

Global Media and Entertainment Trends 2026

 White Paper

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Global Media and Entertainment Industry Outlook

The global media and entertainment (M&E) industry enters 2026 at the intersection of three forces - generative AI maturing into production pipelines, the streaming business model pivoting from subscriber growth to advertising and live-event monetization, and a fragmenting regulatory landscape around AI training data, deepfakes, and content licensing. Below are the four headlines that frame the year ahead.

01 | Industry size and growth

Global M&E revenue is forecast to reach \$3.5 trillion by 2029, growing at a 4.2% CAGR from 2024. Growth lags slightly behind the long-term trend, as consumer-spending headwinds offset gains in advertising and gaming. (Source: PwC Global Entertainment & Media Outlook 2025 - 2029.)

02 | Advertising overtakes consumer spending

Global advertising revenue is on track to cross \$1 trillion in 2026 and will contribute most of the M&E revenue growth through 2028. Internet advertising is growing at ~9% CAGR, with mobile and short-form video as the primary engines. By 2029, advertising will exceed consumer spending in M&E by ~\$300 billion.

03 | Gaming surpasses movies and music combined

In 2024, video games generated \$224 billion and are on track to approach nearly \$300 billion by 2029, achieving a compound annual growth rate (CAGR) of 5.7%. This segment outperforms the combined total revenues of the global box office and recorded music. Major new releases like Grand Theft Auto VI, scheduled for November 2026, along with rising AAA productions from China and Korea, are reshaping the competitive landscape.

04 | Streaming: transitioning from growth to revenue generation

By the end of 2024, Netflix had approximately 302 million paid subscribers and had since pivoted to focusing solely on revenue and engagement metrics. The Netflix ad-supported tier had about 94 million monthly active users by mid-2025; over 55% of new registrations in markets with ad-supported options now opt for the ad plan. Among the major streaming services in the US, more than 100% of the net subscriber additions in 2025 came from ad-supported tiers, while the number of ad-free subscribers declined. (Sources: Netflix Q4 2024 8-K; Morgan Stanley.)

Sources: PwC Global Entertainment & Media Outlook 2025-2029; Netflix Q4 2024 8-K filing; Morgan Stanley Streaming Outlook 2025; Sportico; CNBC.

Global Media and Entertainment Sector Overview

Generative AI transitions from initial trials to full operational use:

Studios, streaming services, publishers, and game creators are integrating it into dubbing, localization, visual effects, content discovery, ad personalization, and writers' room workflows. In 2024 alone, investments in generative AI companies surpassed \$56 billion, and the period of 2025 - 2026 signals a transformation from creative experimentation to large-scale production deployment, yielding measurable cost savings in post-production and localization.

Streaming consolidation and the advertising shift:

Following a decade of growth fueled by subscriber acquisition, streaming services are now focusing on profitability. In 2025, Netflix achieved an operating margin of 29.5%, while Disney+ projected a 10% margin for fiscal year 2026. New ad-supported tiers, crackdowns on password sharing,

bundling strategies (such as Disney+/Hulu/Max and ESPN Unlimited + Fox One), and price increases are altering the economic framework. Wall Street is now prioritizing profits and engagement over subscriber counts.

Live sports emerge as the new cornerstone:

The rising costs of sports rights are reshaping the financial landscape of streaming. Deals like Amazon Prime Video's 11- year agreement for NBA rights (part of a \$76 billion package across Amazon, NBC, ESPN/ABC), Netflix's entry into NFL Christmas Day programming and WWE, YouTube's NFL Sunday Ticket (\$14 billion over seven years), and Paramount's \$7.7 billion UFC agreement signify a fundamental change: live sports have become the most valuable asset for subscriber acquisition and ad monetization for streaming platforms.

Regulations around copyright, AI training, and synthetic media:

Gamingear 2025 saw a surge in regulatory measures, including California's AB 412 (requiring AI training disclosure), the federal NO FAKES Act and COPIED Act, Tennessee's ELVIS Act, and the EU AI Act's transparency provisions. SAG- AFTRA's Interactive Media Agreement of 2025 stipulates consent protocols for digital replicas in gaming. Hollywood studios are now navigating multiple overlapping disclosure frameworks from WGA, SAG- AFTRA, the Academy, and various state laws.

Geopolitical issues, tariffs, and content trade:

Shifts in regulation and tariff dangers present ongoing challenges to growth. The market share of the top five US studios in global box office earnings fell from over 60% before the pandemic to 51% in 2024, as local- language content from countries like China, India, Korea, and Japan gains traction. India and Indonesia are among the fastest- growing significant markets, both exceeding 7.5% CAGR, with India's internet advertising increasing at approximately 16% CAGR.

Cybersecurity, content protection, and piracy in a streaming era:

The rise of generative AI-enabled piracy, including deepfake reworks, synthetic dubbing of leaked content, and AI-assisted credential theft on streaming platforms, is intensifying. Streaming services are facing heightened compliance demands under the EU DSA, state privacy regulations in the US (such as CPRA in Texas and Virginia), and child safety legislation (the UK Online Safety Act). The migration to cloud-based content pipelines has increased the risk of pre-release intellectual property leaks.

Sustainability and computing costs:

AI operations and high-resolution streaming are increasing energy demand in the media and entertainment sector at a time when both investors and regulators are advocating decarbonization. Production studios are embracing virtual production techniques, and streamers are enhancing their encoding processes to lower per-stream bandwidth costs - making sustainability an essential ESG initiative.

