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The New Communications Economy: Entertainment

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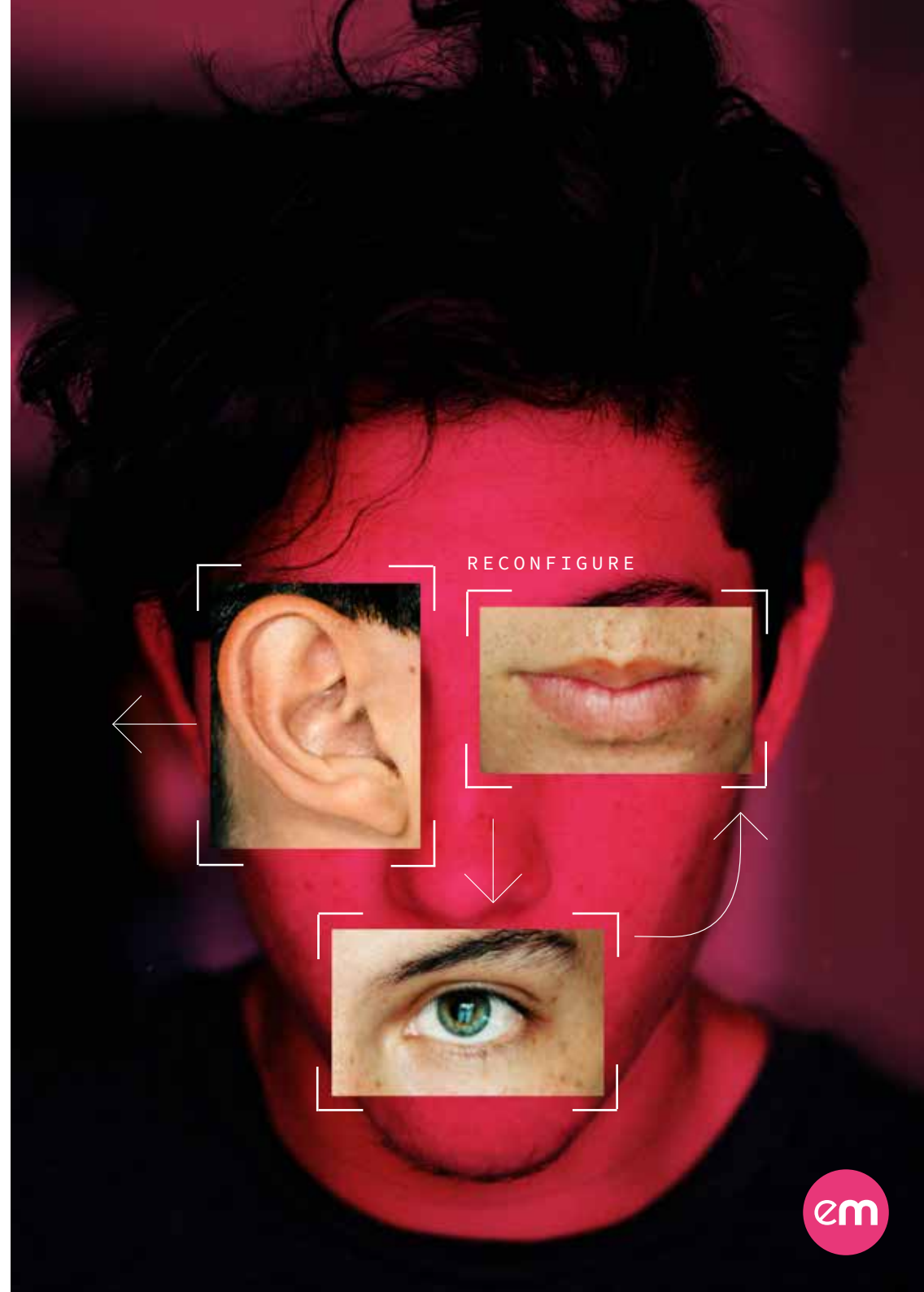
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What Does the New Entertainment Landscape Look Like?

The Entertainment landscape has undergone radical transformation over the past 15 years.

