


# The Daily: The Great BtN Take Off—2024 video trends, Amazon becoming No. 2, AI-created video, and streaming consolidation

Audio



On today's podcast episode, our contestants compete in The Great Behind the Numbers Take Off, 2024 video trends edition, where they will try and cook up the most interesting predictions for the coming year. They'll discuss why Amazon will begin its ascension to become the second-most important company in streaming advertising, how more creators and brands will embrace AI to create videos, and what to expect from streaming platform consolidation. Tune in to the discussion with our director of Briefings Jeremy Goldman and analysts Ross Benes and Daniel Konstantinovic.

*Subscribe to the “Behind the Numbers” podcast on [Apple Podcasts](#), [Spotify](#), [Pandora](#), [Stitcher](#), [YouTube](#), Podbean or wherever you listen to podcasts. [Follow us on Instagram](#)*



Episode Transcript:

Daniel Konstantinovic:

Even if this was just a negotiating position, I think it shows that there is some interest at that level of an acquisition and bringing another major studio or streaming service into the fold of

an existing large one.

Marcus Johnson:

Hey gang, it's Tuesday, January 16th. Ross, Jeremy, Danny, and listeners, welcome to the Behind the Numbers Daily, an eMarketer podcast. I hope you guys had nice long MLK weekends. I'm Marcus. Today I'm joined by three people. Let's meet them.

We start with one of our analysts on the marketing and advertising briefing based in New York. It's Daniel Konstantinovic.

Daniel Konstantinovic:

Hello. Thanks for having me.

Marcus Johnson:

Hey there, fellow.

We're also joined by one of our senior directors of briefings based in New York as well. It's Jeremy Goldman.

Jeremy Goldman:

Good morning Marcus and happy 50th birthday Kate Moss.

Marcus Johnson:

How do you know this stuff? We've got to get you outside more.

And finally we're joined by one of our senior analysts on the media and advertising desk based just above New York. It's Ross Benes.

Ross Benes:

Hey Marcus.

Marcus Johnson:

Hello there.

All right gents. Today's fact. So I know Jeremy's an NBA guy. Ross more college football. Danny, I'm not so sure. Sports Danny?

Daniel Konstantinovic:

You know, I'm learning about football.

Marcus Johnson:

Learning about football.

Daniel Konstantinovic:

How to throw it, how to catch it.

Marcus Johnson:

So this one's an NBA fact. The oldest player to play an NBA game was ... I haven't actually fact checked this, go on Jeremy.

Jeremy Goldman:

Is it Robert Parish? I think it might be.

Marcus Johnson:

It might be. I don't think so. So I stole this from Mike Breen. So he's one of the famous broadcasters for the NBA. He said Nat Hickey played two games back in 19 ... serious player, Jeremy's probably right, but Nat Hickey played two games back in 1948 for the Providence Steamrollers. He was 46 at the time. He was the head coach. The team had 4 wins, 25 losses, and there's 5 basketball commentator Mike Breen recently said they were awful, so he figured he could help. He played two games. It didn't help, but he played in the NBA at 46.

Jeremy Goldman:

I will say, the Nat Hickey one's a little bit of a cheat. You're totally right though. And I just looked it up and it's actually Robert Parish was number three. Kevin Willis was number two. And Kevin Willis should be like the real one.

Marcus Johnson:

Yeah. That's fair. Ross, maybe head coach Matt Rhule could get in there and play a little linebacker for you in Nebraska Cornhuskers.

Ross Benes:

He'd be pretty slow. He doesn't look like a mobile guy.

Marcus Johnson:

Used to play. Maybe not so much now. Anyway, today's real topic, The Great Behind the Numbers Takeoff, Video Trends in 2024.

All right, folks, in today's episode, first I believe we'll cover some video trends for this year, 2024. No in other news today. We'll probably have in other news as of February. We're doing a lot of trends episodes, so not a lot of news to cover in January. Mainly looking ahead, it's The Great Behind the Numbers Takeoff once again.

Focusing on video, this is a Bake Off style episode, Great British Bake Off style episode. And in today's episode are takers or bakers. We'll be cooking up some video specific expectations for the coming new year. Three rounds. Signature take is the first one, the how it will technically play out challenge is the second, and the show-stopping argument is the third.