Global M&E: Key Market Movers and Shakers

Streaming platforms

- Netflix: obtained rights for the NFL Christmas Day game (2024 - 2026), WWE Raw (\$5 billion over 10 years), and the US rights for the FIFA Women's World Cup in 2027 and 2031 - transforming from a purely subscription- based model to a live- events and ad- supported service, boasting a 29.5% operating margin in 2025.
- Amazon Prime Video: solidified its sports strategy with an 11-year agreement for NBA and WNBA rights starting in 2025-26, in addition to its Thursday Night Football and an over \$14 billion sports portfolio. An advertising model featuring default- on ads launched in 2024 has now reached over 100 million viewers.

Legacy studios and conglomerates

- Disney: Disney+ and Hulu generated \$1.33 billion in operating profits for FY25, a significant increase from \$143 million in FY24. The launch of ESPN Unlimited streaming in August 2025, bundled with Fox One, completed their transition from cable to streaming.
- Paramount/Skydance: After merging, the combined company benefits from a \$7.7 billion UFC streaming agreement, NFL broadcasting deals, and CBS sports rights - a strategy aimed at leveraging consolidated intellectual property and sports to regain market scale.

Big- tech entrants

- YouTube (Alphabet): presented an NFL Week 1 Friday night game to over 16 million viewers in 2025, holds the NFL Sunday Ticket through 2030, and remains the leading platform for both short- and long- form video globally, increasingly competing for premium content.
- Apple: Apple TV+ continues to invest in high - profile original programming and holds the exclusive 10 year MLS Season Pass; Apple Vision Pro is experimenting with immersive sports and entertainment formats as a new distribution channel.

AI- native and tools disruptors

- OpenAI/Anthropic/Google DeepMind: generative video (like Sora and Veo) and text- to- image technologies are moving into the realms of pre- visualization, storyboarding, advertising creativity, and full short- form content generation - putting pressure on traditional visual effects and production service pricing.
- Runway, ElevenLabs, and Synthesia: AI tools focusing on dubbing and voice synthesis are emerging.

Key Media and Entertainment Trends

01 | Generative AI moves from pilots to production pipelines

AI is no longer a creative team experiment. Studios and streamers are embedding generative AI across localization, dubbing, VFX, content discovery, and ad personalization - turning AI from a cost center into a margin- uplift lever and a creative co- author.

02 | Content security and trust in the synthetic media era

Deepfakes, AI- generated piracy, and unauthorized use of likenesses are reshaping content risk. Platforms are deploying provenance watermarking, biometric voice/face authentication for talent, and real- time AI detection - making content trust a competitive differentiator.

03 | AI governance and content licensing as strategic levers

WGA / SAG- AFTRA AI clauses, the EU AI Act, California AB 412, and the NO FAKES Act are turning compliance into business strategy. Studios that build clean training data, consent workflows, and disclosure infrastructure first will license content to AI partners on better terms.

04 | The end of subscriber growth: Precision monetization replaces scale

Streamers are abandoning sub- count reporting and competing on revenue, engagement, and operating margin. Ad tiers, dynamic pricing, bundling, and live- event tentpoles are the new playbook - replacing the 2018 - 2023 scale- at- all- costs strategy.

05 | Re- humanizing audience engagement in the algorithmic age

Pure algorithmic recommendation has hit a ceiling. Platforms are reinvesting in human- curated

playlists, creator-led communities, fan loyalty programs, and live appointment viewing to deepen engagement and rebuild brand affinity beyond the next swipe.

06 | From IP to tokenized fan economies

Studios and rightsholders are turning IP into programmable economic objects - tokenized fan tickets, secondary-market royalties on sports moments, NFT-gated experiences, and creator revenue-sharing. The fan-as-shareholder model is moving from experiment to revenue line.

07 | Invisible and embedded entertainment reshapes distribution

Entertainment is becoming ambient - embedded in cars, retail apps, fitness equipment, and AR glasses. Free ad-supported streaming TV (FAST) channels, social-commerce video, and in-game live concerts (Fortnite, Roblox) are replacing the "destination app" as the primary discovery surface.

08 | Resilience in a polycrisis: tariffs, talent, and creative economy shocks

M&E is exposed to tariff volatility, competition between US states and international hubs for production tax credits, talent strikes, and content cost inflation. Studios are building modular production footprints, multi-region IP structures, and AI-enabled cost flexibility to absorb shocks.

01 | Generative AI moves from pilots to production pipelines

After two years of experimentation, generative AI has crossed the chasm into production-grade media workflows. Investment in generative-AI businesses exceeded \$56 billion in 2024, and 2025 - 2026 marks the year when localization, dubbing, VFX, ad creative, and content discovery move from "AI-assisted" to "AI-native" inside major studios and streamers.

Key market trends

1 | AI-driven localization and dubbing at scale

- Generative voice cloning and lip-sync (Eleven Labs, Papercup, Deepdub) are cutting dubbing costs by 30% - 60% while expanding the language matrix from 8 - 10 to 30+ markets per title.
- Netflix, Amazon, MGM, and Disney are piloting AI-dubbed sub-tier titles in EMEA and LATAM, with consent layers for original cast voices.

2 | AI in pre-production and VFX

- Generative video (Sora, Runway Gen-3, Google Veo) is used for previs, storyboarding, and ad concept iteration, collapsing pitch-to-prototype cycles from weeks to days.
- Industrial Light & Magic and DNEG are integrating AI-assisted rotoscoping and de-aging, reducing per-shot costs by 20% - 40%.

