MORNING CONSULT®

ANALYST REPORT

The State of Media & Entertainment

How media companies can find the next wave of growth in 2023 amid macroeconomic uncertainty

JANUARY 2023

IN THIS REPORT

3 Executive Summary

4 Key Takeaways

5 Video Streaming

13 Social Media

19 Video Games, Esports and Metaverse

26 Digital Audio

32 About the Report & Methodology

Executive Summary

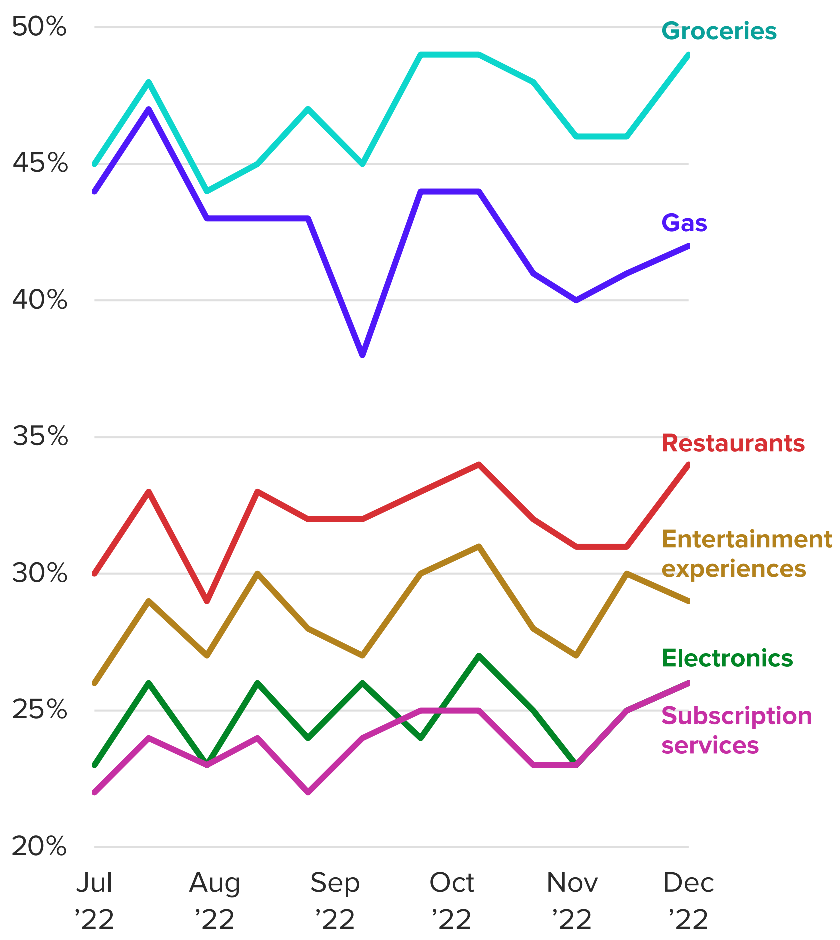
With the economy not likely to improve much in the near term, media executives should brace for some consumers to be even choosier with their entertainment expenditures in 2023.

Morning Consult's semiannual State of Media & Entertainment report tracks the most important media trends and distills how executives in the industry can capitalize on them.

Most consumers are now comfortable with outdoor activities again, but rising interest rates and increased production costs in 2022 contributed to a year where growth fell short of expectations. The biggest media companies lost over $500 billion in market value last year, and as 2023 begins, executives need the latest insights on how consumers are approaching media to ensure that this year won't be a repeat of the previous one.

Based on survey interviews with more than **2,200 adults** across the United States, this report provides insight into the consumer trends that will shape the future of the media and entertainment sector.

Share of U.S. adults who said they often tried to save over the past month in each category due to rising inflation:



Source: Morning Consult Research Intelligence

Key Takeaways

1

Boom times for video streaming are over.

Lower-priced ad tiers will only help so much, making it imperative for streamers to be able differentiate themselves through areas like live content and free ad-supported streaming TV options.

READ MORE

2

Winning the short-form video race remains paramount for social media players.

Startups like BeReal and Post News have gained popularity, but it's unclear any new player will establish itself as a creator economy pillar like TikTok has. None of the TikTok copycat products have managed to usurp Bytedance's service in the minds of Gen Zers.

READ MORE

3

Video game IP needs more attention from media companies.

The consumers who spend the most time gaming also tend to be much more interested in moviegoing and video streaming than the average adult, so more content geared toward gamers should be developed.

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4

Newer digital audio initiatives are far from monetizing the average consumer.

While some consumers do regularly use social audio services like Clubhouse and pay for podcast subscriptions, they're the exception rather than the rule.

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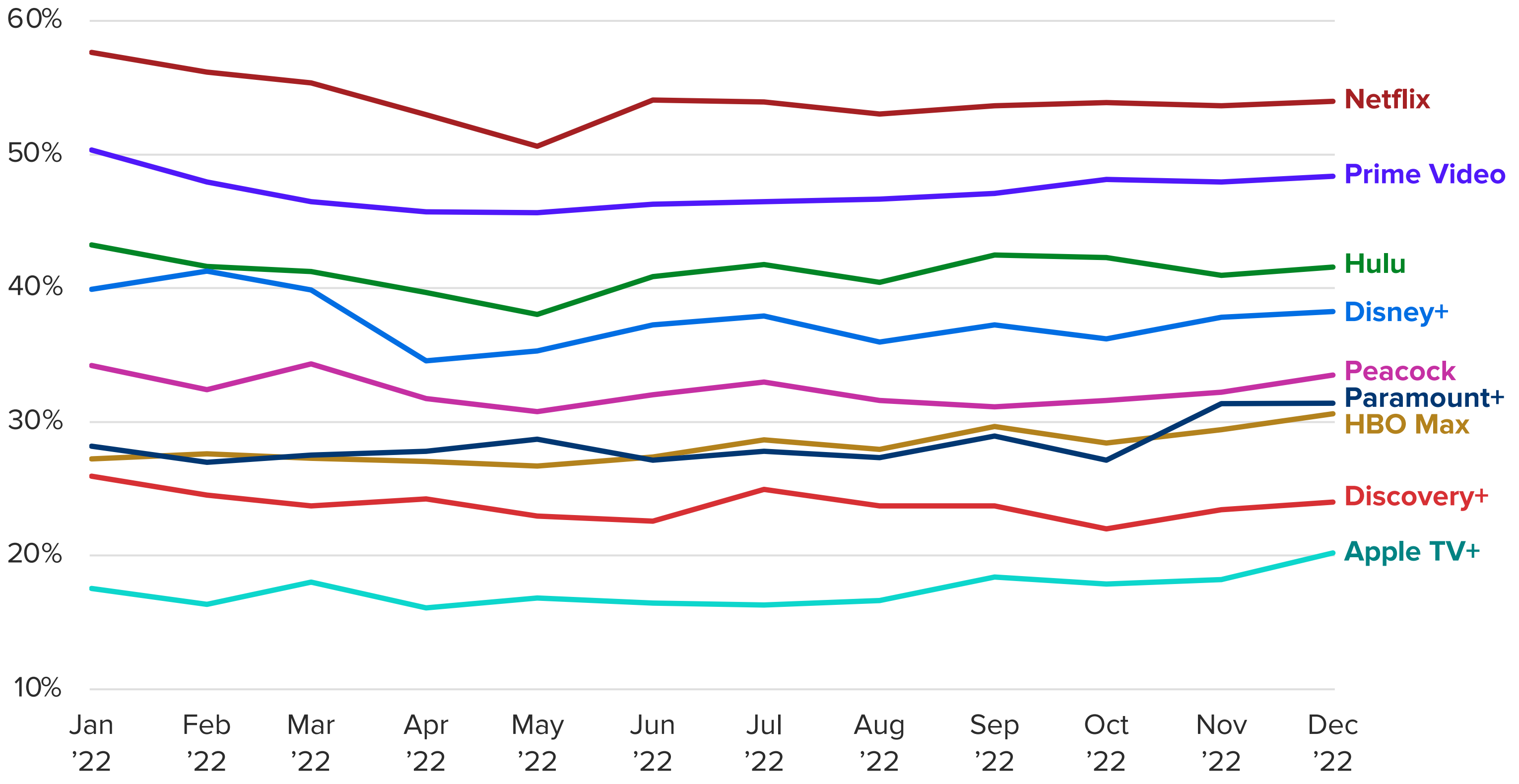
SECTION #1

Video Streaming

As domestic video streaming service growth slows, a greater focus must be placed on the cost-effective ways to diversify growth strategies

Tough times for domestic streaming growth have shifted the focus to profitability

Share of U.S. adults considering purchasing a subscription to each:



Source: Morning Consult Brand Intelligence

The years of unbridled growth for the video streaming landscape are long gone. Netflix's H1 '22 subscriber losses were most emblematic of the industry's slowdown, but U.S. growth hasn't been easy for others either. Services like Peacock grew their domestic subscriber count, but purchase consideration for major U.S. streamers failed to move by more than 5 percentage points between January and the end of December of 2022 — meaning that the competitive standing didn't change.

The year of lackluster growth woke investors up to the overspending that comes with chasing subscribers. As a result, the measure of streaming success widened to be much more inclusive of profitability progress. For example, Disney experienced its worst one-day stock drop since 2001 after reporting a nearly $1.5 billion loss for its DTC unit in November, despite adding over 12 million Disney+ subscriptions in fiscal Q4. This is why media companies can no longer afford to go all-in on growing subscriber counts, and why Warner Bros. Discovery turned away from expensive straight-to-streaming films like "Batgirl."

Streamers are right to focus on Gen Z, but they can't lose sight of other age cohorts

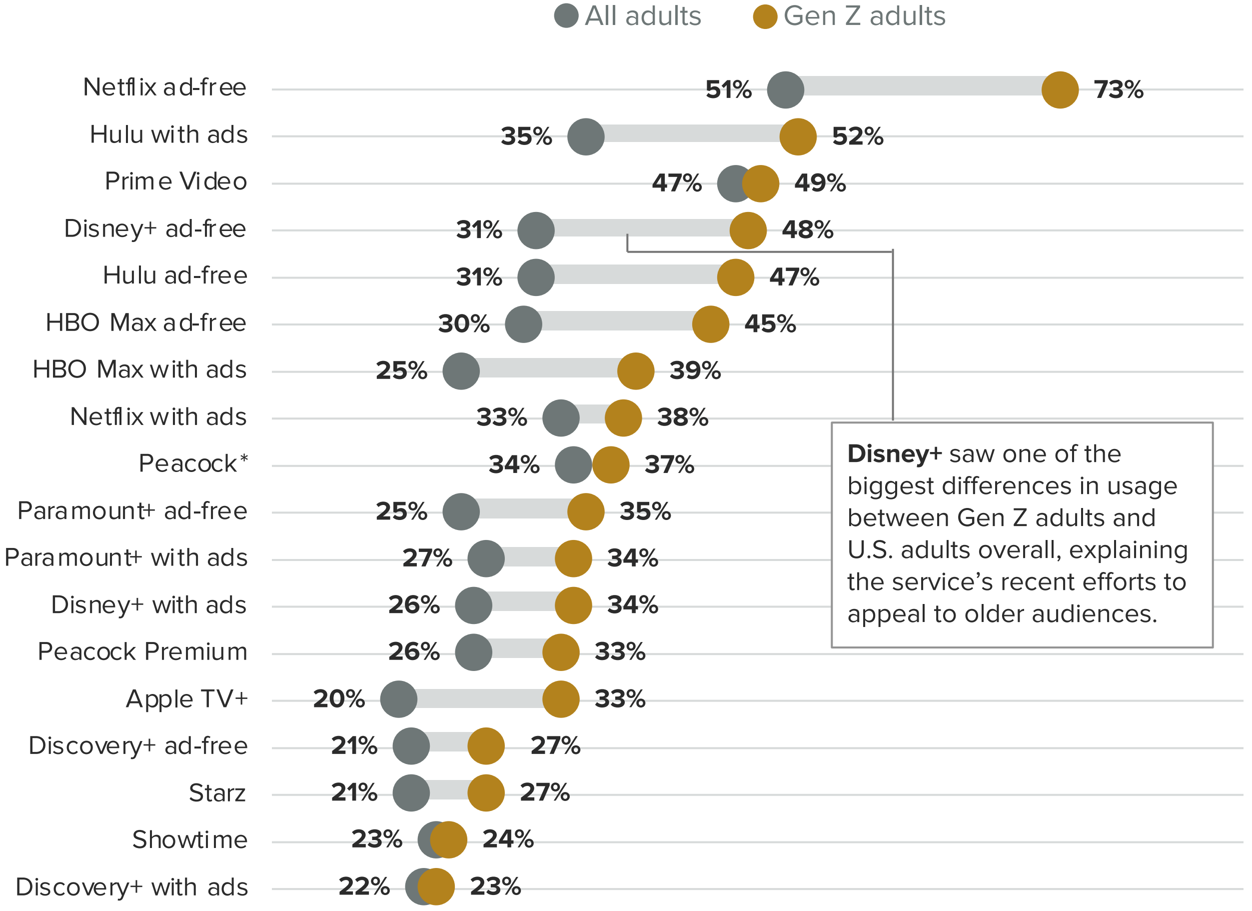
Streamers have long invested in building out Gen Z audiences; after all, resonating with Gen Zers will help ensure that streamers remain relevant for the foreseeable future.

