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Media & Entertainment Consumer Insights 2023

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Introduction

As the lines continue to blur between content providers, services, formats and subscription types, we find ourselves in a dynamic, multifaceted media ecosystem. Over the past year, we've seen an intriguing shift in how consumers interact with this ecosystem: it's not just about where content resides, but where we choose to spend our invaluable time, signalling interest as well as commitment and loyalty.

Now and perhaps more than ever, time is the new currency. With a formidable influx of media options, we're not just untangling the web of competing subscription video on demand (SVOD) services. Our choices are also oscillating between social platforms, music, gaming, reading and even in-person interactions. The digital realm doesn't operate in silos: every platform and service is intrinsically linked, vying for a share of our day.

But with proliferation comes complexity. The shift to ad-supported video on demand (AVOD) services is reshaping the landscape between paid and unpaid content, with an overlap of offerings from fully free to premium. Combined with extensive content and emerging services, most of us are also juggling countless subscriptions which presents a dilemma. How do we manage and navigate through this media maze? How do we choose what to consume for free and what's worth our penny?

Adding to this puzzle is the arrival of next-generation technologies, from generative AI to the promising realms of the metaverse and augmented and virtual reality (AR/VR). Apple's recent foray into VR glasses and the renewed buzz around the metaverse hint of a rapidly approaching future where media consumption is not just immersive, but transformative.

Through all this, sports events and entertainment experiences remain pivotal to consumers. The 2023 FIFA Women's World Cup in Australia, broke viewership records with 11.05 million watching the host's semi-final against England. And with the Olympic & Paralympic Games Brisbane 2032 on the horizon, our choices will only continue to expand.

Our 12th edition of Media & Entertainment Consumer Insights explores this complex terrain, delving into:

- The evolving dynamics of how consumers spend time across content types and platforms
- The rising complexity of media relationships and the implications for consumer experiences
- The onset of next-generation technologies and their potential to transform media consumption
- The undying allure of sport and how it continues to shape our media experiences.

Join us as we unravel the trends, behaviours and shifts that are defining the Australian media and entertainment consumer's journey in 2023.

About Media & Entertainment Consumer Insights

The 2023 instalment of our Media and Entertainment Consumer Insights, previously known as the Media Consumer Survey, casts a light on the dynamic state of media and entertainment consumption in Australia.

As in previous years this edition offers an in-depth examination of habits of Australians across five generations, from Gen Z to Matures. Our primary emphasis is on their engagement and interaction with digital media channels. We've also incorporated questions that hone in on the cutting edge of media innovations, including generative AI, and present an in-depth exploration of sporting events and experiences.

The survey supporting the findings of this report, undertaken by an independent research entity, gathered self-reported data from more than 2000 Australian participants. To ensure our insights remain timely and pertinent, we've refined our survey questions annually. This not only vouches for the relevance of our data but also permits us to identify and scrutinise nascent behaviours and trends in media and entertainment consumption.

Know your jargon

Before you dive in, get to know some of the industry terms we use in this report:

SVOD	Subscription video on demand
AVOD	Ad-supported video on demand
AR	Augmented reality
VR	Virtual reality
FTA	Free-to-air
UGC	User-generated content
Gen AI	Generative AI
BVOD	Broadcast video on demand
FAST	Free ad-supported streaming television
Subscription stack	The portfolio of subscriptions an individual or household subscribes to

Generational snapshot

Overall and Gen Z

OVERALL

$57 Average monthly spend on digital entertainment subscriptions (**$62** in 2022)

34% Are exceeding their target monthly budget

TOP 5 HOME ENTERTAINMENT ACTIVITIES *(in weekly hours:minutes)*

- 27h 10m — Watching video *(free-to-air, SVOD, video platforms e.g. YouTube)*
- 9h 15m — Listening to audio *(radio, music, podcasts and audio books)*
- 6h 30m — Browsing social media
- 3h 50m — Playing video games
- 2h 10m — Reading newspapers and magazines

↑ **3.2** Average number of paid entertainment subscriptions (**3.1** in 2022)

↑ **2.0** Average number of SVOD subscriptions (**1.7** in 2022)

- **84%** — **≥1** Have at least one paid entertainment subscription
- **29%** — **+1** Have added one or more subscriptions in the last 6 months
- **32%** — **-1** Have cancelled one or more subscriptions in the last 6 months

- Would rather pay for movies/TV shows to avoid ads — **60%**
- Prefer user generated content over TV/movies — **34%**
- Have used Gen AI tools — **31%**
- Watched the Women's World Cup — **48%**

Spend most of their social media time on: Facebook, YouTube, Instagram

Get their news most frequently from: #1 Television #2 Radio #3 Social media

GEN Z

AGE: 16-24

$79 Average monthly spend on digital entertainment subscriptions (**$82** in 2022)

49% Are exceeding their target monthly budget

TOP 5 HOME ENTERTAINMENT ACTIVITIES *(in weekly hours:minutes)*

- 24h 20m — Watching video *(free-to-air, SVOD, video platforms e.g. YouTube)*
- 15h 35m — Listening to audio *(radio, music, podcasts and audio books)*
- 12h 45m — Browsing social media
- 6h 00m — Playing video games
- 1h 15m — Reading newspapers and magazines

↑ **4.6** Average number of paid entertainment subscriptions (**4.5** in 2022)

↑ **2.7** Average number of SVOD subscriptions (**2.4** in 2022)

- **90%** — **≥1** Have at least one paid entertainment subscription
- **53%** — **+1** Have added one or more subscriptions in the last 6 months
- **54%** — **-1** Have cancelled one or more subscriptions in the last 6 months

- Would rather pay for movies/TV shows to avoid ads — **70%**
- Prefer user generated content over TV/movies — **56%**
- Have used Gen AI tools — **62%**
- Watched the Women's World Cup — **59%**

Spend most of their social media time on: Instagram, TikTok, YouTube

Get their news most frequently from: #1 Social media #2 Television #3 Radio

Generational snapshot

Millennials and Gen X

MILLENNIALS
AGE: 25-38

$66 Average monthly spend on digital entertainment subscriptions
$84 in 2022

45% Are exceeding their target monthly budget

TOP 5 HOME ENTERTAINMENT ACTIVITIES *(in weekly hours:minutes)*

23h 15m	Watching video *(free-to-air, SVOD, video platforms e.g. YouTube)*
10h 10m	Listening to audio *(radio, music, podcasts and audio books)*
7h 40m	Browsing social media
5h 50m	Playing video games
1h 40m	Reading newspapers and magazines

↑ 4.3 Average number of paid entertainment subscriptions
4.2 in 2022

↑ 2.7 Average number of SVOD subscriptions
2.3 in 2022

92% ≥1 Have at least one paid entertainment subscription

41% +1 Have added one or more subscriptions in the last 6 months

45% -1 Have cancelled one or more subscriptions in the last 6 months

Would rather pay for movies/TV shows to avoid ads	73%
Prefer user generated content over TV/movies	38%
Have used Gen AI tools	46%
Watched the Women's World Cup	53%

Spend most of their social media time on: Facebook, Instagram, YouTube

Get their news most frequently from:
#1 Social media #2 Television #3 Digital integrators

GEN X
AGE: 39-55

$55 Average monthly spend on digital entertainment subscriptions
$56 in 2022

33% Are exceeding their target monthly budget

TOP 5 HOME ENTERTAINMENT ACTIVITIES *(in weekly hours:minutes)*

26h 25m	Watching video *(free-to-air, SVOD, video platforms e.g. YouTube)*
8h 25m	Listening to audio *(radio, music, podcasts and audio books)*
5h 50m	Browsing social media
3h 15m	Playing video games
1h 40m	Reading newspapers and magazines

↑ 3.1 Average number of paid entertainment subscriptions
2.8 in 2022

↑ 2.0 Average number of SVOD subscriptions
1.8 in 2022

88% ≥1 Have at least one paid entertainment subscription

27% +1 Have added one or more subscriptions in the last 6 months

33% -1 Have cancelled one or more subscriptions in the last 6 months

Would rather pay for movies/TV shows to avoid ads	59%
Prefer user generated content over TV/movies	28%
Have used Gen AI tools	30%
Watched the Women's World Cup	46%

Spend most of their social media time on: Facebook, YouTube, Instagram

Get their news most frequently from:
#1 Television #2 Social media #3 Radio

Generational snapshot

Boomers and Matures

BOOMERS
AGE: 56-74

$43 Average monthly spend on digital entertainment subscriptions
$43 in 2022

21% Are exceeding their target monthly budget

TOP 5 HOME ENTERTAINMENT ACTIVITIES *(in weekly hours:minutes)*

32h 20m	Watching video *(free-to-air, SVOD, video platforms e.g. YouTube)*
7h 00m	Listening to audio *(radio, music, podcasts and audio books)*
3h 55m	Browsing social media
2h 10m	Playing video games
3h 25m	Reading newspapers and magazines

↑ 2.0 Average number of paid entertainment subscriptions
1.9 in 2022

↑ 1.2 Average number of SVOD subscriptions
1.1 in 2022

72% — ≥1 Have at least one paid entertainment subscription

13% — +1 Have added one or more subscriptions in the last 6 months

14% — -1 Have cancelled one or more subscriptions in the last 6 months

Would rather pay for movies/TV shows to avoid ads	46%
Prefer user generated content over TV/movies	17%
Have used Gen AI tools	10%
Watched the Women's World Cup	42%

Spend most of their social media time on: Facebook, YouTube, Instagram

Get their news most frequently from:
#1 Television **#2** Radio **#3** Newspaper

MATURES
AGE: 75+

$39 Average monthly spend on digital entertainment subscriptions
$47 in 2022

11% Are exceeding their target monthly budget

TOP 5 HOME ENTERTAINMENT ACTIVITIES *(in weekly hours:minutes)*

31h 20m	Watching video *(free-to-air, SVOD, video platforms e.g. YouTube)*
6h 00m	Listening to audio *(radio, music, podcasts and audio books)*
3h 55m	Browsing social media
1h 15m	Playing video games
3h 40m	Reading newspapers and magazines

1.6 Average number of paid entertainment subscriptions
1.6 in 2022

0.8 Average number of SVOD subscriptions
0.8 in 2022

68% — ≥1 Have at least one paid entertainment subscription

4% — +1 Have added one or more subscriptions in the last 6 months

4% — -1 Have cancelled one or more subscriptions in the last 6 months

Would rather pay for movies/TV shows to avoid ads	42%
Prefer user generated content over TV/movies	12%
Have used Gen AI tools	4%
Watched the Women's World Cup	48%

Spend most of their social media time on: Facebook, YouTube, Instagram

Get their news most frequently from:
#1 Television **#2** Newspaper **#3** Radio

Where we spend our TIME

Snapshot

Video's still the media star

Video
27h 10m

12h 20m	Live and catch-up free-to-air TV (e.g., 9Now, iView)
10h 25m	Subscription video on demand (e.g., Netflix, Stan)
4h 25m	Video platforms (e.g., YouTube, Twitch)

