KPMG

MONEY IN MOTION:

The changing economics of content investment

Amid rising content spend, media companies sharpen focus on engagement, retention, and profitable growth.



Content spend keeps rising, but the value equation is changing

Steady growth can hide a lot of change

Our latest analysis of 13 leading media and platform companies estimates annual content spend at approximately $207 billion in 2025, up from $156 billion in 2021—roughly 7 percent annualized growth.

Take a closer look, though, and the underlying content mix is shifting in consequential ways: where the money is going, what companies expect it to deliver, and how they define value.

Four trends stand out

Sports continues to ascend. Our research puts sports spend at approximately $29 billion in 2025—up 57 percent from 2021—driven by demand for premium live programming that can capture built-in audiences and deliver scarce, high-value advertising opportunities.

Engagement moves to the forefront. Companies are putting more weight on whether their content investment drives repeat visits, retention, monetization, and long-term customer value—regardless of the business model.

YouTube tops our analysis. With approximately $28 billion in content spend in 2025, YouTube now ranks first in our 13-company analysis. It's another signal of how platform-based models are reshaping the competitive landscape.

Creator content moves to the core. User-generated content spend reached about $46 billion in 2025, up 75 percent from 2021. At the same time, traditional content swim lanes are blurring as studios, streamers, and platforms embrace formats once associated with other models.

For media leaders, these trends raise the bar for how their content portfolios are planned, funded, and measured. Our 2026 report looks at where the money is moving—and how leaders can turn that investment into profitable engagement and sustainable value.

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Trends in content spend

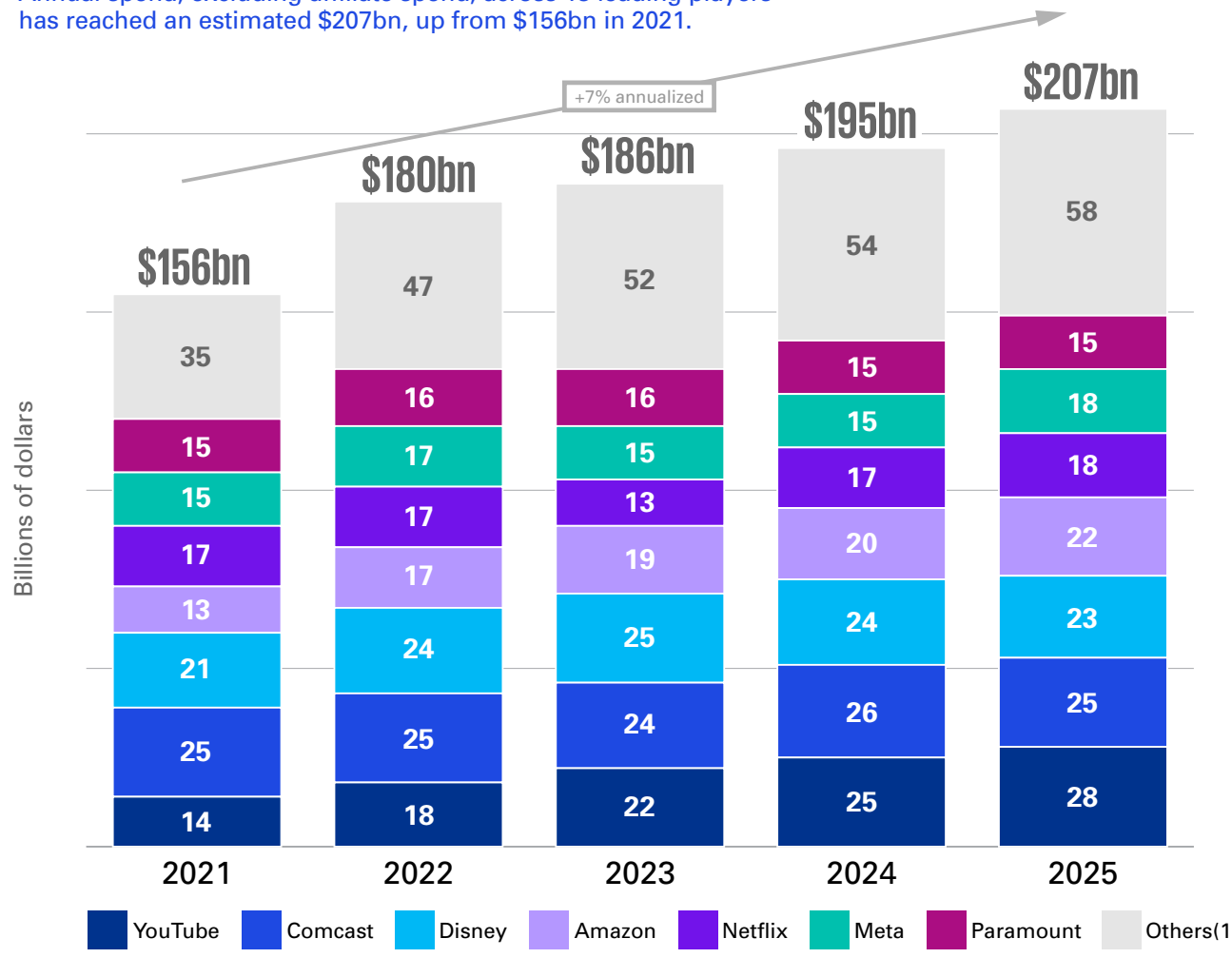
The mix is shifting as spend keeps rising