They're doing so through big-budget series, which are becoming more crucial for appealing to younger consumers. So it makes sense that Netflix — the service churning out pricey TV hits most consistently — saw the greatest number of Gen Zers reporting usage of its services in December.

However, companies can't afford to ignore older consumers, who make up demos that are relatively untapped by streaming services. While 25% of Gen Xers and 40% of baby boomers said in December that they don't subscribe to any streaming services, those figures were much lower for Gen Z adults (9%) and millennials (12%).

This is why Disney, whose eponymous streaming service currently skews overwhelmingly young, has worked on diversifying its reach to adults without kids in ways like hosting R-rated content on Disney+. Video streamers stand a better shot at attracting older audiences by bulking up on true crime content: 27% of Gen Xers cited true crime as one of their favorite TV genres, higher than the share of Gen Zers (19%) and millennials (24%) that said the same in an October Morning Consult survey.

Share who said they used each service at least once in the past month:



Source: Morning Consult Research Intelligence. *Free tier with ads.

FAST services haven't completely infiltrated the Gen Z crowd — yet

Share who said they used each FAST service at least once in the past month:

Source: Morning Consult Research Intelligence

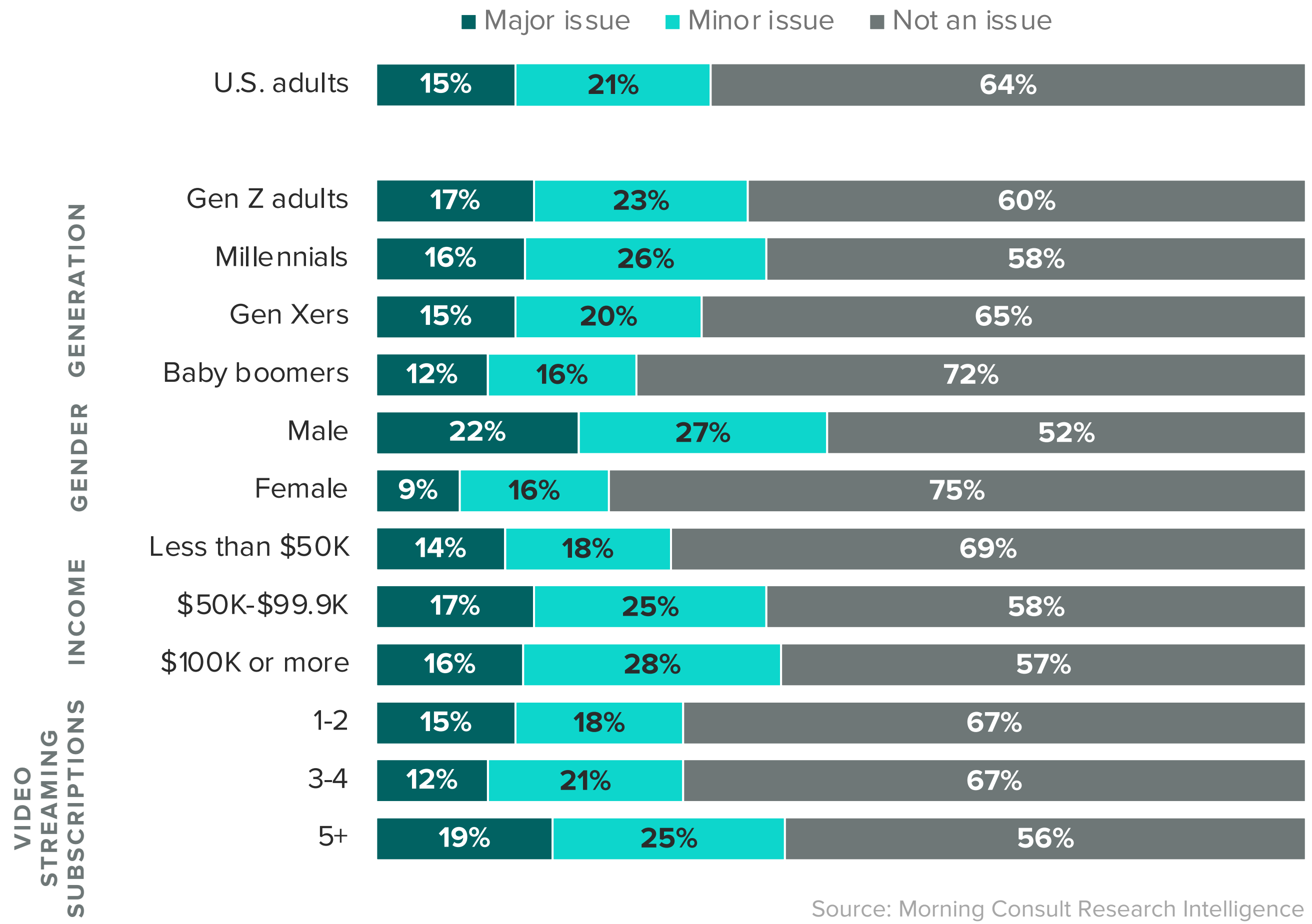
As video streamers look for new ways to grow revenue without breaking the bank, free ad-supported streaming TV services have taken on new prominence. But FAST services still need to make more progress with Gen Zers: While nearly all major SVODs were used once by at least 30% of Gen Z adults in December, that was only the case for a handful of FAST services in that month.

FAST services generally rely more heavily on older licensed content, rather than new original content, which is likely why many don't see Gen Zers as their biggest cohort. This skew is different to that of SVODs like ad-free Netflix and Disney+, which Gen Z adults were more likely than any other age cohort to report using in December at least once, for example.

This could change slightly as media giants invest more in FAST. Warner Bros. Discovery may launch its own service in 2023, though its unclear that the FAST market will ever invest in original programming to the degree that SVOD does.

Even with demand for live sports, traditional media companies will become choosier about the rights packages they lock down

Shares who said whether a lack of live sports was a “minor” or “major” issue with the video streaming services they use



Source: Morning Consult Research Intelligence

It became clear in 2022 that live sports is the next hurdle to overcome in the streaming wars. But major rights packages for leagues like the NFL and NBA are still locked up for years, which explains why 36% of adult streaming users in late October said that a lack of live sports was a problem they had with the services they use.

Media companies are looking to satisfy this demand, though they’ll do so in a way that jibes with the increased focus on achieving profitability. This means increasingly eyeing cheaper rights outside the NFL, NBA and MLB for events like motorsports, tennis and golf, which are less dominant in the United States but still saw at least 2 in 5 of those from households with $100k or more in annual income describing themselves as “avid” or “casual” fans in December.

As hefty sports rights package increases are on the horizon, more marquee sports rights will likely start going toward cash-rich tech giants. After all, Google just secured the rights to distribute Sunday afternoon NFL games for seven years.

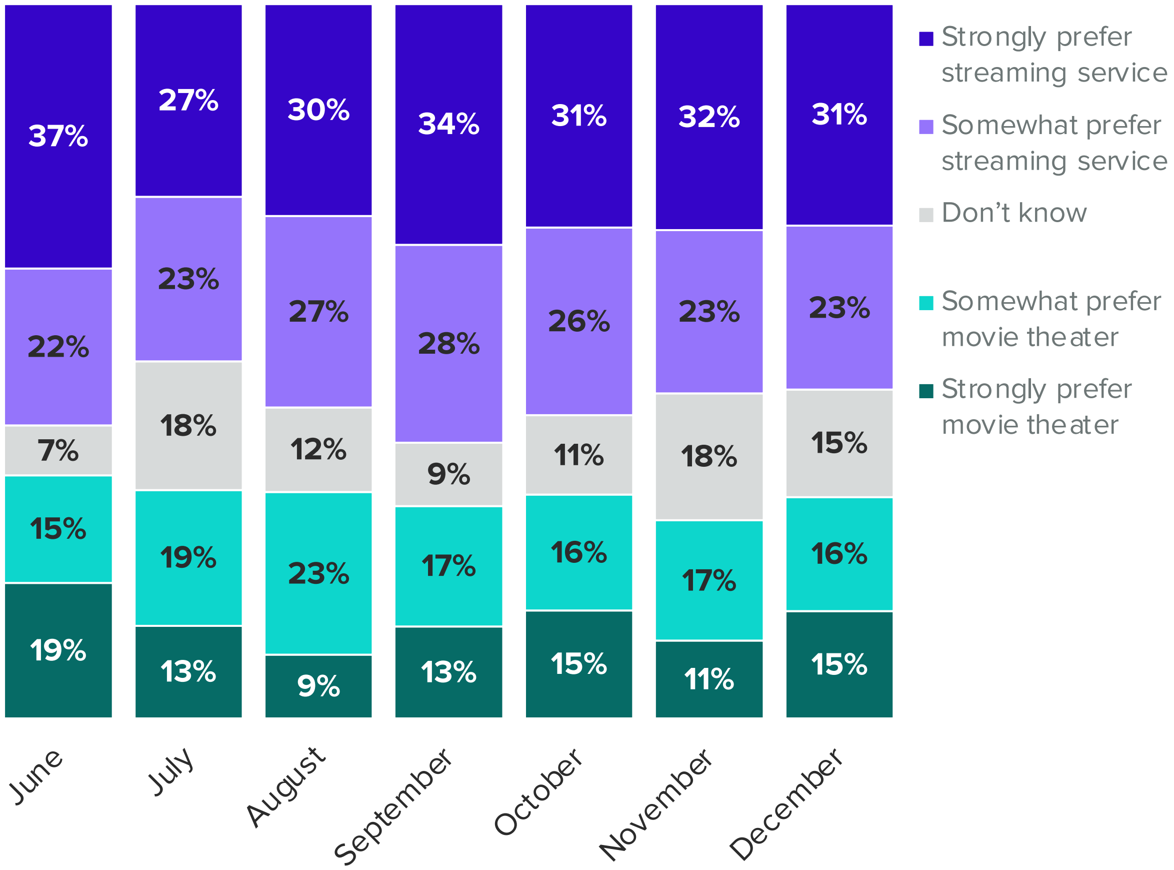
Why the ‘streaming vs. theatrical debate’ will steadily lose steam

Streaming’s impact on moviegoing has always been a hot-button topic in media circles, but the “streaming vs. theatrical” debate feels increasingly dated as the months go by. We’ve [previously explained](#) how streaming service usage and moviegoing isn’t a zero-sum scenario, while more execs have acknowledged how a movie that plays in theaters will do better on streaming than one that didn’t.

The surprisingly coexistent theater-streaming relationship helps explain why Gen Z adults regularly report a preference for watching recently released movies on streamers rather than in theaters. But this could just be a case of young consumers taking convenience when they can get it. After all, during H2 2022 in every month except September, that cohort was more likely than other generations to report going to the movies at least once a month. Theaters must maintain their appeal to Gen Z not only to keep a big revenue stream but also to boost the chances that these young consumers will pass on their moviegoing interest to the next generation — Generation Alpha.

Meanwhile, on the awards front, every traditional studio besides Sony has a major streamer and is therefore interested in award wins for both theatrical and original streaming films. A growing awareness of this, paired with more examples of day-and-date films with strong box-office performances, will steadily chip away at the notion that streamers and theaters are more combatants than allies.

