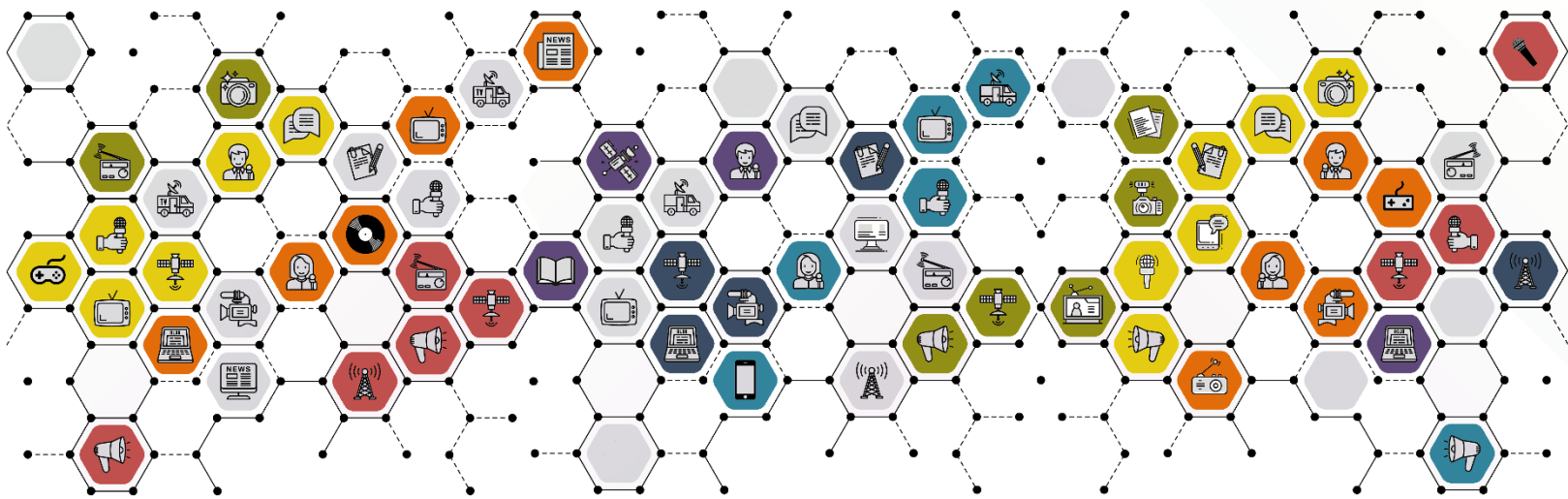


The MEDIA Report
Media & Entertainment Data In America
2016 to 2022
COVID-Adjusted Industry Landscape

Nelson F. Granados, Ben French and Amy Zwagerman



Working Paper
December, 2021

Paper No. GCAR-A010
Category: Research

The MEDIA Report
Media & Entertainment Data In America
2016 to 2022
Past Trends, COVID Shock, and the Future

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INTRODUCTION

The media and entertainment industry¹ is going through a digital transformation that has been amplified by the pandemic. The combined effects of the stay-at-home orders, social distancing, and event shutdowns provided the perfect backdrop for online media distributors to capitalize on changing consumer consumption patterns. As consumers went online for their news and entertainment and looked for new ways to connect socially, growth in digital media and entertainment channels accelerated at a record pace. In turn, industry sectors that have historically relied on in-person events and activities to generate revenues suffered substantially. This report examines overall media and entertainment industry performance before, during and after the pandemic to help inform executives making strategic decisions, industry professionals seeking insights to guide their careers, and academic institutions developing educational programs for the industry.

The Media and Entertainment Data in America (MEDIA) Report contains U.S. economic data from 2016 to 2022 across video games, social media, video streaming, internet publishing, advertising agencies, sports franchises, filmed entertainment, music, books, newspapers, and magazines and periodicals. For the purpose of this report, film and television have been combined and are reported together as “filmed

¹ The media and entertainment industry is comprised of businesses that create, produce, and distribute media & entertainment.

entertainment” since the sector trends are similar.² Additionally, while the video streaming and social media sectors are technically part of the internet publishing sector, they are being reported individually due to their unique characteristics and increasing relevance. It is therefore important to keep in mind that the trends we are reporting for the internet publishing sector only reflect the remaining portion of the sector.

This report utilizes forecasts by IBIS World—which uses data from the Bureau of Economic Analysis—and Price Waterhouse Coopers (PwC) to develop revenue, profit, and employment trends across the media and entertainment industry from both the supply and demand side. On the supply-side, data is reported on the firms that produce and publish content across sectors (IBIS World). From the demand-side, consumer and advertiser spending is presented (PwC), including the radio and television broadcast sector which includes cable distribution revenues. Throughout the report, annual percentage growth reflects the compounded annual growth rate (CAGR) for the period.

Summary of Key Industry Trends

1. **A Resilient Industry:** In 2020, combined revenues for all media and entertainment producers and publishers increased 1.0% from 2019, resulting in industry sales of \$461.0 billion. The industry is expected to continue expanding in 2021 to \$496.5 billion (+7.7%) and 2022 to \$529.3 billion (+6.6%) in total revenue. These broad revenue developments are noteworthy because revenues for many other industries shrunk significantly during the pandemic.
2. While the media and entertainment industry as a whole saw increased revenues in 2020, it was driven by the digital media and advertising-based sectors, including social media, video games, video streaming, internet publishing, advertising, and music. In contrast, print-based sectors like newspapers and magazines suffered further declines across the board. The sectors that rely heavily on live events and activities to generate revenue, such as sports and film, were hit particularly hard during the pandemic and despite the benefit of a strong recovery in 2021 are not

² Detailed definitions for the sectors and other terms are provided in the Terminology section.

expected to return to their pre-COVID levels for some time.

3. 2021 will mark the year when digital media and entertainment revenues officially surpass the revenues generated by traditional media, reaching \$236.2 billion, or 51.8% of total industry revenue, driven by a 9.1% increase in digital media against a -13.5% year over year decline in traditional media. In comparison, digital spending reached \$214.9 billion in 2020 (49.6% of total industry spend).
4. Media and entertainment employment was disrupted in 2020, but, on the whole, showed resilience during COVID, suffering only a modest decline of -1.7% in employment over 2019. The industry is also projected to recover and then some in 2021 and will employ 1.38 million people, +6.3% over 2020 and 4.5% over its pre-pandemic count of 1.32 million. Similar to the revenue and consumption trends, employment is also shifting across the industry as new opportunities in digital media open up to effectively replace the opportunities being lost in traditional media.
5. Looking forward, the media and entertainment industry is expected to see positive growth across all of the key factors measured in this report from 2021-2025 and generate \$529.3 billion in revenue (+6.6%) and \$480.4 billion in spending (+5.4%) in 2022. Key growth trends across sectors stack up similarly to the current environment, with digital channels delivering outsized growth to compensate for the traditional sector declines and continue driving industry expansion.

SUPPLY-SIDE REVENUE TRENDS

2016-2021 Trends. Production and publishing revenues grew at an annual rate of 5.8% from \$385.9 billion in 2016 to \$456.5 billion in 2019, significantly outpacing U.S. GDP growth, which was 2.49% over the same period (IBISWorld). In 2020, the industry saw a modest revenue increase of 1.0% to \$461.0 billion, in contrast with the U.S. GDP, which declined -3.4%. The industry as a whole is also expected to reach \$496.5 billion in revenues in 2021, up 7.7% from 2020, again outpacing U.S. GDP growth of 5.8%.

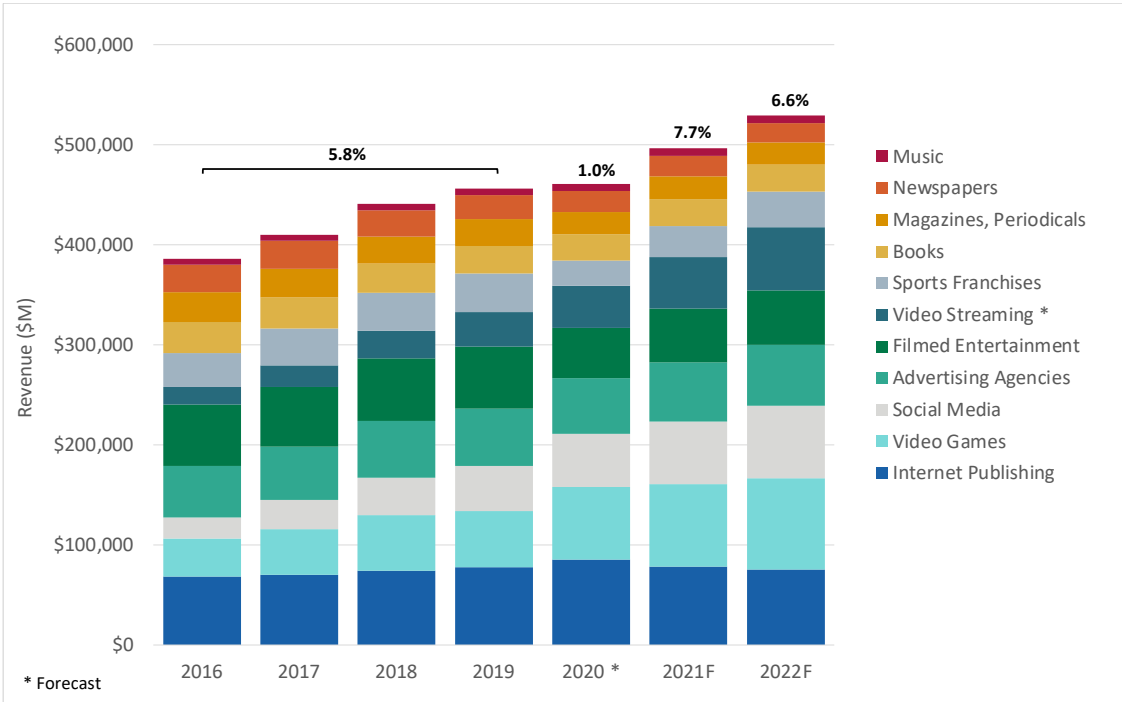
2021-2025 Forecast. Media and entertainment production and publishing revenues are also expected to grow 5.5% annually from 2021-2025, to generate a total of \$615.9

billion by 2025. The pace of growth is expected to start strong in 2022 at 6.6% and taper down over the next four years as the COVID recovery effect on growth subsides.

