European Commission

THE EUROPEAN MEDIA INDUSTRY OUTLOOK

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This document should not be considered as representative of the European Commission's official position.

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Media plays a unique role in Europe's democracy, society and culture. European citizens need trustworthy information and access to culturally diverse stories and innovative content. However, challenges have multiplied over the years: the global media industry has been undergoing a deep and multi-faceted transformation, international competition in technology and content has increased and consumption patterns are shifting.

In this context, the European Commission has developed several initiatives in support of Europe's media. In the wake of the COVID-19 pandemic, it issued a Media and Audiovisual Action Plan[1] which combined regulatory and funding instruments. The Creative Europe Programme, in particular, has supported the competitiveness and diversity of Europe's audiovisual industry, through enhanced cross-border collaboration, to connect content with wider audiences. Market instruments such as the Cultural and Creative Sectors' Guarantee Facility and MediaInvest have increased access to finance. Innovation has been further funded (e.g. Virtual Reality (VR) and Augmented Reality (AR) formats) and structured support to the news media has been introduced, including support for local media. Such funding has accompanied the evolving regulatory framework, among which the revised Audiovisual and Media Services Directive adopted in 2018, the Directive on Copyright in the Digital Single Market adopted in 2019, the Digital Services Act adopted in 2022, which included systemic safeguards for media freedom and pluralism online, and the European Media Freedom Act adopted in 2024 to safeguard media freedom, media pluralism and editorial independence in the EU.

As announced in the Media and Audiovisual Action Plan, the European Commission has also begun to explore media trends and analyse their potential impact on the European media market and business models. This initiative led to the publication of the first edition of the European Media Industry Outlook report in 2023.[2] The Outlook highlighted that the resilience and competitiveness of the European media industry are underpinned by quality content, a better usage of data sets, public and private investment, technology uptake, and the exploitation of intellectual property.

This report is the second edition of the European Media Industry Outlook. It is based on independent research carried out in 2024 and 2025 and reports data on consumer and industry trends, ranging from market and industry revenues to investment, technologies, AI uptake and skills gaps, among others. The research consisted of market analyses based on primary and secondary data, as well as a consumer survey dedicated to the media sectors.[3] It covers new ground when compared with the first edition of the report (e.g. trends in the TV and cinema sectors; consumer insights on extended reality (XR), news and video games; deeper analysis of technological trends and AI; further insights on skills).[4]

Sectoral conclusions

As defined in the European Media and Audiovisual Action Plan, the European media sector covers '*a variety of businesses that produce and distribute content, that share synergies, and whose value is*

[1] European Commission, *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Europe's Media in Digital Decade: An Action Plan to Support Recovery and Transformation*, 2020.

[2] European Commission: Directorate-General for Communications Networks, Content and Technology. *The European Media Industry Outlook*, 2023.

[3] This research was mostly conducted by Technopolis Group, Open Evidence, Intellera and IDATE. More information on the methodology of the consumer survey on p38.

[4] However, some data gaps for specific indicators remain (e.g. TV audiences; revenues; investments; skills gaps). These could be addressed in future editions of the Outlook, alongside other media sectors (e.g. music) which share commonalities with the sectors analysed in this report.

based on intellectual property'.[5] This report therefore analyses recent developments (with a focus on 2023 and 2024) that took place in the following industrial sectors: the audiovisual sector (i.e. streaming, television and cinema), the video games and extended reality industry and the news media sector.

The audiovisual sector

The EU audiovisual market (i.e. encompassing streaming, television and cinema) has remained the second largest in the world (the US occupying the first place with 49%), accounting for approximately 22% of the global revenues of the sector. However, in recent years, the sector has been **significantly impacted by shifting consumption habits**: in the EU, YouTube alone is now capturing almost as much viewing time as the Subscription Video on Demand (SVoD) sector as a whole. Even if linear broadcasting still holds 53% of the revenues generated by audiovisual services in the European market, the strong **growth of video-sharing platforms has disrupted advertising patterns and driven market dynamics**. **Three non-EU streamers continue to lead the SVoD market** despite European SVoD providers — mainly broadcasters — now achieving 16% of EU market revenues. As far as the **cinema sector** is concerned, it continues its **recovery** towards pre-COVID-19 levels.

As regards the overall market structure, the EU audiovisual market has remained highly **concentrated**: in 2023, the 20 corporate groups with the highest revenues accounted for 65% of the revenues generated by the top 100 groups.[6] Overall, the revenue share of US companies has increased, now reaching 40% of the revenues of the top 100 groups, while the share of EU companies continued to decline to 59% (down 8 percentage points since 2016).

European players have continued to face several challenges. The **increasing convergence in the content offerings** between streamers and broadcasters has intensified competition for advertising and sports rights, putting broadcasters under further pressure. The **competition from non-European content has also been fierce**. European works[7] represent well above 30% of works available in catalogues of video on demand services. As far as **EU works** are concerned, they constitute 20% of all works in the catalogues of the four largest SVoDs accessible from the EU, but their **consumption is lower**, at 16% of view time (compared to US works representing 51% of all works in the same catalogues and achieving 61% of view time). This means **high levels of production of EU works have not resulted in reaching wider audiences**. The share of viewing time on SVoD of non-national EU works[8] illustrate this trend, falling from 11% in 2020 to 7% in 2024. In cinemas, EU films accounted for 29% of cinema admissions in 2023, while representing 66% of available titles.

Looking ahead, the EU industry risks being at a disadvantage given the acceleration of innovations shaping the market, for example with generative AI in audiovisual projected to grow annually by 85% up to 2028.

However, the **EU industry can boast many achievements.** In terms of content production, the most successful film of 2023 on SVoD services at global level was European. Spanish titles have found global success on SVoD platforms, while French films mobilised domestic audiences in cinemas. Audiences across the EU remain open to viewing more European content, especially from their own country, while young audiences continue to show strong interest in cinema-going. The EU industry has also taken several **steps to respond to market developments**, drawing on some key strengths. Broadcasters have built on their resilience to develop SVoD services and, just like EU producers, are seeking to **consolidate in order to scale up their operations** across the EU. Cinemas have increasingly sought to harness digital tools and data to better serve audiences. Together, these initiatives and trends can potentially **open new avenues for the industry**, for revenue growth and audience reach.

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[5] Although not within the scope of this report, the music industry shares many challenges with the rest of the audiovisual sector.
[6] In terms of revenues
[7] Originating from EU Member States as well as third countries that are party to the European Convention on Transfrontier Television on the Council of Europe
[8] This term refers to works distributed to/viewed by a national audience in an EU Member State but originating from another EU Member State (e.g. Spanish content distributed to/viewed by audiences in France).

The video games and XR sectors

The global **video games** sector has remained highly **concentrated,** with the top five firms earning half of all revenue in 2023. In this sector, the **EU industry holds a small global revenue share** (13%) and only two companies feature among the 25 biggest video game firms by revenue. The industry is highly fragmented, with a vast array of developers and far fewer publishers. Europe continues to depend on **non-European development technologies** (e.g. game engines and cloud) and **distribution platforms**: in the mobile gaming segment, **two non-European companies** dominate mobile games revenues through their e-stores and together generate more revenue from commissions from developers than the whole European video game industry.

The number of games available to players has increased in almost all segments (nearly tripling for PC between 2020 and 2024), making European games less discoverable. Consumers also continue to **spend the majority of their time on older and non-EU live-service titles** (in 2024, games over six years old accounted for 57% of playtime on PC and consoles) which require long-term investments and resources. This makes the situation **riskier for investors** – leading to a scarcity of venture capital for EU companies.

Yet, the EU industry has many assets. It has seen many recent commercial and critical successes, showcasing the quality of European developers and their IP. The industry boasts a vibrant startup community: there are almost as many EU-based **video game startup companies valued at more than USD 1 billion** as there are in the US (31 vs 34). EU companies have also managed to harness new technologies, with a use of AI that matches that of global competitors. In addition, Europe remains home to dynamic video gaming hubs, particularly in Northern Europe. The EU industry's know-how and brand value are widely acknowledged: **European professionals** rank five EU companies in their top eight preferred companies to work for. Regarding business models, the EU industry has a strong mobile gaming ecosystem, which could help support its economy as the sector is believed to have room to further grow. It is also adapting its business models (e.g. microtransactions, subscriptions) to capture a greater share of market revenue.

The **XR sector**, as far as it is concerned, has continued to grow, with immersive media (e.g. VR gaming) playing a significant role. Non-European companies have continued to dominate the market, investing in hardware, networking, and software, and acting as **key enablers**. XR technologies remain mostly **proprietary, controlled** by platform providers, making it **difficult for smaller European actors** to enter the XR value chain.

EU-based providers remain **typically small** (fewer than 15 employees) and focus on **delivering tailored XR solutions** for niche market segments. Software development, a particularly profitable area, is underexplored in the EU, due to the significant investment required. This is especially true in the **immersive media sector**, which is predominantly **project-based** (custom-built, resource-intensive), making scalability **challenging and hindering broader market growth**. Venture capital investments are volatile and only a small part is directed to EU companies.

Nevertheless, European companies still **excel in high-end hardware** for industrial applications like design, training, and simulation. Europe is performing well in **VR video and VR gaming** and expects dynamic growth, benefitting from its **strong creative reputation**. The broad **cultural sector** is another strong focus for European XR companies, with a thriving ecosystem of XR art and film festivals. The EU leads in architectural adaptation for immersive media (XR installations that respond to the distinct characteristics of physical venues), and global studios frequently collaborate with these companies. Furthermore, European XR companies' preferred business models – such as subscription-based, community-driven – **align with privacy norms** that meet their clients' expectations.

The news media sector

Europe has a long-standing tradition of national and local news media that now need to compete **in the attention economy with other media content and are challenged by decreased revenues and by shifting consumption trends in recent years.** The challenges posed by the rise of digital platforms are now heightened by the spread of AI-generated content and services. In this context, the industry continues to strive to **transition towards more digital and on-demand content** and

diversify its business models. The sector has continued to rely on **traditional revenue streams**[9] (89% of total revenue deriving from circulation and subscriptions) which declined and have not been offset by the **increase in digital revenues**[10] (+ EUR 1.9 billion between 2019 and 2023).

Online platforms have captured an **increasing share of advertising revenue, shaped consumption habits** and reached growing audiences, particularly among **young users** and new media consumers. A growing segment of the population **accesses news primarily through social media** (37%, up 11 percentage points between 2022 and 2024), and most Europeans do **not pay** for news (66%). **Influencers and personalities** have gained further online visibility, blending news, entertainment and opinion on social platforms. In this context, local media, investigative press and small companies have continued to face the most significant challenges due to limited market size and reach, fewer resources for digital adaptation, and weaker bargaining power with online platforms. This has led to the closure of local newsrooms and the emergence of **news deserts.**

Nevertheless, the sector can build on strong foundations. It still counts on dedicated consumers, with 87% of Europeans engaging with news daily (53%) or weekly (34%). Citizens also still consider **traditional media significantly more trustworthy** than social media channels, which underlines the **relevance of European professional media**. Additionally, **traditional media** have demonstrated a **willingness to take up new technologies** and adapt to new consumption patterns, with 94% of public service media now having an online presence and an increasing number of media using AI in their processes. Media organisations have developed **alternative income sources** (e.g. event organisation, e-commerce) and subscription models. Licensing news content now appears to be one of several possible avenues for the sector, although **deals on content monetisation** (e.g. with platforms and AI companies) may mostly involve **large media companies**.

Overall conclusion: the state of European media

While the EU audiovisual, video games and XR as well as news media industries have their own specificities, this report shows that these subsectors share similarities and face similar challenges.

All in all, **EU companies** have continued to create **reputable content**, showing notable **strengths in some segments** (e.g. high-quality films and series, high-end VR hardware, independent video games and films, trustworthy news). **Employment** in the sector **has grown**, despite temporary downturn and churn, and **companies have overall been profitable**. Europe's industrial ecosystem also has many **promising startups** which, with adequate scaleup or research and development (R&D) investments, have the potential to compete at a greater scale. However, European media have continued to face **critical challenges in 2023-2024**. Consumers have turned to **segments with less presence of European content** (e.g. away from printed press towards social media). The industry has remained relatively **weak in the distribution segment**, with intermediaries capturing a large share of revenues. Competitors – mostly based in the **US or East Asia** – have maintained or increased their lead in all key segments of the value chain and **reached more audiences with their content**. In addition to these trends, European media companies have been increasingly challenged by **content platforms that bypass them.**

Key assets for the future

The current state of play poses risks for the economic resilience and creative freedom of European media as well as for Europe's cultural influence at large. In this context, some assets stand out as key to allow European media to regain competitiveness.

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[9] Traditional revenues are generated from conventional distribution methods. This includes revenues from print distribution, such as physical newspapers, as well as print advertising. Additionally, it encompasses television-related revenues, which cover TV advertising and television subscription services.

[10] Digital revenues arise from the distribution of content via digital platforms, including revenue from digital subscriptions and online advertising.

1. ***The European industries should place audiences and users at the core of its strategies.***

The content production of the EU industry is on the rise (e.g. in the film sector) while the attention economy market is already crowded and time spent with media sectors overall is comparatively flatlining or only slowly growing. The amount of media content available to consumers has become virtually endless and it will only become more difficult for legacy media content to stand out, particularly as AI-generated content becomes mainstream and as the creator economy grows. In this context, the European industry needs to increase its focus on audience-first approaches, by tailoring content offerings to different audiences' needs while appealing to the widest possible audience. For example, for news content creation, this could involve being more relatable or accessible in addition to being accurate or creative. For audiovisual and gaming content distribution, it could involve prioritising marketing, community engagement, viewing experience and recommendation systems for content discovery.

2. ***They should further embrace technological solutions, which are also vital for Europe's technological sovereignty.***

Proprietary or EU-based technological solutions can help European media scaleup and retain their sovereignty. Advanced cloud computing (in games and XR), content recommendations and robust data analytics help media companies optimise content delivery, personalise user experiences, and improve monetisation strategies. Yet European solutions providers have a small share of the market. Instead, EU media rely on non-EU providers (e.g. US game engines or cloud solutions), thus increasing the technological dependence of the EU and missing out on opportunities to capitalise on primary data. All in all, scalable technology applications are a key factor of competitiveness for media because they enable efficient content production and distribution and adaptability to evolving consumer demands. The relative weakness of Europe's media ecosystem when it comes to tech usage is also explained by the continuing skills gaps in technical positions (e.g. software engineers, AI supervisors, data analysts, programmers, VFX).

Next to advanced tech solutions and scalable technologies, data also remain a primary resource. The last years have been marked by an increased diversification of online business models based on advertising revenues, such as free ad-supported streaming television (FAST), the rise of mobile gaming, the emergence of advertising in console gaming and streamers' ad-based price plans. These are expected to continue increasing: online video advertising is expected to double by 2029, advertising has become the main driver of growth in the streaming industry and as playtime and expenditure stabilise, advertising is expected to become a new priority in video games. These trends are driving growth and leveraging the value of audience data. Data exploitation is also fundamental in a sector such as news media to organise and monetise archives.

Finally, harnessing artificial intelligence is also indispensable. Although AI as such may not replace jobs, evidence points that those professionals not able to harness the technology may be at their disadvantage. Human-centric and skills-focused corporate strategies could help European businesses leverage the technology to optimise operations, better serve users and ultimately become more competitive. So far, the European industry relies mostly on non-EU AI solutions, and the technology is not yet used systematically across the whole media value chains. Generative AI is driving a surge in creator-generated content by providing accessible, cost-effective tools that expand creative possibilities. While it is a cause of concern among both professionals and consumers, it is revolutionising content creation just as online platforms, in the last two decades, revolutionised content distribution.

3. ***Investment remains critical to finance tech development and usage, as well as innovation.***

Beyond bringing quality content to wider audiences, investments can help drive growth and innovation: they allow tech startups and scaleups to develop solutions such as AI tools, blockchain frameworks, and cloud-based services. While public investments can play a role, they are insufficient to achieve the necessary scalability and technological advancement, underlining the necessity of ambitious R&D policies. However, an investment gap remains: in the EU, only 7 of the top 800 R&D investing companies are media companies. There is, therefore, a growing number of cases of non-EU investors acquiring shares in media tech scaleups, which risks weakening the independence of

the European industry. Beyond tech itself, vehicles targeting specific media segments (e.g. game industry-focused VC funds)[11] could help bridge the existing investment gap.

4. Intellectual property exploitation offers promising prospects.

Valuable intellectual property brands offer strong guarantees of success in a crowded attention economy with plateauing media consumption: consumers often return to familiar brands and stories, and they increasingly engage with them across multiple formats (e.g. from video games to films). However, European media companies continue to struggle to retain and exploit rights for the time being.

[11] EIT, *The state of the European game industry and how to unleash its full potential*, 2024. See EIT*, Report on the European Game Industry: Can it grow to €40 billion turnover by 2030?,* 16 March 2024.

1. The European media industry – a horizontal outlook

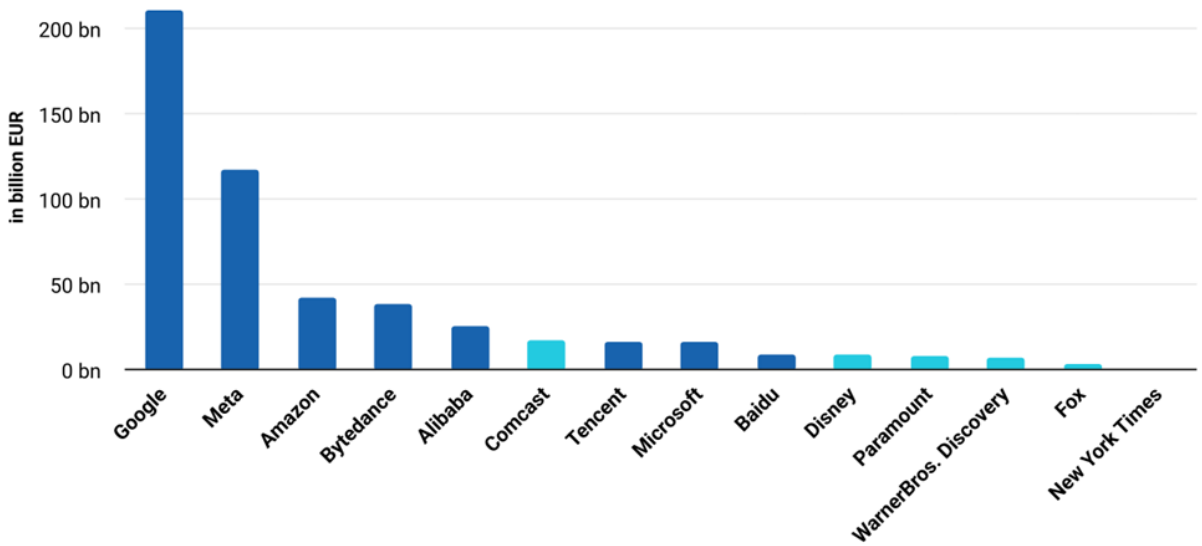
1.1. Market overview

The attention economy as a market context

European media companies operate in the attention economy. In the media market, revenues are mostly generated by consumers spending on content, or by advertisers paying for consumers' exposure to their brands – thus monetising users' attention and screen time. Media, whose financing model has long been based on direct purchases and monetising such attention (e.g. advertisements in newspapers, on TV or on the radio), have faced increased competition over the past two decades as consumers have moved online, thus lowering the market entry barriers for a variety of advertisers, intermediaries and content creators.

Social media and online intermediaries have fully benefitted from the digital shift. Consumers' desire for connection and the capacity of many platforms to offer cheap access to services or goods has led to a growing concentration of online time and spending around a handful of platforms, which in turn has allowed these to act as advertising intermediaries. As a consequence, the main players active in advertising at global level – and increasingly also 'media players' – are no longer legacy media companies, but online platforms, search engines and online retailers.

Figure 1. Global advertising revenues, 2023



Source: Shapiro D. 28 Days of Media, 2024.

Note: In dark blue those companies that are not traditional media companies.

Many online platforms have competed with professional media[12] on content itself. Acting as hubs to content, social media and other online platforms have attracted the content of professionals,

[12] Analysts often frame the creator media in opposition to 'corporate' media.

creators and artists, thus redefining the media value chain. In terms of content volume, this creator economy by far exceeds the traditional media economy: today the hours of YouTube video released annually are 20,000 times the amount produced in the Hollywood industry; and Steam has 33 times as many games as Xbox. Companies such as TikTok, Instagram, Twitch, Steam, Soundcloud, Roblox and Substack have followed platform-based business models in fields as diverse as social media, patronage, livestreaming, gaming, writing, podcasting and music,[13] weakening the position of traditional players in the value chain. These companies have built their revenues on creators' contributions (marginally, such as Steam, to almost fully, for Patreon and Substack) in addition to advertising revenue. Altogether the creator economy has grown to represent some EUR 230 billion globally in 2023, which represents 15% of the revenue of the global media and entertainment market, despite accounting for a much greater volume of content.[14]

Looking ahead, it can be argued that the creators' economy will continue to affect revenue distribution.[15] The creator economy represented around half of the growth of the attention economy market over the past four years – with a faster growth pace than traditional media now and in the future.[16] Content creators are still not monetising people's attention as well as traditional media companies but are likely to contribute to further diminishing the business prospects of traditional companies. Greater use of AI by creators may further accelerate this trend.

Social media are also expected to remain relevant. Due to their ability to offer free, tailored and easily accessible content, social media remain well-equipped to meet users' appetite for personalised and bite-sized content – an opportunity as consumers' attention spans become shorter. Social media has also established itself as a nexus to promote media content: in the video game sector, for example, social media platforms represent influential mediums for advertising and marketing of mobile games. Nearly one-third of mobile gamers found new games on social networks, with the paid advertising service provided by Instagram representing the most effective way to increase download rates of games.[17]

Media market structure

The EU media sector as a whole[18] is a diverse ecosystem encompassing close to 245,000 enterprises and employing approximately 1.32 million individuals as of 2023. This makes the average number of workers around five per company. In comparison,[19] the telecommunications[20] sector comprises 37,338 enterprises, employing 808,234 individuals, with an average of 22 employees per enterprise, reflecting a higher concentration of larger firms.

Likewise, media subsectors present diverse market structures. Media subsectors do not operate in similar consumer markets: the audiovisual and news media sector are mostly structured along national and linguistic borders, with strong national entities and global platforms in competition, together with much smaller entities (altogether, the audiovisual sector comprises more than 157,097 enterprises).[21] The XR and video game sectors, although they may have to adapt to national regulatory contexts, operate at a more global scale. The degree of concentration of the subsectors' markets varies and its consequences are uneven: between 2016 and 2022, the top 100 audiovisual companies operating in Europe have seen their revenues grow twice as fast as the overall market, indicating a consolidation of market power among leading firms. [22] [23]

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[13] There are 24 times more tracks uploaded daily on Spotify than released by majors (see Doug Shapiro's *28 days of media slides*).

[14] See Doug Shapiro's *28 days of media slides*, 2024. 2023 exchange rate.

[15] Doug Shapiro, *The Relentless, Inevitable March of the Creator Economy*, 11 December 2024, Medium.

[16] Ibid.

[17] Huang, Y. & Gong, A. (2024*). The role of game involvement on attention to ads: exploring influencing factors of visual attention to games on Instagram stories.*

[18] The aggregation of data for the media sector is composed of subsector data presented below.

[19] Based on Eurostat data, Enterprises by detailed NACE Rev.2 activity and special aggregates.

[20] NACE J61.

[21] Based on Orbis/Eurostat data.

[22] The European Audiovisual Observatory, *Top players in the European audiovisual industry - Ownership and Concentration*, 2023.

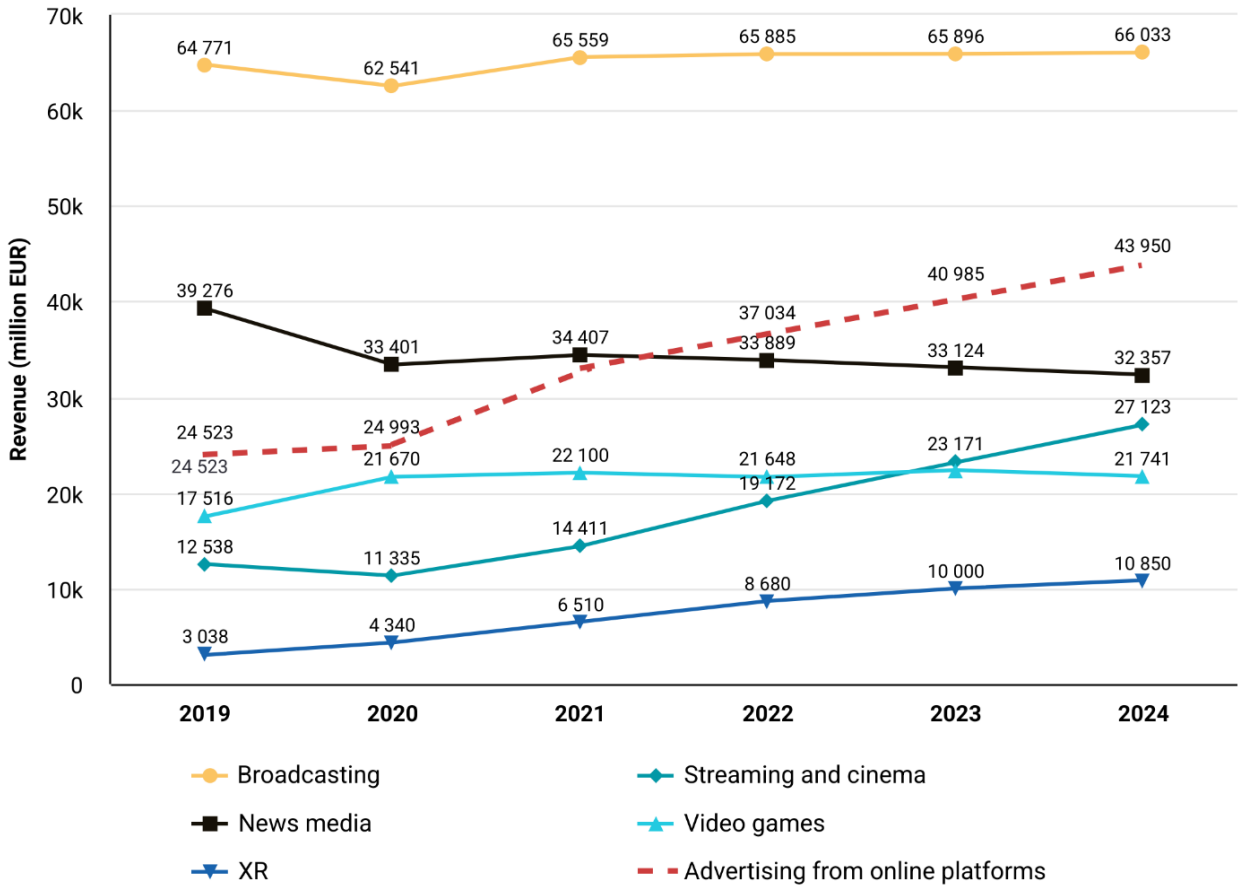
[23] Bleyer-Simon K., et al (2024) *Monitoring media pluralism in the digital era: application of the media pluralism monitor in the European member states and in candidate countries in 2023*, EUI, RSC, Research Project Report, Centre for Media Pluralism and Media Freedom (CMPF).

Non-EU companies continue to control key parts of the value chain. In the audiovisual sector, the top three subscription video on demand (SVoD) providers (Netflix, Amazon Prime and Disney+) accounted for 66% of SVoD market revenue in Europe in 2023, up from 64% in 2022. In the video game sector, the five largest firms in 2023 – Tencent, Microsoft, Sony, Apple, and NetEase – generated nearly half (48.2%) of total global revenue in the sector. Finally, the XR/immersive media sector, exhibits strong market concentration: in 2023, 84% of EU XR revenue was generated by just 10 non-EU firms, with Meta alone accounting for 52.1% of the total market.

Revenues[24]

Overall, in 2024 the EU media market generated approximately EUR 158 billion in revenues. This corresponds to a 6% growth from 2022, mostly driven by streaming. XR also grew significantly, while the news media sector exhibited a steady decline in revenue. To provide some comparison, the sole advertising revenue generated by online platforms such as YouTube, Meta or Google represents about one quarter of the total revenue of the media market and has surpassed the revenues of traditional news media (excluding broadcasting), underlining the role played by online platforms in the attention economy. When looking beyond this media market, however, analysts posit that the wider attention economy will no longer grow or grow much more slowly, as time spent with media is flatlining, thus amplifying the competition between market players.

Figure 2. Revenues in the EU media market



Source: Technopolis Group and Intellera elaboration based on data from Ampere Analytics, Ampere Commissioning, PwC Global Entertainment & Media Outlook 2024–2028, Grand View Research, Scoop Market US, Mordor Intelligence data.

[24] This section on revenues is mostly based on PwC data in order to establish a reliable and consistent baseline across all sectors. This choice ensures that revenue estimates are comparable across industries and over time, allowing for a more accurate and structured analysis of trends. The PwC dataset not only provides comprehensive and detailed sectoral insights but also enables a broader comparison between the EU and other major markets, particularly the US.

Notes:

- Broadcasters can be considered part of both news media and the audiovisual sector, hence they have been considered separately in this graph. The presentation of the revenues of the audiovisual sector (in chapter 2) however treats broadcasting as part of the audiovisual sector.
- Advertising from online platforms is provided for comparison purposes and does enter in the calculation of the EU media market revenues in the paragraph above.
- *Broadcasting* revenues include pay TV, TV advertising and state budget financing. S*treaming and cinema* exclude broadcasting and include subscription OTT, theatrical, transactional video, AVoD and FAST advertising. *Advertising from online platforms* covers advertising spending by Internet-focused companies and platforms such as Meta, Google or YouTube. This metric includes revenue from search, classified and display. *News media* excludes broadcasters and includes newspapers, magazines and radio (based on PwC).
- To allow for comparability with other sectors, data on XR revenues slightly differs from the one presented in the dedicated sub-chapter – where revenues streams are more exhaustive.

The EU media market, however, generates half as much money as the US market, despite having a 30% larger population.[25] Revenue trends in the US have followed the same patterns as in the EU over the past five years, with the audiovisual market growing faster in the EU, and the video games sector growing faster in the US. In 2024, the US media subsector markets were greater in size (+116% for the audiovisual sector, +106% for the video game market, +440% for the XR and immersive media sector), with the exception of the news media market, where the EU market was 3% larger.

Revenue trends in the media sector are sensitive to technological innovation and are characterised by cyclical revenue patterns. Revenues across the audiovisual, news media, video game, and XR sectors share several common points, underscoring the interconnected challenges and opportunities they face, especially in a rapidly evolving digital landscape. Each of these markets relies on innovation and emerging technologies to support growth. Advances such as virtual production, AI and immersive tools such as AR and VR play a key role in enhancing content creation, audience engagement, and revenue generation. Another shared trait is the cyclical nature of their revenues. Much like the peaks and troughs of film production in the audiovisual sector, the video game sector experiences revenue surges tied to major releases, while XR projects often align with technological trends or client demands. This inherent fluctuation creates both challenges in cash flow and opportunities for strategic planning to maximise profitability during high-demand periods.

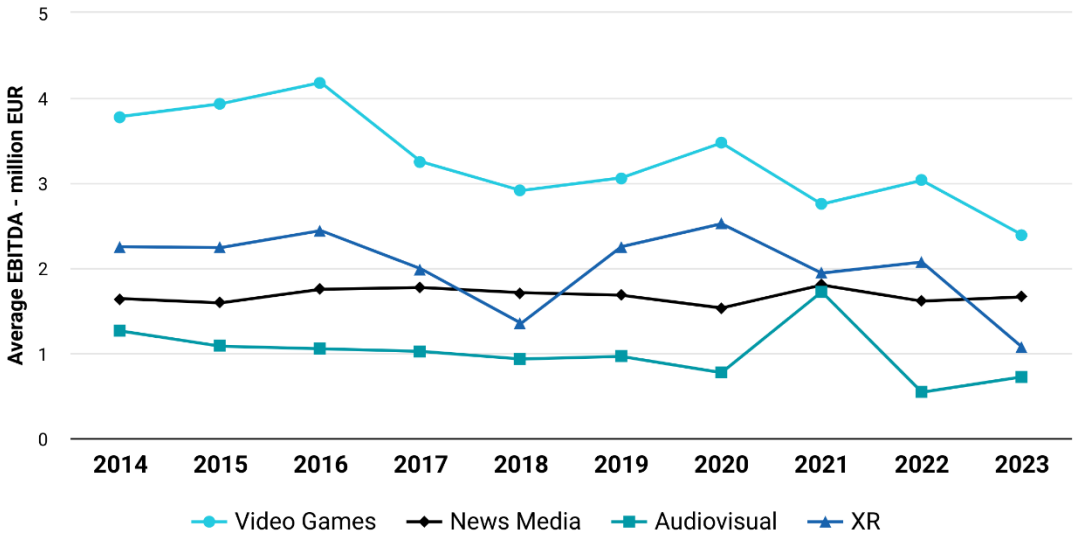
However, revenue composition across media sectors reflects distinct business models and varying levels of public support. In the audiovisual market, pay TV subscriptions, online video advertising and public funding remain the dominant sources of revenues, though the influence of SVoD services continues to grow. The decline of physical video formats and transactional video further illustrates the deterioration of older business models. By contrast, the news media sector remains heavily reliant on revenues generated by traditional outlets, despite their declining revenues, with only incremental returns made by digital models. For the video games market, sales of physical and digital games represent the largest revenue source, supplemented by advertising and subscriptions, which together account for a growing but still minority share of revenues. The XR sector, on the other hand, derives its revenue primarily from AR applications. As regards public funding, the audiovisual and news media sectors benefit significantly from national financing. By contrast, the video game sector, despite being integral to the digital economy, receives less targeted support, often relying on broader technology and innovation programmes.

[25] This paragraph is based on data from PwC, which allows comparisons between media subsectors. We do not provide absolute figures so as not to create confusion with the data provided above, which comes from individual chapters and responds to different – although coherent – methodologies.

Profitability

Overall, the profitability of the media industry has decreased in the medium and short term. Measured by earnings before interest, taxes, depreciation, and amortisation (EBITDA), the average profitability of EU media companies has broadly decreased between 2014 and 2023. XR experiencing the sharpest decline, while news media maintained a stable level of profitability over time.[26] All subsectors experienced fluctuations during this decade, e.g. profitability in the video game and XR industries growing at the beginning of the COVID-19 pandemic.

Figure 3. Subsectors EBITDA



Source: Technopolis Group based on Moody's Orbis.

Note: For The number of companies analysed (n) varies by year and subsector. For the year 2023, n=36,474.

Employment

Employment across the European media sectors shows diverging trends linked to sector-specific challenges. The audiovisual sector is characterised by a growing workforce, driven by increased investment in content production. The growth was driven by film and TV production, while employment in broadcasting declined by 7% between 2023 and 2024. The video game industry remains dynamic, despite a wave of layoffs in 2023 and 2024 that has not spared the EU industry. News media employment has experienced a decline of 4.8% between 2019 and 2023, reflecting structural adjustments linked to digital transformation. XR remains a niche sector with a limited but specialised workforce, counting 13,000 people in the EU.[27] Across all subsectors, there is a clear shift towards flexible employment models, with a strong reliance on freelancers and project-based work.

The sector, however, faces marked labour market uncertainty, characterised by a structural job churn.[28] In 2023, the media, entertainment, and sports market was characterised by a labour churn rate of 32% over the previous five years, indicating that nearly one-third of roles underwent change, encompassing both the creation of new roles and the elimination of existing ones. This rate

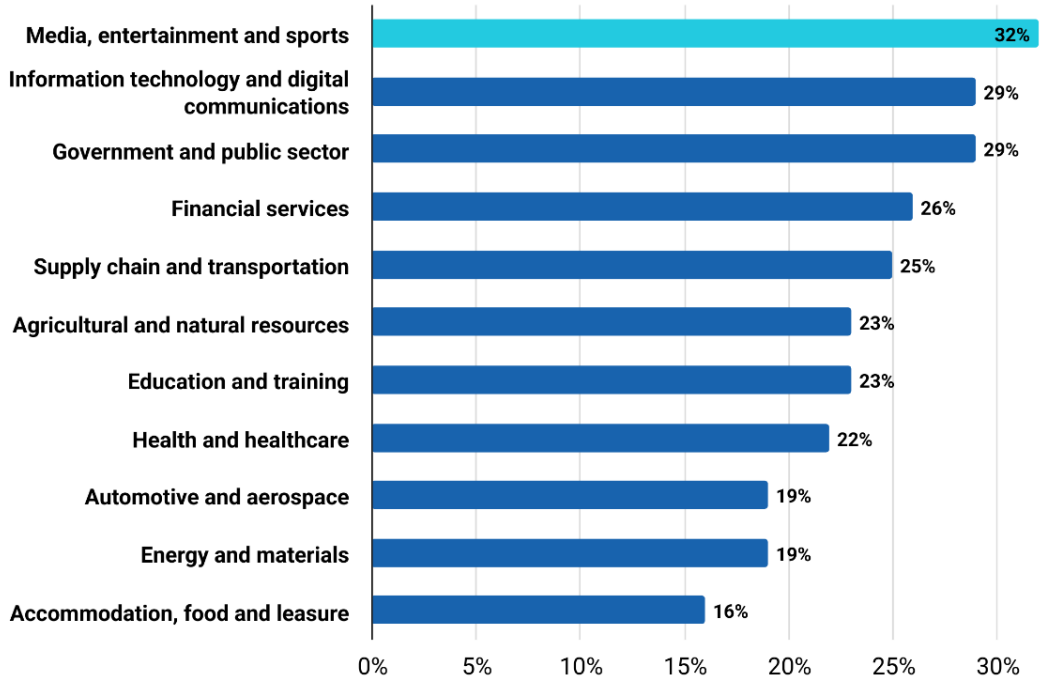
[26] Radio broadcasting companies' average EBITDA had a slow but progressive increasing trend as of 2016.

[27] Based on Orbis data and Crunchbase data.

[28] According to the World Economic Forum, '*labour-market churn refers to the total expected job movement - including both new roles being created and existing roles destroyed - as a proportion of current employment and excluding situations where a new employee replaces someone in the same role*'.

was the highest among all sectors analysed (with the average at 23%), highlighting the extent of disruption within the industry. Such structural transformations underscore the vulnerability of traditional media roles as emerging tech-focused roles gain prominence.[29]

Figure 4. Labour market churn rate in the past five years, by industry sector



Source: World Economic Forum, Future of Jobs Survey, 2023.

While positive steps towards greater gender representation have been observed in the audiovisual and news media sectors, gender gaps remain in the video game and XR sectors. In the audiovisual sector, women comprised 41% of the workforce in 2023, reflecting a modest improvement from 39% in 2013.[30] The news media sector presents a mixed picture, with public service media showing a balanced workforce (51% women journalists in 2022)[31] but significant underrepresentation in leadership roles. Conversely, the video games and XR sectors exhibit the widest gender gaps, with women comprising only 24.4% and 25% of the workforce in 2023 and 2024, respectively and leadership positions in these technology-driven fields remain overwhelmingly male-dominated.[32] The media sector altogether presents a more gender-balanced picture than a sector such as ICT, where gender disparities remain particularly pronounced.[33] It also performs better than design, where female participation remains low (24% of designers in the EU in 2023). The broader cultural sector, including performing arts, heritage and publishing, displays a more balanced picture, with women accounting for 49.5% of the entire sector's workforce.[34]

[29] World Economic Forum, *Future of Jobs Report*, 2023.

[30] Assessment based on LinkedIn data.

[31] Based on European Broadcasting Union data.

[32] Assessment based on LinkedIn data.

[33] The comparison with other knowledge-intensive and creative sectors is relevant as they represent different intersections of technology, creativity, and knowledge production.

[34] Eurostat (data extracted in May 2024). *Culture statistics - cultural employment*. Eurostat: Statistics Explained.

1.2. Consumer trends

To complement the above section on trends in the attention economy, this section provides an overview of the key consumption trends and differences across various media sectors to assess consumers' evolving interests. As it reviews consumers' habits (evolution of their time spent on media), their appeal for social media and user-generated content, their perception of AI and their willingness to pay for media, it can help inform future supply trends.

Frequency of use and time spent[35]

Europe is the region with the least time devoted to media. Accumulated media consumption was estimated at 10 hours and 14 minutes daily in Western Europe, and 10 hours and 36 minutes in Central and Eastern Europe, compared to a global average of 11 hours and 55 minutes.[36] Time spent with media is also increasingly fragmented between a greater number of activities, linked to the general decrease in users' attention.

Figure 5. Internet users' time spent using media across geographies, in hours and minutes, 2023

	Asia-Pacific	Southeast Asia	Western Europe	Central & Eastern Europe	Latin America	Middle East & Africa	North America	Global
PC/laptop/tablet	2:22	2:55	2:56	3:44	3:52	3:37	3:35	2:52
Mobile	3:35	4:29	2:44	3:52	5:00	4:34	3:33	3:48
Broadcast radio	0:50	0:37	1:14	0:57	0:58	1:02	1:03	0:54
Music streaming	1:24	1:27	1:13	1:10	2:02	1:32	1:55	1:29
Broadcast TV	1:28	1:33	2:14	2:14	2:23	1:56	2:44	1:50
Online TV/ streaming	1:29	1:13	1:10	1:13	1:35	1:40	1:47	1:27
Print press	0:58	0:37	0:31	0:26	0:34	0:46	0:34	0:46
Online press	1:07	1:03	0:43	0:47	1:50	1:08	0:47	1:05
Gaming	1:07	1:16	0:49	0:43	1:10	1:24	1:13	1:06
Social/ messaging	2:08	2:53	1:44	2:23	3:31	2:58	2:13	2:25
Podcasts	0:56	0:51	0:36	0:35	1:02	1:04	0:53	0:53

Leader Laggard

Source: GlobalWebIndex, Global Media Intelligence Report, 2023, as communicated by eMarketer.

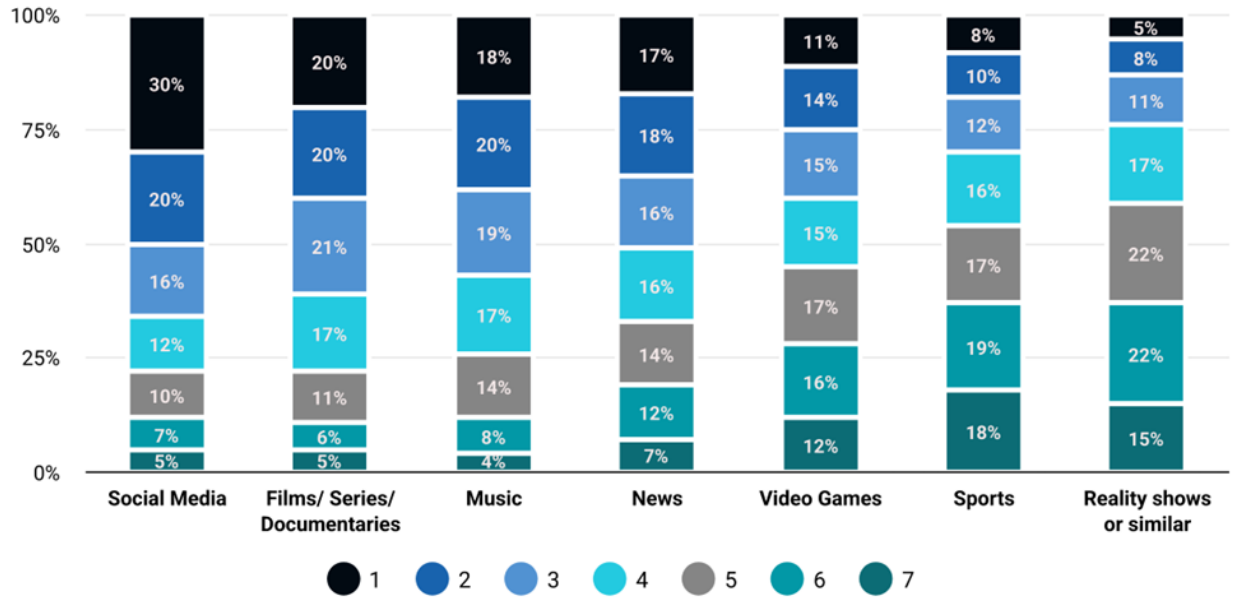
Note: Respondents were asked, 'Roughly how many hours do you spend on a given media activity during a typical day?'; respondents selected a period of time per category (from 'less than 30 minutes' to '10 hours'), with GlobalWebIndex then averaging these figures. The averages also include those who selected 'do not use'. As the figures in this table may appear surprisingly high, this table is mostly valuable to rank activities and compare across regions.

[35] The available estimates do not include cinema.

[36] Based on the 2023 data (*Global Media Intelligence Report*, 2023). 2022 data show a similar relationship, although the figures of eMarketer appear high. One possible reason is that the sample is internet users, not regular consumers.

On average, Europeans spent most time on traditional audiovisual media, such as broadcast television, followed by social media/messaging.[37] Europeans' use of media is diversified: they consume media content to stay informed (68%), to relax (65%) or to develop their knowledge (55%). Compared with the rest of the world, Europeans on average consume more traditional media, such as broadcast TV and radio, but less printed and online press, podcasts, online TV/streaming and video games. Broadcast television comes first in Western Europe (as in North America), while social media/messaging is the most popular media type in Central and Eastern Europe (as in Asia-Pacific, Southeast Asia, Latin America, and the Middle East and Africa). However, if media is categorised by content rather than by type,[38] social media content emerges as the most consumed content. Social media content, video games, and entertainment shows are more frequently consumed by those aged 18-30 compared to those over 60.

Figure 6. Consumers' ranking of media use (n=53,056)



Source: European Commission, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025

Note: respondents were asked to rank media from the one they spend most time with (1) to the one they spend least time with (7).

Time spent using media has only slightly increased over the past years. In Germany and France, 2020 marked a peak for total media consumption, followed by a minor decrease year on year until 2024, while existing data on Central and Eastern Europe points to an increase from 2022 to 2023.[39] At country level, it appears that digital media consumption overtook traditional media consumption in 2019 in the US, and in 2022 in France and Germany.[40] When asked how their media consumption evolved between 2023 and 2024, most Europeans report a stagnation, while around one third of users

[37] Based on 2022 and 2023 data from eMarketer (*Global Media Intelligence Report*, 2023).

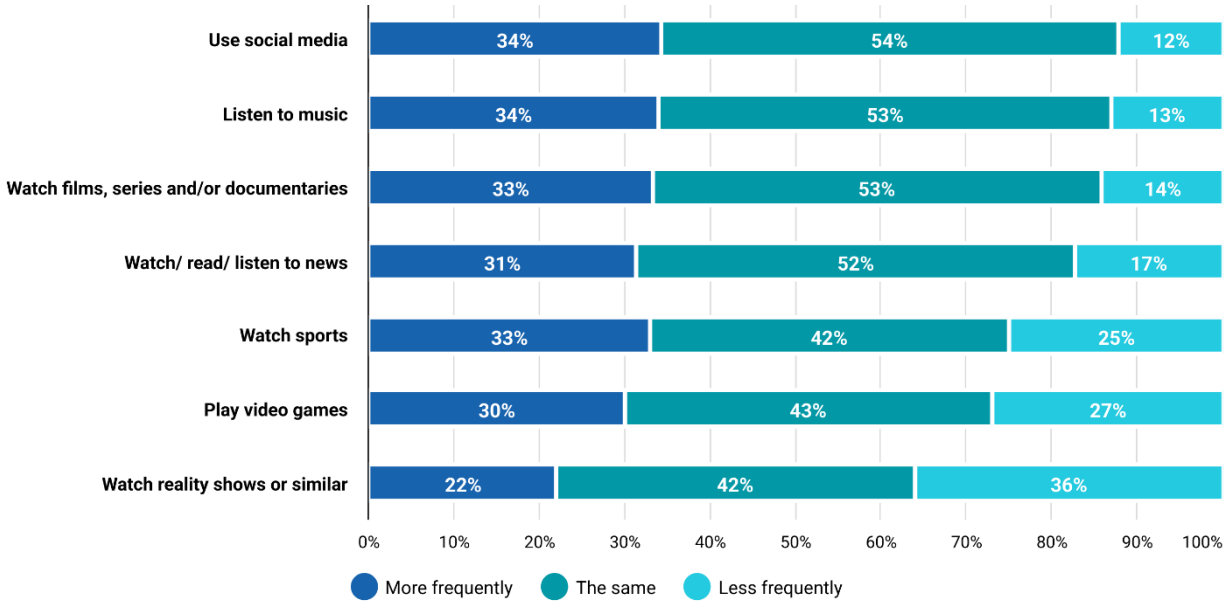
[38] Meaning considering social media; films/series/documentaries; music; news; video games; sports; reality shows. See the consumer survey (European Commission, *Study on audiences, consumer behaviour and preferences relating to the consumption of media content*, 2025).

[39] Data points from eMarketer note 10:25 hours of media consumption in Germany in 2020, down to 10:14 in 2025. For France, time decreased from 11:28 in 2020 to 10:52 in 2025 (*Global Media Intelligence 2024: Western Europe*, 2024). The region of Central and Eastern Europe together registered a slight increase between 2023 and 2024 (*Global Media Intelligence 2024: Central and Eastern Europe*, 2024).

[40] Referring to eMarketer, digital includes all time spent on internet activities on any device, including connected TV; traditional includes print, radio, TV and other traditional media.

reported an increase in their engagement for most media activities. In general, social media, AV content, news and music are witnessing growth in consumption.

Figure 7. For each of the following categories, please indicate whether you have been using it less frequently, more frequently or the same in the last 12 months. (n=55,746)



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025

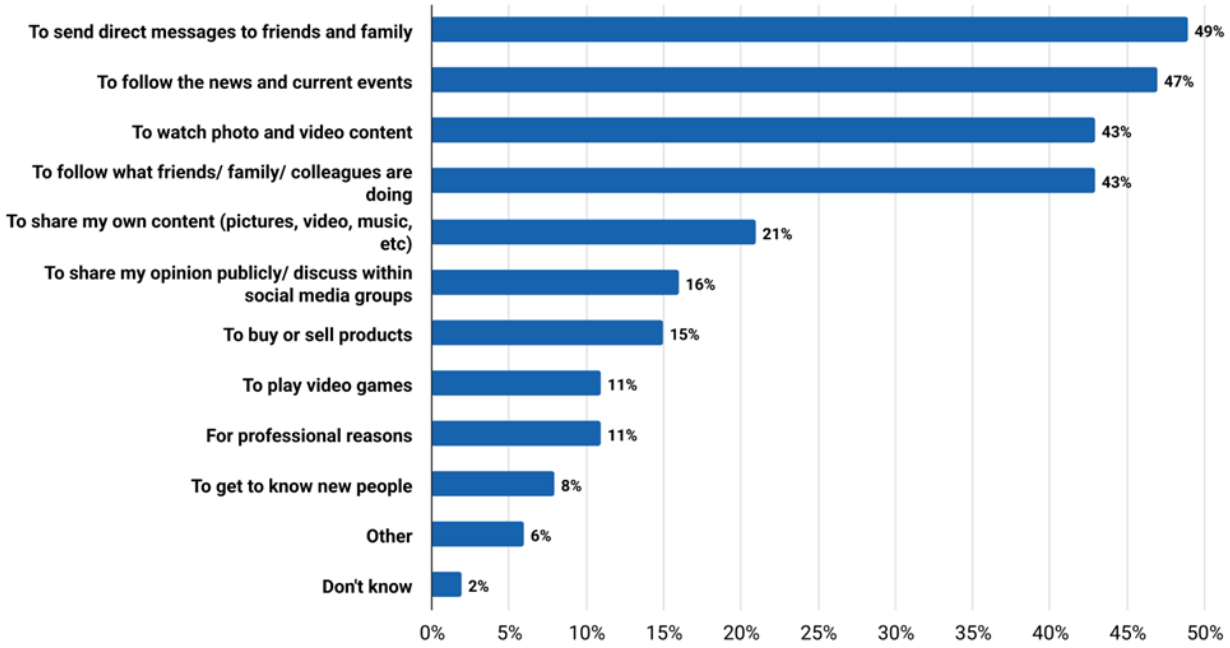
Digital media consumption is gradually substituting traditional media consumption. Intensive media consumers tend to increase their consumption of content across all platforms, in particular new digital ones. Substitution effects are most visible within the same media segment, i.e. news consumers being more inclined to follow news on social media rather than via traditional media channels or audiovisual consumers switching from traditional TV subscriptions to streaming services. Generally speaking, for those people who have increased their media consumption, they have done so to the benefit of social media, music, films/TV/series and to the detriment of news, sports, video games and reality shows.

Finally, as far as devices are concerned, television is the most common medium for accessing news, listening to music, or watching videos/ series/ films. 71% of consumers commonly use television (with Smart TVs slightly ahead of traditional TVs). Smartphones follow closely, used by 67% of participants, while laptops or PCs are used by 44%. Radio is used by 29%, tablets by 23%, and gaming devices by 8%.

The prevalence of social media use

Social media platforms have emerged as a key gateway for consumers and an all-in-one service. Social media's diversified offer of content meets consumers' media needs: the most common purposes for which Europeans use social media are to send direct messages to friends and family, follow the news and current events and view photo and video content. The extensive use of algorithm-curated content and of consumers' data provides social media with powerful tools to catch users' attention, due to their ability to offer personalised and targeted content, catering for the needs of different types of users.

Figure 8. For which purpose(s) did you use online social networks in the last 7 days? [multiple answers possible]



Source: Eurobarometer, News & Media survey 2023

In this context, user-generated content (UGC) distributed via social networks appears to be well-suited for matching different users' needs. In a context of limited attention, UGC is increasingly gaining ground over content produced by professionals. Over one third of EU citizens indicate that content produced and shared online by non-professional media players matches their needs.[41] In addition, according to global data, almost six in ten people consider UGC as entertaining as that of traditional media and as many consider it as trustworthy as that produced by legacy media.[42] Considering the increasing demand for UGC is more visible among young people (a trend fuelled by fact that most content is free, and there is an increasing distancing of younger people from traditional or institutional media outputs), this trend is only expected to continue.

Expenditure on media

Consumers' spending differs across the various media sectors, with consumers reporting that they allocate more budget for audiovisual products and video games. Europeans spend an average of EUR 56.33 per month on media. The highest expenditure was reported for TV and their online services, followed by video games, bundled services,[43] pay TV services and streaming services. News, including newspapers and online media, represents the lowest expense across the board, with households spending EUR 4.17 on average. Notably, 66% of Europeans report no expenditure in this category.[44] In comparison, spending on other cultural activities such as concerts, theatre, and books averages EUR 5.04. Altogether, older generations are more loyal to traditional TV

[41] European Commission: Directorate-General for Communications Networks, Content and Technology, *Study on audiences, consumer behaviour and preferences relating to the consumption of media content*, 2025.

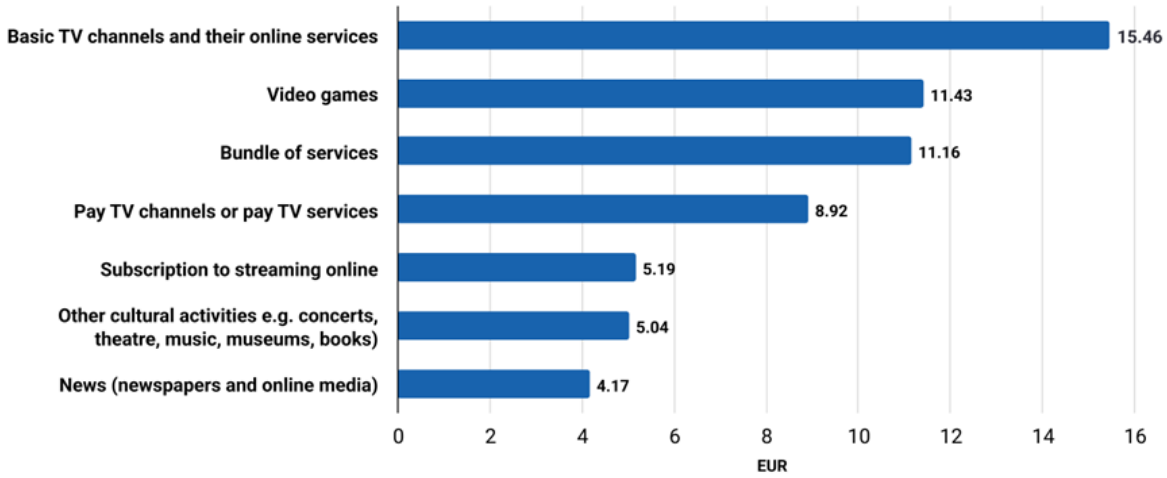
[42] Accenture, *Reinvent for growth in the Media Industry*, 2024.

[43] The 'bundle services' category often overlaps with other categories, such as basic TV, pay TV, and streaming services, potentially leading to an overestimation of total spending.

[44] European Commission: Directorate-General for Communications Networks, Content and Technology, *Study on audiences, consumer behaviour and preferences relating to the consumption of media content*, 2025.

services and spend more on news, whereas younger generations prefer digital services. Educational attainment and income also correlate positively with overall expenditure.

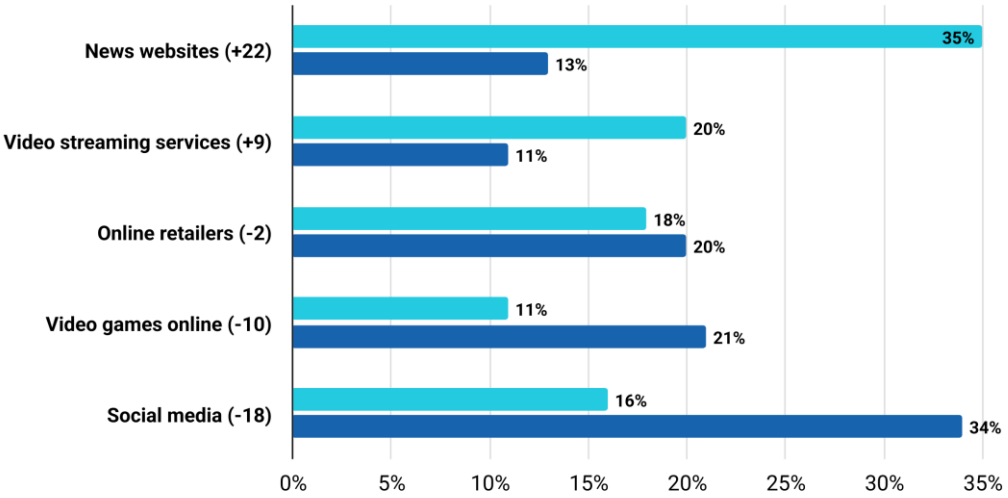
Figure 9. Can you break down your household's monthly spending in euros into the following media categories? (n=54,459)



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025

An alternative to paying for media is sharing data, which is a divisive practice among consumers. Consumers are split regarding sharing data for accessing media content: 41% are comfortable with the practice, while 59% have privacy concerns. Privacy concerns are more common among low-income groups, lower-educated individuals and older demographics.[45] However, media spending remains largely unaffected by consumer willingness to share data, suggesting that privacy concerns do not necessarily affect how much people spend on media content. When comparing sectors, news media organisations are the most trusted by Europeans when sharing their data (35%), while only 16% trust social media the most.

Figure 10. Who do you trust the least and the most when sharing your data? (n=23,169)



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025

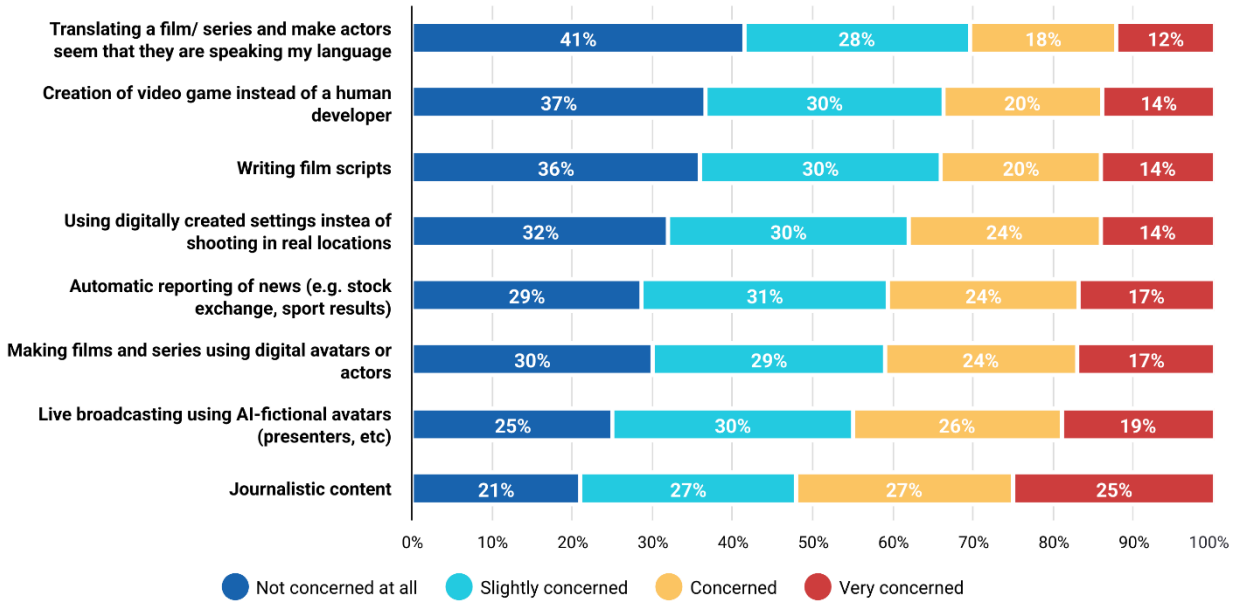
[45] Ibid.

Note: bars in light blue (above) represent the frequency by which the source was considered 'most' trusted, while dark blue (below) represents when it was considered the 'least' trusted. Numbers in x-axis are the difference between these two values.

Perception of AI

Views around AI-generated content are split. 29% of Europeans report that they are not concerned about the increasing presence of AI-generated content such as AI-generated articles, images and films. 35% are slightly concerned but see more positives than negative aspects from the rise of AI-generated content. Meanwhile, 23% are seriously concerned, and 14% do not have an opinion. Younger Europeans (up to 40) view AI more positively, as do more highly educated individuals. When presented with a series of AI uses in the media sphere, journalistic content creation is what garners more negative views among Europeans, with a majority (52%) being concerned or very concerned, as opposed to other uses seen as less problematic (e.g. 34% for writing film scripts or developing video games).

Figure 11. How concerned are you about the various uses of AI in media? (n=23,169)



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025

Tomorrow's media consumption

Understanding media consumption habits among young people (here defined as 18- to 30-year-olds) is strategic, since they are early adopters of new technologies and shape the future of the media industry. Examining their habits could therefore offer valuable insight into the evolving consumption dynamics within the media industry.

On average, young people consume more media content than the rest of the population. Social media dominates their media activity, with 75% using it daily, a significantly higher share than for the general population (66%). 45% of young Europeans cite social media when asked which medium they spend the most time with, compared to 25% of over-30s. Films, series and documentaries also see high daily engagement levels, although at rates slightly below the average (32% vs 36%). Young people use video games and watch reality shows or other entertainment programmes slightly more than the average population. Conversely, they watch sports less often than average.

Young people's audiovisual consumption patterns are characterised by a shift towards on-demand, digital-first viewing and away from traditional broadcasting. Subscription streaming services are central to young people's audiovisual habits. Around one-third use these platforms daily

(vs 25% of the general population), while traditional TV is far less used, with only 15% watching daily (vs 32%).[46] However, cinema attendance remains more frequent among the 18-30 age group than in the general population. Additionally, ad-supported streaming options tend to be more appealing to this group. In terms of content preferences, international productions – especially those from the US and UK – are more popular than domestic content among young people. They prefer international audiovisual content more often compared to the overall population, regardless of the region or country of origin (e.g. the US, the UK, other EU member states, Asia, Latin America, and Africa), highlighting a globally oriented viewing pattern.

Their news consumption diverges sharply from older groups and is characterised by a higher tendency to avoid news. Only 31% of 18- to 30-year-olds access news daily, compared to 53% of the general population. In descending order, they rely on social media (57%, against 33% in the general population), video platforms (33%), traditional television (34%, against 51% in the general population) and digital news websites and apps (31%) as their primary sources. This is coherent with qualitative analyses about young people's increasing dissatisfaction with traditional news formats, as they see them as repetitive and narrowly focused on politics and economics. However, the sources they trust the most are public TV and digital news platforms, in line with the general population. In terms of spending, a notable 28% (slightly more than the general population) increased their information expenditure over the past year, suggesting a greater inclination among younger individuals to invest more in news and information services.

Video gaming remains a popular activity among young people but is not an activity *for* young people. 30% of 18- to 30-year-olds play daily and another 43% weekly – which mirrors responses from those aged 31-40 (30% and 41% respectively). Younger audiences do not necessarily spend more time playing video games than the overall population but tend to prefer diverse formats, including consoles and portable devices, online PC games, and VR experiences, which are more popular among them than in older age groups, while mobile games are played in the same amounts by both cohorts. Young people's consumption of video games differs in terms of expenditure, as the 18-30 age group is more likely than the general population to spend money on video games. 44% of young Europeans spent money on video games within the last six months, against 35% of the general population. Additionally, young people are more likely to engage with UGC in games, such as creating mods or participating in game-related content on platforms like Twitch and YouTube.[47]

Finally, young people show an increased openness towards innovation, being significantly more interested and likely to have tried VR, AR, or both than the average population. 47% of 18- to 30-year-old Europeans have not tried either VR or AR, compared to 71% in the general population. Younger Europeans are also significantly more interested than the average population in using AR/VR for all different applications (from tourism to training or well-being). Beyond XR, they also exhibit greater digital literacy, showing more confidence in customising the settings of mobile/smartphone/tablets (75% vs 69%) and smart TVs (67% vs 63%) and understanding personalised recommendations (70% fully or mostly understanding vs 67% in the general population).

1.3. Industrial trends and business models

Market evolutions and business models

The European media market is marked by the increasing convergence of actors in terms of content offer. The traditional segmentation of the offer (e.g. with scripted content on SVoD platforms or in theatres, and sport on television) is no longer applicable, and lines are increasingly blurred between market actors and offerings. Platforms are increasingly investing in games and non-scripted content, while broadcasters are shifting from traditional TV channels to comprehensive entertainment hubs, focusing on delivering both linear and on-demand content tailored to local audiences. This

[46] Online services offered by traditional TV channels are also less popular among this age group.

[47] European Commission: Directorate-General for Communications Networks, Content and Technology, ECORYS and KEA, *Understanding the value of a European video games society*, 2023.

reconfiguration and increased convergence also take the form of a multiplication of content bundles.[48] Several EU news media companies are already offering bundles for news and entertainment, including with brands from different outlets. This may help keep the sector afloat, although it carries the risk of diminishing the perceived worth of media content, making consumers less inclined to pay for its inclusion.[49] In the meantime, big tech companies invest heavily in large bundles, pooling services as diverse as grocery delivery, video and music streaming, photo storage, video game streaming, and pharmacy assistance.

This convergence also takes place in terms of revenue models, starting with advertising and subscriptions. Competition for consumers' attention is ever greater, as media consumption time is not increasing, and generative AI could make the content offer potentially infinite.[50] This is pushing media companies to diversify their revenue sources. Advertising, which has long been a characteristic of pay TV, has been introduced by streamers (e.g. advertising-based tiers), with the objective of capturing a broader audience, including price-sensitive users who are willing to view ads in exchange for lower subscription costs.[51] In the video game industry, advertising revenues are at the core of app games and present also in other segments such as live service games, with signs that console could be the next step. Likewise, memberships/subscription models are gaining ground where they were not a privileged source of revenues: theatres subscription deals for example, are witnessing a surge in memberships, both in the EU and the US.[52] In the gaming subsector, although they are expected to reach a plateau, subscription-based services have increased, driven by console game passes. European XR companies also often adopt subscription-based models. In the news subsector, although subscriptions and memberships are not new, they have emerged as the top revenue priority for publishers, overtaking advertising formats.[53]

Retaining customers with a user-centric approach is proving key to remaining relevant. Video games have long prioritised community engagement, developing products based on the feedback of players. Other media are now increasingly engaging users and consumers, prioritising topics and formats of interest to their target audiences. In the audiovisual sector, companies make an increasing use of data to make the offering more relevant to audiences. In the news sector, this means providing analysis and commentary rather in addition to the coverage of events. To stay relevant and adapt to a social network era marked by shorter attention spans and high users' interaction, traditional media are also deploying strategies aimed at blending their traditional formats with new ones.[54] Journalists are encouraged to put a stronger emphasis on audience engagement and digital storytelling (i.e., use of videos, interactive graphics and VR to enhance the audience experience, user comments) and they increasingly partner with news content creators, with the aim of reaching a wider audience and regaining trust.[55] Broadcasters are transforming live news broadcasting by integrating interactive features that enhance viewing and create a participatory experience (e.g. live chats or graphs). Community and user engagement also takes the form of increasingly blurred lines between audiences and content creators – modding in video games being an example of providing users with considerable agency over media production.

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[48] Newman, N., & Cherubini, F. (2025). *Journalism, media, and technology trends and predictions 2025*. Reuters Institute for the Study of Journalism.

[49] Accenture, *Reinvent for growth in the Media Industry*, 2024.

[50] The music sector appears to be a good proxy to understand the scale of this emerging trend. In April 2025, Deezer reported receiving more than 20,000 fully AI-generated tracks daily. This amounts to 18% of total content uploaded, an 8 percentage point increase since January 2025.

[51] Nicole Sheynin, *The Future of Streaming Platforms: Key Trends and Outlook*, Alphasense, 25 July 2024.

[52] Omdia, *Box Office and Beyond: the cultural, social and economic impact of cinema*, 2024.

[53] Data from a survey (Newman, N., & Cherubini, F. (2025). *Journalism, media, and technology trends and predictions 2025*. Reuters Institute for the Study of Journalism) of 314 media leaders in 51 countries, including Germany, Spain, France, Austria, Finland, Denmark, the Netherlands, Poland, Hungary and Slovakia.

[54] This trend is also found in the sports sector, with new rules and dynamic formats being tested in tennis and football to keep viewers entertained.

[55] Newman, N., & Cherubini, F. (2025). *Journalism, media, and technology trends and predictions 2025*. Reuters Institute for the Study of Journalism.

IP exploitation as a model for the future?

This section explores the transmedia dimension of intellectual property in the media industry, or the extent to which stories or IPs are monetised across multiple media formats and subsectors, as well as distribution platforms. This allows media consumers to follow a story they are familiar with on different formats such as books, films, TV series, video games, merchandising and board games. In spite of the scarcity of robust and structured data on the topic, it argues that the transmedia exploitation of European works can offer media companies opportunities to capture, retain and monetise users' attention and thereby generate additional revenues.

IP monetisation is at the core of the media economy. Most media products can be considered intellectual property and are exploited economically as such. Exploitation models can take a variety of forms, including the development of new works based on an existing intellectual property (e.g. sequels, prequels, remakes, spin-offs, etc. in the film and TV sectors). Within works themselves, different works can be successfully exploited: there are for example an increasing number of cases of music tracks (either original or synchronisation) generating substantial revenues and activities from their inclusion in video games, films or TV series.[56]

IP adaptations on other media – which capitalise on existing audiences and their desire for familiar stories – have become a fundamental part of the media offering. Transmedia exploitation is not a new trend, with book-to-film adaptations being common as much as films to video games. As a matter of illustration, in 2023 70% of box office went to films based on novels, play or video games and only 30% to original screenplays.[57] IP adaptations respond to a clear strategy: bringing the audience of an IP from one format or platform to another, with the hope of engaging further consumers on the destination platform. This has led many IP to perform very well on new formats: in the console market, for example, transmedia IP have an average of 2.5 million lifetime players, as opposed to 1.4 million for native video game IP.[58] Interestingly, in cinemas, even those adaptations with relatively poor audience reviews achieved commercial success – from *Street Fighter* (1994) and *Mortal Kombat* (1995) to *Sonic* (2020), *Uncharted* (2022) and *Minecraft* (2025). IP adaptation also contributes to generating revenues for previous exploitation modes: for example, it has been calculated that a film or TV adaptation of a video game generated an average 35% growth in monthly average users after a transmedia release.[59] This leads companies or artists to develop transmedia strategies[60] beyond the simple IP adaptation, seeking to generate revenues on several distribution channels.

Technological progress has eased the transmedia circulation of ideas and IP adaptations. The transmedia storytelling approach has been facilitated by the technological evolutions over the last decades (i.e., smartphones, smart TVs, 5G.), notably by allowing the use of different content on the same device, and by the proliferation of media platforms (social media, audiovisual streaming services, etc.). This contributed to the growth of the transmedia use of IP and impacting several media sub-sectors (audiovisual, video games, publishing and journalism).

Audiences do confirm their appetite for such content. Companies' strategies around IP seem to be anchored in evidence around consumers' preferences. According to our consumer survey, just over one in four consumers is unlikely to consume or pay for an adaptation of a media content that they already enjoyed, with other respondents showing readiness under different conditions. Unlikelihood to consume known IP is lowest among the younger Europeans (19%), showing that over time the relevance of IP may further increase.

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[56] European examples include Jesper Kyd's score of *Assassin's Creed II*, Cecilia Krull's soundtrack in *La casa de papel*.

