

dentsu

Dentsu Consumer Navigator: Entertainment 2023

September 2023



About this study

- The survey was conducted by dentsu via Toluna, an online research panel.
- Administered on September 13th, 2023.
- Distributed among a random sample of 1,000 U.S. respondents 18 years of age or older.
- Controls for nationally representative weighting across age, gender, region, race and ethnicity (using the latest publicly available U.S. Census numbers).



Contents

- 01 Top Consumer Insights
- 02 Consumers' Entertainment Habits
- 03 Diving Into Streaming vs. Traditional TV
- 04 Connecting with Entertainment Fans
- 05 Closing Thoughts

Top Consumer Insights

Young Americans classify themselves as entertainment super fans.

Around 15% of Americans consider themselves super fans. Black respondents, men, Millennials and Gen Zers are most likely to consider themselves super fans. Super fans prefer horror, manga/anime and comic entertainment genres.

More broadly, half of Americans view specific entertainment properties and personalities as part of their identity.

Despite fewer classifying themselves “super fans,” 53% of consumers do view specific entertainment properties and personalities as part of their identities and another 54% make an effort to share their passion for their favorite entertainment franchises with others.

TV continues to be a cornerstone of entertainment culture; with streaming the gatekeeper.

Television continues to hold a prominent place in the weekly routines of consumers. And most are accessing TV content through streaming services. 61% of respondents say they use paid streaming services and 53% use free services, compared to 45% who use cable.

TV viewing behavior is shifting from binge-watching to episodic viewing.

Amid content overload, TV providers are returning to traditional viewing formats and consumer appetite is following suite. In 2021, 38% of consumers said they preferred to watch weekly TV episodes as they aired. This year, that share has risen to 55%.

Consumers add more streaming services, reduce “bad” behavior.

Compared to 2021, the share of consumers who have over 4 streaming subscriptions has increased 10 percentage points. Despite the fragmentation of streaming services, fewer consumers are cutting corners to access content. Those who are hacking free trials declined 11 percentage points and those who share log ins declined 12 points.

Brands can align with entertainment content in a variety of ways.

Not only do modern fans engage with a variety of content surrounding entertainment – from discussion groups to fan art – but they are also very open to branded collaborations. 52% of consumers say they pay more attention to brands that sponsor or collaborate with their favorite entertainment properties.

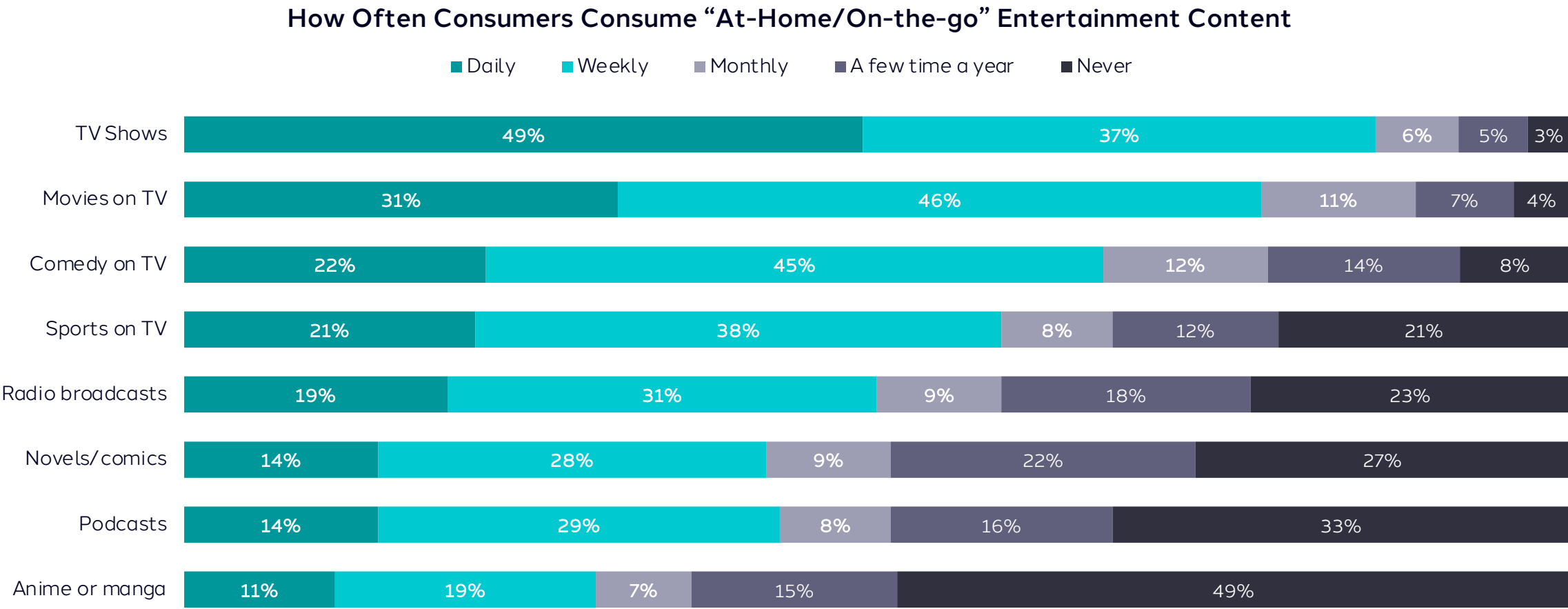
Consumers' Entertainment Habits

In a world increasingly crowded by an ever-growing number of screens and speakers, entertainment represents a major vehicle for brands looking to find relevance by connecting with culture. In this section of our study, we dive into Americans' entertainment preferences, seek to understand what role it plays in shaping consumers' identity and ask how new entertainment franchises are being discovered.



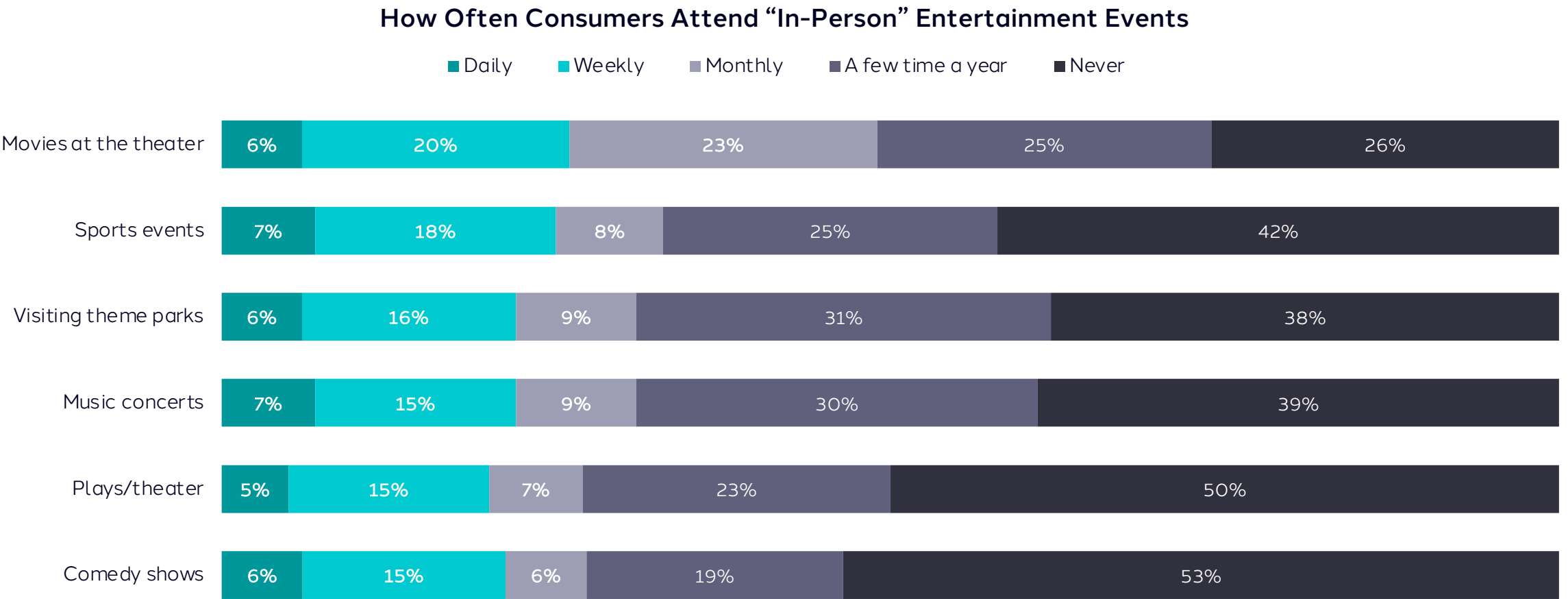
Content on TV remains a cornerstone of home entertainment in American culture.

Television continues to hold a prominent place in the weekly routines of consumers. TV shows, movies on TV, comedy on TV, and sports on TV comprise the most frequently consumed entertainment content at-home.



Movie theaters, theme parks, and concerts top in-person entertainment destinations.

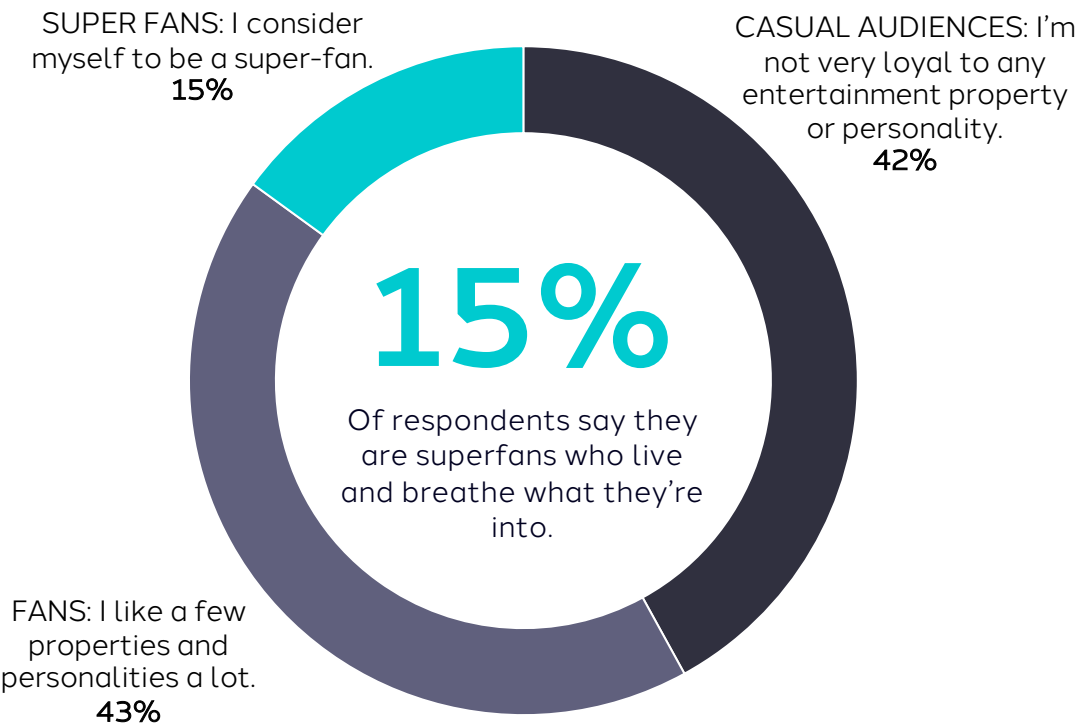
Movies are the top out-of-home entertainment that consumers frequent, with half going at least monthly. Sports events are the second most frequented venue, followed by theme parks, and music concerts.



Most consumers do not consider themselves super-fans of specific franchises.

Millennials and Gen Z are more likely than other generations to consider themselves to be super fans. Black respondents are more likely than other cohorts and men are more likely than women

Consumer Loyalty Segments to Entertainment Properties and Personalities

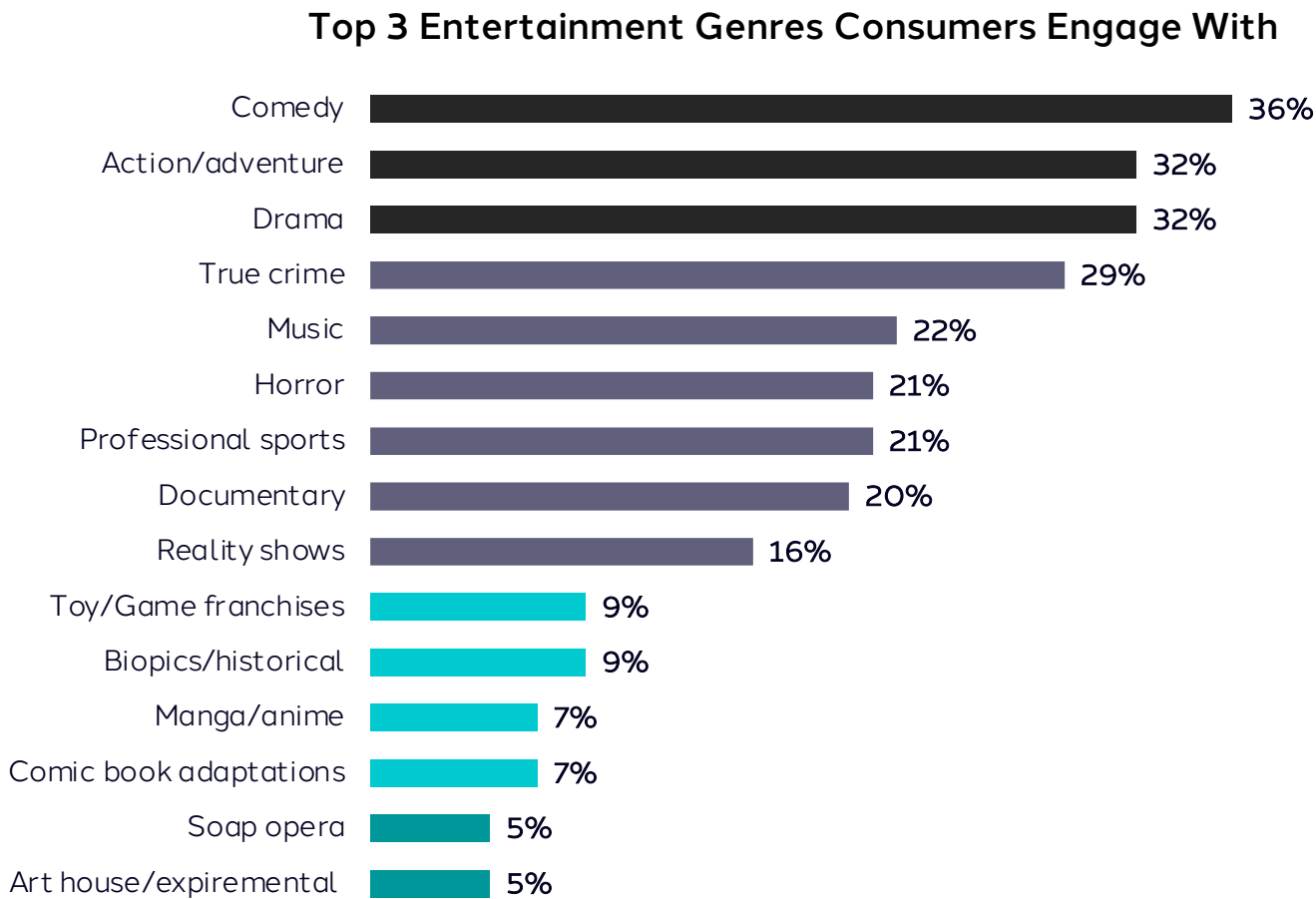


“I consider myself to be a SUPER FAN”

