could make it easier for companies and creators to improve the quality of content creation but it could also lead to a flood of cheap and novel content that further dissolves the boundaries between “real” and synthetic, commodity and premium. Empowered by generative AI, media and entertainment companies—and society at large—may be about to confront a much larger volume of novelty, content, and creative output.

Amid the disruption that has characterized the first quarter of the 21st century, there appears to be growing demand from audiences, subscribers, and gamers for more focused and intentional change to older business models. It’s unclear if investors agree with catching up or would rather continue “squeezing the lemon” for the last drops of revenue from 20th century business models. Nevertheless, the assumptions and strategic bets based on an evolution of earlier business models are running into the reality of a much broader and deeper revolution in digital media. Companies leveraging traditional business models within their own historic definitions may face insurmountable challenges in the new environment of connected and interdependent digital media. They should be thinking more about the world ahead than the one they’re being forced to leave behind.

In this year’s *Digital Media Trends*, we dig deeper into the details of how people use and value digital media, offering M&E companies more data and insights to gain a deeper understanding of consumers and how their interests, attitudes, and identities have changed. With this understanding, media and entertainment companies will likely be better positioned to build profitable businesses and operate with confidence in a landscape that keeps shifting.

Study highlights:

- Streaming video services still suffer from high costs, high churn, and competition from many quarters. Streaming providers are now rebuilding the business models that buoyed pay TV: advertising, bundles, and contracts. But can these models work well enough in the modern media landscape that seems to give less attention to advertising and more to creators, influencers, and communities?

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- In the United States, around 60% of our respondents identify as gamers, almost equally between men and women. Yet, women gamers continue to face challenges with harassment, bullying, and stereotypes in games and game communities. At a time when more live service games and multiplayer experiences are driving investments (and costs), many women prefer solo mobile games and story-driven adventures. For gaming to continue growing, the gaming industry should consider ways to serve women gamers better.

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- Online creators and influencers are media stars, tastemakers, and tour guides, directing their fans to products, brands, experiences, and media content. Traditional media companies may need to develop symbiosis with creators and platforms, while acknowledging the tension inherent in competition for viewers and ad dollars.

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- For many people, being a fan is core to their identity. Whether it’s video games, TV and movie franchises, musical acts, or sports teams, fans are willing to spend and follow their favorites across entertainment platforms. Identifying fan-worthy franchises early on, fostering fandom, and providing more ways for customers to engage (and spend) could be essential for M&E companies looking for more revenue and loyalty.

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- Generation Z and millennials (and Generation Alpha that follow them) are the most diverse generations in American history—in terms of ethnicity, race, gender identity, sexual orientation, and neurodiversity.

They want media and entertainment that reflects the world they see, and the lives they live.

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Methodology

These insights are based on an online survey of 3,517 US consumers that was conducted in October 2023. Throughout this report, we reference generations. Our generational definitions are as follows: Generation Z (1997-2009), millennial (1983-1996), Generation X (1966-1982), boomers (1947-1965), and matures (1946 and prior). The survey was fielded by an independent research firm and all data is weighted back to the most recent Census to give a representative view of US consumers.

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2. Chris Arkenberg, “[Generative AI is already disrupting media and entertainment](#),” *Deloitte Insights*, June 29, 2023; Chris Arkenberg, “[Will generative AI challenge authenticity in social media?](#),” Deloitte Center for Technology, Media and Telecommunications, accessed February 2024.

Acknowledgements

The authors would like to thank **Akash Rawat** for his work in analyzing survey data and highlighting insights, as well as his contributions to shaping the direction of the overall study. They would also like to thank **Sathiya S.** and **Ankit Dhameja** for their contributions to survey development and secondary research support, and **Gautham Dutt** for his design and visualization support. The authors would like to recognize **Andy Bayiates** and **Molly Piersol** for their partnership, along with their editorial and design contributions. The authors also want to sincerely thank **Kevin Downs** and **Amy Booth** for their support and guidance throughout the process.

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Streaming video at a crossroads: Redesign yesterday's models or reinvent for tomorrow?

With 36% of Americans surveyed believing content on SVOD isn't worth the money, providers shouldn't assume that advertising, bundles, and contracts are enough to help their business.

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In the past few years, leading TV and movie companies have responded to the disruption of streaming video by launching their own streaming services. To attract subscribers, they invested more in content for their services—and sold it to subscribers for less than what they charged consumers for pay TV and theatrical releases.¹ This strategy, combined with minimal friction for consumers to cancel streaming subscriptions, has led to underperforming services.² Now, in hopes of making their streaming video on demand (SVOD) services profitable, they're trying to rebuild pay TV business models like advertising, contracts, and bundling. But is this path enough to meet the larger changes in media and entertainment that have toppled the dominance of TV and movies?

For SVOD providers, acquiring customers, reducing SVOD churn, and deepening retention on their services are still some of the most important challenges. Costs of acquiring subscribers are high, and the costs of reacquiring subscribers that have already churned can be even higher.³ In the competitive and fragmented environment of modern media, delivering engaging TV and films may not be enough to meet these challenges.

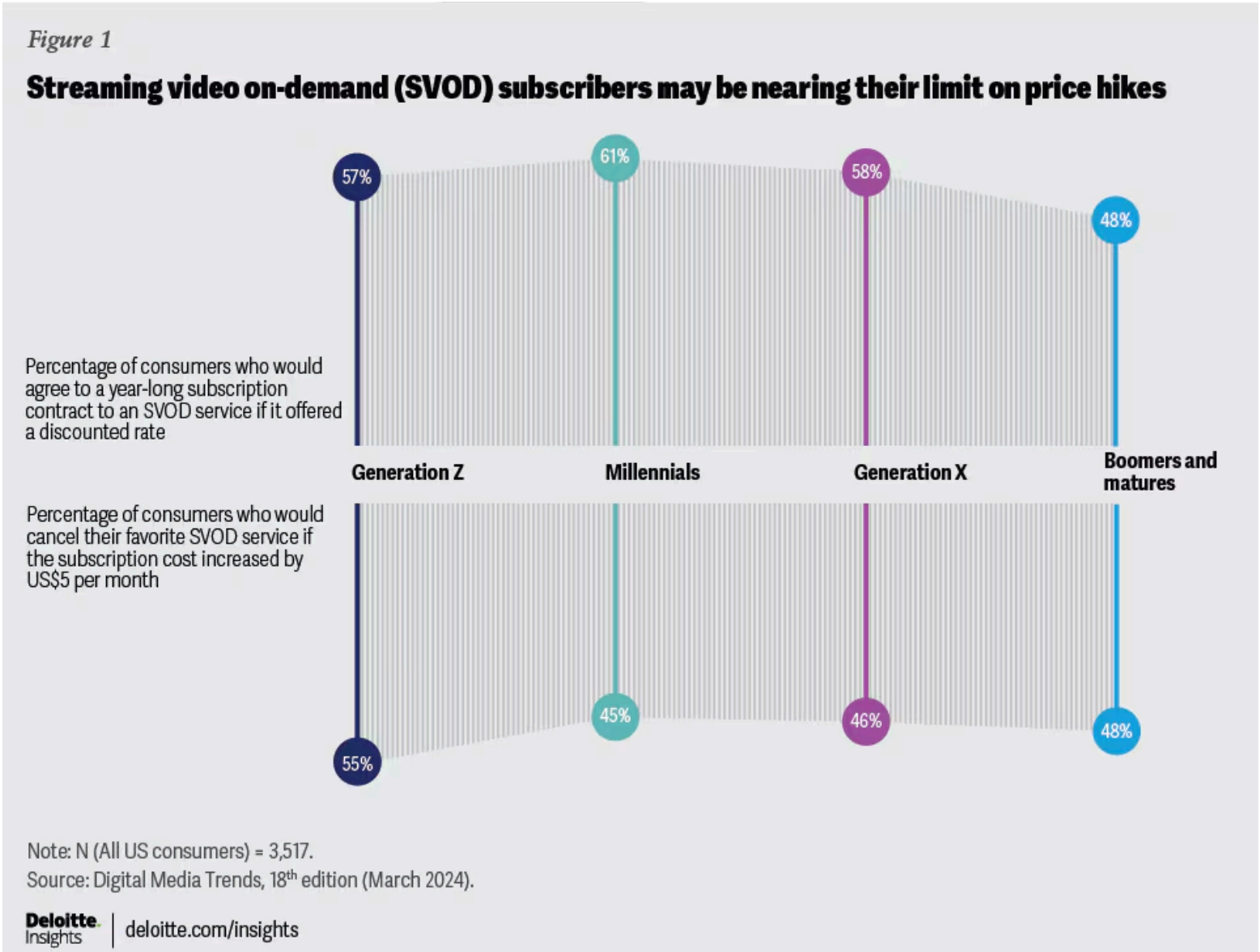
This year's [Digital Media Trends](#) study further underlines how the once-distinct categories of media and entertainment continue to converge and interconnect, while audiences are becoming more fragmented and specialized. The value that consumers expect from digital media and entertainment is being increasingly shaped by their experiences with social media and gaming. This is a generational shift, as shown by our study. However, given that the eldest millennials are headed into their forties in 2024, it's no longer merely "younger generations" who are giving their time equally to TV and movies, social media and user-generated content, and immersive and social gaming.

It's in this broader environment that SVOD providers should consider competing for attention and engagement—and working hard to better monetize their intellectual property. How should their services evolve to reinforce content discovery and unlock monetization opportunities? How should SVOD providers use social media, gaming, and fandoms to help drive acquisition and retention for their services? If they focus too much on rebuilding the past of pay TV, SVOD providers may miss out on the opportunity to reimagine the streaming video experience and define a more compelling and enduring tomorrow.