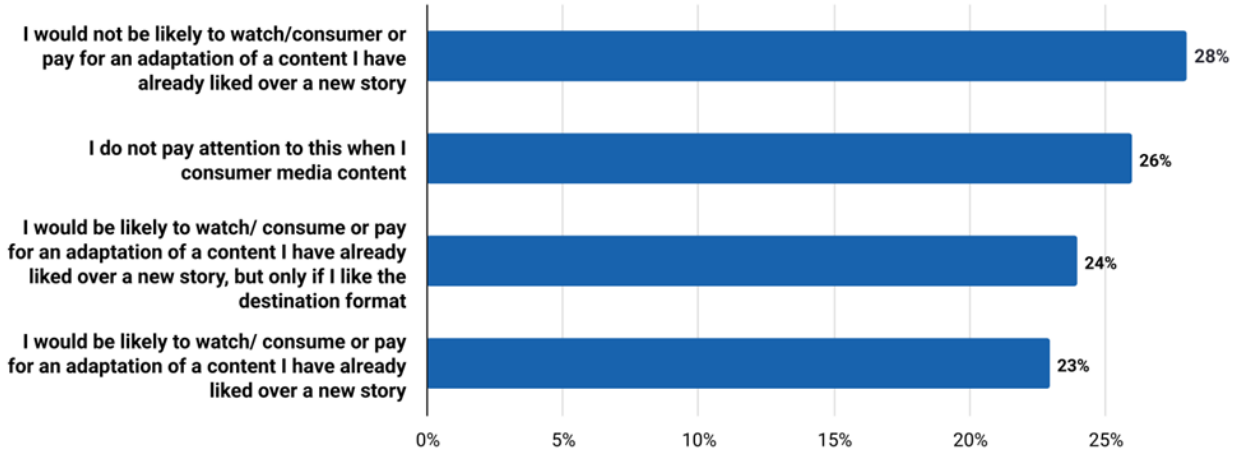
[57] Stephen Follows, *Are movies becoming more derivative?*, 15 April 2024.

[58] Michael Wagner, *How successful are video games with IP from outside the industry?*, Newzoo, 30 May 2023.

[59] Based on a 2024 analysis of 35 game IPs with a transmedia release, Newzoo's *Global Games Market Report 2024* (2024)

[60] Examples abound of new print runs launched when a book is adapted to screens. There are also more players investing in transmedia activities: Polish Nobel Prize laureate Olga Tokarczuk recently co-founded a video game development studio to adapt one of her novels.

Figure 12. Consumers' willingness to consume or pay for content adaptations



Source: European Commission, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025

The recent growth in IP adaptations is also attributable to the economic context. IP adaptations carry risks: as well as substantial legal proceedings, they require a story that is consistent with what is already known of the IP. However, it can also be approached as a safe strategy for media producers: in a context of investment cuts in recent years, IP adaptations can guarantee a minimum audience, hence their growing proportion among recent film, TV and video game releases.

The rise of video gaming among media consumption habits may also explain the success of IP adaptations. Video games have emerged as a pivotal medium in the transmedia market, which may be primarily due to shifts in consumption in favour of video games, with more categories of the population playing video games, and young people increasingly spending more time gaming rather than watching traditional TV or movies in cinemas. After several setbacks in the 1980s and 1990s (e.g. *E.T The Extra-Terrestrial* on Atari), transmedia IP has found its place in video games, accounting for around 10% of console releases since 2016. This is an upward trend – more often originating from books, comics and manga than from TV or films.[61] In the other direction, video game-based films and series have gained significant market share, with notable success stories like *The Last of Us* and *The Super Mario Bros Movie* growing over USD 1.3 billion worldwide, surpassing many blockbuster franchises, or *Minecraft* more recently.

Transmedia exploitation is likely to continue to shape investments and market dynamics. The demand for known franchises has brought an intensification of deals and investments aimed at optimising the profitability of IP rights. In this context, the recent large investment of Disney in Epic Games[62] signals the increasing media convergence and opportunities these types of investments could offer to exploit IP rights and brand recognition among audiences.[63] Other developments in the market include the growth of companies specialised in transmedia adaptions[64] and the recent and increasing interest of legacy players in transmedia (e.g. Sega).[65]

However, Europe is yet to develop its own successful IP prior to exploiting them across media. European media companies do embrace transmedia business opportunities – for example, video game companies Ubisoft and CD PROJEKT RED have deployed their IP on various formats, including educational games and concerts. Yet a persistent challenge is to be successful with the native IP release, as transmedia exploitation is often considered by businesses when an IP is successful

[61] Michael Wagner, *How successful are video games with IP from outside the industry?*, Newzoo, 30 May 2023.

[62] Dawn Chmielewski, *Disney's investment in Epic Games signals the company has to 'be there'*, Reuters, 8 February 2024.

[63] Karol Severin, *The context behind Disney's investment into Epic Games*, Midia, 15 February 2024.

[64] Examples include Skybound Entertainment and Story Kitchen in the US or Yuewen in China.

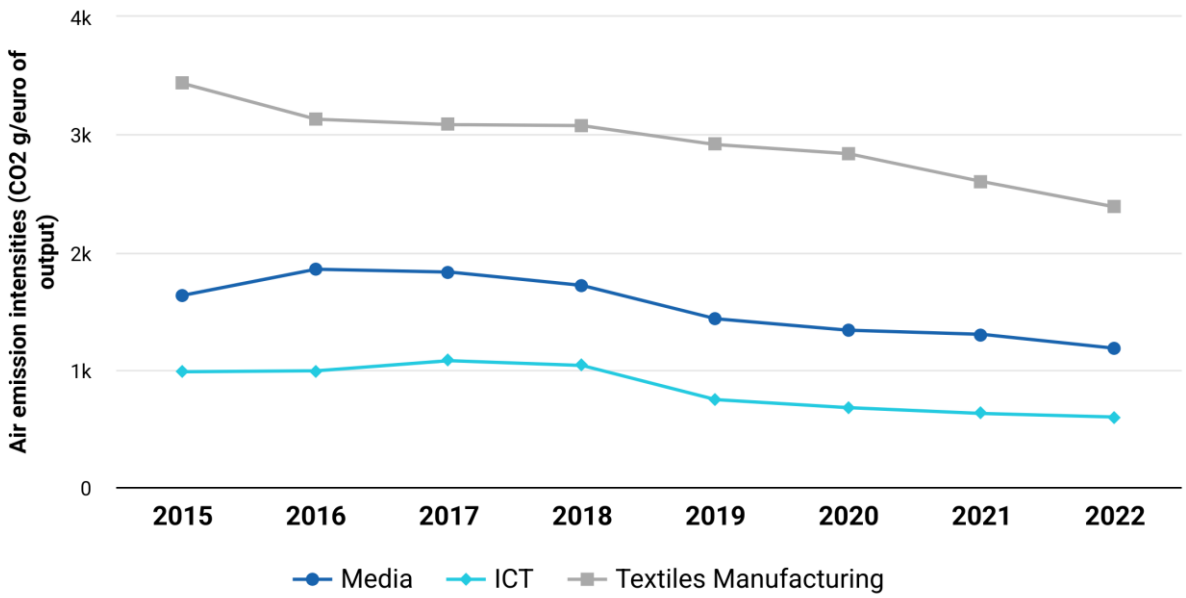
[65] Alongside film scores, which have long enjoyed a career of their own (e.g. physical sales, concerts), transmedia exploitation is more recently boosted by synchronisation (or 'music sync') and the broadcasting of performances.

enough to generate a transmedia business interest. Although this approach relies on offer/supply rules and responds to business dynamics, some public policies are taking the full measure of the potential of IP and provide substantial means for its valorisation and subsequent exploitation abroad.[66]

Environmental challenges

The media sector creates relatively high greenhouse gas emissions, but the situation is improving.[67] All media subsectors face challenges related to energy consumption, hardware production and digital distribution, but the degree of impact varies. Energy consumption is a critical issue for data centres and streaming services (audiovisual, gaming and XR)[68] but less so for traditional news media, even if it is affected by the shift from print to digital formats. In 2015, the emissions intensity for the media sector was 1,630.4 grams per euro of output, nearly 1.7 times higher than the 979.7 grams per euro of output in the ICT sector. By 2022, the media sector reduced its intensity to 1,179.6 grams per euro of output, representing a cumulative decline of 27.6% (against 39.3% for the ICT sector). In comparison, fashion manufacturing started at a much higher level in 2015 (3,433.3 grams per euro) and achieved a notable reduction of 30.6% by 2022. Looking ahead, the rising use of AI in production raises concerns about the associated emissions (e.g. via energy-intensive training of AI systems).

Figure 13. Air emission intensities, comparison between sectors[69]



Source: Intellera elaboration based on Eurostat data. Aggregation of NACE 2 levels; Media, composed of publishing activities (J58) and motion picture, video, television, and broadcasting activities (J59-J60); ICT, composed of telecommunications (J61) and computer programming, consultancy, and information services (J62-J63); fashion manufacturing, including Manufacture of textiles, wearing apparel, leather and related products (C13-15)

[66] One example is the 'Korea Creative Content Agency' (KOCCA), which assesses the potential of creative content and supports its exploitation through public-private partnerships.

[67] The data presents air emissions intensities for greenhouse gases (measured in grams per euro of output at current prices) across three aggregated sectors defined by the NACE Rev. 2 classification: media, composed of publishing activities (J58) and motion picture, video, television, and broadcasting activities (J59-J60); ICT, which includes telecommunications (J61) and computer programming, consultancy, and information services (J62-J63); fashion manufacturing, which includes C13-15 Manufacture of textiles, wearing apparel, leather and related products. This analysis compares the emissions trends from 2015 to 2022, highlighting differences in environmental performance and decarbonization trajectories between the two sectors.

[68] Hessam Levi, *Measuring greenhouse gas emissions in data centres: the environmental impact of cloud computing*, Climatiq, 24 May 2023.

[69] The comparison of media, with ICT and fashion manufacturing is relevant due to similarities in technological reliance, production processes, creative component and cultural influence. All three sectors have also experienced significant transformations due to digitalisation, with shifts towards online content distribution, e-commerce and virtual production methods that have influenced their respective environmental footprints.

The media industry is taking steps to monitor its emissions, and industry initiatives are flourishing. The audiovisual industry has taken strides towards sustainability by standardising carbon footprint measurements and integrating green strategies into national funding criteria. Tools such as carbon calculators and sustainability rating systems assist productions in reducing their environmental footprint. Such carbon calculators also exist for the video games sector, while the news media sector also strives to evaluate its carbon footprint and optimise digital infrastructures. As far as industry initiatives are concerned, efforts are being made on reporting mechanisms (e.g. the Sustainable Games Alliance), on the integration of energy-efficient technologies and recyclable materials (e.g. in AR device manufacturing), but no industry-wide standards have been enforced.

1.4. Technological trends

The media industry is currently experiencing a profound transformation driven by technological advancements reshaping how content is produced, distributed, and consumed. Emerging technologies such as blockchain, cloud computing, AI,[70] AR, VR, and XR are becoming increasingly integrated into media operations. This provides new opportunities for innovation and efficiency across various subsectors, including audiovisual media, news, video games, and immersive media experiences. In fact, these technologies not only contribute to streamlining traditional media production processes but also to developing entirely new forms of content engagement and monetisation opportunities. Blockchain, for example, introduces transparency and decentralisation in film financing and IP management. Cloud computing reduces hardware constraints, particularly in gaming and video streaming. XR technologies are pushing the boundaries of immersive storytelling, offering interactive experiences that merge the physical and digital worlds.[71] Edge computing brings content closer to consumption points, reducing latency and improving user experience. AI, and in particular generative AI, show highly disruptive potential and are increasingly adopted by the industry, with over 3% of generative AI activities being related to creative industries.[72]

However, levels of uptake of AI tools and applications remain limited in the audiovisual and news media sector, while AI adoption is more pronounced in the video game sector. 51% of companies in the video game sector, 38% in the audiovisual sector and 35% in the news media sector adopted AI-based tools and solutions in 2024, an upward trend. Professionals however report that the quality of AI and generative AI tools is improving, but cannot yet deliver consistently good quality content, fit for professional use. Data indicates that, in the absence of EU providers, most media companies rely on third-party AI tools, such as those of OpenAI, while in-house development of AI solutions remains marginal.[73] Advances in AI are enabling transformative functionalities, such as text-to-audio conversion in multiple languages and tones, AI-generated summaries at the top of articles and chatbot or AI-powered search tools to enhance audience interaction.[74] AI uptake also greatly varies within each subsector (e.g. more present in VFX than in cinema exhibition).

Table 1. Uptake of digital technologies by the media sectors

Type of technology	Audiovisual	News Media	Video Games
AI	39%	35%	51%[75]
AVR	15%	11%	21%
Blockchain	3%	3%	2%
Edge computing	4%	3%	6%

Source: Technopolis Group based on the EMI Enterprise Survey 2024.
N: audiovisual=279 news media=203 video games=37

[70] This specific key enabling technology is discussed in greater detail in the following section.

[71] According to the EMI Enterprise Survey 2024 (from *The 2025 Annual Single Market and Competitiveness Report*).

[72] Abendroth Dias, K., Arias Cabarcos, P., Bacco, F.M., Bassani, E., Bertoletti, A. et al., *Generative AI Outlook Report - Exploring the Intersection of Technology, Society and Policy*, 2025.

[73] According to the EMI Enterprise Survey 2024 (from *The 2025 Annual Single Market and Competitiveness Report*).

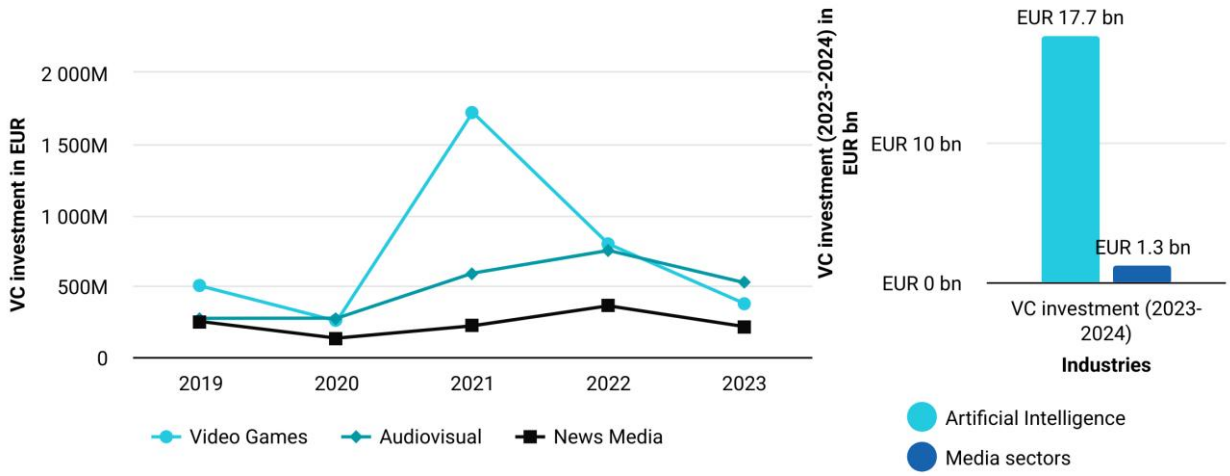
[74] Newman, N., & Cherubini, F. (2025). *Journalism, media, and technology trends and predictions 2025*. Reuters Institute for the Study of Journalism.

[75] The video game chapter reports a comparable figure of 54%, based on another source.

Investments

In the past decade, the digitalisation of the various media sectors has contributed to a substantial increase in the levels of investment in media technologies. In the news media sector, investments into media technology in the EU grew from approximately EUR 248 million in 2019 to EUR 361 million in 2022 (45% growth). Similarly, the video game sector has seen a significant increase in VC investments, mainly driven by investments in AI and cloud gaming start-ups. However, media benefitted less from investments than other ICT sectors, or even health. As regards content, investments in audiovisual content have surged due to the global expansion of streaming platforms and the further growth in film production.[76]

Figure 14. Venture capital investment in media technologies relevant for the audiovisual, news media and video game sectors in the EU



Source: Technopolis Group based on Crunchbase,[77] funding data available for 1,837 EU headquartered video game companies, 655 tech and innovative companies working in the field of news media and 1,514 in the field of audiovisual in the EU.

Note: Media technologies should be understood as tools, devices and platforms enabling the creation, distribution and consumption of various forms of media, and acting as technological or innovative solutions providers the media sectors.

Although VC investments in media technologies grew, research and development (R&D) remains underfunded. Investments in research and development by EU media industries remain marginal: the 2024 R&D Investment Scoreboard[78] indicates that among the 800 companies investing in R&D only seven are media companies, five of which are based in France.[79] Similarly, among the world's top 2,000 companies most investing in R&D, there are only 17 media companies and only three of these are EU companies.[80]

[76] For more, see *Seizing growth opportunities in a dynamic ecosystem* insight (from PwC, Global Entertainment & Media Outlook 2024–2028, 2024).

[77] The analysis is based on a review of venture capital deals that target companies in the media sectors, including tech companies that develop solutions for the media sectors. The analysis covers the EU. The comparison reflects the difference in terms of the magnitude of VC investments that the media sectors attract compared to other more popular topics such as investment into AI startups in general.

[78] European Commission (2024). 2024 EU Industrial R&D Investment Scoreboard.

[79] Ibid.

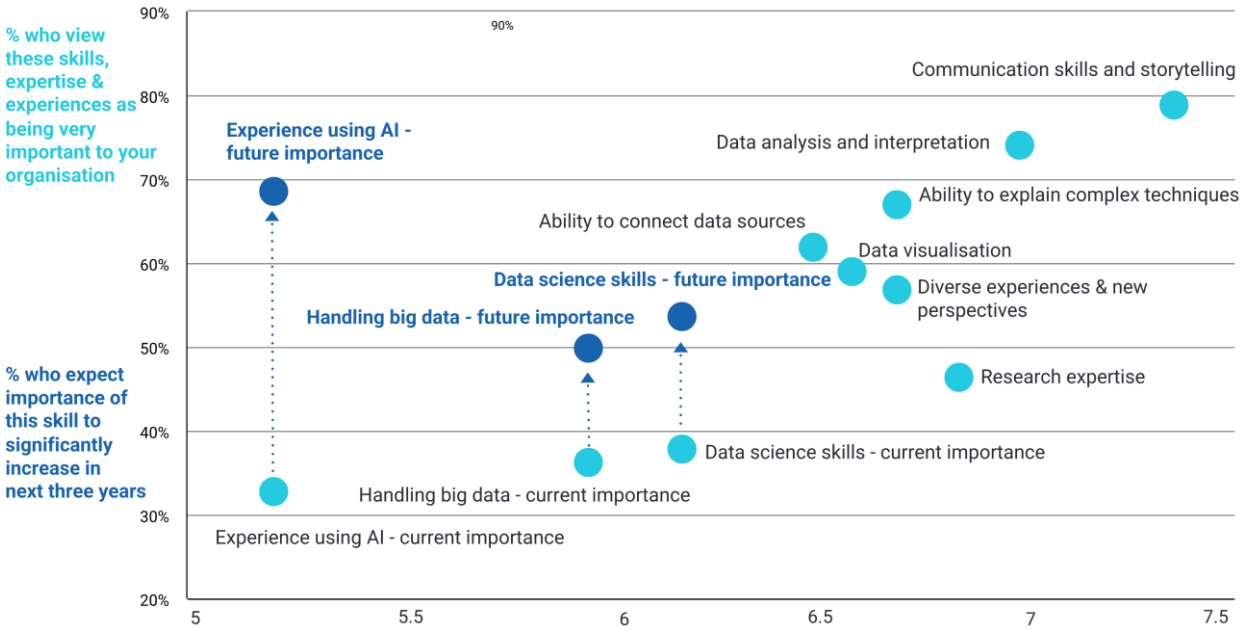
[80] Ibid.

Skills gaps and offer

In light of these technological developments, talent shortages are a persistent challenge in the media sector, particularly in IT-related and managerial roles. As technological advancements reshape the industry, demand for specialised skills is increasing across the audiovisual, news media, video game, and XR sectors. The integration of data analytics, AI, and digital content creation requires professionals with expertise that is often in short supply. Additionally, the shift towards digital distribution and monetisation platforms has altered traditional workflows, requiring a broader skill set among the existing workforce to navigate emerging industry dynamics.

Tech skills will see their relevance grow in the coming years. Globally, digital and AI skills are currently rarely present as skills requirements in job advertisements in the media sector. Communication and storytelling, as well as data analysis and interpretation, are currently the most relevant to media organisations. Yet, media report that needs will increase for AI, big data and data sciences.

Figure 15. Main upcoming skills gaps in the media sector



Source: Kantar Media, The skills shaping tomorrow's media ecosystem. Findings and observations from our 2024 Media Leaders Pulse Survey, 2024.

Adding to this challenge, the EU media industry needs to compete for talent with other industrial sectors. Media professionals are concerned about securing the necessary talent to sustain technological advancements and maintain competitive content production. The AV and news media industries require expertise in data analytics, AI-driven content creation and production specialisation (3D animation, virtual production, 4k, etc.), while the video game sector requires expertise in AI and programming. Yet, in many of these markets (most visible in the AAA games development segment), leading European media companies compete with tech giants that often offer higher salaries, further intensifying competition for top-tier expertise. At the global level, 67% of media companies believe it is difficult to compete with other organisations for the best talent, and 75% of major media companies reported difficulties in keeping their top performers.

1.5. Summary

The European media market is today concentrated around a **handful of non-EU actors**, in particular from the US and China, which are **capturing a majority of revenue in all market segments**, in particular thanks to their control over the **distribution** segment. These competitors are non-EU operators that propose successful content, but also platforms within the **creator economy** which are contesting the place of traditional media in the value chain. As the use of AI is becoming generalised and leads to an **overabundance of content**, the offer of EU media companies risks becoming less visible and appealing to mainstream EU consumers.

On the side of consumers, Europeans' **media consumption is set to plateau**. **Television** as a medium remains prominent but is gradually being replaced by new digital and cross-platform practices taken up by younger consumers. These **younger consumers**, who drive consumer changes, are turning to **segments with less presence of European content** (e.g. towards SVoD or social media and away from pay TV or printed press), exerting further pressure on the profitability of European content.

In this market context, the **European industry seeks to join forces and innovate but remains fragmented**, with a few large companies able to compete at global or regional level and a vast array of small or micro-enterprises faring well in niche markets that require high-quality or specialised content. Europe's lag in developing and adopting new technologies is aggravated by low levels of investment, in particular compared with the US industry. As a consequence, the uptake of technologies remains low across media subsectors, in particular in the audiovisual and news media fields.

However, the EU industry can rely on many assets and seize further opportunities to continue to offer a livelihood to more than 1 million Europeans, and to continue to shape cultural practices and behaviours in tune with our values and identities.

First, **employment** in the sector is still growing, despite a temporary downturn and churn. EU companies retain **high appeal** as the European industry offers good working conditions. The **profitability** of these companies also remains satisfactory. As regards technology and investments, Europe's industrial ecosystem has many **promising startups** which, with adequate scaleup or R&D investments, could compete at a greater scale.

Users' appetite for tailored and relatable content can also work in favour of European media companies: Europe's **diverse demographics** and cultural identities represent opportunities to address the specific needs and tastes of consumers. Finally, Europe is the continent where mainstream stories and fictions were born and continue to prosper. A more strategic exploitation of creative works could help Europe's IP thrive in Europe and beyond, in their native as well as in transmedia markets.

2. The audiovisual sector

2.1. Introduction

The audiovisual industry is the biggest revenue source and job provider of all European media sectors. It has in recent years grown to include **not only cinema and broadcasting but also video on demand (VoD)**. However, video sharing platforms now also play a significant role. The European audiovisual sector has long been characterised by a **high number of small companies competing with US-based, globally active, integrated market players**. These US players have benefitted from structural advantages including economies of scale in marketing and access to state-of-the-art technologies.

In 2022, the industry was **recovering from the COVID-19 pandemic**, when cinemas were most seriously hit, whilst the subscription VoD (SVoD) market grew quickly. TV remained resilient throughout COVID, whilst the once significant DVD market was vanishing. **Production, accounting for the largest share of audiovisual jobs, experienced dynamic growth**, fuelled by expanding SVoD services.

Revenues were highly concentrated amongst the largest players. Also, pay TV subscriptions, TV advertising, and funding of public broadcasters were the main sources of income although stagnating. With **VoD as the main driver for growth**, overall, audiovisual services had a compound annual growth rate (CAGR) of 3.15%. The first signs of **convergence** between linear and non-linear services[81] were appearing on the EU market with European broadcasters, including public ones, entering the on-demand market. The European audiovisual industry was pursuing alliances and some consolidation. Meanwhile, the largest legacy US-based players were undergoing a new wave of consolidation in response to the online platform economy. The rise of VoD players, often operating on a global scale, opened a new chapter in audiovisual intellectual property management.

On the demand side, **European audiences were more likely to watch national films and series as well as US works** rather than content from other EU countries. Nonetheless, 71% declared they were likely to watch more non-national European films and series. Also, Europeans preferred to watch films and series on TV, but they were willing to increase their use of VoD services.

2.2. Market overview

Global and EU market value

The EU audiovisual market was valued at EUR 119 billion in 2024,[82] holding a stable second place in the global market with approximately 22% share. Globally, the audiovisual sector generated an estimated EUR 550 billion in revenue, with the United States holding the largest share of around 49%[83] and China coming third with 12%. The global market grew at a CAGR of 4.59% over the 2019-2024 period, whilst in the EU it grew by 5.8% compared to 2023. Future projections estimate

[81] Linear services mean unique, real-time transmission of content. Non-linear is a synonym to video on-demand (VoD), meaning content available at any time.

[82] In the previous edition of the Outlook, only the revenues of core audiovisual players were included according to the methodology adopted by European Audiovisual Observatory (EAO). They were at the level of 90 billion EUR. This edition follows the industry presentation by Ampere, which includes also other companies- but only in their business lines that are close substitutes to core audiovisual players from the revenue source perspective (see more details in footnote 9). Source: Technopolis Group based on Ampere Analytics.

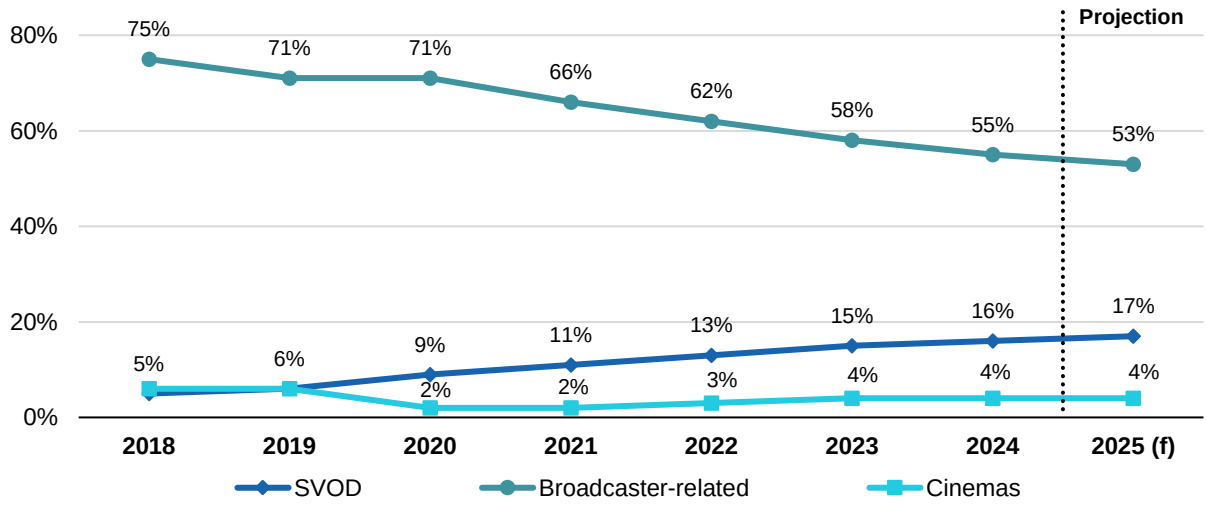
[83] Share of US and EU based on Ampere Analytics, Ampere Commissioning, share of China estimated based on China's shares of the market according to PwC.

a steady but slower growth of 3% per year (without accounting for inflation).[84] The share of audiovisual in the EU economy has slightly decreased in the last years, from 0.64% in 2019 to 0.59% in 2023.[85]

Revenue trends

Broadcasters still hold the largest share of audiovisual revenues in the EU, although their position has continuously weakened compared to online players, notably streamers and video sharing platforms. In nominal terms, the revenues of broadcasters increased, but their market share is reduced to 53% in 2025, compared to 75% in 2018.[86] On the other hand, growing SVoD revenues should reach 17% of audiovisual revenues by 2025. Cinema revenues, the hardest hit by the COVID-19 pandemic, bounced back (22% increase between 2022 and 2023), but are still below 2019 levels. They are expected to stabilise at around 4% of total revenues. All core audiovisual sectors are challenged by new types of online players, especially those featuring non-professional audiovisual content.

Figure 16. Key revenue trends within the audiovisual market 2018-2025, EU [87]



Source: Technopolis Group based on Ampere Market Operators.

Zooming in on the revenue sources, we see that online advertising, notably on video sharing platforms, is on course to take the lead. Online video advertising jumped to second place (from 4th in 2020), and it is expected to almost double by 2029. Pay TV subscriptions have been stagnating, though they were still the primary revenue source in 2024. The third most important sources were ex-aequo i.e. the SVoD sector has grown to catch up with the stable public broadcasters. SVoD is projected to grow further (+31% by 2029). Linear TV advertising dropped to fourth place (from third in 2020) and is expected to fall slightly more in the next years. The least significant revenue contributors were home cinema: physical video and transactional video on demand (TVoD).[88]

Broadcasters are building up an online presence. An increase of broadcasters' revenues, albeit modest, is coming in the form of advertising in their VoD services (AVoD business model of BVoD-broadcaster's VoD), which is expected to grow 30% by 2028, and from subscriptions in cases where their VoDs take SVoD model. Overall, there are signs of convergence in revenue streams, with broadcasters losing in linear broadcast advertising but increasingly providing streaming services, whilst pure streamers (earlier only SVoD) increase their advertising revenue.

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[84] EAO, *Yearbook 2023-2024*, 2024.

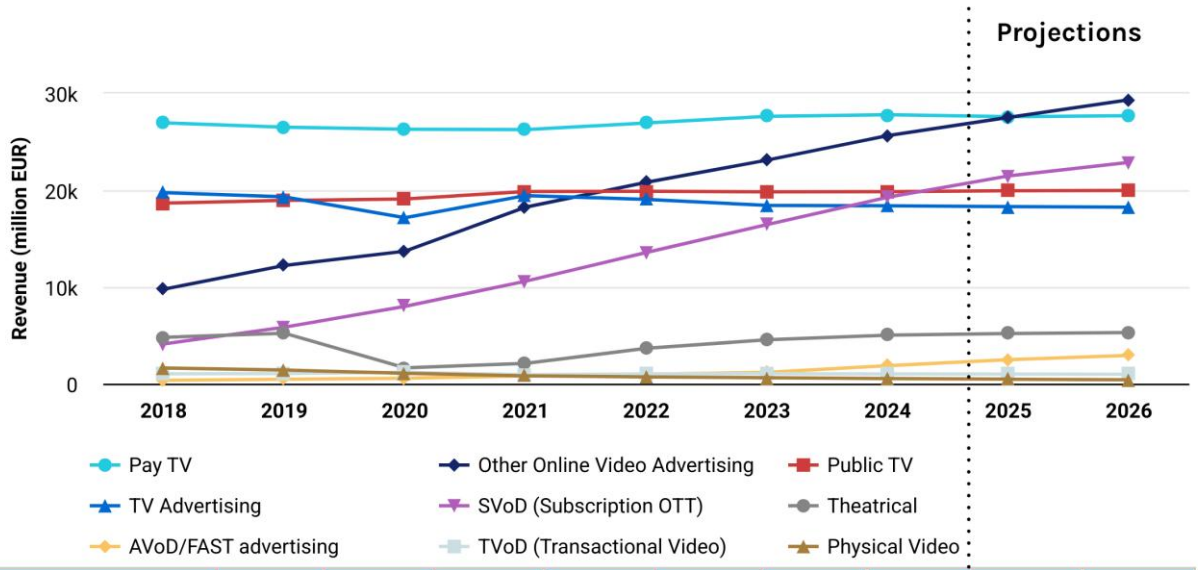
[85] EAO, *Key Trends 2025*, 2025.

[86] The same trend is visible also when only core audiovisual segments are taken into account (in line with previous Outlook). In this case, the share of broadcasters went down from 86% in 2018 to 71% in 2025. Based on Ampere data.

[87] This graph represents only the shares made by core audiovisual industry segments. For values relating to other segments, see the graph in the following page.

[88] Based on data from Ampere Analytics, Ampere Commissioning.

Figure 17. Detailed revenue trends in the audiovisual market[89] in the EU, 2018-2026, in millions EUR[90]



	2018	2019	2020	2021	2022	2023	2024	2025	2026
Online Video Advertising	9.760	12.215	13.691	18.249	20.813	23.109	25.643	27.527	29.349
Pay TV	26.968	26.519	26.301	26.253	26.949	27.638	27.803	27.599	27.709
SVoD-Subscription OTT	4.099	5.831	7.988	10.591	13.559	16.443	19.268	21.472	22.875
Public TV	18.664	18.941	19.089	19.860	19.890	19.827	19.844	19.945	19.965
TV Advertising	19.754	19.311	17.151	19.445	19.046	18.431	18.386	18.306	18.239
AVoD/ FAST advertising	332	456	546	802	967	1.166	1.855	2.476	2.913
TVoD-Transactional	1.011	1.043	1.167	928	999	1.030	994	976	965
Theatrical	4.792	5.208	1.635	2.090	3.648	4.532	5.005	5.182	5.275
Physical Video	1.609	1.399	1.063	806	684	601	521	456	399
TOTAL	86.989	90.923	88.631	99.024	106.555	112.777	119.319	123.939	127.689

Source: Technopolis Group based on data from Ampere Market Operators

Top players and market structure

The audiovisual sector remains highly concentrated, and the share of US companies has increased in the last years to the detriment of European counterparts. The top 20 audiovisual service providers active in Europe accounted for 69% of the top 100 revenues in 2023 (a slight decrease of -1 percentage point from 2016).[91] Streamers, video sharing platforms and telecom operators were more prominently represented than in 2016. The weight of US companies in top 100 revenues went up to 40% (+9 percentage points compared to 2016), while the share of EU companies continued to decline to 59% (-8 percentage points compared to 2016).[92] Lower places in the ranking for EU-based companies are due to the fact that they mostly operate in only one country, whereas

[89] In Ampere's methodology, the category "AVoD/FAST" includes: 1) VoD - long-form professional video that would typically be labelled as AVoD (ad-based VoD), ad-based BVoD (VoD services of a broadcaster) or HVoD (hybrid – e.g. Netflix tier with ads) and 2) FAST (free ad-supported streaming television) - an online viewing platform mimicking linear broadcasting in that there is programming schedule, with personalised advertising. Category "Other online video advertising" includes Youtube and Tiktok (each 7 bn EUR) and Meta (12 bn EUR).

[90] Technopolis Group based on data from Ampere Market Operators. TV advertising revenues are net of discounts and agency commission and refers to the revenues collected by broadcasters from adverts on their linear TV channels.

[91] EAO, *Top players in the European AV industry, Concentration, statute, origin and profile 2023 figures*, 2025. European data covers 41 countries, including notably the UK, Turkey and Switzerland. (The share of EU revenues in the overall European market cannot be precisely calculated.)

[92] Ibid.

US companies cover several or all EU territories. Also, major production groups, which are not categorised as service providers, are discussed in a separate section below.

Table 2. Ranking of audiovisual services active on the European market, per AV services revenues in 2023[93]

Rank	AV group	Final owner	Revenues (EUR million)
1	Comcast (Europe)	Comcast	15300
2	The Walt Disney Company (Europe)	The Walt Disney Company	8928.956
3	Netflix (Europe)	Netflix	8096.803
4	Google (Europe)	Alphabet	7978.3
5	**ARD (DE)**	**State of DE (public)**	**7254.4**
6	**RTL Group (LU)**	**Bertelsmann**	**6854**
7	Warner Bros. Discovery (Europe)	Warner Bros. Discovery	6200
8	**Groupe Canal Plus (FR)**	**Vivendi**	**6058**
9	**ProSiebenSat.1 Media (DE)**	**ProSiebenSat.1 Media**	**3852**
10	Amazon Prime Video (Europe)	Amazon Inc	3681.086
11	Meta (Europe)	Meta Platforms	3332.2
12	**France Télévisions (FR)**	**State of FR (public)**	**3109.3**
13	**Deutsche Telekom (DE)**	**Deutsche Telekom**	**2854.9**
14	**Bouygues (FR)**	**Bouygues**	**2820.54**
15	**MediaForEurope (MFE) (IT)**	**MediaForEurope (MFE)**	**2810.4**
16	**RAI (IT)**	**State of IT (public)**	**2736.2**
17	Liberty Global (Europe)	Liberty Global	2706.735
18	Paramount (Europe)	Paramount	2700
19	**ZDF (DE)**	**State of DE (public)**	**2581.3**
20	**Orange (FR)**	**Orange**	**2503.3**

Source: European Audiovisual Observatory, Top players in the European AV industry, Concentration, statute, origin and profile 2023 figures, 2025 .

Note: Analysis excludes companies active only in non-EU countries. EU-owned companies highlighted.

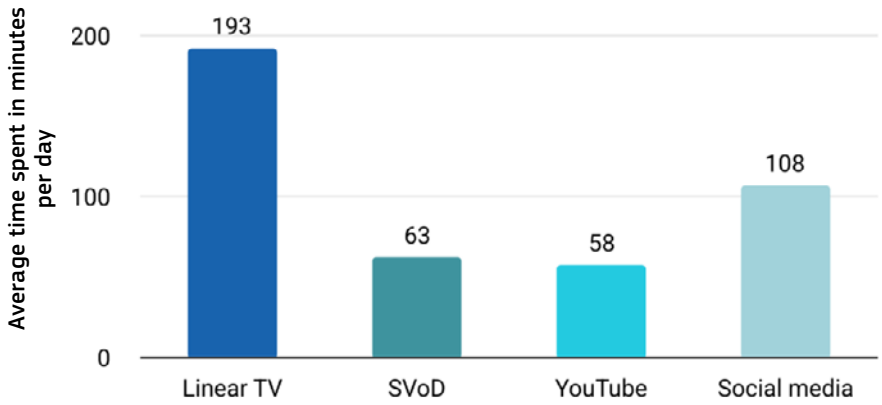
YouTube has emerged as a driving force in the attention economy, transforming audiovisual content consumption trends. While linear TV remains the medium where people spent most time, followed by social media, YouTube is almost as popular as the aggregate for SVoD providers in the EU (see chart below).[94] This is in line with trends in the US, where the audience share of YouTube increased by 50% in the two years to November 2024.[95]

[93] Google (YouTube) and Meta (Facebook Watch and Instagram Reels) are not core audiovisual players, but their audiovisual business lines are important for the industry.

[94] Dataxis 2024.

[95] Doug Shapiro, *28 days of media slides*, 2024.

Figure 18. Viewing time of different media services in the EU



Source: Technopolis Group assessment based on data from Glance and Dataxis

European players dominate the legacy audiovisual market. In 2023, European players enjoy a 74% market share of legacy services such as pay TV or TV advertising. Conversely, non-European players held an 88% consolidated revenue share of newer distribution models, mainly SVOD (subscription-based video on demand) and AVoD (advertisement-based video on demand).[96]

Consolidation

The landscape of European companies is mostly fragmented along national borders, but there is a group of ambitious players expanding through mergers and acquisitions (M&As) or organically. Over the period 2014-2024, there were 159 intra-EU M&A deals reported in the film industry and broadcasting, whereas 44 EU companies were acquired by non-EU based companies.[97]

Leading EU production groups are emerging. They combine production and distribution as part of international strategies to maximize content exploitation and revenues. These groups have grown through the acquisition of smaller production companies (e.g. Banijay, Newen Studios, Federation Studios, Mediawan, Fremantle, and Studiocanal). Some have grown by raising capital from European as well as non-European sources (e.g. Mediawan, Banijay in France, Vuelta in Ireland, Mediapro in Spain). Overall, these groups operate similarly, irrespective of their ownership model: some non-affiliated production companies have become bigger than affiliated companies.

Table 3. Top 10 EU film production companies' revenues in 2024

Production group	Country	Affiliation with a broadcaster	Revenue
Banijay	France		EUR 3.35 billion
Fremantle	France	RTL Group/ Bertelsmann	EUR 2.2 billion
Mediawan	France		EUR 1.2 billion
Mediapro	Spain		EUR 1.2 billion
Nordisk Film A/S	Denmark	Egmont Fonden media group	EUR 730 million
Studio Canal	France	Groupe Canal+	EUR 463 million
Beta Film	Germany		EUR 356 million
Newen Studios	France	TF1 Group	EUR 345 million
Bavaria Film	Germany	regional broadcasters (WDR, BR, SWR, MDR)	EUR 310 million
Studio Hamburg Production	Germany	Regional broadcaster NDR	EUR 300 million
Federation Studios	France		EUR 250 million
France.tv Studio	France	Public broadcaster	EUR 197 million

[96] European Audiovisual Observatory, *Top players in the European AV industry, Concentration, statute, origin and profile 2023 figures*, 2025.

[97] Technopolis Group based on Crunchbase data analysis. Some notable recent losses of EU-ownership included Molotov (2021 in the area of VOD, bought by Fubo) and Scanline (2022, visual effects company bought by Netflix).

Iervolino & Lady Bacardi Entertainment	Italy		EUR 172 million
Gaumont	France		EUR 172 million
Seven.One Studios	Germany	ProSiebenSat.1 Media SE	EUR 155 million

Source: Data for 2024 based on Technopolis Group based on ScreenDaily and Orbis.

Note: The entries with data for 2023 based on EAO Yearbook PLAY-PROD table of top 40 European production companies.

EU production groups have an increasingly global presence. For example, by the end of 2024 StudioCanal was present in 52 countries, Banijay in 21 countries worldwide and Newen in 12. Spanish production groups have followed different expansion strategies and focused on Latin America and the US rather than on Europe.

EU commercial broadcasters also aim to scale up through consolidations. In Germany, MediaForEurope made an offer to take over ProsiebenSat.1 and the RTL group acquired Sky Deutschland (pending the agreement of competition authorities). In France, TF1 has announced early 2025 its intention to explore again a possible merger with M6.

Consolidation in the EU is taking place in parallel to consolidation at a global scale. First, it is happening as a response to consumers searching to limit the number of separate payments and get combined packages.[98] Second, it takes place as a response to the growing presence of big tech (including YouTube and Amazon, in particular since its acquisition of MGM). Third, consolidations occur due to recent and expected mergers between US corporations against which they compete in the single market. The period 2018-2022 was marked by a wave of record-breaking deals that were the US media's response to their market being affected by tech giants.[99] Since then, a series of M&A deals has been ongoing (like Disney's acquisition of Fubo or its investment in Epic Games)[100] or planned (Skydance Media/Paramount for expected USD 7 billion, TPG's acquisition of DirecTV for almost USD 7 billion; WMD planned to split into two business lines, but only to continue consolidating within these lines).[101]

Employment

In 2023, the audiovisual sector employed an estimated 518,000 people in the EU (-3 percentage points compared to 2019).[102] Production accounted for the largest share, at 51% of audiovisual employment in 2022 (and increased by +13% since 2019), followed by television programming and broadcasting activities (24% of the employment in 2022; -31% since 2019). This correlates with an increase in investment in production over this period, driven by a favourable investment environment and the continued expansion of streaming platforms and less in-house employment by the broadcasters. There has been an increase in post-production (+13%), and no significant changes in distribution or cinemas.

[98] EAO Top Players 2025 p. 35/38.

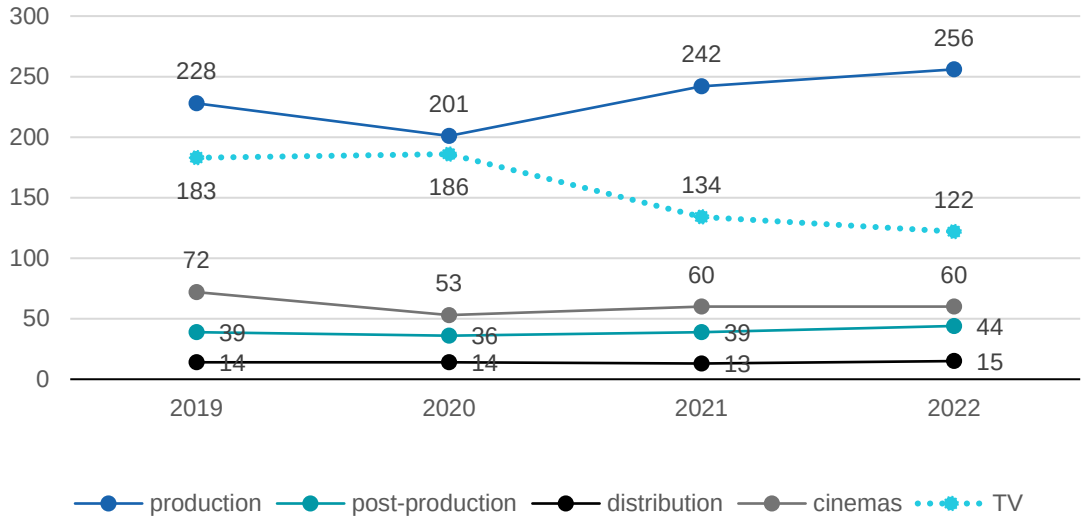
[99] These included especially AT&T/ TimeWarner (2018, USD 85 billion), Comcast/Sky (2018, USD 39 billion), Disney/21st Century Fox (2019, USD 71 billion) and Discovery/WarnerMedia (2022, USD 43 billion).

[100] Brad Adgate, *In a surprise, Disney enters a definitive agreement with Fubo*, Forbes, 6 January 2025.

[101] Technopolis Group based on Crunchbase; see Jill Goldsmith's *Paramount Still Sees Skydance Deal Closing First Half Despite Noise; Streaming & Sports Buoy Q1*, Deadline, 8 May 2025. https://variety.com/2025/biz/news/media-mergers-acquisitions-2025-deals-1236263982/; Warner Bros Discovery top execs discuss impending split, Screen, 10 June 2025.

[102] Based on Eurostat SBS *Enterprise by detailed NACE Rev 2 activity and special aggregates data for 2021 and 2022* with categories included: J5911, J5912, J5913, J5914 and J6020); and SBS Enterprise statistics by size class and NACE Rev 2 activity for 2023 (aggregates for J591 and J602). Alternatively, Labour Force Survey data can be used to capture also informal and occasional workers covering several jobs through a year. There the trends show the same directions (+14 percentage points 2019-2023 for audiovisual production and distribution; lower drop of -7 percentage points in broadcasting), but the overall numbers are higher, reaching almost 570 000 persons working in AV sector in 2023, with over 30% in broadcasting. Source: Eurostat Labour Force Survey.

Figure 19. Employment trends in the EU audiovisual industry



Source: Eurostat Structural Business Statistics.

There are positive trends indicating greater representation of women in key creative roles, such as directors, screenwriters, and producers.[103] However, the overall proportion of films directed or produced by women remains low. The sector has a younger workforce than the European average. In 2024, 58% of workers in the sector were aged between 25 and 44, with a significant fall-off of workers after the age of 40-45.[104]

2.3. Consumer trends

This section offers insights into consumption trends. The first part covers the declared preferences, based on the consumer survey carried out for the needs of this report.[105] The second part includes a detailed analysis of the actual consumption of content of different origins, based primarily on several reports carried out by the European Audiovisual Observatory for the purpose of this publication.

Reported consumption

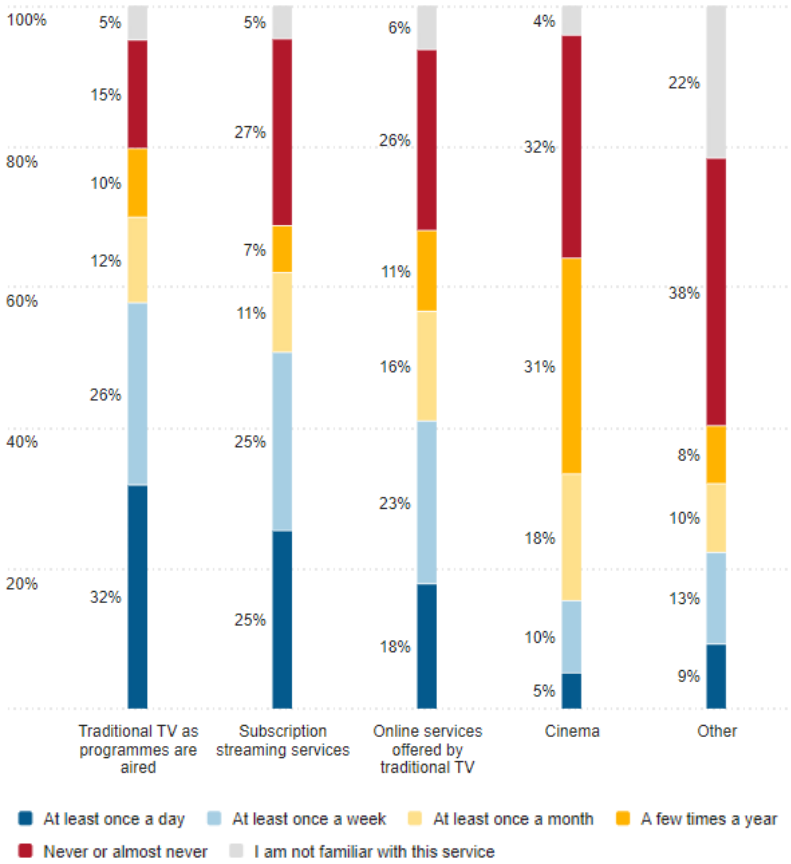
Respondents across the EU continue to engage with both traditional and digital forms of audiovisual content. Watching traditional TV at the time of broadcast remains the most frequent mode of consumption (58% watching more than once a week), unchanged from previous years. Subscription-based streaming services closely follow (50%), which reflects how streamers are catching up with broadcasters. Comparatively, online services provided by traditional TV channels (BVoD) are used by 41% of Europeans. Regarding cinema attendance, 15% of Europeans report going at least once per week (mostly from big cities),while the majority (49%) attend monthly or a few times a year.

[103] The EAO's *Yearbook 2023-2024* (2024) shows improvements by several percentage points in all 18 monitored dimensions. For example, share of female directors went from 17% in 2015 to 22% in 2023. Source: EAO, Yearbook, table: GEN-PROD Gender in Film Production.

[104] Assessment based on LinkedIn data. Compare also: Creative Skills Europe, *Trends and skills in the European audiovisual and live performance sector*, 2016.

[105] The consumer survey was conducted in the EU Member States in September-October 2024 and targeted the general population aged 18 and above, ensuring representativeness across demographics such as age, gender, education, and income. Note that the survey was carried out online, which can impact the findings. Full results of the consumer survey published concurrently can be found in the Annex to the present report. The percentage reported in this document may not total 100 due to rounding.

Figure 20. Thinking about watching films, series, news or other types of programmes, how often do you use the following services? (n=22,703)[106]



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

People who do not use BVoD are mostly satisfied with content available live and in other services. Among the people who do not watch online broadcasters' offerings, the most common reason is the ability to watch most programmes on live TV (29%). Another 27% feel that there are already enough interesting programmes on other streaming services. A similar proportion, 25%, believe that there are not enough programmes of the preferred type available on these services. The lack of awareness about these services is a barrier for 25% of Europeans.

Reported expenditure

When it comes to paying for their daily audiovisual content, the most common subscription is a standard package of TV channels (39%), albeit significantly decreasing from the analysis of previous Outlook (53%).[107] Subscriptions to premium TV channels show an increase regarding channels specialising in films or series (26%, +18 percentage points since last Outlook survey), sport (14%, +9 percentage points) and children's content (8%, +6 percentage points).[108] 21% of Europeans indicated that they did not pay for any TV service, opting instead for free TV (-4 percentage points).

When it comes to people who reported watching SVoD services, households declared subscribing to slightly more international streaming services, with an average of 1.68 services,

[106] Combining the results for "Traditional TV as programmes are aired" and "Online services offered by traditional TV" allows for a summary of findings for "traditional TV overall". When combining both categories (i.e., counting those consuming only traditional tv and those consuming only BVoD), approximately 70% of respondents report using traditional TV at least once a day or at least once a week, while a total of 90% engage with traditional TV to some extent (including at least once a month or a few times a year).

[107] European Commission: DG CNECT, *Consumer survey on consumer behaviour and preferences related to the consumption of audiovisual entertainment content: final report*, 2023.

[108] Summing foreign language channels, which was not present in the current survey, to other types of channels.

compared to 0.94 national TV streaming services. Regular users of streaming services have a higher average number of subscriptions.

When deciding whether to subscribe to a new audiovisual service, the most important factor for viewers is the selection of films and series offered. Price follows in second place, matching preferences expressed in the previous Outlook. The inclusion of the TV package and the selection of sports events, on the other hand, have decreased and are ranked lower.

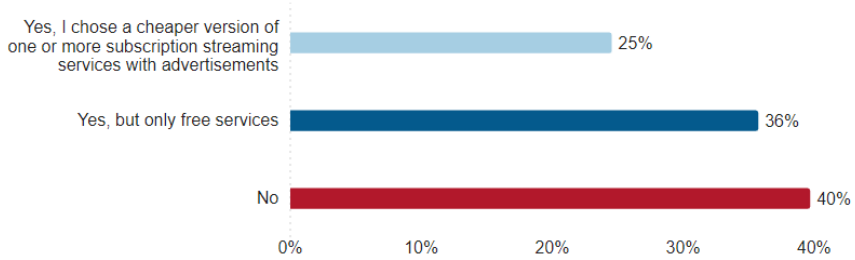
Table 4. What would typically be the main reasons for you to subscribe to a new video streaming service? (n=22,703)[109]

Feature	Relative importance
Selection of films/series	210
Attractive price/promotion	144
Included in my TV/internet package	90
Selection of sports events	62
My friends/family have a subscription	48
Selection of other content (e.g. cooking, talent, dating shows)	45

Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

Europeans show mixed attitudes towards ad-supported streaming models. While 40% do not use them (including non-streamers), 36% use free services with ads, and 25% use cheaper subscriptions with ads. Among daily streamers, there is more openness to ad-supported models (68%). **Among those who avoid streaming with advertisements, responses indicate that the relative majority (48%) prefer to pay extra to avoid interruptions by ads**, while 19% consider using them in the future. A considerable number of respondents are not aware of this modality (28%).[110] This suggests that the main barrier to ad-supported streaming is a strong preference for uninterrupted viewing.

Figure 21. Do you already use streaming services with advertisements? (n=22,703)



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

[109] This, and several other questions presented below, were MaxDiff type. The scores illustrate how significant each factor is when compared to others. The average score for all items is anchored at 100, serving as the benchmark. If all factors held equal importance or were chosen randomly, each would have a score of 100. A score above 100 indicates that a factor is more important or likely than average, while a score below 100 reflects lesser importance.

[110] For question A5b, analysis of open-text responses from those selecting "Other" shows that reasons for not streaming films and series with advertisements include a lack of interest in films, unawareness of such options, and aversion to paying for services that still show ads. A few respondents expressed uncertainty or cited having too many existing subscriptions as reasons.

Anticipated Changes in Viewing Habits

There is a general trend of declining use of all core audiovisual services. While 19% of Europeans plan to increase their use of subscription streaming services in the coming year, 23% plan to use them less. Traditional TV and broadcaster online services face sharper declines. Cinema attendance is projected to see the steepest drop, with 32% planning to go less often and only 11% more. These findings contrast with the 2022 consumer survey, in which responses indicated an overall increase in expected consumption of all the above services in the year following the survey.

TV, in particular, is under strong competitive pressure, with many consumers substituting or planning to substitute it with streaming services. When it comes to subscriptions for TV services, 45% of Europeans have considered switching or have already switched to cheaper TV packages or to streaming services. 39% have either cancelled their cable/satellite TV subscription or are seriously considering doing so. This trend represents a non-obvious relationship to the financial situation of Europeans (with 44% of financially comfortable users considering cancelling their TV subscriptions, compared to only 38% in a less comfortable situation). These results mark a 5 percentage points increase compared to the previous edition of the survey.[111]

Viewing habits play a significant role in the likelihood of cancelling traditional TV subscriptions to rely on streaming services. The majority of people who watch sports daily or weekly (51% and 60% respectively) have neither cancelled their traditional TV subscriptions nor considered doing so, while only around 28% and 24% respectively have seriously considered cancelling and 21%-14% have already done so. Daily or weekly news consumers follow a similar pattern. Those who choose to pay for ad-free experiences are also less likely to cancel their traditional TV subscription in favour of streaming services.

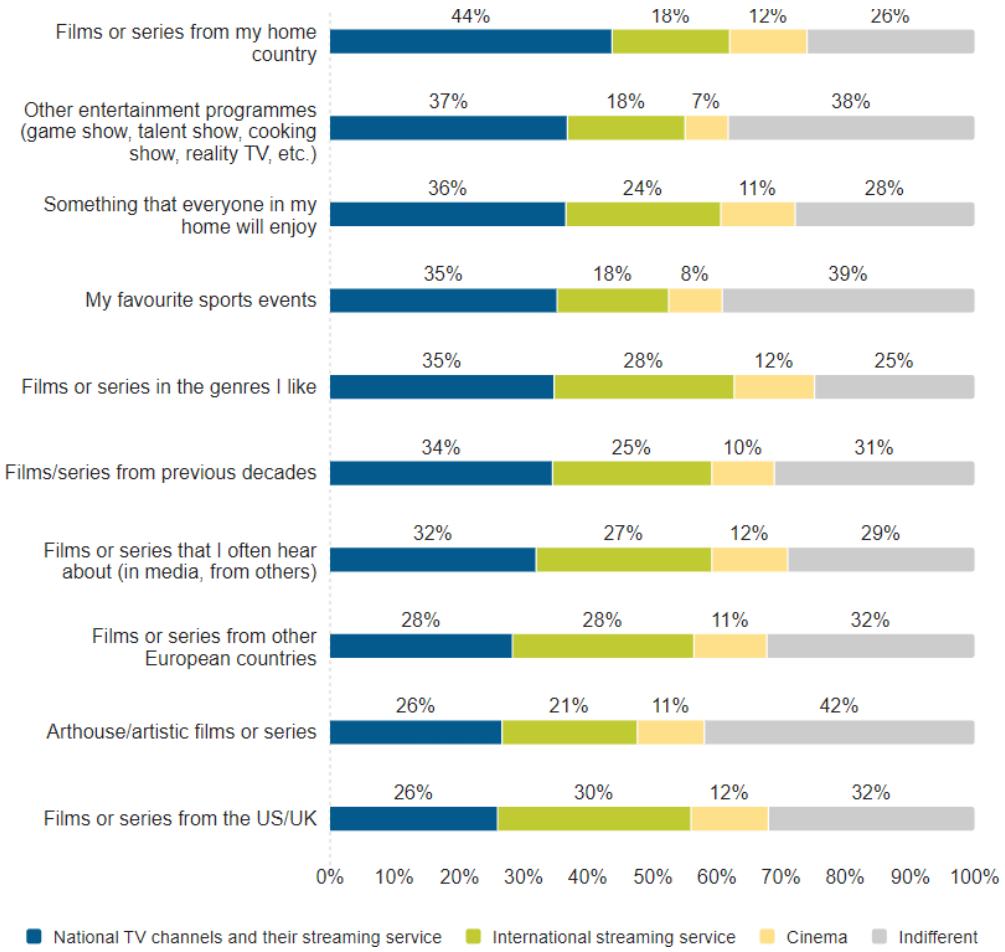
There is also an indication that many are considering switching to cheaper, ad-supported services in the future. Among weekly streamers, 33% are contemplating this shift, slightly less than the 34% of daily streamers who are also considering it. Among those who have already chosen streaming services with advertisements, the majority of Europeans (62%) believe they will continue to stream more films and series with advertisements in the future, while 38% do not expect to do so. This indicates a growing acceptance of ad-supported streaming as a viable option. Younger individuals are more accepting of ad-supported streaming models (69% of 18- to 30-year-olds who indicate they would stream more films and series with ads, compared to 49% in the 60+ group).

Reported preference for providers for different purposes

When it comes to choosing whether to watch SVoD or TV, the type of content matters. National TV channels are the most preferred option for content from the respondents' home country (44%), game shows or reality TV (37%) and the household's favourite programmes (36%). This suggests a strong attachment to local and familiar content on traditional platforms. International streaming services generally are preferred for content that has a global appeal. In particular, international streaming services are preferred for genre films, whether they are produced in the UK (28%), the US (30%) or other EU member states (28%). There is also a notable segment of the audience that remains indifferent to the platform, particularly for categories like arthouse/artistic content (42%), sports events (39%) and other entertainment programmes (38%), suggesting flexibility or a lack of strong platform loyalty among some viewers. Cinemas are the go-to venue for new film releases, particularly high-budget or event films. Those who attend them regularly seek new or prestigious and/or blockbuster titles.

[111] It is worth noting that this question was asked to all respondents in this survey, whereas in the 2022 survey, the base was limited to existing subscribers to traditional TV services.

Figure 22. Please indicate whether you are most likely to go to traditional TV channels in your country (including their streaming service) to a global subscription video streaming service or to the cinema if you want to watch the following. (n=22,703)



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

In terms of content preferences, daily or weekly viewers of traditional TV channels tend to gravitate towards soap operas (48% vs 31% of frequent streaming service and cinema users) **and news** (80% vs 64% of frequent users of streaming services). On the other hand, preferences for genres such as series, documentaries, and stand-up comedy are correlated with the frequent use of streaming services, but also with frequently going to the cinema.

Reported preference for content

Films are the most frequently watched type of content, indicating that users are particularly drawn to feature-length fiction programming. Series (longer episodes with limited seasons) are also popular, ranking just below films and emphasising the appeal of episodic content with extended storytelling. Other types of audiovisual content (starting with news and sports) rank much lower. There are some generational differences in preferences regarding the type of content, with only series and films being equally enjoyed across all age groups. Documentaries and news are more popular among older viewers. In contrast, sitcoms, stand-up comedies, and other shows like game shows and reality TV are more popular among young viewers.

Table 5. What type of programmes do you watch the least and the most at home on TV or streaming? (n=22,703)

Feature	Relative importance
Films	230
Series (with longer episodes and a limited number of episodes each season)	216
News and current affairs programmes	96
Sport	93
Other shows, like game shows, reality TV (like cooking, dating, celebrities) or variety shows (like talk shows, singing/dancing)	86
Documentaries	75
Soap operas	41
Sitcoms	37
Stand-up comedy	27

Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

Genre is by far the most important content driver for a viewer. Storyline, dialogue, and characters coming in second. These results align with the findings of 2022, with genre becoming an increased emphasis of consumers.

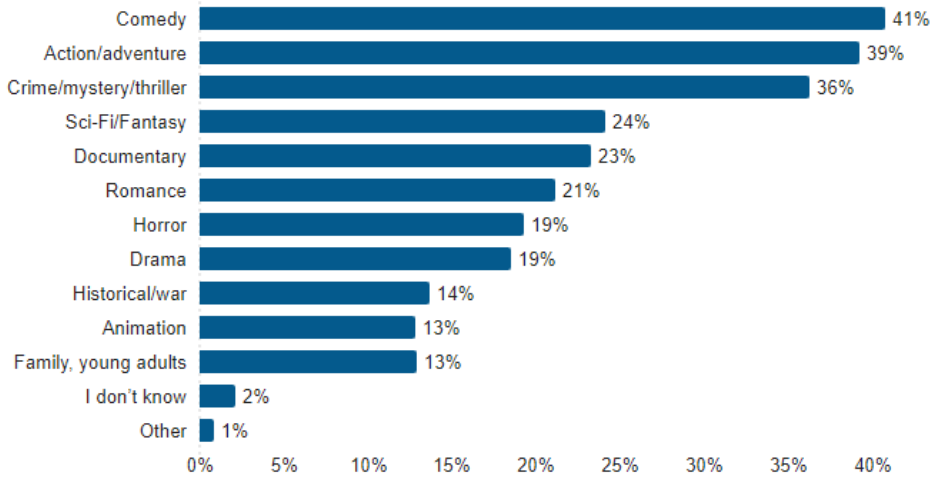
Table 6. Thinking about what attracts you to a film or series, which of the following things are the most and least important to help you decide what film or series to watch? (n=22,703)

Feature	Relative importance
The genre, e.g. crime, comedy, adventure, sci-fi, horror	256
The storyline, dialogue and characters	156
The film or series is part of a franchise I like (e.g. prequel, sequel, spin-off) or is a new season of a TV show I like	98
The main actors/actresses/filmmakers	97
The main language spoken in the film or series	94
The film or series is a new release	82
I hear/read a lot about the films/series online, on TV, in the news etc.	70
High artistic value	67
High-quality special effects, music, visual impact	66
It is based on a book or video game I like	61
Where in the world the film or series is set	54

Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

The most popular film and series genres in European households include comedy (41%, +5 percentage points), action/adventure (39%, +2 percentage points), and crime/mystery/thriller (36%, -3 percentage points). Sci-fi/fantasy, documentary, romance, horror and drama also rank highly. When splitting results by household composition, animation and family/young adult content are the most popular among households with children (49% and 45%, respectively).

Figure 23. What types of films and series are the most popular in your household? Please select at most 3 options. (n=22,703, 2.81 average clicks)

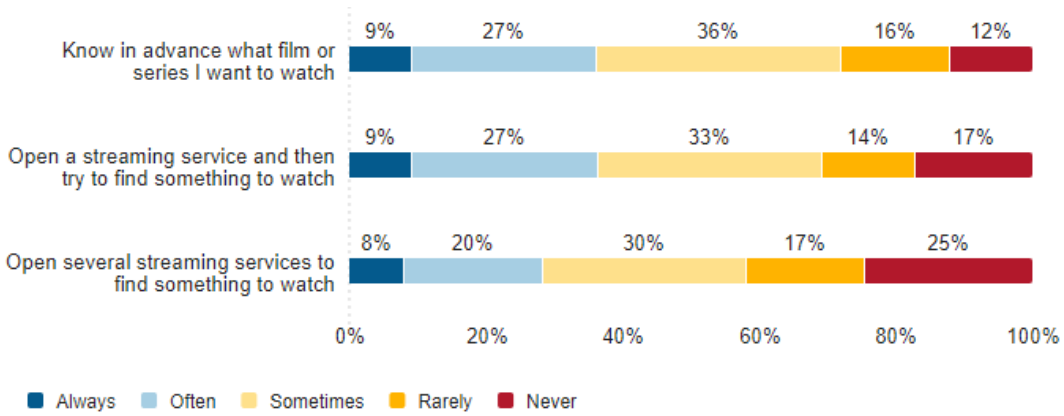


Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

Regarding the choice of specific content to watch, streaming services used (e.g., featured films on homepage, recommendations, trending content) are the leading source of information. This is closely followed by friends/family recommendations and traditional TV and radio (e.g. talk shows, trailers, interviews). These results are broadly in line with 2022 findings.

Most people are undecided about what to watch. Only 36% of Europeans always or often plan in advance what they will stream. Another 36% usually decide on what to watch after opening their streaming service, and 28% usually open more than one service to find something to watch, suggesting that a significant number browse their preferred streaming platform for options. Daily users display the highest levels of activity and decisiveness, and less frequent users are more passive and exploratory.

Figure 24. How often respondents open a streaming service and then try to find a film or series to watch, among those who use subscription streaming services



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

Reported preference in origin of content

In line with the results of the 2022 consumer survey, the country of origin of film or series does not seem to matter for a majority of Europeans (62%). This suggests a reported general openness

to international or foreign content. Another significant proportion of Europeans (45%) say that they enjoy watching films or series from other countries or cultures. Fewer respondents (25%) have a preferred country of origin for films or series.

When the specific nationality of content is discussed, US productions are highly popular (55% watch them often or very often), with films and series from their own country at a close second (48%). 33% of Europeans report watching British content often or very often, and slightly more (34%) watch content from other European countries with the same regularity. A smaller but significant percentage of Europeans say they view content from Asia (17%) and other regions like Latin America and Africa (18%) often or very often.

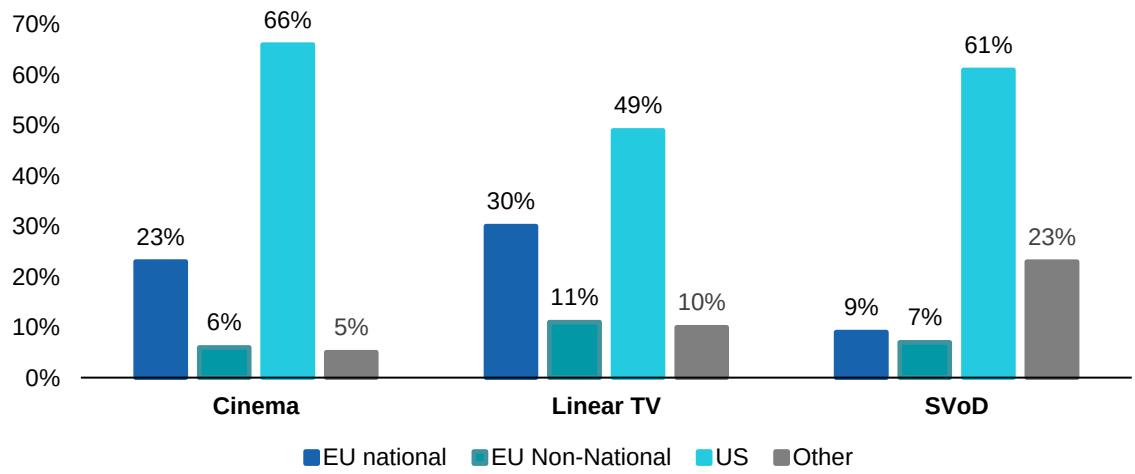
Europeans would like to see more content from their countries as well as from the US. When asked about which countries or regions they would like to see more content from, it is significant that a large portion of Europeans (35%) express interest in seeing more films or series from their own country, more than 10 percentage points higher than from the US (22%). There is also interest in more content from other European countries (excluding the UK), as expressed by 10% of respondents. The responses echo broadly the findings of the corresponding question in the 2022 consumer survey. Only 33% of Europeans say they are likely to pay to access content from another European country.

Consumption patterns

Overview – EU content across channels

US content is the most popular across all distribution channels – in cinema, on TV broadcasts and in streaming. Cinema is the channel with the highest share of US titles watched (66% in 2023), followed by SVoD (61% for films and series combined) and broadcast (49% of film viewing time). EU films performed the best on TV (41% of film viewing time), followed by cinema (29% of tickets sold in 2023) and the worst on SVoD (22% of film viewing time; results are even lower for series). Within EU films, non-national EU titles performed worse in cinema (only 6% of tickets) than on SVoD and TV (11% on both channels).[112]

Figure 25. Share of consumption of works of different origins in different channels (only films in cinema and Linear TV; films and series in SVOD).



Source: based on European Audiovisual Observatory reports with Digital I data for SvoD (consumption in 2024), Lumiere data for cinema admissions (2023) and Glance for How do European films perform on TV (2023).

[112] For details and sources please see the following sections.

Focus on streaming services

Netflix remains the most popular streaming service in Europe, accounting for more than half of viewing time.[113] The 2024 Netflix Engagement Report[114] revealed a steady total viewing time; however, per-subscriber engagement saw a 12% decline. In 2025, Netflix boasted 301 million subscribers globally, including 60 million in the EU, with each account streaming an average of 2 hours and 12 minutes daily. EU works were slightly more frequently chosen on Netflix and Amazon than on Disney or HBO Max.

Viewing of EU works offered in streaming

US content dominated both in catalogues and viewing time. In all EU countries, the number of available US works on streaming platforms was the largest and additionally, it performed better in terms of viewing than its share in catalogues would suggest. The share of US titles stood at 51% of the total offer (ranging from 44% in Germany to 58% in Poland), but the viewing time was larger at 61% (minimum 52% in Spain and 76% in Denmark).[115] This is consistent with the trend identified in the previous Media Industry Outlook.[116]

Overall, EU works represented 20% of all titles available in the streaming services' catalogues, but viewers spent only 16% of their time on them. However, there was a difference between domestic titles and other EU works. Titles available in the same country where they were produced made up only 6% of all catalogues, but local viewers spent 9% of their time on them. There were notable differences between countries, with smaller countries having more non-national EU works. The viewership of national content was particularly high in Spain (19%), and above-average in Poland, Denmark and Sweden. However, they achieved just 7% of views in a large market such as France.

EU non-national content was more present in streaming platforms' catalogues than national content but underperformed. These works represented 14% of the catalogues, and only 7% of the consumption, with country results going from 4% in Sweden up to 9% in Poland.

