MONEY IN MOTION:

The future of content spend and business models in Media

What media leaders need to know about the evolving trends in content investments, business models, and monetization opportunities.

The shifting economics of content

The content universe has never been more dynamic. Consumers have more to choose from—and more ways to discover, access, and enjoy it—than ever before.

For media companies, though, simply having content doesn't mean contentment. That's because the playbook for how compelling content is created, financed, and monetized continues to change quickly, driven by shifting consumer preferences, technology advances, and emerging platforms that are reshaping every stage of the media value chain.

To examine these dynamics in detail, this report explores **two pressing questions: Where is content investment heading? And how are business models adapting in response?**

Our report draws on extensive KPMG research of the industry's largest content players and a cross-section of relevant market data and signals (see page 10 for detailed research methodology). We look at whether the industry has reached "peak content," the sustained rise of ad-supported models, and the growing convergence between high-cost productions and user-generated ecosystems. We also analyze the evolving landscape of content partnerships, the influence of global considerations on content strategies, and the critical role of data and analytics in guiding decisions.

Our goal with this report is to provide media leaders with actionable, evidence-based insights as they navigate a fast-moving environment. Here's a snapshot of some key findings, which we explore in detail in this report:

- **Annual content spend by top players now exceeds $200 billion,** growing at a 10% compound annual growth rate (CAGR) since 2020, with some moderation post-pandemic.
- **Content investment and audience engagement efforts continue to shift** toward streaming and user-generated platforms as linear TV fights for market share.
- **Business models are converging,** as studios, platforms, and creators adopt shared funding approaches, monetize IP across ecosystems, and collaborate more closely to meet evolving audience demands.

Trends in content spend

Historical context

Content spend[1] has seen remarkable growth over the past five years, driven in part by the rise of streaming platforms like YouTube, Netflix, and Amazon. In response to this surge, most legacy media companies have launched their own direct-to-consumer services, further intensifying the competition for subscribers.

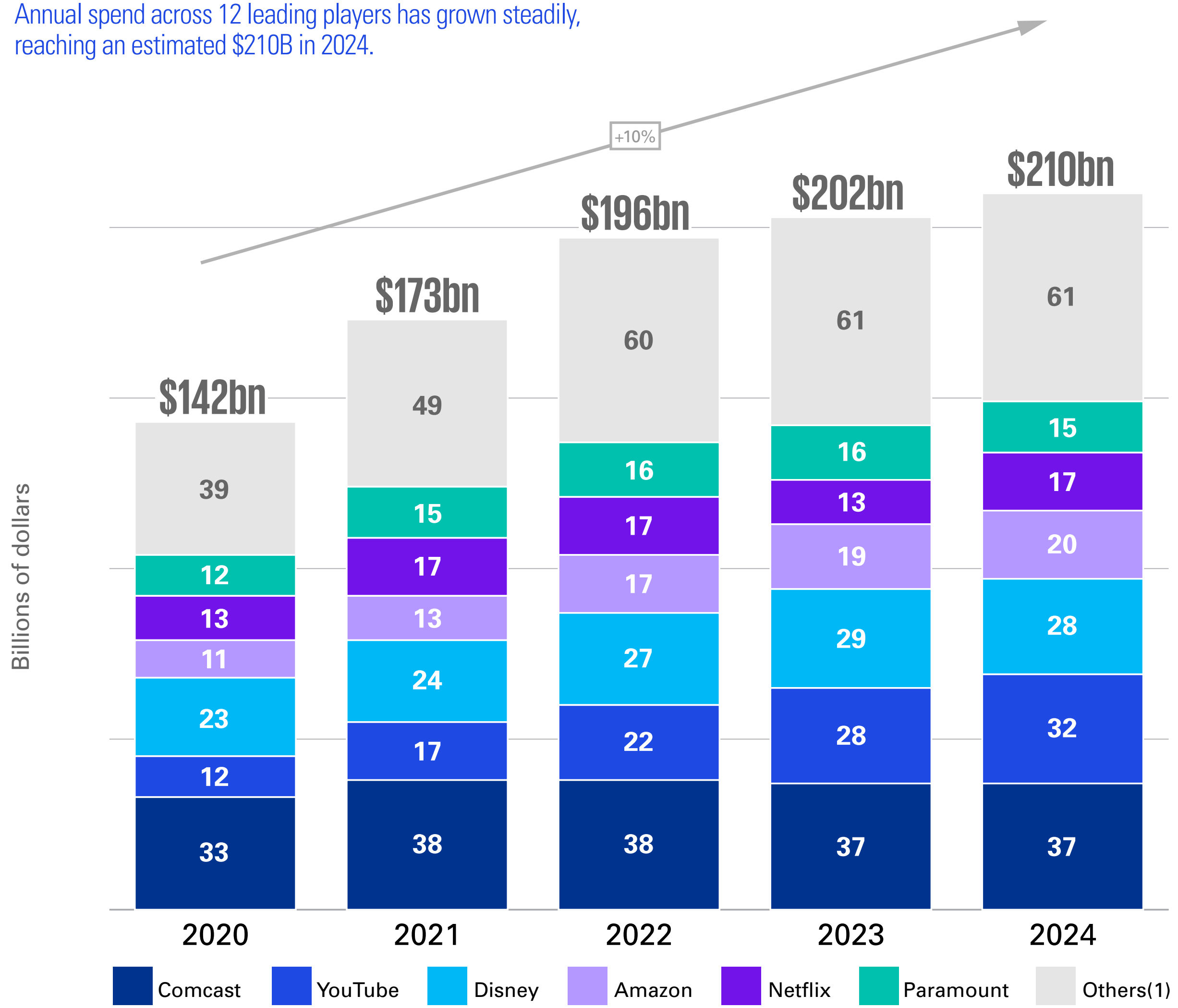
The industry experienced a significant acceleration in content investment heading into 2020, but this was followed by challenges from the COVID-19 pandemic, strikes by writers and actors in 2023, and an overall strategic pivot toward profitability. These challenges forced companies to reassess their strategies, balancing the need for compelling content with the demand for financial sustainability.