3 | AI-powered content discovery and personalization

- Streamers are moving beyond collaborative filtering to multimodal recommendation engines that read scene-level features (cast, tone, pacing) for finer-grained matching.
- Netflix has cited improved retention from generative trailer personalization - different cut-downs and thumbnails delivered to different micro-segments.

4 | AI in advertising creative

- Programmatic CTV advertising uses generative AI to generate 10 - 100 ad variants per campaign, which are optimized in-flight based on engagement signals.
- Amazon Ads and Google DV360 have integrated generative creative tools directly into buying platforms.

Key imperatives

1. Build a clean training- data foundation: Curate licensed, consented data sets for any in- house model training. Track provenance end- to- end to defend against future copyright challenges.
2. Define a human- in- the- loop policy by workflow: Decide where AI leads (localization, ad variants), where humans must lead (final cut, principal performance), and where they jointly decide. Codify in talent contracts.
3. Talent and skills reskilling: Retool VFX, editorial, and writers' room talent for AI- augmented workflows. The shortage of "AI- fluent" creative leads is now the binding constraint on production- scale deployment.
4. Measure ROI per workflow, not per pilot: Track cost- per- localized- minute, cost- per- VFX- shot, and engagement uplift per personalization - not aggregate "AI adoption" scores.

Initiatives by major players

- Netflix: deployed generative AI for scene- level personalization of artwork and trailers; piloting AI- assisted dubbing in lower- priority languages with talent consent.
- Disney / Pixar: established an internal AI governance board and is piloting AI tools in animation pipelines for in- between and asset generation.
- Lionsgate: signed a multi- year deal with Runway in 2024 to train a proprietary model on its film library - one of the first major studio- AI- vendor licensing deals.
- Amazon MGM Studios: integrated AWS Bedrock and Bedrock Studio into production workflows for asset generation, transcription, and metadata enrichment.

Sources: PwC Global E&M Outlook 2025- 2029; Variety; The Hollywood Reporter; Runway / Lionsgate announcement; AWS Re: Invent 2024.

02 | Content security and trust in the synthetic media era

Synthetic media has industrialized as creators exploit AI- generated deepfakes of actors, athletes, and musicians for piracy, fraud, and unauthorized endorsements. The 2024 incident involving Scarlett Johansson's voice with OpenAI in "Sky" prompted a regulatory and industry response that reshaped how studios protect intellectual property and likeness by 2026.

Key market trends

1 | Deepfake- driven piracy and likeness theft

- AI- cloned voices and faces are being used to re- cut leaked footage and generate fake celebrity endorsements at near- zero marginal cost.
- SAG- AFTRA filed an unfair labor practice charge in May 2025 against Llama Productions (Fortnite) for using an AI- generated James Earl Jones voice for Darth Vader without union bargaining.

2 | Content provenance and watermarking

- C2PA (Content Provenance and Authenticity) adoption is expanding across cameras (Sony, Leica), editing tools (Adobe), and platforms (YouTube, TikTok).
- Studios are watermarking pre- release content with frame- level invisible signatures to trace leak sources.

3 | Talent biometric and consent infrastructure

- Major studios now maintain talent likeness vaults - secured biometric assets governed by per- project consent windows.
- SAG- AFTRA's 2025 Interactive Media Agreement requires written, project- specific consent and minimum compensation for any digital replica use.

4 | Streaming account and credential security

- Password- sharing crackdowns and the rise of "extra member" pricing have surfaced massive credential- stuffing attacks - bots harvesting and reselling streaming logins at scale.
- Major streamers are deploying device fingerprinting, behavioral biometrics, and adaptive MFA to defend the now- monetized account perimeter.

Key imperatives

1. Implement content- provenance by default: Adopt C2PA or an equivalent signing standard across capture- to- distribution pipelines so platforms and audiences can verify authenticity.
2. Build the talent- consent infrastructure now: Likeness vaults, project- scoped consent records, audit trails - make this the precondition for any AI- augmented production.
3. Move account security beyond passwords: Continuous behavioral authentication, device binding, and risk- based step- up - now critical revenue protection, not just UX.
4. Active deepfake- removal capability: Operationalize Take- It- Down- Act- compliant takedown workflows (48- hour SLA for non- consensual synthetic content).

Initiatives by major players

- Adobe + C2PA: led the cross- industry content authenticity Initiative; over 4000 members as of 2025, with Sony, Leica, Nikon, and Canon shipping C2PA- enabled cameras.
- Disney: established an office of technology enablement focused on AI ethics, deepfake defense, and synthetic content disclosure across its IP portfolio.
- Sony Pictures: deploying AI- driven content fingerprinting to detect unauthorized synthetic re- cuts of its library across UGC platforms.
- YouTube: rolled out tools for likeness detection, allowing creators and rightsholders to request the removal of AI- generated content that resembles their faces or voices.

Sources: SAG- AFTRA AI Resources; Content Authenticity Initiative; YouTube Synthetic Content Policy; Take It Down Act (May 2025); Variety; Reuters.

03 | AI governance and content licensing as strategic levers

Compliance is no longer a back- office cost - it is becoming a commercial moat. Studios that create clean, consented, and auditable content datasets can license premium training corpora to AI developers, and protect their own intellectual property. In contrast, studios that fail to do this risk facing contract issues, regulatory challenges, and the devaluation of their libraries.