Share of Gen Z adults who said they prefer to watch a just-released movie via theater or streaming service, 2022



Source: Morning Consult Research Intelligence

Younger, more avid streaming-service users still prefer binge releases

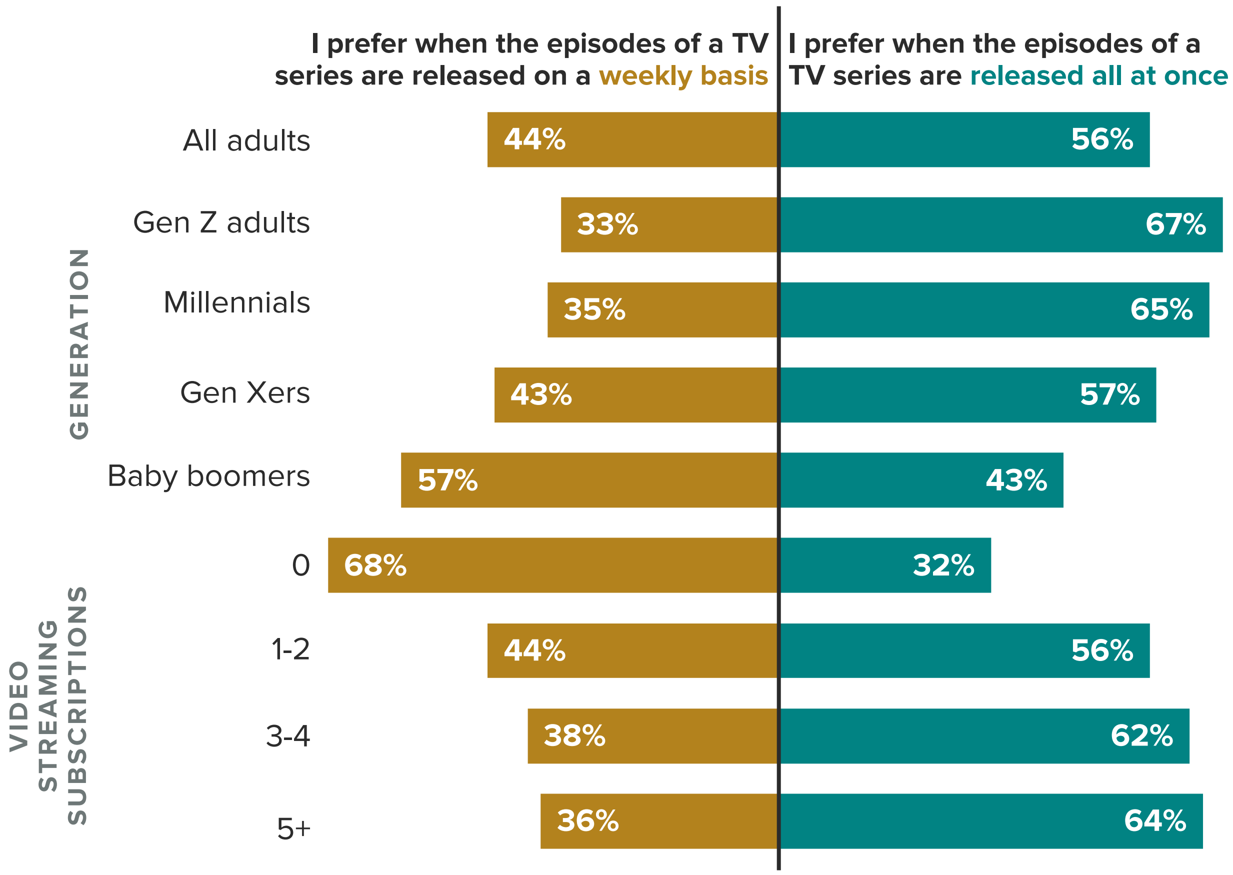
The weekly release model has increasingly gained relevance over the past couple of years as a tool to boost a series' overall cultural impact. The cadence also helps to alleviate some of the pressure on streamers to constantly debut new content, given that consumers can't complete individual shows as quickly.

Still, binge releases won't be going extinct anytime soon. A contingent of consumers, particularly those that are younger and more interested in video streaming, prefer the opportunity to binge all the episodes of a series at once. While many Gen Zers and millennials grew up with a lot of their favorite series' episodes being released all at once, the same can't be said for their older counterparts. This helps explain why younger generations particularly prefer being able to binge new series.

Meanwhile, those with several streaming subscriptions are more likely than those with fewer subscriptions to have a large watchlist, so it makes sense the former group would want to be able to finish series as quickly as possible.

With this in mind, media companies will likely always release at least some series (likely the lower-budget fare) all at once as they increasingly evaluate how to extend the shelf-life of the content they are distributing.

Shares who said whether they prefer weekly or binge releases for TV series



Source: Morning Consult Research Intelligence

In 2023, media companies must take greater advantage of the platforms available to them

The year ahead will see many of last year's streaming trends continue, but companies will need to recalibrate their portfolios to lean more heavily into increasingly sought-after assets such as live sports and high-profile weekly release shows to differentiate.

With profitability of streaming operations becoming as great of a focus among investors as it's ever been, media companies must take greater advantage of the various platforms available to them to maximize the reach and revenue generated from any given piece of intellectual property that hits streaming.

This means continuing to prioritize theatrical releases and experimenting more with having content on paid streaming services that will also air on linear TV networks and FAST services — rather than forcing all the crown jewels to live exclusively on paid subscription streaming services.

WHAT THIS MEANS FOR MEDIA & ENTERTAINMENT BRANDS

The battle to license classic TV hits will heat up

As paid ad-supported services and FAST platforms become bigger focuses, classic TV hits (think "Seinfeld"-caliber shows) that can generate high levels of viewing hours will increasingly be sought out.

Old streaming habits die hard

While more weekly releases are likely on the horizon for certain streaming services, a portion of consumers will always value the ability to watch new series all at once, so companies should never completely turn their back on the binge model.

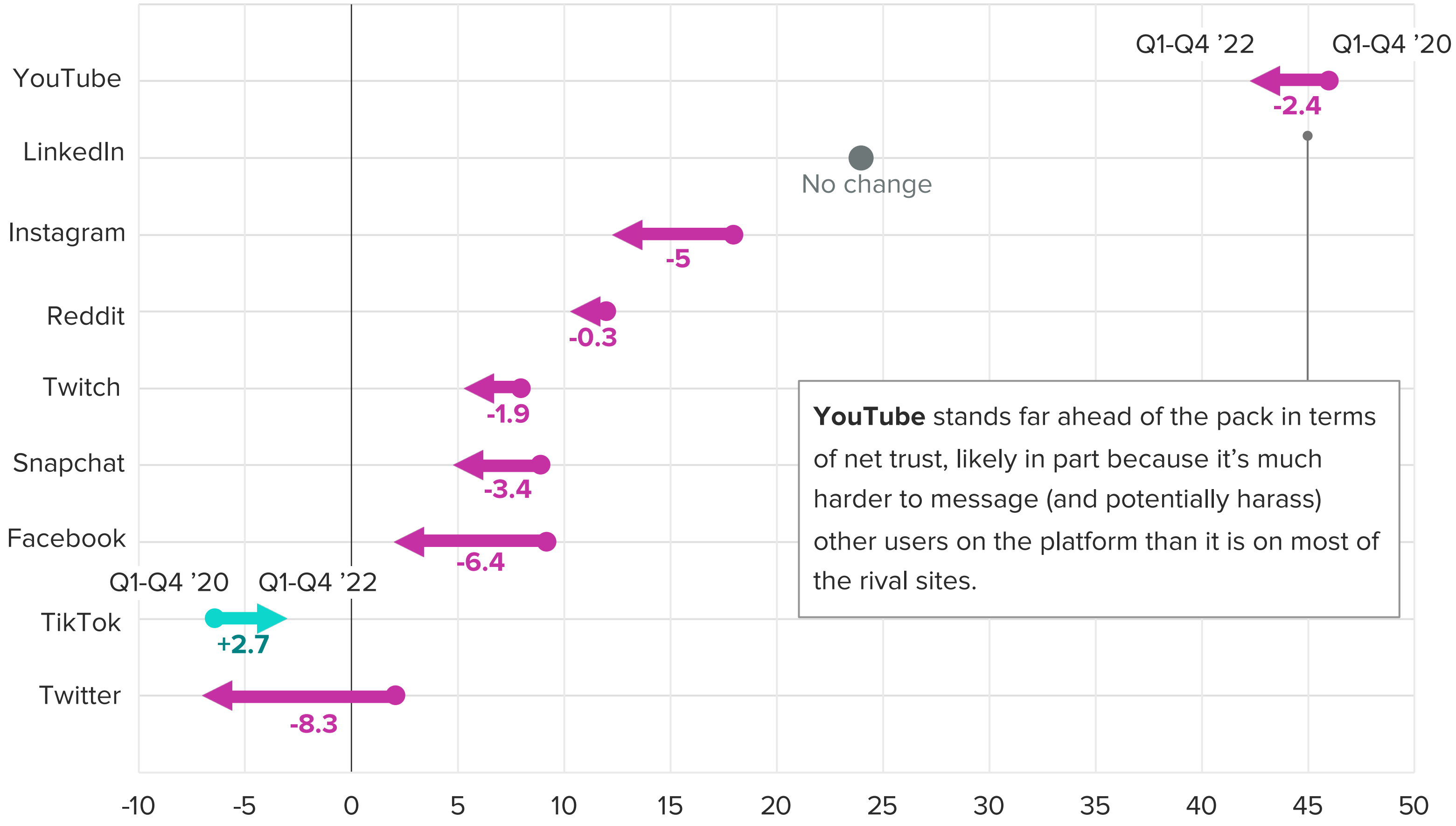
SECTION #2

Social Media

While everyone is chasing TikTok's short-form video lead, platforms are realizing that a higher number of use cases isn't always better

Facebook, Twitter saw biggest drops in trust over past two years

Change in net trust of major social media platforms between 12 months of 2020 and 2022



Source: Morning Consult Brand Intelligence

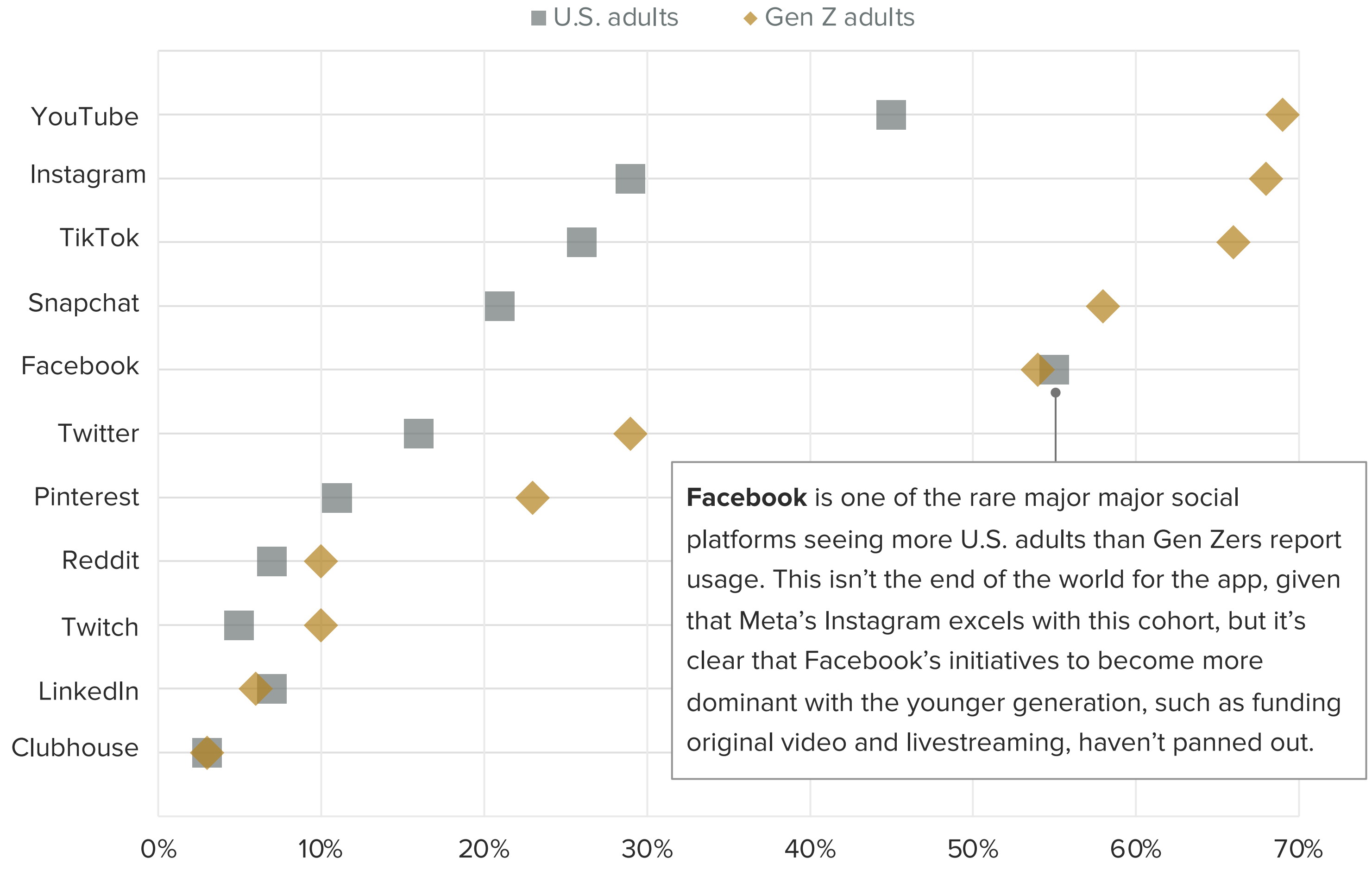
Social platforms must constantly work to strengthen the trust consumers have in them: A loss in trust was the reason 48% of consumers in September said they stopped using a social media platform in the past year.

