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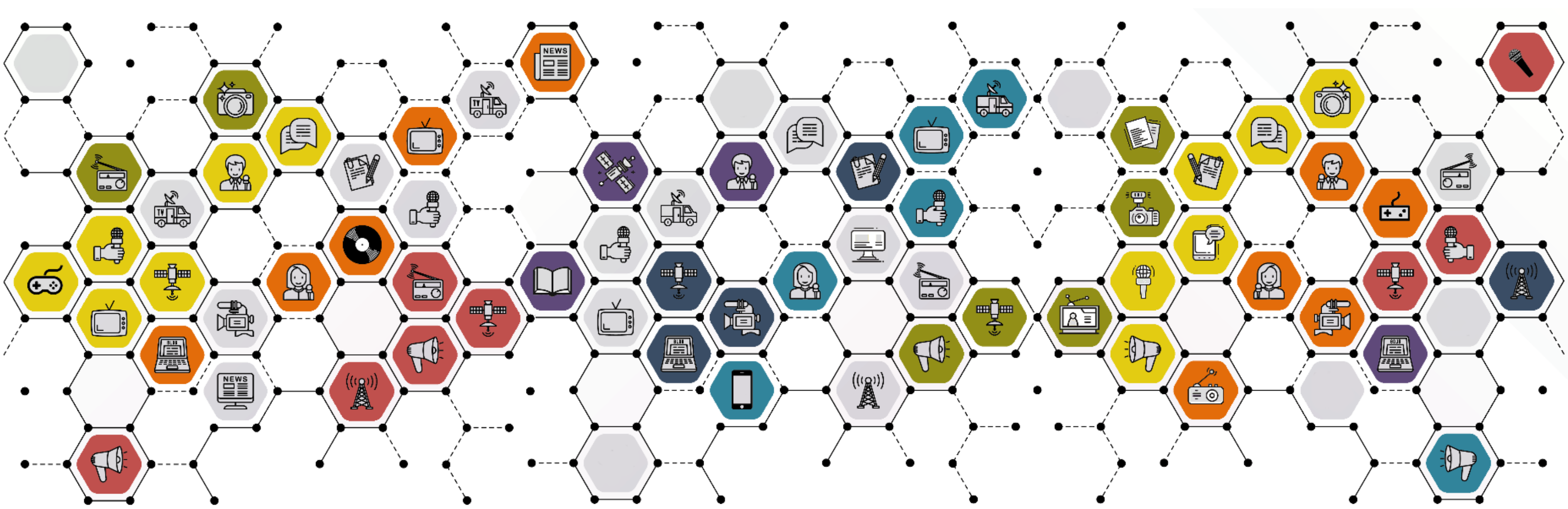
The MEDIA Report
Media & Entertainment Data In America
2013 to 2017
Summary Preview

Nelson F. Granados, Ami Mariscal, Amy Zwagerman,
and Chengxue Lian



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The MEDIA Report
Media & Entertainment Data In America
2013 to 2017
Summary Preview

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Introduction

The media and entertainment industry is going through a significant transformation.[1] This report identifies trends in the industry to inform executives making strategic decisions, industry professionals seeking education and career advancement, and academic institutions developing educational programs for the media and entertainment industry.

The MEDIA Report contains economic data from 2013 to 2017 across these sectors: internet publishing, social media, filmed entertainment (theatrical & home video), video games, advertising agencies, music, newspapers, books, and magazines and periodicals. We combined film and television (TV) into "filmed entertainment" since the growth trends are similar.[2] In addition to summarizing trends across sectors, we will also provide sector-specific reports in the 2019 Annual MEDIA Report.

The report summarizes trends in the media and entertainment industry from both the supply and demand side. On the supply side, we report on firms that produce content across sectors. We analyze aggregate revenues, gross profit, and employment across these firms to identify the key trends. From the demand side, we measure consumer and advertiser spending the same sectors, plus we include distribution revenues from radio and TV broadcasting including cable.

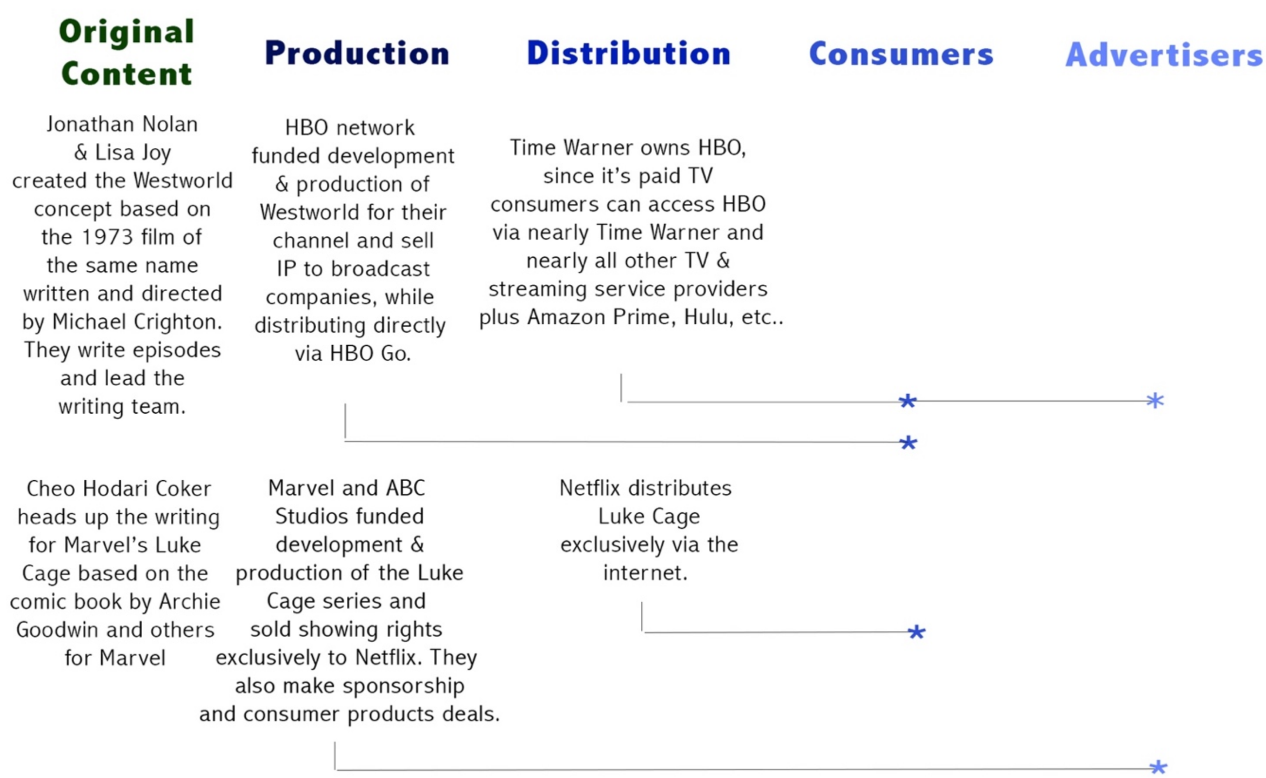
[1] The media and entertainment industry is composed of businesses that create, produce, and distribute media & entertainment.
[2] Detailed definitions for the sectors and other terms are provided in the Terminology section.

Key Supply-Side Industry Trends [3]

1. Revenues for the content creators had a 5.3% annual growth between 2013 and 2017, for a total of $333.9 billion revenue in 2017.
2. Video-based sectors (film, TV, video games) are driving the growth, while other sectors are generally flat or declining.
3. Growth in digital consumption of media and entertainment more than compensated for flat or negative growth in traditional media channels.
4. As consumption increases in digital channels, advertising on traditional media channels is flat or down, offset by an increase in digital advertising.