Content investment continues to rise across the 13 media and platform companies tracked in this report. Growth has moderated since the sharp increase early in the period, averaging about 4.8 percent annually since 2022.

For this report, content spend includes costs tied to film and TV production, programming and licensing, sports media rights, revenue-share payments to creators, and music.

Estimated annual content spend across leading companies*

Annual spend, excluding affiliate spend, across 13 leading players has reached an estimated $207bn, up from $156bn in 2021.



* Estimated annual content spend excluding affiliate fees paid by distributors to content companies

Note(s): (1) Others includes: Spotify, WBD, TikTok, Fox, Apple, and Sony.

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The category mix shows a market that is broadening even as film, TV, and streaming remain the foundation. That pool grew to approximately $132 billion in 2025, but its share of overall content spend fell to 64 percent of the total, from 71 percent in 2021. Sports and user-generated content both gained share over the same period, reaching approximately 14 percent and 22 percent of total spend, respectively.

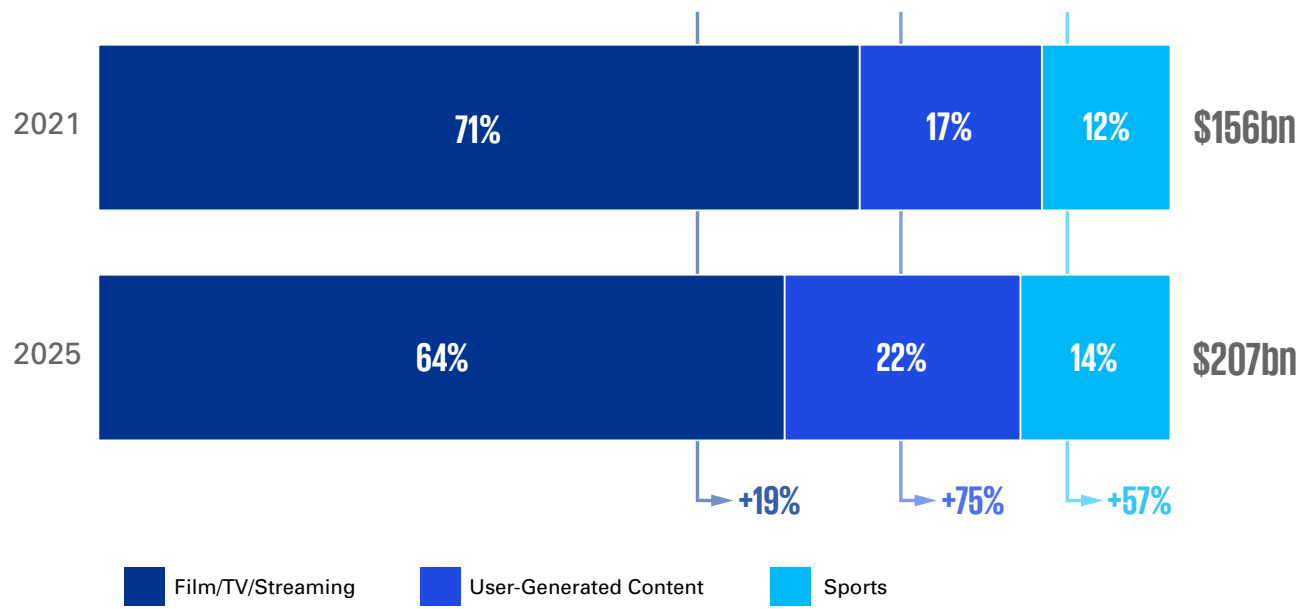
Sports continues to ascend, rising 57 percent since 2021. This surge reflects the premium placed on live programming that can deliver large, real-time audiences and high-value advertising opportunities. User-generated content grew 75 percent over the same period, pointing to another shift in motion: Creator-led formats are increasingly part of mainstream content strategies, widening the range of programming competing for the same audience time and investment dollars.