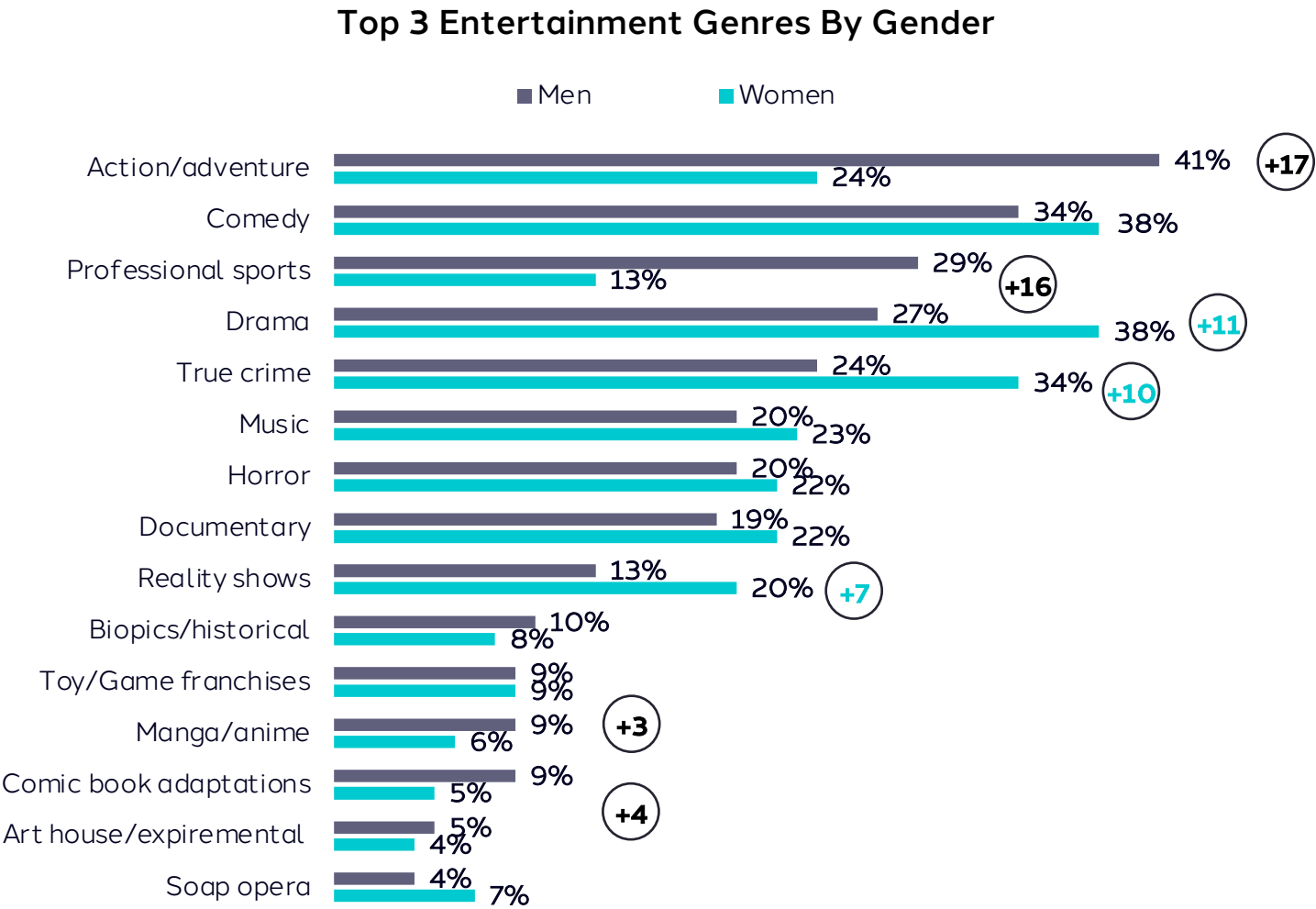


Consumers favorite genres are comedy, action/adventure, drama, and true crime.

Americans have diverse entertainment preferences, with some seeking a healthy dose of escapism from the unsettling uncertainty of recent years through comedy or drama, while others lean in the macabre through true crime or horror.

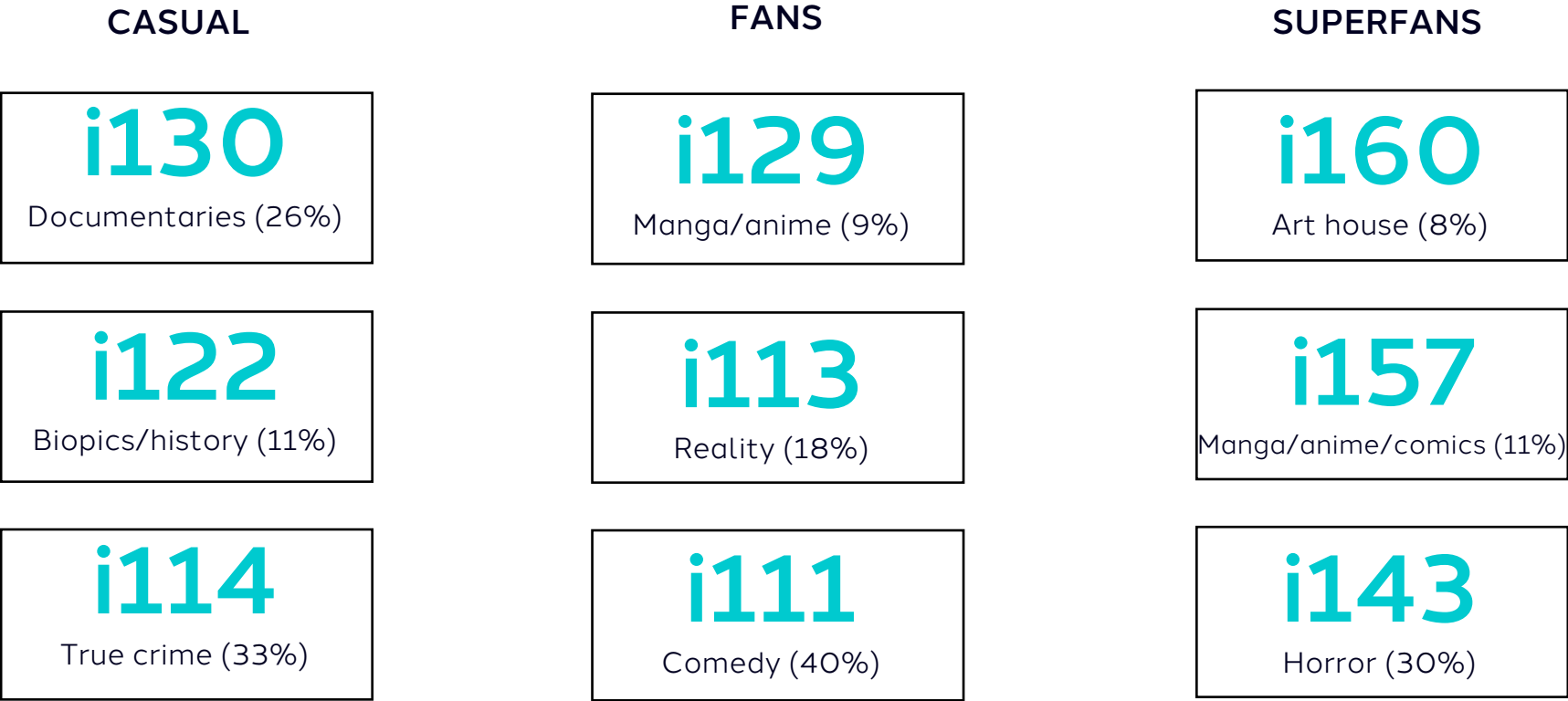


Men are more likely to prefer action, pro sports, and animated genres, while women prefer comedy, drama, true crime, reality TV genres.



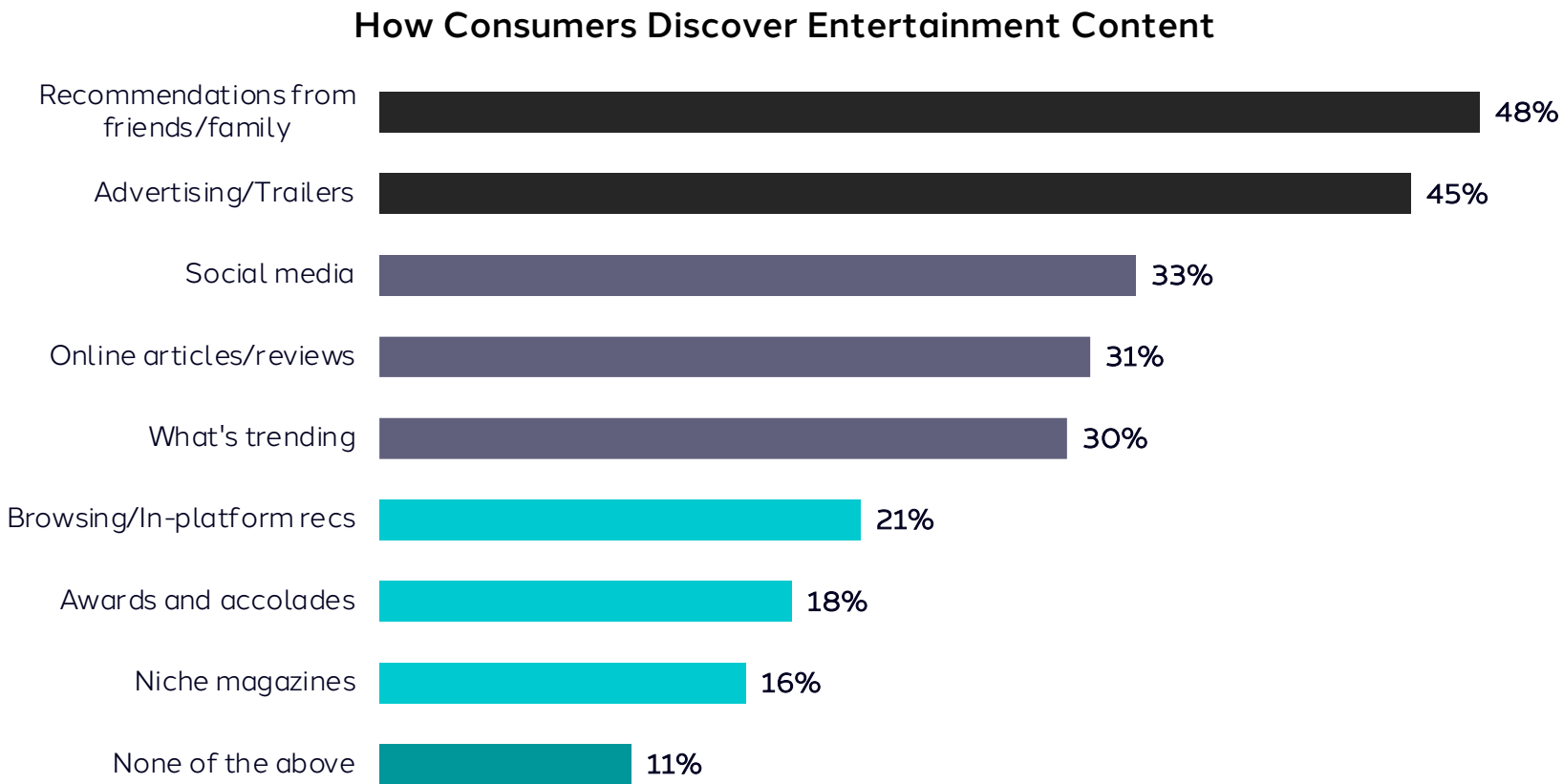
Superfans have very niche interests when it comes to genres.

Superfans over-index for being interested in art house/experimental, manga/anime, comic, and horror genres. Fans are also into manga/anime but have more mainstream interests such as reality TV and comedy. Casual audiences over-index for documentaries, biopics/history, and true crime.



Word-of-mouth leads entertainment discovery, but ads and marketing matter.

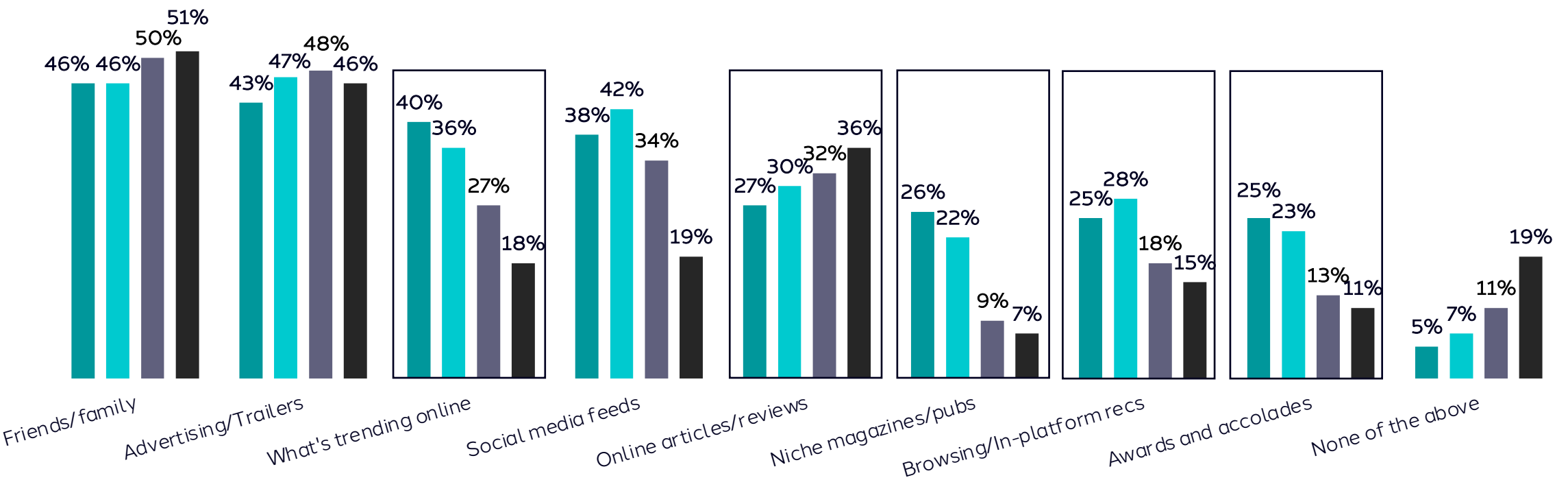
While word-of-mouth remains the most effective form of discovery, consumers are also heavily influenced by advertising. A recent, much-lauded example of entertainment marketing done right is the slew of pop-ups, partnerships, PR stunts, and more leading up to the Barbie movie this summer.



Younger generations care more about what’s trending, niche publications, browsing, and awards, older generations lean on friends/family and online articles.

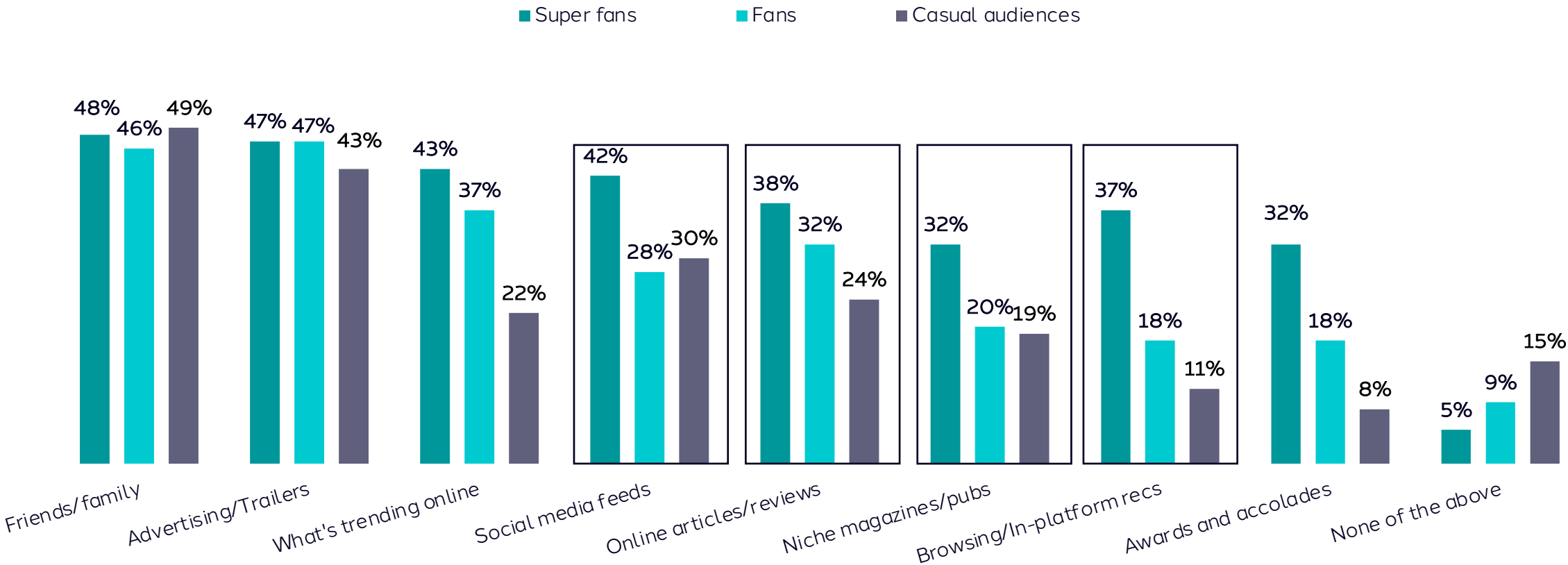
How Consumers Discover Entertainment Content

■ Gen Z ■ Millennials ■ Gen X ■ Boomers



Super fans seek new entertainment content in specialized outlets but are also more likely to trust algorithms informing their social feeds and platform recommendations.