To illustrate the difference between digital and traditional consumption, see this exhibit for the sector:

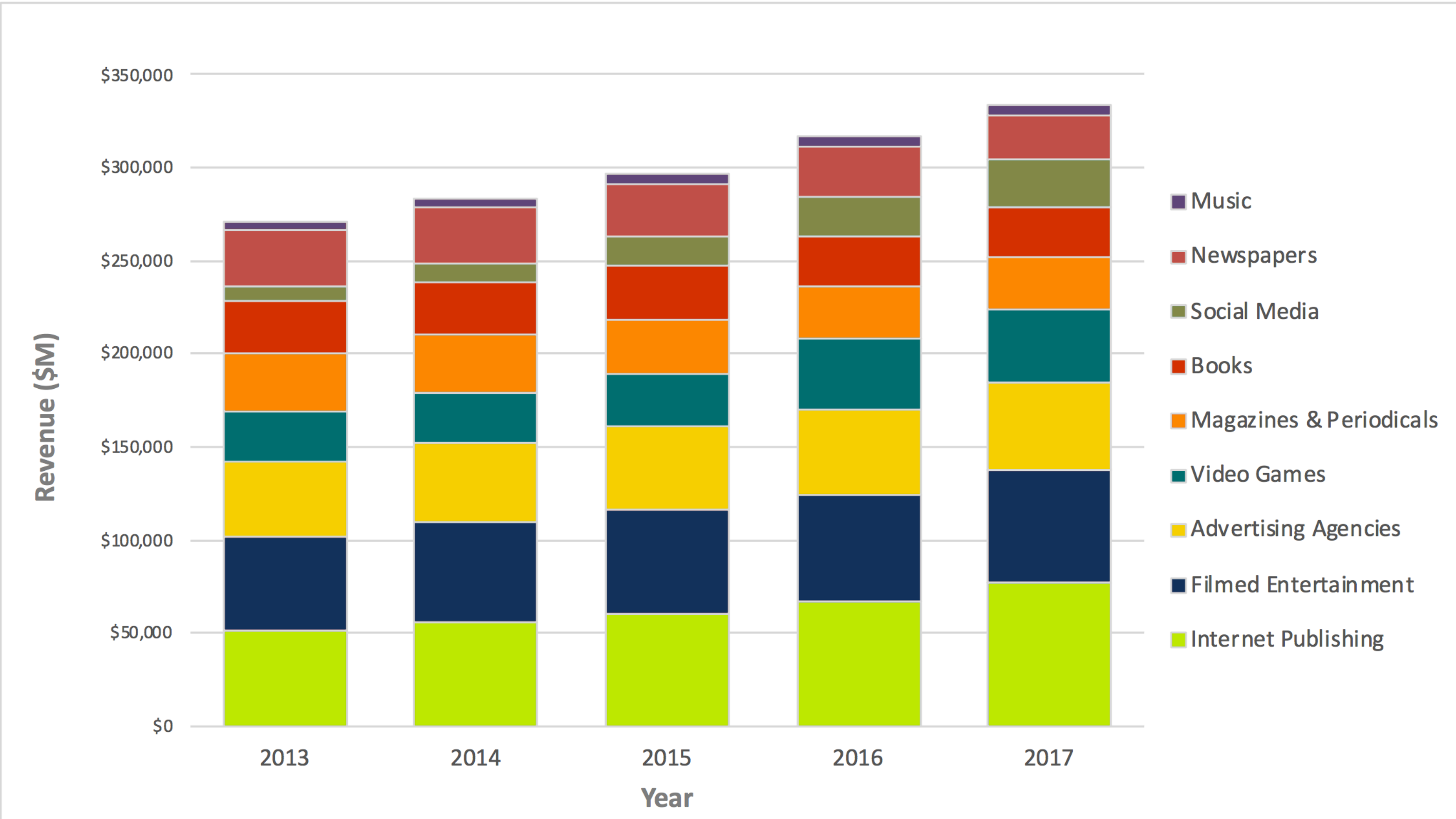
Exhibit 1. Examples of Video Content Distribution – Traditional vs. Digital



Sources: Netflix.com, IMDB.com, Wikipedia.com

[3] The charts in this section are based on data from IBISWorld, which uses publicly available sources like U.S. government data and SEC filings.

Exhibit 2. 2013-2017 Supply-Side Revenue by Sector ($M)



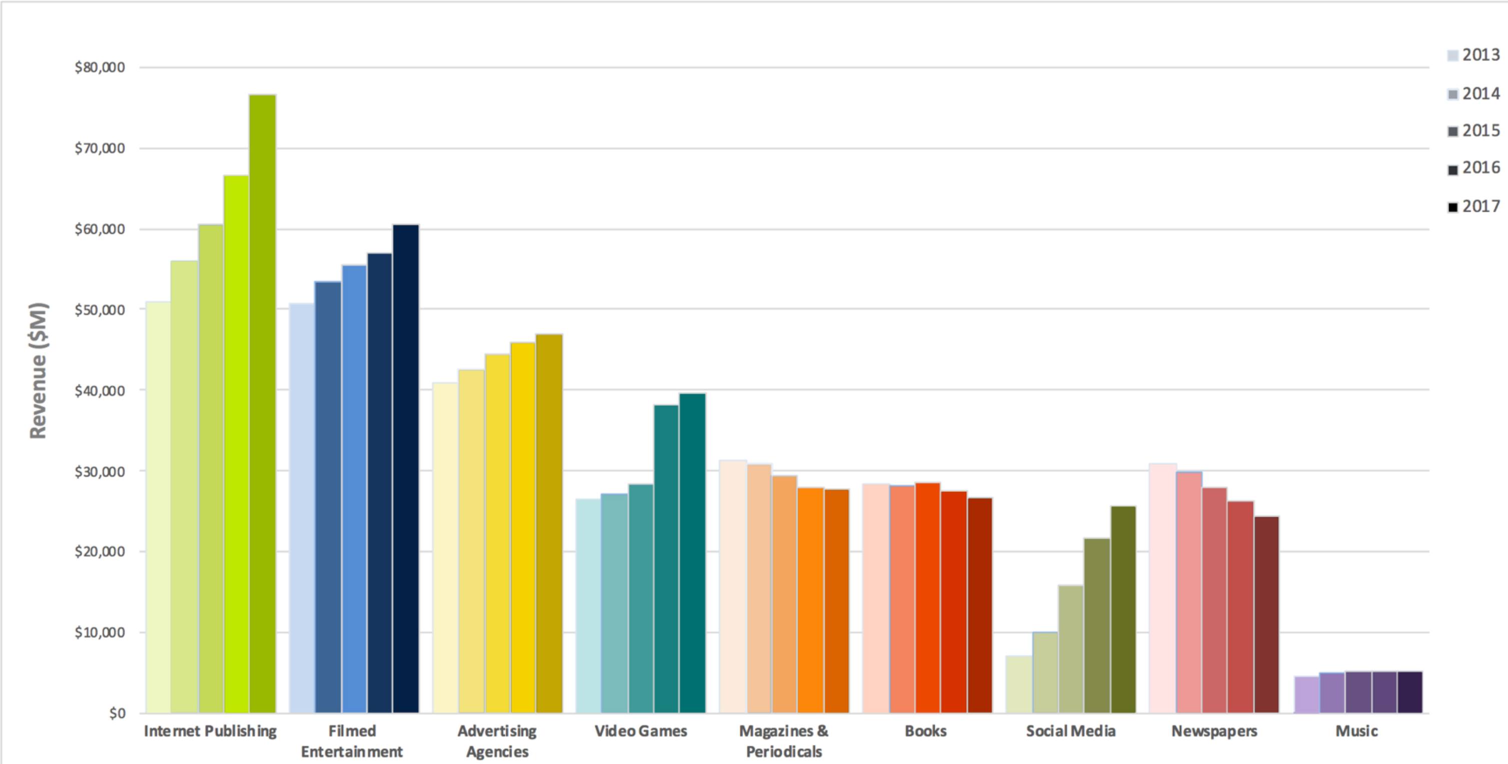
Source: IBISWorld Inc. See Appendix 1 for data legend. See Terminology for sector definitions.

Across sectors, consumer engagement is shifting away from traditional consumption such as going to the movies and watching linear TV, to on-demand viewing options that give users control over how, when and where they will consume content. Entertainment experiences such as concerts have also enjoyed healthy growth during this period.

Revenue

From 2013 to 2017, industry revenue grew from $271.3 billion to $333.9 billion at an average annual rate of 5.3%, significantly outpacing US GDP growth, which was 2.3% during the same period (IBISWorld Inc.). We expect continued growth in the industry going forward, although at a slower pace than the previous period.

