

# CONTENT DISTRIBUTION MARKET INSIGHT 2024

Trends and Future Opportunities



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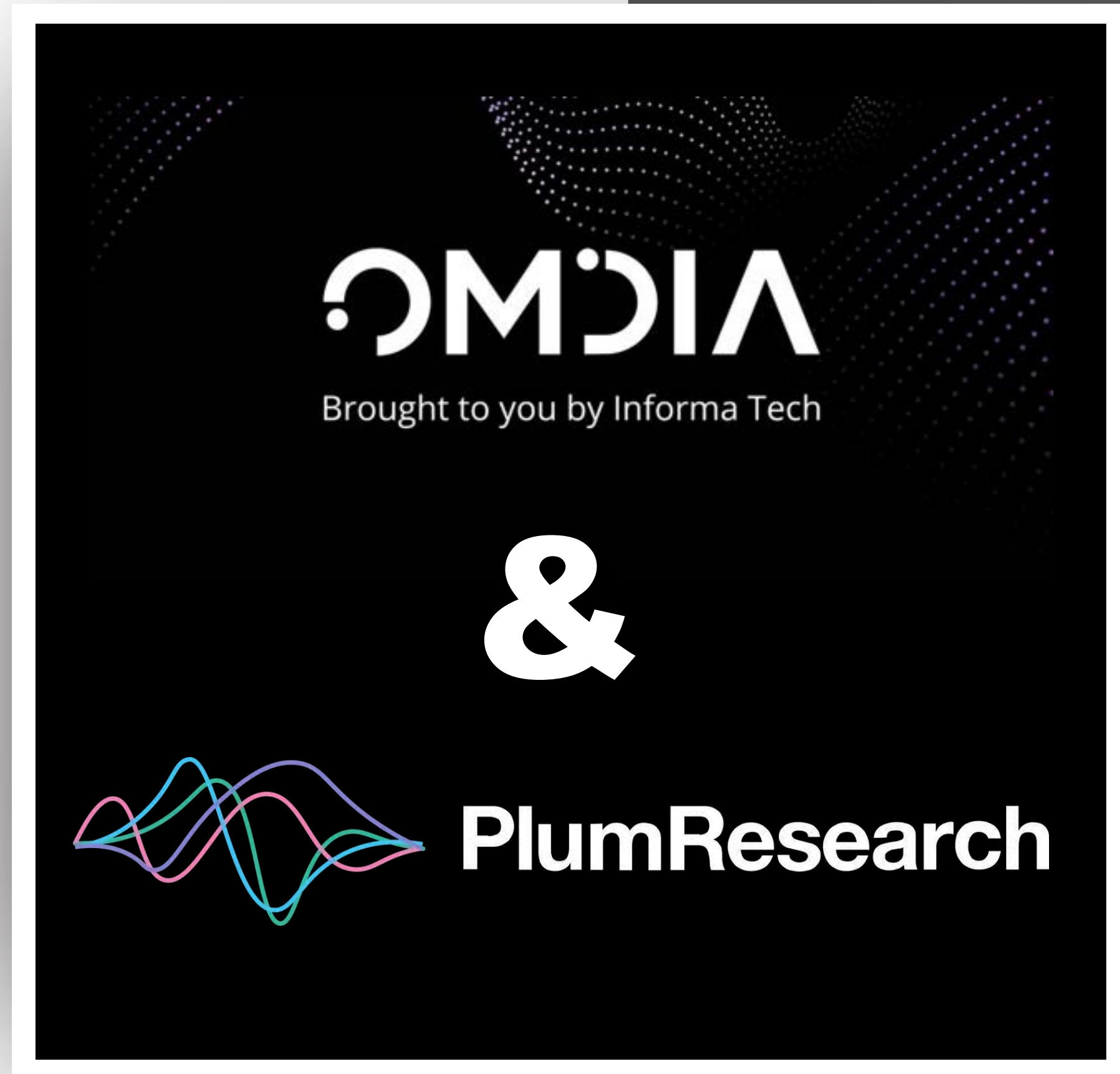


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## OVERVIEW

As content distribution evolves, understanding market shifts and emerging opportunities is essential for industry stakeholders. This report, developed from insights provided by **Omdia**, offers data-driven perspectives on the current state and future trajectory of TV and streaming distribution. It includes key market trends, growth forecasts, and valuable insights into monetization and platform strategies

**Note:** **PlumResearch** provided complementary data regarding audience preferences and content trends globally, which are briefly summarized to support Omdia's insights..



# Media & Entertainment Key Themes & Trends



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#MIPCOM2024



# MARKET DYNAMICS:

## Shift in Linear and Online Advertising

Omdia's analysis highlights a significant shift in the content distribution market, with linear TV on a gradual decline and online advertising poised for robust growth. Projections indicate that by 2025, online ad revenue is expected to exceed \$1.1 trillion.

- Growth of Online Advertising: With an anticipated increase in digital ad spend across YouTube, TikTok, and Instagram, online video content is set to dominate the advertising landscape. Omdia forecasts a 371 billion dollar growth in online ad revenue by 2029, illustrating the value of content distributed across multi-platform channels.
- Implications for Stakeholders: Distributors should leverage data-driven ad targeting and diversified platform strategies to optimize revenue across multiple channels, aligning with consumer media consumption patterns.