How Consumers Discover Entertainment Content



Most consumers view entertainment as part of their identities and make an effort to share their passions with others.

Additionally, more than a third of them interact with and extend their favorite franchises by creating their own fan-made content, engaging in activities like writing reviews, publishing (written or video) analyses, making their own franchise-inspired designs and artworks.

53%

Agree: “My passion for my favorite entertainment franchises is part of my identity.”

54%

Agree: “I make an effort to pass on my passion for my favorite entertainment franchises to my friends and family members (my spouse, my children, etc.)”

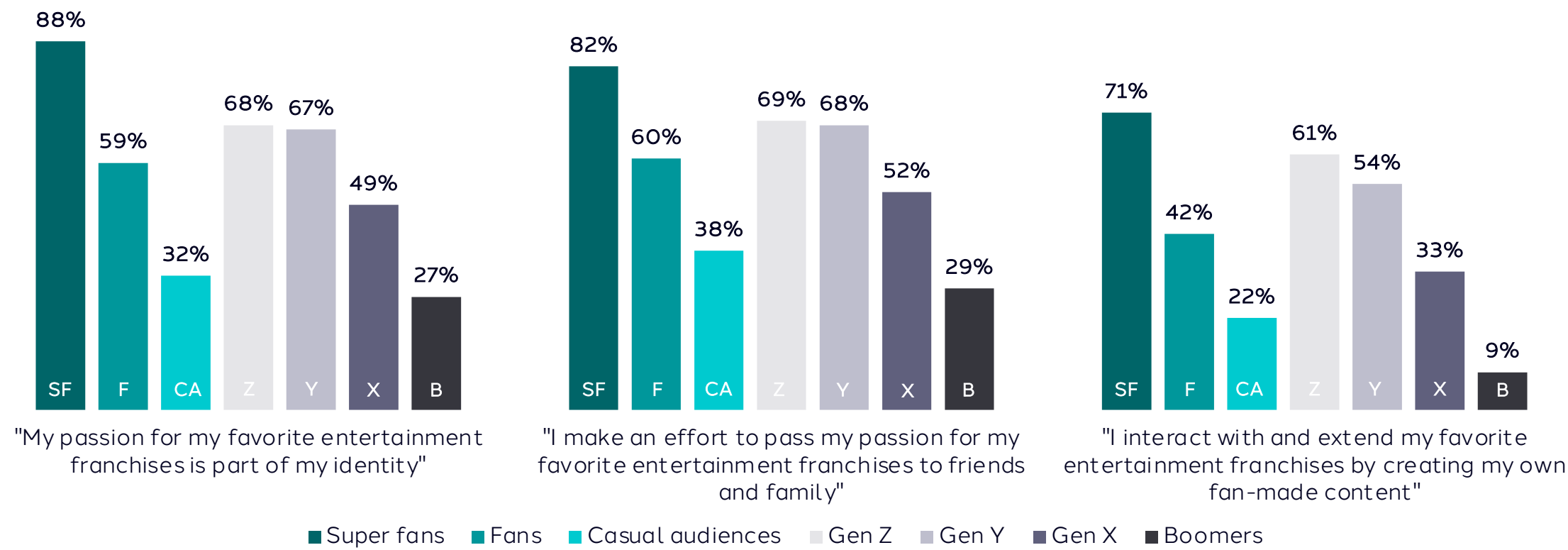
38%

Agree: “I interact with and extend my favorite entertainment franchises by creating my own fan-made content (reviews, analyses, designs, artwork, etc.)”

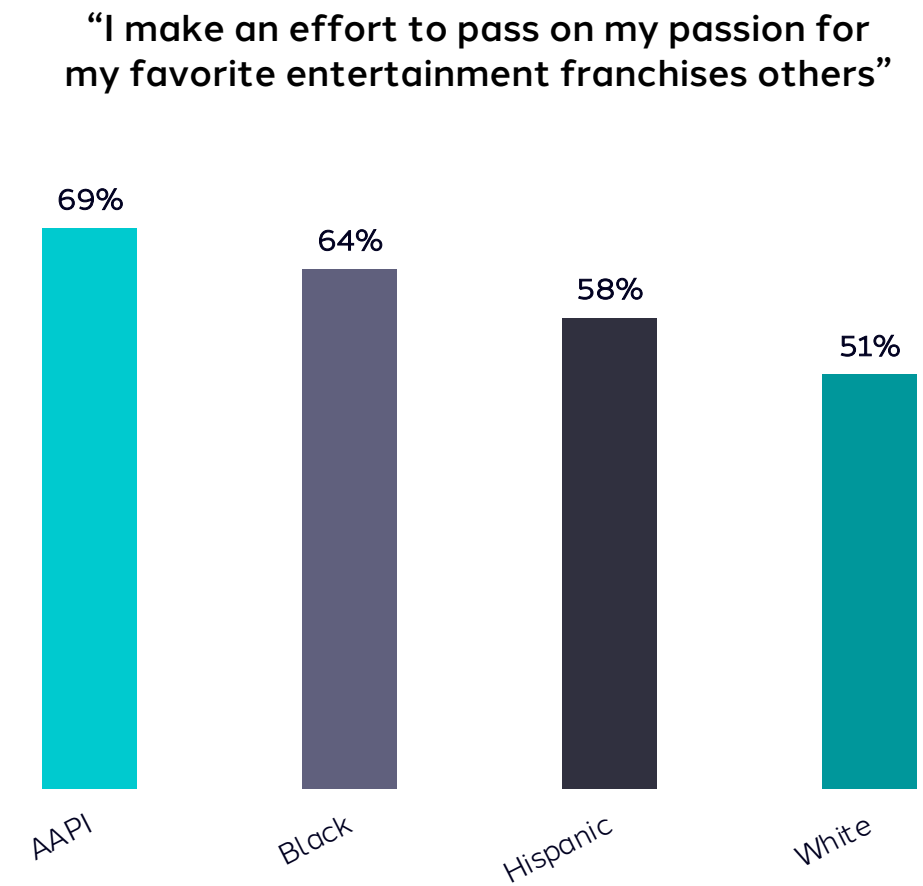
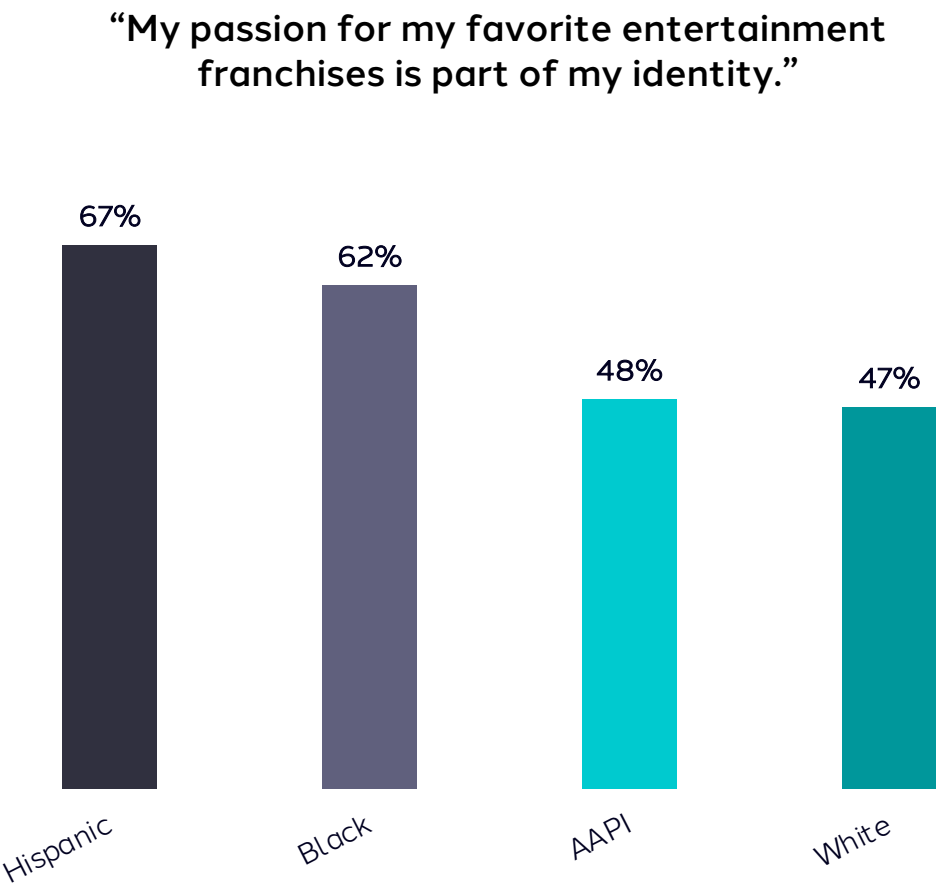
Super fans and younger generations are especially passionate about entertainment.

Super fans and younger generations are more likely to consider entertainment franchises part of their identity and are more invested in advocating for them. They are also significantly more engaged in the creation of fan-made content.

% of Each Group Who Agree With the Following Statements:



Black, Hispanic and AAPI respondents are especially likely to say they make an effort to share their passion for entertainment franchises with friends and family.



Stuck on the carousel: consumers express reboot, revival, sequel fatigue.

Amid a year that has seen countless revivals, reboots, and sequels, such as *Scream 6*, *Avatar: Way of Water*, *Top Gun: Maverick*, *And Just Like That*, *That 90's Show*, consumers are expressing fatigue. What's more, consumers tell us they feel more connected to original shows and movies.

67%

Agree: "Movies and TV shows these days have become too repetitive/derivative (too many sequels, remakes, reboots, etc.)."

*Gen Z are most likely to agree: 72%.

64%

Agree: "I feel more connected to the movies and TV shows made when I was a teenager than those made today."

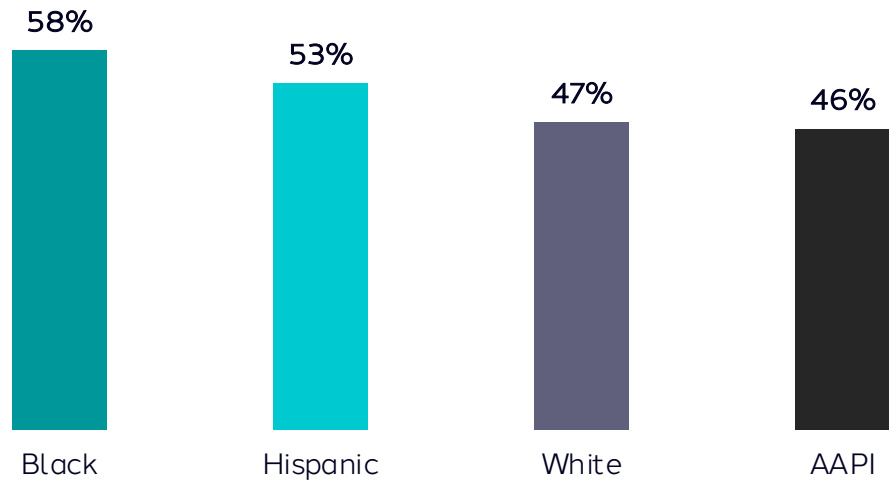
*Gen X are most likely to agree: 69%.

A word of caution on nostalgia: Black respondents are most likely among race/ethnic cohorts to say they don't feel reflected in movies and TV shows from a decade ago.

50%

Agree: "I don't see myself reflected in the personalities and groups featured in most movies and TV shows that were made 10 or more years ago."

% Who Agree By Race/Ethnicity



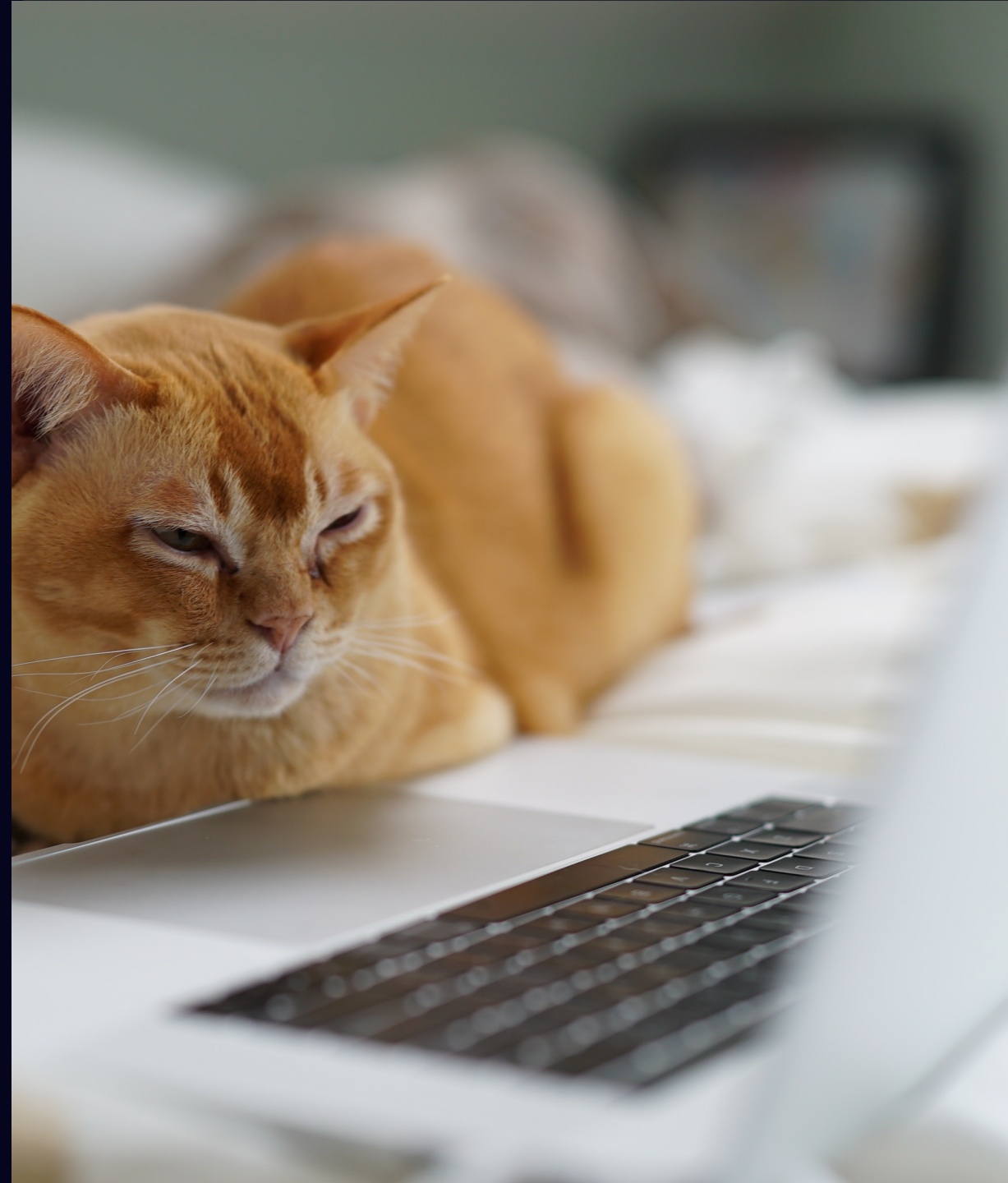


IMPLICATIONS FOR MARKETERS

- **TV, comedy and nostalgia are the great ‘equalizers.’** Our survey finds that TV remains a cornerstone of American culture and that comedy is the most universally appreciated genre. Brands that are looking to garner mass appeal should consider both advertising placements during popular comedy programming, as well as creating content that references popular sit-coms or features popular comedians. Audiences across the board feel connected to the movies and TV shows that were popular in their youth. Brands should target different generations with nostalgic content accordingly and consider the ‘*Back to the Future* rule’ to anticipate revivals for entertainment and fashion from 25 to 30 years ago. However, keep in mind that looking at the past has different connotations for some cohorts in an effort to create culturally fluent content.
- **Partnerships with ‘niche’ entertainment IP can be the key to winning over audiences that are more invested in entertainment’s cultural capital.** Brands that are looking to make a greater impact with targeted audiences should consider a more selective approach to entertainment partnerships and explore opportunities connected to horror, manga/anime, and comic book adaptations.
- **Connecting authentically (and originally) with entertainment can mean mattering to consumers, vs. marketing to them.** Entertainment plays a pivotal role in shaping consumers’ identity, especially when it comes to younger audiences. Playful integrations can make consumers more invested in a campaign. However, beware of fatigue with sequels and reboots.