Exhibit 3. 2013-2017 Revenue by Sector

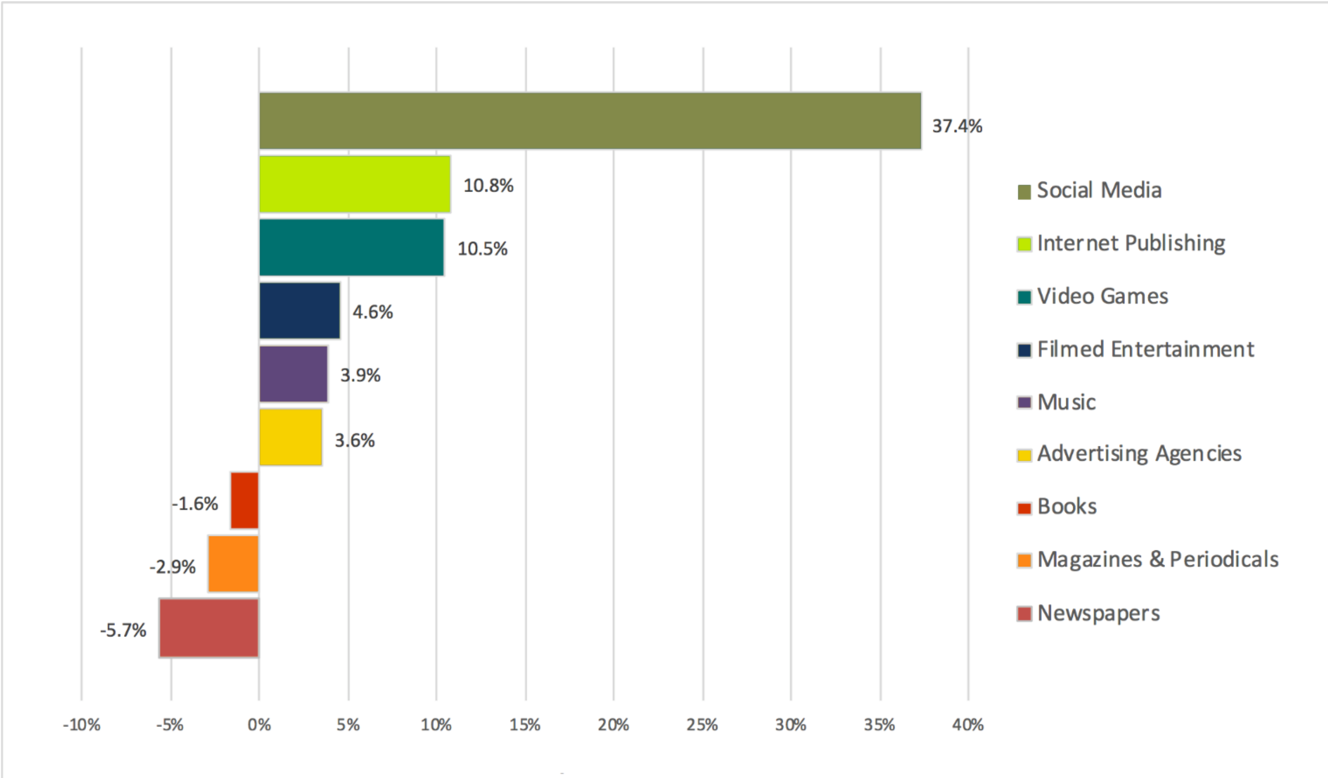


Source: IBISWorld Inc. See Appendix 1 for data legend.

Sector-specific revenue trends and highlights for 2013-2017:

- Social media had by far the highest revenue growth at 37.4% annually, albeit on a small base, driven by mobile consumption.
- The internet publishing sector experienced the second largest average annual revenue-growth rate at 10.8%.
- With the rise of online and casual gaming, the video games sector has been a major revenue growth driver, with 10.5% annual growth. With traditional print sectors in decline, video games surpassed both magazines and periodicals with revenues of $39.6 billion in 2017.
- The smallest sector in the industry, music, generated $5.3 billion in revenues in 2017.
- The following sectors experienced annual revenue declines from 2013 to 2017: books at -1.6%, magazines and periodicals at -2.9%, newspapers at -5.7%.

Exhibit 4. 2013-2017 Compounded Annual Growth Rate (CAGR) of Revenue by Sector



Source: IBISWorld Inc. See Appendix 1 for data legend.

Notice that the most successful revenue growth drivers in the industry -- internet publishing, social media, filmed entertainment production and video games -- all encompass video content. Possible explanations are:

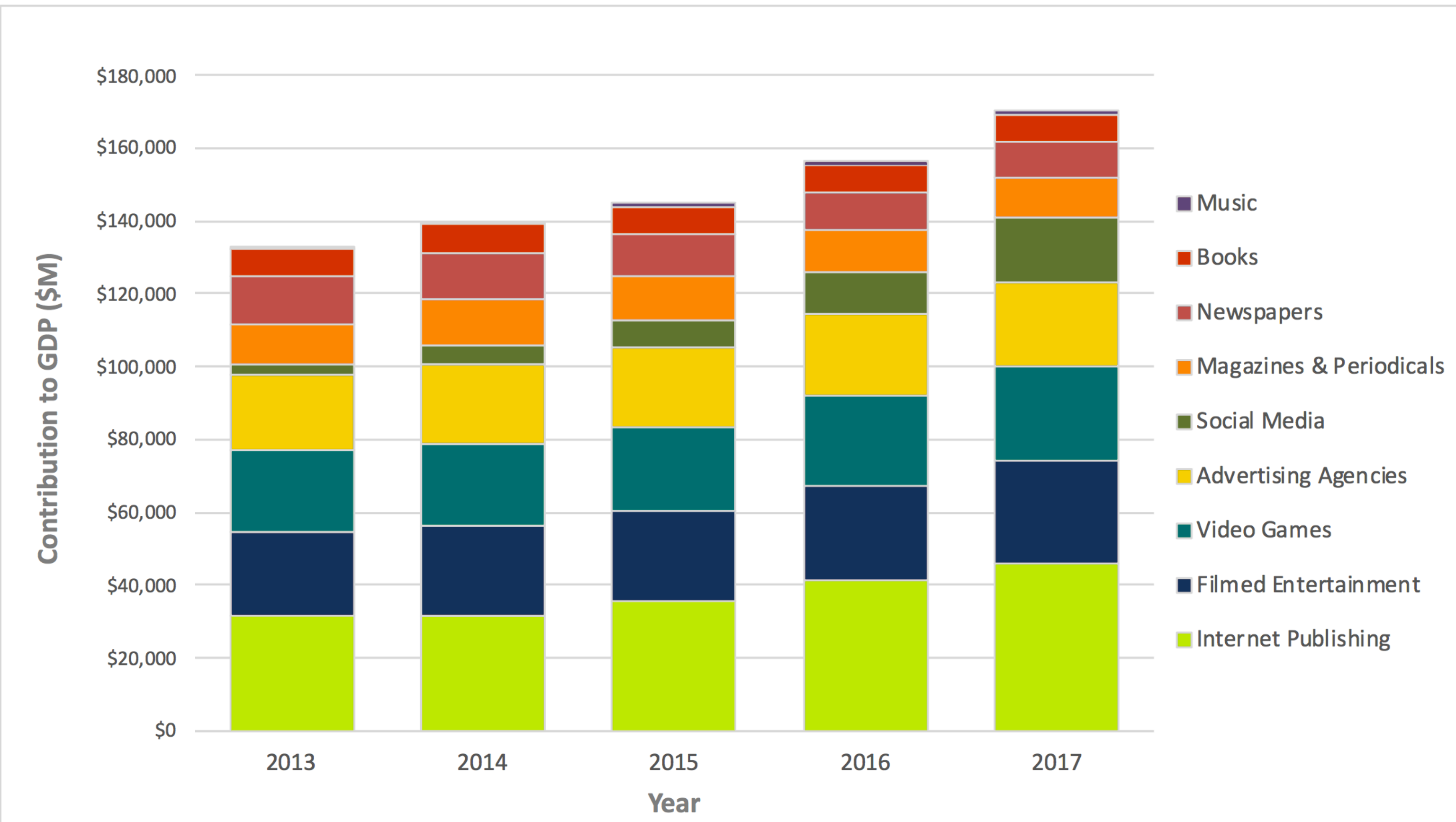
1. Moore's Law: As technological capabilities to transmit content advance, sectors with bandwidth-heavy content like video are bound to thrive. With a transition to 5G wireless communications launching in the next few years, the trend should continue.
2. Revenue Sources: Video entertainment sectors enjoy alternative revenue streams other than advertising revenues, including licensing deals in film and TV. Additionally, advertising-free subscription video-on-demand (SVOD) services like Netflix have proliferated, including both content aggregators and direct-to-consumer services.
3. Advertising Shifts: With the attention of consumers moving to video entertainment, advertising revenues have shifted towards video, leaving traditional print sectors particularly vulnerable since they rely heavily on advertising revenues.