# WHERE IS THE MONEY IN M&E?

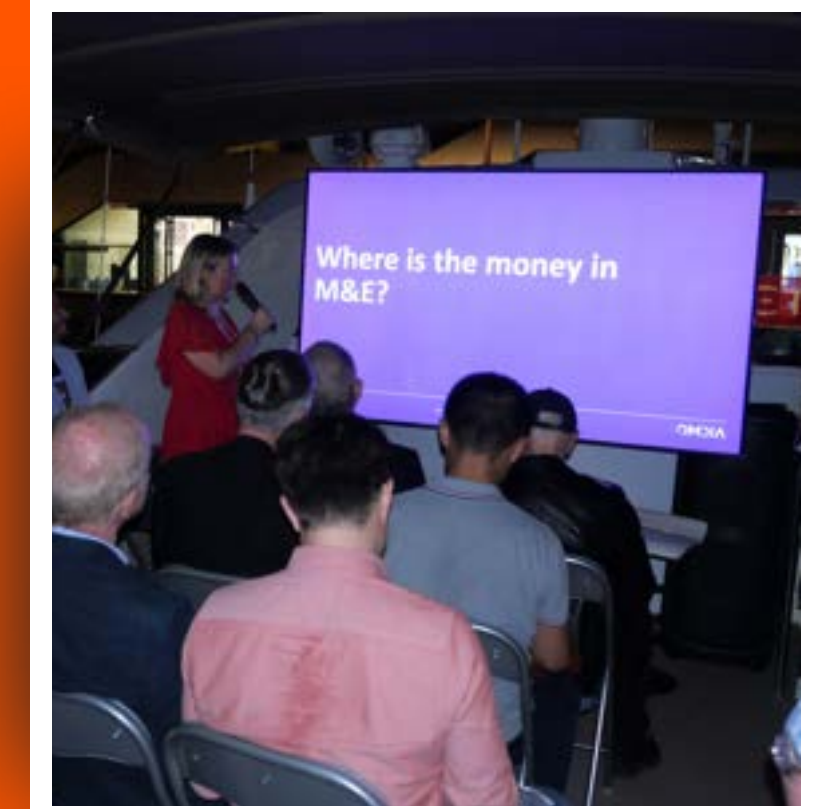
The global M&E market landscape is rapidly evolving, with digital platforms outpacing traditional revenue streams. Omdia provides a breakdown of market values, helping identify the most lucrative sectors and future growth projections.

## Advertising Dominance:

Online and ad-supported models, particularly through FAST channels, are poised to capture significant market share, with ad revenue anticipated to reach \$1.1 trillion by 2025.

## FAST Channel Growth:

The expansion of FAST channels underscores the increasing importance of ad-supported content, as broadcasters and distributors capitalize on free, accessible content to drive revenue.



.....we know that linear TV advertising and Pay TV revenues are declining.....BUT

### Global: Media & entertainment revenue by sector, 2025



Source: Omdia

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# .....lots of reasons to smile in 2025

Global: Media & entertainment revenue by sector, 2025

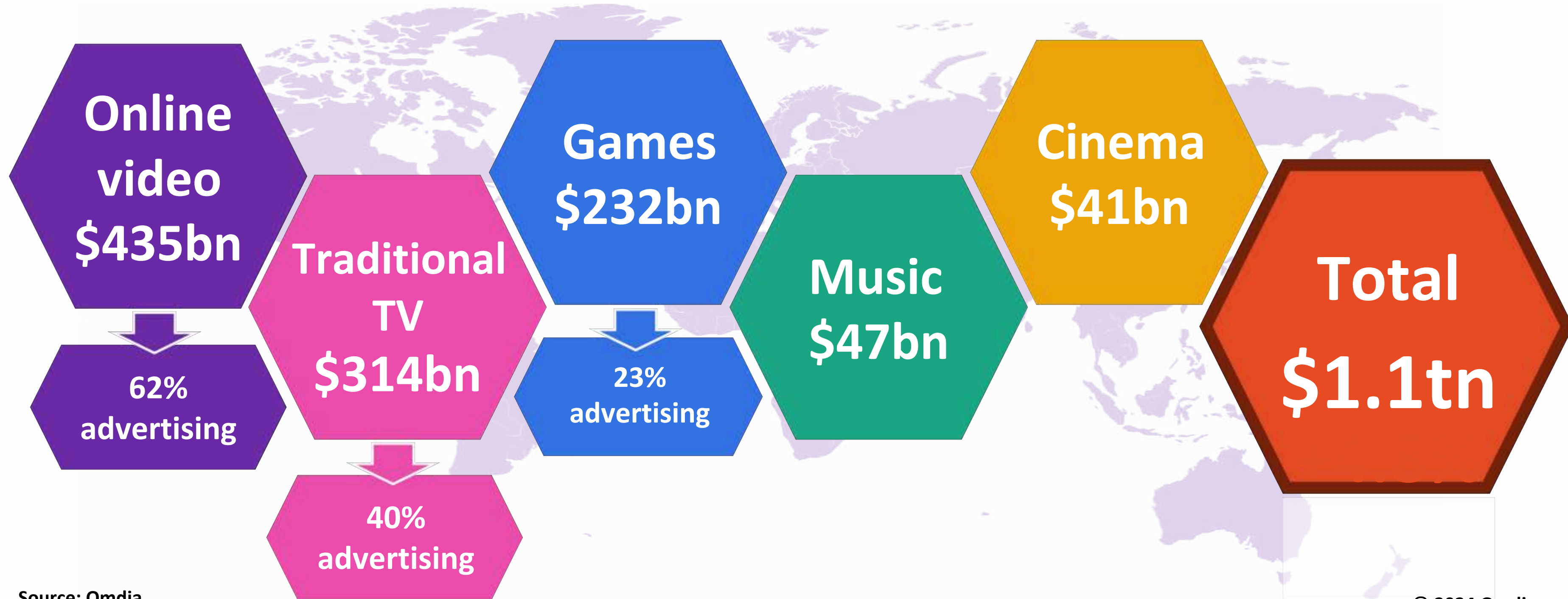


Source: Omdia

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# The media & entertainment market will near \$1.1tn in 2025