Diving Into Streaming vs. Traditional TV

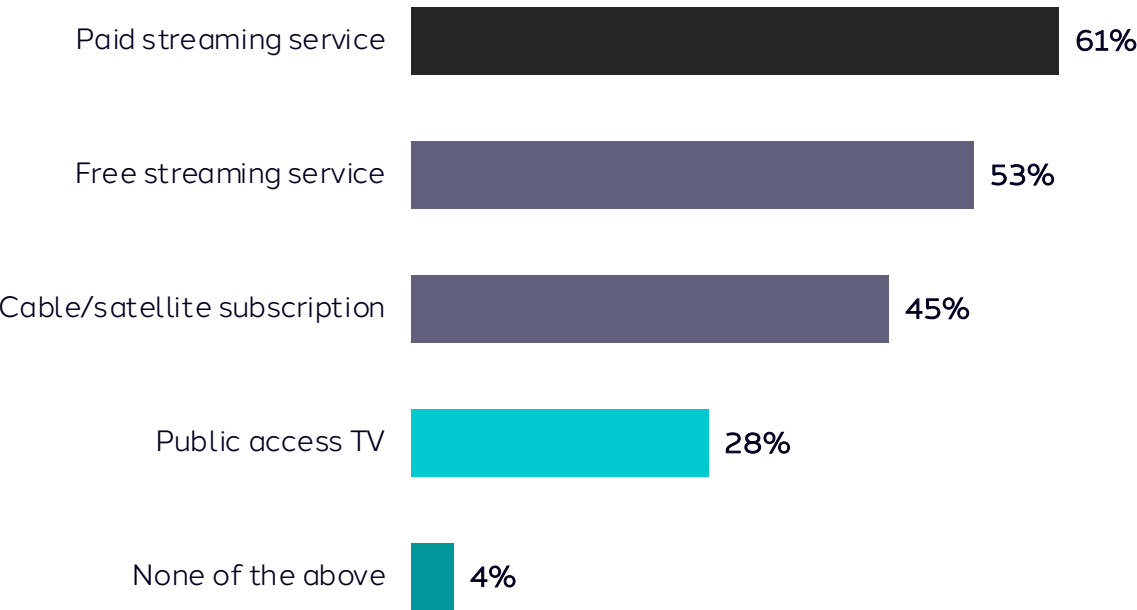
Back in 2021 we surveyed U.S. consumers to capture which behaviors were emerging as a result of the explosion of streaming services and the popularity they had garnered as lock downs were restricting access to movie theatres and constraining the programming of live events. Two years later, we revisit the subject to understand whether Americans are feeling streaming service fatigue and how they reacted to the proliferation of ad-supported options.



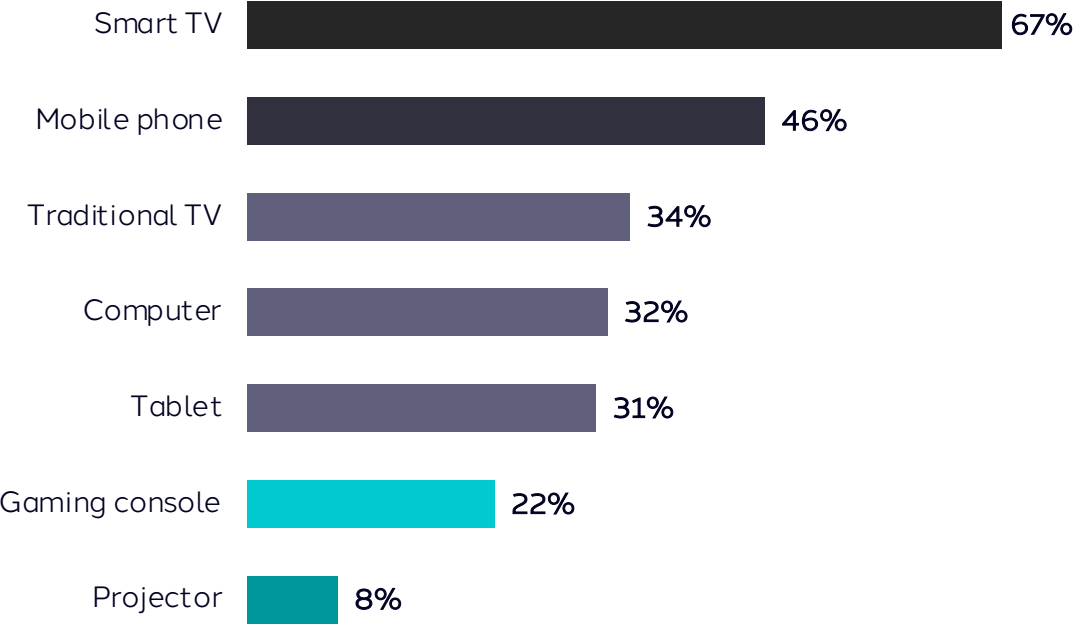
Streaming services continue to command TV consumption, but cable remains.

Smart TVs and mobile phones are the most used devices to access TV content, but consumers are using a variety of devices.

Services Consumers Use to Watch TV/Movies

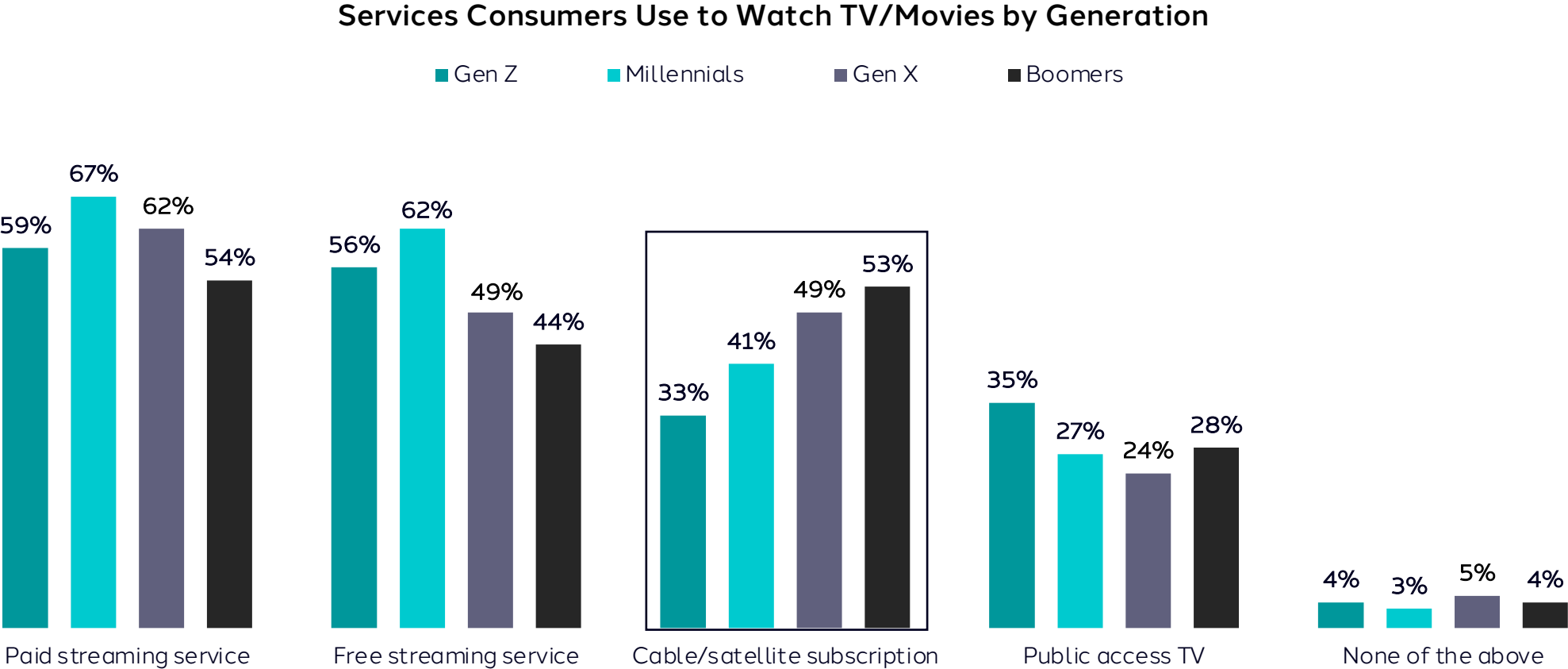


Devices Consumers Use to Watch TV/Movies



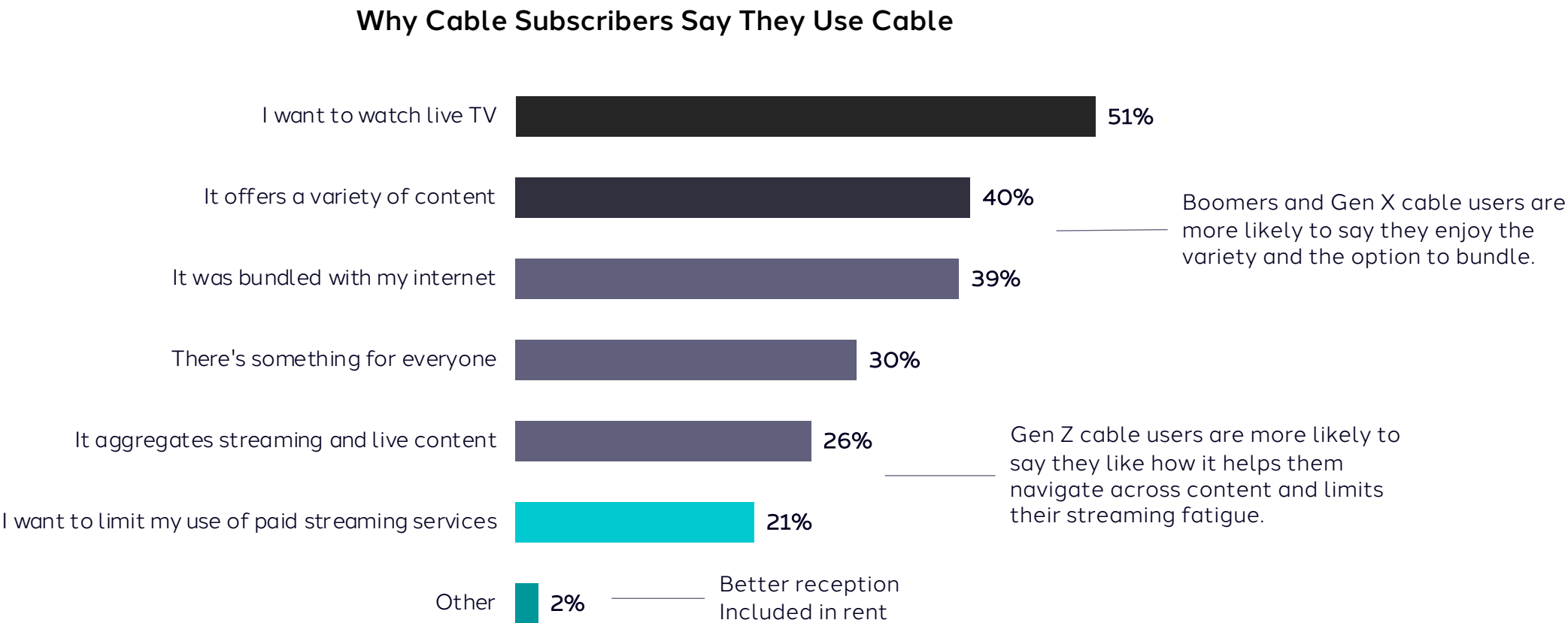
While all generations use paid streaming services, Boomers also stick to cable.

While younger generations appear ok with primarily accessing TV/movies through paid or free streaming services, over half of Boomers continue to hold on to their cable/satellite subscription. This compares to one-third of Gen Z.



Access to live content is the primary lifeline for cable television.

Consumers still watch cable for several reasons, including access to live sports events and news broadcasts, bundled packages that include a variety of channels, and ease of use. Additionally, some consumers express subscription fatigue.

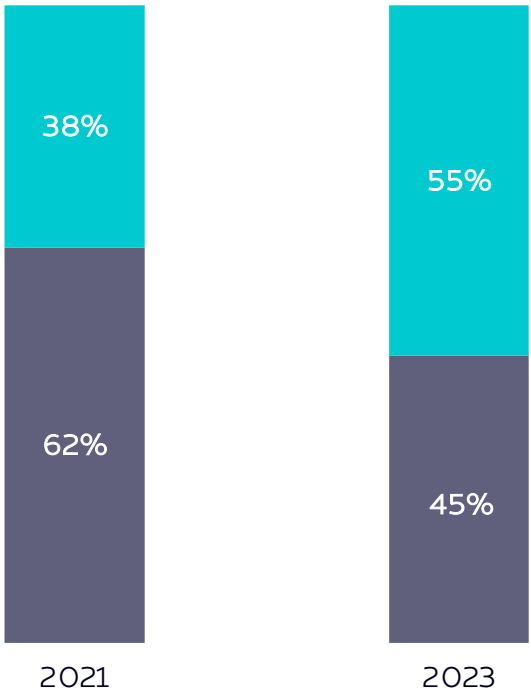


Viewing behavior is shifting from binge-watching to episodic viewing.

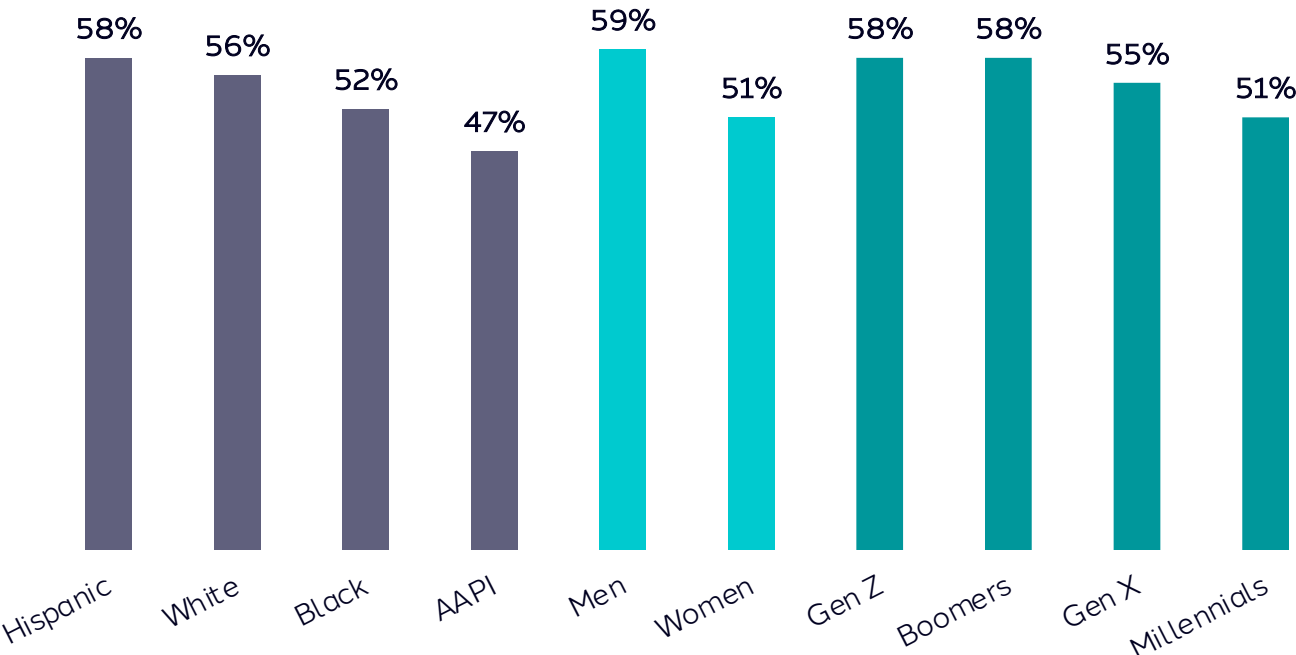
Amid content overload, TV providers are returning to traditional viewing formats and consumer appetite is following suite. Hispanic and white respondents are more likely than Black and AAPI respondent to show preference for weekly episodes. Men are more likely than women. And Gen Z and Boomers are united in their preference.