Following the height of the pandemic, we estimate that about $200 billion per year has been invested in content by the major players. This substantial investment underscores the importance of content as a key competitive differentiator in the media industry. It also suggests considerable resiliency in content spending, with an estimated 10% CAGR from 2020 to 2024 even amid the considerable headwinds from the pandemic and labor shutdowns. This includes 4% growth from 2022 to 2024.

1 Content spend, sometimes referred to as content investment, includes production and programming costs including, but not limited to, film and TV content production, sports media rights, revenue share payments to content creators, affiliate fees, and music.

Estimated annual content spend across leading companies*

Annual spend across 12 leading players has grown steadily, reaching an estimated $210B in 2024.



* Data in this chart reflects the 12 companies examined in this report, and is not intended to suggest overall content spending by all entities worldwide.

Note(s): (1) Others includes Meta, Warner Bros. Discovery, Spotify, Fox, Apple, and Sony

Key players and growth dynamics

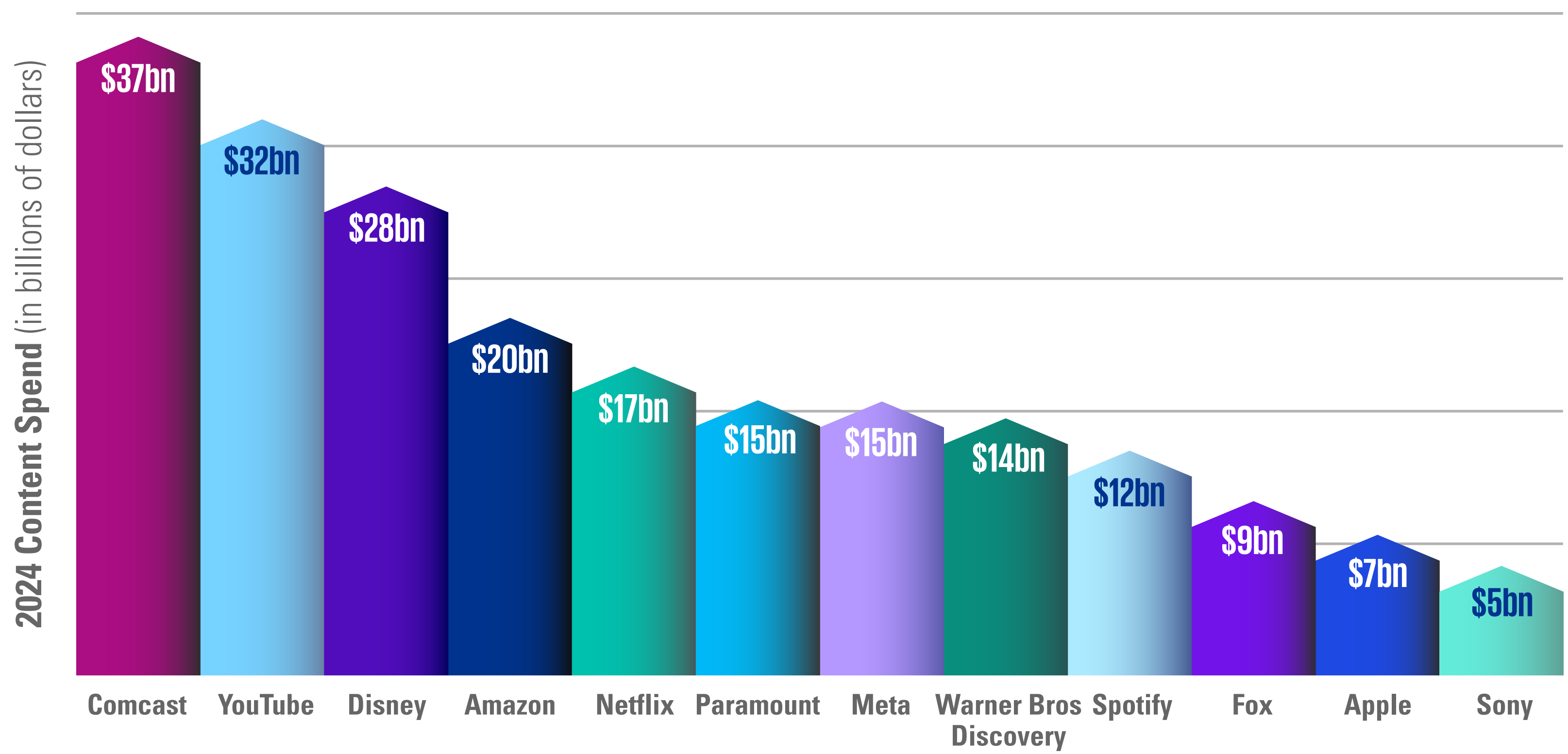
Our analysis focuses on 12 of the largest content spenders, which are primarily U.S.-based media and platform companies. While investment levels vary across this group, many continue to view content investment as a critical competitive lever.

While some argue that "peak content" has been reached, we believe the industry is far from saturation—although the reality is more nuanced. Content spend is not growing uniformly across formats and genres. Investments in sports rights, for example, have continued to rise, while investments in other areas (like scripted and reality programming) have slowed. In general, growth is now coming from an expanding mix of content types, distribution platforms, and audience preferences. We think the definition of both content and its "peak" is continuing to expand—with moderation—even as the industry tightens its focus on profitability vs. chasing subscribers.

In particular, the shift toward user-generated content and ad-supported models (such as YouTube and Amazon) as well as the emergence of free streaming services (such as PlutoTV and Tubi) are poised to drive further content expansion.

Estimated 2024 content spend by company

A snapshot of estimated 2024 content investment across 12 leading media and platform companies. While spending levels vary, all represent significant players in the global content landscape.

