Quality Over Quantity

How Streaming and Media Content Will Change in 2025

Media companies and streaming servicers have significantly increased their content libraries year over year in order to attract new customers.

In 2024, the six biggest global content companies increased spend by 9% from 2023 to 2024 for a total of $126 billion. While perhaps not the highest rate of growth compared to earlier years of the "Golden Age of Television," the investment was still significant. But going forward, will this pace continue?

While content spend will remain elevated in 2025, the industry should expect to see slightly muted growth compared to what it saw post-COVID and after the 2023 Writers Guild of America strikes, or even earlier. Growth will still be strong, but media companies are slowly shifting their focus from quantity of outputs to quality of offerings.

Over the last several years, media companies and streaming providers have prioritized customer attraction, aiming to get as many new subscribers as possible. During what is now defined as the Golden Age of TV, streaming platforms focused on churning out new material, leading to a content boom. Between 2009 and 2022, scripted content production tripled.

Now, more companies are prioritizing customer retention by reassessing the quality of their content to ensure it meets demand. In the last couple of years, media companies' business models have begun to show signs of weakness amid high interest rates, economic uncertainty, and cash-strapped consumers. With content production soaring but returns diminishing, they have been forced to reassess their strategies

Media companies are also exploring more varied forms of content to appeal to broader customer bases. They aim to offer options with mass appeal as well as hyper-niche content to target specific consumer subsegments.

In 2025, the media subsector will have to balance their efforts to keep pace with a rapidly evolving landscape with their push to produce quality content that resonates with their target audience and increases retention.

The Media Sector is Evolving — Fast

The media market is pivoting to a more cautious spending outlook to accommodate their shifting priorities. Most major streaming platforms will increase their spending on **content by less than 10%** over the next few years. While momentum won't pause completely, the percentage of growth is expected to decrease as these companies concentrate on cost efficiency and better monetizing their base.

For instance, to support their customer-retention goals, media and streaming providers will likely reduce production of original programming. The past years have shown that producing quality content does not necessarily equate to producing a steady cadence of original movies and TV shows. Instead, the market will likely see strategic content acquisitions as streaming services increasingly license popular films and shows from other studios to strengthen their position as original content programming slows down.

Streaming platforms and traditional media enterprises are also leaning into multimedia content and new formats to improve costs and increase ROI.

Many will invest more in social media influencer partnerships. For example, media companies and ad agencies are acquiring talent management companies to get direct access to influencers. By acquiring talent management companies and vertically integrating them into their overall infrastructure, media companies can better control the costs of working with popular influencers.

The streaming industry is also investing heavily in podcasts, but since the podcast space is quite crowded, it will be important to differentiate new products in 2025 to drive demand. That could mean more podcasts move beyond audio to include video components and audience interfacing.

Finally, media corporations will also look to repurpose their existing content and translate it into new formats and channels to reach customers in their preferred content consumption format. To do so, organizations will assess how and where they can generate revenue through repurposed content to retain key audiences. For example, live podcast shows may be rerun on a different channel to get more mileage and reach.