Contribution to GDP

We adopt IBISWorld's contribution to the gross domestic product (GDP) as a rough measure of gross profit on the supply side. The industry's contribution to GDP is defined as content producer and publisher revenues minus their costs. The industry's contribution to GDP grew 6.3% on average annually, from $133.2 billion in 2013 to $170.0 billion in 2017.

Internet publishing had the highest contribution to GDP in 2017 at $46.2 billion, followed by filmed entertainment at $27.7 billion, and video games at $25.9 billion.

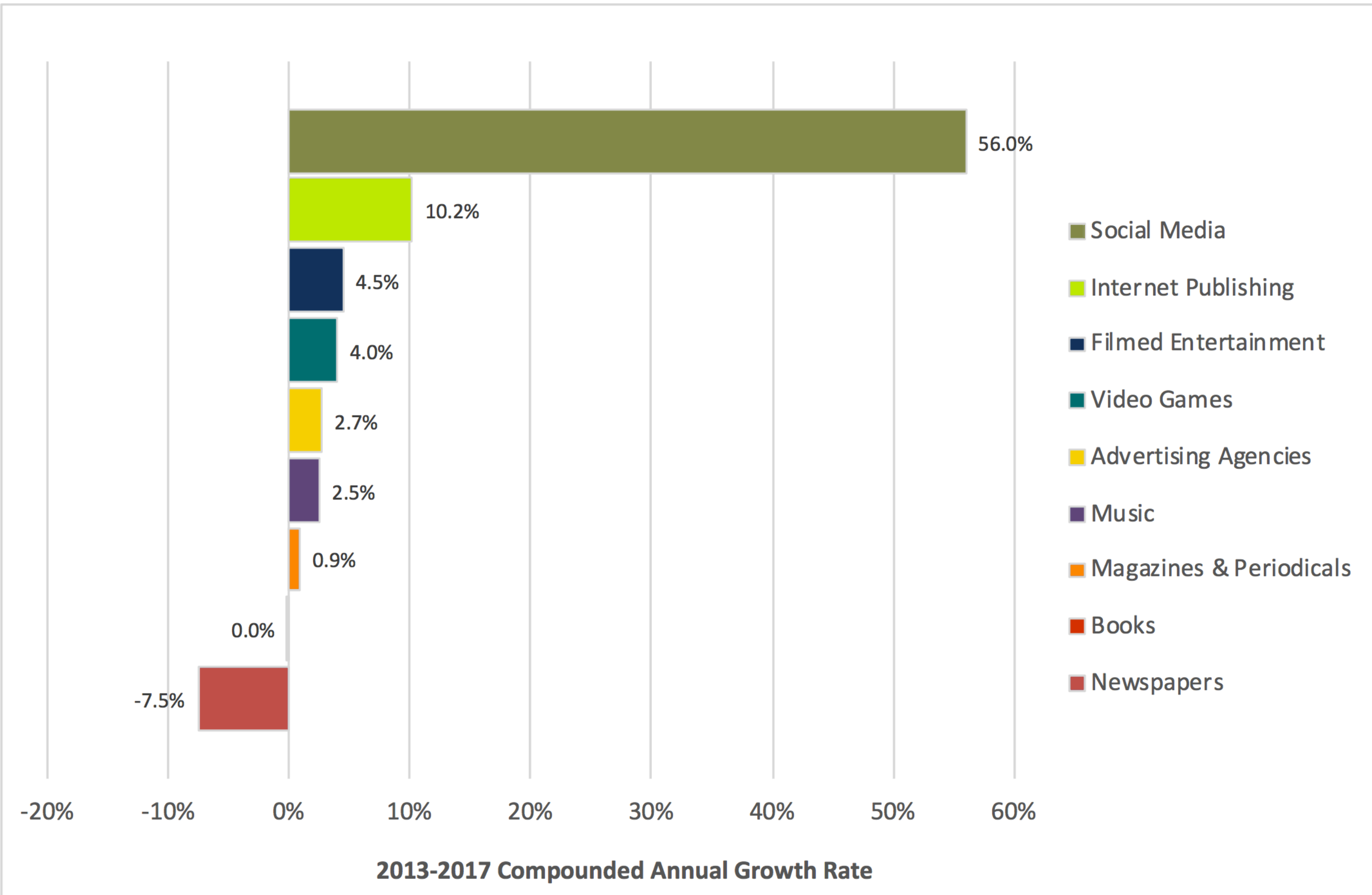
Exhibit 5. 2013-2017 Total Contribution to GDP by Sector



Source: IBISWorld Inc. See Appendix 2 for data legend.

Regarding growth, social media contribution to GDP grew fast at 56.0%, albeit on a small base. Filmed entertainment grew steadily at a rate of 10.2% on average annually. Most other sectors grew between 2.0% to 4.5%, with a few close to flat. Despite declining revenues, magazines made a marginal positive contribution to GDP, while newspapers' profit declined -7.5% annually.

Exhibit 6. 2013-2017 CAGR of Contribution to GDP by Sector



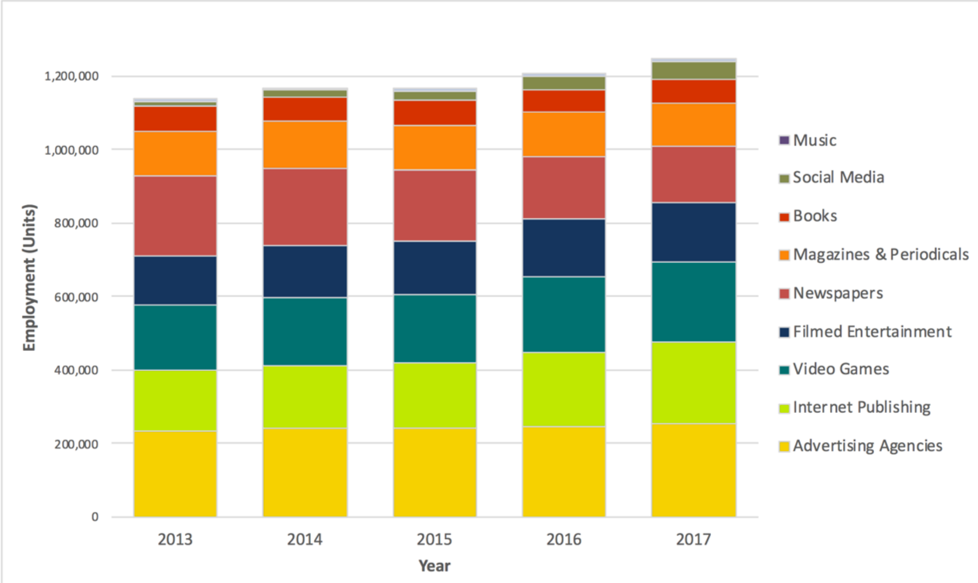
Source: IBISWorld Inc. See Appendix 2 for data legend.

Employment

The media and entertainment industry employed 1.25 million people in 2017. Advertising agencies employed the most people at 253,640 and internet publishing came in second at 222,070.

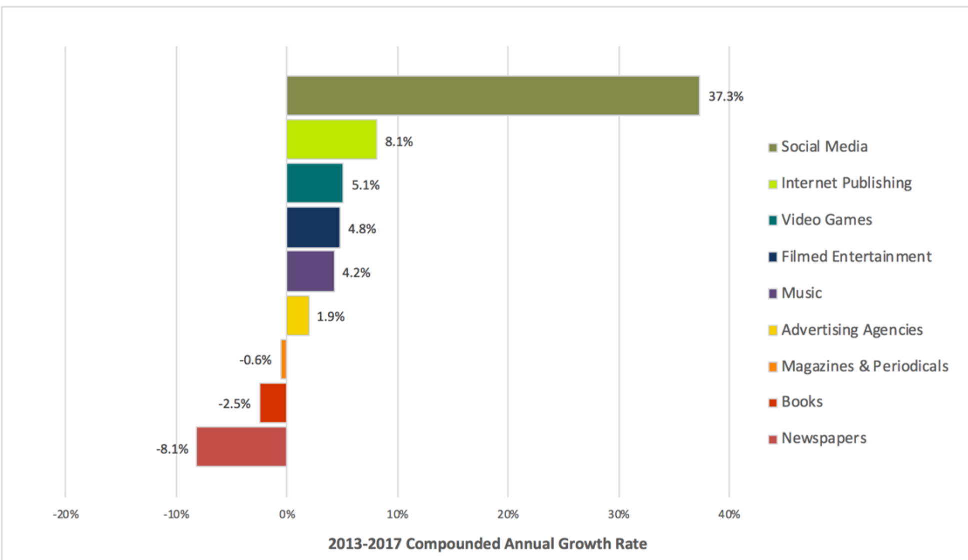
Regarding employment growth rates per sector, social media had the largest growth at 37.3%, although again on a small base. Internet publishing employment grew 8.1%, video games, grew 5.1%, and filmed entertainment employment grew 4.8% during the same period. Ad agency employment grew modestly at 1.9% annually. Meanwhile three sectors experienced declines in employment from 2013 to 2017; newspapers at -8.1%, books at -2.5%, magazines and periodicals at -0.6%.