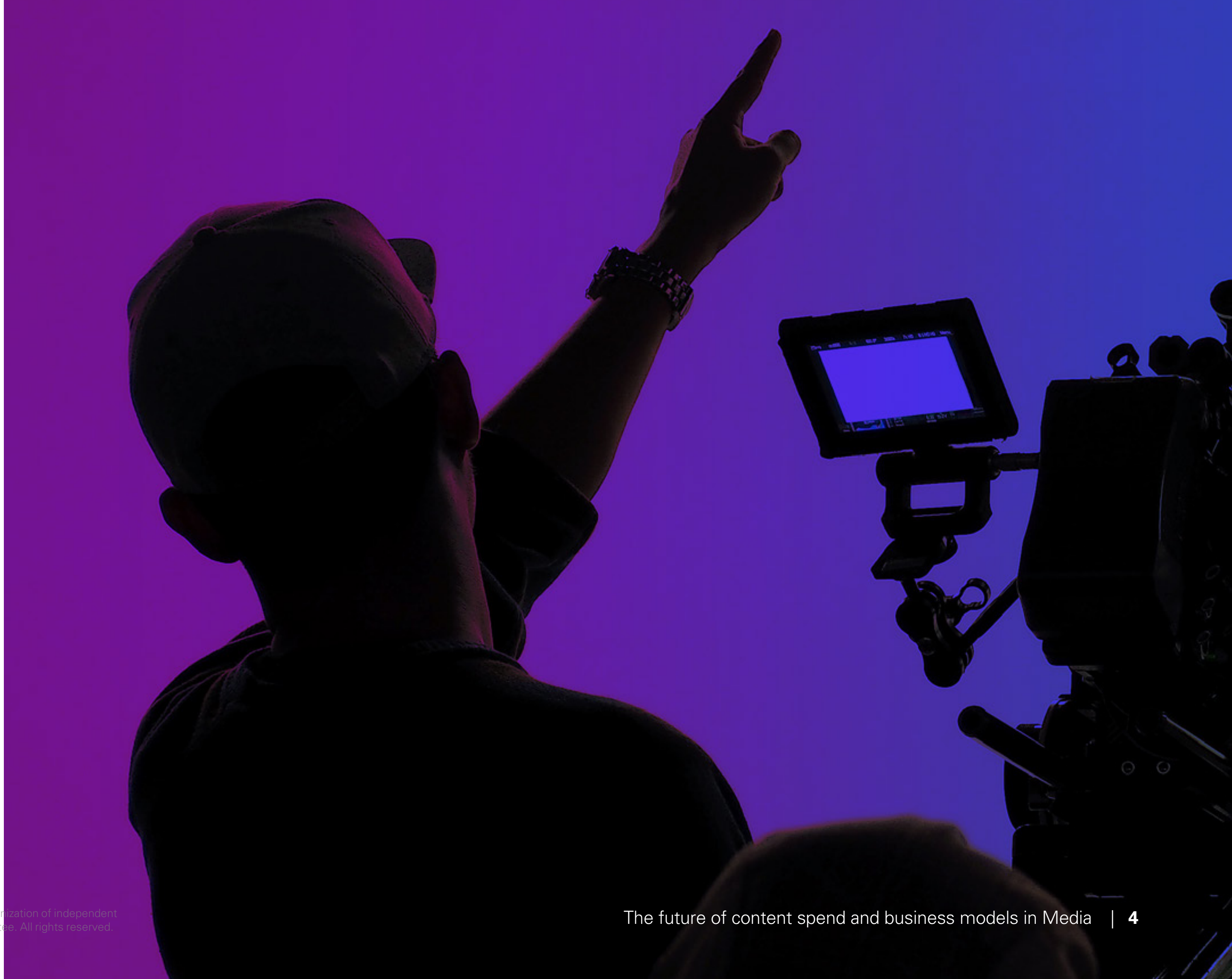


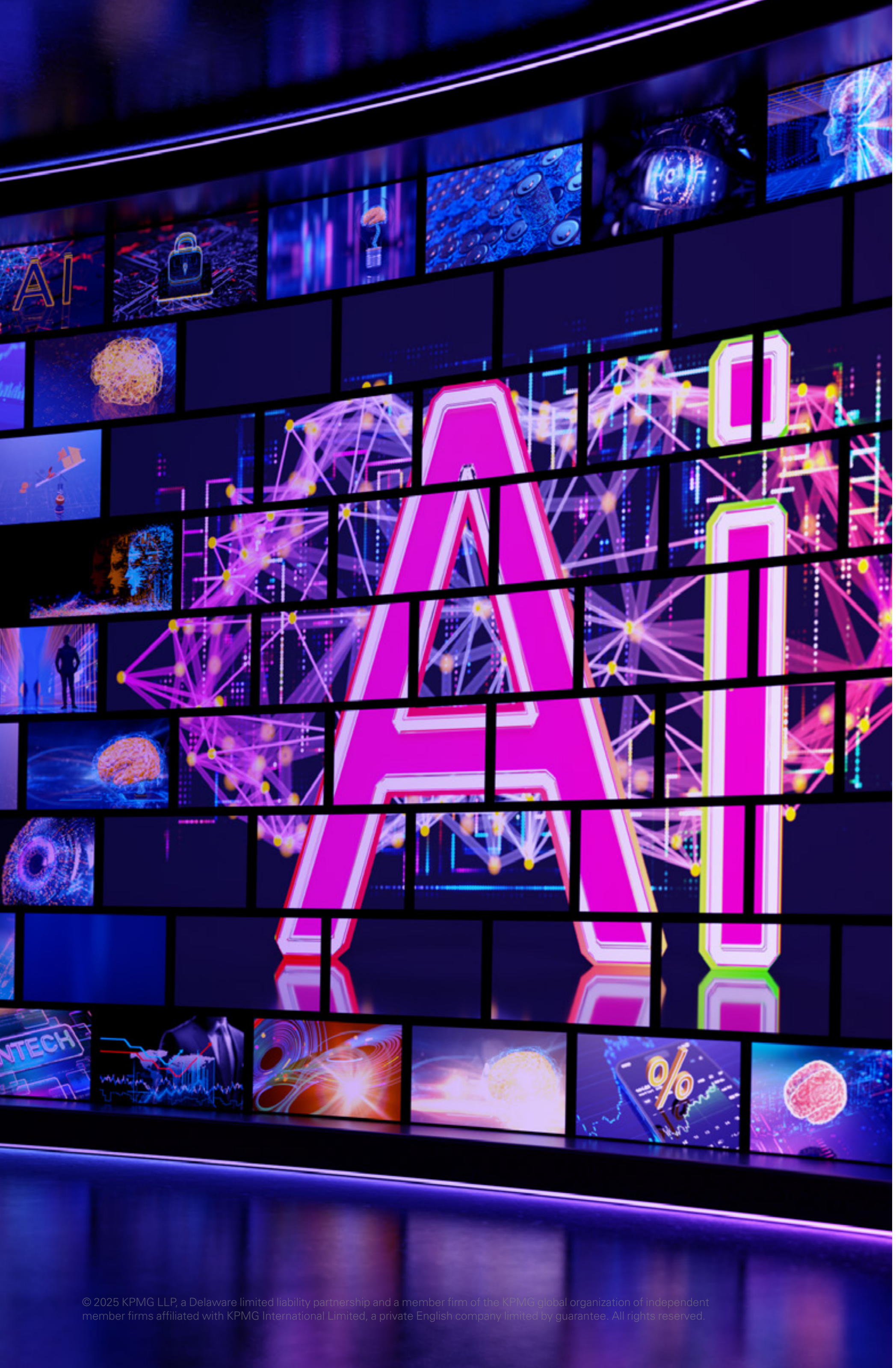
Evolution of content types

No one form of content will dominate the industry. Instead, based on discussions with multiple industry participants, we anticipate a future that features a diverse array of content types, from high-budget film and TV series to user-generated content from individual creators.

We believe the blending of these two forms—with high production values applied to individual creators' content—will become more prevalent. This convergence will capitalize on the power of compelling content that is amplified by the reach of scaled platforms. In a sense, user-generated content has created its own genre, which is why it isn't simply replacing traditional film and TV productions. However, **the growth of user-generated content has outpaced other segments and will likely see continued expansion**, fueled by increased ad dollars and a robust creator economy.

> "It's not just about 'more content' now. We're seeing more deliberate investment. Leaders are using their learnings from the past few years and the increasing power of data-driven insights to sharpen their bets, shape creative decisions, and drive better returns."
>
> — Scott Purdy, Media Sector Leader, Strategy, KPMG US





AI and its implications

One of the most intriguing potential growth dynamics is AI, which has people across the industry contemplating paradigm-changing scenarios. Some envision radically compressed production timelines or even fully generated series created from licensed likenesses and generative AI tools. Choose-your-own-adventure narratives, automated local dialogue, and ultra-low-cost formats are also part of the conversation. Whether these scenarios become widespread or remain edge cases, the implications for cost, speed, and creative control are profound. For now, **just how much AI will change content and media models—and how quickly—is still a matter of heated debate**.