Global: Media & entertainment revenue by sector, 2025

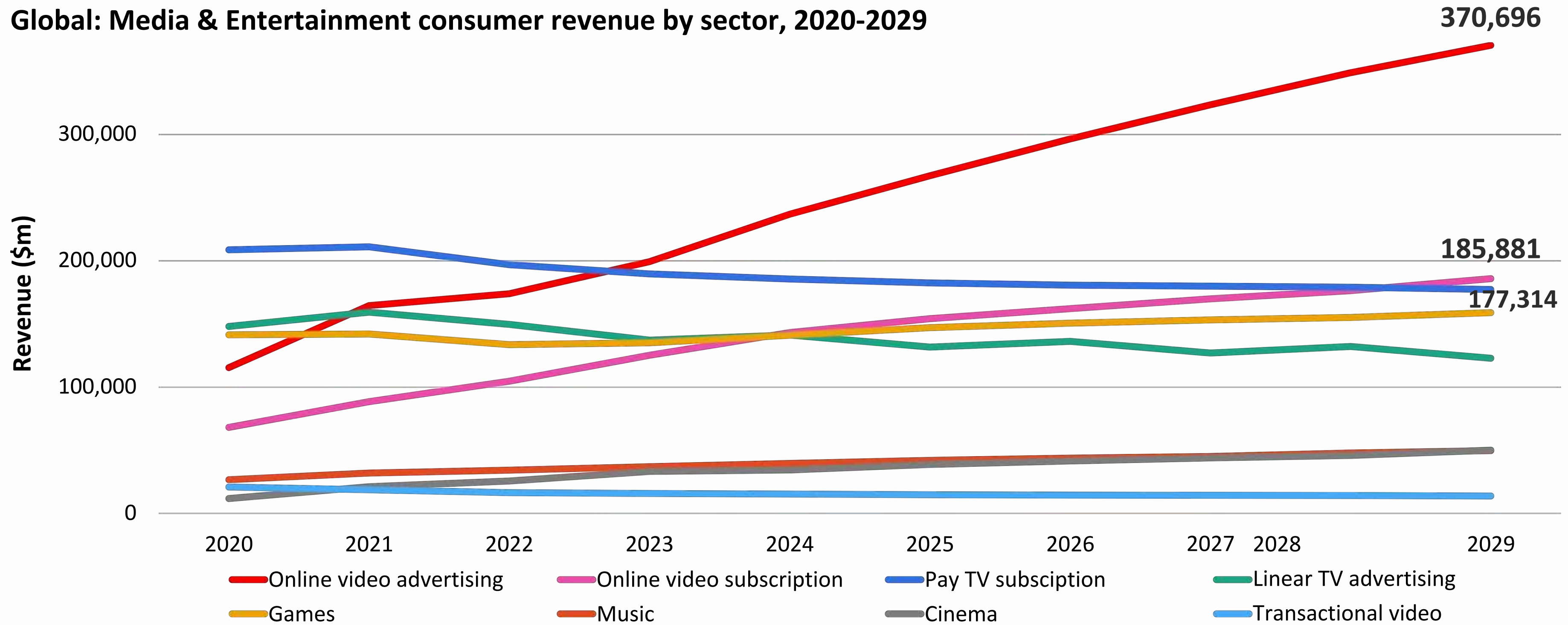


Source: Omdia

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# Online video ads is the largest and fastest-growing media segment

Global: Media & Entertainment consumer revenue by sector, 2020-2029



Source: Omdia

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# FAST CHANNELS AND EMERGING MONETIZATION MODELS

As linear and paid TV decline, Free Ad-Supported Streaming Television (FAST) channels are emerging as viable alternatives. Omdia's insights suggest that FAST will play a critical role in capturing the audience lost by traditional TV.

## Monetization Potential of FAST:

FAST channels allow advertisers to reach a broader, cost-effective audience. The growth in ad revenue from FAST channels is projected to be **four times higher** than traditional broadcast by 2025.

## Recommendation for Content Providers:

Consider integrating FAST channels into your distribution strategy to capitalize on the increasing demand for ad-supported content while diversifying revenue streams.



Go slow on FAST...