Audio
9h 15m

7h 20m	Music/radio take the lead
1h 50m	Podcasts and audiobooks

Social media
6h 30m

Video games
3h 50m

News and magazines
2h 10m

Bite-sized and binge-worthy

Short form social media content is where it's at, especially for Gen Z

60% of Australians spend more than an hour a day on social media

Gen Z	95%
Boomers	31%

42% watch more UGC than SVOD

Gen Z	69%
Boomers	23%

66% find engaging with friends and family on social media as fulfilling as in person

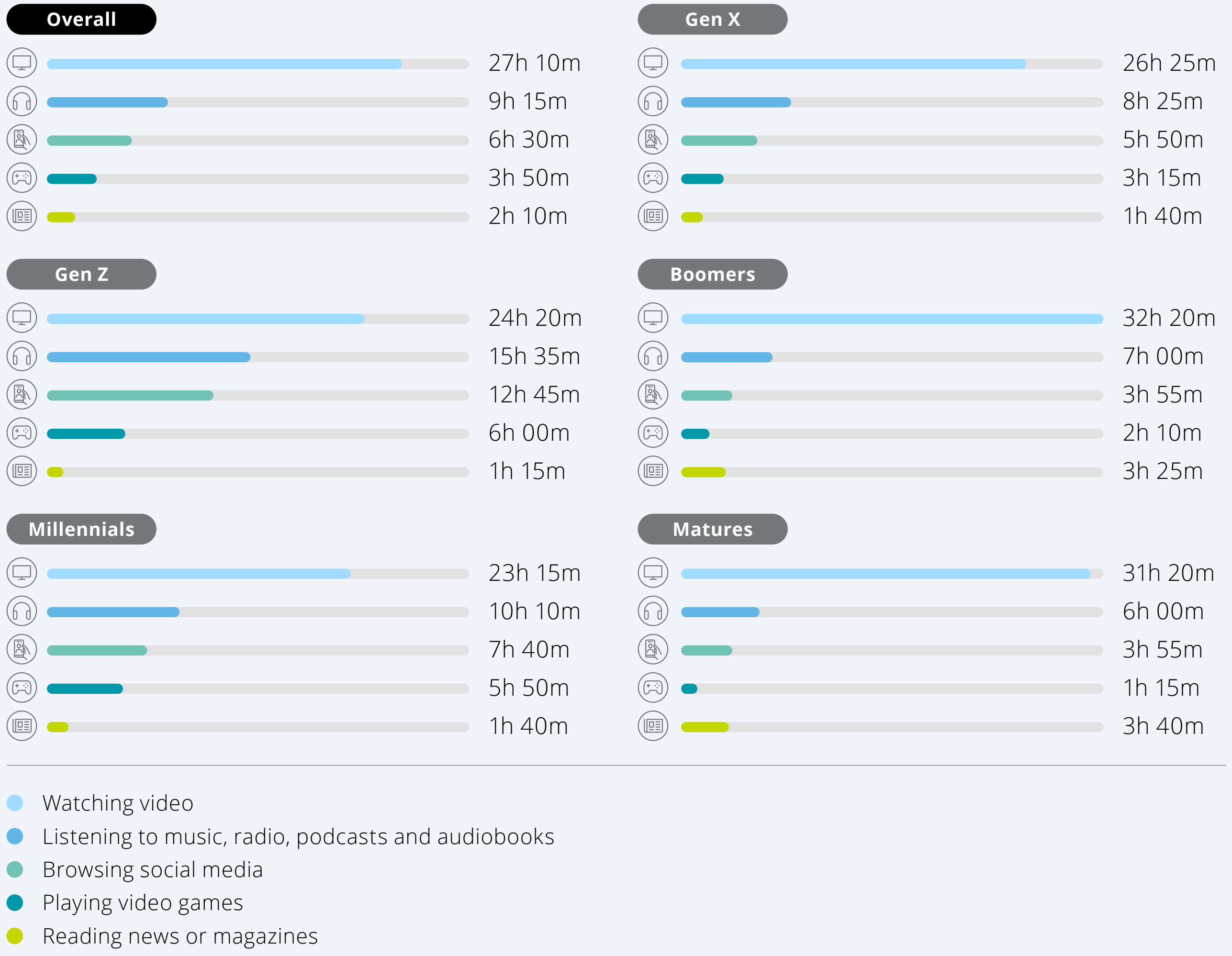
The media maze

Entertainment juggling continues

In the digital media landscape, the boundaries between various media types are no longer rigid. Consumers maintain a slew of media and entertainment across platforms, apps, subscriptions, studios, shows, mastheads and programs – deftly switching between them to find the most engaging content.

As this landscape grows more complex and fragmented, time has become the most important currency. To capture a greater share of consumers' time, media organisations must meet highly personalised and flexible demands and contend with countless competitors beyond their traditional rivals.

Weekly time spent per entertainment activity



The media maze

Entertainment juggling continues

Video may capture the greatest share of our attention, but our time is increasingly fragmented across complementary (and substitutable) activities like audio, reading, gaming and social media. We use an increasing number of connected devices – phones, TVs, smart speakers, earbuds – with near ubiquitous access at any time or place. And the apps enabling these connections offer a seamless user experience, making content available across devices with a wave of the hand.

It's a far cry from when movies were exclusive to the cinema or living room, radio to the car or kitchen, and video games to a console or desktop computer. Consumers can now stream AI-powered personalised radio, play against PC and console gamers on the other side of the world from their smartphone, rewatch sports in bite-sized pieces – or in the extreme, watch entire movies in two-minute chunks on social media. If nothing else, we can simply swipe through millions of live streams recommended by tailored algorithms.

With so much choice, content promotion and a growing list of media and entertainment alternatives, capturing and holding consumers' attention is like gold. It requires more active management to create an undisrupted and engaging content discovery experience, and raises the stakes on prominence regulation and third parties' right to content redistribution.

Harmonious and reinforcing pathways are also emerging across content types:

54% of consumers watch shows or movies on streaming services after hearing about them on social media

44% of gamers play a specific video game after watching a TV show or movie

49% of gamers often discover new music while gaming

33% of consumers find new artists or music through social media

21% of consumers find new artists through TV shows and movies on streaming services[1]

While these pathways may pose a threat to media companies trying to build sustained relationships with audiences, they also create opportunities to serve engaging and meaningful content wherever consumers choose to spend their time. We're seeing the power of these opportunities grow as brands build universes, franchises and story arcs that span traditional boundaries (e.g. the Marvel and Star Wars character extensions).

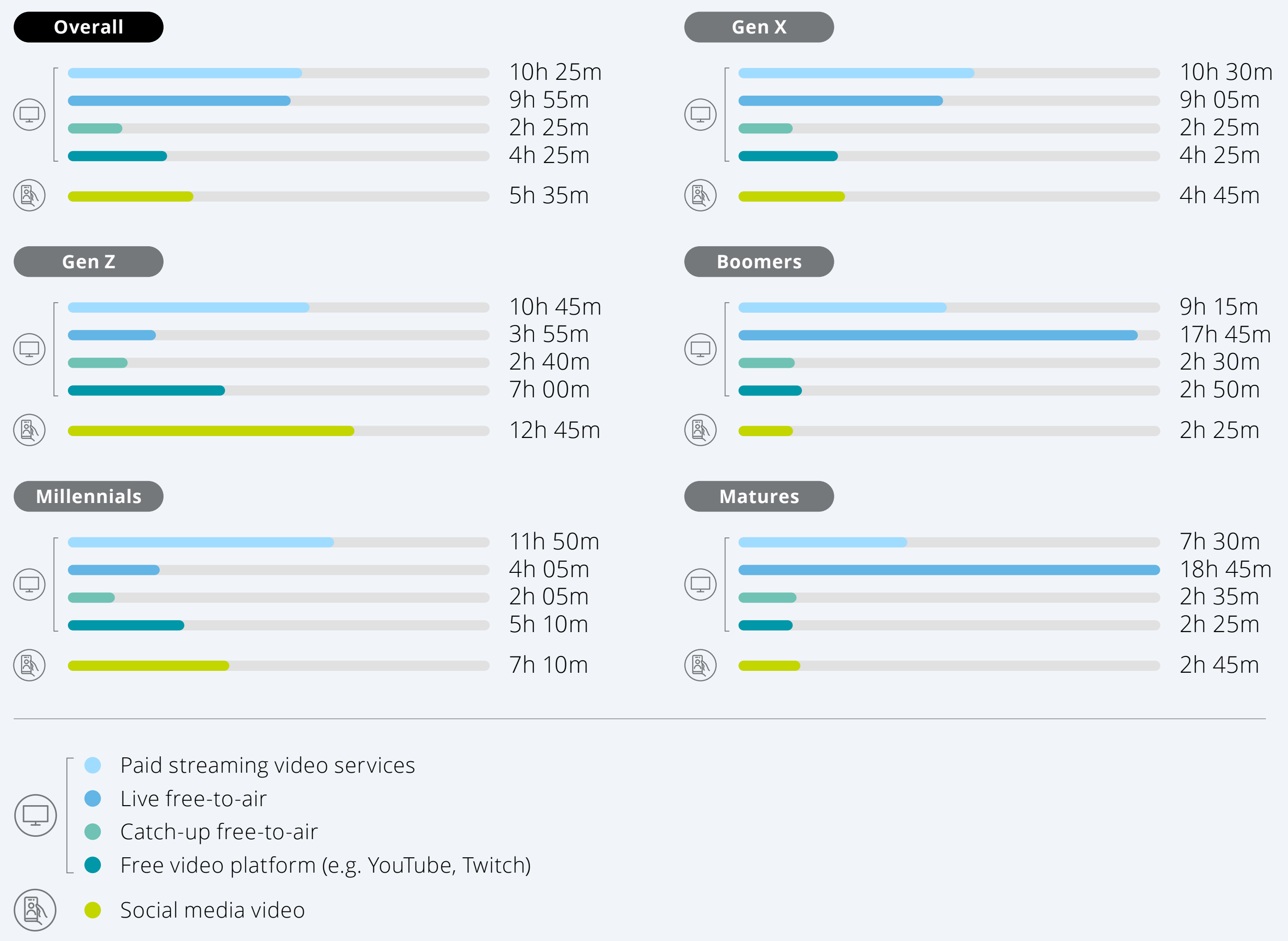
Video

It's still the media star

Video runs the show when it comes to time spent on digital entertainment. We consume an average of 27 hours and 10 minutes of video each week across free-to-air, streaming services and online platforms – more than half our total digital entertainment diet.

Though means of access and preferred platforms vary by generation, the love of this format extends across all ages, ranging from 23 hours 15 minutes per week for Millennials to 32 hours 20 minutes for Boomers (excluding social media video). It's not easy to win a share of this time as we regularly switch devices, transition between general social media consumption and dedicated video consumption, and move from lean-back live experiences to heavily curated on-demand feeds.