Our view is that certain elements of the production process will likely become both faster and cheaper over time. But it would be surprising to us if overall content spend changed quickly. For large-budget productions, talent fees still make up 20–30% of total production costs—and an AI Tom Cruise is not the same as the real Tom Cruise. At least in the near term, AI will augment the production process, rather than take it over. And we believe AI will have a significant impact on content personalization, customization, and ad targeting.

> **“AI is rewriting the content playbook—creation, personalization, distribution, monetization. Media leaders thoughtfully and strategically experimenting with AI today are building tomorrow’s competitive advantage.”**
>
> — Frank Albarella, Jr., US Sector Leader, Media & Telecommunications, KPMG US

Business model evolution

Current and evolving models

As content formats and viewing behaviors evolve, so do the business models behind them.

Streaming platforms, live sports, and creator-driven ecosystems continue to attract more attention and investments. Linear TV still plays a role in some diversified portfolios. But the changing interdependencies between linear and streaming models will shape how companies allocate spend, attract talent, and structure distribution going forward. As companies juggle entrenched and emerging models, distribution and licensing decisions are becoming more complex, especially with the growth of direct-to-consumer strategies.

Meanwhile, streaming's data-rich environment enables more precise content creation, data-driven cost allocations, and more targeted monetization. The ability to leverage consumer data—for both ad targeting and engagement—will become an even more critical capability for companies to effectively monetize their content.