US consumers may be reaching their limits on SVOD price hikes

This year’s *Digital Media Trends* shows that US households are spending more on streaming video subscriptions, but they may be reaching their limits. On average, US subscribing households spend US\$61 per month on four SVOD services. Additionally, 68% of consumers surveyed pay for either a TV subscription or live streaming TV to not only access content not available on streaming video, but also streamline billing for both broadband and TV and access SVOD through their pay TV service. For many US households, it may be getting more expensive to watch TV and films at home.

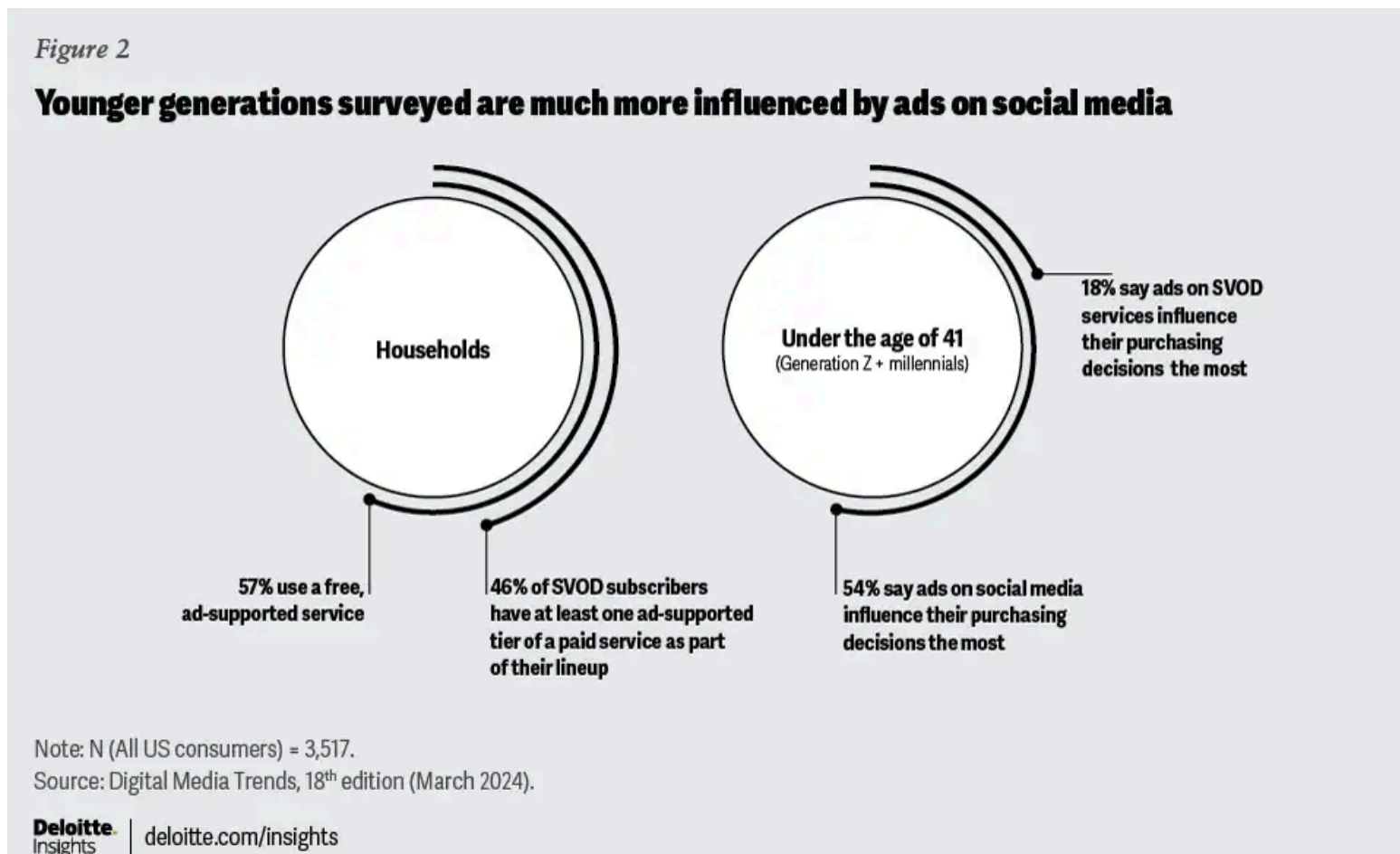
Cheaper, ad-supported tiers may offer some relief for SVOD subscribers: Around 46% of households subscribe to at least one ad-supported tier of a paid service as part of their lineup, and 57% use a free, ad-supported service. The overall percentage of respondents who have cancelled any paid SVOD service in the past six months has softened a bit, to 40% from 44% last year. This suggests that tiering and even bundling may be helping with retention, though churn remains considerably higher for younger generations—around 53% for Gen Zs and millennials surveyed, who also subscribe to and pay for more services. Over half of US consumers say they would agree to a year-long SVOD subscription if it offered a discounted rate.



However, SVOD providers may still need to work hard to show their value: Thirty-six percent of consumers across generations surveyed say that the content available on streaming video services isn’t worth the price. This suggests that subscription price hikes may be approaching their peak: Forty-eight percent say they would cancel their favorite paid SVOD service if monthly prices went up by US\$5. For US consumers surveyed, price is still the dominant factor in how they value a paid SVOD subscription.

Is commercial advertising the right bet for SVOD providers?

To help enable more affordable subscription tiers, SVOD providers are working to unlock advertising revenues. There's a bit of a gambit here: Cheaper, ad-supported tiers can lower subscription revenues while putting more weight on ad revenues, which, in turn, requires streamers to show more value to advertisers. This may put them in competition for ad budgets that advertisers increasingly spend on more targeted social media campaigns.⁴ Providers may hope that migrating audiences from pay TV onto ad-supported streaming services could rebuild the historic profitability of pay TV. This hope, however, may be based more on past successes than on modern media and entertainment behaviors.



People aren't being moved by the kinds of commercial advertising typical to TV and streaming video, especially younger generations: Eighteen percent of those surveyed under 41 years old say ads on SVOD services influence their purchasing decisions, compared to 54% who say ads on social media influence their purchasing decision the most. Part of this is that ads on streaming services tend to be repetitive and not relevant to specific viewers.⁵ Younger generations are also savvier to persuasion and are [more inclined to trust creators and influencers](#) on social media than brand advertisements. Based on how they allocate their ad dollars, advertisers and agencies seem to understand this reality—but do SVOD providers?

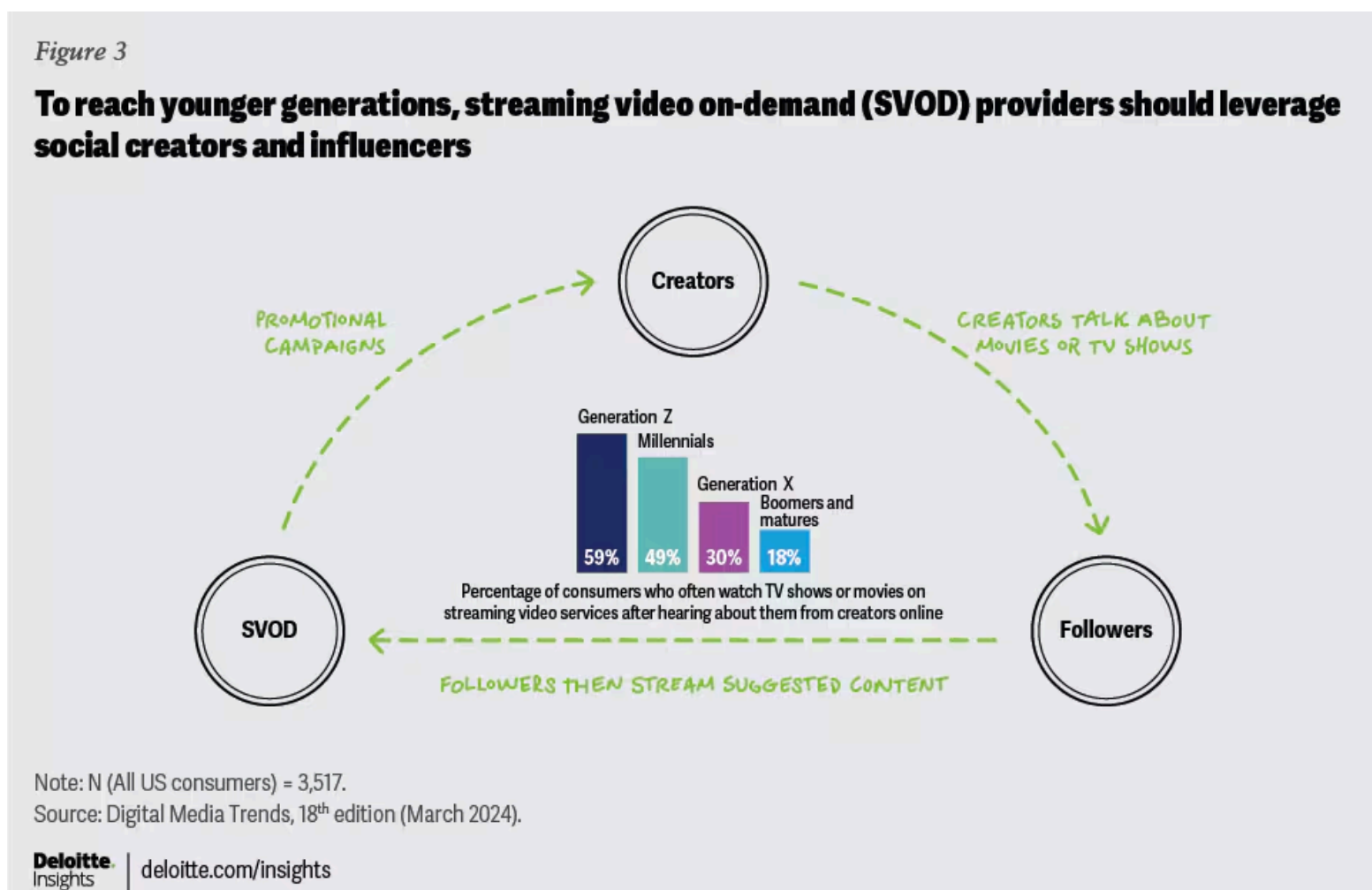
In their hopes to retain subscribers with lower prices, SVOD providers are taking on a new kind of customer: advertisers. Will SVOD providers be able to show enough value to advertisers? Maybe. But they may need to build stronger relationships with agencies and better ways to measure impressions and conversions. They will likely have to invest more in modeling and matching algorithms. Still, many SVOD providers don't have the audience size to drive the same economics for advertisers that pay TV has.⁶