Amount of time spent watching video content per category



Video

It's still the media star

The growth of digital video has given consumers near limitless choice in how and where they source entertainment. It has also blurred the line between longer-form, studio-produced episodic content and bite-sized, user-generated, social-oriented content. Still, free-to-air content continues to play a vital role in Australians' viewing habits as the leading source of video consumption, accounting for 12 hours 20 minutes per week. This comprises 9 hours 55 minutes of live content (broadcast and streaming, the preferred ways to watch free-to-air) and 2 hours 25 minutes of on-demand and catch-up.

Taking a generational view, these consumption behaviours are increasingly divergent. Live content still reigns supreme across all generations, but Gen Z value having control of their own schedule with a more even split (3 hours 55 minutes live, 2 hours 40 minutes on-demand). While audiences have been educated to value the flexibility of on-demand content, there's a clear opportunity for free-to-air (and other) players to redesign the live digital consumption experience. This could see their apps bring the best of both worlds across all devices, blending lean-back style of linear broadcast with the flexibility and personalisation of digital navigation.

The maturing SVOD market is closing the gap on free-to-air consumption, accounting for 10 hours 25 minutes (both live and catch-up FTA) on average across all generations. While growth in this market has historically skewed to younger audiences, the gap has closed substantially across Gen Z (10 hours 45 minutes per week), Millennials (11 hours 50 minutes), Gen X (10 hours 30 minutes) and Boomers (9 hours 15 minutes). The battle for eyeballs will only intensify as the subscription juggle gets more complex and costly, with 23% of respondents who cancelled an SVOD service doing so in favour of watching free-to-air.

While these players joust for audiences, they also have a complex relationship with social media and free video platforms. YouTube, for example, competes for consumption time but is also a valuable distribution channel to grow and retain audiences. Viewers spend an average of 9 hours and 55 minutes hours a week consuming video on these platforms, doubling to nearly 20 hours for Gen Z. Content owners have learned to embrace them as entertainment destinations in their own right, expanding relationships with new and existing audiences. This strategy will need to continue as consumer behaviour grows increasingly fluid, forcing more difficult trade-offs between retaining audience eyeballs within their own ecosystem and engaging wider audiences on social or non-owned platforms.

Free-to-air content continues to play a vital role in Australians' viewing habits as the leading source of video consumption, accounting for

12h 20m

per week

Social media

Bite-sized and binge-worthy

Social media's influence on content consumption habits has defined the way we find, engage with and share media. The most telling impact is the ever-rising popularity of short-form video content, where publishers range from global studios to individual creators.

60% of consumers spend more than an hour a day on social media, ranging from the near ubiquitous behaviours of Gen Z (95%) to its growing popularity with Boomers (31%). Gen Z average 12 hours 45 minutes a week, while Boomers and Matures average just under 4 hours.

Overall, Facebook is the most popular destination across generations. 72% place it in their three most frequently used social apps, ahead of YouTube (50%) and Instagram (46%). Gen Z sees the world differently, leaning towards Instagram (66%) and TikTok (65%), followed by YouTube (45%). They're choosing to consume raw content from other users more often than polished, professionally produced material, with 69% spending more time watching user-generated content online than TV shows and movies on video streaming services. It proves particularly captivating for Gen Z: 82% say they always spend more time watching user-generated content than they plan to, likely because their preferred apps are optimised to encourage continued use.[2]

Weekly time spent browsing social media across generations

Overall	6h 30m
Gen Z	12h 45m
Millennials	7h 40m
Gen X	5h 50m
Boomers	3h 55m
Matures	3h 55m

Sharing user-generated content has become a significant way that Gen Z interact with others. 73% of this generation feel it's become a form of communication between themselves and their friends and family, and Instagram reported that 47% of surveyed users believed the Stories format helped them be more authentic when doing so.[3] The same survey revealed 44% of respondents liked the feature's transient nature: Stories disappear after 24 hours, which helps people share content that's more true-to-life than the more polished material they typically post on their feed.

Our interest in short-form content extends beyond connecting with peers. 70% of sports fans rank highlights and clips among their top three preferred types of sports content, ranking second only to watching live event coverage. Gen Z is again the most interested in these shorter formats, with 19% ranking highlights and clips as their favourite sports content compared to just 14% of Boomers.

Podcasts and audiobooks

Tunes keep us going

Australians are spending an average of 9 hours 15 minutes per week listening to audio content, a more passive, hands-free experience that lends itself particularly well to multitasking. Music and radio continue to dominate this weekly consumption, accounting for 7 hours 20 minutes.

Weekly average amount of time spent per audio content category

7h 20m

Music and radio

1h 50m

Podcasts and audiobooks

Podcasts and audiobooks, which make up the remaining 1 hour 50 minutes, are increasingly popular. The adaptable, lean-back nature of these longer formats has driven up consumption time, helped by the greater availability of smart speakers and seemingly omnipresent Bluetooth earphones. 41% of people consume at least one hour of podcasts and audiobooks per week, with Australia leading the world in podcast listenership.[4] These active podcast listeners consume 4 hours 30 minutes every week, highlighting that it's a sticky format for those who regularly engage.

Gen Z consumers are the biggest fans of audio in general, listening to 15 hours 35 minutes a week across all formats – more than 1.7 times the average. And while the genesis of podcasts is firmly rooted in audio, it's also becoming a visual medium: nearly half (46%) of listeners prefer to consume them with accompanying video footage.[6]

41%

of people consume at least one hour of podcasts and audiobooks per week, with Australia leading the world in podcast listenership[5]

The increasing complexity of

MEDIA RELATIONSHIPS

Snapshot

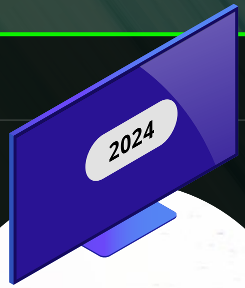
Status: it's complicated

2021 2.3 — 2022 3.1 — Growth in **digital media subscriptions** per household is plateauing → 2023 3.2

Gen Z	4.6
Boomers	2.0

	% of consumers with a paid subscription	Average # of subscriptions per category
SVOD	77%	2.6
Music	49%	1.2
Sport	23%	1.1
Pay TV	11%	N/A
Gaming	6%	1.3
News	5%	1.4
Magazines	3%	1.6

↓84%
have 1+ paid entertainment subscription
86% in 2022



This plateau looks like continuing in 2024 - how many SVOD subscriptions do you expect to have in 12 months?

7%	+	more than now
66%	=	same
12%	-	fewer than now
15%	0	none at all

As the content landscape fragments, consumers want aggregation

48%	find it hard to know what content is available and where
70%	wish they could manage multiple subscriptions in one place
73%	wish they could search and discover content across all their subscriptions in one place

Snapshot
Continued

The end of ever-growing spend?

Monthly spend has declined

Major drivers include the rising cost of living, growing popularity of ad-supported subscriptions, and increase in free content

2021 $55 → 2022 $62 → 2023 $57

66% are concerned about the cumulative costs of subscriptions

Across all subscription categories, we cancel more frequently than we add – especially younger consumers

In the last 6 months...

29% added	32% cancelled	17% both added and cancelled
Gen Z 53%	Gen Z 54%	Gen Z 36%

Australians are actively managing their SVOD subscriptions

Of those that changed their SVOD subscriptions...

Change once a year	51%
Change 2-3 times a year	37%
Change 4 times a year	6%

Main drivers of SVOD cancellations

#1 Price — 70%

#2 Price increases and cheaper alternatives — 42%

#3 Didn't use the service enough — 40%

But when household budgets need trimming, most consumers look elsewhere before cutting subscription spend

- **#1** Eating out
- **#2** Alcohol & tobacco
- **#3** Digital entertainment
- **#4** Groceries

Snapshot
Continued

The ad-vantage

There's a growing appetite for ad-tiered subscriptions, but we still prefer ad-free content

We would rather...

- 60% Pay for ad-free TV and movies
- 48% Pay for ad-free music
- 33% Pay for ad-free sports
- 30% Pay for ad-free games
- 29% Pay for ad-free news

We're most willing to engage with ads on:

- 47% TV
- 29% Smartphone
- 8% Laptop
- 6% Desktop

The most attention-grabbing ad medium varies by generation

	Ads on social media	Ads on free-to-air TV
Gen Z and Millennials	40%	28%
Gen X, Boomers and Matures	15%	63%

Subscriptions

Click here to subscribe (or don't)

Subscription stacks are largely static for Australians in 2023 despite significant year-on-year growth in previous surveys. Budget constraints are likely to blame for this, along with more tiering of subscription services and an influx of ad-supported platforms.

The average number of subscriptions per household is 3.2 this year, a slight increase from 3.1 in 2022. SVOD is largely driving this modest change, with a small uptick of 0.2 in average subscriptions per household (excluding those with none). Music subscriptions are static at 1.2, while magazine subscriptions (1.6), sport (1.1), news (1.4) and gaming (1.3) all remain largely unchanged. Penetration is also relatively stable in 2023: 84% of respondents hold at least one digital media subscription, the same as last year.

Australians are much more likely to stack SVOD subscriptions over other categories, with the average SVOD subscriber holding 2.6 subscriptions in this category. This grows among Gen Z subscribers, who hold an average of 3.1. Matures are more likely than other generations to stack news and magazine subscriptions, holding an average of 2.9 for each, compared to the overall average of 1.4 and 1.6 respectively.

Subscriptions per household (excluding those with none)

	Overall	Gen Z	Millennials	Gen X	Boomers	Matures
SVOD						
% with	**77%**	86%	91%	82%	59%	55%
Avg #	**2.6**	3.1	3.0	2.4	2.0	1.5
Music						
% with	**49%**	79%	71%	49%	21%	16%
Avg #	**1.2**	1.3	1.3	1.1	1.1	1.2
Sport						
% with	**23%**	37%	27%	21%	16%	17%
Avg #	**1.1**	1.2	1.2	1.1	1.1	1.1
Pay TV						
% with	**11%**	9%	8%	8%	16%	19%
Avg #	**N/A**	N/A	N/A	N/A	N/A	N/A
Gaming						
% with	**6%**	14%	9%	6%	2%	1%
Avg #	**1.3**	1.4	1.4	1.2	1.4	0.0
News						
% with	**5%**	3%	3%	3%	9%	8%
Avg #	**1.4**	1.8	1.5	1.5	1.3	2.9
Magazines						
% with	**3%**	3%	1%	2%	5%	6%
Avg #	**1.6**	1.8	1.7	1.5	1.5	2.9

Note: Average # refers to the average number of subscriptions held by respondents with at least one subscription

Subscriptions

Click here to subscribe (or don't)

There are now fewer barriers to owning subscriptions as multi-tier offerings multiply and the distinction between paid and unpaid services blur. This approach is already established across the streaming landscape, where most players offer a range of subscriptions at different price points to maximise their audience base.