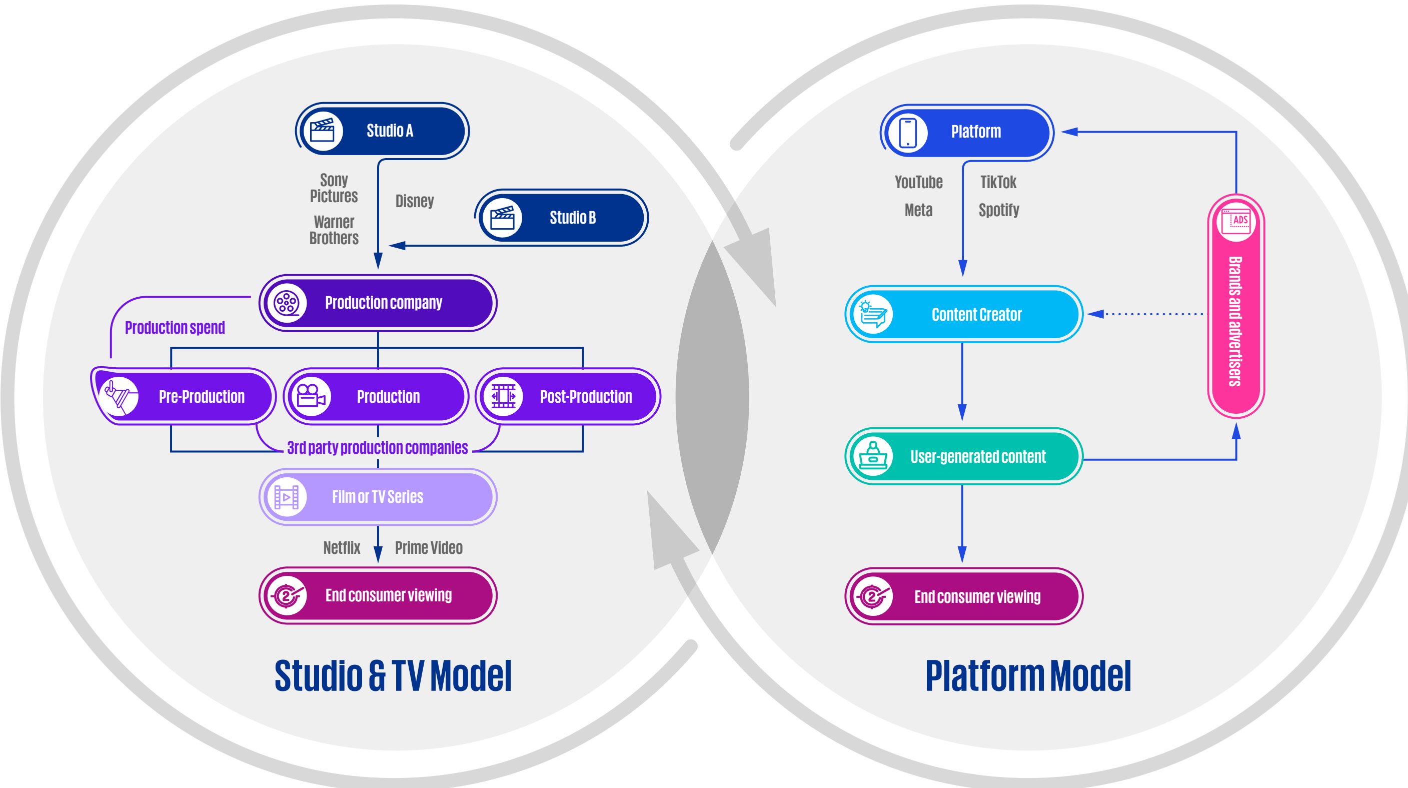
Converging models, new opportunities

The traditional studio model for financing TV series and films has long dominated the industry, often relying on an intricate web of third-party collaborations to bring projects to fruition. In contrast, platform models like YouTube and TikTok enable content creators to monetize their work through ad-supported revenue splits, direct sponsorships, and subscriptions and memberships. These models will increasingly blur, with subscription and ad revenue streams intertwining to create hybrid revenue approaches.

Converging business models

While these models remain distinct in structure and scale, they are increasingly overlapping. Traditional studios are adopting platform-like monetization and feedback loops, while digital platforms are moving upstream with higher production values, brand partnerships, and more curated content. The result is a hybrid model that blends creative control, audience access, and monetization strategies across both.

How content gets on the screen



Key characteristics:

- High upfront investment with long-term monetization
- Revenue is earned across the value chain
- Rigorous selection process for content
- Entry into the system is highly competitive, with limited access for new creators

Key characteristics:

- Revenue sharing from platform to content creators based on content performance
- Advertisers / brands have also started paying creators directly
- Creators have direct access to feedback / audience
- Low barriers of entry into the system, leading to the system being highly competitive

Strategic partnerships and collaborations

The future landscape will see fierce competition for individual content creators, akin to the historical battles for screenplays and series ideas. These creators now represent valuable intellectual property that will require innovative partnerships and new ways of collaborating.

Media companies will need to adapt by fostering strategic alliances that combine the scale of high-budget productions with the appeal and nimbleness of user-generated content. **Branding and positioning will become even more important** as much of the growth in media revenues is forecast to come from advertising.