Key market trends

1 | Overlapping disclosure regimes

- Productions must navigate WGA AI- disclosure rules, SAG- AFTRA digital replica consent, Academy Award AI- eligibility guidelines, California AB 412, the EU AI Act, and growing state- level rules (Tennessee ELVIS Act, NY, Illinois).
- The federal NO FAKES Act and COPIED Act are reshaping the baseline for synthetic- media disclosure for any US- distributed content.

2 | The training- data licensing market

- AI developers are signing licensing deals for premium content libraries (Reddit + Google, Shutterstock + OpenAI, News Corp + OpenAI) - establishing a price- per- token training- data market.
- Studios with deep, well- tagged archives are positioned as suppliers, not just defendants in copyright disputes.

3 | Copyright litigation as market signal

- The Reuters v. Ross Intelligence ruling and amicus briefs from WGAW/SAG- AFTRA established that AI training on copyrighted material without consent is not categorically fair use - shifting bargaining power toward rightsholders.

- Ongoing litigation (NY Times v. OpenAI, Universal v. Anthropic on lyrics, image- platform suits) continues to define the licensing landscape.

4 | Regtech for media compliance

- AI- disclosure tracking, consent management, and rights- clearance automation are emerging as a specialized regtech category for M&E.
- Cloud rights- management platforms are integrating with talent agencies and unions for real- time consent provenance.

Key imperatives

1. Centralized rights and consent platform: One system of record for every clip, score, performance, and AI- generated asset - with full provenance and licensing terms.
2. Multi- jurisdictional compliance orchestration: Map content workflows against EU AI Act, US state law, and union agreements simultaneously - automate disclosure generation.
3. License libraries strategically: Treat premium archives as monetizable training data - but negotiate model- use scope, derivative rights, and revenue share.
4. Audit AI vendor supply chains: Demand provenance of training data and indemnity from generative- AI vendors before integrating their tools in production workflows.

Initiatives by major players

- News Corp: signed a multi- year content- licensing agreement with OpenAI (2024) for Wall Street Journal, NY Post, and Times of London archives - one of the largest disclosed M&E AI training deals.
- Shutterstock: established an ongoing licensing program with OpenAI, Meta, Google, and Amazon, including a contributor revenue- share fund.
- Universal Music Group: deploys AI- generated content tracking across YouTube, TikTok, and Spotify; partnered with YouTube on artist- consent AI music tools.

- WPP: built proprietary AI governance frameworks and consent workflows for its agencies, including likeness- rights tracking for celebrity campaigns.

Sources: WGA AI Policy; SAG- AFTRA Contracts; California AB 412; EU AI Act; News Corp / OpenAI press release; Shutterstock investor disclosures.

04 | The end of subscriber growth: Precision monetization replaces scale

For a decade, streaming success was measured in subscriber adds. In 2025, both Netflix and Disney stopped reporting quarterly subscriber counts. The new scoreboard is operating margin, ARPU, and engagement - and the levers are advertising, dynamic pricing, bundling, and live tentpoles.

Key market trends

1 | Advertising overtakes subscription growth

- Morgan Stanley estimates nearly 100% of US net streaming additions in 2025 came from ad tiers, while ad- free subscriber bases declined.
- Netflix ad- tier reached 94 million MAUs (mid- 2025); ad- tier viewers average 40+ hours/month of engagement.

2 | Operating margin as the new scoreboard

- Netflix posted an operating margin of 29.5% in 2025 - the benchmark the industry chases.
- Disney guided FY26 DTC operating margin of 10%; Paramount, WBD, and Peacock are narrowing losses but still well below Netflix's benchmark.

3 | Bundling and re- bundling

- Disney+/Hulu/Max bundle; Verizon+Netflix+Max; ESPN Unlimited + Fox One - bundling is restoring "cable- like" stickiness while preserving direct- to- consumer margins.
- Bundles are now an antidote to streaming- fatigue churns, with measurable reductions in cancellation rates.

4 | Dynamic and customized pricing

- Streamers are experimenting with pricing tiers based on region, device, and content packs, moving away from a uniform global pricing structure.
- Peacock increased its ad- tier pricing by 38% (to \$11/month) in anticipation of the NBA launch, indicating price elasticity linked to significant events.

Key imperatives

- Develop ad technology and CTV ad sales capabilities: Focus on first- party data, programmatic CTV integration, measurement collaborations (iSpot, VideoAmp), and brand safety tools. Streamers that fail to manage their ad- sales infrastructure risk missing out on billions in revenue.
- Craft the bundle: Pursue collaborative distribution and bundling agreements with telecommunications companies, MVPDs, and other streamers as strategies to reduce churn and enhance margins, rather than treating them as afterthoughts.
- Transition from subscriber counts to metrics based on engagement and revenue: Both internal key performance indicators and investor narratives require a rethink. Focus on average revenue per user (ARPU), hours per monthly active user (MAU), and contribution margins by the women's category.
- Reinvest in major events: Allocate spending primarily toward a select few must- see occasions (sports, live events, blockbuster franchises) that enhance ad inventory and the value of bundles.

Initiatives by major players

- Netflix: ceased reporting quarterly subscriber numbers (Q1 2025); projected a 29.5% operating margin for 2025; expanded ad tentpoles to include the NFL, WWE, and FIFA Women's World Cup.
- Disney: anticipated profit from Disney+/Hulu at \$1.33 billion for FY25 (compared to \$143 million in FY24); introduced ESPN Unlimited (August 2025) bundled with Fox One.

- Amazon Prime Video: enabled default advertising to reach over 100 million viewers; NBA, NFL, Thursday Night Football, and YES Network contribute to a continuous revenue stream from ads.
- Peacock (NBCU): raised ad- tier pricing by 38% to \$11 before the NBA launch; the model, anchored in sports, is helping regain pricing power.