31% of respondents said they would be interested in subscribing to a provider's AVOD service if it were cheaper than its full-priced SVOD offering, highlighting price sensitivity. Gen Z (38%) and Millennials (37%) are more likely to subscribe to an AVOD offering than older generations, perhaps because they watch less live and catch up free-to-air TV: Gen Z average 6 hours 30 minutes per week, while Matures consume 21 hours 20 minutes. This highlights that an AVOD service is a more unique proposition for younger generations based on the content they watch now.

AVOD offerings have so far proven to be an effective retention strategy. When Netflix launched its AVOD offering in early 2023, 6% of their customers downgraded their subscription to this tier. Of those that downgraded, 13% had intended to cancel their subscription in the previous quarter.[7] In the UK Deloitte's 2023 Digital Consumer Trends report found that 35% of respondents would consider a cheaper AVOD offering if banned from sharing video subscriptions with people outside their household.[8] Comparatively, only 21% would consider taking out a new account at full price.[9]

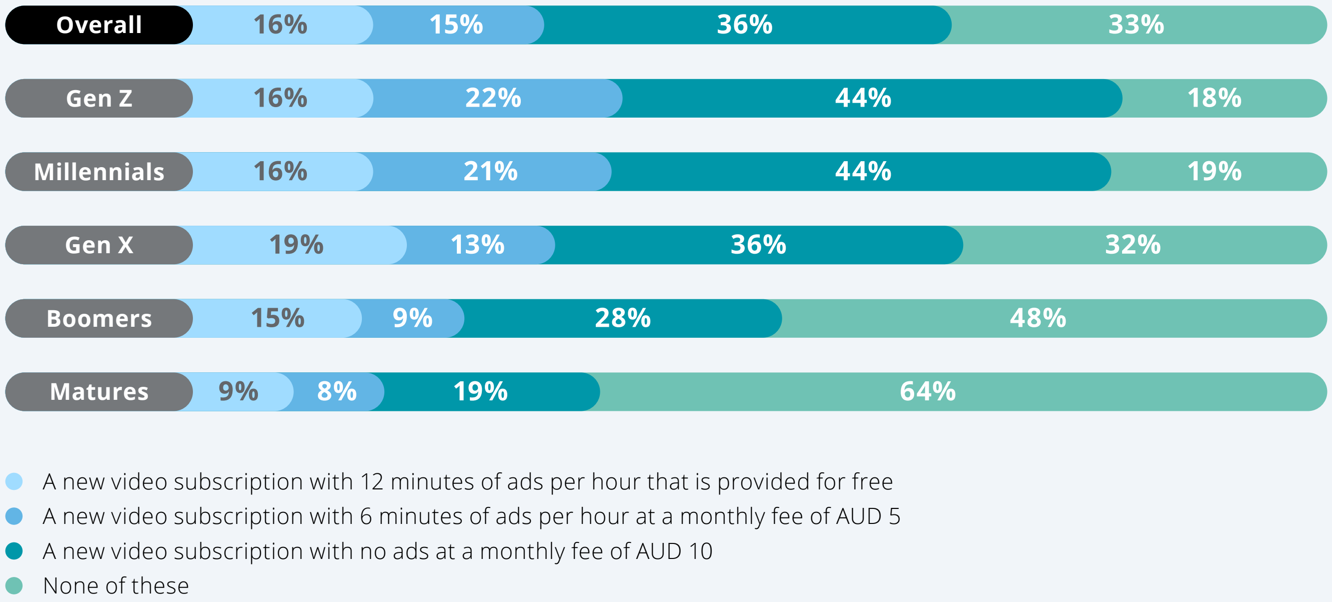
Gen Z and Millennials are more likely to subscribe to an AVOD offering than older generations

38%	37%	32%	24%	17%
Gen Z	Millennials	Gen X	Boomers	Matures

Subscriptions

Click here to subscribe (or don't)

Interest in a video subscription with or without ads (in % of respondents)



Gaming services are experimenting with subscription tiering models, exploring how to balance the bundling of features to improve value for distinct gamer segments and for the company. Last year, PlayStation Plus revamped its subscriptions to recognise the better value in online multiplayer, cloud gaming and access to large gaming catalogues. Microsoft has announced its own revamp of Xbox Live Gold tiering after 20 years of operations, launching Game Pass Core to better align with the evolving value propositions more casual gamers demand.[10]

Music platforms are pursuing a different strategy to subscription tiering altogether. They continue to invest in a constant stream of innovative features spanning playlist and artwork personalisation, AI curation tools and social sharing features that are made available to all subscribers. Tiers themselves remain relatively stable, while price increases have been the primary avenue of growth as they seek to extract more from subscribers.

This expanding subscription landscape is removing the distinction between free and paid offerings, giving consumers more options. While this helps media providers target more subscribers, it creates more complexity for consumers in having to choose multiple offerings. Media providers therefore need to think carefully about how to protect customer stickiness.

Discovery and access

The many faces of aggregation

Capturing and retaining consumer attention is increasingly difficult as they divide their time across a growing number of entertainment types. This fragmentation is amplified by the proliferation of paid and unpaid subscription services. It's not only hindering content discovery and the overall experience, but also hitting hip pockets as the hidden costs of multiplying subscription numbers surpasses the bundled media plans of the past.

Consumers are struggling to find the content they're interested in, and there's a growing appetite for aggregation to streamline our access to content. 48% find it difficult to know what content is available on which streaming service, a challenge that's even more pronounced among digital-savvy Gen Z (63%) and Millennials (59%). The desire to simplify access to content is overwhelming – 70% of consumers (87% of Gen Z) want to manage multiple subscriptions from one account or place. Further, 73% would like one place to search and discover content across all their services. This trend has existed for multiple years, but the proposition to simplify and aggregate is even more compelling in the face of plateauing subscriptions and reduced entertainment spending.

70%

of consumers want to manage multiple subscriptions from one place

A number of different models are emerging to resolve the cost, complexity and user experience challenges arising in the modern media landscape. Some providers are consolidating subscription management, using a single interface to deliver a consistent user experience and mode of discovery across multiple services. Others are building content ecosystems across media types, capitalising on franchises to keep audiences more engaged with the content they love for longer. We're even seeing companies tactically recognise how audiences split their time across activities by continuing to invest in new content types.

Now that audiences have greater choice across different entertainment services, including social media and user-generated content, it's interesting to consider how they view their relationships with the content they interact with. Consumer relationships with video content brands, for example, reveal a clear hierarchy. 67% consider their primary relationship to be with the TV show they watch, while 23% are more attached to a streaming provider or broadcaster. In contrast, there's much lower affinity for production studios (6%) and aggregation services (4%). These relationships are likely to evolve in the near future as companies focus more on developing stronger aggregation and bundling solutions, and as consumers gain exposure to these models.

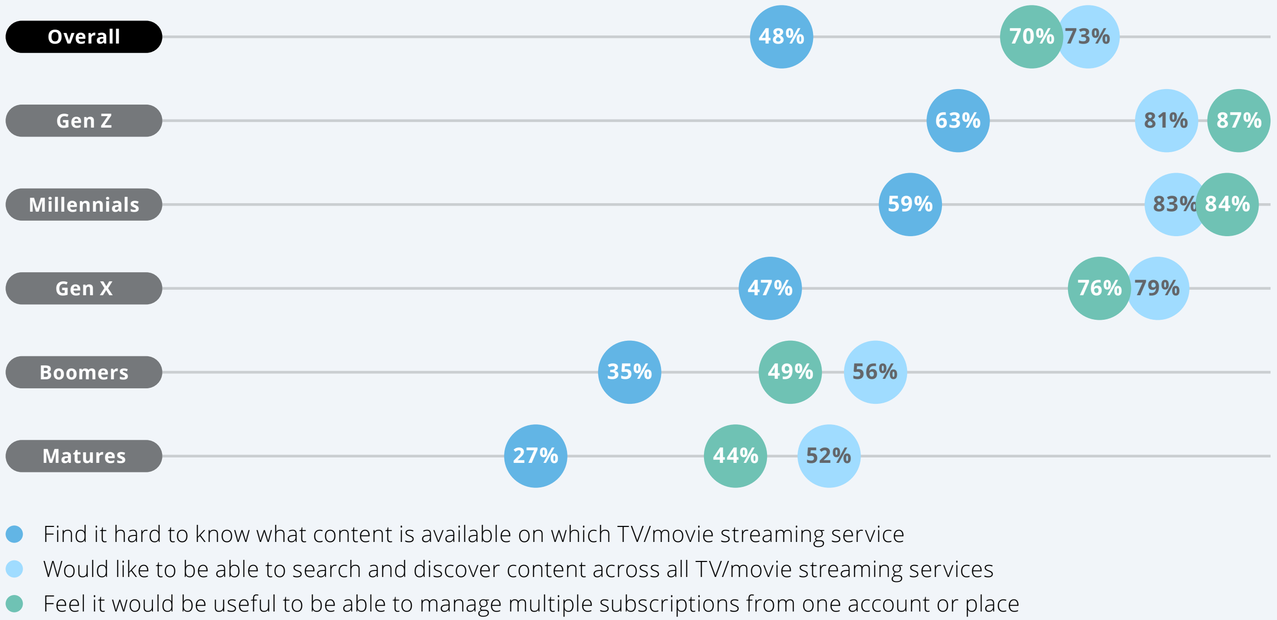
Discovery and access

The many faces of aggregation

One of the major advantages of aggregation is improved content discovery. Audiences currently rely on relatively unsophisticated solutions to find new content: lists of new releases on a video service or platform is the most common approach (25%), followed by word of mouth (21%). The content discovery journey extends well beyond any single service: 51% use social media to discover content on other platforms. Only 12% say they use personalised recommendations as their primary discovery method across their video subscriptions. But this doesn't seem to indicate dissatisfaction with personalisation itself, with 63% agreeing that they are confident these recommendations are personalised for their taste.

Having access to a broader range of global content and entertainment services hasn't reduced our desire for home-grown stories. 46% of those surveyed feel the availability of Australian content is a major factor in selecting a new streaming service, and 79% feel they had sufficient access to Australian movies and TV shows. Aggregation and discovery solutions will need to address this demand to win the hearts and minds of local audiences.

The case for aggregation



Primary means of discovering new video content

- **25%** List of new releases on the service platform
- **21%** Recommendations from friends and family
- **15%** List of trending titles on the service or platform
- **12%** Personalised recommendations the service or platform gives me
- **9%** Coverage of TV/movies on social media
- **9%** Coverage of TV/movies in the news
- **7%** Advertisements and/or marketing
- **2%** Other

Budgets and churn

Follow the money

Inflation and the rising cost of living are prompting price-sensitive consumers to review their entertainment spend as years of consistent growth, typified by increased subscription stacking, finally slows.

Average monthly entertainment spend dropped for the first time in many years, down to $57 from $62 in 2022. Despite this, 34% of respondents said they were still spending more than their target budget per month, a slight increase from 31% in 2022. While we're spending less, we also hold more subscriptions on average than last year. This is likely explained by the transition to AVOD offerings, cheaper subscription tiers or continued account sharing (where it remains possible).