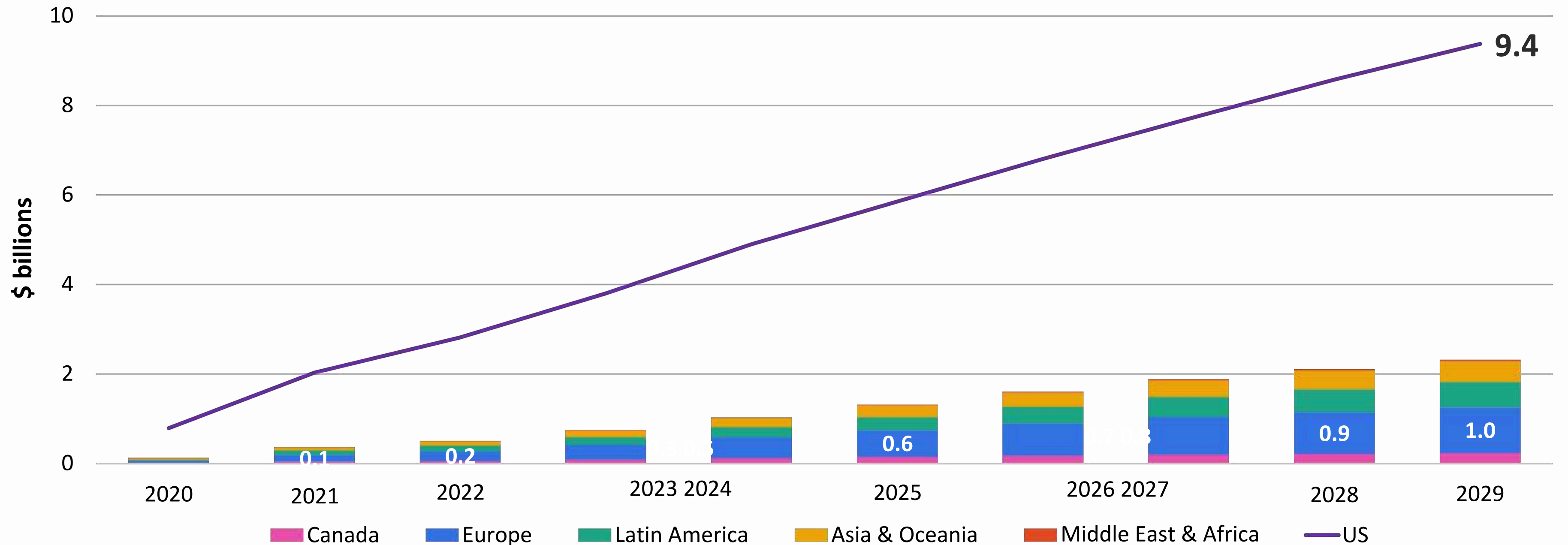
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# STRATEGIC INSIGHTS: Capitalizing on U.S. Dominance and Expanding Globally

Given the U.S.'s dominant position in the FAST market, content distributors and advertisers should prioritize this region but also explore opportunities in emerging markets.

# The US is by far the largest FAST market and will remain so

Global: FAST advertising revenue, 2020-2029



Source: Omdia

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# OMDIA'S DATA REVEALS :

that the United States remains the undisputed leader in the FAST market. This dominance is expected to continue as the U.S. continues to see unparalleled growth in both advertising and audience engagement in the ad-supported streaming segment.

## U.S. Market Dominance:

The U.S. is far ahead of other regions in terms of FAST revenue generation. As the largest FAST market, it is projected to maintain this lead due to robust demand for ad-supported content and the increasing number of FAST channel offerings.

## Global FAST Market Revenue Distribution

Omdia's analysis shows a detailed breakdown of global FAST revenues by continent, revealing notable regional dynamics:

- **United States:** By far the largest market for FAST, the U.S. accounts for the lion's share of FAST revenues, driven by a highly developed digital advertising ecosystem, strong consumer engagement with ad-supported streaming, and the proliferation of connected TVs.
- **Canada:** While a smaller market than the U.S., Canada is experiencing growing interest in FAST channels, especially in urban areas with high levels of internet connectivity and digital video consumption.



- **Europe:** Europe is emerging as a key market for FAST, with rapid adoption in countries like the UK, Germany, and France, driven by the growing popularity of ad-supported models and increasing competition among local streaming platforms.
- **Latin America:** Latin America is witnessing significant expansion in the FAST space. The region's cost-sensitive consumer base is increasingly turning to ad-supported content, driven by economic conditions and the increasing availability of FAST services.
- **Asia:** FAST channels in Asia are still in the early stages of development but are gaining traction, particularly in markets like India and South Korea, where large consumer bases are rapidly adopting digital video platforms.
- **Oceania:** The FAST market in Oceania (primarily Australia and New Zealand) is growing steadily. The region's high internet penetration rate and consumer demand for diverse content are propelling the adoption of FAST models.
- **Middle East & Africa:** While still an emerging market, FAST in the Middle East and Africa shows potential for growth, driven by increasing digital consumption, mobile-first strategies, and the rising popularity of local and international ad-supported content.

## Opportunities in Emerging Markets:

For content providers and distributors, the U.S. remains the highest priority due to its size and maturity in the FAST market. With its large, digitally-savvy audience and established infrastructure, the U.S. will continue to lead FAST growth.

Although the U.S. is the largest market, there are significant opportunities for FAST expansion in other regions, especially Europe, Latin America, and Asia. In these regions, consumers are increasingly looking for cost-effective, ad-supported video options.

## Recommendations for Growth:

**For distributors:** Consider region-specific content strategies, focusing on localizing content to meet the tastes and needs of diverse global audiences, particularly in Latin America and Asia.