The highlights and trends by sector are:

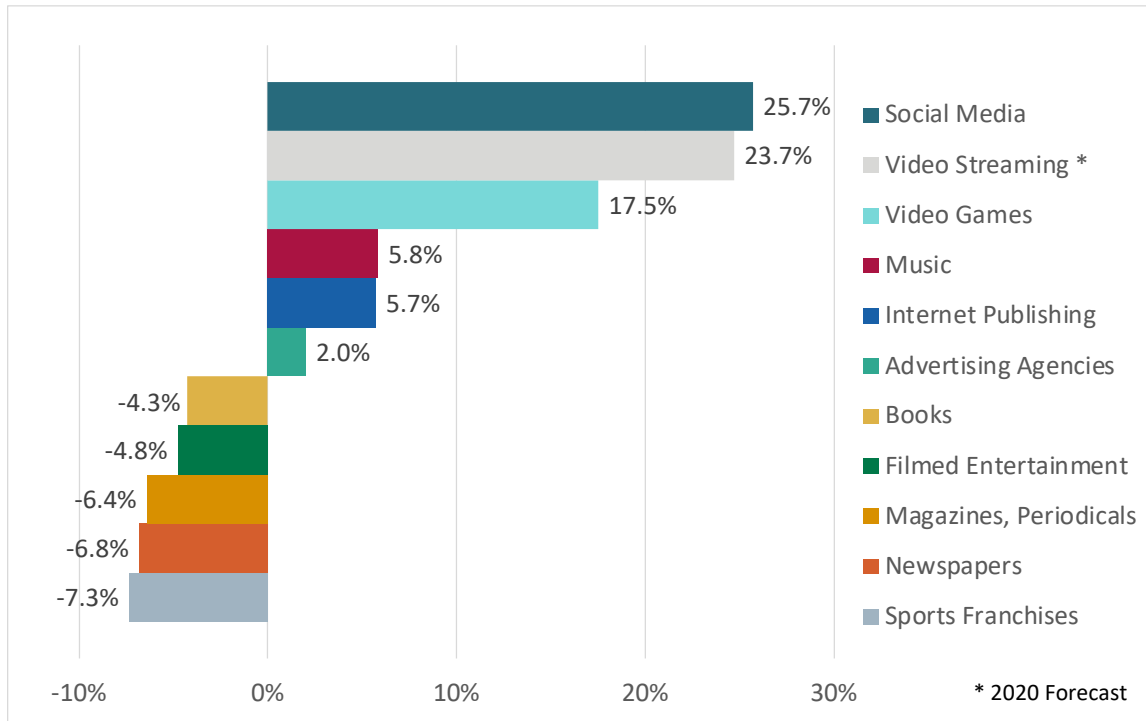
- Video streaming, social media, and video games have grown over the 5 year period ending 2020, generating double digit annual revenue increases of 24.7%, 25.7% and 17.5% respectively, with total revenues of \$41.8, \$53.3 and \$72.4 billion in 2020. This trend is expected to continue into 2021 and 2022, whereby these sectors are expected to generate combined revenues of \$196.4 billion in 2021 and \$226.7 billion in 2022, reflecting 39.6% (2021) and 42.8% (2022) of total industry revenues.
- Filmed Entertainment revenues declined -18.6% to \$50.6 billion in 2020. The sector is expected to recover slightly and deliver revenues of \$53.4 billion in 2021, up 5.6% from 2020, and \$54.4 billion in 2022, up 1.9% from 2021, but is not forecasted to return to its pre-pandemic high of \$63.0 billion in 2018 anytime soon.

Exhibit 1. 2016-2022 Production and Publishing Revenues by Sector (\$M)



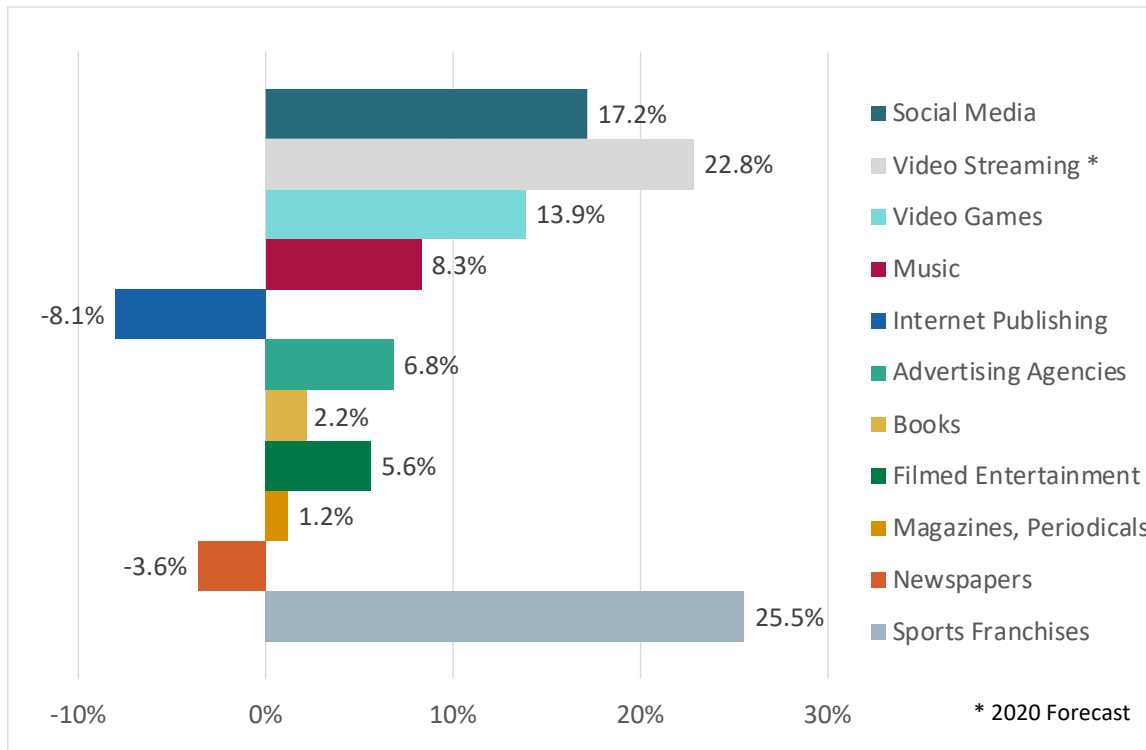
Source: IBISWorld Inc. See Appendix 1 for data legend and definitions. 2016-2020 revenues are actuals except for video streaming 2020 revenues which is a forecast. 2021-2022 revenues are forecast.

Exhibit 2. 2016-2020 Revenue Growth by Sector – Producers and Publishers



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

Exhibit 3. 2021 Revenue Growth Forecast by Sector – Producers and Publishers



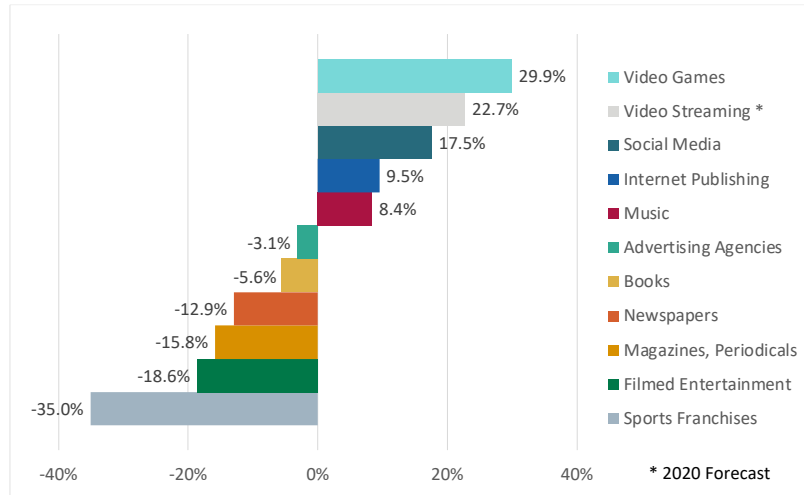
Source: IBISWorld Inc. See Appendix 1 for data legend.

