

Navigating Resilience

Key Insights for the Media & Entertainment C-suite

The current situation for Media & Entertainment companies

The Media & Entertainment industry is navigating a new era of geo-economic fragmentation, from tariffs and tech sovereignty to shifting trade alliances. While direct exposure to tariffs is limited, the sector faces significant disruption through inflation, changing consumer behavior, and ad spend volatility. The focus now must shift from reaction to reinvention.

\$45B

ad spending drop expected in an economic downturn, with \$12B of that from TV

10-30%+

projected increase in gaming console prices due to tariff exposure and supply chain shifts

0.8-3.0%

expected increase in US inflation under new scenarios

\$2,200-\$4,900

potential annual cost increase per US household

Sources: Accenture strategy research

Top CEO concerns

Physical media squeeze – Tariff-driven disruption of overseas manufacturing and logistics could affect over \$150B in merchandise and physical music sales. Licensing revenues, fan engagement, and product-driven revenue spikes, especially tied to film/TV releases, are all at risk from delays and rising costs.

Gaming generation at risk – Rising console costs and production delays will squeeze margins and disrupt title launch cycles. Hardware-reliant monetization models face growing volatility in demand and forecasting.

Experience economy headwinds – Parks, concerts, and large-scale live events face rising costs and traffic declines. Price-sensitive consumers are shifting to more affordable experiences, leading to margin pressure and delayed expansion plans.

Advertising market chill – Ad budgets might tighten due to inflation and rising input costs. Marketers are reducing brand spend and shifting to performance-based channels, putting pressure on streaming platforms reliant on brand advertising.

Content consumption shifts – As economic anxiety rises, consumers are leaning into in-home entertainment while cutting back on subscriptions. AVOD and hybrid offerings are gaining traction, while cord-cutting and churn continue to climb for less differentiated platforms.

What makes a resilient enterprise?

Resiliency will be the key differentiator for companies navigating today's uncertain economic and policy environment. It spans commercial, operational, technological, and people functions—and starts with scenario planning to build enterprise and financial flexibility.

Technology Resilience:

Architect to Run

Accelerate cloud-native architectures, evaluate software-defined solutions, and prioritize strategy-aligned product development.

People Resilience:

Attract to Belong

Invest in upskilling programs, maintain transparent communications, and evaluate lean operating models.

Operational Resilience:

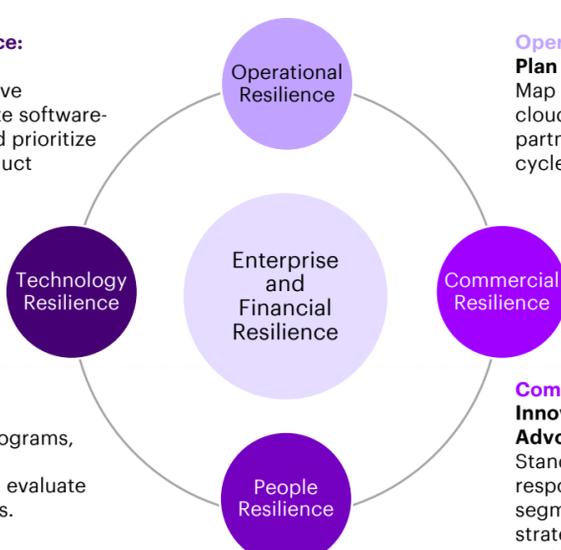
Plan to Deliver

Map value chains, fast-track cloud migration, strengthen partnerships, and replan CAPEX cycles.

Commercial Resilience:

Innovate to Scale, Engage to Advocate

Stand up agile commercial response teams, use data for segmentation and pricing strategy, and track market positioning



Resilience for competitive advantage today and tomorrow

Resilience across these dimensions is the key to responding to the uncertain economic and policy environment ahead. Consider no regret moves that will yield value regardless of how the tariff environment evolves.

What to do Now

What to do Next

Enterprise & Financial Resilience

Implement regular scenario planning to support financial and strategic decision-making and financial flexibility

Continuously assess financial viability and margin profile, and evaluate M&A opportunities to enhance flexibility

Operational Resilience

Map value chains, assess impacts, and fast-track migration to cloud and IP-based infrastructure

Strengthen key partnerships across ecosystems and prepare to re-plan CAPEX cycles for existing assets

Commercial Resilience

Implement an agile and rapid response team informed with real-time data to support commercial decision making

Use data analytics for audience segmentation and price elasticity; prepare for tailored bundling, advertising and offering plans

People Resilience

Invest in upskilling programs and maintain transparent communications

Evaluate 'lean' operating models and org design with an eye to driving cost efficiencies and operational effectiveness

Technology Resilience

Accelerate the adoption of cloud-native architectures for streaming, data analytics, and content management

Evaluate software-defined solutions and prioritize product development at the enterprise level

To learn more about how to turn resilience into a competitive edge visit:

<https://www.accenture.com/us-en/insights/strategy/navigating-new-tariff-landscape-economic-impact>

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