Efforts to boost trust among consumers have had mixed results, with trust dipping the most for the two social platforms used most heavily for news consumption: Facebook and Twitter. With so much news being consumed on these platforms, it stands to reason that Facebook and Twitter would particularly struggle with issues of fake news and lose trust as a result.

Other factors, including hosting too much objectionable content (posts featuring violence) and ads, have likely led to a loss of trust in several major platforms. A September survey from Morning Consult found 33% of U.S. adult social media users cited limits on objectionable content and ads as "major" reasons they trust certain social platforms.

In the race to attract Gen Z, only a handful of social players are truly winning

Shares who said they used each social platform in at least once daily:



Facebook is one of the rare major major social platforms seeing more U.S. adults than Gen Zers report usage. This isn't the end of the world for the app, given that Meta's Instagram excels with this cohort, but it's clear that Facebook's initiatives to become more dominant with the younger generation, such as funding original video and livestreaming, haven't panned out.

Source: Morning Consult Research Intelligence

Buzzy Gen Z-appealing social platforms like BeReal, Poparazzi and Fizz have sprouted up over the past couple of years, placing greater urgency on the established social players to strengthen their connection that young demo.

Still, only a handful of players have meaningfully pulled this off and see over 50% of Gen Z adults using their apps daily.

Morning Consult data shows TikTok as one of the apps with the greatest difference between daily usage among Gen Z adults and adults overall. A big reason TikTok has succeeded is its proprietary and eerily accurate recommendation algorithm.

But it's still worth it for competitors to try to seize TikTok's territory as the Bytedance-owned app will likely face increased government scrutiny on its data privacy practices in 2023, potentially making more users willing to use Instagram or YouTube as their go-to short-form video platform.

TikTok is holding its ground amid the copycat competition, but it isn't completely unfazed

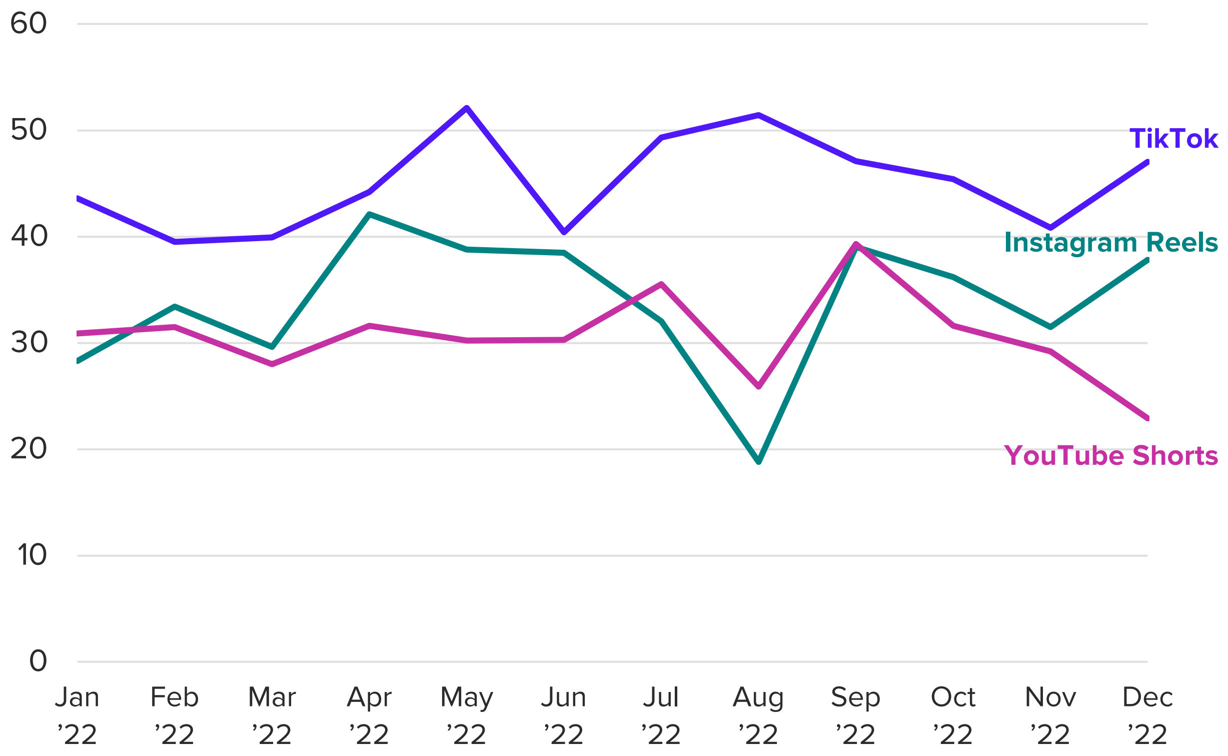
Despite heavy investment from Google and Meta into YouTube Shorts and Instagram Reels, neither has beaten TikTok as the favored purveyor of short-form video among Gen Zers.

But that doesn't mean TikTok's reign will last forever, as Meta and Google both announced new monetization capabilities for Reels and Shorts in 2022. This has likely led to more high-quality content from influencers and an increase in time spent on these competitors. This explains why TikTok's net favorability rating dipped to roughly 40% from a 2022 high of roughly 50% in May. Moreover, mobile insights company Data.ai estimated that the number of TikTok's U.S. monthly users dropped by 3 million between January and October 2022.

To remain competitive, TikTok has recently experimented with expanding beyond short-form video. In 2022, the app increased its max video length from three to 10 minutes, and started testing TikTok Now, its BeReal-like feature.

TikTok could further differentiate by marketing itself as an educational platform, rather than just a place for humorous videos. The app is already being used a de facto Google for many young consumers, but there are likely many older adults who are unaware that TikTok can be sometimes more effective for information gathering than Google is.

Net favorability of each platform among Gen Z adults:



Source: Morning Consult Brand Intelligence. Net favorability refers to the share of respondents who said that they had a favorable impression of each brand minus the share who said they had an unfavorable impression of each.

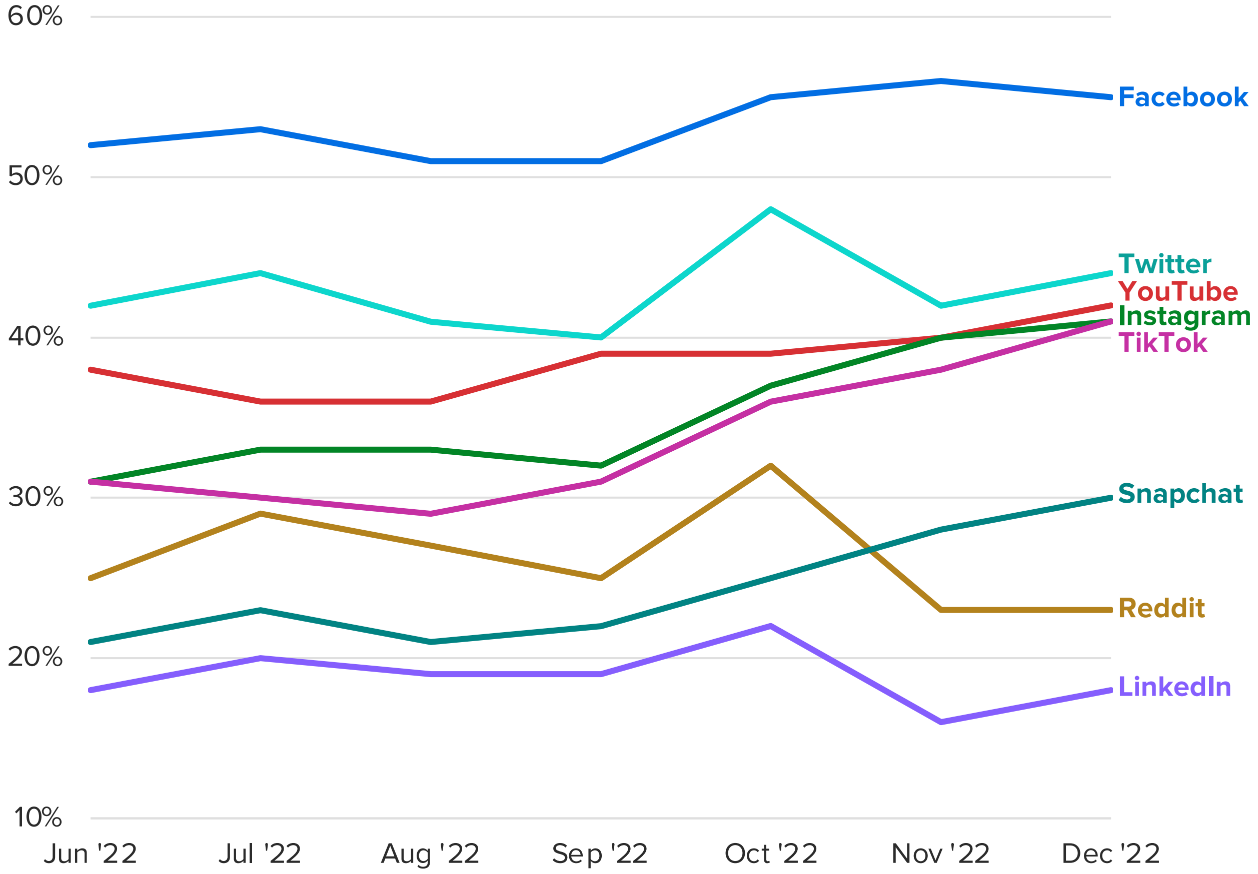
Despite the broader push to distribute news, several are still working to become widely used resources

TikTok could likely further fend off copycats by forging more partnerships with established news publishers, as it still lagged Facebook, Instagram and YouTube in terms of usage for news in most recent months, Morning Consult data shows.

For example, Morning Consult has recently pointed out that many leading publishers should be taking TikTok more seriously than they currently do — The New York Times proper doesn't have a verified TikTok account, and Bloomberg has an account with zero videos. Doing so not only places publishers in front of certain younger consumers that wouldn't otherwise be exposed to their content, but it could also generate a new revenue stream. In May 2022, TikTok announced its first ad-revenue sharing program, which gives eligible creators a cut of the revenue generated from top performing videos.

Twitter and Facebook are by far the most popular platforms among U.S. journalists, per a 2022 Pew Research Center study. But other platforms still have an opportunity to further court journalists after recent account bans by Elon Musk caused many in the news profession to re-evaluate their relationship with Twitter.