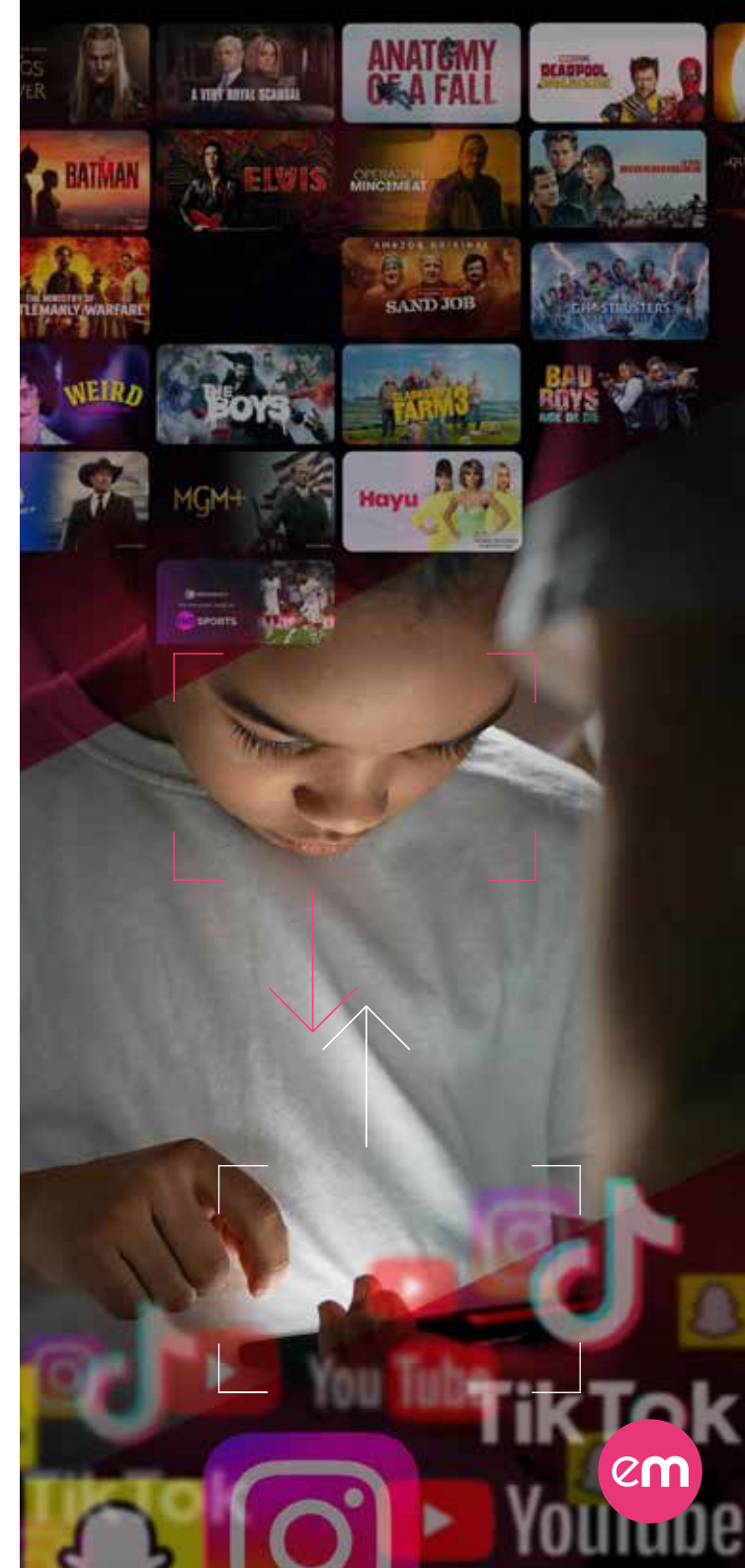
This shift has been driven by two pivotal forces: the explosive growth of streaming platforms and the evolution of social media from relationship-based to attention-based ecosystems.

The era of 'Peak TV' created an unprecedented surge in content creation, with global spending on TV and video skyrocketing from \$139 billion in 2014 to a projected \$247 billion in 2024. Simultaneously, platforms like TikTok, YouTube, and Instagram have redefined how people discover and consume

content, focusing on algorithm-driven content that keeps users engaged—and monetised—at every turn.

This abundance of content has had a knock-on effect on how audiences allocate their finite time and attention. With more content being produced than could ever be watched, people are (whether consciously or subconsciously) developing new strategies to navigate the overwhelming amount of choice.

In this piece, we'll explore the ramifications of these changes, delve into how consumer behaviour is evolving, and examine what the future holds for entertainment, both for creators and brands. From the decline of Peak TV to the rise of algorithmically-curated viewing, the industry is at a critical juncture—one that will shape the future of entertainment for years to come.



The Rise and Fall of Peak TV

The rise of Peak TV can be traced back to 2013, when Netflix revolutionised the industry by launching its original content slate, starting with House of Cards.

This bold move sparked a seismic shift in the Entertainment landscape, pulling focus away from the unscripted reality TV boom of the 2000s and setting a new standard for high-quality, scripted television. The immense success of Orange Is the New Black and Stranger Things further solidified Netflix's position as a major player, prompting a wave of competition.