Sources: Netflix Q4 2024 8- K; Morgan Stanley Streaming Outlook 2025; The Wrap; Sportico; CNBC; Disney FY25 earnings.

05 | Re- humanizing audience engagement in the algorithmic

M&E leaders are rebalancing - bringing back human curation, creator- led communities, fan loyalty, and shared live moments to turn passive viewers into engaged fans.

Key market trends

1 | Human- curated playlists and editorial return

- Spotify, Apple Music, and Tidal have doubled down on human editorial curation alongside algorithmic stations - recognizing that taste- making is a relationship, not a model output.
- Netflix's "Top 10" social- curation and human editorial "collections" reverse a decade of pure- algorithmic discovery.

2 | Netflix's creator economy as the engagement engine

- YouTube paid more than \$70 billion over the last three years (through 2023, per Alphabet disclosures); the creator economy is now a structural channel, not a marketing tactic.
- Studios are partnering with creators for promotion (MrBeast, Dude Perfect) and increasingly co- producing content.

3 | Live, appointment, and shared viewing

- Live sports, live concerts (Beyoncé Bowl on Netflix), and live talent shows are Amazon's peak engagement spikes - Netflix's NFL Christmas Day games became the most-streamed NFL games in history.
- Watch-party and co-watch features (Disney+ and Amazon) recreate shared social viewing in a fragmented landscape.

4 | Fandom and community as a product surface

- Disney+ launches franchise hubs (Star Wars, Marvel) with editorial, behind-the-scenes, and community features inside the app.
- Sports streamers are integrating fantasy leagues, betting, and second-screen experiences - Amazon's Prime Vision (AI-powered live overlays) is the template.

Key imperatives

1. Map emotional journeys, not just funnels: Track sentiment, fandom depth, and emotional engagement alongside watch-time and churn.
2. Invest in editorial and curation roles: Treat human curators, editors, and community managers as a strategic capability - not overhead to be optimized away.
3. Productize live moments: Schedule live tentpoles like a TV calendar; engage shared social experiences around them (watch parties, second-screen, fan tournaments).
4. Build creator partnerships as a channel, not a campaign: Long-term creator deals, co-production, and revenue share - not one-off promo budgets.

Initiatives by major players

- Spotify: DJ AI feature pairs algorithmic curation with a synthetic-host "voice" - a hybrid of personalization and personality.
- Netflix: Beyoncé Bowl, WWE Raw weekly programming, and live NFL games are reshaping the brand from "library on demand" to "appointment destination."

- Disney+: franchise hubs and Star Wars/Marvel community features are deepening fandom within the app.
- Roblox + Fortnite: concert events (Travis Scott, Charli XCX, K-pop) hosting tens of millions of concurrent users - a live-music-meets-gaming engagement format.

Sources: Netflix 8-K FY2024; Alphabet investor disclosures; The Hollywood Reporter; The Verge; Variety.

06 From IP to tokenized fan economies

Studios, leagues, and labels are turning their IP into programmable economic objects - digital collectibles, tokenized fan tickets, on-chain royalties, and creator revenue-sharing. After the 2022 NFT correction, the model has matured: away from speculation, toward utility, fan loyalty, and secondary-market revenue.

Key market trends

1 | Digital collectibles and IP tokenization

- NBA Top Shot, Sorare (FIFA, MLB, NBA), and Fanatics Collect have moved tokenized sports moments from speculative play into mainstream fan products.
- Studios are issuing branded digital collectibles tied to film releases and franchise milestones with built-in royalty splits.

2 | On-chain royalties and rights tracking

- Music labels (UMG, Sony, Warner) are piloting blockchain-based royalty distribution for streaming-era splits - improving transparency and speeding payments to artists.
- Smart-contract-enforced royalties for secondary sales of digital collectibles create a new revenue line for rightsholders.

3 | Fan loyalty and membership economies

- Loyalty programs (Disney Magic Key, Sephora, AMC Stubs) are evolving into points- and- token models - with NFT- gated access, perks, and surprise- and- delight drops.
- Sports leagues are tokenizing fan tickets (Socios) to capture secondary- market value historically lost to resellers.

4 | Stablecoin and programmable payments in the creator economy

- Cross- border creator and royalty payments are increasingly settled in stablecoins (USDC, USDT) to reduce FX friction and accelerate payout speed.
- Platforms like Patreon and Substack are integrating crypto- native payment rails for global subscriber bases.

Key imperatives

1. Treat IP as a programmable asset: Tokenization, fan membership, and on- chain royalty rails should be on the roadmap - not a side experiment.
2. Build the rights- clearance and royalty plumbing: Smart- contract- enabled rights management requires clean metadata, identity, and consent - the same data foundation that enables AI training and personalization.
3. Design loyalty as a strategy, not a marketing tactic: Tokenized loyalty programs create lifetime- value lock- in and a direct fan channel that bypasses platform gatekeepers.
4. Comply early with crypto and tokenization rules: MiCA (EU), the US GENIUS Act, and emerging SEC/FCA guidance set the rules of engagement - early compliance is a competitive advantage.

Initiatives by major players

- Dapper Labs/NBA Top Shot: tokenized in- game moments now power a multi- hundred- million- dollar secondary market; partnerships with NBA, NFL, UFC.
- Sorare: licensed deals with FIFA, MLB, NBA - a fantasy- sports + NFT hybrid that has expanded into multi- million- user fan economies.