Exhibit 7. 2013-2017 Total People Employed by Sector



Source: IBISWorld Inc. See Appendix 3 for data legend.

Exhibit 8. 2013-2017 CAGR of Employment by Sector



Source: IBISWorld Inc. See Appendix 3 for data legend.

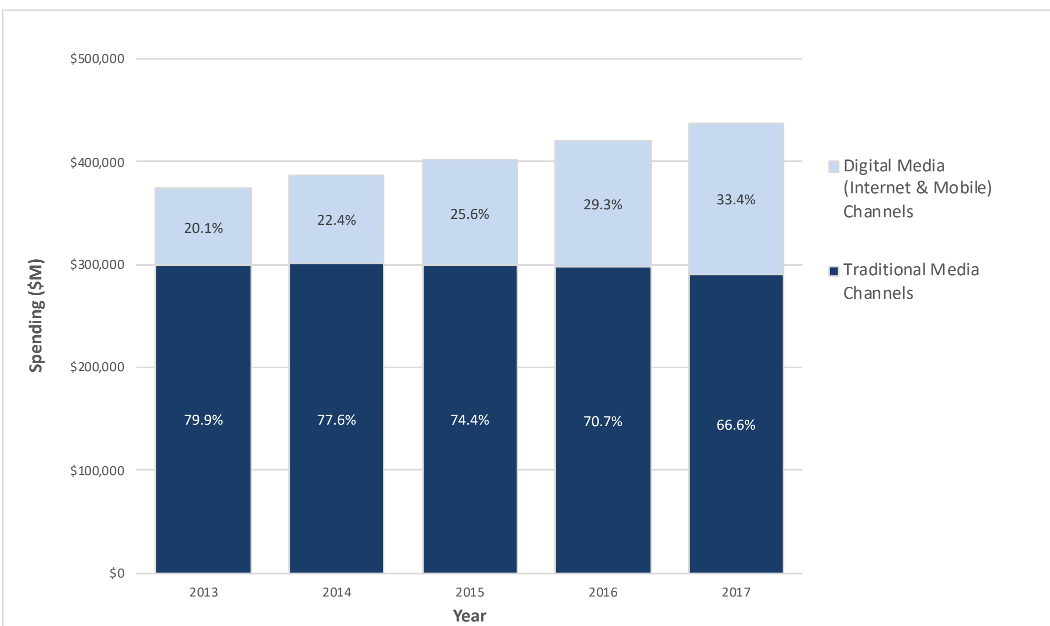
Demand-Side Growth Drivers

To understand content demand growth, we examined consumer and advertising spending, using data from the PwC Global Entertainment & Media Outlook 2018-2022. In this section we include TV broadcasting, radio broadcasting, and theatrical distribution to provide the complete picture of demand for content in the media and entertainment industry. These were not included in the supply-side above because they are pure distribution channels – that is, they do not produce content.

Total spend on media and entertainment content grew at an average rate of 4.0% between 2013 and 2017, to $436.9 billion. Across sectors, consumer and advertising spending on digital (internet and mobile) channels totaled $146.1 billion in 2017, roughly half of spending in traditional (non-digital) channels at $290.8. The rate of spending on digital channels grew fast at 18.1% annually, while traditional spend declined modestly at -0.7%. As Exhibit 7 shows, growth in digital spend offset the slight decline in traditional channels.

PwC projects that digital spend will slow down to roughly one-third of the current rate to 6.4% annually from 2018 to 2022. Meanwhile, spend in traditional channels is expected to continue its annual decline trend.

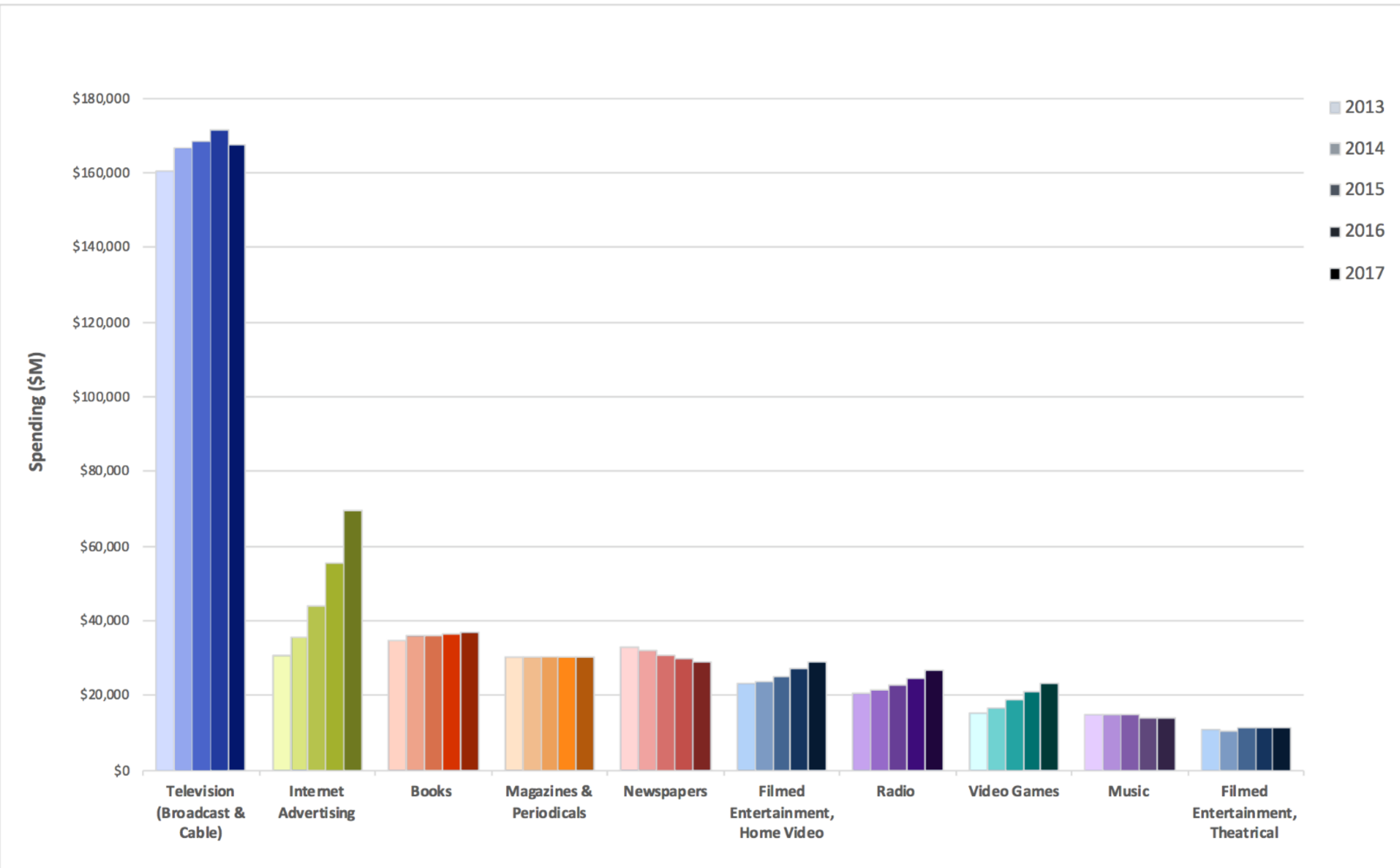
Exhibit 9. 2013-2017 Total Spending by Digital Versus Traditional Media Channels



Source: PwC (2018). PwC Global Entertainment & Media Outlook: 2018-2022. See Terminology for definitions.

Exhibit 10 below shows total consumer and advertiser spend per sector from 2013 to 2017.[4] Spending on broadcast television still captures the lion's share of consumer and advertiser spend in the industry, but in 2016 it reached its peak at $171.2 billion. We expect the amount of spending in this sector to gradually decline as consumers increasingly adopt digital streaming services and content distributors embrace the internet and mobile as distribution channels. Meanwhile, internet advertising spending is on the rise, coming in at $69.6 billion in 2017; despite internet advertising's rapid growth, notice the total spend is still less than half that of TV.