People expect customization and personalization

SVOD providers may want to rebuild pay TV, but do consumers? US consumers may be willing to endure more ads and be corralled into bundles, but they may not be willing to give up the degree of customization they gained from unbundling pay TV, or the personalization they enjoy from social media.⁷

This highlights the competitive challenges that streamers face from social video services whose very DNA is data-driven and algorithmic. Social media users—billions of us, it should be noted—can select the accounts they follow à la carte, and these selections inform the algorithms that recommend related accounts and content. SVOD providers have been challenged to show similar capabilities. Deloitte’s study found that a full 60% of Gen Zs surveyed prefer watching user-generated content videos because they don’t have to spend time searching for what to watch, and 54% of Gen Zs and millennials believe they get better recommendations for TV shows and movies to watch from social media than from streaming video services.

It’s a reminder that those surveyed under 41 years old prefer social media videos to any other form of video content, and why so many ad dollars flow to social media. With the arrival of generative AI content creation tools in social media services, the volume of competitive content—and its quality—could rise dramatically.⁸ It should also be a reminder to SVOD providers and TV and film studios that engineering discovery and buzz for their offerings requires more than just targeted recommendations on their services. To reach the masses, many of whom may spend more of their entertainment time on social media services, SVOD providers should also have a strong social media strategy. This may be critical to customer acquisition and retention of existing subscribers.



Disruption of media and entertainment is the new normal

This data may be sobering to SVOD providers, but it can offer a path forward, albeit a costly one. People want more choice over what they see, better content recommendations from services, and innovations in advertising. Almost 50% of respondents say they would spend more time on streaming video services if it was easier to find content, and around 75% of Gen Zs and millennials would like a bundle that lets them search for content across all their streaming video services. Forty-two percent of consumers surveyed would be willing to watch ads on SVOD if they were more personalized to their interests. Nearly 40% of those surveyed under 41 years old would like the ability to click on the advertisements they watch on SVOD to get more info about a product and have the option to purchase it directly.⁹ Recent advances in generative AI for visual recognition could make it easier for audiences to quickly identify goods on the screen, but so far, this opportunity is being captured by mobile devices, not SVOD providers.¹⁰

This points to yet another likely revolution ahead for digital and streaming TV: getting the right content and products in front of the right eyes, with an interface that makes it simple to quickly identify and purchase embedded content and products. Streaming providers—and all media and entertainment companies—could learn from social media and content creators.

The biggest challenge for SVOD providers and studios may be philosophical: They no longer address a mass culture, but rather a fragmented landscape of competing digital entertainment options. Trying to rebuild pay TV business models around streaming services could help reduce SVOD churn and slow attrition in the near term, but the long game for success will likely involve reinventing the medium to be more personalized, more shoppable, and more social. Providers will also likely need to widen their scope beyond TV and films to reach modern audiences and make their intellectual property work across social and video games. The industry has had 20 years to understand the size and shape of the streaming disruption. Now they should come together to work to build something truly contemporary.

Key takeaways

- People will likely balance costs and content with ad-supported tiers, contracts, and more bundles, but these may be short-term solutions to preserving profitability. Social media and unbundling pay TV have trained consumers to expect more customized and personalized content and advertising. These are levers to build greater consumer engagement and value. For example, around half of consumers surveyed would spend more time on SVOD services if content discovery was easier.
- SVOD providers should see social media as a model for delivering engaging content to users and enduring value to advertisers. SVOD providers should also see social media as the nexus of discovery and buzz to drive support for their own content offerings.
- The TV and film industry should consider that going direct-to-consumer with SVOD services demands more than just repackaging the pay TV experience. SVOD providers now operate in a very different world, and how consumers value media and entertainment has evolved.

Methodology

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Endnotes

1. Jana Arbanas, Jeff Loucks, and Chris Arkenberg, *Can SVOD survive the future of media?*, Deloitte, 2023.
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Acknowledgements

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For women playing video games, it's (still) a man's world

Is the video game industry leaving half the population underserved?

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There are just as many women playing video games as men and boys. In this year's [Digital Media Trends](#) study, approximately 60% of Americans surveyed, across genders, spend an average of nine hours per week playing video games. However, there are distinct gender differences that may be fragmenting gamers and limiting growth of key segments, like live service games (online multiplayer games).¹

Despite the popularity of gaming, women still seem to be looking for their place in the video game community. Online games have been conducive to bullying and there is still a perception that game experiences and imagery skew toward the interests of men.² This appears to be impacting how and where women spend their gaming time.

Our survey finds that while nearly half of gamers who are men say they spend most of their gaming time playing one or two live service games, just 29% of women gamers do so.³ Indeed, half of women gamers surveyed are not interested in multiplayer games, and 69% prefer simple mobile games. With so much emphasis on brand and franchise opportunities in live service games, and so much money being spent to develop game experiences, are providers leaving half the population out?⁴ We also see that 25% of surveyed women gamers and 16% of men gamers (one in five U.S. gamers overall) started playing video games in the past four years—after a supposed pandemic bump. How can game companies work to ensure these gamers keep playing? For the more casual gamers (who our survey indicates are more likely to be women), how can companies draw them to engage with big, story-driven games and live service games?

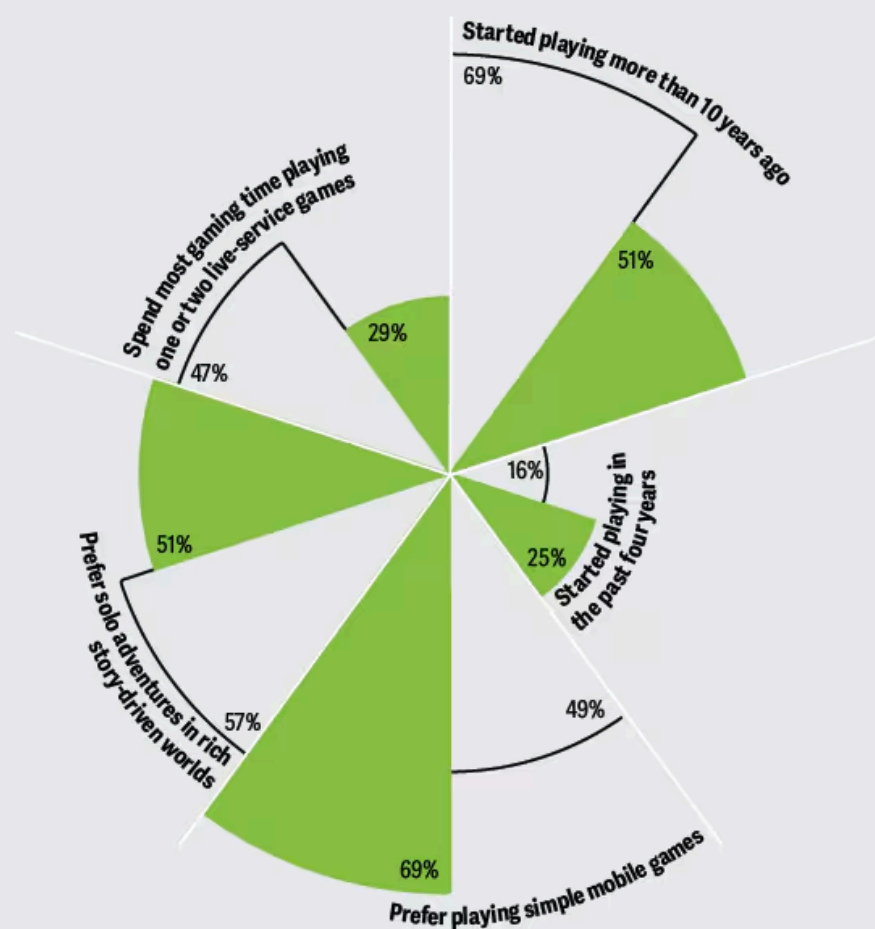
The video game industry has become very successful but is also under pressure to control the growing costs of developing blockbuster titles and operating live service games.⁵ Cost cutting may help but game companies also seek more players that are paying for games, digital goods, and game experiences. Cultivating more women gamers may help but to do so, game companies should contemplate how they can create an environment that attracts more women to boost engagement and revenues.⁶

Figure 1

Many women gamers prefer solo adventures in rich, story-driven worlds

Percentage of gamers who ...

● Women ○ Men



Notes: N (All US gamers) = 2,141. Respondents were given other options for self-identification that are not shown here.
Source: Digital Media Trends, 18th edition (March 2024).

