

Entertainment & Media



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The recently published 10th edition of PricewaterhouseCoopers Global Entertainment & Media Outlook 2009-2013 highlights that there is now “nowhere to hide” from digital transformation and that the current downturn will indeed accelerate this, as consumers look for better value from their entertainment and media choices. This together with the forecast that aggregate global advertising spend in 2013 fails to reach 2007 levels will drive players within the sector to look for new revenue models as well as opportunities for cost and risk sharing. In either case we are expecting to see even more collaboration across the media value chain as well as with application providers in the technology sector and the telecom operators. Whether a company is seeking a collaboration with, for example an operator of micro payments or even with innovative branded content, deals are a must. However, these collaborations are often in the form of ventures or business relationships rather than outright M&A.

Despite some adjustment in valuations, M&A in itself within the entertainment and media sector may not be significant with the exception of the continued interest in some of the higher growth markets of India, Indonesia and Vietnam. Deals of a smaller nature relating to collaboration and new revenue models are however very likely. Furthermore, there is still a lot of interest in the acquisition of good digital talent - particularly in the advertising agency segment. As consumers migrate to digital platforms, we are experiencing the “changing face of advertising”. To exploit this change the major advertising groups are looking to acquire innovative digital agencies.

In short, anything with a digital component will be king. ■