Consumers’ TV Viewing Preferences

■ Binge-watch TV Shows ■ Watch Weekly Episodes



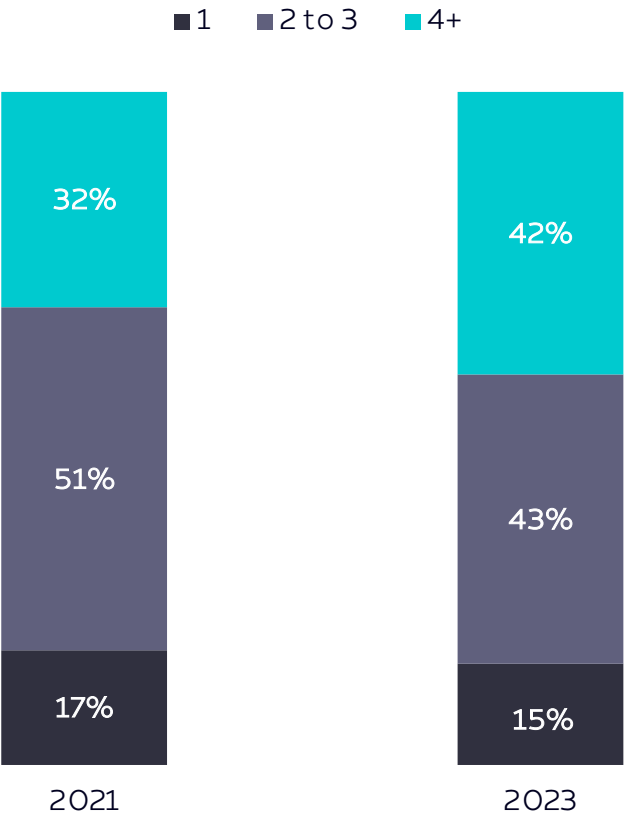
I prefer to “watch weekly episodes”



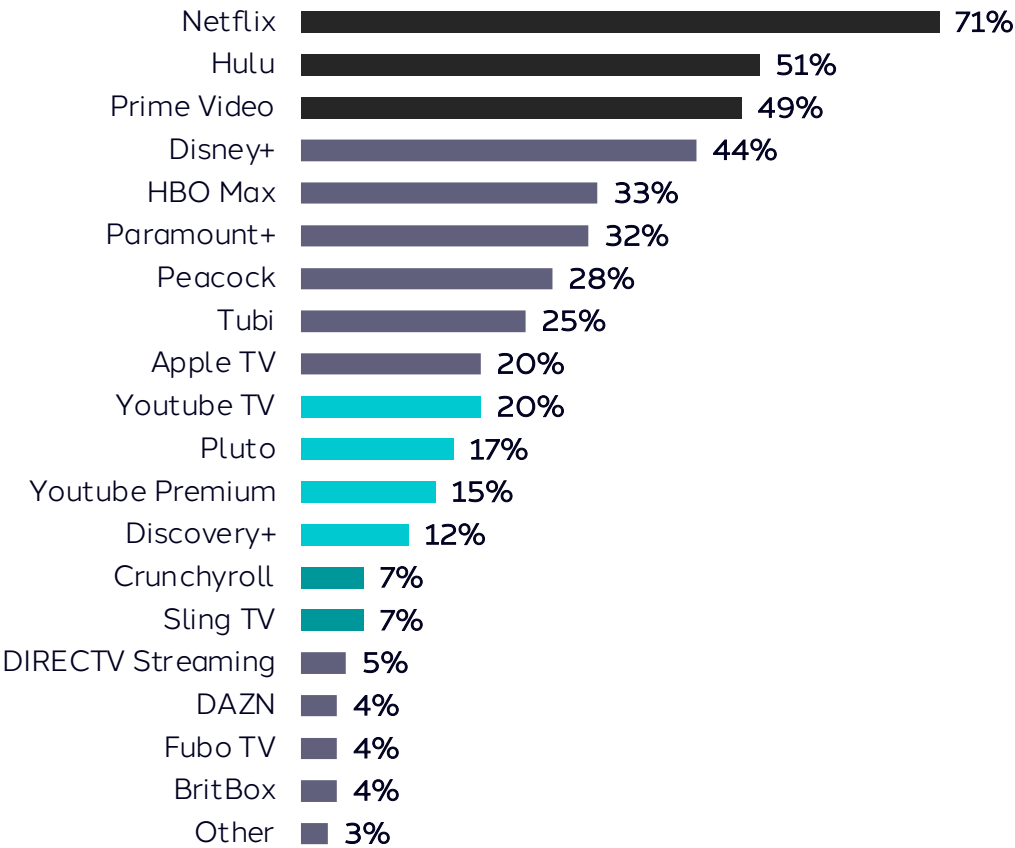
In the last 2 years, the number of streaming services consumers subscribe to has grown.

Compared to 2021, the share of consumers who have over 4 streaming subscriptions has grown from 32% to 42% - a 10 percentage gain.

Number of Streaming Services Consumers Use



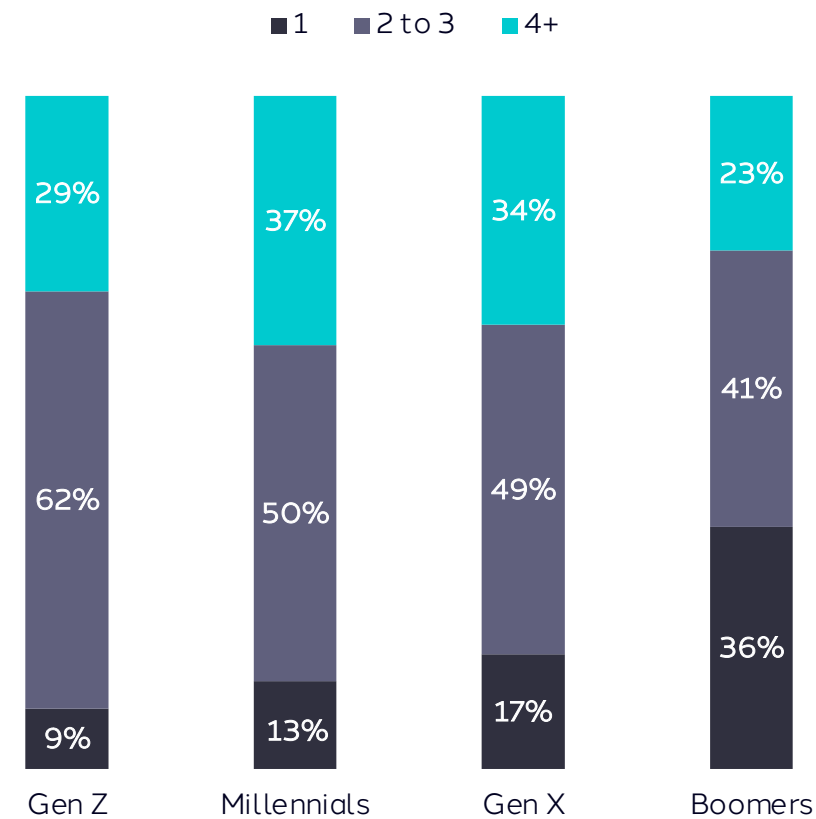
Which Services Consumers Use



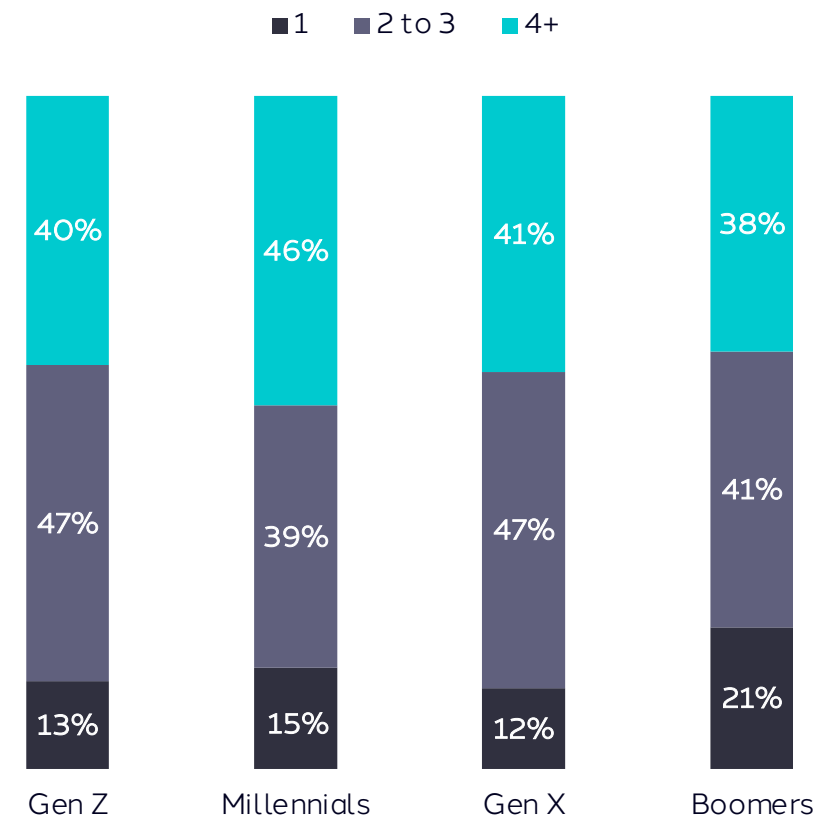
All generations have increased their number of streaming subscriptions.

Millennials continue to be the generation driving 4+ streaming subscriptions; however, there has been growth across generations, particularly Gen Z (+11%) and Boomers (+15%).

2021: Number of Streaming Services By Gen



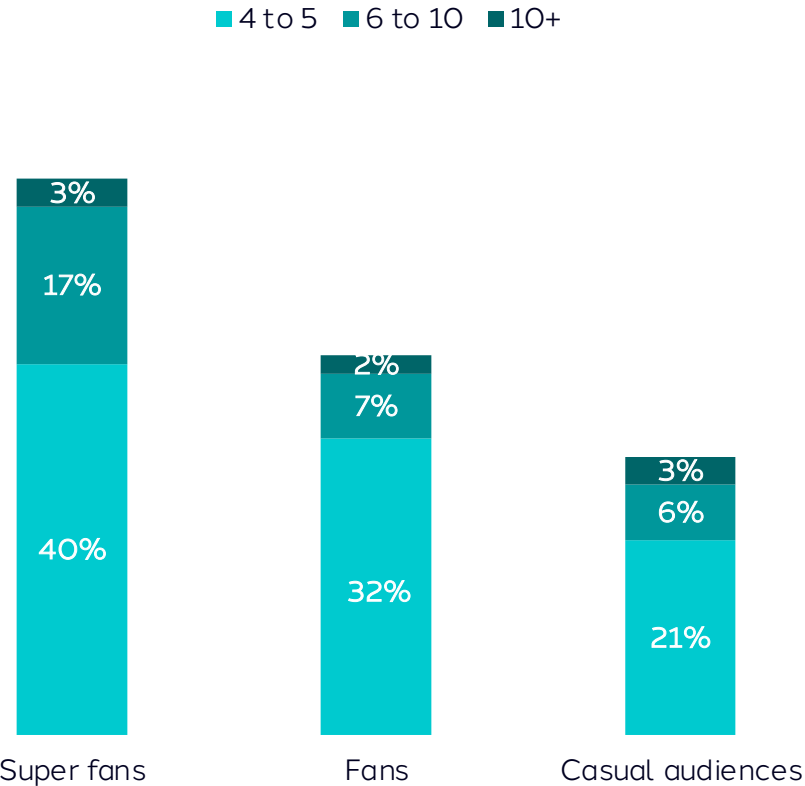
2023: Number of Streaming Services By Gen



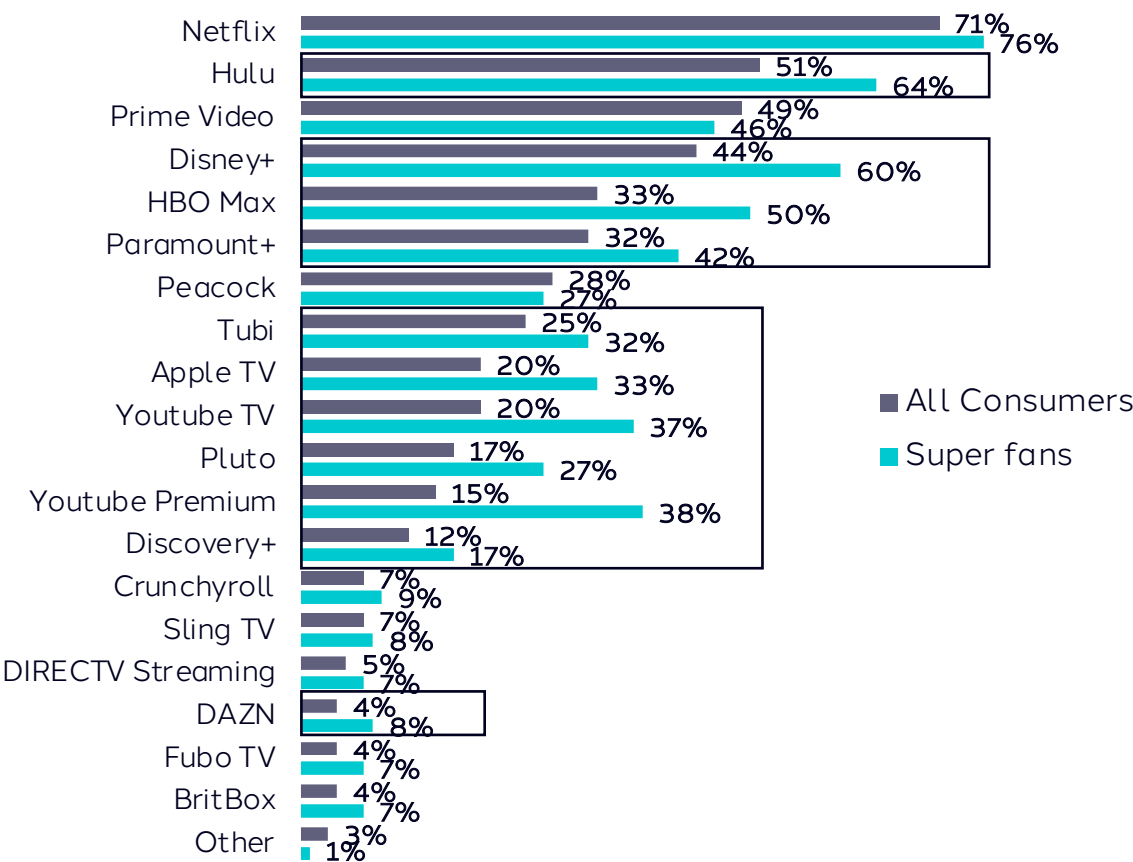
Super fans enjoy a streaming service bonanza.

Their engagement with comic book adaptations, sports, and fan-made content makes them significantly more likely to be subscribed to Disney+, YouTube and DAZN than the average viewer.

Number of Streaming Services Consumers Use



Which Services Consumers Use



Super fans appear to be driving the post-pandemic return to movie theaters; however, in many cases they are also willing to wait for movie releases on streaming services.

SUPER FANS

37%

say they have gone to the movies more often and used streaming services less often in the last 12 months.