Breakdown of subscription switching behaviour in the last 6 months by media category (% of subscribers who made a change to their subscription stack)

			Added	Added and cancelled	Cancelled
SVOD	44%	**46%** in 2022	13%	13%	18%
Gaming	53%	**69%** in 2022	19%	16%	18%
Music	33%	**47%** in 2022	12%	9%	12%
Magazines	52%	**74%** in 2022	15%	14%	23%
Sport	46%	**61%** in 2022	18%	14%	14%
News	45%	**64%** in 2022	13%	14%	19%

- Added
- Added and cancelled
- Cancelled

Budgets and churn

Follow the money

Consumers are taking an active role in managing their subscriptions, a trend that holds across most media categories. Approximately half of consumers within each category have made at least one change in the last six months (except for music, which is around a third). The majority of these changes result in a restack of services within each category, rather than consumers ceasing to pay for a subscription altogether. Across most categories, only 2% to 6% have cancelled all their paid subscriptions within a category, indicating they are willing to pay for at least some content.

The number of changes consumers made to their subscription stacks is below 2022 levels, with SVOD the only exception. This year-on-year difference is largest for news (64% made a change in 2022 versus 45% in 2023), followed by gaming (69% in 2022, 53% in 2023), sports (61% in 2022, 46% in 2023) and music (47% in 2022, 33% in 2023). This is largely driven by consumers adding considerably fewer subscriptions in 2023, indicating the overall plateau in subscriptions and increasing price sensitivity.

Proportion of subscribers that made changes to their SVOD stack

44% *Overall*

63% *Gen Z*

53% *Millennials*

44% *Gen X*

25% *Boomers*

7% *Matures*

Unsurprisingly, younger generations are managing their subscriptions more actively than older generations across all media categories. For SVOD, 63% of Gen Z made at least one change in the last six months, compared to only 25% of Boomers.

The regularity of our switching and churning behaviours is also on the rise, with consumers becoming adept at turning services on and off to meet their content and spending needs. Of those that made changes to their SVOD stack, 51% did so just once this year, 37% did so 2-3 times and a select few (6%) made more than 4 changes in 2023. Consumers are also more purposeful with these changes – 80% periodically review their holdings before deciding to make any additions or cancellations, compared with the remaining 20% who prefer to manage their changes on an ad hoc basis.

Economic pressures have caused caused Australians to tighten belt buckles, but it hasn't changed where our spending priorities lie in 2023: the top four areas for household budget cuts remain eating out (32%), alcohol and tobacco (32%), groceries (9%) and digital entertainment (9% – unchanged from 2022). This suggests the drop in subscription spend reflects broader cuts in household spending rather than targeted cuts to digital entertainment, but it will place pressure on media companies all the same.

Budgets and churn

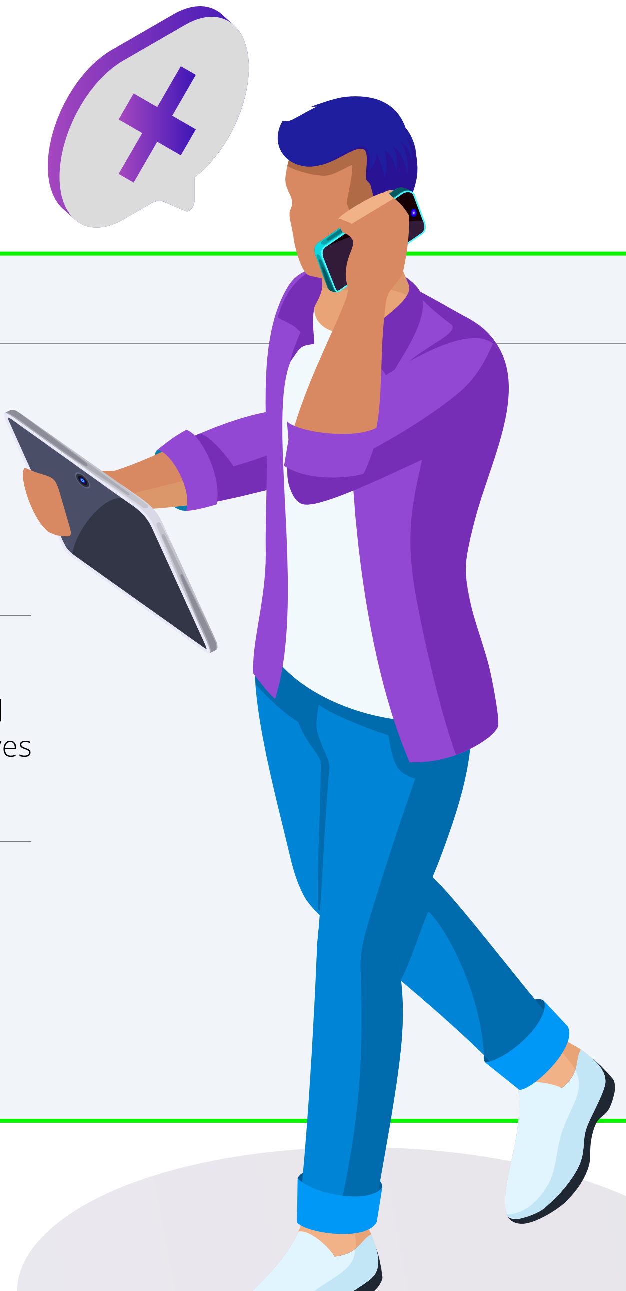
Follow the money

Although 66% of respondents are concerned about the cumulative cost of subscriptions, 35% hold at least one subscription they haven't used in the past six months. While some consumers may have taken their eye off their subscriptions, service providers should not. Having strategies for managing disengaged subscribers before they are lost for good is best practice across media and entertainment services. Magazines and gaming subscriptions are the most likely to be underused, with approximately a third of subscribers using them for less than an hour a month.

Cost remains the leading driver of churn in 2023 by a wide margin. 70% of those who cancelled an SVOD subscription did so to reduce their overall spending on video subscriptions, 42% cancelled because the price of a service increased and there were cheaper alternatives, and 40% cancelled because they didn't use the service enough to warrant the expense. This third driver is likely to rise in the future, given consumers reported a substantial number of underused subscriptions consumers reported this year.

Main drivers of SVOD cancellations

#1	70%	Price
#2	42%	Price increase and cheaper alternatives
#3	40%	Don't use the service enough



Ad-based offerings make a comeback

Your video will begin in 5, 4, 3...

Consumers have more control than ever over where they see advertisements, thanks to greater tiering across entertainment platforms.

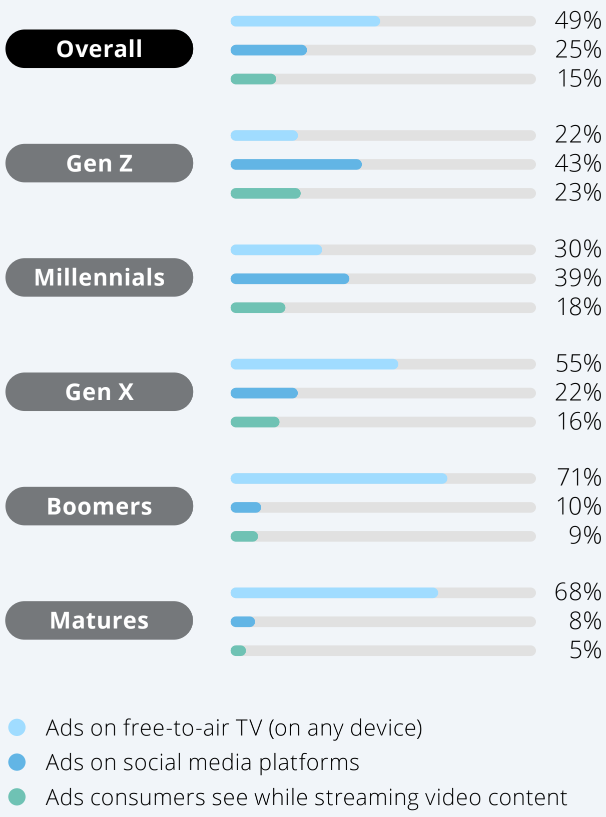
While ad-supported media platforms are gaining traction among consumers, many are still willing to pay to avoid exposure to advertising. Consumers are most likely to pay for uninterrupted music and TV experiences, with 60% indicating they would pay for ad-free TV and 48% for ad-free music. On the other hand, we're more willing to consume advertising when it comes to online news, sports and gaming: only a third of respondents would rather pay for ad-free content in these categories.

Looking at devices, we found consumers are most willing to engage with ads on TV (47%), followed by smartphones (29%). There is a significant generational swing. Gen Z and Millennials are more likely to engage with advertisements on their smartphones (50%) than their TV (26%), while the opposite is true for Gen X, Boomers and Matures. These generational preferences align with the ad channels we're most likely to pay attention to: Gen Z and Millennials are more attentive to social media ads (40%), followed by free-to-air TV (28%).

Gen Z is the only generation who were as likely to pay attention to ads on free-to-air TV (22%) as those on video streaming platforms (23%). Gen X, Boomers and Matures are all much more likely to pay attention to ads on free-to-air TV (63%) than social media (15%) and video streaming (12%).

Advertisements seen while streaming video have the potential to be highly influential on consumer behaviour given our preference to engage with those on TV. The sophistication of segment targeting on AVOD platforms continues to enhance the ad experiences on the platform, unlocking the true value of digital video. A recent Deloitte survey found that ads ran on streaming platforms are still perceived as less relevant than the highly targeted advertisements run on social media.[11] Further, it found that 6 in 10 respondents would be more satisfied with their AVOD viewing experience if the ads were more targeted.[12]

Where consumers are most likely to pay attention to ads



NEXT-GEN TECHNOLOGY

AR, VR, Gen AI and the metaverse

Snapshot

Anything you can do, AI can do too

Generative AI is becoming part of our day-to-day

31% of respondents have experimented with generative AI tools

Gen Z 62%

Boomers 10%

42% of Gen AI users do so at least once a week

But we're less receptive to AI-generated content

62% would be less inclined to read news if they knew it was produced by AI

56% for AI-generated music

56% for AI-generated TV

These perceptions may shape the future of news, and our trust in it

What improves consumers' trust in news?