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Cultivating a more welcoming environment in live service games

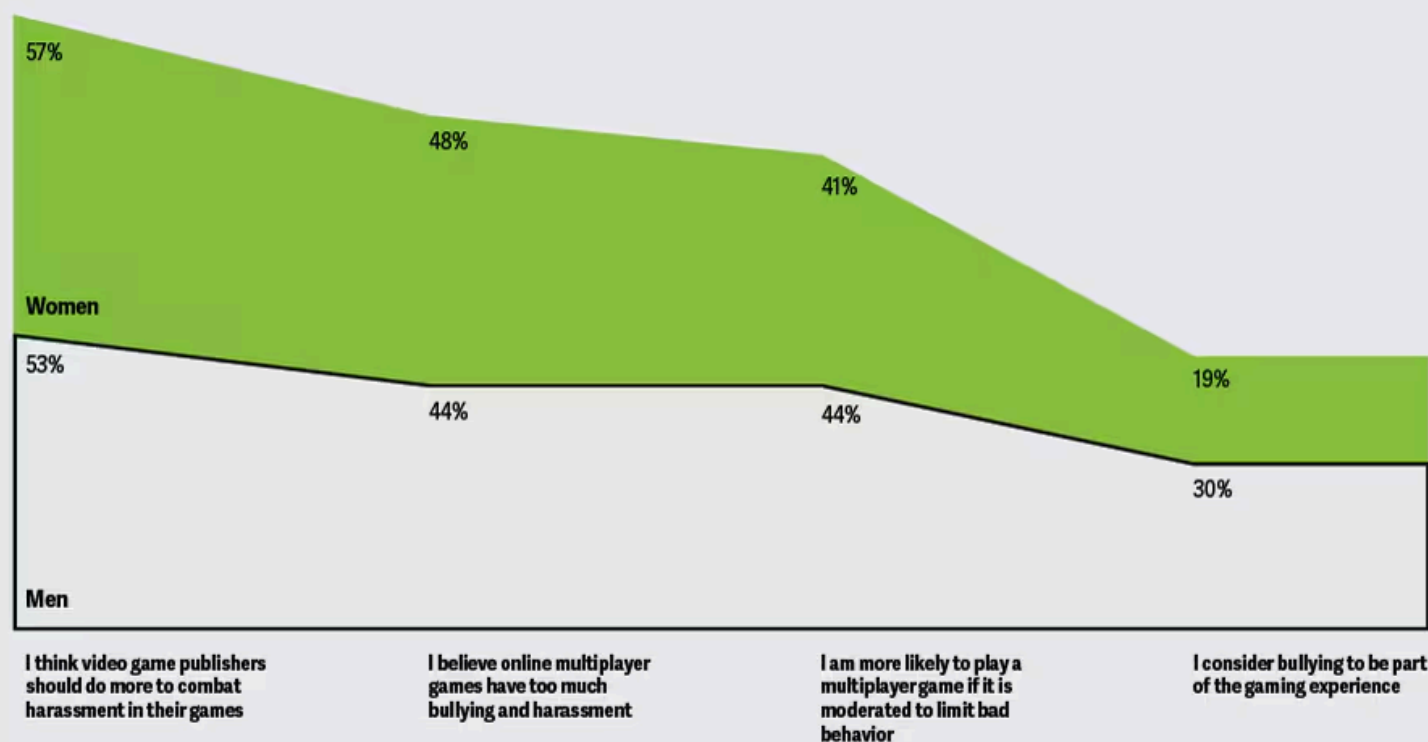
One way that could bring more women into live service games is by addressing issues of bullying and harassment. Although almost half of both men and women gamers surveyed believe online multiplayer games have too much bullying and harassment, they may be impacted by it differently. About 30% of surveyed men who play games consider bullying to be part of the experience, but only 19% of women gamers surveyed feel this way.

Game companies could help by driving stronger moderation of player chatter and better socialization of norms. Among gamers surveyed, 57% of women and 53% of men agree that video game publishers should do more to combat bullying and harassment in their games. Many live services have tools to monitor and moderate text and audio chat, but the integration of generative artificial intelligence could make it more powerful, adaptive, and nuanced. Early research suggests that large language models may be more capable of identifying actor intentions, moderating toxic comments, and rewarding positive contributions.⁷ To be clear, this isn't about making games less competitive but, rather, helping to ensure more positive experiences for more people.

Figure 2

Most gamers want companies to do more to combat harassment in their games

Percentage of gamers who agree with the following statements



Notes: N (All US gamers) = 2,141. Respondents were given other options for self-identification that are not shown here.
Source: Digital Media Trends, 18th edition (March 2024).

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Producing more non-gaming experiences held in live service games, like larger-than-life concerts and promotional events, could be another way to attract more women into live service games. So far, women gamers overall are not as engaged with these live, social, and non-gaming entertainment elements of gaming: Among surveyed gamers, only 26% of women would like more non-gaming experiences inside of their favorite online games, compared to 40% of men. This may not be surprising given that more women surveyed prefer solo games over multiplayer. Is this a marketing challenge for live service games to attract more women, or a broader challenge to the industry to reset the perception that gaming is an experience oriented toward men?⁸

Game companies that are running live service games should also consider bringing in more brands and franchises that lean toward women's interests, and they should work to empower the women creating online games-related content, like livestreams and videos. The growth of gaming over the past decade has gone together with the rise of social live streaming services and streamers, but women creators are facing challenges in growing their profiles.⁹ Game companies should work to not only promote women creators and facilitate more brand partnerships with them, but to also support them against potential backlash. In this way, game companies could leverage creators and brands to help further normalize women in gaming and encourage game experiences to become as diverse as the generations that enjoy them. [Read article [Audiences are becoming increasingly diverse, and they expect content that reflects the world around them](#)]

Solo, story-driven adventures have the broadest appeal

Another approach may be in reinforcing investment in the kinds of games that already have broader appeal. About half of gamers surveyed, (both men and women,) prefer playing solo, story-driven games. Such games are typically not solely based on combat and have increasingly featured strong women characters, and development of some of the biggest recent titles have been led by women.¹⁰ There is still work to do. A 2023 analysis of 13,000 video game characters showed that these fictional men speak twice as much as the fictional women.¹¹

And yet, bringing more gender diversity into solo story-driven games may be helping: Among women who started gaming in the past two years, 43% surveyed prefer solo adventures in rich story-driven games. Such games could attract more women to gaming. Delivering these games to next generation mobile devices could also help. While these games can be very expensive to develop and market ("AAA" titles can cost over US\$200 million¹²), they may be poised to reach larger audiences, including TV and film executives.¹³

Our data shows that gamers may be especially drawn to crossovers: Forty percent of gamers surveyed wish more of their favorite movies/TV shows had video game experiences, 41% wish more of their favorite video games had movie/TV show adaptations, and nearly half of Generation Z and millennial gamers want to see more celebrity actors featured in video games. In 2023, the top-selling video game was a story-driven adventure based on a popular film franchise.¹⁴ Crossovers can create more novel experiences for fans, bring video fans into gaming and vice versa, and create more monetization opportunities by bringing gaming and video companies closer together. However, our study shows that there is more interest in crossovers among men, which could further indicate that this demographic is more engaged with gaming and game-related content as part of the broader media landscape.

The largest game companies not only deliver experiences to massive global audiences, but they can also play a role in shaping culture through the immersive stories and social experiences they deliver. More game companies should consider playing a stronger role in supporting and empowering women: as gamers, streamers, employees, and innovators. Gaming companies in general should also be working to reinforce school programs that encourage more girls to pursue careers as game developers and producers, enabling them to further diversify their workforce.¹⁵ Cultivating greater goodwill with women could go a long way in engendering trust and creating a more welcoming environment within the industry.¹⁶

In 2024, gaming is big and there are just as many women playing video games as men, showing how much progress there has been. But they still tend to occupy different worlds. At the same time, the costs of developing and operating games are larger than ever.¹⁷ Engaging and supporting more women in gaming could drive greater revenues and innovation across the industry.

Key takeaways:

- In the United States, just as many women play video games as men, but they tend to play in different gaming categories, fragmenting the opportunities for monetization and expansion. In general, men that game are more engaged with, and better represented by, the games industry. This could be a missed opportunity.
- Live service games are dominated by men. How can services bring more women in? With better moderation in live service social games, more representation of women from studios and brands, more support for women game streamers, and more non-gaming live events that reach broader demographics.
- To expand gaming audiences—and expand intellectual property—studios should also continue to deliver rich, story-driven solo adventures that have more universal appeal. Unlike with mobile games and live service games, women gamers are just as likely to engage with these games as male gamers. Although these games can be very expensive to produce, developers and publishers may be able to recoup more costs if more women are playing.

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Data science and survey advisory by: **David Levin**

Cover image by: **Manya Kuzemchenko**

Social media and creators drive viewers to TV shows, movies, and games

More people turn to social media to discover what's new and exciting. Media companies should look to creators to help drive engagement with their own offerings.