International influence

Global markets will play a significant role in shaping content investment and business models. But the U.S. model does not always translate seamlessly to international audiences. International markets generally rely more heavily on ad-supported models and lower price points. Local content is often crucial for success, and the localization of "exported" content can unlock new monetization opportunities. To compete, companies must adapt their strategies to fit the unique dynamics of each market, focusing on tailored approaches that tap into diverse global audiences by embracing flexibility in pricing, partnerships, and programming.

Positioning for the future

To thrive in today's dynamic, fast-changing media landscape, companies must act with speed and clarity, focusing on several key strategies. At first glance, some of these approaches may not seem entirely new. But they are changing quickly. And with elevated competition, the stakes have never been higher.

Adapt your content strategy and aperture
To succeed, media companies must cultivate strategic partnerships, especially around their IP. That includes traditional relationships with other media entities, but also deeper collaboration with individual content creators, technology companies, and telecommunications firms (especially in international markets). These expanded partnerships will enable companies to leverage diverse strengths, create compelling content, and expand their global footprint.

Turn data into a competitive advantage
Investing in robust data and AI capabilities is now essential to modern media models. Enhanced data and expanded analytics skill sets can sharpen decision-making, enable more personalized consumer engagement, reduce churn, and improve ad targeting. This data-driven approach will ensure content investments align closely with audience preferences and market trends, providing a significant competitive advantage.