Over the next decade, other streaming giants like Disney, Amazon, and Apple joined the race, investing billions in original series like The Mandalorian and The Marvelous Mrs. Maisel, driving an insatiable demand for fresh, scripted content.

As reported by Variety VIP, the number of

original scripted shows on subscription video-on-demand (SVOD) services skyrocketed from 28 in 2013 to a staggering 598 at its peak in 2022, before dipping to 491 in 2023. This rapid content expansion inevitably outpaced the growth in viewership and subscriber numbers, leaving many productions—despite critical acclaim—unable to generate the returns that studios had anticipated.

A major turning point came in 2022 when Netflix spooked Wall Street by reporting its first-ever quarterly loss in subscriptions, after nearly a decade of seemingly unstoppable growth. External factors, like the 2023 Writers Guild of America strike, added to the pressure, but this marked the beginning of the end for Peak TV. Streamers, once hyper-focused on user numbers, began reevaluating their strategies, placing a renewed emphasis on profitability over sheer volume.



PEAK TV




FEWER
STRANGER
THINGS
AHEAD



...so what's next?

The streaming market's belt-tightening will likely lead to a reduction in risk-taking, with platforms focusing on established fanbases rather than trying to cultivate new ones. Think the success of IP such as *The Last of Us* or *Fallout* who have their roots in gaming but have become hugely popular streaming series.

The flip of this is that projects once considered risky or unconventional—like *Schitt's Creek*, *The Bear*, or *Baby Reindeer*—may struggle to get made in this more conservative landscape, which favors formulaic unscripted franchise content such as *Love is Blind* and *Selling Sunset* (both of which are cheaper to produce).

Additionally, innovation through TV pilots, which were already rare in the SVOD space, is expected to diminish. This trend is mirrored by the overall decline in new series, with 2023 seeing a 21% drop in premieres, aligning with the overall decrease in output.

Instead, Chet Fenster, Chief Content Officer at GroupM Motion Entertainment, predicts that more “fringe hits” will emerge from alternative platforms, particularly social media.

Another area experiencing growth is international TV formats, much like the trend seen in the music industry. International shows are often cheaper to produce and were not affected by the WGA strike, contributing to an increase in non-English SVOD releases from 24% in 2019 to 33% in 2023. In fact, according to Luminata data, “foreign language” became the most common category for original streaming content in 2023, surpassing all other subgenres for the first time.

And then there is the power of Sports. While the scripted TV landscape has cooled, sports broadcast has arguably become and even more crucial asset. Live sports remain one of the few entertainment categories that can consistently draw massive real-time audiences.

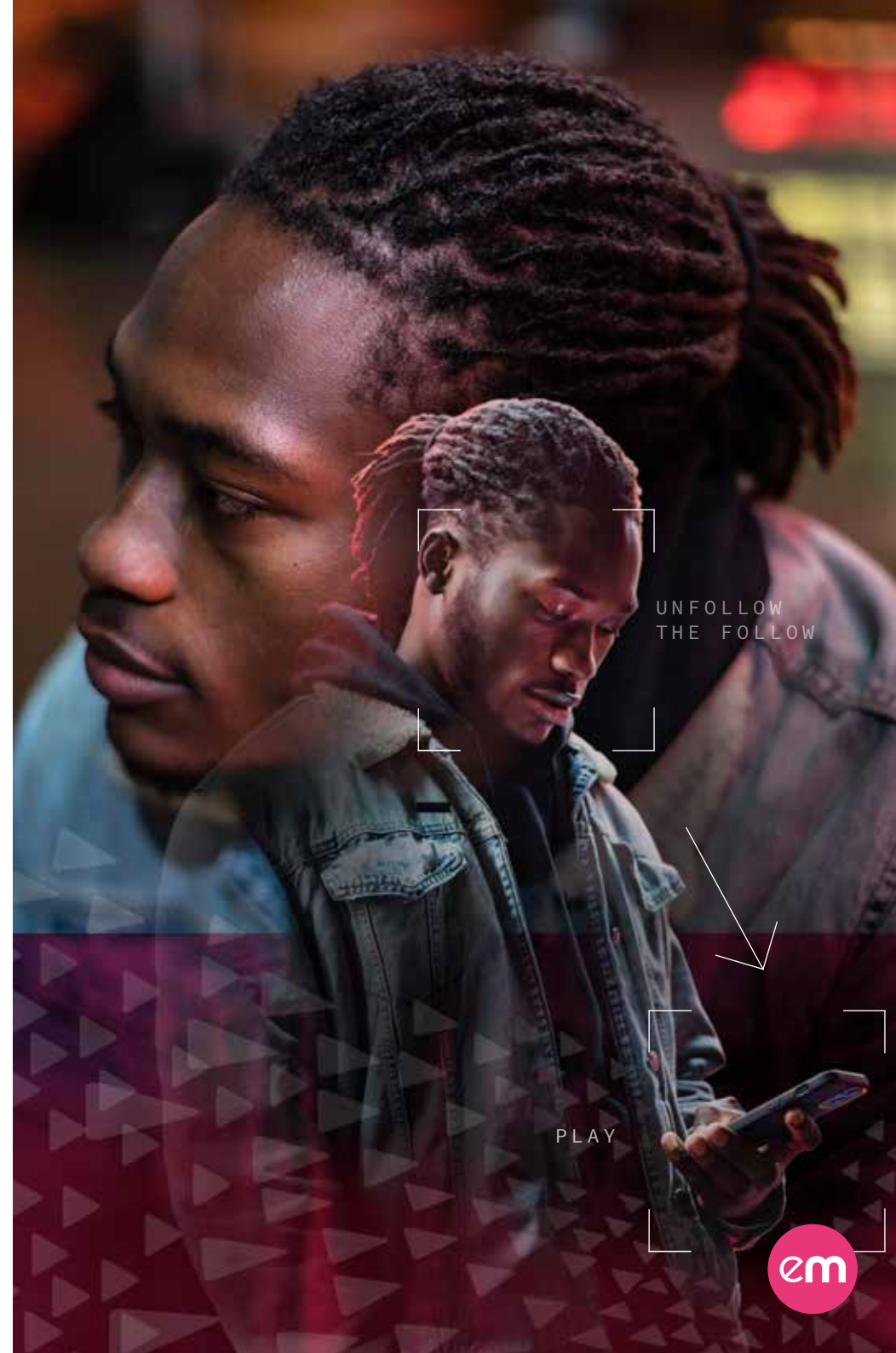
Streaming platforms and legacy media companies are increasingly vying for sports broadcasting rights as a way to secure viewership and subscription loyalty. Amazon, for example, has made significant investments into Thursday Night Football, the English Premier League and the UEFA Champions League, while Disney continues to rely heavily on ESPN to maintain its foothold in live sports.