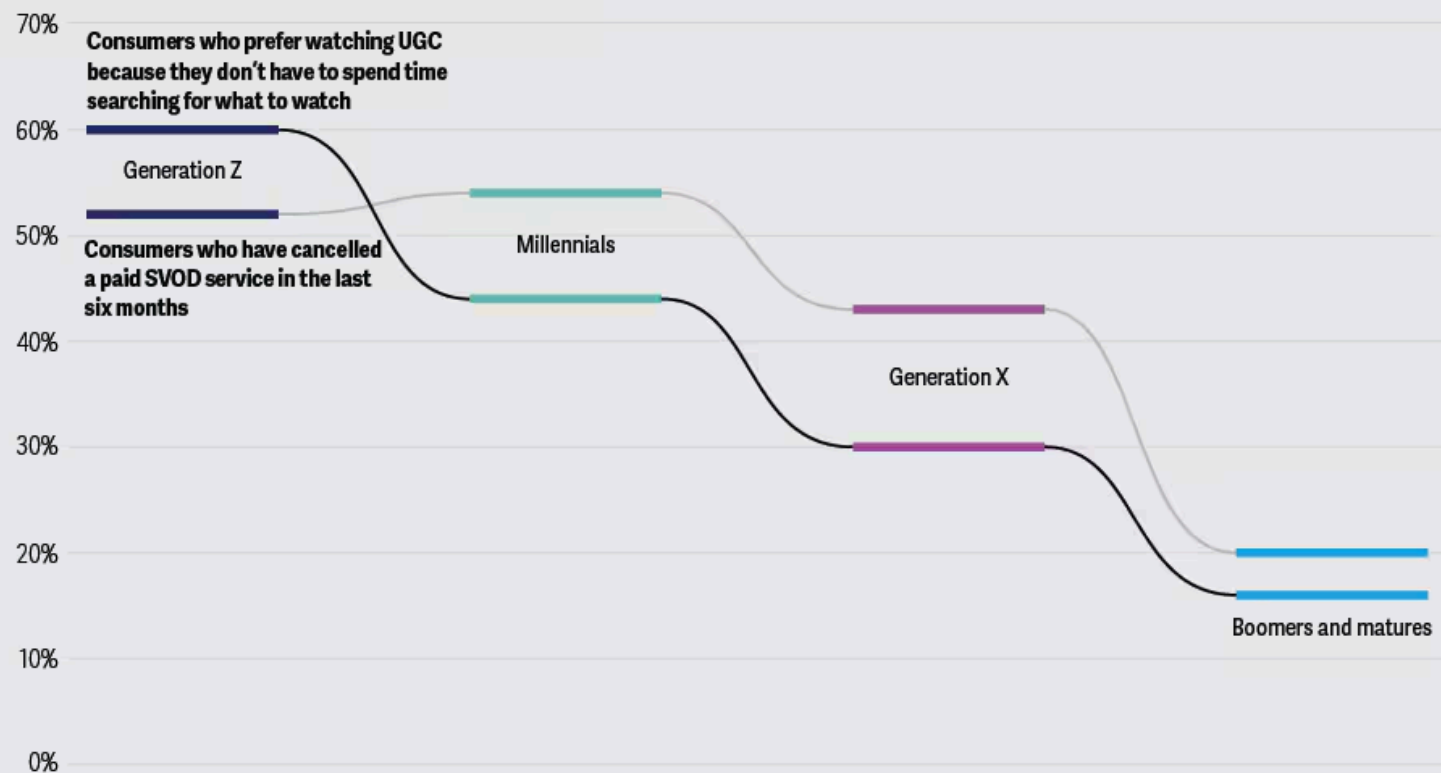
ARTICLE • 6 MINUTE READ

Media providers and social media platforms cling to an uneasy alliance. With abundant digital entertainment options, social platforms now directly compete for consumer attention, further straining this relationship. Deloitte's 2023 edition of *Digital Media Trends* showed that Generation Zs and millennials are leaning into social, user-generated video content because it's free and convenient and they can endlessly scroll through new content that is algorithmically targeted to their interests.¹ Social media lives in their palms, filled with the buzzing of billions of global peers continuously riffing on popular culture. For younger Americans, a handful of services have become the default destination for social video and entertainment. It may not be surprising that Gen Zs and millennials have been cancelling streaming video on demand (SVOD) subscriptions more than older consumers (figure 1).²

Our 2024 *Digital Media Trends* report finds an even stronger shift in young consumers' video preferences. Almost half (47%) of Gen Zs and a third of millennials surveyed say their favorite form of video content is social media videos and live streams. This doesn't mean that longer-form video entertainment is fading away, but it does highlight the effectiveness of social media algorithms and the strength of content creators and influencers. Media companies—and SVOD providers, in particular—could benefit from studying how social media services drive engagement and retention.

Figure 1

Younger consumers—who churn at the highest rates—prefer UGC videos because they don't have to search for things to watch



Note: N (All US consumers) = 3,517.

Source: Digital Media Trends, 18th edition (March 2024).

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One factor is finding content. Social media services help solve the problem of discovery that can cause people to go elsewhere for entertainment. For example, 60% of Gen Zs prefer user-generated content videos because they don't have to spend time searching for what to watch.³ Social media services have invested in reinforcing algorithms that match users with a seemingly endless stream of relevant and personalized content, but this isn't just another form of TV. Viewers can connect with communities of likeminded users, gaining a sense of belonging alongside their entertainment.⁴

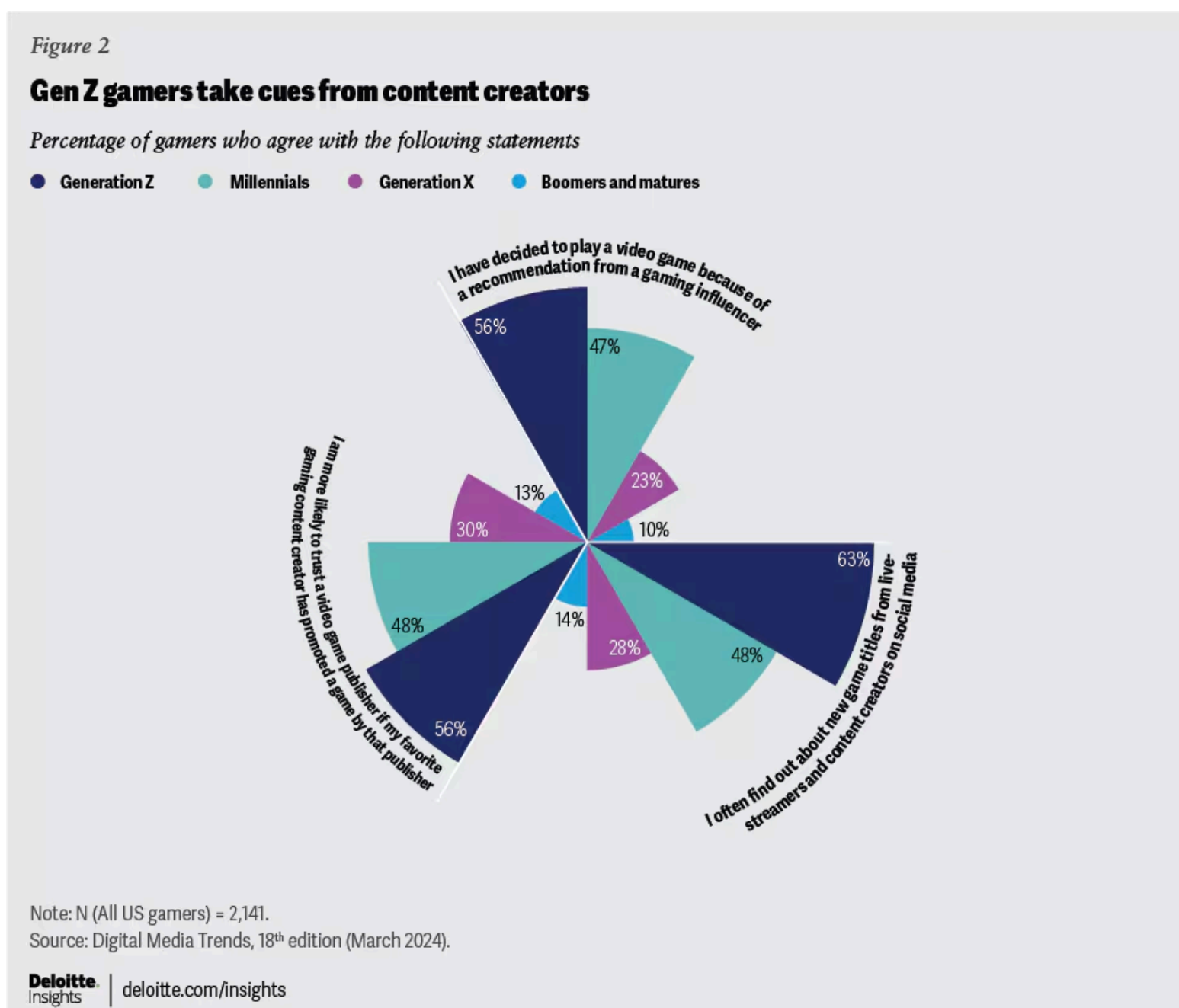
In contrast, many people report difficulties and frustrations with content discovery on SVOD services. And it's not for lack of trying: Nearly 50% of those surveyed say they spend too much time looking for streaming content to watch. Subscriber retention is critical for SVOD providers, and they should work to show their subscribers a reason to pay for the next month of service. Yet nearly half of respondents overall report they *often* abandon an entertainment experience because they can't find what they're looking for. In 2024, the top six SVOD providers alone will likely spend more than US\$100 billion on content.⁵ Viewers can't watch what they can't find, so much of that investment may not be maximized.

SVOD providers, for their part, have been investing more in content recommendations systems,⁶ but they should also consider the importance of leveraging social media for discovery and recommendations. Creators of user-generated content often point viewers toward traditional media—as interested observers, genuine fans, and paid ambassadors. More than half (54%) of Gen Zs and millennials believe they get better recommendations for TV shows and movies from social media than from SVOD services. Around a third of consumers—and 59% of Gen Zs—surveyed often watch TV shows or movies on SVOD services after hearing about them from creators online. A similar share say they saw a movie in a theater because they kept seeing conversations about it on social media.

This may be due in part to algorithmic targeting, but it's also likely buoyed by the buzz and virality that can sweep through social media communities. Engineering buzz is becoming more of a science, and savvy brands are learning to program for hype.⁷

Social media platforms may be competing for time and attention, but they also offer media and entertainment businesses valuable capabilities to promote their own offerings and drive people back to their services. Social platforms and content creators can be a critical marketing channel for streaming services and other media providers: Creators often build viewership with their fans across multiple digital services.⁸ They can help brands and companies access larger and more specific audiences that aggregate around creator channels, and some are even expanding into more traditional media. Some SVOD providers, for example, are now hiring leading online creators as talent for television shows and movies.⁹ SVOD providers aiming to attract and retain more younger subscribers should be thinking about the many ways they can collaborate with popular creators.