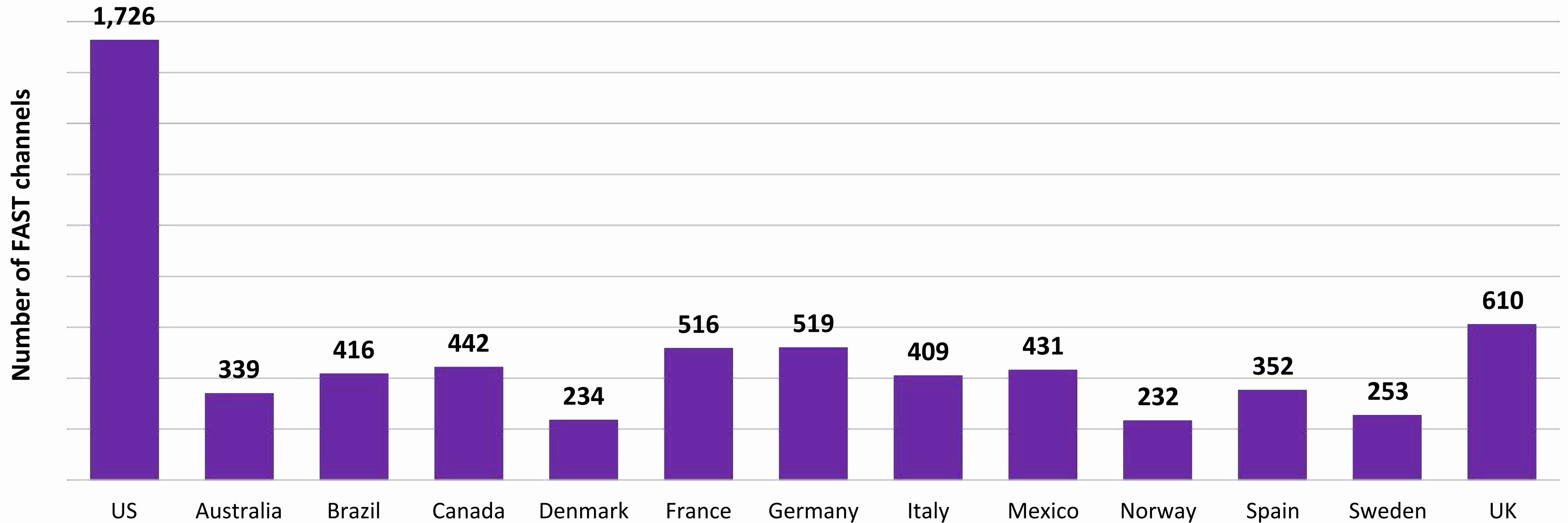
**For advertisers:** Leverage the increasing demand for FAST channels in both established markets (U.S., Europe) and emerging markets to expand your digital ad campaigns globally.

**For content creators:** Explore partnerships with FAST platforms to expand distribution, especially in markets like Canada and Middle East & Africa, where there is strong growth potential but less saturation.



# Audiences still have hundreds of channels to enjoy... or ignore

Unique FAST channels by country, Q1 2024



Source: Omdia

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# CONTENT & CONSUMERS

## Viewing Patterns and Preferences

Understanding how and where consumers engage with video content is essential for distributors aiming to optimize reach and engagement.

### **Key Insights on Viewing Habits:**

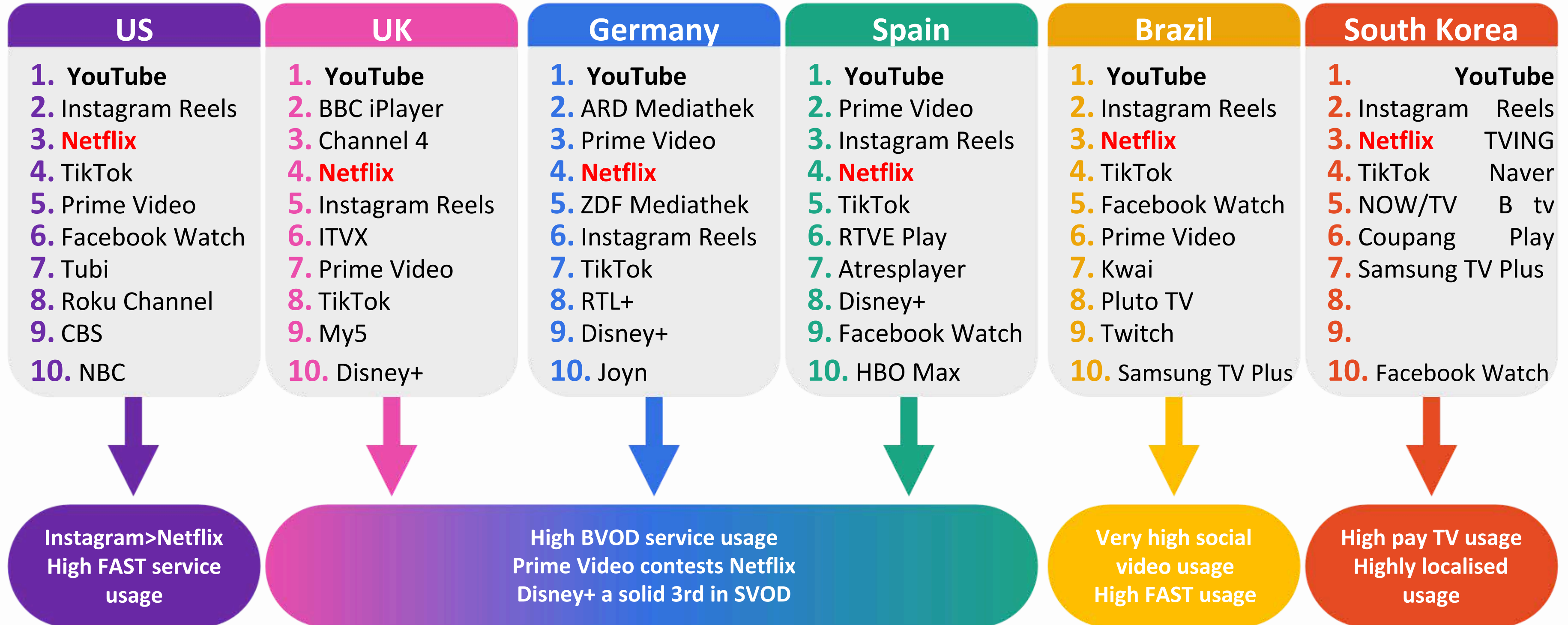
Today's audience is distributed across a range of platforms, with notable engagement on social media channels like YouTube, TikTok, and Instagram.