- Sports franchises will have experienced the highest growth across sectors in 2021 at 25.5% as they recover from significant revenue losses from the pandemic. Additionally, they are expected to deliver another 13.9% growth in 2022 and surpass their pre-pandemic revenue high of \$38.5 billion by 2024 .
- Internet publishing, historically the largest sector in media and entertainment, generated \$85.5 billion in revenues in 2020, up 5.7% from 2016. This sector is however expected to see a decline of -8.1% in 2021 as competition heats up and video games takes the top spot. This trend will continue into 2022 and beyond as consumer spending and ad dollars increasingly shift from the internet and search to the other digital sectors.
- Music sector revenues were \$6.9 billion in 2020, up 5.8% from 2016, and are expected to increase another 8.3% to \$7.5 billion in 2021. However, the sector is forecast to remain relatively flat in 2022, with revenues of \$7.4 billion.
- Advertising agency revenues grew a modest 2.0% from 2016-2020 to \$55.5 billion, despite a -3.1% decline in revenues in 2020. 2021 will mark a return to growth with \$59.2 billion in revenue, a 6.8% increase from 2020 and a 3.5% increase over the pre-pandemic high of \$57.3 billion in 2019. Ad revenues are to grow another 2.5% in 2022.
- Traditional print sector revenues continued declining from 2016-2020 with book revenues falling -4.3% annually, magazines and periodicals -6.4%, and newspapers -6.8%. Both books and magazines and periodicals will have had a modest recovery in 2021, with a growth forecast of 2.2% and 1.2% respectively, but newspapers will see a -3.6% decline. This trend is however short live as all three sectors are expected to see a decline in 2022.

Market Effects of the COVID-19 Pandemic

Digital media dominated 2020 with the video games, video streaming, social media, internet publishing, and music sectors all enjoying strong revenue growth as consumers went online for their media and entertainment (video games, +29.9%; video streaming, +22.4%; social media, +17.5%; internet publishing, +9.5%; music, +8.4%). However, the rest of the industry didn't fare so well. Sports franchises and filmed entertainment in particular were hit hard in 2020 and suffered year over year revenue declines of -35.0% and -18.6% respectively as COVID-19 brought in person events and activities to a standstill. Advertising agencies took a more modest hit of -3.1% as they saw a decrease in the demand for ad services. Traditional print media sectors including books, newspapers, and magazines and periodicals saw accelerated declines of -5.6%, -12.9%, and -15.8% respectively in 2020.

Exhibit 4. 2020 Revenue Growth Forecast by Sector – Producers and Publishers



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

CONTRIBUTION TO GDP (akin to Gross Profit)

2016-2021 Trends. We use IBISWorld's contribution to gross domestic product (GDP) as a rough measure of gross profit by producers and publishers. Contribution to GDP is defined as producer and publisher revenues minus costs. From 2016 to 2019, the industry's contribution to GDP grew 5.4% annually, from \$188.6 billion to \$235.0 billion, followed by a minor decline of -1.0% billion in 2020. Profit growth will rebound in 2021 with a growth of 7.4% in contribution to GDP to surpass the 2019 pre-pandemic high.

2021-2025 Forecast. IBISWorld projects that the industry's contribution to GDP will increase another 8.5% in 2022 to \$271.1 billion and grow at a relatively consistent rate around 7-8% through 2025.

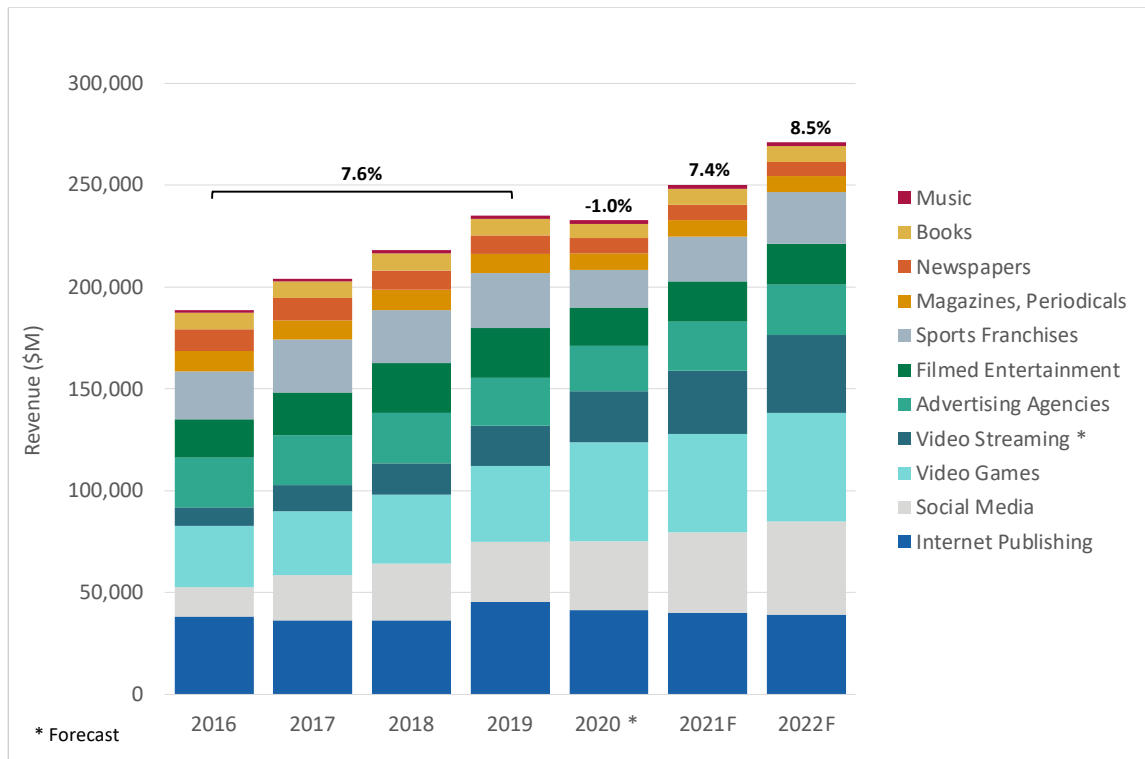
The highlights and trends by sector are:

- From 2016-2020, the video streaming, social media, video games, music, and internet publishing sectors drove industry profits, generating 28.8%, 24.0%, 12.8%,

6.5% and 2.1% in annual growth respectively over the the 5 year period.

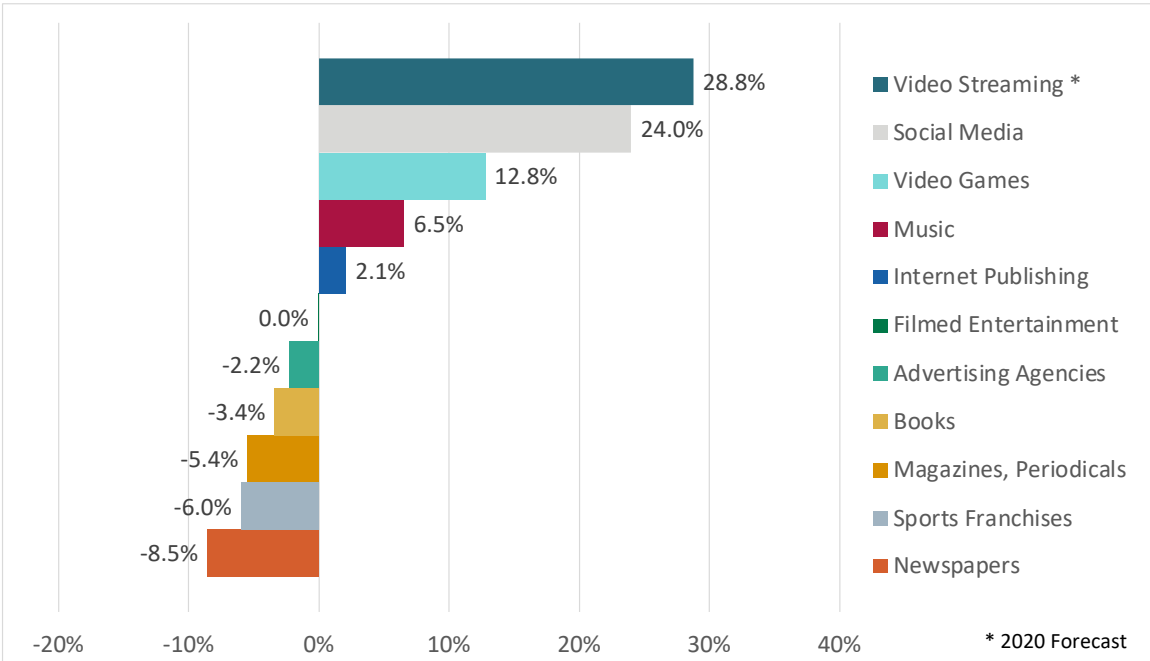
- Video streaming, social media, video games, and music are all expected to benefit from continued profit growth, delivering a combined increase of 10.3% in 2021 and 15.4% in 2022; instead, contribution to GDP from internet publishing is projected to decline by -3.0% in 2021 and -2.7% in 2022.
- Filmed entertainment performed roughly on the margin from 2016-2020, with annual growth in contribution to GDP of -0.04% over the 5 year period. 2021 and 2022 will mark a return to growth with profitability up 4.7% and 2.2%, respectively.
- Advertising agencies, books, magazines and periodicals, sports franchises, and newspapers all reported declining profitability from 2016-2020 (-2.2%, -3.4%, -5.4%, -6.0% and -8.5% respectively). Profits for advertising agencies are expected to grow 8.5% in 2021 and 19.3% in 2022. Sports franchises will grow 2.4% in 2021 and 15.0% in 2022. Print sectors will see profit declines in 2022 of positive profits in 2021.