#1	60%	Content with clear and reputable sources
#2	57%	Removal of all traces of bias/opinion
#3	52%	More in-depth/detail provided in reporting

AR, VR and the metaverse

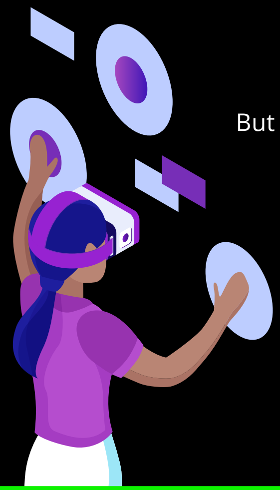
Interest in the metaverse has fallen

22% are aware of and interested in the metaverse

31% in 2022

7% have engaged with the metaverse via an AR or VR device

52% of those who engage in the metaverse do so at least once per week



But interest for live event attendance is there

18% have attended a live event in VR

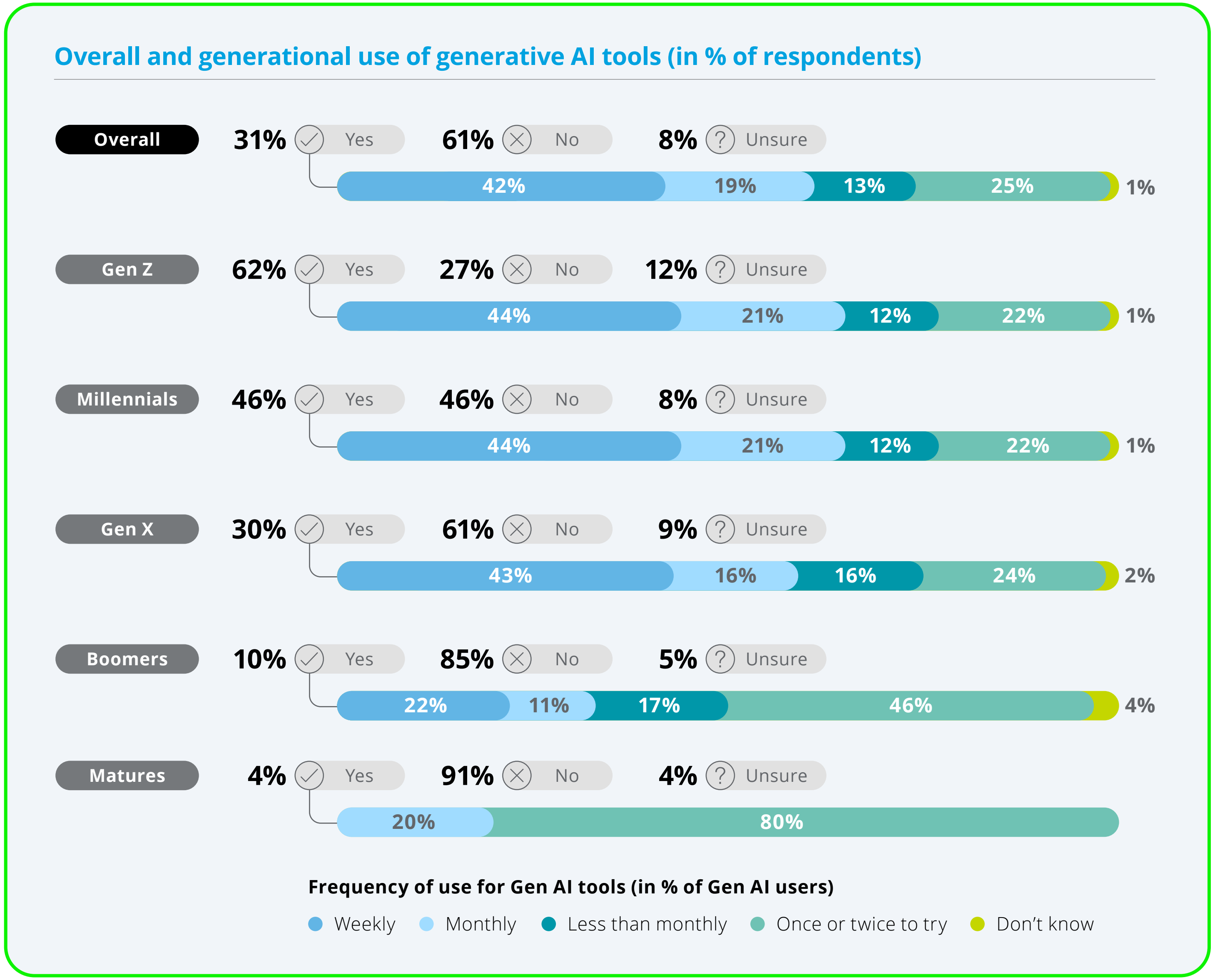
Gen Z 39%

Generative AI

Anything you can do, AI can do too

The emergence of generative AI has been the hottest topic of 2023. With its ability to drive efficiency and blur the lines between human and artificial creativity, AI has the potential to truly disrupt the world of media and arts.

Familiarity with Gen AI is relatively high in Australia, with 31% of respondents having experimented with these tools. Unsurprisingly, Gen Z is leading the charge at 62%. But this familiarity with generative AI goes beyond experimentation, expanding to the daily lives of those who use it. 42% of those who have engaged with one or more generative AI tools have used them at least once a week, and only 25% used them once or twice. It's expected the familiarity of generative AI will drive greater expectation and acceptance in media and entertainment over time.



Generative AI

Anything you can do, AI can do too

56%

of people would be less inclined to listen to music or watch videos if they knew it was AI-generated

32%

of employees use some form of generative AI at work

While the opportunities for generative AI applications are incredibly varied, we asked respondents what they thought about one of the most obvious: content generation. Interest in consuming AI-generated content is a divisive topic, splitting respondents down the middle regardless of generation. Across our survey, 56% indicated they would be less inclined to listen to music or watch videos if they knew it was produced using generative AI. For news, that number increases to 62%.

But what happens when people can't tell the difference between human and AI-produced content? Those with reservations on consuming AI-produced content may not even know where or how the technology was used and, with more exposure generally comes more acceptance. It appears inevitable that both consumers and creators will embrace some use of generative AI in media, but the extent to which it plays a role across the entire creative process will take some time to play out.

Further, generative AI has the potential to create significant shifts in the way we work. 32% of employees use some form of generative AI at work, and those who use these tools daily can save more than five hours per week – potentially making the four-day working week a reality.[13] This shows that content creators can improve their productivity by using generative AI in the creative process, and it also presents an interesting possibility that more efficient ways of working could free up more time for media consumption.

However, several key uncertainties must be resolved to fully realise the value of generative AI, including privacy, commercial models and ethics. In a media context, intellectual property is one of the most contentious implications of the technology, with concerns raised about using an actor's likeness, as well as the legality of skirting copyright with slight AI-driven redubs or tempo shifts. While generative AI tools can't yet replicate the complete creative process of a human, it's important we define where AI-augmented outputs are acceptable – and where they are not – before the technology evolves.

AI in news

In the business of trust

Building trust between newsrooms and audiences is challenging in today's media landscape. This is especially relevant as generative AI accelerates the speed at which information (and misinformation) can be created and re-enforced in a self-perpetuating content cycle.

A recent Deloitte UK survey revealed 68% of respondents identified misinformation online in the last year, and 39% of those see it more regularly than 12 months ago.[14] The perceived trustworthiness in different media types has remained stable since 2022, with older generations remaining the most sceptical – particularly of news written by AI. The biggest generational divide emerges in trust of content created by individuals (such as podcasts and social media posts) with 46% of Gen Z finding them moderately trustworthy versus 25% of Matures.

Perceived trustworthiness of news publishers by generation (in % of respondents)

	Gen Z	Millennials	Gen X	Boomers	Matures
Established major news publishers	72%	70%	66%	71%	71%
Small/regional news publishers	79%	75%	71%	78%	73%
Independent creators publishing news content (e.g. via podcasts, YouTube, social media)	71%	62%	47%	30%	25%
The publications/PR teams of industry and other expert bodies	62%	57%	46%	37%	32%
News published via aggregator services	59%	55%	49%	44%	34%
Generative AI services (ChatGPT, Bard, Bing Chat)	42%	40%	27%	15%	13%

AI in news

In the business of trust

Digging deeper into trust and the impact of generative AI, 34% of respondents agreed when offered the suggestion that AI responses are biased. We also found that 62% of respondents would be less inclined to read news content if they knew it was produced by AI. While using generative AI tools to create content might be one of the most obvious newsroom use cases for the technology, how it is applied and exposed to the news consumer will need to be carefully thought through to avoid a perception of unworthiness.

The recent Sony World Photography Awards became a high-profile example after unwittingly awarding an AI-generated image before the creator came forward to turn it down.[15] This highlights media's broader challenge with trust: given our difficulty identifying AI-produced content, and the rapid pace at which it can be produced, there's a risk of creating a self-perpetuating cycle of misinformation.

One potential solution to rebuild trust in news and media would be to improve how AI sources information for the content it creates. When respondents were asked to rank the top five factors that would increase their perceived trust in a news provider, the most common response was 'content with clear and reputable sources' (60%). Other factors included 'journalists declaring any conflicts of interest' (52%) and 'providing more in-depth reporting' (52%).

The importance of trust is exemplified in the BBC 's 2023 launch of BBC Verify, which combats misinformation by fact checking, analysing data and verifying video.[16] Leveraging AI can help journalists manage this process and the factors above, empowering them to deliver higher quality news content that satisfies consumer trust requirements.

For example, AI tools can reduce manual work required to fact-check sources so they can quickly assess both written and multimedia content. They can also be used to review the content journalists produce and suggest other perspectives that could be considered to make a story more balanced. On the consumer side, AI can create tools that improve trust in reporting by generating on-demand reports that demonstrate how a particular source's credibility has been assessed.[17]

'Content with clear and reputable sources' would increase the perceived trustworthiness in a news provider for

60%

of people

AR, VR and the metaverse

The new reality

Augmented and virtual reality (AR/VR) represent the next frontier in the battle for consumer attention. The technology isn't new, but mainstream adoption will not happen before audiences can access more content at lower costs.

Media companies have a choice to make: do they stick with traditional formats, or extend their offerings into AR and VR-enabled content experiences? This needs forward thinkers to roll the dice as part of a long-term audience engagement play, addressing the unknowns around adoption pathways.

Live entertainment is one way media organisations can engage audiences. 18% of respondents – and 39% of Gen Z – have attended a live event in a VR setting, up from 17% and 35% respectively in 2022. Other use cases for VR that have attracted consumer interest include museum tours (28%), classes for fun such as cooking or dance (28%), safaris and zoo tours (27%), theatre performances (26%) and travel (26%).[18]

Apple's entry into the AR and VR headset market has the potential to help push the technology further into the mainstream. The company has a strong track record in driving adoption of new devices. But unlike these devices, it's clear Apple's first- generation release won't be the panacea that launches AR and VR to the masses. At a starting price of US$3499 (more than A$5,550) it's approximately seven times more expensive than the average $733 Australians are willing to spend on AR/VR headsets.[19]

The most critical barrier to adoption of this technology is availability of content, and Apple's strategy clearly focuses on catalysing developers to invest time and resources in building native apps and immersive content experiences. When it comes to media, Netflix is yet to bite, confirming it will use the existing, unmodified iPad app rather than building a native version. With this steer away from gaming, which is currently the dominant use case for AR and VR, there's potential to make this technology more than a one-trick pony.

18% *of respondents have attended a live event in a VR setting*

Beyond AR and VR, the metaverse could also help media organisations differentiate in the future. It's important to note that interest in the metaverse is still relatively low – even falling slightly over the past 12 months. 22% of respondents indicated they are aware of and interested in the metaverse, down from 31% in 2022. The technology's stage in the hype cycle largely explains this decline, with expectations waning as adoption stagnates (for now).