The Evolution of Social Media From 'Social' to Entertainment

The rise of social media coincided with the formative years of Peak TV, both fundamentally reshaping how content is consumed.

In hindsight, we can now say a major shift occurred in 2012 when Facebook went public and subsequently acquired Instagram. This move marked a major pivot to mobile, introducing the 'newsfeed'—a revolutionary model that ranked posts based on algorithmically determined relevance rather than chronological order. This new approach aimed to capture and maintain user attention (and consequently ad revenue).



TikTok accelerated this evolution by creating an entirely algorithm-driven feed with its “For You” page. Instead of relying on user subscriptions or follows, TikTok served users a personalised stream of videos curated by its algorithms. This approach was quickly emulated by other platforms, with YouTube launching Shorts and Instagram introducing Stories, all leveraging algorithmic content curation to enhance user engagement.

This shift from traditional social connections to algorithmic relevance, coupled with – as Arron Shepherd, CEO and founder of GOAT, points out the “advances in mobile technology democratising content creation” – ignited the era of influencer marketing. As platforms transitioned from friend-based feeds to algorithm-driven content, the role of influencers became central to content strategies.

As Jack Conte, co-founder and CEO of Patreon, noted at SXSW 2024: “This model

completely abandoned the concept of the follow,” he said. Influencers emerged as key figures in driving engagement, with their content promoted based on algorithmic preferences rather than direct personal networks”.

On reflection it’s now clear that algorithms have profoundly impacted how we consume content, influencing both the time spent and the types of content we watch. Research from EssenceMediacom reveals that 98% of people are aware that algorithms guide their content consumption, and 89% are likely to engage with recommendations provided by these algorithms. Interestingly, only one-third of people expressed a desire for less algorithmically served content, indicating a general satisfaction with this approach when it comes to social media.

And proof is really in time spent with media; with time spent with algorithmically driven social only increasing year on year.

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The Darker Side of Algorithms

The increasing dominance of algorithms raises important concerns about their effect on creativity and the direction of content development.

As platforms rely more heavily on algorithms to shape what users see, creators face a difficult question: Are they creating for people or for algorithms?

The pressure to optimise content for algorithmic success can shift the focus away from genuine creative expression. Instead of challenging audiences with innovative ideas or fresh perspectives, content is often shaped to satisfy what the algorithm prioritises—engagement, virality, and maximum screen time.

This raises another question: Do algorithms truly serve culture, or do they simply reinforce the familiar and the easy-to-digest?