### **Audience Segmentation:**

The diversity of consumer segments is driving the need for tailored content approaches across platforms, and insights reveal a sustained preference for familiar content over new releases.



# Top video services are indicative of top trends



Source: Omdia Consumer Research

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# HOT TOPICS

## Retail Media and Spanish-Language Content

### Retail Media

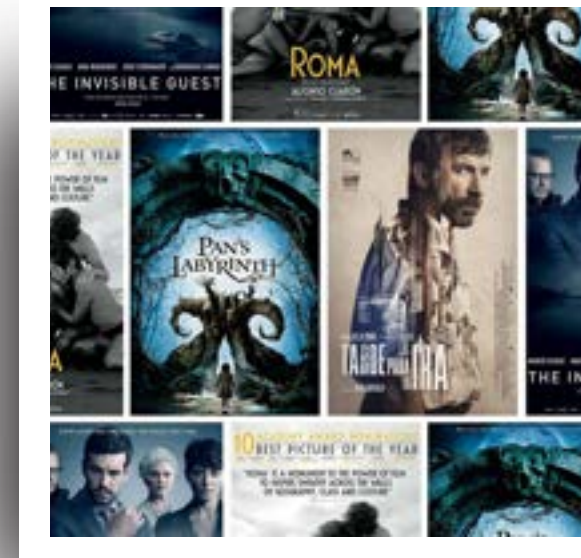
The report concludes with an exploration of two emerging areas of growth and interest within the industry: retail media and Spanish-language content.



**Korean Content**

### Spanish-Language Content Demand

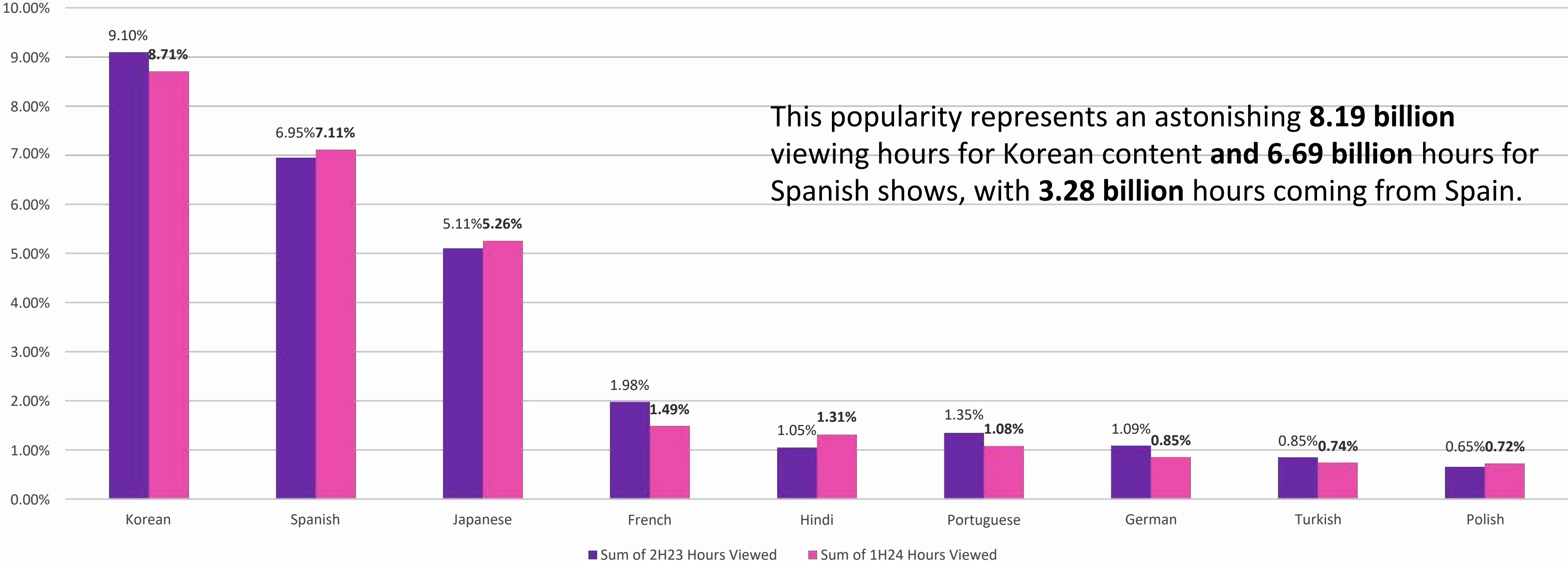
With a growing global audience, Spanish-language content has become a major focus for distributors, driving both engagement and revenue in North American and Latin American markets.