Despite modest interest, the metaverse does show promise. 52% of those who engage with it do so at least once per week, with only 16% engaging once or twice as a trial. This shows that the barrier is adoption and awareness, rather than the experience itself, and implies there is a world in which the metaverse – or something like it – becomes an important part of consumption patterns.

SPORTING EVENTS AND EXPERIENCES

Snapshot

The new age of sports fans

For Australians, sport is a major part of life

76% watch sport weekly

$10

77% of those who watch 1+ hours per week spend at least **$10 monthly** on sports subscriptions

The top 3 reasons people like to watch sports

- #1 57% Feel the excitement
- #2 38% Destress
- #3 34% Feel part of culture and society

But there's a new generation of sports fans who…

Are more willing to pay for sports content

Gen Z	68%
Boomers	48%

Prefer watching in groups

Gen Z	78%
Boomers	48%

Gamble more on sports

Gen Z	33%
Boomers	20%

Watch more fantasy or wagering content

Gen Z	6%
Boomers	3%

Watch sports on their smartphone

Gen Z	20%
Boomers	<1%

Ranked interviews and behind-the-scenes content in top 3

Gen Z	53%
Boomers	30%

Watch sports to feel part of culture and society

Gen Z	42%
Boomers	30%

Snapshot
Continued

The power of storytelling

Storytelling shapes how people discover and watch sports

Gen Z

Engaged with new sports after watching...

- Sports documentaries **39%**
- Athletes' social media content **32%**
- Sports panel shows **37%**

28% spend more time watching sports due to social media content

Boomers 7%

She shoots, she scores

Interest in women's sport is growing at a record pace

48% watched the FIFA Women's World Cup

Women	50%
Men	47%

45% would watch more women's sport if promoted more broadly

Women	53%
Men	37%

Women are engaging more with sport across the board

69% of women watch sport

60% in 2022

From pitches to pixels

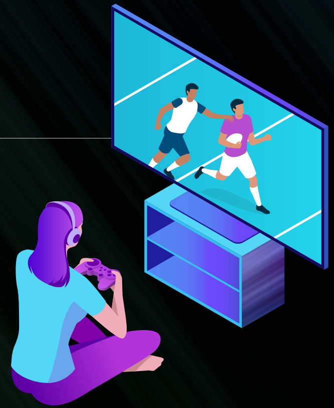
E-sports continues to gain traction with younger audiences

47% of Gen Z watched an e-sports event in the last 12 months

Overall 24%

9% of Gen Z watch e-sports events weekly

Overall 6%



The new age of sports fans

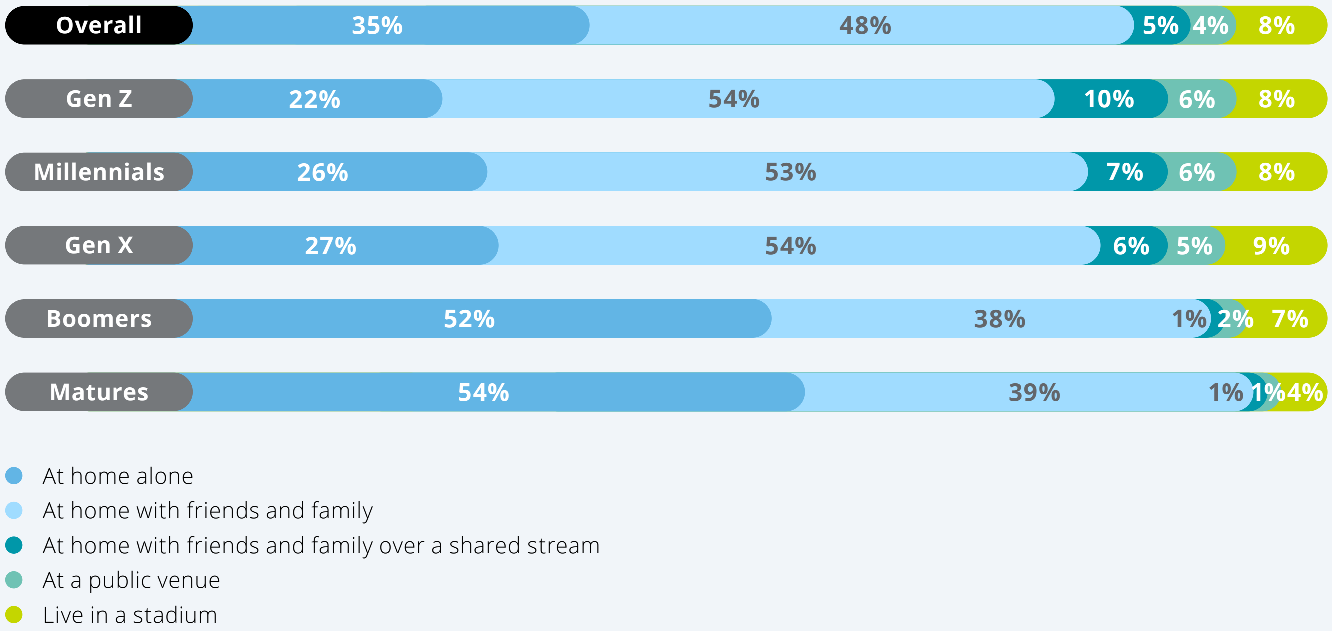
True game changers

The world of sports content no longer relies on traditional formats and live broadcast as it's transformed by technological innovation, changing fan expectations and a renewed focus on inclusivity and responsibility.

From the growth of women's sports and e-sports, to the global connections forged by social media, and the intimacy of documentaries and behind-the-scenes content, sports media in all its forms continues to be an entertainment mainstay for consumers.

Sport is a core part of life for most Australians, with over three quarters of respondents (76%) watching on a weekly basis. However, this year's survey highlights the emergence of the new-age sports fan with fundamental differences in how each generation engages with sports. Though our consumption time appears more affected by available time than generational factors, Gen Z and Millennials are far more willing to pay for sports content (68% and 61%) than Boomers and Matures (48% and 34%). With a similar trend in SVOD, understanding its patterns and pitfalls could signal what lies ahead for sports subscriptions.

Preferred setting to watch live sports by generation (in % of sports fans)



The new age of sports fans

True game changers

Sports also continue to bring people together – quite literally. Overall, respondents showed a clear preference for watching sport in a group setting (65%) rather than by themselves. But the desire for social viewing is much stronger among Gen Z and Millennials (78% and 74%) than Boomers and Matures (48% and 46%), highlighting the growing need to support more shared viewing experiences. This includes both in person and online, with 10% of Gen Z preferring to watch sport virtually with friends over a stream.

The way new-age sports fans engage with sport is increasingly varied and personalised, with interactivity at its heart. For example, formats driven by more active participation or integrated experiences are far more popular amongst younger sports fans. 6% of Gen Z and 7% of Millennials rank fantasy and wagering in their top three types of content to engage with, significantly higher than Boomers (3%) and Matures (0%). Millennials in particular are far more likely to gamble on sports, with 41% doing so at least monthly, compared to 20% of Boomers and 10% of Matures.

Fans are also looking for more personalised and interactive ways to consume sports content whenever and wherever they want to. As mobile consumption increases, this 'now' generation is increasingly engaging with sports anywhere and at any time. This is leading to integrated experiences where consumers both watch sports content and wager on outcomes, either on the same device or across multiple.

While viewership has fragmented across devices, TV remains the preferred way to consume sports. But this is where another generational split emerges, with almost 20% of Gen Z favouring their smartphone compared to just 8% overall and less than 1% of Boomers and Matures.

65%

of respondents prefer to watch sport in a group setting

41%

of Millennials gamble on sports at least monthly

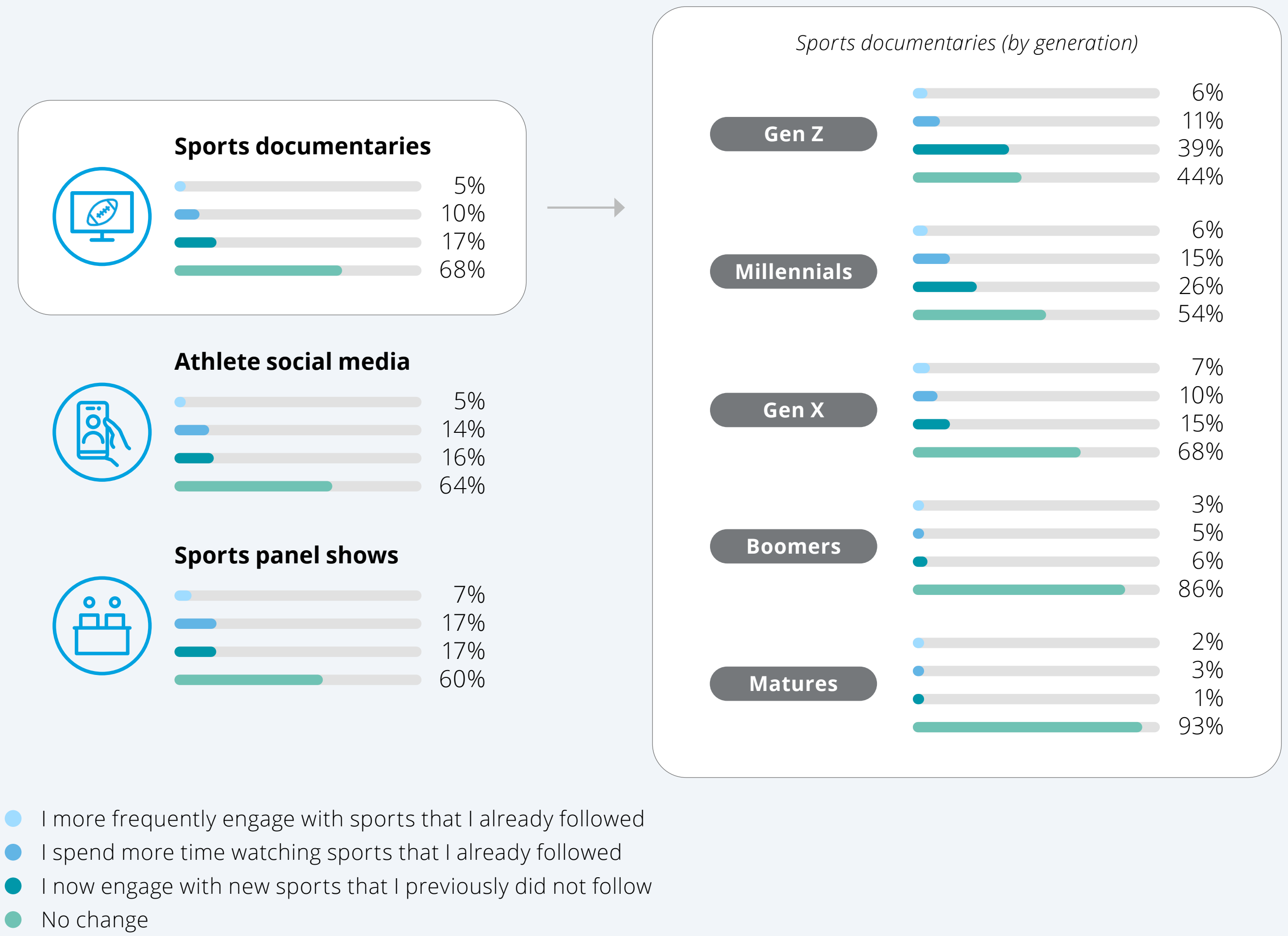
Storytelling in sports

Legends born, myths made

The ways in which fans engage with sports has been changed by the proliferation in the of types sports of content produced, social media profiles of athletes, leagues and the growing number of niche commentators and journalists.