Table 7. Shares of works of different origins in the catalogues and their viewing time in 2024

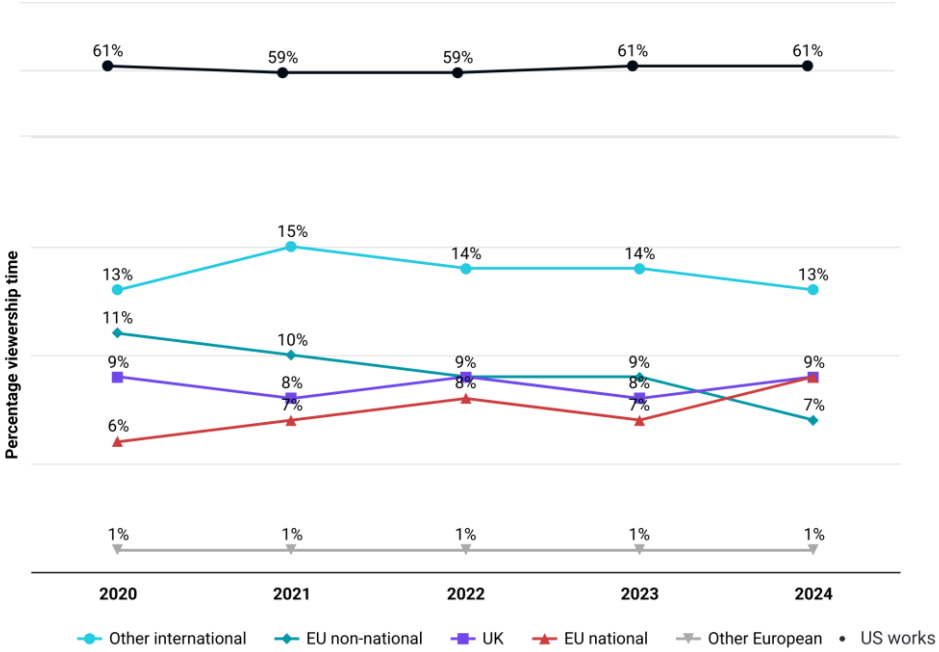
	Origin of Works/ Country	DK	FI	FR	DE	IT	NL	PL	ES	SE	Total
National	National works in catalogues	1%	1%	13%	7%	12%	3%	3%	8%	2%	6%
	Share of viewing time	3%	0%	7%	6%	7%	2%	8%	19%	4%	9%
	Ratio of consumption/ Availability	2.5	0.7	0.6	0.9	0.6	0.7	3.2	2.5	2.7	**1.5**
Non-National	EU non-national works in catalogues	15%	15%	12%	17%	13%	15%	14%	13%	13%	14%
	Share of viewing time	5%	6%	8%	8%	8%	8%	9%	6%	4%	7%
	Ratio of consumption/ Availability	0.3	0.4	0.7	0.5	0.6	0.5	0.6	0.4	0.3	0.5
UK	UK works in catalogues	10%	9%	7%	8%	8%	9%	8%	8%	9%	8%
	Share of viewing time	9%	10%	9%	8%	8%	11%	9%	9%	9%	9%
	Ratio of consumption/Availability	0.9	1.1	1.2	1.0	1.0	1.3	1.2	1.0	1.0	1.0
US	US in catalogues	49%	53%	48%	44%	48%	56%	58%	52%	56%	51%
	Share of viewing time	76%	73%	58%	65%	63%	67%	61%	52%	74%	61%
	Ratio of consumption/Availability	1.5	1.4	1.2	1.5	1.3	1.2	1.0	1.0	1.3	**1.2**
Other International	Other international in catalogues	23%	21%	18%	23%	18%	17%	17%	18%	19%	19%
	Share of viewing time	7%	10%	16%	12%	13%	11%	13%	14%	8%	13%
	Ratio of consumption/Availability	0.3	0.5	0.9	0.5	0.7	0.6	0.7	0.8	0.4	**0.7**

Source: EAO, SVoD usage, Digital I data.

[113] EAO, *SVoD Usage in the European Union*, 2024.
[114] Netflix (2024). Netflix Engagement Report
[115] EAO, *SVoD Usage in the European Union*, 2024. p.15/79.
[116] When US titles made 47% of the catalogues and 59% of viewing time.

The low EU non-national share in viewing time is the result of a downward trend over the last five years, especially in series. EU non-national content has been decreasing in popularity since 2020 (from 11% to 7% of viewing time in 2024), while national productions have increased to record levels (9%, +3 percentage points).[117] Whereas the results improved slightly for both national films (from 9% to 11%) and non-national films (from 10% to 11%), the share of non-national series went down from 11% to 6%, while the share of national series increased from 6% to 8%.[118]

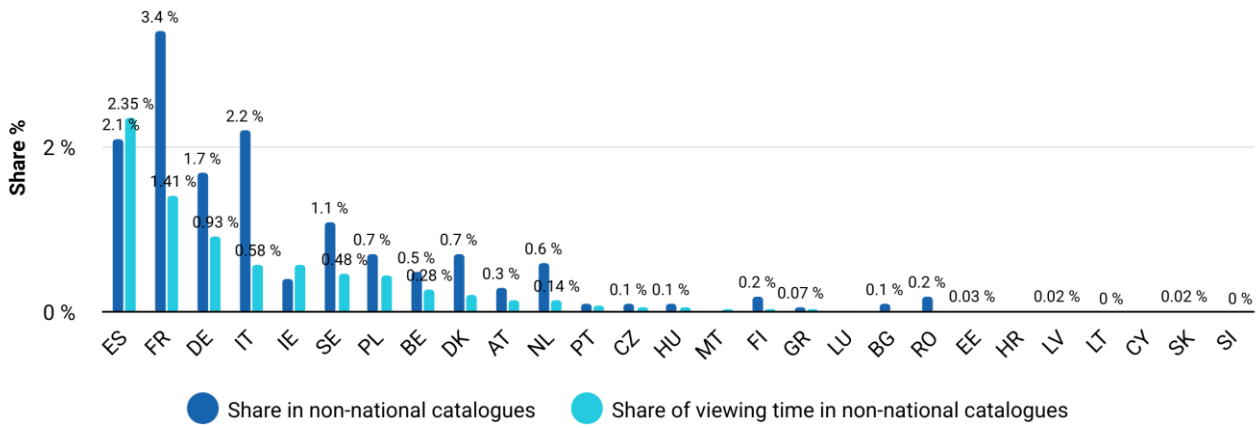
Figure 26. Viewership evolution on SVoD by origin



Source: EAO, SVoD usage, Digital I data.

Only Spanish and Irish works obtained more views than their share of catalogues in other EU member states. The share of works produced in EU Member States and available in catalogues in other EU member states ranged from 0.01% (Cyprus) to 3.4% (France).

Figure 27. Availability and consumption of works by EU Member State, in non-national catalogues in 2024



Source: based on European Audiovisual Observatory reports, Digital I data.

[117] There are significant country variations in viewing preferences. Spain has the highest share of viewing time for national content (19%), Poland the highest share for EU non-national content (9%) while the Nordics show a preference for US content. Source: Goldmedia database for EAO, *SVoD Usage in the European Union*, 2024.

[118] EAO, *SVoD Usage in the European Union*, 2024.

Presence of EU titles in top rankings

Only one series and two films from the EU were among the most viewed 10 works on SVoD, but Spanish content stands out. Overall, the concentration of top hits in SVoD is much lower than in cinemas – which means the SVoD market is more balanced between different interest groups, with fewer universal hits.[119] As in cinema, US titles continue to dominate the charts also on SVoD. Yet, Spanish titles have found international success: '*La Sociedad de la nieve*' was the most watched film on SVoD in 2024. The Spanish title '*Berlin*' was in the global top 10 series, and of the top 11 best-performing European series produced in the EU, 9 were Spanish.

Table 8. Top 10 works in terms of viewership on SVoD in 2024

Rank according to viewing time	Original title	Year	Production country (first)	Share of viewing time
		SERIES		
1	*Bridgerton S3*	2020	United States	0.6%
2	*Fool Me Once S1*	2024	United Kingdom	0.4%
3	*3 Body Problem S1*	2024	United Kingdom, United States, China	0.4%
4	*The Gentlemen S1*	2024	United Kingdom, United States	0.4%
5	*Fallout S1*	2024	United States	0.3%
6	***Berlín S1***	**2023**	**Spain**	**0.3%**
7	*Shôgun S1*	2024	United States	0.3%
8	*Avatar: The Last Airbender S1*	2024	United States	0.2%
9	*Bridgerton S2*	2020	United States	0.2%
10	*Bridgerton S1*	2020	United States	0.2%
		REMAINING TOP 10 PRODUCED IN THE EU		
16	*El caso Asunta S1*	2024	Spain	0.2%
19	*Ni una más S1*	2024	Spain	0.2%
25	*Entrevías S3*	2021	Spain	0.1%
36	*Anthracite S1*	2024	France	0.1%
39	*Mano de hierro S1*	2024	Spain	0.1%
47	*Machos Alfa S2*	2022	Spain	0.1%
55	*Respira S1*	2024	Spain	0.1%
58	*Maxton Hall – Die Welt zwischen uns S1*	2024	Germany	0.1%
	Reina Roja S1	2024	Spain	0.1%
63	*Elite S8*	2024	Spain	0.1%
		REMAINING TOP 10 PRODUCED IN UK or UK/US co-productions		
12	*Baby Reindeer S1*	2024	United Kingdom	0.2%
13	*One Day S1*	2024	United Kingdom	0.2%
20	*My Life with the Walter Boys S1*	2023	United Kingdom	0.2%
27	*Prison Break S1*	2005	United Kingdom, United States	0.1%
31	*Eric S1*	2024	United Kingdom, United States	0.1%

[119] For example, in 2022 the shares of top10 titles in EU cinemas was 42% of all tickets sold, and on SVoD they accounted for only 5% of total time. For more information, see EAO's *The impact of cinema admissions on SVoD usage* (2024).

32	*Bluey S1*	2018	United Kingdom, Australia	0.1%
41	*Supacell S1*	2024	United Kingdom	0.1%
48	*Geek Girl S1*	2024	United States, Canada, United Kingdom	0.1%
67	*The Crown S6*	2016	United Kingdom, United States	0.1%
70	*Bluey S3*	2018	United Kingdom, Australia	0.1%
	FILMS			
1	***La sociedad de la nieve***	**2023**	**Spain**	**0.7%**
2	*Damsel*	2024	United States	0.6%
3	*Lift*	2024	United States	0.5%
4	*Rebel Moon - Part One: A Child of Fire*	2023	United States	0.4%
5	*Rebel Moon - Part Two: The Scargiver*	2024	United States	0.4%
6	*Atlas*	2024	United States	0.4%
7	*Rebel Ridge*	2024	United States	0.4%
8	*Dune: Part One*	2021	United States, Canada	0.4%
9	*Beverly Hills Cop: Axel F*	2024	United States	0.4%
10	***Sous la Seine***	**2024**	**France**	**0.4%**
	REMAINING TOP 10 PRODUCED IN THE EU			
13	*Fabbricante di lacrime*	2024	Italy	0.3%
16	*Irish Wish*	2024	Ireland, United States	0.3%
18	*The Abyss*	2023	Sweden, Finland, Belgium, Spain	0.3%
22	*Colors of Evil: Red*	2024	Poland	0.2%
29	*A través de tu mirada*	2024	Spain	0.2%
33	*Pared con pared*	2024	Spain	0.2%
35	*Le salaire de la peur*	2024	France	0.2%
36	*Inheritance*	2024	Poland	0.2%
45	*Culpa mía*	2023	Spain	0.2%
46	*Spieleabend*	2024	Germany	0.2%
	FILMS – REMAINING TOP 10 PRODUCED IN UK or UK/US co-productions			
27	*Kingsman: The Secret Service*	2014	United Kingdom, United States	0.2%
28	*Saltburn*	2023	United Kingdom, United States	0.2%
43	*Ticket to Paradise*	2022	United Kingdom, Japan, United States	0.2%
54	*Kingsman: The Golden Circle*	2017	United Kingdom, United States	0.1%
68	*What Jennifer Did*	2024	United Kingdom	0.1%
74	*Harry Potter and the Chamber of Secrets*	2002	United Kingdom, United States	0.1%
79	*Charlie and the Chocolate Factory*	2005	United Kingdom, United States	0.1%
82	*Harry Potter and the Goblet of Fire*	2005	United States, United Kingdom	0.1%
84	*The Martian*	2015	United States, United Kingdom, Hungary, Jordan	0.1%
96	*Harry Potter and the Half-Blood Prince*	2009	United States, United Kingdom	0.1%

Source: European Audiovisual Observatory and Digital I data.

Those rare EU titles that become hits get a greater reward in terms of audience interest than works of other origins. Viewing time for EU titles continues to be more concentrated around the hits than average. The top 100 EU films (around 0.8% of all films) account for 39% of EU film viewing time, compared to 19% for the top 100 films from all origins in 2024. The top 100 EU series had an

even bigger concentration of viewing, making up 47% of EU series viewing time versus 18% for series of all origins. These findings confirm the trends identified in the previous edition of the Media Industry Outlook.

Viewership of different types of content

In 2024, SVoD users spent by far most of their time watching series (78%), with films taking the remaining 22%. When it comes to EU-produced works, the smaller 'film' segment fares better with audiences (who chose an EU film for 22% of their film-viewing time) than the larger 'series' segment (as EU titles made up only 14% of all of series-viewing time).[120] Series have become more dominated by the US in the last five years (from 55% to 63% of series viewing going to US series 2020-2024), whereas the US share among films has slightly declined (from 59% to 56%).[121]

Live-action fiction is by far the most popular type of content, with documentaries and animation underperforming. Live-action films and TV series were both the most available content (75% and 64%, respectively) and the most popular (88% and 83%).[122] In contrast, documentaries make up a good portion of the available content in SVoD catalogues in both films (17%) and series (14%), but do not account for a proportional amount of actual viewing time (3% in both). Similarly, animated TV series had a higher share in catalogues than in terms of viewing time. Regarding EU content, national documentaries perform particularly well when compared to their non-national counterparts, both in film (11% vs 6%) and series (13% vs 5%). Interestingly, this is also the type of content where the UK has greater popularity (27% and 26% in films and series, respectively). While non-national content performs better than national counterpart in animation at the EU-level, other international content performs comparatively much better.

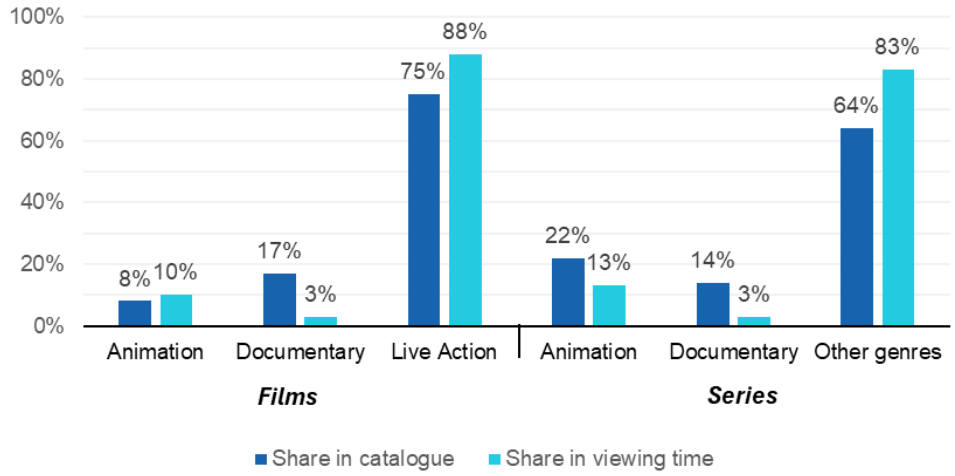
Figure 28. Consumption of different types of works by origin

Genre and share in terms of viewing time	EU National	EU Non-National	UK	US	Other international
Film	11%	11%	8%	55%	12%
Other Fiction	12%	12%	8%	54%	11%
Documentary	11%	6%	**27%**	46%	9%
Animation	3%	6%	3%	64%	**23%**
Series	8%	6%	9%	62%	14%
Other Fiction	8%	7%	8%	64%	11%
Documentary	13%	5%	**26%**	50%	4%
Animation	3%	5%	8%	53%	**28%**
Total	9%	7%	9%	61%	13%

Source: based on European Audiovisual Observatory reports, Digital I data.

[120] EAO, *SVoD Usage in the European Union*, 2024.
[121] Ibid.
[122] Ibid.

Figure 29. Availability and consumption on SVOD of different types of works



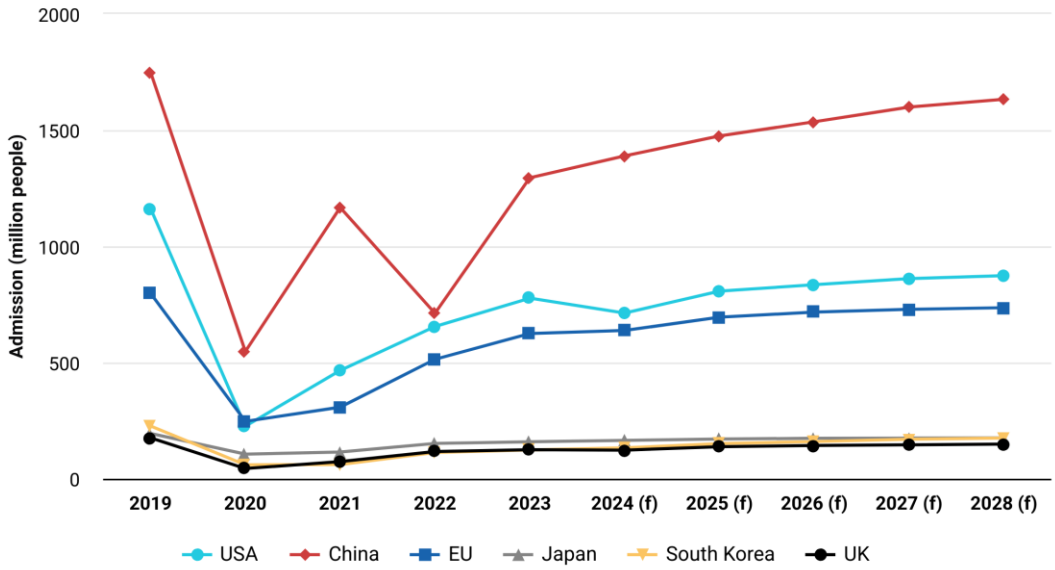
Source: based on European Audiovisual Observatory reports, Digital I data.

Focus on cinemas

Cinema attendance

In 2024, EU cinema attendance surpassed 640 million,[123] a slight decrease of 3% from 2023. Cinema-going now appears to have plateaued at approximately 26%, below the pre-pandemic average (2017-2019).[124] In major markets like France (181 million tickets in 2024), admissions remained stable year-on-year. In contrast, Cyprus experienced the sharpest decline, with admissions falling by 20% compared to 2023. Globally, the market is expected to grow, fuelled mainly by Chinese cinemas.

Figure 30. Admissions, in millions of people, to cinema for international countries indicated



Source: PwC Media and Entertainment Outlook, 2024.

[123] European Audiovisual Observatory (7 May 2024), *GBO in Europe up to EUR 6.7 billion in 2023, cinema attendance reached 861 million tickets sold*.

[124] Data for 32 European countries. Source: EAO, *Made in Europe*, 2025.

Concentration in cinema market

Consumption of titles released in cinemas remained highly concentrated and dominated by US productions, with EU films underperforming. 60% of tickets sold in EU cinemas in 2024 were for US films (66% in 2023), and 31% for EU-produced (29% in 2023). Looking at the period 2014-2023, European films accounted for over 60% of all available titles in theatrical exhibition, while US films made up 20% of the offer.[125]

Looking at the last two years,[126] all top 10 films were US-produced. These top 10 films were responsible for 29% of all tickets sold,[127] with the Top 100 films representing 73% of all admissions.[128] The first EU title in terms of tickets sold ranked the 13th place. Amongst EU titles, French titles are the most popular, especially in France. Among the top 10 EU films, 7 were French, while among the top 3 films with most cross-border viewers, 2 were French and 1 Italian.

Table 9. Top titles in the EU 2023-2024

Rank	Original title	Year of release	Prod. country	Tickets sold in the EU
1	*Inside Out 2*	2024	US	37,559,124
2	*Barbie*	2023	US, GB	35,240,806
3	*The Super Mario Bros. Movie*	2023	US, JP	27,808,549
4	*Oppenheimer*	2023	US, GB	25,945,181
5	*Despicable Me 4*	2024	US	21,696,093
6	*Moana 2*	2024	US	20,518,762
7	*Deadpool & Wolverine*	2024	US	18,707,898
8	*Wonka*	2023	US, GB	16,554,526
9	*Dune: Part Two*	2024	US	15,601,546
10	*Elemental*	2023	US	12,942,386

Table 10. Top EU titles in the EU 2023-2024

Rank among EU titles	Rank in overall tickets	Title	Year of release	Prod. country	Tickets in home country	Tickets in other EU Member States	Total tickets
1	13	*Un p'tit truc en plus*	2024	FR	10,809,390	657,003	11,466,393
2	18	*Le Comte de Monte-Cristo*	2024	FR	9,383,793	816,280	10,200,073
3	33	*Astérix & Obélix: L'Empire du Milieu*	2023	FR	4,623,603	2,362,916	6,986,519
4	34	*C'è ancora domani*	2023	IT	5,456,991	1,387,306	6,844,297
5	48	*L'amour ouf*	2024	FR	4,828,415	163,398	4,991,813
6	52	*Alibi.com 2*	2023	FR	4,282,780	257,229	4,540,009
7	53	*Miraculous: Le Film*	2023	FR	1,645,127	2,889,081	4,534,208
8	60	*Les trois mousquetaires: D'Artagnan*	2023	FR	3,435,876	554,770	3,990,646
9	72	*Die Schule der magischen Tiere 3*	2024	DE	2,922,453	259,469	3,181,922
10	75	*Chantal im Märchenland*	2024	DE	2,741,006	405,127	3,146,133
11	77	*Anatomie d'une chute*	2023	FR	1,299,741	1,794,882	3,094,623

Source: Lumiere database of EAO.

[125] Based on analysis using Lumiere data (EU).

[126] A two-year perspective was chosen because EU films are often available in non-national markets in the calendar year after their national distribution. Data for 2024 updated as of May 2025 so final results may differ.

[127] It is worth noting that 2023 results have a relatively low concentration – 2022 featured a top10 share of 42% of the market.

[128] Out of 12,769 films which appeared on EU screens in 2023. This is based on an analysis of the Lumiere database, films of all origins in EU markets exploited in 2023.

EU cinema exhibits a strong domestic preference, with national content more popular than content from other EU member states. In 2023, tickets sold across borders made up only 22% of all tickets sold for EU films, meaning they received 78% of their viewers in their home countries.[129] This comes from a low distribution across EU markets, which also applies to films from other European countries and has been worsening in the last decade.[130] On average, an EU film was available in cinemas in 1.6 different EU member states in 2024. In 2023, only 44% of EU films in cinemas were available somewhere outside of their country of origin and only 1.5% were present in more than 10 EU markets.[131] There are some cinemas – such as those in the Europa Cinemas network – that specialise in showing European content, and with 10% of all screens in 2023 they were responsible for 40% of tickets sold to non-national EU films.[132]

Influence of cinema on later exploitation

Viewers spend only very small amount of their time in cinemas (compared to all the time they watch films at home), but cinema films are preferred when choosing what to stream. Films that had been released in cinemas attract more viewers on SVoD than films that did not have a cinematic release. For example, in 2022, 46% of films on SVoD with a cinema release in a certain country accounted for 57% of film streaming time.[133] Even if a film was not released in the cinemas in the given country but had a cinema premiere in another country, it would tend to increase its viewing online.[134] That is mostly because films without theatrical releases are typically lower-budget productions, which do not get as much media coverage during distribution, or they are only available through one provider (in the case of 'originals').

Recent films, in particular, benefit from the curiosity raised by their cinema-release marketing. Viewers on SVoD generally prefer to watch more recent films, with films produced in 2023 and 2024 accounting for 29% of total viewing time in 2024 (a number that goes up to 40% for EU films), suggesting that titles recently released in cinemas attract more viewers online.[135] The positive effect of a recent cinema release holds even for films that were not particularly successful in cinemas, especially for EU films (47% of the recent EU films on SVoD were below the median in cinemas and still above the median in SVoD).[136] This effect wears off over time, and films several years old could count on being relatively successful online if they had also been successful in cinemas. A successful release in cinemas – especially on an international scale – is also a good indicator of a film later getting picked up for TV broadcast.[137]

Focus on TV

EU works are more prominent in linear broadcasting than in other channels. EU films accounted for 38% of all films[138] offered in linear broadcasting in 2023, 22% being national and 16% non-national. US films made up only 40% of titles – which is significantly less than in the other segments. The UK

[129] Over 144 million for national admissions and 41 million for non-national.

[130] More on this topic see in the Consumption of EU films outside of EU, based on EAO, *Made in Europe, Theatrical distribution of European films across the globe 2014 – 2023*, 2024.

[131] Analysis of Lumiere database for EU films exploited in 2023. Compare similar value in EAO's *Made in Europe, Theatrical distribution of European films across the globe 2014 – 2023* (2024) for 32 countries.

[132] Creative Europe MEDIA monitoring data.

[133] European Audiovisual Observatory, *The impact of cinema admissions on SVoD usage*, 2024. Data referring to EU-9 (Germany, France, Spain, Italy, Denmark, Finland, Netherlands, Poland and Sweden).

[134] European Audiovisual Observatory, *The impact of cinema admissions on SVoD usage*, 2024.

[135] European Audiovisual Observatory, *SVOD Usage in the European Union* , 2025. However, at the same time screenings of film classics became fashionable in the last years, especially among youth, see: Geoffrey Macnab's *Why it's boom time for theatrical re-releases of classic films* (Screendaily, 20 February 2024); EAO, *Heritage films in cinemas: A 2014-2023 analysis*, 2025.

[136] European Audiovisual Observatory, *The impact of cinema admissions on SVoD usage*, 2024.

[137] 64% of all time spent with EU films was dedicated to films which had been released in cinemas before. For more information, see European Audiovisual Observatory, *Works on television in Europe 2023 data*, 2024.

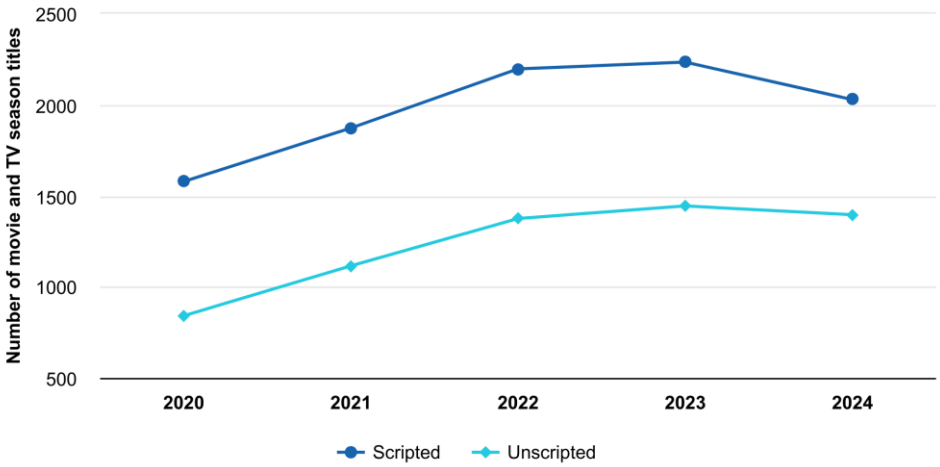
[138] This includes TV movies, not only theatrical films.

was an important TV content provider, responsible for almost 13% of broadcast titles. The most frequent European formats were fiction films, followed by documentaries (most of them national).[139]

However, on TV as well, EU titles face challenges with cross-border circulation. Just like in cinema and on SVoD, EU works were on average available in a lower number of countries (1.4) than works of other origins (3.6 countries for a US work), showing a limited cross-border circulation. Within EU works, films circulate better than series, and coproductions perform twice as well (2.8 countries on average) as works made by only one country. Within the series that do get broadcast across borders, animated children series dominate the list of most widely broadcasted titles.[140]

The number of films and TV series produced by EU broadcasters and made available in other EU Member States showed a growing trend until 2023 but slightly declined in 2024. This was particularly visible in scripted content, with a smaller decrease observed in unscripted content (see figure below).

Figure 31. Number of non-national films and series (seasons) produced by broadcasters



Source: Ampere Markets Operators, 2024.

Note: this analysis focuses on broadcasters' productions' international availability in selected EU Member States (Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Poland, Spain, Sweden)

The EU national offer of films outperformed on TV. The TV consumption data are available for the segment of films. Watching films took around 13% of all the time EU citizens spent on watching broadcast (varying from 7% to 23% between countries). Whereas EU films accounted for 31% of all film broadcasts, viewers spent 41% of their film-watching time on them.[141] This included national films that accounted for 19% of broadcasts, but 30% of the viewing time (they outperformed) and non-national films, which slightly underperformed (14% of broadcasts, but 11% of viewing time).[142]

Key content for TV

Live sports have driven the popularity of TV channels.[143] Live sports broadcasting has recently experienced remarkable success, attracting a wider audience. Euro 2024, the Tour de France, the

[139] European Audiovisual Observatory, *Works on television in Europe 2023 data*, 2024.
[140] Ibid.
[141] European Audiovisual Observatory, *How do European films perform on TV in 2023*, 2025.
[142] Ibid.
[143] Glance, *Annual overview of consumption and audiovisual landscapes around the world*, 2024.

Olympic Games, and the Paralympic Games accounted for 18% of all TV viewership, despite comprising only 2% of the total content offered by the channels broadcasting these events.[144]

TV broadcasters remained relevant for young audiences (4-14 years).[145] Across EU member states, TV targeting children maintained their audience share during the first half of 2024 taking into account both TV and BVoD. In some countries, viewership by children increased compared to the first half of 2023. Germany saw a rise of +1.6 percentage points, Spain an increase of +2.1 percentage points, and Italy a growth of +0.6 percentage points, in the context of an ageing population.

Pirating

Both whole TV broadcasts and individual titles are still being streamed illegally. In the EU, the overall rate of infringements has stabilised at about 10.2 accesses per internet user per month, following a period of growth that lasted until the end of 2021.[146] TV piracy (unauthorised access to TV broadcasts) in the EU remained stable at 5.1 accesses per internet user per month in 2023, with streaming as the dominant method and desktop devices accounting for 60% of accesses, though usage patterns varied by country. Meanwhile, piracy of individual titles (unauthorised copying, distribution, or streaming of individual titles) declined by approximately 25% from 2022 to 2023, falling to an EU average of 0.9 accesses per internet user. Pirates often use VPNs and other anonymity services to hide their identities and server locations.[147]

Sports and live event piracy in the EU peaked at 0.75 accesses per user per month in 2022 but declined to 0.53 by the end of 2023. With Internet Protocol TV (IPTV),[148] piracy saw a 10% increase in 2023, with 2.14% of internet users visiting pirate IPTV registration sites monthly. Estimates suggest at least 1% of EU internet users may have subscribed to illegal IPTV services.

Consumption of EU works outside of EU

EU-produced films represented only 1.1% of total screenings in theatres in non-EU countries.[149] Admissions in China and the United States, which were once significant export markets for European films, dropped from 14 million in 2014 to 1.2 million in 2023 in the case of China and from 23 million to 4.8 million in the case of the US.[150] In 2023, admissions to European films outside Europe accounted for just 8% of their total admissions, down from 12% in 2014, indicating a growing concentration mostly within national markets.[151] When it comes to the availability of content produced by EU broadcasters, only around 5% of their works were available outside of the EU in the period 2020-2024.[152]

The highest share of EU films was reached in Mexico and Argentina. This success was largely driven by the popularity and success of Spanish films in these markets (the share of Spanish titles within EU showings there was more than 30%).[153] European animations travel relatively better than live action.[154] While animations accounted for 8% of exported titles, they were responsible for 20% of

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[144] Isabelle Lellouche Filliau, *With sport, a record-breaking summer on television*, Mediametrie, 3 October 2024.

[145] Stéphanie Haoun, *2024: Children's TV Audience Grows in Key Markets, Driven by Original Content and New Programming Trends*, Mediametrie, 19 Octobre 2024.

[146] European Union Intellectual Property Office, *Online copyright infringement in the EU films, music, publications, software and TV (2017-2023),* 2024.

[147] Ibid.

[148] A form of delivering TV and other audiovisual services (like VODs) alternative to terrestrial, cable or satellite, based on a managed network (similar to open internet, but ensuring higher quality of service and offering interactivity for the user). Can be part of a bigger bundling offer (usually with phone and internet). Some require a set-top box equipment, other have an app form.

[149] Include the US, Japan, China, India, Mexico, Brazil, Canada, Argentina and South Africa.

[150] European Audiovisual Observatory, *Made in Europe, Theatrical distribution of European films across the globe 2014 – 2023*, 2024.

[151] Ibid.

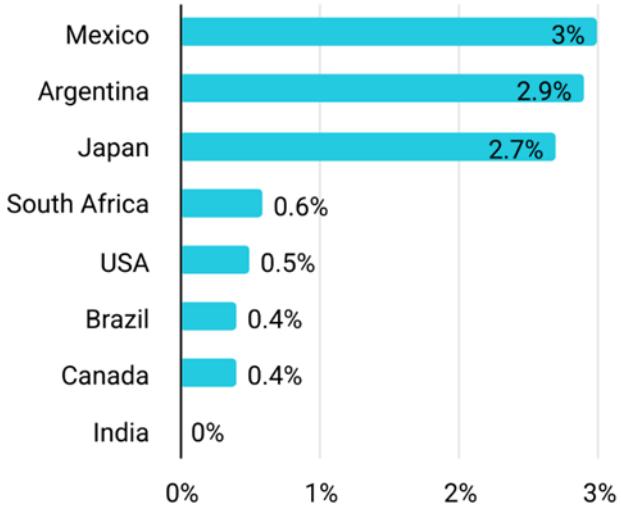
[152] Ampere Analytics; values between 4.5 and 5.5 over 2020-2024.

[153] Based on the analysis of International Showtimes.

[154] The better reach of animation is visible also in the intra-EU cross-border circulation. See more on results of animated films in 1.4: Co-productions.

export admissions over the period from 2014-2023.[155] The average number of exploitation markets per European film stood at 2.25 in 2023, with France reaching the highest number of markets (4.3).[156]

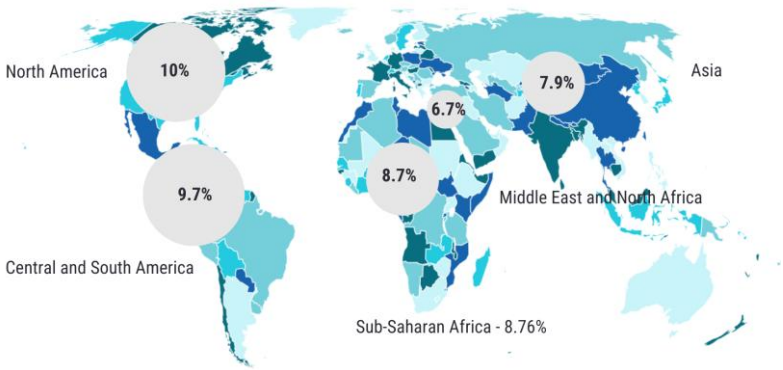
Figure 32. Share of EU-films in overall showings per market in 2024



Source: International Showtimes, Technopolis.

In the SVoD market, North and South America are the most important importers of EU content, also through the strong presence of an EU-based SVoD service. In both continents the share of EU films makes up around 10% of the SVoD catalogues available globally outside of the EU. A big success in these markets with Spanish-speakers was achieved by Atresmedia, which in 2024 had almost 54 million subscribers to their international SVoD service, built around their European (Spanish) content.[157]

Figure 33. Share of EU content in SVoD catalogues internationally by market regions



Source: Technopolis Group based on data from Ampere Analytics, Ampere Commissioning.

[155] European Audiovisual Observatory, *Made in Europe, Theatrical distribution of European films across the globe 2014 – 2023*, 2024.
[156] Ibid.
[157] Based on Atresmedia yearly reports.

2.4. Industrial trends and business models

Advertising

There is competition for advertising between an increasingly diverse set of audiovisual players, putting broadcasters under pressure. As of 2023, online video sharing platforms , including YouTube, gained 24% of the video advertising market while broadcasters retained 76%. Advertising revenues of online video sharing platforms have been growing much faster than broadcasters', whose advertising revenues have been declining significantly in real terms.[158]

Streamers are introducing ad-supported streaming while maintaining the prominence of SVoD. This is projected to increase streaming income by 20%, a significant boost to overall earnings.[159] AVoD enables targeted advertising while expanding audience reach with free or cheaper, ad-supported content models. As of 2022, streamers such as Netflix, Disney+, HBO Max, and Paramount+ have combined subscription fees with advertising-based tiers. Netflix has doubled its advertising revenue year-over-year.[160] This approach allows streamers to capture a broader range of consumers, including price-sensitive users willing to view ads in exchange for lower subscription costs. European players such as Atresmedia in Spain have also developed hybrid streaming platforms (e.g. Atresplayer), combining ad-supported and subscription-based content.

Connected TV is transforming advertising formats. Connected TV reached close to 90% of consumers in most advanced European markets in 2023, and advertisers are adapting by creating more interactive, targeted ads to engage viewers. Connected TV can deliver interactive ads, including QR codes or the possibility to activate a voice assistant to directly interact with the brand (e.g. website access). Many free streaming services are also integrated into connected TV ecosystems, including Samsung TV Plus and LG Channels. Thus, traditional hardware producers are now starting to deliver audiovisual services.

Free, ad-supported streaming (FAST) is forecast to grow by 22% in revenue by 2029, although from a low starting point.[161] This model provides viewers with free access to content streamed in real time, supported by advertising, and offers content owners new avenues for monetising existing libraries.[162] FAST is expected to grow in the coming years, driven by the integration of FAST channels into SVoD platforms[163] and connected TV services. The main FAST channel providers in the EU include Pluto TV, Rakuten TV, Samsung TV Plus, Xumo and the Roku Channel (already in the UK and expanding in EU).[164] In 2023, Germany hosted 485 unique FAST channels, while France had 417, Italy 315, and Spain 390.[165]

[158] European Audiovisual Observatory, *Key Trends 2025*, 2025.

[159] Based on an Ampere analysis.

[160] Peter Adams, *Netflix's next phase of advertising growth hinges on in-house ad tech*, Marketingdive, 22 January 2025.

[161] Ampere Analysis. See also Market Overview: Revenue trends for comparison with other revenue sources.

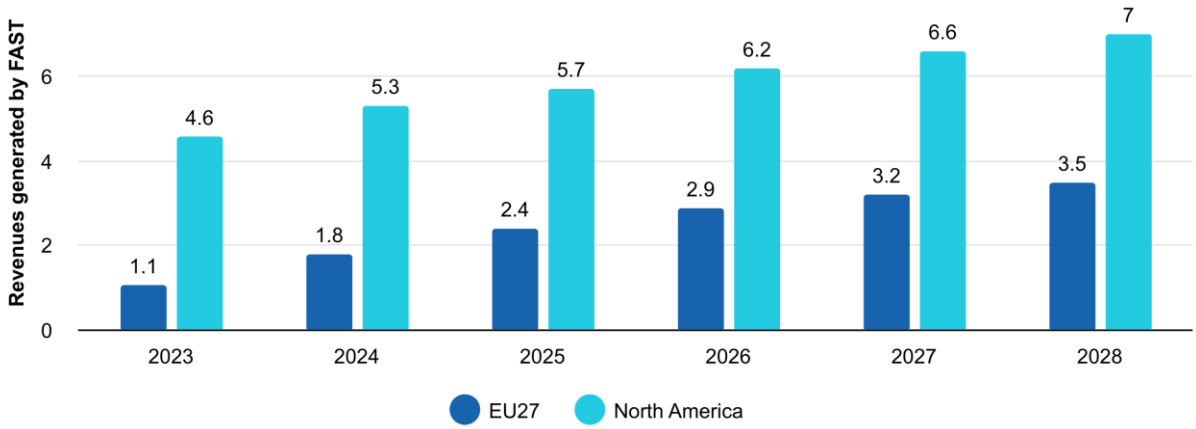
[162] IC : Entertainment & Media Technologies, *FAST (Free Ad-Supported TV) Channels Market Size, Share, Competitive Landscape and Trend Analysis Report*, 2023.

[163] Variety VIP+ staff, *The future state of FAST: A special report on Free Streaming*, Variety, 1 August 2024.

[164] MediaTailor, *FAST Channels in Europe: Insights on Growth in a Changing Market*, 2024.

[165] FAST4EU, *Fast in Europe A White paper from the FAST4EU Consortium*, 2024.

Figure 34. Revenues generated by FAST and forecasts for EU and North America, in billion euro



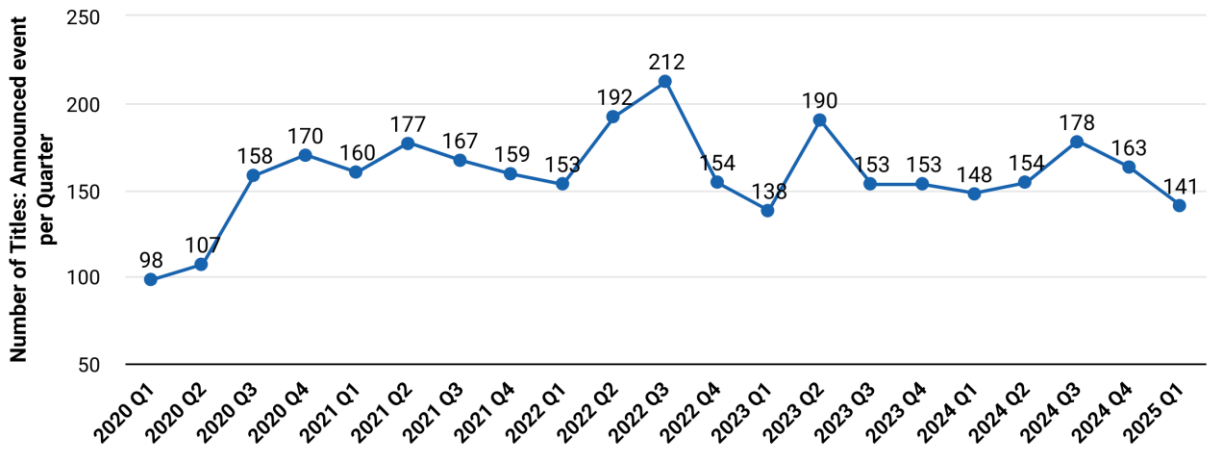
Source: Technopolis Group based on combined data from Ampere Analysis – Markets Operators, DTV and VIP Variety.

Audiovisual production

Production volume and value

The production environment has become tougher in the last two years. Spending on European original content continues to grow for both broadcasters and streamers, albeit at a slower pace than in previous years, and the number of titles decreases. Altogether in the EU, UK, Norway and Switzerland in 2023, broadcasters and streamers produced 1,476 different works taking 14,000 hours,[166] down by 93 works from 2022 (-6%). Recent data on announced new productions suggests that by the beginning of 2025 their number fell by 33% from the peak in 2022 (from 212 to 141 per quarter).[167]

Figure 35. Number of Titles: Announced event per Quarter – TV First run in the EU24



Source: Ampere Analytics, Ampere Commissioning for EU24, no data available for Malta, Cyprus, Luxembourg.

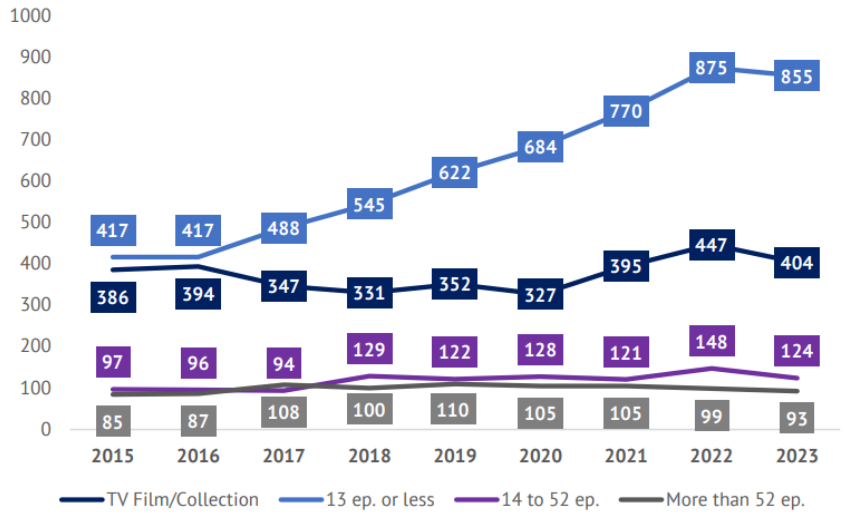
[166] European Audiovisual Observatory, *Audiovisual fiction production in Europe - 2023 figures*, 2024.

[167] Ampere. See also: Jamie Lang and Rafa Sales Ross, *Peak TV Is Dead, Long Live 75% Peak TV: Ampere Analysis Talks TV Trends at the Berlinale Series Market*, Variety, 17 February 2025.

The production spend of broadcasters and streamers (covering films, series and other formats) has grown by 53% over the period from 2015-2024.[168] After the investment volumes surged beginning in 2020, this growth has slowed, and in 2023 TV content production dipped by 6% in terms of number of works (and by 3% in terms of hours produced). To a lesser extent, this also affected the coveted high-end series, where the number of titles in 2023 slightly decreased (by 2%),[169] and recent data points to a production pipeline continually below the 'peak TV' year of 2022. The reasons are unclear but may be due to the rising costs of production and a focus on larger-scale works. Public broadcasters remain the largest investors (55% of titles), followed by commercial broadcasters (31%) and streamers (14%, particularly active in Spain)[170].

Film production has been on the rise. Production of feature films continued to rise in 2023[171] by 3% to an estimated 1,779 titles in the EU, covering fiction and documentary films. This figure was surpassed only in 2019. In most countries (15/23) the budgets were also growing, with France leading, with an average budget of EUR 4.8 million. Overall, the production value of films in Europe was higher than in 2022 (by 14%) and higher than pre-pandemic (by 16%). The country with the highest production value growth in 2023 was Italy (+82%).[172]

Figure 36. Number of TV/online fiction titles produced by format (2015-2023)



Source: European Audiovisual Observatory, Fiction production in Europe 2024, 2025.

There has been inflation in production costs. The EU average inflation rate, which was 6.4% in 2023 and 2.6% in 2024, also affected the audiovisual sector. This increase in production budgets can also be explained by more structural changes. A trend towards higher-end projects of global SVoD services has contributed to the upward trend in budgets.[173] The growth in orders has a direct impact on the availability of production teams as this 'bottleneck' of personnel, also contributes to the inflation of costs, in order to secure 'talents' by offering them higher salaries.[174] The increase in co-productions may also have contributed as they tend to be bigger (see below).

[168] See details in Figure 21; from EUR 19.9 billion in 2019 to EUR 19.9 billion in 2024.

[169] European Audiovisual Observatory, *Audiovisual fiction production in Europe - 2023 figures*, 2024. Also: Key Trends 2025.

[170] European Audiovisual Observatory, *Audiovisual fiction production in Europe - 2023 figures*, 2024.

[171] European Audiovisual Observatory, *Key Trends 2025*, 2025.

[172] Ibid.

[173] Jamie Lang and Rafa Sales Ross, *Peak TV Is Dead, Long Live 75% Peak TV: Ampere Analysis Talks TV Trends at the Berlinale Series Market*, Variety, 17 February 2025.

[174] See, for example, K.J. Yossman's *'Wolf Hall' Producer Says Cost of Making U.K. Drama Has Risen 'Exponentially' Due to U.S. Streamers: 'It's Caused Us a Real Problem'* (Variety, 6 November 2024).

Production financing sources

The majority of audiovisual production is funded by broadcasters. The total spending of broadcasters and streamers on audiovisual content in the EU (series, films and other formats) amounted to almost EUR 28 billion in 2024, with 73% from broadcasters.[175] This included EUR 17.2 billion of new ('original') productions (see Figure 24). The funding of theatrical films is also sourced from other parties (see below), but it is a smaller part of the market.[176]

European theatrical films remain heavily reliant on public intervention. The largest share of film budgets was direct public subsidies (26% in 2021). The second place was taken by increased production incentives (21%). Broadcasters, including many public ones, were fourth (17%) closely following private producers (18%). Private equity was at the level of only 1% of the analysed films' budgets.[177]

Production incentives in the EU have been growing.[178] There were 35 different production incentives (including tax incentives and cash rebates) available in the EU, including national and regional levels[179] in 2024.[180] They aim to increase employment and the overall number of works produced in the country that offers them, but their effects are also more complex, as they benefit not only domestic and EU producers, but also non-EU productions.[181]

As far as private investment is concerned, the financial sector is changing perceptions about the audiovisual industry. The financial sector in the EU for a long time saw the audiovisual industry as risky. Lately, this is changing, both in the lending aspect and in investing. Since 2017, the EU (through the European Investment Fund) has been offering targeted loan guarantees, which diminish the banks' perceived risk associated with lending money to filmmakers. This can increase the producers' share in budgets. Additionally, the investment side of the financial sector is noticing that film and TV content can be a viable portfolio diversification avenue.

Private equity in the audiovisual sector[182] **in Europe comes in particular from EU and US sources**. In the US, private equity is more widespread, although 2023 seemed to have been a weak year in investment in media and sports.[183] Private equity in the audiovisual industry can be invested into a single film project, or in a company (majority, minority stakes, or joint ventures). There are several European investment funds with an audiovisual profile. Finnish IPR.VC Fund had invested over EUR 200 million in over 50 film and series content in the EU and beyond in 2015-2024 and has an ongoing target of investing another EUR 120 million.[184] French Logical Content Ventures fund has invested in over 25 films. It plans to raise another EUR 80 million in the coming years. Recently, the new fund Axio Together aims to raise EUR 100 million for minority stakes in production companies.[185] The three aforementioned funds received a contribution of EUR 25 million each from the EU's MediaInvest. However, raising EU-located private equity is still a challenge. Audiovisual players in

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[175] See details in Figure 39.

[176] It is impossible to say exactly its size, but it might be at the level of 3-5 billion EUR. The only systematic data on budgets covers 56% of films produced in 24 European countries (including UK; excluding animation) and amounts to EUR 2.16 billion. This number includes 17% of broadcasters' investments and 13% from presales, many to broadcasters and streamers (which is already accounted for in the value of their content spend). Own calculations based on EAO , *Fiction film financing in Europe: a sample analysis of films released in 2022*, 2025..

[177] European Audiovisual Observatory, *Fiction film financing in Europe: a sample analysis of films released in 2022*, 2025. Also in: *Key Trends 2025*,..

[178] European Audiovisual Observatory, *Fiction film financing in Europe: Overview and trends 2016-2020*, 2023.

[179] For example tax incentives are offered in the Basque country. For more information, see Emilio Mayorga's *New tax breaks have dramatic effect as the Basque Country becomes a go-to destination for filmmakers* (Screendaily, 17 May 2024).

[180] Olsberg-Spi, *Global Film and Television Production Incentives*, 2025.

[181] Centre National du Cinéma, *Rapport d'évaluation des crédits d'impôt 2023*, 2024.

[182] Private equity can come from individual or institutional investors (such as venture capital funds, pension funds, family offices, or non-profit organisations), either directly or through dedicated investment funds. It can also take the form of crowd-funding campaigns.

[183] Karl Angelo Vidal and Annie Sabater, *Private equity investment in movies, entertainment plunges to 6-year low in 2023*, S&P Global, 29 January 2024

[184] European Investment Fund, *European movies and TV programmes to get boost with €25 million EIF investment in Finland-based IPR.VC Fund III*, 27 February 2025 ; Tim Dams, *Could EU's new financing schemes reshape the European film industry?*, Screendaily, 7 April 2025.

[185] European Investment Fund, *The European Investment Fund supports independent European audiovisual productions with a €25 million investment in France-based Together fund*, 14 April 2025.

recent years have mixed funding from US-based and EU investors (including Vuelta Group Studio[186], Mediawan and earlier also Leonine[187]).

Trends in content

SVoD entering sports

Streamers are enriching their offerings beyond fiction. Apart from fiction, an important segment of audiovisual content is the unscripted series (works that do not rely on scripted dialogues of actors). It covers documentaries, reality TV, game shows, makeover formats, etc. In this area, the SVoD players are in competition with the FAST channels.[188] In Europe, SVoDs maintain their spending on unscripted content, keeping it at 11% of their audiovisual content spending.[189] SVoDs also venture into adjacent segments like video games and podcasts and, most of all, they invest more and more in sports.[190]

Streaming platforms are increasingly[191] moving into sports rights traditionally dominated by broadcasters. Sports is a key format for broadcasters, attracting large audiences.[192] Accordingly, sports rights have always been a significant expenditure category, with the peak of EUR 8.3 billion in 2018. However, in the last years broadcasters' expenditure on live sports rights has been falling (down to EUR 6.4 billion in 2024) due to competition from streamers, who would outbid the broadcasters for some premium sports. Streamers' sports investment went from EUR 0.2 billion in 2018 up to EUR 2.7 billion in 2024 (see Figure 21). Streamers are set to diversify their offer into sports further, with an expected increase of 10% in 2024-2025.[193]

Streaming is leading to a more globalised consumption of sports.[194] The top European football leagues, such as the English Premier League, Germany's Bundesliga, and Spain's LaLiga, are now available in the US, mostly on streaming services. This cross-border availability leads to a reciprocal trend where EU audiences are likely to have greater access to sports content from other regions, including the US, via streaming, contributing to higher revenues for sports organisations overall.

Co-productions

Co-productions in theatrical films ensure larger audiences. They reduce the financial burden on each investor and give the title more exploitation markets. In the theatrical films segment, EU co-productions in 2024 reached a significant 30% share of EU releases, yet they attracted 50% of non-national EU cinemagoers. This is due to co-productions being released in more countries compared to national productions.[195] This is even more pronounced for animated films, where 50% of animated theatrical films are co-productions and reach on average 4.3 countries (against 1.6 countries average for all EU films), thereby attracting more viewers.[196]

For series, broadcasters also enter into partnerships with each other and also with streamers. The cooperation can happen in the form of co-producing, pre-sales or selling licences for ready

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[186] Vuelta is said to have started with a USD 50 million US investment, see Scott Roxborough's *Vuelta Group Launches European Studio With Acquisitions in France, Germany, Scandinavia* (The Hollywood Reporter, 6 July 2023).

[187] https://media.kkr.com/rss-feed/news-release?news_id=7f6d658b-fab5-4e7c-8215-fdd683bfccb3&type=1

[188] Parrot Analytics, *As most streamers move away from unscripted content, FAST platforms are a place where unscripted shines*, 2 February 2024.

[189] Ampere data based on Markets Operators.

[190] Jamie Lang and Rafa Sales Ross, *Peak TV Is Dead, Long Live 75% Peak TV: Ampere Analysis Talks TV Trends at the Berlinale Series Market*, Variety, 17 February 2025.

[191] Andrew Wallenstein, *Sports Rights: Streamers vs. TV Networks – A Special Report*, Variety, 1 April 2025.

[192] You can find more data on sports broadcast viewership and the sport-viewers loyalty in the Consumption section

[193] All data in this paragraph is based on Ampere Analytics, Ampere Commissioning, Figure 39.

[194] Andrew Wallenstein, *Sports Rights: Streamers vs. TV Networks – A Special Report*, Variety, 1 April 2025.

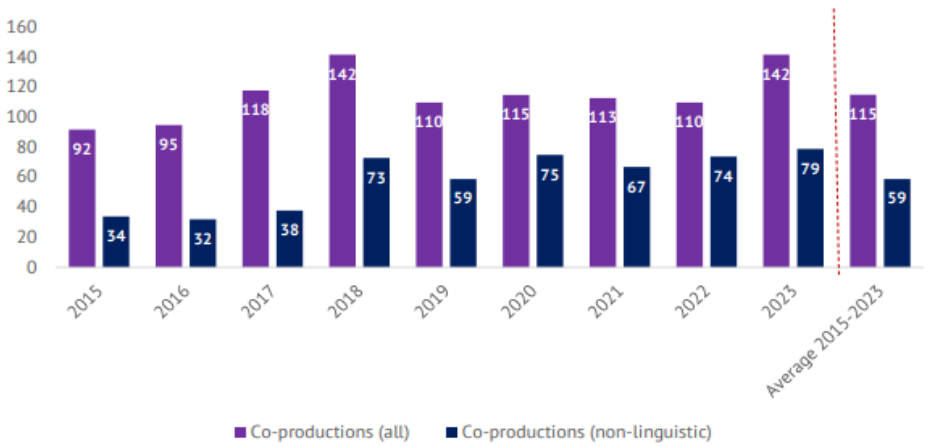
[195] 2319 out of 7716 EU films released in 2023 had more than one production country (this includes coproductions with non-EU partners as long as majority co-producer was EU). 12 countries for co-productions vs 1.42 for 1-country productions.

[196] 69% of EU animation tickets were sold to co-produced animations

content. As regards co-producing between broadcasters, two long-term frameworks of public broadcasters for high-end series stand out: the European Alliance since 2018[197] (between France Télévisions, Germany's ZDF and Italy's RAI) and the New 8 since 2023[198] (between ZDF, the Netherland's NPO, Belgium's VRT, Sweden's SVT, Denmark's DR Finland's YLE, Iceland's RÚV and Norway's NRK).[199] Broadcasters also often pre-sell/co-commission premium titles to global SVOD players, especially for exploitation in non-EU territories,[200] or licence their earlier works to them.[201] Public and private broadcasters often collaborate also within one country to share the burden of investments.[202]

The share of co-productions and their diversity is growing. In 2023, they accounted for 10% of all TV fiction titles produced in Europe by broadcasters and streamers, reflecting a growth of 5% between 2019 and 2023 (going from 92 in 2015 to 142 in 2023).[203] Co-productions were mainly for works that required higher budgets: so-called "high end" short series (with less than 13 episodes) and TV films, but not for less expensive formats. While co-productions were traditionally between neighbouring countries with shared languages, non-linguistic collaborations grew from 30% to over 50% of co-productions between 2015 and 2023. Around 20% of European co-productions also included a partner from the US, Canada, or other countries. The Nordic countries, France and Germany are the main non-linguistic co-production hubs in the EU.

Figure 37. Evolution in the number of co-productions in TV content in Europe over time*



Source: European Audiovisual Observatory analysis of media-press.tv data.
**Includes UK, Norway and Switzerland*[204]

[197] E.g. *The Swarm, Leonardo, Survivals*.

[198] In the form of Nordic 12 from 2019. Premieres of the first 8 titles of New8 works expected in 2025.

[199] Tim Dams, *Why "survive till 2025" was the motto of scripted TV producers at Series Mania*, Screen Daily, 22 March 2024.

[200] For example in 2023 "Bardot", led by Federation Entertainment, was co-produced by Italian Mediaset and France TV and presold for many territories to Netflix, and to broadcasters for others (Sweden, Czechia, Finland, Norway, and Turkey)

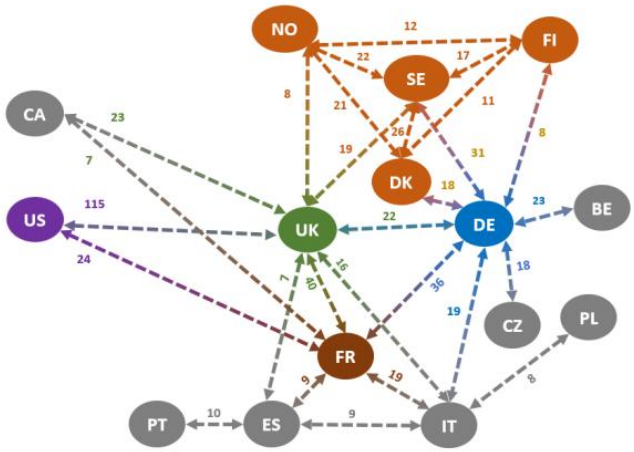
[201] For example Atresmedia in 2024 sold 13 high-end-TV titles to global SVOD platforms on multi-territory base and 36 for individual territories Source: own analysis of Atresmedia data; *InterMedya to distribute Atresmedia's La Passion Turca, Senal* News, 2. July 2024.

[202] In Germany, ARD and ZDF launched a combined streaming network in March 2023. German commercial broadcaster ProSiebenSat.1 has expanded the content library of its streaming platform Joyn in 2024 through major licensing agreements with ARD Plus, WDR media group, High View, and ZDF Studios.

[203] European Audiovisual Observatory, *Audiovisual fiction production in Europe - 2023 figures*, 2024.

[204] Ibid.

Figure 38. Country constellation breakdown of European TV co-productions between countries others than neighbouring sharing the same language.



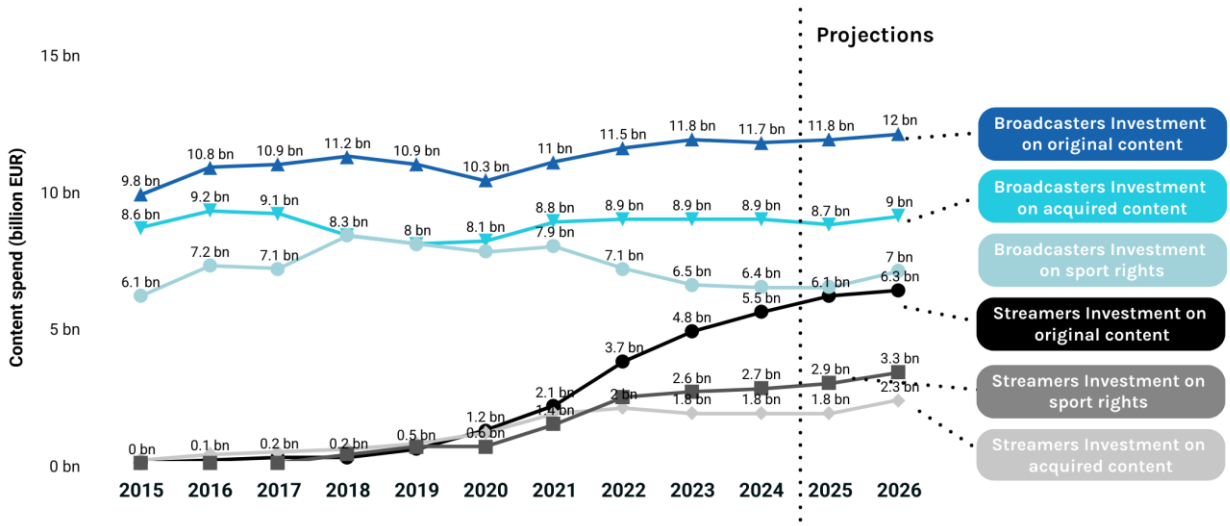
Source: European Audiovisual Observatory analysis of media-press.tv data.

Originals and acquired content

Both 'originals' and 'acquired' titles in the portfolio of broadcasters and streamers are important for the audiovisual content market. Investments in originals ensure that new productions will take place, whereas acquisitions provide opportunities for rights holders to monetise already existing works (or works at an advanced stage of development in the case of pre-sales).

Investments in original audiovisual content take up 60% of content spending. In 2024, EU broadcasters and global and local streaming services invested a total of EUR 17 billion in EU original works, along with an additional EUR 11 billion in acquired content. The investment of broadcasters into originals was over twice as high as that of streamers (EUR 11.7 billion vs EUR 5.5 billion) and into acquired content five times as high (EUR 8.9 billion vs EUR 1.8 billion). The spending on originals continues to grow at a faster rate than acquisitions for streamers, and at a comparable pace for broadcasters. At the same time, the licensing of content by streamers is also expected to grow as part of their strategy to tap into local content.

Figure 39. Investments into European original content by audiovisual services in the EU



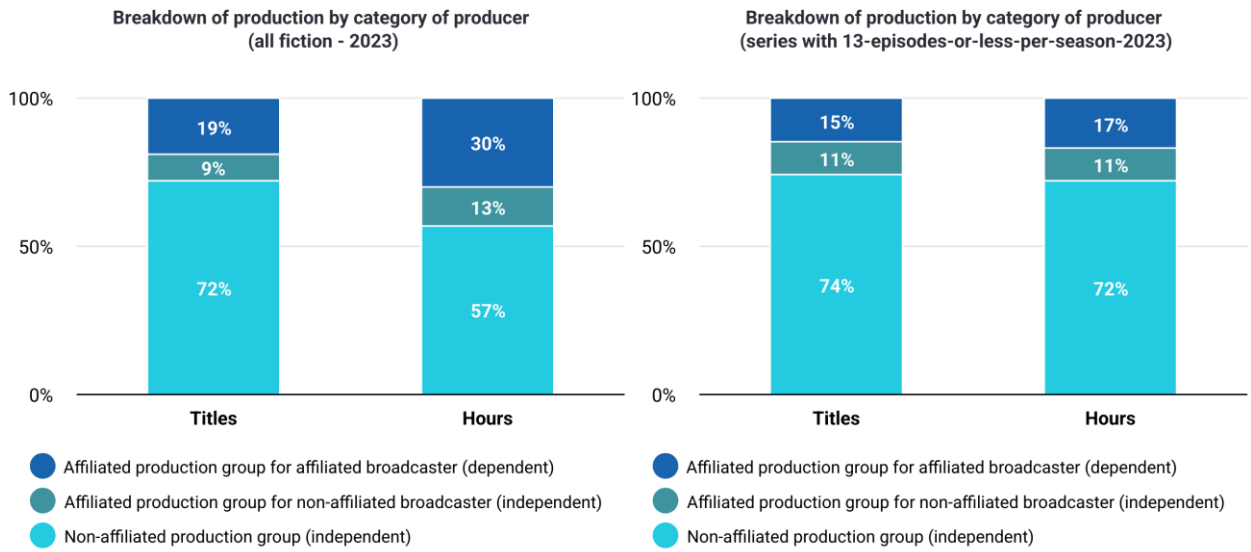
Source: Technopolis Group based on Ampere Analysis – Markets Content.

Acquiring content allows for diversification of offerings.[205] Similarly to co-productions, acquiring ready-made or co-financed (or pre-sold)[206] content allows broadcasters and streamers to expand their offerings in a cost-effective way, as they do not have to cover the whole budget of the work. On the other hand, 'originals' overperform with audiences and many of them are the flagships to attract new subscribers. For streamers, the share of originals in all works in the catalogues has remained relatively stable over 2020-2024 (around 30%), but since 2022, there has been a drop in the share of original series (49% to 42% in 2024), at the moment when the catalogues became larger (+21% titles 2022-2024) and more reliant on series (with series increasing from 42% to 48% of catalogues).[207]

Broadcaster-owned and independently produced content

81% of TV/SVoD fiction titles in Europe are produced independently (either by a production company that is not under control of broadcaster or by an affiliated company but produced for another broadcaster).[208] The remaining 19% of titles are from affiliated production groups for affiliated broadcasters. Of all titles produced by affiliated producers (28% of all works), a third are produced for non-affiliated broadcasters, though with significant variations (for example, 80% of Fremantle productions are for third parties).

Figure 40. Breakdown of TV fiction content (TV films and series) production by category of producer



Source: European Audiovisual Observatory, Audiovisual Fiction Production in Europe, 2024, p.33/39.

Broadcasters online

European broadcasters are shifting to deliver both linear and on-demand content across all types of distribution platforms. All of the top 15 EU broadcasters had VoD services in 2024.[209] Many launched digital extensions, such as M6+ and RTL+, offering various models such as ad-supported and premium across multiple distribution devices and channels (web, mobile, CTV, pay

[205] Annika Pham, *London TV Screenings: What Buyers Really Want, According to France Télévisions, ZDF Studios, TV4 Media and Atresmedia,* Variety, 25 February 2025.

[206] In the case of pre-sales, broadcasters secure exclusive rights at an early stage of project development, ahead of global streamers

[207] Own analysis based on Digital-I database 2020-2024.

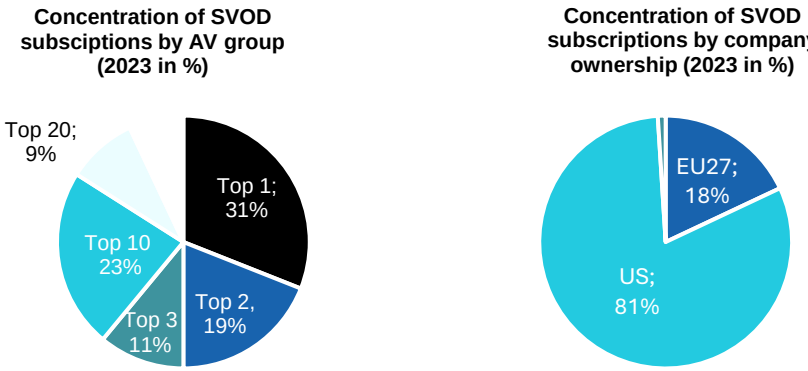
[208] "Independent production" is defined as an AV fiction programme produced by a production company that is not under the control of the broadcaster commissioning the programme. This definition does not imply that the producing company retains any rights.

[209] Top 15 is based on annual revenues. Online services include: RTL+, Joyn, MYTF1, france.tv, RaiPlay, Mitele, Mediaset Infinity, ZDFmediathek, ARD Mediathek, NPO Plus, VRT Max, Atresplayer, iVysílání, RTE Player, ORF TVthek, TVP VoD.

TV).[210] These strategies reflect the need for broadcasters to keep pace with changing consumption patterns and retain audience loyalty.[211]

VoD is dominated by US companies, but European broadcasters are picking up. SVoD remains the most concentrated segment, with the top 10 platforms in the EU holding 84% of subscriptions and 90% of revenues.[212] Nonetheless, the market share of the top three (Netflix, Amazon Prime and Disney+) fell from 71% in 2021 to 64% in 2022 and to 61% in 2023.[213] At the same time, European SVoD providers - mainly broadcasters - have increased their subscribers. Their share was estimated at 16% of all EU subscriptions in 2021 and in 2022, and over 18% in 2023.[214] This meant for them a rapid growth in the number of subscriptions (a 54% increase over 2021-2023 in the EU, from 21 to 32 million)[215] at a time when the growth of subscribers to pure SVoD players slowed down (from a 47% increase year-on-year between 2016-2017 down to 12% in 2022-2023).[216] EU SVoD services with cross-border reach (RTL and Viaplay) feature in the Top 10 group. The outlook will also be influenced by the maximum number of subscriptions viewers will be willing to take and how many will be sold as part of a larger bundled offer.[217]

Figure 41: Concentration of streamers in EU by their share of SVoD subscriptions in 2023



Source: own calculations based on EAO Yearbook, OD-SERV table for 2023, only EU results.

European VoD players operate mostly on a national scale and can be highly ranked in their territories, even if they do not feature in EU-wide rankings. On a country-by-country basis, a strong interest of the public is visible in the high ranking that VoD services offered by European players (they can be BVoD or made by independent companies and take AVoD or SVoD models) take in the lists of Top 10 streaming apps downloaded for mobile phones. This measure is an indication of EU VoD service growth.

[210] Mariot Ranchet, *European Broadcasters' Journey Into the Streaming Era*, Streaming media Europe, 26 August 2024.

[211] Jamie Lang and Rafa Sales Ross, *Peak TV Is Dead, Long Live 75% Peak TV: Ampere Analysis Talks TV Trends at the Berlinale Series Market*, Variety, 17 February 2025.

[212] European Audiovisual Observatory, Yearbook table OD-SERV (*Main OTT SVoD groups in Europe by number of subscriptions and by country*). EU results only; based on Dataxis database.

[213] Own calculation based on EAO, Yearbook table *OD SERV*.

[214] Ibid.

[215] Ibid.

[216] European Audiovisual Observatory, Yearbook table OD-SERV SVoD, data 2014-2023.

[217] Paul Lee, Eliza Pearce, Rupert Darbyshire and Kevin Westccott, *Reevaluating direct-to-consumer: The shift toward video aggregators*, Deloitte Center for Technology Media & Telecommunications, 19 November 2024.

Table 11. Streaming apps most downloaded on smartphones in selected EU member states in Jan-Feb 2025

	France	Germany	Poland	Netherlands
1	Disney	Netflix	HBO Max	HBO Max
2	Amazon	Amazon	**CDA.pl (independent of broadcaster)**	Amazon
3	Netflix	Disney	Amazon	**Videoland (RTL)**
4	Dramabox (Storymatrix PTE Ltd)	**Joyn (Joyn GmbH - ProSiebenSat)**	Netflix	Ziggo GO (Liberty)
5	**MYTF1 (TF1)**	Dramabox	Sky Showtime	Netflix
6	**6play (M6)**	Paramount+	Disney+	ReelShort – Short Movie and TV (New Leaf Publishing)
7	**Canal+ (Groupe Canal)**	**RTL+ (RTL)**	**Canal+ (Groupe Canal)**	Disney+
8	HBO Max	WOW (Sky Deutschland)	Player (local BVoD of TVN, owned by US – Warner)	Sky Showtime
9	**france-tv (France televisions)**	Pluto TV	**Polsat Box Go (Polsat)**	Dramabox
10	Pluto TV	**Waipu.tv (EXARING)**	**TVP VoD (TVP)**	**Podimo: Podcasts and audiobooks (Podimo ApS)**

Source: Technopolis Group based on AppMagic (https://appmagic.rocks).