In his book *Filterworld*, Kyle Chayka explores how Big Tech shapes and limits our cultural landscape. He argues that, in response to “algorithmic anxiety” and digital overwhelm, people tend to gravitate towards content that soothes rather than challenges. “Our natural reaction is to seek out culture that embraces nothingness,” Chayka notes, suggesting that powerful, thought-provoking work is increasingly sidelined in favor of content that is comforting, repetitive and safe.

For creators, the impact is profound. To succeed in *Filterworld*, many adapt their work to fit the mold of what algorithms reward—content that triggers engagement metrics, but often lacks depth.



WAVING? DROWNING?
OR JUST TRYING TO
MAXIMISE THEIR REACH?

Algorithms not only flatten culture—they steamroll it, favoring what is easily consumable over what is creatively challenging or culturally enriching

This approach leads to a self-perpetuating cycle where creators optimise for the algorithm, platforms benefit from increased user engagement, and in turn, the algorithm prioritises content that meets these criteria.

As Chayka observes, the lowest (and most addictive) common denominator tends to rise to the top. In this way, algorithms not only flatten culture—they steamroll it, favoring what is easily consumable over what is creatively challenging or culturally enriching.

On top of this, creators often experience the pressure of constantly having to cater to the demands of ever-shifting algorithms.

Tom Curtis, Executive Creative Director at EssenceMediacom UK, and the creator behind the Instagram account Things I Have Drawn, which has over 970,000 followers, is only too familiar with the vagaries of the algorithm, which he described as “complex and unpredictable.”

The feeling of being at the whim of algorithmic changes—where a tweak can dramatically alter their reach, engagement, or income—leads to a sense of helplessness. Arron Shepherd (GOAT) noted that “many creators find themselves trapped in a cycle of anxiety, as they try to predict and adapt to invisible forces that can suddenly change the rules of the game.”



COMPLEX AND
UNPREDICTABLE

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Consumer Reaction

So how are people reacting to this glut of content across long, mid and short-form?

Well, Enders probably put it best when they noted the ‘narrowing and splitting of consumption.’ Essentially, viewers are tuning into the same top 100 shows (all be it watching at different times) supplemented by diving into hyper-relevant niche content, primarily served on mobile screens.

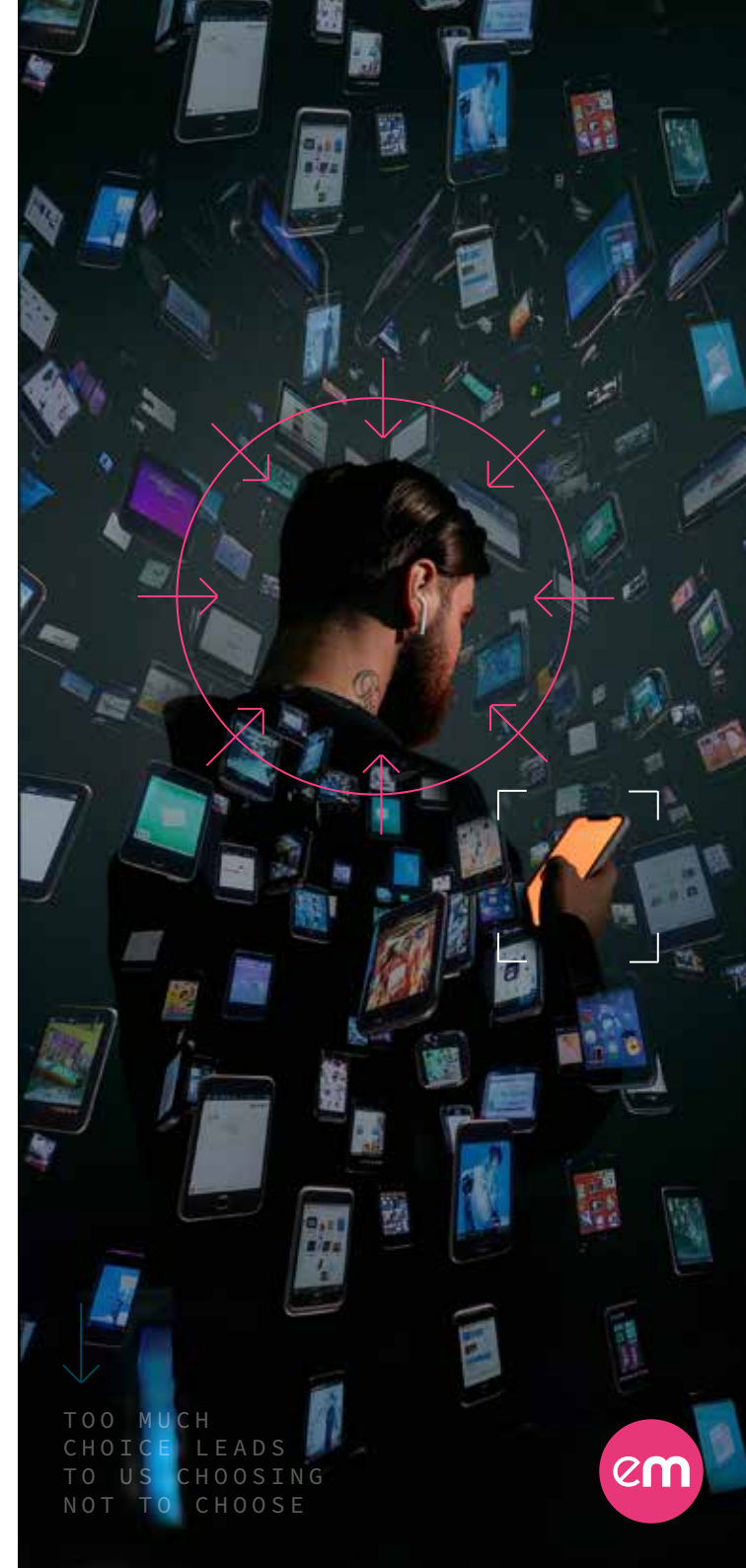
From a long-form perspective, as a consequence of the era of ‘Peak TV’, the sheer volume of available content has become overwhelming. While the overall number of scripted and unscripted originals has tapered off since Peak TV’s height in 2022, a Nielsen survey found that most consumers are not negatively impacted by this abundance. In fact, only