Exhibit 10. 2013-2017 Demand-Side Spending by Sector



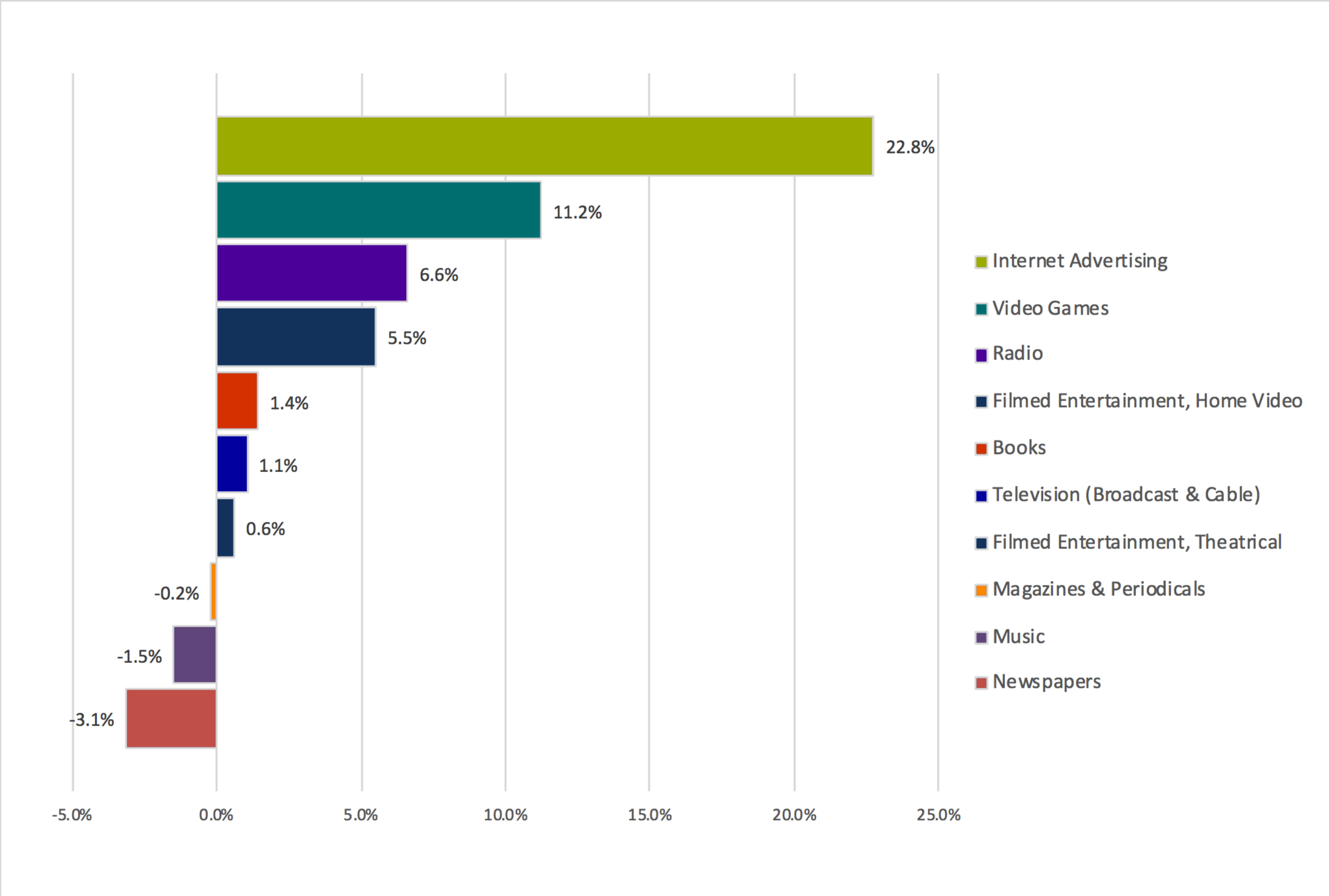
Source: PwC (2018). PwC Global Entertainment & Media Outlook: 2018-2022. See Terminology for definitions.

Internet advertising spend had the fastest growth rate at 22.8%.[5] Video games spend followed with an 11.2% growth rate. The radio broadcasting sector came third at 6.6% annually, driven by internet radio advertising spend.

[4] We combine social media and internet broadcasting into internet advertising in this section of the report.

[5] Consumer and advertising spend on social media is rolled in with internet advertising.

Exhibit 11. 2013-2017 CAGR Consumer and Advertiser Spending by Sector



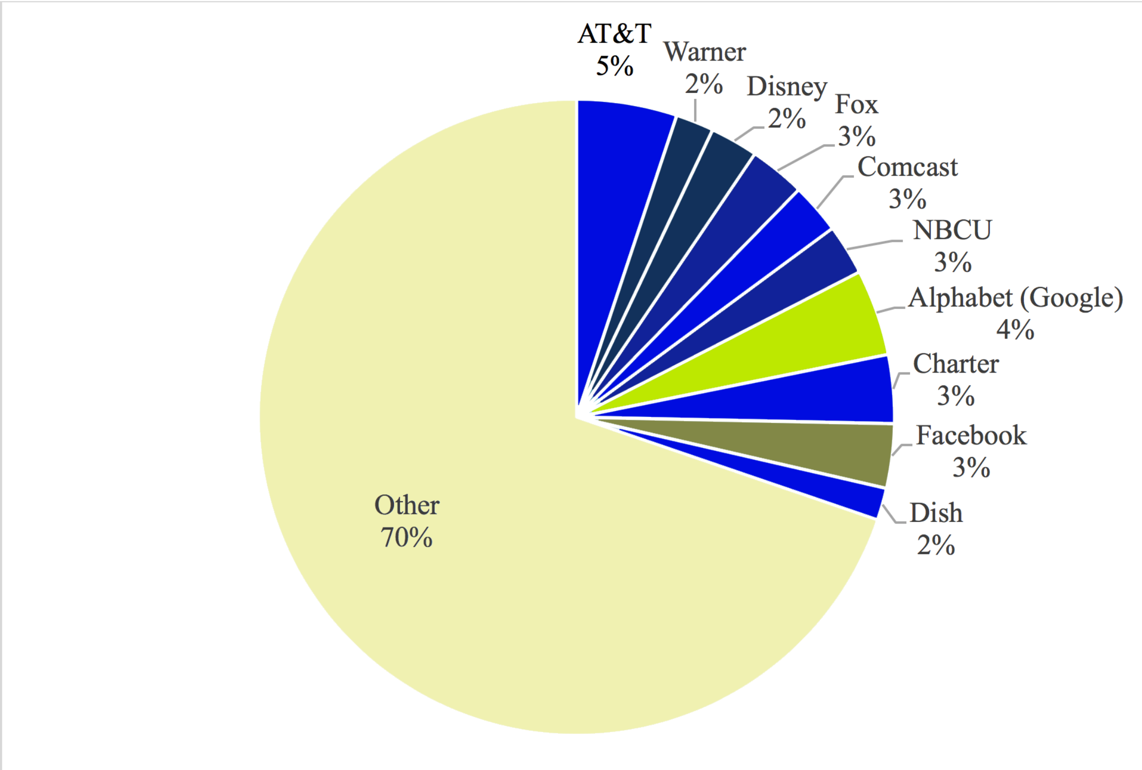
Source: PwC (2018). PwC Global Entertainment & Media Outlook: 2018-2022. See Terminology for definitions.

Rivalry & Disruption

The digital transformation in media and entertainment has forced companies to innovate business models over the last decade or so. A common strategy for competing has been with mergers and acquisitions, which has led to consolidation and fewer firms in the industry. As business models have evolved, consolidation has happened both vertically and horizontally. Large distributors AT&T and Comcast have vertically integrated, purchasing content creators Time Warner (renamed Warner Media) and NBCU respectively.

In terms of horizontal integration, in 2018, Disney purchased 20th Century Fox, adding valuable content to their library. With this merger, Disney will be the largest content producer amongst its rivals. The purchase includes successful franchises such as *X-Men*, which Disney can now include in its recently announced direct-to-consumer platform, Disney+.

Exhibit 12. 2017 Revenue Share by Company – Top 10 Competitors



Source: IBISWorld Inc. See Appendix 4 for data legend.