First of all, before we hit round one, let's meet the contestants predictions. Ross, what is your prediction for today?

Ross Benes:

That this year Amazon will begin its ascension to become the second most powerful US company in streaming advertising.

Marcus Johnson:

Jeremy.

Jeremy Goldman:

Brands and creators are going to increasingly invest in AI to create video.

Marcus Johnson:

And Danny.

Daniel Konstantinovic:

There will be a major streaming service consolidation in 2024.

Marcus Johnson:

Okay, very nice folks. Let's move of course to round one. It's the signature take where our chefs will have 30 seconds to explain the premise of their trends. We'll start with Ross talking about Amazon ascending to become the second most important company in streaming advertising in 2024.

Ross Benes:

Well, the premise is Amazon's been pretty active in other areas of advertising and they have sold streaming advertising for some years, but this year is when they're getting much more active starting with the introduction of ads into Prime Video, and that's going to catapult the rest of their video ads business to greater heights than it's had before.

Marcus Johnson:

So people might be thinking, well, Netflix just started ads last year. Disney+ as well. What makes Amazon so different?

Ross Benes:

They already have such a large ads business and a video ads business. They have Fire TV, they have Freevee, they've been selling sports stuff and now they're just doing more of what they've already been doing. Netflix is starting from the ground. Disney has experience with television ad sales, but that's the first time that ads are coming into that particular streaming service. So I think Prime Video will get more of a kickstart and they're doing it by default too, which probably won't make users happy.

Daniel Konstantinovic:

Yeah. I probably shouldn't be bolstering my competitor's points, but I think-

Marcus Johnson:

No, you shouldn't-

Daniel Konstantinovic:

... the fact that they're making ad supportive viewing on Prime Video the default is a really big one 'cause Netflix and Disney+ have to get consumers who have been used to a decade if you're Netflix of ad-free streaming to jump onto an ad supported subscription. And the way they've been doing that is cutting cheap ad-free tiers and cracking down on password

sharing, both things that consumers have put up some resistance to. Surely there will be some griping about Prime Videos move, but that's a huge number of viewers who are just out of the box ad supported.

Marcus Johnson:

Yeah. Jeremy, you're up.

Jeremy Goldman:

Yeah. So I mean I think essentially what it is that marketers on the whole, they have some concerns about inflation, but they are investing, they are getting bigger budgets in a lot of ways than they did in the past year. And one of the main ways you can get budget is basically just the fear that every other brand is getting ahead of you.

So AI is going to be one of those things that is a little bit easier to convince your manager to fund, and there are a number of tools that either will help you directly create some motion graphics, some other things that you can use in your videos directly from AI, but even the script production process. And there are going to be a lot of brands that are going to take advantage of this to create either more content or higher quality content than they had in years past.

Marcus Johnson:

Okay. And finally, Danny streaming services will consolidate.

Daniel Konstantinovic:

So a lot of major streaming services have set deadlines for the end of 2023 or 2024 to reach profitability. Disney+ is one of these, Peacock, NBCUniversal streaming service. So there are important financial deadlines coming up for a lot of these companies, and the number of streaming competitors has really grown significantly in the last several years. Subscriber growth has slowed outside of practices like password sharing crackdowns to get new people who were sharing accounts onto streaming services.

So these deadlines, the high cost of streaming and slower growth I think is going to lead to, I'm going to throw a shot out there, at least one major acquisition of another media company or streaming service in 2024. And there are already signs that it's playing out, but I'm going to leave that for round two.



Marcus Johnson:

Cliffhanger. Well played sir. Well played.

Ross Benes:

Nice teaser.

Daniel Konstantinovic:

Thank you. Thank you.

Marcus Johnson:

That was very good. After helping your opponent in round one, you brought it back. That was a strong finish.

Daniel Konstantinovic:

It's because I had that ace.

Marcus Johnson:

Let's move to round two. It's the how it will technically play out challenge where our chefs will explain in more detail how they expect the trend to play out in 2024. We circle back to Ross talking about Amazon becoming the second most important company in streaming advertising. How does this unfold?

Ross Benes:

Well, it begins with them injecting ads into Prime Video, which is going to happen later this month. But they're also becoming more active with sports rights. They've already have the NFL Thursday night games and stuff, Yankee games. They're looking to add more.