**Spanish Content**

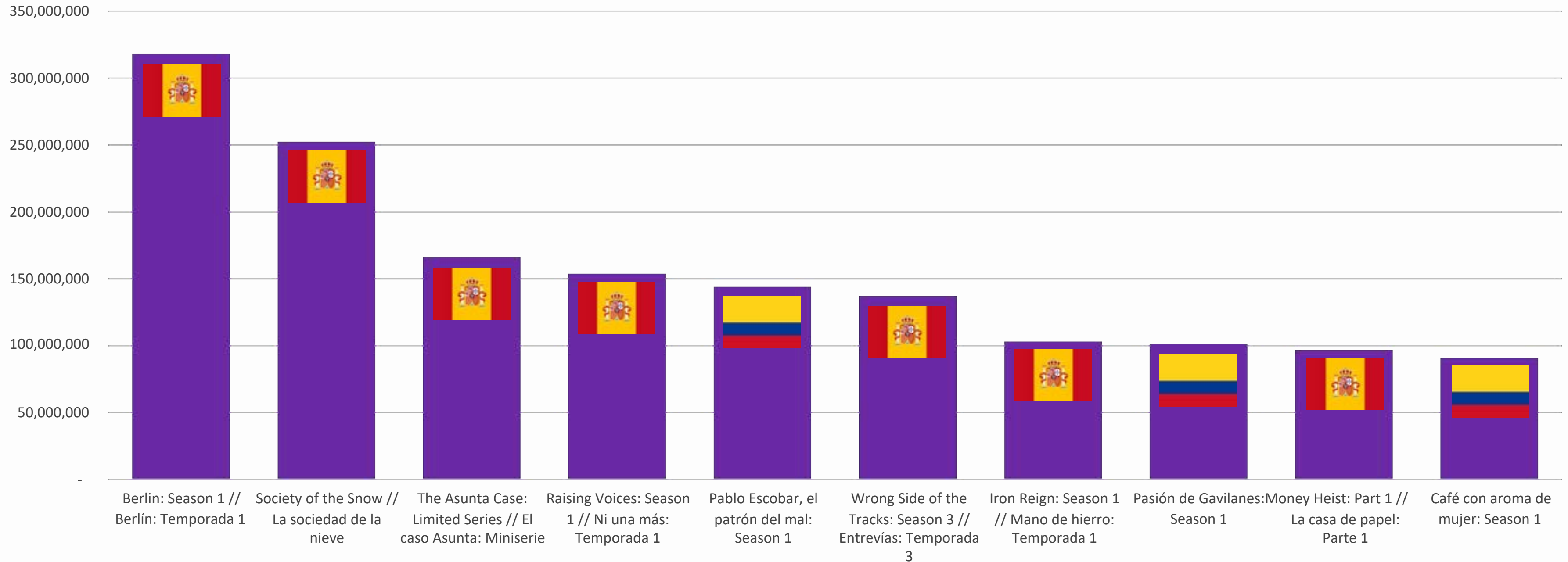
# Spanish and Korean most popular non-English content in Netflix

Viewing by original content language, Netflix, 2H23-1H24



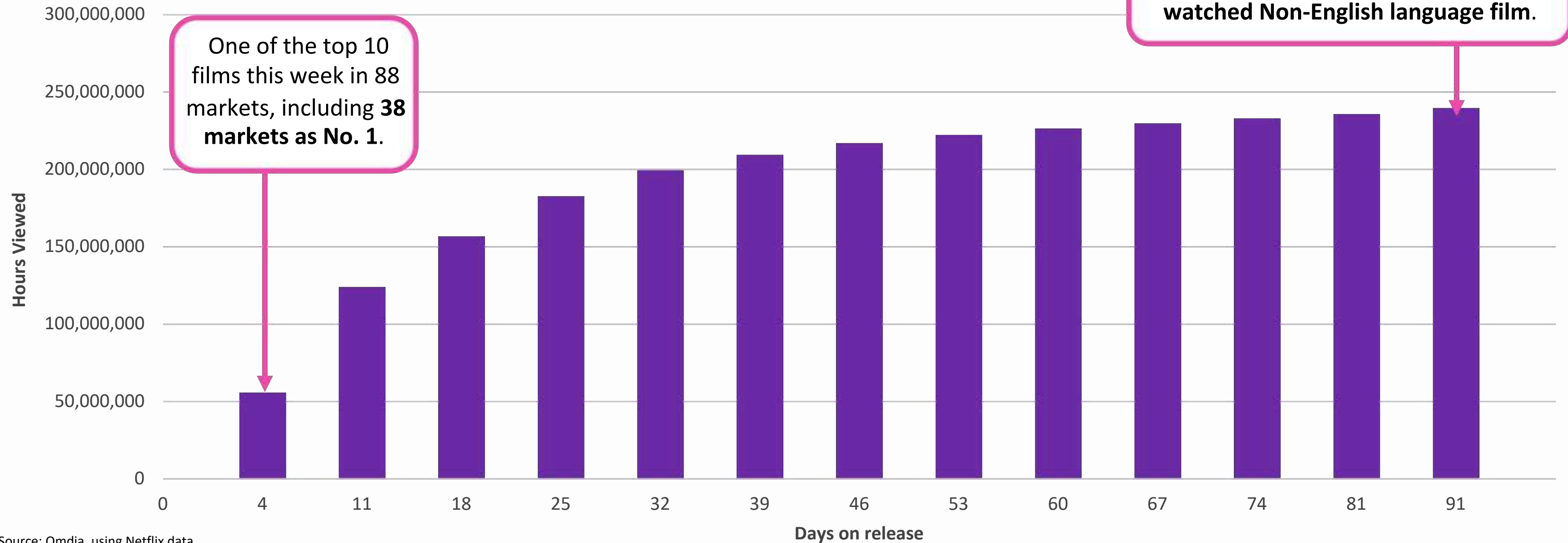
# Spanish and Colombian titles topped the Netflix charts in 1H24