Share of U.S. adults who said they used the following platforms for news each month:



Source: Morning Consult Research Intelligence

WHAT IT MEANS

Social apps should be careful not to lose their core DNA when diversifying

While building out use cases can help platforms regularly lock in users for longer periods of time, social companies should be cautious of straying too far away from their core competencies. Think about how Instagram faced significant backlash when it rolled out a test that made its feed much more focused on vertical video (i.e., more like TikTok), but ultimately had to abandon that push.

Social platforms' constantly changing bets mean that brands also need to regularly reassess how they can use the major social networks in new ways — perhaps TikTok for informative content, or YouTube for short-form video distribution, for example.

Meanwhile, media companies should be wary of new funding initiatives dangled by certain social platforms. Keep in mind how Snapchat in 2022 stopped funding media companies' production of originals for its Discover section, while Facebook re-examined its commitment to news licensing deals that paid millions of dollars to publishers.

WHAT THIS MEANS FOR MEDIA & ENTERTAINMENT BRANDS

Step up investment in short-form video distribution

Companies shouldn't miss the opportunity to better resonate with younger users through products like Reels and Shorts. While social platforms constantly reevaluate priorities, it's clear the short-form video push is here to stay.

Major social platforms will retain their core identities

While the major social platforms will always look to mimic the features of the up-and-coming apps of the moment (BeReal was the app in 2022), they risk user backlash — and a potential user exodus — for too heavily mimicking competitors.

SECTION #3

Video Games, Esports and Metaverse

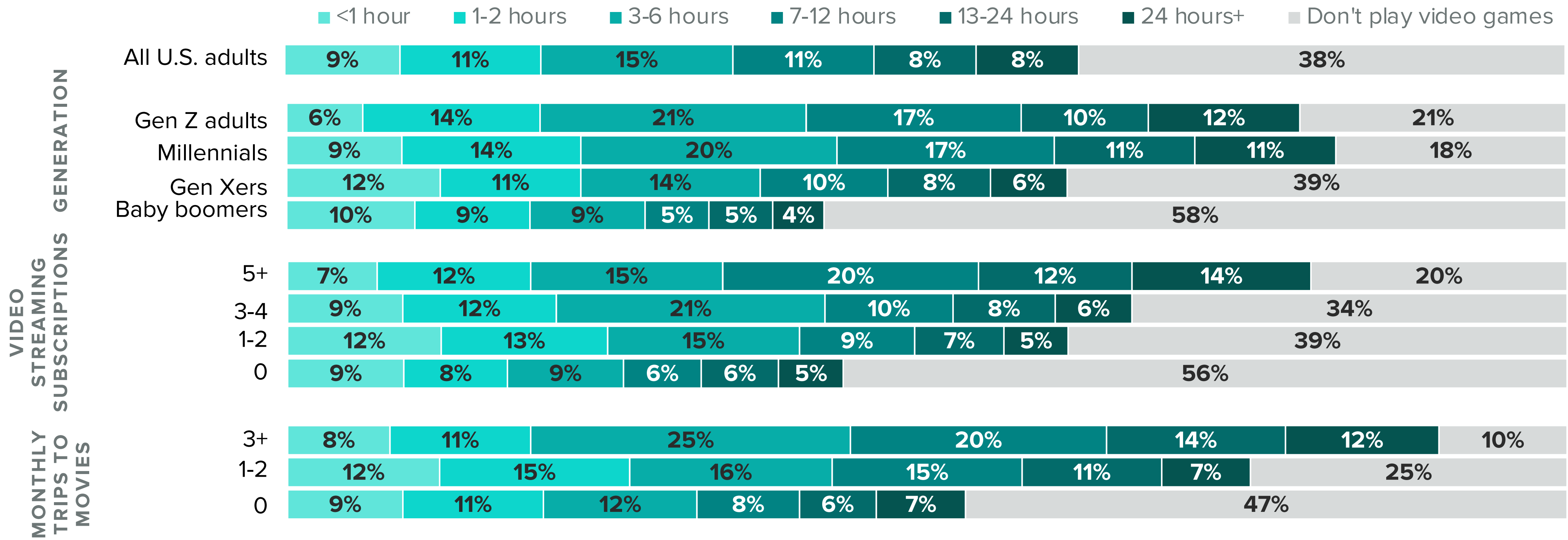
Entertainment companies have an opportunity to more heavily target the gamer segment, but not all fields within gaming have mainstream appeal

Those who are more interested in TV and film tend to be more avid gamers

There's a natural opportunity for media companies to step up the number of commissions they base on gaming IP — the most avid gamers tend to be consumers who are younger, go to the movies regularly and own many streaming subscriptions. Doing so could allow media companies to better monetize a segment that's clearly already more willing to engage with them than the average consumer.

Leaning more heavily on gaming IP could also help media companies appeal to international audiences, which are becoming increasingly important as U.S. streaming growth stagnates. Successful video game adaptions from 2022 include Sony's "Uncharted," which grossed over $400 million in global box office revenue, and Netflix's "Cyberpunk: Edgerunners," which spent four weeks in Netflix's top 10 most-viewed non-English series.

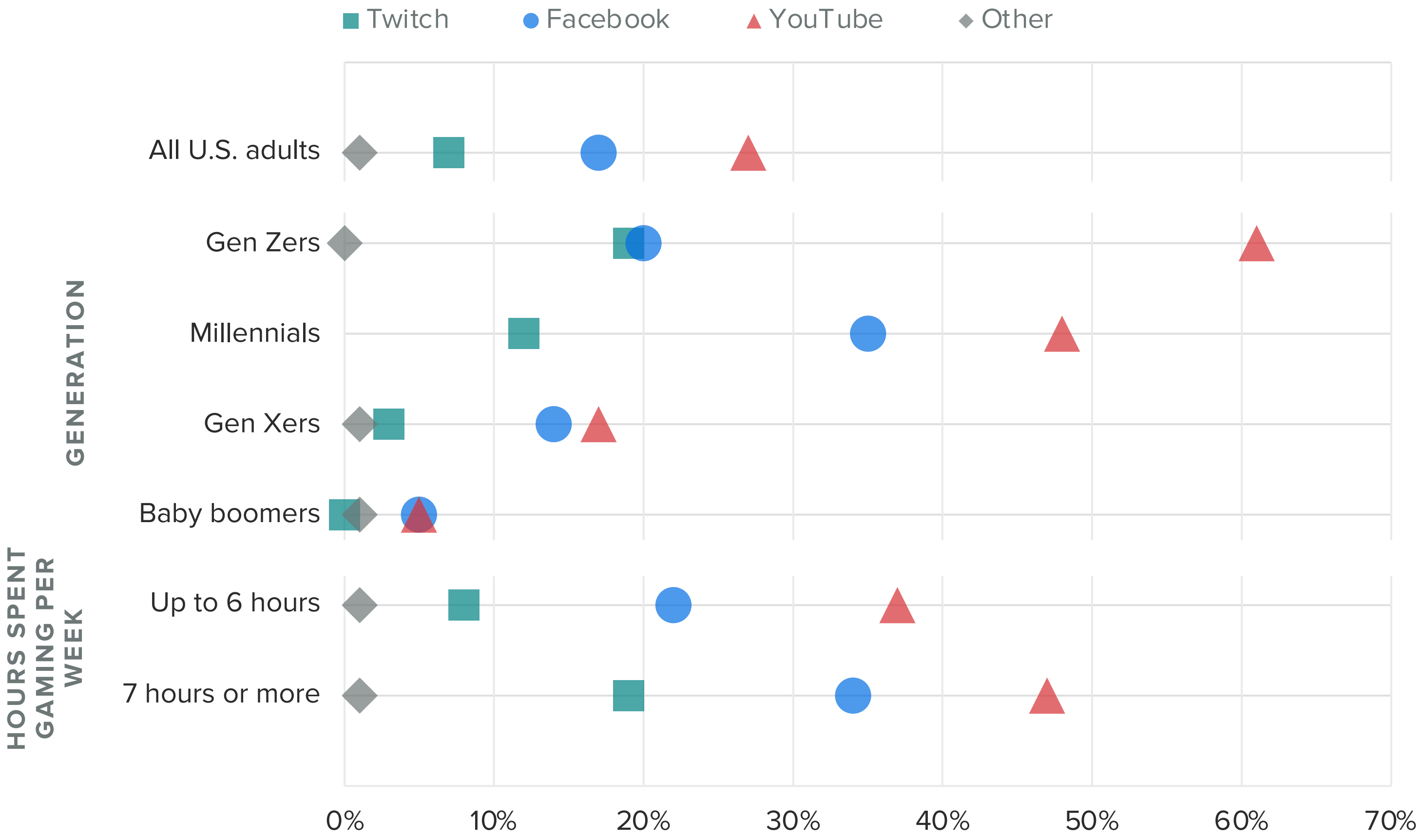
Shares who said they played video games for the following amount of time on average per week in the past month:



Source: Morning Consult Research Intelligence

Most still aren't regularly watching video game livestreams, but Gen Zers and heavy gamers differ

Shares who said they watched live or on-demand video game playthroughs on each platform:



Source: Morning Consult Research Intelligence

Even though the percentage of Gen Z adults and millennials that spend time gaming at all is comparable, the former cohort is much more likely to view video game playthroughs on platforms like Twitch. Only 31% of Gen Z adults said they didn't watch replays or livestreams of video game playthroughs in December, while that figure was much higher for millennials (41%) and U.S. adults overall (66%).

That latter figure highlights how platforms like Twitch need to work harder to diversify their user bases in order to push viewership of video game playthroughs into more of a mainstream habit.

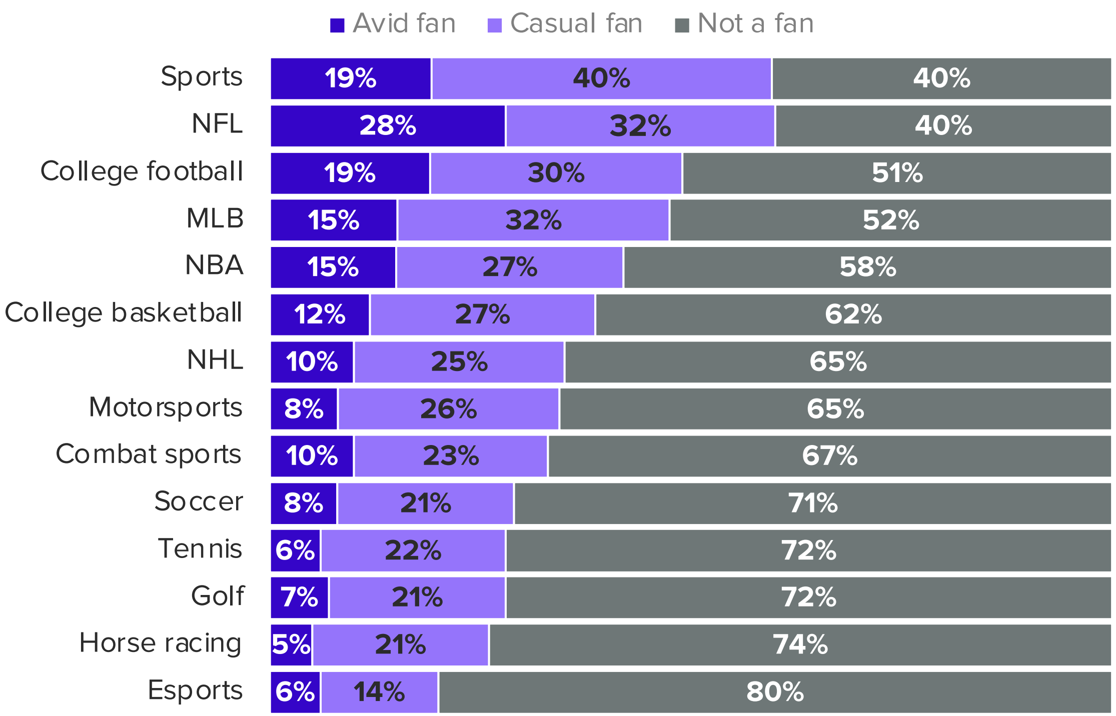
Offering more live sports broadcasts would allow game-streaming platforms to get on the radar of nongamers and potentially turn some consumers into fans of the new game streamers that they become exposed to. Facebook has tamped down its sports streaming ambitions over the years, which leaves the door open for Twitch and YouTube to become bigger destinations for live sports viewing.