Exhibit 5. 2016-2022 Total Contribution to GDP by Year and Sector



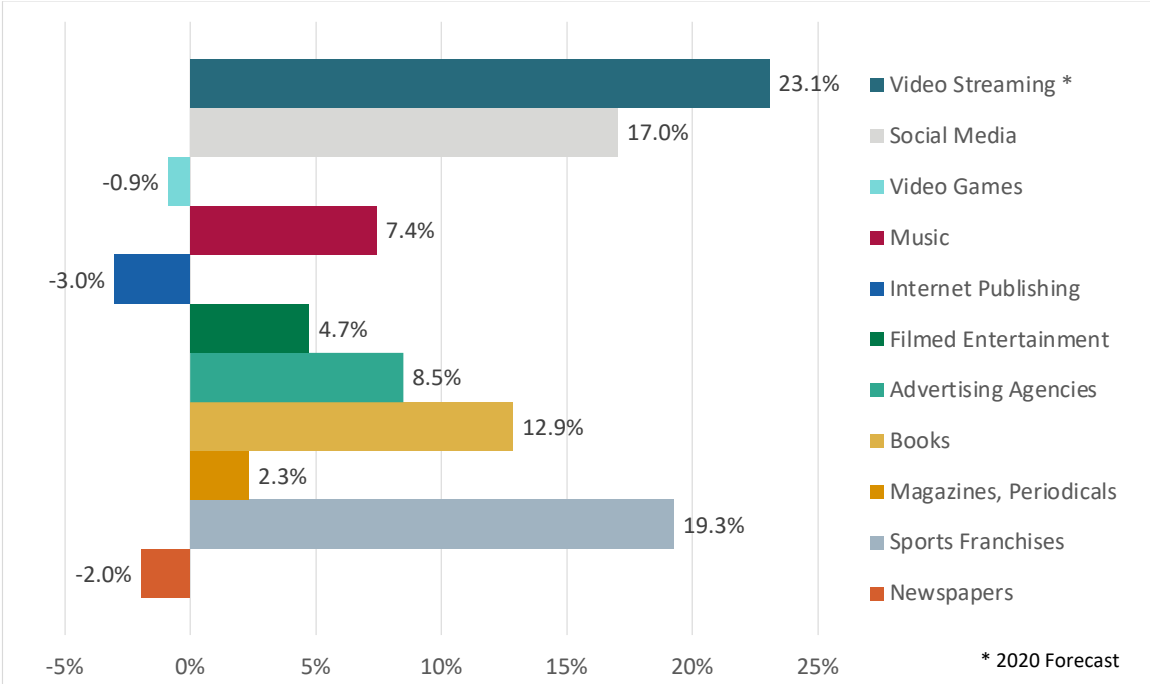
Source: IBISWorld Inc. See Appendix 1 for data legend and definitions. 2016-2020 revenues are actuals except for video streaming 2020 revenues which is a forecast. 2021-2022 revenues are forecast.

Exhibit 6. 2016-2020 Contribution to GDP Growth by Sector



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

Exhibit 7. 2021 Contribution to GDP Growth – Forecast by Sector



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

Profit Effects of the COVID-19 Pandemic

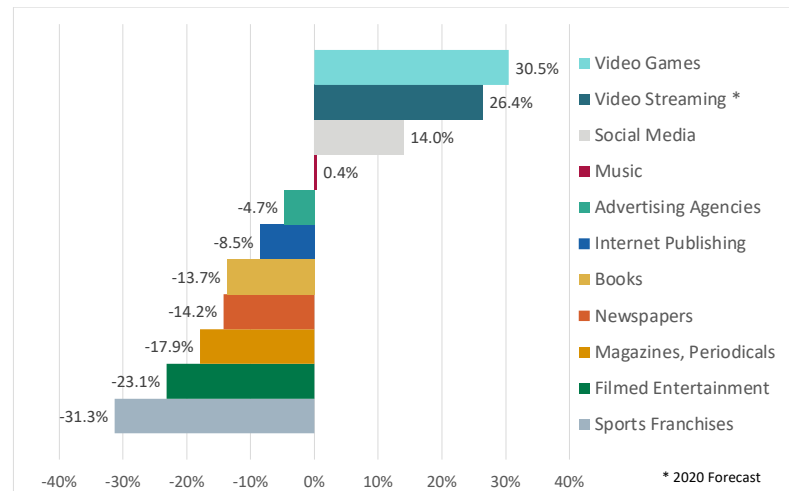
The video games, video streaming, social media, and music sectors were able to weather the pandemic in 2020 and deliver higher contributions to GDP of 30.5%, 26.4%, 14.0%, and 0.4%, respectively.

However, sports franchises and filmed entertainment again suffered the greatest declines in the industry at -31.3% and -23.1%, respectively.

Internet publishing suffered a decline of -8.5% in 2020, a trend that is expected to continue in 2021 albeit at a slower pace. Additionally, advertising agencies saw a reduction in profitability of -4.7% in 2020. The traditional print sectors of books, newspapers and magazines and periodicals also saw declines in 2020 of -13.7%, -14.2%, and -17.9%.

newspapers and magazines and periodicals also saw declines in 2020 of -13.7%, -14.2%, and -17.9%.

Exhibit 8. 2020 Contribution to GDP Growth by Sector - Producers and Publishers



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

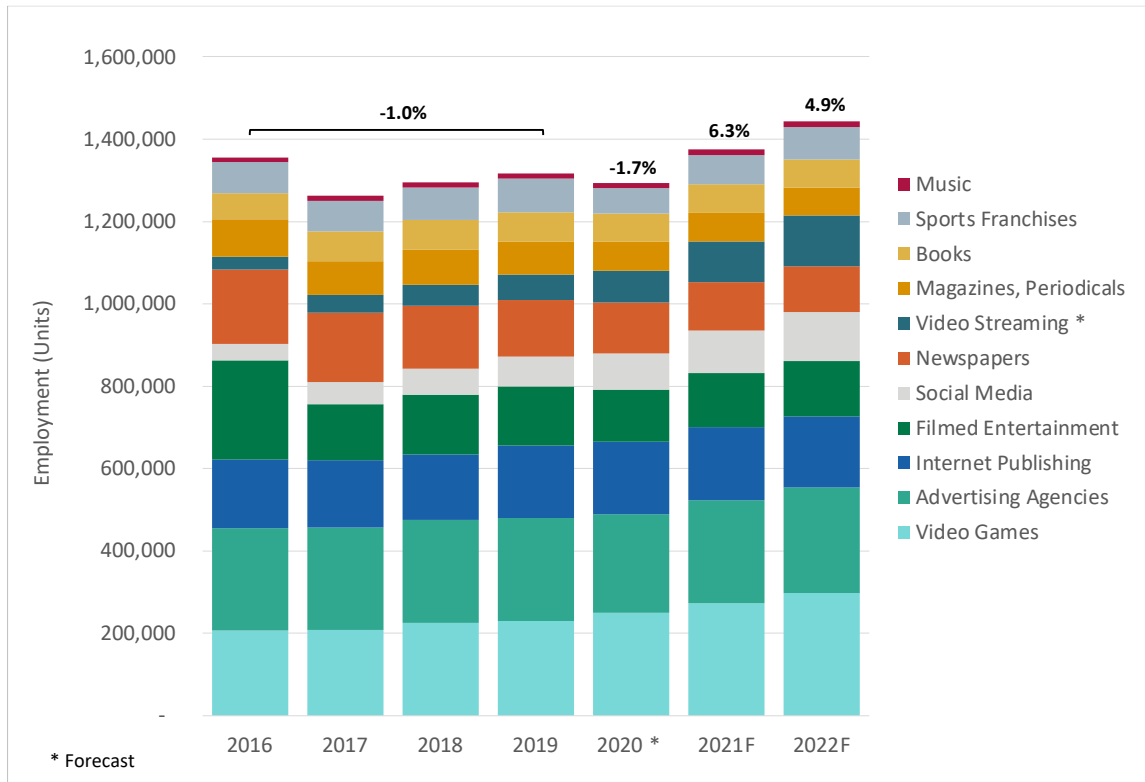
EMPLOYMENT

2016-2020 Trends. The media and entertainment industry employed 1.32 million people in 2019, a decrease of -1.0% from the 1.35 million people employed in 2016. The industry saw further employment declines in 2020, ending the year down -1.7% at 1.29 million people, but is expected to rebound by 6.3%. Video games had the highest employment at 250,384 people in 2020, up 4.8% from 2016, followed by advertising agencies at 238,114, down -1.0%, and internet publishing at 176,650, up 1.5% from 2016. Video streaming and social media had the biggest gains in employment, the only ones with double-digit increases.