Media and entertainment companies should pay attention to video games to understand and leverage social media and creators. Gaming creators and the services they use can help to drive discovery and purchases. Sixty-three percent of Gen Z gamers surveyed find out about new games from live-streamers and content creators on social media, and 56% report they're more likely to trust a video game publisher if their favorite gaming content creator has promoted a game by that publisher (figure 2).



Gaming creators and live streamers can help brands and companies better understand gamer demographics and the nuances of modern video games. Accessing and engaging these demographics may be different from other media, but media and entertainment companies should not dismiss them: Fifty-seven percent of Gen Z and millennial gamer respondents discover new music in video games; nearly half don't mind seeing branded content in live service games, and more than half wish more of their favorite games had movie and TV show adaptations. Live streaming services, social video game services, and story-driven adventure games can all be considered part of the broader social media landscape.

Social media has become a digital “connective tissue” between people, brands, and media. It supports fandoms and communities of interest and can drive demand across other forms of media and entertainment. Media and entertainment companies can embrace social media—especially the content creators that foster discovery and trust—to help drive audiences to their own offerings. SVOD providers could evolve their services to better enhance personalization, nurture collaborations with creators and social media platforms, and prioritize compelling social video campaigns.

To better capitalize on creators’ ability to guide people toward other media experiences, media and entertainment organizations can work to develop strong relationships with creators and their audiences. Creators can help them nurture existing fan bases, build new ones, and direct fans to their shows, movies, and games.

Key takeaways

- **Social platforms:** Social platforms are growing competitors to TV and movies with creators working as entertainment “talent.” Platforms should continue to build deep relationships with creators to help retain their [creators in the long term](#). Platforms can also look beyond competition to work with studios to support the cross-promotion of content through creator collaborations and integrated ad campaigns.
- **Content creators:** One way content creators can grow their businesses on social platforms is by collaborating with media and entertainment companies. They can engage in partnerships for promoting new content and may have increasingly more options to work as talent in traditional media.
- **Streaming services:** Streaming services should look to the engagement models of social media services to improve their own content delivery strategies, making a more concerted effort to leverage user data and AI technologies to target content toward individual viewers. Such investments can be a direct line to improve subscriber retention, for example. Streaming providers should also build relationships with creators to generate buzz, build audiences, and potentially source talent. This might require a patient, multiplatform strategy since [profitable fandoms](#) can be small. These efforts have the potential to pay off with stronger audience engagement, improved content discovery, and more fans.
- **Gaming companies:** Creators have long been a channel for promoting gaming titles and generating new fans. Gaming companies are well-positioned to pioneer the way forward by working to understand the nuances of video games and the creators that share and support gaming communities.

Methodology

These insights are based on an online survey of 3,517 US consumers that was conducted in October 2023. Throughout this report, we reference generations. Our generational definitions are as follows: Generation Z (1997-2009), millennial (1983-1996), Generation X (1966-1982), boomers (1947-1965), and matures (1946 and prior). The survey was fielded by an independent research firm and all data is weighted back to the most recent Census to give a representative view of US consumers.

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Endnotes

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Data science and survey advisory by: **David Levin**

Cover image by: **Manya Kuzemchenko**

Beyond mass appeal: The untapped potential of fandom

Fans of certain musicians, movies, video games, TV shows, or sports teams—though segmented audiences—drive substantial engagement and present big opportunities for cross-platform growth.

ARTICLE • 8 MINUTE READ

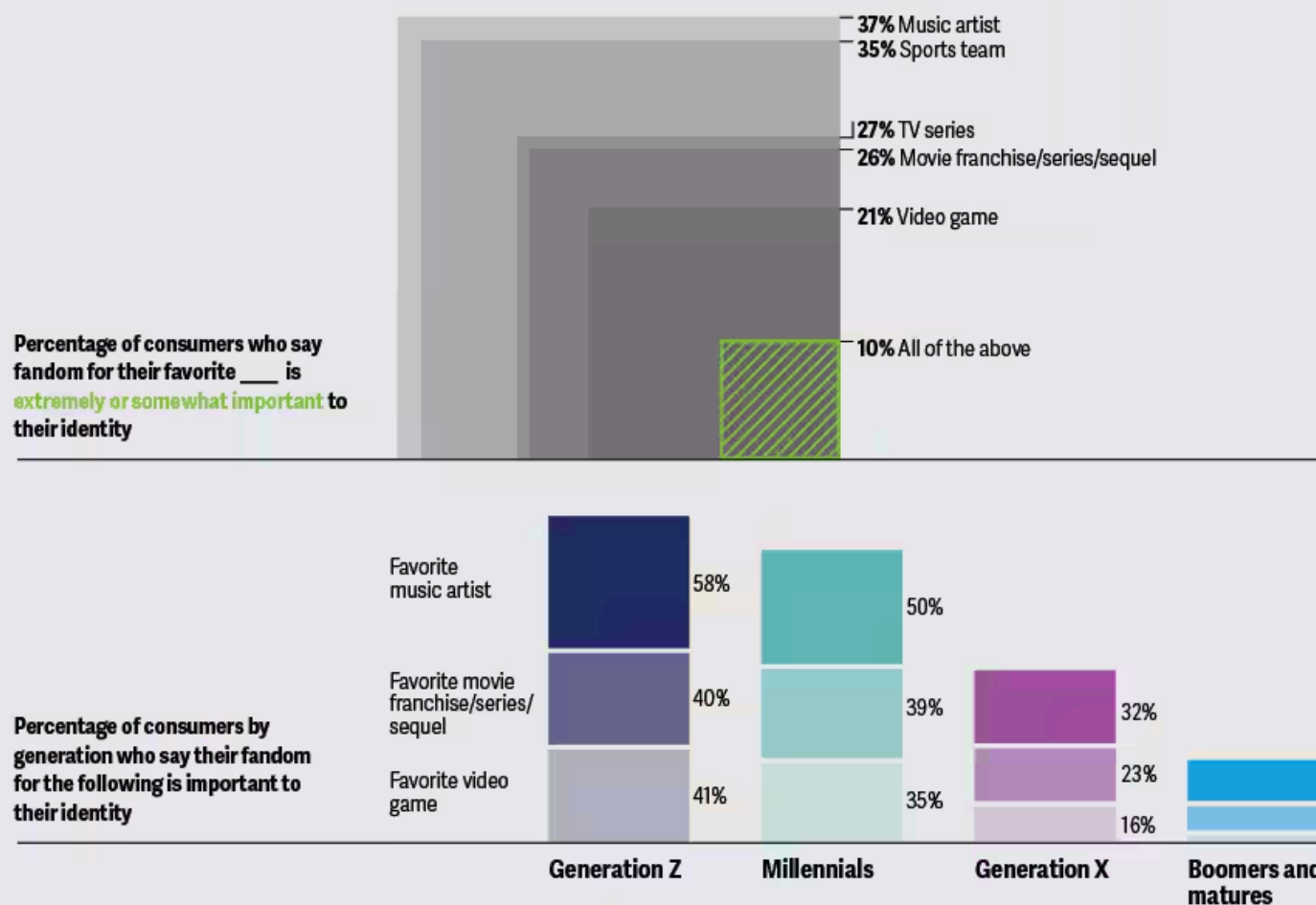
Media and entertainment (M&E) companies largely focus on dominating market share and appealing to the masses. But our data suggests that focusing on segmented, hyperengaged groups of fans could prove just as valuable. Though different fan groups—music fans, movie fans, video game fans, TV show fans, sports fans, and what we call “M&E super fans”—are segments of the broader population, these cohorts evangelize their fandoms, are willing to follow them across platforms and ventures, and often drive outsized engagement. Strategically pursuing these audiences may not always override the boon of mass appeal, but M&E companies might consider how to best leverage their own fan communities and lean into their fervor.

Maybe unsurprisingly, analysis of our [2024 Digital Media Trends](#) data suggests surveyed consumers who consider themselves fans¹ (of a music artist, movie franchise or series, TV show, video game, or sports team) are more engaged with their preferred media format than more casual consumers. Simply put: The value of these fans is high. Self-identified fans—who skew younger and are often more diverse than the average consumer—are driving the success of media experiences both online and offline. Where movie theater and live performance attendance, for example, have struggled to climb back from pandemic lows, these fan communities may be the key to driving digital and in-person ancillary entertainment experiences.² Think of the millions of Taylor Swift fans who attended her concert in 2023, the K-pop fans booking international trips to South Korea, and the *Barbie* fans who dressed in pink to watch the movie in theaters.³ For fans: Build it and they will come. And then they’ll tell their friends, too.⁴ M&E companies have an opportunity to deepen their relationship with these value-rich fan groups, drive chatter and hype among them, and then examine how they approach their monetization and intellectual property (IP) extension strategies. So, who are M&E fans, and how do their behaviors differ from more casual consumers?

Music fandom is salient, with about 40% of consumers surveyed saying their fandom for their favorite music artist is important to their identity (these are our “music fans”) (figure 1). Not only are these music fans more likely to pay for a streaming music service and download music from their favorite artists, but they are also more likely to follow their favorite musician in various endeavors, including following that musician on social media, buying merchandise, and listening to their podcasts. A third of music fans have taken their fandom offline, too, by attending a live music concert in the prior three months, compared with a significantly smaller share of more casual listeners. Most music fans say they primarily go to live music concerts for the *experience*, suggesting there’s an important social—and communal—aspect to attending such events.

Figure 1

Younger people are more likely to say their fandoms are important to their identity



Note: N (All US consumers) = 3,517.

Source: Digital Media Trends, 18th edition (March 2024).