They're extending their tentacles into local advertising as well. They have been rumored to be purchasing some of these Sinclair regional sports networks that have gone bankrupt. That'd be a little bit of a loss-leader, but it'd give them a relationship with some of these local and regional advertisers that they haven't had as much contact with before.

And eventually I believe they will consolidate all the inventory they have across Freevee and their Fire operating system and all the stuff they have with on-demand and live sports in Prime Video to have one big pool of inventory that's going to have advanced tech that they can do

data-driven things against it and it's Amazon who has more retail data than them. So advertisers are going to be excited about the capabilities of everything they're building out.

Jeremy Goldman:

Yeah. One thing I just kind of almost to add on to Ross's point, again, I feel like strengthening it is, it's almost like are we even underestimating the ability of Amazon to leapfrog Netflix, at least in terms of efficacy of their advertising given all of the retail data that they're sitting on.

Ross Benes:

In terms of advertising, I think they will leapfrog Netflix not as an overall streaming service. Netflix's primary value isn't in the advertising, but on the ad side, yeah, I think your point's right.

Marcus Johnson:

In terms of size, they're already a giant, right? Amazon Prime Video, second most viewers in America behind only Netflix according to our forecasting team. We're talking viewers, not subscribers. 157 million. That's just 10 million shy of Netflix in the US, but it's 30 million ahead of third place Hulu, 45 million more than Disney+, and it's twice as big in terms of viewers as fifth place of Max. So it doesn't have too far to go to catch them.

Danny, do you also agree with Amazon becoming the second most important company in streaming advertising or is there some kind of hurdle or stumbling block that might slow them down a bit?

Daniel Konstantinovic:

Well, I'm torn between my opinion as an analyst and my opinion as a competitor in the Bake Off. As an analyst, I think, yeah, I think Amazon is really set up to make a big ascension into-

Marcus Johnson:

Throw that take out. Chef's hat on.

Daniel Konstantinovic:

Yeah, a chef's hat on. Oh, Amazon is going to go bankrupt. They're doing-

Marcus Johnson:

Gone too far.

Daniel Konstantinovic:

They've gone too far the other way. The Handmaid's Tale has gotten out of control. It's not as good as it used to be.

Ross Benes:

That's a Hulu show.

Daniel Konstantinovic:

And who cares ... Oh, that is a Hulu show. Shoot.

Marcus Johnson:

You're all over the place, Danny.

Daniel Konstantinovic:

Oh no. And no one cares about football anyway. Who likes football? I don't.

Marcus Johnson:

Well played.

Daniel Konstantinovic:

Thank you. Thank you.

Marcus Johnson:

Seriously, really quick Ross, any hurdles here for Amazon or are they just going to steamroll?

Ross Benes:

Well as I said the number one company to be clear is Google with all the ad tech they have and with YouTube. So if you're wondering who I'm saying is number one. Amazon isn't at that point yet. Disney is still ahead of them. Roku is still ahead of them. I think they're going to surpass Roku this year and then Disney and their holdings eventually.

As far as a hurdle, I mean some consumer revolt from the injection of all the advertising. Maybe they find out they're not making as much money on some of the sports as the media

rights demand. So who knows if they'll hold onto them long-term. It's a nice way to drop people into this service, but do you want to do Thursday night football for 10 years? Who knows?

Daniel Konstantinovic:

Do you think there's a chance they might not hold on to Thursday night football for ...

Ross Benes:

I mean they'll have it for the next few years, for sure. That contract wasn't a one-year deal. But every time these media rights come up for negotiation, the companies that had them are always hesitant to re-sign. Look at DirecTV and the NFL Sunday package because it's just so much money you have to pour upfront that it's not always worth it.

Right now it isn't their case to bring people into and bring advertisers into Prime Video, but if they're a more mature company in the future, they're more concerned about profit over expenses, who knows? Maybe they'll let someone else take some Yankee games or Thursday night football, but that's way down the road.

Jeremy Goldman:

It is also, by the way, worth noting I feel like on the Amazon side that Bank of America has some analysis that their push into this could boost their video advertising revenue by as much as 5 billion, right? So I feel like they are obviously going to value the consumer experience in relation to how much more they're going to be able to generate out of this at the end of the day.