2021-2025 Forecast. IBISWorld predicts that employment will grow 4.9% from 2021-2025 to 1,665,165 people. 2022 employment patterns are expected to be similar with 4.9% growth in employment, and all of the sectors except internet publishing, print

media, and newspapers and magazines have positive growth outlooks. Total media and entertainment employment is expected to reach 1.4 million people in 2022.

Exhibit 9. 2016-2021 Total People Employed by Sector



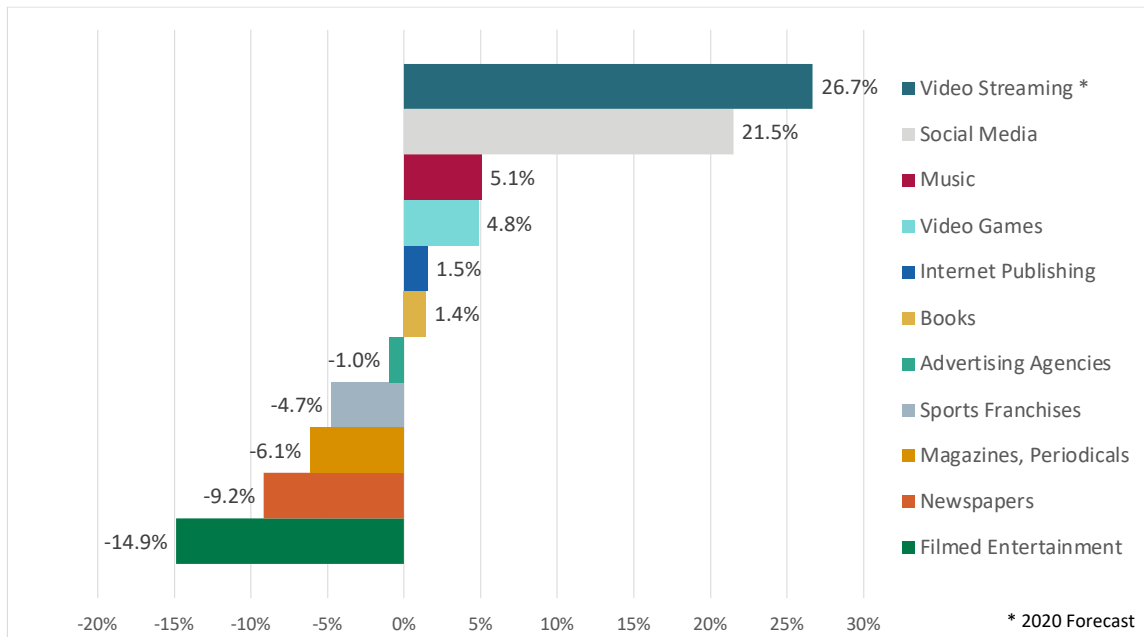
Source: IBISWorld Inc. See Appendix 1 for data legend.

2016-2019 revenues are actuals, 2020 revenues are a mix of actuals and forecast as indicated, and 2021-2022 revenues are a forecast of annual growth.

The highlights and trends by sector are:

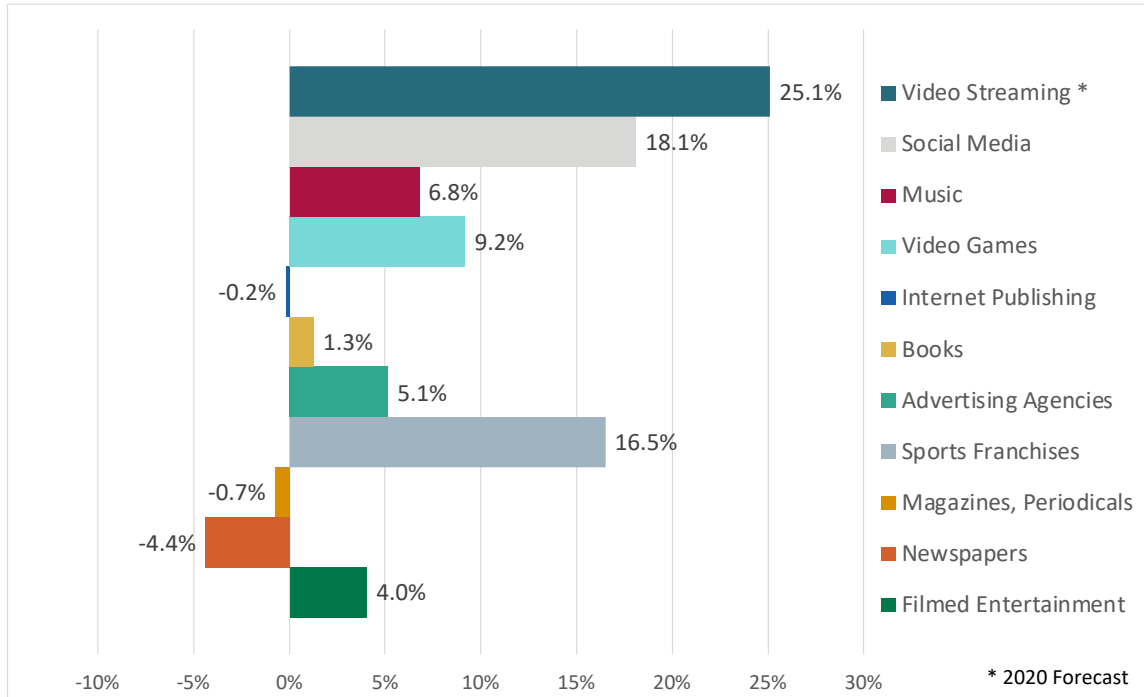
- Video streaming, social media, music, and video games all reported employment growth from 2016-2020, with both video streaming and social media generating double digit increases of 26.7% to 78,212 and 21.5% to 87,457 people respectively, while music and video games saw more modest increases of 5.1% and 4.8% to respectively over the same period. This trend will continue in the near term, with these sectors expected to deliver employment growth in both 2021 (video streaming +25.1%, social media +18.1%, music +6.8%, video games +9.2%) and 2022 (video streaming +25.2%, social media +16.0%, music +0.7%, video games +9.0%).

Exhibit 10. 2016-2020 Employment Growth by Sector



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

Exhibit 11. 2021 Employment Growth – Forecast by Sector



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

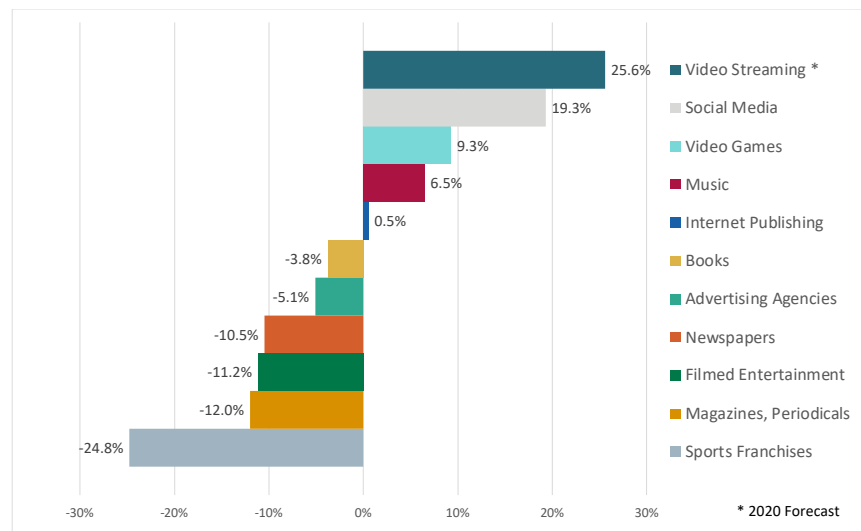
- Internet publishing and books saw modest employment growth of 1.5% to 176,650 and 1.4% to 67,806 over the 5 year period ending 2020. Looking forward, the books sector is expected to end 2021 with a modest growth of 1.3% and remain relatively flat in 2022, while internet publishing is projected to remain almost flat in 2021 and decline -1.9% in 2022.
- Advertising agencies saw a modest decline of -1.0% in employment from 2016-2020 to 238,144 people, but is expected to return almost to its pre-pandemic high and employ 250,373 people in 2021, a growth of 5.1%. The sector is also projected to grow another 2.3% in 2022 with an employment high of 256,171 people.
- From 2016-2020, sports franchises and filmed entertainment saw employment decline -4.7% and -14.9%, respectively. However, these sectors are projected to increase employment in both 2021 and 2022 and deliver a total of 78,560 and 133,280 jobs respectively, though neither is expected to reach their 2019 pre-pandemic employment levels of 81,973 and 143,117 people.
- From 2016-2020, the traditional print sectors of newspapers and magazines and periodicals had declines of -9.2% and -6.1%, respectively. Further declines are expected going forward, with employment in newspapers down -4.4% and -5.3% in 2021 and 2022 respectively, and that of magazines and periodicals down -0.7% and -3.1% in 2021 and 2022, respectively.
- Overall, the prospects for employment in the media and entertainment industry across sectors shows how resilient the industry has been to the economic shock of the pandemic. Even though employment suffered, especially in sectors affected by the shutdown of live and indoor events, the recovery will be swift to reach and surpass pre-pandemic employment levels.