one in 20 respondents reported negative feelings about their streaming experience. Instead, people have adopted strategies to cope with the content overload:

Word of Mouth: our EssenceMediacom survey revealed that recommendations from friends and family remain the most important factor in selecting long-form content.

Algorithmic suggestions: the same survey showed that 71% of respondents were ‘very likely’ or ‘likely’ to watch content recommended by streaming platforms’ algorithms.

Interestingly, search data backs this up. The term “where to watch” has now overtaken “what to watch”, suggesting that viewers are seeking out specific shows first and then locating the platforms that host them. This behavior reflects a



TOO MUCH
CHOICE LEADS
TO US CHOOSING
NOT TO CHOOSE



growing confirmation bias, where people look for validation post-recommendation, contributing to the well-documented “paralysis of choice.”

This paralysis might also explain the resurgence of classic series like *Friends*, *Gilmore Girls*, *Modern Family*, and *Suits*. The latter, despite concluding in 2019, became the biggest hit of 2023, breaking records on Netflix. In times of overwhelming choice, familiar content often becomes a safe, comforting alternative.

In tandem, there’s a significant “splitting” of content consumption, particularly in the shift away from professional long-form video towards short-form content. This change is especially evident among younger audiences. According to Enders’ analysis, viewers aged 16–34 are increasingly engaging with solitary, short-form content, driven by the influence of social media and algorithmic recommendations.

Despite the dominance of algorithms, some users – particularly Gen Z – are developing strategies to regain control of their viewing habits. Kathryn Maytham, Global Account Director at EssenceMediacom for NBC Universal, has observed that younger demographics, especially Gen Z, interact with algorithms more strategically than Millennials. “Instead of resisting, they actively shape their feeds, especially on platforms like TikTok. They treat the algorithm almost like a friend to game strategically, trying to create a personalised echo chamber. This awareness of algorithms is intrinsic to their digital experience”, she says.

This ability to “train” or “game” the algorithm reflects a growing agency over what is recommended, allowing users to craft a more personalised viewing experience in an age where content choices often feel overwhelming.



WHEN CONFRONTED BY AN
OVERWHELMING SEA OF
CONTENT WE TEND TO CHOOSE
TO STAY IN THE HARBOUR



So, What Comes Next?

We believe social media is entering a new phase—one that will likely intensify the ‘narrowing and splitting’ trend we’re already seeing across content consumption.

While TikTok has ushered in the ‘age of algorithmic entertainment,’ this is being complemented (not replaced) by a shift toward deeper, more specialised communities and fandoms, each catering to the most specific niches imaginable.

Algorithms that surface ‘more relevant content’ have given rise to globally scaled digital communities, congregating around interests that might once have been considered niche. Some of these communities engage passively—such as

the 55 billion views on #witchtok content on TikTok—while others are highly active, seen in the rise of platforms like Patreon or Discord, where users are willing to pay for exclusive content and community access. In fact, today, three-quarters of people say they belong to an online sub-community. This evolution means that Community Marketing, as opposed to traditional social media marketing, is becoming essential for brands seeking to stay relevant in this increasingly fragmented digital landscape.