Marcus Johnson:

Yeah.

Ross Benes:

We will have to see if one other hurdle, I didn't think of it until Jeremy brought it up, if injecting all these ads makes people spend less time with the platform. That's something you got to ... The time spent has been largely ad-free. You inject ads, do you watch a little less Prime Video? I mean we'll find out in the year.

Marcus Johnson:

Next up is Jeremy talking about more creators and brands embracing AI to create videos. How does this play out Jeremy?

Jeremy Goldman:

So the way that this plays out is simply put, you have a lot of people who initially play around with certain tools like ChatGPT. And what we see with a lot of technology adoption is the first thing that you do is not necessarily the perfect use of any particular technology. I've seen a lot of experimentation with marketers moving to flesh out scripts, moving more towards ideation, which is going to allow them to create videos faster. So there's one element of, if you will, like the text generation tools speeding up the video creation.

Then the other facet of this is that generative AI tied specifically to the creation of video, not necessarily for the entire video, but perhaps B-roll cutaway stuff, that's getting a lot better and the quality will be a little bit higher because everybody will have to up their game because there will be a lot of other quality content out there. That's the hope, at least.

Ross Benes:

With the script part that you mentioned, do you foresee copywriters protesting this the way that writers did during the strikes with film and television when AI potentially being used?

Jeremy Goldman:

It's a great question. I definitely think that there is going to be a lot of that uproar, but I think that the smarter among that class are going to be the ones who realize that they become a little bit of the prompt engineers and the people who edit it. I mean everything that you get out of AI without a human touching it is not great. But can you get to great faster if you are let's say a content creator that is ideating and developing a bunch of scripts simultaneously so that you increase your production? That type of stuff is definitely possible and the smarter creators and copywriters are going to be the ones that embrace it but also acknowledge that AI cannot do it alone.

Marcus Johnson:

I do wonder if there's going to be some consumer pushback here. We talked about the AI folks Jacob and Gajo about AI watermarks and having something that says this was created, this was written, this was produced, whatever by AI. And I do wonder if when you're watching a video, will people want to know that AI was infused into the process.

Jeremy Goldman:

In the short-term yes, in the long-term no.

Daniel Konstantinovic:

Yeah, I'm not sure about the effectiveness of AI watermarks to be honest. I think if you are someone trying to create a lot of content for a platform for the sake of generating ad revenue, it's not necessarily in your interest to disclose that you're using AI to pump out as much of this as possible because it could be viewed as a mark of lower quality. And I think to Ross' point, the pushback against AI is already happening. We have several really major lawsuits against AI companies for copyright theft.

Marcus Johnson:

Yeah.

All right folks. Danny, you're up last for round two. Streaming services will consolidate. Tell us a bit more about this.

Daniel Konstantinovic:

So I think we're already seeing signs that streaming services are trying to work together in some ways instead of just being at constant odds with each other. At the end of last year, we had some major bundles start to come out on the market.

Netflix and Max are offering a bundle through Verizon. The benefit of doing these sort of phone deals or discounted streaming bundles through your phone deal is that they reduce churn because a phone line is something that is not very likely to be canceled out of the blue. And there was another one that, I'm sorry I'm forgetting off the top of my head.

Marcus Johnson:

Is it Paramount?

Daniel Konstantinovic:

Paramount merged its own brand SHOWTIME into one. So now it's Paramount+ with SHOWTIME. So rather than have these two separate brands or kind of folded under one umbrella, which you could say makes it perhaps a more appealing asset for acquisition question? I wonder if Ross and Jeremy will push back on that. I welcome it.

But I think there are some roadblocks that they will have to overcome. It's a high interest rate environment still, which means acquisitions are happening at kind of a slower rate than they were in 2022 or earlier. And companies like Netflix have had some pretty notable cashflow problems and are probably not looking to make a major multi-billion dollar acquisition. We talked about that a little bit with what Ross said about sports rights being so expensive.

But I think that if these streaming services want to reduce churn, they want to keep subscriber growth strong, I think working together on these deals and packaging each other's content into one place is something that would be beneficial to them, right? If you can have one company's hub on another service that is appealing, then I don't have to leave the one place that I'm at in order to watch things that I want to watch.