Employment Effects of the COVID-19 Pandemic

The digital media sectors once again outperformed the rest of the industry with video streaming, social media, video games, music and internet publishing reporting increases in employment of 25.6%, 19.3%, 9.3%, 6.5% and .5% in 2020, respectively. On the flip side, newspapers, magazines and periodicals, filmed

entertainment and sports franchises all reported double digit employment decreases, with sports franchises taking the greatest hit of -24.8% in 2020, followed by magazines and periodicals at -12.0%, filmed entertainment at -11.2% and newspapers at -10.5%. Advertising agencies and books bucked this trend with more modest declines of -3.8% and -5.1%.

Exhibit 12. 2020 Employment Growth by Sector - Producers and Publishers



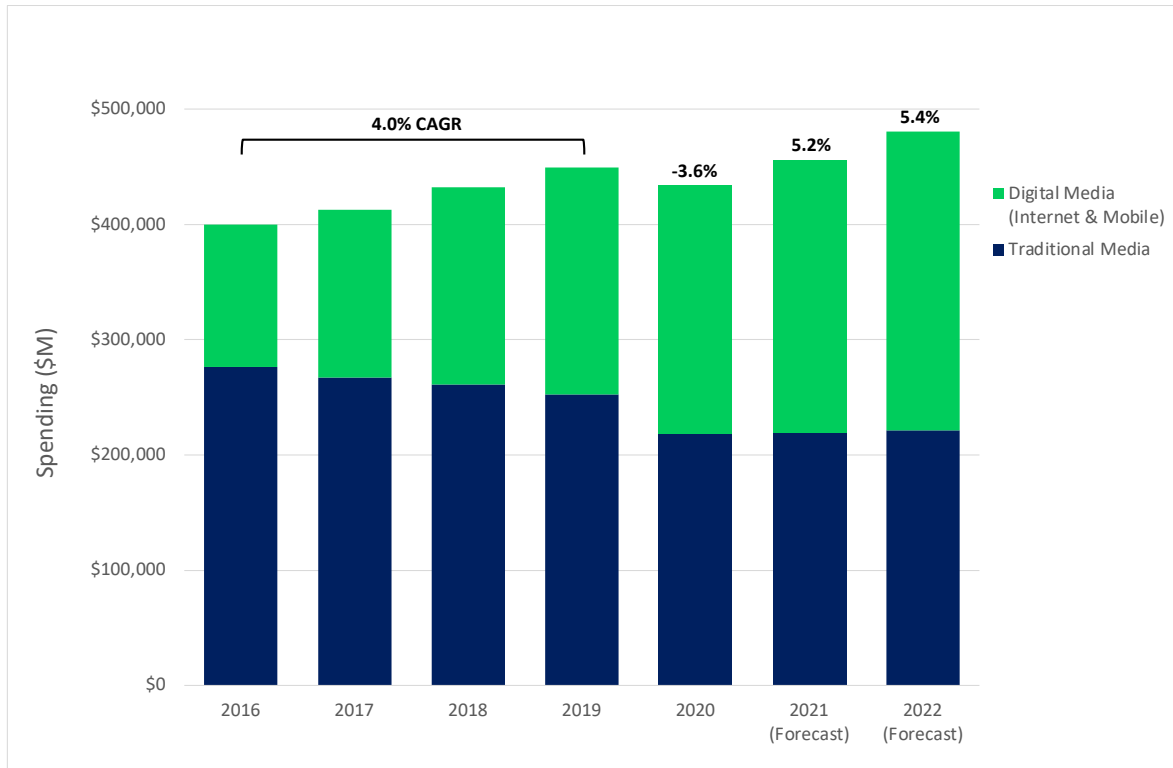
Source: IBISWorld Inc. See Appendix 1 for data legend.

DEMAND SIDE TRENDS

We also examined consumer and advertising spending, using data from the PwC Global Entertainment & Media Outlook 2021-2025 and our own analysis. In this *demand-side* section, we include revenues from television broadcasting, radio broadcasting and theatrical distribution to provide a complete picture of all revenues captured from the distribution of media and entertainment. Sports were not included in PwC's Outlook this year. It's worth noting that there is overlap with supply-side revenues across sectors. For example, social media and internet publishing are included in 'internet advertising' in these calculations, since the primary source of revenue for these sectors is advertising spend.

2016-2020 Trends. Total consumer and advertiser spending on media and entertainment grew at an average annual rate of 2.1% between 2016 and 2020, peaking in 2019 before falling -3.6% billion in 2020. Across sectors, spend on digital (internet and mobile) in 2020 reached roughly one-half of total spending (49.6%).

Exhibit 13. 2016-2022 Digital vs. Traditional Consumer and Advertiser Spend



Source: PwC (2021). PwC Global Entertainment & Media Outlook: 2021-2025. 2016-2020 are actuals. 2021-2022 is a forecast. See Terminology for definitions.

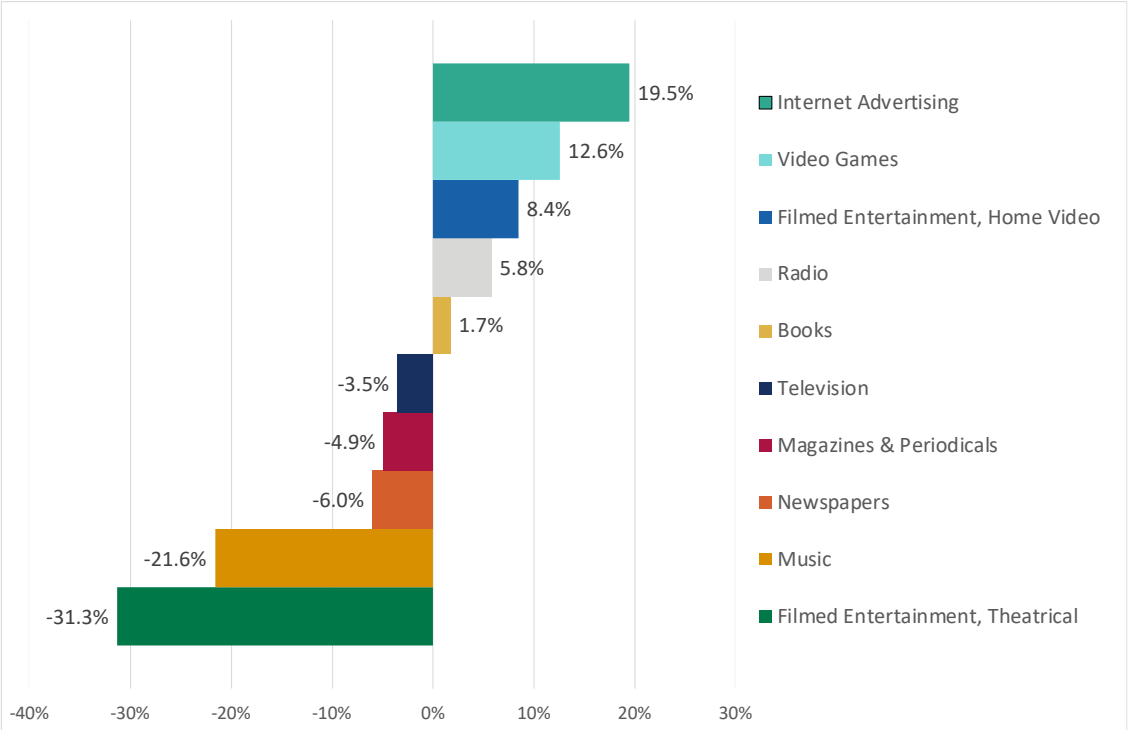
As Exhibit 13 shows, the growth in digital spending more than offset the losses in traditional spending to keep the industry growing every year, except for 2020. Additionally, it is important to note that 2020 marks a bellwether year for the industry as digital and traditional spending were roughly equal for the first time due to the sharp decline in traditional spending of -13.5% in 2020, compared to the modest annual decline of -3.0% from 2016-2019.

Looking forward, total media and entertainment spending will grow 5.2% billion in 2021 based on gains of 9.9% and .5% in digital and traditional media spending respectively. In 2021, effectively digital media and entertainment will surpass traditional

media and entertainment, with a revenue share of 51.8%. Going forward, this trend will continue, as summarized next.

2021-2025 Forecast. Spending on media and entertainment is expected to increase another 5.4% in 2022 and achieve an annual growth rate of 3.4% from 2021-2025. Digital spending will continue to drive industry gains, albeit at a slower pace of 7.0% over this period, compared to the 14.9% reported from 2016-2020, while spending on traditional channels will decline at an average rate of -1.0% annually through 2025. Similar to the supply-side, these patterns vary across sectors.