APPENDIX

Appendix 1. Total Supply-Side Revenue (IBISWorld Inc.), $M

Industry	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	CAGR 13-17	CAGR 18-22
Advertising Agencies	40,853.8	42,585.1	44,517.7	45,838.2	47,026.9	48,457.4	49,406.6	50,657.5	51,627.0	52,690.0	3.58%	2.12%
Books	28,509.7	8,219.9	28,698.2	27,510.0	26,730.1	25,798.5	5,166.9	24,611.7	24,210.7	3,867.1	-1.60%	-1.93%
Filmed Entertainment	50,658.2	53,361.9	55,509.8	57,068.6	60,629.2						4.59%	
Internet Publishing	50,833.3	56,015.7	60,560.3	66,683.9	76,678.8						10.82%	
Magazines & Periodicals	31,265.9	30,948.2	29,474.9	27,919.4	27,842.2	27,531.1	27,016.6	26,534.1	26,131.4	25,753.3	-2.86%	-1.65%
Music	4,583.7	4,944.6	5,218.8	5,276.8	5,341.4	5,395.3	5,504.4	5,568.4	5,632.2	5,676.3	3.90%	1.28%
Newspapers	30,836.8	29,873.2	27,905.6	26,353.1	24,431.3	24,116.4	23,758.1	23,414.8	23,097.4	,713.4	-5.65%	-1.49%
Social Media	7,189.0	0,127.3	15,908.2	21,739.3	25,623.7	27,056.8	29,076.0	31,059.6	33,229.7	35,182.0	37.40%	6.79%
Video Games	26,559.8	7,138.0	28,360.7	38,135.4	39,582.7						10.49%	
Total	**271,290.2**	**283,213.9**	**296,154.2**	**316,524.7**	**333,886.3**	**158,355.5**	**159,928.6**	**161,846.1**	**163,928.4**	**165,882.1**	**5.33%**	**1.17%**
Growth Rate	**--**	**4.40%**	**4.57%**	**6.88%**	**5.49%**	**-52.57%**	**0.99%**	**1.20%**	**1.29%**	**1.19%**	**--**	**--**

Appendix 2. Total Supply-Side Contribution to GDP (IBISWorld Inc.), $M

Industry	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	CAGR 13-17	CAGR 18-22
Advertising Agencies	21,028.2	21,802.0	21,998.7	22,615.3	23,404.5	24,073.7	24,667.9	25,164.0	25,724.0	26,279.1	2.71%	2.22%
Books	7,253.3	7,643.0	7,823.4	7,461.6	7,242.4	6,921.9	6,719.7	6,534.9	6,392.6	6,261.8	-0.04%	-2.47%
Filmed Entertainment	23,294.3	24,507.4	24,968.5	26,040.2	27,729.9	29,156.8	30,259.6	31,675.9	32,718.1	34,054.5	4.45%	3.96%
Internet Publishing	31,333.9	31,766.6	35,433.4	41,129.6	46,199.4	56,851.1	67,657.2	79,782.3	92,949.8	107,139.9	10.19%	17.17%
Magazines & Periodicals	11,085.6	12,518.6	12,200.3	11,753.9	11,474.7	11,372.4	11,197.9	11,007.7	10,852.2	10,751.6	0.87%	-1.39%
Music	965.1	989.1	1,041.1	1,052.9	1,065.2	1,079.2	1,099.4	1,113.5	1,126.5	1,135.4	2.50%	1.28%
Newspapers	13,090.7	12,976.6	11,443.6	10,273.9	9,575.0	9,284.9	8,978.9	8,685.0	8,399.7	8,116.7	-7.52%	-3.31%
Social Media	2,948.3	5,148.7	7,165.8	11,466.1	17,443.4	18,946.7	21,287.8	23,454.5	26,394.4	28,932.9	55.96%	11.16%
Video Games	22,151.2	22,709.4	22,946.2	24,764.2	25,888.2	26,968.6	27,923.4	28,835.8	29,718.9	30,571.9	3.97%	3.18%
Total	**133,150.6**	**140,061.4**	**145,021.0**	**156,557.7**	**170,022.7**	**184,655.3**	**199,791.8**	**216,253.6**	**234,276.2**	**253,243.8**	**6.30%**	**8.22%**
Growth Rate	**--**	**5.19%**	**3.54%**	**7.96%**	**8.60%**	**8.61%**	**8.20%**	**8.24%**	**8.33%**	**8.10%**	**--**	**--**

Appendix 3. Total Supply-Side Employment (IBISWorld Inc.), Units

Industry	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	CAGR 13-17	CAGR 18-22
Advertising Agencies	234,916	242,055	241,173	246,303	253,640	260,075	266,305	271,598	277,329	282,712	1.94%	2.11%
Books	69,514	67,338	66,618	64,542	62,798	60,959	59,438	58,130	56,866	55,724	-2.51%	-2.22%
Filmed Entertainment	133,053	143,646	143,375	156,615	160,322	166,107	169,974	175,303	179,182	184,571	4.77%	2.67%
Internet Publishing	162,536	168,631	176,621	201,217	222,070	247,938	273,897	300,259	323,571	350,691	8.11%	9.05%
Magazines & Periodicals	120,170	127,309	121,654	118,703	117,243	115,991	113,178	111,392	108,957	107,284	-0.61%	-1.93%
Music	5,348	5,999	6,181	6,250	6,315	6,437	6,541	6,692	6,751	6,822	4.24%	1.46%
Newspapers	218,736	209,464	194,870	170,500	155,757	151,924	147,860	143,951	140,164	136,348	-8.14%	-2.67%
Social Media	13,935	18,345	27,205	34,746	49,590	60,648	77,680	93,341	117,892	139,368	37.35%	23.12%
Video Games	178,911	186,012	189,381	207,196	218,289	230,914	243,120	254,383	264,891	275,244	5.10%	4.49%
Total	**1,137,119**	**1,168,799**	**1,167,078**	**1,206,072**	**1,246,024**	**1,300,993**	**1,357,993**	**1,415,049**	**1,475,603**	**1,538,764**	**2.31%**	**4.29%**
Growth Rate	**--**	**2.79%**	**-0.15%**	**3.34%**	**3.31%**	**4.41%**	**4.38%**	**4.20%**	**4.28%**	**4.28%**	**--**	**--**

Appendix 4. Total Revenue by Company, Top 10 Competitors (IBISWorld Inc.), $M

Competitor	2013	2014	2015	2016	2017	CAGR 13-17	% Total [1]
AT&T	24,676.0	26,001.0	25,705.0	29,168.0	28,939.0	4.06%	5.11%
Warner	8,950.3	9,268.5	9,396.7	9,880.9	10,971.0	5.22%	1.94%
Disney	11,085.7	12,107.2	13,018.7	14,714.1	13,814.1	5.65%	2.44%
Fox	16,681.2	17,545.0	16,912.1	16,555.5	16,040.1	-0.98%	2.83%
Comcast	10,820.4	11,830.3	13,028.0	14,178.4	14,600.6	7.78%	2.58%
NBCU	11,041.6	12,163.8	13,551.1	14,634.1	14,524.1	7.09%	2.56%
Alphabet (Google)	12,321.0	13,718.9	15,565.2	19,708.2	24,844.9	19.16%	4.38%
Charter	4,161.9	4,570.7	4,719.1	12,396.7	19,784.5	47.66%	3.49%
Facebook	3,613.0	5,649.0	8,513.0	12,579.0	18,530.3	50.49%	3.27%
Dish	7,869.9	8,686.9	9,338.9	9,749.9	9,299.3	4.26%	1.64%
Other	375,724.6	383,301.3	391,534.8	395,723.0	395,308.3	1.28%	69.76%
Total	**486,945.6**	**504,842.6**	**521,282.5**	**549,287.8**	**566,656.3**	**3.86%**	**100%**
Growth Rate	**5.78%**	**3.68%**	**3.26%**	**5.37%**	**3.16%**	**--**	**--**

[1] % Total is the percentage of 2017 company revenue against 2017 total revenue for all competitors in the sectors.

TERMINOLOGY

Financial Terms [1]

Average Annual Growth Rate: Calculated as the mean annual growth rate over a specified period of time. This calculation can also be described as Compound Annual Growth Rate (CAGR) [3]

Contribution to GDP: Calculated as the market value of goods and services produced by the industry minus the cost of goods and services used in production. This calculation can also be described as industry value added (IVA) or profit plus wages and depreciation.

Employment: The number of permanent, part-time, temporary and seasonal employees, working proprietors, partners, managers and executives within the industry.