GEN POP

21%

SUPER FANS

50%

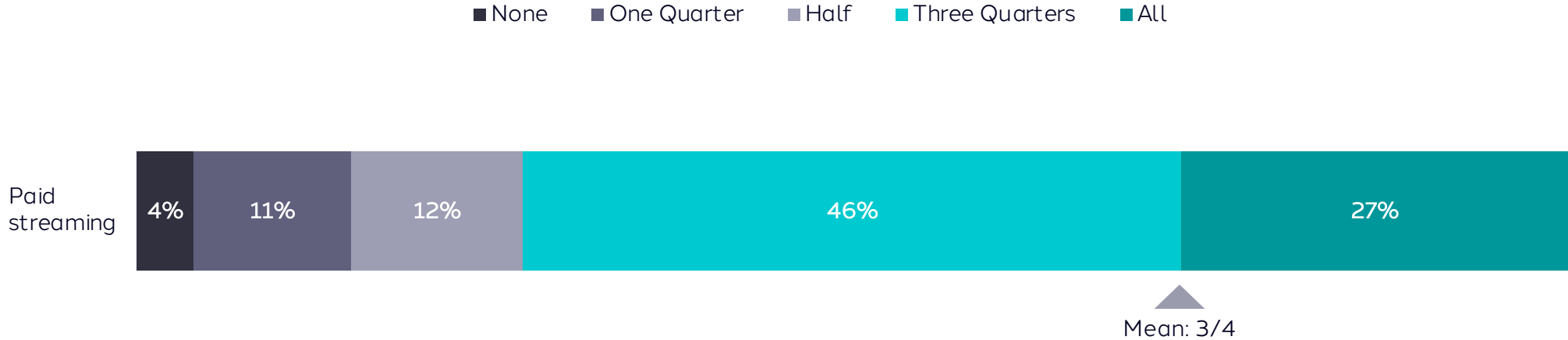
waited for a movie to be available on streaming services rather than going to the theatre to see it.

GEN POP

48%

On average, three-quarters of consumers' streaming services are paid, and one-quarter are free, ad-supported services.

What Share of Services Used Are Paid (while the rest are free)



Appetite for ad-free content viewing remains and consumers are willing to pay.

Around 1 in 5 consumers say they have upgraded a streaming service to be ad free in the past 12 months, and an additional 1 in 5 say they will upgrade a service in the next 3 months.

23%

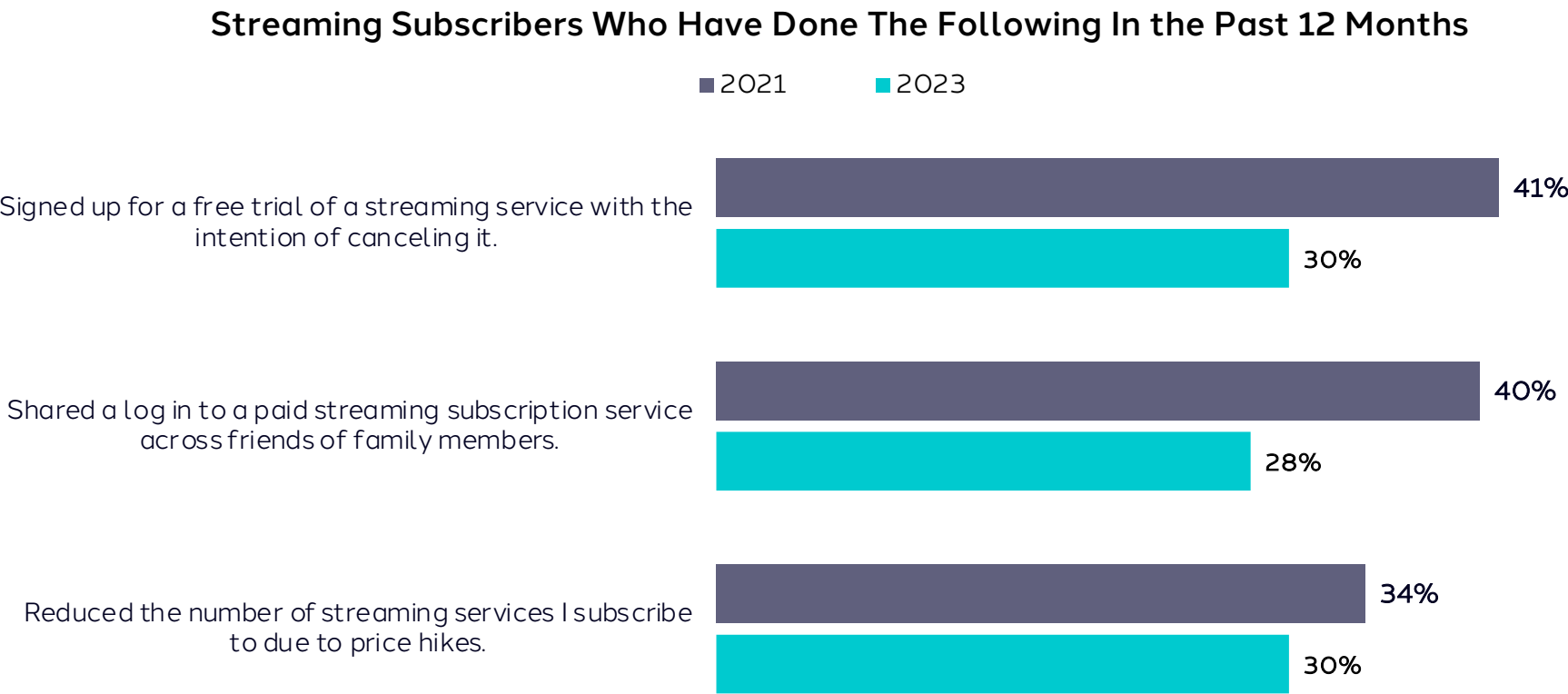
Of consumers say they have upgraded their streaming subscription so they could watch ad-free in the past 12 months.

19%

Of consumers say they plan to upgrade their services to be ad-free in the next 3 months.

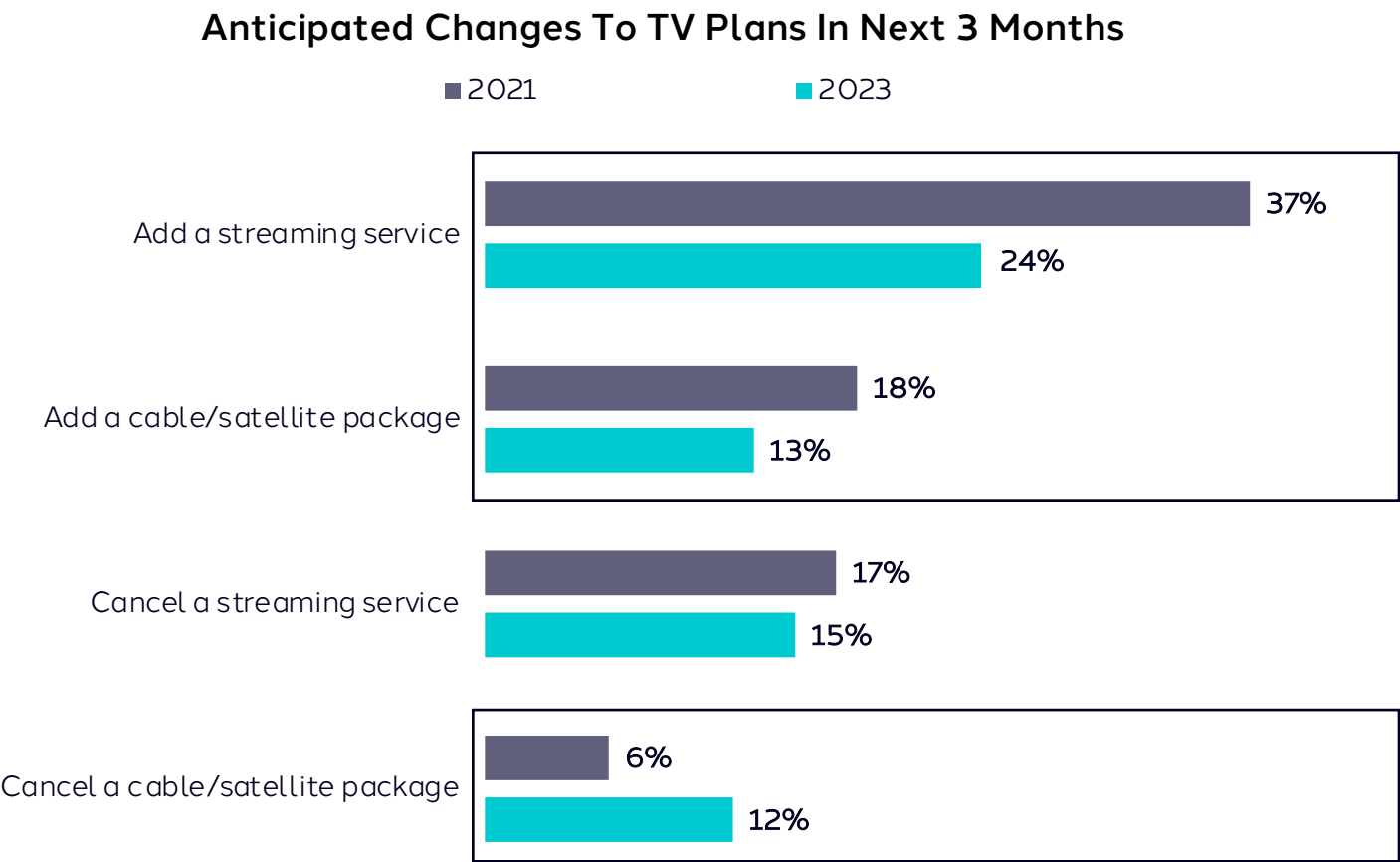
Fewer consumers are cutting corners to access the streaming content they want.

Compared to 2 years ago, consumers seem resigned to the necessity of subscribing to multiple streaming services to access the content they want. Those who are hacking free trials declined 11 percentage points, those who share log ins declined 12 percentage points, and those who are cutting down on subscriptions declined 4 percentage points.



Fewer consumers plan to add viewing options, but more plan to cancel cable.

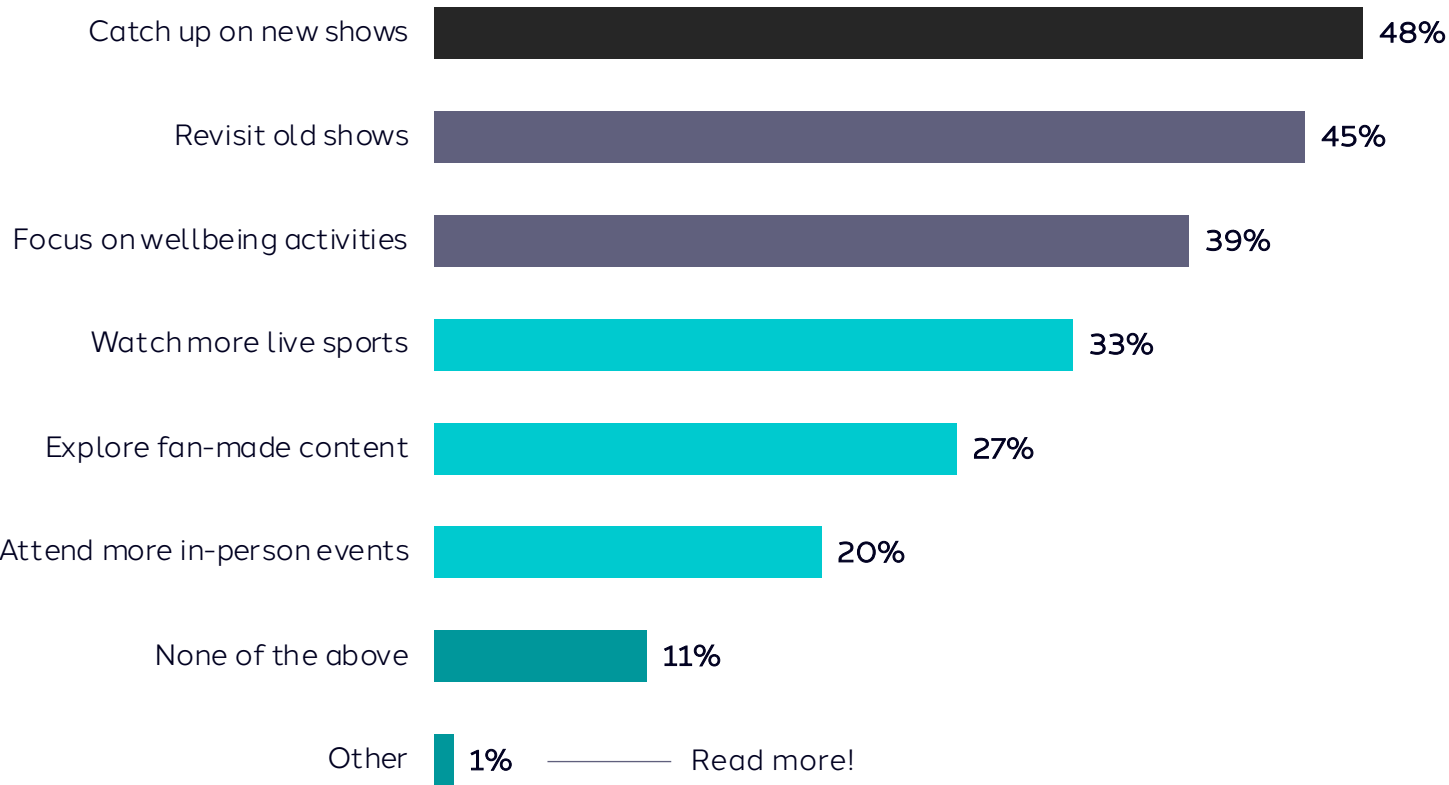
Compared to 2 years ago, those who are planning to add either a streaming service or cable/satellite package in the next 3 months have declined. While those who plan to cancel a cable/satellite package doubled.



Amid strikes, consumers plan to catch up on glut of new shows, revisit past shows.

Additionally, many consumers expressed that they would like to cut down on their TV time and instead focus on wellbeing activities such as exercising or spending time outdoors. Others told us they plan to spend more time reading instead!

Activities Consumers Plan To Do During the Writer’s/Actor’s Strike





IMPLICATIONS FOR MARKETERS

- **Live content boosts the impact of advertising.** While consumers supplement their paid streaming subscriptions with free and ad-supported streaming, live content such as sports events or the news is the main driver for cable usership and the ad placement opportunities it provides. The upcoming scarcity of new scripted entertainment content – as a result of the ongoing SAG-AFTRA strikes – will make placements tied to live content even more important, as consumers plan to spend more time watching sports or attending live events in person.
- **Bridging the gap between inspiration and purchase is at consumers' fingertips.** Beyond being one of the primary devices used for online shopping – as evidenced in our Retail & Commerce 2023 Navigator report from last February – the mobile phone is becoming an increasingly popular option for experiencing movies and TV shows. Positioning the right offer at the right time, either by placing a contextually relevant mobile ad or by placing your product in the right show, can mean instant conversions. Being able to do this will become even more critical as streaming services become 'shoppable' – in February 45% of consumers told us they'd use these platforms to purchase products used by their favorite characters.
- **Consider original content production and sponsorships to reach consumers enjoying an ad-free entertainment diet.** Despite the recent changes in the streaming service landscape, there is still scarce tolerance for interruptive advertising among consumers who can afford to avoid it.