Audience attention is reshaping the market

The company data offer another view of how audience attention is shifting. YouTube reached approximately $28 billion in content spend in 2025, reflecting the growing scale of a platform model that spans creator content, subscriptions, music, and sports. More broadly, the lines between platforms, studios, and streamers continue to blur as they compete for the same audiences and investment dollars across a wider mix of formats.

Estimated annual content spend by category

Excludes affiliate spend



(1) Film/TV/Streaming category includes audio streaming;

(2) Film/TV/Streaming category includes a proportion of YouTube content spend

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Trends in content spend *(continued)*

Taken together, these shifts are creating a broader content portfolio in which different investments play increasingly distinct roles. Film and TV provide scale and depth. Sports can create appointment viewing and premium advertising value. Creator-led formats can build frequency and daily engagement. The opportunity is to understand what each part of the portfolio is expected to contribute—and how those investments work together.

That raises both the stakes and the complexity of capital allocation. Audience growth remains important, but content is increasingly expected to support a wider set of outcomes, from viewing frequency and advertising value to retention, franchise strength, and customer lifetime value. **As the mix shifts, content strategy becomes less about volume and more about the role each investment plays in profitable engagement.**



> “Creator content is taking on a larger role in the content portfolio because it can build frequent engagement, attract highly engaged audiences, and create new opportunities for advertising and monetization. As the lines between creator-led and traditional entertainment blur, the question for media companies is how those formats work together to win consumer engagement and drive value.”
>
> **—Frank Albarella, Jr., US Sector Leader, Media & Telecommunications, KPMG US**

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Profitable engagement

Engagement is becoming a sharper test of content economics

As content portfolios expand and spend rises, media companies are under more pressure to understand what engagement is worth. Increasingly, the answer comes down to whether audiences stay longer, return more often, and generate more value through subscriptions, advertising, or both.

How that value shows up varies by model. Subscription businesses look to engagement to support retention and customer lifetime value. Ad-supported and platform businesses rely on it to increase usage, advertising inventory, and monetization. And hybrid models need it to support both subscription and advertising economics.

The common thread is that engagement is a central financial driver shaping how leaders think about content investment. A premium series can attract and retain subscribers. Live sports can concentrate attention and support higher-value advertising. Creator-led and short-form formats can build frequency and daily habits. Catalog depth, games, and other experiences can give audiences more reasons to stay within a service or ecosystem. The shared question for leaders across all these models is whether those engagement patterns translate into durable economics.

For subscription businesses, one of the clearest warning signs is churn. When consumers subscribe for a specific title, season, sport, or promotion and then cancel, the related content investment has a shorter window to recover its cost and build a profitable relationship. Even a modest improvement can have significant economic value: We estimate that reducing annual churn by 1 percentage point—for example, from 5 percent to 4 percent—across the 13 companies in our analysis would equate to approximately $1 billion in incremental annual profit. That puts a premium on content and engagement strategies that give consumers more reasons to stay.

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In our analysis, reducing annual churn by just 1 percentage point equates to roughly $1 billion in incremental annual profit.

That pressure grows as media companies raise prices and expand ad-supported tiers. Pricing can support revenue growth, but it also tests whether consumers believe the service is worth the higher cost. Ad-supported tiers can give price-sensitive consumers a lower-cost reason to stay, while creating additional advertising upside. But this also makes the advertising experience part of the retention equation: If ads are too frequent, poorly targeted, or disconnected from the viewing context, they can weaken the value exchange.

Building more reasons to stay

Bundling is also moving back toward the center of the engagement conversation. External bundles can attach media services to broader subscription relationships, including wireless, broadband, retail, or other membership ecosystems. Internal bundles can create more reasons to stay inside a single platform by combining premium programming, live events, creator content, audio, games, commerce, or other benefits. At the broadest end of the spectrum, those ecosystems can begin to resemble a media "super app," bringing more content and consumer experiences into a single relationship.