Exhibit 14. 2016-2020 Consumer and Advertising Spend Growth by Sector

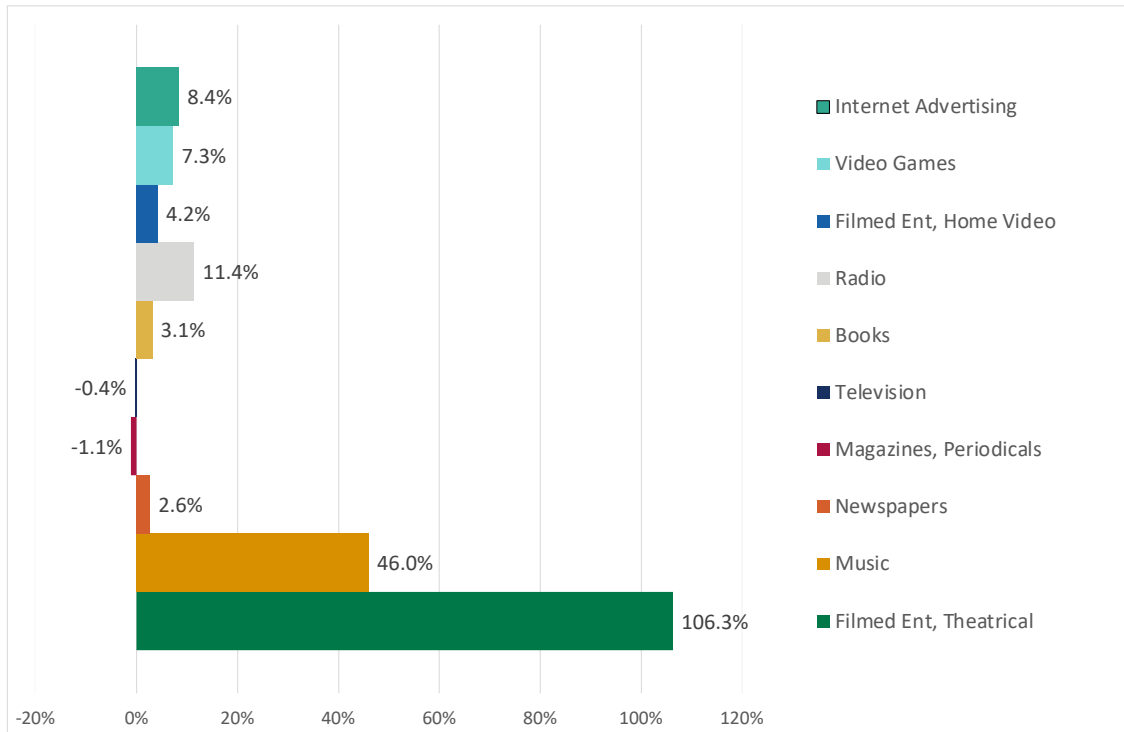


Source: PwC (2021). PwC Global Entertainment & Media Outlook: 2021-2025.

The highlights and trends by sector are:

- The digital media and entertainment sectors were again the big winners with internet advertising growing 19.5% annually over the five year period ending 2020, followed by video games and home video, which grew at an annual rate of 12.6% and 8.4% respectively. Further, all three sectors are expected to continue growing in

Exhibit 15. 2021 Consumer and Advertising Spend Growth - Forecast by Sector



Source: PwC (2021). PwC Global Entertainment & Media Outlook: 2021-2025.

both 2021 and 2022, with growths of 8.4% and 8.1% (internet publishing), 7.3% and 6.1% (video games) and 4.2% and 4.8% (filmed entertainment) respectively.

- From 2016-2020, spending in radio grew 5.8% annually despite suffering a -4.1% decline in 2020. The sector is expected to surpass its 2019 pre-pandemic high with annual growth of 11.4% in 2021, and 5.8% in 2022.
- Consumer spending on books also achieved an annual average gain of 1.7% from 2016-2020 and is expected to grow another 3.1% in 2021 and 2.04% in 2022.
- During 2016-2020, the traditional print media sectors, magazines & periodicals and newspapers, declined -4.9% and -6.0% over the five year period, respectively. Both sectors are expected to perform roughly on the margin in 2021 and 2022 with modest declines of -1.1% and -0.9% for magazines and periodicals and growth of 2.6% for newspapers in 2021, but a decline of -2.9% in 2022.
- The hardest hit sectors in media and entertainment from 2016-2020 were music and theatrical, which suffered double digit annual declines of -21.6% and -31.3%,

respectively, driven by the shutdown of live and indoor events during the pandemic. However, they are expected to see a dramatic recovery, with theatrical growing up 106.3% in 2021 and 87.9% in 2022, and music up 46.0% in 2021 and 64.0% in 2022.

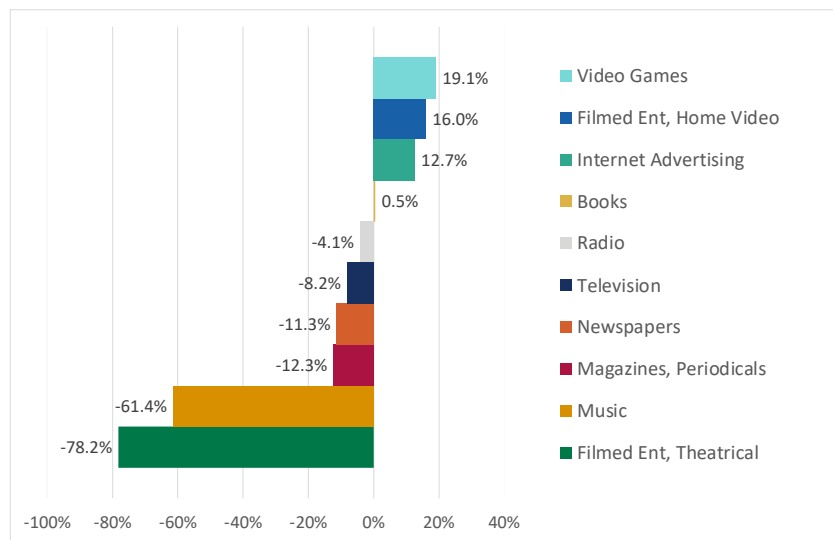
- The television sector also had an annual decline from 2016-2020 of -3.5%. It is expected to remain relatively stable in 2021 and 2022 with modest declines of -0.4% and -0.1%, respectively. Despite this trend, television currently generates the most consumer and advertiser spend in the industry. The next largest sector, internet advertising, is expected to generate increased spending over the 5 year period ending 2025 and take over the top spot.

Market Effects of the COVID-19 Pandemic

The 2020 shortfall in consumer spending was driven by significant declines in theatrical and music sector spend down -78.2% and -61.4% respectively due to ongoing stay-at-home and social distancing orders. Additionally, secondary entertainment and music sector distribution markets such as television (broadcast and cable) and radio saw a reduction in spending of -8.2% to \$150.3 and -4.1% to \$31.0 billion in 2020 respectively, as the flow of new content was disrupted, people shifted online for entertainment and the world started spending less time in their cars. The traditional print media sectors also took a hit in 2020 as

revenues fell -12.3% for magazines and periodicals and -11.3% for newspapers. Books was the exception to this trend as reading enjoyed a resurgence in popularity, with 2020 consumer spending remaining roughly flat at a 0.5% growth. Conversely, the digital media sectors saw spending grow in 2020: internet advertising was up 12.7%, video games was up 19.1%, and home video including physical and digital media sales was up 16.0%.

Exhibit 16. 2020 Consumer & Advertising Spend Growth - Forecast by Sector



APPENDIX

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

	2016	2017	2018	2019	2020 *	2021 F	2022 F	2023 F	2024 F	2025 F	CAGR 16-20	CAGR 16-21	CAGR 21-25	Growth Rate 19-20	Growth Rate 20-21
Advertising Agencies	51,222.7	53,286.3	56,358.4	57,251.9	55,466.9	59,243.9	60,736.1	62,593.7	63,855.7	65,224.9	2.01%	2.95%	2.43%	-3.12%	6.81%
Books	31,253.7	31,241.2	29,292.2	27,829.3	26,258.4	26,830.6	26,821.0	26,879.2	26,845.0	26,808.1	-4.26%	-3.01%	-0.02%	-5.64%	2.18%
Filmed Entertainment	61,479.2	59,491.0	62,998.0	62,124.0	50,561.2	53,393.7	54,389.8	56,290.6	56,916.9	57,662.2	-4.77%	-2.78%	1.94%	-18.61%	5.60%
Internet Publishing	68,425.1	70,087.9	74,399.2	78,079.9	85,491.8	78,609.7	75,679.6	61,090.6	45,028.0	21,479.7	5.72%	2.81%	-27.70%	9.49%	-8.05%
Magazines, Periodicals	29,524.3	28,684.3	27,028.9	26,926.5	22,664.6	22,933.5	22,511.2	22,157.4	21,853.7	21,588.1	-6.40%	-4.93%	-1.50%	-15.83%	1.19%
Music	5,487.5	5,577.5	5,953.9	6,354.5	6,885.3	7,456.6	7,398.9	7,613.0	7,836.5	8,080.1	5.84%	6.32%	2.03%	8.35%	8.30%
Newspapers	27,885.6	27,910.7	26,583.6	24,132.5	21,019.4	20,255.7	19,269.2	18,150.5	17,058.4	16,027.7	-6.82%	-6.19%	-5.68%	-12.90%	-3.63%
Social Media	21,367.7	28,997.0	37,726.9	45,378.9	53,341.9	62,491.6	72,226.9	86,768.9	102,508.1	120,662.9	25.70%	23.94%	17.88%	17.55%	17.15%
Sports Franchises	33,965.9	36,748.9	37,591.1	38,530.5	25,033.3	31,429.0	35,811.1	38,321.8	39,025.7	39,602.2	-7.35%	-1.54%	5.95%	-35.03%	25.55%
Video Games	37,979.0	45,875.4	55,355.7	55,766.2	72,439.9	82,484.3	91,228.3	99,890.1	109,374.3	119,759.0	17.52%	16.78%	9.77%	29.90%	13.87%
Video Streaming *	17,309.3	22,011.9	27,562.1	34,111.4	41,849.1	51,404.0	63,226.2	78,075.5	96,440.8	119,019.3	24.70%	24.32%	23.35%	22.68%	22.83%
Total (Check)	385,900.0	409,912.1	440,850.0	456,485.6	461,011.8	496,532.6	529,298.3	557,831.3	586,743.1	615,914.2	4.55%	5.17%	5.53%	0.99%	7.70%
Growth Rate	9.11%	6.22%	7.55%	3.55%	0.99%	7.70%	6.60%	5.39%	5.18%	4.97%					