- Universal Music Group: partnered with blockchain platforms for transparent royalty tracking and is exploring NFT- gated artist drops.
- Disney: filed patents around tokenized theme park access and digital twin experiences linking parks, streaming, and collectibles.

Sources: Dapper Labs; Sorare; Universal Music Group investor updates; EU MiCA; US GENIUS Act (2025).

07 | Invisible and embedded entertainment reshapes distribution

Entertainment is becoming ambient. Distribution is moving away from destination apps toward embedded streaming- gaming smart TVs (as FAST channels), social commerce, retail apps, fitness equipment, AR/VR headsets, and in- game live concerts. The line between content and context is blurring.

Key market trends

1 | FAST channels and ad- supported linear- on- streaming

- Free ad- supported streaming TV (FAST) services - Pluto TV, Tubi, The Roku Channel, Samsung TV Plus - are now a multi- billion- dollar ad market, especially among cord- cutters and cost- conscious viewers.
- Studios are building FAST channels around library IP, turning catalog into ongoing ad revenue.

2 | Entertainment embedded in vehicles, retail, and fitness

- Automotive infotainment is now an entertainment surface - Tesla, BYD, Mercedes integrate streaming, gaming, and karaoke for parked- vehicle entertainment.

- Peloton, Mirror, and similar connected- fitness devices, Fortnite's music, and eRoblox's ad-supported video - is a new \$1 billion+ subgenre.

3 | Social commerce video and shoppable content

- TikTok Shop, YouTube Shopping, and Instagram Reels have turned short- video into a commerce- and- content fused experience - collapsing discovery and conversion into one surface.
- Live shopping is now mainstream in China (Douyin generated >\$300 billion in GMV in 2024) and is growing fast in SE Asia and LATAM.

4 | In- game live entertainment and metaverse-adjacent formats

- Fortnite's live concerts and Roblox's branded experiences host tens of millions of concurrent users - making games a primary live entertainment.
- Apple Vision Pro, Meta Quest 3, and emerging AR glasses are creating new immersive live content formats - sports, concerts, and 3D narrative.

Key imperatives

1. Build for surface- agnostic distribution: Content needs to render and monetize on cars, fitness equipment, FAST, gaming, and AR - not just iOS/Android/TV apps.
2. Productize the library: The old catalog is the fuel for FAST, in- flight, and embedded contexts. Re- segment, re- cut, and re- monetize across surfaces.
3. Partner with platforms, don't fight them: TikTok, Roblox, Fortnite, automotive OS - these are the new "channels." The opportunity is partnership and licensing, not avoidance.
4. Invest in modular content formats: Short, vertical, mid- form, and immersive - content needs to be a composable asset, not a fixed- format master.

Initiatives by major players

- Paramount: Pluto TV monetizes legacy CBS/Viacom IP as a global FAST leader - over \$1 billion annual ad revenue.
- Roku: The Roku channel has become a top- 5 free streaming service in the US, monetizing licensed and original content via advertising.
- YouTube/TikTok: Shopping integrations are turning creators into commerce channels with platform- level rev- share.
- Fortnite/Epic Games: branded live concert events (Travis Scott, Charli XCX, Eminem) host tens of millions of users - a template for in- game live entertainment.

Sources: PwC Global E&M Outlook 2025- 2029; Roku investor disclosures; Paramount Global earnings; Epic Games announcements; Bytedance.

08 | Resilience in a polycrisis: Tariffs, talent, and creative economy shocks

M&E is exposed to a polycrisis: tariff volatility, competition for production tax credits between US states and international hubs, talent strikes, content cost inflation, regulatory fragmentation, and AI-driven labor disruption. Studios that build modular, resilient operating models will absorb shocks better than those locked into rigid structures.

Key market trends

1 | Production geography and tax- credit arbitrage

- Production is fragmenting across the UK, Canada, Ireland, the Czech Republic, New Zealand, Australia, and Mexico - in pursuit of tax credits, talent, and currency advantages.
- US states (California, New York, Georgia) are competing aggressively with expanded credits to retain production volume.

2 | Tariff and trade policy risk

- Proposed tariffs on foreign- produced content and merchandise risk disrupting the global production ecosystem; uncertainty alone is causing studios to delay greenlights and re-route productions.
- China remains a major box- office market, but content- import quotas and approval timelines have tightened - US studios' China revenue contribution has fallen sharply since 2019.

3 | Labor cost inflation and post- strike contract dynamics

- Post- 2023 WGA/SAG- AFTRA contracts increased minimums, residuals, and AI guardrails - raising the per- project cost baseline by 5% - 8% (approx.) according to studio disclosures.
- Crew shortages in key production hubs (UK, Canada) are extending shooting schedules and inflating below- the- line costs.

4 | Cross- border IP and rights complexity

- Regional rights fragmentation (EU AI Act vs. US fair use; UK Online Safety Act vs. EU DSA) increases legal and operational costs for global content distribution.
- Multi- jurisdictional content moderation and age- verification requirements are reshaping platform economics.