Esports hasn't panned out to what it could have been

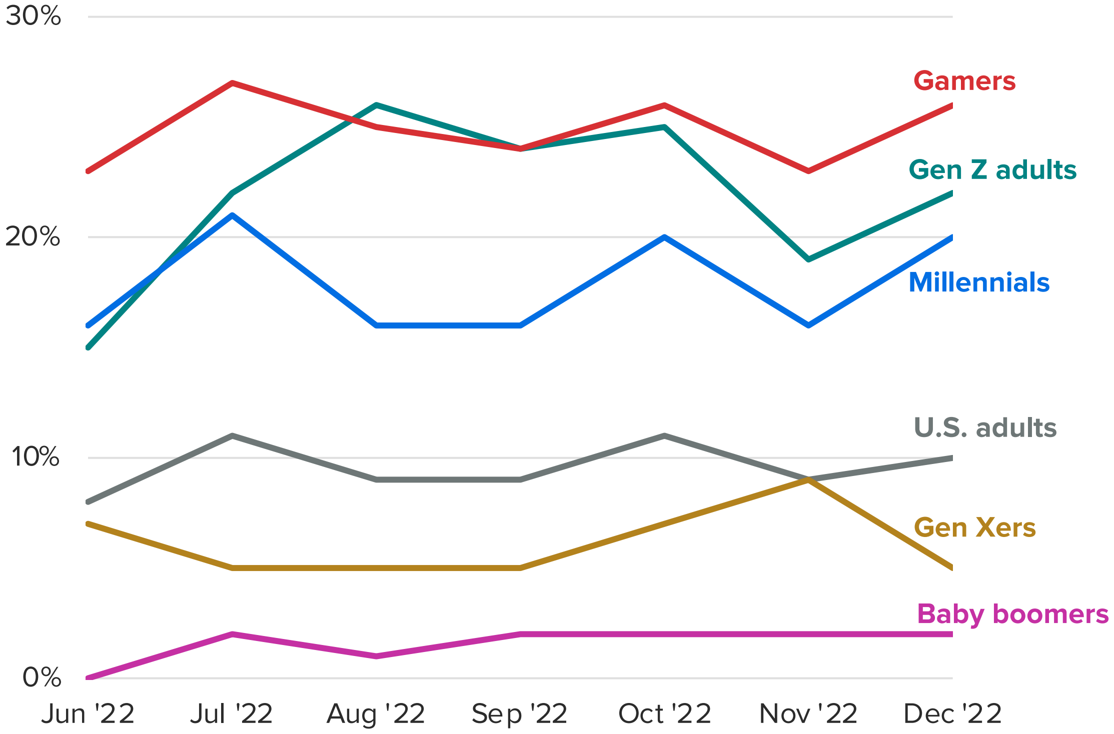
Years ago, esports was heralded as one of the next big media trends, but at this point, it's fair to say the industry hasn't developed domestically as well as advocates had hoped for. It has a smaller fandom in the United States than virtually all major traditional sports, despite significant investments from entities like venture capital firms and major sports leagues.

It's no wonder that investment in the esports industry in 2022 is the lowest it's been since 2016 (save for 2020), according to PitchBook. The reasons for esports' failure to launch in the United States are myriad, but the monetization problem can't be ignored — esports fans generally spend less on merchandise than traditional sports fans, and many of the biggest esports competitions can be viewed for free.

Share of U.S. adults who said they were a fan of the following:



Shares who said they watched an esports competition in the past month



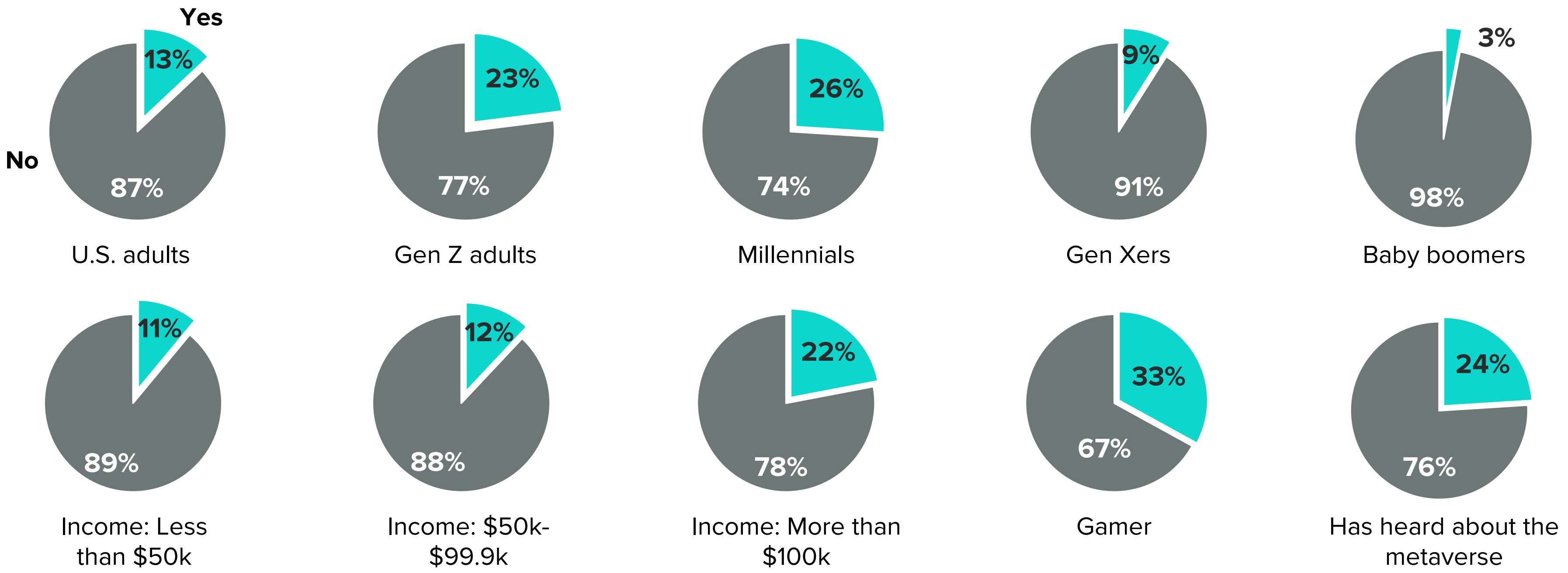
Source: Morning Consult Research Intelligence

Virtual reality headsets are still too inaccessible to the average consumer

The use cases for virtual reality headsets have increased over the past few years, notably with platforms like Meta's Horizon Worlds, though VR is still far from mainstream. Just 13% of U.S. adults said they owned a VR headset in December, with younger consumers being more likely to report ownership.

Although making more productivity tasks viable in VR will be key to expanding the technology's appeal, compelling video games appear to be the best way to keep the current VR user base more engaged. In November, 55% of adults with VR headsets said they used VR to play a video game in the past month, while that figure was just 18% for interacting with coworkers.

Share of respondents who said they own a VR headset



Source: Morning Consult Research Intelligence

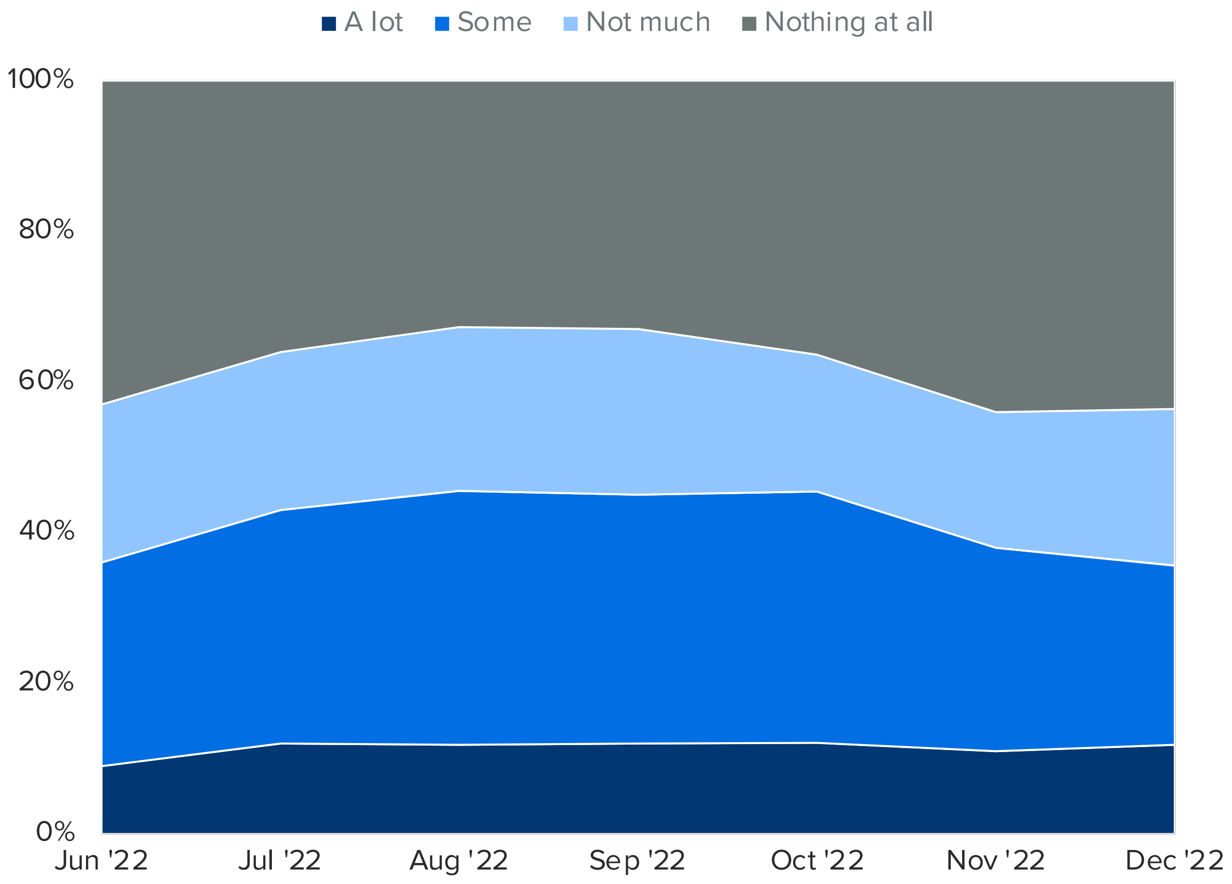
Media investment in the metaverse can still mostly be deemed as experimental

The metaverse remains a topic that most consumers don't take seriously. Most adults reported hearing "not much" or "nothing at all" about the metaverse during H2 '22, despite an abundant of coverage on the topic.

The low awareness in the metaverse sheds light on what we've previously explained as the "metaverse paradox": Companies won't be compelled to invest in the metaverse until there's higher consumer familiarity with it, but the metaverse won't be more appealing to consumers until more media companies are first active in it.

Media companies should still experiment with immersive activations, since frequent moviegoers and heavy video streaming service users are more likely to be interested in the metaverse. But given the low general consumer interest in the metaverse, it makes more sense to partner with established platforms like Roblox or Fortnite to accomplish this — like Walmart and iHeartMedia have done — rather than invest in building metaverse environments from the ground up.

Share of adults who said they had seen, read, or heard about the metaverse



Source: Morning Consult Research Intelligence

WHAT IT MEANS

Media companies need to target gamers more heavily, but should be intentional about where they invest

With those who are more interested in TV and film being bigger gaming fans, brands have an opportunity to have more of their IP reach the platforms where gamers live. Companies should consider allocating more budget to reach gamers on those platforms, but investing greatly in areas like esports team partnerships and metaverse activations should be lower on the priority list.

Companies could still drive awareness to their IP on 3D immersive platforms before big titles drop — for example, Netflix could create a new “Stranger Things” land on Roblox prior to the debut of its fifth season. These types of investments can help further build out marquee franchises, which are more needed than ever in order to stand out in a streaming landscape with too many options.

WHAT THIS MEANS FOR MEDIA & ENTERTAINMENT BRANDS

Use immersive environments to build out franchises

Most consumers aren’t concerned with the metaverse, but using 3D immersive worlds is critical to building a TV show or movie into a franchise, which is needed more than ever in the current media landscape.