Several forces have converged to shape this trend:

- **Algorithms have grown so potent that they now seamlessly connect like-minded individuals who share niche passions, often through highly tailored content.**
- **Monetisation opportunities have democratised the ability to be a**



FINDING YOUR NICHE CAN BE JUST CHOOSING YOUR COMMUNITY BUT A NICHE CAN ALSO BE JUST ANOTHER WORD FOR A RUT

‘niche content creator’ at scale, allowing creators to thrive within their specific interests.

- **Community-first platforms**, such as Reddit, Patreon, and Discord, have emerged to facilitate these deeply engaged, focused communities.

The result is an abundance of high-quality content on virtually any niche topic, with vibrant communities forming around shared passions. It’s no surprise that social media now operates on two distinct layers:

1 **Broadcast entertainment:**

Platforms like TikTok and YouTube dominate this space, where stars born on these platforms now rank above Hollywood celebrities in terms of popularity and influence among Gen Z audiences.

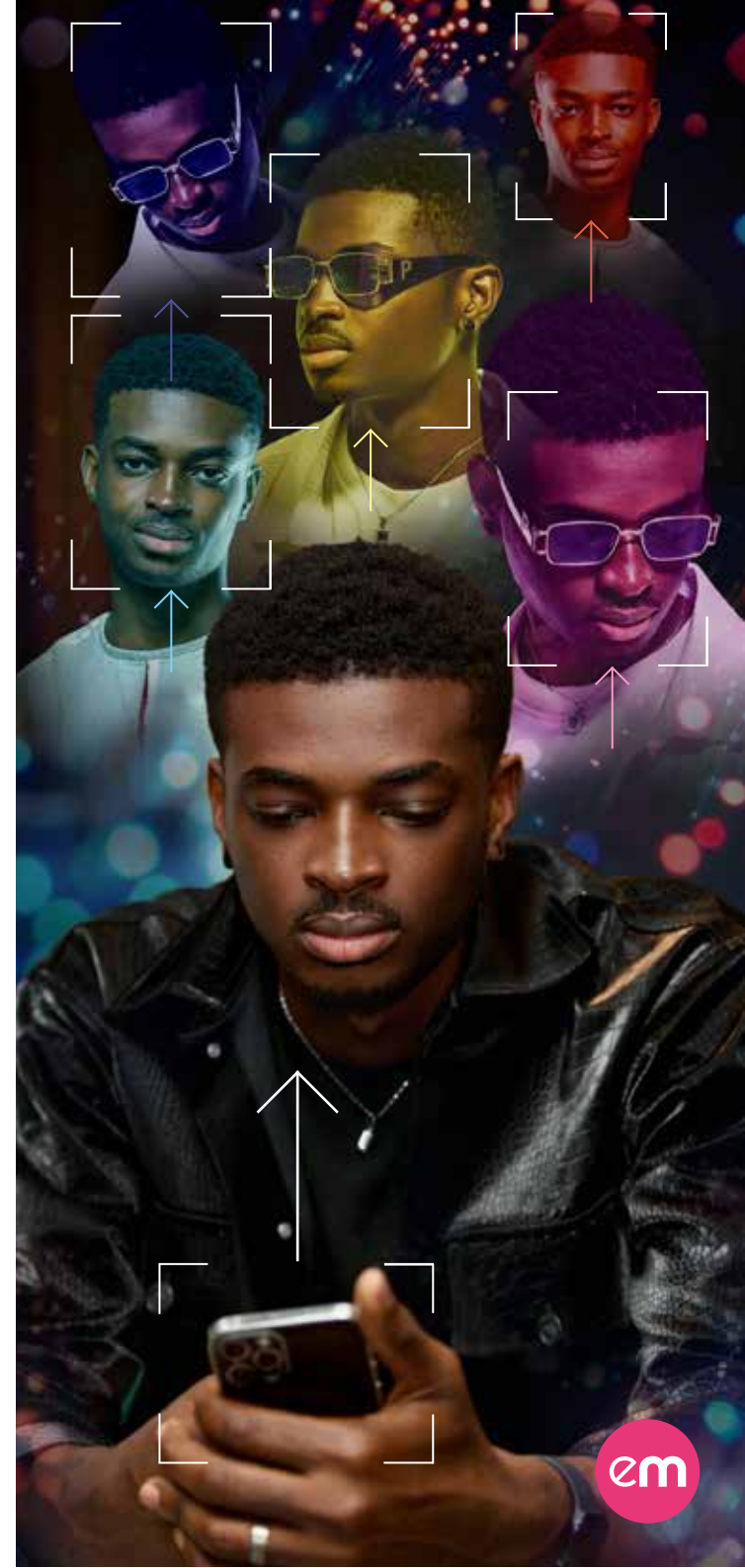
2 **Niche communities:**

This layer fosters more personal passions, where community

engagement is key. Paid content models, such as those seen on Patreon and OnlyFans, will likely continue to grow as these niche interests expand and deepen.