Key imperatives

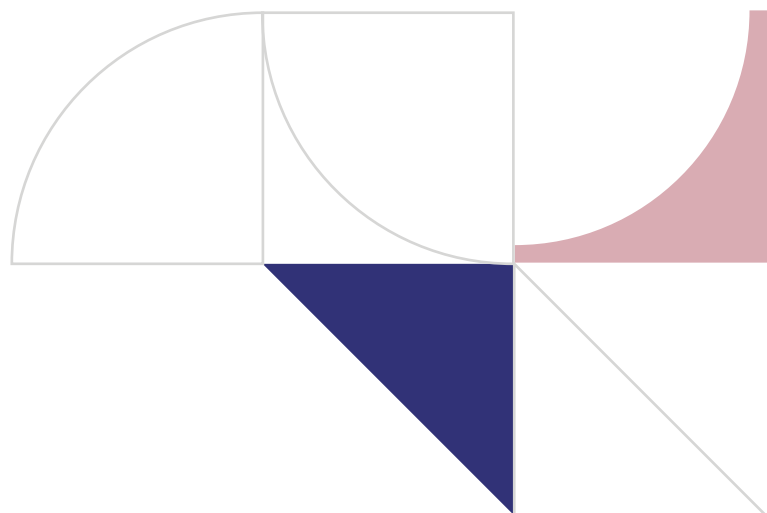
- Build a modular production footprint: Diversify geography, vendors, and currency exposure. Avoid single-country/single-studio concentration risk.
- Scenario- plan tariff and policy shocks: Run quarterly stress tests across tariff, talent- strike, and regulatory scenarios. Build contingency releases and budgets.
- Use AI to flex cost structure: AI- augmented localization, dubbing, VFX, and ad creative provide a real margin buffer when content costs inflate.

- Diversify revenue geographies: India, Indonesia, MENA, and Latin America are now structural growth markets - they need to be in the top 10 strategic priorities, not afterthoughts.

Initiatives by major players

- Sony Pictures: diversified production across the US, UK, Canada, and Japan to hedge currency and tax- credit risk.
- Netflix: established regional production hubs (UK, Spain, Korea, Mexico, India) producing local- language originals that travel globally - Squid Game, Money Heist, and Lupin templates.
- Warner Bros. Discovery: adopted a global re- org and IP- monetization strategy aimed at maximizing library returns amid macro headwinds.
- Reliance + Disney India: JioCinema- Disney+ Hotstar merger created the largest streaming platform in India (~750 million users) - a localized resilience play.

Sources: PwC Global E&M Outlook 2025- 2029; Variety; Bloomberg; Reuters; SAG- AFTRA 2023 contracts; The Hollywood Reporter.



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Glossary

- **ARPU** – Average Revenue Per User
- **AAA** – Top-tier (A-list) production budget — games or films
- **AMPTP** – Alliance of Motion Picture and Television Producers
- **AVOD** – Advertising-based Video on Demand
- **C2PA** – Coalition for Content Provenance and Authenticity
- **CAGR** – Compound Annual Growth Rate
- **COPIED Act** – Content Origin Protection and Integrity from Edited and Deepfaked Media Act
- **CPRA** – California Privacy Rights Act
- **CTV** – Connected TV
- **DTC** – Direct-to-Consumer
- **DSA** – Digital Services Act (EU)
- **EMEA** – Europe, the Middle East, and Africa
- **ELVIS Act** – Ensuring Likeness Voice and Image Security Act (Tennessee)
- **E&M** – Entertainment & Media
- **FAST** – Free Ad-Supported Streaming TV
- **FX** – Foreign Exchange
- **GMV** – Gross Merchandise Value
- **GenAI** – Generative Artificial Intelligence
- **IP** – Intellectual Property
- **IMA** – Interactive Media Agreement (SAG-AFTRA video game contract)
- **KPI** – Key Performance Indicator
- **LATAM** – Latin America
- **LLM** – Large Language Model
- **MAU** – Monthly Active User
- **MFA** – Multi-Factor Authentication
- **MiCA** – Markets in Crypto-Assets Regulation (EU)
- **MNO / MVNO** – Mobile Network Operator / Mobile Virtual Network Operator

- **NFL / NBA / WNBA / UFC / WWE** – Major US sports leagues / entertainment franchises
- **NFT** – Non-Fungible Token
- **NO FAKES Act** – Nurture Originals, Foster Art, and Keep Entertainment Safe Act
- **OTT** – Over-the-Top (streaming)
- **ROI** – Return on Investment
- **SAG-AFTRA** – Screen Actors Guild - American Federation of Television and Radio Artists
- **SaaS** – Software-as-a-Service
- **SEC** – Securities and Exchange Commission
- **SVOD** – Subscription Video on Demand
- **TAM** – Total Addressable Market
- **TNF** – Thursday Night Football
- **UFC** – Ultimate Fighting Championship
- **UGC** – User-Generated Content
- **WGA / WGAW / WGAE** – Writers Guild of America (West / East)



About Us

This paper, published by the TMT Industry Solutions Group (ISG) at Zensar, presents our perspective on the global trends shaping Media and Entertainment in 2026 and beyond.

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Zensar stands out as a premier technology consulting and services company, embracing an experience-led everything philosophy. We are creators, thinkers, and problem solvers, passionate about designing digital experiences that we engineer into scale-ready solutions to deliver superior engagement for high-growth companies.