Connecting with Entertainment Fans

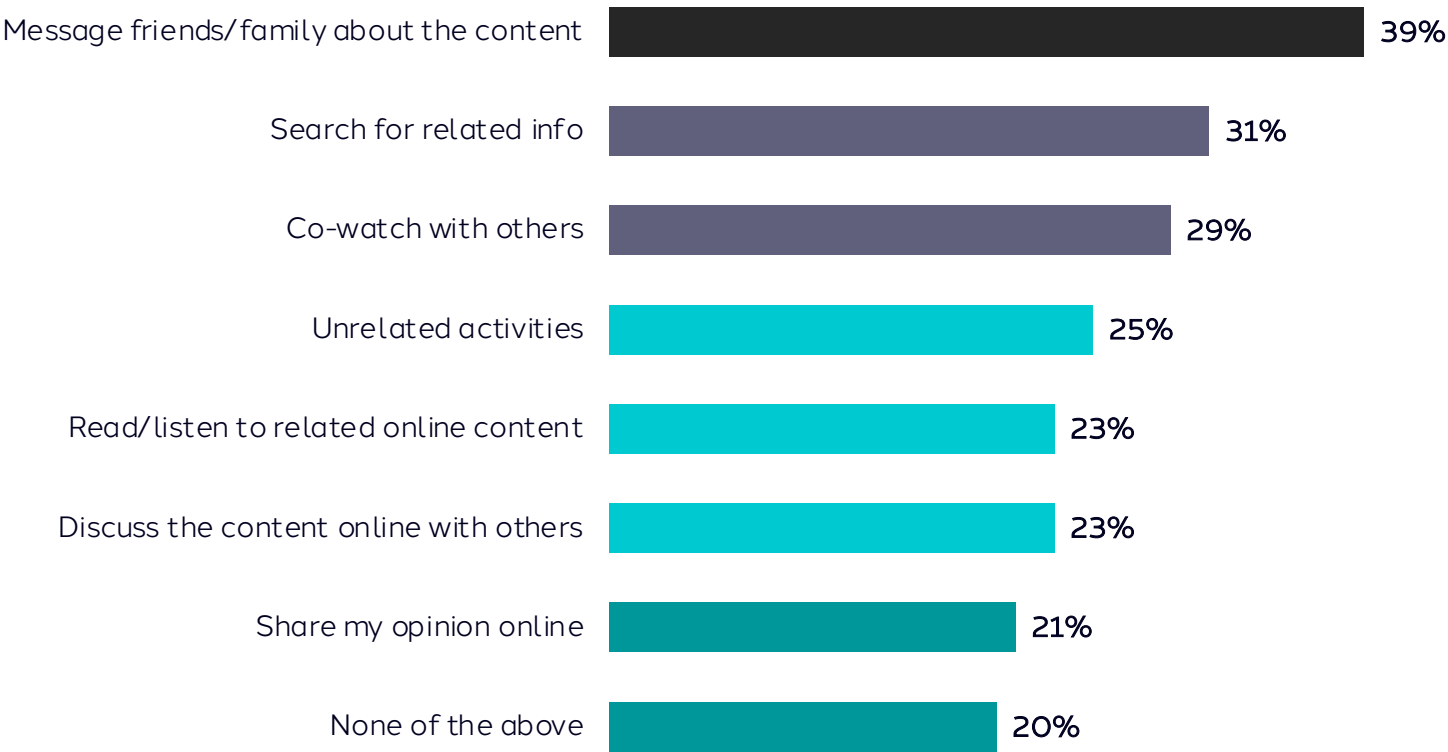
The *Barbie* movie is edging the Top Ten of highest grossing films in the U.S. after surpassing *The Avengers*. While not all brands can count on IP that translates so well into fiction, *Barbie* only represents the tip of the sphere in terms of the opportunities that entertainment provides to them as they seek to earn consumer attention. In this section, we focus on how consumers' entertainment preferences inform their engagement across a broader set of channels, as they interact with content that extends the entertainment IP they are passionate about, and we seek to understand how brands can monetize partnerships with entertainment franchises.



Entertainment content is best enjoyed with (the commentary of) others.

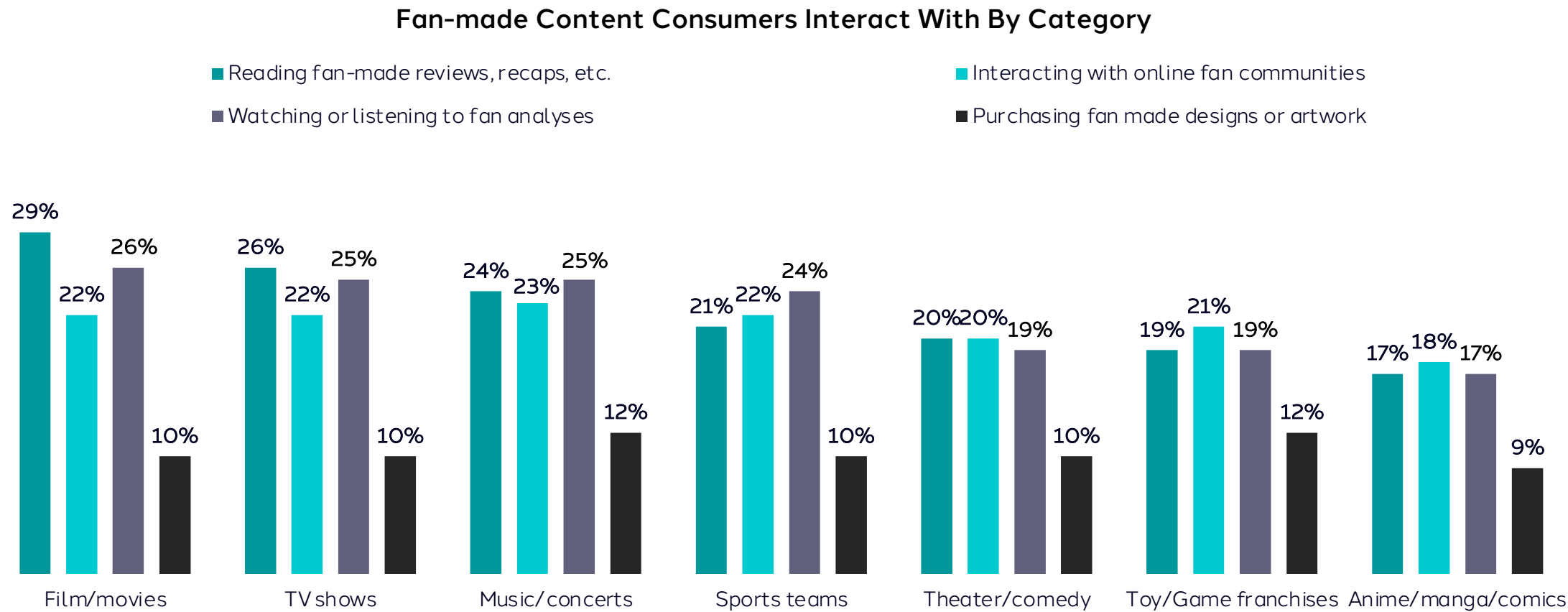
Two of the top three second-screen activities consumers report doing include messaging or co-watching with others. Additionally, almost a quarter of respondents say they discuss content live online with others.

Second-Screen Activities Consumers Do While Engaging With Entertainment Content



Many consumers engage with fan-made content about their favorite entertainment.

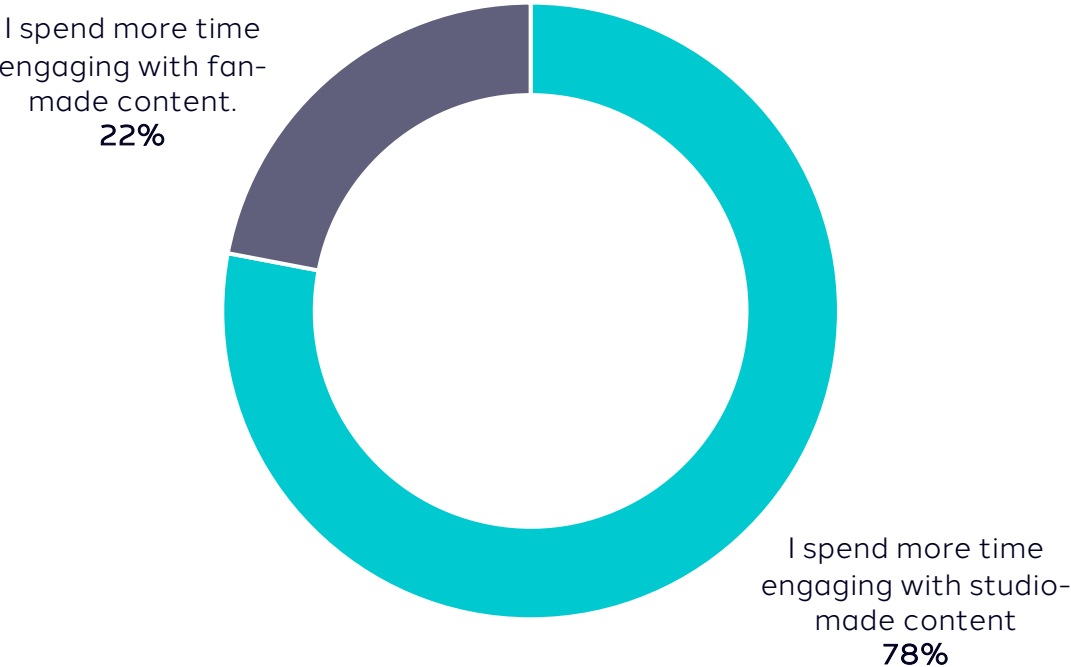
When it's about movies or TV shows, consumers primarily enjoy reading reviews/recaps or digging into analysis on the plot, the characters, theories, etc. For sports, they're primarily into analysis of games or players.



Most consumers spend more time with studio content, but around 1 in 5 say they spend more time with fan-made content, particularly engaged audiences.

Time Spent on Studio Content vs. Fan-Made Content

“I spend more time engaging with fan-made content that extends or comments on studio content.”



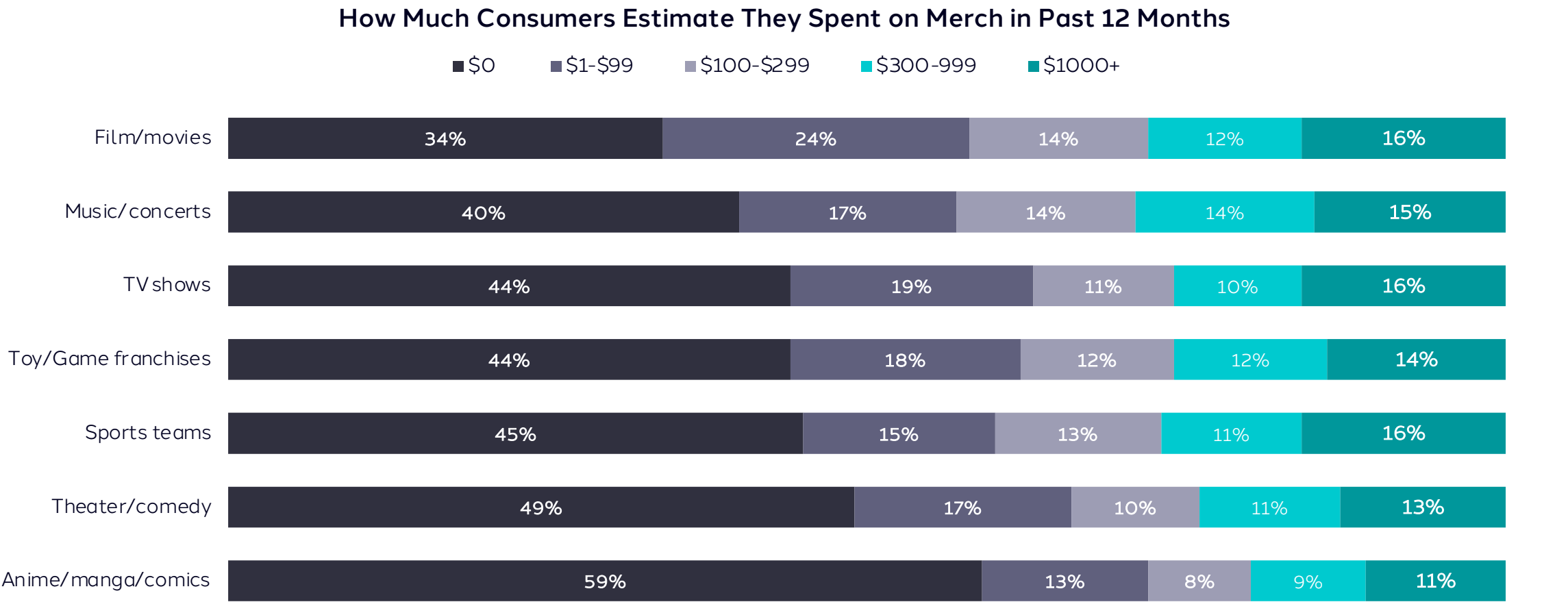
SUPER FANS
24%

FANS
25%

CASUAL AUDIENCES
18%

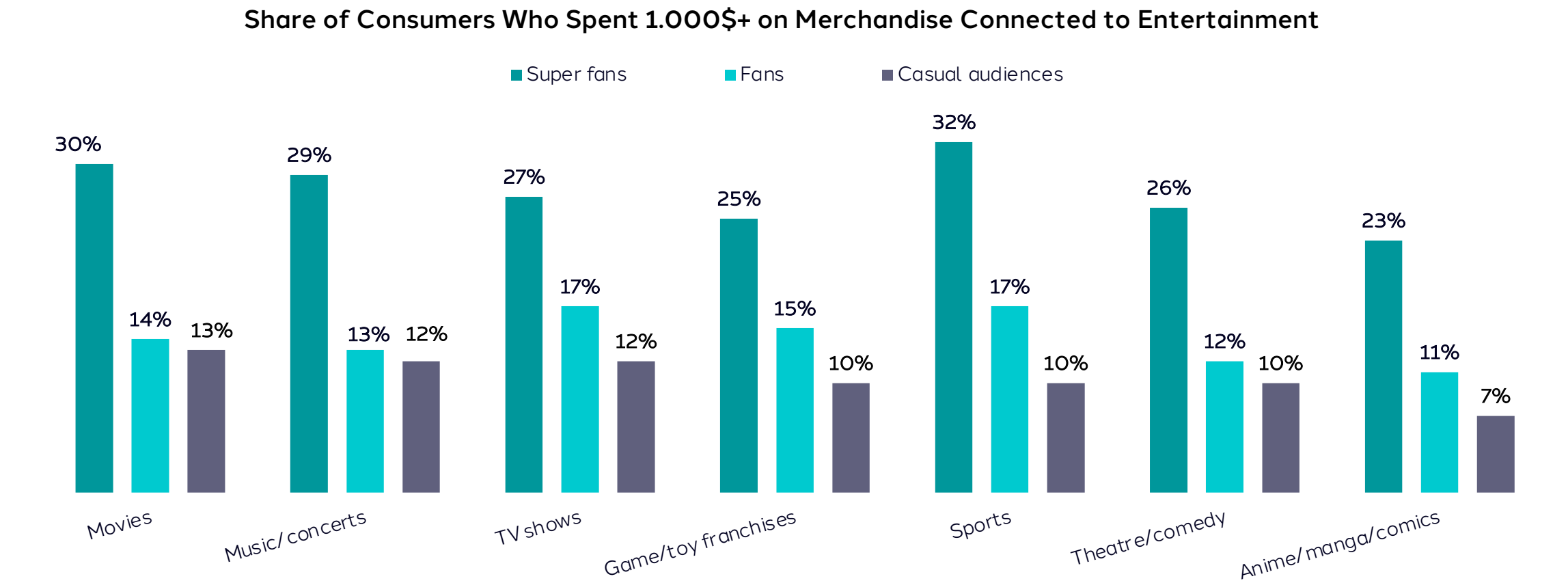
Merchandise related to movies and music is most popular among consumers.

At least half of consumers have spent some amount of money on merchandise related to theater/comedy, sports teams, toy/game franchises, TV shows, music and movies in the past 12 months.