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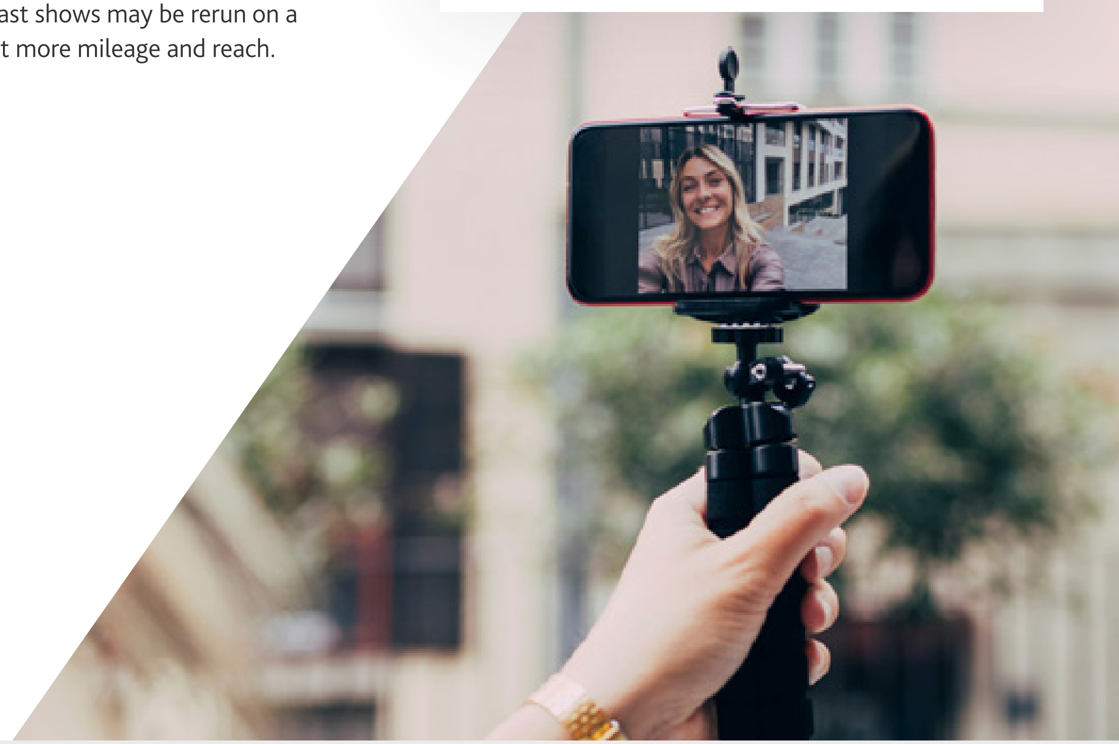

What's Next? Balancing Appeal and Cost Efficiency

Companies will reprioritize their spending to concentrate on nurturing their existing customer base via:

- Focusing on quality content
- Branching out into more predictable revenue streams
- Boosting revenue via increased subscription prices
- Continuing to crack down on password sharing

Live sporting events, for example, will proliferate next year, giving platforms leverage to draw new, committed audiences into their ecosystem. Sports draw a highly engaged audience that will almost always tune in. This certainty is attractive to streaming platforms because it is less risky than launching a new original show, which is less predictable. When an audience is projectable, so is the revenue, and media companies are willing to spend more to get into the game.

Amid these changes, there is another critical shift taking place within the industry: Studios are realizing that betting on blockbusters — whether straight to streaming or in theaters — does not pay off as it once did, even when the movie is projected to have mass appeal.

Big blockbuster hits have diminishing returns. Mass-appeal movies often cost hundreds of millions of dollars to produce, and even when Hollywood's biggest and best actors are involved, return on investment is far from guaranteed. In 2023, domestic and global box office returns were around **20% less** than 2019's pre-COVID numbers. Projections for 2025 are not much better. The film industry is contracting, which translates to less quality and more risk. This trend further underlines the need for projectable and reliable sources of revenue to drive success, which is why many companies will experiment with multimedia formats and live events next year.

Finally, in an effort to reach smaller but more engaged audiences, media companies will also explore hyper-niche content, driven in large part by partnerships with **micro influencers**. Micro influencers — those with a following of 10k-100k — and nano influencers — those with a following of 1k-10k — often see higher engagement than massive social media influencers due to their ability to regularly interface with their communities. Streaming companies will increasingly lean on these content creators to reach specific segments, market niche programming, and drive brand awareness.

Looking Ahead

As the sector continues to evolve, media companies and streaming platforms will need to pivot their strategies to take advantage of opportunities and address persistent challenges, such as subscribers sharing credentials and customer retention. These companies will continue to look for ways to increase revenue, either by raising service fees or adding ad-free tiers — both of which must be handled thoughtfully so as not to erode the customer experience and drive viewers away.