> **"A successful 'super app' starts with a clear view of what your audience values. The opportunity is to combine the content, experiences, and benefits that give your customers more reasons to stay, while making that relationship more valuable over time."**
>
> **—Scott Purdy, Media Sector Leader, Strategy, KPMG US**

That convergence is giving parts of the streaming market a distinctly familiar shape. Companies are selectively rebuilding features that made traditional pay TV bundles sticky—aggregation, live programming, ad-supported economics, and recurring viewer relationships—while adding experiences such as creator content, games, and commerce that weren't part of the old bundle.

Measuring profitable engagement

Subscriber growth still matters, but it's no longer enough to explain the health of a media business. As models become more hybrid, leaders need a broader dashboard that connects audience behavior to revenue quality, retention, and long-term value.

Key engagement measures include:

- **Active users/active days:** How often audiences return and how consistently they use the service
- **Time spent/session frequency:** Whether content is creating repeat engagement or just one-time viewing
- **Completion and viewing depth:** How much of a program, season, event, or content library audiences actually consume
- **Churn and retention:** Whether engagement is strong enough to keep customers in the relationship over time
- **Average revenue per account:** How revenue is changing across households, bundles, tiers, and account-level relationships
- **Ad-tier adoption and advertising yield:** Whether engagement is supporting both subscription value and advertising monetization
- **Customer lifetime value:** Whether content, pricing, advertising, and product experience are creating durable economics
- **Return on content:** How effectively content investment translates into acquisition, engagement, retention, advertising value, and long-term growth

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AI is sharpening the engagement loop

AI is already embedded in how media companies create, package, promote, monetize, and retain audiences. The next opportunity is to connect those capabilities across the engagement cycle so audience signals can inform faster, more precise decisions.

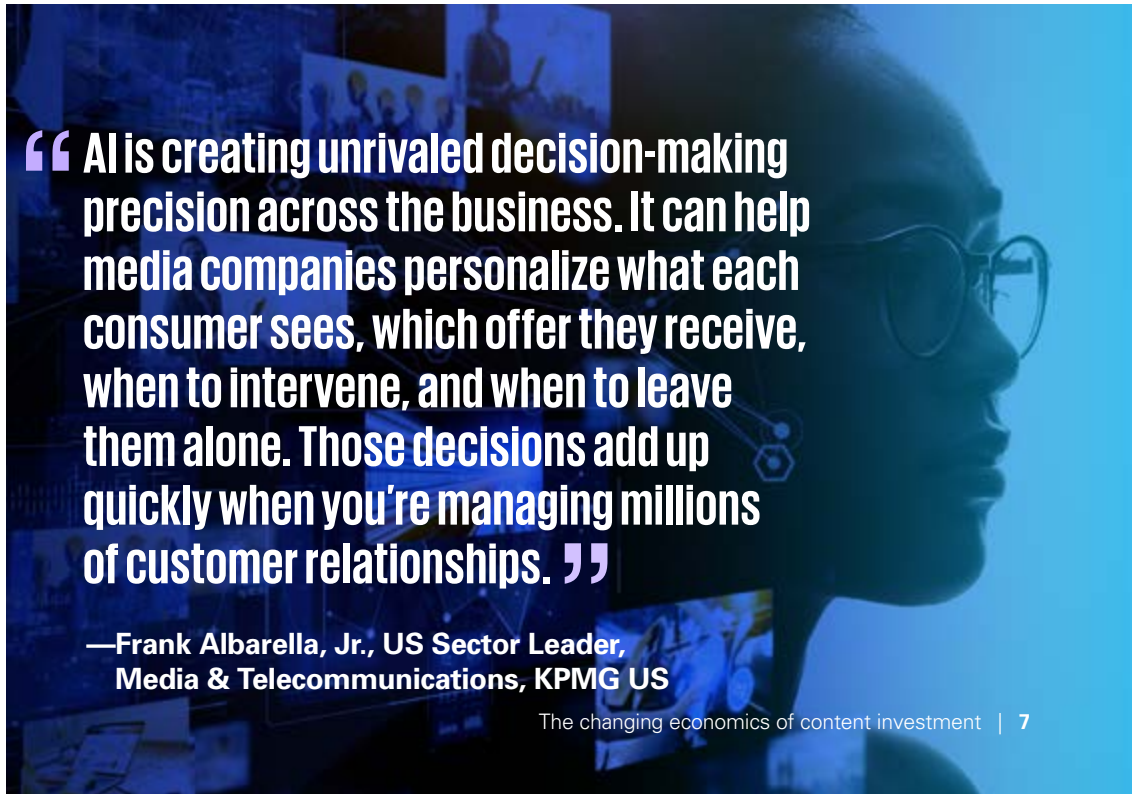
Practical applications span the full engagement cycle:

- **Creation and packaging:** Supporting production workflows, localization, versioning, metadata, and creative testing
- **Discovery and personalization:** Improving recommendations, search, and content promotion
- **Advertising and monetization:** Increasing advertising relevance, targeting quality, yield optimization, and tier movement
- **Retention and customer experience:** Predicting churn risk, tailoring offers, improving save paths, and guiding service interactions
- **Investment decisions:** Helping leaders understand which content, formats, audiences, and engagement patterns are creating durable value

The greater value comes when those decisions reinforce one another: what gets greenlit, how it's promoted, which audiences see it, what advertising experience surrounds it, what offer follows, and how the resulting engagement informs the next investment decision.

AI and analytics are also helping make engagement decisions more precise. Media companies are already using data to improve discovery, predict churn risk, tailor offers, optimize save paths, personalize advertising, and connect audiences with the right content or incentive at the right moment. The next opportunity is connecting those signals across the business so leaders can make better decisions about where to invest, when to intervene, and how to balance engagement, monetization, and profitability.

For media leaders, the priority is to elevate engagement and make it an operating model priority—not just a metric on a dashboard. That requires connecting content decisions to a wider set of inputs, including pricing, tiers, advertising experience, product design, recommendation engines, bundles, customer service, and save paths. That can give leaders a clearer view of what each investment is expected to return—from more viewing time and higher visit frequency to stronger retention, higher advertising value, and greater customer lifetime value.



> "AI is creating unrivaled decision-making precision across the business. It can help media companies personalize what each consumer sees, which offer they receive, when to intervene, and when to leave them alone. Those decisions add up quickly when you're managing millions of customer relationships."
>
> **—Frank Albarella, Jr., US Sector Leader, Media & Telecommunications, KPMG US**

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What media leaders should do now

Turning content investment into durable value

As content portfolios expand and business models converge, the priority for media leaders is to make investment decisions with a clearer view of how content creates value. Five priorities can help put that clarity to work:

1 Use data and AI to sharpen investment decisions
Connect content, audience, pricing, advertising, and customer data to understand how content performs across the full customer relationship. AI can help leaders determine where to invest, what to promote, which audiences to reach, and when an intervention is most likely to change an outcome.

2 Know which audiences create value—and why they stay
Look beyond reach and subscriber counts to understand which audiences return, what they value, how they engage across formats, and which behaviors translate into retention, advertising revenue, or customer lifetime value. Those insights can help shape portfolio choices before capital is committed.

3 Define your "super app" with purpose
Be clear about the ecosystem you want to build around your audience and the role each component plays within it. Bundles, sports, creator content, games, commerce, and other experiences should reinforce a distinct value proposition and give audiences specific reasons to stay. And be genuine: Build the model around the brand and what its audiences truly value.

4 Reward customer loyalty
Give consumers more compelling reasons to deepen the relationship over time, through personalized offers, bundle value, or experiences tied to tenure and engagement. A stronger loyalty proposition can support retention while increasing the value of each customer relationship.

5 Build the investor case for content value
As the measures of content performance evolve, the external case needs to evolve with them. Leaders should connect content spend more clearly to engagement, retention, advertising performance, customer lifetime value, and profitability—giving investors a fuller view of how content investment is creating sustainable value.

Content investment will keep moving. The opportunity now is to move it with greater precision—toward the content, experiences, and capabilities that can turn audience attention into durable value.

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Methodology and disclaimer

Our approach

Fieldwork was conducted between June and July 2026. KPMG LLP (KPMG) undertook primary research, collecting and analyzing public company filings, investor relations materials, press releases, trade publications, and third-party research reports.

We have not updated the report for events or circumstances arising after those dates.

In preparing our report, we undertook a structured program of research based on a combination of primary and secondary research. In order to broaden our secondary research, we did not rely on one single source, nor did we report statistics published by any single third-party information provider. Our approach was to report KPMG original analysis or KPMG estimates based on multiple sources or consensus trends. All methodologies in producing this underlying data are explained in this section.