Interestingly, as niche content pivots toward paid models, the opposite is happening with long-form entertainment. Streaming platforms are introducing ad-supported models to convert their existing user bases into profit in the post-Peak TV era. This could, in fact, usher in a new golden age of television advertising.

Finally, we must consider where this viewing is taking place. YouTube consumption on TV screens is rising, and while this trend may continue, it is likely to plateau. The inherently solo nature of social viewing – driven by algorithms tailored to individual profiles and past behavior – makes it less conducive to the shared experiences we associate with traditional television.



What Does This Mean for Entertainment Brands?

With research showing that word of mouth and “talkability” are now more critical than ever in content discovery and decision-making, it’s clear that traditional advertising alone won’t cut it anymore.

Instead, new strategies must focus on stimulating conversation through a mix of partnerships, PR stunts, and collaborations.

Nic Jones, Head of Strategy, APAC at EssenceMediacom, highlights that influencers are especially powerful. “Younger people tend to trust influencers more than traditional brand communication.”

The marketing campaign for the 2023 movie Barbie serves as a prime example of this new direction, combining bold stunts and influencer partnerships to spark conversation. Apple+ similarly sparked interest in Ted Lasso without leaning heavily on traditional advertising, while Amazon Prime has taken a similar approach for its new release Fallout. Alex Brownsell, Head of Content at WARC Media, observes, “The Barbie movie’s extensive, pink-themed campaign helped it defy declining cinema attendance, setting a gold standard for blockbuster releases.”

This shift in strategy has also led to the creation of different types of content assets that need ongoing support through paid media. Richard Kirk, Joint CSO at EssenceMediacom UK, explains how the agency used view-through rates and cost-per-impression metrics to refine media strategies for Sky’s hit show Mary & George.



“We built a framework to identify which assets deserved more investment, focusing on those that drove higher engagement rather than just raw impressions. Engagement leads to higher chances of sharing or discussing the content, which is critical for a title’s success.”

Kirk’s team also designed systems to assess which influencers drive the most engagement, helping them allocate budgets more efficiently. “This methodology decodes media value, shifting the focus from simple reach metrics to engagement and impact—essential for launching complex content or niche entertainment formats.”

However, Kirk admits that promoting entertainment properties has become more challenging as the industry moves toward engaging specific niches. The focus is now on creating personalised content that resonates with individual communities and fandoms. Clients are increasingly looking beyond the traditional trailer, seeking ways to find and activate these niche audiences.

Given that audiences are watching fewer shows overall, there’s a growing need for paid media to create a sense of ubiquity—that a show is “everywhere.” This is crucial for tapping into the power of word-of-mouth recommendations. Channels like OOH advertising will play a vital role in reinforcing this message via framing.

Then there is the advancement in platforms themselves; as streaming platforms open up to more advertising, there are several new opportunities for promotion:

Paid promotional placements within streaming interfaces, similar to Hulu’s model, will become more prevalent, allowing studios to pay for top visibility. This will tie in with more advanced personalisation – which is likely to move from ‘Platform Owned Content Recommendations’ to the paid space. Netflix’s approach, which tailors trailers to viewer preferences (showing romance scenes to romance fans, for instance), could evolve into paid spaces, offering highly targeted advertising experiences.



Conclusions



The world of Entertainment is constantly evolving but right now feels like a moment in time where a couple of major shifts are aligning to mark the beginning of a new era; the end of 'peak TV' combined with a maturing of the social media into algorithmically driven personalised entertainment.

People are (for the most part, subconsciously) honing new strategies for making decisions about what to watch. Consumption of longform 'TV style' content appears to be narrowing; shows that are

'winners' win the attention of everyone and then benefit from being spoken about; creating a virtuous word-of-mouth cycle.

In Social, there is a general understanding and acceptance of the role the finely tuned algorithms on platforms are playing – and as the relevance of content continues to increase (and the social platform landscape continues to evolve) a willingness of people to pay for access (often in the form of low cost, recurring subscriptions).

From a Platform perspective, we're continuing to see emergence of new players and the morphing of established ones. The rise of Community Platforms is a nod to the next phase of 'Community driven' social while the migration of YouTube to the TV (46% of YouTube viewing is now on TV) is a demonstration of the continued blurring of lines between screens.

And of course this creates major implications for marketers in this space; namely entertainment marketers need to think about creating communications that work at three levels.

They'll need to work with the algorithms that drive visibility in Platform, embrace the people driven shift to Community relevance and still maintain a sense of broader cultural heft to not only create a sense that a show or film is everywhere but that people are talking about it.

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