Ross Benes:

But with that hub, does that company want to give up 30% of their revenue to someone like Amazon, or Google, or Apple? So it's a trade-off.

Daniel Konstantinovic:

That is definitely a trade-off. You'd be seeding a lot of eyeballs and time spent on your platform to do that. So I think the companies that will do that are maybe those who are having a rough go of it already.

And there was a story just right before the new year that David Zaslav CEO of Warner Bros. Discovery was in discussions to merge with Paramount. Now I'm going to knock against my own point here. I don't think this is going to happen.

Marcus Johnson:

Good God, Danny. It's not going well.

Daniel Konstantinovic:

I don't think this is a real merger. I don't think Warner Bros. Discovery will acquire Paramount because they already have so much debt. I don't think they want to take out even more leverage. But even if this was just a negotiating position, I think it shows that there is some interest at that level of an acquisition and bringing another major studio or streaming service into the fold of an existing large one.

Marcus Johnson:

Very nice. All right gents, we move to round three, time for the show-stopping arguments. Our chefs will pull out their best closing arguments as to why their trend is most likely to happen. Quick 10-second takes here, gents. We start with Ross and Amazon becoming the second most important company in streaming advertising.

Ross Benes:

Well, Amazon has the resources, they're committed to advertising, they have advanced tech and they're widening their customer base. So who else is better to challenge Google in this transition to streaming than Amazon?

Marcus Johnson:

Mic drop. Jeremy.

Jeremy Goldman:

Ultimately you have more and more marketers that have some optimistic budgets. They are clearly investing in AI. And more and more we see what do consumers want? Video. So if you have that AI budget, you're going to be turning it towards video and that's ultimately why my trend is going to be supreme in 2024.

Marcus Johnson:

Danny.

Daniel Konstantinovic:

Well I may not have a lot of data, but I have vibes and the vibe is that there's going, which is just as good as data, right, to any analyst.

Marcus Johnson:

Is it?

Daniel Konstantinovic:

We've got to cut that out for sure.

Ross Benes:

We've got to give that to our salespeople that they got to be selling on vibes rather than data.



Daniel Konstantinovic:

Look at that one sheet, our 2024 vibes product.

Marcus Johnson:

Please don't. Please don't. Look out for it.

Daniel Konstantinovic:

Well, I think that this is a really big make or break year for a lot of streaming services. There are, like I said earlier, big deadlines coming up for turning around spending and increasing revenues that are coming in. And if certain streaming services can't right the ship, there is going to be a lot of incentive for them to piggyback off of the larger ones that are.

Marcus Johnson:

All right folks. That's all we've got time for for today's episode. We have to crown a star taker or baker, and this episode it is Ross is today's winner. Congratulations to Ross. Danny tried to self-sabotage and help his colleagues win throughout the entire episode. Jeremy's trend I think will make a bigger splash in 2025, but we shall see. It's a good take though. So Ross is today's winner with his take of Amazon beginning its ascension to become the second most important company in streaming advertising.

Ross Benes:

Well, do I get a cupcake or something since this is a Bake Off? Do I get a baked good since I won?

Jeremy Goldman:

That's a really good question.

Daniel Konstantinovic:

Marcus will then-

Jeremy Goldman:

He'll then know you afterwards.

Marcus Johnson:

No he won't.

Jeremy Goldman:

No he won't.

Ross Benes:

I'll put his personal account.

Marcus Johnson:

No. No, no.

Ross Benes:

Like a little pastry.

Marcus Johnson:

I will probably not do that. We haven't really thought through what the prize was. No one else really asked for one Ross, to be honest. They were just happy to have won.

Ross Benes:

I wasn't expecting it, so I had to take what I could get when it happened.

Marcus Johnson:

But very nice, folks. Thank you so much for being on today's episode. Thank you so much to Victoria who edits the show. Thanks to the rest of the podcast crew, James, Stuart and Sophie. Thanks to everyone for listening in to the Behind the Numbers Daily, an e-Marketer podcast. Tomorrow you can hang out with Sara Lebow on the Reimagining Retail show where she'll speak with Susie David Canyon, all about NRF 2024 and lessons for the coming year.