Choose carefully in long-term gaming-related partnerships

While it’s wise to strike partnerships with gaming platforms like Roblox that have growing younger user bases, trying to reach the eyeballs of gamers through esports teams has less clear value long term.

SECTION #4

Audio Streaming

It's still early days for the new ways to monetize digital audio listeners

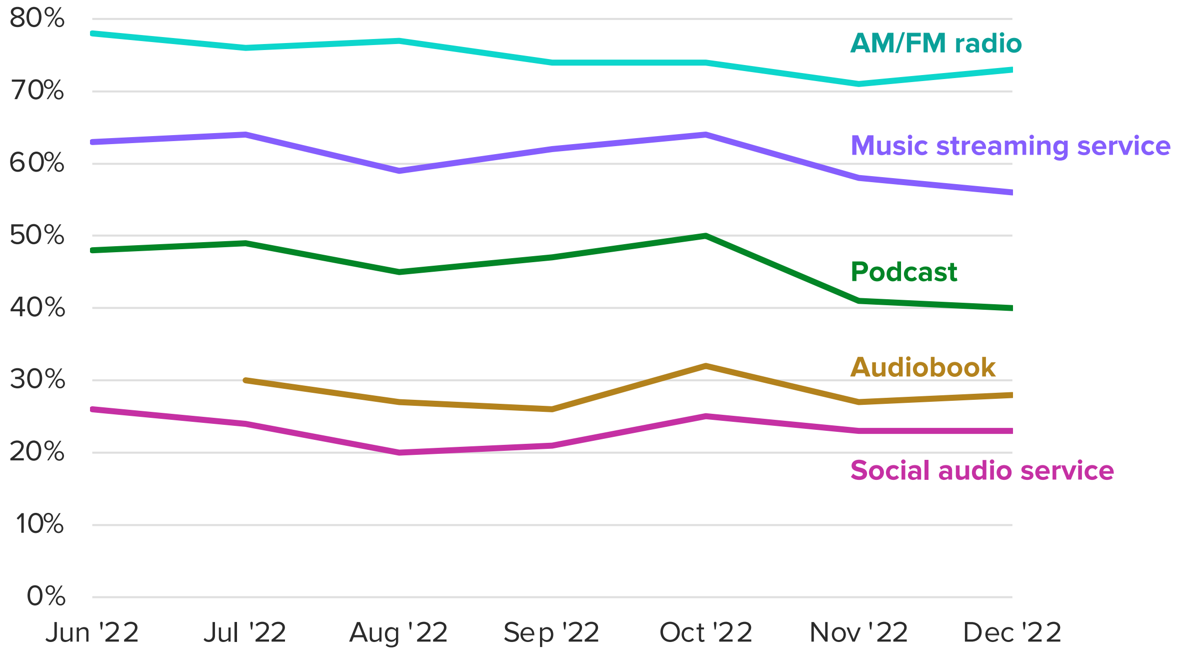
Digital audio listenership differs by political ideology

Music streaming and podcast listening are the most common digital audio habits, with younger and higher-income consumers more likely to engage in each, similar to the demographic profile of those who frequently stream video.

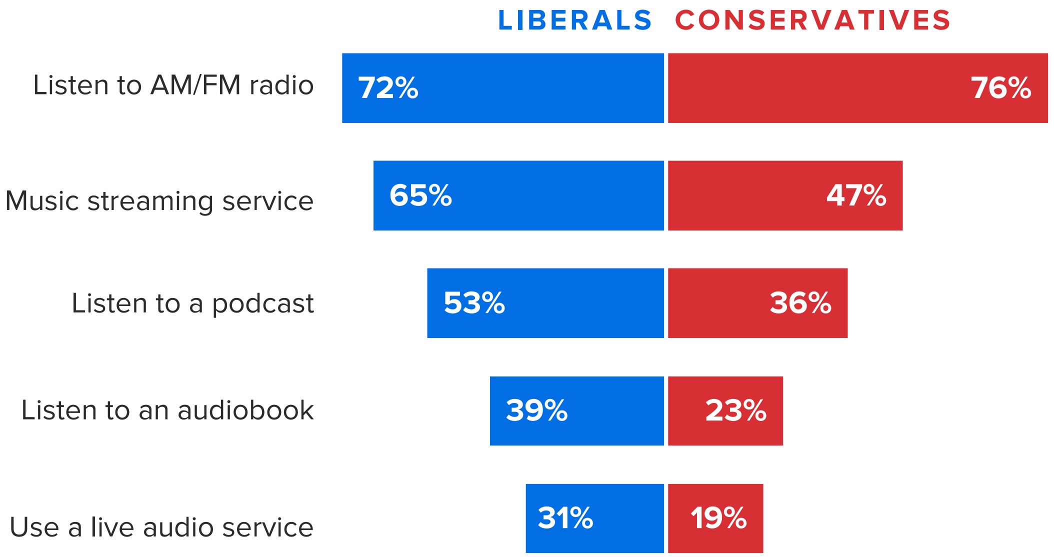
As is also the case with video streaming, conservatives tend to engage with digital audio less frequently than liberals. The skew — except for in traditional radio — again reinforces the notion that those on the tend to consume pop culture less often than those on the left..

Just like video streaming services need to [look more to conservatives] to help fuel their next wave of domestic growth, digital audio platforms should further position themselves as partners to develop the audio counterparts of video content targeting those types of consumers.

Share of U.S. adults who said they listened to or used the following in each month:



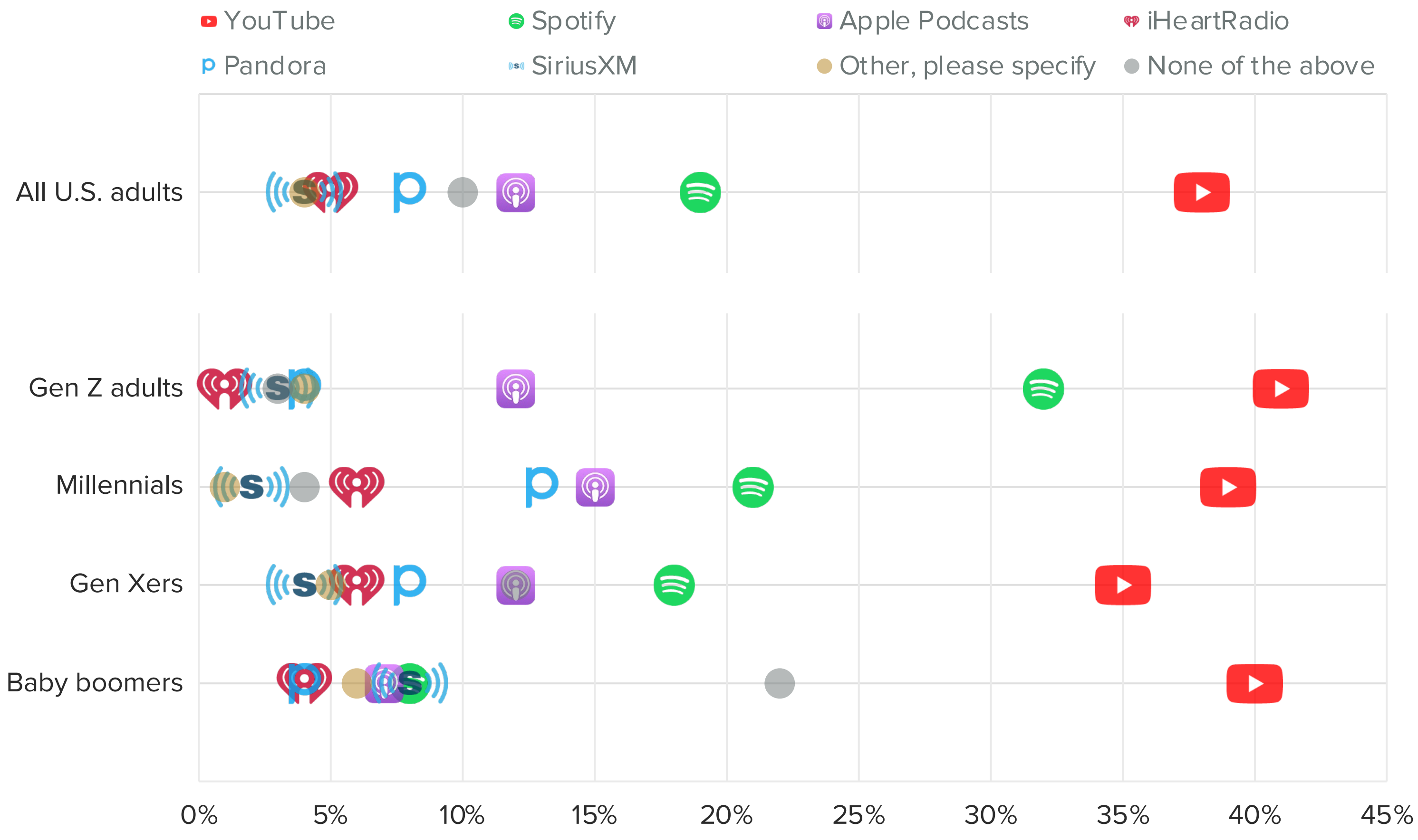
Shares who said they did the following at least once in the past month:



Source: Morning Consult Research Intelligence

Spotify's aggressive push to license high-profile podcasts has helped it become a leading Gen Z podcast platform

Shares of respondents who said each was their preferred podcast listening platform:



Source: Morning Consult Research Intelligence

Music streaming services generally have a more difficult time than video streamers in differentiating themselves from competitors, since the catalogs of songs across most major music streaming services are largely similar.

This is one reason that Spotify has pushed so aggressively to acquire the exclusive rights to high-profile podcasts like "The Joe Rogan Experience" and Gen Z-appealing shows like "Call Her Daddy" and "Anything Goes with Emma Chamberlain."

The strategy helps explain why Gen Zers prefer Spotify as a podcast platform over YouTube. However, YouTube still wins out on the music streaming front: 29% of U.S. adults said their preferred music streaming platform was YouTube Music in December, while that figure was 22% for Spotify and 13% for Apple Music.

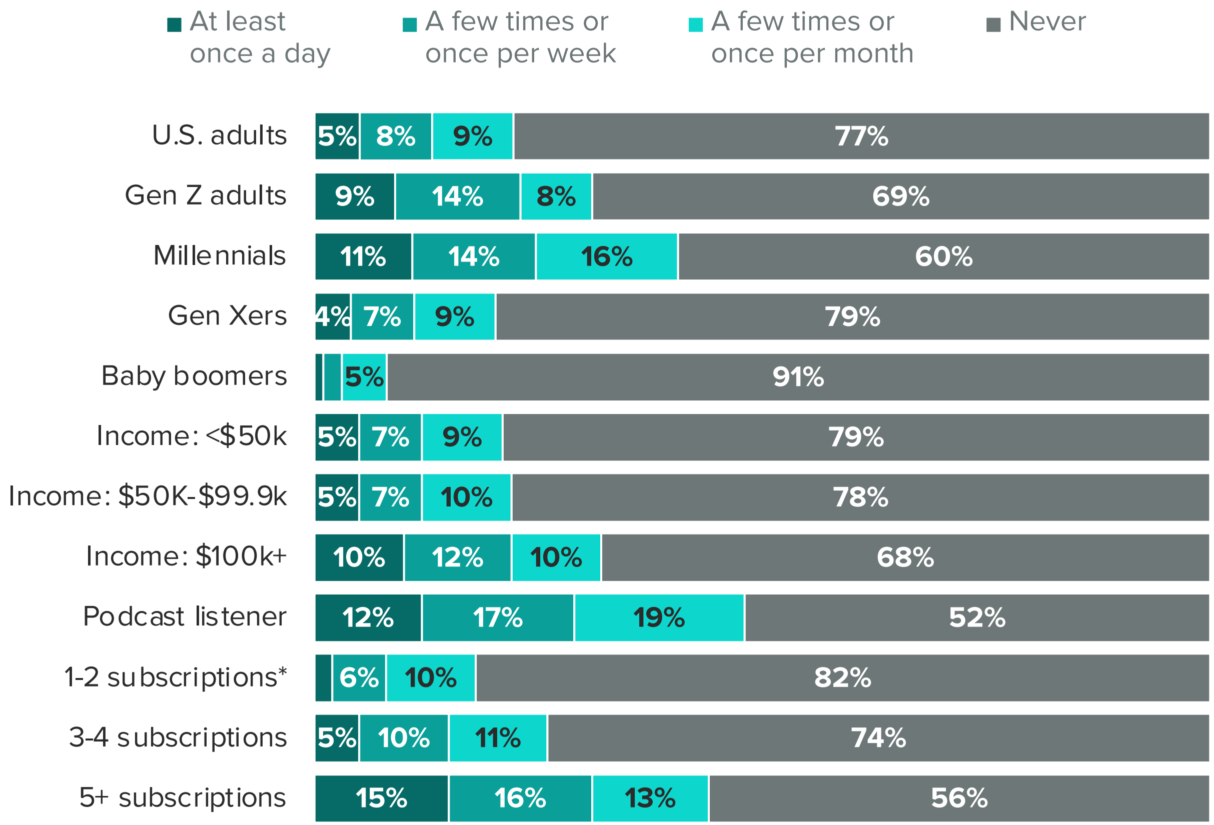
Live audio has cooled since Clubhouse's heyday, but don't count out the format completely

Social audio — where consumers broadcast their audio-only conversations to the public in real time — seemed poised to become the next big social media trend when the category's trailblazer, Clubhouse, rose to Silicon Valley fame around April 2020.