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\$624.5Mn FY25 revenue

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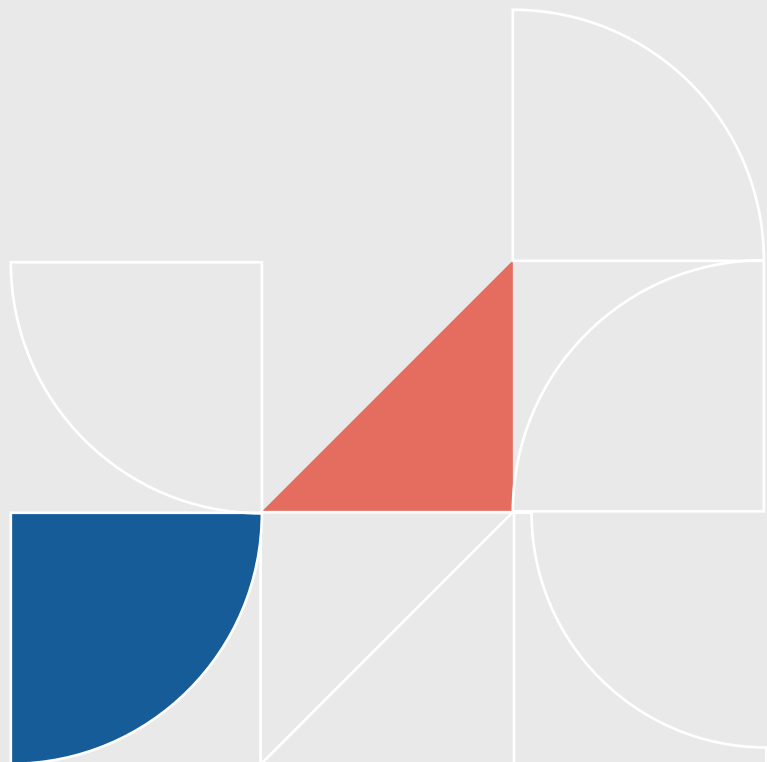
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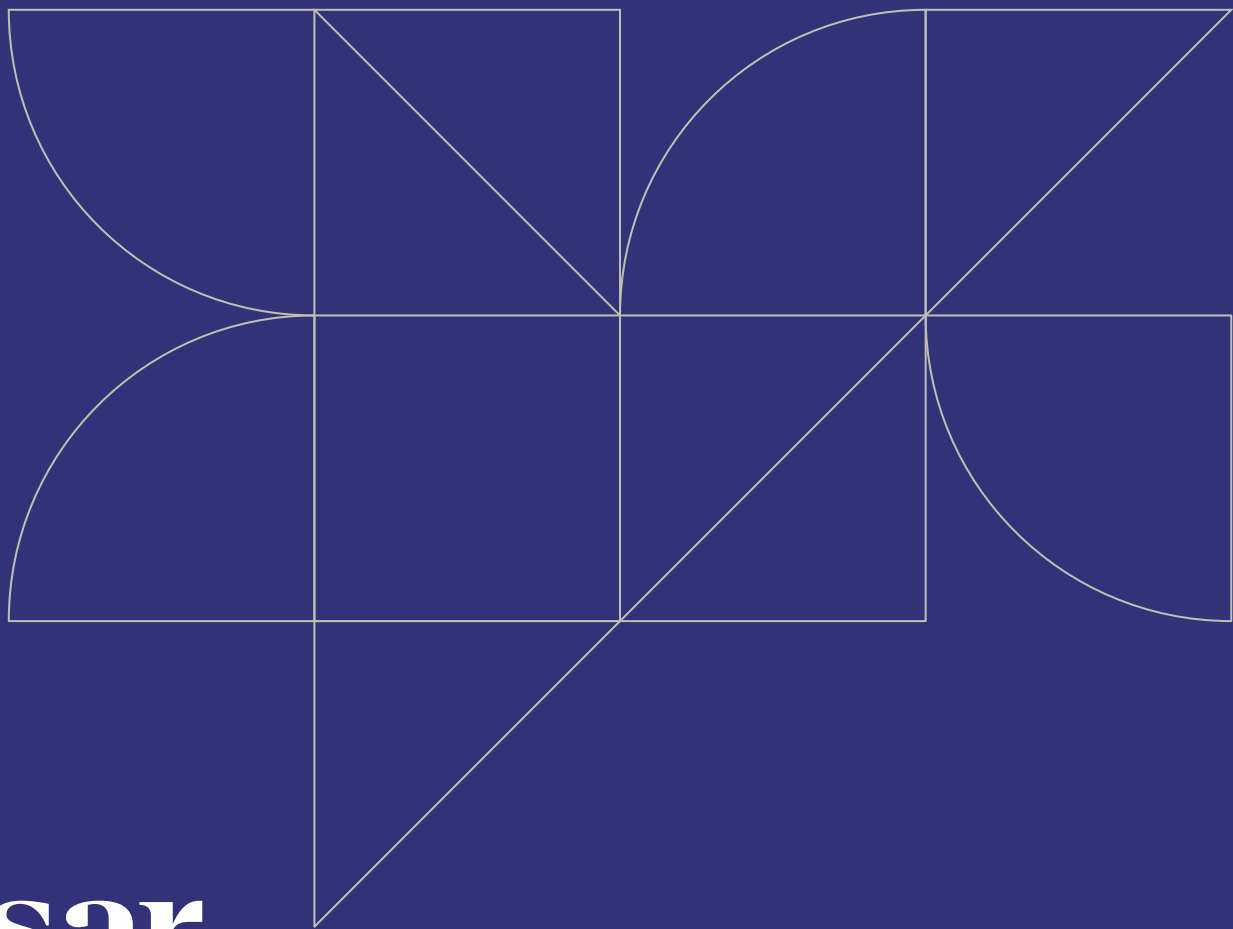
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Who is ISG?

ISG (Industry Solutions Group) is the cornerstone of our engagements at Zensar, differentiating with “domain-driven everything,” innovation, and empowering client engagement.





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