Note: EU-based services highlighted

Broadcasters retain their competitive edge by keeping locally specific content, while developing global outreach. 43% of all audiovisual services in the EU are channels with a local or regional focus (2,784 channels).[218] Covering local and regional aspects is essential for broadcasters in Europe to maintain their unique identities and strong audience relationships. At the same time, thanks to BVoD it is also easier for them to reach expatriate communities, both with an interest in a particular region or in the whole country. Spanish Atresmedia has already gained much global traction with its SVoD targeting Spanish speakers worldwide, and French TF1 has similar objectives for French-speaking communities.[219]

Scaling up in many ways

The bigger EU producers are innovating in their growth strategies, going for acquisitions across sub-segments and countries.[220] Both producers built around broadcasters (traditionally the largest EU players) and some other studios alike have demonstrated cross-border or even global ambitions. Significant acquisitions within and outside of the EU have been made by Fremantle (within RTL structures),[221] Canal+[222] and Newen (TF1).[223] Other two French companies – Banijay (set up in 2008)[224] and Mediawan (set up in 2015)[225] – in the last years have scaled up through acquisitions, leading journalists to dub them 'mini majors' or 'super indies'.[226] It is likely they will continue

[218] Based on the analysis of the MAVISE database.

[219] For Atresmedia figures see section: Consumption outside of the EU. For the plans of TF1 article from 21.03.2024

[220] See Table 3.

[221] Like Asacha in France in 2024, Element Pictures in Ireland and Lux Vide in Italy in 2022.

[222] Including non-EU MultiChoice in South Africa (to be completed in 2025) and investing in Asian Viu. For more information, see Canal+ website, section *The Group*.

[223] Including recent non-EU acquisition of Canadian TV content producer JPG (2024). For more information, see StudioTF1's announcement, *Newen Studios signs an agreement to acquire Johnson Production Group*, 25 July 2024

[224] For Banijay some significant recent acquisitions included buying reality TV giant Endemol Shine from Disney (2020); Beyond International (2022) in Australia, Caryn Mandabach in UK (2024) and Bureau Beatrice in Dubai (2024).

[225] For Mediawan arguably the largest acquisition was taking a minority stake (2020) and finally full (2024) ownership of German-based Leonine, which itself had been previously following active acquisitions strategy and had the same financial backing of KKR since 2019. See Leila Abboud,'s '*Call My Agent' producer backed by KKR buys German rival* (Financial Times, 28 April 2024).

[226] Scott Roxborough, *France's Mediawan, Germany's Leonine Merge to Form Euro Mini-Major*, The Hollywood Reporter, 28 April 2024.

expanding. Thus, some media companies in Europe are made up of dozens of subsidiaries, offering tens of thousands of catalogue hours[227] and are present in all links of the value chain (film production, TV production, TV distribution, production studios and others). On a smaller scale, Vuelta Group (set up in 2023 as a joint venture bringing together companies from Scandinavia, France, Germany, Benelux and Italy) has a similar strategy to be a vertically integrated 'ambitious, collaborative European film studio'.[228]

Other production groups have followed different paths for growth and internationalisation, based on exports of TV content. In this group, Spanish companies Atresmedia and Secuoya stand out, leveraging on the demand for Spanish-speaking content in other continents. Secuoya Content Group started as a production services company and developed its studio production capacities, ensuring access to skills (through collaboration with universities) to enter into strategic alliances with global partners, to branch out also for US co-productions. Atresmedia, although with a different company structure (a broadcaster-based company active since 1988), also builds its growth on exports[229].

Cinemas opening to new revenue models

The European cinema sector has increased the use of loyalty schemes, helping to retain customer engagement.[230] These incentives, originally introduced in early 2000s, have increased in the post-pandemic period.[231] They also offer exclusive benefits, fostering a sense of community among film enthusiasts.[232] Cinemas introducing subscriptions in recent years cover both commercial chains (like Nordisk Film Cinemas, 2021) and art-house (Europa Cinemas expanding to new territories). The acceleration of cinema subscriptions is an answer to the drop in ticket sales due to COVID lockdowns, in addition to viewers' payment habits acquired through SVoD.

Another business transformation is the increase in multifunctional cinema spaces to diversify revenue sources. These double as venues for live events, gaming, or bookshops.[233] A notable version of this trend is enriching the catering offer, with cinemas opening adjacent cafeterias or offering dine-in during the screening.[234]

The cinema sector invests in hardware to further improve the cinematic experience. Cinemas, especially the 'Premium Large Format' segment which doubled in the number of venues in 2019-2024, have continued their technological improvements, upgrading the comfort of lounges and haptic chairs, sound systems, and screen quality, for a more immersive experience. A growing uptake is expected soon for solutions such as laser-based projectors and HDR technology.[235] The ever-new technological standards mean demand for large capital investments, challenging especially for small cinema operators.[236]

Another challenge is providing access to the cinematic experience in underserved regions. Screen density varies across the EU, from 24 screens per million inhabitants in Romania to 102

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[227] For example 60 labels under Fremantle (40 000 catalogue hours); 130 under Banijay (170 000 hours); 85 under Mediawan (30 000 hours). For more information, see Nick Vivarelli's *RTL Group Posts Stable 2024 Results as Fremantle Still Targets Full-Year Revenue of 3.2 $ billion* (Variety, 20 March 2025) and Leila Abboud,'s *'Call My Agent' producer backed by KKR buys German rival* (Financial Times, 28 April 2024).

[228] Melanie Goodfellow, *Vuelta Group Merges Sales Entities Film Constellation & Global Screen To Create Global Constellation*, Deadline, 29 April 2025.

[229] See examples in Consumption of EU content outside of EU and Coproductions.

[230] Experiments with cinema subscriptions have been present in the EU at least since 2000, and they picked up around 2015, after introduction of MoviePass in the US, but there is evidence that they increased after COVID (including movie passes, such as Kinepolis, Cineplex, Nordisk and Cineville). For more information, see Daniel Loria and Rebecca Pahle's *State of Subscription: The Modern History Behind Cinema Subscription Programs* (BoxofficePro,26 March 2019) and Jeremy Kay's *The MoviePass effect: is the cinema subscription model here to stay?* (Screendaily, 31 March 2019). UNIC, *Innovation and the big screen*, 2024.

[231] Per Laursen, *Can subscriptions help rejuvenate cinema culture and industry?,* Nordisk Film & TV Fond, 29 January 2025. For example, 36% of Cineville pass in the Netherlands were aged 18-30 in 2024. Source: Europa Cinemas project report to EACEA.

[232] OMDIA, *Box Office and Beyond: the cultural, social and economic impact of cinema,* 2024.

[233] UNIC, *Innovation and the big screen*, 2024.

[234] For example, Biograf Spegeln i Malmö.

[235] UNIC, *Innovation and the big screen*, 2024;, Ellie Calnan, *Imax expands in France, teams up with Kinepolis for new systems in Europe and North America*, Screendaily, 17 May 2023.

[236] Crescine, *Small European Film Markets: Portraits and Comparisons*, 2024.

screens per million inhabitants in Ireland.[237] There are also important gaps within Member States, with rural or less populated areas often lacking cinemas, thereby creating 'cinema deserts'. In this regard, several experiences, either market-oriented or not, have shown that the combination of mobile and digital technologies offers solutions to create new business models based on temporary exploitation. Europa Cinema, for instance, has experimented with mobile cinemas in Greece, Croatia and Ireland. Some private businesses have worked on facilitating access to high-quality content in rural areas by further developing their digital cinema offer.

Table 12. Number of cinema screens per 1 million inhabitants

RO	BG	LT	MT	BE	GR	LV	PL	HU	CY	SK	SI	LX	PT	HR	*EU*	NL	DE	IT	AT	FI	EE	ES	CZ	DK	SE	FR	IE
24	33	36	38	40	21	43	43	43	46	50	51	53	54	54	*57*	59	59	60	61	64	66	75	79	81	91	92	102

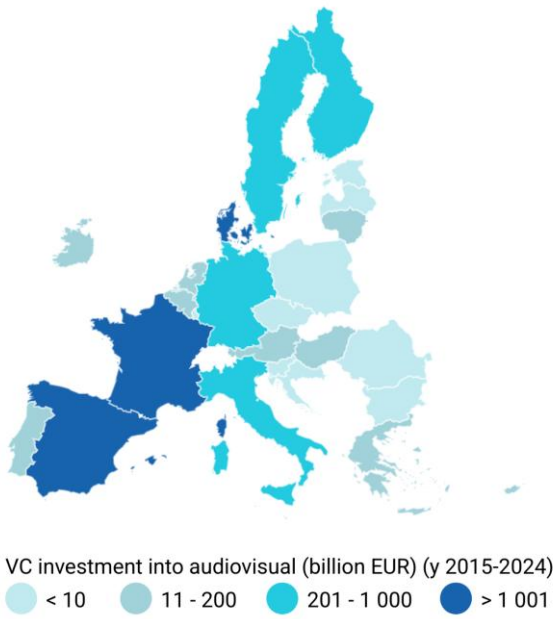
Source: European Audiovisual Observatory Yearbook, FILM-INFR Cinema Infrastructure.

2.5. Technological trends

Innovation funding

Venture capital (VC) investment into media technology is much lower than in the US but is growing at a compound annual growth rate (CAGR) of 5%, especially in Spain, France, Sweden and Denmark. The technological side of the audiovisual industry suffers from limited interest from private investors. In 2023, US tech companies in audiovisual attracted EUR 3.6 billion while their EU counterparts attracted only EUR 520 million in VC investment. Some examples of EU audiovisual technology companies growing thanks to VC include Nordic firms such as CPH Industries (innovating in visual effects involving the use of arms), Wedio (equipment-sharing) or Goodbye Kansas (visual effects).[238]

Figure 42. Distribution of venture capital investment into audiovisual across EU member states over the period from 2015-2024



Source: Technopolis Group calculations based on Crunchbase.

[237] European Audiovisual Observatory 2023 Yearbook (data from 2022); UNIC 2023 or 2024 - data provided by UNIC members
[238] Technopolis Group based on Crunchbase.

Virtual production

Virtual production continues to grow, with an estimated 30 virtual production studio facilities in the EU in 2024. Virtual studios display realistic 3D backgrounds on large LED screens, allowing any environment to be depicted digitally. This reduces travel and set production costs for shooting. It also disrupts other stages of filmmaking cycle: increasing the resources needed in development (as all visual effects have to be prepared beforehand to be incorporated during shooting) while lowering post-production resources.[239] Over 60% of active film producers globally are expected to incorporate at least some virtual production work into their projects.[240] Ongoing investments in the EU include the Visual Europe Group studio in Hungary (worth EUR 11 million) and EFD Studios near Madrid.[241] Many in the industry anticipate robust growth in micro-format studios rather than in large-scale virtual studios.[242]

Virtual Reality (VR) technology is available but underutilised due to lack of skills. Globally, the virtual production market is fairly balanced in terms of both market size and the distribution of studios across North America, Europe, and Asia-Pacific. Nonetheless, there are clear challenges, as virtual production remains underutilised. This is because, on the one hand, established talents often lack the skills or willingness to use the technology, and on the other hand, emerging talents struggle to secure the financing and practice needed to adopt it.[243]

Figure 43: Market size of virtual film production studios across the world

Source: VU network, 'State of Virtual Production'.

AI in audiovisual industry

In 2024, 39% of organisations in the audiovisual sector[244] declared that they have used at least one AI tool. In the field of film, 40% of screenwriters in Nordic countries adopted AI, marking a significant increase from the 21% adoption rate recorded in 2023.[245]

AI means a new approach to visual effects. Some AI-based visual effects (VFX) employ generative models, such as those used in deepfake creation, for realistic face or voice synthesis. Some of them aim

[239] KFTV, Virtual Production Report, 2022.

[240] Showrunner, The state of virtual production, 2023.

[241] John Hopewell, *EFD Studios Sets Plans for Largest Virtual Production Set in Europe Outside the U.K., Reveal Training Initiatives in Mexico, Spain*, Variety, 4 October 2024.

[242] VU Technologies, *The state of virtual production*, 2024.

[243] For more details on skills in virtual production, see section: Skills challenges.

[244] EMI Enterprise Survey, 2024.

[245] Heidi Herrmann, *Nordic screenwriters seem sceptical towards AI according to the Fund's fresh survey*, Nordisk Film & TV Fond, 25 June 2024

to replace activities that would otherwise be carried out physically during shooting,[246] while others significantly reduce the resources needed for VFX processes.[247]

AI applications in the audiovisual sector span all stages of the value chain. Apart from VFX, AI is most widely used in animation (including fully AI-generated animations)[248] and in enhancing the translation and dubbing. AI-powered tools are employed from the scriptwriting stage (e.g. Belgian Scriptbook and DeepStory) through to the automation of metadata generation in companies handling multiple works, such as broadcasters. AI is also increasingly being leveraged to support and enhance digital media infrastructure, playing a role in video hosting, streaming or in cloud storage. AI-enhanced data analytics is also used throughout the exhibition sector, with cinemas (thanks to data from online ticket sales) and broadcasters using it for customer management and VoD services, particularly in recommendation systems.[249]

Table 13. AI adoption across the audiovisual value chain

Content Creation	Pre-production	Post-production	Distribution	Diffusion and Exhibition
Script writing	VFX	Editing	Data analytics	Recommendation engines
Animation	Camera	Noise reduction	Trailer development	
Characters		Dubbing	Marketing material development	
Budgeting			Social media monitoring	
Planning: e.g. Location				
AI-optimised digital infrastructure				

Source: Technopolis Group based on literature review and CNC, Quel impact de l'IA sur les filières du cinema, de l'audiovisuel et du jeu video, 2024.

Some leading media companies are making substantial investments into generative AI technologies. In the EU, important examples include Banijay's AI Creative Fund and Fremantle's Imaginae Studios, and, on business side, Canal+'s AI Factory.[250]

Generative AI audiovisual software is making production more accessible. In addition to the array of AI tools targeting film professionals, there is also software intended to democratise content creation. These are tools designed to be accessible by amateur creators, enabling them to create professional-quality works at low cost. Both big tech companies[251] and startups[252] target these tools at a broad base of users.

Furthermore, participation in audiovisual culture can become more accessible thanks to AI-based solutions. This applies especially to cinema-going, thanks to solutions offering each viewer personalised augmented reality and other audio-description techniques. Although their use has not

[246] For example Respeecher, which generates spoken sentences based on actor's voice. Source: *8 startups bringing AI tech to Netflix, Lucasfilm, Marvel, and more Hollywood studios — and attracting millions in VC funding*, Medium, 20 March 2023.

[247] For example MARZ's Vanity AI claims to reduce VFX operations from 3 days down to 20 minutes; Metaphysic claims to lower the costs threefold, *8 startups bringing AI tech to Netflix, Lucasfilm, Marvel, and more Hollywood studios — and attracting millions in VC funding*, Medium, 20 March 2023.

[248] For more, see: CNC, *Quel impact de l'IA sur les filières du cinéma, de l'audiovisuel et du jeu vidéo?*, 2024; Yi Jina's *China's first AI-generated animated series* (ThinkChina, 15 March 2024); Charlie Fink's *'Where The Robots Grow' Is AI's First Fully Animated Feature Film* (Forbes, 17 October, 2024). ; International Broadcasting Convention event September 2024, and other related studies;

[249] Jamie Duemo, *3 Essential Broadcast Tools That Use AI Effectively (Plus Best Practices for Their Use)*, Avixa, 14 April, 2025.

[250] Alain Clapaud, *Le groupe Canal+ a mis sa stratégie IA et IA générative en avance rapide*, La Revue du Digital, 9 December 2024.

[251] E.g. Meta's Movie Gen.

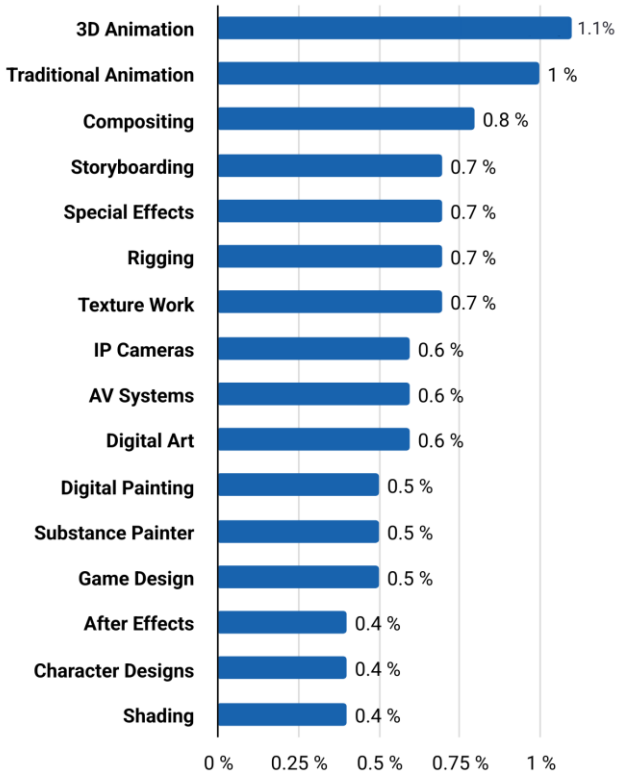
[252] E.g. Spanish Quantic Brains Technologies.

been streamlined yet, such solutions are very promising to people with visual or hearing impairments, as well as to foreign viewers who do not understand the film's spoken or subtitled language.[253]

Skills challenges

In film and TV production, there is a growing demand for technological skills, primarily in 3D animation, computer graphics, and special effects, as well as storyboarding. The top 20 film and TV production companies in the EU reported an average of 17 new hires in 3D animation and related software tools such as ZBrush, MudBox, as well as in skills such as rigging, texture work, and VFX.[254] This trend is linked to the growth of animation productions, virtual production and, more generally, visual effects. It suggests that the adoption of 3D animation and related skills is on the rise across the EU film and TV industry. With an increasing number of productions embracing computer-generated imagery, these roles are becoming crucial to ensuring that companies can meet the rising expectations of consumers.

Figure 44: Skills with the highest 1-year hires (2023-2024) per existing employees of the 20 largest film production companies on LinkedIn



Source: Technopolis Group based the analysis of LinkedIn data.

In addition to the growing demand for specific skills, the emergence of new job titles within the film and TV industry further highlights the evolving landscape. New roles include data analysts (for example, interpreting audience metrics), VFX data wrangler, AI specialists, and technology experience specialists.[255]

[253] UNIC, *Innovation and the big screen*, 2024. Some examples of leading European cinema tech companies include Greta (DE) and Sonoristicks (BE/FR) for software and Barco (BE) for hardware.

[254] Technopolis Group based on the analysis of LinkedIn data and its company reports.

[255] Technopolis

Table 14. Highest average number of full-time open job posts within the audiovisual sector

Job Titles	Average title of full-time open job posts
Software Engineer (including AI)	166
Sales and Marketing Manager	96
Account Manager	70
Production Specialist	52
VFX Supervisor	50

Source: Technopolis Group based on scraping specialised job platforms and LinkedIn data.

There are significant skills shortages in technology-related fields. Positions that are hard to fill include virtual production (especially supervisors who are able to oversee the pipeline of these processes and in-camera visual effects), as well as post-production (camera tracking and motion capture).[256] Positions such as software engineering, production specialists, account and sales managers remain relatively longer unfilled due to a mismatch between the skills required by industry and those possessed by job seekers.[257] Recruitment into technical roles in broadcasting and tech media also continues to be problematic, although 2024 is marginally better than 2023, with 80% of employers saying the process was 'difficult' or 'very difficult', compared with 86% in the previous year.[258]

The availability of skills across the EU film and TV industry varies significantly. Audiovisual hubs such as Paris, Madrid, and Stockholm boast a wealth of talent, but other regions face substantial shortages, particularly as high-demand studios recruit from a limited talent pool. As the number of audiovisual production rises, particularly with large international projects, skilled crew members are increasingly being drawn to bigger productions, often in specific regions where filming is concentrated. This creates an imbalance, with certain regions facing a shortage of experienced professionals. Smaller production companies face challenges as large-scale projects of streamers attract much of the local talent, leaving fewer resources available for smaller productions.

Training opportunities remain limited for many professionals in the EU. Film schools do not generally provide training in new technologies like virtual production, whereas curricula in broadcast engineering are scrapped, therefore on-the-job upskilling is often the only solution.[259] In small markets only 10% of audiovisual professionals participate in training programmes regularly. 85% express a desire for further development but lack information on available opportunities.[260] These findings highlight a significant gap between the demand for skill-building and the accessibility of training resources.

The sector's fast-paced evolution, especially with the rise of new technologies, has left many workers feeling insecure about the future. With AI enabling automation of many tasks, e.g. in film laboratories, some roles based on repetitive activities are disappearing. As such entry-level roles are replaced, there may be fewer opportunities for newcomers to gain hands-on experience and it becomes more challenging for aspiring professionals to enter the field and develop their skills. In the US, 21% of film, television, and animation jobs are at realistic risk of being replaced due to generative AI by 2026.[261] In the EU, only 20% of professionals working in film production feel confident about their career and financial stability.[262]

[256] Technopolis analysis, based on LinkedIn data.
[257] Ibid.
[258] Ana-Claire Bernardes, *Resilience through talent: addressing shortages in the MediaTech industry*, IABM, 28 June 2024.
[259] For more on the disappearance of broadcast engineering degrees, see IABM's MediaTech Radar from April 2024.
[260] CresCine Newsblast, *CresCine x European Film Academy Skills survey 2023*, Flourish, 26 October 2023
[261] CVL Economics, *Future Unscripted: The Impact of Generative Artificial Intelligence on Entertainment Industry Jobs*, 2024.
[262] Crescine, *European Industry Skills Report*, 2025.

2.6. Summary

The **structure of the audiovisual market has significantly changed** over the last two years. The strong **growth of video-sharing platforms** has disrupted advertising and consumption patterns, in particular with **YouTube: in the EU, it has captured almost as many views as the SVoD sector as a whole**. Meanwhile, the top three non-EU streamers continue to dominate **SVoD** but broadcasters have gained a foothold, representing **18% of users' viewing time**. In this context, some ambitious EU audiovisual companies have scaled up, either through mergers and acquisitions or through organic growth.

Business strategies have been converging. Streamers and broadcasters have moved towards hybrid revenue models combining advertising, online distribution and premium content such as high-end series and live sports. **Advertising on VoD is expected to grow** by 20%, whilst streamers have reached over 30% of broadcasters' spending on sports rights.

Spending on content has increased. The production spending of broadcasters and streamers (covering films, series and other formats) grew by 53% over the period from 2019 to2024. Yet the number of series produced actually fell after the 'peak TV' year of 2022, possibly due to rising average budgets. **Production of feature films rose** by 3% in the EU in 2023, with an estimated 1,779 fiction and documentary films. Overall, the **production value of films in Europe increased by 14%** and was higher than the pre-pandemic level by 16%. European **theatrical films remain heavily reliant on public intervention**, notably on direct public subsidies (26% of film budgets in 2021) and on growing production incentives (21%). Yet the production environment has become tougher in the last two years, as growth in spending has slowed and the number of new titles has decreased.

However, the increase in production spending has not led to an increased success of EU content as the **US content continues to dominate audiences**. On SVoD, the share of US titles stands at 51% of catalogues, but the view time is greater at 61%. EU works constituted 20% of catalogues in 2024 but accounted for only 16% of consumption. In cinemas, films from the EU accounted for 29% of cinema tickets sold across the EU Member States, while US titles reached a market share of 66%. **Spanish titles**, notably series, are increasingly popular on SVoD, while **French films** reach wide audiences owing to their strong domestic market. Despite relatively low audiences, **cinema releases appear to have a positive impact on SVoD view time,** as recent EU films released in cinemas perform better on SVoD.

Generative AI in audiovisual is projected to grow significantly around the world, with a recent study forecasting a market size of EUR 48 billion by 2028 and a compound annual growth rate of 85%. In the EU, 39% of organisations in the audiovisual sector reported having adopted at least one AI technology, up from 21% in 2023. Some companies are leading initiatives such as Banijay's AI Creative Fund and Canal+'s AI Factory. However, **venture capital investment into media technology remains lower than in the US**.

A **key factor in technological innovation** is **access to skills**. **There are skills gaps** in the rapidly evolving field of virtual production and post-production. Positions that are difficult to fill include Virtual Production Supervisors, who are able to oversee the pipeline of these processes. 80% of European audiovisual companies said that recruitment into specialised technical roles was 'difficult' or 'very difficult'.

3. The video game and extended reality sectors

3.1. The video game sector

3.1.1. Introduction

Strategically situated at the **intersection of art and technology,** the video game industry is at the forefront of technological developments that impact the industry's production processes, consumer gameplay and distribution models. As such, game development drives innovation in areas such as AI and real-time graphics. These technologies have applications far beyond gaming and can foster cross-sector collaboration between creative industries, technology companies, education or vertical markets.

The video game industry can be more strictly understood as a **leading and inherently global cultural and creative industry**. It has gained a strong foothold in contemporary digital culture and in the attention economy, including in the EU where **more than half of the population regularly plays video games**, a portion that is increasing over time and reaching new demographics of people.[263] The sector is also making inroads in the creator economy, with growing monetisation of UGC and various forms of consumer participation (e.g. modding).

The 2010s saw the growth of the sector intensify at a faster pace than the previous decade, leading to **unprecedented investments in the early 2020s**, in particular around the COVID-19 period, before coming to a sudden halt in 2022. Although the sector has grown to employ close to 100,000 people in the EU, the industry continues to be fragmented, with a few dominant companies coexisting alongside a **vast array of developers**. In the early 2020s, the consumer market was dominated by non-European video game companies and tech giants, in particular at the distribution level where the EU has been structurally weak. Consequently, the **EU industry captured a limited share of the revenue** generated by the sector. As it was home to few of the major studios or publishers, a limited number of large-scale projects (AAA games) could be attributed to the EU industry, despite some critical and commercial hits.

Like elsewhere in the world, the European industry diversified business models at the beginning of the decade, emphasising the **development of live-service and free-to-play games** and related revenue models such as microtransactions and subscription options.

The following chapter reviews the state of the European video games market and industry over the past years, with a focus on 2023 and 2024. In general, the sector is known to suffer from various data challenges, which also limit the depth of the following analysis. Among them are the lack of a sector-specific NACE code and independent data-gathering organisations, leading to difficulties in accurately capturing industry revenue data, skills and employment dynamics and data, non-EU countries' consumer data, segment-specific data (e.g. from the mobile sector) and a number of country-specific gaps. In this context, proxy indicators and data sources have been selected. Finally, this chapter often refers to global trends and developments, which is relevant to the European industry as companies are often established in several countries and seek to reach consumers across the world.

[263] Data varies – see the Consumption section further down.

3.1.2. Market overview[264]

Global and EU market value

The global video games market is slowly recovering from an unprecedented fall in revenues in 2022. After activities and investments[265] surged during the COVID-19 period, the video game industry was severely hit by increased interest rates, cost inflation and a reduced demand from players. The trajectory of the market since 2022 has been well below all estimates made until then, and well under that of other media industries such as the book and music sectors.[266] On the back of weak growth, the consumer spending market reached EUR 169.3 billion revenue in 2023 (+0.5% year on year). The market is expected to stand at EUR 169.6 billion revenue in 2024 (+0.2%),[267] with a return to more solid growth expected in 2025 and an increase to EUR 190.3 billion by 2027.[268] Over the 2019-2024 period, the evolution of the market has been mostly driven by mobile-based revenues (+6.6% in compound annual growth rate – CAGR), as mobiles made gaming more accessible to diverse demographics – although social video (e.g. TikTok) is taking up more media time recently. Before recent tariffs brought uncertainty, the console market was expected to be a greater growth driver in the coming years[269] with average annual growth expected to reach 7% between 2024 and 2027.[270] Beyond console, and although the market is becoming more saturated with the competition for players tightening, the video game industry's revenue could grow between 5 and 8% CAGR until 2040,[271] below the pace of the 2010s. An increase of the price of video games – in an industry that has limited pricing power – could boost revenues.[272]

[264] Most data referred to in this section comes from PwC or Newzoo. It covers different countries (EU for Newzoo, EU17 for PwC), and does not always fully capture the market: for example, Newzoo data does not systematically include advertising, while PwC does not cover consumer spending on hardware and game devices.

[265] In that period, investments have surged in the video game industry more than in other cultural and creative sectors. Yet, some executives report that in some countries (such as Belgium) cautious investments in 2020 and 2021 led to a more cushioned impact of the employment crisis.

[266] Matthew Ball (Updated: 17 April 2025), *The State of Video Gaming in 2025*, Epyllion.

[267] Newzoo data. Revenues cover physical and digital full-game copies, in-game spending, and subscription services like PlayStation Plus and Xbox Game Pass. Mobile revenues include paid downloads and in-game spending on all stores, including third-party stores, and from direct downloads. 2024 exchange rate: USD 1 = EUR 0,921.

[268] Other sources, e.g. Bain & Company's *Gaming Report 2024 - Meet the Moment: How Gamers Are Changing the Game* (2024), posited a stronger growth in 2024 – a 6% CAGR between 2023 and 2028.

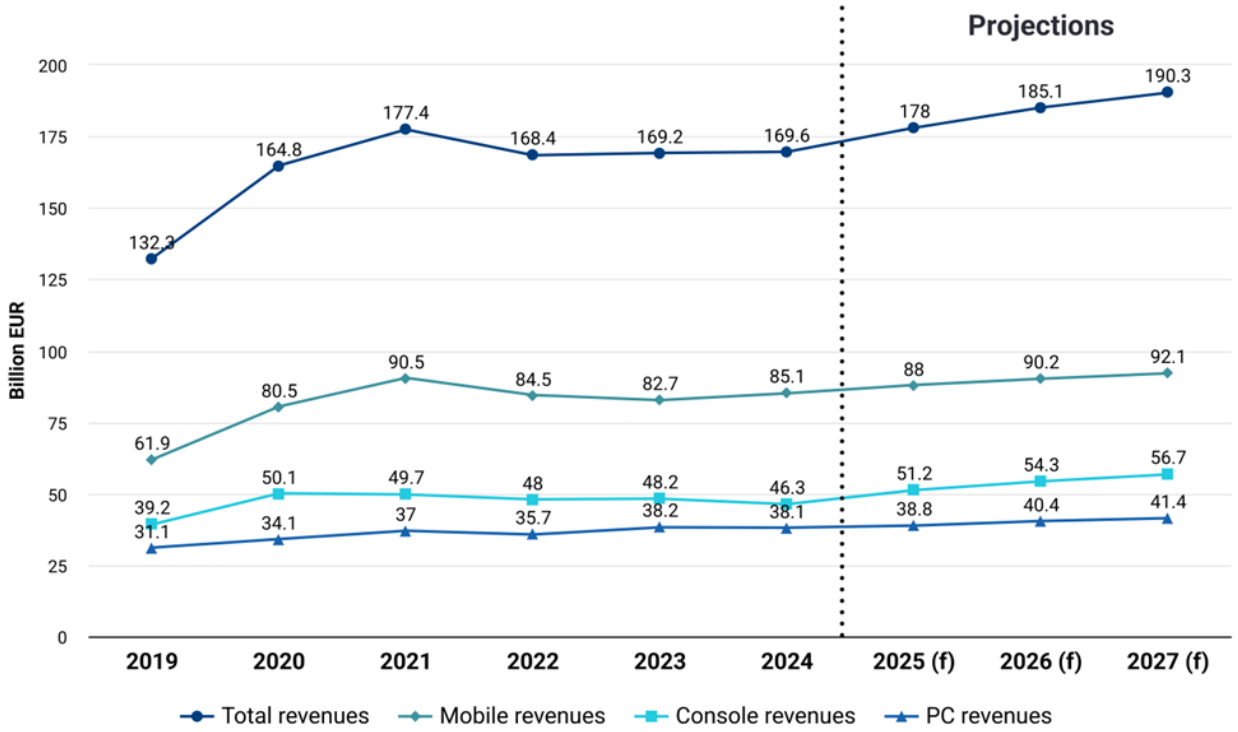
[269] Boosted by, among other factors, new console and game releases. This trend also applies to the EU, where microtransactions and game subscriptions in the console segment are expected to contribute to the growth of the market.

[270] Newzoo, *The PC and Console Gaming Report 2025*, 2025.

[271] McKinsey Global Institute, *The Next Big Arenas of Competition*, 2024.

[272] In an inflationary context, with development costs of AAA times increased tenfold more or less over 15 years, the standard storefront price of video games has risen only 17% since 2007, consumers showing so far resistance to price increase (see *The video games industry still has a quality-to-price problem*, Financial Times).

Figure 45. Global games market per segment (excluding advertising revenues), in billions of EUR



Source: Technopolis Group based on Newzoo Games Market Report & Forecast | December 2024 Update.

In the EU, existing estimates show signs of a weaker recovery. In 2022, the games market began to decline for the first time in decades. It recovered somewhat in 2023 with a lot of volatility, layoffs and companies being restructured. As a result, the EU market grew by a modest 1.8% to EUR 22.3 billion in 2023, faster than the global market. For 2024 the revenues from consumer spending are expected to fall to EUR 21.7 billion (-2.7%),[273] in contrast to a global market that is growing slightly. The EU's overall share of the world market remained stable over the past years, at around 13% – representing half of the US or the Chinese market. Latin America is also often reported as a growing regional market for the industry. Within the EU, Germany and France continue to be the largest national video game consumer market.

Table 15. Comparison of current revenues and future growth rates in leading game markets

	2024 revenues (billion EUR)	2024-2027 CAGR (%)
EU	21.7	5.3%
US	42.7	5.2%
China	41.9	0.6%

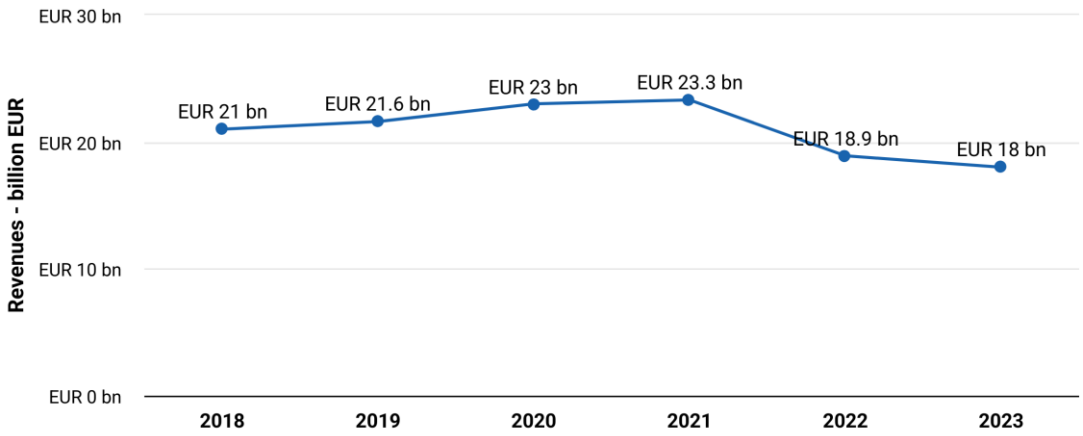
Source: Newzoo.

[273] Based on Newzoo data.

EU industry revenues

The turnover of the EU video game industry,[274] essentially combining game developer studios and publishers' revenues, is stabilising. The industry had registered fast growth prior to 2023.[275] It has since experienced a drop from EUR 23.3 billion in 2021 to EUR 18.9 billion in 2022 and EUR 18 billion in 2023.[276] As part of this estimate, operating revenues of EU game publishing companies was estimated to reach EUR 6.8 billion in 2022.[277]

Figure 46. Combined turnover of game developer studios and publishers in the EU



Source: Moody's Orbis including all types of revenues.

Revenue per segment

With a 51% share of the consumer market, console-based revenues represent the largest video game segment in the EU.[278] Prior to the 2025 tariff announcements, this segment was set to remain the main market driver for the consumer market, representing 53.5% of the game revenues generated in 2027. Mobile gaming comes second with one quarter of revenue, despite being the most consumed format (7 in 10 Europeans play mobile games, against 1 in 2 for console), with experts pointing to further growth ahead.[279]

Table 16. EU video games market per segment, in billions of EUR

	2023	2024	2027 (f)
Total revenues	22.3	21.7	25.3
PC revenues	5.4	5.1	5.8
Mobile revenues	5.3	5.6	6.0
Console revenues	11.7	11.1	13.5

Source: Newzoo Games Market Report & Forecast, December 2024. Data excludes advertising revenue, which is highest in the mobile segment.

[274] Industry turnover means the net revenue generated by all game developer studios and publishers established in EU Member States, including subsidiaries of global games companies.

[275] The Polish industry, for example, boasted a 26% CAGR between 2018 and 2022.

[276] According to the estimates based on data from the European Games Developer Federation survey (*2022 European Video Games Industry Insight Report*, 2022) survey and from Orbis Moody published in June 2024.

[277] Based on Moody's Orbis data, registered as 'Publishing of computer games' (J5821 NACE code) and additional search for video games in the business descriptions. These are estimates only: the calculation is limited by the segmentation of companies in the game business: there are multiple NACE code categories in which video game developers and publishers can register, resulting in a fragmented and inaccurate basis for data collection.

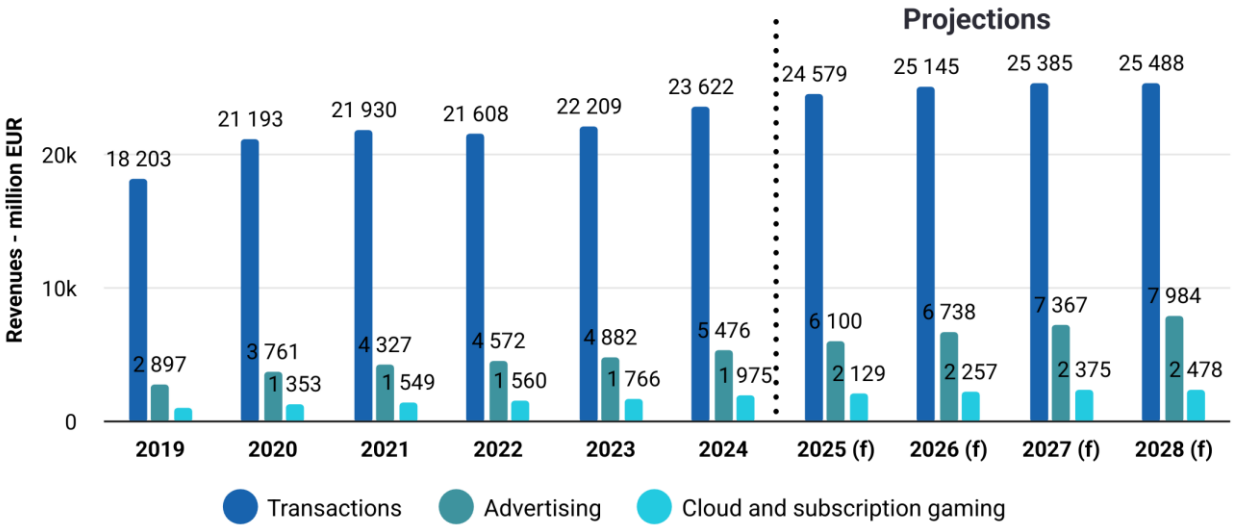
[278] Mobile gaming tends to outperform in other regions of the world where it is more accessible and affordable than console or PC gaming. This explains the gap with the global data presented above.

[279] McKinsey Global Institute, *The Next Big Arenas of Competition*, 2024.

Main sources of revenues within segments

As far as revenue sources are concerned, consumer spending, particularly transactional, is and will remain dominant at least in the short-term. In the EU[280], the consumer market (including physical and digital games, consumer spending on and in app-based games as well as microtransactions) makes up the overwhelming majority of revenues, taking a greater share than it does at a global level, where advertising is slightly stronger. Advertising is the second source of revenue, and is mostly strong in the mobile market. Subscription and cloud today are growing but are still a minority share of the market (8% of the game consumer spending in 2024).

Figure 47. Revenue of the video game industry, break-down by transactional, advertising, cloud and subscription gaming in the EU, in millions of EUR



Source: PwC Global Entertainment & Media Outlook 2024–2028 and OMDIA, www.pwc.com/outlook.

Note: Revenues in the video game industry, break-down by transactional, advertising and cloud and subscription gaming. Based on original data for 17 EU Member States, with other countries' data being extrapolations. Cloud and subscription gaming is based on four countries: Spain, Italy, Germany and France.

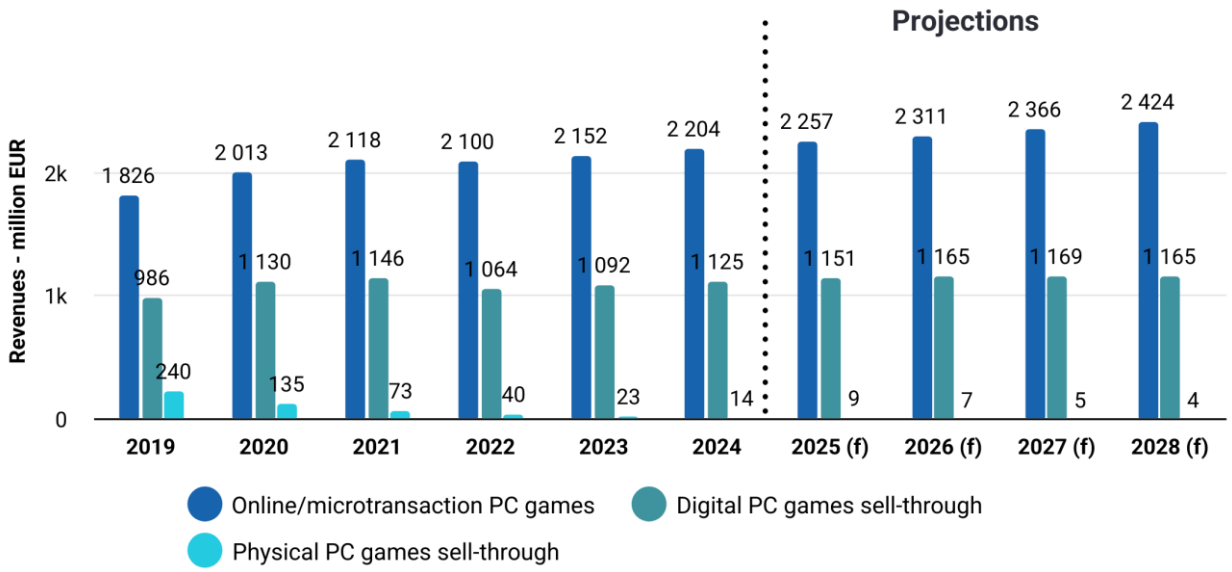
In the PC segment, the transition to digital acquisition is practically achieved, with online/microtransactions representing the largest share of revenue. Physical PC games sell-through are being progressively replaced by digital acquisitions, except for some new releases of AA and AAA video games.[281] In the meantime, online/microtransaction revenue has been largely fuelled by the success of online free-to-play games. They now account for approximately two-thirds of PC transaction revenue (see below),[282] which remains below figures in other markets (85% in the US).

[280] Due to methodological reasons, revenue data covers 17 EU Member States while other countries' data are extrapolations (see the notes under the successive graphs).

[281] Although new releases are themselves increasingly digital, physical releases can still remain an opportunity, depending on the device of release and the audience.

[282] Newzoo data reports 56% for 2024.

Figure 48. PC transactions revenue in the EU, in millions of EUR

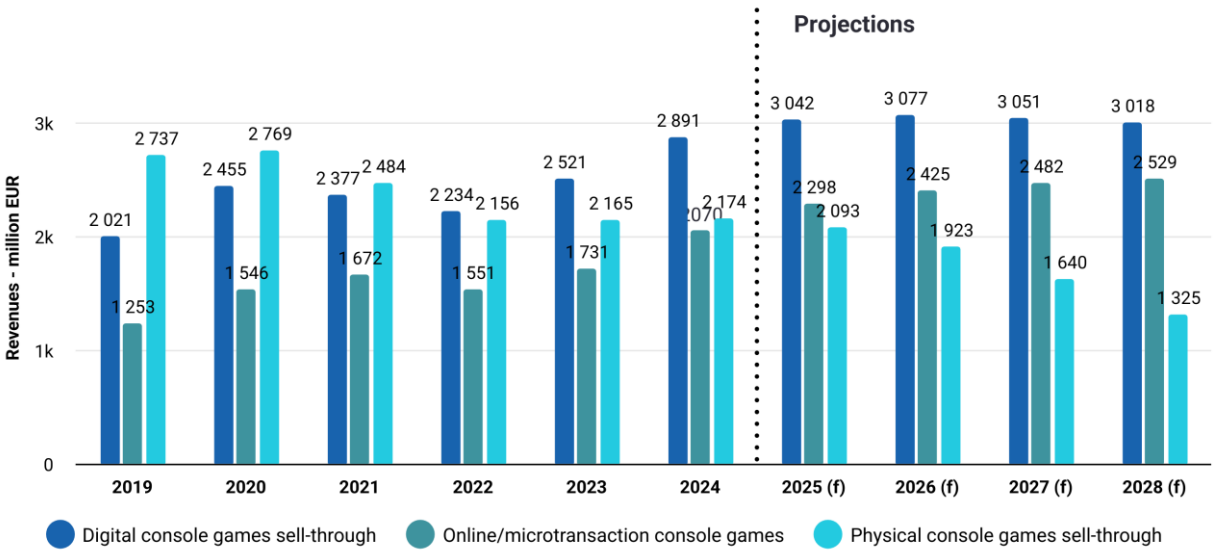


Source: PwC Global Entertainment & Media Outlook 2024–2028, www.pwc.com/outlook.

Note: Revenues in the PC video game industry, break-down by physical, microtransactions and digital revenues. Based on original data for 17 EU Member States, with other countries' data being extrapolations.

In the game console segment, the market for physical game sales is shrinking but remains present, while digital sell-through is slightly increasing. There is no consensus over the future trends, with some analysts pointing to a rebound in the coming years,[283] while others are anticipating a slight decline.[284] Much will depend on the success of new games and new consoles set to be released from 2025 (e.g. *Grand Theft Auto VI* in 2026).

Figure 49. Console transactions revenues in the EU, in millions of EUR



Source: PwC Global Entertainment & Media Outlook 2024–2028, www.pwc.com/outlook.

Note: Revenue in the console video game industry, break-down by physical, microtransactions and digital revenues. Based on original data for 17 EU Member States, with other countries' data being extrapolations.

[283] E.g. Newzoo.

[284] E.g. PwC, *PWC Global Entertainment and Media Outlook: 2024-2028*, 2024.

In the mobile game segment, consumer spending is experiencing a dip, while in-app game advertising shows upward prospects. Despite leading in terms of consumption (see the Consumption section), the mobile segment is not a core revenue driver in the EU. Consumer spending in mobile – which can for the most part be broken down between premium digital revenues[285] and the sales of in-game items[286] – represented 26% (EUR 5.6 billion - down from 5.3 billion in 2023) of total consumer spending in the EU total video game market in 2024**.** No breakthrough is anticipated for the coming years for mobile consumer spending, with a 2.4% average growth rate per year between 2024 and 2027, reaching EUR 6 billion.[287] In-app game advertising however shows more promising prospects: revenues in the EU are estimated at EUR 4.7 billion for 2024, a 13.7% increase compared to 2023. An 8.6% average annual segment growth is forecast between 2024 and 2028[288] so in-app game advertising may surpass consumer spending.

The esports market is growing but remains a niche segment of video games. Esports have gained further institutional recognition over the past years[289] and people's awareness as well as audiences grew: around 41% of the EU population engaged with esports in 2024, against 30% in 2020.[290] However, regular viewership has declined in Europe since the COVID-19 pandemic and although some hubs exist (e.g. Katowice or Dublin), the EU market remains immature[291] and far behind the Chinese, US or South Korean markets (in the Asia-Pacific region, for example, 74% of people engage in esports). At global level, revenues from esports represented 0.8% of the revenue of the video games and esports markets in 2024, and it is expected to increase to just 0.9% by 2028.[292] As well as generating its own revenues, esports remains a valuable and exploitable model to drive up the consumption of games, but remains limited to a handful of IPs so far.

Employment and working conditions

It is estimated that more than 100,000 people in the EU work in the broader video game sector.[293] Employment in the sector is on a long-term upward trend, reaching double-digit growth figures in countries like Sweden or Poland prior to 2023. France accounts for some 15%[294] of the workforce, on a part with Poland and ahead of Germany, Sweden, Spain and Romania. The sector is becoming increasingly diverse: in 2023, women made up around one quarter of the gaming workforce, rising year on year.[295]

Working conditions are overall favourable and improving. Salaries in video games can be considered higher than those of other cultural and creative industries. They increased in the EU between 2023 and 2024,[296] with a more positive dynamic than in other European countries.[297] The median annual gross salary of a middle-level programmer in the EU stood at EUR 47,000, up from EUR 35,000 in 2023 (for a game designer, salaries increased from EUR 30,283 to EUR 34,500). There are some marked differences in salaries depending on the monetisation model of companies,

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[285] Revenue generated by the sales of games or game-related content purchased directly from an online store and delivered through a digital download.

[286] Revenue generated through the sales of in-game items, including expansion or content packs, cosmetics/skins, power-ups, time savers, loot boxes, playable characters, content passes for a one-off fee (battle/season pass), in-game currencies, content passes for a recurring fee, and reward passes.

[287] According to Newzoo data.

[288] PwC, *Global Entertainment & Media Outlook 2024–2028*, 2024.

[289] E.g. Esports will be part of the Asian Games in 2026, and the International Olympics Committee has endorsed the organisation of the Esports Olympics in Saudi Arabia in 2027.

[290] Deloitte, *Let's Play! 2024 The esports market*, 2024. Data from 7 EU markets.

[291] With Germany leading in this market.

[292] PwC, *Global Entertainment & Media Outlook 2024–2028*, 2024.

[293] There is no consolidated nor authorities data on employment. By tracking job descriptions in LinkedIn, it can be estimated that 145,000 professionals worked in the sector in the EU in September 2024. Available data from industry reports point to close to 90,000 jobs in 2022 across nine EU Member States: Italy, Spain, France, Germany, Poland, Romania, Finland, Sweden and the Netherlands.

[294] VideoGamesEurope, *Key Facts Report 2023*, 2023.

[295] According to both LinkedIn data and industry reports.

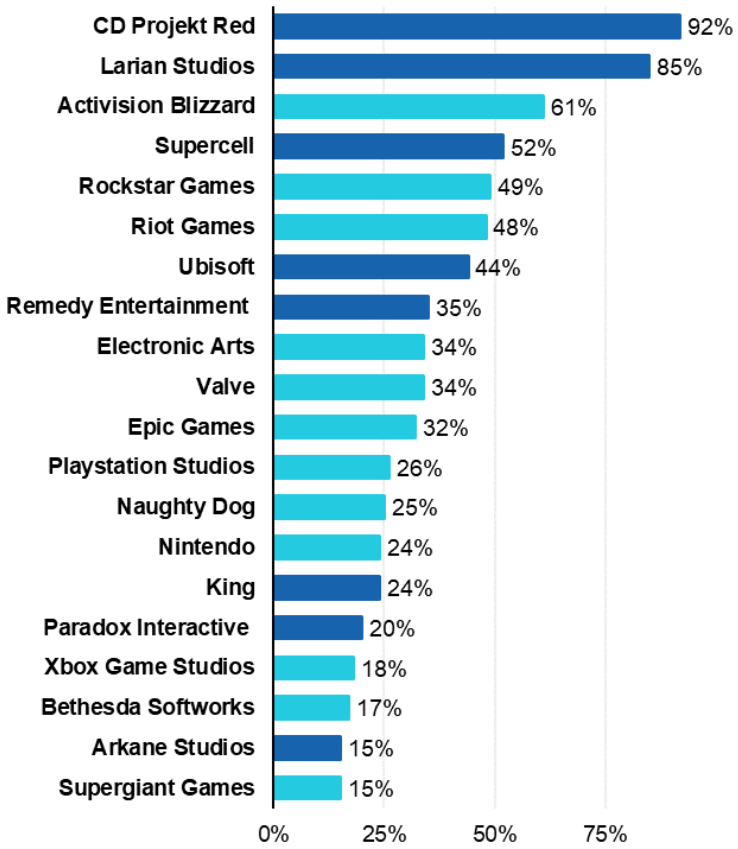
[296] With the exception of HR, quality assurance and some design (artistic design at middle level, and game design at junior level) positions. For more information, see InGame Job & Values Value's *Big Games Industry Employment Survey 2024*, 2024.

[297] In particular for programme and project management. The available data compares the EU with Armenia, Belarus, Georgia, Moldova, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia and Ukraine.

with developers of subscription and free-to-play games enjoying better conditions than developers of premium games. Remote work, driven by both workers' demand and opportunities to cut office costs, is becoming generalised and concerns 57% of the EU workforce (up from 48% in 2023),[298] with an overrepresentation among indie game developers (as opposed to employees at publishers'). Compared with 2023, more professionals had to work overtime, but less frequently. On the downside, gender pay gaps endure (especially at C-level and for user acquisition roles) and gender discrimination continues to be widespread: in 2024, every other European worker had witnessed a case of gender discrimination in their career.[299]

EU companies[300] are attractive for European professionals. When asked about the global companies they would like to work for, respondents place five EU-born companies among their top eight.

Figure 50. Which global companies do Europeans want to work for?



Source: Big Games Industry Employment Survey 2024 (38 European countries including all EU Member States), Nr of respondents = 1,387. In dark blue those companies that are EU-born.

However, the sector continued to suffer substantial layoffs throughout 2023 and 2024. The recent investment crisis and shortage of investment capital pushed publishers to opt for more prudent strategies (including through consolidations) and focus on fewer projects. Globally, an estimated 14,600 video gaming employees lost their jobs in 2024, after 10,500 in 2023 and 8,500 in 2022,[301] these years being three consecutive record highs in terms of layoffs. Surveys point to 11% of developers globally being laid off in 2024, against 7% in 2023[302], while data on Europe points to 21% of professionals being laid off in 2023 and 2024 (mostly in HR, art/design and quality assurance). In

[298] Data for EU, UK and Switzerland. This remains lower than in the rest of Europe (75%, up from 69% in 2023).

[299] In this case, the sample is European professionals, covering 38 countries including all EU Member States.

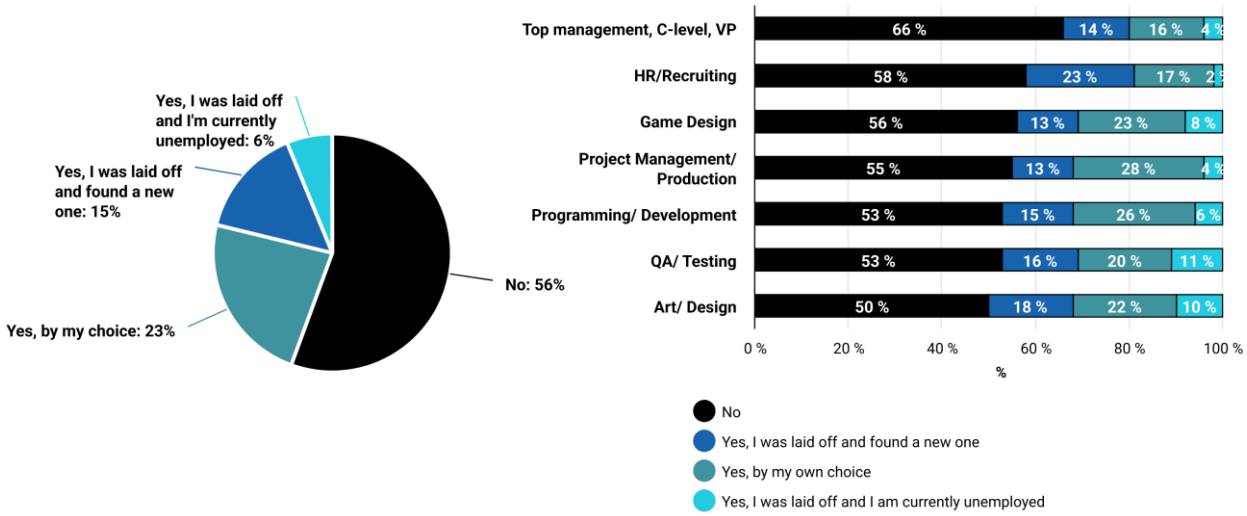
[300] Understood as companies with their original headquarters in the EU.

[301] For the year 2025, the estimated total stands at 4,000 as of July 2025. Data retrieved from the Obsidian Platform through https://publish.obsidian.md/vg-layoffs/Archive/2024.

[302] Data from the State of the Game Industry report of the yearly Game Developers Conference, based on a survey of more than 3,000 developers.

Europe, leading companies such as Embracer, Ubisoft and Vivendi shed many jobs in 2024, and the wider developer ecosystem – very dense in Europe – was affected.

Figure 51. Job transitions by profession in Europe



Source: Big Games Industry Employment Survey 2024 (38 European countries including all EU Member States), N= 1,387.

Despite the wave of layoffs, the EU video game labour market remains dynamic, with three in four professionals finding a new job within six months of leaving a position.[303] More job transitions in the sector are due to deliberate career decisions than to layoffs. When considering all job changes in the sector in 2023-2024, 44% saw an increase in salary upon taking a new job, only 24% lost out and 10% had to change industry. When layoffs do happen, programmer profiles remain very much in demand elsewhere in the industry, while HR skills allow the involved workers to find other positions. Yet, workers in occupations such as quality assurance/testing and art/design have found it harder to find another job. As a whole, the data on layoffs and current unemployment trends appears to align with existing research on job roles most susceptible to AI-driven automation, particularly in design and quality assurance. This underscores the growing influence of AI in reshaping job markets.

As a global industry, the video games sector exploits the possibilities from a global labour market. As an industry that remains volatile and project-based, with development time increasing, the sector relies quite significantly on freelancers,[304] contractors, part-time workers and remote work (including external and distributed development, in particular for niche artistic tasks).

Structure of the market

The structure of the video games ecosystem and roles in the value chain have slightly evolved over the past years, although they remain essentially structured around developers, publishers, distributors and hardware manufacturers. Increasingly assisted by AI, developers are responsible for the design and development of the video games, while publishers focus on financing and production[305] and distributors cover the consumer interface or retail/e-stores. However, new business models are blurring the lines between the mobile/PC/console segments as well as hardware/software, with technologies (e.g. cloud, game engines, porting) lowering entry barriers (mobile developers are increasingly moving to PC and console; leading PC and consoles publishers

[303] See InGame Job and Values Value's *Big Games Industry Employment Survey 2024*, 2024.

[304] Using LinkedIn data, it can be estimated that 12.115 people worked as freelancers in the EU in 2024. InGame Job & Values Value's *Big Games Industry Employment Survey 2024* points out that senior positions are more affected, and in artistic design more than in any other occupation.

[305] There are of course other models depending on the segment of the market. Many developers - in particular in the mobile gaming segment - self-publish their games, while the largest publishers also integrate the distribution of their own game.

are targeting mobile distribution; and live service games are ported to different platforms to address the largest possible community of players).

In the EU, the number of developing and publishing companies has broadly increased over the past years. There were around 5300 developing studios and more than 200 publishers in the EU in 2022. The largest national industries are home to many indie video game developer studios, in a range of 400 to more than 700 in countries such as Spain, Poland, France or Germany. Scandinavian countries are also prominent, with Sweden leading this ranking with more than 900 studios in 2022 (a 20% increase from 2021). In comparison with the EU, the US has registered stronger growth in the number of video game companies over the past years.

Table 17. Number of game development studios and game publishers in the EU and US

		2019	2020	2021	2022	2023
EU	Game developer studios	4,900	4,600	5,500	5,300	n.a.
	Game publishers	203	170	>250	n.a.	216
US	Game developers	1,518	n.a.	n.a.	n.a.	2,042
	Game publishers and self-publishing developers	147	n.a.	n.a.	n.a.	603

Source: Based on EGDF and Video Games Europe, Entertainment Software Association (US) and Moody's Orbis.

Note: There was a change in the consolidation method for the game developer studios in the EU in 2020. For the US, game publishers and self-publishing developers are counted together, in line with the national industry's monitoring practice.

At the level of distribution, the EU market, just like the global market, remains dependent on a restricted number of non-EU companies and services. On mobile, boosted by the surge of mobile gaming after 2020, Apple (with the App Store) and Google (with Google Play) have consolidated their position at the top of the world ranking in video games revenue through their e-stores and related commission fees. It is estimated that these two companies generated more than EUR 23 billion in revenue only from video game commissions from developers in 2024.[306] They can also have a better access to data than publishers or developers. On PC, brick-and-mortar shops have continued to close and remaining companies have diversified their business to survive.[307] Steam (Valve) remains a market leader in the digital distribution market – boosted in recent years by the Chinese market, with Epic Store the leading challenger – and some European companies retaining a small share of the market (e.g. CD PROJEKT RED'S 'GoG' e-store) together with e-commerce giants. In the console segment, many experts refer to a shrinking market for hardware in the future (in 2022, sales of consoles such as Nintendo's Switch and Microsoft's Xbox generated just 7% of the video game industry's revenue).[308]

However, Europe can boast a rich ecosystem of promising companies. While the US industry as a whole had three times as many startup companies valued at more than USD 1 billion than Europe in 2024, in the media sector this number is much more balanced (34 US companies against 31 European ones).[309]

Consolidation and vertical integration

At global level, the market was marked by constant consolidation prior to COVID-19. The number of M&A deals surpassed the number of new companies in 2022, when the demand for home

[306] Matthew Ball (Updated: 17 April 2025), *The State of Video Gaming in 2025*, Epyllion.

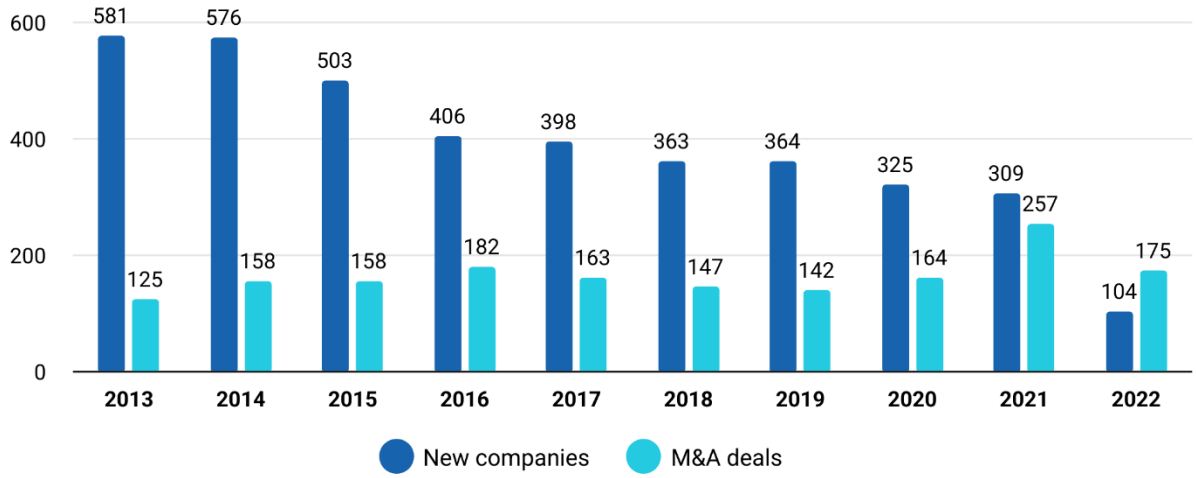
[307] E.g. Micromania in Europe.

[308] McKinsey Global Institute, *The Next Big Arenas of Competition*, 2024.

[309] Dean Takahashi, *Global game investment rose 38% to $4.3B in 2024 | Hiro Capital*, Venture Beat, 3 February 2025. The enterprise value is however higher in the US.

entertainment soared. Microsoft's intention to acquire Activision Blizzard for EUR 67 billion in 2022 best exemplified this trend.

Figure 52. Number of new companies and M&A deals in the video game industry at global level



Source: McKinsey Global Institute analysis incorporating data from PitchBook Inc. Analysis.

A similar trend was observed in the EU. The size of M&A in the EU, however, remained much smaller – with Sweden's Embracer being the most active European player, totalling USD 14.1 billion over 78 deals between 2019 and 2024. In the meantime, many European companies have been acquired by global players or have seen non-EU companies taking larger participations,[310] which allows these larger corporations to benefit from the agility of small and medium-sized companies in niche markets. The lesser consolidation of the European ecosystem could hinder its competitiveness, as creating profitable games often requires substantial marketing and development budgets.

Table 18. Selected European acquirers (from 2020 to 2024)

Company	Headquarter	n of deals	Value	Notable Studio Acquisitions
Embracer	Sweden	78	$14.1 bn	Asmodee, Gearbox, Easybrain, Crazylabs, Saber, Flying Wild Hog, Aspyr
Stillfront	Sweden	12	$1.8 bn	Storm8, 6Waves, Jawaker, Sandbox, SuperFreeGames, Candywriter, Nanobit
MTG	Sweden	7	$1.7 bn	Plarium, Playsimple, Hutch, Ninjakiwi, Snowprint, Gamaga, Autoattack
Keyword Studios	Ireland*	23	$0.7 bn	CertainAffinity, Helpshift, DigitalMediaManagement, Climax, Highvoltage, Tantalus
Enad Global 7	Sweden	5	$0.5 bn	Daybreak, Piranha, Bigbluebubble, Innova, Singularity
Team17	UK	7	$0.2 bn	Astragon, HellLetLoose, Storytoys, The Label, GolfFriends, Yippee, IArts
Pullup	France	8	$0.1 bn	Dovetail, Deck13, Streumon, Douze Dixiemes, Blackmillgames, DDTemu

Source: investgame/GDEV.

Note: *Keyword Studios is headquartered in Dublin (Ireland) but its country of incorporation is England & Wales according to the company's official website.

[310] Cases abound, including NetEase's acquisition of France's Quantic Dream, Tencent's acquisition of Poland's Techland in 2023, several acquisitions in Finland (Next Games by Netflix, Reworks by Playtika - later closed, and later Rovio, acquired by Sega in 2023) and more recent discussions around Tencent's shares of Ubisoft which have sparked discussion over France's and Europe's cultural sovereignty.

Further to the crisis experienced in 2023-2024, key players moved to divestment strategies. Deteriorating market conditions (e.g. lack of organic growth) left some companies financially strained, with many assets worth less than their purchase price. To recover, companies began restructuring, announcing layoffs, leadership changes, and asset sales[311] – a trend that started in 2023 and has persisted until 2025.

Meanwhile, vertical integration and tentative diversifications continue in the sector, in particular on the part of the tech industry. Over the past two decades, major publishers have increasingly embraced vertical integration, with many expanding into development roles to gain greater control over production, distribution, and marketing.[312] The same trend was observed among console manufacturers that acquired game developers and publishers to expand their margins. Tech giants have also adjusted their investments across the value chain in past years. Some have expanded their presence (e.g. Amazon's cloud gaming service 'Luna' launched in 2023 in the EU; Microsoft intends to launch an Xbox mobile store in 2025) while others closed some services (e.g. Google Stadia shut down in 2023; Netflix closed its AAA games development studio in 2024 without a single release to devote resources to mobile gaming) or still expect their acquisitions to pay off (e.g. Amazon with Twitch). Among these tech firms, Tencent's division 'Tencent Games' has retained the place it holds for several years as the world's largest gaming company by revenue, owning leading developing studios beyond its borders and with a range of minority shares in Epic Games and Ubisoft, among other important players.

Table 19. Vertical integration of key companies

Company	Publisher	Distributor			Game console (Device)	Game engine	Cloud gaming enabler
		App Store	*e-store*	*Subscription service*[313]			
Amazon	•	•	•	•			
Apple		•		•			
Embracer	•						
Epic Games	•	•	•			•	
Google		•					
Microsoft	•	•	•	•	•	•	•
Nintendo	•		•		•		
Nvidia				•			•
Sony	•			•	•		
Ubisoft	•		•	•		•	
Tencent	•					•	
Valve			•		•		

Source: Technopolis Group's elaboration.

[311] Embracer, for example, divested key assets such as developing studios Easybrain, Gearbox and Saber.

[312] In addition to Embracer, mentioned further up, major publishers like Activision and Electronic Arts have acquired numerous smaller studios to strengthen their portfolios.

[313] Services that give access to multiple games services. As the Nintendo Switch Online provides only access to legacy games (classic games from previous consoles, like NES, Super NES and Game Boy), it has been excluded from the analysis.

Top players

The global video games market is dominated by non-European companies. Tech giants dominate the ranking with Tencent, Microsoft, Apple and Google among the companies generating most revenues. The market is concentrated with the five largest firms generating around half of all revenue for the worldwide video game sector in 2023.[314] Between 2021 and 2024, Sony lost its first position to the benefit of Tencent which increased its investments and acquisitions while Microsoft's revenues increased dramatically (around 60%), driven by the acquisition of Activision. The EU is home to few tech companies or major studios/publishers: only two Europe-based corporate groups (Ubisoft and Embracer) are among the 25 biggest game industry firms by revenue. Europe can, however, boast world-class developers and innovators and has dynamic video gaming hubs (e.g. in Sweden and Finland).

Table 20. Top public games companies by revenues, in millions of EUR

Rank	Company[315]	Headquarters	Revenues (2023)
1	Tencent	China	27 680
2	Sony	Japan	16 851
3	Microsoft	United States	13 835
4	Apple	United States	13 420
5	NetEase	China	9 810
6	Google	United States	7 678
7	Electronic Arts	United States	7 049
8	Nintendo	Japan	5 938
9	Take-Two Interactive	United States	4 326
10	Nexon	Japan	2 755
11	Roblox	United States	2 577
12	Bandai Namco Entertainment	Japan	2 341
13	Playtika	Israel	2 267
14	Warner Bros. Entertainment	United States	2 197
15	37 Interactive	China	2 137
16	Sea Group	Singapore	1 999
17	Ubisoft	France	1 751
18	Netmarble	South Korea	1 750
19	Embracer Group	Sweden	1 649
20	Square Enix	Japan	1 565
21	Konami	Tokyo	1 500
22	Century Huatong Group	China	1 444
23	Krafton Game Union	South Korea	1 319
24	Sega	Japan	1 260
25	CyberAgent	Japan	1 200

Source: Newzoo Games Market Report & Forecast, December 2024 Update.

Note: Data originally in dollars. 1 USD = 0.9206 EUR.

Valve's Steam has consolidated as a powerful market actor. Although absent from the above table due to its market positioning as mainly a digital distribution platform, Valve greatly influences the PC market. Valve presented its distribution platform Steam in 2002. It was designed to give access to its games, before offering third-party titles access to its storefront. The company scaled down on development of PC video games and grew thanks to Steam – which has become mainstream among consumers, evolving into a digital storefront with social features that offer gamers a space to connect and interact.[316] In 2024, Valve reported that Steam's number of peak concurrent users was nearly twice what it was in March 2020. Hours spent on its hardware (Steam Deck) were 64% higher than

[314] Based on Newzoo video games global revenues data.

[315] For conglomerates, the reported figures correspond to the gaming division.

[316] The company is reported to reach 130 million monthly average users worldwide.

in 2023, and new releases' revenue in 2024 was 10 times higher than in 2014. With time, Steam has become the only provider for most games released on PC. In exchange for their presence in Steam's catalogue and related services, the company takes a commission on games' sales, which has contributed to making of Valve one of the most profitable companies in the sector. The company does face some competition (e.g. from Epic Games or Microsoft) while some publishers use their proprietary digital storefront (e.g. EA, Ubisoft, Activision Blizzard).

Chinese firms are realising their ambitions. Chinese organisations have been the first to benefit from the global growth of the video games market since the 2010s: it is estimated that 42% of the growth in consumer spending between 2011 and 2024 went to Chinese developers. This success has been boosted lately by the hit game *Black Myth: Wukong*, developed by Chinese studio Game Science (a startup backed by Tencent) which built its success primarily on the domestic market.[317] The growth of the Chinese industry also owes to investments in and acquisitions of top gaming companies: in 2023, NetEase Games opened new studios in Barcelona (Spain) and Seattle (US) after acquiring French independent video game developer Quantic Dream in 2022. In early 2025, it was also set to invest EUR 1.16 billion in Ubisoft's newly established subsidiary, acquiring a 25% stake. The company also acquired shares in Riot Games, Epic Games, and Supercell.

The Kingdom of Saudi Arabia is also emerging as a global leader. Saudi Arabia is a leading force in the market. Boosted by high domestic consumer demand and as part of a plan to diversify its economy, Saudi Arabia has started an active investment campaign in video games and esports, acquiring shares of Nintendo[318] and now indirectly owning 40% of the global esports market. Saudi Arabia also agreed with the International Olympic Committee to organise the first Olympic Esports Games, set to be held in 2027.

In the EU, French and Swedish[319] companies are leading the market. The top-ranking EU companies in terms of revenues include Ubisoft (France), Embracer Group (Sweden), Keyword Studios (Ireland), Gameloft (Vivendi, France), CD PROJEKT RED (Poland), and Enad Global 7 (Sweden). Finland also boasts a dense gaming industrial ecosystem, particularly in the mobile segment. As a whole, the EU stands out for the quality and critical success of its games: in 2024, *Baldur's Gate III* (developed by Larian Studios, born in Belgium) and *Helldivers II* (developed by Swedish Arrowhead Game Studios) featured among the best-selling PC and console games on Steam in 2024,[320] scooping many awards. CD PROJEKT RED also achieved critical and commercial success with *Cyberpunk 2077*, as did Paradox Development Studios with *Hearts*, *Iron IV* and *Stellaris.* More recently, in 2025, *Clair Obscur: Expedition 33* by French studio Sandfall Interactive sold more than three million copies in just over a month, receiving global critical acclaim.