Following Clubhouse's lead, tech giants including Twitter, Facebook, Spotify and Amazon all launched social audio features between late 2020 and March of 2022, though it's clear that scaling these products has been no easy feat as consumers started returning to outdoor activities —just 5% of U.S. adults said they used a social audio service daily in December, a figure that was broadly consistent across nearly all age demos, income groups and political ideologies.

While this doesn't rule out social audio as a category from getting bigger in the future, it does indicate that media companies shouldn't invest too heavily in cultivating large followings on platforms like Twitter Spaces or Spotify Live, which cut back on the number of live audio shows it produces in December.

Shares of respondents who said they used a live audio service like Clubhouse or Twitter Spaces ...



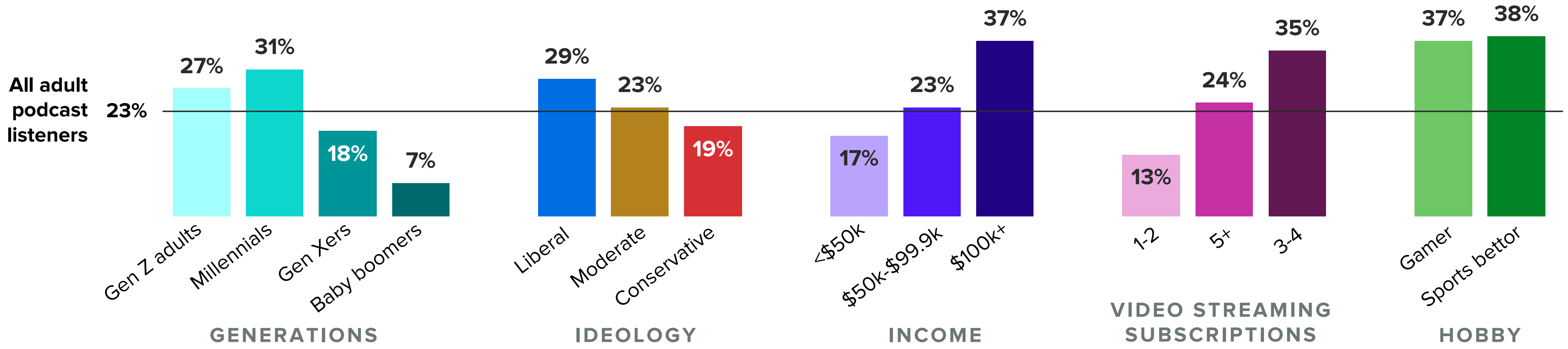
Source: Morning Consult Research Intelligence. "Subscriptions" refers to number of video streaming subscriptions held.

Paying for podcasts remains a habit relegated to the most dedicated fans

More media organizations such as NBC and Sony have begun experimenting with generating podcast subscription revenue over the past year, but most podcast listeners are content to access whatever they can find for free.

However, companies that don't already do so should still experiment with charging for their podcast content, which could generate a supplementary revenue stream through a relatively low lift. For example, offering early access to flagship podcasts is likely enough for at least some digital audio producers to start building up a subscriber base. Companies with podcasts that appeal to podcast listeners who are younger, liberal and higher earners are best positioned to start generating revenue from podcast subscriptions, as they are more likely than their counterparts to start paying for podcasts.

Shares of podcast listeners who said they paid or donated for exclusive benefits to a podcast in the past month:



Source: Morning Consult Research Intelligence

WHAT IT MEANS

Sweeping changes in the digital audio space will be few and far between

Because digital audio generally doesn't encompass platforms that differentiate on exclusive content — unlike digital video — significant new trends in the space occur relatively infrequently.

But music streaming services and podcasts remain safe bets for brands to invest as part of long-term efforts to reach consumers. The former group will benefit from the songs that are used increasingly in TikTok, Reels and Shorts, while Hollywood will continue to invest in development of podcasts — ensuring both will be growing their audiences for years to come.

Meanwhile, social audio services and subscription podcasts represent relatively new ways to reach and monetize consumers via digital audio, but they're still far from taking hold among most U.S. consumers. But while subscription podcasts and live audio are far from mainstream, it's worth it to experiment with each, given the potential supplementary revenue and the youth of the typical consumer that gravitates toward them.

WHAT THIS MEANS FOR MEDIA & ENTERTAINMENT BRANDS

Consider how to better integrate with music streamers and podcasts

Things like Netflix's collab with Spotify for a "Stranger Things" playlist or Apple's increased investment in original podcasts present opportunities for brands to capitalize more on digital audio.

Experiment with — but don't prioritize — social audio and podcast subscriptions

Unless high-profile celebrities and tech platforms start giving either category significantly greater attention, current interest isn't likely to move in the near term.

About the Report & Methodology

Morning Consult’s State of Media & Entertainment report examines the attitudes, behaviors and expectations of consumers most relevant to industry executives.

Methodology

The research fueling this project was drawn from surveys fielded regularly between June and December 2022, among representative samples of roughly 2,210 U.S. adults, with unweighted margins of error of up to +/-2 percentage points.

Research Intelligence

Morning Consult helps you understand your brand, competitors and market in a way traditional research companies can’t. We survey tens of thousands of people across the globe on more than 4,000 brands and products every day. Get actionable insights into what consumers think, see and say about your brand and products.

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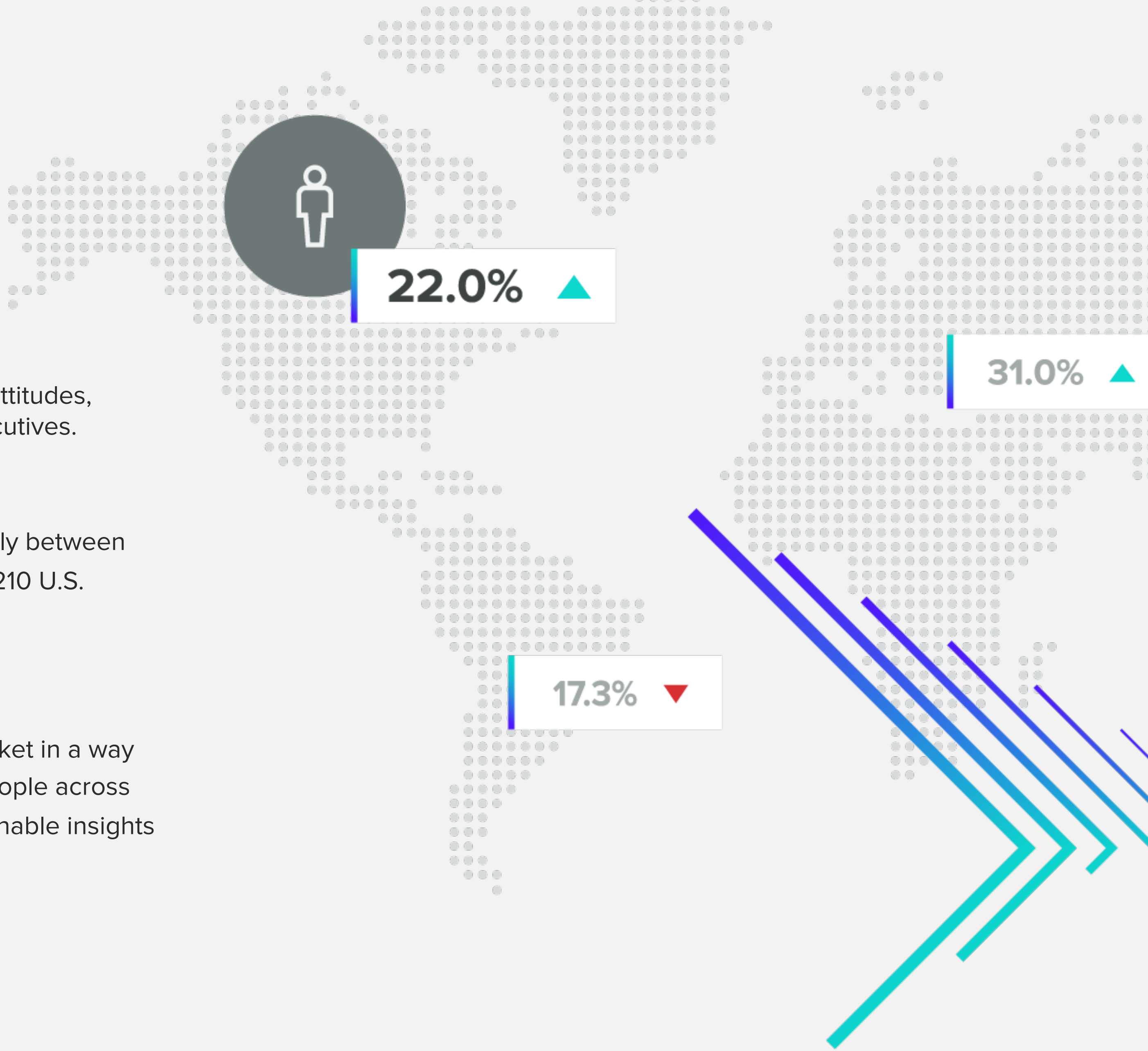

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Kevin Tran is the media and entertainment analyst at global intelligence company Morning Consult. He heads Morning Consult's efforts to deliver real-time insights for leaders in the media sector.

Prior to joining Morning Consult, Kevin was a media analyst for Variety Intelligence Platform, Variety's premium subscription service. Before Variety, Kevin was a digital media research associate at Business Insider Intelligence, which has since rebranded to Insider Intelligence. Kevin graduated from the University of California, Berkeley's Haas School of Business and currently resides in Los Angeles, Calif.

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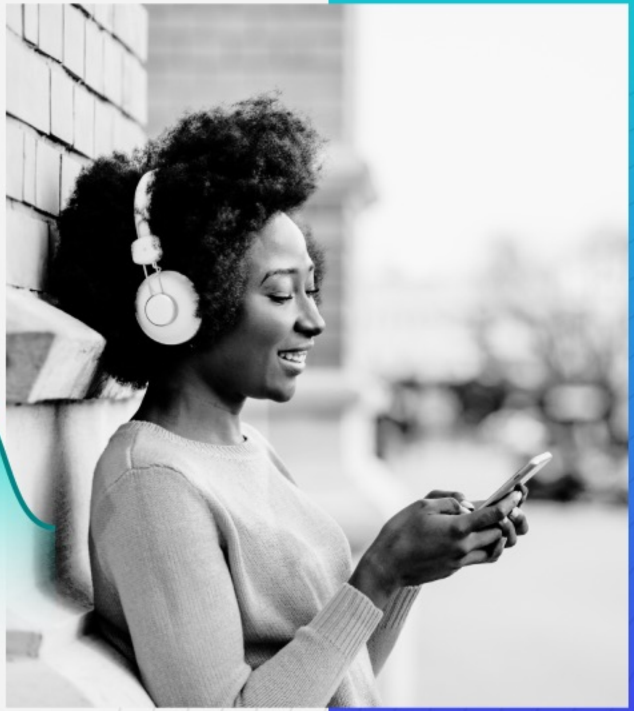

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