The information presented in our report is consistent with other information that was gathered, collated, and synthesized in the course of our research work. We have not, however, sought to establish the reliability of public domain sources or third-party information providers by reference to other evidence.

Our report makes reference to "KPMG Research and Analysis." This indicates only that we have (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented; we do not accept responsibility for the underlying data.

KPMG researched content spend based on a select number of large, public companies who participate in the media industry. The years of financial data that were analyzed covered 2021 to 2025.



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Glossary

A definition of some key terms used in this report:

Ad-supported model: A revenue model in which content is offered for free or at a reduced cost, with revenue generated through advertisements.

Affiliate fees: Payments made by distributors or platforms to content providers (networks, studios) in exchange for access to content programming or audiences. These fees may be based on subscriber counts, licensing agreements, or content performance, depending on the model.

Business model: The underlying structure and strategy through which companies generate revenue and sustain operations, including subscription, ad-supported, and hybrid models.

Churn rate: The percentage of subscribers or viewers who stop using a service during a given time period. Churn tracking helps platforms measure retention and long-term audience value.

Content spend: The total investment made by media companies in producing and acquiring content, and revenue sharing with creators, including films, TV series, sports, and digital media.

Customer lifetime value (LTV/CLV): The projected net profit or total cumulative revenue generated by an individual subscriber or user over the entire duration of their relationship with a platform. LTV serves as the ultimate diagnostic of whether a platform's content slate, pricing strategy, advertising load, and product experience are creating durable economics rather than transient, loss-making consumption.

Engagement: Measures the depth, volume, and regularity of audience interaction with content and platforms. Industry measurement providers evaluate engagement through two foundational pillars: time spent (consumption volume/duration) and frequency (session cadence/habitual return).

Hybrid model: A revenue strategy that combines elements of both subscription and ad-supported models.

Platform model: A distribution system in which creators publish and monetize content through digital platforms, with revenue opportunities from advertising, brand partnerships, and subscriptions.

Return on content (RoC): Refers to the economic and strategic efficiency of programming expenditures. It evaluates whether the revenue and subscriber value generated by a title or library (via acquisition, retention, and advertising) justifies its total production, licensing, and marketing costs.

Subscription model: A business model in which users pay a recurring fee to access content, with or without advertising depending on the tier.

User-generated content: Content created and published by individual users or creators (typically outside of traditional TV/studio systems) and distributed through digital platforms.

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How KPMG can help

KPMG professionals help media companies navigate the changing economics of content investment, engagement, monetization, and profitable growth. Our experience across strategy, data, technology, finance, tax, and operating model transformation can help organizations evaluate where content spend is moving, how engagement models are evolving, and which capabilities are needed to support more durable value.

KPMG teams can support media companies across several connected areas:

- **Content and business strategy:** Assess content portfolios, business models, partnerships, bundles, and monetization strategies to help align investment decisions with growth, engagement, and profitability objectives.
- **Mergers and acquisitions:** Support buy- and sell-side transactions, including evaluating content and intellectual property, integrating acquired capabilities, and divesting noncore assets.
- **Operating model transformation:** Redesign operating models, governance, and decision processes so content, product, advertising, pricing, finance, and customer teams can work from a more connected view of value.
- **AI strategy, implementation, and governance:** Identify, prioritize, and implement AI use cases that can support content packaging, discovery, personalization, advertising relevance, offer design, churn prediction, and customer experience, while helping establish the governance needed to manage AI responsibly and at scale.
- **Consumer insights and data analytics:** Connect audience, content, pricing, advertising, billing, and customer experience data to help leaders understand engagement patterns and make more informed investment decisions.
- **Risk and controls:** Assess and strengthen risk management, governance, and controls as media companies adopt new technologies, expand partnerships, and evolve their content and monetization models.
- **Financial reporting and performance management:** Develop metrics, reporting structures, and management processes that connect content spend to engagement quality, retention, monetization, customer lifetime value, and profitability.
- **Tax planning and compliance:** Help media companies navigate tax considerations related to changing business models, content investments, partnerships, jurisdictions, and revenue streams.

Through these services, KPMG can help media companies sharpen content investment decisions, strengthen engagement models, and build a clearer path from audience attention to profitable growth.

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