Build hybrid models that can scale
Today's media companies must swiftly adapt to new business models, transitioning between B2B and B2C approaches as needed. Those traditionally built to sell advertising to businesses need to quickly establish direct-to-consumer capabilities—and vice versa. A hybrid model is increasingly common, but it requires robust competencies in both models—ad tech, customer engagement, pricing strategies, creative excellence—to capitalize on the expanding mix of revenue opportunities.

Redefine your investor story
As business models converge, media leaders should reassess whether traditional KPIs for investors—like average revenue per user (ARPU) and other retention and churn metrics—tell the full story. More detailed engagement metrics (click-through rates, time spent, number of sessions) may better reflect the expanding complexities of media valuations. Agility will be essential for measuring success and communicating the evolution of traditional media to investors.

Investing in robust data and AI capabilities is now essential to modern media models—and can deliver significant competitive advantages.

Methodology and disclaimer

Our Approach

Fieldwork was conducted between April 2025 and August 2025. 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 list of companies is on the next page. The years of financial data that were analyzed covered 2020 to 2024.

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, creators) 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.

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

Carriage fees: A type of affiliate fee paid by cable and satellite providers to TV networks in exchange for the right to carry their programming, and typically structured as per-subscriber payments.

FAST (free ad-supported streaming TV): Streaming services that provide content free of charge, supported by advertisements.

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.

Subscription model: A business model in which users pay a recurring fee to access content without advertisements.

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

Appendix

Content Spend Methodology: Summary

Company	2024 Spend ($b)	Methodology & Assumptions
Comcast	37	Based on annual reports, obtained programming and production costs across Media, Studios, and Residential Connectivity & Platforms segments, using these figures as a proxy for overall content spend (inclusive of affiliate fees)
YouTube	32	Identified 5 areas of YouTube content spend using a combination of public filings and third-party reports: 1) Ad spend paid to content creators 2) YouTube affiliate spend 3) YouTube Premium licensing costs 4) Channel Membership payout to creators 5) NFL Sunday Ticket rights
Disney	28	Based on annual reports, identified content amortization of licensed programming rights and produced content and added rough estimate for incremental affiliate fees for Hulu + Live TV, as a proxy for overall content spend
Amazon	20	Based on annual reports, obtained total video and music expense embedded within licensing and production costs, as a proxy for overall content spend
Netflix	17	Based on annual reports, identified “addition to content assets” and subtracted “change in content liabilities” to calculate content spend
Paramount	15	Based on annual reports, identified content costs spent for the year using these figures as a proxy for overall content spend
Meta	15	Based on annual reports, calculated the difference between cost of revenue and depreciation costs
Warner Bros. Discovery	14	Based on annual reports, identified amortization expense (excluding impairment charges that are not representative of programming spend) as a proxy for overall content spend
Spotify	12	Based on annual reports, identified cost of revenue, which serves as a proxy for production costs
Fox	9	Based on annual reports, combined operating expenses for Cable Network and Television segments
Apple	7	Based on annual reports, identified cost of sales for the Services segment and then assumed a certain percentage of cost of sales is attributable to iTunes and Apple Music based on analyst report
Sony	5	Based on annual reports, identified the additions in content assets, which serves as a proxy for content spend
Total	210	

How KPMG can help

KPMG offers a coordinated suite of services tailored to empower media companies as they navigate the evolving landscape of content spend and business models. Our experience enables organizations to optimize profitability and adapt to industry shifts:

- **Business and operating model redesign:** Develop innovative business models and strategic plans that align with market trends and audience shifts, driving sustainable growth.
- **AI transformation and implementation:** Integrate advanced technologies like AI and analytics to streamline content creation and enhance monetization strategies.
- **Consumer insights and data analytics:** Utilize data analytics to gain deep insights into consumer behavior, enabling tailored content offerings and marketing strategies.
- **Financial reporting and management:** Optimize financial operations, enhance budget management, and help ensure accurate financial reporting, KPI development, and public disclosures to improve profitability.
- **Tax planning and compliance:** Provide strategic tax planning and compliance services to navigate complex tax environments and optimize tax positions.

Through these services, KPMG helps media companies stay ahead in a rapidly changing environment, enhancing enterprise value and driving operational excellence.

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