By focusing on high-quality content, experimenting with new formats, and maximizing content investments, these companies can drive profitable growth and gain a competitive edge in the year ahead.

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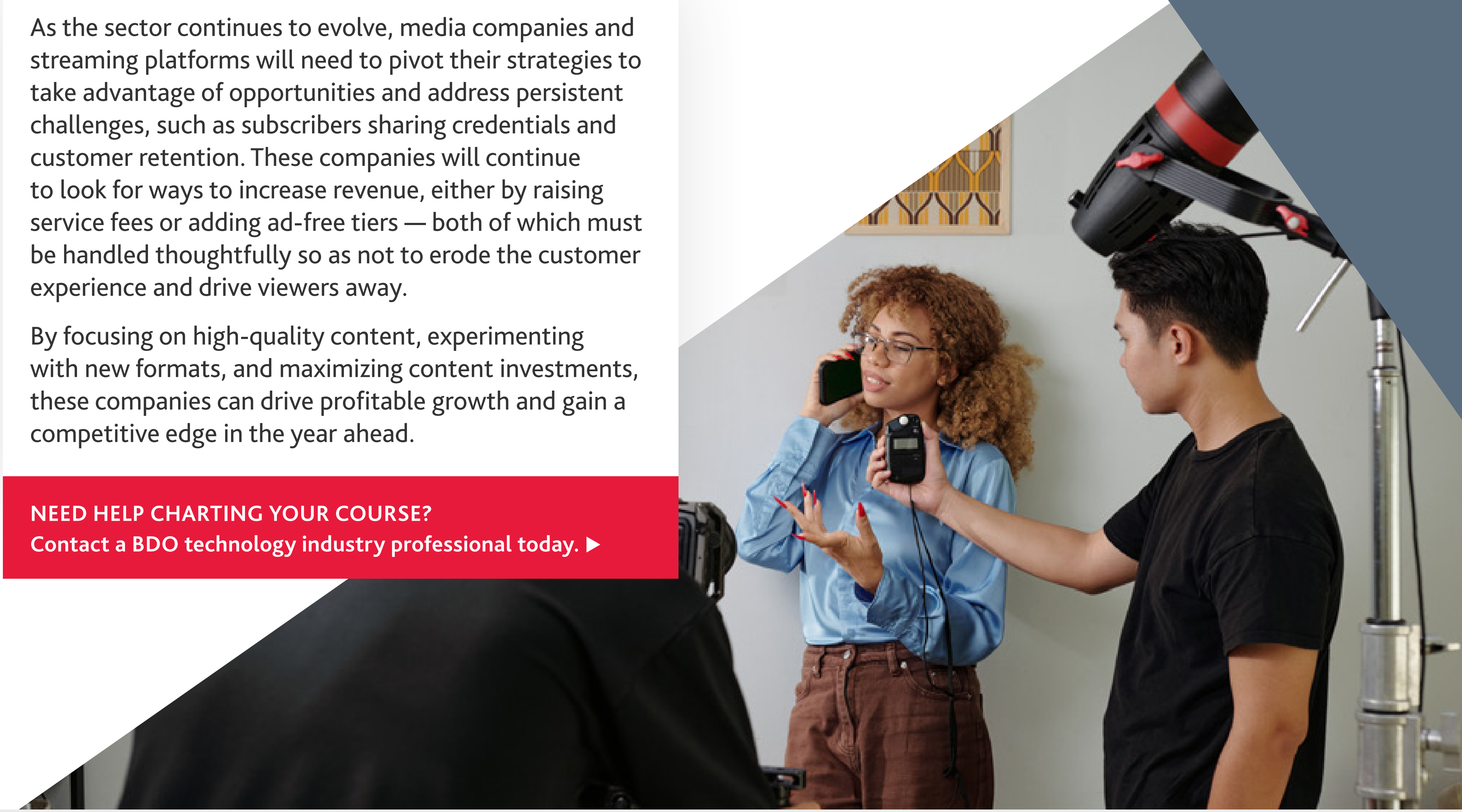

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