Gen Z and Millennial fans prefer consuming a wider range of sport content, particularly when it provides a more personal insight into athletes' lives. 53% of Gen Z, compared to 30% of Boomers, ranked interviews and behind-the-scenes content as one of their three preferred categories of sports content to engage with. Boomers generally watch more traditional sports coverage of full events, with 83% rating this as their favourite way to engage with sports (Gen Z: 72%).

How sports media influences viewing behaviour (in % of respondents)



Storytelling in sports

Legends born, myths made

The appetite for authentic, personal insights extends beyond preferred content and into behaviour, as growth in sports media is changing how fans view and discover new sports. This is having a particularly strong impact on the viewing choices of Gen Z, who are discovering new sports through documentaries (39%), sports panel shows (37%) and athletes' social media content (32%).

It's unsurprising that social media is playing an increasingly prominent role in the sports media experience, with athletes' accounts commanding more influence than ever. When Lionel Messi joined Inter Miami earlier this year – a historic moment in sports for the United States – the club recorded a 15-fold increase in Instagram followers.[20] With these powerful audiences, athletes impact how consumers receive information relayed by official communications, magazines and traditional publishers and broadcasters. Fans are demanding instant, authentic, behind-the-scenes stories, so they are less conscious of the content's origin and less reliant on traditional media sources.

Interest in social media sports content goes far deeper than fans wanting greater access to athletes. Influencers are now promoting and even participating in large-scale sporting events: content creators Jake Paul and KSI piloted and expanded the 'influencer boxing' trend that favours the most marketable athlete over the most talented, partnering with major sports media companies like DAZN to broadcast live events and Netflix for a documentary. Credited with drawing the eyes of millions of new viewers, these influencers are both expanding the market for and bringing a new audience to boxing, spurning renewed global interest in the sport.

How Gen Z are discovering new sports

39%
Documentaries

37%
Sports panel shows

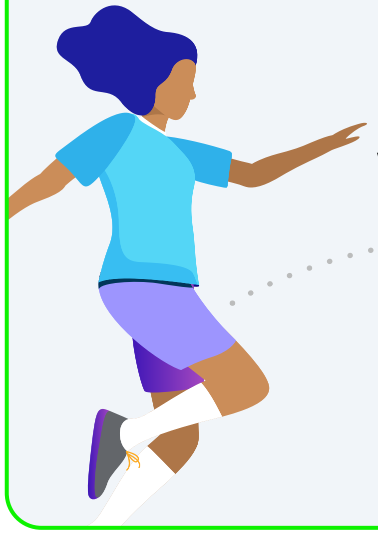
32%
Athletes' social media

Women's sport

She shoots, she scores

Interest in women's sports is growing at pace, with 2023 exceeding all expectations. Between the record-breaking crowds, significant global broadcast audiences and staggering digital performance, it's increasingly clear women's sports is now mainstream.

Interest in women's sport is on the rise



48%

watched the 2023 FIFA Women's World Cup

49%

want to engage more with women's sport

This year saw women's sport take an astounding leap forward at the 2023 FIFA Women's World Cup. Hosted in Australia, the tournament was watched by 48% of survey respondents, who now clearly seek out more women's sport. Gen Z (59%) and Millennials (53%) were most strongly represented, suggesting this popularity is here to stay.

The World Cup was a tangible example of this success, breaking Australian viewership and in-person attendance records off the back of a strong desire for local women's sports content and an inspiring performance. We saw some of the largest TV audience numbers in recent years: almost 18.6 million Australians watched the tournament on the Seven network, while Australia's semi-final against England reached 11.2 million viewers to become the most-watched TV program in two decades.[21] In-person attendance followed a similar story, with almost two million attending the tournament – dwarfing the previous record of 1.3 million set in Canada in 2015.[22]

The interest in women's sport goes above and beyond the 2023 FIFA Women's World Cup. 45% of respondents indicated they would watch more women's sport if it were promoted more broadly, highlighting that awareness is considered a current impediment and there is a major opportunity for audience growth.

Now more than ever, it's not just about what sport you watch, but the ever-increasing set of leagues, tiers and variations that exist within it. Women's sport adds another piece to this puzzle, with fans also splitting time between professional and amateur, global and local, all-age and age grade, and even shortened high-octane variations of traditional sporting codes.

Technology and innovation in sports media

Just like the real thing

Though the application of AR and VR in sports is still in its early stages, there's great interest, particularly from younger audiences, in the experiences those technologies enable.

While only 5% of respondents have used VR to consume sports content in the last 12 months, 70% of Gen Z and Millennial respondents were interested in at least one form of a sports-related VR experience.[23] AR use cases are still primarily oriented around enhancing the game-day experience in stadiums or delivering experiences that are adjacent to the core sports consumption experience, such as Snapchat's live 'team tracker' launched for the FIFA Women's World Cup. Growth in VR sports engagement is currently impeded by content availability and device uptake - Meta offered access to over 50 live NBA games last year, but only 5 of them provided true 180-degree monoscopic views.[24]

The use of gen AI in sports broadcast has progressed leaps and bounds this year, transforming the core consumption experience. NFL broadcasters, for example, have embraced vastly different applications this season. Amazon's 'Prime vision with Next Gen Stats' has focused on utility, enriching the live viewing experience with visual overlays of statistical information to highlight which offensive players are free, which defenders are about to make a big play and the likelihood of success for each play option. All of this is served up in real time, intuitively built into the video broadcast. ESPN and Disney chose to collide their sporting rights with a fan favourite Pixar franchise, providing real-time animation of the match between Atlanta Falcons and Jacksonville Jaguars as iconic Toy Story characters live from Andy's room.[25] Harnessing a series of technologies, including sensors in players' pads and overhead tracking cameras, enabled an entirely new way to consume live sport that speaks to the increasingly personalised and varied ways fans seek to engage with their favourite sports, opening them to an even younger audience.

5%

of respondents have used VR to consume sports content in the last 12 months

70%

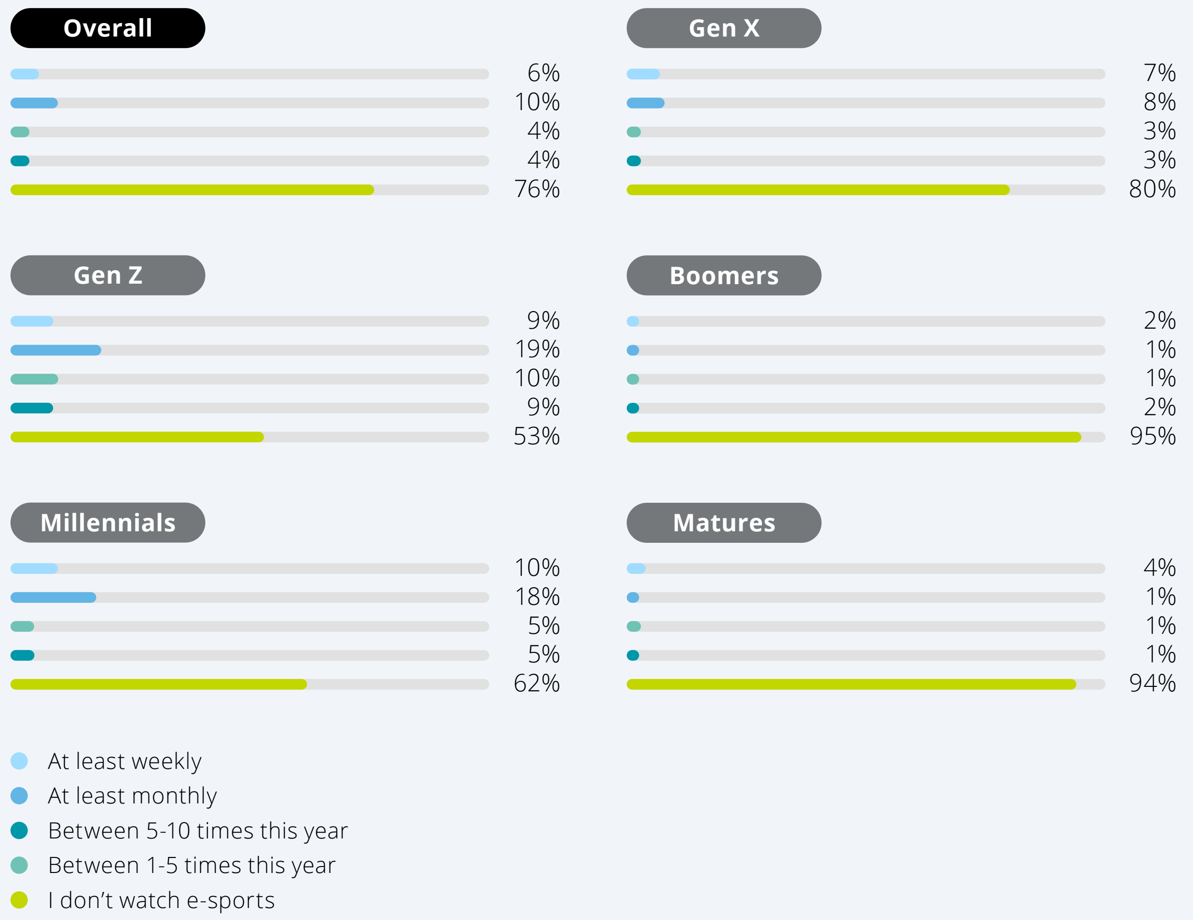
of Gen Z and Millennials were interested in at least one form of sports-related VR experience

Technology and innovation in sports media

Just like the real thing

The rising use of technology to augment (and abstract) the sports consumption experience further blurs the distinction between traditional sports and their entirely digital cousins. E-sports viewing is one of the most popular and highly engaging forms of sport, particularly for younger audiences: 47% of Gen Z respondents watched an online e-sports event in the last 12 months (versus only 24% overall), with global viewership estimated to reach a total audience of 640 million by 2025 (6% annual growth rate).[26] This growth in overall popularity has helped e-sports continue monetising, through franchising, media rights, fan payment models, sponsorships, advertising and betting – all attributes of a 'real' sport.

Frequency of e-sports consumption (in % of respondents)



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