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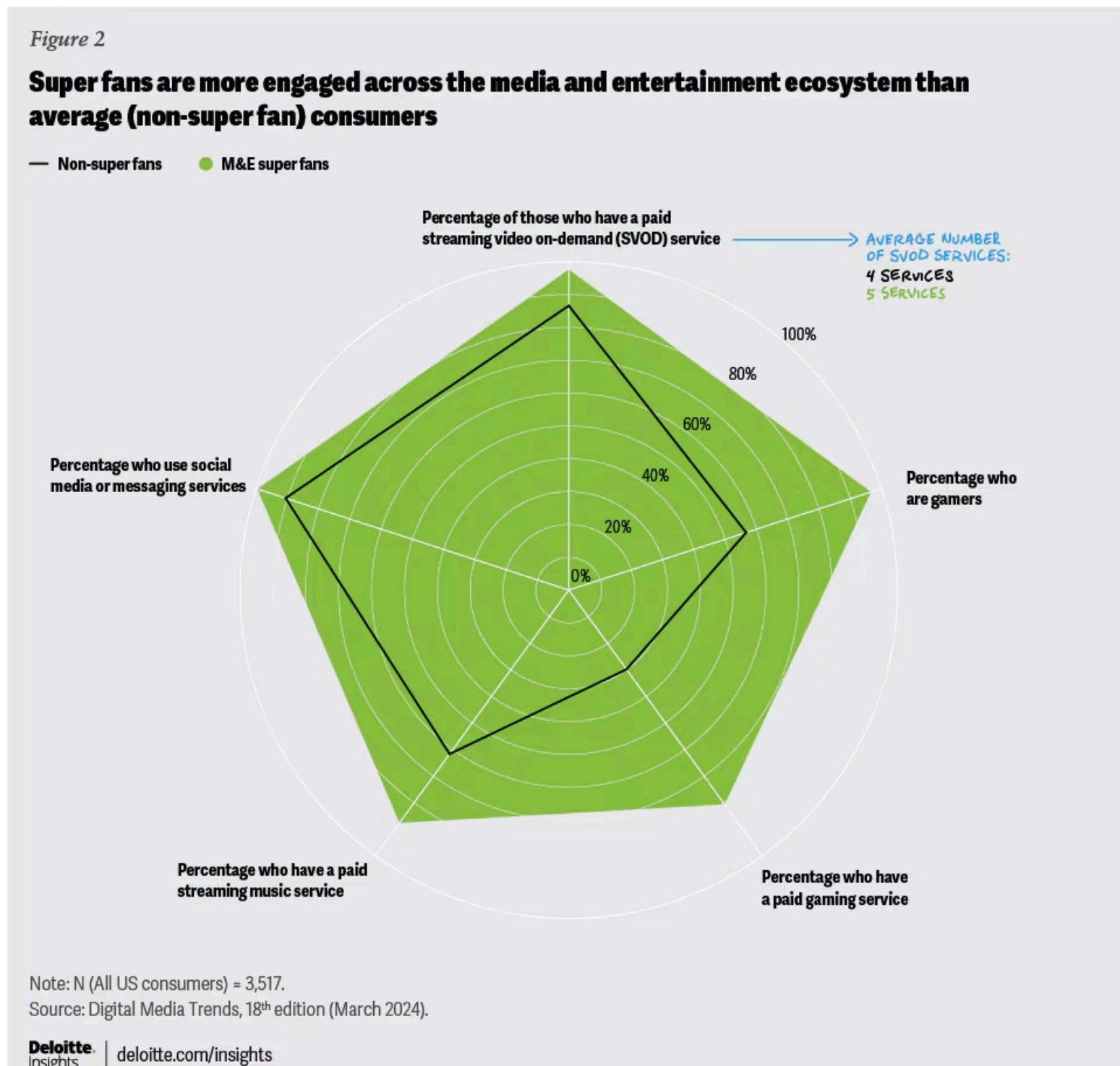
Movie fandoms are also diverse communities, and around a quarter of respondents overall say fandom for their favorite movie franchise or series is important to their identity (these are our “movie fans”). These fans are theatergoers: Six-in-ten movie fans have gone to the movie theater to watch a movie in the previous three months, compared to around 40% of casual movie viewers. Beyond the theater, movie fans are more interested in attending fan conventions, visiting film locations, buying merchandise, and attending a theme park or a live, interactive experience than their more casual counterparts.

But these movie fans are interested in following their fandom in digital spaces, like video game worlds, too: More than half of movie fans wish more of their favorite movies and TV shows had video game experiences, and 60% of movie fans who are also gamers would like to see more celebrity actors featured in video games. The franchise can be viewed as a model for this type of cross-platform expansion that serves to engage fans both old and new—and proves the value of fandom for extending IP. Though the fictional world originated in books, it gained substantial popularity after the release of the first movie in 2001, and has since expanded to theme parks, merchandising, video games, spin-off movies, and even a Broadway show. This model has been successful in bringing in new fans, while keeping long-time fans coming back for more, decade after decade.⁵

Those surveyed who say their fandom for their favorite video game is important to their identity (these are our “video game fans”) are diverse and are the youngest cohort of the three—with the average fan being 33 years old. Engagement with gaming is a given for this group: They’re more likely than casual gamers to have a paid video game subscription and spend more hours playing video games per week. For these fans, their gaming fandom also provides community, socialization, and a sense of belonging—which gives it staying power beyond a passing fad: More than half say they mainly play online games to meet up with friends, and 42% say they have more friends in game worlds than in real life.

Outside of video games, however, these fans want to follow their favorite worlds with adjacent media offerings. Nearly 70% of video game fans surveyed wish their favorite video games had TV show or movie adaptations. Some studios and game publishers are already embracing fandoms in this way, like HBO and the series, *The Last of Us* (based off the video game of the same name) and Nintendo's *The Super Mario Bros. Movie*. And despite being young and tech savvy, this group is also willing to take their fandom into the real world: Roughly one-in-five gaming fans would like to attend a fan convention, or a live, interactive experience or theme park related to their favorite video game.

We also asked consumers about their sports team and TV series fandoms, and the trend follows: People who consider these fandoms important to their identity are more likely than casual TV viewers and casual sports consumers to engage with sports or TV content.



Then, there are those we might consider “M&E super fans”—or about one-in-ten consumers surveyed—who say their fandom for their favorite music artist, sports team, TV series, movie franchise, and video game are *all* important to their identities (figure 2). These M&E super fans are engaged across the digital media ecosystem: They’re more likely to pay for subscription video on demand (SVOD), music, and gaming services than the average consumer, and they use multiple social media platforms, too. This narrow cohort is spending an outsized amount of their time and money with entertainment content and should be considered a prized audience. Since their consumption patterns are widespread, this group can provide insights into cross-platform engagement and content diversification. M&E companies might think about leveraging their own versions of “super fans” in various ways, such as leaning on them to support IP extensions or drive widespread buzz and hype on social media for new cross-platform content. But while these fans may seem like the ideal customer, they have more SVOD services than the average consumer, and thus, have a significantly higher churn rate for SVOD services than non-super fans. These respondents are also twice as likely to say they have “too many” entertainment subscriptions in the household. Capturing and retaining these valuable super fans means developing strategies to reduce churn, like offering “can’t miss” cross-platform experiences and attractive bundles to cut down on cost and subscription overwhelm.

Maybe M&E brands, products, services, and content don’t have to appeal to everyone. They just may need to appeal to the right groups of passionate fans. Fandom is often a lifelong journey rather than a weekend getaway. Since fandom can be deeply tied to identity, fans are likely to stick around and invest in the content and personalities they love. Brands should aim to be right there with them, nurturing the fandom, for the long haul.

Key takeaways

- M&E companies should not simply skim the surface of fan communities, but rather seek more profound engagement and understanding. Consider going beyond generalized viewership statistics to delve into forum discussions, messaging groups and other granular interactions among the most loyal followers.
- Focusing on passionate groups of fans—and M&E super fans—may pay off for media and entertainment companies who are looking to develop cross-media franchises. These committed fans are likely to have an outsized impact in terms of spend and broader hype-building.
- Developing sensing capabilities to discover burgeoning fandoms should be top-of-mind for M&E companies. Once they spot these growing fan communities, M&E companies can use engagement strategies to take advantage of these groups and learn from them as they evolve.
- M&E companies should consider the intensity of their fan bases (not just the number of viewers) when considering new investment and monetization strategies. A passionate fan base (regardless of size) might be worth more than an audience of average, casual fans.

Methodology

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1. A “fan” is defined as any respondent in our survey who said their fandom for their favorite (1) music artist; (2) movie franchise/series/sequel; (3)TV show; (4) video game; or (5) sports team, is somewhat or extremely important to their identity.
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Audiences are becoming increasingly diverse, and they expect content that reflects the world around them

Diverse communities base media spend largely on the inclusivity of content, and the United States is only getting more diverse.

ARTICLE • 5 MINUTE READ

Younger generations get a lot of attention in the media and entertainment industry, often because they're early adopters of innovations like social media, video games, and streaming video. But beyond their tech-savviness, these generations are also inherently different demographically from preceding generations, and as such, they're shifting the definition of the average American consumer. Media and entertainment (M&E) companies should consider investing in meeting the expectations of an increasingly diverse population to help win market share and keep consumers engaged.