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

	2016	2017	2018	2019	2020 *	2021 F	2022 F	2023 F	2024 F	2025 F	CAGR 16-20	CAGR 16-21	CAGR 21-25	Growth Rate 19-20	Growth Rate 20-21
Advertising Agencies	24,426.4	24,429.2	24,670.6	23,399.3	22,303.5	24,193.7	24,781.7	25,510.2	26,049.8	26,619.7	-2.25%	-0.19%	2.42%	-4.68%	8.47%
Books	7,987.8	8,272.9	8,561.0	8,071.2	6,969.0	7,864.8	7,836.5	7,832.9	7,821.6	7,772.6	-3.35%	-0.31%	-0.29%	-13.66%	12.85%
Filmed Entertainment	18,812.8	20,948.5	24,543.1	24,434.0	18,782.6	19,673.7	20,109.8	20,854.6	21,149.1	21,482.5	-0.04%	0.90%	2.22%	-23.13%	4.74%
Internet Publishing	38,161.1	36,315.5	36,251.1	45,275.7	41,438.1	40,187.2	39,115.8	35,488.6	30,268.9	22,511.3	2.08%	1.04%	-13.49%	-8.48%	-3.02%
Magazines, Periodicals	9,878.9	9,498.4	9,903.8	9,622.1	7,899.2	8,083.8	7,841.5	7,627.4	7,470.9	7,336.7	-5.44%	-3.93%	-2.40%	-17.91%	2.34%
Music	1,306.9	1,399.2	1,396.1	1,677.3	1,684.4	1,809.4	1,794.2	1,848.7	1,903.5	1,965.4	6.55%	6.72%	2.09%	0.42%	7.42%
Newspapers	10,936.6	10,825.8	9,571.7	8,917.0	7,650.1	7,500.6	7,077.2	6,631.0	6,211.7	5,802.9	-8.55%	-7.27%	-6.21%	-14.21%	-1.95%
Social Media	14,276.8	22,102.2	27,791.6	29,592.4	33,746.7	39,493.7	45,597.5	54,822.3	64,746.2	76,085.8	23.99%	22.57%	17.81%	14.04%	17.03%
Sports Franchises	23,655.7	25,970.5	25,939.4	26,929.8	18,504.0	22,067.6	25,386.6	26,832.7	27,248.3	27,621.2	-5.96%	-1.38%	5.77%	-31.29%	19.26%
Video Games	30,082.4	31,498.7	34,087.5	37,277.8	48,646.0	48,217.8	53,530.4	57,500.3	63,191.6	69,138.6	12.77%	9.90%	9.43%	30.50%	-0.88%
Video Streaming *	9,107.2	12,835.9	15,327.8	19,802.5	25,029.7	30,799.5	37,979.3	46,938.0	58,062.4	71,759.9	28.76%	27.59%	23.55%	26.40%	23.05%
Total (Check)	188,632.6	204,096.8	218,043.7	234,999.1	232,653.3	249,891.8	271,050.5	291,886.7	314,124.0	338,096.6	5.38%	5.79%	7.85%	-1.00%	7.41%
Growth Rate	6.45%	8.20%	6.83%	7.78%	-1.00%	7.41%	8.47%	7.69%	7.62%	7.63%					

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

	2016	2017	2018	2019	2020 *	2021 F	2022 F	2023 F	2024 F	2025 F	CAGR 16-20	CAGR 16-21	CAGR 21-25	Growth Rate 19-20	Growth Rate 20-21
Advertising Agencies	247,814.0	248,852.0	248,902.0	250,888.0	238,114.0	250,373.0	256,171.0	263,327.0	268,950.0	274,922.0	-0.99%	0.21%	2.37%	-5.09%	5.15%
Books	64,085.0	71,935.0	73,108.0	70,469.0	67,806.0	68,670.0	68,589.0	68,662.0	68,568.0	68,271.0	1.42%	1.39%	-0.15%	-3.78%	1.27%
Filmed Entertainment	242,215.0	135,557.0	144,746.0	143,117.0	127,151.0	132,291.0	133,280.0	135,374.0	135,191.0	136,866.0	-14.88%	-11.39%	0.85%	-11.16%	4.04%
Internet Publishing	166,174.0	163,919.0	159,437.0	175,710.0	176,650.0	176,280.0	173,025.0	161,779.0	143,791.0	118,501.0	1.54%	1.19%	-9.45%	0.53%	-0.21%
Magazines, Periodicals	90,640.0	82,451.0	84,424.0	79,914.0	70,324.0	69,797.0	67,671.0	65,761.0	64,214.0	62,918.0	-6.15%	-5.09%	-2.56%	-12.00%	-0.75%
Music	10,777.0	11,299.0	12,251.0	12,329.0	13,127.0	14,016.0	14,120.0	14,572.0	15,082.0	15,618.0	5.06%	5.40%	2.74%	6.47%	6.77%
Newspapers	180,637.0	169,421.0	153,060.0	137,435.0	123,053.0	117,658.0	111,466.0	104,930.0	98,510.0	92,443.0	-9.15%	-8.22%	-5.85%	-10.46%	-4.38%
Social Media	40,135.0	52,935.0	63,774.0	73,313.0	87,457.0	103,287.0	119,864.0	142,282.0	166,479.0	193,784.0	21.50%	20.81%	17.04%	19.29%	18.10%
Sports Franchises	74,919.0	74,633.0	78,381.0	81,973.0	61,674.0	71,852.0	78,560.0	82,390.0	83,467.0	84,523.0	-4.75%	-0.83%	4.14%	-24.76%	16.50%
Video Games	207,194.0	208,216.0	225,857.0	229,120.0	250,384.0	273,379.0	298,077.0	320,060.0	347,826.0	378,570.0	4.85%	5.70%	8.48%	9.28%	9.18%
Video Streaming *	30,360.0	42,616.0	51,156.0	62,278.0	78,212.0	97,844.0	122,495.0	153,545.0	192,250.0	238,749.0	26.69%	26.37%	24.98%	25.59%	25.10%
Total (Check)	1,354,950.0	1,261,834.0	1,295,096.0	1,316,546.0	1,293,952.0	1,375,447.0	1,443,318.0	1,512,682.0	1,584,328.0	1,665,165.0	-1.14%	0.30%	4.89%	-1.72%	6.30%
Growth Rate	2.78%	-6.87%	2.64%	1.66%	-1.72%	6.30%	4.93%	4.81%	4.74%	5.10%					

TERMINOLOGY

Financial Terms¹

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).

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.

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 Lingo²

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.

Direct-to-Consumer (DTC): A marketing or sales activity where a product or service is promoted or sold directly to the consumer without the use of an intermediary advertising medium such as a TV or radio commercial or a 3rd party distributor.

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.

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 re-occurring 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 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

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 (e.g., ad placement) services. The primary source of revenue in this industry is service fees.¹

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.¹

Filmed Entertainment: The filmed entertainment industry includes companies operating in the Movie & Video Production and Television (TV) 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 have been removed from the total revenue calculation for the industry. *The subsectors of this industry include:*

Movie & Video Production: The 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. ¹

Television Production: The 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. ¹

Internet Publishing: The internet publishing and broadcasting (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 and video streaming sectors have been removed from the total revenue calculation for the industry and captured separately. ¹

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. ¹

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, licensing / royalty fees, and live events (e.g., concert ticket sales). ¹

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. ¹

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 are ticket sales, advertising.¹

Sports Franchises: This sports franchises industry (sports) includes sports teams or clubs that participate in live professional or semiprofessional sporting events (e.g. baseball, basketball, football, hockey, soccer and other team sports) before a paying audience. The sports franchises included in this industry may or may not operate their own facilities for staging games or other spectator sports events. The primary sources of revenue in this industry are advertising, licensing, box office receipts (e.g., ticket sales), physical product (e.g. branded merchandise) and concession sales.¹

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

Video Streaming: The video streaming industry includes companies that provide infrastructure for customers to watch videos via the internet. This industry does not include subscription-based pornography sites or companies that do not primarily host on-demand videos as their core function, such as Facebook or Twitter. The primary sources of revenue in this industry are digital media sales, subscription service fees and advertising.¹

¹ Terms and definitions are based on IBISWorld Inc. reports.

² Terms and definitions provided by IEMSC.

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