Gross Domestic Product (GDP): The total monetary value of all the finished goods and services produced by all the people and companies within a country in a specified time period.

Growth Rate: The annual percentage change at which a variable, such as gross domestic product or a firm's earnings, has been or is expected to grow. [3]

Revenue: Calculated as the total sales of industry goods and services (exclusive of excise and sales tax); subsidies on production; all other operating income from outside the firm (such as commission income, repair and service income, and rent, leasing and hiring income); and capital work done by rental or lease. Receipts from interest royalties, dividends and the sale of fixed tangible assets are excluded. For the purposes of this report, please note that company revenues are estimated using only the industry-relevant revenues within each sector.

Profit: Calculated as revenue minus expenses, excluding interest and tax. This calculation can also be described as earnings before interest and tax (EBIT).

Industry Lingo [2]

Content Aggregator: An individual or organization that collects content from multiple sources for re-distribution in a single location.

Digital Media Channel: Any form of mass media advertising / communication / media that is transmitted electronically over the internet (online).

Direct-to-Consumer (DTC): A marketing or sales activity where a product or service is promoted directly to the consumer without the use of an intermediary advertising medium such as a TV or radio commercial.

Filmed Entertainment: Any form of filmed (video) content produced for mass distribution via digital (online) and / or traditional (non-digital) media including motion pictures (films), television (TV) programming and original internet productions. Filmed entertainment can also be described as video productions.

Intellectual Property (IP): A proprietary creation, typically an intangible asset such as a literary or artist work or design, that is protected by a copyright, trademark, patent or other legal measure.

Linear TV: Any form of television (TV) distribution including traditional broadcast, cable and satellite whereby programming is scheduled and viewed by users in real-time.

On-Demand: A distribution mechanism whereby a product or service is available for customer use at any time. In the media and entertainment industry, on-demand is often commonly described as video-on-demand and / or music-on-demand.

Over-the-Top (OTT): A type of digital media delivery whereby audio and video productions are delivered over the internet (online) by a digital media distributor / internet publisher without the involvement of a traditional media distributor or the use of a traditional distribution network.

Subscription Video-on-Demand (SVOD): A type of digital media delivery whereby subscribers are charged a reoccurring fee for unlimited access to a library of audio and / or video productions. Common SVOD providers include Amazon Prime Video, Hulu, Netflix and Spotify. SVOD can also be described as subscription streaming.

Traditional Media Channel: Any form of mass media advertising / communication / media that is distributed through a physical medium that was available before the advent of digital media including, but not limited to, broadcast, cable / satellite, print, radio, and theatrical media as well as physical home video and video game products. Traditional media channels can also be described as non-digital media channels.

Sector Definitions [1, 2]

Advertising Agencies: The advertising industry includes agencies that develop advertising campaigns for all forms of physical and digital media. Additionally, whether via in-house capabilities or subcontracting, advertising agencies provide clients with advice, creative services, account management, production, and media planning and buying services. The primary source of revenue in this industry is service fees.

Books: The book industry includes companies that edit and design books. Additionally, companies in this industry also engage in marketing activities and make distribution agreements with operators in the Book, Magazine and Newspaper Wholesaling industry. The industry does not include authors, who are part of the Performers and Creative Artists industry. The primary source of revenue in this industry is physical and digital product sales.

Filmed Entertainment: The filmed entertainment industry includes companies operating in the Movie & Video Production, Television (TV) Production and Internet Video Production industries. The primary sources of revenue in this industry are physical and digital product sales, subscription service fees, and box office receipts (e.g., theatrical ticket sales). For the purposes of this report, revenues attributed to international distribution and licensing have been removed from the total revenue calculation for the industry. *The subsectors of this industry include:*

Movie & Video Production: Companies in this industry produce and distribute motion pictures (films) and videos (video productions). This industry excludes third-party distributors and disc manufacturers and products produced for the television, such as TV shows and made-for-television movies.

Television Production: Companies in this industry produce TV programming that is then licensed or sold to broadcast or cable networks. Movie production is excluded from this industry, with the exception of made-for-TV movies.

Internet Video Production: Companies in this industry produce original motion pictures (films) and TV programming, which can also be described as original internet productions, for distribution via stand-alone over-the-top (OTT) streaming services such as Netflix. This industry excludes products originally produced by movie & video and TV production companies for theatrical or TV distribution. For the purposes of this report, revenues in this industry reflect IEMSC calculated estimates of consumer spending on subscription service fees to access original internet productions on Amazon and Netflix.

Internet Publishing: The internet publishing industry includes organizations and individuals that offer non-physical products, such as news, music and information, exclusively through the internet (online). This industry does not include search engines, internet service providers or publishers of offline content. The primary sources of revenue in this industry are advertising and subscription service fees. For the purposes of this report, revenues attributed to the social media sector have been removed from the total revenue calculation for the industry and captured separately. Additionally, revenues attributed to Netflix and Apple are not included in the total revenue calculation for the industry to avoid duplication with the filmed entertainment sector.

Magazines & Periodicals: The magazine and periodical publishing industry includes companies that produce and distribute information via both traditional print (physical) and digital (online) magazines and periodicals. Publishers that exclusively sell online magazines or periodicals are excluded from this industry as they are part of the internet publishing sector. The primary sources of revenue in this industry are advertising and subscription (i.e., circulation) service fees.

Music: The music industry includes companies that acquire, copyright and authorize the licensed use of musical compositions and recordings. The primary sources of revenue in this industry are physical and digital product sales, royalty fees, and live events (e.g., concert ticket sales).

Newspapers: The newspaper industry includes companies that produce and distribute information via both traditional print (physical) and digital (online) newspaper editions. Companies that solely publish news digitally on the internet (online) are excluded from this industry as they are part of the internet publishing sector. The primary sources of revenue in this industry are advertising and subscription (i.e., circulation) service fees.

Radio: The radio industry includes companies operating in the Radio Broadcasting and Internet Radio Broadcasting industries. The primary sources of revenue in this industry are advertising and subscription service fees. *The subsectors of this industry include:*

Radio Broadcasting: The radio broadcasting industry consists of broadcasting stations, networks and syndicates that transmit audio programming through AM, FM and satellite radio channels. The Radio Broadcasting industry excludes operators that function solely online.

Internet Radio Broadcasting: The internet radio broadcasting industry consists of operators providing online streaming media distribution, including both music and other audio programming such as news and sports. This industry only includes operators that control music recommendation and non-interactive radio platforms such as Pandora and does not include subscription-based, on-demand online music streaming services such as Spotify, as they are part of the internet publishing sector.

Social Media: The social media industry includes social networking website publishers and developers. The industry does not include companies that predominantly develop blogs, games, internet content, messaging services, online dating websites, online recruitment websites, online forums or online videos. The primary source of revenue in this industry is advertising.

Television: The television (TV) industry includes companies operating in the Cable TV Providers, Satellite TV Providers and Television Broadcasting industries. The primary sources of revenue in this industry are advertising and subscription service fees. *The subsectors of this industry include:*

Cable TV Providers (Cable Operators): This industry consists of companies that operate wired, third-party distribution systems for broadcast programming. These operators deliver TV programming received from cable networks or local TV stations to consumers via a cable infrastructure on a subscription basis. Cable TV providers also offer internet access and internet-protocol telephony services, usually as a package bundled with a cable TV subscription. This industry excludes telecommunications carriers.

Satellite TV Providers (Satellite Operators): Companies in this industry distribute TV programs on a subscription or fee basis through direct broadcast satellites. The industry also includes multipoint distribution system operators that deliver wireless TV programming using ground stations. However, these companies operate in rural areas and have a negligible effect on industry performance. This industry excludes broadcast TV networks and other satellite telecommunications providers.

TV Broadcasting (Broadcast Operators): TV broadcasters operate studios and facilities that program and deliver audiovisual content to the public via over-the-air transmission. The types of programming offered can be made by broadcasters or by affiliates that exist outside the industry. This industry excludes cable and satellite TV providers and operators that provide online-only content as they are part of the internet publishing sector.

Video Games: The video games industry includes the broader operations of all industries within the sector including companies responsible for the development and manufacturing of games, consoles and accessories, retail sales, and revenue from online gaming subscriptions. The primary sources of revenue in this industry are physical and digital product sales and subscription service fees. For the

purposes of this report, revenues attributed to the video game retailer GameStop are not included in the total revenue calculation for the industry.

[1] Terms and definitions are based on IBISWorld Inc. reports.
[2] Terms and definitions developed by the authors.

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