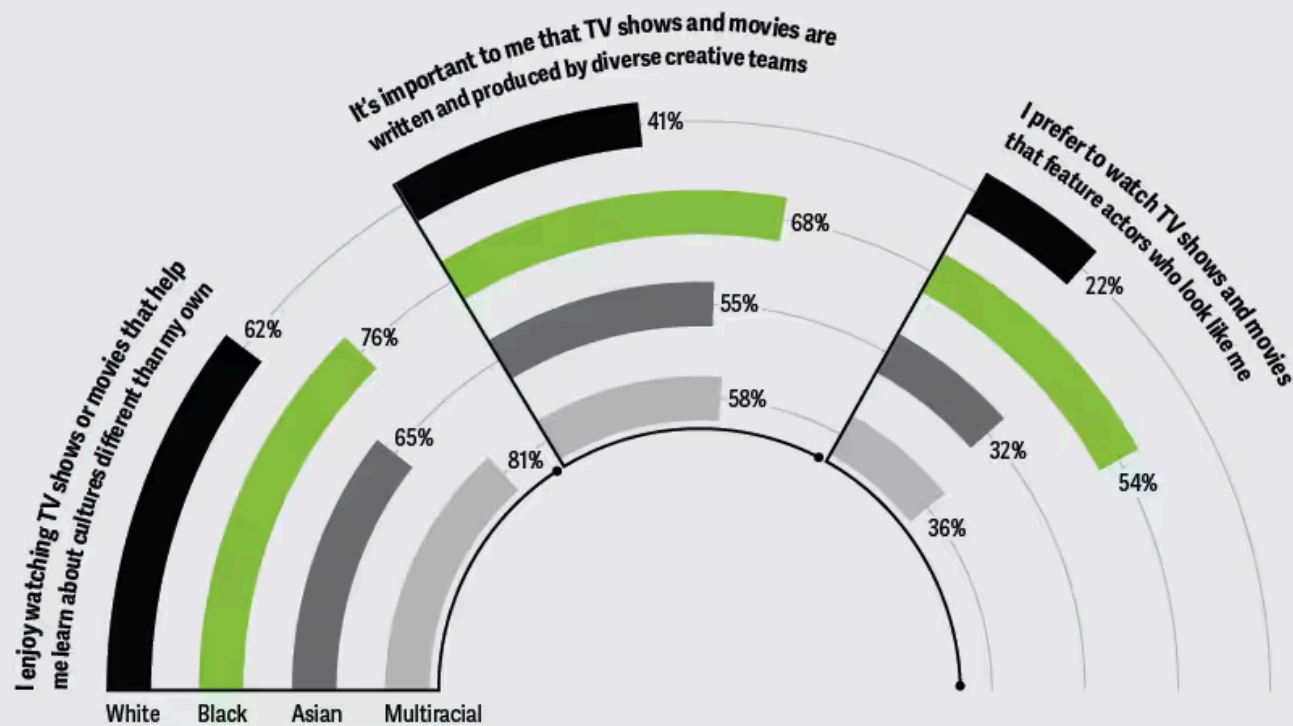
Gen Zs (those born between 1997 and 2009) and millennials (those born between 1983 and 1996), who collectively make up a significant share of the US population, are more diverse than those in older generations, a trend that will only continue with Gen Alphas (those born between roughly 2010 and 2024) and the cohorts that follow.¹ Not only are younger generations more likely to be racially and ethnically diverse, but they're also more likely to identify as members of the LGBTQIA+ community or be neurodiverse (meaning they see the world around them in a different way, and may have a diagnosis like autism spectrum disorder, ADHD or a learning disability).²

The profile of the average American audience is changing, and so too are consumer expectations for M&E content more broadly, including TV shows, movies, and social media videos. Data from our [2024 Digital Media Trends](#) study suggests that consumers from diverse groups value inclusive representation in entertainment content, expect it, and actively seek it out. Given that younger generations are more diverse, it's reasonable to assume that such expectations will only increase in audiences over time.

Figure 1

Most consumers enjoy watching TV shows and movies that help them learn about different cultures

Percentage of consumers who agree with the following statements



Notes: N (All US consumers) = 3,517. Respondents were given other options for self-identification that are not shown here.
Source: Digital Media Trends, 18th edition (March 2024).

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Among those surveyed, more than half of Black consumers prefer to watch TV shows and movies that feature people who look like them. Around half of Black and multiracial people actively seek out TV shows and movies that tell stories about underrepresented groups. But the team behind the scenes matters, too: Nearly 70% of Black consumers (and more than half of Asian, multiracial, and Hispanic and Latinx consumers) say it's important to them that TV shows and movies are written and produced by diverse creative teams. LGBTQIA+ respondents are also more likely than other consumers to expect the diversity of the real world to show up on screen (62% compared with 45%), to seek out shows and movies that tell stories about underrepresented groups (53% compared with 32%) and say it's important that TV shows and movies have diverse creative teams behind them (66% compared with 45%).

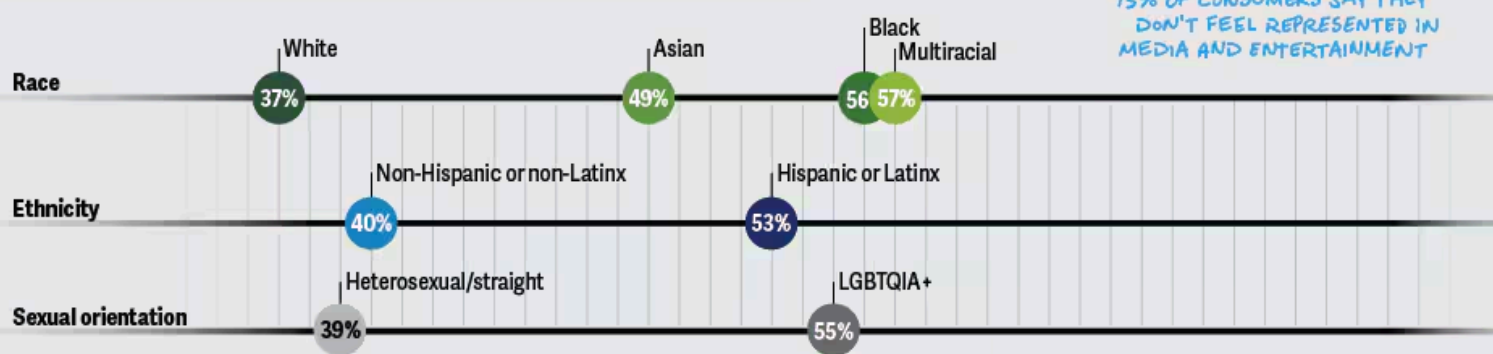
Appealing to the full diversity of consumers is important to business success—and currently less than a third of consumers surveyed believe the M&E industry is inclusive.³ Deloitte research found that Black, Hispanic and Latinx consumers, and LGBTQIA+ audiences, drive more than a third of the US M&E market, and 71% of entertainment spend among these groups is driven by feelings of inclusivity.⁴ Investing in inclusivity could have real business implications for production companies and streaming video-on-demand (SVOD) providers. But it's not just viewers from diverse audiences who want to see, and find value in, inclusivity and representation in their media and entertainment content, it's also consumers overall—across race, ethnicity, gender identity, age, sexual orientation, and abilities. Our 2024 *Digital Media Trends* data suggests that nearly 70% of all consumers surveyed say that they enjoy watching TV shows or movies that help them learn about cultures different from their own, and nearly half of all respondents say they expect TV shows and movies to show the same racial and physical diversity they see in the real world. Investing in inclusion could pay off for brands: Research has shown that across all groups, consumers will spend more money on media and entertainment if they feel more included.⁵

Figure 2

Diverse audiences are more likely to think that social media videos are more diverse than TV shows and movies

Percentage of consumers who agree with the following statement

I find videos on social media to be much more diverse than TV shows and movies



Notes: N (All US consumers) = 3,517. Respondents were given other options for self-identification that are not shown here.
Sources: Digital Media Trends, 18th edition (March 2024); percentage in blue from Deloitte Media Reimagined Consumer survey.

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But we know that shows and movies sometimes miss the mark in terms of inclusivity and representation,⁶ and access to inclusive content may be limited. 75% of consumers surveyed say they don't currently feel represented in media and entertainment.⁷ This may be where the broad and diverse set of creators who generate social media videos hold a competitive advantage. More than 40% of consumers surveyed find videos on social media to be much more diverse than TV shows and movies—a figure that increases to 60% among Gen Zs, and to over 50% for Black, multiracial, Hispanic and Latinx, and LGBTQIA+ consumers. It may be noteworthy then that consumer churn on SVOD—or the percentage of consumers who have canceled at least one paid SVOD service in a six-month period—is highest among these same groups, according to our data.

The perceived diversity of social media videos may be due to the algorithms that power these platforms, and their ability to connect content with specific audiences that, in turn, could help to build a sense of community and belonging. If consumers engage with and follow diverse content and follow diverse creators, the platforms will likely continue to serve that up in the feed. And our data shows that following creators from similar backgrounds, and those who share their values, is important to people. For example, 46% of Black consumers surveyed say they are more likely to follow creators who look like them when compared with 24% of consumers overall. Similarly, approximately 60% of Black, multiracial, Hispanic and Latinx, and LGBTQIA+ people say they tend to follow creators who share their values (compared with 47% of consumers overall). However, social media videos and content creators—like movies and TV shows—also allow people to discover new things and learn about different communities. Nearly 40% of those surveyed say they follow content creators to learn about cultures different from their own. This figure increases to about 50% or more for Black, multiracial, Hispanic and Latinx, and LGBTQIA+ people.

In today's media ecosystem, consumers have myriad options competing for their time, attention, and money. For M&E companies to remain successful, they should work to understand and meet the expectations of young, and increasingly diverse, audiences.

Key takeaways:

- Consumers across communities expect to see inclusivity in media and entertainment content; and production studios, streaming services, and other entertainment providers should be mindful of the stories they tell, the talent they hire, and the behind-the-scenes professionals they recruit. These expectations will likely only grow stronger as generations continue to be more diverse.
- The very makeup of the U.S. population is shifting and evolving. Entertainment companies should have *all* people in mind throughout the value chain and content development life cycle.

Methodology

These insights are based on an online survey of 3,517 US consumers that was conducted in October 2023. Throughout this report, we reference generations. Our generational definitions are as follows: Generation Z (1997-2009), millennial (1983-1996), Generation X (1966-1982), boomers (1947-1965), and matures (1946 and prior). The survey was fielded by an independent research firm and all data is weighted back to the most recent Census to give a representative view of US consumers.

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