3.1.3. Consumer trends

Player base

Gaming has become one of the most popular activities for leisure and entertainment. There were 3 billion players (roughly 40% of the total world population) at the end of 2024 and there could be 3.8 billion players by 2027.[321] In the EU, the player base has grown to reach around 75% of the

[317] Meanwhile, Chinese authorities maintain an interventionist approach to gaming: in addition to strict rules on playing time and age limits for its domestic consumers adopted since 2019 – and, since, slightly softened – China continues to grant individual licences for the commercialisation of video games (whether Chinese or foreign); in 2024 it approved 1,416 games, which compares with 18,825 games released on Steam only that year.

[318] Its participation amounts to 6.3% of the company as of spring 2025 via its Public Investment Fund.

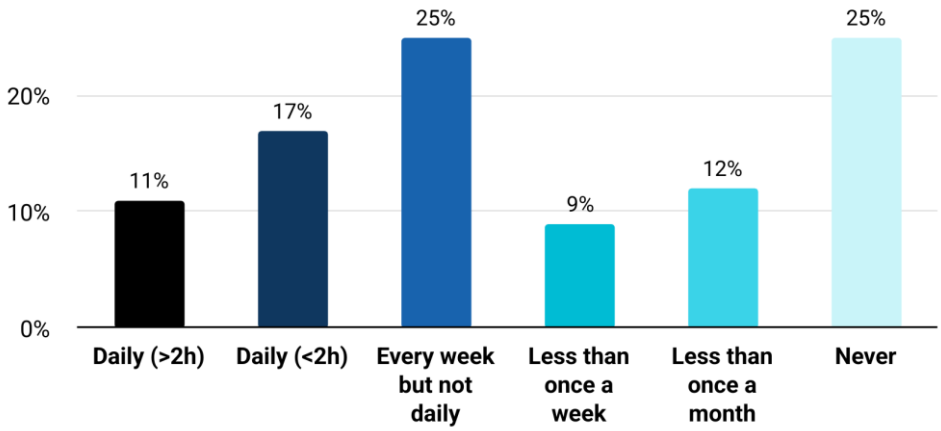
[319] The Swedish industrial ecosystem is particularly dynamic, with 108 new game companies registered in Sweden in 2023 alone.

[320] Aritra Bhowmick, *Steam Reveals Best-Selling and Most-Played Games for 2024, Including Elden Ring, CS2, and More; All You Need To Know*, IGN India, 27 December 2024. Note that *Baldur's Gate III* was already part of this ranking in 2023, posting a EUR 249 million pre-tax profit.

[321] Based on Newzoo data.

online adult population.[322] 28% of people play daily, 25% weekly but not daily, and 25% never play, with playing frequency decreasing with age.

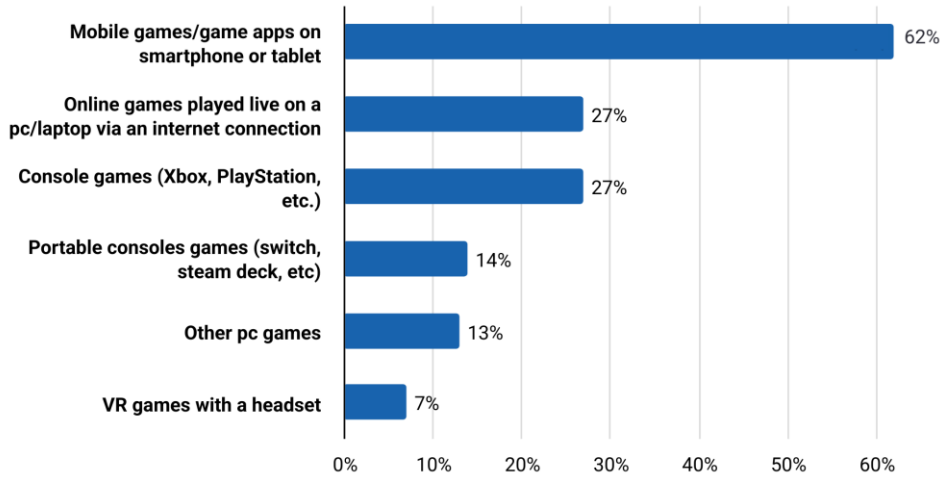
Figure 53. How often do you play video games? (n=55,746)



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

Mobile gaming leads consumption. In terms of device, mobile gaming is leading, driven by the rise of casual games and increased smartphone penetration. There are proportionally more women than men playing mobile games, while men lead on PC and console. People aged 18 to 30 represent the majority of players in all types of games except mobile games and PC games.

Figure 54. Which games do you regularly play? Please select all that apply. (n=44,119, 1.42 average clicks)



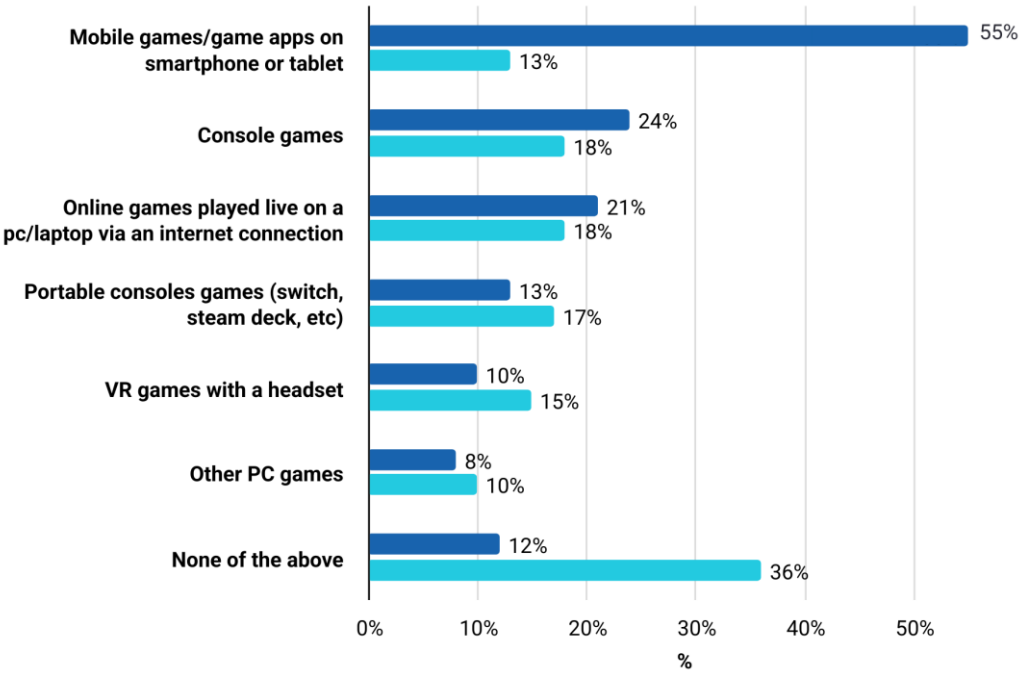
Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

Note: Data is broadly aligned with Newzoo data with, among other adjustments, mobile gaming slightly underestimated in our consumer survey.

[322] Industry reports (e.g. from trade associations) covering also offline populations point to 60% of people playing in the EU. Newzoo's *Global Gamer Study 2024*, based on 36 markets globally, points to 80% of the online population playing games. As regards minors, Bain & Company's *Gaming Report 2024 - Meet the Moment: How Gamers Are Changing the Game* indicates that almost 80% of 2 to 18 year-olds are gamers, spending 30% of their entertainment time gaming.

In 2023-24, mobile gaming has been on the rise. Mobile games or apps on smartphones or tablets have seen the most significant increase in player engagement over the past 12 months, with 55% of Europeans reporting increased play and only 13% reducing it. Console games, such as those on Xbox or PlayStation, also saw an uptick, with 24% of participants engaging more frequently, and 18% engaging less. Figures for PC gaming are more balanced, while fewer people played VR games than last year.[323] An analysis of substitution effects suggests that mobile gaming significantly draws users away from other formats.

Figure 55. What kind of game formats have you started playing more and less in the last 12 months? Please select all that apply. (n=44,119, 1.27 average clicks)



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

Note: dark blue (bar above) signals respondents who identify an increase in consumption and light blue (bar below) those who identify a decrease.

Looking ahead, the player base is expected to marginally increase over the coming years. Mobile will retain a better dynamic, driven by the upcoming release of portable devices, while PC playing is expected to grow at a slower pace (1.5% CAGR between 2024 and 2027).

Table 21. Number of players in the EU, in millions

	2023	2024	2027 (f)	2024-2027 CAGR
Total players	*273.7*	*279.6*	*291.7*	*1.4%*
PC players	124.7	126.8	132.7	1.5%
Mobile players	181.9	192.2	205.7	2.3%
Console players	130.5	132.1	139.7	1.9%

Source: Newzoo.

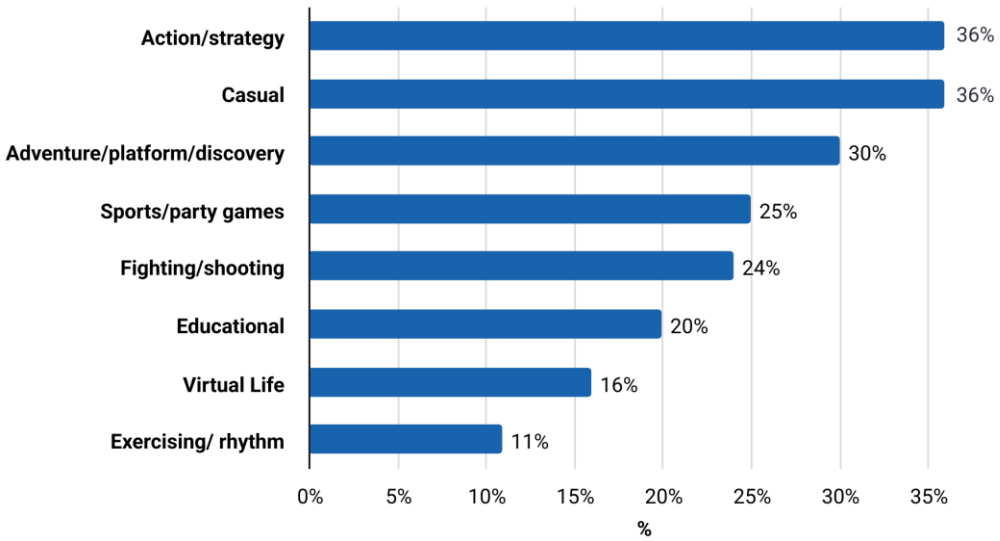
[323] This is consistent with global data from Newzoo (*The PC and Console Gaming Report 2025*, 2025) which reports a year-on-year increase of 6% on PC and console, with PC also being more stable.

Only a fraction of people say they do not play because they do not enjoy video games. The most common reason for not playing, cited by 30% of non-players, is that it simply does not occur to them to play video games – an answer more often cited by older generations. Another significant factor is time constraints, with 27% of participants stating they do not have time for gaming, especially young adults. For 25% of people, video gaming is viewed as a leisure activity for a specific group of people, to which they do not belong, a figure that increases with age. 11% of non-players tried playing video games but did not enjoy the experience (a figure quite stable across age ranges), while 6% expressed interest in gaming but were deterred by the cost of necessary devices, such as consoles or PCs.

Gaming preferences

Action/strategy games, together with casual games, are most popular. Genre continues to play a key role in the identification of games – it is the top factor considered by players when they decide to play one game over another. The most popular genres among players' households include action/strategy games and casual games such as puzzles, cards, or word games, reported by 36%. Adventure/platform/discovery games are favoured by 30%, while sports/party games engage 25% of households. Fighting/shooting games are preferred by 24%. Educational games are played by 20% of European households, while virtual life games are played by 16% and exercising/rhythm games by 11%.

Figure 56. What are the most played genres in your household? Please select all that apply. (n=44,119, 1.85 average clicks)



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

Multiplayer games appear to be losing some interest.[324] Altogether 10% of players report playing massively multiplayer online games (such as *Minecraft, Eve Online, Fortnite*) very often, while 33% never do. It is a game type that consumers report playing less than before, across all age groups. The fact that a game includes more social interactions is also the least important factor for consumers when deciding to buy or play one game over another (13%, far behind genre – 42% – or recommendations by friends or communities – 24%).

Video games are confirming their status as gateways to other activities. Among people playing games such as *Fortnite, Roblox* or *Minecraft*, 40% consume further media content within the game

[324] Other reports point to this trend, such as a global survey from MIDiA showing that 53% of players preferred single-playing over other playing modes (e.g. Player versus Environment or Player versus Player).

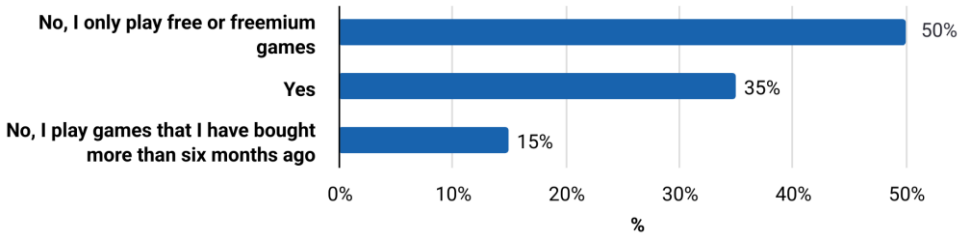
platform (such as concerts) and 33% follow classes and use games as learning support, particularly young adults).

Video games' country of origin is irrelevant to most players. When considering whether to play a game, 70% of Europeans do not consider the nationality of a game or do not consider it an important factor in playing, as they focus on aspects such as quality, narrative, and aesthetics, or they do not know the nationality of the games they play. However, 14% claim they want to support their national or European gaming industry.

Habits on expenditures

Most players do not regularly spend money on video games. 50% of players indicate that they played free or freemium games and did not spend any money on video games for the household in six months. 35% did spend money on video games, and 15% continued to play games they had bought more than six months ago without making additional purchases. When asking regular gamers about the main reasons for not spending money on video games in the past six months, 45% indicated that they were not avid gamers and preferred to spend money on other activities. Another 22% expressed satisfaction with free games, although they could afford to pay. For 17% of participants, the cost of investing in games was too high, even though they enjoy gaming. Additionally, 13% said they were still playing games they had previously bought, and therefore did not feel the need to spend more money.

Figure 57. In the last six months, did you spend money on video games for your household? (n=44,119)

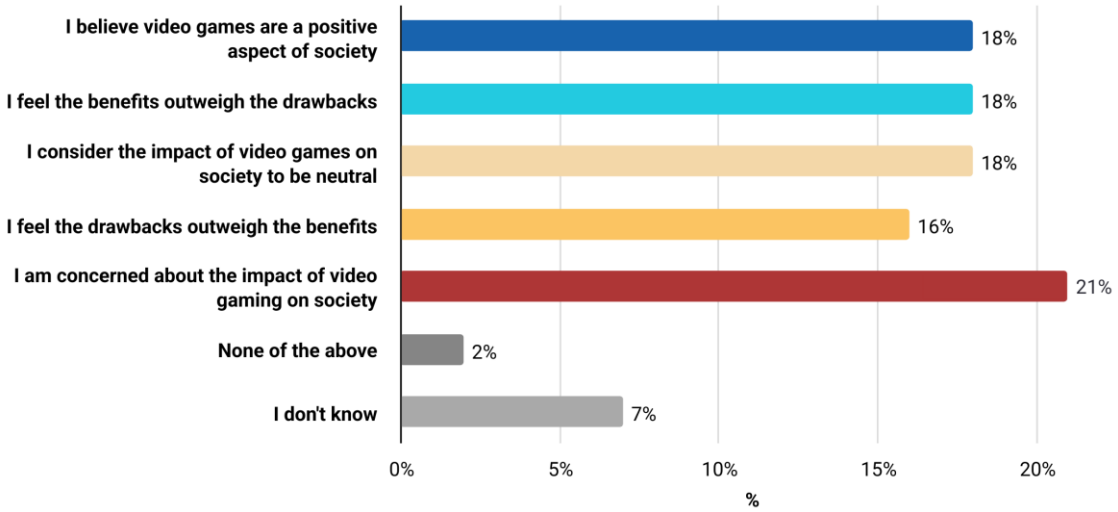


Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

Perception of gaming

About equal number of players view video games positively and negatively. A significant proportion of people (37%) express concern about the potential negative impacts of video gaming on society. Nonetheless, a similar percentage (36%) viewed video games positively, recognising their benefits, such as learning opportunities. The outlook on video games becomes less positive as age increases. When comparing players with non-players, the latter show more scepticism: 44% expressed concerns, against 12% having positive views.

Figure 58. How do you view the role of video games in society? (n=44,119)

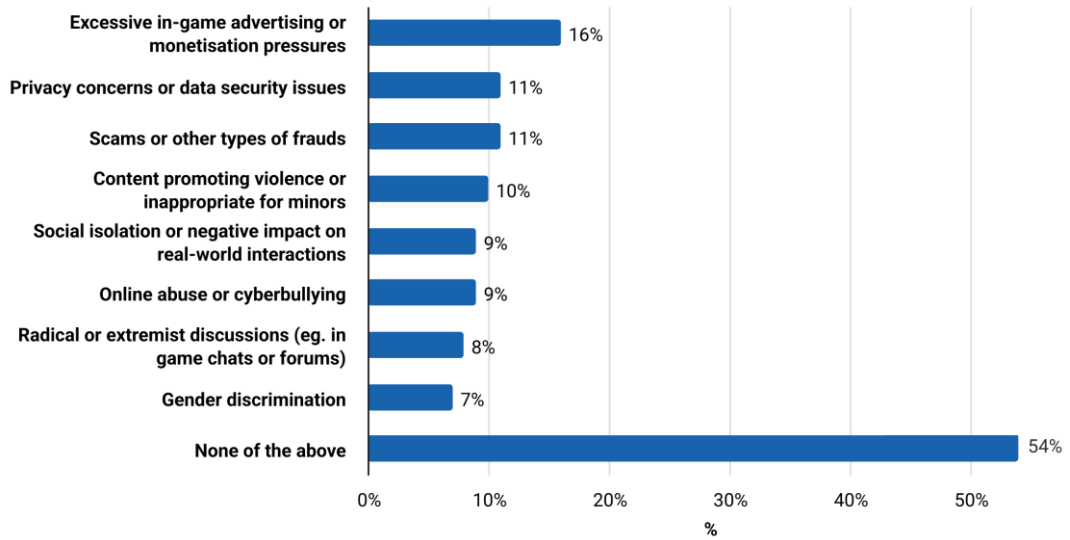


Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

Experiences in games

Almost half of all players encountered issues when playing games.[325] Specifically, 16% of people reported excessive in-game advertising or monetisation pressures. Privacy concerns, data security issues, scams, and other types of fraud were each mentioned by 11% of participants. Social isolation or negative impact on real-world interactions and online abuse or cyberbullying were each reported by 9% of players. The data reveals that gaming-related issues are prevalent across various gaming categories, with no single platform or device being entirely immune to these concerns (but with PC players reporting most issues). Interestingly, it appears that concerns about gaming do not strongly deter individuals from playing games.

Figure 59. In the last two years, while playing video games, has anyone in your household encountered any of the following issues? Please select all that apply. (n=44,119, 1.27 average clicks)



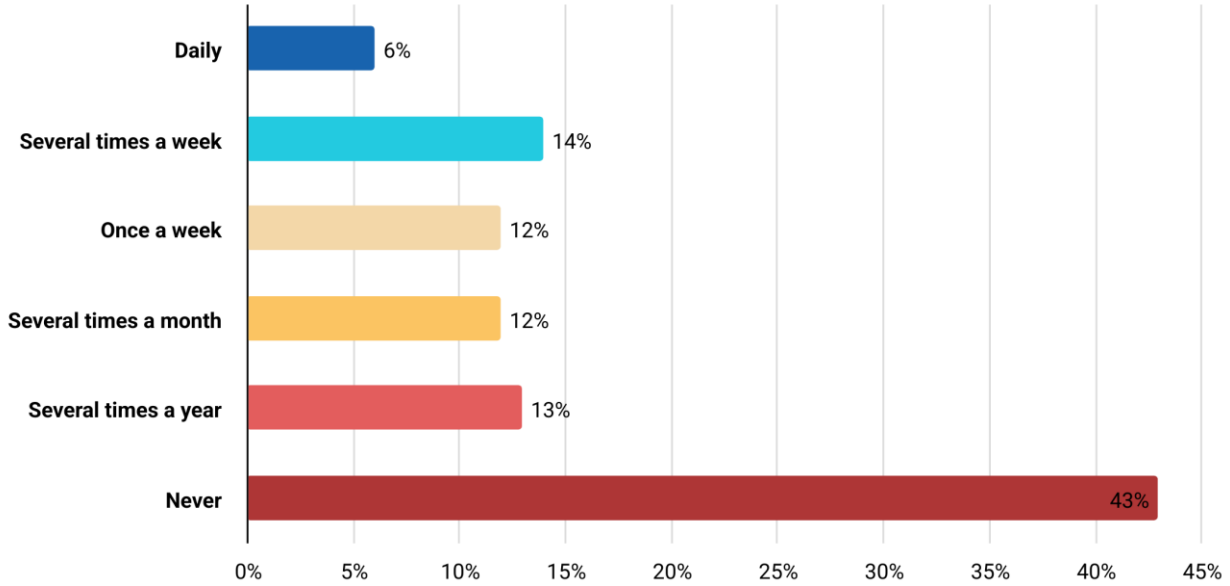
Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

[325] While consumer and minor protection are not the focus of this report, there is evidence that the monetisation strategy developed in some games as well as addictive design functionalities can be harmful to vulnerable players.

Esports and streaming habits

Watching gaming streams is becoming a standalone activity. Around one-third of consumers watch esports or video gaming streams at least once a week, with a minority (43%) never watching. The tendency to watch esports or video gaming streams decreases with age and is more prominent among regular players: about 38% of weekly gamers watch esports or video gaming streams every week, compared to 15% of monthly gamers.

Figure 60. How often do you watch esports or video gaming streams? (n=44,119)



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

3.1.4. Industrial trends and business models

Development, publishing and user acquisition

The number of video games developed and released over time varies from one segment to another, with the PC segment rising in the medium-term. Using Steam as a proxy[326] for PC, the number of releases steadily progressed over time, with a 33% increase between 2023 and 2024 (up to 19,000 titles, 99% estimated to be indie games). Mobile games have experienced a slump in the number of releases, down from 300,000 in 2016 to 70,000 in 2018, followed by a flatter decrease to around 45,000 in 2023.[327] In the console segment, releases have been steadily increasing since the end of the 2010s.[328] [329] In France – the EU's largest industry in terms of employment – studios released 1,257 games in 2022 (38% being self-published and 62% published by external publishers).[330]

[326] As Steam is estimated to capture more than 90% of the PC market, it is used as a proxy for PC releases.

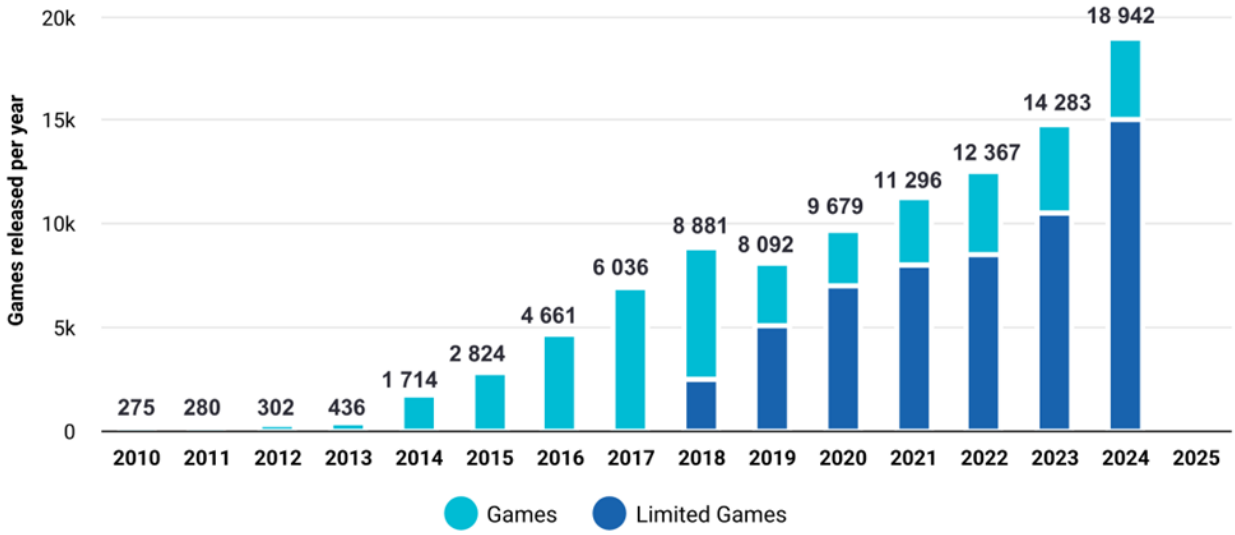
[327] Data gathered by data.ai, based on the iOS App Store catalogue. As of early 2025, the iOS App Store had 209,000 game apps, against 245.000 for Google Play: as the figures are of comparable magnitude, we are using the iOS App Store data as a proxy.

[328] There is no authoritative source, but estimates point to an increase from 1763 to 2608 on Nintendo Switch, from 801 to 1335 on PlayStation 4/5, and from 745 to 945 on Xbox One/Series between 2020 and 2023.

[329] The above figures overlap, as games are increasingly released on several consoles and platforms to maximise revenues.

[330] VGI, *Global Indie Games Market Report 2024*, 2024.

Figure 61. Steam game releases by year



Source: Steam.

Note: Limited games correspond to those games that do not reach a reasonable number of players – many being hobbyist projects. Over time, the number of these projects that did not find an audience has increased in both number and share.[331]

Overall, the number of games available to play is decreasing. Trends in the number of video games available to play are largely defined by the mobile market, which accounts for most titles. The number of games peaked in Q1 2018 with close to 1,040,000 gaming apps available across Google Play and the App Store, before a drop to around 450,000 in Q2 2024.[332] In the meantime, the number of games available to play has slightly but steadily increased on the main consoles, ranging in the thousands (Nintendo Switch leads ahead of PlayStation 4/5 and the Xbox One/Series), while the number of games available on Steam rose dramatically and nearly tripled between 2020 and 2024, reaching around 100,000.

All in all, competition has increased for games entering the market over the past few years. New releases are faced with several challenges. In addition to the need to compete with long-enduring live-service games, the market has become increasingly saturated: between 2019 and 2024, the number of games published per year has increased (by an average of 16% for the PC market, based on Steam data) while the average annual growth rate in global gaming revenues has been around 5%[333], mostly captured by free-to-play titles.

This has made user acquisition expenditure more crucial than ever. User acquisition budgets (mostly marketing and advertising) in video games are traditionally higher than in other industries (around 25% of total revenues, against 15% for the software sector),[334] as the sector competes in an increasingly busy attention economy. In addition, the increased competition following COVID-19 has led these budgets to rise: in 2023, half of the PC/console games that spent most money on advertising were launches, compared to one-fifth in 2022.[335] As far as the mobile segment is concerned,

[331] The surge in 2024 can also be attributed to the market context: with less investments and resources developers have turned to smaller projects which often struggled to reach audiences.

[332] Statista Data, Google Play representing 2/3 of the market.

[333] Based on Newzoo data.

[334] See Bain & Company, *Gaming Report 2024 - Meet the Moment: How Gamers Are Changing the Game*, 2024.

[335] See Sensor Tower's *The State of AAA Game Advertising*, 2024.

marketing costs traditionally represent a higher share of total budgets than in the PC or console segment.[336]

In this market context, marked by increased competition and fewer investments, the development of AAA games is perceived as riskier than before. The cost of publishing AAA games has surged in the past years, in particular as publishers sought to better meet players' expectations and to support their launches with substantial promotion budgets.[337] The recent crisis has led to the cancellation of many projects and is leading the video game industry to focus on a smaller number of AAA games, as well as known IPs which already have an audience. It is not expected, however, that those few EU publishers specialising in AAA games will shift automatically to the development of AA games, which are less costly to produce. Such a shift would imply repositioning the company in a new market and scaling down operations, which can be challenging to execute.

Faced with increasing costs and competition, developers are looking for efficiencies. Maximising existing releases is at the core of the strategies of developers (more below). The most common approach to cutting costs is to prioritise efficiency tools to increase productivity[338] – underlining the relevance of tools such as tech stacks in the sector.

Release trends

Publishers and developers are reporting a wish to multiply cross-platform releases and presence. Mobile games have long enjoyed releases on multiple operating systems (i.e. on both iOS and Android).[339] For PC and console gaming, a move to cross-platform releases was noticeable from 2024: while exclusive deals between publishers and individual consoles were common (although not the dominant practice), the recent investment contraction has led publishers to consider releasing AAA titles on more than one console or device in order to multiply revenue streams.[340] This move was also driven by the success of live-service games across platforms, new business models (e.g. subscriptions and game passes),[341] increased technical possibilities of cross-play (e.g. cloud development and games engines)[342] and consumers' expectations to be able to switch device, or play together using different systems (PC, consoles, mobile).[343] In Europe, recent hits have owed much of their success to cross-platform releases: CD PROJEKT RED's *Cyberpunk 2077* was released on almost all platforms between 2020 and 2022, and Arrowhead Game Studios' *Helldivers II* simultaneously launched on PlayStation and Steam – an exception for Sony.[344]

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[336] Both because development costs are lower and because mobile games is a higher-risk industry, being three to five times more likely to fail than a retail company. See Bain & Company, *Gaming Report 2024 - Meet the Moment: How Gamers Are Changing the Game*, 2024.

[337] The budget of Ubisoft's Star Wars Outlaws published in 2024 was reported to range between USD 200 million and USD 300 million. Sony's Concord, which was closed in October 2024 days after its release, reportedly cost between USD 200 million and USD 400 million. It is estimated that the cost of developing an AAA game has risen approximately tenfold between 2009 and 2024.

[338] 2025 Unity Gaming Report. Based on 300 respondents globally.

[339] While technical difficulties remain, lower overall development costs and the use of the Unity game engine to release games on both iOS and Android have supported this trend. As of 2025, it is estimated that 26% of mobile games are available on both iOS and Android.

[340] In May 2024, Square Enix said it would shift away from its long-standing strategy of developing for PlayStation and instead 'aggressively pursue a multiplatform strategy'. Activision and Take Two have also spoken of their intention to put an end to exclusivity.

[341] From this perspective, Xbox's announcement of a shift away from exclusives in 2024 to release its games on PlayStation and Nintendo is fully in tune with its strategy to support the development of its Game Pass. It led to multiple waves of layoffs, including in 2025.

[342] The use of game engines like Unity and Unreal Engine, which natively support multiplatform development (compared to more specialised/per game engines of EU publishers), makes it easier and cheaper for developers to create games that run on a wide array of devices.

[343] A global survey from Bain & Company found that 70% of gamers are playing on several devices. For more, see Bain & Company, *Gaming Report 2024 - Meet the Moment: How Gamers Are Changing the Game*, 2024.

[344] It is reported that, in the launch month, Helldivers II generated nearly 60% of its sales from Steam.

Revenue models

The video game market is currently vibrant in terms of innovations in business models and revenue streams. The market has evolved from paid retail to a range of options, including digital sales, microtransactions or subscription offers. The sector is characterised by a high diversity of business models, boosted by the development of mobile gaming (e.g. with ad-based games, play-to-earn models or hybrid mixes).

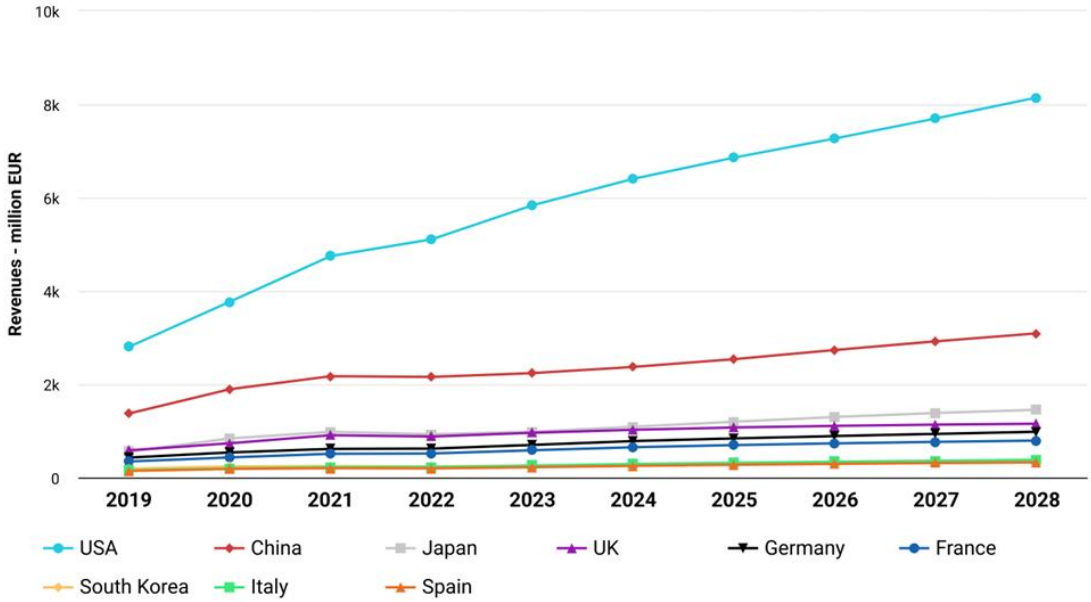
The focus in the PC and console video game sector has shifted towards alternative revenue models. Free-to-play games, increasingly available as multi-platform titles, are driving growth with microtransactions, which have demonstrated the highest growth rate in the past years. Fortnite is a prime example of a successful free-to-play game, attracting millions of players worldwide with diverse playing formats and frequent content updates. By offering in-game purchases for cosmetic items (e.g. skins), such companies can ensure steady revenue while keeping the core gameplay accessible to everyone. In this context, EU publishers of AAA titles still retain a preference for premium games (with upfront payment).

Subscription-based services, driven by game passes, have largely developed over the past years but are expected to reach a plateau. At the end of the 2010s, the continued growth in the number of games produced fuelled the idea of developing subscription services providing access to catalogues of games. This model has attracted significant interest from hardware manufacturers, looking to generate regular and foreseeable income. Microsoft, for example, has invested substantially in its Xbox Game Pass, making it a cornerstone of its development strategy. Subscription models also attracted publishers as an opportunity to generate additional revenues through platforms, alongside premium purchases: in the EU, Ubisoft, for example, reported on the success of its 'Ubisoft+' subscription service. However, according to Newzoo, the average growth rate of subscription gaming (including cloud gaming) could be halved for the years 2024-2027 compared to 2019-2024: while the US and Chinese consumer markets appear mature, EU players are keener on individual purchases. There is also scarce evidence that game passes can help boost the revenues of the EU's AA and indie companies.

Cloud gaming is no longer a niche distribution model. While several attempts were made in the past (e.g. PlayStation Now in the 2010s), this model, that relies on cloud infrastructures without powerful hardware, has gained more traction lately, allowing the development of cross-platform play and related game pass models. Cloud gaming provides publishers with an opportunity to create new income streams (which remain minor for now) by adding their games to catalogues. The recent offer has met consumers' demand, with Xbox Cloud Gaming breaking new records in 2024 and Nvidia's GeForce Now offer selling out quickly early in 2025. In this market, US players are dominant (e.g. Microsoft, Sony, Nvidia and Amazon) and besides white-label solutions, EU players are much fewer (e.g. France's 'Shadow', acquired by OVHcloud, for cloud computing). In addition, it is reported that the mainstreaming of subscription and cloud gaming risks decreasing the income of European developers, as some players may wait for a game to become available with a pass rather than paying the premium price.[345]

[345] EIT, The state of the European game industry and how to unleash its full potential, 2024.

Figure 62. Cloud and subscription gaming total revenues, in millions of EUR



Source: PwC Global Entertainment & Media Outlook 2024–2028, www.pwc.com/outlook.

Note: Revenues for cloud and subscription gaming, all components. Data is not aggregated and is limited to the above countries only.

Advertising is set to remain at the core of the mobile gaming monetisation, and it is slowly entering the console market. In general, advertising accounts for a smaller share of revenues in the EU than in other regions such as Asia or the US. Looking ahead, and with the exception of China where advertising revenue will significantly boost revenue, this monetisation model is set to experience a moderate growth. For the PC and console segments specifically, in-game advertising is less frequent. Nevertheless, many major companies (Electronic Arts, Microsoft, Sony) have announced their intention to develop this model, and advertisers have a keen interest in games offering the possibility for personalisable experiences:[346] in April 2024, 40% of marketers were planning to increase their budgets for in-game advertising.[347] In-game advertising has proven to be an effective investment for brands, with 50% of players and/or viewers saying they discovered new brands while playing.[348] However, consumers' low acceptance of elements that disrupt gameplay limits the growth of this market for now, as does Steam's ban on in-game advertising.

Games as a service and games as a platform

'Games as a service' (GaaS) (or 'Live service games') and free-to-play have emerged as attractive and successful models. GaaS involves ongoing revenue generation over time through multiple means, including subscriptions and microtransactions. GaaS models offer ongoing content updates, seasonal events, and new gameplay modes, keeping a game fresh and engaging over time. This model has achieved a growing share of total playtime (over the past years, the most played games in any one month have been largely live service titles) and subsequent spending over the

[346] Games such as Fortnite, Minecraft and Roblox also allow to generate substantial user data, allowing advertisers to pinpoint specific characteristics, preferences, and behaviours and generate for highly relevant and personalised ads that increase the likelihood of conversion.

[347] IAB, *New IAB Study Reveals Games Advertising Among Top Three Investment Growth Areas Alongside Digital Video*, IAB, 26 March 2024.

[348] Sports, beverage, technology, automotive and fast-food brands benefit on average from a 15 percentage points more positive attitude from players than from non-players.

years. The model has attracted many leading companies and studios,[349] to the extent that in 2024 up to 95% of studios across the world were developing or maintaining a live-service game.[350] European companies have not escaped this trend: while the bulk of the industry cannot afford to develop or maintain live-service games – which can take more than 5 years to develop, against 2 to 3 for premium games – some companies have embraced the model, such as Arrowhead Games Studios (with Sony) for *Helldivers II*, and Ubisoft, which in 2025 reiterated its intention to focus on live-service games. However, in 2024-2025, numerous live service games projects have been abandoned, and more industry leaders and developers[351] have raised doubts about the future of live-service games. They fear that the market has no place for further live-service games, and report that consumers long for premium games and finite experiences. To some, a return to more premium titles can be expected.

The 'games as a platform' model is an enduring success for creators – and the market is mostly captured by the US industry. Low-code/no-code tools enable a larger pool of creators, whether professional or amateur, to produce and share their own content on UGC game platforms such as *Minecraft* and *Roblox.*[352] In 2024, it was reported that 79% of gamers had played games with UGC, and 16% had made content for games.[353] As a result, in early 2025 a platform like *Roblox* had close to 90 million daily active users – more than PlayStation and Xbox combined. Beyond *Roblox*, UGC game platforms as a whole reported a significant revenue advantage over other games, with 7% more revenue on average a year after release, reaching 23% after five years.[354] They also perform better in terms of user retention: after two years, they display 64% better retention, reaching a 90% retention advantage after five years. The EU industry, however, is not present on this market.

IP exploitation

As in the rest of the cultural and creative sector, IP exploitation is a key strategy for gaming companies, and it has become more relevant in the current market environment. The success of video games depends on the mobilisation, management and monetisation of a community of players, and companies that develop an existing and known IP can count on an existing audience base.[355] This is why game companies prioritise risk reduction by focusing on existing IPs (e.g. via sequels, ports or remasters) rather than investing in new ones.[356] Another successful strategy to harness IP worth mentioning is modding: by allowing players and fans to alter one or more aspects of a video game, as done in European games such as *The Witcher 3: Wild Hunt', Cities: Skylines* and *Baldur's Gate 3,* companies grow, engage and monetise their communities.

Yet, the bulk of the consumer market is concentrated around a limited number of US titles/IPs that have a long commercial life. The long-term monetisation of live-service games, among other factors, has led to a situation where leading games stay longer in the list of most-played or highest-grossing games. In the PC and console markets, titles six years old and over even increased their share of playtime from 39% to 57% between 2021 and 2024, when titles between one and five years old were less played. In 2023, in the PC and console markets, new releases shared only 11% of playtime, and the figure goes down to 8% if we consider only new IPs and exclude new releases of long-existing franchises. On the mobile games market, taking the US as a proxy, there are fewer new releases entering the top 1,000 most successful games, whether in terms of downloads (from around

[349] Sony, for example, announced in February 2022 its intention to launch 20 live service games in the subsequent years. It remains committed to this model as of early 2025.

[350] Survey based on 537 studios. For more see Jeffrey Rousseau, *Report: 95% of studios are working on or aim to release a live service game*, Games Industry.biz, 2 February 2024.

[351] According to a *Game Developer Collective Survey* from Omdia, April 2024, 7 in 10 developers were worried about the financial viability of live service games.

[352] There are, for example, more than 5.5 million games available to play on Roblox as of 2025.

[353] Bain & Company, *Gaming Report 2024 - Meet the Moment: How Gamers Are Changing the Game*, 2024. Based on a survey carried out in Brazil, Indonesia, Japan, United Arab Emirates, United Kingdom, and United States.

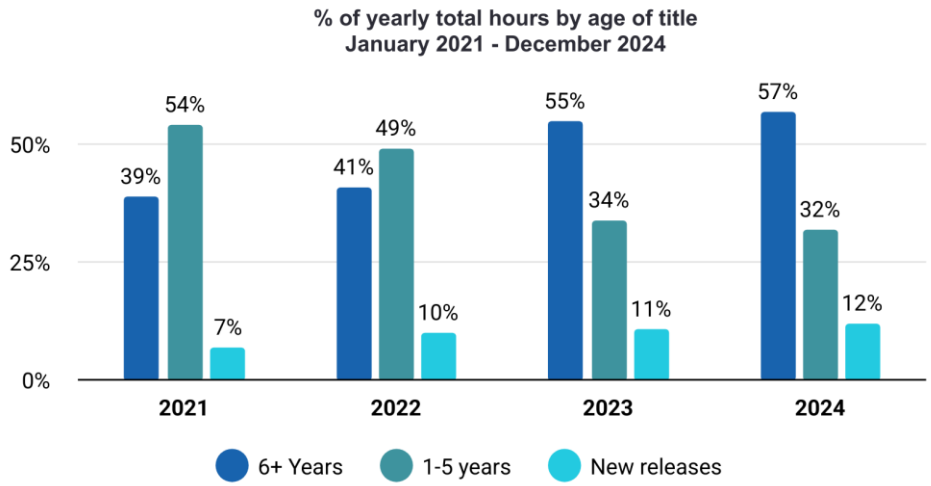
[354] Loïc Fontaine, *Commercial Impact of UGC*, Medium, 29 October 2024.

[355] Often, even the development of the game depends on the mobilisation of communities: the successful integration of games in wish lists can help secure financing, while at a later stage communities can test the game in early access and contribute to improving it.

[356] For illustration purposes, Hogwarts Legacy was the 18th video games released based on the Harry Potter IP.

260 in 2020 to around 210 in 2024) or revenues (from around 110 in 2020 to around 60 in 2024).[357] As a result, in early 2024 only 9% of developers and professionals from leading games markets believed that new IPs would dominate the market in the course of the year.

Figure 63. Percentage of playing time by age of title (January 2021 – December 2024)



Source: Newzoo's 2025 PC & Console Gaming Report.

In the coming years, the effective management of IP will become increasingly crucial. First, the multiplication of AI-generated content will pose its own challenges in terms of adequate copyright sourcing and remuneration. Second, a variety of digital business models will involve multiple IP rights holders: collaborations between video games and brands (e.g. anime/manga/comics/other games' characters) have flourished, and are bearing fruits for console and PC games, with a boost in daily active users of up to 19% for premium games upon release.[358] Third, the convergence of creative platforms, digital assets, UGC and community engagement will likely create a continuous IP landscape in terms of both player experiences and business models. Merchandising has developed and grown through this evolution, offering gamers items such as toys, apparel, board games and accessories (for instance, in the EU, CD PROJEKT RED launched a brand strategy with a merchandising channel around its IPs '*The Witcher'* and *'Cyberpunk 2077'*). Collectibles, in particular, are valuable assets that are deemed underutilised in gaming.[359] The largest players here are non-EU publishers with strong IP and in-app purchase models such as Riot Games (*League of Legends*), Epic Games (*Fortnite*) and Activision Blizzard (*Call of Duty*).

Impact on other industries

While video games are an industry and an economic activity of its own, its underlying technologies also contribute to other economic sectors. Video game technologies (e.g. game engines) are drivers of innovation and contribute to new engagement models in new markets and organisations. They are now commonly used in sectors as diverse as film, marketing, training, automotive, architecture or manufacturing. However, their adaptation to specific industry needs (e.g. training modules in hospitals) remains complex, in particular when it comes to introducing games to corporate cultures. Gaming also drives improvements in the EU's digital ecosystem and favours the

[357] Knowing these figures include new titles of existing franchises, such as *Monopoly Go!* or *Pokemon TCG Pocket*, which topped the chart in 2023 and 2024 respectively. See Sensor Tower, *State of Mobile 2025*, 2025. No EU-level data is available.

[358] Newzoo, *How IP and brand collaborations level up games*, 2023

[359] Konvoy, *Video game collectibles market overview*, Konvoy, 6 December 2024.

development of a robust digital infrastructure to support gaming, such as high-speed internet, cloud services, low latency networks, 5G and edge cloud penetration.

Educational institutions are becoming increasingly interested in the potential role of video games to support young people's learning experiences. Video games, used appropriately, can complement the programme taught by teachers and are now even integrated in curricula as historical or current events content. They can make learning more appealing and engaging, improve skills such as collaboration, imagination, problem-solving and critical thinking, increase digital skills and encourage children to consider training and careers in technology. Video games are also widely acknowledged as a tool to celebrate national and regional cultural and historical heritage.[360]

The health sector has also found many applications for video game technologies, including for training and care. In medical training, games simulate surgical procedures and clinical scenarios, enhancing skill acquisition, decision-making, and hand-eye coordination. Motion-based and VR games have also proven to encourage physical activity in patients recovering from stroke, injury, or chronic illness. Video can also be used to address the symptoms of diseases such as Parkinson's.

Video games are also used in various areas of defence and space. Haptic input from games controllers provides sensory feedback and is used by the European Space Agency to drive robot rovers and robotic arms. Armed forces around the world are also increasingly turning to the reuse and customisation of games based on video games, game engines or gaming environments to produce professional military serious games (e.g. NATO).

Private investment

Private investment is traditionally at the core of video game development financing. The video game industry's global distribution model presents challenges for its financing: commercial success is uncertain, and competition is high. Publishers typically cover substantial portions of development, in addition to covering marketing and distribution costs, while developers increasingly self-publish. The industry also turns to community funding. It can also look into traditional sources like banks and investment funds for specific projects or their own operating budget. VC and equity funds, in particular, play an important role in the development of the video game industry. In the EU, Scandinavian countries have long stood out as the region best served in private financing.[361]

The pre-COVID years saw an investment boom benefiting all regions of the world. 2020 and 2021 saw a boom in investments in gaming. In 2021, VC, encouraged by very low interest rates at the time, invested EUR 1.7 billion in the EU alone (EUR 4.7 billion in the US and EUR 13 billion globally, including private equity) into video games, related platforms and technologies.[362]

The EU market saw an increase in early phase – seed and early-stage – investments. If, over a long period of time, capital investors in the EU are favouring investments in the growth of existing businesses, seed and early-stage VC were, up until COVID-19, growing steadily.

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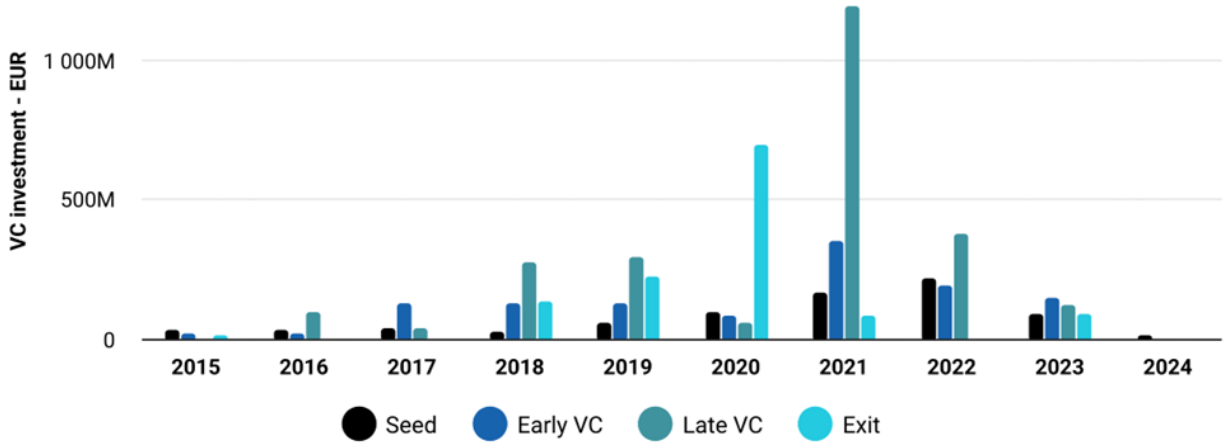
[360] Poland and Flanders, for example, have added video games to official school reading lists. Ubisoft's *Assassins' Creed* series is also often mentioned as an example of how video games can showcase Europe's cultural heritage (Gamehearts project).

[361] As illustrated in the European Audiovisual Observatory report (*Legal challenges and market dynamics in the video games sector*, 2024) '*in Sweden, the Stockholm Stock Exchange (Nasdaq Stockholm) has become a hub for Initial Public Offerings (IPOs) of video game companies'*.

[362] Based on Crunchbase, industry categories included in the analysis are video games, online games, PC games, MMO games and additional search and data cleaning based on the business descriptions.

Figure 64. Venture capital investment in video games in the EU over time per deal type

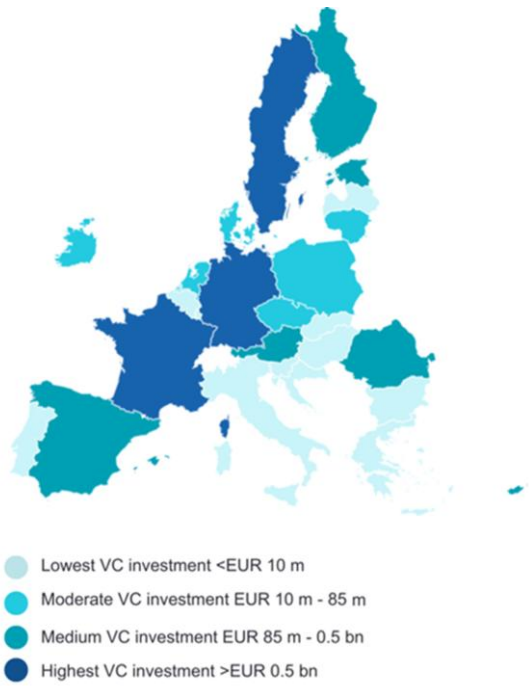


Source: Technopolis Group, funding data available for 1 837 EU headquartered video games companies.

Note: Exit rounds go beyond venture capital and can include Initial Public Offerings.

Within the EU, France was the most dynamic country in terms of VC and private equity investment between 2015 and 2023. France attracted almost EUR 2 billion, followed by Germany with EUR 509 million, Sweden with EUR 490 million, Finland with EUR 439 million and Romania with EUR 310 million.

Figure 65. Venture capital and private equity investment in video games across EU Member States in 2015-2023

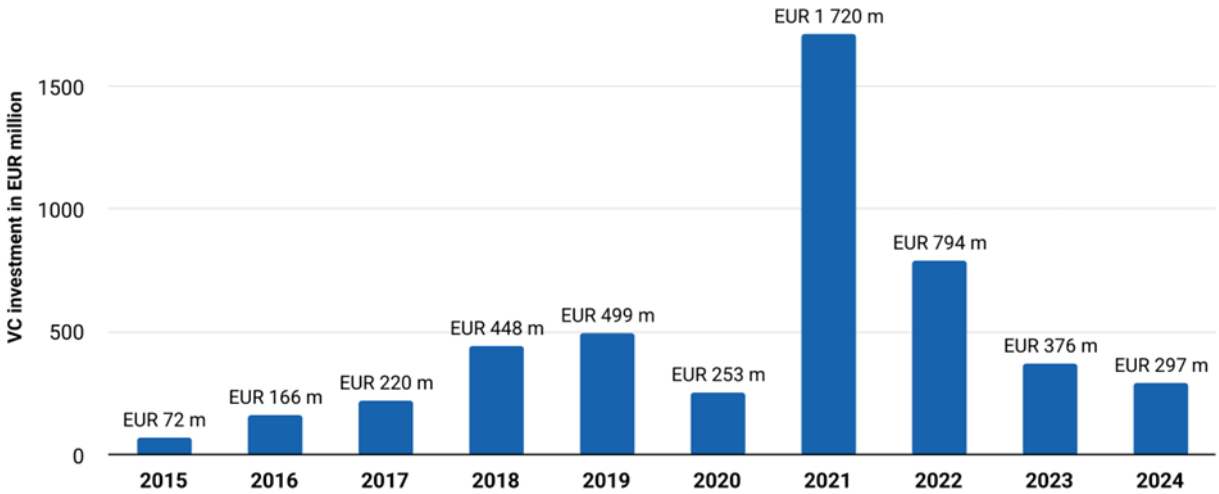


Source: Technopolis Group based on Crunchbase; funding data available for 1,837 EU-headquartered video game companies.

Notwithstanding this, the market for finding private capital to invest has become much tighter after COVID, with slowing consumption, geopolitical instability, inflation and soaring interest rates. The investment dip was most acute in 2023, when major video games companies that also

took part in the financing rounds scaled back their strategic investments with more divestments. In the EU like elsewhere, early investors returned to growth-stage as a safer strategy. This led many independent developers to close since 2022 as they did not have sufficient funds to develop their games.

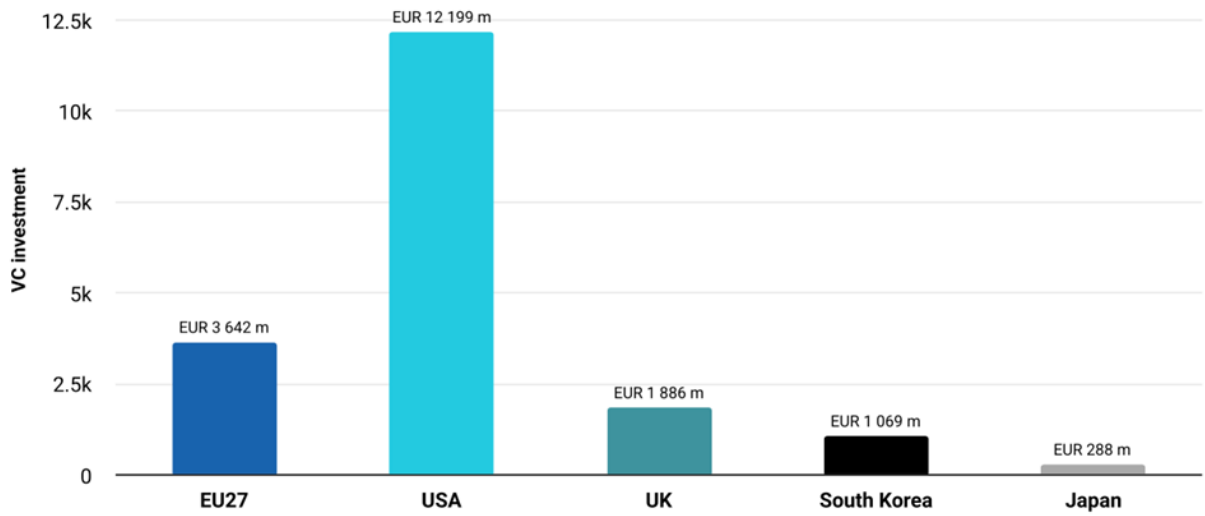
Figure 66. Venture capital investment in the video game sector in the EU over time



Source: Technopolis Group based on Crunchbase; funding data available for 1 837 EU headquartered video games companies.

As evidenced by data on recent years, the investment dynamic is not identical across the world, with a more mature North American market. In comparison with the EU, the more deeply rooted culture of venture capital in North America may explain the region's companies' superior ability to access financing. Over the 2020-2024 period, VC funding has been more than three times higher in the US, while the UK alone amounted to 50% of the EU total and South Korea 30%. This can explain the relocation of some development studios to the US to raise more capital.

Figure 67. Venture capital investment in video games 2020-2024



Source: Technopolis Group based on Crunchbase, funding data available for 1 837 EU headquartered video games companies, 2 684 US, 478 UK, 263 South Korea.

Data points to a recovery in 2024, albeit with lower figures than in 2022. Private market funding (including private or growth equity, on top of VC funding) tends to globally recover beginning of 2024,

although not yet reaching the levels of the pre-COVID years:[363] it was estimated that global games investment rose 38% from 2023 to 2024.[364] Recovery remains slower for investments in content as opposed to technology and platforms, which is congruent with regular financing trends in times of investment shortage (content development being seen as riskier, with uncertain return on investment).

Public support

As well as private financing models, public investors have increased their support to video game companies over the past five years. Loans and investments remain difficult to secure due to the perceived inherent risk in game development, and an overall scarcity of data to inform investors. Recognising these challenges, many public authorities across the EU have implemented public funding policies[365] to support the sector. These programmes often act as initial investors, particularly focusing on the development of prototypes for young studios. This early-stage support aims to reduce barriers to entry for new developers.

Member States have developed and structured their support to video games with diverse tools, including grants, reimbursable loans and tax incentives, focusing on development.[366] Although great disparities remain, with France, Germany and Belgium providing the most diversified offer, public support measures in games have become more widely available in EU Member States over the past few years. Countries with strong public support culture in favour of the audiovisual sector have pioneered video game funding (France, for instance, has had a tax credit system and grants since 2008 and has since supported about 350 games and 200 studios; support in Germany dates back to the early 2000s). In other countries, tax incentive schemes have been developed more recently (e.g. in Italy in 2021, Ireland in 2022, and Belgium in 2023).[367] Other means, like a levy on distribution platforms, are also being considered as of 2025. With a few exceptions, national-level instruments are allocated modest amounts with low co-financing rates, and many schemes focus on the cultural – not commercial – value of games.[368] Furthermore, many schemes have been inspired by film funding, insufficiently adapted to the specific needs of the video game industry, and schemes have yet to adapt to more recent business models (e.g. live-service games) which require post-release support. Finally, next to national schemes, public support initiatives have flourished locally (e.g. Malmö, Breda and Hamburg).

EU institutions have continued to develop grant opportunities and investment mechanisms. As well as calls for proposals dedicated to development,[369] EU funding schemes have lately dedicated resources to some research and innovation projects. Building on the success of a guarantee facility for debt financing launched in 2016,[370] the European Commission and the European Investment Fund launched in 2022 an equity investment instrument with a focus on audiovisual and video games, which is expected to generate a total investment of EUR 1 billion. The first investment in a video game-focused fund was announced in February 2025.[371]

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[363] Based on data from Konvoy, *Q3 2024 Gaming Industry Report*, 2024.

[364] Dealroom data from Dean Takahashi, *Global game investment rose 38% to $4.3B in 2024 | Hiro Capital*, Venture Beat, 3 February 2025.

[365] Some fully fledged and multiannual, e.g. Flanders.

[366] More details in European Audiovisual Observatory's *Legal challenges and market dynamics in the video games sector* (2024). For a thorough account of the industry's recommendation for public financing and policies, see the report from the Games Policy Summit (Joint initiative from the European Games Developer Federation, Nordic Games Conference and Nordic Game Ventures).

[367] A tax shelter for companies investing in audiovisual production was extended to video game as of 2023.

[368] France, Germany, Wallonia and Finland are examples of commercially focused support. Wallonia, for example, is one of the rare cases of support to studios.

[369] Existing since 2016 and amounting to around 7 million in 2025.

[370] Between 2016 and 2020, the Cultural and Creative Sectors Guarantee Facility facilitated nearly EUR 600 million in financing for audiovisual and multimedia companies, with EUR 140 million directed toward gaming. Contrary to initial fears of high default rates gaming companies demonstrated financial reliability, with defaults at only 2–3%, comparable to other industries.

[371] European Investment Fund, *Nordic game developers to get financing support as EIF pledges €20 million to new Swedish fund*, 27 February 2025.

Table 22. Countries offering support and types of support at different stages as of early 2025

	Project development phase				*Other stages*		
Countries	**Concept**	**Pre-production**	**Production**	**Post-production**	**Studio investment (e.g. equity, growth, financing)**	**Tax incentives**	***Comments***
Austria		Regional	Regional	Regional	National		Regional supports mainly in Vienna. The Studio Investment section is in a generalist incubator
Belgium	Regional	Regional	Regional	Regional	Regional	Both	Regional support split in two major regions: Wallonia & Flanders
Croatia		National	National				Recent
Denmark	National	National	National	National			
Finland	National	National	National				Proposes large amounts for projects through Business Finland
France	Both	Both	Both	Both	Both	Both	
Germany	Regional	Regional	Both	Regional			Composed of a network of strong regional funds
Greece						Both	
Ireland	Both	Both				Both	Ardán is the only regional fund; only western regions have access to public funding
Italy						Both	Previously funding projects through 'First Playable Fund'
Luxembourg		National					
Netherlands	National		National				
Slovakia	National	National	National	National			
Spain	Both	Both	Both				

Source: Adapted from Legal challenges and market dynamics in the video game sector, European Audiovisual Observatory, 2024.

Note: The original data has been complemented with information from Indie Plaza's Funding Dashboard.

3.1.5. Technological trends

Artificial intelligence

While not new to video game developers, AI and generative AI[372] offer the sector new possibilities. The uptake of AI in the video game industry has arguably a longer history than in other media sectors, being a tech-driven industry. AI uptake is progressing year on year: in 2024, 54% of European professionals reported using AI in their work while finding it useful (+17 percentage points from 2023)[373]. Among the new key possibilities offered by AI and generative AI are the multiplication of non-player characters, the creation of new objects, new worlds/levels, image enhancement, the generation of scenarios and stories, player assistance in gameplay, the monitoring of communities (e.g. toxicity of some players) and the automation of quality assurance. In this light, generative AI in the gaming market is poised for rapid expansion and could be worth more than USD 11 billion by 2033, growing at a CAGR of 25.6% from 2023, with non-player characters' application taking the larger share.[374] All in all, AI could constitute an opportunity to control development costs, knowing industry-wide content development spend surged 90% between 2017 and 2024, compared with a much more modest growth in consumer spend.[375]

Table 23. Adoption of AI tools by game developers

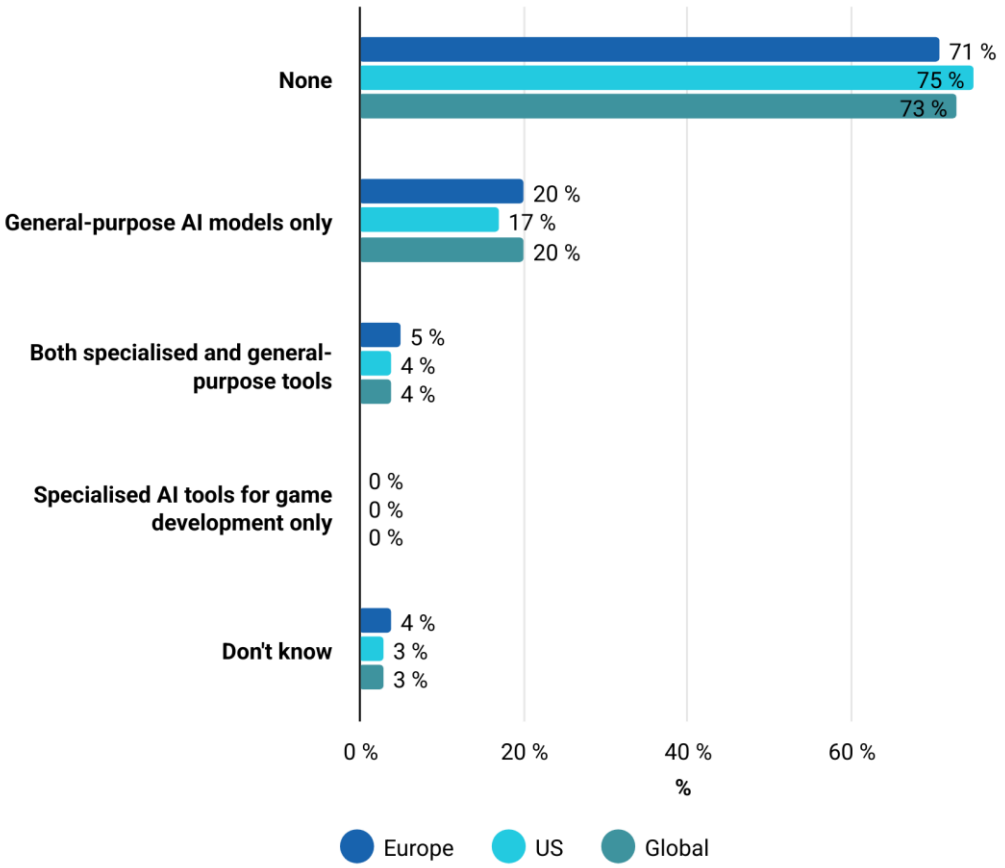
Gains with AI	Survey result
Save time	62% of the studios surveyed used AI in their workflows, mainly to prototype quickly and for concepting, asset creation, and worldbuilding
Delivery	71% of studios using AI say that it has improved their delivery and operations
Content creation and animation improvement	37% of surveyed developers say they are using AI to accelerate writing code, while 36% are generating artwork and game levels, testing gameplay loops, and automating narrative elements
Worldbuilding and creation of NPCs	56% of AI adopters use it for worldbuilding, 64% of those creators favour it for developing NPCs to populate these worlds
AR/VR and online multiplayer games	29% of surveyed AI users are making AR/VR games, with online multiplayer games coming in at a close second with 28%.

Source: Based on 2024 Unity Gaming Report, Unity Sentis beta user survey 2023. N=7,062, globally.

However, the video game industry still displays some level of cautiousness when adopting the most recent wave of generative AI tools. While the take on AI is overall positive, developers have a more negative take on generative AI: at global level, the number of developers who think it has a negative impact on the industry increased from 18% to 30% between 2024 and 2025[376]. In the creative or programming field, generative AI is mostly utilised in low level tasks (creating assets, mock-ups, doing tedious tasks, etc.) as developers – working in an IP-intensive industry – are cautious about possible IP infringements when using market tools, and AI-generated content still does not match the quality of traditional development. AI is also used to accelerate prototyping, as well as for concept development, asset creation, and world-building[377]. There are no major differences in the use of generative AI tools by developers when comparing Europe and the US.

[372] Including machine learning, more widely.
[373] InGame Job and Values Value, *Big Games Industry Employment Survey 2024*, 2024.
[374] Based on Market.us data.
[375] Matthew Ball (Updated: 17 April 2025), *The State of Video Gaming in 2025*, Epyllion.
[376] GDC, *GDC 2025 State of the Game Industry*, 2025.
[377] Unity, *2024 Unity Gaming Report*, 2024.

Figure 68. Do you currently make use of generative AI in your work?



Source: Omdia, Game Developer Collective Survey, July 2024.

Note: N=143. 'Europe' includes the EU Member States as well as the UK, Switzerland and Türkiye. The sample is not statistically significant but gives an order of magnitude.

When they do use AI, EU video game companies mostly focus on the use of *generalist* AI and generative AI solutions. OpenAI is a commonly used solution: its language models enable non-player characters to engage in more natural and context-aware conversations and are widely used in the EU game industry. This lead could be contested in the future by European solutions such as the French start-up Mistral AI.[378] This could also be a market for technology vendors, many of which are European: there are 115 EU game technology vendors and, at global level, one in five tech vendors offering AI solutions is based in the EU.[379] It should also be noted that some leading publishers are developing their own in-house generative AI: Ubisoft, which has voiced its intention to increase the use of generative AI, has used its 'Ghostwriter' AI scriptwriting tool for non-player characters since 2023.

Beyond professional use, generative AI might revolutionise UGC game creation workflows. The growth of AI-powered content (e.g. gameplay) causes debates among gaming communities. Yet, it may fuel the growth of platform games (such as Roblox or Minecraft) where deep technical knowledge or artistic mastery will no longer be essential skills needed to develop games, thanks to the use of 'prompts'. With the expansion of the creator economy, those creators may also establish their own game studios, bringing more competition to the industry. Even professional game developers have UGC integration in their roadmap (globally, 39% of developers have UGC in mind).[380]

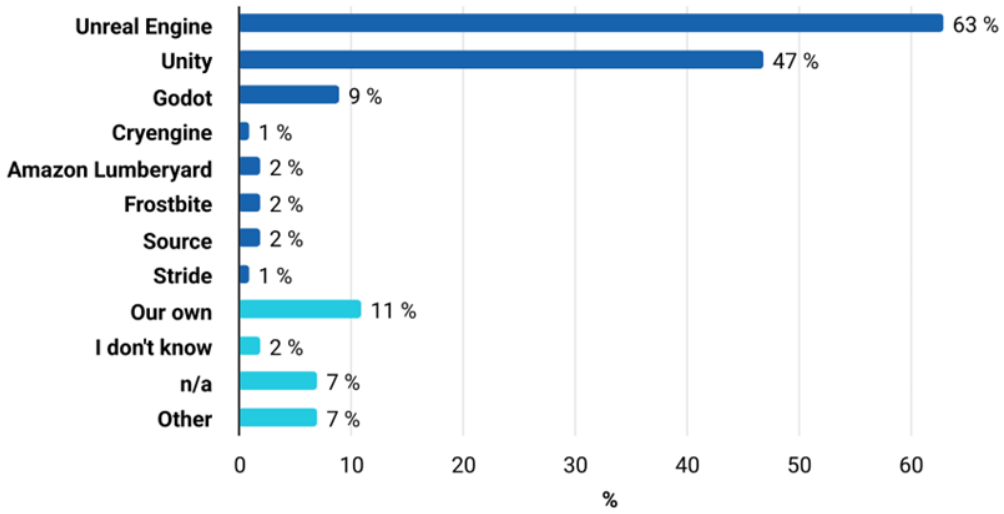
[378] It raised EUR 600 million in a mix of equity and debt in 2024.
[379] Omdia, *AI in the Games Industry: State of the Market*, 2024.
[380] Unity, *2024 Unity Gaming Report*, 2024.

At the moment, companies are struggling to find staff with the right AI skills, while generative AI may partially replace some tasks of the creative workforce. Companies report difficulties in finding both pure AI technicians and hybrid profiles capable of integrating these technological advances into a creative process, merging technical and artistic uses. The impact on employment is expected to be controlled, as AI will mostly help developers to save time on repetitive tasks, enabling them to focus on content creation and animation improvement. Nevertheless, risks are perceived to be greater for art designers and occupations such as quality testing, especially in times of financial restraint[381]. Generative AI can already produce satisfactory 2D images and, while programming or 3D animation tasks were until recently considered to be harder to fully automate, major studios started to use AI for such purposes and for high-end video games in 2023-2024.[382]

Game engines

The market of game engines, the technologies behind the creation of games' digital environment, is dominated by US players. Unity (Unity Technologies) and Unreal Engine (Epic Games) are used by an overwhelming majority of developers – with developers often using several engines. While using such services is much cheaper for them than developing proprietary solutions, developers are dependent on pricing and licensing rules changes.[383] Additionally, a sizeable share of the industry resorts to more affordable open-source game engines developed by communities such as Godot or Defold: a survey showed that 11% of developers in North America are using Godot, against 5% in Europe, Middle East, and Africa.[384] These game engines are particularly suited to the needs of European indie and medium-sized companies.

Figure 69. Which game engine/real-time 3D engine(s) do you or your team use?



Source: Perforce, 2024 State of Game Technology Report, 2024. N= 576, composed by leaders and creators in the world across a wide variety of technical industries[385].

Big publishers and studios (and some mid-size companies), including EU companies, still tend to use and develop their own in-house game engines. Some leading publishers have developed their own game engine(s) (e.g. EA, Capcom, Supercell) and can use alternative engines depending

[381] A survey carried out in early 2024 by CVL Economics showed that approximately 13.4% (52,400 jobs) of US Gaming jobs would be consolidated, replaced or eliminated by 2026 – a share which remains lower than in other US creative industries. *Future Unscripted: The Impact of Generative Artificial Intelligence on Entertainment Industry Jobs*

[382] Activision Blizzard, for example, reported in February 2025 that it used generative AI to create in-game assets for *Call of Duty*.

[383] E.g. Unity prices soared in January 2025.

[384] Perforce, *2024 State of Game Technology*, 2024.