1H24 Hours Viewed, top Spanish titles



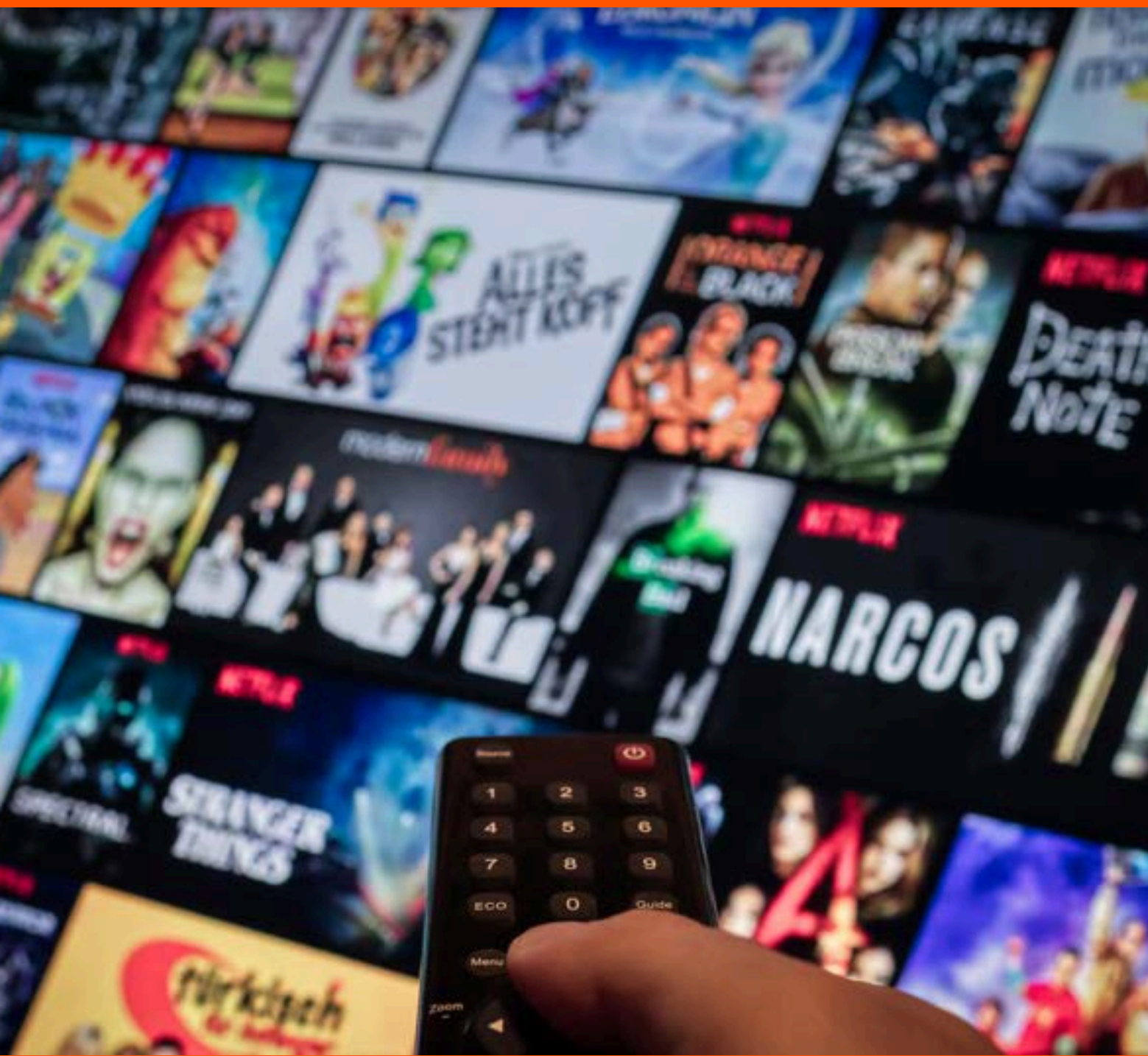
# Society of the Snow: nominated for 2 Oscars and 12 Goya awards

### Society of the Snow: Cumulative Hours viewed across film's first 91 days on Netflix



Source: Omdia, using Netflix data

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# STRATEGIC INSIGHTS FOR 2024 AND BEYOND

Omdia's 2024 trends provide a comprehensive roadmap for navigating the dynamic M&E industry. Key recommendations include leveraging ad-supported models, aligning content with audience preferences, and exploring emerging markets like retail media and Spanish-language programming.

# Key takeaways on the future of media

**1** Advertising is playing an increasingly important part in media and entertainment

**2** Bundling and partnerships are key to survive

**3** CTV's emergence is shaking up the status quo

**4** Media is becoming more shoppable – and shops are become more media-focused

**5** AI will play a crucial role – but its impact is still nascent and evolving

**THANK YOU**



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