

Top 10 Tech Trends in Media in 2022 (Part II)

We are back with Part II of our *Top 10 Tech Trends in Media in 2022*. Previously on [Part I](#), technology took center stage, with the metaverse, NFTs and video games in leading roles, along with surprise guest, monopsony. We previewed that OTT and FAST were up next but in our next big story arc it is content that reigns supreme! Here are numbers 5, 6 and 7 on our list.

5. ***OTT is here to stay***. The year 2021 was when [OTT](#) proved it is here to stay. Not only did the pandemic bring out the inner couch potato in all of us but also it prompted an explosion of [streaming TV](#) options. Now that OTT is longer a novelty, the competition for viewers has gotten fierce, and [OTT providers](#) are busy marketing a variety of offerings to consumers, touting content, technology, and price, or all of the above.

In case you were too embarrassed to ask, [OTT](#) stands for over-the-top and historically originated from the notion that cable television networks could make their channels available over the top of "facilities-based" systems by streaming their channels directly via the internet -- no proprietary set-top box or expensive cable or satellite TV subscription required. While 2021 might have [cemented OTT](#) as legitimate TV, no doubt 2022 will be when OTT grows up. With differentiated tiers, genres, packages and bundles, OTT is already maturing, ironically mirroring the structure of the traditional television package. Put simply, at least four [OTT models](#) have already emerged: totally free with no subscription/heavily [ad-supported](#); pretty cheap subscription/somewhat ad-supported; reasonably priced [subscription](#)/commercial-free; and premium subscription/commercial-free.

The OTT frenzy is also revving up the content side of the industry, with OTT distributors paying [big dollars](#) to make the right mix of TV, film, and digital content available through their platforms. When [Quibi](#) failed, Roku was there to buy a catalog of unproven short form video for less than \$100 million. When [MGM](#), one of the most storied Hollywood studios on earth, went on the block, Amazon swooped in, paying \$8.45 billion for exclusive rights to crown jewels such as the James Bond franchise. OTT distributors saw how franchises like [Yellowstone](#) could bump up subscriptions, raising the importance of investing in their own [original programming](#).

The OTT explosion presents at least two challenges to widespread OTT adoption: [subscription fatigue](#) and [content discovery](#). Consumers have an appetite to manage only [so many subscriptions](#), with all the user names, passwords, and in some cases, devices and payments involved. Competition for those limited subscription dollars will undoubtedly intensify in 2022. With so many choices for consumers, getting discovered becomes more important just as getting in front of the right audience at the right time with the right message becomes more difficult. OTT distributors do have a leg up on their traditional facilities-based competitors, namely, direct-to-consumer access to viewership data that programmers were rarely privy to in their legacy MVPD (multichannel video programming distributor) deals.

6. ***Content is still king***. The original hypothesis still stands but the equation has surely become more complicated. Valuations of pure play content companies like Reese Witherspoon's [Hello Sunshine](#) production company soared in 2022, in that case to the tune of \$900 million. An infrequent player in the entertainment industry, the [Blackstone Group](#) went big into content, backing [Candle Media](#), a "[next generation media company](#)" helmed by a former Disney executive (and TikTok CEO). The monetization strategy boils down to selling and licensing all this great content to all those [hungry streaming services](#).

Notwithstanding the short run-up when [AMC](#) became the latest meme stock (which was a whole other thing), movie theaters did not rebound as quickly or as fully as other event venues did in 2021. Amid the shuttering of about 630 [movie theaters](#) across the country, the movie industry still managed to smash a few [box office records](#). Buoyed by box office hits like Spider-Man: No Way Home, Sony Pictures doubled down on its "[strategy of creating content as an independent studio while working with various partners](#)". With a growing crop of video streaming services (not to mention new metaverse and gaming environments), all signs are pointing to a go-go seller's market in 2022 for independent and mega studios alike.

7. [What's old is newly packaged and FAST](#). Chalk it up to GenZ's obsession with nostalgia but library content, like [old reruns](#) from years or even decades ago, became a thing in 2021. With a generation of viewers looking to binge their way through [TV's most iconic shows](#), exclusive library content has become perhaps more valuable than ever.

Now enter free ad-supported streaming television ([FAST](#)). FAST promises free, advertising-supported, always-on linear channels (and on-demand programming), streamed to any internet-connected device, with no special subscription or equipment required. [FAST](#) adoption will no doubt continue in 2022 as more equipment manufacturers embed FAST directly into their [connected TVs](#) and streaming devices.

Library content drove a spate of megadeal activity not just for those in film and TV, but also for the music industry. [Bruce Springsteen](#) and [Bob Dylan](#) made for interesting news when these legendary artists sold their massive song catalogs for hundreds of millions of dollars. Major music companies, private equity firms, and other players are investing [billions](#) in the hopes of a [royalties bonanza](#). Faced with a unique opportunity to leverage the value of their [iconic recordings](#) across video streaming, music streaming, video games and social media, at least some of these artists are looking to monetize their music at scale.

That's a wrap for Part II of our *Top 10 Tech Trends in Media for 2022*. Playing catch up?—[check out Part I](#). Be sure to tune in for our final episode of *Top 10 Tech Trends in Media for 2022*. In Part III, we will get into podcasts and holograms and ... wait for it ... live and in person! For more about emerging technologies across digital media and many other industries, download our full [2022 Emerging Technology Trends Report](#). Join the conversation and [subscribe now](#)! Follow us on social media @PerkinsCoieLLP, and if you have any questions or comments, contact us here. Learn more about our Digital Media & Entertainment, Gaming & Sports industry group [here](#), and check out our podcast: [Innovation Unlocked: The Future of Entertainment](#)

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