[385] One third work in industries outside of gaming – including automotive, manufacturing, healthcare, military & defence, finance and transportation.

on their development needs. This extends to European players, such as Ubisoft, which uses several game engines. Yet, it appears that major studios are now turning to the two US leaders. In October 2023, EA Motive (Canada) revealed that it would employ Unreal Engine 5 for its upcoming *Iron Man* game, moving away from EA's in-house engine. In the EU, CD PROJEKT RED (Poland) decided to abandon its proprietary RED engine in favour of Unreal Engine for future *Cyberpunk 2077* and *The Witcher series*.[386]

Table 24. Proprietary game engines of large companies

Company	Engine(s)	*Notable Games*
Activision/Blizzard	Custom engine(s)	*Warcraft series, Diablo series, Starcraft series, Call of Duty series, Overwatch*
Electronic Arts	Frostbite	*Star Wars Battlefront II, Anthem, Battlefield 1/V, FIFA 20, Need for Speed series*
Ubisoft	AnvilNext 2.0	*Assassin's Creed series*
	Disrupt engine	*Watch Dogs series*
	UbiArt Framework	*Rayman Legends, Child of Light, Valiant Hearts*
	Snowdrop	*Tom Clancy's The Division 2, The Settlers*
	Dunia (CryEngine-based)	*FarCry series*
	Silex (Anvil-based)	*Ghost Recon Wildlands*
	LEAD engine	*Tom Clancy's Splinter Cell series*
	Dunia-based	*The Crew*
Capcom	MT Framework	*Monster Hunter: World*
	RE Engine	*Resident Evil 7, Devil May Cry 5, RE2:Remake, RE3:Remake*
Konami	Fox Engine	*Pro Evolution Soccer series, Metal Gear Solid V*
Square Enix	Luminous Studio	*Final Fantasy XV*
Nintendo	NintendoWare Bezel Engine, custom engine(s)	*Zelda: BOTW, Mario Odyssey*
Riot Games	Custom engine	*League of Legends*
Rockstar	RAGE engine	*GTA V, Red Dead Redemption 2*
CD PROJEKT RED	REDEngine 3	*The Witcher 3*
Epic	Unreal Engine	*Fortnite*

Source: GitHub[387], own research.

Other technologies

Cloud capacities, which have allowed new business models and consumption habits to flourish, rely on US-based solutions. Hyperscalers[388] are the core technical building block for cloud gaming development (storage capacity and computing power) and this segment is the hands of a few dominant US players (Amazon Web Services, Microsoft Azure and Google Cloud Platform). Subscription-based platforms also restrict access to player data and can contribute to weakening the position of the European industry.

The use of blockchain is still low in the European industry. Among other things, blockchain allows the transfer of in-game assets, which have become increasingly prominent in games in the past years. Yet the uptake of the technology in the EU industry remains scarce. As a matter of illustration, in France, in 2022, 7% of companies were developing video games integrating blockchain

[386] Lewis Packwood, *The future of Game Engines*, L'Atelier, 4 April 2024.

[387] Raysan5, (Original: 22 April 2020; Updated: 13 September 2023). *Custom Game Engines: A Small Study*. GitHub Gist.

[388] Large-scale data centres that specialise in delivering massive amounts of computing power and storage capacity to organisations and individuals across the globe.

technology.[389] Among the challenges associated with blockchain are scalability, heavy electricity consumption and speed. Blockchain-based games have primarily been developed in North America and Asia, with some exceptions in Europe such as Dacoco GmbH (Alien Worlds) in Switzerland or French company Sorare's football collectible game. As far as the technology is concerned, investment in blockchain seems to have passed its peak, with only a few game-specialised start-ups recently emerging in the EU.[390]

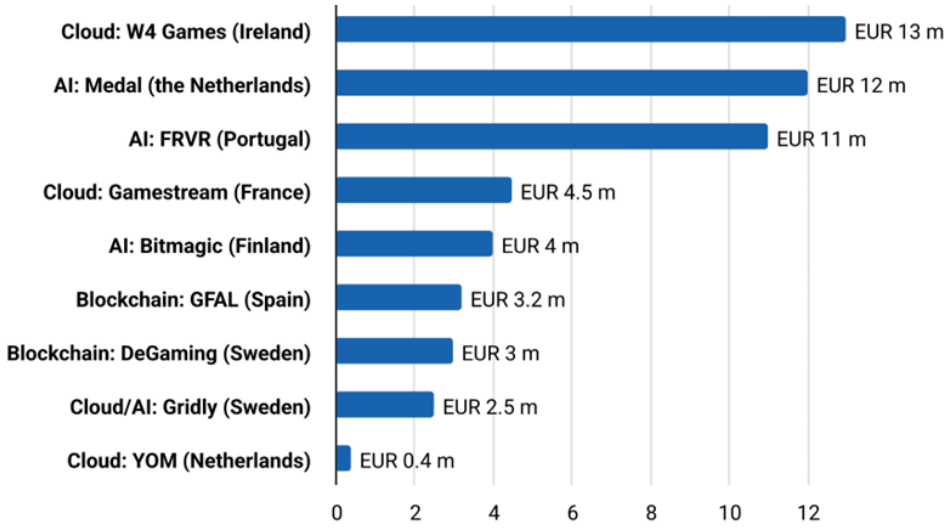
Extended reality (XR) as a technology plays a key role in the monetisation of video games, offering new revenue streams, but only a few (non-EU) games have had success.[391] The market is driven by mobile AR gaming, leveraging the widespread availability of AR-capable smartphones and tablets. *Pokémon Go* (from Niantic), has been the main driver for consumption and revenues (in 2024, *Pokémon Go* hit EUR 7 billion in lifetime player spending)[392]. Virtual Reality promises to build more immersive worlds, moving from current 3D virtual worlds to VR worlds. Although major US and Asian players have invested in VR headsets, the lack of high-profile games and the cost of headsets have limited the market expansion of VR gaming, with investments being scaled back in 2023-2024.

When it comes to electronics, European video game industry players are heavily dependent on US technology. Nvidia graphics processing units (GPUs) dominate the market (88% global market share in graphics add-in board market)[393] for the specific gaming sector.

VC investment into tech-based gaming solutions

AI and blockchain have captured much of the investments in tech gaming solutions in the past years. In view of the difficulties of the industry, the investments in 2024 directed towards companies associated with either AI or blockchain in gaming suggest a more tempered enthusiasm than in previous years. In 2021, 15% of deals in the global video game sector involved blockchain-related video games companies, but this share decreased significantly to 4% in 2024. In terms of the geographical focus of investments, the EU industry lags behind, with US and Asia-based entities being more involved.[394]

Figure 70. Largest gaming tech VC deals in the EU in 2024



Source: Based on Crunchbase.

[389] SNJV, *Annual survey of video games in France 2023 Edition*, 2023.

[390] DeGaming offers a decentralised casino platform, fusing traditional gaming with blockchain, while GFAL intends to integrate blockchain and AI.

[391] More in the chapter dedicated to XR.

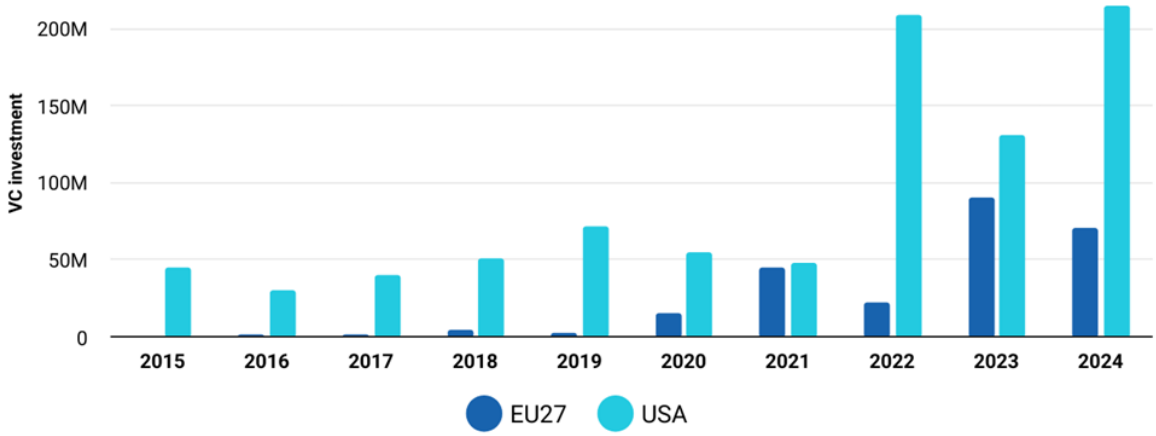
[392] Evgeny Obedkov, *Pokémon GO hits $8 billion in player spending: how it compares to other mobile AR games*, Game World Observer, 26 April 2024.

[393] Robert Dow, *Shipments of graphics AIBs see significant surge in Q2 2024*, Jon Peddie Research, 24 September 2024.

[394] Source: based on Konvoy, *Q3 2024 Gaming Industry Report*, 2024.

Globally, after a peak in 2022 in the US, investments in video games referencing AI rose again in Q3 2024.[395] More than just a cost-cutting solution (for instance, using machine-learning), AI is seen by investors as a vector for creating new, more interactive gaming experiences. In the US, investment declined after the 2022 peak, with invested amounts in 2024 remaining below the levels seen during the blockchain investment boom in 2021.[396] Globally, 22% of gaming VC funding in the third quarter of 2024 went to companies related to or referencing AI.[397] AI seems to be less prominent in the EU, with 4% of VC funding in the field of video games in the EU going to companies related to or referencing AI in 2024.[398]

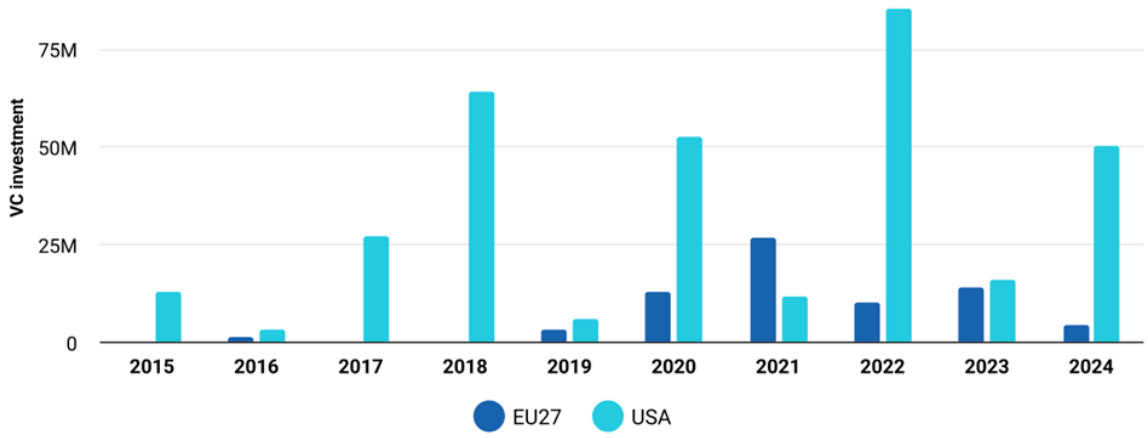
Figure 71. Venture capital investment in video games driven by AI in the EU and US



Technopolis Group based on Crunchbase

Behind AI, cloud gaming has also attracted some investments. In 2021, 4% of total VC funding on video games went into companies related to or referencing cloud (down to 2% in 2024) reflecting a more pessimistic outlook for the technology after the difficulties and collapse of Google Stadia at the end of 2022.

Figure 72. Venture capital investment in cloud gaming in the EU and US



Source: Technopolis Group based on Crunchbase.

[395] Period not included in the illustration below.
[396] Based on Konvoy, *Q3 2024 Gaming Industry Report*, 2024.
[397] Ibid.
[398] Based on Crunchbase data.

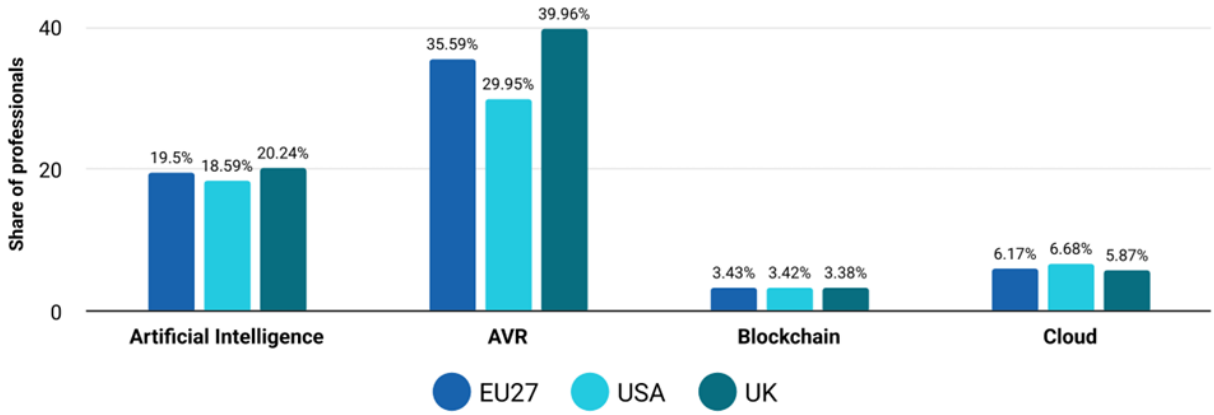
Skills supply and occupations

The video game industry continues to employ people in a wide array of roles. Specific profiles include technology (programming/engineering); design (including writers and UX/UI design); art, animation and modelling; management (including producers, project managers and leads); publishing and marketing; administrative roles (including HR, PR, marketing and customer support); quality assurance; localisation and community management. With technological advancements, player communities' expectations have increased, and some dimensions of gaming have further professionalised.[399]

Programming emerges as the most common occupation. When comparing recent sources on the EU gaming workforce, programming represents some 30% of the workforce, ahead of artistic positions (2D/3D/animation artists and audio) at 25%, design (20%), management, HR and quality testing (15%), and publishing (including user acquisition, marketing and finance) under 10%. The share of programmers has progressed recently.

Professionals working in video games in the EU have a diverse tech skillset.[400] 19.5% of the workforce indicated at least one type of AI skill such as natural language processing, computer vision, deep learning or related AI development tools.[401] Augmented and virtual reality skills were cited by 35.6%, blockchain 3.4% and cloud 6.2%. Figures do not vary much geographically, with US/UK and EU figures being quite similar.

Figure 73. Share of tech skills declared by video game professionals active on LinkedIn



Source: Technopolis Group analysis based on LinkedIn, 2024. n= 148,754 professionals in the EU, 144,742 in the US, 46,313 professionals in the UK working in the video game sector.

Skills demand, gaps and challenges

The demand for video gaming professionals is not bound to stop. The wave of layoffs is interpreted by many experts as an economic adjustment rather than a sign of a declining demand for skills. The multiplication of games and extension of production time require more resources than in the past.

Video game companies' difficulties in finding the right talents are a continuing trend, with AI being the new battlefield with the tech sector. Large companies continue to face a shortage of experienced profiles, in particular for animation, programming and, more recently, AI. The competition

[399] One example is soundtrack. A Grammy Award for Best Score Soundtrack for Video Games and Other Interactive Media was created in 2023, and PlayStation is celebrating its 30 years with a music tour based on some of the console's IPs.

[400] Insights based on LinkedIn's Talent Insights extension. Note that people are located based on the information that they provide on their country of residence. While LinkedIn represents the single most comprehensive source currently available for the construction of technology-specific skills related indicators, it has its limitations: self-reported profiles can lead to biases, such as over- or under-reporting of skills and inconsistent data due to variable profile detail. Its geographic and demographic skew, particularly in regions with lower LinkedIn penetration, may under or overrepresent certain professional groups.

[401] Such as TensorFlow, Keras, Scikit-learn, OpenCV, PyTorch and Apache Spark.

from the tech sector, with attractive working conditions, continues to hamper the recruitment of core teams for AAA games. Companies and trade bodies in the EU also report ongoing administrative difficulties in hiring non-EU employees.[402]

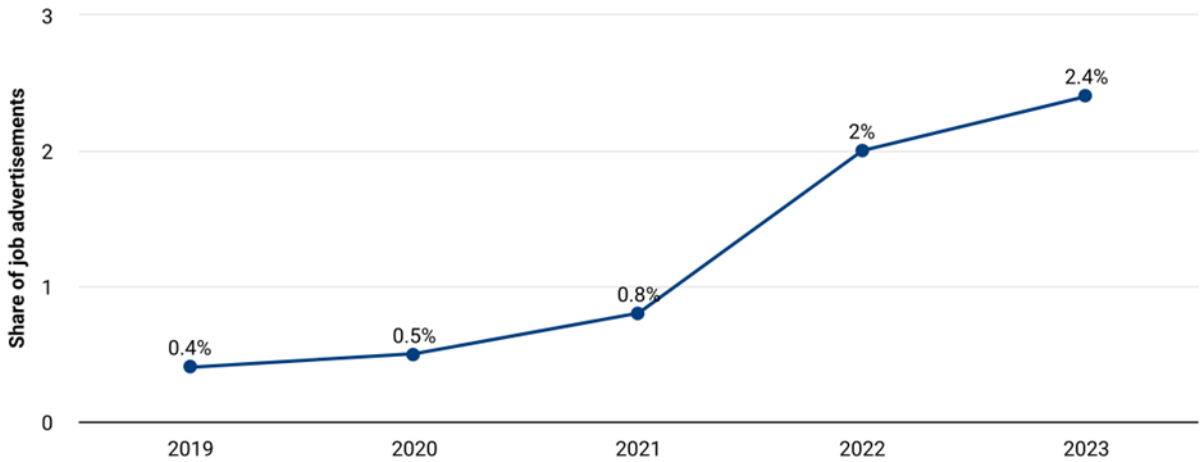
Between 2019 and 2023, programming, design and artistic skills were most in demand in absolute figures. Among the 354,000 job advertisements identified in the EU industry, game development tools such as Autodesk, Unreal Engine and Unity were widely mentioned, highlighting the need for technology/developer profiles. Programming languages and software (respectively C#, C++ and JavaScript) were also mentioned.

Figure 74. Top skills or segments mentioned in video games job advertisements in the EU in 2024.

Source: Technopolis Group based on LinkedIn data.

Looking ahead, tech and business skills, including marketing and user acquisition, are likely to be most crucial. Based on data on 2023-2024 layoffs and ongoing AI developments, it can be expected that the share of HR and recruitment, quality testing, and artistic and design positions will at least temporarily shrink in the next surveys. By contrast, the demand for programming skills is set to remain or increase, together with management and business development skills. AI skills (including machine learning, AI tools and natural-language processing) will also be increasingly in demand, although they are now capped at 1% or 2% of all video game job advertisements in the EU. Finally, soft and transversal skills, such as adaptability, will increasingly be required, in view of the fast pace of innovation in business models and technological solutions.

Figure 75. Share of online job advertisements with a requirement for AI skills in NACE 58 in the EU



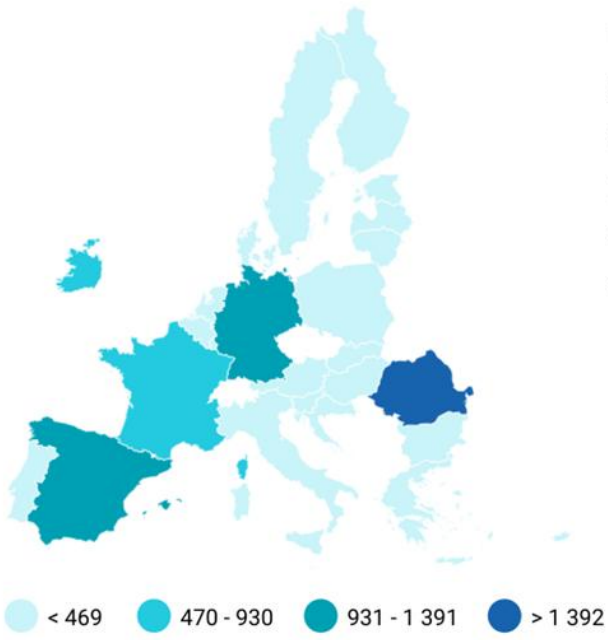
Source: Technopolis Group based on Cedefop Skillsovate data.

As well as the competition from the tech industry, the EU industry faces competition from US video game companies for the same talents. As previously underlined, remote work applies to the majority of workers, and the industry operates not along national borders but globally. Close to 8,000 people are employed by US video game companies (excluding those who work in the EU

[402] EIT, *The state of the European game industry and how to unleash its full potential*, 2024.

headquarters of US companies)[403] from the EU territory. Most are concentrated in Romania, followed by Spain and Ireland. The US is still perceived to offer attractive working conditions, with the opportunity to work on more AAA games.

Figure 76. Location of video game developers located in the EU but working for US companies



Top locations	Professionals
Romania	1,852
Greater Madrid Metropolitan Area	681
Ireland	484
Greater Paris Metropolitan Region	302
Greater Stockholm Metropolitan Area	220

Source: Technopolis Group based on LinkedIn.

Education and training

Regular and up-to-date training is crucial in an industry like video games. Video games is a content but also tech-driven economic activity, which creates a challenge for training: tomorrow's technologies are being developed by today's leading companies, while today's training programmes are based on yesterday's technologies.

In this context, the EU industry faces persistent difficulties in ensuring that the new graduates are adequately trained. Despite successful school-to-job transitions from video game graduates,[404] the industry still needs to provide them with extensive on-the-job training when they take up their positions. Setting up or improving vocational programmes is one of the key answers to this persistent issue: partnerships with schools include a close collaboration with the games industry that guarantees the content of the teaching will correspond to the needs of the employment market (for example, 'The Game Assembly' in Sweden).[405] Across Europe, professionals from gaming companies are increasingly involved in gaming educational curricula while some companies sponsor training programmes for specific skills needs or specialisations (such as Sweden's FutureGames network of schools which opened an antenna in Warsaw in 2023 with the support of CD PROJEKT RED). Such exchanges between schools and the private sector are also encouraged by public policies (e.g. in Poland and Ireland). Yet for now, there is little mapping of the education offer are being carried out in the EU.

A lack of continuing education adds to the training gaps. Europe still suffers from a lack of continuing training organisations in video games to help workers upskill. Self-training is therefore a

[403] E.g. excludes the Amsterdam office of *Roblox*.

[404] E.g. In Sweden, more than four in five degree holders find a job upon completing their studies.

[405] For more information, see https://thegameassembly.com/se/.

major trend in the industry.[406] Existing initial education institutions are often responsible for addressing the industry's needs (e.g. in France, half of gaming schools offered continuing education for professionals), and new organisations providing short courses for professionals are only starting to emerge.

3.1.6. Summary

The **global video games market is recovering** from a fall in revenues in 2022, with consumer spending reaching EUR 169.3 billion in 2023 (+0.5%). Revenues are expected to increase in 2024 (EUR 169.6 billion, 0.2%) and return to more solid growth in 2025 (EUR 178 billion). Although the market is ever more saturated, estimates are that the industry's revenues could grow between 5% and 8% CAGR until 2040. Meanwhile, the **EU market** (representing a stable 13% of the global market, which is half the share of the US or Chinese markets) **is seeing a weaker recovery**. Despite moderate growth in 2023 (+1.8%, EUR 22.3 billion), revenues from **consumer spending were expected to fall in 2024** (-2.7%, EUR 21.7 billion).

Regarding market segments, **the global market is dominated by mobile games** (50% in 2024), which reaches a more diverse population than console and PC. The console market is expected to grow most in the coming years (average growth of 7% expected in 2024-27). In comparison, the **EU market is dominated by console-based revenues** (51% vs 26% on mobile gaming). **Transactions are still the main source** of revenues (76%), with a strong trend towards digital transactions. Subscription and cloud gaming are growing, but they are still a minority share of the market. While online/microtransactions have long been common in the mobile market, there is also an ever-growing dependence on **online/microtransactions** in PC gaming, although this is less dominant in the EU market (66% vs 85% in the US).

On consumption, **75% of the online adult population in the EU plays video games**. The **most commonly played games are mobile** (62%) and **online games via PC** (27%), tied with c**onsole games** (27%) and portable games (14%). **Most players do not regularly spend money on video games,** with only 35% of players spending money on video games in the last six months and 50% exclusively playing free/freemium games. Views are split on the impact of gaming on society, although they are more positive among gamers than among non-gamers, and just above half of players have never encountered any issue (e.g. fraud, excessive monetisation pressure, cyberbullying, etc.) when playing.

As regards **business models**, and in a context where EU indie developers are struggling, video game companies seek to increase user acquisition efforts, to better monetise their IPs and to further engage gaming communities. European actors also strive to benefit from the growth of live-service gaming but face a crowded market.

As well as heightened competition for consumers, the EU industry also faces competition to retain and recruit talents, often facing the competition of the tech sector. The **labour market remains very volatile**, with 44% of European workers changing jobs in 2024 (21% affected by layoffs).

[406] Massive open online courses (MOOC) are sometimes used, but few cover art and design.

3.2. The extended reality sector

3.2.1. Introduction

Positioned at the cutting edge of innovation, the XR industry blurs boundaries between media formats, with great potential for adoption by other economic sectors (from advertising to education and aerospace).

XR refers to experiences that allow users to engage with content in a multi-dimensional environment by integrating reality with advanced technologies. It engages multiple senses through haptic feedback, typically sight, sound, and occasionally touch. Immersive media can deeply engage users in filmed, photographed, synthetic, or blended environments, creating a sense of realism. Immersive media encompasses a range of experiences that integrate XR to transform entertainment, including virtual concerts, interactive gaming, sports media, and XR-enhanced film experiences – often mediated by devices such as headsets.

The sector has been in the limelight for the past decade. From video games (Nintendo 3DS; *Pokémon GO*) to social media (filters on social media platforms), immersive content has made a breakthrough in users' daily lives. XR technologies were estimated to reach 189 million users in 2022. It has also been underpinning more industrial developments, such as virtual worlds/multiverses, which have been a focus in the tech industry since 2021.

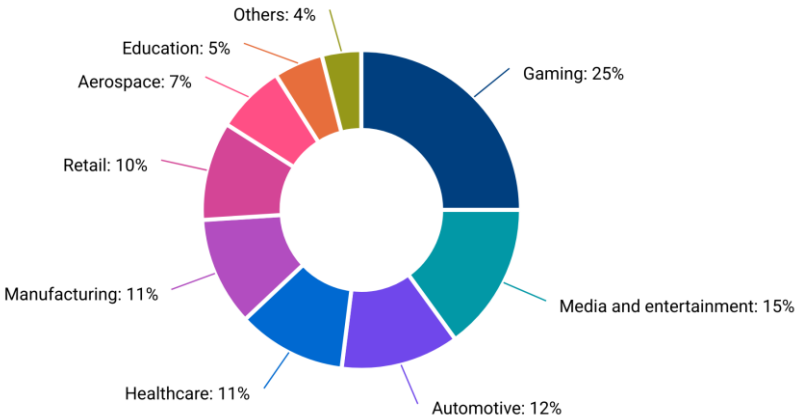
Consequently, the sector showed promising forecasts at the beginning of the decade. The global XR industry was set to grow between 37% and 43% (CAGR) between 2021 and 2026, with a slower trajectory for the EU ecosystem. Video gaming was identified as the biggest market for expansion, and the growth prospects for augmented reality were deemed higher than for virtual reality. Against this backdrop, this chapter analyses the latest trends for the XR sector, in particular for XR applications in media technologies and content.

3.2.2. Market overview

Global, regional and EU market value

Within the broader realm of extended and virtual reality, immersive media made up 40% of the overall XR market in 2023, with gaming leading as the largest segment. Media and entertainment together with gaming are followed by the automotive industry, healthcare, manufacturing, and retail. As adoption continues to grow, industries beyond entertainment are increasingly utilising these technologies for training, simulations, and customer engagement. This growing integration is blurring the lines between entertainment and other sectors, as businesses incorporate immersive experiences to enhance learning, improve operational efficiency, and create more interactive consumer experiences.

Figure 77. Extended reality market size, by industry vertical, 2023



Source: Technopolis Group, calculations derived from Grand View Research, Scoop Market US, Mordor Intelligence data.

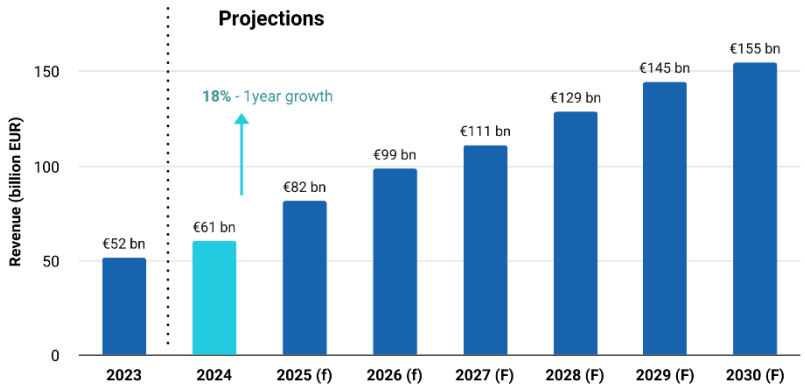
Against this backdrop, the global immersive media market[407] is estimated to have generated EUR 61 billion in 2024 and is projected to rise to EUR 155 billion by 2030.[408] This growth trajectory is driven by an increasing number of use cases across the media and entertainment industries, steady technological advancements, and growing consumer familiarity with immersive experiences. Media and entertainment have been driving the growth of the overall XR market by transforming content consumption (e.g. VR for immersive gaming, AR for interactive live events, and mixed reality for the blending of physical and digital experiences).[409]

[407] Immersive media market in this definition includes the following applications: VR and XR gaming, live events, museum and cultural experiences, music and concerts, sports, arcade studios, immersive theatre, immersive cinema and movies. This definition is different than the category of the XR market (with application areas across other sectors such as education, automotive, healthcare, aerospace etc). The global XR market size was estimated at EUR 135 billion in 2023 according to Grand View Research. Media, entertainment and gaming accounts for 40% of the XR market, followed by automotive and healthcare.

[408] Technopolis Group, calculations derived from Grand View Research, Scoop Market US, and Mordor Intelligence data focused on immersive entertainment specifically.

[409] Imarc, *Extended Reality (XR) Market Report by Component, Type, Organization Size, Application, End User Industry, and Region 2025-2033*, 2024.

Figure 78. Global immersive media market forecasted Size, 2023-2030 (EUR billion).

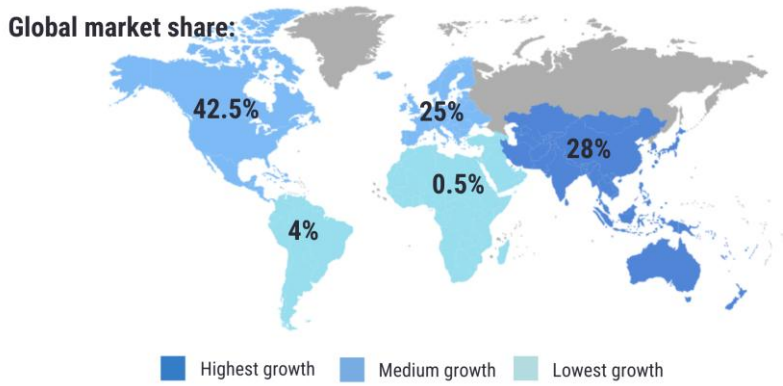


Source: Technopolis Group, calculations derived from Grand View Research, Scoop Market US, Mordor Intelligence data.

In 2024, it is estimated that the EU immersive media market was valued at EUR 12 billion, capturing 20% of the global market.[410] The EU's XR market remains concentrated in key capitals and around vibrant tech hubs. EU leaders include Germany (EUR 5 billion), France (EUR 4 billion) and Italy (EUR 1 billion), which saw their market size increase by 10% compared with 2023.[411] Spain and the Netherlands are also important markets. This rapid expansion reflects the EU's dynamic XR landscape, characterised by innovative hubs in cities such as Paris, Berlin, Amsterdam, Helsinki, Munich, Hamburg, Warsaw and Milan.

Outside the EU, the Asia-Pacific region is set to become the fastest-growing market after North America. Growth is set to be particularly sustained in South Korea, and the Asia-Pacific immersive entertainment market is projected to expand significantly, with the themed entertainment sector, particularly theme parks, leading the way. In these markets, theme parks are early adopters of XR, AR, VR, and interactive storytelling driven by audience demand.[412]

Figure 79. Immersive media market shares (numbers refer to market share, colouring refers to growth rate)



Source: Technopolis Group, calculations derived from Grand View Research, Scoop Market US, Mordor Intelligence data.

[410] Estimates of XR revenues in media vary between sources such as Grand View Research, Scoop Market US, and Mordor Intelligence, compared with the PwC Media Outlook. The main reasons are differences in how the sector is defined, the range of XR activities included, and the forecasting approaches used. While PwC focuses more narrowly, the other sources take a broader view, incorporating the full XR ecosystem, hardware, software, services, and related media applications such as gaming. In this case, estimates are based on Grand View Research, Scoop Market US, and Mordor Intelligence data.

[411] Calculations derived from Grand View Research, Scoop Market US, and Mordor Intelligence data.

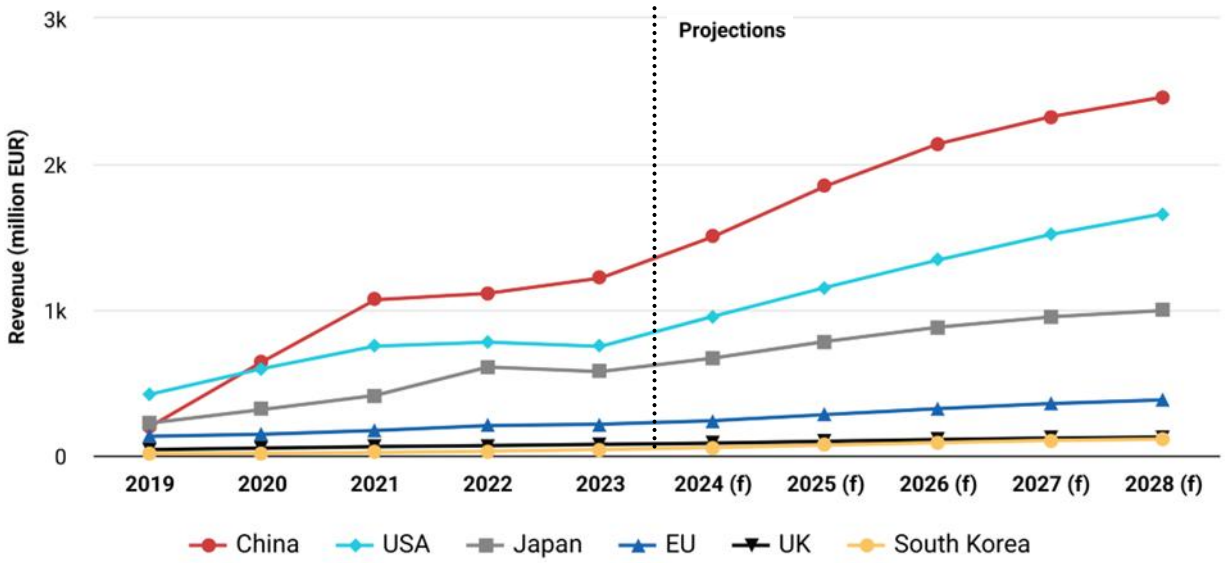
[412] Mordor Intelligence, *Asia-Pacific Immersive Entertainment Market Size & Share Analysis - Growth Trends & Forecasts (2025 - 2030)*, 2024.

Overall, the growth of the XR market is led by gaming, with uptake remaining lower in other sectors. While gaming can drive early adoption, the industry faces key challenges such as high hardware costs for consumers, limited interoperability, and practical obstacles to integrating XR technology into film production workflows. A deeper analysis of the immersive media entertainment market structure was conducted by examining key factors that influence the adoption and development of XR technologies. The insights were grounded in the availability of relevant data, which helped identify important trends shaping the industry. Special attention was given to mobile devices, as they play a pivotal role in driving the adoption of augmented reality, making the mobile AR market a critical area to follow. Additionally, the analysis highlighted that gaming is still one of the most significant and rapidly growing applications of immersive technologies within the media sector, underscoring its impact and relevance in the broader XR landscape.

The mobile AR segment

China and more broadly the Asia-Pacific region (including Japan) dominate the mobile AR[413] consumer market, extending beyond immersive media to foster a broader, positive ecosystem for technology adoption. This dominance is fuelled by the expansion of mobile networks and smartphone penetration equipped with advanced smart sensors. China, in particular, is one of the global leaders in leveraging AR for media-driven applications. Starting at EUR 200 million in 2019, the country's mobile AR consumer revenues are forecast to rise to EUR 2.5 billion by 2028.[414] In the coming years, China's AR market is expected to enter a new phase of growth, with companies such as Alibaba, Tencent, ByteDance and Sina trying to capitalise on the recent progress made in AR glasses development, by commercialising native apps like Douyin VR Live.[415] Tencent Video and iQiyi, two of China's most extensive streaming services, also use AR to enhance content consumption through gamified experiences and virtual overlays that extend user engagement.

Figure 80. Mobile AR consumer (revenues, EUR million)



Source: PwC Global Entertainment & Media Outlook 2024–2028., EU includes data for Germany, France, Italy and Spain with estimates for the Netherlands, Finland and Poland.[416]

[413] Mobile AR is defined as revenues generated directly from end users from paid downloads and in-app purchases relating to mobile AR apps, and from the publishing of advertisements within mobile AR apps. This revenue is digital, and from both consumer and advertising spending.

[414] Based on PwC data.

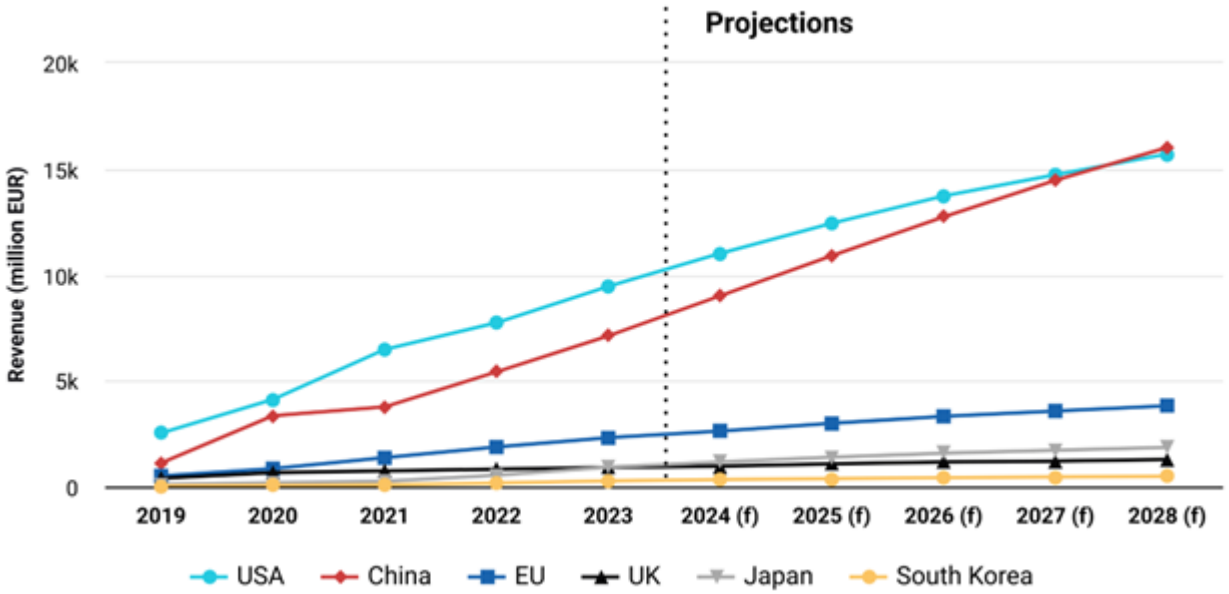
[415] Ma Si, *AR glasses give enhanced sector clarity*, China Daily, 3 July 2024.

[416] Based on PwC data. The EU market values presented are aggregated from member state-level data covering the four largest economies (France, Germany, Italy, and Spain). While these countries represent a significant share of the EU's mobile AR consumer market, they do not capture the full EU market size. Data excludes other member states, including Nordic and Eastern European markets, suggesting that EU-wide market size and growth potential likely exceed reported figures. Values should be interpreted as conservative estimates primarily reflecting patterns and dynamics of major Western European markets.

In comparison, the US market is projected to grow to EUR 1.7 billion by 2028 and has carved out a distinct niche in AR media through platforms like Snapchat, Meta's Facebook and Instagram, and Niantic. Snapchat pioneered AR in media with its filters. Similarly, Meta has integrated AR into Instagram and Facebook, enabling creators and brands to enhance their posts and advertisements with interactive, immersive elements. The US media industry has yet to capitalise on AR beyond social media and gaming, with possible use in streaming platforms, live events, or advertising. This seems to reflect a more fragmented US XR media ecosystem, where adoption remains strong but lacks the close collaboration among industries seen in China.

In advertising, nevertheless, the US takes the top spot. The US leads the global mobile AR advertising market, with EUR 2.5 billion of revenues in 2019 and EUR 15.5 billion expected by 2028. China follows, with revenues increasing from EUR 1.1 billion in 2019 to an estimated EUR 16 billion by 2028 – one of the highest growth rates globally. China's dominance in mobile-first internet usage and its emphasis on leveraging AR for targeted and interactive advertising make it a global leader in innovation. Meanwhile, the EU exhibits a steady growth in the mobile AR advertising segment, increasing from EUR 511 million in 2019 to a projected EUR 3.8 billion by 2028.

Figure 81. Mobile AR advertising (Revenues, EUR million).



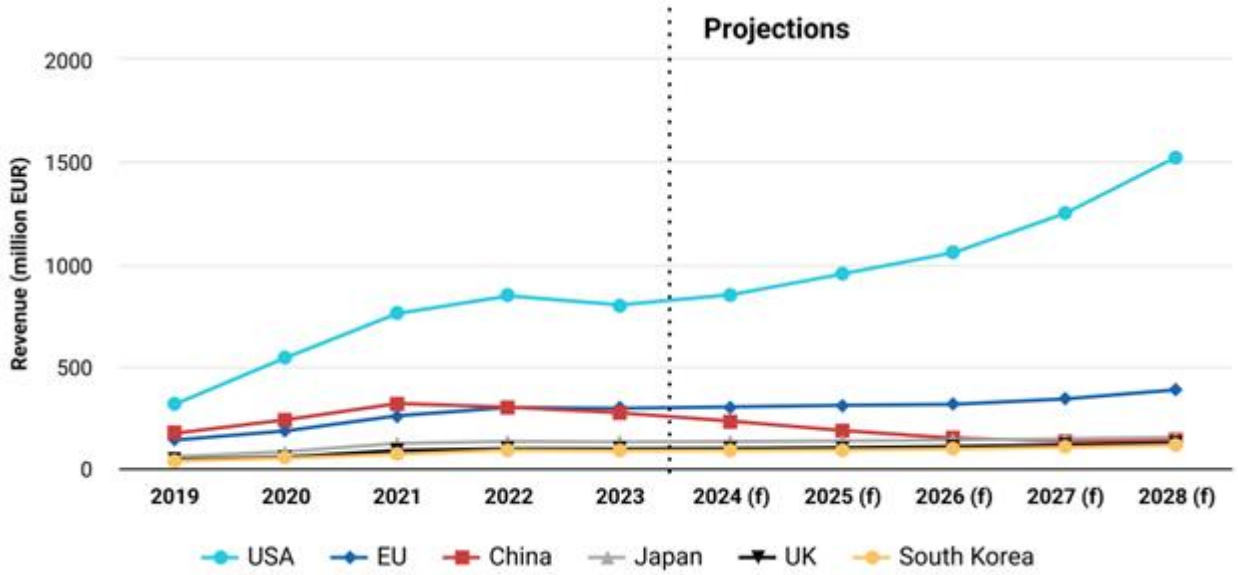
Source: PwC Global Entertainment & Media Outlook 2024–2028. EU includes data for Germany, France, Italy and Spain with estimates for the Netherlands, Finland and Poland.

The VR gaming segment

The VR gaming market data reveals different growth trajectories across major global markets from 2019 to 2028, with the US emerging as the clear leader in revenue ahead of China. Starting from approximately EUR 313 million in 2019, the US VR gaming market is projected to reach EUR 1.5 billion by 2028, demonstrating a CAGR of 17.5%.[417] In contrast, the Chinese market is estimated to have reached its peak, with revenues reaching EUR 317 million in 2021-2022, before declining.

[417] According to data by PwC.

Figure 82. VR gaming (revenues, EUR million)



Source: PwC Global Entertainment & Media Outlook 2024–2028. EU includes data/estimates for Germany, France, Italy, Spain, Netherlands, Finland and Poland.

The EU VR gaming market presents a steady growth. Market revenues increased from EUR 138 million in 2019 to a projected EUR 384 million by 2028. Europe's gaming industry benefits from its strong creative reputation, producing innovative content and culturally rich experiences.

Japan, the UK, and South Korea play supporting roles in the VR gaming landscape, with revenues steadily growing yet remaining smaller in scale compared to the US, EU, and China. By 2028, Japan and the UK are projected to achieve revenues of EUR 151 million and EUR 122 million respectively, driven by strong gaming cultures and high consumer demand for immersive experiences**.**

Structure of the market

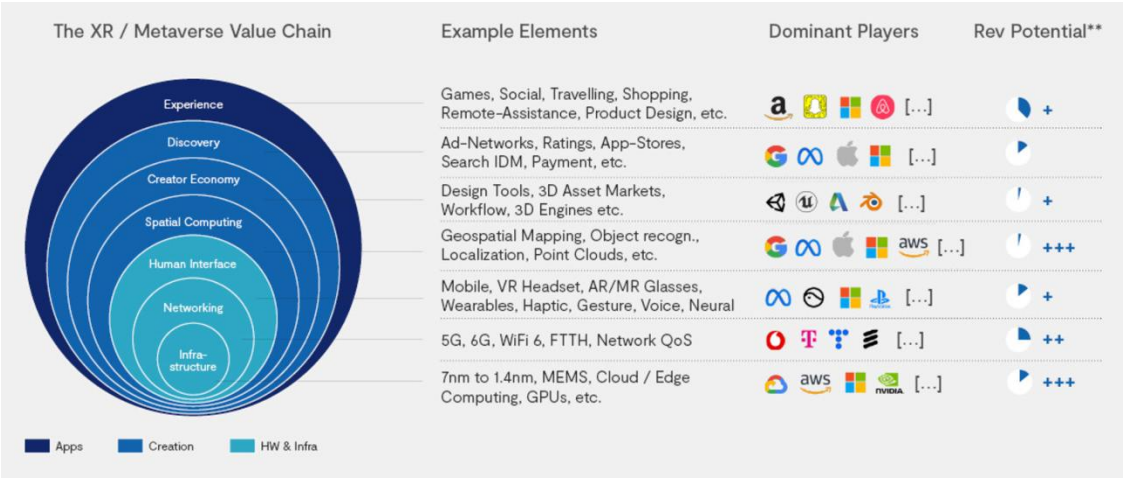
The XR value chain remains largely unchanged over time and is characterised by a diverse network of stakeholders. Key players include hardware manufacturers, hyperscalers, software developers and content creators, as well as user-facing applications and spatial computing engines. This intricate ecosystem requires expertise across diverse domains, such as graphics processing, sensor integration, 3D modelling, and user interface design. Given the breadth of specialisations needed, no single company, regardless of resources, can cover all these areas. Consequently, success in XR development and commercialisation hinges on strategic collaborations among stakeholders to deliver integrated and innovative XR solutions.

In the EU, the XR market remains heavily concentrated among a handful of non-EU companies. In 2023, the majority of EU XR revenue was generated by non-EU companies, with Meta alone (formerly Oculus VR LLC) accounting for 50% of the total market.[418] This is consistent with previous findings according to which 10 non-EU companies captured 84% of XR revenue within the EU.[419] Companies such as Meta, Google, Amazon, and Apple continue to dominate large portions of the XR value chain due to their vertical integration (see figure below). These firms have aligned their investments across hardware, networking, and software to position themselves as key enablers of the XR ecosystem. Over the past decade, they have strategically integrated AI, cloud computing, and data analytics, enabling them to optimise and scale their XR platforms efficiently. This synergy reduces dependency on external partners.

[418] Marqual IT Solutions, *Europe Extended Reality Market Size, Share & Industry Trends Analysis Report By Component, By Technology , By End User, By Country and Growth Forecast, 2022 – 2028*, 2023.

[419] European Commission: Directorate-General for Communications Networks, Content and Technology. *The European Media Industry Outlook*, 2023.

Figure 83. The XR/Metaverse value chain



*Source: Jon Radoff - Building the Metaverse; 2021, adapted by Detecon; ** revenue share and additional growth (+) deducted from Detecon expert estimations.*

Europe is home to numerous innovative tech startups and other SMEs operating across various sectors, not just media,[420] although it does not have a dominant industry leader in XR. Most XR companies in the EU are small-scale, with fewer than 15 dedicated employees.[421] These smaller actors face significant challenges in entering the XR value chain, particularly in layers dominated by hyperscalers.[422] For example, human interface components, such as AR/VR headsets, and spatial computing technologies often require integration with existing ecosystems controlled by larger firms. To navigate this, smaller firms must innovate within highly specialised areas or partner with hyperscalers to gain traction. Specialisation may focus on developing unique spatial computing algorithms, calibration tools, or enabling technologies for the creator economy.

Employment

The number of professionals with XR skills in the EU has been growing dynamically, both within the broader tech sector and in the immersive media segment. It is estimated[423] that in 2025 approximately 13,200 professionals were employed across 700 tech companies specialised in XR in the EU, with 5,570 professionals employed in 216 tech companies working specifically at the intersection of XR and the media sectors in the EU in 2024.[424] This narrower category of XR companies include Hologate Entertainment, Esport Virtual Arenas, Antilatency Virtual Productions and Cyborn. More broadly, data shows that there were 214,810 professionals with XR skills employed in the media sectors in the EU in 2024.[425] There were 1,200,470 professionals with general XR skills[426]

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[420] Milon Gupta and Uwe Herzog, *Extended Reality – An overview*, EURESCOM, 1 June 2022.

[421] XR4Europe, *European XR Industry Report 2025*, 2025.

[422] Ibid.

[423] Based on Moody's Orbis: Search strategy was to filter for companies with reference to XR, AR, VR, MR, haptics. The analysis of employment trends in the XR sector presents significant methodological challenges due to the sector's emergent nature, the absence of standardised taxonomies for roles and competencies, and its interdisciplinary overlap with fields such as software development and digital media. These complexities are further compounded by the rapid pace of technological evolution. To address these limitations, insights were gathered from LinkedIn, datasets derived from jobs listing platform scraping, and detailed firm-level information from Orbis.

[424] Based on Orbis data and Crunchbase, with media sectors being defined as video games, audiovisual and news media. Crunchbase includes 1 859 XR companies headquartered in the EU with a total employment of 33 000 people.

[425] Based on LinkedIn. XR skills have been captured as: augmented reality (AR), virtual reality (VR), mixed reality, and tools like Unity, Unreal Engine, Blender, and Autodesk Maya. Skills include 3D modelling, CGI, software development (C++, C#, Java), and human-computer interaction. Industries covered include audiovisual, news media, video games, visual and performing arts, writing and editing.

[426] The query about XR skills include in this analysis keywords such as augmented reality (AR), virtual reality (VR), mixed reality, computer-generated imagery (CGI), immersive environments, Microsoft HoloLens, Oculus, Vuforia Augmented Reality SDK, Unreal Engine 4, Autodesk Maya, Metaverse, Blender, Autodesk 3ds Max, Cinema 4D, Kinect, human computer interaction, multisensory instruction, Google Glass, Zbrush, Google ARCore, ARKit, CRYENGINE.

(irrespective of the wider industrial sector), representing a 13% growth rate over the period from 2023-2025.

The EU XR sector presents a pronounced geographic concentration. Based on 2014-2023 data, three countries account for nearly three quarters of the sector's total employment: Germany (37.9%), France (19.3%), and Finland (15.1%). This high concentration ratio reflects the sector's tendency towards clustering in established technology hubs, a pattern typical of knowledge-intensive industries where proximity to talent, resources, and innovation networks creates self-reinforcing advantages. Leading hubs concentrating XR talent in media also include metropolitan areas such as Madrid, Barcelona, the Randstad conurbation in the Netherlands and Warsaw (linked to the video game industry), fuelled by top employers such as Orange, Capgemini, and Google. Companies such as Nokia, Motorola and IBM have created new hiring opportunities for professionals with XR skills notably in Lisbon and Kraków.[427]

In 2024, around 25% of the XR-skilled professionals in the EU were women. In comparison, women make up 29% of XR professionals in the US.[428] In 2022, just 10% of metaverse funding and investment was reported to be directed towards women-owned companies.[429]

Top players

US and Chinese companies dominate the consumer-facing immersive media market, leaving European firms struggling to compete. For instance, a US competitor like Meta is estimated to have invested more than USD 80 billion since 2014 (with an estimated USD 74 billion in losses) to develop hardware devices and software solutions.[430] The company is now able to offer its Quest headset devices at a consumer-friendly price point, which is difficult for European manufacturers to match. This allows Meta to secure greater long-term control of the ecosystem beyond hardware. Microsoft (with the HoloLens), and HTC Vive also control much of the VR/AR hardware production and help set the technical standards for the industry.[431] The concentration of hardware manufacturing in the US enables these companies to scale quickly, achieve economies of scale and maintain a competitive advantage in terms of R&D and distribution. On China's side, ByteDance, through its ownership of Pico Interactive, has made significant inroads into the immersive media ecosystem by leveraging its expertise in content creation, user engagement, and integrated ecosystems.

In addition to hardware, US companies also control most of the software platforms that drive immersive media experiences. Companies and solutions such as Meta's Horizon, Apple's ARKit, Google's ARCore, Microsoft's Mesh, Unity and Magic Leap are making substantial strategic investments in immersive technologies, positioning XR as a critical area of technological development and future market expansion.[432] These platforms collectively command most of the global market share in consumer and enterprise XR solutions. This ecosystem control is further supported by advertising-driven business models (e.g. Meta), hardware/software synergy (e.g. Apple), and strategic partnerships between platforms and XR developers (e.g. Google, Microsoft).[433] They are also central to creating, distributing and monetising content, defining the user experience and governing access to content, which makes it difficult for European companies to scale and achieve global reach. In addition, the lack of cross-platform compatibility further fragments the market, creating significant barriers for European companies that rely on open-source models or wish to operate across multiple ecosystems.

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[427] Technopolis Group based on LinkedIn data.

[428] Ibid.

[429] Mina Alaghband and Lareina Yee, *Even in the metaverse, women remain locked out of leadership roles*, McKinsey & Company, 21 November 2022.

[430] Matthew Ball (Updated: 17 April 2025), *The State of Video Gaming in 2025*, Epyllion.

[431] According to IDC's *Worldwide Quarterly Augmented and Virtual Reality Headset Tracker* (March, 2025), Meta currently dominates the market capturing 74.6% share throughout 2024, followed by Apple at 5.2%, Sony with 4.3%, ByteDance at 4.1% and XREAL rounding out the top five with a 3.3% share. However, among the top five only Meta and XREAL recorded year-on-year growth thanks to newer products and gaming focused use cases.

[432] Joan O'Hara, *Reality Check: US Investment in XR Technologies Long Overdue,* TechPolicyPress, 4 Jan 2024.

[433] For more, see IDC's AR & VR Headsets Market Insights.

Europe's XR hardware ecosystem is renowned for its technological excellence. Companies such as Varjo (Finland) and Lynx Mixed Reality (France) are global leaders in high-end headsets designed for specialised applications like industrial design, training, and simulation. Similarly, firms like Barco (Belgium) are at the forefront of projection and motion tracking systems, catering to fields such as virtual production, engineering, and scientific research.

The EU's strengths are also concentrated in research and development, as well as content production, specifically in VR gaming. Within the EU, Western Europe leads in immersive media, with countries such as Germany, France, and the Netherlands driving innovation through creative industries, advanced infrastructure, and favourable public-driven incentives.[434] Germany's thriving media production and entertainment sectors employ AR talent to create dynamic storytelling, while in France there is a growing use of XR in advertising and digital media campaigns. Meanwhile, Central and Eastern Europe are emerging as a growth area for immersive media driven by regional incentives.[435]

However, the European immersive media ecosystem remains constrained by significant fragmentation, undermining market collaboration and scalability. Europe's XR industry is marked by a lack of resource-sharing networks, exacerbating production inefficiencies and increasing operational costs. In addition, the recent surge in XR devices, platforms, and software tools has showcased a significant lack of industry-wide standards across many aspects of virtual and augmented realities. Consequently, technologies and their underlying platforms are predominantly proprietary, controlled by platform providers rather than being open-source. This extends to critical areas such as data tracking and collection standards, storage protocols and mechanisms for linking disparate platforms. It remains to be seen whether this fragmentation represents a transitional phase that will ultimately give way to convergence, or whether market dynamics will sustain these divisions, resulting in the coexistence of multiple isolated virtual worlds. Fragmentation also applies to application markets: these are often siloed and disconnected from broader initiatives that could drive critical mass and elevate the EU's standing in immersive media.

3.2.3. Consumer trends

Market analysts point to XR being an experience that is appealing to users. Immersive media has captivated the imagination of tech-savvy consumers globally, representing a transformative shift in how people interact with digital content. On the one hand, demand for XR is fuelled by its capacity to deliver innovative forms of engagement, interactivity and personalised experiences with media. On the other hand, consumer demand is facing challenges, as shown by the number of VR headsets in active use that fell by 8% in 2024 to 6.9 million globally.[436] Nevertheless, VR growth is expected by 2029, driven in part by Meta's sustained investment in the technology. Societal trends, including the rise of digital lifestyles and the increasing reliance on remote interactions, have further heightened interest in XR technologies. Under the current projections and growth trajectory, in 2024, there were an estimated 225 million users of XR technologies in the EU[437]. The projected growth trajectory suggests an approximate annual expansion of 13.5 million new users from 2024 to 2029, acknowledging potential variations in adoption rates across different years and market conditions.

The hardware market paints a more complex picture. Global AR/VR headset sales dropped by 10% in 2024 to 6.9 million units, with further decline expected in 2025, signalling difficulties for consumer VR.[438] In 2025, a decline of 12% in XR hardware shipments is expected due to delayed product launches. The market is expected to rebound in 2026, with growth projected to resume in the

[434] In Western Europe, state-driven initiatives are directly advancing immersive media. In Germany, the Digital Hub Initiative supports the integration of AR in media innovation hubs, fostering collaborations between media companies and AR tech startups. France's CNC Future Fund (Centre National du Cinéma et de l'Image Animée) invests heavily in AR projects for cinema, gaming, and cultural experiences, enhancing the use of immersive media in tourism and creative industries. Netherlands' Creative Industries Immersive Impact Coalition (CIIIC) is supported by important public fundings to boost the development of the national XR ecosystem, notably in the media sector.

[435] Grand View Research, *Europe Immersive Technology Market Size, Share & Trends Analysis Report*, 2024.

[436] Omdia, *Consumer VR Headset and Content Revenue forecast*, 2024.

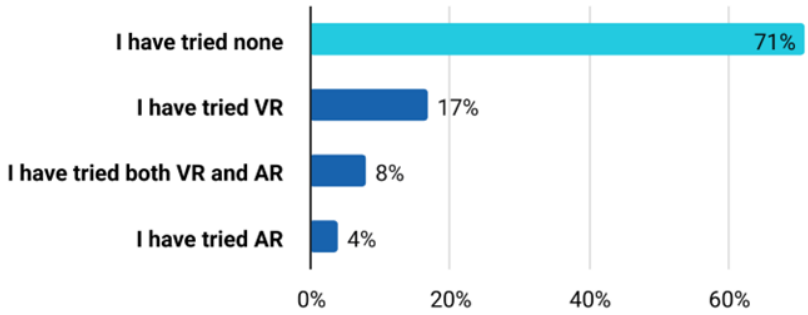
[437] Data from Statista.

[438] Omdia, *Consumer VR Headset and Content Revenue forecast*, 2024.

following years.[439] This rebound is anticipated to be driven by the availability of more affordable devices and the integration of advanced AI features, which are expected to renew consumer interest and accelerate hardware adoption.

Despite the increasing integration of immersive technologies in daily life, 7 in 10 Europeans report not having experienced either AR or VR. Only 4% of Europeans identified having used AR alone, which is much less than VR (17%), the gap being possibly explained by VR being a more easily recognisable technology due to its distinctive hardware, like headsets (whereas social media filters are not systematically associated with AR). Nordic and Western European markets demonstrate particularly advanced adoption rates, with Finland emerging as a leader, with 24% of respondents reporting experience with both VR and AR technologies. Notable market maturity is evidenced in the Netherlands and Poland, recording VR trial rates of 38% and 52%, respectively. Younger people (18 to 30 years old) are also more likely to experience VR and AR than those over 60 (53% against 11%), while data shows that these technologies remain primarily confined to early adopters and those with substantial disposable income.

Figure 84. Share of Europeans who have tried VR or AR in the EU (n=23,169)



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

Lack of knowledge about the sector seems to be the primary reason for the limited adoption of VR and AR. Among the Europeans reporting not having tried VR or AR, half of them report not knowing these technologies, and one quarter expresses little interest. The limited exposure to XR therefore seems to be due to structural barriers, including cost, awareness and technological literacy. This suggests that XR's evolution from niche to mainstream will depend not just on technical advancement.

Adoption is also hindered by the high price of hardware. The price of XR devices for consumer use generally ranges between EUR 250 and EUR 600, with some reaching even EUR 3,000.[440] Other obstacles include the bulkiness of hardware, the need for costly and heavy headsets and the need for the hardware to mature further concerning factors like battery life and comfort.[441]

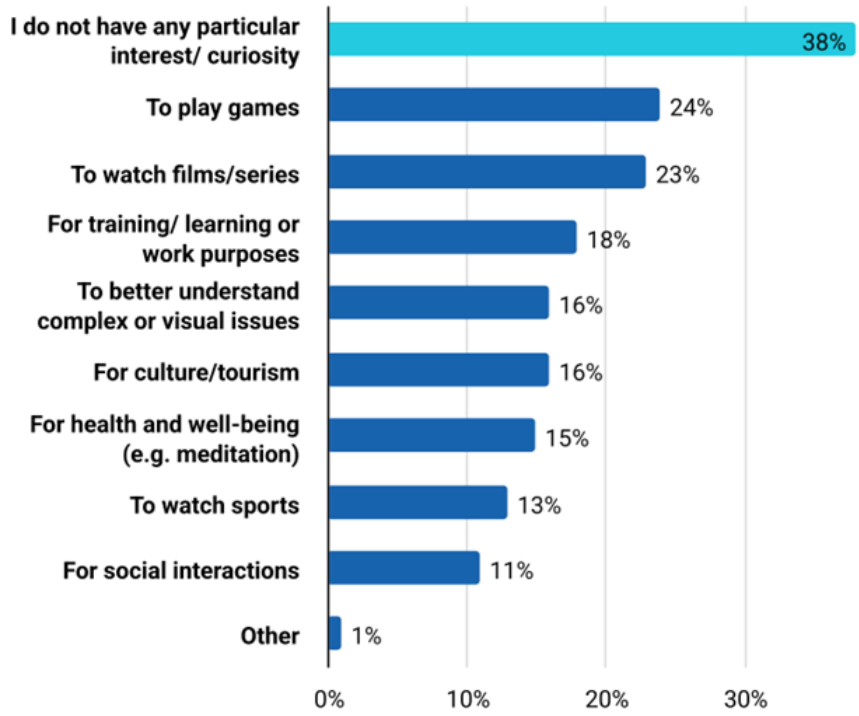
For those who have used XR, there are some limitations to their interest. Four in ten Europeans see VR and AR positively but see their application mostly for leisure and media consumption, and only 18% of respondents wish VR and AR were adopted more widely in daily life or work.

The appeal of media applications is confirmed when people are asked the specific environments in which they would like to use AR or VR, with games and films topping preferences. One in four Europeans would be interested in using AR or VR to watch films or play games, with culture/tourism, watching sports and social interactions lagging behind. A substantial 40% of people have no particular interest in applying VR and AR in a given environment, although this rate drops significantly for younger users, who have more interest in further applications. The

[439] IDC, *Worldwide Quarterly Augmented and Virtual Reality Headset Tracker*, 2024 (October).
[440] OECD, *An immersive technologies policy primer*, 2025.
[441] Based on Omdia.

same applies to AR: games or apps (49%) come before social media filters (29%), museums (26%) and training (20%).

Figure 85. Environments in which Europeans would be interested in using AR/VR (n=23,169, 1.82 average clicks)



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

Privacy concerns also constrain adoption as data breaches and privacy violations can undermine consumer trust in immersive technologies and lead to scepticism.[442] Concerns about data privacy and security emerge due to the large amounts of user data collected by XR technologies. Moreover, high-profile incidents may result in legal consequences and reputational damage for companies.

3.2.4. Industrial trends and business models

Monetisation

The main business models in the industry include subscription-based software, maintenance agreements and Content as a service offering.[443] Small EU companies of fewer than 15 employees appear to predominantly adopt an agency/service business model, which focuses on providing tailored XR solutions for clients across different industries, rather than developing large-scale, proprietary products. They often collaborate with other firms, acting as service providers or offering specialised expertise in areas such as software development and technical support. Ultimately, offering ongoing support and updates for deployed XR solutions, such as virtual environments or training simulations, can transition companies from one-off engagements to longer-term partnerships. However, licensing proprietary tools or platforms that allow clients to create and manage their

[442] Great View Research, Virtual Reality In Gaming Market Size, Share & Trends Analysis Report By Component, By Connecting Device, By User, By Region, And Segment Forecasts, 2025 – 2030, 2024.
[443] Ibid.

immersive content provides a more steady and predictable income stream while fostering client retention. Another increasingly relevant model is the sale of 'digital'[444] or virtual goods, which resonate with consumers' desire for personal expression in online environments.

The direct sale of head-mounted displays (HMDs) is also one of the most common revenue models. Direct sales come either as a one-time purchase or through a 'Technology as a Service' subscription model.[445] This subscription-based approach allows consumers to pay recurring fees and periodically upgrade their hardware, mirroring the trend in the smartphone industry, where lower upfront costs encourage wider adoption. Equipment rental models exist but operate at a small scale due to logistical challenges and limited client demand. While these technologies showcase Europe's capacity for innovation, their impact is largely confined to niche, high-value markets (e.g. architecture, medical imaging), leaving significant consumer-driven opportunities untapped as headsets' prices remain high.

Many European XR companies, including those in XR gaming, adopt subscription-based, community-driven business models that align with privacy norms. While global platforms (such as Rec Room or VRChat) rely on in-app purchases and data monetisation, European solutions emphasise subscription plans that appear to resonate with the expectations from users: platforms like Resonite exemplify this approach, blending community funding through Patreon with enterprise collaborations. This hybrid model allows companies to sustain operations while prioritising user-focused design and engagement. Another example is Somnium Space, which operates as a virtual world where users can buy virtual land, build content, and interact with other players.

Another key trend for the EU XR industry is expanding into high-budget international markets to tap into larger and more financially robust investment opportunities. This approach helps mitigate the challenges posed by fragmented regional markets, enabling greater scalability, broader audience reach and stronger industry partnerships. Scaling within the EU often requires extensive localisation to accommodate linguistic, cultural and regulatory diversity, which inflates costs and reduces profit margins. Consequently, many XR companies are pivoting to regions with higher budgets and lower localisation barriers, such as North America, Latin America and the Gulf region, where integration of immersive technologies is in high demand. Countries such as the United Arab Emirates and Saudi Arabia are heavily investing in XR for digital twinning, tourism promotion and high-profile cultural events such as the Red Sea Festival. These markets offer lucrative opportunities for European XR companies, with projects focused on prestige and less subject to budget constraints.

The European XR ecosystem demonstrates significant monetisation challenges despite its diverse revenue approaches. VR headsets, AR glasses, haptic devices, and spatial computing systems require advanced components, powerful processors, and compatible software, making them expensive for both users and companies in the media sectors. Virtual production requires substantial investment in hardware, including into LED panels and robotic camera systems, due to the complex technology involved in creating high-quality real-time visual effects and immersive environments. Consumer expenditures often do not allow those investments to be recouped, leading many creators to experiment with XR, whether a consumer market exists or not. This approach underscores the artistic roots of the XR entertainment sector, where the creation of high-quality content often precedes the establishment of a clear revenue model. Additionally, software is underdeveloped in the EU XR media market: this model introduces recurring revenue opportunities and scalability, as software can be sold to multiple clients, yet its adoption remains limited due to the significant investment required to develop robust, user-friendly tools and the current market focus on bespoke solutions. Finally, the European immersive media sector is predominantly project-based, with limited reproducibility and scalability, which hampers broader market growth and recurring revenue opportunities: most XR projects are custom-built and resource-intensive and lack standardisation, making expanding offerings and achieving efficiency difficult. The lack of reproducible frameworks or modular tools means that each engagement starts from scratch, further constraining efficiency and profitability.

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[444] Digital objects are digital representations of physical objects or content. They are created by converting analogue information such as images, texts, audio files or video recordings into digital formats. They include non-fungible tokens (NFTs), which are unique, blockchain-based digital assets used to authenticate ownership of virtual items such as avatars, in-game assets, or digital art.

[445] KBV Research, Global Head Mounted Display (HMD) Market Size, Share & Trends Analysis Report By Technology, By Connectivity, By Component, By Application, By Regional Outlook and Forecast, 2023 – 2030, 2022.

EU dependencies

European XR developers rely heavily on foreign game engines, limiting their ability to capture value and innovate independently. Game engines – which are not used solely for game development – like Unreal or Unity dominate Europe's immersive media landscape, leaving developers dependent on US-controlled tools. Related companies have offered tools and ecosystems that enable applications in XR, cross-platform media storytelling and managing user payments, identities and social connections. This non-EU ownership imposes structural limitations on European developers, who rely on these platforms for licensing and operational infrastructure. This dependency can restrict local autonomy, inhibit innovation and effectively shift value generation away from European markets. While alternatives like CryEngine (Germany) initially showed promise, they failed to extend their influence far beyond gaming or to maintain a consistent income flow.

The European XR sector's dependence on foreign platforms creates critical content distribution and monetisation vulnerabilities. The EU lags significantly in developing dedicated infrastructure for XR distribution, marketing, and audience analytics. XR media demands unique distribution frameworks due to its interactive nature, requiring tools and platforms that can capture and respond to real-time audience engagement data and adapt to multiple platforms, such as VR headsets, AR applications and location-based installations. Content store providers, often controlled by non-European actors, own the consumer relationship and can control monetisation opportunities for local players. This weakness is particularly acute in the non-gaming immersive sector, where creators face underdeveloped distribution channels. Consequently, the sector lacks essential data tools for business modelling. The risks of this dependency are evidenced by recent market disruptions: Microsoft's 2023 discontinuation of Windows Mixed Reality stranded enterprise investments, while platform changes by Meta and Sony's limited PlayStation VR2 backwards compatibility demonstrate how quickly content libraries and hardware can become obsolete.

Processor[446] dependency is the most critical supply chain bottleneck hindering the scalability of XR in media and in other sectors. In this field, Europe remains globally vulnerable. Semiconductor manufacturing capacities have declined from 44% of the global market in 1990 to just 9% in 2024. This decline is particularly significant given the projected growth of the semiconductor market to EUR 630 billion by 2025, driven primarily by memory and logic chips essential for XR applications.[447] Critical components, including microelectronic and photonic semiconductors, optical elements, and raw materials, are scarce or unavailable in Europe. This reliance weakens the sector's ability to support key industries such as XR, quantum computing, manufacturing, defence, healthcare, and digital infrastructure. The lack of supply chain sovereignty poses a substantial risk to value creation and technological advancement within the EU.[448]

Use cases in the media sectors

The gaming industry has been a pioneer in adopting VR and AR technologies in the EU and globally. XR games provide immersive experiences that go beyond what traditional video games can offer. The growth of XR gaming has been fuelled by advancing technology and increasing headset adoption. VR, AR and AI-driven tools are shaping new gaming genres and experiences such as location-based VR experiences, AR mobile games, and procedurally generated environments powered by AI. Game studios have been exploring opportunities in XR with varied success: in 2024, the US-based HTC VIVE and Epic Games announced they would further invest in Wevr, a development and virtual production studio known for creating diverse VR experiences for brands and talent.

Despite advancements, signs of stagnation in the XR game development landscape have emerged. The high expectation around VR gaming at the end of the 2010s hardly materialised, and

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[446] In XR applications, processors must handle intensive parallel computations, including real-time graphics rendering, motion tracking, scene meshing, and spatial mapping – often while maintaining low latency (below 20ms) to prevent motion sickness. The intricate manufacturing process of these chips requires advanced semiconductor fabrication facilities (fabs), which are concentrated in a few geographical locations, primarily TSMC in Taiwan, making the supply chain particularly vulnerable to disruptions.

[447] World Semiconductor Trade Statistics. *Global Semiconductor Market Forecast 2023-2025*. WSTS Market Report, 2024.

[448] Photonics21, European Photonics Industry Warns Policymakers of Growing Dependence on Overseas Markets, Science Business, 9 May 2023.

lots of gaming companies are scaling back on their VR resource allocation. In 2024, Mojang Studios, the developer behind Minecraft, announced that it would no longer support VR on certain platforms, citing challenges in integrating VR into an already vast and constantly evolving game. In 2024, 36% of game developers globally believed the virtual reality gaming market was declining, against 23% finding that the market was growing.[449]

Immersive experiences are also created within traditional filmmaking contexts such as XR storytelling and 360-degree cinematic experiences. Virtual reality films allow creators to place viewers closer to the narrative. Cinematic virtual reality is a type of immersive VR experience where users can look around synthetic worlds in 360°, often with stereoscopic views, and hear spatialised audio designed to reinforce the virtual environment's veracity. VR films require volumetric video, allowing users to move freely within a captured scene. This technology demands specialised studios and new filmmaking approaches, with growing interest from filmmakers.