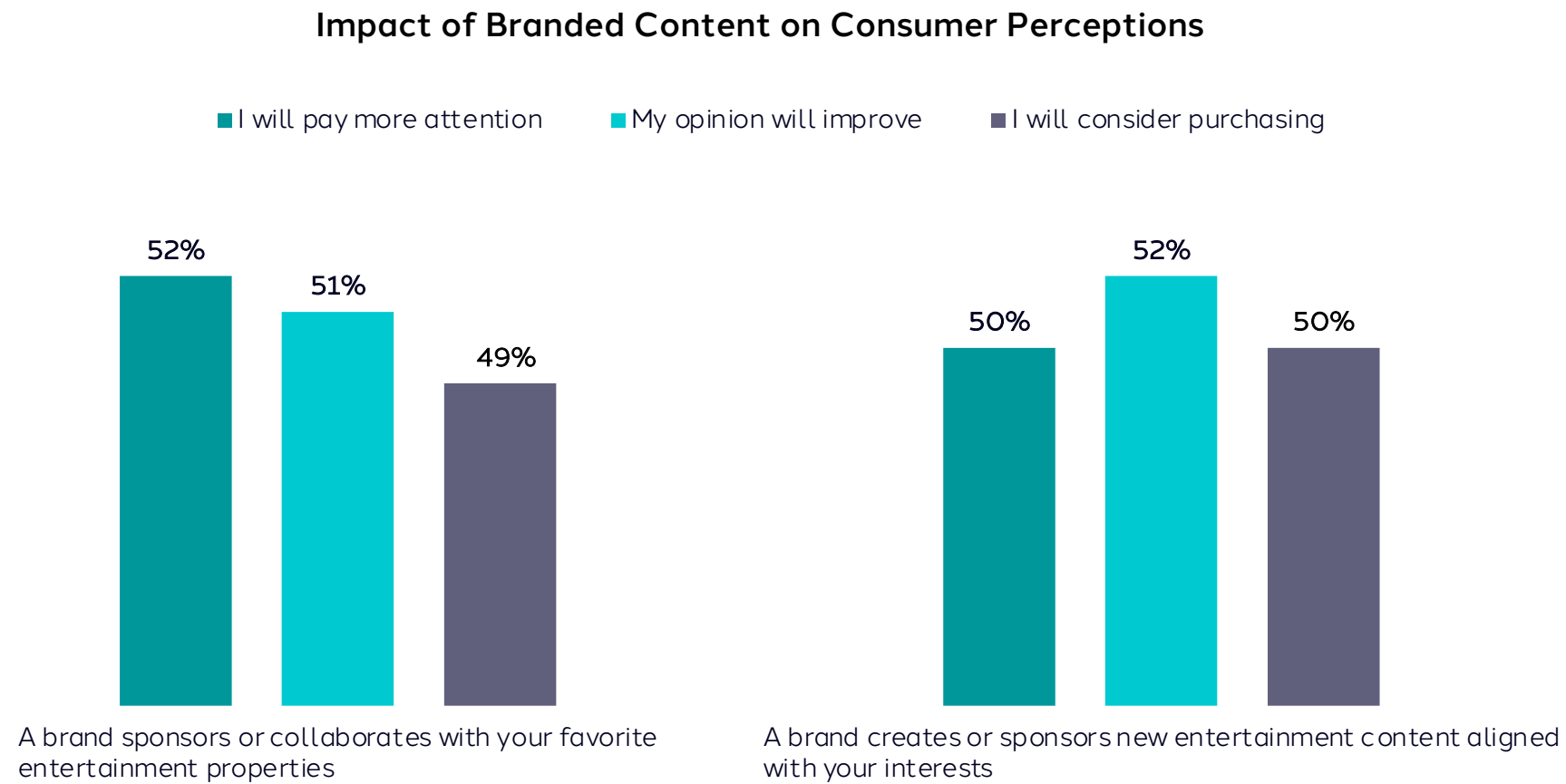


Super fans spend considerably more on merchandise connected to entertainment franchises than casual audiences.

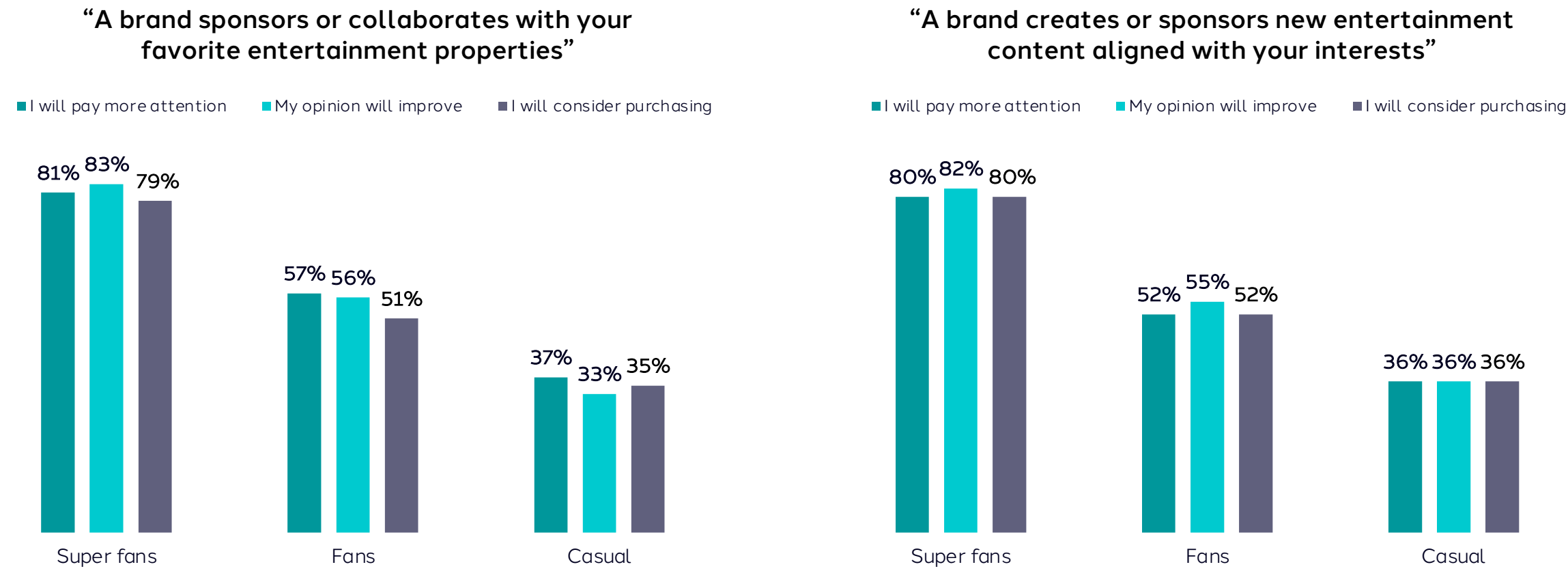
This is especially relevant in the case of sports and anime/manga/comics franchises, as super fans are three times more likely to spend over 1,000\$ a year on merchandise connected to this type of entertainment than casual audience members.



For brands, collaborating with existing entertainment properties captures attention, while creating net-new content drives preference.



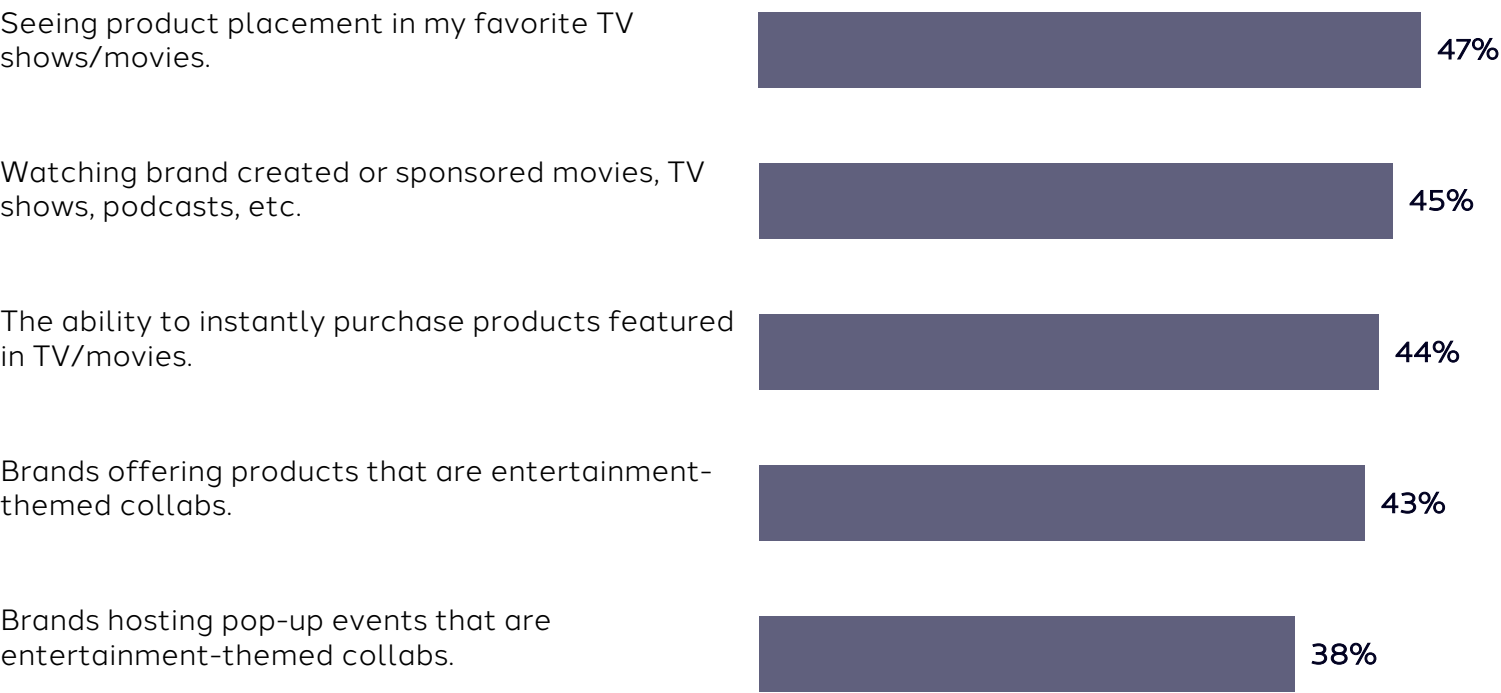
Super fans are hungry for both sponsored and net new entertainment from brands.



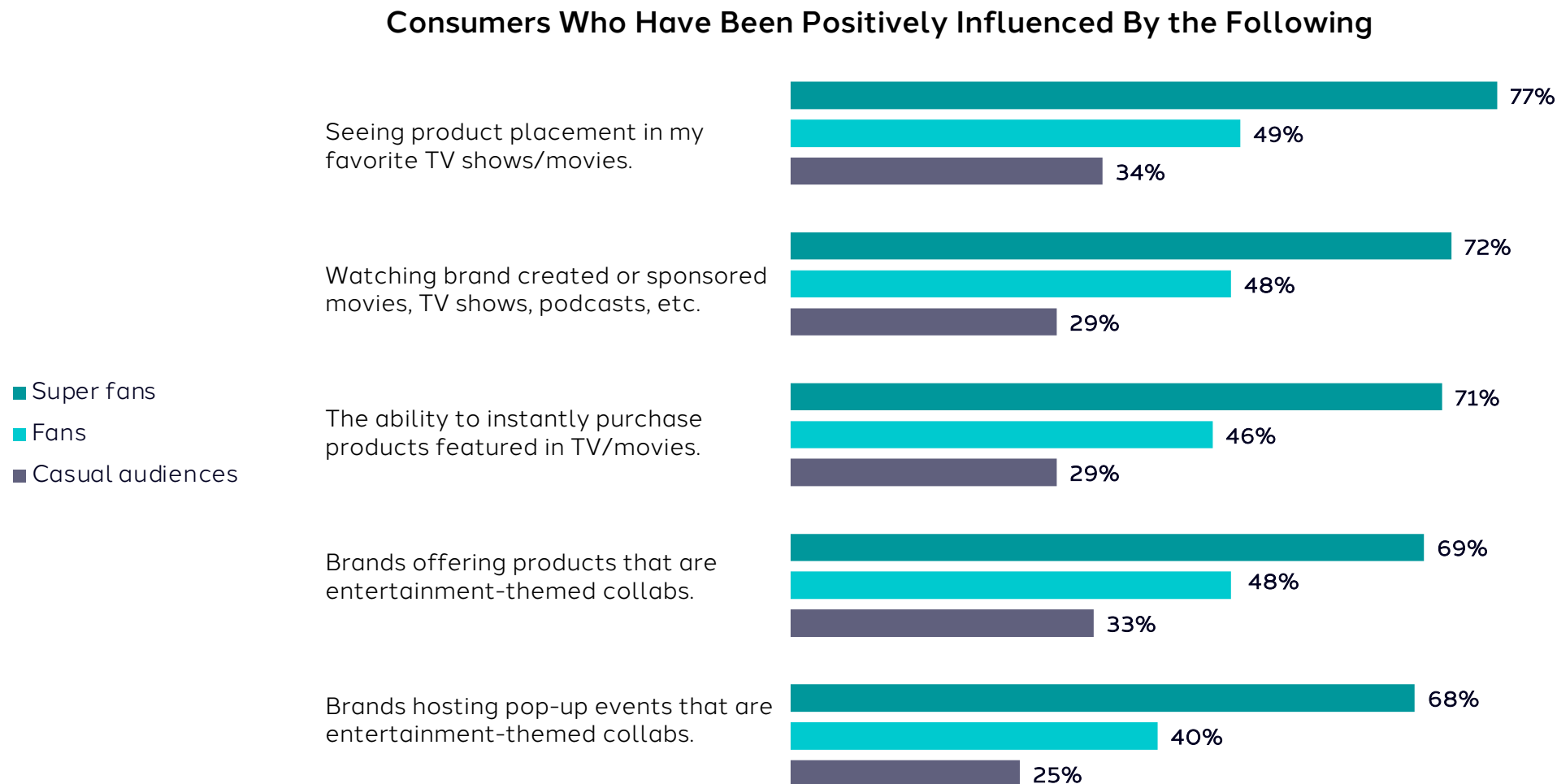
Product placement, content sponsorship, shoppable content improve perceptions.

Just under half of consumers say that product placement positively influences their brand perceptions.

Consumers Who Have Been Positively Influenced By the Following



Super fans are highly influenced by all branded entertainment collabs. Around half of fans say that they are influenced.





IMPLICATIONS FOR MARKETERS

- **Reaching super fans is the key to profitable brand integrations into entertainment.** Not only are super fans more welcoming of brand sponsorships connected to their favorite entertainment properties, as well as more likely to pay more attention to entertainment integrations, but they are also significantly more likely to spend more on products and merchandise featuring the IP they are passionate about. However, never lose sight that specificity is essential when looking to command their attention, per the previous consideration on niche genres and sequel fatigue.
- **Influencers are a powerful ally when looking to reach super fans.** Fans' passion for their favorite entertainment franchises extends into their engagement with a wide variety of fan-made pieces of content and into interactions with dedicated communities. Popular content creators in this arena are trusted sources super fans look up to when it comes to product recommendations (and they are much cheaper than Hollywood celebrities).
- **Cultural moments connected to entertainment garner attention across all media.** Reacting playfully to a season finale or a shocking plot-twist can help boost a brand's presence on a variety of channels and complement its personality.

Closing Thoughts

Our study finds that entertainment properties developed in genres and formats with a broader appeal cater to a larger audience, but at the same time tend to generate lower spending and lower engagement per viewer. Contrast that with properties in niche genres that attract a more devoted fanbase, which tends to invest more, both in terms of accessing the entertainment content (with a higher number of platform subscriptions and a higher tendency to go to the movie theatre to watch the latest releases ahead of everyone else) and in terms of adjacent purchases like merchandising or attending fan conventions.

In this environment, both media and entertainment companies and brands outside the sector that are looking to partner with entertainment IP to connect with consumers need to adopt a very intentional approach to distribution and advertising strategies. Brands that are looking to create broad awareness for a product launch or a new campaign are likely to find this type of engagement by leveraging conversational platforms like social media and responding to cultural moments connected to entertainment IP in comedy, documentary, and true crime. On the other hand, brands looking to engage fans and drive

purchases for bespoke merchandise should consider productions and partnerships connected to IP in horror, anime and manga or localized sports franchise sponsorships. A 360 degrees approach that also encompasses influencers and media created by the fandom is also advised for this type of strategy.

Ultimately, both media and entertainment companies as well as brands outside the sector can benefit from partnering with firms that have:

- A specialist understanding of the entertainment landscape
- An insider view into the most promising IP in development,
- Best-in-class expertise developing marketing solutions both within and outside the world of entertainment
- A combination of creativity, media planning and targeting, as well as data transformation and customer experience management.



About dentsu

Dentsu is the network designed for what's next, helping clients predict and plan for disruptive future opportunities and create new paths to growth in the sustainable economy. Taking a people-centered approach to business transformation, we use insights to connect brand, content, commerce and experience, underpinned by modern creativity. As part of Dentsu Group Inc. (Tokyo: 4324; ISIN: JP3551520004), we are headquartered in Tokyo, Japan and our 65,000-strong employee-base of dedicated professionals work across four regions (Japan, Americas, EMEA and APAC). Dentsu combines Japanese innovation with a diverse, global perspective to drive client growth and to shape society.

Visit: group.dentsu.com; dentsu.com.