Beyond film, arts and culture more broadly remain a strong focus for European XR companies. The EU benefits from public funding and a thriving ecosystem of XR-compatible art and film festivals such as Cannes and Venice . As evidenced by the proliferation of digital galleries in cities such as Bordeaux, Barcelona, and Milan, the EU has become a leader in architectural adaptation for immersive media, positioning itself as a primary destination for innovative XR installations. XR enhances storytelling by enabling users to interact with objects, navigate 3D environments, and immerse themselves in the digital reconstruction of historical sites, for example.[450]

Investments into XR and immersive media

Private investments have historically been the backbone of the XR sector's growth, especially in its early stages. Between 2013 and 2015, the sector depended heavily on VC and angel investments to fund R&D, proof-of-concept development, and prototype testing. By 2016, private investments shifted towards growth-stage capital, enabling companies that had successfully completed initial market testing to scale their operations and expand into new markets. Series A to D rounds became dominant as XR companies sought to develop enterprise solutions and increase their geographic reach. The ability to attract substantial private capital reflected increasing investor confidence in the commercial viability of XR technologies. In 2017, private investments surged to EUR 2.52 billion globally,[451] with Series B (EUR 851.78 million) and Series D (EUR 764.39 million) raising the bulk of this capital. The mean annual private investment from 2016 to 2021 was EUR 1.9 billion, indicating a period of sustained investor confidence.

An analysis of recent VC investments, however, underlines that the sector is marked by high volatility. After a negative growth rate in 2019, which seemed to reflect early signs of market uncertainty and a growing risk aversion among investors, a peak was reached in 2021 and 2022, when funding attained respectively EUR 4.59 billion and EUR 5.05 billion. A new contracting of EUR 2.66 billion took place in 2023, investments continued to decline also in 2024 (EUR 1.8 billion), but a rebound is observable in early 2025, demonstrating renewed momentum for XR. For the next years, as companies emerge from a period of consolidation, venture capitalists are expected to shift their focus towards commercial-ready technologies that can deliver sustained returns.

In this context, US companies emerged as the most attractive destination for private investors. The US has consistently dominated the global XR investment landscape, with venture capital and private equity investments in the industry reaching EUR 20.2 billion from 2015 to 2025.

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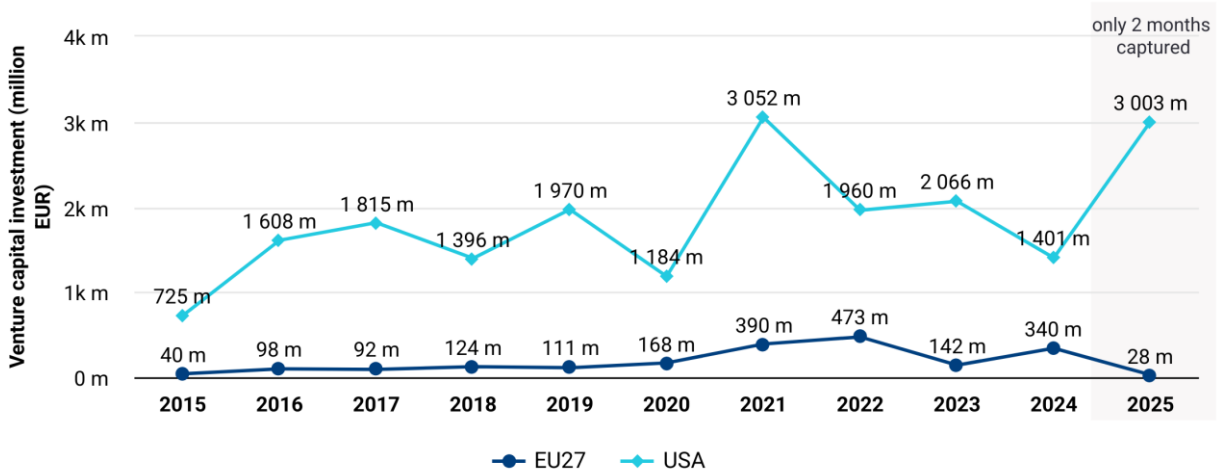
[449] Justin Carter, *Survey says half of developers consider VR market on decline or in stagnation*, Game Developer, 22 October 2024.

[450] European Commission: Directorate-General for Communications Networks, Content and Technology & Visionary Analytics, Zero-distance XR applications and services – Final report, 2024.

[451] Countries/regions included in this analysis are the EU, US, Canada, Japan, South Korea and China.

Figure 86. VC investments in XR companies headquartered in the EU and in the US over time

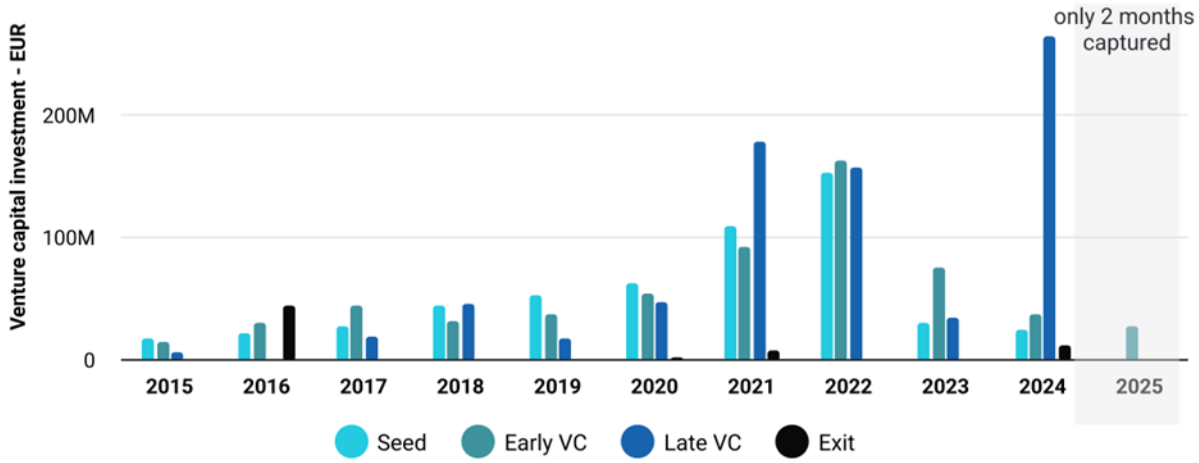


Source: Technopolis Group based on Crunchbase 2025 data. EU N= 1 232, US N= 3 239.

Note: Data for 2025 was not complete at the time of writing the report and it reflects the period January-February.

Meanwhile, investments in EU companies lag. From 2015 to 2025, investments into EU companies amounted to EUR 2 billion. The EU's investment landscape used to be heavily skewed towards early-stage funding, emphasising seed rounds. However, there was a surge in late-stage VC funding in 2024, largely driven by investments in EU companies such as Varjo and Holoride, as well as growth in the XR gaming sector. Non-EU investors accounted for 32% of investment deals in EU XR startups as lead investors between 2015 and 2024; US venture capitalists accounted for 50% of non-EU investments into the European XR over the same period.

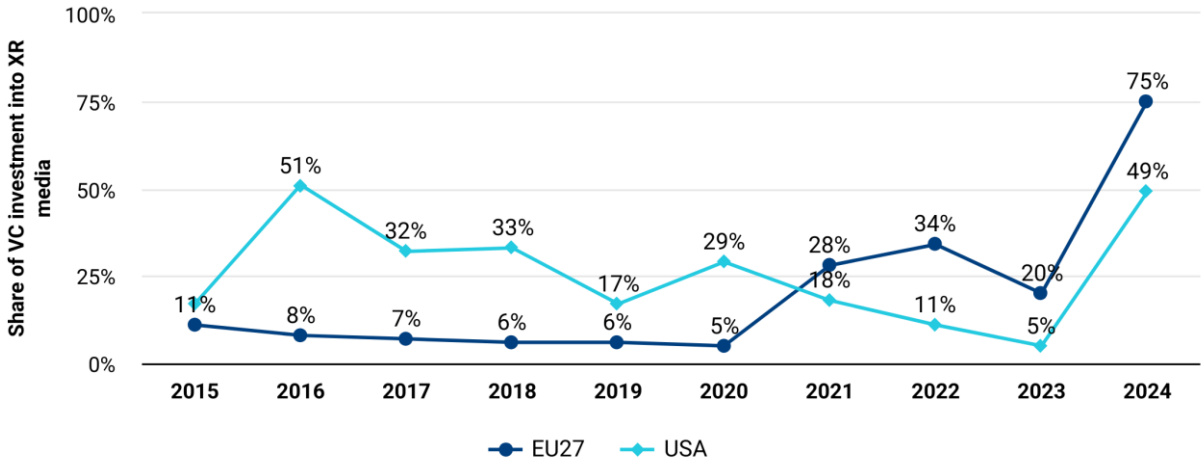
Figure 87. VC investments into XR companies headquartered in the EU (2015-2025)



Source: Technopolis Group based on Crunchbase. N= 1 232.

XR applied specifically to video games, audiovisual, and news media represents a higher share of VC investments in the US than in the EU. In the US, 26% of VC investments between 2015 and 2024 went into XR companies directly serving these three sectors, against 20% in the EU. Among these 20%, half went to companies serving the video games sector. It is worth noting that, although the US were receiving a bigger share of its VC capital for these media applications, this trend seems to have been reversed by 2021.

Figure 88. VC investments in XR companies linked to video games, audiovisual and news media, as % of total investments in XR companies, EU and US (2015-2025)



Source: Technopolis Group based on Crunchbase 2025 data. EU N= 1 232, US N= 3 239.

On the whole, investors display cautiousness when it comes to the XR sector in the media domain. Investors are wary of backing small and mid-sized companies competing in a relatively limited market: even in VR gaming, one of the more developed segments of immersive media, audience growth has plateaued, companies struggle to achieve sustainable profitability and revenue models (from in-app purchases to subscription services) have yet to demonstrate their long-term profitability potential.

3.2.5. Technological trends

XR is a composite technology that integrates multiple advanced fields. It is both a technology and a platform for other technologies. Unlike assessing a standalone technology, evaluating XR involves considering many interdependent components such as hardware innovations, software development, connectivity and other technology infrastructures, and user interface paradigms.

Technology infrastructure and XR-ready networks are prerequisites to the development of XR experiences. High-speed, low-latency connectivity, particularly through 5G and future 6G networks, is essential for seamless content distribution and real-time interactions. Current networks operating at 50-60ms latency prove inadequate for immersive applications. The transformation of network infrastructure to support immersive media represents a fundamental paradigm shift driven by the convergence of three critical technical imperatives: symmetric bandwidth for interactive experiences, ultra-low latency for real-time rendering and unprecedented quality of service requirements.

XR technologies that power immersive experiences continue to advance rapidly. Improved connectivity and the continued rollout of 5G and research into 6G, aiming for lower latency and higher device density, support the development of more sophisticated XR applications. Other advancements are in photogrammetry and sensor technologies that better capture the real world for digital tools, and increased computing power driven by new specialised semiconductor chips.[452]

AI has multiple applications in XR. The integration of AI within VR, MR and XR frameworks represents a fundamental shift in immersive technology capabilities, mainly through implementing advanced machine learning systems for real-time environmental adaptation and user interaction. In immersive gaming, for example, AI can track eye movement to optimise processing power, delivering high-resolution visuals where users focus while reducing quality in peripheral vision. This smart resource allocation allows standalone VR headsets to achieve PC-quality graphics without tethering

[452] OECD (2025), An immersive technologies policy primer.

or battery drain. Additionally, AI algorithms analyse user interactions and preferences in real time, adapting content difficulty, visual preferences and interface layouts to individual users. This dual application of AI – for both technical optimisation and experience personalisation – creates more immersive and accessible VR experiences that adapt to each user's unique needs and preferences while maintaining optimal performance.[453]

Browser capacities also influence users' experience. WebXR APIs and cloud-based rendering services enable complex volumetric video processing, dynamic asset generation, and real-time scene composition directly within web browsers.

Finally, blockchain is increasingly integrated into XR to support decentralised virtual environments, secure transactions, and identity management. It enables users to buy, sell and trade virtual assets transparently using blockchain-based tokens while ensuring secure authentication, for example, within XR gaming platforms. In the metaverse, blockchain enhances financial and privacy mechanisms, supports AI-driven automation, and improves immersive applications. Additionally, it strengthens security through decentralised data storage, cryptographic verification, and smart contracts, reducing the risk of fraud and unauthorised access.

The widespread deployment of XR technologies in Europe, as well as their exploitation, therefore, depends on advancements in hardware, software, IT infrastructure and individual technologies. The EU is particularly lagging in technological infrastructure (e.g. cloud) to support large-scale, high-tech productions compared to the US and remains dependent on foreign technology (e.g. AI solutions).

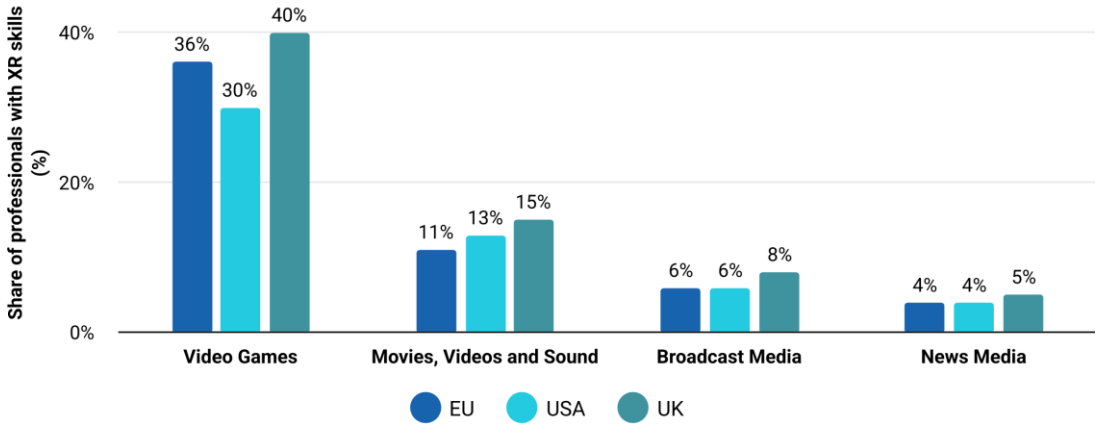
Skills supply and occupations

The production of XR content requires an interdisciplinary approach that integrates technical and programming expertise, creative design and a deep understanding of user experience. The XR production workflows generally reflect stages similar to those in traditional media, such as concept design, production, post-production, and release, which require a mix of skills. Moreover, the involvement of specialised roles touching on sensory experiences, such as audio engineers for spatial soundscapes and haptic designers for tactile feedback, is crucial for achieving genuine multisensory immersion. These requirements can prove challenging for companies which have to contend with limited teams, as well as technological constraints in acquisition, reconstruction, and interaction capacity.

Professionals with XR skills are mostly found in the video game industry. Video game professionals had the highest share of XR skills, followed by films, videos and sound, broadcast media and news media with the least, as suggested by the review of data on LinkedIn.[454] Figures in the UK and the US broadly align, with UK professionals more often referencing XR skills than those in the EU or the US.

[453] Matthew DeHamer, *Three Ways Our AI is Powering Awe-Inspiring XR Experiences*, Qualcomm, 17 May 2023.
[454] Technopolis Group based on LinkedIn data.

Figure 89. Share of professionals with XR skills within the media sectors and with a profile on LinkedIn in September 2024

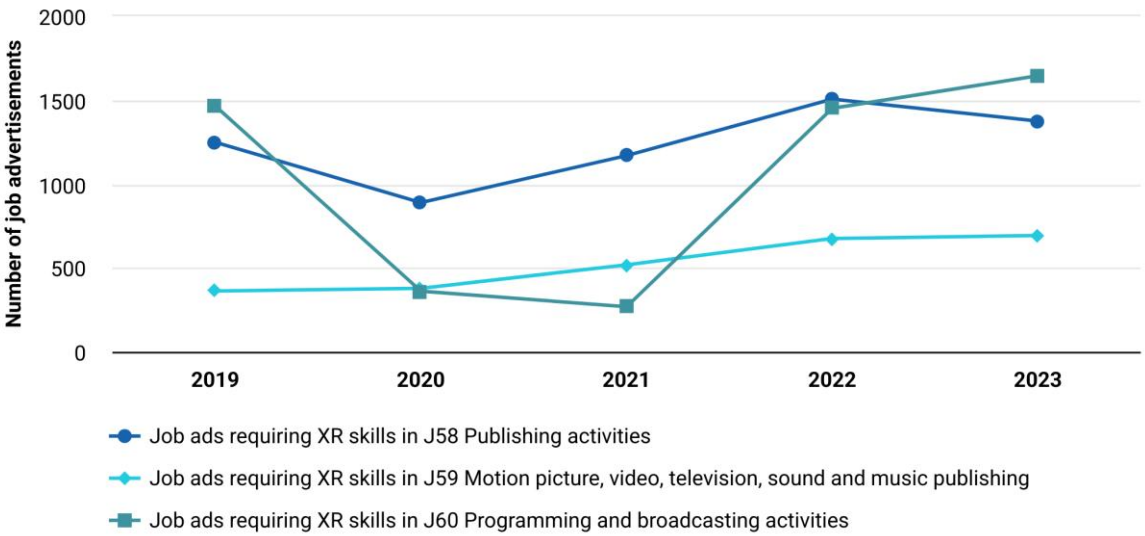


Source: Technopolis Group analysis based on LinkedIn, 2024.

Skills demand and opportunities

The XR global job market is experiencing an overall growth, with demand increasing over the years. The European XR market is evolving rapidly, driven by technological advancements and significant skill shortages, particularly in the developer space. The number of online job advertisements in 'Motion picture, video, television, sound and music publishing' and in Programming and broadcasting' that required an XR skill has been increasing over time; however, in the case of 'Publishing activity', it decreased from 2022 to 2023. The share of job advertisements that required XR skills within the total number of online job advertisements has been low overall (between 0.4 and 1%).

Figure 90. Number of online job advertisements with a requirement for XR skills in NACE 58 and NACE 59 in the EU over the period from 2019-2023[455]



Source: Technopolis Group based on Cedefop Skillsovate data.

[455] Based on Cedefop, covering the EU and the UK, and based on collecting and analysing more than 530 online job advertisement sources (424 distinct websites), which are open-access sites. The database allows the analysis of online job advertisements linked to NACE 2-digit categories (but not at more granular levels). This is why only the broad categories of 'Publishing activities' and 'Motion picture, video and television programmes' are presented.

There is a high demand for specialised expertise within the XR sector, particularly for roles requiring advanced technical proficiency. Unity and Unreal Engine expertise are the most sought-after skills, alongside proficiency in 3D development (animation, modelling, graphics, shading, texturing, and rendering). The demand extends to hardware-specific knowledge of platforms like HoloLens, HTC Vive, Magic Leap, Oculus, and Windows Mixed Reality, while proficiency in computer-aided design and building information modelling remains essential for creating detailed immersive environments, particularly for senior technical positions such as VR game designers and AR/VR software engineers.

Engineering/development positions, as well as mid-level positions, dominate the XR job market. Engineering and development represent more than a third of listings. These roles, primarily XR developers and software engineers, reflect the technical complexity of AR/VR development across 3D rendering, hardware integration and interface design.

Europe's XR industry is richly endowed with storytelling skills and a capacity to integrate XR in fields such as cultural heritage. Many XR stakeholders are active in the creation of immersive experiences for museums, galleries and cultural heritage sites. In those venues, European XR content can draw on established literary and cinematic traditions, enabling European creators to excel at crafting nuanced narratives across multiple languages, particularly in cultural institutions' VR/AR applications and historical reconstructions. As a result, global studios frequently collaborate with European XR professionals for their ability to create multilingual, culturally rich content that seamlessly integrates with unique architectural environments. As a whole, the EU's strengths in cultural production translate into the XR sector.

Skills gaps

As well as opportunities, the EU industry suffers from a lack of skills specific to XR. The region faces a marked deficiency in advanced technical specialisation within the XR media sector, particularly in AI integration, real-time rendering, and interactive systems design. This lack of technical depth is partly due to limited private sector investment in R&D for XR technologies and the relatively conservative public funding structure, which often favours established methodologies over experimental, high-risk technological ventures. It is also due to many professionals transitioning from more traditional industries, such as TV and film, where those skills are not as needed.

Among technical skills, limited proficiency with industry-standard development engines, especially Unity and Unreal, hampers the growth of the EU industry. These engines form the core of many immersive media experiences. Unity often dominates mobile and VR applications due to its adaptability and lighter framework, and Unreal excels in applications requiring high-end visual fidelity. Unity serves as the primary tool for many developers, supporting a wide range of projects, including VR experiences, mobile apps, AR for Android and iOS, standalone touchscreen interactive applications and WebGL games.

Beyond technical skills, strategic knowledge of distribution channels emerges as an essential skill. Effective XR media projects require early and thorough planning around distribution strategies to ensure audience reach and engagement. Understanding how and where audiences are likely to engage, whether through specific platforms, devices or distribution methods, can significantly impact a project's direction and inform project development from the ideation stage to maximise alignment with audience expectations.

Finally, in the context of XR media, user experience (UX) design is an essential yet sometimes underexplored component of content development. While some traditional media sectors may continue to operate within a broadcast-oriented framework – where audiences are conceptualised primarily as passive recipients – this model does not align well with the expectations associated with XR environments. Nevertheless, certain XR projects continue to prioritise technological novelty or visual sophistication over user-centred design principles. As demand for interactive and participatory media grows, the ability to effectively incorporate UX considerations is becoming a critical competency within the XR field. However, this shift is complicated by a shortage of UX-specific skills.

Education and training

Adequate training could help the EU industry bridge the skills gap, but the offer is scarce. There is no clear entry pathway in the immersive industry. Consequently, a large proportion of the XR workforce, including freelance designers, senior developers (8–10 years of experience) and artists, are self-taught, engage in continuous learning to stay relevant or balance XR gigs alongside full-time jobs, often in the gaming or technology sectors. Many of these professionals first develop foundational skills within the gaming industry, which has historically offered both the technological infrastructure and creative freedom conducive to XR development. This trend is particularly prominent for developers and designers who leverage their experience in interactive content creation, 3D modelling and immersive storytelling from gaming. Their skills are transitioned into other media applications in XR, such as virtual production, immersive advertising and interactive media installations.

Initiatives at the national level are beginning to see the light, with vocational training at its core. Germany and Ireland, for example, have started to address this educational shortfall by developing apprenticeship programmes for XR in media. This reflects an awareness that the sector demands highly specialised, hands-on skills best acquired through immersive, real-world learning environments. This structured training pathway provides designers with the hands-on experience and technical foundation needed to thrive in the rapidly evolving immersive media industry. It particularly appeals to the industry, as it broadens access to the job market for non-academic employees.

3.2.6. Summary

The **global XR market** for immersive media generated an estimated **EUR 61 billion** in 2024, and these revenues are expected to **triple by 2030. The EU immersive media market was estimated at EUR 12 billion** (20% of the global market), behind North America (42.5%) and Asia-Pacific (28%). The XR market value chain remains rather unchanged, with a diverse network of stakeholders – with 10 non-European companies accounting for more than half of the global market. In the EU, **this is even more concentrated** – with Meta (formerly Oculus VR LLC) alone accounting for 50% of the total market in 2023. In the absence of **European industry leaders**, most XR companies in the EU are small-scale (-15 employees).

In **VR gaming**, a key application for XR, the EU market is expected to reach EUR 384 million by 2028, representing 25% of the projected global market (EUR 1.5 billion). The **main business models** of European companies are subscription-based software, maintenance agreements and Content as a Service offering.

Regarding consumption, **7 in 10 Europeans report never having experienced** AR or VR, with **younger people** (18 to 30 years old) **more likely to experience these technologies** than those over 60 (53% vs 11%). **One in four Europeans** would be interested in using AR/VR, with watching films (23%) and playing games (24%) being the preferred environments. A considerable proportion of EU citizens say they **have no interest** in its application (38%).

On employment, the number of **professionals with XR skills in the EU has been growing**. There were 1,200,470 professionals with general XR skills in 2025, which represents 13% growth over the period 2023-2025. Employment remains geographically concentrated in Germany (37.9%), France (19.3%) and Finland (15.1%).

4. The news media sector

4.1. Introduction

News is understood as the output of **professional media organisations** dedicated to the regular production and distribution of journalistic content across a range of formats and tools. These media organisations (newspapers, magazines, news agencies, online news portals, TV and radio channels, etc.) operate **under structured editorial processes** and uphold professional standards and accountability in their work.

News businesses play a crucial role in our societies. **Information** keeps citizens in touch with relevant affairs and thus increases their awareness of major changes in society, politics, economics and the public sphere. News media sources act as **watchdogs of politics**, holding governments accountable for their decisions and actions, facilitating civic and democratic engagement and democratic participation.

The information market, in which news media companies operate, has undergone **rapid transformations** in the 2010s in terms of production, mediation and consumption of news. Traditional outlets have seen their position **challenged** by the increasing influence of new players in the information market, such as tech giants and social media platforms, which are **reshaping consumption patterns** and becoming the main competitors of news media outlets in the attention economy. The consumption of content from traditional news media sources is progressively declining in favour of content from new, digital and social media sources – leading to a shift in advertising revenues that benefits online players. Although traditional news media outlets have **digitalised their operations over the course of the decade**, this has not compensated for the overall decline in their traditional revenues, thus posing a threat to their economic viability.

Consequently, at the beginning of the 2020s, revenues were **steadily dropping for newspapers and moderately growing for TV and radio**. **Employment** has dropped 7.5% between 2021-2023. While professional news outlets were still largely trusted, an increasing number of citizens were becoming used to free news and becoming **less willing to pay for information**. Innovation gaps were also common in all parts of the industry.

The following chapter reviews the state of the European news media market and industry over the past years, with a focus on 2023 and 2024 when data is available. This analysis suffers from several limitations linked to scarcity of data in the sector on aspects such as the level of revenue generated via news programmes specifically within TV and radio, the level of revenue generated via news media services offered by online platforms, the level of private investments, the structure and size of all costs for news media companies, the share of freelance journalists in the EU, the economic impact of cross-subsidisation and the level of technological uptake by news media companies.

4.2. Market overview

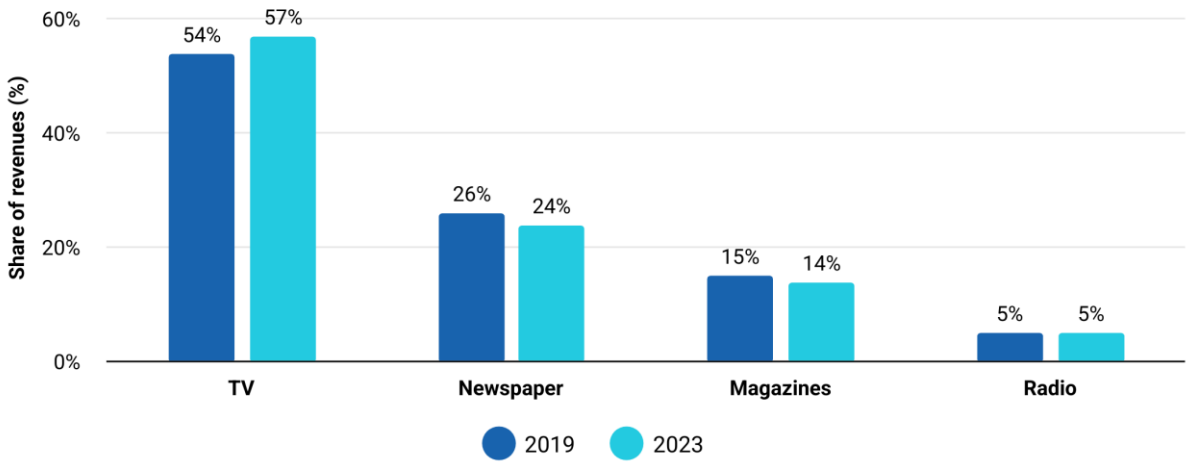
Overall revenues

The total revenue generated by the EU[456] news media sector is declining. Total revenue generated by the newspaper and magazines, TV and radio, and podcast sub-sectors decreased by 8% from EUR 84.3 billion in 2019 to an estimated EUR 77.2 billion in 2023. The TV sub-sector generated the highest share of revenue (EUR 44.1 billion, 57% of total sectoral revenues), followed

[456] Revenues of the news media sector retrieved from the PwC Global Entertainment and Media Outlook, which covers only 17 EU member states, namely: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Poland, Portugal, Romania, Spain and Sweden. Estimations for the remaining 10 EU Member States are based on calculations by Technopolis and Intellera.

by newspapers (EUR 18.6 billion, 24%) and magazines (EUR 10.4 billion, 13%). The radio sub-sector generated EUR 4.1 billion, approximately 5% of the overall revenue of the news media sector.

Figure 91. Share of revenues, per news media sub-sector, 2019 and 2023



Source: Estimates based on data from PwC Global Entertainment and Media Outlook: 2024-2028, 2024.
Note:

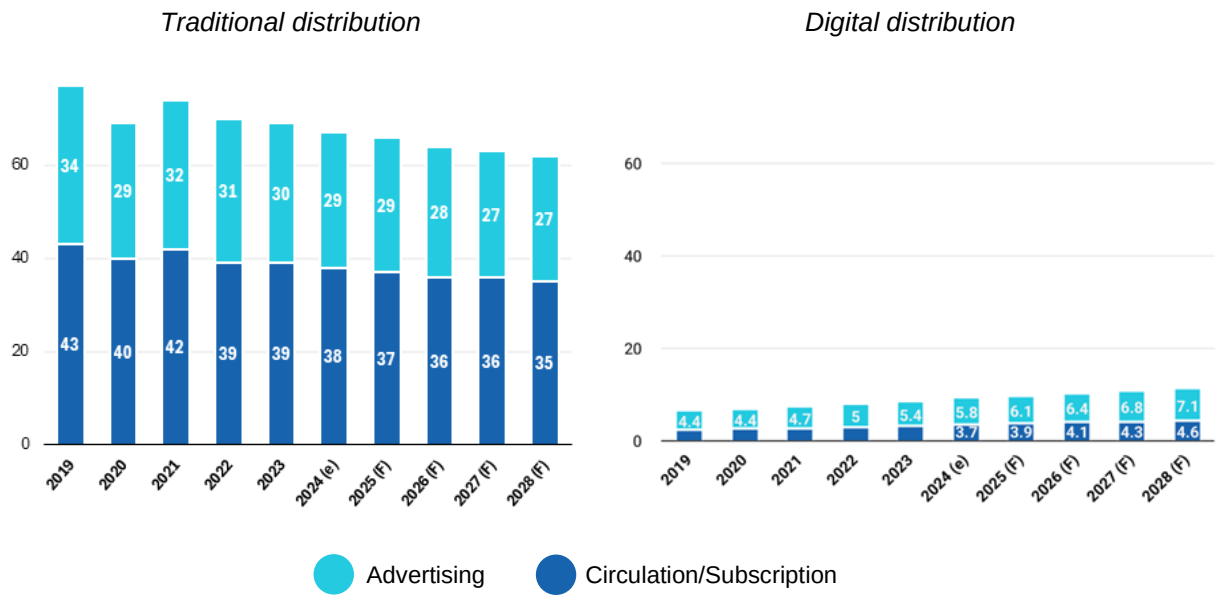
- 'TV' does not include the revenue of public broadcasters, which are presented in the horizontal and audiovisual chapters. It covers advertising revenues (broadcast and online), consumer spending on basic and premium pay TV subscriptions, including video on demand (e.g. of cable operators) but does not include services that are provided primarily over the open internet, such as Netflix.
- Based on original data for 17 EU Member States, with remaining countries' data being extrapolations.

Growth trajectories show noteworthy differences across news media subsectors. While TV sector revenues remain stable, print media sector revenue decreased, and radio sector revenue increased and returned to pre-pandemic levels. Between 2019 and 2023, television revenues remained relatively consistent (a slight decrease from EUR 45 billion to EUR 44.1 billion). The revenues of newspapers (print and digital) dropped from EUR 22.2 billion in 2019 to EUR 18.6 billion in 2023, while the ones of print and digital magazines declined from EUR 12.9 billion in 2019 to EUR 10.4 billion in 2023. Meanwhile, radio revenues have shown a modest recovery post-2020, approaching the 2019 value of EUR 4.2 billion in 2023 (EUR 4.1 billion). Forecasts for the coming years suggest that, while television and radio will continue their respective stable and upward trends, newspaper revenues will likely experience further contraction.[457]

Digital revenues are an increasing source of growth but represent only a small part of the market. Traditional sources of revenue accounted for 89% of the total revenue generated by the sector in 2024, despite a general gradual decline. Digital advertising rose from EUR 4.4 billion in 2019 to EUR 5.4 billion in 2023 and is expected to reach EUR 7.1 billion by 2028. Digital circulation revenue also grew, from EUR 2.5 billion in 2019 to EUR 3.4 billion in 2023, with forecasts suggesting it will reach EUR 4.6 billion by 2028.[458] In the publishing sector (newspapers and magazines), print circulation and advertising revenues were nearly three times the revenues generated by online circulation and online advertising.

[457] PwC, Global Entertainment and Media Outlook: 2024-2028, 2024. All figures reflect actual spending transactions and therefore include the effects of inflation.
[458] Ibid.

Figure 92. Breakdown of revenues in the news media sector (incl. TV, radio, newspapers and magazines), per type of distribution method (digital or traditional), in billon euro, EU



Source: PwC Global Entertainment and Media Outlook: 2024-2028, 2024.

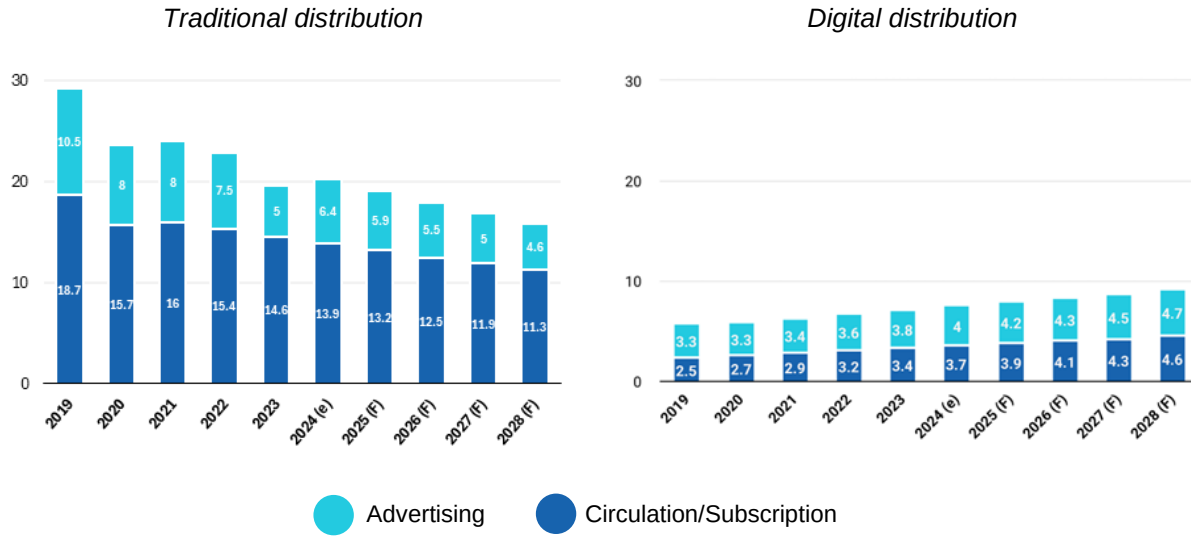
Notes: Based on original data for 17 EU Member States, with other countries' data being extrapolations.

Revenue per segment

The press sector continues to shrink. The press sector in the EU is characterised by contrasting growth trajectories between print and digital outlets, as print revenues fall, and digital revenues grow without fully offsetting the losses. The declining print revenue is also reflected in the severe decline of print circulation. The average daily unit circulation for print newspapers has steadily decreased, falling from approximately 40 million units in 2019 to an estimated 28 million in 2024, representing a 30% decline. Conversely, the average daily unit circulation for digital newspapers[459] has shown consistent growth, rising from approximately 4 million units in 2019 to 7 million in 2023, representing a 52% increase.

[459] Average number of purchased digital newspapers, including via a paywalled section of a newspaper website or purchased digital edition of a newspaper.

Figure 93. Revenue dynamics in the press sector (incl. newspapers and magazines), EU17, in billion euro

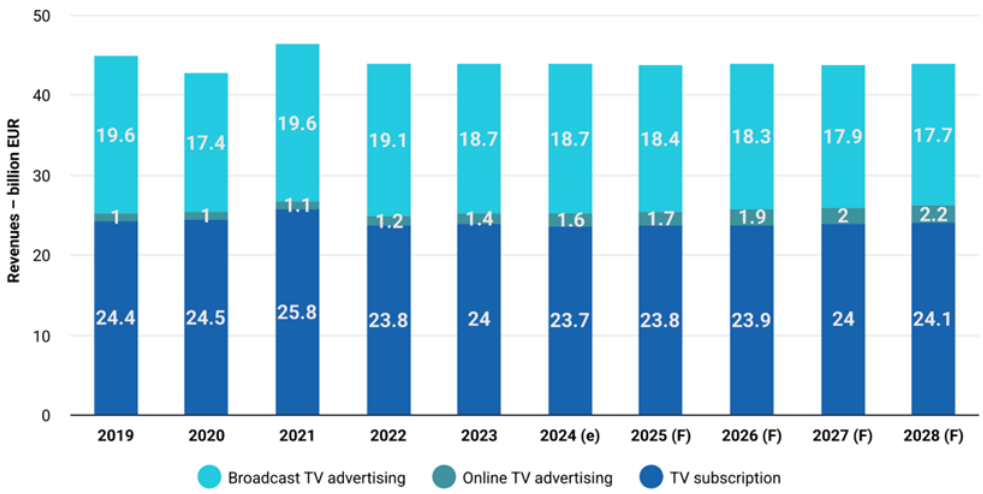


Source: PwC Global Entertainment and Media Outlook: 2024-2028, 2024.

Note: Based on original data for 17 EU Member States, with other countries' data being extrapolations.

Revenues in the TV sector reflect consumption trends, with online advertising growing as much as broadcast advertising declines.[460] Between 2019 and 2023, broadcast advertising revenues decreased by 5% (from EUR 19.6 billion to EUR 18.7 billion). Online advertising has risen by 45%, from EUR 1.0 billion in 2019 to a EUR 1.4 billion in 2023. It is expected to reach EUR 2.2 billion by 2028.[461] Subscription revenues show minor fluctuations, with a small fall of 2%, from EUR 24.4 billion in 2019 to EUR 23.0 billion in 2023, and are projected to stabilise at around EUR 24.1 billion by 2028.

Figure 94. Revenue dynamics in the TV news media sector, EU, in billion euro



Source: PwC Global Entertainment and Media Outlook: 2024-2028, 2024.

Note: This data does not cover direct public financing.

[460] It is not possible to extrapolate revenues from news services in TV, as the share corresponding to news can differ from one organisation to another. The PwC dataset does not distinguish between revenues from entertainment or news services within broadcasting revenues.

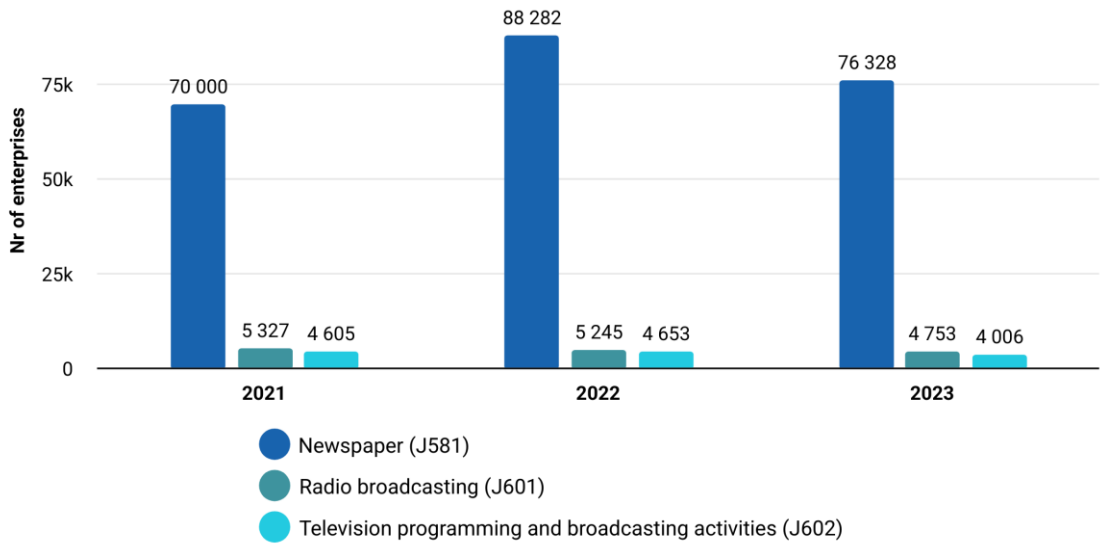
[461] PwC, *Global Entertainment and Media Outlook: 2024-2028,* 2024.

Radio[462] **advertising revenues are slowly increasing, supported by increasing use of podcasts.** Radio advertising has shown resilience and moderate growth, returning to pre-pandemic levels and stable future projections. The sector experienced a temporary decline in 2020 due to the pandemic but rebounded in 2021 and reached a steady growth trajectory through 2024, with a 2.5% increase in the period 2019-2024. Revenues are forecast to continue growing modestly from 2025, with annual increases bringing the total close to a forecast of EUR 4.4 billion in 2028.[463] Podcast[464] advertising revenues have experienced consistent growth.[465]

Structure and size

The total number of news media companies in the EU decreased in 2023. This happened in all sub-sectors in comparison with the 2022 figures,[466] in particular in the publishing segment (after an increase between 2021 and 2022).

Figure 95. Total enterprises (NACE code) and per year (2021, 2022, 2023)



Source: Eurostat.

Small enterprises dominate the market across the EU. After COVID, the number of small enterprises increased in both publishing and broadcasting, while medium-sized and large enterprises declined in the latter.[467] Altogether there are modest fluctuations in the number of medium and large enterprises, reflecting sector-specific dynamics.

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[462] It is not possible to extrapolate revenues from news services in radio, as the share corresponding to news can differ from one organisation to another. The PwC dataset does not distinguish between revenues originating from entertainment or news services within broadcasting revenues. Revenue for the radio sector includes both digital and non-digital and is from both consumer and advertising spending.

[463] PwC, *Global Entertainment and Media Outlook: 2024-2028*, 2024.

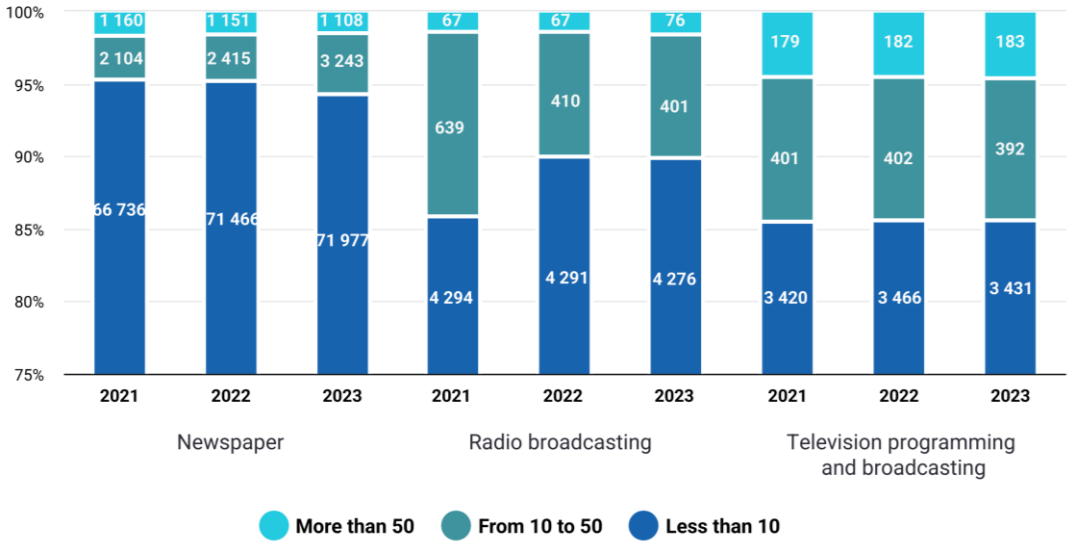
[464] Data from digital advertising revenues in the newspaper sector includes revenues from podcast advertising, which is an emerging and dynamic segment. Data on podcast advertising is however only partially available and currently covers major European markets such as France, Germany, Italy and Spain.

[465] In France, Germany, Italy and Spain, revenues collectively increased by approximately 86%, from EUR 92 million in 2019 to EUR 180 million in 2024.

[466] Eurostat (last update December 2024). Enterprise statistics by size class and NACE Rev.2 activity.

[467] According to Eurostat, between 2019 and 2023, the structure of enterprises in the publishing and broadcasting sectors has evolved as follows: in publishing activities, the number of small enterprises (0-9 persons) increased significantly, from 81.000 in 2019 to 100.000 in 2023, while medium-sized enterprises (10-249 persons) declined from 5.592 to 4.729. Large enterprises (250+ persons) saw a slight increase, from 1.891 to 2.051. Conversely, in programming and broadcasting activities, small enterprises grew marginally from 7.523 to 7.707, whereas medium-sized (10-249 persons) and large enterprises (250+ persons) both declined, from 978 to 781 and from 343 to 271, respectively.

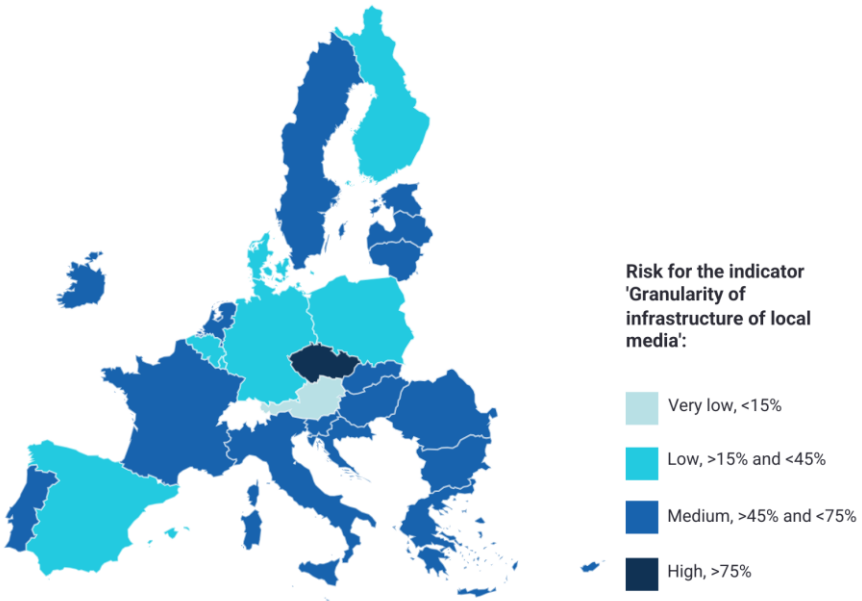
Figure 96. Company segmentation by size, across news media sectors, EU, 2023 (% and number of enterprises)



Source: Eurostat.

There are significant variations in media density among Member States and a strong concentration of media in a few key countries. In 2023, there were 85,087 news media companies operating across the EU, serving a total population of approximately 448.8 million people. This results in an average ratio of one news media company for every 5,275 inhabitants. The combined total for France, Spain, Germany, and Italy accounts for 50% of the overall market.[468] Local news media outlets are affected by the phenomenon of news deserts, defined as '*geographic or administrative areas, or a social community, where it is difficult or impossible*' to access reliable information from independent local and community media. Desertification of local outlets is an emerging threat.[469]

Figure 97. Risk for the indicator 'Granularity of infrastructure of local media' in the EU Member States



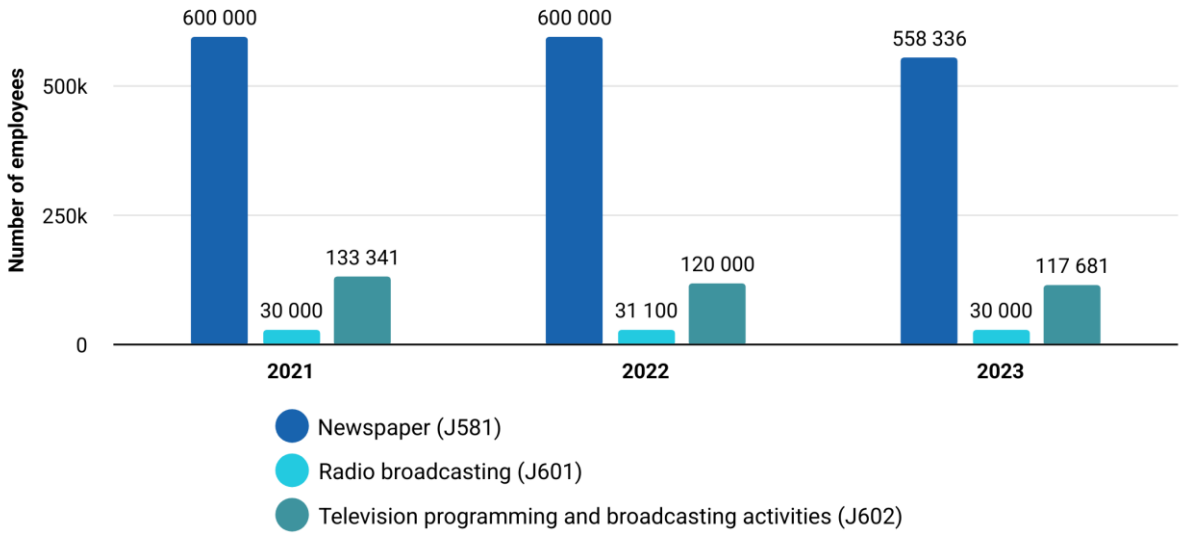
Source: EUI, Uncovering news deserts in Europe Risks and opportunities for local and community media in the EU.

[468] Enterprise statistics by size class and NACE Rev.2 activity.
[469] Ibid.

Employment and media viability

Employment continues to fall. The total number of employees across printing, publishing, radio and television activities declined by 7.5% between 2021-2023, from 763,341 to 706,017. The figure reflects varying trends in workforce dynamics across the news media subsectors. Employment decreased by 7.0% in the newspaper sector, which employs the majority of workers, and remained stable in the radio sector. The largest decrease came in the television and broadcasting sector (11.7%).[470] Overall, this trend was already present before the COVID-19 pandemic.

Figure 98. Number of employed people, per sector (NACE code) and per year (2021-2023)



Source: Eurostat.

Note: Estimations for the data on newspapers (2021-2022) and radio (2021 to 2023).

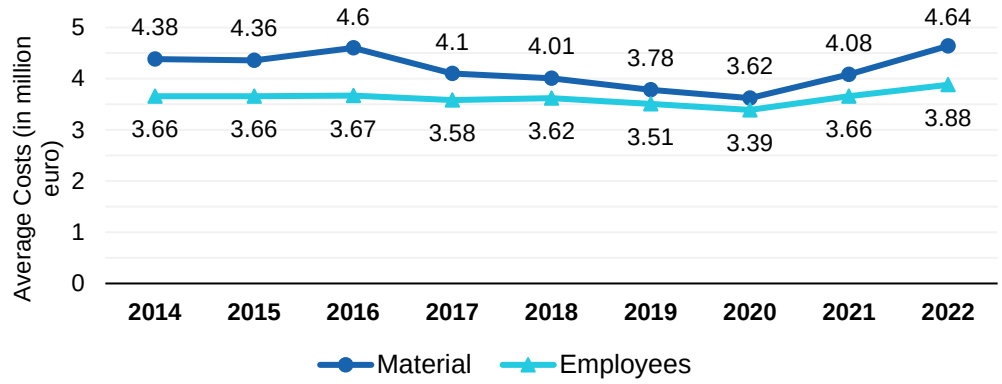
Material and staff costs for news media companies have increased over the last 10 years. The overall average costs of news media rose to EUR 9.1 million in 2023. Since 2014, material costs increased by 13%, reaching an average EUR 4.9 million in 2023.[471] Similarly, the average cost of employees increased by 14% since 2014, accounting for an average EUR 4.2 million in 2023. In the printed sector (newspapers and magazines), the increase of material costs is mainly due to an increase in paper and energy costs, partly related to the Russian invasion of Ukraine. Publishers at global level shared that in 2024 editorial and content production represented nearly 37% of their total costs, followed by print production and distribution (15%). IT and technology-related costs account, respectively, for around 11% and 12% of the total, while spending on new product development decreased from approximately 13% in 2023 to 7% in 2024. Finally, general and administrative costs account for 13% of total costs and 5% were allocated for 'other' business-related expenses.[472]

[470] Eurostat (last update December 2024). Enterprise statistics by size class and NACE Rev.2 activity.

[471] Data from Orbis. The sample is made of around 16.516 observations.

[472] WAN-IFRA. *World Press Trends Outlook: Digital growth and 'other' revenue streams steady the ship for publishers,* 2025.

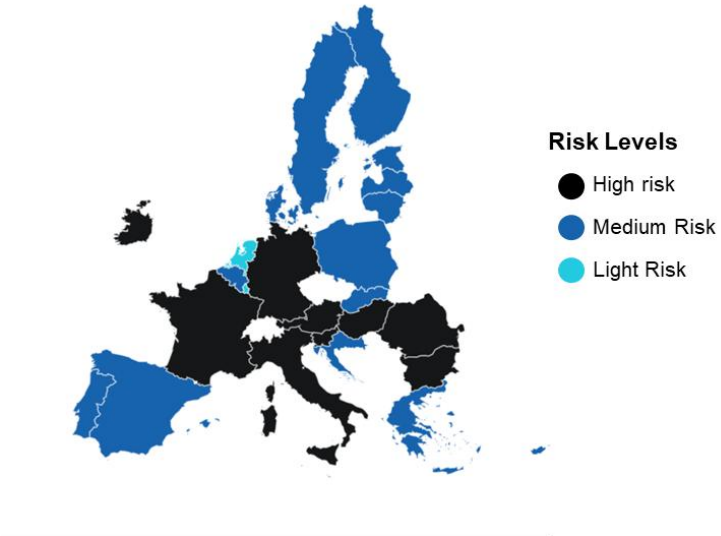
Figure 99. Average costs of employees and material costs, 2014-2023, EU



Source: Technopolis based on Moody's Orbis.

Media viability is at risk in nearly all EU member states. The above trends put pressure on the viability of media enterprises. Their struggles are heightened by the wider information economy context: digital platforms have continued to capture users' attention as well as advertising revenues, thus decreasing monetisation opportunities for news media actors. As a result, in 2023, nearly all countries (except the Netherlands and Luxembourg) were experiencing a medium to high risk in terms of media viability (i.e. lack of sufficient resources to finance the media). Revenue trends[473] show that newspapers are at high risk, while the radio and audiovisual sector are at medium risk. There are very few countries[474] where newspaper publishing is viable. The TV and radio sectors have higher barriers to entry, high ownership concentration and higher audiences and advertising, and are thus able to operate more sustainably.[475]

Figure 100. Risk for the indicator 'Media Viability' (Market Plurality)



Source: CMPF, Media Pluralism Monitor 2024, adapted.

[473] It takes into consideration market revenues (advertising, sales, subscriptions), public subsidies, and other sources of revenue (philanthropy, crowdfunding, events, and other supplementary services that are offered by the media service providers).

[474] Belgium, the Netherlands, Spain, Sweden.

[475] Bleyer-Simon K., et al (2024) Monitoring media pluralism in the digital era: application of the media pluralism monitor in the European member states and in candidate countries in 2023, EUI, RSC, Research Project Report, Centre for Media Pluralism and Media Freedom (CMPF).

Public investments in broadcasting and publishing services in the EU have been increasing, but not as quickly as total government spending. As a public good that benefits society, media reporting is often supported financially by governments.[476] Since 2001, general government expenditure in broadcasting and publishing services across the EU has increased by 84%, reaching EUR 35 billion in 2023 (a 5.5% increase compared to 2021).[477] However, during the same period, expenditure in broadcasting and publishing services as a percentage of total government expenditure fell by 0.1 percentage point (from 0.5% to 0.4%), possibly because of the strong increase in total government expenditure across the period considered (i.e., by 99%, reaching EUR 8.427 billion in 2023).[478] The public financing of private news media remains modest and scattered. This support is fragmented, and Member States have markedly different strategies: some view this type of funding as a means to promote pluralism and democracy, while others predominantly take a 'hands-off' approach.[479]

Figure 101. EU Total general government expenditure (EUR, billions)

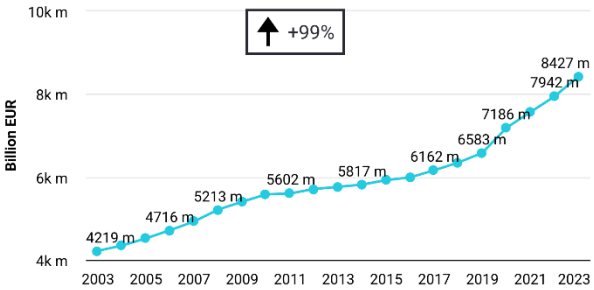
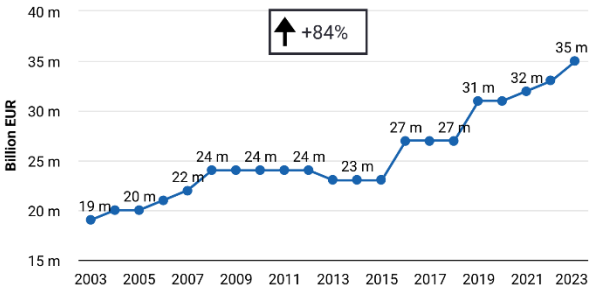


Figure 102. EU General government expenditure in broadcasting and publishing services (EUR, billions)



Source: Eurostat data.

Foreign direct investment in the news media sector is characterised by intra-EU flows. 47% of EU news media companies registered in the Orbis database and active in the period 2019-2024 had a foreign final owner, which in almost all cases (95%) is an investor from another EU Member State. At the same time, 15.5% of EU news media companies active in the period 2019-2024 have at least an international subsidiary, with an average of 1.3 companies per investor. Overall, slightly more than half (55%) of EU news media's subsidiaries is in another EU Member State.[480] In 2023, the ownership structure of seven[481] of the most relevant EU media groups involved companies from four to ten countries. These tend to invest in media from other EU member states, especially in those geographically or culturally close.

Finally, the evolution of the news media market needs to be seen against the backdrop of the rise of social media and digital platforms, as they influence consumption patterns and act as both partners and competitors of traditional media players. Their impact on the information market is further explored in later in this document.

[476] E.g. public service media generate, on average, 80% of their revenues from public funding.

[477] Eurostat, *General government expenditure by function (COFOG)*. (last access: 28 October 2024).

[478] Ibid.

[479] European Commission: Directorate-General for Communications Networks, Content and Technology. *Public financing of news media in the EU*, 2024.

[480] To perform this analysis, the following Orbis' datasets were used: i) the list of EU news media companies with a global ultimate owner which were active for some period between 2019-2024, with indications of the owners' global country, ii) the list of EU news media companies' global subsidiaries active for some period between 2019-2024, with indications of the company holding each subsidiary, iii) the total of EU news media companies that were active for some period between 2019-2024 (used as denominator of both global ultimate owner and subsidiaries analysis).

[481] Bertelsmann / RTL, MFE / Mediaset, DPG Media Group, PPF Group, Axel Springer SE, Bonnier AB, Blackrock, Inc.

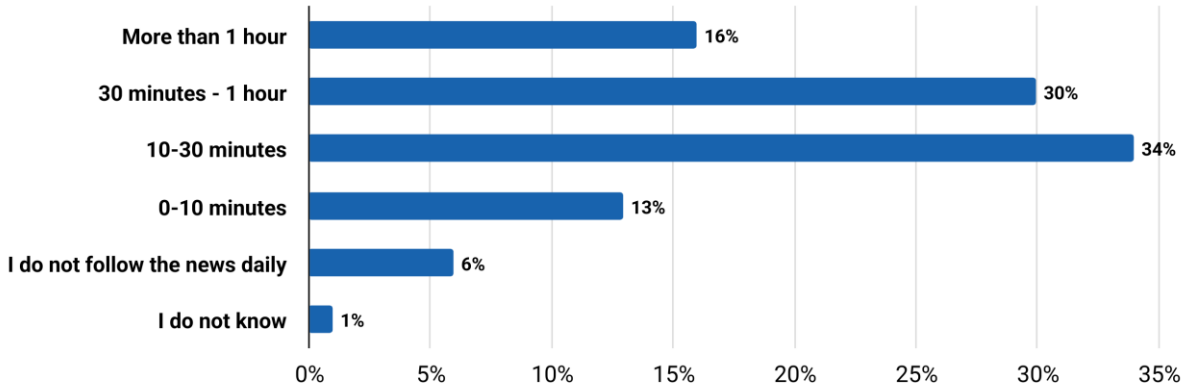
4.3. Consumer trends

Overall consumption habits

Most EU citizens consume news media content daily. News media outlets are accessed by a majority of EU citizens and are the second most frequently accessed type of content by EU citizens, just behind social media. 53% of Europeans engage with news content daily, 34% access news a few times a week or weekly, 7% consume news once a month, while only 5% never consume news. Consumption is reportedly increasing. In the last year, 31% of Europeans increased the frequency of watching, reading or listening to news, while only 17% of those surveyed reported that they consumed news less regularly. Older people consume news more frequently than younger consumer groups: 95% of those aged over 60 consume news at least weekly, compared to 78% of those aged 18 to 30 years old.

News is consumed in shorter, more frequent moments, rather than as a time-intensive activity. While news remains essential to daily engagement, it drives consumption in shorter periods compared to other sectors. News consumption is the second most frequent daily media activity, but it ranks fourth in terms of time spent. Younger Europeans, in particular, are more likely to spend shorter durations of time following the news (most likely linked to the shorter formats of social media). A majority of people aged 18 to 30 years old (57%) and 31 to 40 years old (56%) spend less than 30 minutes consuming news daily, against 35% of those older than 60. Conversely, the proportion of young Europeans who do not access news daily is higher (11% for those aged 18 to 30 years old) than that of older groups (3% for those aged over 60 years old).

Figure 103. How much time per day do you spend following the news? (n=21.501)



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

Access to content

Europeans are generally satisfied with the available offer of news media content. They are normally more satisfied with the content provided by professional media channels (news on TV, online news) than with social media content and/or other content created by users online. Nearly half of Europeans believed that the news content on all media combined (TV, radio, online news and printed news) is sufficient for their needs. However, consumers show a higher disinterest in printed news, which more than one-quarter of Europeans report as uninteresting.[482]

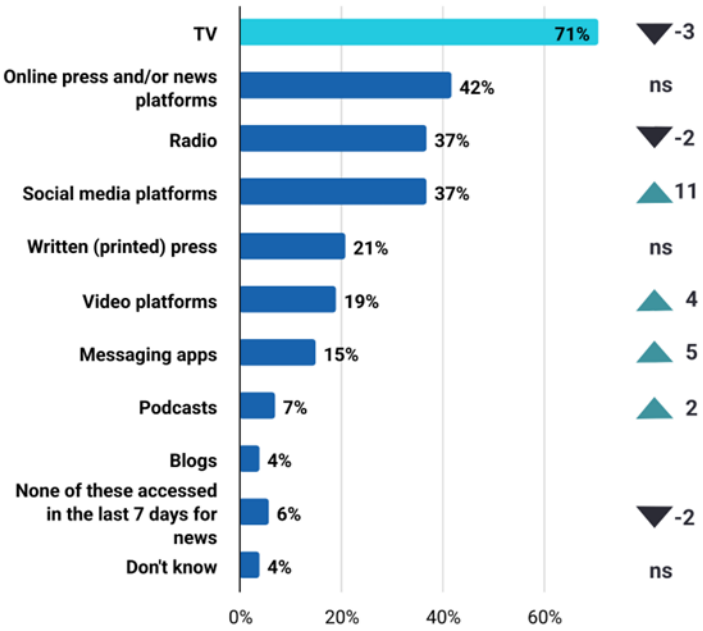
The most accessed topics are local news, politics and European and international affairs. These categories are selected by 45% to 50% of respondents, far ahead of sports, crime or financial

[482] European Commission: Directorate-General for Communications Networks, Content and Technology, *Study on audiences, consumer behaviour and preferences relating to the consumption of media content*, 2025

and economic news. While preferences are consistent across Member States, they vary significantly across socio-demographic groups. Older adults are more inclined to follow topics such as local news, national politics, European and international affairs and financial news than younger individuals (58% of over-55 year-olds compared to 31% of 15- to 24-year-olds). In contrast, younger audiences show a stronger preference for hobbies and lifestyle content (33% vs 15%), celebrity news (30% vs 12%), and crime-related stories (36% vs 28%).[483]

TV remains by far the preferred source for accessing news. TV is followed by online press and/or news platforms, social media platforms (Facebook, Instagram, etc.), radio, written press (newspapers, weekly or monthly magazines, etc.), and video platforms (e.g. YouTube). In terms of demographic differences, young people are more likely to use digital media sources (social media platforms, video platforms, messaging apps, podcasts and blogs), while older people make much greater use of legacy news media (TV, radio, and the written press).[484]

Figure 104. 'Among the following, what media have you used the most to access news in the past seven days? Firstly?' and variations in comparison with 2022 (n= 25,956)[485]



Source: Flash Eurobarometer, Media & news survey 2023.

Notes: 'Blogs' was a new response option in 2023 (not included in 2022); 'ns' stands for 'not significant change'.

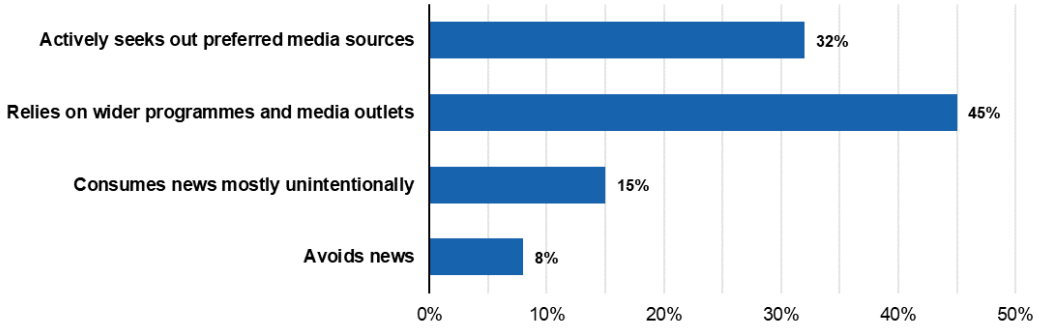
However, traditional media consumption is declining in favour of new, digital media. Since 2011, the proportion of EU citizens reporting that they use TV, radio and written press to access news content has declined.[486] The 2024 media consumption survey shows that there is a noticeable shift in the preferred news consumption formats, with an increased preference for more digital-friendly formats (real-time TV news, online newspapers, social media news, presence in messaging apps), rather than traditional formats (print newspaper).

There are also differing levels of engagement with news. Only 32% of Europeans regularly seek out news from their preferred sources, while almost half (45%) primarily depend on news delivered through broader programmes or media outlets, like news bulletins. Conversely, 15% often encounter news incidentally on social media or other platforms, rather than actively searching for it. A smaller group, 8%, deliberately avoids news altogether. Men, particularly those who are highly educated and

[483] European Parliament: Directorate-General for Communication, *Media & news survey 2023*, European Parliament, 2023.
[484] Ibid.
[485] Ibid.
[486] European Commission: Directorate-General for Communication, *Media use in the European Union – Eurobarometer report*, 2023.

financially secure, are more likely to actively seek out news than other groups. In terms of age groups, younger people tend to engage in more incidental news consumption (e.g. social media), while older people are more likely to follow news through broader programming.

Figure 105. How actively do you typically seek out news sources? (n=21.501)

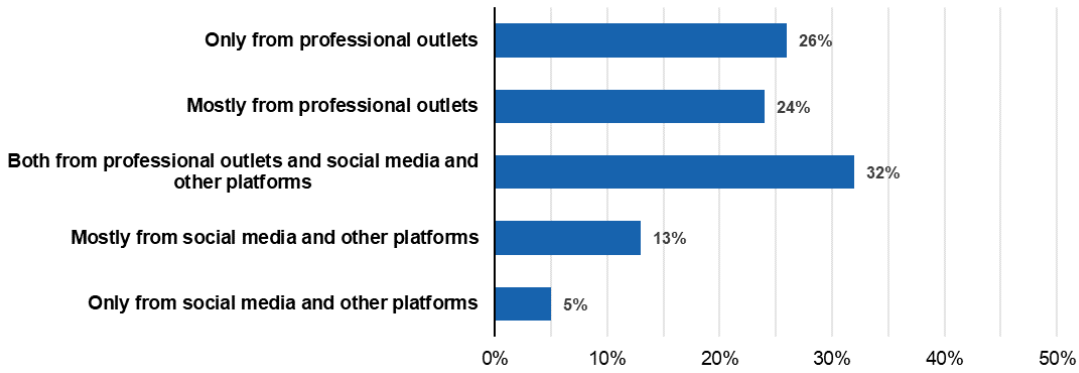


Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

Use of social media

Most citizens today access news through a combination of professional and social media. Only 26% of Europeans rely exclusively on professional outlets when consuming news. Social media (including video platforms, messaging apps, podcasts and blogs) is the third most-used medium for accessing news, with 37% of Europeans (+ 11 percentage points since 2022) reporting said usage, with the highest level of consumption in Cyprus, Malta and Latvia.[487] The main reasons associated to this trend are related to these platforms' ability to 'cover specific topics not addressed by professional media', followed by the fact that 'content is for free', and that 'individual journalists or influencers provide a more personal perspective'. An age gap is observed: just 34% of young people rely on professional media, compared to 31% who turn mostly or exclusively to social media. Conversely, 63% of the over-60 age group use professional media against just 11% who rely primarily on social media.

Figure 106. Where do you primarily get your news? (n=21.501)

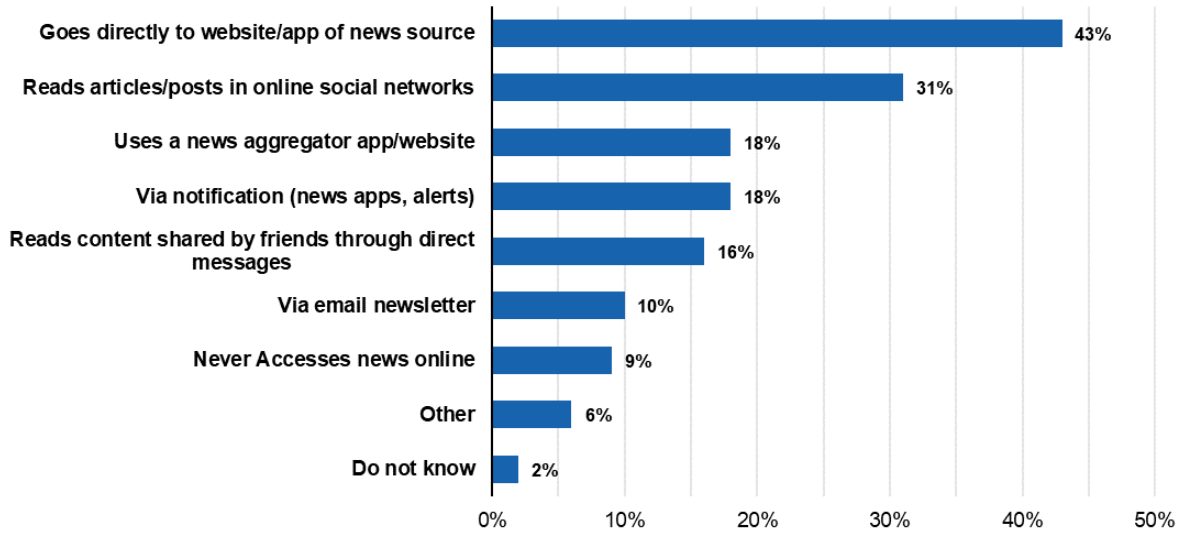


Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

[487] In Latvia, both social media and TV are the most preferred media to access news.

Looking further, websites and apps of the news sources hold a moderate advantage over social media in terms of users' behaviours. 43% of Europeans report going directly to the website or app of the news source (e.g. the website of a newspaper, magazine, or TV channel), while 31% read articles or posts that appear in their online social networks. Notably, in six EU Member States,[488] reading articles from social network feeds was the preferred method of consuming news. There is a demographic divide: older respondents tend to prefer using the website of a news source, whereas younger respondents are more likely to read articles or posts that either appear in their online social networks or are shared by friends on direct messaging apps.[489]

Figure 107. How do you usually access news online? EU [multiple answers possible] (n=25,956)



Source: Flash Eurobarometer, Media & news survey 2023.

Trust in the media and value of journalism

A majority of people say they do not trust the media. Almost six in ten people report a lack of trust. Similarly, the EU-country level data suggests that there are only six EU Member States in which people tend to trust their news media offer.[490] Distrust might be linked to the fact that more than two thirds of Europeans (68%, -1 percentage point since winter 2022-2023) say they often come across news or information that they believe misrepresent reality or is even false.

Despite this, traditional media (broadcasting, print and online outlets) is regarded much more trustworthy than social media channels (e.g. Instagram and YouTube). Public TV and radio stations are the most trusted sources in all EU member states, with the exception of Hungary and Poland, where the most reliable sources are deemed to be the 'people, groups or friends' followed on social media and 'private TV and radio stations' (including their online presence).[491] Influencers on social media are, by far, considered the least reliable source of news.[492]

[488] Bulgaria, Greece (in parallel with the website or app of the news source), Cyprus, Hungary, Portugal, and Slovenia.

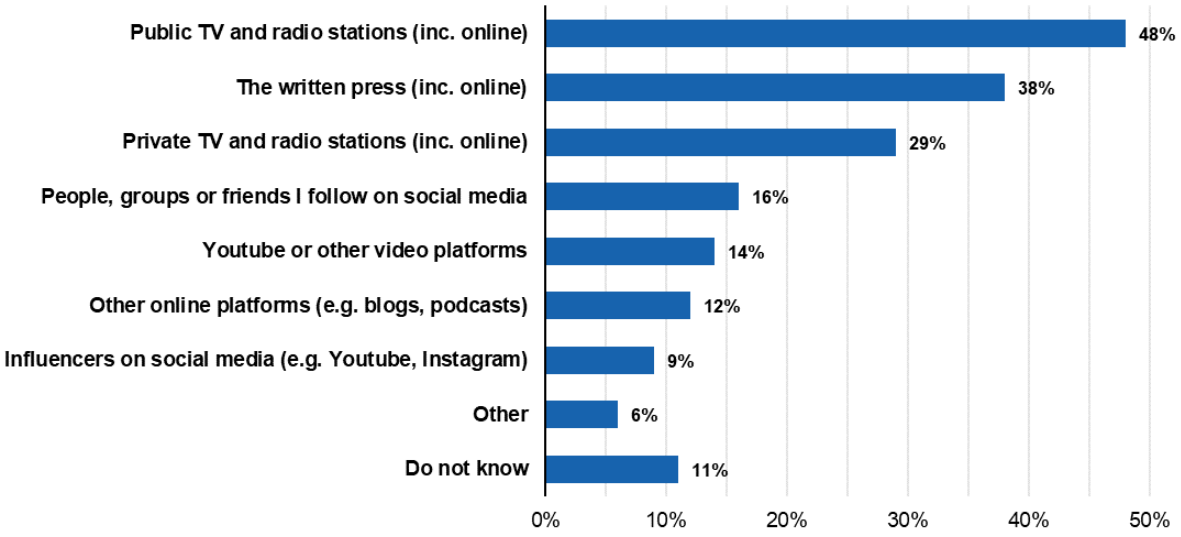
[489] European Parliament: Directorate-General for Communication, *Media & news survey 2023*, 2023.

[490] Countries where most respondents tend to trust the media are Finland, Portugal, Sweden, Austria, Denmark, and the Netherlands. European. Commission: Directorate-General for Communication, *Media use in the European Union – Eurobarometer report*, 2023.

[491] European Parliament: Directorate-General for Communication, *Media & news survey 2023*,, 2023.

[492] European Commission: Directorate-General for Communications Networks, Content and Technology, *Study on audiences, consumer behaviour and preferences relating to the consumption of media content*, 2025

Figure 108. Which news sources do you trust the most? [maximum three answers] (n=25,956)



Source: Flash Eurobarometer, Media & News Survey 2023.

Trust in media sources is strongly influenced by demographic factors. Older people and more highly educated people tend to trust the media more. The main reason for trust is that news is produced by professional journalists, followed by editorial transparency, the absence of vested interests and long-standing familiarity with the brand. While recommendations from family and friends and alignment with political views are also contributing factors, these hold less sway, suggesting that personal connections are less influential than the perceived credibility of the media itself.[493]

A sizeable segment of the population has a negative perception of news reporting and journalism. While 44% of Europeans believe that journalism plays a very positive or modestly positive role in democracy and society, 25% believe that news is either mostly harmful and contributes to societal division or that news spreads lies.[494] Younger people, those in financial difficulty and those with lower education levels tend to have more negative perceptions of news reporting and journalism than other groups.[495]

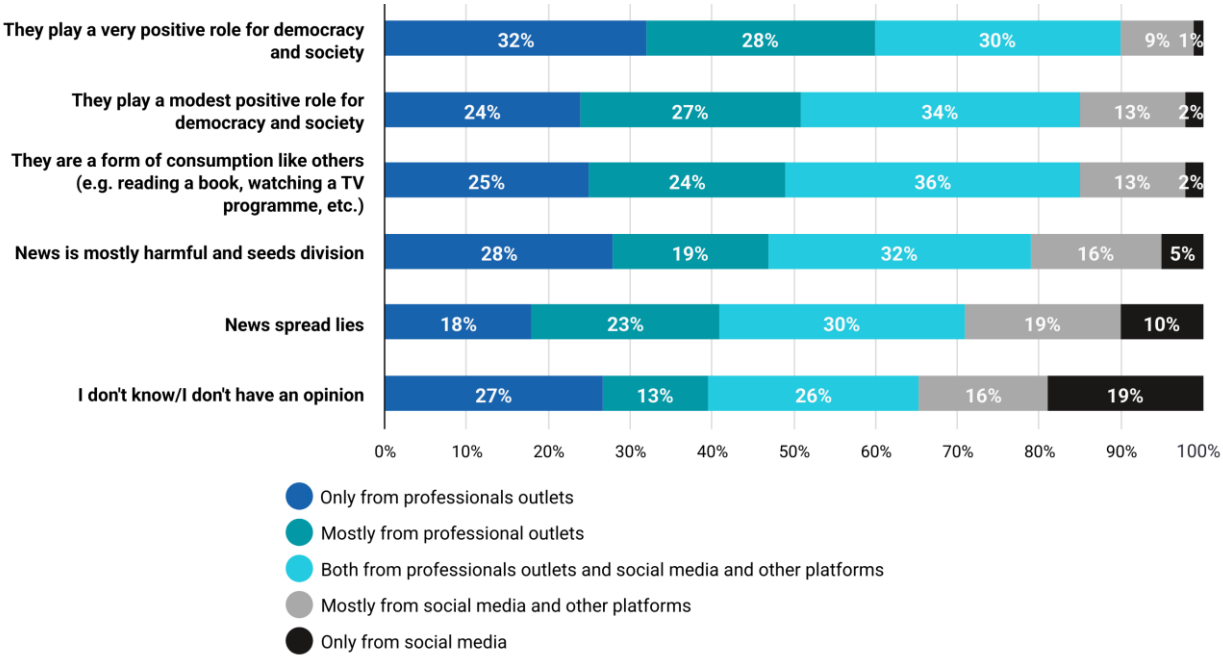
As views on the societal value of journalism worsen, reliance on professional outlets decreases too. Perception of media appears connected to the type of primary news source. Among those who believe media play a very positive role for democracy, 60% consume primarily professional media, against 10% who consume information through social media. On the other extreme ('news spread lies'), 41% consumed news through professional outlets, against 29% through social media. Perceptions of the positive societal value of news is stronger across those actively consuming news, compared to news avoiders and those showing rare consumption patterns. Finally, preference for professional news sources correlates with a higher likelihood of actively seeking news, while reliance on social media is linked to passive consumption. Trustworthiness, independence and transparency of media are the most important factors in selecting the source of news.

[493] European Parliament: Directorate-General for Communication, *Media & news survey 2023*, 2023.

[494] The remainder either have a neutral opinion of journalism (19% of respondents view news consumption as a form of consumption similar to other media activities, e.g. reading a book or watching television) or do not have an opinion (12%).

[495] European Commission: Directorate-General for Communication, *Media use in the European Union – Eurobarometer report*, 2023.

Figure 109. Relation between view of news and preferred type of news sources (n=21,501)



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

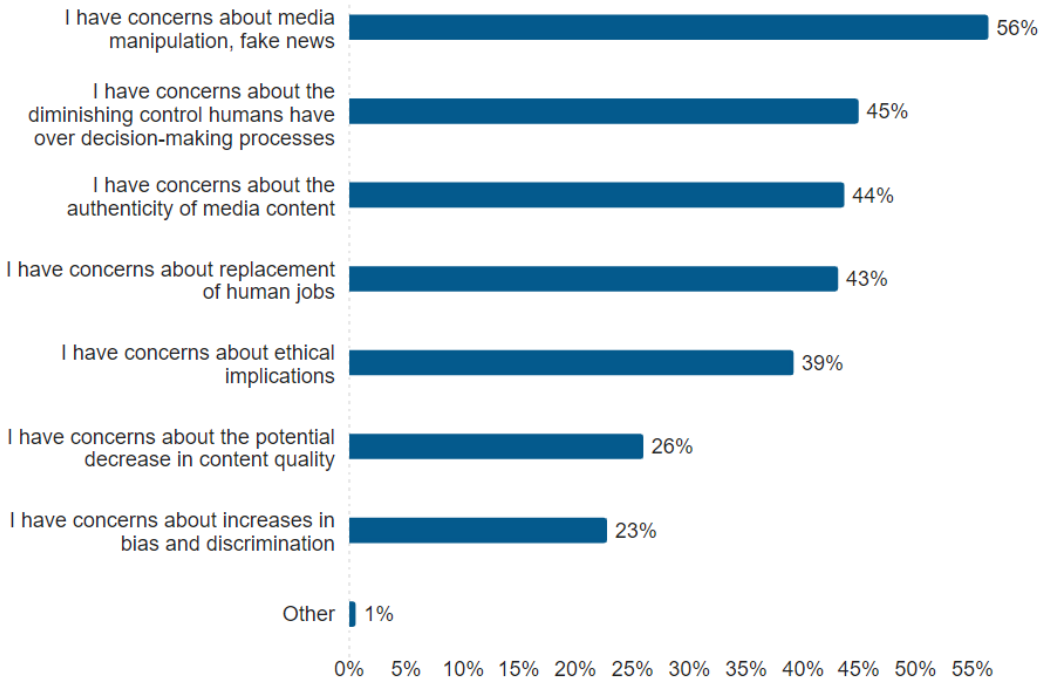
Although consumers' views are split on the use of AI in media,[496] journalistic content is the sector where concerns are most pronounced. Media manipulation and disinformation are the primary drivers of concern among Europeans worried about AI in media (mentioned by 56%). These concerns rank above the diminishing control humans have over decision-making processes (45%), media authenticity (44%) and job displacement (43%). When looking at journalism specifically, other research points to AI being more accepted for enriching or editing content (e.g. metadata, resizing) as opposed to content generation (e.g. AI-powered human impersonation, image creation, etc.).[497] Consumer attitudes underpin the need for transparent and accountable uses of AI in the news media sector, especially regarding journalistic standards, editorial activities and use of AI-driven tools, as these are key aspects of building and maintaining trust.[498]

[496] See the horizontal chapter for more details.

[497] Thomson, T. J., Thomas, R. J., Riedlinger, M., & Matich, P. (2025). *Generative AI and Journalism: Content, Journalistic Perceptions, and Audience Experiences*. RMIT University.

[498] Le Monde, *De quelles façons « Le Monde » se sert-il de l'IA?,* Le Monde, 5 December 2024.

Figure 110. Why are you concerned about the spread of AI-generated content in media? Please select all that apply. (n=13,102, 2.9 average clicks)



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

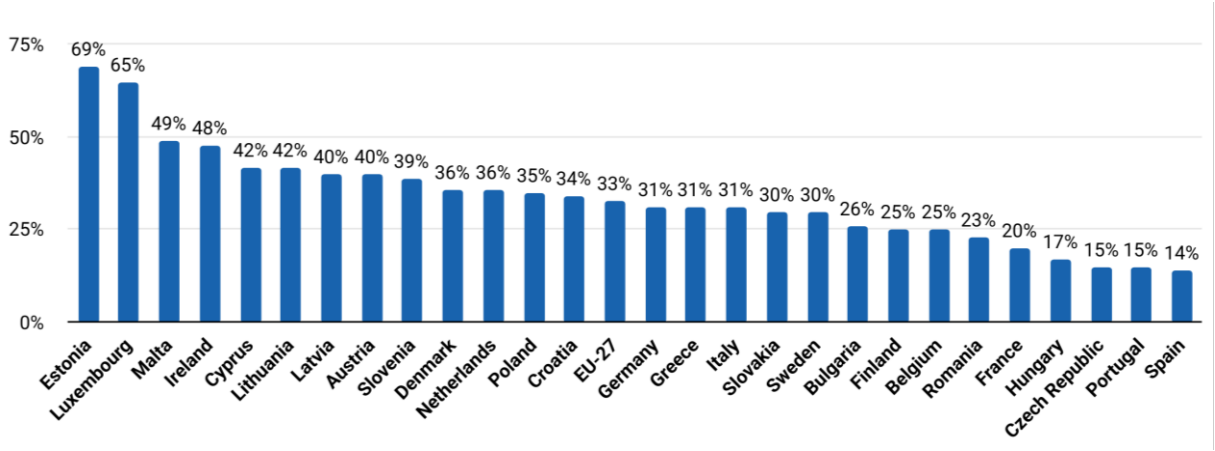
Willingness to share and pay

Most citizens (54%) indicate a moderate to high likelihood of sharing news.[499] Willingness to share correlates with trust in aspects such as professional brand perception: trust in a given brand affects a person's trust in and willingness to share a certain item. This shows that a trusted brand can greatly boost both the perceived credibility of individual news stories and the audience's likelihood of engaging with them by sharing. Conversely, news avoiders tend to have a negative perception of news. 40% of them believe news is either harmful or spreads lies, and only 9% believe it plays a very or modestly positive role for democracy and society. News avoiders tend to rely on passive consumption choices, and around 87% of this group is unwilling to pay for news.

Most Europeans do not pay for news. 66% of respondents said they spent no money on news, 13% of respondents spend between EUR 1 and 5, 7% spend between EUR 6 and 10, and the remaining 14% spend more than EUR 10 a month. Older generations, those with lower education levels and those with less money pay less than other societal segments. Just 41% reported paying for at least one form of news access in the past year, whether through digital or print subscriptions, one-off payments or purchasing printed newspapers/magazines. Price (47%), trustworthiness of the source (40%) and ease of access (24%) are the reasons most often mentioned by users when deciding to pay for news coverage. Conversely, the most common reasons for not paying for news relate to the belief that all news should be free (43%), satisfaction with existing main free sources (38%), and the belief that free news is as good as paid news (36%). 30% also report prioritising other expenses.

[499] European Commission: Directorate-General for Communications Networks, Content and Technology, *Study on audiences, consumer behaviour and preferences relating to the consumption of media content*, 2025

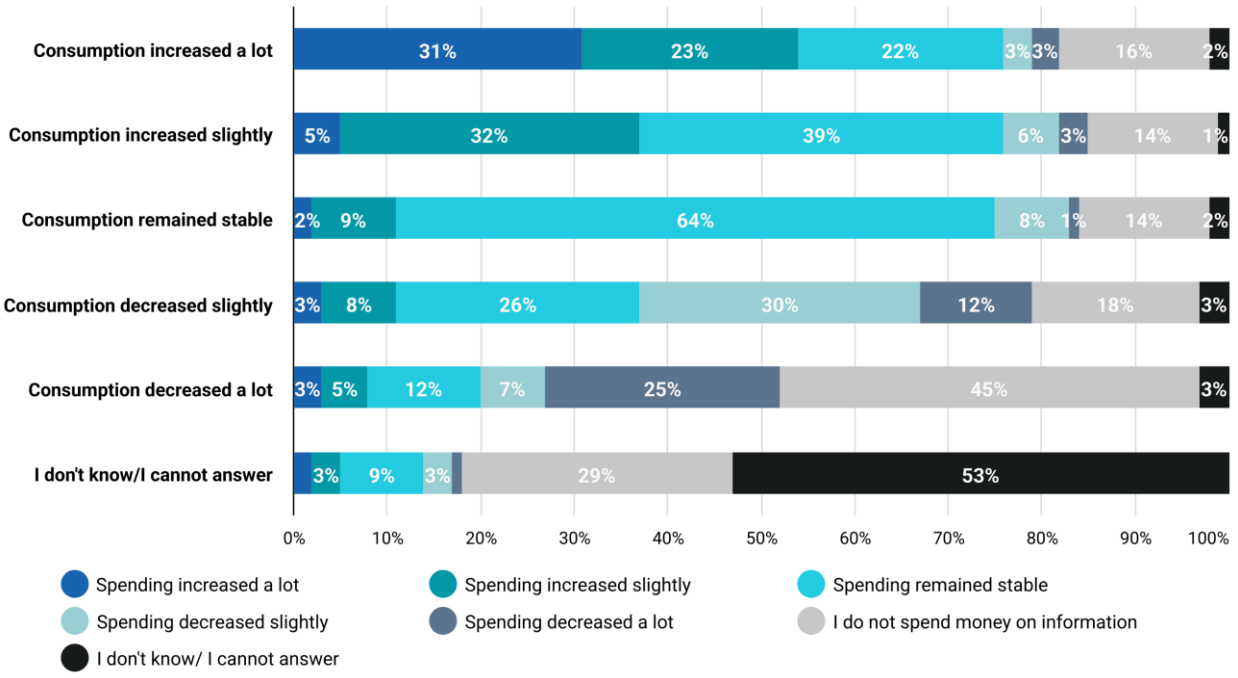
Figure 111. Share of Europeans reporting spending on news media, per Member State (n=54,459)



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

Media struggle to convert consumption into payments. Consumption of news media has increased overall over the last two years, with 37% of Europeans reporting an increased consumption against 17% declaring a decrease (44% said their consumption was stable). However, this increase did not translate into payments: only 22% declared an increase in their expenditure, against 14% reporting a decrease.

Figure 112. Relation between change in news consumption and change in news expenditure (n=21,501)



Source: European Commission: Directorate-General for Communications Networks, Content and Technology, Study on audiences, consumer behaviour and preferences relating to the consumption of media content, 2025.

Specialised formats can be an opportunity for monetisation. While mass formats dominate in terms of reach, niche formats can generate higher revenue per user, highlighting the potential for targeted monetisation strategies. Traditional television is the most preferred source (52%) but has a low payment rate of just 27%. Social media platforms, chosen by 33% of Europeans, also have a modest payment rate of 26%. Conversely, the printed press, preferred by only 17% of Europeans, has the highest payment rate, with 52% willing to pay. Email newsletters, chosen by 8%, follow closely

at 45%, while messaging apps (12% of preferences) see 37% of users paying. Online TV and radio content (16% and 9% of preferences) also have relatively high payment rates of 40% and 37%, respectively.

4.4. Industrial trends and business models

From social media to generative AI: the new information landscape

Online platforms and the creator economy have transformed the news value chain by disrupting users' traditional media consumption habits. Initially spaces for social exchange, online platforms now also serve as gateways to a diversity of online content, including professional news content. Building on these premises, platforms have allowed users to propose their own content and compete with professional content. Influencers and personalities (including former journalists) have increasingly captured attention by blending news, entertainment, and opinion on online platforms like YouTube, Instagram, Twitch, and Substack. Some of these creators are former journalists who have chosen to work independently for various reasons, including the autonomy to select topics, the freedom to express opinions, the ability to build stronger connections with their audience and, in some cases, the potential to earn significantly higher incomes.

This new economy has an appeal for consumers. By allowing a more direct or authentic take on events and current affairs, consumers (especially younger ones)[500] have increasingly turned to social media to consume news, to the extent that the default consumption mix today consists of news from both professional and social media. In addition, consumers do not view professional journalism as significantly more valuable than user-generated content (UGC) on several key criteria: just 39% of Europeans say that professional journalism is more 'professional' than UGC, and 38% say it is more reliable.

We are now entering an era of endless content availability. Years ago, digitalisation democratised content creation and offered individuals and professionals new tools and platforms to produce and disseminate content. Generative AI now further facilitates content creation for all and is expected to increase the ongoing competition for attention with the prospect of limitless content availability. Although it could work in favour of established news outlets, which are still regarded as more credible sources of information, it may equally decrease traffic to professional media and further undermine their financial viability.

The impact of online platforms

Building on their strategic place as intermediaries, online platforms have grown considerable advertising revenues over time. Online platforms saw a substantial growth in advertising revenues[501] between 2019 and 2023 (67% increase), in contrast to the slight decline observed in the overall revenues generated by news media sub-sectors. The advertising revenues of online platforms are projected to exceed overall television revenues by EUR 10 billion by 2028. This adds to the evidence that the digitalisation of the news media sector does not automatically translate into increased digitally generated revenues. Similar trends are observed in other developed economies, suggesting that transformations in the news media landscape are global.[502]

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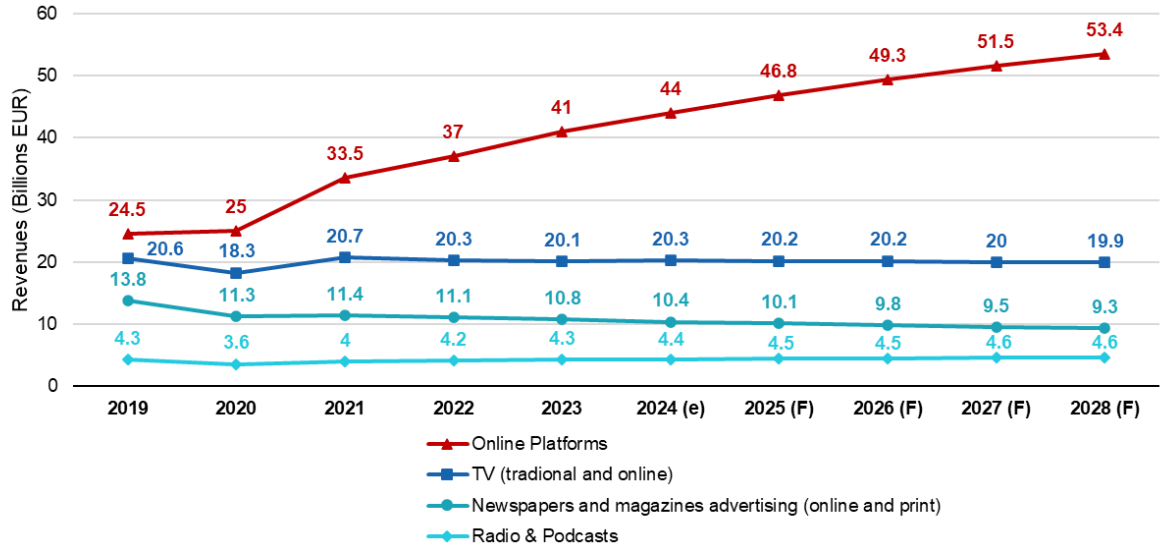
[500] 31% of Europeans aged 18-30 now lean mostly or only towards social platforms for their news, compared to only 11% in the over-60 group. European Commission: Directorate-General for Communications Networks, Content and Technology, *Study on audiences, consumer behaviour and preferences relating to the consumption of media content*, 2025.

[501] Based on PwC Global Entertainment and Media Outlook dataset, the online platforms advertising revenues are generated by internet-focused companies and platforms, excluding revenue from digital extensions of traditional media segments. This metric includes revenue from search, classified and display. This revenue is digital and is from advertising spending.

[502] The US saw an 8% reduction, with revenues decreasing from EUR 190.1 billion to EUR 162.7 billion, while the UK experienced a sharper decline of 10%, from EUR 14.2 billion to EUR 12.8 billion.

Figure 113. Advertising revenues in the information market, EU, in billion euro



Source: PwC Global Entertainment and Media Outlook. 2024-2028.

Notes: Based on original data for 17 EU Member States, with other countries' data being extrapolations.

Google (mainly through Google Search, Google Play, and YouTube) and Meta (through Facebook and Instagram) remain the key providers of digital advertising services. These providers of digital advertising services capture a significant share of the advertising revenue that might otherwise go to news publishers by leveraging user data to offer highly targeted advertising services. They also play a key role in the programmatic advertising ecosystem, with tools such as DoubleClick for Publishers, AdSense and AdX.[503] This control over user data and programmatic advertising creates substantial barriers to entry, making it difficult for news publishers to compete on the same terms. As a result, these providers of digital advertising services profit from news content through advertising, while publishers struggle to monetise their own content.

Meanwhile, news companies are only partially benefiting from digital advertising. The trends above are partially explained by attitudes towards online advertising. Worldwide, the share of publishers who think that display advertising is likely to be an important revenue stream has fallen from 81% to 69% from 2020 to 2025[504] – underscoring the challenges in maintaining traditional advertising income. Over the same period, native advertising has similarly declined, with its perceived priority dropping from 75% to 59% of respondents. Aspects such as the rise of misinformation, the controversial nature of news content and the declining levels of trust towards professional media were seen as barriers to advertising, as they could have a negative impact on brands being advertised next to news content. Offering brand safety through advertising space represents an opportunity for news publishers.[505]

Looking ahead, publishers now fear the impact of AI on referrals. 74% of publishers worldwide fear the impact of AI-generated summaries on referrals to their websites.[506] Google launched AI Overviews, a new AI-based tool providing users with a short summary of their search results in

[503] To provide a magnitude of such capture, and although the data is not recent, the UK Competition & Market Authority (*Online platforms and digital advertising – Market study final report*, 2020) estimated that 'intermediaries' (the largest of which is Google) capture at least 35% of the value of advertising bought from newspapers and other content providers.

[504] Newman, N., & Cherubini, F. (2025). *Journalism, media, and technology trends and predictions 2025*. Reuters Institute for the Study of Journalism. Data from survey of 314 media leaders in 51 countries, including Germany, Spain, France, Austria, Finland, Denmark, the Netherlands, Poland, Hungary and Slovakia. This specific graph was based on the responses of 299 people.

[505] In Europe, several media companies are trying to develop proprietary ad systems. One example is 'Trusted Web', from DPG.

[506] The analysis relies on data based on the number of page view referrals in aggregated to hundreds of news websites and apps in the Chartbeat network. Newman, N., & Cherubini, F. (2025). *Journalism, media, and technology trends and predictions 2025*. Reuters Institute for the Study of Journalism.

addition to the list of websites responding to the search parameters. This tool could further diminish referrals to news sources and related revenue streams. In the US, data provided by news agencies shows that the percentage of searches resulting in no clicks has steadily increased since the release of Google's AI overviews – from 56% in May 2024 to nearly 69% in May 2025. While the organic traffic of news agencies has shown a downward trend, falling 26% since June 2024,[507] [508] the number of ChatGPT users has more than doubled between January and July 2025.[509] In addition, Google may eventually need to monetise this new feature, charging either customers or publishers to be featured in AI overviews and thus turning referrals from a source of revenue to a cost.[510] OpenAI, Perplexity and Particle.ai are also providing similar services.

As well as these economic considerations, digitalisation of content and the platforms' disruptions have brought emerging quality-related risks. While the digitalisation of the market has contributed to a democratisation of the news industry, as more people produce and consume news, it has also brought with it new threats to the quality of information available and trust in news media. Many news media outlets have accelerated their news production cycle in order to appeal to algorithms and publish or air content before it becomes outdated, thus potentially reducing the accuracy and overall quality of the news produced. The need to increase monetisation opportunities while appealing to online platform algorithms has also contributed to the proliferation of sensationalist content, disinformation, clickbait and deepfakes. This can potentially result in increasing news fatigue, news avoidance and lower trust in professional media. Finally, the extensive use of algorithms by social media and news aggregators to target specific types of audiences can produce 'echo chambers' in which individuals are not exposed to diverse perspectives.

Poor quality information has proliferated on social media platforms. Most influencers online have no prior journalistic experience[511] or do not verify the accuracy of their content before sharing it with their followers.[512] This has decreased the quality of the information consumed. Social media platforms have remained a place where information integrity is at risk, despite interventions at several levels (e.g. fact-check labels and reduced visibility of content flagged as fake).

Media responses to the platform age

In this new environment, news media companies have sought to develop connections with influencers and online users. Part of the influencers' appeal is the production of personalised content, but there is emerging evidence of collaboration between like-minded influencers and traditional news media. Through these partnerships, traditional media seek to extend their reach and build trust among newer audiences, while creators can gain legitimacy. Traditional media also use social media platforms as a source of real-time information (e.g. photos, videos, eyewitness accounts), which newsrooms can verify and incorporate into their reporting. However, this practice also underscores the challenge of balancing speed with accuracy, as the rush to publish can result in the dissemination of unverified information.

Professional media also see in platforms an opportunity to reconnect with young people. Globally, 42% of news publishers[513] are planning to develop new products aimed at younger audiences. In line with this goal, news companies are particularly interested in putting more effort into video platforms such as YouTube, TikTok, and Instagram. Interest is also increasing for alternative channels such as WhatsApp, LinkedIn, Bluesky, and Google Discover, which have become the main

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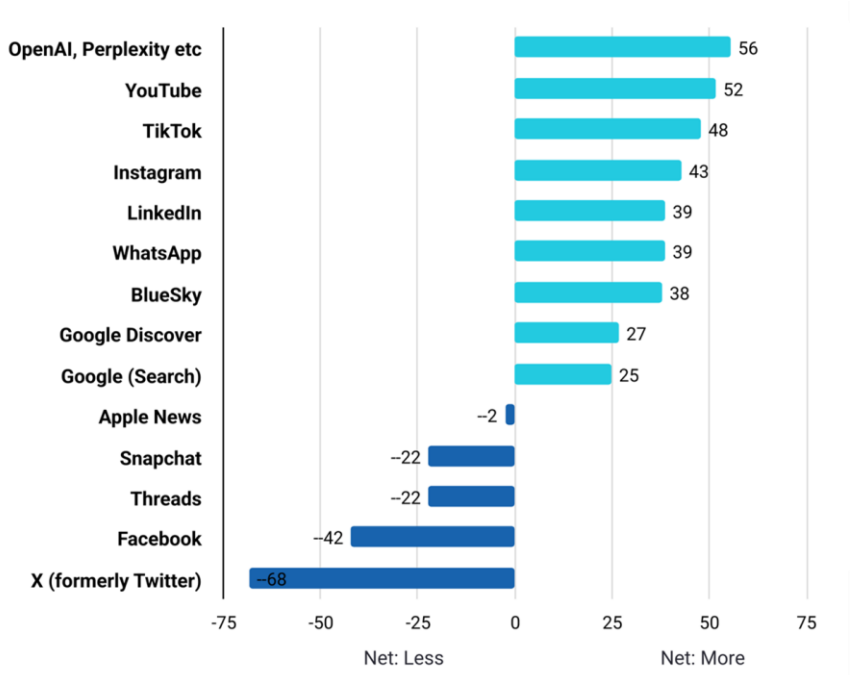
[507] Similarweb, *GenAI and How It's Impacting US Publishers*, 2025. No data is yet available for European news agencies.
[508] Additionally, "click-through rates" have sunk to under 1.7 billion visits in May 2025 from a peak of more than 2.3 billion in mid-2024
[509] Interestingly, research using only desktop referrals do not show a significant decrease on news traffic – for more, see Nick Hagar's AI Overviews, Chatbots, and News Traffic: The Story So Far (Medium, 26 March 2025). The increase of the popularity of the app-format might be a driving force behind this lower referral rate. For example, on ChatGPT only 6% of referral traffic comes from mobile. Google Gemini stands at 5%. For more information, see Roger Montti's *Newly Released Data Shows Desktop AI Search Referrals Dominate* (Search Engine Journal, 6 June 2025).
[510] Señor, J., & Sriram, J., *Innovation in News Media World Report 2024-25,* FIPP, 2024.
[511] Pew Research Centre, *America's News Influencers*, 2024.
[512] UNESCO*, Behind the screens: insights from digital content creators; understanding their intentions, practices and challenges,* 2024.
[513] Newman, N., & Cherubini, F. (2025). *Journalism, media, and technology trends and predictions 2025*. Reuters Institute for the Study of Journalism.

source of referral traffic for many publishers. Conversely, many publishers are divesting from Facebook, probably due to its declared move away from news content, and X (formerly Twitter), for reasons such as a lack of content moderation and content potentially harmful for journalists.[514] Bluesky, which offers stronger moderation and reportedly higher engagement, has emerged as an alternative to X, despite its smaller user base.

Figure 114. Where publishers plan to put more and less effort in 2025 as net difference between proportion planning to put more effort/less effort into each platform (n=302)



Source: Newman, N., & Cherubini, F. (2025). Journalism, media, and technology trends and predictions 2025 *Reuters Institute for the Study of Journalism.*

'News snacking', introduced by social media, is also driving format change. Consumption of news in shorter, more frequent bursts rather than as a time-intensive activity is driving a new offering of bite-sized formats, such as short videos. Intermittent consumption, facilitated by the usage of smartphones, requires journalists to place stronger emphasis on direct engagement (due to the interactive nature of social media platforms), innovative storytelling (live blogs, use of videos, interactive graphics and VR to enhance the audience experience) and reaching global audiences by focusing on global and latest trends. News snacking is, however, less relevant in some sectors, such as magazines, which often provide opinion and long forms supporting more immersive engagement opportunities and specific audience targets, thus contributing to customer acquisition and loyalty.[515]

Finally, news companies are attempting to rebuild personalised offers and 'audience-first strategies'. Confronted with trends such as news avoidance and decreasing trust in news, publishers are attempting to rebuild audience relationships with journalism companies by showing that news content is worth paying for. Examples of such strategies include in-depth analytical journalism, solutions journalism or strategies involving transparency and ethical standards (e.g. showing the process behind a story).[516] To better reach and engage younger audiences, TV and radio broadcasters are also increasingly adjusting their communication styles and formats, for instance, by using more infographic content in original language, shorter news formats, or collaboration with influencers and social media engagement strategies.

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[514] European Commission: Directorate-General for Communications Networks, Content and Technology, *Study on putting in practice by Member States of the recommendation on the protection, safety and empowerment of journalists – Final report,* Publications Office of the European Union, 2024.

[515] Josh Mcloughlin. *Print magazines are thriving in the digital age*, MediaCat, 4 April 2024.

[516] Federica Cherubini, *Insights on how to develop and implement audience-first strategies*, IQ Media Hub, 27 March 2024.

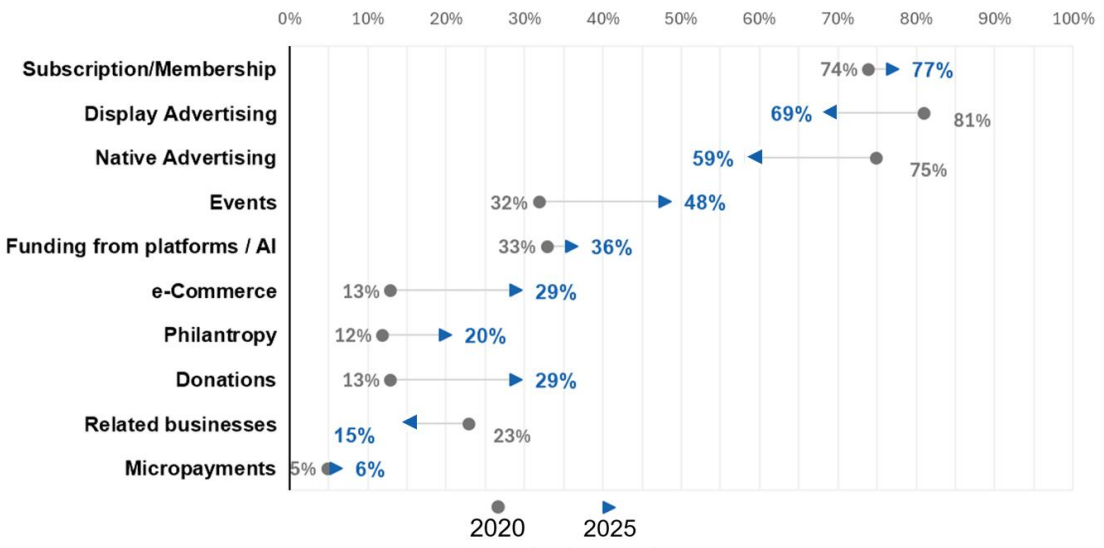
Monetising content in the platform age

As far as their revenue streams are concerned, news publishers still regard new players in the attention economy as potential opportunities for revenue. Following a marked decrease in the period 2020-2024 (from 33% to 20%), possibly explained by their views on Google News Showcase and Meta's strategy of abandoning news, 36% of surveyed industry leaders worldwide now declare external online players, such as AI providers, to be an important source of revenue stream for 2025.[517] 2023 and 2024 saw the closure of several deals between AI and news companies.

Despite profound shifts in consumption patterns and new monetisation models, news media companies remain reliant on traditional and declining streams of revenue. Print advertising and circulation and traditional TV advertising, among others, have long made up the revenues of news media companies. However, these revenues are declining, which indicates that more effort is needed by news media companies to increase their digital revenue streams (online advertising, referral traffic, digital subscriptions, etc.). According to global estimates,[518] print circulation and advertising still generate around 45% of publisher revenues, compared to 30% of online circulation and 25% of other revenue sources. New revenue streams (e.g. events, grant funding, business services and partnerships with platforms) are increasing, while media continue to struggle in the online advertising market.

Subscription and membership models are also top revenue priorities for publishers at a global level, overtaking advertising formats. Digital subscription and membership revenues were prioritised by 77% of publishers in 2025, a 3 percentage point increase from 2020. However, subscription faces inherent challenges, especially in attracting and retaining diverse customer bases. Despite an increase in digital subscriptions for 73% of surveyed publishers operating these models, many are experiencing a slowing growth rate that often does not make up for the rapid decline in print revenues.[519] Meanwhile, alternative revenue sources are becoming more prominent. For example, the magazine subsector showcases attempts to expand its revenues through affiliated activities (e.g. e-commerce activities, events to increase engagement opportunities and reinforce customer loyalty).

Figure 115. Most important revenue streams expected by publishers for 2025, comparison 2020-2025 (n=299)



Source: Newman, N., & Cherubini, F. (2025). Journalism, media, and technology trends and predictions 2025. Reuters Institute for the Study of Journalism.

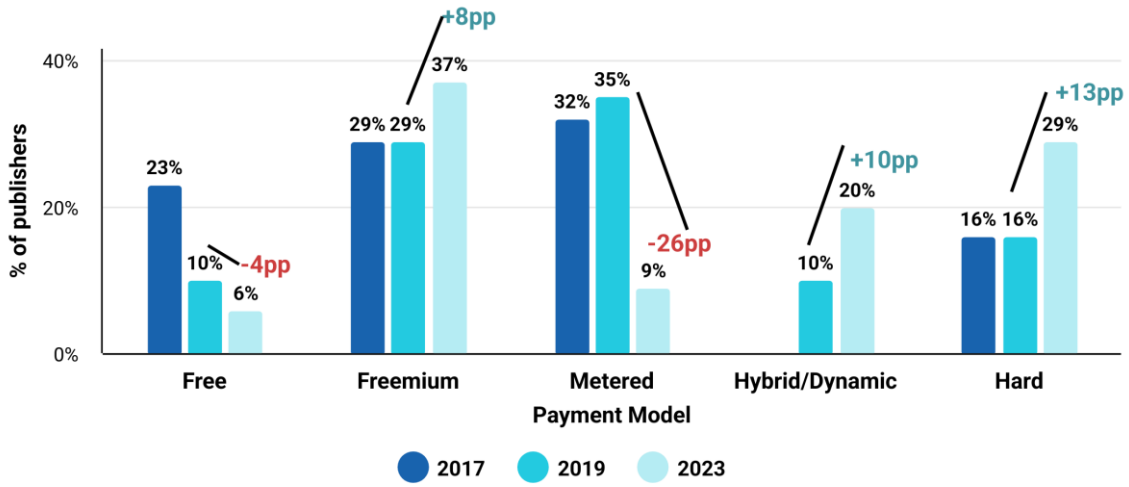
[517] Newman, N., & Cherubini, F. (2025). *Journalism, media, and technology trends and predictions 2025*. Reuters Institute for the Study of Journalism.

[518] WAN-IFRA, *World Press Trends Outlook 2024-2025*, 2025.

[519] Newman, N., & Cherubini, F. (2025). *Journalism, media, and technology trends and predictions 2025*. Reuters Institute for the Study of Journalism.

The news landscape is evolving as regards digital readership revenue strategies. Publishers are moving towards stricter paywall models, while free models appear to be declining, with those offering open access increasingly relying on membership or donation-based approaches.[520] The use of pure-metered paywalls, which grant a fixed number of free articles is dropping (from 35% to 9%), while freemium models are becoming more popular (29% to 37%). While digital subscription prices have decreased in real terms since 2017, specialist publishers command higher prices due to their ability to serve key audience needs in specific themes.[521] Some platforms allow users to pay small amounts for individual articles or pieces of content, providing flexibility for casual readers and consumers who may not want a full subscription. However, micropayments remain a relatively minor revenue stream within the industry.[522]

Figure 116. Evolution of most frequent paywall models



Source: FT Strategies.

Data collection is instrumental for monetisation. Subscriptions might provide avid news consumers with competitive prices in relation to the amount of content offered, but at the same time, they are unlikely to address the needs of those who prefer free content or select their sources of news based on their trustworthiness. Publishers continue attempting to remain in control of the data they collect to improve ad targeting and reduce the impact of platforms and AdTech intermediaries on the digital advertising market. This includes initiatives federating publishers or developing proprietary ad systems with the potential to offer higher brand safety standards.[523] These types of initiatives have the potential to serve as a source of monetisation and build on users' trust in news media identified as reliable.[524]

Content differentiation remains key to the development of all access subscriptions. Quality formats (newsletters, podcasts, etc.) might not be significant revenue generators on their own, but they can play a role in customer loyalty and create opportunities for building engagement and value-driven offerings, particularly for news media SMEs. In a highly digital and competitive media landscape, a strong brand identity and unique selling proposition are essential for news organisations

[520] Lamberto Lambertini, George Montagu, *Dynamic, Cheap and "Shocking": The Evolution of Paywalls, Pricing, and Trials in the News Industry*, FT Strategies, 2023. Survey conducted among 35 publishers across Europe and North America.

[521] Ibid.

[522] Newman, N., & Cherubini, F. (2025). *Journalism, media, and technology trends and predictions 2025*. Reuters Institute for the Study of Journalism.

[523] Example: DPG Media Group, *DPG Media becomes the first European publisher to rollout GARM Brand Suitability targeting*, DPG Media Group, 24 February 2022.

[524] See more on trust in news media in the consumption section and in European Commission: Directorate-General for Communications Networks, Content and Technology, *Study on audiences, consumer behaviour and preferences relating to the consumption of media content*, 2025.

to build trust, stand out and mitigate business risks. This is a way of 'de-risking' media business strategies by reinforcing consumer trust and engagement.

Cross-subsidisation[525] continues to play a crucial role in the news media sector, particularly in contexts where journalism is not strongly profitable. Many companies generate profits from other activities (e.g. entertainment and sport) that subsidise their news segment – when they have one. The model is linked to the advent of digital platforms, and the rise of new content formats – such as lifestyle features, entertainment, and multimedia offerings like podcasts. These formats attract broader audiences and generate higher revenues due to their commercial appeal. Frequently, they are bundled with news content to encourage subscription purchases, thus indirectly sustaining journalistic operations.

Monetisation challenges are especially acute in some market sectors. Certain specific media sectors (local media, investigative press, small companies) face specific challenges, due to their limited market size and reach, weaker bargaining power with online platforms, and limited resources to adapt to digitalisation. The influence of digital platforms has lowered barriers to entry in the news media sector and contributed to changing consumption patterns, eventually challenging monetisation opportunities. In this context, these sectors are increasingly dependent on public funding and philanthropy to survive. Conversely, in some cases, these types of media can also leverage a closer relationship with their audience and the sense of 'community' of the readers' membership, thus paving the way for alternative monetisation opportunities, such as crowdfunding, to finance specific projects.

In this context, public grants – both national and European – and private foundations also play a crucial role in providing financial support, particularly in sectors at risk. An increased number of media companies see philanthropic support and donations as sources of income.[526] Public authorities continue attempting to adjust the market imbalance through regulation, with governments aiming to adjust the balance between online platforms and news media outlets through specific regulations. The EU Copyright in the Digital Single Market Directive also expanded copyright protection by granting news publishers based in EU Member States a 'neighbouring right' for the online use of their content by 'information society service providers.' This protection lasts for two years after publication and excludes both hyperlinks and the use of individual words or very short extracts. Regulatory developments can thus contribute to generating new sources of revenue for news media companies.

Jobs market, talent and skills

The news sector faces a marked labour market uncertainty and structural job churn.[527] Structural transformations underscore the vulnerability of traditional media roles to obsolescence, as emerging tech-focused roles gain prominence. Online job advertisements decreased during the COVID pandemic, with 2022-2023 data showing recovering figures. For the 2019-2023 period, a total of 1,298,848 job advertisements were published.[528]

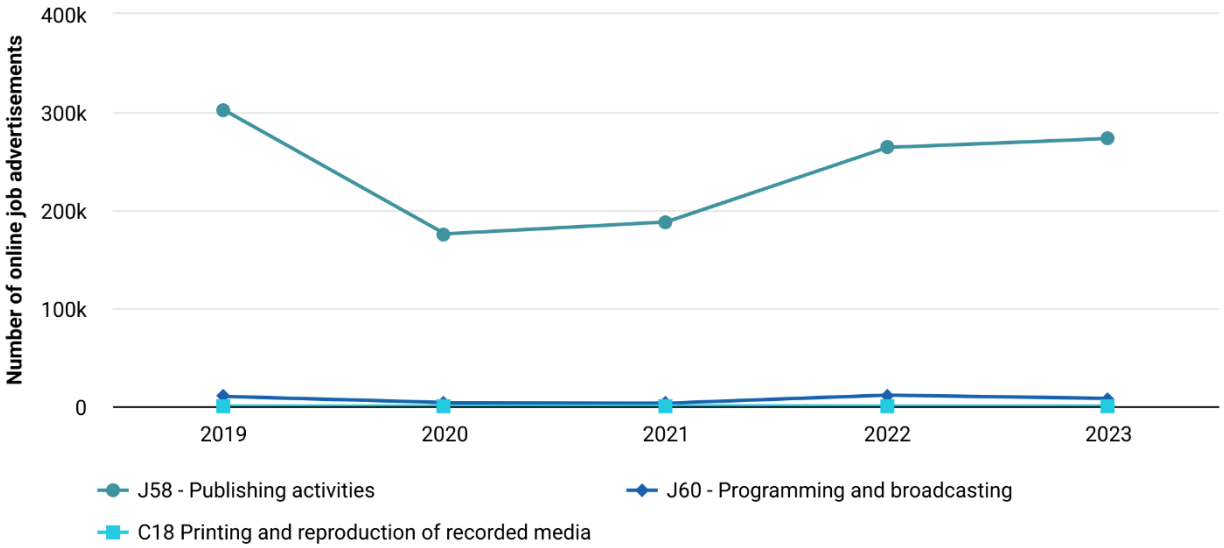
[525] In which revenues generated from other activities then support the production of news content.

[526] Newman, N., & Cherubini, F. (2025). *Journalism, media, and technology trends and predictions 2025*. Reuters Institute for the Study of Journalism.

[527] As per the World Economic Forum, 'labour-market churn refers to the total expected job movement - including both new roles being created and existing roles destroyed - as a proportion of current employment and excluding situations where a new employee replaces someone in the same role'.

[528] Eurostat, Employees by sex, age and economic activity (from 2008 onwards, NACE Rev. 2). [lfsa_eegan2].

Figure 117. Number of online job advertisements in the news media sector in the EU, 2019-2023



Source: Technopolis Group based on Cedefop Skillsovate data.

Note: Based on NACE codes 18, 58 and 60

Demand for new skills continues to grow, but conventional techniques remain important. The main skills needed in the news media sector are still mostly aligned with traditional media roles, such as broadcast media, journalism and audio editing.[529] However, the media industry is increasingly valuing professionals with specific technical abilities, such as proficiency in editing tools, creative writing and data-driven journalism tools. The most important skills sought by media companies are communication and storytelling (79%), data analysis and interpretation (73%), and the ability to explain complex techniques in simple terms (65%). The most commonly demanded skills underscore the continuing importance of conventional media production and content creation techniques as the media landscape continues to evolve.

The expanded use of freelance journalists is evidence of the economic struggles of the sector. Freelance journalists are an industrial response to digital and economic pressures,[530] bringing flexibility to employers. However, these workers face challenges such as lower income levels, fewer benefits, and less editorial influence compared to their salaried counterparts. In 2022, 40% of freelance journalists reported earning less than EUR 15,000, with 60% earning under EUR 25,000.[531] Freelancers can eventually independently reach and monetise audiences' attention on their own, given the lowered barriers to entry and the emergence of digital platforms such as Substack.[532] However, this precariousness poses a threat to the reliability of their content production, due to the more limited availability of time and/or conflicting schedules, and the lack of agreed standards, accountability and controls. For example, the possibility of getting paid per article might incentivise quantity over quality of articles produced.

[529] More specifically, skills demand in the news media sector has been analysed following the skills intelligence insights of Cedefop (European Centre for the Development of Vocational Training). This dataset covers the EU Member States (plus the UK) and is based on the collection and analysis of more than 530 online job advertisement sources (424 distinct websites) which are open-access sites.

[530] There is no standardised and comparable data on the number of freelance journalists within the EU, due to variations in data sources and collection methodologies. However, insights from the three largest EU Member States — Germany, France, and Italy — contribute to partially assessing the extent to which the news media sector extensively relies on freelance journalists, as in these three countries the number of freelancers is increasing.

[531] Survey of the European Journalism Centre, based on 925 European respondents.

[532] Still, as per that survey a majority (57%) relied on commissioned work from publishers as their primary income source, while just 23% generated revenue through independent editorial projects.

Working conditions are deteriorating in key subsectors. The closure or progressive downsizing of newsrooms leads to greater threats to employment conditions, such as deteriorating wages, ageing newsrooms or burnout.[533] [534] These problems might be more prevalent in rural or suburban areas.[535] In addition, journalists across the Union continue to suffer threats to their safety through legal intimidation. In 2024, only Denmark, Germany, Ireland, and Sweden can be classified as low-risk countries as far as working conditions are concerned, underscoring the common nature of these challenges across Europe's media landscape.

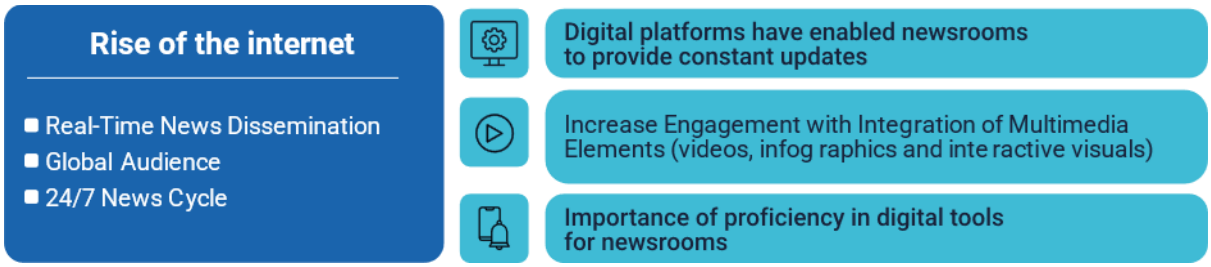
4.5. Technological trends

Digital tools

Digital tools are reshaping how news is produced, disseminated, and consumed. From content creation to audience engagement and monetisation, these tools address aspects related to content management systems, video editing software, social media management, or digital data processing. The rise of the internet disrupted the traditional model of news production, introducing real-time news dissemination, a global audience and an unprecedented demand for immediacy under a 24/7 news cycle. This shift has fundamentally altered the dynamics of news organisations, compelling them to adapt their activities to remain relevant in the digital age. Digital tools enable newsrooms to evolve, creating richer, more engaging content and fostering deeper connections with their audiences.

Proficiency in digital tools is crucial for journalists to navigate the complexities of producing, storing, processing and distributing content in a dynamic environment. Digital platforms have enabled newsrooms to provide constant updates. The integration of multimedia elements – such as videos, infographics and interactive visuals – has become a hallmark of modern journalism, significantly increasing engagement and improving the impact of news stories. Similarly, these tools help address news fatigue and news snacking, notably through multimedia storytelling, interactive features, and personalised content delivery.[536]

Figure 118. Digital Tools and Strategies to remain relevant in the Digital Age



Metrics and analytics tools, as well as the optimisation of news websites for search engines, play a crucial role in understanding users' behaviours and decisions. These techniques can offer real-time data on readership trends, engagement rates, and content performance. Moreover, the interaction between audiences and news content has become increasingly dynamic. Comments sections, social media feedback and live polls allow readers to engage directly with journalists and news outlets, creating a more participatory form of journalism. This interaction not only fosters trust

[72] Bleyer-Simon K., et al (2024) *Monitoring media pluralism in the digital era: application of the media pluralism monitor in the European member states and in candidate countries in 2023*, EUI, RSC, Research Project Report, Centre for Media Pluralism and Media Freedom (CMPF).

[534] Based on data by ILOSTAT Data Explorer. Indicator Employment by sex, economic activity and marital status (annual).

[535] E.g. it was reported that approx. half of the local newsrooms closed in Sweden and more than one third of the local journalists disappeared from the local media market, being now localised in centralised newsrooms in larger cities.

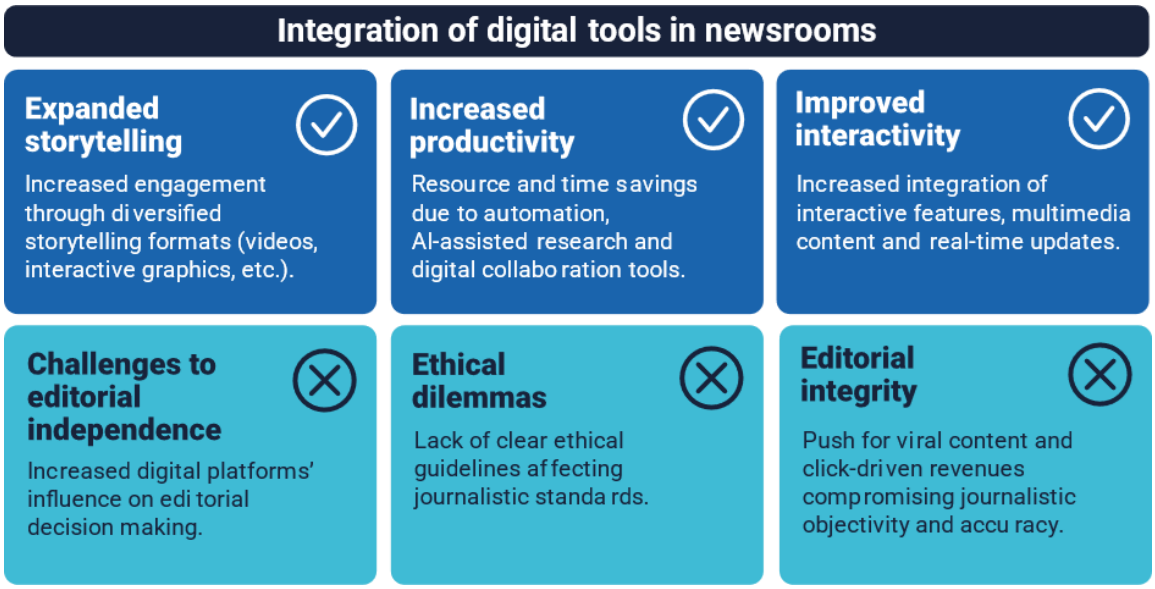
[536] Newman, N., & Cherubini, F. (2025). *Journalism, media, and technology trends and predictions 2025*. Reuters Institute for the Study of Journalism.

and loyalty but also provides valuable insights into audience preferences, enabling newsrooms to tailor their content accordingly.

The uneven digital uptake across the industry remains a significant challenge. While larger news organisations often have the resources to invest in advanced digital tools and staff training, smaller outlets and freelance journalists frequently struggle with financial constraints, limited technical expertise and outdated infrastructure. These challenges hinder the adoption of new technologies, making it harder for them to compete in an increasingly digital environment. Small outlets often cannot afford advanced tools like data analytics software, AI-powered automation, or interactive content production. Lack of investment limits their ability to innovate and improve efficiency.[537] In contrast, local or regional media groups that have consolidated under larger organisations benefit from greater access to expertise and digital tools, enabling them to strengthen their online presence.

Many news organisations report difficulties in developing or adapting digital tools to meet their needs. Another problem is keeping up with rapid technological changes. As new platforms, formats, and tools emerge, smaller organisations often struggle to adapt. Without dedicated training programmes, many journalists and staff members find it difficult to use digital tools effectively. The literature highlights that resistance to change and inadequate training are key barriers to digital adoption. To bridge this gap, targeted support is needed, such as funding for digital investments, specialised training programmes, an active role for industry representatives and affordable tools designed for smaller media organisations.

Figure 119. Integration of digital tools in newsrooms



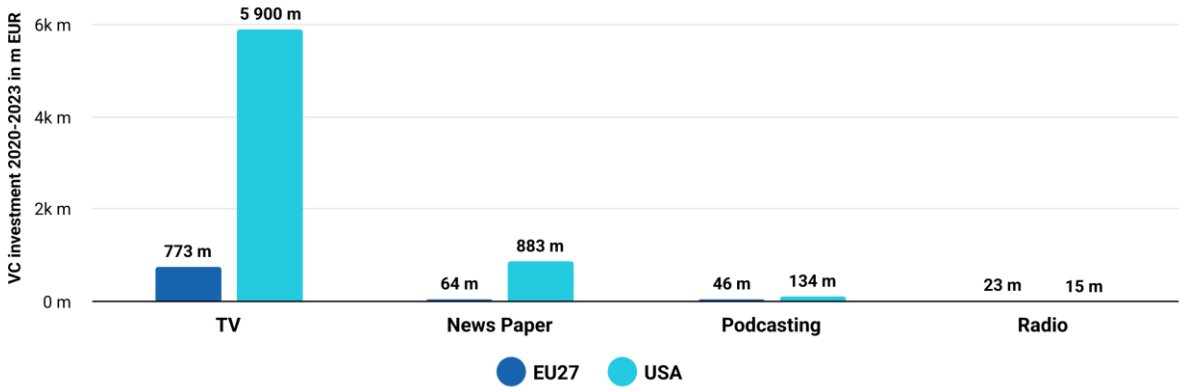
Venture capital investments into technology

The overall level of news media-related investments in the European Union remains limited. The yearly level of VC investment into media technology for news media increased from 2020 to 2023, totaling EUR 939 million in the EU. However, this represents only 13.7% of the VC invested in the US during the same period. This can be partly explained by the different roles that VC plays in the EU and US. Nevertheless, it also highlights how there are lower investments in technological companies able to support innovation in news media.[538]

[537] Center for Innovation and Sustainability in Local Media (2020, February 10). Digital technologies and the future of journalism. Retrieved January 22, 2025, from: https://www.cislm.org/digital-technologies-and-the-future-of-journalism/

[538] Furthermore, the venture capital invested in the same period in UK represents around 50% of the overall expense of the EU Member States.

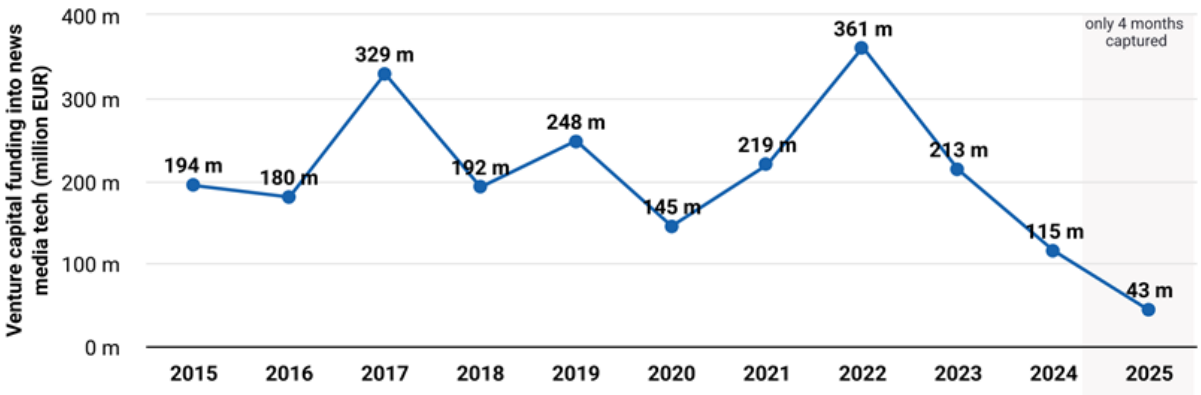
Figure 120. Venture capital into media technology for news media over the period 2020-2023



Source: Technopolis Group calculations based on Crunchbase.

The investment climate cools down as the industry matures and investors weigh the risks associated with the evolving digital media landscape. News media tech experienced peaks in 2017 and again in 2022, the latter largely fueled by the changes in media consumption patterns during and after the pandemic. However, investment decreased again in 2023, possibly reflecting broader hesitation to fund sectors perceived as saturated or reliant on uncertain revenue models, such as advertising. VC investment in media tech, including news media technology, has faced a significant decline due to a shift away from digital advertising solutions, which were once seen as high-growth areas.[539]

Figure 121. Venture capital investment into media technology for news media in the EU over the period 2015-2023



Source: Technopolis Group calculations based on Crunchbase.

The rise of AI

AI is reshaping traditional practices across the news value chain. AI brings opportunities to increase efficiency and foster innovation while introducing challenges such as ethical considerations, the impact on employment, and potential disruptions to existing business models (e.g. copyright infringements). By 2024, 35% of news media organisations in the EU had already adopted AI technologies for reasons that include enhancing efficiency, improving workflows, content creation and

[539] Joanna Glasner, *Adtech Startup Funding Has Collapsed*, Crunchbase News, 8 August 2024.

production and audience engagement.[540] This is lower than in emerging economies, where 80% of journalists use AI.[541]

AI tools and techniques impact content creation and production, data analysis and user experiences. Generative AI contributes to the production of written texts, audio, video, and images. Automated video journalism uses smart cameras to cover scheduled events and perform automated post-production tasks, freeing resources to focus on specialised or unscheduled content. AI-driven tools can also detect bias, ensuring trustworthy journalism. Regarding data analysis, AI-driven features spot anomalies within large datasets, assisting journalists in identifying newsworthy items, fact-check information and publish findings. Algorithms enable automated data cleaning and wrangling processes, significantly reducing the time required to prepare data for analysis. Automated journalism tools further enhance efficiency by generating stories directly from structured data, such as financial reports, election results, or sports statistics. AI tools are, in addition, widely employed to detect and prevent copyright infringement. Finally, AI can enhance the user experience. Personalisation features (e.g. news feeds, chatbots, and recommendation engines) provide audiences with relevant and engaging content. AI-powered translation services expand accessibility, making news more inclusive for multilingual audiences. Collectively, these advancements empower news organisations to deliver engaging content to a wider audience while exploring new revenue streams, such as AI as a service products and personalised subscription models.[542]

AI adoption in the news media has begun to influence revenue generation. Publishers are already looking into building relationships with AI providers, but while agreements on newsroom experimentation or training programmes exist, licensing deals are limited to large organisations.[543] Media companies expect this trend to continue, with 35% of professionals anticipating that most of the revenue will go to large media groups, while 48% believe there will be very little money to distribute at all.[544] This raises concerns about the widening financial gap between large and small publishers in the AI-driven media economy, as the lack of visibility is expected to disproportionately affect smaller media outlets. Based on the limited evidence available, at the global level, the industry is widely (72%) favorable to collective agreements that benefit all stakeholders.[545] This interest may stem from concerns about AI providers using copyrighted content without proper agreements, as highlighted by The New York Times' lawsuit against OpenAI and Microsoft, or from the potential decline in referrals due to AI-generated search query responses, or from a combination of these factors.

Risks and dependencies

User shifts towards AI are altering the information sphere. Users can now access news through advanced tools like chatbots and generative search engines rather than via traditional media channels. These systems can divert traffic away from the original web sources they use. When the answer sought by the user is summarised in the generated output, users will no longer need to access the original media source of the information affecting the media industry's revenue models (e.g. advertisement-based). While media companies are seeking to use AI to develop new features, the growing reliance on AI to automate tasks (e.g. content moderation, recommendation systems, and news summaries) highlights the expanding role of technology companies in shaping the news landscape. This can result in further concentration of influence within a few dominant providers.[546] The ongoing AI shift will deepen the effects of the 'platformisation' of journalism.

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[540] Centre for News, Technology and Information (2025, January 28). Artificial Intelligence in Journalism. Centre for News, Technology and Information. Retrieved April 1, 2025, from: https://innovating.news/article/ai-in-journalism/

[541] Thomsen Reuters Foundation. Journalism in the AI Era: A TRF Insights survey, *Journalism in the AI Era: A TRF Insights survey.*

[542] Newman, N., & Cherubini, F. (2025). *Journalism, media, and technology trends and predictions 2025*. Reuters Institute for the Study of Journalism.

[543] E.g. Axel Springer, Der Spiegel, Le Monde, Mediahuis, and Prisa Media, with firms such as such as OpenAI, ProRata, Microsoft, and Perplexity.

[544] Newman, N., & Cherubini, F. (2025). *Journalism, media, and technology trends and predictions 2025*. Reuters Institute for the Study of Journalism.

[545] Ibid.

[546] Newman, N., & Cherubini, F. (2025). *Journalism, media, and technology trends and predictions 2025*. Reuters Institute for the Study of Journalism.

Tech companies drive the market towards new devices. Until now, the uptake of home devices or smart watches to access news has been limited. In 2025, tech platforms will push their AI agents, with many bringing out improved conversational interfaces. OpenAI's ChatGPT and Google's Gemini and their services will support advanced voice features or make long texts accessible, and both Siri and Alexa are being upgraded. Half of the publishers worldwide[547] foresee a gradual embracing of this technology for news product consumption, 20% consider it the 'next big thing', 9% consider it a temporary infatuation and 10% do not express an opinion.

On the side of news media, many organisations face hurdles in acquiring the necessary technological skills and infrastructure. High implementation costs often deter smaller enterprises, while larger organisations struggle with integrating AI into existing workflows. The need for specialised training, encompassing AI literacy for journalists and change management for newsroom managers, underscores the transformative nature of these technologies. Moreover, industry cultural factors (e.g. traditional focus on exclusivity rather than resource sharing) complicate efforts to implement collaborative AI solutions industry-wide.[548] Smaller outlets might struggle to compete with larger organisations for visibility and traffic.

The news industry is also cautious about using AI in its operations. Media professionals are concerned about misusing AI for visual elements in such a way that it could fuel misinformation and undermine the trust placed in media organisations. Additionally, there may be risks related to copyright infringement because the AI providers' output may be protected by copyright.[549]

A number of issues have emerged concerning agreements between media outlets and AI providers. Regarding licensing, tech companies may have an interest in scraping and using news publishers' copyright-protected content to train their generative AI systems. However, the lack of transparency regarding commercial agreements – especially on licensing – might reinforce monopolistic dynamics, thereby stifling competition and innovation. Smaller players can be at a disadvantage in securing fair deals, especially in cases where the data used for training AI results in the creation of significant future value beyond its initial purpose. Concerning newsroom experimentation, AI may exacerbate the existing dependency of publishers on platforms for distribution by introducing new dependencies in news production. Small and local publishers would be exposed to higher risk, since they may rely more on AI for efficiency and cost reduction.[550]

Risks on editorial and data control remain. The relationship between automation and editorial control is challenging in areas such as data security, privacy and the potential for biased algorithms, which must be carefully managed to protect journalistic integrity. Reliance on third-party AI solutions often limits organisational control over data and technological expertise, underscoring the necessity for a balanced approach between outsourcing and in-house development.[551] In addition, as of 2025, journalism still lacks standardised guidelines for AI use.[552]

Employment and skills

To date, the impact of AI on news-related jobs in the EU is not fully traceable but its rapid advancement is exerting pressure on the industry. 25% of industry stakeholders indicate that AI has had an impact on reducing the number of employees. The types of job profiles impacted by AI include content/newsroom curators, marketing professionals and IT specialists.[553] If only a limited number of cases of dismissals of news employees have been reported so far in the EU, AI's role in

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[547] Ibid.

[548] Courtney Radsch, *Can journalism survive AI?*, Brookings, 25 March 2024.

[549] Thomson, T. J., Thomas, R. J., Riedlinger, M., & Matich, P. (2025). *Generative AI and Journalism: Content, Journalistic Perceptions, and Audience Experiences*. RMIT University.

[550] Felix M. Simon (2024), *Escape Me If You Can: How AI Reshapes News Organisations' Dependency on Platform Companies*, Digital Journalism, 12(2), 149-170.

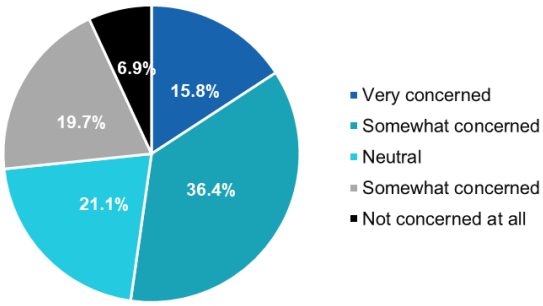
[551] CDMSI, *Guidelines on the responsible implementation of Artificial Intelligence systems in journalism*, Council of Europe, 2023.

[552] 20% of respondents have guidelines on when and how to use AI tools (based on a survey to 101 editors). WAN-IFRA, *Gauging Generative AI's impact on newsrooms*, 2023.

[553] European Monitor of Industrial Ecosystems (EMI), *Monitoring the twin transition of industrial ecosystems- Cultural And Creative Industries*, European Commission, 2023.

news production is a source of concern, either directly (e.g. transcribing interviews, translating content, producing summaries, etc.) or as a result of their impact on existing business models. In Europe in 2025, 52% of journalists expressed being either concerned or very concerned about the impact of AI on the profession, against 27% being somewhat unconcerned or not concerned at all.[554]

Figure 122. Concern around the impact of AI on journalism



Source: Project 'Taktak' in collaboration with Display Europe, 2024.

AI-related skills are still not prevalent in news media organisations. AI-specific competencies are still infrequently sought by news media employers.[555] However, the industry anticipates a substantial increase in the demand for AI-related skills. 70% of media leaders worldwide claim that AI skills needs will significantly increase in the next three years. They also expect the importance of data science skills and big data skills will increase.[556]

4.6. Summary

The **total revenues of the EU news media sector have been declining** over time (by 8% between 2019 and 2023), reaching EUR 77.2 billion in 2023. At the **subsector** level, **TV represents the largest share of the market** (57%), followed by newspapers (24%), magazines (13%) and radio (5%). Regarding **growth trends**, TV sector revenues remained broadly stable (at EUR 44.1 billion), **print media sector revenues decreased** (by 19% between 2019 and 2023), and radio sector revenues have returned to pre-pandemic levels (EUR 4.1 billion). In the press sector (both newspapers and magazines), daily unit circulation for print decreased 30% and digital circulation registered consistent growth (52%) between 2019 and 2023. However, **the decline in traditional revenues in the news media sector has not been offset** by growth in digital revenues (-9 billion vs +1.9 billion between 2019 and 2023).

The 'platformisation' of the news sector has added to the challenges of monetising news content. **Online platforms such as Google and Meta continue to capture a significant share** of ad revenue through their dedicated services and **have an impact on consumer habits.** All media companies as a whole (newspapers, magazines, TV, radio, podcasts) and on all platforms (both online and offline) capture **less advertising revenues than online platforms** (EUR 35 billion vs 41 billion in 2023). News media companies face **difficulties maintaining profitability,** with media viability at risk in **nearly all EU member states** and increasingly impacting media density and reach (emergence of news deserts), and undermining pluralism. As a consequence of these economic conditions, the total number of employees in printing, publishing, radio, and television declined by 7.5% between 2021 and 2023, with TV and broadcasting having the largest decrease (-11.5%).

[554] Survey of the project 'Taktak' to 436 journalists in 33 different European countries (including 21 EU Member States).

[555] Based on LinkedIn job announcements.

[556] Kantar Media, *The skills shaping tomorrow's media ecosystem. Findings and observations from our 2024 Media Leaders Pulse Survey*, 2024.

Regarding consumption, **most Europeans consume news content daily** (53%). This is especially the case for older consumers (95% aged 60 plus vs 78% aged 18 to 30 years old), with **younger audiences** showing a greater tendency to **avoid news** (11% of 18- to 30-year-olds never accessing news, vs 3% for people over 60). A **majority of people (66%) do not pay for news,** and overall expenditure has not increased in 2024. A majority of consumers get their news **exclusively or mainly from professional outlets** (50%), while a considerable portion also relies on social media and other platforms (32%). **Traditional TV is still the most widely preferred source** (52%), but there is a noticeable **age divide in preferred formats:** 31% of younger consumers (18 to 30 years old) turn mostly or only to social media, which contrasts with both the over-60 group (11%) and the general population (18%).

On monetisation models, **subscriptions and memberships** are the priority revenue streams for publishers globally (77% will prioritise it in 2025). Publishers are also moving towards stricter paywall models, increasingly preferring **freemium** (37%), **hybrid** (20%) and **hard** (29%) types. Proficiency in digital tools is increasingly important in the industry, as both the **integration of multimedia elements** (e.g. videos, infographics) and **audience interaction** are now a defining characteristic of modern journalism. **Metrics and analytical** tools have become a central part of this sector, providing insights into audience preferences and enabling newsrooms to tailor their content. Consequently, the demand for **tech skills** (e.g. experience using AI, handling big data) is expected to increase, while **conventional skills** (e.g. communication and storytelling, data analysis and interpretation) retain the top spots.

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